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TRANSENER S.A. REPORTS FISCAL YEAR 2010 RESULTS

Buenos Aires – March 9, 2011 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net income of Pesos 23.2 million (Pesos 0.052 per share) for the fiscal year ended December 31, 2010.

Consolidated net sales for the fiscal year ended December 31, 2010 resulted in Pesos 583.8 million, 0.2% higher than the Pesos 582.5 million for last year, principally due to an increase of Pesos 52.1 million in electricity transmission revenue, net and a decrease of Pesos 51.5 million in other net revenues.

The increase in electricity transmission revenue, net, was originated mainly by the Instrumental Agreements entered into by Transener and Transba with the Secretariat of Energy (SE) and the ENRE, on December 21, 2010, which establish the recognition of their rights to collect the amounts resulting from the application of the cost-variation index for the period June 2005 – November 2010.

The decrease in other net revenues was originated mainly by a decrease of Pesos 48.0 million in construction and installation works, principally due to the completion of the installation of the reactors in Bahía Blanca and Chocón substations.

Consolidated operating and administrative costs for the fiscal year ended December 31, 2010 amounted to Pesos 492.7 million, 5.9% lower than the Pesos 523.3 million for last year, mainly due to a decrease of (i) Pesos 49.0 million in Materials for works for third parties due to the lower level of non-regulated activities and (ii) Pesos 22.1 million in Provisions, partially offset by the increase of (iii) Pesos 28.5 million in Salaries and social security charges and (iv) Pesos 5.5 million in Provision for irrecoverable investments and bad debts with its subsidiary Transener Internacional.

The impairment of investment in subsidiary represented a loss of Pesos 12.6 million, mainly due to the write-down of the total amount of the investment in Transener Internacional Ltda., due to the adverse situation that the subsidiary is going through.

Consolidated other income and expenses for the fiscal year ended December 31, 2010 resulted in a net profit of Pesos 5.2 million, in comparison with a net profit of Pesos 9.7 million for last year, mainly originated by a decrease in the collection of insurance recoveries during the fiscal year.

Consolidated financial results for the fiscal year ended December 31, 2010 resulted in a net loss of Pesos 6.6 million, in comparison with a net profit of Pesos 0.4 million for last year, mainly due to a decrease of (i) Pesos 123.7 million in the profit originated in the repurchase of notes and (ii) Pesos 3.0 million in translation gains partially offset by (iii) a decrease of Pesos 50.9 million in the Exchange difference losses, net and (iv) an increase of Pesos 72,6 million in interests generated by assets principally due to the recognition of interest from the Instrumental Agreement entered into with the SE and the ENRE.

Income tax charges for the fiscal year ended December 31, 2010 resulted in a loss of Pesos 53.1 million, in comparison with a loss of Pesos 19.1 million for last year, mainly originated by the increase of Pesos 15.9 million in the income tax payable, principally originated by the higher Transener's taxable profit during the period and a higher increase of Pesos 18.0 million in the deferred tax liabilities.

Financial situation

During the fiscal year ended December 31, 2010, Transener repurchased Series 1 Notes for a nominal value of US$ 11.0 million (of which US$ 2.9 million were purchased to Transba) and it has cancelled notes for a nominal value of US$ 20.2 million.

According to what has been approved by the Transba's Shareholders' Ordinary Meeting held on April 7, 2010, on May 5, 2010 Transba paid dividends to Transener in Series 1 Notes for a total nominal value of US$ 5.7 million.

As of December 31, 2010, Transener and Transba hold notes of the mentioned Series 1 Notes for a total nominal value of US$ 18.9 million and US$ 4.1 million, respectively.

On July 5, 2010 Transener published the update of the Information Memorandum, which includes the financial statements as of March 31, 2010, related to the global program for the issuance of simple notes, non-convertible into shares, denominated in pesos or in any other currency, with ordinary, special, floating and/or any other guarantee, subordinated or not, for a maximum amount which, in any moment, can not exceed Pesos 200 million or its equivalent in other currencies, which has been authorized for public offering in accordance with Resolution No. 16,244 of December 17, 2009 issued by the CNV.

Regarding the Transener's qualifications, S&P maintained the local qualifications in "raBBB+" stable and the global qualification for foreign and local currency in "B-" stable.

In accordance with the terms stated in the Information Memorandum dated June 30, 2005 excess cash has been generated for the period July 1, 2010 – December 31, 2010. As a consequence, on April 1 2011, Transener will be obliged to pre-cancell all the remaining Class 6 Par Notes as of such date. As of the date of issuance of the financial statements, the remaining residual value of such notes amounts to US$ 2,5 million.

Consolidated outstanding principal debt of the Company as of December 31, 2010 amounted to US$ 148.2 million, without having substantial refinancing needs until year 2013.

Tariff situation and regulatory aspects

The Emergency Law No. 25,561, which fixed the prices and tariffs of the public services companies' contracts in Pesos at the exchange rate of Pesos 1 for each US$1, has imposed the obligation to renegotiate the concession agreements with the National Government to those companies that provide public services, such as Transener and Transba, while continuing to render the service. This situation has significantly affected the economic and financial situation of the Company and its subsidiary Transba.

In May 2005, Transener and Transba entered into the Definitive Agreements with the representatives of the Unit for the Renegotiation and Analysis of Public Utility Contracts ("UNIREN"), which contain the terms and conditions for the renegotiation of the Concession Contracts, which had been ratified by National Executive Branch Decrees Nos. 1,462/05 and 1,460/05 on November 28, 2005, respectively.

According to the guidelines stated in the mentioned Definitive Agreements, the following was foreseen: i) to carry out a Full Tariff Review ("FTR") before the ENRE and to determine a new tariff regime for Transener and Transba, which should have come into force during the months of February 2006 and May 2006, respectively; and ii) the recognition of the major operating costs incurred in the interim period up to the moment in which the tariff regime comes into force as a consequence of the mentioned FTR.

This way, since 2006 Transener and Transba communicated the ENRE the need to regularize the fulfillment of the commitments settled in the Definitive Agreements, expressing the breach of commitments established in those Agreements on behalf of said regulatory authority, the serious situation arising from such breaches, and their availability to continue with the FTR process, as long as the remaining commitments assumed by the parties continue in force, and the new tariff regime arising from the FTR process is resolved.

On the other hand, through Resolutions SE No. 869/08 and 870/08 dated July 30, 2008, the Secretariat of Energy extended the contractual transition period for Transener and Transba, respectively, up to the effective enforcement of the regime resulting from the FTR, thus fixing such date for February 2009.

In that sense, Transener and Transba submitted their respective tariff pretensions in many opportunities, according to what it is stated in the Definitive Agreements, and also in the section 45 and the ones concordant to Law No. 24,065, for the purpose of dealing with the matter, calling for a Public Hearing and defining a new tariff regime.

In spite of that, as of December 31, 2010, the ENRE has not called for a Public Hearing yet and did not deal with the tariff requirements demanded by Transener and Transba within the FTR framework.

On the other hand, due to the increase in labor costs resulting from the application of National Executive Branch Decree No. 392/04 and subsequents, and the major operating costs incurred from 2004 until now, Transener and Transba, every quarter went on certifying the costs variations, which effectively have occurred during the period, filing the respective

claims before the ENRE, in order to readjust the Company's regulated remuneration according to the clauses established in the Definitive Agreements for such purpose.

In that way, Transener and Transba, unsuccessfully required the ENRE to proceed to pronounce the administrative acts for the recognition in the tariff of the cost increases occurred after the Definitive Agreement has been entered into, which led to the initiation of judicial claims.

It must be pointed out that the UNIREN has stated that the mechanism of monitoring of costs and regime of service quality had been foreseen up to the enforcement of Transener and Transba's FTR, respectively, and that the delay in the definition of said process is not attributable to the Concessionaires and it could not lead to undermine their rights.

Finally, on December 21, 2010, an Instrumental Agreement (the Instrumental Agreement) related to the Definitive Agreement was entered into with the Secretariat of Energy and the ENRE, setting forth as follows:

- the recognition of Transener and Transba´s rights to collect the amounts resulting from the variations of costs during the period June 2005 – November 2010,
- the mandatory cancellation of the financing received from CAMMESA, through the cession of credits resulting from the recognition of the above mentioned variations of costs,
- a mechanism of cancellation of the pending balances,
- an additional financing amount to be destined to investments in the transmission system for the amount of Pesos 34.0 million for Transener and Pesos 18.4 million for Transba, to be cancelled through the mechanism described in ii).

In February 2011, CAMMESA made an estimation of the amounts owed to Transener and Transba due to variations of costs occurred during the period June 2005 - November 2010. As of January 17, 2011 (date of updating), the mentioned amounts were as follows:

Differences for Connection and Capacity	Millions of Pesos		
	Transba	Transener	Total
Principal	75.9	189.3	265.2
Interests	43.2	104.8	148.0

The results arising from the recognition of the variations of costs on behalf of the Secretariat of Energy and the ENRE, have been registered in the financial statements, up to the amounts received as of December 31, 2010, through the financing of CAMMESA. Consequently, net revenues for Pesos 61.9 million and interest income for Pesos 80.7 million, have been registered.

As of December 31, 2010, the Company initiated conversations with CAMMESA in order to carry out the instrumentation of the Instrumental Agreement, through an addenda to the Financing Agreement entered into with this entity on May 12, 2009.

By virtue of the Instrumental Agreement and subject to its fulfillment, Transener and Transba abandoned the judicial claims for delay, asking for the recognition of major costs and the need of calling a Public Hearing in order to carry out the FTR.

CAMMESA Financing – Resolution S.E. 146/2002

On May 12, 2009, Transener and Transba entered into a Financing Agreement with CAMMESA, for an amount up to Pesos 59.7 million and Pesos 30.7 million, respectively. On January 5, 2010, an extension of the agreement before mentioned was subscribed for up to the amount of Pesos 107.7 million and Pesos 42.7 million, for Transener and Transba, respectively.

The Financing Agreement contemplates the possibility of a pre-cancellation, in case that the ENRE orders the retroactive payment owed to Transener and Transba, in concept of variations of costs since 2005 up to date.

As of December 31, 2010, the financing amount requested by Transener and Transba amounted to Pesos 150.4 million, while the disbursements received amounted to Pesos 132.6 million. The interests owed up to said date amount to Pesos 10.0 million.

Such as it is described in "Tariff situation and regulatory aspects", according to the Instrumental Agreement entered into on December 21, 2010, the Company will apply receivables recognized by the Secretariat of Energy and the ENRE due to variations of costs, as a pre-cancellation of the financing received from CAMMESA.

As of December 31, 2010, the Company initiated conversations with CAMMESA in order to carry out the instrumentation of the Instrumental Agreement, through an addenda to the Financing Agreement entered into with this entity on May 12, 2009.

On the other hand, on September 27, 2010, Transener entered into a new financing agreement with CAMMESA under the same terms and conditions for up to US$ 2.3 million, in order to pay works of maintenance in the 500 kV circuit breakers of the Alicurá substation. As of December 31, 2010, Transener certified Pesos 1.2 million, and CAMMESA made the total disbursement of such amount. By virtue of the mentioned Instrumental Agreement, CAMMESA is not expected to go on making disbursements, remaining the repayment of the amounts received in eighteen installments as from January 2012, accruing an interest rate equivalent to the average yield obtained by CAMMESA in the financial investments of the WEM.

RECENT DEVELOPMENTS

- **500 kV Transmission Federal Plan**

  The Federal Plan has been set forth by the Secretariat of Energy and allows the bidders to use special funds, created in accordance with the plan, as part of the initial offers for the construction, operation and maintenance of the expansions of the existing network. The proposals are accepted based on the lowest price and they should count with the technical approval of both the ENRE and Transener.

  Transener, as the concessionaire of the extra high voltage electric power transmission network, is in charge of the supervision of the construction, operation and maintenance carried out by the Independent Transmitters and is entitled to receive revenues for such services.

The most important works in progress are the NEA-NOA and the Comahue-Cuyo high voltage lines. Due to the magnitude of such works, each of them was divided into two tranches which were publicly offered and separately awarded.

The NEA-NOA high voltage line, in the Western and Eastern tranches.

The Western tranche comprises the expansion of the El Bracho substation and the construction of the new Cobos and San Juancito substations, the linking lines and the Cobos-Monte Quemado line.

The Eastern tranche comprises the Monte Quemado, Chaco and Gran Formosa substations, the expansion of the Resistencia substation and the linking lines.

The final commercial operation for the project is expected for August 2011.

The Comahue-Cuyo high voltage line was divided into Southern and Northern tranches.

The Southern tranche comprises the new Agua Del Cajon substation and the Agua del Cajón-Río Diamante high voltage line.

The Northern tranche comprises the new Río Diamante substation, the expansion of the Gran Mendoza substation and the linking line.

The final commercial operation for the project is expected for May 2011.

Here follows the estimated construction costs for the works in progress, Transener's estimated revenues for the supervision of the construction and the status of the works:

Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	Millions of Pesos		%
NEA – NOA HVL	2,600	78.0	80%
Comahue – Cuyo HVL	1,300	39.0	70%

- **Expansion Works**

The Secretariat of Energy has issued several procedures for the execution of interprovincial expansions and their financing. The investments supported by this initiative are destined to satisfy the demand in such areas where the Wholesale Electricity Market agents do not make investments.

In the following chart there is a detail of the estimated construction costs for the works in progress, the estimated revenues that Transener would collect in concept of supervision of the construction and the status of the works:

Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	Millions of Pesos		
INTERCONNECTION PICO TRUNCADO – ESPERANZA - RIO TURBIO - RIO GALLEGOS (*)	2,398.1	71.9	3%
ARROYO CABRAL SUBSTATION (New substation)	155	4.6	2%
ATUCHA II SUBSTATION (New substation)	130	3.9	60%

(*) Transener jurisdiction comprises only the Pico Truncado-Esperanza tranche.

- **Transener Internacional Ltda.**

The investment in Transener Internacional Ltda. has been impaired due to the adverse situation that the subsidiary is going through.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	December 31, 2010	December 31, 2009
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	67.953	10.524
Investments	39.644	51.824
Trade receivables	121.333	97.827
Other receivables	25.007	26.872
Total Current Assets	253.937	187.047
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.492.017	1.532.924
Other receivables	40.318	65.853
Other assets	180.573	226.037
Total Non-Current Assets	1.712.908	1.824.814
TOTAL ASSETS	**1.966.845**	**2.011.861**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	44.976	35.345
Bonds and other indebtedness	52.566	51.737
Payroll payable	35.614	34.966
Taxes payable	26.494	36.442
Provisions	32.101	53.932
Other liabilities	6.625	6.625
Total Current Liabilities	198.376	219.047
NON-CURRENT LIABILITIES		
Vendor notes payable	52.038	64.141
Bonds and other indebtedness	534.492	548.281
Payroll payable	20.230	12.766
Taxes payable	34.575	22.320
Other liabilities	1.185	41.065
Total Non-Current Liabilities	642.520	688.573
TOTAL LIABILITIES	**840.896**	**907.620**
MINORITY INTEREST IN SUBSIDIARIES	**43.465**	**44.966**
SHAREHOLDERS' EQUITY	**1.082.484**	**1.059.275**
TOTAL	**1.966.845**	**2.011.861**

Consolidated Income Statement

	Fiscal year ended December 31,	
	2010	2009
	(in thousands of Argentine Pesos)	
Net sales	583.759	582.548
Operating costs	(402.494)	(447.278)
Gross profit	**181.265**	**135.270**
Administrative expenses	(90.164)	(76.070)
Operating profit	**91.101**	**59.200**
Operating profit per share	***0,205***	***0,133***
Impairment of investment in subsidiary	**(12.554)**	**0**
Other income and expenses	**5.170**	**9.697**
Financial results		
Generated by assets		
Interest income	87.251	14.628
Income from measurement of other receivables at present value	(35)	1.884
Foreign exchange income	1.405	426
Traslation gains	0	3.026
Generated by liabilities		
Interest expense and related taxes	(74.240)	(72.481)
Foreign exchange loss	(23.194)	(73.158)
Repurchase of notes result	3.356	127.058
Loss from measurement of liabilities at present value	(1.152)	(981)
Total financial results	**(6.609)**	**402**
Minority Interest in Subsidiaries	**(820)**	**(3.382)**
Income before taxes	**76.288**	**65.917**
Income tax	(53.080)	(19.131)
Net income	**23.208**	**46.786**
Net income per share	***0,052***	***0,105***

Other Data

	Fiscal year ended December 31,	
	2010	2009
	(in thousands of Argentine Pesos)	
Depreciation and amortization	122.038	122.726
EBITDA	213.139	181.926
Capital expenditure	46.869	75.554