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TRANSENER S.A. REPORTS FISCAL YEAR 2008 RESULTS

Buenos Aires – March 3, 2009 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net loss of Pesos 65.9 million (Pesos 0.148 per share) for the fiscal year ended December 31, 2008.

Consolidated net sales for the fiscal year ended December 31, 2008 resulted in Pesos 457.0 million, 9.4% lower than the Pesos 504.7 million for last year, principally due to an increase of Pesos 33.4 million in the electricity transmission revenue, net, an increase of Pesos 9.3 million in Fourth Line canon, net and a decrease of Pesos 90.3 million in other net revenues.

The increase in the electricity transmission revenue, net, was originated mainly by the increase of the Transener's and Transba's tariffs stated in Resolutions ENRE Nos. 328/08 y 327/08, respectively.

The increase in Fourth Line canon, net, resulted principally by the application of the Resolution No. ENRE 653/08, through which a new canon was determined as from October 2008. Transener is evaluating the mentioned Resolution.

The decrease in other net revenues was originated mainly by a decrease of: (i) Pesos 20.3 million in supervision revenues, mainly due to the completion of the works in Yacyretá III and Puerto Madryn-Santa Cruz Norte HVL, partially offset by the revenues generated by the supervision of the NEA-NOA work, initiated in September 2008, (ii) Pesos 31.8 million in works, principally due to the completion of the works in Almafuerte, Santo Tomé and Ramallo substations and (iii) Pesos 38.8 million in the non-regulated activities generated by its subsidiary Transener Internacional Ltda., mainly as a consequence of the termination of the contracts with the companies Transmisora Sudeste Nordeste – TSN, Novatrans Energia and the Plena Group.

Consolidated operating and administrative costs for the fiscal year ended December 31, 2008 amounted to Pesos 421.9 million, similar to the Pesos 421.5 million for last year, resulting mainly by (i) a decrease of Pesos 33.4 million in Materials for works for third parties, mainly due to the lower level of non-regulated activities, partially offset by (ii) an increase of Pesos 22.3 million in Salaries and social security charges, of Pesos 8.7 million in Depreciation of fixed assets and of Pesos 2.6 million in Insurance.

Consolidated other income and expenses for the fiscal year ended December 31, 2008 resulted in a net profit of Pesos 19.6 million, in comparison with a net profit of Pesos 8.9 million for last year, principally due to (i) the compensation for the termination of the Transener Internacional Ltda.'s contracts with the companies Transmisora Sudeste Nordeste – TSN, Novatrans Energia and the Plena Group, and the sale of certain fixed assets substantially related to the contracts and (ii) the profit generated by the insurance recovery related to the fire in the Transener's Ezeiza substation, occurred on May 17, 2007.

Consolidated financial results for the fiscal year ended December 31, 2008 resulted in a net loss of Pesos 98.0 million, in comparison with a net loss of Pesos 79.9 million for last year, mainly due to (i) an increase of Pesos 45.8 million in the foreign exchange loss generated by liabilities, (ii) an increase of Pesos 3.6 million in the translation loss of foreign investments, partially offset by (iii) an increase of Pesos 33.0 million in the repurchase of notes profit.

Income tax charges for the fiscal year ended December 31, 2008 resulted in a loss of Pesos 23.6 million, in comparison with a loss of Pesos 17.8 million for last year, mainly originated by the variation in the deferred tax liabilities for such years.

Financial situation

On June 15, 2008, the Company made its amortization payments in accordance with the terms and conditions of the financing of the Class 6 Notes, for a total amount of US$ 0.8 million, which includes US$ 0.6 million corresponding to the application of the "excess cash" clause, calculated as of December 31, 2007.

During the year, Transba purchased Transener's Series 1 Notes, for a total nominal value of US$ 21.7 million, which are held by the Company.

The credit rating was modified in line with the sovereign. In December, Fitch announced changes in Transener's global qualification from "B" with negative outlook to "B-" with stable outlook for foreign and local currency, keeping the local qualification in "A-" (Arg) with stable outlook.

On the other hand, S&P announced changes in the local qualification from "raBBB+" positive to "raBBB+" stable and the global qualification from "B" stable to "B" negative for local currency and to "B-" stable for foreign currency.

The consolidated outstanding principal debt of the Company as of December 31, 2008 amounts to US$ 214.1 million, without having substantial refinancing needs until year 2013.

After the end of the fiscal year, and until the issuance of the financial statements, Transba purchased Transener's Series 1 Notes for a nominal value of US$ 7.6 million, which are held by the Company. Likewise, Transener repurchased Class 6 Notes for a nominal value of US$ 7.6 million, which have been cancelled.

Tariff situation

The Emergency Law No. 25,561 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.

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.

According to the guidelines stated in the mentioned Definitive Agreements, a Full Tariff Review (FTR) was expected to be carried out before the ENRE, in order to determine a new

tariff regime for Transener and Transba, which would have come into force during the months of February 2006 and May 2006, respectively.

Specifically, due to the fact that the ENRE postponed the FTR process unilaterally, said entity kept valid the Resolution No. 423/2006 which extended -as from February 1, 2006 until the FTR process is concluded- the charges for connection, transmission capacity and energy transmission and other obligations stated in the Definitive Agreement for the contractual transition period. In the case of Transba, the ENRE kept valid the Resolution No. 424/2006.

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 FTR process during year 2007, as long as the remaining commitments assumed by the parties are in force and the new regime arising from the FTR process is valid as from February 1, 2008. On the other hand, on December 28, 2006 Transba submitted before the ENRE a similar request, adapted, with respect to the terms and investments to be made, to what it 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 said 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 regularize immediately the FTR 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 presentation of its tariff pretensions according to what was stated in the respective Definitive Agreements and section 45 and subsequents of the Law No. 24,065. In 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.

In spite of that, the ENRE did not treat the tariff requirements asked by Transener and Transba within the framework of the FTR.

On the other hand, through Resolutions SE Nos. 869/08 and 870/08 dated July 30, 2008, the Secretariat of Energy extended the contractual transition period until the tariff regime arising from the FTR is in force, establishing this process for February 2009.

In this way, the ENRE, through Notes Nos. 83.199 and 83.200 dated November 7, 2008, requested Transener and Transba, once again, the presentation of the necessary information in order to carry out the FTR process of both Companies.

For this purpose, in December 2008, both companies submitted the information requested by the ENRE in order to be treated and to determine the statement of the new tariff framework before the development of the Public Hearing.

As of the date of the issuance of the financial statements, the ENRE has not called the corresponding Public Hearing to carry out with the FTR process.

On the other hand, due to the increase in labor costs resulting from the application of Decree No. 392/04 and subsequents, and the major operating costs recorded from 2004 until now, Transener and Transba continued submitting their respective claims before the ENRE in order to adjust the Company's regulated remuneration, as established in the Definitive Agreements.

In this respect, in March 2008, Transener and Transba asked the ENRE for a prompt response to their requests and to proceed to recognize the major costs that Transener and Transba have had to support.

It must be pointed out that on April 21, 2008 and on May 5, 2008, the UNIREN stated through a note 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.

In addition, Transener and Transba asked the Secretariat of Energy (i) to instruct the ENRE the application of a tariff increase equal to the costs variation index foreseen in the Definitive Agreements and (ii) that the ENRE determine the actual incidence of the major costs of operations and capital expenditures in order to establish the corresponding adjustments with retroactive effect according to what it is stated in the Definitive Agreements.

In that sense, through letter SE No. 897 dated July 29, 2008, the Mr. Secretary of Energy instructed the ENRE the application of what has been agreed in clauses 4.2, 4.3 and 11.1 of the Definitive Agreements, although in a partial way.

In this way, on July 31, 2008, the ENRE issued Resolutions Nos. 328/08 and 327/08 adjusting the remuneration of Transener and Transba in 23% and 28%, respectively, to be effective as from July 1, 2008.

These increases did not reflect the presentations made by both companies in relation to the recognition of the major costs stated in the Definitive Agreements entered into with the UNIREN from the fiscal year 2004 up to now.

Both companies submitted their claims before the ENRE, due to some disagreements on the execution of the before mentioned Resolutions, because they are contrary to the instruction given by the Secretariat of Energy, which requires the ENRE to establish tariff increases of 39.2% and 43.03% on the regulated remunerations in force as of June 30, 2008 for Transener and Transba, respectively.

In relation to that, and in spite that the ENRE, through Resolutions Nos. 637/08 and 638/08 of November 28, 2008, rejected the presentations for reconsideration against Resolutions Nos. 327 and 328, the corresponding appeals were filed in order to claim for the application of the parcial adjustment settled by the Secretariat of Energy. Likewise, on January 19, 2009 a prompt resolution was requested, for the ENRE to proceed for the recognition of the actual cost variations of Transener and Transba as from year 2004 and its retroactive application as from each semester.

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 destined 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 chart shows the estimated construction costs of the works under construction 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	
Under construction:		
Recreo – La Rioja HVL (*)	193	6.3
NEA – NOA HVL	2,600	78.0
La Rioja Sur Substation	18	0.5
Atucha II Substation	63	1.9
Under bidding process:		
Comahue – Cuyo HVL	1,300	39.0

(*) This work is about to be finished

- **Other expansion works**

The commercial operation of the Rincón Santa María - Rodríguez HVL and the new Coronda substation has been completed.

There are some pending works in:

Installation of reactors in Chocón and Bahía Blanca substations
Ramallo substation-expansion
Recreo substation–transformer replacement
El Bracho substation-field 19

The provision of the transformer and the yard equipment for the new Arroyo Cabral substation owned by EPEC (Empresa Provincial de Energía de Córdoba), has been awarded. The transformer is being manufactured. The civil work and assemblage will be awarded during the first quarter of 2009. The work amounts to Pesos 65 million and Transener will collect Pesos 1.95 million in concept of fees for the supervision.

Once all these works begin the commercial operation, Transener will begin to collect the regulated remuneration corresponding to the operation and maintenance, according to the tariff framework.

International activities

- **Brazil**

The tests and commissioning of 20 substations, property of CTEEP-Companhia de Transmissao de Energia Elétrica Paulista have been concluded, and the repowering of 55 km of lines in the south of the Sao Paulo State is under negotiation. Likewise, the last requirements for the works of repowering of the Tres Irmaos-Andradina and Tres Irmaos-Jupiá lines in 138 kV, property of the before mentioned company, are almost to be finished.

During this quarter, Transener Internacional Ltda. entered into a new Operation and Maintenance contract with the Mining Company Paracatú of the Mina Gerais State, in order to operate and maintain the installations which are composed of three substations and approximately 33.2 km of lines in 500, 230 and 138 kV.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	December 31, 2008	December 31, 2007
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8.416	10.159
Investments	13.149	62.267
Trade receivables	110.787	96.936
Other receivables	25.838	27.661
Total Current Assets	158.190	197.023
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.537.897	1.503.126
Other receivables	62.223	54.689
Other assets	271.502	316.966
Total Non-Current Assets	1.871.622	1.874.781
TOTAL ASSETS	**2.029.812**	**2.071.804**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	35.767	41.751
Bonds and other indebtedness	4.810	5.351
Payroll payable	25.845	19.534
Taxes payable	13.741	14.061
Provisions	49.794	36.514
Total Current Liabilities	129.957	117.211
NON-CURRENT LIABILITIES		
Vendor notes payable	76.243	89.053
Bonds and other indebtedness	730.155	730.111
Payroll payable	7.109	1.171
Taxes payable	25.616	6.505
Total Non-Current Liabilities	839.123	826.840
TOTAL LIABILITIES	**969.080**	**944.051**
MINORITY INTEREST IN SUBSIDIARIES	**48.243**	**49.381**
SHAREHOLDERS' EQUITY	**1.012.489**	**1.078.372**
TOTAL	**2.029.812**	**2.071.804**

Consolidated Income Statement

	Fiscal year ended December 31,	
	2008	2007
	(in thousands of Argentine Pesos)	
Net sales	457.046	504.722
Operating costs	(361.838)	(372.329)
Gross profit	**95.208**	**132.393**
Administrative expenses	(60.051)	(49.127)
Operating profit	**35.157**	**83.266**
Operating profit per share	***0,079***	***0,187***
Other income and expenses	**19.565**	**8.860**
Financial results		
Generated by assets		
Interest income	8.248	11.548
Income from measurement of other receivables at present value	1.154	0
Foreign exchange income	(89)	1.119
Traslation result foreign investment	(970)	2.649
Generated by liabilities		
Interest expense and related taxes	(69.323)	(70.002)
Foreign exchange loss	(67.753)	(21.956)
Repurchase of notes result	32.967	0
Loss from measurement of liabilities at present value	(2.237)	(3.254)
Total financial results	**(98.003)**	**(79.896)**
Minority Interest in Subsidiaries	**948**	**(205)**
Income (loss) before taxes	**(42.333)**	**12.025**
Income tax	(23.550)	(17.770)
Net Loss	**(65.883)**	**(5.745)**
Net Loss per share	***(0,148)***	***(0,013)***

Other Data

	Fiscal year ended December 31,	
	2008	2007
	(in thousands of Argentine Pesos)	
Depreciation and amortization	114.171	105.825
EBITDA	149.328	189.091
Capital expenditure	107.642	66.267