Buenos Aires, May 8th, 2015

# Results for the three-month period ended on March 31st, 2015

**Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. ("Transener" or the "Company") announces the three-month period ended March 31st, 2015**


**Stock Information**

Bolsa de Comercio de Buenos Aires
Ticker: TRAN

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Transener, Argentina's leading electricity transmission company, announces results for the three-month period ended on March 31st, 2015.

**Consolidated net sales of AR$ 319,9 million,** 12,6% higher than the AR$ 284,0 million for the same period of 2014, mainly due to an increase of 31,3% (AR$ 43,9 million) in the Renewal Agreement revenue and of 62,0% (AR$ 8,4 million) in Transener's supervision revenue, partially offset by a decrease of 35,3% (AR$ 17,2 million) in the net non-regulated revenue.

**Consolidated adjusted EBITDA[1] of AR$ 101,5 million**, 19,5% lower than the AR$ 126,1 million for the same period of 2014, mainly due to a decrease of AR$ 9,6 million in the operating result and of 39,5% (AR$ 25,7 million) in the interest from the Renewal Agreement, partially offset by an increase of 25,4% (AR$ 9,7 million) in the interest from the Fourth Line.

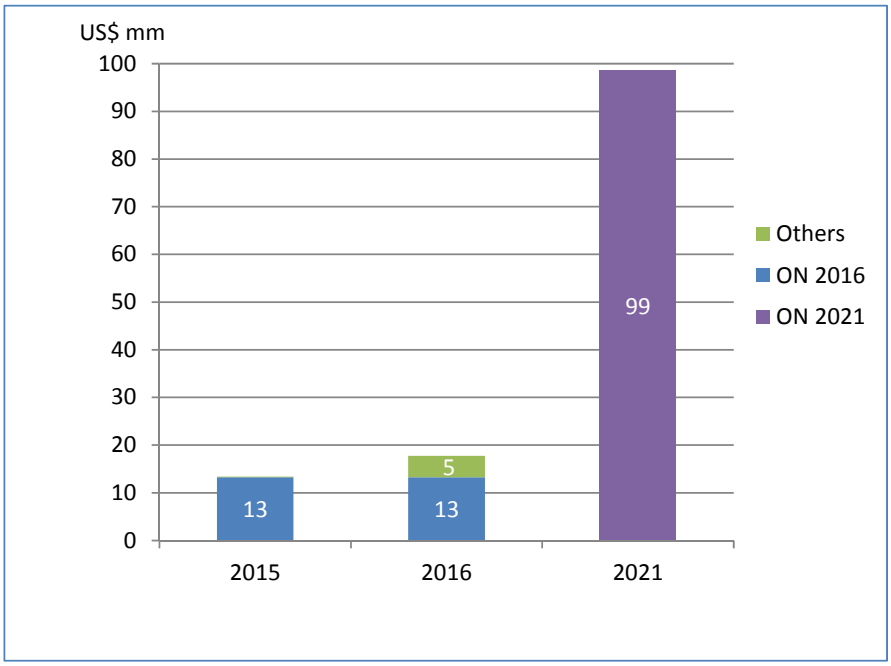
**Consolidated net profit of AR$ 18,2 million**, compared to a consolidated net loss of AR$ 92,8 million for the same period of 2014, mainly due to a lower operating result of AR$ 9,6 million, a higher profit in financial results net of AR$ 159,0 million and a higher loss of AR$ 36,6 million in the income tax charge.

[1] Consolidated adjusted EBITDA represents consolidated operating results before depreciations plus interest from the Fourth Line and interest from the Renewal Agreement.

# 1. Financial Situation

As of March 31st, 2015, consolidated outstanding principal debt of the Company amounts to US$ 129,7 million.

The following table shows the schedule of maturities of capital of the financial debt in dollars:




Regarding the Transener's qualifications, S&P maintained the local qualification in "raB-" negative and the global qualification for foreign and local currency in "CCC-" negative.

# 2. Tariff Situation

On May 13th, 2013 and on May 20th, 2013, Transener and Transba, respectively, entered into a Renewal Agreement of the Instrumental Agreement with the Secretariat of Energy and the ENRE (the Renewal Agreement), in force until December 31st, 2015, in which the following was stated:

i) the recognition of a credit for Transener and Transba for the variations of costs for the period December 2010 - December 2012, which have been calculated according to the costs variation index (CVI) foreseen in the Definitive Agreement,

ii) a mechanism of cancellation of the pending balances of the Addenda II, together with the amounts determined in i), during 2013,

iii) a procedure for the automatic updating and payment of the cost variations arising from the sequence of the semesters which have already elapsed from January 1st, 2013, up to December 31st, 2015.

iv) the celebration of a new Addenda with CAMMESA in order to include the amount of credits to be generated and the corresponding interest up to the effective cancellation.

A Cash Flow and an Investment Plan were established under the Renewal Agreement, to be executed by the Companies in 2013 and 2014, taking into account the reception of the disbursements according to the Addendas to be entered into. The Cash Flow and Investment Plan in all cases would be adjusted to the amounts received by the Company during each period.

The Investment Plan settled within the Renewal Agreement provided investments under the before mentioned conditions, for the years 2013 and 2014, for approximate amounts of AR$ 286 and AR$ 207 million, respectively for Transener and of AR$ 113 and AR$ 100 million, respectively for Transba.

On March 17th, 2015, Transener and Transba entered into with CAMMESA the Addendas to the Financing Agreements (New Addendas), by which it was agreed to grant a new loan amounting to AR$ 563,6 million and AR$ 178,3 million for Transener and Transba, respectively, related to: (i) the outstanding balance from the Financing Agreements as of January 30th, 2015, and (ii) the credits recognized by the SE and ENRE corresponding to variations of costs from June 2014 to November 2014. Additionally, it was agreed the cession of credits resulting from the recognition of the variations of costs as of November 30th,2014 according to the Instrumental Agreements in order to cancel the amounts to be received through the application of the New Addendas.

The Company recognized revenues and interest income from the Renewal Agreement for the amount of AR$ 183,8 and AR$ 39,3 million, respectively, for the three-month period ended on March 31st, 2015.

## 3. Fourth Line of the Comahue-Buenos Aires electricity transmission system

On December 19, 2014 the fifteen-year Fee Period was fulfilled, and from that date Transener is entitled to receive remuneration for the operation and maintenance of the Fourth Line according to the tariff regime to be determined by the ENRE. In this sense, Transener requested the ENRE to determine such remuneration.

At the date of this press release the ENRE has not responded to the request.

Moreover, through Res. 74/2015 the ENRE determined the adequacy of the fee for the period August 2014 to December 19, 2014, which was requested by Transener on September 12, 2014. Based on that resolution, Transener will receive as retroactive adjustment fee for the period August 2014 to December 19, 2014 the amount of $ 50,0 million, which has been registered in the result corresponding to the three-month period ended March 31, 2015.

## 4. Consolidated Adjusted EBITDA Calculation

Consolidated adjusted EBITDA has been calculated as follows:

| | Three-month period ended on March 31st, | |
|---|---|---|
| AR$mm | **2015** | **2014** |
| Consolidated operating result | (7,8) | 1,8 |
| Depreciations | 22,2 | 21,3 |
| Consolidated EBITDA | 14,4 | 23,1 |
| Adjustments | | |
| Renewal Agreement interest | 39,3 | 65,0 |
| Fourth Line interest | 47,8 | 38,1 |
| Consolidated adjusted EBITDA | 101,5 | 126,1 |

# 5. Operating information

- **Expansion Works**

Here follows the most significant works in progress, the estimated construction costs, Transener's estimated revenues for the supervision of the construction and the status of the works:

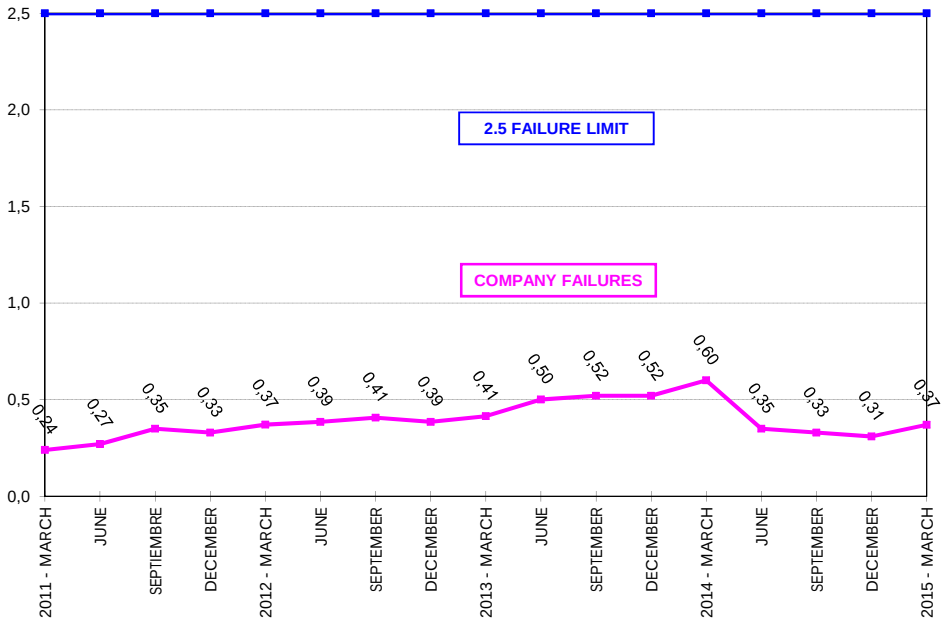
| Works | Estimated Construction Costs | Estimated Supervision Revenues | Status |
|---|---|---|---|
| | AR$mm | | % |
| Interconnection of Rincón Santa María Substation – Resistencia Substation 500 kV | 1.211 | 36,5 | 36% |
| Interconnection of Santiago del Estero 500kV Substation | 643 | 38,6 | 100% |
| Interconnection of Río Coronda Substation – Rosario Oeste Substation | 511 | 15,3 | 100% |
| Expansion of the Alte. Brown Substation - C.T. Alte. G. Brown | 370 | 11,1 | 107% |
| Expansion of the Luján Substation | 218 | 6,5 | 51% |
| Expansion of the Ezeiza Substation – Transformer Bank T9EZE | 194 | 8,1 | 20% |
| Expansion of the Planicie Banderita Substation | 104 | 3,8 | 73% |
| | US$mm | | % |
| Interconnection Line of Bahía Blanca Substation – Mar del Plata | 165 | 5,0 | 21% |
| Interconnection of Rincón Santa María Substation – Resistencia Substation | 140 | 4,2 | 36% |
| Adaption to 500 kV of Gran Mendoza – Nueva San Juan HVL and Nueva San Juan Substation | 49 | 1,5 | 63% |

- **Rate of failures**

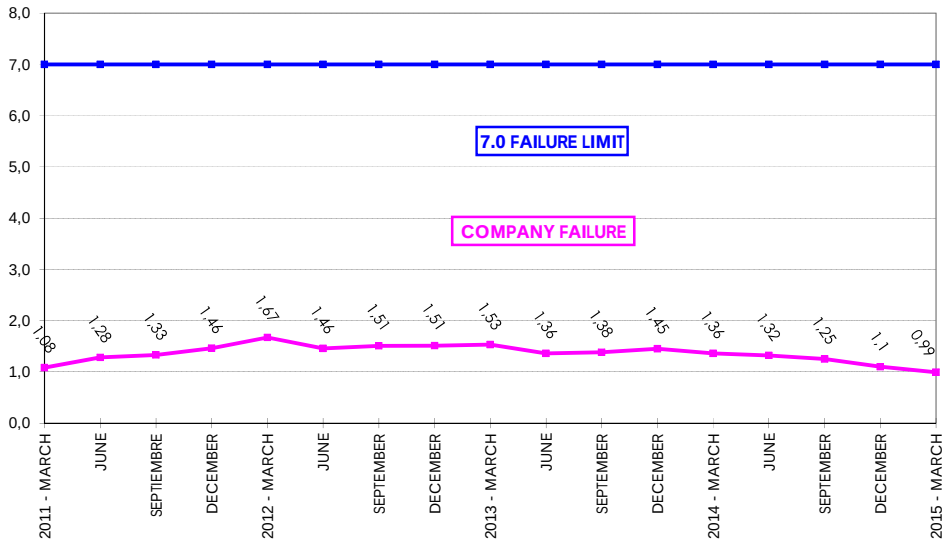
The rate of failures respresents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from March 2011.

Transener and Transba Concession Agreements state a maximum rate of failures of 2,5 and 7,0 outages per 100km over a 12-month period, respectively.

*Transener*




*Transba*



# 6. Significant Financial Information

## 6.1 Consolidated Statements of Operations (AR$mm)

| | Three-month period ended on March 31st, | |
|---|---|---|
| | **2015** | **2014** |
| Net Sales | 319,9 | 284,0 |
| Operating costs | (269,6) | (228,2) |
| Gross income | 50,2 | 55,8 |
| Administrative expenses | (51,3) | (37,1) |
| Other gains / (expenses), net | (6,7) | (16,9) |
| Operating (loss) / income | (7,8) | 1,8 |
| Finance income | 101,9 | 108,3 |
| Finance costs | (27,2) | (27,0) |
| Other finance results | (35,4) | (201,0) |
| Profit / (loss) before taxes | 31,5 | (117,9) |
| Income tax | (11,4) | 25,2 |
| Profit / (loss) for the period | 20,1 | (92,7) |
| **Profit / (loss) attributable to :** | | |
| Owners of the parent | 18,2 | (92,8) |
| Non-controlling interests | 1,9 | 0,1 |
| Total for the period | 20,1 | (92,7) |
| **Other consolidated comprehensive results** | | |
| Profit / (loss) for the period | 20,1 | (92,7) |
| Other comprehensive results | 0,0 | 0,0 |
| Total comprehensive profit / (loss) for the period | 20,1 | (92,7) |
| **Total comprehensive profit / (loss) attributable to :** | | |
| Owners of the parent | 18,2 | (92,8) |
| Non-controlling interests | 1,9 | 0,1 |
| Total for the period | 20,1 | (92,7) |

## 6.2 Consolidated Balance Sheets (AR$mm)

| | 31.03.2015 | 31.12.2014 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 1.614,0 | 1.589,0 |
| Other receivables | 16,3 | 16,3 |
| **Total Non-current assets** | 1.630,3 | 1.605,3 |
| **Current assets** | | |
| Trade accounts receivable | 378,0 | 471,3 |
| Other receivables | 38,8 | 48,1 |
| Cash and cash equivalents | 275,6 | 329,7 |
| **Total Current assets** | 692,4 | 849,1 |
| **TOTAL ASSETS** | 2.322,6 | 2.454,4 |
| | | |
| **EQUITY** | | |
| Common stock | 444,7 | 444,7 |
| Inflation adjustment on common stock | 353,0 | 353,0 |
| Share premium | 32,0 | 32,0 |
| Legal reserve | 42,6 | 42,6 |
| Retained earnings | (235,2) | (253,4) |
| **Equity attributable to owners of the parent** | 637,1 | 618,9 |
| Non-controlling interests | 37,7 | 35,8 |
| **TOTAL EQUITY** | 674,8 | 654,7 |
| | | |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Bonds and other indebtedness | 986,6 | 955,7 |
| Deferred tax payable | 56,8 | 68,4 |
| Employee benefits payable | 159,5 | 147,4 |
| Trade accounts payable | 3,5 | 3,7 |
| **Total Non-current liabilities** | 1.206,4 | 1.175,1 |
| **Current liabilities** | | |
| Previsions | 27,9 | 26,1 |
| Other liabilities | 0,8 | 0,8 |
| Bonds and other indebtedness | 135,5 | 147,2 |
| Taxes payable | 98,2 | 88,0 |
| Payroll and social securities taxes payable | 57,6 | 161,7 |
| Trade accounts payable | 121,6 | 200,8 |
| **Total Current liabilities** | 441,4 | 624,6 |
| **TOTAL LIABILITIES** | 1.647,8 | 1.799,7 |
| **TOTAL LIABILITIES AND EQUITY** | 2.322,6 | 2.454,4 |

# 7. Analysis of results for the three-month period ended on March 31st, 2015 compared to the same period of 2014

### Net sales

Consolidated net sales for the three-month period ended on March 31st, 2015 resulted in AR$ 319,9 million, 12,6% higher than the AR$ 284,0 million for the same period of 2014.

Consolidated net regulated revenue for the three-month period ended on March 31st, 2015, amounted to AR$ 288,3 million, 22,6% higher than the AR$ 235,1 million for the same period of 2014, mainly due to an increase of AR$ 43,9 million in revenues from the Renewal Agreement entered into by Transener and Transba with the Secretariat of Energy ("SE") and the ENRE (See "Tariff situation") and of AR$ 8,4 million in Transener's supervision revenues.

Consolidated net non-regulated revenue for the three-month period ended on March 31st, 2015 amounted to AR$ 31,6 million, 35,3% lower than the AR$ 48,8 million for the same period of 2014, mainly due to a decrease of AR$ 22,8 million in the income from the works entrusted to Transener through Resolution SE 01/2003, partially offset by an increase AR$ 4,3 million in the Fourth Line operation and maintenance revenue, mainly due to the fee retroactive adjustment for the period August - December 2014, according to Resolution ENRE No. 074/15, which has been recorded in the three-month period ended on March 31st, 2015 (See "Fourth Line of the Comahue-Buenos Aires electricity transmission system").

### Operating costs and administrative expenses

Consolidated operating costs and administrative expenses for the three-month period ended on March 31st, 2015 amounted to AR$ 321,0 million, 21,0% higher than the AR$ 265,3 million for the same period of 2014, principally due to an increase of AR$ 54,2 million in salaries and social security charges and AR$ 26,5 in provisions, partially offset by a decrease of AR$ 26,5 million in work for third-party materials, mainly as a result of the decrease in the activities related to the works entrusted to Transener through Resolution SE 01/2003 above mentioned.

### Other gains / expenses, net

Consolidated other gains / expenses, net for three-month period ended on March 31st, 2015 amounted to a loss of AR$ 6,7 million, 60,3% lower than the loss of AR$ 16,9 million for the same period of 2014, mainly due to a lower charge of AR$ 10,8 million in the tax credit prevision.

### Finance results

Consolidated finance income for the three-month period ended on March 31st, 2015 amounted to AR$ 101,9 million, 5,9% lower than the AR$ 108,3 million for the same period of 2014, mainly due to a decrease of AR$ 25,7 million in interest from the Renewal Agreement, partially offset by an increase of (i) AR$ 9,7 million in interest from the Fourth Line mainly due to the fee retroactive adjustment for the period August - December 2014, according to Resolution ENRE No. 074/15, which has been recorded in the three-month period ended on March 31st, 2015 and (ii) AR$ 8,8 million in interests from short-term investments.

Consolidated finance costs for the three-month period ended on March 31st, 2015 amounted to AR$ 27,2 million, similar to the AR$ 27,0 million for the same period of 2014.

Consolidated other finance results for the three-month period ended on March 31st, 2015 amounted to a loss of AR$ 35,4 million, 82,4% lower than the loss of AR$ 201,0 million for the same period of 2014, mainly due to a decrease of AR$ 166,1 million in the exchange loss net, mainly originated by the effect of the decrease in the variation of the exchange rate on the financial debts denominated in U.S. dollars.

### Income tax

Consolidated income tax charges for the three-month period ended on March 31st, 2015 resulted in a loss of AR$ 11,4 million, in comparison with a profit of AR$ 25,2 million for the same period of 2014, due to a higher loss of AR$ 20,6 million in the current tax charge and a lower profit of AR$ 15,9 million in the deferred tax charge.