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MINUTES OF THE SEVENTY-SECOND MEETING OF THE BOARD OF DIRECTORS OF TRACTEBEL ENERGIA S.A.

On August 11 2006 at 9:00 a.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 Directors being present Maurício Stolle Bähr, Jan Franciscus Maria Flachet, Manoel Arlindo Zaroni Torres, Victor-Frank de Paula Rosa Paranhos, Dirk Beeuwsaert, Pierre Michel Philippe Chareyre, Luiz Antonio Barbosa, José Pais Rangel and Antonio Alberto Gouvêa Vieira, and therefore all Board members being represented. The meeting was presided by the Chairman of the Board of Directors, Maurício Stolle Bähr, who proposed that I, José Moacir Schmidt, should act as secretary, the proposal being duly seconded by the other directors. Welcoming those present, the Chairman opened the discussion on the **Day's Agenda** as itemized in the convening notice **CA-005/2006** of July 21 2006, as follows: **Item 1 –** ANEEL auction of June 29. Results and analysis; **Item 2 -** CIEN: Information and decision on strategies; **Item 3 –** Judicial Processes: Situation and risks; **Item 4 –** First semester 2006 results; **Item 5 –** Ratification of the energy contracts; and **Item 6 –** General subjects. **RESOLUTIONS: Item 1** – ANEEL auction of June 29. Results and analysis – The Chairman described to the Directors the Company's resources and contractual situation, together with the possibilities of participation in the A-3 auction, which took place on June 29 and 30 2006 for the sale of hydroelectric energy over a 30 year period, beginning 2009, according to the slides shown – the said slides being filed with the Company. The strategy and results of the A-3 auction were then presented and ratified with respect to energy sales from the Cana Brava and Itá hydroelectric power plants with 273 a(average)MW and 220 aMW at the price of BRL 131.05/MWh and BRL 124.99/MWh, respectively. The sale so finalized, will generate revenues of BRL 16,628,525,460.00 for the Company during the contractual period of 30 years. Having been put to the vote, the matter was **unanimously approved,** the Board of Executive Officers being authorized to sign the respective contracts and adopt all the other necessary measures relative to the auction; **Item 2** – CIEN: Information and decision on strategies – a slide presentation was made – the said slides filed with the Company - with respect to the background and current situation of the energy importation contract signed with CIEN. After discussions on the matter, **unanimous approval was given** to the decision to negotiate a joint solution with FURNAS on the question. The Board of Executive Officers is authorized to practice all acts necessary for the implementation of this resolution; **Item 3** – Judicial Processes: Situation and risks – A slide presentation was made – the respective slides being filed with the Company - as to the current status of the administrative and judicial actions involving the Company and its subsidiaries, particularly with respect to the way these actions are being managed by the appointed attorneys' offices, the values provisioned and related risks. The Directors concluded that the Company's situation in this respect is satisfactory and that the risks are no cause for concern. **Item 4** – First Semester 2006 Results – A slide presentation was made – the respective slides being filed with the Company – on the shareholding breakdown of the Company, its controlling company and its subsidiaries; a description of the generation assets; customer portfolio; the energy balance; new projects; financial performance; debt; capital expenditures plan; net revenues and net income and dividend policy. The Directors **unanimously** approved the Interim Balance Sheet for the First Semester of this year 2006, on the understanding that this is an adequate reflection of Company's equity and financial situation for the period; **Item 5** – Ratification of the energy contracts – **Unanimously approved and ratified** the contracts signed

by the Company and its subsidiary, Tractebel Energia Comercializadora Ltda., ad referendum of the Board of Executive Officers and this Board of Directors, in accordance with the slide presentation and the list containing the Contracts and their contractual conditions, the said slides being filed with the Company. **Item 6** – Payment of Interest on Shareholders' Equity – The proposal of the Board of Executive Officers was a**pproved unanimously** to (i) credit interest on shareholders' equity relative to the period January 1 to June 30 2006, pursuant to article 9 of Law 9,249/95 and Deliberation 207/96 of the Brazilian Securities and Exchange Commission – CVM; and (ii) distribution of interim dividends based on the financial statements published as at June 30 2006 pursuant to article 204 of Law 6,404/76, for the following values and conditions: **I – Interest on Shareholders' Equity: a) Value** – the gross value of the interest on shareholders' equity shall be R$ 114,000,000.00 (one hundred and fourteen million Reais), corresponding to R$ 0.174648 per share; **b) Record date –** The record date for the entry of interest on shareholders' equity to the Company's accounting records shall take place on August 31 2006 based on the shareholding position of August 18 2006; **c) Share trading** – The Company's shares shall be traded ex-interest on shareholders' equity as from August 21 2006; **d) Income tax withheld at source** - Income tax at the rate of 15% shall be withheld from the amounts of interest on shareholders' equity due, except in the case of shareholders that are immune or exempt. Income tax shall be withheld at the rate of 25% for those shareholders resident or domiciled in countries where income is not taxed or where the maximum tax rate is less than 20%, pursuant to article 24 of Law 9,430 of December 1996; **e) Proof of immunity or exemption -** Pursuant to the prevailing tax legislation, shareholders that are immune or exempt from withholding taxes must present proof of such immunity or exemption on or before August 23 2006, at the company's head offices at Rua Antônio Dib Mussi, 366 – Centro, Florianópolis – SC, CEP 88015-110, Attn: Departamento de Planejamento e Gestão Tributária - PGT; **f) Computation of interest on shareholders' equity for the purpose of dividend calculations** - The interest on shareholders' equity, net of taxes withheld, shall be computed as part of the minimum mandatory dividend pursuant to article 202 of Law 6,404/76 ; **g) Pay-out of interest on shareholders' equity** - The interest on shareholders' equity shall be paid to shareholders according to the existing shareholder registration details at Banco Itaú S.A. on a date to be decided by the Board of Executive Officers and notified by a Notice to Shareholders in due course. **II – Interim Dividends: a) Value** – The value of the interim dividends shall be R$ 324,000,000.00 (three hundred and twenty-four million Reais), corresponding to R$ 0.496367 per share; **b) Share Trading** – The Company's shares shall be traded ex-interim dividends as from August 21 2006; and **c) Pay-out of interim dividends** – The interim dividends shall be paid according to the existing shareholder registration details at Banco Itaú S.A., on a date to be decided by the Board of Executive Officers and notified by means of a Notice to Shareholders. The floor being given to the Directors present and no point of order being raised, the Chairman proceeded to declare the meeting closed, 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 Chairman and by myself as Secretary. Rio de Janeiro RJ, August 11 2006.

Maurício Stolle Bähr
Chairman

Manoel Arlindo Zaroni Torres
Director

Dirk Beeuwsaert
Director

Victor-Frank de Paula Rosa Paranhos
Director

Jan Franciscus Maria Flachet
Director

Luiz Antônio Barbosa
Director

Pierre Michel Philippe Chareyre
Director

Antonio Alberto Gouvêa Vieira
Director

José Pais Rangel
Director

José Moacir Schmidt
Secretary