Tractebel Energia
GDF SUEZ



Quarterly Information
ITR-1Q14

Financial and Investor Relations Department

CNPJ Nº 02.474.103/0001-19 / NIRE Nº 42 3 0002438-4

Address: Rua Paschoal Apóstolo Pítsica, 5064 – Agronômica – Florianópolis – SC – CEP 88.025-255

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IBOVESPA
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Company Information / Capital Composition

Number of shares (Units)	Current quarter 3/31/2014
Paid-in capital	
Common	652,742,192
Preferred	0
Total	652,742,192
Treasury shares	
Common	0
Preferred	0
Total	0

Company Information / Profit Distribution in Cash

Event	Approval	Profit Distribution	Commencement of Payment	Type of Share	Class of Share	Profit Distribution per Share (Reais / Share)
Board of Directors' Meeting	10/25/2013	Interest on equity	2/28/2014	Common shares		0.37503
Annual Shareholders' Meeting	4/8/2014	Dividends		Common shares		0.70745

Individual Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2014	Prior Year 12/31/2013
1	Total Assets	10,309,445	10,175,830
1.01	Current Assets	1,777,944	1,737,799
1.01.01	Cash and Cash Equivalents	784,503	949,470
1.01.03	Accounts Receivable	846,169	653,199
1.01.03.01	Trade Accounts Receivable	482,473	372,256
1.01.03.02	Other Accounts Receivable	363,696	280,943
1.01.03.02.01	Dividends receivable from subsidiaries	141,342	141,342
1.01.03.02.02	Fuel reimbursable	222,354	139,601
1.01.04	Inventories	63,055	60,864
1.01.06	Recoverable Taxes	1,287	722
1.01.06.01	Current Taxes Recoverable	1,287	722
1.01.06.01.01	Other tax credits recoverable	1,287	722
1.01.08	Other Current Assets	82,930	73,544
1.01.08.03	Other	82,930	73,544
1.01.08.03.01	Restricted deposits	1,671	10
1.01.08.03.02	Other current assets	81,259	73,534
1.02	Non-current Assets	8,531,501	8,438,031
1.02.01	Long Term Assets	300,778	296,880
1.02.01.03	Accounts Receivable	32,417	31,398
1.02.01.03.01	Trade Accounts Receivable	32,417	31,398
1.02.01.09	Other Non-current Assets	268,361	265,482
1.02.01.09.03	Other tax credits recoverable	30,023	26,642
1.02.01.09.04	Amounts receivable from sale of asset	86,886	86,886
1.02.01.09.05	Restricted deposits	37,957	37,084
1.02.01.09.06	Judicial deposits	104,689	105,211
1.02.01.09.07	Other non-current assets	8,806	9,659
1.02.02	Investments	2,564,021	2,416,266
1.02.02.01	Equity Interest	2,564,021	2,416,266
1.02.02.01.02	Interest on Subsidiaries	2,237,146	2,093,137
1.02.02.01.03	Interest in Joint Ventures	326,875	323,129
1.02.03	Property, Plant and Equipment	5,656,389	5,713,965
1.02.03.01	Property, Plant and Equipment in Operation	5,444,164	5,527,803
1.02.03.03	Construction in Progress	212,225	186,162
1.02.04	Intangible Assets	10,313	10,920
1.02.04.01	Intangible Assets	10,313	10,920

Individual Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2014	Prior Year 12/31/2013
2	Total Liabilities	10,309,445	10,175,830
2.01	Current Liabilities	1,319,221	1,718,050
2.01.01	Social and Labor Obligations	68,145	63,757
2.01.01.02	Labor Obligations	68,145	63,757
2.01.01.02.01	Provision for remunerations and charges	68,145	63,757
2.01.02	Suppliers	551,505	281,711
2.01.02.01	Domestic Suppliers	551,505	281,711
2.01.03	Tax Liabilities	112,543	431,587
2.01.03.01	Federal Tax Liabilities	112,543	431,587
2.01.03.01.01	Income and Social Contribution Taxes Payable	121,788	437,854
2.01.03.01.02	(-) Federal taxes to offset	-9,245	-6,267
2.01.04	Loans and Financing	379,630	517,411
2.01.04.01	Loans and Financing	198,844	343,339
2.01.04.01.01	In Local Currency	196,982	342,622
2.01.04.01.02	In Foreign Currency	1,862	717
2.01.04.02	Debentures	180,786	174,072
2.01.05	Other Liabilities	164,388	380,428
2.01.05.02	Other	164,388	380,428
2.01.05.02.01	Dividends and Interest on Equity Payable	12,757	220,917
2.01.05.02.04	Concessions payable	48,295	47,397
2.01.05.02.05	Other tax and regulatory liabilities	28,187	43,799
2.01.05.02.06	Research and development obligations	55,130	48,529
2.01.05.02.07	Other current liabilities	20,019	19,786
2.01.06	Provisions	43,010	43,156
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	14,159	14,305
2.01.06.01.01	Tax Provisions	534	709
2.01.06.01.02	Social Security and Labor Provisions	2,500	2,500
2.01.06.01.04	Civil Provisions	11,125	11,096
2.01.06.02	Other Provisions	28,851	28,851
2.01.06.02.04	Retirement benefits obligations	28,851	28,851
2.02	Non-current liabilities	3,339,802	3,096,407
2.02.01	Loans and Financing	1,150,236	929,553
2.02.01.01	Loans and Financing	1,150,236	929,553
2.02.01.01.01	In Local Currency	584,178	590,164
2.02.01.01.02	In Foreign Currency	566,058	339,389
2.02.02	Other Liabilities	1,712,681	1,658,490
2.02.02.02	Other	1,712,681	1,658,490
2.02.02.02.03	Concessions payable	1,561,328	1,504,431
2.02.02.02.04	Research and development obligations	21,990	26,416
2.02.02.02.05	Other Liabilities	129,363	127,643
2.02.03	Deferred Taxes	106,157	141,042
2.02.03.01	Deferred Income and Social Contribution Taxes	106,157	141,042
2.02.04	Provisions	370,728	367,322
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	182,860	177,654
2.02.04.01.01	Tax Provisions	20,322	20,096
2.02.04.01.02	Social Security and Labor Provisions	7,997	7,146

Individual Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2014	Prior Year 12/31/2013
2.02.04.01.04	Civil Provisions	154,541	150,412
2.02.04.02	Other Provisions	187,868	189,668
2.02.04.02.04	Retirement benefits obligations	187,868	189,668
2.03	Shareholders' equity	5,650,422	5,361,373
2.03.01	Paid-in Capital Stock	2,445,766	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.02.07	Capital reserves	91,695	91,695
2.03.04	Profit Reserves	2,237,294	2,233,572
2.03.04.01	Legal Reserve	489,153	489,153
2.03.04.05	Retained Earnings Reserve	1,220,337	1,220,337
2.03.04.07	Tax Incentive Reserve	66,016	62,294
2.03.04.08	Additional Dividend Proposed	461,788	461,788
2.03.05	Retained Earnings/Losses	296,588	0
2.03.06	Assets Valuation Adjustments	516,155	527,416
2.03.08	Other Comprehensive Income	62,924	62,924

Individual Financial Statements / Statement of Income

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 3/31/2014	Accumulated in the Prior Year 1/1/2013 to 3/31/2013
3.01	Revenue from Sales of Goods and/or Services	1,114,279	943,376
3.02	Cost of Products and/or Services Sold	-625,384	-303,684
3.02.01	Electrical energy purchased for resale	-24,305	-18,008
3.02.02	Transactions in the short-term energy market	-279,834	-15,774
3.02.03	Charges for the use of and connection to the power grid	-63,245	-58,864
3.02.04	Cost of electrical energy production	-252,506	-204,827
3.02.05	Cost of services rendered	-5,494	-6,211
3.03	Gross Income	488,895	639,692
3.04	Operating Expenses/Income	9,165	13,516
3.04.01	Sales Expenses	-2,839	-2,768
3.04.02	General and Administrative Expenses	-38,846	-38,103
3.04.04	Other Operating Income	113	156
3.04.05	Other Operating Expenses	902	-1,982
3.04.05.01	(Accrual) reversal of operating provisions	935	-1,689
3.04.05.02	Other Operating Expenses	-33	-293
3.04.06	Equity income (loss)	49,835	56,213
3.04.06.01	Equity	50,670	57,256
3.04.06.02	Goodwill amortization (concession right)	-835	-1,043
3.05	Income (Loss) Before Financial Result and Taxes	498,060	653,208
3.06	Financial Result	-90,597	-45,794
3.06.01	Financial Income	24,582	17,828
3.06.02	Financial Expenses	-115,179	-63,622
3.07	Income (Loss) Before Income Taxes	407,463	607,414
3.08	Income and Social Contribution Taxes	-118,414	-182,702
3.08.01	Current	-153,299	-174,692
3.08.02	Deferred	34,885	-8,010
3.09	Net Income (Loss) from Continuing Operations	289,049	424,712
3.11	Net Income (Loss) for the Period	289,049	424,712
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	ON	0.44282	0.65066
3.99.02	Diluted Earnings per Share		
3.99.02.01	ON	0.44282	0.65066

Individual Financial Statements / Statement of Comprehensive Income

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 3/31/2014	Accumulated in the Prior Year 1/1/2013 to 3/31/2013
4.01	Net Income for the Period	289,049	424,712
4.03	Comprehensive Income for the Period	289,049	424,712

Individual Financial Statements / Statement of Cash Flow - Indirect Method

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 3/31/2014	Accumulated in the Prior Year 1/1/2013 to 3/31/2013
6.01	Net Cash from Operating Activities	161,375	178,614
6.01.01	Cash Generated from Operations	561,658	703,270
6.01.01.01	Income before income taxes	407,463	607,414
6.01.01.02	Equity Interest income (loss)	-49,835	-56,213
6.01.01.03	Depreciation and amortization	98,138	91,039
6.01.01.04	Monetary and foreign exchange variance	37,686	13,319
6.01.01.05	Interest	67,071	45,198
6.01.01.06	Accrual of operating provisions	1,131	2,220
6.01.01.07	Other	4	293
6.01.02	Changes in Assets and Liabilities	-400,283	-524,656
6.01.02.01	Trade accounts receivable	-109,812	-109,339
6.01.02.02	Fuel reimbursable	-82,753	-66,343
6.01.02.03	Inventories	-2,191	-7,199
6.01.02.04	Other tax credits recoverable	-7,483	-1,917
6.01.02.05	Restricted and judicial deposits	1,531	-12,470
6.01.02.06	Other assets	-9,202	21,561
6.01.02.07	Suppliers	280,593	-28,871
6.01.02.08	Payment of income and social contribution taxes	-379,494	-324,840
6.01.02.09	Payment of interest on loans, financing and debentures	-22,236	-7,085
6.01.02.10	Income and Social Contribution Taxes Payable	-54,307	-3,088
6.01.02.11	Other tax and regulatory liabilities	-16,162	11,084
6.01.02.12	Research and development obligations	2,175	4,627
6.01.02.13	Retirement benefits obligations	-7,544	-5,775
6.01.02.14	Other liabilities	6,602	4,999
6.02	Net Cash from Investment Activities	-148,653	-100,114
6.02.01	Increase in investments	-123,920	-6,510
6.02.02	Acquisition of property, plant and equipment	-50,238	-93,148
6.02.03	Acquisition of intangible assets	-495	-456
6.02.04	Dividends received from subsidiaries	26,000	0
6.03	Net Cash from Financing Activities	-177,689	-472,150
6.03.01	Loans and financing obtained	233,854	141,825
6.03.02	Loans and financing paid	-155,413	-141
6.03.03	Concession installments payable paid	-12,274	-718
6.03.04	Dividends and interest on equity paid	-243,727	-613,116
6.03.05	Deposits related to debt service	-129	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	-164,967	-393,650
6.05.01	Opening Balance of Cash and Cash Equivalents	949,470	736,317
6.05.02	Closing Balance of Cash and Cash Equivalents	784,503	342,667

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/1/2014 to 3/31/2014

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,233,572	0	590,340	5,361,373
5.03	Adjusted Opening Balances	2,445,766	91,695	2,233,572	0	590,340	5,361,373
5.05	Total Comprehensive Income	0	0	0	289,049	0	289,049
5.05.01	Net Income for the Period	0	0	0	289,049	0	289,049
5.06	Internal Changes in Shareholders' Equity	0	0	3,722	7,539	-11,261	0
5.06.04	Tax incentive reserve	0	0	3,722	-3,722	0	0
5.06.05	Property, plant and equipment fair value adjustment depreciation, net of taxes	0	0	0	11,261	-11,261	0
5.07	Closing Balances	2,445,766	91,695	2,237,294	296,588	579,079	5,650,422

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/1/2013 to 3/31/2013

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,331,017	0	631,110	5,499,588
5.03	Adjusted Opening Balances	2,445,766	91,695	2,331,017	0	631,110	5,499,588
5.04	Capital Transactions with Shareholders	0	0	-576,429	0	0	-576,429
5.04.08	Dividends paid	0	0	-576,429	0	0	-576,429
5.05	Total Comprehensive Income	0	0	0	424,712	0	424,712
5.05.01	Net Income for the Period	0	0	0	424,712	0	424,712
5.06	Internal Changes in Shareholders' Equity	0	0	5,094	8,644	-13,738	0
5.06.04	Tax incentive reserve	0	0	5,094	-5,094	0	0
5.06.05	Property, plant and equipment fair value adjustment depreciation, net of taxes	0	0	0	13,738	-13,738	0
5.07	Closing Balances	2,445,766	91,695	1,759,682	433,356	617,372	5,347,871

Individual Financial Statements / Statement of Added Value

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 3/31/2014	Accumulated in the Prior Year 1/1/2013 to 3/31/2013
7.01	Revenues	1,231,708	1,041,821
7.01.01	Sale of Products and Services	1,231,629	1,041,958
7.01.02	Other Income	79	-137
7.01.02.01	Other operating income	113	156
7.01.02.02	Other operating (expenses)	-34	-293
7.02	Inputs Acquired from Third Parties	-459,890	-165,074
7.02.01	Cost of Products and Services Sold	-352,764	-60,326
7.02.02	Materials, Energy, Third Parties Services and Other	-37,437	-37,726
7.02.04	Other	-69,689	-67,022
7.02.04.01	(Accrual) reversal of operating provisions	935	-1,689
7.02.04.02	Charges for the use of and connection to the power grid	-63,245	-58,864
7.02.04.03	Other	-7,379	-6,469
7.03	Gross Added Value	771,818	876,747
7.04	Retentions	-98,138	-91,039
7.04.01	Depreciation, Amortization and Depletion	-98,138	-91,039
7.05	Net Added Value Generated	673,680	785,708
7.06	Added Value Received in Transfer	74,417	74,041
7.06.01	Equity income (loss)	49,835	56,213
7.06.02	Financial Income	24,582	17,828
7.07	Total Added Value to Distribute	748,097	859,749
7.08	Distribution of Added Value	748,097	859,749
7.08.01	Labor	58,168	55,665
7.08.01.01	Direct Remuneration	37,356	36,717
7.08.01.02	Benefits	11,440	10,537
7.08.01.03	F.G.T.S.	2,625	2,345
7.08.01.04	Other	6,747	6,066
7.08.01.04.01	Profit sharing	6,747	6,066
7.08.02	Taxes, Duties and Contributions	242,685	282,221
7.08.02.01	Federal	236,485	275,741
7.08.02.02	State	5,363	5,855
7.08.02.03	Municipal	837	625
7.08.03	Third Parties Capital Remuneration	47,680	33,995
7.08.03.01	Interest	34,026	27,799
7.08.03.02	Rentals	2,583	2,513
7.08.03.03	Other	11,071	3,683
7.08.04	Remuneration of Own Capital	289,049	424,712
7.08.04.03	Retained Earnings / Loss for the Period	289,049	424,712
7.08.05	Other	110,515	63,156
7.08.05.01	Sectorial charges	40,446	31,276
7.08.05.02	Charges on concessions payable	70,069	31,880

Consolidated Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2014	Prior Year 12/31/2013
1	Total Assets	12,863,045	12,654,397
1.01	Current Assets	2,401,269	2,338,458
1.01.01	Cash and Cash Equivalents	1,132,671	1,224,276
1.01.03	Accounts Receivable	983,043	879,927
1.01.03.01	Trade Accounts Receivable	760,689	740,326
1.01.03.02	Other Accounts Receivable	222,354	139,601
1.01.03.02.01	Fuel reimbursable	222,354	139,601
1.01.04	Inventories	68,888	64,785
1.01.06	Recoverable Taxes	78,416	81,582
1.01.06.01	Current Taxes Recoverable	78,416	81,582
1.01.06.01.01	Income and social contribution taxes recoverable	16,535	21,752
1.01.06.01.02	Other tax credits recoverable	61,881	59,830
1.01.08	Other Current Assets	138,251	87,888
1.01.08.03	Other	138,251	87,888
1.01.08.03.01	Restricted deposits	47,963	3,833
1.01.08.03.02	Other current assets	90,288	84,055
1.02	Non-current Assets	10,461,776	10,315,939
1.02.01	Long Term Assets	478,311	481,360
1.02.01.03	Accounts Receivable	4,153	4,432
1.02.01.03.01	Trade Accounts Receivable	4,153	4,432
1.02.01.06	Deferred Taxes	17,420	17,575
1.02.01.06.01	Deferred Income and Social Contribution Taxes	17,420	17,575
1.02.01.09	Other Non-current Assets	456,738	459,353
1.02.01.09.03	Income and social contribution taxes recoverable	7,779	8,125
1.02.01.09.04	Other tax credits recoverable	87,911	100,222
1.02.01.09.05	Amounts receivable from sale of asset	86,886	86,886
1.02.01.09.06	Restricted deposits	142,596	130,857
1.02.01.09.07	Judicial deposits	105,959	106,854
1.02.01.09.08	Other non-current assets	25,607	26,409
1.02.03	Property, Plant and Equipment	9,724,737	9,708,227
1.02.03.01	Property, Plant and Equipment in Operation	9,484,971	9,393,802
1.02.03.03	Construction in Progress	239,766	314,425
1.02.04	Intangible Assets	258,728	126,352
1.02.04.01	Intangible Assets	258,728	126,352

Consolidated Financial Statements / Balance sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2014	Prior Year 12/31/2013
2	Total Liabilities	12,863,045	12,654,397
2.01	Current Liabilities	1,867,927	2,183,704
2.01.01	Social and Labor Obligations	68,473	64,122
2.01.01.02	Labor Obligations	68,473	64,122
2.01.01.02.01	Provision for remuneration and charges	68,473	64,122
2.01.02	Suppliers	789,564	510,346
2.01.02.01	Domestic Suppliers	789,564	510,346
2.01.03	Tax Liabilities	118,942	434,166
2.01.03.01	Federal Tax Liabilities	118,942	434,166
2.01.03.01.01	Income and Social Contribution Taxes Payable	135,313	441,077
2.01.03.01.02	(-) Federal taxes to offset	-16,371	-6,911
2.01.04	Loans and Financing	535,146	666,915
2.01.04.01	Loans and Financing	354,360	492,843
2.01.04.01.01	In Local Currency	352,498	492,126
2.01.04.01.02	In Foreign Currency	1,862	717
2.01.04.02	Debentures	180,786	174,072
2.01.05	Other Liabilities	311,961	464,168
2.01.05.02	Other	311,961	464,168
2.01.05.02.01	Dividends and Interest on Equity Payable	13,117	221,276
2.01.05.02.04	Concessions payable	52,765	51,763
2.01.05.02.05	Other tax and regulatory liabilities	50,285	62,927
2.01.05.02.06	Research and development obligations	62,437	55,997
2.01.05.02.07	Obligations from investments acquisition	77,313	3,573
2.01.05.02.08	Other current liabilities	56,044	68,632
2.01.06	Provisions	43,841	43,987
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	14,990	15,136
2.01.06.01.01	Tax Provisions	534	709
2.01.06.01.02	Social Security and Labor Provisions	2,500	2,500
2.01.06.01.04	Civil Provisions	11,956	11,927
2.01.06.02	Other Provisions	28,851	28,851
2.01.06.02.04	Retirement benefits obligations	28,851	28,851
2.02	Non-current liabilities	5,341,276	5,106,082
2.02.01	Loans and Financing	3,052,632	2,829,645
2.02.01.01	Loans and Financing	3,052,632	2,829,645
2.02.01.01.01	In Local Currency	2,486,574	2,490,256
2.02.01.01.02	In Foreign Currency	566,058	339,389
2.02.02	Other Liabilities	1,797,058	1,743,270
2.02.02.02	Other	1,797,058	1,743,270
2.02.02.02.03	Concessions payable	1,601,053	1,543,406
2.02.02.02.04	Research and development obligations	22,991	27,416
2.02.02.02.05	Obligations from investments acquisition	770	12,846
2.02.02.02.06	Other Liabilities	172,244	159,602
2.02.03	Deferred Taxes	117,692	163,663
2.02.03.01	Deferred Income and Social Contribution Taxes	117,692	163,663
2.02.04	Provisions	373,894	369,504
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	186,026	179,836

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2014	Prior Year 12/31/2013
2.02.04.01.01	Tax Provisions	20,933	20,686
2.02.04.01.02	Social Security and Labor Provisions	8,940	7,414
2.02.04.01.04	Civil Provisions	156,153	151,736
2.02.04.02	Other Provisions	187,868	189,668
2.02.04.02.04	Retirement benefits obligations	187,868	189,668
2.03	Consolidated Shareholders' Equity	5,653,842	5,364,611
2.03.01	Paid-in Capital Stock	2,445,766	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.02.07	Capital reserves	91,695	91,695
2.03.04	Profit Reserves	2,237,294	2,233,572
2.03.04.01	Legal Reserve	489,153	489,153
2.03.04.05	Retained Earnings Reserve	1,220,337	1,220,337
2.03.04.07	Tax Incentive Reserve	66,016	62,294
2.03.04.08	Additional Dividend Proposed	461,788	461,788
2.03.05	Retained Earnings/Losses	296,588	0
2.03.06	Assets Valuation Adjustments	516,155	527,416
2.03.08	Other Comprehensive Income	62,924	62,924
2.03.09	Non-controlling Shareholders Interests	3,420	3,238

Consolidated Financial Statements / Statement of Income

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 3/31/2014	Accumulated in the Prior Year 1/1/2013 to 3/31/2013
3.01	Revenue from Sales of Goods and/or Services	1,643,042	1,390,881
3.02	Cost of Products and/or Services Sold	-1,051,988	-614,481
3.02.01	Electrical energy purchased for resale	-265,207	-175,009
3.02.02	Transactions in the short-term energy market	-380,272	-82,085
3.02.03	Charges for the use of and connection to the power grid	-77,433	-75,030
3.02.04	Cost of electrical energy production	-323,582	-276,146
3.02.05	Cost of services rendered	-5,494	-6,211
3.03	Gross Income	591,054	776,400
3.04	Operating Expenses/Income	-44,628	-47,019
3.04.01	Sales Expenses	-4,397	-4,027
3.04.02	General and Administrative Expenses	-40,613	-39,287
3.04.04	Other Operating Income	114	156
3.04.05	Other Operating Expenses	268	-3,861
3.04.05.01	(Accrual) reversal of operating provisions	302	-3,566
3.04.05.02	Other Operating Expenses	-34	-295
3.05	Income (Loss) Before Financial Result and Taxes	546,426	729,381
3.06	Financial Result	-120,368	-98,492
3.06.01	Financial Income	33,643	24,515
3.06.02	Financial Expenses	-154,011	-123,007
3.07	Income (Loss) Before Income Taxes	426,058	630,889
3.08	Income and Social Contribution Taxes	-136,827	-206,012
3.08.01	Current	-182,644	-198,377
3.08.02	Deferred	45,817	-7,635
3.09	Net Income (Loss) from Continuing Operations	289,231	424,877
3.11	Consolidated Income/Loss for the Period	289,231	424,877
3.11.01	Attributed to the Parent Company's Shareholders	289,049	424,712
3.11.02	Attributed to Non-controlling Shareholders	182	165
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	ON	0.44310	0.65091
3.99.02	Diluted Earnings per Share		
3.99.02.01	ON	0.44310	0.65091

Consolidated Financial Statements / Statement of Comprehensive Income

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 3/31/2014	Accumulated in the Prior Year 1/1/2013 to 3/31/2013
4.01	Consolidated Net Income for the Period	289,231	424,877
4.03	Consolidated Comprehensive Income for the Period	289,231	424,877
4.03.01	Attributed to the Parent Company's Shareholders	289,049	424,712
4.03.02	Attributed to Non-controlling Shareholders	182	165

Consolidated Financial Statements / Statement of Cash Flow - Indirect Method

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 3/31/2014	Accumulated in the Prior Year 1/1/2013 to 3/31/2013
6.01	Net Cash from Operating Activities	339,148	322,589
6.01.01	Cash Generated from Operations	713,718	887,282
6.01.01.01	Income before income taxes	426,058	630,889
6.01.01.02	Depreciation and amortization	147,713	141,161
6.01.01.03	Monetary and foreign exchange variance	38,640	22,284
6.01.01.04	Interest	99,990	90,404
6.01.01.05	Accrual of operating provisions	1,312	2,249
6.01.01.06	Other	5	295
6.01.02	Changes in Assets and Liabilities	-374,570	-564,693
6.01.02.01	Trade accounts receivable	-15,659	-155,205
6.01.02.02	Fuel reimbursable	-82,753	-66,343
6.01.02.03	Inventories	-4,102	-8,746
6.01.02.04	Other tax credits recoverable	6,172	6,733
6.01.02.05	Restricted and judicial deposits	-7,454	-18,696
6.01.02.06	Other assets	-4,189	26,622
6.01.02.07	Suppliers	245,500	55,470
6.01.02.08	Payment of income and social contribution taxes	-398,704	-361,320
6.01.02.09	Payment of interest on loans, financing and debentures	-59,006	-48,700
6.01.02.10	Income and Social Contribution Taxes Payable	-53,563	-5,635
6.01.02.11	Other tax and regulatory liabilities	-13,528	10,815
6.01.02.12	Research and development obligations	2,015	5,842
6.01.02.13	Retirement benefits obligations	-7,544	-5,775
6.01.02.14	Other liabilities	18,245	245
6.02	Net Cash from Investment Activities	-216,194	-141,573
6.02.01	Increase in investments	-151,890	-6,509
6.02.02	Acquisition of property, plant and equipment	-61,597	-133,632
6.02.03	Acquisition of intangible assets	-2,707	-1,432
6.03	Net Cash from Financing Activities	-214,559	-545,690
6.03.01	Loans and financing obtained	234,415	141,825
6.03.02	Loans and financing paid	-191,772	-62,245
6.03.03	Concession installments payable paid	-13,413	-12,607
6.03.04	Dividends and interest on equity paid	-243,727	-613,116
6.03.05	Deposits related to debt service	-62	453
6.05	Increase (Decrease) in Cash and Cash Equivalents	-91,605	-364,674
6.05.01	Opening Balance of Cash and Cash Equivalents	1,224,276	1,179,976
6.05.02	Closing Balance of Cash and Cash Equivalents	1,132,671	815,302

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/1/2014 to 3/31/2014

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,233,572	0	590,340	5,361,373	3,238	5,364,611
5.03	Adjusted Opening Balances	2,445,766	91,695	2,233,572	0	590,340	5,361,373	3,238	5,364,611
5.05	Total Comprehensive Income	0	0	0	289,049	0	289,049	182	289,231
5.05.01	Net Income for the Period	0	0	0	289,049	0	289,049	182	289,231
5.06	Internal Changes in Shareholders' Equity	0	0	3,722	7,539	-11,261	0	0	0
5.06.04	Tax incentive reserve	0	0	3,722	-3,722	0	0	0	0
5.06.05	Property, plant and equipment fair value adjustment depreciation, net of taxes	0	0	0	11,261	-11,261	0	0	0
5.07	Closing Balances	2,445,766	91,695	2,237,294	296,588	579,079	5,650,422	3,420	5,653,842

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/1/2013 to 3/31/2013

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,331,017	0	631,110	5,499,588	2,663	5,502,251
5.03	Adjusted Opening Balances	2,445,766	91,695	2,331,017	0	631,110	5,499,588	2,663	5,502,251
5.04	Capital Transactions with Shareholders	0	0	-576,429	0	0	-576,429	0	-576,429
5.04.08	Dividends paid	0	0	-576,429	0	0	-576,429	0	-576,429
5.05	Total Comprehensive Income	0	0	0	424,712	0	424,712	165	424,877
5.05.01	Net Income for the Period	0	0	0	424,712	0	424,712	165	424,877
5.06	Internal Changes in Shareholders' Equity	0	0	5,094	8,644	-13,738	0	0	0
5.06.04	Tax incentive reserve	0	0	5,094	-5,094	0	0	0	0
5.06.05	Property, plant and equipment fair value adjustment depreciation, net of taxes	0	0	0	13,738	-13,738	0	0	0
5.07	Closing Balances	2,445,766	91,695	1,759,682	433,356	617,372	5,347,871	2,828	5,350,699

Consolidated Financial Statements / Statement of Added Value

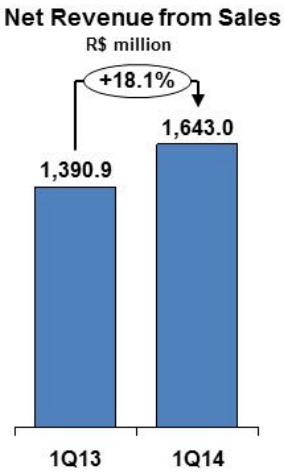
(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/1/2014 to 3/31/2014	Accumulated in the Prior Year 1/1/2013 to 3/31/2013
7.01	Revenues	1,838,305	1,587,459
7.01.01	Sale of Products and Services	1,808,190	1,553,189
7.01.02	Other Income	79	-139
7.01.02.01	Other operating income	114	156
7.01.02.02	Other operating (expenses)	-35	-295
7.01.03	Income related to the Construction of Own Assets	30,053	36,257
7.01.04	Allowance for/Reversal of Allowance for Doubtful Accounts	-17	-1,848
7.02	Inputs Acquired from Third Parties	-859,037	-446,818
7.02.01	Cost of Products and Services Sold	-699,546	-288,340
7.02.02	Materials, Energy, Third Parties Services and Other	-45,770	-46,142
7.02.04	Other	-113,721	-112,336
7.02.04.01	(Accrual) reversal of operating provisions	319	-1,718
7.02.04.02	Charges for the use of and connection to the power grid	-77,433	-75,030
7.02.04.03	Expenses with the construction of plants	-28,998	-28,262
7.02.04.04	Other	-7,609	-7,326
7.03	Gross Added Value	979,268	1,140,641
7.04	Retentions	-147,713	-141,161
7.04.01	Depreciation, Amortization and Depletion	-147,713	-141,161
7.05	Net Added Value Generated	831,555	999,480
7.06	Added Value Received in Transfer	33,643	24,515
7.06.02	Financial Income	33,643	24,515
7.07	Total Added Value to Distribute	865,198	1,023,995
7.08	Distribution of Added Value	865,198	1,023,995
7.08.01	Labor	59,908	56,603
7.08.01.01	Direct Remuneration	38,780	37,494
7.08.01.02	Benefits	11,664	10,651
7.08.01.03	F.G.T.S.	2,717	2,392
7.08.01.04	Other	6,747	6,066
7.08.01.04.01	Profit sharing	6,747	6,066
7.08.02	Taxes, Duties and Contributions	309,286	368,343
7.08.02.01	Federal	303,034	345,617
7.08.02.02	State	5,380	22,067
7.08.02.03	Municipal	872	659
7.08.03	Third Parties Capital Remuneration	86,632	81,849
7.08.03.01	Interest	69,502	66,453
7.08.03.02	Rentals	3,754	3,182
7.08.03.03	Other	13,376	12,214
7.08.03.03.01	Capitalized interest	1,055	7,766
7.08.03.03.02	Other financial expenses	12,321	4,448
7.08.04	Remuneration of Own Capital	289,049	424,712
7.08.04.03	Retained Earnings / Loss for the Period	289,049	424,712
7.08.05	Other	120,323	92,488
7.08.05.01	Sectorial charges	48,079	40,318
7.08.05.02	Charges on concessions payable	72,062	52,005
7.08.05.03	Non-controlling shareholder	182	165

Performance Commentary

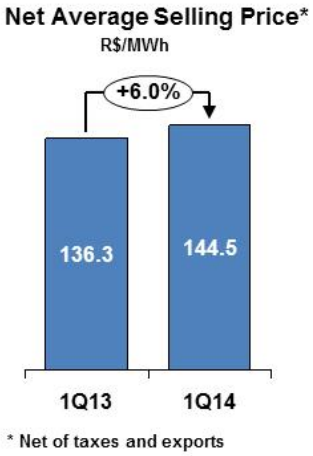
Net Revenue from Sales

In 1Q14, Tractebel Energia posted growth in net revenue from sales of 18.1%, or R$ 252.1 million, when compared with the same period in 2013, increasing from R$ 1,390.9 million to R$ 1,643.0 million. The principal factors contributing to this variation were: (i) R$ 154.6 million – an increase due to the transactions conducted on the short-term market including within the scope of the Electric Power Trade Board (CCEE); (ii) R$ 81.7 million – increase in the net average selling price; (iii) R$ 22.3 million – increase in energy sales volumes; and (iv) R$ 6.1 million – sale of carbon credits which occurred in 1Q13 only.



- **Net average selling price**

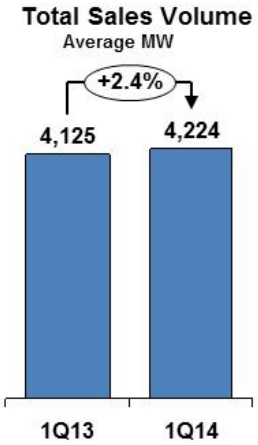
The average selling price of energy, net of taxes on gross revenue, was R$ 144.54/MWh in 1Q14, 6.0% higher than recorded for the same quarter in 2013 when prices stood at R$ 136.33/MWh. The price increase is largely due to the monetary restatement of existing sales agreements.



- **Sales Volume**

Energy sales volume increased from 8,909 GWh (4,125 average MW) in 1Q13 to 9,123 GWh (4,224 average MW) in 1Q14, an increase of 2.4%, or 214 GWh (99 average MW) when comparing the two quarters. The increase is largely a reflection of the startup in operations of the Trairi Wind Complex and the increase in the volume of power purchasing.

The variation in sales volume by client class was as follows: (i) increase of 447 GWh (207 average MW) in the supply of energy to free consumers; (ii) a decrease of 274 GWh (127 average MW) in wholesale supply to distributors; and (iii) an increase of 41 GWh (19 average MW) in energy sales to trading companies.



Comments on Variations in Net Revenue from Sales, by Client Class

a) Distributors

Sales revenue from distributors reached R$ 698.4 million in 1Q14, 0.5% less than the R$ 701.8 million reported in 1Q13. A combination of the following factors contributed to this: (i) R$ 41.3 million – a reduction of 274 GWh (127 average MW), equivalent to 5.7% in sales volume; and (ii) R$ 37.9 million – an increase of 5.6% in net average selling price.

b) Trading Companies

Sales revenue from trading companies increased from R$ 65.6 million in 1Q13 to R$ 79.6 million in 1Q14, a year-on-year growth of 21.3%. The increase reflects the following elements: (i) R$ 9.0 million – an increase of 13.3% in net average selling price; and (ii) R$ 5.0 million – a growth of 41 GWh (19 average MW), or 7.1%, in energy sales volume.

c) Free consumers

Revenue from sales to free customers increased by 20.9% between the quarters analyzed, increasing from R$ 447.2 million in 1Q13 to R$ 540.6 million in the same period in 2014. The following events contributed to the variation: (i) R$ 58.6 million – a growth of 447 GWh (207 average MW) or 12.6% in energy sales volume; and (ii) R$ 34.8 million – a rise of 7.3% in the net average selling price.

d) Transactions in the short-term market, including those conducted through the CCEE

In 1Q14, revenue generated from transactions in the short term market including sales conducted across the CCEE, was R$ 317.3 million, as against R$ 162.7 million for the same period in 2013, representing a year-on-year increase of R$ 154.6 million. A more detailed explanation as to these operations is to be found in the item below "Details of short-term operations including transactions conducted through the CCEE".

Costs of Electric Energy and Services

The costs of electric energy sales and services increased year-on-year by R$ 437.5 million, or 71.2% from R$ 614.5 million in 1Q13 to R$ 1,052.0 million in the quarter under analysis. These variations are principally due to the following components:

a) **Electric power purchased for resale:** increase of R$ 90.2 million in 1Q14 compared with the same quarter in 2013, reflecting new medium and long term power purchasing agreements and coming into effect in the second quarter of 2013, as well as readjustments to existing agreements.

b) **Transactions in the short-term market, including those conducted through the CCEE:** on a comparative quarterly basis, costs of these transactions increased by R$ 298.2 million. Greater details are described in the specific item below.

c) **Fuels for production of electric energy:** a year-on-year growth of R$ 23.0 million, principally due to natural gas consumption at the William Arjona Thermoelectric Power Plant (UTWA) in the light of the greater deployment of energy from the thermoelectric sources.

d) **Charges for the use of and connection to the electricity grid:** an increase of R$ 2.4 million between the compared quarters reflecting the annual readjustment in transmission tariffs and the startup of commercial operations at the Trairi Wind Complex.

e) **Financial compensation for the use of water resources (royalties):** an increase of R$ 13.6 million between quarters basically due to the greater deployment of energy from the Company's hydroelectric power plants.

f) **Personnel:** an increase of R$ 2.6 million in 1Q14 on the first quarter for 2013, in large part due to the annual readjustment in employee compensation and benefits.

g) **Depreciation e amortization:** a year-on-year increase of R$ 7.1 million, above all due to the beginning of commercial operations at the Trairi Wind Complex.

Details of Short-Term Operations Including Transactions Conducted through the CCEE

Short-term operations are considered to be energy purchase or sale operation, not exceeding six months and having the optimization of Tractebel's exposure to the CCEE as their prime objective. Consequently, the price of these operations is characterized by the linkage with Price for Settlement of Differences (PLD) or spot price. This item also includes the transactions conducted through the CCEE, given the volatile and seasonal nature - and, therefore, short-term transactions - of the results originated from accounting in CCEE. Additionally, the long and short positions are settled at the spot price, thus, similar to the short-term operations described above.

As to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of an 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 Assured Energy Adjustment Factor which occurs when the generation from the plants which are part of the MRE, in relation to allocated energy, is greater (Secondary Energy) or less (Generation Scaling Factor -GSF); (iii) the so-called "sub-market risk"; (iv) dispatch triggered by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) which will be settled at the spot price.

In 1Q14, the net result from short term transactions, including those conducted on the CCEE, was a negative R$ 63.0 million against a positive result of R$ 80.6 million in the same period for 2013. This represents a year-on-year negative variation of R$ 143.6 million.

This variation is essentially due to the combination of the following factors: (i) a significant reduction in the net credit position as a result of the Company's strategy of allocating energy principally due to the debit position for March 2014 when the average PLD spot price was R$ 822.83/MWh; (ii) short term energy purchases in March 2014 at discounts in relation to PLD, with a view to reducing the debit balance for that month; (iii) greater excess in thermoelectric generation in relation to allocated energy due to the high level of deployment from these plants by order of merit; (iv) greater MRE revenue due to the increase in hydroelectric generation; and (v) a substantial increase in the GSF, in relation to the much lesser GSF registered in January 2013.

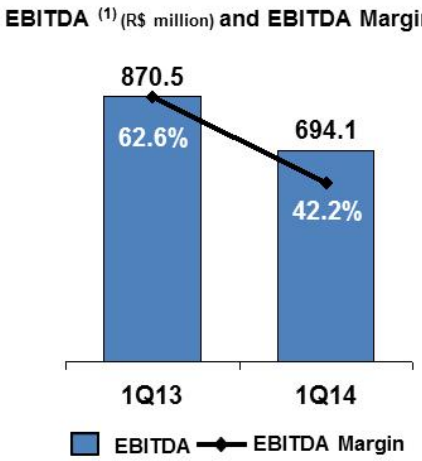
In this context it is important to consider the significant increase in average PLD for the South and Southeast/Central-Western submarkets with prices increasing from R$ 322.75/MWh in 1Q13 to R$ 674.63/MWh in 1Q14, contributing appreciably to the reduction in the net credit position on the CCEE as well as to the increase in positive results from surpluses from thermoelectric generation in relation to the overall seasonalized commercial capacity and the effects of GSF.

General, Sales and Administrative Expenses

General, sales and administrative expenses increased 3.9%, or R$ 1.7 million, in the quarters under review from R$ 43.3 million in 1Q13 to R$ 45.0 million in 1Q14. These variations relate largely to adjustments in employee salaries and benefits.

EBITDA and EBITDA Margin

Reflecting the foregoing factors, the Company's EBITDA for 1Q14 was R$ 694.1 million, 20.3%, or R$ 176.4 million lower than the R$ 870.5 million reported for 1Q13. EBITDA margin was 42.2% in 1Q14, a reduction of 20.4 p.p. in relation to the same period in 2013. These declines were largely due to the combination of the increase in net revenue of R$ 97.7 million, and (i) the negative effects of variation in transactions in the short term market including those executed across the CCEE, in the amount of R$ 143.6 million; (ii) the increase in energy purchases for resale amounting to R$ 90.2 million; (iii) growth in fuel consumption of R$ 23.0 million; and (iv) the increase of R$ 13.6 million in costs of the financial compensation for the use of water resources.



(1) EBITDA represents: net income + income tax and social contribution + financial expenses, net + depreciation and amortization.

To allow the reconciliation of the net income with EBITDA, we show the following table:

(in thousand R$)	1Q14	1Q13	Chg. %
Net income	289,231	424,877	-31.9
(+) Income tax and social contribution	136,827	206,012	-33.6
(+) Financial expenses, net	120,368	98,492	22.2
(+) Depreciation and Amortization	147,713	141,161	4.6
EBITDA	**694,139**	**870,542**	**-20.3**

Financial Result

Financial income: In 1Q14, income reached R$ 33.6 million, R$ 9.1 million more than the R$ 24.5 million reported for the same quarter in 2013 – principally due to the increase of R$ 7.2 million in income from financial investments set against a scenario of rising interest rates.

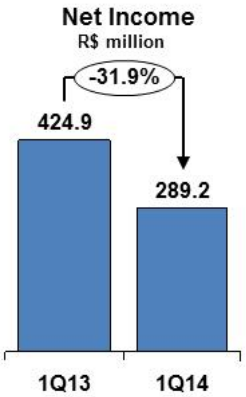
Financial expenses: These expenses in 1Q14 were R$ 154.0 million, R$ 31.0 million more than for the same quarter in 2013 due basically to increased interest and monetary restatement on concession agreements and the translation effect on currency denominated loans.

Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution overheads in 1Q14 were R$ 136.8 million, R$ 69.2 million less than the same quarter in 2013, when this item totaled R$ 206.0 million, a reflection of the decline in pre-tax profits.

Net Income

1Q14 net income was R$ 289.2 million, R$ 135.7 million, or 31.9%, less that the R$ 424.9 million reported in the same quarter for 2013. This decline is mainly due to the reduction of R$ 116.4 million mentioned under the "EBITDA" item above, as well as an increase in financial expenses of R$ 14.5 million, both net of income tax and social contribution.



TRACTEBEL ENERGIA S.A.

CNPJ Nº 02.474.103/0001-19 | NIRE Nº 42 3 0002438-4

NOTES TO THE QUARTERLY FINANCIAL STATEMENT AS OF 3.31.2014

(In thousands of Reais or other currencies, unless otherwise indicated)

1 – OPERATIONS

Tractebel Energia S.A. ("Company", "Tractebel Energia" or "TBLE") is an independent utility concessionaire and a publicly held corporation with its registered headquarters in the Municipality of Florianópolis, Santa Catarina State, Brazil. The core business and main operating activity of the Company and its subsidiaries is the generation and sale of electrical energy, regulated by the Brazilian Electricity Regulatory Agency (Aneel), which is linked to the Ministry of Mines and Energy (MME).

The shares of the Company are listed in the New Market segment of BM&FBOVESPA under the ticker TBLE3. Tractebel Energia also trades Level 1 American Depositary Receipts (ADR) in the U.S. Over-the-Counter market under the ticker TBLEY, in the proportion of one ADR for each common share.

The Company is controlled by GDF SUEZ Energy Latin America Participações Ltda. (GSELA), a company established in Brazil and controlled by International Power S.A., headquartered in Belgium. International Power S.A. is part of the economic group GDF SUEZ group, headquartered in France.

Tractebel Energia is the largest private company in electrical energy generation in Brazil, responsible for approximately 6.0%[1] of the country's installed capacity. At 3.31.2014, the Company's installed capacity, including its stakes in energy generation consortiums, and after the Feixeiras and Mundaú Wind Farms started their commercial operations and after the acquisition of the Ferrari Thermoelectric Power Plant is 7,090.2[2] MW. Out of this total, 78.4% arises from hydroelectric power plants, 16.7% from thermoelectric power plants and 4.9% from complementary energy: Small Hydroelectric Power Plants – (SHPP), wind farms and biomass power plants. At 3.31.2014, assured energy for sale averaged 3,882.3 MW.

The Company's generation facilities in operation consist of nine hydroelectric power plants, six thermoelectric power plants[3], three Small Hydroelectric Power Plants, six wind farms and three biomass power plants.

[1] Information based on data as of 12.31.2013

[2] The non-financial information in these financial statements such as MW, average MW, installed capacity, among others, is not reviewed by the independent auditors.

[3] The Jorge Lacerda Thermoelectric Complex consists of three plants.

The main events related to the Company's activity carried out in the third quarter of 2014 were the following:

a) Commercial startup of the Fleixeiras wind farm

On 1.28.2014, Aneel authorized the commercial startup of the Fleixeiras wind farm, located in the city of Trairi, state of Ceará, with installed capacity of 30.0 average MW and commercial capacity of 16.6 average MW.

b) Acquisition of Ferrari Termoelétrica S.A. by TBLP

On 2.20.2014, after complying with all conditions precedent set forth in the Purchase and Sale Agreement signed in December 2013, the Company concluded the acquisition of the shares issued by Ferrari Termoelétrica S.A. Additional information on the transaction is provided in Note 10 - Investments.

c) Payment of interest on equity for fiscal year 2013

Interest on equity for fiscal year 2013 was paid on 2.28.2014. The gross amount credited was R$ 244,800, corresponding to R$ 0.3750332107 per share.

d) Contracting of loan from HSBC USA

In March 2014, the Company contracted a loan from HSBC USA in the amount of US$ 100,000 (equivalent to R$ 230,940 on the funds release date). It simultaneously contracted a swap operation with HSBC's Brazilian subsidiary in order to protect all the future cash flows from the fluctuation of the U.S. dollar. Further information on the operation can be found in Note 14 - Loans and Financing.

2 – PRESENTATION OF FINANCIAL STATEMENTS

The consolidated quarterly information, identified as "Consolidated," was prepared in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and with Brazilian accounting practices (BRGAAP), which are in compliance.

The individual quarterly information of Tractebel Energia, identified as "Parent company", was prepared according to accounting practices adopted in Brazil. Those practices differ from the international accounting standards applicable to Tractebel Energia only regarding the valuation of investments under the equity method, since, under IFRS, the investments must be measured and presented at acquisition cost or fair value.

Said quarterly information was prepared according to the standards of the Brazilian Securities and Exchange Commission (CVM) applicable to the elaboration of the Quarterly Information (ITR), using the historic cost as a base value, except for the fair value evaluation of certain financial instruments, when required by applicable standards.

The elaboration of quarterly information requires that the Management of the Company and its subsidiaries make estimates for the recording of certain transactions affecting their assets and liabilities, income and expenses.

The content and values of certain explanatory notes presented in the financial statements for the year ended on 12.31.2013, which did not require significant updates, have not been repeated in the notes selected for the quarterly information of 3.31.2014. Therefore, these financial statements should be read together.

The accounting practices and calculation methods adopted in the preparation of quarterly information of 3.31.2014, as well as the main judgments and uncertainties in the estimates used in applying accounting practices are the same as those used in the preparation of the financial statements for the year ended on 12.31.2013.

Pronouncements applicable to the Company as from 1.1.2014

- Revision of IAS 32 – Financial instruments

This change is part of the project of "asset and liability offsetting" by the IASB, which clarifies that the legal right to offset, in order to be effective, has to be current and applicable to all parties during the regular course of business, and clarifies under which circumstances certain systems of regularization by gross amounts (clearance houses) meet the offsetting requirements under IAS 32. The adoption of said standard by the Company did not cause material impacts on its financial statements.

- Revision of IAS 36 – Recoverable amount disclosures for non-financial assets

The standard alters the disclosure requirements applied to asset impairment measurement, when impairment is determined by the fair value less estimated sales costs. The adoption of said standard by the Company also did not require any change in the Company's previous disclosures.

- Revision of IAS 39 – Novation of derivatives and continuation of hedge accounting

The change allows an exception to the discontinuation of hedge accounting when the novation of a derivative designated as a hedge instrument meets certain criteria. The Company does not maintain operations related to novation of derivatives.

- IFRIC 21 – Levies

The interpretation aims to determine when to recognize an obligation to pay a tax under the scope of IAS 37 – Provisions, contingent assets and contingent liabilities. The Company has classified the obligations dealt with by this standard under the item "Other tax and regulatory liabilities".

Pronouncements applicable to the Company as from 1.1.2015

There was no change from the information disclosed in the financial statements for the fiscal year ended 12.31.2013.

EmpresasNet (ENET) System

It is worth noting that the table “Statement of Changes in Shareholders’ Equity” of the CVM’s “EmpresasNet - ENET” System, the Adjustment to fair value of property, plant and equipment mentioned in “Other Comprehensive Income”, is presented in the column as such as there is no more appropriate option in the standard CVM statement for the presentation of said transaction.

Provisional Presidential Decree no. 627 of November 11, 2013

Provisional Presidential Decree (MP) 627/13 alters the tax law relating to federal taxes and social contributions, revokes the Transitional Tax Regime (RTT); and includes other provisions. The provisions in said MP will take force mandatorily from calendar year 2015, with the possibility of early adoption as from calendar year 2014.

The Management, based on preliminary analysis of the possible effects from the application of the Decree, believes that there will be no increase in tax rates compared to the laws currently applicable to the Company and is currently awaiting the President's sanction to decide about its early adoption.

Approval of quarterly information

The quarterly information previously mentioned was approved by the Board of Directors in a meeting held on 4.25.2014.

3 – CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Cash and bank deposits	**2,188**	**940**	**12,763**	**7,445**
Marketable securities:				
- Citibank - Exclusive investment fund				
Repurchase transactions with federal public bonds				
National Treasury Notes (NTN-B)	-	79,471	-	99,978
National Treasury Notes (NTN-F)	71,781	-	99,984	-
National Treasury Bill (LTN)	710,534	869,059	989,698	1,093,309
	782,315	**948,530**	**1,089,682**	**1,193,287**
- Financial Institutions[4]				
Certificates of Bank Deposit (CDB)	-	-	830	1,256
Repurchase agreements with debentures	-	-	29,396	22,288
	-	**-**	**30,226**	**23,544**
Total of marketable securities	**782,315**	**948,530**	**1,119,908**	**1,216,831**
	784,503	**949,470**	**1,132,671**	**1,224,276**

The Company structured its marketable securities to concentrate funds in an Exclusive Investment Fund in Fixed Income, the units of which can be redeemed at any time without losses.

[4] Banks: Safra, Itaú Unibanco, Itaú BBA, Banco do Brasil, Votorantim, Bradesco and Caixa Econômica Federal.

4 – TRADE ACCOUNTS RECEIVABLE

a) Breakdown

	Parent Company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Current				
Electrical energy distributors	224,562	245,616	353,693	372,589
Electrical energy traders	133,424	84,824	28,032	24,953
Free Consumers	24,290	20,957	276,563	248,655
Transactions in the short-term energy market				
Current	106,377	27,039	108,870	100,581
Extraordinary Tariff Recovery (RTE)	2,665	2,665	2,665	2,665
Agents with lawsuits or in default	122,961	122,961	122,961	122,961
	614,279	**504,062**	**892,784**	**872,404**
Allowance for doubtful accounts	(131,806)	(131,806)	(132,095)	(132,078)
	482,473	**372,256**	**760,689**	**740,326**
Non-current				
Electrical energy traders	32,417	31,398	6,001	6,280
Allowance for doubtful accounts	-	-	(1,848)	(1,848)
	32,417	**31,398**	**4,153**	**4,432**
	514,890	**403,654**	**764,842**	**744,758**

The average term for receiving amounts relative to electrical energy sale invoices is 25 days, as from the first day of month subsequent to the sale.

b) Breakdown of accounts receivable by maturity

	Parent company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Overdue up to 30 days	3,659	9,913	23,441	23,337
Overdue from 31 to 60 days	32	-	67	-
Overdue from 61 to 90 days	-	-	-	15
Overdue more than 91 days				
- With provision accrued	131,806	131,806	133,943	133,926
- Without provision accrued	1,175	1,038	1,811	1,179
	132,981	**132,844**	**135,754**	**135,105**
	136,672	**142,757**	**159,262**	**158,457**

The Company did not accrue any allowance for doubtful accounts for amounts overdue up to 90 days or for the above mentioned portion of the amounts overdue more than 90 days, due to the expectation of receiving overdue amounts.

c) Allowance for doubtful accounts

Breakdown

	Parent company	Consolidated	
	3.31.2014 and 12.31.2013	3.31.2014	12.31.2013
Agents with lawsuits or in default	122,961	122,961	122,961
Trading companies	6,180	6,452	6,452
RTE	2,665	2,665	2,665
Distributor	-	1,865	1,848
	131,806	**133,943**	**133,926**

5 – FUEL REIMBURSABLE

	Parent company and Consolidated	
	3.31.2014	12.31.2013
Eletrobras	**222,354**	**139,601**

This item includes amounts receivable from Eletrobras, related to the reimbursement of fuel purchased for consumption by the Company's thermal power plants, using funds from the Energy Development Account (CDE), whose aim, among other things, is to ensure competitiveness of the energy produced from domestic charcoal.

Reimbursement usually takes place after the presentation of the proof of payments to fuel suppliers. At 3.31.2013, the amounts related to January, February and March 2014.

6 – OTHER TAX CREDITS RECOVERABLE

	Parent company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Current				
Pis[5] and Cofins[6]	1,097	-	61,672	59,086
INSS[7]	190	722	190	722
Other	-	-	19	22
	1,287	**722**	**61,881**	**59,830**
Non-current				
Pis and Cofins	10,718	8,832	68,351	81,972
ICMS[8]	19,305	17,810	19,554	18,244
INSS	-	-	6	6
	30,023	**26,642**	**87,911**	**100,222**

[5]Social Integration Program
[6]Contribution for Social Security Funding
[7]National Social Security Institute
[8]Value-Added Tax on Sales and Communication and Transport Services

Pis and Cofins tax credits to offset arise from the acquisition of machinery and equipment, and expenses with the construction of facilities for the installation of power generation projects.

7 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Current				
Investment funds	10	10	46,083	10
Deposits for reinvestment	1,661	-	1,661	3,823
CDB	-	-	219	-
	1,671	**10**	**47,963**	**3,833**
Non-current				
Investment funds	37,957	31,617	142,596	120,065
CDB	-	5,467	-	10,792
	37,957	**37,084**	**142,596**	**130,857**

Restricted deposits invested in investment funds are mostly intended to guarantee debt service payments. In addition, in the quarter ended 3.31.2014, the amount of R$ 46,073 was recognized in the consolidated current assets, relating to deposits used as collateral to cover certain commitments undertaken by the sellers, as established in the agreement for acquisition of the entire capital stock of Ferrari Termoelétrica. These deposits will be cleared once such commitments are fulfilled.

8 - AMOUNTS RECEIVABLE FROM SALE OF ASSET

In this caption are recorded the receivables of Jacuí Elétrica S.A. (Eleja) relating to the sale of the Jacuí thermoelectric arrangement. The balance of R$ 86,886, recorded in the Parent Company and Consolidated balance sheets, corresponds to the present value of the installments receivable in July 2009, the month in which the Company started a process of foreclosure of the contract, due to the fact that Eleja had suspended payments of installments due. As of such date, the Company prudently decided to no longer recognize interests and monetary variation on the receivables.

The execution lawsuit filed against Eleja allowed the Company to seize assets of the Jacuí project, which had been provided as guarantee. The seizure has been converted into a pledge and the assets in guarantee were appraised by a court expert for a future transfer. The appraisal value of the pledged assets in November 2011 was R$ 116,492.

The Company still awaits a court approval for its request for transferring the ownership of the pledged assets already appraised in order to determine which ones will be sold and which ones will remain with the company.

In July 2012, Eleja filed a request to annul the actions executed until that moment. As soon as the Company became aware of such request, it asked for its refutation, being the request dismissed on trial. Eleja appealed against this decision through an Interlocutory Appeal filed with the Court of Appeals of Santa Catarina, which rejected the same in February 2014. As a result, a petition will be submitted to the Court to request the compulsory award of the pledged assets.

As of 3.31.2014, the nominal value of the unsettled contractual installments, restated by the contractual index, the General Price Index for Domestic Availability (IGP-DI) amounts to R$ 137,240 (R$ 133,565 as of 12.31.2013). Total debt amount, including fines and contract charges, exceeds experts' appraisal amount, causing the Company to request a boost to the attachment in March 2012, which is awaiting the court decision.

The Company, in a prudent manner, does not intend to recognize the adjustment on this "Account receivable" to the assets market value, as previously mentioned, until the final decision of the judicial proceeding.

9 - JUDICIAL DEPOSITS

a) Breakdown

	Parent company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Tax	91,054	92,724	91,588	93,485
Civil	9,258	8,259	9,870	8,817
Labor	4,377	4,228	4,501	4,552
	104,689	**105,211**	**105,959**	**106,854**

The amounts deposited are linked to lawsuits being conducted in administrative and in court levels. From the amount deposited on 3.31.2014, R$ 41,073 (R$ 38,703 on 12.31.2013) are directly related to probable risk provisions.

In July 2012, the Company obtained the approval on the request for the judicial deposits release related to the proceeding of Pis and Cofins on energy sales contracts at predetermined price within the scope of Normative Instruction 658/06 of the Internal Revenue Service of Brazil. However, in August 2012, the Federal Government claimed the suspension of the license issuance order to review contracts linked to court decision. The amount of such deposits at 3.31.2014 is R$ 46,467 in the parent company and consolidated (R$ 49,192 at 12.31.2013).

10 - INVESTMENTS

a) Breakdown

	Parent company	
	3.31.2014	12.31.2013
Interest on subsidiaries:		
Measured at the equity method		
Equity in earnings of subsidiaries	2,484,663	2,336,073
"Goodwill" (Concession right)	79,358	80,193
	2,564,021	**2,416,266**

b) Measured at the equity method

b.1) Changes in investments

	Balance at 12.31.2013	Capital increase	Equity in net income of subsidiaries	Dividends	Balance at 3.31.2014
Itasa[9]	**323,129**	-	3,746	-	**326,875**
CEE[10]	**1,002,589**	-	(21,670)	-	**980,919**
Lages[11]	**59,198**	-	2,592	(26,000)	**35,790**
TBLC[12]	**130,662**	-	47,809	-	**178,471**
TBLP[13]	**819,344**	123,920	18,193	-	**961,457**
Other	**1,151**	-	-	-	**1,151**
Total	**2,336,073**	**123,920**	**50,670**	**(26,000)**	**2,484,663**

Additional information

	Itasa	CEE	Lages	TBLC	TBLP
Interest (%)	**48.75%**	**99.99%**	**99.99%**	**99.99%**	**99.99%**
12.31.2013					
Total assets	703,192	2,656,884	77,553	492,426	1,501,358
Shareholders' equity	662,829	1,002,589	59,198	130,662	822,582
3.31.2014					
Total assets	709,871	2,652,180	53,099	550,876	1,755,051
Shareholders' equity	670,513	980,919	35,790	178,471	964,877
1st quarter of 2014					
Net revenue	40,991	94,920	11,400	742,708	52,089
Net income (loss)	7,684	(21,670)	2,592	47,809	18,375

[9] Itá Energética S.A., joint operation
[10] Companhia Energética Estreito
[11] Lages Bioenergética Ltda.
[12] Tractebel Energia Comercializadora Ltda.
[13] Tractebel Energias Complementares Participações Ltda.

Acquisition of new projects

- Ferrari Termoelétrica S.A.

In December 2013, the subsidiary TBLP signed an agreement for the acquisition of the entire capital of Ferrari Termoelétrica S.A., provided certain conditions subsequent set forth in the share purchase and sale agreement are met.

Ferrari Termoelétrica S.A. is a specific purpose entity that holds all the assets of Central Geradora Termelétrica UTE Ferrari (UTE Ferrari), a sugarcane biomass-based power cogeneration plant in the city of Pirassununga, state of São Paulo, operating commercially since June 2009. UTE Ferrari has installed capacity of 65.5 average MW and commercial capacity of 23.2 average MW, of which 18.0 average MW were contracted in Electricity Auctions allocated to the Regulated Contracting Environment.

In February 2014, the acquisition was completed for R$ 176,139. This amount is broken down as follows:

(i) R$ 160,930 – amount paid on the closing date, of which R$ 46,073 was deposited into an escrow account, as mentioned in Note 7 – Restricted Deposits. The release of R$ 34,000 from this amount depends on the implementation of improvements in the efficiency of the co-generation process, obtainment of environmental licenses, and revision of the plant's physical guarantee to 35.6 MW average. The balance is mainly linked to the technical revision of the turbo generator and conclusion of the adaptation work at the sub-stations.

(ii) R$ 4,209 – paid in April 2014 relating to the price adjustment resulting from the variation in the working capital and net debt between the date of signing the agreement and the date of closing of the deal.

(iii) R$ 11,000 – amount that will be paid upon the seller's commitment to supply additional fuel in sufficient quantity and quality for UTE Ferrari to generate 35.6 MW average of electricity.

The deposit mentioned in item (i), as well as the commitments mentioned in items (ii) and (iii), totaling R$ 61,282, are recorded as liabilities under "Obligations from investment acquisitions."

The Company is currently assessing the fair value of assets and liabilities acquired to make all the due allocations in the acquisition balance sheet in accordance with business combination rules.

In April 2014, the Company launched initiatives focused on the modernization and expansion of the UTE. With this, it expects to increase its commercial capacity to 35.6 MW average and installed capacity to 80.5 MW. For this, the Company estimates additional investments of around R$ 81,825.

b.2) "Goodwill" (Concession right) – Parent company

Changes

	CEE
Balance at 12.31.2013	**80,193**
Amortization	(835)
Balance at 3.31.2014	**79,358**

Amounts related to "Goodwill" (Concession right) paid in the acquisitions of the subsidiaries was defined with a basis on the present value of the cash flow projections obtained through economic and financial evaluations and resulted from the acquisition of the concession granted by Aneel for the use of public assets in the generation of electrical energy.

The asset is being amortized over the period of the concession contract, according to its defined useful life, since the economic benefits arising from the acquisitions of these investments will occur over the course of the concession period.

11 - PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent company			
		3.31.2014			12.31.2013
	Average rate of depreciation %	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.7	5,070,519	(2,495,691)	2,574,828	2,611,608
Buildings and improvements	3.0	1,494,727	(808,152)	686,575	696,891
Machinery and equipment	4.0	6,127,145	(3,868,067)	2,259,078	2,295,728
Furniture and fixtures	6.3	9,323	(4,330)	4,993	4,901
Vehicles	14.3	1,893	(1,465)	428	460
(-) Provision for impairment		(68,698)	-	(68,698)	(68,698)
(-) Special obligations		(13,040)	-	(13,040)	(13,087)
		12,621,869	**(7,177,705)**	**5,444,164**	**5,527,803**
In progress					
Reservoirs, dams and ducts		1,133	-	1,133	1,005
Buildings and improvements		8,069	-	8,069	6,411
Machinery and equipment		116,435	-	116,435	95,518
Advances to suppliers		79,272	-	79,272	77,452
Acquisitions to be apportioned		7,316	-	7,316	5,776
		212,225	**-**	**212,225**	**186,162**
		12,834,094	**(7,177,705)**	**5,656,389**	**5,713,965**

		Consolidated			
		3.31.2014			12.31.2013
	Average rate of depreciation %	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	3.0	7,108,953	(2,744,925)	4,364,028	4,413,281
Buildings and improvements	3.2	1,781,713	(875,628)	906,085	908,946
Machinery and equipment	4.0	8,530,460	(4,236,139)	4,294,321	4,151,181
Furniture and fixtures	6.3	10,180	(4,733)	5,447	5,324
Vehicles	14.3	3,003	(1,911)	1,092	1,119
(-) Provision for impairment		(72,837)	-	(72,837)	(72,837)
(-) Special obligations		(13,165)	-	(13,165)	(13,212)
		17,348,307	**(7,863,336)**	**9,484,971**	**9,393,802**
In progress					
Reservoirs, dams and ducts		1,133	-	1,133	7,935
Buildings and improvements		8,260	-	8,260	12,095
Machinery and equipment		131,825	-	131,825	131,781
Advances to suppliers		90,980	-	90,980	148,140
Acquisitions to be apportioned		7,568	-	7,568	14,474
		239,766	**-**	**239,766**	**314,425**
		17,588,073	**(7,863,336)**	**9,724,737**	**9,708,227**

b) Changes in property, plant and equipment

	Parent Company							
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	(-) Provision for impairment	(-) Special obligations	Total
Balance at 12.31.2013	**2,611,608**	**696,891**	**2,295,728**	**5,361**	**186,162**	**(68,698)**	**(13,087)**	**5,713,965**
Additions	-	-	-	-	39,392	-	47	39,439
Capitalized interest	-	-	-	-	25	-	-	25
Transfers	(2,369)	(106)	15,624	205	(13,354)	-	-	-
Write-offs	-	-	(4)	-	-	-	-	(4)
Depreciation	(34,411)	(10,210)	(52,270)	(145)	-	-	-	(97,036)
Balance at 3.31.2014	**2,574,828**	**686,575**	**2,259,078**	**5,421**	**212,225**	**(68,698)**	**(13,040)**	**5,656,389**

	Consolidated							
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	(-) Provision for impairment	(-) Special obligations	Total
Balance at 12.31.2013	**4,413,281**	**908,946**	**4,151,181**	**6,443**	**314,425**	**(72,837)**	**(13,212)**	**9,708,227**
Additions	-	-	-	-	77,184	-	47	77,231
Ferrari Acquisition	-	7,463	60,422	137	13,251	-	-	81,273
Capitalized interest	-	-	-	-	1,055	-	-	1,055
Transfers	4,681	2,715	158,290	463	(166,149)	-	-	-
Write-offs	-	-	(13)	-	-	-	-	(13)
Depreciation	(53,934)	(13,039)	(75,559)	(504)	-	-	-	(143,036)
Balance at 3.31.2014	**4,364,028**	**906,085**	**4,294,321**	**6,539**	**239,766**	**(72,837)**	**(13,165)**	**9,724,737**

Depreciation of assets comprising the Power Plants' Original Project

The Company, solely based on Law 8,987/95 and Decree 2,003/96, considers that at the end of the concession and authorization terms of the hydroelectric arrangements, there is not a guarantee of restitution of the residual value of the Original Project by the Granting Power.

Therefore, the Company has been depreciating said assets at the rates determined by Aneel, limited to the concession term, even though the agreements and the law provide the possibility of renewing the concessions and authorizations granted.

Also, according to said law, additional investments made to ensure the continuity of the service provided and that they remain up-to-date, will be indemnified by the government at the end of the period of concessions and authorizations. Thus, these assets are being depreciated according to the depreciations rates established by Aneel.

c) Fair value adjustment of property, plant and equipment

In attendance of CPC 27 - Property, Plant and Equipment and ICPC 10 - Clarifications on CPC 27 and CPC 28 - Investment properties, on 1.1.2009, date of the initial adoption of the international standards and CPC, the Company adopted the fair value as the deemed cost of property, plant and equipment of the Company's plants whose book values differed substantially from their fair value.

The adjustment to the fair value of property, plant and equipment, net of deferred income tax and social contribution was offset by the 'Asset Valuation Adjustments' account under Shareholders' Equity. Depreciation on said adjustment will not produce any effects on the income tax and social contribution calculation base or on the dividend distribution base.

Balances of property, plant and equipment on 3.31.2014 and 12.31.2013 include the fair value adjustment, net of depreciation, in the amounts of R$ 781,970 and R$ 799,114, respectively. The depreciation on fair value adjustment in the quarters ended on 3.31.2014 and 3.31.2013 was R$ 17,144 and R$ 20,814, respectively.

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

The Company, for the purpose of preparing the consolidated information, considered as reference to record the onerous concessions and authorizations granted by the Federal Government for the use of public assets to generate electrical energy, contracted or acquired in a business combination, the IFRS 3 - Business Combination Application Guide, which enables the recognition of the fair value for the concession and the property, plant and equipment as the single asset in the financial statements, when these assets can no longer 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. This procedure has already been adopted by the Company before the adoption of IFRS and CPC became compulsory, in 1.1.2009, and was maintained for transactions after that date in order to maintain the consistency of procedures.

The balance of these concessions and authorizations to use public assets for power generation, in property, plant and equipment, on 3.31.2014 and 12.31.2013 was R$ 754,089 and R$ 762,724, respectively, and R$ 1,073,378 and R$ 1,085,984, respectively, in the consolidated statement.

e) Appropriation of financial charges

Financial charges linked to financings and concession payables are capitalized in property, plant and equipment assets in progress during the construction or modernization of the power plants. Financial charges capitalized in the consolidated property, plant and equipment in the quarters ended on 3.31.2014 and 3.31.2013 was R$ 10,055 and R$ 7,995, respectively.

f) Impairment of assets

The Company periodically evaluates the property, plant and equipment aiming to identify evidence of impairment, or when events or significant changes can indicate eventual impairment of their book value. If the book value exceeds the recoverable value, this loss is recognized in the income statement. Other than the amounts recognized in 2013, there is no evidence identified that indicate impairment in the other assets of the Company.

12 – INTANGIBLE ASSETS

a) Breakdown

		Parent company			
		3.31.2014			12.31.2013
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Right to use	Until 2034	34,257	(23,944)	**10,313**	**10,920**
		34,257	**(23,944)**	**10,313**	**10,920**

		Consolidated			
		3.31.2014			12.31.2013
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Surplus in the Ferrari acquisition	-	135,524	-	135,524	-
Right to use	Until 2037	43,718	(25,594)	18,124	17,757
Electrical energy purchase right	Until 2023	64,561	(7,519)	57,042	58,546
Operation license conditions	Until 2014	22,243	(17,244)	4,999	6,889
Rights of Trairi Project	Until 2041	12,668	(121)	12,547	12,668
Rights of Campo Largo Project	-	21,670	-	21,670	21,670
Rights of Santa Mônica Project	-	5,715	-	5,715	5,715
Development expenses	-	3,107	-	3,107	3,107
		309,206	**(50,478)**	**258,728**	**126,352**

The Company is currently measuring the fair value of assets acquired and liabilities assumed to proceed the due allocations of the surplus paid upon the acquisition of Ferrari. More details are available in Note 10 – Investments.

b) Changes

	Parent company	Consolidated
Balance at 12.31.2013	**10,920**	**126,352**
Addition	495	1,416
Acquisition in business combination	-	113
Surplus in the Ferrari acquisition	-	135,524
Amortization	(1,102)	(4,677)
Balance at 3.31.2014	**10,313**	**258,728**

13 - SUPPLIERS

	Parent company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Current				
Electricity purchased	106,792	9,017	226,374	179,048
Transactions within CCEE	297,326	111,097	358,804	119,228
Charges for the use of and connection to the power grid	29,769	29,484	36,365	36,032
Materials and services	22,250	30,827	29,920	43,787
Fossil fuels and biomass	89,511	84,630	91,343	86,366
Suppliers of property, plant and equipment and intangible assets	5,857	16,656	46,758	45,885
	551,505	**281,711**	**789,564**	**510,346**

The Company does not have any overdue amounts with the Suppliers of goods, rights and services related to its operating activities.

14 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	3.31.2014			12.31.2013		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities:						
Measured at the amortized cost						
Local currency						
Bank of America Merrill Lynch	143,333	-	143,333	286,667	-	286,667
Nordic Investment Bank	-	153,409	153,409	-	149,990	149,990
BNDES	16,003	137,362	153,365	16,003	141,363	157,366
Banks (BNDES onlending)	32,557	293,407	325,964	32,317	298,811	331,128
Financial charges	5,089	-	5,089	7,635	-	7,635
	196,982	**584,178**	**781,160**	**342,622**	**590,164**	**932,786**
Foreign currency without hedge						
BNP Paribas (Floating Rate Note)	-	124,700	124,700	-	129,060	129,060
Financial charges	1,352	-	1,352	367	-	367
	1,352	**124,700**	**126,052**	**367**	**129,060**	**129,427**
Measured at fair value						
Foreign currency with hedge						
HSBC USA	-	434,324	434,324	-	210,329	210,329
Financial charges	510	-	510	350	-	350
	510	**434,324**	**434,834**	**350**	**210,329**	**210,679**
HSBC Brasil – *swap*	**-**	**7,034**	**7,034**	**-**	**-**	**-**
	198,844	**1,150,236**	**1,349,080**	**343,339**	**929,553**	**1,272,892**
Non-current assets:						
Measured at fair value - hedge						
HSBC Brasil – *swap*[14]	-	-	-	-	1,115	1,115
	-	**-**	**-**	**-**	**1,115**	**1,115**
Loans and financing, net of swap	**198,844**	**1,150,236**	**1,349,080**	**343,339**	**928,438**	**1,271,777**

[14] Recorded under "Other non-current assets"

	Consolidated					
	3.31.2014			12.31.2013		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities:						
Measured at the amortized cost						
Local currency						
Bank of America Merrill Lynch	143,333	-	143,333	286,667	-	286,667
Nordic Investment Bank	-	153,409	153,409	-	149,990	149,990
BNDES	125,749	1,506,413	1,632,162	119,369	1,498,097	1,617,466
Banks (BNDES onlending)	68,633	816,507	885,140	68,392	830,932	899,324
Banco do Brasil	3,966	10,245	14,211	3,966	11,237	15,203
Financial charges	10,817	-	10,817	13,732	-	13,732
	352,498	**2,486,574**	**2,839,072**	**492,126**	**2,490,256**	**2,982,382**
Foreign currency without hedge						
BNP Paribas (Floating Rate Note)	-	124,700	124,700	-	129,060	129,060
Financial charges	1,352	-	1,352	367	-	367
	1,352	**124,700**	**126,052**	**367**	**129,060**	**129,427**
Measured at fair value						
Foreign currency with hedge						
HSBC USA	-	434,324	434,324	-	210,329	210,329
Financial charges	510	-	510	350	-	350
	510	**434,324**	**434,834**	**350**	**210,329**	**210,679**
HSBC Brasil – *swap*	**-**	**7,034**	**7,034**	**-**	**-**	**-**
	354,360	**3,052,632**	**3,406,992**	**492,843**	**2,829,645**	**3,322,488**
Non-current assets:						
Measured at fair value - hedge						
HSBC Brasil – swap	-	-	-	-	1,115	1,115
	-	**-**	**-**	**-**	**1,115**	**1,115**
Loans and financing, net of swap	**354,360**	**3,052,632**	**3,406,992**	**492,843**	**2,828,530**	**3,321,373**

b) Changes in loans and financings

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2013	**343,339**	**928,438**	**1,271,777**	**492,843**	**2,828,530**	**3,321,373**
Additions	-	233,854	233,854	-	234,415	234,415
Ferrari acquisition	-	-	-	6,152	38,354	44,506
Interest expense	20,874	1,099	21,973	55,192	2,129	57,321
Capitalized interest	-	25	25	-	1,055	1,055
Monetary variation	-	3,434	3,434	-	3,434	3,434
Exchange variation	(58)	(4,353)	(4,411)	(58)	(4,353)	(4,411)
Adjustment to fair value of loan and swap	-	77	77	-	77	77
Transfers	12,338	(12,338)	-	51,009	(51,009)	-
Amortization of principal	(155,413)	-	(155,413)	(191,772)	-	(191,772)
Amortization of interest	(22,236)	-	(22,236)	(59,006)	-	(59,006)
Balance at 3.31.2014	**198,844**	**1,150,236**	**1,349,080**	**354,360**	**3,052,632**	**3,406,992**

c) Main transactions in the first quarter of 2014

Contracting of loan from HSBC Bank USA

In March 2014, the Company contracted a loan from HSBC Bank USA in the amount of up to US$ 100,000 (equivalent to R$ 230,940). The main conditions of the loan are the following:

- Interest: 1.429411% p.a., fixed;
- Maturity of principal: Single installment at the end of the agreement on 3.10.2016;
- Amortization of interest: quarterly, starting on 6.10.2014 and ending on 3.10.2016.

The Company contracted a swap operation from the brazilian subsidiary of the same financial institution that granted the loan, in the amount of R$ 230,940, through which it will keep a long position corresponding to the variation of the U.S. dollar plus interest of 1.429411% p.a. and a short position equivalent to 97% of the Interbank Deposit Certificate Rate (CDI). The maturity of the principal and the interest payments related to the loan and to the swap will occur exactly on the same dates.

PSI Finame Agreements

In February 2014, the Company contracted PSI Finame financing, through transfer agents, for the acquisition of machinery and equipment for its power generation facilities. The total amount drawn was R$ 2,914.

These financings have a fixed interest rate of 3.5% p.a. and a total term of 10 years (2 years grace period and 8 years amortization), with quarterly payment of interest during the grace period and monthly payment of interest after beginning of the amortization period.

Release of funds for UHE Estreito

In March 2014, BNDES released for Companhia Energética Estreito (CEE), a subsidiary of the Company, the amount of R$ 561 related to the social sub-credit to be used in the Estreito Social Investment (ISE). The amount of R$ 2,341 is still pending release.

Acquisition of Ferrari Termoelétrica S.A.

As mentioned in Note 10 – Investments, in February 2014, TBLP acquired the entire capital stock of Ferrari Termoelétrica. Ferrari Termoelétrica already had direct financing agreements with BNDES and BNDES onlending through Itaú BBA, which had a debt balance of R$ 44,506, considering principal and interest. The main characteristics of these financings are:

- Maturity: June 2021;
- Amortization and payment of interest: monthly;
- Interest: TJLP + 1.91% p.a. for the Direct modality and TJLP + 3.40% p.a. for the Onlending modality.

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

	Parent Company				Consolidated			
		Foreign currency				Foreign currency		
	Local currency	Without hedge	With hedge	Total	Local currency	Without hedge	With hedge	Total
April to December 2015	42,675	124,700	209,189	376,564	155,545	124,700	209,189	489,434
2016	71,538	-	232,169	303,707	222,788	-	232,169	454,957
2017	71,546	-	-	71,546	223,064	-	-	223,064
2018	71,546	-	-	71,546	218,227	-	-	218,227
2019	71,546	-	-	71,546	216,775	-	-	216,775
2020 to 2024	255,327	-	-	255,327	921,436	-	-	921,436
2025 to 2029	-	-	-	-	528,739	-	-	528,739
Loans and financing, net of swap	**584,178**	**124,700**	**441,358**	**1,150,236**	**2,486,574**	**124,700**	**441,358**	**3,052,632**

d) Contracted conditions

		Payment Conditions		
Company/Bank	**Interest**	**Maturity**	**Principal and interest**	**Balance at 12.31.2014**
Local currency				
Parent company				
Bank of America Merrill Lynch	98% of CDI	7.2014	Principal: 7.2013, 1.2014 and 7.2014 Interest – quarterly	145,950
Nordic Investment Bank[g]	IPCA + 3.55% p.a.	10.2022	Principal -quarterly, as from 10.2015 Interest – quarterly	154,416
BNDES	TJLP + 2.7% p.a. [a]	10.2023	Monthly	153,808
Banks (BNDES onlending) [b]	TJLP + 3.25% p.a. [a]	10.2023	Monthly	310,661
Banks (Finame onlending)	2.5% p.a. and 3.25% p.a.	1.2023	Principal – monthly from 2.2015 Interest – quarterly, until 10.2015 and monthly as from 2.2015	16,325
Subsidiaries				
CEE				
BNDES	TJLP + 1.89% p.a. [a]	9.2029	Monthly	825,204
BNDES – Social Credit [e]	TJLP	6.2018	Monthly	21,582
Banks (BNDES onlending) [b]	TJLP + 2.95% p.a. [a]	9.2029	Monthly	560,844
Hidropower (Banco do Brasil)	8.08% p.a. [c]	10.2017	Monthly	14,281
Beberibe (BNDES)	TJLP + 3.5% p.a. [a]	12.2023	Monthly	84,238
Pedra do Sal (BNDES)	TJLP + 1.92% p.a. [a]	12.2023	Monthly	57,002
Areia Branca (BNDES)	TJLP + 2.5% p.a. [a]	6.2024	Monthly	48,665
Ibitiúva				
BNDES (Subcredit A and C)	TJLP + 2.05% p.a. [a]	1.2021	Monthly	24,502
BNDES (Subcredit B) [d]	4.5% p.a.	1.2020	Monthly	24,590
Trairí Wind Farm (BNDES) [f]	TJLP + 2.51% [a]	7.2029	Monthly	352,976
Ferrari				
BNDES	TJLP + 1.91% p.a.	6.2021	Monthly	30,651
Banks (BNDES onlending)	TJLP + 3.40% p.a.	6.2021	Monthly	13,376
Foreign currency				
BNP Paribas (Floating Rate Note)	*Euribor* + 2.75%p.a.	11.2015	Annual	126,052
HSBC USA [g]	1.3882% p.a.	8.2015	Principal: 08.2015 Interest: quarterly	209,512
HSBC USA [h]	1.429411% p.a.	3.2016	Principal: 03.2016 Interest: quarterly as from 06.2014	232,356

[a] The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into the financing's principal.

[b] The Banks are the following: Itaú Unibanco, Itaú BBA, Bradesco, Santander and Votorantim.

[c] Fixed rate includes a bonus of 15% for payments made up to the maturity date.

[d] Loan for financing Ibitiúva power plant machinery and equipment.

[e] Loan for financing social and environmental projects of the Estreito project.

[f] For financing the Trairi Wind Farm includes the following companies: Trairí, Mundaú, Guajiru and Fleixeiras I.

[g] The loan is fully protected from the variation of the U.S. dollar through an exchange rate swap in which the company holds a short position at a rate equivalent to 99.9% of the Interbank Deposit Certificate Rate (CDI).

[h] The loan is fully protected from the variation of the U.S. dollar through an exchange rate swap in which the company holds a short position at a rate equivalent to 97.0% of the Interbank Deposit Certificate Rate (CDI).

e) Contractual financial commitments (covenants)

The financial commitments established in the loan and financing agreements are being fulfilled by the Company.

15 - DEBENTURES

a) Breakdown

	Parent Company and Consolidated	
	3.31.2014	**12.31.2013**
Current		
2nd Issuance - single series	170,324	166,706
Interests	10,462	7,366
	180,786	**174,072**

b) Changes in debentures

	Parent Company and Consolidated
Balance at 12.31.2013	**174,072**
Interest expenses	2,929
Monetary variations	3,785
Balance at 3.31.2014	**180,786**

c) Conditions contracted

			Payment Conditions		
	Quantity	Remuneration	Interest/monetary change	Principal	Guarantee
2nd Issuance - single series	35,000	IPCA [15] + 7% p.a.	Annually on 5.15	3 installments on 5.2012/13/14	Without guarantee

The Company has been fully compliant with the covenants of the debentures.

16 - CONCESSIONS PAYABLE

	Parent company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Cana Brava hydroelectric power plant	615,042	587,992	615,042	587,992
Ponte de Pedra hydroelectric power plant	546,691	524,297	546,691	524,297
São Salvador hydroelectric power plant	447,890	439,539	447,890	439,539
Estreito hydroelectric power plant	-	-	44,195	43,341
	1,609,623	**1,551,828**	**1,653,818**	**1,595,169**
Classification in the balance sheet				
Current liabilities	48,295	47,397	52,765	51,763
Non-current liabilities	1,561,328	1,504,431	1,601,053	1,543,406
	1,609,623	**1,551,828**	**1,653,818**	**1,595,169**

The Company has onerous concession agreements with the Federal Government to Use the Public Asset (UBP) to generate electrical energy in the following power plants: Cana Brava, Ponte de Pedra, São Salvador and Estreito. The features of the businesses and the agreements show the condition and the intention of the parties to execute them in full.

Considering that contractual amounts are stated at future prices, the Company adjusted them to present value based on reference discount rates on the date the obligation assumed, namely: Cana Brava plant, São Salvador and Estreito of 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 property, plant and equipment and, as of the start-up date, recognized directly in the statement of income.

[15]National Amplified Consumer Price Index (IPCA)

a) Changes

	Parent company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2013	**47,397**	**1,504,431**	**1,551,828**	**51,763**	**1,543,406**	**1,595,169**
Interest expenses	-	35,199	35,199	-	36,237	36,237
Monetary variations	-	34,870	34,870	-	35,825	35,825
Transfers	13,172	(13,172)	-	14,415	(14,415)	-
Amortizations	(12,274)	-	(12,274)	(13,413)	-	(13,413)
Balance at 3.31.2014	**48,295**	**1,561,328**	**1,609,623**	**52,765**	**1,601,053**	**1,653,818**

b) Maturities of concessions payable disclosed in non-current liabilities

	Parent company	Consolidated
April to December 2015	33,729	36,822
2016	41,379	45,173
2017	37,625	41,073
2018	34,212	37,347
2019	39,454	42,304
2020 to 2024	480,733	491,537
2025 to 2029	569,602	576,307
2030 to 2034	310,252	314,414
2035 to 2038	14,342	16,076
	1,561,328	**1,601,053**

17 - INCOME AND SOCIAL CONTRIBUTION TAXES PAYABLE

	Parent company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Income tax	90,035	334,442	100,945	336,524
Social Contribution	31,753	103,412	34,368	104,553
	121,788	**437,854**	**135,313**	**441,077**
(-) Federal taxes recoverable	(9,245)	(6,267)	(16,371)	(6,911)
	112,543	**431,587**	**118,942**	**434,166**

Current tax obligations are presented net of assets when said taxes correspond to the same tax entities and the Company's management intends to settle them at net value.

18 - OTHER TAX AND REGULATORY OBLIGATIONS

	Parent company		Consolidated	
	3.31.2014	12.31.2013	3.31.2014	12.31.2013
Federal				
Pis and Cofins	1,224	11,765	3,064	12,581
INSS	4,343	3,184	4,707	3,955
Other	1,575	1,807	1,594	1,850
	7,142	**16,756**	**9,365**	**18,386**
(-) Federal taxes recoverable	(4,540)	(5,077)	(4,627)	(5,390)
	2,602	**11,679**	**4,738**	**12,996**
State				
ICMS payable	3,613	3,655	18,859	16,256
(-) State taxes recoverable	(1,983)	(1,988)	(1,983)	(1,989)
	1,630	**1,667**	**16,876**	**14,267**
Municipal				
ISSQN[16]	631	654	838	1,701
Regulatory obligations				
Financial compensation for use of water resources	22,447	28,896	26,768	32,894
Inspection fee	877	903	1,065	1,069
	23,324	**29,799**	**27,833**	**33,963**
	28,187	**43,799**	**50,285**	**62,927**

Current tax obligations are presented net of assets when said taxes correspond to the same tax entities and the Company's management intends to settle them at net value.

[16] Service Tax

19 - OBLIGATIONS FROM INVESTMENTS ACQUISITION

	Consolidated	
	3.31.2014	**12.31.2013**
Ferrari Termoelétrica	61,282	-
Santa Mônica Project	3,985	3,895
Campo Largo Project – CLWP Phase I	12,816	12,524
	78,083	**16,419**
Classification in the balance sheet		
Current liabilities	77,313	3,573
Non-current liabilities	770	12,846
	78,083	**16,419**

Obligations related to the acquisition of investments with settlement depending on compliance with prior conditions are classified under this item. The main variation in the quarter refers to the acquisition of Ferrari Termoelétrica S.A. More details are available in Note 10 – Investments.

20 - TAX, CIVIL AND LABOR PROVISIONS

Tax, civil and labor-related suits and claims which, according to the Company's legal counsel and management, that have probable risks of future disbursement, are provisioned in amounts considered sufficient to settle the respective liabilities.

a) Breakdown

	Parent company		Consolidated	
Probable risks:	**3.31.2014**	**12.31.2013**	**3.31.2014**	**12.31.2013**
Tax				
INSS	17,239	16,904	17,239	16,904
Other	3,617	3,901	4,228	4,491
	20,856	**20,805**	**21,467**	**21,395**
Civil				
Charges for the use of the transmission system	83,693	79,745	83,693	79,745
Contracts with suppliers	26,658	26,661	26,658	26,661
Benefits retirement	12,456	12,072	12,456	12,072
Environmental	9,408	9,117	9,408	9,117
Occupational disease and labor accident	2,419	2,352	2,419	2,352
Expropriations	21,791	20,991	21,791	20,991
Sundry lawsuits	9,241	10,570	11,684	12,725
	165,666	**161,508**	**168,109**	**163,663**
Labor	**10,497**	**9,646**	**11,440**	**9,914**
Total	**197,019**	**191,959**	**201,016**	**194,972**
Classification in the balance sheet				
Current liabilities	14,159	14,305	14,990	15,136
Non-current liabilities	182,860	177,654	186,026	179,836
	197,019	**191,959**	**201,016**	**194,972**

More recent information about the provisions assessed as probable:

a.1) Tax risks

Social Security Charges (INSS)

It largely refers to a Tax Debt Assessment Notice (NFLD) received for non-payment of additional contribution to the Occupational Accident Insurance (SAT) for the period between April 1999 and March 2004, due to the supposed absence of proof of the risk factor related to the work environment. The Company's argument is that there is no legal backing to said notice for the period mentioned and that the additional contribution can be levied only for the employee that had the right to special retirement, which was not the case in the referred period.

The Company awaits the judgment on its appeal in the suit. The amount provisioned on 3.31.2014 is R$ 15,007 (R$ 14,801 on 12.31.2013) in the parent company and consolidated.

a.2) Civil risks

- Transmission System Usage Tariff (TUST)

The objective of the lawsuit is to adjust the Transmission System Usage Tariff paid by the Ponte de Pedra Hydroelectric Power Plant up to the amount charged from another power plant with similar features. The Company provisions the difference between the amount charged the amount it believes due, and contracts a bank letter of guarantee for the disputed amount. The sentence was given in the third quarter of 2013, holding the lawsuit partially valid, although Aneel and certain agents have filed for appeal in the Court of Justice.

- Contracts with suppliers – Companhia de Interconexão Energética (Cien)

Refers to the ordinary action for indemnity filed by Cien to obtain the right to receive the difference related to the application of a foreign exchange adjustment foreseen in the energy sale agreement, and its termination due to a supposed breach of a contractual clause.

In November 2012, the court held the suit filed by Cien invalid. Cien opposed this decision through a motion for resettlement, which was not admitted, and filed an appeal with the Court of Appeals of Santa Catarina (TJSC), where it currently awaits the appointment of the judge-rapporteur. The amount relating to this case on 3.31.2014 is R$ 24,335 (R$ 23,665 on 12.31.2013) in the parent company and consolidated.

b) Possible and remote risks

The Company is also a party to other lawsuits that, in the opinion of the legal advisors and Company's Management, do not represent a probable risk of future disbursement. The amounts related to those lawsuits, mentioned below, are not provisioned, and are only mentioned in the Notes.

	Parent company					
	3.31.2014			12.31.2013		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	229,962	276,171	506,133	227,760	271,796	499,556
Civil	16,948	724	17,672	16,409	455	16,864
Labor	5,294	23,758	29,052	8,098	23,932	32,030
	252,204	**300,653**	**552,857**	**252,267**	**296,183**	**548,450**

	Consolidated					
	3.31.2014			12.31.2013		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	287,526	292,205	579,731	290,421	285,120	575,541
Civil	43,392	881	44,273	42,550	607	43,157
Labor	7,392	28,113	35,505	10,103	23,932	34,035
	338,310	**321,199**	**659,509**	**343,074**	**309,659**	**652,733**

b.1) Possible tax risks

The main tax-related risks evaluated by the Company and its legal counsel as having a possible risk are the following:

- Voluntary confession

The Brazilian National Tax Code (CTN) contains a mechanism that allows the payment of overdue taxes without the application of a late payment penalty, through "voluntary confession", since it is made before any administrative procedure or inspection measure. It so happens that the Internal Revenue Service of Brazil (RFB) has not been accepting payments after the deadline without the corresponding late payment penalty.

To guarantee its entitlement in this situation, the Company submits administrative, and when necessary, legal challenges. On 5.18.2012, RFB notified the Company of a Final Court Decision rendered by the Administrative Council of Tax Appeals (CARF), conferring a favorable decision for the Company, by unanimous vote.

The litigation involved the amount of R$ 495. Although the amount is not particularly significant, the decision is important as a new administrative precedent, which could waive the Judiciary's quest for assurance of the Company's legal entitlement in the new proceedings.

The amount of the notices restated on 3.31.2014 is R$ 58,693 (R$ 57,927 on 12.31.2013) in the parent company and consolidated.

- Value-Added Tax on Operations of Sale, Interstate and Intermunicipal Transport Services and Communication Services (ICMS)

The Company and its subsidiary TBLC were notified by the São Paulo State Revenue Office, claiming that the invoices of electrical energy 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 electrical energy used by the client is carried out by the distribution company to which the client is connected. After, the distribution company then sends this information to the CCEE, an entity responsible for adjusting said measurements, allowing for the recording of the electrical energy sold by the agent

The measurement is completed by the eighth day of the month following the supply, so only after the consumption measured by the distributor is made available, the consumed energy can be billed to the client.

Regarding the two proceedings related to subsidiary TBLC, an appeal was filed with the Court of Taxes and Fees (CTR) of the State of São Paulo, which reduced the amount and fine in one of the notices, and maintained the amounts originally attributed to the other.

After this decision, TBLC filed a request for rectification and acceptance of Special Appeal for the two proceedings. The permission was denied for both proceedings and the Appeal rejected. With the regard to the proceedings whose appeal in the administrative sphere was not accepted, TBLC filed a lawsuit, posting a bank-issued undertaking in both cases. In one of the proceedings, the Company obtained preliminary injunction, and the other is pending judgment.

There are two lawsuits against Tractebel Energia, and in one of them the amount and fine were reduced, but the State of São Paulo Finance Department appealed against the reduction. In view of this situation, the Company filed a request to rectify the court decision and a special appeal to obtain a fully favorable decision on the canceling of enrollments described in the notice, which are awaiting court decision.

Despite the partial success of the Company’s defenses, the Company’s management and legal advisors understand that the total amounts are subject to appraisal mistakes and legal grounds, where the chance of success for these disputes is higher than the risk of losses.

The aforementioned assessment notices are being contested by the Company and its lawyers. The updated amount of the proceedings on 3.31.2014 is R$ 16,635 (R$ 16,389 on 12.31.2013), in the parent company, and R$ 64,390 (R$ 63,230 on 12.31.2013) in the consolidated.

Even if the tax assessment notices are partially upheld, the Company's management and legal counsel understand that the contingent amount would be less than 10% of that charged by the tax authorities, who adopted calculation criteria not supported by law, and therefore the aforementioned amount would be substantially reduced.

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

In June 2008, the Company obtained a favorable decision of the Judgment Office of Florianópolis, Santa Catarina State, regarding the tax assessment notice issued by the Brazilian Federal Revenue Service, due to the use of the negative taxable basis of social contribution in the calendar year 2003, originated from a merger. In the notice, tax authorities demanded the payment of taxes settled in arrears by the Company, with no fine levied, by compensating 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 taxable basis of social contribution derive from the merger of a company held on 4.29.1998, 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 taxable 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 taxable basis of social contribution from the former company, the Company understands that the new rule does not apply to the merger brought in effect. The amounts were added to its equity, as successor company, ensuring the right to use said amounts. Such arguments were accepted by the Florianópolis Judgment Office.

Regarding the settlement of overdue taxes, without levy of fine and with the use of tax credits, before any administrative procedure or enforcement measure, 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 Administrative Council of Tax Appeals (CARF), issued by the Brazilian Federal Revenue Service, and with voluntary appeal from the Company exclusively focusing on the non-levy of the delinquency charge. The updated amount of this notice on 3.31.2014 is R$ 31,067 (R$ 30,736 on 12.31.2013) in the parent company and consolidated.

- Recovery of Pis and Cofins taxes – CCC/CDE

As mentioned later in the list of proceedings whose risk is deemed remote, under this caption, in which the merit is related to the non-characterization of the booking as revenue, on 01.22.2014, the Company was serviced a notice informing that the Administrative Council of Tax Appeals judged 12 of the 16 proceedings filed with it related to Pis and Cofins taxes offset with other federal taxes, related to amounts unduly paid over the accounting caption "CCC Subsidy Revenue", whose purpose is the recording of consumption of fossil fuel acquired with funds from the Fuel Consumption Account (CCC) from February 2004 to December 2005. For this reason, the amount of R$ 23,990, in the parent company and consolidated, related to the 16 proceedings, has been classified as possible risk. In view of the unfavorable decisions in the aforementioned proceedings, the amount of R$ 72,328, in the parent company and consolidated, was added to proceedings with risk deemed possible, related to the 15 proceedings pending decision by the Office of the Federal Revenue Service of Brazil in the city of Florianópolis.

b.2) Remote tax risks

The main tax risks evaluated by the Company and its legal advisors as remote are as follows:

- Recovery of PIS and Cofins taxes – CCC/CDE

In 1998, Law 9,718/98 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 on 9.1.2006, 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 amount included in the calculation base of Pis and Cofins, which is the subject of the dispute, regards the accounting caption named Fuel Consumption Account (CCC), which aims to register the consumption of fossil fuel acquired with funds from the Fuel Consumption Account (CCC) (CCC Subsidy).

Fossil fuels used for thermal energy generation are acquired with funds from the CCC, managed by Eletrobras, and therefore do not represent any burden for the generation companies.

The system of accounting set forth in the Electricity Sector Accounting Manual established that the consumption of said fuels should be recognized as operating cost with offset in revenue from the CCC Subsidy.

After determining that the accounting method was inadequate, since the fuel did not represent burden for the generation companies and therefore should not be recognized as cost, and, concomitantly, as revenue, ANEEL amended the Accounting Manual so that, as from fiscal year 2006, it would reflect the offset in a rectifying account of operating costs and no longer as revenue. This change is strongly grounded on the Technical Notes issued by Aneel.

As a result of the recognition, by Aneel, that the accounting procedure adopted until then was inadequate and, consequently, the calculation base of Pis and Cofins taxes contained amounts that did not have the characteristics of revenue, the Company also offset the amounts overpaid during 2004 and 2005.

In 2009, the Brazilian Federal Revenue Service (RFB) notified the Company to collect the amount of R$ 135,982 referred to the period from February of 1999 to January of 2004, interest and fines already included, pleading that the CCC Subsidy represents a billing and, thus must be included in the calculation basis of Pis and Cofins for the mentioned period, and therefore the offset was inappropriate.

The objection to this tax deficiency notice is currently awaiting judgment by the Office of the Federal Revenue Service of Florianópolis (DRJ). The restated amount at 3.31.2014 is R$ 158,789 (R$ 157,891 at 12.31.2013), in the parent company and consolidated.

In the opinion of the Company's management and legal advisors, the arguments of the Federal Revenue Service do not proceed, 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.

As a result, in relation to the first period commented above, whose merit is related to the non-characterization of the offset of the accounting entry related to the consumption of fossil fuels under the CCC as billing, the management and the Company's legal counsel deem the risk of loss as remote.

In relation to the period from February 2004 to December 2005, the RFB issued 31 tax deficiency notices totaling R$ 96,318 at 3.31.2014 (R$ 95,927 at 12.31.2013), which correspond to a portion of the offset amount, alleging that, regardless of the change to the Accounting Manual by Aneel, the consumption of fossil fuel under the CCC is revenue by nature. The Company has presented an objection to all these proceedings.

Of the 31 proceedings, 16 are currently with the Administrative Council of Tax Appeals (CARF), which has already judged 11 of them, in the amount of R$ 6,812, ruling on the maintenance of the tax authority's decision. One proceeding was favorable to the Company, by unanimous vote of the body, which canceled the Provisional Decision, in the amount of R$ 115. The 4 proceedings pending judgment by CARF total R$ 17,063. Considering that CARF recorded its disagreement with the principle of substantial truth, refusing to analyze the documents attached to the records, which would evidence the regularity of information provided to the Federal Tax Authority and the inexistence of revenue in the accounting records, in disagreement with the jurisprudential understanding of that court, the Company filed an appeal with the Superior Court of Tax Appeals (CSRF). The 15 remaining proceedings, in the amount of R$ 72,328, await the decision of the Office of the Federal Revenue Service of Brazil in Florianópolis (DRJ).

With regard to the second period, in which the merit is associated with the non-characterization of the accounting entry as revenue, given the unfavorable ruling of 11 proceedings, whose notice was received on 1.22.2014, the risk was classified as possible. The company awaits the judgment of the proceedings.

21 – RETIREMENT BENEFITS OBLIGATIONS

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

The Company also sponsors the BD plan of Fundação Eletrosul de Previdência e Assistência Social (ELOS), also closed for new adhesions. The participants in this plan are mainly retirees that were entitled to benefits until 12.23.1997, the date of spin-off of Eletrosul, as well as participants that opted for the proportional benefit deferred until that date, who did not migrate to PREVIG.

a) Defined Benefit Plan (BD)

The breakdown of the Company's liabilities from retirement benefits is presented in the table below:

	Parent company and Consolidated					
	3.31.2014			12.31.2013		
	Current	Non-current	Total	Current	Non-current	Total
Obligations contracted						
Contract for the acknowledgment of past debts	18,704	84,157	102,861	21,535	55,548	77,083
Non-contracted deficit						
Current contributions and coverage of costs	453	-	453	872	-	872
Non-contracted deficit	9,694	103,711	113,405	6,444	134,120	140,564
Recorded actuarial liability	**28,851**	**187,868**	**216,719**	**28,851**	**189,668**	**218,519**

Retirement benefits obligations recognized in the balance sheet are partially covered by contracted obligations and/or obligations acknowledged through an instrument for the acknowledgment of debt and agreement entered into by the Company with respective Foundations.

Contracted debts are adjusted at the National Consumer Price Index (INPC), and also interest of 6% p.a. is levied on them. Contracted amounts presented in non-current liabilities are expected to be realized as follows:

	ELOS	PREVIG	Total
April to December 2015	2,707	1,500	4,207
2016	3,977	2,068	6,045
2017	4,216	2,192	6,408
2018	4,469	2,324	6,793
2019	4,738	2,463	7,201
2020 to 2024	25,131	8,406	33,537
2025 to 2029	17,405	-	17,405
2030 to 2033	2,561	-	2,561
	65,204	**18,953**	**84,157**

The changes in "Retirement benefits obligations", per plan, are summarized as follows:

	ELOS BD Plan	PREVIG BD Plan	PREVIG BSPS Plan	GC	Total
Liabilities recorded on 12.31.2013	**210,026**	**5,847**	**-**	**2,646**	**218,519**
Cost of current service	-	9	-	20	29
Interest on liabilities, net of assets	6,087	99	(8)	65	6,243
Contributions	-	(580)	-	-	(580)
Payment of obligations contracted	(6,544)	(852)	(96)	-	(7,492)
Liabilities recorded on 3.31.2014	**209,569**	**4,523**	**(104)**	**2,731**	**216,719**

Breakdown of net expenses to be recognized in the income statement from April to December 2014, related to the defined benefit plan and to the confidentiality bonus is as follows:

	ELOS BD Plan	PREVIG BD Plan	PREVIG BSPS Plan	GC	Total
Cost of current service	-	27	-	61	88
Interest on liabilities, net of assets	18,263	295	(24)	197	18,731
Net expense	**18,263**	**322**	**(24)**	**258**	**18,819**

a.1) Confidentiality bonus benefit

Refers to the payment of remuneration to manager-level employees upon the termination of their employment.

b) Defined Contribution Plan (CD)

In addition to the defined benefit plan, PREVIG manages the defined contribution plan whose benefits are supported by contributions of participants and the sponsoring entity. The Company's contribution corresponds to the same amount of its employees' basic contribution, limited to approximately 7% of the remuneration of the employee.

22 – DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES

Deferred income and social contribution tax assets and liabilities, are presented net, as follows:

	Parent company				
	3.31.2014				12.31.2013
Description of credits	Calculation basis	IR	CS	Total	Total
Liabilities:					
Property, plant and equipment deemed cost (fair value)	829,247	207,312	74,632	281,944	288,059
Unrealized gain in swap transactions	56,732	14,183	5,106	19,289	48,076
Sale of energy in MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Incentivized accelerated depreciation	53,335	13,334	4,800	18,134	16,028
Fair value of concession payable	45,202	11,301	4,068	15,369	15,557
Other	335	84	30	114	-
Subtotal		**273,078**	**98,307**	**371,385**	**404,255**
Assets:					
RIC[17]	120,073	30,018	-	30,018	30,928
Retirement benefits obligations	113,687	28,422	10,232	38,654	38,899
Allowance for doubtful accounts	131,806	32,952	11,863	44,815	44,815
Tax, civil and labor provisions	188,752	47,188	16,988	64,176	62,455
Provision for impairment	65,944	16,486	5,935	22,421	23,358
Fair value adjustment in business combinations	92,191	23,048	8,297	31,345	30,626
Provision for debit at CCEE (CNPE 03)	46,354	11,589	4,172	15,761	15,761
Adjustment to present value of accounts receivable	13,875	3,469	1,249	4,718	4,718
Other	39,174	9,794	3,526	13,320	11,653
Subtotal		**202,966**	**62,262**	**265,228**	**263,213**
Net total		**70,112**	**36,045**	**106,157**	**141,042**

[17]Interest on property, plant and equipment in progress (RIC)

Description of credits	Consolidated				
	3.31.2014				12.31.2013
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Property, plant and equipment deemed cost (fair value)	829,247	207,312	74,632	281,944	288,059
Unrealized gain in swap transaction	56,732	14,183	5,106	19,289	48,076
Sale of energy in MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Fair value for concession payable	45,202	11,301	4,068	15,369	15,557
Incentivized accelerated depreciation	129,855	32,464	11,687	44,151	42,044
Other	335	84	30	114	-
Subtotal		**292,208**	**105,194**	**397,402**	**430,271**
Assets:					
Interest on property, plant and equipment in progress (RIC)	120,073	30,018	-	30,018	30,928
Retirement benefits obligations	113,687	28,422	10,232	38,654	38,899
Allowance for doubtful accounts	133,943	33,486	12,055	45,541	45,535
Tax, civil and labor provisions	191,579	47,895	17,242	65,137	63,330
Provision for impairment losses	65,944	16,486	5,935	22,421	23,358
Provision for debit at CCEE (CNPE 03)	54,152	13,538	4,874	18,412	18,412
Tax loss and negative social contribution basis	32,340	8,085	2,928	11,013	-
Fair value adjustment with business combination	92,191	23,048	8,297	31,345	30,626
Adjustment to the fair value of property, plant and equipment	43,343	10,836	3,901	14,737	14,968
Adjustment to present value of accounts receivable	13,875	3,469	1,249	4,718	4,718
Other	44,513	11,128	4,006	15,134	13,409
Subtotal		**226,411**	**70,719**	**297,130**	**284,183**
Net total		**65,797**	**34,475**	**100,272**	**146,088**
Classification in the balance sheet					
Liabilities		78,606	39,086	117,692	163,663
Assets		(12,809)	(4,611)	(17,420)	(17,575)
Total		**65,797**	**34,475**	**100,272**	**146,088**

Presentation of deferred taxes

The Company presents the deferred tax liabilities net of assets, when they correspond to the same tax entities and there is the enforceable right and the intention of Company management to settle these at their net value.

Expected realization

The horizon of realization of assets and of payment deadlines of liabilities was estimated as follows:

	Parent company		Consolidated	
	Assets	**Liabilities**	**Assets**	**Liabilities**
April to December 2014	14,708	37,891	27,959	37,891
2015	59,198	19,058	61,594	19,058
2016	27,560	19,142	28,656	19,142
2017	14,123	19,771	15,210	19,771
2018	80,284	18,227	81,251	18,227
2019 to 2021	21,283	105,399	26,744	105,399
2022 to 2024	7,647	64,179	10,200	69,057
2025 onwards	40,425	87,718	45,516	108,857
	265,228	**371,385**	**297,130**	**397,402**

23 - SHAREHOLDERS' EQUITY

a) Authorized capital stock

The Company is authorized to increase its capital stock up to the limit of R$ 5,000,000, by resolution of Board of Directors, 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.

b) Subscribed and paid-in capital

As of 3.31.2014 and 12.31.2013, the Company's fully subscribed and paid-in capital is R$ 2,445,766, represented by 652,742,192 registered common shares without par value. The book value of the share in Reais, on 3.31.2014, is R$ 8.66 (R$ 8.21 for each share on 12.31.2013).

The breakdown of the Company's shareholding structure on 3.31.2014 and 12.31.2013 is as follows:

Shareholders	**% of capital**
GDF SUEZ Energy Latin America Participações Ltda. (GSELA)	68.71
Banco Clássico S.A.	10.00
Other shareholders	21.29
	100.00

As of 3.31.2014 and 12.31.2013, the number of Company's shares held by the controlling shareholder GSELA was 448,512,633. On the same dates, the administrators of the Company had 376,132 and 309,632 shares.

c) Other comprehensive income

As from 1.1.2013, it refers to the actuarial gains or losses in the "Other comprehensive income" caption under Shareholders' Equity in accordance with CPC 33 (R1) – Employee Benefits, which is equivalent to the revised IAS 19.

24 – RECONCILIATION OF NET REVENUE

In compliance with the requirements of CPC 30 - Revenues, the table below presents the reconciliation between gross operating income and net sales:

	Parent Company		Consolidated	
	3.31.2014	3.31.2013	3.31.2014	3.31.2013
GROSS OPERATING INCOME				
Electrical energy distributors	512,138	473,648	766,354	768,491
Electrical energy traders	405,510	329,485	83,858	74,943
Free consumers	60,195	50,992	601,182	517,506
Transactions in the short-term market	239,647	174,281	346,907	176,744
Other revenues	14,139	13,552	9,889	15,505
	1,231,629	**1,041,958**	**1,808,190**	**1,553,189**
DEDUCTIONS FROM OPERATING INCOME				
Pis and Cofins	(107,965)	(83,685)	(155,607)	(130,231)
ICMS	(5,213)	(5,760)	(5,213)	(21,960)
ISS	(333)	(327)	(333)	(327)
Research and development	(3,839)	(8,810)	(3,995)	(9,790)
	(117,350)	**(98,582)**	**(165,148)**	**(162,308)**
NET SALES	**1,114,279**	**943,376**	**1,643,042**	**1,390,881**

25 - DETAIL OF OPERATING EXPENSES BY NATURE

Costs of electrical energy production and services rendered:

	Cost of Energy Sold				Cost of Services Rendered	
	Parent Company		Consolidated		Parent Company and Consolidated	
	3.31.2014	3.31.2013	3.31.2014	3.31.2013	3.31.2014	3.31.2013
Personnel	40,331	37,661	41,367	38,198	4,107	4,674
Third party services	21,840	21,603	28,080	28,043	808	1,114
Material	5,996	5,879	6,720	6,655	252	199
Fuel for generation	45,854	23,837	50,567	27,564	-	-
Royalties[18]	33,977	19,875	40,900	27,322	-	-
Depreciation and amortization	96,177	88,581	145,748	138,696	-	-
Insurance	2,615	2,548	3,206	3,499	83	93
Inspection fee	2,630	2,591	3,184	3,206	-	-
Other	3,086	2,252	3,810	2,963	244	131
	252,506	**204,827**	**323,582**	**276,146**	**5,494**	**6,211**

[18]Compensation for the use of water resources.

Selling, general and administrative expenses

	Selling				General and administrative			
	Parent Company		Consolidated		Parent Company		Consolidated	
	3.31.2014	3.31.2013	3.31.2014	3.31.2013	3.31.2014	3.31.2013	3.31.2014	3.31.2013
Personnel	1,894	1,531	1,894	1,531	16,434	16,132	16,738	16,466
Management	-	-	-	-	5,026	4,380	5,672	4,631
Third party services	55	147	938	843	8,060	8,440	8,542	8,943
Material	1	4	1	4	425	340	429	341
Depreciation and amortization	-	-	-	-	1,961	2,458	1,965	2,465
Rentals	56	65	56	65	1,506	1,356	1,663	1,524
Advertising and publicity	-	-	-	-	567	770	567	770
Contributions and donations	833	1,021	1,310	1,584	1,466	940	1,548	1,027
Other	-	-	198	-	3,401	3,287	3,489	3,120
	2,839	**2,768**	**4,397**	**4,027**	**38,846**	**38,103**	**40,613**	**39,287**

26 - FINANCIAL RESULT

	Parent Company		Consolidated	
	3.31.2014	3.31.2013	3.31.2014	3.31.2013
Financial income				
Income from marketable securities	16,099	12,322	22,856	16,672
Income from restricted deposits	744	170	2,837	1,813
Interest on accounts receivable	1,424	1,829	1,431	2,426
Monetary variation on judicial deposits	2,670	2,099	2,704	2,143
Other financial income	3,645	1,408	3,815	1,461
	24,582	**17,828**	**33,643**	**24,515**
Financial expenses				
Interest on:				
Loans and financing	21,973	9,843	57,321	48,430
Debentures	2,929	5,448	2,929	5,448
Concessions payable	35,199	21,355	36,237	32,281
Retirement benefits obligations	6,243	4,967	6,243	4,967
Provisions	2,818	2,417	2,851	2,444
Monetary variation on:				
Loans and financing	3,434	2,159	3,434	2,159
Debentures	3,785	7,084	3,785	7,084
Concessions payable	34,870	10,525	35,825	19,495
Provisions	2,678	2,400	2,750	2,439
Exchange rate variation on loans	(4,411)	(6,750)	(4,411)	(6,750)
Other financial expenses	5,661	4,174	7,047	5,010
	115,179	**63,622**	**154,011**	**123,007**
Financial expenses, net	**90,597**	**45,794**	**120,368**	**98,492**

27 - INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent company			
	3.31.2014		3.31.2013	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**407,463**	**407,463**	**607,414**	**607,414**
Standard rates	25%	9%	25%	9%
Tax expense at standard rates	**(101,866)**	**(36,672)**	**(151,854)**	**(54,667)**
Taxes on permanent differences:				
Equity in net income of subsidiaries	12,668	4,560	14,314	5,153
Tax incentives	3,722	-	5,094	-
other	(732)	(94)	(625)	(117)
	(86,208)	**(32,206)**	**(133,071)**	**(49,631)**
Breakdown of taxes in the income statement:				
Current	(111,618)	(41,681)	(126,940)	(47,752)
Deferred	25,410	9,475	(6,131)	(1,879)
	(86,208)	**(32,206)**	**(133,071)**	**(49,631)**
Effective rate	**21.2%**	**7.9%**	**21.9%**	**8.2%**

	Consolidated			
	3.31.2014		3.31.2013	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**426,058**	**426,058**	**630,889**	**630,889**
Standard rates	25%	9%	25%	9%
Tax expense at standard rates	**(106,515)**	**(38,345)**	**(157,722)**	**(56,780)**
Taxes on permanent differences:				
Difference between taxable and presumed profit calculation basis	2,565	812	3,636	1,191
Tax incentives	3,750	-	5,094	-
Other	539	367	(1,133)	(298)
	(99,661)	**(37,166)**	**(150,125)**	**(55,887)**
Breakdown of taxes in the income statement:				
Current	(133,096)	(49,548)	(144,269)	(54,108)
Deferred	33,435	12,382	(5,856)	(1,779)
	(99,661)	**(37,166)**	**(150,125)**	**(55,887)**
Effective rate	**23.4%**	**8.7%**	**23.8%**	**8.9%**

28 - RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

a) Risk Management

In order to conduct more efficiently risk evaluation and monitoring process in its business, the Company has the Risk Management Committee, which is responsible for: (i) internally promote the awareness on risk treatment; (ii) define goals and guidelines for its management; (iii) promote and suggest improvements in its evaluation processes; and (iv) classify and define control procedures.

The Company's business, the financial conditions and the results of operations may be adversely affected by any of the risk factors described below:

a.1) Market risk

The Company and its subsidiaries use financial instruments with the objective of hedging assets and liabilities, minimizing exposure to market risks, mainly in connection with interest rate, price indexes and currency fluctuations.

These risks are monitored by the Financial Committee that periodically evaluates the Company's exposure and propose operating strategies, control system and position and credit limits with other market partners. The Company does not perform financial operations in derivatives or any other instruments on a speculative basis.

In the three -month period ended on 3.31.2014, there were no changes in the Company's exposure to market risks or in the management and measurement of these risks, other than the following transaction.

Fair value hedge

As mentioned in Note 14 - Loans and Financing, when the Company signed a loan agreement with HSBC USA in March 2014, it simultaneously contracted a swap operation from HSBC's Brazilian subsidiary (HSBC Brasil) to protect all future payments of principal and interest, including income tax on the payments, from the fluctuations in the U.S. dollar and interest rates. The settlements of both instruments will occur on exactly the same dates, similarly to the operation contracted in August 2013, also with HSBC USA.

Due to the characteristics of referred financial instruments, the Company applied the rules of fair value hedge accounting to record them. As a result, both the hedge instrument (swap) and the loan underlying the hedge are measured at fair value through profit or loss, thus fully protecting the Company from fluctuations of the U.S. dollar.

On 3.31.2014, the values of the financial instruments assessed at their amortized costs and fair values were as follows:

Financial instrument	Notional value	Interest rate	Amortized cost	Adjustment to fair value	Book balance
Loan					
HSBC USA	US$ 90,000	1.18% p.a. + 15% (tax) = 1.3882% p.a.	203,992	371	204,363
Swap					
Long position	US$ 90,000	1.3882% p.a.	(203,992)	(371)	(204,363)
Short position	R$ 207,315	99.9% of the CDI	209,542	(30)	209,512
Swap result			**5,550**	**(401)**	**5,149**
HSBC USA	US$ 100,000	1.215% p.a. + 15% (tax) = 1.429411% p.a.	226,489	3,982	230,471
Swap					
Long position	US$ 100,000	1.429411% p.a.	(226,489)	(3,982)	(230,471)
Short position	R$ 230,940	97.0% of the CDI	232,283	73	232,356
Swap result			**5,794**	**(3,909)**	**1,885**

- Sensitivity analysis of the exposure to risks related to interest rates, floating rates and foreign currency quotation variation

In compliance with CVM Instruction no. 475/08 and for reference purposes, the Company prepared a sensitivity analysis on its loans, financing, debentures and concessions payable exposed to interest rate variation risks, floating rate risks and foreign currency variation risks.

The probable basic scenario as of 3.31.2015 was defined using the following assumptions available in the market:

	Position	Probable	Sensitivity		
	3.31.2014	Scenario	Probable	Δ + 25%(*)	Δ + 50% (*)
Variation of interest rates and indices:					
- TJLP	5.00%	5.00%	-	1.25 p.p.	2.50 p.p.
- CDI	10.55%	11.25%	+0.70 p.p.	3.00 p.p.	6.09 p.p.
- IPCA	6.15%	6.14%	-0.01 p.p.	1.54 p.p.	3.07 p.p.
- IGP-M	7.30%	6.12%	-1.18p.p.	1.53 p.p.	3.06 p.p.
Currency variation:	**Currency price**				
- Euro	3.12	3.39	+8.71%	4.24	5.08

(*) Variations on probable scenario.

The probable sensitivity was calculated based on the variation between the actual indices on 3.31.2014 (TJLP) or other actual indices in the past twelve months (CDI, IPCA and IGP-M) their expectations in the probable scenario for 3.31.2015. The other sensitivities shown were calculated based on the variation of 25% and 50% on the probable scenario. The additional effects that could be caused on the consolidated financial result of the Company if the scenarios materialize are the following:

Risk of variation in floating interest rates and indices:

	Balance at	Sensitivity		
	3.31.2014	Probable	Δ + 25%	Δ + 50%
Loans and financing				
- TJLP	2,483,509	-	(27,156)	(57,149)
- CDI	145,950	(245)	(1,038)	(2,085)
- IPCA	154,416	16	(2,421)	(4,841)
		(229)	**(30,615)**	**(64,075)**
Loans with hedge				
- CDI	441,868	(2,710)	(11,469)	(23,039)
Debentures				
- IPCA	180,786	2	(328)	(653)
Concessions payable				
- IGP-M	1,161,733	4,852	(17,978)	(35,956)
- IPCA	492,085	65	(7,444)	(14,887)
		4,917	**(25,422)**	**(50,843)**
Total		**1,980**	**(67,834)**	**(138,610)**

Annual changes in Libor floating rate on 3.31.2014 were 0.54 p.p., and the balance of financial liability pegged to this interest rate was R$ 126,052. Eventual variations in this rate would not result in significant impacts on the Company's financial result; accordingly, its effects were not presented in the sensitivity analysis above.

Foreign exchange risk:

	Balance at	Sensitivity		
	3.31.2014	Probable	Δ + 25%	Δ + 50%
Loans and Financing				
- Euro	**126,052**	**(11,205)**	**(35,017)**	**(70,019)**

Sensitivity was not calculated for the exchange variation on the loan in U.S. dollar fully covered by hedge.

a.2) 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 provide the return to investors.

a.3) Credit risk

The transactions that are relevant to the Company's business in which there exists credit risk are financial investments and energy sales.

- Risks related to marketable securities

The Company and its subsidiaries' financial investments follow the rule of allocating a minimum of 90% of funds to Federal Public Securities – as final purchase and/or repurchase and resale commitments – and a maximum of 10% of funds to Private Securities – acquisition of CDB's from eligible banks and repurchase and resale commitments backed by debentures issued by lease companies controlled by eligible banks.

The Company uses Fitch Ratings (Fitch), Moody's or Standard & Poor's (S&P) ratings to identify banks eligible to receive funds. They should comply with the following parameters: (i) Shareholders' equity of at least R$ 1 billion; and (ii) minimum rating equivalent to AA- (S&P and Fitch) or Aa3 (Moody's) in the domestic ambit.

The Company's available resources are allocated to a Fixed Income Exclusive Investment Fund whose policy is to allocate its equity to very low-risk assets. As of 3.31.2014, this fund had 100% of its portfolio in Brazilian government credit-risk assets, all of them with floating rates and daily liquidity, linked to Selic variation.

Following the Company's financial planning, this fund will be used in the short-term, substantially reducing the risk of any significant effects on earnings as a result of possible reduction in Brazilian economy's basic interest rate.

The "Investment and Derivatives Policy" imposes strong restrictions to the realization of derivative transactions and determines that exposures be continuously monitored in case this type of transaction is contracted. Swap transactions mentioned in Note 14 – Loans and Financing were carried out with the same counterparty of the loan, and for the exclusive purpose or hedging against foreign exchange and loan cash flow risks.

- Risks related to energy sale

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

In order to minimize credit risk in the agreements to sell electrical energy to free consumers, sellers and generating companies, the Company requires bank guarantee and secured CDB. For counterparties that wish to present another type of guarantee, the Company, through its credit area, analyzes and establishes, in accordance with its Credit Analysis Policy, guarantees that should be required from these counterparties.

Credits of all customers are annually revised and its exposure to several economy factors is periodically assessed, so as to maintain the diversification of its portfolio and reduce its exposure to the specific sector risk.

The Company's history of losses resulting from difficulties of banks and customers to honor their commitments is practically zero.

The Company is the guarantor of several agreements for its subsidiaries to guarantee financing.

a.4) Liquidity risk

The management of the Company's liquidity risk is under the responsibility of the Financial Committee, which manages fund raising requirements and short-, medium- and long-term liquidity by permanently monitoring forecasted and actual cash flows.

The Company, in order to ensure the capacity to pay its obligations, uses a minimum cash policy that is annually reviewed based on cash projections and monthly monitored in the Financial Committee meetings. The management of marketable securities focuses on short-term instruments, especially with daily maturities, in order to provide maximum liquidity and to cover disbursements.

The Company's cash generating feature and the low volatility in receipts and payment obligations throughout the months guarantee to the Company the stability of its flows, reducing its liquidity risk.

b) Category of relevant financial instruments

	Parent company		Consolidated	
	3.31.2014	**12.31.2013**	**3.31.2014**	**12.31.2013**
Financial assets				
Measured at fair value through profit or loss:				
Marketable securities	782,315	948,530	1,119,908	1,216,831
Restricted deposits	39,628	37,094	190,559	134,690
Derivative financial instrument - swap	-	1,115	-	1,115
Receivables and loans:				
Cash and bank deposits	2,188	940	12,763	7,445
Trade accounts receivable	514,890	403,654	764,842	744,758
Fuel reimbursable	222,354	139,601	222,354	139,601
Receivable from sale of asset	86,886	86,886	86,886	86,886
Dividends receivable from subsidiaries	141,342	141,342	-	-
	1,789,603	**1,759,162**	**2,397,312**	**2,331,326**
Financial liabilities				
Measured at amortized cost:				
Suppliers	551,505	281,711	789,564	510,346
Loans and financing	907,212	1,062,213	2,965,124	3,111,809
Debentures	180,786	174,072	180,786	174,072
Concessions payable	1,609,623	1,551,828	1,653,818	1,595,169
Measured at fair value:				
Loans and financing	441,868	209,564	441,868	209,564
Obligations from investments acquisition	-	-	78,083	16,419
	3,690,994	**3,279,388**	**6,109,243**	**5,617,379**

Financial assets measures at fair value through profit or loss are stated at prices quoted in active markets (Level 1).

c) Market value of financial instruments

In operations involving financial instruments, differences were identified only between amounts presented in the balance sheet and their market values, in loans and financing, debentures and concessions payable. These differences occurred mainly because these instruments have long-term settlements and different costs in relation to interest rates currently used for similar contracts. The market values were determined based on future cash flows discounted to present value at rates considered as adequate for operations with similar characteristics.

	Parent Company			
	3.31.2014		12.31.2013	
	Book	Market	Book	Market
Loans and financing				
- In local currency	781,160	773,198	932,786	923,807
- In foreign currency without hedge[19]	126,052	122,828	129,427	125,520
- In foreign currency with hedge	441,868	441,868	209,564	209,564
Debentures	180,786	181,303	174,072	175,472
Concessions payable	1,609,623	1,983,308	1,551,828	1,941,075
	3,139,489	**3,502,505**	**2,997,677**	**3,375,438**

	Consolidated			
	3.31.2014		12.31.2013	
	Book	Market	Book	Market
Loans and financing				
- In local currency	2,839,072	2,831,006	2,982,382	2,976,705
- In foreign currency without hedge	126,052	122,828	129,427	125,520
- In foreign currency with hedge	441,868	441,868	209,564	209,564
Debentures	180,786	181,303	174,072	175,472
Concessions payable	1,653,818	2,036,110	1,595,169	1,994,190
	5,241,596	**5,613,115**	**5,090,614**	**5,481,451**

[19] Hedge accounting

29 –TRANSACTIONS WITH RELATED PARTIES

a) Amounts recognized in balance sheet accounts

	ASSETS				LIABILITIES	
	Accounts receivable				Suppliers	
	Energy	Services	Others	Dividends receivable	Energy	Interest on equity
3.31.2014						
TBLC	119,972	-	-	100,000	-	-
CEE	28,922	-	-	25,567	-	-
Lages	413	138	-	13,435	-	-
Itasa	-	2,496	160	2,340	4,361	-
Ceste	-	1,408	71	-	-	-
GSELA	-	-	1,749	-	-	-
Others	-	-	570	-	423	-
	149,307	**4,042**	**2,550**	**141,342**	**4,784**	**-**
12.31.2013	**92,029**	**4,042**	**2,498**	**141,342**	**4,947**	**168,207**

b) Amounts recognized in the income statement:

	INCOME STATEMENT					
	Revenue			Cost	Expense	
	Supply of energy	O&M Services	Administrative services	Energy purchase	Third Parties Services	Financial income
3.31.2014						
CEE	-	-	-	-	-	1,245
Lages	1,645	502	56	-	-	-
TBLC	334,936	-	113	-	-	-
Itasa	-	3,744	-	24,093	-	-
Ceste	-	4,224	-	-	-	-
Others	-	-	265	-	203	-
	336,581	**8,470**	**434**	**24,093**	**203**	**1,245**
3.31.2013	**276,158**	**8,196**	**683**	**18,440**	**308**	**569**

The transactions with related parties carried out by the Company include basically: (i) energy purchase and sale agreements; (ii) operation and maintenance services of power plants; (iii) rendering of administrative services; and (iv) guarantees granted to third parties. Details of the most relevant transactions are as follows:

c) Future commitments

Main commitments contracted with related parties and whose recognition in the income statement will occur in future accrual periods over contract periods are as follows:

c.1) Purchase and sale of electrical energy

Contract	Average MW	Maturity	Annual adjustment index	Adjustment base date	Future commitment Base 3.31.2014
Purchase:					
TBLE - Itasa	167	2030	IGP-M	January	1,212,939
TBLE - Itasa	61	2030	Dollar variation + U.S. Inflation	October	545,533
Venda:					
TBLE - TBLC	322	2015/2016	IPCA	March	583,726
TBLE - Lages	16	2017	IGP-M	April	42,716
TBLC - CEE	16	2041	IPCA	October	673,682
TBLC – Trairi Project	64	2032	IPCA	December	1,808,852

In accordance with the Company's commercial policy, sales to free consumers are carried out mainly through subsidiary TBLC, which purchases energy from Tractebel Energia and from other companies in the Group in order to comply with its contractual commitments.

Electrical energy generated by Trairí wind projects is currently traded in the Free Trade Market through subsidiary TBLC.

c.2) Operation and maintenance

Related party	Maturity	Annual adjustment index	Future commitment Base 3.31.2014
Itasa	10.16.2030	IGP-M	206,619
Ceste	5.1.2025	INPC (80%) and IPCA (20%)	192,637
Lages	3.31.2015	Salary adjustment	2,007

The Company has the strategy of concentrating in Tractebel Energia the operation and maintenance of its subsidiaries' plants whenever they do not outsource these services. The negotiated prices are based on Tractebel Energia costs with personnel directly involved in the execution of these activities.

c.3) Administrative services

Tractebel Energia provides those services necessary to the administrative activities of the direct and indirect subsidiaries. Contracted amounts for the period of 4 years are defined based on the last billing of subsidiaries and annually adjusted at INPC. The amount annually contracted from its subsidiaries is R$ 1,737.

d) Guarantees

The Company intermediates financial contracts entered into by its direct and indirect subsidiaries with BNDES, Banks (BNDES onlending) and other financial agents. The main guarantees are shown as follow:

Bank	Type of guarantee	Amount of debt on 3.31.2014
BNDES and Banks (BNDES onlending)	Pledge of all the shares issued by the following companies: CEE, Beberibe, Pedra do Sal, Areia Branca, Ibitiúva, Fleixeiras I, Guajiru, Mundaú and Trairí.	1,999,603
Banco do Brasil	Pledge of all the shares issued by the indirect subsidiary Hidropower.	14,281

e) Sureties and guarantees

The Company is the guarantor of and jointly liable for energy purchase transactions of certain subsidiaries, in the amount of R$ 290,478 on 3.31.2014. The guarantees' maturities are scheduled as follows: R$ 99,357 in 2014, R$ 72,580 in 2015, R$ 16,601 in 2016, R$ 850 in 2017, R$ 17,084 in 2022, R$ 51,796 in 2023 and R$ 32,210 for an indefinite period.

f) Loan - Ibitiúva and Andrade Açúcar e Álcool (Andrade)

The indirect subsidiary Ibitiúva has a loan agreement with Andrade – its related party in the Andrade Consortium – granted for the acquisition of equipment, machinery and installations, as well as for the execution of works and services necessary for improving the production efficiency of the sugar and ethanol plant. The interest on the loan corresponds to the variation of the IPCA and the loan matures in 2025. The balance payable on 3.31.2014 is R$ 16,281.

g) Remuneration of key management personnel

The remuneration, charges and benefits related to the Management's key personnel for the periods ended on 3.31.2014 and 3.31.2013 are presented as follows. The only long-term benefit granted by the Company is the retirement benefit. The management's remuneration is not based on shares of Tractebel Energia.

	Parent company		Consolidated	
	3.31.2014	3.31.2013	3.31.2014	3.31.2013
Short-term benefits and fees	2,411	2,231	2,765	2,458
Management bonus	1,481	1,345	1,678	1,345
Post-employment benefits	93	240	110	240
Social charges	1,041	564	1,119	588
	5,026	**4,380**	**5,672**	**4,631**

30 – INSURANCE

a) Operating and lost profit risks

The Company is covered by the international insurance policy for Property Damage and Business Interruption (PDBI) of the insurance program of its parent company GDF SUEZ. The insurance is valid until 5.31.2014 and the coverage amount is R$ 11,355,328 in the parent company and R$ 14,694,781 in the consolidated statements, as shown below.

	Parent company		Consolidated	
Type of plant	Material damages	Loss of profit	Material damages	Loss of profit
Hydroelectric power plants	6,990,595	179,966	9,041,629	197,382
Thermoelectric power plants	2,729,085	1,455,682	2,729,085	1,455,682
Complementary plants (wind, biomass and PCH)	-	-	1,131,635	139,368
	9,719,680	**1,635,648**	**12,902,349**	**1,792,432**

The maximum combined limit of indemnification for material damages and loss of profits is R$ 1,070,000 per event.

Due to the commercial start-up of Central Eólica Fleixeiras I Ltda. and Central Eólica Mundaú Ltda., the Trairí Wind Power Complex was included in the insurance policy for material damages and loss of profits, in the total amount of R$ 483,326 and R$ 38, respectively.

Ferrari Termoelétrica S.A., acquired in the first quarter of 2014, has an insurance policy for material damages and loss of profits in the amount of R$ 100,760 and R$ 4,000, respectively, taking effect on 1.04.2014.

b) Engineering risks

Ceste has an engineering risk insurance policy with comprehensive maintenance coverage for one year after the operational startup of the units at the Estreito HPP. The total coverage for comprehensive maintenance is R$ 2,404,630, which corresponds to the R$ 963,535 interest held by the Company in the consortium.

The solar power project has insurance against engineering risk and civil liability in the construction work. The engineering risk insurance policy provides coverage of R$ 30,963 for material damages and comprehensive maintenance, and civil liability insurance has coverage of R$ 5,000 for the entire construction period.

c) Other coverages

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.

31 – LONG-TERM COMMITMENTS

The Company has long-term agreements, and further information can be obtained in the financial statements of 12.31.2013.

The Company's main long-term commitments are as follows:

- Bilateral contracts for purchase and sale of electrical energy;
- Power grid connection agreements;
- Transmission and Distribution Network Usage Agreements (CUST and CUSD);
- Purchase of natural gas;
- Lease operations;
- Construction agreements; and
- Contracts for modernization of power plants.

Except the new commitments undertaken by the Company due to the acquisition of Ferrari Termoelétrica S.A., as detailed in Note 10 - Investments, there was no major change in this quarter. Such commitments are listed below:

a) Additional maintenance services agreement (O&M)

The Company entered into an O&M agreement with Ferrari Agroindústria S.A., valid until February 2034. The purpose of the agreement is the provision of additional services related to the operation and maintenance of the UTE, including, but not limited to:

- Special revisions of the turbines, generators and electrical systems to be carried out every five years, as from the start-up of the generation plants or based on the manufacturer's recommendation, whichever happens first;

- Services to improve and maintain the boiler's performance; and

- Other services that may be required for performing the Project.

As consideration for the services provided, the Company is responsible for paying annually R$ 4,317, restated annually by the National Consumer Price Index (IPCA) and, when applicable, as performance bonus, an amount in reais equivalent to the energy sales amount.

b) Expansion of Thermal Power Generation Plant UTE Ferrari

In February 2014, the Company entered into an agreement with Siner Engenharia e Comércio Ltda., Siner Service Comercial Ltda., and Siner Eletromecânica e Comércio Ltda. for the expansion of Thermal Power Generation Plant UTE Ferrari. Future commitments on the reference date of 3.31.2014 amount to R$ 81,825. The work is expected to be completed in August 2015.

c) Contracts for sale of electrical energy

According to data on guaranteed electrical energy and prevailing purchase and sale contracts, the Company's energy balance, already including the contracts for sale of power generated by Ferrari Termoelétrica S.A., shows that current capacity has the following contracting levels for the next six years:

	Average MW (*)					
	2014	**2015**	**2016**	**2017**	**2018**	**2019**
Own funds	3,529	3,534	3,531	3,552	3,575	3,575
Purchase for resale	845	438	295	233	200	200
Total availability	4,374	3,972	3,826	3,785	3,775	3,775
Contracted availability	4,223	3,904	3,576	2,923	2,376	1,947
Contracted %	96.6%	98.3%	93.5%	77.2%	62.9%	51.6%

32 – ADDITIONAL INFORMATION TO THE CASH FLOW

The following transactions that did not involve cash and cash equivalents were carried out in the periods ended on 3.31.2014 and 3.31.2013:

	Parent company		Consolidated	
	3.31.2014	**3.31.2013**	**3.31.2014**	**3.31.2013**
Compensation of income and social contribution taxes	-	69,528	577	69,551
Suppliers of property, plant and equipment	(10,799)	12,876	14,111	42,834
Capitalized interest on financing	25		1,055	7,995
Remaining installments payable from investment acquisition	-	-	61,282	-

33 – SUBSEQUENT EVENTS

a) Commercial start-up of Central Eólica Mundaú

On 4.1.2014, Aneel authorized the commercial start-up of Central Eólica Mundaú, which has an installed capacity of 30 MW. Thus, all companies of the Trairí Wind Power Complex are operational, totaling 115.4 MW of installed capacity.

b) Additional dividends proposed

On 4.8.2014, the Annual Shareholders' Meeting approved the allocation of net income and the distribution of additional dividends proposed for fiscal year 2013. On that date, the Company recognized the payment obligation in the balance sheet. The payment date will be determined later by the Board of Executive Officers.

c) Authorization to begin construction of the Santa Mônica Wind Power Complex

On 4.11.2014, the Board of Directors authorized the start of construction works on the Santa Mônica Wind Power Complex, which depends on compliance with conditions precedent. The Complex is located in the city of Trairí and comprises 4 wind farms, totaling 97.2 MW of installed capacity. The Company plans to invest roughly R$ 460,000 in the project, which will result in the expansion of non-conventional renewable energy in its power generation facilities. Start-up of the entire Project is expected in 2016.

d) Acquisition of the entire capital stock of CLWP Brasil II Participações Ltda. and CLWP Brasil III Participações Ltda.

On 4.11.2014, the Board of Directors approved the acquisition of the entire capital stock of CLWP Brasil II Participações Ltda. and CLWP Brasil III Participações Ltda., both located in the city of Feira de Santana, state of Bahia. CLWP II owns 7 special purpose entities (SPE), totaling a development potential of 206 MW. CLWP III owns 10 SPE, with total development potential of 300 MW.

BOARD OF DIRECTORS

Maurício Stolle Bähr
President

Philip Julien De Cnudde
Vice-President

Manoel Arlindo Zaroni Torres
Board Member

Guy Marie Numa Joseph Ghislain Richelle
Board Member

Dirk Achiel Marc Beeuwsaert
Board Member

Willem Frans Alfons Van Twembeke
Board Member

Roberto Henrique Tejada Vencato
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
CFO and Investor Relations Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

José Luiz Jansson Laydner
Projects Development and Implementation Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Edson Luiz da Silva
Planning and Control Officer

Luciano Flávio Andriani
Administrative Officer

ACCOUNTING DEPARTMENT

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

IDENTIFICATION OF PROJECTIONS

a) Purpose of projection

Investments in the maintenance, revitalization and expansion of the generation facilities.

The Company's investment statements segregate values in two groups:

- Investments financed with own capital, including acquisitions, and
- Investments financed with debts, including debts assumed in the acquisitions.

Both projection models are included in item "d" below.

The projections made are merely reasonable estimates that usually depend on future events, thus cannot be regarded as a promise to perform by the Company and its managers.

b) Period projected and projection term

Tractebel Energia quarterly discloses to the market its investment projections for the current year and the two subsequent years, valid until its realization or another projection in replacement.

c) Prospect assumptions, indicating which ones can be influenced by the Company's management

The Company's projections for investment are mainly based on the following assumptions:

- Schedule for maintenance of the generating units;
- Diagnosis of equipment;
- Regulatory obligations; and
- Strategic initiatives.

The amounts informed, projected and actual, do not consider interest on construction (interest on equity capital and loan capital).

The Management can influence all assumptions, except for the regulatory obligations that are beyond its control.

In case of a significant change in the foregoing assumptions, the projections can be reviewed.

d) Value of the indicators that are the subject matter of the projection

Standardized Financial Statements (DFP) as of 12.31.2013 the Company disclosed the following projections for the years 2014, 2015 and 2016:

	Estimate for the next three years disclosed in the fourth quarter of 2013 DFP (in R$ million)		
Description / projection period	**2014**	**2015**	**2016**
Financed with own capital	489	739	243
Total	**489**	**739**	**243**

In the first quarter of 2013, projections were revised as follows:

	Estimates for the next 3 years disclosed in the first quarter of 2014 (in R$ million)		
Description / projection period	**2014**	**2015**	**2016**
Financed with debt	48	192	106
Financed with own capital	677	915	447
Total	**725**	**1,107**	**553**

Note: The above projections do not include the effects of interest on loan capital incurred on constructions.

Changes in projections for 2014 disclosed during the first quarter of 2014

Financed with debt:

The increase is related to CAPEX financing in the amount of R$ 48 million related to the acquisition of Ferrari Termoelétrica S.A.

Financed with own capital

The increase foreseen for 2014 is due mainly to: (i) the Campo Largo project, by R$ 65 million; (ii) the Santa Mônica wind power project, by R$ 91 million; and (iii) the Ferrari thermoelectric power plant, by R$ 50 million.

Investments planned for 2015 and 2016

Financed with debt:

The increase in the amounts projected for 2015 and 2016 are related to the Santa Mônica wind power project.

Financed with own capital

The increase in the amounts projected for financing with own capital for 2015 and 2016 are related chiefly to: (i) the installation of the Santa Mônica wind power project (R$ 10 million in 2015 and R$ 57 million in 2016); (i) the expansion and modernization of the Ferrari thermoelectric power plant (R$ 42 million in 2015); and (iii) the global revision of the program for maintenance and modernization of the Company's power plants in the long-term plan (R$ 126 million in 2015 and R$ 151 million in 2016).

Investments made in the first quarter of 2014:

In the first quarter of 2014, the Company invested R$ 257 million, of which R$ 176 million related to the acquisition of Ferrari Termoelétrica S.A., R$ 62 million in the construction of new plants, and R$ 19 million in maintenance and modernization of the Company's power plants.

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

Report on the review of quarterly information - ITR

To the Board Members, Directors and Shareholders of
Tractebel Energia S.A.
Florianópolis - SC

Introduction

We have reviewed the interim, individual and consolidated accounting information of Tractebel Energia S.A. (“Company”), contained in the Quarterly Information - ITR Form for the quarter ended March 31, 2014, which comprise the balance sheet as of March 31, 2014 and the related statements of income and of comprehensive income, of changes in shareholders' equity and of cash flows for the three-month period then ended, including the summary of the main accounting policies and other explanatory notes.

The management of the Company is responsible for the preparation of the individual interim accounting information in accordance with CPC 21 (R1) - Interim Statement and of the consolidated interim accounting information in accordance with CPC 21 (R1) - Technical Pronouncement and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - 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 the Brazilian and international review standards for interim information (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 information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim information

Based on our review, we are not aware of any facts that would lead us to believe that the individual interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Conclusion on the consolidated interim information

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other matters

Statements of added value

We also reviewed the individual and consolidated value-added statements (SVA) for the three-month period ended on March 31, 2014, prepared by the Company's management, whose presentation in the interim information is required according to the standards issued by the CVM - Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the IFRS, which do not require the presentation of the SVA. These statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

Florianópolis, April 25, 2014

KPMG Auditores Independentes
CRC 2SP014428/O-6

Claudio Henrique Damasceno Reis
Accountant CRC SC-024494/O-1

Opinions and Statements/Statement of the Executive Officers on the Financial Statements

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

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 also, agrees with the opinion of the independent auditors of the Company, KPMG Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
CFO and Investor Relations Officer

José Luiz Jansson Laydner
Projects Development and Implementation Officer

Edson Luiz da Silva
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José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Luciano Flávio Andriani
Administrative Officer

Florianópolis, April 25, 2014

Opinions and Statements / Statement of the Executive Officers on the Independent auditors' report

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

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 also, agrees with the opinion of the independent auditors of the Company, KPMG Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

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Florianópolis, April 25, 2014