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

Unaudited Condensed Interim Consolidated Financial Statements as of March 31, 2013 and for the three-month periods ended March 31, 2013 and 2012

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.
City of Buenos Aires

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 subsidiary, including the condensed interim consolidated balance sheet at March 31, 2013, the condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and selected explanatory Notes. Balances and other information for the year 2012 are an integral part of the unaudited financial statements mentioned above and therefore must be considered in relation to these financial statements.

2. The Company's Board of Directors is responsible for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards ("IFRS"), adopted by the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE") as professional accounting standards and added by the National Securities Commission ("CNV") to its regulations, as approved by the International Accounting Standard Board ("IASB"). Therefore, they are responsible for the preparation and presentation of the condensed interim consolidated financial statements mentioned in 1., in accordance with International Accounting Standard No. 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 the application of the procedures established by Technical Resolution No. 7 of the FACPCE for limited reviews of financial statements for interim periods, which consist mainly of the application of analytical procedures on the amounts disclosed in the condensed interim consolidated financial statements and of inquiries of Company staff responsible for the preparation of 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. Accordingly, we do not express an opinion on the Company's consolidated financial position, consolidated statement of comprehensive income and consolidated cash flows.

4. 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 Government 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 three-month period ended March 31, 2013, the Company recorded a net loss of $ 36,559 thousand, operating losses for $ 45,375 thousand, and cash flow deficit of $ 23,314 thousand. The Company Management believes that if the conditions existing at the date of these

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condensed consolidated financial statements persist, the situation will worsen, with deficits in operating results being expected for the present year.

5. As stated in Note 5.3. 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 24,065, assuming that rate increases will be obtained and higher costs will be recognized under the terms of the Agreements mentioned in paragraph 4. Future actual results and cash flows might differ from the estimates and assessments made by Management at the date of these 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 and tax loss carry forward recorded will exceed their respective net carrying amounts..

6. The circumstances described in paragraphs 4. and 5. could affect the future development of the operations of Transener S.A. and its subsidiary, since it depends on the evolution of factors uncontrollable by the Company. The Company has prepared these condensed interim consolidated financial statements using accounting principles applicable to a going concern. Therefore, these 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.

7. Based on our review, except for the effects that possible adjustments and/or reclassifications, if any, might have on the condensed interim consolidated financial statements, that might be required from the resolution of the situations described in paragraph 4., 5. and 6., there are no issues that have called 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 IAS 34.

PRICE WATERHOUSE & CO. S.R.L
by (Partner)
Norberto Montero

Autonomous City of Buenos Aires, Argentina
May 7, 2013

Transener

Compañía de Transporte de Energía Eléctrica en Alta Tensión Transener S.A.
Unaudited Condensed Interim Consolidated Statements of Comprehensive Income
for the three-month periods ended March 31, 2013 and 2012
(In Argentine Pesos, except as otherwise indicated)

		Three-month period ended	
Consolidated (loss) / Income Statement	Note	**31.03.2013**	**31.03.2012**
Continuing operations			
Net Revenues	7	131,603,310	122,297,155
Operating expenses	8	(144,569,366)	(126,595,692)
Gross income / (loss)		(12,966,056)	(4,298,537)
Administrative expenses	8	(34,988,586)	(28,846,909)
Other gains net		2,579,703	2,348,690
Operating results		(45,374,939)	(30,796,756)
Finance income	9	43,189,373	36,168,647
Finance costs	9	(28,542,882)	(24,853,998)
Other financial results	9	(22,885,717)	(5,636,479)
Loss before taxes		(53,614,165)	(25,118,586)
Income tax expense	10	18,490,575	8,842,198
Loss for the period from continuing operations		(35,123,590)	(16,276,388)
Discontinued operations			
Loss for the period		(2,208,727)	(1,167,187)
Income tax expense	10	773,054	408,514
Loss for the period from discontinued operations	19	(1,435,673)	(758,673)
Loss for the period		(36,559,263)	(17,035,061)
Loss attributable to :			
Owners of the parent		(35,679,565)	(16,593,845)
Non-controlling interests		(879,698)	(441,216)
		(36,559,263)	(17,035,061)
Loss attributable to the equity holders of the Company:			
Continuing operations		(34,243,892)	(15,835,172)
Discontinued operations	19	(1,435,673)	(758,673)
Total for the period		(35,679,565)	(16,593,845)

Other consolidated comprehensive (loss) / income		
Loss for the period	(36,559,263)	(17,035,061)
Other comprehensive income	0	0
Total comprehensive loss for the period	(36,559,263)	(17,035,061)
Attributable to :		
Owners of the parent	(35,679,565)	(16,593,845)
Non-controlling interests	(879,698)	(441,216)
	(36,559,263)	(17,035,061)

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

Transener

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

Unaudited Condensed Interim Consolidated Statements of Comprehensive Income
for the three-month periods ended March 31, 2013 and 2012 (Continued)
(In Argentine Pesos, except as otherwise indicated)

		Three-month period ended	
	Note	**31.03.2013**	**31.03.2012**
Total comprehensive loss attributable to the equity holders of the Company:			
Continuing operations		(34,243,892)	(15,835,172)
Discontinued operations	19	(1,435,673)	(758,673)
Total for the period		(35,679,565)	(16,593,845)
Loss per share attributable to the equity holders of the Company:	20		
Continuing operations		(0.08)	(0.04)
Discontinued operations		(0.00)	(0.00)
Total for the period		(0.08)	(0.04)

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

Transener

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

Unaudited Condensed Interim Consolidated Balance Sheets as of March 31, 2013 and December 31, 2012

(In Argentine Pesos, except as otherwise indicated)

	Note	31.03.2013	31.12.2012
Assets			
Non-current assets			
Property, plant and equipment	11	1,162,895,494	1,178,664,221
Other receivables	12	71,815,542	79,063,821
Total Non-current assets		1,234,711,036	1,257,728,042
Current Assets			
Trade accounts receivables	13	168,118,864	205,463,103
Other receivables	12	46,737,659	57,775,993
Financial assets at amortized cost		0	1,960,344
Cash and cash equivalents	14	106,816,486	130,130,229
Total Current assets		321,673,009	395,329,669
Total Assets		1,556,384,045	1,653,057,711
Equity and liabilities			
Capital and reserves attributable to owners of the parent		451,985,270	487,664,835
Equity attributable to owners of the parent		451,985,270	487,664,835
Non-controlling interests		24,412,101	25,291,799
Total equity		476,397,371	512,956,634
Liabilities			
Non-current liabilities			
Debt and other indebtedness	15	704,882,943	676,495,986
Deferred tax payable	10	57,668,159	76,931,788
Employee benefits payable	16	92,842,747	86,982,633
Trade accounts payable	17	4,643,605	4,749,953
Total Non-current liabilities		860,037,454	845,160,360
Current liabilities			
Provisions		30,116,630	27,564,722
Other liabilities		2,294,621	2,254,203
Debt and other indebtedness	15	81,817,011	84,436,586
Taxes payable		13,900,135	14,870,560
Payroll and social securities taxes payable		38,208,107	85,482,070
Trade accounts payable	17	53,612,716	80,332,576
Total Current liabilities		219,949,220	294,940,717
Total Liabilities		1,079,986,674	1,140,101,077
Total Equity and liabilities		1,556,384,045	1,653,057,711

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

Transener

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

Unaudited Condensed Interim Consolidated Statements of Changes in Equity for the three-month periods ended March 31, 2013 and 2012

(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	Retained earnings	Subtotal	Non-controlling interests	Total equity
Balance as of December 31, 2011	444,673,795	352,996,229	31,978,847	42,628,456	210,206,496	(491,096,884)	591,386,939	27,381,257	618,768,196
Comprehensive loss for the three-month period	0	0	0	0	0	(16,593,845)	(16,593,845)	(441,216)	(17,035,061)
Balance as of March 31, 2012	**444,673,795**	**352,996,229**	**31,978,847**	**42,628,456**	**210,206,496**	**(507,690,729)**	**574,793,094**	**26,940,041**	**601,733,135**
Loss for the nine-month complementary period	0	0	0	0	0	(86,873,316)	(86,873,316)	(1,612,617)	(88,485,933)
Other comprehensive loss for the the nine-month complementary period	0	0	0	0	0	(254,943)	(254,943)	(35,625)	(290,568)
Balance as of December 31, 2012	**444,673,795**	**352,996,229**	**31,978,847**	**42,628,456**	**210,206,496**	**(594,818,988)**	**487,664,835**	**25,291,799**	**512,956,634**
Comprehensive loss for the three-month period	0	0	0	0	0	(35,679,565)	(35,679,565)	(879,698)	(36,559,263)
Balance as of March 31, 2013	**444,673,795**	**352,996,229**	**31,978,847**	**42,628,456**	**210,206,496**	**(630,498,553)**	**451,985,270**	**24,412,101**	**476,397,371**

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

Transener

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

Unaudited Condensed Interim Consolidated Statements of Cash Flows for the three-month periods ended March 31, 2013 and 2012

(In Argentine Pesos, except as otherwise indicated)

	Note	Three-month period ended 31.03.2013	31.03.2012
Cash flows from operating activities:			
Loss for the period		(36,559,263)	(17,035,061)
Adjustments:			
Depreciation of property, plant and equipment	11	20,489,311	19,223,049
Instrumental Agreement	2	(37,190,089)	(10,743,803)
Loss from discontinued operations	19	2,208,727	1,167,187
Provisions	8	2,783,674	3,119,073
Employee benefits plan	16	8,036,212	5,861,584
Income tax expense accrued during the period	10	(19,263,629)	(9,250,712)
Foreign exchange and other financial results		49,907,367	29,113,253
Other results generated by assets		(2,234,606)	(1,290,089)
Retirements of property, plant and equipment	11	4,832,388	2,842,915
Changes in certain assets and liabilities, net of non-cash:			
(Increase) Decrease in trade receivables		9,534,319	(18,106,303)
(Increase) Decrease in other receivables		18,286,613	5,285,730
Increase (Decrease) in trade accounts payable		(26,826,208)	646,271
Increase (Decrease) in payroll and social securities taxes payable		(47,273,963)	(32,106,417)
Increase (Decrease) in taxes payable		(970,425)	(3,823,057)
Increase (Decrease) in provisions		(231,766)	3,210,539
Increase (Decrease) of employee benefits payable	16	(2,176,098)	(1,985,663)
Net cash used in operating activities		(56,647,436)	(23,871,504)

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

Transener

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

Unaudited Condensed Interim Consolidated Statements of Cash Flows for the three-month periods ended March 31, 2013 and 2012 (continued)

(In Argentine Pesos, except as otherwise indicated)

	Note	Three-month period ended 31.03.2013	31.03.2012
Cash flows from investing activities:			
Purchases of the acquisition of property, plant and equipment	11	(9,552,972)	(11,570,001)
Decrease in financial assets at amortized cost		1,986,223	0
Cash used in investing activities		(7,566,749)	(11,570,001)
Cash flows from financing activities:			
Funds from CAMMESA Financing	2	65,000,009	16,000,001
Payments and repurchase of bonds and other indebtedness - Interests		(24,099,567)	(23,845,241)
Net cash generated by (used in) financing activities		40,900,442	(7,845,240)
Decrease in cash and cash equivalents		(23,313,743)	(43,286,745)
Cash and cash equivalents at the beginning of the period	14	130,130,229	134,193,022
Cash and cash equivalents at period end	14	106,816,486	90,906,277
Significant non-cash transactions			
Decrease in accounts receivable	2	65,000,009	16,000,001
Decrease in other liabilities	2	(65,000,009)	(16,000,001)
		0	0

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

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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 consolidated financial statements (in hereinafter referred to interchangeably as "financial statements" or "consolidated financial statements"), have been approved for issuance by the Board of Directors on March 5, 2013.

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.

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 and Transba have 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.

Transener and Transba submitted their respective tariff proposals, based on the term stated in the Definitive Agreements, and also in accordance with Article 45 and others of 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 the date, 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.

In order to regularize the tariff situation, Transener and Transba entered into the Instrumental Agreements (the "Instrumental Agreements") related to the Definitive Agreements 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.

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 $ 294.1 million and $ 119.1 million, 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, 30 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 $ 231.8 million and $ 98.2 million, 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.

As of March 31, 2013 the disbursements received from CAMMESA reached 60% of the amounts foreseen in the Addendas II, not having received any amount in relation to the additional amounts for investments in the system foreseen in the Instrumental Agreement.

The amounts received and the remaining balances to be disbursed in relation to the Addendas II are as follows:

	Millions of Pesos		
	Transener S.A.	Transba S.A.	Total
Amounts to be disbursed under the Instrumental Agreement	294.1	119.1	413.2
Financing cancelations as of 17.01.11	(107.3)	(32.2)	(139.5)
Amounts for investments and other items	102.9	47.2	150.1
Total amount Addendas II	289.7	134.1	423.8
Amounts perceived Addendas II as of 31.03.13	(175.0)	(97.0)	(272.0)
Remaining balance to be disbursed as of 31.03.13	114.7	37.1	151.8

The liabilities for the total amount of disbursements received under the Addendas II as from March 31, 2013, have been cancelled through the cession of credits resulting from the recognition of the variations of costs, according to the Instrumental Agreements.

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 Addendas II. Consequently, Transener has recognized revenues for the amount of $ 11.7 million and $ 3.3 million and interest income for the amount of $ 10.7 million and $ 3.4 million, for the three-month period ended March 31, 2013 and 2012, 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. Consequently, Transba has recognized revenues for the amount of $ 7.8 million and $ 1.8 million and interest income for the amount of $ 7.1 million and $ 2.2 million, for the same periods, respectively.

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 consolidated 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 the last quarter 2012, the situation would continue to deteriorate, thus foreseeing negative operating results for the current fiscal year.

The before mentioned circumstances could affect the future development of Transener and Transba's operations. The Company has prepared these consolidated interim financial statements using accounting principles applicable to a company as a going concern, since it depends on the evolution of factors uncontrollable by the Company. Therefore, these consolidated 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.

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. Basis of preparation

These condensed interim consolidated financial statements are presented in accordance with IAS 34 "Interim Financial Reporting" issued by the IASB adopted by the CNV through Resolution No. 562/09 and its extensions.

These financial statements should be read in conjunction with the financial statements of the Company as of December 31, 2012, prepared on the basis of IFRS and issued on March 5, 2013.

5. Accounting policies

Except as disclosed in Note 5.1, the accounting policies applied by the Company are consistent with those applied in the previous year.

5.1. IFRS 12 and IAS 13 and 32

Effective for periods beginning on or after January 1, 2013, the IASB issued the following standards: IFRS 12 relating to disclosure of interests in other entities, IFRS 13 which determines a single structure for the fair value measurement and IAS 32 that alters the application guidance in matters relating to the compensation of financial assets and liabilities.

In the current period, the application of these standards had no material impact on results of operations or financial position of the Company, but only brings new revelations.

5.2. Risk policy and accounting estimates

In preparing these financial statements the Company has applied consistently with the previous year risk policies and accounting estimates. In relation to the risk analysis, to March 31, 2013 there are no significant changes from the previous year.

5.3. Impairment of non-financial assets

For the purposes of preparation of these financial statements the Company has applied consistently with previous year the policy for impairment of non-financial assets over time.

Regarding this, 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.

(In Argentine Pesos, except as otherwise indicated)

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.

6. Segment reporting

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 three-month periods ended March 31, 2013 and 2012 is as follows:

	Main activity $	Other segments $	Total $
Three-month period ended March 31, 2013			
Net revenues	97,033,164	34,570,146	131,603,310
Operating results	(56,277,354)	10,902,415	(45,374,939)
Total assets	1,518,203,585	38,180,460	1,556,384,045
Total liabilities	1,053,843,252	26,143,422	1,079,986,674
Acquisition of property, plant and equipment	9,552,972	0	9,552,972
Property, plant and equipment depreciation	20,489,311	0	20,489,311
Three-month period ended March 31, 2012			
Net revenues	86,127,288	36,169,867	122,297,155
Operating results	(43,836,475)	13,039,719	(30,796,756)
Total assets	1,543,402,953	67,179,442	1,610,582,395
Total liabilities	991,606,968	17,242,292	1,008,849,260
Acquisition of property, plant and equipment	11,570,001	0	11,570,001
Property, plant and equipment depreciation	19,223,049	0	19,223,049

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.

(In Argentine Pesos, except as otherwise indicated)

7. Net Revenues

	Three-month period ended	
	31.03.2013	31.03.2012
Net Regulated Revenue	93,835,073	81,565,475
Net Fourth Line revenue	3,198,091	4,561,813
Net Other Revenue	34,570,146	36,169,867
Net Revenues	131,603,310	122,297,155

(In Argentine Pesos, except as otherwise indicated)

8. Expenses by Nature

Items	Three-month period ended March 31, 2013			Three-month period ended March 31, 2012		
	Total	Operating Expenses	Administrative Expenses	Total	Operating Expenses	Administrative Expenses
Salaries and social security charges	116,285,533	95,525,197	20,760,336	82,800,051	67,970,411	14,829,640
Other personnel costs	842,476	425,011	417,465	1,098,510	617,560	480,950
Fees for operating services	2,219,709	2,219,709	0	3,940,135	3,940,135	0
Professional fees	1,937,638	735,357	1,202,281	2,599,088	1,367,369	1,231,719
Equipment maintenance	637,514	637,514	0	1,496,345	1,496,345	0
Work for third-party materials	2,775,454	2,775,454	0	9,077,383	9,077,383	0
Fuel and lubricants	1,660,895	1,582,004	78,891	1,551,746	1,470,052	81,694
General Maintenance	3,740,180	3,473,584	266,596	5,628,186	5,489,383	138,803
Electricity	545,890	524,328	21,562	553,567	530,473	23,094
Depreciation of property, plant and equipment	20,489,311	18,439,090	2,050,221	19,223,049	17,323,286	1,899,763
Administration expenses related to WEM	209,698	209,698	0	187,545	187,545	0
Regulatory fees	537,165	537,165	0	373,170	373,170	0
ATEERA membership fees	114,995	0	114,995	114,995	0	114,995
Communications	1,001,008	858,864	142,144	859,747	758,288	101,459
Transportation	1,051,318	1,041,226	10,092	868,499	857,391	11,108
Insurance	6,661,293	180,581	6,480,712	5,881,204	183,499	5,697,705
Rents	1,868,406	1,020,411	847,995	1,391,156	692,270	698,886
Travel and lodging expenses	4,079,101	3,954,124	124,977	3,710,403	3,560,177	150,226
Stationary and printing	631,037	88,390	542,647	1,039,245	228,538	810,707
Taxes and government contributions	912,635	874,616	38,019	887,943	660,917	227,026
Directors and syndics	801,573	0	801,573	746,173	0	746,173
Security	3,014,721	3,014,721	0	2,917,317	2,917,317	0
Office and substation cleaning	1,871,994	1,713,288	158,706	1,796,489	1,671,157	125,332
Electroduct maintenance	303,778	303,778	0	1,189,050	1,189,050	0
Provisions	2,783,674	2,783,674	0	3,119,073	2,292,553	826,520
Others	2,580,956	1,651,582	929,374	2,392,532	1,741,423	651,109
TOTAL	179,557,952	144,569,366	34,988,586	155,442,601	126,595,692	28,846,909

(In Argentine Pesos, except as otherwise indicated)

9. Financial Results Net

	Three-month period ended 31.03.2013	Three-month period ended 31.03.2012
Financial Income		
Interests	43,189,373	36,168,647
Total financial income	43,189,373	36,168,647
Financial Costs		
Interests generated by loans	(28,542,882)	(24,853,998)
Total financial costs	(28,542,882)	(24,853,998)
Other financial results		
Foreign exchange	(29,564,884)	(6,654,635)
Result from receivables measured at fair value	6,914,105	1,199,271
Result from liabilities measured at fair value	(234,938)	(181,115)
Total Other financial results	(22,885,717)	(5,636,479)
Total Other financial results, net	(8,239,226)	5,678,170

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	Allowance for investments	Accounts receivable	Emloyee benefits payable	Provisions	Fourth Line	Total
As of January 1, 2013	37,280,067	12,169,118	142,195	30,443,922	8,157,578	9,524,062	97,716,942
Charged to the income statement	10,151,656	773,054	0	2,051,040	1,643,362	(1,208,532)	13,410,580
Charged to other comprehensive income	0	0	0	0	0	0	0
As of March 31, 2013	47,431,723	12,942,172	142,195	32,494,962	9,800,940	8,315,530	111,127,522
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	3,625,686	2,772	0	1,356,574	(341,128)	(1,208,533)	3,435,371
Charged to other comprehensive income	0	0	0	0	0	0	0
As of March 31, 2012	9,128,040	10,339,250	142,195	25,650,871	6,510,972	13,149,660	64,920,988

Deferred Tax Liabilities

	Property, plant and equipment	Other receivables	Bonds and other indebtedness	Total
As of January 1, 2013	145,064,287	19,854,108	9,730,335	174,648,730
Charged to the income statement	(3,471,316)	(2,536,897)	155,164	(5,853,049)
Charged to other comprehensive income	0	0	0	0
As of March 31, 2013	141,592,971	17,317,211	9,885,499	168,795,681
As of January 1, 2012	156,680,698	29,455,245	9,305,898	195,441,841
Charged to the income statement	(3,134,376)	(2,652,413)	(28,552)	(5,815,341)
Charged to other comprehensive income	0	0	0	0
As of March 31, 2012	153,546,322	26,802,832	9,277,346	189,626,500

Deferred Tax Liabilities as of March 31, 2013 and December 31, 2012 amounts to $57,668,159 and $76,931,788, respectively.

(In Argentine Pesos, except as otherwise indicated)

The income tax charge for the period is as follows:

	31.03.2013	31.03.2012
Deferred tax	(19,263,629)	(9,250,712)
Income tax	(19,263,629)	(9,250,712)

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.

	31.03.2013	31.03.2012
Net loss before income taxes	(55,822,892)	(26,285,773)
Tax rate in force	35%	35%
Loss at the tax rate	(19,538,012)	(9,200,021)
Taxable effects by:		
- Other non taxable and/or non deductible items	274,383	(50,691)
Income tax	(19,263,629)	(9,250,712)

11. Property, plant and equipment

	Three-month period ended	
	31.03.2013	31.03.2012
Net value as of the beggining of the period	1,178,664,221	1,190,025,710
Additions	9,552,972	11,570,001
Decreases	(4,832,388)	(2,842,915)
Depreciations	(20,489,311)	(19,223,049)
Net value as of the end of the period	1,162,895,494	1,179,529,747

12. Other receivables

	31.03.2013	31.12.2012
Non-Current		
Financial Credit - Fourth Line	26,891,512	34,139,791
Minimum Notional Income Tax Credit	39,594,600	39,594,600
Stock Ownership Pogram	5,329,430	5,329,430
Total	71,815,542	79,063,821

(In Argentine Pesos, except as otherwise indicated)

	31.03.2013	31.12.2012
Current		
Financial Credit - Fourth Line	27,492,043	27,492,043
Prepaid expenses	10,809,584	16,766,109
Guarantees received	0	6,352,997
Advances to suppliers	6,231,825	4,919,860
Stock Ownership Pogram - Dividends receivable	778,780	778,780
Loans to employees	691,493	722,926
Judicial seizure	626,274	626,274
Others	107,660	117,004
Total	46,737,659	57,775,993

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

13. Trade account Receivables

	31.03.2013	31.12.2012
CAMMESA	138,316,116	144,673,976
Other services	22,362,658	20,790,433
Other related parties (Note 18)	7,906,587	40,465,191
Previsión por desvalorización de cuentas a cobrar	(466,497)	(466,497)
Total	168,118,864	205,463,103

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

14. Cash and cash equivalents

	31.03.2013	31.12.2012
Cash in local currency	896,991	894,991
Cahs in foreign currency	70,909	67,925
Banks in local currency	921,061	2,334,236
Banks in foreign currency	4,649,892	3,824,531
Mutual funds	80,152,913	85,656,724
Highly liquid investments	20,124,720	37,351,822
Cash and cash equivalents, net	106,816,486	130,130,229

(In Argentine Pesos, except as otherwise indicated)

15. Debt and other indebtedness

	31.03.2013	31.12.2012
Non-current bonds and other indebtedness		
Nordic Investment Bank (NIB)	24,585,600	23,975,250
Corporate Bonds 2016	203,845,356	195,726,564
Corporate Bonds 2021 (1)	504,696,270	484,595,130
Costs related to the refinancing and issuance of Corporate Bonds 2021	(25,771,223)	(25,197,005)
Net present value adjustment to NIB and Par Notes	(2,473,060)	(2,603,953)
Total Non-current	704,882,943	676,495,986
Current bonds and other indebtedness		
Nordic Investment Bank (NIB)	623,097	53,278
Corporate Bonds 2016	77,155,958	66,271,565
Corporate Bonds 2021 (1)	4,037,956	18,111,743
Total Current	81,817,011	84,436,586

(1) The balances as of December 31, 2012 are net of $10,203,621 corresponding to the own notes portfolio.

The fair value of current bonds and other indebtedness equals their book value, as the impact of applying the discounting is not significant.

16. Employee benefit expense

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

	Three-month period ended	
	31.03.2013	31.03.2012
Charges to Results		
Services Cost	1,358,373	1,050,284
Interest Cost	6,677,839	4,811,300
Total	8,036,212	5,861,584

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

Benefits Obligations at the beginning of the year	86,982,633	69,412,278
Services Cost	1,358,373	1,050,284
Interest Cost	6,677,839	4,811,300
Payments of benefits	(2,176,098)	(1,985,663)
Benefits Obligations at the end of the year	92,842,747	73,288,199

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

Discount rate	32.50%	29.32%
Current interest rate	6.00%	6.00%
Salary growth rate	2%	2%

(In Argentine Pesos, except as otherwise indicated)

17. Accounts payable

	31.03.2013	31.12.2012
Non-Current		
Billings in advance	4,643,605	4,749,953
Total	4,643,605	4,749,953
Current		
Suppliers	32,112,899	61,400,720
Billings in advance	21,499,817	18,908,883
Other related parties (Note 18)	0	22,973
Total	53,612,716	80,332,576

The fair value of trade accounts payables equals their carrying amount, as the impact of applying the discounting is not significant.

18. 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.

The transactions with related parties are as follows:

a) Purchase and sales of assets and services

Companies Law No. 19,550 – Sect. 33

	Three-month period ended	
	31.03.2013	31.03.2012
Sales of assets and services rendered to Energía Argentina S.A.	7,800	0
Fees for operating services		
*Energía Argentina S.A.	554,927	985,034
*Grupo Eling S.A.	554,927	985,034
*Pampa Energía S.A.	1,109,855	1,970,068
Interest generated by assets (Citelec S.A.)	25,879	122,902

(In Argentine Pesos, except as otherwise indicated)

Other related parties

	Three-month period ended	
	31.03.2013	**31.03.2012**
Sales of assets and services rendered to Yacylec S.A.	840,864	1,278,679
Sales of assets and services rendered to Litsa S.A.	193,712	261,710
Sales of assets and services rendered to Central Piedra Buena S.A.	0	41,880
Sales of assets and services rendered to Transportadora de Gas del Sur S.A.	66,000	66,000
Sales of assets and services rendered to Integración Eléctrica Sur Argentina S.A.	6,311,773	7,799,819
Sales of assets and services rendered to Empresa Distribuidora de Energía Norte S.A.	269,170	0
Sales of assets and services rendered to C.T.Loma de la Lata S.A.	169,182	0

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

	31.03.2013	**31.12.2012**
Companies Law No. 19,550 - Sect. 33		
Assets		
Trade account receivables		
Energía Argentina S.A.	9,698	105,594
Total	9,698	105,594
Financial assets at amortized cost		
Loan Citelec S.A.	0	1,960,344
Total	0	1,960,344
Liabilities		
Trade accounts payable		
Pampa Energía S.A.	0	22,973
Total	0	22,973
Provisions		
Pampa Energía S.A.	1,137,955	1,014,245
Grupo Eling S.A.	568,977	507,122
Energía Argentina S.A.	568,977	507,122
Total	2,275,909	2,028,489
Trade account receivables		
Yacylec S.A.	275,786	732,319
Integración Eléctrica Sur Argentina S.A.	7,181,624	33,325,807
Litsa S.A.	65,952	178,174
CT. Loma de la Lata S.A.	104,893	102,355
Transportadora de Gas del Sur S.A.	0	660
Central Piedra Buena S.A.	0	26,015
Empresa Distribuidora de Energía Norte S.A.	268,634	5,994,267
Total	7,896,889	40,359,597

(In Argentine Pesos, except as otherwise indicated)

19. Investment 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 granted loans to Transener Internacional Ltda. for the amount of US$6.6 million.

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.

As of March 31, 2013, 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. No loan has been assigned to the mentioned subsidiary during fiscal year 2012 and the three-month period ended March 31, 2013.

20. Loss per share

The loss per share is calculated dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, excluding those own shares acquired by the Company.

	31.03.2013	**31.03.2012**
Results from continuing operations attributable to the equity holders of the Company	(34,243,892)	(15,835,172)
Results from discontinuing operations attributable to the equity holders of the Company	(1,435,673)	(758,673)
Total	(35,679,565)	(16,593,845)
Ordinary shares average	444,673,795	444,673,795
Loss per share attributable to the equity holders of the Company ($/Share)	(0.08)	(0.04)