

Buenos Aires, November 13<sup>th</sup>, 2013 (10 am Eastern Time)

## Pampa Energía and Edenor 3Q 2013 Conference Call

Presenting:

**Leandro Montero, CFO of Edenor**  
**Mariano Batistella, IR Officer of Pampa Energía**

**Leandro Montero:** Thank you very much. Good morning everyone and thanks for joining us on this joint conference call of Pampa Energía and Edenor. As we did last conference call, myself Leandro Montero, will be presenting for Edenor first, and then Mariano Batistella will present for Pampa Energía.

As usually, we will focus first on the main events that took place in the last months and then briefly review the results of the third quarter of 2013. As you know, you can always call anybody of our team for more details on the results of the period or any doubts you might have.

So going to the relevant events of Edenor in the quarter, in September of this year, Edenor and the Homeland and Transportation Ministry entered into an agreement whereby the Federal Government will partially finance the necessary electric works to meet higher power requirements of the Mitre and Sarmiento Railway lines. The total works amount to 114 million pesos, of which the Federal Government will contribute with 60 million pesos.

Moving to our subsidiaries sale transactions, Edenor agreed to sell its indirect stake in EMDERSA, the parent company of EDELAR, to Energía Riojana S.A., a fully owned Company of the Government of the Province of La Rioja, and to transfer certain credits held with EMDERSA and EDELAR.

The total price agreed amounted to 75 million pesos payable in 120 monthly and consecutive installments, with a grace period of two years. No material results were accounted for this transaction in 2013, since the price agreed was not significantly different from its accounting value at the date of the agreement.

In connection with the sale of Emdersa Generación Salta, the Piquirenda asset, Pampa Energía paid the balance of principal and interest related to this sale for a total of Ps. 53 million pesos, through the delivery of the Company's Senior Notes due 2022 for a nominal value of U\$S 10 Million U\$S and 0.5 million pesos in cash.

Moving to Eden's Sale reported during the first quarter, as of today Eden's Sale Trust purchased in the open market 50 million US\$ of our Class 9 Notes due 2022 and 10 million US\$ of our class 7 Notes due 2017, resulting in an accumulated gain of 66 million pesos, of which 22 million pesos were accounted for in this third quarter.

After the end of the reporting period, Edenor collected the remaining balance from the purchaser completing the full payment of this transaction.

Finally, Edenor resolved to initiate the proceedings pursuant to which the Company will absorb Emersa Holding in order to optimize its resources, simplifying its corporate, administrative and operating structure. This merge has no impact on the Company's finances.

With respect to the results of Edenor, we are presenting standalone figures in 2013 taking into account the divestiture of Aeseba's assets this year.

So going now to the results of Edenor, in the third quarter of 2013, net sales increased about 25%, reaching 912 million pesos, compared to 732 million pesos in the same period of 2012. This variation was mainly due to the additional income from the Resolution 347 set by the government in November 2012, which represents approximately 142 million pesos. Besides that effect, we registered an increase in the volume of energy sold of about 6%.

Operating expenses also increased approximately 41%, mainly due to an increase in labor costs due to salaries increases granted in 2013, a rise in remuneration for services from contractors and an increase in ENRE fines and penalties.

In line with the operating losses accounted for during the latest quarters, Edenor had a net operating loss of 413 million pesos in the third quarter of 2013 compared to a 253 million pesos loss in the same period of 2012. Both results were basically impacted by higher operating expenses which could not be totally offset by sales increases.

Finally, Edenor reported a net loss of 512 million pesos in the third quarter of 2013, compared to a net loss of 277 million pesos in the same period of 2012. This was mainly as a consequence of the operating losses described before and an increase in net financial loss mainly due to exchange differences of 81 million pesos and commercial interests accrued to CAMMESA of 189 million pesos partially offset by Aeseba's Trust repurchase of Edenor notes due 2017 and 2022 of 22 million pesos. In addition, Edenor registered a positive result of 153 million pesos in connection with deferred income taxes.

During the 9-month period of 2013 we retained under PUREE concept 338 million pesos, 49 million pesos more than the 289 million pesos registered in the same period of 2012.

Regarding Edenor's capital expenditures, during the third quarter of 2013 it reached 225 million pesos, including FOCEDE funds, vis à vis 131 million pesos in the same period of 2012.

Finally, in relation to Edenor's adjusted EBITDA there was a loss of 288 million pesos in the third quarter of 2013, compared to a loss of 116 million pesos of the same quarter of 2012.

So this concludes my review on Edenor, I will now leave you with Mariano Batistella, investor relations officer of Pampa Energía, who will review other relevant events of the group, as well as the consolidated results. After that, we will be open for questions.

**Mariano Batistella:** Thank you Leandro and good morning everyone. I'll begin with the relevant events of the quarter for Pampa, excluding the ones already mentioned by Leandro.

First, I'll start with Petrolera Pampa, our oil and gas subsidiary. On November 6, Petrolera Pampa approved to increase its capital by up to 60 million ordinary shares, with one vote per share, through a public offer in Argentina. The subscription price shall be between 1.35 and 2 pesos per share, so that will represent between 80 million pesos and 120 million pesos.

We estimate that by February - March Petrolera Pampa will finish the IPO process, that will allow the company to continue with the investment plan.

Also related to the capital increase, we will assign the subscription right to the shareholders of Pampa as of October 15, 2013, thus allowing them to invest directly in Petrolera Pampa and therefore in the development of the oil and gas business in Argentina.

Also, on November 6 Petrolera Pampa entered into an investment agreement with YPF, committing to invest around 150 million dollars in exchange of 50% of the oil and gas production resulting from Rincón del Mangrullo block, located in the province of Neuquén. During the first phase of investment, Petrolera Pampa has committed to invest up to 82 million dollars in 3D seismic and the block's production development, while YPF will build the needed processing plant and gas pipelines to support the production. Once the first investment phase is finished, Petrolera Pampa has an option to continue to the second phase for up to 70 million dollars. As soon as the two phases are finished, the parties shall carry the necessary investments to develop the Block, in accordance with the respective share participations.

Finally, related to debt operations, last October Petrolera Pampa issued a Short-Term Note for 65 million pesos at Badlar plus 4% maturing bullet in one year (remember that Badlar is the interest rate paid in Argentina for deposits of over 1 million pesos).

Moving towards corporate reorganizations and in order to optimize resources, the Board of Directors of our thermal plants Güemes, EGSSA (which is the company owner of Piquirenda) and EGSSA Holding resolved to merge, subject to the approval of the Shareholders' Meetings, to be held on December 20, 2013.

Finally, related to Loma de la Lata, as of today the company has collected 221 million pesos from the insurance companies in relation to the accident occurred on November of last year. We still have pending to collect another 4 million dollars which represent around 24 million pesos, thus totaling 245 million pesos.

Going to the consolidated results of Pampa, first of all let me remind you that under International Standards we are no longer consolidating line by line 50% of Transener as we used to do under Argentine GAAP, and therefore participation in this business is shown all together in one line of the income statement called “Results for participation in joint businesses”. Nevertheless, you will see that in the business breakdown by sector and EBITDA, we are including 50% of Transener in the transmission sector, as done previously under Argentine GAAP. Moreover, we are still not including TGS in our figures, given that we haven’t been approved yet to co-control CIESA, which is pending an administrative stage at the antitrust authority.

So moving on to the results, in the third quarter of 2013 we presented a negative EBITDA of 110 million pesos, compared to a negative 16 million pesos for the same period of 2012, due to a decrease of 180 million pesos in distribution, which was partially offset by increases of 30 million pesos in generation, 40 million pesos in transmission and 15 million pesos in holding and others.

The higher EBITDA at our generation segment was mainly given by a higher EBITDA of Loma de la Lata, which as you know restarted operations of the combined cycle last June, presenting an EBITDA of 84 million pesos in the third quarter of 2013 compared to 73 million pesos in same period of 2012. Also, remember that since February of this year we are being recognized a higher remuneration for the old energy generated. The EBITDA of the generation segment does not include, however, the collection of the insurance of Loma that I previously mentioned, for 82 million pesos in the third quarter of 2013.

The EBITDA at our transmission segment rose 40 million pesos compared to the third quarter of 2012, mainly due to a higher accrual of sales in this quarter from the Instrumental Agreement which amounted to 45 million pesos, compared to 8 million pesos in third quarter of 2012. Also, we include the difference between actual collected amounts versus accrued sales corresponding to said Agreement for 22 million pesos in the third quarter of 2013 versus 8 million pesos in the same period of 2012. Plus we also include the income recorded as financial result related to the fourth line for 20 million pesos, versus 10 million pesos on the same period of last year.

Moving on briefly to the distribution segment which was previously reviewed by Leandro, during the third quarter of 2013 the EBITDA decreased by 180 million pesos on a consolidated basis, mainly due to increases in Edenor’s operating, labor and third party costs.

The holding and others segment presented an EBITDA of 31 million pesos in the third quarter of 2013, compared to 16 million pesos in the same period of 2012. This increase was mainly given by a rise of 20 million pesos in Petrolera Pampa’s operating income, given by an increase of 42% in the production of natural gas.

Finally, in terms of net income, Pampa presented a consolidated loss of 382 million pesos in the third quarter of 2013, of which a loss of 161 million pesos corresponds to the shareholders of the Company, compared to a loss of 234 million pesos in same period of 2012.

So this concludes our review of Pampa and Edenor, we are now open for questions. Thank you.