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 its registered offices in the city of Florianópolis, state of Santa Catarina at Rua Paschoal Apóstolo Pítsica, 5064, enrolled in the corporate tax register (CNPJ) under number 02.474.103/0001-19 ("Tractebel Energia"), pursuant to the contents of CVM Instruction 358/2002 ("ICVM 358"), wishes to notify its shareholders and the market in general that its Board of Directors has approved the acquisition of the entirety of the equity capital of Ferrari Termoelétrica S.A. ("SPE"), a closed corporation with registered offices in the municipality of Pirassununga, state of São Paulo, at Fazenda da Rocha, s/n, enrolled with the corporate tax register (CNPJ/MF) under number 08.791.234/0001-06, by its controlled company Tractebel Energias Complementares Participações Ltda. ("TBLP"), a limited liability corporation with registered offices in the city of Florianópolis, state of Santa Catarina, at Rua Paschoal Apóstolo Pítsica, 5064, parte, enrolled in the corporate tax register (CNPJ) under number 09.212.990/0001-04 ("Operation").

The amount of the acquisition is up to R$ 172 million, to be paid provided that certain resolutory conditions set forth on the stock purchase agreement for the Operation are met. In addition, TBLP will take on net debt of around R$ 48 million.

The SPE, a special purpose entity, is the owner of all assets of the Central Geradora Termelétrica UTE Ferrari ("UTE"), the subject of Ministry of Mining and Energy Ordinance number 435, dated December 17, 2008, a sugar-cane biomass co-generation development that has been in commercial operation since June 2009, located in the municipality of Pirassununga, state of São Paulo. The UTE has an installed capacity of 65.5 MW and a commercial capacity of 23.2 average MW, of which 18.0 average MW have been contracted in Electricity Auctions intended for the Regulated Contracts Environment.

After the Operation is completed a consortium ("Consortium") will be formed between the SPE and Ferrari Agroindústria S/A ("Ferrari Agro"), a closed corporation with registered offices in the municipality of Pirassununga, state of São Paulo, at Fazenda da Rocha, s/n, enrolled in the corporate tax register (CNPJ/MF) under number 54.846.951/0001-05. The purpose of the Consortium is to develop and commercially exploit a project comprised of electricity and steam generation from the operation, maintenance and commercial exploitation of the UTE, integrated with the Ferrari Agro sugar and ethanol plant.

The SPE may make investments of around R$ 85 million, intended to modernize and expand the UTE in order to increase its installed capacity to 80.5 MW. As a result, commercial capacity is expected to increase to 35.6 average MW.

The Operation will be submitted to the relevant authorities' approval and does not amount to a material investment for Tractebel Energia, nor does it meet the contents of article 256 of Law No. 6.404/76, as a result of which it will not be submitted to the General Shareholders' Meeting for approval.

Florianópolis, December 16, 2013.

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

Manoel Arlindo Zaroni Torres
Chief Executive Officer

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