Tractebel Energia
GDF SUEZ



BTG Pactual

12th Annual CEO Conference

São Paulo – February 2011

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

Quarter highlights

- Financial and operational indexes:

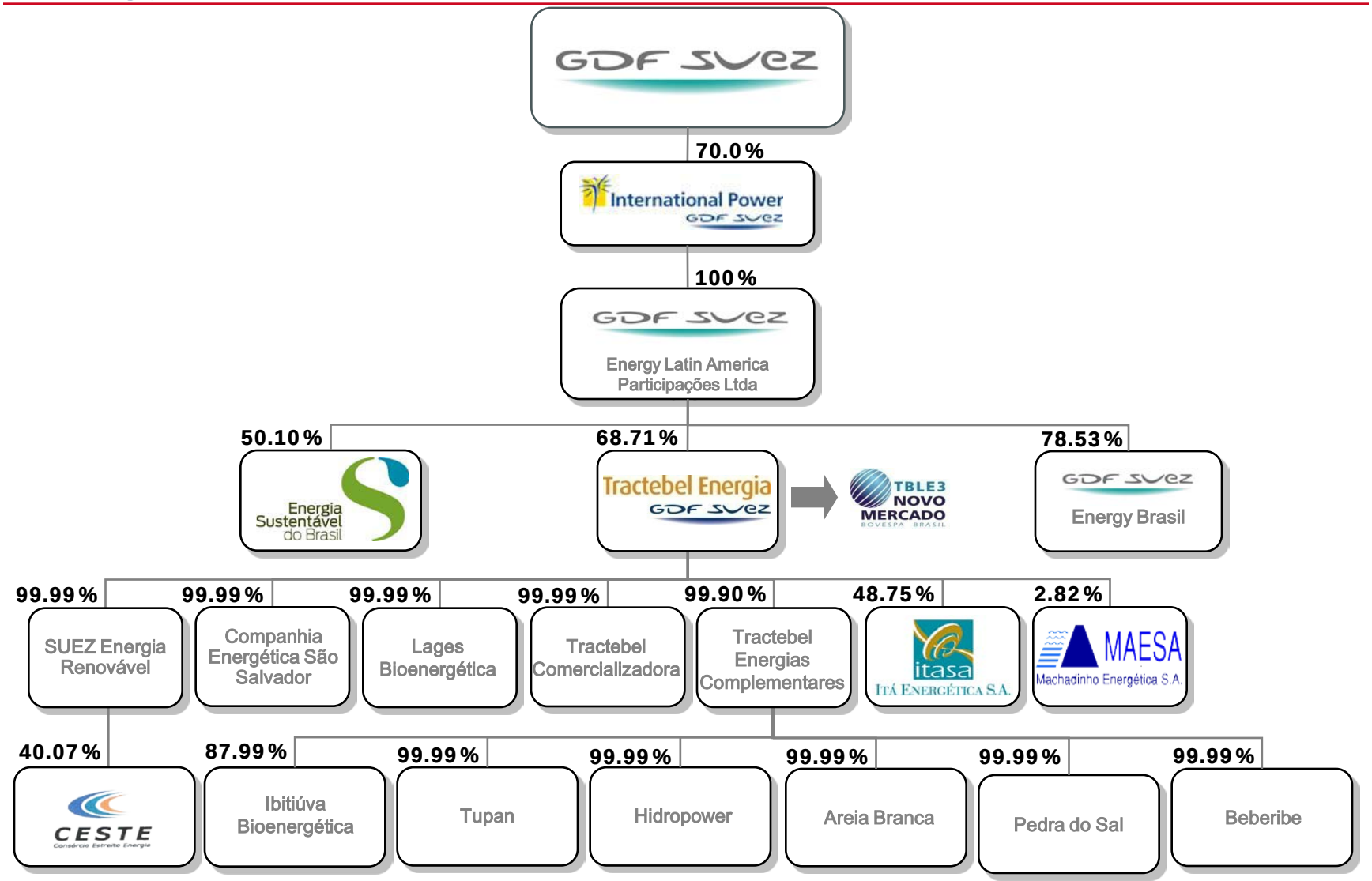
(in millions of R$)	4Q10	4Q09	Chg.	12M10	12M09	Chg.
Net Operating Revenue (NOR)	1,107.6	914.2	21.2%	4,100.4	3,496.7	17.3%
EBITDA [1]	696.2	615.1[2]	13.2%	2,611.5	2,201.7[2]	18.6%
EBITDA / NOR - (%)	62.9	67.3[2]	-4.4 p.p.	63.7	63.0[2]	0.7 p.p.
Net Income	373.3	340.6[2]	9.6%	1,211.6	1,090.9[2]	11.1%
Energy Sold (avg. MW)	3,865	3,522	9.7%	3,863	3,529	9.5%
Average Price of Energy Contracts (R$/MWh)	114.0	109.2	4.4%	112.6	108.8	3.5%
Production (avg. MW)	4,943	4,993	-1.0%	4,907	3,626	35.3%

[1] EBITDA represents: operational results + financial results + depreciation and amortization.
[2] Values adjusted on account of the IFRS adoption for the first time.

- Approved, by the Board of Directors, dividend payment proposal in the amount of R$ 158.3 million (R$ 0.242/share). The payout for 2010 achieve 55% of the adjusted net income.

- Tractebel Energia was reconfirmed, for the sixth consecutive year, as a component of BM&FBovespa's Corporate Sustainability Index – ISE.

Tractebel is controlled by GDF SUEZ, world leader in energy



Note: Simplified version

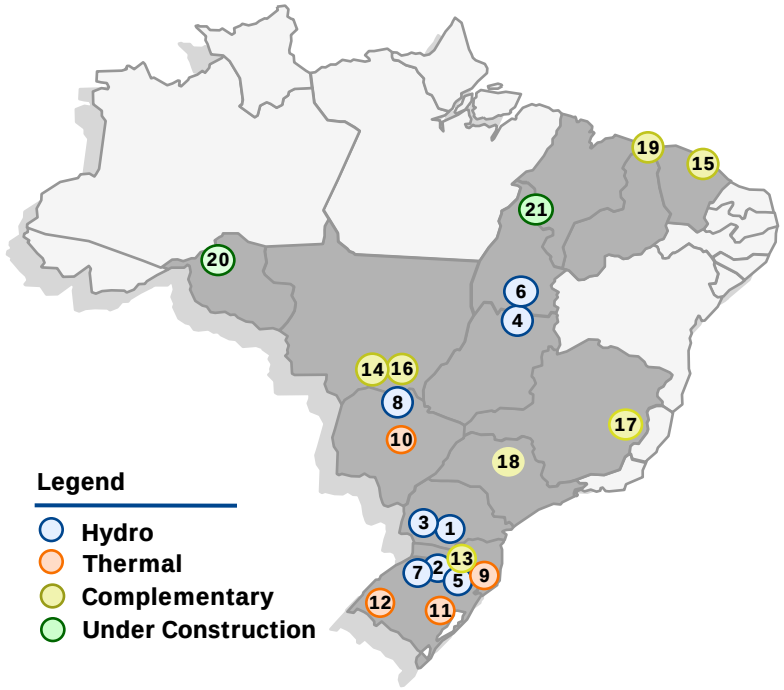
Diversified portfolio of assets, with strategic location

Installed capacity of 6,472.0 MW from 21 plants operated by Tractebel Energia: 79% hydro, 18% thermal e 3% complementary. This capacity stands for a 74% increase since 1998.

Hydro Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
1 Salto Santiago	1,420.0	723.0
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 Machadinho	403.9[2]	147.2[2]
6 São Salvador	243.2	148.5
7 Passo Fundo	226.0	119.0
8 Ponte de Pedra	176.1	131.6
Total	**5,124.1**	**2,609.0**

Thermal Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
9 Jorge Lacerda Complex[3]	857.0	649.9
10 William Arjona	190.0	136.1
11 Charqueadas	72.0	45.7
12 Alegrete	66.0	21.1
Total	**1,185.0**	**852.8**

Complementary Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
13 Lages (Biomass)	28.0	25.0
14 Rondonópolis (SHP)	26.6	14.0
15 Beberibe (Wind)	25.6	9.8
16 José Gelazio da Rocha (SHP)	23.7	11.9
17 Areia Branca (SHP)	19.8	10.9
18 Ibitiúva (Biomass)	21.2[2]	12.8[2]
19 Pedra do Sal (Wind)	18.0	7.8
Total	**162.9**	**92.2**



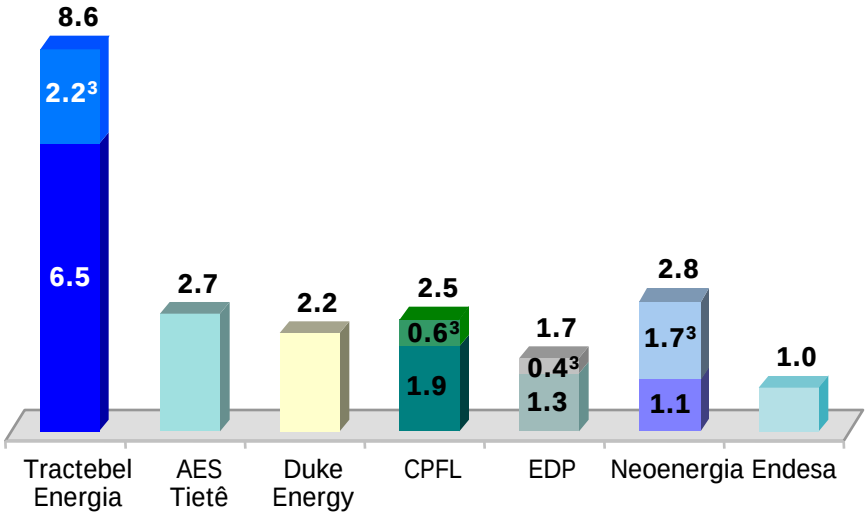
Power Plants Under Construction	Installed Capacity (MW)	Commercial Capacity (aMW)[1]
20 Jirau (Hydro)	1,728.5[4]	1,024.9[4]
21 Estreito (Hydro)	435.6[2]	256.9[2]
Total	**2,164.1**	**1,281.8**

Notes: [1] Figures following specific legislation.
[2] Portion owned by Tractebel Energia.
[3] Complex comprised of 3 power plants.
[4] Portion owned by GDF SUEZ, based on 3,450 MW total inst. capacity.

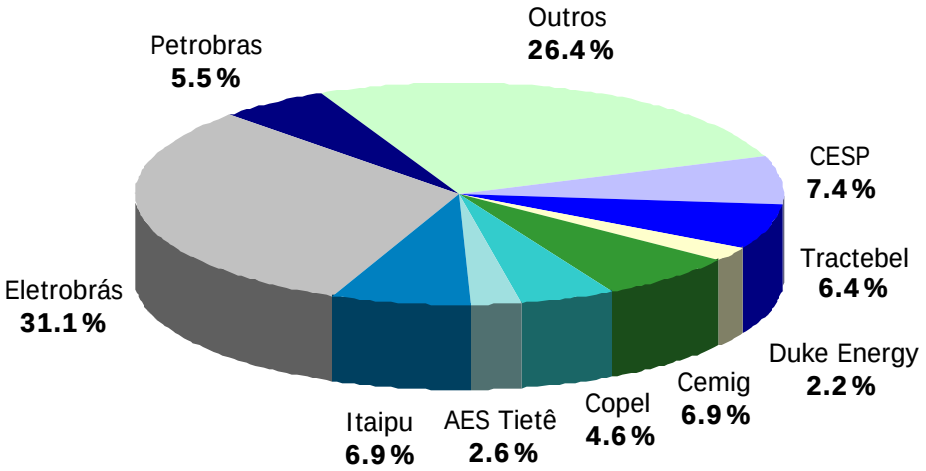
Leading position in the generation sector

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

Private Sector – Installed Capacity (GW)



Brazil – Installed Capacity[1,2]



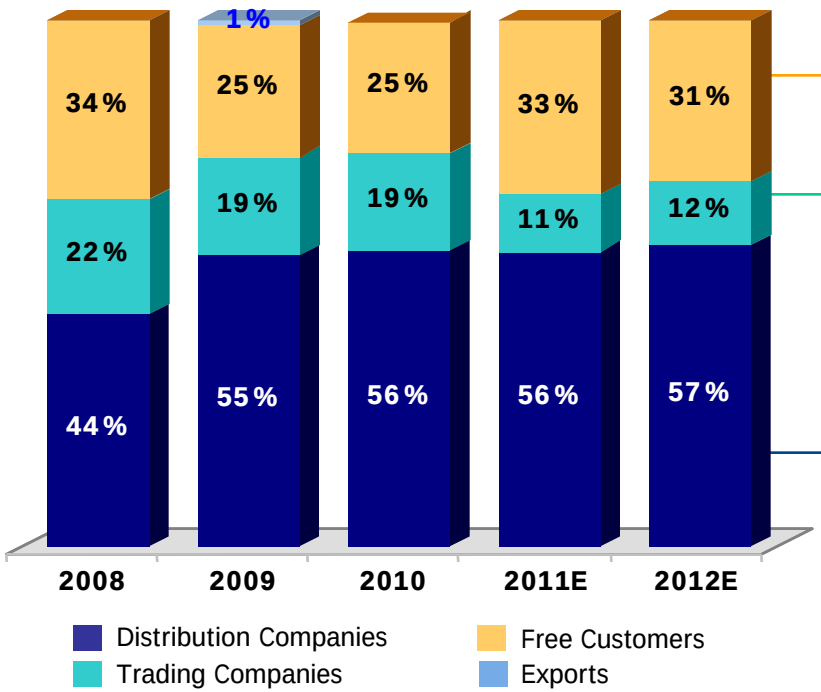
Source: Aneel , Companies' websites and in-house studies.

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

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

Diversified portfolio among free customers, distribution and trading companies

Client Breakdown (based on contracted energy)



First to consistently serve the free market...

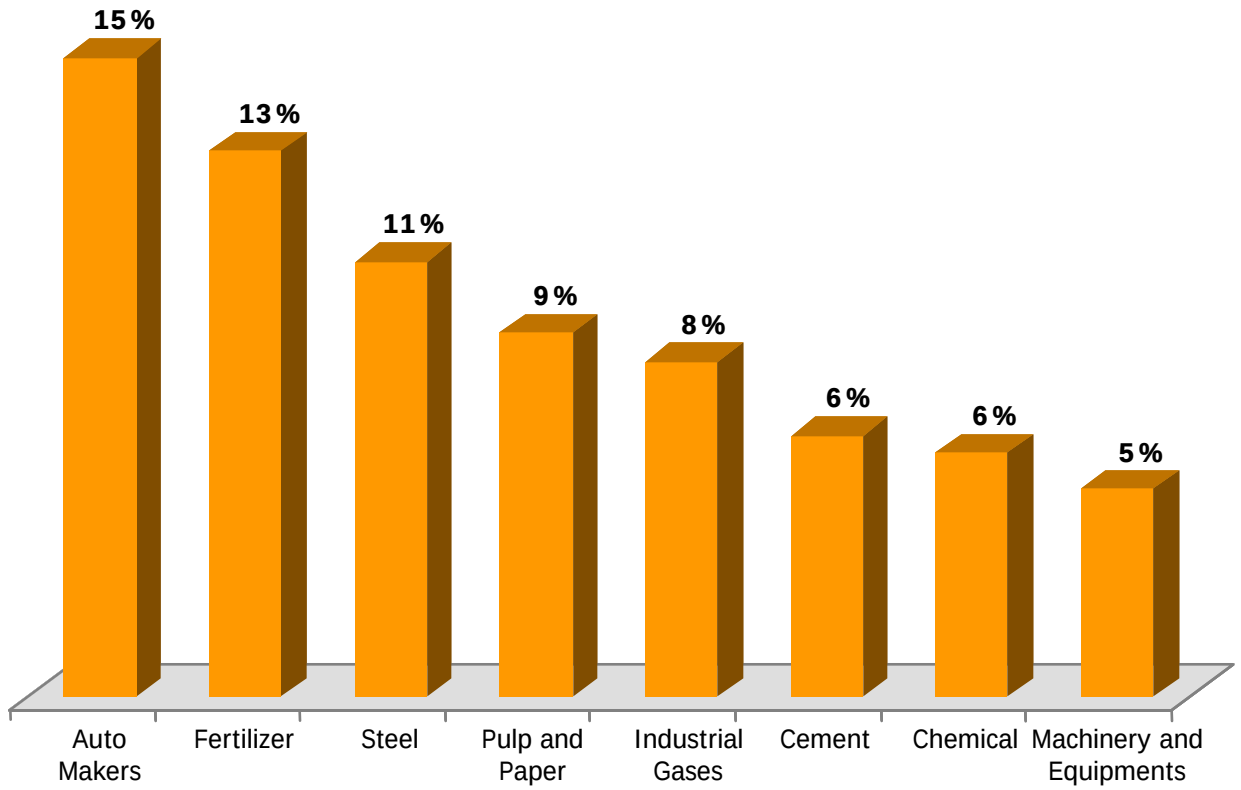
- Flexibility (prices, terms and conditions) → Maximizes portfolio's efficiency
- Solid client relationship → Liaison with some free customers
- Largest consumer market
- Regulated and unregulated contracts → Long-term cash flow predictability

...to maximize portfolio's efficiency.

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 2011:
1,188 average MW

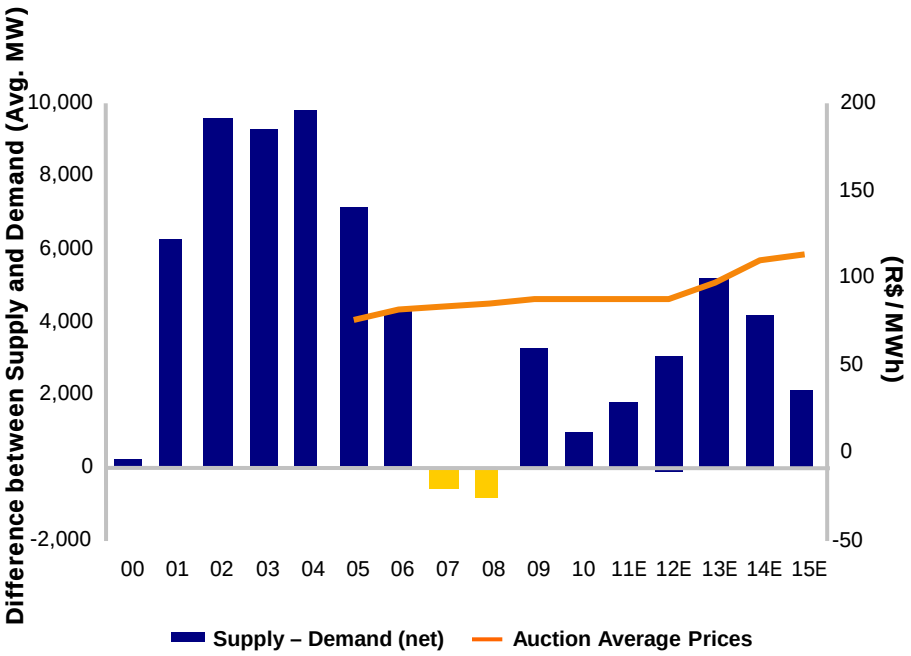


Energy Market in Brazil

Strong economic growth will increase demand for electric energy

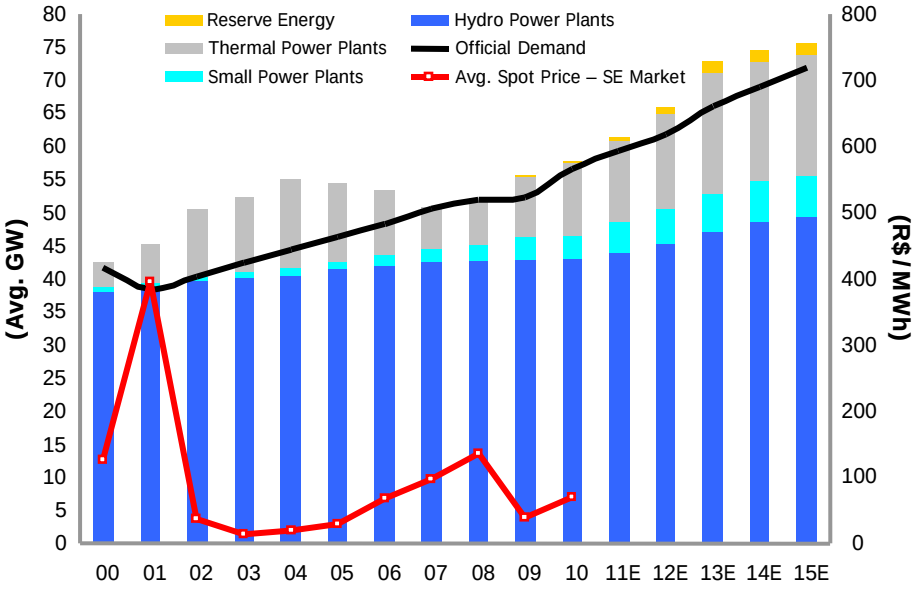
Increased thermal role and adoption of risk aversion procedures may pressure up energy prices in the future.

Energy Market Outlook



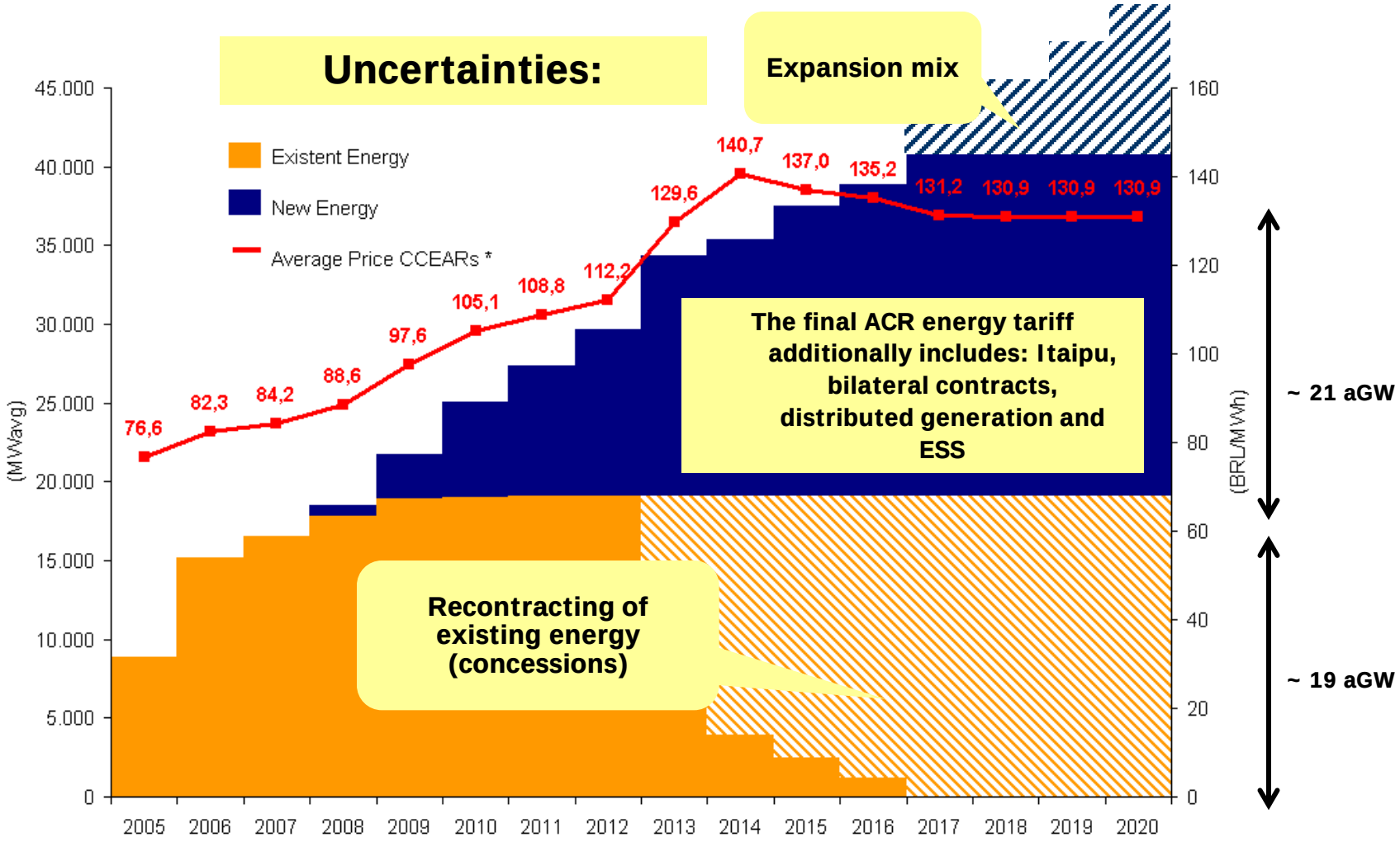
Source: Tractebel Energia's internal study based on ONS' Operations Monthly Program of July 2010.

Supply Distribution by Source



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

Average price of contracted energy in the ACR auctions

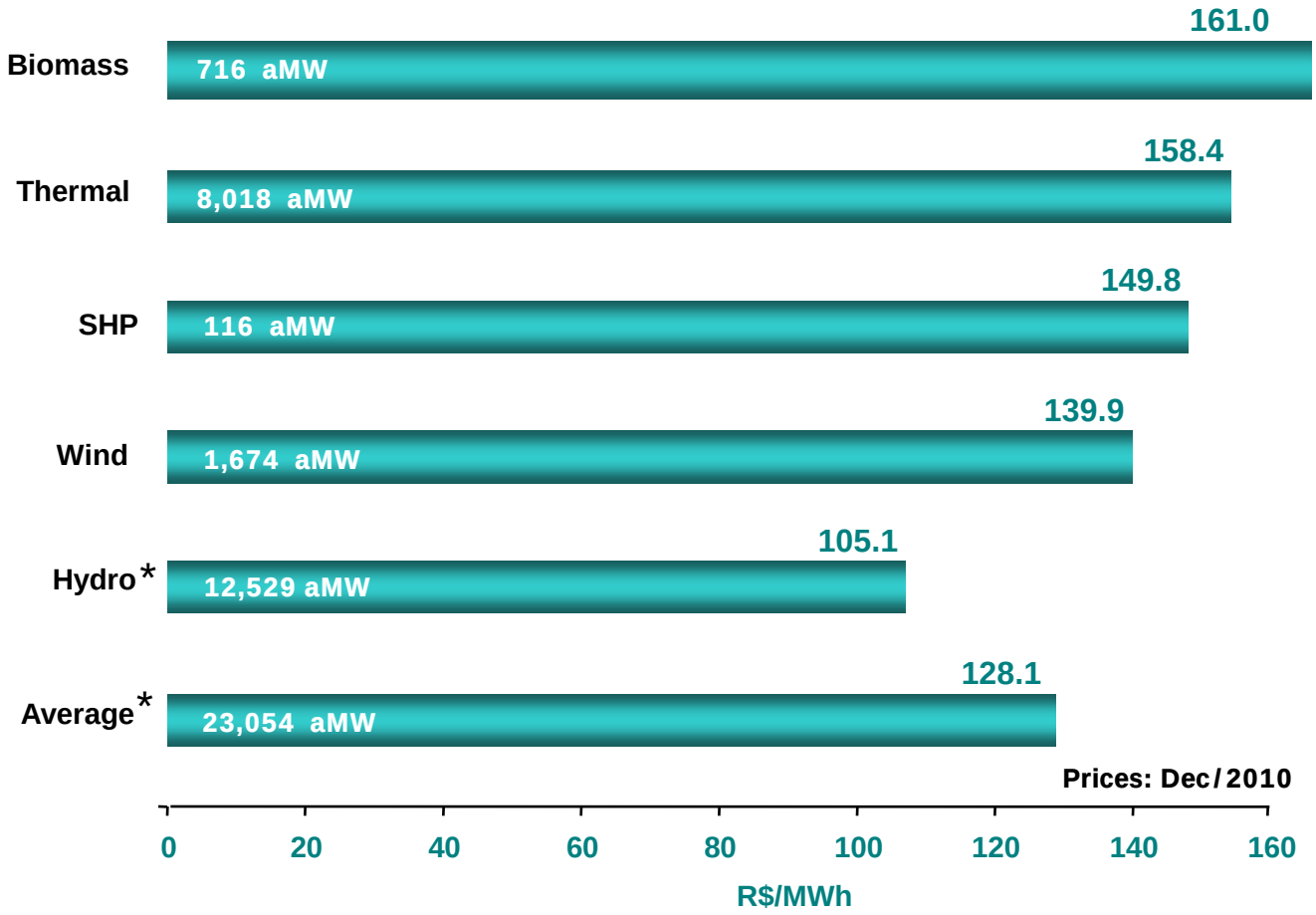


*** Average price does not take into account volumes which terminate as from 2013**

Prices: Dec/2010

Source: CCEE

Competitiveness of sources in auctions at the regulated environment



- Average price of the contracted mix of R$ 128.1/MWh
- Hydro plants at prices lower than the mix
- Wind power plants have become competitive
- Prices of fossil fuel and biomass fuels at prices above of the mix
- Angra III considering a R$ 150/MWh price cap (reserve energy)

•Includes reserve energy from large projects for the free market at the price of R$ 130/MWh. Excludes botox plants installed prior to change in regulation.

Source: CCEE

How is the Government planning to meet the demand?*

- Expansion in hydroelectric plants, principally in the Amazon region
- One nuclear power plant already decided (Angra 3) to be contracted as reserve energy (MME Ordinance 586/2010)
  - does not constitute underlying physical production and is paid by all consumers - R$ 148.65/MWh
- Complemented with renewable sources
  - SHPs
  - Biomass
  - Wind
- Currently the plan does not include the contracting of thermoelectric plants firing fossil fuels
  - the effectiveness of this plan will depend on the viability and competitiveness of renewable sources

The way the matrix expands will affect future energy prices

Hydro plants to be auctioned up to 2019:

Água Limpa (320 MW)
Barra do Pomba (80 MW)
Cachoeira (63 MW) – R$ 110 / MWh
Cachoeira do Caí (802 MW)
Cachoeira dos Patos (528 MW)
Cachoeirinha (45 MW)
Castelhano (64 MW)
Davinópolis (107 MW)
Estreito Parnaíba (56 MW) – R$ 131 / MWh
Foz do Apiacás (275 MW)
Itapiranga (725 MW)
Jamanxim (881 MW)
Jardim do Ouro (227 MW)
Jatobá (2,336 MW)
Marabá (2,160 MW)
Mirador (80 MW)
Ribeiro Gonçalves (113 MW)
Salto Grande Chopim (53 MW)
São Luiz do Tapajós (6,133 MW)
São Manoel (746 MW)
São Miguel (65 MW)
São Roque (214 MW)
Serra Quebrada (1,328 MW)
Sinop (461 MW)
Telêmaco Borba (120 MW)
Toricoejo (76 MW)
Torixoréu (408 MW)
Traira II (60 MW)
Uruçui (134 MW)

* Ten Year Plan 2019 / EPE

Expiring concessions and recontracting of existing energy

- The way the Government handles expiring concessions will directly affect future energy prices and consequently the value of generation assets

- The problem:
  - Nearly 20% (21,792 MW) of the Brazilian system's installed capacity with generation concessions expires in 2015 with no legal possibility of renewal or extension of maturity
  - Need for re-contracting existing energy within the ACR as from 2013
    - 9,000 avg MW in 2013
    - 6,800 avg MW in 2014
    - 1,300 avg MW in 2015

- Current legal framework explicitly provides for the existence of ACL and ACR (Law 9,074/95)
  - The definition of two contracting environments presupposes that elements and conditions will be in place so that these environments may co-exist
  - The solution necessarily must ensure the continuity of the ACL environment, fundamental to the sustainability of independent producers and free consumers

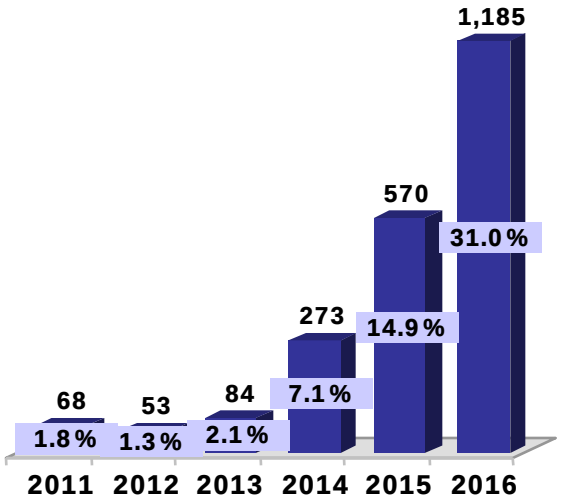
Sales Strategy

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 fine tune the amount of uncontracted energy.

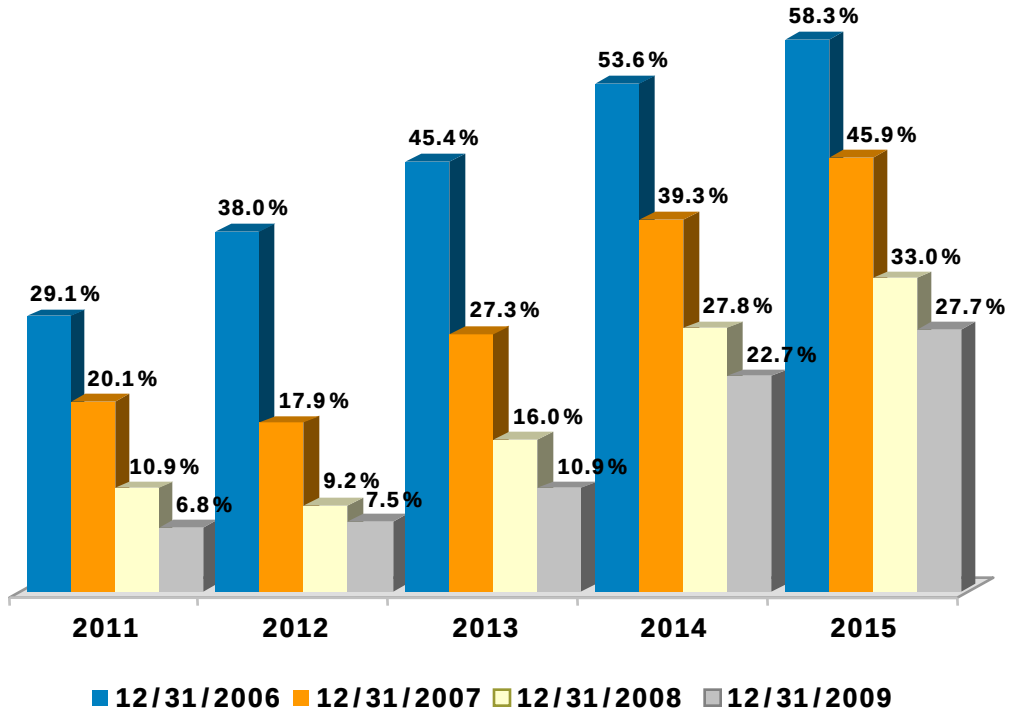
Tractebel Energia's Uncontracted Energy[1]

(average MW)



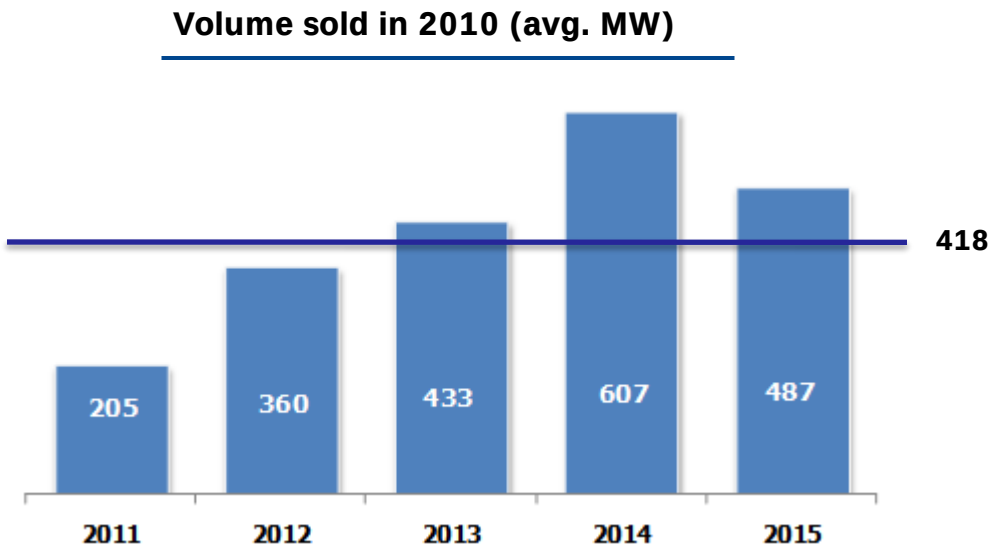
Note:
[1] Percentage of total resources.

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



Sales of future availability during 2010

Total volume of new contracts signed in 2010 totaled 418 avg MW for the coming 5 years.



(in average MW)	Year of delivery				
	2011	2012	2013	2014	2015
Uncontracted energy at the end of 2009	263	293	425	880	1,057
Net change in total resources	10	120	92	0	0
Total uncontracted resources	273	413	517	880	1,057
Sales in 2010	205	360	433	607	487
Final balance at the enf of 2010	68	53	84	273	570

Energy balance

As of December 31, 2010

	(in average MW)	2010	2011	2012	2013	2014	2015	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted as of December 31, 2010 (R$/MWh)
	Own Resources	3,467	3,617	3,617	3,617	3,617	3,617			
+	Purchases for Resale	399	426	370	254	201	201			
=	**Total Resources (A)**	**3,866**	**4,043**	**3,987**	**3,871**	**3,818**	**3,818**			
	Government Auction Sales*	1,446	1,701	1,702	1,702	1,692	1,541			
	2004-EE-2007-08	10	10	10	10	-	-	70.9	Dec-04	91.8
	2005-EE-2008-08	150	150	150	150	150	-	81.6	Apr-05	102.6
	2005-EE-2009-08	381	381	381	381	381	381	94.0	Oct-05	116.0
	2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	140.7
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	154.4
	2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	166.3
	2007-NE-2012-30	-	256	256	256	256	256	126.6	Jun-07	149.7
	Proinfa	53	52	53	53	53	52	147.8	Jun-04	199.2
	1st Reserve Energy Auction	11	11	11	11	11	11	158.1	Aug-08	169.7
+	Bilateral Sales	2,352	2,289	2,201	1,896	1,556	1,092			
=	**Total Sales (B)**	**3,798**	**3,990**	**3,903**	**3,598**	**3,248**	**2,633**			
	Balance (A - B)	**68**	**53**	**84**	**273**	**570**	**1,185**			
	Sales Average Price (R$/MWh) **(Net)***[1]:	120.6	121.5	121.5						
	Purchases Average Price (R$/MWh) **(Net)***[2]:	120.0	117.3	117.4						

* 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 12/31/10.

*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 12/31/10.

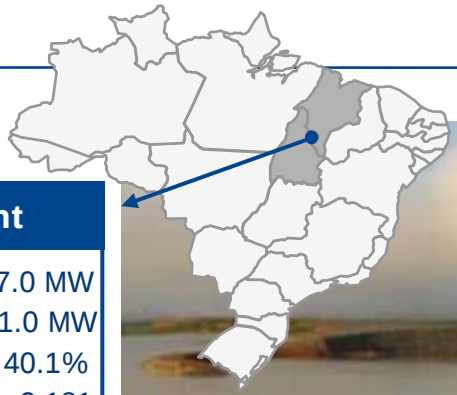
Note: The balance refers to the settlement point. It considers the energy generated by the Estreito, which start of operations is scheduled for 1Q11.

Growth

Hydro project under construction: Estreito

The asset transfer to Tractebel was unanimously approved by the Extraordinary Shareholders Meeting on Oct. 19, 2010. Estreito is scheduled to enter into operation in March 2011.

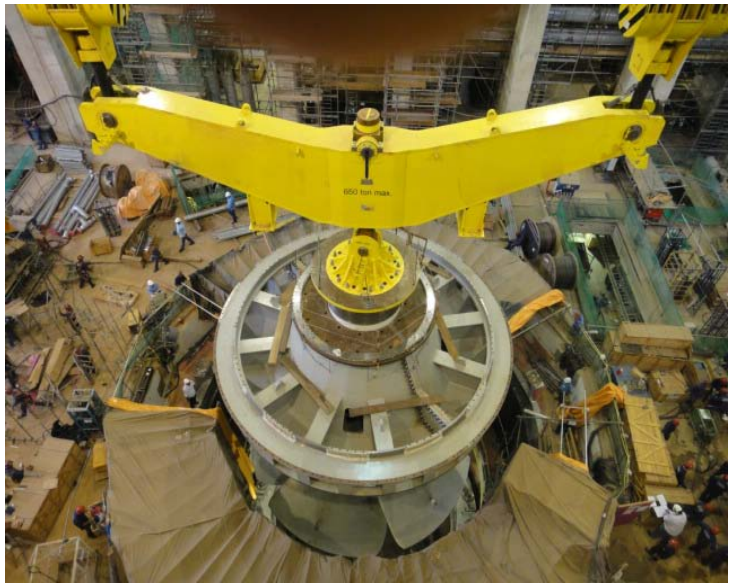
Project Description



Estreito Hydro Plant	
Installed Capacity:	1,087.0 MW
Assured Energy:	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$ 149.7/MWh as of December 31, 2010. The incremental output (from COD) is factored in Tractebel's energy balance.

Hydro project under construction: Estreito



Kaplan turbine assembling - unit 02



General view of the spillway



Babaçulândia: construction of Leopoldo Bulhões State School



Carolina: construction of the City Market



Estreito: construction of the City Court

Hydro project under construction: Jirau

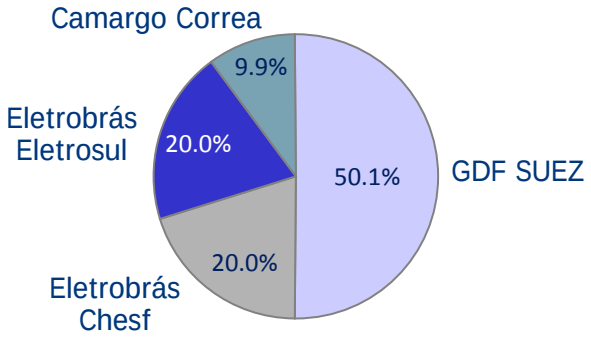
Technical Data

Location:	Madeira River
Reservoir:	269 km2
Capacity:	3,300 MW (44) + 150 MW (committed) + 300 MW (under analysis)
Assured Energy (avg):	1,975 MW (44 turbines[1])
Bulb turbines:	44 + 2 (committed) + 4 (under analysis)

Note:

[1] Additional Assured Energy under analysis

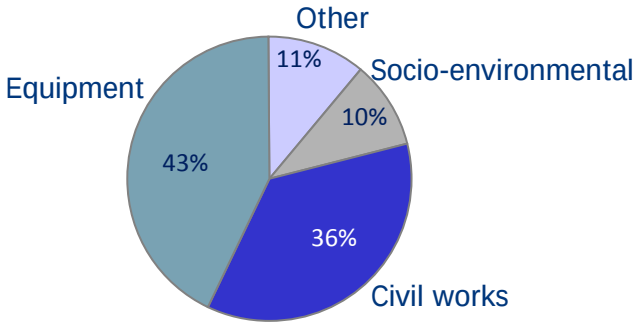
The company: ESBR



Relevant Facts

CAPEX:	R$ 11.9 billion (as of Dec/10) R$ 5.0 billion hard cost already invested
BNDES current financing:	25-year term (20-year amortization) R$ 7.2 billion Grace period (1st credit line): Sep/12 Average financing costs: TJLP + 2.35% Additional financing under discussion

CAPEX breakdown

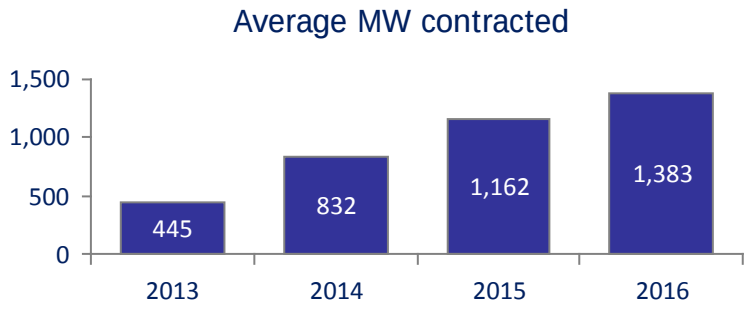


Hydro project under construction: Jirau

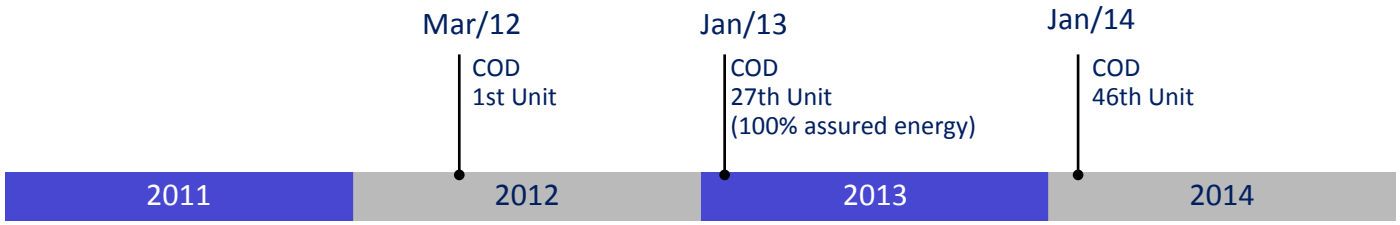
Energy commercialization

30-Year Power Purchase Agreement (PPA)

- ✓ PPA price (indexed to IPCA): R$ 71.4/MWh (as of May/08) equivalent to R$ 81.2/MWh (as of Dec/10)
- ✓ 30-year PPA for 70% of the energy, from 2013 onwards
- ✓ After 2016 the energy amount under the PPA is flat until 2042



Project Schedule



Hydro project under construction: Jirau



Spillway



Power house 2 – left bank



Assembly area – power house 1 (right bank)



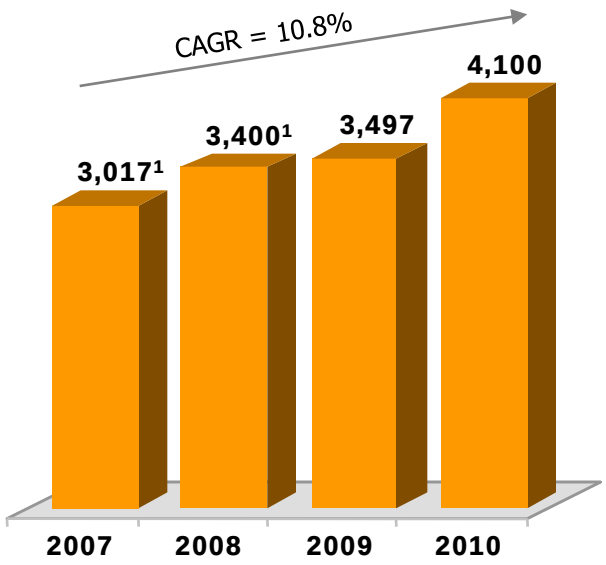
New Mutum Paraná

Financial Performance

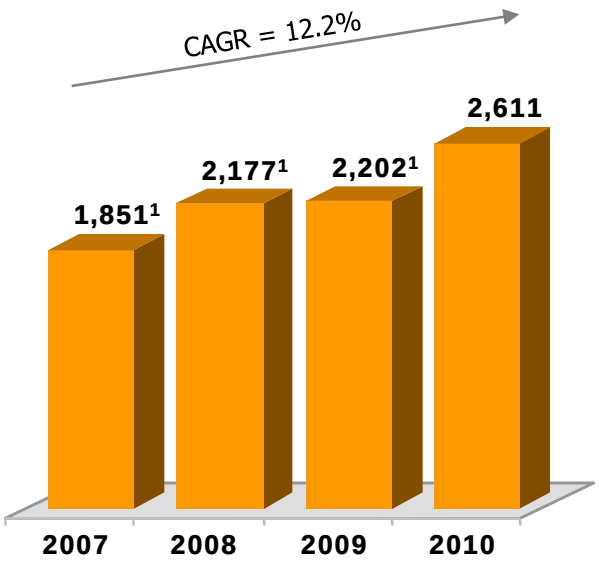
Consistent and constant growth of the financial performance

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.

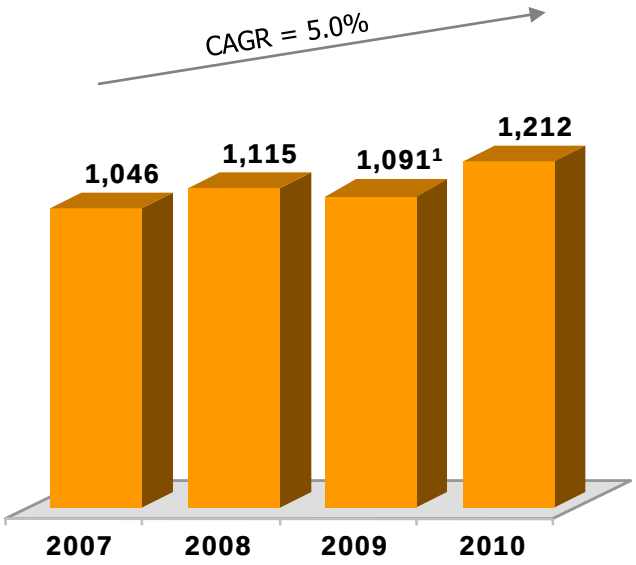
Net Revenues (R$ million)



EBITDA (R$ million)

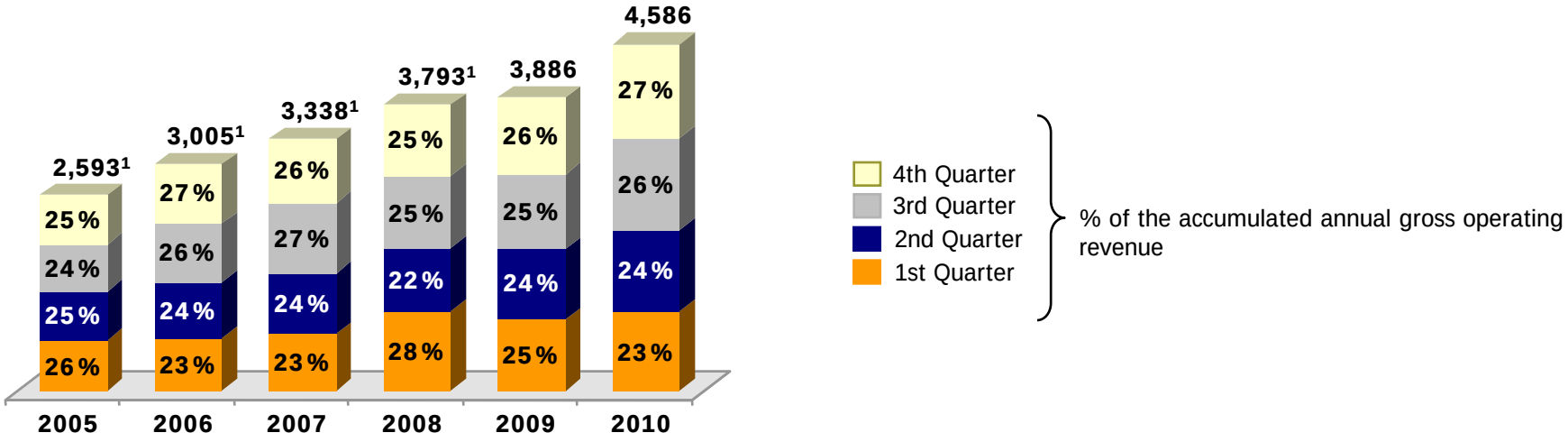


Net Income (R$ million)

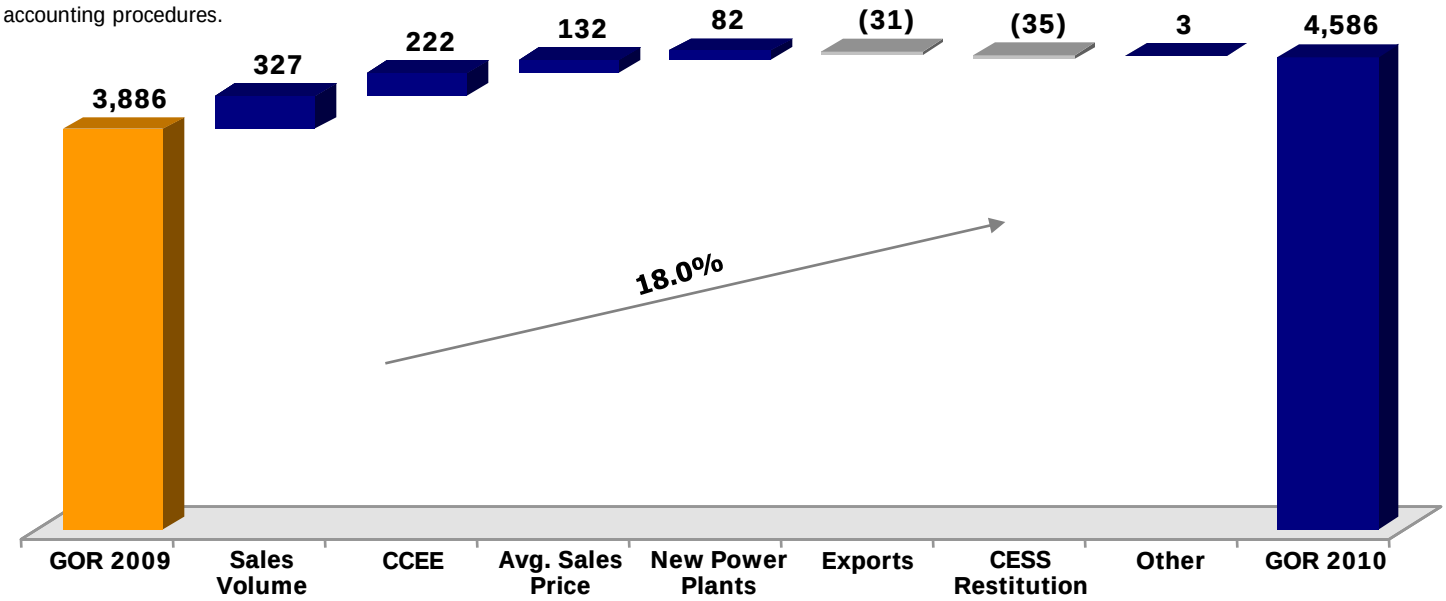


Note:
[1] Considers new accounting procedures.

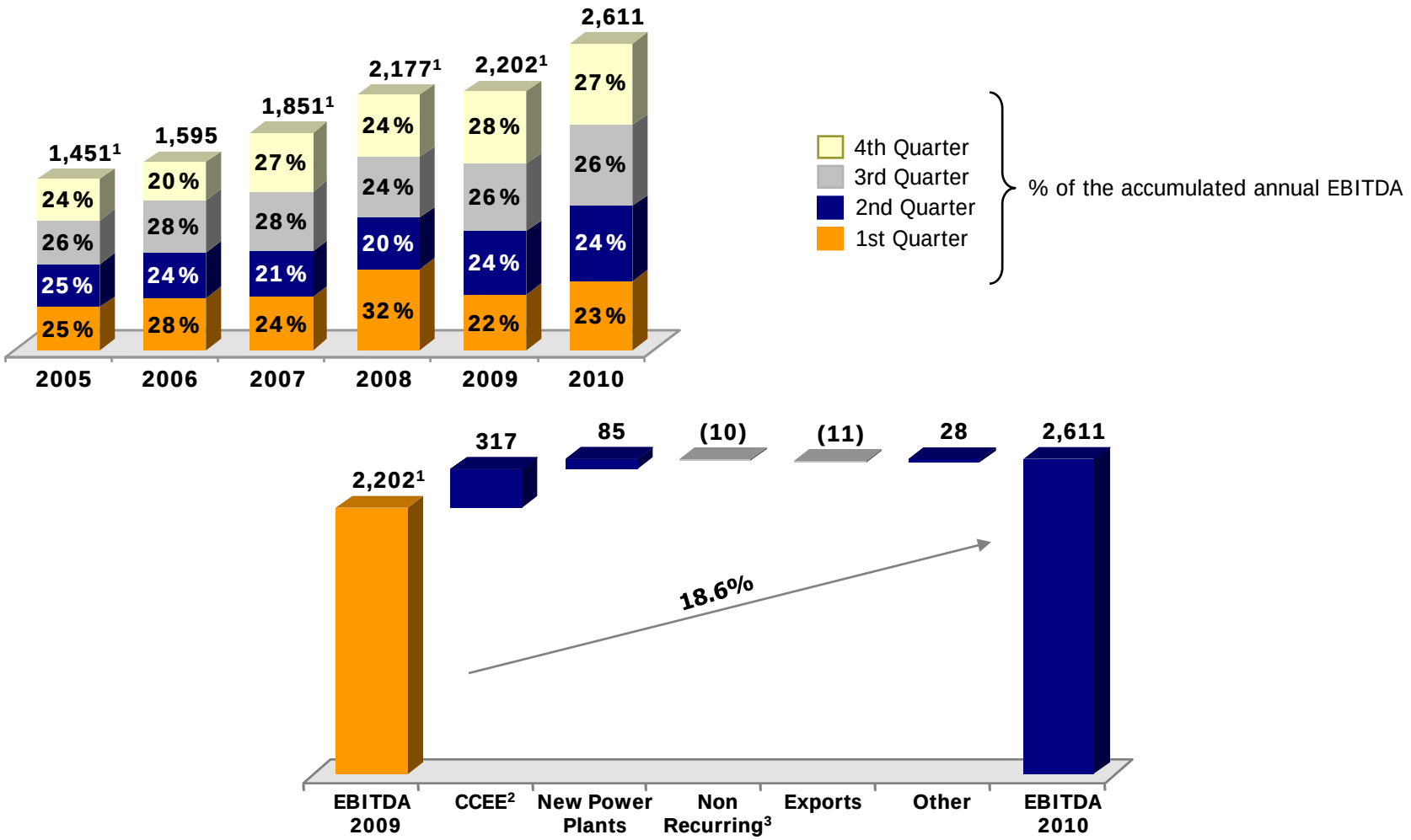
Gross operating revenues change (R$ million)



Note:
[1] Considers new accounting procedures.

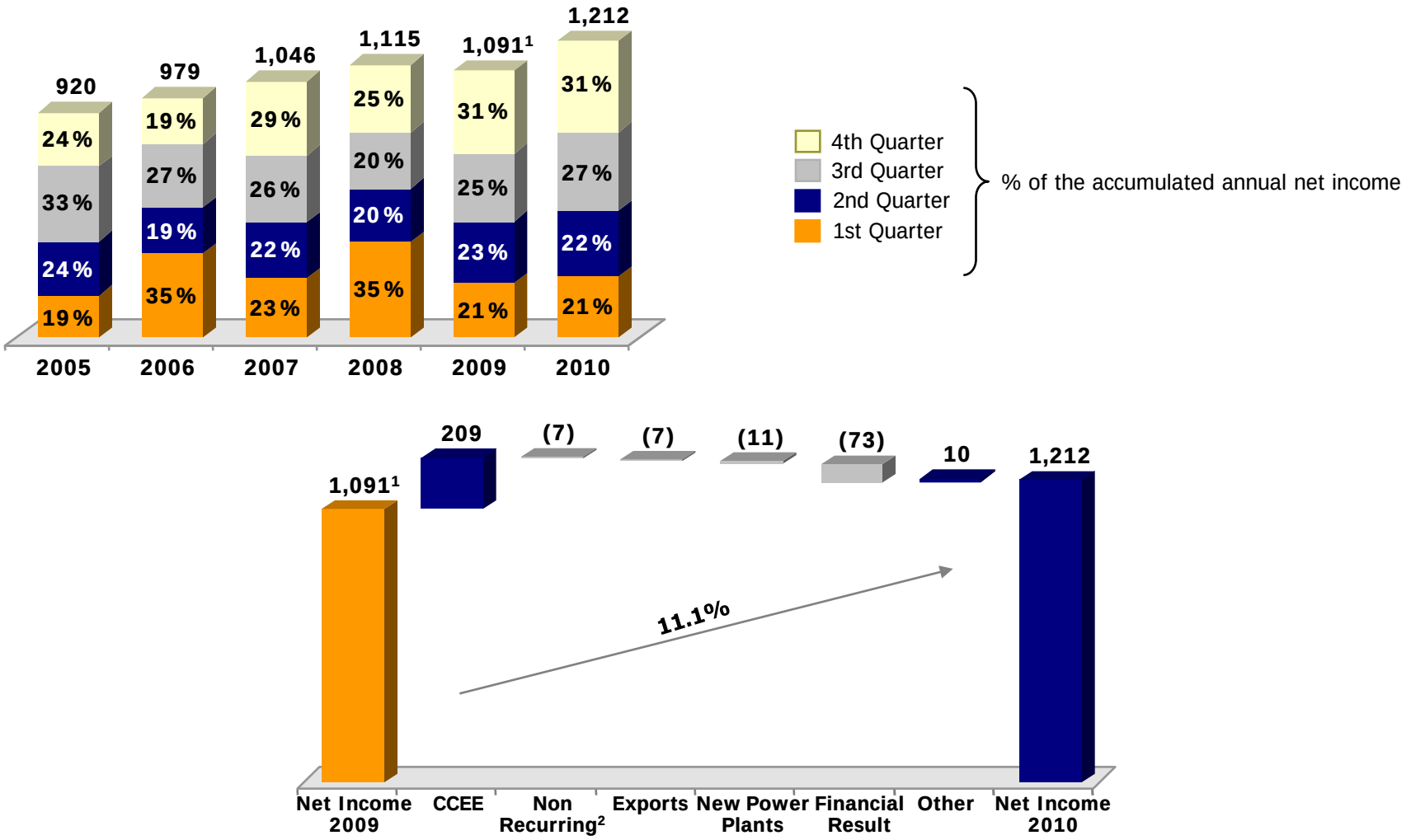


EBITDA change (R$ million)



Notes:
[1] Considers new accounting procedures.
[2] Considers the combined effect of changes in revenue and expenses.
[3] Refers to CESS restitution, PIS/Cofins gain from lawsuit and CSLL loss from lawsuit.

Net income change (R$ million)

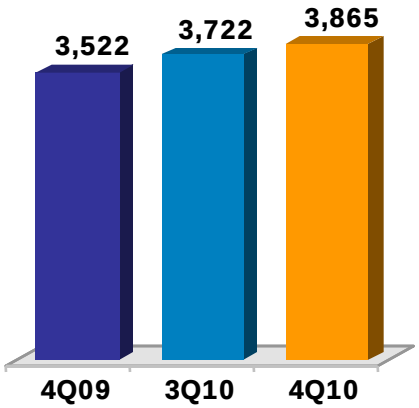


Notes:
[1] Considers new accounting procedures.
[2] Refers to CESS restitution, PIS/Cofins gain from law suit and CSLL loss from law suit.

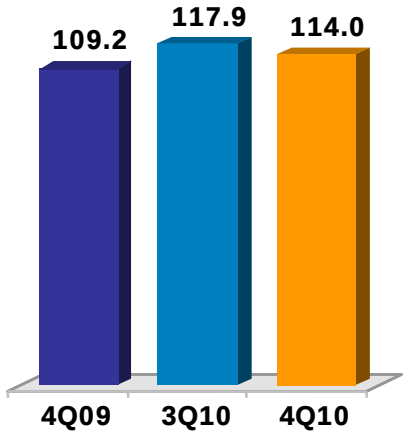
Quarterly financial drivers

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

Energy Sold (avg. MW)

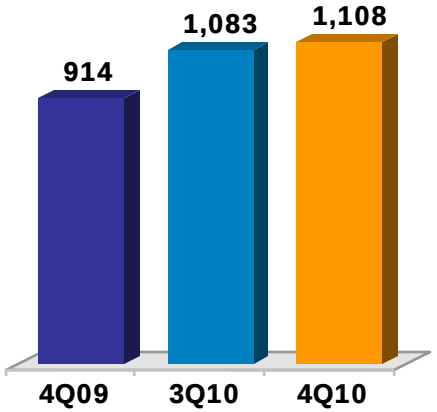


Average Price of Energy Sold (R$ / MWh)

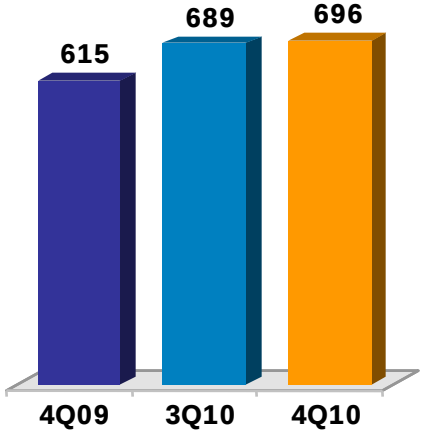


Note: Figures are net of deductions.

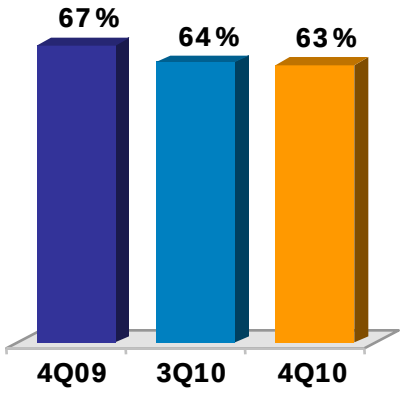
Net Revenues (R$ million)[1]



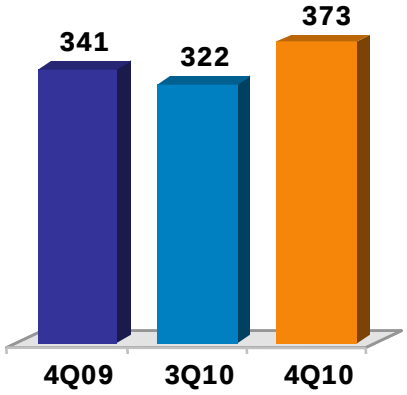
EBITDA (R$ million)[1]



EBITDA Margin[1]



Net Income (R$ million)[1]

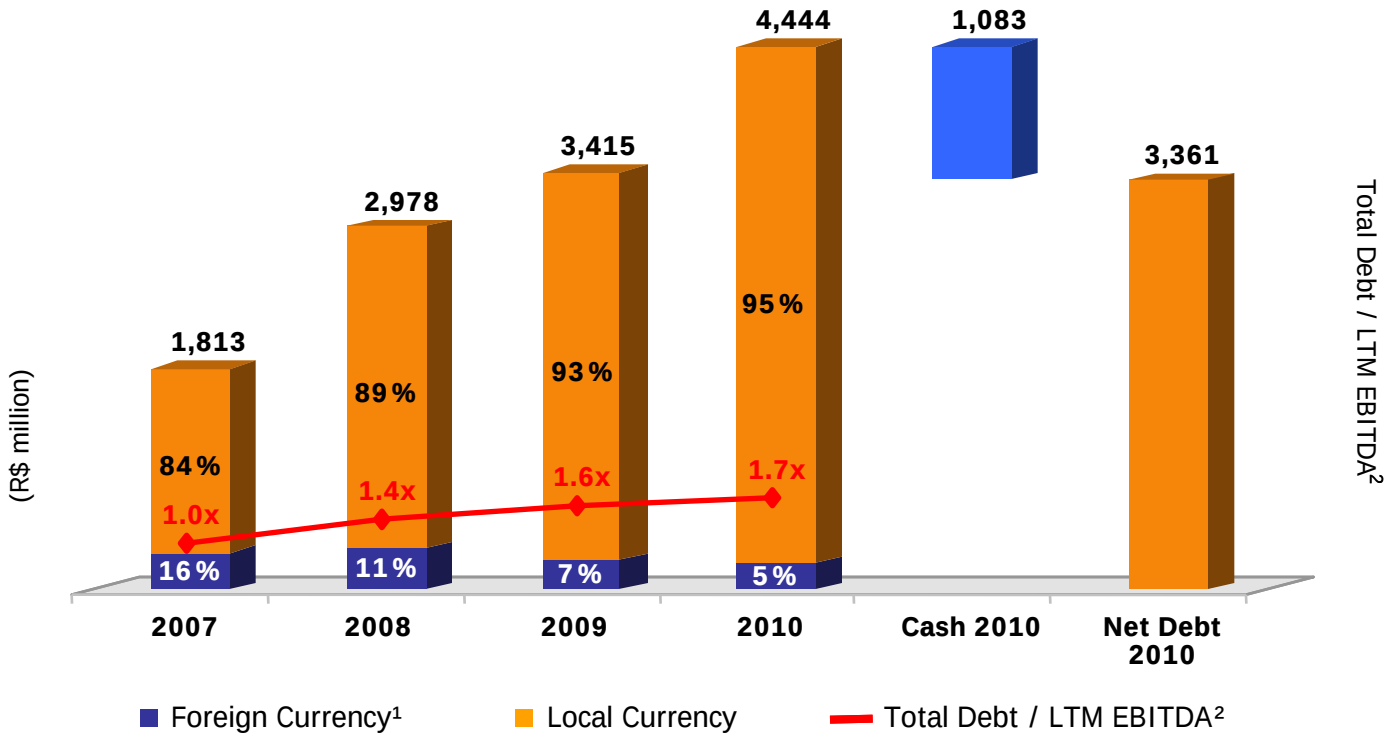


Note:
[1] Considers new accounting procedures.

Limited indebtedness and low exposure to foreign exchange

Low leverage enables Tractebel to benefit from growth opportunities.

Debt Overview (R$ million)

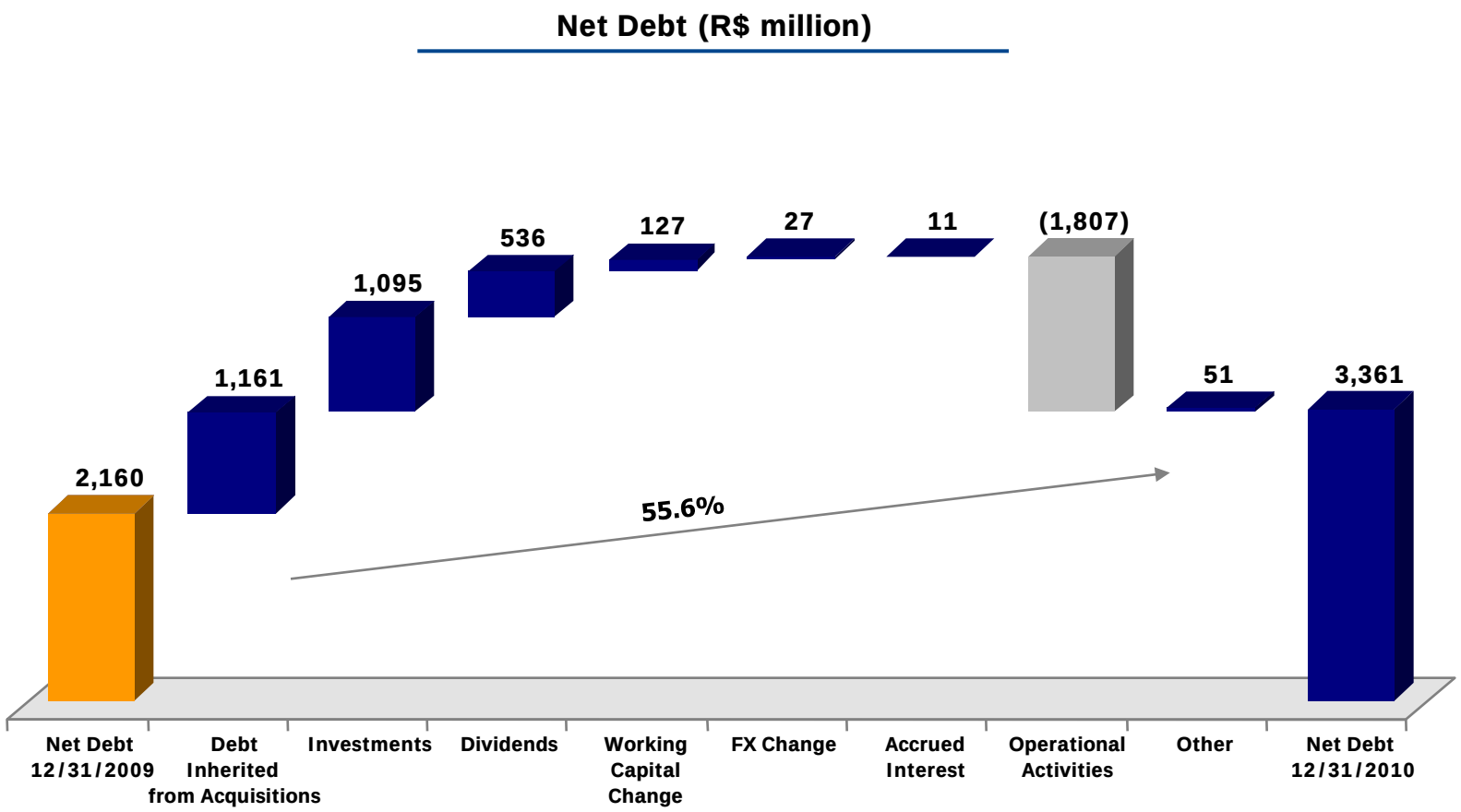


Notes:

¹ Not hedged.

² LTM EBITDA = last-twelve-month EBITDA.

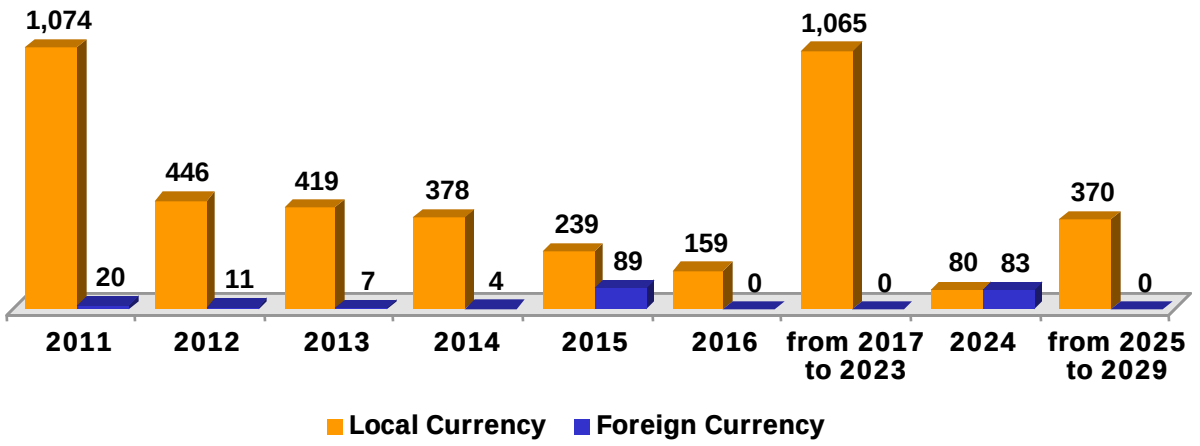
Net debt change



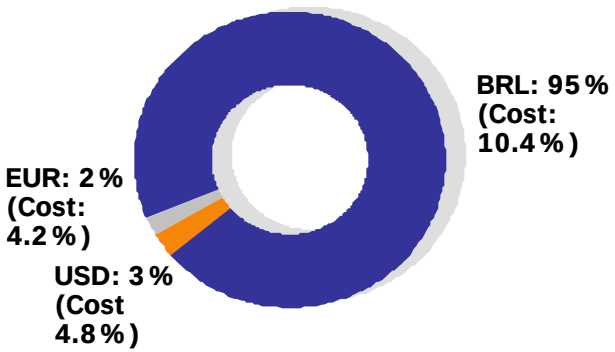
Medium and long-term debt, with low costs and defensive indexes

Debt profile and strong cash generation reduce refinancing risk.

Maturity Term Loans – R$ million



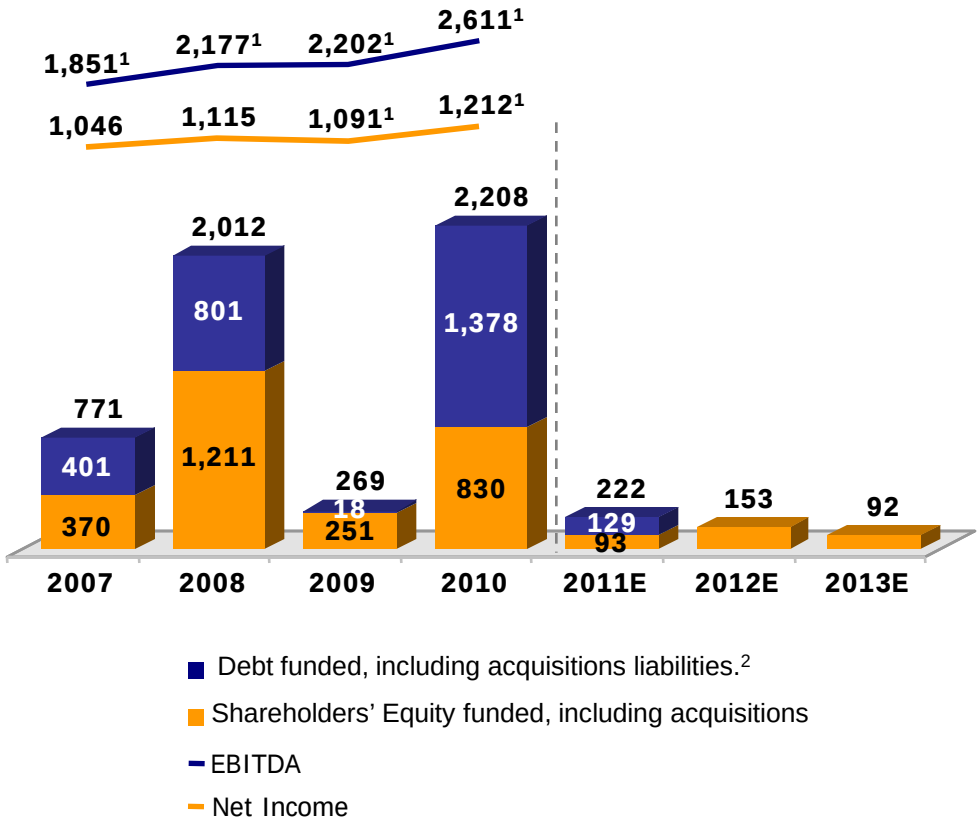
Cost of Debt



Composition of Debt			
Foreign Currency		**Local Currency**	
Fixed	52%	Fixed	2%
Floating	48%	TJLP	59%
Total	**100%**	IGPM	5%
		CDI	24%
		IPCA	10%
		Total	**100%**

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

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

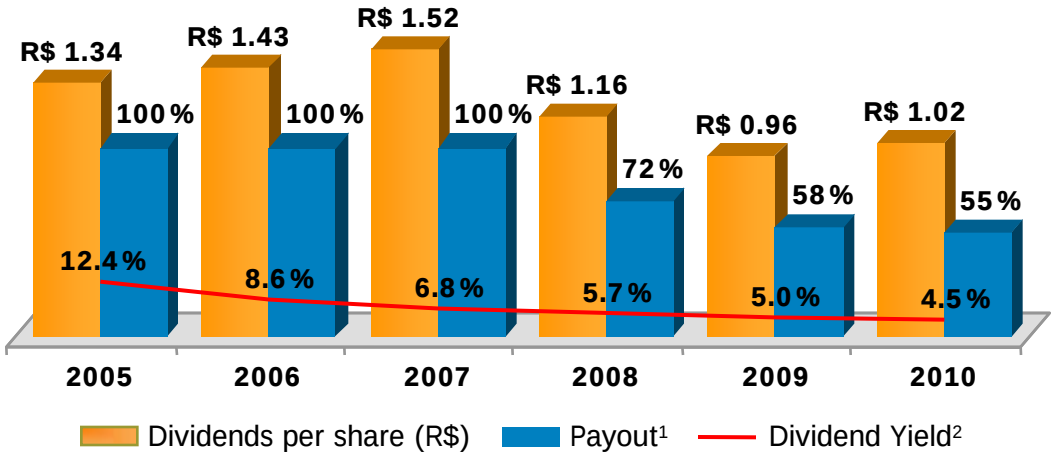


Note:
[1] Considers new accounting procedures.
[2] Does not consider interests incurred during the construction.

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 payable net income)



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

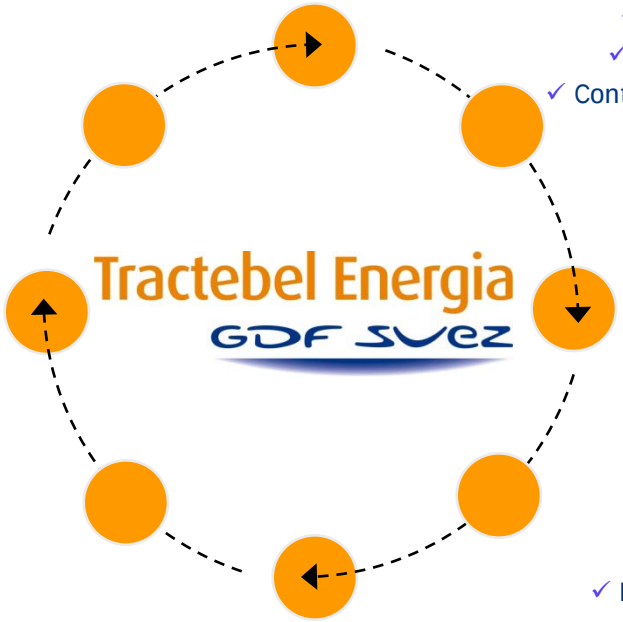
- Announced the distribution of complementary dividends of R$ 158.3 million (0.242 per share). The Executive Board is to define the payment date. Being that, announced dividends for 2010 reach R$ 664.4 million, i.e., 55% payout.

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+

INDUSTRY LEADERSHIP
- ✓ Largest private generator
- ✓ Market cap: R$ 17.9 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@gdfsuezla.com
+55 21 3974 5400