Buenos Aires, August 7th, 2014

Results for the six-month period ended on June 30th, 2014

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. ("Transener" or the "Company") announces the results for the six-month period ended on June 30th, 2014

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 six-month period ended on June 30th, 2014.

Consolidated net sales of AR$ 623,7 million, 92,9% higher than the AR$ 323,3 million for the same period of 2013, mainly due to an increase of 321,7% (AR$ 265,5 million) in revenues from the Renewal Agreement.

Consolidated adjusted EBITDA[1] of AR$ 320,5 million, compared to the AR$ 59,4 million for the same period of 2013, mainly due to an increase of AR$ 154,9 million in the operating profit, of 118,7% (AR$ 76,6 million) in the interest from the Renewal Agreement and of 79,9% (AR$ 28,6 million) in the interest from the Fourth Line.

Consolidated net loss of AR$ 4,0 million, compared to a consolidated net loss of AR$ 44,5 million for the same period of 2013, mainly due to a higher operating profit of AR$154,9 million, partially offset by a higher loss in financial results of AR$ 66,9 million and of AR$ 46,9 million in the income tax charge.

Main results for the Second Quarter of 2014 [2]

Consolidated net sales of AR$ 339,8 million, 77,2% higher than the AR$ 191,7 million for the same period of 2013, mainly due to an increase of 230,0% (AR$ 145,0 million) in the revenue from the Renewal Agreement.

Consolidated adjusted EBITDA[1] of AR$ 210,3 million, 280,4% higher than the AR$ 55,3 million for the same period of 2013, mainly due to an increase of AR$ 101,0 million in the operating profit, of 62,7% (AR$ 29,4 million) in the interest from the Renewal Agreement and of 136,5% (AR$ 24,4 million) in the interest from the Fourth Line.

Consolidated net profit of AR$ 88,8 million, compared to a consolidated net loss of AR$ 8,8 million for the same period of 2013, mainly due to a higher operating profit of AR$ 101,0 million and a higher profit in financial results of AR$ 49,0 million, partially offset by a higher loss of AR$ 52,8 million in the income tax charge.

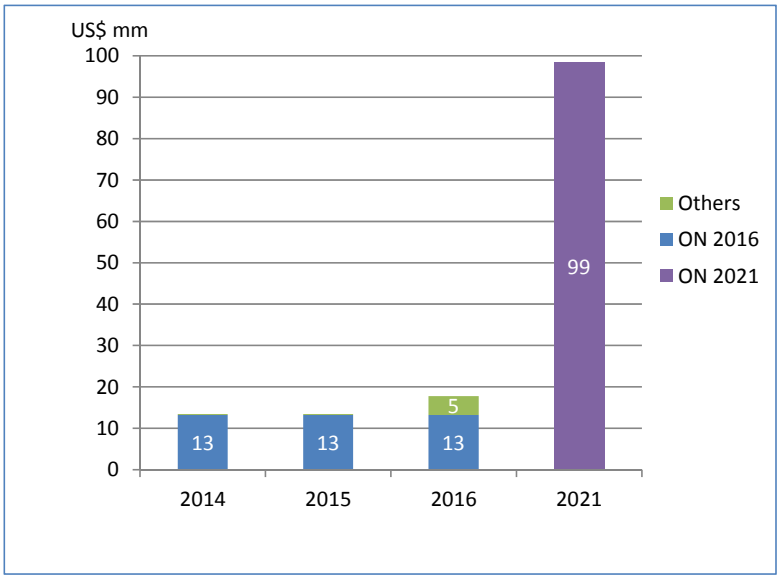
[1] Consolidated adjusted EBITDA represents consolidated operating results before depreciations plus interest from the Fourth Line and interest from the Renewal Agreement.

[2] The financial information presented in this document for the quarters ended on June 30th, 2014 and of 2013 is based on the unaudited condensed interim consolidated financial statements prepared according to the IFRS accounting standards in force in Argentina, corresponding to the three-month and six-month periods ended on June 30th, 2014 and 2013.

1. Financial Situation

As of June 30th, 2014, 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" but under credit watch with negative implications and the global qualification for local currency in "CCC" negative. The global qualification for foreign currency was modified to "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 25th, 2013 by Transba.

The Company has recognized revenues and interest income from the Renewal Agreement for the amount of AR$ 348,1 and AR$ 141,2 million respectively, for the six-month period ended on June 30th, 2014.

3. Consolidated Adjusted EBITDA Calculation

Consolidated adjusted EBITDA has been calculated as follows:

	Six-month period ended on June 30th,		Three-month period ended on June 30th,	
AR$mm	**2014**	**2013**	**2014**	**2013**
Consolidated operating result	71,9	(83,0)	70,1	(30,9)
Depreciations	43,0	42,0	21,7	21,5
Consolidated EBITDA	114,9	(41,0)	91,8	(9,4)
Adjustments				
Renewal Agreement interest	141,2	64,6	76,2	46,9
Fourth Line interest	64,4	35,8	42,3	17,9
Consolidated adjusted EBITDA	320,5	59,4	210,3	55,3

4. 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:

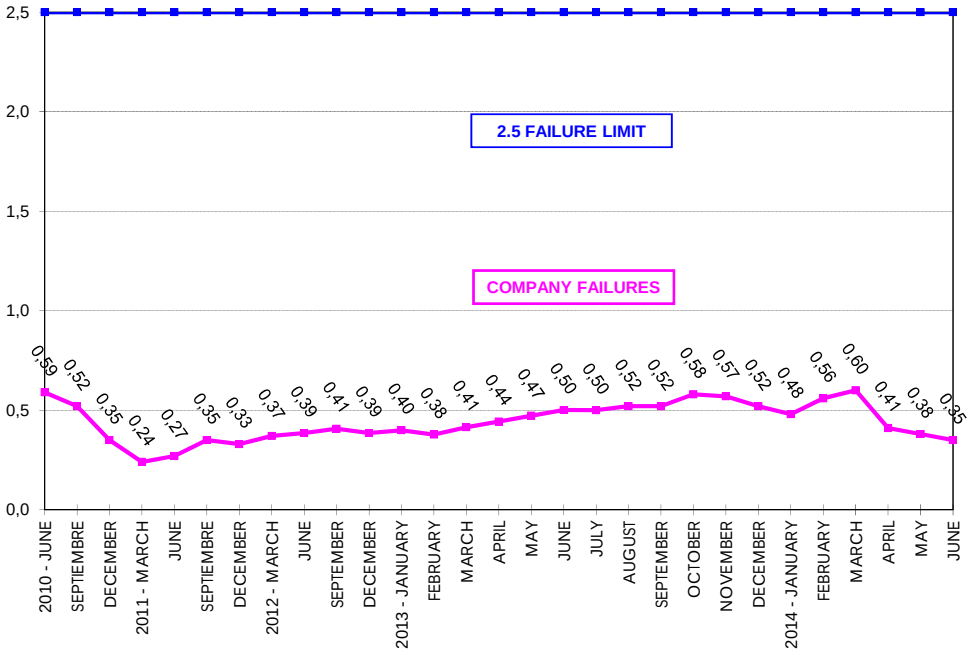
Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	AR$mm		%
Expansion Planicie Banderita Substation	77	2,9	66%
Expansion of the Alicurá Substation	7	0,4	80%
Santiago del Estero 500kV Substation Interconnection	643	38,6	67%
	US$mm		%
Coronda – Vuelta de Obligado Interconnection	27	0,8	70%

- **Rate of failures**

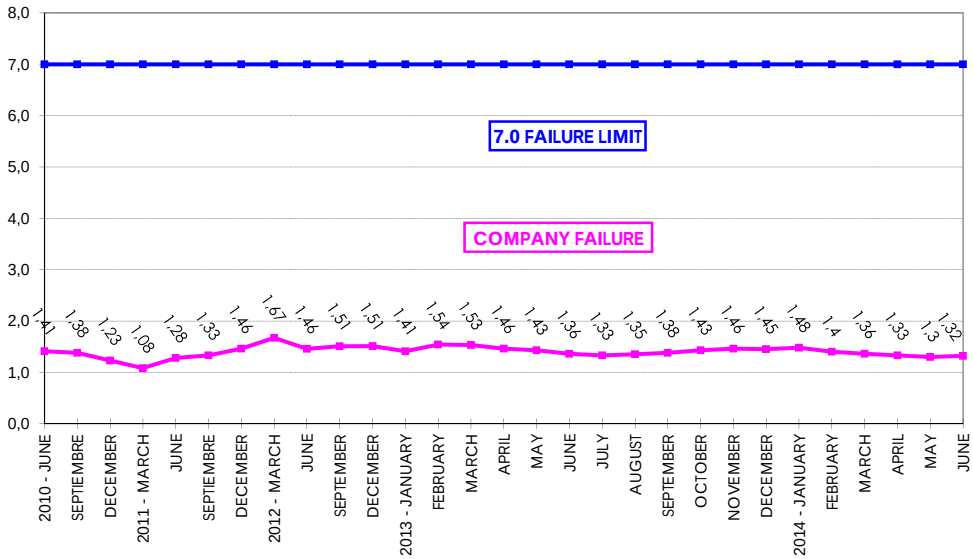
The rate of failures respresents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from June 2010.

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)

	Six-month period ended on June 30th,		Three-month period ended on June 30th,	
	2014	**2013**	**2014**	**2013**
Net Sales	623,7	323,3	339,8	191,7
Operating costs	(452,1)	(338,7)	(224,9)	(182,1)
Gross income / (loss)	171,6	(15,4)	114,8	9,6
Administrative expenses	(78,6)	(62,9)	(40,5)	(33,3)
Other gains / (expenses), net	(21,1)	(4,6)	(4,2)	(7,2)
Operating income / (loss)	71,9	(83,0)	70,1	(30,9)
Finance income	224,1	112,5	115,8	70,1
Finance costs	(55,3)	(38,7)	(28,3)	(16,8)
Other finance results	(218,7)	(56,8)	(17,7)	(32,6)
Profit / (loss) before taxes	22,0	(66,0)	139,9	(10,2)
Income tax	(23,8)	23,1	(49,0)	3,8
(Loss) / profit for the period	(1,8)	(42,9)	91,0	(6,3)
(Loss) / profit attributable to :				
Owners of the parent	(4,0)	(44,5)	88,8	(8,8)
Non-controlling interests	2,2	1,6	2,1	2,5
Total for the period	(1,8)	(42,9)	91,0	(6,3)
Other consolidated comprehensive results				
(Loss) / profit for the period	(1,8)	(42,9)	91,0	(6,3)
Other comprehensive results	0,0	0,0	0,0	0,0
Total comprehensive (loss) / profit for the period	(1,8)	(42,9)	91,0	(6,3)
Total comprehensive (loss) / profit attributable to :				
Owners of the parent	(4,0)	(44,5)	88,8	(8,8)
Non-controlling interests	2,2	1,6	2,1	2,5
Total for the period	(1,8)	(42,9)	91,0	(6,3)

5.2 Consolidated Balance Sheets (AR$mm)

	30.06.2014	31.12.2013
ASSETS		
Non-current assets		
Property, plant and equipment	1.387,2	1.301,7
Other receivables	34,1	50,1
Total Non-current assets	1.421,3	1.351,8
Current assets		
Trade accounts receivable	355,0	386,4
Other receivables	36,6	73,4
Cash and cash equivalents	279,9	73,6
Total Current assets	671,5	533,5
TOTAL ASSETS	2.092,8	1.885,3
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	(394,5)	(390,5)
Equity attributable to owners of the parent	477,8	481,8
Non-controlling interests	30,1	27,9
TOTAL EQUITY	507,9	509,7
LIABILITIES		
Non-current liabilities		
Bonds and other indebtedness	1.015,0	812,5
Deferred tax payable	69,7	61,9
Employee benefits payable	120,4	107,6
Trade accounts payable	4,1	4,3
Total Non-current liabilities	1.209,2	986,3
Current liabilities		
Provisions	58,4	50,1
Other liabilities	2,5	2,4
Bonds and other indebtedness	139,7	112,6
Taxes payable	37,6	46,9
Payroll and social securities taxes payable	70,9	99,9
Trade accounts payable	66,6	77,4
Total Current liabilities	375,7	389,3
TOTAL LIABILITIES	1.584,9	1.375,6
TOTAL LIABILITIES AND EQUITY	2.092,8	1.885,3

6. Analysis of results for six-month period ended on June 30th, 2014 compared to the same period of 2013

Net sales

Consolidated net sales for the six-month period ended on June 30th, 2014 resulted in AR$ 623,7 million, 92,9% higher than the AR$ 323,3 million for the same period of 2013.

Consolidated electricity transmission revenue for the six-month period ended on June 30th, 2014, amounted to AR$ 496,7 million, 110,8% higher than the AR$ 235,7 million for the same period of 2013, mainly due to an increase of AR$ 265,5 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 six-month period ended on June 30th, 2014 amounted to AR$ 7,4 million, 23,7% higher than the AR$ 6,0 million for the same period of 2013, mainly due to the canon retroactive adjustment as of August 2013, according to Resolution ENRE No. 079/14.

Consolidated net other revenue for the six-month period ended on June 30th, 2014 amounted to AR$ 119,6 million, 46,5% higher than the AR$ 81,6 million for the same period of 2013, mainly due to an increase of AR$ 24,6 million in the income from the works entrusted to Transener through Resolution SE 01/2003 and an increase of AR$ 7,2 million in the Transba's net other revenue.

Operating costs and administrative expenses

Consolidated operating costs and administrative expenses for the six-month period ended on June 30th, 2014 amounted to AR$ 530,7 million, 32,1% higher than the AR$ 401,6 million for the same period of 2013, principally due to an increase of (i) AR$ 56,3 million in salaries and social security charges, (ii) AR$ 26,4 million in work for third-party materials as a result of the works entrusted to Transener through Resolution SE 01/2003 above mentioned and (iii) AR$ 8,4 million in fees for operating services.

Other gains / expenses, net

Consolidated other gains / expenses, net for the six-month period ended on June 30th, 2014 amounted to a loss of AR$ 21,1 million, compared to a loss of AR$ 4,6 million for the same period of 2013, mainly due to the registration of an allowance for doubtful debts in respect of Minimum Notional Income Tax Credit of AR$ 10,8 million and an increase of AR$ 4,0 million in tax charge on bank debits and credits.

Finance results

Consolidated finance income for the six-month period ended on June 30th, 2014 amounted to AR$ 224,1 million, 99,3% higher than the AR$ 112,5 million for the same period of 2013, mainly due to an increase of (i) AR$ 76,6 million in the higher recognition of interest from the Renewal Agreement entered into with the SE and the ENRE and (ii) AR$ 28,6 million in finance income from the Fourth Line mainly due to the canon adjustment retroactive to August 2013 according to Resolution ENRE 079/14.

Consolidated finance costs for the six-month period ended on June 30th, 2014 amounted to AR$ 55,3 million, 43,1% higher than the AR$ 38,7 million for the same period of 2013, mainly originated by the effect of the increase in the exchange rate on the interest generated by financial debts denominated in U.S. dollars.

Consolidated other finance results for the six-month period ended on June 30th, 2014 amounted to a loss of AR$ 218,7 million, 284,8% higher than the AR$ 56,8 million for the same period of 2013, mainly due to an increase of AR$ 146,6 million in the exchange loss net, mainly originated by the effect of the increase in the exchange rate on the financial debts denominated in U.S. dollars.

Income tax

Consolidated income tax charges for the six-month period ended on June 30th, 2014 resulted in a loss of AR$ 23,8 million, in comparison with a profit of AR$ 23,1 million for the same period of 2013 due to a higher loss of AR$ 35,2 million in the deferred tax charge and the increase in the income tax payable of AR$ 11,7 million registered by Transba.