Tractebel Energia S.A.

A PUBLICLY HELD COMPANY– CNPJ 02.474.103/0001-19

ANNOUNCEMENT TO THE MARKET

TRACTEBEL ENERGIA S.A. and COMPANHIA ENERGÉTICA MERIDIONAL - CEM, hereby announce to its shareholders and the market in general the approval by the extraordinary and ordinary general meetings as of today's date, of the incorporation by Tractebel Energia of its wholly owned subsidiary, Companhia Energética Meridional – CEM, through the transfer of the shareholders' equity of CEM at book value.

In the light of the operation, Tractebel Energia's management has been authorized to take all the necessary measures to conclude the process, including the filing of the request with the Brazilian Securities and Exchange Commission - CVM for the cancellation of the registration of Companhia Energética Meridional – CEM as an open capital company.

Florianópolis, March 28, 2008.

Marc Verstraete

Finance and Investor Relations Director

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