Tractebel Energia

GDF SUEZ



Results Presentation

1Q15

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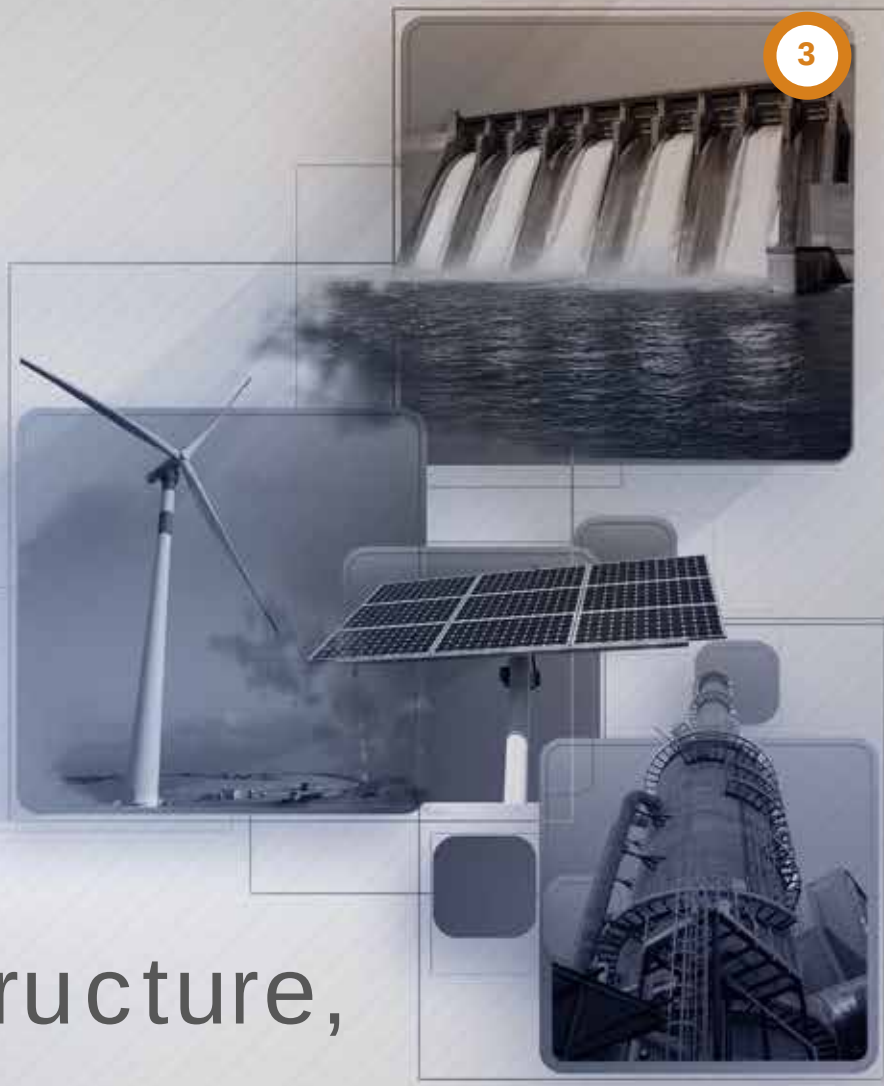
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1.



Highlights, Shareholding Structure, Market Share, Assets and Sales

Highlights

Main financial and operational indexes:

(in million of R$)	1Q15	1Q14	Chg.
Net Revenue from Sales (NRS)	1,618.0	1,643.0	-1.5%
Results from Operations (EBIT)	643.1	546.4	17.7%
EBITDA (1)	789.8	694.1	13.8%
EBITDA / NRS - (%)(1)	48.8	42.2	6.6 p.p.
Net Income	344.8	289.2	19.2%
Net Debt (2)	2,229.1	2,321.7	-4.0%
Power Production (avg MW) (3)	5,974	5,726	4.3%
Energy Sold (avg MW)	4,245	4,224	0.5%
Average Net Sales Price (R$/MWh) (4)	167.4	144.5	15.8%
Number of Employees	1,180	1,173	0.6%

Notes:
[1] EBITDA represents: net income + income tax and social contribution + financial results + depreciation and amortization.
[2] Adjusted amount, as explained in the item "Debt".
[3] Total electricity output from the plants operated by Tractebel Energia.
[4] Net of taxes and exports.

Highlights (cont`d)

In April, Fitch Ratings reiterated its international rating for the Company as 'BBB', as well as the National Long-Term Rating as 'AAA(bra)'. The outlook for Tractebel was classified as stable.

In March, the Company paid interest on shareholders' equity related to 2014, for a gross amount of R$ 223.0 million (R$ 0.3416356453 per share).



Unavailable since June 2014 duo to a forced stoppage, Unit 6 at Jorge Lacerda B Thermoelectric Power Plant resumed commercial operations in February.





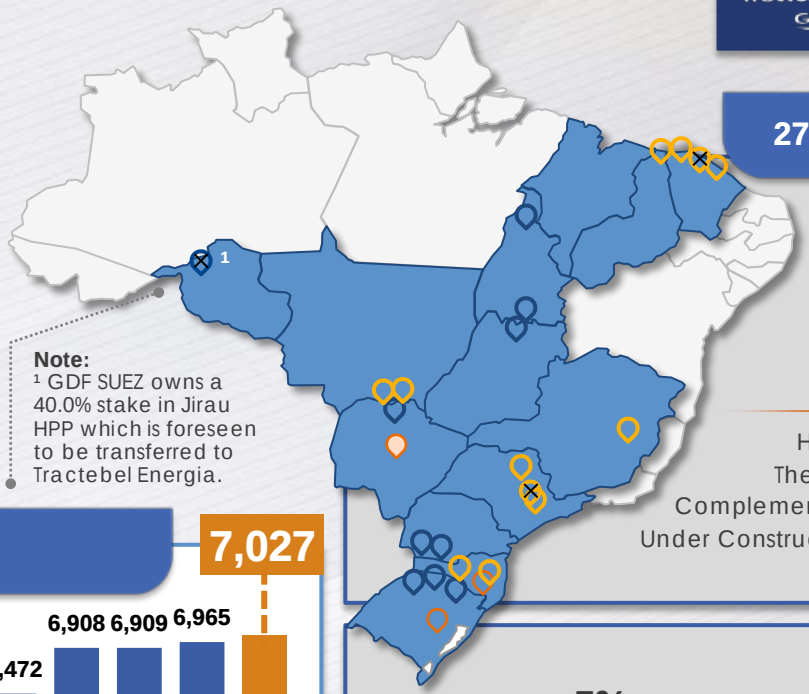
Shareholding structure of Tractebel Energia



Simplified version

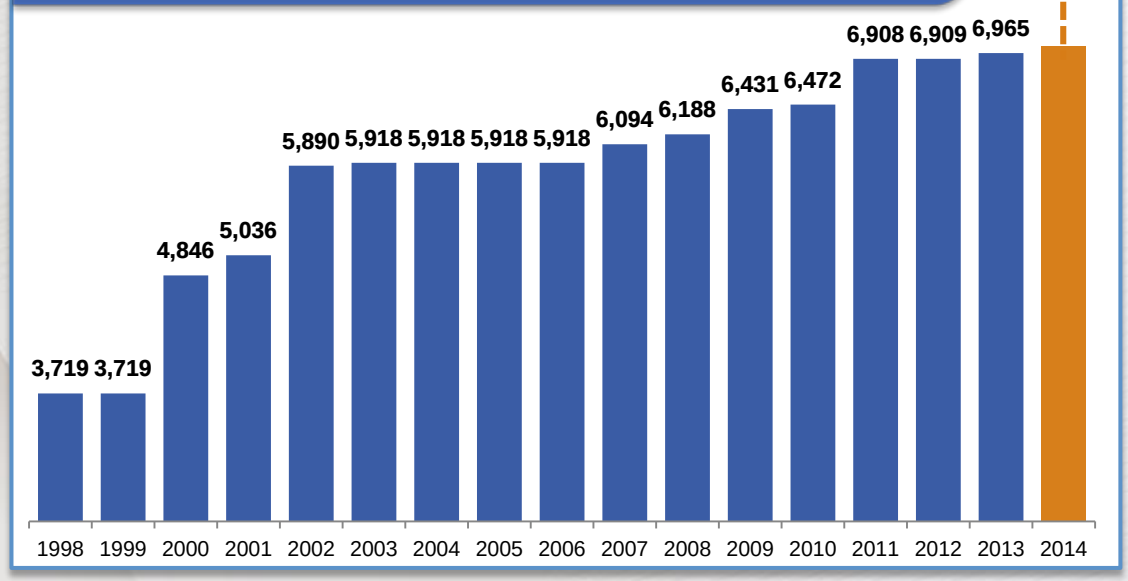
Diversified portfolio of assets, with strategic location

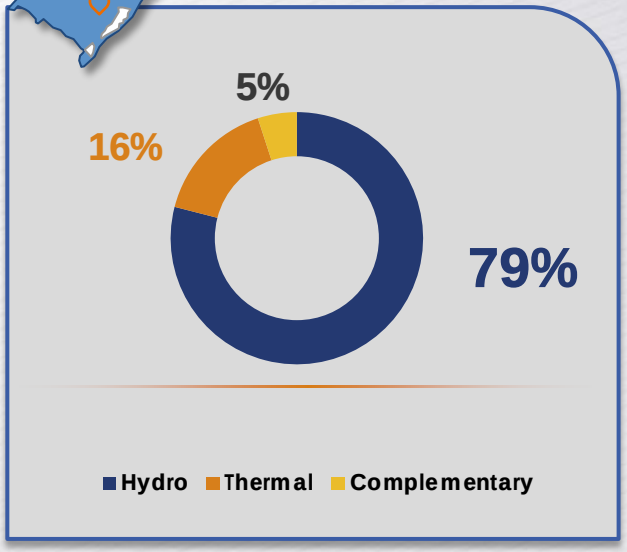
Own installed capacity of
7,027.2 MW from 27 plants
operated by the Company in a
diversified portfolio



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

Proprietary Operating Installed Capacity

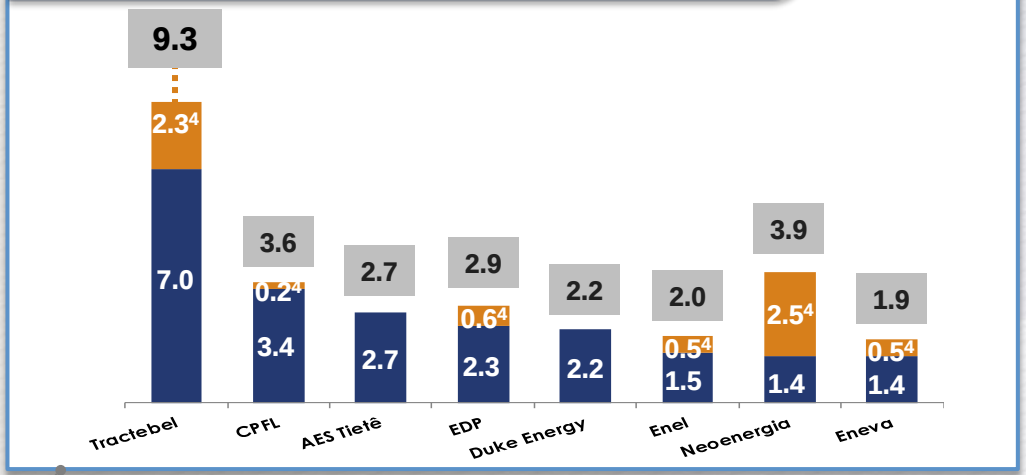




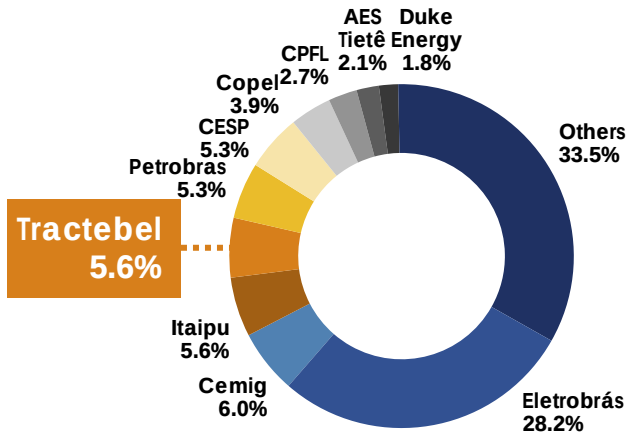
Leading position in the generating sector

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.

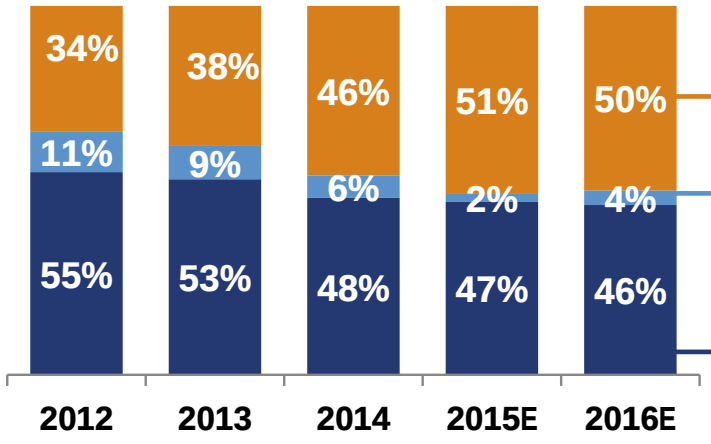
Notes:
[1] Apparent sum-related errors are a result from rounding of addends.
[2] Amount corresponding to SIN – National Interlinked System.
[3] Includes only the Brazilian part of Itaipu.
[4] Installed capacity under construction based on information from Aneel, ONS and internal study. For Tractebel, the figure includes the plants under construction according to slide 38 of this presentation.

...and is well positioned to capture business opportunities.

Diversified portfolio among distribution, free customers and trading companies

Tractebel Energia GDF SUEZ

Client Breakdown (based on contracted energy)[1]



First to consistently serve the free market...

- Flexibility (prices, terms and conditions) → Maximizes portfolio's efficiency
- Opportunistic contracts (purchase/sale) → Product assembly
- Largest consumer market
- Regulated and unregulated contracts → Long-term cash flow predictability

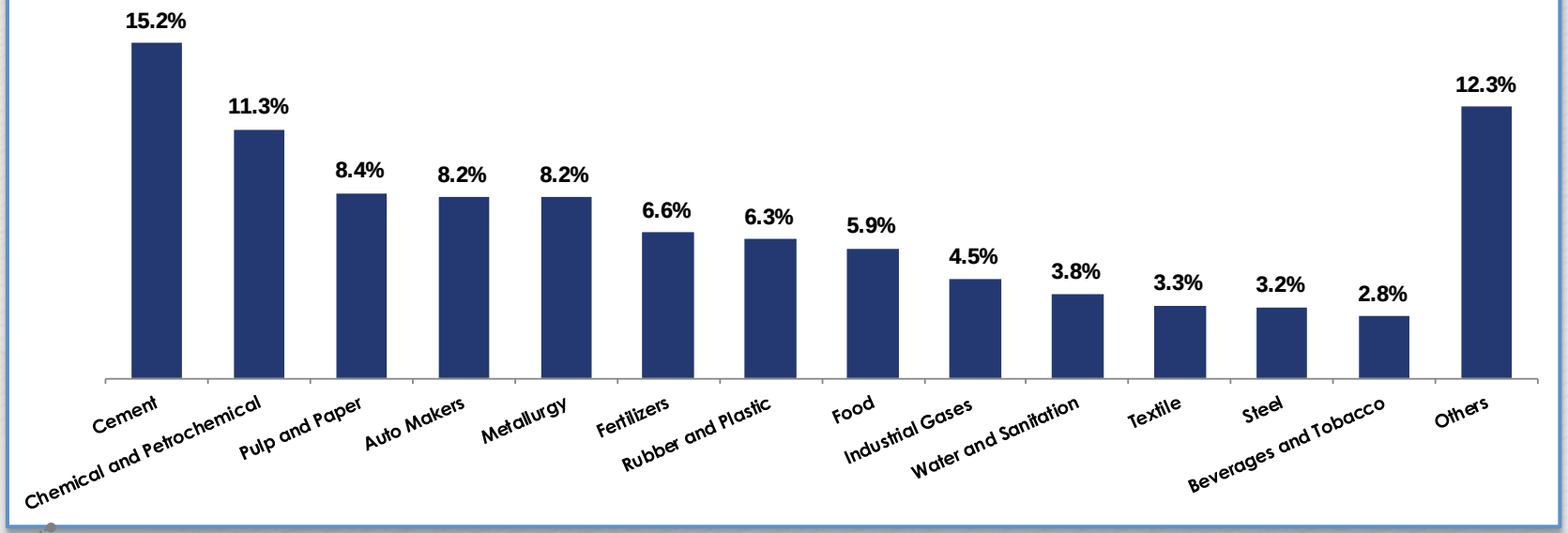
... to minimize risks and to maximize portfolio's efficiency.

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

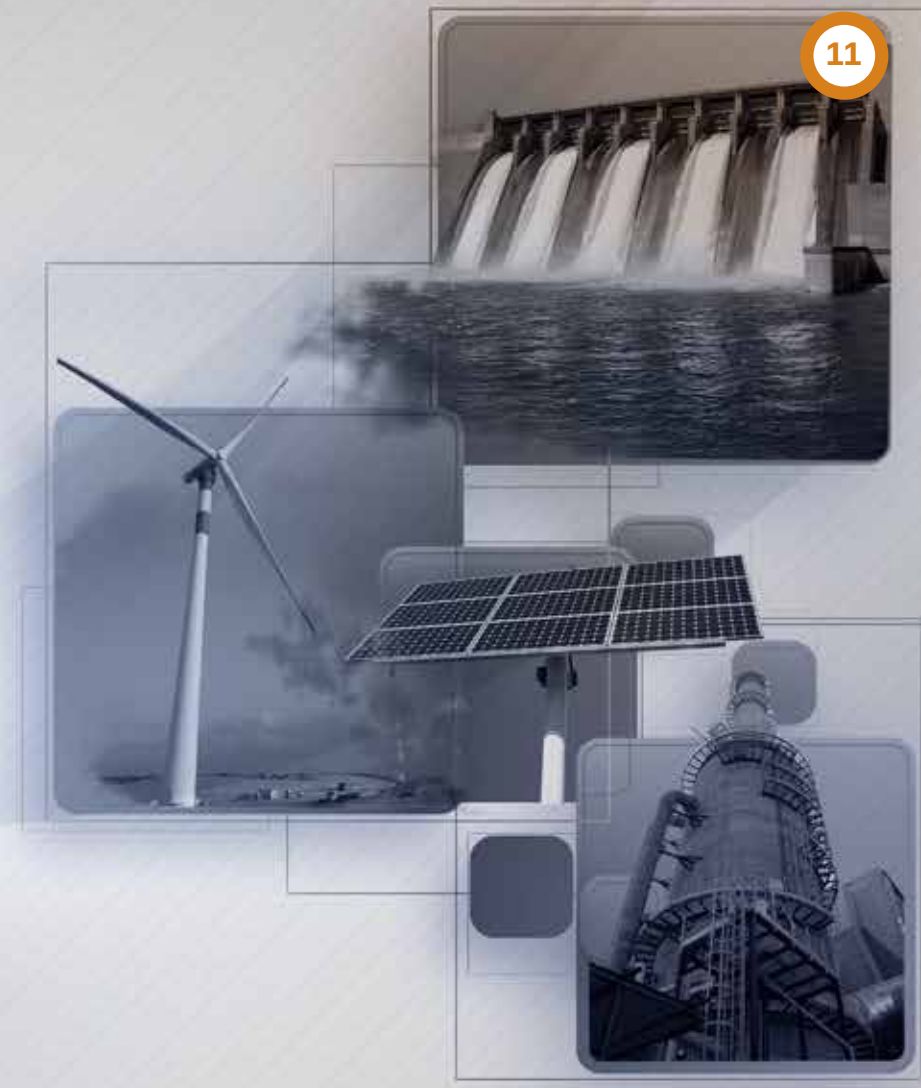
Free customer industry diversification and a strict credit assessment policy allow for a zero default reality.

Free customers total sales volume for 2015:
2,144 average MW



Source: Internal study based on IBGE's classification.

2.



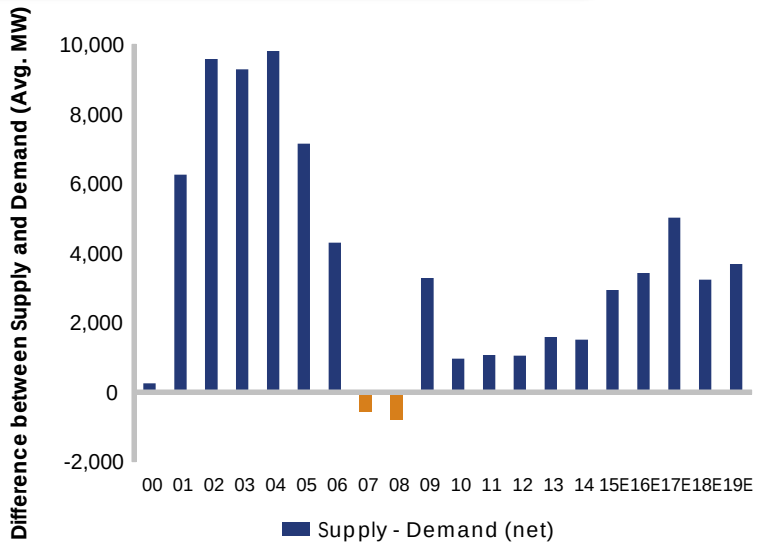
Energy Market in Brazil

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

Tractebel Energia GDF SUEZ

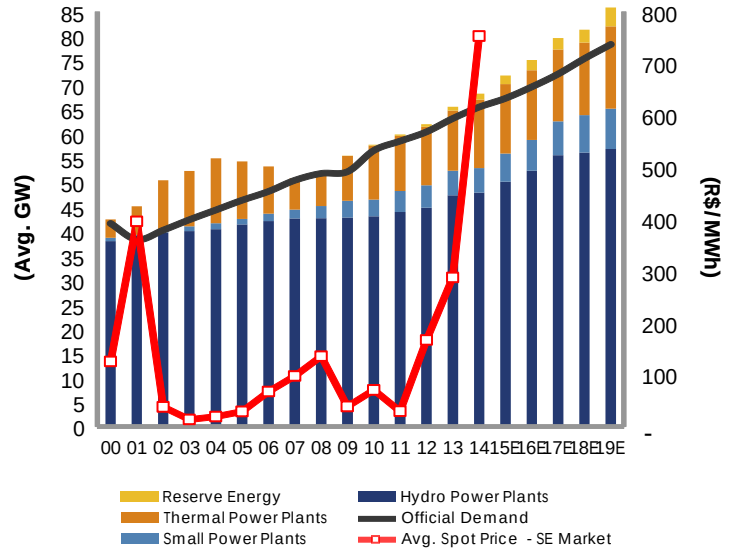
The income distribution reshaping, the increased thermal role and dispatch in the energy matrix, the delay in the implementation of greenfield projects, the preference for building low storage dams and the adoption of risk aversion procedures – as the change in PLD calculation – are pressuring the energy prices in the future, which shall continue on the rise.

Energy Market Outlook



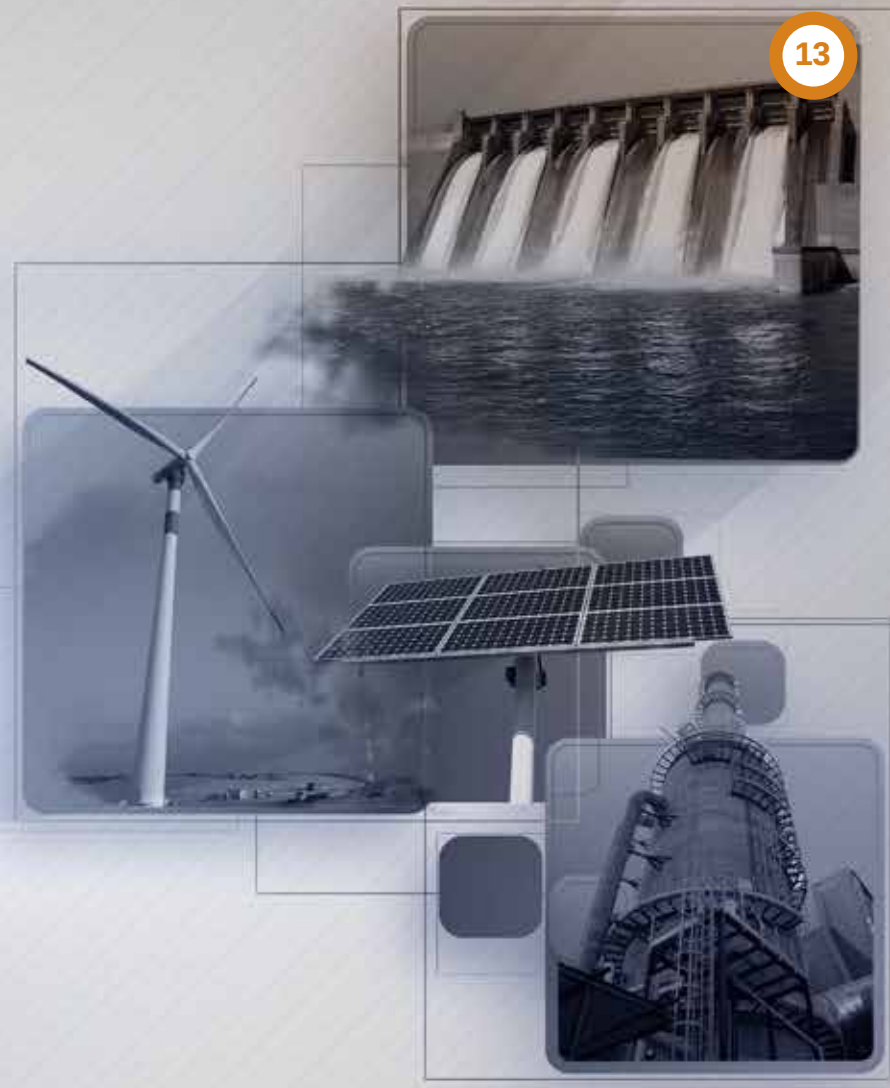
Source: Tractebel Energia's internal study based on NOS' Operations Monthly Program of April 2015.

Supply Distribution by Source



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

3.



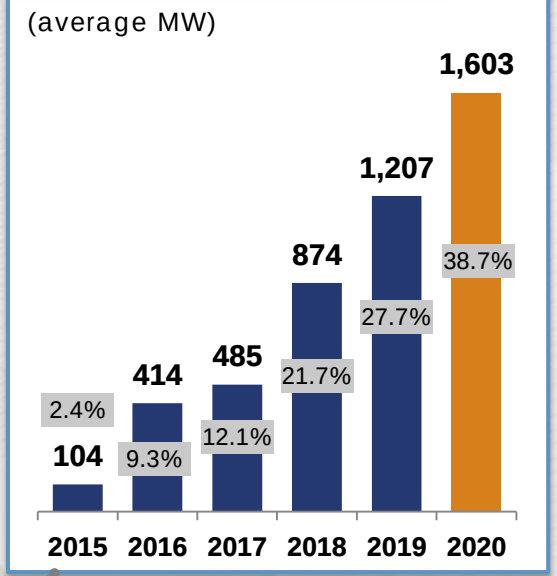
Sales Strategy

Tractebel`s commercial strategy considers the gradual sale of future availability

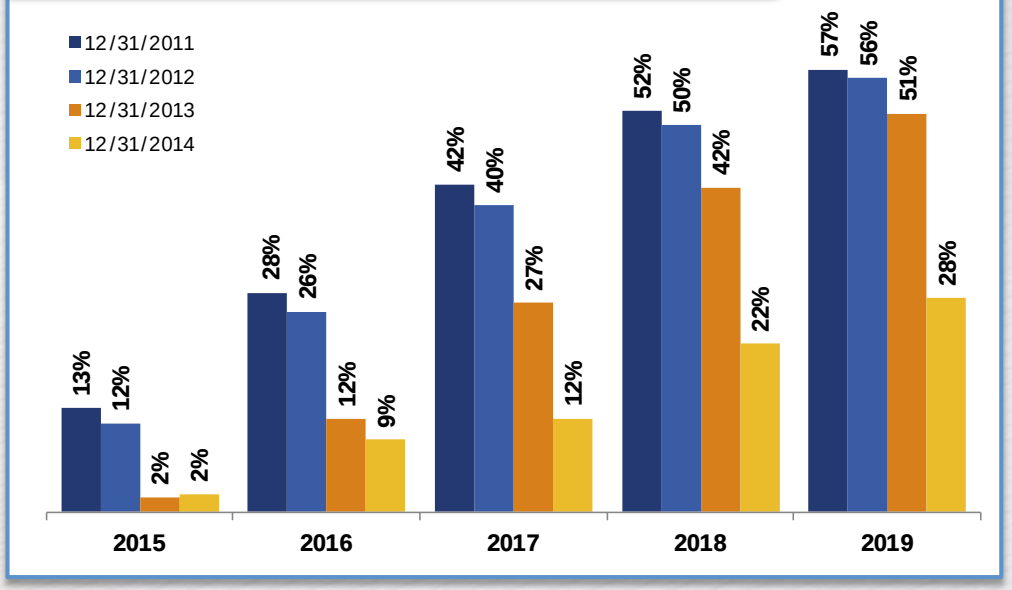
Tractebel Energia GDF SUEZ

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]



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



Note:
[1] Percentage of total resources.

Energy balance

Tractebel Energia GDF SUEZ

As of March 31, 2015

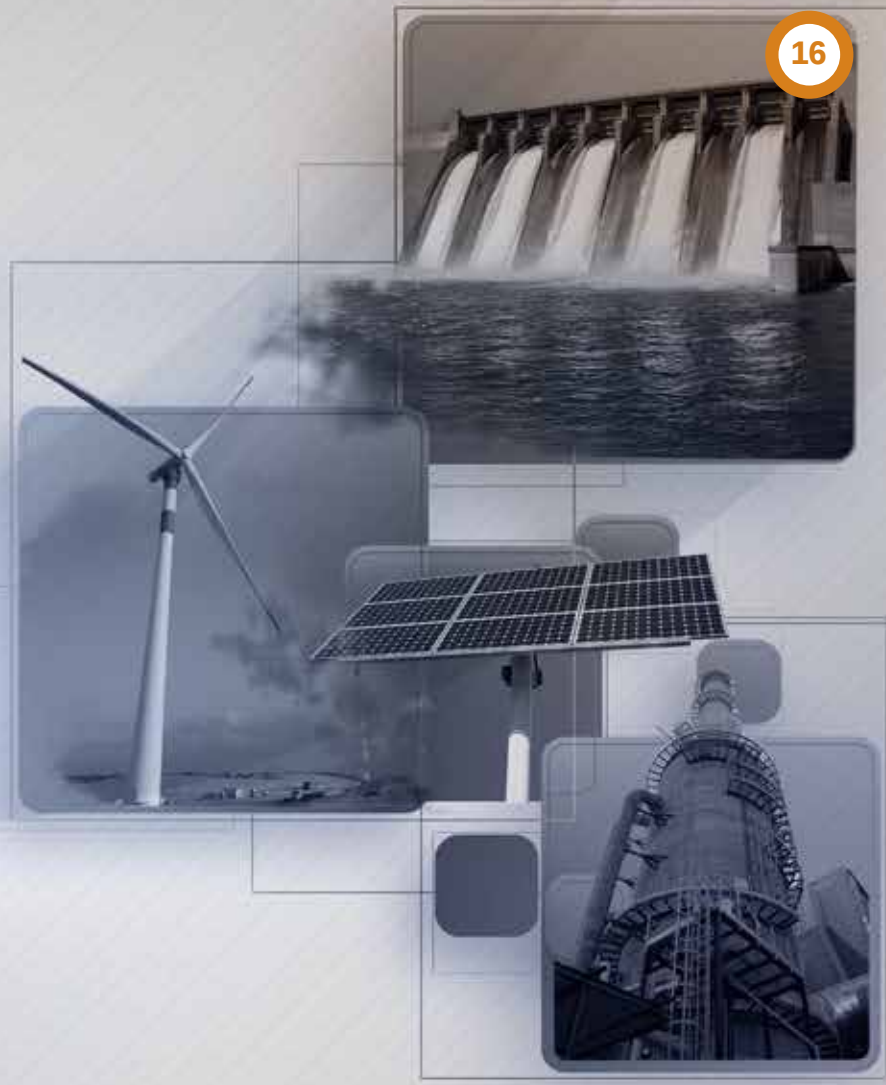
(in average MW)	2015	2016	2017	2018	2019	2020	Auction Gross Price (R$/MWh)	Reference Date	Gross Price Adjusted as of 03/31/2015 (R$/MWh)
Own Resources	3,533	3,524	3,549	3,562	3,943	3,932			
+ Purchases for Resale	812	907	455	465	420	210			
= Total Resources (A)	**4,345**	**4,431**	**4,004**	**4,027**	**4,363**	**4,142**			
Government Auction Sales*	1,819	1,676	1,323	1,323	1,710	1,557			
2005-EE-2008-08	143	-	-	-	-	-	81.6	Apr-05	130.6
2005-EE-2009-08	353	353	-	-	-	-	94.0	Oct-05	147.5
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	179.1
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	196.3
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	205.4
2007-NE-2012-30	256	256	256	256	256	256	126.6	Jun-07	184.7
2014-EE-2014-06	150	150	150	150	150	-	270.7	May-14	270.7
Proinfa	44	44	44	44	44	44	147.8	Jun-04	267.7
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	230.5
Auction Mix (New Energy / Reserve / DG)	18	18	18	18	17	14	-	-	209.7
2014-EN-2019-25	-	-	-	-	295	295	202.0	Nov-14	202.0
2014-EN-2019-25	-	-	-	-	10	10	202.0	Nov-14	202.0
2014-EN-2019-20	-	-	-	-	83	83	135.5	Nov-14	135.5
+ Bilateral Sales	2,422	2,341	2,196	1,830	1,446	982			
= Total Sales (B)	**4,241**	**4,017**	**3,519**	**3,153**	**3,156**	**2,539**			
Balance (A - B)	**104**	**414**	**485**	**874**	**1,207**	**1,603**			
Sales Average Price (R$/MWh) **(Net)***[1]:	167.3	156.8	153.8						
Purchases Average Price (R$/MWh) **(Net)***[2]:	201.6	177.1	183.6						

*** XXXX-YY-WWWW-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 03/31/15, i.e. future inflation is not considered.**
***2: Purchase net price, considering benefits from PIS/Cofins credits, as of 03/31/15, i.e. future inflation is not considered.**

Notes:
- 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.

4.



Expansion

Hydro project under construction: **Jirau** | project update

Tractebel Energia GDF SUEZ

3,750 MW project – 40.0% GDF SUEZ

- 50 units x 75 MW each
- assured energy: 2,185 aMW

73% contracted under 30-year PPAs - indexed by inflation

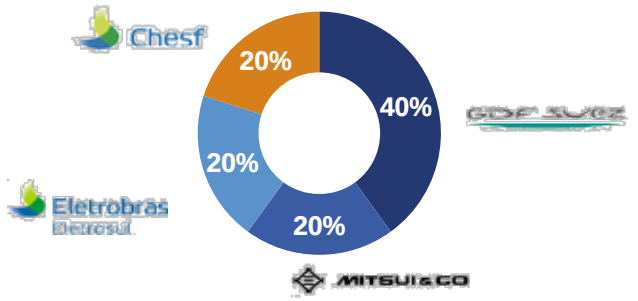
Balance of energy available to be sold by the shareholders

Waiver discussions with Aneel and Federal Justice still ongoing

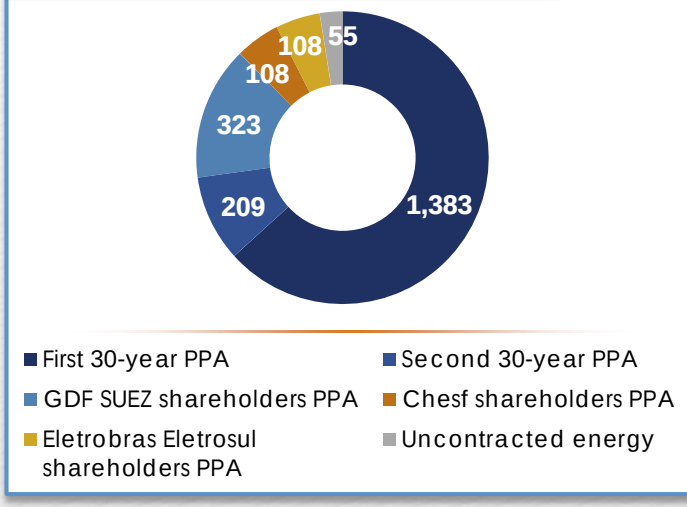
Financing conditions

- BNDES total financing: R$ 9.5 billion (initial R$ 7.2 billion + R$ 2.3 billion):
  - interest rate: TJLP + spread
  - amortization: 20 years
- 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 a MW (2016 view)



Hydro project under construction: **Jirau** | project update

Tractebel Energia
GDF SUEZ

Project status

- 26 units in commercial operation (1,950 MW)
- 3 additional units synchronized (totaling 2,175 MW connected to the National Interlinked – SIN)
- 1 unit currently under commissioning and 10 units under assembly
- full assured energy will be achieved in 2Q15, following the COD of the 33rd unit
- Jirau units are operating successfully with good overall performance
- commercial obligations with the regulated market achieved since November 2014 (Y-5 Auction)
- 98%+ overall project progress (1st phase of left bank fully concluded)

Options to create additional value

- additional assured energy (e.g.: recalculation of hydraulic losses, etc.) and other forms of compensation proposed by the regulator potentially available
- additional long term tax incentives in the region



Power house – left bank - 2nd phase (Mar/15)



Assembling area - Power house – right bank (Mar/15)

Hydro project under construction: **Jirau** | project update

Tractebel Energia GDF SUEZ









Thermal project under construction: **Pampa Sul TPP**

Tractebel Energia GDF SUEZ

After commercializing in an A-5 Auction 294.5 avg. MW at R$ 201.98/MWh for a term of 25 years, as from January 1, 2019, the Company started the construction of Pampa Sul TPP in Candiota (RS). The facility will fire thermal coal from reserves also located in Candiota and will connect to the National Power Grid System (SIN) through an existing transmission line.

Project description



3D image from the Pampa Sul TPP project.

Pampa Sul TPP – RS



Installed Capacity: 340.0 MW
Commercial Capacity: 294.5 aMW
Investment (R$mm)[1]: 1,800
Start of construction: 2015
Start of operation: 2019
EPC contractor: SDEPCI
Annual Fixed Revenue (R$mm): ~ 473.3

Note:
[1] Approximated value.

The plant's installed capacity can increase up to 680 MW in a second development stage.

Wind projects under construction: **Campo Largo Wind Complex**

Tractebel Energia GDF SUEZ

In an A-5 Auction, 82.6 avg. MW were sold at 135.47/MWh for a term of 20 years, as from January 1, 2019. This commercial capacity will come from six wind farms which add an installed capacity of 178.2 MW.

At the same time, aiming at the free market, another five wind farms will be constructed, adding 148.5 MW (~70 aMW), thus totaling 326.7 MW (~150 aMW).

Total **11** plants

Projects description

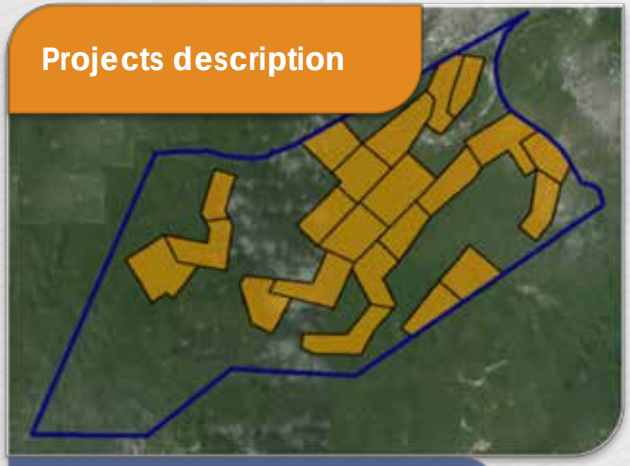
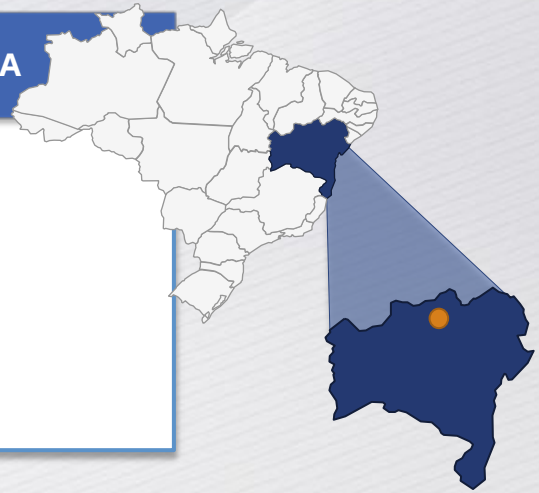


Image from the Campo Largo Wind Complex project.

Campo Largo Wind Complex - BA



Installed Capacity: 326.7 MW
Commercial Capacity[1]: 150 aMW
Investment (R$mm)[1]: 1,700
Start of construction: 2015
Start of operation: 2019
Nº of wind turbines: 121 (2.7 MW each)
Wind turbine manufacturer: Alstom
Annual Fixed Revenue (R$mm): ~ 95.8

Note:
[1] Approximated updated value.

The Company will invest approximately R$ 1.7 billion in the Complex, whose COD is expected for 2019.

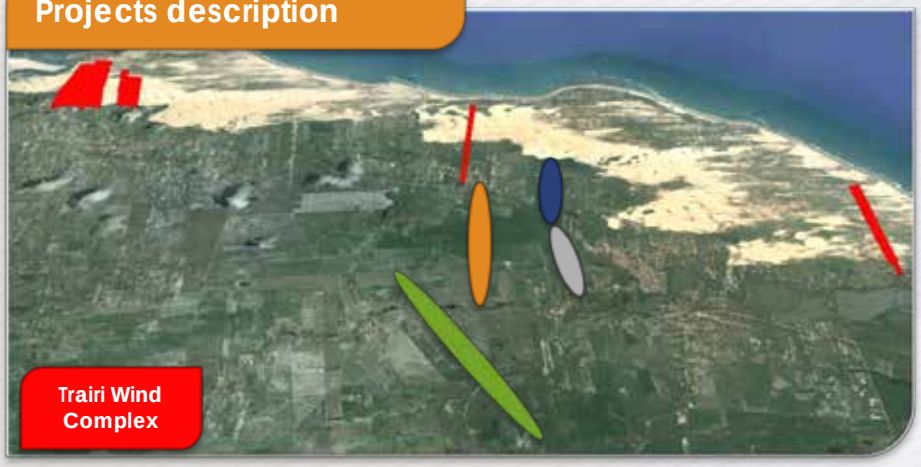
Wind projects under construction: **Santa Mônica Wind Complex**

Tractebel Energia GDF SUEZ

Tractebel Energia is currently constructing, located alongside the Trairi Wind Complex (CE), the Santa Mônica Wind Complex. The project, comprised of four plants, will expand the non-renewable conventional power within its generating portfolio.

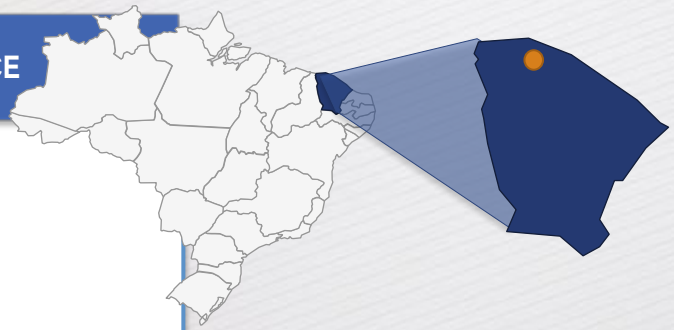
Total **4** plants

Projects description



Estrela (29.7 MW)	11 wind turbines
Ouro Verde (29.7 MW)	11 wind turbines
Cacimbas (18.9 MW)	7 wind turbines
Santa Mônica (18.9 MW)	7 wind turbines

Santa Mônica Wind Complex– CE



Installed Capacity: 97.2 MW
Commercial Capacity[1]: 47.8 aMW
Investment (R$mm)[1]: 460.0
Start of construction: 2014
Start of operation: 2016
Wind turbines manufacturer: Alstom

Note:
[1] Approximated value.

Thermal project under construction: **Ferrari TPP**

Tractebel Energia GDF SUEZ

The Ferrari TPP, a sugar-cane bagasse-fired plant located in Pirassununga (SP), has an installed capacity of 65.5 MW and 23.2 aMW of commercial capacity.

Project description



Ferrari TPP – SP (expansion)



Installed Capacity: 15.0 MW
Commercial Capacity[1]: 12.4 aMW
Investment (R$mm)[1]: 85
Start of retrofit: 2014
Start of operation: 2015
Boiler manufacturer: Engevap
Annual Fixed Revenue (R$mm): ~ 17.7

Note:
[1] Approximate updated value.

After the expansion completion, Ferrari will increase its installed capacity to 80.5 MW and commercial capacity to 35.6 aMW. In an Auction A-5, 9.8 avg. MW out of the expanded volume have been sold at R$ 202.00/MWh for a term of 25 years, as from January 1, 2019.

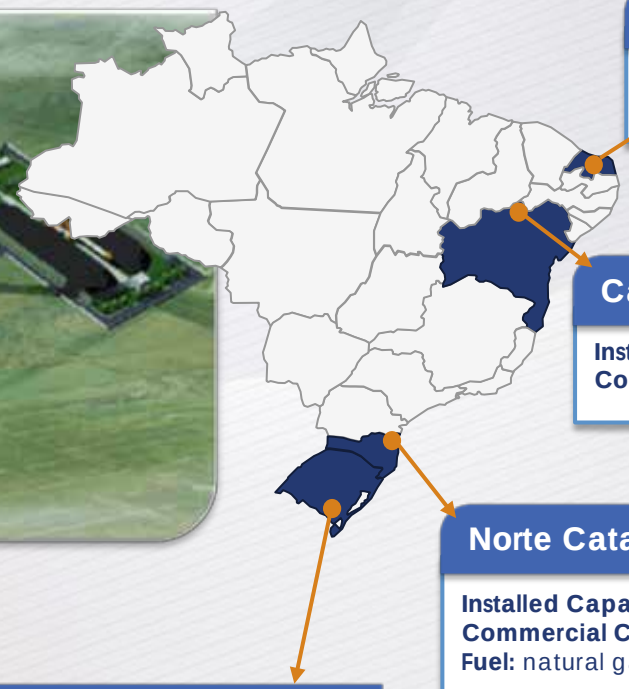
Projects under development

Tractebel has some projects in its portfolio which are currently under development. Some of them are presented below.

Projects description



3D image from the Pampa Sul TPP project.



Sto. Agostinho WC – RN

Installed Capacity: 600 MW
Commercial Capacity[1]: 300 aMW

Campo Largo WC – BA (Phase II)

Installed Capacity: 300 MW
Commercial Capacity[1]: 140 aMW

Norte Catarinense TPP – SC

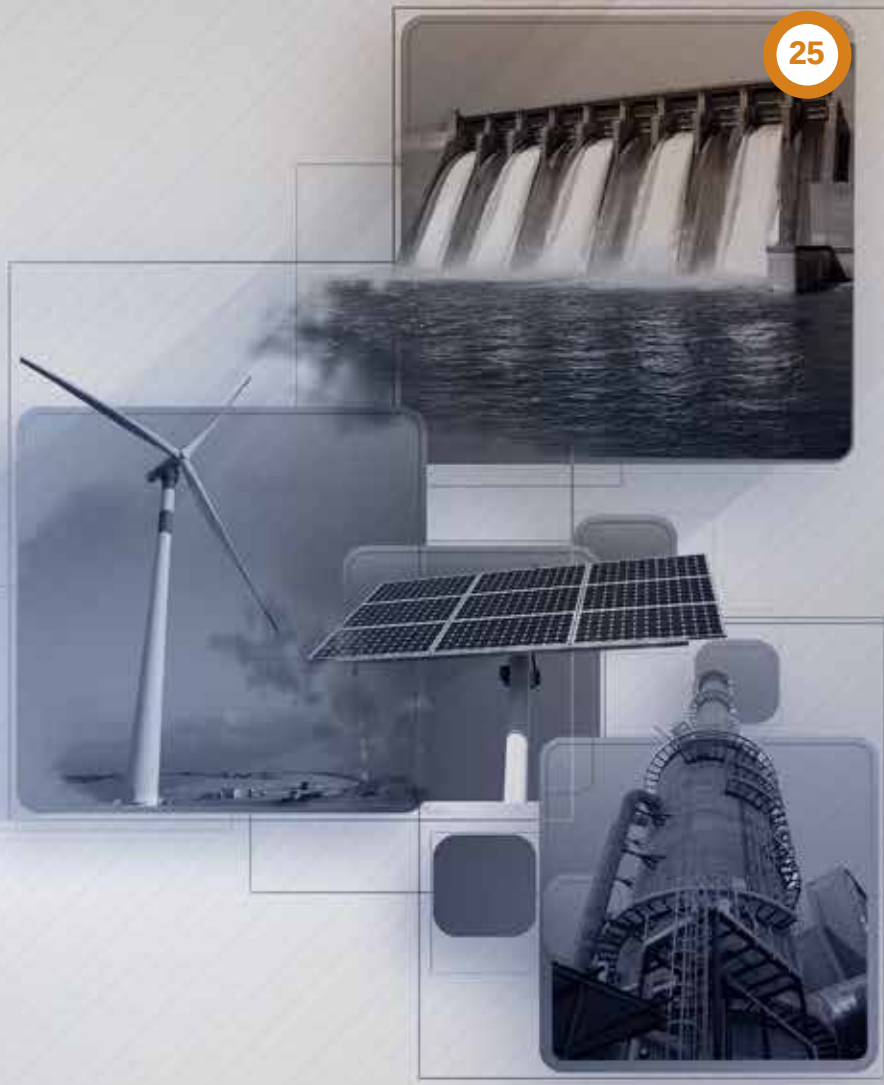
Installed Capacity: 600 MW
Commercial Capacity[1]: 400 aMW
Fuel: natural gas

Pampa Sul TPP – RS (Phase II)

Installed Capacity: 340 MW
Commercial Capacity[1]: 293 aMW
Fuel: thermal coal

Note:
[1] Approximated value.

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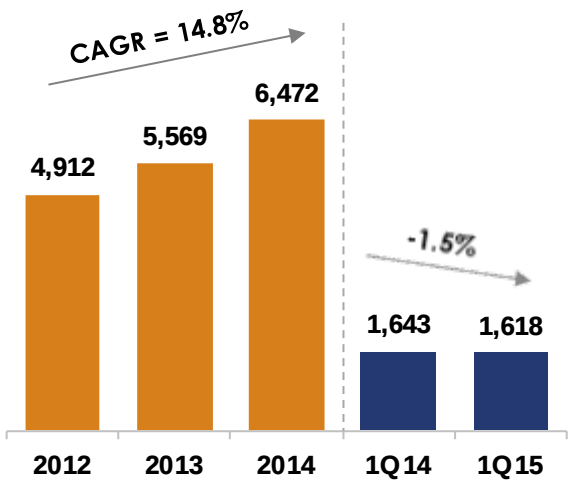


Financial Performance

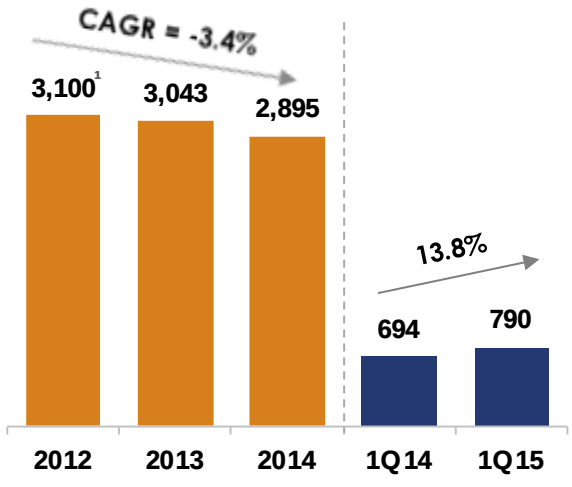
Solid financial performance

The efficiency in the management of client portfolio and the focus on sales strategies have been instrumental in driving revenue up. However, the recent instability in the electricity sector has refrained the Company to achieve the same positive effect on EBITDA and net income.

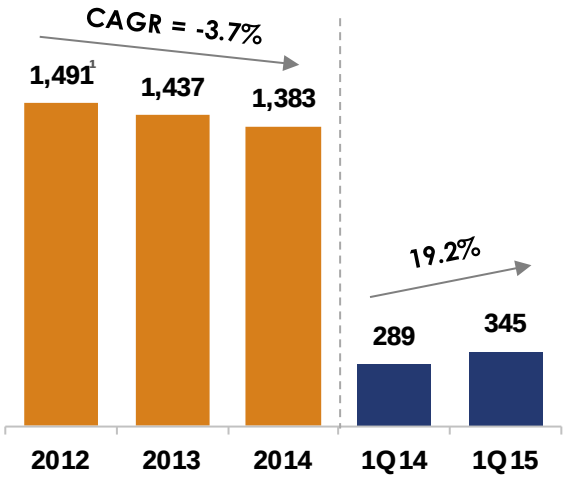
Net Revenue (R$ million)



EBITDA (R$ million)



Net Income (R$ million)

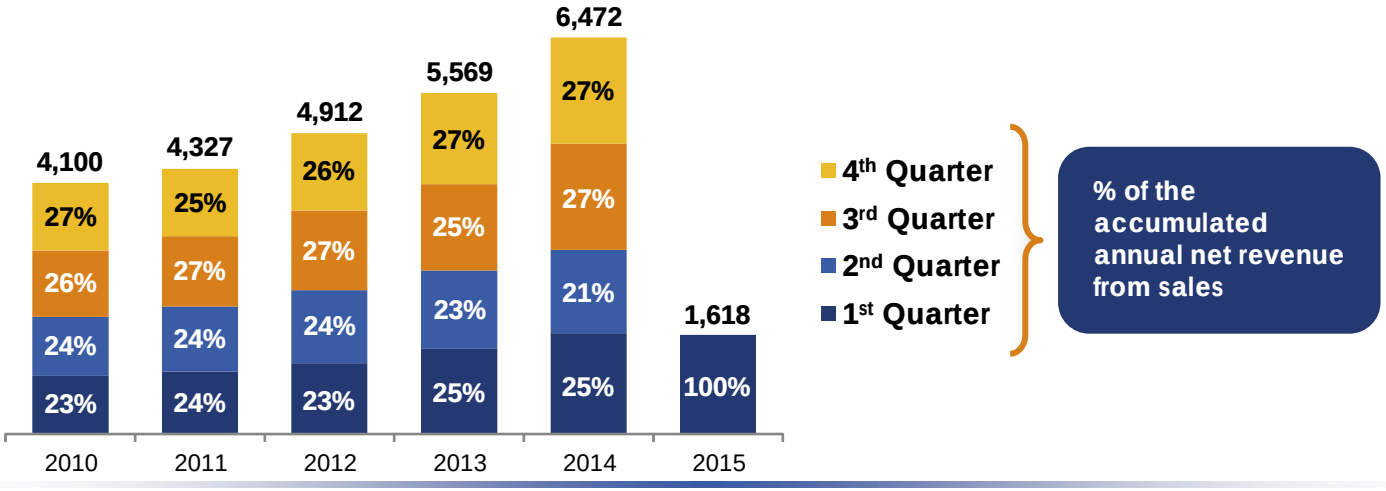


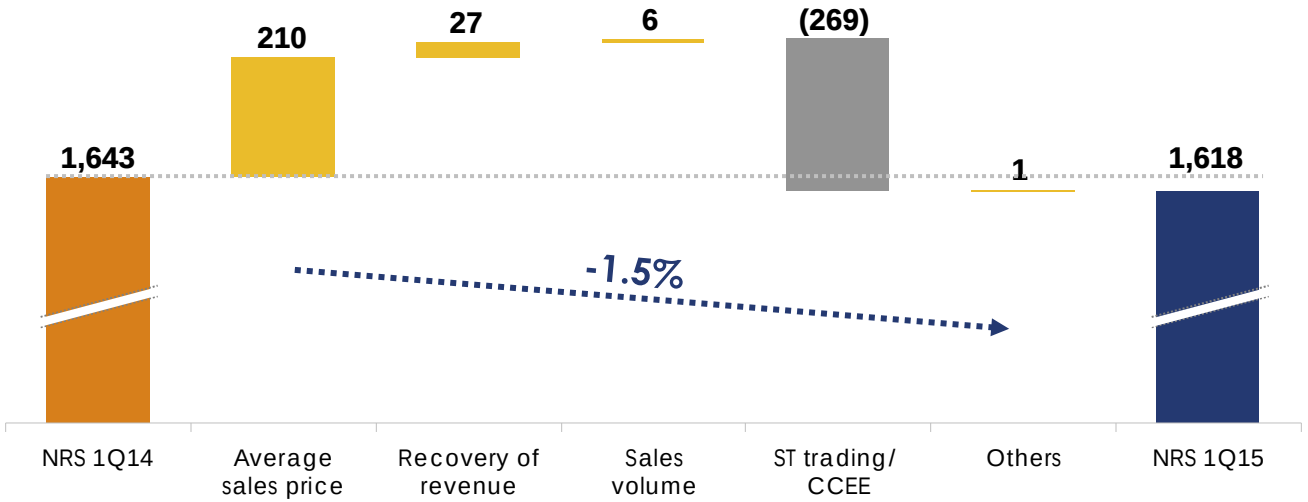
Note:
[1] Adjustment due to change in accounting practice.

Net revenue from sales change (R$ million)

Tractebel Energia GDF SUEZ

Net revenue from sales change (R$ million)

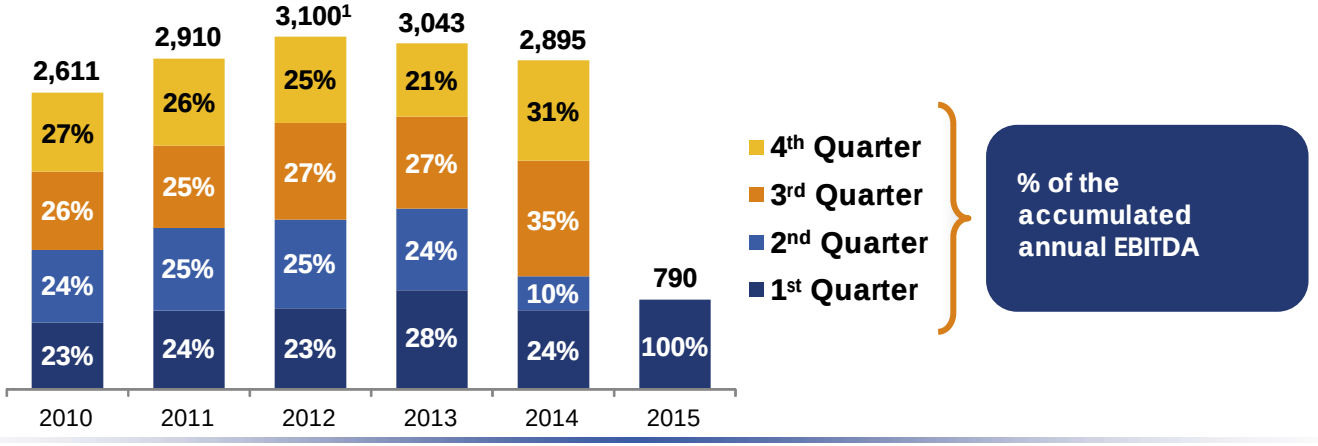


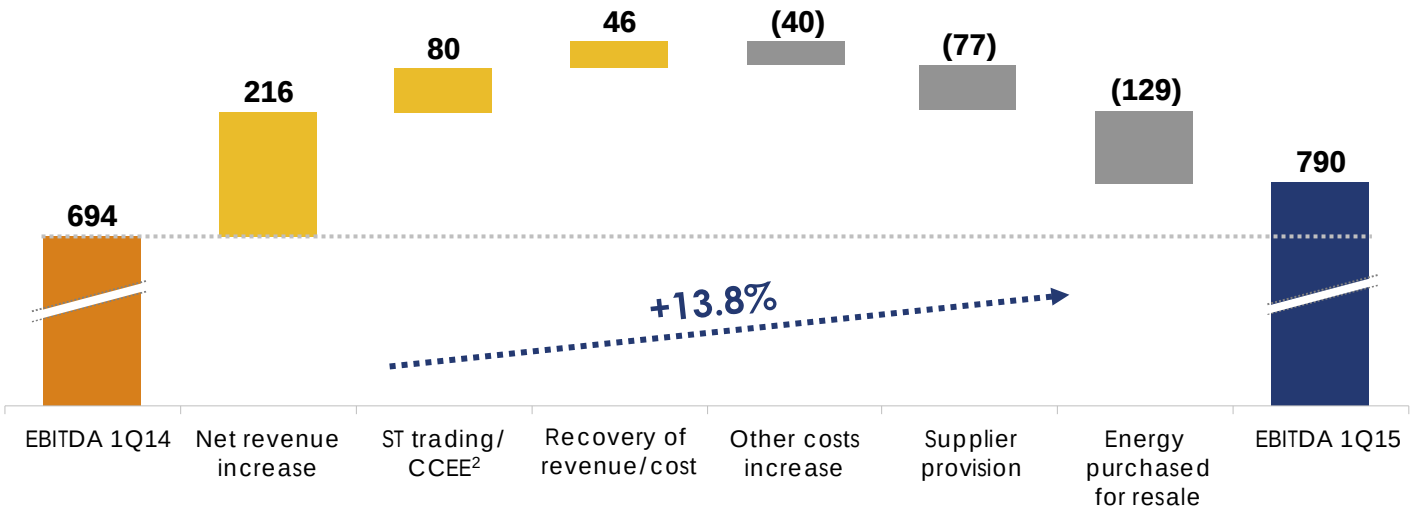


EBITDA change (R$ million)

Tractebel Energia GDF SUEZ

EBITDA change (R$ million)

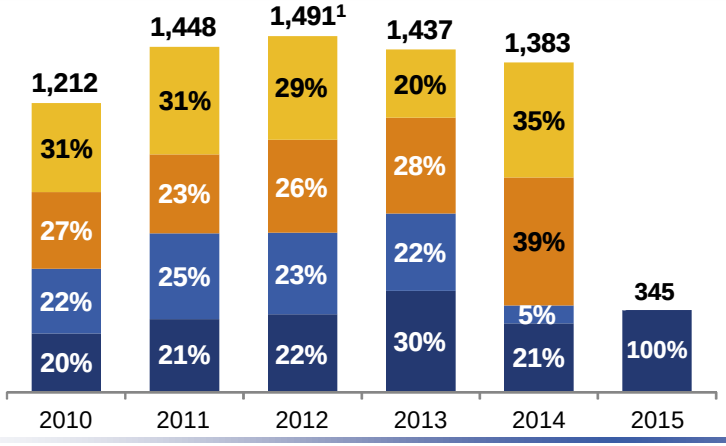


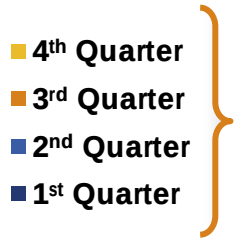


Notes:
[1] Adjustment due to change in accounting practice.
[2] Considers the combined effect of changes in revenue and expenses.

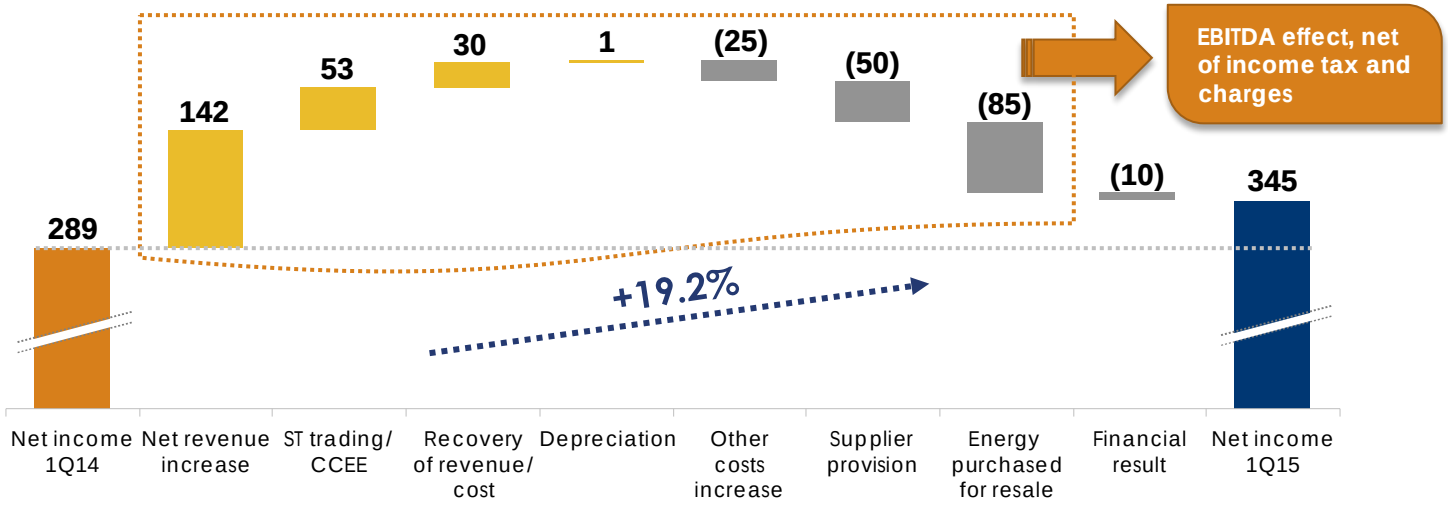
Net income change (R$ million)

Net income change (R$ million)





% of the accumulated annual net income



EBITDA effect, net of income tax and charges

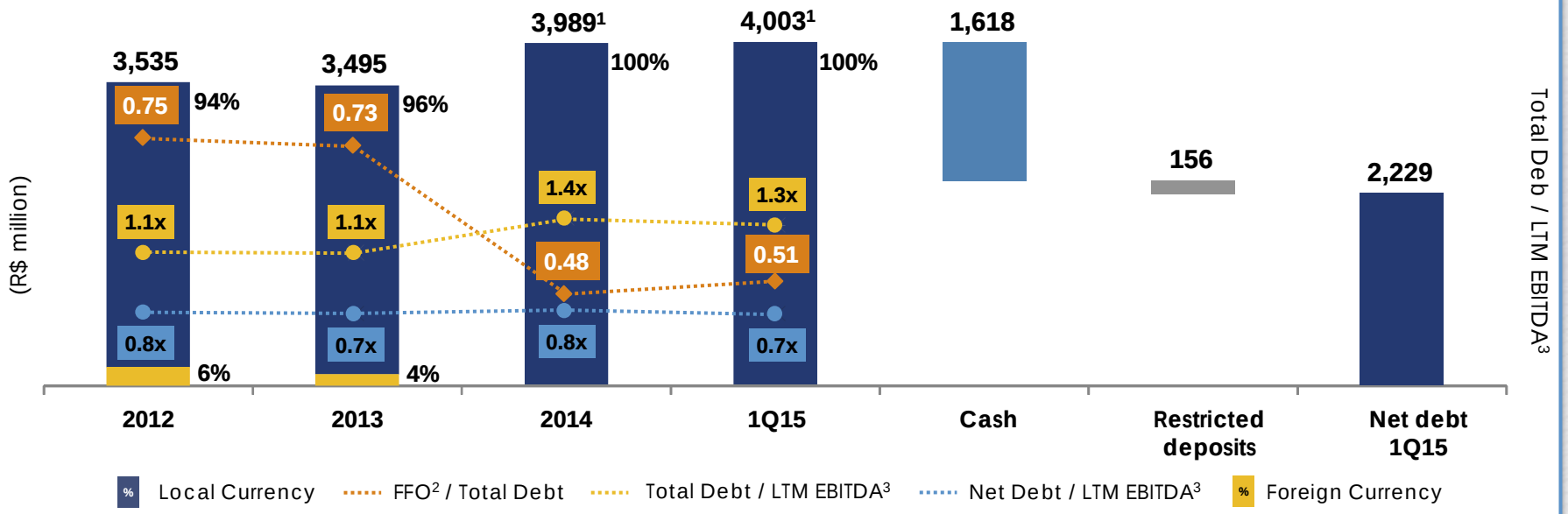
Note:
[1] Adjustment duo to change in accounting practice.

Limited indebtedness and low exposure to foreign exchange

Tractebel Energia GDF SUEZ

Low leverage enables Tractebel to benefit from growth opportunities.

Debt Overview (R$ million)

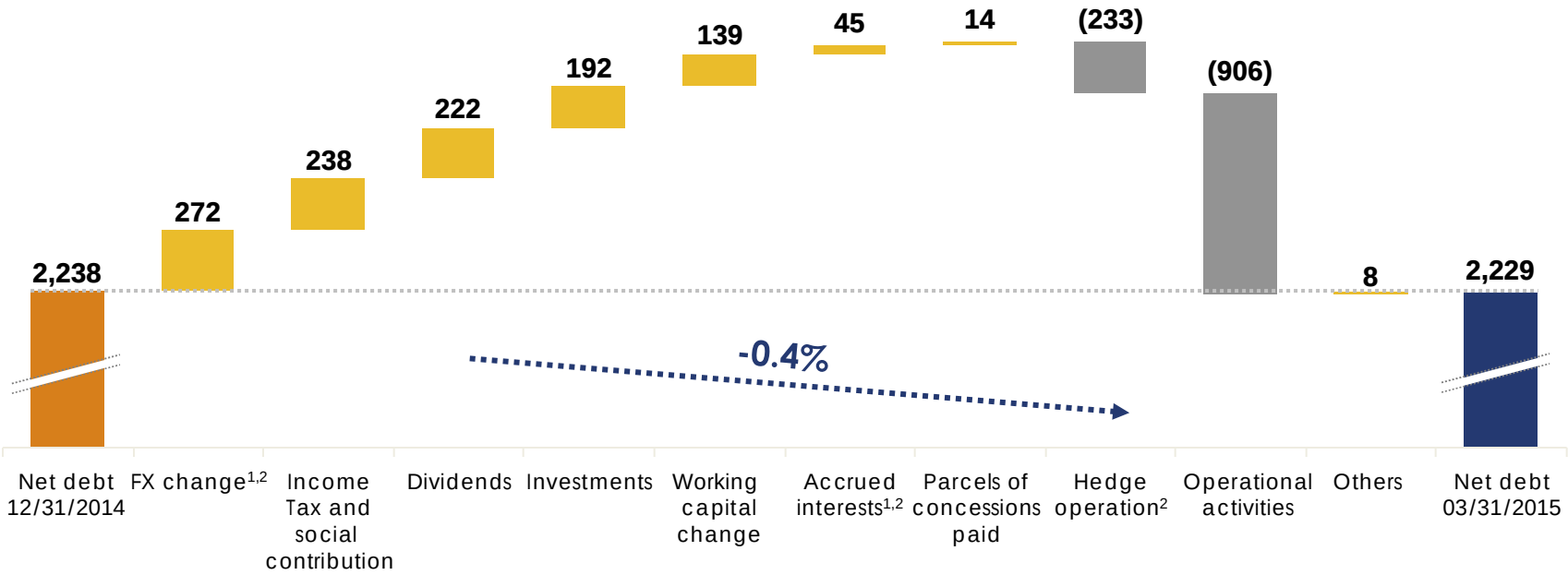


Notes:
[1] Net of gains from hedge operations.
[2] Funds from Operations.
[3] LTM EBITDA = last-twelve-month EBITDA.

Net debt change (R$ million)

Tractebel Energia GDF SUEZ

Net debt change (R$ million)



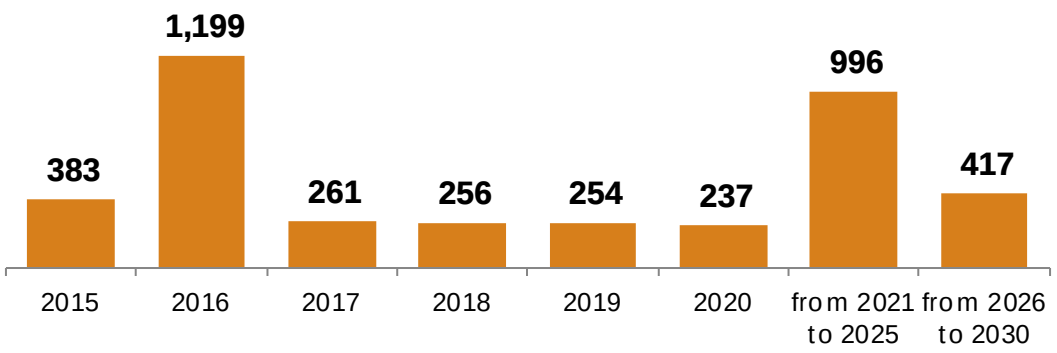
Notes:
[1] The interests and FX change refer only to the Company's financial debt (loans, financing and debentures).
[2] Does not impact the Company's cash position.

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

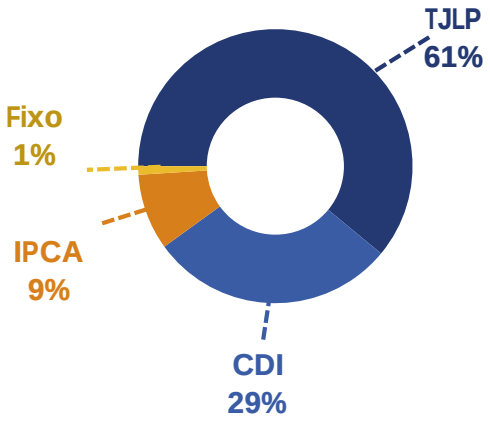
Tractebel Energia GDF SUEZ

Debt profile and strong cash generation reduce refinancing risk.

Maturity debt schedule - R$ million



Composition of debt

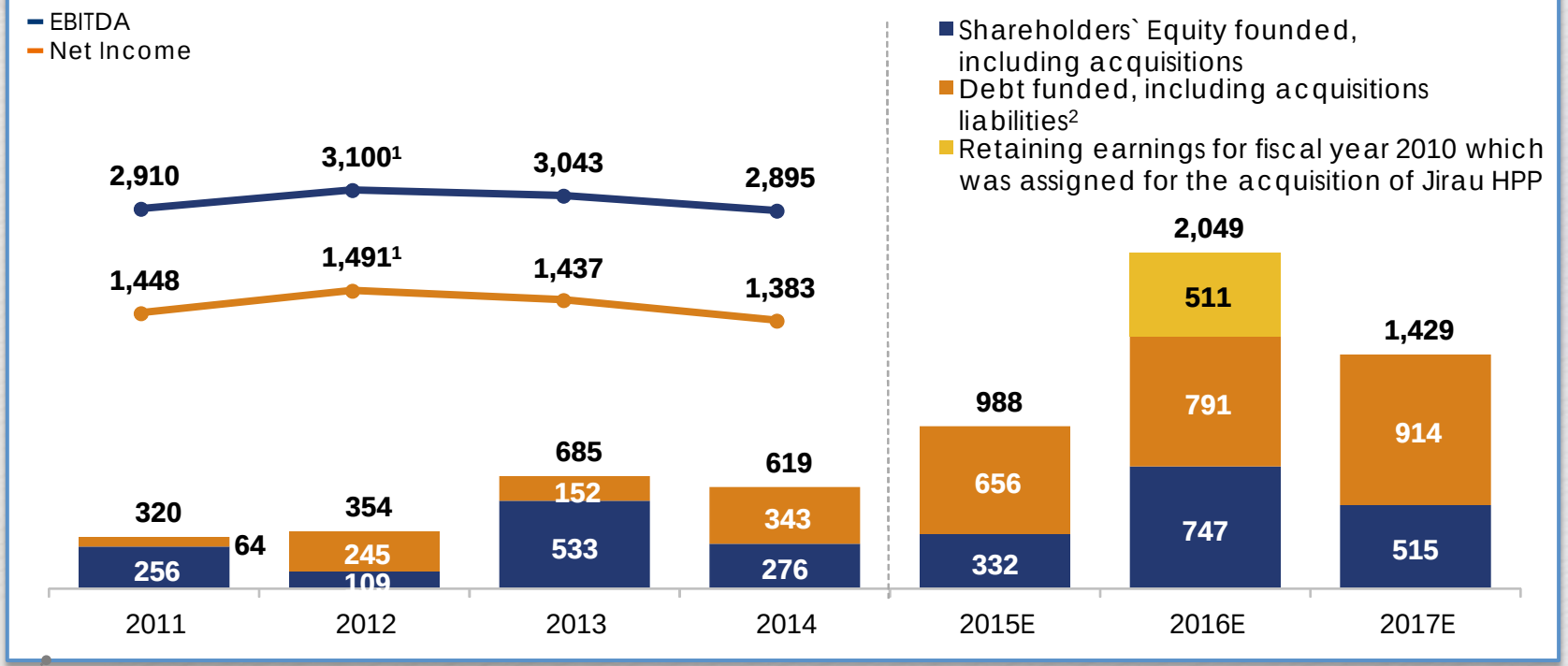


Nominal cost of debt: 9.6%

Expansion plan and maintenance CAPEX are supported by a strong cash flow generation

Tractebel Energia GDF SUEZ

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

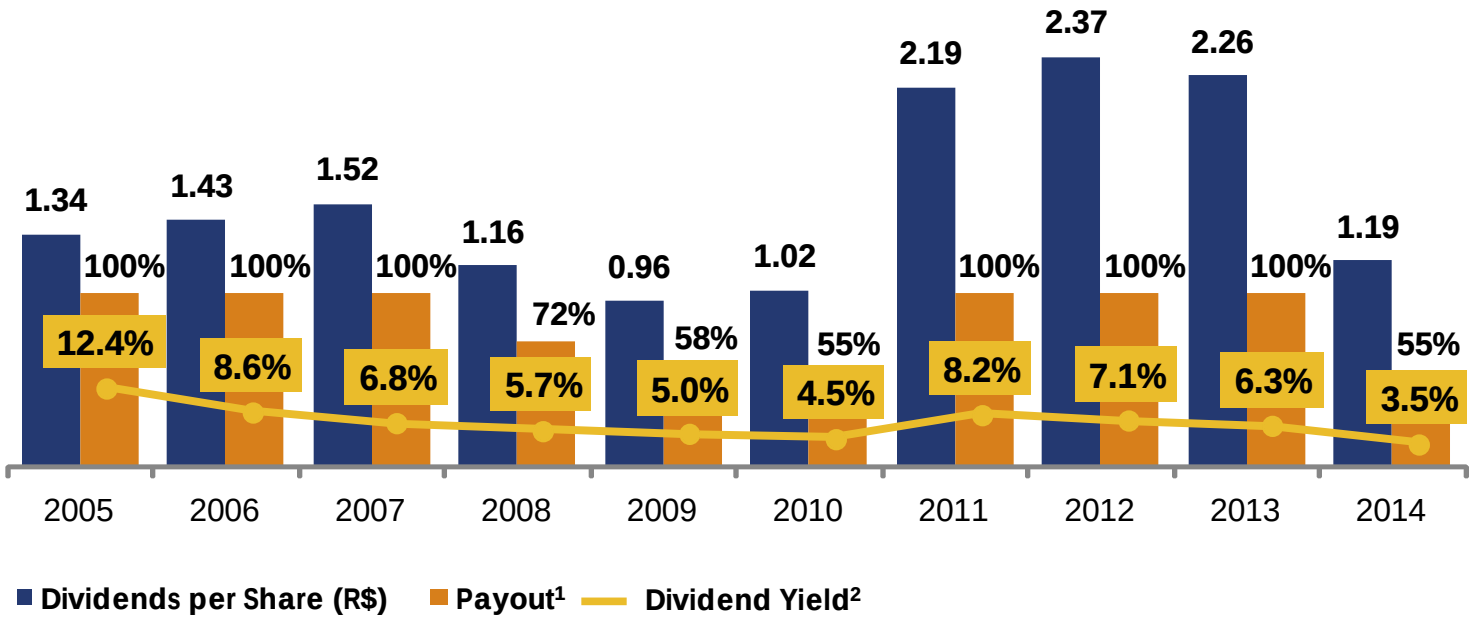


Notes:
1 Adjustment due to change in accounting practice.
2 Does not consider interests incurred during the construction.

Dividend policy

- By-law minimum payout: 30% of payable net income.
- Management commitment: minimum payout of 55% of payable net income.
- 3 dividends per year: semi-annual dividends and interest on shareholders' equity (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

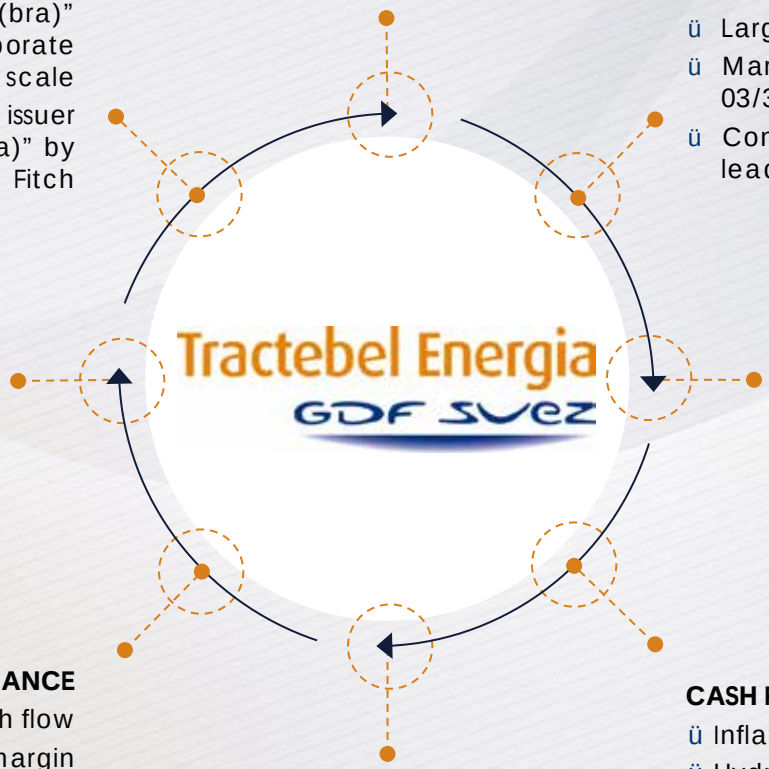
- ü Defensive profile in times of crisis
- ü Attractive funding conditions

PREMIUM RATING

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

INDUSTRY LEADERSHIP

- ü Largest private generator in Brazil
- ü Market cap: R$ 23.0 billion as at 03/31/2015
- ü Controlled by GDF SUEZ, world leader in energy



HIGH-CALIBER CORPORATE GOVERNANCE AND SUSTAINABILITY

- ü Experienced executives
- ü Discipline track record in investment decisions, based on triple bottom line concepts
- ü First class controlling shareholder

CLEAR COMMERCIAL STRATEGY

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

STABLE FINANCIAL PERFORMANCE

- ü Strong cash flow
- ü High average EBITDA margin
- ü Consistent net income
- ü Low FX exposure
- ü Active financial management

CASH FLOW PREDICABILITY

- ü Inflation-indexed contracts
- ü Hydro basis, complemented by thermal and wind
- ü Long-term contracting strategy

HIGH OPERATIONAL PERFORMANCE

- ü Benchmark indexes of availability
- ü ISO 9001 (quality management), 14001 (environment management) and OHSAS 18001 (occupational health and safety) certified plants

Contacts

Tractebel Energia:

Eduardo Sattamini
Finance and Investor Relations Director
sattamini@tractebelenergia.com.br

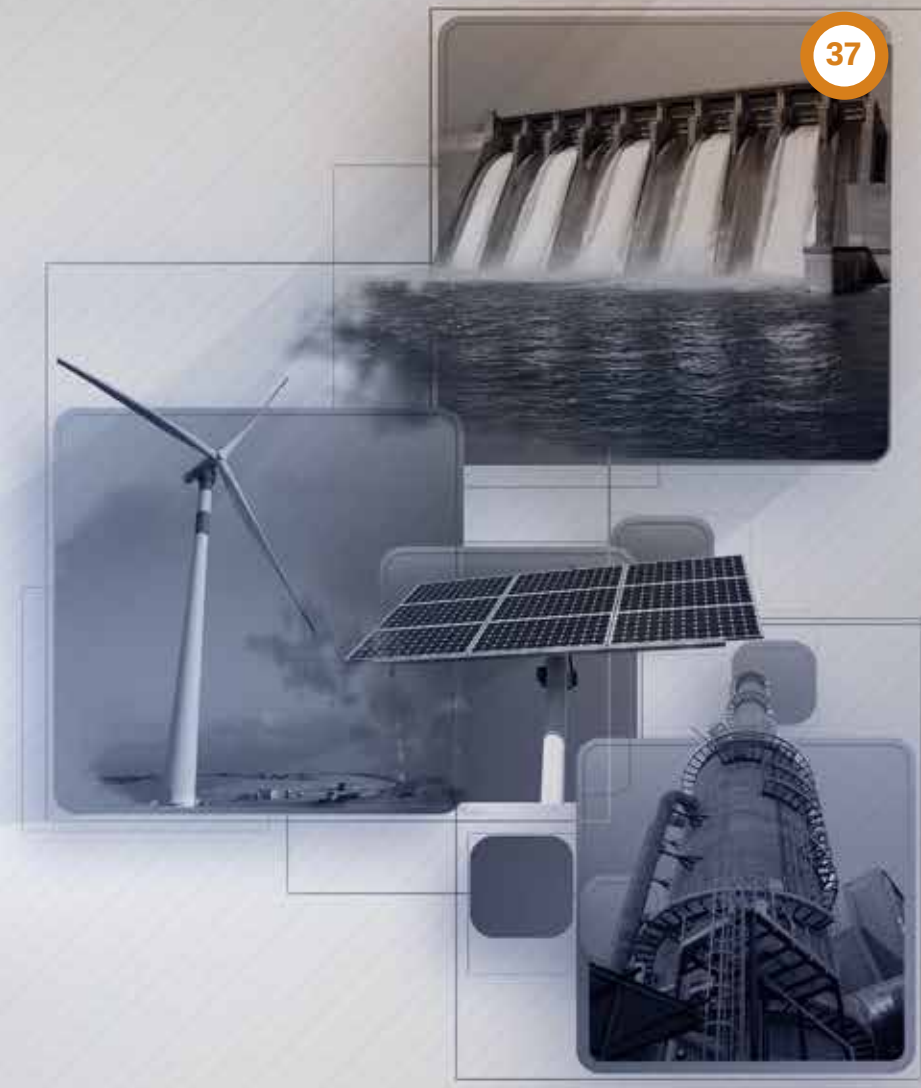
Antonio Previtali Jr.
Investor Relations Manager
previtali@tractebelenergia.com.br
+55 48 3221 7221

www.tractebelenergia.com.br

GDF SUEZ Energy Latin America (pre-transfer projects):

Anamélia Medeiros
Market Relations Manager
anamelia.medeiros@gdfsuezla.com
+55 21 3974 5400

6.



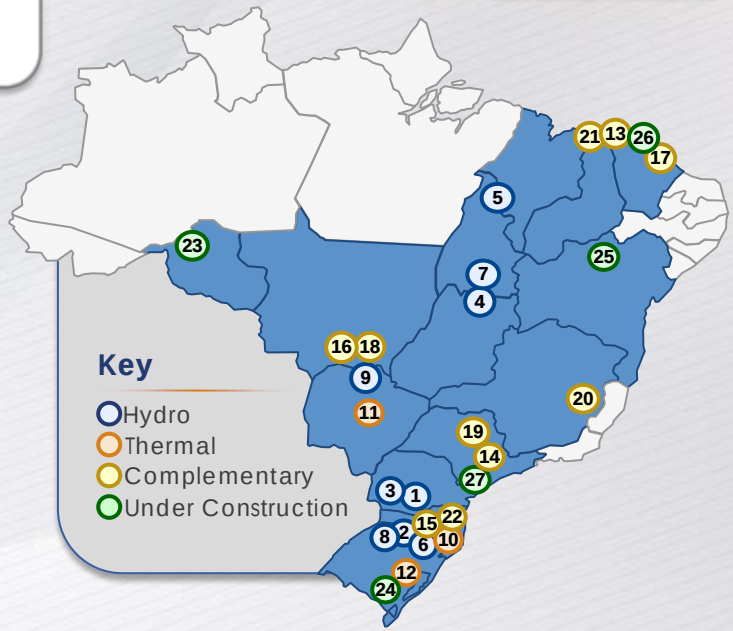
Support Data

Diversified portfolio of assets, with strategic location

Tractebel Energia
GDF SUEZ

Installed capacity of 7,027.2 MW from 27 plants operated by Tractebel Energia: 79% hydro, 16% thermal and 5% complementary. This capacity stands for 89% increase since 1998.

	Hydro Power Plants	Installed Capacity (MW)	Commercial Capacity (MWm)[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	151.1
8	Passo Fundo	226.0	119.0
9	Ponte de Pedra	176.1	131.6
	Total	5,559.7	2,868.5
	Thermal Power Plants	**Installed Capacity (MW)**	**Commercial Capacity (MWm)[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 (MWm)[1]**
13	Trairi Complex[4]	115.4	63.9
14	Ferrari (Biomass)	65.5	23.2
15	Lages (Biomass)	28.0	25.0
16	Rondonópolis (SHP)	26.6	10.1
17	Beberibe (Wind)	25.6	7.8
18	José G. da Rocha (SHP)	23.7	9.2
19	Ibitiúva (Biomass)	22.9[2]	13.9[2]
20	Areia Branca (SHP)	19.8	10.4
21	Pedra do Sal (Wind)	18.0	5.7
22	Cidade Azul (Solar)	3.0	0.5
	Total	348.5	169.7



	Power Plants Under Development	Installed Capacity (MW)	Commercial Capacity (MWm)[1]
23	Jirau (Hydro)[5]	1,500.0	873.8
24	Pampa Sul (Thermal)	340.0	293.3
25	Campo Largo (Wind)	326.7	150.0
26	Santa Mônica (Wind)	97.2	47.8
27	Ferrari (Biomass)	15.0	12.4
	Total	2,278.9	1,377.3

Notes:
[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 Wind Farms.
[5] The Parent Company's stake (40% of 3,750 MW) might be transferred to Tractebel.

Sustainability indicators

Sustainability Indices[1]

	Index	1Q15	1Q14	Change
Quality[2]	Operating plants	27	24	3
	Installed capacity	8,748	8,649	1.1%
	Number of certified plants	14	14	-
	Certified installed capacity (MW)	7,330	7,330	-
	Certified installed capacity in relation to the total	83.8%	85.2%	-1.4 p.p.
	Installed capacity from renewable sources	7,629	7,596	0.4%
	Installed capacity from renewable sources in relation to the total	87.2%	87.8%	-0.6 p.p.
	Energy generation (GWh)	12,904	12,368	4.3%
	Certified energy generation	11,230	10,258	9.5%
	Certified energy generation in relation to the total	87.0%	82.9%	4.1 p.p.
	Energy generation from renewable sources (GWh)	11,259	10,453	7.7%
	Energy generation from renewable sources in relation to the total	87.2%	84.5%	2.7 p.p.
	Uptime ratio, excluding scheduled stoppages	96.1%	98.0%	-2.0 p.p.
	Uptime ratio, including scheduled stoppages	87.0%	93.6%	-6.6 p.p.
Environment	Number of licensed operating plants	100%	100%	-
	Saplings donated and planted (sum-total of planed and donated saplings)[3]	50,935	45,265	12.5%
	Number of visitors at the plants	11,233	9,907	13.4%
	CO2 Emissions (fossil fuel plants) (t/MWh)	0.985	0.979	0.6%
	CO2 Emissions from Tractebel Energia's generation complex(t/MWh)	0.126	0.152	-17.1%
Occupational Heath and Safety	Average number of employees	1,138	1,124	1.2%
	Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[4]	0.000	4.110	↓
	Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[5]	0.000	0.060	↓
	Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[4]	0.000	2.700	↓
	Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[5]	0.000	0.030	↓
Investments in the Social Responsibility Program (R$ million)	Non-incentive investments	0.980	0.99	-0.6%
	Investments via Children and Teenagers Fund	0.054	0.764	-93.0%
	Investments via Cultural Incentives Act	5.09	2.00	153.9%
	Investments via Sport Incentives Act	0.35	0.05	600.0%
	Other Investments via Incentive Acts (health and others)	0.70	-	-

Notes:
[1] Additional indices available from ITR (Tractebel website / Investor / CVM information).
[2] In 2014, the Alegrete Thermoelectric Plant, in the State of Rio Grande do Sul, ceased to be part of Tractebel Energia's generation complex
[3] Ceste not included.
[4] TF = number of occupational accidents for every million hours of exposure to hazards.
[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

Tractebel Energia
GDF SUEZ

375 avg. MW + **375 avg. MW (maximum exposure)** = **750 avg. MW**

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

Thermal substitution energy → purchase in spot market

Estimated commercial capacity (on a yearly basis)

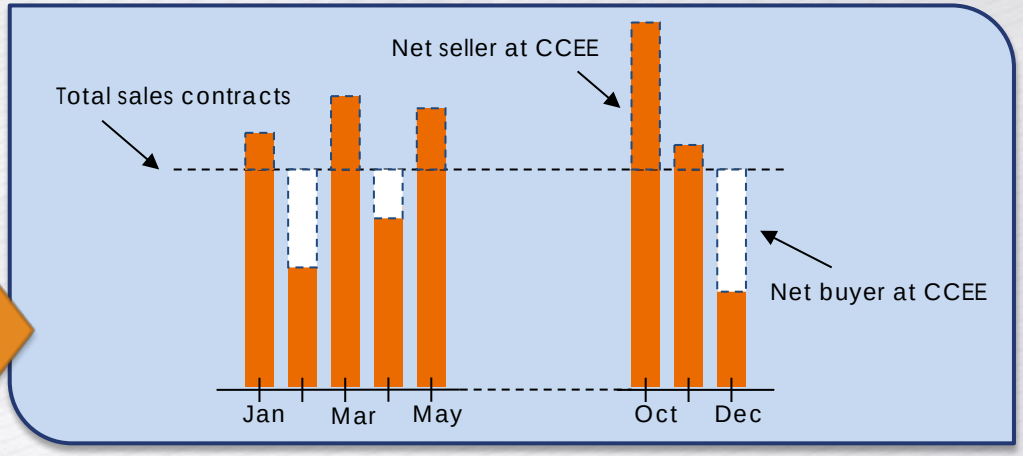
Notes:
[1] Tractebel Energia has been fully contracted → purchase of thermal substitution energy.
[2] On a monthly basis, inflexibility variations may occur.
[3] Figures related to the Energy Trading Board (CCEE) settlement point.

Power seasonalization

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

Annual resources

monthly allocation over year x1 (decision taken in Dec. year x0)

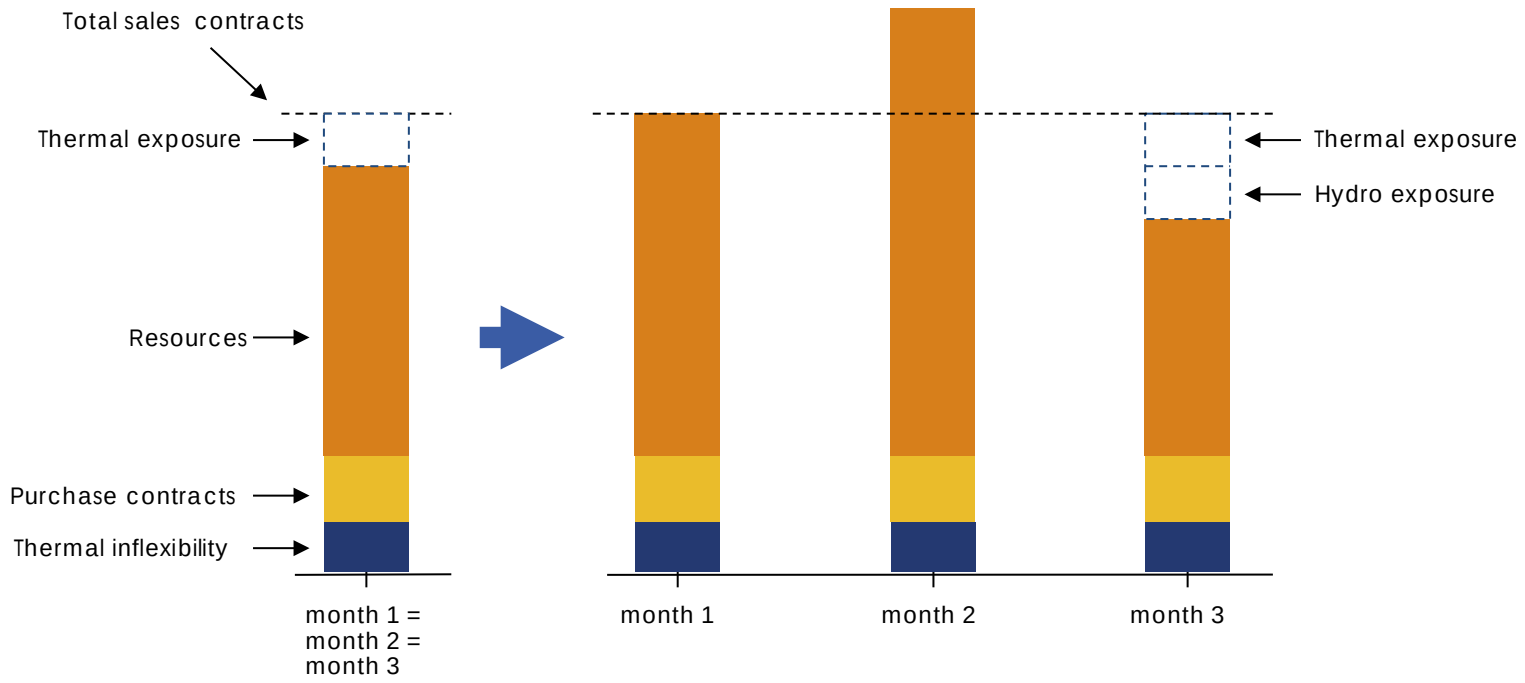


- Gencos can allocate their resources over the following year's months;
- Monthly fluctuations on sales is also a driver for exposure to spot price;
- Monthly energy differences are settled at spot price, i.e., PLD (Price for Settlement of Differences);
- As penalties apply for gencos with short positions 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

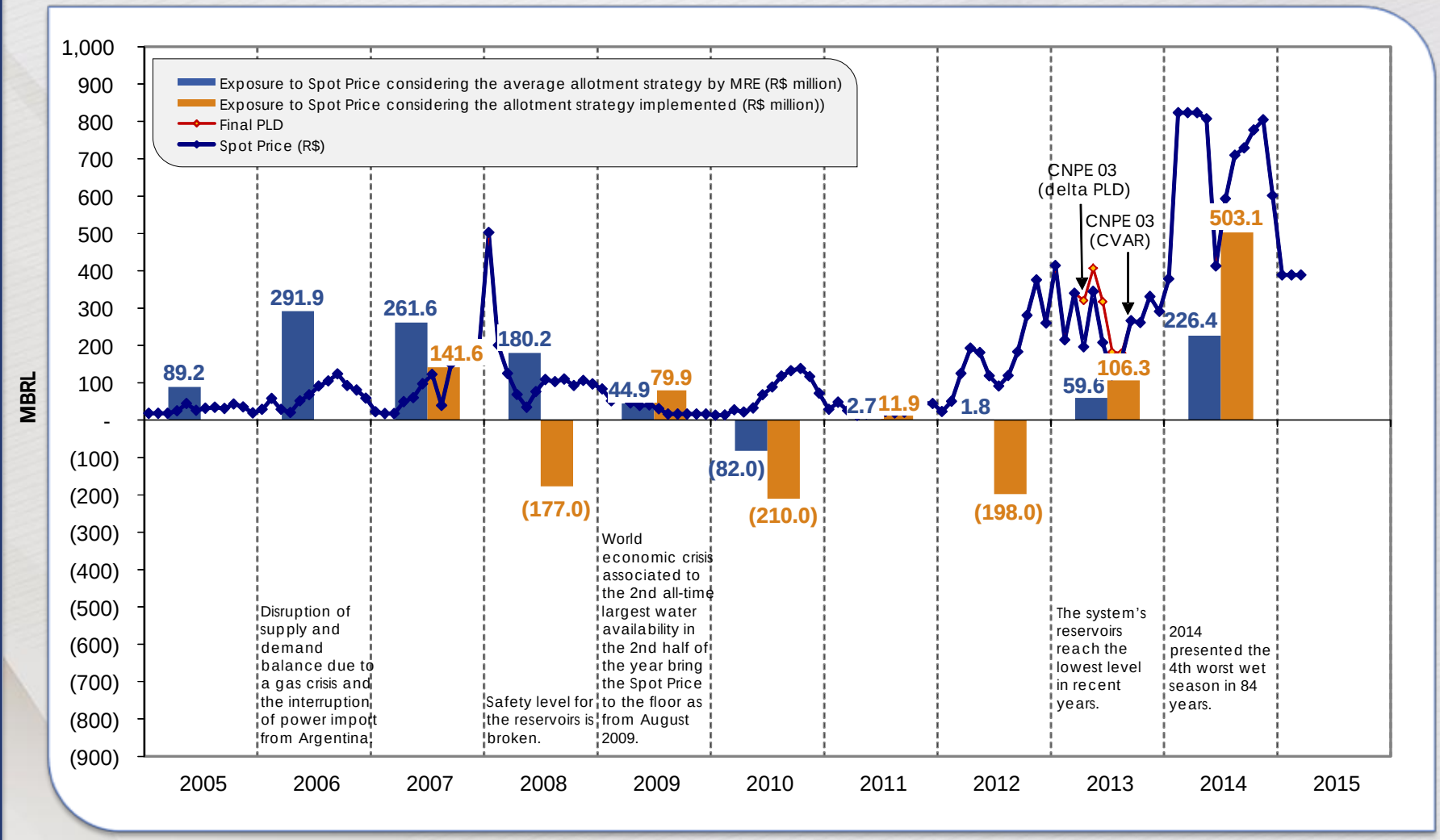
Tractebel Energia
GDF SUEZ

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::



Note: exposure box sizes are out of scale.

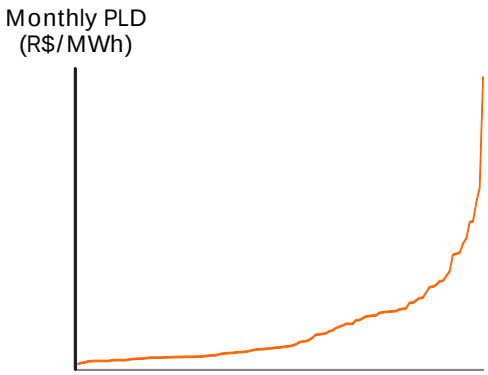
Expenses: impacts of energy allotment (2007 thru 2014)



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[1]



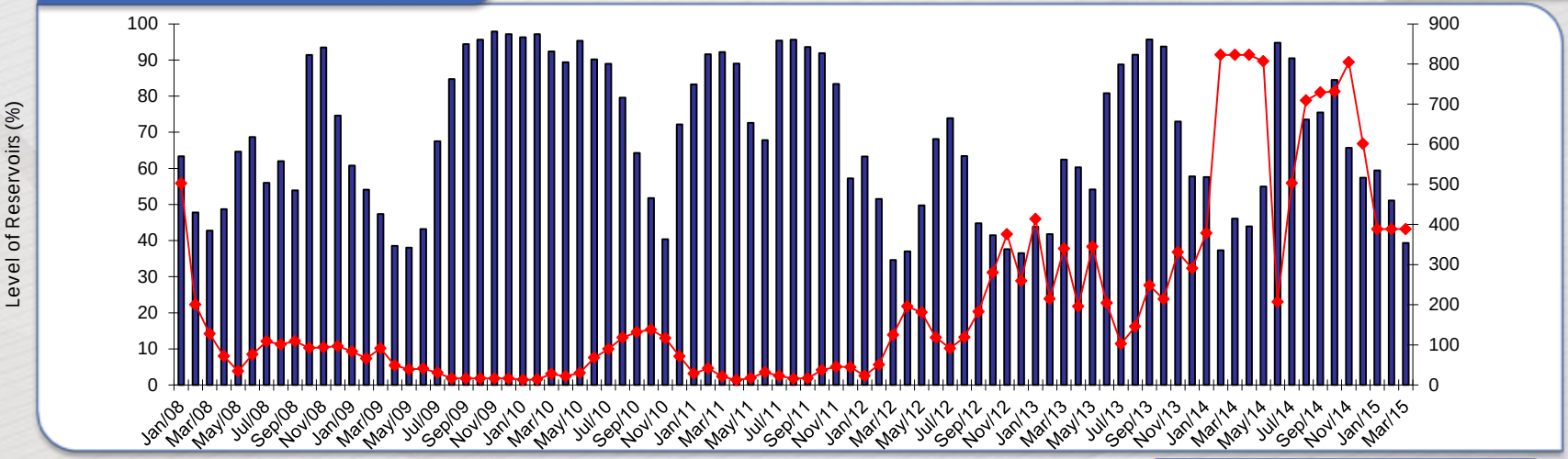
Ocurrence[2]

Period	May/2003 - Sep/2012	Oct/2012 - Mar/2015
Avg. PLD (in R$)	92.20	486.95
PLD Standard (in R$)	96.19	242.64
Monthly PLD > R$ 100.00	34%	100%
Monthly PLD > R$ 200.00	9%	93%

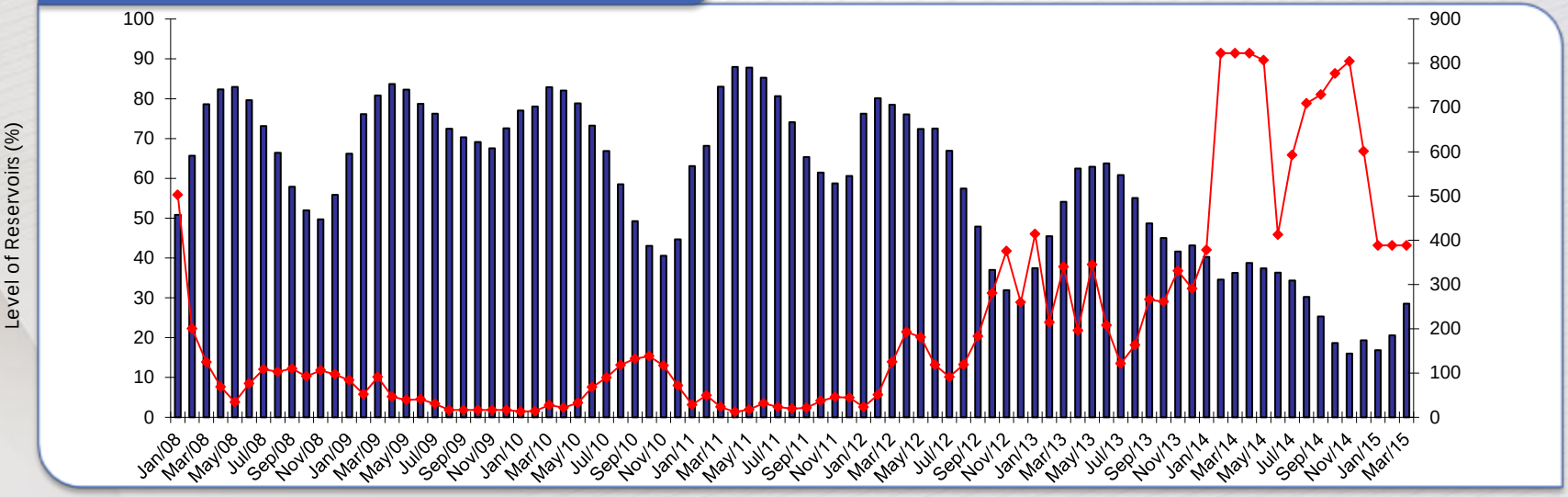
Notes:
[1] Figures have been ordered from the lowest. Values adjusted by IPCA (inflation index).
[2] PM 579 was published on September 11, 2012. Values adjusted by IPCA (inflation index).

Correlation between reservoir levels and spot prices

Southern Submarket



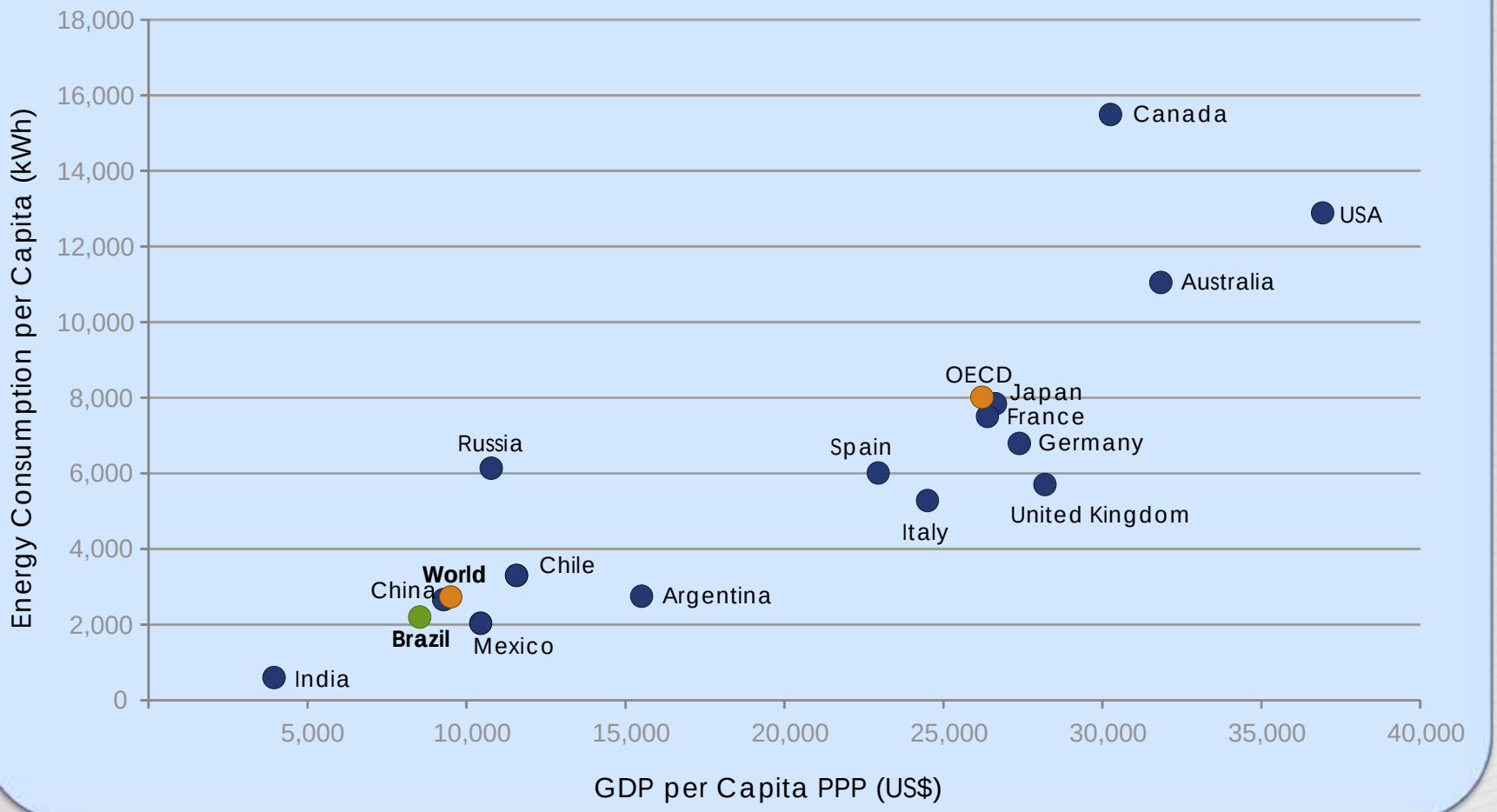
Southeast/Central-Western Submarket



Electricity: large growth potential

Tractebel Energia
GDF SUEZ

Electricity Consumption (per capita, yearly)



Source: MME, Aug/12 (consolidated information for 2009)