



FitchRatings

Argentina's Renewable Energy Outlook

Adriane Silva, Associate Director

March, 2016

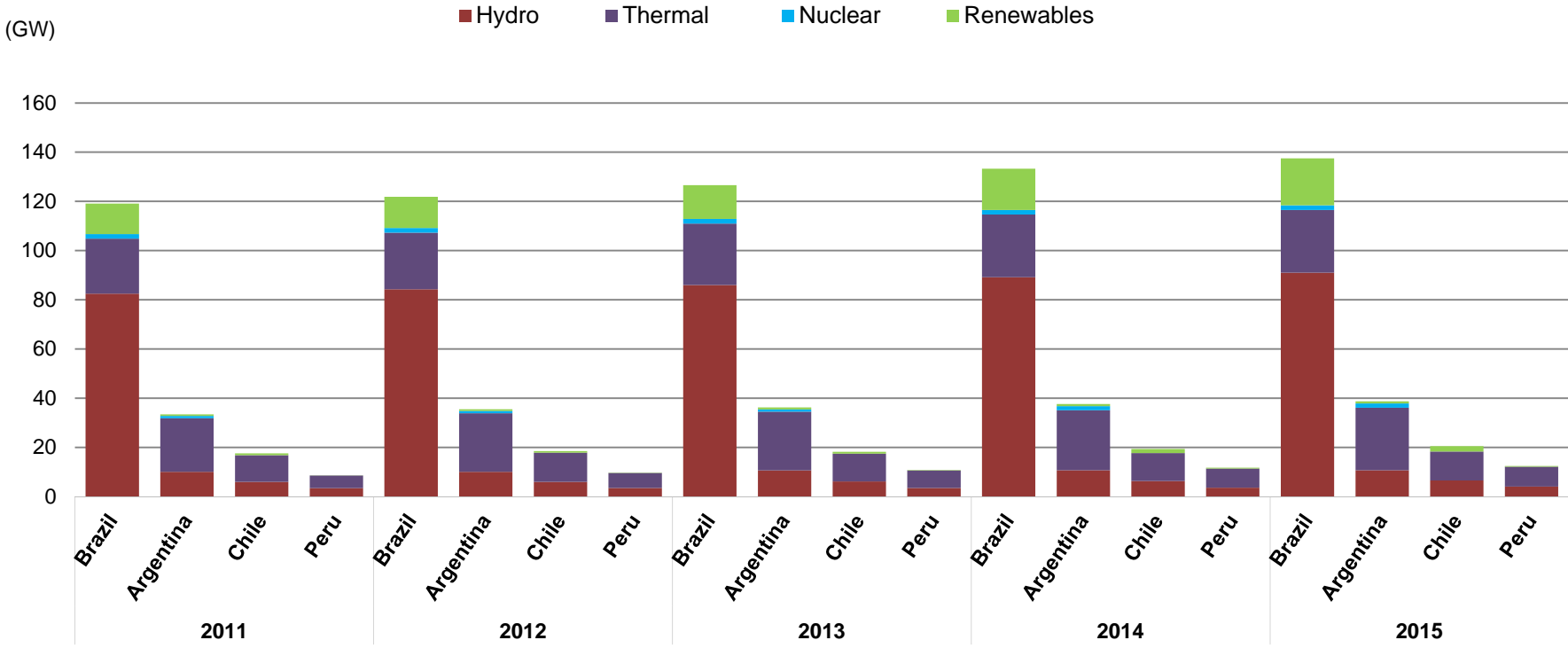
Agenda

- Overview
- Installed Capacity
 - Evolution
 - Forecast
- Rating Drivers
- Perspectives

Overview

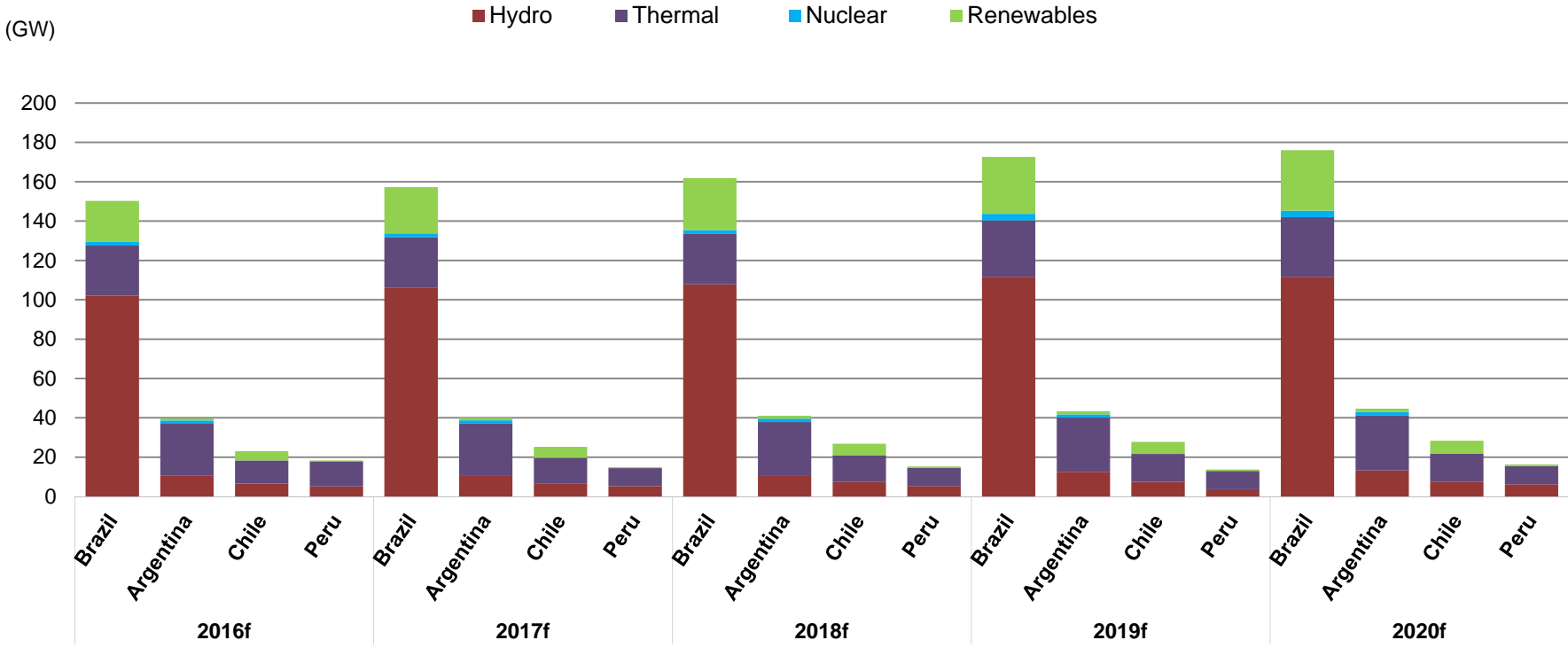
- Power sector is strategic for any country;
- Strong dependence of a sole resource increases risk (resource risk);
- High and constant need of capex pressures cash flow;
- Frequent changes on regulatory framewok impact the credit quality of the agents (regulatory risk).

Installed capacity... evolution



Source: BMI Research, Fitch.

Installed capacity... *forecast*



Source: BMI Research, Fitch.

Rating Drivers

- Resource risk
 - Load factors performance
 - Hydrology risk sharing
- Supplier, Completion and Operation Risk
- Regulatory Risk
 - Strong regulator's role
 - PPAs
 - Regulated x Free Market

Rating Drivers

- Infrastructure Risk
 - Transmission (availability)
 - Distribution (tariffs)
- Tax Incentives
 - Suppliers
 - Developers
- Funding
 - Project finance
 - Corporate finance
 - Capital Markets

Perspectives

- Clear definition of roles
 - Regulator;
 - Investors;
 - Consumers;
- Strengthening of regulatory framework;
- Dialogue between government and market players;
- Development of funding solutions.

People in pursuit of answers

Disclaimer

Fitch Ratings' credit ratings rely on factual information received from issuers and other sources. Fitch Ratings cannot ensure that all such information will be accurate and complete. Further, ratings are inherently forward-looking, embody assumptions and predictions that by their nature cannot be verified as facts, and can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

The information in this presentation is provided "as is" without any representation or warranty. A Fitch Ratings credit rating is an opinion as to the creditworthiness of a security and does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. A Fitch Ratings report is not a substitute for information provided to investors by the issuer and its agents in connection with a sale of securities.

Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch Ratings. The agency does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS AND THE TERMS OF USE OF SUCH RATINGS AT WWW.FITCHRATINGS.COM.



FitchRatings

New York

33 Whitehall Street
New York, NY 10004

London

30 North Colonnade
Canary Wharf
London E14 5GN