Tractebel Energia
GDF SUEZ



Results Presentation – 4Q11 and 12M11

Tractebel Energia | GDF SUEZ – all rights reserved

Disclaimer

The information contained herein has been prepared by Tractebel Energia S.A. (“Tractebel Energia”, “Tractebel” or “the Company”) solely for meetings to be held with investors and/or potential investors. This material does not constitute offering material in whole or part, and you must obtain further information before making an investment decision in respect of the common shares of the Company.

This material has been prepared solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities and should not be treated as giving investment advice. It is not targeted to the specific investment objectives, financial situation or particular needs of any recipient. No representation or warranty, either express or implied, is made as to the accuracy, completeness or reliability of the information contained herein. It should not be regarded by recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this material are subject to change without notice and Tractebel Energia is not under obligation to update or keep current the information contained herein. The Company and their respective affiliates, agents, directors, partners and employees accept no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this material.

You should consult your own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that you deem necessary, and you must make your own investment, hedging or trading decision based upon your own judgment and advice from such advisers as you deem necessary and not upon any view expressed in this material.

This material includes forward-looking statements subject to risks and uncertainties, which are based on current expectations and projections about future events and trends that may affect the Company’s business. These statements include projections of economic growth and energy demand and supply, as well as information about competitive position, the regulatory environment, potential opportunities for growth and other matters. Several factors may adversely affect the estimates and assumptions on which these statements are based, many of which are beyond our control.

Highlights, Shareholding Structure, Market Share, Assets and Sales

Tractebel Energia
GDF SUEZ

Annual highlights

• Approved by the Board of Directors a complementary dividends proposal relating to 2011, totaling R$ 517.3 million (R$ 0.792566942 per share). For the year, total dividends and interest on equity capital reached R$ 1,429.3 million, equal to R$ 2.1897556102 per share or 100% of adjusted distributable net income.

• Achieved 98.3% of accumulated annual uptime ratio, excluding scheduled stoppages: 98.6% for hydroeletric generation, 97.2% for thermoeletric generation and 93.4% for complementary plants.

• Tractebel remained listed in BM&FBOVESPA's (São Paulo Stock Exchange) Corporate Sustainability Stock Index (ISE), released at 2011 year-end. The Company has been a part of this index since it was created, in 2005.

• 2011 also saw the startup of operations at the Estreito HPP, of 1,087 MW capacity, of which 40.07% are assigned to the Company. As of December 31st, four of the eight generating units were fully working, representing 75% of the Plant's total assured energy.

• The Company obtained its first ever investment grade rating in 2011 (BBB- from Fitch Ratings), as well as obtaining the brAA+ rating with a positive outlook from Standard & Poor's.

• In its first participation in the award, Tractebel was selected as one of the 150 companies included in the Você S/A – Exame Guide – The Best Companies To Work For, 2011 edition.

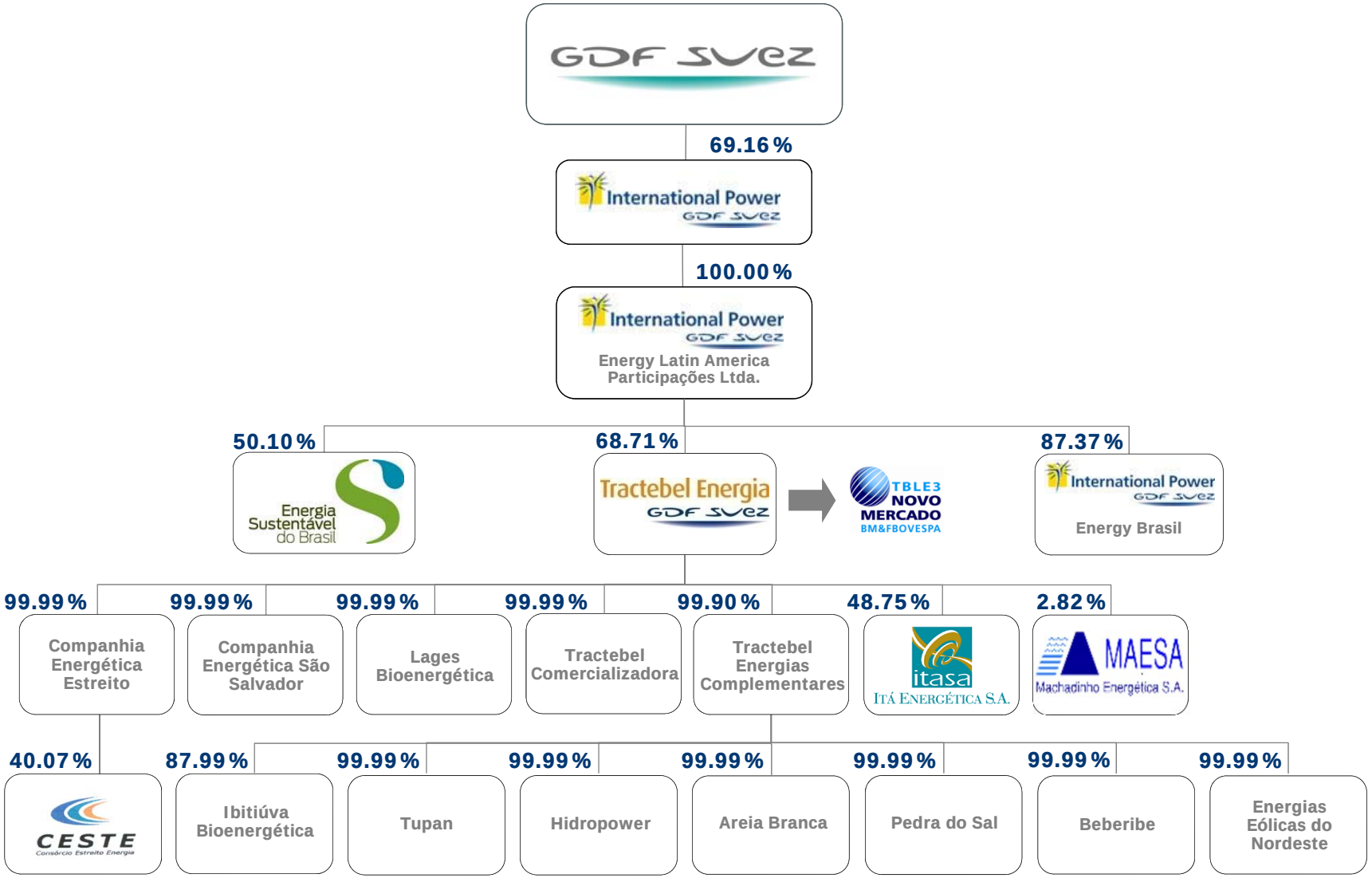
Quarter highlights

- Financial and operational indexes:

(in millions of R$)	4Q11	4Q10	Chg.	12M11	12M10	Chg.
Net Operating Revenue (NOR)	1,096.3	1,107.6	-1.0%	4,327.0	4,100.4	5.5%
EBITDA (1)	766.4	696.2	10.1%	2,909.7	2,611.5	11.4%
EBITDA / NOR - (%)	69.9	62.9	7.0 p.p.	67.2	63.7	3.5 p.p.
Net Income	450.1	373.3	20.6%	1,448.1	1,211.6	19.5%
Energy Sold (avg. MW)	3,801	3,865	-1.7%	3,879	3,863	0.4%
Average Price of Energy Contracts (R$/MWh) (2)	124.2	114.0	9.0%	122.7	112.6	9.0%
Production (avg. MW)	5,602	4,943	13.3%	5,140	4,907	4.7%

(1) EBITDA represents: operational results + financial results + depreciation and amortization.
(2) Net of exports and sales taxes.

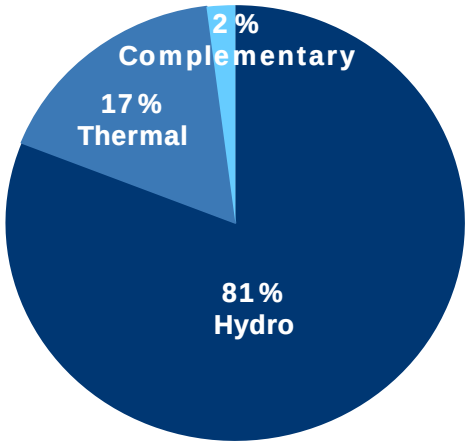
Tractebel is controlled by GDF SUEZ, world leader in energy

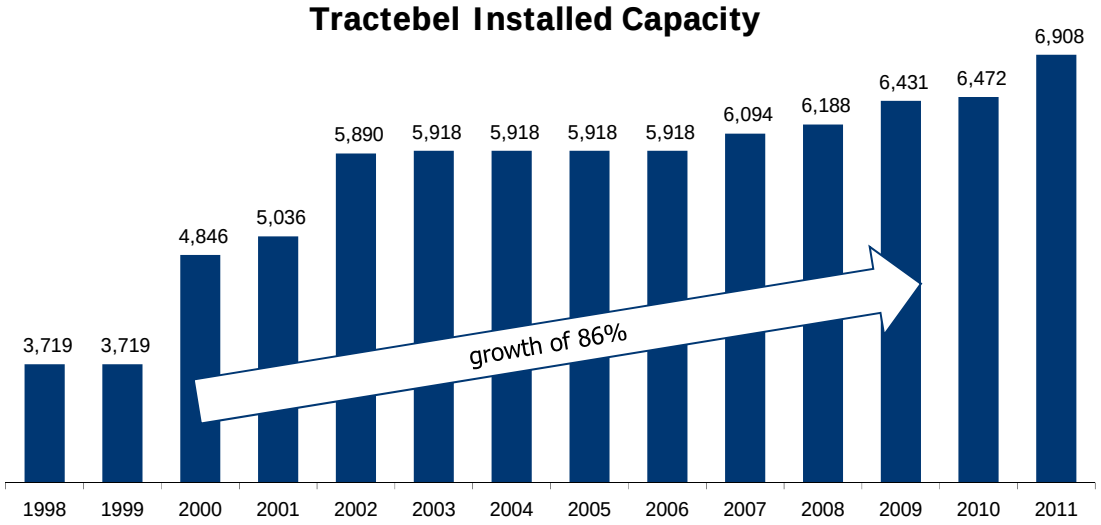


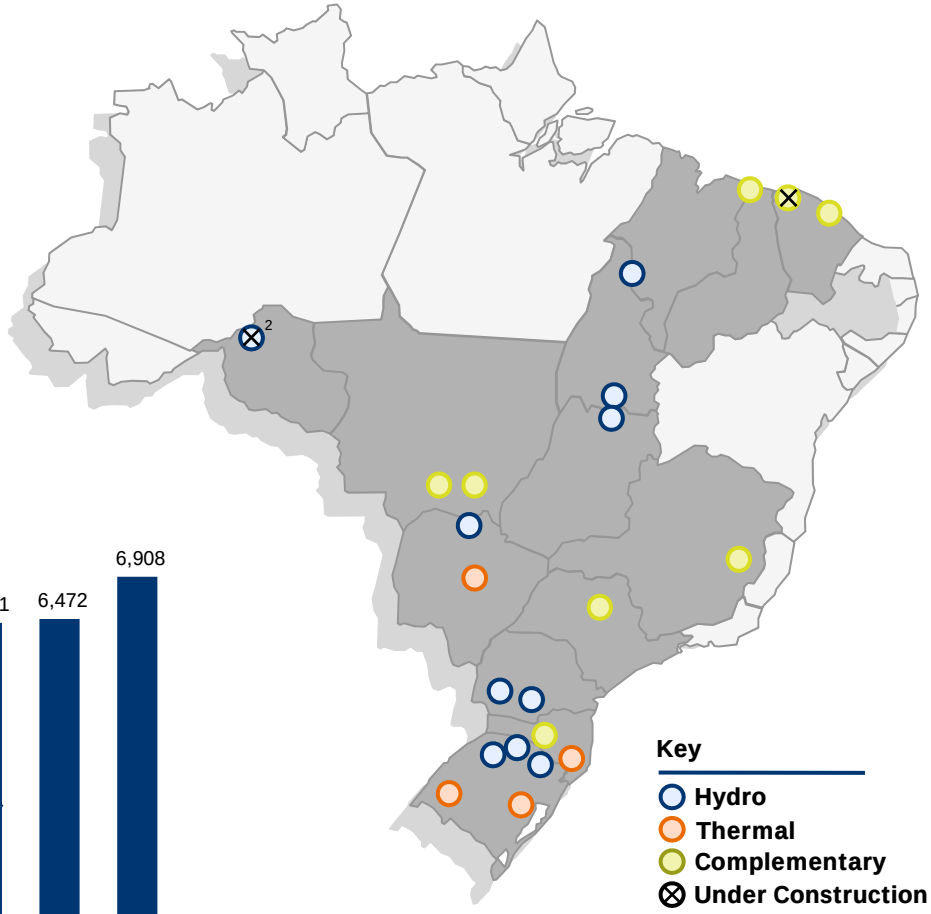
Note: Simplified version

Diversified portfolio of assets, with strategic location

Installed capacity of 6,907.6[1] MW from 22 plants operated by Tractebel Energia in a diversified portfolio.





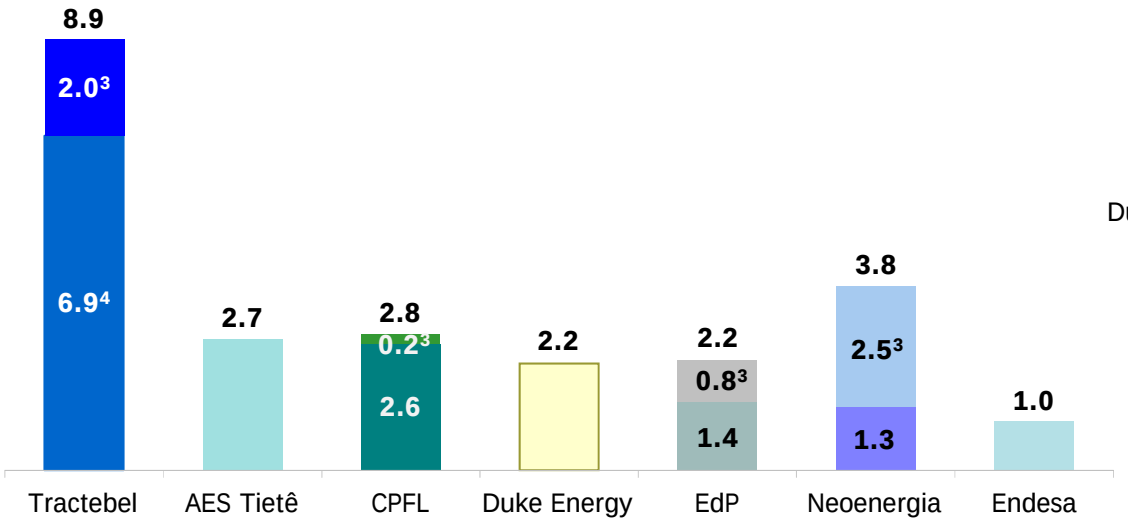


Note:
[1] Considers the complete Estreito HPP ramp-up, what is expected for 2012.
[2] IPR owns a 50.1% stake in Jirau HPP which is expected to be transferred to Tractebel Energia.

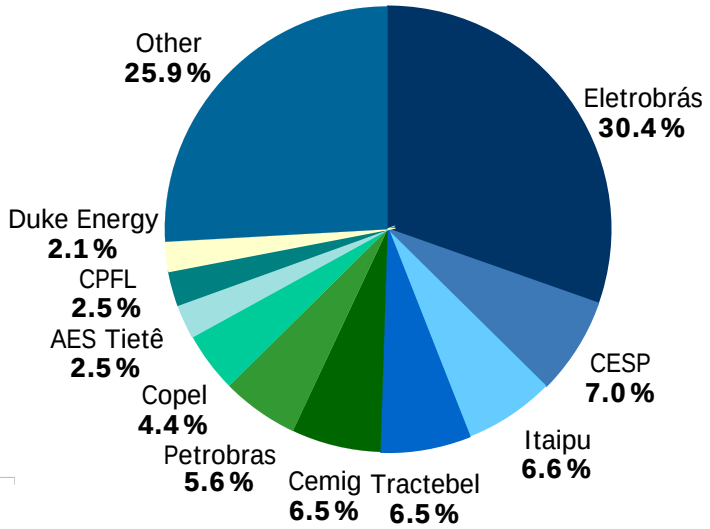
Leading position in the generation sector

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

Private Sector – Installed Capacity (GW)



Brazil – Existing Installed Capacity[1,2]

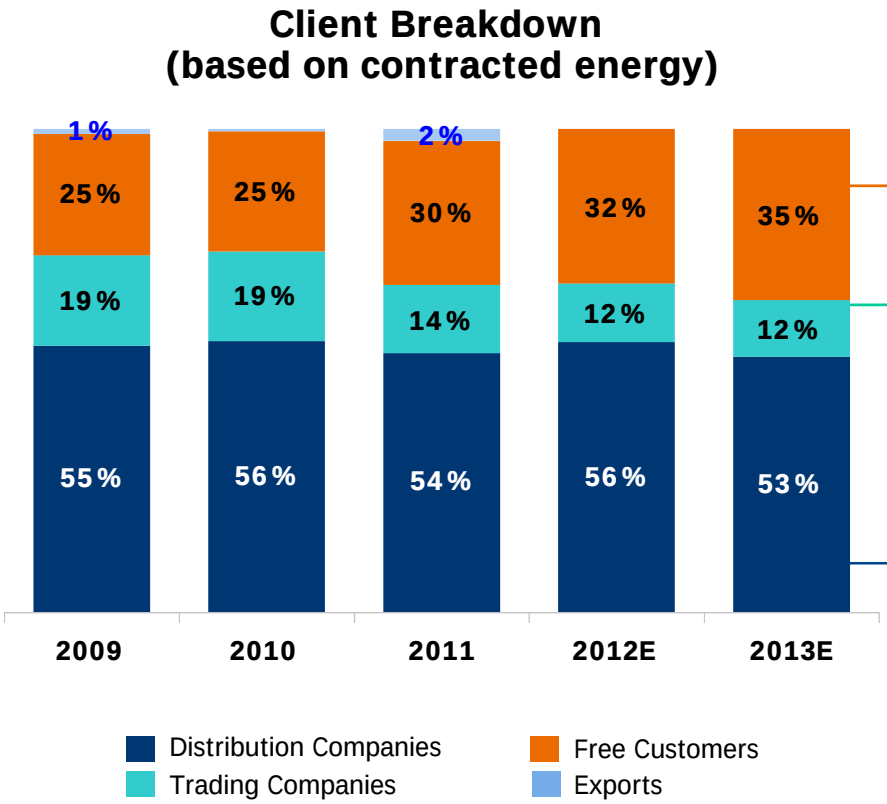


Source: Aneel , Companies' websites and in-house studies.

Notes:
[1] Amount corresponding to SIN – National Interlinked System.
[2] Includes only the Brazilian part of Itaipu.
[3] Installed capacity under construction. For Tractebel, the figure includes its parent company's stake (50.1%) in Jirau HPP.
[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



First to consistently serve the free market...

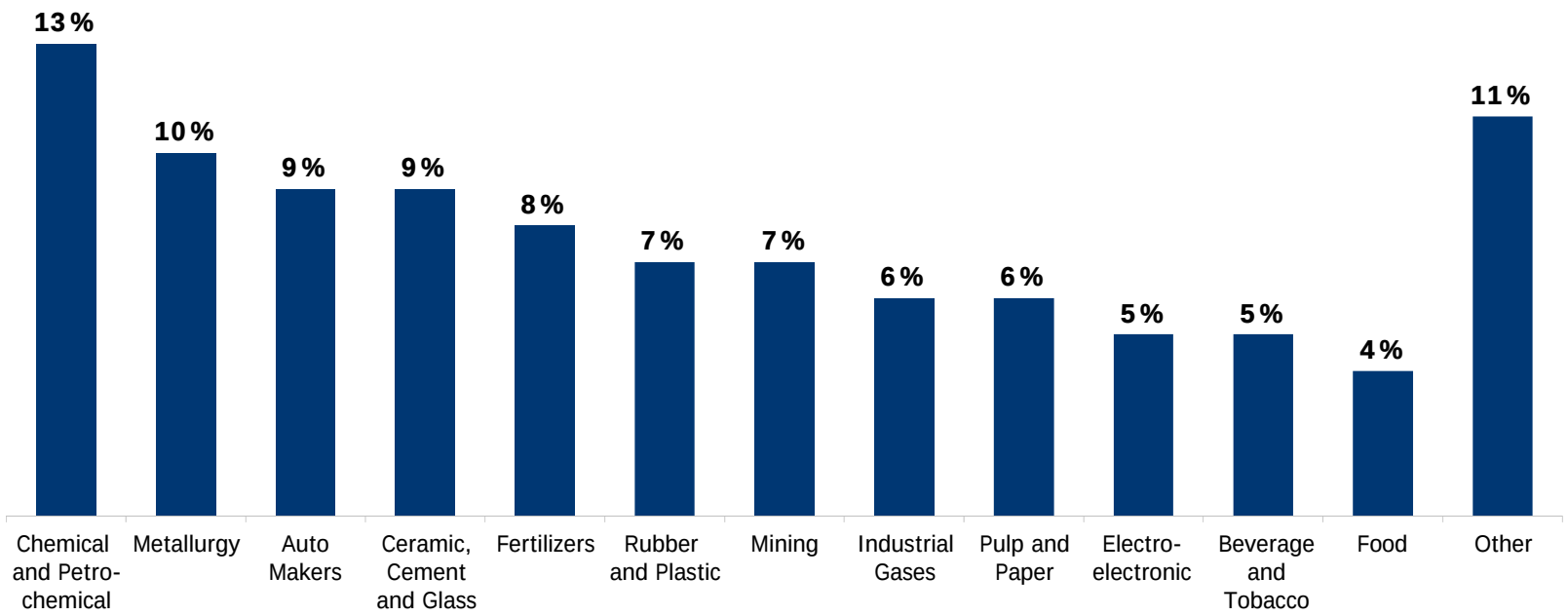
- Flexibility (prices, terms and conditions) → Maximizes portfolio's efficiency
- Solid client relationship → Liaison with some free customers
- Largest consumer market
- Regulated and unregulated contracts → Long-term cash flow predictability

...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 2012:
1,253 average MW



Source: Internal study based on information provided by IBGE.

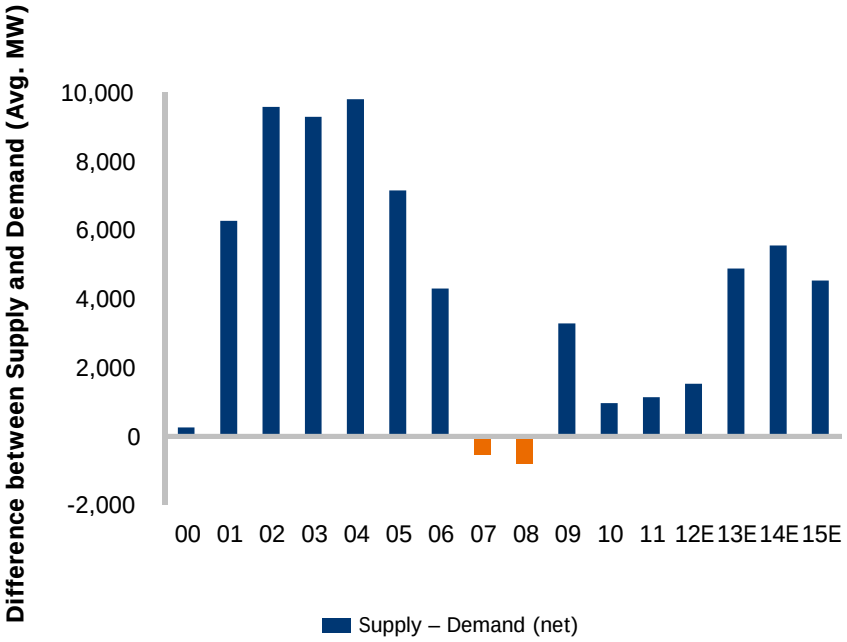
Energy Market in Brazil

Tractebel Energia
GDF SUEZ

Strong economic growth will increase demand for electric energy

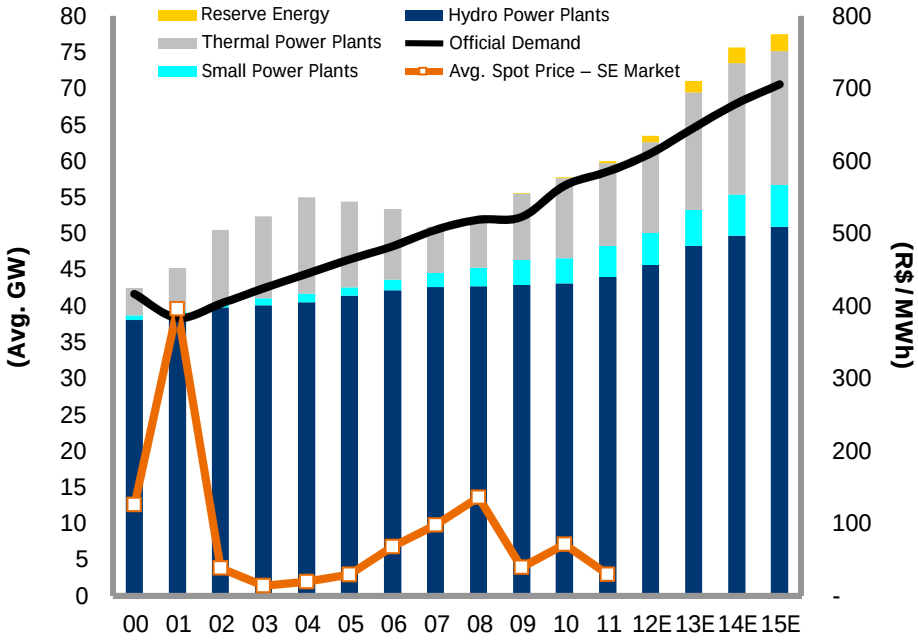
Increased thermal role and adoption of risk aversion procedures may pressure up energy prices in the future.

Energy Market Outlook



Source: Tractebel Energia's internal study based on ONS' Operations Monthly Program of January 2012.

Supply Distribution by Source



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

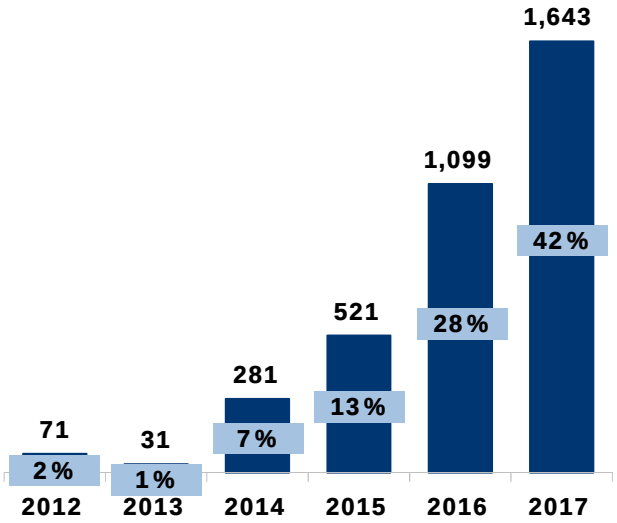
Sales Strategy

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

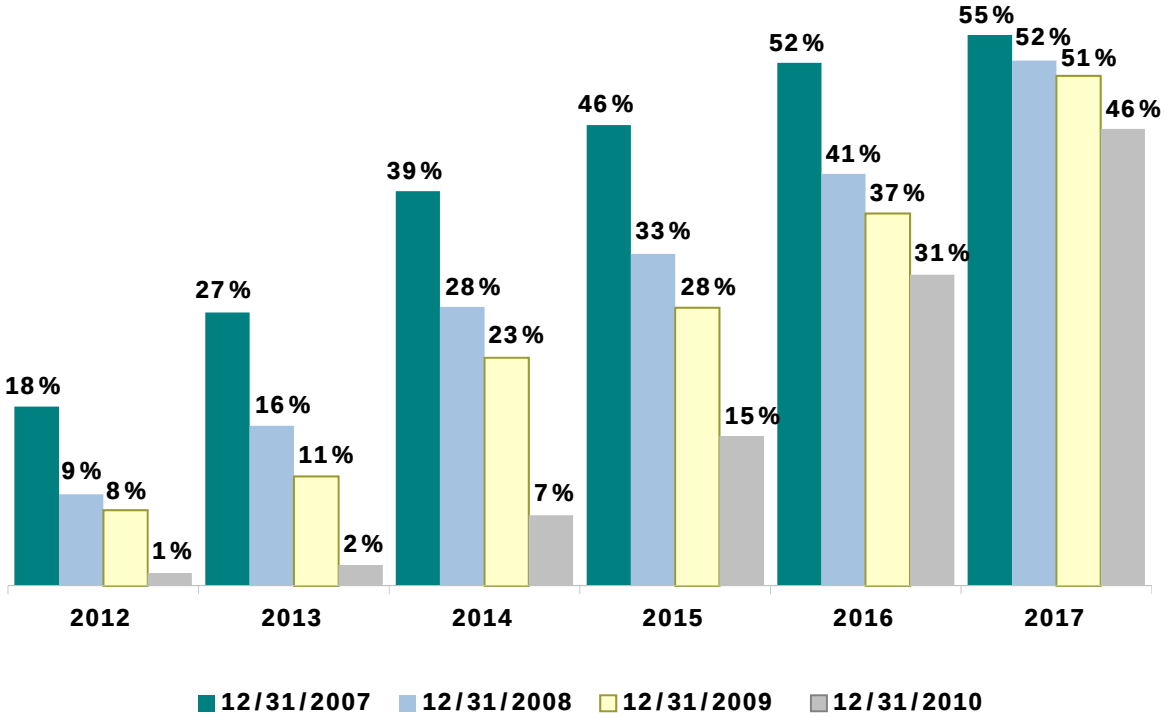
Tractebel's commercial strategy considers, among others aspects, the gradual sale of future availability. As the time goes by, the Company is able to better foresee the market conditions in a given year ahead and, as a result, to finetune the amount of uncontracted energy.

Tractebel Energia's Uncontracted Energy[1]

(average MW)



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



Note:
[1] Percentage of total resources.

Energy balance

As of December 31, 2011

	(in average MW)	2012	2013	2014	2015	2016	2017			
	Own Resources	3,575	3,658	3,681	3,681	3,681	3,681	Auction	Reference	**Gross** Price Adjusted
+	Purchases for Resale	599	404	316	215	205	200	**Gross** Price	Date	as of December 31, 2011
=	**Total Resources (A)**	**4,174**	**4,062**	**3,997**	**3,896**	**3,886**	**3,881**	(R$/MWh)		(R$/MWh)
	Government Auction Sales*	1,669	1,669	1,669	1,659	1,513	1,154			
	2004-EE-2007-08	10	10	10	-	-	-	70.9	Dec-04	98.0
	2005-EE-2008-08	146	146	146	146	-	-	81.6	Apr-05	109.5
	2005-EE-2009-08	359	359	359	359	359	-	94.0	Oct-05	123.8
	2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	150.1
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	164.7
	2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	172.3
	2007-NE-2012-30	256	256	256	256	256	256	126.6	Jun-07	159.5
	Proinfa	44	44	44	44	44	44	147.8	Jun-04	220.9
	1st Reserve Energy Auction	13	13	13	13	13	13	158.1	Aug-08	179.9
+	Bilateral Sales	2,434	2,362	2,047	1,716	1,274	1,084			
=	**Total Sales (B)**	**4,103**	**4,031**	**3,716**	**3,375**	**2,787**	**2,238**			
	Balance (A - B)	**71**	**31**	**281**	**521**	**1,099**	**1,643**			
	Sales Average Price (R$/MWh) **(Net)***[1]:	129.5	130.6	130.1						
	Purchases Average Price (R$/MWh) **(Net)***[2]:	119.4	121.6	124.0						

* 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 12/31/11, i.e. future inflation is not considered.

*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 12/31/11, i.e. future inflation is not considered.

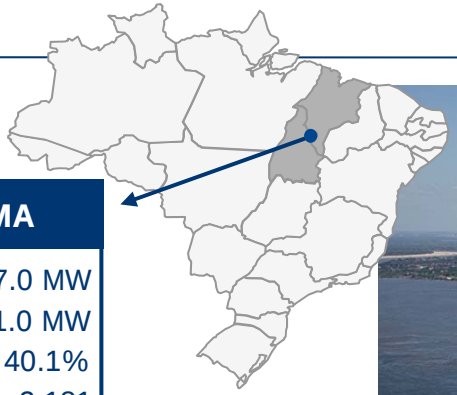
Note:
The balance refers to the settlement point.
The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.

Growth

Hydro project under construction: Estreito

Unit 1 entered into commercial operation on April 29th; Unit 2 on July 2nd; Unit 3 on September 30th and Unit 4 on December 23rd. The other generating units will enter into operation in the course of 2012.

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$ 159.5/MWh as of December 31, 2011. The incremental output (from COD) is factored in Tractebel's energy balance.

Hydro project under construction: Estreito

Estreito HPP Operation

View of the Generating Units 1, 2, 3 and 4



Estreito Ramp-up and Commercial Capacity (aMW)

Tractebel Energia Stake

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

Hydro project under construction: Jirau – project update

3,750 MW project – 50.1% owned by IPR

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

73% contracted under 30 year PPAs – indexed to inflation

- ✓ first PPA starting Jan 2013
  - ✓ contract price: R$ 86/MWh (Dec 2011 price)
- ✓ second PPA starting Mar 2014
  - ✓ contract price: R$ 104/MWh (Dec 2011 price)

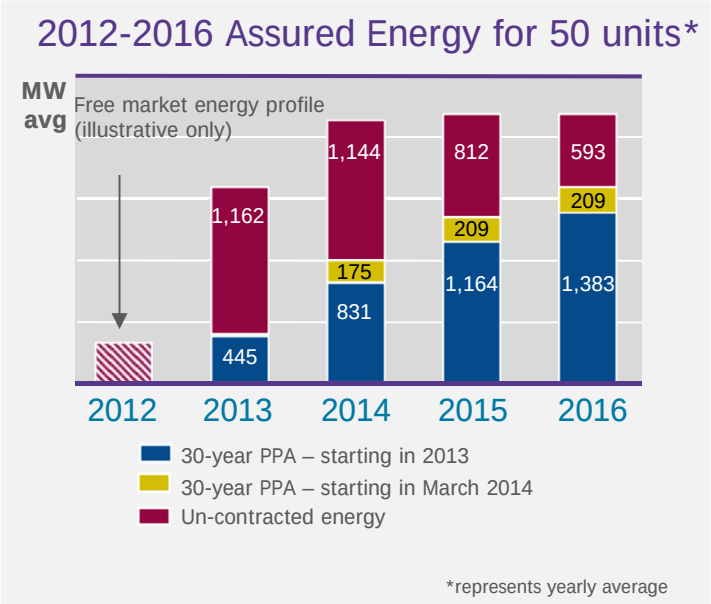
Uncontracted energy to be sold in the free market and/or via future auctions

Project to start phased commissioning in H2 2012

- ✓ river deviation successfully completed in September 2011
- ✓ fast ramp-up to full assured energy
- ✓ transmission line – good progress

CDM registration underway

Transfer of project to Tractebel Energia expected to the end of 2012 / early 2013



Hydro project under construction: Jirau – financial update

Agreement reached with principal contractor on construction schedule and cost

Expected project CAPEX of BRL 15.1 billion[1][2] (December 2011)

- compares to December 2011: estimate of BRL 12.5 billion[3]
  - ✓ capacity expansion of circa BRL 1 billion (additional units)
  - ✓ balance of BRL 1.6 billion relating to change of scope and schedule

2013 EBITDA from Jirau

- ✓ good progress on Jirau construction and transmission line
- ✓ 445 MW contracted under PPA

Options to create additional value

- ✓ additional assured energy (90 aMW)
- ✓ additional long term tax incentives in the region



Left bank power house – downstream view



Right bank power house and spillway – downstream view

Note:

(1) CAPEX to completion, including inflation up to December 2011, not there after; it includes the receipt of certain tax credits (PIS/Cofins); excludes interest during construction

(2) BRL 8.4 billion spent up to December 2011

(3) BRL 11.9 billion as at December 2010 re-stated for inflation

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

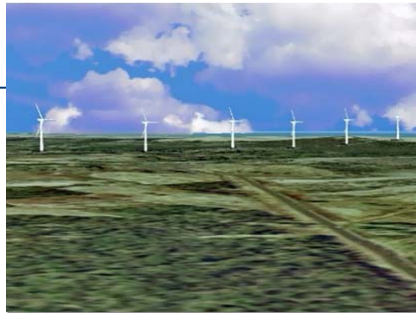
Installed Capacity:	30.0 MW
Commercial Capacity[1]:	16.5 aMW
Investment (R$mm)[2]:	136
Start of construction:	2011
Start of operation:	2013
Number of wind generators:	13
Supplier:	Siemens

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

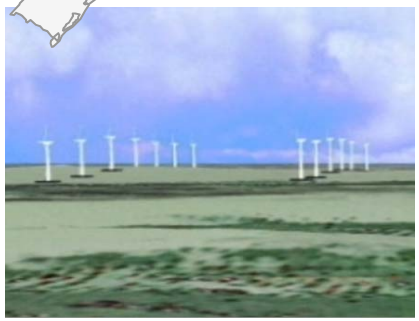
Trairi WC – CE

Installed Capacity:	115.4 MW
Commercial Capacity[1]:	58.2 aMW
Investment (R$mm)[2]:	490
Start of construction:	2011
Start of operation:	2013
Supplier:	Siemens

3D images from the projects.



Trairi Wind Farm – 25.4 MW
11 wind generators



Fleixeiras I Wind Farm – 30.0 MW
13 wind generators



Guajirú Wind Farm – 30.0 MW
13 wind generators



Mundaú Wind Farm – 30.0 MW
13 wind generators

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

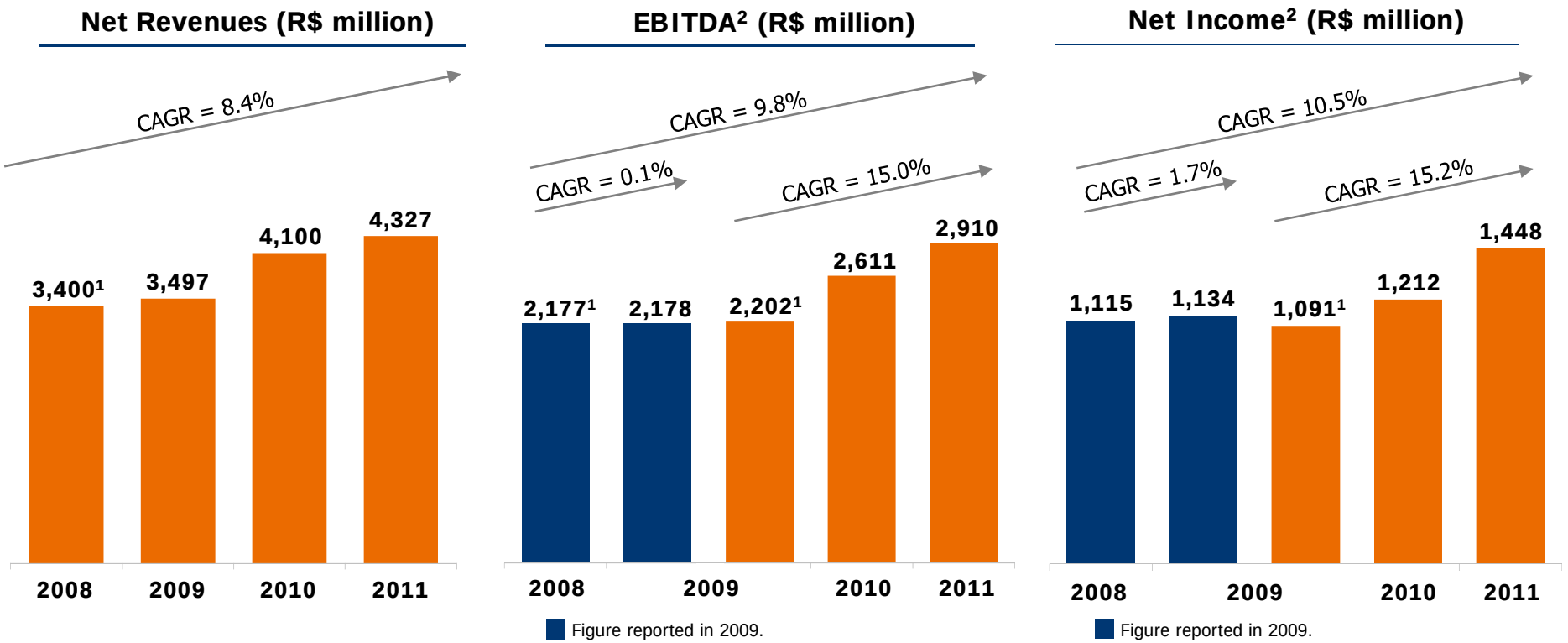
Note:
[1] Estimated value (awaiting MME definition).
[2] Approximate value.

Financial Performance

Tractebel Energia
GDF SUEZ

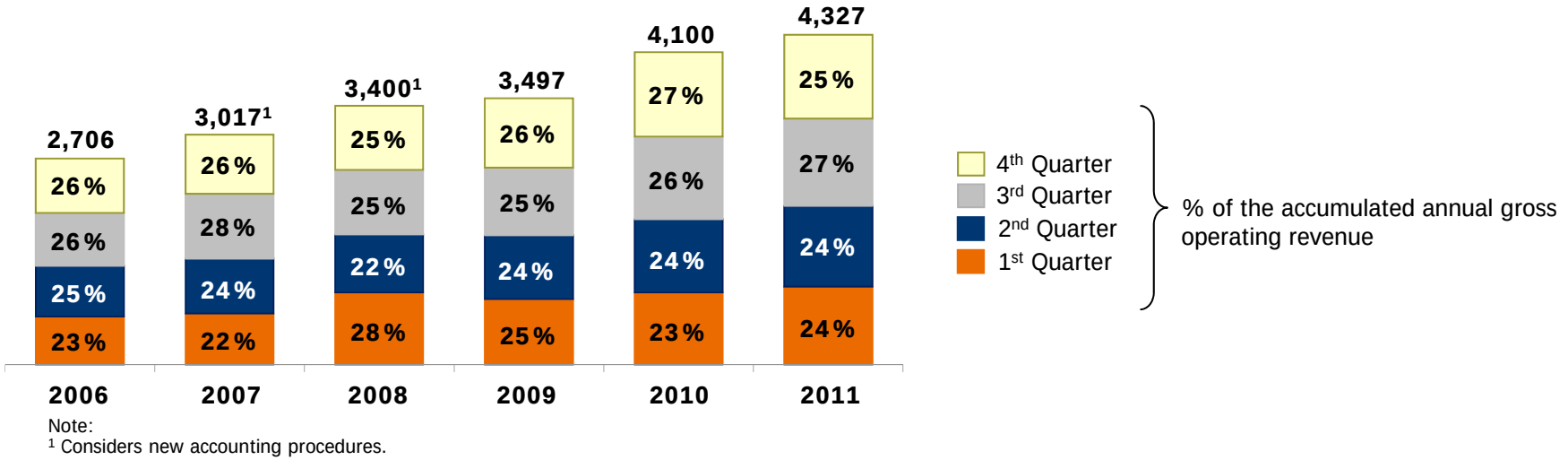
Consistent and constant growth of the financial performance

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.

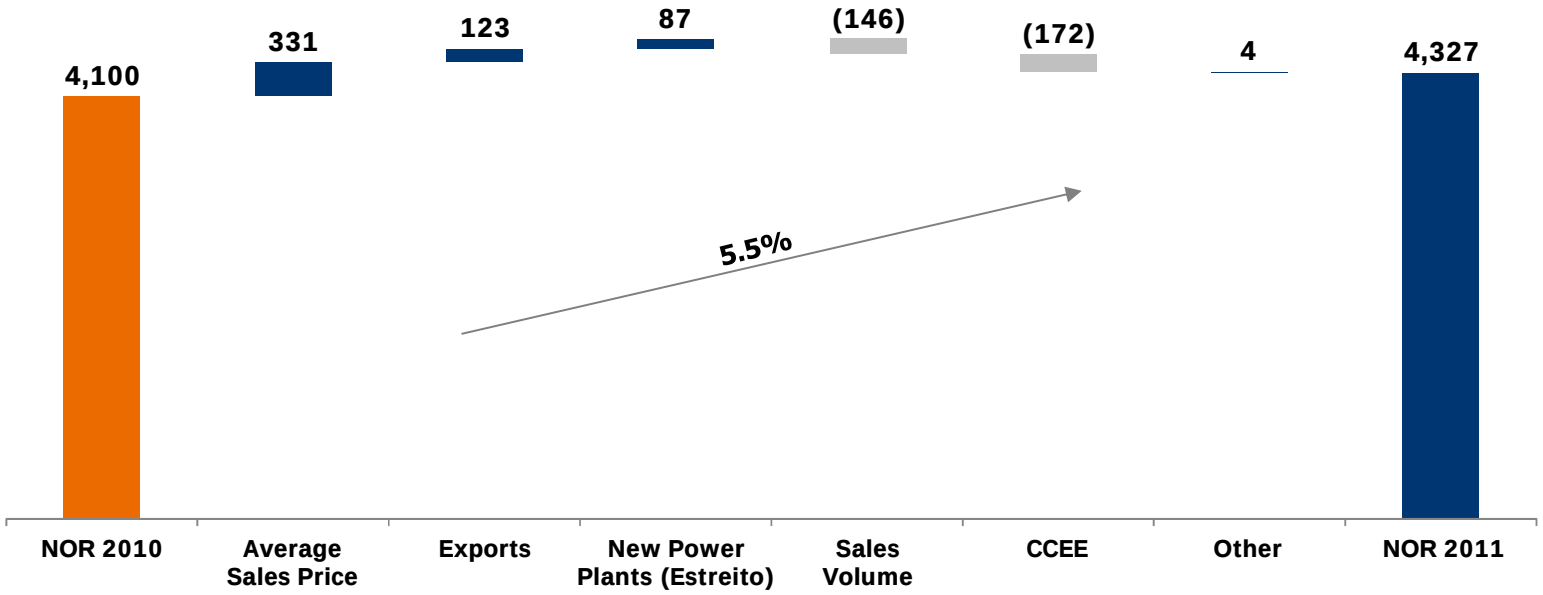


Notes:
[1] Considers new accounting procedures.
[2] The figure for 2009 reported that year has been changed based on new accounting procedures and international accounting practices according to IFRS.

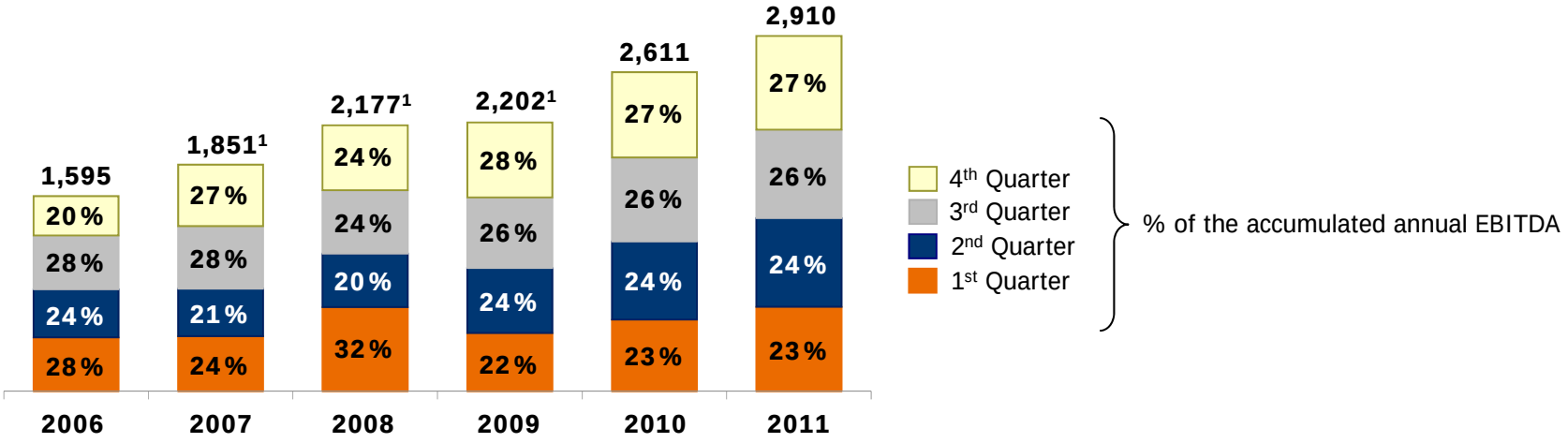
Net operating revenues change (R$ million)

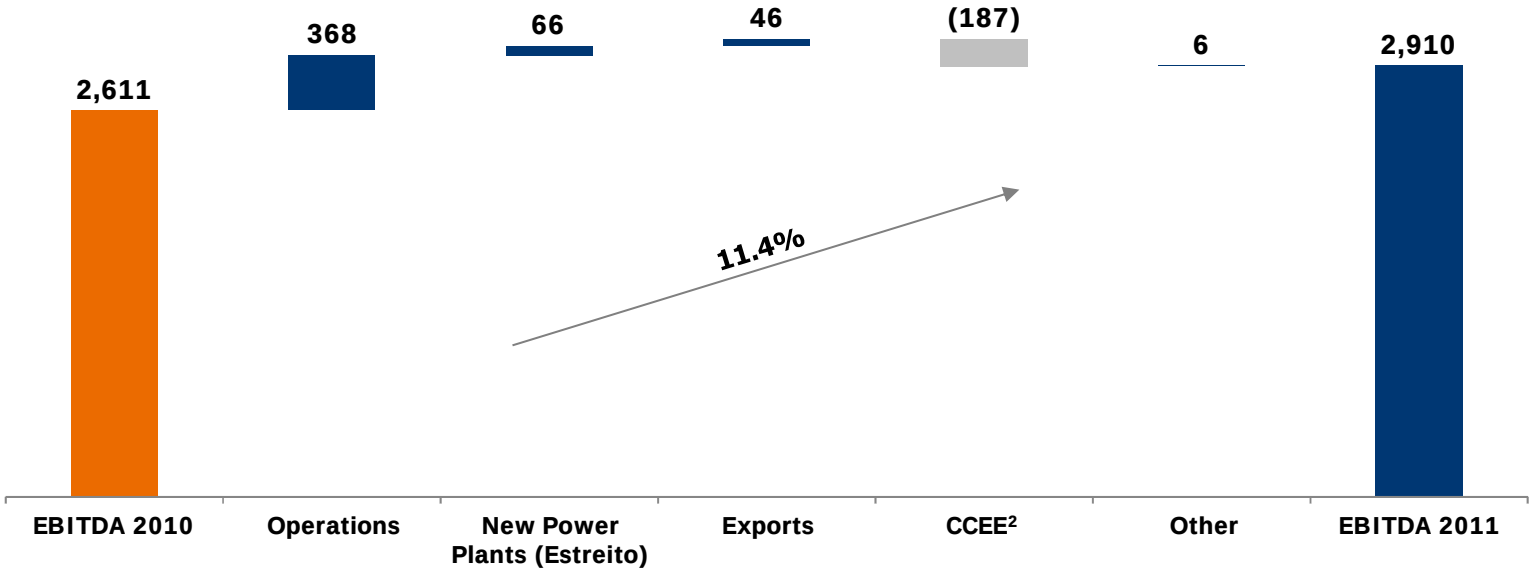


Note:
[1] Considers new accounting procedures.



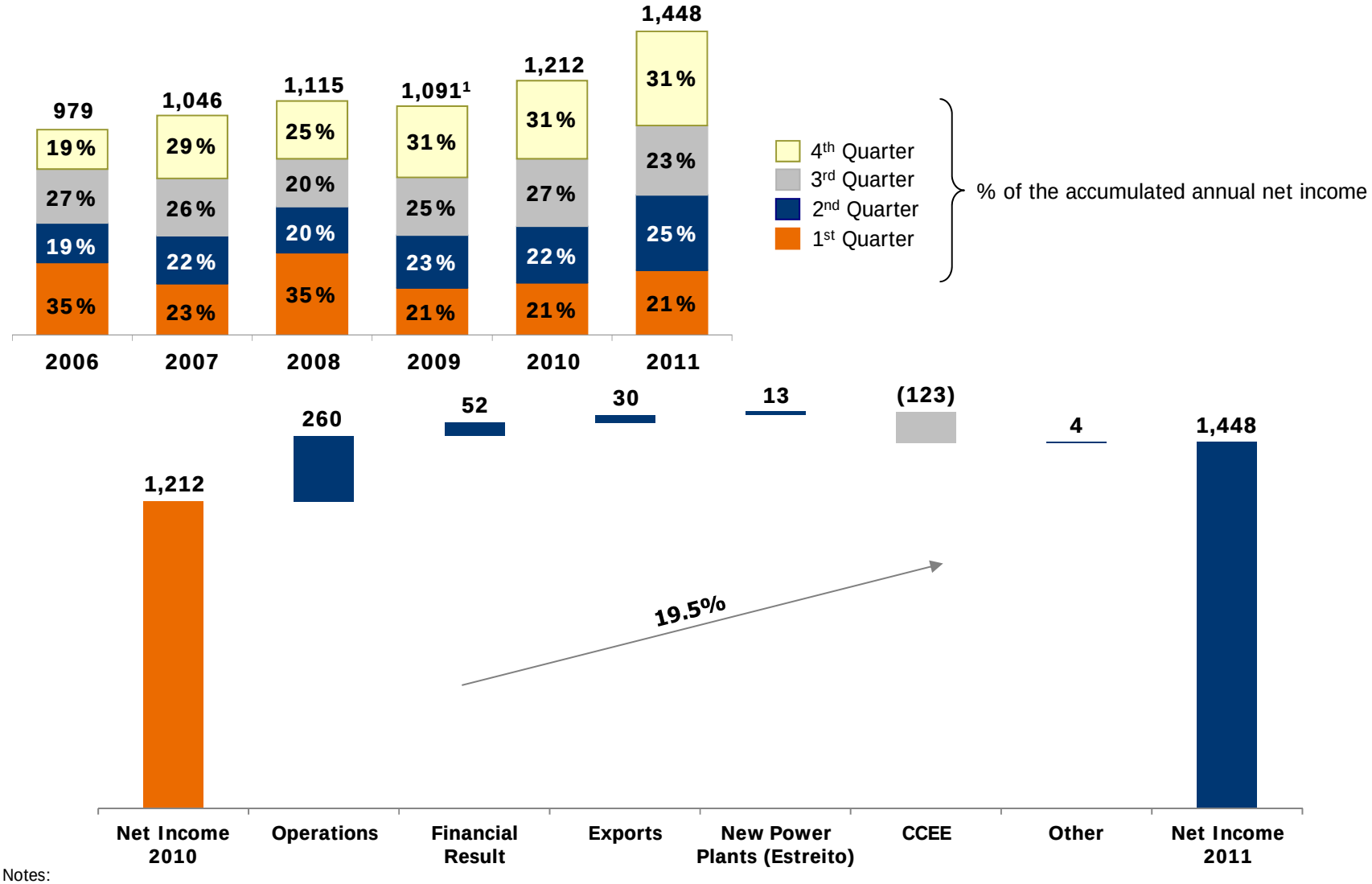
EBITDA change (R$ million)





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

Net income change (R$ million)

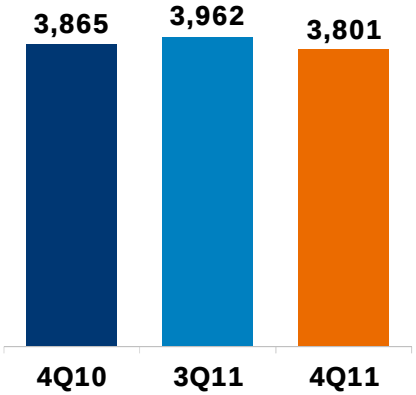


Notes:
[1] Considers new accounting procedures.

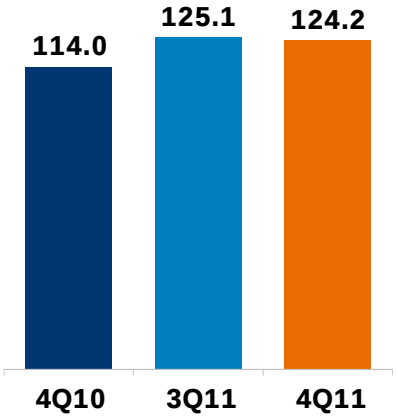
Quarterly financial drivers

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

Energy Sold (avg. MW)

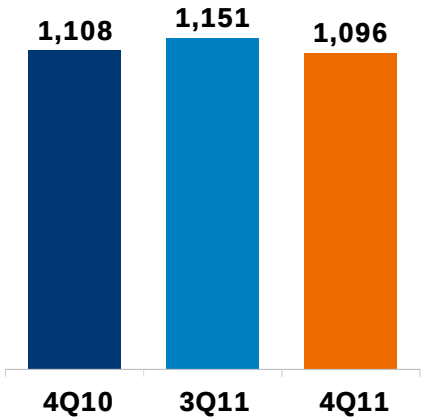


Average Price of Energy Sold (R$/MWh)

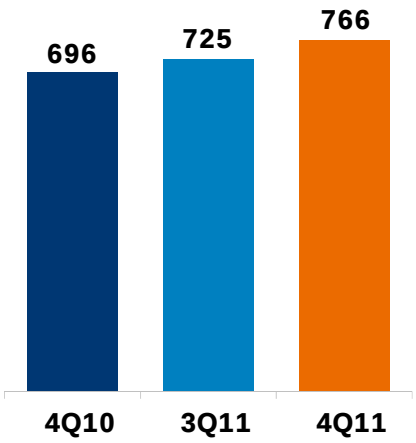


Note: Figures are net of exports and sales taxes.

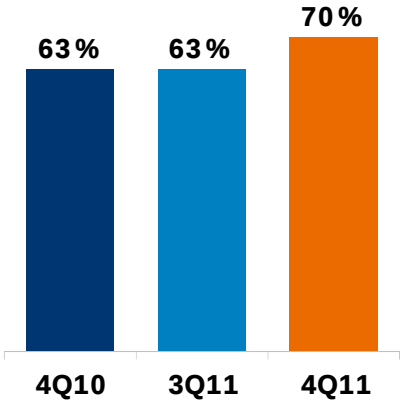
Net Revenues (R$ million)



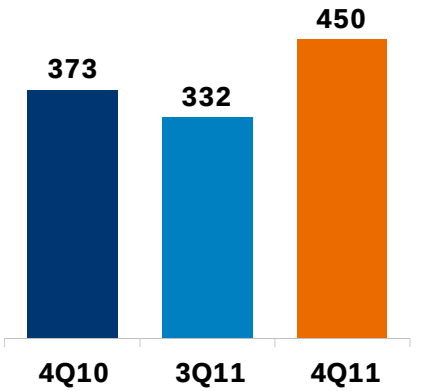
EBITDA (R$ million)



EBITDA Margin



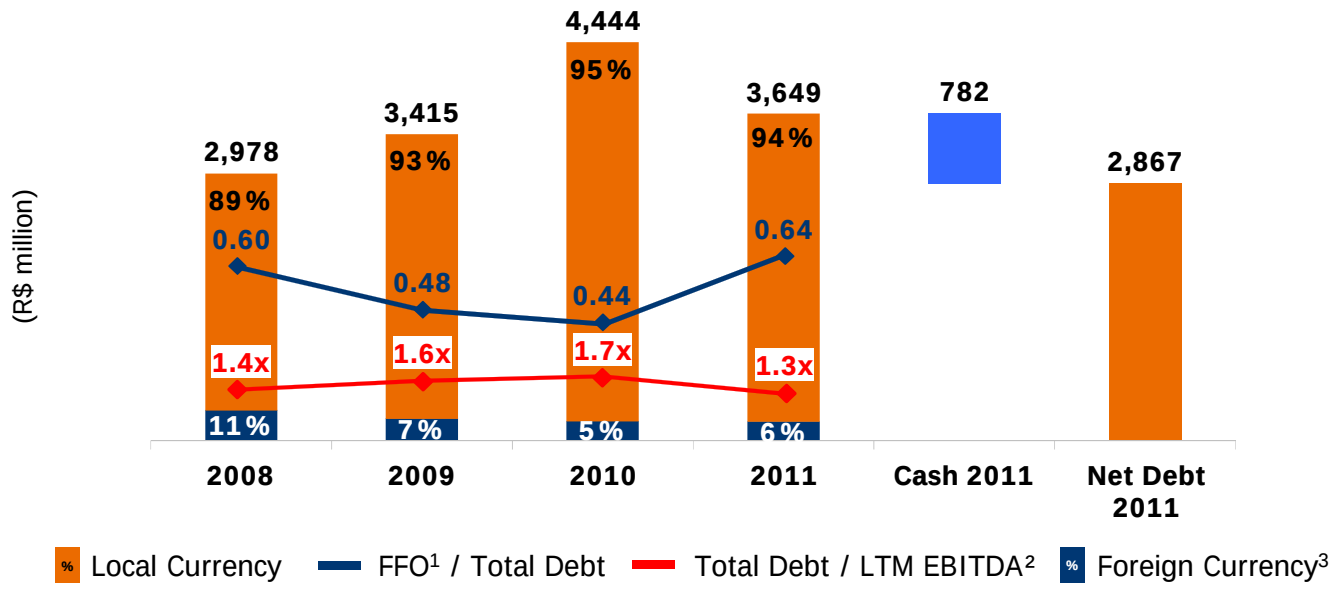
Net Income (R$ million)



Limited indebtedness and low exposure to foreign exchange

Low leverage enables Tractebel to benefit from growth opportunities.

Debt Overview (R$ million)



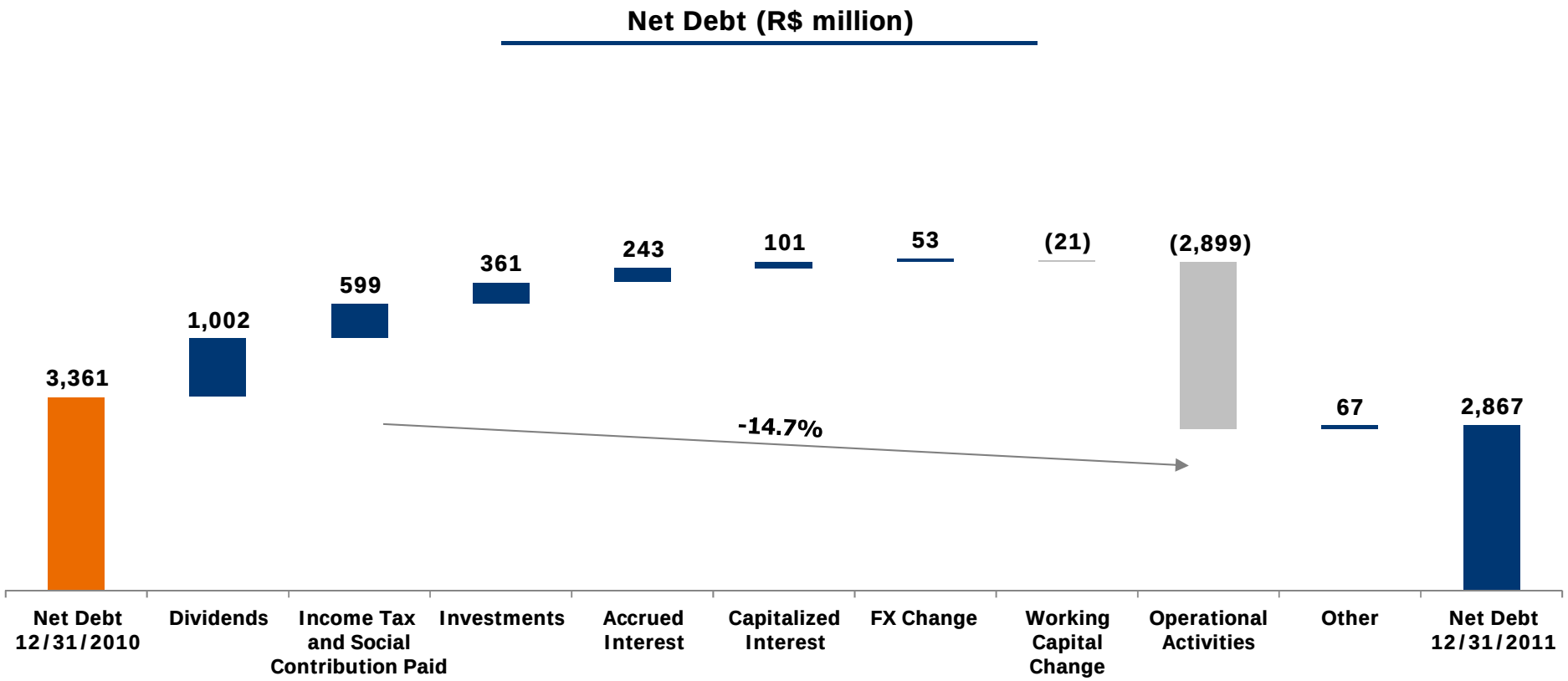
Notes:

[1] Funds from Operations. The figures for 2008, 2009 and 2010 have been adjusted.

[2] LTM EBITDA = last-twelve-month EBITDA.

[3] Not hedged.

Net debt change

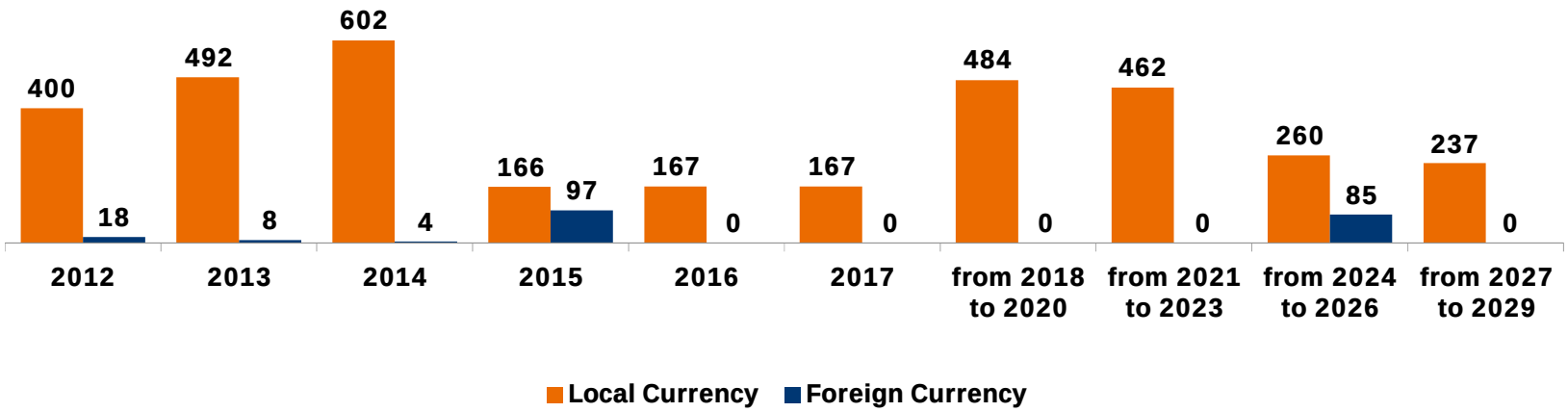


Note:
The interests and FX change refer only to the Company's financial debt (loans, financing and debentures).

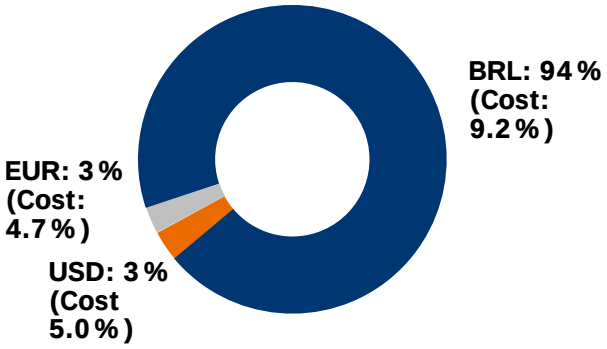
Medium and long-term debt, with low costs and defensive indexes

Debt profile and strong cash generation reduce refinancing risk.

Maturity Debt Schedule – R$ million



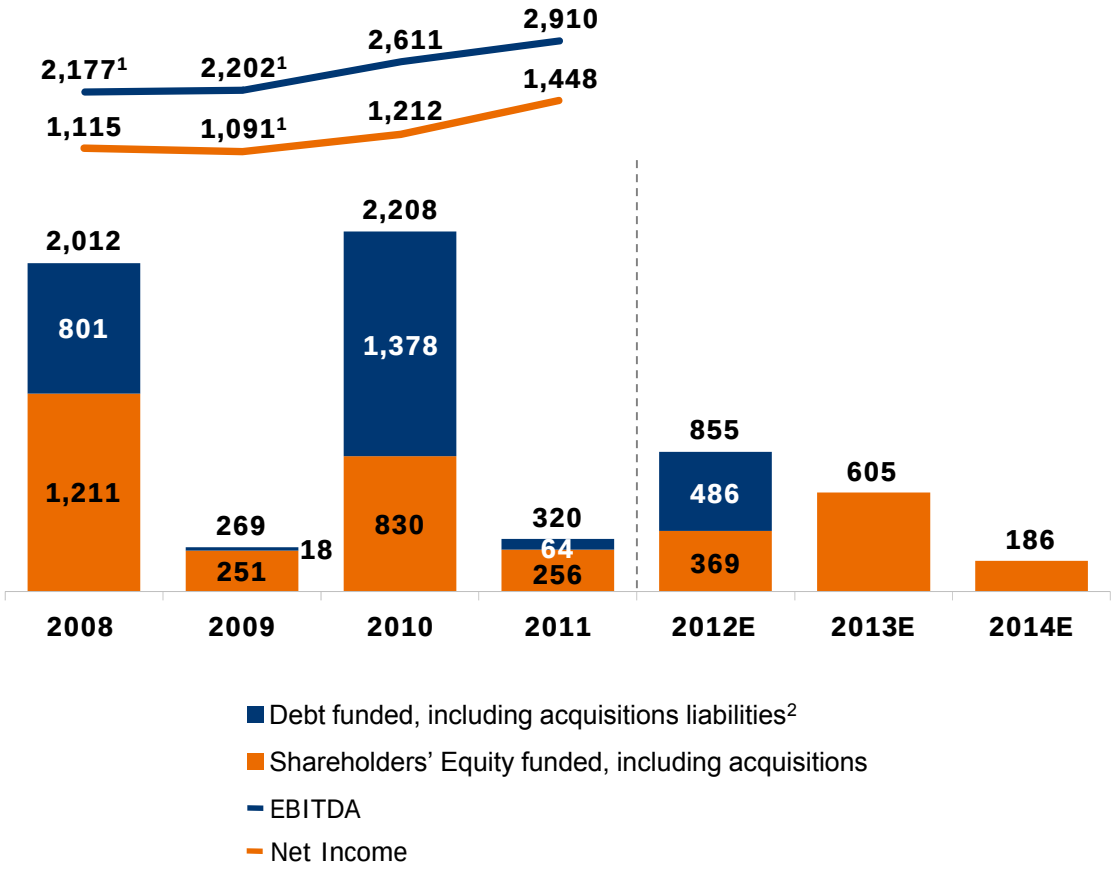
Cost of Debt



Composition of Debt			
Foreign Currency		**Local Currency**	
Fixed	54%	Fixed	2%
Floating	46%	TJLP	72%
Total	**100%**	CDI	13%
		IPCA	13%
		Total	**100%**

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

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

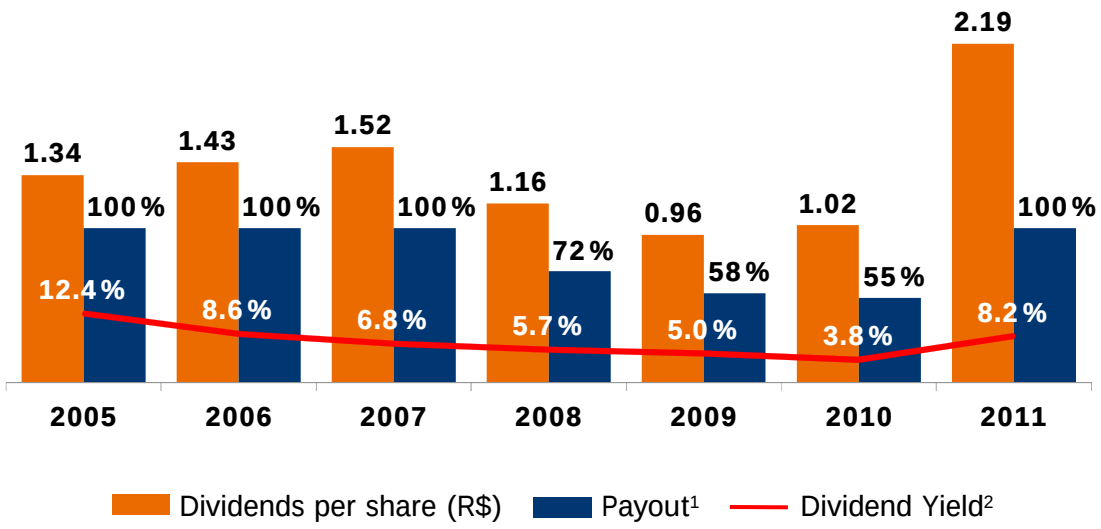


Note:
[1] Considers new accounting procedures.
[2] Does not consider interests incurred during the construction.

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)



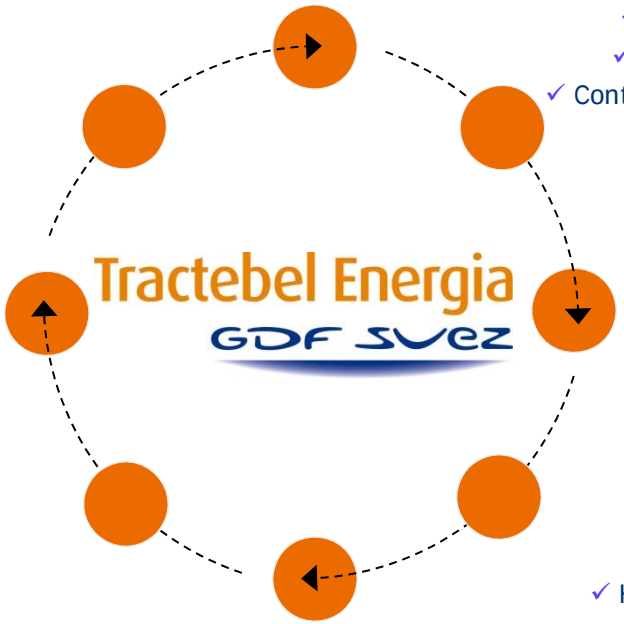
Notes:
[1] Considers the annual payable net income.
[2] Based on volume-weighted market price of ON shares in the period.

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$ 19.6 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

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 Latin America (pre-transfer projects):

Elio Wolff
Market Relations Manager
elio.wolff@iprplc-gdfsuez-la.com
+55 21 3974 5400

Attachment I
Socio-environmental Highlights

Tractebel Energia
GDF SUEZ

Our product, our principles

- Tractebel produces an input essential to life
- Its energy is present along the entire production chain and corresponds to about 7% of Brazilian consumption
- Excluding scheduled stoppages, in 2011, plant uptime was 98.3%
- 83% of the production come from renewable sources which are being prioritized in the Company's expansion
- Tractebel creates more than 2,000 jobs; of these more than 1,000 are jobs with the Company

Principles

Mission: generating energy for life

Vision: in a sustainable way, to be the best energy company in Brazil

Values: professionalism, sense of partnership, teamwork, creation of value, respect for the environment and ethics

Commitment to Sustainable Development:
- To provide sustainable solutions from the economic, social and environmental points of view
- To control the impacts of the operations
- To create value for shareholders and society

Production Management



POLÍTICA TRACTEBEL ENERGIA
DE GESTÃO SUSTENTÁVEL

A Tractebel Energia, empresa de grande porte de geração de energia elétrica no território nacional, atua de forma compatível com a natureza da sua atividade na gestão dos impactos de seus processos de produção, minimizando os seus riscos ambientais, sociais e econômicos. Prioriza a prevenção e garante a melhoria contínua do desempenho na sua gestão, cumprindo a legislação aplicável e os requisitos subscritos pela companhia. Atenta às tendências do mercado e necessidades do seu negócio, com base em sua Missão, Visão e seus Valores Corporativos, estabelece esta política para as seguintes dimensões:

Qualidade
A Tractebel Energia se compromete a fornecer energia elétrica com qualidade e melhorar continuamente o seu processo produtivo de geração de energia elétrica, visando a satisfação do cliente, expressa pelos seus requisitos de confiabilidade, disponibilidade e segurança do sistema elétrico.

Meio Ambiente
O respeito ao meio ambiente é componente fundamental da identidade e dos valores da Tractebel Energia, e todas as suas ações são norteadas pelo seu Código de Meio Ambiente. A companhia desenvolve projetos de pesquisa e desenvolvimento e avalia o impacto das suas atividades, buscando a melhoria do seu desempenho na prevenção e controle da poluição, no gerenciamento das situações de emergência e no uso sustentável dos recursos naturais, renováveis e não-renováveis. A Tractebel Energia busca constantemente minimizar o impacto ambiental de suas atividades, priorizando as fontes renováveis de energia e diversificando sua matriz energética.

Saúde e Segurança no Trabalho
A Tractebel Energia prioriza a integridade física e psíquica das pessoas, o profissionalismo, a capacitação e a competência, bem como previne lesões e doenças por meio da conscientização, monitoramento e controle dos perigos e riscos identificados nos seus processos, equipamentos e ambientes de trabalho, melhorando continuamente a gestão e o desempenho da saúde e segurança no trabalho.

Responsabilidade Social
Com ética e integridade, transparência e diálogo com as partes interessadas, a Tractebel Energia busca a promoção do desenvolvimento sustentável, da melhoria da qualidade de vida e da inclusão social, com prioridade para a infância e adolescência, educação e valorização sociocultural das regiões onde atua.

A Tractebel Energia compartilha esta política com todas as partes interessadas.

Manoel Arlindo Zaroni Torres
Diretor-Presidente

Tractebel Energia
GDF SUEZ
Energia para a vida.

The Policy incorporates:

- Quality
- Environment
- Occupational Health and Safety
- Social Responsibility

Tractebel Energia shares this Policy with all stakeholders.

Share with us your vision and perception on this Policy, Tractebel Energia's activities and respective impacts. Our contacts:

Sustainability Committee:
comitedesustentabilidade@tractebelenergia.com.br

Ethics Committee, with the option of sending an anonymous message:
http://www.tractebelenergia.com.br , selecting "Ethics Committee" in the menu "contacts", or letters to the following address:
Rua Paschoal Apóstolo Pítsica, 5064 – Agronômica – Florianópolis, SC – 88025-255 – Brazil

Climate Change Policy

Established in June 2011, the Policy acts to:

- Prioritize renewable energy sources in the expansion of Tractebel Energia's energy matrix
- Invest in R&D projects related to environmental conservation, climate changes and renewable energy sources, as well as to develop CDM projects (for example: Lages Cogeneration Unit)
- Operate as a promoter of sustainable development
- Periodically carry out an emission inventory, using nationally and internationally recognized methods (first inventory taken in 2011)
- Contribute to the conservation of biodiversity and carbon storage through actions such as planting trees and donating seedlings
- Prioritize the use of renewable energy in the Company's fleet and give preference to video and teleconferences
- Promote the rational use of electricity (ex.: Industrial Client Efficient Energy Program)
- Allocate fly ash from coal-fueled thermoelectric plants to cement manufacturing, and the ash from biomass plants to agriculture

The Policy is available in its entirety on the website of the Company, thus confirming its commitment to finding sustainable solutions in energy generation

Hydropower plants





- Total installed capacity from hydroelectric power plants in operation: 5,560 MW = 81% of the Company's total generating complex (Tractebel's portion as of December 2011)

- Financial Compensation for the Use of Water Resources paid by the Company to the Federal Government, States and Municipalities in the area impacted by the reservoirs: R$ 159.2 million in 2011

- Hydroelectric power plants also provide:
  - Improvement in infrastructure (sewage treatment, airports, police department posts ...)
  - Archeological research and preservation
  - Fauna, flora and ichthyofauna preservation and research
  - Fish farming and fishing
  - Environmental offsets
  - Visiting and Environmental Education Program:
    - Focus: generation and the environment
    - 3 types:
      - Schools and general public
      - Touristic – included in the roadmap of the hotels in the region
      - Technical
    - Around 40 million people per year in each program

Typical social programs – implementation of HPPs

Housing ▪ Property owner indemnification ▪ Resettlement of the families who become property owner of new land or urban real state	• Property owning families o Indemnification for land and reproductive and non-reproductive assets o Rural or urban resettlement o Letter of credit for unassisted resettlement • Non-property owning families (with effective ties to the land and economic dependence) o Indemnification for reproductive and non-reproductive assets o Collective resettlement o Resettlement in remaining areas o Letter of credit for unassisted resettlement
Infrastructure	• Construction of houses • Basic sanitation • Electric energy (rural networks and/or renewable sources)
Income improvement programs	• Economic assistance for the first production cycle • Technical assistance for three years involving sustainability studies for the economic activities; diagnosis of local vocation and potential; guidance on special professional skills courses; and state and federal development and income programs







Typical environmental programs – implementation / operation of HPPs

- **Biodiversity**
  - Stewardship programs and monitoring of flora, fauna and ichthyofauna programs to guarantee biodiversity and the environmental conditions necessary for the preservation and development of the species before, during and after the construction of the reservoirs.
- **Ichthyofauna**
  - Research projects into ichthyofauna equilibrium
  - Monitoring of migratory fish
  - Reseeding of the rivers
- **Fauna**
  - Ecological corridors: studies and projects are undertaken at the power plants for creating and preserving the ecological corridors for local flora species
  - Preservation rights-of-way: rights-of-way are maintained along the edges of reservoirs to allow the development of the fauna and flora of the region
  - Rescue and conservation of the fauna: study and rescue of the animals in the region during brush clearance and reservoir formation
  - Proliferation control of possible problems to the health of the local population

Thermoelectric power plants







• Total installed capacity of the thermal plants in operation: 1,185 MW = 17% of the total generating complex of the Company (Tractebel Energia's portion as of December 2011)

• Represents a strategic reserve for the Country in addition to being an important factor for regional economic development. For example, the Jorge Lacerda Thermoelectric Complex (CTJL) with installed capacity of 857 MW and located in the south of Santa Catarina State, supplies a broad production chain: creating 900 direct jobs and 5,700 indirect jobs

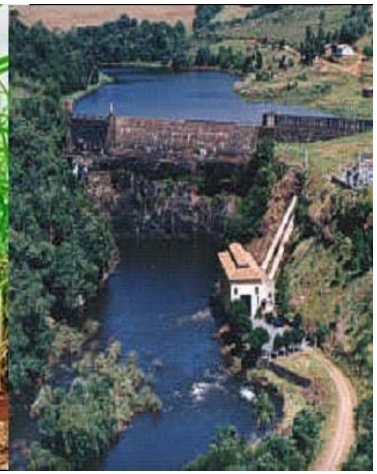
• Modernization of fossil-fuel fired plants to reduce environmental products:

- ✓ At CTJL, electrostatic precipitators have been installed to collect more than 98% of the particulate material produced through coal-burning activities
- ✓ At the Charqueadas TPP in Rio Grande do Sul State:
  - Prior to delivery, the supplier processes the coal to reduce the sulfur content to less than 1%
  - Bag filters were installed, reducing ash emissions by 99.95%, and also a coal combustion gases washer with an efficiency of more than 90% generating plaster as a byproduct
  - Environmental monitoring stations were also installed in the region for continuous observation and with online data transmission to the environmental protection agency
  - Steam is supplied to industry
- ✓ Both at Jorge Lacerda Complex and at Charqueadas TPP, the ash from the coal burning is used as raw material in the cement industry

Complementary energy sources

Tractebel Energia's installed capacity has already reached 163 MW of energy from renewable sources: biomass, wind and SHPs, equivalent to 2.36% of the Company's total generating complex (Tractebel Energia's portion as of December 2011)



Complementary Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[2]
14 Lages (Biomass)	28	25
15 Rondonópolis (SHP)	27	10
16 Beberibe (Wind)	25	8
17 José Gelazio da Rocha (SHP)	24	9
18 Ibitiúva (Biomass)	21[3]	13[3]
19 Areia Branca (SHP)	20	11
20 Pedra do Sal (Wind)	18	6
Total	**163**	**82**



Lages Cogen Plant: 28 MW of installed capacity, fired by timber waste, with a maximum usage of up to 400,000 tons of timber waste annually with corresponding environmental improvements. The plant was certified under the Clean Development Mechanism by the UN, making it eligible for the sale of carbon credits

Caring for the environment

5 forest nurseries
Production of 450 thousand seedlings per year



Water quality – monitoring wells





Biodiversity preservation







Environmental Parks

Fritz Plaumann Environmental Park – Concórdia, State of Santa Catarina

- Implemented as a voluntary initiative of the Company, in partnership with private companies, the Environmental Foundation of the State of Santa Catarina (Fatma) and civil society
- Enables the protection and public use of the most important remaining area of the State Deciduous Forest (Forest of the Uruguay River)
- Run by a Civil Society Organization in the Public Interest (OSCIP)
- Management and monitoring of flora, fauna and fish, to maintain biodiversity and environmental conditions for the preservation and development of species before, during and after construction of reservoirs

Teixeira Soares Park - Marcelino Ramos, State of Rio Grande do Sul

- Part of the environmental compensation for the Itá Hydroelectric Power Plant
- With 426.1 hectares, it aims at increasing protected areas through education on the environment and managed rural and eco-tourism

Jorge Lacerda Environmental Park – Capivari de Baixo, State of Santa Catarina

- Initiative of the Company, to be inaugurated in 2012
- Adjacent to the Jorge Lacerda Thermoelectric Complex, Santa Catarina State, in a 50-hectare formerly degraded area
- Cultural Center, with an acoustic shell, trails, bike paths and permanent preservation areas, providing for cultural events, environmental education, recreation, besides art and audiovisual workshops
- Concepts of sustainability: use of coal ash, accessibility, natural light...

Research and Development – R&D
Projects started before 2011

Startup of a Prototype Onshore Wave Plant in the conditions found in the Brazilian Northeast Sea

- Converting electricity from ocean waves. The prototype has 2 modules, each consisting of a float, a pump and arm fixed to the existing breakwater, which make up a single set of turbine, generator and storage chamber, generating 50 kW
- Involved bodies: COPPE/Universidade Federal do Rio de Janeiro (UFRJ), Ceará Portos
- Term: 52 months; investment: R$ 17.0 million

Use of rice straw in the process of co-firing with pulverized coal

- From the results of the experimental tests and analysis, a technical report will be written presenting the operational conditions for the use of co-firing technology (bi-fuel) in the Jorge Lacerda Thermoelectric Complex, as well as the logistics for the collection and transportation of biomass
- Involved body: Univesidade Federal de Santa Catarina (UFSC)
- Term: 32 months; investment: R$ 8.8 million

Research and Development – R&D
Projects started in 2011 – 1/2

Electric propulsion system for small boats using batteries and solar energy

- Study, design and construction of small boats with electric propulsion systems and collection of photovoltaic solar energy
- Involved bodies: Itá Energética, UFSC and CEBRA
- Term: 30 months; investment: R$ 1.7 million

Raising the pH levels of water used in the cooling systems of hydroelectric power plants

- Development of technology to control fouling invasive species by raising the pH level of the water through the injection of sodium hydroxide (NaOH)
- Involved body: LACTEC
- Term: 36 months; investment: R$ 1.0 million

Instrumented buoy to monitor water quality – Yara Buoy

- Buoy prototype for measuring water quality in reservoirs, with telemetry and smart sensor for traceability, legal protection, reduction of maintenance costs and data transmission
- Involved bodies: Itá Energética and Fundação CERTI
- Term: 18 months; investment: R$ 1.0 million

Research and Development – R&D
Projects started in 2011 – 2/2

Development of an online monitoring scheme for the water intake system

- Monitoring system to supervise the physical integrity of the protection grid installed in the water intake system of the Itá HPP turbine.
- Involved bodies: Itá Energética and CPqD
- Term: 24 months; investment: R$ 1.6 million

Use of the bottom ash from Tractebel Energia's thermoelectric power plants as a culture medium to develop native forest and ornamental plants

- Create an alternative culture medium for growing plants "in vitro", such as orchids, bromeliads and other native plants and a substrate for ornamental and forest plants using bottom ash from the Jorge Lacerda Thermoelectric Complex
- Involved body: Universidade do Sul de Santa Catarina (Unisul)
- Term: 30 months; investment: R$ 616 thousand

Certifications

- 15 plants certified according to NBR ISO 9001 (Quality), NBR ISO 14001 (Environment) and OHSAS 18001 (Occupational Health and Safety) standards

  ≡ Over 90% of the installed capacity operated by Tractebel Energia

- Valid until 2013
- Recertification goal includes the Estreito HPP certification.

ISO 9001
ISO 14001
BUREAU VERITAS
Certification



Commitments to society

- Adopt fair competitive practices
- Combat fraud and corruption
- Make social inclusion
- Implement health and safety practice s
- Respect the environment
- Do not accept child or forced labor or discrimination
- Require the same attitudes from suppliers and partners
- Keep ethical and transparent relationship with stakeholders
- Share the Company values, principles and practices with all stakeholders

Employees

- Sharing of the Company values, principles and sustainable practices
- Fair and competitive compensation, favorable benefits and healthcare plan
- Harmonious long-term co-existence: competence, development
- Health and safety: physical and mental integrity; prevention
- Incentives to quality of life
- The right to free association



Climate Organization Management : 70% of favorability in the last edition of the research (2009)

Você S.A. & Exame Magazines Ranking 2011:
in the first participation, Tractebel Energia was chosen as one of the best 150 companies to work for in Brazil

Sustainability Committee

Made up of members from different areas of the Company, it has an active and propositive role with the units and power plants

Objectives:

- Be proactive in interceding in environmental and community issues
- Reduce participation in reactive demands
- Direct resources to actions that have greater social and environmental effectiveness (sustainability)
- Involve a larger number of employees in investment decisions
- Avoid projects that serve the commercial interests of their creators
- Provide greater transparency to Company actions
- Reaffirm the position of Tractebel Energia as a Company committed to sustainable development

Conducts studies and identifies actions to promote partnerships for sustainable development

Participates in:

- The development of corporate policies related to sustainable management, climate change and other issues on sustainability
- Raising awareness for the need of change in attitude towards sustainability together with the internal public, communities, specialized forums and institutions
- The drafting of the Sustainability Report (GRI A+) and the internal process to maintain the Company in BM&Fbovespa's Corporate Sustainability Index

Corporate Sustainability Index



• For the seventh successive year, the Company is a component of BM&FBovespa's Corporate Sustainability Index (ISE) – i.e., since the index inception

• The current portfolio is made up of 38 companies of 18 economic sectors with a total market capitalization of R$ 961 billion

• Created in 2005, the ISE reflects the return on a portfolio of shares of companies committed to superior sustainability practices and which represent the best performance with respect to economic efficiency, socio-environmental responsibility and corporate governance

Social responsibility

• Covers our principles and practices for sustainable development, governance, competition, human resource management and relationship with all stakeholders

• Community interest actions:

→ developed in areas contiguous to the Company's plants and head office

→ programs and priorities:

• **Tractebel Energia Environmental Improvement Program**

Focus: Environmental education, restoration of degraded areas and reforestation, support for preservation, ecological awareness and rationalization of the use of natural resources

• **Tractebel Energia Cultural Development Program**

Focus: Emphasizing the importance of cultural roots and fostering cultural development as something of unquestionable value for society and its sustainability

• **Tractebel Energia Social Inclusion Program**

Focus: Infancy and adolescence, education, qualification, creation of jobs and income raisings

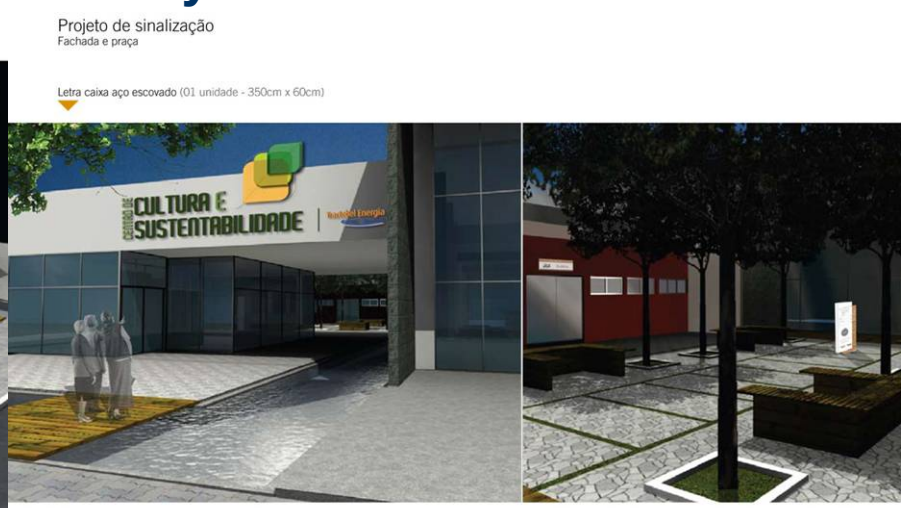
Environmental Improvement Program - examples

- **Agreement with Casa Familiar Rural NGO, Specialized in teaching by alternation methods:**
  - Tailor-made for rural areas
  - Students alternate one week on a boarding school basis with classes in environmental education and leisure, artistic and cultural activities, with one week at home, studying and disseminating what has been learnt at school to relatives
  - Area of the Salto Santiago HPP (Paraná State), in the municipality of Chopinzinho
  - Preservation of 300 springs, benefiting the water quality and consequently, infant and adolescent learning capacity
  - Tractebel Energia investment: over R$ 100 thousand
  - Counterbalancing contribution from the Municipality: over R$ 55 thousand
- **Preservation of springs in the Tubarão River basin, CTJL area**
  - 25 springs
  - Environmental Education Program
- **Preservation of springs in the Machadinho HPP area**
  - 24 springs in 18 properties of the producers of Cambona 4 project, which combines the planting of Yerba Mate with native species (synergy between two initiatives of sustainable development)
  - Jointly with the Consórcio Machadinho and Instituto Alcoa
- **Planting trees and seedling donation of more than 300 thousand units/year:** 386,643 in 2011

Cultural Development Program - examples

Culture and Sustainability Centers





- Installed with support of Rouanet incentive law
- Economically sustainable management by autonomous associations from the community
- Amphitheater, exhibitions, handicrafts, workshops, library and digital inclusion
- First center inaugurated on July 7, 2011: Entre Rios do Sul, Rio Grande do Sul State
- Two centers approved by the Culture Ministry: Quedas do Iguaçu, Paraná State / Alto Bela Vista, Santa Catarina State
- One center off–Rouanet Law: Jorge Lacerda, Santa Catarina State
- Next center to be developed: Minaçu, Goias State

Cultural Development Program - examples

Brazilian Bolshoi School of Ballet



Saint Exupéry Project





Symphony Orchestra in the Communities

Social Inclusion Program - examples

Junior Achievement
Entrepreneurship and raising awareness for sustainability



Young Apprentice Program



Volunteers in Action Institute
Volunteers on-line



Santa Catarina Forum for the End of Violence and Infant and Juvenile Sexual Abuse



Some projects with incentives through the Infancy and Adolescence Fund (FIA):

- Donation to APAE in all contiguous areas where the plants are located
- In Santa Catarina State: Sentinel Project following up on complaints of violence to infants, donation to the Association for Integration of the Blind (ACIC), for the purchase of vehicles for the Tubarão and Florianópolis Infancy and Adolescent Guardianship Councils and for building the Casa Lar – shelter and assistance to children with special needs (Itá, State of Santa Catarina)
- In Rio Grande do Sul State: support for the projects of Association of the Municipalities Surrounding the Itá HPP Dam

Socio-environmental and fiscal responsibility – 2011

Activity	Value* (R$ thousand)
Implementation of Estreito HPP - reservoirs and socio--environmental programs – Tractebel Energia contribution	106,360
Estreito Social Investment Program – Tractebel contribution	22,090
Environmental programs of operating plants	21,328
Social Responsability Program – own resources	2,188
Donations and patronage of actions initiated by the Infant and Youth Fund and Rouanet Law	7,810
Federal, State and municipal consolidated taxes	1,108,217
Financial Compensation for the Use of Hydro Resources Tractebel contribution	159,209

* Accumulated during the year, without monetary correction

Most recent recognitions: prizes won in 2011

- Transparency Trophy ANEFAC – Highlight of the Year
- Selected as one of the 150 best companies to work for – Exame and Você S.A. Magazine
- Best company in Latin America for Investor Relations - Electric and other Utilities category – Institutional Investor Magazine
- Certificate in Excellence in Environmental Management – Editora Expressão
- Winner of two categories of the Brasil Ambiental Award of the American Chamber of Commerce in Rio de Janeiro – Amcham Rio

Attachment II
Support Data

Tractebel Energia
GDF SUEZ

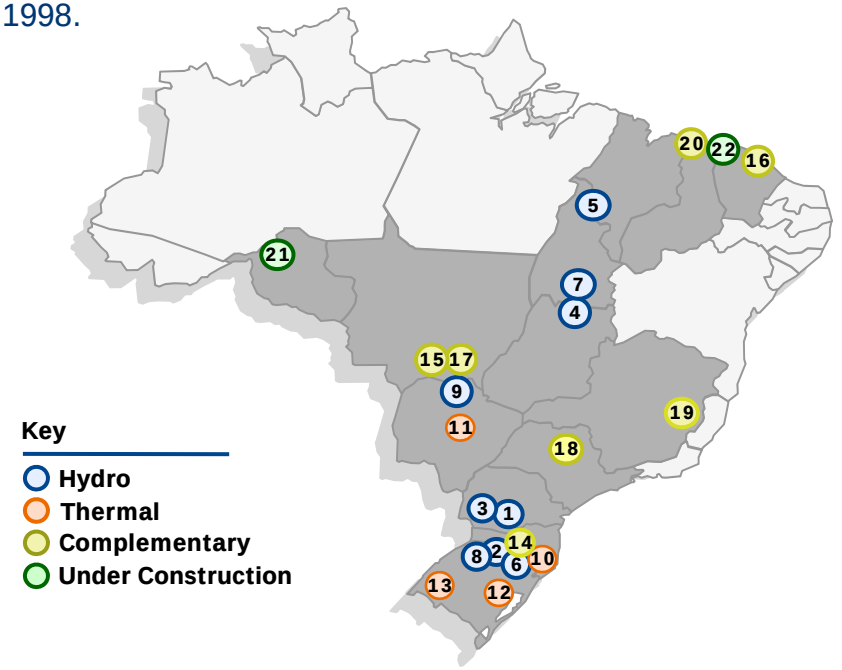
Diversified portfolio of assets, with strategic location

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**

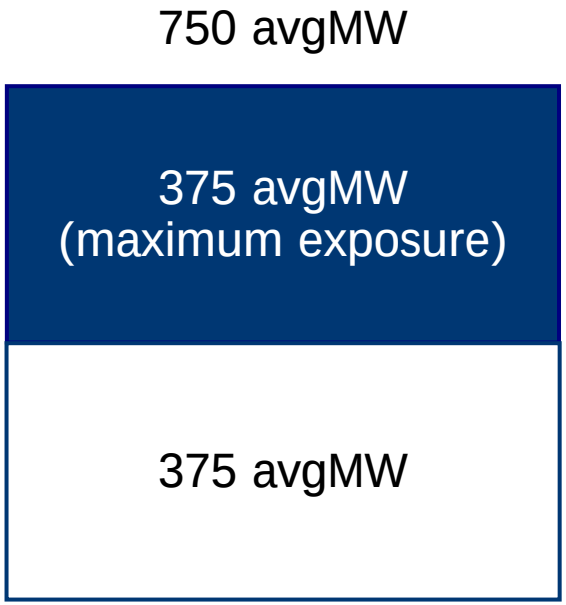
Complementary Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[2]
14 Lages (Biomass)	28.0	25.0
15 Rondonópolis (SHP)	26.6	10.1
16 Beberibe (Wind)	25.6	7.8
17 José Gelazio da Rocha (SHP)	23.7	9.2
18 Ibitiúva (Biomass)	21.2[3]	12.8[3]
19 Areia Branca (SHP)	19.8	11.1
20 Pedra do Sal (Wind)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



Power Plants Under Construction	Installed Capacity (MW)	Commercial Capacity (aMW)[2]
21 Jirau (Hydro)[5]	1,878.8[6]	1,094.5[6]
22 Wind Projects[7]	145.4	74.7[8]
Total	**2,024.2**	**1,169.2**

Notes: [1]Considers the complete Estreito HPP ramp-up, what is expected for 2012.
[2] Figures following specific legislation.
[3] Portion owned by Tractebel Energia.
[4] Complex comprised by 3 power plants.
[5] The Parent Company's stake is expected to be transferred to Tractebel Energia.
[6] Portion owned by the Parent Company, i.e., 50.1% of 3,750 MW total installed capacity.
[7] Considers the Porto do Delta and Trairi Complex projects which is comprised of the Mundaú, Fleixeiras I, Trairi and Guajirú wind farms.
[8] Estimated value (awaiting for MME definition).

Thermal side: exposure to spot prices



→ Estimated commercial capacity (on a yearly basis)

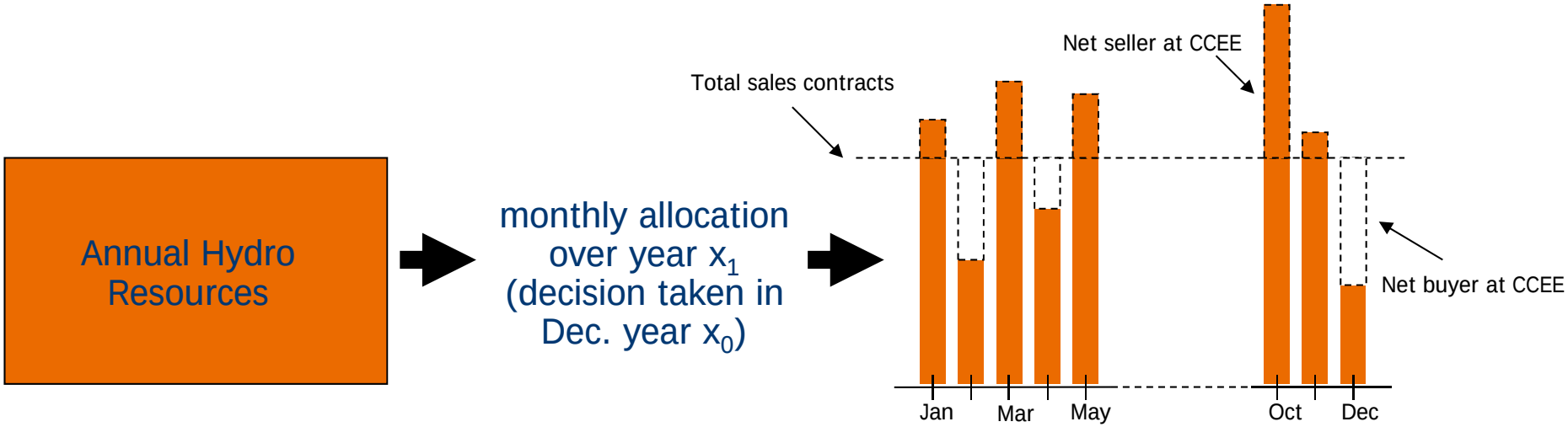
→ Thermal substitution energy → purchase in spot market

→ 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

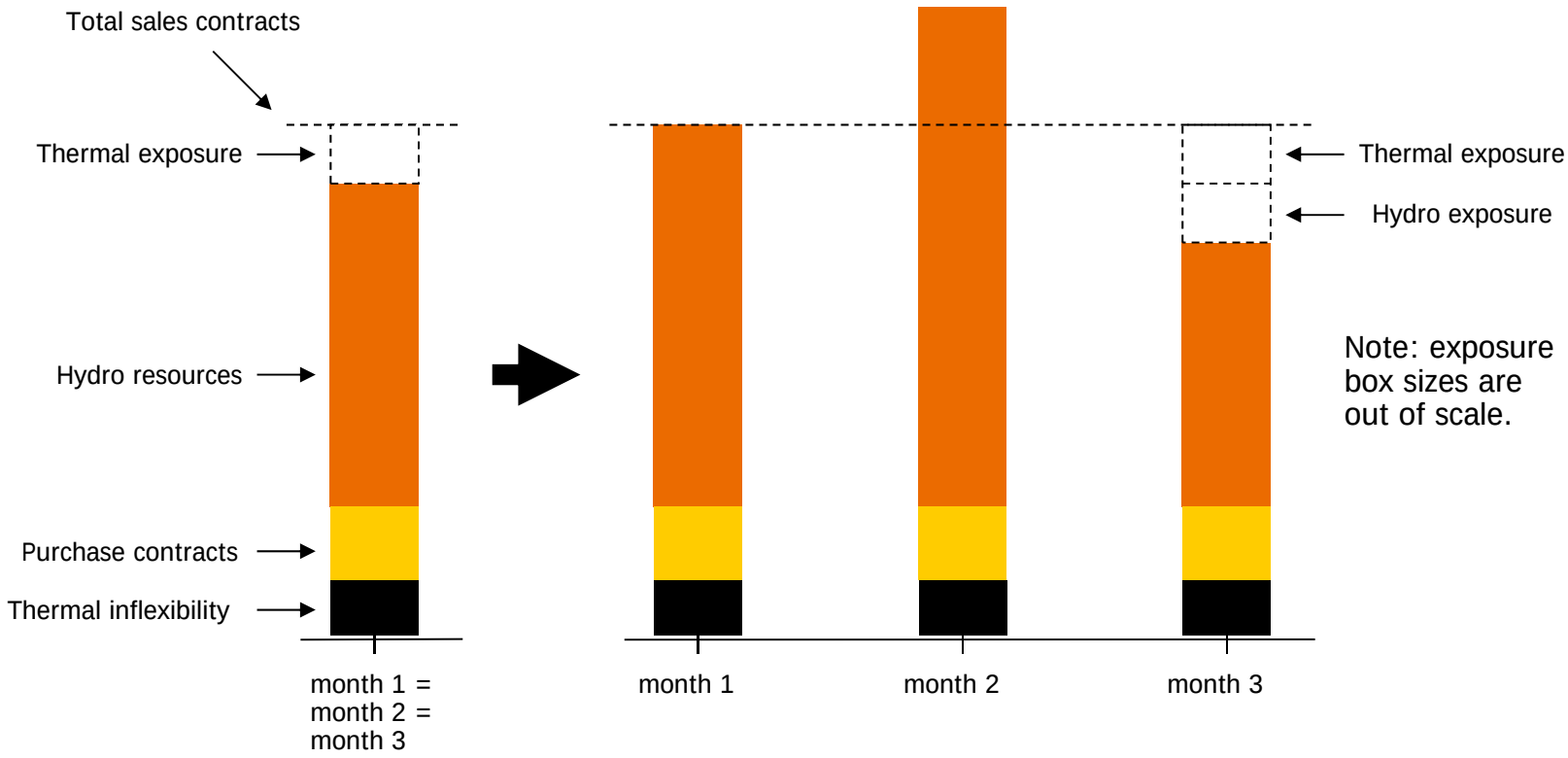
How does the allocation of resources at CCEE (the energy trading board) over the months interfere with a hydro genco quarterly results?



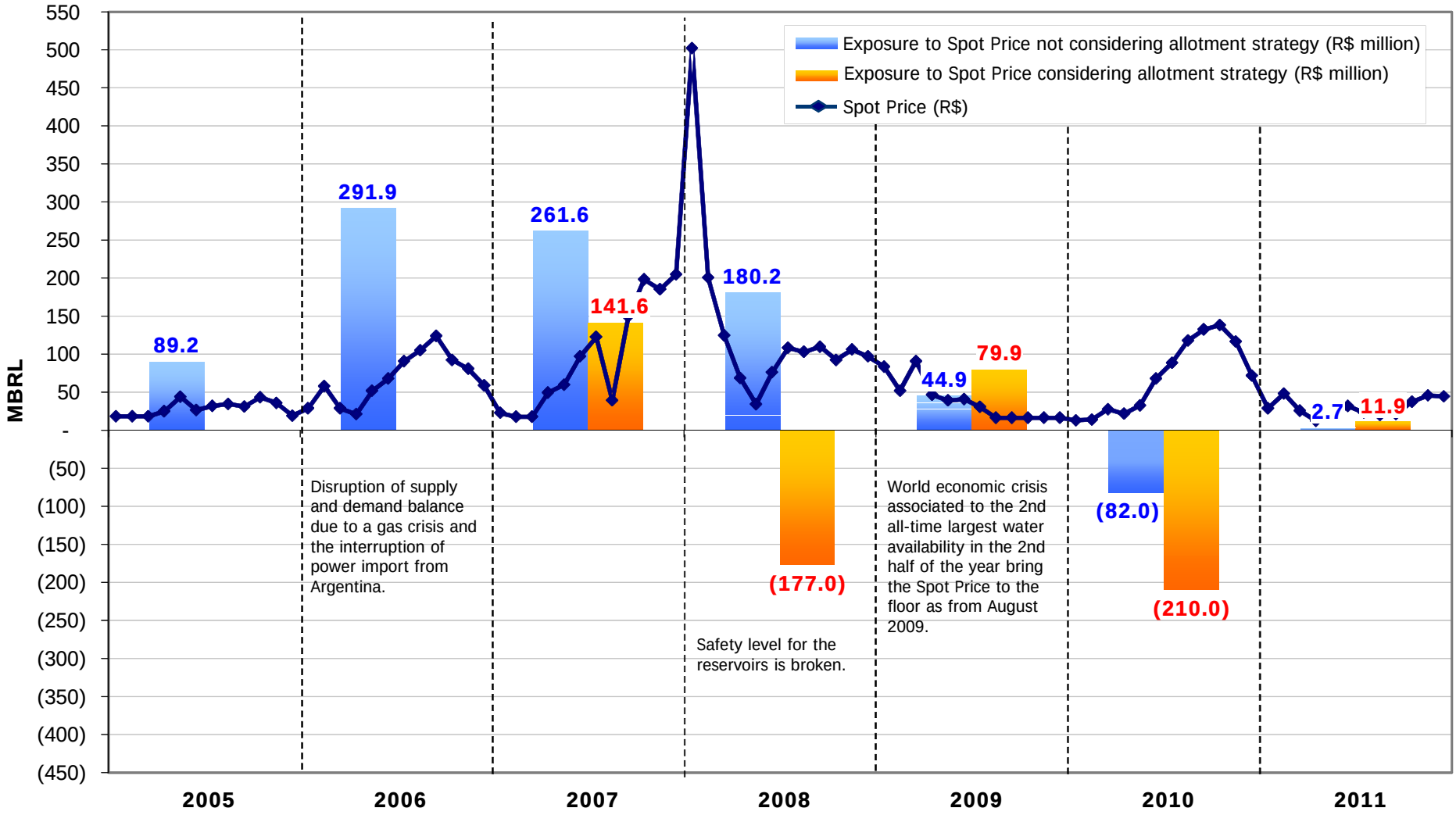
- Hydro gencos can freely allocate their resources over the following year's months;
- Monthly fluctuations on sales is also a driver for exposure to spot price;
- Monthly energy differences are settled at spot price, i.e., PLD (Price for Settlement of Differences);
- As penalties apply for a net buyer,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

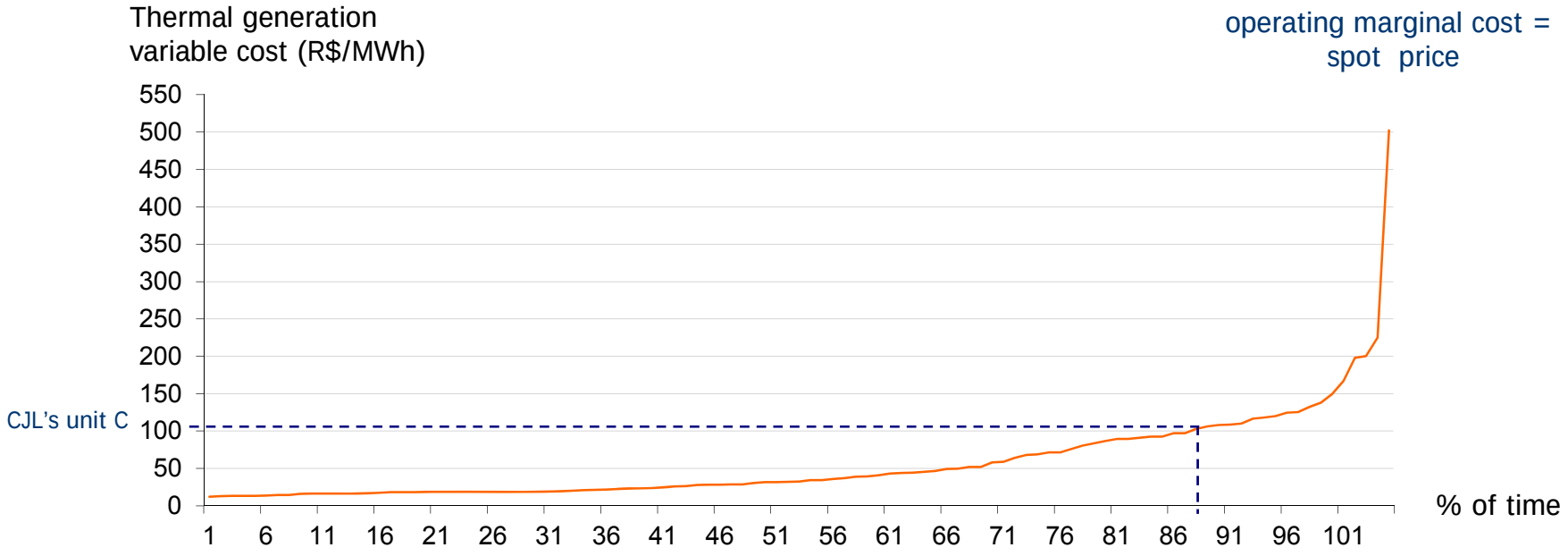


Expenses: impacts of energy allotment (2007 thru 2011)



Main drivers and distribution curve of spot prices

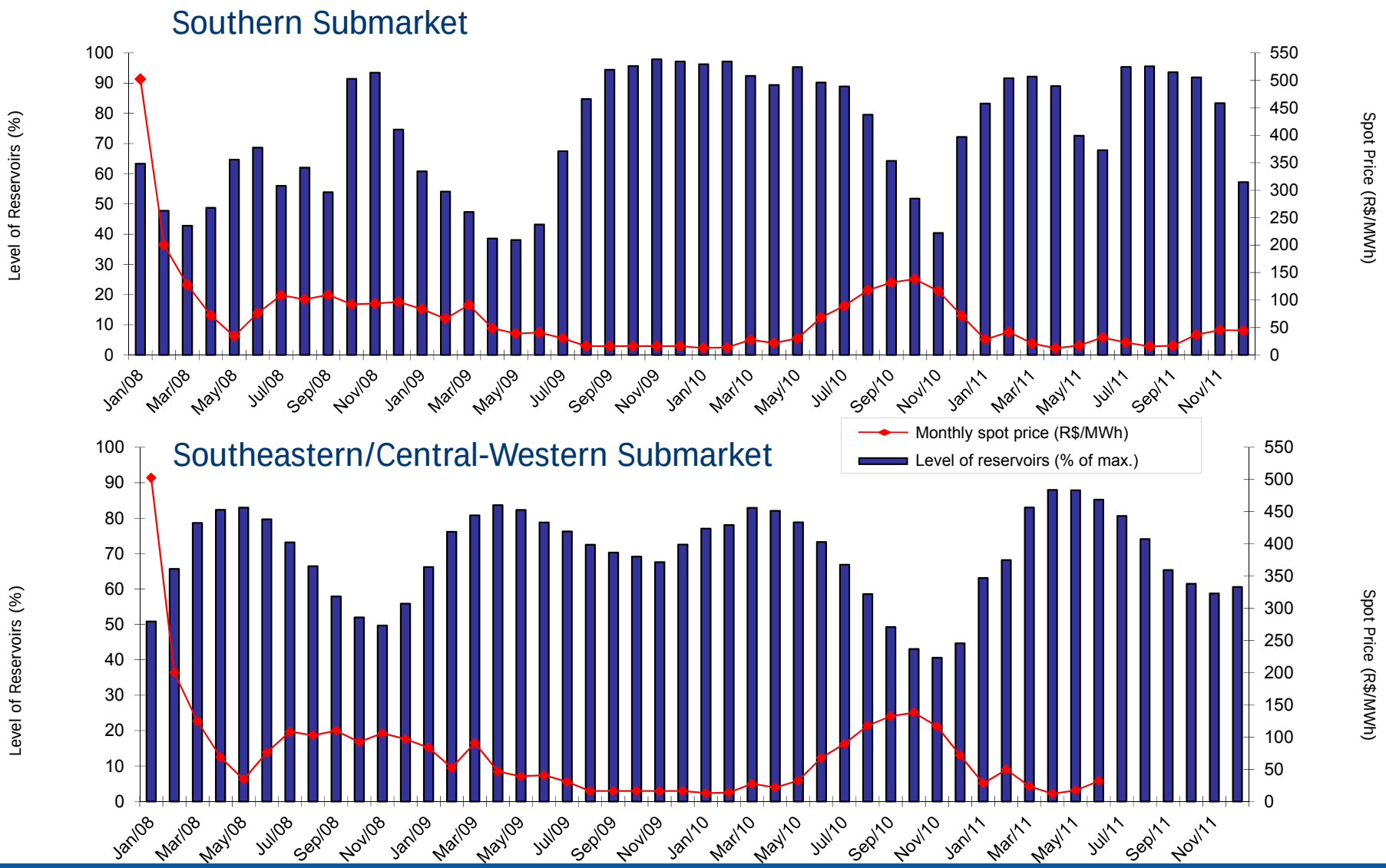
- Reservoir levels of hydro plants;
- Rainfall behavior;
- Forecast of demand for power;
- Current and future availability of power plants and transmission lines;
- Availability of natural gas.



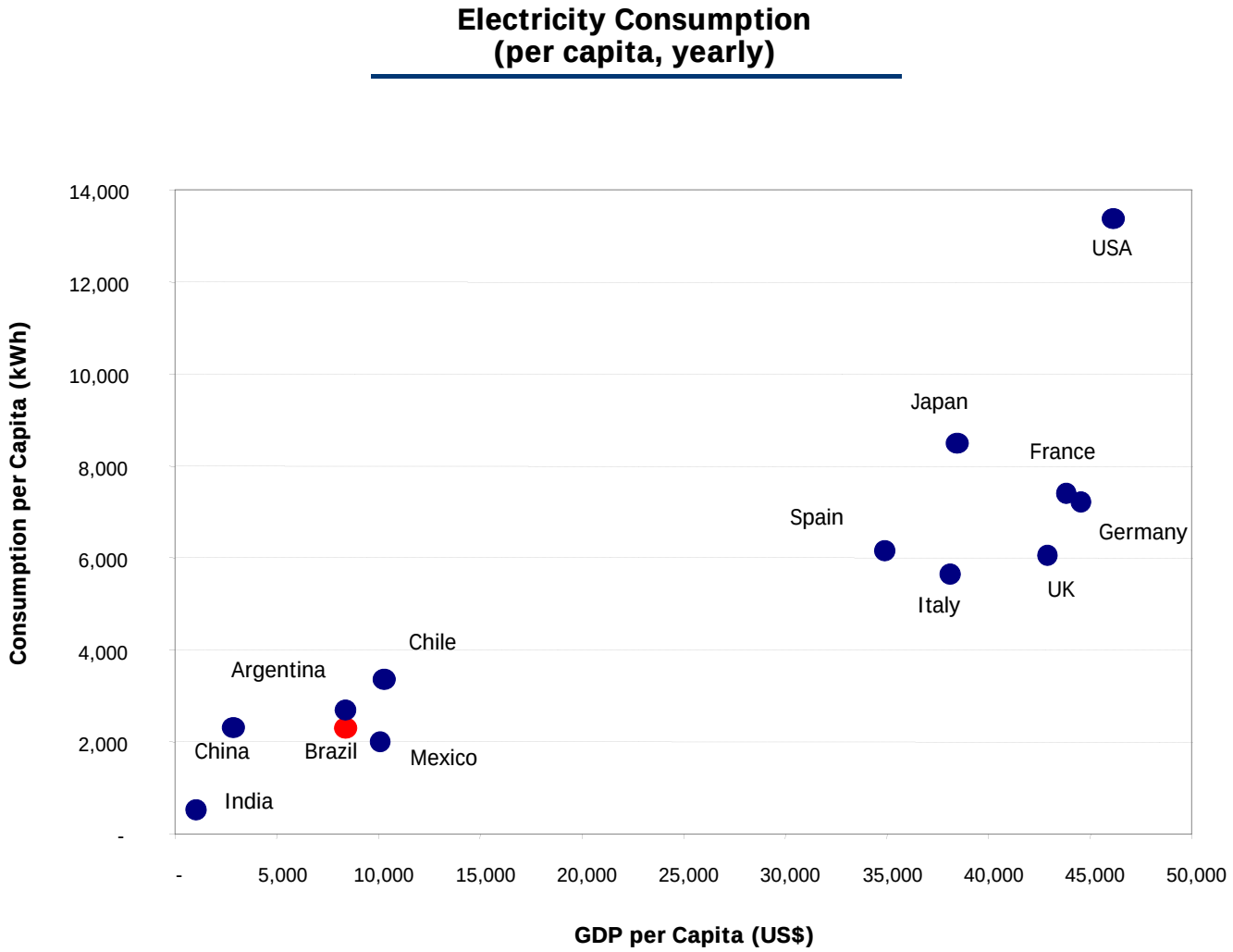
Note: spot market monthly prices for SE-CW submarket from May 2003 to December 2011.

Conclusion: For 64% of the time the spot price is lower than R$50/MWh, and for 88% 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.