Tractebel Energia
GDF SUEZ



Results Presentation – 2Q11

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Highlights, Shareholding Structure, Market Share, Assets and Sales

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Quarter highlights

• Financial and operational indexes:

(in millions of R$)	2Q11	2Q10	Chg.
Net Operating Revenue (NOR)	1,057.8	964.2	9.7%
EBITDA [1]	725.5	639.4[2]	13.5%
EBITDA / NOR - (%)	68.6	66.3[2]	2.3 p.p.
Net Income	358.8	269.5[2]	33.1%
Energy Sold (avg. MW)	3,886	3,934	-1.2%
Average Price of Energy Contracts (R$/MWh)	121.3	108.8	11.5%
Production (avg. MW)	4,468	4,842	-7.7%

[1] EBITDA represents: operational results + financial results + depreciation and amortization.
[2] Values adjusted on account of the IFRS adoption.

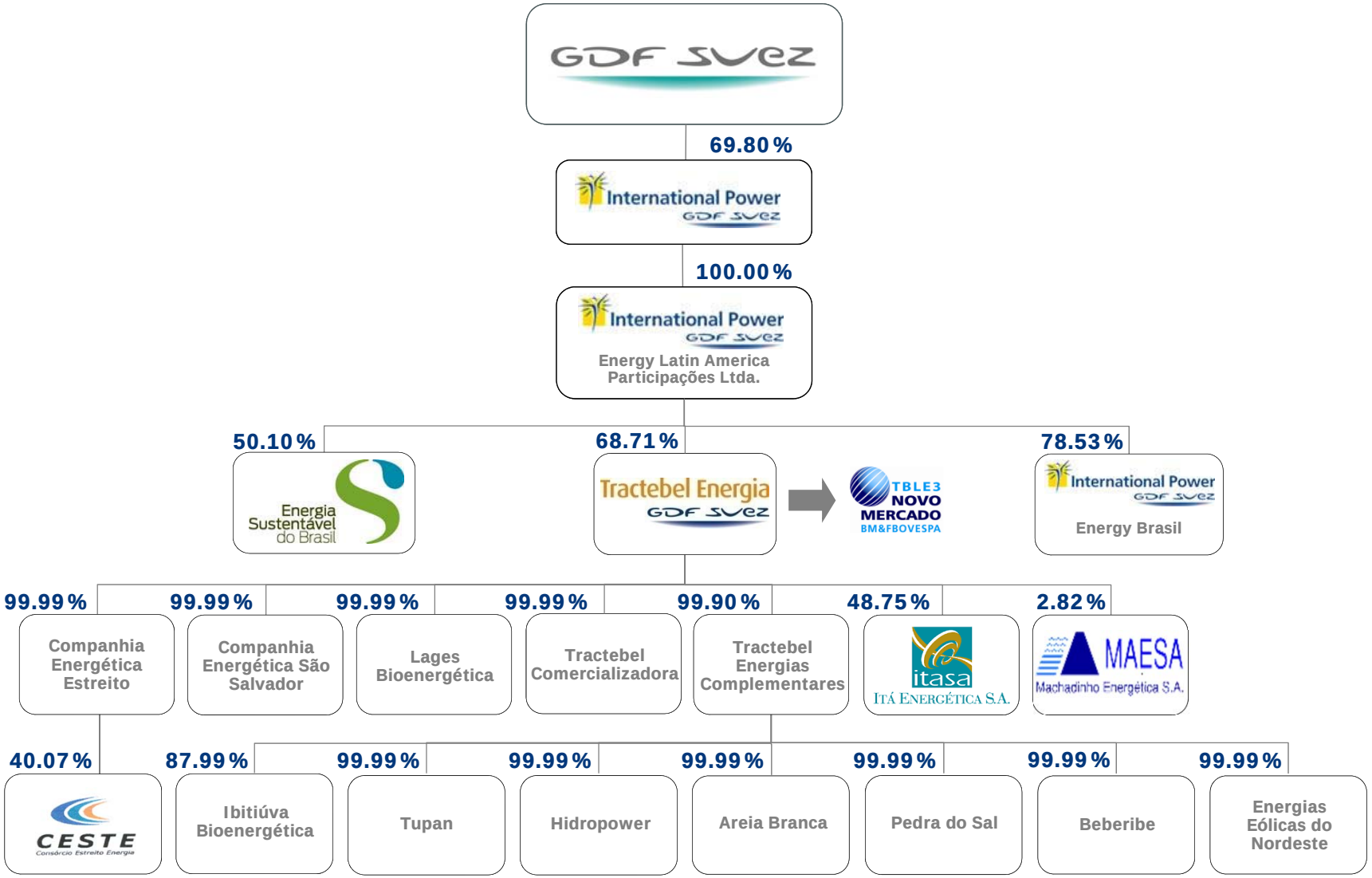
• The Board of Directors approved a payout of R$ 658.0 million for the 6M11 in the form of interim dividend, which corresponds to R$ 1.0080763921 per share. Ex-dividend date is Aug 11 and payment date, Oct 06.

• On April 29, it took place the startup of the first generator unit at the Estreito HPP.

• On May 11, the Company issued the notice to proceed to begin the construction of five wind farms in the Brazilian Northeast with 145.4 MW of installed capacity.

• Fitch Ratings assigned a 'BBB-' international rating to Tractebel and reiterated the Company's 'AA+(bra)', long term domestic rating, both with a stable outlook.

Tractebel is controlled by GDF SUEZ, world leader in energy



Note: Simplified version

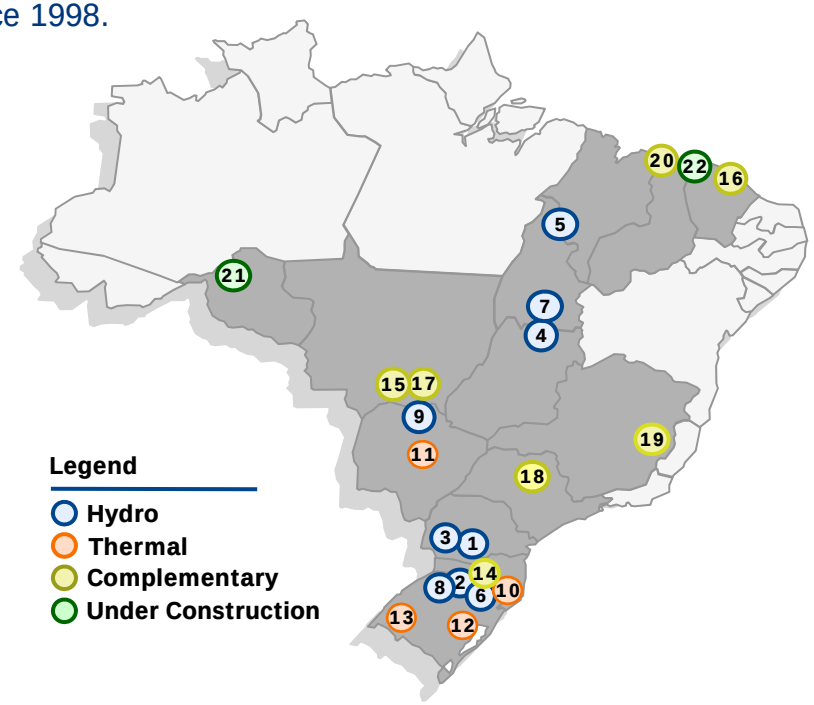
Diversified portfolio of assets, with strategic location

Installed capacity of 6,907.6[1] MW from 22 plants operated by Tractebel Energia: 81% hydro, 17% thermal and 2% complementary. This capacity stands for a 86% increase since 1998.

Hydro Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[2]
1 Salto Santiago	1,420.0	723.0
2 Itá	1,126.9[3]	544.2[3]
3 Salto Osório	1,078.0	522.0
4 Cana Brava	450.0	273.5
5 Estreito[1]	435.6[3]	256.9[3]
6 Machadinho	403.9[3]	147.2[3]
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)[2]
10 Jorge Lacerda Complex[4]	857.0	649.9
11 William Arjona	190.0	136.1
12 Charqueadas	72.0	45.7
13 Alegrete	66.0	21.1
Total	**1,185.0**	**852.8**

Complementary Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[2]
14 Lages (Biomass)	28.0	25.0
15 Rondonópolis (SHP)	26.6	10.1
16 Beberibe (Wind)	25.6	7.8
17 José Gelazio da Rocha (SHP)	23.7	9.2
18 Ibitiúva (Biomass)	21.2[3]	12.8[3]
19 Areia Branca (SHP)	19.8	11.1
20 Pedra do Sal (Wind)	18.0	5.7
Total	**162.9**	**81.7**



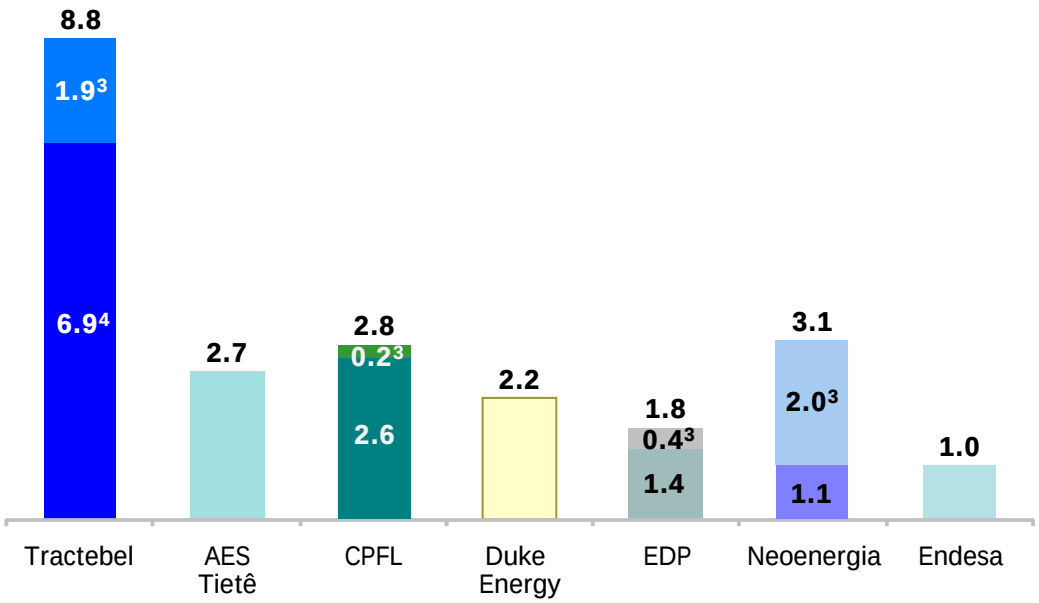
Power Plants Under Construction	Installed Capacity (MW)	Commercial Capacity (aMW)[2]
21 Jirau (Hidro)	1,728.5[5]	989.5[5]
22 Wind Projects[6]	145.4	74.7[7]
Total	**1,873.9**	**1,064.2**

Notes:
[1] The complete Estreito HPP ramp-up is expected for 2012.
[2] Figures following specific legislation.
[3] Portion owned by Tractebel Energia.
[4] Complex comprised by 3 power plants.
[5] Portion owned by the Parent Company, based on 3,450 MW total installed capacity.
[6] Considers the Porto do Delta and Trairi Complex projects which is comprised of the Mundaú, Fleixeiras I, Trairi and Guajirú wind farms.
[7] Estimated value (awaiting for MME definition).

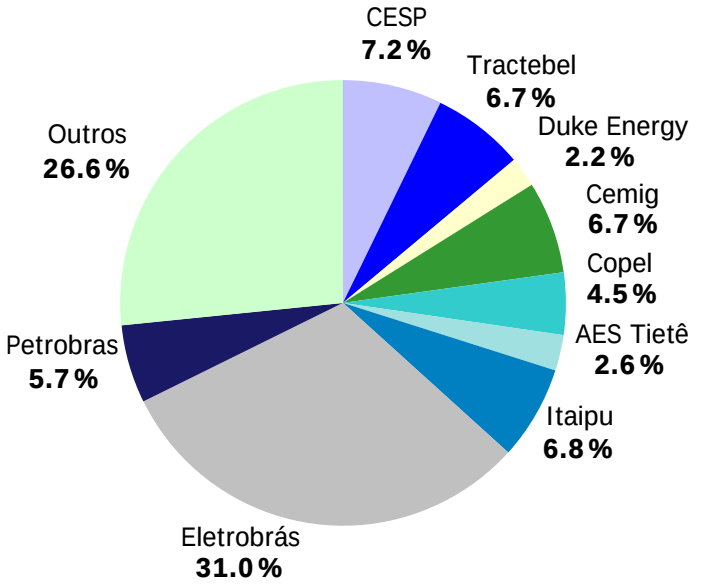
Leading position in the generation sector

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

Private Sector – Installed Capacity (GW)



Brazil – Existing Installed Capacity[1,2]



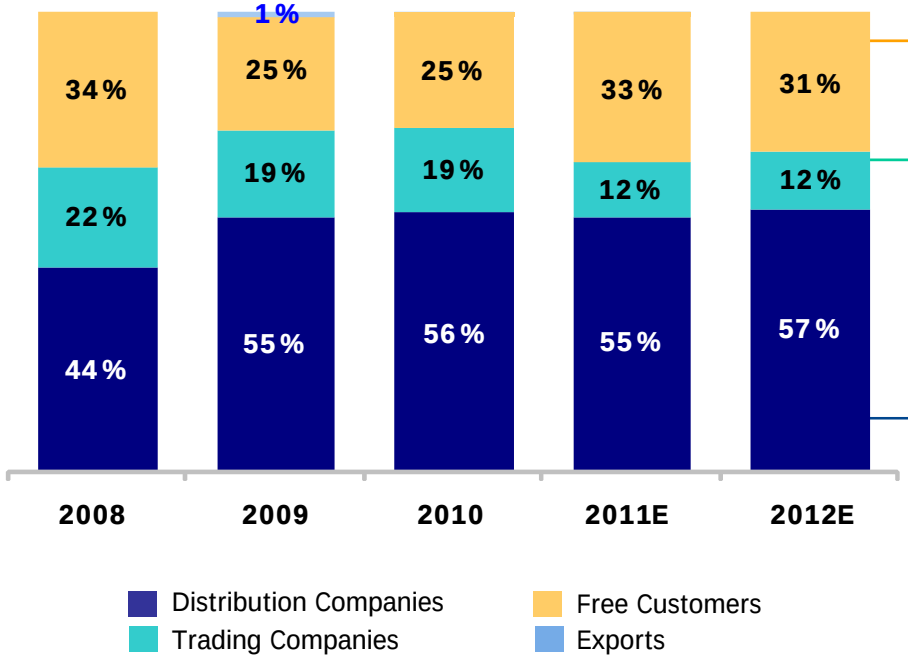
Source: Aneel , Companies' websites and in-house studies.

Notes:
[1] Amount corresponding to SIN – National Interlinked System.
[2] Includes only the Brazilian part of Itaipu.
[3] Installed capacity under construction.
[4] The complete Estreito HPP ramp-up is expected for 2012.

...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...

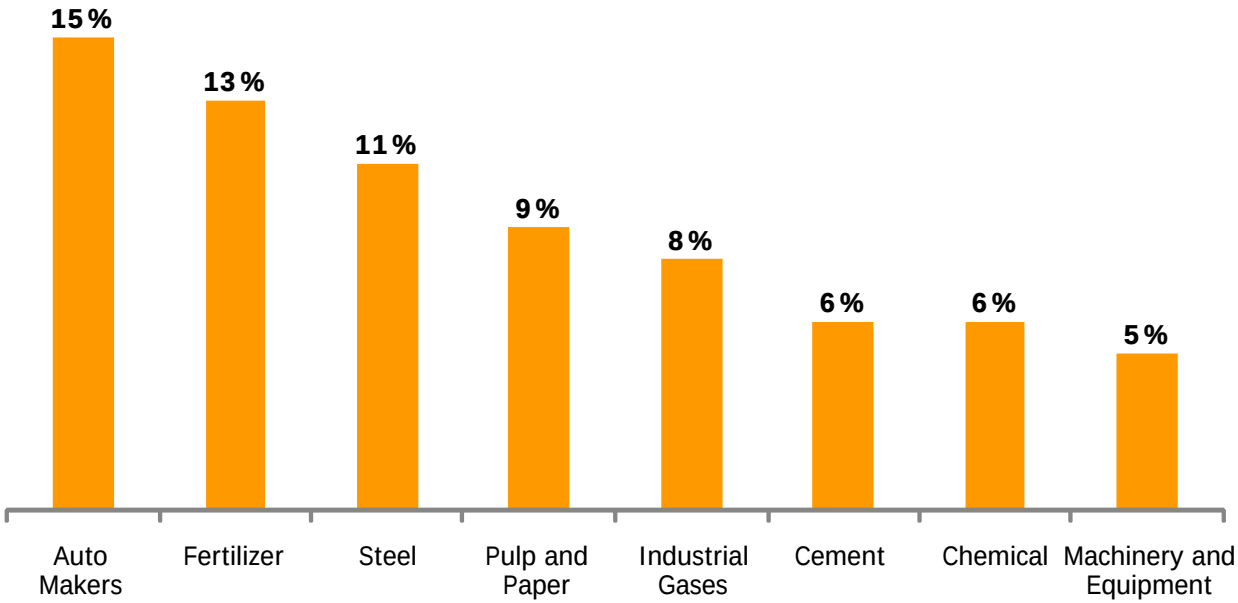
- Flexibility (prices, terms and conditions) → Maximizes portfolio's efficiency
- Solid client relationship → Liaison with some free customers
- Largest consumer market
- Regulated and unregulated contracts → Long-term cash flow predictability

...to maximize portfolio's efficiency.

Diversification also inside of free customers portfolio

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

Free customers total sales volume for 2011:
1,188 average MW



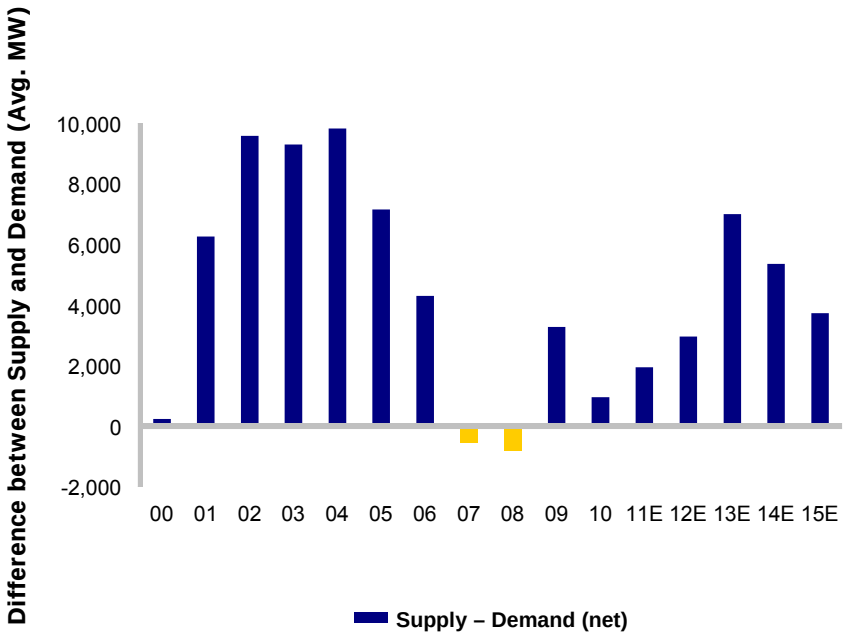
Energy Market in Brazil

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Strong economic growth will increase demand for electric energy

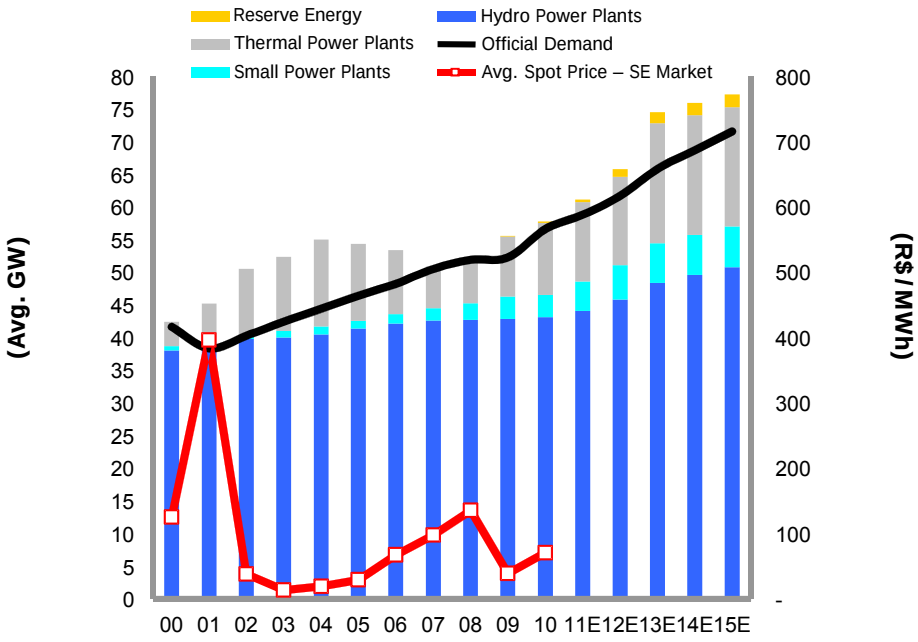
Increased thermal role and adoption of risk aversion procedures may pressure up energy prices in the future.

Energy Market Outlook



Source: Tractebel Energia's internal study based on ONS' Operations Monthly Program of June 2011.

Supply Distribution by Source



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

Sales Strategy

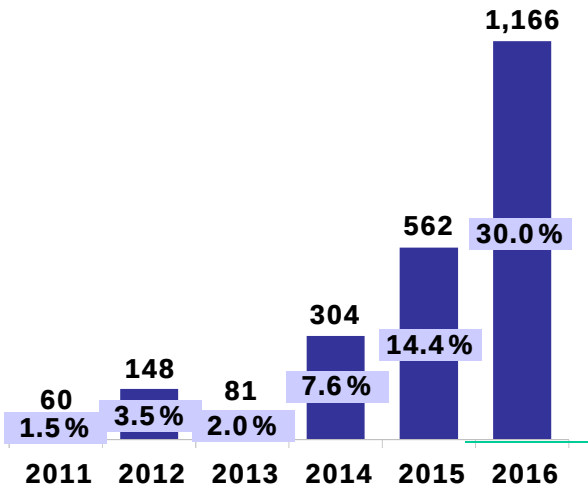
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The energy for delivery in the medium term is almost fully contracted

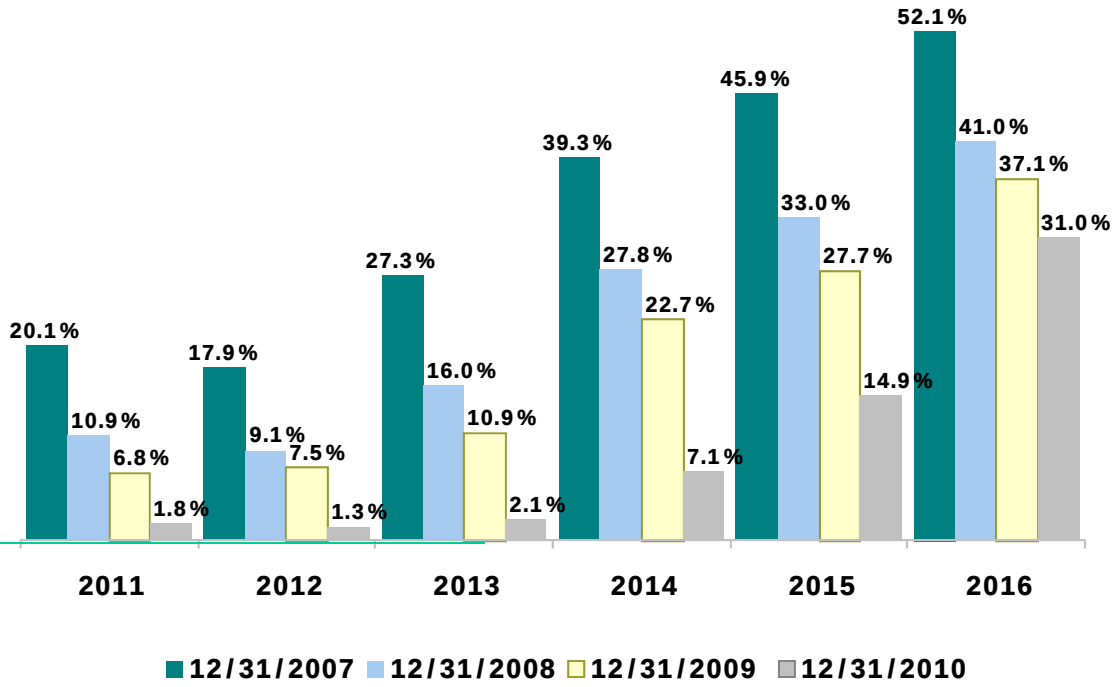
Tractebel's commercial strategy considers, among others aspects, the gradual sale of future availability. As the time goes by, the Company is able to better foresee the market conditions in a given year ahead and, as a result, to finetune the amount of uncontracted energy.

Tractebel Energia's Uncontracted Energy[1]

(average MW)



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



Note:
[1] Percentage of total resources.

Energy balance

As of June 30, 2011

(in average MW)	2011	2012	2013	2014	2015	2016	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted as of June 30, 2011 (R$/MWh)
Own Resources	3,440	3,598	3,683	3,683	3,683	3,683			
+ Purchases for Resale	450	574	390	309	216	206			
= Total Resources (A)	**3,890**	**4,172**	**4,073**	**3,992**	**3,899**	**3,889**			
Government Auction Sales*	1,439	1,695	1,695	1,695	1,685	1,535			
2004-EE-2007-08	10	10	10	10	-	-	70.9	Dec-04	93.7
2005-EE-2008-08	150	150	150	150	150	-	81.6	Apr-05	105.4
2005-EE-2009-08	381	381	381	381	381	381	94.0	Oct-05	118.3
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	144.5
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	158.9
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	165.1
2007-NE-2012-30	-	256	256	256	256	256	126.6	Jun-07	155.5
Proinfa	44	44	44	44	44	44	147.8	Jun-04	217.3
1st Reserve Energy Auction	13	13	13	13	13	13	158.1	Aug-08	179.9
+ Bilateral Sales	2,391	2,329	2,297	1,993	1,652	1,188			
= Total Sales (B)	**3,830**	**4,024**	**3,992**	**3,688**	**3,337**	**2,723**			
Balance (A - B)	**60**	**148**	**81**	**304**	**562**	**1,166**			
Sales Average Price (R$/MWh) **(Net)***[1]:	123.0	128.3	128.4						
Purchases Average Price (R$/MWh) **(Net)***[2]:	121.0	116.7	118.9						

* 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 06/30/11.

*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 06/30/11.

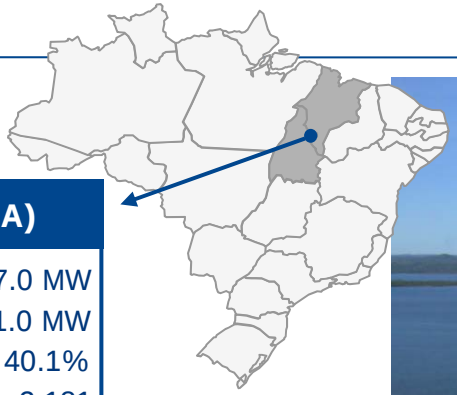
Note:
The balance refers to the settlement point. It considers the energy generated by Estreito HPP, which started its operations in 2Q11.
The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.

Growth

Hydro project under construction: Estreito

Unit 1 entered into commercial operation on April 29th and Unit 2 on July 2nd.

Project Description



Estreito HPP (TO/MA)	
Installed Capacity:	1,087.0 MW
Commercial Capacity:	641.0 MW
Ownership:	40.1%
Total investment (R$ mm):	2,181
Start of construction:	2007
Start of operations:	2011



The commercial capacity associated to that share, 256 aMW, was sold at the new energy auction held in October 2007, for a 30-year period, as from 2012, at R$ 155.5/MWh as of June 30, 2011. The incremental output (from COD) is factored in Tractebel's energy balance.

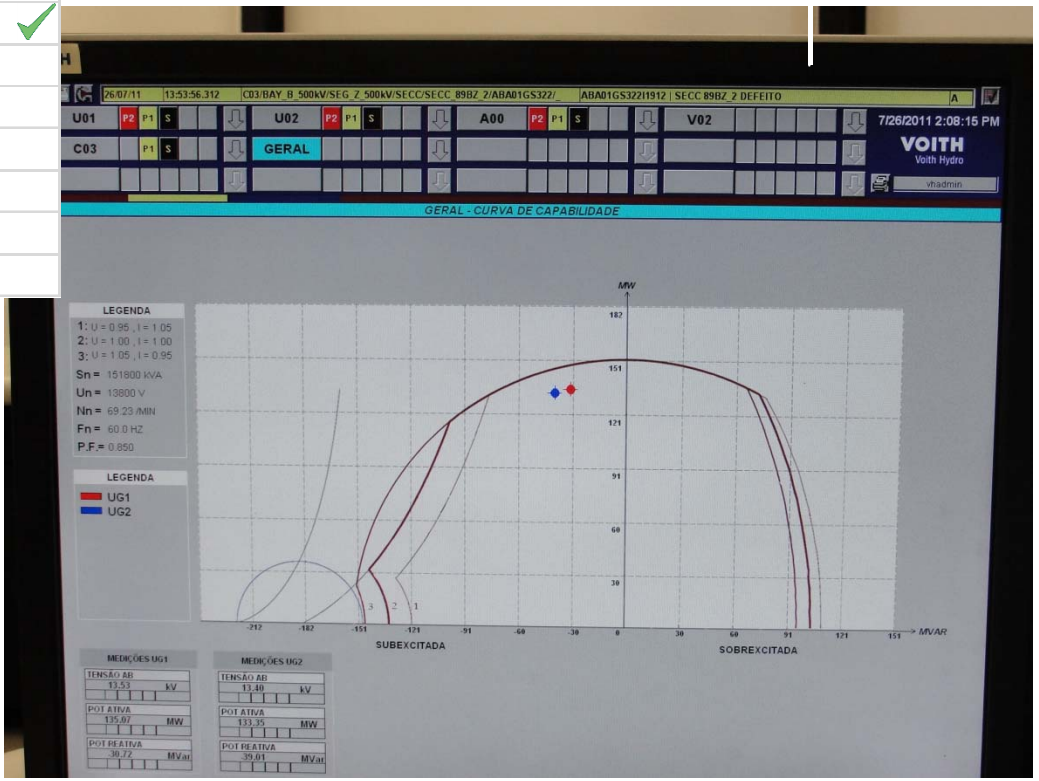
Hydro project under construction: Estreito

Estreito Ramp-up and Commercial Capacity (aMW)

Tractebel Energia Stake

Unity	Assured Energy	Tractebel's Share of the Assured Energy
Turbine 1	52.01	52.01 ✓
Turbine 2	51.69	103.71 ✓
Turbine 3	50.80	154.51
Turbine 4	38.38	192.88
Turbine 5	25.99	218.87
Turbine 6	18.50	237.37
Turbine 7	12.51	249.88
Turbine 8	7.00	256.88

Estreito HPP Operation - Turbine 1 and 2



Hydro project under construction: Jirau

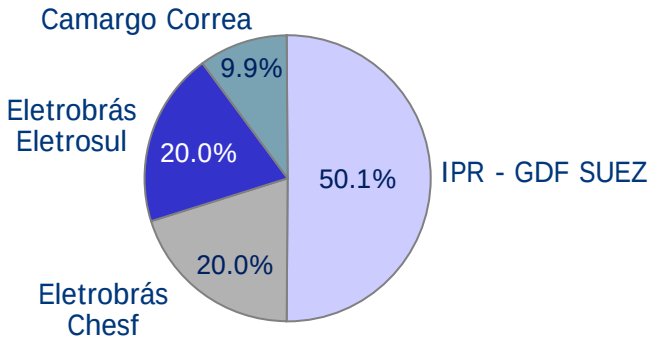
Technical Data

Location:	Madeira River
Capacity:	3,450 MW
	+ 300 MW (under investment analysis)
Commercial capacity (avg):	1,975 MW (44 turbines[1])
Bulb turbines:	46 + 4 (under analysis)

Note:

[1] Additional Assured Energy under analysis

The company: ESBR



Relevant Facts

Construction resumed to normal levels:

- 15,000 workers back to the site
- River deviation scheduled for 2H11

BNDES current financing:

- R$ 7.2 billion
- 25-year term (20-year amortization)
- Average financing costs: TJLP + 2.35%
- Additional financing under discussion

Hydro project under construction: Jirau

Energy Commercialization

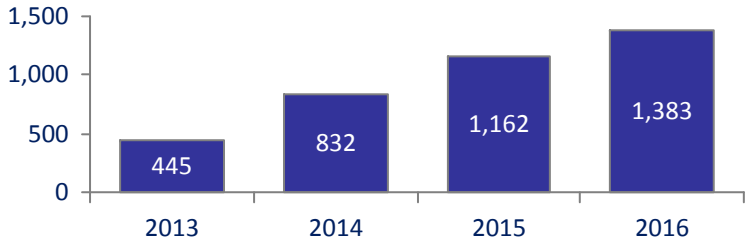
30-Year Power Purchase Agreement (PPA)

- ✓ PPA price (indexed to IPCA): R$ 71.4/MWh (as of May/08) equivalent to R$ 84.3/MWh (as of Jun/11)
- ✓ 30-year PPA for 70% of the energy, from 2013 onwards
- ✓ After 2016 the energy amount under the PPA is flat until 2042

New Energy Auction

- ✓ Energy auction scheduled for August 17th
- ✓ Jirau expansion (6 units) is qualified for the auction
- ✓ Cap price of R$ 102/MWh
- ✓ 30-year PPA

Average MW contracted* - 100% of the Plant



* Corresponds to the stake sold to the regulated market, equivalent to 70% of commercial capacity

Other

- ✓ Transmission line environmental installation license issued in June 2011
  - o Construction underway

Hydro project under construction: Jirau – July 2011









Wind projects under construction: Porto do Delta Wind Farm and Trairi Wind Complex

On May 11th, Tractebel announced the notice to proceed to begin the construction of five wind farms, representing an increase of 145.4 MW of non-conventional renewable energy to Tractebel generating complex.

Project Description





Porto do Delta WF – PI

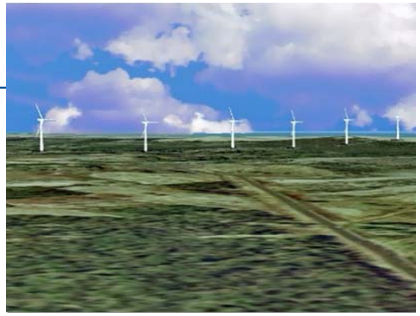
Installed Capacity:	30.0 MW
Commercial Capacity:	16.5 MW
Investment (R$mm)[2]:	136
Start of construction:	2011
Start of operation:	2012

Picture of Pedra do Sal Wind Farm, just off Porto do Delta.

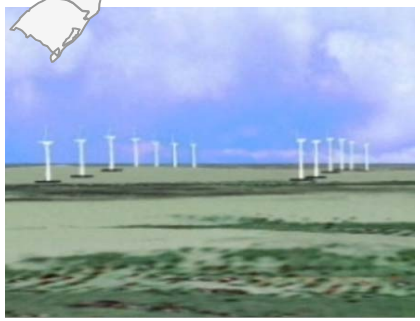
Trairi WC – CE

Installed Capacity:	115.4 MW
Commercial Capacity:	58.2 MW
Investment (R$mm)[2]:	490
Start of construction:	2011
Start of operation:	2012

3D images from the projects.



Trairi Wind Farm



Fleixeiras I Wind Farm



Guajirú Wind Farm



Mundaú Wind Farm

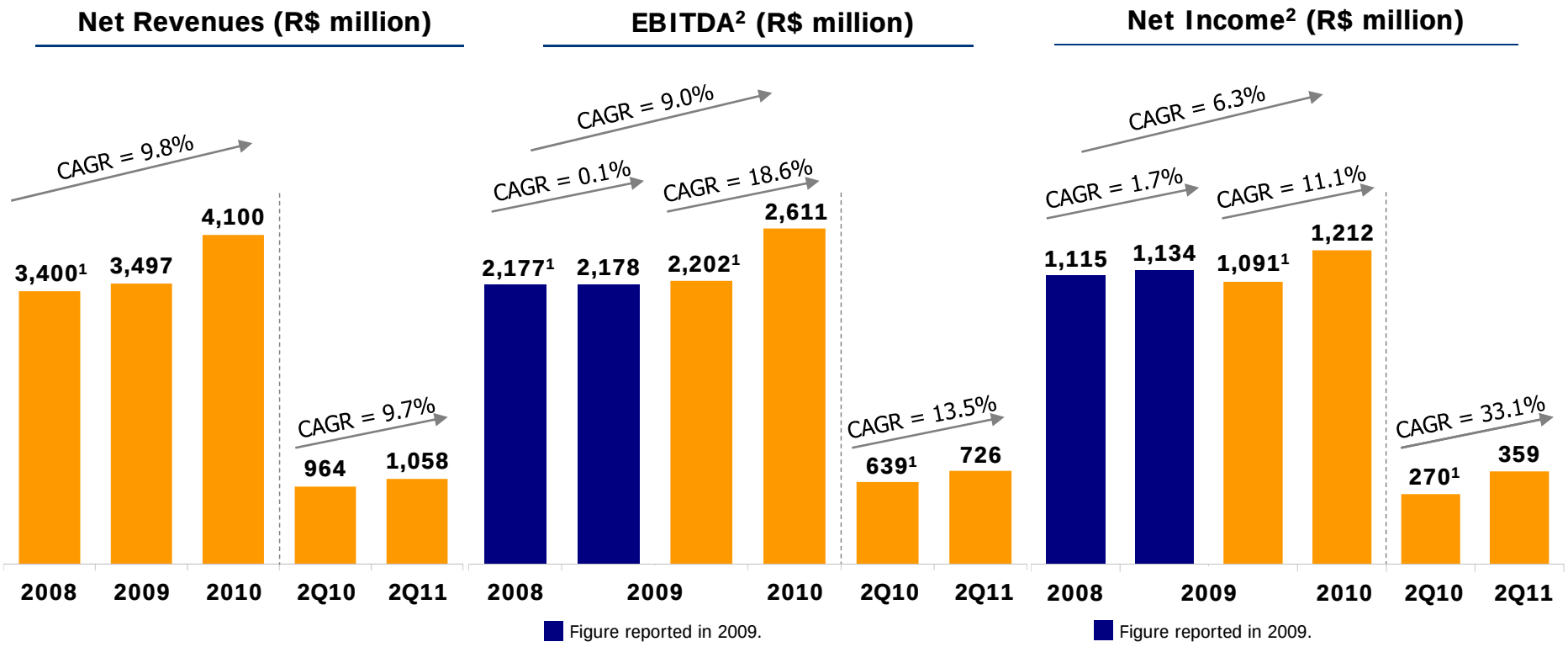
Output from the wind farms will be totally sold to the free market.

Note:
[1] Estimated value (awaiting MME definition).
[2] Approximate value.

Financial Performance

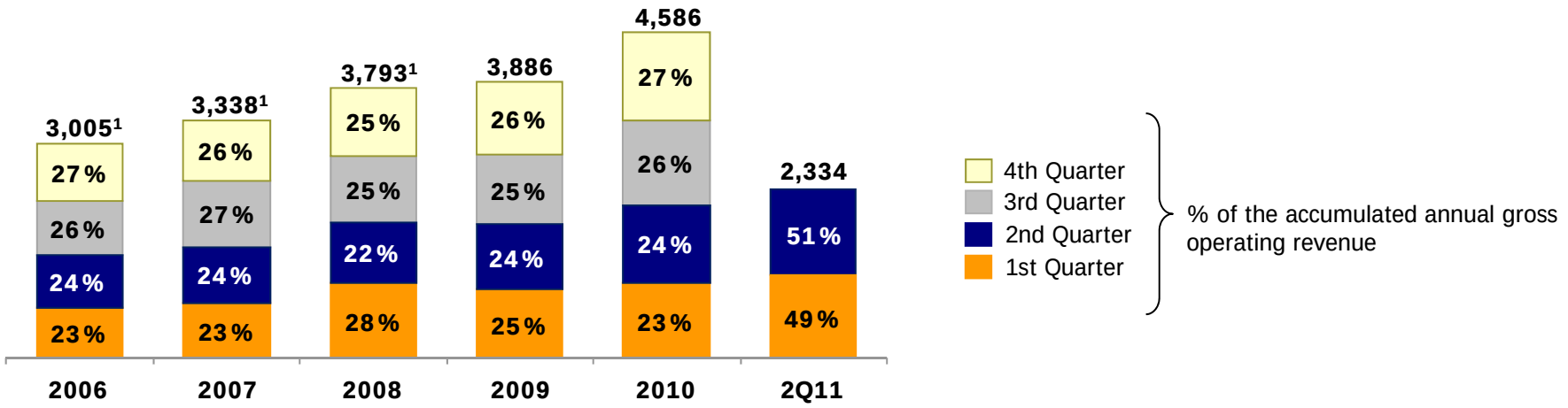
Consistent and constant growth of the financial performance

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 over the years. Consistent net income has supported the Company's investment plan.

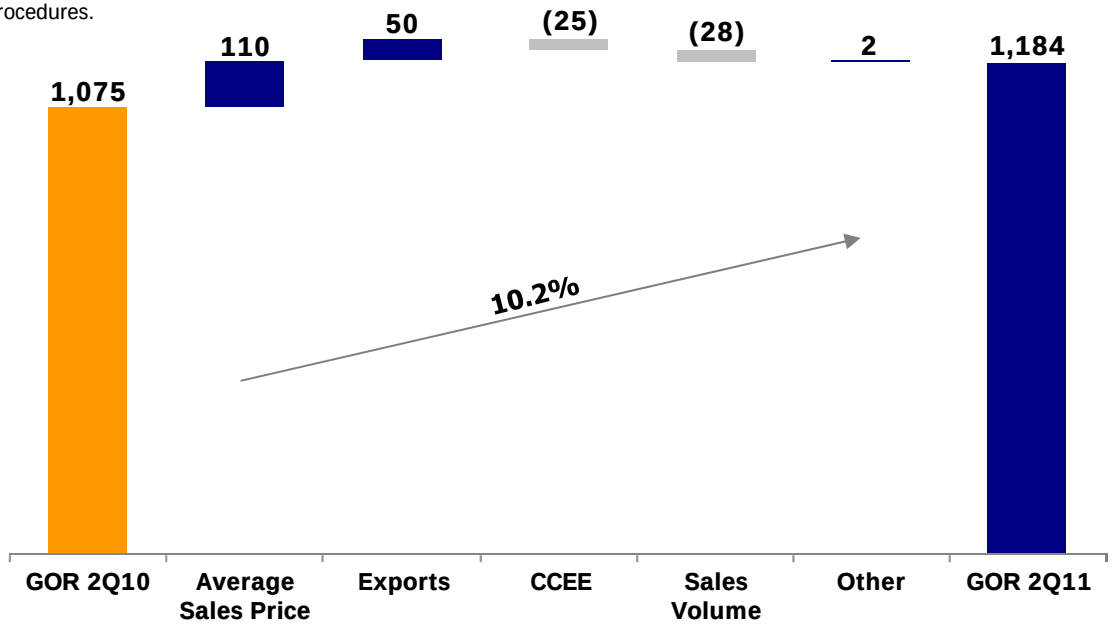


Notes:
[1] Considers new accounting procedures.
[2] The figure for 2009 which was reported on that year has been changed based on new accounting procedures and international accounting practices according to IFRS.

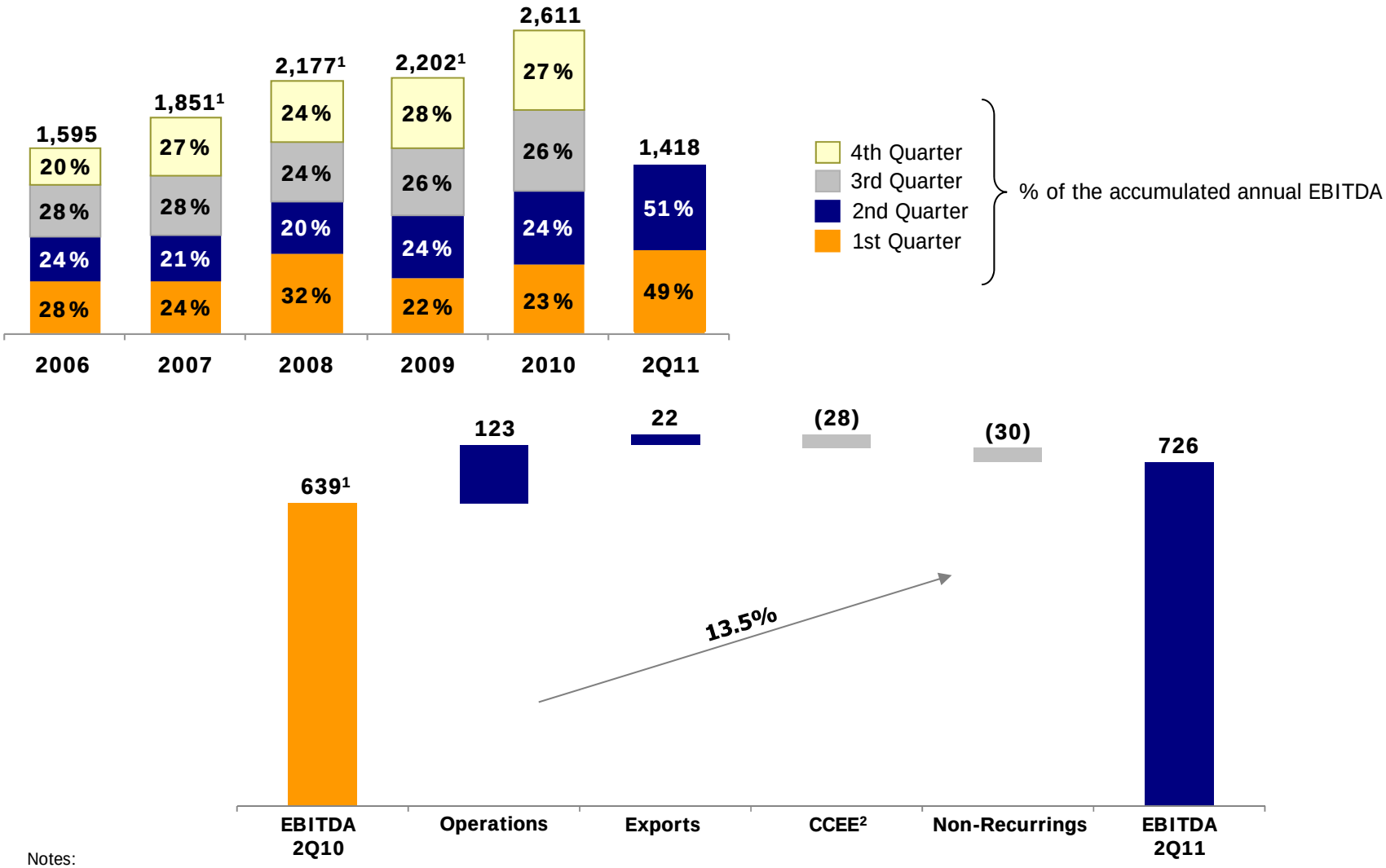
Gross operating revenues change (R$ million)



Note:
[1] Considers new accounting procedures.

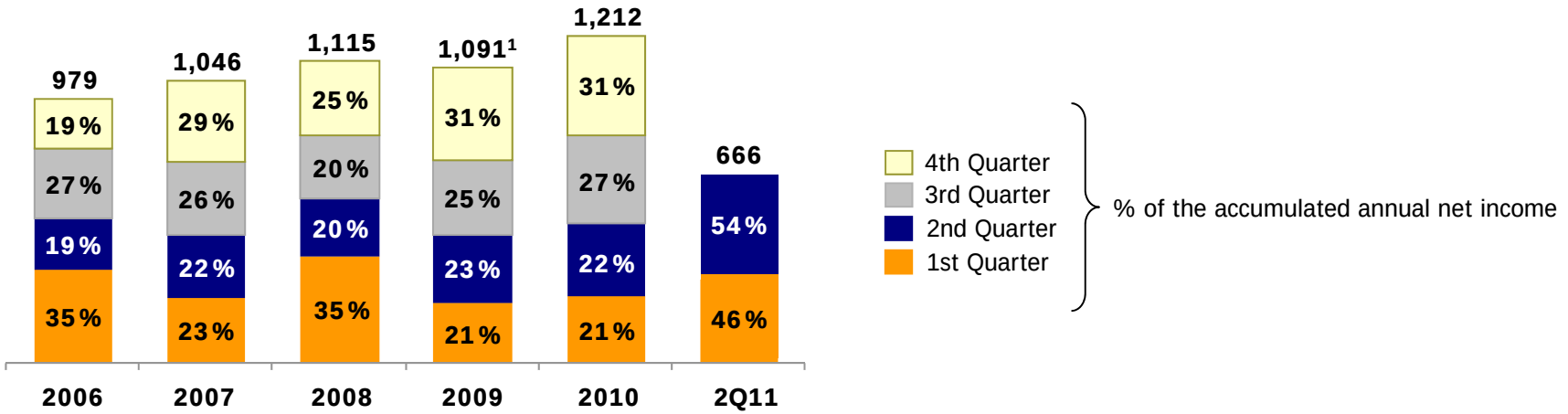


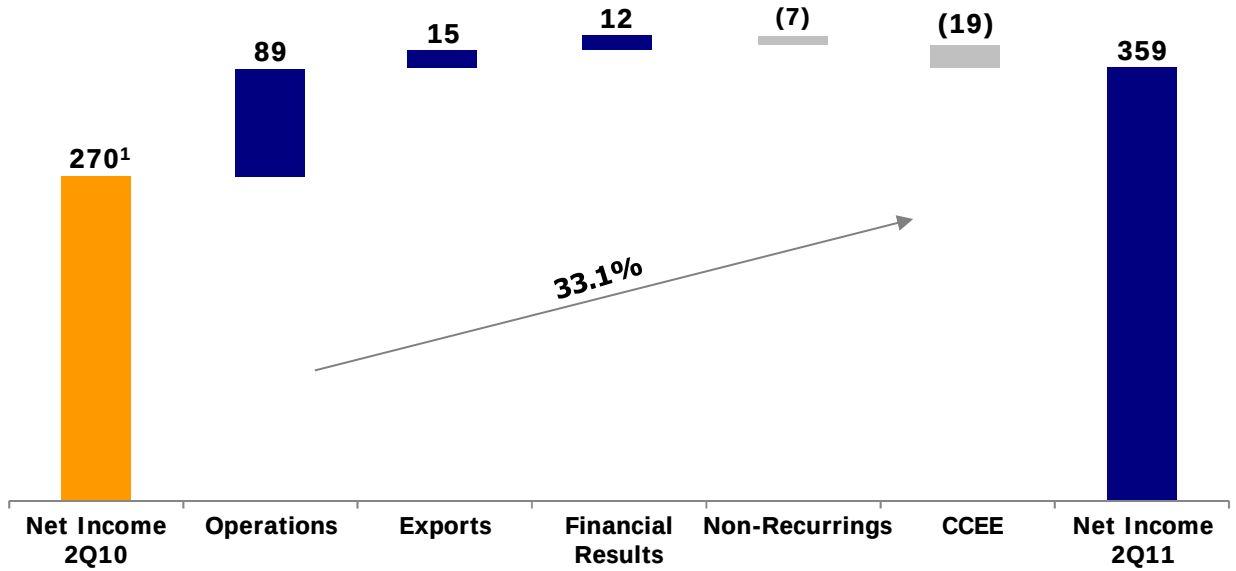
EBITDA change (R$ million)



Notes:
[1] Considers new accounting procedures.
[2] Considers the combined effect of changes in revenue and expenses.

Net income change (R$ million)



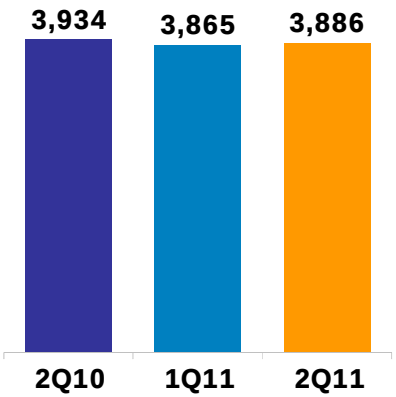


Notes:
[1] Considers new accounting procedures.

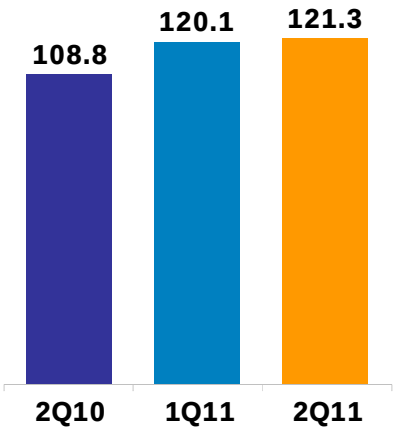
Quarterly financial drivers

Quarterly performance could be affected by allocation strategy of assured energy.

Energy Sold (avg. MW)

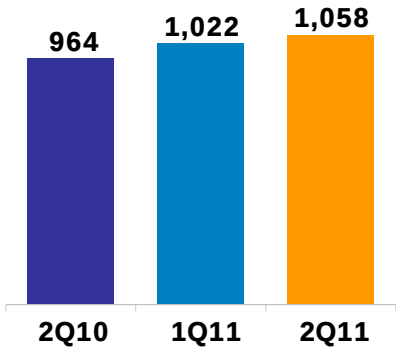


Average Price of Energy Sold (R$/MWh)

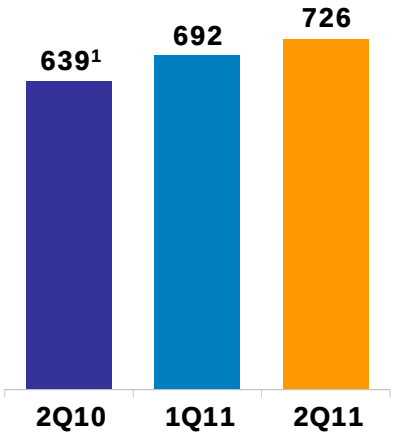


Note: Figures are net of deductions.

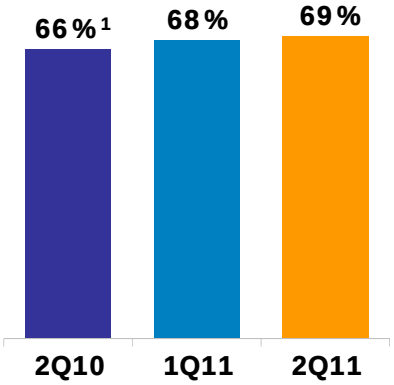
Net Revenues (R$ million)



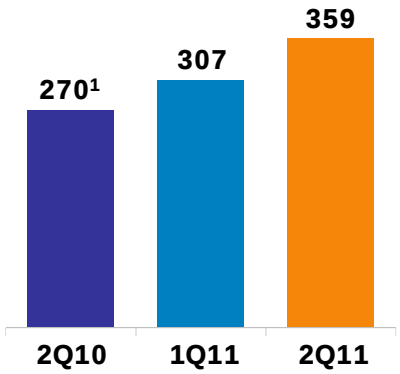
EBITDA (R$ million)



EBITDA Margin



Net Income (R$ million)

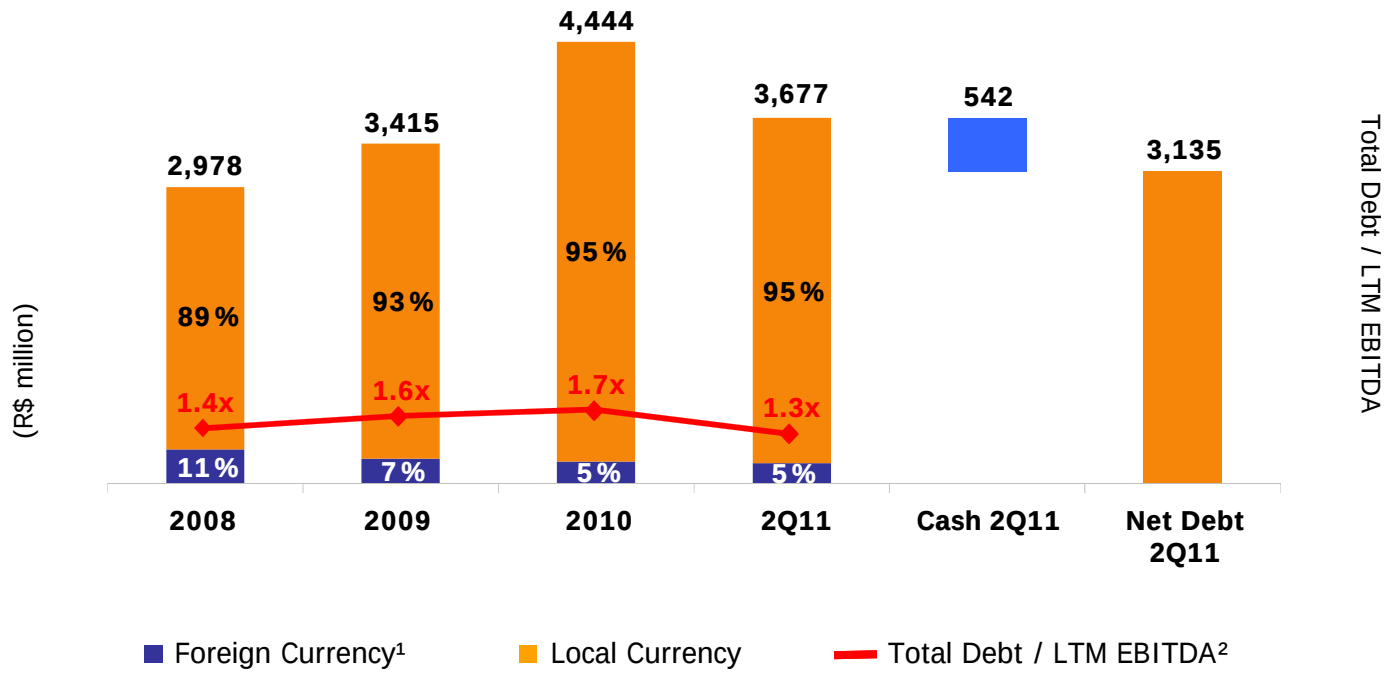


Note:
[1] Considers new accounting procedures.

Limited indebtedness and low exposure to foreign exchange

Low leverage enables Tractebel to benefit from growth opportunities.

Debt Overview (R$ million)

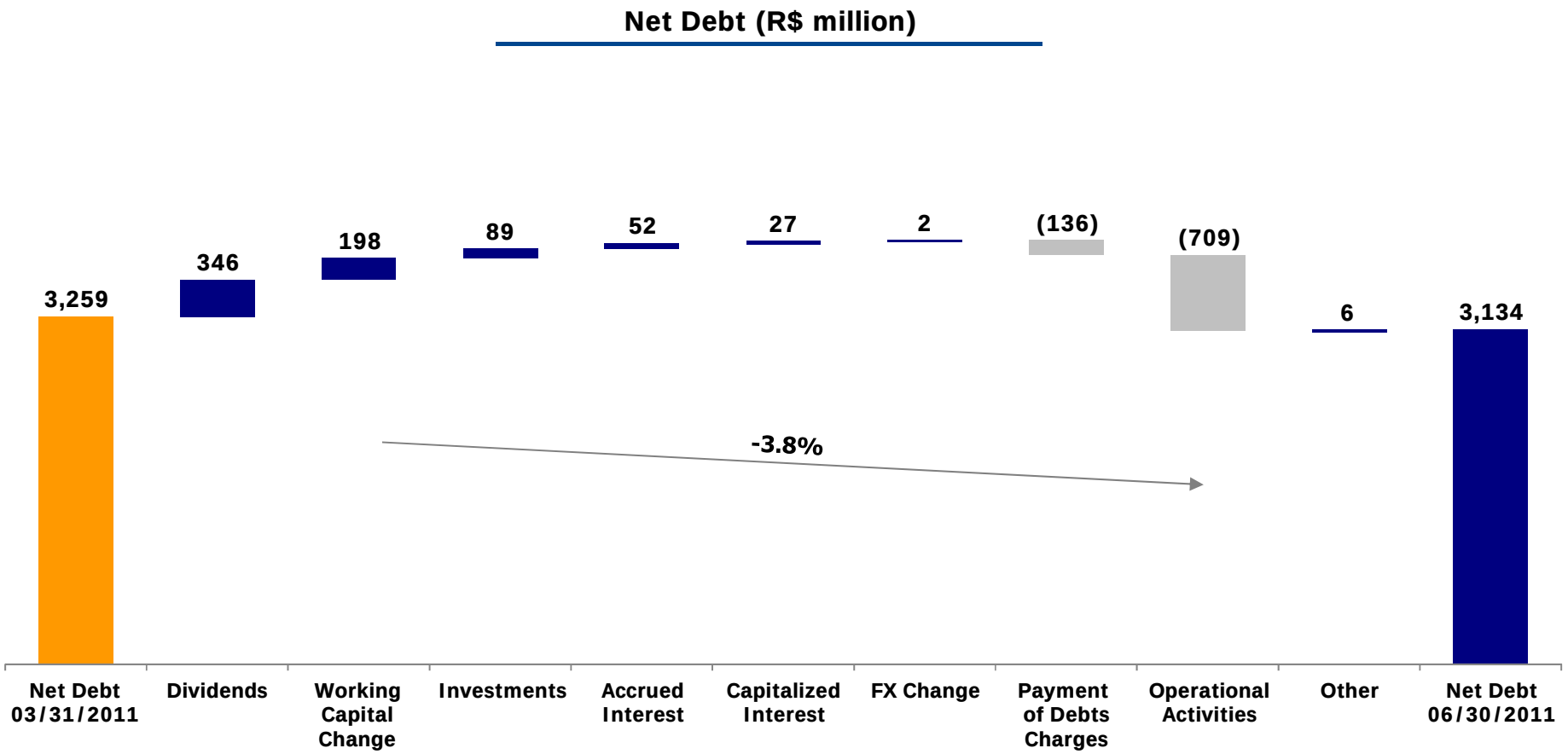


Notes:

¹ Not hedged.

² LTM EBITDA = last-twelve-month EBITDA.

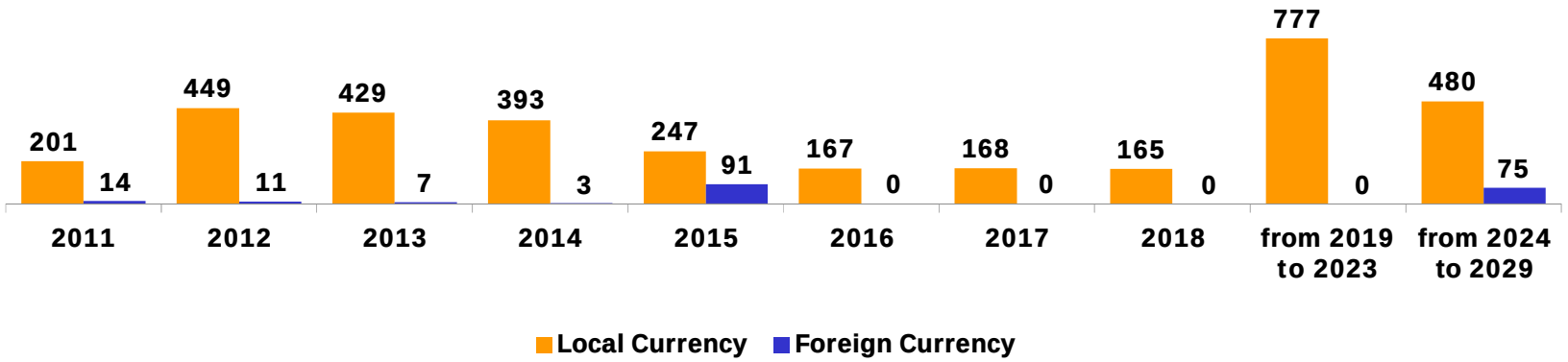
Net debt change



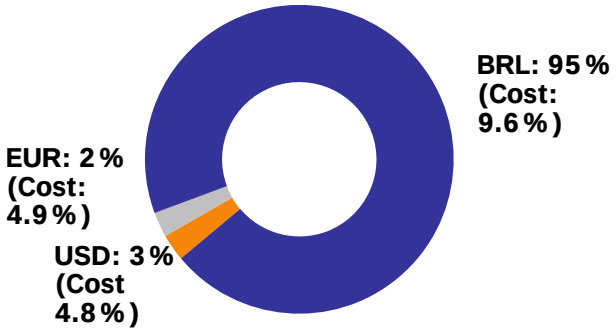
Medium and long-term debt, with low costs and defensive indexes

Debt profile and strong cash generation reduce refinancing risk.

Maturity Term Loans – R$ million



Cost of Debt

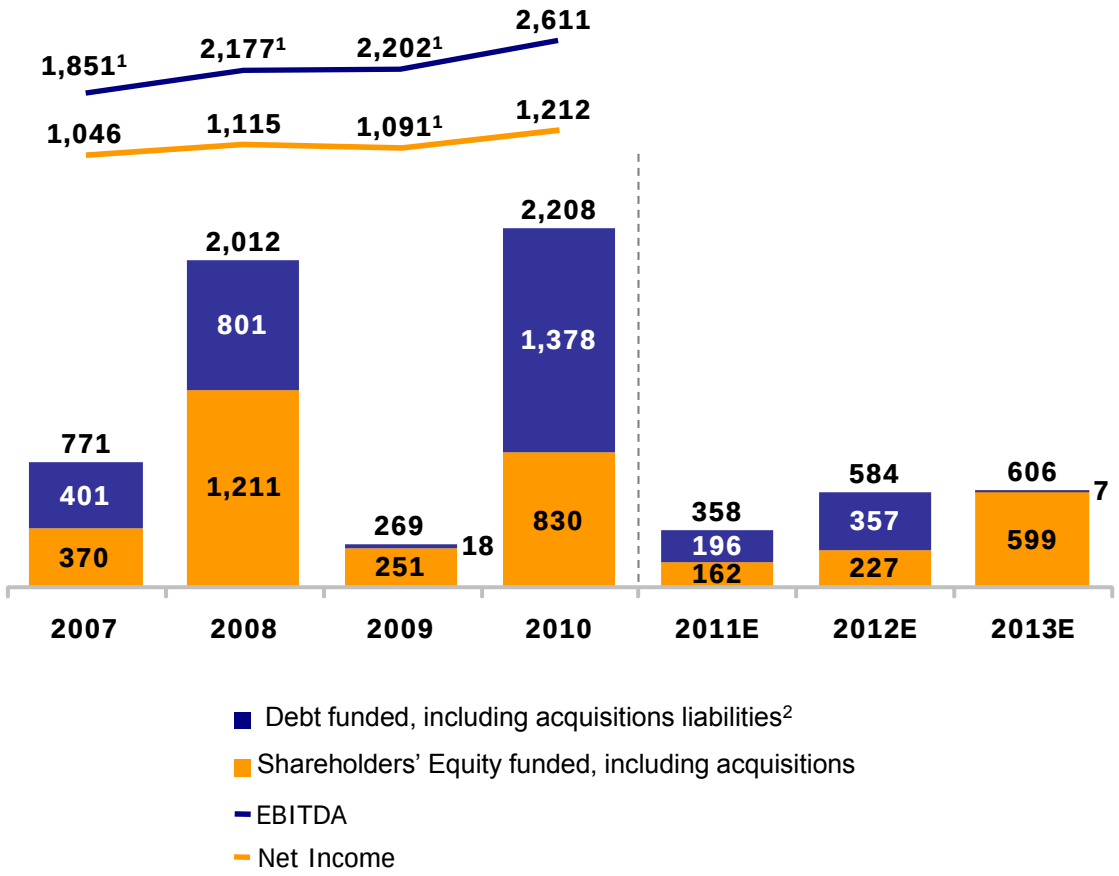


Composition of Debt	
Foreign Currency	
Fixed	50%
Floating	50%
Total	**100 %**

Local Currency	
Fixed	2%
TJLP	73%
CDI	12%
IPCA	13%
Total	**100 %**

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

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

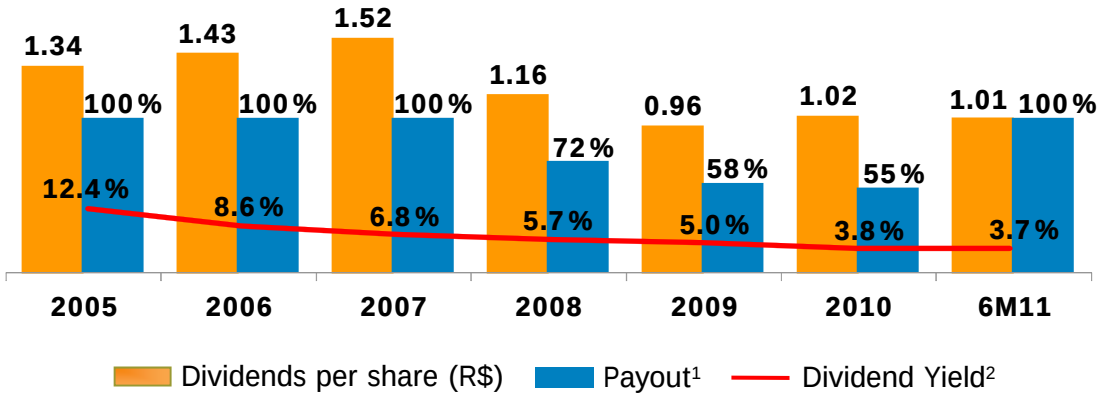


Note:
[1] Considers new accounting procedures.
[2] Does not consider interests incurred during the construction.

Dividend policy

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

Dividends (based on distributable net income)



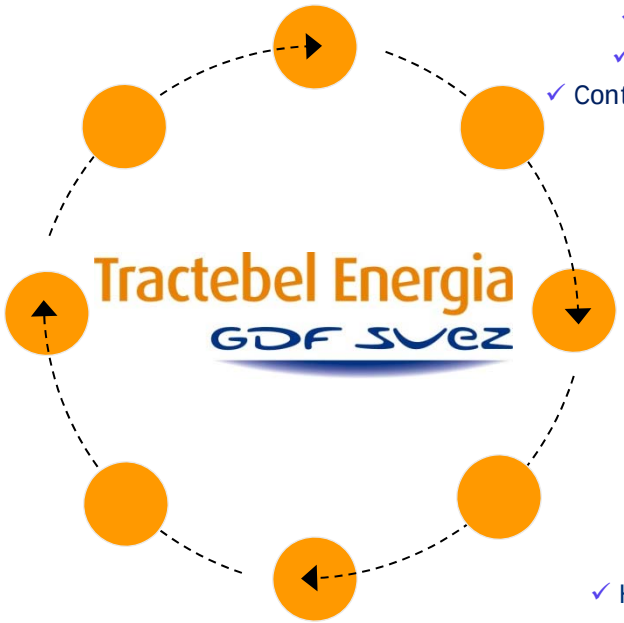
Note:
[1] Considers the annual payable net income.
[2] Based on volume-weighted market price of ON shares in the period.

Competitive advantages

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

PREMIUM RATING
- ✓ "brAA+" and "AA+(bra)" – Debentures rated by S&P and Fitch, respectively
- ✓ Also corporate AA+ and BBB- in foreign currency

INDUSTRY LEADERSHIP
- ✓ Largest private generator
- ✓ Market cap: R$ 18.0 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

Contacts

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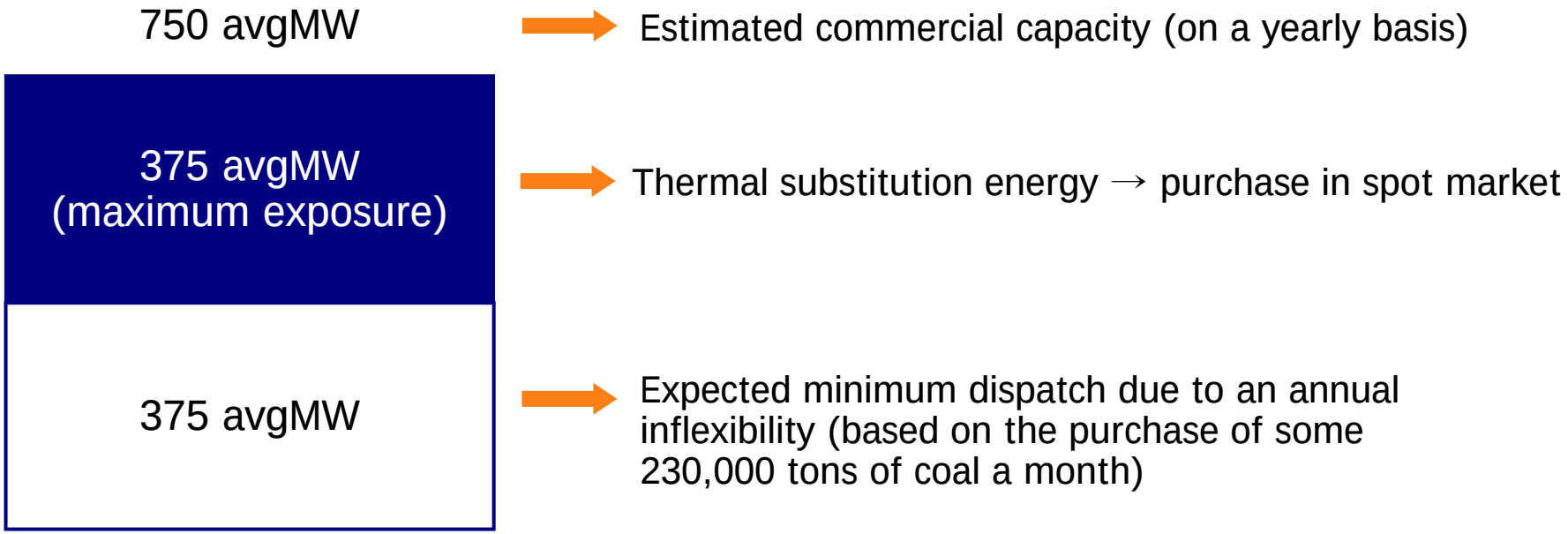
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Attachments

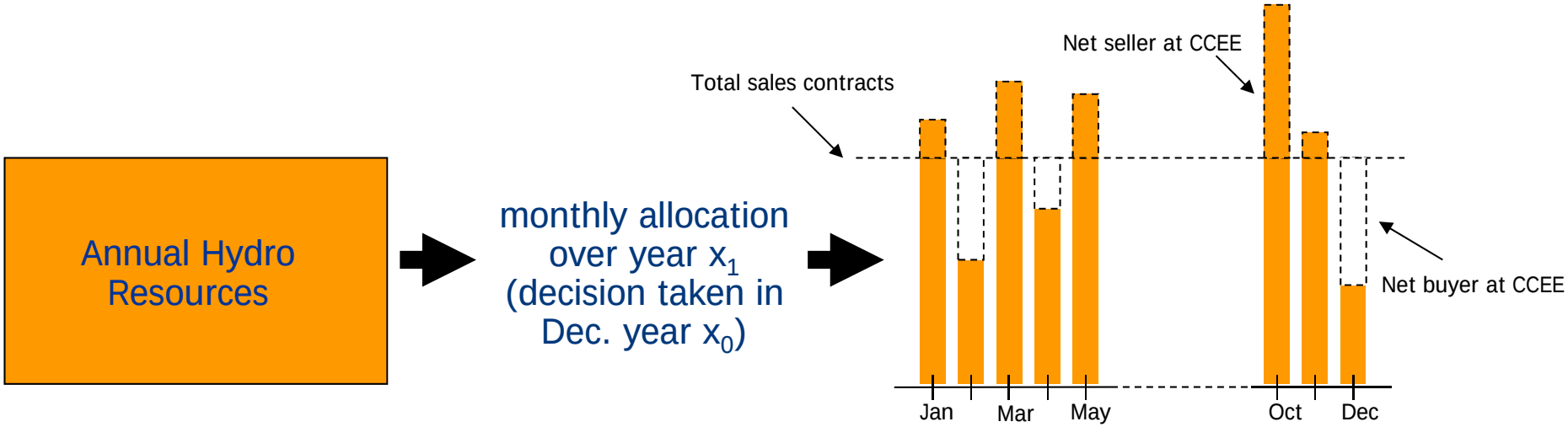
Thermal side: exposure to spot prices



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

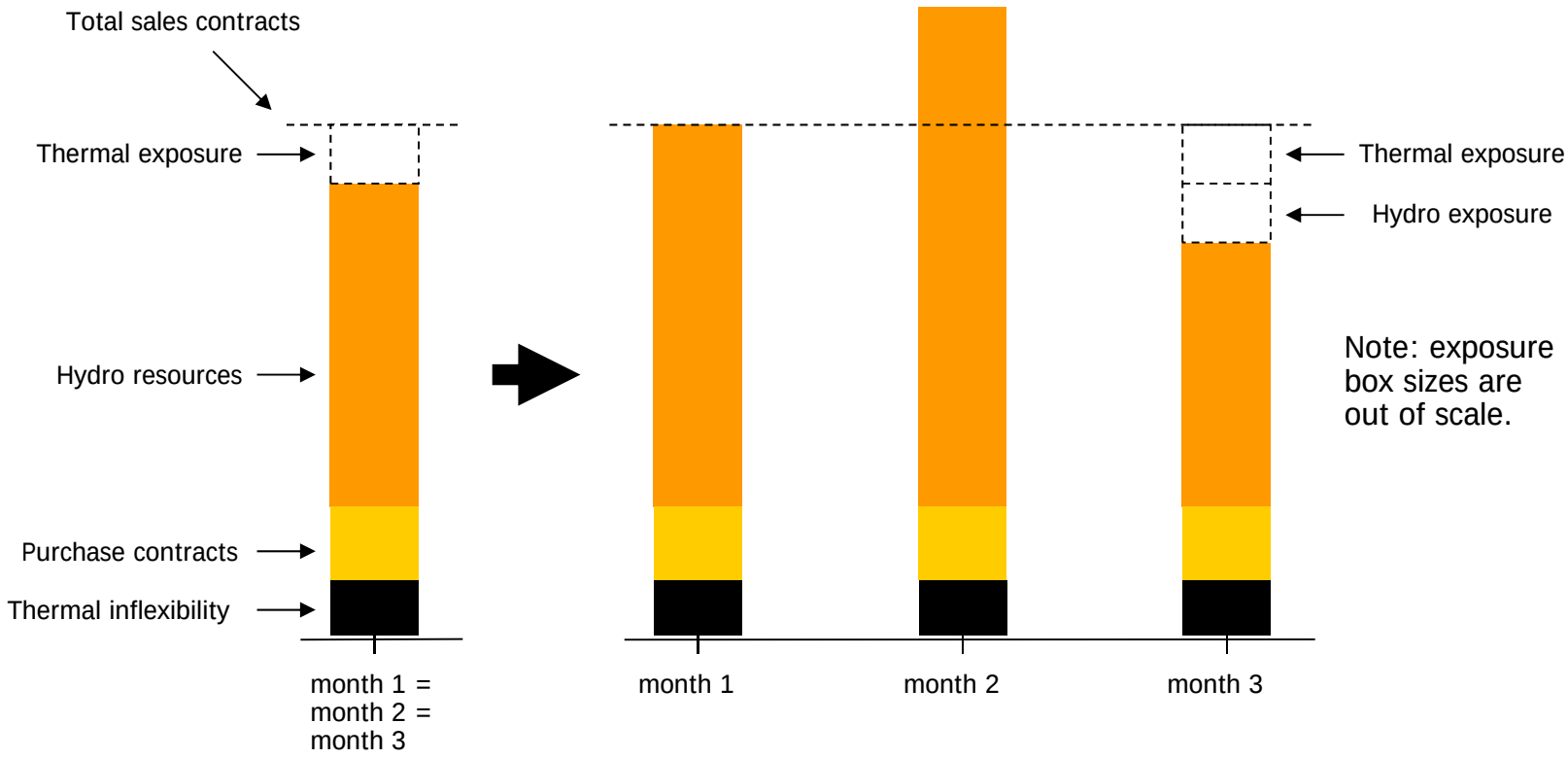
How does the allocation of resources at CCEE (the energy trading board) over the months interfere with a hydro genco quarterly results?



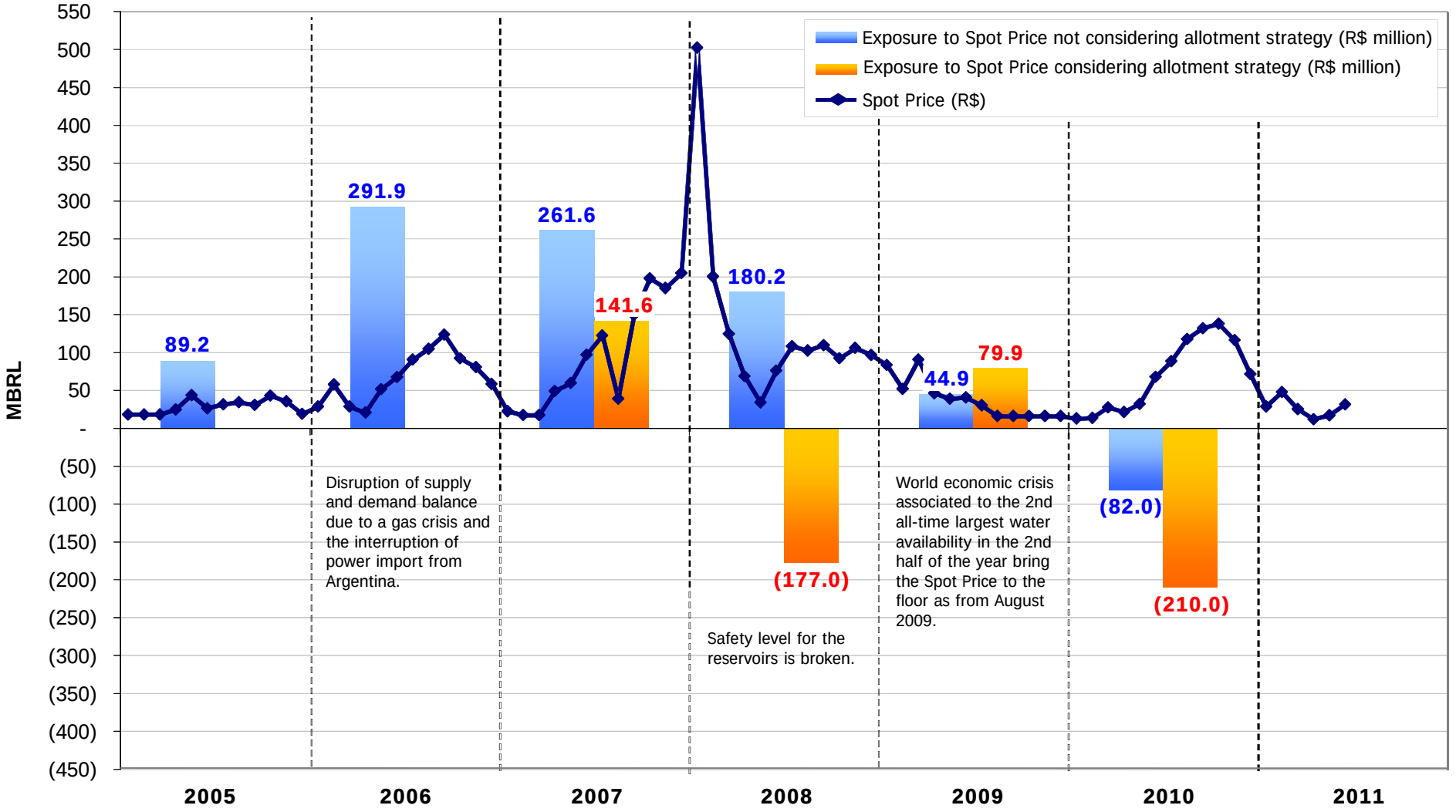
- Hydro gencos can freely allocate their resources over the following year's months;
- Monthly fluctuations on sales is also a driver for exposure to spot price;
- Monthly energy differences are settled at spot price, i.e., PLD (Price for Settlement of Differences);
- As penalties apply for a net buyer,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

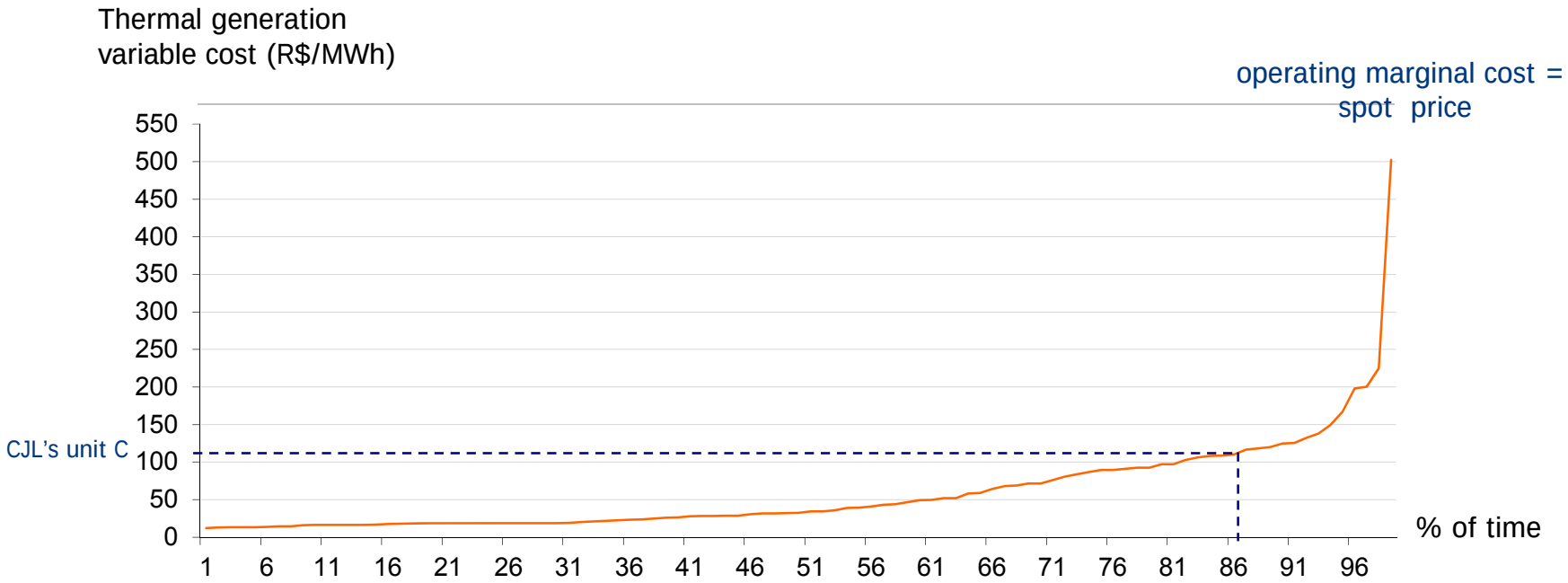


Expenses: impacts of energy allotment (2007 thru 2011)



Main drivers and distribution curve of spot prices

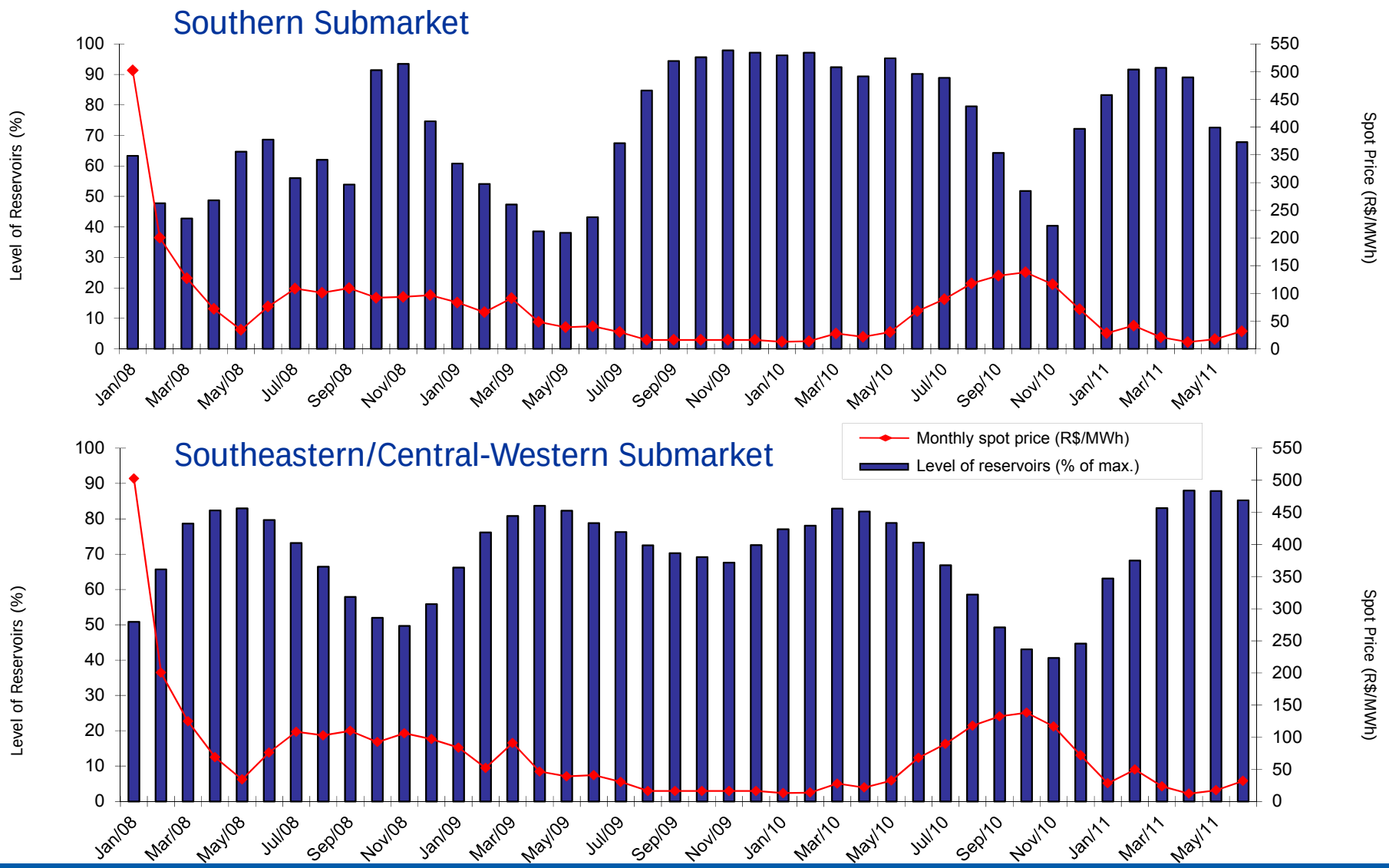
- Reservoir levels of hydro plants;
- Rainfall behavior;
- Forecast of demand for power;
- Current and future availability of power plants and transmission lines;
- Availability of natural gas.



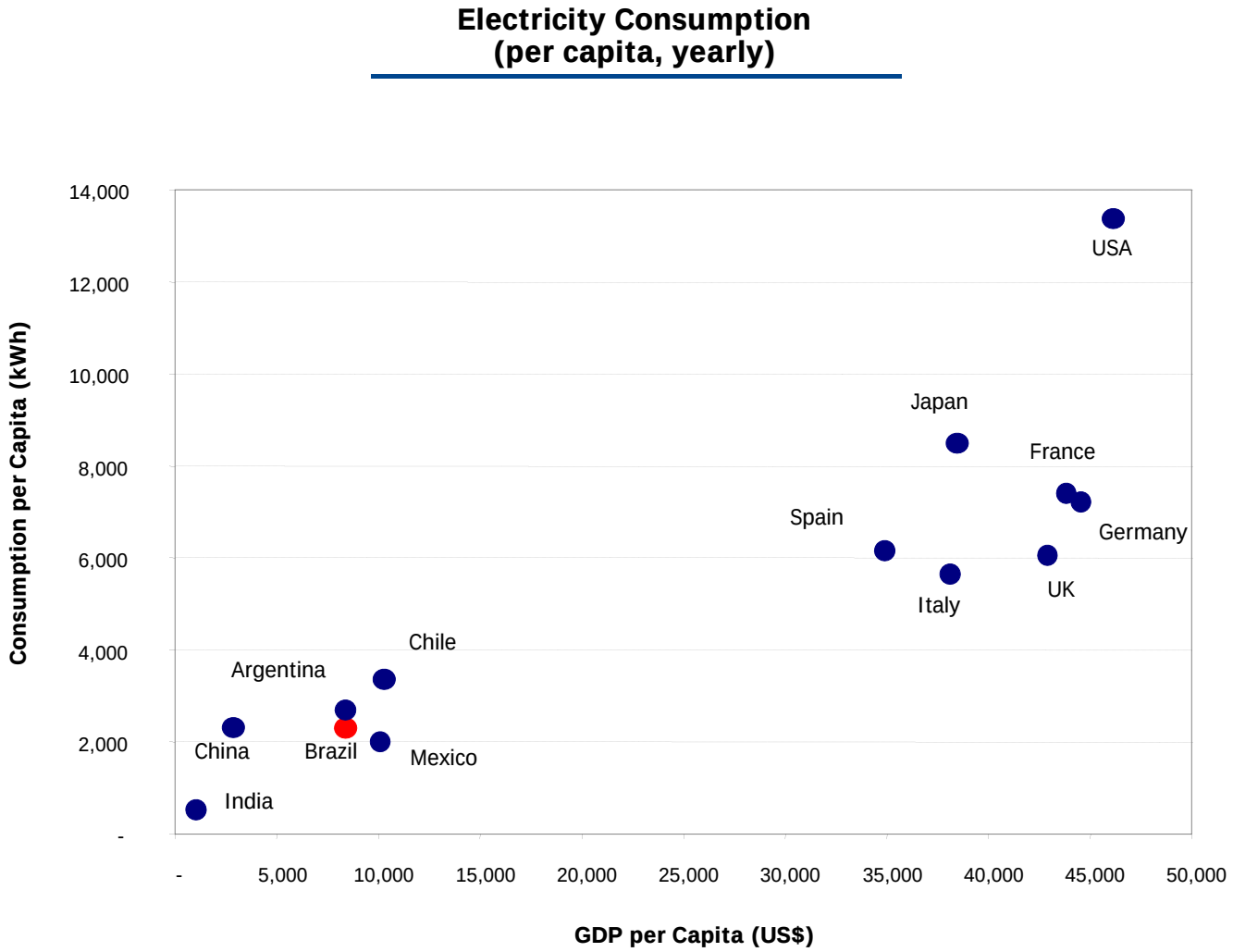
Note: spot market monthly prices for SE-CW submarket from May 2003 to June 2011.

Conclusion: For 62% of the time the spot price is lower than R$50/MWh, and for 87% of the time it is lower than R$110/MWh.

Correlation between reservoir levels and spot prices



Electricity: large growth potential



Source: IEA Energy Statistics, 2009.