Buenos Aires, March 7th, 2017

Results for fiscal year ended on December 31st, 2016

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. ("Transener" or the "Company") announces the results for the fiscal year ended on December31st, 2016

Stock Information

Bolsa de Comercio de Buenos Aires
Ticker: TRAN

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Transener, Argentina's leading electricity transmission company, announces results for the fiscal year ended on December 31st, 2016.

Consolidated net revenues of AR$ 2.270,3 million, 16,6% higher than the AR$ 1.946,8 million for last year, mainly due to an increase of AR$ 188,5 million in the Renewal Agreement revenue, of AR$ 59,5 million in revenues from works under the SE Resolution 1/2003 and of AR$ 27,6 million in revenues from supervision of works.

Consolidated adjusted EBITDA[1]of AR$336,9 million, compared to an EBITDA of AR$ 663,2 million for last year, mainly due to a lower profit of AR$ 236,7 million in operating results, of AR$ 49,0 million in the Renewal Agreement interest and of AR$ 47,8 million in the Fourth Line interest.

Consolidated net loss attributable to the owner of the parent of AR$ 56,8 million, compared to a profit of AR$52,2 million for last year, mainly due to a lower operating profit of AR$ 236,7 million, a lower loss of AR$ 65,8 million in financial results and a higher profit of AR$ 55,3 million in the income tax charge.

Main results for the Fourth Quarter of 2016

Consolidated net revenues of AR$ 1.392,8 million, 112,7% higher than the AR$ 654,7 million for last year, mainly due to an increase of AR$ 714,8 million in the Renewal Agreement revenue.

Consolidated adjusted EBITDA[1] of AR$ 867,5 million, compared to an EBITDA of AR$ 219,1 million for last year, mainly due to a higher operating profit of AR$ 608,26 million and a higher profit of AR$ 38,4 million in the Renewal Agreement interest.

Consolidated net profit attributable to the owner of the parent of AR$ 484,5 million, compared to a loss of AR$ 98,4 million for last year, mainly due to a higher operating profit of AR$ 608,2 million and of AR$ 308,9 million in financial results, partially offset by a higher loss of AR$ 321,7 million in the income tax charge.

[1] Consolidated adjusted EBITDA represents consolidated operating results before depreciations plus Fourth Line interest and the Renewal Agreement interest.

1. Financial Situation

With respect to the financial debt, on December 15th, 2016, the final amortization of the Class 1 Notes at 8.875% occurred, with Transener canceling the amount of US$ 13,3 million of capital plus the corresponding interest, with no remaining Notes of that Class in circulation.

On the same date, Transener paid the final balance of US$ 2,3 million of the loan with the Nordic Investment Bank, with no remaining outstanding debt.

As a result of the above mentioned, as of December 31st, 2016 consolidated outstanding principal debt amounts to US$ 98.5 million of capital corresponding exclusively to the Class 2 Notes at 9.75%. Since these Notes are fully amortized in August 2021, there is no additional financial debt to mature until that date.

Regarding Transener's qualifications, in 2016 S&P modified the local qualification from "raB-" negative to "raB+" with positive outlook and the global qualification for foreign and local currency from "CCC-" negative to "CCC" with positive outlook.

During February 2017 S&P modified again the local qualification from "raB+" to "raBB+" and the global qualification for foreign and local currency from "CCC" to "CCC+", both of them with positive outlook.

2. Tariff Situation

On September 28th, 2016, under the instruction given by the National Ministry of Energy and Mining by Res. MEyM No. 196/16, the ENRE through Resolution No. 524/16 approved the program to apply for Full Tariff Review of Electricity Transmission (FTR) in 2016, which foresees for the entry into force of the resulting tariff system as from February 2017.

On December 26th, 2016, Transener and Transba entered into a new agreement with the SE and ENRE, within the framework of the commitments set forth in the fourth and eleventh clauses of the Definitive Agreement for the Adaptation of the Concession Contract of the Public High Voltage Electric Power Transmission Service ("Definitive Agreement") and the Definitive Agreement for the Adaption of the Contract of the Concession of the Public Service of Transmission of Electric Power by Trunk Distribution of the Province of Buenos Aires ("Definitive Agreement Transba"), both ratified by the National Executive Power through Decree PEN No. 1462/2005 and No. 1460/2005, respectively, celebrated on May 17th, 2005 with UNIREN.

Under the Agreements, and in order that the Company may have the necessary and sufficient resources to sustain its normal operation and to perform other tasks that are necessary to properly maintain the operation of the electric transmission system under the Concession, the SE (i) recognized in favor of Transener and Transba credits for cost variation in the amount of AR$ 602,9 million and AR$ 151,9 million, respectively, from the period from December 1st, 2015 to July 31st, 2016, and (ii) determined in favor of Transener and Transba credits for higher costs in the amount of AR$ 899,9 million and AR$ 362,8 million, respectively, from the period from August 1st, 2016 to January 31st, 2017. For these purposes, the SE will instruct CAMMESA to enter into a Financing Agreement and Cession of Credits in Warranty, which will be canceled through the cession of the recognized and established credits above mentioned. In addition, the Agreements provide for an "Investment Plan", for the period October 2016 to March 2017, for an amount of approximately AR$ 299,1 million for Transener and AR$ 121,4 million for Transba.

Both agreements will remain in effect until January 31st, 2017 or until the entry into force of the tariff system that must result from the FTR, whichever comes first.

The Company has recognized revenues and interest income from the Renewal Agreement for the amount of AR$ 1.514,6 million and AR$ 217,4 million respectively, for fiscal year ended on December 31st, 2016.

Within the framework of Resolution No. 524/16 referred to above, which includes the program to be applied for the FTR in 2016, on January 31st, 2017 the ENRE issued Resolutions N° 66/17 and N° 73/17, by which the new tariff system in force for the five-year period 2017/2021 was established for Transener and Transba, respectively.

The ENRE also established the tariff adjustment mechanism, the quality of service and penalties regime, the system of awards and the investment plan to be carried out by both companies during that period.

Based on the complexity of the aforementioned resolutions, the Company is analyzing the various effects they produce on the financial economic equation of its business for the next five years.

3. Consolidated Adjusted EBITDA Calculation

Consolidated adjusted EBITDA has been calculated as follows:

	Fiscal year ended on December 31st,		Three-month period ended on December 31st,	
AR$mm	**2016**	**2015**	**2016**	**2015**
Consolidated operating result	111,3	348,0	747,3	139,0
Depreciations	98,1	90,9	25,3	23,5
Consolidated EBITDA	209,5	438,9	772,6	162,6
Adjustments				
Renewal Agreement interest	127,4	176,5	95,0	56,5
Fourth Line interest	0,0	47,8	0,0	0,0
Consolidated adjusted EBITDA	336,9	663,2	867,5	219,1

4. Operating information

Transener, as the concessionaire of the extra high voltage electric power transmission network, is in charge of the supervision of the expansions of the network.

Here follows the most significant works in progress under Transener's supervision:

- **Federal Plan for Transmission Works**

  Rincón Santa María – Resistencia Interconnection
  Construction of the 500 kV EHVL between Rincón Santa María and Resistencia (270 km).

  Bahía Blanca – Vivoratá Interconnection
  Construction of the 500 kV EHVL between Bahía Blanca and Vivoratá (400 km). New 500/132 kV Substation at Vivoratá (2x450 MVA).

- **Works under by the SE Resolutions 1/2003 and 821/2006**

  Rosario Oeste and Ezeiza Substations
  Supply, installation and commissioning of a new bank of 500/220kV – 800MVA transformers with a back-up phase, for each substation.

  Ramallo Substation
  Supply, installation and commissioning of a new 500/220kV – 300MVA transformer.

  Choele Choel Substation
  Installation and commissioning of a back-up 500/132kV – 150MVA transformer.

  Rodríguez Substation
  Installation and commissioning of a new 500/132 kV - 300 MVA transformer.

Chaco Substation
Expansion, construction and commissioning of two exit point fields for the 132 kV line.

- **Other works to be undertaken by the WEM (Wholesale Electricity Market) Agents**

  Paso de la Patria Substation
  Substation expansion (132 kV).Two new exit point fields.

  Brown Substation
  Installation and commissioning of a new bank of 500kV line reactors.

  Gran Formosa Substation
  Assembly and commissioning of a new 500/132 kV- 300 MVA transformer.
  Construction of a new 500 kV field and a new exit point field for the 132 kV line.

  Rioja Sur Substation
  Assembly and commissioning of a new 500/132 kV- 300 MVA transformer.
  Construction of a 500 kV busbar, with a 500 kV bay and breaker and a half diagram.
  Installation of a 500 kV-80 MVAr busbar reactor bank. Completion of a 500 kV existent bay and expansion of 132 kV line with four new exit point fields.

  ET Río Coronda
  Connection of a turbo a steam engine (Vuelta de Obligado Thermal Power Plant), to 500 kV busbars (Rio Coronda Substation).

Business Development

Given Transener's position as a leader in electricity transmission, it is involved in the local market through the supply of operation and maintenance services, engineering, testing and commissioning of lines and substations for new works or for the enhancement of existing works in the 500KV system.

Transener maintains its main contracts with the following customers:

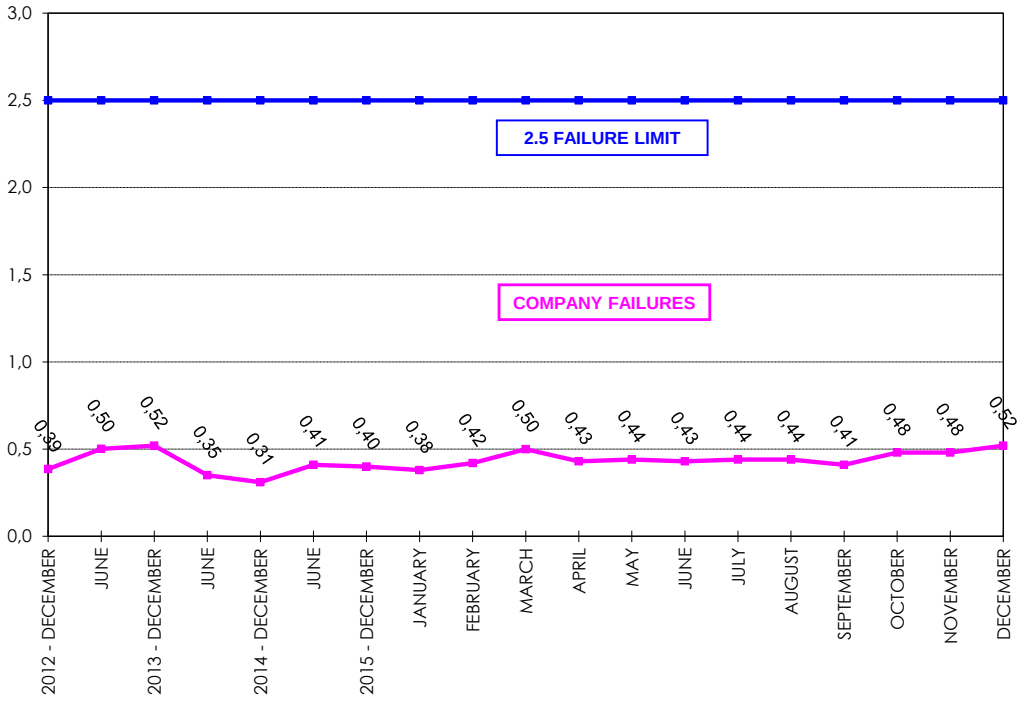
- Minera Alumbrera Ltd.
- Yacylec S.A.
- Integración Eléctrica Sur Argentina S.A.
- Transportadora del Norte S.A.
- Transportadora Cuyana S.A.
- AES Argentina Generación S.A.
- Nucleoeléctrica Argentina S.A.
- CT Loma de la Lata S.A.
- Transportel Minera II S.A.

Rate of failures

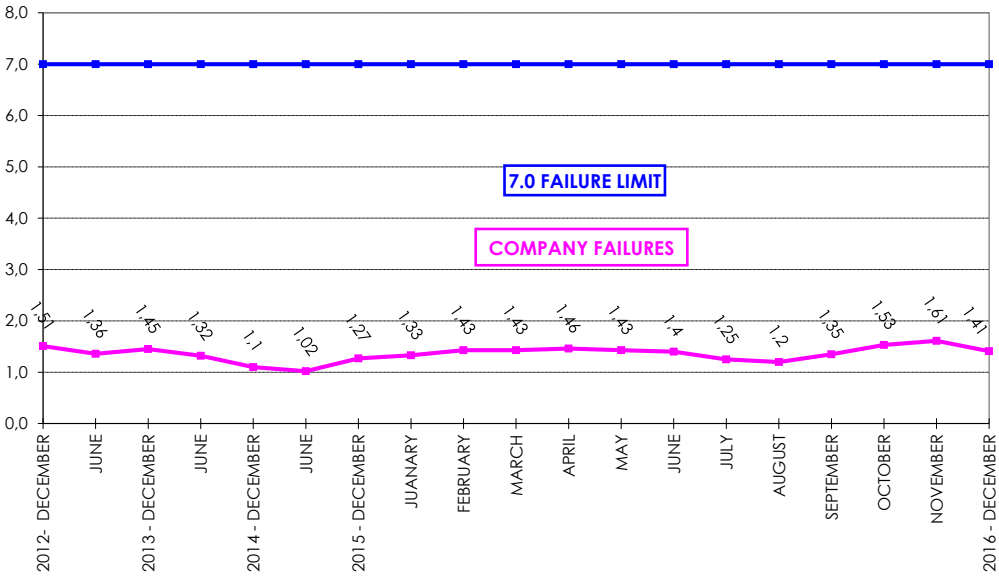
The rate of failures respresents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from December 2012.

Transener and Transba Concession Agreements state a maximum rate of failures of 2,5 and 7,0 outages per 100km over a 12-month period, respectively.

Transener



Transba



5. Significant Financial Information

5.1 Consolidated Statements of Operations (AR$mm)

	Fiscal year ended on December 31st		Three-month period ended on December 31st,	
	2016	**2015**	**2016**	**2015**
Net Revenues	2.270,3	1.946,8	1.392,8	654,7
Operating expenses	(1.766,6)	(1.315,2)	(533,9)	(431,4)
Gross (loss) / income	503,6	631,7	858,9	223,4
Administrative expenses	(361,3)	(258,9)	(105,8)	(77,2)
Other gains / (expenses), net	(31,0)	(24,7)	(5,8)	(7,1)
Operating (loss) / income	111,3	348,0	747,3	139,0
Finance income	330,9	387,5	143,0	152,3
Finance costs	(184,2)	(123,7)	(50,5)	(34,6)
Other financial results	(326,8)	(509,7)	(65,3)	(399,4)
(Loss) / income before taxes	(68,7)	102,2	774,4	(142,6)
Income tax	17,6	(37,7)	(272,7)	49,0
(Loss) / income for the period	(51,1)	64,5	501,8	(93,6)
(Loss) / income attributable to :				
Owners of the parent	(56,8)	52,2	484,5	(98,4)
Non-controlling interests	5,7	12,3	17,3	4,8
Total for the period	(51,1)	64,5	501,8	(93,6)
Other consolidated comprehensive results				
(Loss) / income for the period	(51,1)	64,5	501,8	(93,6)
Other comprehensive results	(19,3)	3,3	(19,3)	3,3
Total comprehensive (loss) / income for the period	(70,5)	67,8	482,4	(90,3)
Total comprehensive (loss) / income attributable to :				
Owners of the parent	(75,6)	55,4	465,6	(95,2)
Non-controlling interests	5,2	12,4	16,8	4,9
Total for the period	(70,5)	67,8	482,4	(90,3)

5.2 Consolidated Balance Sheets (AR$mm)

	31.12.2016	31.12.2015
ASSETS		
Non-current assets		
Property, plant and equipment	1.978,7	1.742,9
Other receivables	(198,1)	17,6
Deferred tax assets	255,7	0,0
Total Non-current assets	2.036,2	1.760,4
Current assets		
Trade accounts receivable	532,4	536,7
Other receivables	125,5	68,9
Financial assets at fair value	585,0	541,2
Cash and cash equivalents	66,5	50,7
Total Current assets	1.309,4	1.197,4
TOTAL ASSETS	3.345,6	2.957,8
EQUITY		
Common stock	444,7	444,7
Inflation adjustment on common stock	353,0	353,0
Share premium	32,0	32,0
Legal reserve	42,6	42,6
Other comprehensive results	(41,4)	(22,6)
Retained earnings	(232,2)	(175,4)
Equity attributable to owners of the parent	598,7	674,3
Non-controlling interests	53,4	48,2
TOTAL EQUITY	652,1	722,5
LIABILITIES		
Non-current liabilities		
Bonds and other indebtedness	1.513,0	1.234,8
Taxes payable	35,2	0,0
Deferred tax liabilities	0,0	34,6
Employee benefits payable	278,4	193,5
Trade accounts payable	3,0	3,3
Total Non-current liabilities	1.829,7	1.466,2
Current liabilities		
Previsions	70,0	64,3
Other liabilities	0,8	0,8
Bonds and other indebtedness	58,5	278,9
Taxes payable	237,2	49,4
Payroll and social securities taxes payable	300,6	207,8
Trade accounts payable	196,7	167,8
Total Current liabilities	863,8	769,0
TOTAL LIABILITIES	2.693,5	2.235,3
TOTAL LIABILITIES AND EQUITY	3.345,6	2.957,8

6. Analysis of results for the fiscal year ended on December 31st, 2016 compared to last year

Net revenues

Consolidated net revenues for the fiscal year ended on December 31st, 2016, resulted in AR$ 2.270,3 million, 16,6% higher than the AR$ 1.946,8 million for last year.

Consolidated net regulated revenue for the fiscal year ended on December 31st, 2016, amounted to AR$ 1.943,3 million, 10,5% higher than the AR$ 1.759,1 million for last year, mainly due to an increase of AR$ 141,5 million in revenues from the Renewal Agreement entered into by Transener and Transba with the Secretariat of Energy ("SE") and the ENRE (See "Tariff situation") and of AR$ 27,6 million in other regulated revenues.

Consolidated net non-regulated revenue for the fiscal year ended on December 31st, 2016 amounted to AR$ 327,0 million, 74,2% higher than the AR$ 187,7 million for last year, mainly due to an increase of AR$ 47,0 million in revenues from the Renewal Agreement entered into by Transener and Transba with the Secretariat of Energy ("SE") and the ENRE (See "Tariff situation"), of AR$ 59,5 million in revenues from works under the SE Resolution 1/2003 and of AR$ 43,4 million in other non-regulated revenues.

Operating and administrative expenses

Consolidated operating and administrative expenses for the fiscal year ended on December 31st, 2016 amounted to AR$ 2.127,9 million, 35,2% higher than the AR$ 1.574,1 million for last year, principally due to an increase of AR$ 323,4 million in salaries and social security charges and of AR$ 60,2 million in work for third-party materials, as a consequence of the increase in non-regulated activity above mentioned.

Other gains / expenses, net

Consolidated other gains / expenses, net for the fiscal year ended on December 31st, 2016 amounted to a loss of AR$ 31,0 million, 25,3% higher than the AR$ 24,7 million for last year, mainly due to an increase of AR$ 6,4 million in tax charge on bank debits and credits.

Financial results

Consolidated finance income for the fiscal year ended on December 31st, 2016 amounted to AR$ 330,9 million, 14,6% lower than the AR$ 387,5 million for last year, mainly due to a decrease of AR$ 49,0 million in the Renewal Agreement interest and of AR$ 47,8 million in the Fourth Line interest, partially offset by an increase of AR$ 40,3 million in the result from short-term investments.

Consolidated finance costs for the fiscal year ended on December 31st, 2016 amounted to AR$ 184,2 million, 48,9% higher than the AR$ 123,7 million for last year, mainly originated by the effect of the increase of the exchange rate on the interest from the financial debts denominated in U.S. Dollars.

Consolidated other financial results for the fiscal year ended on December 31st, 2016 amounted to a loss of AR$ 326,8 million, 35,9% lower than the AR$ 509,7 million for last year, mainly due to a decrease of AR$ 181,4 million in the exchange loss net, mainly originated by the effect of the decrease in the variation of the exchange rate on the financial debts denominated in U.S. Dollars.

Income tax

Consolidated income tax charges for the fiscal year ended on December 31st, 2016 resulted in a profit of AR$ 17,6 million, compared to a loss of AR$ 37,7 million for last year, due to a lower loss of AR$ 26,7 million in the current tax charge and a higher income of AR$ 28,6 million in the deferred tax charge.