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TRANSENER S.A. REPORTS FISCAL YEAR 2002 RESULTS

BUENOS AIRES – March 10, 2003 – Transener (BASE: TRAN), Argentina's leading electric power transmitter, today reported consolidated net loss of Pesos 542.2 million (Pesos 1.505 per share) for the fiscal year ended December 31, 2002.

According to General Resolution N° 415 of the Comisión Nacional de Valores (CNV), the financial statements as of and for the fiscal year ended December 31, 2002 and 2001 have been restated in constant monetary units as of December 31, 2002, applying the inflation adjustment methodology established by Technical Resolution N° 6 of the Argentine Federation of Professional Councils of Economic Sciences. Likewise, in accordance with General Resolution N° 398 of the CNV and the Resolution N° 3 of the Board of the Professional Council of Economic Sciences of the Autonomous City of Buenos Aires, the above mentioned result includes the capitalization of foreign exchange losses that resulted from the Peso devaluation since January 6, 2002. These losses correspond to certain liabilities denominated in foreign currency at that date. This capitalization will be considered as recognition in advance of the variations in the purchasing power of the currency. Up to the moment when such foreign exchange results are absorbed by the assets values in constant monetary units, the excesses over such values in constant monetary units will be reported in the financial statements. As of December 31, 2002, Transener has capitalized foreign exchange losses of Pesos 146.9 million, net of the amortization for the period and the effect of the inflation adjustment. Pursuant to General Resolution N° 398 and Resolution N° 3, the capitalization of foreign exchange losses is only permitted to the extent the liability was incurred to buy or build assets and only to the extent of the recoverable value of such assets. Recoverability of the amount recognized in the cost of Transener's assets depends on the fulfillment of the assumptions taken into account.

In accordance with the public declaration relating to the suspension of the principal and interest payments on all of its financial indebtedness, issued on April 22, 2002, Transener continued preserving the quality of its operation.

Transener continues to evaluate the restructuring of its financial debt and is maintaining a dialogue with its creditors.

The evolution of the tariff negotiations of the public services and the macroeconomic conditions in Argentina, will be essential for any plan to be implemented.

In that sense, Transener is working jointly with the Steering Committee, which was created on September 3, 2002 and is currently comprised of the majority of the bank creditors, in order to discuss the financial debt restructuring.

Transener is committed to contributing to fulfilling all of the mechanisms needed to receive its contractual recomposition and it does not disclaim either any of its rights or legal actions that could be exercised according to the express resolutions of the Regulatory Framework. Said rights will be kept and exercised in the whole Administrative and Judicial Instance, to which Transener appeals for such purpose, even within the process referred to in Law N° 25.561.

Fiscal year ended December 31, 2002

Net revenues for the fiscal year ended December 31, 2002 amounted to Pesos 284.1 million, 35.7 percent lower than the Pesos 441.9 million for last year, primarily due to the inflation adjustment of the 2001 figures. This decrease reflects that net revenues were increased at a lower rate than the inflation, mainly due to the fact that the regulated tariffs were not adjusted during 2002. During September and October, the ENRE established the application of the adjusting reference index (CER) on the Construction, Operation and Maintenance contract of the Fourth Line Comahue – Buenos Aires and the Construction contracts of Recreo Substation (Serial Capacitors) and Ramallo Substation (300 MVA transformer), to be applied to amounts payable from February 2002.

Operating costs for the fiscal year ended December 31, 2002 amounted to Pesos 216.0 million, 14.2 percent lower than the Pesos 251.8 million for last year, principally due to the inflation restatement of the 2001 figures. This decrease reflects that the operating costs have increased at a lower rate than the inflation. However, this decrease was partially offset by the inclusion of the amortization of the foreign exchange loss capitalized in relation with the financing of the Fourth Line, in an amount of Pesos 12.2 million.

Financial results, net for the fiscal year ended December 31, 2002 resulted in a loss of Pesos 596.7 million, principally due to (i) the recognition of foreign exchange results which represented a net loss of Pesos 397.5 million, (ii) interest expense, principally originated in debt denominated in foreign currency, which amounted to Pesos 146.7 million and (iii) the results of exposure to inflation which represented a net loss of Pesos 49.6 million.

Income tax charge for the fiscal year ended December 31, 2002 amounted to Pesos 6.0 million compared to Pesos 34.8 million for last year, mainly due to the tax loss carry forward generated by Transener, accruing charges only for its subsidiaries. The charge for the minimum notional income tax for the fiscal year ended December 31, 2002 amounted to Pesos 8.4 million.

RECENT DEVELOPMENTS

Within the local market, the most important facts during this fiscal year are the following:

- **Federal Plan of 500 kV Electric Energy Transmission**
Within the present economic context and the lack of definitions related to the tariff review and the Concession Agreements, the Plan's continuity remains doubtful. In spite of this, the expectation for Línea Patagónica is still in place, which is essential for the continuity of the private sector aluminum producer's expansion plan. The project includes the construction of the Choele Choele – Puerto Madryn HVL, the expansion of the Choele Choele Substation, property of Transener, and the construction of the Puerto Madryn Substation, all in 500 kV.

- **Operation and maintenance of the interconnection system to Minera Alumbrera:**
At the end of the period in force of the existing contract with Transener, Minera Alumbrera Limited called a bid, and Transener was awarded for a new period of five years, agreeing an adjustable remuneration according to the good's prices.
- **Participation in the assembly and start-up of Automatic Generation Disconnection System (DAG) NEA**
Not only Transportista de Energía S.A. (TESA) but also the contractor in charge of the work, Asea Brown Boveri (ABB), asked for Transener's assistance in different tasks to be completed in the company's installations. Particularly, Transener participated in the expansion and fitting of the control systems and the start up of the communications system.
- **Works for the improvement of the reliability and safety of the network**
The technical studies and the study of feasibility of installations for the "Black Start Capability" are in the final stages, in the three areas: Center, Littoral and Northeast, where Transener is coordinator agent. In a next stage the studies corresponding to the 500kV network will be made.

Within the international market, the most important facts during this fiscal year are the following:

- Yacyretá – Ayolas 500 kV HVL and expansion of Ayolas Substation. Paraguay Republic. Signature of the contract, engineering and execution of the basis of towers and foundations of the substation. It is the first work in 500 kV in this country. It consists in the construction of a 15 km long HVL, a 500 kV switchyard in the Ayolas Substation and an expansion of the sector in 220 kV.
- Palmar-Montevideo A HVL. Uruguay Republic. On March 10, 2002 a tornado caused significant damage in the Uruguayan electric system, principally the damage in 10 km of one of the 550kV lines connecting Montevideo. Transener was in charge of the reconstruction, in conjunction with the company UTE. Eighteen damaged structures were replaced by multipurpose towers supplied by Transener. Sixty people, transmission and elevation equipment and a stringing equipment; were required, 325 tons of material were transported from several deposits of Transener to the working areas. The line was restored 30 days after the signature of the contract between Transener and UTE.
- Study of the Coordination of Protections of National Interconnected Electric System (SIEN). Perú. The Economic Operation Committee (COES) awarded Transener the study and determination of the adjustments to be made in 3.000 protections. The studies would finish in the second half of year 2004.
- Transmission Installations of Expansión Consortium. Brazil. Transener assisted in the start up, and took charge of the operation and maintenance, for five years, of 585 km of lines in 500 kV and the expansions of three substations, located in the states of Goiás, Minas Gerais and Distrito Federal. Transener Internacional Limitada is developing all these works.
- Installations Consortium Transmissora Sudeste Nordeste S.A. (TSN). Brazil. Transener assisted the constructor in the start up and took charge of the operation and maintenance, for nine years, of 1.071 km of lines in 500 kV, four new substations and the expansion of the fifth substation, located in the states of Goiás and Bahía. Transener Internacional Limitada is developing all these works.

Constitution of Transener Internacional Limitada

In order to face the commitments resulting from two contracts entered into with foreign consortiums in Brazil, the Board of Directors of the Company decided the creation of a whole independent company, with the purpose of moderating the impact of an argentine economy in increasing damage, located at Brasilia city. The Company's name is Transener Internacional Limitada.

Additionally, this new Company has been recognized by the National Electric Energy Agency (ANNEL) as National Brazilian System operator, for the two contracts.

Focusing on the technical and administrative aspects, the following represents the developments:

- Incorporation of Brazilian personnel (84 persons)
- Training and qualification of operators, according with National System Operator (ONS) regulations
- Preparation of operation procedures to be submitted under the ONS
- Training and qualification of all personnel according to the safety and environment regulations
- Participation in the operative and connection agreements with the companies where electric frontiers exist (FURNAS, CEMING and CHESF)

FINANCIAL TABLES TO FOLLOW

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	December 31, 2002	December 31, 2001
	(in thousands of Argentine Pesos)	
ASSETS		
<i>CURRENT ASSETS</i>		
Cash and cash equivalents	5.814	10.212
Investments	56.085	6.728
Trade receivables	74.234	98.771
Other receivables	11.526	17.798
<i>Total Current Assets</i>	<u>147.659</u>	<u>133.509</u>
<i>NON-CURRENT ASSETS</i>		
Property, plant and equipment, net	1.573.352	1.590.171
Intangible assets	8.331	17.760
Other receivables	20.338	46.513
Investments	2.054	4.364
Other assets	646.957	541.821
<i>Total Non-Current Assets</i>	<u>2.251.032</u>	<u>2.200.629</u>
TOTAL ASSETS	<u>2.398.691</u>	<u>2.334.138</u>
LIABILITIES		
<i>CURRENT LIABILITIES</i>		
Accounts payable	19.922	37.222
Bonds and other indebtedness	1.165.217	458.678
Payroll payable	4.539	8.866
Taxes payable	19.443	29.242
Provisions	15.326	15.554
<i>Total Current Liabilities</i>	<u>1.224.447</u>	<u>549.562</u>
<i>NON-CURRENT LIABILITIES</i>		
Vendor notes payable	139.787	153.798
Bonds and other indebtedness	535.677	590.973
<i>Total Non-Current Liabilities</i>	<u>675.464</u>	<u>744.771</u>
TOTAL LIABILITIES	<u>1.899.911</u>	<u>1.294.333</u>
MINORITY INTEREST IN SUBSIDIARY	51.864	50.693
SHAREHOLDERS' EQUITY	446.916	989.112
TOTAL	<u>2.398.691</u>	<u>2.334.138</u>

Consolidated Income Statement

	Fiscal year ended	
	December 31,	December 31,
	2002	2001
	(in thousands of Argentine Pesos)	
Net sales	284.132	441.914
Operating costs	<u>(182.417)</u>	<u>(211.650)</u>
Gross profit	101.715	230.264
Administrative expenses	<u>(33.563)</u>	<u>(40.102)</u>
Operating profit	68.152	190.162
<i>Operating profit per share</i>	<i>0,189</i>	<i>0,528</i>
Other income and expenses	<u>1.949</u>	<u>2.623</u>
Financial results		
Generated by assets		
Interest income	13.769	7.241
Foreign exchange income, net of inflation	(660)	0
Results of exposure to inflation	(102.571)	0
Holding results on public bonds	(3.764)	0
Traslation result foreign investment	(206)	0
Generated by liabilities		
Interest expense and related taxes	(146.677)	(84.399)
Foreign exchange loss, net of inflation	(396.865)	(7.204)
Other financial expenses	(12.716)	0
Results of exposure to inflation	52.954	0
Total financial results	(596.736)	(84.362)
Minority Interest in Subsidiary	(1.163)	(2.836)
(Loss) / Income before taxes	(527.798)	105.587
Income tax	(5.999)	(34.842)
Minimum notional income tax	(8.399)	0
Net (Loss) / Income	(542.196)	70.745
<i>Net (Loss) / Income per share</i>	<i>(1,505)</i>	<i>0,196</i>

Other Data

	Fiscal year ended	
	December 31,	December 31,
	2002	2001
	(in thousands of Argentine Pesos)	
Depreciation and Amortization	110.162	98.202
EBITDA	178.314	288.364
Capital Expenditures	33.552	66.424