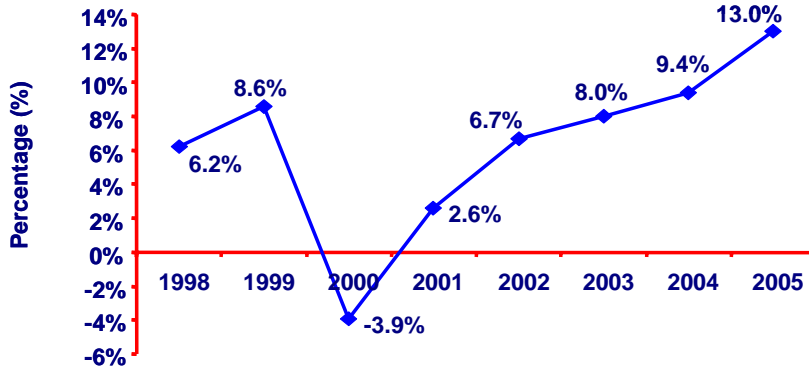


ROE – Return on Equity

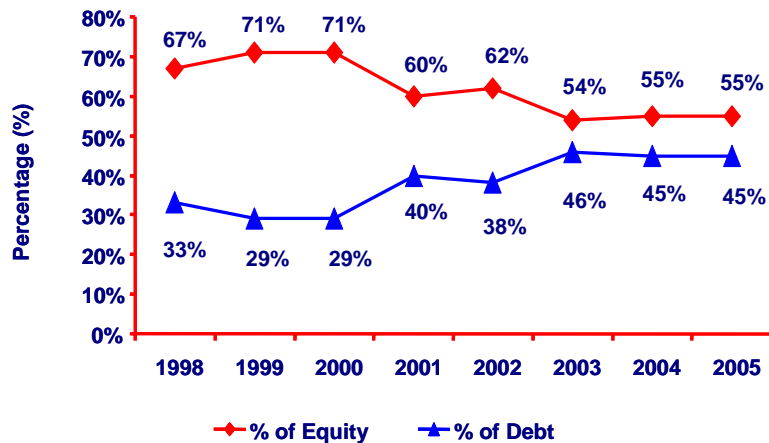


Return on Equity (Net Income/Net Equity) is based on annualized data and includes both the regulated and non-regulated activities of Transredes.

In 2005 Return on Equity has increased largely due to improved results from affiliates, increased income due to higher transportation volumes, and positive exchange gain on non US dollar denominated debt which was inherited through the capitalization process.

Proportion of Debt and Equity

Proportion of Debt and Equity includes both the regulated and non-regulated activities of Transredes. Debt percentage is calculated as the percentage of total assets that are financed by Debt from financial institutions. The Equity percentage is calculated as the percentage of total assets that are financed by Equity. Transport regulations assume a theoretical 60% debt and 40% equity financing structure for the regulated activities of the company.

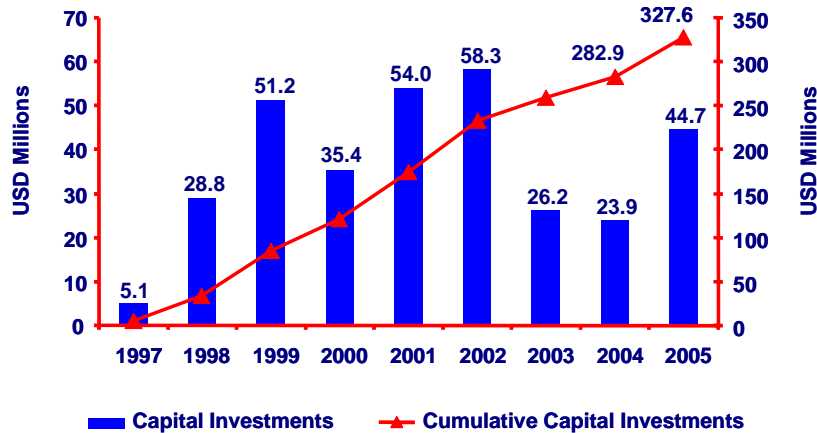


The Debt percentage has increased over time as a result of the successful placement of bonds in the local market (USD 155 million) and the USD 145.3 million total disbursements to date of the

Multilateral Financing facility provided by the Interamerican Development Bank and the Andean Development Corporation. These two major financing accomplishments contributed to a Debt/Equity proportion that is closer to the 60/40 structure assumed by the Regulator for the regulated activities.

Capital Investments, Bolivian Pipeline System

(Excluding the Bolivia – Brazil Pipeline)



Figures shown represent total investments in the Bolivian pipeline system since the beginning of operations in 1997, including investments in gas and liquids expansions, as well as continuity of service and information technology investments.

As of August 2002, Transredes received certification that it completed its investment commitments within the Bolivian pipeline concessions pursuant to obligations assumed at capitalization. The largest part of investment went to ensure and improve the continuity of service of

the existing lines, followed by investments to increase transport capacity particularly in the Gas System. Investments during 2005 include the expansion of the Liquids South System, the Carrasco-Cochabamba liquids pipeline rehabilitation, and the initiation of the expansion of the Gasoducto al Altiplano (GAA).

Total Cumulative Capital Investments

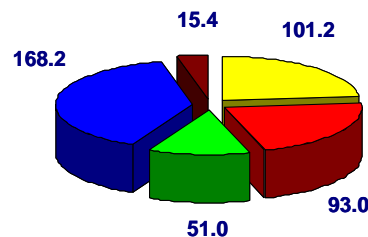
Figures shown represent total investments in the Bolivian pipeline system plus the company's share of investments in the Bolivia-Brazil pipeline system (GTB and TBG).

Following the development of markets in both Brazil and Argentina, investment in the Bolivia – Brazil pipeline system and improvements in the Gas and Liquids system within the Bolivian concessions account for the focus of investment up to date. Total cumulative capital investment increased during 2005 due to investments in the Bolivian pipeline system.

Total Cumulative Investments as of Dec. 2005

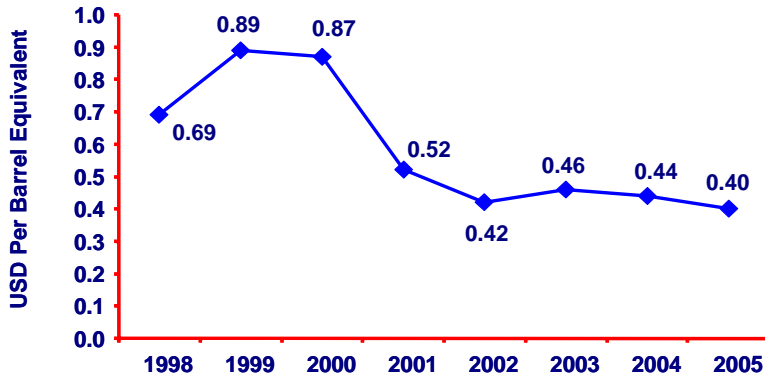
USD 428.8 Millions

(Including Bolivia - Brazil Pipeline, in USD Millions)



■ Gas Pipeline Bolivia- Brazil ■ Gas Expansion
■ Liquids Expansion ■ Continuity of Services
■ Information Technology / Other

Net Operating Costs per Barrel Equivalent



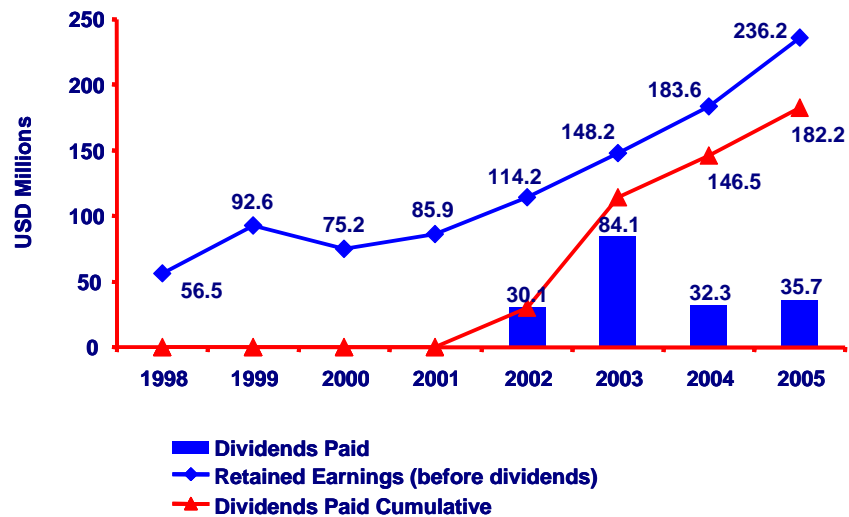
Net Operating Costs per Barrel Equivalent is calculated as the total operating costs divided by transported volumes of natural gas and liquids in barrels equivalent.

Following the trend that started on 2000, Unit Operating Costs have continued to decrease. This trend is supported by improved cost control measures and increased transport volumes of both gas and liquids.

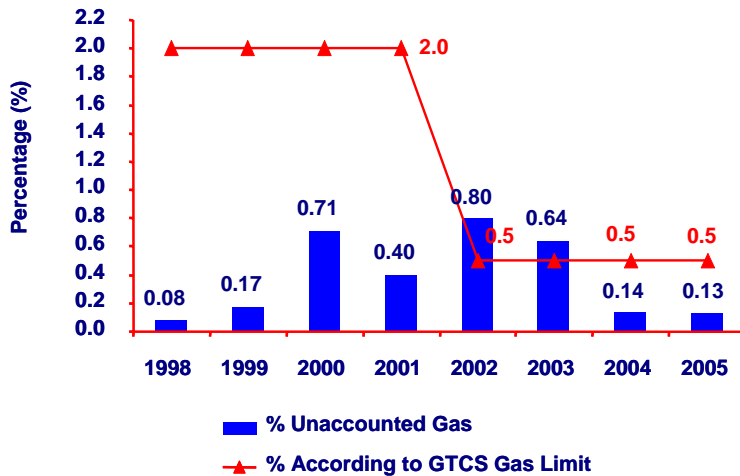
Dividends

Dividends are payments to shareholders from after-tax earnings. They become payable only when recommended by the Board of Directors and approved by Shareholders.

During the last four years, Transredes was able to issue dividend payments equivalent to 100% of distributable retained earnings to date, a cumulative amount of USD 182.2 million. Approximately 1,400 shareholders benefited from Transredes' dividend proceeds. Dividends related to 2004 results were paid during the third quarter 2005, following the approval of the Shareholder's General Assembly held on September 8th, 2005.



Unaccounted Gas



Unaccounted Gas is the difference in the actual measurements between the reception and delivery points, excluding Gas for fuel, losses, flaring operations and/or changes in line stock.

As of January 2002, the General Terms and Conditions (GTCS) for hydrocarbons transportation services contemplate a reduction of the allowed unaccounted gas margin from 2% to 0.5%. From early 2002 to mid 2003, measurement differences exceeded the maximum limit established in the GTCS due to unresolved errors in measurement between the Río Grande compressor plant and Transredes' gas system.

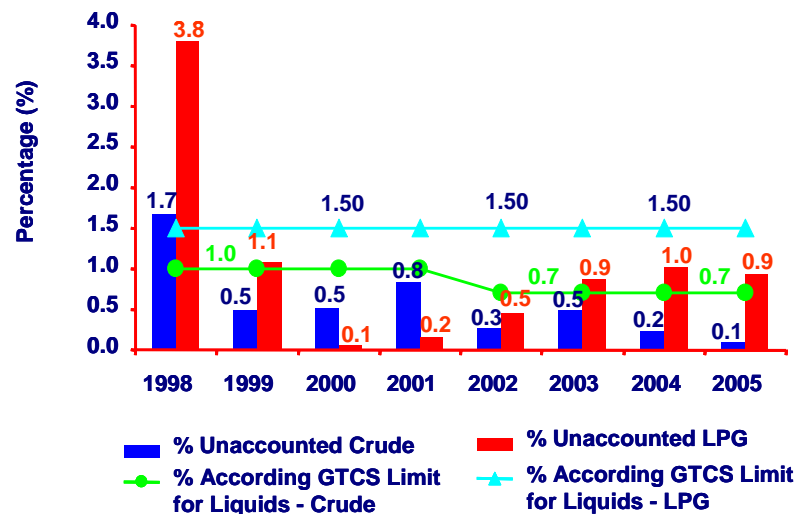
The introduction and acceptance of electronic measurement systems, as well as the partial resolution of the above mentioned problems, allowed for consistent measurement starting from mid 2003, resulting in error levels lower than 0.5%. In 2005, Transredes extended the installation program of electronic measurement in order to cover a larger number of delivery points, improving the results of Unaccounted Gas even further.

Unaccounted Liquids

Unaccounted Liquids is the difference in the actual measurements between the reception and delivery points, taking into account changes in line stock.

As of January 2002, the General Terms and Conditions (GTCS) for Crude oil transportation services contemplate a reduction of the allowed unaccounted volume margin from 1% to 0.7%. Certification of tanks and spheres, calibration of measurement equipment and investments in new measurement technologies decreased Crude measurement inconsistencies over time.

The increase in LPG losses since 2001 is principally due to the increase in the number of LPG batches transported together with a reduction in lot sizes, following requests from clients and the Regulator. As a result, product contamination has increased between the interfaces of separating lots, although still below the 1.5% limit for LPG, as determined in the GTCS.



ECONOMIC PERFORMANCE INDICATORS

INDICATOR	UNITS	1997	1998	1999	2000	2001	2002	2003	2004	2005
Profitability										
Return on Equity (1)	Percentage	-	6.2%	8.6%	-3.9%	2.6%	6.7%	8.0%	9.4%	13.0%
Retained Earning (before dividends)	USD Millions	31.4	56.5	92.6	75.2	85.9	114.2	148.2	183.6	236.2
- Dividends Paid	USD Millions	0	0	0	0	0	30.1	84.1	32.3	35.7
- Dividends Paid Cumulative	USD Millions	0	0	0	0	0	30.1	114.2	146.5	182.2
Investments										
Cumulative Capital Investment, Excluding the Bolivia – Brazil Pipeline (2)	USD Millions	5.1	33.9	85.1	120.5	174.5	232.8	259.0	282.9	327.6
Capital Investments, Excluding the Bolivia – Brazil Pipeline (2)	USD Millions	5.1	28.8	51.2	35.4	54.0	58.3	26.2	23.9	44.7
- Gas Expansion	USD Millions	0.2	6.4	12.9	12.2	21.9	27.1	1.4	0.2	10.7
- Liquids Expansion	USD Millions	0.0	1.0	10.9	6.5	0.7	3.7	3.2	9.2	15.8
- Continuity of Service	USD Millions	3.9	20.2	24.3	12.6	29.5	26.6	20.6	13.6	17.2
- Information Technology / Others	USD Millions	1.0	1.2	3.1	4.1	1.9	0.9	1.0	0.9	1.0
Operating Performance										
Net Operating Costs per Barrel Equivalent (3)	USD per Barrel Equivalent	-	0.69	0.89	0.87	0.52	0.42	0.46	0.44	0.40
Unaccounted Gas (4)										
% Unaccounted Gas	Percentage	0.16%	0.08%	0.17%	0.71%	0.40%	0.80%	0.64%	0.14%	0.13%
Limit According TCGS Gas	Percentage	2.00%	2.00%	2.00%	2.00%	2.00%	0.50%	0.50%	0.50%	0.50%
Unaccounted Liquids (5)										
% Unaccounted Crude	Percentage	-	1.67%	0.50%	0.52%	0.83%	0.27%	0.50%	0.23%	0.09%
Limit According TCGS Liquids	Percentage	-	1.00%	1.00%	1.00%	1.00%	0.70%	0.70%	0.70%	0.70%
% Unaccounted LPG	Percentage	-	3.80%	1.08%	0.06%	0.16%	0.46%	0.88%	1.01%	0.94%
Limit According TCGS Liquids	Percentage	-	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Other Performance Indicators										
Proportion of Debt	Percentage	-	33%	29%	29%	40%	38%	46%	45%	45%
Proportion of Equity	Percentage	-	67%	71%	71%	60%	62%	54%	55%	55%

(1) Unconsolidated, 12 month moving average.

(2) Only Bolivian concessions, includes inventory movements.

(3) Net operating total cost divided by the volume of natural gas and liquids transported in barrels equivalent.

(4) The difference in the actual measurements between the reception and delivery points, excluding Gas for fuel, losses, flaring operations and/or changes in line stock.

(5) The difference in the actual measurements between the reception and delivery points, taking into account changes in line stock.