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TRANSENER S.A. REPORTS SECOND QUARTER YEAR 2012 RESULTS

Buenos Aires – August 15, 2012 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated comprehensive net loss of Pesos 33.0 million (Pesos 0.07 per share) for the six-month period ended June 30, 2012.

Consolidated net sales for the six-month period ended June 30, 2012 resulted in Pesos 247.3 million, similar to the Pesos 247.1 million for the same period last year.

The electricity transmission revenue, net for the six-month period ended June 30, 2012, amounted to Pesos 168.5 million, 12.1% higher than the Pesos 150.3 million for the same period last year mainly by an increase of (i) Pesos 12.8 million in the recognition of revenue from the Instrumental Agreements entered into by Transener and Transba with the Secretariat of Energy ("SE") and the ENRE (See "Tariff situation and regulatory aspects") and (ii) Pesos 4.0 million in quality service rewards.

The Fourth Line operation and maintenance revenue, net for the six-month period ended June 30, 2012 amounted to Pesos 7.8 million, 10.8% higher than the Pesos 7.0 million for the same period last year, mainly due to the approval of the increase in the canon by the ENRE, through Res. ENRE 90/2012 of April 25, 2012 (See "Fourth Line").

The other net revenues for the six-month period ended June 30, 2012 amounted to Pesos 71.0 million, 20.8% lower than the Pesos 89.7 million for the same period last year, mainly due to a decrease in supervision of expansion works revenues.

Consolidated operating and administrative costs for the six-month period ended June 30, 2012 amounted to Pesos 310.2 million, 25.6% higher than the Pesos 247.0 million for the same period last year, principally due to an increase of (i) Pesos 37.2 million in salaries and

social security charges and (ii) Pesos 14.3 million mainly due to a reversal of a provision for contingencies during the first semester of 2011.

Consolidated finance income for the six-month period ended June 30, 2012 amounted to Pesos 73.7 million, 56.4% higher than the Pesos 47.1 million for the same period last year, mainly due to an increase of (i) Pesos 14.0 million in interests generated by assets principally in the recognition of interest from the Instrumental Agreements entered into with the SE and the ENRE, and (ii) Pesos 5.0 million in finance income from the Fourth Line, resulting from the increase in the canon above mentioned.

Consolidated finance costs for the six-month period ended June 30, 2012 amounted to Pesos 45.9 million, 23.8% higher than the Pesos 37.1 million for the same period last year, mainly due to an increase of (i) Pesos 5.4 million in interest generated by bonds and other indebtedness and (ii) Pesos 4.1 million in the interest generated by employee benefits payable.

Consolidated income tax charges for the six-month period ended June 30, 2012 resulted in a profit of Pesos 17.8 million, in comparison with a profit of Pesos 7.3 million for the same period last year, mainly due to an increase of Pesos 3.0 million in the profit registered by deferred tax charge and a decrease of Pesos 7.5 million in the income tax payable.

Adoption of International Financial Reporting Standards (IFRS)

Through Resolutions Nos. 562/09 and 576/10, the National Securities Commission (CNV) established the application of Technical Pronouncements No. 26 and 29 of the Argentine Federation of Professional Councils in Economic Sciences, which has adopted International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) for those entities included in the public offering regime under Law No. 17,811, either for their capital or corporate bonds, or which have requested authorization to be included in that regime.

The application of these standards is mandatory for the Company as from the fiscal year commenced on January 1, 2012. The first financial statements filed under these standards were the Condensed Interim Financial Statements as of March 31, 2012 and for the three-month periods ended March 31, 2012 and 2011.

Also, it must be pointed out that the Financial Statement include the required reconciliations of shareholders' equity as of December 31, 2011 and as of the transition date (January 1, 2011) and the results for the fiscal year ended December 31, 2011.

For comparative purposes, the financial information corresponding to the six-month period ended June 30, 2011 has been adapted to IFRS.

Financial situation

As of June 30, 2012, consolidated outstanding principal debt of the Company net of repurchases amounts to US$ 156.5 million and, as a consequence of the refinancing of the Series 1 Notes in August 2011, the Company has not significant principal maturities until year 2021.

Regarding the Transener's qualifications, during June 2012 S&P modified the local qualification from "raBBB-" negative to "raBB-" negative and the global qualification for foreign and local currency from "B-" negative to "CCC+" negative.

CAMMESA Financing – Resolution SE 146/2002

The situation of the disbursements received by the Company at the end of the period is as follows:

	CAMMESA Financing - Disbursements received		
	Principal	Accrued Interests	Total
	Millions of Pesos		
12/05/2009 - 31/12/2010	132.6	10.0	142.6
1/01/2011 - 17/01/2011	7.0	0.8	7.8
18/01/2011 - 31/12/2011	85.0	-	85.0
01/01/2012 - 30/06/2012	42.0	-	42.0
	266.6	10.8	277.4

The liabilities for the total amount of disbursements received as of June 30, 2012, have been cancelled through the cession of credits resulting from the recognition of the variations of costs, according to the Instrumental Agreements. After June 30, 2012 and up to the date of the issuance of the financial statements as of that date, the Company has received disbursements for the amount of Pesos 9.0 million.

Tariff situation and regulatory aspects

According to what was stated in the Instrumental Agreements, on May 2, 2011 new extensions of the Financing Agreements (Addendas II) were entered into with CAMMESA, which provide the following: i) the amounts received as of January 17, 2011 by Transener and Transba by virtue of the loans granted by the CAMMESA Financing would be cancelled, ii) a new loan for Transener and Transba for the amount of Pesos 290 million and Pesos 134 million respectively, corresponding to the credits recognized by the SE and the ENRE resulting from the variations of costs occurred during the period June 2005 – November 2010, would be granted, and iii) all the amounts owed to the Company by mayor costs as of November 2010 under the Instrumental Agreements would serve as a guarantee for the Addendas II.

The amounts received and the remaining balance as of June 30, 2012 is as follows:

	Millions of Pesos		
	Transba	Transener	Total
Total Addendas II	134	290	424
Amounts received as of June 30, 2012	39	88	127
Total remaining balance	95	202	297

The Company registered results arising from the recognition of the variation of costs on behalf of the SE and the ENRE, up to the amounts received through the CAMMESA Financing. Consequently, the Company has recognized revenues and interest income for the amount of Pesos 16.3 million and Pesos 18.4 million respectively, for the six-month period ended June 30, 2012.

It must be pointed out that the funds that comprise the new loans under the Addendas II must have been disbursed during the year 2011 through partial payments in advance according to the availability of funds on behalf of CAMMESA, according to the instructions of the SE.

However, such commitments assumed by the National State were delayed since as of December 31, 2011 the amounts received from CAMMESA reached approximately 21% of the corresponding amounts for variations of costs from June 2005 to November 2010, and the Company did not receive any amount for the remuneration adjustment that should have been applied from December 1, 2010.

Due to the delay above-mentioned, the Company asked the SE to adopt the corresponding measures in order to regularize the disbursements foreseen in the Addendas II in such a way that they are made within the deadline established in the Instrumental Agreements.

The delay of the commitments assumed by the National State by virtue of the mentioned Agreements and the constant increase in the operation costs, continue to significantly affect the economic and financial situation of both Companies.

On July 16 2012, the Company received copy of the SE Note N° 4309, by virtue of which the SE instructed CAMMESA to enter into a third Addenda to the Financing Agreement with Transener and Transba, increasing the amount for the sum of Pesos 231,754,810 and Pesos 98,234,993, respectively (which were informed by CAMMESA to the SE through Note B-70754-1).

Without prejudice of that, the SE pointed out that previously to the fulfillment of the third Addenda, Transener and Transba should submit before CAMMESA the corresponding evidence of the withdrawal of all the suits which could have been presented, with respect to the issue mentioned in the SE Note N° 4309/2012, which is under analysis up to date.

Fourth Line

On April 25, 2012, the ENRE issued Resolution N° 90/2012 which establishes a new annual canon of Pesos 113.4 million as from August 2011 and instructed CAMMESA to make the corresponding adjustments. During the six-month period ended June 30, 2012, the Company recognized income for Pesos 7.3 million corresponding to the retroactive adjustment for year 2011.

RECENT DEVELOPMENTS

- ### 500 kV Transmission Federal Plan

  The Federal Plan has been set forth by the SE 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 work is Pico Truncado – Río Gallegos high voltage line, which comprises the expansion of the Pico Truncado substation, the Río Santa Cruz and

Esperanza new substations and the new lines to the Río Gallegos and Río Turbio substations. The final commercial operation of the project is expected for September 2012.

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		%
INTERCONNECTION PICO TRUNCADO – ESPERANZA - RIO TURBIO - RIO GALLEGOS	2,398	71.9	89%

- **Expansion Works**

The SE 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.

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		
E.T. MALVINAS (Stand-by transformer)	10	0,3	53 %
El CORTADERAL 500 kV Substation (New substation)	186	5.6	53%
Expansion of the OLAVARRÍA 500 kV Substation	30	1.7	65%

During the next quarter is expected to begin the construction of the expansion of the Ezeiza 500 kV substation for an amount of Pesos 13.0 million plus VAT, of which Transener will receive 6% for the supervision.

The construction of these two new interconnections in 500 kV, which were expected to begin during the quarter, are delayed:

1. Interconnection Santiago del Estero 500kv Substation: approximately US$ 140 million, of which Transener will receive 6% for the supervision and inspection.
2. Interconnection Paraná 500kv Substation: approximately US$ 59 million, of which Transener will receive 3% for the supervision.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	30.06.2012	31.12.2011
	(in thousands of Argentine Pesos)	
Assets		
Non-current assets		
Property, plant and equipment	1.173.491	1.190.026
Other receivables	91.902	111.339
Total Non-current assets	1.265.393	1.301.365
Current Assets		
Account receivables	165.237	140.965
Other receivables	43.483	56.319
Investments	3.776	3.530
Cash and cash equivalents	123.945	134.437
Total Current assets	336.441	335.251
Total Assets	1.601.834	1.636.616
Equity and liabilities		
Capital and reserves attributable to owners of the parent	558.925	591.387
Equitiy attributable to owners of the parent	558.925	591.387
Non-controlling interests	26.810	27.381
Total equity	585.736	618.768
Liabilities		
Non-current liabilities		
Bonds and other indebtedness	681.559	646.876
Deferred tax payable	116.147	133.956
Employee benefits payable	76.851	69.412
Accounts payable	4.935	5.120
Other liabilities	0	390
Total Non-current liabilities	879.492	855.755
Current liabilities		
Provisions	24.931	22.466
Other liabilities	2.175	1.711
Bonds and other indebtedness	17.364	18.535
Tax payable	15.674	20.015
Payroll and social securities taxes payable	39.516	57.369
Accounts payable	36.946	41.997
Total Current liabilities	136.606	162.093
Total Liabilities	1.016.098	1.017.847
Total Equity and liabilities	1.601.834	1.636.616

Consolidated Comprehensive Results

	Six-month period ended June 30,	
	2012	**2011**
	(in thousands of Argentine Pesos)	
Continuing operations		
Net Sales	247.311	247.062
Operating expenses	(250.981)	(200.592)
Gross (loss) / profit	(3.670)	46.470
Administrative expenses	(59.192)	(46.377)
Other (losses) / gains - net	1.711	802
Operating (loss) / profit	(61.150)	895
Finance income	73.654	47.093
Finance costs	(45.929)	(37.112)
Other finance results	(14.615)	(15.733)
(Loss) / profit before taxes	(48.039)	(4.858)
Income tax	16.828	1.246
(Loss) / profit for the period from continuing operations	(31.211)	(3.612)
Discontinued operations		
(Loss) / profit for the period	(2.802)	(17.405)
Income tax	981	6.092
(Loss) / profit for the period from discontinued operations	(1.821)	(11.313)
(Loss) / profit for the period	(33.032)	(14.925)
(Loss) / profit attributable to :		
Owners of the parent	(32.462)	(14.017)
Non-controlling interests	(571)	(908)
Total for the period	(33.032)	(14.925)
Other consolidated comprehensive (loss) / profit		
(Loss) / profit for the period	(33.032)	(14.925)
Other comprehensive income	0	0
Total comprehensive (loss) / profit for the period	(33.032)	(14.925)
Comprehensive (loss) / profit attributable to :		
Owners of the parent	(32.462)	(14.017)
Non-controlling interests	(571)	(908)
Total for the period	(33.032)	(14.925)

Other Data

Depreciation Property, plant and equipment	38.676	39.149
EBITDA	(22.474)	40.044
Capital expenditure	25.866	13.133