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TRANSENER S.A. REPORTS FIRST QUARTER YEAR 2012 RESULTS

Buenos Aires – May 18, 2012 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net loss of Pesos 17.0 million (Pesos 0.037 per share) for the three-month period ended March 31, 2012.

Consolidated net sales for the three-month period ended March 31, 2012 resulted in Pesos 122.3 million, similar to the Pesos 123.2 million for the same period last year.

The electricity transmission revenue, net for the three-month period ended March 31, 2012, amounted to Pesos 81.6 million, 6.1% higher than the Pesos 76.9 million for the same period last year mainly by an increase: (i) Pesos 1.6 million in the recognition of revenue following the execution of 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 operation and maintenance of the Fourth Line revenue, net amounted to Pesos 4.6 million for the three-month period ended March 31, 2012, similar to the same period last year.

The increase in other net revenues amounted to Pesos 36.2 million for the three-month period ended March 31, 2012, 13.3% lower than the Pesos 41.7 million for the same period last year mainly due to (i) a decrease of Pesos 9.6 million from Transener's lower supervision revenues, partially offset by (ii) an increase of Pesos 4.0 million from its subsidiary Transba.

Consolidated operating and administrative costs for the three-month period ended March 31, 2012 amounted to Pesos 158.5 million, 47.2% higher than the Pesos 107.7 million for the same period last year, principally due to an increase of: (i) Pesos 25.4 million in salaries and

social security charges, (ii) Pesos 11.7 due to a reversal of a provision for contingencies during the period and (iii) Pesos 13.7 million in other operating and administrative costs.

Consolidated other income and expenses for the three-month period ended March 31, 2012 resulted in a net profit of Pesos 2.3 million, in comparison with a net profit of Pesos 0.8 million for the same period last year, mainly originated in an increase in the collection of insurance recoveries during the period.

Consolidated finance income for the three-month period ended March 31, 2012 amounted to Pesos 36.2 million, 20.9% higher than the Pesos 29.9 million for the same period last year, mainly due to an increase of (i) Pesos 1.6 million in finance interest from financial investments, (ii) Pesos 1.3 million in finance income from the Fourth Line, (iii) Pesos 1.3 million in interests generated by assets principally due to the lower recognition of interest from the Instrumental Agreements entered into with the SE and the ENRE, and (iv) Pesos 0.4 million in other regulatory interests.

Consolidated finance costs for the three-month period ended March 31, 2012 amounted to Pesos 21.8 million, similar to Pesos 20.2 million for the same period last year.

Consolidated other finance results for the three-month period ended March 31, 2012 resulted in a net loss of Pesos 5.6 million, in comparison with a loss of Pesos 9.4 million for the same period last year, mainly due to a decrease of Pesos 2.3 million in the exchange difference losses, net.

Consolidated income tax charges for the three-month period ended March 31, 2012 resulted in a profit of Pesos 9.3 million, in comparison with a loss of Pesos 3.3 million for the same period last year, mainly due to an increase of Pesos 3.9 million in the profit registered by deferred tax charge and a decrease of Pesos 8.6 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 Pronouncement No. 26 of the Argentine Federation of Professional Councils in Economic Sciences (subsequently amended by Technical Pronouncement No. 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, with the first financial statements to be filed under these standards being 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 before mentioned include the required reconciliations as of December 31, 2011 and the transition date (as of January 31, 2011) of shareholders' equity as of those dates and the results for the fiscal year ended December 31, 2011.

For comparative purposes, the financial information corresponding to the three-month period ended March 31, 2011 has been adapted to IFRS.

Financial situation

As of March 31, 2012, consolidated outstanding principal debt of the Company net of repurchases amounts to US$ 161.0 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 April 2012 S&P modified the local qualification from "raBBB+" stable to "raBBB-" negative and the global qualification for foreign and local currency from "B-" stable to "B-" negative.

CAMMESA Financing – Resolution SE 146/2002

The situation of the disbursements received by the Company at the end of the fiscal year 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
01/01/2011 - 31/03/2012	16.0	-	16.0
	240.6	10.8	251.4

The liabilities for the total amount of disbursements received as from March 31, 2012, have been cancelled through the cession of credits resulting from the recognition of the variations of costs, according to the Instrumental Agreements. After March 31, 2012 and up to date, the Company has received disbursements for the amount of Pesos 6.0 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 March 31, 2012 is as follows:

	Millions of Pesos		
	Transba	Transener	Total
Total Addendas II	134	290	424
Amounts received as of March 31, 2012	29	72	101
Total remaining balance	105	218	323

The Company registered results arising from the recognition of the variation of costs on behalf of the Secretariat of Energy and the ENRE, up to the amounts received through the CAMMESA Financing. Consequently, during the period the Company has recognized revenues and interest income for the amount of $ 5.1 million and $ 5.6 million respectively.

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, which led them to take the corresponding actions.

Without prejudice of that, Transener and Transba, having submitted their respective tariff proposals, based on the Definitive Agreements and in accordance with the Law No. 24,065, are expecting the calling for a Public Hearing and the definition of a new tariff regime.

Fourth Line

On March 30, 2011, the ENRE issued the Resolution N°150/2011 which establishes a new annual canon of Pesos 95.9 million as from July 2010, and instructed CAMMESA to make the corresponding adjustments. The Company has recognized revenues for Pesos 10.0 million corresponding to the retroactive adjustment for year 2010 and for Pesos 20.0 million corresponding to the fiscal year ended December 31, 2011.

On April 7, 2011, the Company filed an appeal against said Resolution because the interests which correspond to the delayed payment of the retroactive adjustment of the canon have been omitted. The resolution of this appeal is still pending.

On September 7 2011, a new presentation was made to the ENRE, claiming for the recognition of the variations of costs occurred as from July 2010 up to July 2011, making the calculation based on the same methodology used by the ENRE to determine the canon approved by the before mentioned Resolution No. 653/08 and No. 150/11. Up to date, the resolution of this appeal is still pending on behalf of the ENRE.

On April 25, 2012, the ENRE issued the Resolution N° 90/2012 which establishes a new annual canon of $ 113.4 million as from August 2011 and instructed CAMMESA to make the corresponding adjustments. During the three-month period ended March 31, 2012, revenues have been recognized for Pesos 11.7 million corresponding to the retroactive adjustment for year 2011 and the first quarter 2012. After the issuance of the present financial statements, there have not been facts or events which could significantly affect either the economic and financial situation of the Company as of March 31, 2012, or the operation results for the three-month period ended as of that date.

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 for 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	82%

- **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		
ARROYO CABRAL Substation (New substation)	155	4.6	100%
E.T. MALVINAS (Transformador de Reserva)	10	0,3	42 %
El CORTADERAL 500 Substation (New substation)	186	5.6	36%
Expansion of the OLAVARRÍA Substation	30	1.7	55%

During the next quarter it is expected to begin the construction of two new interconnections in 500 kV of which Transener will receive revenues for the supervision of the construction. The works are:

Interconnection Santiago del Estero 500kv Substation: approximately US$ 140 million
Interconnection Paraná 500kv Substation: approximately US$ 59 million

Transener will receive 6% for the supervision and inspection of the first work and 3% for the supervision of the second one.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	31.03.2012	31.12.2011
	(in thousands of Argentine Pesos)	
Assets		
Non-current assets		
Property, plant and equipment	1.179.530	1.190.026
Other receivables	106.920	111.339
Total Non-current assets	1.286.450	1.301.365
Current Assets		
Account receivables	153.815	140.965
Other receivables	55.452	56.319
Investments	3.653	3.530
Cash and cash equivalents	111.212	134.437
Total Current assets	324.133	335.251
Total Assets	1.610.582	1.636.616
Equity and liabilities		
Capital and reserves attributable to owners of the parent	574.793	591.387
Equitiy attributable to owners of the parent	574.793	591.387
Non-controlling interests	26.940	27.381
Total equity	601.733	618.768
Liabilities		
Non-current liabilities		
Bonds and other indebtedness	658.693	646.876
Deferred tax payable	124.706	133.956
Employee benefits payable	73.288	69.412
Accounts payable	5.028	5.120
Other liabilities	226	390
Total Non-current liabilities	861.941	855.755
Current liabilities		
Provisions	28.796	22.466
Other liabilities	1.911	1.711
Bonds and other indebtedness	32.011	18.535
Tax payable	16.192	20.015
Payroll and social securities taxes payable	25.262	57.369
Accounts payable	42.736	41.997
Total Current liabilities	146.908	162.093
Total Liabilities	1.008.849	1.017.847
Total Equity and liabilities	1.610.582	1.636.616

Consolidated Comprehensive Results

	Three-month period ended March, 31	
	2012	**2011**
	(in thousands of Argentine Pesos)	
Continuing operations		
Net Sales	122.297	123.204
Operating expenses	(128.462)	(86.417)
Gross (loss) / profit	(6.165)	36.787
Administrative expenses	(30.029)	(21.256)
Other (losses) / gains - net	2.349	790
Operating (loss) / profit	(33.845)	16.321
Finance income	36.169	29.915
Finance costs	(21.806)	(20.213)
Other finance results	(5.636)	(9.431)
(Loss) / profit before taxes	(25.119)	16.593
Income tax	8.842	(5.762)
(Loss) / profit for the period from continuing operations	(16.276)	10.831
Discontinued operations		
(Loss) / profit for the period	(1.167)	(7.096)
Income tax	409	2.484
(Loss) / profit for the period from discontinued operations	(758)	(4.612)
(Loss) / profit for the period	(17.035)	6.219
(Loss) / profit attributable to :		
Owners of the parent	(16.593)	6.377
Non-controlling interests	(441)	(157)
Total for the period	(17.035)	6.219
Other consolidated comprehensive (loss) / profit		
(Loss) / profit for the period	(17.035)	6.219
Other comprehensive income	0	0
Total comprehensive (loss) / profit for the period	(17.035)	6.219
Comprehensive (loss) / profit attributable to :		
Owners of the parent	(16.594)	6.377
Non-controlling interests	(441)	(157)
Total for the period	(17.035)	6.219

Other Data

Depreciation Property, plant and equipment	19.223	19.624
EBITDA	(14.622)	35.945
Capital expenditure	11.570	12.734