Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.

Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2012 and for the three-month and nine-month periods ended September 30, 2012 and 2011

Transener

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.

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LIMITED REVIEW REPORT

To the Shareholders, President and Directors of
Compañía de Transporte de Energía Eléctrica en
Alta Tensión Transener S.A.

1. We have reviewed the accompanying condensed interim consolidated financial statements of Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. ("Transener S.A.") and its subsidiaries, including the consolidated statement of financial position at September 30, 2012, the consolidated statement of comprehensive income for the nine-month and three -month periods ended September 30, 2012, and the consolidated statements of changes in equity and of cash flows for the nine-month period then ended, and the selected explanatory notes. The balances and other information corresponding to the fiscal year 2011 and to its interim periods are an integral part of the financial statements mentioned above; therefore, they will be considered in connection with these financial statements.

2. The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements under International Financing Reporting Standards, which were adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and incorporated into the regulations of the National Securities Commission (CNV), as approved by the International Accounting Standards Board (IASB); therefore, it is responsible for the preparation and presentation of the condensed interim consolidated financial statements mentioned in paragraph 1. in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion based on the review that we have performed with the scope detailed in paragraph 3.

3. Our review was limited to applying the procedures laid down by Technical Pronouncement No. 7 of the Argentine Federation of Professional Councils in Economic Sciences for limited reviews of interim financial statements, which consist primarily in applying analytical procedures to the figures included in the condensed interim consolidated financial statements, making inquiries of the personnel in charge of preparing the information included in the condensed interim consolidated financial statements, and its subsequent analysis. These reviews are substantially less in scope than an audit, the objective of which is to express an opinion on the financial statements under examination. Therefore, we do not issue an opinion on the consolidated financial position, the consolidated comprehensive income, or the consolidated cash flows of the Company.

4. As stated in Note 4.1, the condensed interim consolidated financial statements mentioned in paragraph 1. have been prepared in accordance with International Accounting Standard 34, this being the first fiscal year in which the Company applies International Financial Reporting Standards. The effects of the changes generated by application of this new accounting basis are disclosed in Notes 4.2.1 and 4.2.2. The items and amounts disclosed in the reconciliations included in that note are subject to changes that could result from amendments to the International Financial Reporting Standards to be finally applied, and may only be considered as final when the annual financial statements for this fiscal year are prepared.

5. In Note 2 to the condensed interim consolidated financial statements, the Company Management reports that the delay in obtaining rate increases and recognition of higher costs under the Agreements entered into with the National State and the constant rises in operating costs to keep the service level continue to badly affect the economic and financial position of Transener S.A. and its subsidiary Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires Sociedad Anónima Transba S.A. ("Transba S.A.").
In the period of nine-months ended September 30, 2012, the Company recorded a net loss of $ 60,448 thousand; operating losses for $ 98,165 thousand; and a cash flow deficit of $ 35,854 thousand. The Company Management believes that if the conditions existing at the date of these condensed interim consolidated financial statements persist, the situation will worsen, with deficits in cash flows and operating results being expected for the current year.

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6. As stated in Note 2.5 to Exhibit I to the condensed interim consolidated financial statements, the Company has prepared its projections to determine the recoverable value of its non-current assets within the framework of Law 24065, assuming that rate increases will be obtained and higher costs will be recognized under the terms of the Agreements mentioned in paragraph 5. Future actual results and cash flows might differ from the estimates and assessments made by Management at the date of these condensed interim consolidated financial statements. In this regard, we are not in a position to anticipate whether the premises used by Management in preparing the projections will materialize in the future and, therefore, if the recoverable values of non-current assets will exceed their respective net carrying amounts.

7. The circumstances described in paragraphs 5 and 6 could affect the future development of the operations of Transener S.A. and Transba S.A. The Company has prepared these consolidated financial statements using accounting principles applicable to a going concern. Therefore, the condensed interim consolidated financial statements do not include the effects of possible adjustments and reclassifications, if any, that might be required if the situations described above are not remedied in favor of the Company's continuing to operate as a going concern and the Company were obliged to sell its assets and settle its liabilities, including contingent liabilities, in conditions other than in the normal course of its business.

8. Based on our review, considering the effects on the condensed interim consolidated financial statements of possible adjustments and/or reclassifications, if any, that might be required from the resolution of the situations described in paragraphs 5, 6 and 7, nothing has come to our attention to consider that the condensed interim consolidated financial statements mentioned in paragraph 1, have not been prepared, in all material respects, in accordance with International Accounting Standard No. 34.

9. In compliance with current regulations, we report in respect of Transener S.A. that:

a) the condensed consolidated interim financial statements of Transener S.A. have been transcribed to the "Inventory and Balance Sheet" book and, as regards those matters that are within our competence, they are in compliance with the provisions of the Commercial Companies Law and pertinent resolutions of the CNV;

b) the condensed interim parent-only financial statements of Transener S.A. arise from accounting records carried, in all formal respects, in accordance with legal regulations;

c) at September 30, 2012 the debt accrued in favor of the Argentine Integrated Social Security System of Transener S.A. according to the Company's accounting records amounted to $ 3,600,432, none of which was claimable at that date.

City of Buenos Aires, November 14, 2012

PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C.A.B.A. T° 1 F° 17
Dr. Carolina García Zúñiga
Public Accountant (UCA)
C.P.C.E.C.A.B.A. T° 226 F° 213

Transener

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.

Unaudited Condensed Consolidated Interim Statements of Operations for the three-month and nine-month periods ended September 30, 2012 and 2011

(In Argentine Pesos, except as otherwise indicated)

Consolidated (loss) / Income Statement	Note	Three-month period ended 30.09.2012	30.09.2011	Nine-month period ended 30.09.2012	30.09.2011
Continuing operations					
Net Revenues	7	138,259,983	136,065,051	385,570,750	383,127,152
Operating expenses	8	(141,335,482)	(117,735,722)	(392,316,332)	(318,327,751)
Gross income / (loss)		(3,075,499)	18,329,329	(6,745,582)	64,799,401
Administrative expenses	8	(33,238,058)	(28,600,598)	(92,429,754)	(74,977,776)
Other gains net		(701,618)	(922,721)	1,009,857	(120,562)
Operating results		(37,015,175)	(11,193,990)	(98,165,479)	(10,298,937)
Finance income	9	42,405,245	34,805,128	116,059,488	81,898,142
Finance costs	9	(21,864,877)	(21,748,769)	(67,793,569)	(58,861,135)
Other financial results	9	(23,809,152)	(9,075,911)	(38,423,847)	(24,809,142)
Loss before taxes		(40,283,959)	(7,213,542)	(88,323,407)	(12,071,072)
Income tax expense		14,107,904	2,606,371	30,936,288	3,852,371
Loss for the period from continuing operations		(26,176,055)	(4,607,171)	(57,387,119)	(8,218,701)
Discontinued operations					
Loss for the period		(1,907,414)	(6,073,369)	(4,709,547)	(23,478,666)
Income tax expense		667,595	2,125,679	1,648,341	8,217,533
Loss for the period from discontinued operations	20	(1,239,819)	(3,947,690)	(3,061,206)	(15,261,133)
Loss for the period		(27,415,874)	(8,554,861)	(60,448,325)	(23,479,834)
Loss attributable to :					
Owners of the parent		(26,935,088)	(8,537,768)	(59,396,711)	(22,554,628)
Non-controlling interests		(480,786)	(17,093)	(1,051,614)	(925,206)
		(27,415,874)	(8,554,861)	(60,448,325)	(23,479,834)
Loss attributable to the equity holders of the Company:					
Continuing operations		(25,695,269)	(4,590,078)	(56,335,505)	(7,293,495)
Discontinued operations	20	(1,239,819)	(3,947,690)	(3,061,206)	(15,261,133)
Total for the period		(26,935,088)	(8,537,768)	(59,396,711)	(22,554,628)
Loss per share attributable to the equity holders of the Company:					
Continuing operations		(0.06)	(0.01)	(0.13)	(0.02)
Discontinued operations		(0.00)	(0.01)	(0.01)	(0.03)
Total for the period		(0.06)	(0.02)	(0.13)	(0.05)

The accompanying notes and Exhibit I are an integral part of these unaudited condensed consolidated interim financial statements.

Transener

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.
Unaudited Condensed Consolidated Interim Statements of Operations for the three-month and nine-month periods ended September 30, 2012 and 2011 (Continued)
(In Argentine Pesos, except as otherwise indicated)

Other consolidated comprehensive (loss) / income	Note	Three-month period ended 30.09.2012	Three-month period ended 30.09.2011	Nine-month period ended 30.09.2012	Nine-month period ended 30.09.2011
Loss for the period		(27,415,874)	(8,554,861)	(60,448,325)	(23,479,834)
Other comprehensive income		0	0	0	0
Total comprehensive loss for the period		(27,415,874)	(8,554,861)	(60,448,325)	(23,479,834)
Attributable to :					
Owners of the parent		(26,935,088)	(8,537,768)	(59,396,711)	(22,554,628)
Non-controlling interests		(480,786)	(17,093)	(1,051,614)	(925,206)
		(27,415,874)	(8,554,861)	(60,448,325)	(23,479,834)
Total comprehensive loss attributable to the equity holders of the Company:					
Continuing operations		(25,695,269)	(4,590,078)	(56,335,505)	(7,293,495)
Discontinued operations	20	(1,239,819)	(3,947,690)	(3,061,206)	(15,261,133)
Total for the period		(26,935,088)	(8,537,768)	(59,396,711)	(22,554,628)

The accompanying notes and Exhibit I are an integral part of these unaudited condensed consolidated interim financial statements.

Transener

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.
Unaudited Condensed Consolidated Interim Balance Sheets as of September 30, 2012 and December 31, 2011
(In Argentine Pesos, except as otherwise indicated)

	Note	30.09.2012	31.12.2011	01.01.2011
Assets				
Non-current assets				
Property, plant and equipment	11	1,172,915,714	1,190,025,710	1,217,381,032
Other credits	12	85,482,879	111,339,154	122,794,803
Total Non-current assets		1,258,398,593	1,301,364,864	1,340,175,835
Current Assets				
Account receivables	13	170,976,592	140,964,879	121,333,422
Other credits	12	40,579,763	56,318,986	52,498,768
Financial assets at amortized cost		4,003,779	3,530,321	2,806,015
Financial assets at fair value		35,696,836	0	0
Cash and cash equivalents	14	98,339,009	134,436,549	104,790,378
Total Current assets		349,595,979	335,250,735	281,428,583
Total Assets		1,607,994,572	1,636,615,599	1,621,604,418
Equity and liabilities				
Capital and reserves attributable to owners of the parent		531,990,228	591,386,939	643,282,861
Equitiy attributable to owners of the parent		531,990,228	591,386,939	643,282,861
Non-controlling interests		26,329,643	27,381,257	30,036,196
Total equity		558,319,871	618,768,196	673,319,057
Liabilities				
Non-current liabilities				
Debt and other indebtedness	15	707,758,489	646,875,815	534,491,699
Deferred tax payable	10	101,371,595	133,956,224	162,210,526
Employee benefits payable	16	81,082,503	69,412,278	46,531,562
Accounts payable	17	4,842,579	5,120,460	5,490,966
Other liabilities		0	390,000	1,184,652
Total Non-current liabilities		895,055,166	855,754,777	749,909,405
Current liabilities				
Provisions		24,899,337	22,466,400	32,101,110
Other liabilities		2,214,004	1,710,650	6,625,000
Debt and other indebtedness	15	12,680,853	18,534,720	52,565,777
Tax payable		14,572,617	20,015,125	26,493,773
Payroll and social securities taxes payable		51,433,974	57,368,887	35,614,399
Accounts payable	17	48,818,750	41,996,844	44,975,897
Total Current liabilities		154,619,535	162,092,626	198,375,956
Total Liabilities		1,049,674,701	1,017,847,403	948,285,361
Total Equity and liabilities		1,607,994,572	1,636,615,599	1,621,604,418

The accompanying notes and Exhibit I are an integral part of these unaudited condensed consolidated interim financial statements.

Transener

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.

Unaudited Condensed Consolidated Interim Statements of Changes in Shareholders' Equity for the nine-month periods ended September 30, 2012 and 2011

(In Argentine Pesos, except as otherwise indicated)

	Attributable to owners of the parent									
	Common Stock	Inflation adjustment on common stock	Share premium	Legal reserve	Voluntary reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance as of January 1, 2011	444,673,795	352,996,229	31,978,847	41,468,034	0	(8,038,776)	(219,795,268)	643,282,861	30,036,196	673,319,057
Dividends controlled company	0	0	0	0	0	0	0	0	(778,780)	(778,780)
Approved by Shareholders' meeting held on April 13, 2011										
-Legal Reserve	0	0	0	1,160,422	0	0	(1,160,422)	0	0	0
-Voluntary Reserve	0	0	0	0	210,206,496	0	(210,206,496)	0	0	0
Loss for the nine-month period	0	0	0	0	0	0	(22,554,628)	(22,554,628)	(925,206)	(23,479,834)
Balance as of September 30, 2011	**444,673,795**	**352,996,229**	**31,978,847**	**42,628,456**	**210,206,496**	**(8,038,776)**	**(453,716,814)**	**620,728,233**	**28,332,210**	**649,060,443**
Loss for the three-month period	0	0	0	0	0	(9,109,615)	(20,231,679)	(29,341,294)	(950,953)	(30,292,247)
Balance as of December 31, 2011	**444,673,795**	**352,996,229**	**31,978,847**	**42,628,456**	**210,206,496**	**(17,148,391)**	**(473,948,493)**	**591,386,939**	**27,381,257**	**618,768,196**
Loss for the nine-month period	0	0	0	0	0	0	(59,396,711)	(59,396,711)	(1,051,614)	(60,448,325)
Balance as of September 30, 2012	**444,673,795**	**352,996,229**	**31,978,847**	**42,628,456**	**210,206,496**	**(17,148,391)**	**(533,345,204)**	**531,990,228**	**26,329,643**	**558,319,871**

The accompanying notes and Exhibit I are an integral part of these unaudited condensed consolidated interim financial statements.

Transener

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.

Unaudited Condensed Consolidated Interim Statements of Cash Flows for the nine-month periods ended September 30, 2012 and 2011

(In Argentine Pesos, except as otherwise indicated)

	Note	30.09.2012	30.09.2011
Cash flows from operating activities:			
Loss for the period		(60,448,325)	(23,479,834)
Adjustments:			
Depreciation of property, plant and equipment	11	57,601,125	58,590,046
Instrumental Agreement	2	(69,458,900)	(38,758,929)
Loss from discontinued operations	20	4,709,547	23,478,666
Provisions	8	907,388	(15,273,313)
Employee benefits plan	16	17,584,751	10,368,775
Income tax expense accrued during the period	10	(32,584,629)	(12,069,904)
Foreign exchange and other financial results		113,361,606	79,052,462
(Loss) Gains from repurchase of notes	9	0	89,194
Interest accrued during the period		(5,183,005)	(1,318,414)
Other results generated by assets		0	1,320,677
Retirements of property, plant and equipment	11	10,121,455	3,132,988
Changes in certain assets and liabilities, net of non-cash:			
(Increase) Decrease in accounts receivable		(41,552,808)	(47,733,498)
(Increase) Decrease in other receivables		41,595,498	(5,232,886)
Increase (Decrease) in accounts payable		6,544,025	8,348,628
Increase (Decrease) in payroll and social securities taxes payable		(5,934,913)	4,969,887
Increase (Decrease) in taxes payable		(5,442,508)	(7,521,779)
Increase (Decrease) in provisions		1,525,549	5,282,207
Increase (Decrease) of employee benefits	16	(5,914,526)	(8,715,388)
Net cash generated by operating activities		27,431,330	34,529,585

The accompanying notes and exhibit I are an integral part of these unaudited condensed consolidated interim financial statements.

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Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.
Unaudited Condensed Consolidated Interim Statements of Cash Flows for the nine-month periods ended September 30, 2012 and 2011 (continued)
(In Argentine Pesos, except as otherwise indicated)

	Note	30.09.2012	30.09.2011
Cash flows from investing activities:			
Purchases of the acquisition of property, plant and equipment	11	(50,612,584)	(30,834,011)
Increase in financial assets at fair value		(35,696,836)	0
Loans to subsidiary		0	(22,303,500)
Increase in financial assets at amortized cost		0	(2,885,308)
Cash used in investing activities		(86,309,420)	(56,022,819)
Cash flows from financing activities			
Funds from CAMMESA Financing	2	80,999,995	64,000,003
Increase in bonds and other indebtedness		0	(23,320,629)
Collection generated by debt and other indebtedness		0	250,099,500
Payments and repurchase of bonds and other indebtedness - Principal		0	(132,927,090)
Payments and repurchase of bonds and other indebtedness - Interests		(57,975,918)	(34,394,643)
Collection of reduction of capital stock		0	(888)
Net cash used in financing activities		23,024,077	123,456,253
(Decrease) / Increase in cash and cash equivalents		(35,854,013)	101,963,019
Cash and cash equivalents at the beginning of the period	14	134,193,022	61,309,517
Cash and cash equivalents at period end	14	98,339,009	163,272,536
Significant non-cash transactions			
Decrease in accounts receivable	2	80,999,995	207,409,624
Decrease in other liabilities	2	(80,999,995)	(207,409,624)
Decrease in bonds and other indebtedness		0	(6,624,112)
Decrease in other receivables		0	6,624,112
		0	0

The accompanying notes and exhibit I are an integral part of these unaudited condensed consolidated interim financial statements.

Transener

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1. Organization and description of business

The concessionaire company Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. was constituted on May 31, 1993, as a result of the laws No. 23,696 and 24,065 and the Decree No. 2,743/92 which stated the privatization of the high-voltage electricity transmission system in Argentina, which up to that date were provided by Agua y Energía Eléctrica Sociedad del Estado (AyEE), Hidroeléctrica Norpatagónica S.A. (Hidronor) and Servicios Eléctricos del Gran Buenos Aires S.A. (SEGBA) and resolved the creation of a company that would receive the concession to operate the service. The Ministry of Economy and Public Works and Services called for international bidding for the sale of the majority shares of the aforementioned company.

The privatization was finalized through the subscribed contract of transfer by the National Government, acting on behalf of the mentioned companies in the preceding paragraph, and Compañía Inversora en Transmisión Eléctrica Citelec S.A. (in later "Citelec S.A."), which has control on Transener S.A. The assets affected to the privatized service were received simultaneously.

Finally, on 17 July 1993 the takeover of Transener by the Consortium took place, starting on the mentioned date its operations.

On 30 July 1997, the province of Buenos Aires privatized Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires Sociedad Anónima Transba S.A. (in later "Transba S.A."), which was created by the province of Buenos Aires, in March 1996, and subsequently acquired by Transener S.A., in order to own and operate the network of Transba S.A. The date of these financial statements Transener S.A. holds 90% of the shares of capital of Transba S.A., because the remaining 10% was transferred to a program of property owned for the personal benefit of Transba S.A. employees in exchange for a right to future dividends of Transba S.A. on such shares.

On 16 August 2002, Transener S.A. created Transener international Ltda. Located in the city of Brasilia, Brazil Republic, subscribing 99% of its shares. The main activity of the company is the provision of electric energy transmission services, operation, maintenance, consulting services and others related to the electric energy transmission, in the Federal Republic of Brazil and in other countries. On March 25, 2012, the Board of Directors approved to discontinue the Transener international Ltda's operation and maintenance contracts.

These condensed consolidated interim financial statements (in hereinafter referred to interchangeably as "financial statements" or "condensed consolidated interim financial statements"), have been approved for issuance by the Board of Directors on November 14, 2012.

2. Tariff Review and economic and financial situation

The Emergency Law No. 25,561, which fixed the prices and tariffs of the public services companies' contracts in Pesos at the exchange rate of Peso 1 for each US$1, 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 subsidiary Transba.

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, respectively, on November 28, 2005.

According to the guidelines stated in the mentioned Definitive Agreements, the following was foreseen: i) to carry out a Full Tariff Review ("FTR") before the ENRE and 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 above-mentioned FTR.

Since 2006 Transener has communicated to the ENRE the need to regularize the fulfillment of the commitments settled in the Definitive Agreement, describing the breaches of commitments established in that Agreement on behalf of said regulatory authority, the serious situation arising from such breaches, and its 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. Transba has presented before the ENRE similar requirements to those of Transener's but adapted in terms of time and investment, as provided in the Definitive Agreement.

On July 30, 2008, through Resolutions SE No. 869/08 and 870/08, the SE extended the contractual transition period for Transener and Transba, respectively, up to the effective enforcement of the regime resulting from the FTR, thus fixing such date for February 2009.

Transener and Transba submitted their respective tariff proposals, based on the term stated in the Definitive Agreements, and also in accordance with the Law No. 24,065, for the purpose of dealing with the matter, calling for a Public Hearing and defining a new tariff regime.

In spite of that, as of September 30, 2012, the ENRE has not called for a Public Hearing yet, and did not deal with the tariff requirements demanded by Transener and Transba within the FTR framework.

On the other hand, due to the increase in labor and operating costs incurred from 2004 until now, Transener and Transba, every quarter continued certifying the costs variations actually incurred, 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 sense, and notwithstanding a partial adjustment on account of for the result of the FTR, which was set forth as from July 1, 2008 through ENRE Resolutions N° 327/08 and 328/08, Transener and Transba, have unsuccessfully requested the ENRE to schedule the administrative acts for the recognition in the tariff of the cost increases occurred after the Definitive Agreements have been entered into, which led to the initiation of judicial claims.

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 respective FTR 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.

On December 21, 2010, the Instrumental Agreements (the "Instrumental Agreements") related to the Definitive Agreements were entered into with the SE and the ENRE, setting forth as follows:

(i) the recognition of Transener and Transba's credits resulting from the variations of costs occurred during the period June 2005 – November 2010, which have been calculated according to the costs variation index (CVI) foreseen in the Instrumental Agreements,
(ii) the mandatory cancellation of the financing received from CAMMESA, through the cession of credits resulting from the recognition of the above-mentioned variations of costs,
(iii) a mechanism of cancellation of the pending balances, during 2011
(iv) the recognition of an additional amount to receive from CAMMESA for capital expenditures in the system, for an amount of $ 34.0 million for Transener and $ 18.4 million for Transba,
(v) a procedure for the updating and payment of the cost variations, arising from the sequence of the semesters as from December 1, 2010 up to December 31, 2011.
(vi) the withdrawal of the judicial claims for delay, asking for the recognition of major costs and the need of calling a Public Hearing in order to carry out the FTR.

CAMMESA made an estimation of the amounts owed to Transener and Transba due to variations of costs occurred during the period June 2005 – November 2010 up to January 17, 2011. The mentioned amounts were as follows:

Differences for Connection and Capacity	Millions of Pesos		
	Transba	Transener	Total
Principal	75.9	189.3	265.2
Interests	43.2	104.8	148.0
Total	119.1	294.1	413.2

The results arising from the recognition of the variation of costs on behalf of the Secretariat of Energy and the ENRE has been registered up to the amounts received through the CAMMESA Financing (See Note 2.1.). Consequently, Transener has recognized revenues for the amount of $ 20.3 million and $ 19.8 million and interest income for the amount of $ 21.6 million and $ 22.0 million, for the nine-month period ended September 30, 2012 and the fiscal year ended December 31, 2011, respectively.

In the same way, Transba has registered results due to the recognition of the variations of costs on behalf of the Secretariat of Energy and the ENRE up to the amounts received through the CAMMESA Financing (See Note 2.1.). Consequently, Transba has recognized revenues for the amount of $ 12.4 million and $ 7.8 million and interest income for the amount of $ 15.1 million and $ 9.7 million, for the nine-month period ended September 30, 2012 and the fiscal year ended December 31, 2011, respectively.

According to what was stated in the Instrumental Agreements, on May 2, 2011 new extensions of the Financing Agreements (Addendas II) were entered into with CAMMESA, which provide the following: i) the amounts received as of January 17, 2011 by Transener and Transba by virtue of the loans granted by the CAMMESA Financing would be cancelled, ii) a new loan for Transener and Transba for the amount of $ 289.7 million and $ 134.1 million respectively, corresponding to the credits recognized by the SE and the ENRE resulting from the variations of costs occurred during the period June 2005 – November 2010 would be granted, and iii) all the amounts owed to the Company by mayor costs as of November 2010 under the Instrumental Agreements would serve as a guarantee for the Addendas II.

It must be pointed out that the funds that comprise the new loans under the Addendas II will be destined to the operation and maintenance and to the 2011 capital expenditure plans; and will be disbursed through partial payments in advance according to the availability of funds on behalf of CAMMESA, according to the instructions of the SE.

However, such commitments are not being met in full since as of December 31, 2011 the amounts received from CAMMESA do not reach 21% of the corresponding amounts for variations of costs from June 2005 to November 2010, and the Company did not receive any amount for the remuneration adjustment that should have been applied from December 1, 2010.

CAMMESA continued to pay the remuneration to Transener and Transba, for the electric power transmission public service applying the same values as established in ENRE's Resolutions N° 328/08 and 327/08, and not considering the values informed by the ENRE to the SE through Note N° 99,868 on June 21, 2011, N° 102,539 on January 19, 2012 and N° 102,731 on January 6, 2012, according to what was stated in the first clause, inc B) of the Instrumental Agreement.

Thus, the remuneration adjustments as from December 1, 2010, the payment of the credits for this concept and the interests accrued up to its effective cancellation are still pending. Said amounts should be included in new Addendas, to be entered into with CAMMESA.

Due to the delay above-mentioned, the Company asked the SE to adopt the corresponding measures in order to regularize the disbursements foreseen in the Addendas II in such a way that they are made within the deadline established in the Instrumental Agreements.

On March 19, 2012, the Secretariat of Energy instructed CAMMESA to calculate the amounts owed to Transener and Transba in concept of costs variations occurred during the period December 2010-December 2011, including the corresponding interests; although the extension of the Financing Agreement plus the amounts resulting from the calculations made by the ENRE for such period remains pendant.

For its part, on May 22, 2012, CAMMESA referred to the Secretariat of Energy the results of the calculations. They have been observed by the company through note DG N ° 46/12 on June 28, 2012, sent to the Secretariat of Energy. To date, the extension of the Financial Agreement is still pending.

On March 2012, Transener and Transba filed the corresponding legal actions due to the lack of response on behalf of the Secretariat of Energy, the ENRE and/or CAMMESA regarding the various administrative presentations already made, in order to achieve the fulfillment of the Definitive Agreement and the Instrumental Agreement, namely: (a) a judicial claim for the Secretariat of Energy to remit CAMMESA the payment for the period June 2005-November 2010, according to the Financing Agreement entered into with CAMMESA; (b) a judicial claim for the Secretariat of Energy to instruct CAMMESA to extend the Financing Agreement for the difference of the period December 2010-December 2011 among the paid remuneration according to ENRE Resolutions N° 327/08 and 328/08 and the remunerative amounts determined in the Instrumental Agreement; and to remit the funds for the disbursements; (c) an appeal for protection against the Secretariat of Energy in order to approve the costs variation index (CVI), which has already been calculated and informed by the ENRE through notes 102.539 and 102.731; and to instruct CAMMESA to extend the Financing Agreement and to remit the funds for the disbursements; and (d) an appeal for protection for the ENRE to instruct CAMMESA to pay the remuneration as from January 2012, taking into account the remunerative amounts stated in the Instrumental Agreement.

On July 16 2012, the Company received copy of the SE Note N° 4309, by virtue of which the SE instructed CAMMESA to enter into a third Addenda to the Financing Agreement with Transener and Transba, increasing the amount for the sum of $ 231,754,810 and $ 98,234,993, respectively (which were informed by CAMMESA to the SE through Note B-70754-1).

Without prejudice of that, the SE pointed out that previously to the fulfillment of the third Addenda, Transener and Transba should submit before CAMMESA the corresponding evidence of the withdrawal of all the suits which could have been presented, with respect to the issue mentioned in the SE Note N° 4309/2012, which is under analysis up to date.

The delay in the fulfillment of the commitments made by the National State by virtue of the above-mentioned agreements and the constant increase in the operating costs, continue to significantly affect the economic and financial situation of both companies.

The Company estimates that in the case of continuing the existing conditions as of the end of these condensed consolidated interim financial statements and if CAMMESA delays paying the monthly remuneration for the transportation of electric power service and the fourth line Canon registered as from October 2012, the situation would continue to deteriorate, thus foreseeing negative operating results and cash flows for the present fiscal year.

The before mentioned circumstances could affect the future development of Transener S.A. and Transba S.A.'s operations. The Company has prepared these condensed consolidated interim financial statements using accounting principles applicable to a company as a going concern. Therefore, these condensed consolidated interim financial statements do not include the effects of any adjustments and reclassifications, if any, that could be required in the case that the before mentioned situations were not solved in favor of the continuation of the operations of the Company and it would be obliged to realize its assets and cancel its liabilities, including the contingent ones, under other conditions different to the ordinary course of its business.

2.1. CAMMESA Financing

As a result of the delay in the implementation of the cost variations adjustments according to the guidelines stated in the Definitive Agreements (See "Tariff situation and regulatory aspects"), on May 12, 2009, Transener and Transba entered into Financing Agreements with CAMMESA for an amount up to $ 59.7 million and $ 30.7 million, respectively. On January 5, 2010, extensions of the above-mentioned agreements were subscribed for an amount up to $ 107.7 million and $ 42.7 million, for Transener and Transba, respectively (Addendas I).

As a consequence of the Instrumental Agreements entered into on December 21, 2010, the Company applied receivables recognized by the Secretariat of Energy and the ENRE due to variations of costs, as a cancellation of the financing received from CAMMESA. As of December 31, 2010 for the purpose of reflecting the economic situation of the agreement, the net position –among the financing received and the portion of credits to be transferred by the Company- was recorded.

This is because the Financing Agreement contemplated the possibility of its pre-cancellation in case that, during the term of payment, the ENRE would impose the retroactive payments owed to Transener and Transba in concept of costs variations since 2005 up to date.

According to what was stated in the Instrumental Agreements, on May 2, 2011 new extensions of the Financing Agreements (Addendas II) were entered into with CAMMESA, which provide the following: i) the amounts received as of January 17, 2011 by Transener and Transba by virtue of the loans granted by the CAMMESA Financing would be cancelled, ii) a new loan for Transener and Transba for the amount of $ 289.7 million and $ 134.1 million respectively, corresponding to the credits recognized by the SE and the ENRE resulting from the variations of costs occurred during the period June 2005 – November 2010 would be granted, and iii) all the amounts owed to the Company by mayor costs as of November 2010 under the Instrumental Agreements would serve as a guarantee for the Addendas II.

According to the above-mentioned, the situation at the end of the year is as follows:

	CAMMESA Financing - Disbursements received		
	Principal	Accrued Interests	Total
	Millions of Pesos		
12.05.2009 - 31.12.2010	132.6	10.0	142.6
01.01.2011 - 17.01.2011	7.0	0.8	7.8
18.01.2011 - 31.12.2011	85.0	0	85.0
01.01.2012 - 30.09.2012	81.0	0	81.0
	305.6	10.8	316.4

The liabilities for the total amount of disbursements received as from December 31, 2011, have been cancelled through the cession of credits resulting from the recognition of the variations of costs, according to the Instrumental Agreements. After September 30, 2012 and up to date, the Company has received disbursements for the amount of $ 7.2 million and $ 4.8 million for Transener and Transba, respectively.

In addition, on September 27, 2010, Transener entered into a financing agreement with CAMMESA under the same terms and conditions for up to US$ 2.3 million, in order to afford works of maintenance in the 500 kV circuit breakers of the Alicurá substation. As of December 31, 2011, Transener certified $ 1.2 million, and CAMMESA made the total disbursement of such amount. By virtue of the above-mentioned Instrumental Agreement, CAMMESA is not expected to go on making disbursements. The repayment of the amounts received will be made in eighteen installments as from January 2012, accruing an interest rate equivalent to the average yield obtained by CAMMESA in the financial investments of the WEM.

3. Purpose of financial statements

The accompanying consolidated financial statements have been prepared solely to comply with Luxembourg's Listing requirements and with the provisions set forth in section 22.2 of the Second Supplemental Indenture dated August 2, 2011, entered into by and among Transener, Deutsche Bank Trust Company Americas, among others.

4. Adoption of International Financial Reporting Standards

4.1 Transition to IFRS requeriments

The National Securities Commission (CNV), through Resolutions Nos. 562/09 and 576/10 has established the application of Technical Pronouncement No. 26 of the Argentine Federation of Professional Councils in Economic Sciences (subsequently amended by Technical Pronouncement No. 29 of the Argentine Federation of Professional Councils in Economic Sciences), which has adopted International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) for those entities included in the public offering regime under Law No. 17,811, either for their capital or corporate bonds, or which have requested authorization to be included in that regime.

The application of these standards has been mandatory for the Company as from the fiscal year beginning on January 1, 2012, with the first consolidated financial statements to be filed being those at March 31, 2012.

As a consequence of that, the date of transition to IFRS for the Company, according to IFRS 1 "First-time Adoption of International Financial Reporting Standards", has been January 1, 2011.

These condensed consolidated interim financial statements corresponding to the nine-month period ended September 30, 2012, have been prepared in conformity with the International Accounting Standard (IAS) Nro. 34 "Información Financiera Intermedia" and the IFRS 1 "First-time Adoption of International Financial Reporting Standards". The condensed consolidated interim financial statements have been prepared according to accounting policies which the company estimates to adopt for its consolidated financial statements for the fiscal year ended

December 31, 2012. The accounting policies are based on the IFRS issued by the IASB and the interpretations issued by the IFRIC, which the Company estimates to be applicable at that date.

This information is presented in pesos, legal currency in República Argentina, and according with the IFRS as they were issued by the IASB, except for the before mentioned.

These condensed consolidated interim financial statements must be read jointly with the financial statements issued by the Company as of December 31, 2011.That is why they are presented without repeating certain notes issued previously, but including those considered significant for the current period.

The financial statements as of December 31, 2011 issued on March 6, 2012 have been prepared under Argentine professional accounting standards in force (NCP ARG). Those standards differ in certain aspects from the IFRS. The effects of those changes originated in the application of the IFRS are included in the Exhibit I to these financial statements.

For the preparation of theses condensed consolidated interim financial statements, the management has modified certain valuation and exposure policies previously applied under NCP ARG to fulfill with the IFRS. The main accounting policies are described in the attached Exhibit I, which have been applied in a consistent way and without changes during this interim period.

The comparative amounts and the corresponding ones to the transition date (January 1, 2011) have been modified to reflect the adjustments between NCP ARG and the IFRS.

4.2 Requeried Reconciliations

According to Pronouncement No. 26 and No. 29 of the Argentine Federation of Professional Councils in Economic Sciences and IFRS 1, the following tables show the reconciliations of ***shareholders' equity determined under*** the Argentine GAAP and the ***shareholders' equity determined under*** IFRS, and reconciliation of the comprehensive result for the nine-month period ended September 30, 2011, and the effects on in the Cash Flow. In that sense, the Company has considered in the preparation of the reconciliations, those IFRS that it estimate to apply for the preparation of the financial statements ended December 31, 2012. The accounts and figures included in this note are subject to changes and could be considered definitive once the financial statements corresponding to the fiscal year in which the IFRS are applicable for the first time.

The accounts and figures included in the reconciliation could be modified if at the time of preparation of the financial statements as of December 2012, the accounting standards to be applied are different.

Also, it must be pointed out that in Note 20 to Exhibit I to these condensed consolidated interim financial statements, the Company included the required reconciliations as of December 31, 2011 and the transition date (January 1, 2011) of shareholders' equity determined under the Argentine GAAP and the shareholders' equity determined under IFRS include reconciliations required at 31 December 2011 and the transition date (January 1, 2011) the date of transition (to January 1, 2011) from equity to those dates and results for the year ended December 31, 2011, as well as also the description of mandatory and optional exemptions applicable for the company to the date of transition to IFRS.

(In Argentine Pesos, except as otherwise indicated)

4.2.1 Reconciliations of shareholders' equity determined under the Argentine GAAP and the shareholders' equity determined under IFRS

	Shareholders' equity under IFRS as of September 30, 2012
Balances according to Argentine GAAP	**1,040,757,950**
IFRS Adjustments	
Change of method in depreciation of Property, Plant and Equipment	(275,049,164)
Segregation of Fourth Line's construction, operating and maitenance	(15,752,532)
Recognition of deferred tax on adjusted for inflation	(227,523,724)
Recognition of income in relation to defined benefit plans	(25,423,127)
Non controlling participation´s equity under IFRS	13,040,142
Effects of the described adjustments in deferred tax	110,678,688
Shareholders' equity under IFRS	**620,728,233**

4.2.2 Reconciliation of the result determined under the Argentine GAAP and the total comprehensive result determined under IFRS

	Net income as of September 30, 2011
Balances according to Argentine GAAP	**(41,725,873)**
IFRS Adjustments	
Change of method in depreciation of Property, Plant and Equipment	(413,529)
Segregation of Fourth Line's construction, operating and maitenance	8,304,579
Recognition of deferred tax on adjusted for inflation	13,860,101
Recognition of income in relation to defined benefit plans	878,244
Non controlling participaion´s equity under IFRS	(388,897)
Effects of the described adjustments in deferred tax	(3,069,253)
Transener S.A. net income under IFRS	**(22,554,628)**
Transener S.A.'s other comprehensive income under IFRS	0
Comprehensive income under IFRS	**(22,554,628)**

4.3 Explanations of the adjustments

The adjustment of depreciation method for Property, Plant and Equipment to IFRS corresponds to the difference between the straight-line depreciation method in accordance with IFRS and technical depreciation method for certain assets related to the electricity transmission activity in accordance with Argentine GAAP.

The adjustment to IFRS related to the segregation of assets related to the fourth-line's construction, operating and maintenancet (See Note 16 to Exhibit I to these financial statements) comprises those agreements including multiple elements (construction, operating and maintenance,etc), should be segregated and recorded separately based on the service provision. Consequently, the result of the construction has been segregated from the result of the operating and maintenance, thus recognizing the financial asset based on future cash flows to receive, associated to the fourth- line construction services and the effect of inflation accounting was reversed, as well as capitalised exchanges differences.

The adjustment to IFRS related to the recognition of charges related to employee benefits plan corresponds to the recognition of actuarial losses and gains as well as costs for past services which have not yet been amortized.

The adjustment to IFRS related to deferred tax on inflation adjustement, belongs to the recogntion of the temporary difference of the inflation adjustment on property, plant and equipment, generating a higher deferred liability.

The income tax effect on IFRS conversion adjustment corresponds to the effect on the income tax of the before mentioned adjustments at the corresponding rate, when it is applicable.

Finally, it must be pointed out that no significant differences have been identified between the cash flow or in the definition of cash and cash equivalent under previous accounting standards and IFRS.

4.4 Changes related to the accounting policies under IFRS

(a) New standards, modifications and interpretations mandatory for the fiscal year beginning on January 1, 2012 and adopted by the Company:

There were no new standards, modifications and interpretations mandatory issued to be applied to fiscal years beginning on January 1, 2012 which could have a material impact on the Company.

New standards, modifications and interpretations not effective and adopted early by the Company

The Company has adopted early the following IFRS or IFRS revisions:

1) Revised IAS 1 "Presentation of Financial Statements": applicable to fiscal years beginning on or after July 1, 2012
2) Revised IAS 19 "Employee Benefits": applicable to fiscal years beginning on or after January 1, 2013.
3) IFRS "Financial Instruments": applicable to fiscal years beginning on or after January 1, 2013.
4) IFRS 10 "Consolidated Financial Statements": applicable to fiscal years beginning on or after January 1, 2013

IAS 1 was amended in June 2011. The modification improves the consistency and clarity of the presentation of concepts within other comprehensive results. The main change involves the grouping of concepts corresponding to other comprehensive income in relation with its potential reclassification to results of the period at a later time.

IAS 19 was amended in June 2011. The main impact on the financial statements is as follows:

a) the corridor method is removed and all the actuarial gains and losses are recognized in other comprehensive results, when they occur.
b) all the costs of past services are recognized immediately in results.
c) interest costs and expected returns on plan assets associated are replaced by a similar amount calculated from apply the discount rate of the defined benefit plan.

IFRS 9 was issued in November 2009 and amended in October 2010 and introduces new requirements for the classification, measurement and retirement of financial assets and liabilities.

It requires that all financial assets that are within the scope of IAS 39 "Financial instruments - recognition and measurement", are subsequently measured at amortized cost or at fair value. In this way, investments in debt are maintained within a business model that aims to collect future contractual cash flows, and the same are only payments of principal and interest on existing capital, they are measured at cost amortized at the end of the period. The remaining investments in debt or capital are measured at fair value at the end of the year.

The most significant effect of IFRS 9 in relation to the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of financial liabilities (designated as financial liabilities at fair value with changes in results) attributable to changes in the credit risk of that liability. In this way, the amount of the change in the fair value of the financial liability that is attributable to changes in the credit risk of that debt is recognized through other comprehensive results, unless the recognition of these changes in other comprehensive results create or increase an accounting mismatch.

IFRS 10 was issued in May 2011, and determines a single normative basis for the consolidation of entities of the same economic group, irrespective of the nature in which it invests. That basis is the control, which includes three elements:

a) power over the entity where the Company invests
b) exposure or rights to variable returns of the entity where the Company invests
c) ability to use the power mentioned in a) in order to affect investor returns.

The 10 IFRS replaces the conceptual parts of IAS 27 addressing mode and the opportunity that the investor must prepare their consolidated financial statements and entirely replaces the SIC-12 "Consolidation of special purpose entities".

(b) New standards, modifications and interpretations not mandatory for the fiscal year beginning on January 1, 2012 and not adopted by the Company:

The Company and its subsidiary not early adopted IFRS or revisions of IFRS detailed below, which were issued, but to date have not been adopted given that its application is not required at the end of the period ending 30 September, 2012:

IFRS 13 "Fair value measurements": applicable to the exercises beginning on or after January 1, 2013.

IFRS 13 was issued in the month of May 2011 and determines a single structure of measurement of fair value when it is required by other standards. This IFRS applies to financial elements such as non-financial measured at fair value, meaning the same as the price that would be received to sell an asset or paid to transfer a liability in a transaction ordered between participants of the market, as of the date of measurement.

The 13 IFRS will be adopted in the financial statements of the company for the annual period beginning January 1, 2013. While it is not possible to determine the impact of the potential of the aforementioned standard effect in a reasonable manner unless it is done in detailed analysis, likely that changes will not affect significantly the revelations and exhibitions in the financial statements of the company.

There are no other standards or interpretations that are not effective of which is expected to have a material impact on the economic group.

5. Accounting Policies

These condensed consolidated interim financial statements have been prepared according to the accounting policies, which the Company estimates to be applicable for its consolidated financial statements for the fiscal year ended December 31, 2012. The accounting policies are based on the IFRS issued by the IASB and the interpretations issued by the IFRIC, which the Company estimates to be applicable at that date.

The accounting policies used in the preparation of the present financial statements are consistent with those used in the preparation of the information under NIFF as of December 31, 2011, described in Exhibit I to the present financial statements, which have not changed at the end of the current period.

5.1. Use of estimates

During the preparation of the condensed consolidated interim financial statements the significant judgments made by management in the implementation of accounting policies of the company and the main sources of uncertainty in the estimate were the same that had been applied for the consolidated financial statements for the fiscal year ended December 31, 2011.

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise its judgment in the process of implementation of the accounting policies of the Company. Areas that require a higher degree of judgment and complexity, or areas where the assumptions and estimates are significant to the present financial statements are described in note 2.2 and 2.5 of Exhibit I to the present financial statements.

(In Argentine Pesos, except as otherwise indicated)

6. Segments information

The Company concentrates its businesses mainly on its primary and secondary activity. As the activity is basically carried out in Argentina, therefore, no segments by geographic area have been identified.

The business segments have been organized according to the following guidelines:

a) Main activity includes operations of high voltage electricity transportation and trunk distribution transmission, subject to regulation issued by the ENRE, and the construction, operation and maintenance of the Fourth Line.

b) Other includes participation in operations whose rate has not been determined by the ENRE, including the activities undertaken abroad.

Assets, liabilities, income and expenses not directly attributable to a specific segment have been allocated to the more significant segment, as they are reported within the main activity.

The segment information submitted to the General Director, who takes the business strategic decisions, for the reportable segments for the nine-month periods ended September 30, 2012 and 2011 is as follows:

	Main activity $	Other segments $	Total $
Nine-month period ended September 30, 2012			
Net revenues	273,907,688	111,663,062	385,570,750
Operating results	(132,833,075)	34,667,596	(98,165,479)
Total assets	1,554,293,164	53,701,408	1,607,994,572
Total liabilities	1,024,865,008	24,809,693	1,049,674,701
Acquisition of property, plant and equipment	50,612,584	0	50,612,584
Property, plant and equipment depreciation	57,601,125	0	57,601,125

	Main activity $	Other segments $	Total $
Nine-month period ended September 30, 2011			
Net revenues	249,379,177	133,747,975	383,127,152
Operating results	(77,299,198)	67,000,261	(10,298,937)
Total assets	1,617,684,675	52,165,258	1,669,849,933
Total liabilities	998,137,099	22,652,391	1,020,789,490
Acquisition of property, plant and equipment	30,834,011	0	30,834,011
Property, plant and equipment depreciation	58,590,046	0	58,590,046

Sales between operating segments identified by society is not finalized. Sales revenues reported to the General Director are measured in the same way as for the preparation of Statements of Operations.

7. Net Revenues

	Three-month period ended		Nine-month period ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Net Regulated Revenue	94,345,449	89,448,350	262,850,640	239,771,008
Net Fourth Line revenue	3,261,609	2,575,004	11,057,048	9,608,169
Net Other Revenue	40,652,925	44,041,697	111,663,062	133,747,975
Net Revenues	138,259,983	136,065,051	385,570,750	383,127,152

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.
Notes to the Unaudited Condensed Consolidated Interim Financial Statements
(In Argentine Pesos, except as otherwise indicated)

8. Expenses by Nature

Items	Three-month period ended September 30, 2012			Three-month period ended September 30, 2011		
	Total	Operating Expenses	Administrative Expenses	Total	Operating Expenses	Administrative Expenses
Salaries and social security charges	91,192,592	74,319,159	16,873,433	78,225,371	65,208,443	13,016,928
Other personnel costs	3,548,061	3,268,559	279,502	2,303,976	983,880	1,320,096
Fees for operating services	2,018,001	2,018,001	0	1,719,490	1,719,490	0
Professional fees	1,858,966	43,839	1,815,127	2,935,374	1,383,987	1,551,387
Equipment maintenance	1,378,587	1,378,587	0	905,474	905,474	0
Work for third-party materials	10,429,519	10,429,519	0	4,788,379	4,788,379	0
Fuel and lubricants	2,737,092	2,616,868	120,224	1,844,020	1,746,067	97,953
General Maintenance	11,123,119	10,894,405	228,714	6,669,841	6,528,137	141,704
Electricity	511,248	493,207	18,041	494,135	470,141	23,994
Depreciation of property, plant and equipment	18,924,876	17,029,927	1,894,949	19,440,734	17,496,661	1,944,073
Administration expenses related to WEM	152,443	152,443	0	150,513	150,513	0
Regulatory fees	509,211	509,211	0	420,732	420,732	0
ATEERA membership fees	114,996	0	114,996	114,995	0	114,995
Communications	1,016,031	899,810	116,221	993,779	898,917	94,862
Transportation	1,210,372	1,194,392	15,980	963,629	958,462	5,167
Insurance	7,002,009	215,931	6,786,078	5,736,163	261,854	5,474,309
Rents	1,766,207	918,766	847,441	1,367,411	709,183	658,228
Travel and lodging expenses	5,638,465	5,481,239	157,226	5,921,607	5,698,119	223,488
Stationary and printing	1,149,267	121,854	1,027,413	715,469	136,291	579,178
Taxes and government contributions	4,023,306	2,916,719	1,106,587	3,507,096	2,598,431	908,665
Directors and syndics	757,000	0	757,000	820,129	0	820,129
Bank expenses	188,010	17,195	170,815	94,440	56,070	38,370
Security	2,603,670	2,584,484	19,186	2,832,001	2,829,479	2,522
Office and substation cleaning	2,121,746	1,995,836	125,910	1,565,959	1,442,970	122,989
Electroduct maintenance	430,029	430,029	0	1,010,227	1,010,227	0
Provisions	(188,473)	(188,473)	0	(2,026,662)	(2,026,662)	0
Others	2,357,190	1,593,975	763,215	2,822,038	1,360,477	1,461,561
TOTAL	174,573,540	141,335,482	33,238,058	146,336,320	117,735,722	28,600,598

(In Argentine Pesos, except as otherwise indicated)

Items	Nine-month period ended September 30, 2012			Nine-month period ended September 30, 2011		
	Total	Operating Expenses	Administrative Expenses	Total	Operating Expenses	Administrative Expenses
Salaries and social security charges	259,919,606	212,986,763	46,932,843	209,778,639	174,986,204	34,792,435
Other personnel costs	5,883,134	4,499,397	1,383,737	4,659,719	2,814,182	1,845,537
Fees for operating services	7,578,169	7,578,169	0	4,397,865	4,397,865	0
Professional fees	7,338,104	2,387,070	4,951,034	6,838,592	3,272,437	3,566,155
Equipment maintenance	4,601,266	4,601,266	0	2,631,265	2,631,265	0
Work for third-party materials	24,164,875	24,164,875	0	22,399,718	22,399,718	0
Fuel and lubricants	6,683,181	6,371,028	312,153	4,577,812	4,326,608	251,204
General Maintenance	22,357,703	21,731,800	625,903	17,243,259	16,804,879	438,380
Electricity	1,557,741	1,497,386	60,355	1,464,406	1,391,367	73,039
Depreciation of property, plant and equipment	57,601,125	51,839,029	5,762,096	58,590,046	52,731,294	5,858,752
Administration expenses related to WEM	543,065	543,065	0	463,206	463,206	0
Regulatory fees	1,480,660	1,480,660	0	1,207,208	1,207,208	0
ATEERA membership fees	344,987	0	344,987	321,987	0	321,987
Communications	2,612,091	2,264,157	347,934	2,320,737	2,120,787	199,950
Transportation	2,998,872	2,967,043	31,829	2,812,235	2,801,883	10,352
Insurance	18,127,841	582,930	17,544,911	16,215,854	440,312	15,775,542
Rents	4,817,127	2,488,323	2,328,804	3,936,335	2,137,324	1,799,011
Travel and lodging expenses	15,046,884	14,563,522	483,362	13,194,920	12,621,775	573,145
Stationary and printing	2,994,016	440,574	2,553,442	2,233,370	466,299	1,767,071
Taxes and government contributions	11,203,731	7,746,780	3,456,951	9,475,064	7,235,800	2,239,264
Directors and syndics	2,160,080	0	2,160,080	2,163,283	0	2,163,283
Bank expenses	513,412	76,755	436,657	289,767	145,346	144,421
Security	8,366,071	8,346,885	19,186	7,525,230	7,517,493	7,737
Office and substation cleaning	5,748,379	5,370,227	378,152	4,514,982	4,182,247	332,735
Electroduct maintenance	2,175,677	2,175,677	0	2,316,478	2,316,478	0
Provisions	907,388	907,388	0	(15,273,313)	(15,273,313)	0
Others	7,020,901	4,705,563	2,315,338	7,006,863	4,189,087	2,817,776
TOTAL	484,746,086	392,316,332	92,429,754	393,305,527	318,327,751	74,977,776

(In Argentine Pesos, except as otherwise indicated)

9. Financial Results Net

	Three-month period ended		Nine-month period ended	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Financial Income				
Interests	42,405,245	34,805,128	116,059,488	81,898,142
Total financial income	42,405,245	34,805,128	116,059,488	81,898,142
Financial Costs				
Interests generated by loans	(21,864,877)	(21,748,769)	(67,793,569)	(58,861,135)
Total financial costs	(21,864,877)	(21,748,769)	(67,793,569)	(58,861,135)
Other financial results				
Foreign exchange	(23,689,986)	(3,782,683)	(45,039,792)	(23,083,063)
Result from receivables measured at fair value	0	(5,061,013)	0	602,670
Holding results on financial assets	74,039	0	7,203,162	0
(Loss) Gain from repurchase of notes	0	(69,720)	0	(89,194)
Result from liabilities measured at fair value	(193,205)	(162,495)	(587,217)	(2,239,555)
Total Other financial results	(23,809,152)	(9,075,911)	(38,423,847)	(24,809,142)
Total Other financial results, net	(3,268,784)	3,980,448	9,842,072	(1,772,135)

10. Income tax and Deferred income tax

The analysis of the deferred tax assets and liabilities is as follows:

Deferred Tax Assets

	Tax loss carryforward	Investments	Accounts receivable	Emloyee benefits payable	Provisions	Other assets	Total
As of January 1, 2012	5,502,354	10,336,478	142,195	24,294,297	6,852,100	14,358,193	61,485,617
Charged to the income statement	14,879,417	1,033,886	0	4,084,579	(5,931)	(3,625,598)	16,366,353
Charged to other comprehensive income	0	0	0	0	0	0	0
As of September 30, 2012	20,381,771	11,370,364	142,195	28,378,876	6,846,169	10,732,595	77,851,970
As of January 1, 2011	0	1,399,883	142,195	16,286,047	9,167,271	19,192,323	46,187,719
Charged to the income statement	1,946,520	8,144,702	0	578,686	(3,108,401)	(3,625,597)	3,935,910
Charged to other comprehensive income	0	0	0	0	0	0	0
As of September 30, 2011	1,946,520	9,544,585	142,195	16,864,733	6,058,870	15,566,726	50,123,629

Deferred Tax Liabilities

	Property, plant and equipment	Other receivables	Bonds and other indebtedness	Total
As of January 1, 2012	156,680,698	29,455,245	9,305,898	195,441,841
Charged to the income statement	(9,077,872)	(7,354,467)	214,063	(16,218,276)
Charged to other comprehensive income	0	0	0	0
As of September 30, 2012	147,602,826	22,100,778	9,519,961	179,223,565
As of January 1, 2011	169,404,020	37,181,882	1,812,343	208,398,245
Charged to the income statement	(9,774,897)	(5,642,714)	7,283,617	(8,133,994)
Charged to other comprehensive income	0	0	0	0
As of September 30, 2011	159,629,123	31,539,168	9,095,960	200,264,251

Deferred Tax Liabilities as of September 30, 2012, December 31, 2011 and January 1, 2011 amounts to $101,371,595, $ 133,956,224 and $ 162,210,526, respectively.

(In Argentine Pesos, except as otherwise indicated)

The income tax charge for the period is as follows:

	30.09.2012	30.09.2011
Deferred tax	(32,584,629)	(12,069,904)
Income tax	(32,584,629)	(12,069,904)

The reconciliation between the income tax charged to results and that one that would result from the application of the tax rate in force on the accounting (loss) / profit.

	30.09.2012	30.09.2011
Net loss before income taxes	(93,032,954)	(35,549,738)
Tax rate in force	35%	35%
Loss at the tax rate	(32,561,534)	(12,442,408)
Taxable effects by:		
- Other non taxable and/or non deductible items	(23,095)	372,504
Income tax	(32,584,629)	(12,069,904)

11. Property, plant and equipment

	30.09.2012	30.09.2011
Net value as of the beggining of the period	1,190,025,710	1,217,381,032
Additions	50,612,584	30,834,011
Decreases	(10,121,455)	(3,132,988)
Depreciations	(57,601,125)	(58,590,046)
Net value as of the end of the period	1,172,915,714	1,186,492,009

12. Other credits

	30.09.2012	31.12.2011	01.01.2011
Non-Current			
Financial Credit - Fourth Line	40,558,849	59,816,023	82,476,128
Minimum Notional Income Tax Credit	39,594,600	46,193,701	35,291,595
Stock Ownership Pogram	5,329,430	5,329,430	5,027,080
Total	85,482,879	111,339,154	122,794,803

	30.09.2012	31.12.2011	01.01.2011
Current			
Financial Credit - Fourth Line	27,492,043	27,492,043	27,492,043
Prepaid expenses	4,134,542	13,579,895	11,540,296
Advances to suppliers	6,556,319	5,704,133	5,542,620
Tax credits	0	5,031,593	0
Loans to employees	985,921	1,557,283	972,039
Judicial seizure	626,274	2,064,402	221,402
Stock Ownership Pogram - Dividends receivable	778,780	778,780	0
Stock Ownership Pogram - Reduction of capital	0	0	6,625,000
Others	5,884	110,857	105,368
Total	40,579,763	56,318,986	52,498,768

(In Argentine Pesos, except as otherwise indicated)

13. Account Receivables

	30.09.2012	31.12.2011	01.01.2011
CAMMESA	117,275,184	91,364,118	79,036,010
Other services	14,268,535	19,268,703	26,139,293
Other related parties (Note 19)	39,432,873	30,332,058	16,158,119
Total	170,976,592	140,964,879	121,333,422

14. Cash and cash equivalents

	30.09.2012	31.12.2011	01.01.2011
Cash in local currency	995,436	1,759,491	764,842
Cahs in foreign currency	67,064	88,314	83,695
Banks in local currency	8,007,825	1,558,540	2,441,864
Banks in foreign currency	3,147,409	23,031,140	64,662,423
Mutual funds	86,121,275	6,519,727	20,178,849
Highly liquid investments	0	101,479,337	0
Financial investments	0	0	16,658,705
Cash and cash equivalents	98,339,009	134,436,549	104,790,378
Current accounts overdrafts	0	(243,527)	(43,480,861)
Cash and cash equivalents, net	98,339,009	134,193,022	61,309,517

15. Debt and other indebtedness

	30.09.2012	31.12.2011	01.01.2011
Non-current bonds and other indebtedness			
Nordic Investment Bank (NIB)	22,897,875	20,982,000	19,383,000
Corporate Bonds 2016 (1)	249,241,608	228,387,456	510,497,236
Corporate Bonds 2021 (2)	462,818,895	424,094,640	0
Costs related to the refinancing and issuance of Corporate Bonds 2021	(24,489,067)	(23,541,604)	0
Par Notes	0	0	9,781,086
Net present value adjustment to NIB and Par Notes	(2,710,822)	(3,046,677)	(5,169,623)
Total Non-current	707,758,489	646,875,815	534,491,699
Current bonds and other indebtedness			
Nordic Investment Bank (NIB)	340,288	46,627	43,074
Corporate Bonds 2016 (1)	6,574,613	900,862	2,014,166
Corporate Bonds 2021 (2)	5,765,952	17,343,704	0
Current accounts overdrafts	0	243,527	43,480,861
Banco Nación Argentina	0	0	6,708,060
Par Notes	0	0	328,117
Net present value adjustment to Notes	0	0	(8,501)
Total Current	12,680,853	18,534,720	52,565,777

(1) The balances as of January 1, 2011 includes notes purchase by Transba S.A. for an amount of $16.238.918 and is net of $ 75.446.802 corresponding to the notes portfolio.

(2) The balances as of September 30, 2012 and December 31, 2011 are net of $9.511.034 and $8.960.031 corresponding to the own notes portfolio, respectively.

(In Argentine Pesos, except as otherwise indicated)

16. Employee benefit expense

The amounts recognized in the Comprehensive Statements of operations are as follows:

	30.09.2012	30.09.2011
Charges to Results		
Services Cost	3,150,851	2,114,721
Interest Cost	14,433,900	8,254,054
Total	17,584,751	10,368,775

The breakdown of the amounts exposed in the Condensed Consolidated Interim Balance Sheets are as follows:

Benefits Obligations at the beginning of the year	69,412,278	46,531,562
Services Cost	3,150,851	2,114,721
Interest Cost	14,433,900	8,254,054
Payments of benefits	(5,914,526)	(8,715,388)
Benefits Obligations at the end of the year	81,082,503	48,184,949

The most important actuarial assumptions used for the calculation are as follows:

Assumptions		
Discount rate	29.32%	25.08%
Current interest rate	6.00%	6.00%
Salary growth rate	2%	1%

17. Accounts payable

	30.09.2012	31.12.2011	01.01.2011
Non-Current			
Billings in advance	4,842,579	5,120,460	5,490,966
Total	4,842,579	5,120,460	5,490,966

	30.09.2012	31.12.2011	01.01.2011
Current			
Suppliers	28,851,636	31,518,260	26,326,306
Billings in advance	19,856,430	10,478,584	18,172,500
Other related parties (Note 19)	110,684	0	477,091
Total	48,818,750	41,996,844	44,975,897

18. Contingencies, commitments and restrictions on the distribution of profits

Limitation to the transfer of Transener and Transba shares

Transener's by-laws prohibit the holder of Class A shares (Citelec S.A.) modify their participation and sell their shares without prior approval of the ENRE, or failing that of who replaces it. Transener may not modify or sell its interest in Transba without permission of that entity.

Under the concession agreements, Citelec S.A. with respect to Transener and Transener with respect to Transba, have constituted a pledge in favour of the Argentine government as a guarantee for the execution of the obligations assumed under such agreements. Citelec S.A. and Transener S.A. must increase the guarantee in the event of newly issued Class A shares as a result of capital contributions and/or capitalization of profits or inflation adjustment balances and eventual successive transfers of the majority package of Class A shares are transferred with inventory assessment.

Additionally, the Company's by-laws prohibit Class A shares to be pledged or granted as a guarantee, except for the exceptions stated in the concession agreements.

Restrictions on distribution of profits

The distribution of the earnings obtained by the Company is subject to the following restrictions:

In accordance with the Argentine Corporations Law, the Company's by-laws and resolution No. 368/01 of the CNV, not less than 5% of the net and realized profit for the year must be appropriated by resolution of shareholders to a legal reserve until such reserve equals 20% of the Company's outstanding capital.

The Terms and Conditions of the outstanding Bonds that have not been restructured establish that neither Transener nor any subsidiary can make any restricted payment unless, after making said payment, default has not occurred or continues to exist. Restricted payment means (i) a dividend or other distribution for corporate stock of the Company (with the exception of dividends paid only in shares of its corporate capital, as distinguished from preferred shares that can be redeemed in a mandatory manner) or (ii) an advanced payment for the purchase, redemption, repayment or acquisition of (a) shares in the Company's corporate capital, or (b) an option, purchase right, or any right to acquire shares in the Company's corporate capital (but without including capital payments, premiums –should there be any- or interest accrued according to the terms of convertible debt before the conversion).

The restrictions resulting from the restructuring and refinancing of the outstanding financial debt mentioned in Note 18 of the Exhibit I to these financial statements.

Restrictions on distribution of dividends

The Company could only distribute dividends from retained earnings as the result from the Company's consolidated financial statements prepared in accordance with Argentine accounting standards in force and the regulations of the CNV. As of December 31, 2011, the negative retained earnings exposed in the financial statements under Argentine accounting standards and CNV regulations amounts to $473,948,493.

19. Balances and transactions with related parties

Transener has entered into an operating agreement under which Pampa Energía S.A. (formerly Pampa Holding S.A.), ENARSA S.A. and Electroingeniería S.A. provide services, expertise and know-how in connection with certain Company activities. In November 2009, Pampa Energía S.A. transferred its contract to Pampa Generación S.A. Electroingeniería S.A. gave noticed in the month of November of 2010 of the transfer of its contract to Grupo Eling S.A.

The responsibility of the Operators includes advisory and coordination services in the areas of human resources, general administration, information systems, quality control and consulting.

The operating fees are 2.75% of certain regulated revenues.

(In Argentine Pesos, except as otherwise indicated)

The transactions with related parties are as follows:

a) Purchase and sales of assets and services

Companies Law No. 19,550 – Sect. 33

	30.09.2012	30.09.2011
Sales of assets and services rendered to Enarsa S.A.	23,400	1,865,680
Fees for operating services		
*Energía Argentina S.A.	1,894,542	1,182,302
*Grupo Eling S.A.	1,894,542	1,099,466
*Pampa Energía S.A.	3,789,085	0
Interest generated by assets (Citelec S.A.)	473,460	329,709

Other related parties

	30.09.2012	30.09.2011
Sales of assets and services rendered to Yacylec S.A.	3,692,158	3,571,803
Sales of assets and services rendered to Litsa S.A.	762,866	799,773
Sales of assets and services rendered to Edenor S.A.	695,000	0
Sales of assets and services rendered to Central Piedra Buena S.A.	192,680	140,805
Sales of assets and services rendered to Transportadora de Gas del Sur S.A.	198,000	301,274
Sales of assets and services rendered to Integración Eléctrica Sur Argentina S.A.	22,944,566	28,500,391
Sales of assets and services rendered to EDEN S.A.	10,141,570	7,776,108
Sales of assets and services rendered to C.T.Loma de la Lata S.A.	770,469	630,430
Fees for operating services		
*Pampa Generación S.A.	0	2,116,097

The balances with Companies Law No.19,550 – Sect. 33 and other related parties are as follows:

	30.09.2012	31.12.2011	01.01.2011
Companies Law No. 19,550 - Sect. 33			
Assets			
Accounts receivables			
Energía Argentina S.A.	6,292	6,292	40,656
Total	6,292	6,292	40,656
Financial assets at amortized cost			
Loan Citelec S.A.	4,003,779	3,530,321	2,806,015
Total	4,003,779	3,530,321	2,806,015
Liabilities			
Trade accounts payable			
Pampa Energía S.A.	110,684	0	0
Total	110,684	0	0
Provisions			
Grupo Eling S.A.	494,679	797,899	679,437
Energía Argentina S.A.	494,679	1,151,376	680,996
Pampa Energía S.A.	989,357	0	0
Total	1,978,715	1,949,275	1,360,433

(In Argentine Pesos, except as otherwise indicated)

Related parties

Assets	**30.09.2012**	**31.12.2011**	**01.01.2011**
Investments			
O.N. TGS 2017	0	15,308,149	0
Total	0	15,308,149	0
Accounts receivables			
Yacylec S.A.	717,922	796,802	855,472
Integración Eléctrica Sur Argentina S.A. (*)	37,692,381	28,332,476	14,659,023
Litsa S.A.	70,830	68,233	109,478
CT. Loma de la Lata S.A.	102,355	83,179	77,440
Transportadora de Gas del Sur S.A.	330	660	0
Edenor S.A.	0	0	0
Eden S.A.	842,763	1,050,708	456,706
Total	39,426,581	30,332,058	16,158,119
Liabilities			
Trade accounts payable			
Litsa S.A.	0	0	477,091
Total	0	0	477,091
Provisions			
Pampa Generación S.A.	0	1,590,264	1,348,966
Total	0	1,590,264	1,348,966
Bonds and other indebtedness			
Edenor S.A. ON 2016	0	0	17,643,239
Pampa Inversiones S.A. ON 2016	0	0	4,390,851
Total	0	0	22,034,090

(*) On October 23, 2012 the Board of Directors approved the celebration of an agreement in order to refinance the debt that Integración Eléctrica Sur Argentina S.A. maintains with the Company.

20. Investment in Transener Internacional Ltda.

On March 25, 2012, the Board of Directors approved to discontinue Transener Internacional Ltda.'s operation and maintenance contracts. Due to this reason, the results related to the operation of the subsidiary are exposed as discontinued operations.

21. Fourth Line of the Comahue-Buenos Aires electricity transmission system

On April 25, 2012, the ENRE issued the Resolution N° 90/2012 which establishes a new annual canon of $ 113.4 million as from August 2011 and instructed CAMMESA to make the corresponding adjustments, considering the corresponding interests. During the nine-month period ended September 3, 2012, revenues have been recognized for $ 7.3 million corresponding to the retroactive adjustment for year 2011.

Transener

Exhibit I to the Unaudited Condensed Consolidated Interim Statements

Comprehensive Statements of Operations for the fiscal year ended December 31, 2011

(In Argentine Pesos, except as otherwise indicated)

Consolidated (loss) / Income Statement	Note	31.12.2011
Continuing operations		
Net Revenues	3	522,922,902
Operating expenses	4	(463,789,995)
Gross profit		59,132,907
Administrative expenses	4	(103,966,003)
Other losses net		(31,253)
Operating results		(44,864,349)
Finance income	5	110,204,468
Finance costs	5	(79,412,282)
Other financial results	5	(27,584,640)
Loss before taxes		(41,656,803)
Income tax expense	6	14,124,949
Loss for the period from continuing operations		(27,531,854)
Discontinued operations		
Loss for the period		(26,030,256)
Income tax expense		9,110,590
Loss for the period from discontinued operations	16	(16,919,666)
Loss for the period		(44,451,520)
Loss attributable to :		
Owners of the parent		(42,786,307)
Non-controlling interests		(1,665,213)
		(44,451,520)
Loss attributable to the equity holders of the Company:		
Continuing operations		(25,866,641)
Discontinued operations	16	(16,919,666)
Total for the period		(42,786,307)
Loss per share attributable to the equity holders of the Company:		
Continuing operations		(0.06)
Discontinued operations		(0.04)
Total for the period		(0.10)

Comprehensive Statements of Operations for the fiscal year ended December 31, 2011 (Continued)

(In Argentine Pesos, except as otherwise indicated)

Other consolidated comprehensive (loss) / income statement		**31.12.2011**
Loss for the period		(44,451,520)
Other comprehensive loss		(9,320,561)
Total comprehensive loss for the period		(53,772,081)
Loss attributable to :		
Owners of the parent		(51,895,922)
Non-controlling interests		(1,876,159)
		(53,772,081)
Loss attributable to the equity holders of the Company:		
Continuing operations		(34,976,256)
Discontinued operations	16	(16,919,666)
Total for the period		(51,895,922)

Transener

Exhibit I to the Unaudited Condensed Consolidated Interim Statements (Continued)

Balance Sheets as of December 31, 2011 and January 1, 2011
(In Argentine Pesos, except as otherwise indicated)

	Note	31.12.2011	01.01.2011
Assets			
Non-current assets			
Property, plant and equipment	7	1,190,025,710	1,217,381,032
Other credits	8	111,339,154	122,794,803
Total Non-current assets		1,301,364,864	1,340,175,835
Current Assets			
Account receivables	9	140,964,879	121,333,422
Other credits	8	56,318,986	52,498,768
Financial assets at fair value through profit or loss		3,530,321	2,806,015
Cash and cash equivalents	10	134,436,549	104,790,378
Total Current assets		335,250,735	281,428,583
Total Assets		1,636,615,599	1,621,604,418
Equity and liabilities			
Capital and reserves attributable to owners of the parent		591,386,939	643,282,861
Equitiy attributable to owners of the parent		591,386,939	643,282,861
Non-controlling interests		27,381,257	30,036,196
Total equity		618,768,196	673,319,057
Liabilities			
Non-current liabilities			
Debt and other indebtedness	11	646,875,815	534,491,699
Deferred tax payable	6	133,956,224	162,210,526
Employee benefits payable	12	69,412,278	46,531,562
Accounts payable	13	5,120,460	5,490,966
Other liabilities		390,000	1,184,652
Total Non-current liabilities		855,754,777	749,909,405
Current liabilities			
Provisions		22,466,400	32,101,110
Other liabilities	11	1,710,650	6,625,000
Debt and other indebtedness		18,534,720	52,565,777
Tax payable		20,015,125	26,493,773
Payroll and social securities taxes payable		57,368,887	35,614,399
Accounts payable	13	41,996,844	44,975,897
Total Current liabilities		162,092,626	198,375,956
Total Liabilities		1,017,847,403	948,285,361
Total Equity and liabilities		1,636,615,599	1,621,604,418

Transener

Exhibit I to the Unaudited Condensed Consolidated Interim Statements (Continued)

Statements of Changes in Shareholders' Equity for the fiscal year ended December 31, 2011
(In Argentine Pesos, except as otherwise indicated)

	Attributable to owners of the parent									
	Common Stock	Inflation adjustment on common stock	Share premium	Legal reserve	Voluntary reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance as of January 1, 2011	444,673,795	352,996,229	31,978,847	41,468,034	0	(8,038,776)	(219,795,268)	643,282,861	30,036,196	673,319,057
Dividends controlled company	0	0	0	0	0	0	0	0	(778,780)	(778,780)
Approved by Shareholders' meeting held on April 13, 2011										
-Legal Reserve	0	0	0	1,160,422	0	0	(1,160,422)	0	0	0
-Voluntary Reserve	0	0	0	0	210,206,496	0	(210,206,496)	0	0	0
Comprehensive loss for the year	0	0	0	0	0	(9,109,615)	(42,786,307)	(51,895,922)	(1,876,159)	(53,772,081)
Balance as of December 31, 2011	**444,673,795**	**352,996,229**	**31,978,847**	**42,628,456**	**210,206,496**	**(17,148,391)**	**(473,948,493)**	**591,386,939**	**27,381,257**	**618,768,196**

Transener

Statements of Cash Flows for the fiscal year ended December 31, 2011
(In Argentine Pesos, except as otherwise indicated)

	Note	31.12.2011
Cash flows from operating activities:		
Loss for the year		(53,772,081)
Adjustments:		
Depreciation of property, plant and equipment	7	77,702,204
Instrumental Agreement		(59,420,090)
Loss from discontinued operations		9,320,561
Provisions	16	26,030,256
Employee benefits plan	4	(14,747,649)
Income tax expense accrued during the period	12	19,006,257
Foreign exchange and other financial results	6	(23,235,539)
(Loss) Gains from repurchase of notes		111,599,411
Interest accrued during the year	5	(1,760,882)
Retirements of property, plant and equipment		(4,411,194)
	7	3,358,340
Changes in certain assets and liabilities, net of non-cash:		
(Increase) Decrease in accounts receivable		(53,049,662)
(Increase) Decrease in other receivables		1,790,100
Increase (Decrease) in accounts payable		(3,349,559)
Increase (Decrease) in payroll and social securities taxes payable		21,754,488
Increase (Decrease) in taxes payable		(6,478,648)
Increase (Decrease) in provisions		7,165,941
Increase (Decrease) of employee benefits	12	(10,464,865)
Net cash generated by operating activities		47,037,389

Transener

Exhibit I to the Unaudited Condensed Consolidated Interim Statements (Continued)

Statements of Cash Flows for the fiscal year ended December 31, 2011 (Continued)
(In Argentine Pesos, except as otherwise indicated)

	Note	31.12.2011
Cash flows from investing activities:		
Purchases of the acquisition of property, plant and equipment	7	(53,705,222)
Loans to subsidiary	16	(24,206,400)
Increase in cash and equivalent of restricted cash		(189,971)
Cash used in investing activities		(78,101,593)
Cash flows from financing activities		
Funds from CAMMESA Financing		92,000,014
Increase in bonds and other indebtedness		250,099,500
Payments and repurchase of bonds and other indebtedness - Principal		(23,320,629)
Payments related to the refinancing and issuance of notes		(168,096,618)
Payments and repurchase of bonds and other indebtedness - Interests		(46,733,670)
Collection of reduction of capital stock		(888)
Net cash provided by financing activities		103,947,709
Increase in cash and cash equivalents		72,883,505
Cash and cash equivalents at the beginning of the period	10	61,309,517
Cash and cash equivalents at period end	10	134,193,022
Significant non-cash transactions		
Decrease in accounts receivable		235,409,633
Decrease in other liabilities		(241,254,964)
Decrease in other receivables		5,845,331
		0

1. Organization and description of business

The concessionaire company Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A. was constituted on May 31, 1993, as a result of the laws No. 23,696 and 24,065 and the Decree No. 2,743/92 which stated the privatization of the high-voltage electricity transmission system in Argentina, which up to that date were provided by Agua y Energía Eléctrica Sociedad del Estado (AyEE), Hidroeléctrica Norpatagónica S.A. (Hidronor) and Servicios Eléctricos del Gran Buenos Aires S.A. (SEGBA) and resolved the creation of a company that would receive the concession to operate the service. The Ministry of Economy and Public Works and Services called for international bidding for the sale of the majority shares of the aforementioned company.

The privatization was finalized through the subscribed contract of transfer by the National Government, acting on behalf of the mentioned companies in the preceding paragraph, and Compañía Inversora en Transmisión Eléctrica Citelec S.A. (in later "Citelec S.A."), which has control on Transener S.A. The assets affected to the privatized service were received simultaneously.

Finally, on 17 July 1993 the takeover of Transener by the Consortium took place, starting on the mentioned date its operations.

On 30 July 1997, the province of Buenos Aires privatized Empresa de Transporte de Energía Eléctrica por Distribución Troncal de la Provincia de Buenos Aires Sociedad Anónima Transba S.A. (in later "Transba S.A."), which was created by the province of Buenos Aires, in March 1996, and subsequently acquired by Transener S.A., in order to own and operate the network of Transba S.A.. The date of these financial statements Transener S.A. holds 90% of the shares of capital of Transba S.A., because the remaining 10% was transferred to a program of property owned for the personal benefit of Transba S.A. employees in exchange for a right to future dividends of Transba S.A. on such shares.

On 16 August 2002, Transener S.A. created Transener international Ltda. Located in the city of Brasilia, Brazil Republic, subscribing 99% of its shares. The main activity of the company is the provision of electric energy transmission services, operation, maintenance, consulting services and others related to the electric energy transmission, in the Federal Republic of Brazil and in other countries. On March 25, 2012, the Board of Directors approved to discontinue the Transener international Ltda's operation and maintenance contracts.

These condensed consolidated interim financial statements (in hereinafter referred to interchangeably as "financial statements" or "condensed consolidated interim financial statements"), have been approved for issuance by the Board of Directors on November 14, 2012.

2. Summary of significant accounting policies

The following information prepared according to IFRS, corresponding to fiscal year ended on December 31, 2011, is necessary for the understanding of the present condensed consolidated interim statements.

The principal accounting policies used in the preparation of the present consolidated financial statements are described below. These accounting policies have been applied consistently in all the periods presented, except otherwise indicated.

2.1 Consolidation

(a) Subsidiaries

The consolidated financial statements include the financial statements of society and entities controlled by this. The subsidiaries are all entities over which the economic group has the power and the right to decide on operational and financial policies in order to obtain variable benefits from its activities, affecting the profits of the same. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Significant consolidation adjustments are as follows:

1. Elimination of balances of accounts of assets and liabilities between the Company owns and the controlled, so that the financial statements present balances maintained with third parties.
2. Elimination of transactions/operations between the society owns and the controlled, so that the financial statements present results with third parties.
3. Elimination of the participations in the equity and the income / (loss) for each period corresponding to controlled companies as a whole.
4. Recognition of assets and liabilities identified in the processes of business combinations

The accounting policies of subsidiaries have been modified, if appropriate, to ensure consistency with the policies adopted by the group.

2.2 Revenue recognition

Revenues include the consideration received or to receive services in the normal course of business and sets out net of penalties and rewards

The Company recognized revenues from sales when the related amounts can be estimated

The Company recognizes revenues from sales when the related amounts can be estimated reliably, when it is probable that future economic benefits will flow to the entity and the specific criteria for each of the activities described below have been met. The Management based their estimates on historical experience, taking into consideration the type of customer, the type of transaction and the specific characteristics of each agreement.

The operating revenue is derived principally from three sources: (i) electric power transmission service, net of penalties and awards, (ii) Fourth Line operation and maintenance net revenue and (iii) net other revenues. These sources consist in regulated revenues or non-regulated revenues and other revenues.

(i) Electric power transmission service, net

Electric power transmission service, net consists of tariffs paid to the Company by CAMMESA on a monthly basis for putting its transmission assets at the SADI's disposal. Net revenues by service of electric power transmission include (a) income for electricity transmission (by transmit electricity through high-voltage networks (in hereinafter referred to as "Networks"), (b) income by transmission capacity (to operate and maintain the transmission equipment comprising networks), (c) income per connection (for operating and maintaining the connection and transformation equipment, which allows the transfer of electricity from, to and from networks through), (d) reactive equipment revenues (consisting in a payment by reactive equipment made with synchronous compensators), (e) any adjustment by IVC (including the recognition of changes in costs incurred between June 2005 and November of 2010, according to Definitive Agreement and the Instrumental Agreement), (f) other regulated revenues and (g) awards, net of penalties.

Electricity transmission revenues, transmission capacity revenues, connection revenues and reactive equipment revenues are recognized as the services are provided. On the other hand and due to the uncertainty in the collection, IVC adjustment is recognized as income when the Company has certainty about its collection.

(ii) Fourth Line operation and maintenance net revenue

The Canon of the fourth line includes reimbursement of certain amounts paid during the period of payment of the fourth line, in compensation for the construction, operation and maintenance of the project of the fourth line. According to what is required by IFRS, the society has segregated the result of construction of the result of operation and maintenance. The result of construction has been recognized as of the date of the start up of the fourth line, while the result of operation and maintenance is recognized as this service is provided.

(iii) *Net other revenues*

The Company receives net other revenues from services provided to third-party with assets not included in networks. These net other revenues derive from (a) the construction and installation of structures and electrical equipment (b) operation and maintenance of the lines outside of the network, (c) the supervision of the expansion of the SADI, (d) the supervision of operations and maintenance of the independent transmitters, and (e) other services. Net other revenues and costs related to them, except the service referred to in (a) are recognized as a result to these services are provided. The revenues generated by the construction and installation of electrical equipment and assets are recognized accounted for according to the degree of progress of work.

Significant implicit financial components contained in the statements of operations have been properly segregated.

(iv) Penalties and rewards

The Concession Agreements establish a system of penalties that Transener and Transba may incur if defined parts of the Networks are not available to transmit electricity. Non-availability is divided into two types: scheduled and forced. Scheduled outages, which typically result from planned maintenance, incur a reduced penalty of 10% of the rate for forced outages described below.

Penalties for forced outages are proportional to the connection and capacity revenues for the equipment involved, taking into account the following considerations: (i) duration of the outage in hours; (ii) number of previous forced outages during such year; and (iii) increase in electricity costs caused by restrictions in the transmission system.

The penalties which Transener may be required to pay in respect of any calendar month cannot exceed 50% of Transener's non-consolidated monthly regulated revenue (as determined by dividing annual regulated revenue by twelve). It is the Company policy to establish a reasonable provision for penalties based on information regarding the duration of an outage and the Company best estimate of the penalty that will be imposed.

Interest accrues on penalties commencing on the 39th day after the last day of the month in which the event that resulted in the assessment of penalties occurred, until the date the penalty amount is withheld by CAMMESA from its payments of regulated revenue to us. This interest is calculated at a fluctuating daily rate published by Banco de la Nación Argentina and set in accordance with regulations issued by the Secretariat of Energy, and is the same rate applicable to all debts owed by WEM agents. Interest that accrues on penalties is accounted for by us as penalties (not as an interest expense) and such interest is included in the amount of the provision which the Company makes for any given penalty.

As set forth in the Instrumental Agreements, penalties related to service quality under the Transener Concession Agreement may be applied by UNIREN as of June 2005 to additional investments, provided that the Company has met its service quality goals every six months as established by the Transener Definitive Agreement.

CAMMESA is responsible for monitoring the availability of the Networks, recording all incidents of non-availability and deducting penalties from Transener revenues.

In accordance with the penalty system, as of the second tariff review in July 1998, the ENRE established, through resolution No. 1,319/98, a monthly rewards system as an incentive to improve the quality of service Transener provides. Rewards are determined after applying any monthly sanctions under the penalty system, and taking into account the level of service quality in the first Transener Tariff Period.

If Transener reaches the level of service quality established in the Transener Definitive Agreement for any given six-month period, Transener will receive an increase of approximately 50% over the current amount of rewards to be received for such period. The Transener Definitive Agreement provides that if service rates are above the average applicable rate of service quality during the period from 2000 to 2004, Transener is entitled to such increase.

It is the Company policy to establish a reasonable provision for rewards based on the information regarding the level of service quality during the fiscal year.

(v) Interests

Interest income is recognized on the basis of the proportion of elapsed time, using the effective rate method. When the value of an account receivable is impaired, the Company reduces its book value to its recoverable amount, which is the cash flow future estimated discounted at the effective interest rate original of the instrument and continues by reversing the discount as income interest. The interests of loans or provisioned placements are recognized using the original effective rate of the instrument.

2.3 Foreign currency and foreign currency transactions

(a) Functional currency and presentation currency

The items of each of the companies that make up the present consolidated financial statements are expressed in the currency of the primary economic environment where it operates the entity (functional currency). The financial statements are presented in Argentine pesos, which is the functional currency and presentation currency of the society.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing at the dates of transactions or the valuation where items are re-measured. Assets and liabilities in foreign currency are converted to the functional currency at the exchange rate prevailing at the end of the fiscal year/period. Gains and losses on exchange differences resulting from the cancellation of such asset/liability or its conversion using other exchange rates than those used at the time of its incorporation (or at the end of the previous fiscal year), are recognized in the statement of operations in the line "Other financial result".

2.4 Property, plant and equipment

(a) Cost

Property plant and equipment is valued at its historical cost net of depreciation and devaluation losses, if appropriate. Historical cost includes the costs directly attributable to the acquisition of such property. Costs incurred after are included in the values of the asset only to the extent that it is probable that they generate future economic benefits and its cost can be measured reliably. The value of the replaced parts is deducted.

When an item includes several significant components with different useful lives, each one of these components is accounted as a separate item.

Higher maintenance costs are recognized as part of the value of cost of the asset to the extent that meet the general criteria for the recognition of assets and depreciated within estimated up to the next higher maintenance. Any resulting residual value of the previous maintenance is charged to results.

Spare parts have been valued at the cost of acquisition and the works in progress include the costs of design, materials, direct labour and indirect costs of construction. The costs of financing, if appropriate, are activated within the cost of the works in progress in the measure that met the conditions laid down in IAS 23 "Borrowing costs".

The net proceeds are determined depending on the estimated value of sales in the ordinary course of business, net of direct selling costs.

(b) Depreciation

The depreciation of the Company´s Property, plant and equipment is calculated on the basis of the straight line method, taking into consideration annual rates enough to extinguish the net carrying values at the end of useful lives. The value of the land is not depreciated.

The net carrying values of the assets and the remaining useful lives are reviewed, and adjusted if appropriate, at the end of each fiscal year (reporting period).

2.5 Devaluation of long term non financial assets

At each end of the fiscal year, the Management assesses whether there are indicators of devaluation of long-term assets subject to amortization. For this, internal and external information is analyzed. Internal information sources include obsolescence and wear and tear or physical damage, and significant changes in the use of the asset and its economic performance compared with the budgeted. External information sources include the market value of assets, changes in technology, market or laws, increases in market interest rates and the cost of capital used to assess investment opportunities, as well as a comparison between the value of the net assets of the company and its market capitalization.

The Company believes that there is devaluation when an asset's carrying value exceeds its recoverable value. In this case, the society recognizes a loss by the excess.

The recoverable amount of an asset is the higher between its value in use and fair value less costs of sale. For the purposes of calculating the value of use, the estimated future cash flow are discounted to their present value using a discount rate that reflects current evaluations of the market on the value in the time of money and the risks specific to the asset.

When it is not possible to estimate the recoverable amount of an asset, the Company estimates the recoverable value of the cash generating unit to which the asset belongs. The Company has two cash generating units.

When the conditions that gave rise to the recognition of a loss for devaluation disappear, the value of books of the asset (or cash-generating unit) is increased up take it to its new recoverable value estimated without exceeding the value of books that would have resulted if the loss for devaluation mentioned above had not been registered. The reversal of a devaluation loss is recognized in the statement of operations.

The direction has defined certain assumptions for estimating the future cash flows used to assess the recoverability of their assets. These premises include various scenarios involving projections about expected future tariff increases, inflation, exchange rate, operation and maintenance expenses, investments and discount rate.

The cash flows are generally projected for a period covering the useful life remaining long term assets or the term of the concession, the minor.

The flow of funds were estimated taking into consideration the patterns of tariff update which have been filed with the ENRE and according to the parameters established by law N° 24.065 which regulates pricing renegotiation which is in process. As a result, the flow of funds and the future actual results may differ from estimates and evaluations carried out at the time of preparation of the present financial statements.

The Company has not recognized losses by devaluation for none of the presented closures.

2.6 Financial assets

According to the IFRS 9 the Company classifies its financial assets in the following categories: (i) in financial assets to fair value, and (ii) financial assets at amortized cost. The classification depends on the Company's business model to manage financial assets and the contractual cash flows of the financial asset characteristics.

(a) Financial assets at amortized cost

Financial assets must be classified in this category if (i) they are financial assets that are framed within a business model that aims to keep the assets to obtain contractual cash flows, and (ii) the financial asset contractual terms give rise, on specified dates, to cash flows that are solely payments of capital and interest on the amount of capital outstanding

(b) Financial assets to fair value

Financial assets at fair value are those that are not measured at amortized cost.

Purchases and regular sales of financial assets are recognized at the date of negotiation, date in which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus the transaction costs for all financial assets that are not registered at fair value with changes in results. Financial assets recognized at fair value with changes in results are initially recognized at fair value and transaction costs are recognized as an expense in the statement of operations.

Investments se are not recognized any more when the rights to receive cash flows from investments expire or are transferred and the Company has transferred substantially all the risks and benefits of their property. Financial assets at fair value with changes in results are subsequently recorded at their fair value.

Gains and losses arising from changes in the fair value of financial assets at fair value with changes in results are exposed in the statement of operations under "financial result", in the fiscal year in which the referred changes in the fair value occur.

The Company's financial assets include the following:

•Cash and cash equivalents

Cash and cash equivalents include cash on hand, free accommodation in bank deposits and other short-term investments with maturities of three months or less from the date of acquisition and other highly liquid investments. Bank overdrafts are recorded under current bonds and other indebtedness of the balance sheet.

Cash and free accommodation in bank deposits balances are valued at their nominal value, fixed-term deposits are valued at their amortized cost and investments in mutual funds are valued at their fair value with matching results.

•Accounts receivables and other receivables

Accounts receivables and other receivables are initially recognized at fair value and subsequently are valued to its cost amortized using the effective rate method, net of the allowance for irrecoverable receivables. The allowance for irrecoverable receivables is established when there is objective evidence that the Company may not collect all amounts due according to the original terms.

If the accounts receivables and other receivables are expected to collect in one year or less are classified as current assets, otherwise occur as non-current assets.

2.7 Devaluation of financial assets at amortized cost

The Company assesses each closing date whether there is objective evidence of the devaluation or deterioration in the value of a financial asset or group of financial assets measured at amortized cost.

A financial asset or group of financial assets is devalued and the loss for devaluation recognized directly in the statement of operations if there is objective evidence of devaluation as result of one or more events that occurred after the initial of the asset recognition and said event (or events) have an impact on the estimated future of the cash flows of the financial asset or group of financial assets.

Some of the indicators of impairment or devaluation which the Company assesses to determine whether there is objective evidence of loss of value include the following: delays in payments received from customers, the disappearance of an active market for a financial instrument due to the existence of difficulties, declaration of bankruptcy of customers, observable information that indicates a measurable decrease in the future cash flows of a portfolio of financial assets, etc.

2.8 Financial liabilities

Financial liabilities include accounts payable, payroll and social securities taxes payable, tax payable, bonds and other indebtedness, CAMMESA financing and other various debts.

Financial liabilities are initially recognized at fair value and then valued at cost amortized using the effective rate method. For bonds and other indebtedness, these are recognized initially at fair value, net of costs incurred on the transaction. The costs incurred in obtaining loans are capitalized and depreciated over the life of the contract which originates them, using the method of the effective rate.

The amounts arising from the CAMMESA financing are registered as "other liabilities" in the balance sheet. The amounts resulting from the recognition of the variation in costs of the Secretariat of Energy and the ENRE through the Instrumental Agreement, up to the amounts received under the CAMMESA financing, are recognized as receivables and are compensated with the amounts recorded in "other liabilities" in the balance sheet pending formalization of the assignment of the receivables. The recognized gain is recorded as "Electric power transmission service, net income" and is exposed within the line of "net revenues" and "interest income generated by assets" of the statement of operations, according to their respective proportions.

Under the CAMMESA financing outstanding balances are cancelled through the mechanism established by the Instrumental Agreement.

Financial liabilities are classified in the current liabilities unless the Company has unconditional right to defer the payment of the obligation to at least 12 months from the balance sheet date.

2.9 Employee benefits

The benefits considered are as follows: a) a bonus for years of seniority to be paid, which consists of paying one salary after 20 years of continued employment and for every 5 years up to 40 years; and b) a bonus for those workers who have credited years of service in order to obtain the Ordinary Pension. The amounts and conditions may vary according to each collective bargaining agreement and for those workers, who are not included in them.

Liabilities related to accumulated seniority plans and to benefits given to employees before mentioned have been determined contemplating all rights accrued by the beneficiaries of the plans until the end of the year ended December 31, 2011 and 2010 respectively, based on an actuarial study conducted by an independent professional as of December 31, 2011 and 2010. The carried out actuarial method used by the Company is foreseen benefits units. The before mentioned concepts are exposed under non-current "Payroll and social securities taxes payable".

2.10 Income tax and Minimum Notional Income tax

(a) Income tax

Income tax charge for the year comprises current and deferred tax. Tax is recognized in the statement of operations, except when it is items that are recognized directly in the statement of other comprehensive income. In this case, the related income tax of such items is also recognized in that statement.

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the time of the balance sheet. Management assesses periodically the position taken in the tax declaration with respect to situations in which the tax laws are subject to interpretation. The Company, where appropriate, makes allowance on the amounts expected to be paid to the tax authorities.

The deferred tax is determined in its entirety, by the liability method, on temporary differences arising between the tax bases of assets and liabilities and their respective accounting values. The deferred tax is determined using tax rates (and legislation) that have been enacted at the balance sheet date and is expected to be applicable when the active deferred tax is carried out or passive deferred taxes be paid.

Deferred assets are only recognized to the extent that future tax benefits against which the temporary differences can be used occur.

Balances of deferred tax income assets and liabilities are compensated when there is enforceable legal right to compensate current tax assets with current tax liabilities and when deferred income tax assets and liabilities relate to the same tax authority already is the entity or different taxable entities in where there is intention to liquidate a net basis balances.

(b) Minimum Notional Income tax

The Company determines the minimum notional income tax by applying the existing rate of 1% on computable assets at each closing date. This tax is complementary to the income tax. The tax obligation of the Company coincides with the greatest of both taxes. However, if the minimum notional income tax exceeds a fiscal year income tax, the excess can be computed as payment on account of the income tax that might occur in any of the ten following fiscal years.

The minimum notional income tax credit exposed under other non-current receivables, is the portion that the Company considers may be compensated for by the income tax in excess of the tax to the minimum notional income tax to be generated within the next ten fiscal years.

2.11 Provisions

Provisions for labor, civil and litigation trials, income tax and right of way are recognized when the Company has a present legal obligation or assumed as a result of past events, is likely that the outflow of resources is required to pay the obligation and the amount can be estimated reliably. Provisions for future operating losses are not recognized.

When there are several similar obligations, the probability of required outflow of resources for its payment is determined considering the kind of obligation as a whole. A provision is recognized even though the probability of the outflow of resources with respect to any specific item included in the same class of obligations is very small.

Provisions are measured at the present value of the disbursements which are expected will be required to cancel the obligation using an interest rate before tax that reflects the current market conditions on the value of money and the risks specific to this obligation. The increase in the provision for the passage of time is recognized under financial results of the statement of comprehensive operations as an interest expense.

2.12 Assets and liabilities balances with related parties

Assets and liabilities with the owner of the parent and other related parties generated by several transactions have been valued in accordance with the conditions agreed as if they were made between unrelated parties.

Persons and companies covered by the Decree N° 677/01 and regulations of the National Securities Commission have been included as related parties.

3. Net Revenues

	31.12.2011
Net Regulated Revenue	323,333,205
Net Fourth Line revenue	11,541,637
Net Other Revenue	188,048,060
Net Revenues	522,922,902

4. Expenses by Nature

Items	Total 31.12.2011	Operating Expenses	Administrative Expenses
Salaries and social security charges	306,672,981	257,589,420	49,083,561
Other personnel costs	7,561,166	5,801,065	1,760,101
Fees for operating services	6,012,527	6,012,527	0
Professional fees	9,929,639	4,689,230	5,240,409
Equipment maintenance	4,546,673	4,546,673	0
Work for third-party materials	28,713,704	28,713,704	0
Fuel and lubricants	6,767,134	6,396,250	370,884
General Maintenance	25,226,720	24,558,913	667,807
Electricity	1,956,368	1,859,939	96,429
Depreciation of property, plant and equipment	77,702,204	69,932,252	7,769,952
Administration expenses related to WEM	670,941	670,941	0
Regulatory fees	1,641,109	1,641,109	0
ATEERA membership fees	436,983	0	436,983
Communications	3,301,349	3,017,615	283,734
Transportation	4,062,783	4,049,344	13,439
Insurance	21,854,370	608,440	21,245,930
Rents	5,347,261	2,827,806	2,519,455
Travel and lodging expenses	18,621,504	17,666,121	955,383
Stationary and printing	2,757,292	618,402	2,138,890
Taxes and government contributions	12,936,972	9,933,296	3,003,676
Directors and syndics	3,491,391	0	3,491,391
Bank expenses	423,066	215,433	207,633
Security	11,031,136	11,020,021	11,115
Office and substation cleaning	6,498,594	6,035,300	463,294
Electroduct maintenance	3,918,404	3,918,404	0
Provisions	(14,747,649)	(14,747,649)	0
Others	10,421,376	6,215,439	4,205,937
TOTAL	567,755,998	463,789,995	103,966,003

5. Financial Results Net

	31.12.2011
Financial Income	
Interests	110,204,468
Total financial income	110,204,468
Financial Costs	
Interests generated by loans	(79,412,282)
Total financial costos	(79,412,282)
Other financial results	
Foreign exchange	(34,329,182)
Changes in the financial assets fair value	7,408,633
(Loss) Gain from repurchase of notes	1,760,882
Result from liabilities measured at fair value	(2,424,973)
Total Other financial results	(27,584,640)
Total Other financial results, net	3,207,546

6. Income tax and Deferred income tax

The analysis of the deferred tax assets and liabilities is as follows:

Deferred income assets

	Tax loss carryforward	Investments	Accounts receivable	Emloyee benefits payable	Provisions	Other assets	Total
As of January 1, 2011	0	1,399,883	142,195	16,286,047	9,167,271	19,192,323	46,187,719
Charged to the income statement	5,502,354	8,936,595	0	2,989,487	(2,315,171)	(4,834,130)	10,279,135
Charged to other comprehensive income	0	0	0	5,018,763	0	0	5,018,763
As of December 31, 2011	5,502,354	10,336,478	142,195	24,294,297	6,852,100	14,358,193	61,485,617

Deferred tax liabilities

	Property, plant and equipment	Other receivables	Bonds and other indebtedness	Total
As of January 1, 2011	169,404,020	37,181,882	1,812,343	208,398,245
Charged to the income statement	(12,723,322)	(7,726,637)	7,493,555	(12,956,404)
Charged to other comprehensive income	0	0	0	0
As of December 31, 2011	156,680,698	29,455,245	9,305,898	195,441,841

The breakdown of the income tax charge corresponding to the period is as follows:

	31.12.2011
Current tax	0
Deferred tax	(23,235,539)
Income tax	(23,235,539)

Exhibit I to the Unaudited Condensed Consolidated Interim Statements (Continued)

Bellow is the reconciliation between income tax expenses and the amount resulting from the application of the corresponding tax rate in force to the accounting income (loss):

	31.12.2011
Net loss before income taxes	(67,687,059)
Tax rate in force	35%
Loss at he tax rate	(23,690,471)
Taxable effects by:	
- Other non taxable and/or non deductible items	454,932
Income tax	(23,235,539)

7. Property, plant and equipment

Principal account	Original Value				
	At the beginning of the year	Deductions	Reclassifications	Transfers	At the end of the year
	$				
Land	3,864,279	0	0	0	3,864,279
Vehicles	32,055,113	2,907,551	(93,721)	0	34,868,943
Air and heavy equipment	22,197,739	775,509	0	0	22,973,248
Furniture and fixtures	6,592,807	96,929	0	0	6,689,736
Information systems	16,331,039	516,348	0	0	16,847,387
Transmission lines	906,279,605	0	0	1,802,327	908,081,932
Substations and related works	873,128,838	1,115,013	(6,420,757)	21,165,401	888,988,495
Building and civil works	82,140,403	204,180	0	0	82,344,583
Labs and maintenance	8,388,697	67,117	0	0	8,455,814
Communication equipment	101,443,501	130,026	0	2,748,912	104,322,439
Miscellaneous	14,907,858	421,128	0	0	15,328,986
Work in progress	133,833,163	25,167,679	0	(17,638,693)	141,362,149
Spare parts	67,767,685	3,495,071	(2,313,677)	(185,878)	68,763,201
Advances to suppliers	9,094,782	18,808,671	0	(7,892,069)	20,011,384
Total 2011	2,278,025,509	53,705,222	(8,828,155)	0	2,322,902,576

Exhibit I to the Unaudited Condensed Consolidated Interim Statements (Continued)

Principal account	Depreciation				
	At the beginning of the year	Decreases	Current year depreciation	At the end of the year	Net carrying value
	$				
Land	0	0	0	0	3,864,279
Vehicles	(26,659,886)	60,227	(2,942,234)	(29,541,893)	5,327,050
Air and heavy equipment	(5,650,081)	0	(919,653)	(6,569,734)	16,403,514
Furniture and fixtures	(4,285,633)	0	(360,548)	(4,646,181)	2,043,555
Information systems	(15,295,410)	0	(539,868)	(15,835,278)	1,012,109
Transmission lines	(500,975,544)	0	(32,177,720)	(533,153,264)	374,928,668
Substations and related works	(412,960,935)	5,409,588	(31,458,995)	(439,010,342)	449,978,153
Building and civil works	(29,773,778)	0	(2,050,497)	(31,824,275)	50,520,308
Labs and maintenance	(3,728,295)	0	(614,657)	(4,342,952)	4,112,862
Communication equipment	(48,050,016)	0	(5,544,069)	(53,594,085)	50,728,354
Miscellaneous	(13,264,899)	0	(1,093,963)	(14,358,862)	970,124
Work in progress	0	0	0	0	141,362,149
Spare parts	0	0	0	0	68,763,201
Advances to suppliers	0	0	0	0	20,011,384
Total 2011	(1,060,644,477)	5,469,815	(77,702,204)	(1,132,876,866)	1,190,025,710

8. Other credits

	31.21.2011	01.01.2011
Non-Current		
Financial Credit - Fourth Line	59,816,023	82,476,128
Minimum Notional Income Tax Credit	46,193,701	35,291,595
Stock Ownership Pogram	5,329,430	5,027,080
Total	111,339,154	122,794,803

	31.12.2011	01.01.2011
Current		
Financial Credit - Fourth Line	27,492,043	27,492,043
Prepaid expenses	13,579,895	11,540,296
Advances to suppliers	5,704,133	5,542,620
Tax credits	5,031,593	0
Loans to employees	1,557,283	972,039
Judicial seizure	2,064,402	221,402
Stock Ownership Pogram - Dividends receivable	778,780	0
Stock Ownership Pogram - Reduction of capital	0	6,625,000
Others	110,857	105,368
Total	56,318,986	52,498,768

The other credits fair values do not differ significantly from their respective book values.

9. Account Receivables

	31.12.2011	01.01.2011
CAMMESA	91,364,118	79,036,010
Other services	19,268,703	26,139,293
Other related parties	30,332,058	16,158,119
Total	140,964,879	121,333,422

The account receivables fair values do not differ significantly from their respective book values.

The aging of the non provisioned account receivables is as follows:

	31.12.2011	01.01.2011
Less than 3 months	124,061,971	110,084,670
Between 3 to 6 months	0	0
Between 6 to 9 months	0	0
Between 9 to 12 months	0	0
Between 1 to 2 years	0	0
Over 2 years	0	0
Matured	16,902,908	11,248,752
	140,964,879	121,333,422

10. Cash and cash equivalents

	31.12.2011	01.01.2011
Cash in local currency	1,759,491	764,842
Cash in foreign currency	88,314	83,695
Banks in local currency	1,558,540	2,441,864
Banks in foreign currency	23,031,140	64,662,423
Mutual funds	6,519,727	20,178,849
Corporate bonds	35,797,868	0
Government securities	65,681,469	0
Financial investments	0	16,658,705
Cash and cash equivalents	134,436,549	104,790,378
Current accounts overdrafts	(243,527)	(43,480,861)
Cash and cash equivalents, net	134,193,022	61,309,517

11. Debt and other indebtedness

	31.12.2011	01.01.2011
Non-current bonds and other indebtedness		
Nordic Investment Bank (NIB)	20,982,000	19,383,000
Par Notes	0	9,781,086
Corporate Bonds 2016	228,387,456	510,497,236
Corporate Bonds 2021	424,094,640	0
Costs related to the refinancing and issuance of Corporate Bonds 2021	(23,541,604)	0
Net present value adjustment to NIB and Par Notes	(3,046,677)	(5,169,623)
Total	646,875,815	534,491,699
Current bonds and other indebtedness		
Nordic Investment Bank (NIB)	46,627	43,074
Par Notes	0	328,117
O. Negociables 2016	900,862	2,014,166
O. Negociables 2021	17,343,704	0
Current accounts overdrafts	243,527	43,480,861
Banco Nación Argentina	0	6,708,060
Adjustment NIB and Par Notes to descounted value	0	(8,501)
Total	18,534,720	52,565,777

12. Employee benefit expense

The amounts recognized in the statements of operations are as follows:

	31.12.2011	01.01.2011
Charges to Results		
Services Cost	9,014,778	3,456,389
Interest Cost	9,991,479	6,983,016
Total	19,006,257	10,439,405

The amounts exposed in the Balance Sheet are as follows:

Benefits Obligations at the beginning of the year	46,531,562	32,835,746
Services Cost	9,014,778	3,456,389
Interest Cost	9,991,479	6,983,016
Transitional Liability	14,339,324	7,402,432
Payments of benefits	(10,464,865)	(4,146,021)
Benefits Obligations at the end of the year	69,412,278	46,531,562

The most important actuarial assumptions used for the calculation are as follows:

Discount rate	29.32%	25.08%
Current interest rate	6.00%	6.00%
Salary growth rate	2%	1%

13. Accounts payable

	31.01.2012	31.12.2011
Non-Current		
Billings in advance	5,120,460	5,490,966
Total	5,120,460	5,490,966

	31.12.2012	01.01.2011
Current		
Suppliers	31,518,260	26,326,306
Billings in advance	10,478,584	18,172,500
Other related parties	0	477,091
Total	41,996,844	44,975,897

The account payable fair values do not differ significantly from their respective book values

14. Segments information

The Company concentrates its businesses mainly on its primary and secondary activity. As the activity is basically carried out in Argentina, therefore, no segments by geographic area have been identified.

The business segments have been organized according to the following guidelines:

a) Main activity includes operations of high voltage electricity transportation and trunk distribution transmission, subject to regulation issued by the ENRE, and the construction, operation and maintenance of the Fourth Line.

b) Other includes participation in operations whose rate has not been determined by the ENRE, including the activities undertaken abroad.

Assets, liabilities, income and expenses not directly attributable to a specific segment have been allocated to the more significant segment, as they are reported within the main activity.

The segment information submitted to the General Director, who takes the business strategic decisions, for the reportable segments for the fiscal year ended December 31, 2011 is as follows:

	Main activity $	Other segments $	Total $
Fiscal year ended December 31, 2011			
Net revenues	334,874,842	188,048,060	522,922,902
Operating results	(144,565,980)	99,701,631	(44,864,349)
Total assets	1,580,508,895	56,106,704	1,636,615,599
Total liabilities	1,002,248,359	15,599,044	1,017,847,403
Acquisition of property, plant and equipment	53,705,222	0	53,705,222
Property, plant and equipment depreciation	77,702,204	0	77,702,204

Sales between operating segments identified by society is not finalized. Sales revenues reported to the Director-General are measured in the same way as for the preparation of Statements of Operations.

15. Fourth Line of the Comahue-Buenos Aires electricity transmission system

On October 27, 1997, Transener obtained the exclusive license to construct, maintain and operate the fourth line of the Comahue-Buenos Aires electricity transmission system pursuant to a contract entered into with the *Grupo de Generadores de Energía Eléctrica del Area del Comahue* (the "COM Contract"). The project involved the construction of approximately 1,300 km of 500kV electricity lines, the installation of approximately 2,550 high-tension towers and the expansion of 5 substations. The COM Contract was approved by ENRE in November 1997 and established a construction period of 23 months from that date.

The COM Contract establishes a fee to be paid to the Company in monthly equal and consecutive installments over 15 years, which started from the commissioning of the work, on December 20, 1999.

In addition, Transener S.A. has received all pre-payments as established in the COM Contract, arising from the surplus sub-account due to restrictions of the transmission capacity of the Comahue-Buenos Aires corridor, which constitute part of the remuneration of Transener S.A. These funds have been recognized as Customers' prepayments, under "Non-current accounts payable" and are recognized as net revenues on the basis of the 15 year agreement with the collection period of the canon.

Due to the pesification of the fee, stated by Law No. 25,561, the Company has requested the ENRE that in its character of Consignor of the Contract, it re-determines the canon. Due to the fact that said petition was never resolved by the ENRE, in November 2006 the Company filed an appeal before the Federal Court of Appeals. It is important to highlight that through Resolution ENRE No. 428/02 and its amendments, the mentioned fee denominated in pesos is adjusted monthly by the CER index (the reference stabilization coefficient).

On October 29, 2007, the ENRE replied to the request, asking for the rejection of the appeal; on December 19, 2007 Transener S.A. submitted a file rejecting the arguments stated by the ENRE and ratifying the source of the appeal submitted. On December 28, 2007 the Federal Court of Claims served notice of the principal file to the General Prosecutor, who formally admitted the appeal on February 22, 2008.

On October 23, 2008 the Federal Courts of Appeals Panel II determined to give back the request to the ENRE and to instruct the ENRE to give an answer to the claim submitted by Transener, within a term of thirty (30) days, as from the date of the corresponding notification.

On December 3, 2008, the ENRE issued Resolution No. 653/08, through which new calculations have been made for the recalculation of the canon. This resolution established a new annual canon of $ 75.9 million, as from the month of October 2008. Due to the fact that the new annual canon does not consider an update, a reconsideration appeal was submitted to the ENRE –and subsidiarily to the Secretariat of Energy-requesting an updated scheme to be applied up to the finalization of the COM contract, similar to the one stated in the UNIREN Agreement and the redetermination of the charge for operation and maintenance in accordance with Transener S.A. tariff in force. In addition, the ENRE was requested to recognize a new readjustment of the canon in relation to the imbalance occurred beginning in October 2008, following the calculations according to the updating method foreseen in the UNIREN Agreement.

Through Resolution No. 180/2010 dated March 31, 2010, the ENRE rejected the appeal for reconsideration, so the case was submitted before the Secretariat of Energy, for it to decide upon the administrative appeal.

Before that instance, on August 26, 2010, a new presentation was made to the ENRE claiming an acknowledgement of the cost variations incurred since October 2008, making the calculation based on the same methodology used by the ENRE to determine the canon approved by the before mentioned Resolution No. 653/08.

On December 21, 2010 the Company, together with the Secretariat of Energy and the ENRE, entered into an Instrumental Agreement to the original Agreement entered into with the UNIREN which was ratified under Decree No. 1,462/2005, by virtue of which the ENRE ratified the fact that it is analyzing the redetermination of the canon of the IV Line COM Contract, within the framework of ENRE

Resolution No. 653/08, and it was committed to issuing the corresponding administrative action, thus proceeding to instruct CAMMESA to make the corresponding invoicing.

On March 30, 2011, the ENRE issued the Resolution No. 150/2011 which establishes a new annual canon of $ 95.9 million as from July 2010, and instructed CAMMESA to make the corresponding adjustments. Net Fourth Line revenues have been recognized for Pesos 10.0 million corresponding to the retroactive adjustment for year 2010 and for Pesos 20.0 million corresponding to fiscal year ended December 31, 2011.

On April 7, 2011, the Company filed an appeal against said Resolution because the interests which correspond to the delayed payment of the retroactive adjustment of the canon have been omitted. The resolution of this appeal is still pending.

On 7 September 2011, a new presentation was made to the ENRE claiming the recognition of variations in costs from July 2010 to July 2011, calculated on the basis of the same methodology used by ENRE to determine the canon approved by resolutions No. 653/08 and No. 150/11 before mentioned. As of the date, such request is pending of resolution by the ENRE.

16. Investments in Transener Internacional Ltda.

Transener Internacional Ltda. is undergoing operating and financing difficulties. As a consequence of that, and in order to support its operations, as of December 31, 2011, Transener has granted loans to Transener Internacional Ltda. for the amount of US$6.6 million.

As of December 31, 2011, due to the uncertainty as to the Company ability to fully recover the above-mentioned loans and credits granted, the book value of such investments remains fully impaired.

17. Financing structure

17.1 Series 1 Notes 2016

The remaining outstanding amount of the nominal Series 1 Notes as of December 31, 2011 was US$ 53,064,000 (See Notes 11.3. Refinancing of Series 1 and 11.3.2. Repurchase of notes and).

Series 1 Notes have been authorized for public offering in Argentina in accordance with Resolution No. 15,523 of November 30, 2006 issued by the CNV. Additionally, the above-mentioned notes have been authorized: (i) for listing in the Buenos Aires Stock Exchange and in the Luxembourg Stock Exchange, in accordance with the opportune authorizations issued by said entities and (ii) for listing on the MAE.

17.1.1 Restrictions in relation to the Refinancing 2006

Transener and its Restricted Subsidiaries, according to the terms and conditions of the Refinancing 2006, were subject to the compliance of a series of restrictions. Some of these restrictions have been eliminated as a consequence of the Refinancing 2011 (See 11.3. Refinancing of Series 1 Notes ("Refinancing 2011").

17.2 Global Notes Issuance Program

On November 5, 2009, an Ordinary General Shareholders' Meeting decided the creation of a 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´t exceed $ 200 million (Pesos two hundred million) or its equivalent in other currencies (the "Program"). The Program has been authorized for public offering in accordance with Resolution No. 16,244 of December 17, 2009 issued by the CNV. On July 5, 2010, an update of the Information Memorandum with the Financial Statements as of March 31, 2010 was submitted.

17.3 Refinancing of Series 1 Notes ("Refinancing 2011")

Due to the appropriate conditions in the international capital markets at the beginning of the current year and that the partial amortization of the Series 1 Notes will begin in 2013, Transener decided to proceed to the refinancing of the mentioned notes with the main purpose of extending the debt maturity.

This process, which was initiated in April 2011, comprised a tender offer and an exchange offer of the Series 1 Notes. Up to the closing of said offers, approximately 65% had been validly tendered. This amount includes US$ 29.1 million notes held by Transener and Transba.

Additionally and as part of the refinancing process, Transener called a Series 1 Noteholders' Meeting, in order to propose amendments to the Series 1 Notes and certain provisions of the First Supplemental Indenture. The Noteholders' Meetings were held on July 29 and on August 10, 2011, in which the Series 1 Notes holders approved the amendment proposed by Transener.

In order to finance the tender offer and the exchange offer, Series 2 Notes for the amount of US$ 53.1 million were issued on August 2, 2011 and Series 2 Notes for the amount of US$ 47.4 million will be issued on August 11, 2011. Consequently, the principal amount of Series 2 Notes will be US$ 100.5 million. These new notes due August 15, 2021, accrue interest at an annual interest rate of 9.75% and will be fully amortized at the maturity date.

The Series 2 Notes were authorized for listing in the BASE and in the Luxemburg Stock Exchange, in accordance with the authorizations opportunely issued by said entities, and for trading in the Mercado Abierto Electrónico S.A.

17.3.1 Restrictions in relation to the Refinancing 2011

The Company and its Restricted Subsidiaries have to comply with the following restrictions, according to the refinancing terms, including among others:

i) Incurring or ensuring additional indebtedness;

ii) Paying dividends or making other distributions as regards either the redemption or repurchase of the Company's capital stock or indebtedness;

iii) Making other restricted payments, including investments;

iv) Placing liens or making sale & leaseback transactions;

v) Selling or otherwise disposing of assets, including the subsidiaries' capital stock;

vi) Entering into agreements that restrict the dividends of the subsidiaries;

vii) Carrying out transactions with affiliates; and

viii) Performing mergers or consolidation transactions.

17.3.2 Repurchase of debt

During the year ended December 31, 2011, Transener SA. Repurchased Class 2 Notes for a nominal value of U$S 2 million. The aforementioned notes remain in portfolio.

18. Financial risk and capital risk management

18.1 Financial risk factors

Financial risk management is part of the policies of the Company which focuses on the uncertainty of global financial markets and tries to minimize the potential adverse effects on its financial profitability.

Financial risk management is controlled by the Administration and Finance Office which identifies, evaluates, and covers financial risks through risk management policies.

(a) Markets risks

(i) Exchange rate risk

The exchange rate risk is the risk that the fair value or future cash flows of a financial instrument vary as a result of variations in the exchange rate of the peso in respect with a foreign currency. The Company receives most of their income in pesos in accordance with rates that are not indexed in relation to the US dollar, while a significant portion of its existing financial debt is denominated in US dollars, which exposes it to the risk of a loss arising from a devaluation of the peso. In addition, a significant portion of operating expenses is nominated in, or calculated by reference to, US dollars or other foreign currencies.

Currently the Company seeks to partially cover this risk becoming part of its surplus funds pesos to USD or other stable currency investing these funds out of the Argentina, as permitting regulations of the Central Bank of the Republic Argentina and holding currency forward contracts and maintain portfolio of assets denominated in foreign currency, but continues to experience considerable exposure to the US dollar.

For these reasons the risk of change derives basically from financial debts held in USD partially covered by funds invested in foreign currency.

As of December 31, 2011, approximately 100% of the financial debt is nominated in USD. Also, funds invested in USD represent 92% of the total of cash and equivalents balance maintained by the Company.

If as of December 31, 2011, the peso has been revalued/devalued 10% in relation to the US dollar; with all other variables held constant, the loss after tax for the fiscal year ended on that date would have been $37 million minor/major, mainly as a result of the profits/losses of the exchange of cash and cash equivalents and trade accounts payable to suppliers denominated in US dollars.

(ii) Price risk

The Company is exposed to the risk of fluctuations in the prices of their investments maintained and classified in the balance sheet at fair value through profit and loss. The Company is not exposed in their income to the risk of the commodity prices. To manage their exposure to price risk arising from their investments, the Company diversifies its portfolio. Diversification of the portfolio is made according to limits and parameters pre-established by the Administration and Finance Department.

In addition, the Company is exposed to the risk of rising prices of inputs used in the ordinary course of its business. In particular, since the tariffs collected by the Company from its customers are regulated, is exposed to the risk of not being able translate to tariffs increases in its operating costs. To manage their exposure to this risk, the management has business practices targeted to the selection of most suitable providers to ensure that minimize the costs of purchase of inputs without resign the quality of them.

(iii) Interest rate risks

The Company is not exposed to the risk of interest rate given that as of December 31, 2011 approximately 100% of the financial and banking debt was agreed at a fixed interest rate.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits in banks and financial institutions, as well as exposure to the credit of customers, which includes the outstanding accounts receivable balances and committed transactions. With regard to banks and financial institutions, it is accepted only to institutions whose independent risk ratings are "Investment grade". In the case of the non-regulated business customers, if there are no independent risks ratings the Company evaluates the credit quality of the customer, taking into account its financial position, past experience and other factors. As of December 31, 2011, the accounts receivable debts amounted to approximately $17 million. As of December 31, 2011, the financial statements included an estimate of $0.4 million.

In the case of the regulated business, credit concentration focuses mainly on the balances held with CAMMESA, and accordingly the answer to the credit risk in this business is not subject to decisions or internal credit assessments of the Company, but currently matured balances by revenue invoiced in this business are not registered.

In relation to the accounts receivable, the Company's credit portfolio is distributed mainly between the balances held with CAMMESA and other clients. The concentration of appropriations focuses mainly on the balances held with CAMMESA, representing 62% of the total portfolio of accounts receivable of the Company to December 31, 2011.

(c) Liquidity risk

The Administration and Finance Department oversees the cash flow projections updated with the object of ensuring the cash needed to meet operational needs while maintaining credit lines with sufficient margin to cover any financial shortfall. These projections, as well as habitual operating income and expenses, take into consideration plans for financing of capital investments of the Company, fulfillment of the obligations of trust contracts that govern the long term debts (covenants), regulatory and legal requirements, for example, rules issued by Central Bank of the Republic Argentina.

The Company's Finance Department invests surplus cash in fixed-term deposits, deposits in foreign currency funds, mutual funds and corporate and sovereign bonds, choosing instruments with maturities suitable or sufficient liquidity to give sufficient margin as determined in the above projections. As of December 31, 2011 the Company remained cash and cash equivalents by $134 million that is expected to generate immediate cash inflows for the liquidity risk management.

The table below analyses the financial liabilities on a net basis grouped on the basis of the period remaining to the date of the balance sheet until the date of its expiry, on nominal without discounted basis.

As of December 31, 2011	Matured	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Over 2 years
Bonds and other indebtedness	0	17,587,230	947,490	8,333,333	665,130,763
Accounts payable	0	31,518,260	0	0	0
Tax payable	0	20,015,125	0	0	0
Payroll and social securities taxes payable	0	57,368,887	0	0	0
Other liabilities	0	285,108	1,425,542	390,000	0

18.2 The risk of capital management

The objectives of the Company to manage capital are to safeguard the ability of the Company to continue as a going concern for the purpose of generating returns to its shareholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce its debt.

Consistent with the industry, the Company monitors its capital on the basis of the ratio of leverage. This ratio is calculated by dividing net debt between the total capital. Net debt corresponds to the total of the debt (including current and non-current indebtedness) less cash and cash equivalents. The total capital corresponds to the equity as it is in the Balance Sheets more net debt.

The leverage ratio on December 31, 2011 and the date of transition to IFRS are as follows:

	31.12.2011	01.01.2011
Total Bonds and other indebtedness	665,410,535	587,057,476
Less: Cash and cash equivalents	(134,436,549)	(104,790,378)
Net debt	530,973,986	482,267,098
Total Equity	618,768,196	673,319,057
Total capital	1,149,742,182	1,155,586,155
Leverage ratio	46%	42%

18.3 Financial instruments by category and level fair value hierarchy

For financial instruments accounting policies have been applied to the items as follows:

	31.12.2011	01.01.2011
Financial assets		
Cash and cash equivalents at fair value	107,999,064	20,178,849
Mutual funds	0	0
Investments	3,530,321	2,806,015
Account receivables	140,964,879	121,333,422
Other receivables	97,148,818	122,919,060
Cash and cash equivalents	26,437,485	84,611,529
Total	376,080,567	351,848,875
Financial Liabilities		
Bonds and other indebtedness	665,410,535	587,057,476
Accounts payable	31,518,260	26,803,397
Tax payable	20,015,125	26,493,773
Payroll and social securities taxes payable	57,368,887	35,614,399
Other liabilities	2,100,650	7,809,652
Total	776,413,457	683,778,697

As of December 31, 2011, approximately 75% (01.01.2011: 77%) of the accounts receivable and other credits do not have credit rating. The balances of cash and cash equivalents are held in banks and financial institutions whose independent risk ratings are "investment grade".

The Company categorizes each of the classes of financial instruments valued at fair value in the Balance Sheet using a hierarchy of fair value which has three levels, depending on the relevance of the variables used to carry out the measurements.

Level 1 includes financial assets and liabilities whose fair values are determined with reference to quote prices (unadjusted) in active markets for identical liabilities and assets. Level 2 includes financial assets and liabilities whose fair value is estimated using variables other than quote prices included in level 1 that are observable for assets and liabilities, either directly (for example, prices) or indirectly (for example, derivatives prices). Level 3 includes financial instruments for which the variables used in the estimation of the fair value are not based on observable market data.

Description	Measurement at fair value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Cash and cash equivalents	107,999,064	0	0	107,999,064
Total Assets	107,999,064	0	0	107,999,064

Description	Measurement at fair value as of January 1, 2011			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Cash and cash equivalents	20,178,849	0	0	20,178,849
Total Assets	20,178,849	0	0	20,178,849

There were no relevant transfers between levels 1 and 2 of the fair value hierarchy.

The estimated fair value of a financial instrument is the value to which this instrument can be exchanged in the market among interested parties, different from the value that can arise in a sale or forced liquidation. For the purpose of estimating the fair value of financial assets and liabilities, the Company uses quote prices in the market.

In connection with financial debt, since mostly fixed rates taken are close to market rates, the fair value of the financial debt is approaching its value in books and is not exposed separately.

19. Adoption of International Financial Reporting Standards

Application of IFRS 1

The National Securities Commmission (CNV), through Resolutions Nos. 562/09 and 576/10 has established the application of Technical Pronouncement No. 26 of the Argentine Federation of Professional Councils in Economic Sciences (subsequently amended by Technical Pronouncement No. 29 of the Argentine Federation of Professional Councils in Economic Sciences), which has adopted International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) for those entities included in the public offering regime under Law No. 17,811, either for their capital or corporate bonds, or which have requested authorization to be included in that regime.

These standards will be of mandatory application for the Company as from the fiscal year commenced on January 1, 2012, with the first consolidated financial statements to be filed being those at March 31, 2012.

The Company will fully adopt IFRS as issued by the IASB as from fiscal year commenced on January 1, 2012. The adoption of these standards has given rise to changes in the Company's accounting policies. The impact of the adoption of IFRS is presented in a reconciliation of shareholders' equity as of January 1, 2011 (date of transition to IFRS issued by the IASB) and December 31, 2011 and a reconciliation of comprehensive income for the year ended December 31, 2011, as detailed hereinafter.

- **Estimates**

Estimates as of January 1, 2011 under IFRS are consistent with the estimates made in accordance with Argentine GAAP.

- **Classification and measurement of financial assets**

Financial assets are classified and measured according to IFRS 9, which will be early adopted by the Company as of January 1, 2011. That standard presents two measurement categories: amortized cost and fair value, and was applied by the Company according to the events and circumstances in place as of the date of transition.

The remaining mandatory exceptions provided by IFRS 1 have not been applied since they are not relevant to the Company. These exceptions are as follows:

- Derecognition of financial assets and liabilities
- Assets classified as kept for sale and discontinued operations
- Hedge accounting
- Non-controlling interests

IFRS 1 allows certain optional exemptions to the retroactive application of IFRS, with the Company having applied the following:

- **Fair value or revalued amount as deemed cost**

Fixed assets (recorded as property, plant and equipment) have been valued as of the date of transition to IFRS, using the respective book values, in compliance with Argentine GAAP.

- **Benefit plans**

IFRS 1 provides an exemption from retroactive application of IAS 19 revised, "Retribution to employees" regarding the recognition of actuarial losses and gains. In line with this exemption, the Company has chosen to recognize all the existing accumulated actuarial losses and gains as of the date of transition, in relation to all the employees benefit plans reflected in the opening balance of the retained earnings.

The remaining optional exemptions which are not applicable in the Company are as follows:

- Insurance contracts
- Rental agreements
- Cumulative translation differences
- Investments in subsidiaries, jointly and associated controlled entities
- Subsidiaries' assets and liabilities, associated entities and joint businesses
- Compound financial instruments
- Dismantling liabilities included in the cost of property, plant and equipment
- Designation of previously recognized financial instruments
- Fair value measurement of financial assets or financial liabilities in the initial recognition

Reconciliation between IFRS and Argentine GAAP

The following tables show the reconciliations of the Argentine GAAP to IFRS, quantifying the transition effects and the comparative for the first fiscal year of application.

In that sense, the Company has considered those IFRS which are expected to be applied for the preparation of its financial statements as of December 31, 2012.

The accounts and figures included in the reconciliation could be modified if at the time of preparation of the financial statements as of December 2012, the accounting standards to be applied are different.

a) ***Effects of the application of IFRS on shareholders' equity as of January 1, 2011 and as of December 31, 2011***

IFRS foresees the use of alternative criteria for the measurement after the initial recognition of each kind of assets which are included in Property, Plant and Equipment. The entity should choose between the "cost model" and the "revaluation on cost". The Company's Management has decided to go on applying the "cost model" for all the assets included in Property, Plant and Equipment.

After considering the voluntary exemptions chosen for the initial adoption and the use of the "cost model" in order to assess Property, Plant and Equipment, the main differences identified between the Argentine GAAP and IFRS, and their impact on the Company's equity as of January 1, 2011 and December 31, 2011, as well as on the net income corresponding to the fiscal year ended December 31, 2011, are as follows:

	Shareholders' equity as of January 1, 2011	Shareholders' equity as of December 31, 2011
Balances according to Argentine GAAP	1,082,483,823	1,014,205,287
IFRS Adjustments		
1. Change of method in depreciation of Property, Plant and Equipment	(274,635,635)	(275,187,007)
2. Segregation of Fourth Line's construction, operating and maitenance	(24,057,111)	(12,984,338)
3. Recognition of deferred tax on adjusted for inflation	(241,383,827)	(222,971,864)
4. Recognition of income in relation to defined benefit plans	(26,301,371)	(39,469,804)
5. Non controlling participaion's equity under IFRS	13,429,040	13,120,263
6. Effects of the described adjustments in deferred tax	113,747,942	114,674,402
Shareholders' equity under IFRS	643,282,861	591,386,939

b) ***Effects of the application of IFRS on comprehensive income as of December 31, 2011***

	Net income as of December 31, 2011
Balances according to Argentine GAAP	(68,278,536)
IFRS Adjustments	
1. Change of method in depreciation of Property, Plant and Equipment	(551,372)
2. Segregation of Fourth Line's construction, operating and maitenance	11,072,773
3. Recognition of deferred tax on adjusted for inflation	18,411,963
4. Recognition of income in relation to defined benefit plans	1,170,891
5. Non controlling participaion's equity under IFRS	(308,778)
6. Effects of the described adjustments in deferred tax	(4,303,248)
Transener S.A. net income under IFRS	(42,786,307)
Transener S.A.'s other comprehensive income under IFRS	(9,109,615)
Comprehensive income under IFRS	(51,895,922)

1. Change of depreciation method for Property, Plant and Equipment

In accordance with Argentine GAAP, Transener S.A. and Transba S.A. apply technical depreciation method for certain assets related to the electricity transmission activity. Under IFRS, the straight-line method has been applied.

The effect on shareholders' equity is a loss of $ 274,635,635 and $ 275,187,007 as of December 31, 2010 and December 31, 2011, respectively.

2. Segregation of assets related to the fourth-line's construction, operating and maintenancet

In accordance with Argentine GAAP, costs and expenses directly related to the Fourth-Line project were recorded as "Other non-current assets", and were depreciated as a single item on a straight-line basis over a 15-year period, considering the period for collection of the construction, operating and maintenance fee. Similarly, CAMMESA paid to Transener all the advances established under the COM contract arising from the excess subsidiary account due to restrictions to the transportation capacity of the Comahue-Buenos Aires corridor. These funds have been recorded as "Customers' prepayments" under "Non-current accounts payable" and recognized in income in a 15-year basis according to the period for collecting the fees. Additionally, under Argentine GAAP, this asset was considered as a non-financial asset, and as such subject to inflation accounting and exchanges rate differences were capitalized.

In accordance with IFRS,

a) agreements including multiple elements (construction, operating and maintenance,etc), should be segregated and recorded separately based on the service provision. Consequently, the result of the construction has been segregated from the result of the operating and maintenance, thus recognizing the financial asset based on future cash flows to receive, associated to the fourth- line construction services;

b) the effect of inflation accounting was reversed, as well as capitalised exchanges differences.

The effect on shareholders' equity is a loss of $ 24,057,111 and $ 12,984,338 as of December 31, 2010 and December 31, 2011, respectively.

3. Recognition of deferred tax liabilities for inflation adjustment

In accordance with Argentine GAAP, the Company considers inflation adjustment of property, plant and equipment and other non cash assets as permanent differences for purposes of determining deferred income taxes. Under IFRS, inflation adjustment is considered as a temporary difference generating a higher deferred tax liability.

The effect on shareholders' equity is a loss of $ 241,383,827 and $ 222,971,864 as of December 31, 2010 and December 31, 2011, respectively.

4. Recognition of results related to defined benefit plans

In accordance with Argentine GAAP, the Company does not recognize in the consolidated financial statements actuarial losses and gains as well as costs for past services which have not yet been amortized. Under IFRS, and considering that the Company has early adopted IAS 19 revised, the Company has recognized actuarial losses and gains not recorded as of the date of transition in comprehensive income; and costs for past services not amortized as of the date of transition in retained earnings.

The effect on shareholders' equity is a loss of $ 26,301,371 and $ 39,469,804 as of December 31, 2010 and December 31, 2011, respectively.

5. *Adjustment effects on the Subsidiary*

	January 1, 2011	December 31, 2011
1. Change of method in depreciation of Property, Plant and Equipment	(87,627,344)	(86,893,883)
2. Recognition of deferred tax on adjusted for inflation	(59,679,761)	(55,683,563)
3. Recognition of income in relation to defined benefit plans	(6,498,189)	(9,104,262)
4. Effects of the described adjustments in tax	32,943,936	33,599,350
Shareholders' equity under IFRS	(120,861,358)	(118,082,358)

The explanation for each adjustment is informed by each referenced note to the Transener S.A. adjustment.

6. *Deferred income tax on IFRS conversion adjustment*

It corresponds to the effect on the deferred income tax of the before mentioned adjustments to convert into IFRS.