TRACTEBEL ENERGIA S.A.
A Publicly Listed Company – CNPJ 02.474.103/0001-19
NIRE 4230002438-4

ANNOUNCEMENT TO THE MARKET

TRACTEBEL ENERGIA S.A., a publicly listed company, with registered offices in the city of Florianópolis, state of Santa Catarina at Rua Paschoal Apóstolo Pítsica, 5064, enrolled in the tax register (CNPJ) under number 02.474.103/0001-19 ("Tractebel Energia" or "Company"), pursuant to CVM Instruction 358 of January 3, 2002, announces to its shareholders and the market at large that the Board of Directors, pursuant to its powers under Article 8 of the Corporate Bylaws, today approved an increase in the Company's capital stock of R$ 1,107,620.69 (one million, one hundred and seven thousand, six hundred and twenty reais and sixty-nine centavos), without the issue of new shares, corresponding to R$ 0.0016968731 per share. Consequently, the Company's capital stock will now increase from 2,736,253,251.01 (two billion, seven hundred and thirty-six million, two hundred and fifty-three thousand, two hundred and fifty-one reais and one centavo) to R$ 2,737,360,871.70 (two billion, seven hundred and thirty-seven million, three hundred and sixty thousand, eight hundred and seventy-one reais and seventy centavos).

Pursuant to the provision in Article 30 to CVM Instruction 480 of December 7, 2009, as amended by CVM Instruction 552 of October 9, 2014, please note that the Company's shares have no nominal value and that the capital increase was made through the capitalization of a portion of the tax incentive reserve amounting to R$ 1,107,620.69 relating to the deposit effected in 2014 for reinvestment in the Ponte de Pedra Hydroelectric Power Plant.

We would point out that the purpose of this increase in capital is to meet requirements under Paragraph 1, Article 35 of the Amazon Region Development Authority's (SUDAM) Tax Incentive Regulations.

Florianópolis, May 5, 2016.

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

Manoel Arlindo Zaroni Torres
Chief Executive Officer