


Buenos Aires, February 27<sup>th</sup>, 2015

## Results for fiscal year ended on December 31<sup>st</sup>, 2014

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. ("Transener" or the "Company") announces the results for fiscal year ended on December 31<sup>st</sup>, 2014

### Stock Information

 Bolsa de Comercio  
de Buenos Aires  
Ticker: TRAN

### For further information, contact:

José Refort  
Chief Financial Officer

Andrés G. Colombo  
Accounting and Tax Manager  
([Andres.Colombo@transener.com.ar](mailto:Andres.Colombo@transener.com.ar))

Marcelo A. Fell  
Financial Manager  
([Marcelo.Fell@transener.com.ar](mailto:Marcelo.Fell@transener.com.ar))

Laura V. Varela  
Investor Relations Coordination  
([Laura.Varela@transener.com.ar](mailto:Laura.Varela@transener.com.ar))

Tel: (5411) 5167-9301  
Fax: (5411) 4342-7147  
[www.transener.com.ar](http://www.transener.com.ar)  
[www.transba.com.ar](http://www.transba.com.ar)

Transener, Argentina's leading electricity transmission company, announces results for fiscal year ended on December 31<sup>st</sup>, 2014.

**Consolidated net sales of AR\$ 1.476,9 million**, 69,0% higher than the AR\$ 873,8 million for last year, mainly due to an increase of 131,5% (AR\$ 482,8 million) in revenues from the Renewal Agreement and of 62,0% (AR\$ 116,5 million) in net other revenue.

**Consolidated adjusted EBITDA<sup>1</sup> of AR\$ 693,7 million**, compared to the AR\$ 358,2 million for last year, mainly due to an increase of AR\$ 243,9 million in the operating profit, of 31,6% (AR\$ 67,6 million) in the interest from the Renewal Agreement and of 22,0% (AR\$ 21,5 million) in the interest from the Fourth Line.

**Consolidated net loss of AR\$ 145,2 million**, compared to a consolidated net loss of AR\$ 5,6 million for last year, mainly due to a higher operating profit of AR\$ 243,9 million, partially offset by a higher loss of AR\$ 104,5 million in the income tax charge.

### Main results for the Fourth Quarter of 2014

**Consolidated net sales of AR\$ 497,7 million**, 53,1% higher than the AR\$ 325,2 million for last year, mainly due to an increase of 43,1% (AR\$ 84,1 million) in revenues from the Renewal Agreement and of 167,5% (AR\$ 83,9 million) in net other revenue.

**Consolidated adjusted EBITDA<sup>1</sup> of AR\$ 219,3 million**, compared to the AR\$ 190,0 million for last year, mainly due to an increase of AR\$ 33,1 million in the operating result, partially offset by a decrease of AR\$ 9,7 million in the interest from the Renewal Agreement.

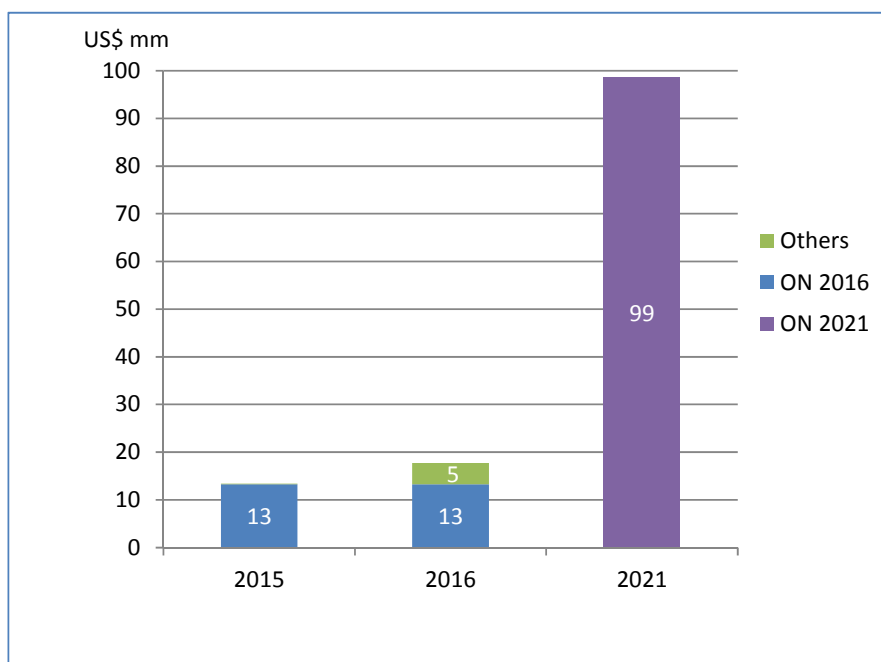
**Consolidated operating profit of AR\$ 104,5 million**, compared to a consolidated profit of AR\$ 24,8 million for last year, mainly due to a higher operating profit of AR\$ 33,1 million in the operating result and a higher profit of AR\$ 89,0 in the financial results, partially offset by a higher loss of AR\$ 38,6 million in the income tax charge.

<sup>1</sup> 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 31<sup>th</sup>, 2014, consolidated outstanding principal debt of the Company amounts to US\$ 129,7 million.

The following table shows the schedule of maturities of capital of the financial debt in dollars:



Regarding the Transener's qualifications, S&P modified the local qualification to "raB-" negative and the global qualification for foreign currency and local currency to "CCC-" negative.

## 2. Tariff Situation

On May 13<sup>th</sup>, 2013 and on May 20<sup>th</sup>, 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 31<sup>st</sup>, 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 1<sup>st</sup>, 2013, up to December 31<sup>st</sup>, 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 would be adjusted to the amounts received by the Company during each period.

The Investment Plan settled within the Renewal Agreement provided 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 14<sup>th</sup>, 2014 by Transener and on October 25<sup>th</sup>, 2013 by Transba.

Also, on September 2<sup>nd</sup>, 2014, Transener and Transba entered into with CAMMESA the Financing Agreements to implement the Renewal Agreements during 2013 and 2014 (New Financing Agreements), by which it was agreed: i) to consider fulfilled the Financing Agreements and their Addendas I, II and III entered into opportunely with CAMMESA; ii) to grant a new loan amounting to \$ 622,2 million and \$ 240,7 million for Transener and Transba, respectively, related to the credits recognized by the SE and ENRE corresponding to variations of costs from January 2013 to May 2014, and iii) the collateral assignment of the credits recognized by higher costs at May 31<sup>st</sup>, 2014 under the Renewal Agreement of the Instrumental Agreement for the purpose of canceling the amounts to be received for the implementation of the New Financing Agreements.

The Company recognized revenues and interest income from the Renewal Agreement for the amount of AR\$ 850,0 and AR\$ 281,4 million, respectively, for fiscal year ended on December 31<sup>st</sup>, 2014.

### 3. Consolidated Adjusted EBITDA Calculation

Consolidated adjusted EBITDA has been calculated as follows:

AR\$mm	Fiscal year ended on December 31st,		Three-month period ended on December 31st,	
	2014	2013	2014	2013
Consolidated operating result	206,9	(37,0)	92,2	59,1
Depreciations	86,4	83,9	21,7	21,2
Consolidated EBITDA	293,2	46,9	113,9	80,3
Adjustments				
Renewal Agreement interest	281,4	213,8	77,9	87,5
Fourth Line interest	119,0	97,5	27,5	22,2
Consolidated adjusted EBITDA	693,7	358,2	219,3	190,0

## 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:

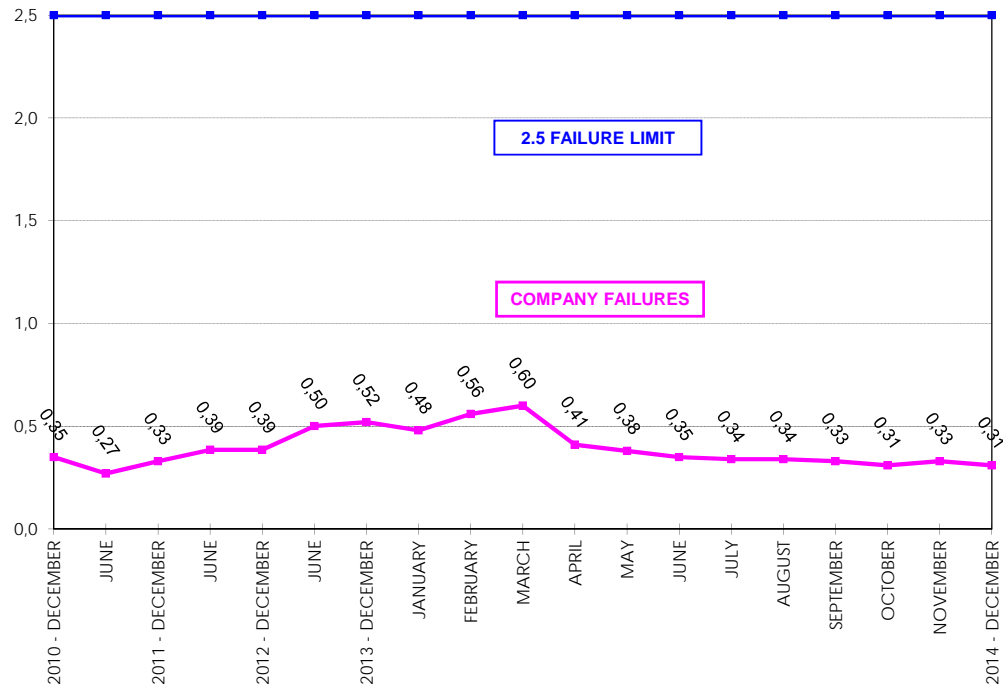
Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	AR\$mm		%
Expansion of the Planicie Banderita Substation	104	3,8	73%
Expansion of the Alicurá Substation	7	0,4	100%
Interconnection of Santiago del Estero 500kV Substation	643	38,6	92%
Expansion of the Alte. Brown Substation - C.T. Alte. G. Brown	370	11,1	93%
Interconnection of Rincón Santa María Substation - Resistencia Substation 500 kV	1.211	36,5	29%
Expansion of the Ramallo Substation - Provision of a 300/300/50 MVA transformer-	113	5,1	7%
Expansion of the Ezeiza Substation - Transformer Bank T9EZE	194	8,1	17%
Expansion of the Choele Choe Substation	11	0,5	30%
Expansion of the Luján Substation	218	6,5	41%
Expansion of the Cobos Substation	30	0,9	0%
	US\$mm		%
Interconnection of Río Coronda Substation - C.T. Vuelta de Obligado	27	0,8	70%
Expansion of the Rosario Oeste Substation - 500 - 220 kV Transformer Bank	13	0,4	20%
Interconnection of Rincón Santa María Substation - Resistencia Substation	140	4,2	29%
Interconnection Line of Bahía Blanca Substation - Mar del Plata	165	4,9	12%
500 kV adaption Gran Mendoza HVL - Nueva San Juan and Nueva San Juan Substation	49	1,5	53%

- Rate of failures

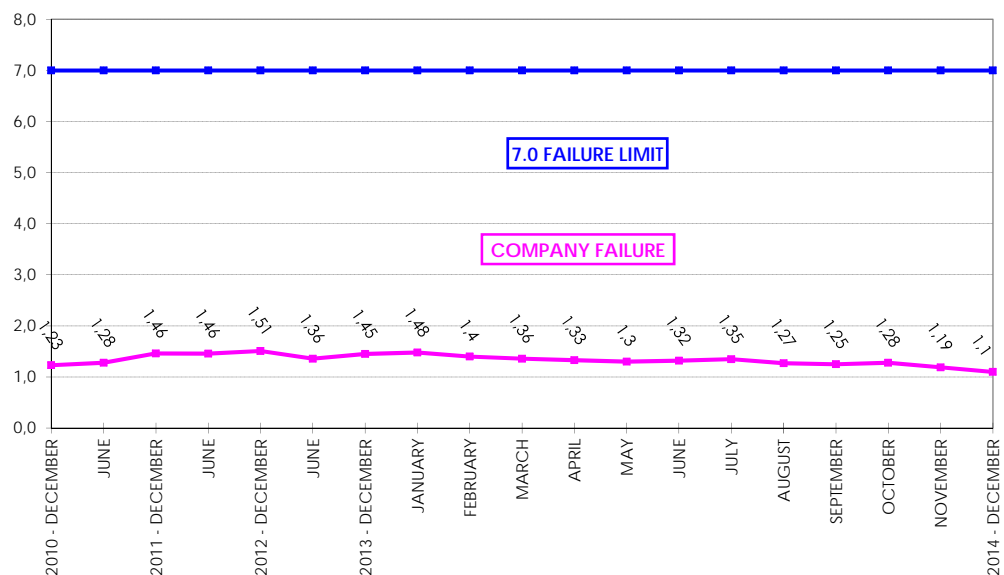
The rate of failures represents the quality of the service provided. The following charts show the quality of the service provided by Transener and Transba as from December 2010.

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)

	Fiscal year ended on December 31st,		Three-month period ended on December 31st,	
	2014	2013	2014	2013
Net Sales	1.476,9	873,8	497,7	325,2
Operating costs	(1.071,6)	(781,1)	(357,2)	(244,5)
Gross income	405,3	92,6	140,5	80,6
Administrative expenses	(183,3)	(134,9)	(55,0)	(34,2)
Other gains / (expenses), net	(15,1)	5,3	6,7	12,6
Operating income / (loss)	206,9	(37,0)	92,2	59,1
Finance income	452,2	346,0	121,6	113,1
Finance costs	(118,8)	(83,8)	(30,1)	(23,3)
Other finance results	(284,0)	(229,8)	(23,0)	(110,3)
Profit / (loss) before taxes	256,3	(4,7)	160,6	38,5
Income tax	(102,8)	1,7	(52,0)	(13,5)
Profit / (loss) for the period	153,5	(3,0)	108,5	25,0
<b>Profit / (loss) attributable to :</b>				
Owners of the parent	145,2	(5,6)	104,5	24,8
Non-controlling interests	8,3	2,6	4,0	0,2
Total for the period	153,5	(3,0)	108,5	25,0
<b>Other consolidated comprehensive results</b>				
Profit / (loss) for the period	153,5	(3,0)	108,5	25,0
Other comprehensive results	(8,4)	(0,3)	(8,4)	(0,3)
Total comprehensive profit / (loss) for the period	145,0	(3,3)	100,1	24,7
<b>Total comprehensive profit / (loss) attributable to :</b>				
Owners of the parent	137,1	(5,9)	96,4	24,6
Non-controlling interests	7,9	2,6	3,7	0,2
Total for the period	145,0	(3,3)	100,1	24,7

## 5.2 Consolidated Balance Sheets (AR\$mm)

	31.12.2014	31.12.2013
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1.589,0	1.301,7
Other receivables	16,3	50,1
<b>Total Non-current assets</b>	<b>1.605,3</b>	<b>1.351,8</b>
<b>Current assets</b>		
Trade accounts receivable	471,3	386,4
Other receivables	48,1	73,4
Cash and cash equivalents	329,7	73,6
<b>Total Current assets</b>	<b>849,1</b>	<b>533,5</b>
<b>TOTAL ASSETS</b>	<b>2.454,4</b>	<b>1.885,3</b>
<b>EQUITY</b>		
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	(253,4)	(390,5)
<b>Equity attributable to owners of the parent</b>	<b>618,9</b>	<b>481,8</b>
Non-controlling interests	35,8	27,9
<b>TOTAL EQUITY</b>	<b>654,7</b>	<b>509,7</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Bonds and other indebtedness	955,7	812,5
Deferred tax payable	68,4	61,9
Employee benefits payable	147,4	107,6
Trade accounts payable	3,7	4,3
<b>Total Non-current liabilities</b>	<b>1.175,1</b>	<b>986,3</b>
<b>Current liabilities</b>		
Provisions	26,1	18,3
Other liabilities	0,8	2,4
Bonds and other indebtedness	147,2	112,6
Taxes payable	88,0	46,9
Payroll and social securities taxes payable	161,7	99,9
Trade accounts payable	200,8	109,2
<b>Total Current liabilities</b>	<b>624,6</b>	<b>389,3</b>
<b>TOTAL LIABILITIES</b>	<b>1.799,7</b>	<b>1.375,6</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2.454,4</b>	<b>1.885,3</b>

## 6. Analysis of results for fiscal year ended on December 31<sup>st</sup>, 2014 compared to last year

### Net sales

Consolidated net sales for fiscal year ended on December 31<sup>st</sup>, 2014 resulted in AR\$ 1.476,9 million, 69,0% higher than the AR\$ 873,8 million for last year.

Consolidated electricity transmission revenue for fiscal year ended on December 31<sup>st</sup>, 2014, amounted to AR\$ 1.154,5 million, 72,1% higher than the AR\$ 670,8 million for last year, mainly due to an increase of AR\$ 482,8 million in the 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 fiscal year ended on December 31<sup>st</sup>, 2014 amounted to AR\$ 18,1 million, 19,3% higher than the AR\$ 15,2 million for last year, mainly due to the canon retroactive adjustment as of August 2013, according to Resolutions ENRE No. 079/14 and 332/14.

Consolidated net other revenue for fiscal year ended on December 31<sup>st</sup>, 2014 amounted to AR\$ 304,3 million, 62,0% higher than the AR\$ 187,8 million for last year, mainly due to an increase of AR\$ 80,0 million in the income from the works entrusted to Transener through Resolution SE 01/2003.

### Operating costs and administrative expenses

Consolidated operating costs and administrative expenses for fiscal year ended on December 31<sup>st</sup>, 2014 amounted to AR\$ 1.254,9 million, 37,0% higher than the AR\$ 916,1 million for last year, principally due to an increase of (i) AR\$ 181,7 million in salaries and social security charges, (ii) AR\$ 81,1 million in work for third-party materials as a result of the works entrusted to Transener through Resolution SE 01/2003 above mentioned, (iii) AR\$ 10,6 million in general maintenance and (iv) AR\$ 10,1 million in insurance.

### Other gains / expenses, net

Consolidated other gains / expenses, net for fiscal year ended on December 31<sup>st</sup>, 2014 amounted to a loss of AR\$ 15,1 million, compared to a profit of AR\$ 5,3 million for last year, mainly due to a decrease of AR\$ 14,6 million in insurance recoveries and an increase of AR\$ 8,1 million in tax charge on bank debits and credits.

### Finance results

Consolidated finance income for fiscal year ended on December 31<sup>st</sup>, 2014 amounted to AR\$ 452,2 million, 30,7% higher than the AR\$ 346,0 million for last year, mainly due to an increase of (i) AR\$ 67,6 million in interest from the Renewal Agreement entered into with the SE and the ENRE and (ii) AR\$ 21,5 million in interest from the Fourth Line mainly due to the canon adjustment retroactive to August 2013 according to Resolutions ENRE 079/14 and 332/14.

Consolidated finance costs for fiscal year ended on December 31<sup>st</sup>, 2014 amounted to AR\$ 118,8 million, 41,7% higher than the AR\$ 83,8 million for last year, 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 fiscal year ended on December 31<sup>st</sup>, 2014 amounted to a loss of AR\$ 284,0 million, 23,6% higher than the AR\$ 299,8 million for last year, mainly due to an increase of AR\$ 32,8 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 and of AR\$ 20,9 million in the loss for changes in fair value of financial assets.

### Income tax

Consolidated income tax charges for fiscal year ended on December 31<sup>st</sup>, 2014 resulted in a loss of AR\$ 102,8 million, in comparison with a profit of AR\$ 1,7 million for last year due to the increase of AR\$ 78,7 million in the income tax payable and a higher loss of AR\$ 25,8 million in the deferred tax charge.

You may find additional information on the Company at:

[www.transener.com.ar](http://www.transener.com.ar)

[www.cnv.gob.ar](http://www.cnv.gob.ar)