Contents

Corporate Information
- Capital Breakdown 2
- Cash Remuneration 3

Individual Financial Statements
- Asset Balance Sheet 4
- Liability Balance Sheet 5
- Statements of Income 7
- Statement of Cash Flow 8
- Statement of Changes in Shareholders' Equity
  - 1/1/2011 to 3/31/2011 9
  - 1/1/2010 to 3/31/2010 10
- Statement of Value Added 11

Consolidated Financial Statements
- Asset Balance Sheet 12
- Liability Balance Sheet 13
- Statements of Income 15
- Statement of Cash Flow 16
- Statement of Changes in Shareholders' Equity
  - 1/1/2011 to 3/31/2011 17
  - 1/1/2010 to 3/31/2010 18
- Statement of Value Added 19

Management Report/Commentary on Performance 20
Notes 26
Comments on Behavior of Corporate Projects 102
Other Information the Company Believes Relevant 103
Reports and Declarations 107
Special Review Report - Without Reservations - Without Reservations 108
Declaration of the Management Regarding the Financial Statements 110
Management Declaration regarding the Indedpendent Auditors' Report 111

Corporate Information / Capital Breakdown

Number of Shares (Units)	Current Quarter 3/31/2011
Paid-Up Capital	
Common	652,742,192
Preferred	0
Total	652,742,192
In Treasury	
Common	0
Preferred	0
Total	0

Corporate Information / Cash Remuneration

Event	Approval	Remuneration	Start Payment	Type of Share	Class of Share	Remuneration per Share (Reais/Share)
Annual General Meeting	4/5/2011	Dividends		Common		0,24247
Board of Directors Meeting	11/5/2010	Interest on Equity		Common		0,33704

Individual Financial Statements / Asset Balance Sheet (Reais thousand)

Code	Description	Current Quarter 3/31/2011	Previous Year 12/31/2010
1	Total Assets	9,778,476	9,687,063
1.01	Current Assets	1,627,731	1,496,412
1.01.01	Cash and Cash Equivalents	962,854	796,117
1.01.03	Accounts Receivable	449,097	452,690
1.01.03.01	Trade Accounts Receivable	442,148	446,165
1.01.03.02	Other Accounts Receivable	6,949	6,525
1.01.03.02.01	Dividends Receivable from Subsidiaries	6,949	6,525
1.01.04	Inventories	48,771	43,041
1.01.06	Taxes Recoverable	64,273	62,633
1.01.06.01	Current Taxes Recoverable	64,273	62,633
1.01.08	Other Current Assets	102,736	141,931
1.01.08.01	Non-Current Assets for Sale	24,297	23,856
1.01.08.03	Other	78,439	118,075
1.01.08.03.01	Collateral and Restricted Deposits	27,068	69,665
1.01.08.03.02	Other	51,371	48,410
1.02	Noncurrent Assets	8,150,745	8,190,651
1.02.01	Long-term Assets	569,529	573,147
1.02.01.06	Deferred Taxes	282,602	288,413
1.02.01.06.01	Deferred Income Tax and Social Contribution	282,602	288,413
1.02.01.08	Credits with Related Parties	6,424	6,765
1.02.01.08.02	Credits with Subsidiaries	6,424	6,765
1.02.01.09	Other Non-Current Assets	280,503	277,969
1.02.01.09.03	Asset Sales	86,886	86,886
1.02.01.09.04	Taxes Recoverable	27,749	28,473
1.02.01.09.05	Judicial Deposits	134,573	131,315
1.02.01.09.06	Other	31,295	31,295
1.02.02	Investments	2,313,631	2,282,763
1.02.02.01	Equity Participations	2,313,631	2,282,763
1.02.02.01.02	Shares in Subsidiaries	2,015,764	1,991,020
1.02.02.01.03	Shares in Joint Ventures	297,867	291,743
1.02.03	Property, Plant and Equipment	5,247,359	5,315,270
1.02.03.01	Property, Plant and Equipment in Operation	5,156,944	5,238,884
1.02.03.03	Property, Plant and Equipment in Progress	90,415	76,386
1.02.04	Intangible Assets	20,226	19,471
1.02.04.01	Intangible Assets	20,226	19,471

Individual Financial Statements / Liability Balance Sheet
(Reais thousand)

Code	Description	Current Quarter 3/31/2011	Previous Year 12/31/2010
2	Total Liabilities	9,778,476	9,687,063
2.01	Current Liabilities	1,723,983	1,885,026
2.01.01	Social and Labor Obligations	56,148	54,084
2.01.01.02	Labor Obligations	56,148	54,084
2.01.02	Suppliers	182,736	174,086
2.01.02.01	Domestic Suppliers	182,736	174,086
2.01.03	Tax Obligations	153,159	431,088
2.01.03.01	Federal Tax Obligations	141,115	420,038
2.01.03.01.01	Income Tax and Social Contribution Payable	117,236	394,178
2.01.03.01.02	Pis and Cofins	18,881	20,082
2.01.03.01.03	INSS	4,224	4,593
2.01.03.01.04	Other	774	1,185
2.01.03.02	State Tax Obligations	10,983	10,461
2.01.03.02.01	ICMS Payable	10,983	10,461
2.01.03.03	Municipal Tax Obligations	1,061	589
2.01.03.03.01	ISS Payable	1,061	589
2.01.04	Loans and Financing	986,553	944,755
2.01.04.01	Loans and Financing	43,444	49,577
2.01.04.01.01	In Domestic Currency	20,493	29,461
2.01.04.01.02	In Foreign Currency	22,951	20,116
2.01.04.02	Debentures	943,109	895,178
2.01.05	Other Obligations	307,458	270,293
2.01.05.02	Other	307,458	270,293
2.01.05.02.01	Dividends and Interest on Equity Payable	189,506	189,509
2.01.05.02.04	Obligations with Research and Development Program	19,673	11,995
2.01.05.02.05	Concession Fees Payable	2,559	2,499
2.01.05.02.06	Post-employment Benefits	52,959	25,939
2.01.05.02.07	Other	42,761	40,351
2.01.06	Provisions	37,929	10,720
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	37,929	10,720
2.01.06.01.02	Social Security and Labor Provisions	3,209	4,000
2.01.06.01.04	Civil Provisions	34,720	6,720
2.02	Non-Current Liabilities	2,674,855	2,729,353
2.02.01	Loans and Financing	986,276	979,381
2.02.01.01	Loans and Financing	210,560	213,417
2.02.01.01.01	In Domestic Currency	16,212	19,953
2.02.01.01.02	In Foreign Currency	194,348	193,464
2.02.01.02	Debentures	775,716	765,964
2.02.02	Other Obligations	1,141,352	1,174,116
2.02.02.02	Other	1,141,352	1,174,116

Individual Financial Statements / Liability Balance Sheet
(Reais thousand)

Code	Description	Current Quarter 3/31/2011	Previous Year 12/31/2010
2.02.02.02.03	Obligations with Research and Development Program	28,741	40,622
2.02.02.02.04	Concession Fees Payable	751,713	718,526
2.02.02.02.05	Post-employment Benefits	356,853	409,452
2.02.02.02.06	Other Obligations	4,045	5,516
2.02.03	Deferred Taxes	427,205	434,845
2.02.03.01	Deferred Income Tax and Social Contribution	427,205	434,845
2.02.04	Provisions	120,022	141,011
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	120,022	141,011
2.02.04.01.01	Tax Provisions	33,030	32,260
2.02.04.01.02	Social Security and Labor Provisions	10,527	9,579
2.02.04.01.04	Civil Provisions	76,465	99,172
2.03	Shareholders' Equity	5,379,638	5,072,684
2.03.01	Paid-Up Capital Stock	2,445,766	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.04	Profit Reserves	1,827,033	1,827,033
2.03.04.01	Legal Reserve	422,556	422,556
2.03.04.05	Retained Earnings Reserve	1,246,207	1,246,207
2.03.04.08	Proposed Additional Dividends	158,270	158,270
2.03.05	Accumulated Profits/Losses	321,173	0
2.03.06	Asset Value Adjustments	693,971	708,190

Individual Financial Statements / Statement of Income
(Reais thousand)

Code	Description	Accumulated Current Year 01/01/2011 to 3/31/2011	Accumulated Previous Year 1/1/2010 to 3/31/2010
3,01	Income from Sale of Goods and/or Services	831.062	726.383
3,02	Cost of Goods and/or Services Sold	-311.652	-260.036
3.02.01	Power Purchased for Resale	-52.713	-47.878
3.02.02	Transactions via CCEE	-13.954	-702
3.02.03	Electric network usage and connection charges	-57.987	-55.546
3.02.04	Cost of Power Production	-181.992	-154.990
3.02.05	Cost of Services Provided	-5.006	-920
3,03	Gross Income	519.410	466.347
3,04	Operating Income/Expenses	2.654	-33.037
3.04.01	Selling Expenses	-2.901	-3.106
3.04.02	General and Administrative Expenses	-35.358	-33.738
3.04.04	Other Operating Income	10.887	19.532
3.04.04.01	Reversal of Operating Provisions, Net	10.456	19.529
3.04.04.02	Other Operating Income	431	3
3.04.06	Income from Equity Pick-up	30.026	-15.725
3.04.06.01	Equity Pick-up	30.343	-14.836
3.04.06.02	Goodwill Amortization/Concession Rights	-317	-889
3,05	Income Before Financial Income and Taxes	522.064	433.310
3,06	Financial Income	-73.314	-52.462
3.06.01	Financial Revenues	32.603	22.747
3.06.02	Financial Expenses	-105.917	-75.209
3,07	Income Before Taxes on Profits	448.750	380.848
3,08	Income Tax and Social Contribution on Profits	-141.796	-134.128
3.08.01	Current	-143.625	-135.708
3.08.02	Deferred	1.829	1.580
3,09	Net Income from Continued Operations	306.954	246.720
3,11	Profit/Loss in the Period	306.954	246.720
3,99	Income per Share (Reais/Share)		
3.99.01	Basic Income per Share		
3.99.01.01	Common Shares	0,47025	0,38101
3.99.02	Diluted Income per Share		
3.99.02.01	Common Shares	0,47025	0,38101

Individual Financial Statements / Statement of Cash Flow – Indirect Method (Reais thousand)

Code	Description	Accumulated Current Year 01/01/2011 to 3/31/2011	Accumulated Previous Year 1/1/2010 to 3/31/2010
6.01	Net Cash Operating Activities	204,818	138,912
6.01.01	Operating Cash Flow	592,108	522,283
6.01.01.01	Net Income for the Year	306,954	246,720
6.01.01.02	Depreciation and Amortization	90,938	77,583
6.01.01.03	Equity Pick-up	-30,343	14,836
6.01.01.04	Monetary and Foreign Exchange Variation, Net	32,522	16,524
6.01.01.05	Net Interest	57,885	49,752
6.01.01.06	Reversal of Operating Provisions, Net	-7,970	-17,461
6.01.01.07	Income Tax and Social Contribution	141,796	134,128
6.01.01.08	Other	326	201
6.01.02	Variations in Assets and Liabilities	-387,290	-383,371
6.01.02.01	Accounts Receivable from Clients	2,964	-48,649
6.01.02.02	Taxes Recoverable	-916	356
6.01.02.03	Inventories	-5,730	4,137
6.01.02.04	Collateral and Restricted/Judicial Deposits	44,819	35,923
6.01.02.05	Suppliers	8,650	-3,659
6.01.02.06	Income Tax and Social Contribution Paid	-420,386	-375,594
6.01.02.07	Interest on Loans, Financing and Debentures Paid	-1,130	-2,496
6.01.02.08	Labor Obligations	1,066	7,001
6.01.02.09	Post-employment Benefits	-9,736	-7,607
6.01.02.10	Obligations with Research and Development Program	-4,203	4,043
6.01.02.11	Other	-2,688	3,174
6.02	Net Cash Investment Activities	-25,153	-497,106
6.02.01	Increase in Investments, Net of Cash and Cash Equivalents Acquired	-1,563	-473,361
6.02.02	Investments in Property, Plant and Equipment	-21,103	-28,148
6.02.03	Investments in Intangible Assets	-2,487	-526
6.02.04	Dividends Received from Subsidiaries	0	4,929
6.03	Net Cash Financing Activities	-12,928	-31,583
6.03.01	Loan, Financing and Debenture Payments	-12,810	-12,057
6.03.02	Concession Fees Payable	-620	-465
6.03.03	Related Parties	505	-19,061
6.03.04	Dividend and Interest on Equity Payments	-3	0
6.05	Increase (Reduction) in Cash and Cash Equivalents	166,737	-389,777
6.05.01	Opening Balance of Cash and Cash Equivalents	796,117	1,093,839
6.05.02	Closing Balance of Cash and Cash Equivalents	962,854	704,062

Individual Financial Statements / Statement of Changes in Shareholders' Equity 1/1/2011 to 3/31/2011
(Reais thousand)

Code	Description	Paid-Up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Income	Shareholders' Equity
5,01	Opening Balances	2.445.766	91.695	1.827.033	0	708.190	5.072.684
5,03	Adjusted Opening Balances	2.445.766	91.695	1.827.033	0	708.190	5.072.684
5,05	Total Comprehensive Income	0	0	0	306.954	0	306.954
5.05.01	Net Income in the Period	0	0	0	306.954	0	306.954
5,06	Internal Changes in Shareholders' Equity	0	0	0	14.219	-14.219	0
5.06.04	Adjustment to Fair Value of Property, Plant and Equipment	0	0	0	14.219	-14.219	0
5,07	Closing Balances	2.445.766	91.695	1.827.033	321.173	693.971	5.379.638

Individual Financial Statements / Statement of Changes in Shareholders' Equity 1/1/2010 to 3/31/2010
(Reais thousand)

Code	Description	Paid-Up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Income	Shareholders' Equity
5,01	Opening Balances	2.445.766	91.695	1.146.518	0	765.069	4.449.048
5,03	Adjusted Opening Balances	2.445.766	91.695	1.146.518	0	765.069	4.449.048
5,05	Total Comprehensive Income	0	0	0	246.720	0	246.720
5.05.01	Net Income in the Period	0	0	0	246.720	0	246.720
5,06	Internal Changes in Shareholders' Equity	0	0	0	14.222	-14.222	0
5.06.04	Adjustment to Fair Value of Property, Plant and Equipment	0	0	0	14.222	-14.222	0
5,07	Closing Balances	2.445.766	91.695	1.146.518	260.942	750.847	4.695.768

Individual Financial Statements / Statement of Value Added (Reais thousand)

Code	Description	Accumulated Current Year 01/01/2011 to 3/31/2011	Accumulated Previous Year 1/1/2010 to 3/31/2010
7,01	Income	918.919	804.407
7.01.01	Sales of Merchandise, Products and Services	924.531	804.404
7.01.02	Other Revenues	431	3
7.01.04	Provision/Reversal of Doubtful Accounts	-6.043	0
7,02	Inputs Acquired from Third Parties	-155.021	-120.107
7.02.01	Cost of Products, Merchandise and Services Sold	-130.853	-110.313
7.02.02	Materials, Energy, Third Party Services and Other	-34.473	-28.262
7.02.04	Other	10.305	18.468
7.02.04.01	Reversal of Operating Provisions, Net	16.499	19.529
7.02.04.02	Other	-6.194	-1.061
7,03	Gross Value Added	763.898	684.300
7,04	Retentions	-90.938	-77.583
7.04.01	Depreciation, Amortization and Depletion	-90.938	-77.583
7,05	Net Value Added Produced	672.960	606.717
7,06	Value Added Received in Transfer	62.629	7.022
7.06.01	Income from Equity Pick-up	30.026	-15.725
7.06.02	Financial Revenue	32.603	22.747
7,07	Total Value Added Distributable	735.589	613.739
7,08	Distribution of Value Added	735.589	613.739
7.08.01	Personnel	41.528	40.239
7.08.01.01	Direct Compensation	26.177	26.768
7.08.01.02	Benefits	8.639	7.682
7.08.01.03	F. G. T. S.	1.891	1.651
7.08.01.04	Other	4.821	4.138
7.08.02	Taxes, Fees and Contributions	234.048	212.619
7.08.02.01	Federal	221.595	200.146
7.08.02.02	State	11.703	11.940
7.08.02.03	Municipal	750	533
7.08.03	Third Party Capital Remuneration	74.913	65.964
7.08.03.01	Interest	67.913	59.992
7.08.03.02	Rents	3.065	1.820
7.08.03.03	Other	3.935	4.152
7.08.04	Own Capital Remuneration	306.954	246.720
7.08.04.03	Retained Profits/Losses in the Period	306.954	246.720
7.08.05	Other	78.146	48.197
7.08.05.01	Industry Charges	44.278	35.701
7.08.05.02	Concession Charges Payable	33.868	12.496

Consolidated Financial Statements / Asset Balance Sheet
(Reais thousand)

Code	Description	Current Quarter 3/31/2011	Previous Year 12/31/2010
1	Total Assets	12.997.690	12.850.288
1,01	Current Assets	2.056.476	1.906.733
1.01.01	Cash and Cash Equivalents	1.290.965	1.082.580
1.01.03	Accounts Receivable	509.464	531.106
1.01.03.01	Trade Accounts Receivable	509.464	531.106
1.01.04	Inventories	51.695	46.032
1.01.06	Taxes Recoverable	101.683	91.818
1.01.06.01	Current Taxes Recoverable	101.683	91.818
1.01.08	Other Current Assets	102.669	155.197
1.01.08.01	Non-Current Assets for Sale	23.057	23.057
1.01.08.03	Other	79.612	132.140
1.01.08.03.01	Collateral and Restricted Deposits	27.926	81.553
1.01.08.03.02	Other	51.686	50.587
1,02	Noncurrent Assets	10.941.214	10.943.555
1.02.01	Long-term Assets	875.490	872.025
1.02.01.06	Deferred Taxes	325.408	328.240
1.02.01.06.01	Deferred Income Tax and Social Contribution	325.408	328.240
1.02.01.09	Other Non-Current Assets	550.082	543.785
1.02.01.09.03	Collateral and Restricted Deposits	51.754	51.244
1.02.01.09.04	Asset Sales	86.886	86.886
1.02.01.09.05	Taxes Recoverable	222.888	219.880
1.02.01.09.06	Judicial Deposits	136.537	133.464
1.02.01.09.07	Other	52.017	52.311
1.02.03	Property, Plant and Equipment	9.970.752	9.976.009
1.02.03.01	Property, Plant and Equipment in Operation	7.613.688	7.719.897
1.02.03.03	Property, Plant and Equipment in Progress	2.357.064	2.256.112
1.02.04	Intangible Assets	94.972	95.521
1.02.04.01	Intangible Assets	94.972	95.521

Consolidated Financial Statements / Liability Balance Sheet (Reais thousand)

Code	Description	Current Quarter 3/31/2011	Previous Year 12/31/2010
2	Total Liabilities	12.997.690	12.850.288
2,01	Current Liabilities	2.108.457	2.259.838
2.01.01	Social and Labor Obligations	57.062	54.881
2.01.01.02	Labor Obligations	57.062	54.881
2.01.02	Suppliers	254.263	268.851
2.01.02.01	Domestic Suppliers	254.263	268.851
2.01.03	Tax Obligations	191.529	457.937
2.01.03.01	Federal Tax Obligations	154.357	424.481
2.01.03.01.01	Income Tax and Social Contribution Payable	129.072	398.032
2.01.03.01.02	Pis and Cofins	19.936	21.212
2.01.03.01.03	INSS	4.501	3.960
2.01.03.01.04	Other	848	1.277
2.01.03.02	State Tax Obligations	35.751	32.225
2.01.03.02.01	ICMS Payable	35.751	32.225
2.01.03.03	Municipal Tax Obligations	1.421	1.231
2.01.03.03.01	ISS Payable	1.421	1.231
2.01.04	Loans and Financing	1.159.491	1.094.431
2.01.04.01	Loans and Financing	205.295	189.414
2.01.04.01.01	In Domestic Currency	182.344	169.298
2.01.04.01.02	In Foreign Currency	22.951	20.116
2.01.04.02	Debentures	954.196	905.017
2.01.05	Other Obligations	407.974	372.872
2.01.05.02	Other	407.974	372.872
2.01.05.02.01	Dividends and Interest on Equity Payable	189.506	189.509
2.01.05.02.04	Obligations with Research and Development Progr	23.012	14.991
2.01.05.02.05	Concession Fees Payable	43.766	42.297
2.01.05.02.06	Post-employment Benefits	52.959	25.939
2.01.05.02.07	Other	98.731	100.136
2.01.06	Provisions	38.138	10.866
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	38.138	10.866
2.01.06.01.02	Social Security and Labor Provisions	3.209	4.000
2.01.06.01.04	Civil Provisions	34.929	6.866
2,02	Non-Current Liabilities	5.509.595	5.517.766
2.02.01	Loans and Financing	3.390.781	3.349.489
2.02.01.01	Loans and Financing	2.598.685	2.567.145
2.02.01.01.01	In Domestic Currency	2.404.337	2.373.681
2.02.01.01.02	In Foreign Currency	194.348	193.464
2.02.01.02	Debentures	792.096	782.344
2.02.02	Other Obligations	1.547.441	1.579.170
2.02.02.02	Other	1.547.441	1.579.170

Consolidated Financial Statements / Liability Balance Sheet (Reais thousand)

Code	Description	Current Quarter 3/31/2011	Previous Year 12/31/2010
2.02.02.02.03	Obligations with Research and Development Progr	29.398	41.260
2.02.02.02.04	Concession Fees Payable	1.133.477	1.092.650
2.02.02.02.05	Post-employment Benefits	356.853	409.452
2.02.02.02.06	Other Obligations	27.713	35.808
2.02.03	Deferred Taxes	440.291	445.691
2.02.03.01	Deferred Income Tax and Social Contribution	440.291	445.691
2.02.04	Provisions	131.082	143.416
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	131.082	143.416
2.02.01.01.01	Tax Provisions	33.030	32.260
2.02.01.01.02	Social Security and Labor Provisions	10.527	9.579
2.02.01.01.04	Civil Provisions	87.525	101.577
2,03	Consolidated Shareholders' Equity	5.379.638	5.072.684
2.03.01	Paid-Up Capital Stock	2.445.766	2.445.766
2.03.02	Capital Reserves	91.695	91.695
2.03.04	Profit Reserves	1.827.033	1.827.033
2.03.04.01	Legal Reserve	422.556	422.556
2.03.04.05	Retained Earnings Reserve	1.246.207	1.246.207
2.03.04.08	Proposed Additional Dividends	158.270	158.270
2.03.05	Accumulated Profits/Losses	321.173	0
2.03.06	Asset Valuation Adjustments	693.971	708.190

Consolidated Financial Statements / Statement of Income (Reais thousand)

Code	Description	Accumulated Current Year 01/01/2011 to 3/31/2011	Accumulated Previous Year 1/1/2010 to 3/31/2010
3,01	Income from Sale of Goods and/or Services	1.022.129	945.524
3,02	Cost of Goods and/or Services Sold	-414.358	-447.355
3.02.01	Power Purchased for Resale	-105.226	-174.926
3.02.02	Transactions via CCEE	-14.182	-702
3.02.03	Electric network usage and connection charge	-66.286	-68.596
3.02.04	Cost of Power Production	-223.658	-202.211
3.02.05	Cost of Services Provided	-5.006	-920
3,03	Gross Income	607.771	498.169
3,04	Operating Income/Expenses	-33.910	-20.513
3.04.01	Selling Expenses	-4.856	-3.624
3.04.02	General and Administrative Expenses	-38.303	-33.532
3.04.04	Other Operating Income	9.998	16.643
3.04.04.01	Reversal of Operating Provisions, Net	9.998	16.639
3.04.04.02	Other Operating Income	0	4
3.04.05	Other Operating Expenses	-749	0
3,05	Income Before Financial Income and Taxes	573.861	477.656
3,06	Financial Income	-108.412	-103.586
3.06.01	Financial Revenues	39.685	28.432
3.06.02	Financial Expenses	-148.097	-132.018
3,07	Income Before Taxes on Profits	465.449	374.070
3,08	Income Tax and Social Contribution on Profits	-158.495	-127.350
3.08.01	Current	-162.665	-139.896
3.08.02	Deferred	4.170	12.546
3,09	Net Income from Continued Operations	306.954	246.720
3,11	Consolidated Profit/Loss in the Period	306.954	246.720
3.11.01	Attributed to Controlling Shareholders	306.954	246.720
3,99	Income per Share (Reais/Share)		
3.99.01	Basic Income per Share		
3.99.01.01	Common Shares	0,47025	0,38101
3.99.02	Diluted Income per Share		
3.99.02.01	Common Shares	0,47025	0,38101

Consolidated Financial Statements / Statement of Cash Flow – Indirect Method (Reais thousand)

Code	Description	Accumulated Current Year 01/01/2011 to 3/31/2011	Accumulated Previous Year 1/1/2010 to 3/31/2010
6.01	Net Cash Operating Activities	300,825	206,483
6.01.01	Operating Cash Flow	708,391	586,107
6.01.01.01	Net Income for the Year	306,954	246,720
6.01.01.02	Depreciation and Amortization	118,631	109,671
6.01.01.03	Monetary and Foreign Exchange Variation, Net	40,464	30,360
6.01.01.04	Net Interest	90,521	87,666
6.01.01.05	Reversal of Operating Provisions, Net	-7,863	-14,972
6.01.01.06	Income Tax and Social Contribution	158,495	127,350
6.01.01.07	Other	1,189	-688
6.01.02	Variations in Assets and Liabilities	-407,566	-379,624
6.01.02.01	Accounts Receivable from Clients	20,630	-30,478
6.01.02.02	Taxes Recoverable	-4,812	-583
6.01.02.03	Inventories	-5,692	4,895
6.01.02.04	Collateral and Restricted/Judicial Deposits	56,185	35,806
6.01.02.05	Suppliers	-8,178	20,349
6.01.02.06	Income Tax and Social Contribution Paid	-429,990	-380,894
6.01.02.07	Interest on Loans, Financing and Debentures Paid	-23,223	-26,368
6.01.02.08	Labor Obligations	1,183	6,808
6.01.02.09	Post-employment Benefits	-9,736	-7,607
6.01.02.10	Obligations with Research and Development Program	-3,841	4,506
6.01.02.11	Other	-92	-6,058
6.02	Net Cash Investment Activities	-96,812	-365,350
6.02.01	Increase in Investments, Net of Cash and Cash Equivalents Acquired	0	-304,556
6.02.02	Investments in Property, Plant and Equipment	-94,322	-60,268
6.02.03	Investments in Intangible Assets	-2,490	-526
6.03	Net Cash Financing Activities	4,372	-270,464
6.03.01	Financing	54,007	0
6.03.02	Loan, Financing and Debenture Payments	-40,150	-261,217
6.03.03	Dividends and Interest on Equity Payments	-3	0
6.03.04	Concession Fees Payable	-10,262	-9,761
6.03.05	Collateral and Restricted/Judicial Deposits	780	514
6.05	Increase (Reduction) in Cash and Cash Equivalents	208,385	-429,331
6.05.01	Opening Balance of Cash and Cash Equivalents	1,082,580	1,254,640
6.05.02	Closing Balance of Cash and Cash Equivalents	1,290,965	825,309

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity 1/1/2011 to 3/31/2011
(Reais thousand)

Code	Description	Paid-Up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Shareholdings	Consolidated Shareholders' Equity
5,01	Opening Balances	2.445.766	91.695	1.827.033	0	708.190	5.072.684	0	5.072.684
5,03	Adjusted Opening Balances	2.445.766	91.695	1.827.033	0	708.190	5.072.684	0	5.072.684
5,05	Total Comprehensive Income	0	0	0	306.954	0	306.954	0	306.954
5.05.01	Net Income in the Period	0	0	0	306.954	0	306.954	0	306.954
5,06	Internal Changes in Shareholders' Equity	0	0	0	14.219	-14.219	0	0	0
5.06.04	Adjustment to Fair Value of Property, Plant and Equipement	0	0	0	14.219	-14.219	0	0	0
5,07	Closing Balances	2.445.766	91.695	1.827.033	321.173	693.971	5.379.638	0	5.379.638

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity 1/1/2010 to 3/31/2010
(Reais thousand)

Code	Description	Paid-Up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Shareholdings	Consolidated Shareholders' Equity
5,01	Opening Balances	2.445.766	91.695	1.146.518	0	765.069	4.449.048	0	4.449.048
5,03	Adjusted Opening Balances	2.445.766	91.695	1.146.518	0	765.069	4.449.048	0	4.449.048
5,05	Total Comprehensive Income	0	0	0	246.720	0	246.720	0	246.720
5.05.01	Net Income in the Period	0	0	0	246.720	0	246.720	0	246.720
5,06	Internal Changes in Shareholders' Equity	0	0	0	14.222	-14.222	0	0	0
5.06.04	Adjustment to Fair Value of Property, Plant and Equipement	0	0	0	14.222	-14.222	0	0	0
5,07	Closing Balances	2.445.766	91.695	1.146.518	260.942	750.847	4.695.768	0	4.695.768

Consolidated Financial Statements / Statement of Value Added (Reais thousand)

Code	Description	Accumulated Current Year 01/01/2011 to 3/31/2011	Accumulated Previous Year 1/1/2010 to 3/31/2010
7,01	Income	1.259.091	1.081.319
7.01.01	Sales of Merchandise, Products and Services	1.149.875	1.057.028
7.01.02	Other Revenues	-749	4
7.01.03	Revenues Relative to Construction of Own Assets	116.145	24.287
7.01.04	Provision/Reversal of Doubtful Accounts	-6.180	0
7,02	Inputs Acquired from Third Parties	-314.663	-295.690
7.02.01	Cost of Products, Merchandise and Services Sold	-194.787	-253.408
7.02.02	Materials, Energy, Third Party Services and Other	-42.442	-33.524
7.02.04	Other	-77.434	-8.758
7.02.04.01	Expenses with Plant Construction	-87.347	-23.305
7.02.04.02	Reversal of Operating Provisions, Net	16.178	16.639
7.02.04.03	Other	-6.265	-2.092
7,03	Gross Value Added	944.428	785.629
7,04	Retentions	-118.631	-109.671
7.04.01	Depreciation, Amortization and Depletion	-118.631	-109.671
7,05	Net Value Added Produced	825.797	675.958
7,06	Value Added Received in Transfer	39.685	28.432
7.06.02	Financial Revenue	39.685	28.432
7,07	Total Value Added Distributable	865.482	704.390
7,08	Distribution of Value Added	865.482	704.390
7.08.01	Personnel	42.444	40.604
7.08.01.01	Direct Compensation	26.960	27.094
7.08.01.02	Benefits	8.730	7.699
7.08.01.03	F. G. T. S.	1.932	1.673
7.08.01.04	Other	4.822	4.138
7.08.02	Taxes, Fees and Contributions	284.664	239.041
7.08.02.01	Federal	258.691	215.252
7.08.02.02	State	25.189	23.216
7.08.02.03	Municipal	784	573
7.08.03	Third Party Capital Remuneration	129.205	95.056
7.08.03.01	Interest	94.136	88.334
7.08.03.02	Rents	3.683	2.177
7.08.03.03	Other	31.386	4.545
7.08.03.03.01	Capitalized Financial Interest	28.798	982
7.08.03.03.02	Other	2.588	3.563
7.08.04	Own Capital Remuneration	306.954	246.720
7.08.04.03	Retained Profits/Losses in the Period	306.954	246.720
7.08.05	Other	102.215	82.969
7.08.05.01	Industry Charges	51.119	42.590
7.08.05.02	Concession Charges Payable	51.096	40.379

ECONOMIC AND FINANCIAL PERFORMANCE

ADOPTION OF THE NEW ACCOUNTING PROCEDURES AND ECONOMIC AND FINANCIAL PERFORMANCE

Adoption of the new accounting procedures

During the course of 2010, the Company adopted the option permitted by the Brazilian Securities and Exchange Commission - CVM of presenting the information with respect to 1Q10 in accordance with the accounting practices prevailing up to December 31, 2009. The companies which adopted this course of action are obliged to republish this information before the date for submitting the 1ITR (1Q Quarterly Information) 2011, adjusted to the new standards issued by the Accounting Pronouncement Committee (CPC) and approved by the CVM, and consistent with the International Financial Reporting Standards (IFRS). The information included in this document already contemplates the adjustments arising from the adoption of these accounting practices.

Economic and Financial Performance

Net Sales Revenue

In 1Q11, net sales revenue reported an increase of 8.1% when compared with the same period last year from R$ 945.5 million to R$ 1,022.1 million. This variation is directly linked to the growth in gross operating revenue and the deductions from operating revenue as commented below.

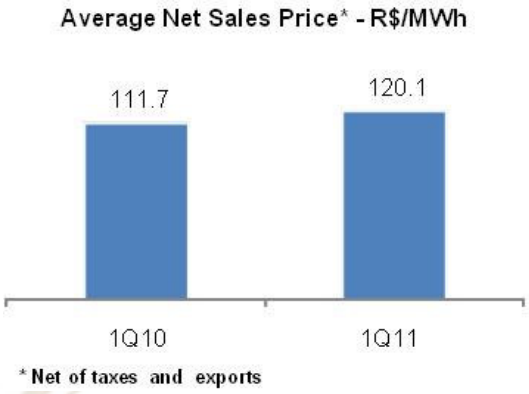
- **Net average selling price**

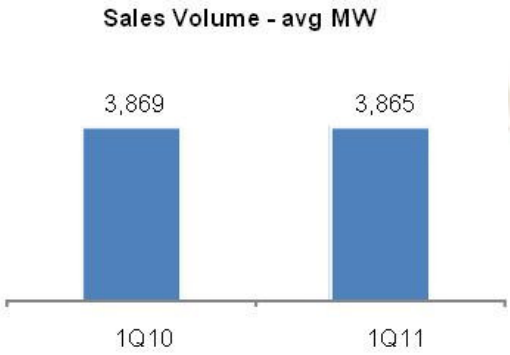
The average selling price of energy, excluding exports and net of deductions on gross operating revenue, was R$ 120.07/MWh in 1Q11, an improvement of 7.5% in relation to the same quarter in 2010 when the price was R$ 111.67/MWh. This variation was largely the fruit of the higher selling price due to contractual readjustments and the improved prices prevailing for free consumers and energy trading companies in new contracts.

- **Sales Volume**

Sales volume in 1Q11 was 8,349 GWh (3,865 average MW), consistent with the 8,357 GWh (3,869 average MW) sold in the same quarter of 2010, reflecting the reduction in the amount of energy purchased for resale, offset by the startup in the operations of new plants and by the greater allocation of proprietary resources in 1Q11 in relation to 1Q10.







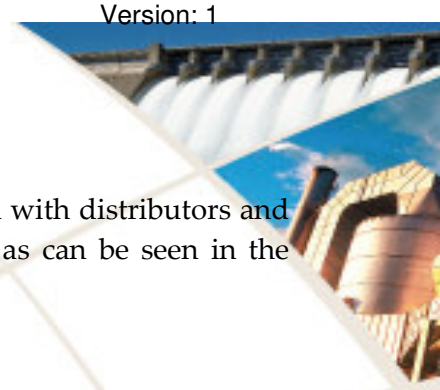
Gross Operating Revenue

In 1Q11, the Company reported gross operating revenue of R$ 1,149.9 million, 8.8% more than posted in the same period last year, which was R$ 1,057.0 million. The improvement shown is essentially due to the combination of the following factors: (i) increase of R$ 84.0 million as a result of an 8.2% higher average selling price; and (ii) evolution of R$ 10.0 million in revenue relative to transactions conducted through the Electric Energy Trading Board (CCEE), as described under a specific heading in this report.

Revenues from electric energy operations

a) Wholesale market for electric energy

Revenue from the wholesale supply of energy, namely energy sales to distributors and trading companies, reached R$ 788.6 million in 1Q11 against the R$ 810.2 million reported in the same quarter in 2010, representing a reduction of 2.7%. This variation is the result of the following: (i) a decline of R$ 47.1 million in sales to distributors principally due to the termination or reduction of contracts signed prior to the Regulated Contracting Market (ACR) auctions of about 657 GWh (304 average MW), combined with the beginning of wholesale supply relative to the auction held in 2006 for sale to the regulated market of 320 GWh (148 average MW) from the São Salvador Hydroelectric Power Plant; (ii) a reduction of R$ 28.2 million (276 GWh - 128 average MW) in revenue from commercialization with the expiring of contracts; and (iii) an increase of R$ 53.7 million due to the elevation of 4.9% and 18.0% in average sale prices to distributors and trading companies, respectively.



It is important to mention that a substantial part of the energy contracted with distributors and trading companies was directed to new contracts with free consumers as can be seen in the comments under the item "Retail market for electric energy."

b) Retail market for electric energy

Retail market sales revenue (sales to free consumers) reported an increase of 45.4% from R$ 232.5 million in 1Q10 to R$ 338.2 million in 1Q11, the result of the following increases: (i) R$ 30.4 million due to the increase of 11.3% in the average energy selling price; and (ii) R$ 75.3 million due to the growth of 605 GWh (280 average MW) in the amount of energy sold as the result of new sales contracts and the expansion in consumption by existing industrial clients.

c) Transactions channeled through the Energy Trading Board (CCEE)

Revenue in 1Q11 reported under this item registered an improvement of R$ 10.0 million, from R$ 7.8 million in 1Q10 to R$ 17.8 million in the quarter under analysis. More detailed explanations on these operations are to be found below in the item "Details of CCEE operations".

d) Electric energy exports

The export of energy to Uruguay amounted to R$ 1.1 million in 1Q11, while for the same period in the preceding year, overseas business was zero.

Deductions from Operating Revenue

Deductions from operating revenue reported an increase of 14.6% from R$ 111.5 million in 1Q10 to R$ 127.7 million in 1Q11, representing 10.5% and 11.1%, respectively, of gross operating revenue (excluding exports which are exempt from these deductions).

The variation in deductions is related to the increase (i) of PIS and Cofins charges, a function of growth in revenue and the expiry of sales contracts, the revenue from which was being taxed on a cumulative basis (a rate of 3.65%), but due to the recontracting of this energy, the charges in question are now being collected on a non-cumulative basis (rate of 9.25% but enjoying a tax credit on certain purchases); and (ii) of ICMS due to the readjustment in prices and stronger sales to industrial consumers.

Costs of Electric Energy and Services

The costs of the sale of energy and services fell 7.4% equivalent to R$ 32.9 million from R$ 447.3 million in 1Q10 to R$ 414.4 million for the quarter under review. The improvement is largely a reflection of the following components:

a) **Electric power purchased for resale:** this item posted a decline of R$ 69.7 million in 1Q11, or 618 GWh (286 average MW). This decline was not reflected in the sales volume due to the allocation of a greater volume of hydroelectric energy in this quarter in relation to 1Q10.

b) **Transactions channeled through the (CCEE):** there was a year-on-year increase of R$ 13.5 million between comparative quarters as described in a specific item below.

c) **Fuel Expenses:** in 1Q11 these costs were R$ 0.6 million higher due to consumption of thermal coal used in generating energy for export.

d) **Charges for the use of and connection to the electricity grid:** a reduction of R$ 2.3 million in relation to the same period for 2010, due to a reduction in the Tariff for Use of the Transmission System (TUST) following the conclusion of the tariff revision process for transmission companies.

e) **Financial compensation for the use of water resources:** R$ 6.9 million higher due to the increase of 8.9% in hydroelectric generation and the tariff readjustment of 5.6% in the period between the two comparative quarters.

f) **Personnel:** increase of R$ 1.8 million in 1Q11 justified largely by the annual collective bargaining agreement on salaries for the employees and due to new hiring to meet the growth in the Company's generating complex.

g) **Third party services:** increase of R$ 7.9 million in 1Q11, resulting from stronger demand from maintenance and conservation services at the Company's generator units, especially the thermoelectric units, the Company taking full advantage of the reduced need to use the latter plants for generation in the quarter under review.

h) **Depreciation and amortization:** this item in 1Q11 reported an increase of R$ 8.5 million principally due to the depreciation resulting from the startup in commercial operations at the Areia Branca and Ibitiúva Bioenergética plants as well as the conclusion of work on upgrading certain of the Company's plants.

Energy Trading Board – Details of CCEE Operations

The various monthly credit or debit entries to the account of a CCEE agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expenses account. In this context it is worth pointing out that due to adaptations to the Company's portfolio management strategy, changes have been taking place in the billing profile in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing in the two years - the reason for including this specific topic, allowing us to analyze the oscillations of the principal elements involved in spite of allocation being either to income or expenses according to the credit or debit nature of the billing to which they relate.

Generically speaking, these elements are income or expense items arising for example from: (i) the application of the Energy Reallocation Mechanism (MRE); (ii) the so-called "sub-market risk"; (iii) dispatch triggered by the Risk Aversion Curve (CAR); (iv) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (v), naturally, exposure (a short or long position in the monthly accounting) which will be settled at the spot price.

In 1Q11, the Company recorded a net result (difference between income and expenses) arising out of transactions conducted within the scope of the CCEE of R$ 3.7 million against R$ 7.1 million registered in the same period in the preceding year, thus representing a reduction of R$ 3.4 million between the comparative periods. If on the one hand, there was an increase in the Company's short position as a result of the reduction in energy generated from thermoelectric sources, on the other hand, this fact was compensated by (i) the increase in the system's secondary energy (energy generated over and above the assured energy average); and (ii) the allocation of a greater volume of hydroelectric energy. These events were priced at a higher average spot price, which in the South Submarket, increased from R$ 18.17/MWh in 1Q10 to R$ 31.58/MWh in 1Q11.

General and Administrative Expenses

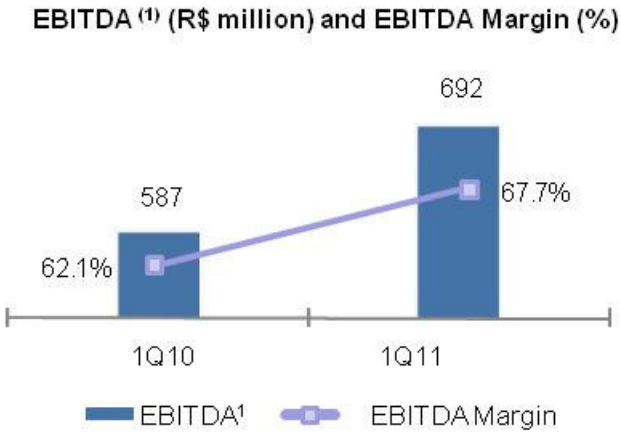
General and administrative expenses increased by R$ 4.8 million or 14.2% from R$ 33.5 million in 1Q10 to R$ 38.3 million in 1Q11, essentially due to the additional contribution to the employee Pension Fund and indemnities arising from court rulings.

Constitution (Reversals) of Operating Provisions, Net

In 1Q11, the Company constituted a provision for doubtful debts worth R$ 6.2 million on receivables from a trading company excluded from the CCEE due to default. This provision was the principal factor which contributed to the variation in the reversal account, net, from R$ 16.6 million to R$ 10.0 million.

EBITDA and EBITDA Margin

Reflecting the effects mentioned above, EBITDA in 1Q11 reached R$ 692.5 million, 17.9% above the amount recorded in 1Q10, which was R$ 587.3 million. The EBITDA margin reached 67.7%, against 62.1% reported in the same period in 2010. In addition to the improvement in the average sales price, the wider margin is the result of lower volumes of purchase and sale transactions between the comparative periods, the margins for which are tighter than those on the sale of energy generated by the Company.



(1) EBITDA represents: operating profits + financial result + depreciation and amortization.

To allow the reconciliation of the operating result with EBITDA, we show the following table:

EBITDA (in thousands of R$)	1Q11	1Q10	Chg. %
Operating income	465,449	374,070	24.4
(+/-) Financial Result	108,412	103,586	4.7
(+) Depreciation and Amortization	118,631	109,671	8.2
Total	**692,492**	**587,327**	**17.9**

Financial Result

Financial income: in 1Q11, this item reported R$ 39.7 million, registering an increase of R$ 11.3 million in relation to the R$ 28.4 million for the same quarter of 2010. This development is a result from the following: (i) a growth of R$ 8.5 million in income on financial investments, a reflection of higher volumes of applied resources and the increase in interest rates; and (ii) the increase of R$ 3.2 million in interest on accounts receivable on the sale of energy.

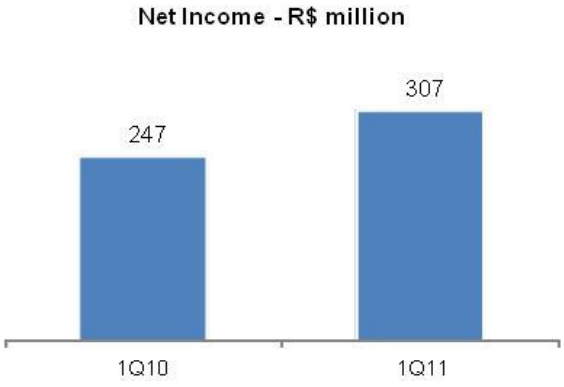
Financial expenses: an increase of R$ 16.1 million between the comparative periods from R$ 132.0 million in 1Q10 to R$ 148.1 million for the quarter under review. This variation is a combination of the following factors: (i) growth of R$ 7.8 million in interest on debt due to the evolution in CDI rates on the 3rd and 4th debenture issues, increased calculation base for interest on the concessions due to an upward adjustment in IGP-M and IPCA inflation rates for 2010, and a reduction of interest on loans and financing due to amortizations in the period; and (ii) a growth of R$ 9.8 million in monetary restatement on debt, largely the result of the restatement of debentures according to the IPCA and the increase in the base of the concessions payable for the same reason as mentioned above.

Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution overheads were R$ 158.5 million, R$ 31.1 million up relative to the same period in 2010 - R$ 127.4 million. The variation is largely due to the increase in results against income tax and social contribution. These expenses represent 34.0% on the pre-tax result for both quarters.

Net Income

Net income for 1Q11 recorded an additional R$ 60.2 million or 24.4% against the amount for the in the same period in 2010, increasing from R$ 246.7 million to R$ 307.0 million in the quarter under review. This increase is the result principally of (i) the increase in the average selling price of 7.5% due to adjustments for inflation and new sales contracts at better prices; (ii) the reduction in energy purchases for resale due to the expiry of contracts with high prices; and (iii) the larger allocation of energy in the CCEE, which reduced what would be the Company's shorter position, in turn the result of a decrease in generation from thermoelectric plants.



TRACTEBEL ENERGIA S.A.
CORPORATE TAXPAYER'S ID (CNPJ) 02.474.103/0001-19 | CORPORATE REGISTRY ID (NIRE) 42 3 0002438-4
NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE FIRST QUARTER OF 2011

(in thousands of Reais or other currencies, except when indicated otherwise)

1 - OPERATIONS

Tractebel Energia S.A. (Company or Tractebel) is a publicly-held corporation listed on the BM&FBOVESPA's Novo Mercado, an independent utility concessionaire with its registered headquarters Florianópolis, Santa Catarina State. The Company is engaged in the generation and sale of power, regulated by the Brazilian Electricity Regulatory Agency (Aneel), which is linked to the Ministry of Mines and Energy (MME).

The Company is controlled by GDF SUEZ Energy Latin America Participações Ltda. (GSELA), a company established in Brazil under the control of SUEZ-Tractebel Sociètè Anonyme, headquartered in Brussels, Belgium, part of the GDF SUEZ group, headquartered in France.

The Company is the largest private company in power generation in Brazil[1], responsible for about 7%[1] of the country's installed capacity. The Company's installed capacity, including its stakes in the Itá and Machadinho consortiums is 6,472 MW[1], of which approximately 79%[1] is derived from hydroelectric power plants, 18%[1] from thermoelectric power plants and 3%[1] from alternative energy (Small Hydroelectric Power Plants - SHPP, wind farms and biomass-fired plants). The Company's assured energy for commercialization is 3,554 average MW[1].

The Company's generator complex comprises the following types of power generating plants: 8 (eight) hydroelectric power plants, 6 (six) thermoelectric[2] power plants, 3 (three) small hydroelectric power plants, 2 (two) wind farms and 2 (two) biomass-fired power plants.

Subsidiaries in operation and under construction or the entities under common control (joint ventures) are listed in Note 15.

The Company's quarterly information is presented taking into account only one operating segment, which is composed by the sale of power generated and purchased through long-term agreements, which concentrates about 99.6% and 99.4% of the Company's total revenue in the periods ended on March 31, 2011 and March 31, 2010, respectively. The Company manages such activities as a single segment.

The main corporate events carried out in the first quarter of 2011 are summarized as follows:

a) Approval of investments in wind farm projects

In March of 2011, Tractebel's Board of Directors approved the implementation of 5 (five) wind farms for power sales on the free market, totaling 145.4 MW of installed capacity, with a total investment estimated at R$625,600. Construction of the wind farms is expected to be concluded in October of 2012.

[1]Non-financial information provided herein, such as MW, average MW, installed capacity, number of employees, among others, is not examined by the independent auditors.
[2] Jorge Lacerda Thermoelectric Complex is composed of 3 power plants.

b) Approval of the income allocation proposal and dividends distribution

On April 5, 2011, the Annual General Meeting (AGM) approved the net income allocation for the year and the proposed complementary dividends distribution for 2010. The payment date will be defined at a later date by the Executive Board and the shares will be traded ex-dividends as of May 2, 2011. More details are available in Note 27.

2 - PRESENTATION OF THE QUARTERLY INFORMATION

The referred quarterly information was approved by the Board of Directors on April 27, 2011.

The quarterly information was prepared in accordance to CPC 21 – Intermediate Statements, with a complete set of financial statements. The Company is using the historical cost as the basis of value, except for certain financial instruments measured at their fair value when so required by the standards.

The Company is presenting the individual quarterly information of the parent company (Tractebel Energia), as well as the consolidated quarterly information. This procedure is required given that the Brazilian corporate legislation determines the disclosure of the individual financial statements of entities that have investments in subsidiaries and jointly-owned subsidiaries, even when these entities disclose their consolidated statements.

The consolidated quarterly information was prepared in compliance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), which are in accordance with the accounting practices adopted in Brazil (BRGAAP).

The individual quarterly information of the parent company was prepared in accordance with the accounting practices adopted in Brazil, which set forth the application of the equity method for recording investments in subsidiaries and jointly-owned subsidiaries in the individual accounting statements, in compliance with the Brazilian legislation in force.

Therefore, this individual quarterly information is not considered as being entirely compliant with the IFRS, for these require the valuation of these investments in the separate quarterly information of the parent company at its fair value or at cost.

There is no difference between the consolidated shareholders' equity and consolidated net income, recorded in the consolidated quarterly information prepared under IFRS and the accounting practices adopted in Brazil, and the parent company's shareholders' equity and net income recorded in the individual quarterly information prepared in compliance with the Brazilian accounting practices. Therefore, the Company chose to present this consolidated and individual quarterly information together.

The accounting practices adopted in Brazil comprise the provisions of the Brazilian Corporate Legislation that encompass the provisions of Laws 11,638/07 and 11,941/09, together with the pronouncements of the Accounting Pronouncements Committee (CPC) and the rules of the Brazilian Securities and Exchange Commission (CVM) and, when applicable, the regulations of the Brazilian Electricity Regulatory Agency (ANEEL).

In 2010, the Company adopted the option established by the CVM of presenting information related to the first quarter or 2010 according to previous accounting practices, in effect until December 31, 2009. The companies that used this option were required to restate this information by the date of presentation of the first quarterly information of 2011, adjusted to the new rules issued by the Accounting Pronouncements Committee (CPC) and approved by the CVM, which are consistent with international accounting practices IFRS. The information for the quarter ended on December 31, 2010 presented in this document already considers the adjustments and reclassifications from adoption of such accounting practices.

2.1. New IFRS standards and interpretations of IFRIC (International Financial Reporting Interpretations Committee of IASB)

Some new IASB accounting procedures and IFRIC interpretations were published and/or reviewed and their adoption is optional or mandatory for the annual periods ending as of January 1, 2011. The Company's assessment of the impacts of these standards and interpretations are as follows:

IFRS 9 – Financial Instruments

In November of 2009, IASB issued IFRS 9 with the purpose of replacing IAS 39 – Financial instruments: Recognition and measurement, according to the three-phase replacement schedule defined by IASB. This standard represents the first part of the first phase of the replacement schedule and addresses the classification and measurement of financial assets.

IFRS 9 simplifies the measurement of financial assets and establishes two main categories: amortized cost and fair value. The classification basis depends on the entity's business model and on the contractual features of the financial assets' cash flow.

IFRS 9 is valid for annual periods beginning on/after January 1, 2013. The Company is assessing the effects from its application and any differences in relation to IAS 39.

IFRIC 14 – Prepayments of a Minimum Funding Requirement

In November of 2009, IFRIC issued amendments to the IFRIC 14 interpretation, allowing prepayments to be recorded as assets when an entity is subject to minimum funding requirements.

The amendments to interpretation IFRIC 14 are effective for annual periods beginning on/after January 1, 2011. The Company understands that the changes to this interpretation will not affect its Consolidated Financial Information.

IFRS 7 – Disclosures – Transfers of Financial Assets

In October of 2010, IASB issued a revision of IFRS 7 introducing disclosures that would allow the users of financial statements to assess exposure risks arising from the transfer of financial assets and the effect of such risks on an entity's financial position, promoting transparency in the disclosure of these transactions, especially those involving securitization of financial assets.

The amendments to IFRS 7 are effective for annual periods beginning on/after July 1, 2010. The Company understands that the changes to this pronouncement will not affect its Consolidated Financial Information.

IFRS 1 and IFRS 9 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

In December of 2010, IASB issued a revision of IFRS 1, establishing the characteristics of a severe hyperinflation and the adoption of fair value as deemed cost of all the assets and liabilities held by an entity up to the date when it ceased to be subject to severe hyperinflation. Furthermore, IASB amended IFRS 1 and IFRS 9 so as to remove the fixed dates as of when the IFRS first-time adopters should measure financial assets and liabilities at fair value, replacing these dates for the date of transition to IFRS.

The amendments to IFRS 1 and IFRS 9 are effective for annual periods beginning on/after July 1, 2011. As IFRS is being adopted for the first time in the current year, the amendments to standards IFRS 1 and IFRS 9 will not affect the Company's Consolidated Financial Information.

IAS 12 – Deferred Tax: Recovery of Underlying Assets

In December of 2010, IASB issued a review of IAS 12 introducing a refutable assumption that investment properties measured at fair value, according to IAS 40, are fully recovered through sale and, as a result, deferred tax liabilities or deferred tax assets must be measured in order to reflect this condition. This assumption is refutable if the investment property is held with the purpose to consume substantially all inherent economic benefits over time.

The amendments to IAS 12 are effective for annual periods beginning on/after January 1, 2012. The Company understands that these amendments will not affect its Consolidated Financial Information.

IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

In November of 2009, IFRIC issued interpretation IFRIC 19, which addresses the issuance of equity instruments by an entity to its creditor aiming to settle financial liabilities.

IFRIC 19 is effective for annual periods beginning on/after July 1, 2010. The Company understands that the adoption of this interpretation will not affect its Consolidated Financial Information.



3 - SUMMARY OF ACCOUNTING PRACTICES

a) Financial Assets

Financial assets are classified as held for trading and held to maturity, available for sale and loans and receivables, depending on the purpose of said instruments. Those held for trading are measured at fair value, with their effects recognized in income. Those held to maturity are measured at the acquisition cost, plus income earned, and less impairment, when applicable. Loans and receivables are measured at the amortized cost. The Company does not have instruments classified as available for sale, which should be measured at fair value, with their effects recognized in the assets valuation adjustment account, in shareholders' equity, when applicable.

a.1) Cash and cash equivalents

Cash and cash equivalents are maintained with the purpose to face short-term cash commitments and consist of cash balance, bank deposits, and marketable securities that are promptly convertible into an amount of cash subject to an insignificant risk of change in value. These are classified as financial instruments held for trading and are recorded at cost plus income earned up to the balance sheet date, adjusted to the fair value of the financial instrument. Interest and monetary restatement, as well as changes from fair value measurement, are recorded in income when incurred.

a.2) Trade accounts receivable

Trade accounts receivable are financial assets at cost value, less impairment, when applicable. Provision for credit risk was calculated based on individual analysis of existing credits and recorded at an amount deemed sufficient by the Company's management to offset eventual losses.

a.3) Collateral, restricted deposits and judicial deposits

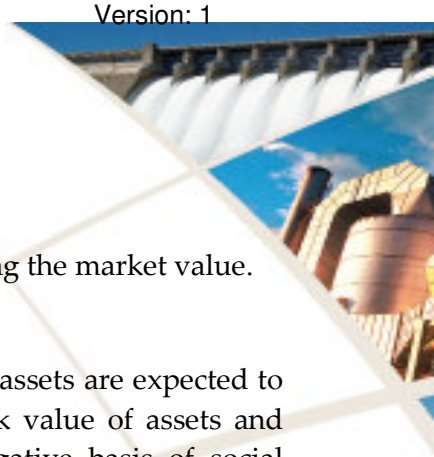
They are held to comply with legal and contractual requirements and, therefore, classified as held to maturity. They are measured at cost plus interest and monetary restatement, adjusted by impairment, if applicable.

a.4) Impairment assessment of financial assets

Financial assets are assessed for impairment at the end of every year. Assets are deemed to be impaired when there is evidence that one or more events occurred after the initial recognition of the financial asset causing negative effects on the estimated future cash flow of the investment.

b) Non-current assets for sale

Non-current assets for sale are measured by the difference between their book value and fair value, excluding the selling expenses.



c) Inventories

They are recorded at the weighted average cost of acquisition not exceeding the market value.

d) Deferred income tax and social contribution

They are calculated by applying the effective rates in the years when the assets are expected to be realized, on the temporary differences (differences between the book value of assets and liabilities and their tax basis), the tax loss carryforwards and the negative basis of social contribution. They are recognized when the existence of future taxable income is probable, against which the deductible temporary difference may be used and the tax loss carryforwards may be offset. Deferred tax assets are fully recorded in non-current assets regardless of the expectation of realization of the amounts that originate them.

e) Investments in subsidiaries and jointly-owned subsidiaries (joint ventures)

Permanent investments in subsidiaries and joint ventures are measured by the equity method by the parent company and are stated in consolidated form in the consolidated quarterly information.

The Company fully consolidated the quarterly information of Tractebel Energia and its subsidiaries. Control is characterized when a Company holds directly or indirectly most of the voting rights or has the power to determine the financial and operating policies in order to benefit from its activities.

The Company holds a 99.99% stake in the capital of its subsidiaries. Accordingly, minority shareholders hold no interest in the shareholders' equity and income of its subsidiaries.

Joint ventures are entities in which the control is exercised by the Company together with one or more partners and the decisions on strategic financial and operating policies require the approval of all parties sharing the control.

Investments in joint ventures are recognized by the equity method from the date the joint control is acquired or established. The Group records its interest in joint ventures in its consolidated accounting statements using the proportionate consolidation method.

In the parent company information, the goodwill/rights of concession paid in the acquisition of the subsidiaries are recorded in investment.

In the consolidated information, the Company opted for the early adoption of the rules set forth by IFRS 3 (Business Combination), consistent with CPC 15, in the business combinations included within the scope of this pronouncement, made as from January 1, 2008. According to these pronouncements, assets, liabilities and contingent liabilities of a subsidiary are measured at the respective fair value on the acquisition date. If the acquisition cost is higher than the fair value of the purchased identified net assets, the excess amount is recorded as goodwill. If the acquisition cost is lower than the fair value of the net assets identified, the difference verified is recorded as a gain in the statement of income. The acquisitions made by the Company after January 1, 2008 did not result in recording of goodwill in accordance with the aforementioned criteria.

f) Property, plant and equipment

Property, plant and equipment are recorded at the acquisition or construction cost. The assets or group of assets whose book value was substantially different from their fair value on the date of adoption of the new accounting practices started to have their fair value as deemed cost. The assets are deducted from the accumulated depreciation and impairment losses, if applicable. The depreciation is calculated by the straight-line method at the annual rates established by ANEEL, which are used by the industry and accepted by the market as appropriate, limited to the Plants' period of concession, when applicable, based on the book balances recorded in the Registration Units (UC) that comprise the enterprises. The average annual depreciation rates are stated in Note 16. Interest and other financial charges plus the inflation effects resulting from the financing obtained from third parties effectively applied in the property, plant and equipment in progress are recorded as cost of the respective asset. In the consolidated information, as mentioned in the item Investment above, due to the application of IFRS 3 (Business Combination), the adjustments to fair value recognized in the acquisition balance sheets, concerning the concessions and authorizations for use of the public asset, are recorded in compliance with the instructions set forth in the Manual for Application of IFRS 3 and CPC 15. These pronouncements allow the recognition of the concession fair value and of the generator unit fair value as a single asset, when these assets cannot be sold or transferred separately. The Company chose to recognize the fair value of these concessions as a single asset in property, plant and equipment, the amortization of which is being made in accordance with the concession or authorization agreements.

g) Intangible assets

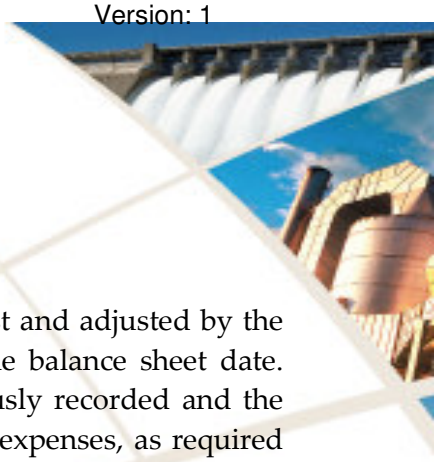
Intangible assets with a finite useful life are recorded at acquisition cost, net of accumulated amortization ascertained by the straight-line method. Those with an indefinite useful life, if applicable, are booked at cost and are not amortized. They are tested for impairment on a yearly basis or whenever there is indication that the intangible asset might have lost value.

h) Impairment test of property, plant and equipment and intangible assets

The Company periodically evaluates property, plant and equipment items and intangible assets as an attempt to identify evidence of impairment losses in these cash generating units or intangible assets, or when events or significant changes indicate the book value might not be recoverable. If the book value exceeds the recoverable value, this loss is recognized in the income for the period. The Company believes there is no indication that book values of its cash generating units or intangible assets will not be recovered with future operations.

i) Financial liabilities and equity instruments

Debt and equity instruments are classified as financial liabilities or equity according to the nature set forth in the agreement and the definitions of financial liabilities and equity instruments.



i.1) Financial liabilities

- Loans, financing and debentures

These are financial instruments held to maturity, stated at amortized cost and adjusted by the exchange rates or contractual indexes and by interest incurred until the balance sheet date. Funding costs were initially recorded as reduction in fair value previously recorded and the effective interest rate adjusted for purposes of appropriation of interest expenses, as required by CPC 20 – Borrowing Costs and by CPC 08 – Transaction Costs and Premiums from the Issue of Securities. (see Notes 19 and 20). The Company does not have derivative instruments.

- Concession fees payable

Concession fees payable are financial instruments held to maturity, recorded at amortized cost and restated by interest rates or by the indexes set forth in the agreement until the date of the balance sheet.

i.2) Equity instruments

An equity instrument is an agreement that evidences a residual interest in the assets of a company after all of its liabilities are deducted. Equity instruments issued by the Company are recognized when funds are received, net of the direct issuance costs.

j) Provisions for tax, civil and labor risks

These are recorded through the evaluation and quantification of the risks, whose likelihood of loss is deemed probable. Said reserves are adjusted by the indexes or rates established by tax authorities, and legal counsel fees related to such reserves are recorded.

k) Post-employment benefits

The present value of the actuarial liabilities with pension plans is provisioned based on an actuarial assessment annually prepared by independent actuaries, using the Projected Credit Unit Method, net of the plan's guarantor assets (see Note 25). Accumulated actuarial gains and losses, assessed every year, within the limit of 10% of the present value of the defined-benefit obligation ("corridor") are not recognized in the Company's liabilities and income. Gains and losses exceeding the corridor limit are recognized in income during the average remaining life of the plan's beneficiaries. In the Projected Credit Unit Method each service period is considered a taxable event of an additional benefit unit, which is accumulated to calculate the final liability.

l) Other current and non-current assets and liabilities

Other assets are not recorded at acquisition cost, less impairment, when applicable. Other liabilities are recorded at known or determinable amounts plus, when applicable, the corresponding charges and monetary variations incurred.

m) Adjustment to present value

Assets and liabilities from long- or short-term operations, in the event of material effects, are adjusted to present value based on market discount rates on the transaction date.

n) Related party transactions

Intercompany loan agreements are restated by the charges contracted and the transactions to purchase and sell power and services are carried out in conditions and terms agreed upon between the parties and recorded pursuant to the terms contracted.

o) Recognition of income related to the sale of power and services

Income is measured at the fair value of the received or receivable amount, minus taxes and eventual discounts. Income from the sale of power and services is recognized when the economic benefits of the transactions will probably flow to the Company; income can be measured with reliability; the risks and benefits related to the sale were transferred to the buyer; transaction costs incurred or to be incurred can be measured with reliability; and the Company does not hold interest in and responsibility over the power sold.

p) Leasing agreements

Leasing agreements are classified as financial leasing when the terms of the leasing substantially transfer the risks and benefits of the ownership to the lessee. The Company does not hold financial leasing operations. The other leasing agreements are operating leasing, where the amounts contracted are recognized in the Company's income during the term of the contract.

q) Payment of dividends and interest on equity – these are recognized upon payment and credited (interest on equity) or approved by the Annual Shareholders' Meeting. The Company's Bylaws sets forth the payment of a minimum of 30% of Tractebel Energia's annual net income. Therefore, at the end of the year, when applicable, a provision for the payment of minimum dividends is recorded, even if the dividend has not been paid or credited during the year. The Company discloses the dividends received from subsidiaries in investing activities, in the Statement of Cash Flow.

r) Use of estimates

In the preparation of the quarterly information it is necessary that the Company's management rely on estimates when recording certain transactions that affect its assets, liabilities, income and expenses, as well as the disclosure of information in its quarterly information. The Management used the best information available on the preparation date of the financial statements to make the estimates, as well as the experience gained from past and/or current events and also considering assumptions regarding future events. Therefore, the quarterly information includes estimates on the useful life of property, plant and equipment, which are defined by Aneel, on asset impairment tests, on the recording of provisions for doubtful accounts, provisions required to cover possible tax, civil and labor losses, assumptions used to establish discount rates, return on assets and mortality rates for the calculation of post-employment benefits and the determination of the fair value of financial instruments and estimates used in the sensitivity analysis, presented in Note 31.

s) Main judgments and source of uncertainties in the estimates

Critical accounting practices are important to show the Company's financial condition and the results and require more difficult judgments by the Management, which are subjective or complex, usually as the result of the need to make estimates that affect issues that are inherently uncertain. As the number of variables and assumptions that affect the possible future solution of these uncertainties increase, judgments become even more subjective and complex. In the preparation of the quarterly information, the Company adopted certain assumptions that arise from historical experiences and other factors deemed as reasonable and relevant. Even though these estimates and assumptions are revised by the Company in the normal course of its activities, the statement of its financial condition and of the results of operations usually require

the use of judgments as to the effects of issues that are inherently uncertain on the book value of its assets and liabilities. Real results may differ from those estimated using different variables, assumptions or conditions. In order to allow for the understanding on how the Company makes judgments on future events, including variables and assumptions used in the estimates, we included comments on each critical accounting practice described hereinafter:

s.1) Deferred income tax and social contribution

Deferred income tax and social contribution are generated by temporary differences between the book value of assets and liabilities and their respective tax values and the tax loss carryforwards and negative basis of social contribution. Deferred income tax assets are revised at the end of each year to assess if they will be realized through future taxable income, based on taxable income projections and on technical feasibility studies, submitted annually to the Company's Management. Deferred tax assets and liabilities are calculated using tax rates applicable to the taxable income in the years in which the temporary differences should be realized. Future taxable income can be higher or lower than the estimates used to establish the need to record the tax assets and the amount recorded.

s.2) Post-employment benefits

The Company recognizes its obligation to provide its employees with benefit plans and its related costs, net of the plan's assets, adopting the following practices: (i) the cost of obligations with post-employment benefits is determined on an actuarial basis using the projected credit unit method. The discount rate used to calculate the future benefit liability is an estimate of the interest rate on the balance sheet date, on high-quality equity investments, whose maturities are the same as the maturities of the liabilities; and (ii) the private pension plan assets are measured at market value.

Actuaries use subjective factors such as mortality rates, salary growth forecast, severance and turnover expectations in the actuarial calculations.

Actuarial assumptions used by the Company can be materially different from actual results due to changes in economic and market conditions, regulatory events, court decisions, shorter or longer life period of participants. However, the Company and its actuaries used assumptions in line with internal and external analysis to establish the estimates used.

s.3) Useful life of property, plant and equipment

The Company recognizes the depreciation of its property, plant and equipment based on the annual rates set forth by Aneel, which are used by the industry and accepted by the market as adequate, limited to the term of the concession of the Plants, when applicable. However, the actual useful lives may vary based on the technological upgrades of each unit. The useful life of property, plant and equipment also affect impairment tests of assets with long useful lives, when necessary.

s.4) Impairment test of long-term assets

Impairment tests of long term assets have special rules, especially for property, plant and equipment. On the year's closing date the Company carries out an impairment test on long term assets. If there is indication of impairment, the recoverable amount of assets is estimated by the Company.

The recoverable value of an asset is determined by the higher amount between: (i) its fair value less the estimated sale cost and (ii) its value in use. The value in use is measured based on the discounted cash flows from the continuous use of an asset until the end of its useful life.

When the book value of an asset exceeds the recoverable value, the Company recognizes the reduction in the book balance of said assets, when applicable.

The process of reviewing the recoverability of an asset is subjective and requires significant judgments through the use of analysis. On December 31, 2010, based on its analysis, the Company did not identify the need to record any provision for the impairment of long term assets.

r.5) Provisions for tax, civil and labor risks

This provision is based on the evaluation and qualification of risks whose probability of loss is deemed probable. This evaluation is grounded on the management judgment and the opinion of legal advisors, considering precedents, lower and higher court decisions, history of possible agreements and decisions, management's and legal advisors' experience, as well as other applicable aspects.

4 - CASH AND CASH EQUIVALENTS

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Cash and bank deposits in cash	**6,195**	**1,710**	**14,638**	**8,882**
Citibank - Exclusive Investment Fund				
Repurchase agreements with Federal Government Securities[3]				
National Treasury Notes (NTN – B)	256,059	741,573	324,698	934,407
National Treasury Notes (NTN – F)	601,314	-	762,500	-
National Treasury Bill (LTN)	59,222	50,812	75,097	64,025
	916,595	**792,385**	**1,162,295**	**998,432**
Financial Institutions[4]				
Bank Certificates of Deposit (CDB)	40,064	2,022	82,299	48,106
Repurchase agreements with debentures	-	-	31,733	27,160
	40,064	**2,022**	**114,032**	**75,266**
Total cash and cash equivalents	**956,659**	**794,407**	**1,276,327**	**1,073,698**
	962,854	**796,117**	**1,290,965**	**1,082,580**

The Company structured its financial investments to concentrate its funds in an exclusive equity investment fund, the shares of which can be redeemed at any time without impairing its yield.

Said fund had an average yield of 100.2% of CDI (reference rate of interbank deposits) in the first quarter of 2011.

[3]Sale of securities with repurchase agreements assumed by the seller, concurrently with the resale commitment assumed by the buyer. These operations have immediate liquidity, pay interest at a fixed rate and are guaranteed by federal government securities.
[4]Banco Safra, Banco Itaú Unibanco Holding S.A. (Itaú), Banco do Brasil (BB) and Banco Votorantim.

Exclusive funds do not entail significant financial obligations, which are limited to asset management, investment transaction and audit fees, in addition to general and administrative expenses.

Cash equivalents are maintained with the purpose of facing short-term cash commitments and are composed of cash balance, bank deposits in cash and financial investments with immediate liquidity in an amount subject to an irrelevant risk of change.

5 - TRADE ACCOUNTS RECEIVABLE

	Company (BRGAAP)				
	3.31.2011				12.31.2010
		Past-due			
	Current	Up to 90 days	Over 90 days	Total	Total
Concessionaries	216,357	-	25	216.382	216.600
Sellers	113,044	78,518	6,043	197,605	125,682
Free Consumers	28,053	-	-	28,053	24,685
Exports	1,066	-	740	1,806	740
Transactions via CCEE [5]					
- Current	1,787	964	538	3,289	77,402
- Agents with lawsuits or in default	110,498	-	12,076	122,574	122,574
- Special Tariff Recovery (RTE)	-	-	1,056	1,056	1,056
	470,805	**79,482**	**20,478**	**570,765**	**568,739**
(-) Allowance for doubtful accounts	(110,498)	-	(18,119)	(128,617)	(122,574)
	360,307	**79,482**	**2,359**	**442,148**	**446,165**

	Consolidated (BRGAAP and IFRS)				
	3.31.2011				12.31.2010
		Past-due			
	Current	Up to 90 days	Over 90 days	Total	Total
Concessionaries	294,021	621	25	294,667	271,921
Sellers	43,718	-	6,180	49,898	56,524
Free Consumers	161,281	1,349	-	162,630	121,788
Exports	1,066	-	740	1,806	740
Transactions via CCEE					
- Current	3,356	1,687	544	5,587	79,077
- Agents with lawsuits or in default	110,498	-	12,076	122,574	122,574
- Special Tariff Recovery (RTE)	-	-	1,056	1,056	1,056
	613,940	**3,657**	**20,621**	**638,218**	**653,680**
(-) Allowance for doubtful accounts	(110,498)	-	(18,256)	(128,754)	(122,574)
	503,442	**3,657**	**2,365**	**509,464**	**531,106**

The average term for receiving amounts related to power sale invoices is 25 days as from the billing date.

[5] Electric Power Trade Chamber (CCEE)

In the first quarter of 2011, the Company constited a provision for doubtful accounts in the amount of R$6,043 in the parent company and R$6,180 in the consolidated statements due to the exclusion of Power Commercialization Chamber (CCEE) for long-term default.

Agents with lawsuits or in default

The allowance for doubtful accounts related to outstanding amounts, in the amount of R$110,498 identified as "Agents with lawsuits or in default", was recognized due to the uncertainties as to the realization of receivables arising from transactions made on the Wholesale Energy Market (MAE), currently the CCEE in the period from September of 2000 to September of 2002, whose debtor agents filed lawsuits because they disagreed with the interpretation adopted by MAE related to the Overall Agreement for the Power Sector.

Amounts past-due for more than 90 days, corresponding to R$12,076, refer substantially to debts of agents in default during the 1st settlement of the MAE, on December 30, 2002, related to transactions made within MAE. Such amounts are under bilateral negotiations. However, due to uncertainties as to receipt of said credits, the Company maintains an allowance for doubtful accounts, regardless of the actions applicable to the case.

6 - NON-CURRENT ASSETS FOR SALE

In November of 2010, the Company entered into a purchase agreement to sell 100% of its interest in the capital stock of Seival Participações S.A., Special Purpose Entity holder of 99.99% of the capital stock of Usina Termelétrica Seival Ltda. This company holds the rights, including Aneel authorizations and installation licenses, to implement and explore a coal-fired thermoelectric plant in Candiota, Rio Grande do Sul State, with an installed capacity of up to 540 MW. Until the date of the sale, the company did not execute any operating activity.

The selling price was R$37,888, of which R$24,218 was paid in advance and R$13,670 will be paid after the precedent conditions set forth in the agreement are fulfilled, including the prior consent by Aneel and the effective transfer of shares. The sale will result in a R$14,831 capital gain that shall be recorded in the income once the abovementioned conditions are met.

Aneel agreed to the transfer of control on March 28, 2011, granting 90 days for the Company to finalize transferring the shares as from the day of the publication of Aneel's decision

The Company continues to develop other coal-fired thermoelectric projects in the Candiota region, according to its growth strategy in the Brazilian power sector.

7 - TAXES RECOVERABLE

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Current				
ICMS (state VAT)[6]	5,785	4,178	6,635	4,855
Income Tax	4,960	4,719	15,818	14,895
Social Contribution tax	1,256	1,042	4,622	4,184
Cofins (tax on revenue)[7]	41,816	42,122	60,225	54,687
PIS (tax on revenue)[8]	9,478	9,518	13,405	12,135
INSS (social security contribution)[9]	978	1,054	978	1,062
	64,273	**62,633**	**101,683**	**91,818**
Non-current				
ICMS (state VAT)	11,178	11,178	16,137	16,090
Cofins (tax on revenue)	10,575	11,147	166,770	164,293
PIS (tax on revenue)	2,296	2,448	36,275	35,797
INSS (social security contribution)	3,700	3,700	3,706	3,700
	27,749	**28,473**	**222,888**	**219,880**

PIS/Cofins recoverable amounts mainly refer to the option for using the right to credits on building construction and purchases, acquisition of machines and equipment, pursuant to specific laws, credits which are being offset in 24 and 48 months, respectively, from the beginning of commercial operation of the Plants.

8 - INVENTORIES

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Raw materials and inputs for energy production	13,424	11,161	14,724	12,346
Supplies	27,220	23,137	28,341	24,093
Advances to suppliers	4,081	6,205	4,081	6,205
Other	4,046	2,538	4,549	3,388
	48,771	**43,041**	**51,695**	**46,032**

[6]São Paulo State VAT (ICMS)
[7]Contribution for Social Security Financing (Cofins)
[8]Social Integration Program (PIS)
[9]Brazilian Social Security Institute (INSS)

9 - COLLATERAL AND RESTRICTED DEPOSITS

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Current				
Reserve account - CCEE transactions				
CDB	-	-	83	81
Repurchase agreements with debentures	-	21,793	775	33,600
Investment funds	27,068	47,872	27,068	47,872
	27,068	**69,665**	**27,926**	**81,553**
Non-current				
Reserve account - debt service				
CDB	-	-	7,384	7,196
Repurchase agreements with debentures	-	-	-	1,965
Investment funds	-	-	44,370	42,083
	-	**-**	**51,754**	**51,244**

Reserve account - CCEE transactions: Its purpose is to ensure the financial settlement of power purchase and sale in the context of CCEE, in conformity with that market's rules.

Reserve account - debt service: Pursuant to the requirements of agreements with funding agents, the Brazilian Development Bank (BNDES), the Brazilian BRDE development bank (Banco Regional de Desenvolvimento do Extremo Sul), Banco do Brasil, and the Brazilian Savings Bank (CEF), the Company's subsidiaries keep restricted financial resources allocated to guarantee the payment of debt service.

The financial instruments related to the reserve accounts are exclusively contracted to comply with legal requirements and those set forth in agreements, and, therefore, are classified as held to maturity and, consequently, are assessed at cost plus yield. The average yield of the collateral and restricted deposits in the first quarter of 2011 was 100% of CDI (100% of the CDI on March 31, 2010).

10 - ASSET SALES

Corresponds to the book balance receivable from Elétrica Jacuí S.A. (Eleja) related to the sale of the Jacuí thermoelectric project, net of present value adjustment of R$13,875.

The terms of the agreement set forth that the sale amounts must be adjusted based on the IGP-DI (general price index – domestic supply). As contractual amounts are at future prices, the Company discounted the price to present value based on the discount rate of 10% p.a., a rate that meets the market requirements at the transaction date.

Beginning in February of 2009, Eleja failed to pay the due monthly installments, whose total historical amount on March 31, 2011 was R$60,019 (R$50,862 on December 31, 2010). In July 2009, after many unsuccessful attempts to induce Eleja to resume payments due, the Company concluded that it had no other option than to file for foreclosure of such contract.

The foreclosure is conducted in an amount equivalent to the total debt, since Eleja's delinquency anticipated the maturity of all existing debt and is automatically considered overdue and payable.

The Company understands that the balance reflects the best estimate of the fair value of this asset on those dates. On March 31, 2011, the nominal value of the debt, restated by the IGP-DI, was R$114,372 (R$106,228 on March 31, 2010).

In the event that Eleja's default persists, the foreclosure allows seizure of assets used as collateral in order to pay the Company's credits. Currently, these assets have already been pledged to have a market value that is enough to recover the recorded credit, and that is why the Company's Management did not deem it necessary to record any provision for losses.

The foreclosure filed against Eleja has been in progress in the court of Florianópolis (Santa Catarina State), and the seizure of assets used as collateral at the registry of deeds and documents of Charqueadas (Rio Grande do Sul State) was granted.

In May of 2010, Eleja as execution debtor was summoned, but it did not reply. Therefore, the next procedures will be the appointment of a curator and the conversion of seizure into levy of execution and, subsequently, the asset valuation by a qualified professional so that levied assets can be sold.

In March of 2011, the seizure of assets given as guarantee was converted into a lien and the Company expects the procedures to occur normally.

11 - JUDICIAL DEPOSITS

a) Breakdown:

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Tax	86,881	84,720	87,239	85,075
Civil	41,986	40,996	43,247	42,485
Labor	5,706	5,599	6,051	5,904
	134,573	**131,315**	**136,537**	**133,464**

Refers to amounts from existing legal and administrative proceedings. From the amount deposited on March 31, 2011, in the parent company and consolidated information, R$70,237 (R$68.568 on March 31, 2010) is directly related to provisions for tax, civil and labor risks, as their likehood of loss is probable, as described in Note 23.

b) Changes:

	Company (BRGAAP)				Consolidated (BRGAAP and IFRS)			
	Tax	Civil	Labor	Total	Tax	Civil	Labor	Total
Balance as of 12.31.2010	**84,720**	**40,996**	**5,599**	**131,315**	**85,075**	**42,485**	**5,904**	**133,464**
Additions	-	8,985	30	9,015	-	8,991	70	9,061
Transfers	-	-	-		-	(108)	-	(108)
Adjustments	2,161	864	77	3,102	2,164	864	77	3,105
Write-offs and redemptions	-	(8,859)	-	(8,859)	-	(8,985)	-	(8,985)
Balance as of 3.31.2011	**86,881**	**41,986**	**5,706**	**134,573**	**87,239**	**43,247**	**6,051**	**136,537**

12 - CREDITS WITH SUBSIDIARIES

	Company (BRGAAP)	
	3.31.2011	12.31.2010
Ibitiúva Bioenergética S.A.	6,424	6,260
Companhia Energética Estreito	-	505
	6,424	**6,765**

The intercompany loan agreement with indirect subsidiary Ibitiúva Bioenergética S.A. was executed for the works of the power plant while the funds from BNDES had not been released. The amounts are received as the BNDES releases the funds from the financing. The remuneration of the agreement corresponds to 100% of the Selic rate.

13 - DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION - ASSET

	Company (BRGAAP)				
	3.31.2011				12.31.2010
Type of credit	Tax basis	Income tax	Social Contrib.	Total	Total
Interest on property, plant and equipment in progress (RIC)	160,009	40,002	-	40,002	41,098
Post-employment benefits	280,533	70,133	25,248	95,381	102,910
Allowance for doubtful accounts	128,616	32,154	11,575	43,729	41,675
Provisions for tax, civil and labor risks	155,637	31,052	14,007	45,059	43,280
Accelerated depreciation	14,332	3,583	1,290	4,873	5,157
Adjustment to present value of receivables	13,875	3,469	1,249	4,718	4,718
Incorporated goodwill	50,761	12,689	4,568	17,257	17,650
Other	96,344	22,912	8,671	31,583	31,925
		215,994	**66,608**	**282,602**	**288,413**

	Consolidated (BRGAAP and IFRS)				
	3.31.2011				12.31.2010
Type of credit	Tax basis	Income Tax	Social Contrib.	Total	Total
Interest on property, plant and equipment in progress (RIC)	160,009	40,002	-	40,002	41,098
Post-employment benefits	280,533	70,133	25,248	95,381	102,910
Allowance for doubtful accounts	128,753	32,187	11,588	43,775	41,675
Provisions for tax, civil and labor risks	156,671	31,311	14,100	45,411	43,596
Accelerated depreciation	14,332	3,583	1,290	4,873	5,157
Adjustment to present value of receivables	13,875	3,469	1,249	4,718	4,718
Adjustment to fair value of property, plant and equipment	51,512	12,879	4,636	17,515	17,745
Incorporated goodwill	50,761	12,689	4,568	17,257	17,650
Tax loss carryforwards and negative basis of social contribution	68,024	17,006	6,123	23,129	20,499
Other	101,538	24,209	9,138	33,347	33,192
		247,468	**77,940**	**325,408**	**328,240**

Deferred income tax and social contribution arising from temporary differences will be realized upon the payment of provisions made or, where applicable, upon realization of provisioned losses. Income tax and social contribution loss carryforwards will be realized through the generation of future taxable income of the subsidiary that extraordinarily recorded losses.

The estimated realization of deferred income tax and social contribution and their recovery are estimated as per the table below:

	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
April 2011 to December 2011	32,891	33,888
2012	24,306	25,593
2013	27,756	29,118
2014	27,671	29,016
2015	17,583	20,612
2016 to 2017	85,033	92,228
2018 to 2019	29,262	40,310
2020 onwards	38,100	54,643
	282,602	**325,408**

14 - TAX RECONCILIATION

	Company (BRGAAP)			
	3.31.2011		3.31.2010	
	Income Tax	Social Contrib.	Income Tax	Social Contrib.
Income before taxes	**448,750**	**448,750**	**380,848**	**380,848**
Permanent Differences				
Goodwill amortization/ Concession rights	317	317	889	889
Management bonuses and 13th salary	1,121	-	823	-
Donations	752	752	1,060	1,060
Equity Pick-up	(30,343)	(30,343)	14,836	14,836
Other	2,368	1,409	(2,388)	154
Tax Basis	**422,965**	**420,885**	**396,068**	**397,787**
Tax rates	25%	9%	25%	9%
Income Tax and Social Contribution	**(105,741)**	**(37,880)**	**(99,017)**	**(35,801)**
Income tax and social contribution of previous periods	-	-	(844)	468
Tax Incentives	1,411	-	1,060	-
Other	257	157	6	-
Income Tax and Social Contribution	**(104,073)**	**(37,723)**	**(98,795)**	**(35,333)**
Breakdown of taxes in the statement of income:				
Current	(105,014)	(38,611)	(99,908)	(35,800)
Deferred	941	888	1,113	467
	(104,073)	**(37,723)**	**(98,795)**	**(35,333)**

	Consolidated (BRGAAP and IFRS)			
	3.31.2011		3.31.2010	
	Income Tax	Social Contrib.	Income Tax	Social Contrib.
Income before taxes	**465,449**	**465,449**	**374,070**	**374,070**
Permanent Differences				
Goodwill amortization/ Concession rights	3,014	3,014	7,523	7,523
Management bonuses and 13th salary	1,121	-	860	-
Donations	752	752	1,060	1,060
Differences in calculation basis for taxed subsidiaries based on presumed profit	(4,493)	2,806	(4,839)	(4,030)
Other	3,196	2,238	(6,156)	(3,630)
Tax Basis	**469,039**	**474,259**	**372,518**	**374,993**
Tax rates	25%	9%	25%	9%
Income Tax and Social Contribution	**(117,260)**	**(42,683)**	**(93,130)**	**(33,749)**
Income tax and social contribution of previous periods	(13)	(5)	(2,532)	(139)
Tax Incentives	1,411	-	1,802	-
Other	3	52	(42)	440
Income Tax and Social Contribution	**(115,859)**	**(42,636)**	**(93,902)**	**(33,448)**
Breakdown of taxes in the statement of income:				
Current	(118,944)	(43,721)	(102,731)	(37,165)
Deferred	3,085	1,085	8,829	3,717
	(115,859)	**(42,636)**	**(93,902)**	**(33,448)**

The Ponte de Pedra project is partly exempt from income tax for the period of 10 years as from 2006, as it is located in an incentive area of the Amazon Development Superintendence (Sudam).

15 - INVESTMENTS

a) Breakdown

	Company (BRGAAP)	
	3.31.2011	12.31.2010
Investments in subsidiaries:		
Booked as per the equity method		
Equity pick-up	2,194,131	2,162,946
Goodwill / Concession rights	119,500	119,817
	2,313,631	**2,282,763**

b) Assessed by the equity method

Companies	3.31.2011		12.31.2010	
	Lot of 1,000 shares or quotas	Interest (%)	Lot of 1,000 shares or quotas	Interest (%)
Itá Energética S.A. (Itasa)	253,607	48.75	253,607	48.75
Cia Energética São Salvador (CESS)	360,789	99.99	360,789	99.99
Lages Bioenergética Ltda. (Lages)	30,530	99.99	30,530	99.99
Tractebel Energia Comercializadora Ltda. (TBLC)	4,200	99.99	4,200	99.99
Tractebel Energias Complementares Participações Ltda. (TBLP)	532,455	99.99	532,455	99.99
Companhia Energética Estreito (CEE)	871,003	99.99	871,003	99.99

b.1) Financial information of subsidiaries

	Itasa	CESS	Lages	TBLC	EAS	TBLP	CEE
3.31.2010							
Net revenue	55,093	17,879	8,526	222,197	34,589	16,901	-
Net Income (losses)	11,741	(21,176)	2,148	(5,914)	2,631	1,751	-
12.31.2010							
Total assets	852,035	1,385,165	84,226	259,985	-	934,031	2,336,439
Shareholders' Equity	598,445	351,733	71,193	65,431	-	514,067	868,509
3.31.2011							
Total assets	858,278	1,378,993	84,014	364,039	-	928,476	2,410,923
Shareholders' Equity	611,007	349,542	71,352	94,807	-	512,749	867,544
Net revenue	58,371	49,361	8,975	369,879	-	24,261	-
Net Income (losses)	13,432	(2,191)	159	29,376	-	(2,584)	(965)

b.2) Changes in investments

In 2011:

Subsidiaries	Balances as of 12.31.2010	AFAC [10]	Equity Pick-up	Dividends	Reclassification	Balances as of 3.31.2011
Itasa	291,743	-	6,548	(424)	-	297,867
CESS	351,733	-	(2,191)	-	-	349,542
Lages	71,193	-	159	-	-	71,352
TBLC	65,431	-	29,376	-	-	94,807
TBLP	514,067	1,563	(2,584)	-	(297)	512,749
CEE	868,509	-	(965)	-	-	867,544
Other	270	-	-	-	-	270
	2,162,946	**1,563**	**30,343**	**(424)**	**(297)**	**2,194,131**

c) Goodwill / Concession rights – Company

Subsidiaries	CESS	CEE	Total
Balance as of 12.31.2010	**33,369**	**86,448**	**119,817**
Amortization	(317)	-	(317)
Balance as of 3.31.2011	**33,052**	**86,448**	**119,500**

[10] Prepayment for Future Increased Capital

Goodwill paid in the acquisition of subsidiaries is based on the present value of cash flow projections obtained from financial and economic appraisals and arise from the concession or authorization by Aneel granting the right to use a public asset for energy generation.

The goodwill from the acquisition of CESS is being amortized during the term of the concession agreement, as economic benefits from investment acquisition will arise throughout the concession agreement's term; in addition the useful life of these assets is limited to the term of this agreement.

d) Information on Company's subsidiaries

d.1) Itasa - jointly-owned subsidiary

Itasa has as business purpose the exploitation of Itá Hydroelectric Power Plant, in a joint venture by means of a consortium, upon concession granted by the Federal Government through Aneel, with a 35-year term of effectiveness, as from December 28, 1995. The plant is located on the Uruguay River, on the border of Santa Catarina and Rio Grande do Sul states and has an installed capacity of 1,450 MW and average assured energy of 720 MW. Under the Consortium Agreement, Itasa is entitled to 60.5% of the 668 average MW. The project's other 72 MW of assured energy are directly held by Tractebel Energia.

Shares representing Itasa's capital stock are held by Tractebel Energia, Companhia Siderúrgica Nacional (CSN) and Companhia de Cimento Itambé, equal to 48.75%, 48.75% and 2.50%, respectively.

d.2) CESS

CESS holds the concession of the São Salvador Hydropower Plant, located in the Tocantins River, in São Salvador do Tocantins and Paranã, Tocantins State, with minimum installed capacity of 243.2 MW, and 148.5 average MW of assured energy. The concession duration is 35 years as of April 23, 2002, the signature date of the Concession Agreement.

In October 2006, at the 3rd Auction of New Energy, CESS sold, for a period of 30 years starting in January of 2011, 148 average MW in contracts with energy distribution companies taking part in the Regulated Contracting Environment.

The first generating unit started its commercial operation on August of 2009, and the second unit, at the end of November of 2009.

d.3) Lages

Lages holds the authorization of Aneel to, through the Lages thermoelectric generation unit, located in Lages, Santa Catarina State, operate as an independent energy generator using a 28 MW steam turbo generator, which consumes wood waste as fuel. The authorization to build and operate the project is effective for 30 years, starting on October 30, 2002.

In 2006, the Cogeneration Plant was registered with the Executive Committee of the United Nations Clean Development Mechanism (CDM) for using wood waste to trade carbon credits.

d.4) Tractebel Energia Comercializadora (TBLC)

The company's corporate purpose is the sale of power on the spot market, including the purchase, sale, import and export of power, as well as intermediation of any of these operations and entering into business transactions arising from these activities.

d.5) Energia América do Sul Ltda. (EAS)

EAS was incorporated by Tractebel Energia on December 30, 2010 after the approval of the Company's Extraordinary General Meeting.

d.6) Tractebel Energia Complementares Participações (TBLP)

The corporate purpose of TBLP is to hold interest in other companies' capital, and to carry out the alternative energy projects developed by its parent company Tractebel Energia. The company has the following investments at book value:

	Tupan [11]	Hidropower [12]	Beberibe[13]	Pedra do Sal[14]	Areia Branca[15]	Ibitiúva[16]	EBSC[17]	Other
3.31.2010								
Net revenue	4,990	3,572	4,458	3,129	776	-	138	-
Net Income (losses)	2,220	1,974	649	(537)	(249)	212	98	8
12.31.2010								
Total assets	94,798	71,798	155,780	101,774	149,133	121,744	66	186
Shareholders' Equity	34,379	38,323	53,564	30,601	74,701	42,058	66	182
3.31.2011								
Total assets	93,707	70,967	154,841	101,125	147,873	123,340	66	509
Shareholders' Equity	36,406	40,518	53,637	30,731	74,956	38,720	66	508
Net revenue	4,227	3,302	4,779	3,443	3,413	5,097	-	-
Net Income (losses)	2,027	2,196	73	130	(855)	(2,598)	-	(102)

Goodwill (Right to use public assets) – Company

Subsidiaries	Tupan	Hidropower	Beberibe	Pedra do Sal	Areia Branca	Trairí Project	Total
Balances as of 12.31.2010	**83,195**	**75,803**	**46,804**	**22,652**	**7,156**	**3,133**	**238,743**
Amortization	(949)	(865)	(517)	(273)	(93)	-	(2,697)
Balances as of 3.31.2011	**82,246**	**74,938**	**46,287**	**22,379**	**7,063**	**3,133**	**236,046**

The goodwill amounts paid by TBLP in the acquisitions of the abovementioned companies were defined based on the present value of cash flow projections obtained from financial and economic appraisals and arise from the acquisitions of use rights granted by Aneel for exploitation of hydroelectric or wind power potential for power generation.

In the consolidated balance sheet theses amounts correspond to the adjustment to the fair value of authorizations granted for the exploitation of the hydroelectric potential, and were recorded as a single asset under the group of property, plant and equipment, pursuant to the Application Guide of CPC 15 – (Business Combination IFRS 3), allowing for the recognition of the fair value of the authorization and of the generation unit as single assets whenever these assets cannot be sold or transferred separately.

[11]Tupan Energia Elétrica S.A.
[12]Hidropower Energia S.A.
[13] Eólica Beberibe S.A.
[14] Eólica Pedra do Sal S.A.
[15] Hidrelétrica Areia Branca S.A.
[16]Ibitiúva Bioenergética S.A.
[17]Econergy Brasil Serviços Corporativos Ltda.

Goodwill is being amortized during the term of the authorization agreements, since economic benefits from the acquisition of investments will be recognized throughout the authorization term. In addition the useful life of these assets is limited to the term of the agreements.

The main information on the subsidiaries of TBLP is described below:

Subsidiaries	Plant	Installed Capacity	Operational launch	Location	Annual contracted power	Term
Tupan	Rondonópolis Small Hydroelectric Power Plant	26.60 MW	12.2007	Rondonópolis, Mato Grosso State	85.51 GWh	2027
Hidropower	José Gelazio da Rocha Small Hydroelectric Power Plant	23.70 MW	2.2007	Rondonópolis, Mato Grosso State	80.79 GWh	2027
Beberibe	Beberibe Wind Farm	25.60 MW	9.2008	Beberibe, Ceará State	85.07 GWh	2028
Pedra do Sal	Pedra do Sal Wind Farm	17.85 MW	12.2008	Parnaíba, Piauí State	66.29 GWh	2028
Areia Branca	Areia Branca Small Hydroelectric Power Plant	19.80 MW	3.2010	Caratinga, Minas Gerais State	90.84 GWh	2030
Ibitiúva	Ibitiúva Bionergética Thermoelectric Power Plant	33 MW	5.2010	Pitangueiras, São Paulo State	175.20 GWh	2025

Companies Tupan, Hidropower, Beberibe, Pedra do Sal and Areia Branca have their power contracted by Centrais Elétricas Brasileiras S.A. (Eletrobras) through Proinfa (Program of Alternate Electrical Power Sources Encouragement). This contracted amount is periodically adjusted as per the power that is effectively generated by such plants.

d.6.1) Wind Power Generation Projects

In August of 2009, TBLP acquired, for R$2,998, some companies that own wind power generation projects of the so-called Trairí Project, whose installed capacity totals 121.9 MW. The Company took part in five of these projects in the reserve energy auction promoted by Aneel in December of 2009, but the power was not contracted in any of them because prices were lower than the minimum return required by the Company for wind power generation projects.

The acquired projects have wind measurements, power generation certification, preliminary environmental licenses, and leasing agreements. The basic and environmental impact projects, required for the implementation license, are currently being executed.

Goodwill paid by TBLP in the amount of R$2,971 is based on acquired rights and will be amortized within the duration of the authorizations, following the beginning of the commercial operation of the companies.

In March of 2011, Tractebel's Board of Directors approved the implementation of 5 (five) wind farms for sale of power in the free market, totaling 145.4 MW of installed capacity, with a total investment estimated at R$625,600 in the following subsidiaries: Central Eólica Mundaú Ltda., Central Eólica Fleixeiras I Ltda., Central Eólica Guajirú Ltda., and Eólica Porto das Barcas S.A., all with 30 MW of installed capacity and Central Eólica Trairí Ltda., with 25.4 MW of installed capacity. The conclusion of the wind farms is expected for October of 2012.

Tractebel Energia
GDF SUEZ

d.6.2) Econergy Brasil Serviços Corporativos (EBSC)

EBSC provides administrative and technological services to the companies mentioned above and was acquired in December of 2008.

16 - PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

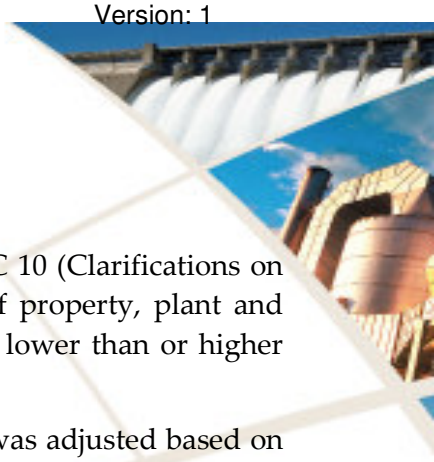
	Company (BRGAAP)				
		3.31.2011			12.31.2010
	Average depreciation rate (%)	Adjusted cost	Accumulated depreciation	Net Value	Net Value
Operating					
Reservoirs, dams and pipelines	2.74	4,413,676	(2,029,348)	2,384,328	2,422,496
Buildings and improvements	2.96	1,256,621	(673,521)	583,100	595,343
Machinery and equipment	4.02	5,437,682	(3,237,778)	2,199,904	2,227,806
Vehicles	20.00	1,645	(987)	658	714
Furniture and Fixtures	10.00	6,397	(3,765)	2,632	2,748
		11,116,021	(5,945,399)	5,170,622	5,249,107
Special obligations		(13,678)	-	(13,678)	(10,223)
		11,102,343	**(5,945,399)**	**5,156,944**	**5,238,884**
In progress					
Buildings and improvements		6,330	-	6,330	5,054
Machinery and equipment		77,903	-	77,903	67,994
Others to be apportioned		6,182	-	6,182	3,338
		90,415	**-**	**90,415**	**76,386**
		11,192,758	**(5,945,399)**	**5,247,359**	**5,315,270**

	Consolidated (BRGAAP and IFRS)				
		3.31.2011			12.31.2010
	Average depreciation rate (%)	Adjusted cost	Accumulated depreciation	Net Value	Net Value
Operating					
Reservoirs, dams and pipelines	2.87	5,348,618	(2,125,428)	3,223,190	3,268,782
Buildings and improvements	3.19	1,688,457	(717,087)	971,370	986,857
Machinery and equipment	4.03	6,837,906	(3,409,388)	3,428,518	3,470,028
Vehicles	20.00	1,967	(1,271)	696	755
Furniture and Fixtures	10.00	7,755	(4,039)	3,716	3,823
		13,884,703	(6,257,213)	7,627,490	7,730,245
Special obligations		(13,802)	-	(13,802)	(10,348)
		13,870,901	**(6,257,213)**	**7,613,688**	**7,719,897**
In progress					
Reservoirs, dams and pipelines		503,461	-	503,461	404,336
Buildings and improvements		476,051	-	476,051	475,204
Machinery and equipment		923,389	-	923,389	888,601
Advance to suppliers		65,127	-	65,127	70,626
Others to be apportioned		389,036	-	389,036	417,345
		2,357,064	**-**	**2,357,064**	**2,256,112**
		16,227,965	**(6,257,213)**	**9,970,752**	**9,976,009**

b) Changes

	Company (BRGAAP)					
	Balance as of 12.31.2010	Additions	Transfers	Depreciation	Write-offs	Balance as of 3.31.2011
Operating						
Reservoirs, dams and pipelines	2,422,496	-	(8,609)	(29,559)	-	2,384,328
Buildings and improvements	595,343	-	(3,768)	(8,475)	-	583,100
Machinery and equipment	2,227,806	-	23,216	(51,013)	(105)	2,199,904
Vehicles	714	-	(28)	(28)	-	658
Furniture and Fixtures	2,748	-	15	(131)	-	2,632
	5,249,107	**-**	**10,826**	**(89,206)**	**(105)**	**5,170,622**
Special obligations	(10,223)	(3,455)	-	-	-	(13,678)
	5,238,884	**(3,455)**	**10,826**	**(89,206)**	**(105)**	**5,156,944**
In Progress						
Buildings and improvements	5,054	1,611	(335)	-	-	6,330
Machinery and equipment	67,994	20,366	(10,457)	-	-	77,903
Others to be apportioned	3,338	2,878	(34)	-	-	6,182
	76,386	**24,855**	**(10,826)**	**-**	**-**	**90,415**
	5,315,270	**21,400**	**-**	**(89,206)**	**(105)**	**5,247,359**

	Consolidated (BRGAAP and IFRS)					
	Balance as of 12.31.2010	Additions	Transfers	Depreciation	Write-offs	Balance as of 3.31.2011
Operating						
Reservoirs, dams and pipelines	3,268,782	-	(7,948)	(37,644)	-	3,223,190
Buildings and improvements	986,857	-	(2,943)	(12,544)	-	971,370
Machinery and equipment	3,470,028	-	23,814	(65,219)	(105)	3,428,518
Vehicles	755	-	(28)	(31)	-	696
Furniture and Fixtures	3,823	-	47	(154)	-	3,716
	7,730,245	**-**	**12,942**	**(115,592)**	**(105)**	**7,627,490**
Special obligations	(10,348)	(3,454)	-	-	-	(13,802)
	7,719,897	**(3,454)**	**12,942**	**(115,592)**	**(105)**	**7,613,688**
In Progress						
Reservoirs, dams and pipelines	404,336	1,675	97,450	-	-	503,461
Buildings and improvements	475,204	-	847	-	-	476,051
Machinery and equipment	888,601	254	34,534	-	-	923,389
Advance to suppliers	70,626	1,723	(7,222)	-	-	65,127
Others to be apportioned	417,345	110,242	(138,551)	-	-	389,036
	2,256,112	**113,894**	**(12,942)**	**-**	**-**	**2,357,064**
	9,976,009	**110,440**	**-**	**(115,592)**	**(105)**	**9,970,752**



c) Adjustment to fair value of property, plant and equipment

Pursuant to CPC 27 guidance (Property, Plant and Equipment) and ICPC 10 (Clarifications on CPC27 and CPC28), the Company adopted the fair value as the cost of property, plant and equipment of the Company's plants that had a book value substantially lower than or higher than its fair value.

The consolidated balance sheet as at the first adoption (January 1, 2009) was adjusted based on the Appraisal Report revised by the Company's management and totaled R$1,243,998. The balances of property, plant and equipment on March 31, 2011 and December 31, 2010 included the adjustment to fair value, net of depreciation, of R$1,051,430 and R$1,073,015, respectively. Depreciation on the adjustment to fair value of years ended on March 31, 2010 and March 31, 2011 was R$21,546 and R$21,544, respectively.

d) Record of the onerous concession contracted or acquired in a business combination

In order to elaborate the consolidated information, the Company opted for the early adoption of the rules set forth by IFRS 3 (Business combination), standard which is consistent with CPC 15, in the business combinations included within the scope of this pronouncement, made as from January 1, 2008. Up to that date, the business combinations were recorded in accordance with the previous accounting practices, according to the rules set forth by CVM Instruction 247/96. The Company opted for the exemption established in CPC 37 R1 (First-time Adoption of the International Accounting Standards) and did not adopt the CPC 15 requirements retroactively to January 1, 2008. Onerous concessions and authorization given by the Federal Government for the use of the asset for hydroelectric power generation were contracted or acquired in a business combination after January 1, 2008. Thus, the Company had as a reference for recording these transactions the Manual for Application of IFRS 3 (Business Combination), which allows the recognition of the fair value of the authorization and of the generation unit as single assets whenever these assets cannot be sold or transferred separately. In accordance with this pronouncement, the Company recognized the onerous concession and the authorizations contracted or acquired in a business combination as a single asset in the property, plant and equipment group, broken-down by the nature of the assets proportionally to their cost of acquisition.

e) Depreciation of assets comprising the Plants' Original Project

The Company, based on Law 8,987/95 and Decree 2,003/96, considers that at the end of the concession term, a compensation of the residual value established in the Original Project shall not be granted by the Concession Grantor. Therefore, the Company, as of January 1, 2007, has depreciated said assets at the rates determined by Aneel, limited to the concession term, even though the agreements and the law provide for the possibility that the concession be renewed. It is worth mentioning that all property, plant and equipment assets acquired before January 1, 2007 were subject to the adoption of fair value as deemed cost at the transition date to IFRS and new CPCs, on January 1, 2009.

Tractebel Energia
GDF SUEZ

f) Allocation of financial charges

Financial charges of financings are capitalized in property, plant and equipment in progress during the construction of the power plants. Charges capitalized in consolidated property, plant and equipment in the periods ended on March 31, 2011 and March 31, 2010 were R$28,798 and R$982, respectively.

g) Asset impairment

The Company periodically evaluates the property, plant and equipment and intangible assets aiming to identify evidence of impairment of these assets, or when events or significant changes indicate that the book value may not be recoverable. Should the book value of the asset exceed the recoverable value, this loss is recognized in the income for the period. So far, there is no evidence of impairment in the Company's assets.

h) Restriction on assets

According to Articles 63 and 64 of Decree 41,019, of February 26, 1957, assets and facilities used in the generation, transmission, distribution and sale of power are attached to such services and cannot be removed, disposed of or pledged as mortgage guarantees without the prior and express authorization of the Regulatory Body. Resolution 20/99 of Aneel regulates the removal of restriction on assets of Electric Power Public Utility concessions, granting previous authorization for the removal of restrictions on assets unserviceable to the concession, when meant for disposal, and further sets forth that the proceeds of disposals be deposited in a blocked bank account for investing in the concession.

i) Assets of the Federal Government used by the Company

The Company holds and operates the Alegrete Thermoelectric Power Plant, composed of two generation units with a total capacity of 66 MW and a residential village with 15 houses, located in Alegrete, Rio Grande do Sul State, owned by the Federal Government and granted under special use.

17 - INTANGIBLE ASSETS

a) Breakdown

	Company (BRGAAP)					
	3.31.2011			12.31.2010		
	Adjusted cost	Accumulated amortization	Total	Adjusted cost	Accumulated amortization	Total
Right to use	24,383	(12,417)	**11,966**	21,896	(11,762)	**10,134**
Goodwill merged from CEM[18]	44,578	(36,318)	**8,260**	44,578	(35,241)	**9,337**
	68,961	**(48,735)**	**20,226**	**66,474**	**(47,003)**	**19,471**

[18]Companhia Energética Meridional, wholly-owned subsidiary merged by the Company in 2008.

	Consolidated (BRGAAP and IFRS)					
	3.31.2011			12.31.2010		
	Adjusted cost	Accumulated amortization	Total	Adjusted cost	Accumulated amortization	Total
Right to use	28,577	(13,302)	**15,275**	25,887	(12,387)	**13,500**
Power purchase right	64,561	-	**64,561**	64,561	-	**64,561**
Goodwill merged from CEM	44,578	(36,318)	**8,260**	44,578	(35,241)	**9,337**
Goodwill merged from Itasa	72,793	(69,050)	**3,743**	72,793	(67,803)	**4,990**
Rights of Trairí Project	3,133	-	**3,133**	3,133	-	**3,133**
	213,642	**(118,670)**	**94,972**	**210,952**	**(115,431)**	**95,521**

The license and power purchase right have finite useful lives. The first is being ammortized within five years and the second will be amortized during the term of the purchase agreement from 2013 to 2023.

Merged goodwill of CEM and Itasa also has a finite useful life and will be amortized up to February of 2013 and December of 2011 respectively.

The rights of the Trairí Project are based on basic environmental projects, energy generation certifications, wind measurements, previous environmental licenses and lease agreements from the fair value of the assets acquired.

b) Changes

	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
Balance as of 12.31.2010	**19,471**	**95,521**
Right to use	2,487	2,490
Amortization	(1,732)	(3,039)
Balance as of 3.31.2011	**20,226**	**94,972**

18 - SUPPLIERS

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Electric network usage charges	85,835	81,003	89,943	84,857
Power purchase	56,057	53,569	88,075	104,203
Transactions via CCEE	1,827	1,337	1,827	1,337
Material and services	38,346	34,686	73,726	77,528
Fossil fuels/biomass	671	3,491	692	926
	182,736	**174,086**	**254,263**	**268,851**

Tractebel Energia
GDF SUEZ



19 - LOANS AND FINANCING

a) Breakdown

	Company (BRGAAP)					
	3.31.2011			12.31.2010		
	Current	Non-current	Total	Current	Non-current	Total
Foreign currency						
STN [19]	15,082	101,096	116,178	15,425	104,500	119,925
BNP Paribas (Floating Rate Note)	-	93,252	93,252	-	88,964	88,964
Charges	7,869	-	7,869	4,691	-	4,691
	22,951	**194,348**	**217,299**	**20,116**	**193,464**	**213,580**
Domestic currency						
Eletrobras	2,733	-	2,733	10,796	-	10,796
BNDES	14,965	16,212	31,177	14,965	19,953	34,918
Banco do Brasil	2,647	-	2,647	3,529	-	3,529
Charges	148	-	148	171	-	171
	20,493	**16,212**	**36,705**	**29,461**	**19,953**	**49,414**
	43,444	**210,560**	**254,004**	**49,577**	**213,417**	**262,994**

	Consolidated (BRGAAP and IFRS)					
	3.31.2011			12.31.2010		
	Current	Non-current	Total	Current	Non-current	Total
Foreign currency						
STN	15,082	101,096	116,178	15,425	104,500	119,925
BNP Paribas (Floating Rate Note)	-	93,252	93,252	-	88,964	88,964
Charges	7,869	-	7,869	4,691	-	4,691
	22,951	**194,348**	**217,299**	**20,116**	**193,464**	**213,580**
Domestic currency						
Eletrobras	2,733	-	2,733	10,796	-	10,796
BNDES	85,887	1,338,402	1,424,289	73,064	1,297,836	1,370,900
Banks (BNDES Onleading)	65,019	995,505	1,060,524	56,086	1,001,920	1,058,006
Banco do Brasil	6,613	22,143	28,756	7,495	23,135	30,630
BRDE	6,834	2,848	9,682	6,835	4,556	11,391
CEF	5,860	45,439	51,299	5,777	46,234	52,011
Charges	9,398	-	9,398	9,245	-	9,245
	182,344	**2,404,337**	**2,586,681**	**169,298**	**2,373,681**	**2,542,979**
	205,295	**2,598,685**	**2,803,980**	**189,414**	**2,567,145**	**2,756,559**

[19] National Treasury Secretary (STN), net of deposited guarantees.

Tractebel Energia
GDF SUEZ

b) Changes

	Company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non-current	Total	Current	Non-current	Total
Balance as of 12.31.2010	**49,577**	**213,417**	**262,994**	**189,414**	**2,567,145**	**2,756,559**
Additions	-	-	-	-	54,007	54,007
Transfers	3,862	(3,862)	-	52,959	(52,959)	-
Interest recorded in the result	4,303	-	4,303	26,653	689	27,342
Capitalized interest	-	-	-	-	28,798	28,798
Exchange variation	(358)	1,972	1,614	(358)	1,972	1,614
Interest on deposited guarantees	-	(967)	(967)	-	(967)	(967)
Amortization of principal	(12,810)	-	(12,810)	(40,150)	-	(40,150)
Amortization of interest	(1,130)	-	(1,130)	(23,223)	-	(23,223)
Balance as of 3.31.2011	**43,444**	**210,560**	**254,004**	**205,295**	**2,598,685**	**2,803,980**

The quarterly additions account for BNDES' funds for the building of the Estreito Hydroelectric Power Plant and Ibitiúva Bioenergética Thermoelectric Power Plant, of R$45,611 and R$8,396, respectively. The remaining amounts for the financing of the previously mentioned plants are R$64,608 and R$10,621, respectively.

c) Breakdown by foreign currency and local indexes

	Company (BRGAAP)					
	3.31.2011			12.31.2010		
	Currency	Reais	%	Currency	Reais	%
Foreign currency						
US Dollar (USD)	72,524	119,998	47.24	71,946	121,747	46.29
Euro (EUR)	41,737	97,301	38.31	41,290	91,833	34.92
		217,299	**85.55**		**213,580**	**81.21**
Domestic currency						
TJLP		31,309	12.33		35,066	13.33
Not indexed		5,396	2.12		14,348	5.46
		36,705	**14.45**		**49,414**	**18.79**
		254,004	**100.00**		**262,994**	**100.00**

	Consolidated (BRGAAP and IFRS)					
	3.31.2011			12.31.2010		
	Currency	Reais	%	Currency	Reais	%
Foreign currency						
US Dollar (USD)	72,524	119,998	4.28	71,946	121,747	4.42
Euro (EUR)	41,737	97,301	3.47	41,290	91,833	3.33
		217,299	**7.75**		**213,580**	**7.75**
Domestic currency						
TJLP		2,517,784	89.79		2,465,067	89.43
Not indexed		68,897	2.46		77.912	2.82
		2,586,681	**92.25**		**2,542,979**	**92.25**
		2,803,980	**100.00**		**2,756,559**	**100.00**

d) Changes in foreign currencies and indices

	(%)	
Currency – index	**1st quarter of 2011**	**1st quarter of 2010**
US Dollar (USD)	(0.70)	2.29
Euro (EUR)	4.64	(3.98)
TJLP	1.50	1.50

e) Maturity of loans and financing under non-current liabilities

	Company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Foreign currency	Domestic currency	Total	Foreign currency	Domestic currency	Total
April to December, 2012	11,009	11,224	22,233	11,009	155,612	166,621
2013	7,219	4,988	12,207	7,219	188,201	195,420
2014	3,490	-	3,490	3,490	163,620	167,110
2015	93,252	-	93,252	93,252	164,474	257,726
2016	-	-	-	-	165,410	165,410
2017 to 2018	-	-	-	-	328,501	328,501
2019 to 2023	-	-	-	-	768,358	768,358
2024 to 2029	79,378	-	79,378	79,378	470,161	549,539
	194,348	**16,212**	**210,560**	**194,348**	**2,404,337**	**2,598,685**

f) Contractual conditions

	Charges	Payment conditions		Balance
		Maturity	Principal and charges	
Foreign currency				
TBLE				
STN	Libor + 1.075% p.a.	4.2024	Semi-annual	119,998
BNP Paribas (Floating Rate Note)	Euribor + 2.75% p.a.	11.2015	Annual	97,301
Domestic currency				
TBLE				
Eletrobras	12% p.a.	4.2011	Monthly	2,733
Banco do Brasil	8.14% p.a. (c)	12.2011	Monthly	2,663
BNDES	TJLP + 4% p.a. (a)	4.2013	Monthly	31,309
Itasa				
BNDES	TJLP + 4% p.a. (a)	9.2013	Monthly	30,467
Banks (BNDES Onleading)	TJLP + 3.85% p.a. (a)	9.2013	Monthly	37,768
Lages, Santa Catarina State	TJLP + 2.25% p.a. (a)	8.2012	Monthly	9,717
CESS				
BNDES	TJLP + 2.7% p.a. (a)	10.2023	Monthly	202,117
Banks (BNDES Onleading)	TJLP + 3.25% p.a. (a)	10.2023	Monthly	408,237
Tupan (CEF)	TJLP + 3.5% p.a. (a)	12.2019	Monthly	51,377
Hidropower (Banco do Brasil**)**	8.08% p.a. (c)	10.2017	Monthly	26,257
Beberibe (BNDES)	TJLP + 3.5% p.a. (a)	12.2023	Monthly	98,832
Pedra do Sal (BNDES)	TJLP + 1.92% p.a. (a)	12.2023	Monthly	67,836
Areia Branca (BNDES)	TJLP + 2.5% p.a. (a)	6.2024	Monthly	62,873
Ibitiúva				
BNDES (B subloan)	4.5% p.a.	1.2020	Monthly, after 2.2011	37,244
BNDES (A and C subloan)	TJLP + 2.05% p.a. (a)	1.2021	Monthly, after 2.2011	35,264
CEE				
BNDES	TJLP + 1.89% p.a. (a)	9.2029	Monthly, after 10.2011	852,704
BNDES – Social Credit	TJLP	6.2018	Monthly, after 7.2012 (d)	10,673
Banks (BNDES Onleading)(b)	TJLP + 2.95% p.a. (a)	9.2029	Monthly, after 10.2011	618,610

(a) The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into the financing's principal.
(b) Banks (BNDES onlending) are Itaú Unibanco, Banco Bradesco, Banco Santander and Banco Votorantim.
(c) Fixed rate includes a bonus of 15% for payments made up to the maturity date.
(d) Interest will be paid quarterly in the period from 11.15.2010 and 6.15.2012.

g) Guarantees

g.1) Tractebel Energia

g.1.1) Loans and financing in foreign currency

National Treasury: (a) assignment and transfer to the Federal Government of the receivables, up to the limit sufficient to cover the payment of the installments and other charges at each maturity date; (b) pledged deposit amounting to R$60,039, as of March 31, 2011 (R$60,420 as of December 31, 2010), which is stated as an offsetting account of the underlying financing. There are no guarantees granted for the other loans and financing in foreign currency.

g.1.2) Loans and financing in domestic currency

Eletrobras: (a) powers of attorney granted to the creditor, in case of default, to transfer to its own name, the necessary amounts for the payment of the debt, from the bank account of the Company used to collect receivables; (b) promissory notes in the amount of total financing, linked to the contractual terms.

Banco do Brasil: (a) assignment and transfer of receivables amounting to R$8,726 (as of March 31, 2011 and March 31, 2010), represented by sales of power or other funds with the same purpose; (b) pledged promissory note in the amount corresponding to the financing.

BNDES: letter of guarantee from Itaú Unibanco Holding S.A., in the amount of R$131,966 (as of March 31, 2011 and March 31, 2010), up to October 14, 2013.

g.2) Itasa

BNDES and Banks (BNDES Onleading) BNDES and Banks (BNDES onlending): (a) pledge of concession-related rights; (b) pledge of receivables resulting from the power purchase and sale agreements entered into with its shareholders; (c) reserve account in an amount equivalent to three months of the BNDES debt (substituted by bank guarantee), and three months of Itá plant's contractual operation and maintenance expenses. In addition to these guarantees, the shareholders pledged all the shares of Itasa to these creditors.

g.3) Lages

BRDE: (a) assignment of receivables from the power purchase and sale agreement entered into with Centrais Elétricas de Santa Catarina S.A. (Celesc); (b) assignment of authorization-related rights granted by Aneel to establish as independent producer of power; (c) obligation to maintain a reserve account with a deposit equivalent to, on average, four months of debt service.

g.4) CESS

BNDES and Banks (BNDES Onleading) BNDES and Banks (BNDES onlending): (a) pledge of rights related to the concession; (b) centralized receivables account to receive CESS receivables; and (c) obligation to maintain a reserve account with a deposit equivalent to three months of debt service, plus an amount equivalent to three months of payment of the project operation and maintenance agreement.

g.5) Tupan

Caixa Econômica Federal: (a) mortgage of land and properties; (b) conditional sale of equipment; (c) all shares representing the capital stock; (d) Receivables and reserve account; and (e) corporate guarantee of Tractebel Energia S.A.

g.6) Hidropower

Banco do Brasil: (a) all shares representing the capital stock; (b) receivables and reserve account; and (c) corporate guarantee of Tractebel Energia S.A.

g.7) Beberibe, Pedra do Sal and Areia Branca

BNDES: (a) conditional sale of assets and equipment; (b) all shares representing the capital stock; and (c) receivables and reserve account.

g.8) Ibitiúva

BNDES: (a) conditional sale of assets and equipment; (b) all shares representing the capital stock; (c) receivables and reserve account; and (d) corporate guarantee of Tractebel Energia S.A.

g.9) CEE

BNDES and Banks (BNDES Onlending): (a) pledge of rights from the concession; (b) credit rights account; (c) reserve account with a deposit in an amount equivalent to three months of debt service plus the amount of three months of the payment of the project's operation and maintenance agreement; (d) corporate guarantee letter of Tractebel Energia; and (e) pledge of dividends to be paid by the Company to GSELA.

h) Covenants

The Company has the following covenants provided for in its loans and financings agreements:

Debt	Covenants
TBLE (BNDES)	Shareholders' equity / total assets ≥ 30%
Itasa (BNDES and banks)	Shareholders' equity / total assets ≥ 40%
Lages (BRDE)	(Current + non-current liabilities) / total assets ≤ 66%
CESS (BNDES and banks)	Debt service's coverage ratio [20] ≥ 1.3
Tupan (CEF)	(i) Shareholders' equity / total assets ≥ 21% (ii) Debt service's coverage ratio ≥ 1.3 (iii) Capital stock / property, plant and equipment ≥ 21%
Hidropower (Banco do Brasil)	(i) Shareholders' equity / total assets ≥ 0.35 (ii) EBITDA Margin[21] (EBITDA/net operating revenue) ≥ 0.80 (iii) EBITDA/ financial expenses ≥ 2.70 (iv) Total financial debt / EBITDA ≤ 4.0 (v) Current assets/ current liabilities ≥ 1.2 (vi) Debt service's coverage ratio ≥ 1.3
Beberibe and Pedra do Sal (BNDES)	Debt service's coverage ratio ≥ 1.3
Areia Branca (BNDES)	Debt service's coverage ratio ≥ 1.2
Ibitiúva (BNDES)	(i) General Debt Index ≥ 0.80 (ii) Debt service's coverage ratio ≥ 1.3
CEE (BNDES and banks)	Debt service's coverage ratio ≥ 1.2

Financial covenants established in loan and financing agreements are being executed by the Company, except for the described below.

[20] Coverage ratio of debt service: Operating cash flow/debt service

[21] EBITDA margin: EBITDA (Operating income – financial income – depreciation and amortization, as set forth in the Agreement.)/ Net Operating revenue (ROL)

Hidropower has restrictive clauses in its financing agreements which require maintenance of financial indexes, among which are current liquidity, debt service coverage and EBITDA margin. When such indexes are not reached, Hidropower, after being officially notified by the Financial Agent, must proceed with the deficit restructuring.

Due to structuring matters, Hydropower's current liabilities are above the level initially established when the contracting of the financing, which has a negative effect both on the liquidity ratio and on the debt service's coverage ratio. The Management does not consider that the Company will fail to comply with the agreement clause and the resulting pre-maturity of the debt, as its controlling company, Tractebel Energia, has formally pronounced that it is negotiating its regularization with the bank. If necessary, Hidropower will be capitalized for the regularization of the covenant breach.

The Company has a waiver issued by Banco do Brasil for the year ended December 31, 2009 and the issueance of the same document for the year ended December 31, 2010 is under negotiation. On March 31, 2011, Hidropower's debt totaled R$26,257 (R$27,245 on December 31, 2010), an amount lower than the amount set forth as an event of prepayment of the Company's other debts.

20 - DEBENTURES

a) Breakdown

	3.31.2011			12.31.2010		
	Current	Non-current	Total	Current	Non-current	Total
Company (BRGAAP)						
1st Issue (1st Series)	154,513	-	154,513	150,558	-	150,558
2nd Issue	-	429,975	429,975	-	420,668	420,668
3rd Issue	605,010	-	605,010	604,064	-	604,064
4th Issue	79,797	321,335	401,132	80,000	320,890	400,890
Cana Brava	14,436	24,406	38,842	14,437	24,406	38,843
Interest	89,353	-	89,353	46,119	-	46,119
Total Company	**943,109**	**775,716**	**1,718,825**	**895,178**	**765,964**	**1,661,142**
Itasa (1st and 2nd Series)	9,652	16,380	26,032	9,034	16,380	25,414
Interest	1,435	-	1,435	805	-	805
Total Consolidated (BRGAAP and IFRS)	**954,196**	**792,096**	**1,746,292**	**905,017**	**782,344**	**1,687,361**

b) Changes

	Company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non-current	Total	Current	Non-current	Total
Balance as of 12.31.2010	**895,178**	**765,964**	**1,661,142**	**905,017**	**782,344**	**1,687,361**
Interest	42,588	235	42,823	43,218	235	43,453
Exchange variation	5,343	9,517	14,860	5,961	9,517	15,478
Balance as of 3.31.2011	**943,109**	**775,716**	**1,718,825**	**954,196**	**792,096**	**1,746,292**

c) Contractual conditions

			Payment conditions		
	Number	Remuneration	Interest / Monetary Variation	Principal	Guarantee
Company					
1st Issue - 1st Series	14,000	IGP-M + 9.29% p.a.	Yearly on 05.02	Single installment on 5.2.2011	No guarantee
2nd Issue – Single series	35,000	IPCA + 7% p.a.	Yearly on 5.15	3 installments on 5.15.2012/13/14	No guarantee
3rd Issue – Single series	60,000	117% of CDI	Semiannual on 4.01 and 10.01	Single installment on 4.1.2011	No guarantee
4th Issue – Single series	400	110% of CDI	Semiannual on 5.5 and 5.11	5 installments on 5.11.2011 to 2015	No guarantee
Cana Brava – Single series	7,773	TJLP + 4% p.a. [22]	Semiannual on 4.01 and 10.01, up to 4.1.13	Semiannual on 4.01 and 10.01, up to 4.1.13	Receivable from energy sale
Itasa – 1st and 2nd Series	8,400	IGP-M + 9.4% p.a.	Yearly on 12.01 (1st series) and 6.01 (2nd series)	Yearly on 12.01 (1st series) and 6.01 (2nd series), up to 12.1.2013 (1st series) and 6.1.2013 (2nd series)	Pledge of credit rights

d) Changes in indices

	(%)	
Index	First quarter of 2011	First quarter of 2010
TJLP	1.50	1.50
CDI	2.60	1.99
IGP-M	1.80	1.82
IPCA	1.64	1.54

[22] The amount corresponding to the TJLP that exceeds 6% p.a. is capitalizaded and included in the face value of the debentures.

e) Maturities of debentures stated in non-current liabilities

	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
April to December, 2012	238,642	246,832
2013	232,324	240,514
2014	224,049	224,049
2015	80,701	80,701
	775,716	**792,096**

f) Covenants

Financing covenants set forth in debentures agreements are being executed by the Company:

Debt	Covenants
Tractebel Energia	
1st and 2nd Series	EBITDA [23] /consolidated financial expenses ≥ 2.0 consolidated debt/EBITDA ≤ 2.5
3rd and 4th Series	EBITDA /consolidated financial expenses ≥ 2.0 consolidated debt/EBITDA ≤ 3.5
Cana Brava (Single series)	Shareholders' equity / total assets ≥ 30%
Itasa – 1st and 2nd Series	Shareholders' equity / total assets ≥ 40%

The Company has been fully complying with the financial covenants provided for in the debentures contracts.

21 - LABOR LIABILITIES

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Current				
Provision for vacation and charges	13,835	13,918	14,749	14,679
Provision for profit sharing and management bonus	35,557	30,031	35,557	30,031
Voluntary Resignation Program	5,371	6,808	5,371	6,808
Other	1,385	3,327	1,385	3,363
	56,148	**54,084**	**57,062**	**54,881**

Provision for profit sharing and management bonus

To complement the payment of fixed salaries, the Company has a variable compensation system, annually paid and made up of two programs:

- The Employee Profit Sharing Program (PLR): applicable to all Company employees and paid in accordance with the results achieved;

[23] EBITDA: Operating income – financial income – depreciation and amortization, as set forth in the Agreement.

- Management Bonus Program (PBG): applicable to all employees who hold management positions, paid in accordance the area's results and individual performances.

Voluntary Resignation Program (PDV)

The Company implemented the PDV in 2007 and all of the Company's employees are eligible for it, whose target public was retirees or those employees close to the age of retirement. Employees who adhered to the plan were entitled to a benefit paid as indemnification equal to 50% of the annual salary in the Company. Furthermore, they are also eligible for a healthcare plan for a period of twelve (12) months, with the same coverage of the Company's current employees, which is also offered to the dependents of the beneficiary. The PDV provision is recorded monthly from the date the plan became effective, in May of 2007, to the resignation date, for employees who adhered to the plan. The resignation limit set forth in the original plan was up to April 30, 2011, a term that was extended to April 30, 2013.

22 - OBLIGATIONS WITH RESEARCH AND DEVELOPMENT PROGRAM (R&D)

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Current				
FNDCT	1,089	2,541	1,234	2,714
MME	544	1,270	617	1,356
Projects	18,040	8,184	21,161	10,921
	19,673	**11,995**	**23,012**	**14,991**
Non-current				
Projects	**28,741**	**40,622**	**29,398**	**41,260**

Tractebel Energia, as a power generating company authorized for independent production, is obliged to annually apply the amount of at least 1% of its adjusted net operating revenue in research and development in the power sector.

These funds have the following destination: (i) 40% to FNDCT (Brazilian Fund of Scientific and Technological Development); (ii) 40% to research and development projects conducted by the Company, according to regulations established by Aneel; and (iii) 20% to the Ministry of Mines and Energy (MME). R&D funds have the purpose of financing the studies and researche for the expansion planning of the energy system, as well as of inventory and feasibility necessary to utilize the hydroelectric potential.

On March 31, 2011, the Company and its subsidiaries had R$50,559 to be invested in its own projects, of which R$11,347 have been allocated to ongoing projects, and the remainder has not yet been allocated to projects filed with the Aneel.

Tractebel Energia's Research and Development Program seeks technological innovation for the power industry and the technical-scientific qualification of Brazilian researchers, including topics for investment, such as: alternative sources for power generation, management of basins and reservoirs, the environment, energy maintenance and efficiency, among others.

Tractebel Energia
GDF SUEZ

23 - PROVISIONS FOR TAX, CIVIL AND LABOR RISKS

The Company has tax assessment notices and civil and labor notifications which are being challenged on an administrative basis, as well as legal proceedings, some of which, according to the Company's legal counsel, the likelihood of loss in the form of expenses is considered probable. All these proceedings are accrued in amounts considered sufficient to cover future disbursement to settle liabilities.

a) Breakdown

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Probable tax risks				
INSS	30,594	29,827	30,594	29,827
Social Contribution	605	602	605	602
Other	1,831	1,831	1,831	1,831
	33,030	**32,260**	**33,030**	**32,260**
Probable civil risks				
Agreements with suppliers	23,602	22,288	23,602	22,288
Pension benefits	27,772	26,844	27,772	26,844
Occupational diseases and accidents	6,709	6,536	6,709	6,536
Transmission System Usage Tariff (TUST)	39,987	37,412	39,987	37,412
Environmental	6,536	6,317	6,536	6,317
Sundry lawsuits	6,579	6,495	17,848	9,046
	111,185	**105,892**	**122,454**	**108,443**
Probable labor risks	**13,736**	**13,579**	**13,736**	**13,579**
Total reserves for probable risk	**157,951**	**151,731**	**169,220**	**154,282**
Classification in balance sheets				
Current	37,929	10,720	38,138	10,866
Non-current	120,022	141,011	131,082	143,416
	157,951	**151,731**	**169,220**	**154,282**

Probable tax risks

National Institute of Social Security (INSS)

The main risks related to INSS are the following:

a) The Company received a tax debt assessment notice (NFLD) for the nonpayment of the additional contribution for SAT (Occupational Accident Insurance) for the period from April of 1999 to March of 2004, due to the lack of evidence of the risk factor related to the work environment. The Company argues that there is no basis in the legislation referred to in the notice for the mentioned period, and that the additional contribution is payable if the employee is entitled to a special retirement benefit, which is not the case in said period. The Social Security Board of Appeals denied our Appeal. The Company decided to file an injunction to discuss the matter and in October of 2010 deposited in court the amount of R$11,946 (R$12,556 as restated on March 31, 2011). On March 31, 2011 the gross balance was R$16,899 (R$16,478 on December 31, 2010).

b) The Company also received a notification from the INSS because of the alleged nonpayment of social security charges on compensation paid to employees. The subject matter of the notification was challenged by the Company, which argued that the amounts paid under collective labor agreements were paid as indemnities. The lower court decision was favorable to the Company, and declared the tax assessment notice null and void and the INSS was sentenced to refund the deposits converted into revenue. Due to the appeal filed by the National Treasury, the lawsuit awaits the Superior Court of Justice's judgment. Provision on March 31, 2011 is R$10,301 (R$10,044 on December 31, 2010).

Probable civil risks

Agreements with suppliers

The main contingency refers to an indemnity lawsuit filed by Companhia de Interconexão Energética (Cien), claiming the recognition of the right to receive the difference related to the exchange adjustment provided for in the power sale agreement, and the termination of such agreement due to an alleged breach of a clause by Tractebel Energia. The lawsuit was suspended on April 23, 2007 at the request of Cien, after the Company filed its defense arguments. On May 12, 2010 an order was issued referring to the Interlocutory Appeal filed at the Regional Federal Court of 4th Region, which did not have its superseding request examined yet. Thus, the lower court judge ordered the Company to await for eventual ruling on supersedents to continue with the lawsuit. Therefore, decision on the superseding request prepared in the records of the Interlocutory Appeal is pending judgment, as to the inclusion of Aneel in the lawsuit as indispensable defendant. The amount provisioned on March 31, 2011 is R$18,500 (R$17,959 on December 31, 2010).

Pension benefit

Mainly refers to the lawsuit filed against Fundação Eletrosul de Previdência e Assistência Social (ELOS) and Eletrosul Centrais Elétricas S.A. (Eletrosul), by means of which ELOS participants and the lawsuit authors require the annulment statement of contribution payroll limit or, alternately, that their options made in order to limit the payroll of its contribution be declared ineffective. The Company acts as a defendant's assistant, due to the partial spin-off of Eletrosul, with the creation of Centrais Geradoras do Sul do Brasil (Gerasul), former name of Tractebel Energia. A lower court decision, confirmed by the Appeals Court of the State of Santa Catarina in a Decision pending the judgment of embargoes, is against the interests of ELOS and Eletrosul. Currently, parties are seeking for the execution of the agreement. Provision on March 31, 2011 is R$27,476 (R$26,557 on December 31, 2010).

Occupational diseases and accidents

Refer to lawsuits filed by former employees, mainly related to repetitive stress injuries and possible damages to hearing capacity. The initial forecasts of an adverse judgment have not been confirmed, and the results of these lawsuits have been extensively favorable to the Company. The provision is recorded for each lawsuit, considering the likely future disbursement the Company expects to have to make in order to conclude the suit through an agreement or by an adverse judgment.

Transmission System Usage Tariff (TUST)

Refers to the suit filed by indirect subsidiary Ponte de Pedra Energética S.A. (PPESA), merged into the Company in December of 2010, aimed at reducing the amount payable for the TUST in the amount equivalent to that charged from Itiquira Hydroelectric Power Plant. From June of 2006 to January of 2007, PPESA started paying TUST with a reduction and provisioning and depositing in a judicial account the difference between the amount charged and the amount paid. From February of 2007, PPESA replaced the judicial deposits for a letter of guarantee. With a view to reduce the guarantee cost, the Company pegged financial investments to said guarantee. The lawsuit is proceeding normally.

Environmental

The Company has provisioned the amount of R$6,536 (R$6,317 on December 31, 2010) related to four environmental proceedings. The main object deals with 3 lawsuits related to the implementation of a permanent preservation strip of 100 meters in the surroundings of the reservoirs of Salto Santiago and Salto Osório Plant, implementing reforestation and a lawsuit regarding alleged damaged caused from the filling of the Cana Brava Plant's reservoir. Lawsuits are following their procedural steps.

Sundry lawsuits

Mainly injunctions claiming the rural resettlement or the issue of letter of credit and injunctions filed by individuals and legal entities that claim to be affected by flooded areas in the plants' reservoirs.

Probable labor risks

Refer to ongoing labor lawsuits filed by former employees, unions and employees of outsourced companies mainly related to claims of recognition of employment relationships and reinstatement. Other labor lawsuits are related to claims of risk premium, overtime, salary equalization, commute hours, and FGTS (severance pay fund).

b) Changes in probable risks

	Company (BRGAAP)			
	Tax	Civil	Labor	Total
Balance as of 12.31.2010	**32,260**	**105,892**	**13,579**	**151,731**
Additions	-	1,935	579	2,514
Adjustments	770	3,507	468	4,745
Payments	-	(24)	(127)	(151)
Reversals	-	(125)	(763)	(888)
Balance as of 3.31.2011	**33,030**	**111,185**	**13,736**	**157,951**

	Consolidated (BRGAAP and IFRS)			
	Tax	Civil	Labor	Total
Balance as of 12.31.2010	**32,260**	**108,443**	**13,579**	**154,282**
Additions	-	10,599	579	11,178
Adjustments	770	3,570	468	4,808
Payments	-	(33)	(127)	(160)
Reversals	-	(125)	(763)	(888)
Balance as of 3.31.2011	**33,030**	**122,454**	**13,736**	**169,220**

c) Possible and remote risks

The Company is also a party to other lawsuits that, in the opinion of the legal advisors, based on their experience in similar cases, do not represent a probable risk of future disbursement and, therefore, have not been accrued but only disclosed in the notes. The amounts involved are detailed below:

	Company (BRGAAP)					
	3.31.2011			12.31.2010		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	418,744	471,052	889,796	408,986	478,882	887,868
Civil	14,035	482	14,517	14,459	466	14,925
Labor	8,300	14,462	22,762	8,288	20,331	28,619
	441,079	**485,996**	**927,075**	**431,733**	**499.679**	**931,412**

	Consolidated (BRGAAP and IFRS)					
	3.31.2011			12.31.2010		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	450,371	471,052	921,423	435,710	478,882	914,592
Civil	16,837	502	17,339	17,205	485	17,690
Labor	8,300	14,462	22,762	8,288	20,331	28,619
	475,508	**486,016**	**961,524**	**461,203**	**499,698**	**960,901**

Possible tax risks

The main liabilities assessed by the Company and its legal advisors as possible risk are:

Corporate Income Tax and Social Contribution on Net Income

The main tax assessment notices assessed as possible risks result from tax assessment notices issued by the Federal Revenue Service, due to:

- Voluntary confession

The Company offset credits against income and social contribution taxes payable by means of voluntary confession, through an Electronic Refund or Reimbursement Request and Offset Declaration (PER/DCOMP), not subject to fines. Accordingly, the Brazilian Federal Revenue Service (RFB) partially approved the offset requests and the Company filed noncompliance notices, which are awaiting judgment. The Company argues that tax authorities cannot charge a penalty against a company that held tax credits and voluntarily reported its debts. The restated amount of the notice on March 31, 2011, in the parent company and in the consolidated balance sheets, is of R$49,078 (R$47,946 as of December 31, 2010).

- Interest on property, plant and equipment in progress (RIC).

On December 30, 2010 the Brazilian Federal Revenue Service issued a tax assessment notice, arguing that in the calendar years of 2005, 2006 and 2007 the Company made unauthorized exclusions in the calculation of income tax and social contribution relating to RIC amounts.

Decree-law no. 1,506 of December 23, 1976, set forth important tax benefits to the Brazilian Power Sector, exempting the RIC from income tax levied.

Therefore, property, plant and equipment in progress carried out with own capital or through loans bear interest rates of 10% p.a., plus the deferred charges pegged to the respective construction in progress, the counter entry of which was recorded in the income for the period, creating income exempt from income tax.

On December 12, 1985 the National Department of Water and Power (DNAEE) issued Ordinance no. 250/1985, aiming to change the accounting criteria used as of then and the interest on property, plant and equipment in progress (interest of up to 10% p.a.), purpose of the benefit that exempts the income tax, and due to Decree-law no. 1,506/1976, now has two distinct accounting classifications: a) the portion of the construction executed with own capital is now recorded in shareholders' equity and, therefore, with no effect in the income for the period; and b) the portion of the construction executed using loans is now credited into deferred charges, which will then be amortized, jointly with the contract prices debited in deferred charges. Therefore, the exempted revenue, previously recorded in income statement upon its calculation now is deferred and recognized in the income statement as creditor amortization, after the startup of the asset under construction which originated it, or eventually, by the write-off of respective asset, which is excluded for the purposes of calculating the taxable income.

The exemption guaranteed by that Decree-law was in effect for amounts calculated and registered up to December 31, 1998, and was revoked by Law no. 9,718 of November 27, 1998, causing the Company to suspend its calculation and recording as of January 1, 1996.

Thus, RIC amounts being disallowed by the tax authority were calculated and recorded as set forth by the Decree-law, which are, therefore, benefitting from income tax exemption.

The Company's Management and its legal advisors understand that the arguments used to challenge the tax credit entry provide an optimistic expectation of a favorable outcome for the claim. The restated amount of the proceedings on March 31, 2011, in the parent company and the consolidated information, is R$328,662 (R$322,652 on December 31, 2010).

- Off-set of negative basis in the succession and waiver of fines in voluntary confession

On June 11, 2008, the Company obtained a favorable decision of the Judgement Office of Florianópolis, regarding the tax assessment notice issued by the Brazilian Federal Revenue Service, due to the use of the negative basis of social contribution in the calendar year 2003, originated from merger operations. In the tax assessment notice, tax authorities demanded the payment of taxes settled in arrears by the Company, with no fine levied, by offsetting existing tax credit payment as provided for in the charter of voluntary confession set forth in Article 138 of the National Tax Code (CTN).

Amounts related to the negative basis of social contribution derive from the merger of a company held on April 29, 1998, which were used after the amendment to the tax legislation introduced by Provisional Measure (MP) 2,158-35, of 2001, prohibiting the use of negative basis from mergers, combinations or spin-offs of companies.

As the merger took place before said MP prohibited the use of taxes, when it was still possible to use the negative basis of social contribution from the former company, the Company understands that the new rule does not encompass the merger brought in effect, considering that the amounts were added to its equity, as successor company, ensuring the right to use said amounts. The Company's arguments were accepted by the Judgment Office.

Regarding the settlement of overdue taxes, without levy of fine, before any administrative procedure or enforcement measure, with the use of tax credits, the Company understands that said situation complies with the charter of Voluntary Confession set forth in Article 138 of CTN. However, said understanding was not accepted by the Judgment Office of Florianópolis.

The lawsuit is pending decision of the First Panel of the 7th Chamber with mandatory appeal to CARF, issued by the Brazilian Federal Revenue Service, and with voluntary appeal from the Company exclusively focusing on the non-levy of the default charge. The restated amount of the proceedings on March 31, 2011, in the parent company and the consolidated information, is R$24,540 (R$23,928 on December 31, 2010).

- National Institute of Social Security (INSS)

Tax assessment notice related to the social security contribution collection notices on indemnities. The Company was partially considered not guilty at the administrative level and filed a lawsuit, in which it obtained a favorable decision at the lower court. Currently, the Company is awaiting judgment of the INSS appeal. The updated amount of the proceedings on March 31, 2011, in the parent company and the consolidated information, is R$4,393 (R$4,283 on December 31, 2010).

- São Paulo State VAT (ICMS)

The Company and its subsidiary Tractebel Energia Comercializadora Ltda. (TBLC) were notified by the São Paulo State Revenue Office, claiming that the invoices of power sold to free consumers are issued in the month following the taxable event. The tax authority understands that this practice postpones for one month the collection of the tax due to the state.

The measurement of the power used by the client is carried out by the distribution company where the client is connected. After, the distribution company then sends this information to the Power Trade Chamber, an entity responsible for adjusting said measurements, allowing for the recording of the power sold by the agent.

The measurement is completed by the eighth day of the month following the supply. Therefore, only after this date is the power consumed by the client billed.

The mentioned tax assessment notice is being challenged by the Company which, together with its lawyers, understands that they should be stricken, reason why they consider that the possibility of a favorable court decision is higher than the risk of loss.

Even if the assessment notes are maintained, the Company's Management and its legal advisors understand that the amount effectively due is lower than 10% of that recorded by the tax authority, who did not ground its calculation criteria on the law.

The updated amount of the proceedings on March 31, 2011 is R$10,987 (R$9,210 on December 31, 2010) in the parent company, and R$31.627 (R$26.510 on December 31, 2010), in TBLC.

Remote tax risks

The main liabilities assessed by the Company and its legal advisors as remote risk are:

- Recovery of PIS and Cofins

In 1998, Law 9,718 was published, extending the PIS and Cofins calculation basis that, so far, only levied on the companies' gross revenues.

The Company challenged in court the constitutionality of said Law, obtaining a favorable decision, which enabled its settling the contributions calculated on several revenues resulting from the gross revenues for the period assessed from February of 1999 to November of 2002, for PIS, and February of 1999 to January of 2004, for Cofins.

The main revenue calculated in the amount to offset regards the accounting caption named "Fuel Consumption Account (CCC) subsidy revenue".

In 2009, the Brazilian Federal Revenue Service notified the Company to collect the amount of R$135,982, interest and fines already included, referred to the period from April of 2004 to January of 2007, pleading that the "CCC subsidy" represents a billing and, therefore, it should be included in the calculation basis of PIS and Cofins for the period abovementioned.

At the evaluation of the Company's legal advisors, the arguments of the RFB do not proceed and can be easily contested, considering the concept attributed to the treatment of the "CCC subsidy", with the purpose of accounting fossil fuel consumed by those generating electrical energy, it mismatched the legal nature of the revenue. Thus, the Company is arranging a motion to deny the notification in the administrative level and, if necessary, in the court level. Even if the "CCC subsidy" had the revenue nature, which it does not, it would not represent a "gross revenue" that was the only revenue subject to taxation by PIS and Cofins.

In fact, up to 2005, the fuel acquired with CCC/CDE funds were recorded due to its consumuption in the plants as "operational cost" in contra account to a "subsidy" revenue.

Aneel made amendments to the Accounting Manual of the Electric Energy Public Service in order to change the concept that had been used improperly and, as of 2006, the accounting entry was determined as "operational cost" in contra account to an adjustment account to neutralize the result. Such amendment is strongly based on Technical Notes issued by said Agency.

In view of the abovementioned summary, the Management understands that the risk of loss in the process is remote. The lawsuit is pending judgment at the Brazilian Federal Revenue Service of Florianópolis, 4th Panel. The updated amount on March 31, 2011 is R$133,756 (R$131,631 on December 31, 2010).

- PIS and Cofins – Regulatory Instruction of the Brazilian Federal Revenue Office 658/2006

In July of 2005, the Company filed for an Injunction against the Federal Revenue Service Director, since it understands that Federal Revenue Service Regulatory Instruction No. 468/2004 overstepped the jurisdiction of the Legislative Power by giving a new concept to the term "predetermined price", provided for by article 10 of Law No. 10,833/2003. The Company understands that the acceptance of said term is already a common practice in the Brazilian Tax System and has been in use since the enactment of Decree Law No. 1,598/1977, meaning said Regulatory Instruction is illegal.

Further, Article 109 of Law no. 11,196/2005 authorized the maintenance of predetermined prices condition for agreements with price adjustment clauses that reflect production cost or the cost of inputs used.

Due to the abovementioned law, in July of 2006 the Regulatory Instruction no. 658/2006 was issued, expressly revoking Regulatory Instruction no. 468/2004 and incorporating the idea that the price adjustment clause based on indexes that reflect the production cost or the cost of inputs used does not change the predetermined prices of the agreements.

In October 2006, the Regional Federal Court of the 4th Region judged the Company's appeal, guaranteeing the Company the right to collect PIS/Pasep and Cofins according to the cumulative taxation regime, as provided for in Article 10, XI, b of Law no. 10,833/2003, without the illegal and unconstitutional restrictions of Regulatory Instruction no. 468/2004.

According to the amendments brought by Law no. 11,196/2005 and the Regulatory Instruction no. 658/2006, and taking into account that such amendments were not considered in the judgment of the Regional Federal Court of the 4th Region, the Company filed a motion for clarification of judgment, so the Court would take note of the new law, thus avoiding filing a new remedy for this purpose.

However, the Court did not recognize these amendments under the argument that it would not be possible to apply the new legislation to the process given that it was not in effect at the time the injunction was filed.

Exclusively due to this decision, the Company filed a special motion to the Superior Court of Justice, which is pending judgment.

The Federal Government on the other hand, filed a special appeal in view of the judgment, seeking the amendment that recognizes the illegality of Regulatory Instruction no. 468/2004 by the Regional Federal Court of the 4th Region. The Federal Government's special motion was not accepted, reason why on April 12, 2010, the decision of the Regional Federal Court was formally deemed final and unappealable, guaranteeing the Company's right to tax income from agreements entered into before October 31, 2003, as set forth by Law no. 10,833/03, according to the cumulative regime of PIS/Pasep and Cofins, without the limitations imposed by Regulatory Instruction no. 468/2004.

Therefore, only the special appeal filed by the Company is pending judgment of the Superior Court of Justice, with the single purpose of removing the superseding rule contained in the Regulatory Instruction no. 658/2006, there being no other argumentation on the amounts unduly collected or deposited in court, supported by the Regulatory Instruction 468/2004, which was final and unappealable.

In July of 2010, the Court granted the authorization request to inquire court deposits as set forth by the Regulatory Instruction IN 468/04, i.e., deposits made by July of 2006. The issuance of a Judicial Order allowed the partial inquiry of the deposits, which amount to R$108,578.

Despite the facts above, the Brazilian Federal Revenue Office understands that the injunction has not yet been formally judged, and thus, it rejected, on February 14, 2011, the request for granting the credit from the amounts unduly collected during the period between November of 2004 and May of 2005, which amounted to R$63,092 on March 31, 2011 (R$62,802 on December 31, 2010). The rejection of the request does not affect the expected remote losses.

The inquiry of deposits made, supported by Regulatory Instruction no. 658/2006, amounting to R$39,012 (R$38,832 on December 31, 2010), depends on the decision of the special motion by the Superior Court of Justice. The contingency in the term of the abovementioned Regulatory Instruction 658 (from August of 2006 on), with remote risk, is R$328,110 (R$312,933 on December 31, 2010).

Possible civil risks

Possible risk civil lawsuits refer basically to expropriations and indemnity lawsuits filed by individuals and legal entities that allege that their properties were flooded by the plants' reservoirs.

Possible labor risks

Labor risks refer mainly to lawsuits filed by former employees claiming recognition of employment contract, readmittance and additional pension benefits.

24 - CONCESSION FEES PAYABLE

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Cana Brava Power Plant	391,634	373,704	391,634	373,704
Ponte de Pedra Power Plant	362,638	347,321	362,638	347,321
São Salvador Power Plant	-	-	387,322	379,736
Estreito Power Plant	-	-	35,649	34,186
	754,272	**721,025**	**1,177,243**	**1,134,947**
Classification in balance sheets				
Current liabilities	2,559	2,499	43,766	42,297
Non-current liabilities	751,713	718,526	1,133,477	1,092,650
	754,272	**721,025**	**1,177,243**	**1,134,947**

The Company has onerous concession agreements with the Federal Government to use the public asset to generate electrical energy at the Cana Brava, Ponte de Pedra, São Salvador and Estreito power plants. The features of the businesses and the agreements show the condition and the intention of the parties to execute them in full.

In order to accurately reflect, in shareholders' equity, the granted onerous concession and the related obligation to the Federal Government, the amounts of the concessions were recorded in property, plant and equipment against liabilities (more information in Note 16).

Considering that contractual amounts are stated at future prices, the Company adjusted them to present value based on a reference discount rate on the date the obligation assumed. The discount rate to be used by concessions to pay Cana Brava, São Salvador and Estreito was 10% p.a. and 8.28% p.a. to Ponte de Pedra.

During the construction of the Power Plants, the adjustment of liabilities based on the discount rate and monetary variation was capitalized in assets and, as of the start-up date, recognized directly in the statement of income.

Amounts contracted, monetarily restated by the annual IGP-M (Cana Brava, Ponte de Pedra and Estreito) and IPCA (São Salvador) variations, indicated below, will be paid in monthly installments of one twelfths (1/12) of the corresponding annual values.

Power plants / Payment years	Remaining original amount		Restated remaining original amount	
	Annual payment	Total payment	Annual payment	Total payment
Cana Brava Power Plant				
From 4.1.2011 to 7.31.2023	680	8,387	2,038	25,135
From 8.1.2023 to 7.31.2033	61,280	612,800	183,656	1,836,560
		621,187		**1,861,695**
Ponte de Pedra Power Plant				
From 4.1.2011 to 9.30.2019	200	1,700	550	4,672
From 10.1.2019 to 9.30.2020	16,200	16,200	44,522	44,522
From 10.1.2020 to 9.30.2034	31,109	435,531	85,496	1,196,947
		453,431		**1,246,141**
São Salvador Power Plant				
From 4.1.2011 to 4.30.2037	20,000	**523,333**	39,701	**1,059,226**
Estreito Power Plant				
From 4.1.2011 to 12.31.2037	1,794	**47,992**	3,703	**99,056**

a) Changes

	Company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non-current	Total	Current	Non-current	Total
Balance as of 12.31.2010	**2,499**	**718,526**	**721,025**	**42,297**	**1,092,650**	**1,134,947**
Transfers	680	(680)	-	11,731	(11,731)	-
Interest recorded in the result	-	15,581	15,581	-	24,689	24,689
Capitalized interest	-	-	-	-	1,463	1,463
Exchange variation	-	18,286	18,286	-	26,406	26,406
Amortizations	(620)	-	(620)	(10,262)	-	(10,262)
Balance as of 3.31.2011	**2,559**	**751,713**	**754,272**	**43,766**	**1,133,477**	**1,177,243**

b) Maturities of concession fees payable stated in non-current liabilities

	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
April to December, 2012	1,892	30,859
2013	2,490	38,028
2014	2,455	34,763
2015	2,423	31,794
2016	2,393	29,088
2017 to 2019	12,535	78,919
2020 to 2037	727,525	890,026
	751,713	**1,133,477**

25 - POST-EMPLOYMENT BENEFITS

The Company, through PREVIG – Sociedade de Previdência Complementar, provides supplementary pension plans for its employees. PREVIG is a nonprofit closed pension entity governed by private law, sponsored by the Company, as Founder, and by other GDF-SUEZ Group companies in Brazil. The benefit plans managed by PREVIG are Defined Benefit (BD), closed for new adhesions, and Defined Contribution (CD) plans.

The Company also sponsors Fundação Eletrosul de Previdência e Assistência Social (ELOS), given that prior to the constitution of PREVIG, the BD plan was exclusively managed by ELOS and sponsored by Tractebel Energia and Eletrosul, without solidarity between the sponsors. In October of 2002, the SPC (Supplementary Pension Office) approved the termination of the Adherence Agreement with ELOS and the total transfer of management of the benefit plan to PREVIG. In spite of said termination, in view of injunctions obtained by unions and Associação dos Aposentados da Eletrosul (Eletrosul's Pensioners Association), the participants entitled to benefits up to December 23, 1997, date of spin-off of Eletrosul, as well as for the participants who chose the deferred proportional benefit up to that date, remained in the benefit plan managed by ELOS, under the responsibility of Tractebel Energia. On May 15, 2007, the Company executed agreements with ELOS, Eletrosul, PREVIG and Associação de Aposentados da Eletrosul aiming at reestablishing the adherence with ELOS, allowing beneficiaries to chose to stay in ELOS or transfer to PREVIG. In both options the Company should sponsor the Plan.

Plans managed by the Company have the following main characteristics:

a) Defined Benefit Plan (BD)

The BD plan has a capitalization system for pensions, survivors' pensions, and other benefits.

The benefit plan is funded by the contributions of participants and the sponsor. The Company's contribution corresponds to twice the contribution of its employees. Benefits granted by the BD plan are:

- Supplementation of pension for time of service, disability and age;
- Supplementation of special pension and pension for former combatant;
- Supplementation of pension;

- Supplementation of assistance in commitment to an institution; and
- Bereavement pay.

ELOS' administrative expenses are proportionally apportioned to the equity of the participants. For the year of 2011, 49.64% of the administrative expenses will be paid by Tractebel Energia and the remaining by Eletrosul. The Company was responsible for paying R$338 in the first quarter of 2011 (R$464 in the first quarter of 2010).

The Company is also responsible for 100% of the amount of PREVIG's administrative expenses bound to this Benefit Plan, which are limited at 15% of the total of respective pension revenues. The amount of these expenses in the first quarter of 2011 was R$540 (R$400 in the first quarter of 2010).

According to the prior accounting practices, set forth in CVM Rule 371/00, the accumulated actuarial losses within the limit of 10% of the present value of defined-benefit obligation ("corridor") were not recognized in the Company's income. Losses that exceed this corridor limit were recognized in the Company's income for the remaining average life time of the participants of the benefit plan. This procedure was not changed by the new accounting practice established by CPC 33. However, pursuant to the exemption set forth in CPC 37 R1 (First-Time Adoption of the International Accounting Standards). The Company decided to maintain the corridor approach mentioned above to recognize actuarial gains and losses in its income, which were calculated as of the date of the first adoption (January 1, 2009).

The breakdown of the Company's post-employment benefits is presented below for the individual and consolidated accounting statements:

	Consolidated (BRGAAP and IFRS)					
	3.31.2011			12.31.2010		
	Current	Non-current	Total	Current	Non-current	Total
Contracted and/or recognized liabilities						
Agreements of acknowledgement of past debts	18,960	110,034	128,994	20,111	111,981	132,092
Non-contracted actuarial liabilities						
Coverage of costs relating to SB-40[24] and current contributions	1,712	2,085	3,797	2,185	2,607	4,792
Actuarial deficit and confidentiality bonus	32,287	244,734	277,021	3,643	294,864	298,507
Recorded actuarial liabilities	**52,959**	**356,853**	**409,812**	**25,939**	**409,452**	**435,391**

Part of the actuarial liabilities recognized in the balance sheet is covered by obligations contracted and/or recognized through a debt acknowledgement agreement and an agreement entered into by the Company and the pension plan entities.

[24] SB-40 – Conversion of special pension in pension.

Contracted debts are adjusted based on the INPC disclosed by the Brazilian Geography and Statistics Institute (IBGE) and bear interest of 6% p.a. The contracted amounts stated in non-current liabilities are expected to be paid as follows:

	ELOS	PREVIG	Total
April to December, 2012	11,355	1,617	12,972
2013	16,078	2,244	18,322
2014	17,065	1,821	18,886
2015	2,829	1,644	4,473
2016	2,999	1,743	4,742
2017 to 2029	37,674	12,965	50,639
	88,000	**22,034**	**110,034**

Changes in post-employment benefits are summarized below:

	BD Plan	CD Plan	GC	Total
Liabilities as of 12.31.2010	**407,998**	**25,878**	**1,515**	**435,391**
Effects on the result for the first quarter of 2011:				
Cost of interest	30,163	963	48	31,174
Current cost service	20	-	17	37
Expected revenue from assets	(25,961)	(671)	-	(26,632)
Amortization of actuarial gains	(20,250)	(231)	10	(20,471)
Net gains	**(16,028)**	**61**	**75**	**(15,892)**
Contributions	(8,562)	(1,064)	-	(9,626)
Benefits paid	-	-	(61)	(61)
Liabilities as of 3.31.2011	**383,408**	**24,875**	**1,529**	**409,812**

Net gains to be recognized in the statement of income from April to December of 2011, related to the Defined Benefit Plans and the confidentiality bonus, are as follows:

	BD Plan	CD Plan	GC	Total
Cost of interest	(90,488)	(2,889)	(143)	(93,520)
Current cost of service	(59)	-	(50)	(109)
Expected return on plan assets	77,883	2,014	-	79,897
Amortization of actuarial gains	60,748	693	(30)	61,411
Net gains	**48,084**	**(182)**	**(223)**	**47,679**

The plan's assets are invested as follows:

	ELOS (%)	PREVIG (%)
Fixed income	92.16	87.10
Variable income	5.17	7.90
Other	0.31	2.41
Loans	2.36	2.59
Total	**100.00**	**100.00**
Return in the quarter	1.32%	3.71%
Expected results for 2011	12.64%	12.32%

Defined Contribution Plan (CD)

In addition to the abovementioned benefit plan, PREVIG manages the Defined Contribution plan (CD). In the Defined Contribution plan funding consists of basic contributions by the participants and the sponsor. The Company's basic contribution is equal to the basic contribution of its employees.

In the first quarter of 2011, the Company paid R$656 (R$736 in the first quarter of 2010) as administrative expenses.

Confidentiality bonus benefit

Consists of the payment of a bonus to managers when their employment contract is terminated.

26 - DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

	Company (BRGAAP)				
	3.31.2011				12.31.2010
Type of credit	Tax basis	Income Tax	Social Contrib.	Total	Total
Provision for the sale of power	107,456	26,864	9,671	36,535	36,535
Fair value of property, plant and equipment	1,102,985	275,746	99,269	375,015	382,571
Fair value of concession of fees payable	51,821	10,991	4,664	15,655	15,739
	1,262,262	**313,601**	**113,604**	**427,205**	**434,845**

	Consolidated (BRGAAP and IFRS)				
	3.31.2011				12.31.2010
Type of credit	Tax basis	Income Tax	Social Contrib.	Total	Total
Provision for the sale of power	107,456	26,864	9,671	36,535	36,535
Fair value of property, plant and equipment	1,102,985	275,746	99,269	375,015	382,571
Fair value of concession of fees payable	51,821	10,991	4,664	15,655	15,739
Subsidized accelerated depreciation	38,488	9,622	3,464	13,086	10,846
	1,300,750	**323,223**	**117,068**	**440,291**	**445,691**

Deferred income and social contribution taxes were calculated on the following transactions:

The provision for sale of electrical energy results from transactions carried out within Wholesale Electrical Energy Market (MAE), currently CCEE, corresponding to the period from September of 2000 to September of 2002. Considering that the amount of revenue is being challenged in court by agents that disagree with the interpretation adopted by MAE in the application of certain accounting rules, as provided for by Aneel Resolution, in the event of a favorable outcome for these agents, both the revenue and the corresponding asset will no longer exist, and therefore it is being treated as a provision and deemed as temporary difference for tax purposes. The Company has also recorded provision for losses on accounts receivable and, consequently, recognized deferred income and social contribution taxes on this provision.

The adjustment to fair value of property, plant and equipment corresponds to the difference between the book value and the appraisal value, due to the first-time adoption of Technical Pronouncement CPC 27 (Property, Plant and Equipment), in compliance with the guidelines of Technical Interpretation ICPC 10.

The adjustment to fair value of the concession payable arises from the application of CPC 15 – Business combination in the acquisition of subsidiary.

Subsidized accelerated depreciation corresponds to the accelerated depreciation of certain construction costs and the acquisition of assets from certain Company's power plants, as provided for in the tax legislation.

Deferred tax liabilities will be realized as follows:

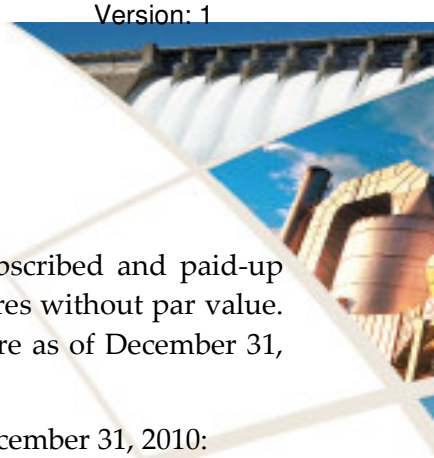
	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
April to December, 2011	22,918	22,918
2012	32,223	32,223
2013	28,646	28,646
2014	22,418	22,418
2015	20,713	20,713
2016 to 2018	95,271	95,271
2019 onwards	205,016	218,102
	427,205	**440,291**

27 - SHAREHOLDERS' EQUITY

a) Authorized capital stock

The Company is authorized to increase its capital stock up to the limit of R$5,000,000, regardless of any amendment to its bylaws. Under the BM&FBOVESPA's New Market listing regulations, the Company cannot issue preferred shares or founder shares. The Company does not hold treasury shares.

Tractebel Energia
GDF SUEZ



b) Subscribed and paid-up capital

As of March 31, 2011 and December 31, 2010, the Company's fully subscribed and paid-up capital is R$2,445,766, represented by 652,742,192 registered common shares without par value. The book value per share as of March 31, 2011 is R$8.24 (R$7.77 per share as of December 31, 2010).

Below is the Company's shareholding structure on March 31, 2011 and December 31, 2010:

Shareholders	% of Capital
GSELA	68.71
Banco Clássico S.A.	10.00
Other Shareholders	21.29
	100.00

The Company's number of outstanding shares is disclosed in the chart below:

	Company Shares	Shares of controlling shareholders and Management	Outstanding shares
Balance as of 12.31.2010	**652,742,192**	**448,652,213**	**204,089,979**
Redemption of Management shares rental	-	118,939	(118,939)
Sale of shares by the Management	-	(2,100)	2,100
Balance as of 3.31.2011	**652,742,192**	**448,769,052**	**203,973,140**

c) Composition of revenues

	3.31.2011	12.31.2010
Capital reserve		
Compensation of assets and rights constituted with own capital	**91,695**	**91,695**
Asset valuation adjustment	**693,971**	**708,190**
Income Reserves		
Legal reserves	422,556	422,556
Profit retention reserve	1,246,207	1,246,207
Proposed additional dividend	158,270	158,270
	1,827,033	**1,827,033**

d) Assets valuation adjustment

As provided for in CPC 27 (Property, plant and equipment) and in compliance with the guidelines of Technical Interpretation ICPC 10, the Company recognized the adjustment to fair value of property, plant and equipment on the date of the first-time adoption of the CPCs (January 1, 2009). The corresponding entry to the abovementioned adjustment, net of deferred income and social contribution taxes, was recognized in "Asset valuation adjustments" account, in shareholders' equity. This line is realized in the retained earnings account as the depreciation of the adjustment to fair value of property, plant and equipment is recognized in the Company's result.

28 - OPERATING EXPENSES BY TYPE

	Company (BRGAAP)					
	3.31.2011					3.31.2010
	Costs		Expenses			
	Power sold	Services provided	Selling	General and Administrative	Total	Total
Personnel	27,909	3,073	2,193	9,909	43,084	43,472
Management	-	-	-	3,685	3,685	3,147
Materials	3,701	196	62	546	4,505	4,548
Outsourced services	20,291	1,467	601	7,609	29,968	23,714
Fuel for generation	2,443	-	-	-	2,443	2,018
Royalties [25]	32,894	-	-	-	32,894	26,034
Depreciation and amortization	88,924	-	-	2,014	90,938	77,583
Insurance	1,860	110	-	90	2,060	2,102
Inspection fee	2,574	-	-	-	2,574	2,345
Contributions and donations	211	-	-	1,485	1,696	2,272
Sector contributions	-	-	-	1,075	1,075	681
Rents	1,558	138	45	1,324	3,065	1,820
Other	(373)	22	-	7,621	7,270	3,018
	181,992	**5,006**	**2,901**	**35,358**	**225,257**	**192,754**

	Consolidated (BRGAAP and IFRS)					
	3.31.2011					3.31.2010
	Costs		Expenses			
	Energy sold	Services provided	Selling	General and Administrative	Total	Total
Personnel	28,397	3,073	2,193	10,314	43,977	43,752
Management	-	-	-	3,884	3,884	3,305
Materials	4,278	196	62	568	5,104	4,963
Outsourced services	25,318	1,467	2,286	8,266	37,337	28,561
Fuel for generation	4,941	-	-	-	4,941	4,304
Royalties	38,208	-	-	-	38,208	31,420
Depreciation and amortization	115,335	-	-	3,296	118,631	109,671
Insurance	2,199	110	-	90	2,399	2,548
Inspection fee	2,977	-	-	-	2,977	2,813
Contributions and donations	265	-	-	1,487	1,752	2,333
Sector contributions	-	-	249	1,172	1,421	955
Rents	2,022	138	66	1,456	3,682	2,176
Other	(282)	22	-	7,770	7,510	3,486
	223,658	**5,006**	**4,856**	**38,303**	**271,823**	**240,287**

[25] Financial compensation for the use of water resources (Royalties)

29 - REVERSAL (CONSTITUTION) OF OPERATING PROVISIONS

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	3.31.2010	3.31.2011	3.31.2010
Post-employment benefits	22,719	18,812	22,719	18,812
Tax risks	(770)	(559)	(770)	(559)
Civil risks	(5,293)	(491)	(5,551)	(3,381)
Labor risks	(157)	1,767	(157)	1,767
Doubtful accounts	(6,043)	-	(6,180)	-
Other	-	-	(63)	-
	10,456	**19,529**	**9,998**	**16,639**

Gains in line "Post-employment benefits" correspond to the recognition of actuarial gains according to the rules established by CPC 33 (Post-employment benefits).

In the first quarter of 2011, the Company constituted a provision in the amount of R$6.043 in the parent company and R$6.180 in the consolidated for doubtful accounts, due to the exclusion of CCEE for long-term default.

30 - FINANCIAL RESULT

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	3.31.2010	3.31.2011	3.31.2010
Financial income				
Income from marketable securities	22,057	15,395	28,413	19,945
Interest on receivables	5,436	2,158	6,045	2,819
Monetary variation on judicial deposits	2,238	3,576	2,238	3,578
Other	2,872	1,618	2,989	2,090
	32,603	**22,747**	**39,685**	**28,432**
Financial expenses				
Interest on debt	46,159	37,448	69,828	64,899
Interest on concession fees payable	15,581	7,438	24,689	21,797
Interest on actuarial liabilities	4,542	6,156	4,542	6,156
Monetary variation on debts	14,860	12,650	15,478	13,543
Monetary variation on concession fees payable	18,286	5,058	26,406	18,581
Exchange variation on debts	1,614	2,445	1,614	2,445
Other financial expenses	4,875	4,014	5,540	4,597
	105,917	**75,209**	**148,097**	**132,018**
Financial expenses, net	**73,314**	**52,462**	**108,412**	**103,586**

Tractebel Energia
GDF SUEZ

31 - FINANCIAL INSTRUMENTS

a) Financial instruments category

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	12.31.2010	3.31.2011	12.31.2010
Financial assets:				
Receivables and loans:				
Cash and bank deposits in cash	6,195	1,710	14,638	8,882
Trade accounts receivable	442,148	446,165	509,464	531,106
Dividends from subsidiaries	6,949	6,525	-	-
Collateral and restricted deposits	27,068	69,665	79,680	132,797
Asset sales	86,886	86,886	86,886	86,886
Judicial deposits	134,573	131,315	136,537	133,464
Credits with subsidiaries	6,424	6,765	-	-
Non-current assets for sale	24,297	23,856	23,057	23,057
	734,540	**772,887**	**850,262**	**916,192**
Fair value through profit of loss				
Held for trading:				
Cash equivalents	956,659	794,407	1,276,327	1,073,698
Financial liabilities				
Financial liabilities measured at amortized cost:				
Suppliers	182,736	174,086	254,263	268,851
Loans, financing and debentures	1,972,829	1,924,136	4,550,272	4,443,920
Concession fees payable	754,272	721,025	1,177,243	1,134,947
	2,909,837	**2,819,247**	**5,981,778**	**5,847,718**

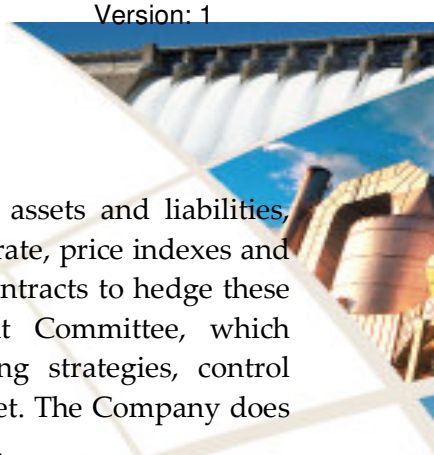
Cash equivalent corresponds substantially to financial investments held at the Exclusive investment funds. The fair value of this instrument is measured at the prices of Federal Government securities comprising the Fund in the active market (level 1).

b) Risk Management

The Company's business, the financial conditions and the results of operations may be adversely affected by any of the risk factors described below. To carry out the risk assessment process more effectively, Tractebel Energia created the Risk Management Committee, which is in charge of raising awareness on how to treat risks, defining goals and guidelines to manage risks, fostering and suggesting improvements in the assessment process, rating and defining control procedures.

- Market Risk

The Committee is comprised of a representative from the departments responsible for financial planning, regulation and market, power supply planning, finance, trade, audit, project implementation and power production. The Planning and Control Officer is responsible for the general coordination of the Committee.



The Company and its subsidiaries use financial instruments to hedge assets and liabilities, minimizing exposure to market risks, mainly in connection with interest rate, price indexes and currency fluctuations. The Company did not enter into any derivative contracts to hedge these risks; however, they are monitored by the Financial Management Committee, which periodically assesses the Company's exposure and proposes operating strategies, control systems, position limits and credit limits with other partners in the market. The Company does not practice speculative investments in derivatives or any other risk assets.

There were no changes in the Company's exposure to market risks or in the way the Company manages and measures these risks in the current year.

The main market risks to which the Company is exposed are the following:

- Risks related to financial investments

The Company adopts a conservative fund investment policy, which is formalized and disclosed to the market through the Company's website, in the document "Investment and Derivatives Policy". Financial investments of the Company and its subsidiaries comply with the allocation of at least 90% of Government Securities (in the final purchase and/or repurchase agreement mode) and at most 10% of Private Securities (CDB acquisitions of eligible banks and also repurchase agreements with debentures issued by leasing companies controlled by eligible banks).

The Company uses the classification of agencies Fitch Ratings (Fitch), Moody's and Standard & Poors (S&P) to identify eligible banks to receive these funds. Such banks meet the two following criteria: have Shareholders' Equity of at least R$1 billion and domestic scale Rating of at least AA- (S&P and Fitch) or Aa3 (Moody's).

The "Investment and Derivatives Policy" imposes strong restrictions on operations with derivatives and establishes continued follow up when contracting this type of operation. Currently, the Company has not contracted operations with derivatives.

- Foreign exchange risk

The portion of loan denominated in foreign currency, in the amount of R$217,299 on March 31, 2011, corresponds to 4.8% of the Company's debt, of which 2.7% is in U.S. dollars and 2.1% in Euros. Debt maturities are distributed on a long term basis, concentrated in 2015 and 2024. Considering that the effect arising from the debt maturity is minimum on a short and medium term basis and, due to the impossibility of making an effective hedge for the balance sheet since there is no forward curve on long term basis, the Company did not hold on March 31, 2011 any derivative instrument to protect its liabilities. For more details on the composition of foreign currency debt, refer to Note 19.

- Interest rates and fluctuating indexes risks

This risk is related to possible losses the Company may have from exchange rate fluctuation, which affect the Company's liabilities. The Company and its subsidiaries are exposed to interests rates and fluctuating indexes related to Libor, Euribor, TJLP, DI rate, IGP-M and IPCA variations. The debt breakdown by interest rates and index, and percentages related to the total amount of these debts is as follows:

Interest rates and fluctuating indexes risks	Loans, financing and debentures	%	Concession fees payable	%
Libor Dollar	9,556	0.21	-	-
Euribor	97,301	2.23	-	-
TJLP	2,558,533	58.54	-	-
CDI	1,054,899	24.13	-	-
IPCA	455,397	10.42	387,322	32.90
IGP-M	195,246	4.47	789,921	67.10
	4,370,932	**100.00**	**1,177,243**	**100.00**

On March 31, 2011, the Company did not have derivatives contracted to hedge these indexes. However, the risks are monitored by the Financial Management Committee, which, periodically, assesses the Company's exposure and proposes strategies that should be adopted.

- Sensitivity analysis

Due to the volatility history of the real against foreign currencies, interest rates and price indexes, the Company has prepared a sensitivity analysis for its debts, showing the eventual impacts on the 2011 results, based on the assumptions available in the market. The variations used to calculate the impact on the 2011 results were: dollar (+6%), euro (- 0.2%), TJLP (+6%), CDI (+12%), IPCA (+ 5.5%) and IGP-M (+7%).

	Impacts on income
Foreign currency variation	6,760
Interest rate variation	(10,416)
Price index fluctuation	
Debentures	7,887
Concession fees payable	171,286

The IGPM-indexed debt (R$167,779) and the portion adjusted by the CDI (R$637,448) refer to the series of debentures maturing on May 2, 2011 and April 1, 2011, respectively. Consequently, the variation for these debts is calculated *pro-rata*.

The Company's funds are invested in an Exclusive Fixed Income Investment Fund, whose policy is to allocate the funds to very low-risk assets. As of March 31, 2011, the Fund's entire portfolio was invested in assets with credit risk from the Brazilian Government, with daily liquidity and floating interest rate, pegged to the variation of the Selic. These funds will be used in the short-term, substantially reducing the risk of any significant effects on the earnings due to an eventual decrease in the basic interest rate in the Brazilian economy.

Specifically regarding to the risk of accelerated inflation, it is worth noting that all the power sales agreements in force have an inflation adjustment clause – IGPM or IPCA, a long-term, natural hedge for debts and obligations adjusted by inflation and/or pegged to an inflation acceleration - for the CDI.

As per the floating interest rate risk, it is worth noting that most of its debts are pegged to the TJLP, which may become even more important. Despite the fact that this is a "floating" rate, it has been stable at 6% for several years and, therefore, it could almost be considered a fixed rate.

- Liquidity risk

The Financial Management Committee is responsible for managing the Company's liquidity risk. The Committee also manages the needs to raise funds and to manage short-, medium- and long-term liquidity by permanently monitoring forecast and real cash flows. To guarantee the capacity to pay its obligations in a conservative way, the Company uses the policy of minimum cash, which is annually revised based on cash projections, and monitored each month at the Committee's meetings. The management of financial investments focuses on short-term instruments, especially those with daily maturities, in order to provide maximum liquidity and cover disbursements. The Company's cash generation feature and its low volatility for receivables and long-term obligations within the year, provide stable flows, thus reducing its liquidity risk.

	Company (BRGAAP)					
	Up to 1 month	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Instruments subject to interest rate:						
-floating rate						
Loans, financing and debentures	820,174	44,188	106,279	886,349	-	1,856,990
- fixed rates						
Loans and financing and debentures	9,818	588	5,506	17,809	82,118	115,839
Concession fees payable	209	417	1,933	3,903	747,810	754,272
	830,201	**45,193**	**113,718**	**908,061**	**829.928**	**2,727,101**

	Consolidated (BRGAAP and IFRS)					
	Up to 1 month	**1 to 3 months**	**3 months to 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Instruments subject to interest rate:						
-floating rate						
Loans and financing and debentures	832,515	66,468	236,342	1,566,650	1,668,867	4,370,842
- fixed rates						
Loans and financing and debentures	10,706	1,928	11,532	50,622	104,642	179,430
Concession fees payable	3,704	7,324	32,738	137,002	996,475	1,177,243
	846,925	**75,720**	**280,612**	**1,754,274**	**2,769,984**	**5,727,515**



- Capital management risk

The Company manages its capital so as to maximize return to investors by optimizing the debt and equity balances, seeking to structure capital and maintaining indebtedness and debt coverage ratios that optimize the return to investors.

The Company's capital structure comprises net debt (loans, financings and debentures, described in Notes 19 and 20, minus cash and cash equivalents) and shareholders' equity, which includes capital, reserves and retained earnings.

The Company has debts that establish a maximum gross debt limit, calculated based on the EBITDA. The most restrictive of these debts limits at 2.5x EBITDA. Given the new liquidity scenario of the market and a better risk perception of the industry, in general, and of the Company specifically, the recently contracted debts have limits of 3.5x EBITDA. The Company's Management, through the Financial and Investor Relations Office, monitors the Company's indebtedness level which should remain at around 2x EBITDA, which can, however, vary according to the policy for acquisition of the Company's new power plants.

- Credit risk

In long-term agreements entered into with distributors, including Energy Trading Agreements in the Regulated Environment (CCEAR), the Company minimizes its credit risk with the use of a collateral mechanism involving receivables from its customers.

To minimize credit risk in the agreements to sell power to free consumers, sellers and generating companies, as well as in former bilateral agreements with the distribution companies, the Company requires a bank guarantee. For the parties willing to present other types of guarantees, the Company, through its credit department, carries out a credit analysis and establishes the guarantees to be presented according to its credit policy. Additionally, the Company periodically evaluates its exposure to the different industries seeking portfolio diversification and reduction of its exposure to a specific industry risk.

In financial market investment transactions, the Company gives priority to investments in public securities, however, it also has a credit limit policy with financial institutions, which are regularly reviewed by its Financial Management Committee, based on in-house criteria and ratings disclosed by risk rating agencies.

As previously mentioned, the Company has financial investments in an Exclusive Investment Fund. The amount of investments by financial institution is within the limits defined by the Company in its investments and derivatives policy for financial institutions.

The Company is guarantor in several agreements with its subsidiaries to guarantee financing (see Note 32) and does not have any type of guarantee, or credit guarantee, to protect this type of credit.

Tractebel Energia
GDF SUEZ

c) Fair value of financial instruments

In transactions involving financial instruments, only in loans, financing and debentures were significant differences between fair and book values found, mainly due to the fact that such instruments have long repayment terms and differentiated costs as compared to the rates currently in force for similar agreements. To measure market values, the Company's management used discounted future cash flows at rates deemed adequate for similar transactions.

	Company (BRGAAP)			
	3.31.2011		31.12.2010	
	Book	Market	Book	Market
Loans and financing in foreign currency	217,299	238,127	213,580	211,784
Loans and financing in domestic currency	36,705	36,691	49,414	49,135
Debentures	1,718,825	1,596,403	1,661,142	1,557,388
Concession fees payable	754,272	1,183,839	721,025	1,024,567
	2,727,101	**3,055,060**	**2,645,161**	**2,842,874**

	Consolidated (BRGAAP and IFRS)			
	3.31.2011		12.31.2010	
	Book	Market	Book	Market
Loans and financing in foreign currency	217,299	238,127	213,580	211,784
Loans and financing in domestic currency	2,586,681	2,589,977	2,542,979	2,546,069
Debentures	1,746,292	1,623,869	1,687,361	1,583,608
Concession fees payable	1,177,243	1,764,427	1,134,947	1,558,491
	5,727,515	**6,216,400**	**5,578,867**	**5,899,952**

The amount of financial investments recorded in the accounting statements are close to the realization amounts given that the operations bear floating interest rates and have immediate liquidity.

- Additional sensitivity analysis of financial instruments, according to ICVM 475/08

The additional information on the Company's financial instruments required by CVM Rule no. 475/08, specifically those on the additional sensitivity analysis as required by the IFRS and the accounting practices adopted in Brazil, are shown below.

Due to the volatility history of the real against foreign currencies, price indexes and interest rates, the Company prepared a sensitivity analysis that shows eventual impacts on its short-term result. The analysis took into consideration a basic scenario forecast for 2011, and two other scenarios that included a 25% and 50% variation on the basic premises. The basic scenario was designed using the premises available in the market and takes into consideration the following variations for 2011: dollar (+ 6%), Euro (-0.2%), TJLP (+ 6%), CDI (+ 12%), IPCA (+5.5%) and IGP-M (+7%).

The projection of the effects resulting from the application of these scenarios to the Company's financial result for 2011 would be as follows:

	Balance 3.31.2011	Basic scenario	Scenario I 25%	Scenario II 50%
Foreign currency variations	217,299	6,760	62,775	118,790
Interest rate variations	3,615,491	(10,416)	28,049	67,008
Price index fluctuations				
Debentures	623,752	7,887	165,797	323,706
Concession fees payable	1,177,243	171,286	187,999	204,590

The IGPM-indexed debt (R$167,779) and part of the debt adjusted by the CDI (R$637,448) refer to the series of debentures maturing on May 2, 2011 and April 1, 2011, respectively. Consequently, the base scenario for those debts was forecast for April 30, 2011, not December 31, 2011, as compared to the other indexes.

32 - RELATED PARTY TRANSACTIONS

The transactions with related parties carried out by the Company include agreements for the purchase and sale of power, the provision of administrative services and the operation and maintenance of power plants, in addition to guarantees granted to third parties. The details of the most important transactions are shown below.

a) Purchase and sale of power

Company	Volume (average MW)	Maturity	Annual restatement index	Balance as of 3.31.2011
Purchase:				
Itasa	167	10.16.2030	IGP-M	2,358,868
Itasa	61	10.16.2030	US dollar variation + US inflation	456,572
Sale:				
TBLC	150	3.1.2015	IPCA	360,650
TBLC	190	12.31.2016	IPCA	670,561
Lages	26	3.31.2017	Cost defined yearly in November	91,978

Power contracted with Itasa corresponds to the electrical energy generated by the subsidiary and is sold by Tractebel Energia. Sale to free consumers is mostly carried out by wholly-owned subsidiary TBLC. TBLC purchases electrical energy in order to have electrical energy sufficient to meet its commitments, mainly those with industrial customers.

Tractebel Energia
GDF SUEZ

b) Operation and maintenance

Related party	Maturity	Annual restatement index	Balance as of 3.31.2011
Itasa	10.16.2030	IGP-M	196,321
Ceste	4.28.2025	Mix of the IPCA and INPC indexes	193,875
CESS	10.15.2023	IGP-M	12,647
Lages	3.31.2012	Restatement index of the Collective Bargaining Agreement of Tractebel Energia	1,858

The Company's strategy is to centralize the operation and maintenance activities at Tractebel Energia, which also provides these services to its subsidiaries that do not outsource them.

c) Administrative services

Company	Maturity	Annual restatement index	Annual amount
Lages	Indefinite	INPC	190
TBLC	Indefinite	INPC	379
CESS	Indefinite	INPC	209
Areia Branca	Indefinite	INPC	78
Hidropower	Indefinite	INPC	81
Beberibe	Indefinite	INPC	111
Pedra do Sal	Indefinite	INPC	84
Tupan	Indefinite	INPC	96
Ibitiúva	Indefinite	INPC	253

Tractebel Energia provides those services necessary to the administrative activities of the subsidiaries.

Guarantees

The Companies is the intervening party in several loan agreements signed by its direct and indirect subsidiaries with the BNDES and other financial agents, granting a different type of guarantee to each agreement, as disclosed in the table below:

Company	Type of guarantee	Financing agent	Amount of debt
Itasa	Pledge of all shares issued and held by Itasa	BNDES and Banks (BNDES Onleading agents)	95,702
Lages	Pledge of the equity shares it holds	BRDE	9,717
CESS	Pledge of all shares issued and held by CESS	BNDES and Banks (BNDES Onleading agents)	610,354
Beberibe	Pledge of all shares issued by Beberibe and held by its wholly-owned subsidiary TBLP	BNDES	98,831
Pedra do Sal	Pledge of all shares issued by Pedra do Sal and held by its wholly-owned subsidiary TBLP	BNDES	67,836

Company	Type of guarantee	Financing agent	Amount of debt
Areia Branca	Pledge of all shares issued by Areia Branca and held by its wholly-owned subsidiary TBLP	BNDES	62,873
Tupan	Pledge of all shares issued by Tupan and held by its wholly-owned subsidiary TBLP	CEF	51,377
Hidropower	Pledge of all shares issued by Hidropower and held by its wholly-owned subsidiary TBLP	Banco do Brasil	26,257
Ibitiúva	Pledge of all shares issued by Ibitiúva and held by its wholly-owned subsidiary TBLP	BNDES	72,509
CEE	Pledge of all shares issued and held by CEE	BNDES and Banks (BNDES Onleading agents)	1,481,987

d) Sureties and guarantees

The Company is the guarantor of subsidiaries CESS and TBLC on the following operations to purchase power:

Company	Beneficiaries	Maturity	Amount of surety or guarantee
CESS	ONS	07.26.2011	2,438
TBLC	Arcelormittal Brasil S.A.	1.3.2012	18,354
TBLC	ECOM Energia Ltda.	12.31.2011	1,117
TBLC	Tradener S.A.	12.12.2011	8,811
TBLC	Vale Energia S.A.	3.2.2012	5,919
CEE	ONS	1.30.2012	1,079

The Company is also the guarantor of subsidiary TBLC in operations to purchase power maturing on December 31, 2011, in the total amount of R$40,353 on March 31, 2011.

e) Advisory Services

SUEZ-Tractebel S.A. (Indirect Parent Company)

The Company executed an agreement with SUEZ-Tractebel S.A., its indirect parent company, headquartered in Brussels, Belgium, the purpose of which is the provision of specific advisory services in the management, operational, financial, accounting, legal, marketing and project development areas, as the Company deems necessary. The contract renewal was approved by unanimous vote of the Company's minority shareholders, at the Extraordinary General Meeting (AGE) held on April 23, 2010, and the controlling shareholder resigned the voting right. The term of the agreement is 3 (three) years, renewable every year. The value of fees during the effectiveness of the agreement is limited to the annual non-cumulative amount of 1,500,000.00 Euros. Services shall be executed and respective fees shall be submitted to the Company's Fiscal Council, which has one member elected by the minority shareholders. The outstanding amount on March 31, 2011 is R$10,491.

f) Other transactions

GDF SUEZ Energy Latin America Participações Ltda. (GSELA)

The Company has a payable amount of R$129,186 to its GSELA subsidiary related to interest on equity approved by the Board of Directors' Meeting held on November 7, 2009, though its payment date has not been defined by the Company's Executive Board.

g) Amounts recorded in balance sheet and income statement accounts:

	Asset				Liability			
3.31.2011	Accounts Receivable	Dividends	Mutual	Total	Suppliers	Dividends and Interest on Equity	Other	Total
Itasa	2.016	5.321	-	7.337	6.326	-	32	6.358
Lages	1.881	-	-	1.881	-	-	-	-
TBLC	169.290	-	-	169.290	-	-	-	-
CESS	5.906	1.628	-	7.534	-	-	-	-
Ibitiúva	-	-	6.424	6.424	-	-	-	-
Beberibe	1	-	-	1	-	-	-	-
Hidropower	13	-	-	13	-	-	-	-
SUEZ Tractebel S.A.	-	-	-	-	3.206	-	-	3.206
GSELA	4	-	-	4	-	129.186	-	129.186
Ceste	2.939	-	-	2.939	-	-	-	-
Other	13	-	-	13	111	-	-	111
TOTAL	**182.063**	**6.949**	**6.424**	**195.436**	**9.643**	**129.186**	**32**	**138.861**
31.12.2010	**87.167**	**6.525**	**6.765**	**100.457**	**11.719**	**129.186**	**31**	**140.936**

	Income							
	Service Income				Cost of Power	Expenses		Equity Pick-Up
3.31.2011	Power Supply	Operation and Maintenance	Management	Total	Power Purchases	General and Administrative	Total	
Itasa	-	3.025	-	3.025	31.975	2	31.977	6.548
Lages	3.832	470	47	4.349	-	-	-	159
TBLC	273.905	-	95	247.000	-	-	-	29.376
CESS	5.975	325	52	6.352	-	-	-	-2.191
TBLP	-	-	-	-	-	-	-	-2.584
CEE	-	-	-	-	-	-	-	-965
SUEZ Tractebel S.A.	-	-	-	-	-	859	859	-
Ibitiúva	-	-	63	63	-	-	-	-
Areia Branca	-	-	20	20	-	-	-	-
Tupan	-	-	24	24	-	-	-	-
Hidropower	-	-	20	20	-	-	-	-
Pedra do Sal	-	-	21	21	-	-	-	-
Beberibe	-	-	28	28	-	-	-	-
Ceste	-	2.654	-	2.654	-	-	-	-
Other	-	-	-		-	246	246	
TOTAL	**283.712**	**6.474**	**370**	**290.556**	**31.975**	**1.107**	**33.082**	**30.343**
3.31.2010	**85.604**	**3.403**	**401**	**89.408**	**30.715**	**1.139**	**31.854**	**-14.836**

Tractebel Energia
GDF SUEZ

Compensation of Management's key personnel

The compensation, charges and benefits related to the Management's key personnel are presented as follows. The only long-term benefit granted is the pension (post-employment).

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	3.31.2010	3.31.2011	3.31.2010
Short-term benefits and fees	2,051	1,707	2,217	1,839
Social charges	445	545	478	571
Management bonus and charges	1,043	719	1,043	719
Post-employment benefits	146	176	146	176
	3,685	**3,147**	**3,884**	**3,305**

The management's compensation is not based on shares of Tractebel Energia.

33 - INSURANCE

On March 31, 2011, the broad operating risk policies and insurance with declared value for material damanges amounted to US$5,063,812 (R$8,243,380) and for lost profits in the amount of US$389,630 (R$634,279). The maximum combined limit of indemnification for material damages and lsot profits is US$250,000, equal to R$406,975 per event.

Subsidiaries have insurance agreements with the following coverage characteristics and amounts on March 31, 2011:

	Operating risks		Profit Loss	
	US$	R$	US$	R$
Lages	40,032	65,168	8,027	13,067
CESS	231,575	376,981	19,605	31,915
Tupan	24,074	39,190	3,410	5,551
Hidropower	24,074	39,190	3,628	5,906
Pedra do Sal	24,882	40,505	10,766	17,526
Beberibe	49,565	80,687	14,194	23,106
Ibitiúva	52,052	84,735	18,856	30,696

In addition to this coverage, the Company has civil liability insurance policies with coverage of R$87,215. Such policies include Itá and Machadinho Hydroelectric Power Plants, built and operated by means of a consortium, and the Lages Co-generation Unit, São Salvador Hydroelectric Power Plant, Rondonópolis (Tupan), Engenheiro José Gelazio da Rocha (Hidropower), Areia Branca Small Hydroelectric Power Plants, Ibitiúva Thermoelectric Power Plant and Pedra do Sal and Beberibe Wind Farms.

Since the 2009/2010 cycle, the Company decided to adhere to the insurance policy called Property Damage and Business Interruption – PDBI, which is coordinated by Controlling Group, since it understands that business and coverage conditions prove to be more favorable than those available on the domestic market and likely to be contracted by the Company.

Due to favorable conditions provided by this global insurance policy, the Estreito Consortium, having as consortium members Companhia Energética Estreito (40.07%), Vale S.A. (30%), Alcoa (25.49%) and Camargo Corrêa Geração de Energia (4.44%), requested the inclusion of Estreito hydroelectric power plant in said insurance policy, which will effectively occur as from Estreito HPP's start-up.

Estreito consortium currently has engineering risk insurance for material damage of R$2,404,630 and expected loss of profit of R$612,233.

The Company also has insurance to cover national and international transportation risks, civil liability of the directors, officers and management, extended to its subsidiaries, as well as group life insurance for its officers and employees.

34 - LONG-TERM AGREEMENTS

The Company has the following main long-term commitments:

a) Connection agreement

The Company entered into a connection agreement with Eletrosul and Furnas Centrais Elétricas S.A. (Furnas), effective until the termination date of the Company's generation units' concession. For the Ponte de Pedra Power Plant, the Company has an agreement with Centrais Elétricas do Norte do Brasil S.A. (Eletronorte).

Regarding subsidiaries, connection usage agreements are the following:

- Eólica Beberibe S.A.: Companhia Energética do Ceará (Coelce).
- Eólica Pedra do Sal S.A.: Companhia Energética do Piauí (Cepisa).

On March 31, 2011 the connection agreements' remaining balance amounts to R$246,136 (R$249.324 on December 31, 2010).

b) Transmission and Distribution Network Usage Agreement (CUST and CUSD)

In order to use the transmission system and basic network, the Company and its subsidiaries CESS, CEE and Itasa have agreements with the ONS. For power plants which are not directly connected to the basic network, companies maintain distribution usage agreements, as follows:

- UTE Willian Arjona: Mato Grosso do Sul (Enersul).
- UTE Alegrete: AES Sul Distribuidora Gaúcha de Energia S.A. (AES Sul).
- UTE Jorge Lacerda A: Centrais Elétricas de Santa Catarina S.A. (Celesc).
- Tupan and Hidropower: Centrais Elétricas Matogrossenses S.A. (Cemat).
- Beberibe: Companhia Energética do Ceará (Coelce).
- Pedra do Sal: Companhia Energética do Piauí (Cepisa).
- Hidrelétrica Areia Branca S.A.: Cemig Distribuição S.A. (Cemig).
- UTE Ibitiúva Bioenergética: Companhia Paulista de Força e Luz (CPFL Paulista).

Most agreements are effective up to the termination date of the concessions or authorizations of the Company's generation units. On March 31, 2011 the agreements' remaining balance amounts to R$6,580,172 (R$5,802,137 on December 31, 2010).

c) Bilateral power purchase and sale agreements

According to effective assured energy and purchase and sale agreements, the Company's energy balance sheet shows that current capacity has the following contracting levels:

Year	Average MW[26]				
	Own Resources	Purchases for resale	Total availability	Contracted availability	% Contracted
2011	3,440	436	3,876	3,791	97.81%
2012	3,598	541	4,139	3,991	96.42%
2013	3,608	390	3,998	3,932	98.35%
2014	3,608	274	3,882	3,628	93.46%
2015	3,608	201	3,809	3,278	86.06%
2016	3,608	201	3,809	2,664	69.94%

The Company's consolidated gross operating revenue, on December 31, 2010, broken down by nature of customers, is as follows:

	3.31.2011		3.31.2010	
	Value	%	Value	%
Distributors	660,053	57.40	675,420	63.90
Sellers	128,573	11.18	134,766	12.75
Free Consumers	338,201	29.41	232,495	22.00
CCEE	17,852	1.55	7,819	0.74
Power exports	1,066	0.09	-	-
Other	4,130	0.37	6,528	0.61
	1,149,875	**100.00**	**1,057,028**	**100.00**

The only customer that on March 31, 2011 accounting for a percentage higher than 5% of the Company's net revenue was Rio Grande Energia S.A. (RGE).

d) Purchase of power from Argentina

In May of 1998, Tractebel Energia and Cien entered into an Agreement, through which Cien undertook to supply Tractebel Energia 300 MW of firm power with associated energy, for a 20-year term, counted from the commercial start-up of the transmission system between Brazil and Argentina, occurred on June 21, 2000.

In 2006, it was verified that Cien was not able to provide the amount of energy contracted, which made Aneel issue a Normative Resolution to reduce the amounts of the physical power guarantee to "zero" to comply with the agreement with Tractebel Energia. The reduction to "zero" would be valid until Cien could prove the availability exists, which has not happened.

[26] Information on average MW is not revised by the independent auditors.

Due to the need to solve this quarrel, which has been going on for many years, without any prospect for solution, Tractebel Energia, in view of the total default of Cien, filed a lawsuit, mainly requiring the agreement termination, with the payment of the due fine, and reimbursement of losses caused by not receiving the contracted power. At the moment, it is not possible to estimate any amount involved in said lawsuit. By now, all necessary measures to carry out Tractebel's commercial operations, as well as to rebalance its portfolio, were already taken in the previous years.

The lawsuit is in its normal course and Tractebel Energia answered Cien's reply in rebuttal filed on May 26, 2010. Currently, the process is concluded and awaiting sentencing.

e) Purchase of natural gas

The Company entered into a gas purchase agreement with Companhia de Gás do Mato Grosso do Sul (MSGÁS), effective for five years, starting in 2001, the startup of William Arjona Thermoelectric Power Plant (UTWA), renewable for an additional five years.

With the expiration of the contract period, on May 22, 2006, the Company showed its interest to renew the agreement, however, MSGÁS communicated that the renewal would depend on the adjustment of the product price, as determined by Petróleo Brasileiro S.A. (Petrobras), the gas seller to MSGÁS and the consenting party in the contract.

Petrobras filed a special appeal with the High Court of Justice (STJ), where, in a Writ of Prevention, it was granted the stay of the lawsuit, authorizing it, as of November of 2007, to suspend the supply. As a result, the Company has bought power in the CCEE to supply the energy sold by UTWA. When convenient and necessary, the Company has been operating with diesel oil as fuel, since the plant has this flexibility.

As a consequence of the filing of the Preparatory Writ of Prevention, the Company filed an Ordinary Appeal Lawsuit which was judged valid for the purpose of setting forth that purchase and sale agreement of natural gas entered into between the Company and MSGÁS, and between MSGÁS and Petrobras and its respective addendum may be renewed for a 5-year term, beginning on May 23, 2006. The period in which the gas supply was interrupted as a result of this litigation, up to November of 2009, shall be added to the end of the agreement, which shall end proportionally to the term extended. Gas price and quantity shall be as contracted and restated as per Thermoelectric Power Plant Priority Program (PPT).

The High Court of Justice has recently dismissed the Writ of Prevention and Petrobras's Special Appeal due to lack of grounds. As a consequence, the Preparatory Writ of Prevention included an order for MSGÁS and Petrobras to continue supplying gas to Arjona Power Plant as of November 26, 2009.

Petrobras lodged an appeal in view of the decision rendered in the records of the lawsuit, which did not affect the gas supply. The Court of Justice of the State of Mato Grosso do Sul denied the appeal filed by Petrobras and maintained the decision in first court.

Tractebel Energia
GDF SUEZ

f) Leasing agreements

The leasing agreements listed below have been classified as "operating", because the ownership of the asset cannot be transferred to the lessee by the end of the agreement's duration, and because there is no option to purchase the asset, in addition to not meeting the other conditions set forth in CPC 06 (Leasing) for its classification as financial leasing.

Eólica Beberibe has four land lease agreements used for the installation and edification of towers of wind turbines, substation and transmission associated stations. Agreements will end from May of 2007 to September of 2032, and amounts comprise fixed and variable installments, corresponding to a percentage over gross revenue of the subsidiary. Fixed installments are restated by IGP-M, by the dollar variation and the inflation rate in the United States of America (USA), depending on each agreement.

Pedra do Sal Wind Farm has one lease agreement of the land where the generating complex is located, with maturity in 2029. The monthly paid amount contracted corresponds to a percentage over gross operating revenue.

In the first quarter of 2011 the total leasing expense was R$261 (R$137 in the first quarter of 2010).

The total estimated minimum future payment is:

Year	Value
2011	861
2012 to 2016	5,740
2017 onwards	16,892
	23,493

Wind power generation projects acquired in 2009: companies acquired by subsidiary Tractebel Energia Participações (TBLP) have eight lease agreements for land used in the installation and construction of the wind generator towers, a substation and associated transmission facilities. The agreements' maturities will take place from 2032 to 2042, and payments are composed of fixed and variable installments. Variable installments will be collected as of the beginning of operations of each project. Total expenses for the first quarter of 2011 came to R$100 (R$40 in the first quarter of 2010).

The total estimated minimum future payment is:

Year	Value
2011	344
2012 to 2016	2,296
2017 onwards	9,354
	11,994

g) Construction agreements in progress

g.1) Ibitiúva Bioenergética Power Plant

Indirect subsidiary Ibitiúva signed an agreement with Areva Koblitz S.A. for engineering services, acquisition of equipment and construction of Ibitiúva Bioenergética Thermoelectric Power Plant, whose remaining amount on March 31, 2011 is R$2,530 (R$3,373 on December 31, 2010). The agreement is effective up to December 31, 2011.

g.2) São Salvador Hydroelectric Power Plant

Subsidiary CESS has an agreement with Consórcio São Salvador to provide engineering services, acquisition of equipment and construction of São Salvador Hydroelectric Power Plant. The amount to be realized on March 31, 2011 was R$7,936 (R$10,581 on December 31, 2010).

g.3) Estreito Hydroelectric Power Plant

Subsidiary Companhia Energética Estreito has a 40.07% interest in, and has agreements pegged to the implementation of Estreito Hydroelectric Power Plant, and the outstanding amount of R$311,784 on March 31, 2011 (own and third party capital), out of which R$124,932 correspond to the interest in CEE.

35 - HYDROLOGICAL, ENVIRONMENTAL, SOCIAL LABOR RISKS

- Hydrological risks

According to Brazilian Power System Operator (ONS) data, most of the energy supply of Brazilian National Integrated System (SIN) was generated by Hydroelectric Power Plants (HPP). Since SIN operates with an optimized dispatch system centralized by the ONS, each HPP, including the Company's HPPs, is subject to variations in the hydrological conditions verified, both in the geographical region in which they operate and in other regions in the country. The hydroelectric generation represented approximately 79% of the total installed capacity of the Company's power plants, which is equivalent to 5,124 MW. In the event of the occurrence of unfavorable hydrological conditions at SIN, jointly with the obligation of delivery of assured energy, the Company may be exposed to the spot energy market, which could affect its future financial results.

- Environmental risks

The activities in the power sector may cause significant negative impacts and damages to the environment. Federal legislation imposes on those who directly or indirectly cause environmental degradation the duty to repair or indemnify the damages caused to the environment and third-parties affected, regardless of guilt. The federal legislation also sets forth the disregard of the polluting company's corporate entity, as well as personal liability of managers, in order to make feasible the refund of losses caused to the quality of the environment. As a consequence, partners and managers of the polluting company may be obliged to pay for environmental reparation costs. The payment of large amounts related to the environmental reparation costs and environmental compensations may cause the Company to postpone or make investments in different areas, which may adversely impact the Company.

The Company's Environment Policy guarantees the balance between environmental conservation and the development of its activities establishing guidelines and practices that should be complied with, in order to reduce the impact on the environment and focus on the sustainable development of its business.

- Social and labor risks

In order to minimize labor risks in its activities, the Company has human resources policies and guidelines based on recognition and motivation, development and health and well-being. These guidelines assure the creation and maintenance of a good organizational climate. Yearly, collective bargaining agreements are established in conformity with the International Labor Organization (OIT), and they cover all Tractebel employees and address matters such as pay raises, pension plans, benefits, health and safety, safety equipment, and training and education for the members of emergency brigades and CIPAs.

36 - BENEFITS TO EMPLOYEES

Benefits paid by the Company to its employees and their dependents are: health insurance (medical, dental, pharmaceutical, psychological, speech therapy and nutritional assistance).

Besides, the Company provides many other benefits, such as: group life insurance, assistance for incapacity and invalidity, maternity and paternity leave, day-care for female employees, food and travel vouchers, and a private pension plan by Previg (Sociedade de Previdência Complementar, see note 25) and services for those with special needs.

The Company also offers courses and training to its employees, and these expenses amounted to R$931 in the first quarter of 2011 and R$835 in the first quarter of 2010.

37 - RECONCILIATION OF NET OPERATING REVENUE

In compliance with the requirements of CPC 30 (Revenues), below is the reconciliationof the gross revenue for tax purposes and the net revenue presented in the statement of income.

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	3.31.2010	3.31.2011	3.31.2010
GROSS OPERATING REVENUE				
Power supply	828,804	726,922	788,626	810,186
Power provision	71,807	66,631	338,201	232,495
Transactions within CCEE	15,327	5,436	17,852	7,819
Power export	1,066	-	1,066	-
Other revenues	7,527	5,415	4,130	6,528
	924,531	**804,404**	**1,149,875**	**1,057,028**
DEDUCTIONS FROM OPERATING REVENUE				
PIS and Cofins (Taxes on Revenue)	(74,218)	(59,397)	(94,241)	(80,895)
ICMS (State VAT)	(11,156)	(11,881)	(24,631)	(23,098)
ISS (Service Tax)	(360)	(102)	(360)	(110)
Research and Development	(7,735)	(6,641)	(8,514)	(7,401)
	(93,469)	**(78,021)**	**(127,746)**	**(111,504)**
NET OPERATING REVENUES FROM SALES	**831,062**	**726,383**	**1,022,129**	**945,524**

38 - ADDITIONAL INFORMATION TO THE CASH FLOW

Transactions that do not involve cash and cash equivalents and payments made in the year are the following:

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	3.31.2011	3.31.2010	3.31.2011	3.31.2010
Transactions not involving cash				
Income and social contribution taxes offset	-	-	298	-
Property, plant and equipment suppliers	-	-	5,538	27,614
Interest from capitalized financing	-	-	28,798	982
Interest on concession fees payable	-	-	1,463	-
Dividends proposed receivable from subsidiaries	424	-	-	-

39 - SUBSEQUENT EVENT

Amortization of debentures related to the Company's 3rd issue

On April 1, 2011 the Company fully amortized the debentures of the 3rd issue in the amount of R$637,175.

Proposed additional dividends

On April 5, 2011, the Annual General Meeting (AGM) approved the net income allocation of the year and the proposal of complementary dividends distribution for 2010. On this date, the Company recognized the obligation of payment in its balance sheet.

The payment date will be defined at a later date by the Executive Board and the shares will be traded ex-dividends as of May 2, 2011.

BOARD OF DIRECTORS

Maurício Stolle Bähr
Chairman

Jan Franciscus María Flachet
Vice-Chairman

Manoel Arlindo Zaroni Torres
Board Member

Victor-Frank de Paula Rosa Paranhos
Board Member

Dirk Achiel Marc Beeuwsaert
Board Member

Alain François Marie Luoise Janssens
Board Member

Luiz Antônio Barbosa
Board Member

José Pais Rangel
Board Member

Antonio Alberto Gouvêa Vieira
Board Member

BOARD OF EXECUTIVE OFFICERS

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
Finance and Investor Relations Officer

José Luiz Jansson Laydner
Energy Commercialization Officer

Miroel Makiolke Wolowski
Project Development and Implementation Officer

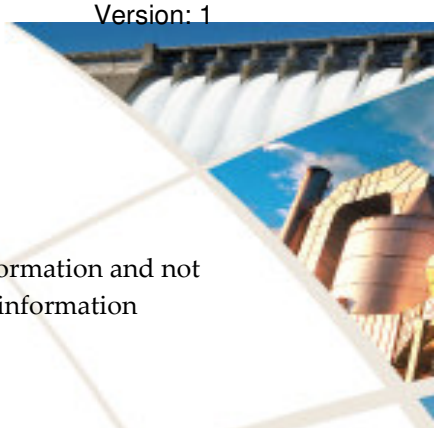
José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antonio Amaral Sureck
Planning and Control Officer

Luciano Flávio Andriani
Administrative Officer

ACCOUNTING DEPARTMENT

Marcelo Cardoso Malta
Manager of Accounting Department
Accountant - CRC RJ 072259/O-5 T-SC



Comments on the behavior of corporate projects

The projections presented in the reference form are made based on anual information and not quarterly information, and, therefore, do not apply to the comparison of the information disclosed in the reference form and the results obtained in the quarter.

1. Shareholding of owners of more than 5% of the Company's capital stock on 3.31.2011.[1]

Shareholder	Number of common shares	% of capital	Nationality
GDF SUEZ Energy Latin America Participações Ltda. (GSELA)	448,512,624	68.71	Brazilian
Banco Clássico S.A.	65,268,744	10.00	Brazilian
	513,781,368	**78.71**	

1.1 Distribution of capital stock of the controlling shareholders down to the individual level.

1.1.1 GDF SUEZ Energy Latin America Participações Ltda. (GSELA)

Quotaholders	Number of quotas	% of capital	Nationality
SUEZ-Tractebel S.A.	668,322,228	99.99	Belgian
GDF SUEZ Energy Asia, Turkey & Southern Africa B.V.	1	0.01	Belgian
	668,322,229	**100.00**	

1.1.1.1 SUEZ – Tractebel S.A.

Quotaholders	Number of quotas	% of capital	Nationality
International Power (Zebra) Ltd.	159,290,415	99.99	British
Other	1	0.01	
	159,290,416	**100.00**	

1.1.1.1.1 Internacional Power (Zebra) Ltd.

Quotaholders	Number of quotas	% of capital	Nationality
International Power PLC	5,000,000,000	100.00	British
	5,000,000,000	**100.00**	

[1] Information not revised by Independent Auditors

1.1.1.1.1.1 International Power PLC

Quotaholders	Number of quotas	% of capital	Nationality
Electrabel S.A.	3.554.347.942	69.80	Belgian
Other	1.537.913.715	30.20	
	5.092.261.657	**100.00**	

The Company is not aware of any other shareholders but Electrabel S.A. with more than 5% of the total stock from International Power PLC.

1.1.1.1.1.1.1 Electrabel S.A.

Quotaholders	Number of quotas	% of capital	Nationality
GDF SUEZ S.A.	120,655,366	99.13	French
Other	1,059,769	0.87	
	121,715,135	**100.00**	

1.1.1.1.1.1.1.1 GDF SUEZ S.A.

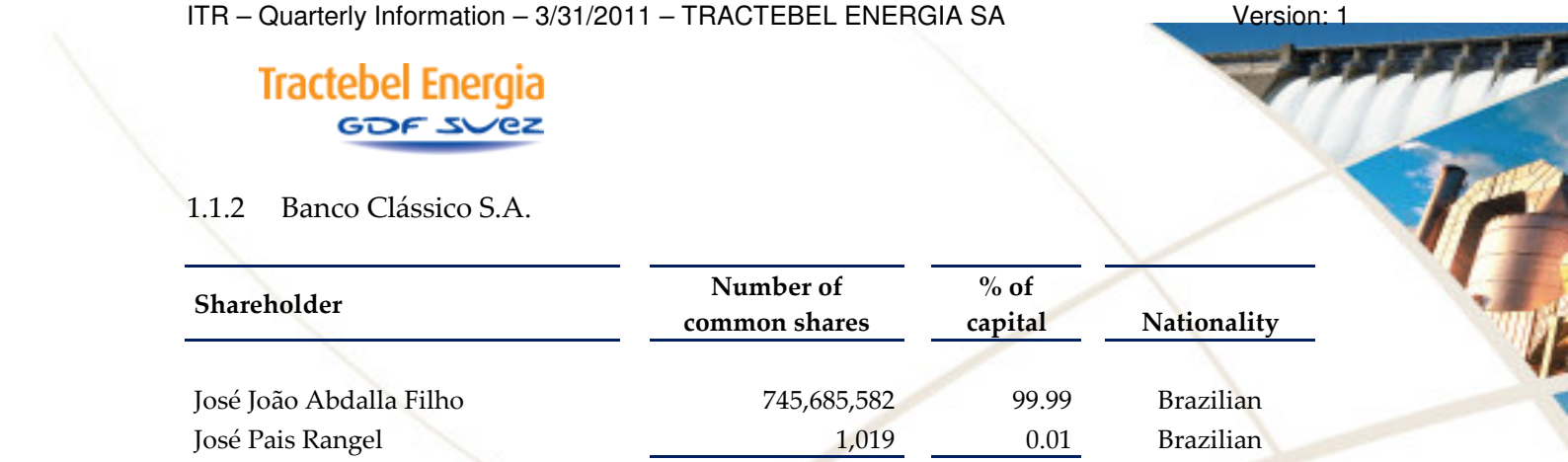
Quotaholders	Number of quotas	% of capital	Nationality
France	811,158,130	36.05	Franco-Belgian
GBL	117,183,738	5.21	
Other[2]	1,321,953,889	58.74	
	2.250.295.757	**100.00**	

Information regarding the individuals who control the legal entities that control the Company

The shares of GDF SUEZ are widely distributed and the Company is unaware of any other shareholders in addition to GBL and the Republic of France, with more than 5% of the total shares of GDF SUEZ.

GBL is controled by Pargesa Netherlands B.V. (Pargesa), which holds 50% of its capital sock, with the remaining 50% in free float. Pargesa, for its part, holds a stake of less than 5% in the Company. Pargesa Holding S.A. holds 99.99% of Pargesa Netherlands B.V. and it is a company listed on the Swiss stock exchange. The company understands that the breakdown of shareholders of Pargesa Holding S.A. is already disclosed and informed by this company through its financial statements required by the regulatory agencies of that country and on its website.

[2] The shares of GDF Suez S.A. are widely distributed, and the Company is not aware of other shareholders but GBL and Republic of France with more than 5% of the total of the Company's shares.



1.1.2 Banco Clássico S.A.

Shareholder	Number of common shares	% of capital	Nationality
José João Abdalla Filho	745,685,582	99.99	Brazilian
José Pais Rangel	1,019	0.01	Brazilian
	745,686,601	**100.00**	

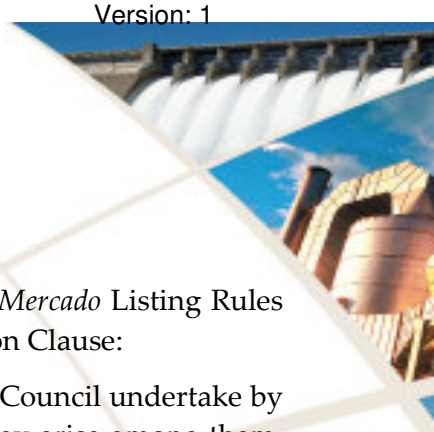
2. Shareholding of controlling shareholder, management and members of the fiscal council on 3.31.2011:[3]

	3.31.2011		3.31.2010	
Shareholder	**Number of common Shares**	**% of capital**	**Number of common shares**	**% of capital**
Controlling				
GDF SUEZ Energy Latin America Participações Ltda.	448,512,624	68.71	448,512,623	68.71
Board of Directors	239,842	0.04	256,351	0.04
Executive Board	16,586	-	17,986	-
Fiscal Council	-	-	-	-
	448,769,052	**68.75**	**448,786,960**	**68.75**

3. Number of outstanding shares on 3.31.2011:

	Number of common shares	%
Total Company's shares	652,742,192	100.00
Total shares held by the controlling shareholder and management	(448,769,052)	(68.75)
Total outstanding shares	**203,973,140**	**31.25**

[3]Information not revised by Independent Auditors



4. Arbitration Clause

The Company's Bylaws is pursuant to the rules and procedures of *Novo Mercado* Listing Rules of BM&FBOVESPA and has included in Article 39 the following Arbitration Clause:

"The Company, its shareholders, management and members of the Fiscal Council undertake by means of arbitration to resolve any and all dispute or controversy that may arise among them, related to or derived from, especially, the application, validity, effectiveness, construal, infringement and their effects on the provisions contained in the Brazilian Corporate Law, in the Company's Bylaws, in the rules issued by the Brazilian Monetary Council, by the Brazilian Central Bank and by the Brazilian Securities and Exchange Commission, as well as other rules applicable to the operation of capital markets in general, besides those included in the *Novo Mercado* Listing Rules, in the Market Arbitration Panel Rules, and in the Novo Mercado Listing Agreement."



Reports and Declarations / Special Review Report – Without Reservations – Without Reservations

Tractebel Energia
GDF SUEZ

Deloitte.

Deloitte Touche Tohmatsu
Av. Pres. Wilson, 231
22°, 25° e 26° andares
20030-905 - Rio de Janeiro - RJ
Brasil

Tel.: +55 (21) 3981-0500
Fax: +55 (21) 3981-0600
www.deloitte.com.br

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Board of Administration, Directors and Shareholders of
Tractebel Energia S.A.
Florianópolis – SC

We have reviewed the accompanying interim individual and consolidated financial information of Tractebel Energia S.A. ("Company"), contained in the Interim Financial Statements (ITR) Form as at March 31, 2011, which comprise the balance sheet and the income statement, statement of changes in equity and statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

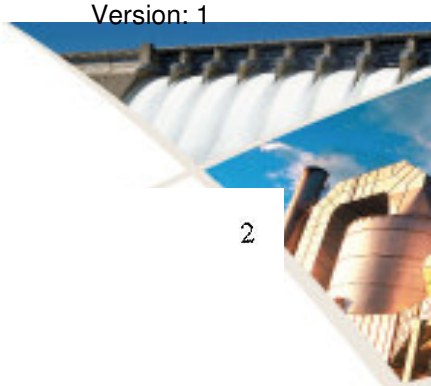
Management is responsible for the preparation and fair presentation of this interim individual financial information in accordance with CPC 21 - Interim Financial Reporting, and interim consolidated financial information in accordance with CPC 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM), which are applicable to the preparation of the Interim Financial Statements (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the Individual Interim Financial Statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim individual financial information included in the Interim Financial Statements (ITR) is not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of interim financial statements, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Interim Financial Statements (ITR).



Conclusion on the Consolidated Interim Financial Statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information included in the Interim Financial Statements (ITR) is not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of interim financial statements, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Interim Financial Statements (ITR).

Other Matters

Interim Statements of Value Added

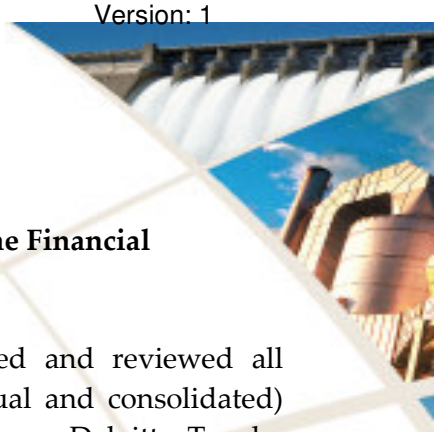
We have also reviewed the interim individual and consolidated statements of value added ("DVA") for the three-month period ended March 31, 2011, the presentation of which is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Interim Financial Statements (ITR), and as supplemental information for IFRS that does not require presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not fairly presented, in all material respects, in relation to the interim individual and consolidated financial information taken as a whole.

The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, April 27, 2011

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Paulo Roberto Marques Garrucho
Engagement Partner



Reports and Declarations / Declaration of the Management Regarding the Financial Statements

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Financial Statements (individual and consolidated) and agree with the opinion of the independent auditors of the Company, Deloitte Touche Tohmatsu as presented in the Special Review Report of the Independent Auditors.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
Finance and Investor Relations Officer

Jose Luiz Jansson Laydner
Energy Commercialization Officer

Miroel Makiolke Wolowski
Project Development and Implementation Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antonio Amaral Sureck
Planning and Control Officer

Luciano Flavio Andriani
Administrative Officer

Reports and Declarations / Declaration of the Management Regarding the Special Review Report of the Independent Auditors

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Financial Statements (individual and consolidated) and agree with the opinion of the independent auditors of the Company, Deloitte Touche Tohmatsu as presented in the Special Review Report of the Independent Auditors.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
Finance and Investor Relations Officer

Jose Luiz Jansson Laydner
Energy Commercialization Officer

Miroel Makiolke Wolowski
Project Development and Implementation Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antonio Amaral Sureck
Planning and Control Officer

Luciano Flavio Andriani
Administrative Officer