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TRANSENER S.A. REPORTS FISCAL YEAR 2009 RESULTS

Buenos Aires – March 3, 2010 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net profit of Pesos 46.8 million (Pesos 0.105 per share) for the fiscal year ended December 31, 2009.

Consolidated net sales for the fiscal year ended December 31, 2009 resulted in Pesos 582.5 million, 27.5% higher than the Pesos 457.0 million for last year, principally due to an increase of (i) Pesos 33.6 million in electricity transmission revenue, net, (ii) Pesos 12.0 million in Fourth Line canon, net and (iii) Pesos 79.9 million in other net revenues.

The increase in 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 and 327/08, respectively.

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

The increase in other net revenues was originated mainly by an increase of (i) Pesos 32.1 million generated by construction and installation works, (ii) Pesos 18.1 million generated by operation and maintenances services, (iii) Pesos 14.7 million generated by supervision services and (iv) Pesos 16.9 million from the non-regulated activities generated by its subsidiaries Transba and Transener Internacional Ltda.

Consolidated operating and administrative costs for the fiscal year ended December 31, 2009 amounted to Pesos 523.3 million, 24.0% higher than the Pesos 421.9 million for last year, resulting mainly by an increase of (i) Pesos 43.3 million in Salaries and social security charges, (ii) Pesos 25.7 million in Materials for works for third parties, mainly due to the

higher level of non-regulated activities, (iii) Pesos 8.6 million in Depreciation of fixed assets, (iv) Pesos 6.5 million in Insurance and (v) Pesos 5.2 million in General maintenance.

Consolidated other income and expenses for the fiscal year ended December 31, 2009 resulted in a net profit of Pesos 9.7 million, in comparison with a net profit of Pesos 19.6 million for last year. The latter was mainly originated by the compensation for the anticipated termination of the Transener Internacional Ltda.'s contracts with the companies Transmissora Sudeste Nordeste – TSN and Novatrans Energia, and the sale of certain fixed assets substantially related to the contracts and the insurance recovery related to the damage suffered in the Ezeiza Substation in 2007.

Consolidated financial results for the fiscal year ended December 31, 2009 resulted in a net profit of Pesos 0.4 million, in comparison with a net loss of Pesos 98.0 million for last year, mainly due to an increase of Pesos 94.1 million in the profit originated in the repurchase of notes.

Income tax charges for the fiscal year ended December 31, 2009 resulted in a loss of Pesos 19.1 million, in comparison with a loss of Pesos 23.6 million for last year, mainly originated by a decrease of Pesos 23.4 million in the variation in the deferred tax liabilities for such years, partially offset by the increase of Pesos 19.0 million in the income tax payable, principally originated by the Transba's taxable profit during the year.

Financial situation

During the fiscal year ended December 31, 2009, Transener repurchased Series 1 Notes for a nominal value of US$ 52.1 million and it has cancelled notes for a nominal value of US$ 48.4 million.

Also, Transener repurchased Class 6 Notes for a nominal value of US$ 9.3 million, which have been cancelled.

During the fiscal year, Transba purchased Transener's Series 1 Notes for a total nominal value of US$ 9.6 million.

As a consequence of the voluntary reduction of its capital stock, Transba gave Transener Series 1 Notes for a nominal value of US$ 18.7 million.

As of December 31, 2009, Transener and Transba hold notes of the mentioned Series 1 for a total nominal value of US$ 22.4 million and US$ 12.7 million, respectively.

After December 31, 2009, Transener repurchased Series 1 Notes for a nominal value of US$ 3.5 million, which have been cancelled.

On November 5, 2009, the Ordinary General Shareholders' Meeting approved the creation of a 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.

The Program has been authorized for public offering in accordance with Resolution No. 16,244 of December 17, 2009 issued by the CNV.

Transener obtained, in February a credit line from Banco de la Nación Argentina for an amount of Pesos 60.0 million with a term of 2 years and in December a credit line from the Banco de la Ciudad de Buenos Aires up to an amount of 34.0 million, with a term of 290 days.

S&P kept the local rating in "raBBB+" stable and the global rating in "B-" stable for foreign currency, modifying the local rating from "B" stable to "B-" stable.

On the other hand, in November 2009, Transener agreed with the Credit Agency Fitch Argentina to discontinue the rating of the Company's notes for strictly commercial reasons. Notwithstanding that, Fitch has decided to keep the global rating of the Company maintaining a "B-" stable for both foreign and local currency.

Consolidated outstanding principal debt of the Company as of December 31, 2009 amounted to US$ 158.6 million, without having substantial refinancing needs until year 2013.

Tariff situation and regulatory aspects

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, respectively.

According to the guidelines stated in the mentioned Definitive Agreements, the following was expected: i) a Full Tariff Review ("FTR") to be carried out before the ENRE, in order 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.

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.

This way, since 2006 Transener communicated the ENRE the need to regularize the fulfillment of the commitments settled in the Definitive Agreement, expressing the breach of commitments established in the Definitive Agreement on behalf of said regulatory authority, the serious situation arising from such breaches, and the 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, 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 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 for Transener and Transba respectively, until the tariff regime arising from the FTR is in force, setting this process for February 2009.

For this purpose, in December 2008, both companies submitted the information and the tariff pretensions requested by the ENRE through notes 83.199 and 83.200, in order to be treated and to define the new tariff regime previous to the Public Hearing.

However, as of December 31, 2009, the ENRE has not called for a Public Hearing yet, according to the instructions given by the Secretariat of Energy through Resolutions Nos. 869/08 and 870/08, according to which a new tariff regime had to be determined in February 2009. As a consequence of that, a new claim was submitted to the ENRE, to the Secretariat of Energy and to the UNIREN regarding the lack of determination of the new tariff regime. In October 2009, the respective presentations to justice were filed against the ENRE, stating the delay in calling for a public hearing and carrying out the FTR process.

On the other hand, due to the increase in labor costs resulting from the application of Executive Decree No. 392/04 and subsequents, and the major operating costs incurred from 2004 until now, Transener and Transba, every quarter proved 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, 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.

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.

In that sense, through letter SE No. 897 dated July 29, 2008, the Secretary of Energy instructed the ENRE to apply what has been agreed in clauses 4.2, 4.3 and 11.1 of the Definitive Agreements, although in a partial way, by issuing Resolution ENRE N° 328/08 and 327/08 adequating Transener and Transba's tariffs in approximately 23% and 28% respectively, coming into force as from July 1° 2008.

This situation configured a double non-fulfillment of what was provided for in the Definitive Agreement. In the first place, because the adjustment was not applied as from the beginning of each six month period. In second place, because it must be added that the percentage of the adjustment arranged did not reflect the actual costs variations occurred between December 2004 and that date.

Therefore, several prompt answers were requested to the ENRE, for this authority to determine the adjustment of the tariffs being perceived by the Companies according to the basis of the costs variations occurred as of May 31 2009, in its exact magnitude and incidence.

Up to now, the Companies have not had an answer on behalf of the regulatory authorities, thus foreseeing to continue with its judicial claims.

Besides, said increases involved several misunderstandings about the implementation of the before mentioned Resolutions, given that they are contrary to the instructions issued by the Secretary of Energy instructing the ENRE increases of 39.2% and 43.03% on the regulated remunerations in force as from June 30, 2008 for Transener and Transba respectively. In that sense, the respective presentations against the Secretariat of Energy have been filed with the Court, claiming for the delay in resolving the appeal filed before the Secretariat of Energy against ENRE Resolutions N° 327/08 and 328/08.

On the other hand, on May 12, 2009, Transener and Transba have 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 Addenda to the before mentioned financing agreement was subscribed, increasing the total amount to Pesos 107.7 million and Pesos 42.7 million for Transener and Transba, respectively.

Under the terms of the Agreement and its Addenda, the funds will be destined to capital expenditures and to the operation and maintenance of the high voltage transmission system and by trunk distribution, nowadays under execution and foreseen for the year 2010; and will be disbursed through partial in payments in advance according to the progress of the works, which will be certified through documents issued by the Companies; and will be subject to the availability of CAMMESA's funds according to the instructions given by the Secretariat of Energy.

Besides, and within the framework of the Agreement and its Addenda, the Companies gave in guarantee the 30% of their credits in favour of CAMMESA, in relation with the occasion of the WEM operations. In the case of Transener, excluding the revenues in concept of canon for the operation and maintenance of the so-called Fourth Line.

The repayment of the financing will occur after the twelve grace period, which will start as from the last partial payments in advance or after two years have passed by as from agreement signature, whatever occurs first; and will become effective in 18 monthly installments, being foreseen its precancellation in case that the ENRE decides to make retroactive payments owed to the Company in concept of costs variations since year 2005.

RECENT DEVELOPMENTS

Local activities

- **500 Kv Transmission Federal Plan**

The Secretariat of Energy has issued several Resolutions with the purpose of establishing particular mechanisms and creating a fund in order to finance the works identified as interprovincial expansions of the Argentine Interconnection System. 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.

The Federal Plan promotes the initiative of private companies 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 will be 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 perceive revenues for such services.

Here follows the estimated construction costs for the works in progress and the estimated revenues that Transener will perceive in concept of supervision of the construction:

Works	Estimated Construction costs	Estimated Supervision Revenues
	Millions of pesos	
In progress:		
LEAT NEA – NOA	2,600	78
La Rioja Sur Substation	18	0.5
LEAT Comahue – Cuyo	1,300	39

- **Expansion Works**

The following works are being carried out:

- Comahue-Cuyo Interconnection.
- NOA-NEA Interconnection.
- Atucha II substation – new output substation of the Atucha II Nuclear Power Plant.
- The civil works in the 500 kV Ezeiza substation – Field 9 - T7 transformer. The bid documents for the assembly are being prepared.
- The PTLPB automatism in the Luis Piedrabuena Thermal Power Plant– anti torque protection logic.
- El Bracho substation - Field 19.

The works for the Integral Norte Automatic Generation Disconnection, have started.

- **Arroyo Cabral Substation**

The manufacturing of the power transformer ended up satisfactorily and it was delivered in the work site. The remaining equipment has already been built. The contract amounts to a maximum of Pesos 122 million of which Transener will perceive 3% in concept of supervision.

- **Operation and Maintenance**

Once all these works have been commercially operated, Transener will begin to perceive the regulated remuneration corresponding to the operation and maintenance, according to its tariff regime.

International activities

- **Brazil**

Various services continue to be rendered, mainly the operation and maintenance of installations up to 500 kV, the expansion of the transforming capacity in the existing installations and the technical assistance to operators.

The Company FURNAS awarded Transener Internacional with the assembly of two transformers in 60 MVA and the expansion of the Ivaiporá substation, where two bus bar reactors banks of 60 MVAr-69 kV will be installed.

The ISOLUX-CTEP-CyMi consortium also awarded the company with the works of operation and maintenance of the 500 kV interconnection between Colinas - Sãa João de Piaué substations, which comprise 700 km of high voltage lines and the two before mentioned substations.

The installation of a bus bar reactor bank in the Serra da Mesa substation and the remodeling of the Tijuco Preto substation are about to be contracted.

- **Perú**

The technical assistance to the Economic Operations Committee continues to be rendered, in order to evaluate the expansion of the 500 kV system.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	December 31, 2009	December 31, 2008
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	10.524	8.416
Investments	51.823	13.149
Trade receivables	97.827	110.787
Other receivables	26.872	25.838
Total Current Assets	187.046	158.190
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.532.925	1.537.897
Other receivables	65.853	62.223
Other assets	226.037	271.502
Total Non-Current Assets	1.824.815	1.871.622
TOTAL ASSETS	**2.011.861**	**2.029.812**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	35.345	35.767
Bonds and other indebtedness	51.737	4.811
Payroll payable	34.966	25.845
Taxes payable	36.442	13.741
Provisions	53.932	49.793
Other liabilities	6.625	0
Total Current Liabilities	219.047	129.957
NON-CURRENT LIABILITIES		
Vendor notes payable	64.141	76.243
Bonds and other indebtedness	548.281	730.155
Payroll payable	12.766	7.109
Taxes payable	22.320	25.616
Other liabilities	41.065	0
Total Non-Current Liabilities	688.573	839.123
TOTAL LIABILITIES	**907.620**	**969.080**
MINORITY INTEREST IN SUBSIDIARIES	**44.966**	**48.243**
SHAREHOLDERS' EQUITY	**1.059.275**	**1.012.489**
TOTAL	**2.011.861**	**2.029.812**

Consolidated Income Statement

	Fiscal year ended December 31,	
	2009	2008
	(in thousands of Argentine Pesos)	
Net sales	582.548	457.046
Operating costs	(447.278)	(361.838)
Gross profit	**135.270**	**95.208**
Administrative expenses	(76.070)	(60.051)
Operating profit	**59.200**	**35.157**
Operating profit per share	***0,133***	***0,079***
Other income and expenses	**9.697**	**19.566**
Financial results		
Generated by assets		
Interest income	14.628	8.248
Income from measurement of other receivables at present value	1.883	1.154
Foreign exchange income	426	(89)
Traslation result foreign investment	3.026	(970)
Generated by liabilities		
Interest expense and related taxes	(72.481)	(69.323)
Foreign exchange loss	(73.158)	(67.753)
Repurchase of notes result	127.058	32.967
Loss from measurement of liabilities at present value	(980)	(2.237)
Total financial results	**402**	**(98.003)**
Minority Interest in Subsidiaries	**(3.382)**	**948**
Income before taxes	**65.917**	**(42.332)**
Income tax	(19.131)	(23.551)
Net Income / (loss)	**46.786**	**(65.883)**
Net Income (loss) per share	***0,105***	***(0,148)***

Other Data

	Fiscal year ended December 31,	
	2009	2008
	(in thousands of Argentine Pesos)	
Depreciation and amortization	122.726	114.171
EBITDA	181.926	149.328
Capital expenditure	75.554	107.642