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TRANSENER S.A. REPORTS SECOND QUARTER YEAR 2008 RESULTS

Buenos Aires – August 5, 2008 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net income of Pesos 10.8 million (Pesos 0.024 per share) for the six-month period ended June 30, 2008.

Consolidated net sales for the six-month period ended June 30, 2008 amounted to Pesos 218.9 million, 11.2% lower than the Pesos 246.4 million for the same period last year, principally due to a decrease of Pesos 33.8 million in other sales, mainly generated by a decrease of Pesos 16.8 million from the works committed to the Company through Resolutions ENRE Nº 308/01, 616/03, 481/05 and 935/05, respectively, of Pesos 5.2 million from the supervision works and of Pesos 9.4 million from the non-regulated activities generated by its subsidiary Transener Internacional Ltda.

Consolidated operating and administrative costs for the six-month period ended June 30, 2008 amounted to Pesos 197.4 million, 3.5% lower than the Pesos 204.6 million for the same period last year, mainly as a result of (i) a decrease of Pesos 17.4 million in works for third parties mainly due to the lower level of non-regulated activities and of Pesos 8.0 million in Provisions, net of (ii) an increase of Pesos 9.4 million in Salaries and social security charges, of Pesos 4.5 million in Depreciation of fixed assets, of Pesos 2.0 million in Taxes and government contribution and of Pesos 1.5 million in Insurance.

Consolidated other income and expenses for the six-month period ended June 30, 2008 resulted in a net profit of Pesos 9.6 million, in comparison with a net profit of Pesos 0.7 million for the same period last year, principally due to 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 10.3 million.

Consolidated financial results for the six-month period ended June 30, 2008 resulted in a net loss of Pesos 2.6 million, in comparison with a net loss of Pesos 41.4 million for the same period last year, mainly due to the foreign exchange result generated by liabilities, which represented a profit of Pesos 29.1 million for the six-month period ended June 30, 2008 and a loss of Pesos 7.2 million for the six-month period ended June 30, 2007.

Income tax charges for the six-month period ended June 30, 2008 amounted to a loss of Pesos 18.0 million, in comparison with a loss of Pesos 7.5 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, 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.

Due to the improvements observed as a consequence of the refinancing of the debt and the tariff increases during 2006, rating agency Fitch announced in April 2007 an upgrade on Transener's debt domestic rating to "A- (arg)" from "BBB+ (arg)". Besides, the agency ratified as "B" the global rating.

On April 7, 2008 Standard & Poor's upgraded Transener's domestic rating to "raBBB+" with a positive outlook from "raBBB". In addition, S&P maintained the global rating "B" with a stable outlook.

The total outstanding principal debt of the Company as of June 30, 2008 amounts to US$ 236.0 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 to those companies that provide public services, such as Transener and Transba.

In May 2005, Transener and Transba entered into the 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 was expected to be carried out in order to determine a new tariff regime for Transener and Transba. However, since January 2006 the ENRE continued postponing the Public Hearing in order to deal with the tariff proposals submitted by both Companies, which should have come in force for Transener and Transba during the months of February 2006 and May 2006, respectively.

Due to the fact that the ENRE unilaterally postponed the Full Tariff Review process, the said entity kept in force Resolution N° 423/2006 which postponed – as from February 1, 2006 and up to the date when the Full Tariff Review process is concluded- the charges for connections, transmission capacity and energy transmission and other obligations imposed for the contractual transition period contained in the Definitive Agreement. In the case of Transba, the ENRE kept Resolution N° 424/2006 in force.

According to that, 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 Full Tariff Review process during year 2007, as long as the remaining commitments assumed by the parties are in force and the new regime arising from the Full Tariff Review 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 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 such 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 immediately regularize the Full Tariff Review 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 submition of its tariff pretensions according to what was stated in the respective Definitive Agreements and section 45 and subsequent of 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.

However, up to now there is no certainty about when the Public Hearings will be held, in order to deal with the proposals submitted by Transener and Transba within the framework of the Full Tariff Review process.

On the other hand, and due to the major labor costs arising from the application of Decree N° 392/04 and subsequents, and the major operative costs registered since 2004 until now, during year 2007 Transener and Transba continued submitting the respective claims before the ENRE in order to make an adjustment of the Company's regulated remuneration, according to what was stated in the Definitive Agreements for such purpose.

As of March 31, 2008, the recognition of higher costs for the years 2005, 2006 and 2007 would represent a higher year-based tariff of Pesos 39.8 million for Transener and of Pesos 18.0 million for Transba. These figures do not include neither retroactive payments nor higher costs on capital expenditure.

Regarding this, in March 2008, the Company asked the ENRE for a prompt response to their requests and to proceed to the recognition of the major costs incurred by Transener and Transba, respectively.

However, the Company has not received an answer on behalf of the ENRE. Due to this fact, Transener and Transba filed the respective legal actions for the protection of their rights because of the delay in the recognition of the major costs pursuant to what it is stated in sections 4.2 and 4.4 of the Definitive Agreements.

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 Full Tariff Reviews 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.

On July 31, 2008, the ENRE issued resolutions 328/08 and 327/08 in order to adjust the tariffs of Transba and Transener, respectively, as from July 1, 2008. As of the date of issuance of this press release, the Company is evaluating the impact of said resolutions.

Finally, on August 5th, 2008, Resolutions 869/2008 and 870/2008 of the Secretariat of Energy were published in the Official Gazette, which establish February 2009 as the date when the tariff charts resulting from Transener and Transba´s Full Tariff Review, respectively, will be in force.

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	39,8
Recreo – La Rioja HVL	162	4,9
La Rioja Sur Substation	18	0,5
Under bidding/awarding process		
NEA – NOA HVL (*)	2.385	71,5
Comahue – Cuyo HVL (*)	1.000	30,0

(*) Both works could be iniciated during the last quarter of 2008, with a construction term of approximately two years.

- **Other expansion works**

  The following works have been put into service:
  Puerto Madryn – Santa Cruz Norte HVL
  Manuel Belgrano Substation
  Tercera Línea Yacyretá – North Section

  There are some pending issues in all these works.

  The following works are still in progress:
  Tercera Línea Yacyretá – Mercedes, San Isidro Substations and Southern Section
  Recreo – La Rioja HVL
  La Rioja Sur Substation
  Installation of reactors in Chocón and Bahía Blanca Substations
  Río Coronda Substation
  Atucha II Substation

  Once these works are completed, Transener will collect the regulated revenue for the operation and maintenance, according to its tariff chart.

International activities

- **Brazil**

Transener Internacional Ltda. continues rendering services of operation and maintenance to the Abengoa's Group in the State of São Paulo, with possibilities of extending them in this and other States in the first months of 2009.

The Company is also rendering services to CTEEP - Companhia de Transmissao de Energia Elétrica Paulista, consisting of the start-up of several substations.

The works of repowering of the two 138 kV lines, property of CTEEP, between Tres Irmãos – Andradina and Tres Irmãos – Jupiá, have begun. This contract will have to be concluded by the end of the current year.

Transener Internacional Ltda. has been contracted by the São Paulo distributor Elektro to replace sections of the guard wires in the 138 kV lines Registro – Cajtí and Mariporá – Santa Inés, during July and August 2008.

- **Perú**

Abengoa Perú, which was awarded the bid for the construction and operation of the 220 kV line Vizcarra – Carhuaquero in the north of the country, was accompanied by Transener with its offer of operation and maintenance. This project must be carried out during 2008 and 2009, and the start-up is foreseen for 2010.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	June 30, 2008	December 31, 2007
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5.058	10.159
Investments	34.068	62.267
Trade receivables	98.787	96.936
Other receivables	22.807	27.661
Total Current Assets	160.720	197.023
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.535.461	1.503.126
Other receivables	56.706	54.689
Other assets	294.234	316.966
Total Non-Current Assets	1.886.401	1.874.781
TOTAL ASSETS	**2.047.121**	**2.071.804**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	34.535	41.751
Bonds and other indebtedness	6.274	5.351
Payroll payable	16.163	19.534
Taxes payable	7.365	14.061
Provisions	37.907	36.514
Dividends payable	190	0
Total Current Liabilities	102.434	117.211
NON-CURRENT LIABILITIES		
Vendor notes payable	82.900	89.053
Bonds and other indebtedness	700.315	730.111
Payroll payable	3.644	1.171
Taxes payable	19.766	6.505
Total Non-Current Liabilities	806.625	826.840
TOTAL LIABILITIES	**909.059**	**944.051**
MINORITY INTEREST IN SUBSIDIARIES	**48.873**	**49.381**
SHAREHOLDERS' EQUITY	**1.089.189**	**1.078.372**
TOTAL	**2.047.121**	**2.071.804**

Consolidated Income Statement

	Six months ended	
	June 30, 2008	June 30, 2007
	(in thousands of Argentine Pesos)	
Net sales	218.886	246.416
Operating costs	(171.517)	(181.737)
Gross profit	**47.369**	**64.679**
Administrative expenses	(25.882)	(22.883)
Operating profit	**21.487**	**41.796**
Operating profit per share	***0,048***	***0,094***
Other income and expenses	**9.589**	**660**
Financial results		
Generated by assets		
Interest income	4.485	3.998
Income from measurement of other receivables at present value	849	0
Foreign exchange income	(654)	38
Traslation result foreign investment	1.232	1.511
Generated by liabilities		
Interest expense and related taxes	(36.190)	(37.660)
Foreign exchange loss	29.110	(7.161)
Loss from measurement of liabilities at present value	(1.421)	(2.169)
Total financial results	**(2.589)**	**(41.443)**
Minority Interest in Subsidiaries	**318**	**(165)**
Income before taxes	**28.805**	**848**
Income tax	(17.988)	(7.491)
Net Income (Loss)	**10.817**	**(6.643)**
Net Income (Loss) per share	***0,024***	***(0,015)***

Other Data

	Six months ended	
	June 30, 2008	June 30, 2007
	(in thousands of Argentine Pesos)	
Depreciation and amortization	57.025	52.523
EBITDA	78.512	94.319
Capital expenditure	67.739	32.345