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, wishes to inform its shareholders and the market in general that the Board of Directors, in the exercise of powers granted under Article 8 of the Corporate Bylaws, today approved the proposal for an increase of R$ 290,487,159.11 (two hundred and ninety million, four hundred and eighty-seven thousand, one hundred and fifty-nine Reais and eleven centavos) in the Company's share capital, **without the issue of new shares,** and corresponding to R$ 0.4450258658 per share. Consequently, the share capital of R$ 2,445,766,091.90 (two billion, four hundred and forty-five million, seven hundred and sixty-six thousand, ninety-one Reais and ninety centavos) shall increase to R$ 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).

Pursuant to the provisions in Article 30 of CVM Instruction 480 of December 7, 2009, as amended by CVM Instruction 552 of October 9, 2014, we would inform that the Company´s shares have no nominal value and that the increase in share capital was effected through the capitalization of R$ 290,487,159.11 from part of the net income for the fiscal year ending December 31, 2015.

We would point out that the purpose of this increase in capital is to comply with the provisions of Article 199 of Law 6.404/76, given that the profit reserves have surpassed total share capital. The increase is also to strengthen the Company's capital base in the light of the forecasted investments envisaged over the next few years. We would note in particular that returns on these investments in new generators have a long maturation period, thus justifying being partly financed by proprietary long-term capital.

The accounting impact of the increase in capital will be recognized in fiscal year 2016.

Florianópolis, February 23, 2016.

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

Manoel Arlindo Zaroni Torres
Chief Executive Officer