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A Publicly Listed Company - CVM Registration 1732-9

MINUTES OF THE ONE HUNDRED AND NINETEENTH MEETING OF THE BOARD OF DIRECTORS OF TRACTEBEL ENERGIA S.A.

On October 25, 2012, beginning at 2:00 p.m., at Av. Almirante Barroso, 52, 14th floor, room 1401 in the city and state of Rio de Janeiro, following its regular convening, a meeting of the Board of Directors of Tractebel Energia S.A. was held, the following Effective Members being present: Maurício Stolle Bähr, Manoel Arlindo Zaroni Torres, Luiz Antonio Barbosa, José Pais Rangel, Luiz Leonardo Cantidiano Varnieri Ribeiro and, in view of the justified absence of the effective members Guy Marie Numa Joseph Ghislain Richelle and Philip Gotsall Cox, their alternates Luiz Eduardo Simões Viana and José Carlos Cauduro Minuzzo. Eduardo Antonio Gori Sattamini, Finance and Investor Relations Director of the Company, Paulo de Resende Salgado, president of the Company's Fiscal Council and Gabriela Kowalski Oliveira de Mattos, representative of KPMG Auditores Independentes were also present. The meeting was presided by the Director, Maurício Stolle Bähr, who proposed that I, Osmar Osmarino Bento, should act as the meeting's secretary, the pr**o**posal being duly seconded by the other Directors. Welcoming those present, the President called the meeting to order, placing the matters on the Agenda of the Day in discussion as itemized in the Convening Notice CA-0004/2012 of October 19, 2012 as follows: 1. Matters for Resolution - Item 1.1 – To approve the Account Statements with respect to the 3rd Quarter 2012; Item 1.2 – To approve the credit of interest on shareholders' equity for the period from January 1 to December 31, 2012; Item 1.3 – To take cognizance and approve the power purchasing agreements; Item 1.4 – Approve the engagement of financing from the Nordic Investment Bank; Item 1.5 – To approve the engagement of a company for the modernization of the Salto Santiago and Passo Fundo hydroelectricity plants; and Item 2. – General Matters. **RESOLUTIONS**: Following discussion of the matters, the Chair put the items on the Order of the Day to the vote, the Directors having decided as follows: 1. Matters for Resolution - Item 1.1 - Pursuant to DD-498-0003 of October 22, 2012, and the presentation proffered and filed with the Company, and subsequent to clarifications requested, the Directors unanimously approved, the results for the 3rd Quarter 2012, understanding that they adequately represent the Company's numbers and results in the period; Item 1.2 – Pursuant to DD-498-0002 of October 22, 2012 and the presentation made, documents for which are filed with the Company, unanimously approved the proposal of the Executive Board for crediting interest on shareholders' equity for the period from January 1 to December 31, 2012 according to Article 9 of Law 9.249/95 and CVM Resolution 207/96, pursuant to the provision in Article 59 of Law 11.941/2009, in the following values and under the following conditions: a) Gross value of interest on shareholders' equity will be R$ 276,200,000.00 (two hundred and seventy-six million and two hundred thousand reais), corresponding to R$ 0.4231379607 per share; b) Date of registration of the credit – The registration of the credit in the Company's books shall be effected on December 31, 2012 based on the shareholding position as at the date of record of November 23, 2012; c) Trading in the shares – The shares of the Company shall be traded ex-interest on shareholders' equity as from November 26, 2012; d) Income tax withheld at source – Income tax withheld at

source shall be collected at a tax rate of 15%, except for proven immune or exempt shareholders. With respect to shareholders resident or domiciled in a country where income is untaxed or taxed at a rate of less than twenty per cent pursuant to Article 24 of Law 9,430 of December 27, 1996, the tax rate at source will be 25%; e) Substantiation of immunity or exemption **– S**hareholders immune or exempt from income tax shall, pursuant to the prevailing tax legislation, present proof immunity or exemption by December 7, 2012 at the head offices of the Company at Rua Paschoal Apóstolo Pítsica, 5064, Bairro Agronômica, CEP 88025-255, Florianópolis/SC, c/o Tax Governance Department – GTR; f) Incorporation of interest on shareholders equity in the dividends **–** The value of the interest on shareholders equity, net of withholding tax at source, shall be incorporated in the mandatory dividends for the fiscal year 2012 pursuant to Paragraph 7, Article 9 of Law 9.249/95 and CVM Resolution 207/96; g) Payments of interest on shareholders' equity **–** The interest on shareholders' equity shall be paid on the basis of the existing account information held by Itaú Unibanco Banco Múltiplo S.A., on a date to be decided in due course by the Executive Board and announced in a Notice to Shareholders; Item 1.3 - Pursuant to sole paragraph to Article 19 of the Bylaws and in accordance with the presentation made and filed with the Company, and following the clarifications to the points raised by the independent directors, the directors took cognizance and unanimously approved the power purchasing agreements signed by the Company and its controlled company Tractebel Energia Comercializadora Ltda.; Item 1.4 – Pursuant to DD-498-0004 of October 22, 2012, and the presentation effected, documents relative to which are filed with the Company and following clarifications provided to the directors, the engagement of corporate finance in reais was unanimously approved. The finance shall be indexed to the IPCA and arranged with the Nordic Investment Bank – NIB in the amount of up to USD 90 million, equivalent in reais at the foreign exchange rate of the time of concluding the operation which shall be used for financing renewable energy projects with an amortization term of 10 years at a cost deemed suitable by the Company's management. The Executive Board is authorized to negotiate, discuss and sign in the Company's name all and any agreements and other documents necessary for the formalization of this operation, including, but not limited to, the respective financing agreement, disbursement requests, certificates and declarations, confirmation of acceptance of the rate of interest for the operations as well as practicing all and any related acts. Item 1.5 – Unanimously approved pursuant to DD-498-0001 and DD-498-0005 both of October 22, 2012, and the related presentation proffered, documents of which are filed in the Company, the engagement of the company Voith Hydro for: *i)* the modernization and substitution of the turbine blades of Salto Santiago Hydroelectric Power Plants in the amount of up to R$ 300 million for the proposes of modernization and up to R$ 50 million for the substitution of the turbine blades; and *ii)* the modernization of the Passo Fundo Hydroelectric Power Plant – UHPF for the value of up to R$ 60 million, the Executive Board being authorized to practice all acts and sign all documents necessary for the execution of this resolution; 2. – General Matters - Item 2.1 – Rectification of the final paragraph of Item 1.1 of the resolutions of the minutes of the 118th Meeting of the Board of Directors, held on July 26, 2012 wherein is the sentence "*These dividends represent a payout of 100% (one hundred percent) of the net distributable income for the second half of 2012"*, shall now carry the following wording: "These dividends represent a *payout* of 100% (one hundred per cent) of the net distributable income for the second quarter of 2012", the remaining contents of the said minutes of the Meeting of this Board of Directors being ratified. **Conclusion:** The

floor being given to the Directors present and in addition to the detailed discussions conducted with respect to the resolutions on the matters on the agenda, and no other issues being raised, the time and themes discussed at this meeting being monitored by me, the Secretary, pursuant to the Monitoring of Time and Themes Report, this document being initialed by the members of the chair and placed on record at the registered offices of the Company, the President proceeded to declare the work of the meeting concluded, requesting that I, as Secretary, draft these minutes. The said minutes, having been subsequently read and found correct, were duly signed by the members of the Board of Directors present, including the President, and by myself as Secretary. Rio de Janeiro /RJ, October 25, 2012.

Maurício Stolle Bähr
Director - Chairman

Osmar Osmarino Bento
Secretary

Manoel Arlindo Zaroni Torres
Director

Luiz Leonardo Cantidiano V. Ribeiro
Director

José Pais Rangel
Director

Luiz Antonio Barbosa
Director

José Carlos Cauduro Minuzzo
Alternate Director

Luiz Eduardo Simões Viana
Alternate Director

Eduardo Antonio Gori Sattamini
Finance and Investor Relations Director

Paulo de Resende Salgado
President of the Fiscal Council

Gabriela Kowalski Oliveira de Mattos
Representative of KPMG