Tractebel Energia

GDF SUEZ

Results Presentation | 1Q09

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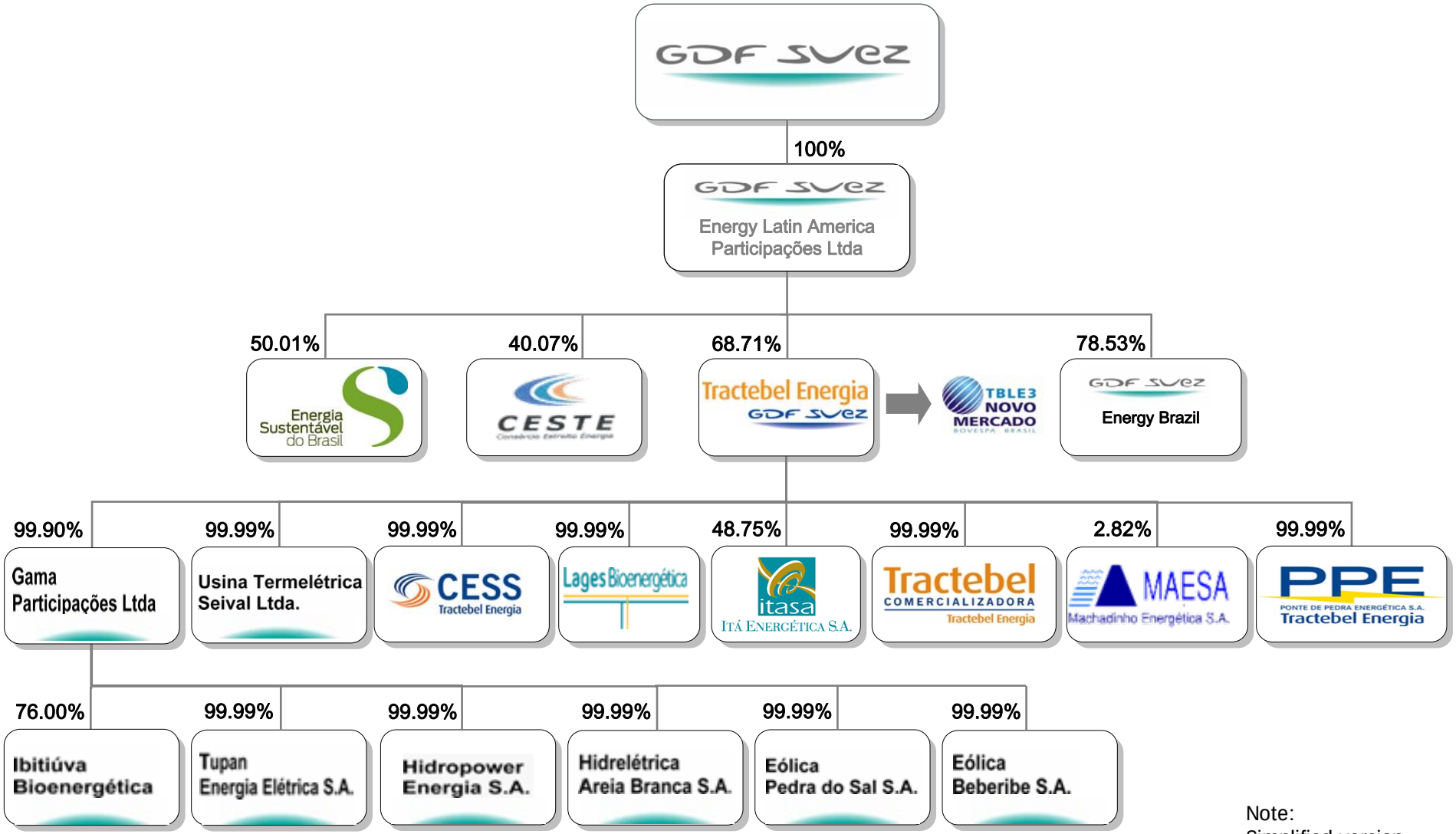
This material includes forward-looking statements subject to risks and uncertainties, which are based on current expectations and projections about future events and trends that may affect the Company’s business. These statements include projections of economic growth and energy demand and supply, as well as information about competitive position, the regulatory environment, potential opportunities for growth and other matters. Several factors may adversely affect the estimates and assumptions on which these statements are based, many of which are beyond our control.

Highlights, Shareholding Structure, Market Share, Assets and Sales

Quarter highlights

- Energy allocation strategy is substantially diverse from 1Q08 and impairs quarterly results comparison.
  - ➢ As under-allocation prevails in 1Q09, over-allocation will rule in the three remaining quarters.
- Start up of 874 avg MW supply to discos shifts the sales mix. Discos now account for 56% from 45% in the portfolio, thus resulting in sales decrease for trading companies and free costumers.
  - ➢ Consumption from the latter dropped by 12%, considered the contracts in force both in 1Q08 and 1Q09. Consequences are:
    - ➢ marginal impact on financial performance; and
    - ➢ retraction of short position at CCEE, the energy trading board.
  - ➢ New portfolio increases average sales price as fresh disco contracts are higher priced.
- In April Tractebel succeeds in concluding R$ 600 million-worth debentures issue, 2-year tenor at 117% of CDI.

Tractebel is controlled by GDF SUEZ, world leader in energy



Note:
Simplified version.

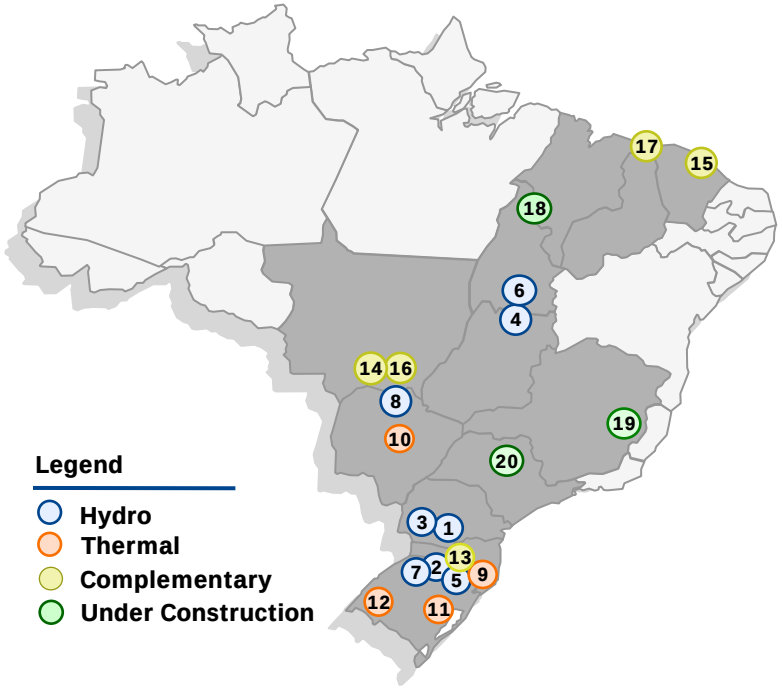
Diversified portfolio of assets, with strategic location

Installed capacity of 6,432 MW from 19 plants operated by Tractebel Energia: 80% hydro, 18% thermal e 2% complementary.

Hydro Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
1 Salto Santiago	1,420	723
2 Itá	1,127[2]	544[2]
3 Salto Osório	1,078	522
4 Cana Brava	450	274
5 Machadinho	404[2]	147[2]
6 São Salvador	243	148
7 Passo Fundo	226	119
8 Ponte de Pedra	176	131
Total	**5,124**	**2,608**

Thermal Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
9 Jorge Lacerda Complex[3]	857	650
10 William Arjona	190	136
11 Charqueadas	72	46
12 Alegrete	66	21
Total	**1,185**	**853**

Complementary Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
13 Lages (Biomass)	28	25
14 Rondonópolis (SHP)	27	14
15 Beberibe (Wind)	26	10
16 José Gelazio da Rocha (SHP)	24	11
17 Pedra do Sal (Wind)	18	8
Total	**123**	**68**



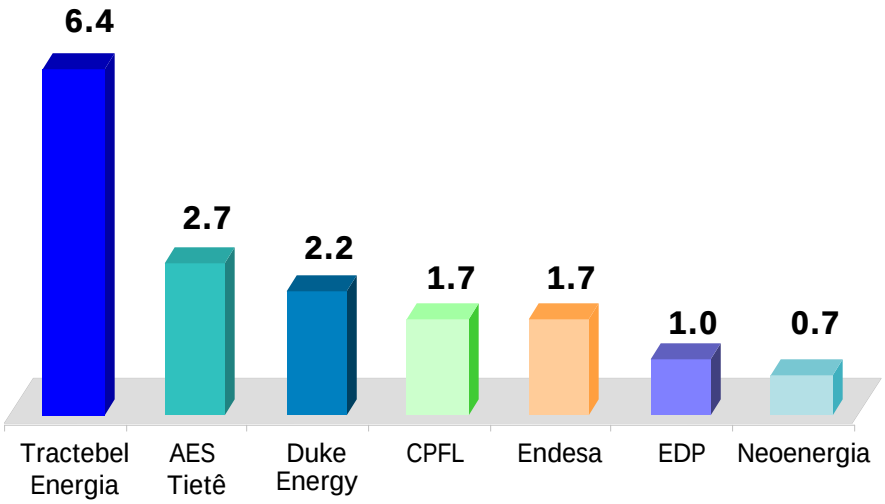
Power Plants Under Construction	Installed Capacity (MW)	Commercial Capacity (MWm)[1]
18 Estreito (Hydro)[4]	435[2]	257[2]
19 Areia Branca (SHP)	20	10
20 Andrade (Biomass)	18[2]	11[2]
Total	**473**	**278**

Notes: [1] Figures following specific legislation.
[2] Portion owned by Tractebel Energia.
[3] Complex comprised of 3 power plants.
[4] Project to be transferred from GDF SUEZ in 2009.

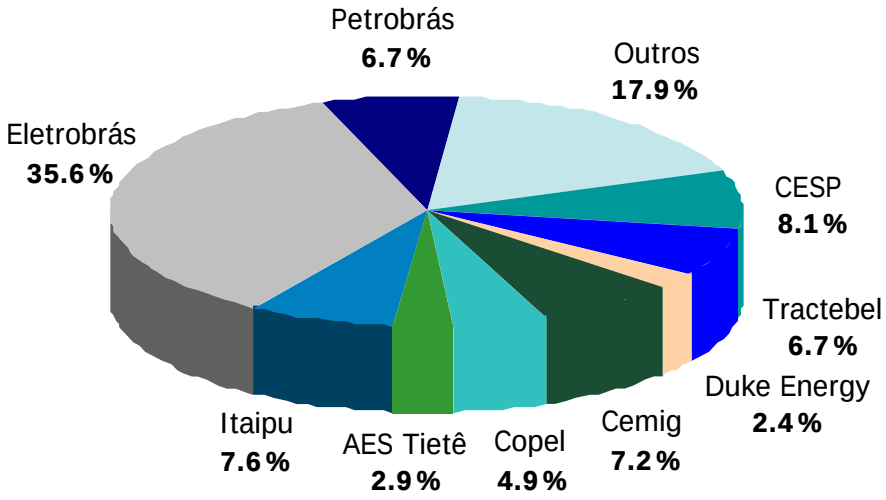
Leading position in the generation sector

Tractebel Energia is the largest private player in the Brazilian generating market...

Private Sector – Installed Capacity (GW)



Brazil – Installed Capacity[1,2]



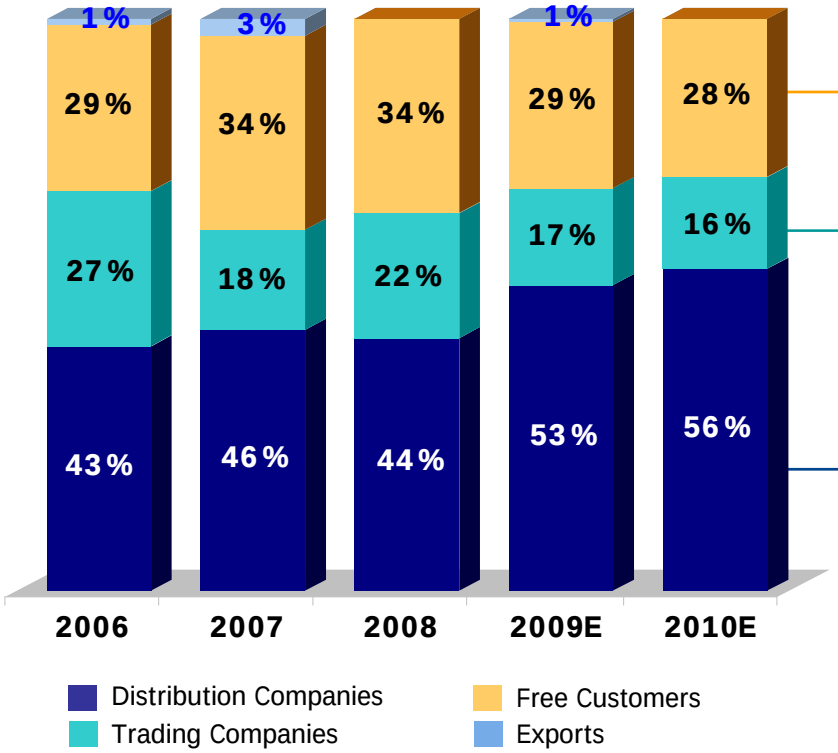
Source: Aneel and Companies' websites.

Notes:
[1] Amount corresponding to SIN – National Interlinked System.
[2] Includes only the Brazilian part of Itaipu.

...and is well positioned to play a consolidating role.

Diversified portfolio among free customers, distribution and trading companies

Client Breakdown (based on contracted energy)



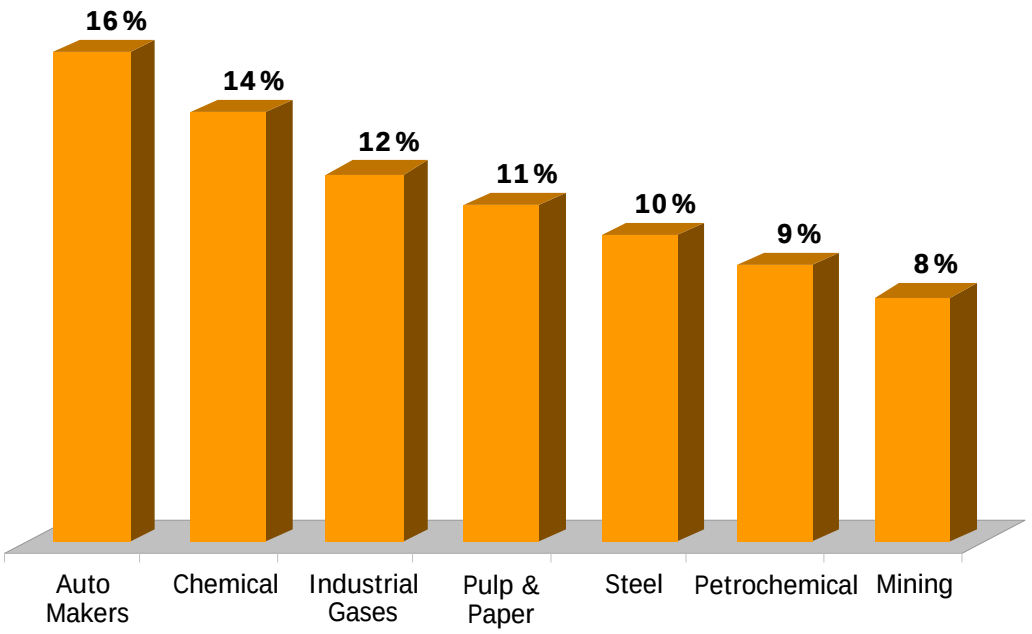
First to consistently serve the free market...

- Flexibility (prices, terms and conditions) → Maximizes portfolio's efficiency
- Solid client relationship → Liaison with some free customers
- Largest consumer market
- Regulated and unregulated contracts → Long-term cash flow predictability

...to maximize portfolio's efficiency.

Diversification also inside of free customers portfolio

Free customers total sales volume for 2009:
1,034 average MW

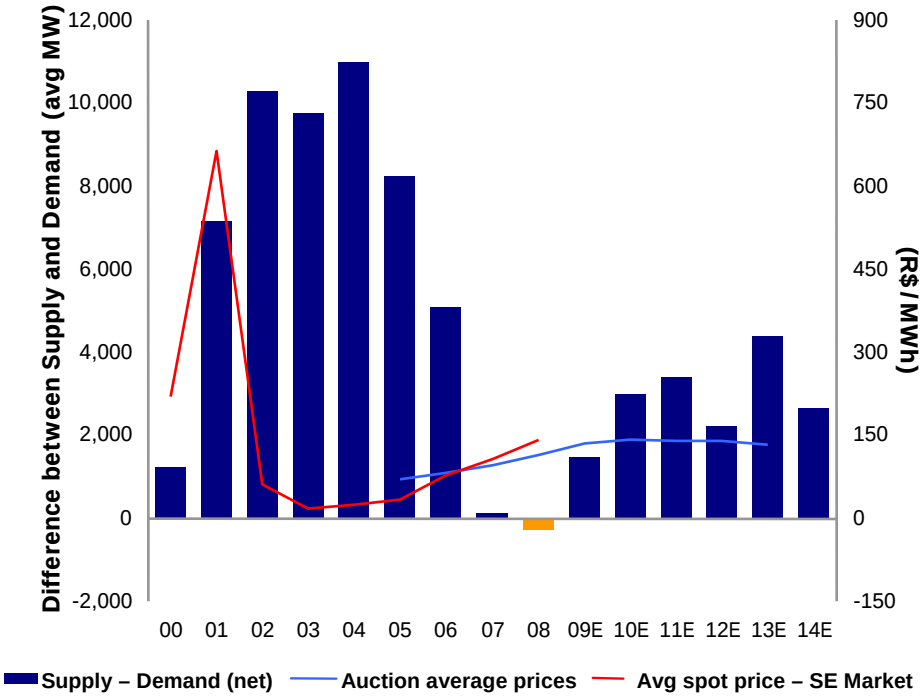


Energy Market in Brazil

The limited energy supply and the (still) low level of consumption support the prices

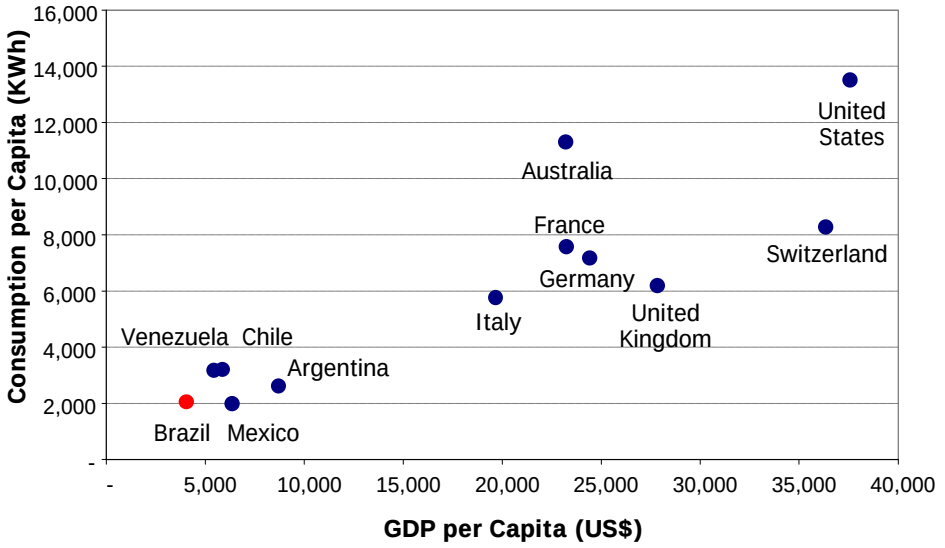
The recent offer of thermal power plants enabled the increase of supply compared to demand of energy for the next years. However, the perspective of prices rising still exists due to the high cost of generation from those new plants.

Energy Market Outlook



Source: Tractebel Energia's internal study based on ONS' Operations Monthly Program of March 2009 and on SFG/Aneel's report of March 2009.

Electricity Consumption (per capita, yearly)



Source: IEA Energy Statistics, 2006

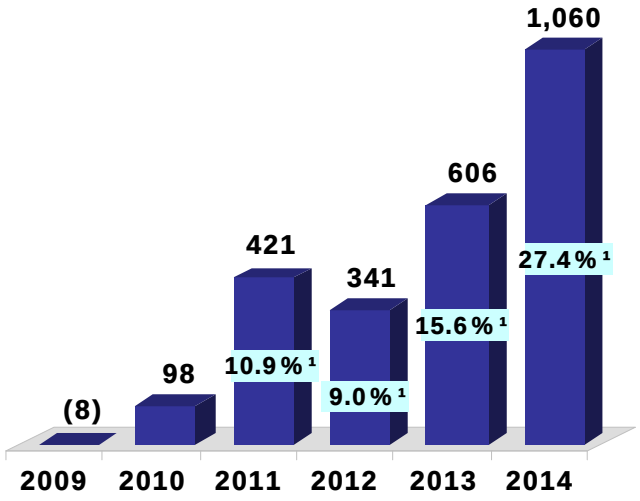
Sales Strategy

Nearly all the available energy for the next years has already been sold

Tractebel's commercial strategy considers, among others aspects, the gradual sale of future availability. As the time goes by, the Company is able to better foresee the market conditions in a given year ahead and, as a result, to fine tune the amount of uncontracted energy.

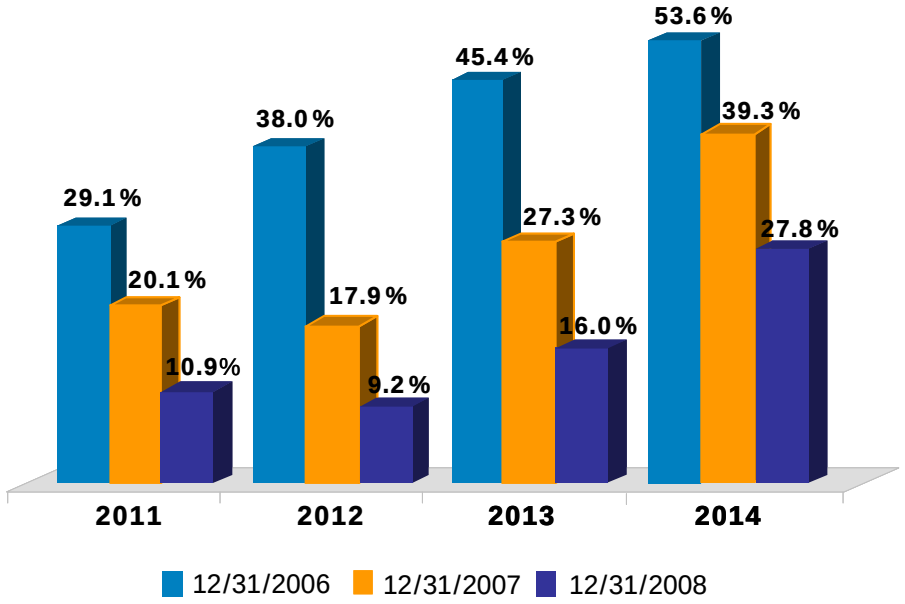
Tractebel Energia's Uncontracted Energy

(average MW)



Nota:
¹ Percentage of total resources.

Tractebel: Uncontracted Energy Compared to the Availability of a Given Year



Energy balance

As of March 31, 2009

	(in average MW)	2009	2010	2011	2012	2013	2014	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted as of Mar 31, 2009 (R$/MWh)
	Own Resources	3,287	3,393	3,580	3,617	3,617	3,617			
+	Purchases for Resale	376	622	289	177	278	249			
=	Total Resources (A)	3,663	4,015	3,869	3,794	3,895	3,866			
	Government Auction Sales*	1,126	1,298	1,446	1,701	1,702	1,702			
	2004-EE-2007-08	10	10	10	10	10	10	70.9	Dec-04	83.6
	2005-EE-2008-08	150	150	150	150	150	150	81.6	Apr-05	93.4
	2005-EE-2009-08	381	381	381	381	381	381	94.0	Oct-05	105.8
	2005-NE-2010-30	-	200	200	200	200	200	115.1	Dec-05	133.0
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	145.7
	2006-NE-2011-30	-	-	148	148	148	148	135.0	Nov-06	152.4
	2007-NE-2012-30	-	-	-	256	256	256	126.6	Jun-07	139.3
	Proinfa	47	53	53	52	53	53	147.8	Jun-04	193.9
	1st Reserve Energy Auction	-	11	11	11	11	11	158.1	Ago-08	162.2
	Discos Adjustment Auction	45	-	-	-	-	-	145.8	Mar-09	145.8
+	Bilateral Sales	2,545	2,619	2,002	1,752	1,587	1,104			
=	Total Sales (B)	3,671	3,917	3,448	3,453	3,289	2,806			
	Balance (A - B)	(8)	98	421	341	606	1,060			
	Sales Average Price (R$/MWh)**(Net)**[*1]:	107.7	111.6	114.7						
	Purchases Average Price (R$/MWh)**(Net)**[*2]:	115.0	113.7	106.5						

* XXXX-YY-WWW-ZZ, where:
XXXX ⟹ year of auction
YY ⟹ EE = existing energy or NE = new energy
WWWW ⟹ year of delivery start
ZZ ⟹ supply contract duration (in years)

*1: Sales price is net of ICMS and taxes over revenues (PIS/COFINS, R&D), as of 03/31/09.
*2: Purchase net price, considering benefits from PIS/COFINS credits, as of 03/31/09.

Note: The balance refers to the settlement point. It considers the energy generated by Estreito power plant, which start of operations is scheduled for 4Q10.

Growth

Hydro project under construction: Estreito

The Estreito Hydro Power Plant will be transferred to Tractebel Energia, adding 435 MW to its installed capacity. It is being constructed by the controlling shareholder and its partners.

Project Description





Estreito Hydro Plant	
Installed Capacity:	1,087 MW
Assured Energy:	641 MW
Ownership:	40.1%
Investment (R$mm)[1]:	1,361
Start of construction:	2007
Start of operations[2]:	2010
End of construction[2]:	2011

Notes:
[1] Estimated Tractebel Energia's investment in the project at historical value. Generally, a stake of 60 to 70% of the total investment for power projects is financed.
[2] Tractebel Energia's estimates.

The energy to be generated by Estreito was sold at the new energy auction held in October 2007, for a 30-year period, as from 2012.

Complementary energy projects under construction: Areia Branca e Destilaria Andrade

Currently, Tractebel is also building two complementary energy plants: Destilaria Andrade (biomass, in partnership with Açúcar Guarani) and the Areia Branca SHP.

Project Description







TPP Destilaria Andrade	
Biomass-fueled (sugar cane bagasse)	
Installed Capacity:	33 MW
Assured Energy:	20 MW
TBLE Stake :	55%
Investment (R$mm)[1]:	95
Start of construction:	2008
Start of operation:	2010
15 year-term contract at R$ 158/MWh	

Note:
[1] Tractebel's share. Generally, a stake of 60 to 70% of the total investment for power projects is financed.

Areia Branca SHP	
Installed Capacity:	19.8 MW
Commercial Capacity[1]:	10.4 MW
Load Factor:	52%
Investment (R$mm)[2]:	95
Start of operation:	2009
20 year-term contract at R$ 159/MWh	

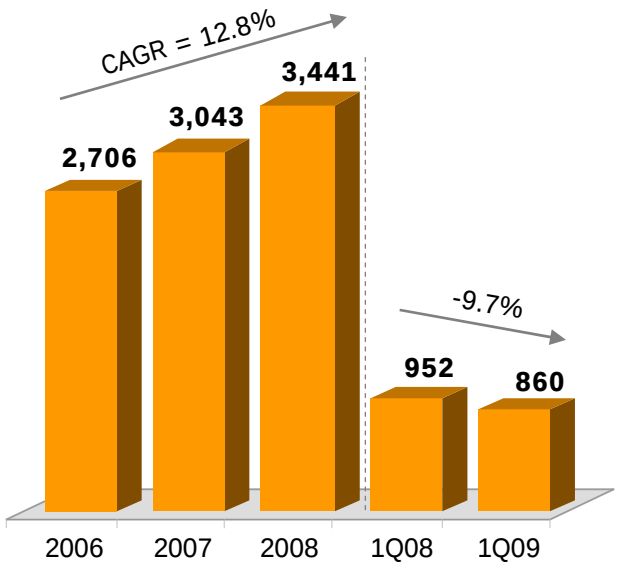
Note:
[1] Energy contracted with Eletrobrás, through Proinfa.
[2] Generally, a stake of 60 to 70% of the total investment for power projects is financed.

Financial Performance

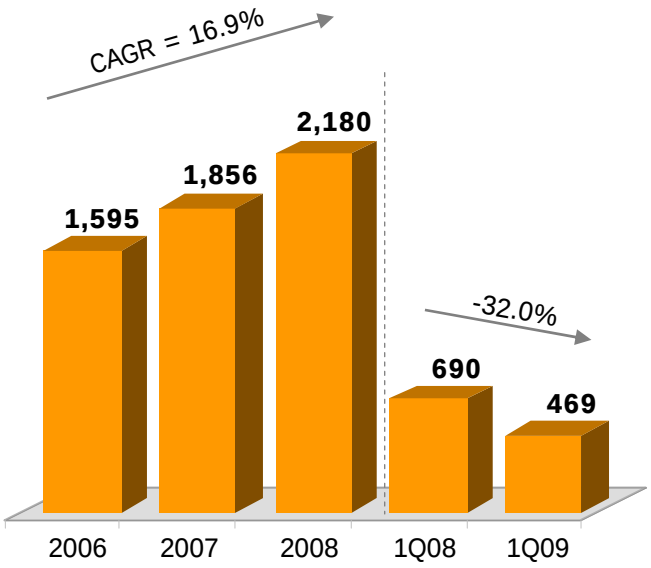
Consistent and constant growth of the financial performance

Efficient management of its client portfolio and focus on contracting strategies have paved the way for a substantial top line growth of both revenues and EBITDA. Consistent net income allows for a new growth cycle. Quarterly performance is strongly affected by annual allocation strategy of assured energy.

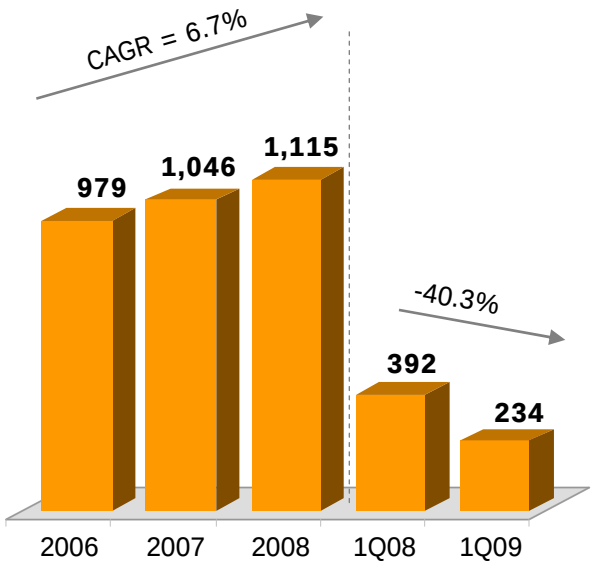
Net Revenues (R$ million)



EBITDA (R$ million)

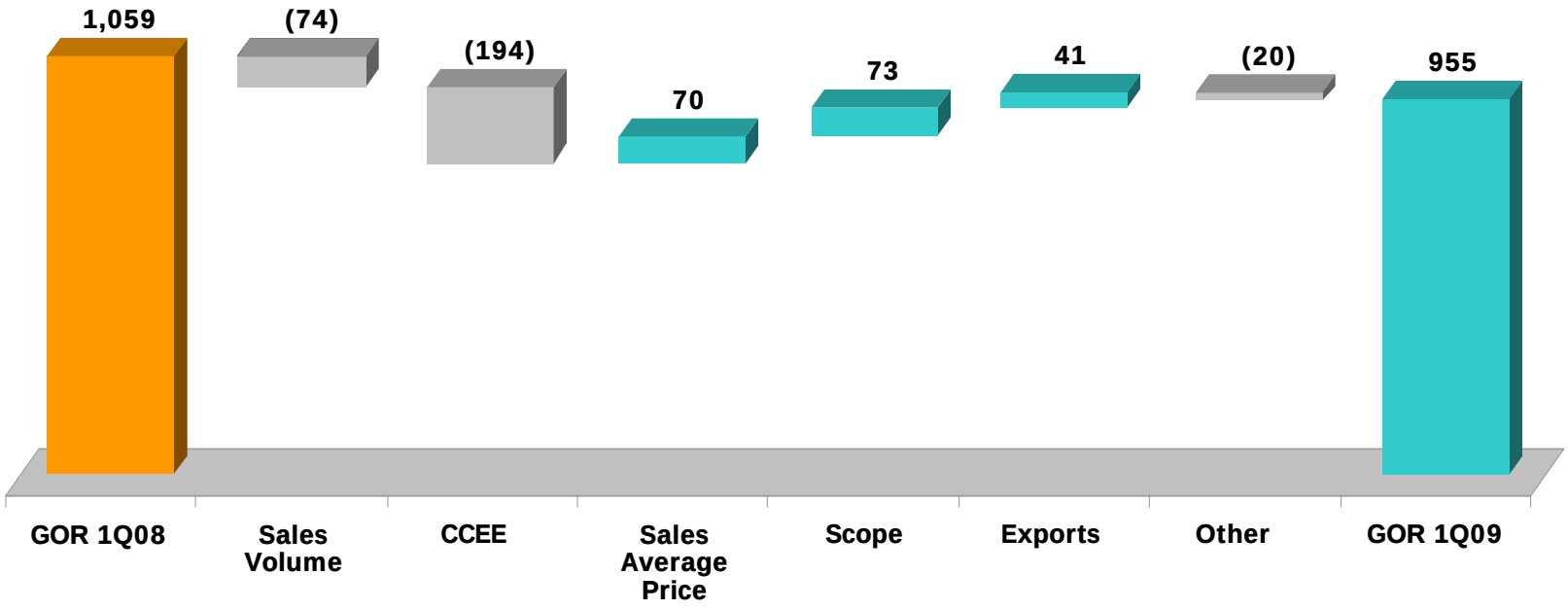


Net Income (R$ million)

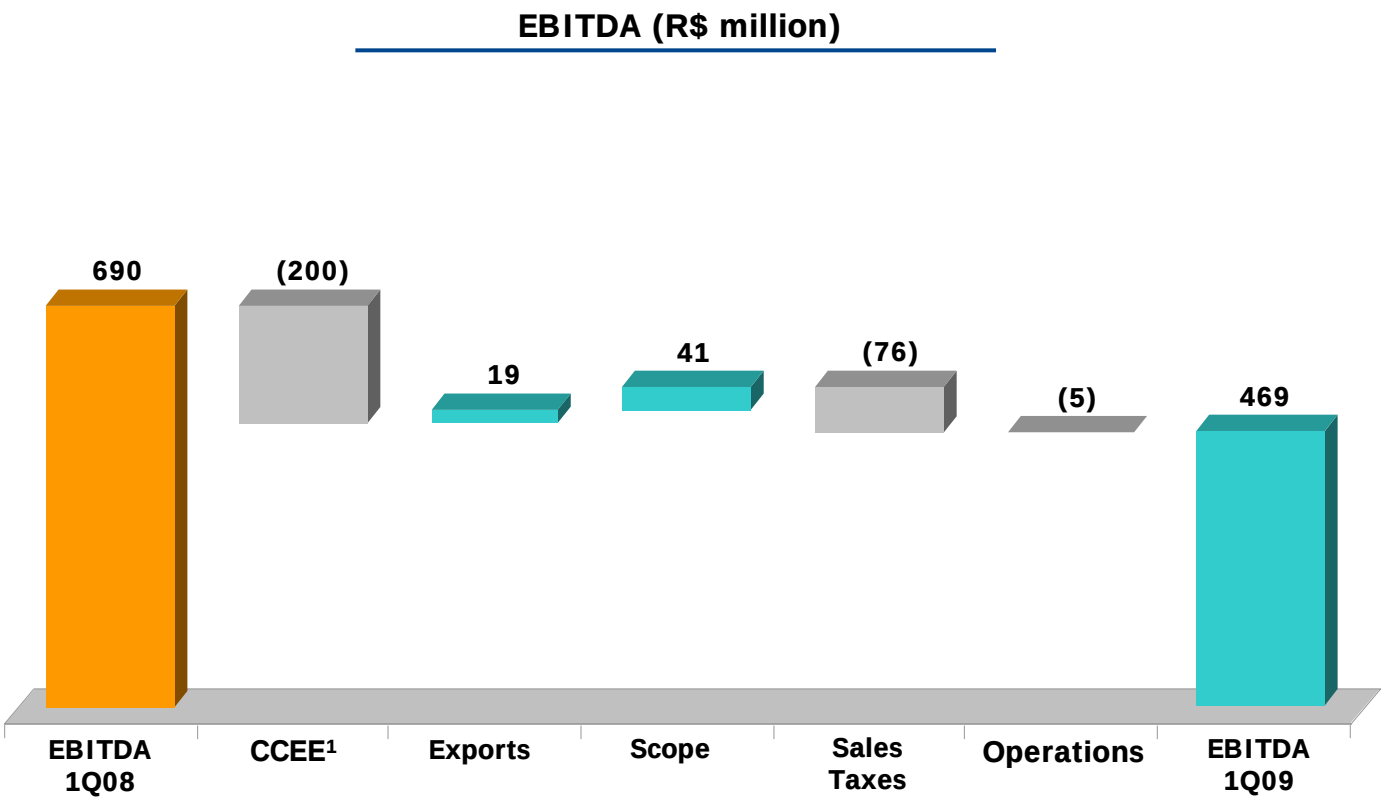


Year-on-year changing elements

Gross Operating Revenue (R$ million)

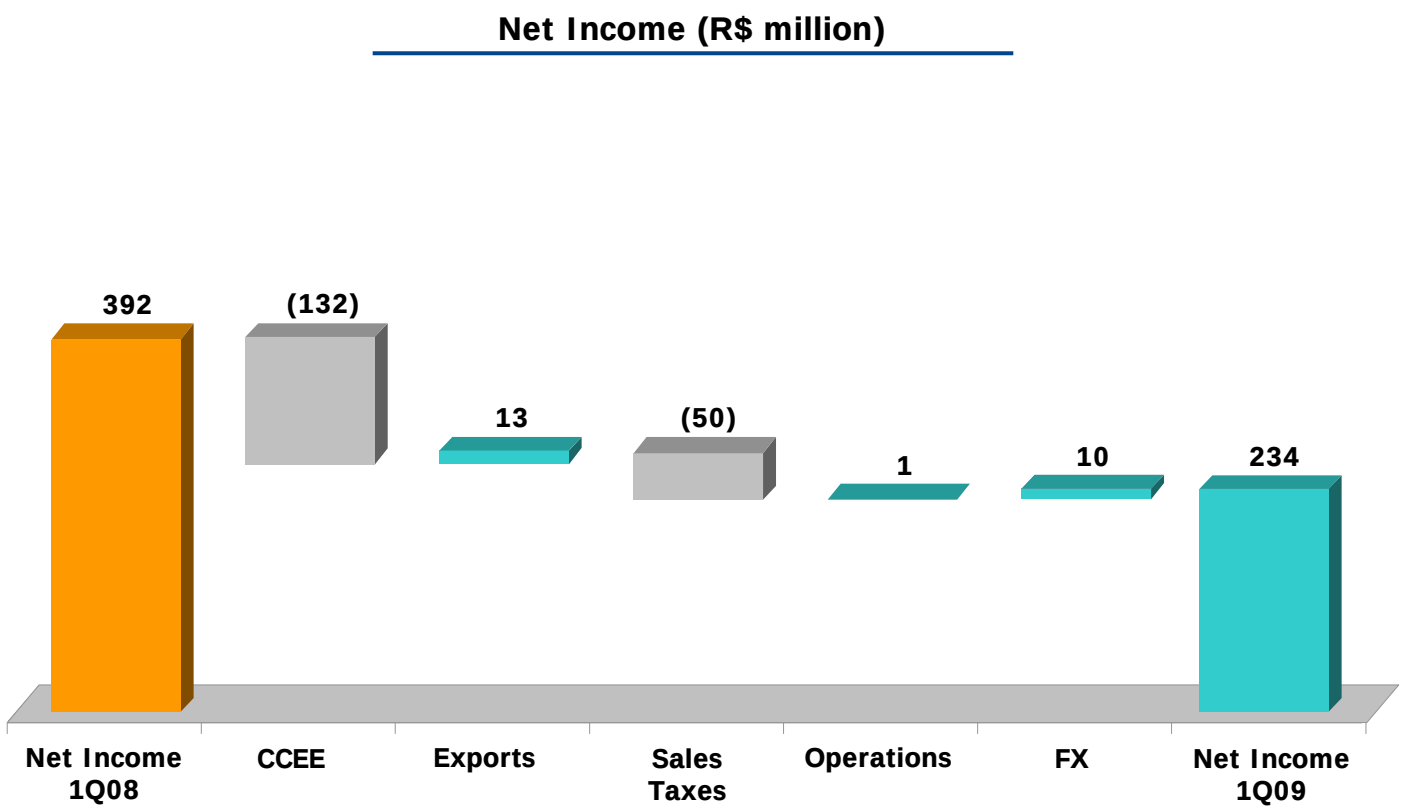


Year-on-year changing elements



Note:
[1] Considers the combined effect of revenue increase and expenses decrease.

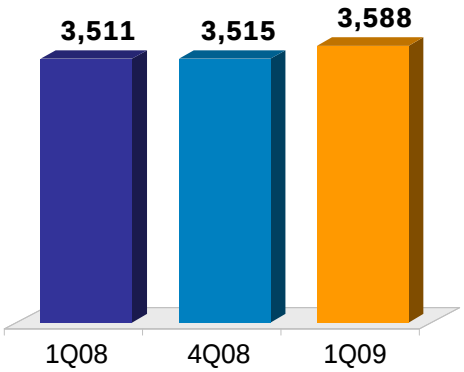
Year-on-year changing elements



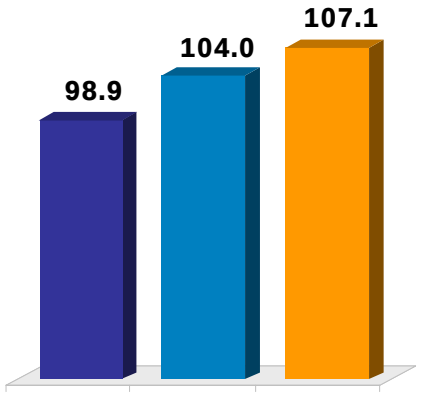
Quarterly financial drivers

Quarterly performance is strongly affected by annual allocation strategy of assured energy.

Energy Sold (avg. MW)

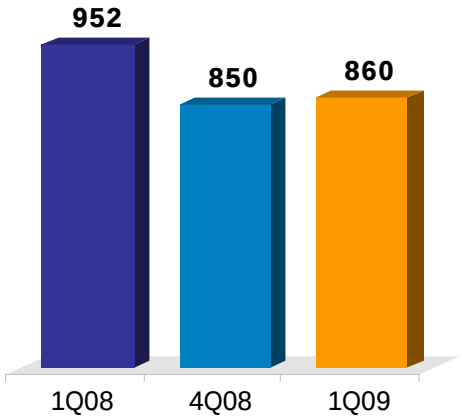


Average Price of Energy Sold (R$ / MWh)

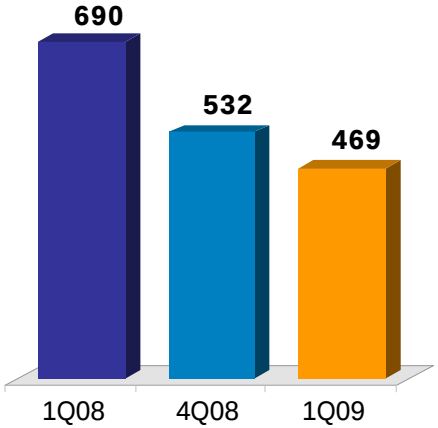


Note: Figures are net of deductions.

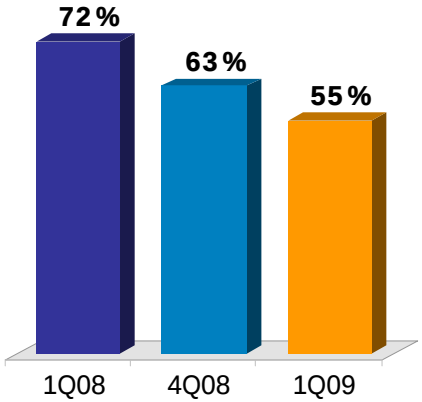
Net Revenues (R$ million)



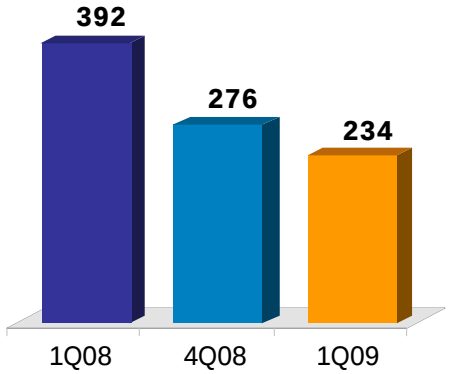
EBITDA (R$ million)



EBITDA Margin



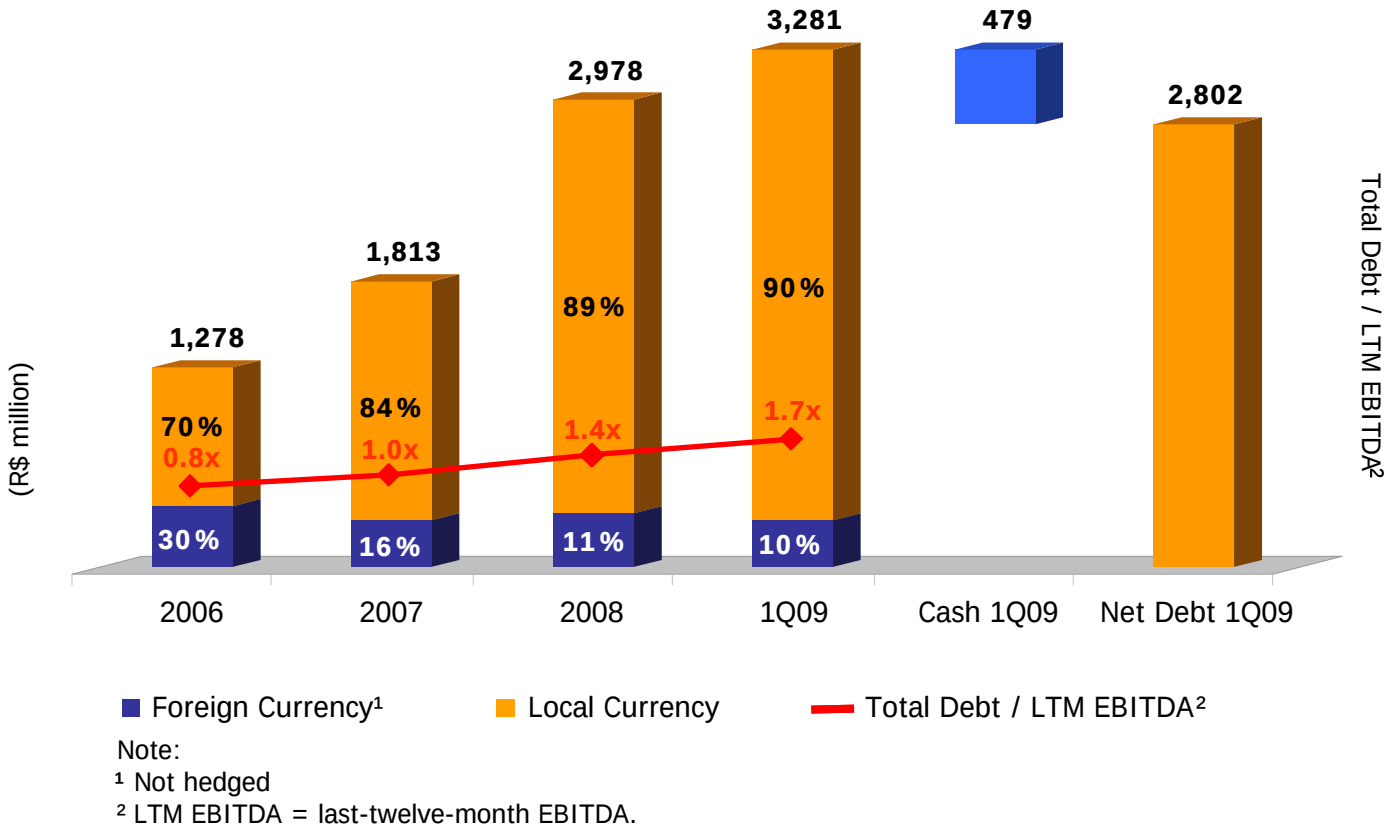
Net Income (R$ million)



Limited indebtedness and low exposure to foreign exchange

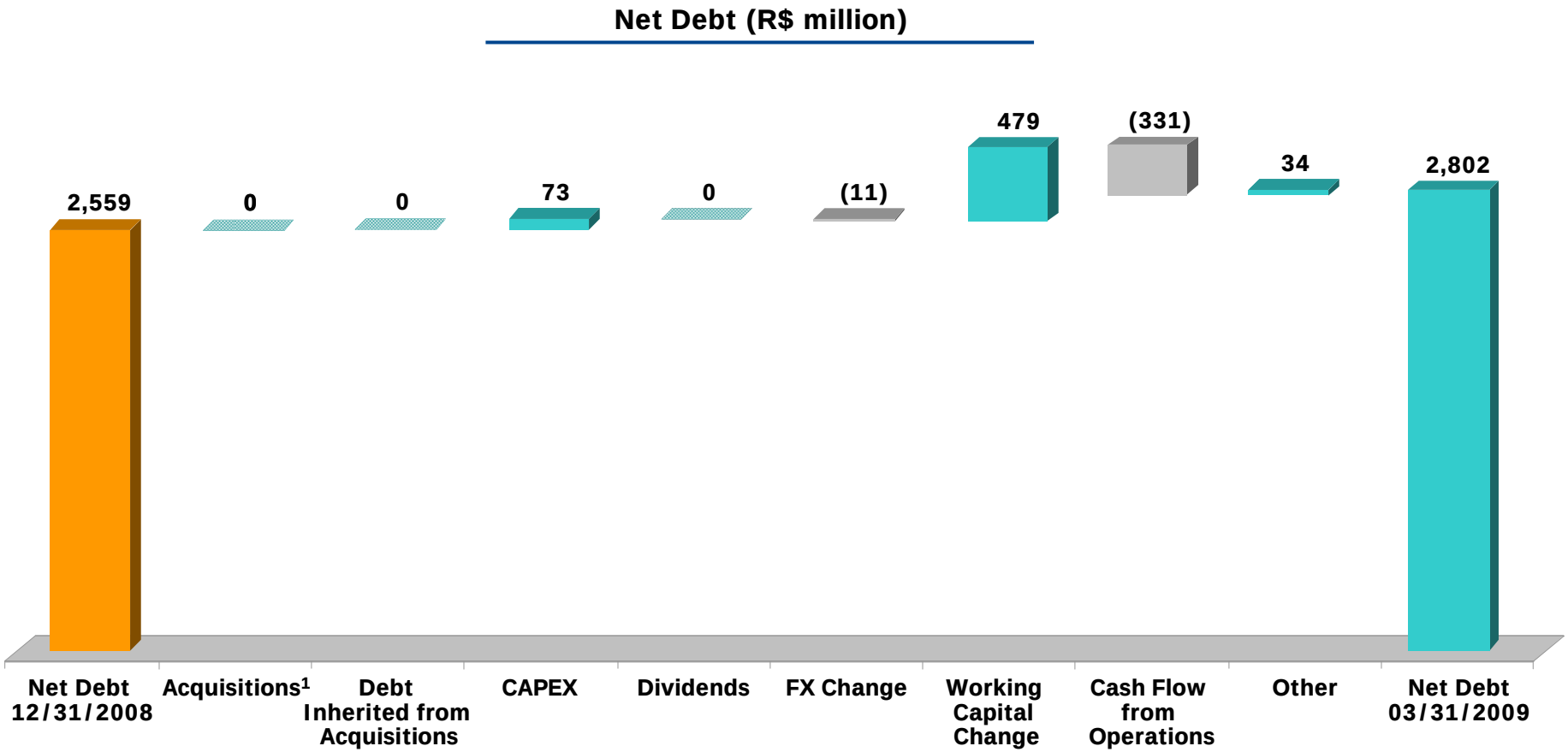
Even considering 2008 CAPEX (with impact on EBITDA mainly as from 2009), the leverage is at a comfortable level.

Debt Overview (R$ million)



Note:
¹ Not hedged
² LTM EBITDA = last-twelve-month EBITDA.

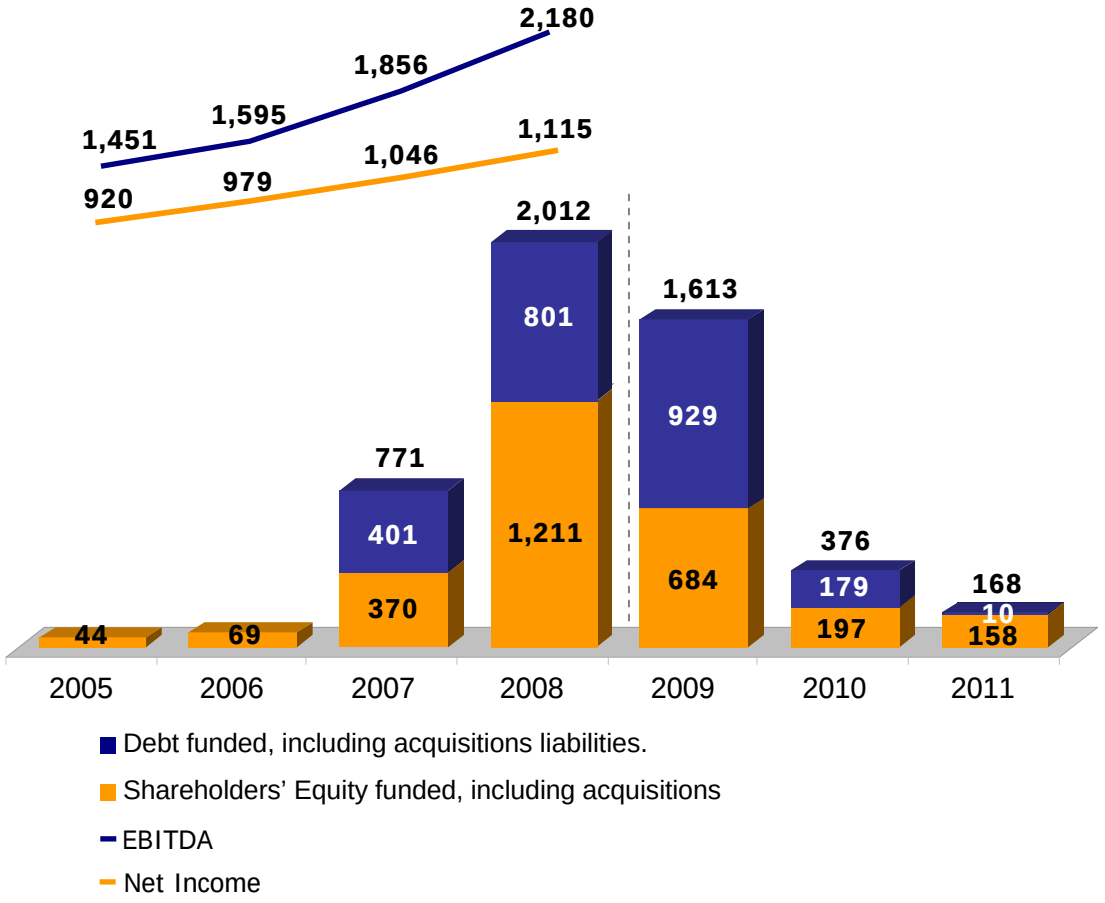
Quarter-on-quarter changing elements



Note:
[1] Net of cash equivalents.

Low recurring and expansion CAPEX are supported by a high cash flow

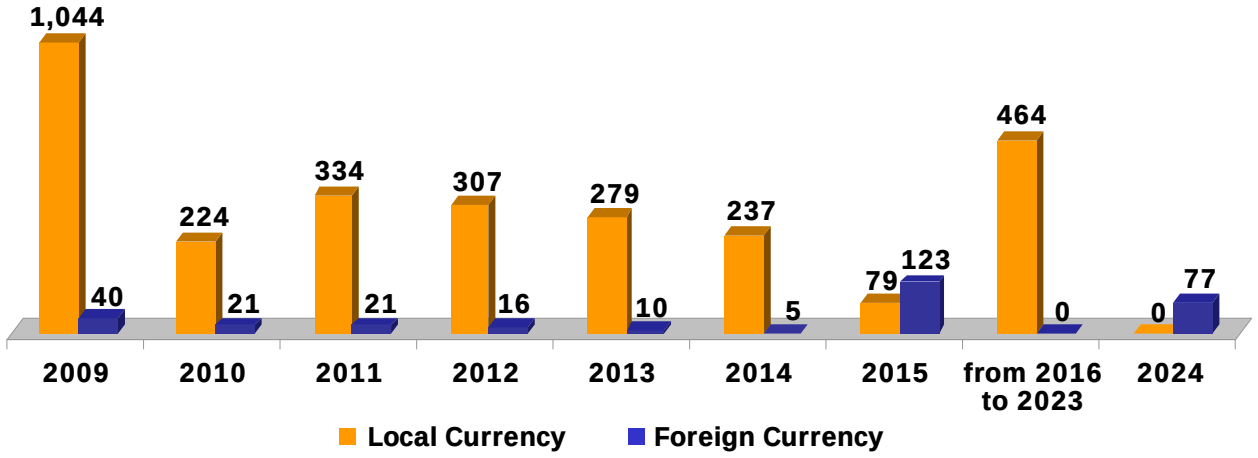
Accomplished / expected CAPEX and corresponding financing sources (R$ million)



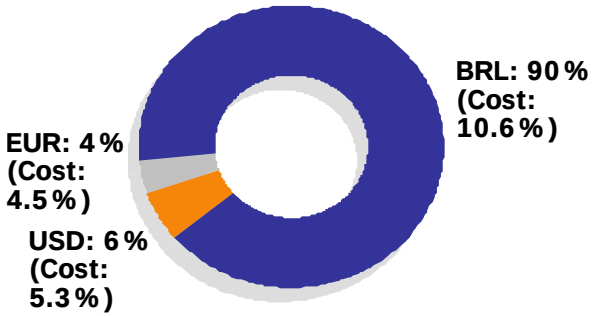
Note:
Does not include the potential goodwill in the acquisition of 40% of Estreito power plant owned by GDF SUEZ.

Medium and long-term debt, with low costs and defensive indexes

Maturity Term Loans – R$ million



Cost of Debt

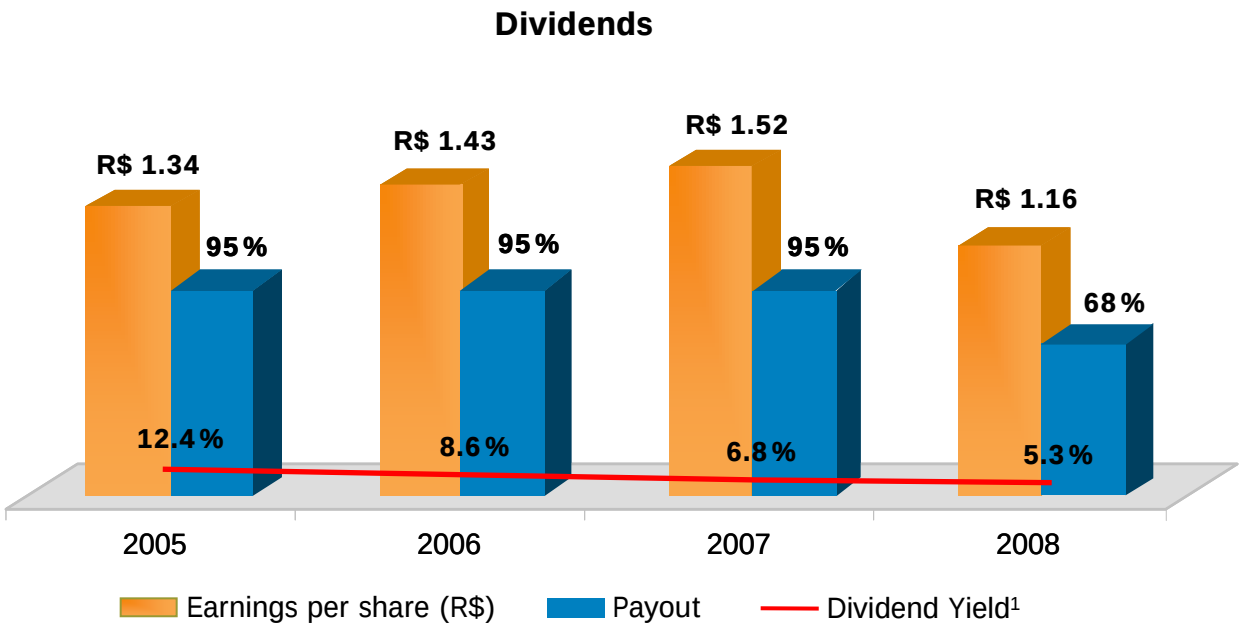


Composition of Debt	
Foreign Currency	
Fixed	56%
Floating	44%
Total	**100%**

Local Currency	
Fixed	4%
TJLP	46%
IGPM	7%
CDI	29%
IPCA	14%
Total	**100%**

Dividend policy

- By-law minimum payout: 30% of net income.
- Management commitment: minimum payout of 55% of net income.
- Payment frequency: semi-annual.



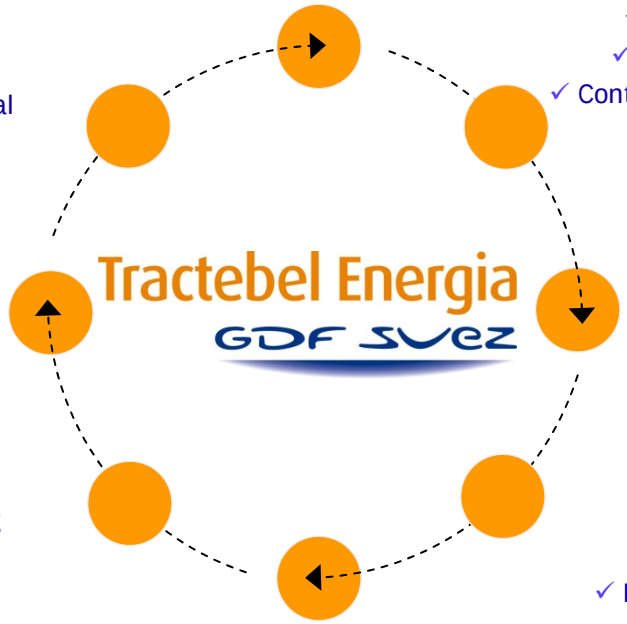
Note:
[1] Based on volume-weighted market price of ON shares in the period.

Competitive advantages

ATTRACTIVE INDUSTRY
- ✓ Defensive profile in critical times
- ✓ Growing energy prices

PREMIUM RATING
- ✓ AA-rated recent issue in national scale by S&P and Fitch
- ✓ Also corporate AA-rated for several years

INDUSTRY LEADERSHIP
- ✓ Largest private generator
- ✓ Market cap: R$ 11.2 billion
- ✓ Controlled by GDF SUEZ, world leader in energy



HIGH-CALIBER CORPORATE GOVERNANCE
- ✓ Experienced executives
- ✓ Discipline track record in investment decisions

CLEAR COMMERCIAL STRATEGY
- ✓ Heavy contracting in the next years
- ✓ Diversified portfolio between free customers (over different industries) and regulated ones (distribution companies)

STABLE FINANCIAL PERFORMANCE
- ✓ Strong cash flow
- ✓ Average EBITDA margin at 60% +
- ✓ Consistent net income

CASH FLOW PREDICABILITY
- ✓ Inflation-indexed contracts
- ✓ Hydro basis, complemented by thermal and wind

HIGH OPERATIONAL PERFORMANCE
- ✓ Benchmark indexes of availability
- ✓ ISO 9001 (quality management) and 14001 (environment management) certified plants

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Attachments

Exposure to Spot Price due to:

- **Thermal Generation**
- **Hydro Monthly Allocation**

Thermal side: exposure to spot prices

750 avgMW → Estimated commercial capacity (on a yearly basis)

375 avgMW (maximum exposure) → Thermal substitution energy → purchase in spot market

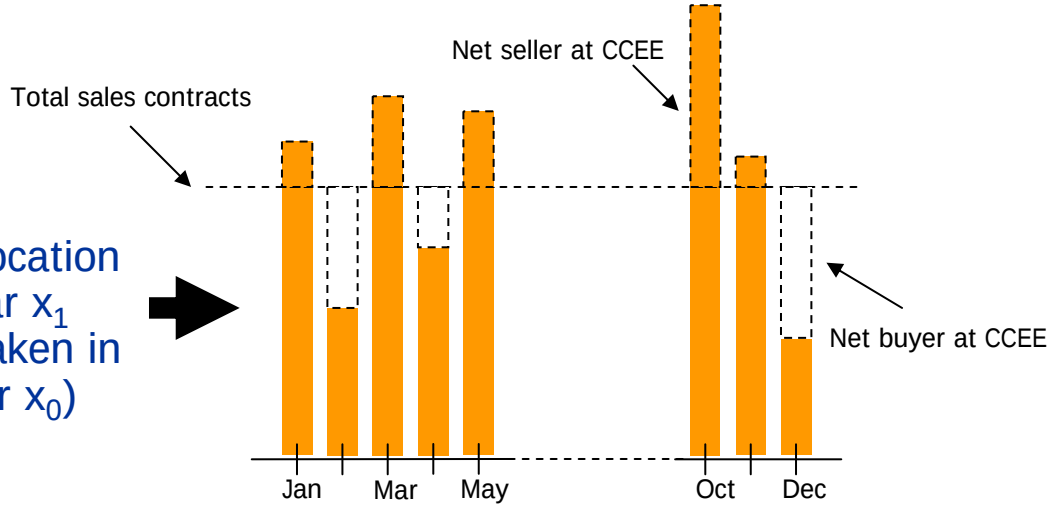
375 avgMW → Expected minimum dispatch due to an annual inflexibility (based on the purchase of some 230,000 tons of coal a month)

Notes: 1) Tractebel Energia has been fully contracted → purchase of thermal substitution energy.
2) On a monthly basis, inflexibility variations may occur.
3) Figures related to the Energy Trading Board (CCEE) settlement point.

Hydro gencos monthly allocation of resources

How does the allocation of resources at CCEE (the energy trading board) over the months interfere with a hydro genco quarterly results?

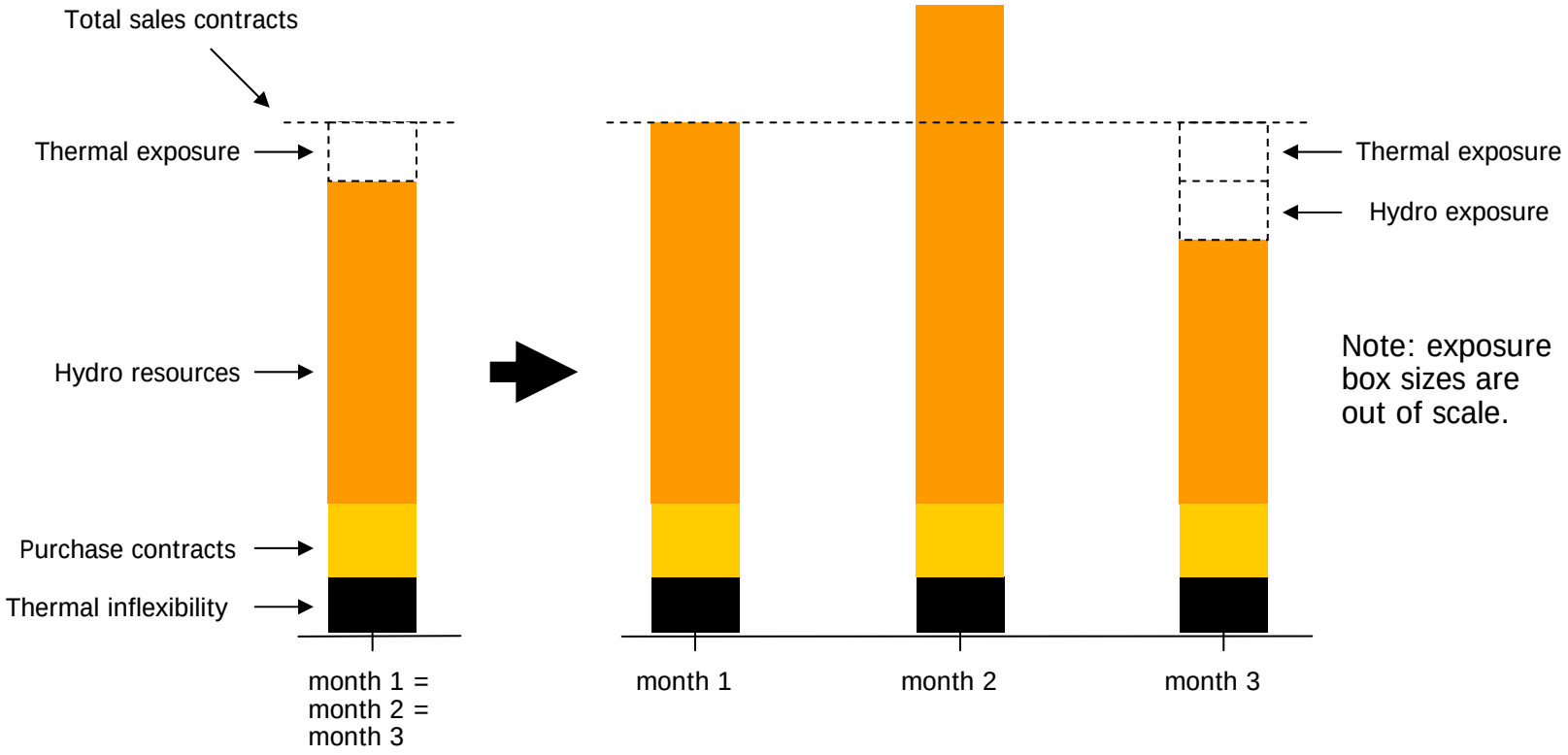
Annual Hydro Resources → monthly allocation over year x_1 (decision taken in Dec. year x_0) →



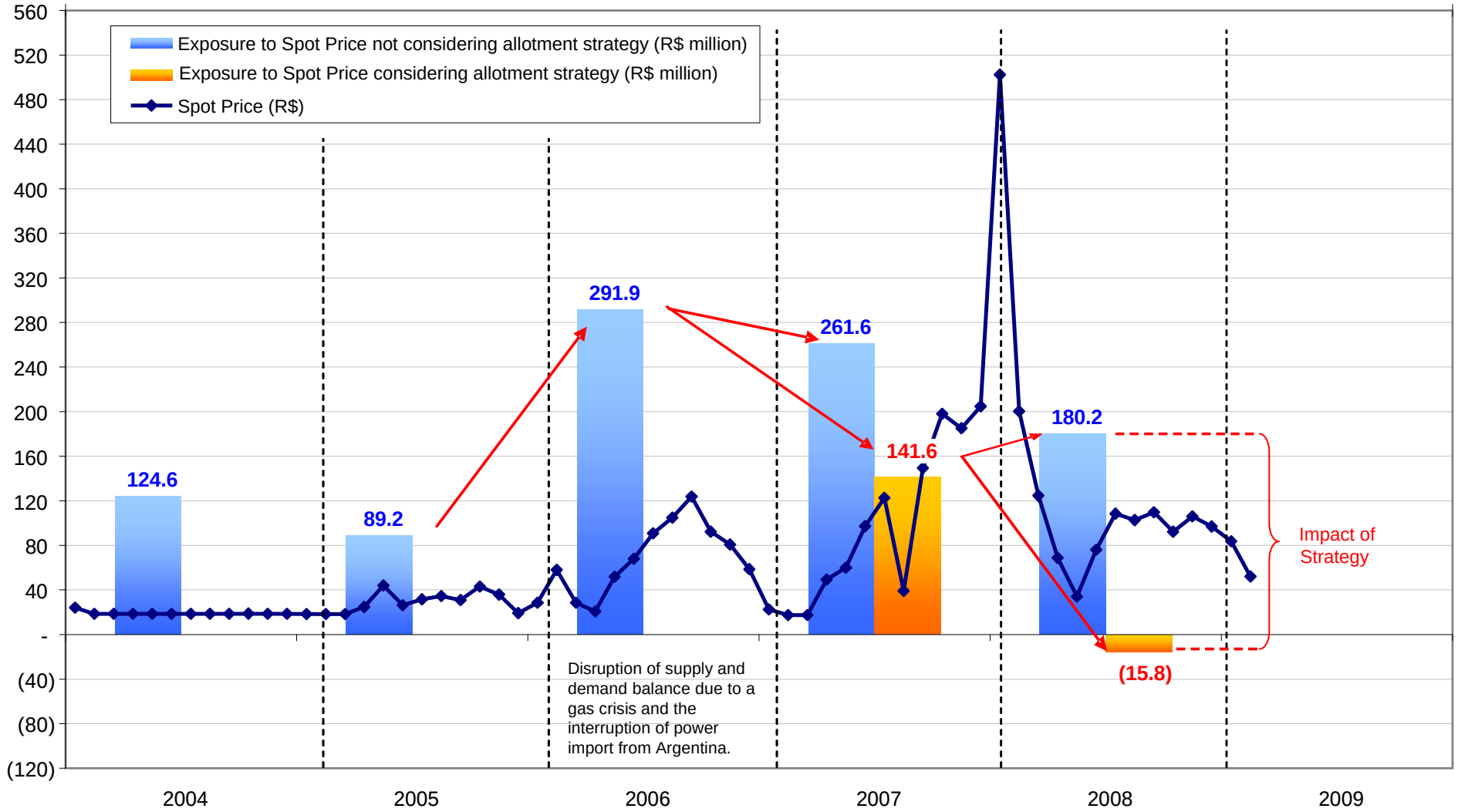
- Hydro gencos can freely allocate their resources over the following year's months;
- Monthly fluctuations on sales is also a driver for exposure to spot price;
- Monthly energy differences are settled at spot price, i.e., PLD (Price for Settlement of Differences);
- As penalties apply for a net buyer, a "monthly closing" market is available for those gencos who need to cover up their position;
- The pricing for the "monthly closing" market is strongly linked to the spot price.

Mechanisms to mitigate exposure from the thermal side

As a consequence of the two previous slides, an appropriate monthly allocation of the hydro resources over the year can mitigate the exposure arising from the thermal substitution energy to be purchased at spot price. An example follows:

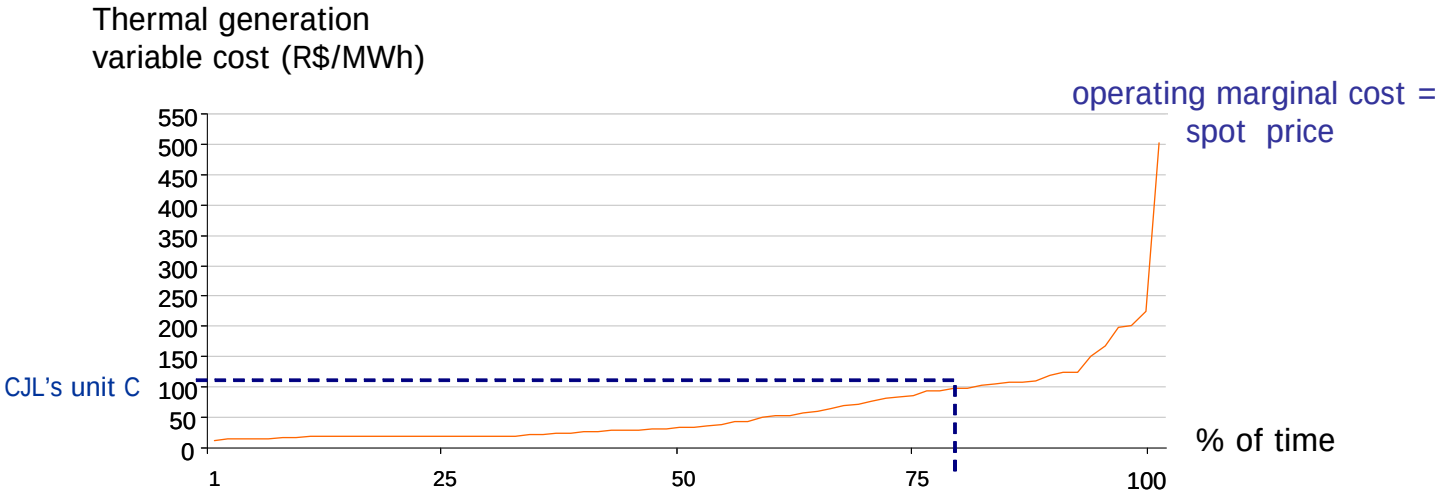


Expenses: impacts of energy allotment (2004 thru 2008)



Main drivers and distribution curve of spot prices

- Reservoir levels of hydro plants;
- Rainfall behavior;
- Forecast of demand for power;
- Current and future availability of power plants and transmission lines;
- Availability of natural gas.

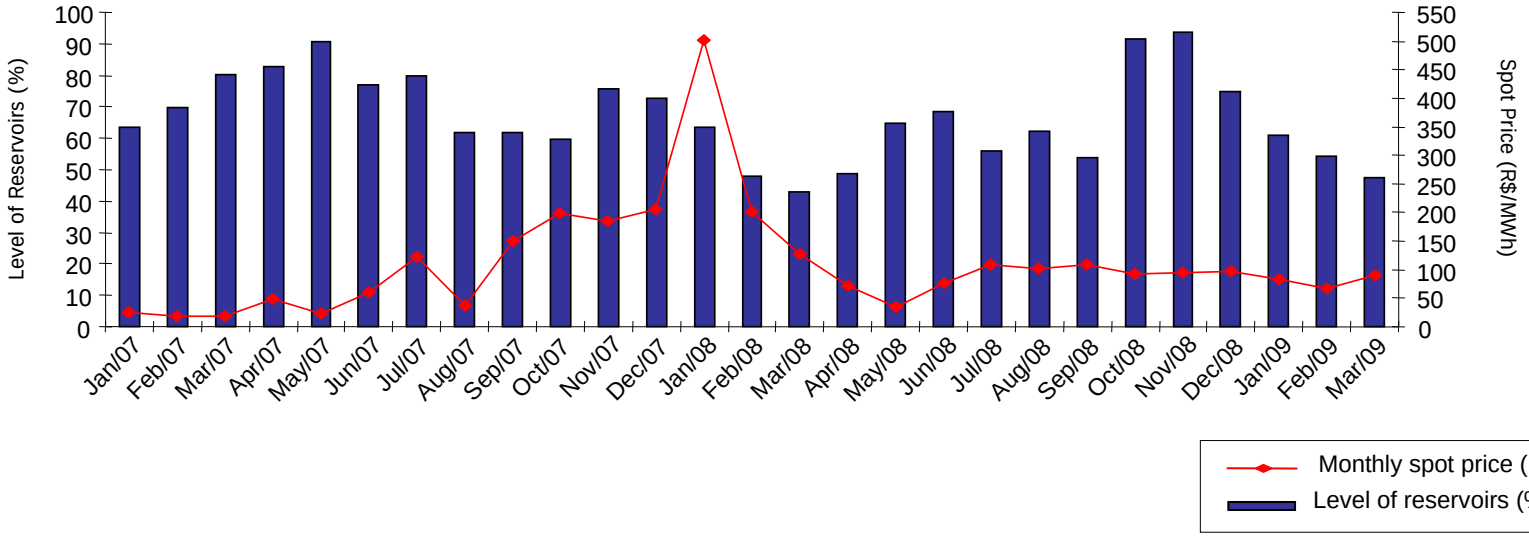


Note: spot market monthly prices for SE-CW submarket from May 2003 to March 2009.

Conclusion: For 60% of the time the spot price is lower than R$50/MWh, and for over 80% of the time it is lower than R$100/MWh.

Correlation between reservoir levels and spot prices

Southern Submarket



Southeastern/Central-Western Submarket

