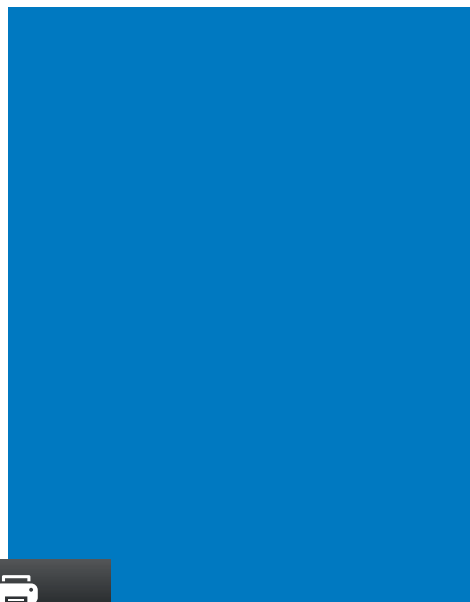
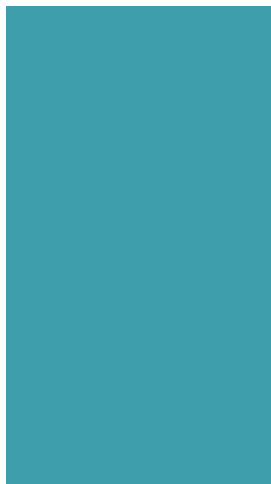
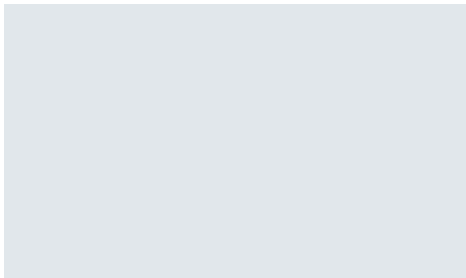
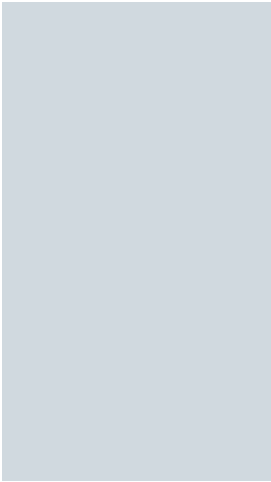
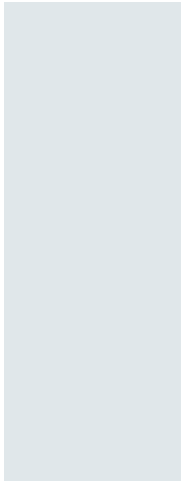




2013

ANNUAL REPORT





CONTENTS

Annual Report	06
Consolidated Financial Statements	109

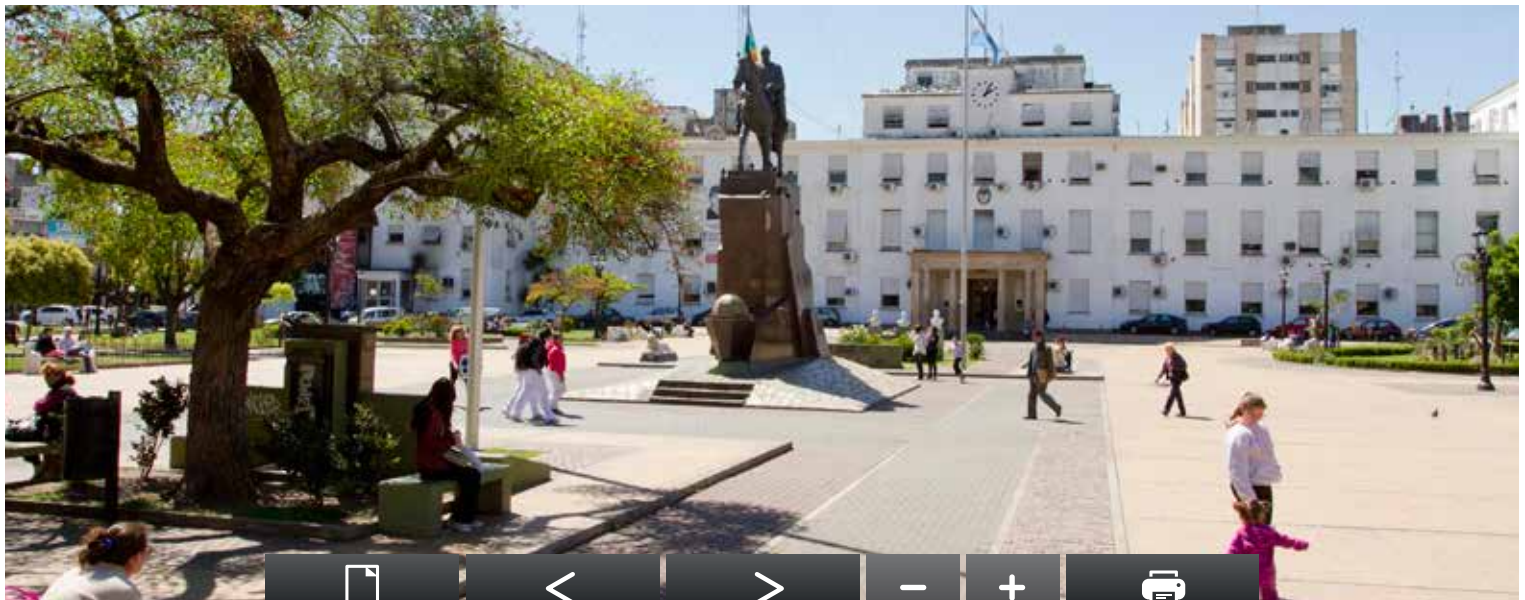


Introduction

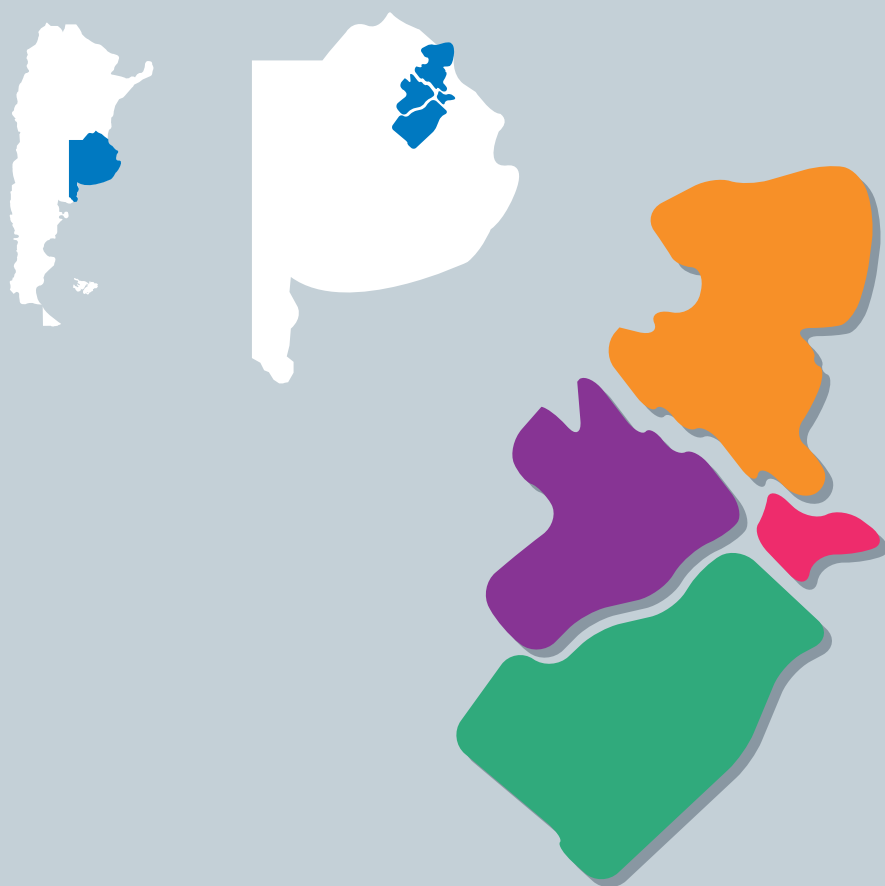
CONCESSION AREA

Empresa Distribuidora y Comercializadora Norte S.A. (Edenor S.A.) (the Company) exclusively renders distribution and marketing services of electrical energy to all users connected to the power supply network in the following area: In the City of Buenos Aires: the area defined by Dock "D", street with no name, drawing of the future Coast Highway, which is an extension of Pueyrredón avenue, Pueyrredón avenue, Córdoba avenue, San Martín railroad, General San Martín avenue, Zamudio, Tinogasta,

General San Martín avenue, General Paz avenue and Río de la Plata avenue. In the Province of Buenos Aires, it comprises the Districts of Belén de Escobar, General Las Heras, General Rodriguez, former General Sarmiento (which now includes San Miguel, Malvinas Argentinas and José C. Paz), La Matanza, Marcos Paz, Merlo, Moreno, former Morón (which now includes Morón, Hurlingham and Ituzaingó), Pilar, San Fernando, San Isidro, San Martín, Tigre, Tres de Febrero and Vicente López.



CONCESSION AREA



OLIVOS

Vicente López
San Isidro
San Fernando
Tigre
Escobar

MORÓN

Morón
Ituzaingó
Hurlingham
Merlo
Marcos Paz
Gral. Las Heras
La Matanza

NORTE

Norte de la Ciudad
Autónoma de
Buenos Aires
San Martín
Tres de Febrero

PILAR

Moreno
General Rodríguez
Pilar
Malvinas Argentinas
José C. Paz
San Miguel



Board of Directors

All Edenor S.A.-related decisions are taken by the Board of Directors which, pursuant to the Company's By-laws, is composed of 12 regular directors and 12 alternate directors. The term of office of all directors is of one year and they may be re-elected for consecutive periods.

In turn, the Board of Directors assigns specific duties to an Executive Board and to the Audit Committee, both solely composed of members of the Board and the Audit Committee fully composed of independent members in compliance with the criteria set forth in the Argentine Securities and Exchange Commission (Comisión Nacional de Valores, "CNV") and Sarbanes-Oxley Act ("SOX").

At the meeting held on April 25, 2013, the Company's Board of Directors approved the continuance of Mr. Ricardo Torres as Chairman of the Board of Directors.

As a result of certain resignations tendered by regular directors in 2013, none of them untimely nor fraudulent, alternative directors elected by the respective Class at the General Regular and Extraordinary Shareholders' Meeting held on April 25, 2013, took office. The following table describes the Board of Directors' list as of 2013 fiscal year closing date, though appointment of a director to replace regular director Marcela Sacavini, who tendered her resignation on December 4, 2013, is still pending as of the date hereof:

NAME	POSITION	INDEPENDENCE
Ricardo Torres	Chairman	Non independent
Gustavo Mariani	Regular Director	Non independent
Edgardo Alberto Volosín	Regular Director	Non independent
Marcos Marcelo Mindlin	Vice-chairman	Non independent
Pablo Alejandro Díaz	Regular Director	Non independent
Maximiliano Fernández *	Regular Director	Independent
Eduardo Luis Llanos*	Regular Director	Independent
Emmanuel Antonio Álvarez Agis	Regular Director	Independent
Eduardo Setti (**)	Regular Director	Independent
Victoria Von Storch *	Regular Director	Independent
Eduardo Endeiza (***)	Regular Director	Independent
Marcela Sacavini (****)	Regular Director	Independent
Diego Martín Salaverri	Alternate Director	Non independent
Jaime Javier Barba	Alternate Director	Non independent
Damián Miguel Mindlin	Alternate Director	Non independent
Leandro Carlos Montero	Alternate Director	Non independent
Daniel Eduardo Flaks	Alternate Director	Non independent
Mariano Batistella	Alternate Director	Non independent
Diana Mondino	Alternate Director	Independent
Edgardo Adolfo Ruibal	Alternate Director	Independent
Diego Leiva	Alternate Director	Independent
Pablo Damián Martínez Burkett	Alternate Director	Independent

(*) Members of the Audit Committee.

(**) He took office as regular Director on May 27, 2013.

(***) He took office as regular Director on November 7, 2013.

(****) She tendered her resignation on December 4, 2013, which was accepted by the Board of Directors on January 27, 2014, but acceptance of her substitute is still pending as of the date of this Annual Report.

SUPERVISORY AND ADMINISTRATION BODIES

2013 FISCAL YEAR

Supervisory Committee

The Company's Bylaws set forth that its supervision shall be carried out by a Supervisory Committee composed of 3 Regular Auditors and 3 Alternate Auditors, all of whom shall be elected by the shareholders and shall have a term of office of one (1) fiscal year.

Their main duty is to control the lawfulness of the Board of Directors' compliance with the regulations under the Argentine Companies' Act (Ley de Sociedades Comerciales), the Company's Bylaws and, if any, the Shareholders' Meeting's decisions.

NAME	POSITION	INDEPENDENCE
Damián Burgio	Regular Auditor	Non independent
José Daniel Abelovich	Regular Auditor	Non independent
Jorge Roberto Pardo	Regular Auditor	Non independent
Santiago Dellatorre	Alternate Auditor	Non independent
Marcelo Héctor Fuxman	Alternate Auditor	Independent
Fernando Sánchez	Alternate Auditor	Independent



To the Shareholders,

I submit for your consideration the Annual Report, Financial Statements and other documentation for the fiscal year ended December 31, 2013, which are presented by the Board of Directors to be considered by the Company's Annual Regular Shareholders' Meeting.

Such documentation discloses the Company's course of business during its twenty-second fiscal year, which was characterized by worsening of economic and financial difficulties which, as warned in the previous fiscal year, are the result of a rate freeze and the continuous increase in costs, which continue affecting our activity. The period disclosed an accounting income of AR\$771,7 million, resulting from application of Resolution 250/13, passed on May 7, 2013 by the Energy Secretariat; however, operating result is still a deficit. In the fiscal year under consideration, operating deficit amounted to AR\$1,619.5 billion.

Said resolution provides for the recognition of a portion of the increase in costs owed to the Company resulting from partial application of the Cost Monitoring Mechanism (Mecanismo de Monitoreo de Costos, MMC) under the Memorandum of Agreement of the Concession Agreement Renegotiation, offsetting it with all the Company's debts under the Program for the Rational Use of Electric Power (in Spanish, PUREE) and, in part, with debts owed to CAMMESA by issuing Sale Settlements with Maturity Date to be Fixed that may be used to partially offset debts incurred by the Company with Dispatch Entity. Said mechanism, though not yet implemented as of the date hereof, has full force and effect in these Financial Statements.

This Resolution brought an accounting solution to the Company's critical situation, with losses using up reserves and fifty percent of the capital stock, driving the Company's Regular and Extraordinary Shareholders' Meeting held on April 25, 2013, to resolve on a mandatory capital reduction, as well as a negative net worth disclosed in the interim condensed Financial Statements as of March 31, 2013. Therefore, as a consequence of the passing and application of ES Resolution 250/13 and its extension by ES Note 6852/13 dated November 6, 2013, a amount equal to AR\$2,933.1 billion was recognized, which increased net worth and was booked as income this year and its effects were duly posted and recognized in the Company's Financial Statements as of December 31, 2013 and caused a new Extraordinary Shareholders' Meeting to be held on December 20, 2013, which reversed said capital reduction.

From the cost increase viewpoint, the impact of payroll increases benefitting own staff and our contractors' staff which, in the aggregate, represent 80% of the Company's expenditures, continued to be very significant. In 2013 fiscal year, payroll cost increases reached 39.7%. Another important aspect that continued having impact on cost increases was the authorities' decision to continue charging the Company, since June 2012, the "Mobile Energy Generation" contracting cost at certain points in the distribution network. This item totaled AR\$291,6 billion in 2013.

In spite of the Company's hard times, the Board of Directors resolved to continue with its ambitious investment plan to preserve the service quality standard and facilities safety and which further permits satisfaction of the ever increasing demand which, in the absence



LETTER FROM THE CHAIRMAN

of any price signal, grows approximately 5% p.a. Said plan amounted to, in 2013 fiscal year, a total of AR\$1,092.3 billion, thus doubling the investment plan executed in 2012, which totaled AR\$544,3 billion. Subsequent to this decision, the National Regulatory Entity of Energy (ENRE) implemented ENRE Resolution 347/12 and creation of FOCEDA and, under said mechanism, income recorded totaled AR\$491,5 billion, which we expect to continue strengthening financing of the Company's multi-year investment plans.

In addition, sale of distribution companies purchased in 2011 was completed with EMDERSA's spin-off process continuance and sale of the resulting spun-off assets. Then, on February 27, 2013, the Company's Board of Directors unanimously approved the acceptance of the Offering Letter sent by Servicios Eléctricos Norte BA S.L., whereby the Buyer made an offer to EDENOR to purchase shares which indirectly represent 90% of the capital stock and voting rights of Empresa Distribuidora de Energía Norte S.A. ("EDEN"). In this fiscal year, sale of EMDERSA, EDELAR's controlling company, to ERSAR, a company controlled by Higher Government of the Province of La Rioja, was completed. Finally, all the transaction described above, as recognized by ENRE Resolution 216/13, totaled an income of AR\$150 million for the Company, a figure estimated by said resolution based on the analysis made by ENRE's Economic and Financial Audit and Rate Review Department.

Transactions described in the paragraph above allowed for a reduction by approximately U.S.\$80 million of the financial debt, which coupled with the excellent refinancing of the financial debt at 12 years and its significant reduction that begun in 2006 (by restructuring

a U.S.\$541 million defaulted financial debt) cause, at closing date, financial debt to be cut to U.S.\$200,8 billion, allowing to clear up the principal maturity horizon until 2022. Notwithstanding this fact and though interest services thereon were timely paid up to date, if the Company's income-expenditure structure does not change, this year will find it difficult to continue meeting those commitments without postponing compliance with other obligations qualified as core by the Board of Directors.

As a result of the operating deficit carried by the Company since October 2012, Edenor started to partially postpone payments to CAMMESA for the energy charged to its customers, a situation that was worsened throughout 2013 fiscal year, resulting in a debt with CAMMESA of AR\$1,500.6 billion (after deducting offset under ES Res. 250/13 and ES Note 6852/13 amounting to AR\$1,152.3 billion). To date, other 21 distributors are subject to the same situation and accumulate a joint debt with the wholesale electric market (Mercado Eléctrico Mayorista, MEM) amounting to about AR\$7,000 million plus interest, meaning that Distribution Companies' debt with CAMMESA was virtually tripled in 2013 fiscal year. By using these funds, the Company was able to expand and execute its investment plan and to face the increasing operating expenses and duly meet the agreed-upon payments of its financial debt. It is important to point out that the difficulties described in the previous paragraphs had a significant impact on the economic-financial equation of Edenor's Concession Agreement. However, through the partial delay in payments to CAMMESA, the Company was able to meet its obligations towards its customers, while Edenor's Board of Directors was always aware of their high responsibility as concessionaires of a federal



public service. Nevertheless, as CAMMESA is currently the only funding source available to Edenor, its situation depends largely on the continuity of such funding, as to which Edenor's Board of Directors has no certainties because the Company was again required by ENRE and CAMMESA to settle such debt.

As regards those claims, a response was sent to the regulatory agency with arguments similar to those of 2012, i.e., dismissing its competence to make commercial demands from the Company regarding third parties, and to CAMMESA, pointing out that the cash deficit preventing the full settlement of the payable to such company is a force majeure case because the Company is unable to approve its rate and thus obtain the revenues required for debt settlement, with the obligation to prioritize the public service concession. This situation was somehow ratified by ES Res. 250/13. In this sense, it is necessary to warn again that if this situation was reversed adversely and was not offset with a rate readjustment, apart from new cost increases, Edenor's cash issues will deepen in the short term. In addition, in the event that national authorities did not provide any new solution, Edenor's shareholders' equity could become negative once again in the following quarters, which would bring about consequences at a local level and with respect to the listed price at the New York Stock Exchange.

Comments above on the strict compliance with the Company's obligations are reflected in the outcome of the service transaction, whereby —although the energy demand increased by 4.6% cumulative p.a. during the period— the energy loss remained at reasonable levels and all service quality indicators continue to excel in the country, though their gradual deterioration is being noticed.

Efforts made to keep the service quality referred to in the previous paragraph were reflected in our day-to-day work and were unquestionably evidenced by the Company's efficient response to the aftermath of such an extraordinary heat wave pounding the country in December 2013. During said period, the Company was faced with adverse weather conditions only experienced 100 years ago

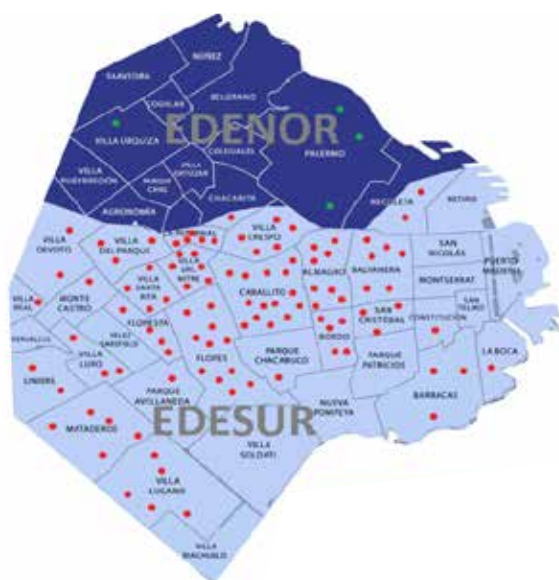
and in which the Company managed to rise to the challenging occasion, as described by the authorities themselves when comparing us with other companies in the industry. We should remind in this regard that by mid-December a heat wave battered the country, with absolutely unusual temperatures hitting the area of concession. In such scenario, EDENOR made all its human and material resources available to tackle the extraordinary weather emergency situation that lasted approximately one month. Due to the force of this weather phenomenon, total residential demand increased by 22% as compared to December 2012 demand, i.e., four times the historic growth average for that month (4.6%) with an extraordinary maximum record during the December 16-22 week, with the largest consumption of energy ever.

Despite all these adverse situations, power outages affecting our area of concession, in no case affected neighborhoods in whole nor were they massive but involved specific cases, blocks, or group of buildings. As of December 30, 2013, EDENOR's service was back into regular operation and, up to the date hereof, EDENOR's network has been operating normally with no power outages due to the subsequent heat wave. During the weather phenomenon, the Company acted at top speed to minimize impact on clients, strengthening street personnel with more than 1,000 crews and connected 57 power generator sets to places with the most complex repairs.

Promptitude in acting upon the adverse situation resulted in virtually no demonstrations for blackouts in the Company's area of concession. From December 16 to January 8, in EDENOR's area of concession, 6 street demonstrations (street blockade and cacerolazos [banging on pots and pans]) took place while in the same period in EDESUR's area of concession, as a simple comparison with a similar company, 116 demonstrations occurred. Furthermore, and as an example of the efficient response offered by our Company, from January 11 to January 14, Edenor made more than 30 low voltage wire replacement in different places of EDESUR's area of concession, to cooperate with this company's situation, where long-lasting power

outages were already recorded, mostly in Villa Crespo, Villa del Parque, Caballito, Almagro and Balvanera and re-connected more than 3,000 clients of EDESUR while in our area of concession, the service was restored to normal two weeks ago. The chart below, a map of street blockades or demonstrations in the Capital City during said power outage period, pictures the situation described above:

Street blockades or cacerolazos against power outages in the Capital City from December 16, 2013 to January 8, 2014.
Source: radio and TV survey



Edenor's Area: 4
Edesur's Area: 103

Actions taken by the Company during this harsh period encouraged many mayors or community heads to send congratulations notes to the Company for its performance in the crisis, and those actions were further complimented by the licensor authorities.

⁽¹⁾ I further want to congratulate and also on behalf of the Board of Directors all the Company's employees who clearly expressed, in such an adverse setting, their strong commitment to the licensed utility, and also send our apologies again to our clients as we believe that, beyond our efforts, any power failure causes a detriment to the community we serve. Finally and in relation to this fact, we note that ENRE ordered the Company to compensate users for a total amount of AR\$82 million, which is being



paid, though an appeal was filed against ENRE's resolution.

Finally, I would like to thank the Board of Directors of EDENOR, the Statutory Audit Committee as well as the Shareholders for their permanent support in 2013 fiscal year. Once again, I would like to make a special mention and recognition to all Company personnel whose efforts, commitment and professionalism allowed reaching satisfactory operating efficiency indexes notwithstanding exceptional weather phenomena, the uncertainties characterizing our activity and the result of the operating deficit disclosed in the documentation that we submit for your consideration. Said commitment and dedication to service that I emphasize in this thank-you letter, permitted the Company to prove, once again, that it is able to thread its way through such a challenging occasion, affirming its calling to serve and commitment towards its mission.

RICARDO TORRES
Chairman

1) See: <http://www.telam.com.ar/notas/201312/46306-las-empresas-argentinas-accionistas-de-edesur-deben-asumir-la-responsabilidad-que-les-compete.html>

**EMPRESA DISTRIBUIDORA Y
COMERCIALIZADORA NORTE S.A.
(EDENOR S.A.)**

**CALL GENERAL ORDINARY
SHAREHOLDERS' MEETING**

Class A, B and C shareholders of EMPRESA DISTRIBUIDORA Y COMERCIALIZADORA NORTE S.A. (Edenor S.A.) (the "Company") are called to the General Ordinary Shareholders' Meeting to be held on April 29, 2014 at 11:00 am. on first call and at 12:00 am on second call, at Avenida del Libertador 6363, ground floor, City of Buenos Aires, in order to consider the following Agenda: **1º)** Appointment of two shareholders to sign the minutes; **2º)** Consideration of the Annual Report, Company's Financial Statements including General Balance Sheet, Statement of Income, Statement of Changes in Shareholders' Equity, Statement of Cash Flows, and Notes to the Financial Statements, and the Company's Consolidated Financial Statements with its subsidiaries, including Consolidated General Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Shareholders' Equity, Consolidated Statement of Cash Flows, and Notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2013, Informative Report as required by the Rules of the Argentine Securities and Exchange Commission, Additional Information required under section 68 of the Regulations of the Buenos Aires Stock Exchange, Reports of the Certifying Accountant and the Supervisory Committee, for the fiscal year ended December 31, 2013. **3º)** Allocation of profits for the fiscal year ended December 31, 2013. **4º)** Consideration of the Board of Directors' and the Supervisory Committee's performance during the fiscal year ended December 31, 2013. **5º)** Consideration of compensation payable to members of the Board of Directors and to members of the Supervisory Committee for the fiscal year ended December 31, 2013. **6º)** Appointment of twelve (12) regular directors and twelve (12) alternate directors; seven (7) regular directors and seven (7) alternate directors holding

Class A shares, five (5) regular directors and five (5) alternate directors holding Classes B and C shares, jointly. **7º)** Appointment of three (3) regular members and three (3) alternate members of the Supervisory Committee, two (2) regular members and two (2) alternate members holding Class A shares and one (1) regular member and one (1) alternate member holding Classes B and C shares, jointly. **8º)** Decision regarding the Certifying Accountant's fees for the fiscal year ended December 31, 2013. **9º)** Appointment of a Certified National Accountant who shall certify the Financial Statements of the fiscal year under consideration. Determination of fees payable. **10º)** Consideration of the budget of the Audit Committee and the Board of Directors' Executive Board for 2014 fiscal year. **11º)** Granting of authorizations to carry out any proceedings and filings required to obtain relevant registrations.

NOTE 1: All Shareholders shall be reminded that Caja de Valores S.A., domiciled at 25 de Mayo 362 (C1002ABH), City of Buenos Aires, keeps records of the Company's book-entry shares. In order to attend the Meeting, they shall obtain proof of the book-entry shares account, such proof being issued for that purpose by Caja de Valores S.A. Moreover, they shall submit such proof for its registration in the Meeting Attendance Registry kept at Floor 12 (Management of Legal Affairs) at the corporate office located at Avda. del Libertador 6363, City of Buenos Aires, by and including April 23, from 09:00 AM to 01:00 PM and from 02:00 PM to 05:00 PM

NOTE 2: In accordance with the provisions of the Rules of the Argentine Securities and Exchange Commission, at the time of the registration to attend the Meeting, the following information of the shareholder shall be provided: full name in the case of



individuals or corporate name in the case of legal entities, type and number of Identity Document in the case of individuals or incorporation registration data in the case of legal entities with express identification of the Registry where legal entity is registered and its jurisdiction; domicile -specifying its type. Such information shall be provided by the attendee in his/her capacity as the shareholder's representative.

NOTE 3: Shareholders shall appear at least 15 minutes in advance to the time scheduled for the Meeting, to furnish the relevant powers of attorney and to sign the Meeting Attendance Registry.”





VISTA AÉREA / CIUDAD AUTÓNOMA DE BUENOS AIRES

ECONOMIC CONTEXT AND REGULATORY FRAMEWORK



According to officially-released data, real GDP in Argentina would have recorded a 5.1% increase in 2013, representing a rise in figure recorded as GDP during 2012, i.e., 1.9% increase.



ARGENTINE ECONOMIC SITUATION

According to officially-released data, real GDP in Argentina would have recorded a 5.1% increase in 2013, representing a rise in figure recorded as GDP during 2012, i.e., 1.9% increase.

Increase in agricultural harvest during the 2012-13 period was 11% higher than that recorded in the previous period, in a context of relatively high international prices of commodities and greater financial stability in global markets (as the result of a steadier environment in Europe and a growth consolidation, though at a slow pace, in the U.S.), was the most important factor driving the economic growth rate acceleration in 2013.

Despite increase in GDP expansion rate, Argentine macroeconomic situation did not manage to be free of uncertainty in recent past. In fact, inflation-related pressures continued, fiscal deficit was deepened and loss of international reserves moved faster, resulting in the Argentine Central Bank (Banco Central de la República Argentina, BCRA) closing 2013 with international reserves levels of around U.S.\$30,000,000,000.

ENERGY SECTOR

In the energy generation sector, operative costs and, as a consequence thereof, the monomial market price have slightly increased at an average 8% as compared to those recorded during the previous year, mostly due to a reduced availability of natural gas, which is considered at values lower than alternative liquid fuels, despite a slightly higher hydroelectric supply. Based on these conditions, fuel oil consumption was 2.23 MMTn, gas oil consumption reached 2.59 MMm³ and natural gas and LNG recorded 13.91 MMDm³.

Gas supply for the energy sector was slightly lower than prior year consumption, registering a use of -8% lower than that of

the previous year, thus it is still insufficient to satisfy the demand increase from coal-fired power stations in winter time. As a result of this reduction in internal natural gas supply for energy generation, imports from Bolivia and of LNG increased.

In September 2013, the Energy Secretariat passed Note 5129/13, intended to optimize power generation and fuels dispatching in an effort to cut global costs at country level, considering their actual purchase costs, which essentially results in replacement of liquefied natural gas in steam-turbo groups with domestic coal and fuel oil dispatch. This also means that Dispatch Temporary Surcharge of the Wholesale Energy Market (WEM), divided by monthly demand, has an impact of around U.S.\$7/MWh increase (SCTD, operative SC, Cg DemExcd) and that cost cutting at country level is approximately MMU.S.\$ 63.5 /month.

Oil price recorded a slightly rising trend since 2012, with an average cost of U.S.\$98 per barrel for the West Texas Intermediate (WTI), exceeding the average cost recorded in the last five years.

As happened in previous years, funding of the WEM was basically feed off by the contributions made by the Argentine Government to the Unified Fund to pay off the negative balance of accounts, which reached AR\$25,309,000,000 in 2013. It should be noted that this figure resulted from Argentine National Treasury contributions that caused the total accumulated amount to be reduced.

In 2013, new "Sourcing Agreements" between CAMMESA and several companies were signed. It is worth mentioning the agreements executed with certain power stations of the Distributed Energy Generation Program, several co-generators using bio fuels and other Non-Conventional Power Generation. These higher costs continued as non-reflected in the demand but accumulated in the relevant accounts that the Argentine Government paid off with subsidies.

Besides, but under the “Mobile Energy Generation” mode, Energía Argentina S.A. (ENARSA) also connected generator groups of a lower module at certain points of the distribution network of the different energy providers in the country. As opposed to the Distributed Energy Generation mode, as from June 2012, based on Energy Secretariat note No. 3547, higher costs were transferred to distribution companies, while Edenor S.A. paid an annual amount equal to AR\$291,6 billion as energy and power overcharges in this respect.

Contribution from the new generation supply continued, a phase dating back to 2008, and 96 MW were added in 2013. The most important ones include Loma Blanca IV Wind Power Plant with the commissioning of two TG of 50 MW, clearly evidencing a significant reduction in the incorporation rate of new generation capacity.

REGULATION AND CONTROL

Act No. 25.561, Public Emergency and Amendment to the Exchange Regime Act (Ley de Emergencia Pública y Reforma del Régimen Cambiario), which was passed and enacted in early January 2002, was subject to several extensions of the emergency declaration effective date and its consequences until December 31, 2015 (Act No. 26,896).

During 2009, Edenor S.A. presented the rates proposal requested by the National Regulatory Entity of Energy (ENRE) under Resolution 467/08 (Program for the Comprehensive Rates Revision of Federal Distribution Companies [Programa para la Revisión Tarifaria Integral de las Distribuidoras Federales]) in accordance with the provisions of the Memorandum of Agreement entered into by and between Edenor S.A. and the Renegotiation and Analysis of Utilities Agreements Unit (Unidad de Renegociación y Análisis de Contratos de Servicios Públicos) ratified by decree of the Executive Branch No. 1957/06

and the Energy Secretariat Resolution 865/08. During 2010, Edenor S.A. complied with requests for more information from the ENRE on such rate proposal filed by the Company. During 2013, no progress was yet made on this matter, only with Edenor S.A. administrative and court filings claiming ENRE’s progress on this matter.

On November 7, 2011, the Energy Secretariat passed Resolution 1301/11 establishing the seasonal scheduling for summer time, removing subsidies for certain economic activities that, pursuant to the Resolution, are able to deal with real costs to be incurred in order to supply their electric energy demand. This resolution has been extended, and being applied to residential users, classifying them based on their geographical location and types of residence. The modification was exclusively based on energy purchase prices at the wholesale market, thus the Distribution Value Added cost (Valor Agregado de Distribución, VAD) of the Company was virtually unchanged. During 2003, no progress was made on this matter.

On November 23, 2012, the ENRE issued Resolution 347/12 authorizing companies to apply a fixed amount different for each category of users, based on the application of Section 4.2 of the Memorandum of Agreement. It further provides that such amounts be exclusively used in the execution of infrastructure works and maintenance of facilities of each Concession Holder. Funds raised thereunder are deposited in a special account administered by a trust.

As with previous years the Energy Secretariat Resolution 1037/07 remained in full force and effect, having been ratified by the Energy Secretariat Note 1383/08 modifying the allocation of funds derived from the implementation of the Program for a Reasonable Energy Use (PUREE program). Deductions may be made of such funds of: a) any amount Edenor S.A. shall pay as Quarterly Adjustment Coefficient (Coeficiente de Adecuación Trimestral, CAT) established

as per Section 1 of Act No. 25,957, for the purpose of the estimation used to determine the total value of the National Fund of Electrical Energy (Fondo Nacional de la Energía Eléctrica, FNEE), and b) any amount deriving from the rates adjustment resulting from applying the Cost Monitoring Mechanism (Mecanismo de Monitoreo de Costos, MMC) under the Memorandum of Agreement, until one or the other item effective passing to rate is recognized, as appropriate.

On May 7, 2013, the Energy Secretariat issued Resolution 250/13 allowing the setoff, until February 2013, of receivables deriving from the MMC adjustment application (only polynomial adjustment application) with amounts due by Edenor S. A. under PUREE and with a portion of the Company's debts payable to CAMMESA. By means of Energy Secretariat Note 6852/13 dated November 6, 2013, setoffs were extended to September 2013.

The Master Agreement, entered into by and between the Argentine Government, the Province of Buenos Aires and Edenor S.A. which sets forth the parties economic contributions to allow Energy Distribution Companies to provide electrical energy to squatter settlements (category A and B), continued in full force and effect and was renewed for an additional 4-year term as from January 1, 2011. Such renewal was ratified by Resolution 247/12 of the Ministry of Federal Planning, Public Investment and Services (MINPLAN) and by Decree No. 507/12 of the Executive Branch of the Province of Buenos Aires.

Enforcement of collateral and eminent domain: As provided for in sections 37 and 38 of the Concession Agreement, and section 22 of the Memorandum of Agreement, the Argentine Executive Branch may, notwithstanding any other rights it may have thereunder, enforce the collateral furnished by the guarantor (holders of the majority shareholding, Class A shares), that is to say, assume the political rights of those shares and it may

immediately sell the shares pledged or sell the majority shareholding, in the following circumstances:

- a) Non-compliance with the provisions of sections 14 and 15 of the Concession Agreement (corporate and operation regime).
 - b) In case the Distributor repeatedly breaches its material obligations under the Agreement and after being requested by ENRE to comply with those obligations in a fixed term, it fails to do so.
 - c) If the accumulated value of penalties imposed on Edenor S.A. in the previous period of one (1) year exceeds twenty percent (20%) of its net annual invoicing of taxes and rates.
- If guarantors levy or permit a levy on the shares pledged and fail to cancel the levy in the period of time fixed by ENRE.
- e) If the Distributor or guarantors hinder in any manner the sale in an International Public Bidding of the majority shareholding, in the cases set forth in the Concession Agreement.
 - f) If any Shareholders' Meeting of the Distributor approves, with no participation by ENRE, an amendment to the Company's By-laws or an issue of shares that changes or permits to change the interest of fifty one percent (51%) in the total capital stock represented by Class "A" shares or their voting rights.
 - g) If after publishing the tariff scheme under RTI, the Distributor, its shareholders representing, at least, two thirds of the capital stock and its former shareholders fail to file their waivers of rights and withdrawal from actions related to the claims filed under Law 25.561, which partially depends on third parties' actions.

As a consequence of no favorable responses to the countless steps taken and more than

fifty filings made with the administrative and court authorities, claiming compliance by the Concession Power with the Memorandum of Agreement of the Concession Agreement Renegotiation ratified by Decree 1957/06, the Company's Board of Directors decided to claim compliance at court by filing a contract compliance complaint after exhausting all administrative claims and exercising other court actions (amparos) with no favorable responses. Due to the excessive length of this legal action, a precautionary measure was also filed claiming an expedite restructuring of revenue which ensure proper rendering of the licensed utility while the contract compliance lawsuit is pending.

Notwithstanding the provisions above, as Concession Power, it is entitled, based on the "hecho del príncipe" theory, to decide on the eminent domain of the company, which shall be declared by a national act in compliance with the provisions of Act 21499.



ESCOBAR

ANALYSIS OF ECONOMIC-FINANCIAL OPERATIONS AND RESULTS



In the fiscal year ended December 31, 2013, total assets increased 21.51% from AR\$5,973 to AR\$7.258 billion. This net increase was due to a significant increase in Property, Plant and Equipment and Other Receivables, partially offset with a decrease in interest in subsidiaries.



RELEVANT DATA

Historic values in thousands of Argentine Pesos..

	Dec 31, 08	Dec 31, 09	Dec 31, 10	Dec 31, 11	Dec 31, 12	Dec 31, 13
Total assets (thousand of AR\$)	4.134.630	4.370.741	5.031.730	5.585.499	5.973.782	7.258.096
Total liabilities (thousands of AR\$)	2.043.064	2.188.532	2.923.552	4.154.114	5.555.601	6.081.794
Shareholders' equity (thousands of AR\$)	2.091.566	2.182.209	2.108.178	1.431.385	418.181	1.176.302
Property, plant and equipment investments (thousands of AR\$)"	335.722	404.310	388.770	430.637	544.308	1.092.342
Energy sales (in GWh)	18.616	18.220	19.292	20.098	20.760	21.674
Energy sales (in GWh) - excluding tolls"	14.916	14.599	15.401	15.941	16.499	17.300
Energy purchases (in GWh)	20.863	20.676	22.053	23.004	23.934	24.902
Energy losses	10,77%	11,88%	12,52%	12,63%	13,26%	12,96%
Total clients	2.534.547	2.601.643	2.659.215	2.691.331	2.725.641	2.772.893
Total employees (own staff)	2.487	2.691	2.687	2.836	2.966	3.563
Energy sales (thousands of AR\$)	2.000.198	2.094.345	2.205.396	2.273.260	2.937.625	3.393.759
Energy sales (thousands of AR\$) - excluding tolls"	1.885.711	1.959.054	2.063.867	2.159.803	2.721.967	3.231.464
Net income/(loss) (thousands of AR\$)"	123.115	90.643	(74.031)	(304.057)	(1.016.470)	771.739
Average sale price (AR\$ /KWh)	0,1075	0,1149	0,1143	0,1150	0,1389	0,1566
"Average sale price (AR\$/KWh) - excluding tolls"	0,1264	0,1342	0,1340	0,1355	0,1650	0,1868
Average gross margin (AR\$/KWh)	0,0554	0,0605	0,0593	0,0589	0,0512	0,0620

NOTE: monetary figures are denominated in constant currency as provided for by CNV Standards.

ANALYSIS OF THE FINANCIAL AND EQUITY CONDITION

Edenor S.A.'s comparative assets and liabilities structure for fiscal years ended December 31, 2013 and 2012 is as follows (amounts in AR\$ million):

	2013 - Consolidated	2013 - Basic	2012 - Consolidated	2012 - Basic
Current assets	1,869	1,869	1,484	1,011
Non-current assets	5,389	5,389	5,388	4,962
Total Assets	7,258	7,258	6,872	5,973
Current liabilities	3,283	3,283	2,282	1,743
Non-current liabilities	2,799	2,799	4,101	3,812
Total Liabilities	6,082	6,082	6,383	5,555
Shareholders' equity	1,176	1,176	489	418
Total Liabilities and Shareholders' equity	7,258	7,258	6,872	5,973

In the fiscal year ended December 31, 2013, total assets increased 21.51% from AR\$5,973 to AR\$7,258 billion. This net increase was due to a significant increase in Property, Plant and Equipment and Other Receivables, partially offset with a decrease in interest in subsidiaries.

Investments made during fiscal year ended December 31, 2013 totaled AR\$1,093.3 billion, exceeding investments made in 2012, which totaled AR\$544.3 billion. This increase results from the enforcement of

the investment plan established by Edenor S.A. through FOCED.

An increase of 9.49%, from AR\$5,555 to AR\$6,082 billion, in Liabilities was recorded. The leading cause of such increase a significant increase in trade debts offset with a inferior decrease in other debts resulting from offset of PUREE with credit under MMC.

The comparative fundraising or fund allocation structure for 2013 and 2012 fiscal years is as follows (amounts in AR\$ million):

	2013 - Consolidated	2013 - Basic	2012 - Consolidated	2012 - Basic
Funds raised through operational activities	1,584	1,512	539	305
Funds allocated through investment activities	(1,257)	(1,140)	(590)	(262)
Funds allocated through funding activities	(177)	(203)	(28)	(81)
Total funds allocated during fiscal year	150	169	(79)	(38)

In the fiscal year under analysis, an increase in cash flows (Cash + Investments not exceeding three months) of AR\$169 million

was recorded. Such increase was mainly derived from cash flows used in operational activities.

INVESTMENT

Investment made during 2013 reached AR\$1,092.3 billion, as the Board of Directors expressly provided that its execution be prioritized over other expenditures in an effort to maintain the licensed utility rendering in safe conditions.

It is worth noting that the recovery at the investment level remained constant as compared to those years prior to 2002 crisis, even considering that during the year, restrictions on availability of resources, as a consequence of the freeze on rates and the increase in costs, continued to be applicable.

Energy demand grew 4,05% (24,902 GWh in 2013 compared with 23,934 GWh in 2012) and the maximum energy demand increased 6,63% (4.747,7 MW in 2013 compared with 4452.7 MW in 2012).

To meet this increase in demand, most of the investment was applied to the increase in the facilities structure, existing installations reinforcement and to the connection of new supplies. Edenor continued its efforts to keep fraud and delinquency indicators at efficient levels and the quality standard of service and products. Besides, important investments were made to protect the environment and ensure safety in public thoroughfare.

From a comparative viewpoint, it is noticed an increase in the level of investments in 2013, with respect to investments made in 2012, which totaled AR\$544.3 billion, as a result of the application of funds managed by the FOCED trust, created by Resolution 347/12.

Those investments are described in the relevant paragraphs.

Amounts of investments made are specified in the following charts. They are broken down based on allocation and activity.

Item	Amounts in AR\$ million	
Distribution	669,0	61%
Transfers	342,6	31%
Computers, transportation and office equipment/tools	60,5	6%
Replacement -specific materials	20,2	2%
Total	1,092.3	

Investments by activity

Item	Amounts in AR\$ million	%
New Supplies	247,4	22%
Network Structure	589,9	53%
Network Improvement	109,4	10%
Energy Recovery	37,7	4%
Legal Requirements	17,9	2%
Telemonitoring and Telecommunication	9,3	1%
Systems, real property, office equipment/ tools, etc.	60,5	6%
Replacement-specific materials	20,2	2%
Total	1,092.3	

The most significant works performed during 2013 were the following:

> New Supplies:

New supply requests were connected, and power increase requested by the customers was further provided.

> Transmission Structure

The following works were performed:

- > Start of enlargement works in Rodriguez Substation 220/132 kV 2 x 300 MVA.
- > Start of new electroduct of 132 kV Rodriguez Substation – Malvinas Substation and Rodriguez Substation – Pilar Substation.

> Sub-transmission Structure

The following works were performed:

- > Completion of enlargement of Agronomía Substation 132/13,2 kV - 3x40 MVA.
- > Completion of El Cazador Reduction Center 33/13,2 kV 2 x 14 MVA.
- > Enlargement of Catonas Substation 132/13,2 kV 2 x 40 MVA to 2 x 80 MVA; Replacement of 40 MVA transformers with 80 MVA transformers.
- > Enlargement of Tortuguitas Substation 132/13,2 kV 2 x 40 MVA to 2 x 80 MVA. Replacement of 40 MVA transformers with 80 MVA transformers.
- > New San Alberto Substation 132/13,2 kV – 2x40 MVA. Stage 1; Assembly of a 132/13,2 kV transformer and Medium Voltage Mobile Unit.
- > New José C. Paz Substation 132/13,2 kV 1 x 40 MVA
- > Enlargement of Malvinas Substation 33/13,2 kV – from 2x14 MVA to 2x20 MVA.
- > Start of enlargement of Benavidez Substation 132/13,2 kV 2 x 40 MVA to 3 x 40 MVA.
- > Start of new Manzone Substation 132/13,2 kV 2 x 40 MVA.

> Distribution Structure

The following works were performed, among others:

- > 53 new feeders in new and existing Substations: San Justo, Luzuriaga, San Alberto, Agronomía, Melo, Munro, Nordelta, Catonas, Pantanosa, Malaver, Ciudadela, Rotonda, Maschwitz,

Benavidez, Bancalari, Matheu and Tecnópolis.

- > Sealings between Medium Voltage feeders in various substations.
- > 310 new medium/low voltage conversion centers and 390 power increases in existing centers which increase the installed power to 242 MVA.

> Network Improvement

Improvement was made in all voltage levels, and the most significant ones are described below:

- > **High Voltage:** Switches of 132 kV and 220 kV were replaced. Medium voltage board protections were fitted in different substations and 132 kV wire protections were replaced.
- > **Medium Voltage:** Medium voltage switches were replaced at substations and internal arc protectors have been installed in medium voltage boards. Moreover, an important replacement of outdated technology underground network was made, medium/low voltage transformers were replaced as well as equipment in medium voltage centers.
- > **Low Voltage:** Underground and air networks were replaced. Network which had product quality problems was also reinforced

> Telecommunication and Telemonitoring

Installation of new radio-link systems and existing radio-link systems adjustment with state-of-the-art equipment with increased capacity aimed at meeting the main telecommunication network transportation needs were continued.

The new corporate network was installed and put into service, which enables the provision of new services and assists the IT area in its developments, extending transportation capacity to support new IT applications and implementing voice and video services with a better quality of service.

The Company continued installing the video surveillance and access control system in new Substations and Domo cameras to telemonitor actions in sectionalizers.

Regarding telemonitoring, the air and underground medium voltage network telemonitoring process was strengthened in conversion centers and air networks, for the purpose of minimizing service reset times.

Total amount of historic investment made by Edenor since it started business in 1992 to date totals AR\$5,297,000,000.

FINANCIAL DEBT

Financial debt

As of December 31, 2013, the Company's total financial debt was equal to AR\$1,350,500,000, including AR\$40,200,000 as accrued interest.

As compared to the previous year, financial debt, net of current investment and cash, decreased by AR\$325,700,000 (-24%) as a result of Notes repurchased and received as debt repayment, held as treasury stock by Edenor and the Trust created for EDEN's sale and of higher cash needs to satisfy the transaction requirements in a setting of restrictions on banking financing.

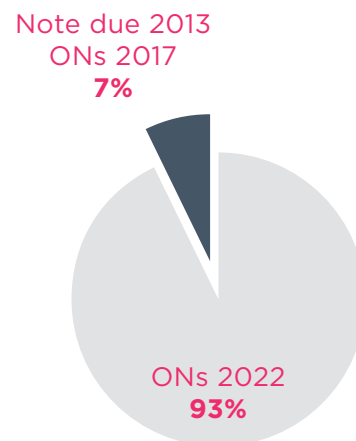
On May 7, 2013, the last payment of interest and principal amortization was made for Notes maturing in 2013 issued in Pesos at BADLAR floating rate of 6.75%.

The current debt profile has an average term of approximately 8.4 years and an average estimated rate of 9.8%. Virtually all Edenor S.A.'s financial debt is denominated in U.S. dollars, thus the Company is exposed to any changes in exchange rate, with the resulting impact on income and cash flows.

After December 31, 2013, the economic scenario of the Company's business was adversely affected by the acceleration

in the Argentine Peso devaluation, a circumstance impacting on the Company's future results and cash flow, mainly in relation to interest repayment, as principal maturity terms are longer. It is not possible to foresee future performance of the exchange rate neither that of other Argentine economy factors that may have an impact on the Company's economic and financial condition, as explained in Note 1 to the Company's Financial Statements.

Outstanding financial debt breakdown is shown in the following chart, net of Notes due 2022 and Notes due 2017 that the Company holds in its portfolio and in the portfolio of the Trust under EDEN's sale:



As shown in the chart above, the Company's principal maturity terms are comfortably long, thus creating a solid and healthy principal structure.

Deterioration of Cash Flows results from the delay in updating rates and an uninterrupted increase in costs and the need for greater investments to satisfy the demand steady growth. Despite the fact that, in 2013 fiscal year, recognition under MMC retroactively applicable to the November 2007 - September 2013 period had a favorable impact on the Company's operating profit, it did not entail an increase in cash flow, but only a partial reduction in the debt payable to CAMMESA. This situation and the results have an adverse impact on the Company's financial ratios.

Recovery of the economic equation of Edenor S.A. basically depends on the possibility to obtain rate increases or other mechanisms the regulatory authority may determine, which recognize real variation in costs arising out of the Licensed Utility rendering.

Considering that fulfillment of actions outlined to reverse the negative trend experienced in 2013 fiscal year depends on the occurrence of certain events beyond the Company's control, the Board of Directors believes that there is a certain degree of uncertainty as regards the Company's financial capacity to comply with the obligations inherent to its ordinary course of business.

Repurchase of Notes

In accordance with the provisions on purchase and sale of AESEBA - EDEN's assets, the trust purchased Edenor's Notes due 2017 and 2022 for U.S.\$10,000,000 and U.S.\$50,300,000, nominal value, respectively.

On October 4, 2013, Pampa Energía S.A. repaid the balance under EGSSA's sale with Edenor's Class 9 Notes due 2022 for

a nominal value of U.S.\$10,000,000.

In addition, in 2013, the Company purchased, in different transactions, at market prices, Class 9 Notes due 2022, for a nominal value of U.S.\$4,140,000.

As of 2013 year-end, the outstanding principal of the financial debt denominated in U.S. dollars, net of Notes repurchased and held in portfolio by the Company and the Trust created in connection with EDEN's sale, reached U.S.\$208.900.000

Funding Sources

2013 fiscal year was characterized by a sharp limit on access to borrowings, for the energy sector in general, and for the Company in particular, mainly due to the economic-financial situation and deterioration of its financial ratios as mentioned above.

However, despite the situation described above, Edenor S.A. has complied with all its financial obligations, repaying principal of and interest on the loan undertaken with Banco de la Provincia de Buenos Aires and principal of and interest on Notes at their maturity dates, both denominated in Argentine Pesos and in U.S. dollars.

Company's Risk Rating

On December 23, 2013, Standard & Poors Ratings Services affirmed the ratings of the Global Notes Program of up to US\$600,000,000 with final maturity in 2016, of the Notes for US\$220,000,000 with final maturity in February 2017 and of Notes for US\$300,000,000 with final maturity in 2022 of Edenor S.A. in CCC - in global scale and raCCC+ in national scale, upkeeping the downward trend.

Edenor's "raCCC+" ratings mostly incorporate the high political and regulatory risk in Argentina, the Company's limited flexibility, exposure to any risk currency mismatch (as its debt is largely

denominated in U.S.dollars while funds are domestically generated in Argentine pesos) and high investment levels required to satisfy the ever increasing energy demand. Due to growing operative and administrative costs in a rate freezing scenario, Standard & Poors expects the Company to continue reporting negative levels of EBITDA and domestic generation of funds. Consequently, it believes there is a significant degree of uncertainty as regards the Company's financial capacity to meet its financial obligations in due time during the next six to twelve months.

In turn, on December 20, 2013, Moody's Latin America maintained for Edenor in Caa3 rating in global scale and in Caa3. ar rating in national scale, both with a negative outlook, to all series issued by the Company. In addition, it maintained shares rating in category 4.

Negative prospects reflect Moody's viewpoint, in the sense that, though from an accounting standpoint in the second quarter 2013, the Company managed to revert the prior net worth negative condition, if the rate freezing is not dealt with by the Argentine Government or by regulatory entities, the downward trend in operative margins and negative generation of cash of Edenor S.A. will cause the Company's operations to be unsustainable. Edenor has succeeded in meeting everyday cash needs only by cutting its energy payments to CAMMESA. In addition, as Edenor's funds are generated in Argentine pesos while its bonds are denominated in U.S.dollars, its financial profile may be largely and adversely affected by a significant devaluation of the Argentine peso, which could also exert pressure towards ratings downgrades.



ANALYSIS OF FINANCIAL RESULTS

Comparative income/loss structure of fiscal years ended December 31, 2013 and 2012 is as follows (amounts in AR\$ million):

	2013 - Consolidated	2013 - Basic	2012 - Consolidated	2012 - Basic
Ordinary operational income/(loss)	1.395,84	1.394,47	(710,49)	(708,42)
Financial and holding income/(loss)	(490,89)	(490,77)	(318,58)	(313,32)
Other income and expenditure	(81,20)	(81,01)	(117,95)	(117,86)
Ordinary net income/(loss)	823,75	822,69	(1.147,02)	(1.139,60)
Income tax	44,12	45,55	116,71	116,71
Discontinued transactions	(95,11)	(96,50)	16,90	6,42
Third parties' interest	(1,02)	-	(3,06)	-
Net income/(loss)	771,74	771,74	(1.016,47)	(1.016,47)

Regarding fiscal year ended December 31, 2013, Operational Income/Loss has significantly increased, from AR\$708,4 million loss in 2012 to AR\$1,394,5 billion profit in 2013. The main underlying factor for such increase is the partial recognition of higher costs of MMC, by means of ES Resolution 250/13 and SE Note 6852/13, which have a merely accountable effect and fail to counteract the AR\$1,619.6 billion operating deficit.

From an operational standpoint, it is worth noting the particular progress of certain line items:

- > As explained below, energy purchases have increased by 4.04% as compared to the previous year.

- > As explained below, energy losses have slightly decreased compared to the level recorded in the previous year (12.96% in 2013 vs. 13.26% in 2012) according to TAM.
- > Delinquency level expressed as days equal to invoicing increased from de 10,82 days to 11,23 days.

Regarding financial results, they experienced a significant increase, from a loss of AR\$313,3 billion during 2012 fiscal year to an AR\$490,8 billion loss in the year under analysis. This variation is mainly explained by the exchange rate difference income/(loss) derived from assets and liabilities and increase in lost commercial interest, partially offset with the recognition of earned financial interest accruing on MMC and PUREE offset.

Net revenue recorded during the 2013 fiscal year was AR\$771.7 billion, mainly influenced by recognition of higher costs through SE Resolution 250/13 and SE Note 6852/13, partially offset with the increase in transmission, distribution and marketing operating expenses. However, the operating deficit for the year amounted to AR\$1,619.6 billion.

MAIN ECONOMIC RATIOS

The following scheme reflects the Company main economic ratios as compared to the previous year and their estimation formula:

RATIOS		2013 Consolidated	2013 Basic	2012 Consolidated	2012 Basic
Liquidity	<u>Current Assets</u>	0.57	0.57	0.65	0.56
	Current Liabilities				
Creditworthiness	<u>Net worth</u>	0.19	0.19	0.07	0.08
	Total Liabilities				
Long-term Capital investments	<u>Non-current Assts</u>	0.74	0.74	0.78	0.83
	Total Assets				
Ordinary profitability before taxes	<u>Ordinary Profit (loss) before taxes</u>	204 %	204 %	(80) %	(79) %
	Net worth excluding fiscal year results				

If the rate-related situation existing at the time of preparing this Annual Report continues, together with the increase in costs related to the actual rendering of the Utility Service under Concession, the Board of Directors believes that the economic and financial situation will continue worsening, and that it would be reasonable to expect a deterioration in economic and financial ratios for the future fiscal year.

ALLOCATION OF INCOME(LOSS) FOR THE YEAR

Item	Amount in AR\$ million
2013 fiscal year loss	771,74
Unappropriated Retained Earnings for 2013 fiscal year	771,74

The Board of Directors' compensation shall be fixed by the Shareholders' Ordinary General Meeting that approves this Annual Report and Financial Statements.

RATES

During 2013, the Public Emergency and Exchange Regime Reform Act No. 25,561 (Ley de Emergencia Pública y Reforma del Régimen Cambiario, Ley N° 25.561) enacted on January 6, 2002 was extended again, rendering unenforceable any dollar-based adjustment covenants and the indexing provisions set forth in Edenor S.A.'s Concession Agreement.

In 2013, an approximate average of 268,000 customers continued to be exempted from the rate scheme enforced by ENRE Resolution 628/08. These beneficiaries had to pay the rate schemes in force immediately before those mentioned above. i.e., those approved by ENRE Resolution No. 324/08.

During 2013, Energy Secretariat Resolution 1301/2011 was applied by Edenor S.A. to clients with no subsidies, who paid an average monomial price of Argentine Pesos three hundred and twenty megawatts/hour (AR\$320/MWh).

Application of said Resolution did not change the effects on the Company's VAD.

On May 7, 2013, by means of ES Resolution 250/13, the amounts owed to Edenor S.A.

as MMC (including interest) and debts incurred by Edenor S.A. under PUREE (including interest) were assessed, both up to February 2013.

In addition, said Resolution instructs CAMMESA to prepare sale settlements with maturity date to be fixed for an amount equal to the MMC receivable surplus less PUREE debt (including interest), and authorizes CAMMESA to receive said sale settlements with maturity date to be fixed as partial repayment of Edenor S.A.'s debt with CAMMESA up to the date of Resolution.

As of the date of this Annual Report, CAMMESA has prepared no sale settlement.

On May 27, 2013, Edenor filed a request for approval with ENRE regarding the application of MMC14 pursuant to Exhibit I of the Memorandum of Agreement, for the November 2012-April 2013 period, for a value of 6.951% that should have been applied since May 1, 2013.

In 2013, ENRE authorized Edenor S.A. to apply to clients with subsidies the same two rate schemes applied in June and July 2009, 2010, 2011 and 2012 as well as in August and September 2009, 2010, 2011 and 2012 to the same months in 2013. These schemes were in line with those applied under ENRE Resolution 433/09, Exhibit I and IV. The application of these schemes was aimed at reducing the impact on the invoicing of residential customers with bi-monthly consumption exceeding 1,000 kWh due to the electrical energy consumption increase registered during winter time. Edenor continued breaking down the floating charges of all invoices, identifying amounts subsidized and not subsidized by the Argentine Government. On the other hand, these rate schemes led to the modification of the additional charges value to be applied by PUREE within the same enforcement period. Changes in rate schemes had no effect on the Company's VAD.

As of October 1, 2013, the October 2008 rate scheme was applied once again as provided for in ENRE Resolution 628/08. Variable cost of all invoices continues to be broken down in amounts subsidized and non-subsidized by the Argentine Government.

On November 19, 2013, Edenor S.A. filed a request for approval with ENRE regarding the application of MMC15 pursuant to Exhibit I of the Memorandum of Agreement, for the May 2013-October 2013 period, for a value of 7,902% that should have been applied since November 1, 2013.

During 2013, ENRE Resolution 347/12 continued to be enforced, which applies a fixed amount different for each rate category, to be separately reflected in the users invoices, only except for those clients exempted to pay the rate scheme approved by ENRE Resolution 628/08.

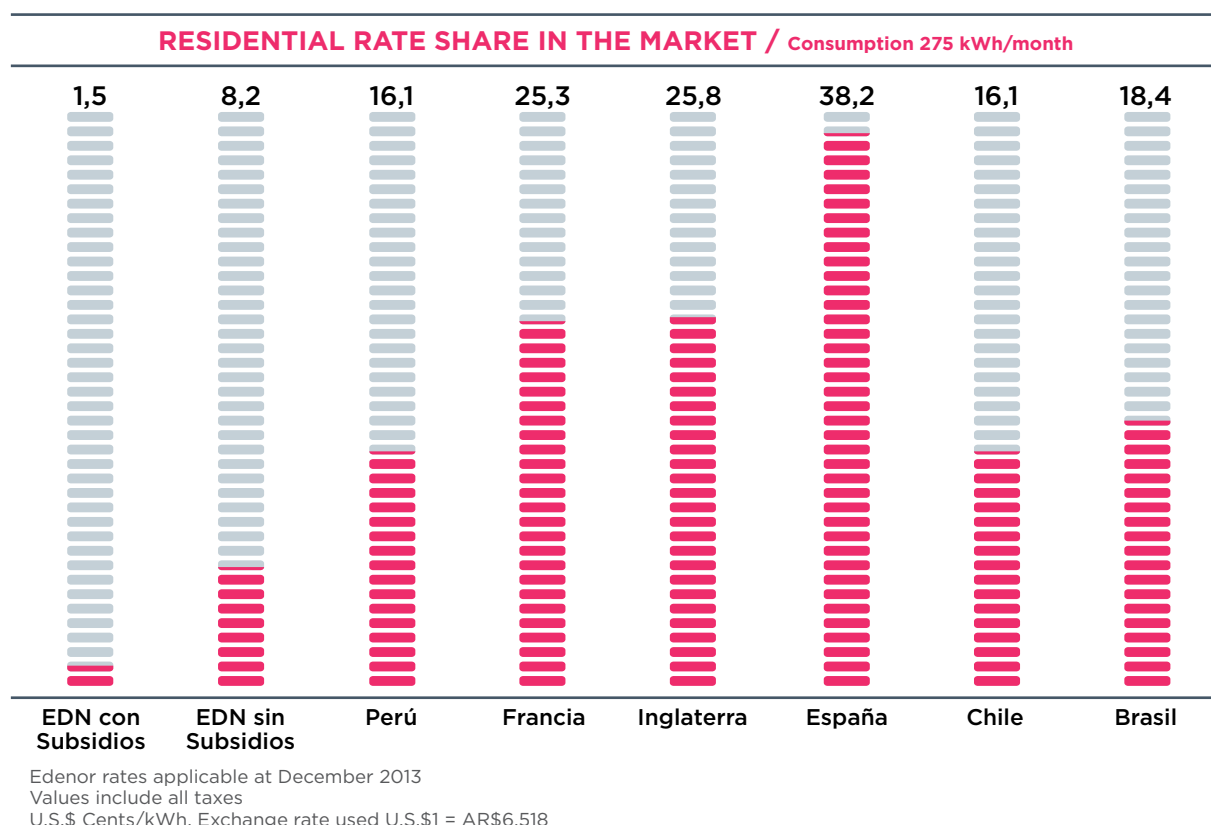
These amount continued to be deposited in a special account and are exclusively used in the performance of infrastructure and maintenance works in the Company's concession area and administered by the FOCEDÉ.

Since 2003, performance of average rate, consumer and wholesale price index, salary variation ratio and the VAD were subject to the following variations:

	dic-12	dic-12	Variation%
Average rate (AR\$/MWh)	68,9	129,0	87%
Consumer Price Index (indec)	68,1	166,8	145%
Wholesale Domestic Price Index (IPIM) (indec)	222,7	655,9	195%
Salary Variation Ratio (indec)	20,3	146,6	621%
		VAD	64%

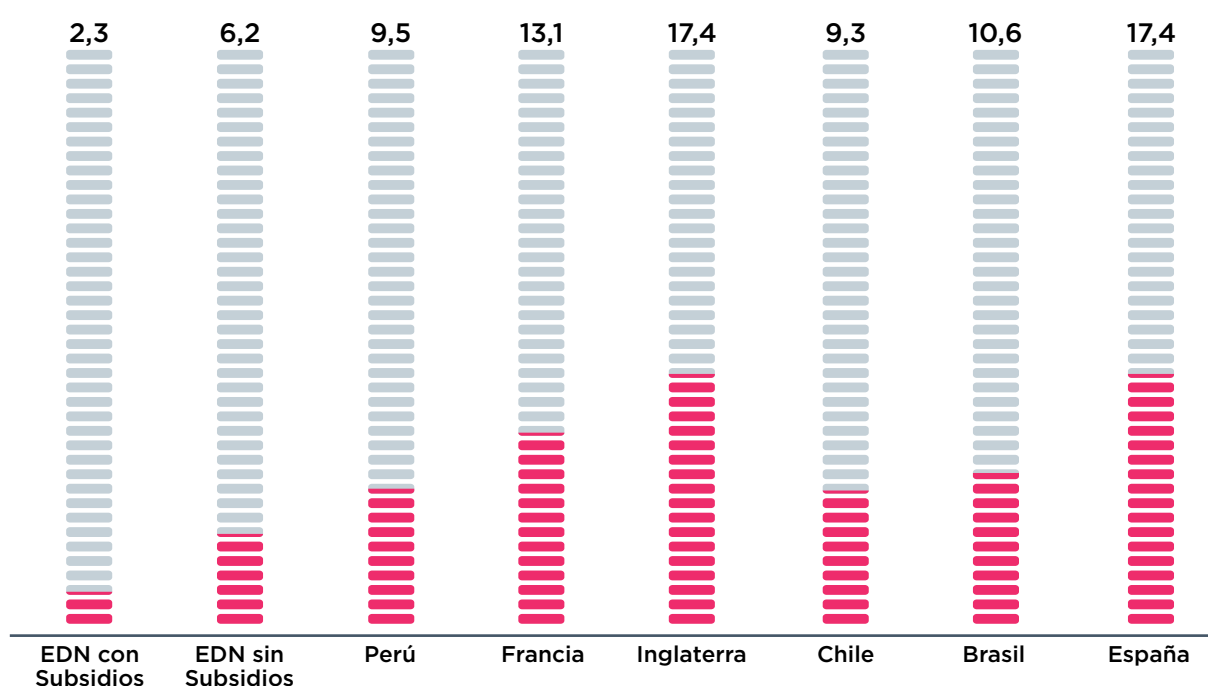
In the same period, monthly operating expenses by client increased from AR\$7.18 in 2003 to AR\$70.4 in 2013.

The following charts picture a comparison of Edenor S.A.'s residential and industrial rate, with and without subsidies, with the energy rate applicable by other countries:



EDENOR INDUSTRIAL RATE SHARE IN THE INTERNATIONAL MARKET

Consumption: 1095 MWh/month Maximum demand 2.5 MW in MV



Edenor rates applicable at December 2013

Values include taxes, except for VAT

U.S.\$ Cents/kWh. Exchange rate used U.S.\$1 = AR\$6.518

Although the Company has, on several occasions, requested the administrative authorities for the application of the MMC and the start-up of the Comprehensive Rate Review process (proceso de Revisión Tarifaria Integral, RTI), both processes are delayed. This results in the delay in the restoration of economic and financial equation of the Concession Agreement. In the event those delays continue as regards the rate redefinition, plus the higher costs inherent to the economic circumstances of the utility service under concession, the Board of Directors believes that the situation would lead to expect negative cash flows and operation results as well as deterioration in financial ratios for the future fiscal year.

Notwithstanding the paragraph above, and though recovery of the economic equation of the Company basically depends on the possibility to obtain

the rate increases contemplated in the Memorandum of Agreement, until then, coverage of operation expenses and compliance with the investment plan will depend on the actions the Company may implement to obtain the necessary financial resources.

Among other measures taken and seeking for recognition of resources under the Memorandum of Agreement, the Company filed administrative resources before the Ente Nacional Regulador de la Electricidad, the Energy Secretariat and the MinPlan which were only resolved in part by ES Res. 250/13. As a consequence of this partial resolution with responses expected to the countless steps and many filings made with the administrative and court authorities, claiming due compliance by the Concession Power with the Memorandum of Agreement of the Concession Agreement Renegotiation

ratified by Decree 1957/06, the Company's Board of Directors decided to claim its compliance at court by filing a contract compliance complaint after exhausting all administrative claims. A precautionary measure was also filed claiming an expedite restructuring of revenue, allowing to ensure the licensed utility while the contract compliance lawsuit is pending.

ENERGY PURCHASE

During 2013, energy purchase for Edenor S.A.'s own customers, including large users, reached 24,902 GWh, representing 4.04% increase in demand as compared to 2012. It should be noted a new rise in demand as opposed to the slight demand reduction recorded last year.

With Energy Secretariat Resolution 2016/12, the Seasonal Scheduling for the November 2012- May 2013 period was approved and all provisions related to the application of energy and power prices to distribution companies purchasing at a seasonal prices were modified, setting aside once again now in 2013 the structuring of energy prices based on the different segments of demand, power charges and the consideration of a differentiated price increased by losses in excess of those recognized in the relevant Concession Agreement, and replacing it with a single monomial price system providing for the breakdown based on price and losses categories in effect in October 2012.

In 2013, Energy Secretariat Resolution 408/13 was passed, providing that seasonal prices to be paid under demands satisfied by Edenor must be in line with and according to the situation existing in winter period, and compatible with the payment capacity of the different sectors in society in the residential category of the Company's rate schemes and, to that end, it provided for the application of new seasonal reference prices, applying to June and July a purchase price with

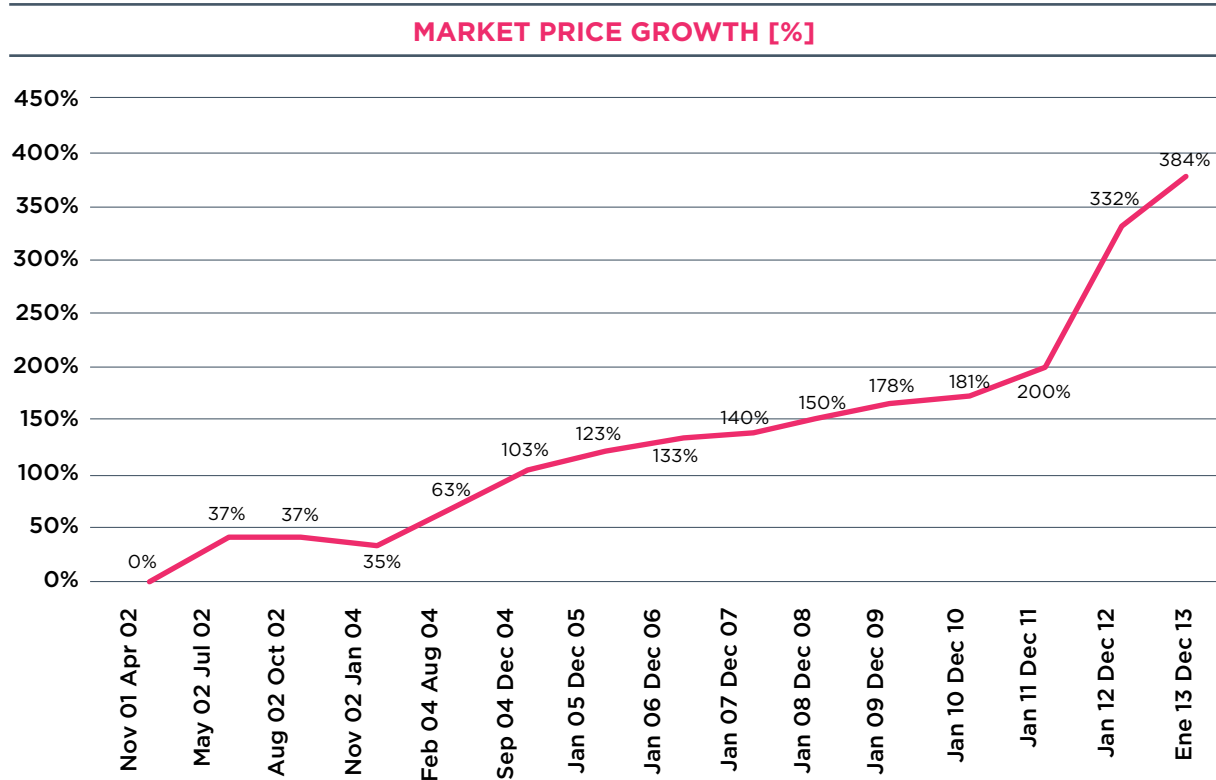
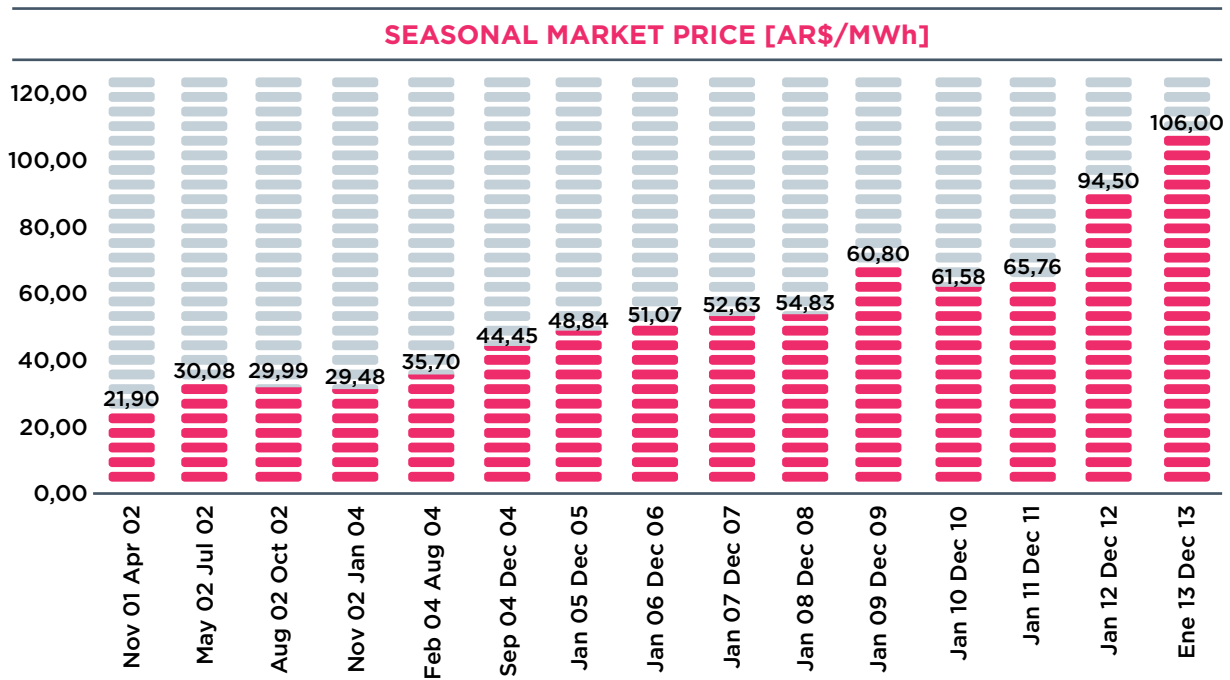
a higher subsidy, resulting in a price of AR\$80.99/MWh and AR\$81.89/MWh for August and September, and AR\$83.98/MWh for all other months.

Due to the lack of rate resources, it was impossible for the Company to pay the energy purchase turnover in full, thus incurring in a debt with CAMMESA which, as of December 31, 2013, totaled AR\$1,842.5 billion not including surcharges nor interest, said amount does not include the offset provided for by ES Resolution 250/13 and ES Note 6852/13.

Edenor S.A. purchased all the energy at the seasonal market at an average annual price of 106 AR\$/MWh.



The following graphic shows the average purchase price variation for Distribution Companies since 2001:



ENERGY LOSSES

As regards the energy recovery reduced plan proposed for 2013, some actions planned for R1 and R3 were carried out in four concession areas, though not all the actions scheduled for R2 were materialized.

The Floating Annual Rate (Tasa Anual Móvil, TAM) of total losses (technical and non-technical) in 2013 reached 12.97%, i.e., 0.29 percentage points below that of 2012 (13.26%).

In winter, several types of home-manufactured appliances used for heating and supplying hot water continued to be used in deprived homes with no access to the natural gas network. The massive and simultaneous use of such appliances during winter causes a greater energy demand to the network.

Particularly in areas such as Morón and Pilar, new deprived homes are identified as well as the expansion of existing ones. Energy theft by these deprived homes was the most important factor in the increase of total losses. In second place, the reduced number of actions, conflicts with unions held over time and some

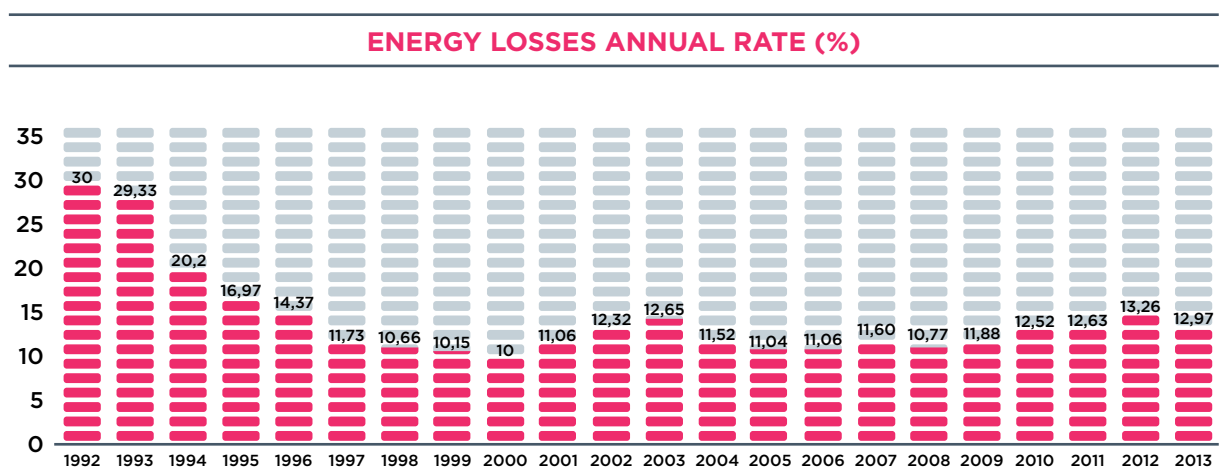
problems caused by the change in the commercial system, adversely influenced the target sought.

Throughout 2013, the Company continued working closely with its legal advisors to criminally report the most significant fraud cases by non-deprived clients and to re-define new technological criteria to reduce the facilities vulnerability. New prepaid meters and other with reading and remote cut meters were developed. Field tests were satisfactory.

Regarding energy recovery, 2,310 clandestine customers and 4,038 inactive customers were standardized, representing an increase of 948 standardized clients as compared to 2012. In addition, 88,400 R1 meters inspections were conducted with 57% effectiveness resulting in 53,500 small dwellings being shielded and made suitable, and networks and connections being standardized.

Certain anti-fraud inspections were carried out in deprived neighborhoods and malls.

The following figure depicts the annual rate progress of energy losses since the beginning of Edenor S.A.'s management.



DELINQUENCY MANAGEMENT

During 2013, the delinquency balance expressed in equivalent invoicing days increased from 10.5 days to 10.

The delinquency balance was adversely affected by the preliminary injunction served on Edenor S.A. in January 2009 in legal action No. 15/09 filed by Ombudsman. Such injunction prevents Edenor S.A. from taking delinquency-related actions based on the interruption of supply to those residential customers (R1) with a consumption exceeding 1,000 kWh on a bi-monthly basis and with a delinquency status for being reluctant to pay rate increases; considering that the new rate scheme had the greatest increase level on consumption exceeding 1,000 kWh, this injunction altered normal development of collections.

In addition, since late 2012 and early 2013, the new commercial system for R1 and R2 clients was put into practice and while being implemented, no delinquent accounts collection actions were taken. This had an adverse impact, particularly on first part of the year.

During all 2013, a comprehensive plan continued aimed at dealing with any rise in delinquency cases with alternative actions which did not interfere with the preliminary injunction imposed on Edenor.

Such actions included:

- > Special payment reminders to encourage delinquent customers to pay.
- > Customized telephone calls to negotiate and encourage delinquent customers to pay.
- > Specific electric actions.
- > Rate re-categorizations resulting from in situ Inquiries.

Throughout 2013, the municipal account balance resulting from monthly offsetting,

was regularized and kept current. It should be noted that said fee offsetting, which is monthly assessed, is the offsetting between the invoicing of street lightning and municipal agencies, on one hand, and Edenor's collection of municipal contributions and street lightning rates that the Company includes in the Municipality clients' invoices. This offsetting may have a credit balance for the Municipality or for Edenor, depending on the particular Municipality and the time of the year.

By late 2013, weather events resulted in the implementation of the Emergency Operation Plan (Plan Operativo de Emergencia, POE), which helped preventing any increase in the delinquency balance, by using any and all resources so as to maintain clients' energy provision.

Balance as of December 2013:
Approximately, AR\$177.460,000.

Concurrently with the business actions, technological alternatives were analyzed so as to optimize field tasks. A new meter model is being tested, which incorporates a cut relay and a radio frequency communication module, and which enables reading, suspension and restoration of the service up to a distance of 100 meters. This model is expected to be applied to long-term delinquent clients or those with difficult access.

TECHNICAL MANAGEMENT

During the period, the following technical operative actions were primarily taken.

Acts	Concept			Amounts
MT-BT Preventive Maintenance	Reviews	Eye reviews	Platforms (u)	16,406
			Conductors and posts (km)	38,400
			Eye review corner box, mailbox/wall-like cabinet, connection wires (u)	15,025
		Thermo graphics	Conductors (km)	604
			Terminals, Platforms and Chambers (u)	4,128
	Adjustments	Posts, Protection/handling elements (u)		26,051
		Changes in conductors (mt.)		73,807
		Tree pruning (u)		134,403
	MT-BT Remedial Maintenance	Claims in air and underground network (u)		
Changes in posts (u)			29,271	
Connections and repair of terminals in underground networks (u)			8,594	
Change in protection and handling equipment in chambers and platforms (u)			7,996	
Tree pruning (u)			3,704	
Change in transformers (u)			910	
Energy Recovery	Inspections T1, T2 and T3 (u)			142,501
Investments	Projects (u)			8,700

Throughout December, the Company continued implementing the POE due to the heat wave with a lengthiness never ever recorded in the City of Buenos Aires

and to strong storms hardly challenging distribution networks. Fortunately, emergency was under control at all times, and the service was effectively restored.

> Audits for certification were successfully passed, to wit:

- > Emergency Operation Plan (Plan Operativo de Emergencia, NG3-POE);
- > Public Security System (ENRE Resolution No. 421/01)
- > Comprehensive Management System (Sistema de Gestión Integrado) (Quality, Safety Occupational Health and Environment)

One of the means available to accomplish the Company's core strategy is the implementation of the Efficient Management Project (Proyecto de Gestión Eficiente, PGE), with Consultora ABS involved in its design and implementation. With this project, the Company aims at providing the chain of command with several management tools enabling it to achieve a better scheduling and preparation of tasks, so as to make every-day business more efficient and organized.

In the high voltage area, improvements were made in the development of tasks, among which the following stand out:

- > In 2003, in addition to the automatic notices created in 2012 (by means of e-mails from the Supervisory Control and Data Acquisition (SCADA) software of the control center of forced affectation cases, alarms of "protection failures" of medium voltage equipment and alarm of "open battery"), the following notices were added: "ventilation failure" and action alarms sent by secondary switches of high and medium voltage transformers of: "maximal operation" and "arch detector operation". In addition, with the change in technology in corporate cell phones by the end of 2013, these notices were included and received by some head office members.
- > Operation staff members specialized in maintenance of medium voltage premises following voltage tasks techniques were incorporated as well as the equipment necessary to have: 12

contact teams, 2 distance teams and 3 camera teams.

- > The company continued working on procedures necessary for the Accreditation of the Dielectric Test Lab for Protection Elements used in voltage tasks with the Argentine Accreditation Agency (Organismo Argentino de Acreditación, OAA). Such accreditation will allow for the formal recognition of competence and objectivity of labs, suitability tests suppliers, reference materials producers, certification and/or inspections entities, thus proving that accredited entities are all reliable to carry out tests, analysis, suitability tests programs, reference materials productions, calibrations, inspections and certifications.
- > The company continued working under the agreement with Universidad Tecnológica Nacional in Pacheco for research and development, in the project for the analysis of measurement techniques for early screening of failures in electric isolators and diagnosis of the condition of the isolation in transformers and equipment of high voltage. Technology refurbishing continued by replacing 220, 132 and 13.2 kV, circuit breakers with air compressed and reduced oil volume technology in SF6 or vacuum.
- > 132/13.2 kV transformers bushings continued to be replaced, which were part of the batch with discharges in TR1 transformers of Rotonda and TR1 of La Reja during late 2011 and early 2012. Also, a special maintenance plan applied to MR regulators installed in 80 MVA transformers, which were part of a batch with failures (RR1 and RR2 of Substation Casanova and RR1 of Substation Castelar) was continued. For the purposes of gaining experience and knowledge of any maintenance problems and requirements of said equipment, training was delivered in Brazil, at MR company offices, to 5 Supervisors and Heads.

- > Aiming at having more control on proper use of power equipment and resources under the Transmission Management's responsibility, during 2013, new targets and purposes were created and followed-up, which allowed for measurement of performance and availability (downtime of high voltage transformers, lines, wires and capacity power) and response time of the different areas to failures (interruption time in case of medium voltage driving interruption).

In the Control Center area:

- > The operation capacity of the low voltage control center continued to be expanded.
- > Operation and handling equipment of the medium voltage distribution network continued to be adjusted, from old-dated technology, for their telecontrol.
- > A telecontrol plan of medium voltage network for telemonitoring and telecommanding in transformation centers and medium voltage equipment was launched.
- > The telemonitoring plan of voltage short-circuit indicators in the medium voltage network was continued.

In Operation areas:

MORÓN

- > Six new medium voltage outlets were added in San Alberto Substation to improve the service quality in such a critical area as Ituzaingo.
- > Five new medium voltage feeders in different substations, five feeders with load rearrangement, medium voltage closure of 33kV between La Paulina reduction center and Marcos Paz substation, renewal of four feeders with API-type cable with dry and connection of clients such as AySA (5369 kW) and

Central Market (12000 kW). are all still being executed.

- > 15 new conversion centers were added, increasing installed power by 3365 kVA to 25 centers for troubleshooting of Service Quality and Product Quality. Power installed in existing 12 conversion centers was increased, representing a 1642 kVA increase. In addition, 9.6 km of low voltage network in poor condition or of improper section were renewed for troubleshooting of Service Quality and Product Quality and 61 new outlets were performed to solve saturation-related problems, further contributing to reduce energy technical losses

In turn, 24 conversion centers are being assembled, 24 of which have not yet been energized, leading to an increase of 4,137 kVA, to 29 centers for troubleshooting of Service Quality and Product Quality. In addition, five centers power will be increased for a total of 897 kVA, 78 new outlets will be executed and 11.3 km of low voltage network and 3 km of medium voltage network will be renewed.

- > Supply requests were received from new clients: Calico for 350 kW, Lácteos Barraza for 2266 kW, Hospital Marcos Paz for 273 kW, Ferva for 3000 kW, AySA for 5369 kW, Los Cinco Hispanos for 1200 kW, Central de Servicios Propiedad de Estado for 12000 kW, Lenterdit for 1000 kW, Pirelli for 10200 kW, Hospital Posadas for 1300 kW, Oblak for 1500 kW and Cooperativa de Trabajo La Milagrosa for 220 kW.
- > Recicor 90 kW, Une SRL 550 kW, Telecentro 160 kW, Luxcar 60 kW, Tur Cream 60 kW, Hospital Posadas 1300 kW were connected to the network.
- > New networks continued to be developed for neighborhoods under the Federal Housing Plan (Plan Federal de Viviendas) located in the districts of

Merlo, Morón, Marcos Paz, Las Heras and La Matanza. Works for energization were carried out in the following neighbors:

- > Padre Mujica (343 dwellings) Roberto Art (Partial 60, total 588)
- > Los Ceibos (partial 300 dwellings)
- > PROCREAR: Ciudad Evita (288 dwellings)
- > Telecontrol works of cameras started with a total of 14 cameras completed.

NORTE:

In 2013, the following works were performed aimed at improving service and product quality, ensuring thoroughfare safety, satisfying new connections requests and demand growth:

- > 4,773 low voltage posts were replaced in the Municipalities of 3 de Febrero and San Martín.
- > 101 short-circuit indicators were installed in medium voltage network.
- > Network was adjusted and upgraded in 82 low voltage sectors and 1083 outlet boxes.
- > 108 handling and leveling protection boxes were replaced by mailbox-type boxes in the City of Buenos Aires.
- > 41 fireguard equipment were installed in conversion centers found inside buildings with communication with them, to physically isolate both rooms in the event of fire.
- > 27,043 covers in meter containment and 361 locks in conversion centers were adjusted or replaced.
- > In underground conversion centers, the following works were carried out to prevent flooding:
 - > 27 poolings

- > 5 waterproofing treatments
- > 55 rebuilding of wire input pools to conversion centers.

- > 4,166 projects for NNSS works, structure and upgrading of medium voltage and low voltage networks were performed, including: 578 conversion centers, 116 km of medium voltage underground wire, 155 km of low voltage underground wire and 39 km of low voltage air line.
- > Medium voltage break switches were motorized in 21 conversion centers to prepare them for telecontrol.
- > 760 NNSS with associated work were connected.
- > 18 new conversion centers with a 17 MVA voltage and 72 low voltage feeders were put into service to satisfy the increased demand. This represented an increase in the Company's assets of 3 km of medium voltage wire, 10 km of low voltage underground wire and 4 km of low voltage air line.
- > In compliance with the Safety Plan in Public Thoroughfare, 41 fireguard equipment was installed in conversion centers found inside buildings, to physically isolate both rooms in the event of fire.

OLIVOS AND PILAR

- > José C. Paz substation was put into service, reaching Cuartel V, in the district of Moreno.
- > Catonas substation (from 2x40 to 2x80 MVA) and Tortuguitas substation (2x40 to 1x80 + 1x40 MVA) were repowered.
- > 2 self-transformers were repowered in General Rodríguez Distribution Center (2x10 to 2x14 MVA).
- > A high voltage air line (220kV) was laid, from Malvinas substation to Parque Substation, through Nodo Rodríguez,

where Works started to build a lot with two 220kV/132kV transformers, of 300MVA each, which will provide energy to Pilar industrial park and to the new Manzone substation, located close to the City of Pilar. Said high voltage air line made a 60% progress and the civil engineering work was completed in the substation. It is expected to be in full operation by mid 2014.

- > 14 new medium voltage feeders were added. Two feeders in Paso de Rey substation to be used for discharges of La Reja and Catonas substations, another feeder was added in La Reja substation, 2 in Malvinas substation, with significant impact on the City of General Rodríguez. Two new feeders were laid (one from Morón substation and other from Del Viso substation), to discharge in Muñiz and Tortuguitas substations, and other three feeders in Catonas substations. In addition, four new feeders were built for new José C. Paz substation.
- > Closure between feeders in Tortuguitas substation was carried out to improve the area of Olivos Golf, by lying 500 meters of medium voltage underground wire to improve the service quality in Barrio Bicentenario of Gral. Rodríguez.
- > Some of the most important customers are HydroAluminium with 1.6 MW, Fratelli Branca 1.6 MW, and Nutrifrost 1.2 MW. It is also worth mentioning the growth of Pilar del Este neighborhood (5 MW projection), the start of works in Pilar Lagoon (2.7 MW) and feasibility requests for 2014 of Bicentenario station (5.8 MW) and San Miguel (20 MW), Pilar Sur (13 MW), San Jerónimo (4.7 MW), PIBA II (3.8 MW) and Rodríguez II (10 MW) Industrial Parks.
- > 115 medium and low voltage conversion centers were built and the power module was increased in other 199 centers, thus power installed in transformers was increased by 60 MVA (26 MVA new and

34 MVA by increases).

- > 9 km of medium voltage air line and 26 km of underground line were laid. As regards low voltage, 55 km of overhead network and 40 km of underground network were built.
- > The installation plan of self-managed meters started in Barrio Haras Trujuy in the district of Moreno.
- > In 2013, 10,106 low voltage posts and 543 medium voltage posts were changed.
- > 871 clandestinely connected customers with poor feeding were regularized.

SERVICE QUALITY

Continuity indicators series for high voltage (alta tensión, “**AT**”) and medium voltage (media tensión, “**MT**”) levels, Medium Interruption Frequency with installed kVA (Frecuencia Media de Interrupción por kVA instalado, “**FMIK**”) and Total Interruption Time with kVA (Tiempo Total de Interrupción por kVA, “**TTIK**”) for the last 6 years are the following:

FMIK (times)	2008	2009	2010	2011	2012	2013 (*)
External AT	0.17	0.00	0.02	0.01	0.01	0.01
Own AT	0.52	0.05	0.30	0.28	0.79	0.91
Own MT	3.41	4.36	4.79	4.44	7.14	7.11
Total Own Network	3.92	4.41	5.09	4.72	7.93	8.02
Observed by Customer	4.10	4.42	5.12	4.73	7.94	8.03

TTIK (Hours)	2008	2009	2010	2011	2012	2013 (*)
External AT	0.25	0.00	0.06	0.02	0.07	0.07
Own AT	0.58	0.01	0.18	0.14	0.71	0.44
Own MT	7.48	8.78	10.36	11.55	20.26	18.93
Total Own Network	8.06	8.79	10.54	11.69	20.97	19.37
Observed by Customer	8.31	8.79	10.62	11.71	21.04	19.44

(*) estimated

These indicators represent the average number of outages and downtime for each kVA of the transformers with medium/low voltage and the contracted powers of medium/high voltage customers, i.e., the sole performance of medium and high voltage networks.

Together with the continuity indicators FMIK and TTIK, the international indicators System Average Interruption Duration Index (“SAIDI”) and System Average Interruption Frequency Index (“SAIFI”) are also reported, as recommended by the Guide for Electric Power Distribution

Reliability Indices IEEE 1366/2012.

These indicators include the component of low voltage network and are analogous to FMIK and TTIK; however, the estimation base is currently the number of customers instead of kVA with medium/low voltage. They offer the advantage of enabling a global network vision, but at the same time the importance of the affected facilities weighting is lost, as a residential customer with low voltage has the same indicator weight as a large customer with high voltage. Continuity indicators, SAIDI and SAIFI series for the last 6 years were the following:

SAIFI (Times)	2008	2009	2010	2011	2012	2013 (*)
External AT	0.14	0.00	0.01	0.01	0.00	0.01
Own AT	0.53	0.05	0.25	0.26	0.73	0.85
Own MT	3.82	4.44	4.81	4.29	6.86	6.78
Own BT	1.21	1.18	1.34	1.01	1.02	1.08
Total Own Network	5.57	5.66	6.40	5.56	8.61	8.71
Observed by Customer	5.71	5.66	6.41	5.57	8.61	8.72

SAIDI (Hours)	2008	2009	2010	2011	2012	2013 (*)
External AT	0.09	0.00	0.03	0.01	0.02	0.02
Own AT	0.59	0.03	0.14	0.14	0.68	0.39
Own MT	8.19	8.54	9.80	11.01	19.60	18.08
Own BT	4.74	4.47	7.10	8.54	11.25	11.63
Total Own Network	13.52	13.04	17.04	19.97	31.53	30.10
Observed by Customer	13.61	13.04	17.07	19.98	31.55	30.12

(*) estimated

During 2013, effects caused by all kind of weather conditions had a significant impact on quality indicators, both due to their frequency and to their scale. Exceptionally powerful storms battered the city in April and December (in this last month with winds exceeding 130 km/h), and also in February and March. We should not overlook the heat wave in December 2013, that broke any and all historic records, with apparent temperature records above 40 °C. This phenomenon began on December 16, 2013 until early January 2014, prompting a “code red alert” in the urban area by the National Weather Service. Efforts towards maintaining high-quality performance were reflected, in addition to and among other aspects, in the Company’s efficient response to the aftermath of such an extraordinary heat wave pounding the country and in which the Company managed to rise to the challenging occasion, as described by the authorities themselves. In such scenario, EDENOR made all its human and material resources available to tackle the extraordinary weather emergency situation that lasted approximately one month. In addition to

the force of this weather phenomenon, in December 2013, total residential demand increased by 22% as compared to the same month in the previous year, i.e., four times the historic growth average for that month (4.6%) with an extraordinary maximum record during the December 16-22 week, with the largest consumption of energy ever. Despite all these adverse situations, power outages affecting our area of concession, in no case affected neighborhoods in whole nor were they massive but involved specific cases, blocks, or group of buildings. From December 23 to December 30, Edenor succeeded in restoring the situation to normal, with no clients without power supply accumulated from previous days and no users with more than 24 hours without power supply. In this second week of the heat wave, daily average of clients affected was reduced to 5,000, i.e., 0.18 % of the total, a figure equal to a regular operation day. As from December 30, 2013, Edenor’s network was back into regular operation. During the weather phenomenon, the Company acted at top speed to minimize impact on clients, strengthening street personnel with more

than 1,000 crews and connected power generator sets to places with the most complex repairs. Promptitude in acting upon the adverse situation resulted in virtually no demonstrations for blackouts in the Company's area of concession compared to other company's licensed areas. Furthermore, from January 11 to January 14, Edenor made more than 30 low voltage wire replacement in different places of EDESUR's area of concession, to cooperate with this company's situation, where long-lasting power outages were already recorded, mostly in Villa Crespo, Villa del Parque, Caballito, Almagro and Balvanera. In line with its operating possibilities, the Company designed a special technical operation, consisting of fault finding labs, repair crews and ditch digging teams, that managed to re-connect more than 3,000 clients of Edesur while in our area of concession, the service was restored to normal two weeks ago.

Actions taken by the Company during this harsh period encouraged many mayors or community heads to send congratulations notes to the Company for its performance in the crisis, and those actions were further complimented by the licensor authorities. Notwithstanding this fact, the ENRE ordered the Company to compensate users for a total amount of AR\$82 million, which is being paid, though an appeal was filed against ENRE's resolution.

PRODUCT QUALITY

When it comes to voltage and disruptions control campaigns as requested by ENRE Resolution 184/00, the required number of measurements were made during 2013, as well as the calibration and certification of the recording equipment park.

In accordance with the updating and replacement policy of disruptions control equipment, in 2013, 4 new Flicker control equipment (nationally manufactured) were purchased. During 2014, according to the replacement policy, recording equipment

to control disruptions will continued to be purchased, to replace the oldest ones, as the latter are manufactured abroad and their models import will then be interrupted and purchase of spare parts will be difficult. Electrical parameters controlled by network disruptions recording equipment are being reviewed, emphasizing the early detection of potential diversions.

In such network points where punishable deviations were recorded in relation to the quality of the delivered technical product, systematic reports are issued to optimize investment focused on enhancing the quality of the product delivered.

Regarding customers' claims measurements, ENRE requires, since March 2012, all measurements to last seven days, instead of the former 3-day measurements, reducing service terms due to the implementation of an online communication system. To comply with those ENRE requirements, a new internal follow-up system was developed and further the independent contractor in charge of the measurement campaigns of Product Quality added single-phase and three-phase pieces of equipment for voltage control, all nationally-manufactured, to replace out-of-service equipment and to meet the new requirements.

BUSINESS MANAGEMENT

Energy demand had a 4.4% year-over-year increase in 2013.

Performance of residential demand was critical in this upward trend, both due to its year-over-year increase (5.2%) and to its high share in the demand total volume (around 42.1%).

Large demands, with a share similar to that of residential demands (36.2%) recorded a 3.1% increase.

Increase/decrease in demand of the main activities of large demands was as follows:

Activity	Demand %
Basic services (Electricity, natural gas and water).	+5.3%
Food, beverage and tobacco products	-0.5%
Non-metallic mineral products	+5.1%
Metallic products, equipment and machinery	+2.6%
Trade	+1.5%
Community, social and personal services	+4.3%
Transport, storage and communications	-4.8%
Chemicals	+5.5%
Paper and paper-derived products	+2.1%
Basic metallic industries	+2.5%
Wood and wood products	+4.6%
Textile products	+11.4%

Small demands for general use up to 10 kW (T1G) recorded a 5.5% upward trend. This segment has a relatively low share in total demand (8.2%), therefore its contribution to the increase of such segment is noticeably lower than that of large and residential customers.

Medium demands between 10 kW and 50 kW (T2) reflected a 6.5% rise. This segment also has a share in total demand equal to that of small demands (8.2%), representing an 12.4% contribution to the total demand flow.

In 2013, emergency squatter settlements, with an aggregate demand share of 1.9%, recorded a growth rate of 2.1%.

Energy volume distributed in Edenor S.A.'s area, including energy sales and tolls, was 21,653 GWh, while energy purchases to supply such demand totaled 24,902 GWh, representing a 4% increase as compared to the previous year.

During 2013, 44,097 new customers were connected, representing a contracted power increase of 328.3 MW.

This power was distributed according to the following chart:

Rate	Customers	Power (MW)
R1 Small demands	43,631	296.7
R2 Medium demands	328	8
R3 Large demands	138	23.6
Total (as of September)	44,097	328.3

Text messages ("SMS") used to make questions and technical claims continued as an important contact channel used by user clients and is mostly used during weather contingencies to submit technical claims for lack of supply.

As for the last 20 years, the Company again conducted the study on overall satisfaction.

In 2013, consolidated customer satisfaction was of 75.6% (T1R) with the electric energy service ranking second with respect to other utility services. It should be noted that despite context-related problems and tough it is inferior to that of 2012, satisfaction ranks at very high level. In addition and for the purposes of thoroughly enquiring about the image and satisfaction of the electric utility service rendered by Edenor S.A., a qualitative analysis strategy was devised together with FocusGroup. The strategy involved 6 (six) focus groups to explore in depth motivating forces, expectations and opinions underlying belief and insights

of Edenor S.A.'s clients in connection with the electric utility service. To that end, segmentation was drawn based on the type of client and area of residence. Customers were classified into residential and non-residential and groups were divided depending on the area of residence, into three sub-groups: 1) Norte and Olivos, 2) Morón and 3) Pilar, totaling 6 divisions. This analysis allowed for improvement strategies to be adjusted so as to provide the best service to users.

Adjustment of the Stabilization Factor in the last two months in 2012 and its payment in 3 installments depending on the amount in the invoice for the first two-month periods in 2013, led to a significant increase in customers present at trade offices and calls to the call center, resulting in a large number of customers appearing at customer service centers, with complaints and claims. For the 2013 adjustment, it was established that it be paid in as many installments as those resulting from limiting it to a maximum percentage of 20% of the invoice. This will improve flow and convenience of customers at trade offices as compared to early 2013.

The new CC&B business system which was first run on November 1, 2012, was successfully implemented and is working smoothly. It is worth mentioning that it allows for improvement of operative efficiency and, consequently, the client service quality.

In December, a Management System was implemented in trade offices to know exactly the number of clients assisted there and the reasons of their request for assistance, enabling a better use of available resources.

In December, the pilot test of meters installed with energy cut system with radio frequency remote control was launched. This technology is designed to improve efficiency in service disruption and restoration tasks.

During November, a pilot test started for distance reading of meters installed in basements of three building in the City of Buenos Aires. This implementation will provide for reading of meters with difficult access so as to avoid penalties based on consumption estimate.

In 2013, it was decided that the sale experience of pre-paid meters should be extended to other places in the concession area. First meters will be installed in the Municipality of Moreno in those places where facilities are being regularized. To that end, contact was made with the Municipality authorities and leaders in the relevant neighborhoods, training was delivered on the technology use, dwellings census were taken and installation of protection and connection posts were installed. In addition, progress was made with the energy virtual load sale system which will permit a larger number of points of sale.

LARGE CUSTOMERS

As mentioned above, in 2013, large demand recorded a 1.4% growth. This outcome derives from an increase in Rate 3 (R3) demand of energy of 0.3% and an increase in toll demand of energy of 2.4%. During 2013, 123 R3 customers and 15 large users were connected to service. Delinquency was equal to 3.66 days of invoicing. Pursuant to the Energy Secretariat Resolution 1281/06, the Company continued contracting power and base and plus energy supply on behalf of one new customer and renewed supply agreements with other thirteen customers.

During 2013, services were sold to large customers for an amount of AR\$7,770,000 in the following line items:

- > Projects and works: AR\$5,070,000
- > Maintenance: AR\$300,000
- > Counseling and other: AR\$2,400,000

According to measurements conducted, large customers satisfaction improved from a positive result of 67% in 2012 to 70,7% in 2013.

The following chart shows the progress of Edenor S.A.'s open market with respect to large users and marketed energy volume:

	N° Clients	Guma GWh	N° Clients	Gume and Gupas GWh	Share in energy sales
1995	72	681	118	150	8.5%
1996	87	1366	204	536	18.0%
1997	109	1749	312	708	21.4%
1998	124	2072	563	953	24.7%
1999	124	2082	575	1160	25.0%
2000	121	2118	516	1153	24.0%
2001	114	2009	650	1131	22.9%
2002	79	1552	627	1022	19.8%
2003	71	1440	232	909	17.0%
2004	71	1459	313	641	14.3%
2005	80	1707	624	1268	19.0%
2006	81	1887	426	1315	19.3%
2007	93	1964	477	1147	17.4%
2008	98	2334	526	1360	20.0%

	Nº Clients	Guma GWh	Gume and Gupas Nº Clients	GWh	Share in energy sales
2009	100	2262	534	1361	19.9%
2010	100	2459	541	1432	20.2%
2011	100	2536	580	1620	20.7%
2012	101	2561	603	1713	20.7%
2013	102	2584	617	1775	21.1%

The new software Galaxy is being incorporated to the remote reading of large customers. Said software offers features such as Windows environment operation, engine for call automation, standardized database and possibility of direct interaction with other business applications of the Company.



UNIVERSIDAD NACIONAL DE LA MATANZA

HUMAN RESOURCES – CORPORATE SOCIAL RESPONSIBILITY



In 2013, 732 new employees were hired, exceeding the number recorded in 2012 which was the year with the largest number of new hires.



NEW HIRES

In 2013, 732 new employees were hired, exceeding the number recorded in 2012 which was the year with the largest number of new hires.

This figure includes the hiring of employees of contractor companies as the Company's own employees. As a consequence of this large number of employees hired to work in operating technical areas, the level of supervision was strengthened. Accordingly, a Young Engineers Program was launched, aimed at hiring fifty engineering professionals, to be then specialized in electricity distribution and to be trained, in the short term, as working teams supervisors.

In November, the first 25 engineers were hired, and trained during three months in Universidad Tecnológica Nacional Facultad Regional General Pacheco in Electricity Distributors Management.

Sixty university students were hired, so as to further the internship program in the different areas of the Company related to their careers. Approximately, 85% of them are studying engineering.

JOBS

During 2013, the Company attended Expo Bumeran and Expo Zonajobs in June and October, respectively. Said tradeshows consist in virtual employment fairs where companies have an interactive stand. The purpose is capturing the most talented students and professionals from different careers interested in applying for jobs and growing professionally. Edenor S.A. also attended Engineering and Work Workshops organized by Worktek, where engineering professionals and students from everywhere in the country gather to learn about the most important companies' job offers and to have direct contact with candidates and vice versa.

In September, the Young Engineers Program was launched at Bumeran

platform through a Home posting of high visibility and efficient reaching amongst candidates by e-mailing allowing for direct communication in a fast and tailored manner.

SCHOLARSHIP PLAN

In 2013, the Company continued with the scholarship program addressed to university students and which is in effect for more than 17 years in a row.

Furthermore, relationship with Universities continued to be consolidated, by renewing or executing new Master Agreements with the most important education entities, thus contributing to the laboral and professional growth of students and graduates through ongoing sharing with the educational community.

The Company carries out an ongoing and close follow-up of interns to be fully aware of the internship and the academic situation progress, as many of them are hired as own staff during the internship and upon its completion, thus capitalizing the experience and knowledge gained during it.

2013 ANNUAL TRAINING PLAN

During 2013, the training plan comprised 165 activities, along 453 repetitions, focused on developing job position skills, both for operational tasks and management tasks, totaling 51,510 training hours.

A featured activity was the "Electricity distributors management" comprehensive course addressed to participants of the 2013 Young Engineers Program, designed to deliver training on technical safety and management issues to this group of professionals, who were first hired as supervisors. A total of 26 engineers attended the first launching of the course, which lasted for 72 full-time sessions, of which 5,072 hours were training took place in 2013 and 10,092 will take place in 2014.

Due to the massive hiring of technical personnel, many training, technical updating and safety courses were implemented. Courses were delivered on a modular base, and designed in line with the knowledge and experience of groups and tasks assigned to each worker. 245 participants attended these courses with a total of 18,928 training hours.

In line with the project “Planning of electric networks”, the Company worked together with the leader team and the groups of the different projects. Different training activities were designed and implemented focused on informing on the methods and different stages of the project. Those activities included training to 707 operation employees delivered in 3,171 hours.

As regards training to all other employees on safety, environment and quality, 869 persons were involved, amounting to a total of 5,061 hours. The most important courses, based on the number of participants and hours involved, were “Safety at Work-Electric Risk”, with 357 attendees and “Operation Methods for High-Rise Works” with 356 attendees.

In connection with professional training courses delivered elsewhere, 87 courses were launched, on different issues, with 227 attendees, totaling 7,598 hours. Courses related to IT tools and other in-company courses, as balanced scorecard, project management, corporate drafting and grounding systems in low voltage facilities, should be mentioned.

All in-company activities were carried out by a team of 65 own facilitators, 30 of which were part of the team of Young Engineers Program.

OUTSTANDING ACTIVITIES

2013 Young Engineers Program – Electricity Distributors Management.

Young professionals program was

launched, designed to train 75 engineers for supervision staffing and training of future managers. Education of young professionals, with management and our activity-specific know-how, will create management teams responsible for hiring contractors’ staff.

Course was addressed to new engineers already graduate or to be graduated from different specialties (electric, electromechanical, mechanical, electronic and industrial). During its first three months, they received a comprehensive training in the Company, which included a specialization course on electricity distributors management, management tools and residencies in operating areas.

The course was designed together with UTN – Facultad Regional de General Pacheco (FRGP), Asociación Electrotécnica Argentina (AEA) and Escuela de Negocios de IDEA, the latter in charge of management issues. Courses were delivered at Facultad Regional de General Pacheco, which was also the place for specialized training courses. It also has an electric networks lab, donated by Edenor S.A., suitable for all types of distribution-related activities.

“Planning of electric networks” PGE Project

As part of the “Planning of electric networks” PGE project, during 2013, different activities were carried out, which were focused on supporting the training project, such as:

Organizational change meetings

Meetings were held with distribution, operations and transmission sub-managers and heads group, to inform on the project methods and stages.

They have a total of 15 repetitions and 204 attendees, totaling 712 training hours.

Training on 5S

A pilot test took place at Guzmán building of 5S methodology. It establishes rules and standards to cause working areas and spaces to be tidy, for activities to be efficiently carried out.

A group of leaders drove the initiative, who received the relevant training. Furthermore, 7 courses were delivered to 234 persons at Guzmán building, with a total of 351 hours. The purpose was that they be involved with the goals, approach and benefits of 5 S methodology.

PGE Workshops

Workshops took place by the end of the year. The purpose was sharing with sub-managers, heads and supervisors the project level of progress, where leaders of the different PGE working groups presented the management tools on which they worked throughout the year. All these projects were intended to improve processes efficiency in new scenarios.

7 workshops were delivered, with 258 attendees, totaling 2064 training hours.

COURSES FOR NEW TECHNICAL HIRES

New technical employees hired were divided into two profiles: personnel with experience in tasks from contractors and personnel with little experience and technical experience. Based on this, two different courses were designed tailored to each groups' needs.

For personnel lacking experience, a 16-day introductory technical course was planned, consisting of three modules: institutional, safety / SVP and basic electrical technology concepts. Five courses were delivered with a total of 100 attendees.

For new personnel hired from contractors' staff, a 10-day module was designed. This course was aimed at mainly building up concepts related to safety and public thoroughfare, in line with Edenor S.A.'s

rules and regulations in force. Three courses were delivered with a total of 77 attendees.

Due to the implementation in 2012 of the new business system, during 2013, reinforcement courses were delivered, intended to gain or improve knowledge, skills and abilities required to accurately operate the CC&B Utilities system.

On-line training tool - Time for Training ("Momento de Capacitación", MC)

To supplement the courses delivered by the Company on a yearly basis, a new tool called "Time for Training" ("Momento de Capacitación" (MC) continued being implemented.

Its core purpose is to briefly and simply provide an accurate update on: rules, new technological developments and general interest contents for the specific area that may need it.

It is an online application that provides a prompt explanation of non-complex issues that require to be updated, with no need of in-person training.

During 2013, MC design was expanded. A new course was launched on technical rules related to NTI3 low and medium voltage underground wires addressed to 157 persons. On the other hand, 4 MC material continued to be gathered and design was expanded, related to training on safety, environment and quality, which will be launched in 2014.

MASTER AND POSTGRADUATE DEGREES

As every year, in 2013, participation in higher studies was further promoted, awarding scholarships that cover between 50% and 100% of the cost of education.

In 2013, three professionals were awarded their degrees under the Master and Postgraduate Program.

2013 STATISTICS

Total Training Hours	51,510
Operative Training Hours	49,177
Master and Postgraduate Hours	2,194
“Young Engineers Program” Training Hours	5,072
Comprehensive Management System (Safety, Quality and Environment) Training Hours	5,061
Hours/Man	15
Conducted Activities (without repetitions)	164
Trained Staff (without repetitions)	1,944

of their occurrence, as well as the risk conditions of each task from an overall point of view. This commission further verifies hygiene and safety conditions of the different facilities of the Company and acts as an advisory body in the analysis of occupational health and safety-related improvements and environmental aspects of the personnel's tasks.

Participation in Congresses

“XIII Congreso ALSO - Buenos Aires, Argentina. Del 1 al 4 de Octubre de 2013. XIII Congreso Latinoamericano de Salud Ocupacional - XVIII Congreso Argentino de Medicina del Trabajo”-” (“XIII ALSO Congress - Buenos Aires, Argentina. October 1-4, 2013. XIII Latin-American Congress on Occupational Health - XVIII Argentine Congress on Occupational Medicine”) organized by Sociedad de Medicina del Trabajo de la Provincia de Buenos Aires.

Outreach campaigns: ALCEM - Asociación de Lucha contra la Esclerosis Múltiple - (Association for the Fight Against Multiple Sclerosis): By spreading actions taken by this Association and distributing teaching materials at the clinics in the different areas covered by Edenor S.A. and focused on developing social awareness and informing on the illness characteristics and scope.

Joint Commission on Hygiene, Occupational Health, Safety and Environment: This commission is made up of representatives of Edenor and of “Luz y Fuerza” trade union, and it is intended for the exchange of information about accidents or events at work and the discussion of the reasons



PARROQUIA NUESTRA SEÑORA DEL PILAR / PILAR

INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS



During 2013, the implementation of the IT and Telecommunication Plan continued.



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INFORMATION TECHNOLOGY

> In connection with CC&B Business System implemented by late 2012, actions were mainly focused on the system stabilization and optimization, as well as on new features designed to speed-up and control different processes. In that sense, the following actions were carried out:

- > Automation features for massive invoicing upon changes in the tariff scheme or regulatory adjustments and generation of payment notices.
- > Modification of operations with clients involving direct payment or automatic debit.
- > Control module for customer service and dealing with queues (GACO).
- > Development of a new module for managing collections from banks, expected to be implemented in March 2014.
- > Consolidation of more than two hundred operation reports in the different zonal servers.
- > Optimization of invoicing processes performance, cashier service and every-day sending of information to ENRE, resulting in very significant saving of time.

> As a consequence of the deactivation of the old system, invoicing, consumption, etc., history logs were massively transferred, resulting in a query system of old information.

In addition, more than twelve million invoices generated in the last ten years were loaded, to the general invoicing data repository for query and re-printing.

> As regards Nexus system, new versions were implemented, including:

- > Incorporation of low voltage generators and temporary laying.
- > Dispatch of mobile devices for grouped documents.
- > Improvements in Service Quality, SVP ENRE and New Connection modules.
- > Data cleansing to improve OMS module performance.
- > Web service to enter power outage claims from ENRE.
- > Features for conducting outgoing calls campaigns to check if the client's blackout continues, so as to optimize mobile dispatch.

Likewise, many adjustments were made to the Product Quality module, expected to be implemented in March 2014.

Furthermore, the migration process from the database to Oracle 11g version began.

> As regards SAP, outstanding tasks are as follows:

- > EDEN exclusion from Edenor S.A.'s scheme, after said company's sale.
- > Implementation of improvement and management and control tools for FOCED.
- > Improvement of the meter circuit feeding CC&B and implementation of automation features in the use of handhelds.
- > Automation of the service certification process for the PM module to handle fleet.

- > Qlickview was implemented, allowing for a fast retrieval of information with different searching and display criteria. This tool allows for flexible generation of reports, providing support to the different areas of the Company. The most important reports include FOCEDÉ follow-up, identification of possible frauds, delinquency, etc.
- > As part of the actions devised to improve corporate system implementation quality, we should mention the control of versions of programs with Harvest for Doc1, PowerCenter, Nexus, OT, SIGOS and Qlickview products.
- > The most significant Technology actions include, among others:
 - > Replacement of the disk storage solution for productive environments, with a new Hitachi piece of equipment with better features and performance.
 - > Consolidation of non-productive environment of all applications and services concentrated on blade technology in Unix or Windows platform.
 - > Implementation of a replication solution in line with CC&B database intended to absorb report execution load, reducing load on the transactional environment and improving its performance.
 - > Monitoring of CC&B components for batch chain follow-up.
 - > SCOM (Microsoft control of operations), PowerCenter (for system integration) and Foglight (monitoring of databases and operating system) were migrated to the last available version.
- > In October, the Edenor 2.0 project began, expected to be completed in February 2014. It consists of a web solution and an application for Iphone, Android and Windows Phone phones that will allow the client to make claims, print the last invoice, query business data, retrieve data of an internal meter and receive all types of notices.
- > As regards Information Security:
 - > A new security model was deployed for Unix.
 - > The process for administering critical users passwords was implemented.
 - > Penetration tests were made to evaluate internal/external security of installations.

TELECOMMUNICATIONS

- > During 2013, the tendering and award process for the renewal of all Edenor S.A.'s telephone network commenced, which will cover two thousand stations on the new IP technology. This state-of-the-art technological leap offers new means of integration between "fixed and mobile" to provide connectivity improvements to all employees, no matter where they are.
- > Connectivity improvement in fifteen Commercial Offices with the installation of new communication links and increase in the bandwidth with fiber optic, resulting in a better performance and availability.
- > Migration of the mobile phone fleet to Samsung Smartphones was completed, with Android operating system. In addition, a mobile phone management system called Airwatch was implemented, for remote use applying safety policies.
- > 21 new Trame Nodes were purchased to upgrade the Telecontrol network and to provide Ethernet/TCP connectivity to all new substations and to remote ones

under the IEC 60870-5-104 protocol. This equipment will allow for an improved SCADA connectivity and to support the technological development of new telecontrol remote stations. Also, connectivity of ten new conversion centers with fiber optic was carried out, for telecontrol purposes.

- > New features were implemented on the IVR platform for automatic phone campaigns. This significant improvement makes calls to clients to check on their most recent electricity status and, depending on the client's answer, it may close the claim on Nexus.
- > Adjustment to the Call Center, adding new licenses for new customer service stations, as well as redundant communication links to guarantee a better service.
- > Multiple internet links were added along the corporate network, to improve mail performance.
- > Provision of 400 SIMs to the telemeasurement system of medium voltage network reporting to the SCADA system was arranged as well as telemanagement of large customers through private APN.
- > In 2012, the following works were carried out in Substations:
 - > Installation and start-up of all telecommunication systems of San Alberto substation, José Paz substation and El Cazador reduction center.
 - > Provision, installation, reception and start-up of the access control system and video surveillance to Tecnópolis substation and Garín warehouse.
 - > Adjustment of the cooling system in twelve communication rooms in substations.

- > Connection to the corporate network in San Miguel, El Pino, Catonas and Del Viso substations.
- > As regards improvement initiatives, many actions were deployed in Telecommunications:
 - > Assistance in the mounting of a telemanaged meter pilot (AMI) on PLC technology in the district of V.Lopez
 - > Works necessary to improve connectivity of the main Data Center and Back-up, guaranteeing availability and increase in bandwidth.
 - > Improvements in the telemonitoring system of OF wires, enhancing the system performance and GPRS communication of remotes, reaching a 99% effectiveness.
 - > Installation of new radio-links continued as well as upgrading of existing ones with cutting edge equipment with capacity to satisfy transport needs of the telecommunication main network.
 - > Installation and commissioning of the new corporate network, which will allow for new services to be rendered and to assist the IT area in its development, enlarging the transport capacity to support IT applications and handling voice and video services with a better service quality.
 - > The Company continued with the installation of the video surveillance and Access control system in new substations and of Domo cameras to telemonitor actions in sectionalizers.
 - > Regarding telemonitoring, the air and underground medium voltage network telemonitoring process was

strengthened in conversion centers
and air networks, for the purpose of
minimizing service reset times





MUSEO DE ARTE / TIGRE

RELATED PARTIES



Edenor S.A. is a company under Pampa Energía S.A.'s control, the largest integrated energy company in Argentina.



DESCRIPTION OF THE ECONOMIC GROUP

Edenor S.A. is a company under Pampa Energía S.A.'s control, the largest integrated energy company in Argentina. Pampa Energía S.A. is an open-end privately-held utility company whose 100% shares are listed on the Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires) (BCBA: PAMP) and on the New York Stock Exchange (NYSE: PAM). Its executive officers have outstanding track record and experience in energy investments in Argentina since 2005.

Through its subsidiaries, Pampa Energía S.A. participates in the generation, transport and distribution of electricity:

In generation, it has interests in:

- > Nihuales Hydroelectric Power Station
- > Diamante Hydroelectric Power Station
- > Güemes Steam Power Station
- > Piedra Buena Steam Power Station
- > Loma de la Lata Steam Power Station
- > Central Térmica Piquirenda

In transmission, it has interests in:

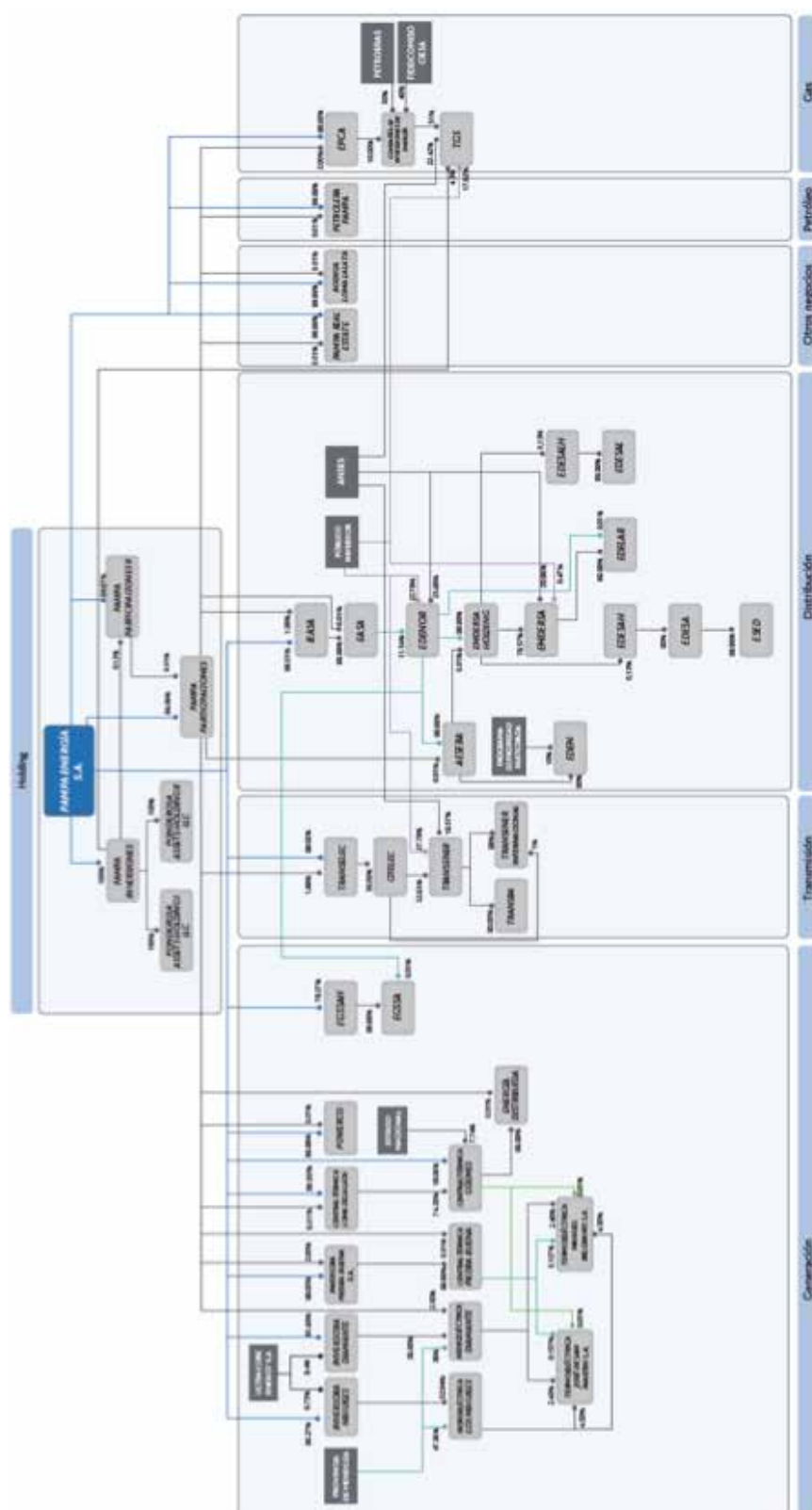
- > Transener
- > Transba

In distribution, it has interest in:

- > Edenor



PAMPA GROUP ORGANIZATION CHART



MOST SIGNIFICANT OPERATIONS WITH RELATED PARTIES

Financial Services Agreement with EASA

On April 4, 2006, the Company signed a Financial Services Agreement with Electricidad Argentina S.A. (EASA), under which EASA renders advisory services, as well as services related to the potential development of new business lines consistent with the corporate purposes of the Company. Services to be developed by EASA include assistance and advice regarding financial return; group of financial generation and decision making process; commitment by financial advisory companies and development of new financial products; restructuring of the Company's commercial and financial debt and the feasibility, profitability and implementation of new businesses, derivative hedging and strategies; relation with local and foreign financial entities; financial aspects of the process of rate renegotiation; and concession contract and annual budget of the Company.

Originally, the agreement effective term was five years as from September 2005, and any of the parties could terminate it at any time without any cause with notice given at least 60 days in advance. The consideration to be received by EASA is of US\$2 million per year, plus VAT.

In April 2008, the Company's Board of Directors approved an amendment to the agreement, by means of which the amount to be paid by the Company as consideration for the services rendered by EASA was increased to US\$2.5 million, plus VAT, payable retroactively from January 1, 2008.

Moreover, on August 26, 2010, a new amendment to the originally-executed agreement was signed, extending its term by five years as from September 19, 2010. Said amendment was approved by the Company's Board of Directors at the meeting held on August 31, 2010.

Agreement with Comunicaciones y Consumos S.A.

On March 14, 2007, the Company executed an agreement with Comunicaciones y Consumos S.A. (CYCSA), according to which it granted CYCSA the exclusive right to render telecommunication services to the Company's customers through the use of its web site, in accordance with Decree 764/2000 of the Argentine Executive Branch, which contemplates the integration of voice communication services, the transmission of information and images through the existing infrastructure of energy distribution companies like the Company. Under the provisions of said agreement, CYCSA shall be responsible for all expenses related to the maintenance and adjustment of the Company's web site to be used in the rendering of its telecommunication services. The agreement would be valid for a term of ten years from the date the license for the rendering of CYCSA telecommunication services is approved. The agreement also contemplates its automatic renewal at the expiration of each term for subsequent 5-year periods, unless any of the parties notifies otherwise with at least 120 days prior to the expiration of the relevant period. Pursuant to the agreement, CYCSA shall make periodic requests to access the Company's web site, which the Company shall evaluate and authorize depending on the capacity available in its web site. In exchange for the use of its web site, CYCSA shall give the Company 2% of its annual charges to the customers, before taxes, as well as 10% of income obtained from the rendering of its services. Also, CYCSA shall hold the Company harmless from any liability arising out of the rendering of its services through its web site. The contract was executed subject to the condition that CYCSA had to obtain the telecommunication license in a term of 180 days from its execution, which were provided to be subject to extension. In this respect, at its meetings held on November 7, 2007 and May 7, 2008, the

Board of Directors authorized such term extensions to obtain the license referred to, which was eventually granted by Resolution 179/2008 of the Argentine Communications Secretary.

Furthermore, on October 27, 2008 the first exhibit to the contract of Granting of Permission for the Use of the Energy Distribution Web was executed, by means of which the Company granted CYCSA the right to use posts and airline towers of high, medium and low voltage and ducts and/or triple ducts that accompany the pipes of high, medium and low voltage for the installation of optical fiber belonging to CYCSA, subject to the condition that said optical fiber does not affect the normal rendering of the utility by Edenor. Also, such exhibit grants the Company the right to use part of the capacity of the optical fiber to be installed. It is worth noting that the Company's Board of Directors resolved to approve the above mentioned exhibit in its meeting held on November 5, 2008.

Likewise, at its meeting held on December 18, 2008, the Board of Directors approved the execution of the second exhibit to the contract, also dated November 2008, extending the term of validity from ten to twenty years, with the understanding that said extension makes the project development feasible, providing greater reasonability in terms of size and importance of the investments required by said project, but not entailing any changes in the essence and key covenants of the original contract.

Agreement with Préstamos y Servicios S.A.

On March 16, 2007, the Company executed an agreement with Préstamos y Servicios S.A. ("PYSSA"), a financial services company, under which it agreed to grant PYSSA the exclusive right to render its direct and marketing services through the use of its facilities and mail services. As part of this agreement, the Company agreed to

establish special modules in some of their offices through which PYSSA shall offer its financial services and lending services to the Company's customers. Furthermore, the Company agreed to include marketing material for **PYSSA** in the mail sent to its customers, including bills. The agreement shall be valid for five years and its validity shall be automatically renewed by subsequent periods of five years, subject to the right of the Company and of PYSSA to terminate the agreement by means of a notice given at least 120 days prior to the expiration of the relevant period. Under the provisions of the agreement, PYSSA shall pay the Company the 2% of its monthly charges to the customers, before taxes, as well as 10% of income obtained from its services. Also, PYSSA has agreed to indemnify the Company against any liability arising out of the rendering of its services. The agreement provided that its validity was subject to the authorization of the ENRE, which rendered a favorable decision by means of its Resolution 381/07.

The activities linked to the mentioned contract are temporarily suspended in the Company's offices.



PUERTO DE OLIVOS / VICENTE LÓPEZ

SUSTAINABLE DEVELOPMENT AND SAFETY- ENVIRONMENTAL MANAGEMENT - RELATIONS WITH COMMUNITY



The management of Industrial Safety is conducted as part of the Integrated Management system, and in what is specifically related to Security, the system is certified under OHSAS Rule 18,001 since 2005.



SUSTAINABLE DEVELOPMENT AND SAFETY- ENVIRONMENTAL MANAGEMENT – RELATIONS WITH COMMUNITY.

INDUSTRIAL SAFETY

Certification of Management under OHSAS Rule 18.001

The management of Industrial Safety is conducted as part of the Integrated Management system, and in what is specifically related to Security, the system is certified under OHSAS Rule 18,001 since 2005.

In October and November 2013, the Company received the annual audit by the Argentine Institute of Standardization and Certification (Instituto Argentino de Normalización y Certificación, IRAM) with satisfactory results, thus maintaining the Certification

Safety and Occupational Health and Public Security Management Program

The 2012 scheme for identification of Dangers and Risk Evaluation, inspection of works and building and accident ratios laid the basis to define the objectives and goals for 2013, which were included in the Integrated Management Program. The following goals should be highlighted, among others:

- > Reduction by 10% of accident frequency ratio for own staff.
- > Reduction by 8% of accident frequency ratio for contractors staff.
- > Reduction by 5 % of the accident severity ratio for own staff.
- > Reduction by 8% of accident frequency ratio for own staff.
- > Reduction of the number of deviations related to the use of PPE and ESC with respect to the 2012 goal.
- > Continued implementation of IRAM No. 3625 standard on working in confined spaces.
- > Reduction by 2.5% of the rate of

absenteeism due to personal illness for own staff.

- > Maintain Certification of IRAM No. 3926 standard on Safety of Lifting Equipment in Hydro-lifts.
- > Achieve Firefighting Protection in 100% jobs in specific buildings (Nazca and Garín).
- > Installation of Automatic Systems of Fire Detection in commercial offices.
- > Adjustment of conditions in Edenor S.A.'s premises to customers' expectations.
- > Incorporation of new safety technologies and procedures.
- > Analysis, updating and improvement of the Comprehensive Management System.
- > Inform Edenor S.A.'s personnel and all the community of actions proposed to reduce energy consumption.

Qualifying training for employees

Throughout the year, the Industrial Safety division, together with the Training division, provided a course on prevention of electric risks. This course is addressed to all employees operating the electric network in Edenor S.A.'s concession area. Employees must pass this course to be qualified to operate the medium and low voltage network. This training is coupled with several medical, physical and psychological exams and technical approval by the worker area.

If the course is passed, the Company provides a certification to the employee, so as to guarantee the employee's qualification and to prevent any risks related to the operation of the network.

Delivery of Fireproof Working Clothes

During 2013, Edenor S.A. continued using the fireproof fabric technology in working clothes provided to employees exposed to electric risks, for the purposes of minimizing any possible electric accident.

Works at a Height

A procedure was prepared, taught and implemented, focused on a safe method

of rescue from heights for rising posts with climbing elements. This procedure applies to works in low and medium voltage networks in public thoroughfare.

TCT Lab

This Lab is in the process of certification under SRT Resolution 592/04, pursuant to IRAM 301 (ISO/IEC/17025), "General Requirements for scope of action of Testing and Calibration Labs" - 4th Edition - Sept/2005-.

Participation in the CITES (Convención sobre el Comercio Internacional de Especies Amenazadas de Fauna y Flora Silvestres) (Convention on International Trade of Endangered Species of Wild Flora and Fauna).

Personnel of TCT company attended on May 6-10, 2013, the VI Congreso Internacional de TCT en la Represa de Salto Grande, Provincia de Entre Ríos (TCT VI International Congress in Salto Grande Dam, Province of Entre Ríos). Out of a total of 75 lectures, seven were delivered by Edenor S.A., and three of them received a prize out of a total of ten prizes awarded in the Congress. Prized lectures were:

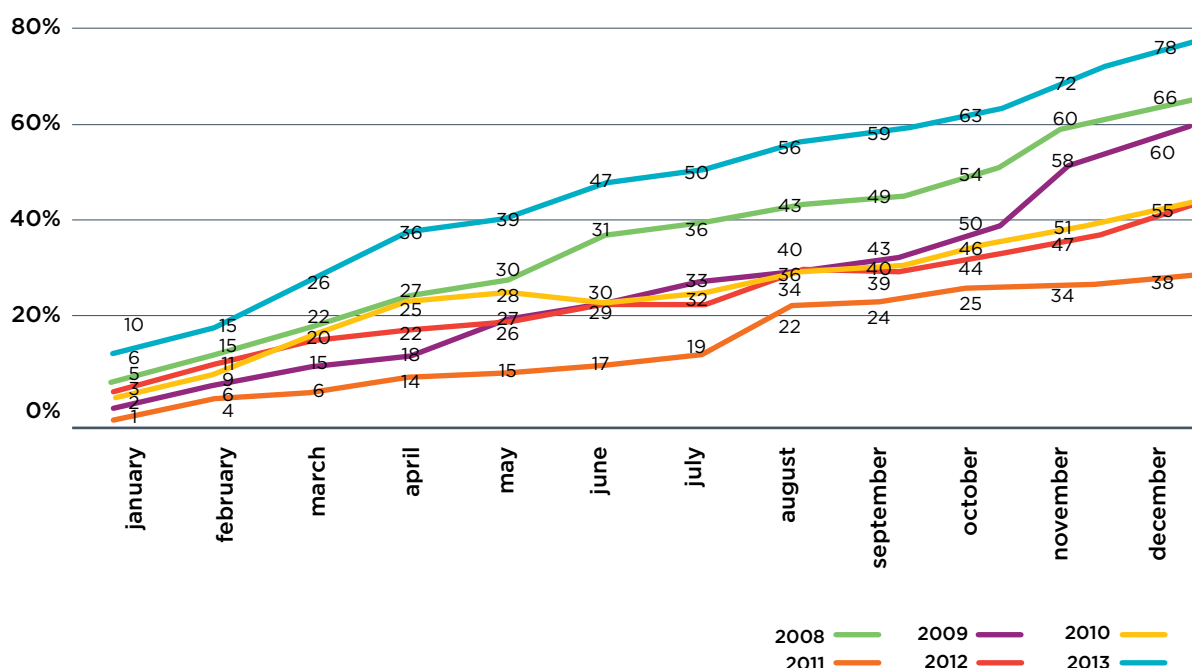
- > Procedures necessary for the accreditation of the dielectric test lab in Edenor S.A.
Authors: Mario A. Ramos, Jorge C. Castro.
- > Installation of cellular voltage antennas on energized medium voltage lines
Authors: Jorge C. Castro, Mario A. Ramos
- > How to avoid failures in TCT tools and equipment. Preventive control.
Author: Mario A. Ramos

PUBLIC SAFETY

Third Party Accidents in the Public Thoroughfare

Throughout 2013, 66 third-party accidents occurred in relation to safety in the public thoroughfare related with Edenor facilities, representing an increase compared to 2012 in ratios, but this increase is explained with the fact that as from the effective date of ENRE Resolution 421/11, accidents that, in principle, would not have occurred under the Company's responsibility and those accidents of which the Company became aware as they occurred in a user's or other company's/entity's facilities related to the Company's facilities, are also recorded and reported.

NUMBER OF ACCIDENTS 2008-2013



Out of the analysis of accidents recorded in 2013, it is concluded that most of them (70%) were caused by vandalism and negligent actions of third parties. This last case consists in the actions by users, other utility companies and municipalities or their contractors carried out in the Company's facilities.

Out of the accidents resulting from third parties negligent actions, 67% are caused by client's actions and the remaining percentage of accidents were caused by municipal workers, construction works in progress and video cable companies workers.

Relationships with Clients

Tips addressed to the public on Public Safety were posted in different media and on the Company's web.

The Company continued its contacts with schools through two Education Programs:

Conexión al Futuro ("Connection with the Future"): presenting safety programs to which approximately 62,000 students had access in 137 premises, and "100 Libros para mi escuela" ("One hundred books for my school"): inviting elementary schools to participate in a posters and mockup contest on several safety-related and energy-related issues, with the attendance of 55 schools and winning schools receive a library with more than one hundred books, plus book bags and school supplies.

Certification

During 2013, IRAM annual Audit of the Public Safety System was successfully conducted as per new Resolution 421/01. The Company maintained the certification of its Public Safety System.

QUALITY MANAGEMENT

Quality Management System

As part of the Integrated Management System, the Quality Management System

is certified under ISO 9001:2008 standard since 1999. During October and November 2013, the certification was preserved, by successfully passing the external audit of the Maintenance Comprehensive Management System, conducted by a qualified independent entity before the Argentine Accreditation Agency (Organismo Argentino de Acreditación, OAA).

Participation in IRAM Quality Management Committee, whose Secretariat is under Edenor's charge, continued.

The Company participates in Sub-Committees of: Concepts and Terminology (SC1); Quality Management Systems (SC2); and Supporting Technologies (SC3). It also participates in IRAM in the following Commissions: Signposting for Works in Public Thoroughfare and in the Asociación Electrotécnica Argentina (AEA); Signposting of Electric Installations in public thoroughfare and Protection Outfit.

Those Sub-Committees, which operate in IRAM, analyze the different documents of International Standards Organization (ISO) international agenda, where Argentina has to share its technical opinion and cast its vote.

Quality Management and Assurance

During 2013, improvements were made to ensure proper quality management.

A significant improvement was made to the comprehensive system of metrics, out of the 2013 Comprehensive Management System Program, further including a strategically diagnosis broken-down in Targets, Goals and Actions weighted with numbers based on monthly results, an independent file of each area of Sustainable Development and Public Thoroughfare Safety, which avoids interferences when loading the status report on those

areas information and, in addition, it provides the security needed to prevent information from being involuntarily changed or modified.

A traffic signaling system was incorporated to the Monitoring Program of the Sustainable Management and Public Thoroughfare Safety Management that efficiently displays achievement of Targets, Goals and Actions, which, in turn, are aligned with the Company's Vision and Mission.

Furthermore, a report was released with follow-up indicators of monthly progress of Preventive Actions, Improvement Proposals and Non-conformities, as ordered by the Division, Management, Sub-management and Departments, in the IT system in effect (Loyal QMS), which allows for their timely and duly management.

An improvement team was created, with representatives from all Departments, to analyze, define and take decisions on the improvement proposals forwarded by the different areas of the Company and other pending actions.

Goal: Analyze Non-conformities, Preventive Actions, Incidents and Improvement Proposals pending in the corporate system in effect (Loyal) and decide on their continuance or not based on the compulsory nature and/or benefit expected for the Company's performance.

Follow up progress of actions every month.

Analyze issues related to the Comprehensive Management System tools.

Prepare proposals for the Management's Annual Review.

In addition, effectiveness and age of documents of the Comprehensive Management System were diagnosed, taking the relevant actions:

- > MSGI Comprehensive Management System Manual (Rev. 5)
- > Electric Energy Distribution and Marketing Processes PQ-01 (Rev. 2)
- > Product Purchases, Preservation and Verification PQ-02 (Rev. 1)
- > Design and Development PQ-03 (Rev. 1)
- > Non-compliant Product Control PQ-04 (Rev. 1)
- > Clients' Satisfaction and Expectations Measurement PQ-05 (Rev.2)
- > Documents Control PGSGI-05 (Rev. 3)
- > Records Control PGSGI-08 (Rev. 2)

The three-year program of internal audits of SGI- 2011/2013 was adjusted, with a total of 14 audits planned for 2013 period.

ENVIRONMENTAL MANAGEMENT

Edenor S.A. is certified by ISO 14001 standard since 1999.

Environmental impact

In 2013, Edenor S.A. obtained the Public Need and Interest certificates (certificados de Necesidad y Conveniencia Pública) issued by ENRE for Repowering of Urquiza Substation and liaison electroduct, as well as the Environmental Fitness Certificates issued by the Provincial Entity for Sustainable Development (Organismo Provincial para el Desarrollo Sostenible) of the Province of Buenos Aires, for the following works: Construction of San Alberto (Ituzaingó) Substation and Construction of Olivos (Vicente Lopez) Substation. Furthermore, in the case of the Construction of Tecnópolis (Vicente Lopez) Substation and Repowering of Urquiza Substation and liaison electroduct, the Company received the certificate issued by Agencia de Protección Ambiental (Environmental Protection Entity) of the City of Buenos Aires.

In addition, seeking to improve its customers' quality of life at all times, the

Company obtained the Special Fitness Certificates for each of its warehouses, ensuring proper management of handling and final disposal of hazardous waste. Said certificates were granted by the Provincial Entity for Sustainable Development (Organismo Provincial para el Desarrollo Sostenible) of the Province of Buenos Aires.

Monitoring Program

For 2013, the Company was committed towards a monitoring program of those transformer centers with a power exceeding 1,000 installed kVA. 29 chambers were inspected, analyzing not only the regulatory compliance under Energy Secretariat Resolution 77/98 but also considering the intended use of premises adjacent to the centers so as to identify any possible current or future influence of emissions of electromagnetic fields from electrical equipment.

Furthermore, 17 substations and 20 high voltage lines/wires were inspected, with results deemed very good, largely meeting the limits fixed by regulations for this type of installations.

Electromagnetic Fields in Conversion Centers

Control of interactions of electromagnetic fields is particularly important for the Company. In this regard, a work team was created with staff from Environment, Distribution Engineering and Preventive Maintenance Departments of the Operation Areas.

This team analyses all the steps necessary to mitigate and/or remedy any deviations, i.e. control, monitoring and verification (Environment); analysis and design of adjustment in facilities (Distribution Engineering) and execution of remedial actions (Preventive Maintenance - Operation Areas) thus closing the circuit to effectively solve the problem. During 2013, 16 conversion centers were

adjusted with different tailored solutions, considering the building and economic possibilities.

Easement on Conversion Centers

Upon applying for an administrative easement of the new conversion centers before ENRE, this agency added to the requirements for granting said easement, measurement of electromagnetic fields of the electric facilities involved. To meet such requirement, during 2013, the environmental parameter study was prepared for 76 cameras, both ground and underground cameras.

SAFETY, ENVIRONMENT AND QUALITY

Safety, environment and quality services cross cut the whole Company and delivered every year in line with the strategy devised by the Sustainable Development and Public Thoroughfare Safety Management.

During 2013, a total of 5,071 hours was recorded. The most important courses, based on the number of participants and hours involved, were "Safety at Work-Electric Risk", with 357 attendees and "Operation Methods for High-Rise Works" with 356 attendees.

Other important courses were delivered, including operation and safe handling of hydro forklift, safe use of forklifts, rescues in high-rise works and evacuation plan.

Four courses were developed in 35 repetitions to train a total of 372 participants, amounting to 2,242 training hours.

ENERGY EFFICIENCY

Participation in Congresses and Working Groups

AEA

Edenor S.A. is party to the Presidency and Secretary of the Studies Committee 08

of Asociación Electrotécnica Argentina. In August 2013, the first of the three documents proposed, AEA-92559 “INTELLIGENT ELECTRIC NETWORKS Part 1 Guide of Concepts, Benefits and Challenges for their Implementation” guide was edited.

AEA 100 years

To celebrate AEA 100 years, in October 2013, a lecture on AEA-92559 document and, in particular, deployment examples related to intelligent networks, was requested. Personnel of the Energy Secretariat, Edenor S.A., and other distribution companies and equipment manufacturers were present at the event.

BIEL 2013

In November 2013, Edenor S.A. participated in the 13^º Congreso Técnico Internacional para la Industria Eléctrica, Electrónica y Luminotécnica (13th International Technical Congress for the Electric, Electronic and Lighting Industry), as part of the Biennale Internacional de la Industria Eléctrica, Electrónica y Lighting 2014 (2014 International Biennial Event for the Electric, Electronic and Lighting Industry). Electric Safety, Facilities Design and national implementations related to Intelligent Electric Networks were some of the topics discussed.

FONARSEC

The Company is still part of the IRESUD consortium, under the FONARSEC project, for the purposes of creating technical and regulatory rules for injecting photovoltaic energy to the to the distribution network. FONARSEC projects are coordinated by the Ministry of Sciences and Technology and Productive Innovation and y partially subsidized by the Banco Interamericano de Desarrollo.

Armstrong Smart City

In 2010, the Ministry of National Planning, Public Investment and Services executed with the U.S. Department of Energy a Memorandum of Understanding on

clean energies cooperation. In that respect, the Argentina – United States Bi-nation Working Group was created, to share information on intelligent electric networks. In 2013, the City of Armstrong, Province of Santa Fe, was selected to become the first “intelligent electric city” in the country. Edenor S.A. participates in the Project by sharing experiences and offering advice through ADEERA.

EDUCATIONAL PROGRAMS

It is a collection of activities intended for the youngest population as part of a long-term commitment policy with the community, as programs are being carried out for over 15 years.

For the purposes of infusing from the very beginning of life the importance of the rational use of energy, environment protection and safety at home and in the public though fare, among other concepts, during 2013, the Company coordinately continued with several educational activities addressed to elementary school students in its concession area.

Specific goals are:

- > Strengthen the link with the community.
- > Promote a responsible and engaged attitude towards energy consumption.
- > Value energy as an essential resource for human development.
- > Arousing curiosity in kids in relation to the surrounding world.

Conexión al futuro

During 2013, the program “Conexión al futuro” (“Connection with the Future”), as year after year, continued with school-day visits to elementary school within the area of concession, and with an educational and participatory workshop the main central theme of which was electrical energy. This program teaches children about electricity and its history, where it comes from and

how it reaches their homes, necessary caring when handling it and its efficient use. All students participate in this program and in the end of the workshop, a booklet is delivered to the participants with detailed information on every issue.

In addition, every visited school receives a DVD with a 3D movie on the origin, safety and efficient use of energy, with a quality comparable to those movies played in the most important theme parks in the world.

During 2013, 137 schools in the City of Buenos Aires and in the districts of La Matanza, Malvinas Argentinas, Pilar and Vicente López, participated in this program, and 61,984 kids enjoyed it.

Since 1998, in the very first beginning of this activity, 2,500 schools were visited and over 1,230,000 children attended the workshop.

Cien libros para nuestra escuela

By means of this motion, “Cien libros para nuestra escuela”, Edenor calls for State-run elementary schools within the area of concession to participate in a contest on several energy-related issues. The Company coordinates the program with municipalities and in 2013, it worked with schools in the districts of Malvinas Argentinas, San Miguel, Pilar and Vicente López, and more than 15,000 students participated.

This program encourages kids to submit their works as mockups or posters and the winning school will be awarded a library with more than one hundred books. In addition, in 2013, used computers in good operating order were awarded, out of the technological upgrading made in the Company.

This activity dates back to 1995 and since then, more than 90,000 books and around 330 computers were granted under technological replacement.

ACTIONS WITH THE COMMUNITY

Outreach Campaigns

During 2013, Edenor continued posting outreach campaigns on the Company’s institutional website to spread actions by different NGO related to issues of general interest for the community.

In 2013, the following entities were added for the purposes of warning, educating and supporting society in connection with the different problems affecting it:

- > APAdeA (Asociación Argentina de Padres de Autistas) (Argentine Association of Autistic Persons’ Parents) inviting the community to join Residence projects. The goal sought is improving life quality of autistic patients and their relatives, by uniting, supporting, guiding and advising them on their life projects.
- > A.L.C.E.M. (Asociación de Lucha Contra la Esclerosis Múltiple) (Association for the Fight Against Multiple Sclerosis): whose campaign is focused on making structures, care, re-education and medical assistance easier for patients with multiple sclerosis and other neurological pathologies and their families.
- > Fundación Avon and OSIM with the campaign “Alza la voz” (“Raise your Voice”) furthering the campaign began in 2012 fostering prevention of genre-based violence.

En Contacto

Rate 1 and rate 2 clients receive the newsletter “En Contacto” attached to the energy bill and other flyers with matters of interest.

This channel of communication allows for an ongoing relationship with clients and for informing on different issues that may be necessary to disclose.

In addition to flyers, Commercial Offices have posters with the issues covered by the newsletter, for clients doing diligences or payment thereat to be informed.

Data:

- > 2,700,000 clients receive it every two months.
- > Posters in 27 Commercial Offices.
- > Online support in Internet.

Goals:

- > Establish constant communication.
- > Awake a positive attitude towards the Company/brand.
- > Promote environmental awareness, energy safe and efficient use.
- > Make the relationship of clients with the Company easier.

Issues covered were:

- > Investments.
- > Contact channels.
- > SMS for inquiries and claims for blackouts.
- > Online arrangements.

Also during 2013, residential R1 clients received an information leaflet of the “Stabilization Factor”. This information was intended to explain clients, with examples and in a simple manner, this new item included in their bills.

Other campaigns

For the purposes of informing clients about the Automatic Hotline, a communication campaign was designed, mainly consisting of:

- > A leaflet attached to the bill.
- > Posters in Commercial Offices.
- > Banner on www.edenor.com
- > Standing banner for Commercial Offices.

This campaign included online ads and new leaflets for clients, to be prepared in 2014.

Video cable Advertising

During 2013, Telecentro (Channel 26) and Televisora Privada del Oeste (TPO) broadcasted, in different signals, an Edenor S.A.’s add, called “Evolution”, so as to raise social awareness on the use of low energy consumption bulbs.

TRAINING TO COMMUNITY – CIVIL DEFENSE

During 2013, training activities addressed to institutions and NGO of the community continued. Courses were delivered to civil defense groups and cooperatives of the different municipalities.

The purpose was to provide information on the electric network, so as to improve their involvement in electric emergency situations, mostly in poor neighborhoods.

Lectures were delivered by the Company’s facilitator team and at different places offered by the entities involved. A total of 72 persons attended the lectures in the municipalities of Morón, Vicente López and San Isidro.

During the training, main focus was on safety with shows using elements/facilities that may easily be found in the public thoroughfare and how to act in case of emergencies.

Groups showed their interest in the matters shared, by actively participating in the activities.


RICARDO TORRES
Presidente



FLORALIS GENÉRICA / CIUDAD AUTÓNOMA DE BUENOS AIRES

SCHEDULE I: CORPORATE
GOVERNANCE REPORT.
CNV GENERAL
RESOLUTION 516/2007

CORPORATE GOVERNANCE
REPORT

CNV GENERAL
RESOLUTION 606/2012



Edenor, through its Board of Directors, has prepared this Corporate Governance report in compliance with General Resolution No. 606/2012 (which amends General Resolution No. 516/2007) passed by the Argentine Securities and Exchange Commission (Comisión Nacional de Valores, "CNV").

SCHEDULE I: CORPORATE GOVERNANCE REPORT. CNV GENERAL RESOLUTION 516/2007

CORPORATE GOVERNANCE REPORT

CNV General Resolution 606/2012

INTRODUCTION

Edenor, through its Board of Directors, has prepared this Corporate Governance report in compliance with General Resolution No. 606/2012 (which amends General Resolution No. 516/2007) passed by the Argentine Securities and Exchange Commission (Comisión Nacional de Valores, "CNV").

As a result of the passage and enactment of the Stock Market Act No. 26.831 (Ley de Mercado de Capitales, "LMC"), effective

as from January 25, 2012, it shall be taken into account that the Public Offer Transparency Regime, Decree No. 677/01 (Régimen de Transparencia de la Oferta Pública, "RTOP"), was expressly repealed by said Act and that any reference herein to RTOP conforms to the new provisions set forth in the LMC.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
PRINCIPLE I. TO ENSURE THE TRANSPARENCY OF THE RELATION BETWEEN THE ISSUER, THE ECONOMIC GROUP IT LEADS AND/OR IN WHICH IT PARTICIPATES, AND THE RELATED PARTIES THEREOF				
Recommendation I.1: To ensure the Governing Board’s disclosure of policies applicable to the relation between the Issuer, the economic group it leads and/or in which it participates, and the related parties thereof.	X			The Company complies with the annual disclosure of its subsidiary and related companies through the Financial Information Superhighway, specifying the degree of control and the percentage of shares therein. In addition, as regards operations involving a relevant amount and that the Company intends to conduct with all those individuals and/or legal persons that, in line with the provisions of section 72 of the LMC (before section 73 of the RTOP), are considered “related parties”, they are reported to the Audit Committee, which renders an opinion thereon prior to the Board of Director’s consideration of the particular issue, and consequently, those internal rules and procedures are intended to reasonably ensure that the operations with “related parties” are conducted under market conditions, and, to that end, they shall be subject to



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PRINCIPIO I. TRANSPARENTAR LA RELACIÓN ENTRE LA EMISORA, EL GRUPO ECONÓMICO QUE ENCABEZA Y/O INTEGRA Y SUS PARTES RELACIONADAS				
				this specific procedure of prior opinion and control carried out under the Company's Legal Affairs Management's coordination and which involves both Edenor's Board of Directors and Audit Committee. The Company discloses the agreements entered into with related parties in the quarter and annual Financial Statements in line with the legal rules in force, and in compliance with the provisions of section 5.a) of the Transparency Decree and section 73.b) of Act No. 17.811 (as amended by the Transparency Decree), all operations involving a relevant amount conducted by the Company with its related parties are immediately reported as "relevant event" both to the CNV and to the markets where the Company's securities are listed.
Recommendation I.2: To ensure the existence of preventive mechanisms in case of conflicts of interests.	X			The Company has established internal policies which reinforce the guidelines of the Company's ethical behavior. In this way, both the "Code of Conduct" and "Edenor's Value System" are reflected in the procedures to be followed in case of Conflicts of Interests. The scope of these policies extends to all Edenor's personnel. These rules involve the relations with clients, suppliers and the Company's personnel, as well as the custody and protection of the property thereof, providing a general framework for the personnel's behavior as regards internal information, accounting records and reports.
Recommendation I.3: To prevent the improper use of confidential information.	X			Edenor has a Code of Conduct by which all of its employees must abide, with the purposes of ensuring, among others, the custody and protection of the Company's property, including tangible property as well as information and intellectual property, which shall only be used to carry out the Company's activities in the ordinary course of business and for the authorized purposes. The Company's information shall neither

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
PRINCIPLE I. TO ENSURE THE TRANSPARENCY OF THE RELATION BETWEEN THE ISSUER, THE ECONOMIC GROUP IT LEADS AND/OR IN WHICH IT PARTICIPATES, AND THE RELATED PARTIES THEREOF				
				be used nor disclosed without the corresponding authorization, and comprises strategic procedures, commercial databases, financial plans, projects, designs and technical processes related to its activities, and personnel's information (for example, remuneration data). Failure to comply with these obligations shall be considered a serious fault, notwithstanding the application of other relevant legal rules. The Issuer has also established a Policy on the Operations Conducted with Edenor's Securities directed to its employees, the employees of its related companies, and its contractors. This internal policy provides information about the compliance with the Argentine and US laws and regulations by which the Company must abide, which prohibit the improper use of confidential information and regulate the operations conducted with the Company's securities in a controlled scenario, thus increasing the public's confidence level in the operations carried out with Edenor's securities.

PRINCIPLE II. TO LAY THE FOUNDATIONS FOR THE ISSUER'S SOUND MANAGEMENT AND MONITORING				
Recommendation II. 1: To ensure that the Governing Board takes responsibility for the Issuer's management and monitoring, and the strategic plans thereof.				
II.1.1 The Governing Board approves:				
II.1.1.1 The strategic or business plans, as well as the management goals and annual budgets.	X			Edenor's Board of Directors actively participates in and is highly involved with the Company's Management and in preparing and approving policies, general strategies, and the annual budget, tailored to each particular moment of the Company. For the purposes of analyzing and adopting decisions related to those and other



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PRINCIPLE II. TO LAY THE FOUNDATIONS FOR THE ISSUER'S SOUND MANAGEMENT AND MONITORING				
				issues, the Company's Board of Directors holds meeting on a monthly basis, and has established Internal Rules specifying the performance thereof. Although Edenor's Board of Directors used to approve strategic or business plans on a regular basis, based on the absence of a continuous regulatory normalization since 2001, the Company does not have a strategic or business plan.
II.1.1.2 The Governing Board approves the financing and investment policy (in financial assets and capital assets).	X			The Board of Directors annually approves the investment and financial budgets, providing a detail of the compliance therewith throughout each fiscal year. On a monthly basis, the Board of Directors is submitted a follow-up of the economic-financial budget and the estimations for the close of fiscal year.
II.1.1.3 The Governing Board approves the corporate governance policy (compliance with the Corporate Governance Code).	X			The Company's Board of Directors approves the Corporate Governance Code together with the annual report corresponding to each fiscal year, and adopts the best corporate practices suggested by the CNV, the Securities and Exchange Commission (SEC) and the self-regulated markets where the Company's securities are listed.
II.1.1.4 The Governing Board approves the policy on top managers' recruitment, evaluation, and remuneration.		X		The Company's Human Resources Management establishes recruitment, evaluation and remuneration guidelines tailored to each position. The appointment of Edenor's top managers is the outcome of a recruitment process jointly carried out by the General Manager, the Executive Officers and the Human Resources Management. The Company does not have any specific policy regulating the manager's recruitment process. In addition, the Company has implemented a process coordinated by the Human Resources Management whereby, on an annual basis, each and every employee (including managers) is evaluated in relation to the performance of their tasks and the compliance with the goals previously set by their hierarchical superiors.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
PRINCIPLE II. TO LAY THE FOUNDATIONS FOR THE ISSUER'S SOUND MANAGEMENT AND MONITORING				
II.1.1.5 The Governing Board approves the policy on top managers' responsibility assignment.		X		The Company's Chairman, together with the General Manager and the head of the Human Resources Management, are in charge of assigning responsibilities to top managers. The Company does not have any specific policy regulating the assignment of responsibilities to top managers.
II.1.1.6 The Governing Board approves the monitoring of the top managers' succession planning process.		X		The Company's Chairman, together with the General Manager and the head of the Human Resources Management, develop top managers' succession planning processes. The Company does not have any specific strategy regulating managers' succession.
II.1.1.7 The Governing Board approves the policy on business corporate responsibility.	X			Edenor has established certain policies in line with its Business Corporate Responsibility (Responsabilidad Social Empresaria, "RSE") commitment, such as the Code of Conduct ("P32"), the Patronage and Sponsorship Policy ("P56"), the Policy on Quality, Environment, Security, Occupational Health and Public Safety ("P57"), and the Integrated Management System Manual ("MSG 01"), where Edenor's Strategic Approach is outlined. All these policies are approved by the Company's Governing Board according to what is set forth in the PGSGI-05 Procedure of Documentation Control. The purpose of the abovementioned policies is to design and implement programs aimed at strengthening the education and promoting the development of the communities where Edenor carries out its business.
II.1.1.8 The Governing Board approves the policies on integrative risk management and internal control, and on fraud prevention.	X			Edenor has established a risk analysis policy which describes the Company's administrative process of strategic risks, as well as the methods used for the identification and continuous update thereof. In addition, the Company has a Policy related to the internal control system, which defines the components of its control system and the necessary duties for the proper operation thereof, thus establishing the "Internal Control - Integrative framework" document issued by the Committee of Sponsoring Or-



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PRINCIPLE II. TO LAY THE FOUNDATIONS FOR THE ISSUER’S SOUND MANAGEMENT AND MONITORING				
				ganizations of the Treadway Commission (COSO Report) as control framework. As regards fraud prevention, the Company has a Policy aim at making the report of alleged irregularities within the Company easier. These three policies are monitored by the General Management and approved by the Audit Committee.
II.1.1.9 The Governing Board approves the policy on constant training of members of the Governing Board and top managers.		X		Edenor has developed an annual training plan for the purposes of supporting the professional and academic development, and enabling the management of programs to ease the interest, development and retention of its human resources. In addition, said training plan is designed to satisfy the needs identified during the annual information-gathering stage. The training plan further contemplates more than two hundred activities and courses oriented towards the improvement of skills in the job position, involving both operative and management tasks. These activities are offered through more than three hundred internal courses and two hundred and fifty courses which are given in-house or in different educational institutions and well-recognized organisms. The approval of the abovementioned annual training plan is among the powers and duties of the Company’s Executive Committee.
II.1.2 If considered appropriate, please add other policies applied by the Governing Board which have not been mentioned before, and detail the more relevant aspects thereof.	X			In addition to the policies, processes and plans mentioned in this Report, Edenor has the Integrated Management System Manual mentioned in II.1.1.7 above, which describes the Integrated Management System in compliance with the standards ISO 9001, ISO 14001, OHSAS 18001 and applicable ENRE resolutions, for the purposes of establishing and outlining the Management System, so that it can be used as permanent reference to continuously improve the efficacy and effectiveness of the Company’s management performance. The scope of the Integrated Management System extends to the organizational structure, duties, key and supporting processes, procedures and resources, as well as to the activities and operations related to Edenor’s Distribution and Marketing service of electric power.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
II.1.3 The Issuer has a policy aimed at ensuring the availability of relevant information for the decision-making process conducted by the Governing Board and a process of direct communication with managers, in a way that guarantees equal treatment of all of its members (executive, external and independent members), timely in advance to enable the proper analysis of the content thereof. Please specify.	X			The Company has established Internal Rules regulating the Board of Directors' performance. Meetings are held within the statutory terms, and all directors and auditors receive an email and hard copy informing them of the Calling, together with the Agenda of each meeting and the available information and documentation related to each of the issues to be dealt with, timely in advance to enable the proper analysis thereof. Directors can be consulted directly, and the Company is in charge of preparing the reports requested in the inquiries raised. Furthermore, through the Company's Legal Affairs Management, any Director and/or Auditor may put forward to the Management any types of questions or inquiries deemed convenient regarding any of the matters to be submitted to their consideration.
II.1.4 The issues submitted to the Governing Board's consideration are supported by an analysis of the risks associated to the decisions that may be subsequently adopted, taking into account the business risk level defined as acceptable by the Issuer. Please specify.	X			The Company submits, together with the Agenda to be dealt with in each Board of Directors' meeting, not only the supporting material of every aspect to be discussed in the meeting, but also all the internally-prepared prior analyses (of risks and other matters) related to the issue in question.
Recommendation II.2: To ensure an effective control of the company's management.				
II.2.1 Compliance with the annual budget and business plan.	X			The management submits to the Board of Directors periodic reports on the compliance with, deviations from and/or adjustments to the annual budget and the Company's business plan, analyzing the progress thereof and proposing adjustments to be made based on the changes that have actually taken place.
II.2.2 Performance of top managers and compliance with the goals set for them (level of anticipated profits vs. earned profits, credit rating, accounting report quality, market share, etc.).	X			At the Board of Directors' meetings, the Financial Manager submits a summary of the monthly Management Report, which comprises the monthly income statement compared with the accumulated income statement corresponding to the current and prior fiscal years, and the cash flow statement. This information is supplemented with management data and indicators related to the development of energy net sales,



	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
				gross margin, EBITDA and a detail of the main exploitation and investment expenses. In addition, a summary of the monthly relevant facts and of subsequent facts is submitted. As already explained in II.1.1.4 above, the Company has implemented a process coordinated by the Human Resources Management whereby, on an annual basis, each and every employee (including managers) is evaluated in relation to the performance of their tasks and the compliance with the goals previously set by their hierarchical superiors.
Recommendation II.3: To disclose the evaluation process of the Governing Board's performance and the impact thereof.				
II.3.1 Each member of the Governing Board complies with the By-laws and, if appropriate, with the Governing Board's Rules. Please specify the main guidelines of the Rules. Please state the degree of compliance with the By-laws and Rules.	X			Each member of the Board of Directors fully complies with the Company's By-laws. The Board of Directors' Internal Rules describe the workplace orientation procedures for each new member, as well as the duties of the position as individual director and of the Board of Directors as a collective body, specifying how often meetings are held, how they are called, and which are the attendance procedures. The supply of information to directors and the Board of Directors' legal framework are also described.
II.3.2 The Governing Board discloses the results of its management taking into account the goals set at the beginning of the fiscal year, so that shareholders can evaluate the degree of compliance with those goals, which involve both financial and non-financial aspects. In addition, the Governing Board submits an analysis of the degree of compliance with the policies mentioned in Recommendation II, items II.1.1. and II.1.2.		X		The Company's management submits to the Board of Directors a monthly management report, wherein it details, among other aspects, management data and indicators, main exploitation expenses and investments. A copy of said report is kept at the Board of Directors' clerk's office. On an annual basis, the Board of Directors, when calling the Shareholders' Meeting, makes available to shareholders the annual financial statements and the annual report of the fiscal year to be approved, together with its voting recommendations. Each year, the Shareholders' Meeting evaluates the Board of Directors' performance, and the approval of the management of the directors who participated in the ended fiscal year

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
				is submitted to its consideration. The last Edenor's Shareholders' Meeting where the directors' management was approved was held on April 25, 2013. Taking into consideration that the Company's Management is responsible for ensuring compliance with the policies detailed in items II.1.1 and II.1.2, the Board of Directors does not perform an evaluation of the degree of compliance with these policies. The appropriateness of its performance will be analyzed in the future.
Recommendation II.4: The number of external and independent members must represent a significant percentage of the Governing Board.				
II.4.1 The number of executive, external and independent members (the latter defined according to the rules of this Commission) of the Governing Board is in line with the Issuer's capital structure. Please specify.	X			The Board of Directors is composed of twelve regular directors and twelve alternate directors appointed by the Company's Shareholders' Meeting. The by-laws provide that, according to the laws in force, as long as Edenor makes public offers of its shares, it is required to have an Audit Committee composed of, at least, a majority of independent members, to be appointed by each class of shareholders. The same criterion is reflected in section I of the Internal Rules of the Audit Committee; however, such body is presently comprised of all independent members. At present, the Board of Directors has ten external regular directors, seven of which also hold the status of independent according to the criteria set forth by the CNV Rules. Taking into account the structure of independent and external members mentioned in the item above, and based on the tasks performed by the Board of Directors and on the Company's flow of business, the Board of Directors considers that it has the appropriate number of directors to duly perform its duties in line with the Company's complex structure and the remarkable extent of the businesses carried out by it.



	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
II.4.2 During the current year, shareholders agreed, through a Shareholders' Meeting, on a policy aimed at maintaining at least 20% of independent members over the total number of members of the Governing Board. Please describe the relevant aspects of said policy and of any shareholders' agreements which allow understanding the process whereby the members of the Governing Board are appointed and the term of their office. Please indicate if the independent status of the members of the Governing Board was challenged throughout the year and if withholdings have taken place due to conflicts of interests.			X Not applicable	As indicated in paragraph II.4.1 above, currently the number of independent directors well exceeds 20% of the total number of its regular members. Edenor abides itself by the Sarbanes-Oxley Act that requires that the Audit Committee must be fully comprised of independent directors. This means that the Company has to comply with a minimum standard regarding this issue. Compliance: Not applicable The term of the Directors' office as well as the process and requirement of independent status arise from Edenor's By-laws. In addition, it shall be noted that the independent status of the members of the Board of Director was not challenged during 2012 fiscal year and that no withholdings have taken place due to conflicts of interests.
Recommendation II.5: The Company commits itself to maintaining rules and procedures inherent to the process of recruitment and proposal of members of the Governing Board and top managers.				
II.5.1 The Issuer has an Appointment Committee.			X	The approval of the Company's organizational chart regarding directors of operations and the corresponding amendments thereto falls within the Executive Committee's powers and duties. The rest of the appointments correspond to the Company's management, jointly carried out with the Human Resources Management.
II.5.1.1			X - Not applicable	
II.5.1.2			X - Not applicable	
II.5.1.3			X - Not applicable	
II.5.1.4			X - Not applicable	
II.5.1.5			X - Not applicable	

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
II.5.2 In case there is an Appointment Committee, it			X - Not applicable for what is set forth in II.5.1	
II.5.2.1.			X - Not applicable	
II.5.2.2.			X - Not applicable	
II.5.2.3.			X - Not applicable	
II.5.2.4.			X - Not applicable	
II.5.2.5.			X - Not applicable	
II.5.2.6.			X - Not applicable	
II.5.2.7.			X - Not applicable	
II.5.3 If considered relevant, please add policies implemented by the Issuer's Appointment Committee which have not been mentioned in the paragraph above.			X - Not applicable for what is set forth in II.5.1	
Recommendation II.6: To evaluate if it is convenient that members of the Governing Board and/or auditors and/or members of the Supervisory Council perform duties in other Issuers			X	It is not necessary to limit the Company's Directors' and Auditors' participation in other companies where they may hold the same positions, since the existing legal limitations on this matter, along with the directors' and auditors' liability regime, are enough and ensure proper performance of the Company's directors' and auditors' duties.
Recommendation II.7: To ensure training and development of members of the Governing Board and top managers of the Issuer				
II.7.1 The Issuer has developed continuous Training Programs related to the Issuer's existing needs, for members of the Governing Board and top managers, which include issues related to their functions and duties, business risk integrati-		X		All the members of the Company's Board of Directors are well-recognized businessmen and/or professionals who render services with the highest standards of professional quality. Notwithstanding that, the Company's Human Resources Department develops training plans



	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
ve management, specific knowledge of the business and its rules and regulations, corporate governance dynamics, and business corporate responsibility. In the case of members of the Audit Committee, the training programs refer to international accounting standards, auditing rules, internal control rules, and specific regulations of the capital market.				throughout the year based on the different particular needs. As regards the specific training for members of the Audit Committee, it is contemplated in the Internal Rules and in the Annual Action Plan. In compliance with said plan, the Audit Committee approves the specific Training Plan for a one-year term. During 2013, said Training was delivered.
II.7.2 The Issuer encourages members of the Governing Board and top managers, through other means not mentioned in II.7.1, to engage in constant training activities, so as to enhance their professional level and add value to the Issuer. Please indicate how this is done.	X			The Company considers that the director's training processes are complied with. Notwithstanding that, technical training courses are available, on a case-by-case basis, to those who consider them necessary or convenient in a particular moment for the purposes of improving the performance of their duties in the Company's Governing Board.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
PRINCIPLE III. TO SUPPORT AN EFFECTIVE IDENTIFICATION, MEASUREMENT, MANAGEMENT AND DISCLOSURE POLICY ON BUSINESS RISK				
Recommendation III: The Governing Board must have a policy on business risk integrative management and monitor the proper implementation thereof.				
III.1 The Issuer has policies on business risk integrative management (compliance with the strategic, operative, financial, accounting, legal and regulatory goals, among others). Please describe the most relevant aspects thereof.	X			The Company has established an internal policy of “Risk Analysis” which describes Edenor’s management process of strategic risks and explains the methods implemented for identifying and continuously updating the strategic risks that may affect the Company. In compliance with their duties, according to the provisions set forth by the laws in force and the Internal Rules, and in line with the annual action plan, the Audit Committee monitors the application of information policies in relation to the Company’s risk management, providing information thereof in the annual report.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
III.2 The Governing Board or the General Management comprise a Risk Management Committee. Please inform if there are manuals of procedure and detail the main risk factors which are specific to the Issuer or the activity it carries out and the mitigating actions implemented. If the Company does not have said Committee, please describe the monitoring role carried out by the Auditing Committee as regards risk management. In addition, please specify the interaction degree between the Governing Board or its Committees with the Issuer's General Management as regards business risk integrative management.		X		The Company's Board of Directors does not have a Risk Management Committee. These duties are performed by the Directors of Operations jointly with the Internal Audit Management and the monitoring of the Audit Committee. To that end, the Company has patterns and a mapping of significant business risks, which were prepared following the method established by the best practices as regards risk administration and management. In that context, the Company's Audit Committee is informed by the Internal Audit Management of the conclusions resulting from the application of this management model and the actions to be implemented in relation to the risks identified, monitoring the application of the information policies regarding the Company's risk management, as mentioned in the Recommendation III.1.
III.3 The Issuer's General Management carries out an independent function which consists in implementing the policies on risk integrative management (duty corresponding to the Risk Management Officer or equivalent). Please specify.		X		The Company's Internal Audit Management provides support to the directors to help them keep the strategic risk pattern updated, collaborating with the risk identification and evaluation, and the collection of the analyses of each of the risks identified in the Company, so that they can be submitted to the consideration of the Chairman and CEO, the Audit Committee and the Board of Directors, and receive feedback and/or approval.
III.4 The policies on risk integrative management are constantly updated in line with the recommendations and methods acknowledged in this field. Please specify which ones (Enterprise Risk Management, according to the conceptual framework of COSO - Committee of sponsoring organizations of the Treadway Commission -, ISO 31000, standard IRAM 17551, article 404 of the Sarbanes-Oxley Act, among others).	X			In compliance with the laws in force, the management has selected, as framework, the criteria established in the "Enterprise Risk Management - Integrative Framework" document issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report).
III.5 The Governing Board informs the results of the risk management monitoring jointly carried out with the General Management, in the financial statements and in the	X			The Company discloses, in its accounting statements, the risks according to what is provided for in the Financial Information International Standards. In the notes to the financial statements, the Company includes the "Financial



	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
annual report. Please specify the main aspects of the information disclosed.				Risk Management”, wherein the Company-related risks are detailed, stating in each case Edenor’s position. In addition, a detailed analysis thereof is included in the annual report filed with the SEC through form 20F.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		

PRINCIPLE IV. TO PROTECT THE INTEGRITY OF THE FINANCIAL INFORMATION BY MEANS OF INDEPENDENT AUDITS

Recommendation IV: To ensure the independency and transparency of the duties entrusted to the Audit Committee and the External Auditor.				
IV.1 The Governing Board, when appointing the members of the Audit Committee taking into account that most of them must hold the status of independent, evaluates if it is convenient that it be chaired by an independent member.	X			In compliance with the provisions of section 16, Section V, Chapter III “Governing and External Audit Oversight Boards” of the CNV Rules, as regards each appointment of directors, whenever candidates are put forward to be considered by the Shareholders’ Meeting, the latter is informed, before this issue is voted on, of the status of independent or non-independent of each candidate. After the meeting is held, in compliance with the provisions of the CNV Rules, within the 10-day term following the appointment of directors, the CNV and the markets where the Company’s securities are listed are informed of the personal data of each director and whether he holds the status of independent or non-independent (the non-independent status is evidenced by an affidavit signed by each director). In addition, Edenor has an Audit Committee fully comprised of independent directors in compliance with U.S. rules, including the Sarbanes-Oxley Act and related provisions required by the Securities Exchange Commission (SEC) to foreign issuers which securities are listed in the NYSE.
IV.2 There is an internal audit function reporting to the Audit Committee or the head of the administration body, in charge of assessing the	X			At Edenor, there is an internal audit function reporting functionally to the Audit Committee and administratively to the General Manager. According to the “General Standard on Internal

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
internal control system. Indicate whether the Audit Committee or the administration body make an annual assessment of the internal audit area performance and the independence level of their professional work, understanding that the professionals in charge of that function are independent from the remaining operating areas and also meet the independence requirements regarding controlling shareholders or related entities having significant influence over the Issuer. Also specify whether the internal audit function is performed pursuant to international standards applicable to the internal audit professional practice, as issued by the Institute of Internal Auditors (IIA).				Audit”, the purpose of the internal audit management is to provide an independent and objective assurance service and to perform consulting tasks designed to add value and improve Edenor’s transactions. For that purpose, it cooperates in the compliance with organizational goals by contributing a systematic and disciplined approach to assess and improve the efficacy of risk management, control and governance processes. At the beginning of each fiscal year, Internal Audit must submit the audit annual plan proposal to the General Director and then submit it to the Audit Committee to be evaluated and approved. Every quarter, Internal Audit follows-up the compliance with the annual plan and submits a progress report to the Audit Committee and the General Director. Such report contains a summary of work done and the main findings. Every year, the Audit Committee evaluates Internal Audit’s level of independence and performance regarding the issues within its competence, disclosing its evaluation in the annual report. As the Company is a member of the Institute of Internal Auditors, it uses the standards that it deems reasonable and/or applicable without adhering expressly.
IV.3 The members of the Audit Committee make an annual evaluation of the suitability, independence and performance of the external auditors appointed by the Shareholders’ Meeting. Describe the significant aspects of the procedures used to perform the evaluation.	X			In its annual report—which is issued upon presenting and publishing the Company’s annual financial statements—, the Company’s Audit Committee evaluates external auditors’ performance and issues a well-grounded opinion in that regard, pursuant to section 18, Section V, Chapter III, CNV Standards and the Audit Committee’s Internal Regulations.
IV.4 The Issuer has a policy regarding the rotation of Statutory Audit Committee members and/or the External Auditor; as to the latter, the policy states whether the rotation includes the external audit		X		The Company has no specific policy regarding the rotation of Statutory Audit Committee members and/or the External Auditor. However, as to the External Auditor’s rotation, the Company is subject to the provisions under section 28.C.2),



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	TOTAL	PARTIAL		
firm or only individuals.				Section V, Chapter III, CNV Rules, whereby the term during which a partner of an audit firm or association may conduct audit tasks at the Company shall not exceed three (3) consecutive years.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		

PRINCIPLE V. TO OBSERVE SHAREHOLDERS' RIGHTS

Recommendation V.1: To ensure shareholders' access to Issuer's information				
V.1.1 The Administration Body arranges periodic informative meetings with shareholders upon the presentation of interim financial statements. Indicate number and frequency of meetings held during the year.	X			Every quarter and after the approval of financial statements by the Board of Directors, the Company arranges a telephone conference with all shareholders wishing to participate, in which complete information is provided as to the progress of corporate business for the fiscal year under analysis, and all questions or concerns from shareholders are answered. In addition, the Company has implemented inquiry assistance mechanisms through telephone calls or e-mails.
V.1.2 The Issuer has information mechanisms for investors and a specialized area for inquiry assistance. It also has a website to which shareholders and other investors may access, thus establishing an access channel to be in contact with one another. Provide details.	X			The Company has procedures and a specific sector to assist the Company's shareholders regarding inquiries and concerns, which should not imply the disclosure of confidential information or information not previously disclosed to shareholders on an equitable basis. The Company also has a website with a special section, "Relaciones con el inversor" (Contact with investors), in which investors may have access to important public information on Edenor.
Recommendation V.2: Promote the active participation of all shareholders				

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
V.2.1 The Administration Body adopts measures to promote the participation of all shareholders in General Shareholders' Meetings. Specify, making a distinction between the measures required by law and those offered voluntarily by the Issuer to its shareholders.	X			The Board of Directors complies with all the measures required by law to call meetings and promote participation in order to ensure full exercise of their rights. Fulfilment of these formalities as regards meetings calls is effective and does not undermine shareholders' equal treatment principle.
V.2.2 The General Shareholders' Meeting is subject to Regulations in order to operate, which ensures information availability for shareholders sufficiently in advance to make decisions. Describe the main guidelines of Regulations.			X	Shareholders' information system prior to holding any meeting is already guaranteed because all applicable legal requirements are met in order to make all significant information available to shareholders sufficiently in advance and/or the information specifically required by any shareholder, so as to allow their proper analysis.
V.2.3 The mechanisms implemented by the Issuer are applicable to allow minority shareholders to propose issues to be debated at the General Shareholders' Meeting pursuant to current regulations. Specify the results.	X			There is no statutory or factual impediment for minority shareholders to propose issues to be analyzed at meetings. The Company's shareholders are called to participate in meetings through the methods established in Company's By-laws, Argentine Business Associations Law and the Stock Market Act. This means that shareholders are called through the publication of legal notices in the manner and subject to the terms established by current regulations. In addition, Edenor's by-laws state that all shareholders representing at least 5% of capital stock may require holding regular and/or extraordinary meetings, indicating in its request the issues to be treated. The Board of Directors or the Statutory Auditor shall call the meeting to be held within forty (40) days from request receipt. Should the Board of Directors or the Statutory Auditor fail to do so, meetings may be called by the enforcement authority or by court. To date, no group of shareholders has expressly requested to call a meeting or proposed any issues to be treated at any meeting.



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	TOTAL	PARTIAL		
V.2.4 The Issuer has policies to promote the participation of more important shareholders, such as institutional investors. Specify.			X	The Company considers that it is not necessary to have any special policies to promote the participation of more important shareholders as it complies with all statutory requirements aimed at guaranteeing the calling of meetings by any shareholder.
V.2.5 At the Shareholders' Meetings where Administration Body member appointments are proposed, the following information is made available prior to voting: (i) the opinion of each candidate regarding the potential adoption of a Corporate Governance Code; and (ii) the grounds for such opinion.			X	The Company does not inform the opinion of each candidate regarding the potential adoption of a Corporate Governance Code prior to voting.
Recommendation V.3: Guarantee the principle of equality between shares and votes.	X			The Company encourages the principle of equality between shares and votes, as set forth in section 5 of by-laws, whereby capital stock is represented by Class A shares, Class B shares and Class C shares, all of which are book-entry shares of common stock, with a face value of one Argentine peso (AR\$ 1) and entitled to one (1) vote each.
Recommendation V.4: Establish mechanisms to protect all shareholders in the event of a take-over.	X			The Company is subject to the Public Offering System and operates in the Argentine stock market under CNV control and in the US market under SEC control. According to section 90, Law No. 26,831 (Capital Market Law), the acquisition public offering system and the residual interest system governed by such law, all companies making a public offering of their shares are included, among them, Edenor.
Recommendation V.5: Increase the percentage of outstanding shares over capital stock.	X			About 48.8% of the Company's shares are listed on the Buenos Aires Stock Exchange (BCBA) and the New York Stock Exchange (NYSE). Such percentage has not varied significantly in the last 3 years.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
Recommendation V.6: Ensure the existence of a transparent dividend policy.				
V.6.1 The Issuer has a dividend distribution policy established by by-laws and approved by the Shareholders' Meeting, stating the conditions applicable to distribute dividends in cash or shares. Should such policy exist, indicate the criteria, frequency and conditions to be met for dividend payment.		X		Taking into account economic fluctuations in general and electric market variations in particular, we consider that it is advisable not to establish a specific policy for dividend payments. The Company's Board of Directors makes a conservative evaluation of the possibility of making a dividend distribution proposal to its shareholders in each fiscal year, taking into account provisions and statutory regulations, analyzing each case in particular, paying special attention to the economic circumstances of the fiscal year, the results of operations, future capital requirements, financial conditions and available funds. Pursuant to the Memorandum of Agreement on Concession Agreement Renegotiation entered into between Edenor and the concession grantor and approved by Presidential Decree No. 1957/06, Edenor shall not pay any dividends without ENRE's previous authorization during the so-called Contractual Transition Period.
V.6.2 The Issuer has set documented processes in place to prepare a proposal for the use of the Issuer's retained earnings implying the creation of legal, statutory and voluntary reserves, carry-forward to the new year and/or payment of dividends. Explain those processes and specify the Shareholders' Meeting minutes in which the dividend distribution (in cash or in shares) was approved or disapproved, if not established in By-laws.		X		Although the Company has no documented procedures for the Board of Directors to send the retained earnings distribution proposal to the Shareholders' Meeting, current legal regulations are applied to earnings allocation to the relevant equity items established therein. At the General Regular and Extraordinary Shareholders' Meeting held on April 25, 2013, it was decided to keep the loss for the year amounting to AR\$ 1,016,469,607 in the "unappropriated retained earnings" account, which thus amounted to AR\$ 885,129,607.00. As a result of the unappropriated retained losses, the Company was subject to the requirements set forth in section 206 (mandatory capital reduction due to losses) as those losses used up reserves and fifty

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	TOTAL	PARTIAL		
				percent of capital stock, thus the General Regular and Extraordinary Shareholders' Meeting held on April 25, 2013 resolved to approve the capital reduction, describing the process and number of shares to be delivered by the Company as payment of any fractions resulting from the capital reduction. Subsequently, and as a consequence of Resolution 250/13 passed on May 7, 2013 by the Energy Secretary, which recognized a portion of the cost increase due to the Company as of February 2013 resulting from applying the cost monitoring under the Memorandum of Agreement on Concession Agreement Renegotiation and which allowed for a setoff with all the Company's debts under PUREE and partially with CAMMESA's debts, the mandatory capital reduction, as evidenced in the Financial Statements as of December 31, 2012, was reversed. Accordingly, the Extraordinary Shareholders' Meeting held on December 20, 2013 resolved to approve the reversal of capital stock reduction decision taken by the prior Meeting.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
PRINCIPLE VI. TO KEEP A DIRECT AND RESPONSIBLE RELATIONSHIP WITH THE COMMUNITY				
Recommendation VI: Disclose to the community the issues related to the Issuer and a direct communication channel with the company.				
VI.1 The Issuer has an updated website for public access not only to provide significant company information (by-laws, group of companies, Administration Body structure, financial statements, annual report, etc.) but also to collect	X			The Company has the following website. This website has free and easy access, is continuously updated, allows simple navigation, contains sufficient and complete information on the Company and its business and allows users to send their concerns and inquiries through this website, thus facilitating a continuous

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
inquiries from users in general.				communication with the community. The system used by the Company for its website keeps and protects information and its reliability, has strong security mechanisms and meets data protection standards preventing unauthorized people from accessing, modifying and/or deleting, in general, the information provided. The information transmitted through electronic media is subject to the highest confidentiality and integrity standards, and information keeping and recording is encouraged.
VI.2 The Issuer issues a Corporate and Environmental Responsibility Report on an annual basis, with the verification of an independent external auditor. If so, indicate the scope or the legal or geographical coverage of such report and where it is available. Specify the standards or initiatives adopted to implement its business corporate responsibility policy (Global Reporting Initiative and/or United Nations Global Compact, ISO 26.000, SA8000, Millennium Development Goals, SGE 21-Foretica, AA 1000, Equator Principles, among others.)	X			Every two years, the Company prepares and publishes its Sustainability Report, the last one published dated January 2009-December 2010 (the report for January 2011 - December 2012 period is in the final stage), to reinforce the continuous improvement process, enhancing strengths and detecting improvement opportunities to achieve responsible management. In order to guarantee information transparency and objectivity, we continued using the G3 Guidelines of the Global Reporting Initiative, which suggest the steps to be followed to prepare Sustainable Reports through qualitative and quantitative indicators allowing measuring the Company's performance in an objective manner. To supplement, the sector indicator protocol for the electric power industry is used in order to ensure consistency with indicators and results obtained. Upon selecting issues and parameters to prepare the report, the guidelines and recommendations issued by the Argentine Business Council for Sustainable Development (Consejo Empresario Argentino para el Desarrollo Sostenible, CEADS) are followed, as stated in the local chapter of the World Business Council for Sustainable Development, the purpose of which is to promote the "business-sustainable development" relationship. In addition, the different chapters are related to the issues proposed by Global Compact principles and ISO 26000 Standard, to which Edenor adheres regarding concepts and grounds.



	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
PRINCIPLE VII. TO COMPENSATE IN A FAIR AND RESPONSIBLE MANNER				
Recommendation VII: Establish clear compensation policies for Administration Body members and first-line managers, with special emphasis on conventional or statutory limitations based on the existence or lack of earnings.				
VII.1 The Issuer has a Compensation Committee:			X	The tasks to be performed by a Compensation Committee are currently performed by the Company’s Human Resources Management. Thus, the functions described under VII.2 are fulfilled.
VII.1.1			Not applicable, as stated in VII.1 above	
VII.1.2			Not applicable, as stated in VII.1 above	
VII.1.3			Not applicable, as stated in VII.1 above	
VII.1.4			Not applicable, as stated in VII.1 above	
VII.1.5			Not applicable, as stated in VII.1 above	
VII.2 Upon the existence of a Compensation Committee, it:				
VII.2.1			Not applicable, as stated in VII.1 above	

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
VII.2.2			Not applicable, as stated in VII.1 above	
VII.2.3			Not applicable, as stated in VII.1 above	
VII.2.4			Not applicable, as stated in VII.1 above	
VII.2.5			Not applicable, as stated in VII.1 above	
VII.2.6			Not applicable, as stated in VII.1 above	
VII.2.7			Not applicable, as stated in VII.1 above	
VII.3 If deemed significant, indicate the policies applied by the Issuer's Compensation Committee not mentioned in the previous point.			Not applicable	
VII.4 Upon the lack of a Compensation Committee, explain how the functions described in VII.2 are performed within the Administration Body.			Not applicable	Section 5 of Edenor's Audit Committee Regulations sets forth — among other responsibilities— giving an opinion on the fairness of fee proposals and stock option plans offered by the Board of Directors regarding the Company's directors and administrators. For that purpose, such Committee may perform inquiries —by themselves or through their advisors— from compensation specialists, so as to ensure that executives receive similar

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
				compensation to that of other individuals holding similar positions in Argentina, taking into account the contribution made by each executive and the Company's general financial position and results of operations. As to the remaining Company employees, as previously stated, the Human Resources Management, with the aid of the General Manager, is in charge of developing and carrying out the relevant process to set compensation.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
PRINCIPLE VIII. TO PROMOTE BUSINESS ETHICS				
Recommendation VIII: To guarantee ethical behavior at the Issuer				
VIII.1 The Issuer has a Business Code of Conduct. Indicate the main guidelines and whether it is available to the public. Such Code is signed by at least Administration Body members and first-line managers. Indicate whether its enforcement is encouraged on providers and clients.	X			The Company has a Code of Conduct comprising the relationships with clients, providers and Company personnel; it also sets forth the guidelines and obligations related to the custody and protection of its assets, providing a general framework for personnel's behavior regarding internal information, accounting records and reports. The Code is notified to each employee and provider rendering services to the Company, who subscribe it. It is also published by including it in the annual report filed by the Company with the SEC through Form 20-F.

	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
VIII.2 The Issuer has mechanisms to receive reports of any unlawful or unethical behavior, either in person or by electronic means, guaranteeing that the information provided is subject to the highest confidentiality and integrity standards, as well as information recording and keeping. Indicate whether the report receipt and assessment service is rendered by Issuer's personnel or external and independent professionals to provide more protection to accusers.	X			The Company has a "Policy to enable the report of presumed irregularities within the Company" and a "Procedure for report management"; both documents establish a receipt, management and resolution process, which takes place anonymously and is operated by external and independent professionals. In addition, the abovementioned Code of Conduct makes reference to this issue. For the purposes of improving and standardizing the provider of our report channels with that of the parent company (Pampa Energía S.A.), as from July 2013, the company Resguarda S.R.L. became responsible for the report anonymous line. Such situation entailed certain changes as the incorporation of a web-managed report base, administration of users' access by the provider, automatic notices in case of changes or modifications in report progress status, thus streamlining follow-up through a notice history log.
VIII.3 The Issuer has policies, processes and systems to manage the resolution of the reports mentioned in point VIII.2. Describe the most significant aspects thereof and indicate the level of involvement of the Audit Committee in those resolutions, particularly the reports related to internal control for accounting reports and the behavior of Administration Body members and first-line managers.	X			The Company has the policy and procedure described in the previous point. Both documents describe the process to be followed from report receipt to research conclusion and enforcement of any applicable corrective action. At least every quarter, Internal Audit Management reports the cases received and the resolutions adopted to the Audit Committee. The Committee supervises channel operation and the resolution of reports regarding all issues within its competence.



	COMPLIANCE		NON-COMPLIANCE	INFORM OR EXPLAIN
	TOTAL	PARTIAL		
PRINCIPLE IX: TO BROADEN THE CODE SCOPE				
Recommendation IX: Promote the incorporation of provisions contributing to good governance practices into by-laws.	X			In addition, the Administration Body approves on an annual basis the Corporate Governance Code Report, which is prepared pursuant to current CNV regulations. However, the Company's Board of Directors considers that the provisions currently included in the Corporate Governance Code should not be reflected in by-laws in full. Taking into account that both by-laws and the report are available to the public through CNV's website, the capital market transparency principle is met.


The Board
RICARDO TORRES
Chairman



GENERAL LAS HERAS



CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Financial Statements
as of december 31, 2013.



CONSOLIDATED FINANCIAL STATEMENTS

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.

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 DECEMBER 31, 2013

(amounts stated in pesos)

Class of shares	Subscribed and paid-in (Note 19)
Common, book-entry shares, face value 1 and 1 vote 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 December 31, 2013 and 2012, respectively.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L.
C.P.C.E.C.A.B.A. Tº 1 - Fº 17


DANIEL ABELOVICH
por Comisión Fiscalizadora


ANDRÉS SUÁREZ
Socio
Contador Público U.B.A.
C.P.C.E.C.A.B.A. Tº 245 - Fº 61


RICARDO TORRES
Presidente

**Edenor S.A.****Consolidated Statement of Financial Position as of December 31, 2013 and 2012**

(Stated in thousands of pesos)

	Note	12.31.13	12.31.12
ASSETS			
Non-current assets			
Property, plant and equipment	10	5,189,307	4,344,599
Intangible assets	11	-	845,848
Interest in joint ventures	7	427	422
Trade receivables	14	-	2,042
Other receivables	13	199,395	195,018
Total non-current assets		5,389,129	5,387,929
Current assets			
Assets under construction	18	-	84,466
Inventories	16	83,853	85,002
Trade receivables	14	803,095	889,383
Other receivables	13	522,112	127,226
Financial assets at fair value through profit or loss	15	216,434	3,415
Cash and cash equivalents	17	243,473	71,108
Total current assets		1,868,967	1,260,600
Assets of disposal group classified as held for sale	37	-	223,398
TOTAL ASSETS		7,258,096	6,871,927

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RICARDO TORRES
Presidente

Edenor S.A.**Consolidated Statement of Financial Position as of December 31, 2013 and 2012 (Continued)**

(Stated in thousands of pesos)

	Note	12.31.13	12.31.12
Capital and reserves attributable to the owners			
Share capital	19	897,043	897,043
Adjustment to share capital	19	397,716	397,716
Additional paid-in capital	19	3,452	3,452
Treasury stock	19	9,412	9,412
Adjustment to treasury stock	19	10,347	10,347
Other comprehensive loss		(28,277)	(14,659)
Retained earnings/Accumulated deficit		(113,391)	(885,130)
Equity attributable to the owners		1,176,302	418,181
Non-controlling interests		-	71,107
TOTAL EQUITY		1,176,302	489,288
LIABILITIES			
Non-current liabilities			
Trade payables	21	220,796	155,313
Deferred revenue	23	33,666	264,427
Other payables	22	944,718	1,894,772
Borrowings	24	1,309,949	1,350,700
Salaries and social security taxes payable	25	25,959	17,460
Benefit plans	26	102,691	97,436
Provisions	30	83,121	80,019
Tax liabilities	28	4,406	9,971
Deferred tax liability	27	73,427	230,411
Total non-current liabilities		2,798,733	4,100,509
Current liabilities			
Trade payables	21	2,481,308	1,208,656
Borrowings	24	40,583	103,143
Salaries and social security taxes payable	25	420,857	383,642
Benefit plans	26	-	14,968
Tax liabilities	28	182,469	253,574
Other payables	22	147,177	150,387
Provisions	30	10,667	10,493
Total current liabilities		3,283,061	2,124,863
Liabilities of disposal group classified as held for sale	37	-	157,267
TOTAL LIABILITIES		6,081,794	6,382,639
TOTAL LIABILITIES AND EQUITY		7,258,096	6,871,927

The accompanying notes are an integral part of the Consolidated Financial Statements.

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**Edenor S.A.****Consolidated Statement of Comprehensive Income (Loss) for the years ended December 31, 2013 and 2012**

(Stated in thousands of pesos)

	Note	12.31.13	12.31.12
Continuing operations			
Revenue from sales	31	3,440,691	2,976,182
Electric power purchases		(2,050,295)	(1,740,231)
Subtotal		1,390,396	1,235,951
Transmission and distribution expenses	32	(2,055,285)	(1,344,116)
Gross loss		(664,889)	(108,165)
Selling expenses	32	(548,256)	(352,938)
Administrative expenses	32	(324,768)	(249,395)
Other operating income	33	61,580	32,263
Other operating expense	33	(142,777)	(150,211)
Gain from interest in joint ventures		5	3
Revenue from customers contributions exempt from devolution		700	-
Operating loss before Resolution SE 250/13 and SE Note 6852/13		(1,618,405)	(828,443)
Higher costs recognition - Resolution SE 250/13 and SE Note 6852/13	2.c.III	2,933,052	-
Operating profit (loss)		1,314,647	(828,443)
Financial income	34	287,068	75,505
Financial expenses	34	(504,854)	(225,976)
Other financial expense	34	(273,110)	(168,106)
Net financial expense		(490,896)	(318,577)
Profit (Loss) before taxes		823,751	(1,147,020)
Income tax	27	44,116	116,717
Profit (Loss) for the year from continuing operations		867,867	(1,030,303)
Discontinued operations		(95,108)	16,887
Profit (Loss) for the year		772,759	(1,013,416)
Profit (Loss) for the year attributable to:			
Owners of the parent		771,739	(1,016,470)
Non-controlling interests		1,020	3,054
Profit (Loss) for the year		772,759	(1,013,416)
Profit (Loss) for the year attributable to the owners of the parent:			
Continuing operations		867,867	(1,030,303)
Discontinued operations		(96,128)	13,833
		771,739	(1,016,470)

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Edenor S.A.**Consolidated Statement of Comprehensive Income (Loss) for the years ended December 31, 2013 and 2012 (Continued)**

(Stated in thousands of pesos)

	Note	12.31.13	12.31.12
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Results related to benefit plans	26	(20,951)	7,937
Tax effect of actuarial income (losses) on benefit plans	27	7,333	(2,778)
Total other comprehensive loss from discontinued operations		-	(2,104)
Total other comprehensive (losses) income		(13,618)	3,055
Comprehensive income for the year attributable to:			
Owners of the parent		758,121	(1,013,204)
Non-controlling interests		1,020	2,843
Comprehensive income for the year		759,141	(1,010,361)
Comprehensive income for the year attributable to owner of the parent			
Continuing operations		757,101	(1,025,145)
Discontinued operations		1,020	11,941
		758,121	(1,013,204)
Basic and diluted earnings (loss) per share attributable to the owners of the parent:			
Basic and diluted earnings (loss) per share from continuing operations	35	1.00	(1.15)
Basic and diluted (loss) earnings per share from discontinued operations	35	(0.11)	0.02

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C.P.C.E.C.A.B.A. T° 1 - F° 17


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**Edenor S.A.****Consolidated Statement of Changes in Equity for the years ended December 31, 2013 and 2012**

(Stated in thousands of pesos)

	Attributable to the owners of the parent			
	Share capital	Adjustment to share capital	Treasury stock	Adjustment to treasury stock
Balance at January 1, 2012	897,043	986,142	9,412	10,347
Sale of subsidiaries	-	-	-	-
Distribution of dividends - Aeseba S.A.	-	-	-	-
Absorption of accumulated losses - Shareholders' Meeting of 04/27/2012 (Note 19)	-	(588,426)	-	-
Increase of non-controlling interest of discontinued operations	-	-	-	-
(Loss) gain for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Balance at December 31, 2012	897,043	397,716	9,412	10,347
Absorption of accumulated losses - Shareholders' Meeting of 04/25/2013 (Note 19)	(89,704)	(397,716)	(941)	(10,347)
Reversion of absorption of accumulated losses - Shareholders' Meeting of 12/20/2013 (Note 19)	89,704	397,716	941	10,347
Sale of subsidiaries	-	-	-	-
Gain for the year	-	-	-	-
Other comprehensive loss for the year	-	-	-	-
Balance at December 31, 2013	897,043	397,716	9,412	10,347

The accompanying notes are an integral part of the Consolidated Financial Statements.

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PRICE WATERHOUSE & CO S.R.L.
C.P.C.E.C.A.B.A. T° 1 - F° 17


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Edenor S.A.**Consolidated Statement of Changes in Equity for the years ended December 31, 2013 and 2012**

(Stated in thousands of pesos)

	Attributable to the owners of the parent			
	Additional paid-in capital	Legal reserve	Other comprehensive loss	Retained earnings / Accumulated deficit
Balance at January 1, 2012	21,769	64,008	(17,925)	(539,411)
Sale of subsidiaries	-	-	-	-
Distribution of dividends - Aeseba S.A.	-	-	-	-
Absorption of accumulated losses - Shareholders' Meeting of 04/27/2012 (Note 19)	(18,317)	(64,008)		670,751
Increase of non-controlling interest of discontinued operations				
(Loss) gain for the year	-	-	-	(1,016,470)
Other comprehensive income for the year	-	-	3,266	-
Balance at December 31, 2012	3,452	-	(14,659)	(885,130)
Absorption of accumulated losses - Shareholders' Meeting of 04/25/2013 (Note 19)	(3,452)	-	-	502,160
Reversion of absorption of accumulated losses - Shareholders' Meeting of 12/20/2013 (Note 19)	3,452	-	-	(502,160)
Sale of subsidiaries	-	-	-	-
Gain for the year	-	-	-	771,739
Other comprehensive loss for the year	-	-	(13,618)	-
Balance at December 31, 2013	3,452	-	(28,277)	(113,391)

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C.P.C.E.C.A.B.A. T° 245 - F° 61


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Subtotal equity	Non- controlling interest	Total equity
1,431,385	415,801	1,847,186
-	(365,499)	(365,499)
-	(5,811)	(5,811)
-	-	-
	23,773	23,773
(1,016,470)	3,054	(1,013,416)
3,266	(211)	3,055
418,181	71,107	489,288
-	-	-
-	-	-
-	(72,127)	(72,127)
771,739	1,020	772,759
(13,618)	-	(13,618)
1,176,302	-	1,176,302

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C.P.C.E.C.A.B.A. Tº 1 - Fº 17


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C.P.C.E.C.A.B.A. Tº 245 - Fº 61


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Presidente

Edenor S.A.**Consolidated Statement of Cash Flows for the years ended December 31, 2013 and 2012**

(Stated in thousands of pesos)

	Note	12.31.13	12.31.12
Cash flows from operating activities			
Profit (Loss) for the year		772,759	(1,013,416)
Adjustments to reconcile net profit (loss) to net cash flows provided by operating activities:			
Depreciation of property, plant and equipment	10	212,148	192,554
Loss on disposals of property, plant and equipment	33	1,230	1,849
Loss on interest in joint ventures		(5)	(3)
Net gain from the repurchase of Corporate Notes	34	(88,879)	-
Accrued interest, net of interest capitalized	34	196,626	182,605
Exchange differences	34	365,759	192,879
Income tax	27	(44,116)	(116,717)
Allowance for the impairment of trade and other receivables, net of recovery	32 y 33	33,699	54,415
Provision for contingencies	33	36,033	24,780
Adjustment to present value of other receivables	34	(2,378)	2,196
Changes in fair value of financial assets	34	(16,097)	(39,053)
Accrual of benefit plans	26	22,540	20,364
Higher costs recognition - Resolution SE 250/13 and Note SE 6852/13	2.c.III	(2,933,052)	-
Discontinued operations	37	168,628	287,788
Changes in operating assets and liabilities:			
Net increase in trade receivables		(48,471)	(306,043)
Net increase in other receivables		(111,942)	(15,300)
Increase in inventories		(42,692)	(18,297)
Decrease in trade payables		1,212,727	207,684
Increase in salaries and social security taxes payable		95,319	88,759
Decrease in benefit plans		(7,904)	(3,989)
(Decrease) / Increase in tax liabilities		(44,888)	43,380
(Decrease) / Increase in deferred revenue		(700)	16,908
Increase in other payables		262,007	40,868
Net decrease in provisions		(25,299)	(12,050)
Funds obtained from the program for the rational use of electric power (PUREE) (Res SE No. 1037/07)		491,947	410,674
Subtotal before CAMMESA financing		504,999	242,835
Net increase for funds obtained - CAMMESA financing		1,079,210	295,714
Net cash flows provided by operating activities		1,584,209	538,549

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**Edenor S.A.****Consolidated Statement of Cash Flows for the years ended December 31, 2013 and 2012**

(Continued)

(Stated in thousands of pesos)

	Note	12.31.13	12.31.12
Cash flows from investing activities			
Net (payment for) collection of purchase / sale of financial assets at fair value		(97,399)	37,770
Acquisitions of property, plant and equipment	10	(1,039,919)	(537,903)
Loans granted		-	(536)
Collection of financial receivable with related companies		2,051	142,372
Collection of receivables from sale of subsidiaries - SIESA		2,940	-
Discontinued operations	37	(124,246)	(232,131)
Net cash flows used in investing activities		(1,256,573)	(590,428)
Cash flows from financing activities			
Loans taken	24	-	751
Payment of principal and interest on loans	24	(202,511)	(165,373)
Discontinued operations	37	25,388	136,786
Net cash flows used in financing activities		(177,123)	(27,836)
Net increase / (decrease) in cash and cash equivalents		150,513	(79,715)
Cash and cash equivalents at beginning of year in the statement of financial position	17	71,108	130,509
Cash and cash equivalents at beginning of year included in assets of disposal group classified as held for sale	37	11,154	28,305
Exchange differences in cash and cash equivalents		10,698	3,163
Net increase / (decrease) in cash and cash equivalents		150,513	(79,715)
Cash and cash equivalents at year end	17	243,473	82,262
Cash and cash equivalents at year end in the statement of financial position	17	243,473	71,108
Cash and cash equivalents at year end included in assets of disposal group classified as held for sale	37	-	11,154
Cash and cash equivalents at year end		243,473	82,262

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Edenor S.A.**Consolidated Statement of Cash Flows for the years ended December 31, 2013 and 2012**

(Continued)

(Stated in thousands of pesos)

Supplemental cash flows information**Non-cash operating, investing and financing activities**

Financial costs capitalized in property, plant and equipment		(3,463)	(6,405)
Decrease in PUREE - related liability (Res. SE 250/13 and Note SE 6852/13)	2.c.III	(1,661,105)	-
Decrease in CAMMESA - payables for purchase of electricity (Res. SE 250/13 and Note SE 6852/13)	2.c.III	(1,152,266)	-
Increase in financial assets at fair value from subsidiary sale	37	(334,340)	-
Decrease in financial assets at fair value from repurchase of Corporate Notes	24	165,085	-
Increase of benefit plans from actuarial losses exposed in other integral results	26	20,951	(7.937)
Decrease of other receivables for collection of corporate notes with related companies	24 and 37	52,840	-
Net increase of trade receivables from assets of disposal group classified as held for sale	37	(44,627)	-
Acquisitions of property, plant and equipment through increased debt FOTAE	41	(48,960)	-

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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 Aires 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 and transfer of the 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, lease 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.

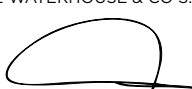
The Company's economic and financial situation

In the fiscal years ended December 31, 2012 and 2011, the Company recorded negative operating and net results, and both its liquidity level and working capital 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 tariff 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%, which have led the Company to report negative equity as of March 31, 2013. As a consequence of the partial recognition of higher costs (in accordance with the provisions of Section 4.2 of the Adjustment Agreement) for the period May 2007 through September 2013 that occurred in the current fiscal year through Resolution 250/13, the Company turned its accumulated deficit as of March 31, 2013 into positive retained earnings, thereby rectifying the situation of corporate dissolution to which it had been exposed.

Nevertheless, the constant increase in the operating costs that are necessary to maintain the level of the service, and the delay in obtaining genuine tariff increases will continue to deteriorate the Company's operating results, demonstrating that this recognition is insufficient to restore the balance that the economic and financial equation of the public service, object of the concession, requires (so much so that the Company's operating and net results for the year being reported were also negative prior to applying SE Resolution 250/13), but also does not allow for the regularization of the cash flows the Company needs to provide the public service and make the totality of the investments.

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It is worth mentioning that, in general terms, the quality of the 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 to mitigate the negative effects of this situation on its financial structure, such as: (i) reducing specified costs, including the reduction of top management fees; (ii) selling or disposing of all its shareholdings in subsidiaries and collecting the loans granted to such companies; (iii) making all reasonable efforts to obtain from the authorities the funds necessary to face the salary increases demanded by unions; (iv) seeking new financing options; (v) refinancing the financial debt with extended maturity terms and/or; (vi) optimizing the use of the available resources provided that these measures do not affect 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.

Additionally, 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 provision of distribution service, maintain the level of investments and compliance with the increased demand. In this context, the ENRE has issued Resolution 347/12, which established the application of fixed and variable charges that allowed the Company to obtain additional revenue as from November 2012, and the Energy Secretariat has issued the previously described Resolution 250/13, pursuant to which the higher costs were partially recognized. However, such revenue is insufficient to make up the aforementioned deficit.

In view of the aforementioned, and given the inefficacy of the administrative and judicial actions pursued and presentations made by the Company, on December 28, 2012, an action for the protection of the Company's rights ("acción de amparo") was brought against the ENRE so that the Regulatory Authority, in the performance of its duties, could adopt those measures which, in the Company's opinion, are not only urgently needed but also essential for the provision of the public service of electricity distribution that the Company is required to provide under the concession agreement on a continuous, regular and safe basis.

Furthermore, with the aim of maintaining and guaranteeing the provision of the public service, and in order to alleviate the financial situation, as from October 2012 the Company found itself forced to partially cancel, on a temporary basis, the obligations with the Wholesale Electricity Market with surplus cash balances after having complied with the commitments necessary to guarantee the provision of the public service that EDENOR is required to provide, including the investment plans underway and operation and maintenance works, as well as with the payment of the salary increases established by Resolution 1906/12 of the Secretariat of Labor dated November 27, 2012 and the Salary Agreement dated February 26, 2013. In this regard, the ENRE and CAMMESA sent notices to the Company demanding payment of such debt, which have been duly replied by the Company.

In this framework, and considering both the above-described situation and the negative equity reported in the Company's Financial Statements for the interim period ended March 31, 2013, during the year the Energy Secretariat ("SE") issued Resolution 250/13, and SE Note 6852/13, which, among other issues, determined and approved the values of the adjustments resulting from the CMM, to which the

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Company is entitled, for the period May 2007 through September 2013, although in today's terms they are insufficient to cover the current operating deficit. Additionally, it established mechanisms to offset this recognition against the PUREE-related liability, and, partially, against the debt held with CAMMESA as detailed in Note 2.c).

In this manner, the Energy Secretariat, in its capacity as grantor of the Concession Agreement, has provided a solution which, although transient and partial in nature, temporarily modified the situation that the Company tried to rectify with the filing of the action for the protection of its rights ("acción de amparo"). This solution, in addition to the requirement imposed by the Energy Secretariat through Resolution 250/13, led the Company to abandon, on May 29, 2013, the action filed, requesting that both parties be charged with the legal costs thereof, and to continue to claim on the fundamental issue by way of another action (Note 9.i).

Consequently, as described in Note 2.c), these financial statements include the effects of such regulations, which resulted mainly in the Company recording a positive balance in the retained earnings account rather than accumulated deficit, in accordance with that mentioned in the preceding paragraphs.

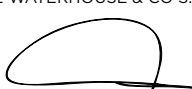
Although the effects of these regulations are a significant step towards the recovery of the Company's situation, inasmuch as it allows for the regularization of the equity imbalance generated by the lack of a timely recognition of the CMM adjustment requests made in the last seven years, such regulations do not provide a definitive solution to the Company's economic and financial equation due to the fact that the level of revenue generated by the electricity tariff schedules in effect, even after applying SE Resolution 250/13 and SE Note 6852/13, does not allow for the absorption of neither operating costs nor investment requirements or the payment of financial services. Therefore, this cash flow deficit will translate once again into a working capital deficit, which, taking into account that the Company is not in condition to have access to other sources of financing, will result in the need to continue to cancel only partially the obligations with CAMMESA for energy purchases. The application of the described offsetting mechanism is to be authorized by the Energy Secretariat.

In spite of the above-mentioned, the Company Board of Directors continues analyzing different scenarios and possibilities to mitigate or reduce the negative impact of the Company's situation on its operating cash flows and thereby present the shareholders with diverse courses of action. Nevertheless, the improvement of revenues so as to balance the economic and financial equation of the concession continues to be the most relevant aspect.

The outcome of the overall electricity tariff review is uncertain as to both its timing and final form. Therefore, the uncertainties of the previous financial year in this regard continued during the year being reported, thus if in fiscal year 2014: (i) the new electricity tariff schedules are not issued by the ENRE; (ii) the Company is not granted other recognition or any other mechanism to compensate for cost increases, in addition to the revenue obtained from the application of Resolution 347/12, the funds derived from the PUREE, or the recognition of CMM values and the offsetting mechanism established by Resolution 250/13 and SE Note 6852/13, and/or; (iii) the Company does not obtain from the Federal Government other mechanism that provides it with financing for cost increases, it is likely that the Company will have insufficient liquidity and will therefore be obliged to continue implementing, and even deepening, measures similar to those applied until now in order to preserve cash and enhance

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C.P.C.E.C.A.B.A. Tº 245 - Fº 61

its liquidity. As stated in previous periods, the Company may not ensure that it will be able to obtain additional financing on acceptable terms. Nevertheless, it must be pointed out that due to the fact that the revenue deriving from the FOCEDA for the execution of the necessary works arising from the Investment Plan of distribution companies is temporarily insufficient, the Energy Secretariat has considered the possibility of financing such deficit, should it be necessary, through the implementation of loans for consumption (mutuum) and the assignment of secured receivables with CAMMESA. Therefore, if any of these measures, individually or in the aggregate, not be achieved, there is significant risk that such situation will have a material adverse impact on the Company's operations. Edenor may need to enter into a renegotiation process with its suppliers and creditors in order to obtain changes in the terms of its obligations to ease the aforementioned financial situation.

Given the fact that the realization of the projected measures to revert the manifested negative trend depends, among other factors, on the occurrence of certain events that are not under the Company's control, such as the requested electricity tariff increases, the Board of Directors has raised substantial doubt about the ability of the Company to continue as a going concern in the term of the next fiscal year.

Nevertheless, these consolidated 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. Therefore, they do not include the effects of the adjustments or reclassifications that might result from the outcome of this uncertainty.

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por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



2. Regulatory framework

a. General

The Company is subject to the regulatory framework provided under Law No. 24,065 and the regulations issued by the National Regulatory Authority for the Distribution of Electricity (ENRE).

The ENRE is empowered to approve and control tariffs, and control the quality levels of the technical product and service, the commercial service and the compliance with public safety regulations, as established in the Concession Agreement. If the Distribution Company fails to comply with the obligations assumed, the ENRE will be entitled to apply the penalties stipulated in the Concession Agreement.

The Distribution Company's obligations are, among others, to make the necessary investments and carry out the necessary maintenance works in order to ensure that the quality levels established for the provision of the service in the concession area will be complied with and that electricity supply and availability will be sufficient to meet the demand in due time, securing the sources of supply.

If the Company repeatedly fails to comply with the obligations assumed in the Concession Agreement, the grantor of the concession will be entitled to foreclose on the collateral granted by the majority shareholders by means of the pledge of the Class A shares and sell them in a Public Bid. This, however, will not affect the continuity of the Holder of the concession. This situation may also occur if after the publication of the electricity tariff schedule resulting from the RTI, the Company, the Company shareholders representing at least two thirds of the share capital, and/or the former Company shareholders do not submit their waivers to the rights to claim or abandon the actions filed as a consequence of Law 25,561, which in part depends on the decisions of third parties. At the date of issuance of these financial statements, there have been no events of non-compliance by the Company that could be regarded as included within the scope of this situation.

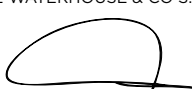
Furthermore, the Concession Agreement may be rescinded in the event of the Distribution Company undergoing bankruptcy proceedings. Additionally, if the Grantor of the Concession fails to discharge his obligations in such a manner that the Distribution Company is prevented from providing the Service or the Service is severely affected on a permanent basis, the Distribution Company may request, after demanding the regularization of such situation in a term of 90 days, that the agreement be rescinded.

b. Concession

The term of the concession is 95 years, which may be extended for an additional maximum period of 10 years. The term of the concession is divided into management periods: a first period of 15 years and subsequent periods of 10 years each. At the end of each management period, the Class "A" shares representing 51% of the capital stock of EDENOR S.A., currently held by EASA, must be offered for sale through a public bidding. If EASA makes the highest bid, it will continue to hold the Class "A" shares, and no further disbursements will be necessary. On the contrary, if EASA is not the highest bidder, then the bidder who makes the highest bid shall pay EASA the amount of the bid in accordance with the

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

conditions of the public bidding. The proceeds from the sale of the Class “A” shares will be delivered to EASA after deducting any amounts receivable to which the Grantor of the concession may be entitled.

On July 7, 2007 the Official Gazette published Resolution 467/07 of the ENRE pursuant to which the first management period is extended for 5 years to commence as from the date on which the Review of the Company Tariff Structure (RTI) goes into effect, which has not yet occurred. Its original maturity would have taken place on August 31, 2007.

In accordance with the provisions of Resolution 467/07 of the ENRE, the commencement of the aforementioned process for the sale of the shares shall take place when the five-year tariff period beginning after the ending of the RTI comes to an end.

The Company has the exclusive right to render electric power distribution and sales services within the concession area to all users who are not authorized to obtain their power supply from the Wholesale Electricity Market (MEM), thus being obliged to supply all the electric power that may be required in due time and in accordance with the established quality levels. In addition, the Company must allow free access to its facilities to any MEM agents whenever required, under the terms of the Concession.

No specific fee must be paid by the Company under the Concession Agreement during the term of the concession.

On January 6, 2002, the Federal Executive Power passed Law No. 25,561 whereby adjustment clauses in US dollars, as well as any other indexation mechanisms stipulated in the contracts entered into by the Federal Government, including those related to public utilities, were declared null and void as from such date. The resulting prices and rates were converted into Argentine pesos at a rate of 1 peso per US dollar.

Furthermore, Law No. 25,561 authorized the Federal Executive Power to renegotiate public utility contracts taking certain criteria into account.

It is worth mentioning that both the declaration of economic emergency and the period to renegotiate public utility contracts were extended through December 31, 2015 by Law No. 26,896.

c. Electricity tariff situation

I. Adjustment Agreement entered into between Edenor and the Federal Government

On September 21, 2005, Edenor S.A. signed an Adjustment Agreement within the framework of the process of renegotiation of the Concession Agreement set forth in Law No. 25,561 and supplementary regulations, which was ratified on February 13, 2006.

The Adjustment Agreement establishes the following:

- i) the implementation of a Temporary Tariff Structure (“RTT”) effective as from November 1, 2005, including a 23% average increase in the distribution margin, which may not result in an increase in the average tariff of more than 15%, and an additional 5% average increase in the distribution added value, allocated to certain specified capital expenditures;

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- ii) the requirement that during the term of such temporary tariff structure, dividend payment be subject to the approval of the regulatory authority;
- iii) the establishment of a “social tariff” and the levels of quality of the service to be rendered;
- iv) the suspension of the claims and legal actions filed by Edenor S.A. and its shareholders in national or foreign courts due to the effects caused by the Economic Emergency Law;
- v) the carrying out of a Tariff Structure Review (“RTI”) which will result in a new tariff structure that will go into effect on a gradual basis and remain in effect for the following 5 years. In accordance with the provisions of Law No. 24,065, the ENRE will be in charge of such review;
- vi) the implementation of a minimum investment plan in the electric network for an amount of \$ 178.8 million to be fulfilled by Edenor S.A. during 2006, plus an additional investment of \$ 25.5 million should it be required;
- vii) the adjustment of the penalties imposed by the ENRE that are payable to customers as discounts, which were notified by such regulatory agency prior to January 6, 2002 as well as of those who have been notified, or whose cause or origin has arisen in the period between January 6, 2002 and the date on which the Adjustment Agreement goes into effect through the date on which they are effectively paid, using, for such purpose, the average increase recorded in the Company’s distribution costs as a result of the increases and adjustments granted at each date;
- viii) the waiver of the penalties imposed by the ENRE that are payable to the National State, which have been notified, or their cause or origin has arisen in the period between January 6, 2002 and the date on which the Adjustment Agreement goes into effect;

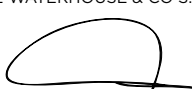
The payment term of the penalties imposed by the ENRE, which are described in paragraph vii above, is 180 days after the approval of the Tariff Structure Review (RTI) in fourteen semiannual installments, which represent approximately two-thirds of the penalties imposed by the ENRE before January 6, 2002 as well as of those that have been notified, or whose cause or origin has arisen in the period between January 6, 2002 and the date on which the Adjustment Agreement goes into effect, subject to compliance with certain requirements.

Such agreement was ratified by the Federal Executive Power through Decree No. 1,957/06, signed by the President of Argentina on December 28, 2006 and published in the Official Gazette on January 8, 2007. The aforementioned agreement stipulates the terms and conditions that, upon compliance with the other procedures required by the regulations, will be the fundamental basis of the Comprehensive Renegotiation of the Concession Agreement of the public service of electric power distribution and sale within the federal jurisdiction, between the Federal Executive Power and the holder of the concession.

Additionally, on February 5, 2007 the Official Gazette published Resolution No. 51/07 of the ENRE which approves the electricity tariff schedule resulting from the RTT, applicable to consumption recorded as from February 1, 2007. This document provides for the following:

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por Comisión Fiscalizadora


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- i) A 23% average increase in distribution costs, service connection costs and service reconnection costs in effect, except for the residential tariffs;
- ii) An additional 5% average increase in distribution costs, to be applied to the execution of the works and infrastructure plan detailed in the Adjustment Agreement;
- iii) Implementation of the Cost Monitoring Mechanism ("CMM") contemplated in the Adjustment Agreement, which for the six-month period commenced November 1, 2005 and ended April 30, 2006, shows a percentage of 8.032%. This percentage will be applied to non-residential consumption recorded from May 1, 2006 through January 31, 2007;
- iv) Invoicing in 55 equal and consecutive monthly installments of the differences arising from the application of the new electricity tariff schedule for non-residential consumption recorded from November 1, 2005 through January 31, 2007 (paragraphs i) and ii) above) and from May 1, 2006 through January 31, 2007 (paragraph iii) above);
- v) Invoicing of the differences corresponding to deviations between foreseen physical transactions and those effectively carried out and of other concepts related to the MEM, such as the Specific fee payable for the Expansion of the Network, Transportation and Others;
- vi) Presentation, within a period of 45 calendar days from the issuance of this resolution, of an adjusted annual investment plan, in physical and monetary values, in compliance with the requirements of the Adjustment Agreement.

Resolution 434/2007 established, among other things, that the obligations and commitments set forth in section 22 of the Adjustment Agreement be extended until the date on which the electricity tariff schedule resulting from the RTI goes into effect, allowing Edenor S.A. and its shareholders to resume the legal actions suspended as a consequence of the Adjustment Agreement if the new electricity tariff schedule does not go into effect.

II. Tariff Structure Review (RTI)

On July 30, 2008, the Energy Secretariat issued Resolution 865/08 which modifies Resolution 434/07 and establishes that the electricity tariff schedule resulting from the RTI will go into effect in February 2009. At the date of issuance of these financial statements, no resolution has been issued concerning the application of the electricity tariff schedule resulting from such process.

The ENRE began the Tariff Structure Review Process with the issuance of Resolution 467/08. On November 12, 2009, the Company made its revenue request presentation for the new period, which included the grounds and criteria based on which the request was made. As from that moment, the Company has made successive and reiterated presentations aimed at ending the aforementioned process as well as obtaining the new electricity tariff schedule. Among them, a Preliminary Administrative Action ("Reclamo Administrativo Previo") was filed before the Ministry of Federal Planning, Public Investment and Services in March 2012 and a petition for the immediate resolution thereof was made

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por Comisión Fiscalizadora


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in October 2012. In the Company's opinion, this claim has come to an end due to the issuance of SE Resolution 250/13 dated May 2013.

Additionally, in June 2013, the Company filed a complaint against the Federal Government claiming full compliance with the Adjustment Agreement. The complaint was amended in November 2013 and in February 2014 a petition for the granting of a precautionary measure for the same purpose was filed. Both actions are in process.

III. PUREE - CMM (Program for the Rational Use of Electric Power - Cost Monitoring Mechanism)

On May 7 and November 6, 2013, the Energy Secretariat issued SE Resolution 250/13 and Note 6852/13, respectively, whereby it:

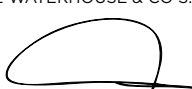
- a) Authorized the values of the adjustments resulting from the Cost Monitoring Mechanism (CMM) for the period May 2007 through September 2013, determined in accordance with Section 4.2 of the Adjustment Agreement, but without initiating the review process contemplated in the event of variations exceeding 5%.
- b) Assessed the Company's debt at September 30, 2013 deriving from the application of the Program for the Rational Use of Electric Power (PUREE) for the period May 2007 through September 2013.
- c) Authorized the Company to offset until September 2013 the debt indicated in paragraph b) against and up to the amount of the receivables established in paragraph a), including interest, if any, on both amounts.
- d) Instructed CAMMESA to issue Sale Settlements with Maturity Dates to be Determined (Liquidaciones de Venta con Fecha de Vencimiento a Definir - LVFVD) for the CMM surplus amounts after the offsetting process indicated in paragraph c) has been carried out.
- e) Authorized CAMMESA to receive LVFVD as part payment for the debts deriving from the economic transactions of the Wholesale Electricity Market (MEM). This amount at December 31, 2013 was offset by surpluses CMM (Notes 13 and 21).
- f) Instructed the Company to assign the credits from the surplus LVFVD, if there were any, after having complied with that established in the preceding paragraph, to the trust created under the terms of ENRE Resolution 347/12 (FOCEDE).

The Energy Secretariat, if deemed timely and suitable, may extend, either totally or partially, the application of the aforementioned resolution and note pursuant to the information provided by the ENRE and CAMMESA.

Consequently, as of December 31, 2013, the amount recorded by the Company as revenue from the recognition of higher costs resulting from the CMM, net of the revenue recorded in prior years, amounts to \$ 2.9 billion, which is the total amount recognized by SE Resolution 250/13 and SE Note 6852/13,

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

and has been disclosed in the "Higher costs recognition - SE Resolution 250/13 and SE Note 6852/13 " line item of the Statement of Comprehensive Income (Loss). Additionally, it has recognized net interest for \$ 197.5 million included in the "Financial interest" line item within the "Financial income" account of the Statement of Comprehensive Income (Loss).

The Company estimates that the remaining LVFVD will be issued and offset or paid within the next fiscal year.

The impact of SE Resolution 250/13 and SE Note 6852/13 on both the Statement of financial position and the Statement of comprehensive income (loss) is summarized below:

Statement of Financial Position

		2013		
		Res. SE 250/13	Nota SE 6852/13	Total
Other receivables				
Cost Monitoring				
Mechanism	a	2,254,953	723,630	2,978,583
Net interest CMM - PUREE	c	172,939	24,570	197,509
Other payables - Program for the rational use of electric power	b	(1,387,037)	(274,068)	(1,661,105)
Payables for purchase of electricity - CAMMESA	e	(678,134)	(474,132)	(1,152,266)
LVFVD to be issued		362,721	-	362,721

Statement of Comprehensive Income (Loss):

		2013	Recognized in prior years but not offset	Subtotal	Recognized in prior years and offset	Total
Higher costs recognition - Resolution SE 250/13"	a	2,933,052	45,530	2,978,582	91,262	3,069,844
Financial income - Financial interest	c	197,509	-	197,509	-	197,509
		3,130,561	45,530	3,176,091	91,262	3,267,353

With the publication of the above-described SE Resolution 250/13, the Energy Secretariat, in the Company's opinion, has explicitly and implicitly resolved the administrative claim duly filed, partially upholding the Company's claim and with the consequences that in such regard establishes section 31 of the Administrative Procedure Law, for which reason such Claim has come to an end with the issuance of the aforementioned administrative resolution. Taking into account that which has been previously mentioned, on June 29, 2013, the Company brought an action to prevent the actions to claim full compliance with the Adjustment Agreement and compensation for damages due to such non-compliance from being time barred.

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



Additionally, due to the increase recorded in operating and maintenance costs in accordance with the criterion of the polynomial formula contemplated in the Adjustment Agreement, as of the date of issuance of these Financial Statements, the Company has submitted to the ENRE the CMM adjustment request, in accordance with the following detail:

Period	Application Date	CMM Adjustment
May 2013 – October 2013	November 2013	7.90%

Furthermore, the CMM adjustment values relating to the October–December 2013 period that have been neither transferred to the tariff nor authorized to be collected by other means amount, after applying SE Resolution 250/13 and SE Note 6852/13, to approximately \$ 347.9 million. Furthermore, as of December 31, 2013, the balance relating to the PUREE, after applying SE Resolution 250/13 and SE Note 6852/13, amounts to \$ 108.6 million (Note 22), \$ 72.6 million of which have been submitted to the ENRE as of that date in accordance with the procedure in effect.

Additionally, and with regard to that mentioned in paragraphs (d) and (c) of caption c.III of this note, on December 6, 2013, the Company challenged and rejected debit notes for a total of \$ 196 million issued by CAMMESA for late payment charges, maturing on December 9, 2013. The reason for challenging and rejecting such debit notes is based on the fact that SE Resolution 250/13 not only established a special system for the payment of the Company's debts until February 2013 but also included the corresponding authorizations and instructions for CAMMESA.

In the framework of the aforementioned Resolution, the fact that the term thereof has been extended by SE Note 6852/13 constitutes part performance. The lack of issuance of the LVFVD is not within the Company's competence; thus it is not its responsibility.

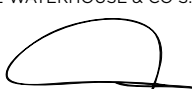
IV. Electricity tariff schedules

The Energy Secretariat issued Resolution 1169/08 which approved the new seasonal reference prices of power and energy in the Wholesale Electricity Market ("MEM"). Consequently, the ENRE issued Resolution 628/08 which approved the values of the electricity tariff schedule to be applied as from October 1, 2008. The aforementioned electricity tariff schedule included the transfer of the increase in the seasonal energy price to tariffs, with the aim of reducing Federal Government grants to the electricity sector, without increasing the Company's distribution added value.

On June 15, 2012, the National Energy Secretariat established the Seasonal Prices to be paid by the customers served by the agents who provide the public service of electricity distribution of the MEM in order for them to be consistent with the situation existing in winter and compatible with payment capacity of the different social classes comprising the residential customer category of the referred to agents' electricity tariff schedules. For such purpose, the Energy Secretariat issued Resolution 255/12 which suspended the application of sections 6, 7, and 8 of SE Resolution 1169/08 from June 1, 2012 through September 30, 2012. Furthermore, it established the energy reference prices in the Market, applicable to the June 1–July 31, 2012 and the August 1–September 30, 2012 periods, for the different customer categories. Additionally, it established the application of SE Resolution 1301/11, and other complementary regulations and instructions, to all the customers falling within the scope thereof (section 8 of SE Resolution 255/12).

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

Furthermore, on November 30, 2012, Edenor S.A. was notified of Resolution 2016 of the Energy Secretariat, which approved the MEM Summer Scheduling for November 1, 2012-April 30, 2013 period, calculated in accordance with the "Scheduling of Operation, Load Dispatch and Price Calculation Procedures". Additionally, it establishes the application as from November 1, 2012 of the Subsidized Seasonal Reference Prices defined in Appendix I for each Distribution Agent identified therein. It is also established that the Un-Subsidized Seasonal Reference Price in the MEM is kept at an annual average value of \$320 Mwh and that the values to be transferred to final tariffs are in no case to exceed the Un-Subsidized Reference Prices established for each Distribution Agent.

As in previous years, Resolution 1037/07 of the Energy Secretariat, ratified by Note 1383/08 of that Secretariat, continued to produce effects. The aforementioned resolution modified the earmarking of the funds resulting from the application of the Program for the Rational Use of Electric Power ("PUREE"), being it possible to deduct therefrom a) the amounts paid by the Company as Quarterly Adjustment Coefficient ("CAT") implemented by Section 1 of Law No. 25,957, to calculate the total value of the National Fund of Electricity (FNEE); and b) the amounts corresponding to the electricity tariffs adjustments due to the application of the Cost Monitoring Mechanism ("CMM") established in the Adjustment Agreement, until the transfer to tariff of either of the aforementioned concepts, as applicable, is recognized.

V. ENRE Resolution 347/12

On November 23, 2012, ENRE issued Resolution 347 pursuant to which distribution companies were authorized, as from the issuance thereof, to include in billing a fixed amount for small-demand (T1) customers and a variable amount for medium and large-demand (T2 and T3) customers, to be calculated on a percentage of power charges. Such amounts, which are clearly indicated in the bills sent to customers, constitute a special account, which is managed by a Trust, to be exclusively used for the execution of distribution infrastructure works and corrective maintenance of each distribution company's facilities. This Trust will be administered by an Implementation Committee comprised of 5 members (1 from Economy and Public Finance Ministry, 2 from Planning Ministry, 1 from CAMMESA and 1 from the ENRE).

As established in such Resolution, on November 29, 2012, the Company, in its capacity as Trustor, and Nación Fideicomisos S.A., as Trustee, entered into a private Financial and Management Trust Agreement, whereby the Company, as settlor of the trust, agreed to assign and transfer to the Trustee the fixed amounts set forth by Resolution 347 that are effectively collected, which will constitute the trust assets. Such agreement was ratified and approved by the Company Board of Directors on December 11, 2012.

On December 18, 2012, the Company and Nación Fideicomisos S.A., signed the respective Operating Manual, whose purpose is to implement, standardize, and enable the collection and management of the trust assets. On that date, the Company Board of Directors approved the Operating Manual and appointed its attorneys-in-fact to represent the Company before Nación Fideicomisos S.A. in issues related to the Trust and its Operating Manual.

On July 4, 2013, the Company and Nación Fideicomisos S.A. signed an Addendum to the private Financial and Management Trust Agreement entered into by the parties on November 29, 2012.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



In the aforementioned Addendum it is agreed that Nación Fideicomisos S.A., in its capacity as trustee, will issue, in accordance with the public offering system authorized by the National Securities Commission (CNV), "Debt Securities" (VRD) to be offered to the market for a nominal value of up to \$ 312.5 million. The proceeds will be used to finance the payment of the Company's investment plan.

On July 4, 2013, VRDs for \$ 250 million were issued through a private placement. A subsequent public offering of these debt securities, with the possibility of being paid-in in kind is estimated. The VRD will accrue interest at Private BADLAR rate plus a spread of 4% and will be amortized in 5 years with increasing installments.

In this regard, such agreement stipulates that payment obligations under the VRD will be solely and exclusively the obligations of Nación Fideicomisos S.A. (to the extent that the trust assets are sufficient) and will not imply in any way whatsoever any guarantee or recourse against the Company, which in no case will be liable for the non-payment, whether total or partial, of any amount owed under the VRD or any other concept contemplated by the Trust Agreement duly signed.

Additionally, on January 3, 2014, by Resolution 3/2014 of the Ministry of Federal Planning, Public Investment and Services, it was established that the investments to be made with the funds of the Fund for Electric Power Distribution Expansion and Consolidation Works (FOCEDE) will be decided by the Management Control and Coordination Under-Secretariat, which will provide the necessary instructions for the carrying out of the works and investments under the FOCEDE to the Execution Committee of the trust as well as to electricity distribution companies Edenor S.A. and Edesur S.A.

By Resolution 266/14 dated January 24, 2014, a technical commission to participate and give advice to the Management Control and Coordination Undersecretariat on technical and economic matters as well as on other issues relating to the investments to be made with the FOCEDE funds was created. This commission will be comprised of one representative of the National Regulatory Authority for the Distribution of Electricity (ENRE), one representative of the Energy Secretariat, one representative of the Public Works Secretariat, both under the authority of the Ministry of Federal Planning, Public Investment and Services. The Economy and Public Finance Ministry and the National Comptroller's Office (SIGEN) will also be invited to participate.

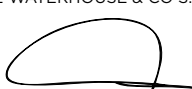
d. Framework agreement

On January 10, 1994, the Company, together with EDESUR S.A., the Federal Government and the Government of the Province of Buenos Aires entered into a Framework Agreement, whose purpose was to establish the guidelines under which the Company is to supply electricity to low-income areas and shantytowns.

On July 22, 2011, the Company entered into an Addendum with the Federal Government and the Government of the Province of Buenos Aires, for the renewal for a term of four years of the New Framework Agreement that had been signed on October 6, 2003. Such extension was approved on September 21, 2012 by Resolution 248/12 issued by the ENRE and ratified by the Ministry of Federal Planning, Public Investment and Services through Resolution 247.

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

With regard to the amount receivable the Company has with the Province of Buenos Aires, on October 18, 2012 the Company entered into an Agreement for the Settlement of Non-financial Obligations and Subscription of Buenos Aires Province Government Bonds, pursuant to which the Company agreed to receive an amount of \$ 0.3 million in cash and subscribe Series B Bonds for a residual nominal value of \$ 6.14 million, as settlement of the debt that at December 31, 2010 such Province had with the Company for the electric power supplied to low-income areas.

As of December 31, 2013 and 2012, receivable balances with the Federal Government and the Government of the Province of Buenos Aires amounted \$ 56.9 million and \$ 25.4 million, respectively.

e. Penalties

i. General

The ENRE is empowered to control the quality levels of the technical product and service, the commercial service and the compliance with public safety regulations, as established in the Concession Agreement. If the Distribution Company fails to comply with the obligations assumed, the ENRE will be entitled to apply the penalties stipulated in the Concession Agreement.

As of December 31, 2013 and 2012, the Company has accrued the penalties for resolutions not yet issued by the ENRE relating to the control years elapsed as of those dates. Additionally, the Company has applied the adjustment contemplated in the temporary tariff structure as well as the adjustments established by the electricity tariff schedules applied during fiscal year 2008, Resolutions Nos. 324/08 and 628/08.

The ENRE Penalties and Discounts included in the Adjustment Agreement are adjusted as stipulated in such agreement, whereas the penalties imposed subsequent to the Adjustment Agreement are adjusted as established in each of the resolutions pursuant to which such penalties are imposed.

Furthermore, as of December 31, 2013, the Company Management has considered that the ENRE has mostly complied with the obligation to suspend lawsuits aimed at collecting penalties, without prejudice to maintaining an open discussion with the entity concerning the effective date of the Adjustment Agreement and, consequently, concerning the penalties included in the renegotiation and those subject to the criteria of the Transition Period.

ii. Specific situations

Due to the events occurred between December 20 and December 31, 2010 in Edenor's concession area, on February 9, 2011, the Company was notified of ENRE Resolution 32/11, whereby it was fined in the amount of \$ 1.1 million and ordered to compensate those customers who had been affected by the power supply cuts for an amount which, as of December 31, 2013, arose approximately to \$ 36.6 million. Those amounts have been recorded in the Other current payables account.

Edenor S.A. filed a Direct Appeal with the Appellate Court in Contentious and Administrative Federal Matters No. I, requesting that the Resolution be declared null and void. Additionally, the Company filed -with the same Court- a petition for the granting of a precautionary measure, aimed at suspending the application of the fine imposed until a decision on the direct appeal is issued. On March 23, 2011, the court ordered

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PRICE WATERHOUSE & CO S.R.L.


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



the suspension of the penalty (payment of the amounts imposed), until a decision on the precautionary measure petition filed by Edenor S.A. is rendered. Against this decision, the ENRE filed a post-judgment motion for reversal (“Recurso de Reposición”) which was rejected in all its terms. On April 28, 2011, the Court rejected the precautionary measure petition filed. Therefore, Edenor S.A. filed an extraordinary federal appeal (“Recurso Extraordinario Federal”), which –after having been made available to the ENRE– was dismissed. The Company then filed an appeal (“Recurso de Queja por apelación denegada”) with the Supreme Court requesting that the rejected extraordinary federal appeal be sustained, which as of to date has not been resolved. Furthermore, on July 8, 2011, Edenor S.A. requested that notice of the substance of the case be served on the ENRE. Having this procedural step been carried out and the service of notice been answered, the proceedings are awaiting resolution.

On November 15, 2012, the Company was notified by the Regulatory Authority of ENRE Resolution 336/12, whereby the Regulatory Standards Compliance and Management Department of the ENRE was instructed to immediately initiate the corresponding penalty procedure pursuant to which distribution companies Edenor S.A. and Edesur S.A. are required to: a) determine the customers affected by the power cuts occurred as a consequence of failures between October 29 and November 14, 2012; b) determine the discounts to be recognized to each of them, and; c) credit them on account of the final discounts that will result from the evaluation of the Technical Service Quality relating to the six-month control period.

In addition, it was resolved that the Company and EDESUR S.A. be ordered to pay a compensation to each small-demand residential customer (T1R) who had been affected by the power supply cuts occurred during the aforementioned period, the amount of which will depend on the electricity outage duration, provided, however, that such power cut lasted more than 12 continuous hours. The provision recorded by the Company for penalties and compensations amounts to \$ 16.7 million.

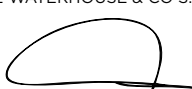
On April 24, 2013, the Company was notified of the Appellate Court’s decision dated March 21, 2013, pursuant to which the appeal filed by Edenor against Resolution 32/11 was declared formally inadmissible due to the Company lack of payment of the fine imposed by the ENRE as a necessary prerequisite to having access to the judicial instance. The Company has filed an appeal against such pronouncement with the Supreme Court.

Due to the power supply cuts that occurred as a consequence of the high temperatures recorded between December 16, 2013 and January 2, 2014 in Edenor’s concession area, on January 7, 2014 the Company was notified of Resolution 3/14 pursuant to which the ENRE instituted legal proceedings and brought charges due to the Company’s failure to: 1) comply with the provisions of section 25 sub-sections a), f) and y) of the Concession Agreement, section 27 of Law No. 24,065, and ENRE Resolution 905/99; and 2) apply in due time the surplus funds of the FOCEDA (created by ENRE Resolution 347/12) exclusively earmarked for the execution of infrastructure and corrective maintenance works in its concession area, the Company filed its reply within the terms and under the formalities prescribed by the law.

Also, on January 7, 2014, Edenor S.A. was notified of ENRE Resolution 1/14, whereby the Company was ordered to pay compensation to each small-demand residential customer (T1R) who had been affected by the power cuts that lasted more than 12 continuous hours from December 16, 2013 until that time when the service was fully restored. Such compensation, in the case of customers who had been affected by the power cuts dealt with in ENRE Resolution 32/2011, is to be increased by 100%. The Company has appealed

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PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

this resolution before the Energy Secretariat, nevertheless it has begun the process to pay customers by way of discounts the amounts ordered as compensation, the estimated amount of which totals \$ 77.5 million. Such amount has been recorded in the Other payables account. By Resolution 2/14 of the Ministry of Federal Planning, Public Investment and Services, notified to the Company on January 7, 2014, it was established that public utility companies are to adopt all the necessary measures to implement a call center that will be available to all customers in the event of emergency and lack of service. This 24/7 service will be implemented through a toll-free telephone number and will have that number of human resources as may be necessary to respond to the totality of the claims to be made.

Furthermore, in the framework of the previously described power outage, by Resolution 9/14 notified to the Company on January 15, 2014, the ENRE instructed both distribution companies to affect a higher number of human resources, either the companies' own or contracted, to take care of the power supply cuts suffered by their customers due to failures in networks or facilities, and to have a continuous vehicle monitoring system in place. This resolution, which will be appealed in due time and in proper form, will nevertheless be complied with.

f. Restriction on the transfer of the Company's common shares

The by-laws provide that Class "A" shareholders may transfer their shares only with the prior approval of the ENRE. The ENRE must communicate its decision within 90 days upon submission of the request for such approval, otherwise the transfer will be deemed approved.

Furthermore, Caja de Valores S.A. (the Public Register Office), which keeps the Share Register of the shares, is entitled (as stated in the by-laws) to reject such entries which, at its criterion, do not comply with the rules for the transfer of common shares included in (i) the Argentine Business Organizations Law, (ii) the Concession Agreement and (iii) the Company's by-laws.

In addition, the Class "A" shares will be pledged during the entire term of the concession as collateral to secure the performance of the obligations assumed under the Concession Agreement.

Other restrictions:

- > In connection with the issuance of Corporate Notes, during the term thereof, EASA is required to be the beneficial owner and owner of record of not less than 51% of the Company's issued, voting and outstanding shares.
- > In connection with the Adjustment Agreement signed with the Grantor of the Concession and ratified by Decree No. 1957/06, Section ten stipulates that from the signing of the agreement through the end of the Contractual Transition Period, the majority shareholders may not modify their ownership interest nor sell their shares.
- > In connection with the restructuring of the totality of EASA's financial debt, if EASA did not comply with its payment obligations under the new debt, its creditors could obtain an attachment order against the Company's Class A shares held by EASA, and, consequently, the Argentine Government would be entitled, as stipulated in the concession agreement, to foreclose on the pledged shares.

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PRICE WATERHOUSE & CO S.R.L.


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



g. Concession of the use of real property

Pursuant to the Bid Package, SEGBA granted the Company the free use of real property for periods of 3, 5 and 95 years, with or without a purchase option, based on the characteristics of each asset, and the Company would be responsible for the payment of any taxes, charges and contributions levied on such properties and for the taking out of insurance against fire, property damage and third-party liability, to SEGBA's satisfaction.

The Company may make all kind of improvements to the properties, including new constructions, upon SEGBA's prior authorization, which will become the grantor's property when the concession period is over, and the Company will not be entitled to any compensation whatsoever. SEGBA may terminate the loan for use contract after demanding the performance by the Company of any pending obligation, in certain specified cases contemplated in the Bid Package. At present, as SEGBA's residual entity has been liquidated, these presentations and controls are made to the National Agency of Public Properties (ONABE), with which the Company entered into a debt recognition and refinancing agreement for \$ 4.7 million on September 25, 2009.

The form of payment stipulated in the aforementioned agreement established an advance payment of \$ 1.12 million, which the Company made on September 25, 2009, and 48 installments of \$ 0.1 million for the remaining balance of \$ 3.6 million. The installments include compensatory interest of 18.5% per annum under the French system, and are payable as from October 2009. As of December 31, 2013, the above-mentioned debt has been fully paid.

h. Stabilization factor

By Note 2883 dated May 8, 2012 (reference Resolutions MEyFP 693/11 and MPFIPyS 1900/11), the Energy Secretariat has implemented a mechanism whose objective is to keep the amounts billed to residential customers throughout the year stable, thereby minimizing the effects of the seasonal consumption of electricity.

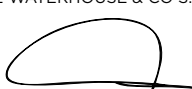
This methodology applies to all residential customers, regardless of whether or not they receive Government grants on electricity tariffs, who may opt to adhere to this stabilization system.

Average consumption is determined based on the consumption recorded in the last six two-month periods. The stabilization factor arises from the difference between the aforementioned average consumption and the consumption recorded in the current two-month period. This value will be added to or subtracted from the two-month period charges, and the result obtained will be the amount to be paid before the corresponding taxes. The adjustments that are to be made in accordance with the differences between average consumption and recorded consumption will be reflected in the bill for the last two-month period of each calendar year.

The differences that arise as a consequence of comparing the annual average consumption to the consumption of the current two-month period will be recorded at the end of each period in the trade receivables balance sheet account, crediting or debiting the account, as the case may be, if the annual average consumption is higher or lower than the consumption of the current two-month period.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

3. Basis of preparation

The Consolidated Financial Statements for the year ended December 31, 2013 have been prepared in accordance with TR 26 of the FACPCE which adopts International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC). These standards have been adopted by the CNV.

The balances as of December 31, 2012, disclosed in these Consolidated Financial Statements for comparative purposes, arise from the financial statements as of that date. Certain amounts of the financial statements presented for comparative purposes have been reclassified following the disclosure criteria used for the financial statements for the reporting year, mainly due to discontinued operations (Note 37).

The Consolidated Financial Statements are stated in thousands of Argentine pesos, unless specifically indicated otherwise.

These Consolidated Financial Statements were approved for issue by the Company Board of Directors on March 7, 2014.

4.Accounting policies

The accounting policies used in the preparation of these Consolidated Financial Statements are based on the IFRS.

4.1 Changes in the accounting policies

4.1.1 New standards, amendments and interpretations mandatory for annual periods beginning January 1, 2013 and adopted by the Company

The following standard is mandatory for the Company as from the current year and has had no significant impact on its financial position or the results of its operations.

IFRS 13 "Fair value measurement": this standard was issued in May 2011 and determines a single framework for fair value measurements when fair value is required by other standards. This IFRS applies to financial and non-financial elements measured at fair value, where fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 "Fair value measurement" requires the disclosure of financial instruments that are measured at fair value by levels.

4.1.2 New standards, amendments and interpretations not effective and early adopted by the Company

IFRS 9 "Financial instruments" was issued in November 2009 and amended in October 2010 and introduces new requirements for the classification, measurement and derecognition of financial assets and liabilities.

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



It requires that all financial assets within the scope of IAS 39 “Financial instruments – Recognition and measurement” be subsequently measured at amortized cost or fair value. Therefore, the investments in debt instruments that are maintained within a business model whose objective is to collect the contractual future cash flows, and these cash flows are solely payments of principal and interest on principal, are measured at amortized cost at year-end. The other investments in debt or equity instruments are measured at fair value at year-end.

The most significant effect of IFRS 9 concerning the classification and measurement of financial liabilities refers to the accounting for changes in the fair value of financial liabilities (designated as financial liabilities at fair value through profit or loss) as a consequence of changes in the credit risk of such liabilities. Therefore, the amount of change in the fair value of financial liabilities as a consequence of changes in the credit risk of that debt is recognized in other comprehensive income, unless such recognition would create an accounting mismatch.

4.1.3 New standards, amendments and interpretations not effective and not early adopted by the Company

IAS 36 (revised 2013) “Impairment of assets”; applicable to annual periods beginning on or after January 1, 2014. This standard was issued in May 2013. It amended the disclosure requirements concerning the fair value of impaired assets, if such value is based on the recoverable amount less costs to sell. The application of the amendment to IAS 36 will have no impact on the Company’s results of operations or its financial position; it will only imply new disclosures.

IFRIC 21 “Levies”; applicable to annual periods beginning on or after January 1, 2014. This standard was issued in May 2013. It provides guidance on when to recognize a liability for a levy imposed by the government, both for levies that are accounted for in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and those where the timing and amount of the levy is certain. The Company is currently analyzing the impact of IFRIC 21 “Levies”; however, it estimates that the application thereof will have no significant impact on the Company’s results of operations or its financial position.

4.2 Property, plant and equipment

The total value of property, plant and equipment transferred by SEGBA on September 1, 1992 was allocated to individual assets accounts on the basis of engineering studies conducted by the Company.

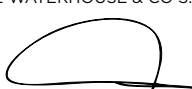
The value of property, plant and equipment was determined based on the price effectively paid by EASA for the acquisition of 51% of the Company’s capital stock.

SEGBA neither prepared separate financial statements nor maintained financial information or records with respect to its distribution operations or the operations in which the assets transferred to EDENOR were used. Accordingly, it was not possible to determine the historical cost of transferred assets.

Additions subsequent to such date have been valued at acquisition cost, net of the related accumulated depreciation. Depreciation has been calculated by applying the straight-line method over the remaining useful life of the assets, which was determined on the basis of the above-mentioned engineering

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

studies. Furthermore, in order to improve the disclosure of the account, the Company has made certain changes in the classification of property, plant and equipment based on each technical process.

In accordance with the provisions of IAS 23, borrowing costs in relation to any given asset are to be capitalized when such asset is in the process of production, construction, assembly or completion, and such processes, due to their nature, take long periods of time; those processes are not interrupted; the period of production, construction, assembly or completion does not exceed the technically required period; the necessary activities to put the asset in condition to be used or sold are not substantially complete; and the asset is not in condition so as to be used in the production or startup of other assets, depending on the purpose pursued with its production, construction, assembly or completion.

Subsequent costs (major maintenance and reconstruction costs) are either included in the carrying amount of the assets or recognized as a separate asset, only if it is probable that the future benefits associated with the assets will flow to the Company, being it possible as well that the costs of the assets may be measured reliably and the investment will improve the condition of the asset beyond its original state. The other maintenance and repair expenses are recognized in profit or loss in the year in which they are incurred.

Impairment test

The Company analyzes the recoverability of its non-current assets on a periodical basis or when events or changes in circumstances indicate that the recoverable amount of assets, which is measured as the value in use at year end, may be impaired. When the carrying amount of an asset is greater than its estimated recoverable amount, the asset's carrying amount is immediately reduced up to its recoverable amount.

The value in use is determined based on projected and discounted cash flows, using discount rates that reflect the time value of money and the specific risks of the assets considered.

Cash flows are prepared on the basis of estimates concerning the future performance of certain variables that are sensitive to the determination of the recoverable amount, among which the following can be noted: (i) nature, opportunity and modality of electricity tariff increases and cost adjustment recognition; (ii) demand for electricity projections; (iii) evolution of the costs to be incurred, and; (iv) macroeconomic variables, such as growth rates, inflation rates and foreign currency exchange rates.

The future increase in electricity tariffs used by the Company to assess the recoverability of its long-lived assets at December 31, 2013 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 these Financial Statements. 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 measures recently adopted, such as the new charge described in Note 2.c.V 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 2014.

Véase nuestro informe de fecha 7/3/2014
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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



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 tariffs 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 an acceptable agreement with the Government resulting in gradual tariff increases is assumed, the Company has considered different timing and magnitude of an increase in the DAV (Distribution Added Value). The three scenarios can be classified into pessimistic, optimistic and intermediate depending on the opportunity of the application and magnitude of the expected CMM adjustment or revenue increase by another mechanism. The Company has assigned for these three scenarios the following percentages of probability of occurrence based mainly on the experience with past delays in the tariff renegotiation process, the current economic and financial situation and the need to maintain the public service in operation: pessimistic scenario: 20%, optimistic scenario: 15%, and intermediate scenario: 65%.

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 December 31, 2013.

As of December 31, 2013, the main assumptions and variables used by Management to make the projections in order to assess the recoverability of fixed assets at December 31, 2012 remain unchanged. In the opinion of the Company Management, a reasonable change in the main assumptions would not give rise to an impairment loss.

Finally, and in accordance with the concession agreement, the Company may not pledge the assets used in the provision of the public service nor grant any other security interest thereon in favor of third parties, without prejudice to the Company's right to freely dispose of those assets which in the future may become inadequate or unnecessary for such purpose. This prohibition does not apply in the case of security interests granted over an asset at the time of its acquisition and/or construction as collateral for payment of the purchase and/or installation price.

The residual value and the remaining useful lives of the assets are reviewed and adjusted, if appropriate, at the end of each fiscal year (reporting period).

Land is not depreciated.

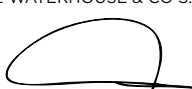
These depreciation methods are used to allocate the difference between cost and residual value during the estimated useful lives of the assets.

Facilities in service: between 30 and 50 years

Furniture, tools and equipment: between 5 and 20 years

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

Construction in process is valued based on the degree of completion and is recorded at cost less any impairment loss, if applicable. Cost includes expenses attributable to the construction, including capitalized borrowing costs in accordance with IFRS and the Company's accounting policies, when they are part of the cost incurred for the purposes of acquisition, construction or production of property, plant and equipment which require considerable time until they are in condition to be used. Borrowing costs are no longer capitalized when the asset has been substantially finished or its development has been suspended. These assets begin to be depreciated when they are in economic condition to be used.

Gains and losses from the sale of property, plant and equipment are calculated by comparing the price collected with the carrying amount of the asset, and are recognized within Other operating expense or Other operating income in the consolidated statement of comprehensive loss.

4.3 Consolidation

a. Subsidiaries

The consolidated financial statements include in the comparative information as of December 31, 2012, the Company's financial statements as well as those of its subsidiaries. The subsidiary companies are all those entities over which the economic group has control and the right to govern the financial and operating policies so as to obtain variable benefits from their activities, affecting their income. The subsidiaries are fully consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases

The main consolidation adjustments are as follow:

1. Elimination of asset and liability accounts balances between the parent company and the subsidiaries, so that the balances disclosed in the financial statements are those held with third parties;
2. Elimination of transactions/operations between the parent company and the subsidiaries, so that the results disclosed in the financial statements are those obtained with third parties;
3. Elimination of interests held in the subsidiaries' equity and results of operations for each year;
4. Recognition of assets and liabilities identified in business combination processes.

b. Changes in ownership interest in subsidiaries that do not result in a loss of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions. The difference between the fair value of the consideration paid for the shares acquired and the recorded value of the subsidiary's net assets is recorded in equity.

c. Disposal of subsidiaries

When the Company ceases to have control in a subsidiary, any retained investment is measured at fair value at the date that control is lost, recognizing the change in the recorded value in the statement of

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PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



comprehensive income. The fair value is the cost on initial recognition of the investment held, being recorded as an associate, joint venture or financial asset, as applicable.

d. Interests in joint ventures

The Company has early adopted the application of IFRS 11 as from January 1, 2011, the main concepts of which are as follow:

- i. A joint arrangement takes place among two or more parties when they have joint control: joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
- ii. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Such parties are called joint venturers.
- iii. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are called joint operators.

The Company accounts for its investment in joint ventures in accordance with the equity method. Under this method, the interest is initially recognized at cost and subsequently adjusted by recognizing the Company's share in the profit or loss obtained by the joint venture, after acquisition date. The Company recognizes in profit or loss its share of the joint venture's profit or loss and in other comprehensive income its share of the joint venture's other comprehensive income.

When the Company carries out transactions in the joint ventures, the generated profit and losses are eliminated in accordance with the percentage interest held by the Company in the joint venture.

The accounting policies of joint ventures have been modified, if applicable, to guarantee consistency with the policies adopted by the Company.

4.4 Revenue recognition

a. Revenue from sales

Revenue is measured at fair value of the consideration collected or to be collected, taking into account estimated amount of any discount, thus determining the net amounts.

Revenue from the electricity provided by the Company to low-income areas and shantytowns is recognized to the extent that the Framework Agreement has been renewed for the period in which the service was rendered.

Revenue from operations is recognized on an accrual basis and derives mainly from electricity distribution. Such revenue includes both the electricity supplied, whether billed or unbilled at the end of each year, which has been valued on the basis of applicable tariffs, and the charges resulting from the application of Resolution 347/12 (Note 2.c.V).

Véase nuestro informe de fecha 7/3/2014
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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

The Company also recognizes revenue from other concepts included in distribution services, such as new connections, reconnections, rights of use on poles, transportation of electricity to other distribution companies, etc.

Revenue from CMM (Cost Monitoring Mechanism) amounts is recognized in the accounting to the extent that they have been approved by the ENRE (Note 2.c.III).

The aforementioned revenue from operations was recognized when all of the following conditions were met:

1. the entity transferred to the buyer the significant risks and rewards;
2. the amount of revenue was measured reliably;
3. it is probable that the economic benefits associated with the transaction will flow to the entity;
4. the costs incurred or to be incurred, in respect of the transaction, were measured reliably.

b. Revenue from construction

The construction of the infrastructure necessary for the subsidiary EDEN S.A. to distribute electricity is considered a service rendered to the concession authority and the corresponding revenue is reflected at cost within the sales account.

Different asset construction agreements have been instrumented where the buyer only has limited influence in the design of the construction. In IFRIC 12 application framework, IAS 18 is applied to recognize revenue from such construction agreements. In accordance with this standard, revenue from the transfer of infrastructure must be recognized at the time of the exchange of the assets, in which the risks and rewards are transferred to the buyer. Therefore, unfinished works are included within the Assets under Construction account. EDEN does not recognize a margin for this type of constructions, except in the case of construction works with customer contributions.

c. Interest income

Interest income is recognized by applying the effective interest rate method. Interest income is recorded in the accounting on a time basis by reference to the principal amount outstanding and the applicable effective rate.

Interest income is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the transaction can be measured reliably.

4.5 Segment information

Operating segments reporting is consistent with the internal reports revised by the Executive Committee, which is the maximum authority for making decisions concerning operating issues. The Executive Committee is responsible for assigning resources and assessing the performance of the

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entity's operating segments, and has been identified as the body which carries out the Company's strategic decisions

4.6 Assets and liabilities of disposal group classified as held for sale

The subsidiaries' assets and liabilities that have been made available for sale are classified as Assets available for sale and Associated liabilities when the carrying amount will be mainly recovered through a sale transaction, and this transaction is regarded as highly probable.

These assets are valued at the lower of the carrying amount and fair value less costs to sell.

The amounts recognized in profit or loss relating to discontinued operations have been included in a single line item of the Company's consolidated statement of comprehensive income (loss) called "Discontinued operations".

4.7 Effects of the changes in foreign currency exchange rates

a. Functional and presentation currency

The information included in the financial statements of each of the entities comprising the group is measured using the latter's functional currency, which is the currency of the main economic environment in which the entity operates. The consolidated financial statements are presented in pesos (legal currency in Argentina for all the companies domiciled therein), which is also the presentation currency of the group.

b. Transactions and balances

Foreign-currency denominated transactions are translated into the functional and presentation currency using the rates of exchange prevailing at the date of the transactions or revaluation, when the concepts thereof are restated. Gains and losses generated by foreign currency exchange differences resulting from each transaction and from the translation of monetary items valued in foreign currency at year end are recognized in the statement of income, except for the amounts that are capitalized.

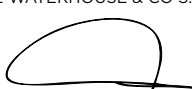
The foreign currency exchange rates used are: the bid price for monetary assets, the offer price for monetary liabilities, the average exchange rate at year end for balances with related parties and the specific exchange rate for foreign currency denominated transactions.

c. The group's companies

None of the companies comprising the group has a functional currency different from the Argentine peso. Accordingly, no foreign currency translation effects exist.

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4.8 Intangible assets

EDEN's concession agreement

IFRIC 12 "Service Concession Arrangements" provides guidelines to account for public service concession arrangements to a private operator. This interpretation applies if:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what price; and
- the grantor controls through the ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangement.

If the above-mentioned conditions are simultaneously met, an intangible asset is recognized to the extent that the operator receives a right to charge users of the public service, provided, however, that these rights are contingent on the degree of use of the service.

These intangible assets are initially recognized at cost, which is regarded as the fair value of the consideration delivered, plus other direct costs directly attributable to the operation. Concessions have a finite useful life and are subsequently measured at cost less accumulated amortization, which is determined by applying the straight-line method over the period of the concession.

The Company has applied the intangible asset method established in IFRIC 12 for EDEN's concession agreement. No financial asset has been recognized in relation to the concession agreements due to the fact that the agreements signed do not stipulate minimum guaranteed payments.

The guidelines of IFRIC 12 do not apply to Edenor's concession agreement. The Company considers that in substance the grantor does not have the characteristic features of control over infrastructures as defined in IFRIC 12.

4.9 Assets under construction

Assets under construction refers to the works carried out by EDEN S.A. which, as of December 31, 2012, have not been finished or do not comply with IFRS requirements to be derecognized from assets and recognized as revenue.

Assets under construction include design, supplies, direct labor and other indirectly-related construction costs.

4.10 Trade and other receivables

a. Trade receivables

The receivables arising from services billed to customers but not collected as well as those arising from services rendered but unbilled at the closing date of each financial year are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

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The amounts thus determined:

- i. are net of an allowance for the impairment of receivables.
- ii. consider the effects of that which is described in Note 2 to the Consolidated Financial Statements as of December 31, 2013.

CMM receivables are recognized, as the related revenue, to the extent that they have been approved by the ENRE; receivables from electricity supplied to low-income areas and shantytowns are recognized, also in line with revenue, when the Framework Agreement has been renewed for the period in which the service was provided.

At the date of these financial statements, CMM balances are the best estimate of the amounts receivable.

The Company has recorded an allowance for the impairment of trade receivables to adjust the valuation of doubtful accounts. Depending on the receivables portfolio, the allowance is recorded based on an individual recoverability analysis (accounts receivable in litigation) or on the historical series of collections for services billed through year-end and collections subsequent thereto.

b. Other receivables

Other receivables are initially recognized at fair value (generally the original billing/settlement amount) and subsequently measured at amortized cost, using the effective interest rate method, and when significant, adjusted by the time value of money. The Company records impairment allowances when there is objective evidence that the Company will not be able to collect all the amounts owed to it in accordance with the original terms of the receivables.

4.11 Inventories

Inventories are valued at the lower of acquisition cost and net realizable value.

They are valued based on the purchase price, import duties (if applicable), and other taxes (that are not subsequently recovered by tax authorities), transport, warehouse and other costs directly attributable to the acquisition of those assets.

Cost is determined by applying the first in first out (FIFO) valuation method.

The Company has classified inventories into current and non-current depending on whether they will be used for maintenance or capital expenditures and on the period in which they are expected to be used. The non-current portion of inventories has been disclosed in the "Property, plant and equipment" account.

The valuation of inventories, taken as a whole, does not exceed their recoverable value at the end of each year.

4.12 Impairment of non-financial asset

Assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment.

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C.P.C.E.C.A.B.A. Tº 245 - Fº 61

Assets subject to depreciation are reviewed for impairment losses whenever an event or change in circumstances indicates that the carrying amount may not be recovered. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment losses, assets are grouped at the lowest level at which independent cash flows can be identified (cash generating units).

Non-financial assets, other than goodwill, that suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date.

4.13 Financial assets

The Company has adopted IFRS 9.

4.13.1 Classification

The Company classifies financial assets into the following categories: those measured at amortized cost and those subsequently measured at fair value. This classification depends on whether the financial asset is an investment in a debt or an equity instrument. In order for a financial asset to be measured at amortized cost, the two conditions described below must be met. All other financial assets are measured at fair value. IFRS 9 requires that all investments in equity instruments be measured at fair value.

a. Financial assets at amortized cost

Financial assets are measured at amortized cost if the following conditions are met:

- i. the objective of the Company's business model is to hold the assets to collect the contractual cash flows; and
- ii. the contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal.

b. Financial assets at fair value

If any of the above-detailed conditions is not met, financial assets are measured at fair value through profit or loss.

All investments in equity instruments are measured at fair value. For those investments that are not held for trading, the Company may irrevocably elect at the time of their initial recognition to present the changes in the fair value in other comprehensive income. The Company's decision was to recognize the changes in fair value in profit or loss.

4.13.2 Recognition and measurement

The regular way purchase or sale of financial assets is recognized on the trade date, i.e. the date on which the Company agrees to acquire or sell the asset. Financial assets are derecognized when

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the rights to receive the cash flows from the investments have expired or been transferred and the Company has transferred substantially all the risks and rewards of the ownership of the assets.

Financial assets are initially recognized at fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition thereof.

The gains or losses generated by investments in debt instruments that are subsequently measured at fair value and are not part of a hedging transaction are recognized in profit or loss. Those generated by investments in debt instruments that are subsequently measured at amortized cost and are not part of a hedging transaction are recognized in profit or loss when the financial asset is derecognized or impaired and by means of the amortization process using the effective interest rate method.

The Company subsequently measures all the investments in equity instruments at fair value. When it elects to present the changes in fair value in other comprehensive income, such changes cannot be reclassified to profit or loss. Dividends arising from these investments are recognized in profit or loss to the extent that they represent a return on the investment.

The Company reclassifies financial assets if and only if its business model to manage financial assets is changed.

4.13.3 Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that the value of a financial asset or group of financial assets measured at amortized cost is impaired. The value of a financial asset or group of financial assets is impaired, and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Impairment tests may include evidence that the debtors or group of debtors are undergoing significant financial difficulties, have defaulted on interest or principal payments or made them after they had come due, the probability that they will enter bankruptcy or other financial reorganization, and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in payment terms or in the economic conditions that correlate with defaults.

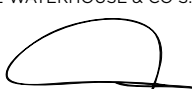
In the case of financial assets measured at amortized cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the impairment loss is recognized in the statement of comprehensive income.

4.13.4 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

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por Comisión Fiscalizadora


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C.P.C.E.C.A.B.A. Tº 245 - Fº 61

4.14 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is signed. Subsequently to the initial recognition, they are remeasured at their fair value. The method for recognizing the resulting loss or gain depends on whether the derivative has been designated as a hedging instrument and, if that is the case, on the nature of the item being hedged. The Company has not designated any derivative as a hedging instrument, therefore, at December 31, 2013 and 2012, the economic impact of these transactions has been recorded in the Financial expenses account of the consolidated statement of comprehensive income (loss).

“Derivative financial instruments” have been valued in accordance with the provisions of IFRS 9.

Furthermore, the changes in the fair value of these financial instruments -Corporate Notes Swap- have been recorded by the Company in the Changes in the Fair Value of Financial Instruments line item.

The changes in the fair value of these financial instruments -Forward and futures contracts- have been recorded by the Company in the Changes in the Fair Value of Financial Instruments line item. At December 31, 2013 and 2012, the aforementioned transactions have been fully settled.

4.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from their acquisition date, with significant low risk of change in value.

- > Cash and banks in local currency: at nominal value.
 - > Cash and banks in foreign currency: at the exchange rates in effect at the end of each year.
 - > Time deposits, which include the portion of interest income accrued through the end of each year.
 - > Money market funds, which have been valued at the prevailing market price at the end of each year.
- Those that do not qualify as cash equivalents are disclosed in Financial assets at fair value through profit or loss.

4.16 Equity

Changes in this account have been accounted for in accordance with the corresponding legal or statutory regulations and the decisions adopted by the shareholders' meetings.

a. Share capital

Share capital represents issued capital, which is comprised of the contributions committed and/or made by the shareholders, represented by shares, including outstanding shares at nominal value.

b. Treasury stock

The Treasury stock account represents the nominal value of the Company's own shares acquired by the Company.

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por Comisión Fiscalizadora


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C.P.C.E.C.A.B.A. Tº 245 - Fº 61



c. Other comprehensive income (loss)

Represents recognition, at year end, of the actuarial gains (losses) associated with employee benefit plans.

d. Retained earnings

Retained earnings are comprised of profits or accumulated losses with no specific appropriation. When positive, they may be distributed, if so decided by the Shareholders' Meeting, to the extent that they are not subject to legal restrictions. Retained earnings are comprised of previous year results that have not been distributed, amounts transferred from other comprehensive income and prior year adjustments due to the application of accounting standards.

4.17 Trade and other payables

a. Trade payables

Trade payables are payment obligations with suppliers for the purchase of goods and services in the ordinary course of business. Trade payables are classified as current liabilities if payments fall due within one year or in a shorter period of time. Otherwise, they are classified as non-current liabilities.

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

b. Customer deposits

Customer deposits are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

In accordance with the Concession Agreement, the Company is allowed to receive customer deposits in the following cases:

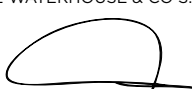
- i. When the power supply is requested and the user is unable to provide evidence of his legal ownership of the premises;
- ii. When service has been suspended more than once in one-year period;
- iii. When the power supply is reconnected and the Company is able to verify the illegal use of the service (fraud).
- iv. When the customer is undergoing liquidated bankruptcy or reorganization proceedings.

The Company has decided not to request customer deposits from residential tariff customers.

Customer deposits may be either paid in cash or through the customer's bill and accrue monthly interest at a specific rate of Banco de la Nación Argentina for each customer category.

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

When the conditions for which the Company is allowed to receive customer deposits no longer exist, the principal amount plus any interest accrued thereon are credited to the customer's account after deducting, if appropriate, any amounts receivable which the Company has with the customer.

c. Customer contributions

Refundable:

The Company receives assets or facilities (or the cash necessary to acquire or built them) from certain customers for services to be provided, based on individual agreements and the provisions of ENRE Resolution 215/2012. These contributions are initially recognized as trade payables at fair value with a contra-account in Property, plant and equipment, and subsequently measured at amortized cost using the effective interest rate method.

d. Other payables

The recorded liabilities represent, mainly, the obligations relating to PUREE and the penalties imposed by the ENRE, which the Company Management estimates will be paid in the future, and are the best estimate, as of the date of these financial statements, of the settlement value of the present obligation.

The balances of ENRE Penalties and Discounts are adjusted in accordance with the regulatory framework applicable thereto.

4.18 Borrowings

Borrowings are initially recognized at fair value, net of direct costs incurred in the transaction. Subsequently, they are measured at amortized cost; any difference between the funds obtained (net of direct costs incurred in the transaction) and the amount to be paid at maturity is recognized in profit or loss during the term of the borrowings using the effective interest rate method.

The commissions paid to obtain lines of credit are recognized as direct costs incurred in the transaction provided that it is probable that either part or all of the line of credit will be used. In this case, the recognition of commissions in profit or loss is deferred until such funds are available.

4.19 Deferred revenue

EDENOR - Non-refundable customer contributions:

The Company receives assets or facilities (or the cash necessary to acquire or built them) from certain customers for services to be provided, based on individual agreements. In accordance with IFRIC 18, the assets received are recognized by the Company as Property, plant and equipment with a contra-account in deferred revenue, the accrual of which depends on the nature of the identifiable services, in accordance with the following:

- > Customer connection to the network: revenue is accrued until such connection is completed;

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



- > Continuous provision of the electric power supply service: throughout the shorter of the useful life of the asset and the term for the provision of the service.

EDEN

Upon completion, the construction works carried out by EDEN S.A. within the framework of IFRIC 12, that are financed with customer funds and/or an amount added to the electricity tariff and/or PUREE, are recognized as intangible assets and amortized over the useful life of each of them. The reward for having received a construction work to be operated is recognized within the “Deferred revenue” account. This deferred revenue is accrued in the same manner as the intangible asset is amortized.

4.20 Employee benefits

Benefit plans

The Company operates various benefit plans. Usually, benefit plans establish the amount of the benefit the employee will receive at the time of retirement, generally based on one or more factors such as age, years of service and salary.

The liability recognized in the consolidated statement of financial position in respect of benefit plans is the present value of the benefit plan obligation at the closing date of the year, together with the adjustments for past service costs and actuarial losses. The benefit plan obligation is calculated annually by independent actuaries in accordance with the projected credit unit method. The present value of the benefit plan obligation is determined by discounting the estimated future cash outflows using actuarial assumptions about demographic and financial variables that affect the determination of the amount of such benefits.

The group’s accounting policy for benefit plans is as follow:

- Past service costs are recognized immediately in profit or loss, unless the changes to the benefit plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past service costs are amortized on a straight-line basis over the vesting period.
- Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the year in which they arise.

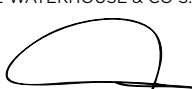
4.21 Income tax and tax on minimum presumed income

a. Deferred income tax

The deferred tax is recognized, in accordance with the liability method, on the temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the statement of financial position. However, no deferred tax liability is recognized if such difference arises from the initial recognition of goodwill, or from the initial recognition of an asset or liability other than in a

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por Comisión Fiscalizadora


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C.P.C.E.C.A.B.A. Tº 245 - Fº 61

business combination, which at the time of the transaction affected neither the accounting nor the taxable profit.

The deferred tax is determined using the tax rate that is in effect at the date of the financial statements and is expected to apply when the deferred tax assets are realized or the deferred tax liabilities are settled.

A deferred tax is recognized on the temporary differences arising from investments in subsidiaries and associates, except for those deferred tax liabilities where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to offset recognized amounts and when deferred tax assets and liabilities relate to income tax levied by the same tax authority on the same taxable entity or different taxable entities that intend to settle tax assets and liabilities on a net basis. Deferred tax assets and liabilities are stated at their undiscounted value.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

b. Tax on minimum presumed income

The Company determines the tax on minimum presumed income by applying the current rate of 1% on its taxable assets at year-end. The tax on minimum presumed income and the income tax complement each other. The Company's tax obligation for each year will be equal to the higher of these taxes. However, should the tax on minimum presumed income exceed income tax in any given fiscal year, such excess may be computed as a payment on account of any excess of income tax that may arise in any of the ten subsequent fiscal years.

Minimum presumed income tax assets and liabilities have not been discounted.

The Company has recognized the minimum presumed income tax accrued in the year and paid in previous years as a receivable, as it estimates that in future fiscal years it may be computed as a payment on account of the income tax.

4.22 Provisions and contingencies

Provisions have been recognized in those cases in which the Company is faced with a present obligation, whether legal or constructive, that has arisen as a result of a past event, whose settlement is expected to result in an outflow of resources, and the amount thereof can be estimated reliably.

The amount recognized as provisions was the best estimate of the expenditure required to settle the present obligation, at the end of the reporting year, taking into account the corresponding risks and uncertainties. When a provision is measured using the estimated cash flow to settle the present obligation, the carrying amount represents the present value of such cash flow. This present value is obtained by applying a pre-

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PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



tax discount rate that reflects market conditions, the time value of money and the specific risks of the obligation.

The provisions included in liabilities have been recorded to face contingent situations that could result in future payment obligations. To estimate the amount of provisions and the likelihood of an outflow of resources, the opinion of the Company legal advisors has been taken into account.

4.23 Balances with related parties

Receivables and payables with related parties are initially recognized at fair value and subsequently measured at amortized cost in accordance with the terms agreed upon by the parties involved.

4.24 Higher costs recognition - SE Resolution 250/13 and SE Note 6852/13

The recognition of higher costs not transferred to the tariff authorized by SE Resolution 250 /13 and Note 6852/13 falls within the scope of International Accounting Standard 20 (IAS 20) inasmuch as it implies a compensation for the expenses incurred by the Company in the past.

Its recognition is made at fair value when there is reasonable assurance that it will be received and the conditions attached thereto have been complied with.

Such concept has been disclosed in the Higher Costs Recognition - SE Resolution 250/13 and Note 6852/13 line item of the Statement of Comprehensive Income (Loss) as of December 31, 2013, recognizing the related tax effects, which are detailed in Note 27.

5. Financial risk management

5.1 Financial risk factors

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.

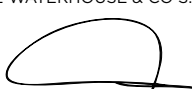
The management of the financial risk is part of the Company's overall policies, which focus on the unpredictability of the financial markets and seek to minimize potential adverse effects on its financial performance. Financial risks are the risks derived from the financial instruments to which the Company is exposed during or at the end of each year. The Company could use derivative instruments to hedge exposure to certain risks whenever it deems appropriate in accordance with its internal risk management policy.

Risk management is controlled by the Finance and Control Department, which identifies, evaluates and hedges financial risks. Risk management policies and systems are periodically reviewed so that they can reflect the changes in the market's conditions and the Company's activities.

This section includes a description of the main risks and uncertainties that could have a material adverse effect on the Company's strategy, performance, results of operations and financial position.

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

a. Market risks

i. Currency risk

Currency risk is the risk of fluctuation in the fair value or future cash flows of a financial instrument due to changes in foreign currency exchange rates. The Company's exposure to currency risk relates to the collection of its revenue in pesos, in conformity with regulated electricity tariffs that are not indexed in relation to the US dollar, whereas a significant portion of its existing financial liabilities is denominated in US dollars. Therefore, the Company is exposed to the risk of a loss resulting from a devaluation of the peso. The Company may hedge its currency risk trying to enter into currency forwards. Nevertheless, at the date of issuance of these financial statements, it has not been able to hedge its exposure to the US dollar under such terms as it may consider viable.

If the Company continues to be unable to effectively hedge all or a significant part of its exposure to currency risk, any devaluation of the peso could significantly increase its debt service burden, which, in turn, could have a substantial adverse effect on its financial and cash position (including its ability to repay its Corporate Notes) and the results of its operations. The exchange rates used at December 31, 2013 and 2012 are \$ 6.521 and \$ 4.918 per US dollar, respectively.

At December 31, 2013 and 2012 balances in foreign currency of the Company are:

	Currency	Amount in foreign currency	Exchange rate (1)	Total 12.31.2013	Total 12.31.2012
ASSETS					
NON-CURRENT ASSETS					
Other receivables	USD	332	6.481	2,150	1,872
TOTAL NON-CURRENT ASSETS		332		2,150	1,872
CURRENT ASSETS					
Other receivables	USD	585	6.481	3,793	19,357
	EUR	42	8.940	374	272
Other receivables - Related companies	USD	-	6.501	-	43,285
Financial assets at fair value through profit or loss	USD	11,470	6.481	74,338	3,415
Cash and cash equivalents	USD	3,700	6.481	23,977	4,927
	EUR	19	8.940	171	289
TOTAL CURRENT ASSETS		15,816		102,653	71,545
TOTAL ASSETS		16,148		104,803	73,417
LIABILITIES					
NON-CURRENT LIABILITIES					
Borrowings	USD	200,882	6.521	1,309,949	1,345,700
TOTAL NON-CURRENT LIABILITIES		200,882		1,309,949	1,345,700

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C.P.C.E.C.A.B.A. Tº 245 - Fº 61

**CURRENT LIABILITIES**

Trade payables	USD	17,144	6.521	111,795	71,611
	EUR	224	9.011	2,015	1,168
	CHF	30	7.357	223	1,145
	NOK	68	1.079	74	61
Other payables	USD	-	6.521	-	1,710
Borrowings	USD	6,158	6.521	40,153	35,849
TOTAL CURRENT LIABILITIES		23,624		154,260	111,544
TOTAL LIABILITIES		224,506		1,464,209	1,457,244

(1) The Exchange rates used are those Banco Nación in effect as of December 31, 2013 for U.S. Dollars (USD), Euros (EUR), Swiss Francs (CHF) and Norwegian Kroner (NOK). An average exchange rate is used for the balances with related parties.

The table below shows the Company's exposure to currency risk resulting from the financial assets and liabilities denominated in a currency other than the Company's functional currency.

	12.31.13	12.31.12
Net position Assets/(Liabilities)		
US dollar	(1,357,639)	(1,382,014)
Euro	(1,470)	(607)
Norwegian krone	(74)	(61)
Swiss franc	(223)	(1,145)
Total	(1,359,406)	(1,383,827)

The Company estimates that a 10% devaluation of the Argentine peso with respect to the foreign currency, with all the other variables remaining constant, would give rise to the following decrease in the results of operations for the year:

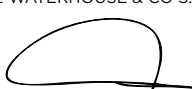
	12.31.13	12.31.12
Net position Assets/(Liabilities)		
US dollar	(135,764)	(138,202)
Euro	(147)	(61)
Norwegian krone	(7)	(6)
Swiss franc	(22)	(114)
Decrease in the results of operations for the year	(135,940)	(138,383)

ii. Price risk

The Company's investments in listed equity instruments are susceptible to market price risk arising from the uncertainties concerning the future value of these instruments. Due to the low significance of the investments in equity instruments in relation to the net Asset/Liability position, the Company is not significantly exposed to the referred to instruments price risk.

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C.P.C.E.C.A.B.A. Tº 245 - Fº 61

Furthermore, the Company is not exposed to the commodities price risk.

iii. Interest rate risk

Interest rate risk is the risk of fluctuation in the fair value or cash flows of an instrument due to changes in market interest rates. The Company's exposure to interest rate risk arises mainly from its long-term debt obligations.

Indebtedness at floating rates exposes the Company to interest rate risk on its cash flows. Indebtedness at fixed rates exposes the Company to interest rate risk on the fair value of its liabilities. At December 31, 2013 and 2012 approximately 100 % and 99.16 % of the loans, respectively, were obtained at fixed interest rates. The remaining loans were agreed at floating interest rates, and were denominated in pesos. The Company's policy is to keep the higher percentage of its indebtedness in instruments that accrue interest at fixed rates.

The Company analyzes its exposure to interest rate risk in a dynamic manner. Several scenarios are simulated taking into account the positions with respect to refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit or loss of a specific change in interest rates. In each simulation, the same interest rate fluctuation is used for all the currencies. Scenarios are only simulated for liabilities that represent the most relevant interest-bearing positions.

The table below shows the breakdown of the Company's loans according to interest rate and the currency in which they are denominated:

	12.31.13	12.31.12
Fixed rate:		
Argentine peso	430	25,179
US dollar	1,350,102	1,381,549
Subtotal loans at fixed rates	1,350,532	1,406,728
Floating rate:		
Argentine peso	-	47,115
Subtotal loans at floating rates	-	47,115
Total loans	1,350,532	1,453,843

Based on the simulations performed, with all the other variables remaining constant, a 10% increase in floating interest rates would give rise to the following decrease in the results of operations for the year:

	12.31.13	12.31.12
Floating rate:		
Argentine peso	-	391
Decrease in the results of operations for the year	-	391

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b. Credit risk

Credit risk is the risk of a financial loss as a consequence of a counterparty's failure to comply with the obligations assumed in a financial instrument or commercial contract. The Company's exposure to credit risk results from its operating (particularly from its commercial receivables) and financial activities, including deposits in financial entities and other instruments.

Credit risk arises from cash and cash equivalents, deposits with banks and financial entities and derivative financial instruments, as well as from credit exposure to customers, included in outstanding balances of accounts receivable and committed transactions.

With regard to banks and financial entities, only those with high credit quality are accepted.

With regard to customers, if no independent credit risk ratings are available, the Finance Department evaluates the customers' credit quality, past experience and other factors.

Individual credit limits are established in accordance with the limits set by the Company CEO, on the basis of the internal or external ratings approved by the Finance and Control Department.

At the end of each reporting period, the Company analyzes whether the recording of an impairment is necessary. As of December 31, 2013 and 2012, delinquent accounts receivable totaled approximately \$ 177.5 million and \$ 106.8 million, respectively. As of December 31, 2013 and 2012, the Financial Statements included allowances for \$ 73.2 million and \$ 63.3 million, respectively. The inability to collect the accounts receivable in the future could have an adverse effect on the Company's results of operations and its financial position, which, in turn, could have an adverse effect on the Company's ability to repay loans, including payment of the Corporate Notes.

The Company's maximum exposure to credit risk is based on the book value of each financial asset in the Consolidated Financial Statements, after deducting the corresponding allowances.

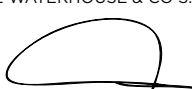
c. Liquidity risk

The Company monitors the risk of a deficit in cash flows on a periodical basis. The Finance Department supervises the updated projections of the Company's liquidity requirements in order to ensure that there is enough cash to meet its operational needs, permanently maintaining sufficient margin for undrawn credit lines so that the Company does not fail to comply with the indebtedness limits or covenants, if applicable, of any line of credit. Such projections give consideration to the Company's debt financing plans, compliance with covenants, with internal balance sheet financial ratios objectives and, if applicable, with external regulations and legal requirements, such as, restrictions on the use of foreign currency.

Cash surpluses held by the Company and the balances in excess of the amounts required to manage working capital are invested in Money Market Funds and/or time deposits that accrue interest, currency deposits and securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient margin as determined in the aforementioned projections. As of December 31, 2013

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

and 2012, the Company's current financial assets at fair value amount to \$ 113.8 million and \$ 3.4 million, respectively, which are expected to generate immediate cash inflows to manage the liquidity risk.

The table below includes an analysis of the Company's non-derivative financial assets and liabilities and net-settled derivative financial instruments, which have been classified into maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months	From 3 months to 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years	Total
As of December 31, 2013						
Trade and other payables	2.347.975	161.513	110.794	110.002	-	2.730.284
Borrowings	-	181.337	181.337	688.517	2.343.519	3.394.710
Total	2.347.975	342.850	292.131	798.519	2.343.519	6.124.994
As of December 31, 2012						
Trade and other payables	1.284.255	23.436	29.795	29.795	-	1.367.281
Borrowings	6.405	142.907	142.124	532.051	1.891.407	2.714.894
Total	1.290.660	166.343	171.919	561.846	1.891.407	4.082.175

Should the conditions existing at the date of these Consolidated Financial Statements continue, the Board of Directors believes that cash flows and operating results for the next year, and financial ratios, will be negatively impacted. Furthermore, given the fact that the realization of the projected measures to revert the negative trend manifested in the fiscal year being reported depends, among other factors, on the occurrence of certain events that are not under the Company's control, such as the requested electricity tariff increases, being obliged to defer certain payment obligations.

5.2 Concentration risk factors

a. Related to customers

The Company's receivables derive primarily from the sale of electric power.

No single customer accounted for more than 10% of sales for the years ended December 31, 2013 and 2012. The collectability of trade receivables balances related to the Framework Agreement, which amount to \$ 56.9 million and \$ 25.4 million at December 31, 2013 and 2012, respectively, as disclosed in Note 2 – Framework Agreement -, is subject to compliance with the terms of such agreement.

b. Related to employees who are union members

The Bid Package sets forth the responsibilities of both SEGBA and the Company in relation to the

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



personnel transferred by SEGBA through Resolution No. 26/92 of the Energy Secretariat. According to the Bid Package, SEGBA will be fully liable for any labor and social security obligations accrued or originated in events occurred before the take-over date, as well as for any other obligations deriving from lawsuits in process at such date.

During 2005, two new collective bargaining agreements were signed with the Sindicato de Luz y Fuerza de la Capital Federal (Electric Light and Power Labor Union of the City of Buenos Aires) and the Asociación de Personal Superior de Empresas de Energía (Association of Supervision Personnel of Energy Companies), which expired on December 31, 2007 and October 31, 2007, respectively. These agreements were approved by the Ministry of Labor and Social Security on November 17, 2006 and October 5, 2006, respectively.

At December 31, 2013 and 2012, approximately 80% of the Company's employees and the Contractors' operating staff were union members. Although the relationship with the aforementioned unions is currently stable, the Company may not ensure that there will be no work disruptions or strikes in the future, which could have a material adverse effect on the Company's business and revenue.

Furthermore, the collective bargaining agreements signed with unions expired at the end of 2007. There is no guarantee that the Company will be able to negotiate new collective bargaining agreements under the same terms as those currently in place or that there will be no strikes before or during the negotiation process.

On February 26, 2013, the Company, the Ministry of Labor, the Economic Policy and Development Planning Secretariat of the Economy Ministry, the Management Control and Coordination Under-Secretariat of the Ministry of Planning, the Sindicato de Luz y Fuerza (Electric Light and Power Labor Union) and other companies of the electric power sector entered into a salary agreement for a term of eighteen months which establishes an 18% increase as from January 2013, a 5% non-cumulative increase as from June 2013 and a 7% cumulative increase as from January 2014.

At the date of issuance of these Consolidated Financial Statements, meetings aimed at negotiating the renewal terms of both collective bargaining agreements are being held with both unions.

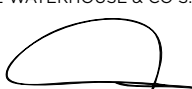
5.3 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (current and non-current) less cash and cash equivalents. Total capital is calculated as equity attributable to the owners as shown in the consolidated statement of financial position plus net debt.

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PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

At December 31, 2013 and 2012, gearing ratios were as follow:

	12.31.13	12.31.12
Total liabilities	6,081,794	6,382,639
Less: cash and cash equivalents	(243,473)	(71,108)
Net debt	5,838,321	6,311,531
Total Equity	1,176,302	418,181
Total capital attributable to owners	7,014,623	6,729,712
Gearing ratio	83.23%	93.79%

5.4 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).

The table below shows the Company's financial assets measured at fair value as of December 31, 2013 and 2012:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
As of December 31, 2013				
Assets and liabilities				
Cash and cash equivalents - Money market funds	219,887	-	-	219,887
Financial assets at fair value through profit or loss:				
Government bonds	14,256	-	-	14,256
Government bonds - AESEBA trust	99,523	-	-	99,523
Money market funds	102,655	-	-	102,655
Total assets and liabilities	436,321	-	-	436,321
As of December 31, 2012				
Assets and liabilities				
Cash and cash equivalents - Money market funds	50,954	-	-	50,954
Financial assets at fair value through profit or loss:				
Government bonds	3,415	-	-	3,415
Total assets and liabilities	54,369	-	-	54,369

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



The value of the financial instruments traded in active markets is based on the market quoted prices on the date of the consolidated statements of financial position. A market is considered active when the quoted prices are regularly available through a stock exchange, broker, sector-specific institution or regulatory body, and those prices reflect regular and current market transactions between parties that act in conditions of mutual independence. The market quotation price used for the financial assets held by the Company is the current offer price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. These valuation techniques maximize the use of market observable information, when available, and rely as little as possible on specific estimates of the Company. If all significant variables to establish the fair value of a financial instrument can be observed, the instrument is included in level 2. There are no financial instruments that are to be included in level 2.

If one or more variables used to determine the fair value cannot be observed in the market, the financial instrument is included in level 3. There are no financial instruments that are to be included in level 3.

6. Critical accounting estimates and judgments

The preparation of the Consolidated 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 Consolidated Financial Statements.

The estimates that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities within the next fiscal year are detailed below:

a. Allowances for the impairment of receivables

The Company is exposed to impairment losses of receivables. Management estimates the final collectability of accounts receivable.

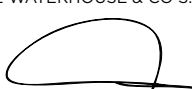
The allowance for the impairment of accounts receivable is evaluated based on the historical level of collections for services billed through the end of each year and collections subsequent thereto. Additionally, Management records an allowance based on an individual analysis of the recoverability of medium and large-demand (T2 and T3) customers, receivable accounts in litigation and of those customers included in the Framework Agreement.

b. Revenue recognition

Revenue is recognized on an accrual basis upon delivery to customers, which includes the estimated amount of unbilled distribution of electricity at the end of each year. We consider our accounting

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

policy for the recognition of estimated revenue critical because it depends on the amount of electricity effectively delivered to customers which is valued on the basis of applicable tariffs. Unbilled revenue is classified as current trade receivables.

c. Impairment of long-lived assets

Long-lived assets are tested for impairment at the lowest level at which independent cash flows can be identified (cash generating units, or CGU).

The Company's subsidiaries constitute a cash generating unit as they have a concession area for the distribution of electricity. Consequently, each subsidiary represents the lowest asset disaggregation level that generates independent cash flows.

The Company analyzes the recoverability of its non-current assets as described in the Impairment test (Note 4.2).

Based on the aforementioned, the Company determined that the valuation of property, plant and equipment, taken as a whole, does not exceed its recoverable amount at December 31, 2013.

d. Current and deferred income tax/ Tax on minimum presumed income

In order to determine the income tax provision, it is necessary to make estimates inasmuch as the Company will have to evaluate, on an ongoing basis, the positions taken in tax returns in respect of those situations in which the applicable tax legislation is subject to interpretation. Whenever necessary, the Company is required to make provisions based on the amount expected to be paid to the tax authorities.

When the final taxable result differs from the amounts initially recognized in the provision as a consequence of estimates, such differences will affect both income tax and the determination of deferred tax assets and liabilities.

A significant degree of judgment is required to determine the income tax provision. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for eventual tax claims based on estimates of whether additional taxes will be due in the future. When the final tax outcome of these matters differs from the amounts initially recognized, such differences will impact on current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets are reviewed at each reporting date and reduced in accordance with the low probability that the sufficient taxable base will be available to allow for the total or partial recovery of these assets. Deferred tax assets and liabilities are not discounted. In assessing the realization of deferred tax assets, management considers that it is likely that a portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets depends on the generation of future taxable income in the periods in which these temporary differences become deductible. To make this assessment, Management takes into consideration the scheduled reversal of deferred tax liabilities, the projections of future taxable income and tax planning strategies.

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



e. Going concern

These Consolidated 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. Therefore, they do not include the effects of the adjustments or reclassifications, if there were any, which might be necessary to make if the situation described in Note 1 is not resolved.

f. Benefit plans

The liability recognized by the Company is the best estimate of the present value of the cash flows representing the benefit plan obligation at the closing date of the year together with the adjustments for past service costs and actuarial losses. Cash flows are discounted using a rate that contemplates actuarial assumptions about demographic and financial conditions that affect the determination of benefit plans. Such estimate is based on actuarial calculations made by independent professionals in accordance with the projected credit unit method.

g. ENRE Penalties and Discounts

The Company considers its accounting policy for the recognition of ENRE penalties and discounts critical because it depends on penalizable events, which are valued on the basis of management best estimate, at the date of these financial statements, of the expenditure required to settle the present obligation. The balances of ENRE Penalties and Discounts are adjusted in accordance with the regulatory framework applicable thereto.

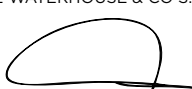
h. Assets and liabilities of disposal group classified as held for sale and discontinued operations

As a consequence of that mentioned in Note 1, and with the aim of mitigating unfavorable financial and economic aspects, the Company decided to sell certain subsidiaries. In accordance with IFRS, when the following criteria are met (even if the entity retains a non-controlling interest in its former subsidiary after the sale), the Company will classify all the associated assets and liabilities as available for sale:

- i. Its carrying amount will be recovered mainly through a sale transaction, rather than by its continued use.
- ii. It must be available, in its current conditions, for immediate sale, subject exclusively to the usual terms for the sale of this subsidiary.
- iii. Its sale must be highly probable, for which purpose Management must be committed to a plan to sell, and an active programme to locate a buyer and complete such plan must have been initiated. Moreover, the sale of the subsidiary must be actively traded at a sales price reasonable in relation to its present fair value. Furthermore, it must be expected that the sale will comply with the conditions to be recognized as a completed sale within a year of classification as held for sale (unless the delay is caused by events or circumstances that are not under the entity's control, and sufficient evidence exists that the entity is still committed to its plan to sell the subsidiary), and the actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

The assets and liabilities associated with those subsidiaries that the Company intends to sell, which comply with the aforementioned conditions, were reclassified in a single line item within current assets and current liabilities, denominated "Assets of disposal groups classified as held for sale" and "Liabilities of disposal groups classified as held for sale", respectively. In addition, these assets and liabilities have been valued at the lower of carrying amount and fair value less costs to sell, recognizing a loss when the first value is higher than the second.

Measurement on fair value less costs to sell implies assumptions that are determined based on current available information, such as purchase offers, if any, and/or market conditions.

At December 31, 2013, the Company had sold the totality of its subsidiaries held for sale.

i. Contingencies and provisions for lawsuits

The Company is a party to several complaints, lawsuits and other legal proceedings, including customer claims, in which a third party is seeking payment for alleged damages, reimbursement for losses or compensation. The Company's potential liability with respect to such claims, lawsuits and legal proceedings may not be accurately estimated. Management, with the assistance of its legal advisors (attorneys), periodically analyzes the status of each significant lawsuit and evaluates the Company's potential financial exposure. If the loss deriving from a complaint or legal proceeding is considered probable and the amount can be reasonably estimated, a provision is recorded.

Provisions for contingent losses represent a reasonable estimate of the losses that will be incurred, based on the information available to Management at the date of the financial statements preparation, taking into account the Company's litigation and settlement strategies. These estimates are mainly made with the help of legal advisors. However, if the Management's estimates proved wrong, the current provisions could be inadequate and result in a charge to profits that could have a material adverse effect on the statements of financial position, comprehensive income, changes in equity and cash flows.

7. Interests in joint ventures

Porcentaje interest held in capital stock and votes		Equity attributable to the owners	
		12.31.13	12.31.12
SACME	50,00%	427	422

8. Segment information

The Company's business activities focus primarily on the distribution and sale of electricity carried out by Edenor S.A. and its subsidiaries. Based on the geographical distribution of its customers, the Company has identified the following operating segments:

AESEBA: Through its subsidiary, it renders electric power distribution and sale services in the northern and northwestern areas of the Province of Buenos Aires. This operating segment has been discontinued.

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por Comisión Fiscalizadora


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C.P.C.E.C.A.B.A. Tº 245 - Fº 61



EMDERSA: Through its subsidiaries, it renders electric power distribution and sale services in the Provinces of La Rioja. This operating segment has been discontinued.

EDENOR: It has the exclusive right to render electric power distribution and sale services to all users connected to the electricity distribution network within the concession area, which is comprised of the following: In the Federal Capital: the area encompassing Dock "D", unnamed street, path of the future Autopista Costera (coastline highway), extension of Pueyrredón Ave., Pueyrredón Ave., Córdoba Ave., Ferrocarril San Martín railway tracks, General San Martín Ave., Zamudio, Tinogasta, General San Martín Ave., General Paz Ave. and Río de La Plata river. In the Province of Buenos Aires the area includes the following districts: Belén de Escobar, General Las Heras, General Rodríguez, former General Sarmiento (which at present comprises San Miguel, Malvinas Argentinas and José C. Paz), La Matanza, Marcos Paz, Merlo, Moreno, former Morón (which at present comprises Morón, Hurlingham and Ituzaingó), Pilar, San Fernando, San Isidro, San Martín, Tigre, Tres de Febrero and Vicente López.

The information on each operating segment identified by the Company for the years ended December 31, 2013 and 2012 is as follow:


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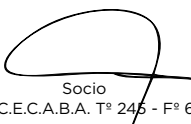
Notes to the Consolidated Financial Statements as of December 31, 2013 and 2012 (continued)

Statement of Income as of 12.31.13	Emdersa	Emdersa H.	Aeseba	Edenor
Revenue from sales	184,601	-	215,018	3,440,691
Revenue from construction	-	-	9,028	-
Electric power purchases	(73,638)	-	(90,603)	(2,050,295)
Cost of construction	-	-	(9,028)	-
Subtotal	110,963	-	124,415	1,390,396
Transmission and distribution expenses (2)	(44,070)	-	(60,322)	(2,055,285)
Gross profit (loss)	66,893	-	64,093	(664,889)
Selling expenses (2)	(31,570)	-	(25,069)	(548,256)
Administrative expenses (2)	(26,491)	(106)	(10,365)	(324,661)
Other operating income	903	13	962	61,767
Other operating expense	(2,112)	-	(488)	(142,777)
Loss from investment in subsidiaries	-	-	-	(1,484)
Gain from interest in joint ventures	-	-	-	5
Revenue from customers contributions exempt from devolution	-	-	-	700
Loss from assets made available for sale	(7,145)	-	(185,960)	-
Operating loss before Resolution SE 250/13 and SE Note 6852/13	478	(93)	(156,827)	(1,619,595)
Higher costs recognition - Resolution SE 250/13 and SE Note 6852/13	-	-	-	2,933,052
Operating profit (loss)	478	(93)	(156,827)	1,313,457
Financial income	14,129	(16)	835	287,419
Financial expenses (2)	(22,009)	-	(6,902)	(504,854)
Other financial (expense) income	(1,944)	59	(5,529)	(273,329)
Financial (expense) income, net	(9,824)	43	(11,596)	(490,764)
(Loss) Profit before taxes	(9,346)	(50)	(168,423)	822,693
Income tax	498	(1,433)	81,788	45,549
(Loss) Profit from continuing operations	(8,848)	(1,483)	(86,635)	868,242
(Loss) Profit from discontinued operations	-	(8,483)	-	(96,503)
(Loss) Profit for the year	(8,848)	(9,966)	(86,635)	771,739
Non-controlling interests	(365)	-	1,385	-
(Loss) Profit for the year attributable to the owners of the parent	(8,483)	(9,966)	(88,020)	771,739

(1) It includes Emdersa and Aeseba operating segments (Note 37).

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 C.P.C.E.C.A.B.A. Tº 245 - Fº 61



Eliminations	As per segment information	Discontinued operations (1)	As per consolidated statements of comprehensive income (loss)
-	3,840,310	(399,619)	3,440,691
-	9,028	(9,028)	-
-	(2,214,536)	164,241	(2,050,295)
-	(9,028)	9,028	-
-	1,625,774	(235,378)	1,390,396
-	(2,159,677)	104,392	(2,055,285)
-	(533,903)	(130,986)	(664,889)
200	(604,695)	56,439	(548,256)
-	(361,623)	36,855	(324,768)
(200)	63,445	(1,865)	61,580
-	(145,377)	2,600	(142,777)
1,484	-	-	-
-	5	-	5
-	700	-	700
-	(193,105)	193,105	-
1,484	(1,774,553)	156,148	(1,618,405)
-	2,933,052	-	2,933,052
1,484	1,158,499	156,148	1,314,647
(496)	301,871	(14,803)	287,068
335	(533,430)	28,576	(504,854)
160	(280,583)	7,473	(273,110)
(1)	(512,142)	21,246	(490,896)
1,483	646,357	177,394	823,751
-	126,402	(82,286)	44,116
1,483	772,759	95,108	867,867
104,986	-	(95,108)	(95,108)
106,469	772,759	-	772,759
-	1,020	-	1,020
106,469	771,739	-	771,739

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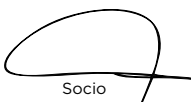
EDENOR S.A.

Notes to the Consolidated Financial Statements as of December 31, 2013 and 2012 (continued)

Note 2	Emdersa	Emdersa H.	Aeseba	Edenor
Depreciation of property, plant and equipment	(8,469)	-	(1,406)	(212,148)
Amortization of intangible assets	-	-	(6,269)	-
Financial expenses - Interest	(24,624)	-	(3,686)	(494,541)

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Eliminations	As per segment information	Discontinued operations	As per consolidated statements of comprehensive income (loss)
-	(222,023)	9,875	(212,148)
-	(6,269)	6,269	-
335	(522,516)	27,975	(494,541)

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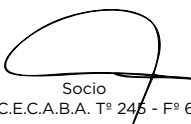
Notes to the Consolidated Financial Statements as of December 31, 2013 and 2012 (continued)

Statement of Income as of 12.31.12	Emdersa	Emdersa H.	Aeseba	Edenor
Revenue from sales	426,317	-	749,852	2,977,146
Revenue from construction	-	-	117,615	-
-Electric power purchases	(201,037)	-	(321,989)	(1,740,231)
Cost of construction	-	-	(117,615)	-
Subtotal	225,280	-	427,863	1,236,915
Transmission and distribution expenses (2)	(175,438)	-	(225,956)	(1,344,730)
Gross profit (loss)	49,842	-	201,907	(107,815)
Selling expenses (2)	(57,607)	-	(78,429)	(352,938)
Administrative expenses (2)	(47,130)	(195)	(47,159)	(249,201)
Other operating income	52,259	64	1,683	32,351
Other operating expense	(636)	-	(9,660)	(150,211)
Gain from investment in subsidiaries	-	-	-	1,530
Loss on interest in joint ventures	-	-	-	3
Loss from assets made available for sale	(10,446)	-	-	-
Operating loss before Resolution SE 250/13 and SE Note 6852/13	(13,718)	(131)	68,342	(826,281)
Higher costs recognition - Resolution SE 250/13 and SE Note 6852/13	-	-	-	-
Operating profit (loss)	(13,718)	(131)	68,342	(826,281)
Financial income	5,296	4,288	5,130	83,173
Financial expenses (2)	(42,713)	-	(26,178)	(230,264)
Other financial (expense) income	(5,008)	(2,627)	1,484	(166,236)
Financial (expense) income, net	(42,425)	1,661	(19,564)	(313,327)
Profit (Loss) before taxes	(56,143)	1,530	48,778	(1,139,608)
Income tax	39,078	-	(16,938)	116,717
Profit (Loss) from continuing operations	-	1,530	31,840	(1,022,891)
Profit from discontinued operations EMD	(22,367)	-	-	(22,366)
Profit (loss) from discontinued operations AES	-	-	-	28,787
Profit (Loss) for the year	(22,367)	1,530	31,840	(1,016,470)
Non-controlling interests	6,518	-	(3,050)	-
Profit (Loss) for the year attributable to the owners of the parent	(28,885)	1,530	34,890	(1,016,470)

(1) It includes Emdersa and Aeseba operating segments (Note 37).

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 C.P.C.E.C.A.B.A. Tº 245 - Fº 61



Eliminations	As per segment information	Discontinued operations (1)	As per consolidated statements of comprehensive income (loss)
(1,742)	4,151,573	(1,175,391)	2,976,182
-	117,615	(117,615)	-
-	(2,263,257)	523,026	(1,740,231)
-	(117,615)	117,615	-
(1,742)	1,888,316	(652,365)	1,235,951
614	(1,745,510)	401,394	(1,344,116)
(1,128)	142,806	(250,971)	(108,165)
964	(488,010)	135,072	(352,938)
150	(343,535)	94,140	(249,395)
(766)	85,591	(53,328)	32,263
-	(160,507)	10,296	(150,211)
(1,530)	-	-	-
-	3	-	3
-	(10,446)	10,446	-
(2,310)	(774,098)	(54,345)	(828,443)
-	-	-	-
(2,310)	(774,098)	(54,345)	(828,443)
(11,860)	86,027	(10,522)	75,505
6,679	(292,476)	66,500	(225,976)
661	(171,726)	3,620	(168,106)
(4,520)	(378,175)	59,598	(318,577)
(6,830)	(1,152,273)	5,253	(1,147,020)
-	138,857	(22,140)	116,717
(6,830)	(1,013,416)	(16,887)	(1,030,303)
44,733	-	(17,066)	(17,066)
(28,787)	-	33,953	33,953
9,116	(1,013,416)	-	(1,013,416)
(414)	3,054	-	3,054
9,530	(1,016,470)	-	(1,016,470)

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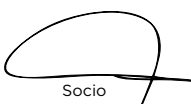
EDENOR S.A.

Notes to the Consolidated Financial Statements as of December 31, 2013 and 2012 (continued)

Note (2)	Emdersa	Emdersa H.	Aeseba	Edenor
Depreciation of property, plant and equipment	(43,659)	-	(5,317)	(192,554)
Amortization of intangible assets	(2,130)	-	(24,891)	-
Financial expenses - Interest	(18,891)	-	(14,103)	(229,753)

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Eliminations	As per segment information	Discontinued operations (1)	As per consolidated statements of comprehensive income (loss)
-	(241,530)	48,976	(192,554)
-	(27,021)	27,021	-
6,678	(256,069)	30,604	(225,465)

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9. Contingencies and lawsuits

The Company has contingent liabilities and is a party to lawsuits that arise from the ordinary course of business. Based on the opinion of its legal advisors, Management estimates that the outcome of the current contingencies and lawsuits will not exceed the amounts of the recorded provisions nor will be significant with respect to the Company's financial position or the results of its operations.

Furthermore, it is worth mentioning that there exist contingent obligations and labor, civil and commercial complaints filed against the Company relating to legal actions for individual non-significant amounts for which a provision, that at December 31, 2013 amounts to \$ 91.4 million, has nevertheless been recorded.

The most significant legal actions in which the Company is a party involved are detailed below:

a. Legal action brought by the National Ombudsman

Purpose: presentation against the resolutions by which the new electricity tariff schedule went into effect as from October 1, 2008 and the application of the Program for the Rational Use of Electric Power (PUREE).

Procedural stage of the proceedings: on December 7, 2009, the Company filed an appeal ("Queja por Recurso denegado") to the Federal Supreme Court concerning the precautionary measure granted to the plaintiff, which is currently being analyzed by the Supreme Court. The file was joined to "CARBONEL SILVIA CRISTINA vs Federal Government - MINISTRY OF PLANNING - ENERGY SECRETARIAT RESOLUTION 1196/08 1170/08, ACTION FOR THE PROTECTION OF A RIGHT GUARANTEED BY THE CONSTITUTION (AMPARO) LAW 16,986", and treated as an Action for the protection of rights. On August 20, 2013, the Court in Contentious and Administrative Federal Matters no. 10 - Clerk's Office No. 20 rejected the aforementioned action. This decision was appealed by the plaintiff, the resolution of which is still pending. The precautionary measure continues to be in force until the decision is final.

Amount: undetermined

Conclusion: no provision has been recorded for these claims in these consolidated financial statements as the Company management, based on both that which has been previously mentioned and the opinion of its legal advisors, believes that there exist solid arguments to support its position. It is estimated that this legal action will be terminated in 2014.

b. Legal action brought by Consumidores Libres Coop. Ltda. de provisión de servicios de acción comunitaria.

Purpose:

- a) That all the last resolutions concerning electricity tariffs issued by the ENRE and the National Energy Secretariat be declared null and unconstitutional, and, in consequence whereof, that the amounts billed by virtue of these resolutions be refunded.

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por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



- b) That all the defendants be under the obligation to carry out the Tariff Structure Review (RTI).
- c) That the resolutions issued by the Energy Secretariat that extend the transition period of the Adjustment Agreement be declared null and unconstitutional.
- d) That the defendants be ordered to carry out the sale process, through an international public bidding, of the class “A” shares, due to the fact that the Management Period of the Concession Agreement is considered over.
- e) That the resolutions as well as any act performed by a governmental authority that modify contractual renegotiations be declared null and unconstitutional.
- f) That the resolutions that extend the management periods contemplated in the Concession Agreement be declared null and unconstitutional.
- g) Subsidiarily, should the main claim be rejected, that the defendants be ordered to bill all customers on a bimonthly basis.

Amount: undetermined

Procedural stage of the proceedings: The Company answered the complaint rejecting all its terms and requesting that a summons be served upon CAMMESA as a third-party defendant. The Court hearing the case approved the request and CAMMESA answered the service of notice in due time and manner. The Federal Government has answered the complaint filed against it within the term granted for such purpose, filing a motion to dismiss for lack of standing to be sued (“falta de legitimación pasiva”).

Conclusion: no provision has been recorded for these claims in these consolidated financial statements as the Company management, based on both that which has been previously mentioned and the opinion of its legal advisors, believes that there exist solid arguments to support its position. It is estimated that this legal action will not be terminated in 2014.

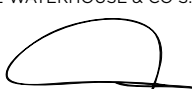
c. Legal action brought by Consumidores Financieros Asociación civil para su defensa

Purpose:

- 1) Reimbursement of the VAT percentage paid on the illegally “widened” taxable basis due to the incorporation of a concept (National Fund of Electricity - FNEE) on which no VAT had been paid by the defendants when CAMMESA (the company in charge of the regulation and operation of the wholesale electricity market) invoiced them the electricity purchased for distribution purposes.
- 2) Reimbursement of part of the administrative surcharge on “second due date”, in those cases in which payment was made within the time period authorized for such second deadline (14 days) but without distinguishing the effective day of payment.
- 3) Application of the “borrowing rate” in case of customer delay in complying with payment obligation, in accordance with the provisions of Law No. 26,361.

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por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

Amount: undetermined

Procedural stage of the proceedings: On April 22, 2010, the Company answered the complaint and filed a motion to dismiss for lack of standing (“excepción de falta de legitimación”), requesting, at such opportunity, that a summons be served upon the Federal Government, the AFIP and the ENRE as third-party defendants. These pleadings were made available to the plaintiff. Although the plaintiff’s opposition to the requested summons had not yet been resolved, the proceedings were brought to trial, in response to which EDENOR S.A. filed a motion for reversal with a supplementary appeal. The Court hearing the case granted the motion filed by EDENOR S.A. and ordered that the Federal Government, the AFIP and the ENRE be summoned as third-party defendants, which is currently taking place.

Conclusion: no provision has been recorded for these claims in these consolidated financial statements as the Company management, based on both that which has been previously mentioned and the opinion of its legal advisors, believes that there exist solid arguments to support its position. It is estimated that the proceedings will not be terminated in 2014.

d. Legal action brought by Unión de Usuarios y Consumidores

Purpose:

- a) that clause 4.6 and related clauses of Appendix I of the Adjustment Agreement be revoked, inasmuch as they establish that the tariff increase will be retroactive;
- b) that Resolution 51/07 of the ENRE be nullified inasmuch as it authorizes the retroactive increase of tariffs in favor of the Company.
- c) that the Company be ordered to reimburse customers all the amounts paid as retroactive tariff increase for the period of November 1, 2005 through January 31, 2007.
- d) that the reimbursement be implemented through a credit in favor of customers.

Amount: undetermined

Procedural stage of the proceedings: By resolution issued on June 1, 2011, the Court of Appeals in Contentious and Administrative Federal Matters No. V, supporting the Company’s arguments, ordered that the lower court decision be nullified as to the merits of the case. Against such decision, the Unión de Usuarios y Consumidores filed an extraordinary federal appeal (“Recurso Extraordinario Federal”) which was granted on November 3, 2011. The proceedings have been taken to the Federal Supreme Court, which on October 1, 2013 rejected the appeal due to the lack of compliance with a Court resolution.

Conclusion: No provision has been recorded in connection with this claim inasmuch as a final judgment in favor of EDENOR has been rendered.

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por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



e. Legal action brought by the Company (“EDENOR S.A. VS ENRE RESOLUTION 32/11”)

Purpose: The judicial annulment of ENRE Resolution that established the following:

- the Company be fined in the amount of \$ 750,000 due to its failure to comply with the obligations arising from Section 25, sub-sections a, f and g, of the Concession Agreement and Section 27 of Law No. 24,065.
- the Company be fined in the amount of \$ 375,000 due to its failure to comply with the obligations arising from Section 25 of the Concession Agreement and Resolution 905/1999 of the ENRE.
- the Company customers be paid as compensation for the power cuts suffered the following amounts: \$ 180 to each small-demand residential customer (T1R) who suffered power cuts that lasted more than 12 continuous hours, \$ 350 to those who suffered power cuts that lasted more than 24 continuous hours, and \$ 450 to those who suffered power cuts that lasted more than 48 continuous hours. The resolution stated that such compensation did not include damages to customer facilities and/or appliances, which were to be dealt with in accordance with a specific procedure.

Amount: \$ 22.4 million.

Procedural stage of the proceedings: On July 8, 2011, the Company requested that notice of the substance of the case be served on the ENRE, which has effectively taken place. The proceedings are “awaiting resolution” since the date on which the ENRE answered the notice served. Furthermore, on October 28, 2011, the Company filed an appeal (“recurso de queja por apelación denegada”) with the Supreme Court concerning the provisional relief sought and not granted. On April 24, 2013, the Company was notified of the Appellate Court’s decision dated March 21, 2013, pursuant to which the appeal filed by Edenor was declared formally inadmissible. On May 3, 2013, the Company filed an ordinary appeal (“Recurso Ordinario de Apelación”) with the Supreme Court. Additionally, on May 13, 2013, an extraordinary appeal (“Recurso Extraordinario Federal”) was also filed with the same Court. As of the date of this report, no decision has yet been issued on the two appeals lodged by the Company.

Conclusion: As of December 31, 2013, the provision recorded by the Company for principal and interest accrued amounts to \$ 34.9 million. It is estimated that this legal action will not be terminated in 2014.

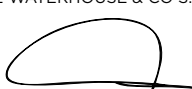
f. Legal action brought by the Company (“EDENOR S.A. VS ENRE RESOLUTION 336/12”)

Purpose: By this action, the Company challenges ENRE’s resolution pursuant to which

- the Company has to determine the customers affected by the power cuts occurred as a consequence of failures between October 29 and November 14, 2012;
- the Company has to determine the discounts to be recognized to each of the customers identified in accordance with the preceding caption;

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PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

- the Company has to accredit such discounts on account of the final discounts that will result from the evaluation of the Technical Service Quality relating to the six-month control period;
- the Company has to pay a compensation to each small-demand residential customer (T1R) who has been affected by the power cuts occurred during the aforementioned period, the amount of which will depend on the electricity outage duration, provided, however, that such power cut lasted more than 12 continuous hours.

Amount: not specified in the complaint.

Procedural stage of the proceedings: This resolution has been answered by the Company.

Conclusion: As of December 31, 2013, the provision recorded by the Company for penalties and compensations amounts to \$ 16.7 million (Note 2.e). It is estimated that this legal action will not be terminated in 2014.

g. Legal action brought by ASOCIACIÓN DE DEFENSA DE DERECHOS DE USUARIOS Y CONSUMIDORES - ADDUC

Purpose: the Company has been ordered to reduce or mitigate the default or late payment interest rates charged to customers who pay their bills after the first due date, inasmuch as they violate section 31 of Law No. 24,240, ordering both the non application of pacts or accords that stipulate the interest rates that are being applied to the users of electricity –their unconstitutional nature– as well as the reimbursement of interest amounts illegally collected from users of the service from August 15, 2008 through the date on which the defendant complies with the order to reduce interest. It is also requested that the value added tax (VAT) and any other taxes charged on the portion of the surcharge illegally collected be reimbursed.

Amount: undetermined

Procedural stage of the proceedings: On November 11, 2011, the Company answered the complaint and filed a motion to dismiss for both lack of standing to sue (“excepción de falta de legitimación activa”) and the fact that the claims at issue were being litigated in another lawsuit, currently in process, requesting as well that a summons be served upon the ENRE as a third-party defendant. These pleadings were made available to the plaintiff. Prior to rendering a decision on the motion to dismiss, the Court ordered that the Court in Contentious and Administrative Federal Matters No. 2 – Clerk’s Office No. 3, provide it with the proceedings “Consumidores Financieros Asociación Civil vs EDESUR and Other defendants, in the case brought for BREACH OF CONTRACT”. As of to date, the Court has not received the requested file.

Conclusion: therefore, no provision has been recorded for these claims in these consolidated financial statements as the Company management believes that there exist solid arguments for them to be considered inadmissible, based on both that which has been previously mentioned and the opinion of its legal advisors. It is estimated that this legal action will not be terminated in 2014.

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DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



h. Tax on minimum presumed income - Petition against the Federal Administration of Public Revenues (AFIP)

On August 2, 2013, the Company decided to adhere to the easy payment plan established by AFIP GR No. 3451/13, for an amount of \$ 47 million relating to the minimum presumed income tax for fiscal year 2011 (principal plus interest accrued through the date on which the Company adhered to the plan). As a consequence of the Company's adherence to the aforementioned easy payment plan, the debt will be paid in sixteen monthly and consecutive installments at a monthly interest rate of 1.35%, with the first installment falling due on September 16, 2013 (Note 31). Additionally, on August 23, 2013, the Company abandoned the petition for a declaratory relief it had filed against the AFIP.

i. 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, EDENOR 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". As of the date of this report, notice of the complaint has not yet been served upon the defendant.


DANIEL ABELOVICH
por Comisión Fiscalizadora

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Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

10. Property, plant and equipment

	Lands and buildings	Substations	High, medium and low voltage lines
At 12.31.11			
Cost	127,383	1,139,227	3,254,200
Accumulated depreciation	(32,687)	(425,670)	(1,700,645)
Net amount	94,696	713,557	1,553,555
Additions	-	-	-
Disposals	(324)	-	(1,268)
Transfers	10,415	73,232	138,829
Depreciation	(4,475)	(34,388)	(85,084)
Discontinued operations (Note 37)	5,035	23,870	98,497
Net amount 12.31.12	105,347	776,271	1,704,529
At 12.31.12			
Cost	143,408	1,242,566	3,488,557
Accumulated depreciation	(38,061)	(466,295)	(1,784,028)
Net amount	105,347	776,271	1,704,529
Additions	-	-	-
Disposals	-	(346)	(800)
Transfers	10,970	125,391	291,712
Depreciation	(4,491)	(35,903)	(89,254)
Discontinued operations (Note 37)	(15,723)	-	-
Net amount 12.31.13	96,103	865,413	1,906,187
At 12.31.13			
Cost	133,155	1,367,062	3,778,595
Accumulated depreciation	(37,052)	(501,649)	(1,872,408)
Net amount	96,103	865,413	1,906,187

- > During the years ended December 31, 2013 and 2012, direct costs capitalized amounted to \$ 124.2 million and \$ 107.5 million, respectively.
- > Financial costs capitalized for the years ended December 31, 2013 and 2012, amounted to \$ 24.5 million and \$ 25.4 million, respectively.

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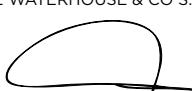

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Transforming chamber, platforms and meters	Furniture tools, vehicles, equipment and communications	Constructions in progress	Supplies and spare parts	Total
1,406,224 (606,002)	432,272 (365,873)	743,632 -	23,249 -	7,126,187 (3,130,877)
800,222	66,399	743,632	23,249	3,995,310
- (98)	3,306 (159)	536,673 -	4,329 -	544,308 (1,849)
127,048 (52,404)	68,511 (16,203)	(417,129) -	(906) -	- (192,554)
116,285	24,725	(272,641)	3,613	(616)
991,053	146,579	590,535	30,285	4,344,599
1,649,273 (658,220)	523,893 (377,314)	590,535 -	30,285 -	7,668,517 (3,323,918)
991,053	146,579	590,535	30,285	4,344,599
- (83)	28,074 (1)	1,043,976 -	20,292 -	1,092,342 (1,230)
120,662 (55,712)	43,131 (26,788)	(59,866) -	- -	- (212,148)
-	(18,478)	(55)	-	(34,256)
1,055,920	172,517	1,042,590	50,577	5,189,307
1,769,798 (713,878)	538,668 (366,151)	1,042,590 -	50,577 -	8,680,445 (3,491,138)
1,055,920	172,517	1,042,590	50,577	5,189,307

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

11. Intangible assets

	Contract right from the concessions	Total
At 12.31.11		
Cost	1,072,089	1,072,089
Accumulated amortization	(279,074)	(279,074)
Net amount	793,015	793,015
Additions	-	-
Disposals	-	-
Amortization	-	-
Discontinued operations (Note 37)	52,833	52,833
Net amount 12.31.12	845,848	845,848
At 12.31.12		
Cost	1,146,241	1,146,241
Accumulated amortization	(300,393)	(300,393)
Net amount	845,848	845,848
Discontinued operations (Note 37)	(845,848)	(845,848)
Net amount 12.31.13	-	-
At 12.31.13		
Cost	-	-
Accumulated amortization	-	-
Net amount	-	-

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L

DANIEL ABELOVICH
por Comisión Fiscalizadora

Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



12. Financial instruments

12.1 Financial instruments by category

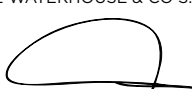
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets	Total
As of December 31, 2013				
Assets				
Trade receivables	803,095	-	-	803,095
Other receivables	481,519	-	239,988	721,507
Cash and cash equivalents				
Cash and Banks	19,775	-	-	19,775
Checks to be deposited	62	-	-	62
Time deposits	3,749	-	-	3,749
Money market funds	-	219,887	-	219,887
Financial assets at fair value through profit or loss:				
Government bonds	-	14,256	-	14,256
Government bonds - AESEBA trust	-	99,523	-	99,523
Money market funds	-	102,655	-	102,655
Total	1,308,200	436,321	239,988	1,984,509

As of December 31, 2012

Assets				
Trade receivables	891,425	-	-	891,425
Other receivables	113,500	-	208,744	322,244
Cash and cash equivalents				
Cash and Banks	18,697	-	-	18,697
Checks to be deposited	976	-	-	976
Time deposits	481	-	-	481
Money market funds	-	50,954	-	50,954
Financial assets at fair value through profit or loss:				
Government bonds	-	3,415	-	3,415
Total	1,025,079	54,369	208,744	1,288,192

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Subtotal financial liabilities	Non-financial liabilities	Total
As of December 31, 2013					
Liabilities					
Trade and other payables	2,761,622	-	2,761,622	1,032,377	3,793,999
Borrowings	1,350,532	-	1,350,532	-	1,350,532
Total	4,112,154	-	4,112,154	1,032,377	5,144,531

As of December 31, 2012

Liabilities					
Trade and other payables	1,359,623	-	1,359,623	2,049,505	3,409,128
Borrowings	1,453,843	-	1,453,843	-	1,453,843
Total	2,813,466	-	2,813,466	2,049,505	4,862,971

Financial instruments categories have been determined based on IFRS 9. The financial liabilities at amortized cost include also the operating leases where the Company acts as lessee, which are to be measured in accordance with IAS 17.

The income, expenses, gains and losses resulting from each category of financial instruments are as follow:

	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Total
As of December 31, 2013			
Interest income	250,994	36,074	287,068
Exchange differences	29,410	-	29,410
Bank fees and expenses	(10,313)	-	(10,313)
Changes in fair value of financial assets	-	16,097	16,097
Adjustment to present value	2,378	-	2,378
Other	-	58	58
Total	272,469	52,229	324,698

As of December 31, 2012

Interest income	45,858	29,647	75,505
Exchange differences	16,277	-	16,277
Bank fees and expenses	(511)	-	(511)
Gain from financial instruments at fair value	-	39,053	39,053
Total	61,624	68,700	130,324

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L

DANIEL ABELOVICH
por Comisión Fiscalizadora

Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Non-financial instruments	Total
As of December 31, 2013				
Interest expense	(481,184)	-	(13,357)	(494,541)
Other financial results	(14,763)	-	-	(14,763)
Exchange differences	(395,169)	-	-	(395,169)
Net gain from the repurchase of Corporate Notes	88,879	-	-	88,879
Total	(802,237)	-	(13,357)	(815,594)
As of December 31, 2012				
Interest expense	(213,545)	-	(11,920)	(225,465)
Exchange differences	(209,156)	-	-	(209,156)
Adjustment to present value	(2,196)	-	-	(2,196)
Other financial results	(12,084)	-	-	(12,084)
Total	(436,981)	-	(11,920)	(448,901)

12.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired may be assessed based on external credit ratings or historical information:

	12.31.13	12.31.12
Customers with no external credit rating (1):		
Group 1 (i)	338,982	575,737
Group 2 (ii)	217,722	211,190
Group 3 (iii)	88,025	54,091
Group 4 (iv)	158,366	50,407
Total trade receivables	803,095	891,425

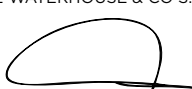
(1) Balances do not include the allowance for the impairment of trade receivables.

- (i) Relates to customers with debt to become due.
- (ii) Relates to customers with up to 3 months past due debt.
- (iii) Relates to customers with 3 to 12 months past due debt.
- (iv) Relates to customers with more than 12 months past due debt.

As of December 31, 2013, the maximum exposure to credit risk is the carrying amount of these financial assets.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

13. Other receivables

	12.31.13	12.31.12
Non-current:		
Prepaid expenses	1,020	1,260
Receivable from CMM	-	45,530
Receivable from minimum presumed income	127,386	96,688
Tax credits	1,107	11,697
Financial receivable	60,994	12,993
Receivable with EDEN S.A. class "C" shareholders	-	17,263
Related parties	7,279	8,352
Other	1,609	1,235
Total Non-current	199,395	195,018
Current:		
Prepaid expenses	2,751	1,893
Receivable from CMM (Note 2.c.III) (1) (2)	362,721	-
Value added tax	81,214	-
Advances to suppliers	21,790	47,410
Advances to personnel	4,718	3,666
Security deposits	1,980	1,074
Receivables from activities other than the main activity	52,238	27,521
Financial receivable	2,925	2,516
Receivable with FOCEDA (Note 2.c.V)	-	3,789
Note receivable with EDESUR	-	3,529
Judicial deposits	1,786	4,216
Related parties	1,186	43,940
Allowance for the impairment of other receivables	(20,412)	(16,011)
Other	9,215	3,683
Total Current	522,112	127,226

(1) Includes estimated interest for \$ 750.3 million (income) and \$ 552.8 million (expense) relating to the CMM and the PUREE, respectively.

(2) At December 31, 2013, net of the commercial debt with CAMMESA for 1.1 billion and the PUREE-related debt for \$ 1.6 billion, which were offset as established in SE Resolution 250/13 and SE Note 6852/13 (Note 2.C.III).

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L.


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



The carrying amount of the Company's other financial receivables approximates their fair value.

The aging analysis of other receivables is as follows:

	12.31.13	12.31.12
Past due	13,200	27,881
Up to 3 months	33,238	14,411
From 3 to 6 months	90,776	32,094
From 6 to 9 months	378,251	-
From 9 to 12 months	6,647	52,840
More than 12 months	199,395	195,018
Total other receivables	721,507	322,244

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

	12.31.13	12.31.12
Balance at beginning of year	16,011	12,253
Increase	5,146	4,095
Uses	(745)	(337)
Balance at end of year	20,412	16,011

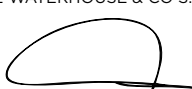
At the consolidated statement of financial position date, the maximum exposure to credit risk is the carrying amount of each class of other receivables.

The carrying amount of the Company's other receivables is denominated in the following currencies:

	12.31.13	12.31.12
Argentine pesos	715,190	257,458
US dollars	5,943	64,514
Euros	374	272
Total other receivables	721,507	322,244

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

14. Trade receivables

	12.31.13	12.31.12
Non-current:		
Bonds for the cancellation of debts of the Province of Bs. As.	-	2,042
Total Non-current	-	2,042
Current:		
Sales of electricity - Billed (1)	542,324	564,338
Sales of electricity - Unbilled	236,761	325,623
Framework Agreement	56,928	25,438
National Fund of Electricity	5,290	2,984
Bonds for the cancellation of debts of the Province of Bs. As.	1,701	4,095
Specific fee payable for the expansion of the network, transportation and others	10,536	9,933
Receivables in litigation	22,740	20,237
Allowance for the impairment of trade receivables	(73,185)	(63,265)
Total Current	803,095	889,383

(1) Net of Stabilization factor.

The carrying amount of the Company's trade receivables approximates their fair value.

The aging analysis of these trade receivables is as follows:

	12.31.13	12.31.12
Past due	464,113	315,688
Up to 3 months	338,982	573,396
From 3 to 6 months	-	299
More than 6 months	-	2,042
Total trade receivables	803,095	891,425

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

	12.31.13	12.31.12
Balance at beginning of year	63,265	57,618
Increase	32,871	13,054
Uses	(410)	(8,778)
Discontinued operations (Note 37)	(22,541)	1,371
Balance at end of year	73,185	63,265

As of December 31, 2013, the maximum exposure to credit risk is the carrying amount of each class of trade receivables.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L.


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



The carrying amount of the Company's trade receivables is denominated in the following currencies:

	12.31.13	12.31.12
Argentine pesos	803,095	891,425
	803,095	891,425

15. Financial assets at fair value through profit or loss

	12.31.13	12.31.12
Current		
Government bonds	14,256	3,415
Government bonds - AESEBA trust	99,523	-
Money market funds	102,655	-
Total current	216,434	3,415

16. Inventories

	12.31.13	12.31.12
Current:		
Supplies and spare-parts	83,853	85,002
Total inventories	83,853	85,002

17. Cash and cash equivalents

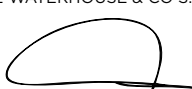
	12.31.13	12.31.12	12.31.11
Cash and banks	19,837	19,673	23,095
Time deposits	3,749	481	48,511
Money market funds	219,887	50,954	58,903
Total cash and cash equivalent	243,473	71,108	130,509

18. Assets under construction

	Construc- tion works with the Company's own funds	Construc- tion works with PU- REE funds	Construc- tion works with OCE- BA funds	Construc- tion works with FRE- BA funds	Total
At January 1, 2012	36,185	4,996	4,323	-	45,504
Additions	53,243	10,711	1,726	50,234	115,914
Transfers	(26,747)	(2,008)	(1,977)	(46,220)	(76,952)
At December 31, 2012	62,681	13,699	4,072	4,014	84,466
Discontinued operations (Nota 37)	(62,681)	(13,699)	(4,072)	(4,014)	(84,466)
At December 31, 2013	-	-	-	-	-

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

19. Share capital and additional paid-in capital

	Number of shares (1)	Share capital (2)	Additional paid-in capital	Total
At January 1, 2012	906,455,100	1,902,944	21,769	1,924,713
Absorption of accumulated losses - Shareholders' Meeting of 04/27/2012	-	(588,426)	(18,317)	(606,743)
At December 31, 2012	906,455,100	1,314,518	3,452	1,317,970
Absorption of accumulated losses - Shareholders' Meeting of 04/25/2013	-	(498,708)	(3,452)	(502,160)
Reversal of the absorption of accumulated losses - Shareholders' Meeting of 12/20/2013	-	498,708	3,452	502,160
At December 31, 2013	906,455,100	1,314,518	3,452	1,317,970

(1) Includes 9,412,500 treasury shares at December 31, 2013 and 2012, respectively.

(2) Includes the nominal value of capital and treasury stock and the adjustment for inflation of both concepts.

At December 31, 2012, the Company's share capital amounted 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.

On April 25, 2013, the Shareholders' Meeting approved the annual separate and consolidated Financial Statements as of December 31, 2012 and resolved to reduce capital stock, due to the fact that the Company had become subject to compliance with the mandatory capital stock reduction established in section 206 of the Argentine Business Organizations Law since losses consumed the totality of the reserves and 50% of capital stock. The approved reduction implies the decrease of the number of shares while maintaining shareholding proportions. On May 22, 2013, the Company filed the documentation with the National Securities Commission for its approval and subsequent registration.

With regard to the capital reduction mentioned in the preceding paragraph, the Company Extraordinary Shareholders' Meeting held on December 20, 2013, as a consequence of the issuance of SE Resolution 250/13 and SE Note 6852/13 described in Note 2.c.III, approved the reversal of the mandatory capital stock reduction due to the fact that the causes that had led to the adoption of such decision have disappeared. Furthermore, the effects of those regulations allowed the Company to overcome the situation concerning the grounds for corporate dissolution due to loss of capital stock to which it had been exposed at March 31, 2013.

Therefore, at December 31, 2013, 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.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L.


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



Each and every share maintains the same voting rights, i.e. one vote per share. There are no preferred shares of any kind, dividends and/or preferences in the event of liquidation, privileged participation rights, prices and dates, or unusual voting rights. Moreover, there are no significant terms of contracts allowing for either the issuance of additional shares or any commitment of a similar nature.

Listing of the Company's shares

The Company's shares are listed on the Buenos Aires Stock Exchange and are part of the Merval Index.

Furthermore, on August 5, 2009 the Securities and Exchange Commission ("SEC") of the United States of America authorized the Company to trade American Depositary Shares ("ADSs"), each representing 20 common shares of the Company. As from October 9, 2009 the Company's ADSs are traded in the New York Stock Exchange ("NYSE").

The trading of ADSs in the NYSE is part of the Company's strategic plan to increase both its liquidity and the volume of its shares.

Acquisition of the Company's own shares

During fiscal year 2008, the Company acquired 9,412,500 Class B treasury shares with a nominal value of 1 peso. The amount disbursed to acquire these shares totaled \$ 6.4 million, which was deducted from unappropriated retained earnings of the equity attributable to the owners of the Company at that date. At the date of these consolidated financial statements, these shares are held as "treasury stock". The Company is entitled to reissue these shares at a future date.

On March 3, 2011, the Company held the General Annual Meeting which resolved by majority of votes to extend for 3 years the term for holding the treasury shares acquired within the framework of section 68 of Law No. 17,811 (text consolidated by Decree No. 677/01). All the shares issued have been fully paid-in.

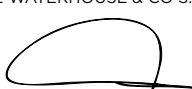
The Company's Employee Stock Ownership Program

At the time of the privatization of SEGBA (the Company's predecessor), the Argentine Government assigned the Company's Class C shares, representing 10% of the Company's outstanding capital stock, for the creation of an Employee Stock Ownership Program (ESOP) in compliance with the provisions of Law No. 23,696 and its regulatory decrees. Through this program, certain eligible employees (including former SEGBA employees who had been transferred to the Company) were entitled to receive a specified number of Class C shares, to be calculated on the basis of a formula that took into consideration a number of factors including employee salary, position and seniority. In order to implement the ESOP, a general transfer agreement, a voting trust agreement and a trust agreement were signed.

Pursuant to the general transfer agreement, participating employees were allowed to defer payment of the Class C shares over time. As security for the payment of the deferred purchase price, the Class C shares were pledged in favor of the Argentine government. This pledge was released on April 27,

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

2007 upon full payment to the Argentine Government of the deferred purchase price of all Class C shares. Additionally, in accordance with the terms of the original trust agreement, the Class C shares were held in trust by Banco de la Nación Argentina, acting as trustee, for the benefit of the ESOP participating employees and the Argentine Government. Furthermore, in accordance with the voting trust agreement, all political rights of participating employees (including the right to vote at the Company's ordinary and extraordinary shareholders' meetings) were to be jointly exercised until full payment of the deferred purchase price and release of the pledge in favor of the Argentine Government. On April 27, 2007, ESOP participating employees fully paid the deferred purchase price to the Argentine Government, accordingly, the pledge was released and the voting trust agreement was terminated.

In accordance with the regulations applicable to the ESOP, participating employees who retired before full payment of the deferred purchase price to the Argentine Government was made, were required to transfer their shares to the Guarantee and Repurchase Fund (Fondo de Garantía y Recompra) at a price to be calculated in accordance with a formula established in the general transfer agreement. At the date of payment of the deferred purchase price, the Guarantee and Repurchase Fund had not fully paid the amounts due to former ESOP participating employees for the transfer of their Class C shares.

A number of former employees of both SEGBA and the Company have brought legal actions against the Guarantee and Repurchase Fund, the Argentine Government and, in few cases, against the Company, in cases in relation to the administration of the Employee Stock Ownership Program. The plaintiffs who are former employees of SEGBA were not deemed eligible by the corresponding authorities to participate in the Employee Stock Ownership Program at the time of its creation. This decision is being disputed by the plaintiffs who are therefore seeking compensation. The plaintiffs who are former employees of the Company are claiming payment for the unpaid amounts owed to them by the Guarantee and Repurchase Fund either due to non-payment of the transfer of their shares upon retirement in favor of the Guarantee and Repurchase Fund or incorrect calculation of amounts paid to them by the Guarantee and Repurchase Fund. In several of these claims, the plaintiffs have obtained attachment orders or prohibitory injunctions against the Guarantee and Repurchase Fund on Class C shares and the amounts deposited in such Fund. Due to the fact that the resolution of these legal proceedings is still pending, the Federal Government has instructed Banco de la Nación Argentina to create a Contingency Fund so that a portion of the proceeds of the offering of the Employee Stock Ownership Program Class C shares be kept during the course of the legal actions.

No provision has been recorded in these consolidated financial statements in connection with the legal actions brought against the Company as the Company management believes that EDENOR S.A. is not responsible for the above-mentioned claims.

In accordance with the agreements, laws and decrees that govern the Employee Stock Ownership Program, the Class C shares may only be held by personnel of the Company, therefore before the public offering of the Class C shares that had been separated from the Program, such shares were converted into Class B shares and sold. In conformity with the by-laws, the political rights previously attributable to Class C shares are at present jointly exercised with those attributable to Class B shares and the holders of the remaining Class C shares will vote jointly as a single class with the holders of Class B shares when electing directors and supervisory committee members. At December 31, 2013

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



and 2012, 1,757,344 and 1,952,604 Class C shares, representing 0.22% of the Company's share capital in each case are outstanding.

20. Allocation of profits

Restrictions on the distribution of dividends

- i. In accordance with the provisions of Law No. 19,550, the General Annual Meeting held on April 27, 2012 resolved that the loss for the year ended December 31, 2011 be absorbed by the Retained Earnings account.
- ii. In accordance with the provisions of Law No. 25,063, passed in December 1998, dividends to be distributed, whether in cash or in kind, in excess of accumulated taxable profits at the fiscal year-end immediately preceding the date of payment or distribution, shall be subject to a final 35% income tax withholding, except for those dividends distributed to shareholders who are residents of countries benefiting from conventions for the avoidance of double taxation who will be subject to a lower tax rate.
- iii. Additionally, as indicated in Note 2, and in accordance with the Adjustment Agreement entered into between Edenor S.A. and the Federal Government, there are certain restrictions on the distribution of dividends by the Company and the ENRE's approval for any distribution is necessary.
- iv. In accordance with the provisions of Argentine Business Organizations Law No. 19,550, not less than five percent (5%) of the net profit arising from the statement of income for the year must be allocated to the legal reserve, until it equals twenty percent (20%) of the share capital. No charge has been recorded for this concept in the year being reported.
- v. Recording of legal reserve for up to the amount absorbed, as resolved by the General Annual Meeting held on April 27, 2012.


DANIEL ABELOVICH
por Comisión Fiscalizadora

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

21. Trade payables

	12.31.13	12.31.12
Non-current:		
Customer deposits	54,524	57,785
Customer contributions	113,778	95,723
Funding contributions - substations	51,700	-
Suppliers	794	1,805
Total Non-current	220,796	155,313
Current:		
Payables for purchase of electricity - CAMMESA (1)	1,500,609	421,396
Provision for unbilled electricity purchases - CAMMESA	280,935	259,762
Suppliers	480,656	349,633
Related parties	-	14,257
Customer contributions	176,800	68,237
Funding contributions - substations	12,352	53,286
Other	29,956	42,083
Total Current	2,481,308	1,208,656

(1) As of December 31, 2013, net of \$ 1,152.3 million, offset in accordance with SE Resolution 250/13 and SE Note 6852/13 (Note 2.C.III.).

The fair values of non-current customer contributions at December 31, 2013 and 2012 amount to \$ 98.7 million and \$ 83.7 million, respectively.

The carrying amount of the rest of the Company's financial liabilities included in trade payables approximates their fair value.

22. Other payables

	12.31.13	12.31.12
Non-current:		
ENRE penalties and discounts	836,115	617,011
Program for the rational use of electric power (1)	108,603	1,277,761
Total Non-current	944,718	1,894,772
Current:		
ENRE penalties and discounts	87,658	45,031
Program for the rational use of electric power (Res. MIVSPBA No. 252/07)	-	74,693
Advance payments received for sale agreements of related parties	-	7,377
Related parties	2,028	2,382
Liability with FOCEDE (Note 2.c.V)	4,237	3,789
Liability with FOTAE (Note 41)	48,960	-
Dividends payable to class "C" shareholders	-	7,509
Other	4,294	9,606
Total Current	147,177	150,387

(1) As of December 31, 2013, net of \$ 1.6 billion, offset in accordance with SE Resolution 250/13 and SE Note 6852/13 (Note 2.C.III.).

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



The carrying amount of the Company's other financial payables approximates their fair value.

23. Deferred revenue

	12.31.13	12.31.12
Non-current		
Related to IFRIC 12	-	230,061
Nonrefundable customer contributions	33,666	34,366
Total Non-current	33,666	264,427

24. Borrowings

	12.31.13	12.31.12
Non-current:		
Financial loans	-	5,424
Corporate notes (1)	1,309,949	1,345,276
Total non-current	1,309,949	1,350,700
Current:		
Financial loans	430	31,371
Interest	40,153	35,107
Corporate notes	-	11,665
Bank overdrafts	-	25,000
Total current	40,583	103,143

(1) Net of issuance expenses and debt repurchase.

The maturities of the Company's borrowings and their exposure to interest rates are as follow:

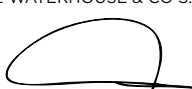
	12.31.13	12.31.12
Fixed rate		
Less than 1 year	40,583	61,028
From 1 to 2 years	-	424
More than 4 years	1,309,949	1,345,276
	1,350,532	1,406,728
Floating rate		
Less than 1 year	-	42,115
From 1 to 2 years	-	5,000
	-	47,115
	1,350,532	1,453,843

The carrying amounts of the Company's current borrowings and non-current financial loans approximate their fair values.

As of December 31, 2013 and 2012, the fair values of the Company's non-current borrowings (Corporate Notes) amount to \$ 924.1 million and \$ 588.3 million, respectively. Such values were calculated on the basis of the market price of the Company's corporate notes at the end of each year.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

The Company's borrowings are denominated in the following currencies:

	12.31.13	12.31.12
Argentine pesos	430	72,294
US dollars	1,350,102	1,381,549
	1,350,532	1,453,843

The roll forward of the Company's borrowings during the year was as follows:

Balance at 01.01.2012	1,248,907
Principal borrowed	751
Principal repaid	(36,480)
Interest paid	(128,893)
Exchange difference and interest accrued	308,930
Discontinued operations (Note 37)	60,628
Balance at 12.31.2012	1,453,843
Discontinued operations (Note 37)	(60,629)
Principal repaid	(25,535)
Interest paid	(176,976)
Repurchase of Corporate Notes - Trust AESEBA	(165,085)
Repurchase of Corporate Notes for collection of related companies	(52,840)
Gain from the repurchase of Corporate Notes	(176,104)
Exchange difference and interest accrued	553,858
Balance at 12.31.2013	1,350,532

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



THE COMPANY'S BORROWINGS

Corporate notes programs

The Company is included in a Corporate Notes program, the relevant information of which is detailed below:

Debt issued in United States dollars

Corporate Notes	Class	Rate	Year of Maturity	Millions of USD		Millions of \$	
				Debt structure at 01-01-2013	Debt repurchase (2)	Debt structure at 12-31-2013	At 12-31-2012
Fixed Rate par note	7	10.50	2017	24.76	(10.00)	14.76	96.25
Fixed Rate par note (1)	9	9.75	2022	247.43	(61.31)	186.12	1,213.70
Total				272.19	(71.31)	200.88	1,309.95

Corporate Notes	Class	Rate	Year of Maturity	Millions of USD		Millions of \$	
				Debt structure at 01-01-2012	Debt repurchase (2)	Debt structure at 12-31-2012	At 12-31-2012
Fixed Rate par note	7	10.50	2017	24.76	-	24.76	121.77
Fixed Rate par note (1)	9	9.75	2022	247.43	-	247.43	1,223.51
Total				272.19	-	272.19	1,345.28

(1) Net of issuance expenses.

(2) Includes collection, through the trust, of proceeds from subsidiary sales and collection of financial receivables with related companies.

Debt issued in Argentine pesos

Corporate Notes	Debt structure (Millions of \$)			
	Class	Rate	Year of maturity	At 12-31-2013
Floating Rate Par Note	8	BADLAR+6,7 5	2013	-
Total				-

Corporate Notes	Debt structure (Million of \$)			
	Class	Rate	Year of maturity	At 12-31-2012
Floating Rate Par Note	8	BADLAR+6,7 5	2013	11,66
Total				11,66

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L

DANIEL ABELOVICH
por Comisión Fiscalizadora

Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

The main covenants are the following:

i. Negative Covenants

The terms and conditions of the Corporate Notes include a series of negative covenants that limit the Company's actions with regard to, among others, the following:

- encumbrance or authorization to encumber its property or assets;
- incurrence of indebtedness, in certain specified cases;
- sale of the Company's assets related to its main business;
- carrying out of transactions with shareholders or related companies;
- making certain payments (including, among others, dividends, purchases of Edenor's common shares or payments on subordinated debt).

ii. Suspension of Covenants:

Certain negative covenants stipulated in the terms and conditions of the Corporate Notes will be suspended or adjusted if:

- The Company's long-term debt rating is raised to Investment Grade or its Level of Indebtedness is equal to or lower than 2.5.
- If the Company subsequently losses its Investment Grade rating or its Level of Indebtedness is higher than 2.5, as applicable, the suspended negative covenants will be once again in effect.

At the date of issuance of these consolidated Financial Statements, the previously mentioned ratios have been complied with.

However, the reinstatement of the covenants will not affect those acts which the Company may have performed during the suspension of such covenants.

25. Salaries and social security taxes payable

a. Salaries and social security taxes payable

	12.31.13	12.31.12
Non-current:		
Early retirements payable	1,164	1,983
Seniority-based bonus	24,795	15,477
Total non-current	25,959	17,460
Current:		
Salaries payable and provisions	383,096	326,903
Social security taxes payable	35,832	53,018
Early retirements payable	1,929	3,721
Total current	420,857	383,642

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L.


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

**b. Salaries and social security taxes expenses**

	12.31.13	12.31.12
Salaries	892,679	663,434
Social security taxes	227,276	220,352
Discontinued operations (Note 37)	-	(189,791)
Total salaries and social security taxes	1,119,955	693,995

Early retirements payable correspond to individual optional agreements. After employees reach a specific age, the Company may offer them this option. The related accrued liability represents future payment obligations which at December 31, 2013 and 2012 amount to \$ 1.9 million and \$ 3.7 million (current) and \$ 1.2 million and \$ 2 million (non-current), respectively.

As of December 31, 2013 and 2012, the provisions for the seniority-based bonus granted to employees amounted to \$ 24.8 million and \$ 15.5 million, respectively.

As of December 31, 2013 and 2012, the number of employees amounts to 3,563 and 2,966, respectively.

26. Benefit plans

A bonus is granted to all those employees who have the necessary years of service and made the required contributions to retire under ordinary retirement plans.

The amounts and conditions vary in accordance with the collective bargaining agreement and for employees who are not union members.

	12.31.13	12.31.12
Non-current	102,691	97,436
Current	-	14,968
Total Benefit plans	102,691	112,404

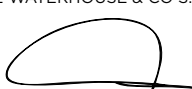
The detail of the benefit plan obligations at December 31, 2013 and 2012 is as follows:

	12.31.13	12.31.12
Benefit payment obligations at beginning of year (1)	112,404	94,830
Current service cost	3,678	3,568
Interest cost	18,862	16,796
Actuarial losses	20,951	(7,937)
Benefits paid to participating employees	(7,904)	(3,989)
Discontinued operations (Note 37)	(45,300)	9,136
Benefit payment obligations at year end	102,691	112,404

As of December 31, 2013 and 2012, the Company does not have any assets related to post-retirement benefit plans.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

The detail of the charge recognized in the consolidated statement of comprehensive income (loss) is as follows:

	12.31.13	12.31.12
Cost	3,678	3,568
Interest	18,862	16,796
Discontinued operations (Note 37)	-	10,662
Actuarial results - Other comprehensive loss	20,951	(7,937)
Actuarial results - Other comprehensive loss from discontinued operations (Nota 37)	-	6,009
	43,491	29,098

The main actuarial assumptions used by the Company were the following:

	12.31.13	12.31.12
Discount rate	6%	6%
Salary increase	2%	2%
Inflation	25%	29%

The annual 6% real discount rate is reasonable considering the market rates for Argentine government bonds at December 31, 2010. The IRR of Argentine government bonds has been significantly influenced, since mid-2011, by the global macroeconomic context, and the probability of default thereon is assumed to be higher than the credit risk of large corporations. Subsequently, the rates increased due to a significant increase of the risk of default, unrelated to the risk of well-established firms whose risk of default on their obligations has not changed in such proportion.

The following information shows the effect of a 1% variation in the discount rate for the projection at December 31, 2013:

	Changes in premises	Increase in premises	Decrease in premises
Discount rate	1%	6,30%	7,24%
Salary growth rate	1%	6,83%	6,05%

Payments expected benefits are:

	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	More than 5 years
At December 31, 2013					
Benefit payment obligations	3,490	2,398	3,933	5,117	80,899

Estimates based on actuarial techniques imply the use of statistical tools, such as the so-called demographic tables used in the actuarial valuation of Edenor S.A. active personnel.

In order to determine the mortality of Edenor active personnel, the "1971 Group Annuity Mortality" table has been used. In general, a mortality table shows for each age group the probability that a person in any such age group will die before reaching a predetermined age. Male and female mortality

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L.


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



tables are elaborated separately inasmuch as men and women's mortality rates are substantially different.

In order to estimate total and permanent disability due to any cause, 80% of the "1985 Pension Disability Study" table has been used.

In order to estimate the probability that the Company active personnel will leave the Company or stay therein, the "ESA 77" table has been used.

Liabilities related to the above-mentioned benefit plans have been determined contemplating all the rights accrued by the beneficiaries of the plans through the closing date of the year ended December 31, 2013.

These benefits do not apply to key management personnel.

27. Income tax and tax on minimum presumed income / Deferred tax

At the date of issuance of these Consolidated Financial Statements, there are no significant changes with respect to the situation reported by the Company as of December 31, 2012, except for the following:

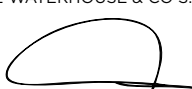
As a consequence of the issuance of SE Resolution 250/13 and SE Note 6852/13 described in Note 2.c.III, as of December 31, 2013 the Company generated taxable profit. Therefore, and in accordance with IFRS, the Company recognized in the accounting tax losses carryforward from prior years for an amount of \$ 406.8 million, which have been applied to assess the tax expense for the period.

The analysis of deferred tax assets and liabilities is as follows:

	12.31.13	12.31.12
Deferred tax assets:		
Deferred tax assets to be recovered in more than 12 months	339,113	373,351
	339,113	373,351
Deferred tax liabilities:		
Deferred tax liabilities to be recovered in more than 12 months	(412,540)	(603,762)
	(412,540)	(603,762)
Net deferred tax liabilities	(73,427)	(230,411)

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

The amounts of deferred tax assets and liabilities considered as of December 31, 2013 and 2012, respectively, are detailed below:

Balance at January 1, 2012	(348,749)
Charged to the statement of comprehensive loss	119,984
Charged to other comprehensive loss	(1,646)
Balance at December 31, 2012	(230,411)
Charged to the statement of comprehensive income	44,116
Charged to other comprehensive income	7,333
Discontinued operations (Note 37)	105,535
Balance at December 31, 2013	(73,427)

	Total	Property, plant and equipment and Other	Borrowings	Assets of disposal group classified as held for sale
Deferred tax assets				
Balance at January 1, 2012	(629,006)	(510,508)	(15,246)	(103,252)
Charged to the statement of comprehensive loss	25,244	9,785	1,629	13,830
Balance at December 31, 2012	(603,762)	(500,723)	(13,617)	(89,422)
Charged to the statement of comprehensive income	87,121	100,539	1,261	(14,679)
Discontinued operations (Note 37)	104,101	-	-	104,101
Balance at December 31, 2013	(412,540)	(400,184)	(12,356)	-

	Total	Other payables and tax liabilities	Other receivables and Trade receivables	Salaries, social security taxes payable and benefit plans	Provisions and other	Tax losses carryforward
Deferred tax assets:						
Balance at January 1, 2012	280,257	137,715	32,012	13,704	96,826	-
Business combinations	-	-	-	-	-	-
Charged to the statement of comprehensive loss	94,740	45,149	8,806	39,753	1,032	-
Charged to other comprehensive loss	(1,646)	-	-	(1,646)	-	-

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L.


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



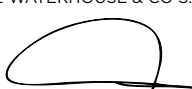
	Total	Other payables and tax liabilities	Other receivables and Trade receivables	Salaries, social security taxes payable and benefit plans	Provisions and other	Tax losses carryforward
Balance at December 31, 2011	373,351	182,864	40,818	51,811	97,858	-
Charged to the statement of comprehensive loss	(43,005)	56,827	(14,574)	(18,885)	(66,373)	-
Charged to other comprehensive loss	7,333	-	-	7,333	-	-
Discontinued operations (Note 37)	1,434	-	-	-	1,434	-
Balance at December 31, 2012	339,113	239,691	26,244	40,259	32,919	-

The detail of the income tax expense is disclosed below:

	12.31.13	12.31.12
Deferred tax	(149,651)	(99,779)
Income tax	(149,651)	(99,779)
Loss before income tax	823,751	(1,147,020)
Discontinued operations (Note 37)	-	56,192
Subtotal	823,751	(1,090,828)
Applicable tax rate	35%	35%
Gain (Loss) Profit at the tax rate	288,313	(381,790)
Tax effects of:		
Permanent differences	(52,120)	4,348
Previously unrecognized losses carryforward	(385,844)	262,059
Difference between provision and tax return	-	15,604
Income tax - Continuing operations	(44,116)	(116,717)
Income tax - Discontinued operations	(105,535)	16,938

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

Tax losses carryforward in effect (not recognized) at December 31, 2013 are as follow:

Tax loss carryforward	Amount	Rate 35%	Year of expiration
Generated in fiscal year 2009	12,088	4,231	2014
Generated in fiscal year 2010	20,837	7,293	2015
Generated in fiscal year 2011	-	-	2016
Generated in fiscal year 2012	129,928	45,475	2017
Generated in fiscal year 2013	-	-	2018
Total tax loss carryforward al December 31, 2013	162,853	56,999	

Additionally, at December 31, 2013, the minimum presumed income tax receivable of \$ 127.4 million has been disclosed in the Other non-current receivables account (Note 13).

The detail of the aforementioned receivable is as follows:

Minimum presumed income tax receivable	Amount	Year of expiration
Generated in fiscal year 2010	17,330	2020
Generated in fiscal year 2011	32,848	2021
Generated in fiscal year 2012	32,105	2022
Generated in fiscal year 2013	45,102	2023
	127,385	

28. Tax liabilities

	12.31.13	12.31.12
Non-current:		
Tax regularization plan	4,406	9,971
Total Non-current	4,406	9,971
Current:		
Income tax provision net of the minimum presumed income tax credit	-	4,525
Tax on minimum presumed income payable	24,876	70,487
Provincial, municipal and federal contributions and taxes	53,620	88,720
VAT payable	-	21,204
Tax withholdings	25,761	15,749
SUSS (Social Security System) withholdings	1,582	665
Municipal taxes	36,170	40,462
Tax regularization plan	40,460	2,825
Tax-related interest payable	-	8,937
Total Current	182,469	253,574

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



29. Leases

> As lessee

The features that these lease contracts have in common are that lease payments (installments) are established as fixed amounts; there are neither purchase option clauses nor renewal term clauses (except for the lease contract of the Energy Handling and Transformer Center that has an automatic renewal clause for the term thereof); and there are prohibitions such as: transferring or sub-leasing the building, changing its use and/or making any kind of modifications thereto. All operating lease contracts have cancelable terms and lease periods of 2 to 13 years.

Among them the following can be mentioned: commercial offices, two warehouses, the headquarters building (comprised of administration, commercial and technical offices), the Energy Handling and Transformer Center (two buildings and a plot of land located within the perimeter of Central Nuevo Puerto and Puerto Nuevo) and Las Heras substation.

As of December 31, 2013 and 2012, future minimum lease payments with respect to operating leases are as follow:

	12.31.13	12.31.12
2013	-	16,653
2014	21,046	17,006
2015	10,998	9,657
2016	4,943	4,943
2017	4,752	4,753
2018	147	147
2019	147	-
Total future minimum lease payments	42,033	53,159

Total rental expenses for all operating leases for the years ended December 31, 2013 and 2012 are as follow:

	12.31.13	12.31.12
Total lease expenses	19,786	14,687

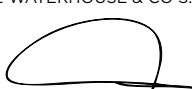
> As lessor

The Company has entered into operating lease contracts with certain cable television companies granting them the right to use the poles of the Company's network. Most of these lease contracts include automatic renewal clauses.

As of December 31, 2013 and 2012, future minimum lease collections with respect to operating leases are as follow:

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

	12.31.13	12.31.12
2013	-	42,817
2014	51,620	3,299
2015	48,023	146
2016	28	-
2017	-	-
2018	-	-
2019	-	-
Total future minimum lease collections	99,671	46,262

Total rental income for all operating leases for the years ended December 31, 2013 and 2012 is as follows:

	12.31.13	12.31.12
Total lease income	41,538	34,762

30. Provisions

	Non-current liabilities Contingencies	Current liabilities Contingencies
Balances at beginning of year 01.01.12	66,144	10,344
Increases	13,366	11,414
Decreases	-	(12,050)
Discontinued operations (Note 37)	509	785
Balances at end of year 12.31.12	80,019	10,493
Increases	14,638	21,395
Decreases	(8,240)	(17,059)
Discontinued operations (Note 37)	(3,296)	(4,162)
Balances at end of year 12.31.13	83,121	10,667

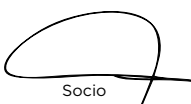
31. Revenue from sales

	12.31.13	12.31.12
Sales of electricity (1)	3,393,759	2,936,661
Right of use on poles	41,538	34,762
Connection charges	4,218	3,275
Reconnection charges	1,176	1,484
	3,440,691	2,976,182

(1) Includes revenue from the application of Resolution 347/12 for \$ 491.5 million and \$ 54.4 million for the years ended December 31, 2013 and 2012, respectively.


DANIEL ABELOVICH
por Comisión Fiscalizadora

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L.


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



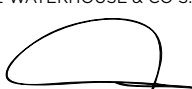
32. Expenses by nature

The detail of expenses by nature is as follows:

Description	12.31.13			
	Transmission and Distribution Expenses	Selling Expenses	Administrati- ve Expenses	Total
Salaries and social security taxes	790,667	179,355	149,933	1,119,955
Pension plan	14,748	3,728	4,064	22,540
Communications expenses	7,714	32,629	1,805	42,148
Allowance for the impairment of trade and other receivables	-	38,017	-	38,017
Supplies consumption	121,918	-	7,735	129,653
Rent and insurance	6,063	-	21,867	27,930
Security services	17,967	553	10,390	28,910
Fees and remuneration for services	665,136	198,458	103,421	967,015
Public relations and marketing	-	-	4,460	4,460
Advertising and sponsorship	-	-	2,298	2,298
Reimbursements to personnel	1,024	179	1,036	2,239
Depreciation of property, plant and equipment	194,815	9,105	8,228	212,148
Directors and Supervisory Committee members' fees	-	-	2,507	2,507
ENRE penalties	234,803	52,700	-	287,503
Taxes and charges	-	33,435	5,460	38,895
Other	430	97	1,564	2,091
Total at 12.31.2013	2,055,285	548,256	324,768	2,928,309

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

The expenses included in the chart above are net of the Company's own expenses capitalized in property, plant and equipment as of December 31, 2013 for \$ 124.2 million.

Description	12.31.12			Total
	Transmission and Distribution Expenses	Selling Expenses	Administrative Expenses	
Salaries and social security taxes	454,090	114,771	125,134	693,995
Pension plans	13,324	3,368	3,672	20,364
Communications expenses	7,549	20,493	1,703	29,745
Allowance for the impairment of trade and other receivables	-	17,149	-	17,149
Supplies consumption	85,144	-	6,510	91,654
Rent and insurance	3,937	-	17,208	21,145
Security services	11,826	680	4,256	16,762
Fees and remuneration for services	478,448	154,047	74,540	707,035
Public relations and marketing	-	-	3,419	3,419
Advertising and sponsorship	-	-	1,761	1,761
Reimbursements to personnel	1,003	197	794	1,994
Depreciation of property, plant and equipment	182,137	7,165	3,252	192,554
Directors and Supervisory Committee members' fees	-	-	2,543	2,543
ENRE penalties	106,557	10,386	-	116,943
Taxes and charges	-	24,618	3,516	28,134
Other	101	64	1,087	1,252
Total at 12.31.2012	1,344,116	352,938	249,395	1,946,449

The expenses included in the chart above are net of the Company's own expenses capitalized in property, plant and equipment as of December 31, 2012 for \$ 107.5 million.

33. Other income / (expense)

	12.31.12	12.31.11
Other operating income		
Services provided to third parties	21,700	15,865
Commissions on municipal taxes collection	8,638	6,650
Other net income with Related Companies	3,857	2,790
Recovery of trade receivables	4,318	-
Recovery of tax credits	-	5,112
Advance payments received for subsidiaries sale agreements	8,868	-
Others	14,199	1,846
Total other operating income	61,580	32,263

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



	12.31.13	12.31.12
Other operating expense		
Net expense from technical services	(15,541)	(10,597)
Cost for services provided to third parties	(9,035)	(1,688)
Voluntary Retirements - Bonuses	(15,876)	(10,126)
Severance paid	(4,924)	(4,819)
Impairment of other receivables (Note 37)	-	(37,266)
Provision for contingencies	(36,033)	(24,780)
Disposals of property, plant and equipment	(1,230)	(1,849)
Disposals of intangible assets	-	-
Transaction costs	(55,548)	(47,086)
Others	(4,590)	-
Total other operating expense	(142,777)	(150,211)

34. Net financial expense

	12.31.13	12.31.12
<u>Financial income</u>		
Late payment charges	45,383	25,723
Financial interest (1) (2)	241,685	49,782
Total financial income	287,068	75,505

<u>Financial expenses</u>		
Financial interest (3)	(155,388)	(150,130)
Tax-related interest	(13,357)	(10,834)
Commercial interest	(325,796)	(64,501)
Bank fees and expenses	(10,313)	(511)
Total financial expenses	(504,854)	(225,976)

<u>Other financial expense</u>		
Exchange differences	(365,759)	(192,879)
Adjustment to present value	2,378	(2,196)
Changes in fair value of financial assets	16,097	39,053
Net gain from the repurchase of Corporate Notes	88,879	-
Other financial expense	(14,705)	(12,084)
Total other financial expense	(273,110)	(168,106)
Total net financial expense	(490,896)	(318,577)

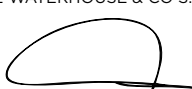
(1) Includes interest on cash equivalents at December 31, 2013 and 2012 for \$ 2.9 million and \$ 32.6 million, respectively.

(2) Includes net interest for 197.5 million relating to the CMM and the PUREE (Note 2.C.III).

(3) Net of interest capitalized at December 31, 2013 and 2012 for \$ 24.5 million and \$ 25.4 million, respectively.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

35. 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 at December 31, 2013 and 2012, 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.

	12.31.13		12.31.12	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
Profit (Loss) for the period attributable to the owners of the parent	867,867	(96,128)	(1,030,303)	13,833
Weighted average number of common shares outstanding	864,152	864,152	897,043	897,043
Basic and dilute earnings (loss) per share – in pesos	1.00	(0.11)	(1.15)	0.02

36. Related-party transactions

> The following transactions were carried out with related parties:

a. Income

EDENOR

Company	Description	12.31.13	12.31.12
CYCSA	Other income	3,857	2,790
PESA	Interest	11,606	5,572
		15,463	8,362

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

**b. Expense**

EDENOR Company	Description	12.31.13	12.31.12
EASA	Technical advisory services on financial matters	(13,599)	(11,325)
SACME	Operation and oversight of the electric power transmission system	(14,745)	(10,883)
Salaverri, Dellatorre, Burgio y Wetzler Malbrán	Legal fees	(1,069)	(685)
PYSSA	Financial and granting of loan services to customers	(95)	(74)
		(29,508)	(22,967)

> The balances with related parties are as follow:

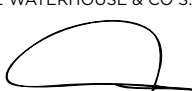
c. Receivables and payables

EDENOR Company	12.31.13	12.31.12
Other receivables		
SACME	7,935	9,007
PESA	-	43,285
CYCSA	530	-
	8,465	52,292

EDENOR Company	12.31.13	12.31.12
Other payables		
SACME	(2,027)	(2,375)
EASA	(1)	-
PESA	-	(7)
	(2,028)	(2,382)

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

EDEN

Company	12.31.13	12.31.12
Trade payables		
POWERCO	-	(873)
EASA	-	(11,178)
CTG	-	(488)
CPB	-	(1,718)
	-	(14,257)

d. Key management personnel's remuneration

	12.31.13	12.31.12
Salaries	33,898	32,648
	33,898	32,648

Other receivables with related parties are not secured and do not accrue interest. No allowances have been recorded for these concepts in any of the periods covered by these financial statements.

The main agreements entered into with related parties are detailed below:

(a) Agreement with Comunicaciones y Consumos S.A.

During 2007 and 2008, the Company and Comunicaciones y Consumos S.A. (CYCSA) entered into agreements pursuant to which the Company granted CYCSA the exclusive right to provide telecommunications services to the Company customers through the use of the Company's network in accordance with the provisions of Decree No. 764/2000 of the Federal Government, which contemplates the integration of voice, data and image transmission services through the existing infrastructure of electricity distribution companies such as the Company's network, as well as the right to use the poles and towers of overhead lines under certain conditions. Additionally, the Company has the right to use part of the optical fiber capacity. In accordance with the terms of the agreement, CYCSA will be responsible for all maintenance expenses and expenses related to the adapting of the Company's network for the rendering of such telecommunications services. The term of the agreement, which was originally ten years to commence from the date on which CYCSA were granted the license to render telecommunications services, was subsequently extended to 20 years by virtue of an addendum to the agreement. In consideration of the use of the network, CYCSA grants the Company 2% of the annual charges collected from customers, before taxes, as well as 10% of the profits obtained from provision of services.

(b) Agreement with Préstamos y Servicios S.A.

The agreement grants Préstamos y Servicios S.A. (PYSSA) the exclusive right to conduct its direct and marketing services through the use of the Company's mailing services. The agreement established that its term was subject to the authorization of the National Regulatory Authority for the Distribution of Electricity, which approved this through ENRE Resolution No. 381/07.

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L

DANIEL ABELOVICH
por Comisión Fiscalizadora

Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



The activities related to the aforementioned agreement have been temporarily suspended in the Company's offices.

(c) Agreement with Electricidad Argentina S.A.

The agreement stipulates the provision to the Company of technical advisory services on financial matters as from September 19, 2005 for a term of five years, which has been extended for another 5 years until 2015. In consideration of these services, the Company pays EASA an annual amount of USD 2.5 million. Any of the parties may terminate the agreement at any time by giving 60 days' notice, without having to comply with any further obligations or paying any indemnification to the other party.

37. Assets and liabilities of disposal group classified as held for sale and discontinued operations

Sale of EMDERSA/EDELAR

On September 17, 2013, the Company Board of Directors approved the sending to Energía Riojana S.A. (ERSA) and the Government of the Province of La Rioja of an irrevocable offer for (i) the sale of the indirect stake held by the Company in EMDERSA, the parent company of EDELAR, and (ii) the assignment for valuable consideration of certain receivables which the Company has with EMDERSA and EDELAR. On October 4, 2013, the Company received the acceptance of the Offer by ERSa and the Government of the Province of La Rioja in its capacity as controlling shareholder of the buyer. The transaction was closed and effectively carried out on October 30, 2013. The price agreed upon in the aforementioned agreement amounts to \$ 75.2 million and is payable in 120 monthly and consecutive installments, with a grace period of 24 months, to commence from the closing date of the transaction, for the payment of the first installment.

Furthermore, on August 5, 2013 the Company was notified of ENRE Resolution 216/2013, whereby the Regulatory agency declared that the procedure required by Section 32 of Law No. 24,065 with respect to the purchase of EMDERSA, AESEBA and their respective subsidiaries made by the Company in March 2011 had been complied with, formally authorizing the acquisition thereof.

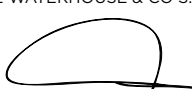
The transaction was closed on October 30, 2013 together with the holding of the Ordinary Shareholders' Meeting that appointed new authorities and approved the actions taken by the outgoing Directors and Supervisory Committee members.

Sale of AESEBA/EDEN's assets

In February 2013 the Company received offers from two investment groups for the acquisition of the total number of shares of AESEBA, the parent company of EDEN. On February 27, 2013, the Company Board of Directors unanimously approved the acceptance of the Offer Letter sent by Servicios Eléctricos Norte BA S.L. (the "Buyer") for the acquisition of the shares representing 100% of AESEBA's capital stock and voting rights. The price offered by the buyer is payable through the delivery of Edenor debt securities for an amount equivalent, considering their quoted price at the date of the acceptance, to approximately USD 85 million of nominal value. Such price was fixed in

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

Bonar 2013 sovereign debt bonds or similar bonds (“the Debt Securities”) for a value equivalent to \$ 334.3 million at the closing of the transaction, considering the market value of such government bonds at that time.

In this regard, a Trust was set up in March 2013 by the Settlor (the Buyer), the Trustee (Equity Trust Company from Uruguay) and the Company.

At the closing date of the transaction, which took place on April 5, 2013, the buyer deposited in the Trust cash and Debt Securities for the equivalent of \$ 262 million pesos, considering the market value of those government bonds at the closing date, and, prior to December 31, 2013, the buyer will be required to deposit in the Trust Debt Securities for the equivalent of 8.5 million of nominal value divided by the average price of purchase thereof. At the closing of the transaction, the Company received the rights as beneficiary under the Trust. With the proceeds of the liquidation of the bonds received the Trust will purchase Edenor Class 9 and Class 7 Corporate Notes due in 2022 and 2017, respectively.

As of the date of these consolidated Financial Statements, the Trust has purchased USD 10 million and USD 50.3 million nominal value of Edenor Corporate Notes due in 2017 and 2022, respectively.

In this manner, the Company divested the AESEBA segment, which resulted in a loss of \$ 96.5 million, included within the (loss) profit from discontinued operations, after tax-related effects and without considering the results of the repurchase of Corporate Notes, which will be recognized by the Company as long as such transaction takes place. At December 31, 2013, and due to the repurchases of the Company’s own debt made by the Trust, the Company recorded a gain of \$ 71.7 million included in the “Other financial expense” line item of the Statement of Comprehensive Income (Loss).

EGSSA SALE

On October 11, 2011, the Company Board of Directors approved the offer received from its controlling shareholder Pampa Energía S.A. (PESA), for the acquisition through a conditioned purchase and sale transaction of 78.44% of the shares and votes of an investment company to be organized, which will be the holder of 99.99% of the shares and votes of EMDERSA Generación Salta S.A. (“EGSSA”) together with 0.01% of EGSSA’s capital stock held by the Company.

The total and final agreed-upon price for this transaction amounts to USD 10.85 million to be paid in two payments, the first of them for an amount of USD 2.2 million was made on October 31, 2011 as partial payment of the price, and the remaining balance, i.e. an amount of USD 8.7 million was paid on October 4, 2013 by an equivalent of \$ 53.3 million as principal and interest.

The aforementioned payment was made in cash for \$ 0.5 million and through the delivery of the Company’s Class 9 Corporate Notes due 2022 for a nominal value of USD 10 million.

Classification of assets and liabilities of disposal groups classified as held for sale:

In the framework of that described under “The Company’s economic and financial situation” in Note 1, the Company Management has decided to divest and subsequently sell the companies comprising

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



EMDERSA, classifying them as Assets available for sale and associated liabilities, discontinuing their activities at December 31, 2011.

The indicated Assets and Liabilities are part of the EMDERSA business segment and have been valued at realizable value, which is lower than their equity value.

The respective charges to profit or loss have been included in the (loss) profit from discontinued operations line item in the Company's Consolidated Statement of Comprehensive (Loss).

In order to determine the realizable value, the Company used the values of the offers received for EDELAR and EGSSA and the acquisition values of the other companies.

The main types of assets and liabilities of the disposal group held for sale are as follow:

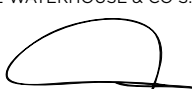
	12.31.13	12.31.12
Property, plant and equipment and Intangible assets (*)	-	100,197
Inventories	-	1,148
Trade and other receivables	-	74,026
Deferred tax assets	-	36,873
Cash and cash equivalents	-	11,154
Total assets of disposal group classified as held for sale	-	223,398
Trade payables	-	126,335
Borrowings	-	4,623
Salaries and social security taxes payable	-	10,012
Tax liabilities	-	6,073
Other payables	-	914
Provisions	-	9,310
Total liabilities of disposal group classified as held for sale	-	157,267

(*) The breakdown of the account is as follows:

Property, plant and equipment and Intangible assets:	-	115,945
Impairment from valuation at net realizable value:	-	(15,748)
Total Property, plant and equipment and Intangible assets:	-	100,197

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

The financial statements related to discontinued operations are disclosed below:

a. Statements of comprehensive (loss) income

	12.31.13	12.31.12
Revenue from sales	399,619	1,175,391
Revenue from construction	9,028	117,615
Cost of sales	(164,241)	(523,026)
Cost of construction	(9,028)	(117,615)
Gross profit	235,378	652,365
Transmission and distribution expenses	(104,392)	(401,394)
Selling expenses	(56,439)	(135,072)
Administrative expenses	(36,855)	(94,140)
Other operating income	1,865	53,328
Other operating expense	(2,600)	(10,296)
Gain from interest in joint ventures	-	-
Operating profit	36,957	64,791
Financial income	14,803	10,522
Financial expenses	(28,576)	(66,500)
Other financial expense	(7,473)	(3,620)
Net financial expense	(21,246)	(59,598)
Profit before taxes	15,711	5,193
Income tax and tax on minimum presumed income	(7,136)	22,140
Profit after taxes	8,575	27,333
Loss on subsidiary sale	(185,959)	-
Loss (Gain) from assets made available for sale	(7,146)	(10,446)
Tax effect	89,422	-
Gain (loss) for the year	(95,108)	16,887
Gain (loss) for the year attributable to:		
Owners of the parent	(96,128)	13,833
Non-controlling interests	1,020	3,054
	(95,108)	16,887

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L.


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



b. Statements of cash flows

	12.31.13	12.31.12
Net cash flows provided by operating activities	168,628	287,788
Net cash flows used in investing activities	(124,246)	(232,131)
Net cash flows provided by financing activities	25,388	136,786
NET INCREASE IN CASH AND CASH EQUIVALENTS	69,770	192,443

At December 31, 2012, the assets and liabilities of the disposal group classified as held for sale and discontinued operations were valued, in accordance with the terms of the aforementioned agreement, at net realizable value, which is lower than their book values.

The detail thereof is disclosed below:

a. Information on assets and liabilities

	12.31.13	12.31.12
Emdersa Holding's equity	-	56,107
Percentage interest held	0.00%	99.99%
Value on equity method:	-	56,101

Assets and liabilities of disposal group classified as held for sale at Net Realizable Value - EMDERSA:

-	41,518
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Assets and liabilities of disposal group classified as held for sale at Net Realizable Value at beginning of year:

	41,518
Addition for the year - Aeseba	480,949
Loss on Net Realizable Value Emdersa	(8,483)
Loss on Net Realizable Value Aeseba	(146,609)
Disposal for the year - Aeseba	(334,340)
Disposal for the year - Emdersa	(33,035)

Assets and liabilities of disposal group classified as held for sale at Net Realizable Value at end of period:

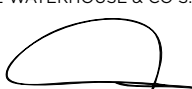
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b. Information on the result of discontinued operations

Loss for the period on interest in Emdersa	(1,337)
Loss on measurement at Net Realizable Value Emdersa	(7,146)
Gain for the period from interest in Aeseba	8,517
Loss on measurement at Net Realizable Value Aeseba	(146,609)
Impairment of receivable with Aeseba	(39,350)
Income tax associated with discontinued operations	89,422
Intercompany eliminations	375
Loss from discontinued operations attributable to the owners	(96,128)
Non-controlling interest	1,020
Loss from discontinued operations	(95,108)

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61

The aforementioned transactions did not generate results for the Company.

38. Spin-off process – EMDERSA

The Extraordinary Shareholders' Meeting of EMDERSA held on December 16, 2011, which was resumed on January 13, 2012 after a recess, approved the corporate reorganization consisting of the spin-off of EMDERSA's following assets, together with any other rights, assets, liabilities or contingencies related to such assets (the Spin-off): (a) the ownership of the shares held by EMDERSA in Empresa Distribuidora San Luis S.A. (EDESAL), together with all the rights and obligations relating to or arising from such shareholding, as well as any right, obligation or contingency related to EDESAL's business activity, for the setting up of a new company named EDESAL Holding S.A. (EDESALH); (b) the ownership of the shares held by EMDERSA in Empresa Distribuidora de Electricidad de Salta S.A. (EDESA), together with all the rights and obligations relating to or arising from such shareholding, as well as any right, obligation or contingency related to EDESA's business activity, for the setting up of a new company named EDESA Holding S.A. (EDESAH); and (c) the ownership of the shares held by EMDERSA in Empresa Generación Salta S.A. (EGSSA), together with all the rights and obligations relating to or arising from such shareholding, as well as any right, obligation or contingency related to EGSSA's business activity, for the setting up of a new company named EGSSA Holding S.A. (EGSSAH).

The Spin-off has been approved by the National Securities Commission and registered with the Regulatory Agency of Corporations, together with the registration of the three new companies. On November 8, 2012, the new companies were authorized by the National Securities Commission to go public and obtained admission to the Buenos Aires Stock Exchange listing.

39. Merger process – EMDERSA HOLDING S.A.

On December 20, 2013, the Company Extraordinary Shareholders' Meeting approved the merger of Emdersa Holding S.A. (as the acquired company, which will be dissolved without liquidation) with and into Edenor S.A. (as the acquiring and surviving company), as well as all the documentation and information required for such purpose by the applicable regulations. The effective reorganization date for legal, accounting and tax purposes are retroactive to October 1, 2013. As of the date of issuance of these Financial Statements, the administrative approval thereof by the Inspección General de Justicia (Argentine governmental regulatory agency of corporations) is in process.

40. Ground for corporate dissolution due to loss of capital stock

As of March 31, 2013, the Company's negative equity amounted to \$ 92.25 million, thus rendering it subject to compliance with the provisions of Section 94, sub-section 5, of the Argentine Business Organizations Law No. 19,550, which provide for the dissolution of companies in the event of loss of capital stock. Thanks to the issuance of SE Resolution 250/13 and SE Note 6852/13 described in Note 2.c.III, the Company has overcome such situation.

41. Trust for the Management of Electric Power Transmission Works (FOTAE)

Due to the constant increase recorded in the demand for electricity as a result of the economic recovery, the Energy Secretariat, through Resolution 1875 dated December 5, 2005, established that

Véase nuestro informe de fecha 7/3/2014
PRICE WATERHOUSE & CO S.R.L


DANIEL ABELOVICH
por Comisión Fiscalizadora


Socio
C.P.C.E.C.A.B.A. Tº 245 - Fº 61



the interconnection works through an underground power cable at two hundred and twenty kilovolts (220 kV) between Costanera and Puerto Nuevo Transformer Stations with Malaver Transformer Station were necessary. These works require not only the execution of expansion works but also new layout-designs of the high-voltage subsystems of Edenor and Edesur S.A.'s networks. In addition, it established that a fraction of the electricity tariff increase granted to distribution companies by ENRE Resolution 51/07 (as mentioned in Note 2.c.I), will be used to finance up to 30% of the total execution cost of these works, with the remaining 70% of the total cost of the works being absorbed by the MEM's demand. Fund inflows and outflows relating to the aforementioned expansion works are managed by the Works Trust Fund Energy Secretariat Resolution 1/03, which will act as the link among CAMMESA (the company in charge of the regulation and operation of the wholesale electricity market), the Contracting Distribution Companies and the companies that would have been awarded the contracts for the provision of engineering services, supplies and main pieces of equipment as well as those for the execution of the works and provision of minor supplies.

At December 31, 2012, the amount transferred to CAMMESA by the Company as from the commencement date of the project, through contributions in cash, supplies and services totals \$ 45.8 million. The adjusting entry of these funds has been recognized by the Company as construction in process within Property, plant and equipment.

In accordance with the agreements entered into on August 16, 2007 by and between the Company and the National Energy Secretariat and on December 18, 2008 by and between the Company and Banco de Inversión y Comercio Exterior, in its capacity as Trustee of the Trust for the Management of Electric Power Transmission Works (FOTAE), the Company is responsible for the development of all the stages of the project, regardless of the oversight tasks to be performed by the Works Commission Energy Secretariat Resolution 1/03. The agreement stipulates that the Company will be in charge of the operation and the planned and reactive maintenance of the facilities comprising the expansion works, being entitled to receive as remuneration for the tasks and obligations undertaken 2% of the cost of major equipment and 3% of all the costs necessary for the carrying out of civil engineering and electromechanical assembly works relating to the MALAVER-COLEGIALES and MALAVER-COSTANERA electrical transmission lines, the expansion of Malaver Substation and the remaining expansion works of Puerto Nuevo Substation.

In January 2013, part of the works of the "Interconnection at two hundred and twenty kilovolts (220 KV) between Costanera Transformer Station and Malaver Transformer Station" project was inaugurated. It is estimated that the works will be completely finished during 2013.

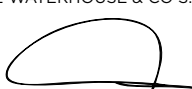
In summary, at the date of these Consolidated Financial Statements:

- 1) The Company, as agreed, has made contributions to CAMMESA for an amount of \$ 45.8 million.
- 2) Up to date, the Company has complied with its responsibility with regard to the development of all the stages of the project, as well as with the operation and the planned and reactive maintenance of the facilities comprising the expansion works.

During the first half of 2013, the interconnection works between Costanera and Puerto Nuevo Transformer Stations with Malaver Transformer Station were brought into service. The Company and

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Edesur were to contribute 30% of the total execution cost of the works, whereas the remaining 70% is to be absorbed by CAMMESA.

Consequently, as of December 31, 2013, the Company recognized as facilities in service in the Property, plant and equipment account its participation in the total of the works for an amount of \$ 85.2 million, \$ 48.9 million of which have not yet been contributed, a debt which is disclosed in Other payables account of Current Liabilities.

The Company is still awaiting the Energy Secretariat's definition concerning who will be appointed as the owner of the totality of the works and the final valuation thereof. Based on such definitions, the Company will make the necessary adjustments to the recordings made up to now and described in this note.

42. Electric works arrangement - Agreement for the supply of electric power to Mitre and Sarmiento railway lines

In September 2013, the Company and the Interior and Transport Ministry entered into a supply and financial contribution arrangement pursuant to which the Federal Government will finance the necessary electric works aimed at adequately meeting the greater power requirements of the Mitre and Sarmiento railway lines.

The total cost of the works amounts to \$ 114.3 million. The Federal Government will bear the costs of the so called "exclusive facilities", which amount to \$ 59.9 million, whereas the costs of the remaining works will be financed by the Federal Government and reimbursed by the Company.

The financed amount of \$ 54.4 million will be reimbursed by the Company in seventy-two monthly and consecutive installments, as from the first month immediately following the date on which the Works are authorized and brought into service.

As of December 31, 2013, the Company received disbursements for \$ 20 million which are recognized as Non-current trade payables - Customer contributions (Note 21).

At the completion of the works, the portion borne by the Federal Government will be recognized as Non-refundable customer contributions.

43. Construction works - San Miguel and San Martín Transformer Centers

The Company carried out construction works of a 7.3 km-long electrical transmission line consisting of four 13.2 kV lines in trefoil formation to link Rotonda Substation with San Miguel Transformer Center, owned by ENARSA, necessary for the provision of electric power generation services; and a 6.2 km-long electrical transmission line consisting of a 13.2 kV line in trefoil formation to link Rotonda Substation with San Martín Transformer Center, owned by ENARSA.

Negotiations are currently being held concerning the assignment to Edenor S.A. of the ownership of the works, which were financed by ENARSA, when the respective agreements are signed. At December 31, 2013, the

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Company continues to recognize liabilities for this concept in the deferred revenue account. The recordings made until now and described in this note will be adjusted based on the previously mentioned definitions.

44. Events after the reporting period

Development of the economic context in which the Company operates

Subsequent to the closing date of these financial statements, the economic context in which the Company operates has been affected by a devaluation of the Argentine peso of approximately 20 % since the date to which these Financial Statements refer, a situation which affects the Company's results. In accordance with Company estimates, such impact results in a loss of approximately \$ 284.1 million, generated almost entirely by the Company's net US dollar passive exposure.

It is not currently possible to anticipate the future development of the Argentine economy or its impact on the Company's economic and financial position, in addition to that disclosed in Note 1. The Company's financial statements must be read in the light of these circumstances.

Electric works arrangement - Agreement for the supply of electric power to Mitre and Sarmiento railway lines

With regard to Note 42 to these Financial Statements, on January 30, 2014 the Company collected installment number 1 for \$ 19.8 million.

Trust - Repurchase of Corporate Notes

From January 1, 2014 until the date of issuance of these financial statements, the trust mentioned in Note 37 has repurchased at market prices "Class 9 fixed rate Corporate Notes" due in 2022 for a nominal value of USD 16.5 million.

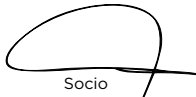
45. Financial Statements translation into English language

These financial statements are the English translation of those originally prepared by the Company in Spanish and presented in accordance with accounting principles generally accepted in Argentina. The effects of the differences between the accounting principles generally accepted in Argentina and the accounting principles generally accepted in the countries in which the financial statements are to be used have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, statements of comprehensive income, changes in equity or cash flows in accordance with accounting principles generally accepted in the countries of users of the financial statements, other than Argentina.


RICARDO TORRES
 Presidente


 DANIEL ABELOVICH
 por Comisión Fiscalizadora

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Empresa Distribuidora y Comercializadora Norte
Sociedad Anónima (Edenor S.A.)

In our opinion, the accompanying consolidated statements of financial position and the related consolidated statements of comprehensive income (loss), of changes in equity and of cash flows present fairly, in all material respects, the financial position of Empresa Distribuidora y Comercializadora Norte Sociedad Anónima (Edenor S.A.) (hereinafter, Edenor S.A.) and its subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2013 and 2012 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Notes 1 and 2 to the financial statements, the delay in obtaining tariff increases and/or actual cost adjustments recognition and the continuous increase in operating expenses that are necessary to maintain the level of the service, significantly affected the economic and financial position of the Company and raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposi-



tions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

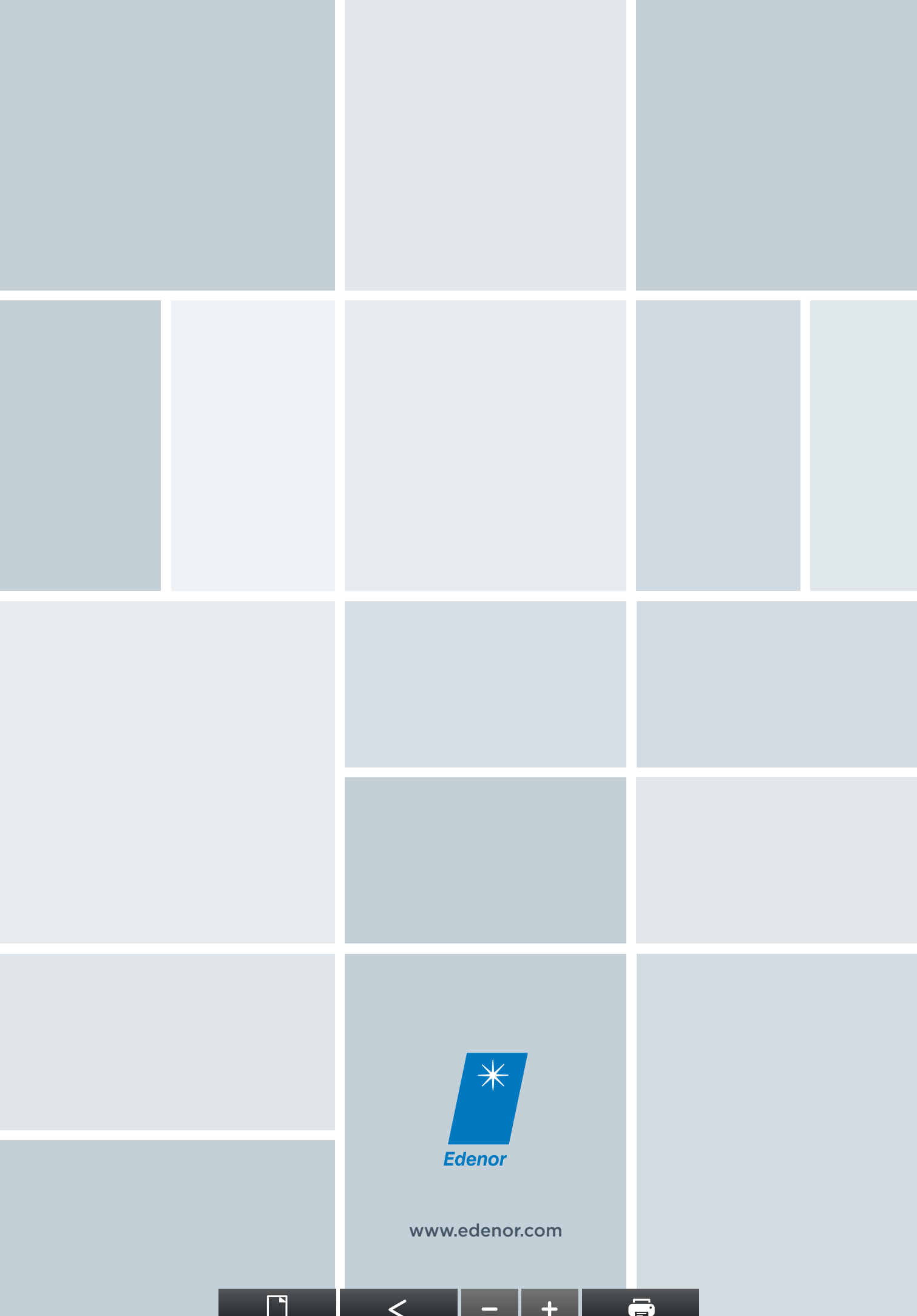
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Autonomous City of Buenos Aires, March 7, 2014.

PRICE WATERHOUSE & CO. S.R.L.

Andrés Suarez (Partner)





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