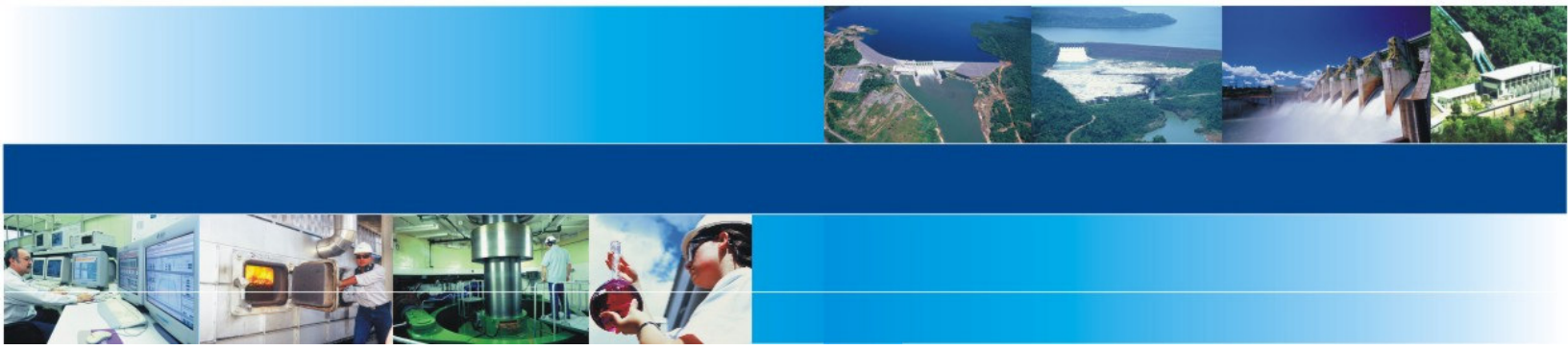


TRACTEBEL ENERGIA S.A.

CNPJ/MF Nº 02.474.103/0001-19

MATERIAL FACT

Tractebel Energia S.A. announces to its shareholders and to the market in general that a final and unappellable decision has been certified favorable to the removal of the expanded PIS (Employees' Profit Participation Scheme) and COFINS (Social Contribution on Turnover) contribution pursuant to Law 9,718/98, from the tax regime calculation base of Tractebel Energia S.A. and its subsidiary Companhia Energética Meridional – CEM.

The said decision assures the Companies the jurisdictional right to release from the contested taxation with the recovery of the excess levied in accordance with Law 9,718/98 as of this date, amounting to the restated value of approximately R$ 88,000,000 (eighty-eight million Reais). This amount will be recognized in the Companies' September results for this year and may be set off against taxes and contributions administered by the federal Internal Revenue Service.

Florianópolis, September 12, 2006.

Marc Verstraete
Finance and Investor Relations Director

www.tractebelenergia.com.br