Tractebel Energia

GDF SUEZ



Results Presentation

3Q15

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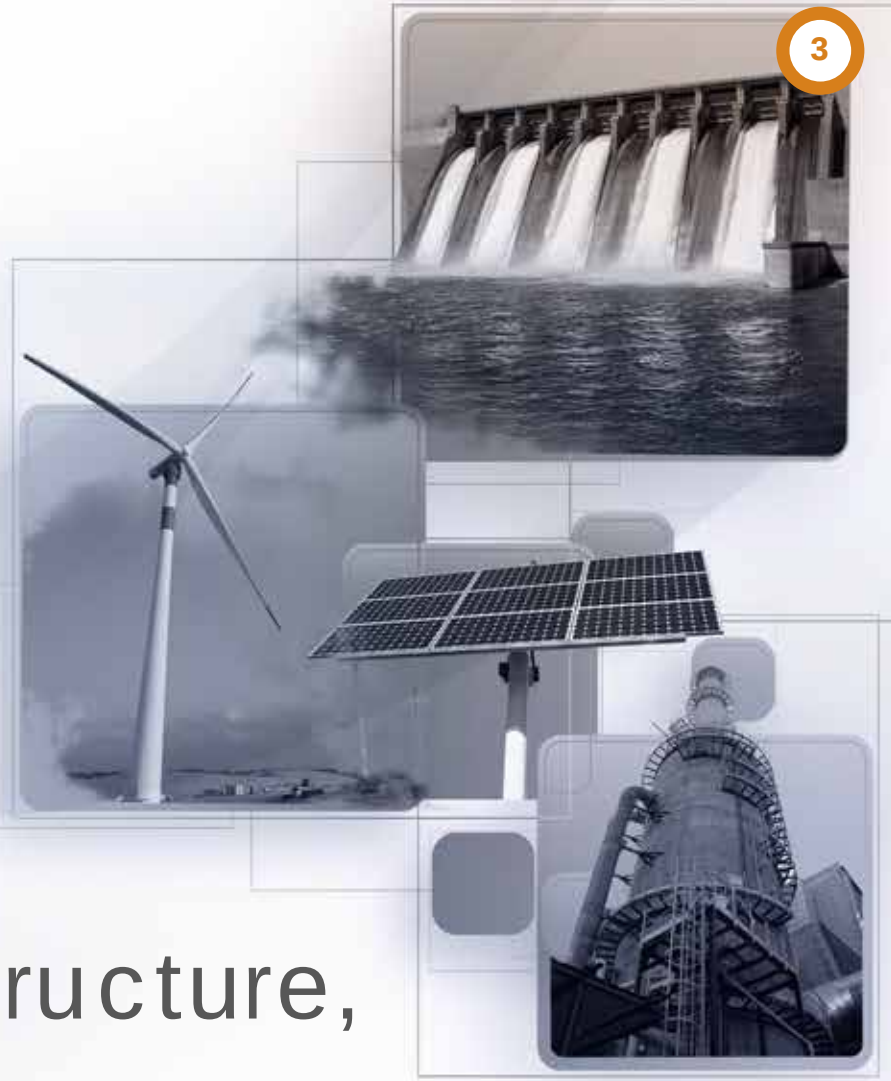
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1.



Highlights, Shareholding Structure, Market Share, Assets and Sales

Main financial and operational indexes:

(in R$ million)	3Q15	3Q14	Chg.	9M15	9M14	Chg.
Net Revenue from Sales (NRS)	1,640.0	1,736.6	-5.6%	4,802.8	4,744.4	1.2%
Results from Operations (EBIT)	618.7	870.3	-28.9%	1,698.7	1,569.2	8.3%
EBITDA (1)	771.7	1,015.4	-24.0%	2,147.6	2,011.0	6.8%
EBITDA / NRS - (%)(1)	47.1	58.5	-11.4 p.p.	44.7	42.4	2.3 p.p.
Net Income	347.6	538.2	-35.4%	901.6	901.2	0.0%
Net Debt (2)	1,682.7	2,580.4	-34.8%	1,682.7	2,580.4	-34.8%
Power Production (avg MW) (3)	5,590	5,580	0.2%	5,279	5,469	-3.5%
Energy Sold (avg MW)	4,016	4,208	-4.6%	4,115	4,196	-1.9%
Average Net Sales Price (R$/MWh) (4)	172.82	151.70	13.9%	170.06	148.16	14.8%
Number of Employees	1,176	1,143	2.9%	1,176	1,143	2.9%

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

Highlights (cont`d)

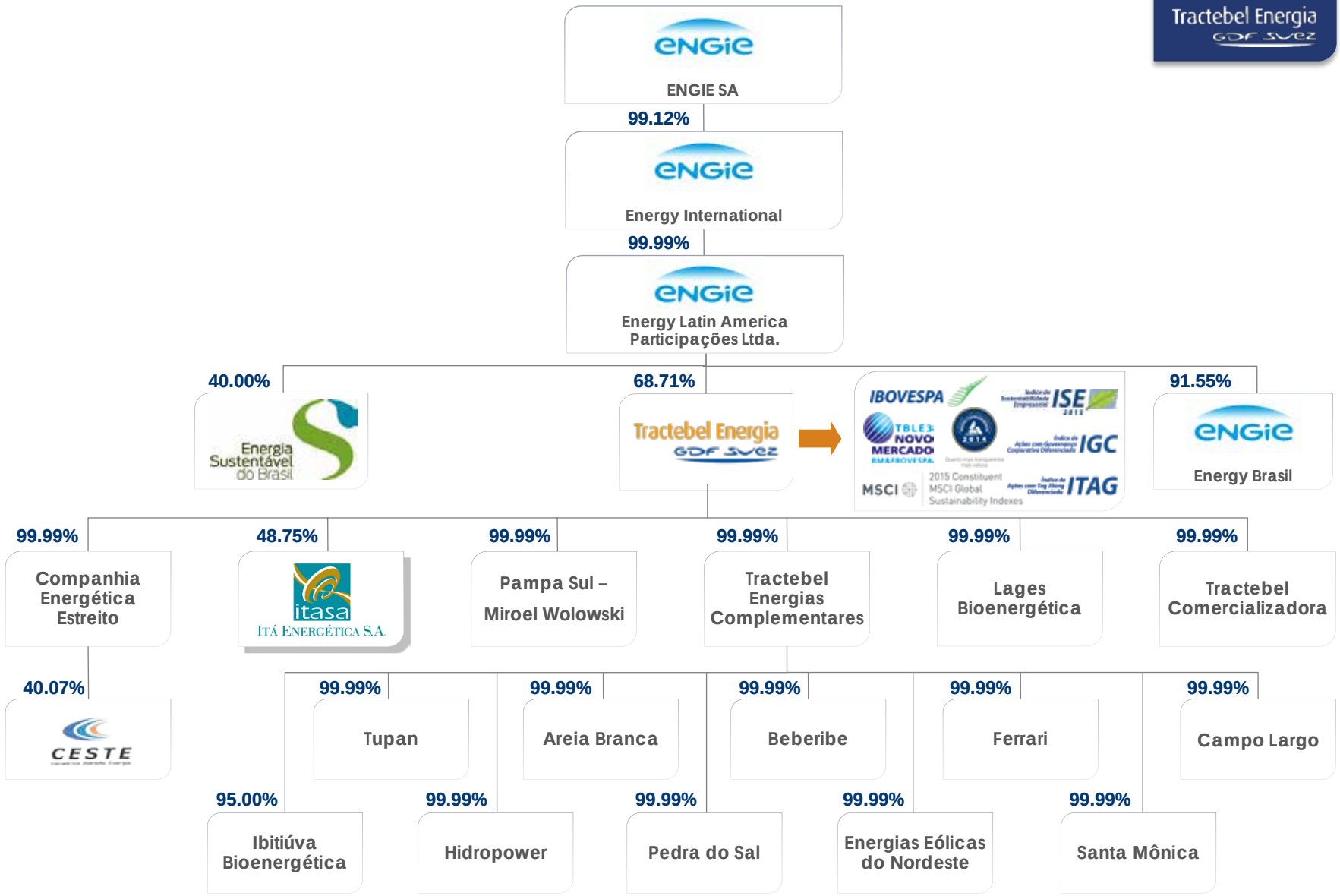
In August, were commercialized in Aneel A-3 Auction 46.0 average MW from wind source at an average total price of R$ 188,45 for a term of 20 years from January, 2018.

In 3Q15, Tractebel Energia posted record generation from the complex powered from complementary sources, these producing a total of 171.7 GWh (230.8 average MW), and a capacity factor of 61.4%.

In September, Tractebel was elected as a highlight of the 19th Transparency Trophy awards, -sponsored by Anefac – Fipecafi – Serasa Experian for the transparency and quality of its financial statements published in 2015.

The Board of Directors approved the credit of R$ 314.0 million (R$ 0.4810 per share) as interest on shareholders' equity for 2015.

Shareholding structure of Tractebel Energia

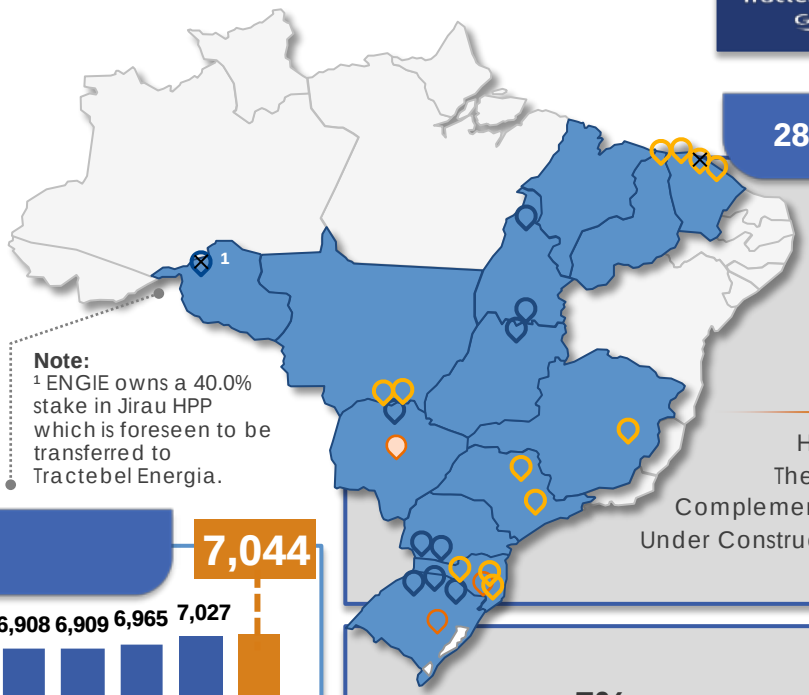


Simplified version

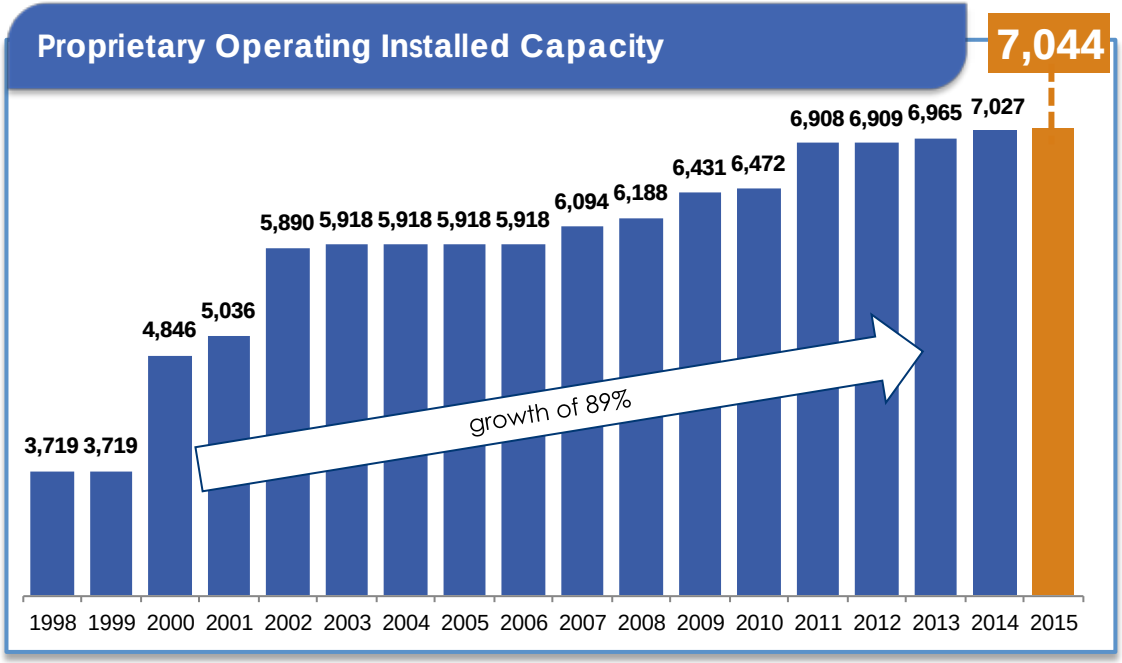
Diversified portfolio of assets, with strategic location

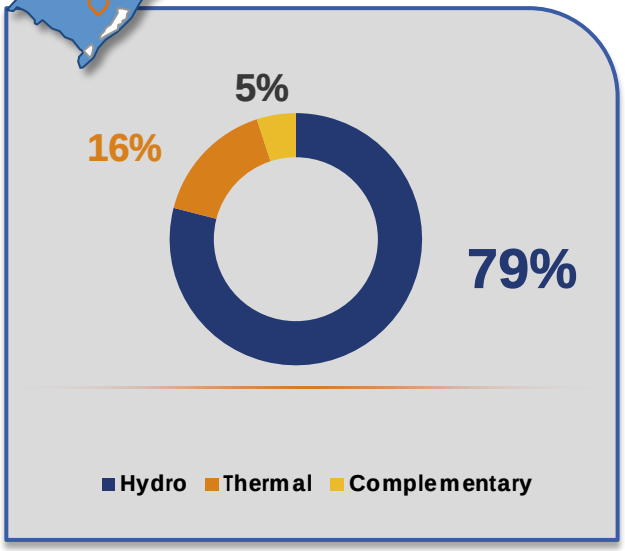
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Own installed capacity of
7,044.3 MW from 28 plants
operated by the Company in a diversified portfolio



Proprietary Operating Installed Capacity

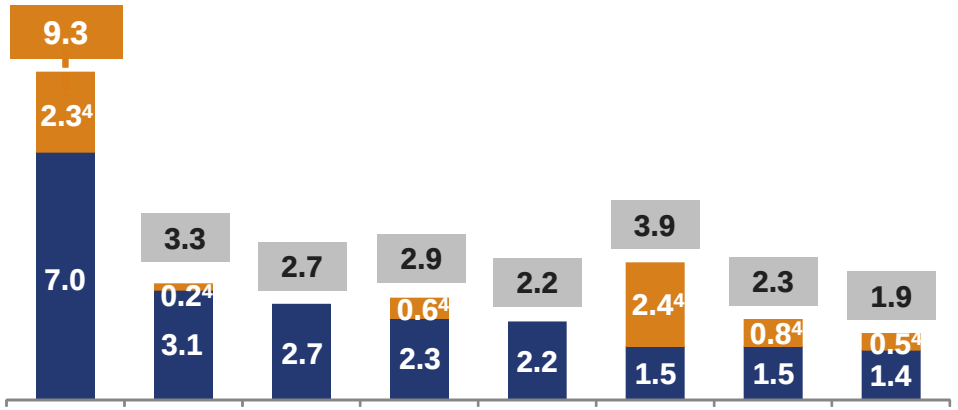




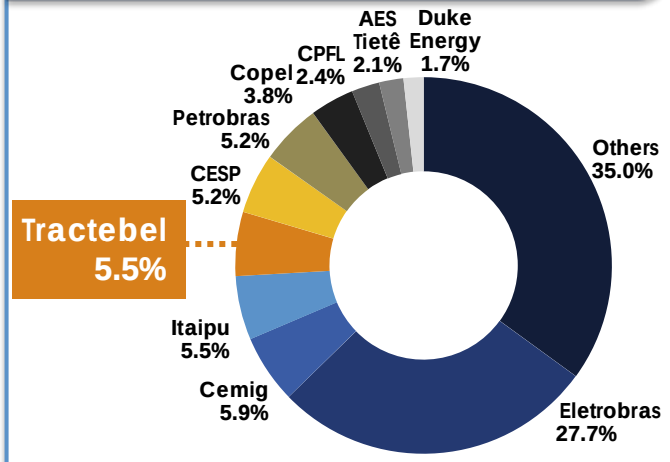
Leading position in the generating sector

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.

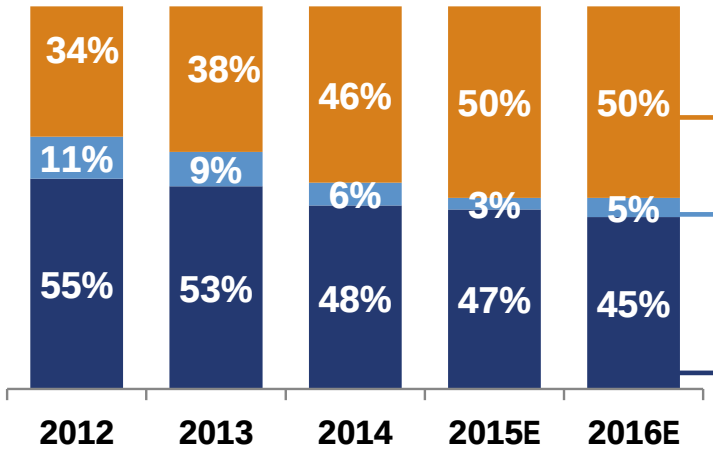
Notes:
[1] Apparent sum-related errors are a result from rounding of addends.
[2] Amount corresponding to SIN – National Interlinked System.
[3] Includes only the Brazilian part of Itaipu.
[4] Installed capacity under construction based on information from Aneel, ONS and internal study. For Tractebel,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

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

Diversified portfolio among distribution, free customers and trading companies

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Client Breakdown (based on contracted energy)[1]



■ Distribution Companies ■ Trading Companies
■ Free Customers

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

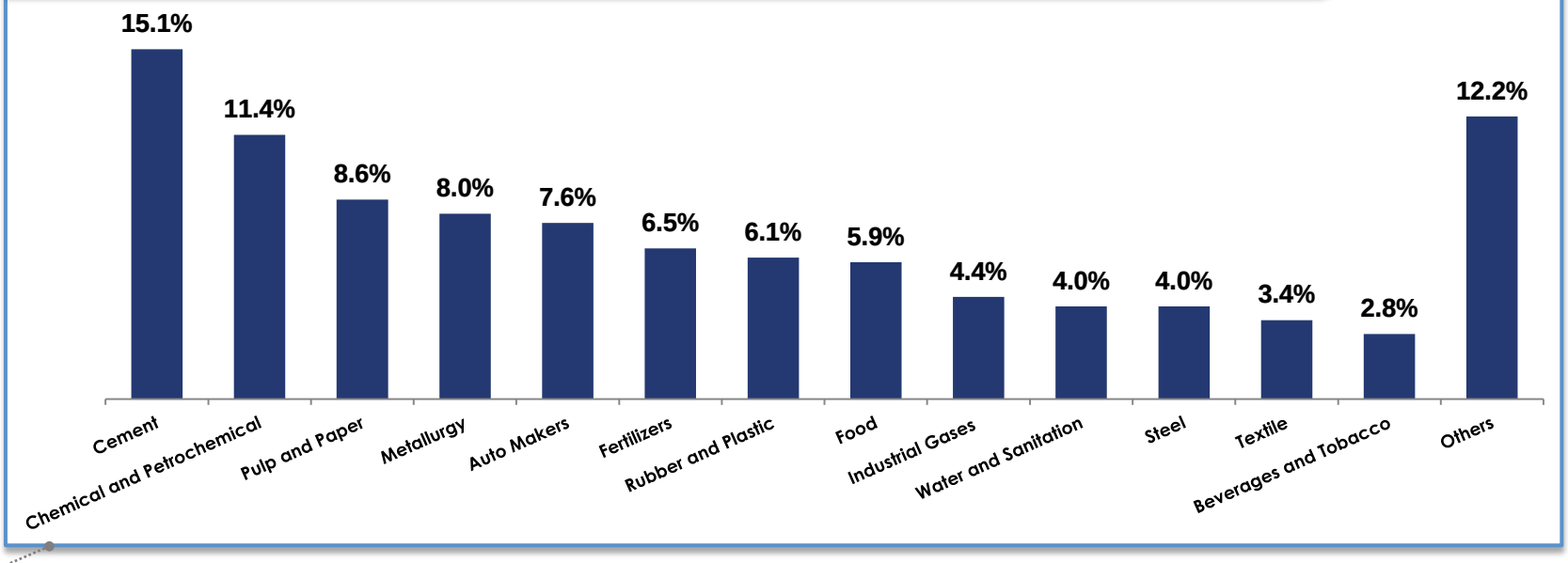
... to minimize risks and to maximize portfolio's efficiency.

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

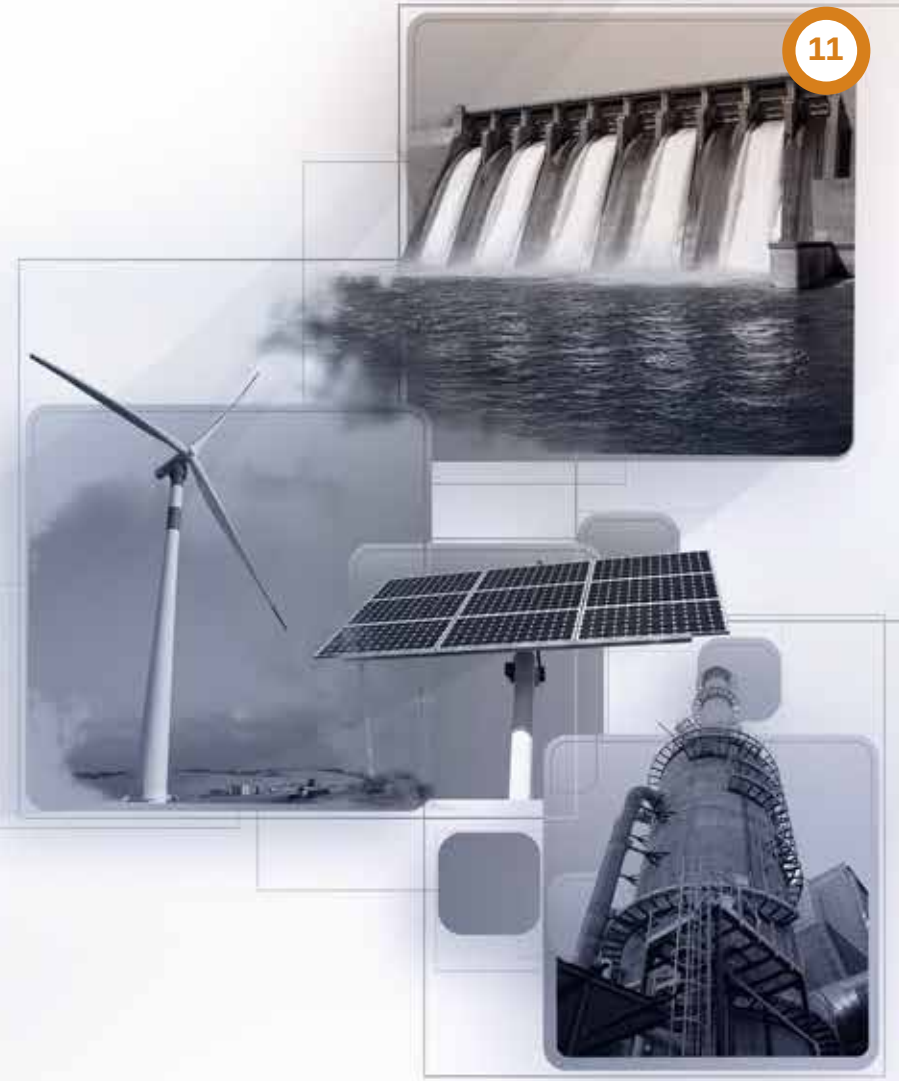
Free customer industry diversification and a strict credit assessment policy allow for a zero default reality.

Free customers total sales volume for 2015: 2,053 average MW



Source: Internal study based on IBGE's classification.

2.



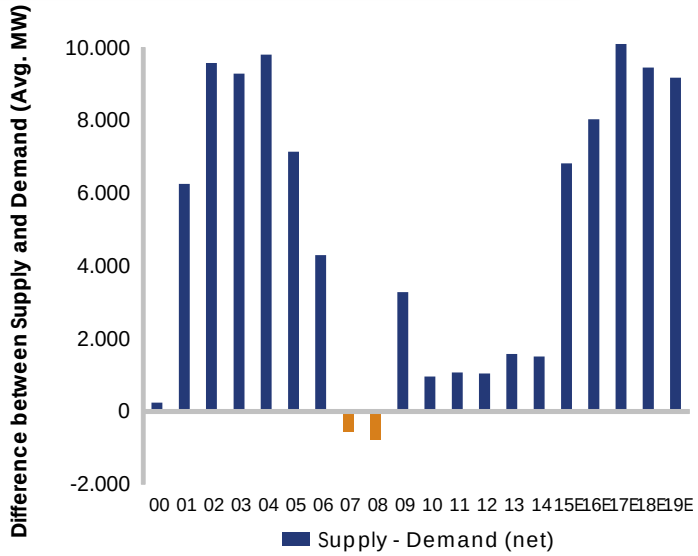
Energy Market in Brazil

Review of demand results in an improvement in the short-term balance although expansion costs maintain price support over the long-term

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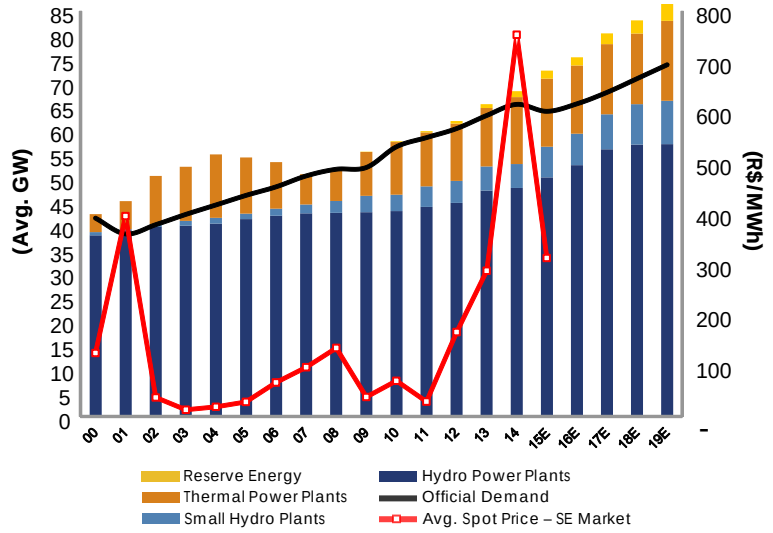
Price support is maintained despite easing of the short-term energy balance. This is due to income redistribution, the increase in the participation of thermoelectric power plants in the energy matrix and of thermoelectric dispatch to guarantee the system and the delay in the installation of projects. Prices were also supported by the preference for the construction of run-of-river hydroelectric plants and cost pressures driven by recent currency devaluation.

Energy Market Outlook



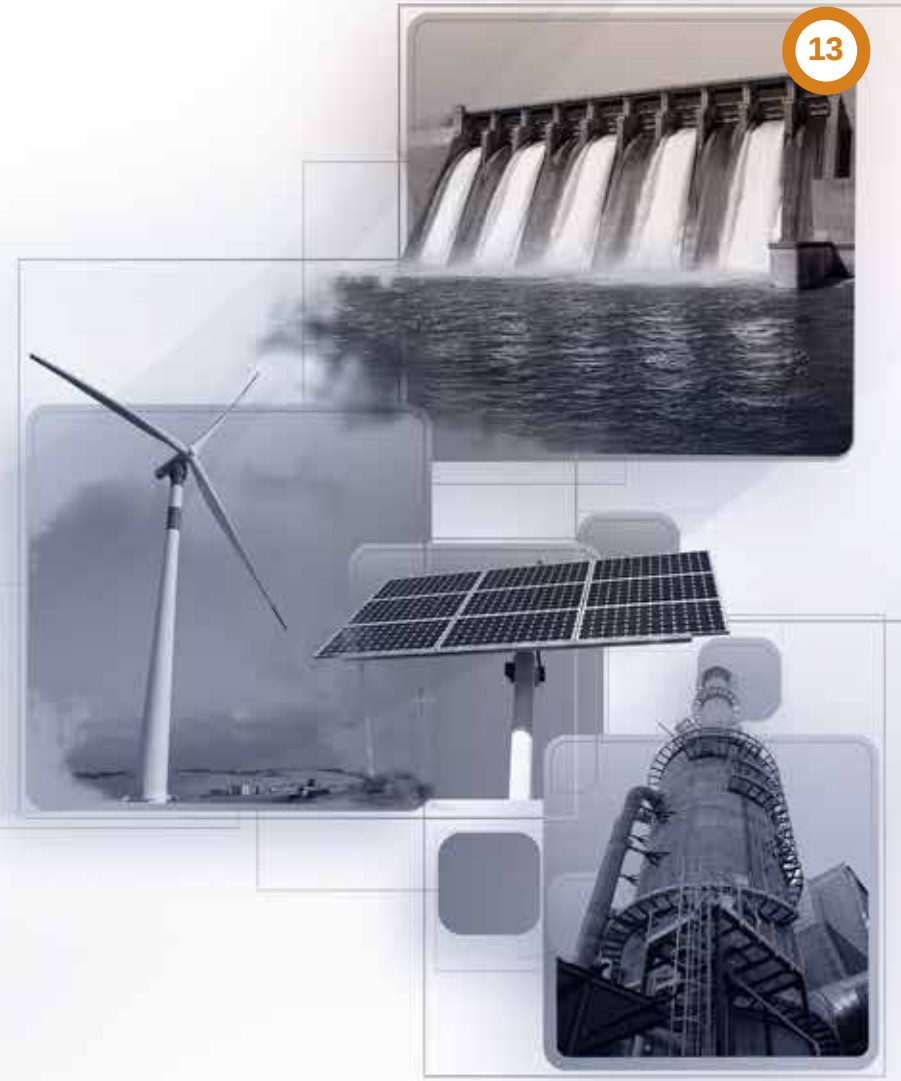
Source: Tractebel Energia's internal study based on ONS' Operations Monthly Program as of September 2015.

Supply Distribution by Source



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

3.



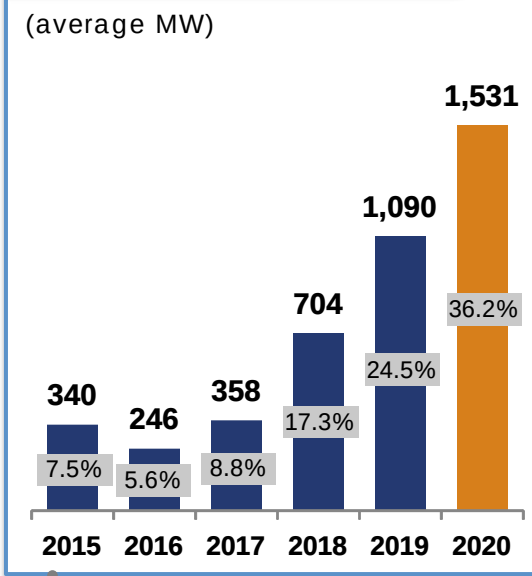
Sales Strategy

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

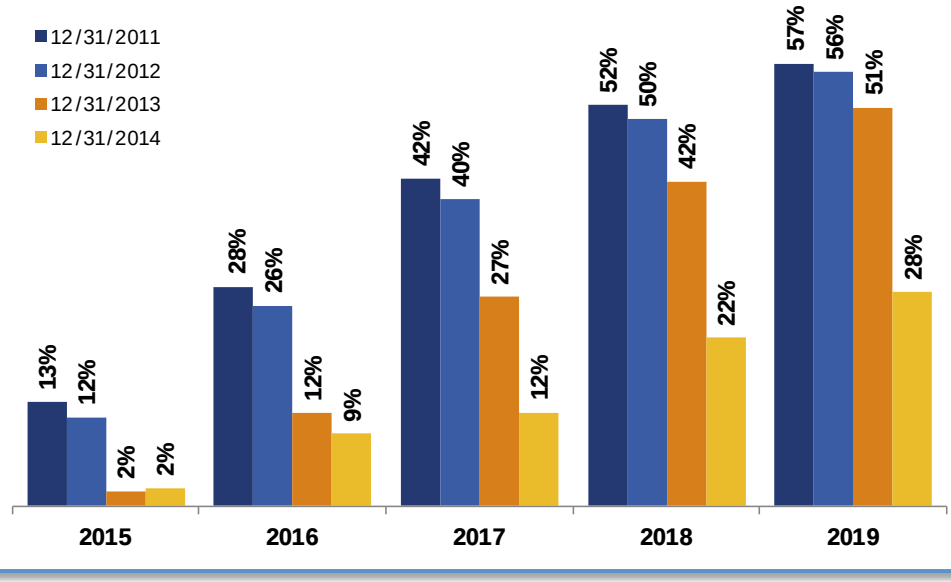
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As the time goes by, the Company is able to better foresee the market conditions in a given year ahead and, as a result, to finetune the amount of uncontracted energy.

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

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As of September 30, 2015

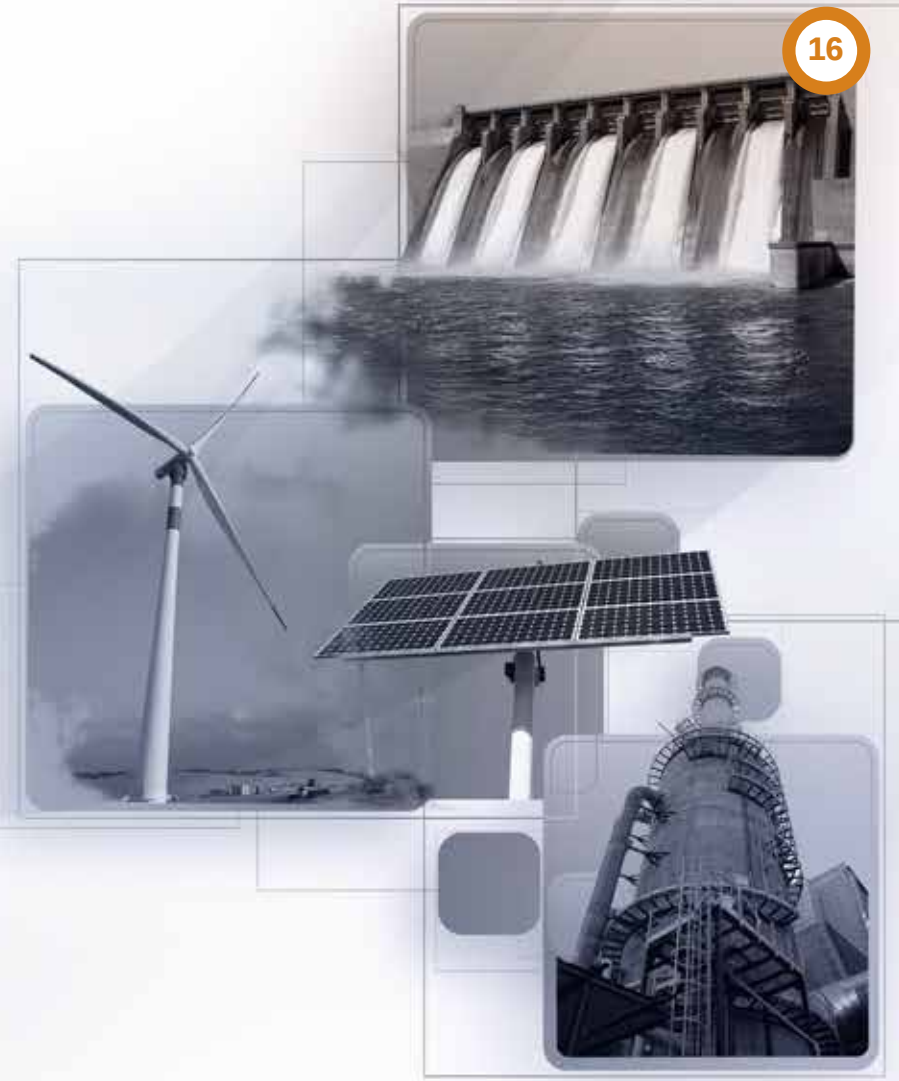
(in average MW)	2015	2016	2017	2018	2019	2020	Auction Gross Price (R$/MWh)	Reference Date	Gross Price Adjusted as of 09/30/2015 (R$/MWh)
Own Resources	3,534	3,567	3,557	3,601	4,022	4,014			
+ Purchases for Resale	988	799	491	477	420	210			
= Total Resources (A)	**4,522**	**4,366**	**4,048**	**4,078**	**4,442**	**4,224**			
Government Auction Sales*	1,819	1,676	1,323	1,369	1,756	1,603			
2005-EE-2008-08	143	-	-	-	-	-	81.6	Apr-05	129.4
2005-EE-2009-08	353	353	-	-	-	-	94.0	Oct-05	145.0
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	192.3
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	211.8
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	220.4
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	198.6
2014-EE-2014-06	150	150	150	150	150	-	270.7	May-14	292.8
Proinfa	44	44	44	44	44	44	147.8	Jun-04	279.4
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	-	-	216.4
2014-EN-2019-25	-	-	-	-	295	295	183.5	Nov-14	199.0
2014-EN-2019-25	-	-	-	-	10	10	206.2	Nov-14	223.7
2014-EN-2019-20	-	-	-	-	83	83	139.3	Nov-14	151.1
2015-EN-2018-20	-	-	-	46	46	46	188.5	Aug-15	189.5
+ Bilateral Sales	2,363	2,444	2,367	2,005	1,596	1,090			
= Total Sales (B)	**4,182**	**4,120**	**3,690**	**3,374**	**3,352**	**2,693**			
Balance (A - B)	**340**	**246**	**358**	**704**	**1,090**	**1,531**			
Sales Average Price (R$/MWh) **(Net)***[1]:	172.2	166.3	161.6						
Purchases Average Price (R$/MWh) **(Net)***[2]:	207.5	193.1	180.8						

*** 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 09/30/15, i.e. future inflation is not considered.**
***2: Purchase net price, considering benefits from PIS/Cofins credits, as of 09/30/15, 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

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3,750 MW project, out of which 40.0% held by ENGIE

- 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 ENGIE, Chesf e Eletrosul

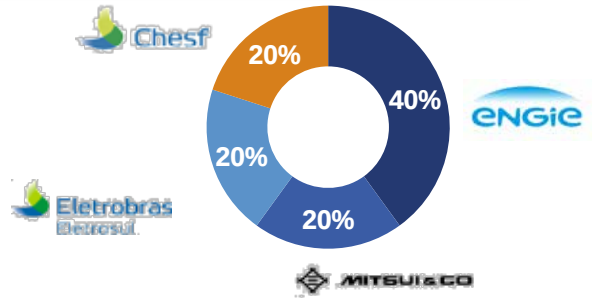
Legal decision issued in the First Instance (recognition of 535 days of force majeure)

Lawsuit remains under analysis in the Second Intance

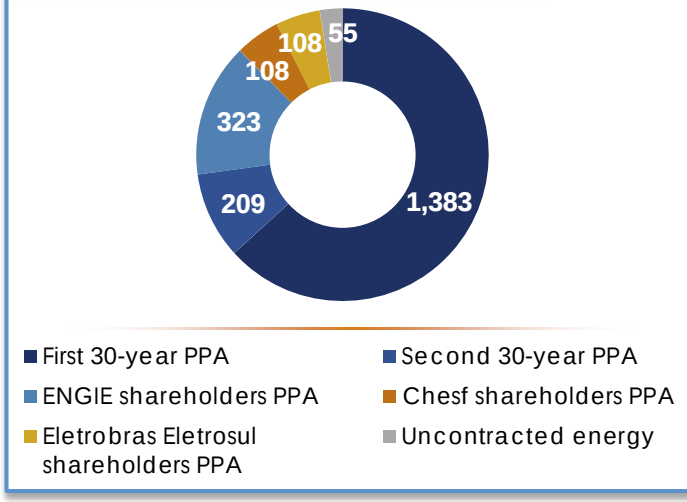
Financing conditions

- 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 2.25% to 2.65%
- 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 (2017 view)



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

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Project status

- 2,700 MW in commercial operation (36 units installed to date)
- 300 MW under final assembling phase and commissioning (4 units)
- full assured energy achieved in July with the COD of the 33rd unit (Jirau HPP is fully compliant with its commercial obligations)
- full COD foreseen for second half of 2016
- highest availability among the HPPs in the National Interlinked System (SIN) from July to September

Options to create additional value

- additional assured energy (ex.: recalculation of hydraulic losses, etc.)
- operation of reservoir at constant levels
- additional long term tax incentives in the region

General view of Jirau HPP
Aug/2015



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

Project description

After commercializing in an A-5 Auction 294.5 avg. MW at total price of 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.



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
Installation License: June 19, 2015

Note:
[1] Approximated value.

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

Projects description

In an A-5 Auction, 82.6 aMW were sold at an average total price of R$ 139.29/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 (75.2 aMW), thus totaling 326.7 MW (157.8 aMW).

Total **11** plants

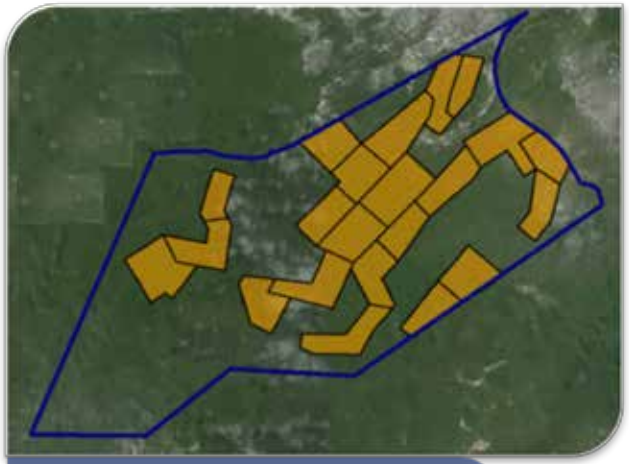
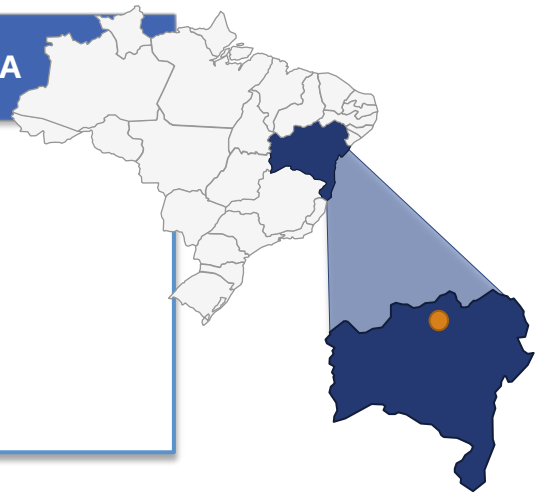


Image from the Campo Largo Wind Complex project.

Campo Largo Wind Complex - BA



Installed Capacity: 326.7 MW
Commercial Capacity[1]: 157.8 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): 100.8[2]

Note:
[1] Approximated updated value.
[2] With respect to the portion allocated to the Regulated Contracting Environment (ACR).

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

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

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Projects description

Santa Monica Wind Complex has sold, in the last A-3 Auction, ocurred on August, 21st, 46.0 aMW at an average total price of R$ 188.45/MWh for a term of 20 years from January 1, 2018.

The Complex will be comprised by four plants already under construction alongside the Trairi Wind Complex (CE).

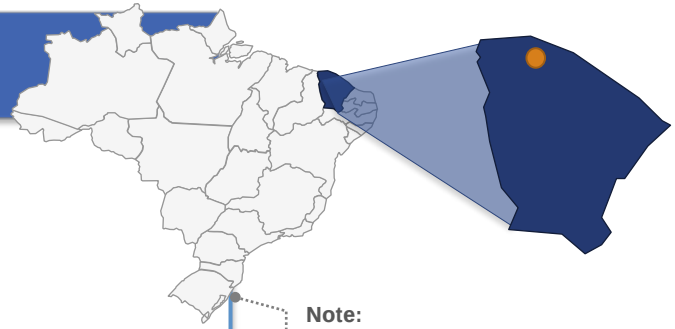
Total **4** plants



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 Monica WC – CE

Installed Capacity: 97.2 MW
Commercial Capacity[1]: 48.7 aMW
Investment (R$mm)[1]: 460.0
Start of construction: 2014
Start of operation: 2016
Wind turbines manufacturer: Alstom

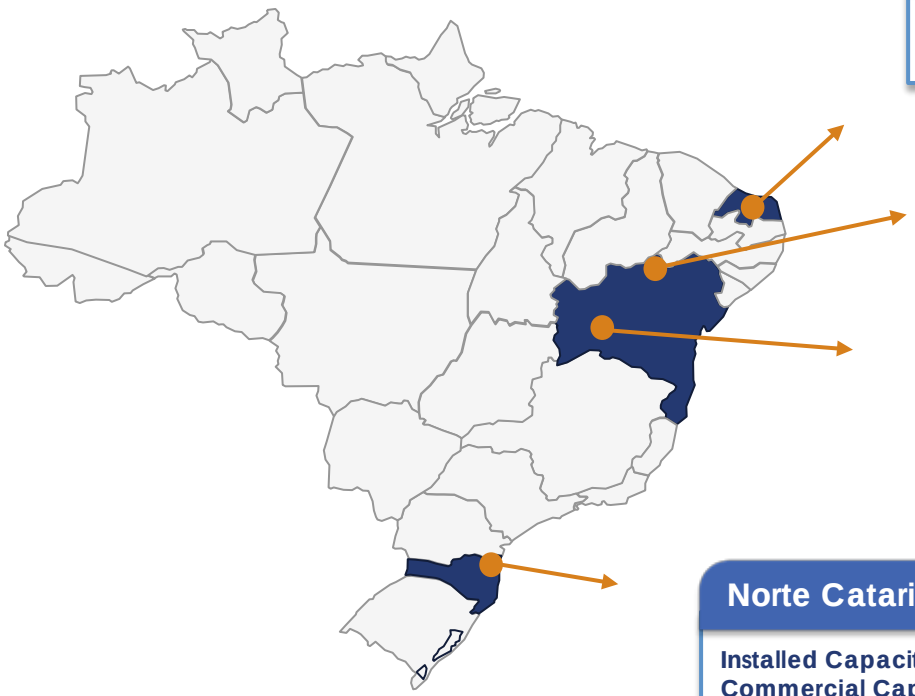


Note:
[1] Approximated value.

Projects under development

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

Projects description



Sto. Agostinho WC – RN

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

Campo Largo WC – BA (Fase II)

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

Alvorada Photovoltaic Complex – BA

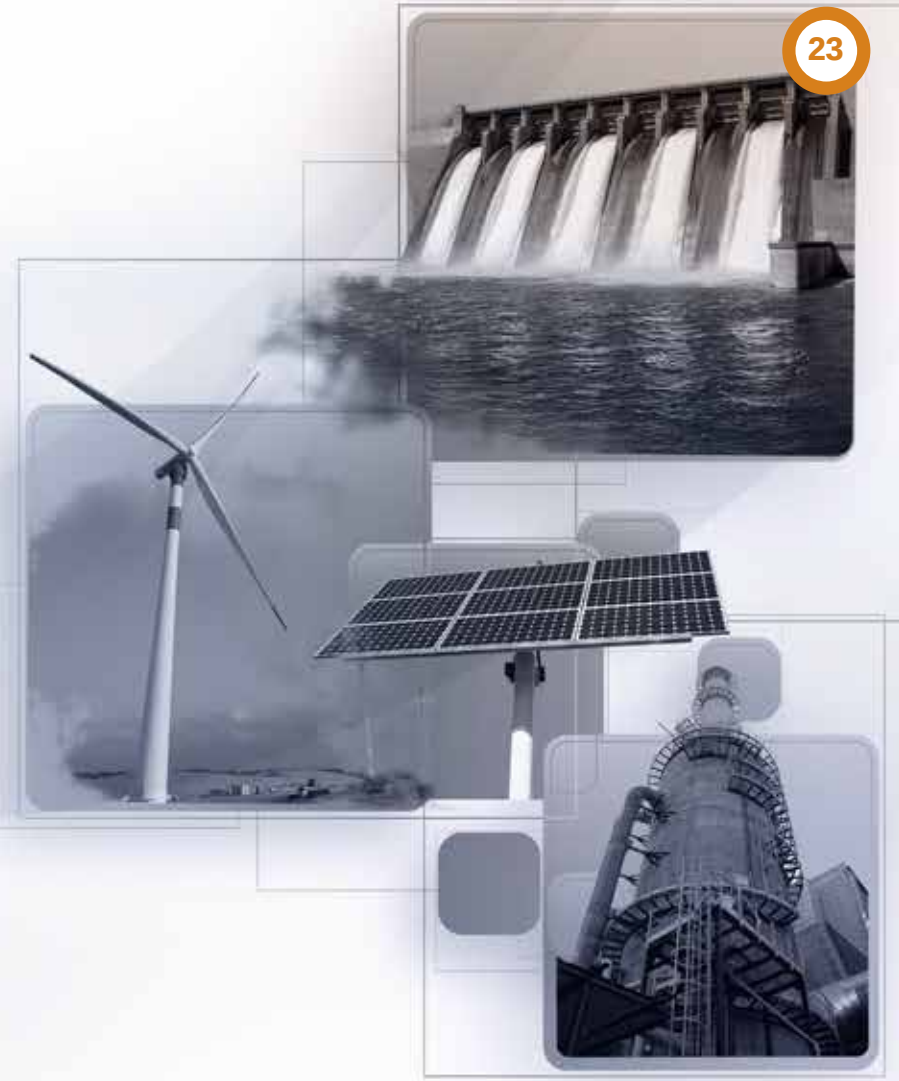
Installed Capacity[1]: up to 120 MWp

Norte Catarinense TPP – SC

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

Note:
[1] Approximated value.

5.



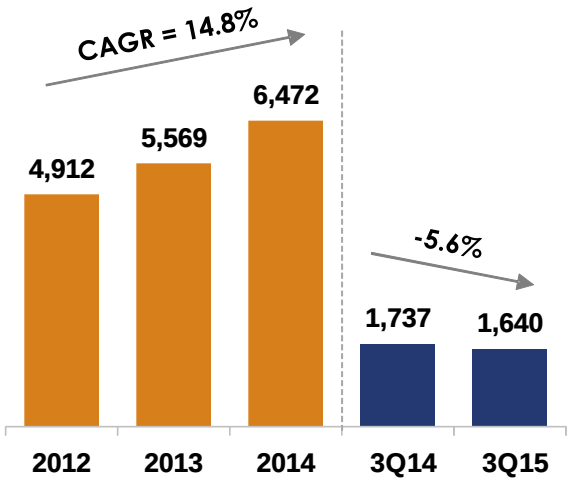
Financial Performance

Solid financial performance

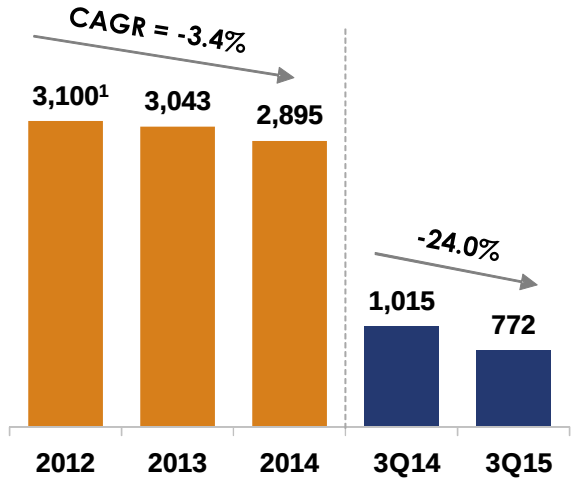
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The efficiency in the management of client portfolio and the focus on sales strategies have been instrumental in driving revenue up. However, the recent instability in the utilities industry has refrained the Company from achieving the same positive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

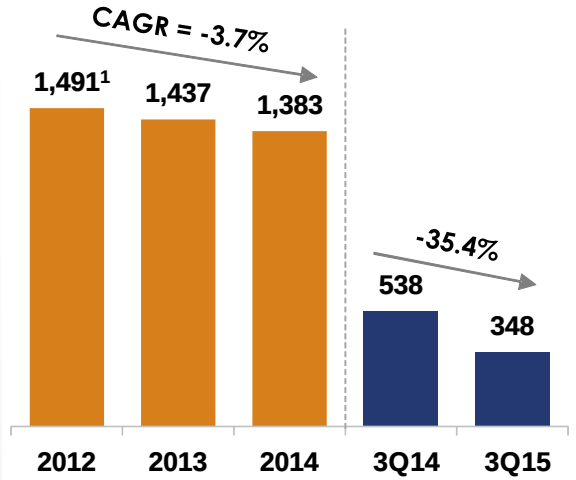
Net Revenue (R$ million)



EBITDA (R$ million)



Net Income (R$ million)

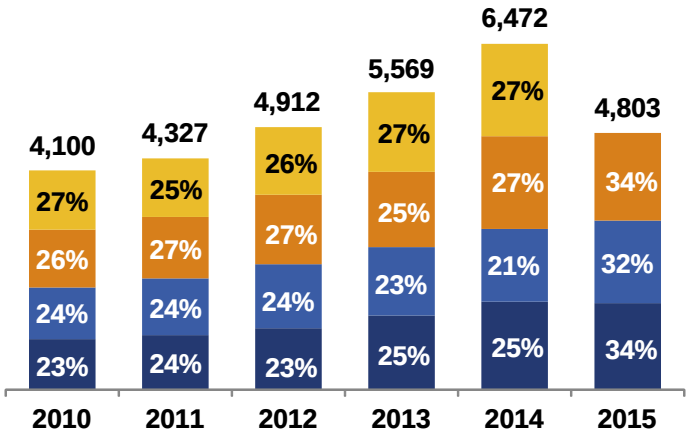


Note:
[1] Adjustment due to change in accounting practice.

Net revenue from sales change (R$ million)

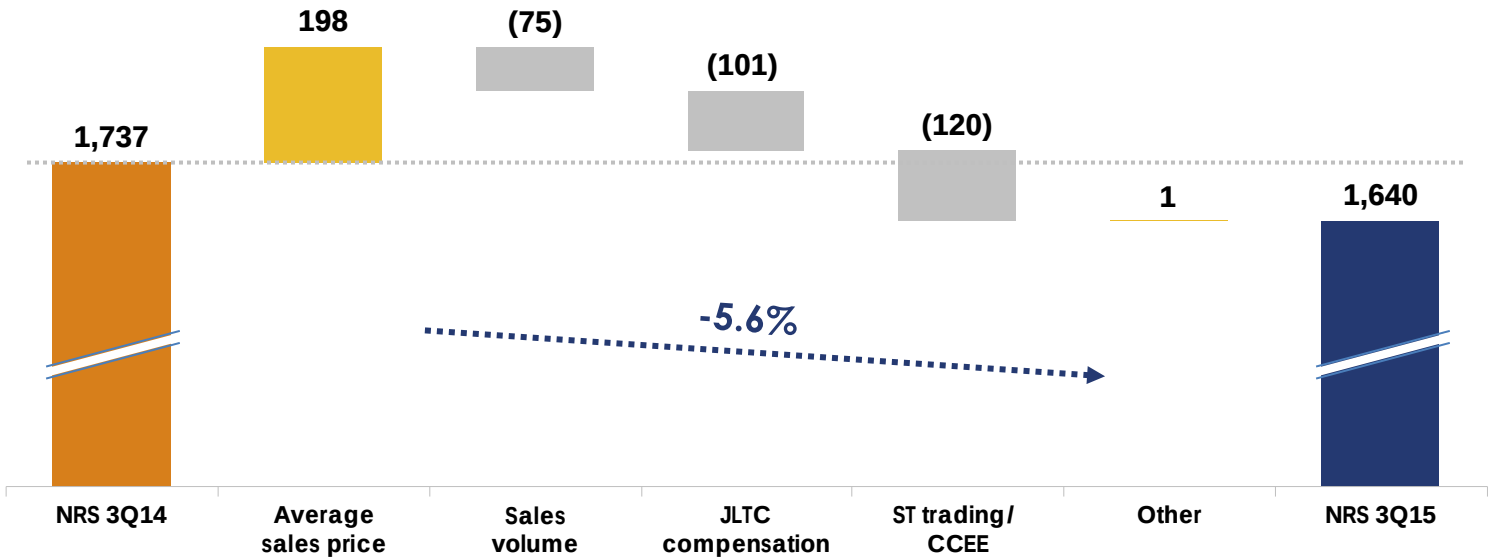
Tractebel Energia
GDF SUEZ

Net revenue from sales change (R$ million)



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

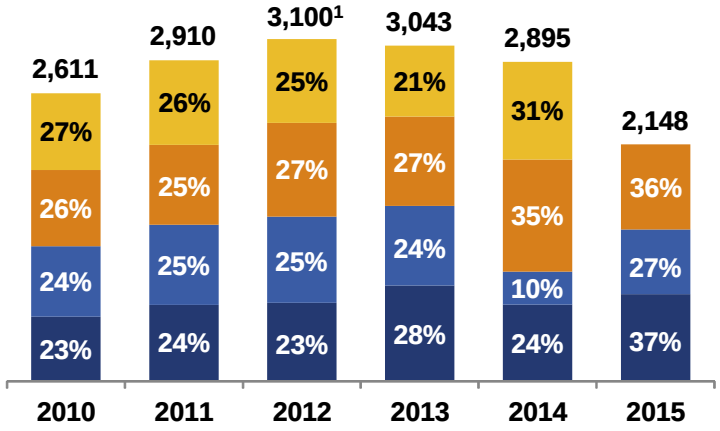
% of the accumulated annual net revenue from sales



EBITDA change (R$ million)

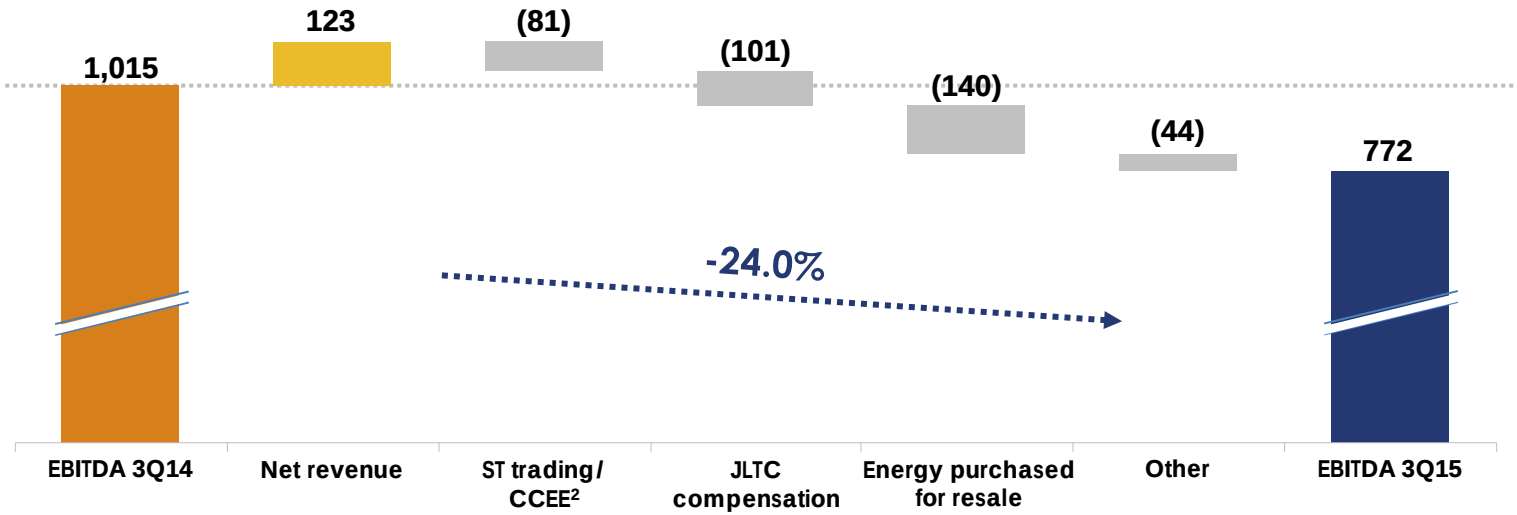
Tractebel Energia GDF SUEZ

EBITDA change (R$ million)



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

% of the accumulated annual EBITDA

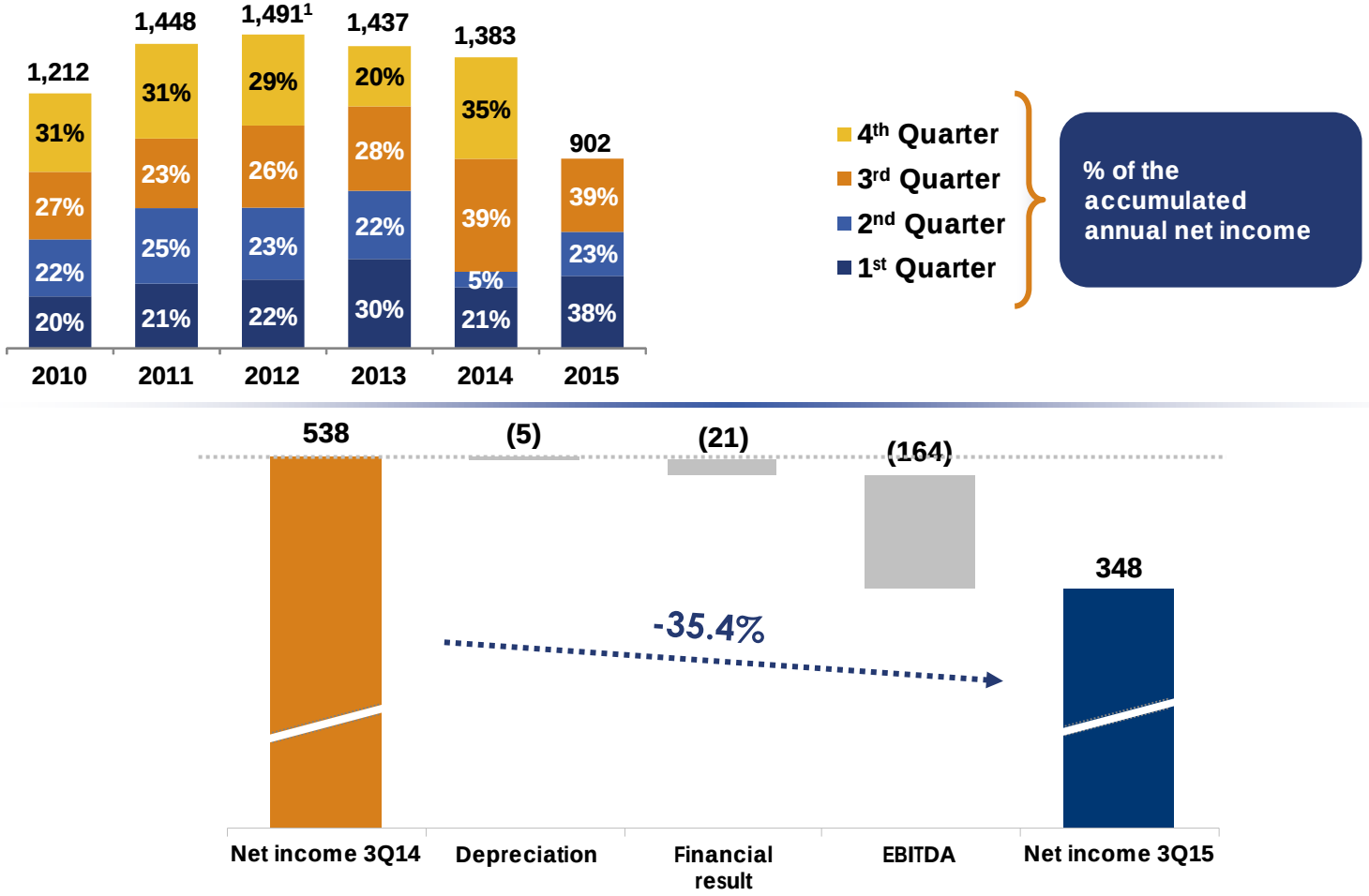


Notes:
[1] Adjustment due to change in accounting practice.
[2] Considers the combined effect of changes in revenue and expenses.

Net income change (R$ million)

Tractebel Energia GDF SUEZ

Net income change (R$ million)



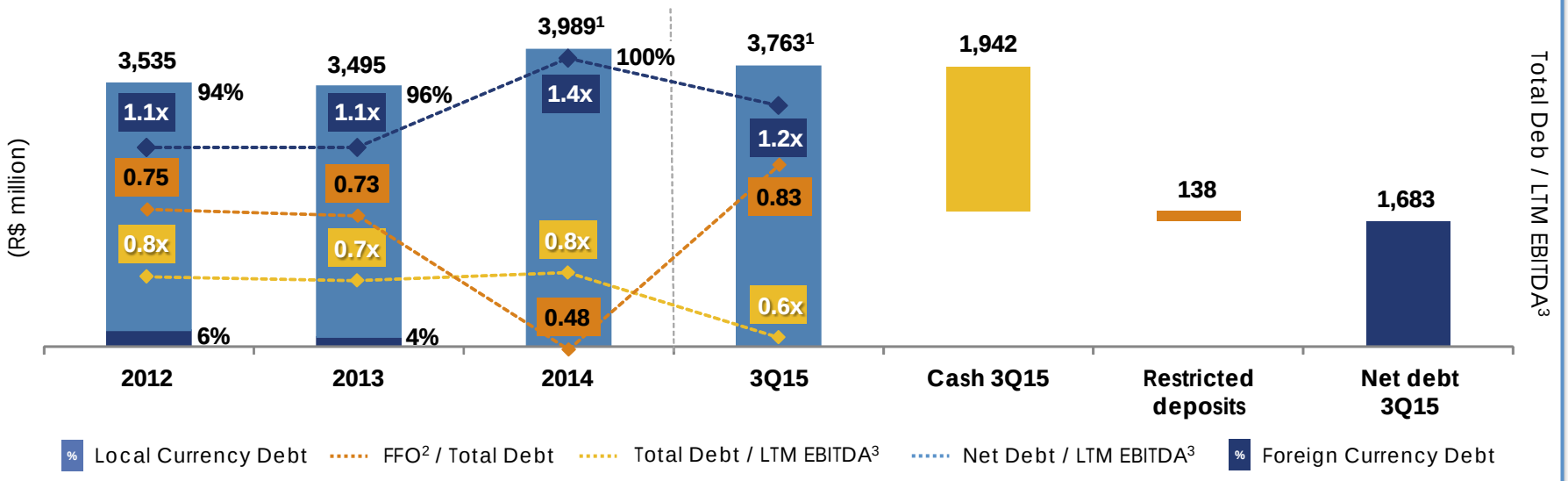
Note:
[1] Adjustment duo to change in accounting practice.

Limited indebtedness, no exposure to foreign exchange

Tractebel Energia GDF SUEZ

Low leverage enables Tractebel to benefit from growth opportunities.

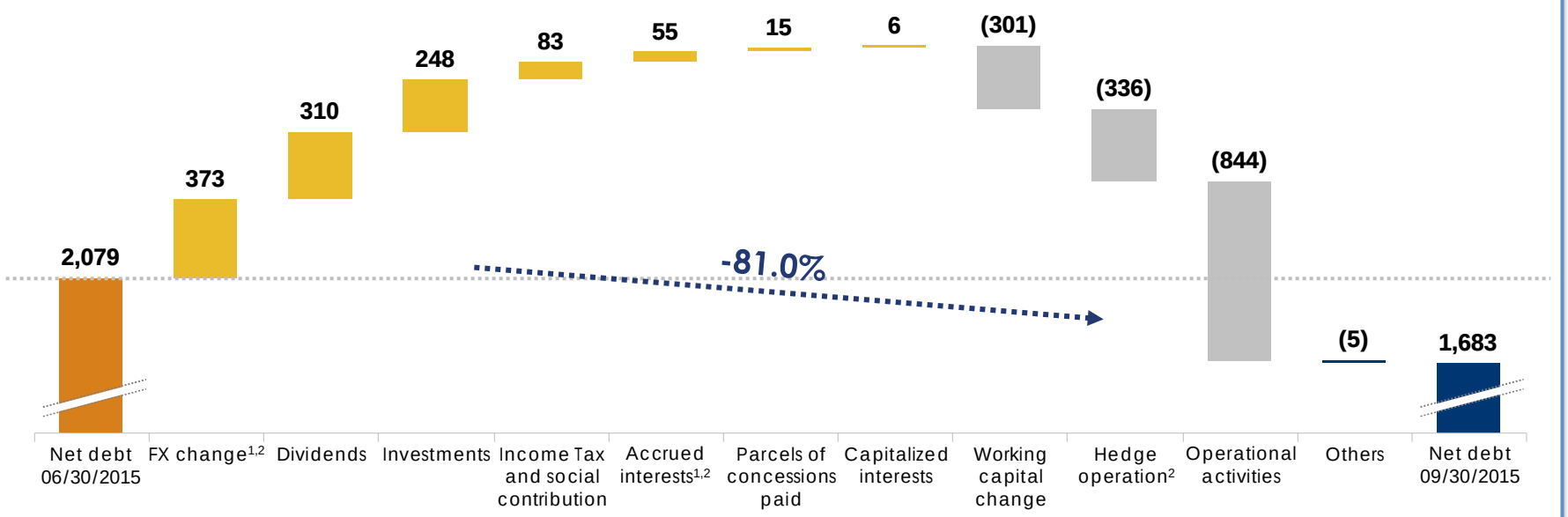
Debt Overview (R$ million)



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

Net debt change (R$ million)

Net debt change (R$ million)



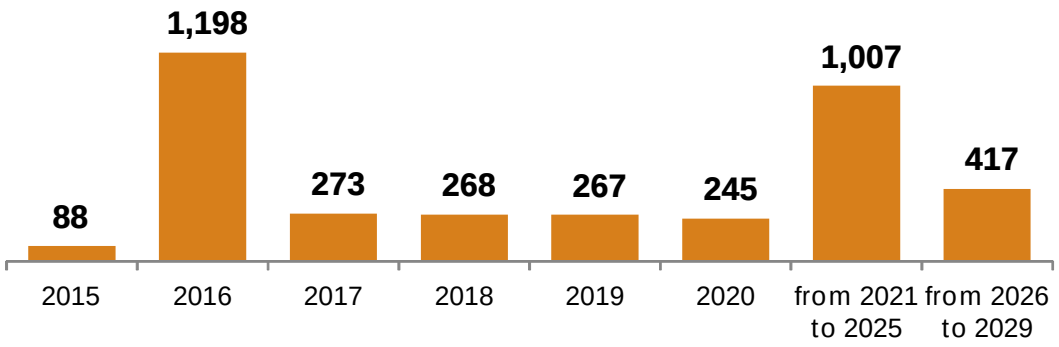
Notes:
[1] The interests and FX change refer only to the Company's financial debt (loans, financing and debentures).
[2] Does not impact the Company's cash position.

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

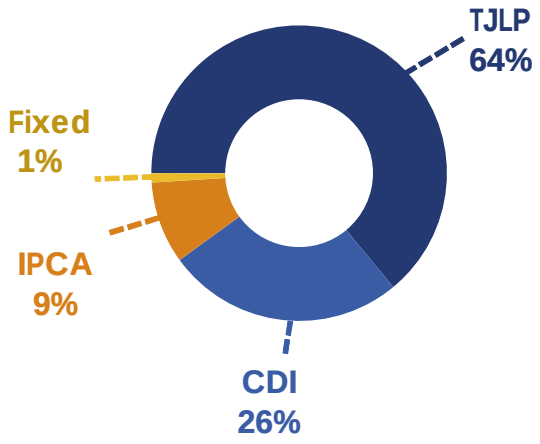
Tractebel Energia GDF SUEZ

Debt profile and strong cash generation reduce refinancing risk.

Maturity debt schedule (R$ million)



Composition of debt



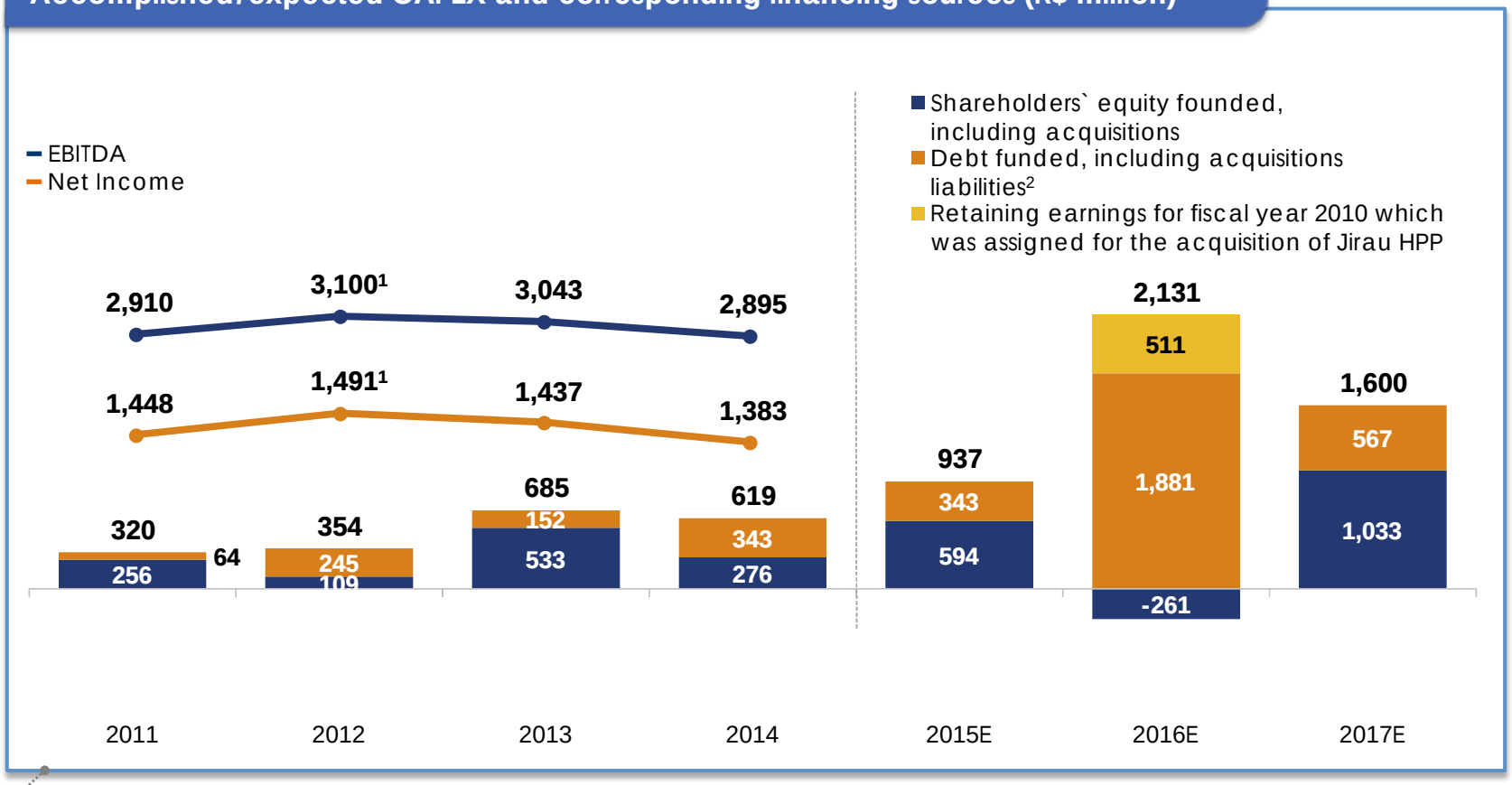
Nominal cost of debt: 10.6%

Remuneration of short-term debt is compatible with that of cash.

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

Tractebel Energia GDF SUEZ

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

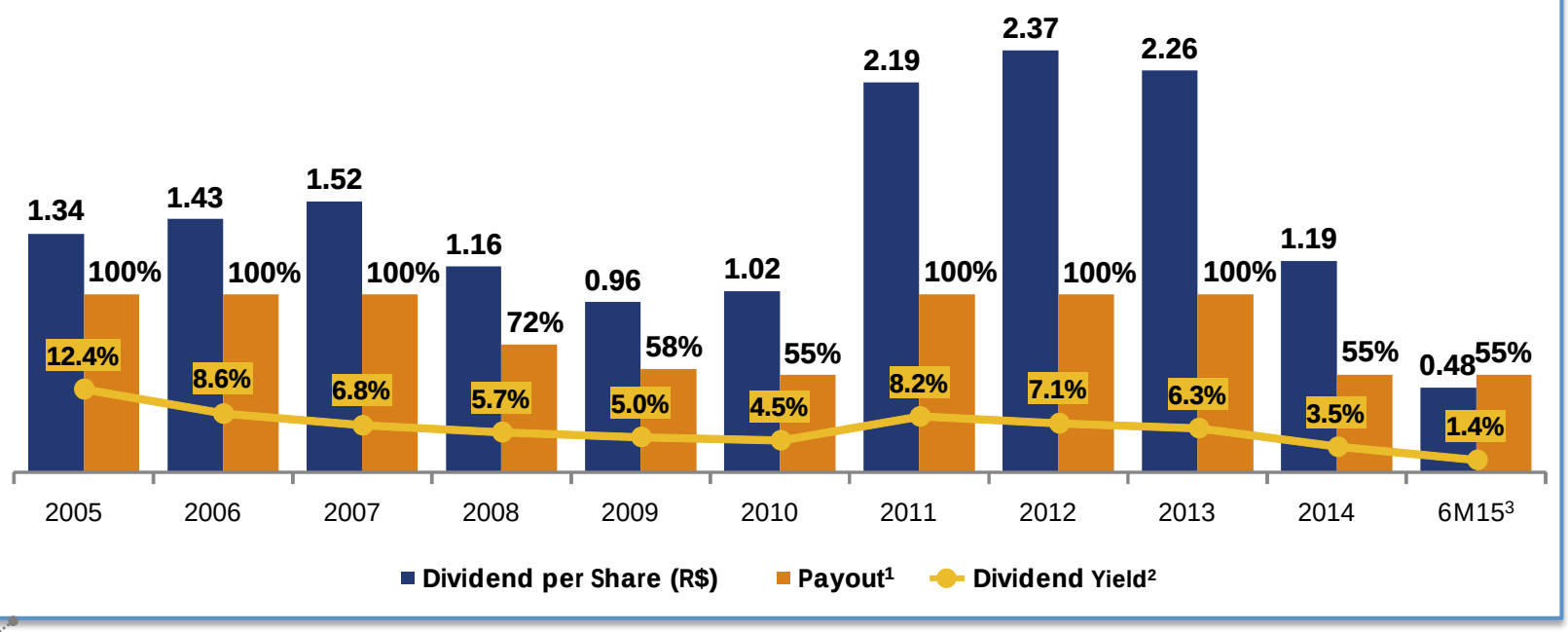


Notes:
1 Adjustment due to change in accounting practice.
2 Does not consider interests incurred during the construction.

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)



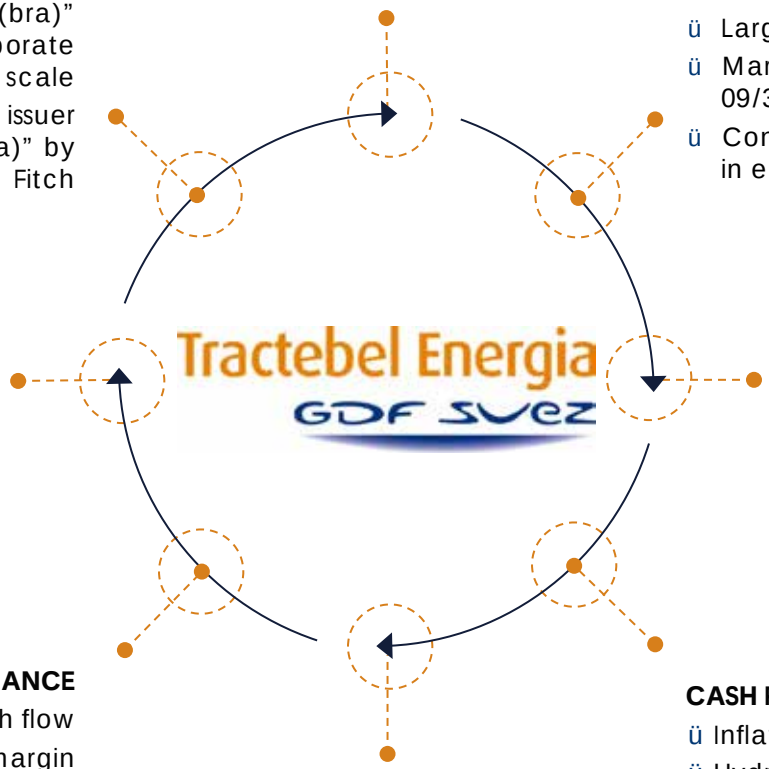
Notes:
[1] Considers the annual payable net income.
[2] Based on volume-weighted closing price of ON shares in the period.
[3] Excluding the interests on shareholders' equity for 2015, in the amount of R$ 314.0 million (R$ 0.4810 per share).

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$ 22.0 billion as at 09/30/2015
- ü Controlled by ENGIE, 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 No 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

Tractebel Energia:

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

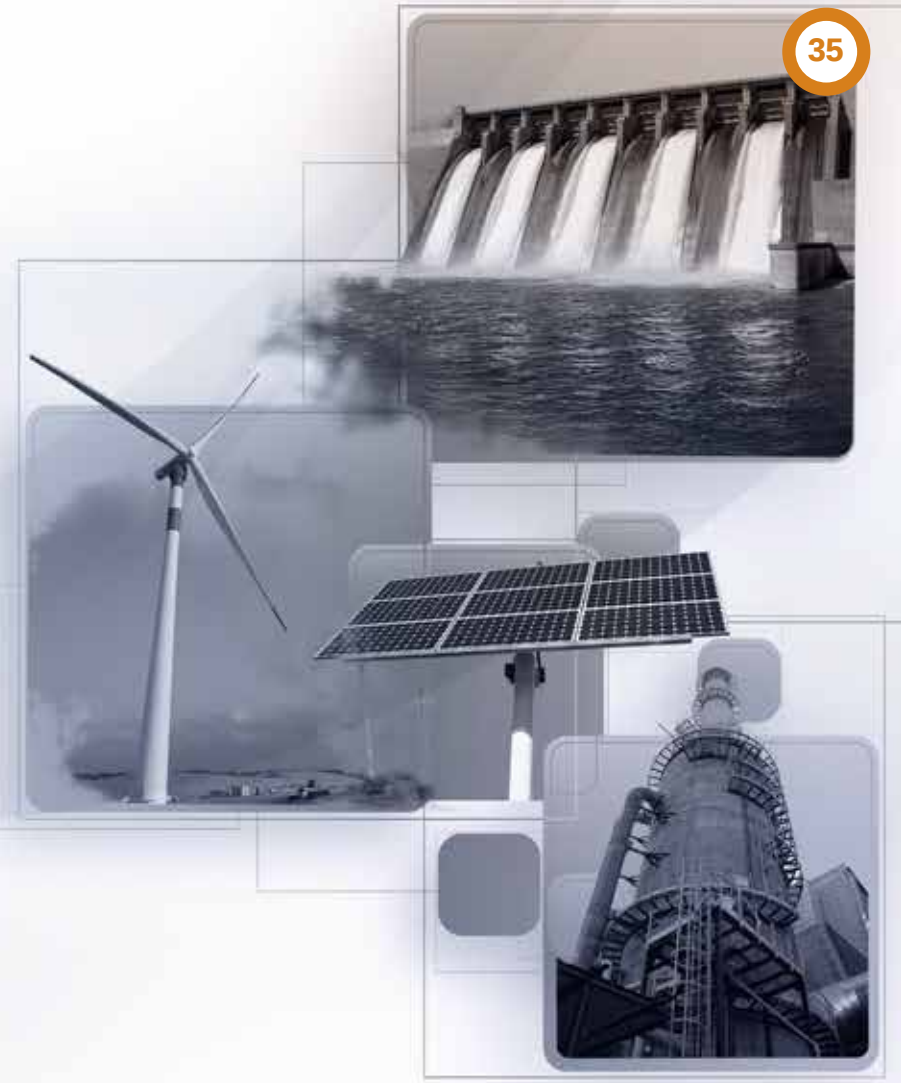
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6.



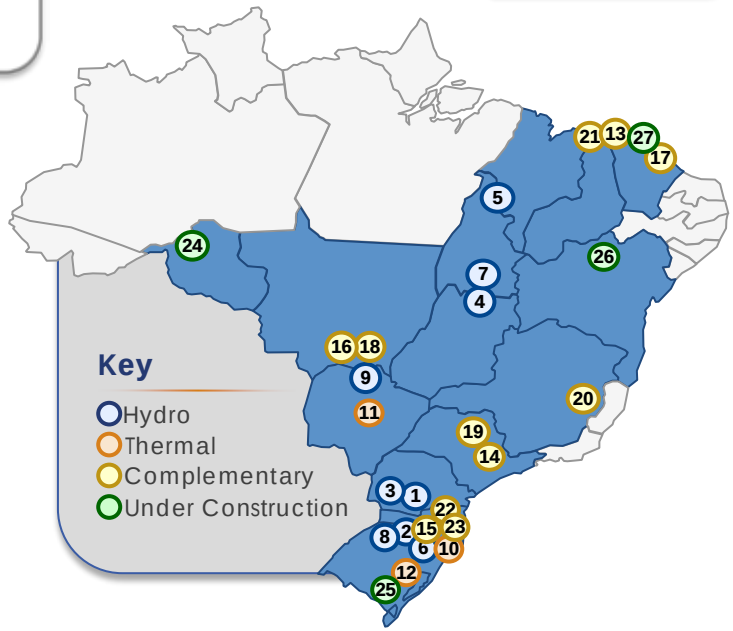
Support Data

Diversified portfolio of assets, with strategic location

Tractebel Energia GDF SUEZ

Installed capacity of 7,044.3 MW from 28 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 (MWa)[1]
1	Salto Santiago	1,420.0	729.3
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	132.4
	Total	5,559.7	2,875.6
	Thermal Power Plants	**Installed Capacity (MW)**	**Commercial Capacity (MWa)[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 (MWa)[1]**
13	Trairi Complex[4]	115.4	63.9
14	Ferrari (Biomass)	80.5	35.6
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	n/a
23	Tubarão R&D (Wind)	2.1	n/a
	Total	365.6	181.6



	Power Plants Under Construction	Installed Capacity (MW)	Commercial Capacity (MWa)[1]
24	Jirau (Hydro)[5]	1,500.0	873.8
25	Pampa Sul (Thermal)	340.0	323.5
26	Campo Largo (Wind)	326.7	157.8
27	Santa Mônica (Wind)	97.2	48.7
	Total	2,263.9	1,403.8

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.

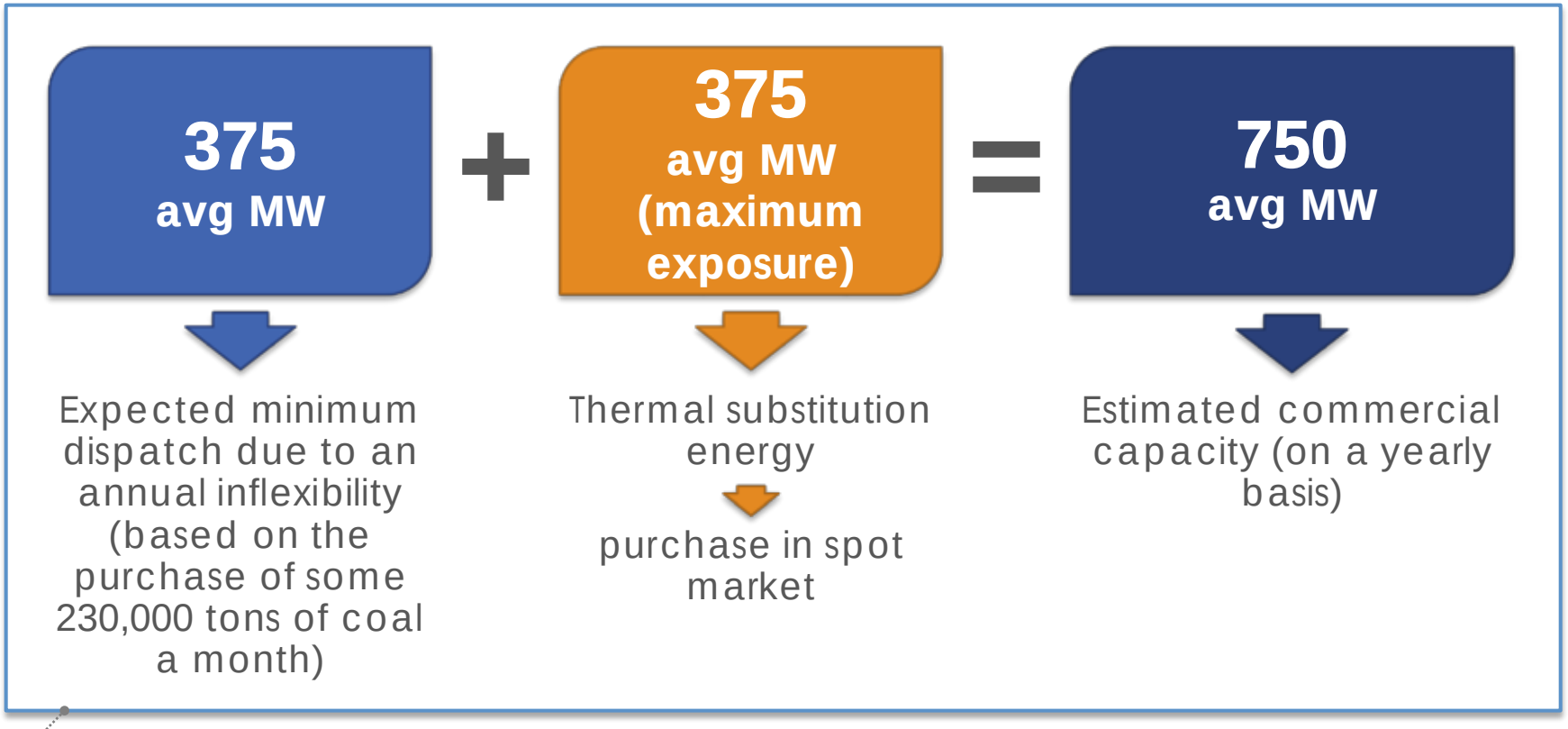
Sustainability indices

Sustainability Indices[1]

	Index	3Q15	3Q14	Change	9M15	9M14	Change
Quality[2]	Operating plants	28	26	2	28	26	2
	Installed capacity	8,765	8,748	0.2%	8,765	8,748	0.2%
	Number of certified plants	14	14	-	14	14	-
	Certified installed capacity (MW)	7,330	7,330	0.0%	7,330	7,330	0.0%
	Certified installed capacity in relation to the total	83.63%	83.79%	-0.2 p.p.	83.63%	83.79%	-0.2 p.p.
	Installed capacity from renewable sources	7,646	7,629	0.2%	7,646	7,629	0.2%
	Installed capacity from renewable sources in relation to the total	87.23%	87.21%	0.03 p.p.	87.23%	87.21%	0.03 p.p.
	Energy generation (GWh)	12,343	12,319	0.2%	34,591	35,834	-3.5%
	Certified energy generation	11,206	11,103	0.9%	30,065	30,794	-2.4%
	Certified energy generation in relation to the total	90.8%	90.1%	-3.0 p.p.	86.9%	85.9%	1.0 p.p.
	Energy generation from renewable sources (GWh)	10,855	10,926	-0.7%	29,622	30,885	-4.1%
	Energy generation from renewable sources in relation to the total	87.9%	88.7%	-4.9 p.p.	85.6%	86.2%	-0.5 p.p.
	Uptime ratio, excluding scheduled stoppages	97.8%	97.0%	1.5 p.p.	97.3%	96.6%	-0.3 p.p.
	Uptime ratio, including scheduled stoppages	86.2%	83.1%	3.7 p.p.	87.0%	86.8%	-1.4 p.p.
	Saplings donated and planted (sum-total of planted and donated saplings)[3]	66,088	84,931	-22.2%	181,040	209,032	-13.4%
	Number of visitors at the plants[3]	27,720	26,552	4.4%	76,094	67,393	12.9%
	CO2 Emissions (fossil fuel plants) (t/MWh)	0.978	0.955	2.4%	0.979	0.971	2.4%
	CO2 Emissions from Tractebel Energia's generation complex(t/MWh)	0.118	0.108	9.2%	0.141	0.134	9.2%
Occupational Heath and Safety	Average number of employees	1,138	1,136	0.2%	1,140	1,130	0.9%
	Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[4]	0.000	0.000	-	0.000	1.930	↓
	Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[5]	0.000	0.057	↓	0.000	0.082	↓
	Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[4]	1.350	2.610	↓	0.750	3.200	↓
	Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[5]	0.000	0.020	↓	0.000	0.032	↓
Investments in the Social Responsibility Program (R$ million)	Non-incentive investments	606.68	1,075.04	-43.6%	3,893.40	4,028.60	-43.6%
	Investments via Children and Teenagers Fund	145.84	654.35	-77.7%	1,124.70	2,109.40	-77.7%
	Investments via Cultural Incentives Act	500.00	1,396.13	-64.2%	5,714.70	6,500.13	-64.2%
	Investments via Sport Incentives Act	0.00	67.00	↓	50.00	67.00	-100.0%
	Other Investments via Incentive Acts (health and others)	0.00	0.00	-	300.00	0.00	↑

Notes:
[1] Additional indices available from ITR (Tractebel website / Investor / Financial information).
[2] Does not consider Alegrete Thermoelectric Plant, which is under devolution process to the Union since 2013.
[3] Consórcio Estreito Energia (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



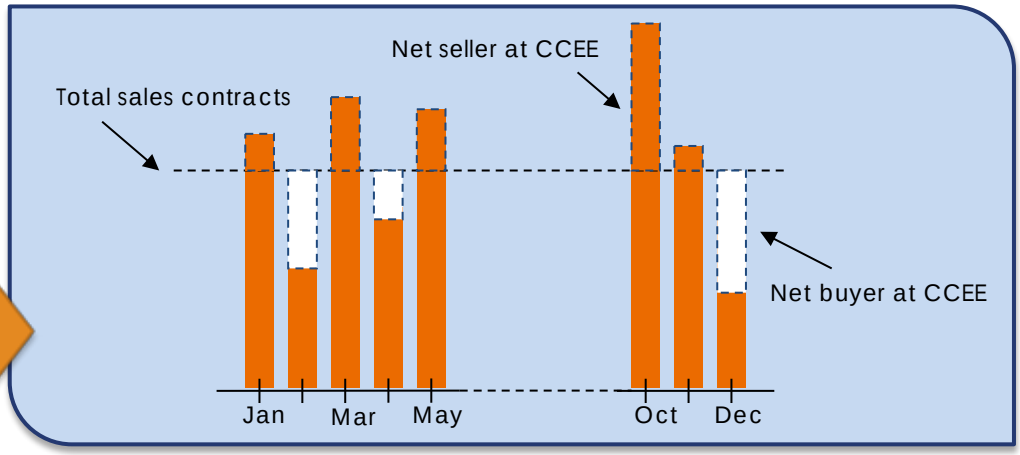
Notes:
[1] Tractebel Energia has been fully contracted → purchase of thermal substitution energy.
[2] On a monthly basis, inflexibility variations may occur.
[3] Figures related to the Energy Trading Board (CCEE) settlement point.

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

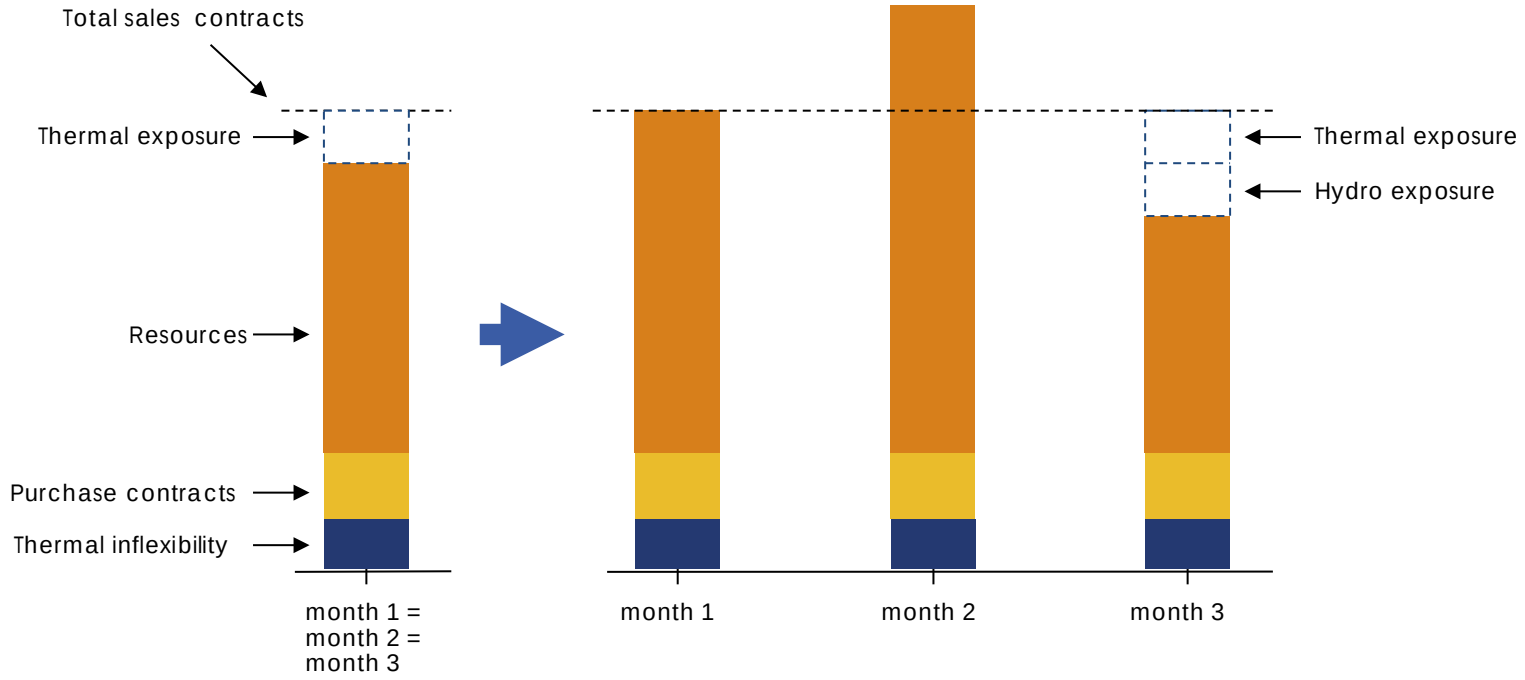
monthly allocation over year x1 (decision taken in Dec year x0)



- 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..

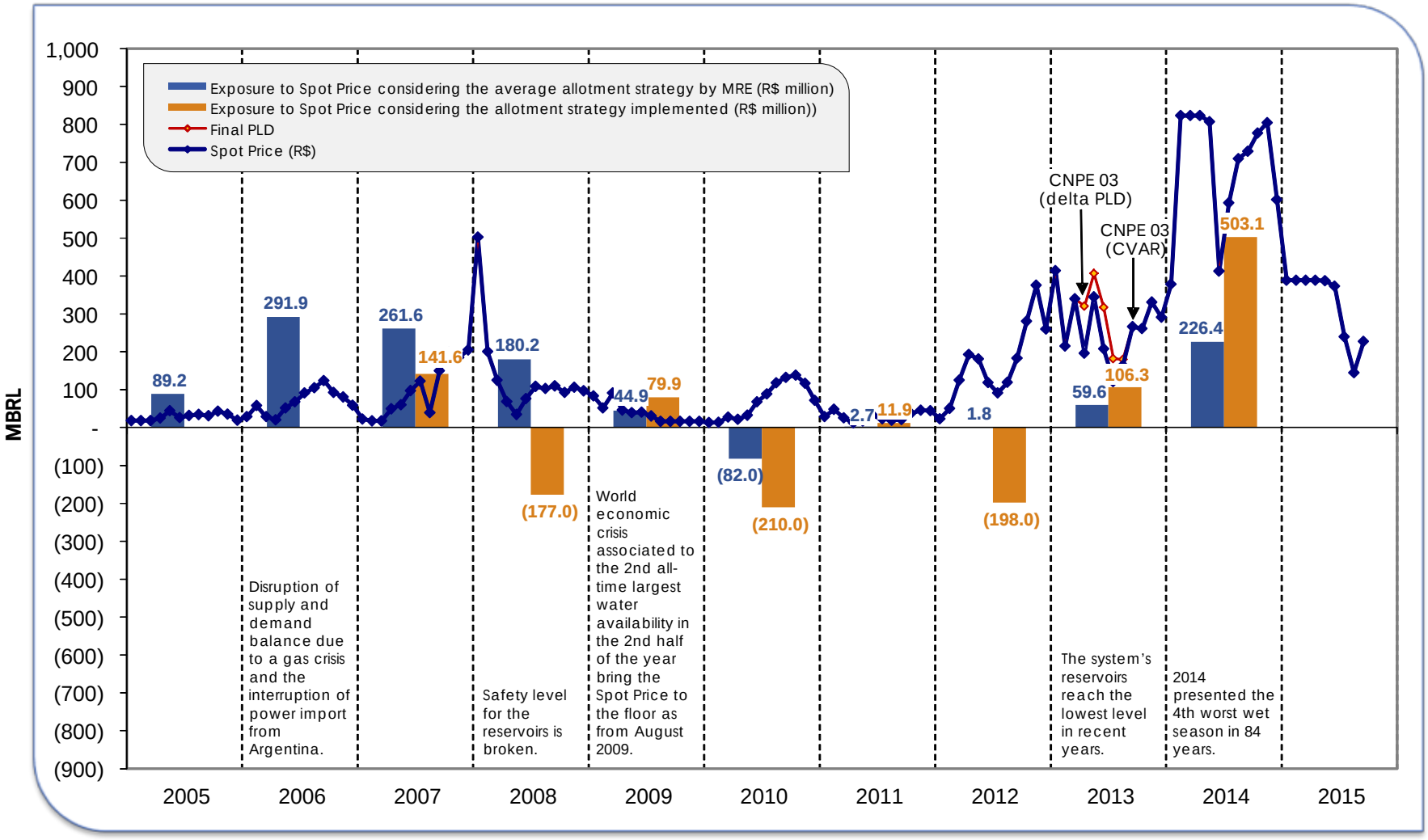
Mechanisms to mitigate exposure from the thermal side

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.

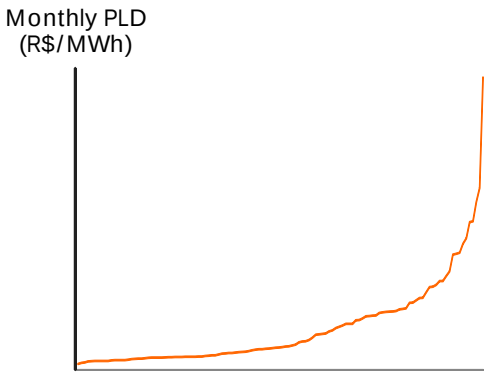
Expenses: impacts from energy allotment (2007 thru 2014)



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]

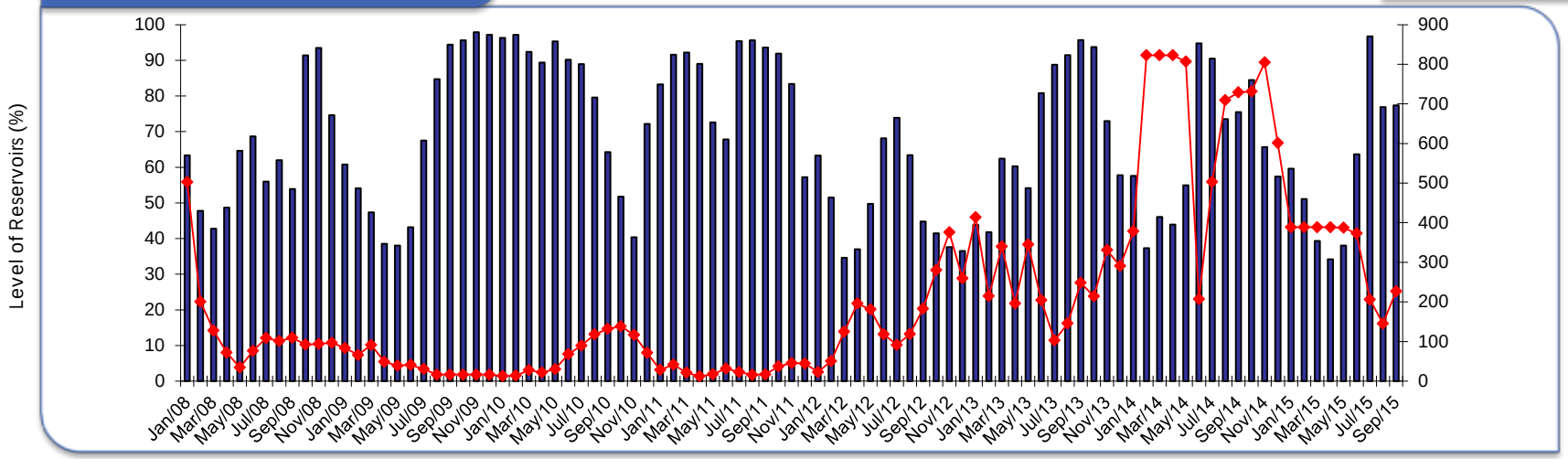
Period	May/2003 - Sep/2012	Oct/2012 - Sep/2015
Avg. PLD (in R$)	95.45	471.89
PLD Std Deviation (in R$)	99.49	244.08
Monthly PLD > R$ 100.00	33%	100%
Monthly PLD > R$ 200.00	10%	92%

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).

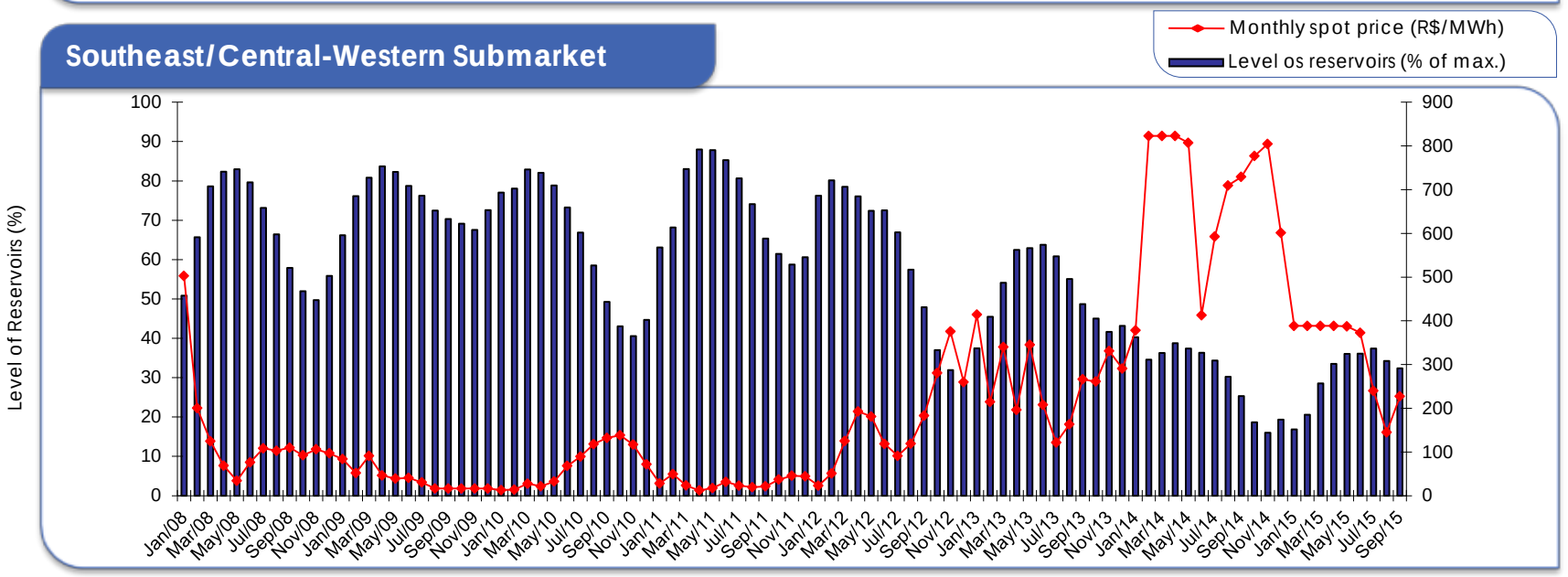
Correlation between reservoir levels and spot prices

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Southern Submarket



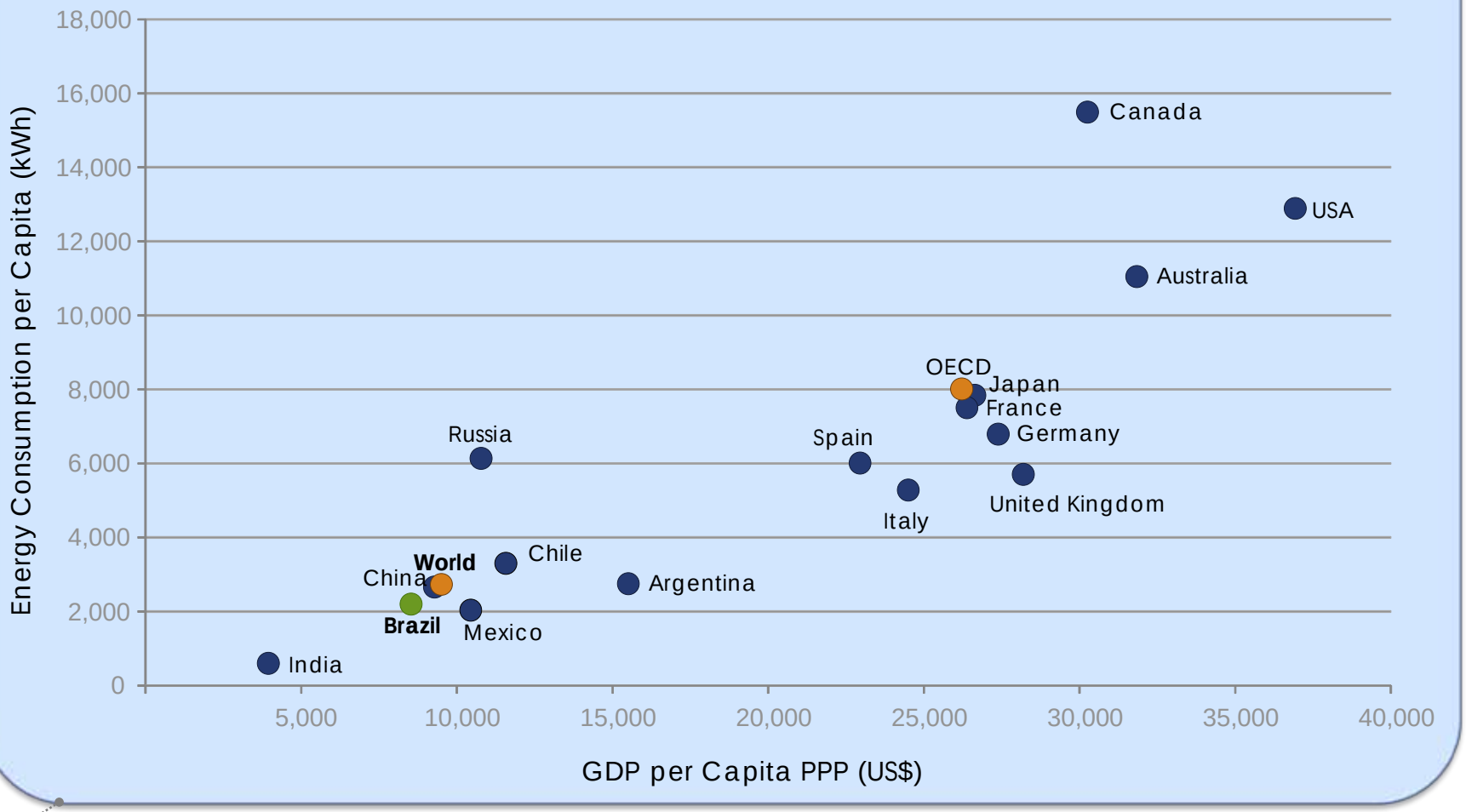
Southeast/Central-Western Submarket



Electricity: large growth potential

Tractebel Energia GDF SUEZ

Electricity Consumption (per capita, yearly)



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