

# **EDENOR S.A.**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
AS OF MARCH 31, 2015 AND FOR THE THREE-MONTH PERIOD  
ENDED MARCH 31, 2015, PRESENTED WITH COMPARATIVE FIGURES**

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## Legal Information

**Corporate name:** Empresa Distribuidora y Comercializadora Norte S.A.

**Legal address:** 6363 Del Libertador Ave., City of Buenos Aires

**Main business:** Distribution and sale of electricity in the area and under the terms of the concession agreement by which this public service is regulated.

**Date of registration with the Public Registry of Commerce:**

- of the Articles of Incorporation: August 3, 1992
- of the last amendment to the By-laws: May 28, 2007

**Term of the Corporation:** August 3, 2087

**Registration number with the “Inspección General de Justicia” (the Argentine governmental regulatory agency of corporations):** 1,559,940

**Parent company:** Electricidad Argentina S.A. (EASA)

**Legal address:** 3302 Ortiz de Ocampo, Building 4, City of Buenos Aires

**Main business of the parent company:** Investment in Edenor’s Class “A” shares and rendering of technical advisory, management, sales, technology transfer and other services related to the distribution of electricity.

**Interest held by the parent company in capital stock and votes:** 51.54%

## CAPITAL STRUCTURE

**AS OF MARCH 31, 2015**

(amounts stated in pesos)

| Class of shares                                                 | Subscribed and<br>paid-in<br>(See Note 13) |
|-----------------------------------------------------------------|--------------------------------------------|
| Common, book-entry shares, face value 1 and 1 vote<br>per share |                                            |
| Class A                                                         | 462,292,111                                |
| Class B (1)                                                     | 442,210,385                                |
| Class C                                                         | 1,952,604                                  |
|                                                                 | <u>906,455,100</u>                         |

(1) Includes 9,412,500 treasury shares as of March 31, 2015 and December 31, 2014.

**Edenor S.A.**  
**Condensed Interim Statement of Financial Position**  
**as of March 31, 2015 presented with comparative figures**  
(Stated in thousands of pesos)

|                                                       | <u><b>Note</b></u> | <u><b>03.31.15</b></u>   | <u><b>12.31.14</b></u>  |
|-------------------------------------------------------|--------------------|--------------------------|-------------------------|
| <b>ASSETS</b>                                         |                    |                          |                         |
| <b>Non-current assets</b>                             |                    |                          |                         |
| Property, plant and equipment                         | <b>8</b>           | 6,922,326                | 6,652,482               |
| Interest in joint ventures                            |                    | 432                      | 432                     |
| Deferred tax asset                                    | <b>18</b>          | 112,101                  | 87,167                  |
| Other receivables                                     | <b>9</b>           | 251,151                  | 249,235                 |
| <b>Total non-current assets</b>                       |                    | <u><b>7,286,010</b></u>  | <u><b>6,989,316</b></u> |
| <b>Current assets</b>                                 |                    |                          |                         |
| Inventories                                           |                    | 74,909                   | 73,970                  |
| Other receivables                                     | <b>9</b>           | 873,892                  | 250,307                 |
| Trade receivables                                     | <b>10</b>          | 940,914                  | 882,949                 |
| Financial assets at fair value through profit or loss | <b>11</b>          | 776,741                  | 254,447                 |
| Cash and cash equivalents                             | <b>12</b>          | 126,083                  | 179,080                 |
| <b>Total current assets</b>                           |                    | <u><b>2,792,539</b></u>  | <u><b>1,640,753</b></u> |
| <b>TOTAL ASSETS</b>                                   |                    | <u><b>10,078,549</b></u> | <u><b>8,630,069</b></u> |

**Edenor S.A.**  
**Condensed Interim Statement of Financial Position**  
**as of March 31, 2015, presented with comparative figures (Continued)**  
(Stated in thousands of pesos)

|                                      | <b>Note</b> | <b>03.31.15</b>   | <b>12.31.14</b>  |
|--------------------------------------|-------------|-------------------|------------------|
| <b>EQUITY</b>                        |             |                   |                  |
| Share capital                        | <b>13</b>   | 897,043           | 897,043          |
| Adjustment to share capital          |             | 397,716           | 397,716          |
| Additional paid-in capital           |             | 3,452             | 3,452            |
| Treasury stock                       | <b>13</b>   | 9,412             | 9,412            |
| Adjustment to treasury stock         |             | 10,347            | 10,347           |
| Other comprehensive loss             |             | (39,862)          | (39,862)         |
| Accumulated losses                   |             | (423,221)         | (893,107)        |
| <b>TOTAL EQUITY</b>                  |             | <b>854,887</b>    | <b>385,001</b>   |
| <b>LIABILITIES</b>                   |             |                   |                  |
| <b>Non-current liabilities</b>       |             |                   |                  |
| Trade payables                       | <b>14</b>   | 175,993           | 231,105          |
| Other payables                       | <b>15</b>   | 1,937,194         | 1,644,587        |
| Borrowings                           | <b>16</b>   | 1,650,244         | 1,598,442        |
| Deferred revenue                     |             | 123,036           | 109,089          |
| Salaries and social security payable | <b>17</b>   | 67,763            | 62,858           |
| Benefit plans                        |             | 150,812           | 150,355          |
| Tax liabilities                      | <b>19</b>   | 280,803           | 3,164            |
| Provisions                           | <b>20</b>   | 127,685           | 112,095          |
| <b>Total non-current liabilities</b> |             | <b>4,513,530</b>  | <b>3,911,695</b> |
| <b>Current liabilities</b>           |             |                   |                  |
| Trade payables                       | <b>14</b>   | 3,861,975         | 3,299,891        |
| Other payables                       | <b>15</b>   | 74,639            | 187,096          |
| Borrowings                           | <b>16</b>   | 77,197            | 33,961           |
| Derivative financial instruments     |             | 9,176             | 5,895            |
| Deferred revenue                     |             | 764               | 764              |
| Salaries and social security payable | <b>17</b>   | 484,512           | 610,649          |
| Benefit plans                        |             | 20,394            | 10,566           |
| Tax liabilities                      | <b>19</b>   | 158,829           | 160,483          |
| Provisions                           | <b>20</b>   | 22,646            | 24,068           |
| <b>Total current liabilities</b>     |             | <b>4,710,132</b>  | <b>4,333,373</b> |
| <b>TOTAL LIABILITIES</b>             |             | <b>9,223,662</b>  | <b>8,245,068</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |             | <b>10,078,549</b> | <b>8,630,069</b> |

The accompanying notes are an integral part of these Financial Statements.

**Edenor S.A.**  
**Condensed Interim Statement of Comprehensive Income (Loss)**  
**for the three-month period ended March 31, 2015, presented with comparative figures**  
(Stated in thousands of pesos)

|                                                                                          | <b>Note</b> | <b>03.31.15</b>  | <b>03.31.14</b>  |
|------------------------------------------------------------------------------------------|-------------|------------------|------------------|
| Revenue                                                                                  | <b>21</b>   | 968,615          | 900,565          |
| Electric power purchases                                                                 |             | (522,977)        | (439,694)        |
| <b>Subtotal</b>                                                                          |             | <b>445,638</b>   | <b>460,871</b>   |
| Transmission and distribution expenses                                                   | <b>22</b>   | (704,589)        | (589,780)        |
| <b>Gross loss</b>                                                                        |             | <b>(258,951)</b> | <b>(128,909)</b> |
| Selling expenses                                                                         | <b>22</b>   | (171,212)        | (132,910)        |
| Administrative expenses                                                                  | <b>22</b>   | (136,944)        | (88,174)         |
| Other operating expense, net                                                             |             | (37,547)         | (28,040)         |
| Income from non-reimbursable customer contributions                                      |             | 191              | 191              |
| <b>Operating loss before higher costs recognition and SE Resolution 32/15</b>            |             | <b>(604,463)</b> | <b>(377,842)</b> |
| Income recognition on account of the RTI - SE Resolution 32/15                           | <b>2</b>    | 1,333,877        | -                |
| Higher cost recognition – SE Resolution 250/13, subsequent Notes and SE Resolution 32/15 | <b>2</b>    | 186,596          | -                |
| <b>Operating profit (loss)</b>                                                           |             | <b>916,010</b>   | <b>(377,842)</b> |
| Financial income                                                                         | <b>23</b>   | 18,088           | 20,342           |
| Financial expenses                                                                       | <b>23</b>   | (180,383)        | (147,028)        |
| Other financial results                                                                  | <b>23</b>   | (30,813)         | (247,523)        |
| <b>Net financial expense</b>                                                             |             | <b>(193,108)</b> | <b>(374,209)</b> |
| <b>Profit (Loss) before taxes</b>                                                        |             | <b>722,902</b>   | <b>(752,051)</b> |
| Income tax                                                                               | <b>18</b>   | (253,016)        | 13,488           |
| <b>Profit (Loss) for the period</b>                                                      |             | <b>469,886</b>   | <b>(738,563)</b> |
| <b>Basic and diluted earnings (loss) per share:</b>                                      |             |                  |                  |
| Basic and diluted earnings (loss) per share                                              | <b>24</b>   | 0.52             | (0.82)           |

The accompanying notes are an integral part of these Financial Statements.

**Edenor S.A.**  
**Condensed Interim Statement of Changes in Equity**  
**for the three-month period ended March 31, 2015, presented with comparative figures**  
(Stated in thousands of pesos)

|                                              | Share<br>capital | Adjustment<br>to share<br>capital | Treasury<br>stock | Adjust-<br>ment to<br>treasury<br>stock | Additional<br>paid-in<br>capital | Other<br>com prehen-<br>sive loss | Accumulated<br>deficit | <b>Total<br/>equity</b> |
|----------------------------------------------|------------------|-----------------------------------|-------------------|-----------------------------------------|----------------------------------|-----------------------------------|------------------------|-------------------------|
| <b>Balance at December 31, 2013</b>          | <b>897,043</b>   | <b>397,716</b>                    | <b>9,412</b>      | <b>10,347</b>                           | <b>3,452</b>                     | <b>(28,277)</b>                   | <b>(113,391)</b>       | <b>1,176,302</b>        |
| Loss for the three-month period              | -                | -                                 | -                 | -                                       | -                                | -                                 | (738,563)              | <b>(738,563)</b>        |
| <b>Balance at March 31, 2014</b>             | <b>897,043</b>   | <b>397,716</b>                    | <b>9,412</b>      | <b>10,347</b>                           | <b>3,452</b>                     | <b>(28,277)</b>                   | <b>(851,954)</b>       | <b>437,739</b>          |
| Loss for the nine-month complementary period | -                | -                                 | -                 | -                                       | -                                | -                                 | (41,153)               | <b>(41,153)</b>         |
| Other comprehensive loss for the year        | -                | -                                 | -                 | -                                       | -                                | (11,585)                          | -                      | <b>(11,585)</b>         |
| <b>Balance at December 31, 2014</b>          | <b>897,043</b>   | <b>397,716</b>                    | <b>9,412</b>      | <b>10,347</b>                           | <b>3,452</b>                     | <b>(39,862)</b>                   | <b>(893,107)</b>       | <b>385,001</b>          |
| Profit for the three-month period            | -                | -                                 | -                 | -                                       | -                                | -                                 | 469,886                | <b>469,886</b>          |
| <b>Balance at March 31, 2015</b>             | <b>897,043</b>   | <b>397,716</b>                    | <b>9,412</b>      | <b>10,347</b>                           | <b>3,452</b>                     | <b>(39,862)</b>                   | <b>(423,221)</b>       | <b>854,887</b>          |

The accompanying notes are an integral part of these Financial Statements.

**Edenor S.A.**  
**Condensed Interim Statement of Cash Flows**  
**for the three-month period ended March 31, 2015, presented with comparative figures**  
(Stated in thousands of pesos)

|                                                                                                            | <u>Note</u> | <u>03.31.15</u>  | <u>03.31.14</u>  |
|------------------------------------------------------------------------------------------------------------|-------------|------------------|------------------|
| <b>Cash flows from operating activities</b>                                                                |             |                  |                  |
| Profit (Loss) for the period                                                                               |             | 469,886          | (738,563)        |
| <b>Adjustments to reconcile net (loss) profit to net cash flows from operating activities:</b>             |             |                  |                  |
| Depreciation of property, plants and equipments                                                            | <b>22</b>   | 64,076           | 55,901           |
| Loss on disposals of property, plants and equipments                                                       |             | 369              | 185              |
| Net accrued interest                                                                                       |             | 155,799          | 126,458          |
| Exchange differences                                                                                       | <b>23</b>   | 52,527           | 318,392          |
| Income tax                                                                                                 | <b>18</b>   | 253,016          | (13,488)         |
| Allowance for the impairment of trade and other receivables, net                                           |             | 1,034            | 5,306            |
| Adjustment to present value of receivables                                                                 | <b>23</b>   | (2,615)          | (1,666)          |
| Provision for contingencies                                                                                |             | 19,216           | 9,212            |
| Other expenses - FOCEDE                                                                                    |             | 8,733            | -                |
| Changes in fair value of financial assets                                                                  | <b>23</b>   | (24,530)         | (28,840)         |
| Accrual of benefit plans                                                                                   |             | 21,250           | 9,018            |
| Higher cost recognition – SE Resolution 250/13, subsequent                                                 | <b>2</b>    |                  |                  |
| Notes and SE Resolution 32/15                                                                              |             | (186,596)        | -                |
| Income recognition on account of the RTI - SE Resolution 32/15                                             | <b>2</b>    | (464,803)        | -                |
| Net gain from the repurchase of Corporate Bonds                                                            | <b>23</b>   | -                | (45,018)         |
| <b>Changes in operating assets and liabilities:</b>                                                        |             |                  |                  |
| Increase in trade receivables                                                                              |             | (36,829)         | (28,367)         |
| Increase in other receivables                                                                              |             | (627,871)        | (5,010)          |
| Increase in inventories                                                                                    |             | (939)            | (15,229)         |
| Increase (decrease) in deferred revenue                                                                    |             | 13,947           | (191)            |
| Decrease in trade payables                                                                                 |             | (253,274)        | (64,487)         |
| Decrease in salaries and social security payable                                                           |             | (121,232)        | (86,450)         |
| Decrease in benefit plans                                                                                  |             | (10,965)         | (3,669)          |
| (Decrease) Increase in tax liabilities                                                                     |             | (4,673)          | 1,499            |
| Increase in other payables                                                                                 |             | (111,802)        | 34,653           |
| Funds obtained from the program for the rational use of electric power (PUREE) (SE Resolution No. 1037/07) |             | 25,612           | 110,430          |
| Net decrease in provisions                                                                                 |             | (5,048)          | (1,392)          |
| <b>Subtotal before variations of debts with Cammesa</b>                                                    |             | <b>(765,712)</b> | <b>(361,316)</b> |
| Increase in account payable and mutuum with Cammesa                                                        |             | 1,404,932        | 725,520          |
| <b>Net cash flows generated by operating activities</b>                                                    |             | <b>639,220</b>   | <b>364,204</b>   |



**Edenor S.A.**  
**Condensed Interim Statement of Cash Flows**  
**for the three-month period ended March 31, 2015, presented with comparative figures**  
*(Continued)*  
(Stated in thousands of pesos)

|                                                                                                                                                                   | <u>Note</u> | <u>03.31.15</u>         | <u>03.31.14</u>         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|-------------------------|
| <b>Cash flows from investing activities</b>                                                                                                                       |             |                         |                         |
| Payment of property, plants and equipments                                                                                                                        |             | (197,067)               | (271,841)               |
| Net (payment for) collection of purchase / sale of financial assets at fair value                                                                                 |             | <u>(494,482)</u>        | <u>(230,743)</u>        |
| <b>Net cash flows used in investing activities</b>                                                                                                                |             | <b><u>(691,549)</u></b> | <b><u>(502,584)</u></b> |
| <b>Cash flows from financing activities</b>                                                                                                                       |             |                         |                         |
| Payment of principal on loans                                                                                                                                     |             | -                       | (182)                   |
| Payment of interest on loans                                                                                                                                      |             | <u>-</u>                | <u>(16)</u>             |
| <b>Net cash flows used in financing activities</b>                                                                                                                |             | <b><u>-</u></b>         | <b><u>(198)</u></b>     |
| <b>Decrease in cash and cash equivalents</b>                                                                                                                      |             | <b><u>(52,329)</u></b>  | <b><u>(138,578)</u></b> |
| Cash and cash equivalents at the beginning of year                                                                                                                | <b>12</b>   | 179,080                 | 243,473                 |
| Exchange differences in cash and cash equivalents                                                                                                                 |             | (668)                   | 9,379                   |
| Decrease in cash and cash equivalents                                                                                                                             |             | <u>(52,329)</u>         | <u>(138,578)</u>        |
| <b>Cash and cash equivalents at the end of period</b>                                                                                                             | <b>12</b>   | <b><u>126,083</u></b>   | <b><u>114,274</u></b>   |
| <b>Supplemental cash flows information</b>                                                                                                                        |             |                         |                         |
| <b>Non-cash investing and financing activities</b>                                                                                                                |             |                         |                         |
| Financial costs capitalized in property, plants and equipments                                                                                                    | <b>8</b>    | (55,912)                | (3,141)                 |
| Acquisitions of property, plant and equipment through increased trade payables                                                                                    |             | (81,310)                | -                       |
| Decrease from offsetting of PUREE-related liability against receivables (SE Resolution 250/13, subsequent Notes and SE Resolution 32/15)                          | <b>2</b>    | 10,619                  | -                       |
| Decrease from offsetting of liability with CAMMESA for electricity purchases against receivables (SE Resolution 250/13, subsequent Notes and SE Resolution 32/15) | <b>2</b>    | (196,906)               | -                       |
| Decrease in financial assets at fair value from repurchase of Corporate Bonds                                                                                     |             | -                       | 91,638                  |

The accompanying notes are an integral part of these Financial Statements.

**1. General information**

**History and development of the Company**

Empresa Distribuidora Norte S.A. (EDENOR S.A. or the Company) was organized on July 21, 1992 by Decree No. 714/92 in connection with the privatization and concession process of the distribution and sale of electric power carried out by Servicios Eléctricos del Gran Buenos S.A. (SEGBA S.A.).

By means of an International Public Bidding, the Federal Government awarded 51% of the Company's capital stock, represented by the Class "A" shares, to the bid made by Electricidad Argentina S.A. (EASA), the parent company of Edenor S.A. The award as well as the transfer contract were approved on August 24, 1992 by Decree No. 1,507/92 of the Federal Government.

On September 1, 1992, EASA took over the operations of EDENOR S.A.

The corporate purpose of EDENOR S.A. is to engage in the distribution and sale of electricity within the concession area. Furthermore, among other activities, the Company may subscribe or acquire shares of other electricity distribution companies, subject to the approval of the regulatory agency, assign the use of the network to provide electricity transmission or other voice, data and image transmission services, and render advisory, training, maintenance, consulting, and management services and know-how related to the distribution of electricity both in Argentina and abroad. These activities may be conducted directly by EDENOR S.A. or through subsidiaries or related companies. In addition, the Company may act as trustee of trusts created under Argentine laws.

**The Company's economic and financial situation**

In fiscal years 2014, 2012 and 2011, the Company recorded negative operating and net results, and both its liquidity level and working capital, even in fiscal year 2013, were severely affected. This situation is due mainly to both the continuous increase of its operating costs that are necessary to maintain the level of the service, and the delay in obtaining rate increases and/or recognition of its real higher costs ("CMM"), as stipulated in Section 4 of the Adjustment Agreement, including the review procedure in the event of deviations exceeding 5%.

In spite of the above-mentioned situation, it is worth mentioning that, in general terms, the quality of the electricity distribution service has been maintained and the constant year-on-year increase in the demand for electricity that has accompanied the economic growth and the standard of living of the last years has also been satisfied. Due to both the continuous increase recorded in the costs associated with the provision of the service and the need for additional investments to meet the increased demand, the Company has adopted a series of measures aimed at mitigating the negative effects of this situation on its financial structure, minimizing the impact thereof on the sources of employment, the execution of the investment plan or the carrying out of the essential operation and maintenance works that are necessary to maintain the provision of the public service in a satisfactory manner in terms of quality and safety.

The Company has made a series of presentations before control agencies, regulatory authorities and courts in order to jointly instrument the necessary mechanisms to contribute to an efficient and safe provision of the distribution service, the maintenance of the level of investments and the compliance with the increased demand.

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

Although the partial recognition of higher costs (as stipulated in Section 4.2 of the Adjustment Agreement) for the period May 2007 through January 2015, implemented by Energy Secretariat (SE) Resolution 250/13 and SE Notes 6852/13, 4012/14, 486/14,1136/14 and SE resolution 32/15 represented a significant step towards the recovery of the Company's economic and financial situation, the effects thereof did not allow for the absorption of neither operating nor investment costs or for the payment of financial services. However, the constant increase in the operating costs that are necessary to maintain the level of the service, and the delay in obtaining genuine rate increases will continue to deteriorate the Company's operating results, demonstrating that this recognition has been insufficient to restore the balance that the economic and financial equation of the public service, object of the concession, requires.

As a consequence of that which has been previously described, the Company has permanently maintained during the last four fiscal years a working capital deficit, inasmuch as it had neither the necessary nor the adequate conditions to come to the financial market to make up the deficit of both its operations and the investment plans necessary to maintain the quality of the service, object of the concession. As of March 31, 2015, the negative working capital amounts to \$1,917.6 million.

In view of the above, the Company obtained from the Federal Government the granting of loans for consumption (mutuums) in order to be able to afford specific aspects, such as: a) the salary increases granted to Company employees represented by the *Sindicato de Luz y Fuerza* (Electric Light and Power Labor Union) as from May 1, 2014 and other benefits, applicable also to those contractors whose employees are included in the collective bargaining agreements of the aforementioned union (Note 2.c); and b) the investment plan due to the temporary insufficiency of the funds obtained from the fixed charges established by Resolution 347/12 (Note 2.c.).

Additionally, on March 13, 2015, the *Official Gazette* published SE Resolution 32/15, issued by the Energy Secretariat, which, addressing the need for the adjustment of the economic and financial situation of distribution companies and considering it necessary that urgent and temporary measures should be adopted in order to maintain the normal provision of the public service, object of the concession (Note 2.b).

Based on the cost increase estimates and financial projections made by the Company, considering the measures of SE Resolution 32/15, the Board of Directors believes that financial resources will be available, at least during fiscal year 2015, to cover not only the operating costs and debt interest payments, but also part of the investment plans, if the payment plan to be defined with CAMMESA (Wholesale Electric Market Management Company) for the settlement of the remaining debt with the MEM (Wholesale Electric Market) conforms to the generation of surplus cash flows. Compliance with the investment plans will depend on whether the assistance received until now under the respective Loan for consumption (Mutuum) continues.

Although these temporary measures help decrease the degree of uncertainty concerning the Company's financial ability for the next 2015 fiscal year, the Board of Directors believes that the sustainable recovery of the economic and financial equation of the public service, object of the concession, will fundamentally depend on the application of a Tariff Structure Review (RTI) that takes into consideration the permanent development of operating costs, that allows for the payment of the required investments to meet the increasing demand with the quality levels stipulated in the Concession Agreement, that makes it possible to have access to financing sources and cover the corresponding costs and that allows, at the same time, for the generation of a reasonable return on the investment.

The Company Board of Directors will continue to take steps before the regulatory authority aimed not only at monitoring the compliance with and effectiveness of the temporary measures adopted until now but also at obtaining compliance with the provisions of both the Adjustment Agreement and SE Resolution 32/15 concerning the carrying out of the RTI.

To date, the outcome of the RTI continues to be uncertain as to both its timing and final form.

Furthermore, although the conditions of uncertainty existing in previous fiscal years have been mitigated as compared to short-term projections by the temporary measures adopted by the Federal Government, it cannot be assured that such measures will continue to be effective after this first year of application inasmuch as the effectiveness thereof will depend on the increase of costs in subsequent periods and the availability of resources of the Federal Government to absorb them and, at the same time, continue with the assistance provided through the Loans for consumption (Mutuums), until the RTI is resolved in a satisfactory manner.

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**as of March 31, 2015, presented with comparative figures (continued)**

**2. Regulatory framework**

As of the date of the issuance of this Condensed Interim Financial Statements do not exist significant changes compared to the situation described by the Company as of December 31, 2014, except for the mentioned below:

**a) PUREE – CMM (Program for the Rational Use of Electric Power – Cost Monitoring Mechanism)**

The impact of SE Resolution 250/13, subsequent Notes and SE Resolution 32/2015 on the Statement of financial position is summarized below:

|                                                                 | 2013           |                 |                    | 2014             |                |                 | 2015               |                    |
|-----------------------------------------------------------------|----------------|-----------------|--------------------|------------------|----------------|-----------------|--------------------|--------------------|
|                                                                 | SE Res. 250/13 | SE Note 6852/13 | Subtotal           | SE Note 4012/14  | SE Note 486/14 | SE Note 1136/14 | Subtotal           | Total              |
| Other receivables                                               |                |                 |                    |                  |                |                 |                    |                    |
| Cost Monitoring Mechanism (1)                                   | 2,254,953      | 723,629         | <b>2,978,582</b>   | 735,534          | 833,660        | 702,733         | <b>2,271,927</b>   | <b>5,437,105</b>   |
| Net interest CMM - PUREE                                        | 172,939        | 24,571          | <b>197,510</b>     | 108,218          | 36,231         | 13,337          | <b>157,786</b>     | <b>354,987</b>     |
| Other payables - Program for the rational use of electric power | (1,387,037)    | (274,068)       | <b>(1,661,105)</b> | (168,426)        | (187,665)      | (217,919)       | <b>(574,010)</b>   | <b>(2,224,496)</b> |
| Trade payables - CAMMESA                                        | (678,134)      | (474,132)       | <b>(1,152,266)</b> | (1,038,047)      | (682,226)      | (498,151)       | <b>(2,218,424)</b> | <b>(3,567,596)</b> |
| <b>LVFVD to be issued</b>                                       | <b>362,721</b> | -               | <b>362,721</b>     | <b>(362,721)</b> | -              | -               | <b>(362,721)</b>   | -                  |

(1) Includes CMM amount receivable recognized in prior fiscal years for \$ 45.5 million.

**b) SE Resolution 32/15**

On March 11, 2015, the SE issued SE Resolution 32/15, whereby it:

- a) Grants a temporary increase in income to Edenor effective as from February 1, 2015, and on account of the Tariff Structure Review, in order for the Company to cover the expenses and afford the investments associated with the normal provision of the public service, object of the concession, and on an account of the RTI.  
The additional income will arise from the difference between the “Theoretical electricity rate schedule” included in the resolution and the electricity rate schedule currently applied to each customer category, according to the ENRE’s (National Electricity Regulatory Agency) calculations, which are to be informed to the SE and CAMMESA on a monthly basis. The above-mentioned funds will be contributed by the Federal Government and transferred to the Company by CAMMESA.
- b) Establishes that, as from February 1, 2015, the PUREE (Program for the Rational Use of Electricity Power) related funds to which SE Resolution 745/05 refers (Note 2.c.IV) will be regarded as part of the Company’s income on account of the RTI and earmarked to cover the higher costs of the provision of the public service, object of the concession.
- c) Authorizes the Company to offset, until January 31, 2015, the PUREE-related debts against and up to the amount of the CMM established receivables, including interest, if any, on both concepts.
- d) Instructs CAMMESA to issue LVFVD (Sale Settlements with Maturity Dates to be Determined) in favor of the Company for the surplus amounts in favor of the Company, resulting from the offsetting process indicated in the preceding paragraph, and for the amounts owed by the Company under the Loans for consumption (Mutuums) granted for higher salary costs.
- e) Instructs CAMMESA to implement a payment plan to be defined with the Company, with the prior approval of the SE, for the settlement of the remaining balances in favor of the MEM.
- f) Establishes that the Company will neither distribute dividends nor use the income deriving from this resolution as detailed in paragraph a) to pay loans with financial entities, restructure financial debts, acquire other companies, grant loans, or carry out other transactions that are not strictly related to the payment of

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its obligations with the MEM, the payment of salaries of the Company's own or hired personnel or the making of payments to suppliers of goods and/or services related to the provision of the public service of electricity distribution.

- g) Establishes that the Company shall observe the provisions of clause 22.1 of the Adjustment Agreement and suspend any administrative claim and/or judicial action it may have brought against the Federal Government, the SE and/or the ENRE in relation to the compliance with clause 4.2 of the Adjustment Agreement and the provisions of clauses of this resolution.

The following table summarized the impacts of SE Resolution 32/2015 except as mentioned in Note 2.a. in the Statement of Financial Position and the Statement of Comprehensive Income (Loss).

|                                                                                            | <u><b>31.03.15</b></u>  |
|--------------------------------------------------------------------------------------------|-------------------------|
| <i>Other receivables</i>                                                                   |                         |
| Increase in other receivables from additional income                                       | a) 377,739              |
| <b>Total other receivables</b>                                                             | <u><b>377,739</b></u>   |
| <i>Other payables</i>                                                                      |                         |
| Decrease in funds obtained from the program for the rational use of electric power (PUREE) | b) (160,837)            |
| <b>Total other payables</b>                                                                | <u><b>(160,837)</b></u> |
| <i>Other income</i>                                                                        |                         |
| Additional increase from the difference between the electricity rate schedules             | a) 708,237              |
| Funds obtained from the program for the rational use of electric power (PUREE)             | b) 160,837              |
| Decrease in loans for consumption (Mutuums) granted for higher salary costs                | d) 464,803              |
| <b>Total other income</b>                                                                  | <u><b>1,333,877</b></u> |

At the date of issuance of these financial statements, the Company Management is analyzing the steps to be followed as indicated in section 14 of SE Resolution 32/15 in relation to that which has been detailed in the preceding caption g).

At the date of presentation of these financial statements, the Company has received \$ 708.2 million as temporary increase in income, in accordance with that which has been indicated in the preceding caption a) of this note, for the months of February and March 2015.

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**c) Loans for consumption (mutuums) and assignments of secured receivables**

At the date of issuance of these condensed interim financial statements, there are no significant changes with respect to the situation reported by the Company as of December 31, 2014, except for the following:

**1) Extraordinary Investment Plan - Temporary insufficiency of the revenue deriving from the FOCED**

On January 13 and March 13, 2015, the loan for consumption (mutuum) agreement was extended, as instructed by the Energy Secretariat to CAMMESA, for an additional amount of \$ 1.04 billion and \$ 304.7 million, respectively.

As of March 31, 2015, the debt related to this concept amounts to \$ 714.5 million (comprised of \$ 677.8 million principal and \$ 36.7 million in accrued interest) which is disclosed in the Other non-current payables account.

**2) Higher salary costs**

SE Resolution 32/15, mentioned before, resolves the emission of LVFVD be issued in favor of the Company for the amounts generated from this Loan for consumption (Mutuum) received by the Company to afford the salary increases deriving from the application of Resolution 836/14 of the Ministry of Labor, Employment and Social Security; allowing the Company to offset them against the outstanding balances for this concept.

In this regard, as of March 31, 2015, the Company made the pertinent recordings, fully settling the \$ 484.4 million liability for this concept, thus generating a positive result of \$ 464.8 million relating to the principal received and interest accrued during fiscal year 2014, which has been disclosed in income on account of the RTI – SE Res. 32/15 line item of the income statement, and a positive result of \$ 19,6 million, relating to interest accrued during the first quarter of 2015, which has been disclosed in the Financial expenses line item of the income statement.

**3. Basis of preparation**

These condensed interim financial statements for the periods ended March 31, 2015 and 2014 have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

This condensed interim financial information must be read in conjunction with the financial statements of the Company as of December 31, 2014, which have been prepared in accordance with IFRS. These condensed interim financial statements are expressed in Argentine pesos, unless otherwise stated. They have been prepared under the historical cost convention, modified by the measurement of financial assets at fair value.

These condensed interim financial statements for the three month periods ended March 31, 2015 and 2014 have not been audited. The Company’s management estimates they include all the necessary adjustments to present fairly the results of operations for each period. The income for the three month periods ended March 31, 2015 and 2014 does not necessarily reflect in proportion the Company’s results for the complete year.

These condensed interim financial statements were approved for issue by the Company Board of Directors on May 8, 2015.

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**Comparative information**

Balances as of December 31, 2014 and for three month periods ended on March 31, 2014, included in these condensed interim financial statements for comparative purposes, are derived from the financial statements at those dates.

**4. Accounting policies**

The accounting policies adopted for these condensed interim financial statements are consistent with those used in the preparation of the financial statements for the last financial year, which ended December 31, 2014.

There are no new IFRS or IFRIC applicable as from the period being reported that have a material impact on the Company's condensed interim financial statements.

These condensed interim financial statements must be read together with the audited financial statements as of December 31, 2014, which have been prepared in accordance with IFRS.

- **Income recognition on account of the RTI - SE Resolution 32/15**

The recognition established by Resolution 32/15 falls within the scope of IAS 20, since it implies a compensation to cover the costs and investments associated with the normal performance of the provision of the public service concession.

Their recognition is made at fair value when there is reasonable assurance that will be collected and have met the service.

Such concept has been disclosure in the line, "Income recognition on account of the RTI - SE Resolution 32/15" line item of the Condensed Interim Statement of Comprehensive Income (Loss).

**5. Financial risk management**

The Company's activities and the market in which it operates expose it to a series of financial risks: market risk (including currency risk, cash flows interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

There have been no significant changes in the Company's risk management policies since the last fiscal year end.

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- Currency risk

As of March 31, 2015 and December 31, 2014, the Company's balances in foreign currency are as follow:

|                                                       | <u>Currency</u> | <u>Amount in<br/>foreign<br/>currency</u> | <u>Exchange<br/>rate (1)</u> | <u>Total<br/>03.31.2015</u> | <u>Total<br/>12.31.2014</u> |
|-------------------------------------------------------|-----------------|-------------------------------------------|------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                         |                 |                                           |                              |                             |                             |
| <b>NON-CURRENT ASSETS</b>                             |                 |                                           |                              |                             |                             |
| Other receivables                                     | USD             | -                                         | 8.722                        | -                           | 2,807                       |
| <b>TOTAL NON-CURRENT ASSETS</b>                       |                 | <b>-</b>                                  |                              | <b>-</b>                    | <b>2,807</b>                |
| <b>CURRENT ASSETS</b>                                 |                 |                                           |                              |                             |                             |
| Financial assets at fair value through profit or loss | USD             | -                                         | 8.722                        | -                           | 26,002                      |
| Cash and cash equivalents                             | USD             | 3,825                                     | 8.722                        | 33,365                      | 6,392                       |
|                                                       | EUR             | 14                                        | 9.355                        | 135                         | 148                         |
| <b>TOTAL CURRENT ASSETS</b>                           |                 | <b>3,839</b>                              |                              | <b>33,500</b>               | <b>32,542</b>               |
| <b>TOTAL ASSETS</b>                                   |                 | <b>3,839</b>                              |                              | <b>33,500</b>               | <b>35,349</b>               |
| <b>LIABILITIES</b>                                    |                 |                                           |                              |                             |                             |
| <b>NON-CURRENT LIABILITIES</b>                        |                 |                                           |                              |                             |                             |
| Borrowings                                            | USD             | 187,060                                   | 8.822                        | 1,650,244                   | 1,598,442                   |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                  |                 | <b>187,060</b>                            |                              | <b>1,650,244</b>            | <b>1,598,442</b>            |
| <b>CURRENT LIABILITIES</b>                            |                 |                                           |                              |                             |                             |
| Trade payables                                        | USD             | 4,443                                     | 8.822                        | 39,195                      | 76,502                      |
|                                                       | EUR             | 711                                       | 9.485                        | 6,744                       | 20,053                      |
|                                                       | CHF             | 30                                        | 9.077                        | 275                         | 262                         |
|                                                       | NOK             | 68                                        | 1.101                        | 75                          | 79                          |
| Borrowings                                            | USD             | 8,751                                     | 8.822                        | 77,197                      | 33,961                      |
| <b>TOTAL CURRENT LIABILITIES</b>                      |                 | <b>14,003</b>                             |                              | <b>123,486</b>              | <b>130,857</b>              |
| <b>TOTAL LIABILITIES</b>                              |                 | <b>201,063</b>                            |                              | <b>1,773,730</b>            | <b>1,729,299</b>            |

- (1) The exchange rates used are those of Banco Nación in effect as of March 31, 2015 for US Dollars (USD), Euros (EUR), Swiss Francs (CHF) and Norwegian Kroner (NOK). An average exchange rate is used for balances with related parties.

- Fair value estimate

The Company classifies the measurements of financial instruments at fair value using a fair value hierarchy that reflects the relevance of the variables used to carry out such measurements. The fair value hierarchy has the following levels:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from the prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).



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The table below shows the Company's financial assets and liabilities measured at fair value as of March 31, 2015 and December 31, 2014:

|                                                               | <b>LEVEL 1</b> | <b>LEVEL 2</b> | <b>LEVEL 3</b> | <b>TOTAL</b>   |
|---------------------------------------------------------------|----------------|----------------|----------------|----------------|
| <b>At March 31, 2015</b>                                      |                |                |                |                |
| <b>Assets</b>                                                 |                |                |                |                |
| <i>Cash and cash equivalents</i>                              |                |                |                |                |
| Money market funds                                            | 98,363         | -              | -              | 98,363         |
| <i>Financial assets at fair value through profit or loss:</i> |                |                |                |                |
| Government bonds                                              | 21,805         | -              | -              | 21,805         |
| Money market funds                                            | 754,936        | -              | -              | 754,936        |
| <b>Total assets</b>                                           | <b>875,104</b> | <b>-</b>       | <b>-</b>       | <b>875,104</b> |
| <b>Liabilities</b>                                            |                |                |                |                |
| Derivative financial instruments                              | -              | 9,176          | -              | 9,176          |
| <b>Total liabilities</b>                                      | <b>-</b>       | <b>9,176</b>   | <b>-</b>       | <b>9,176</b>   |
| <b>At December 31, 2014</b>                                   |                |                |                |                |
| <b>Assets</b>                                                 |                |                |                |                |
| <i>Cash and cash equivalents</i>                              |                |                |                |                |
| Money market funds                                            | 135,537        | -              | -              | 135,537        |
| <i>Financial assets at fair value through profit or loss:</i> |                |                |                |                |
| Government bonds                                              | 21,150         | -              | -              | 21,150         |
| Money market funds                                            | 233,297        | -              | -              | 233,297        |
| <b>Total assets</b>                                           | <b>389,984</b> | <b>-</b>       | <b>-</b>       | <b>389,984</b> |
| <b>Liabilities</b>                                            |                |                |                |                |
| Derivative financial instruments                              | -              | 5,895          | -              | 5,895          |
| <b>Total liabilities</b>                                      | <b>-</b>       | <b>5,895</b>   | <b>-</b>       | <b>5,895</b>   |

## 6. Critical accounting estimates and judgments

The preparation of the condensed interim financial statements requires the Company management to make estimates and assessments concerning the future, exercise critical judgments and make assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities and revenues and expenses.

These estimates and judgments are permanently evaluated and are based upon past experience and other factors that are reasonable under the existing circumstances. Future actual results may differ from the estimates and assessments made at the date of preparation of these condensed interim financial statements.

In preparing these condensed interim financial statements, there have been no changes in either the critical judgments made by the Company when applying its accounting policies or the information sources of estimation uncertainty with respect to those applied in the financial statements for the year ended December 31, 2014.

### a) Impairment of long-lived assets

From the implementation of SE Res. 32/15 which established a temporary increase in income as from February 1, 2015, the projected and discounted cash flows used by the Company to determine the recoverability of property, plant and equipment have been updated.

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The future increase in electricity rates used by the Company to assess the recoverability of its long-lived assets as of March 31, 2015 is based on the rights to which the Company is entitled, as stipulated in the Concession Agreement and the agreements described in Note 2 to the financial statements as of December 31, 2014. Furthermore, the actions taken to maintain and guarantee the provision of the public service, the presentations made before regulatory authorities, the status quo of the discussions that are being held with government representatives, the announcements made by government officials concerning possible changes in the sector's revenues to restore the economic and financial equation, and certain adopted measures, such as those described in Notes 2 to these financial statements, have also been considered. The Company Management estimates that it is reasonable to expect that new increases in revenues will be obtained as from 2016.

In spite of the current economic and financial situation described in Note 1 to these financial statements, the Company has made its projections under the assumption that the electricity rates will be improved according to the circumstances. However, the Company may not ensure that the future performance of the variables used to make its projections will be in line with what it has estimated. Therefore, significant differences may arise in relation to the estimates used and assessments made at the date of preparation of these financial statements.

In order to contemplate the estimation risk contained in the projections of the aforementioned variables, the Company has considered three different probability-weighted scenarios. Although in all of them it is estimated that the Company will succeed in reaching an acceptable agreement with the Government resulting in a gradual tariff increase, the Company has considered different timing and magnitude of an increase in the DAV (Distribution Added Value).

The scenarios considered are as follow:

a) Scenario called Pessimistic scenario: in this scenario, the Company contemplates the effects of SE Resolution 32/15 and assumes modest electricity rate increases as from 2016 as a result of the gradual implementation of an RTI. CAMMESA's financial assistance, as regards the reception of the loan for consumption (mutuum) for the Extraordinary Investment Plan, is maintained. In 2017, the accumulated debt for energy purchases begin to be paid and past higher real costs (not covered by the CMM) would be recognized, which would allow for the offsetting of the accumulated debts with CAMMESA for interest accrued. Probability of occurrence assigned 20%.

b) Scenario called Intermediate scenario: in this case, the Company contemplates the effects of SE Resolution 32/15 and assumes reasonable electricity rate increases as from 2016, as a result of the gradual implementation of an RTI. CAMMESA's financial assistance, as regards the reception of the loan for consumption (mutuum) for the Extraordinary Investment Plan, is maintained. In 2017, the accumulated debt for energy purchases begin to be paid and past higher real costs (not covered by the CMM) would be recognized, which would allow for the offsetting of the accumulated debts with CAMMESA for interest accrued. Probability of occurrence assigned 65%.

c) Scenario called Optimistic scenario: in this case, the Company contemplates the effects of SE Resolution 32/15 and assumes increases higher than those of the intermediate scenario as from 2016, as a result of the gradual implementation of an RTI. CAMMESA's financial assistance, as regards the reception of the loan for consumption (mutuum) for the Extraordinary Investment Plan, is maintained. In 2017, the accumulated debt for energy purchases begin to be paid and past higher real costs (not covered by the CMM) would be recognized, which would allow for the offsetting of the accumulated debts with CAMMESA for interest accrued. Probability of occurrence assigned 15%.

The Company has assigned to these three scenarios the previously described percentages of probability of occurrence based mainly on the experience with past delays in the tariff renegotiation process, the present economic and financial situation, the status quo of the conversations that are being held with the Federal Government and the need to maintain the public service, object of the concession, in operation.

An after tax discount rate (WACC) in pesos stated in nominal terms of 24.5% has been used in all the scenarios.

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*Sensitivity analysis:*

The main factors that could result in impairment charges in future periods are: i) a distortion in the nature, opportunity and modality of the electricity rate increases and recognition of cost adjustments, and ii) the development of the costs to be incurred. These factors have been taken into account in the aforementioned weight of scenarios. Due to the inherent uncertainty involved in these assumptions, the Company estimates that any sensitivity analysis that considers changes in any of them considered individually could lead to distorting conclusions.

Based on the conclusions previously mentioned, the valuation of property, plant and equipment, taken as a whole, does not exceed its recoverable value, which is measured as the value in use as of March 31, 2015.

**b) Going concern**

These financial statements have been prepared in accordance with the accounting principles applicable to a going concern, assuming that the Company will continue to operate normally during fiscal year 2015 because in the Company's opinion SE Resolution 32/15 provides greater certainty concerning the financial conditions existing prior to the issuance thereof and constitutes a reasonable basis for the commencement of the RTI.

**7. Contingencies and lawsuits**

At the date of issuance of these condensed interim financial statements, there are no significant changes with respect to the situation reported by the Company in the financial statements as of December 31, 2014, except for the following:

- **Legal action brought by the Company (“EDENOR S.A. VS FEDERAL GOVERNMENT – MINISTRY OF FEDERAL PLANNING / PROCEEDING FOR THE DETERMINATION OF A CLAIM AND MOTION TO LITIGATE IN FORMA PAUPERIS”)**

On June 28, 2013, the Company instituted these proceedings for the recognizance of a claim and the related leave to proceed in forma pauperis, both pending in the Federal Court of Original Jurisdiction in Contentious and Administrative Federal Matters No. 11 – Clerk's Office No. 22.

**Purpose of the main proceedings:** To sue for breach of contract due to the Federal Government's failure to perform in accordance with the terms of the “Memorandum of Understanding concerning the Renegotiation of the Concession Agreement” (“*Acta Acuerdo de Renegociación del Contrato de Concesión*” – Adjustment Agreement) entered into with Edenor in 2006, and for damages caused as a result of such breach.

**Procedural stage of the proceedings:** On November 22, 2013, the Company amended the complaint so as to extend it and claim more damages as a consequence of the Federal Government's omission to perform the obligations under the aforementioned “Adjustment Agreement”. On February 3, 2015, the court hearing the case ordered that notice of the complaint be served to be answered within the time limit prescribed by law, which at the date of issuance of these financial statements has already taken place.

**Provisional Remedy:** In the same action, in February 2014, the Company applied for the immediate granting of a provisional remedy in order to maintain an efficient and safe service, requesting that until judgment is passed on the merits of the case, the Federal Government be compelled to provide the Company with economic assistance, whether by means of a temporary rate adjustment or through government grants. After notice was served upon and answered by the Federal Government – Ministry of Federal Planning, on May 27, 2014, the court hearing the case rejected the provisional remedy sought by the Company, decision which was confirmed by Division V of the Appellate Court and notified to Edenor on December 19, 2014.

**Resolution 32 of the Energy Secretariat:** On March 13, 2015, the *Official Gazette* published SE Resolution No. 32, which approved a temporary increase in the Company's income in order for the latter to cover the expenses and afford the investments associated with the functioning of the electricity distribution service it provides and established that the Company would be required to observe the provisions of Clause 22.1 of the Adjustment Agreement with regard to the administrative claims and/or judicial actions it might have brought

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against the Federal Government, the Energy Secretariat and/or the ENRE concerning compliance with Clause 4.2 of the Adjustment Agreement, i.e. the non implementation of the Cost Monitoring Mechanism (CMM). To date, the Company is analyzing the scope of that requirement and assessing whether it is in agreement with the law.

**Conclusion:** It is estimated that this action will not be terminated in 2015.

- **Study, Review and Inspection of Works in Public Spaces Fees (TERI)**

At the date of issuance of these condensed interim financial statements, the Company has received assessments and demand for payment notices from the Government of the City of Buenos Aires for a total amount of \$ 35.8 million for this concept.

In the Company's opinion these fees are not applicable in accordance with federal regulations, the case law and the procedural status of judicial decisions. Therefore, the Management of the Company as well as its external legal advisors believe that there exist good reasons to support the Company's position and have this tax claim rejected by a court of law. Therefore, the probability of an outflow of resources on account of such contingency has been regarded as low.

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**8. Property, plant and equipment**

|                            | <b>Lands and<br/>buildings</b> | <b>Substations</b> | <b>High,<br/>medium and<br/>low voltage<br/>lines</b> | <b>Meters and<br/>Transformer<br/>chambers and<br/>platforms</b> | <b>Tools,<br/>Furniture,<br/>vehicles,<br/>equipment and<br/>communications</b> | <b>Construction<br/>in process</b> | <b>Supplies<br/>and spare<br/>parts</b> | <b>Total</b>     |
|----------------------------|--------------------------------|--------------------|-------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------|-----------------------------------------|------------------|
| <b>At 12.31.14</b>         |                                |                    |                                                       |                                                                  |                                                                                 |                                    |                                         |                  |
| Cost                       | 162,192                        | 1,444,310          | 4,086,201                                             | 1,953,167                                                        | 632,114                                                                         | 1,960,435                          | 136,188                                 | 10,374,607       |
| Accumulated depreciation   | (44,821)                       | (536,338)          | (1,962,744)                                           | (773,126)                                                        | (405,096)                                                                       | -                                  | -                                       | (3,722,125)      |
| <b>Net amount</b>          | <b>117,371</b>                 | <b>907,972</b>     | <b>2,123,457</b>                                      | <b>1,180,041</b>                                                 | <b>227,018</b>                                                                  | <b>1,960,435</b>                   | <b>136,188</b>                          | <b>6,652,482</b> |
| Additions                  | -                              | -                  | 9,599                                                 | -                                                                | -                                                                               | 310,298                            | 14,392                                  | 334,289          |
| Disposals                  | -                              | -                  | (334)                                                 | (35)                                                             | -                                                                               | -                                  | -                                       | (369)            |
| Transfers                  | 4,897                          | 38,221             | 167,611                                               | 46,635                                                           | 3,592                                                                           | (260,956)                          | -                                       | -                |
| Depreciation for the year  | (2,538)                        | (9,684)            | (24,285)                                              | (15,703)                                                         | (11,866)                                                                        | -                                  | -                                       | (64,076)         |
| <b>Net amount 03.31.15</b> | <b>119,730</b>                 | <b>936,509</b>     | <b>2,276,048</b>                                      | <b>1,210,938</b>                                                 | <b>218,744</b>                                                                  | <b>2,009,777</b>                   | <b>150,580</b>                          | <b>6,922,326</b> |
| <b>At 03.31.15</b>         |                                |                    |                                                       |                                                                  |                                                                                 |                                    |                                         |                  |
| Cost                       | 167,090                        | 1,482,531          | 4,260,759                                             | 1,999,738                                                        | 635,707                                                                         | 2,009,777                          | 150,580                                 | 10,706,182       |
| Accumulated depreciation   | (47,360)                       | (546,022)          | (1,984,711)                                           | (788,800)                                                        | (416,963)                                                                       | -                                  | -                                       | (3,783,856)      |
| <b>Net amount</b>          | <b>119,730</b>                 | <b>936,509</b>     | <b>2,276,048</b>                                      | <b>1,210,938</b>                                                 | <b>218,744</b>                                                                  | <b>2,009,777</b>                   | <b>150,580</b>                          | <b>6,922,326</b> |

- During the period ended March 31, 2015, direct costs capitalized amounted to \$ 52.3 million.
- Financial costs capitalized for the period ended March 31, 2015 amounted to \$ 55.9 million.

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

|                            | <b>Lands and<br/>buildings</b> | <b>Substations</b> | <b>High,<br/>medium and<br/>low voltage<br/>lines</b> | <b>Meters and<br/>Transformer<br/>chambers and<br/>platforms</b> | <b>Tools,<br/>Furniture,<br/>vehicles,<br/>equipment and<br/>communications</b> | <b>Construction<br/>in process</b> | <b>Supplies<br/>and spare<br/>parts</b> | <b>Total</b>     |
|----------------------------|--------------------------------|--------------------|-------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------|-----------------------------------------|------------------|
| <b>At 12.31.13</b>         |                                |                    |                                                       |                                                                  |                                                                                 |                                    |                                         |                  |
| Cost                       | 133,155                        | 1,367,062          | 3,778,595                                             | 1,769,798                                                        | 538,668                                                                         | 1,042,590                          | 50,577                                  | 8,680,445        |
| Accumulated depreciation   | (37,052)                       | (501,649)          | (1,872,408)                                           | (713,878)                                                        | (366,151)                                                                       | -                                  | -                                       | (3,491,138)      |
| <b>Net amount</b>          | <b>96,103</b>                  | <b>865,413</b>     | <b>1,906,187</b>                                      | <b>1,055,920</b>                                                 | <b>172,517</b>                                                                  | <b>1,042,590</b>                   | <b>50,577</b>                           | <b>5,189,307</b> |
| Additions                  | -                              | -                  | -                                                     | -                                                                | 20,337                                                                          | 249,517                            | 5,128                                   | 274,982          |
| Disposals                  | -                              | -                  | (112)                                                 | (73)                                                             | -                                                                               | -                                  | -                                       | (185)            |
| Transfers                  | 4,991                          | 6,064              | 22,709                                                | 36,483                                                           | 2,978                                                                           | (73,225)                           | -                                       | -                |
| Depreciation for the year  | (1,353)                        | (9,071)            | (22,788)                                              | (14,570)                                                         | (8,119)                                                                         | -                                  | -                                       | (55,901)         |
| <b>Net amount 03.31.14</b> | <b>99,741</b>                  | <b>862,406</b>     | <b>1,905,996</b>                                      | <b>1,077,760</b>                                                 | <b>187,713</b>                                                                  | <b>1,218,882</b>                   | <b>55,705</b>                           | <b>5,408,203</b> |
| <b>At 03.31.14</b>         |                                |                    |                                                       |                                                                  |                                                                                 |                                    |                                         |                  |
| Cost                       | 138,146                        | 1,373,126          | 3,800,884                                             | 1,806,070                                                        | 561,983                                                                         | 1,218,882                          | 55,705                                  | 8,954,796        |
| Accumulated depreciation   | (38,405)                       | (510,720)          | (1,894,888)                                           | (728,310)                                                        | (374,270)                                                                       | -                                  | -                                       | (3,546,593)      |
| <b>Net amount</b>          | <b>99,741</b>                  | <b>862,406</b>     | <b>1,905,996</b>                                      | <b>1,077,760</b>                                                 | <b>187,713</b>                                                                  | <b>1,218,882</b>                   | <b>55,705</b>                           | <b>5,408,203</b> |

- During the period ended March 31, 2014, direct costs capitalized amounted to \$ 21.6 million.
- Financial costs capitalized for the period ended March 31, 2014 amounted to \$ 3.1 million.

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

**9. Other receivables**

|                                                                                     | <b>03.31.15</b> | <b>12.31.14</b> |
|-------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Non-current:</b>                                                                 |                 |                 |
| Minimum national income tax                                                         | 168,588         | 168,588         |
| Tax credits                                                                         | 3,019           | 2,089           |
| Financial credit                                                                    | 72,223          | 71,192          |
| Related parties (Note 25.c)                                                         | 7,321           | 7,366           |
| <b>Total Non-current</b>                                                            | <b>251,151</b>  | <b>249,235</b>  |
| <b>Current:</b>                                                                     |                 |                 |
| Prepaid expenses                                                                    | 5,517           | 3,198           |
| Credit form Income recognition on account of the RTI - SE Resolution 32/15 (Note 2) | 377,739         | -               |
| Value added tax                                                                     | 186,436         | 167,207         |
| Advances to suppliers                                                               | 8,129           | 8,070           |
| Advances to personnel                                                               | 964             | 1,782           |
| Security deposits                                                                   | 2,736           | 2,424           |
| Financial credit                                                                    | 9,826           | 6,658           |
| Receivable with FOCEDE (1)                                                          | 220,038         | -               |
| Receivables from electric activities                                                | 54,843          | 48,581          |
| Related parties (Note 25.c)                                                         | 743             | 753             |
| Guarantee deposits on derivative financial instruments                              | 18,602          | 15,322          |
| Allowance for the impairment of other receivables                                   | (23,216)        | (16,647)        |
| Judicial deposits                                                                   | 10,314          | 11,900          |
| Other                                                                               | 1,221           | 1,059           |
| <b>Total Current</b>                                                                | <b>873,892</b>  | <b>250,307</b>  |

(1) As of March 31, 2015, the net position held by the Company with the FOCEDE is comprised of the following:

|                                                                                      | <b>03.31.15</b> |
|--------------------------------------------------------------------------------------|-----------------|
| Fixed charge Res. 347/12 collected from customers and not transferred                | (3,817)         |
| Funds received in excess of that transferred to FOCEDE from fixed charge Res. 347/12 | (37,442)        |
| Outstanding receivables from extraordinary Investment Plan                           | 367,731         |
| Provision for FOCEDE expenses                                                        | (106,434)       |
|                                                                                      | <b>220,038</b>  |

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

The roll forward of the allowance for the impairment of other receivables is as follows:

|                                 | <b>03.31.15</b> | <b>03.31.14</b> |
|---------------------------------|-----------------|-----------------|
| Balance at beginning of year    | 16,647          | 20,412          |
| Increase                        | 6,569           | 148             |
| <b>Balance at end of period</b> | <b>23,216</b>   | <b>20,560</b>   |

**10. Trade receivables**

|                                                                | <b>03.31.15</b> | <b>12.31.14</b> |
|----------------------------------------------------------------|-----------------|-----------------|
| <b>Current:</b>                                                |                 |                 |
| Sales of electricity - Billed (1)                              | 662,201         | 641,920         |
| Sales of electricity – Unbilled                                | 230,127         | 207,653         |
| Framework Agreement                                            | 82,738          | 75,815          |
| National Fund of Electricity                                   | -               | 3,428           |
| Fee payable for the expansion of the transportation and others | 17,716          | 16,851          |
| Receivables in litigation                                      | 22,407          | 21,844          |
| Allowance for the impairment of trade receivables              | (74,275)        | (84,562)        |
| <b>Total Current</b>                                           | <b>940,914</b>  | <b>882,949</b>  |

(1) Net of stabilization factor.

The roll forward of the allowance for the impairment of trade receivables is as follows:

|                                 | <b>03.31.15</b> | <b>03.31.14</b> |
|---------------------------------|-----------------|-----------------|
| Balance at beginning of year    | 84,562          | 73,185          |
| Increase                        | -               | 5,158           |
| Decrease                        | (4,752)         | (474)           |
| Discontinued operations         | (5,535)         | -               |
| <b>Balance at end of period</b> | <b>74,275</b>   | <b>77,869</b>   |

**11. Financial assets at fair value through profit or loss**

|                      | <b>03.31.15</b> | <b>12.31.14</b> |
|----------------------|-----------------|-----------------|
| <b>Current</b>       |                 |                 |
| Government bonds     | 21,805          | 21,150          |
| Money market funds   | 754,936         | 233,297         |
| <b>Total current</b> | <b>776,741</b>  | <b>254,447</b>  |



**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

**12. Cash and cash equivalents**

|                                        | <b>03.31.15</b> | <b>12.31.14</b> | <b>03.31.14</b> |
|----------------------------------------|-----------------|-----------------|-----------------|
| Cash and banks                         | 22,717          | 38,691          | 19,468          |
| Time deposits                          | 5,003           | 4,852           | 4,571           |
| Money market funds                     | 98,363          | 135,537         | 90,235          |
| <b>Total cash and cash equivalents</b> | <b>126,083</b>  | <b>179,080</b>  | <b>114,274</b>  |

**13. Share capital and additional paid-in capital**

As of March 31, 2015, the Company's share capital amounts to 906,455,100 shares, divided into 462,292,111 common, book-entry Class A shares with a par value of one peso each and the right to one vote per share; 442,210,385 common, book-entry Class B shares with a par value of one peso each and the right to one vote per share; and 1,952,604 common, book-entry Class C shares with a par value of one peso each and the right to one vote per share.

**Section 206 – Argentine Business Organizations Law**

At the Ordinary and Extraordinary General Annual Meeting held on April 28, 2015, the Company shareholders, based on the Company's current financial position and the development thereof since the beginning of fiscal year 2015 as a consequence of the impact caused by SE Resolution 32/15, which would prompt the Company, in the short term, to improve its financial position and thereby overcome the situation of mandatory share capital reduction to which it was exposed as of December 31, 2014, resolved not to reduce the Company's share capital and to instruct the Board of Directors to call, in the event that, as a consequence of the results of operations for the next three-month periods, the Company would become subject to compliance with the mandatory reduction of share capital described in Section 206 of the Argentine Business Organizations Law, an Extraordinary Shareholders' Meeting to deal with such situation. As a result, it was also decided not to proceed with the reform of the emerging Bylaws of this situation.

**14. Trade payables**

|                                                        | <b>03.31.15</b>  | <b>12.31.14</b>  |
|--------------------------------------------------------|------------------|------------------|
| <b>Non-current</b>                                     |                  |                  |
| Suppliers                                              | 273              | 364              |
| Customer guarantees                                    | 62,307           | 60,743           |
| Customer contributions                                 | 61,713           | 118,298          |
| Funding contributions - substations                    | 51,700           | 51,700           |
| <b>Total Non-current</b>                               | <b>175,993</b>   | <b>231,105</b>   |
| <b>Current</b>                                         |                  |                  |
| Payables for purchase of electricity - CAMMESA (1)     | 2,820,443        | 2,257,059        |
| Provision for unbilled electricity purchases - CAMMESA | 362,937          | 305,890          |
| Suppliers                                              | 464,662          | 570,434          |
| Customer contributions                                 | 194,158          | 148,076          |
| Funding contributions - substations                    | 19,775           | 18,432           |
| <b>Total Current</b>                                   | <b>3,861,975</b> | <b>3,299,891</b> |

(1) As of March 31, 2015 and December 31, 2014 net of \$ 3.6 billion and \$ 3.4 billion, respectively, offset in accordance with the provisions of SE Resolution 250/13, subsequent Notes and SE Resolution 32/15.

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

**15. Other payables**

|                                                    | <b>03.31.15</b>  | <b>12.31.14</b>  |
|----------------------------------------------------|------------------|------------------|
| <b>Non-current</b>                                 |                  |                  |
| Loans (mutuum) with CAMMESA                        | 714,505          | 506,753          |
| ENRE penalties and discounts                       | 1,079,888        | 1,032,193        |
| Liability with FOTAE                               | 142,801          | 105,641          |
| <b>Total Non-current</b>                           | <b>1,937,194</b> | <b>1,644,587</b> |
| <b>Current</b>                                     |                  |                  |
| Program for the rational use of electric power (1) | -                | 17,522           |
| ENRE penalties and discounts                       | 66,305           | 70,589           |
| Liability with FOCEDE (2)                          | -                | 85,386           |
| Related parties (Note 25.c)                        | 1,928            | 2,706            |
| Advances for works to be performed                 | 6,406            | 10,650           |
| Other                                              | -                | 243              |
| <b>Total Current</b>                               | <b>74,639</b>    | <b>187,096</b>   |

(1) As of March 31, 2015 and December 31, 2014, net of \$ 2.2 billion and \$ 2.2 billion, respectively, offset in accordance with the provisions of SE Resolution 250/13, subsequent Notes and SE Resolution 32/15.

(2) As of December 31, 2014, the net position held by the Company with the FOCEDE is comprised of the following:

|                                                                                                     | <b>12.31.14</b> |
|-----------------------------------------------------------------------------------------------------|-----------------|
| Fixed charge Resolution 347/12 charged to customers and not transferred                             | 6,105           |
| Funds received in excess of the amount transferred to the FOCEDE for fixed charge Resolution 347/12 | 74,713          |
| Receivable from funds pending collection for Extraordinary Investment Plan                          | (93,133)        |
| Provision for FOCEDE expenses                                                                       | 97,701          |
|                                                                                                     | <b>85,386</b>   |

**16. Borrowings**

|                          | <b>03.31.15</b>  | <b>12.31.14</b>  |
|--------------------------|------------------|------------------|
| <b>Non-current</b>       |                  |                  |
| Corporate notes (1)      | 1,650,244        | 1,598,442        |
| <b>Total non-current</b> | <b>1,650,244</b> | <b>1,598,442</b> |
| <b>Current</b>           |                  |                  |
| Interest                 | 77,197           | 33,961           |
| <b>Total current</b>     | <b>77,197</b>    | <b>33,961</b>    |

(1) Net of debt repurchase and issuance expenses.

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

**17. Salaries and social security**

|                                 | <b>03.31.15</b> | <b>12.31.14</b> |
|---------------------------------|-----------------|-----------------|
| <b>Non-current</b>              |                 |                 |
| Early retirements payable       | 2,731           | 3,116           |
| Seniority-based bonus           | 65,032          | 59,742          |
| <b>Total non-current</b>        | <b>67,763</b>   | <b>62,858</b>   |
| <b>Current</b>                  |                 |                 |
| Salaries payable and provisions | 384,968         | 543,564         |
| Social security payable         | 97,620          | 64,899          |
| Early retirements payable       | 1,924           | 2,186           |
| <b>Total current</b>            | <b>484,512</b>  | <b>610,649</b>  |

**18. Income tax and tax on minimum presumed income / Deferred tax**

At the date of issuance of these condensed interim financial statements, there are no significant changes with respect to the situation reported by the Company as of December 31, 2014, except for the following:

|                                         | <b>03.31.15</b>  | <b>12.31.14</b>  |
|-----------------------------------------|------------------|------------------|
| <i>Deferred tax assets</i>              |                  |                  |
| Inventories                             | 207              | 197              |
| Derivative financial instruments        | 3,212            | 2,063            |
| Trade receivables and other receivables | 24,222           | 26,851           |
| Trade payables and other payables       | 370,873          | 347,324          |
| Salaries and social security payable    | 26,970           | 20,935           |
| Benefit plans                           | 59,922           | 56,323           |
| Tax liabilities                         | 14,923           | 13,893           |
| Provisions                              | 52,616           | 47,657           |
| <b>Deferred tax asset</b>               | <b>552,945</b>   | <b>515,243</b>   |
| <i>Deferred tax liabilities</i>         |                  |                  |
| Property, plants and equipments         | (430,107)        | (417,006)        |
| Borrowings                              | (10,737)         | (11,070)         |
| <b>Deferred tax liability</b>           | <b>(440,844)</b> | <b>(428,076)</b> |
| <b>Net deferred tax assets</b>          | <b>112,101</b>   | <b>87,167</b>    |

Given the tax loss from previous years and the sensitivity of the variables used in the projection of taxable income for 2015, such as the peso devaluation and wage increases, the Management has concluded that there is no solid and conclusive evidence to recognize tax losses from prior years.

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

The detail of the income tax charge is as follows:

|                                                  | <b>03.31.15</b>  | <b>03.31.14</b> |
|--------------------------------------------------|------------------|-----------------|
| Deferred tax                                     | 24,934           | 13,488          |
| Current tax                                      | (277,950)        | -               |
| <b>Income tax expense</b>                        | <b>(253,016)</b> | <b>13,488</b>   |
|                                                  | <b>03.31.15</b>  | <b>03.31.14</b> |
| Profit (Loss) before taxes                       | 722,902          | (752,051)       |
| Applicable tax rate                              | 35%              | 35%             |
| <b>(Loss) Gain Profit at the tax rate</b>        | <b>(253,016)</b> | <b>263,218</b>  |
| Other                                            | -                | 1               |
| <b>Subtotal</b>                                  | <b>(253,016)</b> | <b>263,219</b>  |
| Unrecognized net deferred tax assets/liabilities | -                | (249,731)       |
| <b>Income tax expense</b>                        | <b>(253,016)</b> | <b>13,488</b>   |

**19. Tax liabilities**

|                                                           | <b>03.31.15</b> | <b>12.31.14</b> |
|-----------------------------------------------------------|-----------------|-----------------|
| <b>Non-current</b>                                        |                 |                 |
| Income tax provision                                      | 277,950         | -               |
| Tax regularization plan                                   | 2,853           | 3,164           |
| <b>Total Non-current</b>                                  | <b>280,803</b>  | <b>3,164</b>    |
| <b>Current</b>                                            |                 |                 |
| Tax on minimum national income tax payable, net           | 2,863           | 14,730          |
| Provincial, municipal and federal contributions and taxes | 68,800          | 67,999          |
| Tax withholdings                                          | 41,068          | 34,625          |
| SUSS (Social Security System) withholdings                | 1,544           | 1,485           |
| Municipal taxes                                           | 42,754          | 39,870          |
| Tax regularization plan                                   | 1,800           | 1,774           |
| <b>Total Current</b>                                      | <b>158,829</b>  | <b>160,483</b>  |

**20. Provisions**

|                    | <b>Non-current liabilities</b> | <b>Current liabilities</b> |
|--------------------|--------------------------------|----------------------------|
|                    | <b>Contingencies</b>           | <b>Contingencies</b>       |
| <b>At 12.31.14</b> | <b>112,095</b>                 | <b>24,068</b>              |
| Increases          | 15,590                         | 3,626                      |
| Decreases          | -                              | (5,048)                    |
| <b>At 03.31.15</b> | <b>127,685</b>                 | <b>22,646</b>              |

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

|                    | <b>Non-current<br/>liabilities</b> | <b>Current<br/>liabilities</b> |
|--------------------|------------------------------------|--------------------------------|
|                    | <b>Contingencies</b>               | <b>Contingencies</b>           |
| <b>At 12.31.13</b> | <b>83,121</b>                      | <b>10,667</b>                  |
| Increases          | -                                  | 9,212                          |
| Decreases          | (3)                                | (1,388)                        |
| <b>At 03.31.14</b> | <b>83,118</b>                      | <b>18,491</b>                  |

**21. Revenue from sales**

|                                 | <b>03.31.15</b> | <b>03.31.14</b> |
|---------------------------------|-----------------|-----------------|
| Sales of electricity (1)        | 949,775         | 886,628         |
| Right of use on poles           | 17,691          | 12,801          |
| Connection charges              | 876             | 973             |
| Reconnection charges            | 273             | 163             |
| <b>Total Revenue from sales</b> | <b>968,615</b>  | <b>900,565</b>  |

(1) Includes revenue from the application of Resolution 347/12 for \$ 140.9 million and \$ 132.1 million for the three-month periods ended March 31, 2015 and 2014, respectively.

**22. Expenses by nature**

The detail of expenses by nature is as follows:

| <b>Description</b>                                          | <b>Transmission<br/>and<br/>distribution<br/>expenses</b> | <b>Selling<br/>expenses</b> | <b>Administrative<br/>expenses</b> | <b>Total</b>     |
|-------------------------------------------------------------|-----------------------------------------------------------|-----------------------------|------------------------------------|------------------|
| Salaries and social security taxes                          | 372,640                                                   | 61,729                      | 71,346                             | <b>505,715</b>   |
| Pension plans                                               | 15,658                                                    | 2,594                       | 2,998                              | <b>21,250</b>    |
| Communications expenses                                     | 2,919                                                     | 10,211                      | 619                                | <b>13,749</b>    |
| Allowance for the impairment of trade and other receivables | -                                                         | 6,569                       | -                                  | <b>6,569</b>     |
| Supplies consumption                                        | 56,565                                                    | -                           | 4,340                              | <b>60,905</b>    |
| Leases and insurance                                        | 124                                                       | -                           | 13,189                             | <b>13,313</b>    |
| Security service                                            | 11,639                                                    | 10                          | 5,476                              | <b>17,125</b>    |
| Fees and remuneration for services                          | 131,190                                                   | 72,407                      | 29,939                             | <b>233,536</b>   |
| Public relations and marketing                              | -                                                         | -                           | 1,106                              | <b>1,106</b>     |
| Advertising and sponsorship                                 | -                                                         | -                           | 570                                | <b>570</b>       |
| Reimbursements to personnel                                 | 261                                                       | 46                          | 211                                | <b>518</b>       |
| Depreciation of property, plants and equipments             | 55,108                                                    | 6,302                       | 2,666                              | <b>64,076</b>    |
| Directors and Supervisory Committee members' fees           | -                                                         | -                           | 765                                | <b>765</b>       |
| ENRE penalties                                              | 58,439                                                    | 110                         | -                                  | <b>58,549</b>    |
| Taxes and charges                                           | -                                                         | 11,210                      | 2,935                              | <b>14,145</b>    |
| Other                                                       | 46                                                        | 24                          | 784                                | <b>854</b>       |
| <b>At 03.31.15</b>                                          | <b>704,589</b>                                            | <b>171,212</b>              | <b>136,944</b>                     | <b>1,012,745</b> |

The expenses included in the chart above are net of the Company's own expenses capitalized in property, plant and equipment as of March 31, 2015 for \$ 52.3 million.

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

| Description                                                 | Transmission<br>and<br>distribution<br>expenses | Selling<br>expenses | Administrative<br>expenses | Total          |
|-------------------------------------------------------------|-------------------------------------------------|---------------------|----------------------------|----------------|
| Salaries and social security taxes                          | 246,776                                         | 47,377              | 34,956                     | 329,109        |
| Pension plans                                               | 6,762                                           | 1,298               | 958                        | 9,018          |
| Communications expenses                                     | 3,240                                           | 9,382               | 491                        | 13,113         |
| Allowance for the impairment of trade and other receivables | -                                               | 5,306               | -                          | 5,306          |
| Supplies consumption                                        | 39,013                                          | -                   | 3,104                      | 42,117         |
| Leases and insurance                                        | 2,669                                           | -                   | 7,530                      | 10,199         |
| Security service                                            | 6,034                                           | 121                 | 4,018                      | 10,173         |
| Fees and remuneration for services                          | 191,881                                         | 53,841              | 31,133                     | 276,855        |
| Public relations and marketing                              | -                                               | -                   | 446                        | 446            |
| Advertising and sponsorship                                 | -                                               | -                   | 230                        | 230            |
| Reimbursements to personnel                                 | 267                                             | 44                  | 326                        | 637            |
| Depreciation of property, plants and equipments             | 50,441                                          | 3,093               | 2,367                      | 55,901         |
| Directors and Supervisory Committee members' fees           | -                                               | -                   | 657                        | 657            |
| ENRE penalties                                              | 42,648                                          | 3,110               | -                          | 45,758         |
| Taxes and charges                                           | -                                               | 9,317               | 1,621                      | 10,938         |
| Other                                                       | 49                                              | 21                  | 337                        | 407            |
| <b>At 03.31.14</b>                                          | <b>589,780</b>                                  | <b>132,910</b>      | <b>88,174</b>              | <b>810,864</b> |

The expenses included in the chart above are net of the Company's own expenses capitalized in property, plant and equipment as of March 31, 2014 for \$ 21.6 million.

**23. Net financial expense**

|                                                 | 03.31.15         | 03.31.14         |
|-------------------------------------------------|------------------|------------------|
| <u>Financial income</u>                         |                  |                  |
| Commercial interest                             | 11,355           | 10,477           |
| Financial interest (1)                          | 6,733            | 9,865            |
| <b>Total financial income</b>                   | <b>18,088</b>    | <b>20,342</b>    |
| <u>Financial expenses</u>                       |                  |                  |
| Interest and other (2)                          | (54,967)         | (50,412)         |
| Fiscal interest                                 | (2,708)          | (2,214)          |
| Commercial interest                             | (113,694)        | (92,019)         |
| Bank fees and expenses                          | (9,014)          | (2,383)          |
| <b>Total financial expenses</b>                 | <b>(180,383)</b> | <b>(147,028)</b> |
| <u>Other financial results</u>                  |                  |                  |
| Exchange differences                            | (52,527)         | (318,392)        |
| Adjustment to present value of receivables      | 2,615            | 1,666            |
| Changes in fair value of financial assets       | 24,530           | 28,840           |
| Net gain from the repurchase of Corporate Notes | -                | 45,018           |
| Other financial expense                         | (5,431)          | (4,655)          |
| <b>Total other financial expense</b>            | <b>(30,813)</b>  | <b>(247,523)</b> |
| <b>Total net financial expense</b>              | <b>(193,108)</b> | <b>(374,209)</b> |

(1) Includes interest on cash equivalents as of March 31, 2015 and 2014 for \$ 2.5 million and \$ 2.2 million, respectively.

(2) Net of interest capitalized as of March 31, 2015 and 2014 for \$ 55.9 million and \$ 3.1 million, respectively.

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

**24. Basic and diluted earnings (loss) per share**

**Basic**

The basic earnings (loss) per share are calculated by dividing the result attributable to the holders of the Company's equity instruments by the weighted average number of common shares outstanding as of March 31, 2015 and 2014, excluding common shares purchased by the Company and held as treasury shares.

The basic earnings (loss) per share coincide with the diluted earnings (loss) per share, inasmuch as the Company has issued neither preferred shares nor corporate notes convertible into common shares.

|                                                                        | <b>03.31.15</b> | <b>03.31.14</b> |
|------------------------------------------------------------------------|-----------------|-----------------|
| Profit (Loss) for the period attributable to the owners of the Company | 469,886         | (738,563)       |
| Weighted average number of common shares outstanding                   | 897,043         | 897,043         |
| <b>Basic and diluted earnings (loss) per share – in pesos</b>          | <b>0.52</b>     | <b>(0.82)</b>   |

**25. Related-party transactions**

- The following transactions were carried out with related parties:

**a. Income**

| <b>Company</b> | <b>Concept</b>             | <b>03.31.15</b> | <b>03.31.14</b> |
|----------------|----------------------------|-----------------|-----------------|
| PYSSA          | Advertising on EDENOR bill | -               | 2               |
|                |                            | <u>-</u>        | <u>2</u>        |

**b. Expense**

| <b>Company</b>                                  | <b>Concept</b>                                                    | <b>03.31.15</b> | <b>03.31.14</b> |
|-------------------------------------------------|-------------------------------------------------------------------|-----------------|-----------------|
| EASA                                            | Technical advisory services on financial matters                  | (5,410)         | (4,633)         |
| SACME                                           | Operation and oversight of the electric power transmission system | (7,153)         | (4,489)         |
| Salaverri, Dellatorre, Burgio y Wetzler Malbran | Legal fees                                                        | (20)            | (43)            |
| PYSSA                                           | Financial and granting of loan services to customers              | (21)            | (22)            |
|                                                 |                                                                   | <u>(12,604)</u> | <u>(9,187)</u>  |

**EDENOR S.A.**  
**Notes to the Condensed Interim Financial Statements**  
**as of March 31, 2015, presented with comparative figures (continued)**

- The balances with related parties are as follow:

**c. Receivables and payables**

|                                        | <b>03.31.15</b> | <b>12.31.14</b> |
|----------------------------------------|-----------------|-----------------|
| <u>Other receivables - Non current</u> |                 |                 |
| SACME                                  | 7,321           | 7,366           |
|                                        | <b>7,321</b>    | <b>7,366</b>    |
| <u>Other receivables - Current</u>     |                 |                 |
| SACME                                  | 657             | 667             |
| CYCSA                                  | 86              | 86              |
|                                        | <b>743</b>      | <b>753</b>      |
| <br><u>Trade and Other payables</u>    |                 |                 |
| SACME                                  | (1,928)         | (2,706)         |
|                                        | <b>(1,928)</b>  | <b>(2,706)</b>  |

**d. Key management personnel's remuneration**

|          | <b>03.31.15</b> | <b>03.31.14</b> |
|----------|-----------------|-----------------|
| Salaries | 23,968          | 20,133          |
|          | <b>23,968</b>   | <b>20,133</b>   |

**26. Events after the reporting period**

**Ordinary and Extraordinary Shareholders' Meeting**

On April 28, 2015, the Company held the Ordinary and Extraordinary Shareholders' Meeting, at which, in addition to that which has been indicated in note 13, all the other items included in the agenda of the Ordinary and Extraordinary Shareholders' Meeting in accordance with the respective notice of meeting, such as –among other– the approval of the financial statements as of December 31, 2014, the approval of the actions taken by the Directors and Supervisory Committee members together with the remuneration thereof and the appointment of authorities and external auditors for the current fiscal year, were dealt with.

**RICARDO TORRES**  
**Chairman**



**Free translation from the original in Spanish for publication in Argentina**

**REPORT OF CONDENSED INTERIM FINANCIAL STATEMENTS' REVIEW**

To the Shareholders, President and Directors  
Empresa Distribuidora y Comercializadora Norte  
Sociedad Anónima (Edenor S.A.)  
Legal address: Avenida del Libertador 6363  
Autonomous City of Buenos Aires  
Tax Code No. 30-65511620-2

**Introduction**

We have reviewed the condensed interim financial statements of Empresa Distribuidora y Comercializadora Norte Sociedad Anónima (Edenor S.A.) (hereinafter "Edenor S.A." or "the Company") which includes the condensed interim statement of financial position as of March 31, 2015, the related condensed interim statement of comprehensive income for the three-months period then ended, the related condensed interim statements of changes in equity and cash flows for the three-month period then ended with the complementary selected notes.

The amounts and other information related to fiscal year 2014 and its interim periods, are part of the financial statements mention above and therefore should be considered in relation to those financial statements.

**Directors' responsibility**

Company's Board of Directors is responsible of preparation and presentation of the financial statements, in accordance with the International Financial Reporting Standards (IFRS) adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), as the applicable accounting framework and incorporated by the National Securities Commission (CNV), as they were approved by the International Accounting Standards Board (IASB), and, therefore, it's responsible for the preparation and issuance of the condensed interim financial statements mentioned in first paragraph in accordance with IAS 34 "Interim financial information". Our responsibility is to express a conclusion based on the limited review we have performed with the scope detailed in section "Scope of our review".

**Scope of our review**

Our review was limited to the application of the procedures established in International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", which was adopted as standard review in Argentina through Technical Pronouncement No. 33 of the Argentine Federation of Professional Councils in Economic Sciences as was approved by International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists in making inquiries of Company staff responsible for the preparation of the information included in the financial statements and the application of analytical procedures and other review procedures. This review is substantially less in scope than an audit in accordance of International Auditing Standards, consequently, this review does not allow us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express any opinion on the financial position, comprehensive income and cash flows of the Company.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements mentioned in the first paragraph of this report, are not prepared in all material respects, in accordance with IAS 34.

## **Emphasis of matter paragraph**

We draw the attention to the situation explained in Note 1 to the financial statements in relation to the economic and financial situation of the Company.

## **Report of compliance with regulations in force**

In compliance with regulations in force, we report that:

- a) the condensed interim financial statements of the Company, are transcribed into the “Inventory and Balance Sheet” book and, insofar as concerns our field of competence, are in compliance with the provisions of the Commercial Companies Law and pertinent resolutions of the National Securities Commission;
- b) the condensed interim financial statements of the company arise from accounting records kept in all formal respects in conformity with legal regulations;
- c) we have read the summary of activity, and additional information to the notes of condensed interim financial statements required by section 68 of the Rules of the Stock Exchange of Buenos Aires and article 12 °, Chapter III, Title IV of the regulations of the National Securities Commission on which, as regards those matters that are within our competence, we have no observations to make;
- d) at March 31, 2015 the liabilities accrued in favor of the Argentine Integrated Social Security System according to the Company’s accounting records amounted to \$ 79.312.441, which were not yet due at that date.

Autonomous City of Buenos Aires, May 8, 2015

PRICE WATERHOUSE & CO. S.R.L.

(Socio)

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C.P.C.E.C.A.B.A. T° 1 F° 17

Dr. Andrés Suarez  
Public Accountant (UBA)  
C.P.C.E. City of Buenos Aires  
T° 245 F° 61