


Buenos Aires, May 8th, 2019

Results for three-month period ended on March 31st, 2019

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. (“Transener” or the “Company”) announces the results for three-month period ended on March 31st, 2019

Stock Information

 Bolsa de Comercio
de Buenos Aires
Ticker: TRAN

For further information, contact:

José S. Refort
Chief Financial Officer

Andrés G. Colombo
Accounting and Tax Manager
(Andres.Colombo@transener.com.ar)

Marcelo A. Fell
Financial Manager
(Marcelo.Fell@transener.com.ar)

investor@transener.com.ar

Tel: (5411) 5167-9301
www.transener.com.ar
www.transba.com.ar

Transener, Argentina’s leading electricity transmission company, announces results for three-month period ended on March 31st, 2019.

Main results for three-month period ended March 31st, 2019, restated in constant currency at March 31st, 2019¹

Consolidated net revenues of AR\$ 2.671,9 million, 8,4% lower than the AR\$ 2.916,4 million for same period last year.

Consolidated EBITDA² of AR\$ 1.706,0 million, 8,5% lower than the AR\$ 1.863,9 million for same period last year, mainly due to a decrease of AR\$ 202,3 million in the operating profit.

Consolidated net profit attributable to the owner of the parent of AR\$ 759,6 million, 21,6% lower than the profit of AR\$ 968,9 million for same period last year, due to a lower operating profit of AR\$ 202,3 million and a higher loss in income tax of AR\$ 43,3 million in the income tax charge, partially offset by a lower loss in financial results of AR\$ 40,7 million.

1. Financial Situation

As of March 31st, 2019, consolidated outstanding principal debt amounted to US\$ 98,5 million, corresponding exclusively to the Class 2 Notes. These Notes accrue an annual interest rate of 9,75% and will mature on August 15th, 2021. Since these notes fully amortize in August 2021, there is no additional financial debt due until that date.

Regarding Transener’s qualifications, during the three-month period ended on March 31st, 2019 S&P maintained the local qualification in “raAA-” and the global qualification for local and foreign currency in “B”, in both cases with a stable outlook.

2. Tariff Situation

During the year 2018, as established in the FTR, the ENRE applied the tariff adjustment mechanism every six months, according to the corresponding formula, which depends on Wholesale Price, Consumer Price and Salaries indexes, as long as the compliance with the “Trigger Clause”.

With respect to Transener, on February 19th, 2018, the ENRE issued Res. No. 37/18, which was rectified by Res. ENRE No. 99/18 of April 5th, 2018. This last resolution adjusted Transener revenues in 24.15% for the period December 2016 - December 2017, to be applied to the remuneration schedule as of February 2018.

¹Expressed in constant currency, in accordance with IAS 29.

²Consolidated EBITDA represents consolidated operating results before depreciations.

With respect to Transba, on February 19th, 2018, the ENRE issued Res. No. 38/18, which was rectified by Res. ENRE No. 100/18 of April 5th, 2018. This last resolution adjusted Transba revenues in 23.39% for the period December 2016 - December 2017, to be applied to the remuneration schedule as of February 2018.

Subsequently, on November 16th, 2018, the ENRE issued Resolutions No. 280/18 and 281/18, with the adjustment of the remuneration of Transener and Transba in 42,55% and 43,25%, respectively for the period December 2016 - June 2018, to be applied to the remuneration schedule as of August 2018. This adjustment was settled by CAMMESA in December 2018 with retroactivity as of August 1st, 2018. Since CAMMESA did not recognize the interest for August 2018 and September 2018, the Company presented a claim to the ENRE and CAMMESA in order to receive the corresponding interest.

On March 22nd, 2019, the ENRE issued Resolutions No. 67/19 and 68/19, with the adjustment of the remuneration of Transener and Transba in 78,81% and 81,66%, respectively for the period December 2016 - December 2018, to be applied to the remuneration schedule as of February 2019.

On the other hand, on July 3rd, 2018, the ENRE informed that it has begun the procedure to determine the remuneration of the Independent Transmitters under the operation and maintenance period: TIBA (Transba), Fourth Line (Transener), YACYLEC and LITSA. Regarding this, on October 8th, 2018, the costs, investments and tariff pretension corresponding to Fourth Line and TIBA were presented to the ENRE.

3. Relevant events

On April 25th, 2019, the Ordinary General Shareholders' Meeting of the Company approved the distribution of dividends for the amount of AR\$ 3,300 million, delegating to the Board the implementation of the payment to the shareholders within the terms of the regulations in force.

4. Operating information

The Company continues to carry out the execution of the investment plan, maintaining as of March 31st, 2019 commitments for the acquisition of capital expenditures for an amount of approximately AR\$ 1.275 million.

Transener, as the concessionaire of the extra high voltage electric power transmission network, is in charge of the supervision of the expansions of the network.

Here follows the most significant works in progress under Transener's supervision:

- **Federal Plan for Transmission Works**

- Rincón Santa María - Resistencia Substations interconnection**

- Construction of the 500kV EHV between Rincón Santa María and Resistencia Substations (275 km) and two substations expansion.

- Bahía Blanca - Vivoratá Substations interconnection**

- Construction of the 500kV EHV between Bahía Blanca and Vivoratá Substations (437 km). New 500/132kV Substation at Vivoratá (2x450MVA) and expansion of the Bahía Blanca Substation.

- Expansion of La Rioja Sur Substation**

- Connection of a 500/132kV-300MVA back-up transformer in 500kV and 132kV, to operate in parallel with the existing transformer. It includes the installation of a complete 500kV field and six 132kV outputs.

- Nueva San Juan - Rodeo Substations interconnection**

- Construction and assembly of approximately 162 kms of a 500kV EHV, its connection to a new field in 132kV in the New San Juan Substation and the construction of a 132kV field in the Rodeo Substation.

- **Works under the SE Resolutions N° 1/2003 and 821/2006**

Macachín Substation

Installation and commissioning of a new 500/132kV-300MVA transformer.

Almafuerte Substation

Acquisition of a new 500/132kV-300MVA transformer.

New 25 de Mayo Substation

Civil works and electromechanical assembly of the new 500/132kV substation.

Paso de la Patria Substation

Civil works and electromechanical assembly for the back-up transformer connection.

Ezeiza Substation

Acquisition of a capacitors bank.

Campana - Colonia Elía 500kV EHV

Tower 412 relocation (crossing of the Paraná Guazú river).

Ramallo Substation

Incorporation of a 300MVA-220/132kV transformer.

Rodríguez Substation

Civil works and electro-mechanical assembly of a new 500 kV field for the connection of the 800 MVA-500/220 kV transformer bank - Edenor.

Fast connection works

Fast back-up phase connection for the following substations: Atucha, Puerto Madryn, Santa Cruz Norte and Esperanza.

- **Other works to be undertaken by the Wholesale Electricity Market (WEM) Agents**

Puerto Madryn Substation

Installation and commissioning of a new bank of 500/132kV-600MVA transformers with four 132kV outputs to the wind power parks Geneia and Loma Blanca I, II y III.

Gran Formosa Substation

Installation and commissioning of a new 500/132kV-300MVA transformer.

Santa Cruz Norte Substation

Installation and commissioning of a new bank of 500/132kV-3x50MVA transformers, for the wind power park Parque Eólico del Bicentenario.

La Rioja Sur Substation

Installation and commissioning of two fields of 132kV line output for the wind power park Parque Eólico Arauco.

Romang Substation

Final connection of the T2RM transformer to a new 132kV field.

A.H. Cóndor Cliff - La Barrancosa

Microwave communication system associated to the 500kV EHV and maneuver stations.

ET Ezeiza

Bypass between Abasto - Ezeiza EHV and Gral. Rodríguez - Ezeiza EHV.

Business Development

Given its position as a leader in electricity transmission, Transener is involved in the supply of operation and maintenance services, engineering, testing and commissioning of lines and substations for new works or for the enhancement of existing works in the 500kV system.

Transener maintains its main contracts with the following customers:

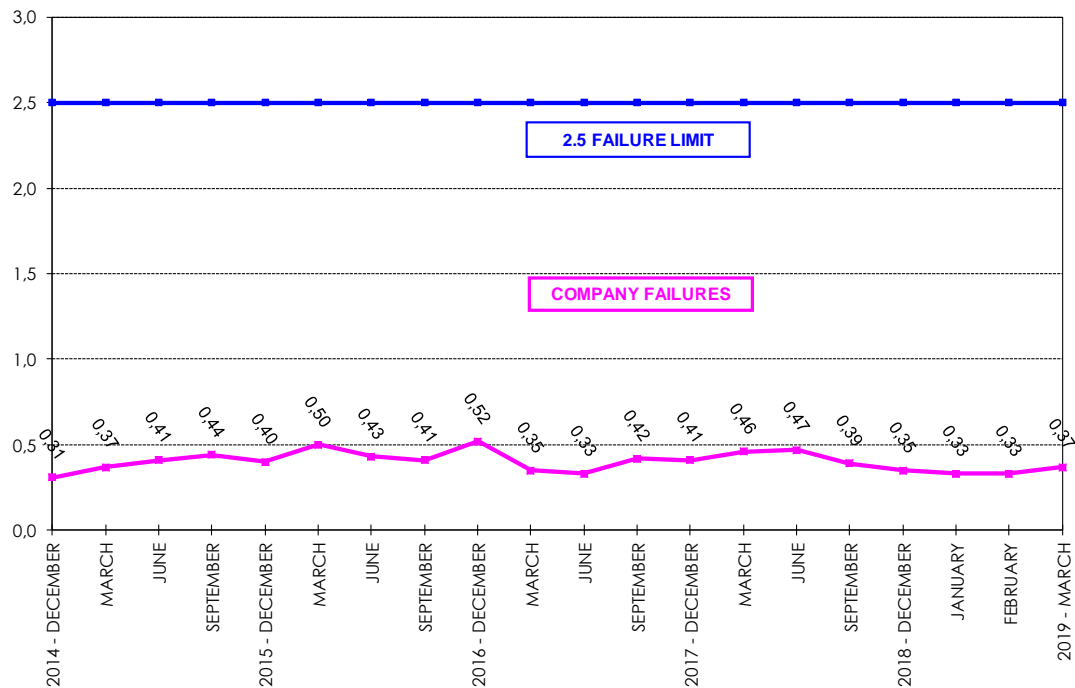
- Minera Alumbrera Ltd.
- Yacylec S.A.
- Transportadora del Norte S.A.
- Transportadora Cuyana S.A.
- AES Argentina Generación S.A.
- Nucleoeléctrica Argentina S.A.
- Transportel Minera II S.A.

Rate of failures

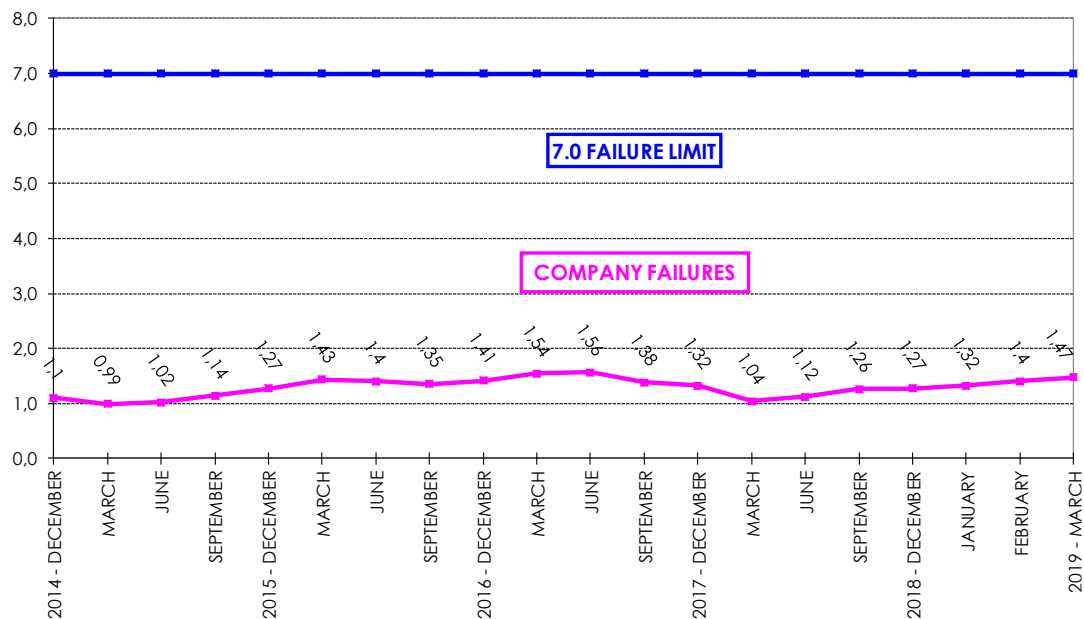
The rate of failures represents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from December 2014.

Transener and Transba Concession Agreements state a maximum rate of failures of 2,5 and 7,0 outages per 100 km over a 12-month period, respectively.

Transener



Transba



5. Significant Financial Information

5.1 Consolidated Statements of Operations (AR\$mm)

In AR\$ MM	Three-month period ended on March 31st,	
	2019	2018
Net Revenues	2.671,9	2.916,4
Operating expenses	(1.038,1)	(1.051,0)
Gross income	1.633,8	1.865,4
Administrative expenses	(127,9)	(138,7)
Other gains / (expenses), net	(2,8)	(21,3)
Operating income	1.503,1	1.705,4
Finance income	275,5	204,8
Finance costs	(166,3)	(96,0)
Other financial results	(126,2)	(166,6)
Income before taxes	1.486,0	1.647,6
Income tax	(684,5)	(641,2)
Income for the period	801,5	1.006,4
Income attributable to :		
Owners of the parent	759,6	968,9
Non-controlling interests	41,9	37,5
Total for the period	801,5	1.006,4
Other consolidated comprehensive results		
Income for the period	801,5	1.006,4
Other comprehensive results, net of tax	0,0	0,0
Total comprehensive income for the period	801,5	1.006,4
Total comprehensive attributable to :		
Owners of the parent	759,6	968,9
Non-controlling interests	41,9	37,5
Total for the period	801,5	1.006,4
EBITDA	1.706,0	1.863,9
Acquisition of property, plant and equipment	441,3	328,3
Depreciations	202,9	158,5

5.2 Consolidated Balance Sheets (AR\$mm)

	31.03.2019	31.12.2018
ASSETS		
Non-current assets		
Property, plant and equipment	13.792,7	13.554,7
Inventories	518,9	482,8
Other receivables	5,3	6,0
Total Non-current assets	14.317,0	14.043,4
Current assets		
Trade accounts receivable	2.210,1	1.872,4
Other receivables	535,8	1.008,1
Investments at fair value	1.474,8	1.875,6
Investments at amortized cost	23,5	295,7
Cash and cash equivalents	3.726,0	3.109,2
Total Current assets	7.970,2	8.160,9
TOTAL ASSETS	22.287,1	22.204,3
EQUITY		
Common stock	444,7	444,7
Inflation adjustment on common stock	6.456,7	6.456,7
Legal reserve	169,2	169,2
Voluntary reserve	105,1	105,1
Reserve for future dividends	1.444,4	1.444,4
Other comprehensive results	(320,7)	(320,7)
Retained earnings	4.831,3	4.071,7
Equity attributable to owners of the parent	13.130,6	12.371,0
Non-controlling interests	585,0	543,1
TOTAL EQUITY	13.715,6	12.914,1
LIABILITIES		
Non-current liabilities		
Bonds and other indebtedness	4.188,8	4.063,7
Deferred tax payable	1.775,2	1.559,3
Employee benefits payable	470,2	496,6
Trade accounts payable	0,2	0,4
Total Non-current liabilities	6.434,4	6.120,0
Current liabilities		
Provisions	85,3	93,6
Bonds and other indebtedness	50,9	155,2
Income tax payable	737,6	639,2
Taxes payable	149,6	181,9
Payroll and social securities taxes payable	427,3	686,3
Employee benefits payable	89,3	94,0
Trade accounts payable	597,2	1.320,2
Total Current liabilities	2.137,1	3.170,3
TOTAL LIABILITIES	8.571,6	9.290,3
TOTAL LIABILITIES AND EQUITY	22.287,1	22.204,3

5.3 Additional information (AR\$ millones)

In AR\$ MM, nominal values	Three-month period ended on March 31st,	
	2019	2018
Net Revenues	2.572,4	1.842,9
Operating and administrative expenses	(970,0)	(681,7)
Other gains / (expenses), net	(2,5)	(12,9)
Operating income	1.599,8	1.148,2
EBITDA	1.638,6	1.179,7
Acquisition of property, plant and equipment	422,2	205,1
Depreciations	38,8	31,5

6. Analysis of results for three-month period ended on March 31st, 2019 compared to same period last year

Net revenues

Consolidated net revenues for three-month period ended on March 31st, 2019 resulted in AR\$ 2.671,9 million, 8,4% lower than the AR\$ 2.916,4 million for same period last year.

Consolidated net regulated revenues for three-month period ended on March 31st, 2019 amounted to AR\$ 2.362,0 million, 7,8% lower than the AR\$ 2.562,4 million for same period last year, principally due to the fact that the semiannual tariff adjustments in the revenues for electricity transmission received by the Company do not compensate the effects of inflation.

Consolidated net non-regulated revenues for three-month period ended on March 31st, 2019 amounted to AR\$ 310,0 million, 12,4% lower than the AR\$ 353,9 million for same period last year, mainly due to the fact that the semiannual tariff adjustments in the revenues for the operation and maintenance of the Fourth Line and TIBA received by the Company do not compensate the effects of inflation.

Operating and administrative expenses

Consolidated operating and administrative expenses for three-month period ended on March 31st, 2019 ended on March 31st, 2019 amounted to AR\$ 1.166,1 million, 2,0% lower than the AR\$ 1.189,7 million for same period last year.

Other gains / expenses

Consolidated other gains / expenses, net for three-month period ended on March 31st, 2019 resulted in a loss of AR\$ 2,8 million, 86,9 % lower than the loss of AR\$ 21,3 million for same period last year, mainly due to a higher profit of AR\$ 15,4 million in awards for quality service and a decrease of AR\$ 2,9 million in penalties charges.

Operating profit

Consolidated operating profit for the three-month period ended March 31, 2019 amounted to AR\$ 1,503.1 million, 11.9% lower than the AR\$ 1,705.4 million for the same period last year, mainly due to the gap, in a scenario of high inflation, between the tariff adjustments received semiannually and the variation in costs.

Financial results

Consolidated financial results for three-month period ended on March 31st, 2019 amounted to a loss of AR\$ 17,0 million, compared to a loss of AR\$ 57,8 million for same period last year, mainly due to a higher profit in finance income of AR\$ 70,7 million, a higher loss in finance costs of AR\$ 70,4 million and a lower loss in other financial results of AR\$ 40,4 million.

Income tax

Consolidated income tax charges for three-month period ended on March 31st, 2019 resulted in a loss of AR\$ 684,5 million, 6,8% higher than the AR\$ 641,2 million for same period last year.

You may find additional information on the Company at:

www.transener.com.ar

www.transba.com.ar

www.cnv.gob.ar