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 THIRD QUARTER YEAR 2008 RESULTS

Buenos Aires – November 7, 2008 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net loss of Pesos 9.9 million (Pesos 0.022 per share) for the nine-month period ended September 30, 2008.

Consolidated net sales for the nine-month period ended September 30, 2008 amounted to Pesos 332.0 million, 11.2% lower than the Pesos 373.9 million for the same period last year, principally due to a) a decrease of Pesos 63.6 million in other net revenues, mainly generated by a decrease of (i) Pesos 27.1 million from the works committed to the Company through Resolutions ENRE Nº 308/01, 616/03, 481/05 and 935/05, (ii) Pesos 10.1 million from the supervision works and (iii) Pesos 26.4 million from the non-regulated activities generated by its subsidiary Transener Internacional Ltda., partially offset by b) an increase of Pesos 18.0 million in the electricity transmission revenue, net, mainly as a consequence of the increase of the Transener's and Transba's remunerations, stated in Resolutions ENRE Nº 328/08 y 327/08, respectively.

Consolidated operating and administrative costs for the nine-month period ended September 30, 2008 amounted to Pesos 302.5 million, 2.7% lower than the Pesos 310.9 million for the same period last year, mainly as a result of (i) a decrease of Pesos 27.4 million in Works for third parties mainly due to the lower level of non-regulated activities and of Pesos 4.1 million in Provisions, net of (ii) an increase of Pesos 12.7 million in Salaries and social security charges, of Pesos 6.4 million in Depreciation of fixed assets and of Pesos 2.4 million in Insurance.

Consolidated other income and expenses for the nine-month period ended September 30, 2008 resulted in a net profit of Pesos 16.8 million, in comparison with a net profit of Pesos 1.6 million for the same period 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, generating a net income equivalent to Pesos 8.9 million and (ii) a net income equivalent to Pesos 10.3 million, generated by the insurance recovery related to the fire in the Ezeiza substation, occurred on May 17, 2007.

Consolidated financial results for the nine-month period ended September 30, 2008 resulted in a net loss of Pesos 42.6 million, in comparison with a net loss of Pesos 66.7 million for the same period last year, mainly due to the foreign exchange result generated by liabilities,

which represented a profit of Pesos 4.5 million for the nine-month period ended September 30, 2008 and a loss of Pesos 20.7 million for the nine-month period ended September 30, 2007.

Income tax charges for the nine-month period ended September 30, 2008 amounted to a loss of Pesos 13.7 million, in comparison with a loss of Pesos 11.6 million for the same period last year, mainly originated by the variation in the deferred tax liabilities for such periods.

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 include US$ 0.6 million corresponding to the application of the "excess cash" clause, calculated as of December 31, 2007.

During September 2008, Transener repurchased Notes Series 1 for a total nominal value of US$ 980,000, which are held by the Company.

Also during September 2008, Transba purchased Transener's Notes Series 1, for a total nominal value of US$ 548,000, which are held by the Company.

As a consequence of the sovereign credit rating downgrade and the growth of the regulatory risk in the financial and exchange markets, in November S&P announced changes in Transener's global qualification as follows: from "B" with stable outlook to "B-" with stable outlook for foreign currency, and to "B" with negative outlook for local currency.

On the other hand, S&P announced changes in the outlook of the local qualification from "raBBB+" positive to stable.

On June 6, 2008 Transener agreed a forward operation in order to mitigate the exchange risk in relation with the payment of interest services with expiration date next December. The exchange rate agreed was of $ 3.148 per US dollar.

The consolidated outstanding principal debt of the Company as of September 30, 2008 amounts to US$ 234.5 million, without having substantial refinancing needs until year 2013.

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 become 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 is concluded- the charges for connection, transmission capacity and energy transmittion 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 to that of Transener, 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. 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.

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 No. 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.

For that purpose, both companies are now updating the tariff presentations to be submitted before the ENRE in order to be treated and the subsequent enforcement of the new tariff regime.

On the other hand, due to the increase in labor costs resulting from the application of Decrees No. 392/04 and subsequents, and the major operative 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 notes 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 investments 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 partially done.

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.

Although through ENRE Resolutions Nos. 328/08 and 327/08, the regulated remuneration of Transener and Transba was increased in 23% and 28%, respectively, as from July 1, 2008, these increases did not reflect the presentations made by both companies in relation to the recognition of costs stated in the Definitive Agreements from the fiscal year 2005 up to now.

Besides, both companies have 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. Up to now, the Company has not had any answer to its claims.

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:		
Rincón Santa María – Rodríguez HVL (*)	1,326	50.5
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/awarding process		
Comahue – Cuyo HVL (**)	1,300	39.0

(*) This work is about to be finished
(**) This work could be iniciated during the last quarter of 2008, with a construction term of approximately two years.

- **Other expansion works**

Puerto Madryn-North Santa Cruz HVL started its commercial operation. The sections Belgrano thermal power plant -Colonia Elía substation and Belgrano thermal combined thermal power plant - Rodríguez substation of the south section of the Rincón de Santa María - Rodríguez HVL have been energized. There are some tasks remaining for the beginning of its commercial operation.

There are works pending in the following expansions:

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

Works in the Arroyo Cabral substation, property of EPEC (Empresa Provincial de Energía de Córdoba) have already started. Transener is in charge of the supervision of this work, which amounts to Pesos 65 million. Transener will collect the amount of Pesos 1.95 million in concept of supervision revenues.

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

International activities

- **Brazil**

Abengoa's Group awarded Transener Internacional Ltda. with the realization of the tests and commissioning of 14 substations and 470 km of lines. These tasks will begin during December of this year, until June 2009.

Once they are started up, Transener Internacional Ltda. will be in charge of their operation and maintenance. In addition, the installations of the Group attended by Transener Internacional Ltda. reach 17 substations and 827 km of lines, located in the states of São Paulo, Santa Catarina, Rio Grande do Sul and Paraná.

The tests and commissioning of 20 substations, property of CTEEP – Compahhia de Transmissão de Energia Elétrica Paulista, are being carried out, which would be finished in December of this year. Besides, Transener Internacional Ltda. has already started to carry out the works of repowering of the Tres Irmaos-Andradina and Tres Irmaos-Jupiá 138 kV lines, owned by this company. The works should be finished by December of this year.

The works for the change of guard wire in the Registro-Cajtí and Mariporá-Santa Ines 138 kV lines, property of the Elektro, São Paulo distributor, have been completed.

Taking into account the contracts in force, Transener Internacional Ltda.'s revenues for fiscal year 2009 could be estimated in approximately US$ 8.0 million.

- **Perú**

Abengoa Perú, which was awarded the bid for the construction and operation of the Vizcarra-Carhuaquero 220 kV line in the north of the country, presented Transener Internacional Ltda. as the responsible of the operation and maintenance. This construction must be carried out during 2008 and 2009, and the start-up is foreseen for 2010.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	September 30, 2008	December 31, 2007
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4.020	10.159
Investments	63.923	62.267
Trade receivables	103.271	96.936
Other receivables	29.839	27.661
Total Current Assets	201.053	197.023
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.531.178	1.503.126
Other receivables	56.317	54.689
Other assets	282.868	316.966
Total Non-Current Assets	1.870.363	1.874.781
TOTAL ASSETS	**2.071.416**	**2.071.804**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	35.870	41.751
Bonds and other indebtedness	20.579	5.351
Payroll payable	20.582	19.534
Taxes payable	12.060	14.061
Provisions	45.570	36.514
Total Current Liabilities	134.661	117.211
NON-CURRENT LIABILITIES		
Vendor notes payable	79.269	89.053
Bonds and other indebtedness	721.252	730.111
Payroll payable	4.838	1.171
Taxes payable	13.976	6.505
Total Non-Current Liabilities	819.335	826.840
TOTAL LIABILITIES	**953.996**	**944.051**
MINORITY INTEREST IN SUBSIDIARIES	**48.921**	**49.381**
SHAREHOLDERS' EQUITY	**1.068.499**	**1.078.372**
TOTAL	**2.071.416**	**2.071.804**

Consolidated Income Statement

	Nine months ended	
	September 30, 2008	September 30, 2007
	(in thousands of Argentine Pesos)	
Net sales	331.972	373.917
Operating costs	(262.244)	(275.935)
Gross profit	**69.728**	**97.982**
Administrative expenses	(40.286)	(34.962)
Operating profit	**29.442**	**63.020**
Operating profit per share	***0,066***	***0,142***
Other income and expenses	**16.756**	**1.600**
Financial results		
Generated by assets		
Interest income	6.160	9.161
Income from measurement of other receivables at present value	789	0
Foreign exchange income	(554)	1.128
Traslation result foreign investment	(144)	2.222
Generated by liabilities		
Interest expense and related taxes	(53.158)	(55.782)
Foreign exchange loss	4.453	(20.732)
Repurchase of notes result	1.612	0
Loss from measurement of liabilities at present value	(1.753)	(2.688)
Total financial results	**(42.595)**	**(66.691)**
Minority Interest in Subsidiaries	**270**	**(228)**
Income (loss) before taxes	**3.873**	**(2.299)**
Income tax	(13.746)	(11.593)
Net Loss	**(9.873)**	**(13.892)**
Net Loss per share	***(0,022)***	***(0,031)***

Other Data

	Nine months ended	
	September 30, 2008	September 30, 2007
	(in thousands of Argentine Pesos)	
Depreciation and amortization	85.422	79.368
EBITDA	114.864	142.388
Capital expenditure	82.451	50.329