TRACTEBEL ENERGIA S.A.
A Publicly Listed Company – CNPJ 02.474.103/0001-19
NIRE 4230002438-4

MATERIAL FACT

TRACTEBEL ENERGIA S.A., a publicly listed company with registered offices in the city of Florianópolis, state of Santa Catarina at Rua Paschoal Apóstolo Pítsica, 5064, enrolled in the tax register (CNPJ/MF) under number 02.474.103/0001-19 ("Tractebel Energia" or "Company") and pursuant to CVM Instruction 358/2002, wishes to inform its shareholders and the market in general that the Company has sold through its subsidiary companies a significant volume of wind and biomass-powered and thermoelectric energy at the Generation Auction Number 6/2014 (A-5) held by the National Electric Energy Agency ("Aneel") today ("A-5 Auction").

1. **Commercialization of wind energy**

A total of 82.6 average MW was sold at an average price of R$ 135.47/MWh for a term of 20 (twenty) years from January 1, 2019, to be generated by six wind-powered projects with a total installed capacity of approximately 180 MW, components of the Campo Largo Wind Complex. This is to be installed in the municipalities of Umburanas and Sento Sé, about 420 km from the city of Salvador in the state of Bahia. The projects represent an estimated investment of R$ 820 million. In addition to the construction of the above mentioned projects, Tractebel Energia is looking to develop a further five wind farms with a total installed capacity of approximately 150 MW (67 average MW), also components of the Campo Largo Wind Complex, the total investment to reach approximately R$ 1.7 billion. The commercial capacity of these five projects will be directed to the Free Contracting Environment (ACL).

2. **Commercialization of biomass-fired energy**

9.8 average MW was sold at R$ 202.00/MWh, for a term of 25 (twenty-five) years as from January 1, 2019. Output will be from the Ferrari Thermoelectric Power Plant ("Ferrari TPP"), a cogeneration plant powered from sugarcane biomass, in commercial operations since June 2009 and located in the municipality of Pirassununga, state of São Paulo. The Company is making an investment of approximately R$ 85 million in the modernization and expansion of Ferrari TPP in order to ramp up its installed capacity by 15 MW.

3. Commercialization of thermoelectric energy

Another 294.5 average MW were sold at R$ 201.98/MWh for a term of 25 (twenty-five) years as from January 1, 2019. This will be generated from the Pampa Sul Thermoelectric Power Plant ("Plant" or "Pampa Sul" TPP), to be installed in the Municipality of Candiota, state of Rio Grande do Sul. The Plant will have an installed capacity of 340 MW. Pampa Sul TPP will be coal-fired, the mineral coal being mined from reserves also located in Candiota, and linked to the National Interconnected System (SIN) through an existing transmission line in the city of Bagé (RS). The Company is to invest approximately R$ 1.8 billion in the construction of the Plant, with an increase in installed capacity to 680 MW at a second development stage being envisaged.

Florianópolis, November 28, 2014.

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

Manoel Arlindo Zaroni Torres
Chief Executive Officer