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TRANSENER S.A. REPORTS SECOND QUARTER YEAR 2010 RESULTS

Buenos Aires – August 9, 2010 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net loss of Pesos 29.4 million (Pesos 0.066 per share) for the six-month period ended June 30, 2010.

Consolidated net sales for the six-month period ended June 30, 2010 resulted in Pesos 269.0 million, 11.3% lower than the Pesos 303.2 million for the same period last year, principally due to a decrease of Pesos 10.9 million in electricity transmission revenue, net and a decrease of Pesos 23.7 million in other net revenues.

The decrease in electricity transmission revenue, net, was originated mainly by the penalties determined by the ENRE in relation with the fire of a transformer bank of 800 MVA in the Ezeiza Substation occurred in May 2007, for an amount of Pesos 7.3 million.

The decrease in other net revenues was originated mainly by a decrease of Pesos 42.7 million in construction and installation works, mainly due to the completion of (i) the installation of the reactors in Bahía Blanca and Chocón substations and (ii) the works related to the acquisition of a new transformer in Recreo Substation, partially offset by an increase of (i) Pesos 14.5 million from supervision services and (ii) Pesos 6.6 million from the non-regulated activities generated by its subsidiaries Transba and Transener Internacional Ltda.

Consolidated operating and administrative costs for the six-month period ended June 30, 2010 amounted to Pesos 252.4 million, 6.1% lower than the Pesos 268.9 million for the same period last year, mainly due to a decrease of Pesos 23.0 million in the operating expenses and an increase of Pesos 6.5 million in the administrative expenses.

The decrease of Pesos 23.0 million in operating expenses was mainly as a consequence of the decrease of Pesos 45.8 million in Materials for works for third parties due to the lower level of non-regulated activities, partially offset by the increase of Pesos 19.8 million in Salaries and social security charges, principally due to the wage rises set forth during the period.

The increase of Pesos 6.5 million in administrative expenses was mainly as a consequence of the increase of Pesos 3.4 million in Salaries and social security charges and Pesos 2.5 million in Insurance.

Consolidated other income and expenses for the six-month period ended June 30, 2010 resulted in a net profit of Pesos 3.3 million, similar to Pesos 3.4 million for same period last year.

Consolidated financial results for the six-month period ended June 30, 2010 resulted in a net loss of Pesos 46.3 million, in comparison with a net profit of Pesos 24.3 million for the same period last year, mainly due to a decrease of (i) Pesos 112.7 million in the profit originated in the repurchase of notes and (ii) Pesos 7,1 million in interests generated by assets, partially offset by (i) a decrease of Pesos 51.4 million in the Exchange difference losses generated by liabilities.

Income tax charges for the six-month period ended June 30, 2010 resulted in a loss of Pesos 3.2 million, in comparison with a loss of Pesos 10.9 million for the same period last year, mainly originated by (i) the decrease of Pesos 12.9 million in the income tax payable, principally originated by the lower Transba's taxable profit during the period, partially offset by (ii) a higher increase of Pesos 5.2 million in the deferred tax liabilities.

Financial situation

During the six-month period ended June 30, 2010, Transener repurchased Series 1 Notes for a nominal value of US$ 11.0 million (of which US$ 2.9 million were purchased to Transba) and it has cancelled notes for a nominal value of US$ 20.2 million.

According to what has been approved by the Transba's Shareholders' Ordinary Meeting held on April 7, 2010, on May 5, 2010 Transba`s paid dividends to Transener in Series 1 Notes for a total nominal value of US$ 5.7 million.

As of June 30, 2010, Transener and Transba hold notes of the mentioned Series 1 for a total nominal value of US$ 18.9 million and US$ 4.1 million, respectively.

On July 5, 2010 Transener published the update of the Information Memorandum, which includes the financial statements as of March 31, 2010, related to the global program for the issuance of simple notes, non-convertible into shares, denominated in pesos or in any other currency, with ordinary, special, floating and/or any other guarantee, subordinated or not, for a maximum amount, which in any moment, can not exceed Pesos 200 million or its equivalent in other currencies, which has been authorized for public offering in accordance with Resolution No. 16,244 of December 17, 2009 issued by the CNV.

S&P kept the local rating in "raBBB+" stable and the global rating in "B-" stable for foreign currency and in "B-" stable for local currency.

Consolidated outstanding principal debt of the Company as of June 30, 2010 amounted to US$ 150.3 million, without having substantial refinancing needs until year 2013.

Tariff situation and regulatory aspects

The Emergency Law No. 25,561 has imposed the obligation to renegotiate the concession agreements with the National Government to those companies that provide public services, such as Transener and Transba, while continuing to render the service. This situation has significantly affected the economic and financial situation of the Company and its controlled Company Transba S.A.

In May 2005, Transener and Transba entered into the Definitive 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, respectively.

According to the guidelines stated in the mentioned Definitive Agreements, the following was expected: i) a Full Tariff Review ("FTR") to be carried out before the ENRE, in order to determine a new tariff regime for Transener and Transba, which should have come into force during the months of February 2006 and May 2006, respectively; and ii) the recognition of the major operating costs incurred in the interim period up to the moment in which the tariff regime comes into force as a consequence of the mentioned FTR.

Specifically, due to the fact that the ENRE postponed the FTR process unilaterally, said entity kept valid the Resolution No. 423/2006 which extended -as from February 1, 2006 until the FTR process is concluded- the charges for connection, transmission capacity and energy transmission and other obligations stated in the Definitive Agreement for the contractual transition period. In the case of Transba, the ENRE kept valid the Resolution No. 424/2006.

This way, since 2006 Transener communicated the ENRE the need to regularize the fulfillment of the commitments settled in the Definitive Agreement, expressing the breach of commitments established in the Definitive Agreement on behalf of said regulatory authority, the serious situation arising from such breaches, and the availability to continue with the FTR process, as long as the remaining commitments assumed by the parties continue in force, and the new tariff regime arising from the FTR process is resolved. On the other hand, Transba submitted before the ENRE a similar request, adapted, with respect to the terms and investments to be made, to what it is stated in its Definitive Agreement.

On June 29, 2007, the ENRE formally requested Transener and Transba the presentation of its tariff pretensions according to what was stated in the respective Definitive Agreements and section 45 and subsequents of the Law No. 24,065. In 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.

In spite of that, the ENRE did not treat the tariff requirements asked by Transener and Transba within the framework of the FTR.

On the other hand, through Resolutions SE Nos. 869/08 and 870/08 dated July 30, 2008, the Secretariat of Energy extended the contractual transition period for Transener and Transba

respectively, until the tariff regime arising from the FTR is in force, setting this process for February 2009.

For this purpose, in December 2008, both companies submitted the information and the tariff pretensions requested by the ENRE through notes 83.199 and 83.200, in order to be treated and to define the new tariff regime previous to the Public Hearing.

However, as of June 30, 2010, the ENRE has not called for a Public Hearing yet, according to the instructions given by the Secretariat of Energy through Resolutions Nos. 869/08 and 870/08, according to which a new tariff regime had to be determined in February 2009. As a consequence of that, a new claim was submitted to the ENRE, to the Secretariat of Energy and to the UNIREN regarding the lack of determination of the new tariff regime. In October 2009, the respective presentations to justice were filed against the ENRE, stating the delay in calling for a public hearing and carrying out the FTR process. On April 27, 2010, a sentence was passed according to which said presentations were sustained and the ENRE was compelled to pronounce on them within 20 administrative working days.

On the other hand, due to the increase in labor costs resulting from the application of Executive Decree No. 392/04 and subsequents, and the major operating costs incurred from 2004 until now, Transener and Transba, every quarter proved the costs variations which effectively have occurred during the period, filing the respective claims before the ENRE, in order to readjust the Company's regulated remuneration according to the clauses established in the Definitive Agreements for such purpose. In that way, Transener and Transba, required the ENRE to proceed to pronounce the administrative acts for the recognition in the tariff of the cost increases occurred after the Definitive Agreement has been entered into.

It must be pointed out that the UNIREN has stated that the mechanism of monitoring of costs and regime of service quality had been foreseen up to the enforcement of Transener and Transba's FTR, 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.

In that sense, through letter SE No. 897 dated July 29, 2008, the Secretary of Energy instructed the ENRE to apply what has been agreed in clauses 4.2, 4.3 and 11.1 of the Definitive Agreements, although in a partial way, by issuing Resolution ENRE N° 328/08 and 327/08 adequating Transener and Transba's tariffs in approximately 23% and 28% respectively, coming into force as from July 1° 2008.

This situation configured a double non-fulfillment of what was provided for in the Definitive Agreement. In the first place, because the adjustment was not applied as from the beginning of each six month period. In second place, because it must be added that the percentage of the adjustment arranged did not reflect the actual costs variations occurred between December 2004 and that date.

Therefore, several prompt answers were requested to the ENRE, for this authority to determine the adjustment of the tariffs being perceived by the Companies according to the basis of the costs variations occurred as of June 30 2010, in its exact magnitude and incidence. Up to now, the Companies have not had an answer on behalf of the regulatory authorities, thus foreseeing to continue with its judicial claims.

According to this scenario, Transener ratified the position of its Board of Directors and Shareholders, in relation to continuing with all the administrative and/or legal actions oriented towards to make the authorities to take a decision about issues pending for resolution in relation with the tariff.

On the other hand, regarding the financing agreement entered into with CAMMESA for an amount up to Pesos 107.7 million for Transener and Pesos 42.7 million for Transba, as of June 30, 2010 the Company received disbursements for a total amount of Pesos 70.6 million, representing 49% of the certified payments.

RECENT DEVELOPMENTS

Local activities

- **500 kV Transmission Federal Plan**

  The Federal Plan has been set forth by the Secretariat of Energy 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 perceive revenues for such services.

  Here follows the estimated construction costs for the works in progress and the estimated revenues that Transener will collect in concept of supervision of the construction:

Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	Millions of pesos		%
In progress:			
NEA – NOA HVL	2,600	78.0	85%
Comahue – Cuyo HVL	1,300	39.0	50%

- **Expansion Works**

  The Secretariat of Energy has issued several procedures for the execution of interprovincial expansions and its 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.

Works	Estimated costs of construction	Estimated income for supervision	Status
	Millions of pesos		
INTERCONECTION PICO TRUNCADO – ESPERANZA - RIO TURBIO - RIO GALLEGOS	2,021	60.6	The contracts for the interconnection works were entered into in July 2010.
ARROYO CABRAL SUBSTATION (New substation)	155	4.6	The civil work and the electromechanical assembly of the new EPEC subtation (Empresa Provincial de Energía de Córdoba) were awarded to the company INTESAR. The preliminary works will begin during the next weeks.
ATUCHA II SUBSTATION (New substation)	130	3.9	The civil work and the electromechanical assembly continue in progress. The substation is expected to be finished in February of next year.
EZEIZA 500 kV SUBSTATION (New transforming field)	16.4	0.9	The working site has been installed and the works will commence during the next weeks.
NEUTRAL REACTORS (Change of equipment in Substation)	2.1	0.1	ABB, which was awarded with the expansion, is building the neutral reactors in Brazil. They will be installed in the Choele Choel, Bahía Blanca and Olavarría substations.
BRACHO 132kV Substation expansion (132kV Outlet field)	1.8	0.1	The DEPSE (Dirección de Energía de la Provincia de Santiago del Estero) is about to complete the works in the field 19 of the Transener´s El Bracho substation. They are expected to be completed during the next weeks.
LUJAN 132kV Substation expansion (132kV Outlet field)	5.6	0.2	The contractor has already begun with the work. It consists of a new 132 kV field, to feed the 132 kV Candelaria substation.
HENDERSON 500kV Substation expansion (New transforming field)	8.9	0.5	The expansion works, which were awarded to Leveltec S.A. (Contractor), are going to commence during the next weeks. The new transformer is already under construction.

International activities

- Brazil

  Transener Internacional offers all kind of services in relation to the high voltage electric power transmission, competing with local and international companies. Nowadays, it continues to carry out the following works:

  - Tests and put into service of a 500 kV high voltage line, 400 km. Customer IRACEMA.
  - Tests and put into service of a 500 kV high voltage line, 700 km. Customer IENNE
  - Expansion of TIJUCO PRETO 345 kV substation. Customer FURNAS
  - Repowering of high voltage line from 88 kV to 138 kV. Customer ELECTROPAULO.
  - Tests and put into service of the Araras 230 kV substation. Customer CYMI-PINHEIROS
  - The works for the expansion of the JI Parana and Villena substations have started, and also the one of the Imperatriz substation, all of them in 138 kV. Customer ELECTRONORTE-SIEMENS

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	June 30, 2010	December 31, 2009
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	53.850	10.524
Investments	2.920	51.824
Trade receivables	116.731	97.827
Other receivables	22.855	26.872
Total Current Assets	196.356	187.047
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.519.382	1.532.924
Other receivables	67.689	65.853
Other assets	203.305	226.037
Total Non-Current Assets	1.790.376	1.824.814
TOTAL ASSETS	**1.986.732**	**2.011.861**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	34.365	35.345
Bonds and other indebtedness	77.489	51.737
Payroll payable	27.487	34.966
Taxes payable	17.283	36.442
Provisions	51.299	53.932
Other liabilities	6.625	6.625
Total Current Liabilities	214.548	219.047
NON-CURRENT LIABILITIES		
Vendor notes payable	58.090	64.141
Bonds and other indebtedness	529.793	548.281
Payroll payable	15.435	12.766
Taxes payable	21.512	22.320
Other liabilities	75.016	41.065
Total Non-Current Liabilities	699.846	688.573
TOTAL LIABILITIES	**914.394**	**907.620**
MINORITY INTEREST IN SUBSIDIARIES	**42.468**	**44.966**
SHAREHOLDERS' EQUITY	**1.029.870**	**1.059.275**
TOTAL	**1.986.732**	**2.011.861**

Consolidated Income Statement

	Six-month period ended June 30,	
	2010	2009
	(in thousands of Argentine Pesos)	
Net sales	268.952	303.162
Operating costs	(211.621)	(234.619)
Gross profit	**57.331**	**68.543**
Administrative expenses	(40.814)	(34.269)
Operating profit	**16.517**	**34.274**
Operating profit per share	***0,037***	***0,077***
Other income and expenses	**3.284**	**3.403**
Financial results		
Generated by assets		
Interest income	3.010	10.062
Income from measurement of other receivables at present value	102	1.549
Foreign exchange income	5.751	4.299
Traslation result foreign investment	3	2.889
Generated by liabilities		
Interest expense and related taxes	(36.271)	(37.445)
Foreign exchange loss	(21.181)	(72.551)
Repurchase of notes result	3.206	115.919
Loss from measurement of liabilities at present value	(952)	(448)
Total financial results	**(46.332)**	**24.274**
Minority Interest in Subsidiaries	**304**	**(2.559)**
Income before taxes	**(26.227)**	**59.392**
Income tax	(3.178)	(10.855)
Net (Loss) / Income	**(29.405)**	**48.537**
Net (Loss) / Income per share	***(0,066)***	***0,109***

Other Data

	Six-month period ended June 30,	
	2010	2009
	(in thousands of Argentine Pesos)	
Depreciation and amortization	61.940	61.111
EBITDA	78.457	95.385
Capital expenditure	26.605	29.961