Contacts in Buenos Aires

Carlos A. González, Chief Financial Officer
Marcelo A. Fell, Treasurer
(Marcelo.Fell@transx.com.ar)
Andrés G. Colombo, General Accountant
(Andres.Colombo@transx.com.ar)
Investor Relations Coordination
Laura V. Varela
(Laura.Varela@transx.com.ar)
Tel: (5411) 5167-9301
Fax: (5411) 4342-7147
www.transener.com.ar
www.transba.com.ar

TRANSENER S.A. REPORTS FISCAL YEAR 2007 RESULTS

Buenos Aires – February 25, 2008 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net loss of Pesos 5.7 million (Pesos 0.013 per share) for the fiscal year ended December 31, 2007.

Consolidated net sales for the fiscal year ended December 31, 2007 amounted to Pesos 504.7 million, 14.8 % higher than the Pesos 439.5 million for 2006, principally due to an increase of Pesos 57.9 million in other sales, mainly generated by: (i) an increase of Pesos 46.6 million from the works in Rosario Oeste, Ramallo, Almafuerte and Santo Tomé substations, committed to the Company through Resolutions ENRE Nº 480/05, 481/05, 616/03 and 935/05, respectively and (ii) an increase of Pesos 18.6 million from the non-regulated activities generated by its subsidiaries Transba and Transener Internacional Ltda., partially offset by a decrease of Pesos 7.5 million in the supervision works.

Consolidated operating and administrative costs amounted to Pesos 421.5 million for the fiscal year ended December 31, 2007, 22.1% higher than the Pesos 345.1 million for 2006, principally due to: (i) an increase of Pesos 26.9 million in salaries and social security charges, (ii) an increase of Pesos 12.3 million in works for third parties as a result of the higher level of non-regulated activities and (iii) an increase of Pesos 15.6 million in provisions, principally due to the constitution of a provision for penalties related to the fire in a 800 MVA transformer bank at the Ezeiza substation, property of Transener, which took place on May 17.

Consolidated other income and expenses for the fiscal year ended December 31, 2007 resulted in a net profit of Pesos 8.9 million, in comparison with a net loss of Pesos 0.6 million for 2006, principally due to the result generated by the partial insurance recovery related to the fire in the transformer bank at the Ezeiza substation above mentioned, amounting to Pesos 6.8 million.

Consolidated financial results for the fiscal year ended December 31, 2007 resulted in a net loss of Pesos 79.9 million, in comparison with a net loss of Pesos 114.9 million for 2006, mainly due to the refinancing results accrued during fiscal year 2006, amounting to a loss of Pesos 41.5 million, included in "Other financial results".

Income tax charges for the fiscal year ended December 31, 2007 amounted to a loss of Pesos 17.8 million, compared to a profit of Pesos 21.3 million for 2006, mainly originated by the variation in the deferred tax liabilities for such fiscal years.

Financial situation

After the refinancing process concluded in December 2006, Transener repurchased the amount of US$ 0.652 million of outstanding principal financial debt of its Cash Tender Offer corresponding to the Par Notes issued as a result of the restructuring of its financial debt concluded in June 2005.

On June 8, 2007, the Company put the funds at the Trustee's disposal in order to make the corresponding pending payments of principal and interest of the outstanding Notes due 2008 issued on April 13, 1998, for an amount of US$1.7 million, within the due dates foreseen in the terms and conditions of such notes.

As a result of a negotiation with the Nordic Investment Bank of the loan agreement entered into on June 30, 2005, with due date December 2016, an amendment to the original contract has been entered into, through which all the covenants and events of default have been substantially removed. In addition to that and as part of the before mentioned negotiation, an amount of US$ 0.9 million of principal debt has been paid.

Due to the improvements observed as a consequence of the refinancing of the debt and the tariff increases during 2006, rating agency Fitch announced in April 2007 an upgrade on Transener's debt to "A- (arg)" from "BBB+ (arg)". Besides, the agency ratified as "B" the global rating.

On the other hand, during 2007 Standard & Poor's maintained a local rating of "raBBB" and a global rating of "B", both with stable outlook.

As a result of the payments made during the fiscal year, the total outstanding principal debt of the Company as of December 31, 2007 amounts to US$ 236.9 million, without having substantial refinancing needs until year 2013.

Compliance with the commitment to disvest Citelec S.A. by Petrobras Energía Participaciones S.A.

On July 23, 2007, Petrobras Energía S.A. announced that, in compliance with the commitment to divest Citelec S.A. assumed before the Argentine Government, they entered into a stock purchase agreement of all its equity interest in Citelec S.A. with Energía Argentina S.A. (ENARSA) and Electroingeniería S.A.

On December 19, 2007 Petrobras Energía S.A. notified the Company about the transfer of its whole equity interest in Citelec S.A.. Said transference was made in equal parts to Electroingeniería S.A. and Energía Argentina S.A.

As of December 31, 2007, Citelec S.A.'s equity is composed as follows: Transelec Argentina S.A. 50%, Electroingeniería S.A. 25% and Energía Argentina S.A. 25%.

Employee Stock Ownership Program

On June 26, 2007, Transener's Employee Stock Ownership Program Executive Committee notified the Company that the process to cancel the price of the Class C shares, representing 8.10% of Transener's common stock, had begun.

On October 31, 2007, Banco de la Nación Argentina credited the total payment of the outstanding balance of the stocks price and requested the redemption of the pledge and its corresponding conversion into Class B shares. Once it was done, the Employee Stock Ownership Program came to an end.

In this way, the percentage of the common stock listed on the Buenos Aires Stock Exchange raised from 39.25% to 47.35%, and the total percentage authorized for public offering is 49.00% (of which 1.65% is property of Citelec S.A.).

Tariff situation

The Emergency Law No. 25,561 has imposed the obligation to renegotiate the concession agreements to those companies that provide public services, such as Transener and Transba.

In May 2005, Transener and Transba entered into the Agreements with the representatives of the Unit for the Renegotiation and Analysis of Public Utility Contracts ("UNIREN"), which contain the terms and conditions 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.

According to the guidelines stated in the mentioned Definitive Agreements, it was expected to be carried out a Full Tariff Review in order to determine a new tariff regime for Transener and Transba. However, since January 2006 the ENRE continued postponing the Public Hearing in order to deal with the tariff proposals submitted by both Companies, which should have become into force for Transener and Transba during the months of February 2006 and May 2006, respectively.

Due to the fact that the ENRE unilaterally postponed the Full Tariff Review process, said entity kept in force the Resolution N° 423/2006 which postponed – as from February 1, 2006 and up to the date when the Full Tariff Review process is concluded- the charges for connections, transmission capacity and energy transmission and other obligations imposed for the contractual transition period contained in the Definitive Agreement. In the case of Transba, the ENRE kept Resolution N° 424/2006 in force.

According to that, on December 26, 2006 Transener communicated the ENRE the need to regularize the fulfillment of the commitments settled in the Definitive Agreement, expressing its availability to continue with the Full Tariff Review process during year 2007, as long as the remaining commitments assumed by the parties are in force and the new regime arising from the Full Tariff Review process is valid as from February 1, 2008. On the other hand, on December 28, 2006 Transba submitted before the ENRE a similar request to that of Transener, adapted, with respect to the terms and investments to be made, to what is stated in its Definitive Agreement.

On April 9, 2007 Transener made a new presentation before the ENRE, explaining the non-fulfillment on behalf of such entity of the commitments settled in the Definitive Agreement and the serious situation arising from such circumstance. Likewise, the Company requested the ENRE once again to immediately regularize the Full Tariff Review process and to state the administrative steps for the recognition in the tariff of the costs increases incurred after the Definitive Agreement. In the case of Transba, a similar presentation was made on April 10, 2007, which was submitted again on May 28, 2007.

On June 29, 2007, the ENRE formally requested Transener and Transba the submition of its tariff pretensions according to what was stated in the respective Definitive Agreements and section 45 and subsequent of Law No. 24,065. On September 2007, both companies submitted again their tariff and regulatory pretensions for the five-year period 2008/2012, thus updating the information which had been submitted in August 2005.

However, up to now there is no certainty about when the Public Hearings will be held, in order to deal with the proposals submitted by Transener and Transba within the framework of the Full Tariff Review process.

On the other hand, and due to the major labor costs arising from the application of Decrees N° 392/04 and subsequents, and the major operative costs registered since 2004 until now, during year 2007 Transener and Transba continued submitting the respective claims before the ENRE in order to make an adjustment of the remuneration, according to what was stated in the Definitive Agreements for such purpose. The requested recognition of costs represents, in terms of annual remuneration, Pesos 29.4 million for Transener and Pesos 13.8 million for Transba, considering the variations in costs until September 30, 2007. Up to now the Company did not receive an answer form the ENRE in relation with its presentations.

Fire in the Ezeiza substation

On May 17, 2007, Transener's Ezeiza substation, one of the most important substations of the High Voltage Transmission System, suffered a fire originated at one of the three transformer banks of 800 MVA each. Due to this accident, the three 800 MVA transformer banks, the synchronic compensators related to each of them and two 500 kV transmission lines Ezeiza - Henderson went out of service. Once the fire was extinguished, it was verified that the affected transformer bank had suffered irreparable damage, which led to the loss of 800 MVA in the transformation capacity for the abovementioned substation. The rest of the equipment was restored in service a few days after the fire.

Transener has already commenced all necessary actions to recover the transformation capacity lost as a result of the fire.

For such purpose, Transener has requested the manufacture of a new 800 MVA transformer bank, which was received in February 2008, being its start up foreseen before April 30, 2008. In order to cover the period of time until the start up of the new transformer and according to what was opportunely submitted to the consideration of the Secretariat of Energy, the ENRE and CAMMESA, two 500/220 kV transformers of 300 MVA each have been installed at the Ezeiza substation, and the synchronic compensators related to the damaged transformer have been started up.

On the other hand, in accordance with the quality service standards stated in the Concession Agreement, the unavailability of the equipment affected by the fire generates the assessment of penalties established in such Agreement. To this end, the Company set up a provision of approximately Pesos 14.0 million.

RECENT DEVELOPMENTS

Local activities

- **Federal Plan of 500 kV Electric Energy Transmission**

  The Secretariat of Energy has issued several resolutions establishing certain mechanisms and creating a fund to finance works identified as inter-provincial expansions of the National Interconnection System. The investments supported by this initiative are designed to satisfy demand in areas where investments are not being undertaken by market participants.

  This federal plan encourages private initiative and allows bidders to use special funds created under the plan as part of their initial bids for the construction, operation and maintenance of expansions to the existing network. Bids are accepted on the basis of the lowest price and they must receive technical approval by the ENRE and Transener.

  Transener, as the concessionaire of the high voltage network, is in charge of the supervision of the construction, operation and maintenance carried out by the independent transmitters and receives revenues for these services.

The following table shows the estimated construction costs of the works corresponding to the Federal Plan of 500 kV Electric Energy Transmission and the estimated revenues to be collected by Transener for the supervision of the construction.

Work	Estimated construction costs	Estimated supervision revenues
	Millions of Pesos	
Federal Plan of 500 kV Electric Energy Transmission		
Under construction:		
Puerto Madryn - Santa Cruz Norte HVL	**508.9**	**12.0**
Rincón Sta. María - Rodríguez HVL	**1,510.2**	**47.8**
Recreo - La Rioja HVL	**168.8**	**5.4**
Under bidding awarding process:		
NOA - NEA HVL	**1,800.0**	**54.0**
La Rioja Sur Substation	**24.0**	**0.7**
Comahue - Cuyo HVL	**1,000.0**	**30.0**
TOTAL	**5,011.9**	**149.9**

- **Other expansion works**

  The expansions at Santo Tomé, Campana, Ezeiza, Ramallo and Rosario Oeste have been completed and the expansions at Coronda and Belgrano new substations are being carried out, which will connect the new San Martín and Belgrano Thermal Power Plants respectively, in addition to other minor works.

  For these works, Transener will collect the remuneration for supervision for approximately Pesos 8.3 million and after the start up will receive the regulated remuneration corresponding to the operation and maintenance.

International activities

- **Brazil**

During year 2007, international activities continued being carried out, with the presence of the Company in Brazil through the contracts of Transener Internacional Ltda.

Our activities are principally focused on the Operation and Maintenance of the expansions of the National Interconnected System of Brazil, accompanying Investment Groups, which develop the construction of the installations with concessions for their exploitation.

Contracts in force as of December 2007:

TSN	HVL 500 kV, 1,100 km and 5 substations
NOVATRANS	HVL 500 kV, 1,300 km and 6 substations
MUNIRAH	HVL 500 kV, 100 km and 2 substations
EXPANSION	HVL 500 kV, 800 km and 4 substations
ATE	HVL 500 kV, 370 km and 3 substations
ITE	HVL 500 kV, 800 km and 4 substations
PPT	HVL 230 kV, 490 km and 3 substations

Most of these contracts would not be renewed in the same conditions and would expire during the first half of 2008. However, the Company is negotiating with these customers different kind of services that could be hired after the respective expirations.

The activity will be focused on attending the customers' needs, with whom the Company is analyzing new possibilities to take up again its growth in Brazil.

On the other hand, the Company is accompanying investors that will participate in the expansion of the National Interconnected System of Perú.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	December 31, 2007	December 31, 2006
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	10.159	7.703
Investments	62.267	18.168
Trade receivables	96.936	95.067
Other receivables	27.661	35.672
Total Current Assets	197.023	156.610
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.503.126	1.503.877
Intangible assets	0	670
Other receivables	54.689	50.194
Other assets	316.966	362.431
Total Non-Current Assets	1.874.781	1.917.172
TOTAL ASSETS	**2.071.804**	**2.073.782**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	41.751	46.660
Bonds and other indebtedness	5.351	12.993
Payroll payable	19.534	15.499
Taxes payable	14.061	12.618
Provisions	36.514	32.849
Total Current Liabilities	117.211	120.619
NON-CURRENT LIABILITIES		
Vendor notes payable	89.053	101.595
Bonds and other indebtedness	730.111	717.906
Payroll payable	1.171	0
Taxes payable	6.505	0
Total Non-Current Liabilities	826.840	819.501
TOTAL LIABILITIES	**944.051**	**940.120**
MINORITY INTEREST IN SUBSIDIARY	**49.381**	**49.545**
SHAREHOLDERS' EQUITY	**1.078.372**	**1.084.117**
TOTAL	**2.071.804**	**2.073.782**

Consolidated Income Statement

	Fiscal years ended December 31, 2007	Fiscal years ended December 31, 2006
	(in thousands of Argentine Pesos)	
Net sales	504.722	439.498
Operating costs	(372.329)	(303.886)
Gross profit	**132.393**	**135.612**
Administrative expenses	(49.127)	(41.205)
Operating profit	**83.266**	**94.407**
Operating profit per share	***0,187***	***0,212***
Other income and expenses	**8.860**	**580**
Financial results		
Generated by assets		
Interest income	11.548	19.037
Foreign exchange income	1.120	604
Traslation result foreign investment	2.649	935
Generated by liabilities		
Interest expense and related taxes	(73.256)	(80.864)
Foreign exchange loss	(21.956)	(10.606)
Other financial results	0	(48.255)
Net gain on the restructuring	0	4.238
Total financial results	**(79.895)**	**(114.911)**
Minority Interest in Subsidiaries	**(206)**	**(408)**
Income / (Loss) before taxes	**12.025**	**(20.333)**
Income tax	(17.770)	21.332
Net (Loss) / Income	**(5.745)**	**999**
Net (Loss) / Income per share	***(0,013)***	***0,002***

Other Data

	Fiscal years ended December 31, 2007	Fiscal years ended December 31, 2006
	(in thousands of Argentine Pesos)	
Depreciation and Amortization	105.825	103.309
EBITDA	189.091	197.716
Capital Expenditure	66.267	48.254