(A free translation of the original in Portuguese)

FEDERAL PUBLIC SERVICE
CVM - BRAZILIAN SECURITIES AND EXCHANGE COMMISSION
QUARTERLY INFORMATION - ITR
COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY

June 30, 2010

External Disclosure

Brazilian Corporate Law

REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY. COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.

01.01 – IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	**TRACTEBEL ENERGIA S.A.**	**02.474.103/0001-19**

4 - NIRE (Corporate Registry ID)
42300024384

01.02 - HEADQUARTERS

1 - ADDRESS	2 - DISTRICT
RUA: ANTÔNIO DIB MUSSI, Nº 366	CENTRO

3 - ZIP CODE	4 - CITY	5 - STATE
88015-110	FLORIANÓPOLIS	SC

6 - AREA CODE	7 - TELEPHONE	8 - TELEPHONE	9 - TELEPHONE	10 - TELEX
048	3221-7221	-	-	

11 - AREA CODE	12 - FAX	13 - FAX	14 - FAX	
048	3221-7002	-	-	

15 - E-MAIL
previtali@tractebelenergia.com.br

01.03 - INVESTOR RELATIONS OFFICER (Company Mailing Address)

1- NAME
EDUARDO ANTONIO GORI SATTAMINI

2 - ADDRESS	3 - DISTRICT
RUA: ANTÔNIO DIB MUSSI, Nº 366	CENTRO

4 - ZIP CODE	5 - CITY	6 - STATE
88015-110	FLORIANÓPOLIS	SC

7 - AREA CODE	8 - TELEPHONE	9 - TELEPHONE	10 - TELEPHONE	11 - TELEX
048	3221-7060	-	-	

12 - AREA CODE	13 - FAX	14 - FAX	15 - FAX	
048	3221-7002	-	-	

16 - E-MAIL
sattamini@tractebelenergia.com.br

01.04 - ITR REFERENCE AND AUDITOR INFORMATION

CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2 - END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
1/1/2010	12/31/2010	2	4/1/2010	6/30/2010	1	1/1/2010	3/31/2010

09 - INDEPENDENT AUDITOR	10 - CVM CODE
DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES	00385-9

11 - TECHNICIAN IN CHARGE	12 – TECHNICIAN'S CPF (Individual Taxpayer's Register)
PAULO ROBERTO MARQUES GARRUCHO	373.525.127-72

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

01.05 - CAPITAL STOCK

Number of Shares (Units)	1 – CURRENT QUARTER 6/30/2010	2 – PREVIOUS QUARTER 3/31/2010	3 – SAME QUARTER, PREVIOUS YEAR 6/30/2009
Paid-up Capital			
1 - Common	652,742,192	652,742,192	652,742,192
2 - Preferred	0	0	0
3 - Total	652,742,192	652,742,192	652,742,192
Treasury Stock			
4 - Common	0	0	0
5 - Preferred	0	0	0
6 - Total	0	0	0

01.06 - COMPANY PROFILE

1 - TYPE OF COMPANY Commercial, Industrial and Other Types of Company
2 - STATUS Operational
3 - NATURE OF OWNERSHIP Domestic private company
4 - ACTIVITY CODE 1120 - Electric power
5 - MAIN ACTIVITY Electric power generation and trading
6 - CONSOLIDATION TYPE Total
7 - TYPE OF REPORT OF INDEPENDENT AUDITORS Unqualified

01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - CNPJ (Corporate Taxpayer's ID)	3 - COMPANY NAME

01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - APPROVAL	4 - TYPE	5 - DATE OF PAYMENT	6 - TYPE AND CLASS OF SHARE	7 - AMOUNT PER SHARE
01	RCA*	11/5/2009	Interest on Equity	5/20/2010	Common shares	0.2972076915
02	RCA*	4/23/2010	Dividend	5/20/2010	Common shares	0.1254900014
03	RCA*	8/12/2010	Dividend	10/15/2010	Common shares	0.4383049909

* Board of Directors' Meeting

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June 30, 2010

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01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF CHANGE	3 - CAPITAL STOCK (R$ thousand)	4 - AMOUNT OF CHANGE (R$ thousand)	5 - NATURE OF CHANGE	7 - NUMBER OF SHARES ISSUED (Units)	8 - SHARE PRICE WHEN ISSUED (In Reais)

01.10 - INVESTOR RELATIONS OFFICER

1 - DATE	2 - SIGNATURE
08/12/2010	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

02.01 - BALANCE SHEET - ASSETS (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 6/30/2010	4 – 3/31/2010
1	Total Assets	7,520,961	7,534,717
1.01	Current Assets	1,260,280	1,211,497
1.01.01	Available Cash	662,120	704,062
1.01.01.01	Cash and Cash Equivalents	662,120	704,062
1.01.02	Credits	511,248	449,467
1.01.02.01	Clients	413,554	403,325
1.01.02.01.01	Consumers, Concessionaries and Permittees	413,554	403,325
1.01.02.02	Sundry Credits	97,694	46,142
1.01.02.02.01	Dividends Receivable from Subsidiaries	7,418	7,418
1.01.02.02.02	Tax Receivables	55,936	12,530
1.01.02.02.03	Collateral and Restricted Deposits	12,307	1,054
1.01.02.02.04	Other	22,033	25,140
1.01.03	Inventories	37,450	35,282
1.01.04	Other	49,462	22,686
1.01.04.01	Available-for-Sale Assets	23,111	0
1.01.04.02	Prepaid Expenses	7,194	1,863
1.01.04.03	Deferred Tax Assets	15,710	16,610
1.01.04.04	Advance to R&D Entities	3,447	4,213
1.02	Noncurrent Assets	6,260,681	6,323,220
1.02.01	Long-term Assets	518,015	551,661
1.02.01.01	Sundry Credits	116,534	117,116
1.02.01.01.01	Sale of Assets and Rights	86,886	86,886
1.02.01.01.02	Tax Receivables	29,648	30,230
1.02.01.02	Credits with Related Parties	27,563	55,222
1.02.01.02.01	Direct and Indirect Associated Companies	0	0
1.02.01.02.02	Subsidiaries	27,563	55,222
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	373,918	379,323
1.02.01.03.01	Judicial deposits	168,728	165,895
1.02.01.03.02	Deferred tax assets	202,079	210,371
1.02.01.03.03	Other	3,111	3,057
1.02.02	Permanent Assets	5,742,666	5,771,559
1.02.02.01	Investments	2,479,083	2,469,283
1.02.02.01.01	In Direct and Indirect Associated Companies	0	0
1.02.02.01.02	In Direct and Indirect Associated Companies - Goodwill	0	0
1.02.02.01.03	In Subsidiaries	2,109,711	2,099,024
1.02.02.01.04	In Subsidiaries – Goodwill	34,004	34,891
1.02.02.01.05	Other Investments	30,812	30,812
1.02.02.01.06	Advance Payments for Investment Acquisitions	304,556	304,556
1.02.02.02	Property, Plant and Equipment	3,245,910	3,284,859
1.02.02.03	Intangible Assets	17,673	17,417
1.02.02.04	Deferred Charges	0	0

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1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

02.02 - BALANCE SHEET - LIABILITIES (R$ thousand)

1 - CODE	2 – DESCRIPTION	3 – 6/30/2010	4 – 3/31/2010
2	Total Liabilities	7,520,961	7,534,717
2.01	Current Liabilities	1,399,100	935,582
2.01.01	Loans and Financing	66,431	72,976
2.01.02	Debentures	778,696	152,558
2.01.03	Suppliers	170,423	167,360
2.01.04	Taxes, Fees and Contributions	241,098	143,599
2.01.05	Dividends Payable	1,302	251,422
2.01.05.01	Dividends and Interest on Equity	1,302	251,422
2.01.06	Provisions	56,748	61,759
2.01.06.01	Estimated Obligations	44,188	48,199
2.01.06.02	Provision for Contingencies	12,560	13,560
2.01.07	Debts with Related Parties	0	0
2.01.08	Other	84,402	85,908
2.01.08.01	Obligations with Research and Development Program	14,928	19,452
2.01.08.02	Concession Fees Payable	1,922	1,872
2.01.08.03	Post-Employment Benefits	26,369	25,361
2.01.08.04	Other	41,183	39,223
2.02	Noncurrent Liabilities	1,920,411	2,669,166
2.02.01	Long-term Liabilities	1,920,411	2,669,166
2.02.01.01	Loans and Financing	237,077	264,782
2.02.01.02	Debentures	845,800	1,586,957
2.02.01.03	Provisions	75,829	72,890
2.02.01.03.01	Estimated Obligations	2,207	4,063
2.02.01.03.02	Provisions for Contingencies	73,622	68,827
2.02.01.04	Debts with Related Parties	0	0
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Other	761,705	744,537
2.02.01.06.01	Obligations with Research and Development Program	31,180	27,652
2.02.01.06.02	Concession Fees Payable	336,216	319,448
2.02.01.06.03	Post-Employment Benefits	354,923	357,695
2.02.01.06.04	Deferred Tax Liabilities	36,535	36,535
2.02.01.06.05	Other	2,851	3,207
2.03	Deferred Income	0	0
2.05	Shareholders' Equity	4,201,450	3,929,969
2.05.01	Paid-in Capital Stock	2,445,766	2,445,766
2.05.02	Capital Reserves	91,695	91,695
2.05.03	Revaluation Reserves	0	0
2.05.03.01	Own Assets	0	0
2.05.03.02	Subsidiaries/Direct and Indirect Associated Companies	0	0
2.05.04	Profit Reserves	1,143,806	1,143,806
2.05.04.01	Legal	361,974	361,974

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02.02 - BALANCE SHEET - LIABILITIES (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 6/30/2010	4 – 3/31/2010
2.05.04.02	Statutory	0	0
2.05.04.03	For Contingencies	0	0
2.05.04.04	Unrealized Profit	0	0
2.05.04.05	Profit Retention	781,832	781,832
2.05.04.06	Special Reserve for Undistributed Dividends	0	0
2.05.04.07	Other Profit Reserves	0	0
2.05.05	Assets Valuation Adjustments	0	0
2.05.05.01	Securities Adjustments	0	0
2.05.05.02	Accumulated Translation Adjustments	0	0
2.05.05.03	Business Combination Adjustments	0	0
2.05.06	Retained Earnings/Accumulated Losses	520,183	248,702
2.05.07	Advance for Future Capital Increase	0	0

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1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

03.01 – STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 4/1/2010 to 6/30/2010	4 – 1/1/2010 to 6/30/2010	5 – 4/1/2009 to 6/30/2009	6 – 1/1/2009 to 6/30/2009
3.01	Gross Revenue from Sales and/or Services	807,187	1,611,591	756,227	1,542,539
3.01.01	Electric Power Supply	701,647	1,428,569	689,932	1,368,341
3.01.02	Electric Power Provision	70,130	136,761	56,385	110,976
3.01.03	Transactions within CCEE	24,176	29,612	0	7,657
3.01.04	Energy Exports	6,500	6,500	5,259	46,442
3.01.05	Other Revenues	4,734	10,149	4,651	9,123
3.02	Gross Revenue Deductions	(80,128)	(158,149)	(73,971)	(147,650)
3.02.01	PIS and COFINS (Taxes on Revenue)	(60,476)	(119,873)	(56,616)	(112,648)
3.02.02	ICMS (State VAT)	(12,788)	(24,669)	(10,938)	(21,853)
3.02.03	ISS (Service Tax)	(94)	(196)	(89)	(174)
3.02.04	Research and Development	(6,770)	(13,411)	(6,328)	(12,975)
3.03	Net Revenue from Sales and/or Services	727,059	1,453,442	682,256	1,394,889
3.04	Cost of Goods and/or Services Sold	(251,919)	(487,388)	(247,916)	(569,734)
3.04.01	Electricity Purchased for Resale	(48,558)	(96,436)	(49,915)	(98,054)
3.04.02	Transactions within CCEE	0	(702)	(37,022)	(121,881)
3.04.03	Electric Grid Usage Charges	(55,508)	(111,054)	(52,967)	(106,006)
3.04.04	Electricity Production Cost	(145,376)	(275,799)	(105,110)	(238,296)
3.04.05	Cost of Services Rendered	(2,477)	(3,397)	(2,902)	(5,497)
3.05	Gross Income	475,140	966,054	434,340	825,155
3.06	Operating Revenues/Expenses	(65,338)	(172,454)	(55,672)	(104,647)
3.06.01	Selling	(3,505)	(6,611)	(2,699)	(5,907)
3.06.02	General and Administrative	(38,019)	(74,102)	(33,823)	(66,353)
3.06.03	Financial	(67,144)	(119,606)	(46,581)	(68,774)
3.06.03.01	Financial Revenues	23,449	46,196	21,073	38,262
3.06.03.02	Financial Expenses	(90,593)	(165,802)	(67,654)	(107,036)
3.06.04	Other Operating Revenues	46,116	46,119	0	1,187
3.06.04.01	Lawsuit Favorable Results	45,803	45,803	0	0

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03.01 – STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 4/1/2010 to 6/30/2010	4 – 1/1/2010 to 6/30/2010	5 – 4/1/2009 to 6/30/2009	6 – 1/1/2009 to 6/30/2009
3.06.04.02	Other	313	316	0	1,187
3.06.05	Other Operating Expenses	(1,547)	(844)	(6,870)	(18,715)
3.06.05.01	Recording of Operating Provisions, Net	(1,547)	(844)	(6,253)	(18,715)
3.06.05.02	Other	0	0	(617)	0
3.06.06	Equity in the Earnings of Subsidiary and Associated Companies	(1,239)	(17,410)	34,301	53,915
3.06.06.01	Equity in Shareholding	(350)	(15,632)	34,301	53,915
3.06.06.02	Goodwill Amortization	(889)	(1,778)	0	0
3.07	Operating Income	409,802	793,600	378,668	720,508
3.08	Non-operating Income	0	0	0	0
3.08.01	Revenues	0	0	0	0
3.08.02	Expenses	0	0	0	0
3.09	Income before Taxes/Holdings	409,802	793,600	378,668	720,508
3.10	Provision for Income and Social Contribution Taxes	(129,129)	(264,837)	(117,844)	(228,623)
3.10.01	Income Tax	(94,461)	(194,369)	(86,249)	(167,180)
3.10.02	Social Contribution Tax	(34,668)	(70,468)	(31,595)	(61,443)
3.11	Deferred Income Tax	(9,192)	(8,580)	2,439	5,266
3.11.01	Income Tax	(6,759)	(6,309)	1,793	3,872
3.11.02	Social Contribution Tax	(2,433)	(2,271)	646	1,394
3.12	Statutory Profit Sharing/Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Equity	0	0	0	0
3.15	Income/Loss for the Period	271,481	520,183	263,263	497,151

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03.01 – STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 4/1/2010 to 6/30/2010	4 – 1/1/2010 to 6/30/2010	5 – 4/1/2009 to 6/30/2009	6 – 1/1/2009 to 6/30/2009
	NUMBER OF SHARES EX-TREASURY (Units)	652,742,192	652,742,192	652,742,192	652,742,192
	EARNINGS PER SHARE (Reais)	0.41591	0.79692	0.40332	0.76163
	LOSS PER SHARE (Reais)				

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01.01 - IDENTIFICATION

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01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

04.01 – STATEMENT OF CASH FLOW – INDIRECT METHOD (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 4/1/2010 to 6/30/2010	4 – 1/1/2010 to 6/30/2010	5 – 4/1/2009 to 6/30/2009	6 – 1/1/2009 to 6/30/2009
4.01	Net Cash from Operating Activities	320,879	459,714	327,142	351,700
4.01.01	Cash generated in Operations	297,644	681,723	274,204	572,044
4.01.01.01	Net income for the Period	271,481	520,183	263,263	497,151
4.01.01.02	Depreciation and Amortization	55,716	111,077	51,465	104,982
4.01.01.03	Equity in Shareholding	350	15,632	(33,729)	(53,915)
4.01.01.04	Monetary and Exchange Variation, net	3,390	19,914	(43,129)	(51,916)
4.01.01.05	Net Interest Rates	(44,767)	2,489	31,374	58,628
4.01.01.06	Operating Provisions, Net	1,736	3,101	7,097	23,188
4.01.01.07	Deferred Income and Social Contribution Taxes	9,192	8,580	(2,439)	(5,266)
4.01.01.08	Other	546	747	302	(808)
4.01.02	Variation in Assets and Liabilities	23,235	(222,009)	52,938	(220,344)
4.01.02.01	Consumers, Concessionaires and Permittees	(10,229)	(58,878)	58,876	(22,108)
4.01.02.02	Tax Receivables	(42,905)	(42,626)	(4,150)	(3,759)
4.01.02.03	Collaterals and Restricted/Judicial Deposits	(8,385)	27,538	(28,515)	(21,368)
4.01.02.04	Inventories	(2,168)	1,969	6,538	13,326
4.01.02.05	Prepaid Expenses	(5,331)	(3,354)	(6,408)	(4,690)
4.01.02.06	Suppliers	3,063	(596)	(43,656)	29,206
4.01.02.07	Taxes, Fees and Contributions	97,136	(140,860)	84,056	(163,826)
4.01.02.08	Estimated Obligations	(5,137)	1,864	162	5,123
4.01.02.09	Post-Employment Benefits	(7,929)	(15,536)	(8,900)	(17,741)
4.01.02.10	Provision for Contingencies	(118)	(2,103)	(1,259)	(7,953)
4.01.02.11	Obligations with Research and Development Program	(996)	3,047	1,931	(11,271)
4.01.02.12	Financial Comp. for Usage of Water Resources	641	(615)	(7,499)	(16,196)
4.01.02.13	Other	5,593	8,141	1,762	913
4.01.03	Net Cash from Investment Activities	0	0	0	0
4.02	Increase in Investments	(51,070)	(548,099)	(65,282)	(330,644)

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04.01 – STATEMENT OF CASH FLOW – INDIRECT METHOD (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 4/1/2010 to 6/30/2010	4 – 1/1/2010 to 6/30/2010	5 – 4/1/2009 to 6/30/2009	6 – 1/1/2009 to 6/30/2009
4.02.02	Investment in Property, Plant and Equipment	(15,317)	(43,388)	(40,767)	(58,626)
4.02.03	Investment in Intangible Assets	(1,605)	(2,131)	(75)	(121)
4.02.04	Advances for Investment Acquisitions	0	(304,556)	0	0
4.02.05	Dividends Received from Subsidiaries	0	4,929	4,071	4,071
4.03	Net Cash from Financing Activities	(311,751)	(343,334)	(322,574)	(45,975)
4.03.01	Loans and Financing	0	0	600,612	900,612
4.03.02	Loans Payment, Financing and Debentures	(90,465)	(102,522)	(787,354)	(798,749)
4.03.03	Concession Fee Payments	(463)	(928)	(467)	(933)
4.03.04	Related Parties	29,297	10,236	11,915	375
4.03.05	Payment of Dividends and Interest on Equity	(250,120)	(250,120)	(147,280)	(147,280)
4.04	Exchange Variation on Cash and Cash Equivalents	0	0	0	0
4.05	Increase (Decrease) in Cash and Cash Equivalents	(41,942)	(431,719)	(60,714)	(24,919)
4.05.01	Opening Balance of Cash and Cash Equivalents	704,062	1,093,839	354,415	318,620
4.05.02	Closing Balance of Cash and Cash Equivalents	662,120	662,120	293,701	293,701

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01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

05.01 – STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 4/1/2010 TO 6/30/2010 (R$ thousand)

1 – CODE	2 – DESCRIPTION	3 – CAPITAL STOCK	4 – CAPITAL RESERVES	5 – REVALUATION RESERVES	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – ASSETS VALUATION ADJUSTMENTS	9 –TOTAL SHAREHOLDERS' EQUITY
5.01	Opening Balance	2,445,766	91,695	0	1,143,806	248,702	0	3,929,969
5.02	Adjustments of Previous Years	0	0	0	0	0	0	0
5.03	Adjusted Balance	2,445,766	91,695	0	1,143,806	248,702	0	3,929,969
5.04	Net Income/Loss for the Period	0	0	0	0	271,481	0	271,481
5.05	Allocations	0	0	0	0	0	0	0
5.05.01	Dividends	0	0	0	0	0	0	0
5.05.02	Interest on Equity	0	0	0	0	0	0	0
5.05.03	Other Allocations	0	0	0	0	0	0	0
5.06	Realization of Profit Reserves	0	0	0	0	0	0	0
5.07	Assets Valuation Adjustments	0	0	0	0	0	0	0
5.07.01	Securities Adjustments	0	0	0	0	0	0	0
5.07.02	Accumulated Translation Adjustments	0	0	0	0	0	0	0
5.07.03	Business Combination Adjustments	0	0	0	0	0	0	0
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	0	0
5.09	Recording/Realization of Capital Reserves	0	0	0	0	0	0	0
5.10	Treasury Shares	0	0	0	0	0	0	0
5.11	Other Capital Transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	0	0	0	0
5.13	Closing Balance	2,445,766	91,695	0	1,143,806	520,183	0	4,201,450

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

05.02 – STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 1/12010 TO 6/30/2010 (R$ thousand)

1 – CODE	2 – DESCRIPTION	3 – CAPITAL STOCK	4 – CAPITAL RESERVES	5 – REVALUATION RESERVES	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – ASSETS VALUATION ADJUSTMENTS	9 –TOTAL SHAREHOLDERS' EQUITY
5.01	Opening Balance	2,445,766	91,695	0	1,143,806	0	0	3,681,267
5.02	Adjustments of Previous Years	0	0	0	0	0	0	0
5.03	Adjusted Balance	2,445,766	91,695	0	1,143,806	0	0	3,681,267
5.04	Net Income/Loss for the Period	0	0	0	0	520,183	0	520,183
5.05	Allocations	0	0	0	0	0	0	0
5.05.01	Dividends	0	0	0	0	0	0	0
5.05.02	Interest on Equity	0	0	0	0	0	0	0
5.05.03	Other Allocations	0	0	0	0	0	0	0
5.06	Realization of Profit Reserves	0	0	0	0	0	0	0
5.07	Assets Valuation Adjustments	0	0	0	0	0	0	0
5.07.01	Securities Adjustments	0	0	0	0	0	0	0
5.07.02	Accumulated Translation Adjustments	0	0	0	0	0	0	0
5.07.03	Business Combination Adjustments	0	0	0	0	0	0	0
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	0	0
5.09	Recording/Reduction of Capital Reserves	0	0	0	0	0	0	0
5.10	Treasury Shares	0	0	0	0	0	0	0
5.11	Other Capital Transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	0	0	0	0
5.13	Closing Balance	2,445,766	91,695	0	1,143,806	520,183	0	4,201,450

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

08.01 – CONSOLIDATED BALANCE SHEET - ASSETS (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 6/30/2010	4 – 3/31/2010
1	Total Assets	9,536,118	9,521,834
1.01	Current Assets	1,546,406	1,434,488
1.01.01	Available Cash	861,082	825,309
1.01.01.01	Cash and Cash Equivalents	861,082	825,309
1.01.02	Credits	589,190	543,762
1.01.02.01	Clients	459,277	463,921
1.01.02.01.01	Consumers, Concessionaries and Permittees	459,277	463,921
1.01.02.02	Sundry Credits	129,913	79,841
1.01.02.02.02	Tax Receivables	94,330	51,596
1.01.02.02.03	Collaterals and Restricted Deposits	16,429	3,260
1.01.02.02.04	Other	19,154	24,985
1.01.03	Inventories	41,283	39,758
1.01.04	Other	54,851	25,659
1.01.04.01	Available-for-Sale Assets	23,057	0
1.01.04.02	Prepaid Expenses	9,155	2,625
1.01.04.03	Deferred Tax Assets	19,192	18,821
1.01.04.04	Advance to R&D Entities	3,447	4,213
1.02	Noncurrent Assets	7,989,712	8,087,346
1.02.01	Long-term Assets	664,166	683,261
1.02.01.01	Sundry Credits	241,853	260,447
1.02.01.01.01	Tax Receivables	103,799	107,194
1.02.01.01.02	Collaterals and Restricted Deposits	49,319	64,518
1.02.01.01.03	Sale of Assets and Rights	86,886	86,886
1.02.01.01.04	Other	1,849	1,849
1.02.01.02	Credits with Related Parties	0	0
1.02.01.02.01	Direct and Indirect Associated Companies	0	0
1.02.01.02.02	Subsidiaries	0	0
1.02.01.02.03	Other Related Parties	0	0
1.02.01.03	Other	422,313	422,814
1.02.01.03.01	Judicial Deposits	169,487	166,651
1.02.01.03.02	Deferred Tax Assets	232,375	235,542
1.02.01.03.03	Other	20,451	20,621
1.02.02	Permanent Assets	7,325,546	7,404,085
1.02.02.01	Investments	338,339	338,339
1.02.02.01.01	In Direct and Indirect Associated Companies	0	0
1.02.02.01.02	In Subsidiaries	0	0
1.02.02.01.03	Other Investments	33,783	33,783
1.02.02.01.06	Advances for Investment Acquisitions	304,556	304,556
1.02.02.02	Property, Plant and Equipment	6,895,372	6,953,149
1.02.02.03	Intangible Assets	91,835	112,597
1.02.02.04	Deferred Charges	0	0

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

08.02 – CONSOLIDATED BALANCE SHEET - LIABILITIES (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 6/30/2010	4 – 3/31/2010
2	Total Liabilities	9,536,118	9,521,834
2.01	Current Liabilities	1,702,321	1,239,293
2.01.01	Loans and Financing	173,478	178,941
2.01.02	Debentures	788,892	163,330
2.01.03	Suppliers	262,180	265,538
2.01.04	Taxes, Fees and Contributions	270,150	173,576
2.01.05	Dividends Payable	1,302	251,422
2.01.05.01	Dividends and Interest on Equity	1,302	251,422
2.01.06	Provisions	58,764	62,188
2.01.06.01	Estimated Obligations	46,106	48,530
2.01.06.02	Provision for Contingencies	12,658	13,658
2.01.07	Debts with Related Parties	0	0
2.01.08	Other	147,555	144,298
2.01.08.01	Obligations with Research and Development Program	15,294	21,918
2.01.08.02	Concession Fees Payable	38,525	37,883
2.01.08.03	Post-employment Benefits	26,369	25,361
2.01.08.04	Other	67,367	59,136
2.02	Noncurrent Liabilities	3,632,347	4,352,572
2.02.01	Long-term Liabilities	3,632,347	4,352,572
2.02.01.01	Loans and Financing	1,236,862	1,252,759
2.02.01.02	Debentures	866,275	1,611,527
2.02.01.03	Provisions	85,552	82,897
2.02.01.03.01	Estimated Obligations	2,207	4,063
2.02.01.03.02	Provisions for Contingencies	83,345	78,834
2.02.01.04	Debts with Related Parties	0	0
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Other	1,443,658	1,405,389
2.02.01.06.01	Obligations with Research and Development Program	36,857	30,700
2.02.01.06.02	Concession Fees Payable	985,284	950,208
2.02.01.06.03	Post-Employment Benefits	354,923	357,695
2.02.01.06.04	Deferred Tax Liabilities	52,020	50,551
2.02.01.06.05	Other	14,574	16,235
2.03	Deferred Income	0	0
2.04	Minority Interest	0	0
2.05	Shareholders' Equity	4,201,450	3,929,969
2.05.01	Paid-in Capital Stock	2,445,766	2,445,766
2.05.02	Capital Reserves	91,695	91,695
2.05.03	Revaluation Reserves	0	0
2.05.03.01	Own Assets	0	0
2.05.03.02	Subsidiaries/Direct and Indirect Associated Companies	0	0
2.05.04	Profit Reserves	1,143,806	1,143,806

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

08.02 – CONSOLIDATED BALANCE SHEET - LIABILITIES (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 6/30/2010	4 – 3/31/2010
2.05.04.01	Legal	361,974	361,974
2.05.04.02	Statutory	0	0
2.05.04.03	For Contingencies	0	0
2.05.04.04	Unrealized Profit	0	0
2.05.04.05	Profit Retention	781,832	781,832
2.05.04.06	Special Reserve for Undistributed Dividends	0	0
2.05.04.07	Other Profit Reserves	0	0
2.05.05	Assets Valuation Adjustments	0	0
2.05.05.01	Securities Adjustments	0	0
2.05.05.02	Accumulated Translation Adjustments	0	0
2.05.05.03	Business Combination Adjustments	0	0
2.05.06	Retained Earnings/Accumulated Losses	520,183	248,702
2.05.07	Advance for Future Capital Increase	0	0

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

09.01 – CONSOLIDATED STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 4/1/2010 to 6/30/2010	4 – 1/1/2010 to 6/30/2010	5 – 4/1/2009 to 6/30/2009	6 – 1/1/2009 to 6/30/2009
3.01	Gross Revenue from Sales and/or Services	1,074,643	2,131,671	929,849	1,884,474
3.01.01	Electric Power Supply	795,238	1,605,424	704,552	1,398,684
3.01.02	Electric Power Provision	243,575	476,070	214,772	421,107
3.01.03	Transactions within CCEE	26,876	34,695	2,255	12,093
3.01.04	Energy Exports	6,500	6,500	5,259	46,442
3.01.05	Other Revenues	2,454	8,982	3,011	6,148
3.02	Gross Revenue Deductions	(110,398)	(221,902)	(94,258)	(188,627)
3.02.01	PIS and COFINS (Taxes on Revenue)	(83,423)	(164,318)	(70,256)	(140,311)
3.02.02	ICMS (State VAT)	(19,256)	(42,354)	(16,939)	(33,909)
3.02.03	ISS (Service Tax)	(95)	(205)	(108)	(217)
3.02.04	Research and Development	(7,624)	(15,025)	(6,955)	(14,190)
3.03	Net Revenue from Sales and/or Services	964,245	1,909,769	835,591	1,695,847
3.04	Cost of Goods and/or Services Sold	(434,926)	(855,663)	(330,473)	(751,612)
3.04.01	Electricity Purchased for Resale	(162,815)	(337,741)	(93,129)	(191,884)
3.04.02	Transactions within CCEE	(321)	(1,023)	(37,156)	(122,904)
3.04.03	Electric Grid Usage Charges and Connection	(68,659)	(137,255)	(63,371)	(125,660)
3.04.04	Electricity Production Cost	(200,654)	(376,247)	(133,915)	(305,667)
3.04.05	Cost of Services	(2,477)	(3,397)	(2,902)	(5,497)
3.05	Gross Income	529,319	1,054,106	505,118	944,235
3.06	Operating Revenues/Expenses	(120,099)	(268,096)	(114,089)	(203,444)
3.06.01	Selling	(3,789)	(7,205)	(3,012)	(6,924)
3.06.02	General and Administrative	(41,296)	(80,108)	(38,601)	(75,365)
3.06.03	Financial	(116,583)	(220,169)	(63,683)	(100,451)
3.06.03.01	Financial Revenues	29,463	57,895	25,683	46,870
3.06.03.02	Financial Expenses	(146,046)	(278,064)	(89,366)	(147,321)
3.06.04	Other Operating Revenues	46,117	46,121	0	1,189
3.06.04.01	Lawsuits Favorable Results	45,803	45,803	0	0

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

09.01 – CONSOLIDATED STATEMENT OF INCOME (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 4/1/2010 to 6/30/2010	4 – 1/1/2010 to 6/30/2010	5 – 4/1/2009 to 6/30/2009	6 – 1/1/2009 to 6/30/2009
3.06.04.02	Other	314	318	0	1,189
3.06.05	Other Operating Expenses	(4,548)	(6,735)	(8,793)	(21,893)
3.06.05.01	Recording of Operating Provisions, Net	(4,548)	(6,735)	(8,177)	(21,893)
3.06.05.02	Other	0	0	(616)	0
3.06.06	Equity in the Earnings of Subsidiary and Associated Companies	0	0	0	0
3.07	Operating Income	409,220	786,010	391,029	740,791
3.08	Non-operating Income	0	0	0	0
3.08.01	Revenues	0	0	0	0
3.08.02	Expenses	0	0	0	0
3.09	Income before Taxes/Holdings	409,220	786,010	391,029	740,791
3.10	Provision for Income and Social Contribution Taxes	(133,507)	(273,403)	(124,307)	(243,329)
3.10.01	Income Tax	(97,341)	(200,072)	(92,054)	(178,770)
3.10.02	Social contribution Tax	(36,166)	(73,331)	(32,253)	(64,559)
3.11	Deferred Income Tax	(4,232)	7,576	(3,459)	(311)
3.11.01	Income tax	(3,463)	4,872	(762)	1,278
3.11.02	Social Contribution Tax	(769)	2,704	(2,697)	(1,589)
3.12	Statutory Profit Sharing/Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Equity	0	0	0	0
3.14	Minority Interest	0	0	0	0
3.15	Income/Loss for the Period	271,481	520,183	263,263	497,151
	NUMBER OF SHARES EX-TREASURY (Units)	652,742,192	652,742,192	652,742,192	652,742,192
	EARNINGS PER SHARE (Reais)	0.41591	0.79692	0.40332	0.76163
	LOSS PER SHARE (Reais)				

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

10.01 – CONSOLIDATED STATEMENT OF CASH FLOW – INDIRECT METHOD (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 4/1/2010 to 6/30/2010	4 – 1/1/2010 to 6/30/2010	5 – 4/1/2009 to 6/30/2009	6 – 1/1/2009 to 6/30/2009
4.01	Net Cash from Operating Activities	401,936	608,340	379,159	461,107
4.01.01	Cash generated in Operations	360,158	779,877	352,421	718,053
4.01.01.01	Net income for the Period	271,481	520,183	263,263	497,151
4.01.01.02	Depreciation and Amortization	94,808	182,933	72,168	154,905
4.01.01.03	Monetary and Exchange Variation, net	16,909	47,269	(43,825)	(55,203)
4.01.01.04	Net Interest Rates	(28,910)	32,265	47,637	95,083
4.01.01.05	Operating Provisions, Net	1,452	5,305	8,823	26,603
4.01.01.06	Deferred Income and Social Contribution Taxes	4,232	(7,576)	3,459	311
4.01.01.07	Other	186	(502)	896	(797)
4.01.02	Variation in Assets and Liabilities	41,778	(171,537)	26,738	(256,946)
4.01.02.01	Consumers, Concessionaires and Permittees	6,494	(23,984)	39,631	(23,215)
4.01.02.02	Tax Receivables	(39,408)	(40,068)	(10,832)	(10,988)
4.01.02.03	Collaterals and Restricted/Judicial Deposits	(10,179)	25,627	(28,471)	(21,605)
4.01.02.04	Inventories	(1,526)	3,369	6,504	13,337
4.01.02.05	Prepaid Expenses	(6,162)	(4,034)	(7,345)	(5,411)
4.01.02.06	Suppliers	(4,922)	15,427	(39,885)	17,381
4.01.02.07	Taxes, Fees and Contributions	94,861	(145,545)	84,552	(172,978)
4.01.02.08	Estimated Obligations	(3,552)	3,256	(507)	5,433
4.01.02.09	Post-Employment Benefits	(7,929)	(15,536)	(8,900)	(17,741)
4.01.02.10	Provision for Contingencies	(118)	(2,103)	(1,301)	(7,961)
4.01.02.11	Obligations with Research and Development Program	(467)	4,039	2,299	(12,249)
4.01.02.12	Financial Comp. for Usage of Water Resources	721	(256)	(8,045)	(17,720)
4.01.02.13	Advances from Clients	6,574	2,286	(966)	(1,303)
4.01.02.14	Other	7,391	5,985	4	(1,926)
4.01.03	Other	0	0	0	0
4.02	Net Cash from Investment Activities	(38,236)	(403,509)	(85,509)	(158,747)
4.02.01	Investment in Property, Plant and Equipment	(36,212)	(96,403)	(85,434)	(158,559)

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

10.01 – CONSOLIDATED STATEMENT OF CASH FLOW – INDIRECT METHOD (R$ thousand)

1 - CODE	2 - DESCRIPTION	3 – 4/1/2010 to 6/30/2010	4 – 1/1/2010 to 6/30/2010	5 – 4/1/2009 to 6/30/2009	6 – 1/1/2009 to 6/30/2009
4.02.02	Investment in Intangible Assets	(2,024)	(2,550)	(75)	(188)
4.02.03	Advances for Investment Acquisitions	0	(304,556)	0	0
4.03	Net Cash from Financing Activities	(327,927)	(598,391)	(345,762)	(295,552)
4.03.01	Loans and Financing	35,657	35,657	609,347	926,601
4.03.02	Loans Payment, Financing and Debentures	(119,912)	(381,129)	(807,061)	(844,576)
4.03.03	Related Parties	0	0	0	(221,306)
4.03.04	Concession Fee Payments	(9,843)	(19,604)	(588)	(1,175)
4.03.05	Collateral and Restricted Deposits	16,291	16,805	(180)	(7,816)
4.03.06	Payment of Dividends and Interest on Equity	(250,120)	(250,120)	(147,280)	(147,280)
4.04	Exchange Variation on Cash and Cash Equivalents	0	0	0	0
4.05	Increase (Decrease) in Cash and Cash Equivalents	35,773	(393,560)	(52,112)	6,808
4.05.01	Opening Balance of Cash and Cash Equivalents	825,309	1,254,642	478,925	420,005
4.05.02	Closing Balance of Cash and Cash Equivalents	861,082	861,082	426,813	426,813

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

11.01 – CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 4/1/2010 TO 6/30/2010 (R$ thousand)

1 – CODE	2 – DESCRIPTION	3 – CAPITAL STOCK	4 – CAPITAL RESERVES	5 – REVALUATION RESERVES	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – ASSETS VALUATION ADJUSTMENTS	9 –TOTAL SHAREHOLDERS' EQUITY
5.01	Opening Balance	2,445,766	91,695	0	1,143,806	248,702	0	3,929,969
5.02	Adjustments of Previous Years	0	0	0	0	0	0	0
5.03	Adjusted Balance	2,445,766	91,695	0	1,143,806	248,702	0	3,929,969
5.04	Net Income/Loss for the Period	0	0	0	0	271,481	0	271,481
5.05	Allocations	0	0	0	0	0	0	0
5.05.01	Dividends	0	0	0	0	0	0	0
5.05.02	Interest on Equity	0	0	0	0	0	0	0
5.05.03	Other Allocations	0	0	0	0	0	0	0
5.06	Realization of Profit Reserves	0	0	0	0	0	0	0
5.07	Assets Valuation Adjustments	0	0	0	0	0	0	0
5.07.01	Securities Adjustments	0	0	0	0	0	0	0
5.07.02	Accumulated Translation Adjustments	0	0	0	0	0	0	0
5.07.03	Business Combination Adjustments	0	0	0	0	0	0	0
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	0	0
5.09	Recording/Realization of Capital Reserves	0	0	0	0	0	0	0
5.10	Treasury Shares	0	0	0	0	0	0	0
5.11	Other Capital Transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	0	0	0	0
5.13	Closing Balance	2,445,766	91,695	0	1,143,806	520,183	0	4,201,450

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

11.02 – CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM 1/1/2010 TO 6/30/2010 (R$ thousand)

1 – CODE	2 – DESCRIPTION	3 – CAPITAL STOCK	4 – CAPITAL RESERVES	5 – REVALUATION RESERVES	6 – PROFIT RESERVES	7 – RETAINED EARNINGS/ ACCUMULATED LOSSES	8 – ASSETS VALUATION ADJUSTMENTS	9 –TOTAL SHAREHOLDERS' EQUITY
5.01	Opening Balance	2,445,766	91,695	0	1,143,806	0	0	3,681,267
5.02	Adjustments of Previous Years	0	0	0	0	0	0	0
5.03	Adjusted Balance	2,445,766	91,695	0	1,143,806	0	0	3,681,267
5.04	Net Income/Loss for the Period	0	0	0	0	520,183	0	520,183
5.05	Allocations	0	0	0	0	0	0	0
5.05.01	Dividends	0	0	0	0	0	0	0
5.05.02	Interest on Equity	0	0	0	0	0	0	0
5.05.03	Other Allocations	0	0	0	0	0	0	0
5.06	Realization of Profit Reserves	0	0	0	0	0	0	0
5.07	Assets Valuation Adjustments	0	0	0	0	0	0	0
5.07.01	Securities Adjustments	0	0	0	0	0	0	0
5.07.02	Accumulated Translation Adjustments	0	0	0	0	0	0	0
5.07.03	Business Combination Adjustments	0	0	0	0	0	0	0
5.08	Increase/Reduction in Capital Stock	0	0	0	0	0	0	0
5.09	Recording/Realization of Capital Reserves	0	0	0	0	0	0	0
5.10	Treasury Shares	0	0	0	0	0	0	0
5.11	Other Capital Transactions	0	0	0	0	0	0	0
5.12	Other	0	0	0	0	0	0	0
5.13	Closing Balance	2,445,766	91,695	0	1,143,806	520,183	0	4,201,450

1 –OPERATIONS

The Company is an independent utility concessionaire with its registered head office in the city of Florianópolis, State of Santa Catarina, engaged in the generation and sale of electricity, regulated by the Brazilian Electricity Regulatory Agency - Aneel, which is linked to the Ministry of Mines and Energy (MME).

The Company's installed capacity, including the interests in the consortium Itá and Machadinho, increased to 6,469 MW, with Areia Branca Small Hydroelectric Power Plant (PCH) and Ibitiúva Bioenergética Thermoelectric Power Plant (UTE) (new corporate name of UTE Destilaria Andrade) becoming operational, 80% of which derives from hydroelectric power plants, 18% from thermoelectric power plants and 2% from alternative energy. The Company's electricity supply capacity, including the long-term purchase agreement entered into with subsidiary Itá Energética S.A. (Itasa), is 6,506 MW.

Main corporate events occurred in the 1st half of 2010

- Acquisition of SUEZ Energia Renovável S.A. (SER)

The Company entered into a purchase and sale agreement and other covenants for the total of the common shares issued by SUEZ Energia Renovável S.A. (owned by its parent company GDF SUEZ Energy Latin America Participações Ltda. (GSELA). SER holds a 40.07% interest in the Estreito Energia Consortium (Ceste), a consortium created for the implementation and operation of the Estreito Hydroelectric Power Plant (UHE Estreito), which is currently under construction on the border between the states of Tocantins and Maranhão and will have installed capacity of 1,087 MW. The transaction amount was R$604,390, half of which was paid in January 2010 and the remaining amount is estimated to be paid until October. The compliance with conditions precedent set forth in the agreement, i.e., approvals from the Brazilian Electricity Regulatory Agency (Aneel), the Brazilian Development Bank (BNDES) and finance banks, occurred by the end of July 2010. As set forth in the agreement, the remaining amount of the agreed price, as well as contributions made by GSELA to SER, from the transaction date until the share transfer date, will be adjusted by the Extended Consumer Price Index (IPCA), on which, annual interest of 6% will be incurred. The acquisition's main conditions are described in Note 13.

- Startup of Areia Branca Small Hydroelectric Power Plant (PCH) and Ibitiúva Bioenergética Thermoelectric Power Plant (UTE)

As of 03.10.2010 both generating units of Areia Branca Small Hydroelectric Power Plant (PCH) started their commercial operations, adding 20 MW to the Company's installed capacity.

Ibitiúva Bioenergética Thermoelectric Power Plant (UTE) executed its first synchronism on 05.18.2010 and started its commercial operations on 05.27.2010.

- Payment of interest on equity and complementary dividends referring to 2009

On 05.20.2010, the Company paid R$275,913 of interest on equity and complementary dividends referring to 2009.

Non-financial information provided herein, such as average MW, installed capacity, number of employees, etc., is not reviewed examined by the independent auditors.

- Approval of the Protocol for the Merger of Ponte de Pedra Energética S.A. (PPESA)

The Company's Board of Directors, at a meeting held on 06.17.2010, approved a proposal to merge PPESA into its parent company, Energia América do Sul Ltda. (EAS), and the latter into its parent company, Tractebel Energia S.A., pursuant to the "Protocols and Justifications for the Merger". The merger proposed aims at reducing its current organizational structure, decreasing costs, adding value for shareholders, streamlining and optimizing investments and also facilitating the merging, standardization and streamlining of the general business management of the companies involved in the operation. This matter, determined resolved at such meeting, shall be submitted for Aneel's approval and, subsequently, for the approval of the Shareholders' General Meeting.

2 – PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements were prepared and are presented pursuant to the accounting practices adopted in Brazil and in accordance with the regulation of the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Financial Statements and, when applicable, the regulation of the Brazilian Electricity Regulatory Agency (Aneel).

The content of the notes to the Financial Statements as of 12.31.2009 complement the notes to these Financial Statements, presented in summary format. The amounts presented, texts and tables, are expressed in thousands (of reais and other currencies), except where otherwise indicated.

The Executive Officers' Meeting held on 08.02.2010 authorized the conclusion of the Company's Financial Statements (ITR).

Changes in Brazilian accounting practices applicable as of 2010

The enactment of Law No. 11,638/07 and Provisional Act 449/08, subsequently converted into Law No. 11,941/09, updated the Brazilian Corporate Law to enable the process of convergence of accounting practices adopted in Brazil with international accounting standards (IFRS). As a result, new accounting rules and technical pronouncements have been issued pursuant to the international accounting standards by Accounting Pronouncements Committee (CPC).

In 2009, CVM approved several Pronouncements, Interpretations and Technical Guidelines issued by CPC, effective as of 2010, which changed the accounting practices adopted in Brazil. As allowed by CVM Resolution No. 603/09, the Company's Management opted to present its Financial Statements (ITR) using the accounting rules adopted in Brazil until 12.31.2009, i.e., it did not apply the rules effective as of 2010.

To the best of the Management's knowledge, the following pronouncements could affect the Financial Statements corresponding to 06.30.2010 and 03.31.2010 if they were applied on that date.

CPC 24 –Subsequent Event and ICPC 08 – Recording for the dividend payment proposal: the abovementioned pronouncements set forth that the amount of dividends above the minimum mandatory provided for by law and not approved at a general meeting shall not be recognized in liabilities, and shall be presented as a separate item under shareholders' equity. If these rules had been applied on 03.31.2010, current liabilities would be overstated and equity would be understated in the amount of R$81,913. Considering that dividends were paid this quarter on 06.30.2010, there are no differences between the procedures adopted.

CPC 25 - Allowances, contingent liabilities and contingent assets: amounts corresponding to judicial deposits referring to tax, labor and civil provisions are presented in the balance sheet as reducing the respective provision, in liabilities, pursuant to CVM Resolution No. 489/05, which was revoked with the adoption of CPC 25. If that CPC had been adopted, said consolidated judicial deposits, amounting to R$51,694 and R$49,809 on 06.30.2010 and 03.31.2010, respectively, would have been recorded in the assets of the Company and its subsidiaries.

CPC 26 – Presentation of Financial Statements: deferred income and social contribution taxes expected to be realized within the next twelve months are recorded in current assets. According to CPC 26, these deferred taxes should not be presented as current assets. Therefore, had the aforementioned CPC been applied, consolidated deferred income and social contribution taxes, amounting to R$19,192 and R$18,821 on 06.30.2010 and 03.31.2010, respectively, would have been recognized in non-current assets of the Company and its subsidiaries.

CPC 27 – Fixed assets, CPC 37 – First-time adoption of the International Financial Reporting Standards and ICPC 10 – Clarifications on CPC 27 and CPC 28: the Company is under the process of verifying procedures related to the assets' construction or acquisition costs according to CPC 27 rules, especially the procedures for capitalizing interest and administrative expenses in fixed assets during the construction of the Company's power plants. Alternatively, as set forth in CPC 37 and ICPC 10, the Company may adopt the fair value as cost attributed to fixed assets on the transition date. The Company's Management is evaluating eventual effects deriving from the application of the aforementioned CPCs on its annual and quarterly financial statements to define the registration criterion to be used. Until the date of conclusion of these Financial Statements, the measurement of possible impacts had not yet been concluded due to the operational difficulty in obtaining this information.

CPC 30 - Revenue: the presentation of the Company's consolidated and individual revenue in the income statement separates gross revenue from gross revenue deductions and net revenue. The abovementioned CPC establishes that, for purposes of presentation in the income statement, revenue will only include the gross inflow of economic benefits received and receivable by the entity when originated from its own activities. Amounts collected from third parties, such as taxes on sales and funds allocated to research and development determined by Aneel, are not economic benefits flowing to the entity and do not result in an increase in shareholders' equity. Therefore, they should not be presented as revenue. Also according to the CPC, the Company should disclose in an Explanatory Note the reconciliation between the gross revenue for tax purposes and the revenue presented in the income statement.

CPC 33 – Post-employment Benefits: as provided for in CVM Rule No. 371/00, accumulated actuarial gains within the limit of 10% of the present value of defined-benefit obligation ("corridor") are not recognized in the Company's income (they are disclosed in an Explanatory Note) and losses exceeding the corridor are recognized in income during the average remaining life time of beneficiaries. According to CPC 33, actuarial losses can be recognized in full in the income statement, in shareholders' equity. The Company's Management plans to adopt this procedure along with the other CPCs, which according to the CVM are mandatory when presenting the financial statements for the year ended 12.31.2010. Had this procedure been adopted, the balances of post-employment benefits would have been reduced and the balances of shareholders' equity would have been increased by R$68,342 and R$68,249, as of 06.30.2010 and 03.31.2010, respectively.

For certain CPCs, this process involves the revision of flows, internal controls, electronic systems and other material aspects. Up to this moment, the analyses are not sufficiently advanced to allow the presentation of safe estimates of the possible effects of adopting the new rules.

Except for the comments above, the Company's Management believes that the other pronouncements and interpretations effective as of 2010 will not have a material impact on its financial statements.

Consolidated accounting statements

Intercompany balances, transactions and investments in investees are eliminated in consolidation, as well as balances of assets and liabilities and revenues and expenses resulting from operations among the consolidated companies.

The components of assets and liabilities, revenues and expenses of Itasa were consolidated in proportion to the Company's interest in this investee's capital stock, as it is joint-controlled.

Because the parent company's interest in the other subsidiaries is of 99.99%, there was no effect in the non-controlling shareholding in the consolidated financial statements. Further information on the subsidiaries that have been consolidated can be found in Note 13.

3 – CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current assets				
Cash and bank deposits cash	1,317	3,217	12,898	13,827
Citibank – Exclusive Investment Fund				
Repurchase agreement with Federal Government and Securities[1]				
National Treasury Note (NTN – B)	78,499	373,125	96,272	416,837
Financial Treasury Bill (LFT)	-	326,698	-	364,970
National Treasury Bill (LTN)	581,257	-	712,862	-
	659,756	699,823	809,134	781,807
Financial Institutions[2]				
Bank Deposit Certificate (CDB)	1,047	1,022	12,211	1,258
Purchase and sale commitment in debentures	-	-	26,839	28,417
	1,047	1,022	39,050	29,675
	662,120	**704,062**	**861,082**	**825,309**

The Company structured its financial investments by concentrating its funds in an Exclusive Fixed Income Investment Fund, and its quotas can be redeemed at any time without compromising yields. This fund on average yielded 100.2% of CDI (interbank deposits benchmark rate) in the first half of 2010, net of corresponding costs, such as management fee, custody fee, etc.

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

Cash equivalents are maintained with the purpose of covering short-term liabilities, and consist of cash balance, spot bank deposits and financial investments with immediate liquidity that are promptly convertible into an amount of cash subject to an insignificant risk of change in value. These are classified as financial instruments allocated to trading and are recorded at cost value plus income earned to the balance sheet date, which corresponds to the financial instrument's fair value.

[1] *Sale of securities with repurchase agreements assumed by the seller, concurrently with the resale commitment assumed by the buyer. These operations have immediate liquidity, pay yields at a fixed rate and are backed by federal government securities*

[2] *Banco Safra, Banco Itaú Unibanco Holding S.A (Itaú Unibanco), Banco do Brasil S.A. (Banco do Brasil), Banco Votorantim, Banco Bradesco and Caixa Econômica Federal (CEF).*

4 – CONSUMERS, CONCESSIONAIRES AND PERMITTEES

	Company				
	06.30.2010				03.31.2010
	Current	Past due		Total	Total
		Up to 90 days	Over 90 days		
Current assets					
Concessionaries	206,855	-	-	206,855	238,414
Sellers	89,917	59,938	4,804	154,659	132,811
Free Consumers	24,033	528	173	24,734	22,881
Exports	6,500	-	740	7,240	740
Transactions within CCEE [3]					
- Current	16,845	2,684	537	20,066	8,479
- Agents with lawsuits or in default	110,498	-	12,076	122,574	122,574
	454,648	**63,150**	**18,330**	**536,128**	**525,899**
(-) Allowance for doubtful accounts	(110,498)	-	(12,076)	(122,574)	(122,574)
	344,150	**63,150**	**6,254**	**413,554**	**403,325**

Amounts receivable from sellers past-due up to 90 days correspond to outstanding invoices from the wholly-owned subsidiary Tractebel Energia Comercializadora Ltda. (TBLC). These amounts will be settled as the momentary and specific cash flow instability of this subsidiary is solved, which is expected to happen by November 2010.

	Consolidated				
	06.30.2010				03.31.2010
	Current	Past due		Total	Total
		Up to 90 days	Over 90 days		
Current assets					
Concessionaries	263,859	-	-	263,859	299,278
Sellers	66,002	-	-	66,002	57,692
Free Consumers	99,632	528	173	100,333	95,470
Exports	6,500	-	740	7,240	740
Transactions within CCEE					
- Current	17,965	3,337	541	21,843	10,741
- Agents with lawsuits or in default	110,498	-	12,076	122,574	122,574
	564,456	**3,865**	**13,530**	**581,851**	**586,495**
(-) Allowance for doubtful accounts	(110,498)	-	(12,076)	(122,574)	(122,574)
	453,958	**3,865**	**1,454**	**459,277**	**463,921**

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

[3] *Electric Power Commercialization Chamber (CCEE)*

Agents with lawsuits or in default

The allowance for doubtful accounts related to outstanding amounts, totaling R$110,498, was recognized due to the uncertainties as to the realization of receivables arising from transactions made within the Wholesale Energy Market (MAE), current Electric Power Commercialization Chamber (CCEE) from September 2000 to September 2002, whose debtor agents filed lawsuits because they disagreed with the interpretation adopted by MAE in connection with the Overall Agreement for the Electric Power Sector.

Amounts past due for more than 90 days, identified as "Agents with lawsuits or in default", refer substantially to transactions within MAE, related to debts of agents in default during the 1st settlement of the MAE, on 12.30.2002. Such amounts are under bilateral negotiations. However, due to uncertainties as to their recovery, the Company maintains an allowance for doubtful accounts, in the amount of R$12,076, regardless of the actions applicable to the case.

5 – RECOVERABLE TAXES

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current				
ICMS (state VAT)	3,614	5,613	5,513	7,468
Income Tax	146	146	12,167	11,316
Social Contribution tax	-	-	4,660	6,040
Cofins (tax on revenue)	41,314	3,973	57,588	20,400
PIS (tax on revenue)	9,343	858	12,875	4,424
INSS (social security contribution)	1,519	1,940	1,527	1,948
	55,936	**12,530**	**94,330**	**51,596**
Noncurrent				
ICMS (state VAT)	10,895	11,409	14,231	14,582
Cofins (tax on revenue)	12,347	12,400	70,530	73,029
PIS (tax on revenue)	2,706	2,721	15,338	15,883
INSS (social security contribution)	3,700	3,700	3,700	3,700
	29,648	**30,230**	**103,799**	**107,194**

PIS and Cofins recoverable amounts mainly refer to the option for using the right to credits on building construction and purchases, acquisition of machinery and equipment, pursuant to specific laws, credits which are offset in 24 and 48 months, respectively, as from the plants startup.

In June 2010, the Company recognized gains arising from the final court decision referring to PIS and COFINS unduly paid, in the amount of R$45,803, as described in Note 22. These taxes will be compensated over the following months with federal taxes due by the Company.

6 – COLLATERALS AND RESTRICTED DEPOSITS

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current				
Reserve account (CCEE)	12,307	1,054	16,429	3,260
Noncurrent				
Reserve account – debt amortization	-	-	49,319	64,518
	12,307	**1,054**	**65,748**	**67,778**

Funds from reserve accounts mentioned above are invested in Bank Deposit Certificates (CDB) and in repurchase and resale operations, backed by debentures and/or federal government securities and investment funds, in eligible banks[4] according to the Company's Financial Management Policy. The average yield in the six-month period corresponded to approximately 100% of CDI.

7 – INVENTORIES

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current				
Raw materials for energy production	5,213	6,108	8,311	9,850
Supplies	22,294	22,154	22,986	22,852
Advances to suppliers	9,027	5,905	9,031	5,910
Other	916	1,115	955	1,146
	37,450	**35,282**	**41,283**	**39,758**

Supplies include mainly materials necessary for the operation and maintenance of the Company's generating units.

8– AVAILABLE-FOR-SALE ASSETS

On 05.30.2010, after concluding preliminary negotiations, the Company signed a Proposal Letter for the sale of the Seival Project, comprising Usina Termelétrica Seival Ltda. and its parent company Seival Participações S.A.

Seival Thermoelectric Power Plant (UTE) is a Special Purpose Entity (SPE) organized to implement and operate a steam- powered thermoelectric generation unit, using coal as fuel, in the city of Candiota, state of Rio Grande do Sul and up to 540 MW installed capacity. Up to date, the Company has not been operational.

Acquisition costs and other related to the Seival Project corresponding to R$23,057 on 06.30.2010, previously classified under investments, were reclassified into the "available-for-sale" account, under current assets. This procedure is due to the fact that, in view of current stage of negotiations, it is very likely that this Project will be sold, since the operation was already approved by Tractebel Energia's Board of Directors. A Proposal Letter between the parties defining the basis of negotiations was signed and the Potential Buyer is under audit process for acquisition, whose satisfactory conclusion is a condition to implement the Project.

[4] *Banco do Brasil, Santander, Bradesco, Itaú and Citibank (Exclusive Investment Fund)*

The Proposal Letter establishes an amount of up to R$37,000, subject to discounts and adjustments due to existing debts, liabilities and unknown overstated assets that may be identified in said auditing. Also, according to Proposal Letter, the Company received R$11,100 as down payment, stated under "Other", in current liabilities.

This operation is expected to be concluded within 180 days as of the Proposal Letter acceptance date, which occurred on 05.30.2010.

9– DEFERRED TAX ASSETS

	Company				
	06.30.2010				03.31.2010
Type of credit	Tax basis	Income tax	Social contribution	Total	Total
Interest on property, plant and equipment in progress (RIC)	145,865	36,466	-	36,466	36,466
Post-employment benefits	241,943	60,486	21,775	82,261	90,350
Allowance for doubtful accounts	122,574	30,643	11,032	41,675	41,675
Reserve for contingencies	111,066	27,767	9,996	37,763	36,961
Supplementary depreciation of William Arjona Thermoelectric Power Plant	16,838	4,210	1,515	5,725	6,009
Adjustment to present value of receivables	13,875	3,469	1,249	4,718	4,718
Incorporated goodwill	12,284	3,071	1,105	4,176	4,568
Other	14,723	3,680	1,325	5,005	6,234
		169,792	**47,997**	**217,789**	**226,981**
Classification of deferred tax assets:					
Current		12,517	3,193	15,710	16,610
Noncurrent		157,275	44,804	202,079	210,371
		169,792	**47,997**	**217,789**	**226,981**

06.01 – NOTES TO THE FINANCIAL STATEMENTS

	Consolidated				
	06.30.2010				03.31.2010
Type of credit	Tax basis	Income tax	Social contribution	Total	Total
Interest on property, plant and equipment in progress (RIC)	145,865	36,466	-	36,466	36,466
Post-employment benefits	241,943	60,486	21,775	82,261	90,350
Allowance for doubtful accounts	122,574	30,643	11,032	41,675	41,675
Reserve for contingencies	146,159	30,074	13,154	43,228	41,966
Supplementary depreciation of William Arjona Thermoelectric Power Plant	16,838	4,210	1,515	5,725	6,009
Adjustment to present value of receivables	13,875	3,469	1,249	4,718	4,718
Incorporated goodwill	12,284	3,071	1,105	4,176	4,568
Tax loss	81,164	16,508	7,306	23,814	18,196
Other	43,550	5,584	3,920	9,504	10,415
		190,511	**61,056**	**251,567**	**254,363**
Classification of deferred tax assets:					
Current		13,943	5,249	19,192	18,821
Noncurrent		176,568	55,807	232,375	235,542
		190,511	**61,056**	**251,567**	**254,363**

To calculate income tax, the Company took into consideration the tax incentive of subsidiary Ponte de Pedra Energética S.A., which corresponds to a 75% reduction in its calculation basis.

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

The estimated realization of deferred tax assets and their recovery:

	Company	Consolidated
Recorded deferred tax asset:		
July 2010 to June 2011	15,710	19,192
July to December 2011	12,149	20,491
2012	19,666	22,143
2013	21,228	24,617
2014	34,178	38,638
2015	56,591	62,044
2016 to 2018	39,285	44,528
2019 to 2020	18,982	19,914
	217,789	**251,567**
Unrecorded deferred tax asset:		
July 2020 to December 2022	2,290	2,290
2023 to 2025	2,748	2,748
2026 and thereafter	1,422	1,422
	6,460	**6,460**

The unrecorded deferred tax asset corresponds to RIC, whose realization occurs proportionally to the depreciation of the underlying assets, which currently exceeds 10 years, resulting in an unrecorded deferred tax asset, in compliance with CVM Rule No. 371/02 of 06.27.2002.

10 – TAX RECONCILIATION IN INCOME

	Company							
	2010				2009			
	2nd Quarter		Accumulated		2nd Quarter		Accumulated	
	IR*	CS*	IR	CS	IR	CS	IR	CS
Income before taxes	**409,802**	**409,802**	**793,600**	**793,600**	**378,668**	**378,668**	**720,508**	**720,508**
Permanent differences								
Management bonuses and 13th salary	1,114	-	1,937	-	1,295	-	1,843	-
Donations	1,098	1,098	2,158	2,158	863	863	2,268	2,268
Equity in subsidiaries	350	350	15,632	15,632	(34,301)	(34,301)	(53,915)	(53,915)
RIC	(3,663)	-	(7,327)	-	(3,663)	-	(7,327)	-
Other	593	957	2,014	2,000	(1,562)	(1,345)	(1,025)	(1,649)
Tax basis	**409,294**	**412,207**	**808,014**	**813,390**	**341,300**	**343,885**	**662,352**	**667,212**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income and social contribution taxes	**(102,324)**	**(37,098)**	**(202,004)**	**(73,205)**	**(85,325)**	**(30,949)**	**(165,588)**	**(60,049)**
Income and social contribution taxes from previous periods	-	-	(844)	469	-	-	-	-
Tax incentives	1,098	-	2,158	-	863	-	2,268	-
Other	6	(3)	12	(3)	6	-	12	-
Income and social contribution taxes	**(101,220)**	**(37,101)**	**(200,678)**	**(72,739)**	**(84,456)**	**(30,949)**	**(163,308)**	**(60,049)**
Breakdown of taxes in the statement of income:								
Current	(94,461)	(34,668)	(194,369)	(70,468)	(86,249)	(31,595)	(167,180)	(61,443)
Deferred	(6,759)	(2,433)	(6,309)	(2,271)	1,793	646	3,872	1,394
	(101,220)	**(37,101)**	**(200,678)**	**(72,739)**	**(84,456)**	**(30,949)**	**(163,308)**	**(60,049)**

*Income Tax – IR/Social Contribution – CS

06.01 – NOTES TO THE FINANCIAL STATEMENTS

	Consolidated							
	2010				2009			
	2nd Quarter		Accumulated		2nd Quarter		Accumulated	
	IR	CS	IR	CS	IR	CS	IR	CS
Income before taxes	**409,220**	**409,220**	**786,010**	**786,010**	**391,029**	**391,029**	**740,791**	**740,791**
Permanent differences								
Management bonuses and 13th salary	1,151	-	2,011	-	1,349	-	1,938	-
Donations	1,098	1,098	2,158	2,158	863	863	2,268	2,268
Calculation basis adjustment in subsidiaries taxed by presumed profit	(2,945)	(2,269)	(7,784)	(6,299)	1,763	1,850	(4,075)	(2,526)
RIC	(3,663)	-	(7,327)	-	(3,663)	-	(7,327)	-
Other	702	1,042	4,989	4,935	(6,260)	(4,843)	(3,578)	(4,994)
Tax basis	**405,563**	**409,091**	**780,057**	**786,804**	**385,081**	**388,899**	**730,017**	**735,539**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income and social contribution taxes	**(101,390)**	**(36,817)**	**(195,014)**	**(70,811)**	**(96,270)**	**(35,000)**	**(182,504)**	**(66,198)**
Income and social contribution taxes from previous periods	-	-	(2,532)	(139)	-	-	-	-
Tax Incentives	2,171	-	3,973	-	2,916	-	5,631	-
Other	(1,585)	(118)	(1,627)	323	538	50	(619)	50
Income and social contribution taxes	**(100,804)**	**(36,935)**	**(195,200)**	**(70,627)**	**(92,816)**	**(34,950)**	**(177,492)**	**(66,148)**
Breakdown of taxes in the statement of income:								
Current	(97,341)	(36,166)	(200,072)	(73,331)	(92,054)	(32,253)	(178,770)	(64,559)
Deferred	(3,463)	(769)	4,872	2,704	(762)	(2,697)	1,278	(1,589)
	(100,804)	**(36,935)**	**(195,200)**	**(70,627)**	**(92,816)**	**(34,950)**	**(177,492)**	**(66,148)**

The subsidiary PPESA has a reduction of income tax and surcharges equivalent to 75% on exploration profits for the period of 10 years as from 2006, as it is located in an incentive area of the Sudam. Such reduction, amounting to R$1,815 (R$3,363 on 06.30.2009), is presented in the tax incentives group, in the chart above.

11 – SALES OF ASSETS AND RIGHTS

The balance of R$86,886, in the parent company and consolidated, corresponds to the book value receivable from Elétrica Jacuí S.A. (Eleja) related to the sale of the Jacuí thermoelectric project, net of present value adjustment of R$13,875.

The terms of the agreement set forth that the sale amounts must be adjusted based on the IGP-DI (general price index – domestic supply) and received in 36 installments after 2004, the sale date. As contractual amounts are at future prices, the Company discounted the price to present value based on the discount rate of 10% p.a., a rate that meets the market requirements on the transaction date.

As from February 2009, Eleja no longer paid the monthly due installments, which accumulated R$32,548 on 06.30.2010 (R$23,390 on 03.31.2010). In July 2009, after several unsuccessful attempts to obligate Eleja to resume overdue payments, the Company concluded that it had no other option than to file-judicial proceedings in respect of the agreement.

The execution proceeding has been made in the amount corresponding to the total debt, since Eleja's default accelerated the maturity of all existing debt, which is automatically considered overdue and payable.

Prudently, the Company stopped recognizing interest and monetary restatement related to the amounts receivable from Eleja as of July 2009. Additionally, in view of the uncertainty so as to the settlement term of the above referred credit, the Company now presents the amounts receivable under noncurrent assets. On 06.30.2010, the face value of the debt, restated by the IGP-DI, was R$104,285 (R$102,414 on 03.31.2010).

Should Eleja's default persist, the execution proceedings allows the Company to seize assets used as collateral aiming to settle the Company's debts. Currently, these assets, which have already been pledged, have a market value in an amount sufficient to recover the recorded credit, reason that the Company's Management believes it is not necessary to record any provision for losses.

The execution proceedings filed against Eleja has been in progress at the court of Florianópolis (state of Santa Catarina), and the provisional attachment of collateral was granted at the registry of deeds and documents of Charqueadas (state of Rio Grande do Sul).

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

12 – CREDITS WITH RELATED PARTIES (Parent Company)

Credits with related parties mainly refer to a loan agreement with the indirect subsidiary Ibitiúva Bioenergética, whose funds were invested to build the power plant. These amounts have been received to the extent that BNDES authorizes the funds resulting from the loan agreement entered into with Ibitiúva Bioenergética. In June 2010, R$27,659 was received, thus, remaining R$27,563 thousand on 06.30.2010. This loan agreement includes interest yields according to the 100% variation of the Selic rate.

13 – INVESTMENTS

a) Breakdown

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Investments in subsidiaries:				
Accounted for under the equity method				
Equity in subsidiaries	2,109,711	2,099,024	-	-
Goodwill	34,004	34,891	-	-
Accounted for at acquisition cost	28,796	28,796	31,767	31,767
Assets and rights for future use	1,895	1,895	1,895	1,895
Advance for investment acquisition	304,556	304,556	304,556	304,556
Other Investments	121	121	121	121
	2,479,083	**2,469,283**	**338,339**	**338,339**

In accordance with the accounting practices adopted in Brazil, assets and liabilities recorded in the opening balance sheet of the entities acquired are acknowledged as an investment by the acquiring company, and goodwill ascertained in acquisitions correspond to the amount paid which exceeds the book value of the shareholders' equity of the entity acquired. This procedure was adopted by the Company in the individual balance sheets of Tractebel Energia and its subsidiaries, used as a vehicle to acquire companies.

In order to prepare the consolidated balance sheet, the Company considered that the goodwill paid in acquisitions is based on the exploration of the right to use a public asset, provided for in the concession agreements. This is recorded under property, plant and equipment, jointly with the amount of each concession considered part of these assets, when applicable, because this right is not separable, that is, it cannot be sold or transferred separately from the property, plant and equipment.

b) Permanent corporate interest

b.1) Evaluated according to the equity method

	06.30.2010				2Q10	03.31.2010	2Q09
Subsidiaries	**1,000 shares or quotas**	**AFAC (*)**	**Interest (%)**	**Shareholders' equity**	**Net income (loss)**	**Shareholders' equity**	**Net income (loss)**
Itasa (1)	253,607	-	48.75	656,865	9,845	647,020	19,921
CESS (2)	309,289	32,200	99.99	322,919	(12,906)	317,525	3,531
Lages (3)	30,530	-	99.99	68,106	1,902	66,204	1,024
TBLC (4)	4,200	-	99.99	72,315	6,152	66,163	11,337
EAS (5)	794,470	-	99.99	807,410	(902)	808,312	7,507
TBLP (6)	509,010	18,518	99.99	518,470	569	502,053	644
Delta (7)	24,468	35	99.99	23,111	36	23,075	(25)
L. Formosa (8)	270	-	99.99	269	-	269	-

(*) *Advance for future capital increase (AFAC).*
(1) *Itá Energética S.A. (Itasa).*
(2) *Companhia Energética São Salvador (CESS), commercial operation started in August 2009.*
(3) *Lages Bioenergética Ltda. (Lages).*
(4) *Tractebel Energia Comercializadora Ltda. (TBLC).*
(5) *Energia América do Sul Ltda. (EAS), Specific Purpose Entity (SPE) used as vehicle for the acquisition of 99.99% of Ponte de Pedra Energética S.A.(PPESA).*
(6) *Tractebel Energias Complementares Participações Ltda. (TBLP), formerly Gama Participações Ltda., SPE used as vehicle for the acquisition of 99.99% of Tupan Energia Elétrica S.A. (Tupan), Hidropower Energia S.A. (Hidropower), Eólica Beberibe S.A. (Beberibe), Eólica Pedra do Sal S.A. (Pedra do Sal), Hidrelétrica Areia Branca S.A. (Areia Branca) and Econergy Brasil Serviços Corporativos Ltda.(EBSC), and for the interest in Ibitiúva Bioenergética S.A. (Ibitiúva).*
(7) *Delta Energética S.A. (Delta), SPE used as vehicle for the acquisition of Seival Participações S.A.*
(8) *Lagoa Formosa Bioenergética Ltda. (L. Formosa).*

Changes in investments

Equity in subsidiaries

Subsidiaries	Balances as of 12.31.2009	AFAC	Equity in subsidiaries	Balances as of 03.31.2010
Itasa	310,144	-	5,278	315,422
CESS	324,801	13,900	(21,176)	317,525
Lages	64,056	-	2,148	66,204
TBLC	72,077	-	(5,914)	66,163
EAS	653,481	152,200	2,631	808,312
TBLP	497,632	2,670	1,751	502,053
Delta	23,040	35	-	23,075
Lagoa Formosa	269	-	-	269
Épsilon (*)	1	-	-	1
	1,945,501	**168,805**	**(15,282)**	**2,099,024**

(*) *Épsilon Parcitipações Ltda.*

Subsidiaries	Balances as of 03.31.2010	Capital increase / AFAC	Equity in subsidiaries	Transfer to current assets	Balances as of 06.30.2010
Itasa	315,422	-	4,799	-	320,221
CESS	317,525	18,300	(12,906)	-	322,919
Lages	66,204	-	1,902	-	68,106
TBLC	66,163	-	6,152	-	72,315
EAS	808,312	-	(902)	-	807,410
TBLP	502,053	15,848	569	-	518,470
Delta	23,075	-	36	(23,111)	-
Lagoa Formosa	269	-	-	-	269
Épsilon	1	-	-	-	1
	2,099,024	**34,148**	**(350)**	**(23,111)**	**2,109,711**

Advance for investment acquisition

It refers to the payment of the first installment corresponding to the acquisition of SUEZ Energia Renovável S.A. (SER) on 01.19.2010, in the amount of R$304,556, including the monetary restatement by IPCA and interest yield of 6% p.a. as of the date of execution of the agreement.

Pursuant to the purchase agreement of all of the shares and other covenants, the Company shall acquire all common shares issued by SER, a subsidiary of GDF SUEZ Energy Latin America Participações Ltda (GSELA). SER holds a 40.07% interest in Estreito Energia S.A. (Ceste) a consortium created on 11.5.2002 for the implementation and operation of Estreito Hydroelectric Project (AHE), which has installed capacity of 1,087 MW. Other Ceste's consortium members are Companhia Vale do Rio Doce (30%), Estreito Energia S.A. (Alcoa Group – 25.49%) and Camargo Corrêa Geração de Energia S.A. (4.44%). SER is the consortium's leader.

The effectiveness of the acquisition was subject to the usual suspensive conditions in this type of transactions, including, but not limited to the approval of acquisition by Aneel, third parties' consent, including BNDES and other financial institutions creditors of SER, pursuant to the respective loan agreements executed thereby, which was complied with by the end of July 2010.

Based on the Appraisal Report prepared by Banco Santander (Brazil) S.A., the purchase price was established at R$604,390, 50% of which paid on 01.19.2010 and the remaining to be paid by 07.31.2010, as long as the previous consents are obtained. If said consents are not obtained by 07.31.2010, the payment of the remaining amount shall be made in up to 10 business days after the last previous consent is obtained. Additionally, any advances for future capital increase (AFAC) made by GSELA in SER after the agreement execution date, if approved by the Company, will return to GSELA. Notwithstanding the provisions of the agreement, the parties agreed to postpone the financial settlement of the purchase price second installment, and also the refund of AFACs to October 2010. All these payments will be monetarily restated by IPCA variation plus an annual interest yield of 6% *pro rata temporis,* from the agreement execution date until the date of its effective payment. Until 06.30.2010, GSELA had made AFACs in SER of R$107,595, all of them previously approved by the Company pursuant to the Agreement. The shareholders' equity of SER on 06.30.2010, including said AFAC, was R$656,355.

14 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	Company				
	06.30.2010				03.31.2010
	Average depreciation rates	Adjusted cost	Accumulated depreciation/ amortization	Net	Net
In service					
Hydroelectric generation					
UHE Salto Santiago	2.41	645,107	(542,295)	102,812	106,480
UHE Salto Osório	2.65	336,383	(249,855)	86,528	87,901
UHE Passo Fundo	2.29	122,368	(97,765)	24,603	23,981
UHE Itá (consortium)	3.58	1,233,945	(330,930)	903,015	913,469
UHE Machadinho (consortium)	3.18	180,880	(40,097)	140,783	142,161
UHE Cana Brava	3.03	964,585	(204,390)	760,195	766,250
		3,483,268	**(1,465,332)**	**2,017,936**	**2,040,242**
Thermoelectric generation					
Jorge Lacerda complex	4.69	2,571,854	(1,598,365)	973,489	987,792
UTE Charqueadas	13.57	70,168	(52,954)	17,214	13,762
UTE Alegrete	3.90	8,371	(7,300)	1,071	1,085
UTE William Arjona	4.31	174,706	(85,648)	89,058	90,092
		2,825,099	**(1,744,267)**	**1,080,832**	**1,092,731**
General equipment and other		**63,275**	**(30,368)**	**32,907**	**35,461**
		6,371,642	**(3,239,967)**	**3,131,675**	**3,168,434**
Construction in progress					
Hydroelectric generation		**17,060**	**-**	**17,060**	**17,553**
Thermoelectric generation					
Jorge Lacerda complex		**48,154**	**-**	**48,154**	**50,265**
UTE Charqueadas		**53,473**	**-**	**53,473**	**54,602**
Other UTE (construction work)		**673**	**-**	**673**	**613**
General equipment and other		**5,277**	**-**	**5,277**	**3,815**
		124,637	**-**	**124,637**	**126,848**
Total property, plant and equipment		**6,496,279**	**(3,239,967)**	**3,256,312**	**3,295,282**
Special liabilities		**(10,402)**	**-**	**(10,402)**	**(10,423)**
		6,485,877	**(3,239,967)**	**3,245,910**	**3,284,859**

06.01 – NOTES TO THE FINANCIAL STATEMENTS

	Consolidated				
	06.30.2010				03.31.2010
	Average depreciation rates	Adjusted cost	Accumulated depreciation/ amortization	Net	Net
In service					
Hydroelectric generation					
UHE Salto Santiago	2.41	645,107	(542,295)	102,812	106,480
UHE Salto Osório	2.65	336,383	(249,855)	86,528	87,901
UHE Passo Fundo	2.29	122,368	(97,765)	24,603	23,981
UHE Itá (consortium)	3.58	1,778,405	(468,645)	1,309,760	1,324,852
UHE Machadinho (consortium)	3.18	180,880	(40,097)	140,783	142,161
UHE Cana Brava	3.03	964,585	(204,390)	760,195	766,250
UHE Ponte de Pedra	3.60	1,190,615	(131,614)	1,059,001	1,069,620
UHE São Salvador	3.62	1,276,150	(41,104)	1,235,046	1,246,583
PCH Rondonópolis	4.00	184,483	(13,805)	170,678	172,364
PCH Engenheiro José Gelazio da Rocha	3.80	157,053	(13,491)	143,562	144,937
PCH Areia Branca	4.90	138,698	(2,276)	136,422	138,114
		6,974,727	**(1,805,337)**	**5,169,390**	**5,223,243**
Thermoelectric generation					
Jorge Lacerda complex	4.69	2,571,854	(1,598,365)	973,489	987,792
UTE Charqueadas	13.57	70,168	(52,954)	17,214	13,762
UTE Alegrete	3.90	8,371	(7,300)	1,071	1,085
UTE William Arjona	4.31	174,706	(85,648)	89,058	90,092
Lages Co-Generation Unit	4.38	76,200	(19,970)	56,230	57,173
UTE Ibitiúva Bioenergética	6.60	95,782	(535)	95,247	-
		2,997,081	**(1,764,772)**	**1,232,309**	**1,149,904**
Wind generation					
EOL Beberibe	4.70	185,942	(16,273)	169,669	171,775
EOL Pedra do Sal	4.80	118,609	(8,416)	110,193	111,629
		304,551	**(24,689)**	**279,862**	**283,404**
General equipment and other	10.00	**63,666**	**(30,538)**	**33,128**	**36,200**
		10,340,025	**(3,625,336)**	**6,714,689**	**6,692,751**
In progress					
Hydroelectric generation					
UHE São Salvador		58,771	-	58,771	55,856
PCH Areia Branca		4,331	-	4,331	-
Other UHE (construction work)		19,576	-	19,576	19,091
		82,678	**-**	**82,678**	**74,947**
Thermoelectric generation					
UTE Ibitiúva Bioenergética		-	-	-	82,324
Jorge Lacerda complex		48,154	-	48,154	50,265
UTE Charqueadas		53,473	-	53,473	54,602
Other UTE (construction work)		1,044	-	1,044	4,263
		102,671	**-**	**102,671**	**191,454**
Wind generation		**584**	**-**	**584**	**648**
General equipment and other		**5,277**	**-**	**5,277**	**3,897**
		191,210	**-**	**191,210**	**270,946**
Total property, plant and equipment		**10,531,235**	**(3,625,336)**	**6,905,899**	**6,963,697**
Special liabilities		**(10,527)**	**-**	**(10,527)**	**(10,548)**
		10,520,708	**(3,625,336)**	**6,895,372**	**6,953,149**

b) Changes in property, plant and equipment

	Company			Consolidated		
	In service	In progress	Total	In service	In progress	Total
Balance as of 12.31.2009	**3,208,752**	**112,466**	**3,321,218**	**6,624,979**	**363,574**	**6,988,553**
Additions						
UHE Salto Osório	-	681	681	-	681	681
UHE Salto Santiago	-	5,470	5,470	-	5,470	5,470
UHE São Salvador	-	-	-	-	6,051	6,051
PCH Areia Branca	-	-	-	-	5,163	5,163
Jorge Lacerda complex	-	13,762	13,762	-	13,762	13,762
UTE Charqueadas	-	4,947	4,947	-	4,947	4,947
UTE Ibitiúva Bioenergética	-	-	-	-	19,946	19,946
Other plants	-	3,288	3,288	-	9,035	9,035
Transfers	13,766	(13,766)	-	157,683	(157,683)	-
Depreciation	(54,014)	-	(54,014)	(89,565)	-	(89,565)
Write-offs and transfers	(70)	-	(70)	(346)	-	(346)
Balance as of 03.31.2010	**3,168,434**	**126,848**	**3,295,282**	**6,692,751**	**270,946**	**6,963,697**
Additions						
UHE Salto Osório	-	1,311	1,311	-	1,311	1,311
UHE Salto Santiago	-	481	481	-	481	481
UHE São Salvador	-	-	-	-	2,915	2,915
PCH Areia Branca	-	-	-	-	4,364	4,364
Jorge Lacerda complex	-	9,307	9,307	-	9,307	9,307
UTE Charqueadas	-	3,083	3,083	-	3,083	3,083
UTE Ibitiúva Bioenergética	-	-	-	-	13,458	13,458
Other plants	-	1,223	1,223	-	2,900	2,900
Transfers	17,616	(17,616)	-	114,026	(114,026)	-
Depreciation	(54,367)	-	(54,367)	(91,550)	-	(91,550)
Write-offs and transfers	(8)	-	(8)	(538)	(3,529)	(4,067)
	3,131,675	**124,637**	**3,256,312**	**6,714,689**	**191,210**	**6,905,899**
Special liabilities	(10,402)	-	(10,402)	(10,527)	-	(10,527)
Balance as of 06.30.2010	**3,121,273**	**124,637**	**3,245,910**	**6,704,162**	**191,210**	**6,895,372**

c) Depreciation of assets comprising the Plants' Original Project

The Company's interpretation of Law No. 8,987/95 and Decree No. 2,003/96, i.e., at the end of the concession term, a compensation of the residual value established in the Original Project shall not be granted by the Concession Grantor. As a result, the Company, as of 01.01.2007, has depreciated said assets at the rates determined by Aneel, limited to the concession term, even though the agreements and the law provide for the possibility that the concession is renewed.

d) Allocation of financial charges

Loan financial charges related to the construction of power plants are recognized in construction in progress. No charge was capitalized in the first quarter of 2010, and in the second quarter of 2009 the total capitalized amount was R$15,726.

e) Asset impairment

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

f) Restriction on assets

According to Articles 63 and 64 of Decree No. 41,019, of 02.26.1957, assets and facilities used in the generation, transmission, distribution and sale of electric power are attached to such services and cannot be removed, disposed of or pledged as mortgage guarantees without the prior and express authorization of the Regulatory Agency. Resolution 20/99 of Aneel regulates the removal of restriction on assets of Electric Power Public Utility concessions, granting previous authorization for the removal of restrictions on assets unserviceable to the concession, when meant for disposal, and further sets forth that the proceeds of disposals be deposited in a restricted bank account to be invested in the concession.

g) Assets of the Federal Government used by the Company

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

15 – INTANGIBLE ASSETS

a) Breakdown

	Company					
	06.30.2010			03.31.2010		
	Adjusted cost	Accumulated amortization	Net	Adjusted cost	Accumulated amortization	Net
License	16,861	(10,679)	6,182	15,256	(10,408)	4,848
Goodwill merged from CEM	44,578	(33,087)	11,491	44,578	(32,009)	12,569
	61,439	**(43,766)**	**17,673**	**59,834**	**(42,417)**	**17,417**

	Consolidated					
	06.30.2010			03.31.2010		
	Adjusted cost	Accumulated amortization	Net	Adjusted cost	Accumulated amortization	Net
License	19,812	(11,515)	8,297	17,788	(11,155)	6,633
Electricity purchase right	64,561	-	64,561	64,561	-	64,561
Goodwill merged from CEM	44,578	(33,087)	11,491	44,578	(32,009)	12,569
Goodwill merged from Itasa	72,793	(65,307)	7,486	72,793	(63,487)	9,306
Seival Participações goodwill	-	-	-	19,528	-	19,528
	201,744	**(109,909)**	**91,835**	**219,248**	**(106,651)**	**112,597**

The license and electricity purchase rights have defined useful lives. The first is being amortized within five years and the second will be amortized during the effectiveness of the purchase agreement from 2013 to 2023.

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

b) Changes

	Company	Consolidated
Balance as of 12.31.2009	**18,238**	**115,062**
License - entry	526	528
Amortization	(1,347)	(2,993)
Balance as of 03.31.2010	**17,417**	**112,597**
License - entry	1,605	2,024
Transfer to current assets	-	(19,528)
Amortization	(1,349)	(3,258)
Balance as of 06.30.2010	**17,673**	**91,835**

Goodwill paid for Seival was transferred to "Available-for-sale assets", under current assets, since the Company intends to sell the Seival Project. This intention was expressed upon the execution of the Sale Proposal Letter, as mentioned in Note 8.

16 – LOANS AND FINANCING

a) Breakdown

	Company					
	06.30.2010			03.31.2010		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Foreign currency						
National Treasury (STN) [5]	16,201	120,217	136,418	16,417	130,890	147,307
BNP Paribas (Floating Rate Note)	-	87,660	87,660	-	97,336	97,336
Charges	5,202	-	5,202	6,746	-	6,746
	21,403	**207,877**	**229,280**	**23,163**	**228,226**	**251,389**
Domestic currency						
Eletrobras [6]	26,332	-	26,332	31,083	2,733	33,816
BNDES	14,965	27,435	42,400	14,965	31,176	46,141
Banco do Brasil	3,529	1,765	5,294	3,529	2,647	6,176
Charges	202	-	202	236	-	236
	45,028	**29,200**	**74,228**	**49,813**	**36,556**	**86,369**
	66,431	**237,077**	**303,508**	**72,976**	**264,782**	**337,758**

[5] *Figures net of deposited guarantees, which can only be withdrawn for loan amortization at maturity.*
[6] *Centrais Elétricas Brasileiras S.A. (Eletrobras).*

	Consolidated					
	06.30.2010			03.31.2010		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Foreign currency						
National Treasury (STN)	16,201	120,217	136,418	16,417	130,890	147,307
BNP Paribas (Floating Rate Note)	-	87,660	87,660	-	97,336	97,336
Charges	5,202	-	5,202	6,746	-	6,746
	21,403	**207,877**	**229,280**	**23,163**	**228,226**	**251,389**
Domestic currency						
Eletrobras	26,332	-	26,332	31,083	2,733	33,816
BNDES	54,635	513,534	568,169	53,354	490,238	543,592
Financing agents (BNDES)	47,160	432,631	479,791	47,159	444,474	491,633
Banco do Brasil	7,495	26,883	34,378	7,496	28,756	36,252
BRDE [7]	6,834	7,974	14,808	6,835	9,682	16,517
Federal Savings Bank	5,641	47,963	53,604	5,559	48,650	54,209
Charges	3,978	-	3,978	4,292	-	4,292
	152,075	**1,028,985**	**1,181,060**	**155,778**	**1,024,533**	**1,180,311**
	173,478	**1,236,862**	**1,410,340**	**178,941**	**1,252,759**	**1,431,700**

Prepayment of the financing contracted with BNDES and financing agents

On 02.17.2010, the indirect subsidiary Ponte de Pedra Energética S.A. (PPESA) amortized in advance all its financial debt with BNDES and financing agents using resources of its own and contributed by its parent company. The early amortization of R$233,187 is part of the plan to merge PPESA and its controlling holding Energia América do Sul S.A. into Tractebel Energia, aiming at simplifying its corporate structure.

Financing of Ibitiúva Bioenergética Thermoelectric Power Plant

On 06.28.2010, BNDES made its first disbursement for the financing of Ibitiúva Bioenergética Thermoelectric Power Plant, in the amount of R$35,842. Most of this disbursement was made according to BNDES' Investment Support Program (PSI). The total loan amount is R$82,469, divided into 4 sub-credits destined to the power plant and substation; the acquisition of domestic machinery and equipment; the implementation of transmission systems for the power plant's restricted interest and the interconnection with the current electric network; and the payment of the last installment of the Procurement and Construction Contracts *(*EPC).

[7] *Banco Regional de Desenvolvimento do Extremo Sul (BRDE).*

b) Changes in loans and financing

	Company			Consolidated		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Balance as of 12.31.2009	**67,954**	**276,776**	**344,730**	**221,346**	**1,465,106**	**1,686,452**
Transfers	12,815	(12,815)	-	215,454	(215,454)	-
Interest rates	6,133	-	6,133	31,468	2,286	33,754
Capitalized interest	-	-	-	(982)	-	(982)
Exchange variation	627	1,818	2,445	627	1,818	2,445
Interest on guarantees	-	(997)	(997)	-	(997)	(997)
Amortization - principal	(12,057)	-	(12,057)	(261,217)	-	(261,217)
Amortization – interest	(2,496)	-	(2,496)	(27,755)	-	(27,755)
Balance as of 3.31.2010	**72,976**	**264,782**	**337,758**	**178,941**	**1,252,759**	**1,431,700**
Inflows	-	-	-	-	35,657	35,657
Transfers	15,231	(15,231)	-	41,173	(41,173)	-
Interest rates	5,704	-	5,704	27,446	2,093	29,539
Exchange variation	(497)	(11,493)	(11,990)	(497)	(11,493)	(11,990)
Interest on guarantees	-	(981)	(981)	-	(981)	(981)
Amortization - principal	(20,024)	-	(20,024)	(44,690)	-	(44,690)
Amortization – interest	(6,959)	-	(6,959)	(28,895)	-	(28,895)
Balance as of 06.30.2010	**66,431**	**237,077**	**303,508**	**173,478**	**1,236,862**	**1,410,340**

c) Breakdown by foreign currency and local indices

	Company					
	06.30.2010			03.31.2010		
	Currency-in thousands	Reais	%	Currency-in thousands	Reais	%
Foreign currency						
US dollar (USD)	77,615	138,356	45.58	83,985	151,711	44.92
Euro (EUR)	41,489	90,924	29.96	40,963	99,678	29.51
		229,280	**75.54**		**251,389**	**74.43**
Local currency						
TJLP		42,569	14.03		46,337	13.72
Not indexed		31,659	10.43		40,032	11.85
		74,228	**24.46**		**86,369**	**25.57**
		303,508	**100.00**		**337,758**	**100.00**

	Consolidated					
	06.30.2010			03.31.2010		
	Currency - in thousands	Reais	%	Currency-in thousands	Reais	%
Foreign currency						
US dollar (USD)	77,615	138,356	9.81	83,985	151,711	10.60
Euro (EUR)	41,489	90,924	6.45	40,963	99,678	6.96
		229,280	**16.26**		**251,389**	**17.56**
Local currency						
TJLP		1,120,187	79.43		1,110,072	77.53
Not indexed		60,873	4.31		70,239	4.91
		1,181,060	**83.74**		**1,180,311**	**82.44**
		1,410,340	**100.00**		**1,431,700**	**100.00**

d) Changes in foreign currencies and indices

Currency – index	2010 (%)		2009 (%)	
	2nd Quarter	Accum.	2nd Quarter	Accum.
US dollar– USD	0.09	2.38	(15.70)	(16.49)
Euro – EUR	(8.98)	(12.60)	(10.99)	(15.39)
TJLP	1.50	3.00	1.53	3.08

e) Maturity of loans and financing under noncurrent liabilities

	Company			Consolidated		
	Foreign currency	Local currency	Total	Foreign currency	Local currency	Total
July to December 2011	8,100	9,247	17,347	8,100	62,885	70,985
2012	11,989	14,965	26,954	11,989	121,506	133,495
2013	7,778	4,988	12,766	7,778	100,954	108,732
2014	3,760	-	3,760	3,760	76,373	80,133
2015	87,660	-	87,660	87,660	77,227	164,887
2016 to 2023	-	-	-	-	586,412	586,412
2024	88,590	-	88,590	88,590	3,628	92,218
	207,877	**29,200**	**237,077**	**207,877**	**1,028,985**	**1,236,862**

f) Contractual terms and conditions

	Charges	Payment conditions		
		Maturity	Charges	Principal
Foreign currency				
TBLE				
STN	*Libor* + 1.075% p.a.	04/2024	Semi-annual	Semi-annual
BNP Paribas (Floating Rate Note)	*Euribor* + 2.75% p.a.	11/2015	Annual	November 2015

	Charges	Payment conditions	
		Maturity	Principal and charges
Local currency			
TBLE			
Eletrobras	12% p.a.	04/2011	Monthly
BNDES	TJLP + 4% p.a. [(a)]	04/2013	Monthly
Banco do Brasil	8.14% p.a. [(c)]	12/2011	Monthly
Itasa			
BNDES	TJLP + 4% p.a. [(a)]	09/2013	Monthly
Financing agents (BNDES) [(b)]	TJLP + 3.85% p.a. [(a)]	09/2013	Monthly
Lages - BRDE	TJLP + 2.25% p.a. [(a)]	08/2012	Monthly
CESS			
BNDES	TJLP + 2.7% p.a. [(a)]	10/2023	Monthly
Financing agents (BNDES) [(b)]	TJLP + 3.25% p.a. [(a)]	10/2023	Monthly
Tupan - CEF	TJLP + 3.5% p.a. [(a)]	12/2019	Monthly
Hidropower - Banco do Brasil	8.08% p.a. [(c)]	10/2017	Monthly
Beberibe - BNDES	TJLP + 3.5% p.a. [(a)]	12/2023	Monthly
Pedra do Sal - BNDES	TJLP + 1.92% p.a. [(a)]	12/2023	Monthly
Areia Branca - BNDES	TJLP + 2.5% p.a. [(a)]	06/2024	Monthly, as of July 2010
Ibitiúva			
BNDES – Subcredit B	4.5% p.a.	01/2020	Monthly, as of February 2011
BNDES – Subcredit C	TJLP + 2.05% p.a. [(a)]	01/2021	Monthly, as of February 2011

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

[(b)] The Funding Agents of the BNDES are Itaú Unibanco Holding S.A., Banco Bradesco, Banco Santander and Banco Votorantim.

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

g) Guarantees

g.1) Tractebel Energia S.A.

Loans and financing in foreign currency

National Treasury: (a) Assignment and transfer to the Federal Government of the receivables, up to the limit sufficient to cover the payment of the installments and other charges on each maturity date; (b) pledged deposit amounting to R$61,613 on 06.30.2010 (R$61,446 on 03.31.2010), which is stated as an offsetting account of the underlying financing.

There are no guarantees granted for the other loans and financing in foreign currency.

Loans and financing in local currency

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

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

BNDES: Letter of Guarantee from Itaú Unibanco Holding S.A., in the amount of R$131,966, valid up to 10.15.2013.

g.2) Itasa

BNDES and BNDES Financing Agents: (a) Pledge of concession-related rights; (b) Pledge of receivables resulting from the Electricity Purchase and Sale Agreements entered into with its shareholders; (c) reserve account in an amount equivalent to three months of the BNDES debt (substituted by bank guarantee), and three months of Itá hydroelectric power plant's contractual operation and maintenance expenses. In addition to these guarantees, the shareholders pledged all the shares of Itasa to the BNDES and the Financing Agent.

g.3) Lages

BRDE: (a) assignment of receivables from the electricity purchase agreement executed with Centrais Elétricas de Santa Catarina S.A. (Celesc); (b) assignment of receivables arising from the authorization granted by Aneel to establish itself as an independent electricity producer; (c) obligation to maintain a reserve account with a deposit equivalent to an average of four months of debt service.

g.4) CESS

BNDES and BNDES Financing Agents: (a) pledge of rights arising from the concession; (b) centralized receivables account to receive CESS receivables; and (c) obligation to maintain a Reserve Account with a deposit equivalent to three months of debt service, plus an amount equivalent to three months of payment of the Project Operation and Maintenance Agreement.

g.5) Tupan

Caixa Econômica Federal (CEF): (a) mortgage of land and properties; (b) conditional sale of equipment; (c) all shares representing the Capital Stock; and (d) Receivables and Reserve Account. The Company is negotiating the replacement of personal expenses issued by former partners, by means of a Corporate Guarantee Letter of Tractebel Energia S.A.

g.6) Hidropower

Banco do Brasil: (a) all shares representing the Capital Stock; and (b) receivables and Reserve Account. The Company is negotiating the replacement of personal guarantees issued by former partners, by means of a Corporate Guarantee Letter of Tractebel Energia S.A.

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

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

g.8) Ibitiúva

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

h) Covenants

The Company has the following covenants provided for in its loans and financing agreement:

Debt	Covenants
TBLE - BNDES	Shareholders' equity / total assets ≥ 30%
Itasa - BNDES and financing agents	Shareholders' equity / total assets ≥ 40%
Lages - BRDE	(Current + noncurrent liabilities) / total assets ≤ 66%
CESS - BNDES and financing agents	Debt service coverage ratio ≥ 1.3
Tupan – CEF	(i) Shareholders' equity / total assets ≥ 21% (ii) Debt service coverage ratio ≥ 1.3 (iii) Capital stock / property, plant and equipment ≥ 21%
Hidropower - Banco do Brasil	(i) Shareholders' equity / total assets ≥ 0.35 (ii) EBITDA Margin [8] (EBITDA/NOR) ≥ 0.80 (iii) EBITDA (*) / financial expenses ≥ 2.70 (iv) Total financial debt / EBITDA (*) ≤ 4.0 (v) Current assets / current liabilities ≥ 1.2 (vi) Debt service coverage ratio ≥ 1.3
Beberibe, Pedra do Sal and Areia Branca - BNDES	Debt service coverage ratio ≥ 1,3
Ibitiúva - BNDES	(i) General indebtedness ratio ≥ 0.80 (ii) Debt service coverage ratio ≥ 1.3

Financial covenants established in loans and financing agreements are being complied with by the Company, except for that described below.

Hidropower has debt covenants in its financing agreements which require maintenance of financial ratios, among which, current ratio and debt service coverage ratio. When such indexes are not reached, Hidropower, after being officially notified by the Financing Agent, must increase capital to cover such deficit.

Hydropower's current liabilities are above the level required by the financing agreement, which negatively affects both current ratio and debt service coverage ratio, however, the Management does not consider that the Company has failed to comply with the agreement clause and, as result, the early maturity of debt, since its parent company, Tractebel Energia, formally expressed that it is negotiating its regularization with the bank and, if necessary, will capitalize the Company within the term set forth should the Company be notified by the Financing Agent. Until the closing of these quarterly financial statements, said notification provided for in the agreement did not occur.

[8] *EBITDA: Operating profit – financial result - depreciation and amortization, pursuant to the Agreement.*

17 – DEBENTURES

a) Breakdown

	06.30.2010			03.31.2010		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Tractebel Energia S.A.						
1st Issue (1st Series)	142,951	-	142,951	2,745	139,851	142,596
1st Issue (2nd Series)	-	-	-	59,994	-	59,994
2nd Issue (Single Series)	-	410,986	410,986	-	405,750	405,750
3rd Issue (Single Series)	600,437	2,634	603,071	-	602,265	602,265
4th Issue (Single Series)	-	400,385	400,385	-	400,249	400,249
Cana Brava (Single Series)	13,765	31,795	45,560	13,124	38,842	51,966
Charges	21,543	-	21,543	76,695	-	76,695
Total Company	**778,696**	**845,800**	**1,624,496**	**152,558**	**1,586,957**	**1,739,515**
Itasa (1st and 2nd Series)	9,173	20,475	29,648	8,947	24,570	33,517
Charges	1,023	-	1,023	1,825	-	1,825
Total Consolidated	**788,892**	**866,275**	**1,655,167**	**163,330**	**1,611,527**	**1,774,857**

Transaction costs incurred in funding were initially recorded as fair value reduction and the effective interest rate adjusted for purposes of appropriation of interest expenses, as required by CVM Resolution No. 556/08.

b) Changes in debentures

	Company			Consolidated		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Balance as of 12.31.2009	**117,340**	**1,577,213**	**1,694,553**	**126,407**	**1,601,783**	**1,728,190**
Charges	31,307	1,005	32,312	32,119	1,005	33,124
Monetary variations	3,911	8,739	12,650	4,804	8,739	13,543
Balance as of 03.31.2010	**152,558**	**1,586,957**	**1,739,515**	**163,330**	**1,611,527**	**1,774,857**
Transfers	747,046	(747,046)	-	751,141	(751,141)	-
Charges	40,136	-	40,136	40,962	-	40,962
Monetary variations	3,793	5,889	9,682	4,705	5,889	10,594
Amortization - principal	(70,441)	-	(70,441)	(75,222)	-	(75,222)
Amortization - charges	(94,396)	-	(94,396)	(96,024)	-	(96,024)
Balance as of 06.30.2010	**778,696**	**845,800**	**1,624,496**	**788,892**	**866,275**	**1,655,167**

c) Contractual terms and conditions

			Payment Conditions		
	Outstanding	Remuneration	Interest rate/monetary restatement	Principal	Collateral
Company					
1st Issue - 1st Series	14,000	IGPM + 9.29% p.a.	Annual on 05.02	Lump sum on 05.02.11	Unsecured
2nd Issue- Single Series	35,000	IPCA + 7% p.a.	Annual on 05.15	3 installments on 05.15.12/13/14	Unsecured
3rd Issue - Single Series	60,000	117% of CDI	Semiannual on 04.01 and 10.01	Lump sum on 04.01.11	Unsecured
4th Issue - Single Series	400	110% of CDI	Semiannual on 05.05 and 11.05	5 installments on 11.05.11 to 11.15.11	Unsecured
Cana Brava - Single Series	7,773	TJLP + 4% p.a. [9]	Semiannual on 04.01and 10.01, up to 04.01.13	Semiannual on 04.01 and 10.01, up to 04.01.13	Receivables from energy trading
Itasa - 1st and 2nd Series	8,400	IGPM + 9.4% p.a.	Annual on 12.01 (1st series) and 06.01 (2nd series)	Annual, on 12.01 (1st series) and 06.01 (2nd series), up to 12.01.13 (1st series) and 06.01.13 (2nd series)	Pledge of receivables

d) Changes in indices

	2010 (%)		2009 (%)	
Currency – index	2nd Quarter	Accum.	2nd Quarter	Accum.
TJLP	1.50	3.00	1.53	3.08
IGP-M	1.97	4.80	(0.32)	(1.24)
CDI	2.18	4.25	2.38	5.29
IPCA	1.00	3.09	1.32	2.57

[9] *The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into the debentures' par value.*

e) Maturities of debentures stated in noncurrent liabilities

	Company	Consolidated
July to December 2011	88,611	92,706
2012	232,995	241,185
2013	225,961	234,151
2014	217,687	217,687
2015	80,546	80,546
	845,800	**866,275**

f) Covenants

The Company has the following covenants established in its debenture contracts:

Debt	Covenants
Company:	
1st, 2nd and 3rd issuances	EBITDA(*) /consolidated financial expenses ≥ 2.0 Consolidated debt/EBITDA(*) ≤ 2.5
4th issuance	EBITDA(*) /consolidated financial expenses ≥ 2.0 Consolidated debt/EBITDA(*) ≤ 3.5
Cana Brava – Single series	Shareholders' equity / total assets ≥ 30%
Itasa - 1st and 2nd Series	Shareholders' equity / total assets ≥ 40%

(*) EBITDA: Operating profit - financial result - depreciation and amortization, pursuant to the Agreement.

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

18 – SUPPLIERS

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current				
Electricity purchase	53,066	53,254	100,639	106,954
Transactions within CCEE	370	370	691	370
Electric network usage charges	74,944	72,201	80,915	78,177
Fossil fuels/biomass	3,236	652	3,268	721
Materials and services	38,807	40,883	76,667	79,316
	170,423	**167,360**	**262,180**	**265,538**

19 – TAXES PAYABLE

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current				
Income tax	158,210	84,472	159,281	85,566
Social contribution tax	52,963	29,077	53,595	29,350
ICMS	8,436	7,428	33,244	33,573
PIS and Cofins	16,628	17,982	18,610	19,332
INSS	3,687	3,376	4,090	3,668
Other	1,174	1,264	1,330	2,087
	241,098	**143,599**	**270,150**	**173,576**

The Company has been paying income and social contribution taxes monthly based on the estimated calculation basis, in accordance with prevailing legislation.

20 – ESTIMATED LIABILITIES

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current				
Provision for vacation and charges	16,877	12,804	17,102	13,135
Provision for profit sharing and management bonus	13,499	29,990	13,499	29,990
Voluntary dismissal program	6,148	5,100	6,148	5,100
Provision for insurance premium	7,106	-	8,666	-
Other	558	305	691	305
	44,188	**48,199**	**46,106**	**48,530**
Noncurrent				
Voluntary dismissal program	2,207	3,062	2,207	3,062
Other	-	1,001	-	1,001
	2,207	**4,063**	**2,207**	**4,063**

21 – RESEARCH AND DEVELOPMENT PROGRAM LIABILITIES(R&D)

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current				
FNDCT	1,806	1,818	2,049	2,010
MME	902	909	1,025	1,004
Projects	12,220	16,725	12,220	18,904
	14,928	**19,452**	**15,294**	**21,918**
Noncurrent				
Projects	31,180	27,652	36,857	30,700
	31,180	**27,652**	**36,857**	**30,700**

22 – RESERVES FOR CONTINGENCIES

The Company has tax assessment notices and civil matters which are being challenged on an administrative basis, as well as legal proceedings, some of which, according to the Company's legal counsels, the likelihood of loss is considered probable. All these proceedings are accrued in amounts considered sufficient to cover future disbursements necessary to settle the contingencies.

a) Breakdown

	Company					
	06.30.2010			03.31.2010		
	Gross reserve	Judicial deposit	Net reserve	Gross reserve	Judicial deposit	Net reserve
Tax						
INSS	28,630	(17,515)	11,115	28,011	(17,142)	10,869
Social contribution tax	112	-	112	110	-	110
	28,742	**(17,515)**	**11,227**	**28,121**	**(17,142)**	**10,979**
Civil						
Agreements with suppliers	22,682	-	22,682	22,668	-	22,668
Pension benefits	25,488	-	25,488	24,675	-	24,675
Occupational diseases and accidents	12,741	(1,085)	11,656	12,384	(1,302)	11,082
Environmental	4,074	-	4,074	3,946	-	3,946
Sundry lawsuits	2,700	(679)	2,021	2,626	(448)	2,178
	67,685	**(1,764)**	**65,921**	**66,299**	**(1,750)**	**64,549**
Labor	**14,639**	**(5,605)**	**9,034**	**14,289**	**(7,430)**	**6,859**
	111,066	**(24,884)**	**86,182**	**108,709**	**(26,322)**	**82,387**
Classification in balance sheet						
Current			12,560			13,560
Noncurrent			73,622			68,827
			86,182			**82,387**

	Consolidated					
	06.30.2010			03.31.2010		
	Gross reserve	Judicial deposit	Net reserve	Gross reserve	Judicial deposit	Net reserve
Tax						
INSS	28,630	(17,515)	11,115	28,011	(17,142)	10,869
Social contribution tax	112	-	112	110	-	110
	28,742	**(17,515)**	**11,227**	**28,121**	**(17,142)**	**10,979**
Civil						
Agreements with suppliers	22,682	-	22,682	22,668	-	22,668
Pension benefits	25,488	-	25,488	24,675	-	24,675
Occupational diseases and accidents	12,741	(1,085)	11,656	12,384	(1,302)	11,082
Transmission System Usage Tariff (Tust)	31,926	(26,810)	5,116	29,030	(23,487)	5,543
Environmental	4,074	-	4,074	3,946	-	3,946
Sundry lawsuits	7,405	(679)	6,726	7,188	(448)	6,740
	104,316	**(28,574)**	**75,742**	**99,891**	**(25,237)**	**74,654**
Labor	**14,639**	**(5,605)**	**9,034**	**14,289**	**(7,430)**	**6,859**
	147,697	**(51,694)**	**96,003**	**142,301**	**(49,809)**	**92,492**
Classification in balance sheet						
Current			12,658			13,658
Noncurrent			83,345			78,834
			96,003			**92,492**

Tax contingencies

National Institute of Social Security (INSS)

The main contingencies related to INSS are the following:

The Company received a tax deficiency notice (NFLD) for the nonpayment of the additional contribution for SAT (Occupational Accident Insurance) for the period from April 1999 to March 2004, due to the lack of evidence of the risk factor related to the workplace. The Company argues that there is no basis in the legislation referred to in the notice for the mentioned period, and that the additional contribution is payable if the employee is entitled to a special retirement benefit, which is not the case in said period. The Social Security Board of Appeals decided, based on the defense arguments filed by the Company, to refer the judgment for expert examination. On 06.30.2010 the outstanding balance is R$15,676 (R$15,339 on 03.31.2010).

The Company was also notified by the INSS because of the alleged nonpayment of social security charges on compensation paid to employees. The subject-matter of the notification was challenged by the Company, which argued that the amounts paid as a result of collective labor agreements were paid as indemnities. The lower court decision was favorable to the Company, and declared the tax deficiency notice null and void and the INSS was sentenced to refund the deposits converted into revenue. Due to the appeal filed by the National Treasury, this lawsuit is awaiting decision by the Superior Court of Justice (STJ). The amount provided on 06.30.2010 is R$9,555 (R$9,350 on 03.31.2010).

Civil contingencies

Agreements with suppliers

The main contingency basically refers to an indemnity lawsuit filed by Companhia de Interconexão Energética (Cien), claiming the recognition of the right to receive the difference related to the exchange adjustment provided for in the electricity sale agreement, and the termination of such agreement due to an alleged breach of a clause by Tractebel Energia. The lawsuit was suspended on 04.23.2007 by request of Cien, after the Company filed its defense arguments. On 06.16.2009, it was established the notification of Aneel with the purpose of acknowledging the interest of such regulatory agency in said lawsuit. On 08.25.2009, the Supreme Court, after hearing Aneel, decided that this is not obliged to participate in the lawsuit and returned the process to the State Justice. On 05.12.2010, an order was issued referring to the Interlocutory Appeal filed at the Regional Federal Court of 4th Region, which did not have its suspension request examined yet. Thus, the lower court judge ordered the Company to wait for the eventual decision on suspension, before continuing with the lawsuit. Therefore, the decision on suspension request prepared in the records of the Interlocutory Appeal is pending, referring to including Aneel in the lawsuit as an indispensable defendant. The amount provided on 06.30.2010 is R$17,204 (R$16,732 on 03.31.2010).

Pension benefit

It refers to the lawsuit filed against Fundação Eletrosul de Previdência e Assistência Social (ELOS) and Eletrosul Centrais Elétricas S.A. (Eletrosul), whereby ELOS parties require the annulment of the contribution payroll limit or, alternately, that the options made by the ones that limited the payroll of its contribution be declared ineffective. The Company acts as a defendant's assistant, due to the partial spin-off of Eletrosul, with the creation of Centrais Geradoras do Sul do Brasil (Gerasul), former name of Tractebel Energia. A lower court decision, confirmed by the Appeals Court of the State of Santa Catarina in a Decision pending the judgment of appeals, is against the interests of ELOS and Eletrosul. Currently, the parties are attempting to reach an agreement. The amount provided on 06.30.2010 is R$25,214 (R$24,409 on 03.31.2010).

Occupational diseases and accidents

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

Transmission System Usage Tariff (Tust)

It refers to the lawsuit filed by the indirect subsidiary PPESA, aimed at reducing the amount payable for the Tust in the amount equivalent to that charged to Itiquira Hydroelectric Power Plant. From June 2006 to January 2007, PPESA started paying Tust with a reduction and provisioning and depositing in court the difference between the amount charged and the amount paid. As of February 2007, PPESA substituted the judicial deposits for a letter of guarantee. With a view to reduce the guarantee cost, the Company pledged liquid assets to said guarantee, which are being presented as a contra account to this provision.

Environmental

The Company accrued the amount of R$4,074 (R$3,946 on 03.31.2010) related to four environmental lawsuits; three of them refer to the reforestation of permanent preservation areas (APP) surrounding Salto Santiago Hydroelectric Power Plant's reservoir and one lawsuit refers to alleged damages caused by the Cana Brava Hydroelectric Power Plant's reservoir overload. These lawsuits are in procedural progress.

Sundry lawsuits

These mainly derive from expropriations and indemnity lawsuits filed by individuals and legal entities alleging that their properties were flooded by the plants reservoirs.

Labor contingencies

These refer to ongoing labor lawsuits filed by former employees, unions and employees of outsourced companies mainly related to claims of recognition of employment relationship and reinstatement. Other labor lawsuits are related to claims of hazardous duty premium, overtime, salary parity, commuting hours, and FGTS (severance pay fund).

b) Change in provisions

	Company			
	Tax	**Civil**	**Labor**	**Gross reserve**
Balance as of 12.31.2009	**27,568**	**65,806**	**16,056**	**109,430**
Additions	-	-	460	460
Adjustments	553	1,875	287	2,715
Payments	-	-	(1,974)	(1,974)
Reversals	-	(1,382)	(540)	(1,922)
Balance as of 03.31.2010	**28,121**	**66,299**	**14,289**	**108,709**
Additions	-	-	525	525
Adjustments	621	1,945	467	3,033
Payments	-	-	(52)	(52)
Reversals	-	(559)	(590)	(1,149)
Balance as of 06.30.2010	**28,742**	**67,685**	**14,639**	**111,066**

	Consolidated			
	Tax	**Civil**	**Labor**	**Gross reserve**
Balance as of 12.31.2009	**27,568**	**96,471**	**16,056**	**140,095**
Additions	-	1,884	460	2,344
Adjustments	553	2,918	287	3,758
Payments	-	-	(1,974)	(1,974)
Reversals	-	(1,382)	(540)	(1,922)
Balance as of 03.31.2010	**28,121**	**99,891**	**14,289**	**142,301**
Additions	-	1,885	525	2,410
Adjustments	621	3,099	467	4,187
Payments	-	-	(52)	(52)
Reversals	-	(559)	(590)	(1,149)
Balance as of 06.30.2010	**28,742**	**104,316**	**14,639**	**147,697**

c) Contingencies of possible or remote risk

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

	Company					
	06.30. 2010					03.31.2010
	Possible risk	Remote risk	Gross total	Judicial deposit	Net total	Net total
Tax	73,371	157,894	231,265	(16,813)	214,452	456,728
Civil	17,542	502	18,044	(5,787)	12,257	13,700
Labor	8,903	17,570	26,473	(1,524)	24,949	24,972
	99,816	**175,966**	**275,782**	**(24,124)**	**251,658**	**495,400**
Tax (*)	-	-	-	**(144,604)**	**(144,604)**	-
	99,816	**175,966**	**275,782**	**(168,728)**	**107,054**	**495,400**

	Consolidated					
	06.30.2010					03.31.2010
	Possible risk	Remote risk	Gross total	Judicial deposit	Net total	Net total
Tax	73,480	157,894	231,374	(16,922)	214,452	456,728
Civil	21,291	520	21,811	(6,437)	15,374	29,041
Labor	8,903	17,570	26,473	(1,524)	24,949	24,972
	103,674	**175,984**	**279,658**	**(24,883)**	**254,775**	**510,741**
Tax (*)	-	-	-	**(144,604)**	**(144,604)**	-
	103,674	**175,984**	**279,658**	**(169,487)**	**110,171**	**510,741**

(*) See notes below.

The Company has judicial deposits linked to reserves for possible and remote risks that are mostly required to guarantee sentence execution or appeals. These amounts are monetarily adjusted and stated in noncurrent assets.

As mentioned below, due to final and unappealable decision related to illegal application of Normative Ruling No. 468/2004 (IN 468/2004), the Company from the second quarter no longer includes in the charts above the corresponding tax contingency, previously assessed as possible risk, in the amount of R$383,191.

Additionally, as informed below, the Company has PIS and Cofins judicial deposits related to the lawsuit filed against the illegality of IN 468/2004, in the amount of R$116,481 on 06.30.2010, whose request was already granted ant the Company expects to withdraw this amount next quarter. In addition, the Company has been depositing in court PIS and Cofins questioning the suspension of IN 658/2006 in the amount of R$28,123 on 06.30.2010, which is awaiting decision on this lawsuit.

Tax contingencies of possible risk

The main subjects of contingencies considered by the Company and its legal advisors as possible risk are:

PIS and Cofins

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

However, for the November 2004 to May 2005 period, the Company paid PIS and Cofins on revenue from agreements executed before 10.31.2003 for periods longer than one year and at a predetermined price, based on the non-cumulative taxation regime, by force of the aforementioned IN 468/2004.

In view of the writ of mandamus, the Company started to deposit the amounts it deemed not due in a court restricted account from June 2005 to October 2006, whose adjusted amount on 06.30.2010 is R$144,603.

Due to favorable decision rendered by the 4th Regional Federal Court, the Company suspended the deposits in November 2006. In April 2007, the 4th Regional Federal Court concluded the judgment of said writ of mandamus and unanimously recognized the illegality and unconstitutionality of Normative Rulings No. 468 and 658, both as regards the monetary adjustment clause and the economic and financial breakeven clauses in the Company's agreements. The National Treasury lodged a special appeal at the Superior Court of Justice (STJ) against such decision.

Despite the fact that decision was favorable to the Company, the judgment was only restricted to the suspension of IN 468/2004, and the 4th Regional Federal Court did not analyze the Normative Ruling SRF 658/2006 (IN 658/2006), which revoked IN 468/2004, but fully upheld its unconstitutional content. Due to this omission, the Company decided to lodge a special appeal at STJ, which was accepted and is pending judgment.

The National Treasury's special appeal was not accepted by the 4th Regional Federal Court. Thus, the National Treasury filed an interlocutory appeal, which was denied. The National Treasury lodged an internal interlocutory appeal against such decision.

In February 2010, the 2nd Panel of the Superior Court of Justice (STJ) by unanimous vote rejected the internal interlocutory appeal filed by the National Treasury. Therefore, the content of the decision favorable to the Company rendered by the 4th Regional Federal Court will be valid, and no appeals were filed.

In April 2010, a final and unappealable decision recognized the Company's right to remain under the cumulative regime regarding the revenues arising from the agreements executed prior to 10.31.2003, as provided for in Law No. 10,833/03. Thus, only the Company's special appeal is pending decision of STJ, which has the single purpose of suspending IN 658/2006, and the Company is not questioning the amounts unduly paid or deposited in court under the protection of IN 468/2004, whose decision was final and unappealable.

In view of these facts, the Company this quarter recognized gains in the lawsuit of R$45,803, referring to the amount unduly paid from November 2004 to May 2005.

In July 2010, the request to release the judicial deposits made pursuant to IN 468/04, i.e., the deposits made until July 2006 was authorized, whose amount on 06.30.2010 was R$116,481. The Company expects that this deposit will must be released in August 2010.

Referring to deposits deliberately made by the Company after IN 468/04, i.e., the deposits made from August to October 2006, whose amount on 06.30.2010 was R$28,123, the appellate judge understood that the decision on the lawsuit pleading for the application of subsequent right to suspend IN 658/06 shall be awaited.

Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Income (CSLL)

The main tax deficiency notices deemed as possible risks result from deficiency notices issued by the Federal Revenue Service Office, because the Company offset income and social contribution taxes debts in spontaneous confession, through a Electronic Refund or Reimbursement Request and Offset Declaration (PER/DCOMP), not subject to fines. Accordingly, the Federal Revenue Service partially approved the offset requests and the Company filed noncompliance notices, which are awaiting judgment. The Company argues that tax authorities cannot charge a penalty against a company that held tax credits and spontaneously reported its debts. The adjusted amount of the tax deficiency notice on 06.30.2010 is R$45,612 in respect of the Company and consolidated (R$44,631 on 03.31.2010).

Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Income (CSLL) Offsetting

In 2009, the Company received an order for the non-ratification of PER/DCOMP, because it used allegedly undue or overpaid amounts for income and social contribution tax, ascertained through a monthly estimate, to offset the same taxes due in the same period of assessment. According to the Brazilian Federal Revenue Service (RFB), the undue payment or overpayment could only be used to offset the IRPJ or CSLL due as of the year following the year of assessment.

Since the monthly overestimates had already been known by the Federal Government from the moment the Company paid the taxes, the Company understands it has the choice to use the overpayment by estimate for purposes of offsetting within the period of assessment. The adjusted contingency amount on 06.30.2010 and 03.31.2010 in respect of the company and consolidated is R$1,457.

INSS

Tax deficiency notice related to the social security contribution collection notices on indemnities. The Company was partially considered not guilty at the administrative level and filed a lawsuit, in which it obtained a favorable decision at the lower court. Currently, the Company is awaiting judgment of the INSS appeal. On 06.30.2010, the adjusted amount is R$4,075 (R$3,987 on 03.31.2010).

Tax contingency of remote risk

The main contingencies deemed by the Company and its legal advisors as remote risk are as the following:

PIS and Cofins recovery

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

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

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

In 2009, the RFB notified the Company to collect the amount of R$135,982, interest and fines already included, referring to the period from April 2004 to January 2007, arguing that the "CCC subsidy" represents a billing and, therefore, it should be included in the calculation basis of PIS and Cofins for the period abovementioned. The total updated notification amount on 06.30.2010 is R$149,883 (R$144,459 on 03.31.2010).

According to the evaluation of the Company's legal counsels, RFB's arguments are not valid and can be easily questioned, considering the concept attributed to the treatment of the "CCC subsidy", for the purpose of accounting for fossil fuel consumed by electricity generators, was not compatible with the legal nature of the revenue. Thus, the Company filed a statement of discontentment in the administrative level and, if necessary, the Company will file it in the judiciary level. Even if the "CCC subsidy" had the revenue nature, which it does not, it would not represent an "income" that was the only revenue subject to taxation by PIS and Cofins.

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

Aneel altered the Accounting Manual of the Electric Power Public Utility in order to change the concept that had been used improperly and, as from 2006, the accounting entry was classified as "operational cost" against a contra account to neutralize results. This change is strongly based on Technical Notes issued by said Agency.

In view of the mentioned above, the Management understands that the risk of loss in the lawsuit is remote. The lawsuit is pending judgment at the Brazilian Federal Revenue Service of Florianópolis, 4th Panel.

Civil contingencies

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

PPESA was party in a deficiency notice, in the administrative level, issued by the Brazilian Institute of Renewable Resources (IBAMA) in the amount of R$12,767 adjusted until 06.30.2010, referring to supposed environmental damages caused by PPESA due to UHE Ponte da Pedra's reservoir overload. PPESA filed an administrative defense before the Brazilian Environment Council (Conama). On 07.08.2010, Conama accepted PPESA's defense and annulled said deficiency notice.

Labor contingencies

Possible risk labor contingencies refer mainly to lawsuits filed by former employees claiming recognition of employment relationship, reinstatement and additional pension benefits.

23 – CONCESSION FEES PAYABLE

	Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Cana Brava plant	338,138	321,320	338,138	321,320
Ponte de Pedra plant	-	-	317,050	301,876
São Salvador plant	-	-	368,621	364,895
	338,138	**321,320**	**1,023,809**	**988,091**
Classification in balance sheet				
Current	1,922	1,872	38,525	37,883
Noncurrent	336,216	319,448	985,284	950,208
	338,138	**321,320**	**1,023,809**	**988,091**

In order to accurately reflect, in shareholders' equity, the concession fee and the related obligation to the Federal Government, the amounts of the concessions were recorded in property, plant and equipment against current and noncurrent liabilities.

Considering that contractual amounts are stated at future prices, the Company adjusted them to present value based on a discount rate of 10% p.a. for the to Cana Brava Hydroelectric Power Plant and the São Salvador Hydroelectric Power Plant, as provided for in the corresponding invitations to bid for the concessions, and 8.28% p.a. for Ponte de Pedra Hydroelectric Power Plant, market price on the date of the company acquisition.

Until startup of the Plants, the adjustment of liabilities based on the discount rate and monetary variation was capitalized in assets and, thereafter, recognized directly in the statement of income.

The Company has undertaken the obligation to pay the Federal Government the amounts shown below for the concession granted to operate Cana Brava, Ponte de Pedra and São Salvador Hydroelectric Power Plants, in monthly installments equivalent to one-twelfth (1/12) of the corresponding annual fees, adjusted based on the annual variation of the IGP-M (Cana Brava and Ponte de Pedra Hydroelectric Power Plants) and IPCA (São Salvador Hydroelectric Power Plants).

The historical and adjusted amounts on 06.30.2010 are as follows:

Cana Brava HPP	Historical amount		Adjusted amount	
Year	Annual	Total	Annual	Total
From 07.01.2010 to 07.31.2023	680	8,897	1,922	25,140
From 08.01.2023 to 07.31.2033	61,280	612,800	173,165	1,731,645
		621,697		**1,756,785**

Ponte de Pedra HPP	Historical amount		Adjusted amount	
Year	Annual	Total	Annual	Total
From 07.01.2010 to 09.30.2019	200	1,850	510	4,713
From 10.01.2019 to 09.30.2020	16,200	16,200	41,272	41,272
From 10.01.2020 to 09.30. 2034	31,109	435,531	79,256	1,109,578
		453,581		**1,155,563**

São Salvador HPP	Historical amount		Adjusted amount	
Year	Annual	Total	Annual	Total
From 07.01. 2010 to 04.30.2037	19,820	**533,483**	38,031	**1,029,697**

a) Change

	Company			Consolidated		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Balance as of 12.31.2009	**1,857**	**307,432**	**309,289**	**37,419**	**920,055**	**957,474**
Transfers	480	(480)	-	10,225	(10,225)	-
Interest	-	7,438	7,438	-	21,797	21,797
Monetary variations	-	5,058	5,058	-	18,581	18,581
Amortizations	(465)	-	(465)	(9,761)	-	(9,761)
Balance as of 03.31.2010	**1,872**	**319,448**	**321,320**	**37,883**	**950,208**	**988,091**
Transfers	513	(513)	-	10,485	(10,485)	-
Interest	-	7,607	7,607	-	22,557	22,557
Monetary variations	-	9,674	9,674	-	23,004	23,004
Amortizations	(463)	-	(463)	(9,843)	-	(9,843)
Balance as of 06.30.2010	**1,922**	**336,216**	**338,138**	**38,525**	**985,284**	**1,023,809**

b) Maturities of concession fees payable stated in noncurrent liabilities

	Company	Consolidated
July to December 2011	961	18,104
2012	1,922	33,851
2013	1,922	30,954
2014	1,922	28,320
2015	1,922	25,926
2016	1,922	23,744
After 2016	325,645	824,385
	336,216	**985,284**

24 – POST-EMPLOYMENT BENEFITS

The Company, through PREVIG – Sociedade de Previdência Complementar maintains supplementary pension plan benefits for its employees. PREVIG is a nonprofit closed pension entity governed by private law, sponsored by the Company, as Founder, and by other GDF-SUEZ Group companies in Brazil.

The Company, on 05.15.2007, executed agreements with ELOS, Eletrosul, PREVIG and Associação de Aposentados da Eletrosul aiming at reestablishing the adherence with ELOS, allowing retirees to chose to stay in ELOS or transfer to PREVIG in both options the Company would sponsor the Plan.

The benefit plans managed by PREVIG are of the Defined Benefit (DB) and Defined Contribution (DC) types, and the one managed by ELOS and sponsored by the Company is of the DB type. DB plan is closed to new employee enrollments.

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

	Company and Consolidated					
	06.30.2010			03.31.2010		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Contracted/recognized obligations						
Agreement of acknowledgement of past debts	21,144	118,066	139,210	20,223	96,937	117,160
Non-contracted actuarial liabilities						
Coverage of costs relating to SB-40 [10] and current contributions	1,600	3,075	4,675	1,523	2,866	4,389
Actuarial deficit and confidentiality bonus	3,625	233,782	237,407	3,615	257,892	261,507
Recorded actuarial liability	**26,369**	**354,923**	**381,292**	**25,361**	**357,695**	**383,056**

[10] *Conversion of special retirement into retirement for length of service.*

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

	ELOS	PREVIG	Total
July to December 2011	8,003	1,007	9,010
2012	14,503	2,027	16,530
2013	15,395	2,149	17,544
2014	16,340	1,744	18,084
2015	2,703	1,575	4,278
2016 to 2029	38,535	14,085	52,620
	95,479	**22,587**	**118,066**

Changes in post-employment benefits are summarized below:

	Pension plan	Confidentiality bonus	Total
Liabilities as of 12.31.2009	**383,961**	**469**	**384,430**
1Q10 expenses	6,202	77	6,279
Contributions	(7,642)	-	(7,642)
Benefits paid	-	(11)	(11)
Liabilities as of 03.31.2010	**382,521**	**535**	**383,056**
2Q10 expenses	6,204	77	6,281
Contributions	(8,019)	-	(8,019)
Benefits paid	-	(26)	(26)
Liabilities as of 06.30.2010	**380,706**	**586**	**381,292**

The amounts to be recognized in the statement of income from July to December 2010, related to the defined benefit plan and the confidentiality bonus, are as follows:

	Pension plan	Confidentiality bonus	Total
Cost of current service	104	27	131
Cost of interest	59,739	78	59,817
Expected return on plan assets	(47,505)	-	(47,505)
Amortization of actuarial losses	138	49	187
Employees' contribution	(69)	-	(69)
	12,407	**154**	**12,561**

Administrative expenses under the Company's responsibility in the second quarter of 2010 were R$417 (R$373 in the same period of 2009).

25 – SHAREHOLDERS' EQUITY

a) Authorized capital

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

b) Subscribed and paid-up capital

The Company is a publicly-traded company incorporated in accordance with the Brazilian laws and listed on the New Market of the São Paulo Securities, Commodities and Futures Exchange (BM&FBOVESPA S.A.).

On 06.30.2010, the Company's fully subscribed and paid-up capital is R$2,445,766, represented by 652,742,192 registered common shares without par value. The book value per share in reais on 06.30.2010 is R$6.44 (R$6.02 per share as of 03.31.2010).

The Company's ownership structure is as follows:

	% of Capital	
Shareholders	**06.30.2010**	**03.31.2010**
GDF SUEZ Energy Latin America Participações Ltda. (GSELA)	68.71	68.71
Banco Clássico S.A.	10.00	10.00
Other	21.29	21.29
	100.00	**100.00**

The Company's number of outstanding shares is as follows:

	Total Company shares	Total shares held by Controlling Shareholder and Management	Total outstanding shares
Balance as of 03.31.2010	**652,742,192**	**448,786,960**	**203,955,232**
Rental redemption of Management shares	-	58,153	(58,153)
Shares owned by the new manager elected	-	100	(100)
Acquisition of new shares by the Management	-	2,000	(2,000)
Balance as of 06.30.2010	**652,742,192**	**448,847,213**	**203,894,979**

c) Breakdown of reserves

	06.30.2010	03.31.2010
Capital Reserve		
Remuneration of assets and rights established with own capital	**91,695**	**91,695**
Profit Reserve		
Legal reserve	361,974	361,974
Profit retention reserve	781,832	781,832
	1,143,806	**1,143,806**

The profit retention reserve was established based on capital budget approved on the Annual General Meeting, chiefly for investments in the acquisition of the Estreito Hydroelectric Plant, in the construction of Ibitiúva Bioenergética, Areia Branca, São Salvador and Estreito Plants, and in the maintenance of the Company's generation complex.

26 – BREAKDOWN OF OPERATING EXPENSES BY TYPE

	Company					
	2010					2009
	2nd Quarter					2nd Quarter
	Cost		Expenses			
	Electricity production	Services provided	Selling	General and administrative	Total	Total
Personnel	30,298	1,428	2,579	11,442	45,747	40,870
Management	-	-	-	3,707	3,707	2,588
Materials	4,766	104	5	335	5,210	5,226
Outsourced services	15,639	605	279	9,798	26,321	24,131
Fuel	7,094	-	-	-	7,094	1,726
Royalties [11]	27,649	-	-	-	27,649	3,956
Depreciation and amortization	54,057	-	-	1,659	55,716	51,465
Insurance	1,882	188	-	107	2,177	2,315
Sector contributions	-	-	610	50	660	650
Inspection fee	-	-	-	2,345	2,345	2,165
Rentals	1,330	30	50	872	2,282	2,249
Contributions and donations	192	17	-	2,608	2,817	1,944
Other	2,469	105	(18)	5,096	7,652	5,249
	145,376	**2,477**	**3,505**	**38,019**	**189,377**	**144,534**

	Consolidated					
	2010					2009
	2nd Quarter					2nd Quarter
	Cost		Expenses			
	Electricity production	Services provided	Selling	General and administrative	Total	Total
Personnel	30,533	1,428	2,579	11,641	46,181	41,280
Management	-	-	-	3,880	3,880	2,726
Materials	5,407	104	5	343	5,859	5,605
Outsourced services	22,414	605	323	10,883	34,225	29,088
Fuel	9,660	-	-	-	9,660	4,698
Royalties	33,055	-	-	-	33,055	5,913
Depreciation and amortization	91,892	-	-	2,916	94,808	72,168
Insurance	2,844	188	-	107	3,139	2,646
Sector contributions	-	-	847	92	939	926
Inspection fee	-	-	-	2,812	2,812	2,489
Rentals	2,008	30	53	912	3,003	2,403
Contributions and donations	222	17	-	2,641	2,880	2,005
Other	2,619	105	(18)	5,069	7,775	6,483
	200,654	**2,477**	**3,789**	**41,296**	**248,216**	**178,430**

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

27 – GAINS IN LAWSUITS

As mentioned in Note 22, in the second quarter of 2010, the Company recognized non-recurring revenue of R$45,803, due to final and unappealable decision related to the lawsuit pleading the right of levying PIS and Cofins over revenues deriving from agreements executed prior to October 31, 2003, within a term exceeding one year and at a previously determined price, based on the cumulative taxation system provided for in previous laws.

28 – REVERSAL (RECORDING) OF OPERATING PROVISIONS, NET

	Company			
	2010		2009	
	2nd Quarter	Accumulated	2nd Quarter	Accumulated
Post-employment benefits	(81)	(67)	4,990	10,247
Civil contingencies	1,387	1,878	1,720	19,215
Tax contingencies	(109)	450	616	(8,371)
Labor contingencies	350	(1,417)	(1,073)	(2,376)
	1,547	**844**	**6,253**	**18,715**

	Consolidated			
	2010		2009	
	2nd Quarter	Accumulated	2nd Quarter	Accumulated
Post-employment benefits	(81)	(67)	4,990	10,247
Civil contingencies	4,388	7,769	3,644	22,393
Tax contingencies	(109)	450	616	(8,371)
Labor contingencies	350	(1,417)	(1,073)	(2,376)
	4,548	**6,735**	**8,177**	**21,893**

29 – FINANCIAL RESULT

	Company			
	2010		2009	
	2nd Quarter	Accumulated	2nd Quarter	Accumulated
Financial income				
Income from temporary cash investments	14,067	29,462	8,751	17,749
Interest on receivables	2,225	4,383	4,378	7,157
Monetary variation on judicial deposits	3,976	7,552	4,469	9,744
Other	3,181	4,799	3,475	3,612
	23,449	**46,196**	**21,073**	**38,262**
Financial expenses				
Loan charges	45,840	84,285	48,131	87,949
Payment of deposited guarantees (STN)	(981)	(1,978)	36,382	11,714
Interest on Aneel concessions	7,607	15,045	7,004	13,854
Interest on actuarial liabilities	6,156	12,312	11,950	23,899
Interest on taxes	20,202	20,221	90	5,944
Monetary variation on financing and debentures	9,682	22,332	3,814	8,099
Monetary variation on Aneel concessions	9,674	14,732	(4,757)	(3,835)
Other monetary variations	1,863	3,252	2,264	2,634
Exchange variation on loans	(11,990)	(9,545)	(40,380)	(48,709)
Other	2,540	5,146	3,156	5,487
	90,593	**165,802**	**67,654**	**107,036**
Financial expenses, net	**67,144**	**119,606**	**46,581**	**68,774**

	Consolidated			
	2010		2009	
	2nd Quarter	Accumulated	2nd Quarter	Accumulated
Financial income				
Income from temporary cash investments	19,199	39,144	12,426	25,136
Interest on receivables	3,066	5,885	5,156	8,225
Monetary variation on judicial deposits	3,978	7,556	4,471	9,749
Other	3,220	5,310	3,630	3,760
	29,463	**57,895**	**25,683**	**46,870**
Financial expenses				
Loan charges	70,501	136,397	64,642	119,846
Payment of deposited guarantees (STN)	(981)	(1,978)	36,382	11,714
Interest on Aneel concessions	22,557	44,354	12,480	24,677
Interest on actuarial liabilities	6,156	12,312	11,950	23,899
Interest on taxes	20,253	20,424	167	6,137
Monetary variation on financing and debentures	10,594	24,137	3,677	7,585
Monetary variation on Aneel concessions	23,004	41,585	(5,650)	(7,234)
Other monetary variations	1,863	3,252	2,264	2,643
Exchange variation on loans	(11,990)	(9,545)	(40,380)	(48,709)
Other	4,089	7,126	3,834	6,763
	146,046	**278,064**	**89,366**	**147,321**
Financial expenses, net	**116,583**	**220,169**	**63,683**	**100,451**

30 – FINANCIAL INSTRUMENTS

a) Risk management

a.1) Market risk

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

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

a.1.1) Risks related to investments

The Company adopts a conservative fund investment policy. Financial investments of the Company and its subsidiaries comply with the allocation of at least 60% in Government Securities (in the final purchase and/or repurchase agreement mode) and at most 40% in Private Securities (Bank Certificate Deposits – CDB acquisitions of eligible banks and also repurchase agreements with debentures issued by leasing companies controlled by eligible banks), considering the consolidated of amounts invested by each company. The Company uses the classification of agencies Fitch Ratings, Moody's or Standard & Poors to identify eligible banks to receive these funds. Such banks meet the two following criteria: Shareholders' Equity of at least R$1 billion and Rating of at least br A-.

a.1.2) Exposure to exchange risk

Loan installment related to foreign currency, in the amount of R$229,280 on 06.30.2010, corresponds to 7.5% of the Company's debt, of which 4.5% is denominated in U.S. dollars and 3.0% in Euros. Debt maturities are distributed on a long term basis, focusing on the years of 2015 and 2024. Considering that the effect arising from the debt maturity is minimum on short and medium term basis and, due to the impossibility of making an effective hedge for the balance sheet since there is no forward curve on a long term basis, the Company did not hold on 06.30.2010 any derivative instrument to protect its liabilities. For more details on the breakdown of foreign currency debt, refer to Note 16.

a.1.3) Exposure to the risk of interest rates and fluctuating indices

The Company and its subsidiaries are exposed to interest rates and fluctuating indices related to Libor, Euribor, TJLP, DI rate, IGP-M and IPCA variations. The debt breakdown by interest rates and index, net of deposited guarantees, and percentages related to the total amount of these debts is as follows:

Interest rates and floating indexes	Amount	%
TJLP	1,134,802	39.80
CDI	1,018,246	35.71
IPCA	414,584	14.54
IGP-M	175,677	6.16
Libor Dollar	17,230	0.60
Euribor	90,924	3.19
	2,851,463	**100.00**

a.2) Credit risk

In long-term bilateral agreements entered into with distributors, the Company tries to minimize its credit risk with the use of a collateral mechanism involving receivables from its customers.

In transactions with industrial customers, also known as Free Consumers, in order to minimize the credit risk related to those business partners, the Company, through its credit area, carries out a previous credit analysis and establishes, together with the Credit Committee, the credit limits and collaterals to be required from the other parties.

In financial market transactions, the Company also has credit limits with financial institutions, which are regularly reviewed by its Financial Management Committee, based on an in-house evaluation and ratings disclosed by risk rating agencies.

As mentioned in Note 3, the Company has investments in an Exclusive Investment Fund. The amount of investments by financial institution is within the limits defined by the Company in its credit policies for financial institutions.

a.3) Hydrological risks

According to the Electric System National Operator (ONS) data, most of the energy supply of SIN (Brazilian National Integrated System) was generated by Hydroelectric Power Plants (HPP). Since SIN operates in optimized dispatch system centralized by the ONS, each HPP, including the Company's HPPs, is subject to variations in the hydrological conditions verified, both in the geographical region in which they operate as in other regions of the country. The hydroelectric generation represented approximately 80% of the total installed capacity of the Company's plants, which is equivalent to 5,124 MW. In the event of the occurrence of unfavorable hydrological conditions at SIN, jointly with the obligation of delivery of assured energy, the Company may be exposed to the short-term energy market, which could affect the its future financial results.

a.4) Environmental risks

The activities in the energy sector may cause negative impacts and damages to the environment. Federal legislation imposes to those who directly or indirectly cause environmental degradation the duty to repair or indemnify the damages caused to the environment and third-parties affected, regardless of guilt. The federal legislation also sets forth the possibility of the non consideration of the polluting company's corporate entity, as well as personal liability of managers, in order to make feasible the refund of losses caused to the quality of the environment. As a consequence, partners and managers of the polluting company may be obliged to pay for environmental remedy costs. The environmental risks are mitigated by the Company by means of its environmental Policy focused on the sustainable development of its business.

b) Market value

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

	Company			
	06.30.2010		03.31.2010	
	Book value	Market	Book value	Market
Loans and financing in foreign currency	229,280	238,909	251,389	250,951
Loans and financing in local currency	74,228	74,487	86,369	87,067
Debentures	1,624,496	1,541,582	1,739,515	1,662,854
	1,928,004	**1,854,978**	**2,077,273**	**2,000,872**

	Consolidated			
	06.30.2010		03.31.2010	
	Book value	Market	Book value	Market
Loans and financing in foreign currency	229,280	238,909	251,389	250,951
Loans and financing in local currency	1,181,060	1,184,393	1,180,311	1,181,009
Debentures	1,655,167	1,572,253	1,774,857	1,698,196
	3,065,507	**2,995,555**	**3,206,557**	**3,130,156**

The Company has no derivative financial instruments. As a result of the history of the Real volatility against foreign currencies, below is a detailed analysis of the Company's foreign currency debt sensitivity, taking into consideration a basic scenario projected to 12.31.2010 and another two taking into consideration a 25% and 50% Real depreciation in relation to the basis scenario. The projection of the effects resulting from the application of these scenarios to the Company's financial result for 2010 would be as follows:

	Book value	Scenario projected	Scenario I *25% variation*	Scenario II *50% variation*
STN	138,356	10,685	47,946	85,206
BNP Paribas	90,924	19,891	47,595	75,298
	229,280	**30,576**	**95,541**	**160,504**

31 – RELATED-PARTY TRANSACTIONS

The Company has agreements with its subsidiaries, explained as follows:

Itasa

Electricity purchase and sale agreements of 167 average MW and 61 average MW of energy, effective up to 10.16.2030, restated respectively by the IGP-M (General Market Price Index) and the Dollar variation plus the annual U.S. inflation. The agreements' outstanding balance on 06.30.2010 is R$2,196,583 and R$491,950, respectively.

Service agreement of Itá Hydroelectric Power Plant operation and maintenance executed by the Company, within the scope of Itá Consortium, effective up to 10.16.2030, the amounts of which are annually restated by the IGP-M, and the outstanding balance on 06.30.2010 is R$208,852.

Lages

Electricity purchase and sale agreement of up to 26 monthly average MW of electricity, effective up to 03.31.2017. The outstanding balance on 06.30.2010 is R$43,061.

Operational management services agreement, in view of Lages not having its own staff, effective for an undetermined period. The compensation set forth in the Agreement corresponds to R$180 per year, restated annually by the INPC.

Operation and maintenance agreement, expiring on 03.31.2012. The contractual amount is annually restated based on the variation of compensation defined at the Collective Bargaining Agreement of the Company's employees. The agreements' remaining balance on 06.30.2010 is R$3,045.

TBLC

Management, planning, control and economic, accounting, fiscal, legal and financial administration services agreement, effective for an indeterminate period of time. The annual amount paid by TBLC is R$360, restated annually by the INPC variation.

Energy purchase and sale agreements with the purpose to supply energy for TBLC to comply with its energy sale agreements, with the following characteristics:

a) 150 monthly average MW effective between 03.01.2008 and 03.01.2015, whose outstanding balance on 06.30.2010 is R$429,710.

b) 190 monthly average MW effective between 01.01.2009 and 12.31.2016, whose outstanding balance on 06.30.2010 is R$758,025.

c) 150 monthly average MW effective between 01.01.2010 and 12.31.2010, whose outstanding balance on 06.30.2010 is R$62,921.

Electricity sale agreement executed between TBLC and CESS of average 87 MW, effective until 12.31.2010, including flexibility in the monthly amount of electricity purchased, whose balance on 06.30.2010 was R$36,746.

CESS

Management, planning, control and economic, accounting, fiscal, legal and financial administration services agreement for the subsidiary, effective for an indeterminate period of time. CESS pays annually the amount of R$192, restated annually by the INPC variation.

Operation and maintenance agreement of São Salvador Hydroelectric Power Plant (UHSA), expiring on the financing end-date (10.15.2023). The contractual amount is annually restated by the IGP-M variation and outstanding balance is R$12,870 on 06.30.2010.

Subsidiaries of Tractebel Energias Complementares Participações Ltda. (TBLP) and Energia América do Sul Ltda.

Management, planning, control and economic, accounting, fiscal, legal and financial administration services agreement, effective for an indeterminate period of time, for the indirect subsidiaries Hidrelétrica Areia Branca S.A., Hidropower Energia S.A., Eólica Beberibe S.A., Eólica Pedra do Sal S.A., Tupan Energia Elétrica S.A., Ibitiúva Bioenergética S.A. and Ponte de Pedra S.A. The annual amount of the group of companies is R$864, restated annually by the INPC variation.

GDF SUEZ Energy Latin America Participações Ltda. (GSELA)

The Company has small amounts receivable referring to intercompany services, totaling R$37. Also, as mentioned in Note 13, in January 2010 the Company paid to GSELA the first installment related to the acquisition of SUEZ Energia Renovável S.A., in the amount of R$304,556.

SUEZ-Tractebel S.A. (Indirect subsidiary)

The Company executed an agreement with SUEZ-Tractebel S.A., its indirect controlling company, headquartered in Brussels, Belgium, the purpose of which is the provision of advisory services in the management, operational, financial, accounting, legal, marketing and development areas of projects, according to the Company's needs. The agreement renewal was approved by unanimous vote of the Company’s minority shareholders, at the Extraordinary General Meeting (AGE) held on 04.23.2010, and the controlling shareholder did not use its voting rights in respect of this subject. The term of the agreement is three years, renewable each year. The fees during the effectiveness of the agreement is limited to the annual non-cumulative amount of €1,500,000.00. Services shall be executed and respective fees shall be submitted to the Company’s Fiscal Council, which has one member elected by the minority shareholders.

Estreito Energia Consortium (Ceste)

In April 2010, the Company executed with Estreito Energia Consortium (Ceste), an agreement for the operation and maintenance of Estreito Hydroelectric Power Plant (HPP Estreito) and transmission line to connect this plant to the Brazilian National Integrated System (SIN), including pre-operational activities, planning, engineering and execution of the operation and maintenance of the power plant facilities, as well as the activities deemed necessary for the full operation of the power plant.

The agreement amounts to R$199,706 and is effective until May 2025. The installments will be adjusted yearly through a mix of IPCA and INPC indexes. On June 30, 2010 the balance of the agreement was R$198,966.

06.01 – NOTES TO THE FINANCIAL STATEMENTS

The amounts recorded in balance sheet and income statement are as follows:

	Assets					Liabilities			
06.30.2010	Accounts receivable	Dividends	Loan	Investment	Total	Suppliers	Dividend and interest on equity	Other	Total
ITASA	2,241	5,790	-	-	8,031	5,305	-	21	5,326
LAGES	806	-	-	-	806	-	-	-	-
TBLC	97,177	-	-	-	97,177	-	-	-	-
PPESA	380	-	-	-	380	-	-	-	-
CESS	3,692	1,628	-	-	5,320	-	-	-	-
IBITIÚVA	21	-	27,563	-	27,584	-	-	-	-
AREIA BRANCA	112	-	-	-	112	-	-	-	-
SUEZ TRACTEBEL	-	-	-	-	-	-	-	2,205	2,205
LEME ENGENHARIA	-	-	-	-	-	109	-	-	109
GSELA	37	-	-	304,556	304,593	-	-	-	-
OTHER	106	-	-	-	106	168	-	-	168
TOTAL	**104,572**	**7,418**	**27,563**	**304,556**	**444,109**	**5,582**	**-**	**2,226**	**7,808**
03.31.2010	**89,453**	**7,418**	**54,841**	**304,556**	**456,268**	**5,679**	**169,590**	**1,615**	**176,884**

	2Q10								
	Operating revenue				Electricity cost		Expenses		
	Electricity supply	Services Revenue: Operation and maintenance	Services Revenue: Management	Total	Electricity purchase	Fuels	General and administrative	Total	Income in earnings of subsidiaries
ITASA	-	3,045	-	3,045	30,935	-	-	30,935	4,799
LAGES	1,470	436	45	1,951	-	-	-	-	1,902
TBLC	91,558	-	90	91,648	-	-	-	-	6,152
EAS	-	-	-	-	-	-	-	-	(902)
CESS	-	-	49	49	-	-	-	-	(12,906)
DELTA	-	-	-	-	-	-	-	-	36
PPESA	785	-	48	833	-	-	-	-	-
TBLP	-	-	-	-	-	-	-	-	569
SUEZ TRACTEBEL	-	-	-	-	-	-	1,021	1,021	-
IBITIÚVA	-	-	60	60	-	-	-	-	-
OTHER	-	-	107	107	-	-	-	-	-
TOTAL	**93,813**	**3,481**	**399**	**97,693**	**30,935**	**-**	**1,021**	**31,956**	**(350)**
2Q09	**158,811**	**3,442**	**152**	**162,405**	**31,579**	**2,848**	**2,717**	**37,144**	**34,301**

Compensation of Management's key personnel

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

	Company		Consolidated	
	06.30.2010	06.30.2009	06.30.2010	06.30.2009
Short-term benefits and fees	3,557	3,221	3,833	3,460
Payroll charges	1,186	1,037	1,241	1,085
Manager's bonus and charges	1,805	593	1,805	593
Post-employment benefits	306	300	306	300
	6,854	**5,151**	**7,185**	**5,438**

The management do not have compensation related to the shares of Tractebel Energia and its subsidiaries.

32 – GUARANTEES TO THIRD PARTIES

The Company is intervening party to the agreements executed between its subsidiaries that have contracted financing from BNDES, the financing agents, BRDE and the Brazilian Federal Savings Bank, linked to the construction of their respective plants, having assigned, as collateral, all the shares or quotas it owns issued by these subsidiaries up to the final settlement of all liabilities undertaken in these agreements.

The Company has been negotiating with the financing agent of Hidropower and Banco do Brasil for the swap of the guarantees. After this process is completed, the Company will become the intervening party to the financing agreements of these indirect subsidiaries.

33 – INSURANCE

The Company has a comprehensive operating risk insurance policy with a declared amount for property damages of US$4,867,212 (R$8,764,388) on 06.30.2010, and with a declared amount for loss of profits of US$251,487 (R$452,852) on 06.30.2010. The maximum combined property damage and loss of profits claim limit is US$250,000, equivalent to R$450,175 on 06.30.2010, per event.

Insurances contracted related to their subsidiaries on 06.30.2010, have the following main characteristics and coverage amounts:

	Operating risks		Loss of profits	
	US$	R$	US$	R$
Lages	40,032	72,086	5,347	9,628
CESS	231,575	416,997	21,398	38,531
Ponte de Pedra	196,600	354,018	10,168	18,310
Tupan	24,074	43,350	2,462	4,433
Hidropower	24,074	43,350	1,969	3,546
Pedra do Sal	24,882	44,805	9,671	17,415
Beberibe	49,565	89,252	12,756	22,970
Ibitiúva	52,052	93,730	16,151	29,083

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

As from the 2009/2010 cycle, the Company decided to take out the insurance policy called *Property Damage and Business Interruption* – PDBI, which is coordinated by the Controlling Group, since it understands that business and coverage conditions are more favorable than those available on the domestic market and likely to be contracted by the Company. On 05.31.2010, this insurance policy was renewed for the 2010/2011 cycle with a reduction of the insurance rate of approximately 8% compared to the previous cycle. Due to favorable conditions provided by this global insurance policy, the Estreito Consortium, which is in the process of being acquired by the Company and having as consortium members GDF SUEZ (40.07%), Vale (30%), Alcoa (25.49%) and Camargo Corrêa Geração de Energia (4.44%), requested the inclusion of Estreito hydroelectric power plant in said insurance policy.

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

34 – LONG-TERM AGREEMENTS

The Company has long-term commitments, the main components of which are as follows:

a) Connection agreement

The Company entered into a connection agreement with Eletrosul and Furnas Centrais Elétricas S.A. (Furnas), effective until the termination date of the Company's generation units concession or the liquidation of the transmission company, whichever comes first.

Regarding the companies recently acquired, the connection usage agreements are the following:

- Eólica Beberibe S.A.: Companhia Energética do Ceará (Coelce).
- Eólica Pedra do Sal S.A.: Companhia Energética do Piauí (Cepisa).
- Hidrelétrica Areia Branca S.A.: Cemig Distribuição S.A. (Cemig).

On 06.30.2010 the connection agreements' remaining balance amounts to R$236,398.

b) Transmission and Distribution Network Usage Agreement (Cust and Cusd)

In order to use the transmission system and basic network, the Company and its subsidiaries Ponte de Pedra Energética S.A. and Companhia Energética São Salvador have agreements with the ONS. For plants that are not directly connected to the basic network, Distribution Usage Agreements are maintained, as follows:

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

Most agreements are effective up to the termination date of the concessions or authorizations of the Company's generation units, or the liquidation of transmission and distribution companies, whichever occurs first. On 06.30.2010 the agreements' remaining balance amounts to R$6,283,512.

c) Electricity purchase and sale bilateral agreements

According to data related to assured energy and sale agreements in force, the Company's energy balance sheet shows that current capacity has the following contracting levels:

	Average MW(*)				
Year	Own resources	Purchase for resale	Total availability	Contracted availability	% Contracted
2010	3,365	651	4,016	3,930	97.86%
2011	3,504	352	3,856	3,685	95.57%
2012	3,617	306	3,923	3,734	95.18%
2013	3,617	278	3,895	3,611	92.71%
2014	3,617	253	3,870	3,229	83.44%
2015	3,617	200	3,817	2,930	76.76%

(*) *Information on average MW is not revised by the independent auditors.*

d) Purchase of electricity from Argentina

In May 1998, Tractebel Energia and Cien entered into an agreement, through which Cien undertook to supply Tractebel Energia with 300 MW of firm power with associated energy, for a 20-year term as of the startup of the transmission system between Brazil and Argentina, on 06.21.2000.

In 2006, it was verified that Cien was not capable of supplying the amount of energy provided for in the agreement, which made Aneel issue a Normative Resolution to reduce the amounts of physical power guarantee to "zero" to comply with the agreement with Tractebel Energia. The reduction to "zero" would be valid until Cien could prove the availability exists, which did not occur.

Due to the need to solve such disput, which has been going on for a long time, without any perspective of solution, Tractebel Energia, in view of the total default of Cien, filed a lawsuit, mainly requiring the agreement termination, with the payment of due fine, and reimbursement of losses caused for not receiving the contracted electricity. At this moment, it is not possible to estimate any amount involved in said lawsuit. As required, all necessary measures to comply with Tractebel's commercial operations commitments, as well as to reestablish its portfolio balance, were already taken in the past years.

The lawsuit is in its preliminary phase and Tractebel Energia answered Cien's reply in a rebuttal filed on 05.26. 2010.

e) Purchase of natural gas

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

With the expiration of the contract period, on 05.22.2006, the Company showed its interest to renew the agreement, however, MSGÁS announced that the renewal would depend on the adjustment of the product price, as determined by Petróleo Brasileiro S.A. (Petrobras), the gas seller to MSGÁS and the consenting party in the contract.

Petrobras filed a special appeal with the Superior Court of Justice (STJ), where in a Writ of Prevention, was granted the suspension, authorizing it, as of November 2007, to suspend the supply. As a result, the Company had been buying power in the CCEE to supply UTWA energy-backed sales. When convenient and necessary, the power plant has been operating with diesel oil as fuel, since the power plant has this flexibility.

As a result of the filing of the Preparatory Writ of Prevention, the Company filed a lawsuit and was granted relief determining that sale agreements of natural gas entered into between the Company and MSGÁS, and between MSGÁS and Petrobras and respective addenda can be renewed for a 5-year term, beginning on 05.23.2006. The period in which the gas supply was interrupted as a result of this litigation shall be added to the expiration of the agreement, and its expiration shall be proportionally extended. Gas price and quantity shall be those contracted and restated as per Thermoelectric Power Plant Priority Program (PPT).

The Superior Court of Justice has recently dismissed the Writ of Prevention and Petrobras' Special Appeal due to lack of grounds. As a consequence, the Preparatory Writ of Prevention included an order for MSGÁS and Petrobras to supply the gas to Arjona as from 11.26.2009.

Petrobras lodged an appeal in view of the decision rendered in the records of the lawsuit, which did not affect the gas supply. Currently, appeal is pending judgment at the Appeals Court of Mato Grosso do Sul.

f) Leasing agreements

The leasing agreements listed below have been classified as "operating", because the ownership of the asset cannot be transferred to the lessee by the end of the agreement's duration, and because there is no option to purchase the asset.

Eólica Beberibe has four land lease agreements used for the installation and construction of towers of wind turbines, substation and transmission stations associated. These agreements mature between May 2027 and September 2032 and amounts comprise fixed and variable amounts, corresponding to a percentage of gross revenue of the subsidiary. Fixed amounts are restated by IGPM, by the U.S. dollar variation and the inflation rate in the United States of America (USA), depending on each agreement.

Eólica Pedra do Sal has one lease agreement of the land where its generation complex is located, maturing in 2029. The monthly paid amount contracted corresponds to a percentage of gross operating revenue.

In the second quarter of 2010 the total lease expense was R$300.

The total minimum future payments are:

2010	348
2011 to 2015	4,360
2016 onwards	14,962
	19,670

Wind energy generation projects acquired in 2009: the companies acquired by subsidiary TBLP have eight lease agreements for land used in the installation and construction of the wind generator towers, a substation and associated transmission facilities. The agreements mature from 2032 to 2042, and the payments are composed of fixed and variable amounts. The latter will be due as of the startup of each project. In the second quarter of 2010, total expenses were R$211.

The total estimated minimum future payments are as follows:

2010	251
2011 to 2015	2,510
2016 onwards	7,639
	10,400

g) Construction agreements in progress

g.1) Ibitiúva Bioenergética Thermoelectric Power Plant

Indirect subsidiary Ibitiúva executed an agreement with Areva Koblitz to provide engineering services, acquisition of equipment and construction of Ibitiúva Bioenergética Thermoelectric Power Plant, whose remaining amount on 06.30.2010 was R$12,384. The agreement is effective up to 12.31.2011.

Ibitiúva has also executed an agreement with Leme Engenharia Ltda, a company belonging to the GDF SUEZ, for the control of quality of Ibitiúva Bioenergética Thermoelectric Power Plant project, completed on 04.01.2010.

g.2) São Salvador Hydroelectric Power Plant

Subsidiary CESS has an agreement with Consórcio São Salvador to provide engineering services, acquisition of equipment and construction of São Salvador Hydroelectric Power Plant. The amount to be realized on 6.30.2010 was R$10,581.

35 – ADDITIONAL INFORMATION TO THE CASH FLOW

In addition to the cash flow presented as part of the Financial Statements, the transactions that do not involve the cash and the payments made in the year are the following:

	Company			
	2010		2009	
	2nd Quarter	Accumulated	2nd Quarter	Accumulated
Payment in the year				
Interest from loans, financing and debentures	101,355	103,851	117,361	121,163
Income and social contribution taxes	32,849	380,462	29,167	358,584

	Consolidated			
	2010		2009	
	2nd Quarter	Accumulated	2nd Quarter	Accumulated
Payment in the year				
Interest from loans, financing and debentures	124,919	152,674	89,721	109,758
Income and social contribution taxes	37,665	392,218	40,668	376,451
Non-cash operations				
Accounting for São Salvador Hydroelectric Power Plant	-	-	335,267	335,267

36 – SUBSEQUENT EVENTS

Assets combination operation between GDF SUEZ and International Power

Through announcement made by its indirect parent company GDF SUEZ S.A., the Company became aware of the signature of a Memorandum of Understanding between the Board of Directors of GDF SUEZ and International Power Plc (International Power), detailing the principles that will rule a potential assets combination of the international energy business unit (outside Europe) of GDF SUEZ and certain assets located in the United Kingdom and Turkey (jointly referred to as "GDF SUEZ Energy International Assets") with International Power's assets in order to create a stronger International Power (the "New International Power"), listed and traded at the London Stock Exchange. Tractebel Energia composes GDF SUEZ Energy International's group of assets.

If the operation is materialized, we expect that GDF SUEZ Energy International's assets receive a capital increase from International Power, by means of the issue of new shares of International Power to GDF SUEZ, which, in turn, will become the majority shareholder of the New International Power, with an estimated interest of 70% of the voting capital. Current shareholders of International Power would approximately hold 30% in the New International Power's voting capital, in addition to receiving a cash amount corresponding to 92 pence of pound per share of the International Power, through a special distribution of dividends to be implemented by International Power.

It is worth mentioning that the materialization of this operation is subject to certain condition precedents, among which the signature of definitive agreements between GDF SUEZ and International Power related to the operation and the previous approval of International Power's shareholders, GDF SUEZ's employees and certain antitrust governmental authorities and regulatory agencies. There is no guarantee that the definitive agreements will be signed or the operation will be approved and finally implemented.

According to publicly available information, International Power does not have assets in Brazil. Therefore and solely based on this publicly available information provided, we do not expect that this operation (if and when implemented) will cause changes or to adversely affect the operations of Tractebel Energia or the structure of Brazil's electricity market. Likewise, if the operation is materialized according to the aforementioned terms, Tractebel Energia control must not change, as GDF SUEZ will remain as its indirect parent company.

Further information on the operation and its effects on Tractebel Energia and the Brazilian market will be disclosed, to the extent Tractebel Energia is aware thereof or when the operation is materialized.

Interim dividends

The Board of Directors, at a meeting held on August 12, 2010, approved the distribution of interim dividends, based on the financial statements drawn up on 06.30.2010, in the amount of R$286,100, corresponding to R$0.4383049909 per share. The aforementioned dividends correspond to 55% of net income in the first half of 2010.

The Company shares will be traded ex-interim dividends as of 10.1.2010.

Dividends will be paid on October 15,2010 based on the records filed at Itaú Unibanco Holding S.A.

Said dividends will be recorded in the book of account in the third quarter of 2010.

37 – RECONCILIATION TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

a) Introduction

The Company prepared its financial statements according to the standards issued by the Brazilian Securities and Exchange Commission (CVM) including CVM Resolution number 565/08. The reconciliation note comparing net income and shareholder's equity under CVM standards with IFRS, as required by the São Paulo Stock Exchange (BOVESPA), does not constitute a complete presentation of the financial statements comprising, comparatively, the Balance Sheet, the Income Statements, the Statements of Changes in Shareholders' Equity and Cash Flows, and the explanatory notes as required by the International Financial Reporting Standards (IFRS).

The Company adopted IFRS 1 - "First Time Adoption of International Financial Reporting Standards" in order to determine the adjustments to the opening balances; the basis and options applied may change when the Company prepares its complete financial statements according to IFRS.

b) Reconciliation Procedures

December 31, 2007 was the first financial year end for which the IFRS reconciliation and accompanying notes was presented.

As required by IFRS 1, the opening balance reflects all of the pronouncements and interpretations of IFRS effective on December 31, 2007, except for the exemptions and exceptions allowed in the application of IFRS 1 for determining the measurement of the impacts on the opening balance.

06.01 – NOTES TO THE FINANCIAL STATEMENTS

The reconciliation of the differences between the shareholders' equity and the net income determined in accordance with the accounting practices adopted in Brazil and those determined by IFRS were drawn up based on the financial statements of the Company, prepared in accordance with accounting practices adopted in Brazil, as described in Note 2. The reconciliation of the shareholders' equity and the net income, as required by the São Paulo Stock Exchange (BOVESPA) in order to meet the Novo Mercado (New Market) listing requirements, does not represent a complete set of financial statements comprising a balance sheet, income statement, statement of changes in shareholders' equity and cash flow statement, presented on a comparative basis and with the respective explanatory notes, as required by IFRS.

	Shareholders' equity		Net income 2010		Net income 2009	
	06.30.2010	03.31.2010	2nd quarter	1st semester	2nd quarter	1st semester
Brazilian accounting practices	4,201,450	3,929,969	271,481	520,183	263,263	497,151
Monetary adjustment	174,877	179,465	(4,588)	(9,222)	(4,764)	(9,558)
Post-employment benefits	68,343	68,226	117	188	(945)	4,763
Foreign exchange variation and interest income	(62,378)	(62,874)	496	993	497	993
Capitalized financial charges	77,408	78,130	(722)	(1,199)	17,504	23,608
Borrowing costs	(11,932)	(12,016)	84	167	84	167
Capitalization on investment acquisition	16,163	15,796	367	731	364	729
Deferred income and social contribution taxes	(82,192)	(82,711)	519	1,158	(5,256)	(8,888)
	4,381,739	**4,113,985**	**267,754**	**512,999**	**270,747**	**508,965**

Monetary adjustment

In accordance with the standards issued by CVM, the Company did not recognize the Brazilian inflationary effects subsequent to December 31, 1995. On January 1, 1996, the net amount accounted for in respect of all non-monetary assets and liabilities became their historic cost. In accordance with IFRS (IAS 29 - Financial Reporting in Hyperinflationary Economies), Brazil was considered as being a hyperinflationary economy until 1997, and accordingly, for IFRS purposes, the Company continued to recognize inflation effects based on the IGPM index (general market price index).

The adjustment presented in the line item "Monetary adjustment" represents the inflationary effects on property, plant and equipment recognized in 1996 and 1997 for IFRS purposes, net of the effect of depreciation and write-offs on such monetary adjustment.

Post-employment benefits

As disclosed in Note 24, the Company accounts for post-employment benefits in accordance with CVM Resolution No. 371/2001, since December 31, 2001. Specifically, for the actuarial liability related to the defined benefit plan, the Company opted for the corridor methodology to recognize actuarial gains and losses.

For IFRS purposes, the Company adopted the exemption prescribed by IFRS 1 (First Time Adoption of International Financial Reporting Standards), under which all actuarial gains and losses related to the defined benefit plan, sponsored by the Company, were recognized on the IFRS transition date.

As permitted by IAS 19, the Company adopted a policy of recognizing actuarial gains and losses in the year in which they occurred in the shareholders' equity as other comprehensive income.

Consequently, the shareholders' equity adjustment shown in the line item "Post-employment benefits" represents the actuarial gain not recognized for CVM standards purposes, and recognized for IFRS purposes.

Foreign exchange variation and interest income

Based on the Local GAAP, the foreign exchange differences arising from foreign currency-denominated loans and financing and interest income from marketable securities resulted from third party fund were fully capitalized in the cost of property, plant and equipment under construction. For IFRS purposes, these exchange differences and interest income were capitalized up to the amount equivalent to the cost of a loan, if raised in Brazil (as required by IAS 23 – Borrowing costs).

Capitalized financial charges

According to IFRS, the Company's own capital used to finance subsidiaries' construction in progress was capitalized in subsidiaries' property, plant and equipment; such capitalization is based on the interest rates of the loans and financing obtained.

Borrowing costs

Under CVM standards, the borrowing costs of certain financing assumed for the construction of a hydroelectric project were capitalized in the underlying asset.

Under IFRS, these costs are considered financing costs and are amortized over the period of the financing.

Capitalization on investment acquisition

The amount of deferred charges (goodwill) accounted for in respect of the acquisition of Itá Energética S.A. in 2001 was, as of January 1, 2008, reclassified to intangibles and was maintained under this caption for CVM standards. Under IFRS, the Company performed a purchase price valuation at the date of acquisition and included the amount in property, plant and equipment; the deferred charges' (up to December 31, 2007) and intangibles' amortization rates are higher than that of the depreciation rate of property, plant and equipment.

Deferred income and social contribution taxes

Represented by the effect of income and social contribution taxes on the accounting adjustments required to reconcile net income and shareholders' equity according to the standards issued by CVM to the IFRS. This amount includes the recognition of deferred tax credits for IFRS purposes on temporary differences in permanent assets which are realizable over a period in excess of 10 years and which were not recognized according to CVM standards purposes. The amounts of each adjustment are shown in the chart below:

	Shareholders' equity		Net income 2010		Net income 2009	
	06.30.2010	03.31.2010	2nd quarter	1st semester	2nd quarter	1st semester
Deferred taxes from reconciliation adjustments	(88,652)	(90,086)	1,434	2,818	(4,340)	(7,056)
Deferred taxes from temporary differences in permanent assets	6,460	7,375	(915)	(1,660)	(916)	(1,832)
	(82,192)	**(82,711)**	**519**	**1,158**	**(5,256)**	**(8,888)**

BOARD OF DIRECTORS

Maurício Stolle Bähr
Chairman

Jan Franciscus María Flachet
Vice-Chairman

Manoel Arlindo Zaroni Torres
Board Member

Victor-Frank de Paula Rosa Paranhos
Board Member

Dirk Achiel Marc Beeuwsaert
Board Member

Alain François Marie Louise Janssens
Board Member

Luiz Antônio Barbosa
Board Member

José Pais Rangel
Board Member

Antonio Alberto Gouvêa Vieira
Board Member

EXECUTIVE OFFICERS

The Company's executive officers hereby declare they have examined, discussed and revised all information provided in the Company's Financial Statements (company and consolidated), and that they agree with the opinion of the Company's independent auditors (Deloitte Touche Tohmatsu) mentioned in the Independent Auditor's Special Review Report.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

José Luiz Jansson Laydner
Energy Commercialization Officer

Miroel Makiolke Wolowski
Project Development and Implementation Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antonio Amaral Sureck
Planning and Control Officer

Luciano Flávio Andriani
Administrative Officer

ACCOUNTING DEPARTMENT

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

07.01 – COMMENTS ON THE PERFORMANCE IN THE QUARTER

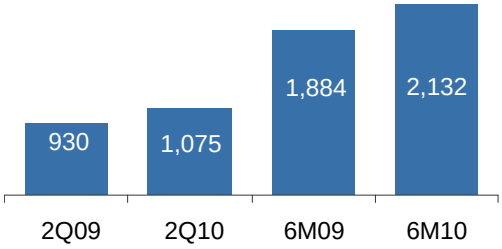
See 12.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Gross Operating Revenue

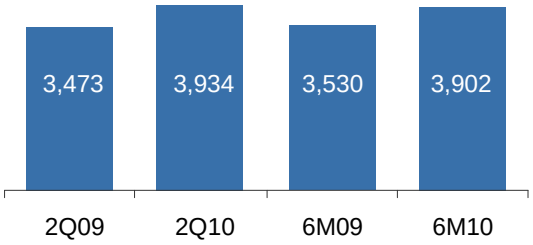
The Company reported gross operating revenue in 2Q10 of R$ 1,074.6 million, 15.6% higher than the same period for the preceding year when this item recorded R$ 929.8 million. This variation is essentially a combination of the following factors: (i) an increase of R$ 31.4 million due to the startup in commercial operations of new plants which provided sales of 303 GWh (139 average MW); (ii) growth of R$ 24.6 million in transactions conducted within the scope of the Energy Trading Board (CCEE), as described under a specific heading; and (iii) growth of R$ 88.1 million, the result of a favorable combination of sales prices and volume of energy sold. Regarding item (iii), the 2Q10 average sales prices reflect the growth in sales prices to the distributors and free customers and the decline in prices for trading companies - the latter resulted by the increase in short term sales, the prices of which were lower than those practiced with long-term sales -, while the volumes where impacted by higher energy purchases for resale (656 GWh or 300 average MW in addition).

Sales volume in 2Q10 was 8,592 GWh (3,934 average MW), a 13.3% improvement over 7,585 GWh (3,473 average MW) sold in the same period 2009.

Gross Operating Revenue - R$ million



Sales Volume - avg MW



Principal Components of Gross Operating Revenue

Wholesale market for electric energy

Revenue from the wholesale market, namely sales to entities other than free consumers, reached R$ 795.2 million in 2Q10, 12.9% up on 2Q09 when the Company posted revenue of R$ 704.5 million. This growth of R$ 90.7 million represented in large part higher sales volume (equivalent to 837 GWh or 383 average MW) to trading companies and distributors, these principally due to the sale of 200 average MW to the distributor pool at an auction held in 2005 with delivery beginning in 2010, and the start-up of commercial operations at the new plants. It should be pointed out that the increase in sales as a result of the initiation of commercial operations at the new plants was R$ 26.0 million, from 258 GWh or 118 average MW.

Retail market for electric energy

Business through the retail market (energy sales to free customers) recorded growth of 13.4% between comparative periods, increasing from R$ 214.8 million in 2Q09 to R$ 243.6 million in 2Q10, a result of the following key factors: (i) growth of R$ 13.9 million, a reflection of stronger sales on the back of a recovery in industrial demand (equivalent to 118 GWh or 54 average MW); (ii) an increase of R$ 9.5 million due to a rise in average prices of energy sold; and (iii) an increase of R$ 5.4 million (equivalent to 45 GWh or 21 average MW) reflecting the anticipation of operations at the São Salvador HPP.

Transactions channeled through the Energy Trading Board (CCEE)

In 2Q10, revenues under this item were R$ 26.8 million as against R$ 2.2 million in the same quarter of 2009. Further explanations on these operations can be found below under 'Details of CCEE operations'.

Exports of electric energy

In 2Q10, the Company reported export revenues on energy sales to Argentina and Uruguay of R$ 6.5 million, compared with the same period in 2009 of R$ 5.2 million.

Deductions from Operating Revenue

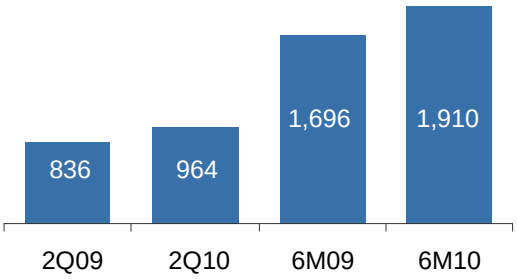
Deductions from operating revenues reported a year-on-year increase of 17.1% from R$ 94.3 million to R$ 110.4 million. These deductions represented 10.3% and 10.2% of the gross operating revenue (net of exports which are exempt from these deductions) for the second quarter of 2010 and 2009, respectively. This increase reflects a combination of the following factors: (i) an increase of R$ 13.2 million or 18.7% of PIS and Cofins charges, this due to a change in the way these levies are collected from a cumulative method (at a rate of 3.65%) to a non-cumulative one (at a rate of 9.25%, but with the right to tax credits on certain acquisitions) on those contracts with pre-fixed prices concluded during and after 2Q09; and (ii) a rise of R$ 2.3 million or 13.7% in ICMS sales tax payments, a reflection of an increase in sales volume to industrial consumers, transactions on which the collection of this tax is due.

Net Operating Revenue

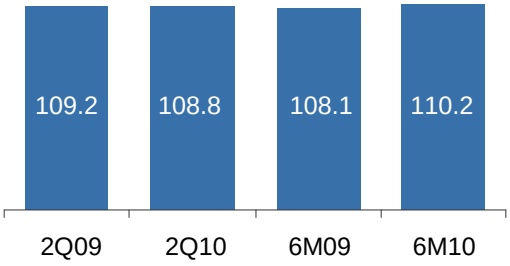
In 2Q10, net operating revenues registered growth of 15.4% when compared with the same quarter in 2009, rising from R$ 835.6 million to R$ 964.2 million. The increase reported is directly related to the evolution in gross operating revenue and the deductions from operating revenue as indicated above.

The average electric energy sales price, net of exports and operating revenues, reached R$ 108.82/MWh in 2Q10, slightly less than R$ 109.23/MWh in 2Q09. This reduction is a result of the lower prices prevailing for trading companies in short-term sales as we have mentioned above, although the average price for the first half of 2010 was 1.9% higher than for the same period in 2009.

Net Operating Revenue - R$ million



Average Net Sales Price - R$/MWh



Costs of Electric Energy and Services

The Company's costs were R$ 434.9 million in 2Q10, 31.6% up on the R$ 330.4 million in the same quarter in 2009. This variation is fundamentally due to the trend in the principal cost components as follows:

- **Electric power purchased for resale:** an increase of R$ 69.7 million in 2Q10 due basically to the increase of 656 GWh (300 average GW) of purchased energy allowing the Company to sell a 30-year product in the so-called "botox" energy auction at attractive prices, deliveries to begin in 2010, and to meet energy sales commitments. A large number of these purchase contracts was signed some years ago – and therefore bearing no relation to spot market prices (PLD).

- **Transactions channeled through the Energy Trading Board (CCEE):** a reduction of R$ 36.8 million, as commented below under this heading.

- **Fuel Expenses:** a rise of R$ 4.9 million in 2Q10, largely due to the cost of gas contracted by the William Arjona TPP.

- **Charges for the use of and connection to the electricity grid:** an increase of R$ 5.3 million in 2Q10, principally due to the annual tariff readjustment and the startup of operations of new plants.

- **Financial compensation for the use of water resources:** an increase of R$ 27.1 million, reflecting the substantial increase in dispatch from the hydroelectric plants in 2Q10 due to heavy rainfall when compared with the same quarter for the preceding year when generation from the hydro plants was restricted due to the severe drought, principally in southern Brazil.

- **Personnel:** an increase of R$ 3.9 million in 2Q10 due to the annual salary readjustment for employees and the increase in headcount.

- **Third party services:** an increase of R$ 6.1 million in 2Q10 as a function of greater demand for maintenance and conservation services at the Company's generating units and the contracting of complementary services at the plants going into commercial operations during and after 2Q09.

- **Depreciation and amortization:** R$ 21.7 million higher than 2Q10 compared with the same period in 2009, principally due to initial depreciation on generation assets entering service during and after 2Q09.

Energy Trading Board – Details of CCEE Operations

The various monthly credit or debit entries to the account of a member of the CCEE 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 commercialization strategy, there have been changes in billing profile in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing over the two-year period – the reason for including the present topic. In this way, we are able to analyze the oscillations in the principal elements in spite of their allocation either to income or expenses according to the credit or debit nature of the billing to which they relate.

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

In 2Q10, the Company reported net revenue of R$ 26.6 million from transactions conducted through the CCEE while in the same period for the preceding year there was a net expense of R$ 34.9 million, a year-on-year gain of R$ 61.5 million between the comparative periods. This change is largely due to the following:

I. an increase of R$ 51.5 million in the MRE result which reverted from an expense of R$ 36.4 million in 2Q09 to an income of R$ 15.1 million in the quarter under review. This variation occurred as result of the substantial increase in dispatch from the Company’s hydro plants in 2Q10, in turn reflecting heavy rainfall during the period, as compared with the same quarter in 2009 when generation was affected by drought conditions in southern Brazil. This improvement in income was partially offset by higher royalties as described under item “Financial compensation for use of water resources”; and

II. other transactions executed through the CCEE recorded an improvement of R$ 10.0 million, primarily a consequence of the increase in revenue from secondary energy (generation in excess of average assured energy), from the reduction in the gain from ancillary services (generation of reactive energy) and the reduction in expenses arising from short positions; in the latter case the average spot PLD price for the Southern Submarket was lower in 2Q10 at R$ 40.67/MWh than in 2Q09 prices were R$ 42.89/MWh.

General and Administrative Expenses

General and administrative expenses rose R$ 2.7 million or 7.0%, from R$ 38.6 million in 2Q09 to R$ 41.3 million in 2Q10, essentially due to increased personnel and management overheads following the annual readjustment in salaries and benefits as well as an increase in total headcount – including personnel being trained to operate and maintain the plants going into operation in 2011 and later.

Constitution of Operating Provisions

These expenses declined from R$ 8.2 million in 2Q09 to R$ 4.5 million in 2Q10, principally due to a reduction in the provision for covering post-employment benefits on the back of the revision of discount rates on actuarial liabilities and income from the assets of the defined benefits plan sponsored by the Company.

Other operating income and expenses

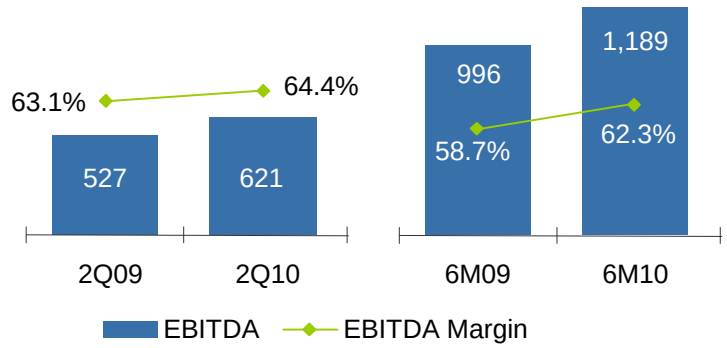
Definitive upholding of a legal action

In the quarter under review, the Company recognized non-recurring income of R$ 45.8 million following a final court ruling, not subject to appeal, of a legal action claiming the right to calculate PIS and Cofins charges on revenues from contracts signed prior to October 31, 2003 with a term longer than a year and at a predetermined price on the basis of the cumulative calculation system prevailing under the previous legislation.

EBITDA and EBITDA Margin

In the light of factors already commented, 2Q10 EBITDA reached R$ 620.6 million, up on 17.8% if compared with 2Q09, when the same item recorded an amount of R$ 526.9 million. EBITDA margin in 2Q10 was 64.4% against 63.1% in 2Q09.

EBITDA (1) (R$ million) and EBITDA Margin (%)



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

In order to allow the reconciliation of the operating income with the EBITDA, we present the table below:

EBITDA (in thousands of R$)	2Q10	2Q09	Chg. %	6M10	6M09	Chg. %
Operating income	409,220	391,029	4.7	786,010	740,791	6.1
(+/-) Financial Expenses	116,583	63,683	83.1	220,169	100,451	119.2
(+) Depreciation and Amortization	94,808	72,168	31.4	182,933	154,905	18.1
Total	**620,611**	**526,880**	**17.8**	**1,189,112**	**996,147**	**19.4**

Financial Result

Financial income: increased by R$ 3.8 million in 2Q10 from R$ 25.7 million in 2Q09 to R$ 29.5 million, principally due to higher income from financial investments during the quarter and reflecting a greater volume of investible resources compared with 2Q09.

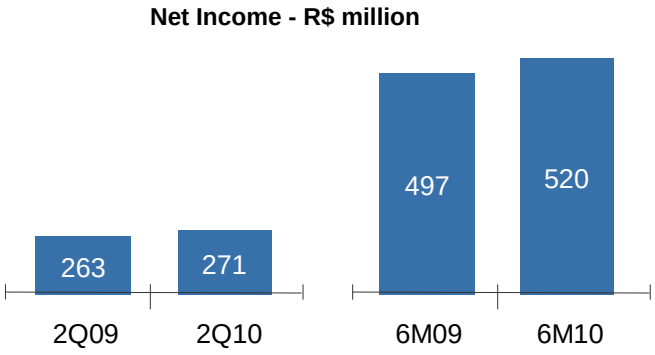
Financial expenses: in 2Q10, these expenses were R$ 146.0 million, an increase of R$ 56.7 million compared with 2Q09, when this item recorded R$ 89.4 million, and the result of a combination of the following factors: (i) an increase of R$ 15.9 million of interest on debt principally due to the increase of interest on loans and financing and concession charges payable for the São Salvador plant; (ii) growth of R$ 35.6 million in monetary restatement on debt due to higher variation in inflation indices for adjusting the Company's debt and monetary restatement of concession charges payable for São Salvador; (iii) reduction of R$ 28.4 million from foreign exchange translation gain on currency denominated loans in relation to the Real; (iv) a reduction of R$ 5.8 million in charges on the Company's actuarial liabilities; (v) recognition of a non-recurring loss of R$ 20.2 million due to a ruling without right of appeal against the Company's intended tax amnesty for interest plus fine on installment payments of Social Contribution on Net Income (CSLL) debits; this amount was not provisioned given the fact that Tractebel had received favorable decisions from lower instances and consequently had not deemed an eventual loss as probable; and (vi) non-recurring finance expense of R$ 36.4 million recognized in 2Q09 due to the adjustment in remuneration on US Treasury Bonds offered as collateral on the loan provided by the National Treasury Secretariat (STN).

Income Tax and Social Contribution

Income tax and social contribution expenses in 2Q10 were R$ 137.7 million, R$ 10.0 million higher than the R$ 127.8 million for the same period in 2009. The variation is largely due to the increase in the pre-tax result.

Net Income

In 2Q10, net earnings were R$ 271.5 million, 3.1% more than the same quarter for the preceding year at R$ 263.3 million. Accumulated profit reached R$ 520.2 million, 4.6% more than reported for the first six months of 2009 when this item registered R$ 497.1 million.



01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

13.01 - INTEREST IN SUBSIDIARY AND/OR ASSOCIATED COMPANIES

1 - ITEM	2 - NAME OF SUBSIDIARY/ASSOCIATED COMPANY	3 - CNPJ (Corporate Taxpayer's ID)	4 - CLASSIFICATION	5 - PARTICIPATION IN CAPITAL OF INVESTEE - %	6 - INVESTOR'S SHAREHOLDERS' EQUITY - %
7 - TYPE OF COMPANY		8 - NUMBER OF SHARES HELD IN CURRENT QUARTER (Units)		9 - NUMBER OF SHARES HELD IN PREVIOUS QUARTER (Units)	
01	ITÁ ENERGÉTICA S.A. - ITASA	01.355.994/0001-21	PUBLICLY-HELD SUBSIDIARY	48.75	7.62
COMMERCIAL, INDUSTRIAL AND OTHER TYPES OF COMPANY		253,606,840		253,606,840	
02	COMPANHIA ENERGÉTICA SÃO SALVADOR - CESS	04.848.623/0001-70	PRIVATE SUBSIDIARY	99.99	7.69
COMMERCIAL, INDUSTRIAL AND OTHER TYPES OF COMPANY		309,288,723		309,288,723	
03	TRACTEBEL ENERGIAS COMPLEM. PARTIC. LTDA	09.212.990/0001-04	PRIVATE SUBSIDIARY	99.99	12.30
COMMERCIAL, INDUSTRIAL AND OTHER TYPES OF COMPANY		509,009,727		509,009,727	
04	ENERGIA AMÉRICA DO SUL LTDA	02.695.010/0001-14	PRIVATE SUBSIDIARY	99.99	19.23
COMMERCIAL, INDUSTRIAL AND OTHER TYPES OF COMPANY		794,469,876		645,269,876	

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14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	01
2- ORDER No.	1
3 - REGISTRY No. AT CVM	CVM/SRE/DEB/2005/024
4 - REGISTRY DATE AT CVM	05/11/2005
5 - ISSUED TRANCHE	1st
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	05/02/2005
9 - MATURITY DATE	05/02/2011
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	IGP-M + 9.29% p.a.
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	10,209.19
14 - AMOUNT ISSUED (Thousands of Reais)	142,929
15 - NUMBER OF SECURITIES ISSUED (UNIT)	14,000
16 – OUTSTANDING SECURITIES (UNIT)	14,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	02
2- ORDER No.	2
3 - REGISTRY No. AT CVM	CVM/SRE/DEB/2005/025
4 - REGISTRY DATE AT CVM	06/19/2007
5 - ISSUED TRANCHE	Single
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	05/15/2007
9 - MATURITY DATE	05/15/2014
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	IPCA + 7% p.a.
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	11,769.44
14 - AMOUNT ISSUED (Thousands of Reais)	411,931
15 - NUMBER OF SECURITIES ISSUED (UNIT)	35,000
16 – OUTSTANDING SECURITIES (UNIT)	35,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	03
2- ORDER No.	3
3 - REGISTRY No. AT CVM	CVM/SRE/DEB-99/029
4 - REGISTRY DATE AT CVM	03/04/1999
5 - ISSUED TRANCHE	Single
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	04/01/1998
9 - MATURITY DATE	04/01/2013
10 - TYPE OF DEBENTURE	SUBORDINATED
11 - CONDITION OF CURRENT REMUNERATION	TJLP + 4% p.a.
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	5,861.42
14 - AMOUNT ISSUED (Thousands of Reais)	45,561
15 - NUMBER OF SECURITIES ISSUED (UNIT)	7,773
16 – OUTSTANDING SECURITIES (UNIT)	7,773
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	04
2- ORDER No.	4
3 - REGISTRY No. AT CVM	CVM/SRE/DEB/2009/002
4 - REGISTRY DATE AT CVM	04/22/2009
5 - ISSUED TRANCHE	Single
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	04/01/2009
9 - MATURITY DATE	04/01/2011
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	117% of CDI
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	10,083.49
14 - AMOUNT ISSUED (Thousands of Reais)	605,009
15 - NUMBER OF SECURITIES ISSUED (UNIT)	60,000
16 – OUTSTANDING SECURITIES (UNIT)	60,000
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

14.01 – CHARACTERISTICS OF PUBLIC OR PRIVATE ISSUANCE OF DEBENTURES

1- ITEM	05
2- ORDER No.	5
3 - REGISTRY No. AT CVM	Exempted pursuant to CVM Rule 476
4 - REGISTRY DATE AT CVM	11/05/2009
5 - ISSUED TRANCHE	Single
6 - TYPE OF ISSUANCE	SIMPLE
7 - NATURE OF ISSUANCE	PUBLIC
8 - DATE OF ISSUANCE	11/05/2009
9 - MATURITY DATE	11/05/2015
10 - TYPE OF DEBENTURE	WITHOUT PREFERENCE
11 - CONDITION OF CURRENT REMUNERATION	110% of CDI
12 - PREMIUM/DISCOUNT	None
13 - PAR VALUE (Reais)	1,007,978.02
14 - AMOUNT ISSUED (Thousands of Reais)	403,191
15 - NUMBER OF SECURITIES ISSUED (UNIT)	400
16 – OUTSTANDING SECURITIES (UNIT)	400
17 - TREASURY SECURITIES (UNIT)	0
18 - REDEEMED SECURITIES (UNIT)	0
19 - CONVERTED SECURITIES (UNIT)	0
20 - SECURITIES TO BE DISTRIBUTED (UNIT)	0
21 - DATE OF THE LAST RENEGOTIATION	
22 - DATE OF NEXT EVENT	

New Projects

The Company regularly evaluates opportunities, implements and runs projects related to HPPs, TPPs and co-generation units, having proved its competence in the implementation and operation of projects using various sources of energy (water, coal, natural gas, oil, biomass and wind).

The Company and the Controlling Shareholder adopt a strategy for large-scale hydroelectric projects, based on the segregation between project development and its effective implementation and operation. During the bidding, concession acquisition, regulatory authorizations and negotiation of agreements (including energy sale, construction and financing agreements) up to the beginning of the execution, the project is held and controlled by the Controlling Shareholder. After this first stage, the project is usually transferred to the Company.

Thus, the project is developed outside the Company, which, by doing this, eliminates the risks inherent to project development. Another advantage of this strategy is the broad know-how of the GDF SUEZ Group regarding the development of these projects aligned with its financial and management ability, features that enable greater savings in the analysis of new projects, leverage and trading power. When the time comes for the project to be transferred to the Company, it is examined by an independent financial institution and then transferred under market conditions. The other projects are internally developed by the Company.

Estreito Hydroelectric Power Plant (Estreito HPP)

The construction project of Estreito HPP, located on Tocantins River, on the border of the Tocantins and Maranhão States, is one of the largest Brazilian generation projects, with an Installed Capacity of 1,087 MW. The project is controlled by the Estreito Consortium, composed of SUEZ Energia Renovável S.A (SER) (holding 40.1% of the equivalent share in the Consortium), Vale (30%), Alcoa Alumínio S.A. (25.5%) and Camargo Corrêa Energia Ltda. (4.4%).

During the New Energy Auction held on 10.16.2007, 256 average MW of this hydroelectric utilization were sold at R$126.57/MWh, starting in 2012 and works are on schedule.

The Company entered into a sale agreement of common shares and other covenants of SUEZ Energia Renovável S.A., owned by its parent company GDF SUEZ Energy Latin America Participações Ltda. (GSELA). SER holds a 40.07% interest in Estreito Energia Consortium (Ceste), created for the implementation and operation of Estreito Hydroelectric Power Plant (UHE Estreito), under construction in the border between the states of Tocantins and Maranhão, whose installed capacity will be 1,087 MW. This transaction amounted to R$604,390, half of which was paid in January 2010 and the remaining amount is expected to be paid up by the end of October 2010. The compliance with conditions precedent set forth in the agreement, i.e., approvals of Aneel, the Brazilian Development Bank (BNDES) and financing banks occurred by the end of July 2010. As set forth in the agreement, the remaining amount of the agreed price, as well as investments made by GSELA in SER, from the transaction date until the transfer of shares, will be restated by the Extended Consumer Price Index (IPCA) and an annual interest rate of 6% will also be applied.

Jirau Hydroelectric Power Plant (Jirau HPP)

Energia Sustentável do Brasil is responsible for the construction, maintenance, operation and sale of energy to be generated by the Jirau plant, which is under construction in Porto Velho, in the state of Rondônia. This company, composed of GDF SUEZ (50.1%), Eletrosul (20.0%), Chesf (20.0%) and Camargo Corrêa (9.9%), won the concession auction organized by ANEEL on 05.19.2008, by offering the best proposal for the 70% of the energy produced by the plant to captive consumers served by energy distributors, as from January 2013. HPP Jirau startup is estimated for May 2012 and the anticipation of the turbine ramp up will make a large amount of energy available to be offered on the free market.

The plant will produce 3,450 MW, coming from 46 turbines of 75 MW each, with assured energy of more than 2,000 average MW, and its concession agreement is expected to last for a period of 35 years. HPP Jirau's installed capacity and assured energy may experience increases due to modifications that have been submitted to ANEEL and the Ministry of Mines and Energy (MME). Following the current business model, there is the chance that the Company may acquire its parent company's portion of the project as soon as the main development risks have been mitigated, which is expected to not occur before the end of the second quarter of 2011.

Acquisition of Trairí Project companies

In November 2009, the Company, through its wholly-owned subsidiary TBLP, acquired companies with wind generation projects in the state of Ceará, called Trairí Project, whose installed capacity is 121.9 MW.

The projects acquired have wind measurement, energy generation certification, previous environmental licenses and leasing agreement and basic and environmental projects required by installation license have been executed. Five of these projects participated in the reserve energy auction sponsored by Aneel in December 2009, however, the energy was not contracted. The Company is analyzing the best alternative to make available the implementation of said projects and it will participate in reserve energy auctions and/or alternative sources to take place by August 2010.

Other Projects

The Company is studying new investment opportunities, including the participation in the various energy auctions held by the Brazilian federal government to compete for selected hydroelectric projects and to offer thermoelectric (coal and biomass) and wind power projects under development.

Following the GDF SUEZ Group's sustainability guidelines, the Company is analyzing the possibility to expand the participation of alternative types of energy in its portfolio by developing new projects of electricity generation fueled by biomass (in partnership with the major sugar-ethanol groups), waste fuel, wind, solar and tidal energy. The Company is also analyzing the possibility to invest in coal-powered plants destined to the foreign market and, possibly, to the domestic market as well.

1. Shareholding of owners of more than 5% of the Company's capital stock on 06/30/2010[12].

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

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

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

Quotaholders	Number of quotas	% of capital	Nationality
SUEZ-Tractebel S.A.	668,322,228	99.99	Belgian
Telfin S.A.	1	0.01	Belgian
	668,322,229	**100.00**	

1.1.1.1 SUEZ – Tractebel S.A.

Quotaholders	Number of quotas	% of capital	Nationality
Electrabel S.A.	129,882,864	99.97	Belgian
Other	31,178	0.03	
	129,914,042	**100.00**	

1.1.1.1.1 Electrabel S.A.

Quotaholders	Number of quotas	% of capital	Nationality
GDF SUEZ S.A.	77,466,078	98.65	French
Other	1,059,769	1.35	
	78,525,847	**100.00**	

[12] Information not revised by Independent Auditors

1.1.1.1.1.1 GDF SUEZ S.A.

Quotaholders	Number of quotas	% of capital	Nationality
Groupe Bruxelles Lambert (GBL)	117,183,738	5.18	Belgian
French Republic	811,158,130	35.88	French
Other (*)	1,332,634,399	58.94	
	2,260,976,267	**100.00**	

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

1.1.1.1.1.1.1 Groupe Bruxelles Lambert (GBL)

Quotaholders	Number of quotas	% of capital	Nationality
Pargesa Netherlands B.V. (*)	80,680,729	50.00	Dutch
Other	80,677,558	50.00	
	161,358,287	**100.00**	

(*) Pargesa Netherlands B.V. indirectly holds interest lower than 5% in the Company.

1.1.1.1.1.1.1.1 Pargesa Netherlands B. V. (Pargesa)

Pargesa Holding S.A. holds 99.99% of Pargesa Netherlands B.V. which on its turn indirectly holds interest lower than 5% of the Company. Pargesa is a company listed on the Swiss stock exchange. The company understands that the breakdown of shareholders of Pargesa Holding S.A. is already disclosed and informed by this company through its financial statements required by the regulatory agencies of that country and on its website.

1.1.2 Banco Clássico S.A.

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

2. Shareholding of controlling shareholder, management and members of the fiscal council on 06/30/2010[13]:

Shareholder	06/30/2010		06/30/2009	
	Number of common Shares	% of capital	Number of common shares	% of capital
Controlling				
GDF Suez Energy Latin America Participações Ltda.	448,512,624	68.71	448,512,623	68.71
Board of Directors	316,603	0.05	354,604	0.06
Executive Board	17,986	-	17,986	-
Fiscal Council	-	-	-	-
	448,847,213	**68.76**	**448,885,213**	**68.77**

3. Number of outstanding shares on 06/30/2010:

	Number of common shares	%
Total Company's shares	652,742,192	100.00
Total shares held by the controlling shareholder and management	(448,847,213)	(68.76)
Total outstanding shares	**203,894,979**	**31.24**

4. Arbitration Clause

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

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

[13] Information not revised by Independent Auditors

Deloitte.

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

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

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Shareholders, Directors and Management of
Tractebel Energia S.A.
Florianópolis, SC

1. We have reviewed the accounting information included in the accompanying interim financial statements of Tractebel Energia S.A. (the "Company") and subsidiaries for the quarter ended June 30, 2010, consisting of the individual (Company) and consolidated balance sheets, the related statements of income, changes in shareholders' equity and cash flows, the related notes and performance report, prepared under the responsibility of its Management.

2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiaries who have responsibility for accounting, financial and operating matters about the main criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that had or might have had material effects on the financial position and results of operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modifications that should be made to the accounting information included in the interim financial statements referred to in paragraph 1 for them to be in conformity with standards established by the Brazilian Securities and Exchange Commission (CVM), specifically applicable to the preparation of the interim financial statements.

4. As mentioned in note 2, during 2009, the Brazilian Securities and Exchange Commission (CVM) approved several Accounting Pronouncements Committee's technical pronouncements, interpretations and instructions, mandatory for adoption in 2010, that changed the accounting practices adopted in Brazil. As permitted by CVM Resolution 603/09, the Company's management elected to present its interim financial statements in accordance with the accounting standards effective in Brazil through December 31, 2009, rather than early adopting the standards effective for fiscal years ending December 31, 2010. As required by CVM Resolution 603/09, the Company disclosed the basis of presentation of its interim financial statements in note 2, including a summary of the main changes that might impact its financial statements for the annual reporting period and an estimate of the main impacts of applying certain standards on shareholders' equity and net income, as well as clarifications on the reasons for not presenting an estimate of their possible effects on shareholders' equity and net income, as required by said Resolution.

5. Accounting practices adopted in Brazil vary in certain significant respects from the International Financial Reporting Standards ("IFRS"). Information relating to the nature and effect of such differences is presented in Note 37 to the interim financial statements. As described in the referred note, the reconciliation of net income and shareholders' equity for the quarter and semester ended June 30, 2010 between accounting practices adopted in Brazil and IFRS does not represent a first-time adoption of IFRS since the Company has not presented a full set of financial statements prepared in accordance with IFRS and has not disclosed an explicit and unreserved statement of compliance with IFRS; accordingly, in the event the Company fully adopts IFRS in the future, the opening shareholders' equity balance presented in such reconciliation may be different from that presented in Note 37.

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

Rio de Janeiro, August 12, 2010 (except for note 37, for which the date is August 27, 2010)

DELOITTE TOUCHE TOHMATSU
Auditores Independentes
CRC 2SP 011.609/O-8 "F" RJ

Marcelo Cavalcanti Almeida
Contador
CRC 1RJ 036.206/O-5

01.01 IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - CNPJ (Corporate Taxpayer's ID)
01732-9	TRACTEBEL ENERGIA S.A.	02.474.103/0001-19

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