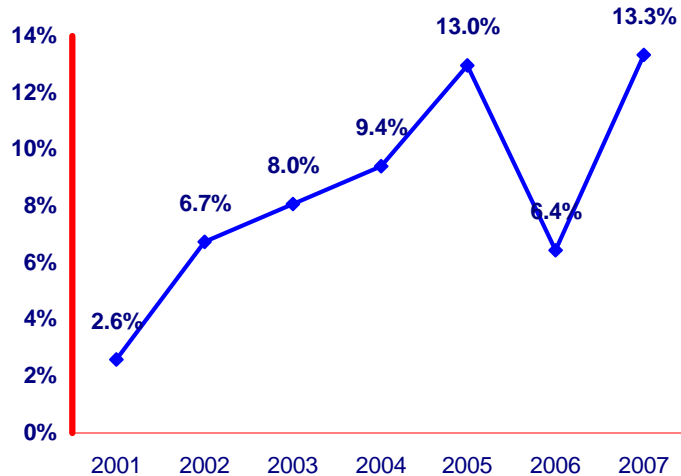


## ROE – Return on Equity



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

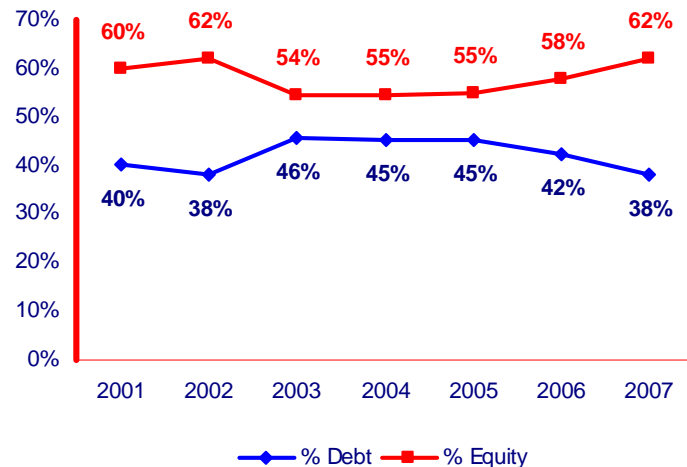
Return on Equity has presented an ascending trend since 2001. However 2006 shows a decreased Return on Equity as a result of a lower Net Income primarily driven by the impact of a provision for tax contingencies registered on this year, increased interest expense related to a new loan disbursement from the Multilateral Financing facility, and increased depreciation expense related to new capital investments in service. This performance indicator shows an important increase in 2007 as a result of

higher Net Income mainly due to higher results from affiliates and lower financing costs.

## 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.

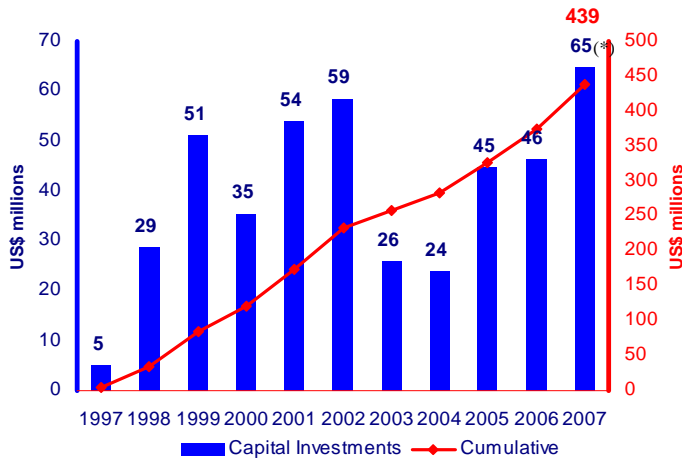
The Debt percentage has increased over time as a result of the successful placement of bonds in the local market (US\$ 155 million) in 2001, and the US\$ 160.3 million total disbursements to date of the Multilateral Financing facility provided by the Interamerican Development Bank and the Andean Development Corporation. The debt proportion decreased in 2007 as a result of the bonds redeemed on maturity, repayment of Multilateral Financing facility and principal payment to the Bolivian Central Bank for scheduled amortization of the Debt transferred to Transredes S.A. as part of the capitalization process.



## Capital Investments, Bolivian Pipeline System

(Excluding the Bolivia – Brazil Pipeline)

**Capital Investments - Total US\$ 439 million**  
(not including investments in Bolivia-Brazil pipeline)



(\*) Does not include temporary movements of Materials Inventory

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

The largest part of Transredes investments went to ensure the continuity of service of the existing lines, by the implementation of safety projects, new technology and rigorous maintenance of the pipelines and stations. It also includes expansions projects to increase the gas and liquids transport capacity. Investments during 2007 include the execution of GAA Expansion Phase III-a, GVT Expansion Phases I and II and other continuity of services projects.

## Total Cumulative Capital Investments

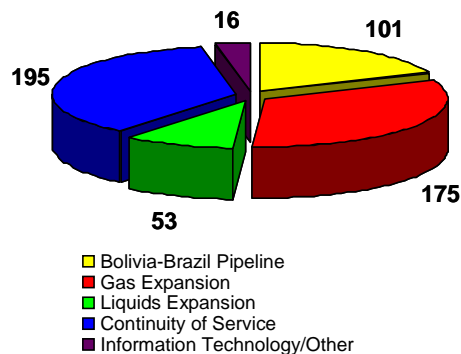
Figures shown represent cumulative cash disbursed for investments in the Bolivian pipeline system plus the company's share of investments in the Bolivia-Brazil pipeline system (GTB and TBG).

Following the development of Bolivian, Brazil and Argentina markets Transredes has invested in the expansion of the transport system for export and domestic concessions. It has also implemented projects to ensure the continuity of the service and increase the safety of the transport system operation. Total cumulative capital investments continue to increase during 2007 following investments in the Bolivian pipeline system.

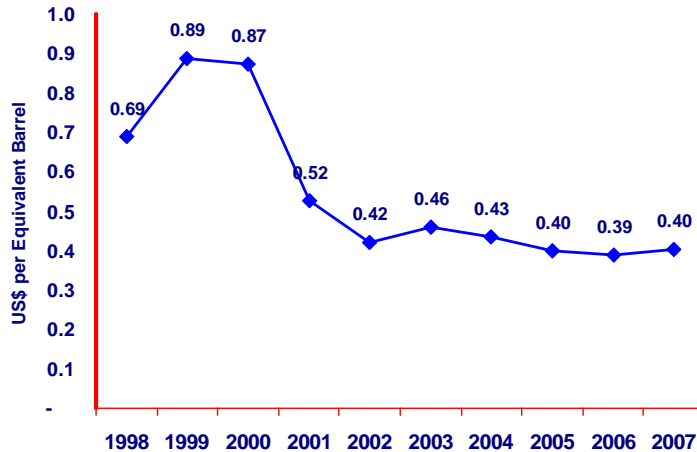
### Total Cumulative Investments as of December 2007

**US\$ 540 millions**

(Including Bolivia - Brazil Pipeline, in US\$ millions)



## 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.*

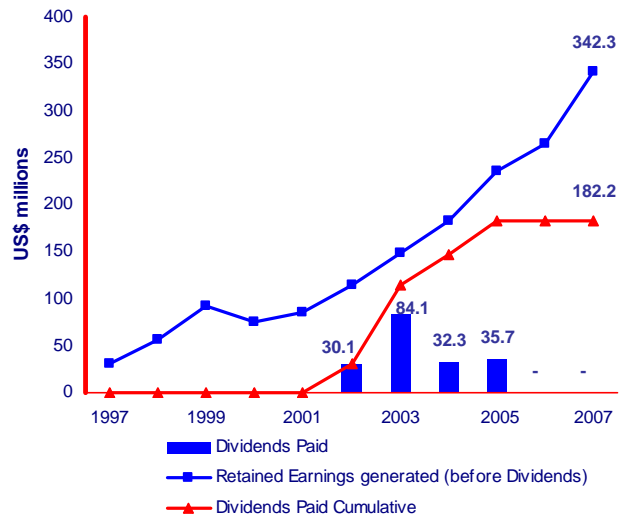
Following the trend that started in 2000, Unit Operating Costs have continued to decrease. This trend is supported by improved cost control measures and increased transport volumes of both gas and liquids.

## Dividends

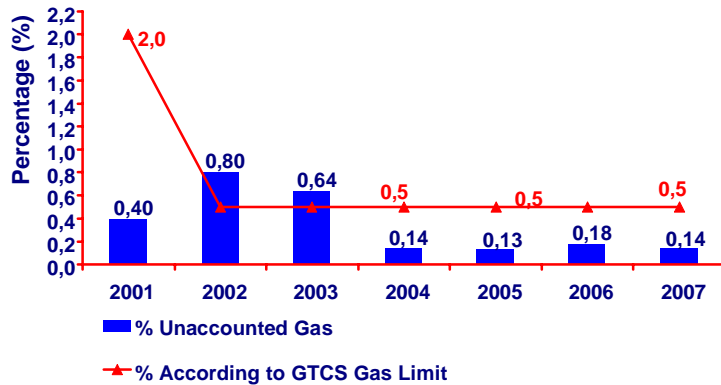
*Dividends are payments to shareholders from after-tax earnings. They become payable only when recommended by the Board of Directors and approved by Shareholders.*

During the last four years, Transredes was able to issue dividend payments equivalent to 100% of distributable retained earnings up to 2004, a cumulative amount of US\$ 182.2 million. Approximately 1,400 shareholders benefited from Transredes' dividend proceeds.

After May 1<sup>st</sup> 2006, Transredes has faced limited access to additional international financing, relying on internal generated funds to cover new capital investments.



## 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. These differences were

corrected by establishing a balance between the 3 transportation lines that support the compressor plant at Rio Grande, GTB's lines 12" and 32" and by difference Transredes' line 24"

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.

During March-May 2007 period, Unaccounted Gas values were outside contract values, corrective actions taken show that as of June - September 2007 period, values are again within contract parameters, as shown in the graphic we have an Unaccounted Gas of 0.14% as annual percent for the year 2007.

## 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 Crude volume margin from 1% to 0.7%. Unaccounted volumes have been decreasing due to the dynamic measurement of receipts and deliveries, and the certification of tanks and spheres.

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.

The tendency on the increase of LPG losses continue to increase, main reason being a larger number of transported batches and a volume reduction in each batch caused by less flexibility in balancing production and market demand. This results in an increase in product contamination given the interface for product separation among batches; in spite of all, the results are still below the 1.5% threshold specified in the General Terms and Conditions for the System (GTCS's).

