Tractebel Energia

GDF SUEZ

Results Presentation | 4Q08

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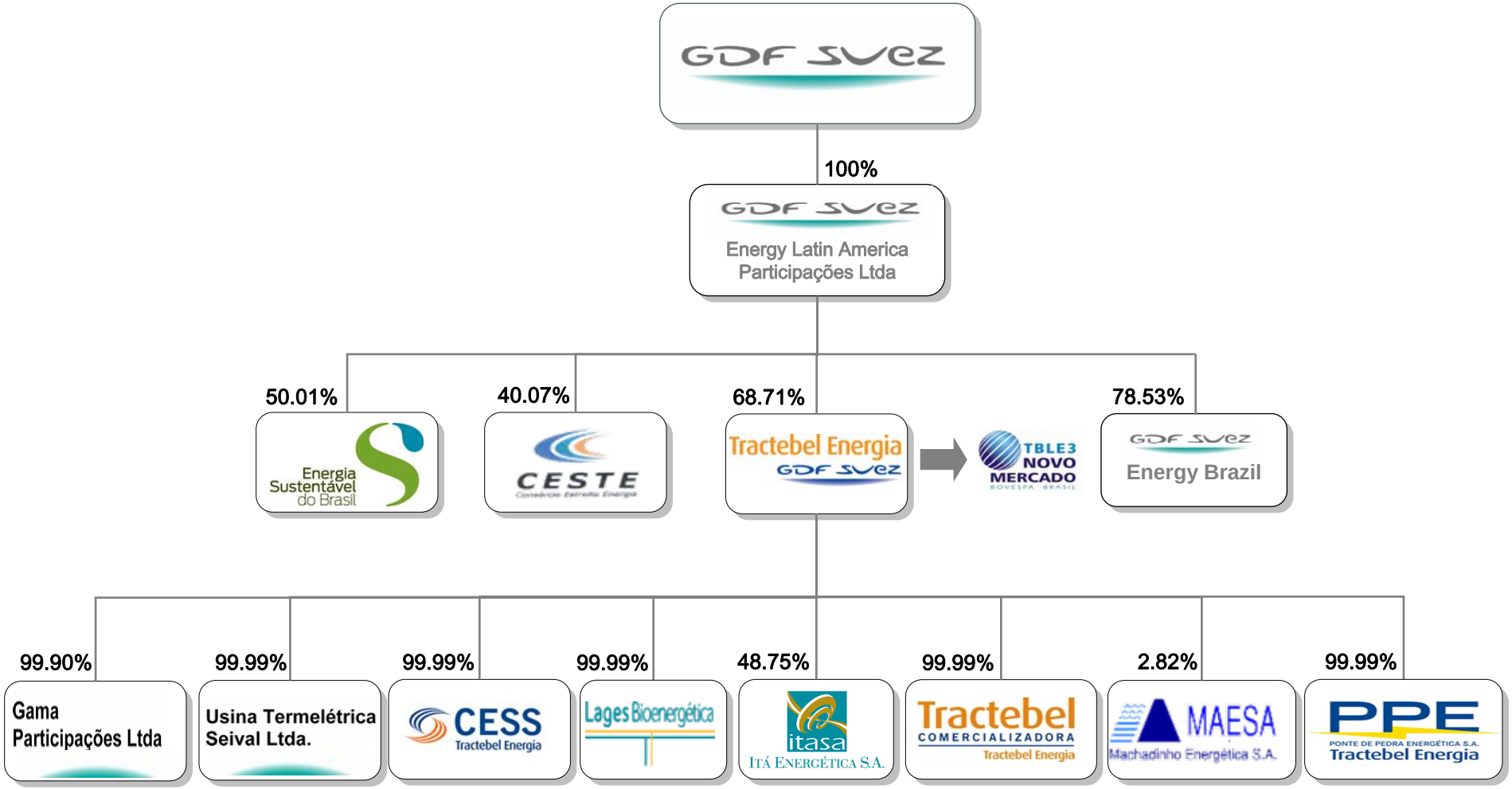
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Market Share, Assets and Sales

Shareholding Structure*



* Simplified version.

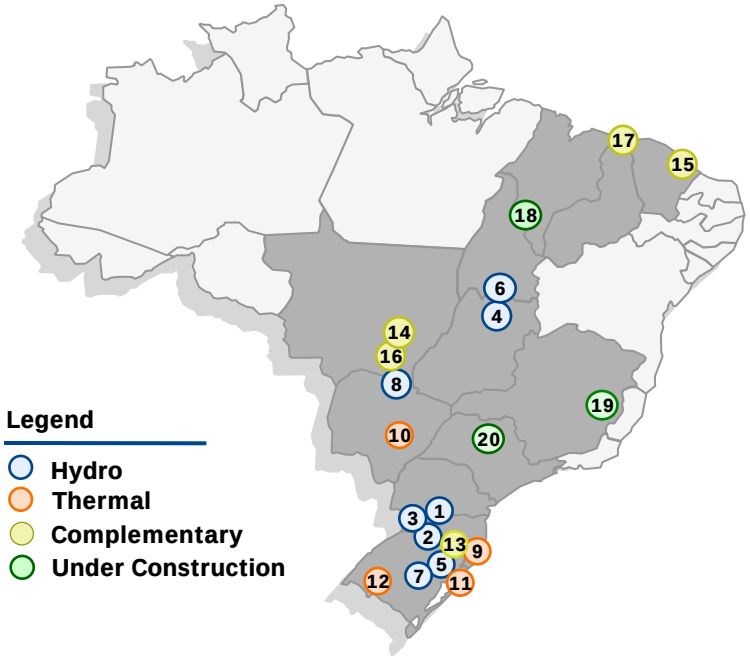
Asset Overview

Diversified portfolio (80% hydro, 18% thermal and 2% complementary), with strategic location, totaling 6,432 MW of installed capacity from 19 plants operated by Tractebel Energia.

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

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

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



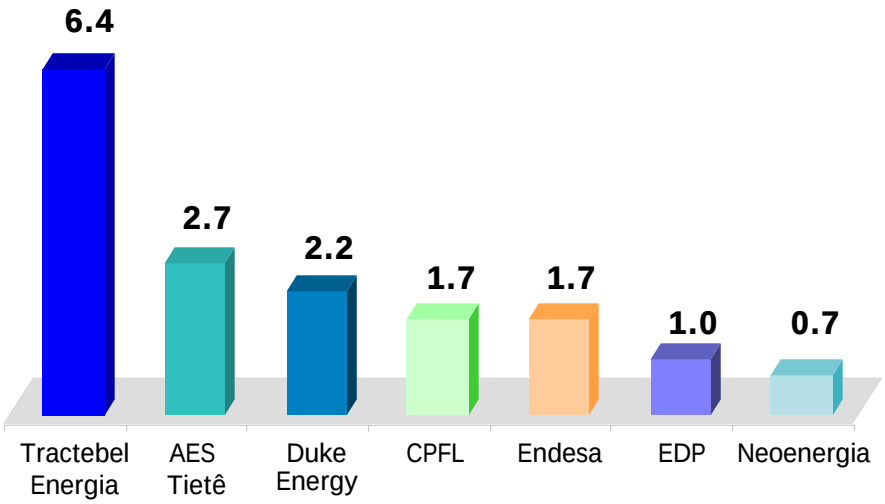
Power Plants Under Construction	Installed Capacity (MW)	Commercial Capacity (MWm)[1]
18 Estreito (Hydro)[4]	435[2]	257[2]
19 Areia Branca (SHP)	20	10
20 Andrade (Biomass)	18[2]	11[2]
Total	**473**	**278**

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

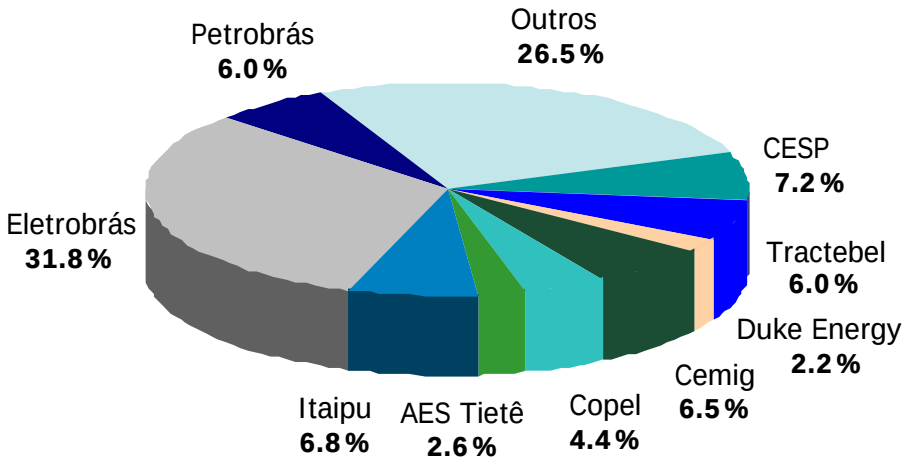
Leading Position in the Generation Sector

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

Private Sector – Installed Capacity (GW)



Brazil – Installed Capacity[1,2]



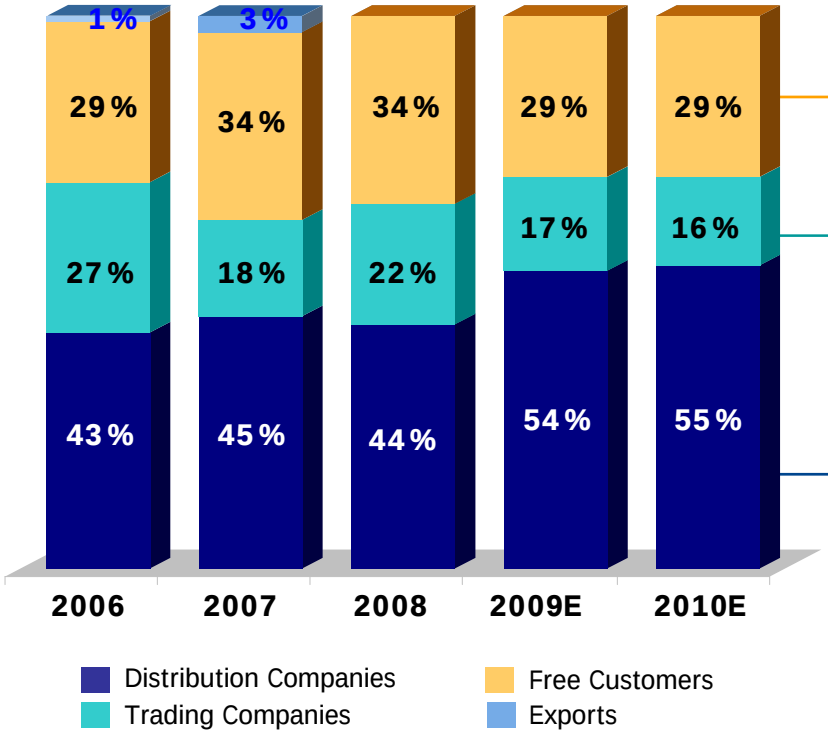
Source: Aneel and Companies' websites.

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

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

Client Portfolio Management

Client Breakdown (based on contracted energy)



First to consistently serve the free market...

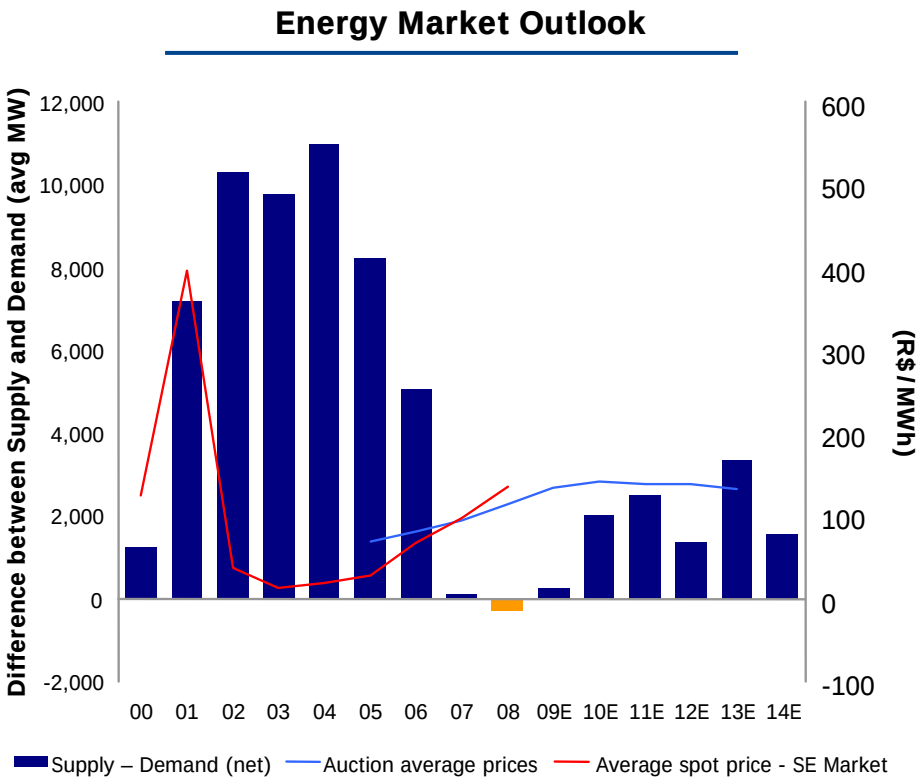
- Flexibility (prices, terms and conditions) → Maximizes portfolio's efficiency
- Solid client relationship → Liaison with some free customers
- Largest consumer market
- Regulated and unregulated contracts → Long-term cash flow predictability

...to maximize portfolio's efficiency.

Energy Market in Brazil

Supply and Demand Curve

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



Source: Tractebel Energia's internal study based on ONS' Operations Monthly Program of October 2008 and on SFG/Aneel's report of October 2008. Includes the results of the A-3 and A-5 Auctions and the 1st Reserve Auction, all accomplished in 2008.

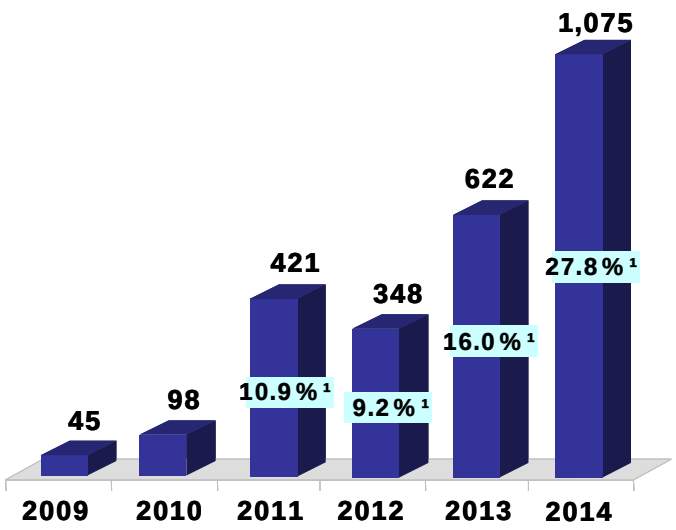
Sales Strategy

Meeting the Market Needs

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

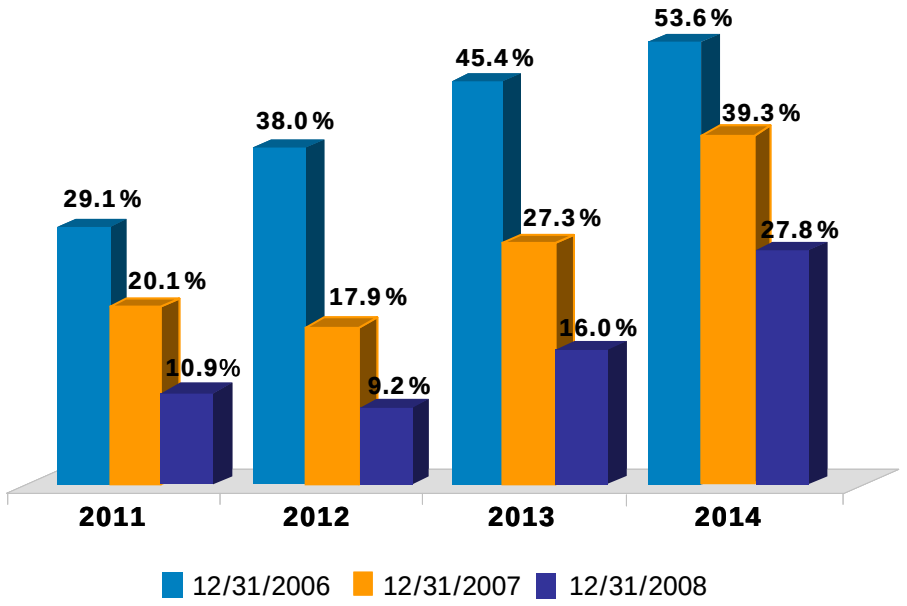
Tractebel Energia's Uncontracted Energy

(average MW)



Nota:
¹ Percentage of total resources.

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



Energy Balance

As of December 31, 2008

(in average MW)	2009	2010	2011	2012	2013	2014	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted as of Dec. 31, 2008 (R$/MWh)
Own Resources	3,311	3,393	3,580	3,617	3,617	3,617			
+ Purchases for Resale	387	622	289	177	278	249			
= Total Resources (A)	3,698	4,015	3,869	3,794	3,895	3,866			
Regulated Sales*	1,081	1,298	1,446	1,701	1,702	1,702			
2004-EE-2007-08	10	10	10	10	10	10	70.9	Dec-04	83.5
2005-EE-2008-08	150	150	150	150	150	150	81.6	Apr-05	93.2
2005-EE-2009-08	381	381	381	381	381	381	94.0	Oct-05	108.2
2005-NE-2010-30	-	200	200	200	200	200	115.1	Dec-05	131.3
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	143.9
2006-NE-2011-30	-	-	148	148	148	148	135.0	Nov-06	150.5
2007-NE-2012-30	-	-	-	256	256	256	126.6	Jun-07	137.6
Proinfa	47	53	53	52	53	53	147.8	Jun-04	187.5
1st Reserve Auction	-	11	11	11	11	11	158.1	Aug-08	160.3
+ Bilateral Sales	2,572	2,619	2,002	1,745	1,571	1,089			
= Total Sales (B)	3,653	3,917	3,448	3,446	3,273	2,791			
Balance (A - B)	45	98	421	348	622	1,075			
Sales average price (R$/MWh) **(net)**[*1]:	107.4	111.2	116.2						
Purchases average price (R$/MWh) **(net)**[*2]:	112.0	113.0	105.3						

* 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 revenues (PIS/Cofins, R&D), as of 12/31/08.
*2: Purchase **net** price, considering benefits from PIS/Cofins credits, as of 12/31/08.

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

Growth

Project Under Construction I: Estreito

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

Project Description





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

Notes:
[1] Estimated Tractebel Energia's investment in the project.
[2] Tractebel Energia's estimates.

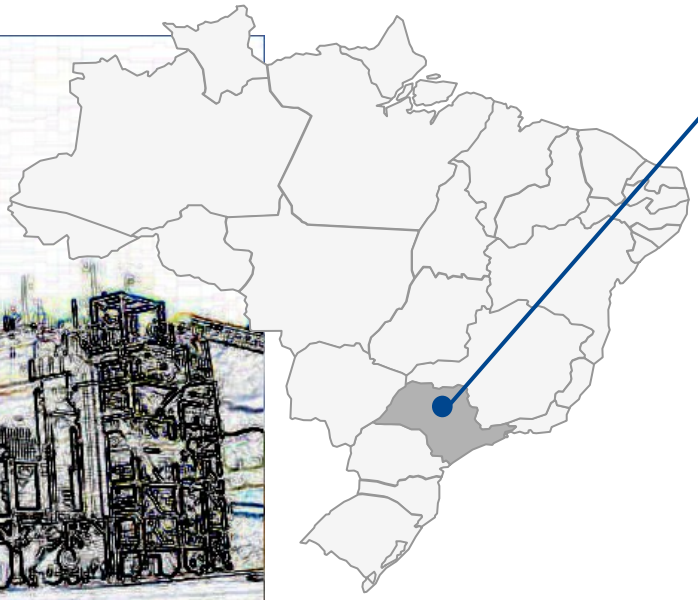
The energy to be generated by Estreito was sold at the new energy auction held in October 2007, for a 30-year period, as from 2012.

Project Under Construction II: Andrade

In partnership with Açúcar Guarani, a sugar and ethanol producer, Tractebel Energia is building a 33 MW installed capacity sugar cane bagasse-fueled power plant.

Project Description





TPP Destilaria Andrade	
Installed Capacity:	33 MW
Assured Energy:	20 MW
TBLE Stake:	55%
Investment (R$mm)[1]:	95
Start of construction:	2008
Start of operation:	2010

Note:
[1] Tractebel's share.

The energy to be generated by TPP Andrade was sold at R$ 158.11/MWh at the 1st Reserve Energy Auction, in August of 2008, for a 15 year-term starting in 2010.

Seival: a Greenfield, Coal-Fired Project under Development

- Coal-fired plant:

- Candiota reserve, located in southern Brazil, offers the most abundant coal and also at the lowest price per BTU in Brazil.
- A 340 MW greenfield project is being developed to deliver energy as from 2012. The energy will be sold to the Brazilian or Uruguayan electricity market.
- Tractebel Energia has acquired the control of SPC Seival Ltda., which holds the rights for constructing a thermal project of up to 540 MW in the region, what can speed up the development of the plant.
- TIC of around US$ 850 MM, including transmission line.





Other Projects: Complementary Sources

In December 2008 Tractebel Energia acquired three generation assets resulting from a spin off from a larger acquisition made by GDF SUEZ.

Beberibe Wind Farm



Installed Capacity:	25.6 MW
Commercial Capacity[1]:	9.8 MW
Load Factor:	38%
Investment (R$mm):	203
Start of operations:	2008

Areia Branca SHP



Installed Capacity:	19.8 MW
Commercial Capacity[1]:	10.4 MW
Load Factor:	52%
Investment (R$mm):	95
Start of operations:	2009

Pedra do Sal Wind Farm



Installed Capacity:	18.0 MW
Commercial Capacity[1]	7.8 MW
Load Factor:	43%
Investment (R$mm):	106
Start of operations:	2008

Notes:
[1] Energy contracted with Eletrobrás, through Proinfa.

Reconciliation of the Econergy Assets Transfer

Events chronology:

• in June 2008 GDF SUEZ acquired a set of assets, most of them in the early stages of development, from Econergy for roughly R$ 140 million;

• out of the total, R$ 110 million stand for the assessment of a set of the 3 assets located in Brazil;

• from June to December 2008 GDF SUEZ injected additional R$ 80 million, thus totaling an investment of R$ 190 million in the set of 3 assets; and

• in December 2008 Tractebel acquired the set of 3 assets from GDF SUEZ for R$ 200 million.

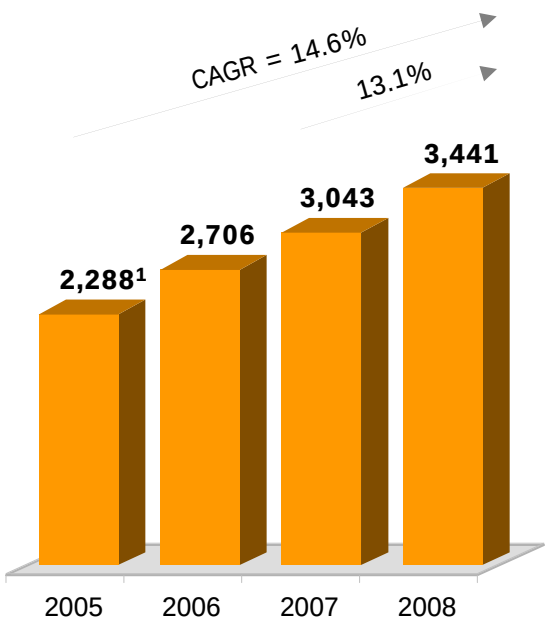
Thus, the goodwill paid by Tractebel reached R$ 10 million, i.e., 5% of the transfer value, being justified by the construction and commercial risks run by GDF SUEZ.

Financial Performance

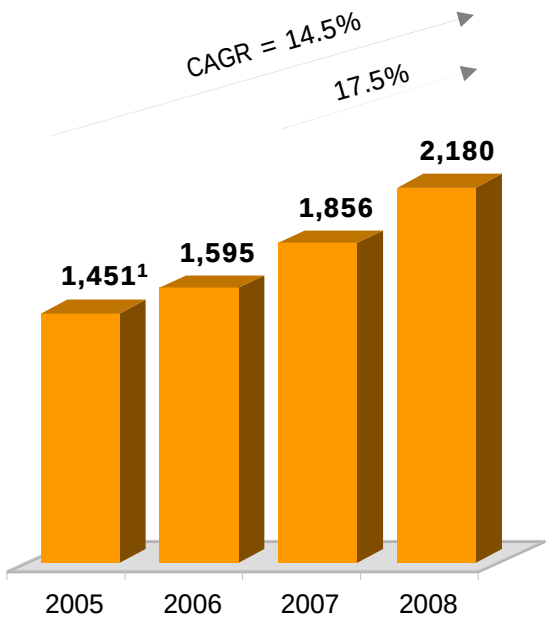
Net Revenues, EBITDA and Net Income

Efficient management of its client portfolio and focus on contracting strategies have paved the way for a substantial top line growth of both revenues and EBITDA. Consistent net income allows for a new growth cycle.

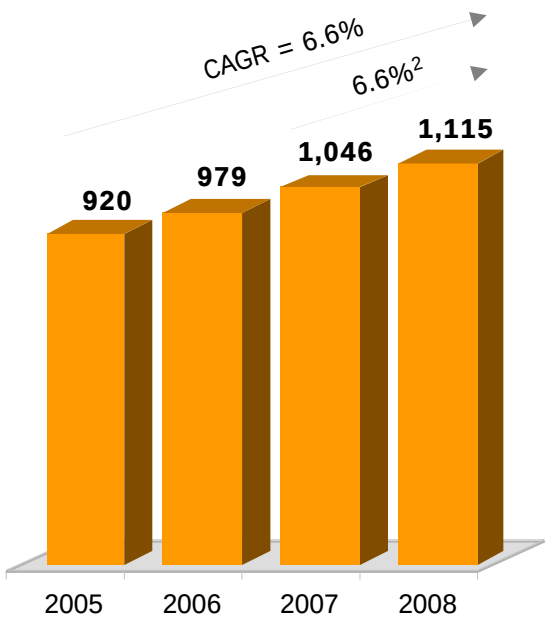
Net Revenues (R$ million)



EBITDA (R$ million)

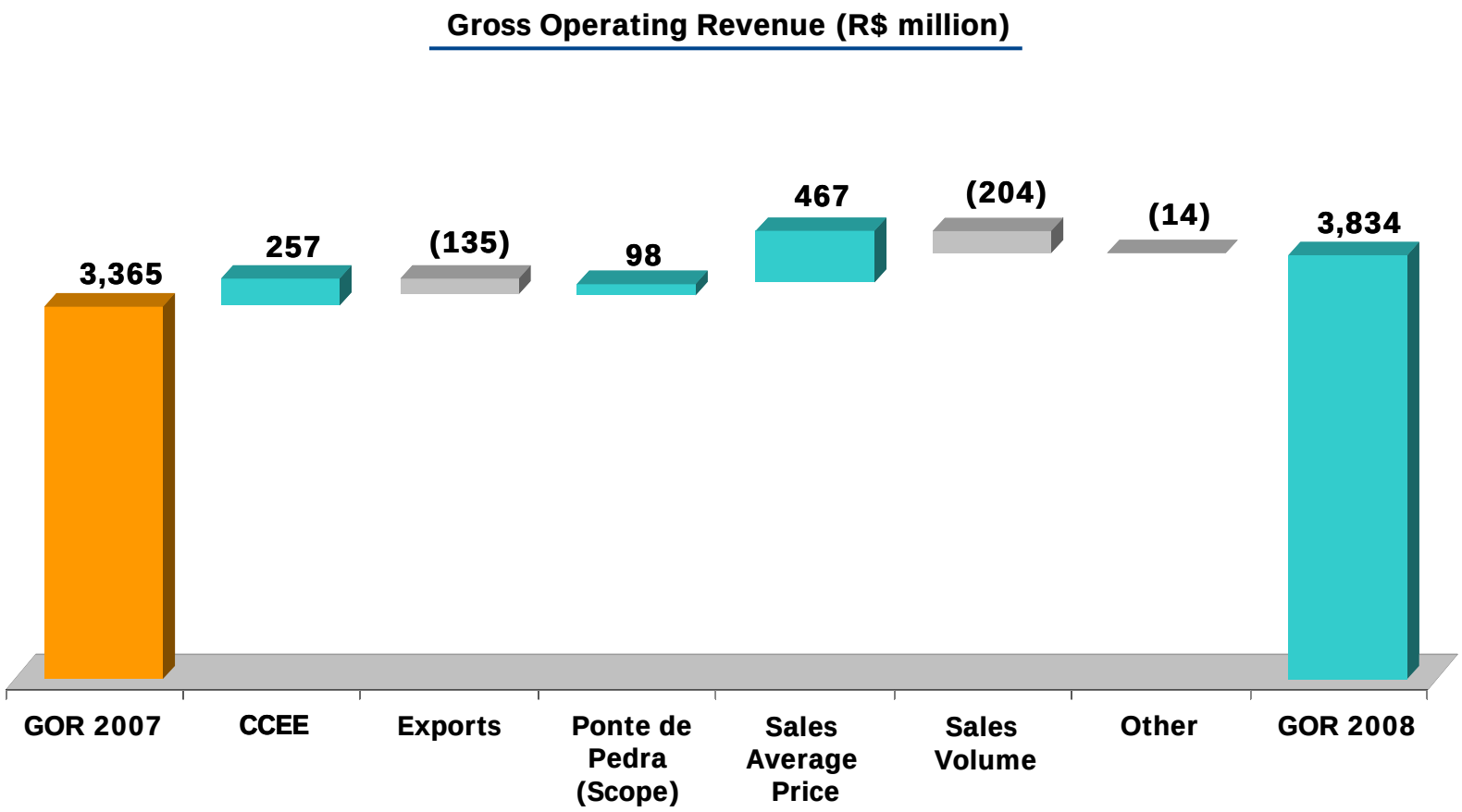


Net Income (R$ million)

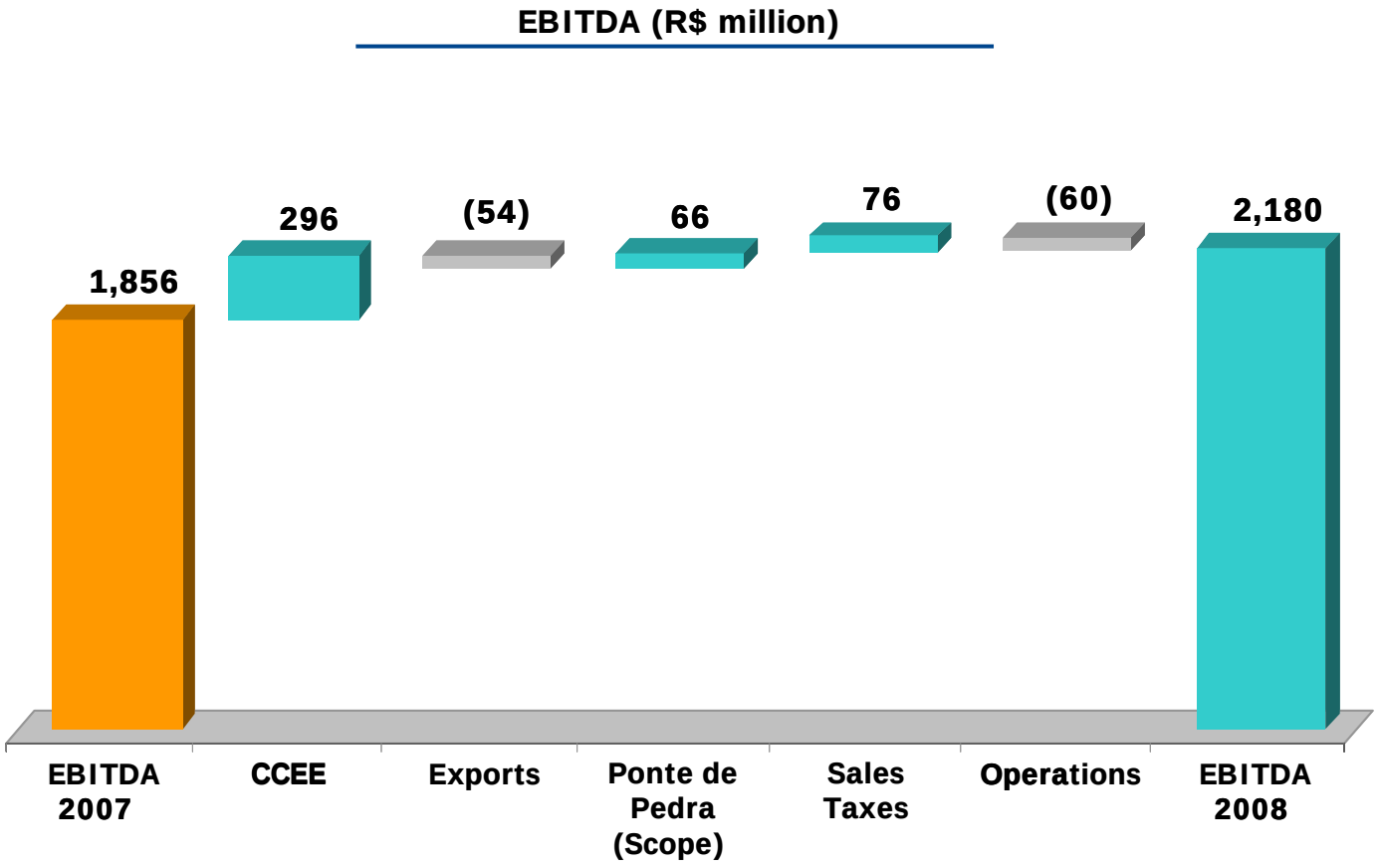


Note:
[1] Considering new accounting procedures.
[2] Not considering the non recurring effects in 2007 and 2008, net income would have increased 13.2%.

Changing Elements in 2008

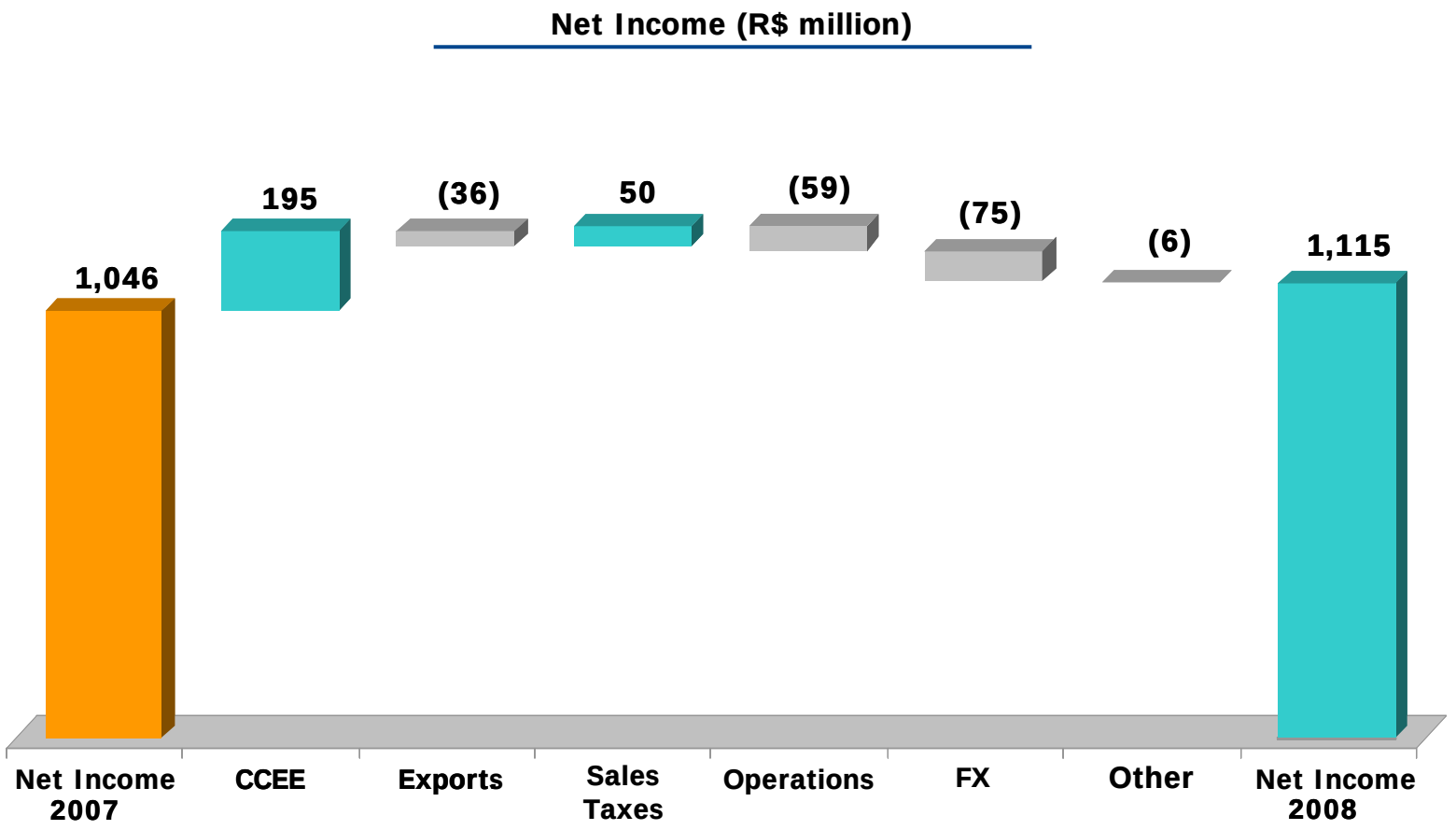


Changing Elements in 2008



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

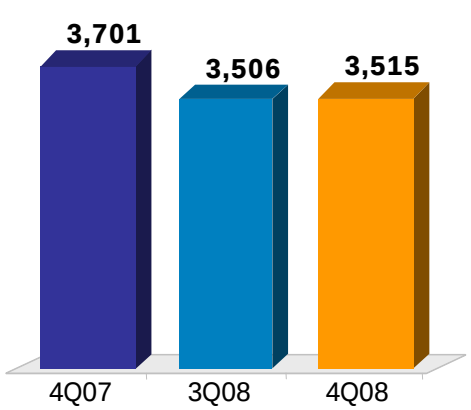
Changing Elements in 2008



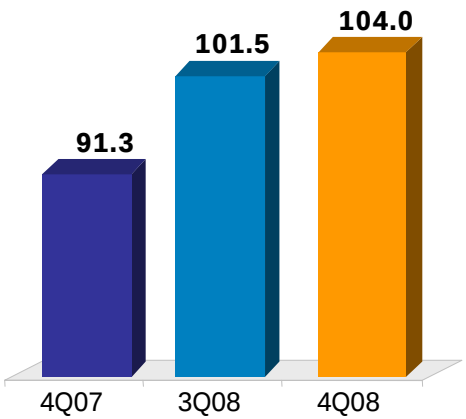
Quarterly Financial Drivers

Despite of volume reduction enacted by industry regulator for 2008, higher sales prices allowed Tractebel to achieve a sound performance in the year.

Energy Sold (avg. MW)

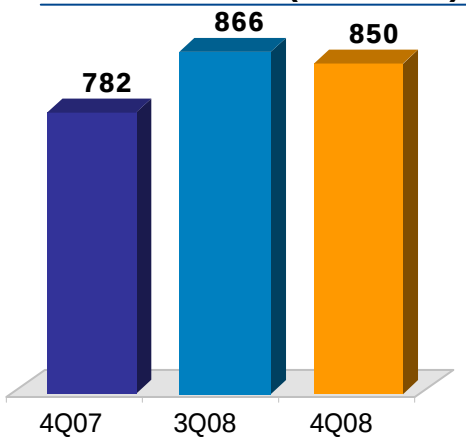


Average Price of Energy Sold (R$ / MWh)

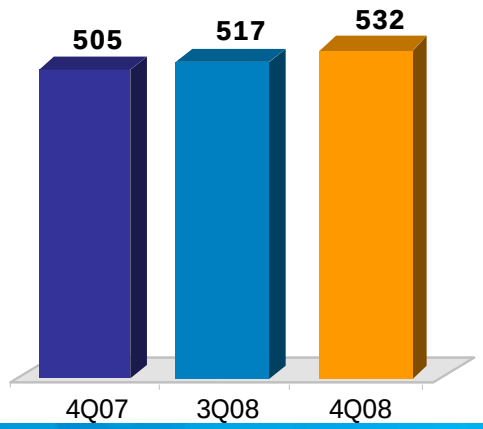


Note: Figures are net of deductions.

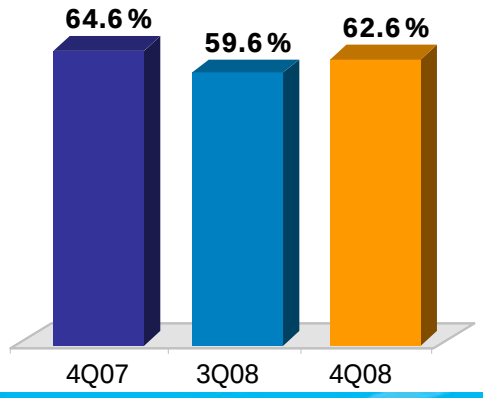
Net Revenues (R$ million)



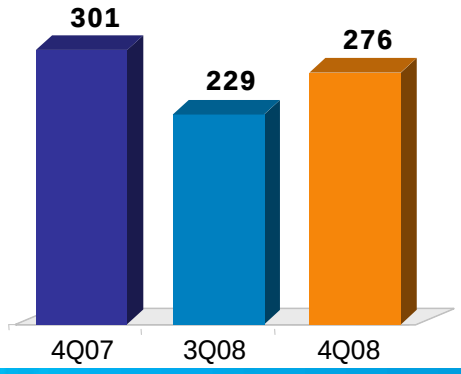
EBITDA (R$ million)



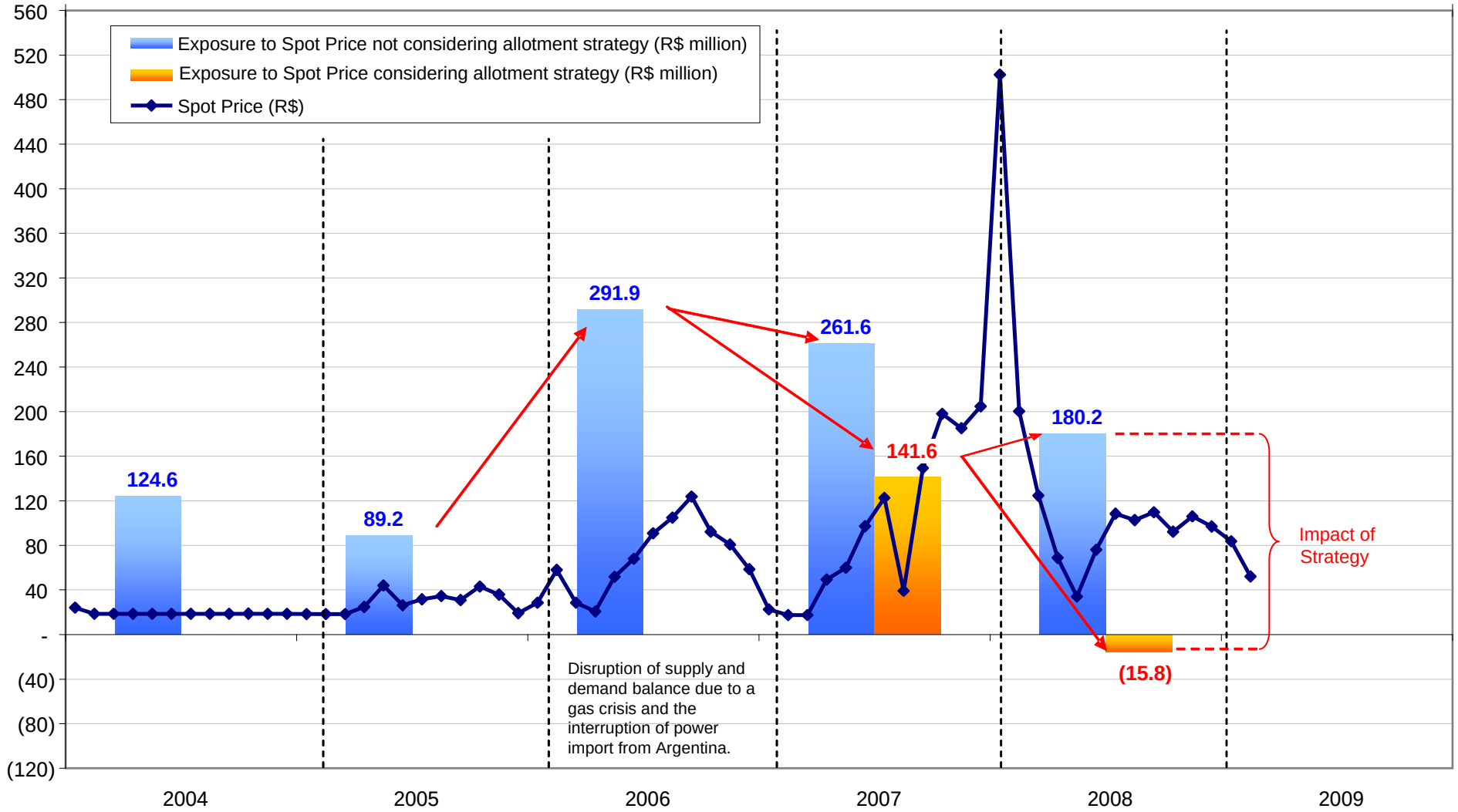
EBITDA Margin



Net Income (R$ million)

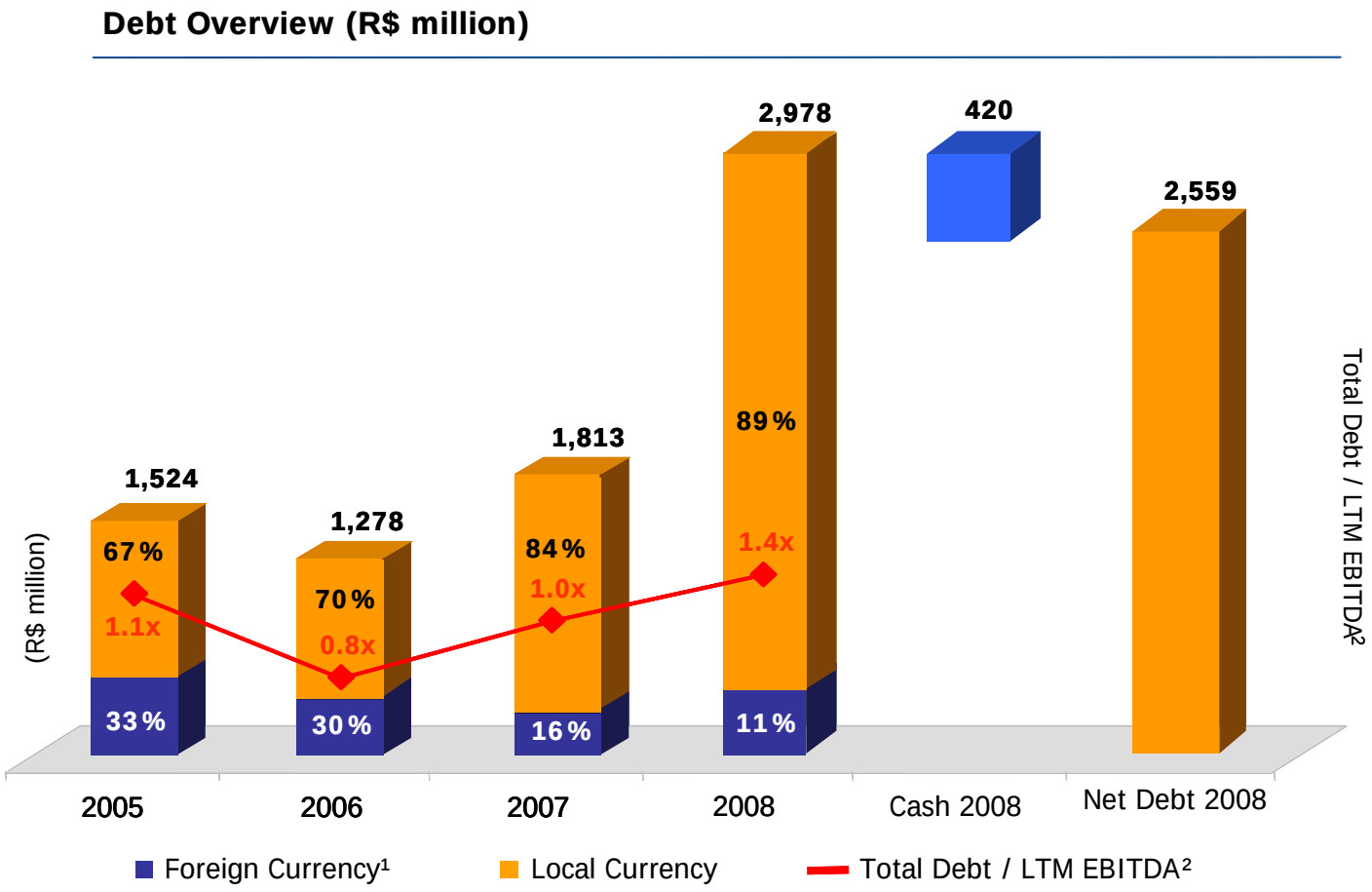


Expenses: Impacts of Energy Allotment (2004 thru 2008)



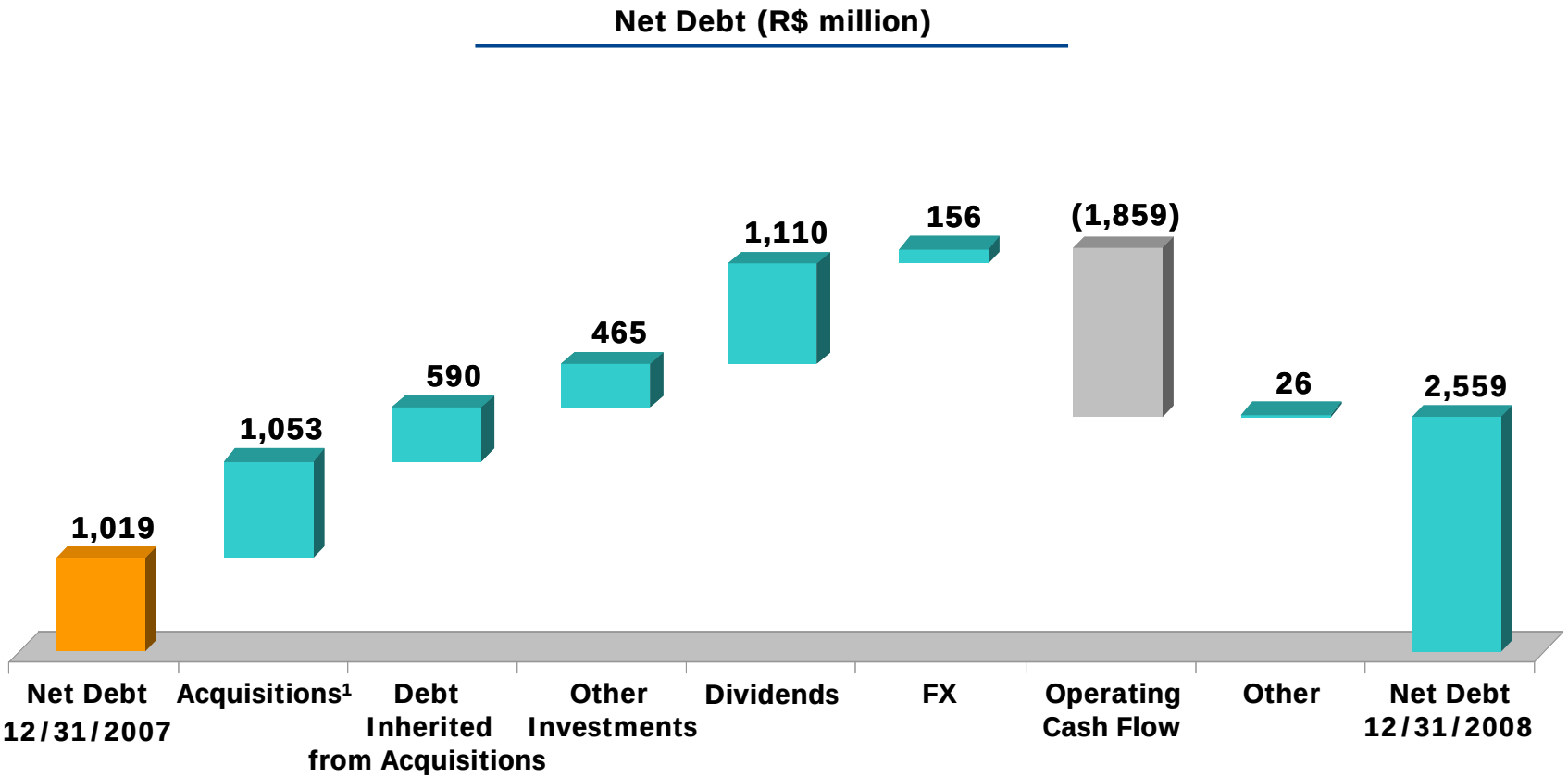
Indebtedness

Evolution of leverage and exposure to foreign currency:



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

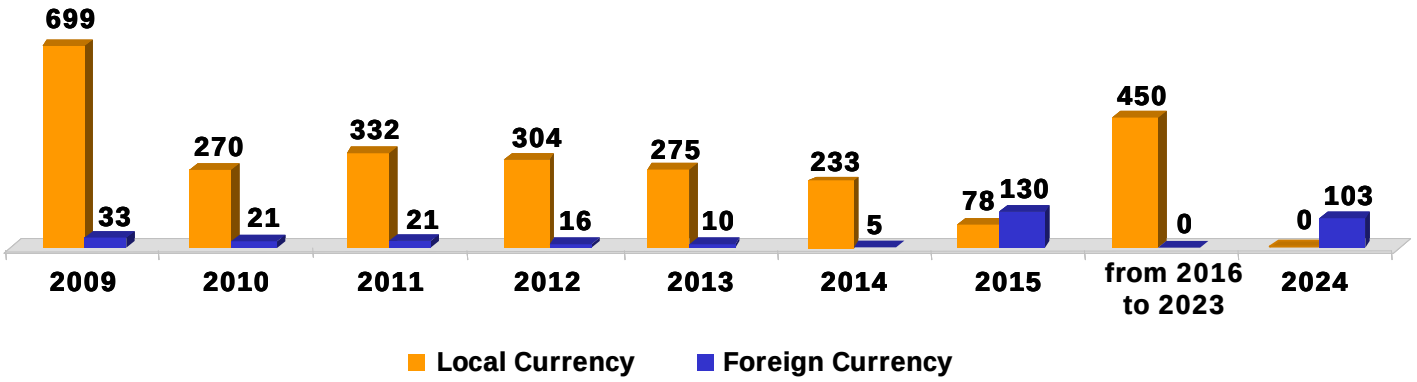
Changing Elements in 2008



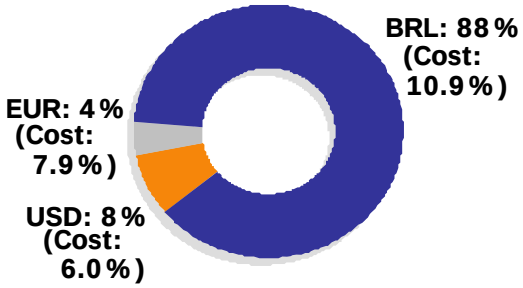
Note:
¹ Net of cash equivalents.

Debt Composition

Maturity Term Loans – R$ million



Cost of Debt



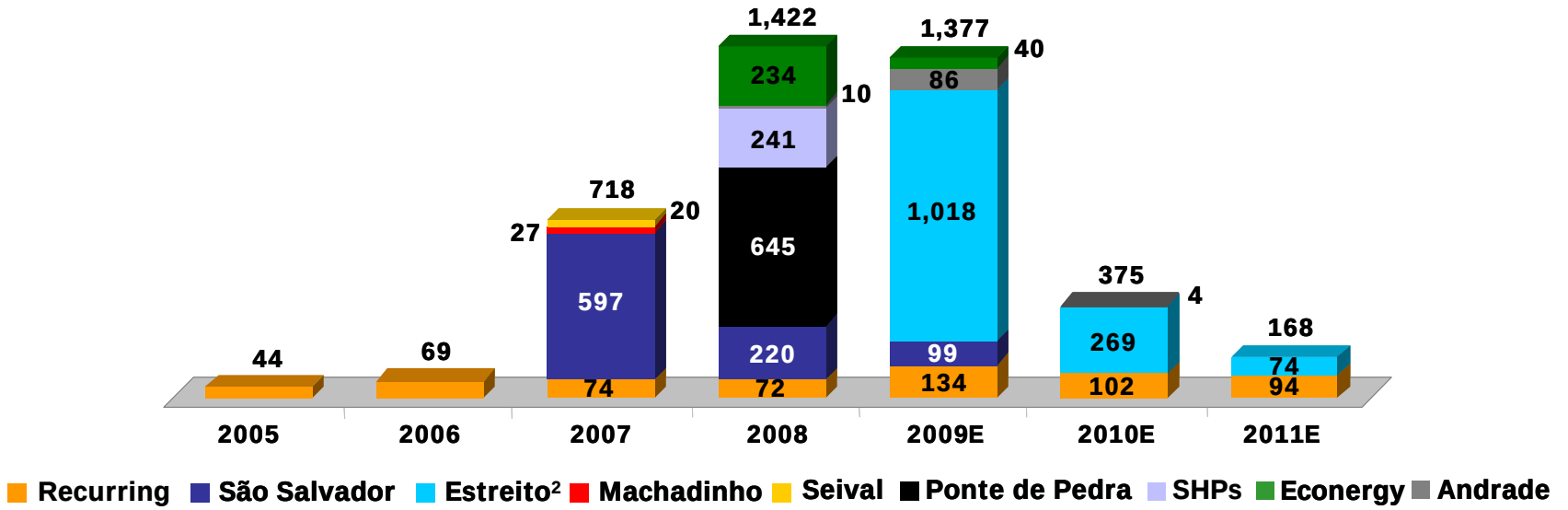
Composition of Debt	
Foreign Currency	
Fixed	50%
Floating	50%
Total	**100 %**

Local Currency	
Fixed	4%
TJLP	52%
IGPM	8%
CDI	21%
IPCA	15%
Total	**100 %**

Investment Plan

Low recurring investments and expansion capex are supported by a high cash flow generation.

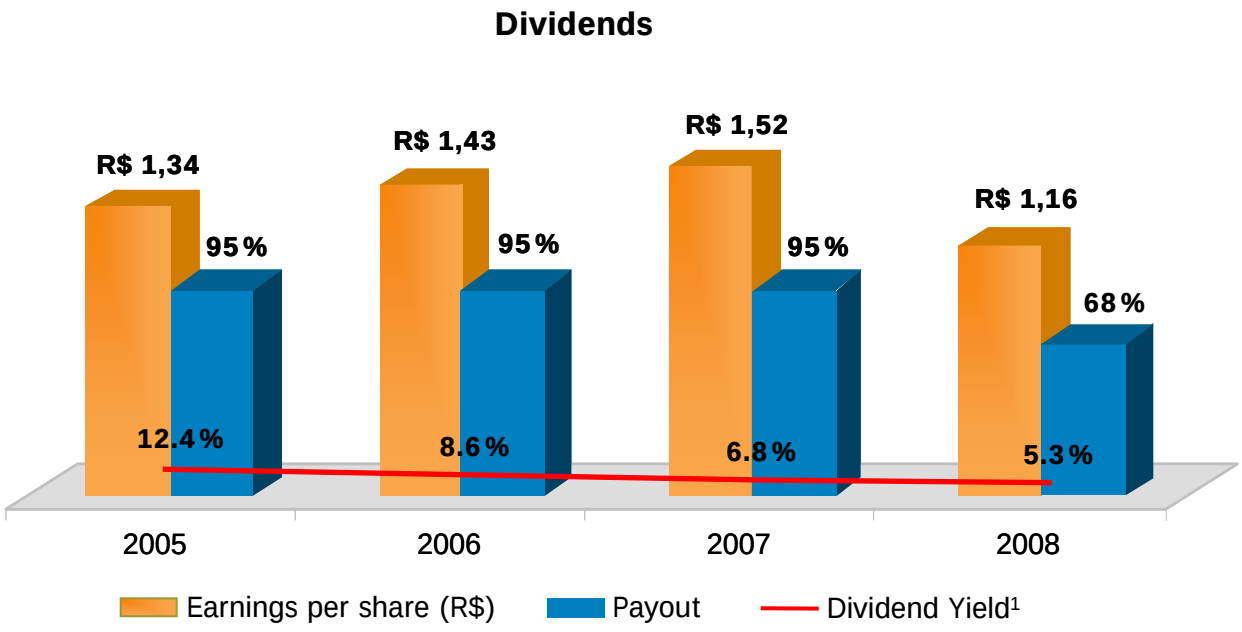
Capital Expenditures[1] (R$ million)



Note:
[1] For the M&A assets, the figures consider the equity involved at the acquisition besides the equity and third-parties funds injected thereafter. For the Group's internally-developed projects, the figures consider both the equity and the debt involved.
[2] Currently Tractebel Energia has no stake in the project. The Company will acquire GDF SUEZ's share opportunely.

Dividend Policy

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



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

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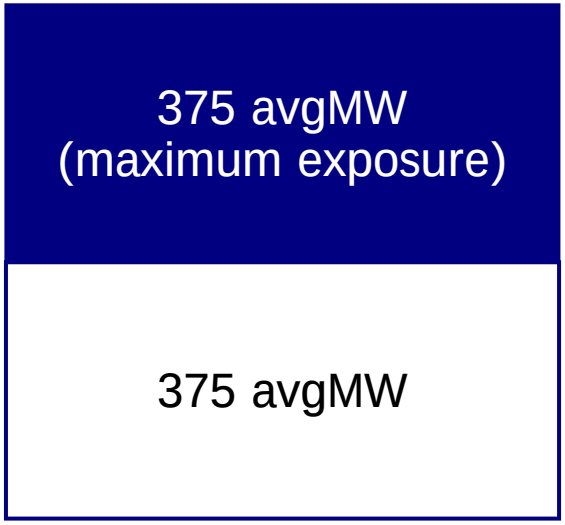
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Attachments

Exposure to Spot Price due to:

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

Thermal Side: Exposure to Spot Prices



→ Estimated commercial capacity (on a yearly basis)

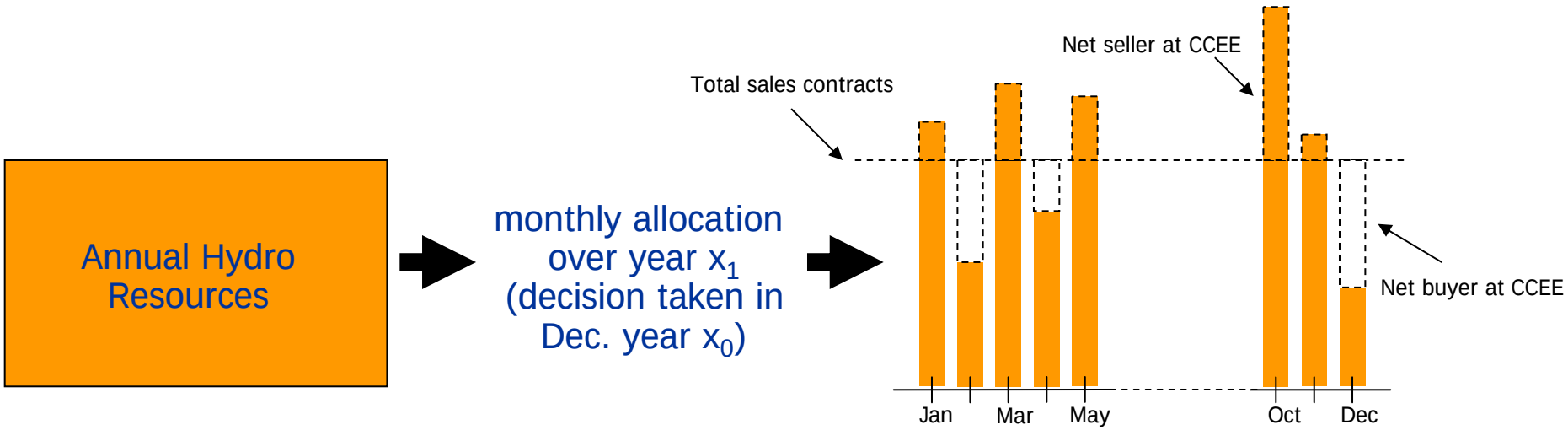
→ Thermal substitution energy → purchase in spot market

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

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

Hydro Gencos Monthly Allocation of Resources

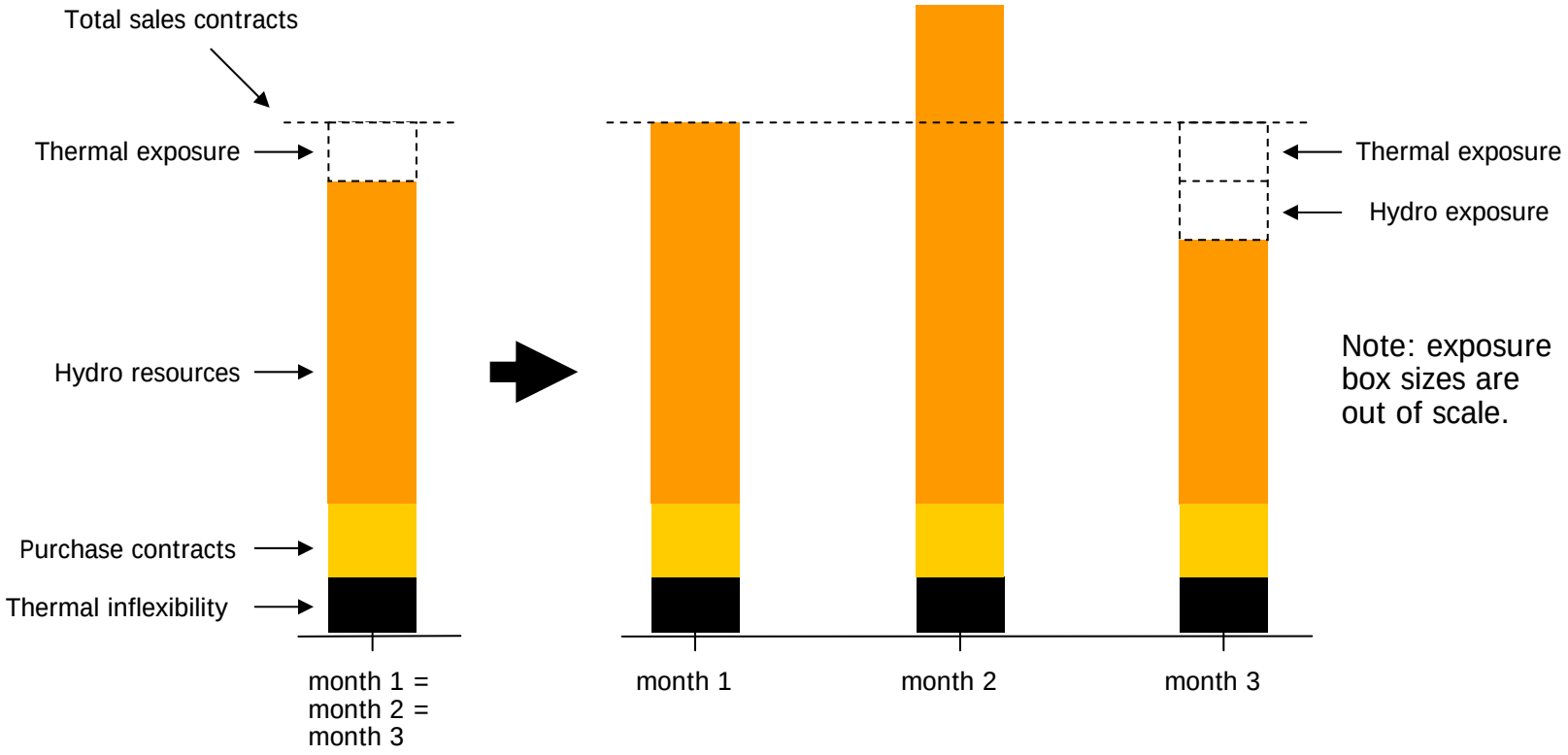
How does the allocation of resources at CCEE (the energy trading board) over the months interfere with a hydro genco quarterly results?



- 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.

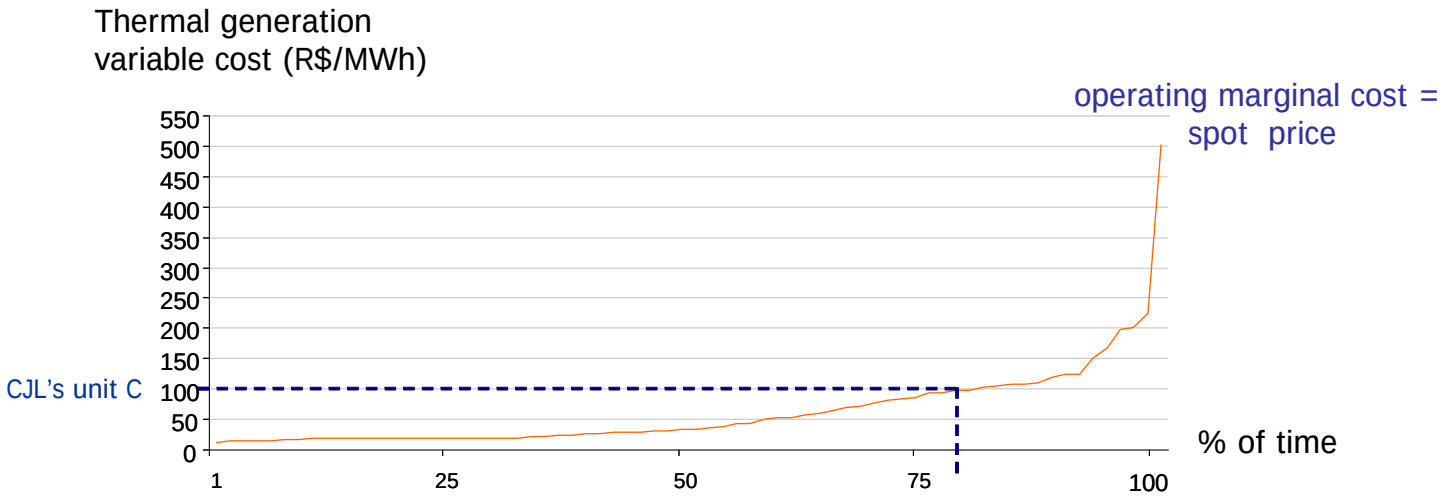
Mechanisms to Mitigate Exposure from the Thermal Side

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:



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 February 2009.

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

Correlation between Reservoir Levels and Spot Prices

