Tractebel Energia
GDF SUEZ



Results Presentation – 1Q14

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Highlights, Shareholding Structure, Market Share, Assets and Sales

Performance highlights

- Main financial and operational indexes:

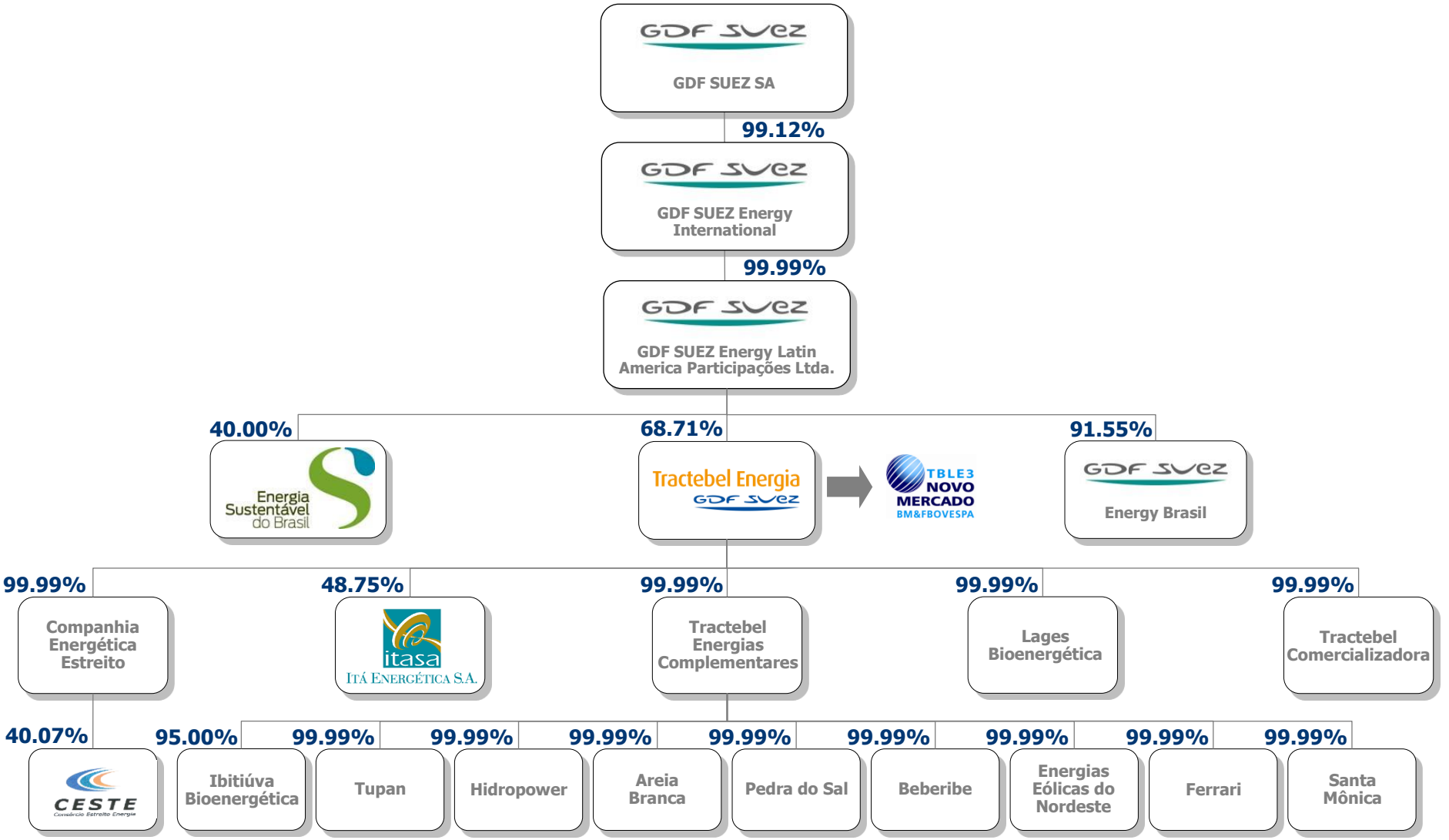
(in million of R$)	1Q14	1T13	Chg.
Net Revenues from Sales (NRS)	1,643.0	1,390.9	18.1%
EBITDA[1]	694.1	870.5	-20.3%
EBITDA / NRS - (%)	42.2	62.6	-20.4 p.p.
Net Income	289.2	424.9	-31.9%
Energy Sold (avg. MW)	4,224	4,125	2.4%
Average Price of Energy Contracts (R$/MWh)[2]	144.5	136.3	6.0%
Production (avg. MW)	5,726	4,489	27.6%

[1] EBITDA represents: operational results + financial results + depreciation and amortization.
[2] Net of taxes and exports.

Performance highlights (cont'd)

- Tractebel Energia generating complex produced 8,031.6 MW instantaneously on January 22, establishing a new record. The previous one was 7,824.5 MW.
- Fleixeiras I Wind Farm (30.0 MW) was authorized by Agência Nacional de Energia Elétrica (Aneel) to startup in commercial operations.
- Concluded the acquisition of the total capital of Ferrari Termoelétrica S.A., with installed capacity of 65.5 MW and commercial capacity of 23.2 avg MW.
- Subsequent events:
  - Mundaú Wind Farm (30.0 MW) was also authorized by Aneel to begin commercial activities, thus concluding Trairi Wind Complex and adding 115.4 MW of installed capacity to the Company.
  - Board of Directors approval was given: (i) for the start on construction work on the Santa Monica Complex, Trairi (CE), with 97.2 MW of installed capacity; (ii) the acquisition of approximately 150 MW related to five wind projects to be developed in the state of Bahia; and (iii) the acquisition of ten wind generation projects with a joint installed capacity of up to 300 MW, also in the state of Bahia, at an investment of R$ 35.1 million.

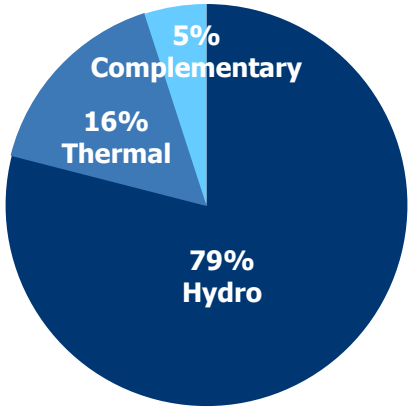
Tractebel is controlled by GDF SUEZ, world leader in energy

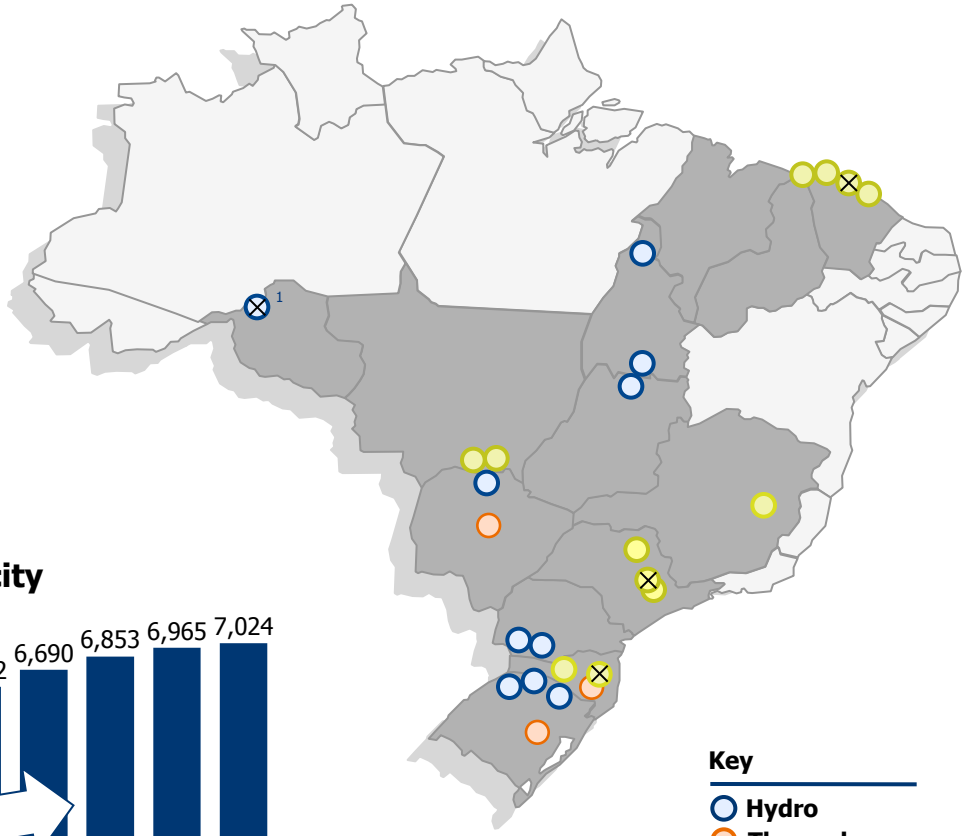


Simplified version

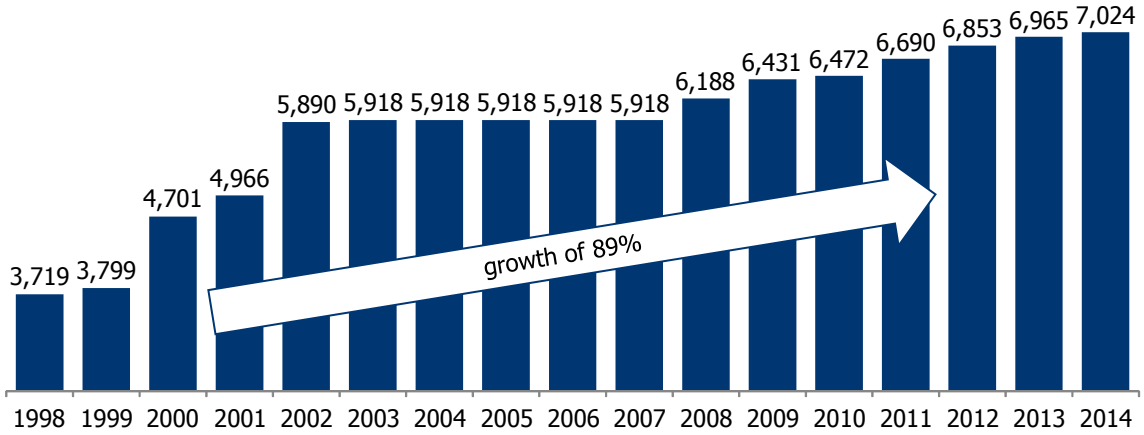
Diversified portfolio of assets, with strategic location

Proprietary installed capacity of 7,024.2 MW from 26 plants operated by Tractebel Energia in a diversified portfolio.





Proprietary Operating Installed Capacity

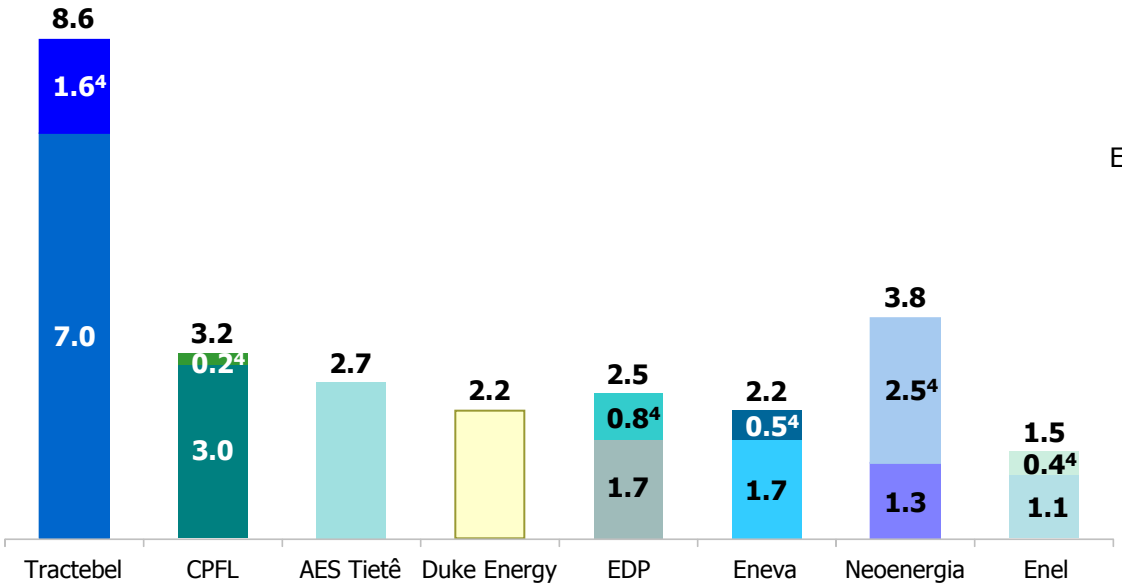


Note:
[1] GDF SUEZ owns a 40.0% stake in Jirau HPP which is foreseen to be transferred to Tractebel Energia.

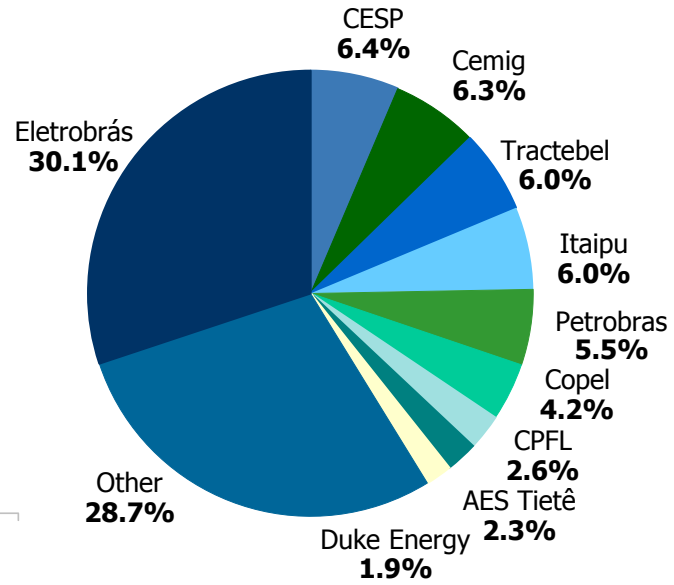
Leading position in the generation sector

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

Private Sector – Installed Capacity[1] (GW)



Brazil – Existing Installed Capacity[2,3]



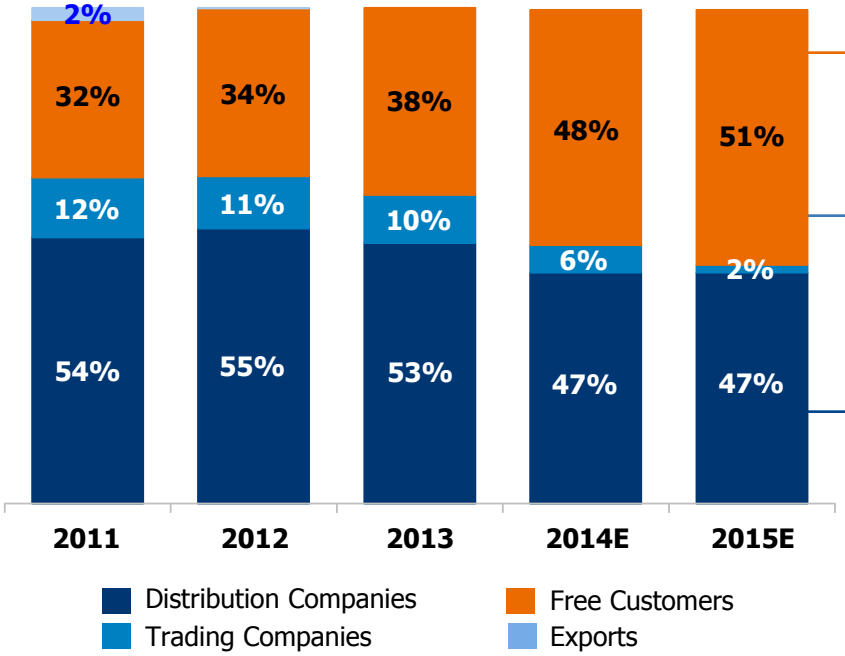
Source: Aneel , Companies' websites and in-house studies.

Notes:
[1] Apparent sum-related errors are a result from rounding of addends.
[2] Amount corresponding to SIN – National Interlinked System.
[3] Includes only the Brazilian part of Itaipu.
[4] Installed capacity under construction based on information from Aneel, ONS and internal study. For Tractebel, the figure includes the plants under construction according to slide 36 of this presentation.

…and is well positioned to capture business opportunities.

Diversified portfolio among free customers, distribution and trading companies

Client Breakdown (based on contracted energy)[1]



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

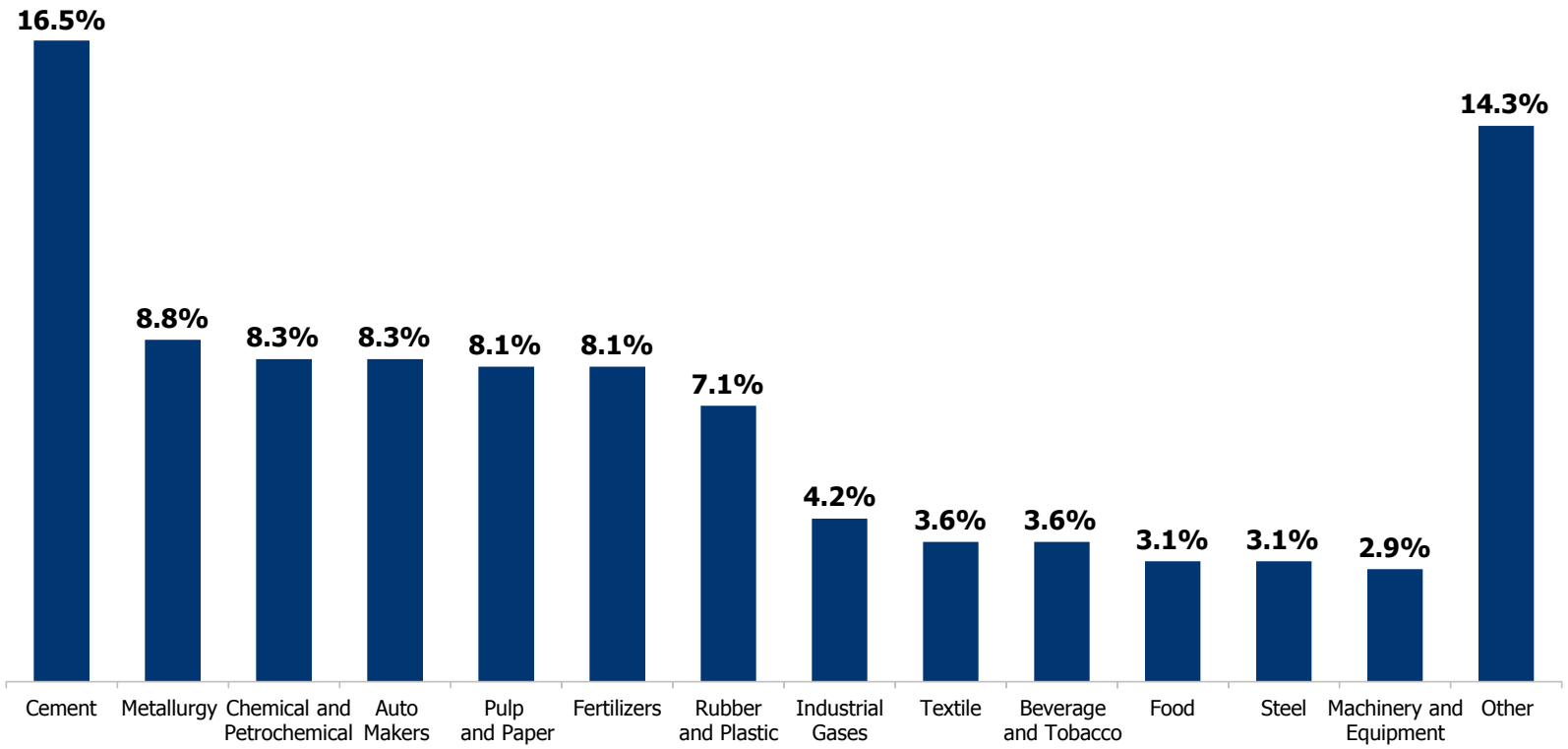
...to maximize portfolio's efficiency.

Note:
[1] The figures have been reclassified. Effective in the 3Q12, the Company is now showing sales to the trading companies which allocate purchased energy exclusively to their production units as sales to free consumers and no longer to trading companies.

Diversification also within the free customers portfolio

Free customer industry diversification and a strict credit assessment policy allow for a zero default reality.

Free customers total sales volume for 2014:
1,930 average MW



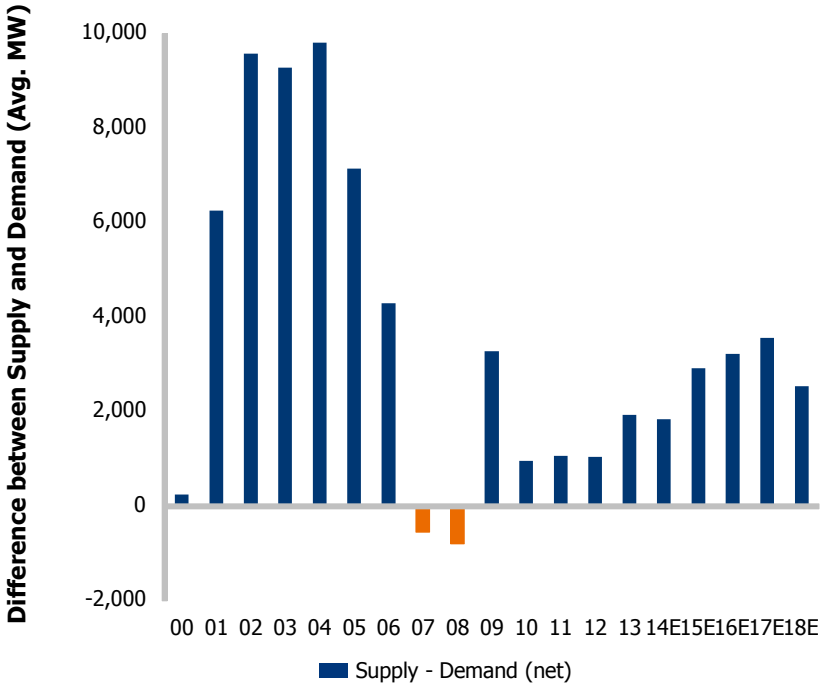
Source: Internal study based on IBGE's classification.

Energy Market in Brazil

New profile of income distribution has contributed for increase demand for electric energy

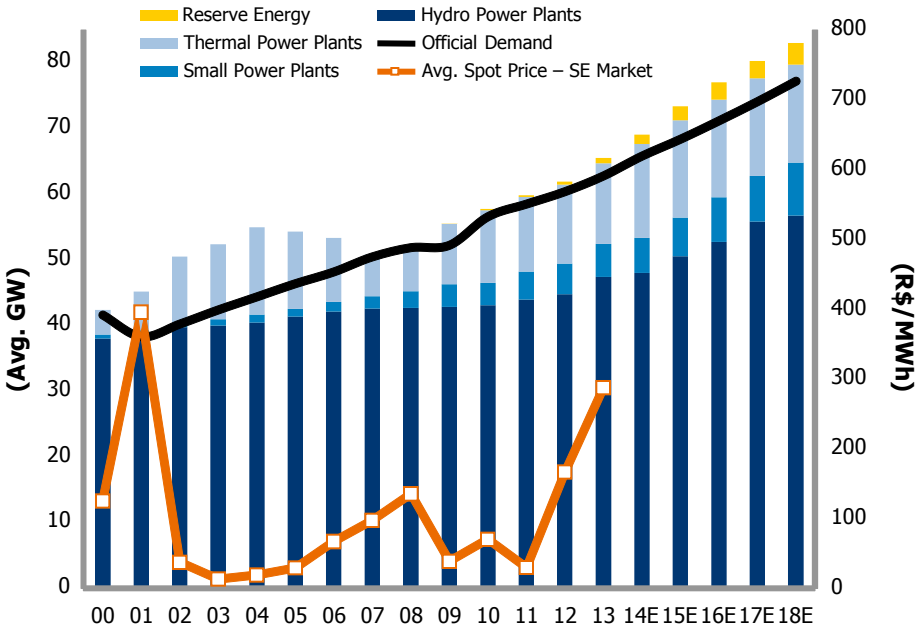
On top of income distribution reshaping, the increased thermal role, the delay in the implementation of greenfield projects, the preference for building low storage dams and the adoption of risk aversion procedures – as the change in PLD's calculation – may increase future energy prices.

Energy Market Outlook



Source: Tractebel Energia's internal study based on ONS' Operations Monthly Program of April 2014.

Supply Distribution by Source



Source: Internal study based on information provided by Aneel and ONS.

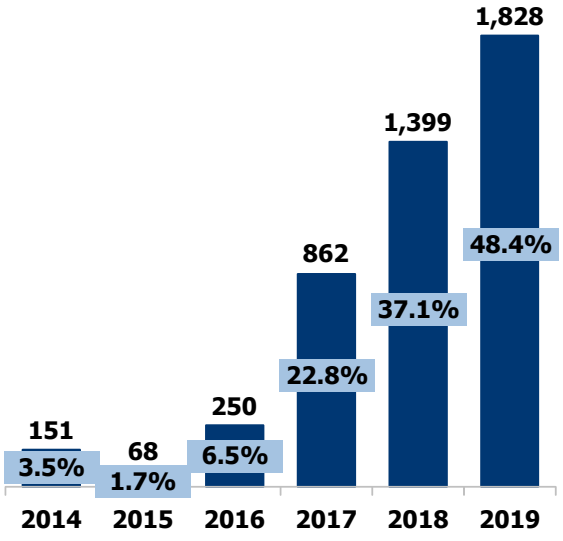
Sales Strategy

The energy for delivery in the medium term is almost fully contracted

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 finetune the amount of uncontracted energy.

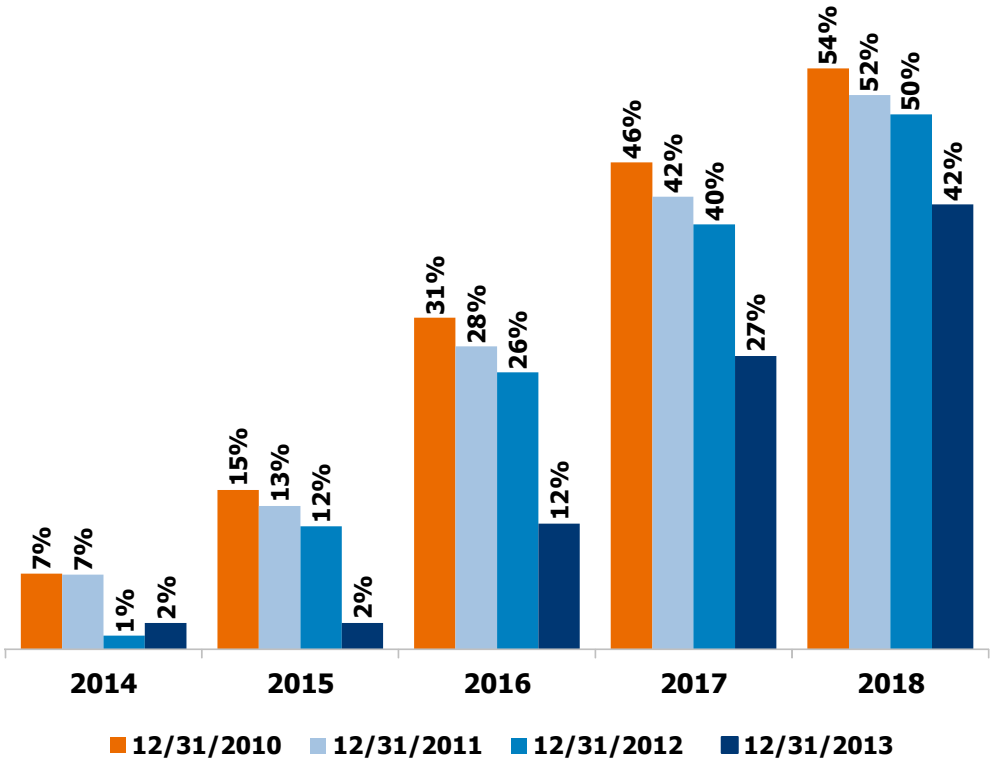
Tractebel Energia's Uncontracted Energy[1]

(average MW)



Note:
[1] Percentage of total resources.

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



Energy balance

As of March 31, 2014

(in average MW)	2014	2015	2016	2017	2018	2019	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted as of March 31, 2014 (R$/MWh)
Own Resources	3.529	3.534	3.531	3.552	3.575	3.575			
+ Purchases for Resale	845	438	295	233	200	200			
= Total Resources (A)	**4.374**	**3.972**	**3.826**	**3.785**	**3.775**	**3.775**			
Government Auction Sales*	1.679	1.669	1.526	1.173	1.173	1.173			
2004-EE-2007-08	10	-	-	-	-	-	70,9	Dec-04	109,8
2005-EE-2008-08	143	143	-	-	-	-	81,6	Apr-05	122,8
2005-EE-2009-08	353	353	353	-	-	-	94,0	Oct-05	138,6
2005-NE-2010-30	200	200	200	200	200	200	115,1	Dec-05	168,1
2006-NE-2009-30	493	493	493	493	493	493	128,4	Jun-06	184,5
2006-NE-2011-30	148	148	148	148	148	148	135,0	Nov-06	193,0
2007-NE-2012-30	256	256	256	256	256	256	126,6	Jun-07	173,6
Proinfa	44	44	44	44	44	44	147,8	Jun-04	248,9
1st Reserve Energy Auction	14	14	14	14	14	14	158,1	Aug-08	214,0
Auction Mix (Reserve / New Energy / DG)	18	18	18	18	18	18	-	-	194,1
+ Bilateral Sales	2.544	2.235	2.050	1.750	1.203	774			
= Total Sales (B)	**4.223**	**3.904**	**3.576**	**2.923**	**2.376**	**1.947**			
Balance (A - B)	**151**	**68**	**250**	**862**	**1.399**	**1.828**			
Sales Average Price (R$/MWh) **(Net)***[1]:	141,7	144,5	142,8						
Purchases Average Price (R$/MWh) **(Net)***[2]:	135,1	144,6	152,2						

* 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 revenue (PIS/Cofins, R&D), as of 03/31/14, i.e. future inflation is not considered.

*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 03/31/14, i.e. future inflation is not considered.

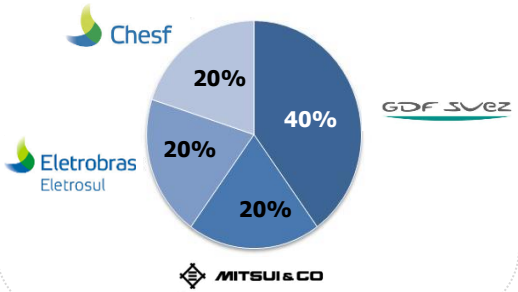
Note:
The balance refers to the settlement point.
The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.

Expansion

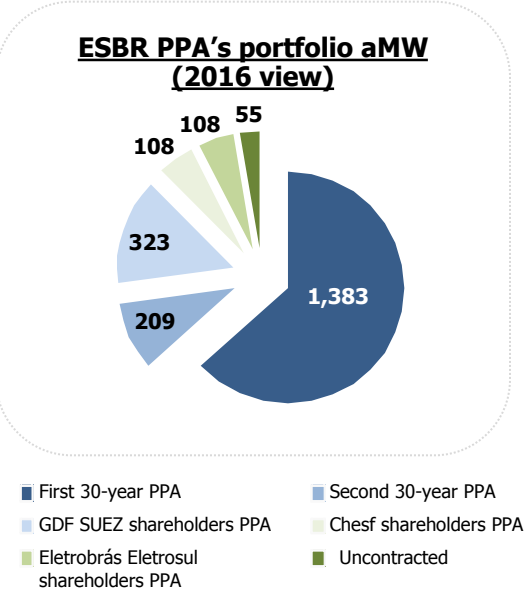
Hydro project under construction: Jirau – project update

- **3,750 MW project – 40.0% GDF SUEZ**
  - under construction: 50 units x 75 MW each
  - assured energy: 2,185 aMW
- **73% contracted under 30-year PPAs - indexed by inflation**
- **Balance of energy available to be sold by the shareholders**
- **Project CAPEX of R$ 17.4 billion (December 2013)[1]**
- **Financing conditions**
  - BNDES total financing – R$ 9.5 billion (initial R$ 7.2 billion + R$ 2.3 billion)
    - ✓ interest rate: TJLP + spread
    - ✓ amortization: 20 years
    - ✓ grace period postponed until September 2014
  - TJLP at 5.0%
  - spread: from 2.1% to 2.6%
  - 100% of the debt is financed by BNDES, from which 50% is indirectly financed through a syndicate of banks

ESBR shareholders



ESBR PPA's portfolio aMW (2016 view)



Note:

[1] CAPEX to completion, including inflation up to December 2013, not thereafter. It includes the receipt of certain tax credits (PIS/Cofins), excludes interest during construction (100% capitalized and not paid). Also includes over R$ 1 billion of socio-environmental programs.

Hydro project under construction: Jirau – project update

❑ Project status

- ➢ 525 MW in commercial operation (7 units)
- ➢ 1 more unit was synchronized to the grid in April 2014, amounting to 8 units connected to National Interlinked System (SIN)
- ➢ 2 additional units already being tested
- ➢ 92% overall project progress, including 95%+ on civil works
- ➢ Madeira River reached its historical maximum flow (59,000 m^3/s on 24 March) and is currently decreasing (46,200 m^3/s on 16 April)

❑ Partnership with Mitsui

- ➢ financial closing of the transaction set on January 16, 2014, following the approval by BNDES and commercial lenders

❑ Options to create additional value

- ➢ additional assured energy and other forms of compensation proposed by the regulator, potentially available[1]
- ➢ additional long term tax incentives in the region
- ➢ MME has approved Jirau HPP as a priority project with the purpose of issuing infrastructure debentures, thus creating other funding possibilities



Powerhouse – left bank – downstream view



Spillway – downstream view

Note:

[1] Aneel reverted the decision to grant a minimum of 24.3 aMW but proposed the discussion of further compensations.

Hydro project under construction: Jirau – project update



Power house – right bank – downstream view (Jan/2014)



Power house – right bank – downstream view (Apr/2014)



Power house – left bank – downstream view (Dec/2013)



Power house – left bank – downstream view (Apr/2014)

Project under construction: Ferrari TPP

In December 2013, Ferrari TPP was acquired. This is a 65.5 MW installed and 23.2 aMW commercial capacity sugar-cane bagasse-fired plant in operation as from 2009. It is located in Pirassununga (SP).

Project Details





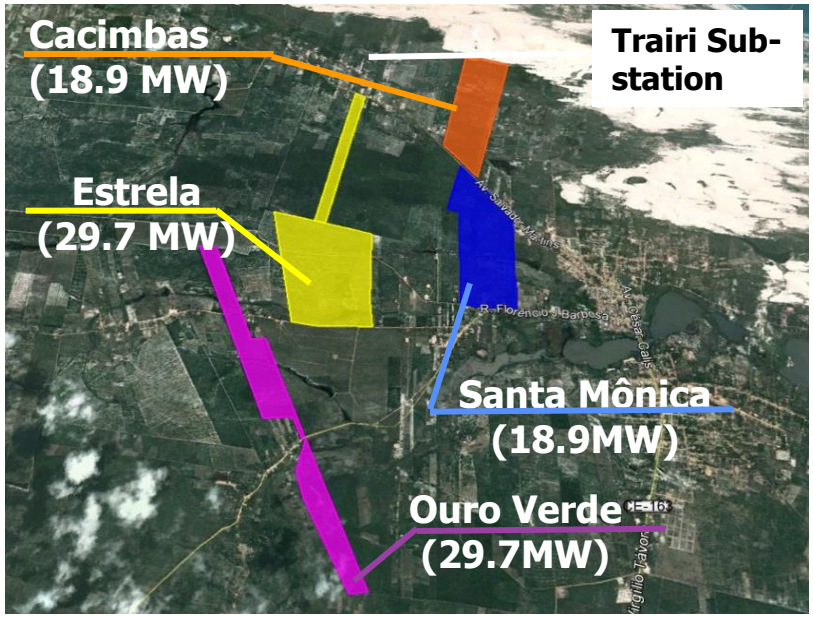
The Company is to invest up to R$ 176 million[1] in the project and will inherit a R$ 48 million debt. On top of that, it can invest further R$ 85 million in a retrofit, thus expanding the plant's installed capacity to 80.5 MW.

Note:
[1] Approximate updated value.

Project under construction: Santa Monica Wind Complex

The Board of Directors authorized the start of construction of the Santa Monica Wind Complex, located in Trairi (CE), alongside the Trairi Wind Complex, already in operation. Santa Monica has an installed capacity of 97.2 MW (47.3 aMW) and is comprised of four plants.

Project Details



The Company will invest approximately R$ 460 million[1] in the Complex, thus expanding the non-renewable conventional power within its generating portfolio. The COD for the whole Complex is expected for 2016.

Note:
[1] Approximate updated value.

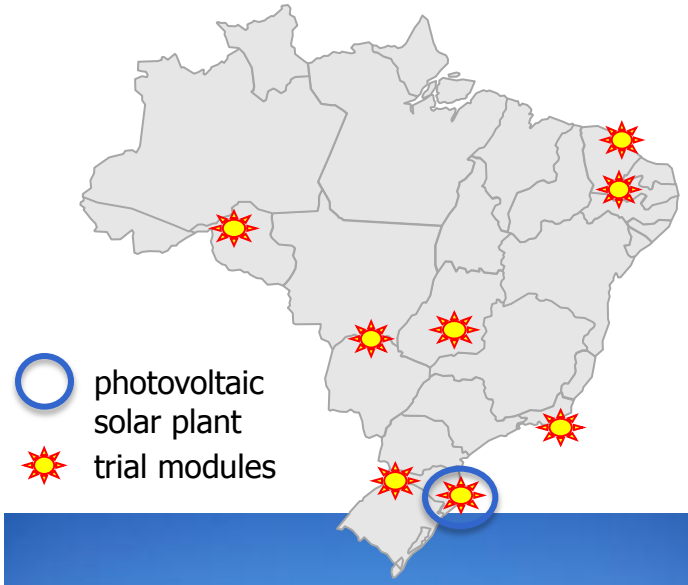
Solar project under construction: Cidade Azul Photovoltaic Solar Plant

Photovoltaic Solar Project

- installed capacity of the photovoltaic solar plant: 3 MWp
- installation of trial modules (70 kWp each), set in locations with diverse regional climate conditions, besides of Brazil's largest-to-be photovoltaic solar plant
- expected investment: R$ 56.3 million
- goal: to assess the solar generation potential in Brazil, its complementarity with another power sources and identify the most appropriate technologies matching the climate conditions for several regions
- partnership with Federal University of Santa Catarina's Photovoltaic Research Group and other institutions
- developed under the Aneel's Technological Research and Development Program for the Electric Energy Sector

Project status

- undergoing pre-operational tests





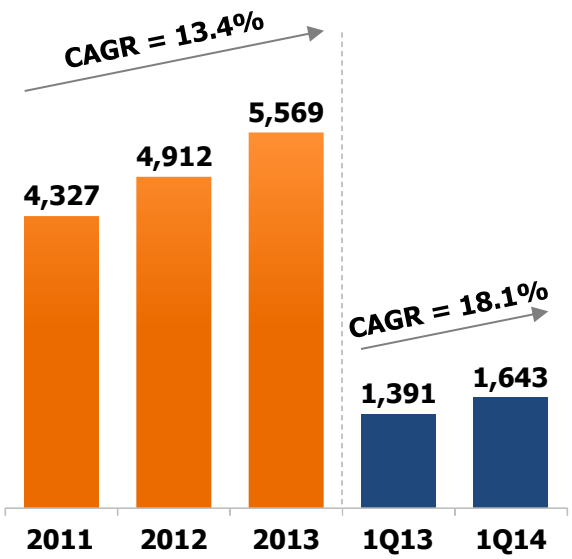
Trial module in Capivari de Baixo (SC)

Financial Performance

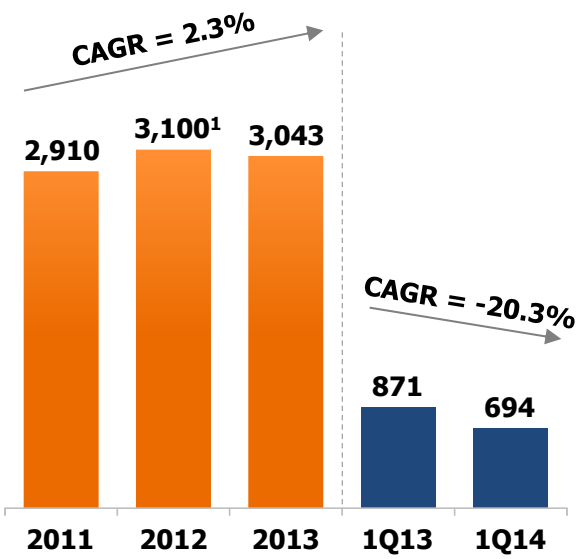
Solid financial performance

Efficient management of its client portfolio and focus on contracting strategies have paved the way for a substantial top line growth of both revenue and EBITDA over time. Consistent yearly net income has supported the Company's investment plan.

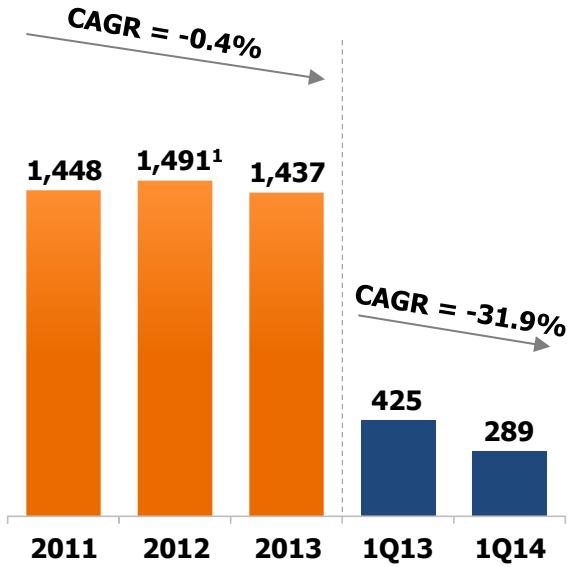
Net Revenue (R$ million)



EBITDA (R$ million)

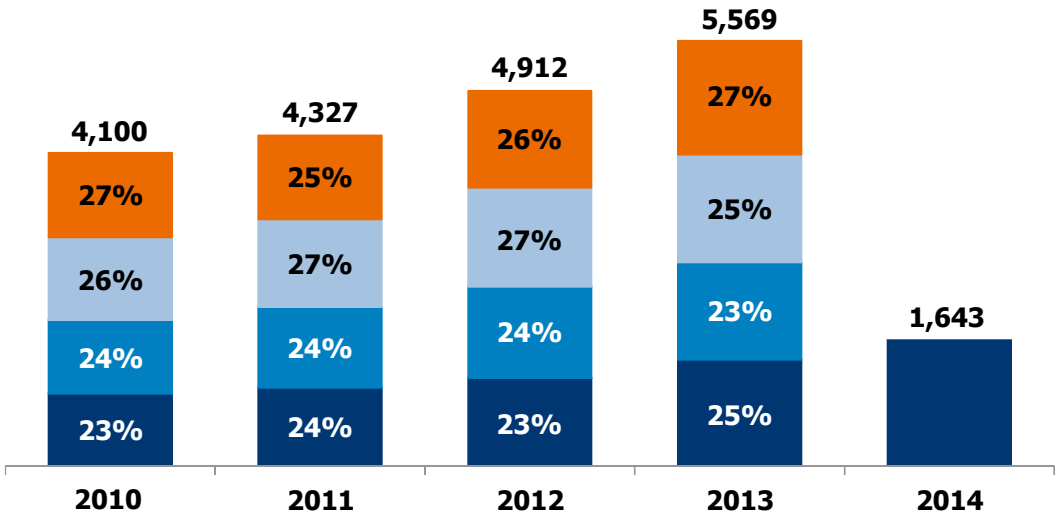


Net Income (R$ million)



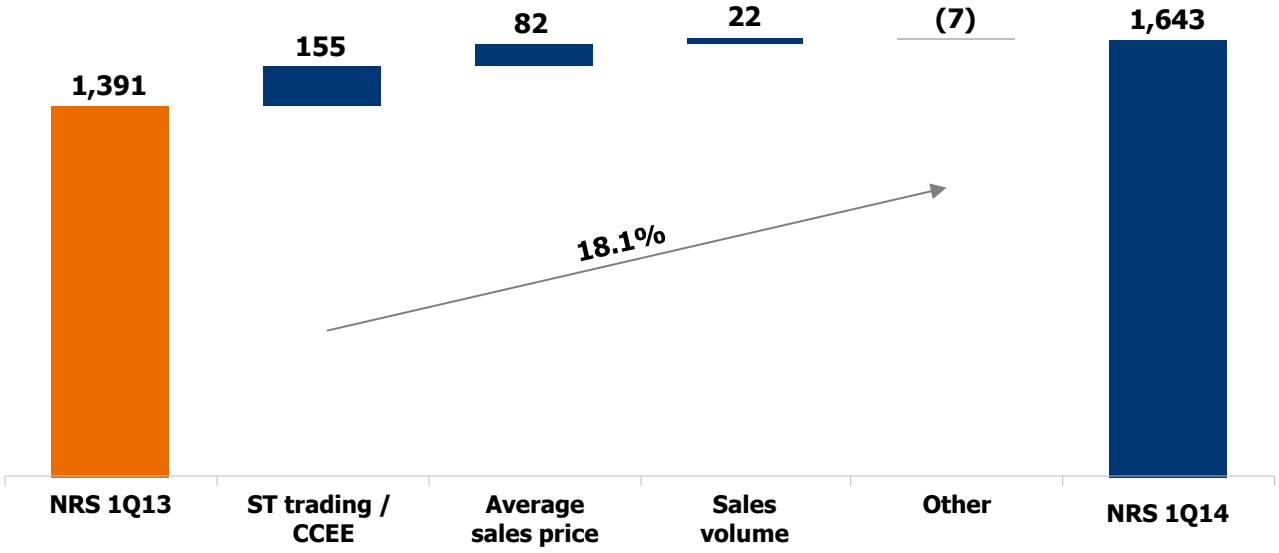
Note:
[1] Adjustment due to change in accounting practice.

Net revenue from sales change (R$ million)

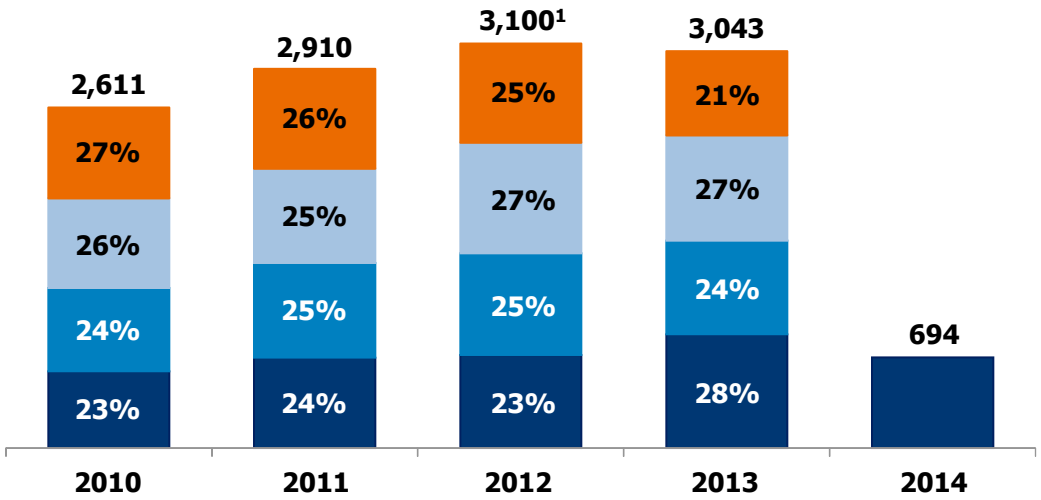


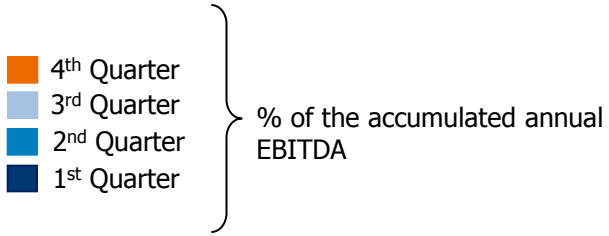
4th Quarter
3rd Quarter
2nd Quarter
1st Quarter

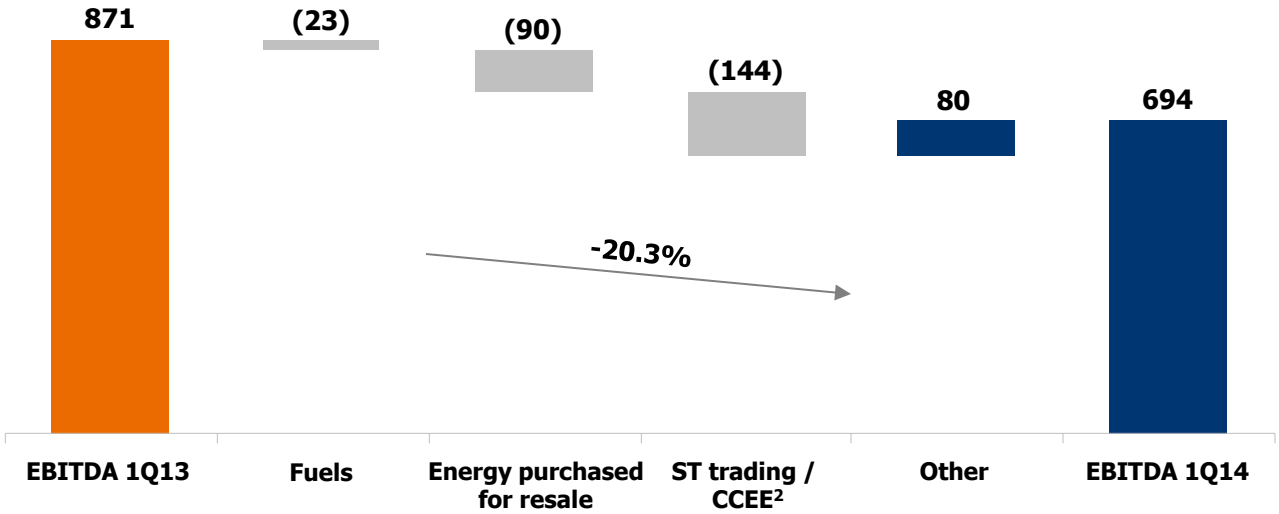
% of the accumulated annual net revenue from sales



EBITDA change (R$ million)

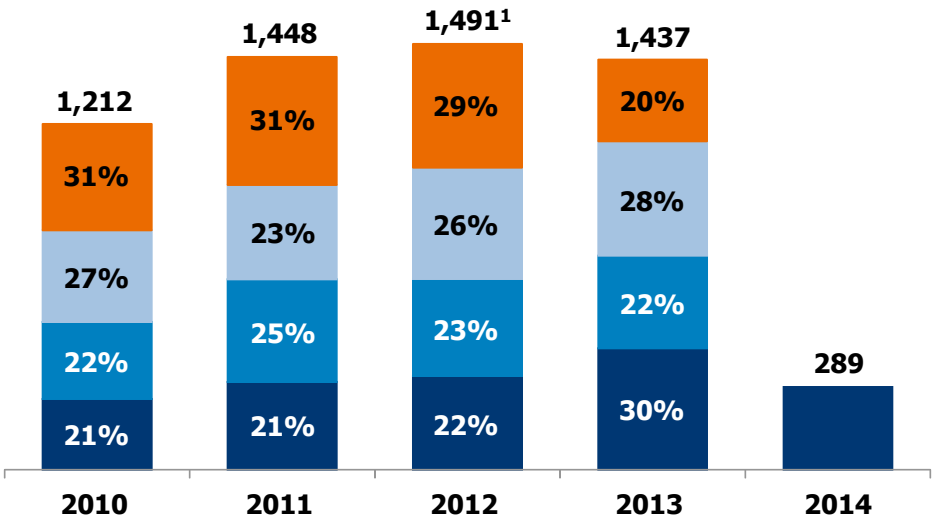


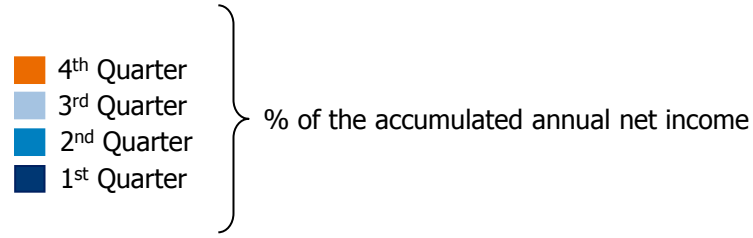


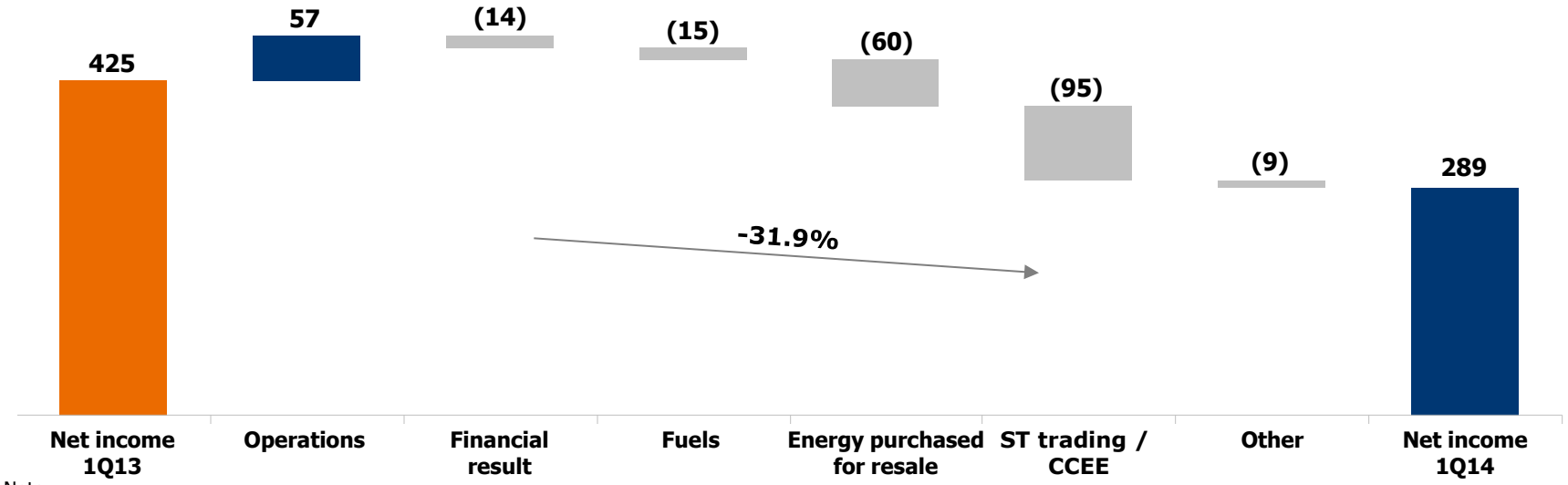


Notes:
[1] Adjustment due to change in accounting practice.
[2] Considers the combined effect of changes in revenue and expenses.

Net income change (R$ million)





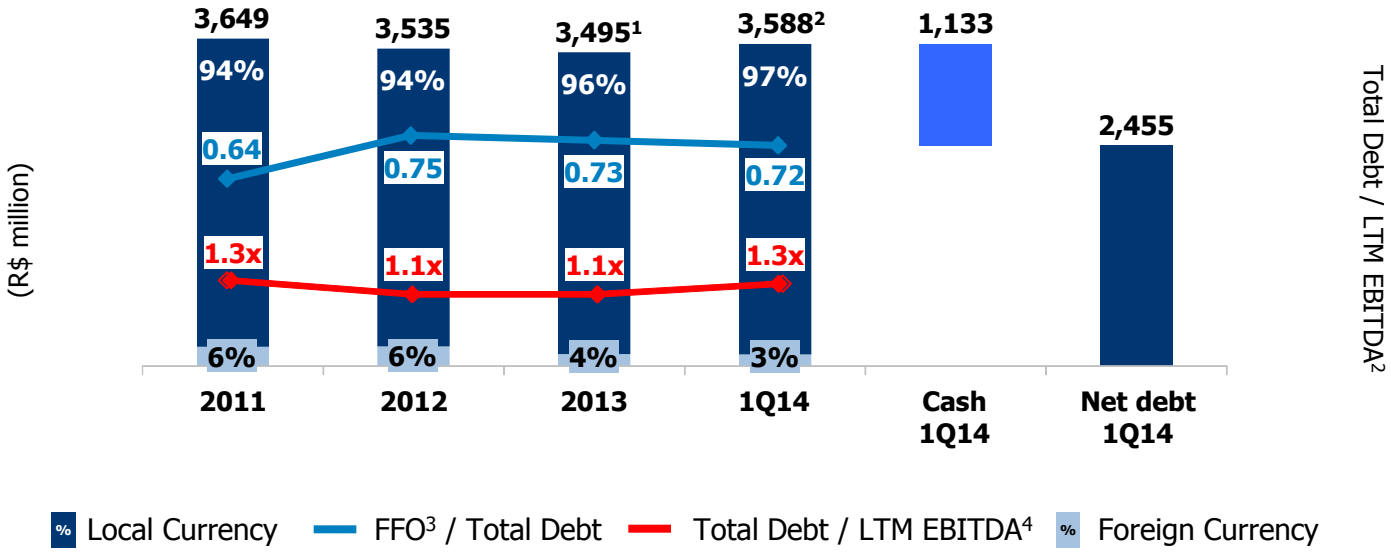


Note:
[1] Adjustment due to change in accounting practice.

Limited indebtedness and low exposure to foreign exchange

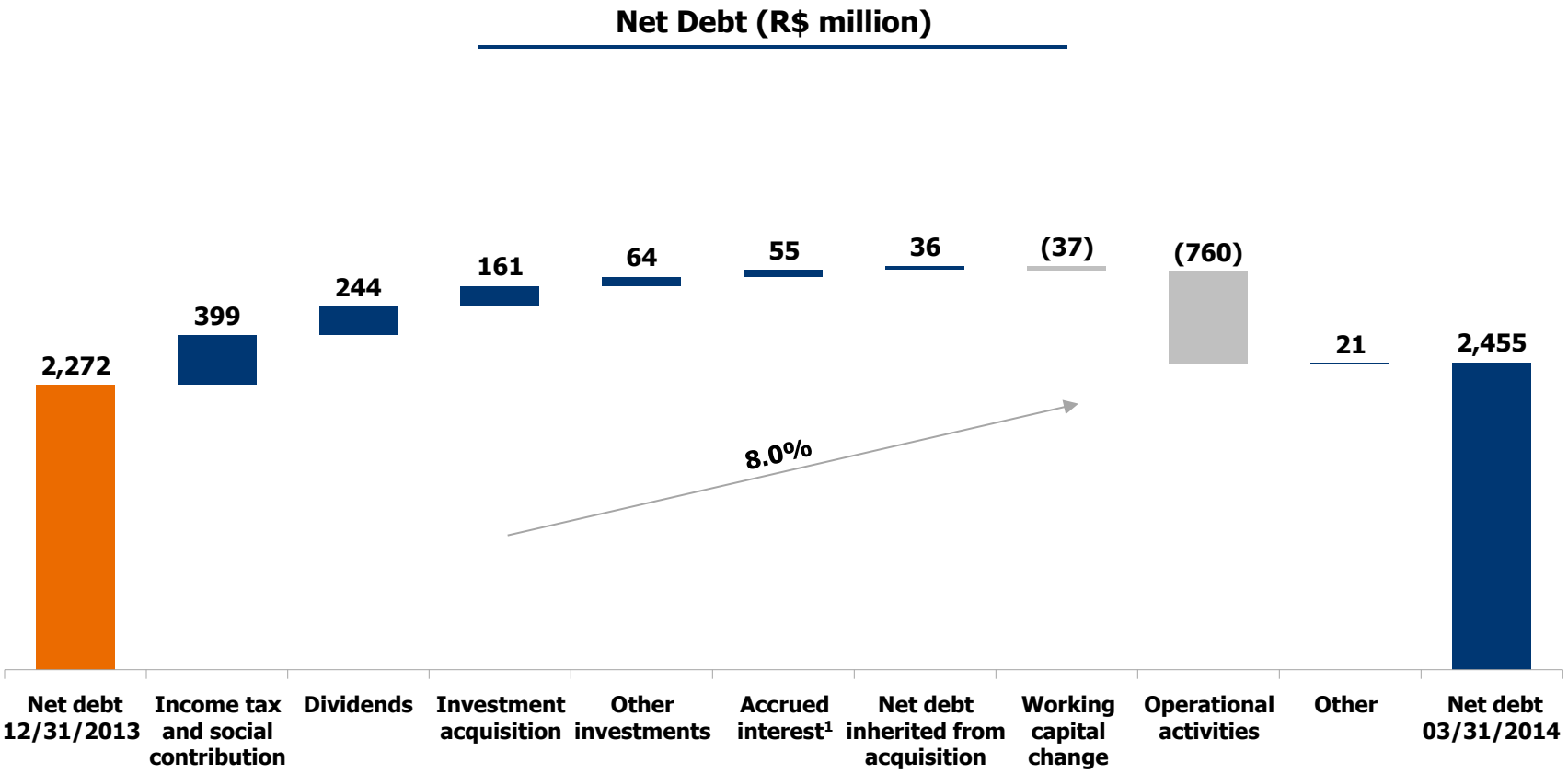
Low leverage enables Tractebel to benefit from growth opportunities.

Debt Overview (R$ million)



Note:
[1] The local currency portion includes a US$ 90.0 million debt with full swap for CDI.
[2] The local currency portion includes a US$ 190.0 million debt with full swap for CDI.
[3] Funds from Operations.
[4] LTM EBITDA = last-twelve-month EBITDA.

Net debt change

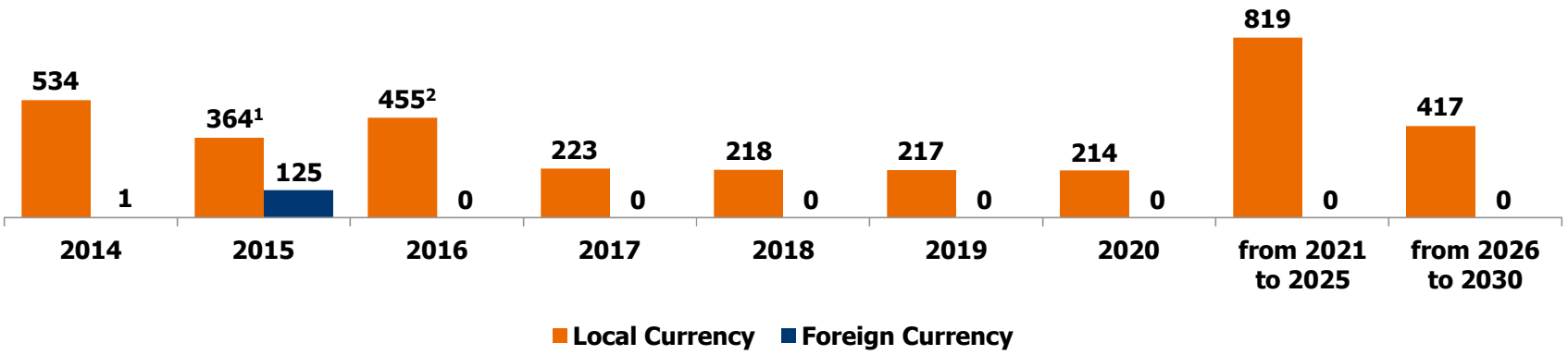


Note:
[1] The interests and FX change refer only to the Company's financial debt (loans, financing and debentures).

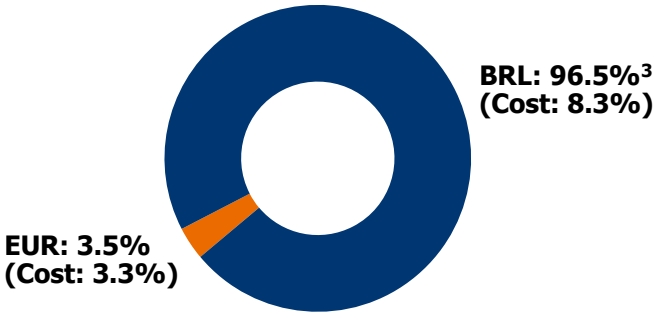
Medium and long-term debt, with low costs and defensive indexes

Debt profile and strong cash generation reduce refinancing risk.

Maturity Debt Schedule – R$ million



Cost of Debt

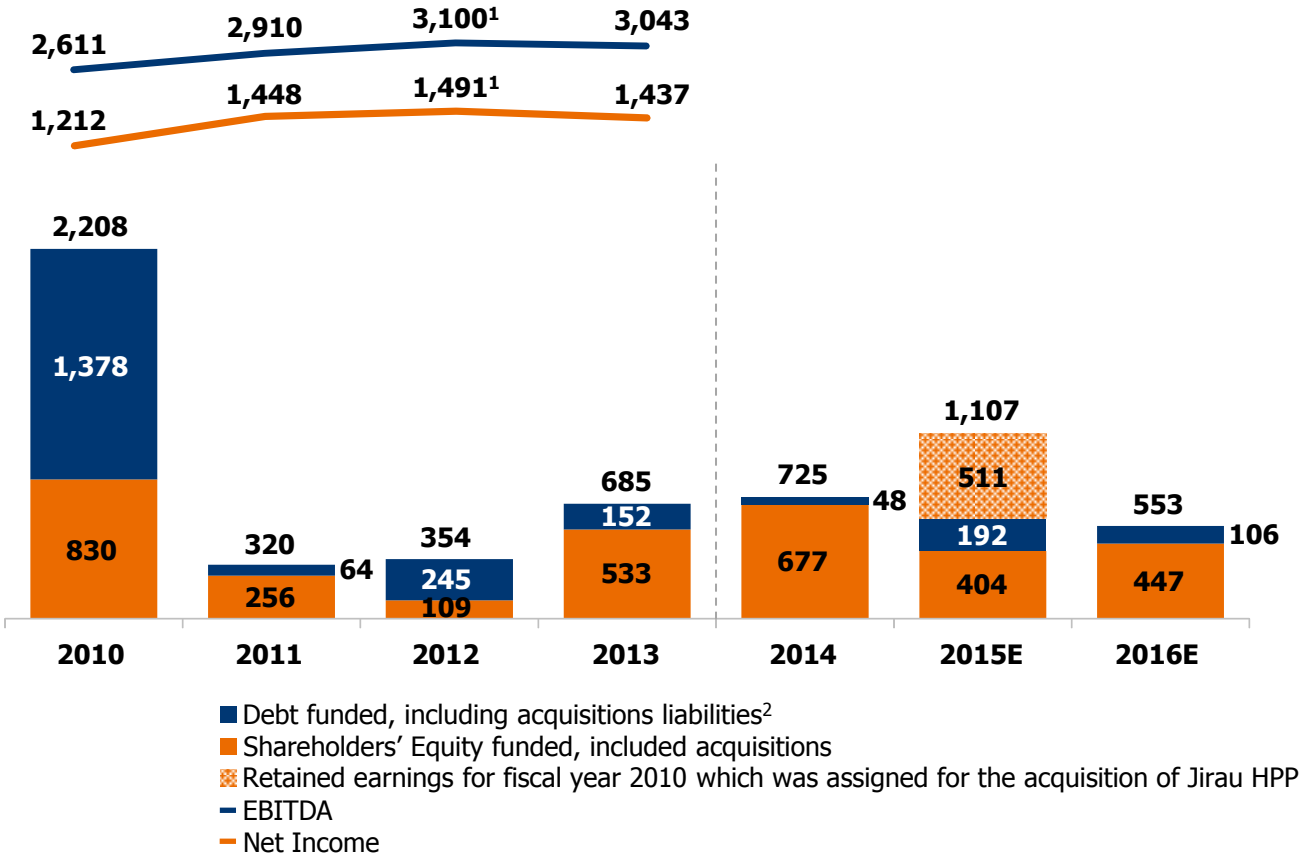


Composition of Debt			
Foreign Currency		**Local Currency**	
Floating	100%	Fixed	1%
Total	**100%**	TJLP	72%
		CDI	17%
		IPCA	10%
		Total	**100%**

Note:
[1] Includes debt of US$ 90.0 million with full swap for CDI.
[2] Includes debt of US$ 100.0 million with full swap for CDI.
[3] Includes debt of US$ 190.0 million with full swap for CDI.

Expansion plan and maintenance CAPEX are supported by a high cash flow

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

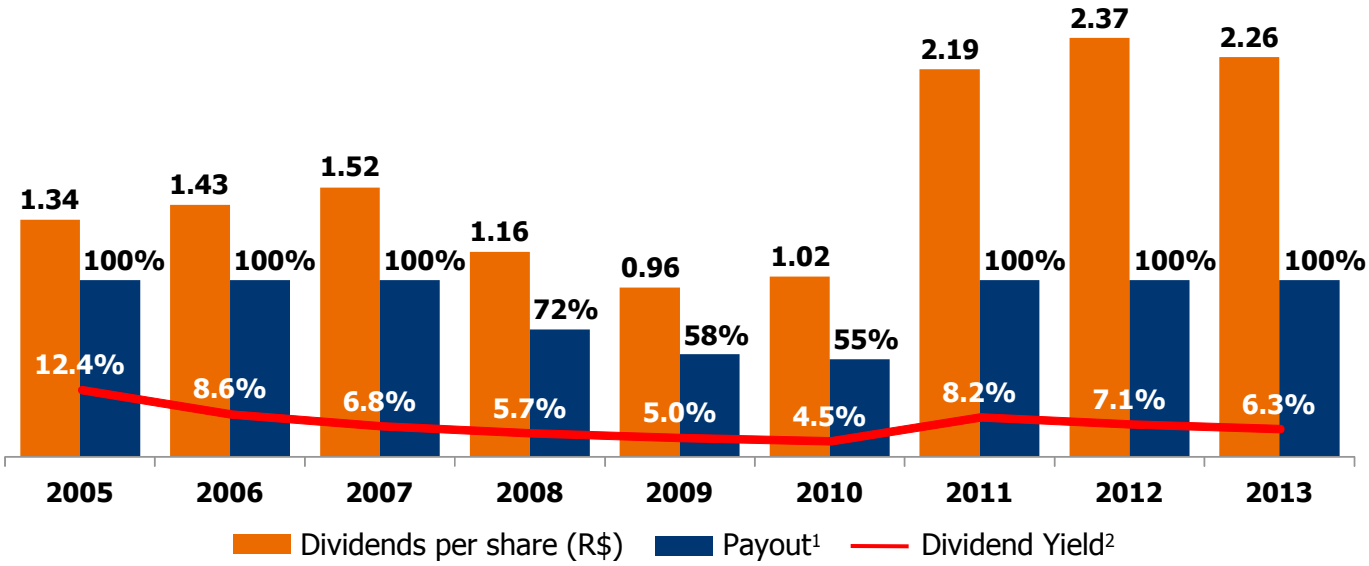


Note:
[1] Adjustment due to change in accounting practice.
[2] Does not consider interests incurred during the construction.

Dividend policy

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

Dividends (based on distributable net income)



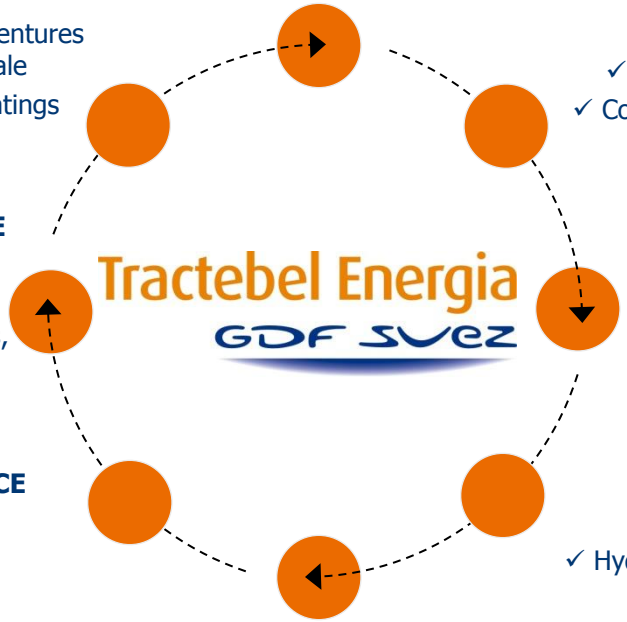
Notes:
[1] Considers the annual payable net income.
[2] Based on volume-weighted closing price of ON shares in the period.

Competitive advantages

STRATEGIC INDUSTRY
- ✓ Defensive profile in times of crisis
- ✓ Attractive funding conditions

PREMIUM RATING
- ✓ "brAAA" by S&P and "AAA(bra)" by Fitch – Debentures and Corporate rated in long-term national scale
- ✓ In local and foreign currency issuer default ratings (IDRs) "BBB(bra)" by Fitch

INDUSTRY LEADERSHIP
- ✓ Largest private generator in Brazil
- ✓ Market cap: R$ 22.9 billion as at 03/31/14
- ✓ Controlled by GDF SUEZ, world leader in energy



HIGH-CALIBER CORPORATE GOVERNANCE AND SUSTAINABILITY
- ✓ Experienced executives
- ✓ Discipline track record in investment decisions, based on triple bottom line concepts
- ✓ First class controlling shareholder

CLEAR COMMERCIAL STRATEGY
- ✓ Heavily contracted in the next years
- ✓ Diversified portfolio between free customers (over different industries) and regulated ones (distribution companies)
- ✓ Benefits from windows of opportunities

STABLE FINANCIAL PERFORMANCE
- ✓ Strong cash flow
- ✓ High average EBITDA margin
- ✓ Consistent net income
- ✓ Low FX exposure
- ✓ Active financial management

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

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

Contacts

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Attachment

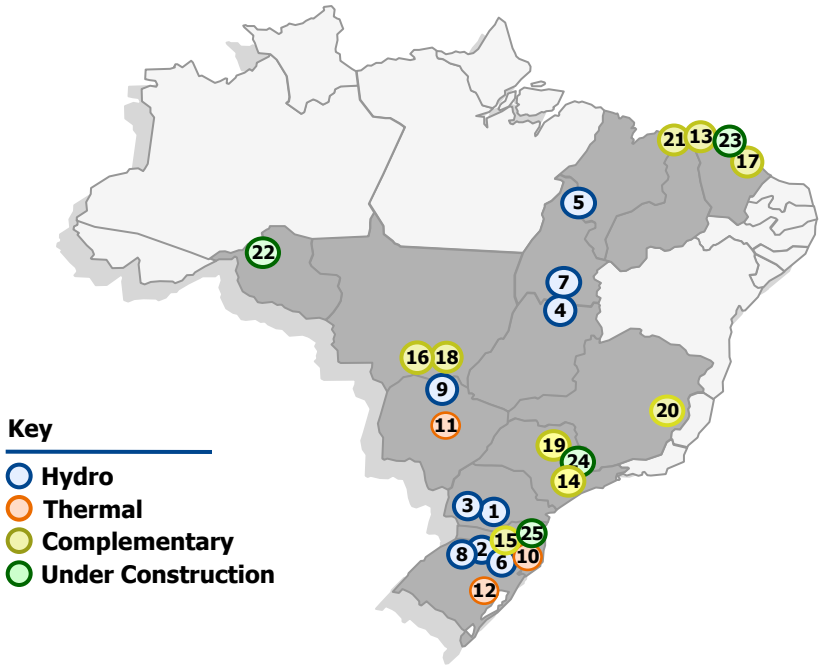
Diversified portfolio of assets, with strategic location

Installed capacity of 7,024.2 MW from 26 plants operated by Tractebel Energia: 79% hydro, 16% thermal and 5% complementary. This capacity stands for a 89% increase since 1998.

Hydro Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
1 Salto Santiago	1,420.0	723.0
2 Itá	1,126.9[2]	544.2[2]
3 Salto Osório	1,078.0	522.0
4 Cana Brava	450.0	273.5
5 Estreito	435.6[2]	256.9[2]
6 Machadinho	403.9[2]	147.2[2]
7 São Salvador	243.2	148.5
8 Passo Fundo	226.0	119.0
9 Ponte de Pedra	176.1	131.6
Total	**5,559.7**	**2,865.9**

Thermal Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
10 Jorge Lacerda Complex[3]	857.0	649.9
11 William Arjona	190.0	136.1
12 Charqueadas	72.0	45.7
Total	**1,119.0**	**831.7**

Complementary Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
13 Trairi Complex (Wind)[4]	115.4	63.9
14 Ferrari (Biomass)	65.5	23.2
15 Lages (Biomass)	28.0	25.0
16 Rondonópolis (SHP)	26.6	14.0
17 Beberibe (Wind)	25.6	9.8
18 José Gelazio da Rocha (SHP)	23.7	11.9
19 Ibitiúva (Biomass)	22.9[2]	13.9[2]
20 Areia Branca (SHP)	19.8	11.1
21 Pedra do Sal (Wind)	18.0	7.8
Total	**345.5**	**180.6**



Power Plants Under Construction	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
22 Jirau (Hydro)[5]	1,500.0	873.8
23 Santa Mônica (Wind)	97.2	47.3
24 Ferrari (Biomass)	15.0	12.4
25 Cidade Azul (Solar)	3.0	0.5
Total	**1,615.2**	**934.0**

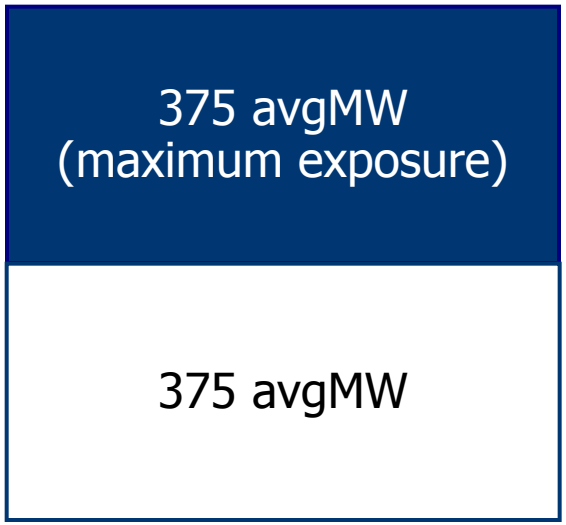
Note: [1] Figures following specific legislation.
[2] Portion owned by Tractebel Energia.
[3] Complex comprised by 3 power plants.
[4] Considers Trairi, Guajiru, Fleixeiras I and Mundaú.
[5] The Parent Company's stake (40% of 3,750 MW) might to be transferred to Tractebel.

Sustainability indicators

Sustainability Indices[1]				
	Index	**1Q14**	**1Q13**	**Change**
Quality	Number of certified plants	15	15	-
	Generation plant uptime, except for scheduled stoppages (%)	98.0	96.7	1.3 p.p.
	Generation plant uptime, including scheduled stoppages (%)	93.6	93.8	- 0.2 p.p.
Environment	Number of licensed operating plants	26	22	18.2%
	Saplings donated and planted (sum-total of planed and donated saplings)[2]	50,566	46,676	8.3%
	Number of visitors at the plants	12,217	9,665	26.4%
	CO2 Emissions (fossil fuel plants) (t/MWh)[3]	0.979	1.026	-4.6%
	CO2 Emissions from the Tractebel Energia generation plant (t/MWh)	0.152	0.153	-0.9%
Occupational Heath and Safety and Social Responsibility	Number of employees	1,128	1,103	2.3%
	Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[3, 4]	4.110	0.000	⇧
	Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[5]	0.062	0.000	⇧
	Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[3, 4]	2.700	0.670	⇧
	Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[5]	0.033	0.019	⇧
	Investments via legal acts for culture, health, sport, childhood and adolescence (R$ thousands)	4,887.95	2,590.50	88.7%
	Non-incentive investments, except for Estreito Social Investment (R$ thousands)	2,054.29	2,408.78	-14.7%

Notes: 1) Additional indices available from ITR (Tractebel website / Investor / CVM information).
2) CESTE not included.
3) TF = number of occupational accidents for every million hours of exposure to hazards.
4) In the period (1Q14), there were accidents with two Tractebel Energia's employees and one with an outsourced employee, the three of them with temporary lost-time.
5) TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards.

Thermal side: exposure to spot prices



→ Estimated commercial capacity (on a yearly basis)

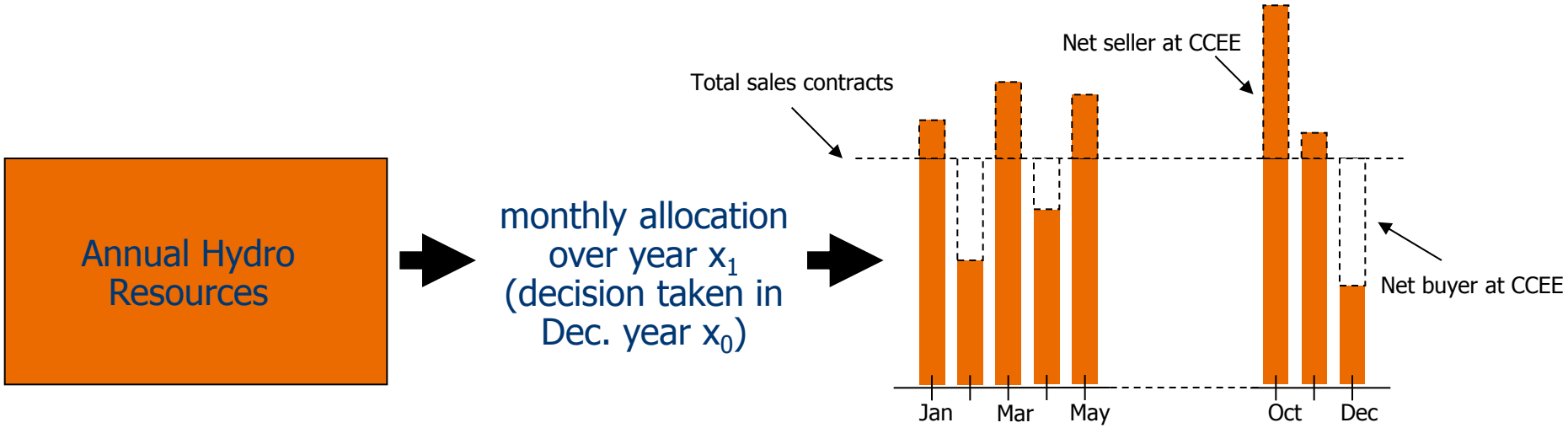
→ Thermal substitution energy → purchase in spot market

→ 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

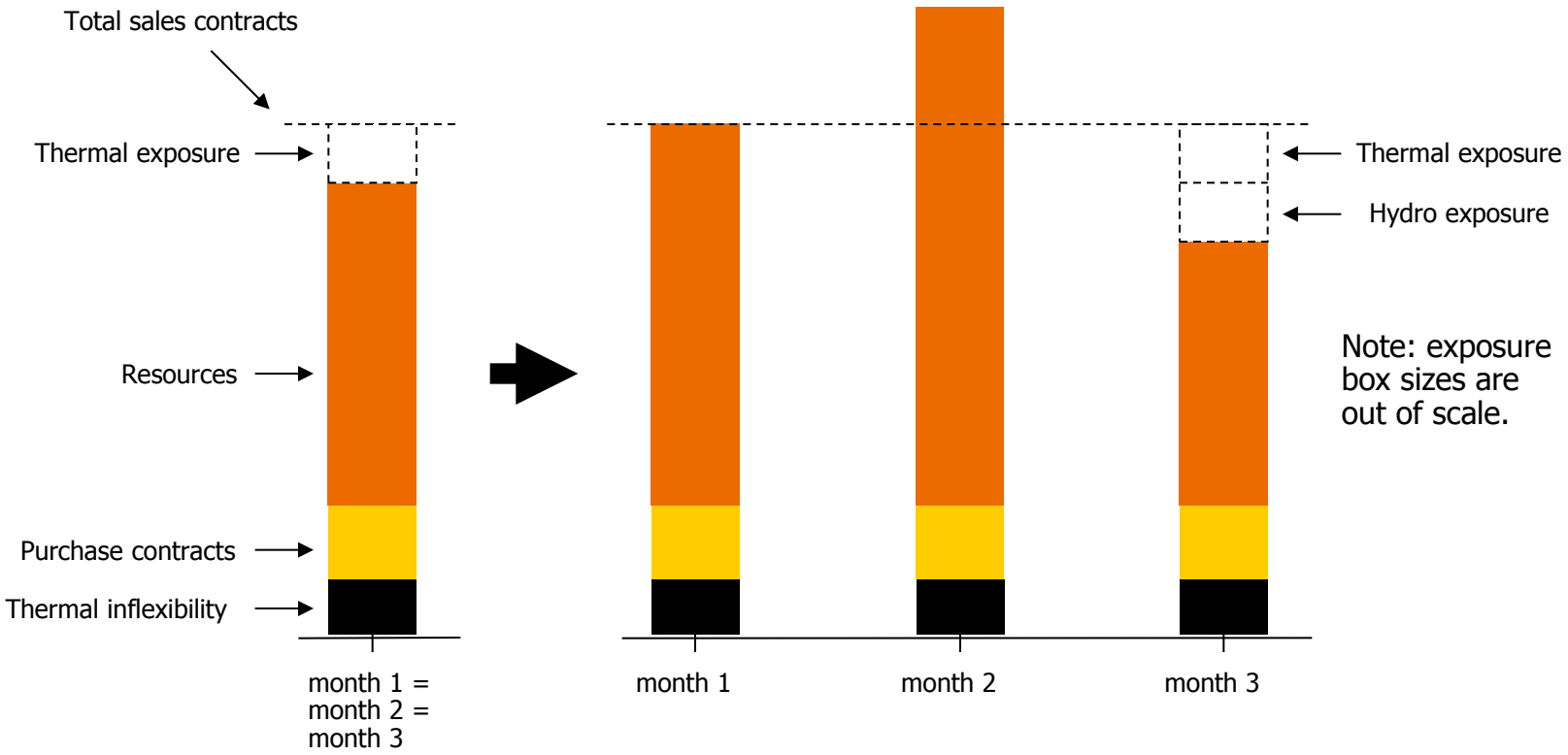
How does the allocation of resources at CCEE (the energy trading board) over the months interfere with a hydro genco quarterly results?



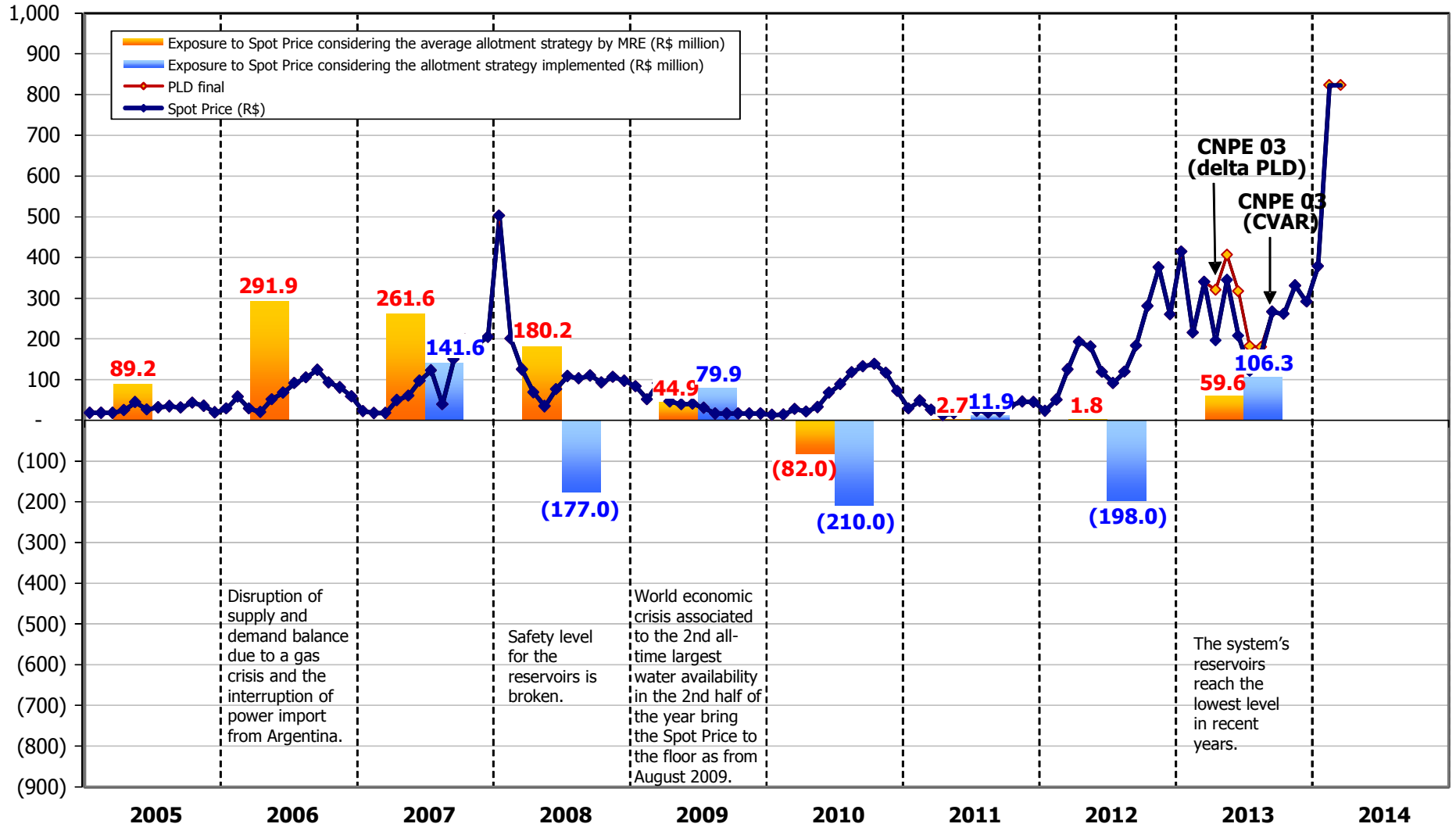
- Gencos can allocate their resources over the following year's months;
- Monthly fluctuations on sales is also a driver for exposure to spot price;
- Monthly energy differences are settled at spot price, i.e., PLD (Price for Settlement of Differences);
- As penalties apply for gencos with short positions considering the past twelve months, a "monthly closing" market is available for those gencos;
- The pricing for the "monthly closing" market is strongly linked to the spot price.

Mechanisms to mitigate exposure from the thermal side

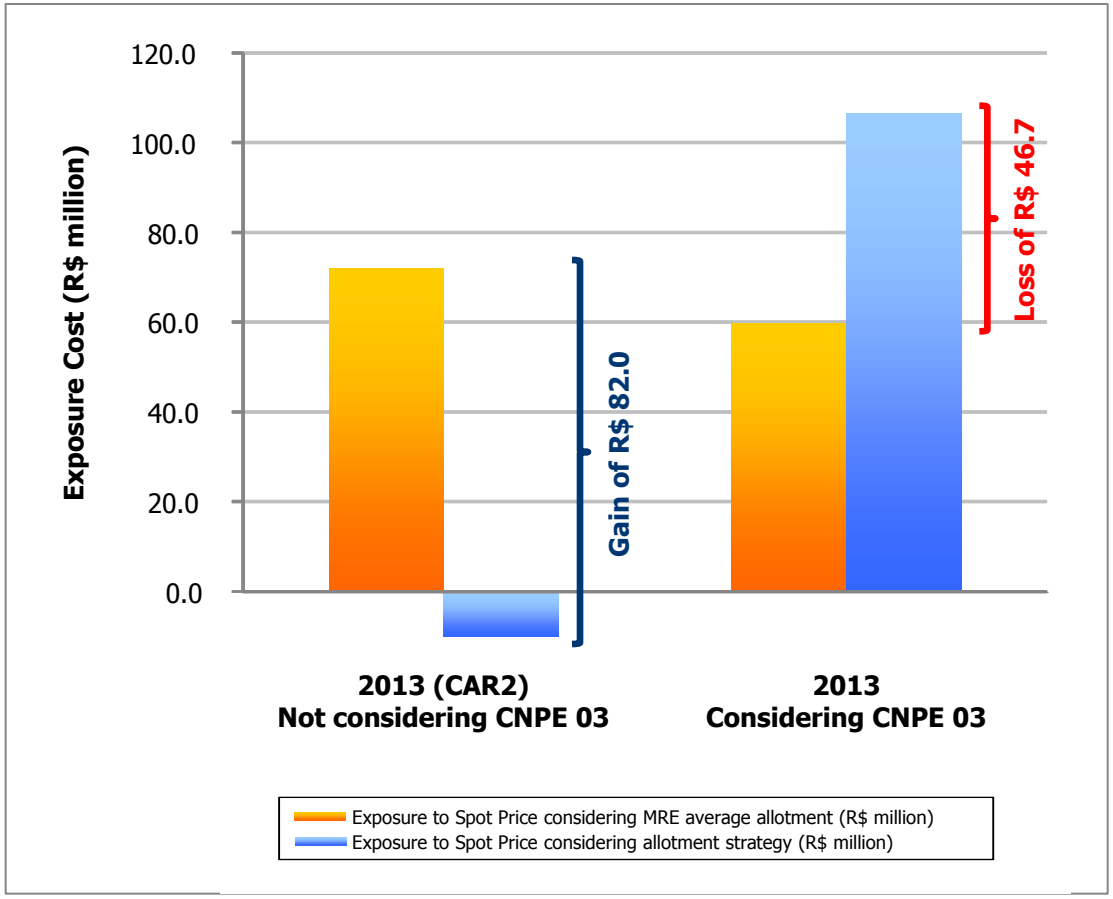
As a consequence of the two previous slides, an appropriate monthly allocation of the resources over the year can mitigate the exposure arising from the thermal substitution energy to be purchased at spot price. An example follows:



Expenses: impacts of energy allotment (2007 thru 2013)



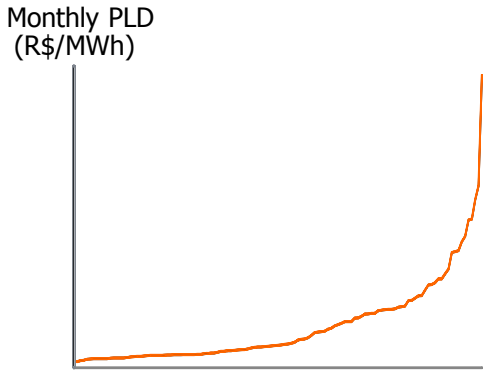
Resolution CNPE 03/2013: impact on the energy allotment strategy for 2013



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.

Permanence Curve*

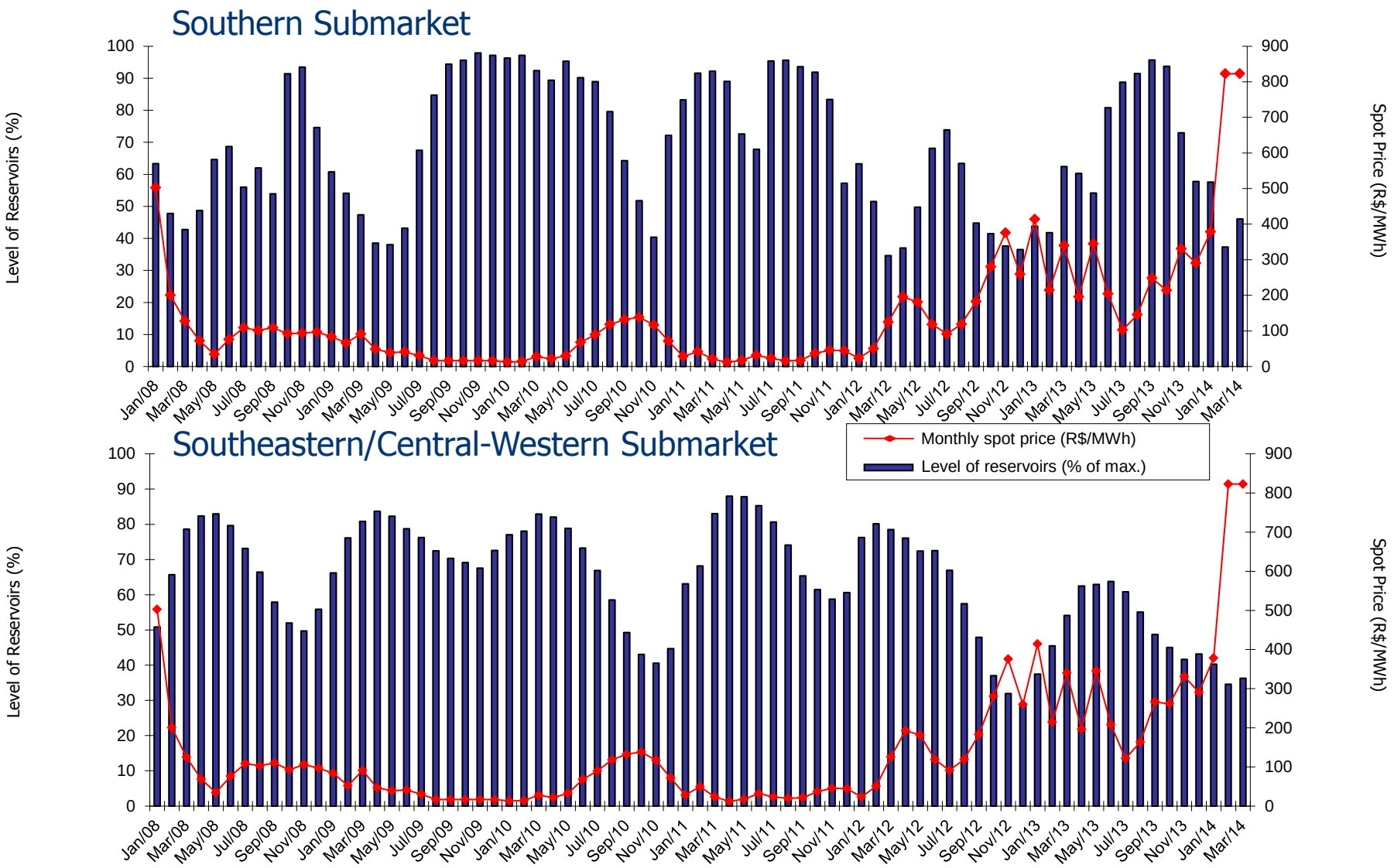


Occurrence

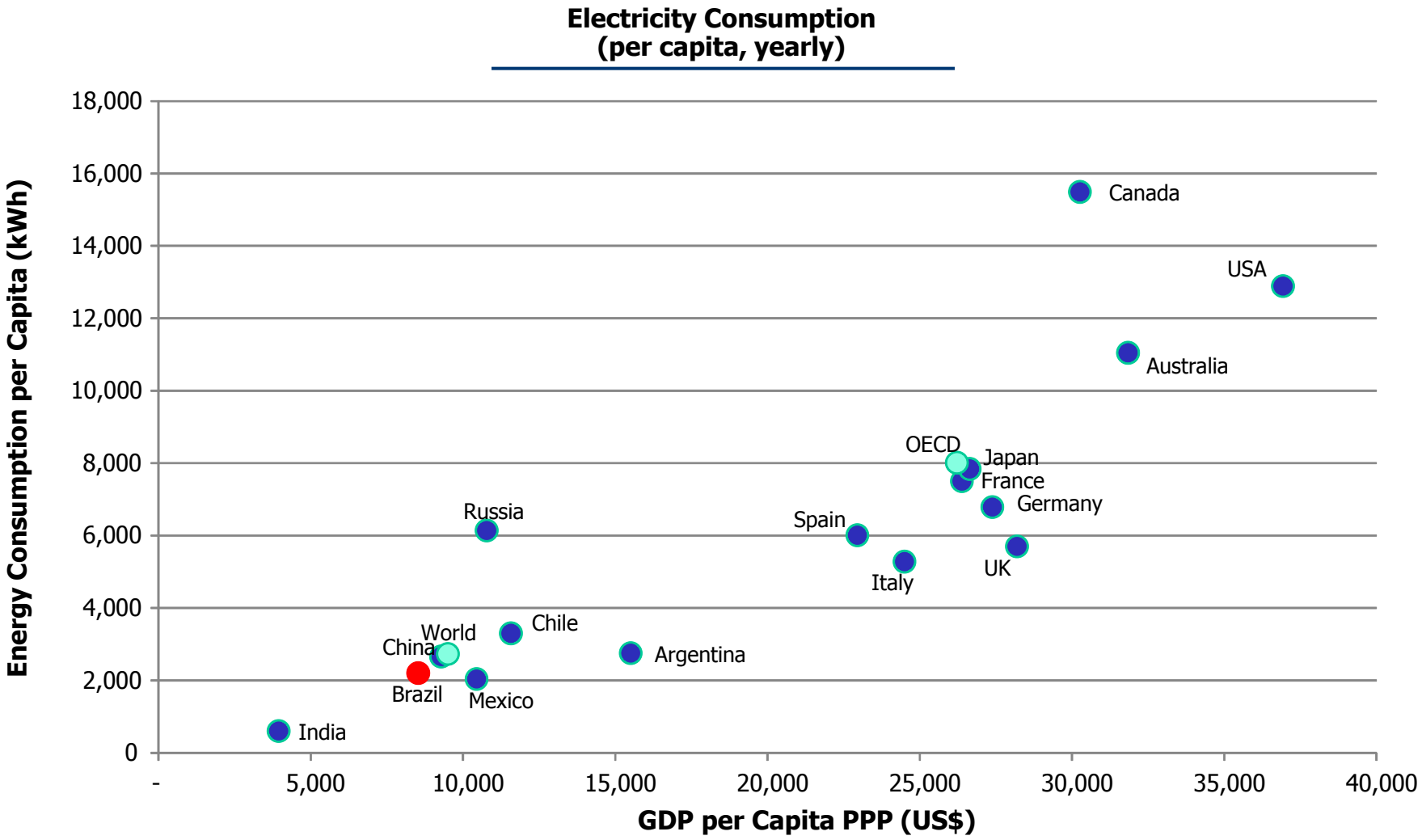
Period	May/03-Mar/14	Jan/11 - Mar/14
Avg. PLD (in R$)	64.23	170.94
PLD Standard Dev. (in R$)	141.01	194.65
Monthly PLD > R$ 100.00	42%	64%
Monthly PLD > R$ 150.00	24%	51%

* Figures have been ordered from the lowest. Values adjusted by IPCA (inflation index).

Correlation between reservoir levels and spot prices



Electricity: large growth potential



Source: MME, Aug/2012 (consolidated information for 2009)