Buenos Aires, March 5th, 2014

# Results for fiscal year ended on December 31st, 2013

**Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. ("Transener" or the "Company") announces the results for the fiscal year ended on December 31st, 2013**


**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 fiscal year ended on December 31st, 2013.

**Consolidated net sales of AR$ 873,8 million,** 65,2% higher than the AR$ 528,9 million for last year, mainly due to an increase of 594,9% (AR$ 314,3 million) in revenues from the Renewal Agreement.

**Consolidated adjusted EBITDA[1] of AR$ 399,0 million**, compared to the AR$ 68,9 million for last year, mainly due to an increase of 65,2% (AR$ 344,9 million) in net sales and an increase of 274,3% (AR$ 156,7 million) in the interest from the Renewal Agreement, partially offset by an increase of 29,8% (AR$ 204,0 million) in operating costs and administrative expenses.

**Consolidated net loss of AR$ 5,6 million**, compared to a consolidated net loss of AR$ 103,5 million for last year, mainly due to a higher profit of AR$ 151,1 million in the operating result, partially offset by a lower profit of AR$ 55,2 million in the income tax charge.

## Main results for the Fourth Quarter of 2013

**Consolidated net sales of AR$ 325,2 million,** 126,9% higher than the AR$ 143,3 million for the same period of 2012, mainly due to an increase of 873,0% (AR$ 175,0 million) in revenues from the Renewal Agreement.

**Consolidated adjusted EBITDA[1] of AR$ 201,4 million**, compared to the AR$ 0,3 million for the same period of 2012, mainly due to an increase of 126,9% (AR$ 181,9 million) in net sales and an increase of 328,0% (AR$ 67,1 million) in the interest from the Renewal Agreement, partially offset by an increase of 30,0% (AR$ 62,8 million) in operating costs and administrative expenses.

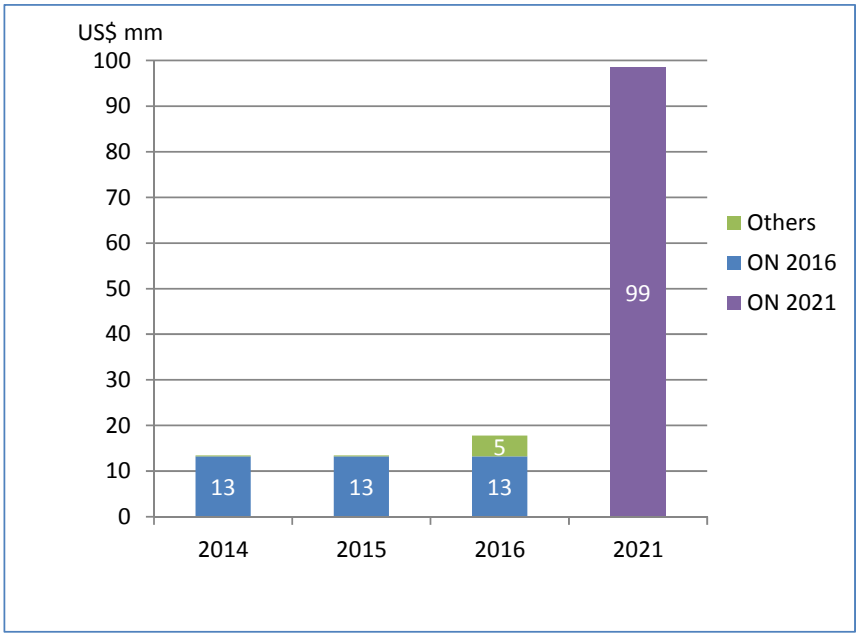
**Consolidated operating profit of AR$ 24,8 million**, compared to a consolidated loss of AR$ 44,1 million for the same period of 2012, mainly due to a higher profit of AR$ 128,3 million in the operating result, partially offset by a higher loss of AR$ 21,6 million in the financial results, net and a higher loss of AR$ 37,7 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 December 31st, 2013, consolidated outstanding principal debt of the Company amounts to US$ 143,1 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 mentioned hereinbefore, 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 will be adjusted to the income that the Company will receive in each period.

The Investment Plan settled within the Renewal Agreement provides 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.

The Addendas were entered into with CAMMESA on February 14th, 2014 by Transener and on October 25, 2013 by Transba.

The Company has recognized revenues and interest income from the Renewal Agreement for the amount of AR$ 367,2 and AR$ 213,8 million respectively, for the fiscal year ended on December 31st, 2013.

# 3. Consolidated Adjusted EBITDA Calculation

Consolidated adjusted EBITDA has been calculated as follows:

| | Fiscal year ended on December 31, | | Three-month period ended on December 31, | |
|---|---|---|---|---|
| AR$mm | **2013** | **2012** | **2013** | **2012** |
| Consolidated operating profit (loss) | 3,8 | (147,4) | 70,5 | (57,8) |
| Depreciations | 83,9 | 76,6 | 21,2 | 19,0 |
| Consolidated EBITDA | 87,7 | (70,8) | 91,7 | (38,8) |
| Adjustments | | | | |
| Renewal Agreement Interest | 213,8 | 57,1 | 87,5 | 20,4 |
| Fourth Line interest | 97,5 | 82,5 | 22,2 | 18,7 |
| Consolidated adjusted EBITDA | 399,0 | 68,9 | 201,4 | 0,3 |

# 4. Operating information

- **500 kV Transmission Federal Plan**

  Here follows the 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 | Etimated Supervision Revenues | Status |
|---|---|---|---|
| | AR$mm | | % |
| Rosario – Río Coronda Interconection | 373 | 11,2 | 83% |

- **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:

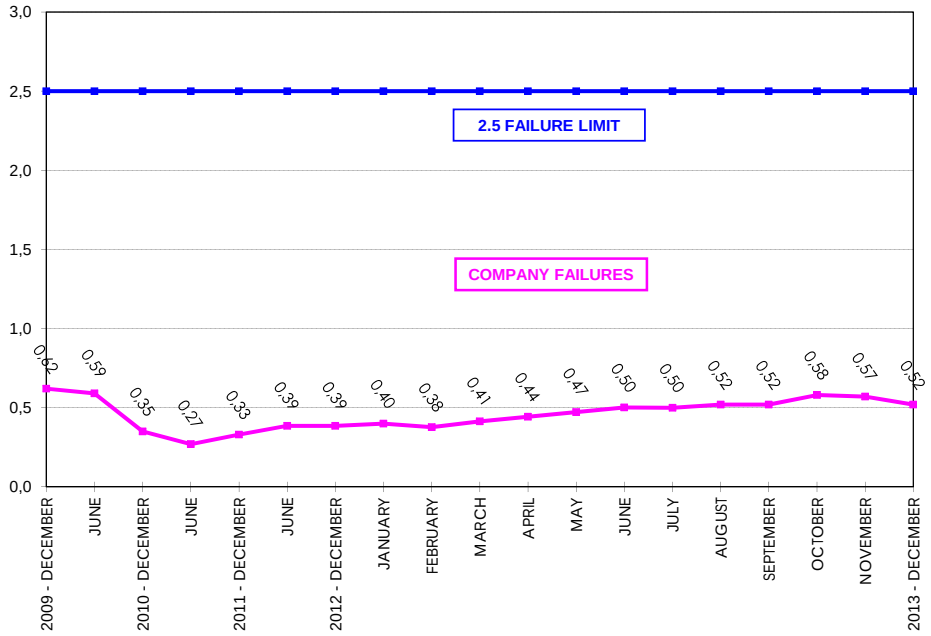
| Works | Estimated Construction Costs | Estimated Supervision Revenues | Status |
|---|---|---|---|
| | AR$mm | | % |
| Expansion Planicie Banderita Substation | 77 | 2,9 | 62% |
| Expansion of the Alicurá Substation | 7 | 0,4 | 72% |
| Santiago del Estero 500kV Substation Interconection | 643 | 19,3 | 50% |

- **Rate of failures**

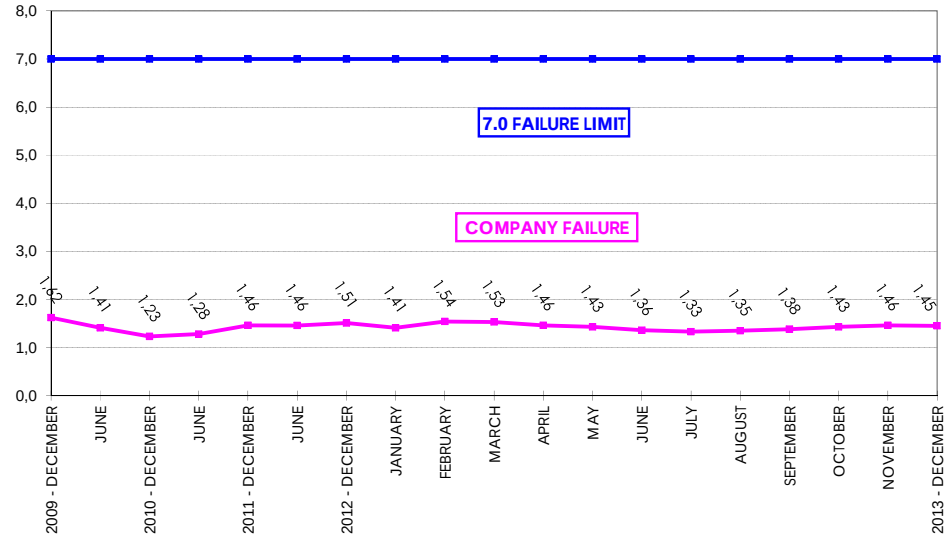
The rate of failures respresents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from December 2009.

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*



# 5. Significant Financial Information

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

| | Fiscal year ended on December 31th, | | Three-month period ended on December 31th, | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| **Continued operations** | | | | |
| Net Sales | 873,8 | 528,9 | 325,2 | 143,3 |
| Operating costs | (730,4) | (556,2) | (231,4) | (169,1) |
| Gross profit (loss) | 143,4 | (27,3) | 93,7 | (25,8) |
| Administrative expenses | (159,0) | (129,2) | (40,6) | (40,1) |
| Other gains - net | 19,4 | 9,1 | 17,4 | 8,1 |
| Operating profit (loss) | 3,8 | (147,4) | 70,5 | (57,8) |
| Finance income | 349,0 | 161,2 | 113,4 | 45,1 |
| Finance costs | (124,6) | (100,2) | (34,8) | (23,8) |
| Other finance results | (223,1) | (69,0) | (109,5) | (30,6) |
| Profit (loss) before taxes | 5,0 | (155,4) | 39,6 | (67,1) |
| Income tax | (1,7) | 54,4 | (13,9) | 23,5 |
| Profit (loss) for the period from continuing operation | 3,3 | (101,0) | 25,7 | (43,6) |
| **Discontinued operations** | | | | |
| Loss for the period | (9,7) | (7,0) | (1,1) | (2,3) |
| Income tax | 3,4 | 2,4 | 0,4 | 0,8 |
| Loss for the period from discontinued operations | (6,3) | (4,5) | (0,7) | (1,5) |
| **Profit (loss) for the period** | (3,0) | (105,5) | 25,0 | (45,1) |
| **Profit (loss) attributable to :** | | | | |
| Owners of the parent | (5,6) | (103,5) | 24,8 | (44,1) |
| Non-controlling interests | 2,6 | (2,1) | 0,2 | (1,0) |
| Total for the period | (3,0) | (105,5) | 25,0 | (45,1) |
| **Other consolidated comprehensive results** | | | | |
| Profit (loss) for the period | (3,0) | (105,5) | 25,0 | (45,1) |
| Other comprehensive results | (0,3) | (0,3) | (0,3) | (0,3) |
| Total comprehensive profit (loss) for the period | (3,3) | (105,8) | 24,7 | (45,4) |
| **Total comprehensive profit (loss) attributable to :** | | | | |
| Owners of the parent | (5,9) | (103,7) | 24,6 | (44,3) |
| Non-controlling interests | 2,6 | (2,1) | 0,2 | (1,0) |
| Total for the period | (3,3) | (105,8) | 24,7 | (45,4) |

## 5.2 Consolidated Balance Sheets (AR$mm)

| | 31.12.2013 | 31.12.2012 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 1.301,7 | 1.178,7 |
| Other receivables | 50,1 | 79,1 |
| **Total Non-current assets** | 1.351,8 | 1.257,7 |
| **Current assets** | | |
| Trade accounts receivable | 386,4 | 205,5 |
| Other receivables | 73,4 | 57,8 |
| Financial assets at amortized cost | 0,0 | 2,0 |
| Cash and cash equivalents | 73,6 | 130,1 |
| **Total Current assets** | 533,5 | 395,3 |
| **TOTAL ASSETS** | 1.885,3 | 1.653,1 |
| | | |
| **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 |
| Voluntary reserve | 0,0 | 210,2 |
| Retained earnings | (390,5) | (594,8) |
| **Equity attributable to owners of the parent** | 481,8 | 487,7 |
| Non-controlling interests | 27,9 | 25,3 |
| **TOTAL EQUITY** | 509,7 | 513,0 |
| | | |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Bonds and other indebtedness | 812,5 | 676,5 |
| Deferred tax payable | 61,9 | 76,9 |
| Employee benefits payable | 107,6 | 87,0 |
| Trade accounts payable | 4,3 | 4,7 |
| **Total Non-current liabilities** | 986,3 | 845,2 |
| **Current liabilities** | | |
| Provisions | 50,1 | 27,6 |
| Other liabilities | 2,4 | 2,3 |
| Bonds and other indebtedness | 112,6 | 84,4 |
| Taxes payable | 46,9 | 14,9 |
| Payroll and social securities taxes payable | 99,9 | 85,5 |
| Trade accounts payable | 77,4 | 80,3 |
| **Total Current liabilities** | 389,3 | 294,9 |
| **TOTAL LIABILITIES** | 1.375,6 | 1.140,1 |
| **TOTAL LIABILITIES AND EQUITY** | 1.885,3 | 1.653,1 |

# 6. Analysis of results for fiscal year ended on December 31st, 2013 compared to last year

### Net sales

Consolidated net sales for the fiscal year ended on December 31st, 2013 resulted in AR$ 873,8 million, 65,2% higher than the AR$ 528,9 million for last year.

The electricity transmission revenue for the fiscal year ended on December 31st, 2013, amounted to AR$ 670,8 million, 87,4% higher than the AR$ 357,9 million for last year, mainly due to an increase of AR$ 314,3 million in the recognition of revenue from the Renewal Agreement entered into by Transener and Transba with the Secretariat of Energy ("SE") and the ENRE (See "Tariff situation").

The Fourth Line operation and maintenance revenue for the fiscal year ended on December 31st, 2013 amounted to AR$ 15,2 million, 6,0% higher than the AR$ 14,3 million for last year, mainly due to the canon retroactive adjustment as of August 2012, according to the resolution ENRE No. 244/13 and 346/13.

The net other revenue for the fiscal year ended on December 31st, 2013 amounted to AR$ 187,8 million, 19,8% higher than the AR$ 156,7 million for last year, mainly due to an increase of AR$ 33,2 million in Transener´s net other revenue, principally from supervision and operation and maintenance.

### Operating costs and administrative expenses

Consolidated operating costs and administrative expenses for the fiscal year ended on December 31st, 2013 amounted to AR$ 889,3 million, 29,8% higher than the AR$ 685,4 million for last year, principally due to an increase of (i) AR$ 140,2 million in salaries and social security charges and (ii) AR$ 13,0 million in provisions.

### Other gains, net

Consolidated other gains, net for the fiscal year ended on December 31st, 2013 amounted to AR$ 19,4 million, 112,2% higher than the AR$ 9,1 million for last year, mainly originated in higher insurance recoveries collected during the year.

### Finance results

Consolidated finance income for the fiscal year ended on December 31st, 2013 amounted to AR$ 349,0 million, 116,5% higher than the AR$ 161,2 million for last year, mainly due to an increase of (i) AR$ 156,7 million in the higher recognition of interest from the Renewal Agreement entered into with the SE and the ENRE, (ii) AR$ 15,0 million in finance income from the Fourth Line and (iii) AR$ 13,1 million in finance interest from the retroactive adjustment of Recreo Capacitors Canon determined by the ENRE.

Consolidated finance costs for the fiscal year ended on December 31st, 2013 amounted to AR$ 124,6 million, 24,4% higher than the AR$ 100,2 million for last year, mainly due to an increase of (i) AR$ 7,5 million in interest generated by employee benefits payable and (ii) AR$ 13,4 million in finance interest principally due to an increase in the exchange rate.

Consolidated other finance results for the fiscal year ended on December 31st, 2013 amounted to a loss of AR$ 223,1 million, 223,2% higher than the AR$ 69,0 million for last year, mainly due to an increase of AR$ 162,7 million in the exchange loss net, partially offset by a higher profit of AR$ 8,6 million in the result from receivables measured at fair value.

### Income tax

Consolidated income tax charges for the fiscal year ended on December 31st, 2013 resulted in a profit of AR$ 1,7 million, in comparison with a profit of AR$ 56,9 million for last year due to a lower profit of AR$ 42,0 million in the deferred tax charge and the income tax payable of AR$ 13,2 million registered by Transba.