



EDESUR CONTINUED INVESTING IN SERVICE QUALITY AND OBTAINED POSITIVE RESULTS IN 1Q 2018

MAIN FINANCIAL HIGHLIGHTS

(Millions of Argentine Pesos, ARS)	Jan/Mar 2018	Jan/Mar 2017	Change
Revenues	8,650	4,015	115.4%
EBITDA *	1,585	20	7,825.0%
EBIT	1,473	(79)	1,964.6%
Net income	396	(680)	158.2%
Net debt	(1,887)	(1,951) **	3.3%
Capex	617	587	5.1%

*EBIT before depreciation and amortization.

** As of December 31st, 2017.

Maurizio Bezzeccheri, Country Manager of Enel in Argentina, said: *"Our Company continues to focus on a solid investment plan; at the same time our financial performance is beginning to settle in 2018 thanks the full implementation of the tariff scheme approved in the Integral Tariff Review."*

Buenos Aires, May 2nd, 2018 - The Board of Directors of Empresa Distribuidora Sur S.A. ("Edesur") approved its intermediate condensed financial statements as of March 31st, 2018.

- **Revenues** increased due to the application of the new tariff chart set forth by Resolution ENRE [Argentina's National Electricity Regulator] No. 64/2017, effective as of February 1st, 2017, issued as a result of the Integral Tariff Review (RTI). Also, it is worth mentioning that the gradual increase of VAD established in 48 installments until January 31, 2022, will start to be recognized as of February 1, 2018.
- **EBITDA** increased mainly due to higher revenues recorded, and partially offset by higher operating expenses resulting from:
 - an increase in the average purchase price of energy of around 106.5%, due to the application of the Resolution issued by the Electricity Secretariat (SEE for its Spanish acronym) No. 20/2017 and complementary provisions;
 - an increase in salaries, mainly due to the impact of the general salary increases; and
 - an increase in outsourced services, bank commissions, and taxes and contributions.
- **EBIT** improved in line with the improvement in EBITDA, while depreciation and amortization registered an increase of 13% as a result of the increase in the asset base for the commissioning of investments.



- **Net Income** is mainly explained by the improvement in operating income, and by lower net financial costs, which were due to:
 - lower costs resulting from the updating of certain fines applied by the Regulator; and
 - higher interest due to the delay in payments by clients
- **Net debt** increased mainly due to lower cash balances and investments, which were used to finance the Company's investments, among other things. As of March 31st, 2018, the company is not indebted to financial institutions.
- **Capex** were mainly destined to improve the quality of the service with works in substations and high voltage cables.

MAIN OPERATIONAL INDICATORS

	1Q 2018	1Q 2017	Change
Energy sales (GWh)	4,546	4,643	(2.1%)
Amount of customers (millions)	2.54	2.51	1.2%

- Energy sales during the first quarter of 2018 showed a decrease of 2%, which is mainly explained by higher rates and (partly) by fewer business days.
- The number of clients maintains the annual historical trend.