

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**AT JUNE 30, 2007**

**PRESENTED IN COMPARATIVE FORMAT**



**PAMPA HOLDING S.A.**

**UNAUDITED FINANCIAL STATEMENTS  
AT JUNE 30, 2007  
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Limited Review Report

# PAMPA HOLDING S.A.

## Financial Statements as of June 30, 2007

For the six-month period commenced on January 1, 2007

Presented in comparative format

Company's domicile: Hipólito Bouchard 547, Piso 26º – Autonomous City of Buenos Aires

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.

Dates of registration with the Public Registry of Commerce:

– By-laws: February 21, 1945

– Latest amendments to By-laws: September 5, 2006

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

Type of shares	CAPITAL STATUS (Note 5 to the Unaudited 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	1,046,000,000	1, 046,000,000	1, 046,000,000

## PAMPA HOLDING S.A.

### Consolidated Balance Sheets as of June 30, 2007 (unaudited) and December 31, 2006

Amounts in pesos – Note 2.3 to the Unaudited parent-only Financial Statements

	06.30.07	12.31.06		06.30.07	12.31.06
<b><u>ASSETS</u></b>			<b><u>LIABILITIES</u></b>		
<b><u>CURRENT ASSETS</u></b>			<b><u>CURRENT LIABILITIES</u></b>		
Cash and banks	143,238,134	23,142,888	Accounts payable (Note 3 h))	96,751,929	60,622,625
Short-term investments (Note 3 a))	1,090,043,156	182,670,957	Financial debts (Note 3 j))	10,488,418	6,496,379
Trade receivables (Note 3 b))	142,349,203	78,395,136	Salaries and social security payable	11,831,622	10,276,649
Other receivables (Note 3 c))	46,295,733	28,243,461	Taxes payable (Note 3 i))	37,288,787	23,997,556
Inventories	4,731,091	3,009,120	Other debts	3,949,008	1,024,302
Other assets	43,010	43,010	<b>Total Current Liabilities</b>	<b>160,309,764</b>	<b>102,417,511</b>
<b>Total Current Assets</b>	<b>1,426,700,327</b>	<b>315,504,572</b>			
<b><u>NON-CURRENT ASSETS</u></b>			<b><u>NON-CURRENT LIABILITIES</u></b>		
Trade receivables (Note 3 b))	83,321,445	62,349,285	Accounts payable (Note 3 h))	47,475,582	50,797,686
Long-term investments	66,680	66,678	Financial debts (Note 3 j))	429,911,226	358,952,956
Other receivables (Note 3 c))	43,818,203	27,403,529	Salaries and social security payable	1,407,338	-
Inventories	24,840,454	9,329,890	Taxes payable (Note 3 i))	191,162,775	146,104,967
Fixed assets (Note 3 d))	1,192,815,778	776,298,365	Other debts (Note 3 k))	59,464,057	49,079,955
Intangible assets (Note 3 e))	321,247,414	330,661,176	<b>Total Non-current Liabilities</b>	<b>729,420,978</b>	<b>604,935,564</b>
Other assets (Note 3 f))	176,848,122	188,214,225	<b>Total Liabilities</b>	<b>889,730,742</b>	<b>707,353,075</b>
<b>Subtotal Non-current Assets</b>	<b>1,842,958,096</b>	<b>1,394,323,148</b>			
Goodwill (Note 3 g))	522,472	(11,763,365)	<b>MINORITY INTEREST</b>	532,810,427	490,710,315
<b>Total Non-current Assets</b>	<b>1,843,480,568</b>	<b>1,382,559,783</b>	<b>SHAREHOLDERS' EQUITY</b>	1,847,639,726	500,000,965
<b>Total Assets</b>	<b>3,270,180,895</b>	<b>1,698,064,355</b>	<b>Total Liabilities, Minority interest and Shareholders' Equity</b>	<b>3,270,180,895</b>	<b>1,698,064,355</b>

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

# PAMPA HOLDING S.A.

## Unaudited Consolidated Statement of Income

For the six-month period  
ended June 30, 2007

Amounts in pesos – Note 2.3 to the Unaudited parent-only Financial Statements

	<b>06.30.07</b>
Sales (Note 3.I))	341,155,539
Holding results of shares	16,871,229
Cost of sales (Note 3 m))	(239,866,775)
<b>Gross income</b>	<b>118,159,993</b>
Selling expenses (Exhibit H)	(2,445,957)
Administrative expenses (Exhibit H)	(30,506,136)
Goodwill amortization	17,396
<b>Operating income</b>	<b>85,225,296</b>
Financial and holding results	
Generated by assets:	
Interest income	33,609,168
Bank taxes and charges	(2,441,515)
Foreign currency exchange difference	12,947,893
Result of receivables measurement at present value	(4,713,740)
Holding results of securities and mutual funds	(3,933,526)
Sundry	613,858
Generated by liabilities:	
Interest on loans	(21,828,732)
Foreign currency exchange difference	(3,732,144)
Result of measurement of liabilities at present value	(4,218,885)
Result of financial debt restructuring	(1,203,682)
Sundry	(365,373)
Total financial and holding results	4,733,322
Other expenses, net	(4,683,153)
<b>Income before taxes and minority interest in subsidiaries</b>	<b>85,275,465</b>
Income tax (Note 4)	(19,651,199)
Minority interest in subsidiaries	(13,307,933)
<b>Net income for the period</b>	<b>52,316,333</b>
Basic earnings per share	0.0567
Diluted earnings per share	0.0527

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

# PAMPA HOLDING S.A.

## Unaudited Consolidated Statement of Cash Flows

For the six-month period

ended June 30, 2007

Amounts in pesos – Note 2.3 to the Unaudited parent-only Financial Statements

	<b>06.30.07</b>
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>	
Cash and cash equivalents at the beginning of year	77,555,254
Cash and cash equivalents at the end of period	1,163,675,837
Net increase in cash and cash equivalents	1,086,120,583
<b>REASONS FOR CHANGES IN CASH</b>	
<b>OPERATING ACTIVITIES</b>	
Net income for the period	52,316,333
Income tax	19,651,199
Accrued interest	15,998,513
<b>Adjustments to arrive at the net cash flows provided by operating activities:</b>	
Depreciation of fixed assets	21,947,582
Amortization of intangible assets and concession contracts	9,413,762
Depreciation of other assets	11,366,103
Goodwill amortization	(17,396)
Reserve for Directors' options	5,883,335
Foreign currency exchange difference and other holding results	10,749,103
Holding result of short-term investments	(14,904,548)
Minority interest in subsidiaries	13,307,933
Result for sale of fixed assets	2,722,732
<b>Changes in operating assets and liabilities</b>	
Increase in trade receivables	(55,134,071)
Increase in other receivables	(28,552,955)
Increase in inventories	(11,908,888)
Increase in accounts payable	6,458,157
Decrease in salaries and social security payable	(128,046)
Increase in taxes payable	13,972,241
Decrease in other debts	(198,065)
Collection of Interest	1,448,463
Payment of interest	(1,672,635)
Payment of participation bonds to the staff	(73,170)
Income tax payment	(12,456,273)
<b>Net cash flow provided for operating activities</b>	60,189,409
<b>INVESTMENT ACTIVITIES</b>	
Increase in investments not equivalent to cash	(3,907,933)
Fixed asset acquisitions	(283,532,578)
Net variation for investment addition	849,768
Investment transfer - cash equivalent	77,465,619
Collection from the sale of fixed assets	209,615
<b>Net cash flow used in investment activities</b>	(208,915,509)
<b>FINANCING ACTIVITIES</b>	
Capital increase	1,289,439,093
Payment of dividends	(162,900)
Decrease in bank and financial debt	(54,429,510)
<b>Net cash flow provided by financing activities</b>	1,234,846,683
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,086,120,583

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

## PAMPA HOLDING S.A.

### Notes to the unaudited consolidated financial statements

At June 30, 2007 and December 31, 2006

Amounts in pesos – Note 2.3 to the unaudited parent-only Financial Statements

#### **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 Commercial Companies Law No. 19550 and professional standards. Consequently, for the purpose of their correct interpretation, these 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

The consolidated financial statements of Pampa Holding S.A. ("the Company") include Transelec Argentina S.A. ("Transelec"), Inversora Nihuales S.A. ("Inversora Nihuales") and Inversora Diamante S.A. ("Inversora Diamante"), Dilurey S.A. ("Dilurey") and Pampa Energía S.A. ("Pampa Energy") according to the line by line consolidation method established by Technical Resolution No. 21 of the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE").

Data reflecting corporate control is as follows:

	Percentage of interest held in capital stock and possible voting rights
Company	<b>06.30.07</b>
Transelec	89.76 (*)
Inversora Nihuales	90.27
Inversora Diamante	91.00
Dilurey	100.00
Pampa Energía	99.99

(\*) See Note 8 to the unaudited 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 Inversora Nihuales and Inversora Diamante are consolidated line by line to those of Hidroeléctrica Nihuales S.A. (Hidroeléctrica Nihuales) and Hidroeléctrica Diamante S.A. (Hidroeléctrica Diamante), 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 unaudited consolidated financial statements (Contd.)**

#### **NOTE 1:** (Contd.)

The financial statements of Powerco S.A. are consolidated line by line with those of Central Térmica Güemes ("CTG"), given the holding of 60% of the shares in this company.

The financial statements of the subsidiaries used for consolidation purposes were prepared at the same closing date as that of the consolidated financial statements, covering the same periods, and 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 unaudited parent-only financial statements.

#### **NOTE 2:** **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.

On May 17, 2005 Minutes of Agreement were signed with the Renegotiation and Analysis of Utility Services Contracts Unit ("UNIREN"), including the terms and conditions to adjust the Concession Contract, which were ratified by Decrees Nos. 1460/05 and 1462/05 of the Executive Branch on November 28, 2005.

Transener and Transba S.A. submitted their tariff proposals, which should have become effective for the periods February 2006 and May 2006, 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.

However, since January 2006 the ENRE continues with the suspension of the hearing ordered by Resolution No. 60/06 of the ENRE to discuss the tariff proposals submitted under the framework of the Comprehensive Tariff Review.

Because it considered that such Resolution 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 that Resolution, which has not yet been resolved by the authorities of the Secretariat of Energy.



## **PAMPA HOLDING S.A.**

### **Notes to the unaudited consolidated financial statements (Contd.)**

**NOTE 2:** (Contd.)

As the ENRE postponed the Comprehensive Tariff Review unilaterally, Resolution No. 423/2006 was issued delaying the charges for connection, capacity and electricity transported established by Resolution No. 908/2005 of the ENRE and other obligations established for the contract transition period in the Agreement Minutes, as from February 1, 2006 until the Comprehensive Tariff Review has been concluded.

Lastly, as a result of the increase in labor costs arising from the application of Decree No. 392/04 of the Executive Branch and subsequent decrees, which have been translated into higher operating costs as from 2004, the corresponding claims have been filed with the ENRE to proceed to readjust remuneration in accordance with the clauses established in the Agreement Minutes. No answer has yet been received from the ENRE in relation to those claims.

On December 26, 2006 Transener made a submission to the ENRE stating the need to cure the breach of the commitments undertaken under the Minutes of Agreement. The Company stated that it is willing to continue with the RTI process during 2007, so that the new regime arising therefrom comes into force as from February 1, 2008, date until which the other commitments undertaken by the Parties to the Minutes of Agreement will continue to be in force. All this, as long as the new scheme is approved by a decree to be issued by the National Executive Branch, as indicated by the Secretary of Energy in SE Note No. 1521, and as long as the exact impact of the increases in salaries and operating expenses already implemented and to be implemented in the future are recognized, pursuant to the provisions of articles 4.2 and 11.1 of the Minutes of Agreement.

Furthermore, on December 28, 2006 Transba submitted to the ENRE a note similar to that of Transener, adapted –as regards the terms and investments to be made- to the provisions of the Minutes of Agreement.

On April 9, 2007, Transener made a new presentation before the ENRE invoking non-fulfillment by that agency of the commitments established by the Minutes of Agreement and the serious situation resulting from that non-fulfillment. Furthermore, the company again requested the ENRE to regularize the RTI process immediately and to issue the administrative acts recognizing the passing on to the rate of the increases in costs that took place after the execution of the Minutes of Agreement.

Transba submitted to the ENRE a note similar to that of Transener on April 11, 2007.

On June 29, 2007, the ENRE formally requested Transener and Transba to submit their requests for rate increases, as established in the respective Minutes of Agreement and article 45 and related provisions of Law 24065. At the date of issue of these financial statements, the two companies are working on their respective technical, regulatory, economic and legal analyses and expect to formalize these presentations before the ENRE by next August.

## **PAMPA HOLDING S.A.**

### **Notes to the unaudited consolidated financial statements (Contd.)**

**NOTE 2:** (Contd.)

#### **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, Hidroeléctrica Nihuales and Hidroeléctrica Diamante 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 Hidroeléctrica Nihuales and Hidroeléctrica Diamante. At June 30, 2007, the consolidated receivables amount in nominal terms to \$ 151,485,059.

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. On December 6, 2004, the Energy Secretariat adopted Resolution No. 1427 establishing general guidelines based on which the expansion envisaged in Resolution No. 826 will be carried out.

## **PAMPA HOLDING S.A.**

### **Notes to the unaudited consolidated financial statements (Contd.)**

**NOTE 2:** (Contd.)

On February 2, 2005, the Energy Secretariat issued Resolution No. 49, whereby payment of a portion of the consolidated debt for those adhering to the call established by Resolution No. 1427/04 was approved, paying the debt arising in 2003 in twenty-four monthly installments as from March 2005. Hidroeléctrica Nihuiles and Hidroeléctrica Diamante 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 established 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 the subsidiaries). Those receivables 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 accrues 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. On December 15, 2005, Hidroeléctrica Nihuiles and Hidroeléctrica Diamante 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 incorporation of the companies, 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 Banco de Inversión y Comercio Exterior ("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.

On October 13, 2006, Hidroeléctrica Nihuiles and Hidroeléctrica Diamante signed a guarantee assignment contract, whereby 50% of all rights conferred by the LVFVD on each Trust will be granted to the trustee for the benefit of each Trust to guarantee the power plants' commitments under the management contracts entered into with the Trustee.

**PAMPA HOLDING S.A.**

**Notes to the unaudited consolidated financial statements (Contd.)**

**NOTE 2:** (Contd.)

As established by Resolution No. 826/04, the receivables contributed to the FONINVEMEM are those recorded by the generating companies from January 1, 2004 to December 31, 2006. On May 31, 2007, the Secretariat of Energy adopted resolution 564 inviting the private agents that are debtors of the MEM to increase their participation in that fund for the receivables generated in the period from January to December 2007, under the same refund methodology, changing the amount contributed to 50% of generated receivables.

**NOTE 3:** **DETAIL OF BALANCE SHEET ACCOUNTS**

**Consolidated Balance Sheets at June 30, 2007 (unaudited) and December 31, 2006**

**a) Investments**

	<u>06.30.07</u>	<u>12.31.06</u>
<b><u>Current</u></b>		
Time deposits	813,280,651	54,412,366
Investments in shares and bonds	276,762,505	128,258,591
	<u>1,090,043,156</u>	<u>182,670,957</u>

**b) Trade receivables**

<b><u>Current</u></b>		
CAMMESA	76,612,676	49,220,194
Consolidated receivables Res. 406/03 – Secretariat of Energy	25,910,259	11,090,022
Trade receivables - Wholesale Electric Market	32,748,722	10,311,905
Other	11,512,628	7,528,398
Intercompanies and related companies	429,591	658,250
Allowance for bad debts	(4,864,673)	(413,633)
	<u>142,349,203</u>	<u>78,395,136</u>
<b><u>Non-current</u></b>		
Consolidated receivables Res. 406/03 – Secretariat of Energy	125,574,800	100,116,479
CAMMESA	394,817	-
Other	64,763	232,000
Provision for trade receivables present value	(42,712,935)	(37,999,194)
	<u>83,321,445</u>	<u>62,349,285</u>

**PAMPA HOLDING S.A.**

**Notes to the unaudited consolidated financial statements (Contd.)**

**NOTE 3:** (Contd.)

**c) Other receivables**

	<b>06.30.07</b>	<b>12.31.06</b>
	\$	\$
<b>Current</b>		
Directors and syndics' fee advances	1,305,316	602,081
Legal attachments	6,787,307	5,763,429
Guarantee deposits	4,560,226	5,578,412
Expenses to be recovered	-	1,353,651
Intercompanies and related companies	192,493	275,922
Pre-paid expenses	2,650,523	3,758,604
Tax credits	20,999,924	5,872,451
Advances to suppliers	3,693,805	3,217,072
Sundry	6,106,139	1,821,839
	<u>46,295,733</u>	<u>28,243,461</u>
<b>Non-current</b>		
Tax credits	38,320,143	20,504,966
Equity interest program for the personnel	5,449,560	5,612,419
Deferred income tax credit	-	1,166,434
Sundry	48,500	119,710
	<u>43,818,203</u>	<u>27,403,529</u>

**d) Fixed assets**

<b>Main account</b>	<b>Original values</b>	<b>Accumulated depreciation</b>	<b>Net book value at 06.30.07</b>	<b>Net book value at 12.31.2006</b>
Land	2,782,538	-	2,782,538	894,025
Properties	78,217,488	(1,608,726)	76,608,762	24,991,060
Leasehold improvements	703,045	(13,528)	689,517	698,535
High-voltage lines	351,688,260	(8,717,834)	342,970,426	325,243,944
Electricity equipment	254,485,046	(6,954,606)	247,530,440	251,385,916
Aerial and semi-heavy equipment	6,629,880	(171,733)	6,458,147	3,713,080
Laboratory and maintenance	2,022,002	(87,792)	1,934,210	1,833,309
Turbines	186,662,029	(2,051,893)	184,610,136	-
Boilers	54,587,447	(1,489,646)	53,097,801	-
Automation of plants	9,088,099	(495,975)	8,592,124	8,836,538
Remote control systems	1,539,711	(77,969)	1,461,742	1,452,751
Multi-year maintenance	7,297,665	(916,099)	6,381,566	-
Transformers	7,140,272	(259,466)	6,880,806	896,869
Installations	274,979	(40,274)	234,705	187,407
Vehicles	8,264,469	(1,064,701)	7,199,768	6,251,274
Furniture and fixtures	1,503,852	(213,358)	1,290,494	1,120,873
Computer and software equipment	2,531,884	(770,922)	1,760,962	1,472,085
Telecommunication equipments	28,733,478	(1,589,808)	27,143,670	28,120,946
Spare parts	32,762,681	-	32,762,681	36,295,791
Tools and machines	2,411,099	(162,394)	2,248,705	2,083,518
Work in progress	76,096,175	-	76,096,175	68,222,307
Work and compulsory work performed	7,640,684	(420,530)	7,220,154	7,500,164
Sundry	7,374,356	(1,148,026)	6,226,330	3,393,819
Advances to suppliers	90,633,919	-	90,633,919	1,704,154
Total at 06.30.07	<u>1,221,071,058</u>	<u>(28,255,280)</u>	<u>1,192,815,778</u>	<u>-</u>
Total at 12.31.06	<u>784,415,375</u>	<u>(8,117,010)</u>	<u>-</u>	<u>776,298,365</u>

**PAMPA HOLDING S.A.**  
**Notes to the unaudited consolidated financial statements (Contd.)**

**NOTE 3:** (Contd.)

**e) Intangible Assets**

Main account	Original values	Accumulated depreciation	Net book value at 06.30.2007	Net book value at 12.31.2006
Concession contract	335,368,057	(14,120,643)	321,247,414	330,661,176
Total at 06.30.2007	335,368,057	(14,120,643)	321,247,414	
Total at 12.31.2006	335,368,057	(4,706,881)		330,661,176

**f) Other Assets – Non-current**

Main account	Original values	Accumulated depreciation	Net book value at 06.30.2007	Net book value at 12.31.2006
Cuarta Línea Project	173,072,967	(15,792,302)	157,280,665	167,808,866
Exchange difference capitalization	13,825,384	(1,256,853)	12,568,531	13,406,433
Frigorífico La Pampa Building	6,998,926	-	6,998,926	6,998,926
Total at 06.30.2007	193,897,277	(17,049,155)	176,848,122	
Total at 12.31.2006	193,897,277	(5,683,052)	-	188,214,225

**g) Goodwill**

Main account	Original values	Accumulated depreciation	Net book value at 30.06.2007	Net book value at 31.12.2006
Goodwill – Transelec (1)	(15,202,482)	865,257	(14,337,225)	(21,735,914)
Goodwill – INNISA (2)	(745,689)	31,984	(713,705)	(735,036)
Goodwill – INDISA (2)	10,859,826	(455,659)	10,404,167	10,707,585
Goodwill – Dilurey (3)	4,732,712	(137,316)	4,595,396	-
Goodwill – Powerco (3)	590,987	(17,148)	573,839	-
Total at 06.30.2007	235,354	287,118	522,472	
Total at 12.31.2006	(12,033,087)	269,722		(11,763,365)

(1) Useful life has been estimated at 21 years based on the average weighted remaining useful life of the subsidiaries' assets subject to depreciation.

(2) Useful lives have been estimated at 17 years based on the remaining useful life of the concession contracts of HINISA and HIDISA, subsidiaries of INNISA and INDISA, respectively.

(3) Useful life has been estimated at 17 years based on the average weighted remaining useful life of the assets subject to depreciation of CTG, subsidiary of Dilurey and Powerco.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited consolidated financial statements (Contd.)**

**NOTE 3:** (Contd.)

	<b>06.30.07</b>	<b>12.31.06</b>
<b>h) Accounts payable</b>		
<b><u>Current</u></b>		
Suppliers	49,867,550	20,499,865
Provisions	20,777,478	17,603,856
CAMMESA	14,010,549	8,513,210
Fees and royalties	3,076,698	5,258,526
Technical operator fees	-	1,014,195
Provision for directors and syndics fees	1,240,322	640,443
Intercompanies and related parties	396,266	656,638
Deferred income	6,963,347	6,298,231
Advances to customers	419,719	137,661
	<b>96,751,929</b>	<b>60,622,625</b>
<b><u>Non-current</u></b>		
Deferred income	3,640,405	4,060,808
Advances to customers	43,803,997	46,736,878
Sundry	31,180	-
	<b>47,475,582</b>	<b>50,797,686</b>
	<b>06.30.07</b>	<b>12.31.06</b>
<b>i) Taxes payable</b>		
<b><u>Current</u></b>		
Provision for income tax	15,855,730	23,084,000
Asset tax provision	5,612,176	261,281
Income tax withholdings and pre-payments	(7,115,653)	(15,407,355)
Provision for VAT debit	15,553,082	2,541,057
Municipal Contributions	6,762,518	6,261,011
Tax related to energy	1,205,870	-
Income tax withholdings to be deposited	(890,823)	-
Sundry	305,887	7,257,562
	<b>37,288,787</b>	<b>23,997,556</b>
<b><u>Non-current</u></b>		
Deferred tax liabilities	171,207,481	131,100,365
Tax debit on consolidated credit	19,955,294	15,004,602
	<b>191,162,775</b>	<b>146,104,967</b>
	<b>06.30.07</b>	<b>12.31.06</b>

**PAMPA HOLDING S.A.**

**Notes to the unaudited consolidated financial statements (Contd.)**

**NOTE 3:** (Contd.)

	<u>06.30.07</u>	<u>12.31.06</u>
<b>j) Financial debts</b>		
<b>Current</b>		
Financial loans	5,436,022	-
Negotiable obligations	5,076,343	6,525,659
Adjustment to financial debt at discounted value	(23,947)	(29,280)
	<u><b>10,488,418</b></u>	<u><b>6,496,379</b></u>
<b>Non-current</b>		
Financial loans	7,620,023	-
Negotiable obligations	429,770,959	367,424,767
Adjustment to financial debt at discounted value	(7,479,756)	(8,471,811)
	<u><b>429,911,226</b></u>	<u><b>358,952,956</b></u>
<b>k) Other debts</b>		
<b>Non-current</b>		
Debt for purchase of Subsidiaries	15,473,348	15,095,056
Purchase option of shares in Transelec (Note 8 to the parent-only financial statements)	40,929,640	33,984,899
Provisions	3,061,069	-
	<u><b>59,464,057</b></u>	<u><b>49,079,955</b></u>
<b>Unaudited consolidated statement of income for the six-month period ended June 30, 2007</b>		<u><b>06.30.07</b></u>
<b>l) Sales</b>		
Net electricity sales		212,198,502
Net regulated sales		55,937,408
Net Fourth Line fees		15,998,937
Other sales		57,020,692
		<u><b>341,155,539</b></u>
<b>m) Cost of sales</b>		
Purchases of energy		47,372,518
Cost of generation/transmission – (Exhibit H)		192,206,828
Cost of sales- Plots of land		287,429
		<u><b>239,866,775</b></u>



**PAMPA HOLDING S.A.**

**Notes to the unaudited consolidated financial statements (Contd.)**

**NOTE 4: INCOME TAX AND DEFERRED TAX METHOD**

The table below shows the breakdown of net consolidated deferred tax liabilities at June 30, 2007:

	<b>06.30.07</b>
Tax loss-carryforwards	113,415,258
Financial debt	(22,621,296)
Fixed assets	(170,290,980)
Investments	(9,039,267)
Trade receivables	(21,000,446)
Intangible assets	(52,330)
Other assets	(3,704,974)
Other liabilities	8,413,045
Inventories	(716,000)
Other	25,346
Subtotal	(105,571,644)
<b>Valuation Allowance of tax loss-carryforwards</b>	<b>(65,635,837)</b>
Net deferred tax liabilities	<b>(171,207,481)</b>

Below is a reconciliation between consolidated income tax charged to results for the six-month period ended June 30, 2007 and that which would result if the statutory tax rate were to be applied to the income before taxes:

	<b>06.30.07</b>
Income tax calculated at the current tax rate (35%) on the income before income tax	(29,846,413)
Permanent differences:	
Directors' options	(2,059,167)
Capital increase expenses	12,454,959
Result of foreign bond holding	485,678
Dividends collected	688,338
Tax on equity interests in companies	(812,264)
Amortization of goodwill	6,089
Other	(3,510,869)
Subtotal	(22,593,649)
Variation of the valuation allowance of tax-loss carryforwards	2,942,450
Income tax expense	(19,651,199)

## PAMPA HOLDING S.A.

### Notes to the unaudited consolidated financial statements (Contd.)

#### **NOTE 5: SEGMENT REPORTING**

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 direct equity interest in Pampa Energía, the indirect equity interests in Hidroeléctrica Nihuales, Hidroeléctrica Diamante and Central Térmica Güemes 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 June 30, 2007:

**PAMPA HOLDING S.A.**

**Notes to the consolidated financial statements (Contd.)**

**NOTE 5: SEGMENT REPORTING (Contd.)**

	<u>Transmission</u>	<u>Generation</u>	<u>Holding</u>	<u>Other</u>	<u>Deletions</u>	<u>Consolidated</u>
<b>Unaudited Consolidated Income Statement Information at 06.30.2007</b>						
Transmission sales	123,208,221	-	-	-	-	123,208,221
Generation sales	-	216,995,697	-	-	-	216,995,697
Holding result of shares	-	13,385,546	-	3,485,683	-	16,871,229
Other sales	-	-	2,749,590	429,547	(2,227,516)	951,621
Total sales	123,208,221	230,381,243	2,749,590	3,915,230	(2,227,516)	358,026,768
Cost of sales	(65,959,626)	(133,057,009)	-	(287,429)	522,075	(198,781,989)
Subtotal	57,248,595	97,324,234	2,749,590	3,627,801	(1,705,441)	159,244,779
Administrative expenses excluding depreciation and amortization	(10,829,631)	(7,266,428)	(12,028,158)	-	1,193,809	(28,930,408)
Selling expenses excluding depreciation and amortization	-	(1,653,678)	(572,070)	(664,908)	511,632	(2,379,024)
Subtotal	46,418,964	88,404,128	(9,850,638)	2,962,893	-	127,935,347
Fixed assets depreciation (1)	(14,898,360)	(7,033,104)	(16,118)	-	-	(21,947,582)
Intangible assets amortization (1)	(472)	(9,413,762)	-	-	472	(9,413,762)
Other assets amortization(1)	(11,366,103)	-	-	-	-	(11,366,103)
Amortization of goodwill (1)	-	(517,432)	17,396	-	517,432	17,396
Operating results	20,154,029	71,439,830	(9,849,360)	2,962,893	517,904	85,225,296
Financial and holding results						
Generated by assets	2,651,610	1,203,356	32,227,172	-	-	36,082,138
Generated by liabilities	(23,495,309)	(7,562,863)	-	(290,644)	-	(31,348,816)
Other income and expenses, net	329,757	(2,983,182)	(2,158,923)	129,195	-	(4,683,153)
(Loss) Income before income tax and minority interest in subsidiaries	(359,913)	62,097,141	20,218,889	2,801,444	517,904	85,275,465
Income Tax	(1,346,554)	(16,352,228)	(1,952,417)	-	-	(19,651,199)
Minority interest in subsidiaries	1,515,128	(14,823,061)	-	-	-	(13,307,933)
Net Income (Loss) for the period	(191,339)	30,921,852	18,266,472	2,801,444	517,904	52,316,333
<sup>(1)</sup> Charged to:						
Costs of sales	(24,808,082)	(16,276,94)	-	-	236	(41,084,786)
Selling expenses	-	(66,93)	-	-	-	(66,933)
Administrative expenses	(1,456,853)	(102,99)	(16,118)	-	236	(1,575,728)
Total Assets	1,029,590,142	1,349,862,20	1,092,052,934	48,226,780	(249,551,164)	3,270,180,895
Total Liabilities	585,853,352	538,084,95	8,253,217	7,090,338	(249,551,164)	889,730,742
<b>Consolidated Information at 06.30.2007</b>						
Fixed assets acquisitions	11,430,677	425,163,84	61,160	-	-	436,655,683

**PAMPA HOLDING S.A.**  
**Notes to the consolidated financial statements (Contd.)**

**NOTE 6: TRANSENER FINANCING STRUCTURE**

**6.1. Financial restructuring**

On June 30, 2005 Transener concluded its financial debt restructuring process (2005 restructuring). That restructuring consisted of a swap of previous debt securities, loans and derivatives pending payment for a mix of cash payments, the issue of new shares in Transener and new negotiable obligations with the following public and private offerings:

<b>Series</b>	<b>Date of issue</b>	<b>Amount US\$</b>	<b>Agreed rate</b>	<b>Final maturity</b>	<b>Allocation of funds</b>
Class 6 (*)	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 (*)	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
<b>Total</b>		<b>279,832,791</b>			

(\*) 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 June 30, 2007 total US\$ 12,400,414 (see Note 6.2. Financial Debt Restructuring).

Class 8 Negotiable Obligations have been fully settled (see Note 6.2. Financial Debt Restructuring).

Discounted Negotiable Obligations (Class 7 and 9) have been fully redeemed (see Note 6.2. Financial Debt Restructuring).

The effects related to Transener debt restructuring at June 30, 2005 led to: i) the recognition of income for the reduction of principal, compensatory and punitive interest for \$532.2 million, ii) recognition of a loss for the write off of costs and exchange differences capitalized for \$ 21.2 million, iii) the recognition of income for financial debt measurement at discounted value for \$96 million.

**6.2. 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.

**PAMPA HOLDING S.A.**  
**Notes to the consolidated financial statements (Contd.)**

**NOTE 6:** (Contd.)

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 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.

**6.3. Restrictions related to the 2006 restructuring**

Under the refinancing terms, Transener and its restricted subsidiaries must comply with a series of restrictions, including: i) Limitations on Indebtedness: In certain circumstances, Transener 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 of control under certain circumstances.

**PAMPA HOLDING S.A.**  
**Notes to the consolidated financial statements (Contd.)**

**NOTE 7: 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 Inversora Nihuiles

Point 12.13 of Chapter XII of the Terms and Conditions for the sale of 51% of Hidroeléctrica Nihuiles 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 June 30, 2007, 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 Hidroeléctrica Nihuiles capital stock, represented by Class "C" shares, to institutional minority

**PAMPA HOLDING S.A.**  
**Notes to the consolidated financial statements (Contd.)**

**NOTE 7:** (Contd.)

investors of the 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.

On July 5, 2007, through Decree 1651/07 the Executive Branch of the Province of Mendoza instructed the Ministries of the Environment and Public Works and Finance of the Province to call a Public Bid for Stock Broker Companies, Stock Markets and Financial Institutions specialized in operations for the implementation and sale of shares in capital markets in order for them to submit a proposal for assisting the Province of Mendoza in the process that will be necessary to carry out to sell the Class C and, as the case may be, the Class B Shares in Hidroeléctrica Los Nihuiles S.A., as established by Decree 334/06 and ratified by Law 7541.

**PAMPA HOLDING S.A.**

**Unaudited Consolidated information required by section 64 subject. b) of Law No. 19550**

For the six-month period ended June 30, 2007  
amounts in pesos – Note 2.3 to the parent-only financial statements

**Exhibit H**

Items	Expenses			Total at 06.30.07
	Administrative	Selling	Generation/ transmission	
Salaries and social security payables	7,642,741	889,841	32,031,264	40,563,846
Other personnel expenses	637,320	43,419	1,194,535	1,875,274
Fees and compensation for services	4,204,060	194,451	7,953,253	12,351,764
Directors and syndics' salaries	2,640,787	-	-	2,640,787
Reserve for directors' options	5,883,335	-	-	5,883,335
Depreciation of fixed assets	1,575,728	66,933	20,304,921	21,947,582
Amortization of the concession contract	-	-	9,413,762	9,413,762
Amortization of other assets	-	-	11,366,103	11,366,103
Royalties and fees	-	-	12,142,953	12,142,953
Maintenance	220,075	-	5,960,648	6,180,723
Transport and per diem	589,056	21,247	2,381,690	2,991,993
Rental and expenses	543,689	337,496	942,781	1,823,966
Fuel and lubricants	111,714	-	57,333,379	57,445,093
Spare parts and materials	-	-	19,639,527	19,639,527
Taxes and services	2,664,881	632,674	1,668,567	4,966,122
Communication	254,838	-	956,567	1,211,405
Advertising and promotion	324,823	142,450	-	467,273
Insurance	1,451,980	9,276	1,473,712	2,934,968
Office expenses	465,191	31,949	181,893	679,033
Other expenses	1,295,918	76,221	7,261,273	8,633,412
<b>Total at 06.30.07</b>	<b>30,506,136</b>	<b>2,445,957</b>	<b>192,206,828</b>	<b>225,158,921</b>



**PAMPA HOLDING S.A.**

**Unaudited Parent-only Financial Statements**  
At June 30, 2007  
presented in comparative format

## PAMPA HOLDING S.A.

### Balance Sheets as of June 30, 2007 (unaudited) and December 31, 2006

amounts in pesos – Note 2.3

	06.30.07	12.31.06		06.30.07	12.31.06
<b>ASSETS</b>			<b>LIABILITIES</b>		
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and banks (Note 4 a)	117,259,915	17,540,875	Accounts payable (Note 4 f)	3,019,763	2,376,928
Short-term investments (Exhibits C and D)	1,034,324,926	151,542,745	Salaries and social security payable	284,262	365,331
Trade receivables (Note 4 b)	1,340,093	1,704,534	Taxes payable (Note 4 g)	9,385,917	6,915,999
Other receivables (Note 4 c)	4,825,788	5,199,547	Other debts (Note 4 h)	216,113,480	100,000
Inventories (Note 4 d)	3,009,120	3,009,120	<b>Total Current Liabilities</b>	<b>228,803,422</b>	<b>9,758,258</b>
<b>Total Current Assets</b>	<b>1,160,759,842</b>	<b>178,996,821</b>			
<b>NON-CURRENT ASSETS</b>			<b>NON-CURRENT LIABILITIES</b>		
Trade receivables (Note 4 b)	64,763	232,000	Taxes payable (Note 4 g)	2,653,613	701,196
Other receivables (Note 4 c)	5,050,456	2,259,478	Other debts (Note 4 h)	56,402,988	49,079,955
Inventories (Note 4 d)	9,042,461	9,329,890	<b>Total Non-current Liabilities</b>	<b>59,056,601</b>	<b>49,781,151</b>
Long-term investments (Exhibits C)	953,452,137	361,637,137	<b>Total Liabilities</b>	<b>287,860,023</b>	<b>59,539,409</b>
Other assets (Note 4 e)	6,998,926	6,998,926			
Fixed assets (Exhibit A)	131,164	86,122	<b>SHAREHOLDERS' EQUITY</b>		
<b>Total Non-current Assets</b>	<b>974,739,907</b>	<b>380,543,553</b>	(per related statement)	1,847,639,726	500,000,965
<b>Total Assets</b>	<b>2,135,499,749</b>	<b>559,540,374</b>	<b>Total Liabilities and Shareholders' Equity</b>	<b>2,135,499,749</b>	<b>559,540,374</b>

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

## PAMPA HOLDING S.A.

### Unaudited Statements of Income

For the six-month period ended June 30, 2007

presented in comparative format <sup>(1)</sup>

amounts in pesos – Note 2.3

	<b>06.30.07</b>	<b>06.30.06</b>
Holding results of shares, securities and mutual funds (Exhibit C)	16,871,229	3,558,012
Result of investment in subsidiaries (Note 4 i)	18,240,155	-
Goodwill amortization	17,396	-
Income from sales and services	3,179,137	1,221,694
Cost of sales (Exhibit F)	(287,429)	(727,406)
<b>Gross income</b>	<b>38,020,488</b>	<b>4,052,300</b>
Selling expenses (Exhibit H)	(1,236,978)	(745,287)
Administrative expenses (Exhibit H)	(12,044,276)	(2,984,747)
Result from reversal of property impairment allowance (Note 12)	-	722,236
<b>Operating result</b>	<b>24,739,234</b>	<b>1,044,502</b>
Financial and holding results		
-Generated by assets		
- Interest income	24,672,870	621,959
- Bank charges	(476,792)	(58,848)
-Tax on financial transactions	(1,111,630)	-
- Foreign currency exchange difference	13,076,250	998,182
- Holding result of bonds and mutual funds	(3,933,526)	-
-Generated by liabilities		
- Interest expense	(225,633)	(70,820)
- Tax interest	(290,644)	(698,380)
- Foreign currency exchange difference	(151,651)	75,930
Total financial and holding results	31,559,244	868,023
Other income, net	(2,029,728)	-
<b>Income before taxes</b>	<b>54,268,750</b>	<b>1,912,525</b>
Income tax and asset tax (Note 4 j)	(1,952,417)	2,500,725
<b>Net income for the period</b>	<b>52,316,333</b>	<b>4,413,250</b>
<b>Basic earnings per share</b> (Note 3 l)	<b>0,0567</b>	<b>0,1191</b>
<b>Diluted earnings per share</b> (Note 3 l)	<b>0,0527</b>	<b>0,1191</b>

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

(1) See Note 2.5

## PAMPA HOLDING S.A.

### Unaudited Statements of Changes in Shareholders' Equity

For the six-month period ended June 30, 2007

presented in comparative format <sup>(1)</sup>

amounts in pesos – Note 2.3

	SHAREHOLDERS' CONTRIBUTIONS			Reserve for directors' options (Note 13)	Legal Reserve	Discretionary Reserve	(Accumulated deficit) retained earnings	Total at 06.30.07	Total at 03.31.06
	Common stock (Note 5)	Paid-in capital	Total						
Balances at beginning of year	446,000,000	45,000,000	491,000,000	2,941,667	-	-	6,059,298	500,000,965	(354,587)
Prior year adjustments – Note 2.6	-	-	-	-	-	-	-	-	643,252
Adjusted balances at beginning of year	446,000,000	45,000,000	491,000,000	2,941,667	-	-	6,059,298	500,000,965	288,665
Capital increase – Meeting held on June 16 and January 24, 2006 - Note 1	600,000,000	689,439,093	1,289,439,093	-	-	-	-	1,289,439,093	97,854,000
Setting up of reserves – Note 7	-	-	-	-	896,129	5,163,169	(6,059,298)	-	-
Payment of irrevocable contributions	-	-	-	-	-	-	-	-	42,146,000
Reserve for directors' options – Note 13	-	-	-	5,883,335	-	-	-	5,883,335	-
Net income for the period	-	-	-	-	-	-	52,316,333	52,316,333	4,413,250
Balances at 30.06.07	1,046,000,000	734,439,093	1,780,439,093	8,825,002	896,129	5,163,169	52,316,333	1,847,639,726	
Balances at 30.06.06	146,000,000	-	146,000,000	-	-	-	(1,298,085)		144,701,915

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

(1) See Note 2.5

# PAMPA HOLDING S.A.

## Unaudited Statements of Cash Flows

For the six-month period ended June 30, 2007

presented in comparative format <sup>(1)</sup>

amounts in pesos – Note 2.3

	06.30.07	06.30.06
<b>CHANGES IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of year	40,825,029	5,026
Cash and cash equivalents at the end of period	1,081,979,388	8,124,703
Net increase in cash and cash equivalents	1,041,154,359	8,119,677
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	52,316,333	4,413,250
Income tax and asset tax	1,952,417	(2,500,725)
Accrued interest	516,277	698,380
<b>Adjustments to reconcile net income for the period to net cash flows provided by (used in) operating activities:</b>		
Depreciation of fixed assets	16,118	3,748
Amortization of intangible assets	-	2,401
Amortization of goodwill	(17,396)	-
Exchange difference generated by other debts	151,651	(307,785)
Result from investments in subsidiaries	(18,240,155)	-
Short-term investments holding results	(14,904,548)	(3,384,077)
Reserve for Directors' options	5,883,335	-
Reversal of property impairment allowance – Note 12	-	(722,236)
<b>Changes in operating assets and liabilities</b>		
Decrease (Increase) in trade receivables	531,678	(451,960)
Increase in other receivables	(2,417,219)	(4,251,065)
Decrease (Increase) in inventories	287,429	(12,537,960)
Increase in accounts payable	642,835	2,648,407
(Decrease) Increase in salaries and social security payable	(81,069)	42,207
Increase in taxes payable	2,867,354	1,644,820
(Decrease)/increase in other debts	(101,513)	79,323
Income tax payments	(688,080)	-
<b>Net cash flow provided by / (used in) operating activities</b>	28,715,447	(14,623,272)
<b>CASH USED IN INVESTMENT ACTIVITIES</b>		
Purchase of companies	(51,099,207)	(92,057,138)
Contributions in subsidiaries	(299,397,500)	-
Transfer of investments equivalent to cash	77,465,619	-
Increase in investments not equivalent to cash	(3,907,933)	(23,764,810)
Net fixed asset additions	(61,160)	(64,740)
<b>Net cash flow used in investment activities</b>	(277,000,181)	(115,886,688)
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>		
Capital increase	1,289,439,093	97,854,000
Paying up of irrevocable contributions	-	42,146,000
Decrease in financial debts	-	(1,370,363)
<b>Net cash flow provided by financing activities</b>	1,289,439,093	138,629,637
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,041,154,359	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 unaudited financial statements.

(1) See Note 2.5

# **PAMPA HOLDING S.A.**

## **Notes to the unaudited financial statements**

At June 30, 2007 and

December 31, 2006

Amounts in pesos – Note 2.3

### **NOTE 1: CAPITAL INCREASE**

The Extraordinary Meeting of Shareholders held on January 24, 2006 approved a capital increase for up to \$140,000,000, taking the corporate capital to \$146,000,000.

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.

On January 15, 2007 the Board of Directors approved the issue of 600,000,000 shares at \$2.23 each. That process concluded on February 22, 2007, the Company recording net income for \$1,289,439,093.

### **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 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 reclassifications have been made to prior period financial statements to present it in comparative format with this period information.

#### **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.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 2:** (Contd.)

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.

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 period. 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.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 2:** (Contd.)

**2.5. Comparative information**

In view of the change in the closing date approved by the Ordinary and Extraordinary Shareholders' Meeting of October 11, 2006, the amounts in the statement of income and in the notes and exhibits relating to the amounts in that statement, included in the financial statements for the six-month period ended June 30, 2007, cannot be compared with the financial information included in the financial statements for the fiscal year ended June 30, 2006, presented in comparative format.

**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 12)	3,170,178
Municipal contributions (Note 11)	(2,526,926)
<b>Total</b>	<b>643,252</b>

**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 period or year applied to settle these operations, detailed in Exhibit G. Exchange differences were allocated to the results for each period or year, respectively.

**b. Investments**

**- Short-term**

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

Share and mutual fund balances have been valued at their net realizable value at the end of each period or year.



**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 3:** (Contd.)

The balances of government securities have been stated at their quotation value, plus accrued interest at period or year end.

The balances of government and private securities in foreign currency have been stated at their quotation value converted at the exchange rate at the end of each period or 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 period or year.

**- Long-term – Minority interest and goodwill**

Long-term investments in subsidiaries have been accounted for under the equity method in accordance with Technical Pronouncement No. 21 of the FACPCE. The Company has used the financial statements of its subsidiaries for the six-month period ended June 30, 2007. At December 31, 2006 the Company used the financial statements of its subsidiaries for the six-month period ended on that date, considering the dates in which effective control was assumed.

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

Goodwill represents the excess or shortfall in the fair value of identifiable net assets purchased compared with their acquisition cost. Positive goodwill amortization charges are calculated on a regular basis throughout their useful life, representing the best estimate for the period during which the Company expects to receive economic benefits from them. Negative goodwill is amortized 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.

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. The value of goodwill does not exceed its estimated recoverable value.

**c. Receivables and liabilities**

In local currency: Stated at their nominal value plus financial results accrued at period or 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 period or year, detailed in Exhibit G. Exchange differences were allocated to the results for each period or year.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 3:** (Contd.)

**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.

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 12).

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 evolution of this caption is detailed in Exhibit A.

Aggregate asset value does not exceed their recoverable value.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 3:** (Contd.)

**g. 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.

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.

**h. 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 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.

**i. 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.

**j. 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.

**k. 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.

Revenues from equity interests in other companies are recognized according to the equity method of accounting, as established by Technical Pronouncement No. 21 of the FACPCE.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 3:** (Contd.)

**I. Earnings per share**

**1. Basic earnings per share**

The Company has calculated basic earnings per share on the basis of the average weighted amount of outstanding shares at June 30, 2007 and 2006:

	<u>06.30.07</u>	<u>06.30.06</u>
Net income for the period	52,316,333	4,413,250
Average weighted amount of outstanding shares	923,348,066	37,054,996
Earnings per share	0,0567	0,1191

**2. Diluted earnings per share**

Furthermore, the Company has calculated diluted earnings per share on the basis of the possible diluted effect of the purchase options of shares described in Note 13.

	<u>06.30.07</u>	<u>06.30.06</u>
Net income for the period	52,316,333	4,413,250
Average weighted amount of outstanding shares	993,047,226	37,054,996
Earnings per share	0,0527	0,1191

**3. Reconciliation of the average number of outstanding and diluted shares:**

	<u>2007</u>	<u>2006</u>
Weighted average of average outstanding shares	923,348,066	-
Number of shares the Company will be required to issue if all the options issued to subscribe capital are exercised	69,699,160	-
Weighted average of diluted shares	993,047,226	-

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

The main financial statement captions are broken down as follows:

**Balance Sheet at June 30, 2007 (unaudited) and December 31, 2006**

	<u>06.30.07</u>	<u>12.31.06</u>
<b>a) Cash and banks</b>		
Cash in local currency	6,727	3,973
Cash in foreign currency (Exhibit G)	4,772	1,475
Banks in local currency	4,061,122	2,267,289
Banks in foreign currency (Exhibit G)	113,187,294	15,268,138
	<u>117,259,915</u>	<u>17,540,875</u>

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 4:** (Contd.)

**b) Trade receivables**

	<b>06.30.07</b>	<b>12.31.06</b>
<b><u>Current</u></b>		
Ordinary in local currency	70,564	-
Ordinary in foreign currency (Exhibit G)	330,660	149,261
Intercompany and related companies (Note 6)	938,869	1,555,273
	<b>1,340,093</b>	<b>1,704,534</b>
 <b><u>Non-Current</u></b>		
Ordinary in foreign currency (Exhibit G)	64,763	232,000
	<b>64,763</b>	<b>232,000</b>

**c) Other receivables**

	<b>06.30.07</b>	<b>12.31.06</b>
<b><u>Current</u></b>		
- Tax credits	3,274,798	838,825
- Expenses related to the issue of capital	-	1,353,651
- Salary advances	13,402	-
- Advances to directors	165,083	154,200
- Intercompany and related companies (Note 6)	371,982	300,941
- Advances to suppliers	99,609	-
- Guarantees granted (Note 11)	888,994	2,433,994
- Other	11,920	117,936
	<b>4,825,788</b>	<b>5,199,547</b>
 <b><u>Non-current</u></b>		
- Tax credits	5,001,956	2,139,768
- Expenses related to the purchase of companies	-	119,710
- Other	48,500	-
	<b>5,050,456</b>	<b>2,259,478</b>

**d) Inventories**

	<b>06.30.07</b>	<b>12.31.06</b>
<b><u>Current</u></b>		
“Estancia Benquerencia” plots of land	3,009,120	3,009,120
	<b>3,009,120</b>	<b>3,009,120</b>
 <b><u>Non-current</u></b>		
“Estancia Benquerencia” plots of land	9,042,461	9,329,890
	<b>9,042,461</b>	<b>9,329,890</b>

**e) Other assets**

	<b>06.30.07</b>	<b>12.31.06</b>
Frigorifico La Pampa building	6,998,926	6,998,926
	<b>6,998,926</b>	<b>6,998,926</b>

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 4:** (Contd.)

**f) Accounts payable**

	<b>06.03.07</b>	<b>12.31.06</b>
Provisions in local currency	126,908	500,620
Provisions in foreign currency (Exhibit G)	-	1,049,461
Intercompany and related companies (Note 6)	129,710	391,221
Suppliers in local currency	494,816	75,340
Suppliers in foreign currency (Exhibit G)	1,662,610	20,056
Provision for Directors' fees	186,000	202,569
Advances to customers (Exhibit G)	419,719	137,661
	<b>3,019,763</b>	<b>2,376,928</b>

**g) Taxes payable**

	<b>06.03.07</b>	<b>12.31.06</b>
<b><u>Current</u></b>		
Municipal Contributions (Note 11)	6,670,619	6,261,011
Asset tax provision	2,462,176	261,281
Income tax withholdings to be deposited	188,976	218,880
Provision on turnover tax	64,146	174,827
	<b>9,385,917</b>	<b>6,915,999</b>
<b><u>Non-Current</u></b>		
Deferred income tax liabilities (Note 4.)	2,653,613	701,196
	<b>2,653,613</b>	<b>701,196</b>

**h) Other debts**

	<b>06.30.07</b>	<b>12.31.06</b>
<b><u>Current</u></b>		
Debt for share subscription – Intercomapny – Note 6	215,000,000	-
Stock option Powerco – Note 9 and Exhibit G	1,113,480	-
Others	-	100,000
	<b>216,113,480</b>	<b>100,000</b>
<b><u>Non-Current</u></b>		
Debt for purchase of Subsidiaries (Exhibit G)	15,473,348	15,095,056
Purchase option of shares in Transelec (Note 8)	40,929,640	33,984,899
<b>Total non-current other debts</b>	<b>56,402,988</b>	<b>49,079,955</b>

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 4:** (Contd.)

**Unaudited Statements of Income**

**i) Result of investment in subsidiaries and related companies**

	<b>06.30.07</b>	<b>06.30.06</b>
Transelect	(191,420)	-
INNISA	6,884,456	-
INDISA	7,636,276	-
Pampa Energía	1,511,674	-
Dilurey	239,861	-
Powerco	2,159,308	-
<b>Total</b>	<b>18,240,155</b>	<b>-</b>

**j) Income tax – Deferred tax**

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

	<b>06.30.07</b>	<b>31.12.06</b>
Investments	(9,039,267)	(3,150,424)
Other assets	(224,819)	(214,575)
Debts	118,759	118,759
Tax loss carry-forwards	6,491,714	2,545,044
<b>Net deferred income tax liability</b>	<b>(2,653,613)</b>	<b>(701,196)</b>

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

<b>Items</b>	<b>06.30.07</b>	<b>06.30.06</b>
Income tax calculated at the tax rate in force (35%) of the accounting result before income tax	(18,994,063)	(669,384)
Permanent differences:		
Result of equity interests in controlled and related companies	6,384,054	-
Amortization of goodwill on investments	6,089	-
Reserve for options granted to directors	(2,059,167)	-
Expenses related to capital increase	12,454,959	-
Holding result of external bonds	485,678	-
Dividends earned	688,338	66,235
Tax on equity interests in companies	(812,264)	-
Reversal of building valuation allowance	-	252,782
Others	(10,304)	(5,436)
Tax losses:		
Recognition of prior year tax losses	-	2,867,774
Expiration of tax losses for the year	-	(326,226)
Temporary difference generated by AREA	-	(147,812)
Excess tax loss recorded for the previous year	(95,737)	-
<b>Income tax (expense) benefit</b>	<b>(1,952,417)</b>	<b>2,037,933</b>

The income tax / asset tax benefit of \$ 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 h).

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 4:** (Contd.)

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. As this deferred liability arose from the adjustment for inflation of the property originally reversed from the Company's specific activity (see Note 12), and consequently it has not been depreciated, it will be reversed at the date of its disposal.

**NOTE 5:** **SHAREHOLDERS EQUITY**

At June 30, 2007, the Company had 1,046,000,000 book-entry shares with a par value of \$ 1 each and entitled to 1 vote per share. At December 31, 2006 capital stock was made up of 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**

Below is a detail of the operations carried out by the Company with related parties for the period and the year ended June 30, 2007 and 2006, respectively, and the balances of those operations at June 30, 2007 and December 31, 2006, respectively:

Name	Caption / Operation	Operations		Balances	
		30.06.07	30.06.06	30.06.07	31.12.06
<b><u>Directors/Shareholders:</u></b>					
Errecondo, Salaverri & Otros	Accounts payable – advisory services received	(434,205)	(660,000)	(129,710)	(314,705)
Shareholders	Other receivables – expenses to be recovered	-	-	119,500	119,500
	Interest on loans	-	70,710	-	-
<b><u>Subsidiaries:</u></b>					
Dilurey S.A.	Other receivables – expenses to be recovered	-	-	17,644	-
Transelec S.A.	Other receivables – expenses to be recovered	-	-	165,409	12,231
Inversora Nihules S.A.	Other receivables – expenses to be recovered	-	-	13,434	12,788
Inversora Diamante S.A.	Other receivables – expenses to be recovered	-	-	646	-
Transener S.A.	Trade receivables – advisory services provided	1,044,149	-	645,286	672,854
Hidroeléctrica Nihules S.A.	Trade receivables – advisory services provided	904,468	-	151,603	493,375
Hidroeléctrica Diamante S.A.	Trade receivables – advisory services provided	800,973	-	141,980	389,044
Central Térmica Güemes S.A.	Investments – purchase of negotiable obligations	(23,160,213)	-	33,767,781	-
Pampa Energía S.A.	Other debts – debt for capital subscription	(299,397,500)	-	(215,000,000)	-
	Other receivables - expenses to be recovered	-	-	656	-
<b><u>Other related companies:</u></b>					
Pampa Holding LLC	Other receivables – expenses to be recovered	-	-	-	123,409
Dolphin Finance S.A.	Other receivables – expenses to be recovered	-	-	19,949	4,144
Pampa Advisors S.A.	Other receivables– expenses to be recovered	-	-	32,289	27,248
Pampa Participaciones S.A.	Other receivables– expenses to be recovered	-	-	998	163
Grupo Dolphin S.A.	Other receivables– expenses to be recovered	-	-	-	1,458
	Accounts payable – Rental, condominium expenses and expense recovery	(399,322)	(80,366)	1,457	(76,516)



**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 7: RESTRICTIONS ON THE DISTRIBUTION OF PROFITS**

1. Dividends

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.

2. Legal reserve

In accordance with the Commercial Companies 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.

On April 16, 2007 the Ordinary Meeting of Shareholders of the Company resolved the following distribution of profits for the irregular fiscal year ended December 31, 2006:

- Recovery of legal reserve destined for the absorption of losses	\$ 624,383 <sup>(1)</sup>
- Legal reserve 5%	\$ 271,746
- Discretionary reserve	<u>\$ 5,163,169</u>
Retained earnings/(accumulated deficit) balance at December 31, 2006	\$ 6,059,298

(1) This amount corresponds to historical figures; for this reason, when the next meeting of shareholders is held for the approval of the year-end financial statements, those amounts will be duly restated computing the periods in which the adjustment for inflation applied. Furthermore, the allocation of 5% of the result for the year ended December 31, 2006 will be reconsidered, after the recovery of the legal reserve destined for the absorption of accumulated losses.

**NOTE 8: PURCHASE AND SALE OPTIONS OF TRANSELEC SHARES**

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. Citelec is the controlling company of Transener, holding 52.65% of the shares.

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 outstanding shares in Transelec.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 9: ACQUISITION OF CENTRAL TERMICA GUEMES**

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

Consequently, the Company holds (i) shares representative of 100% of Dilurey capital stock (which holds 90% of Powerco capital stock) and (ii) shares representative of 8% of Powerco capital stock, holding 60% of Central Térmica Güemes S.A..

Furthermore, the Company signed a share purchase and sale commitment representative of 2% of the remaining shares in Powerco, recognizing the resulting contractual obligation as a current liability under "Other current debts".

These transactions enabled the Company to obtain indirect control of Central Térmica Güemes, holding 60% of the capital and votes.

The purchase of the above shares led the Company to make an investment of \$51,099,208 for all items and to incur a debt of US\$360,000.

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

On May 17, 2007, the Department of Internal Trade of the Ministry of Economy and Production resolved to authorize the operation in view of the favorable opinion issued by the National Committee for the Defense of Competition.

**NOTE 10: CAPITAL INCREASE AT THE SUBSIDIARY – PAMPA ENERGÍA**

On December 4, 2006 the Company agreed with Sociedad Argentina de Electricidad S.A. ("SADESA"), a company that had acquired with Merrill Lynch, Pierce, Fenner & Smith Inc. a controlling interest in Central Puerto S.A. ("Central Puerto"), the purchase of 100% of the assets making up the Loma La Lata thermoelectric plant located in Loma de La Lata ("the assets"), Province of Neuquén, for a total of 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 de La Lata; the agreements for its operation; all designs, lists of suppliers and materials, plans, terms of reference, quotations, draft contracts and any other information or documentation prepared by Central Puerto or at its request in relation to the project for closing of the open cycle of Loma de La Lata; and all the assets related to the operation of Loma de La Lata.

With this agreement, on December 4, 2006 the Company granted SADESA a purchase option over its shares in Central Puerto, representing 8.66% of the capital and votes at the closing date of these financial statements, which may be exercised on December 4, 2007, enabling the Company to sell those shares on the Buenos Aires Stock Exchange at any time through that date.

On January 4, 2007, Pampa Energía S.A. was organized with a capital of \$50,000, in which the Company holds 95% of the shares. The remaining shares were subscribed by Dilurey.

On March 7, 2007, the Company designated its subsidiary Pampa Energía to purchase the assets under the terms of the assets transfer contract entered into by and between Central Puerto S.A. and Pampa Holding S.A. on December 4, 2006, Pampa Energía thereafter gaining all the rights and assuming all the obligations arising out of that contract.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 10:** (Contd.)

The transfer of assets was formalized on May 17, 2007.

On June 11, 2007 the Extraordinary Meeting of Shareholders of Pampa Energía resolved to increase the corporate capital by \$ 214,350,000, which was fully paid up by the Company by means of the contribution of the funds necessary to defray the purchase price of the assets, applicable taxes and expenses related to its takeover and initial operation.

Furthermore, Pampa Energía is currently launching projects for the generation of energy to be implemented in the Provinces of Salta and Chubut.

Considering that when the purchase of machinery necessary to carry out those projects was negotiated Pampa Energía did not have the capital sufficient to make the advance payments of the corresponding imports, the Company has signed:

- (i) a commitment letter with GE Packaged Power, Inc. and General Electric International Inc., Argentine Branch (collectively, "General Electric") for the purchase of a natural gas-powered aeroderivative turbogenerator of General Electric, model LMS100, with a potency of 98 MW, to be installed in a plot of land available inside Central Térmica Güemes;
- (ii) a reserve letter with Man Diesel SE ("Man") for the purchase of two natural gas-powered OTTO cycle Man motogenerators with a total potency of 16 MW, to be installed in Tartagal, Salta; and
- (iii) a reserve agreement with Alstom (Switzerland) Ltd. ("Alstom") for the acquisition of a natural gas-powered heavy duty turbogenerator, Alstom brand, model GT13E2, with a potency of 178 MW, for an expansion project whose location has not yet been defined (the "Machinery").

At the time of the execution of those agreements, the Company made the following advance import payments: (i) US\$4,309,200 to General Electric; (ii) € 6,000,000 to Man, and (iii) € 3,000,000 to Alstom.

Consequently, bearing in mind the immediate obligations that Pampa Energía will have to assume, the Company subscribed the following capital increases in Pampa Energía:

- (i) \$ 85,000,000 paid up through the transfer of the above import advances and a cash contribution of \$ 33,344,572 paid up on June 20, 2007;
- (ii) \$ 215,000,000 to make the disbursements pre-established under the contracts executed with Alstom and General Electric as the price balance, which will be paid up when those disbursements are made.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 11: MUNICIPAL CONTRIBUTIONS**

In January 1997, the government of the Autonomous City of Buenos Aires ("GCBA") assessed the tax value of the building located on 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.

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 the closing date of these financial statements, the Company has recognized under current liabilities an outstanding debt of \$ 6,331,308, plus \$ 339,311 for court costs.

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 decision favorable to the authorities, 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

On July 4, 2007, the court hearing the case resolved to sustain the complaint filed by the Company challenging the tax valuation and declared the resolution of the Revenue Bureau ("DGR") null and void, which had modified the tax valuation of the building (See Note 15).

At the date of issue of these financial statements, the Company has not recognized the accounting effects of the situation described above because the resolution has not yet become firm.

**NOTE 12: 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 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

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 12:** (Contd.)

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 13: 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 were 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. If 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, conditioning that authorization to certain actions that were fulfilled on October 9, 2006.

At June 30, 2007, the Company issued 111,500,000 purchase options, granting the right to subscribe: (i) 111,500,000 ordinary shares in the Company at an exercise price of US\$ 0.37 per share, and (ii) 150,000,000 ordinary shares at an exercise price of US\$ 0.72 per share, representative of 20% of the Company's capital stock, considering the number of shares that may be issued if all current purchase options are exercised. Based on the above, the purchase option for 111,500,000 shares may be exercised as from September 27, 2007, 2008 and 2009 and that for 150,000,000 shares, as from February 7, 2008, 2009 and 2010.

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. At June 30, 2007, the Shareholders' Equity reserve for this operation amounts to \$8,825,002.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 13:** (Contd.)

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 were signed, no value has been placed on the adjustment clauses (See Note 15).

**NOTE 14: SHARE EXCHANGE WITH THE MAJORITY SHAREHOLDERS OF EMPRESA DISTRIBUIDORA Y COMERCIALIZADORA NORTE S.A. ("EDENOR")**

On July 31, 2007, ad referendum of the approval by the Ordinary and Extraordinary Meeting of Shareholders convened for August 30, 2007, under the terms of the memorandum of understanding ("the Memorandum") signed on June 22, 2007, the Company executed a Stock Subscription Agreement (the "Subscription Agreement") with the indirect majority shareholders of EDENOR S.A. (the "Contributing Shareholders") by which the Contributing Shareholders undertook to subscribe shares in the Company paying them up in kind by transferring to the Company all of their shareholdings representative of the capital stock of Dolphin Energía S.A. ("DESA") and IEASA S.A. ("IEASA"), consisting of ordinary Class A and Class B shares entitled to 1 vote per share and non-voting preferred shares. Those companies jointly hold 100% of the shares in Electricidad Argentina S.A. ("EASA"), which owns 51% of EDENOR. In exchange for that in-kind contribution, the Company agreed to issue in favor of the Contributing Shareholders 457,327,850 new ordinary shares with a face value of \$1 and entitled to one vote per share in the Company, subject to the adjustment described below.

This amount was set taking as a reference the average closing quotation of the shares in the Company and EDENOR (according to the formula indicated below) at the Buenos Aires Stock Exchange (the "BCBA") during the last 10 business days up to and inclusive June 22, 2007, date of execution of the Memorandum, and has resulted from dividing the "Value of EASA's Capital" (as defined below) by the value of the share in the Company (the "Exchange Formula").

For purposes of the Exchange Formula, the value of EASA's capital was calculated as follows:

- 51% of EDENOR's share value which was obtained from multiplying the total number of EDENOR Class A, Class B and Class C shares issued by the average closing quotation of the shares in EDENOR at the Buenos Aires Stock Exchange for the last 10 business days up to and inclusive June 22, 2007. This price is \$3.068 per share.
- Less the present value of EASA's net debt discounted at an annual rate of 11.5%, which has been estimated at US\$ 71.56 million.
- Plus the present value of the fees payable by EDENOR to EASA for the operation, under the Financial Assistance Agreement entered into by EASA and EDENOR, which has been estimated at US\$ 12 million.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 14:** (Contd.)

For purposes of the Exchange Formula, the value of the share in the Company was calculated as follows:

- The average value of the closing quotation of the shares in the Company at the Buenos Aires Stock Exchange for the last 10 business days up to and inclusive June 22, 2007. This price is \$ 2.701 per share.

The agreement foresees that 15 days prior to the Ordinary and Extraordinary Meeting of Shareholders which will deal with this operation, the number of shares in the Company to be delivered to the Contributing Shareholders shall be recalculated applying the Exchange Formula, taking the average closing quotations of the shares in EDENOR and the Company at the Buenos Aires Stock Exchange for the last ten days prior to the recalculation date.

If after this recalculation, the number of shares in the Company to be delivered to the Contributing Shareholders:

- increases or is reduced by less than 5%, no adjustment will be made;
- increases or is reduced by more than 5% but less than 12.5%, the number of shares to be delivered to the Contributing Shareholders will be increased or reduced, as the case may be, by 5%; and
- increases or is reduced by more than 12.5%, the parties shall negotiate a mutually acceptable adjustment during 5 business days. If no agreement is reached, the parties shall be entitled to terminate this agreement with no penalties whatsoever.

In order for the operation to be more transparent, it has been agreed that those Contributing Shareholders that are also shareholders and/or directors of the Company shall neither vote directly or indirectly at the Meeting of Shareholders nor participate or vote at any of the Company board meetings dealing with the operation.

As part of the agreement, each of the Contributing Shareholders undertakes not to sell, directly or indirectly, monthly, more than 10% of the shares in the Company they receive as a result of this operation, during 120 days following its closing. The Contributing Shareholders shall also be entitled to sell in part or in full the shares in the Company they receive as a result of this operation, concurrently with future issuances of shares by the Company, and as a result of having requested the Company's support to sell those shares through a public or private offering, provided that, in both cases, the Contributing Shareholders sell at least 60 million shares in the Company (see Note 15).

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 15: SUBSEQUENT EVENTS**

1. Share exchange with the majority shareholders of EDENOR

On July 12, 2007, the Board of Directors of the Company approved the operation described above and the execution of the Subscription Agreement, ad referendum of the resolution to be adopted by the Meeting of Shareholders in due course.

For this approval, the following was taken into account: (i) the analysis and negotiations carried out by the Special Committee created for such purpose on June 14, 2007, (ii) the report on the fairness of the potential operation from a financial point of view ("Fairness Opinion") issued by Citigroup Global Markets Inc. ("Citigroup"), and (iii) the decision of the Audit Committee approving the potential operation and the execution of a share subscription agreement, under the terms of the Memorandum, ad referendum of the resolution of the Company's Meeting of Shareholders, because in the opinion of the members of that Committee these transactions may be deemed to reasonably meet normal and usual market conditions. Furthermore, in relation to the suspension of the rights of first refusal which will be submitted to the consideration of the Meeting of Shareholders, on July 12, 2007 the Audit Committee opined that the pertinent legal requirements have been fulfilled, as well as the conditions established by article 197 of Law 19550 (its approval by the Meeting of Shareholders being pending) and that the respective issue conditions are reasonable.

These matters will be submitted to the consideration of the Ordinary and Extraordinary Meeting of Shareholders to be held on August 30, 2007.

Furthermore, subject to the consummation of the future operation, the Board of Directors resolved to approve and submit to the consideration of the Audit Committee and to the approval of the Meeting of Shareholders certain amendments to the Opportunities Assignment Agreement and Put Options Issue Contracts entered into by the Company and its executives on September 27, 2006, so that:

The executives thereafter waive the right they currently hold under those Contracts for the Issue of Put Options to subscribe whenever the Company's capital is increased an additional number of ordinary shares which allows them at any time hold 20% of the capital stock of the Company, consequently waiving their right to the adjustments envisaged in the Contracts for the Issue of Put Options, except for the adjustments made so far and those which are required to be made in relation to the capital increase to be dealt with by the Meeting of Shareholders.

The obligation to provide opportunities to the Company in a preferential manner is focused on the assets and companies related to the energy market, including electricity, gas, hydrocarbons and alternative energy, in all their production and sale stages, both in Argentina and abroad in order to continue to strengthen the Company's leadership position as an investor and as a reference on the energy market; and



**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 15:** (Contd.)

The executives' Put Options other than put options that may be exercised at the date of death, absence or permanent disability shall be automatically reassigned to the other executives in proportion to their respective participations in all the put options.

On July 23, 2007 the Company's Audit Committee resolved to approve ad referendum of the decision to be issued by the Meeting of Shareholders, the amendments to the Opportunities Assignment Agreement proposed by the Company's Board of Directors, as those amendments are considered to meet market conditions.

2. Capital increase at the controlled company – Dilurey

On July 6, 2007 the Board of Directors of the Company resolved to make a capital contribution of US\$ 56,700,000 in its controlled company Dilurey, bearing in mind the investments the latter company expects to make.

3. Acquisition of Central Piedra Buena

On July 26, 2007, the company signed with Albanesi S.A. and certain subsidiaries controlled by Matlin Patterson a Stock Purchase Agreement by which the Company shall purchase (i) 100% of the capital stock and voting rights in Corporación Independiente de Energía S.A., the holder of 99.99% of the capital stock and voting rights of Central Piedra Buena S.A. ("CPB"), and (ii) 100% of the capital stock and voting rights of IPC Operation Limited, a company organized in the United Kingdom of Great Britain, whose Argentine branch provides management services to CPB, for an amount of approximately US\$ 85,000,000 (United States dollars eighty five million).

CPB is a power plant located in Ingeniero White, Bahía Blanca, Province of Buenos Aires. It has a total 620-MW potency installed capacity, through two steam turbines of 310 MW each, with a flexibility to indistinctly burn gas and fuel oil. The plant has 45 hectares and two tanks with a combined storage capacity of 60,000 m<sup>3</sup>. In addition, CPB has the exclusive use of a deep water port for the supply of fuel oil. The power plant is connected with (i) the Argentine Interconnection System (SADI) through two 27-km lines of 500 KV, and (ii) Transportadora de Gas del Sur S.A. (TGS) through a 22-km gas pipeline of its own.

This operation was closed on August 3, 2007.

4. Municipal Contribution

On July 4, 2007 the court hearing the case resolved to sustain the complaint filed by the Company challenging the tax valuation and declared the resolution of the Revenue Bureau ("DGR") null and void, which had valued the building located at Avda. Pedro de Mendoza at \$10,756,624.25. As a result, within 30 days following the consent or enforcement of the ruling, the DGR will be required to assess a new historical tax valuation, as well as the respective installments of the real estate contributions.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 15:** (Contd.)

5. Exchange of CTG's negotiable obligations

On June 12, 2007, CTG launched a public offer to exchange all of the outstanding Series A negotiable obligations at 2% and due 2013 for US\$ 31,668,600 and Series B negotiable obligations at 2% and due 2013 for US\$ 21,931,400. The exchange offer was authorized by resolutions adopted at the Unanimous Ordinary Meeting of Shareholders held on June 28, 2007 and by the Board Meetings held on June 12, 2007, June 21, 2007 and June 28, 2007.

This Meeting of Shareholders approved the issue of unsecured unsubordinated US dollar-denominated negotiable obligations, not convertible for shares, for up to US\$ 34,840,000, subject to the actual launching of the exchange offer and to compliance with the other terms and conditions established for such offer.

On July 20, 2007, date of expiration of the exchange offer, 88.7% of all creditors of the debt subject to restructuring accepted CTG's offer.

The exchange was consummated on July 25, 2007, date on which CTG, based on the conditions offered to and accepted by the participating holders, proceeded to:

- Issue and deliver ordinary negotiable obligations accruing interest at 10.5%, falling due on September 11, 2017, for a nominal value of US\$ 22,030,320.
- Make a cash payment for US\$ 8,864,635 to the holders which exercised this option.
- Make a cash payment for US\$ 335,566 corresponding to unpaid interest accrued until the exchange date, plus a cash payment for US\$ 72,770 to the creditors who accepted the offer early.

The public offering of the new Negotiable Obligations in Argentina was authorized by Certificate No. 329 issued by the Argentine Securities Commission on July 11, 2007. Furthermore, those marketable securities have been authorized to list for trading on the Buenos Aires Stock Exchange and to be traded in Mercado Abierto Electrónico S.A.

On July 25, 2007, the Company entered into a trust agreement with The Bank of New York, acting as Trustee, Principal Paying Agent and Co-Agent for the Registration of the New Securities and with Banco Santander Río S.A. acting as Paying and Registration Agent for the New Securities and as Representative of the Trustee in Argentina.

**PAMPA HOLDING S.A.**  
**Notes to the unaudited financial statements (Contd.)**

**NOTE 15:** (Contd.)

The characteristics of the Negotiable Obligations issued are the following:

Amount:	Nominal value of US\$ 22,030,320
Due date:	September 11, 2017
Amortization:	They shall be amortized in a one-off payment upon maturity.
Interest:	They shall accrue interest in arrears at an annual rate of 10.5%, payable on March 11 and September 11 of each year. The first interest payment shall be made on September 11, 2007 and the last one, on the due date of the New Securities.
Commitments undertaken by the Company:	CTG has undertaken certain commitments in relation to the permitted indebtedness, permitted liens, mergers and other defined operations, and accounting information.

The accounting gain on the debt exchange estimated by CTG effective July 25, 2007, date of consummation of the exchange, amounts to approximately \$ 13.7 million, of which \$ 13.4 million correspond to the recovery of tax losses and deferred tax. This gain includes the estimated effects of the discount at present value of the debts and tax losses recognized according to the deferred tax method, respectively.

The estimated carrying value of the loans held by CTG considering the new securities issued and the outstanding balance of holders that did not participate in the exchange amounted to \$ 89.5 million at July 25, 2007.

6. Project for the construction of a power plant in the province of Chubut, Argentina

On August 6, 2007 the Company signed an agreement with Emgasud S.A. ("Emgasud") contemplating a project for the construction of a combined cycle natural gas-powered power plant of approximately 400 MW, and a wind farm of approximately 100 MW.

This project will be developed by Ingentis S.A., a company registered in the province of Chubut, the capital of which will be paid up as follows: (i) 39% by the province of Chubut, and (ii) 61% by a vehicle company, the shareholders of which will be Emgasud and the Company.

The shareholders agreement entered into by the Company and Emgasud sets forth the following obligations and conditions:

- (i) The initial corporate capital of the vehicle company shall be equivalent to US\$ 60 million and 20% thereof shall be made up of ordinary shares entitled to one vote, which will be jointly owned by the Company and Emgasud in equal parts, and 80% of non-voting preferred shares;
- (ii) Until December 31, 2011, Emgasud shall be entitled to exercise a put option in order to purchase 50% of the vehicle company's outstanding preferred shares.

## PAMPA HOLDING S.A.

### Fixed assets

For the six-month period ended June 30, 2007

presented in comparative format

Amounts in pesos – Note 2.3

**Exhibit A**

Principal account	Original values				Depreciation				Net book value at 06.30.07	Net book value at 12.31.06
	At the beginning of year	Additions	Deletions	At the End	At the beginning of year	For the period		At the end		
						Additions (1)	Deletions			
Software / Hardware	59,992	46,158	-	106,150	12,655	13,539	-	26,194	79,956	47,337
Furniture and fixtures	41,343	4,552	-	45,895	2,558	2,295	-	4,853	41,042	38,785
Installations	-	10,450	-	10,450	-	284	-	284	10,166	-
Advances to suppliers(2)	-	37,835,739	(37,835,739)	-	-	-	-	-	-	-
<b>Total at 06.30.07</b>	101,335	37,896,899	(37,835,739)	162,495	15,213	16,118	-	31,331	131,164	-
<b>Total at 12.31.06</b>	64,740	36,595	-	101,335	3,748	11,465	-	15,213	-	86,122

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

(2) Advances for the purchase of turbines and engines to increase the electricity generation capacity of the subsidiaries.

# PAMPA HOLDING S.A.

Exhibit C

## Investments in shares and government and private securities

For the six-month period ended June 30, 2007

presented in comparative format

Amounts in pesos – Note 2.3

DENOMINATION AND ISSUER	Characteristics of the securities				06.30.07								
	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	
							06.30.07	12.31.06	Not realized	Realized		06.30.07	06.30.06
<b>Short-term investments</b>													
<b><u>In local currency</u></b>													
<b>Listed shares</b>													
- Cerámica San Lorenzo I.C.S.A.	Ordinary	1	8,706,837	11,5	27,837,555	24,711,618	27,837,555	24,711,618	1,519,002	-	1,966,681	3,485,683	524,501
- Distribuidora de Gas Cuyana S.A.	Ordinary	1	-	-	-	-	-	-	-	-	-	-	20,148
- Central Puerto S.A.	Ordinary	1	7,667,005	8,7	33,600,373	21,382,055	33,600,373	21,382,055	12,218,318	-	-	12,218,318	3,013,363
- Endesa Costanera S.A.	Ordinary	1	1,957,090	0,9	8,167,525	4,699,299	8,167,525	4,699,299	1,167,228	-	-	1,167,228	-
Total					69,605,453	50,792,972	69,605,453	50,792,972	14,904,548	-	1,966,681	16,871,229	3,558,012

(1) Percentage of participation in the capital stock of the issuer.

# PAMPA HOLDING S.A.

## Exhibit C

### Investments in other companies

At June 30, 2007 and December 31, 2006

Denomination and characteristics of the securities	Type	Face value	Amount	Value recorded at 06.30.07	Value recorded at 12.31.06	Information on the issuer						
				\$	\$	Main activity	Financial statements	Capital stock	Result for the period	Shareholders' equity	% of possible votes	% of participation in capital stock
<b>LONG-TERM INVESTMENTS</b>												
<b>Intercompany</b>												
<b>Subsidiaries:</b>												
Transelec Argentina S.A.	Ord.	1	68,400,462	204,968,041	205,159,462	Inversora	30/06/07	76,207,725	(2,590,055)	282,981,728	89,76	89,76 <sup>(1)</sup>
	Goowill			(14,337,225)	(21,735,914)							
Inversora Nihules S.A.	Ord.	1	45,651,344	105,439,305	98,554,849	Inversora	30/06/07	50,572,000	6,974,564	139,222,447	90,27	90,27
	Goodwill			(713,705)	(735,036)							
Inversora Diamante S.A.	Ord.	1	38,462,840	77,322,467	69,686,191	Inversora	30/06/07	41,990,000	7,442,112	115,820,873	91,60	91,60
	Goodwill			10,404,167	10,707,585							
Dilurey S.A.	Ord.	1(3)	875,000	44,361,610	-	Inversora	30/06/07	875,000	14,075,031	15,484,636	100,00	100,00
	Goodwill			4,595,396	-							
Pampa Energía S.A.	Ord.	1	514,397,500	515,909,174	-	Inversora	30/06/07	514,400,000	1,511,682	555,911,682	99,99	99,99
Powerco S.A.	Ord.	1	1,000,000	4,929,068	-	Inversora	30/06/07	10,000,000	2,398,608	49,290,678	100,00	100,00 <sup>(2)</sup>
	Goodwill			573,839	-							
<b>Total at 06.30.07</b>				<b>953,452,137</b>	<b>361,637,137</b>							

(1) See note 8 / (2) See Note 9

(3) Uruguayan pesos

# PAMPA HOLDING S.A.

## Other investments

At June 30, 2007 and December 31, 2006

Amounts in pesos – Note 2.3

### Exhibit D

Type of investment	Value recorded at 06.30.07	Value recorded at 12.31.06
<b><u>Short-term investments</u></b>		
<b><u>In local currency</u></b>		
Time deposits (1)	112,507,399	20,198,363
Mutual Investment Funds	86,574,620	3,085,791
Government securities in Argentina	52,496,198	-
<b><u>In foreign currency (Exhibit G)</u></b>		
<b>Government and private securities:</b>		
- Bonds of the Government of Chile	183,312,144	31,855,518
- Chile Negotiable Obligations	75,481,317	26,634,243
- Argentina Negotiable Obligations (2)	33,767,781	10,224,233
- Bonds of the Government of Austria	420,580,014	8,751,625
	<b>964,719,473</b>	<b>100,749,773</b>

- (1) Principal of \$ 112.2 million falling due between July and August 2007 at an average nominal rate of 8% p.a.
- (2) Corresponding to Central Térmica Güemes S.A. (controlled by Pampa Holding as from January 4, 2007)

# PAMPA HOLDING S.A.

## Cost of Sales

For the six-month period ended June 30, 2007

presented in comparative format

Amounts in pesos – Note 2.3

### Exhibit F

	<b>06.30.07</b>	<b>06.30.06</b>
Inventories at the beginning of year	12,339,010	-
Purchases for the period	-	13,265,366
Inventories at the end of period	(12,051,581)	(12,537,960)
<b>Cost of sales</b>	<b>287,429</b>	<b>727,406</b>



# PAMPA HOLDING S.A.

## Foreign currency assets and liabilities

At June 30, 2007 and December 31, 2006

Amounts in pesos – Note 2.3

### Exhibit G

Items	Type	Amount in foreign currency	Exchange rate (1)	Total at 06.30.07 \$	Total at 12.31.06 \$
<b><u>ASSETS</u></b>					
<b><u>CURRENT ASSETS</u></b>					
Cash and banks:					
Cash	US\$	1,563	3.0530	4,772	1,475
Banks	US\$	37,012,549	3.0530	112,999,312	15,268,138
Banks	EUR	45,518	4.1298	187,982	-
Investments:					
Government and private securities	US\$	109,610,853	3.0530	334,641,957	77,465,619
Government and private securities	EUR	91,650,758	4.1298	378,499,299	-
Trade receivables:					
Ordinary	US\$	108,307	3.0530	330,660	149,261
<b>Total Current Assets</b>				<b>826,663,982</b>	<b>92,884,493</b>
<b><u>NON-CURRENT ASSETS</u></b>					
Trade receivables:					
Ordinary	US\$	21,213	3.0530	64,763	232,000
<b>Total Non-Current Assets</b>				<b>64,763</b>	<b>232,000</b>
<b><u>LIABILITIES</u></b>					
<b><u>CURRENT LIABILITIES</u></b>					
Accounts Payable:					
Advances to customers	US\$	135,700	3.0930	419,719	137,661
Suppliers	US\$	522,587	3.0930	1,616,362	20,056
Suppliers	EUR	11,053	4.1842	46,248	-
Accrual	US\$	-		-	1,049,461
Other debts:					
Debt for purchase of subsidiaries	US\$	360,000	3.0930	1,113,480	-
<b>Total Current Liabilities</b>				<b>3,195,809</b>	<b>1,207,178</b>
<b><u>NON-CURRENT LIABILITIES</u></b>					
Other debts:					
Debt for purchase of subsidiaries	US\$	5,002,699	3.0930	15,473,348	15,095,056
<b>Total Non-Current Liabilities</b>				<b>15,473,348</b>	<b>15,095,056</b>

(1) Banco Nación exchange rate in force at 06.29.07 for US dollars and euros.

US\$: US dollars

EUR: Euros

## PAMPA HOLDING S.A.

### Unaudited Information required by section 64 subsect. b) of Law No. 19550

For the six-month period ended June 30, 2007

presented in comparative format

Amounts in pesos – Note 2.3

### Exhibit H

Items	Expenses		Total at 06.30.07	Total at 06.30.06
	Administrative	Selling		
Fees and compensation for services	1,688,145	48,413	1,736,558	1,007,300
Taxes, rates and utilities	-	429,678	429,678	766,697
Salaries and social security contributions	1,018,878	219,427	1,238,305	548,959
Services to personnel	36,477	-	36,477	-
Advertising and promotions	-	142,392	142,392	377,792
Rental expenses	279,173	337,496	616,669	309,155
Directors' salaries	2,182,300	-	2,182,300	224,346
Reserve for Directors options	5,883,335	-	5,883,335	-
Repair and maintenance	10,071	-	10,071	162,182
Subscriptions and Official Bodies Publications	324,823	58	324,881	89,252
General expenses	50,698	8,919	59,617	72,377
Surveillance services	-	41,748	41,748	53,095
Transport and per diem	405,572	762	406,334	51,141
Computer expenses	45,424	-	45,424	22,685
Electricity and telephone	72,334	-	72,334	15,592
Stationery and photocopies	30,928	-	30,928	13,951
Insurance	-	8,085	8,085	9,361
Depreciation of fixed assets	16,118	-	16,118	3,748
Amortization of intangible assets	-	-	-	2,401
<b>Total at 06.30.07</b>	<b>12,044,276</b>	<b>1,236,978</b>	<b>13,281,254</b>	
<b>Total at 06.30.06</b>	<b>2,984,747</b>	<b>745,287</b>		<b>3,730,034</b>

## PAMPA HOLDING S.A.

### Breakdown of receivables and debts according to due dates and interest rates accrued

At June 30, 2007 and December 31, 2006

Amounts in pesos – Note 2.3

### Exhibit I

	06.30.07						12.31.06					
	Trade receivables (1)	Other receivables (2)	Accounts payable (2)	Salaries and social security payable (2)	Tax payables (3)	Other debts (4)	Trade receivables (1)	Other receivables (2)	Accounts payable (2)	Salaries and social security payable (2)	Taxes payable (3)	Other debts (4)
No stated due date	-	7,100,914	-	-	2,992,924	215,000,000	-	3,757,455	-	-	1,094,903	-
Past due	45,748	-	-	-	6,331,308	-	-	-	-	6,261,011	-	-
Falling due												
Up to three months	1,087,914	2,610,247	2,833,763	90,775	253,122	-	1,563,491	3,436,845	2,174,359	365,331	-	100,000
From three to six months	73,815	-	-	193,487	2,462,176	-	133,249	264,725	202,569	-	261,281	-
From six to nine months	-	-	-	-	-	-	2,013	-	-	-	-	-
From nine to twelve months	132,616	165,083	186,000	-	-	1,113,480	5,781	-	-	-	-	-
More than 1 year	64,763	-	-	-	-	56,402,988	232,000	-	-	-	-	49,079,955
Total falling due	1,359,108	2,775,330	3,019,763	284,262	2,715,298	57,516,468	1,936,534	3,701,570	2,376,928	365,331	261,281	49,179,955
Total with due date	1,404,856	2,775,330	3,019,763	284,262	9,046,606	57,516,468	1,936,534	3,701,570	2,376,928	365,331	6,522,292	49,179,955
<b>Total</b>	<b>1,404,856</b>	<b>9,876,244</b>	<b>3,019,763</b>	<b>284,262</b>	<b>12,039,530</b>	<b>272,516,468</b>	<b>1,936,534</b>	<b>7,459,025</b>	<b>2,376,928</b>	<b>365,331</b>	<b>7,617,195</b>	<b>49,179,955</b>

(1) \$ 395,423 at June 30, 2007 and \$ 381,261 at December 31, 2006 accrue a nominal rate of 7% p.a.

(2) Non-interest bearing

(3) Includes index adjustment of Municipal Contributions debt

(4) \$15,473,348 at June 30, 2007 and \$ 15,095,056 at December 31, 2006 accrue a nominal rate of 3% p.a.

# PAMPA HOLDING S.A.

## Summary of Activities at June 30, 2007

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

#### *Capital Increase*

On June 16, 2006, Pampa's Shareholders' Meeting approved a capital increase of up to 900 million shares, delegating to the Board the opportunity for and amount of each issuance.

In this context, on August 23, 2006, the Board approved the issuance of 300 million shares at a value of \$ 1.15 each, the subscription of which finished on September 28 with a \$ 345 million fund contribution to the Company.

In addition, on January 15, 2007, the Board approved the issuance of the remaining 600 million shares, for which an issuance price of \$ 2.23 per share was established through local and international offering. The subscription ended on February 22, 2007 and implied a net funds revenue of approximately \$ 1.289 billion pesos for the Company.

#### *Central Térmica Güemes S.A.*

#### Acquisition

On January 4, 2007, the Company obtained control of Central Térmica Güemes S.A. through the acquisition of 100% of the capital shares of Dilurey (owner of 90% of the capital of Powerco) and 8% of the capital shares of Powerco S.A. In addition, the Company entered into a call and put option agreement concerning the remaining 2% of Powerco's shares. Powerco is the majority shareholder of Central Térmica Güemes S.A., with 60% of its equity.

The acquisition of Central Térmica Güemes is strategic for Pampa Holding because, in addition to its existing production capability, it now has the possibility of expanding within the "Energía Plus" plan framework, adding an approximate 120 MW through an investment close to US\$ 100 million. For that purpose, on March 2, 2007 a Letter of Intent was executed between Pampa Holding, the Federal Planning, Public Investment and Services Ministry, the National Energy Secretariat, the Government of the Province of Salta, and Central Térmica Güemes S.A. In this Letter, the parties entered into mutual commitments regarding the development of the project for increasing the production capability of Central Térmica Güemes.

On May 17, 2007, the Department of Internal Trade of the Ministry of Economy and Production resolved to authorize the operation in view of the favorable opinion issued by the National Committee for the Defense of Competition.

#### Renegotiation of the export agreement

On February 27, 2007, Central Térmica Güemes renegotiated its agreement for the export of electric energy for up to 150 MW with CEMSA, which will be in force from May 1, 2007 to September 30, 2009. The main terms of the agreement, to be revised with CEMSA every 6 months, are the following:

- CEMSA will pay a fixed charge of US\$ 1,600,000. This amount will grant CEMSA's foreign client the following rights:
  - It will pay up to 65% of the total monthly energy consumed at the Variable Production Cost (VPC) of the hourly units supporting the agreement.
  - The remaining total monthly energy required will be paid at a rate of US\$ 42/MWh.
  - If, on any given month, the foreign client should consume less than 65% of the total monthly energy available, the difference between the amount consumed and that 65% will be accumulated and may be consumed at the VPC in the following months. These accumulated differences will expire at each half-yearly renegotiation.
- In addition, CEMSA will pay a power charge equivalent to that in force in Argentina.

## **PAMPA HOLDING S.A.**

### **Summary of Activities at June 30, 2007** (Contd.)

On April 24, 2007, the Energy Secretariat authorized CEMSA to export energy to the National Administration of Power Plants and Electrical Transmissions (UTE) of the Republic of Uruguay for a term of 30 months beginning May 1, 2007.

In view of the increasing demand on the domestic market, in May 2007 the Secretariat of Energy decided to impose restrictions on the exports of energy. For this reason, in May and June 2007 no exports of electric energy were made to Uruguay. During that period, the Company's total production was delivered on the domestic market.

#### *Capital increase at the subsidiary - Pampa Energía*

On January 4, 2007 Pampa Energía was set up in order to operate the assets belonging to the electricity generating plant "Loma de la Lata", which was acquired for US\$ 60 million on March 7, 2007 under the asset transfer agreement executed by Central Puerto S.A. and the Company on December 4, 2006.

In order to defray the purchase price of that generating plant and the amounts paid for taxes and expenses related to the takeover of the plant and its initial operation, Pampa Energía received a first capital contribution for \$ 214,000,000 from the Company.

At present, Pampa Energía is launching projects for the generation of energy to be implemented in the Provinces of Salta and Chubut. Within the framework of these new projects and given the lack of sufficient capital on the part of Pampa Energía to make the initial payments for the importation of machinery necessary for those projects, the Company has decided to make new capital contributions for a total amount of \$ 300,000,000, of which \$ 215,000,000 had not yet been paid up at the date of these financial statements.

#### *Share exchange with the majority shareholders of EDENOR*

On July 31, 2007, ad referendum of the approval by the Ordinary and Extraordinary Meeting of Shareholders convened for August 30, 2007, under the terms of the memorandum of understanding ("the Memorandum") signed on June 22, 2007, the Company executed a Stock Subscription Agreement (the "Subscription Agreement") with the indirect majority shareholders of EDENOR S.A. (the "Contributing Shareholders") by which the Contributing Shareholders undertook to subscribe shares in the Company paying them up in kind by transferring to the Company all of their indirect controlling shareholdings in EDENOR. In exchange for that in-kind contribution, the Company agreed to issue in favor of the Contributing Shareholders 457,327,850 new ordinary shares with a face value of \$1 and entitled to one vote per share in the Company (See Note 14).

On July 12, 2007, the Board of Directors of the Company approved the operation and the execution of the Subscription Agreement ad referendum of the resolution to be adopted by the Meeting of Shareholders in due course.

These matters will be submitted to the consideration of the Ordinary and Extraordinary Meeting of Shareholders to be held on August 30, 2007.

Furthermore, subject to the consummation of this operation, the Board of Directors resolved to approve and submit to the consideration of the Audit Committee and to the approval of the Meeting of Shareholders certain amendments to the Opportunities Assignment Agreement and Put Options Issue Contracts entered into by the Company and its executives on September 27, 2006 (See Note 14).

On July 23, 2007 the Company's Audit Committee resolved to approve ad referendum of the decision to be issued by the Meeting of Shareholders, the amendments to the Opportunities Assignment Agreement proposed by the Company's Board of Directors, as those amendments are considered to reasonably meet market conditions.

#### *Subsequent events*

See Note 15 to the financial statements.

## PAMPA HOLDING S.A.

### Summary of Activities at June 30, 2007 (Contd.)

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

	06.30.07 \$	06.30.06 \$	06.30.05 \$ (1)	06.30.04 \$ (1)	06.30.03 \$ (1)
Current Assets	1,426,700,327	39,378,562	132,584	284,711	1,274,576
Non-current Assets	1,843,480,568	115,191,642	6,281,596	3,455,818	4,675,450
Total	<u>3,270,180,895</u>	<u>154,570,204</u>	<u>6,414,180</u>	<u>3,740,529</u>	<u>5,950,026</u>
Current Liabilities	160,309,764	9,868,289	4,779,690	3,424,562	4,130,174
Non-Current Liabilities	729,420,978	-	1,345,825	-	-
Subtotal	<u>889,730,742</u>	<u>9,868,289</u>	<u>6,125,515</u>	<u>3,424,562</u>	<u>4,130,174</u>
Minority shareholding	532,810,427	-	-	-	-
Shareholders' equity	1,847,639,726	144,701,915	288,665	315,967	1,819,852
Total	<u>3,270,180,895</u>	<u>154,570,204</u>	<u>6,414,180</u>	<u>3,740,529</u>	<u>5,950,026</u>

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

	06.30.07 \$ (2)	06.30.06 \$ (3)	06.30.05 \$ (1)/(3)	06.30.04 \$ (1)/(3)	06.30.03 \$ (1)/(3)
Operating results	85,225,296	985,654	1,172,196	(1,246,847)	(2,646,480)
Financial and holding results, net	4,733,322	926,871	(613,944)	(65,568)	12,240
Other net income and expenses	(4,683,153)	-	-	-	-
Subtotal	<u>85,275,465</u>	<u>1,912,525</u>	<u>558,252</u>	<u>(1,312,415)</u>	<u>(2,634,240)</u>
Extraordinary results	-	-	-	(131,871)	(5,905,928)
Income tax / asset tax	(19,651,199)	2,500,725	(47,389)	(59,599)	(69,029)
Minority interest	(13,307,933)	-	-	-	-
Net income (loss) for the year	<u>52,316,333</u>	<u>4,413,250</u>	<u>510,863</u>	<u>(1,503,885)</u>	<u>(8,609,197)</u>

- (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.
- (2) As a result of the change in the closing date mentioned in Note 2.5. to the parent-only financial statements, the amounts disclosed correspond to the six-month period ended June 30, 2007.
- (3) The amounts disclosed correspond to the full fiscal years ended in each date; therefore they cannot be compared to the amounts disclosed at June 30, 2007.

# PAMPA HOLDING S.A.

## Summary of Activities at June 30, 2007 (Contd.)

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

	<u>06.30.07</u> \$	<u>06.30.06</u> \$	<u>06.30.05</u> \$	<u>06.30.04</u> \$ (1)	<u>06.30.03</u> \$ (1)
Drums (fruit juice)	-	-	-	-	6,088
Beef (Kilograms)	-	-	-	-	1,518,616
Sundry products (chilled products – Kilograms)	-	-	-	-	225,158
Estancia Benquerencia (Areas of land)	95	100	-	-	-

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

	<u>06.30.07</u> \$	<u>06.30.06</u> \$	<u>06.30.05</u> \$ (1)	<u>06.30.04</u> \$ (1)	<u>06.30.03</u> \$ (1)
<b>Liquidity</b>					
Current Assets	1,426,700,327	315,504,572	39,378,562	132,584	284,711
Current Liabilities	160,309,764	102,417,511	9,868,289	4,779,690	3,424,562
Ratio	<b>8.90</b>	<b>3.08</b>	<b>3.99</b>	<b>0.03</b>	<b>0.08</b>
<b>Creditworthiness</b>					
Shareholders' equity	1,847,639,726	500,000,965	144,701,915	288,665	315,967
Total liabilities	889,730,742	707,353,072	9,868,289	6,125,515	3,424,562
Rate	<b>2.08</b>	<b>0.71</b>	<b>14.66</b>	<b>0.05</b>	<b>0.09</b>
<b>Immobilization of capital</b>					
Non-current Assets	1,843,480,568	1,382,559,783	115,191,642	6,281,596	3,455,818
Total Assets	3,270,180,895	1,698,064,355	154,570,204	6,414,180	3,740,529
Ratio	<b>0.56</b>	<b>0.81</b>	<b>0.75</b>	<b>0.98</b>	<b>0.92</b>
<b>Yield</b>					
Result for the period	52,316,333	3,142,733	4,413,250	510,863	(1,503,885)
Average shareholders' equity	1,173,820,346	13,810,032	144,701,915	288,665	315,967
Ratio	<b>0.04</b>	<b>0.23</b>	<b>0.03</b>	<b>1.77</b>	<b>(4.76)</b>

(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 period.

See comments in Point 1.