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TRANSENER S.A. REPORTS FIRST QUARTER YEAR 2008 RESULTS

Buenos Aires – May 9, 2008 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net loss of Pesos 3.6 million (Pesos 0.008 per share) for the three-month period ended March 31, 2008.

Consolidated net sales for the three-month period ended March 31, 2008 amounted to Pesos 110.3 million, 11.1% lower than the Pesos 124.1 million for the same period last year, principally due to a decrease of Pesos 16.3 million in other sales, mainly generated by a decrease of Pesos 12.7 million from the works committed to the Company through Resolutions ENRE Nº 308/01, 616/03, 481/05 and 935/05, respectively and a decrease of Pesos 1.7 million from the non-regulated activities generated by its subsidiary Transener Internacional Ltda.

Consolidated operating and administrative costs amounted to Pesos 94.1 million for the three-month period ended March 31, 2008, compared to the Pesos 94.6 million for the same period last year, as a result of a decrease of Pesos 13.3 million in works for third parties mainly due to the lower level of non-regulated activities net of an increase in the remaining operating and administrative costs, principally in salaries and social security charges (Pesos 4.0 million), depreciation (Pesos 2.3 million) and provisions (Pesos 3.6 million).

Consolidated other income and expenses for the three-month period ended March 31, 2008 resulted in a net profit of Pesos 4.1 million, in comparison with a net profit of Pesos 0.4 million for the same period last year, principally due to the collection of the compensation payment for the anticipated termination of the contracts with the companies Transmisora Sudeste Nordeste Sudeste – TSN and Novatrans Energia, and the sale of certain fixed assets substantially related to the contract, generating a net income equivalent to Pesos 3.7 million.

Consolidated financial results for the three-month period ended March 31, 2008 resulted in a net loss of Pesos 19.3 million, in comparison with a net loss of Pesos 27.6 million for the same period last year, mainly due to a decrease in the losses generated

by the net exchange results of Pesos 4.9 million and by the net interest expense and related taxes of Pesos 2.2 million.

Income tax charges for the three-month period ended March 31, 2008 amounted to a loss of Pesos 4.9 million, similar to a loss of Pesos 4.5 million for the same period last year.

Financial situation

After the refinancing process concluded in December 2006, Transener repurchased the amount of US$ 0.652 million of outstanding principal financial debt of its Cash Tender Offer corresponding to the Par Notes issued as a result of the restructuring of its financial debt concluded in June 2005.

On June 8, 2007, the Company put the funds at the Trustee's disposal in order to make the corresponding pending payments of principal and interest of the outstanding Notes due 2008 issued on April 13, 1998, for an amount of US$1.7 million, within the due dates foreseen in the terms and conditions of such notes. This process was completed with the payments of capital which were due on April 1 2008.

As a result of a negotiation with the Nordic Investment Bank of the loan agreement entered into on June 30, 2005, with due date December 2016, an amendment to the original contract has been entered into, through which all the covenants and events of default have been substantially removed. In addition to that and as part of the before mentioned negotiation, an amount of US$ 0.9 million of principal debt has been paid.

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 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 March 31, 2008 amounts to US$ 236.9 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 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 December 31 2007, the recognition of higher costs for the years 2005, 2006 and 2007 would represent a higher year-based tariff of Pesos 36.2 million for Transener and of Pesos 16.3 million for Transba. These figures do not include neither retroactive payments nor higher costs on capital expenditure.

Finally, 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 and which must be transferred with a retroactive effect. Up to now the Company did not receive an answer form the ENRE in relation with its presentations.

Fire in the Ezeiza substation

On May 17, 2007, Transener's Ezeiza substation, one of the most important substations of the High Voltage Transmission System, suffered a fire originated at one of the three transformer banks of 800 MVA each. Due to this accident, the three 800 MVA transformer banks, the synchronic compensators related to each of them and two 500 kV transmission lines Ezeiza - Henderson went out of service. Once the fire was extinguished, it was verified that the affected transformer bank had suffered irreparable damage, which led to the loss of 800 MVA in the transformation capacity for the abovementioned substation. The rest of the equipment was restored in service a few days after the fire.

As from that moment, Transener has fulfilled the necessary actions in order to recover the lost transformation capacity as a result of the fire, initially by installing provisional transformation resources and afterwards by replacing the installations to their original situation.

For such purpose, Transener acquired, installed and put into service a new 800 MVA transformer bank, which became operational since March 23, in advance to the originally programmed date. As of this fact, the Ezeiza substation is operating normally.

On the other hand, due to the fact that the service quality regime stated in the Concession Contract establishes the application of penalties for the non-availabilities of the equipment affected by the fire, the Company set up a provision of approximately Pesos 14 million.

Likewise, Transener goes on complying with the procedures in order to collect the insurance. As of March 31, 2008, the Company has collected two advance payments for a total amount of $ 16.3 million. The final amount is expected to be determined before June 30, 2008.

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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 designed 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 corresponding to the Federal Plan of 500 kV Electric Energy Transmission 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	
Federal Plan of 500 kV Electric Energy Transmission		
Under construction:		
Puerto Madryn - Santa Cruz Norte HVL	**508,9**	**12,0**
Rincón Sta. María - Rodríguez HVL	**1.510,2**	**47,8**
Recreo - La Rioja HVL	**168,8**	**5,4**
La Rioja Sur Substation	**24,0**	**0,7**
Under bidding awarding process:		
NOA - NEA HVL	**1.800,0**	**54,0**
Comahue - Cuyo HVL	**1.000,0**	**30,0**
TOTAL	**5.011,9**	**149,9**

- **Other expansion works**

  Nowadays the new Coronda and Belgrano substations are under construction, which will link the new San Martín and Belgrano thermal power plants respectively, aside from other minor works.

  Due to the works currently under construction, Transener has to collect the remuneration for the supervision of approximately Pesos 8.3 million and once the substation is put into service Transener will collect the regulated revenue for the operation and maintenance.

International activities

- **Brazil**

  During the first quarter of 2008, Transener Internacional Ltda. terminated its rendering of the services contracts with the companies Transmisora Sudeste Nordeste Sudeste – TSN and Novatrans Energia, giving place to the collection of a compensation payment for the anticipated termination, and the sale of certain fixed assets substantially related to the contract, generating a net income equivalent to Pesos 3.7 million.

  Likewise, on March 31, 2008 the contracts for the rendering of the services entered into with the companies Expansion Transmissao de Energia, Expansion Transmissao de Energia Itumbiara – Marimbondo, ITE – Itumbiara Transmisora de Energia Ltda. y PPTE – Porto Primavera Transmisora de Energia were terminated.

  On the other hand, services of operation and maintenance continue to be rendered to the Abengoa's Group in the State of Sao Paulo with possibilities of extending them in this and other States.

  During this period, Transener Internacional Ltda. entered into a contract with CTEEP - Companhia de Transmissao de Energia Eléctrica Paulista for the rendering of services in different substations, for the period January – November 2008 and a contract for the rendering of technical support services with the company Transmisora Sudeste Nordeste Sudeste – TSN for the period February 2008 – February 2009.

In addition, a contract is about to be entered into with CTEEP - Companhia de Transmissao de Energia Elétrica Paulista for the services of civil work and electromechanical assembly of high voltage lines of its property, for the period May – November 2008.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	March 31, 2008	December 31, 2007
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	13.210	10.159
Investments	57.505	62.267
Trade receivables	96.034	96.936
Other receivables	20.321	27.661
Total Current Assets	187.070	197.023
NON-CURRENT ASSETS		
Investments	1.136	0
Property, plant and equipment, net	1.526.039	1.503.126
Other receivables	56.957	54.689
Other assets	305.600	316.966
Total Non-Current Assets	1.889.732	1.874.781
TOTAL ASSETS	**2.076.802**	**2.071.804**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	39.198	41.751
Bonds and other indebtedness	22.026	5.351
Payroll payable	13.474	19.534
Taxes payable	10.147	14.061
Provisions	35.940	36.514
Total Current Liabilities	120.785	117.211
NON-CURRENT LIABILITIES		
Vendor notes payable	86.027	89.053
Bonds and other indebtedness	735.054	730.111
Payroll payable	2.365	1.171
Taxes payable	8.646	6.505
Total Non-Current Liabilities	832.092	826.840
TOTAL LIABILITIES	**952.877**	**944.051**
MINORITY INTEREST IN SUBSIDIARY	**49.197**	**49.381**
SHAREHOLDERS' EQUITY	**1.074.728**	**1.078.372**
TOTAL	**2.076.802**	**2.071.804**

Consolidated Income Statement

	Three months ended	
	March 31, 2008	March 31, 2007
	(in thousands of Argentine Pesos)	
Net sales	110.349	124.135
Operating costs	(81.485)	(83.372)
Gross profit	**28.864**	**40.763**
Administrative expenses	(12.585)	(11.210)
Operating profit	**16.279**	**29.553**
Operating profit per share	***0,037***	***0,066***
Other income and expenses	**4.058**	**440**
Financial results		
Generated by assets		
Interest income	2.377	1.934
Income from measurement of other receivables at present value	567	0
Foreign exchange income	1.118	149
Traslation result foreign investment	338	679
Generated by liabilities		
Interest expense and related taxes	(18.068)	(19.828)
Foreign exchange loss	(5.080)	(9.032)
Loss from measurement of liabilities at present value	(551)	(1.519)
Total financial results	**(19.299)**	**(27.617)**
Minority Interest in Subsidiaries	**184**	**(68)**
Income before taxes	**1.222**	**2.308**
Income tax	(4.865)	(4.520)
Net Loss	**(3.643)**	**(2.212)**
Net Loss per share	***(0,008)***	***(0,005)***

Other Data

	Three months ended	
	March 31, 2008	March 31, 2007
	(in thousands of Argentine Pesos)	
Depreciation and amortization	28.468	26.188
EBITDA	44.747	55.741
Capital expenditure	42.120	9.714