Tractebel Energia
GDF SUEZ

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Corporate Information/Capital Breakdown

Number of Shares (Units) Paid-Up Capital	Current Quarter 9/30/2011
Common	652,742,192
Preferred	0
Total	652,742,192
In Treasury	
Common	0
Preferred	0
Total	0

Corporate Information/ Cash Remuneration

Event	Approval	Remuneration	Start Payment	Type of Share	Class of Share	Remuneration per Share (Reais/Share)
Annual General Meeting	04/05/2011	Dividends	05/27/2011	Common		0.24247
Board of Directors Meeting	11/05/2010	Interest on Equity	05/27/2011	Common		0.33704
Board of Directors Meeting	07/29/2011	Dividends	06/10/2011	Common		1.00807
Board of Directors Meeting	11/04/2011	Interest on Equity		Common		0.38911

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Individual Financial Statements/Asset Balance Sheet
(Thousands of Reais)

Code	Description	Current Quarter 9/30/2011	Previous Year 12/31/2010
1	Total Assets	9,608,915	9,687,063
1.01	Current Assets	1,529,144	1,496,412
1.01.01	Cash and Cash Equivalents	945,871	796,117
1.01.03	Accounts Receivable	395,222	452,690
1.01.03.01	Clients	393,594	446,165
1.01.03.02	Other Accounts Receivable	1,628	6,525
1.01.03.02.01	Dividends Receivable from Subsidiaries	1,628	6,525
1.01.04	Inventories	44,403	43,041
1.01.06	Taxes Recoverable	64,981	62,633
1.01.06.01	Current Taxes Recoverable	64,981	62,633
1.01.08	Other Current Assets	78,667	141,931
1.01.08.01	Non-Current Assets for Sale	0	23,856
1.01.08.03	Other	78,667	118,075
1.01.08.03.01	Collateral and Restricted Deposits	2,618	69,665
1.01.08.03.02	Amounts Receivable from Eletrobras	31,079	0
1.01.08.03.03	Other	44,970	48,410
1.02	Noncurrent Assets	8,079,771	8,190,651
1.02.01	Long-term Assets	524,440	573,147
1.02.01.06	Deferred Taxes	272,104	288,413
1.02.01.06.01	Deferred Income Tax and Social Contribution	272,104	288,413
1.02.01.08	Credits with Related Parties	6,800	6,765
1.02.01.08.02	Credits with Subsidiaries	6,800	6,765
1.02.01.09	Other Non-Current Assets	245,536	277,969
1.02.01.09.03	Asset Sales	86,886	86,886
1.02.01.09.04	Taxes Recoverable	21,289	28,473
1.02.01.09.05	Judicial Deposits	105,761	131,315
1.02.01.09.06	Other	31,600	31,295
1.02.02	Investments	2,412,717	2,282,763
1.02.02.01	Equity Participations	2,412,717	2,282,763
1.02.02.01.02	Shares in Subsidiaries	2,099,169	1,991,020
1.02.02.01.03	Shares in Joint Ventures	313,548	291,743
1.02.03	Property, Plant and Equipment	5,124,917	5,315,270
1.02.03.01	Property, Plant and Equipment in Operation	5,033,340	5,238,884
1.02.03.03	Property, Plant and Equipment in Progress	91,577	76,386
1.02.04	Intangible Assets	17,697	19,471
1.02.04.01	Intangible Assets	17,697	19,471

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Individual Financial Statements/Liability Balance Sheet
(Thousands of Reais)

Code	Description	Current Quarter 9/30/2011	Previous Year 12/31/2010
2	Total Liabilities	9,608,915	9,687,063
2.01	Current Liabilities	1,712,233	1,885,026
2.01.01	Social and Labor Obligations	50,551	54,084
2.01.01.02	Labor Obligations	50,551	54,084
2.01.02	Suppliers	273,546	174,086
2.01.02.01	Domestic Suppliers	273,546	174,086
2.01.03	Tax Obligations	365,043	431,088
2.01.03.01	Federal Tax Obligations	345,269	420,038
2.01.03.01.01	Income Tax and Social Contribution Payable	331,334	394,178
2.01.03.01.02	Pis and Cofins Payable	18,077	20,082
2.01.03.01.03	INSS Payable	3,937	4,593
2.01.03.01.04	Other	921	1,185
2.01.03.02	State Tax Obligations	10,311	10,461
2.01.03.02.01	ICMS Payable	10,311	10,461
2.01.03.03	Municipal Tax Obligations	463	589
2.01.03.03.01	ISS Payable	463	589
2.01.04	Loans and Financing	225,954	944,755
2.01.04.01	Loans and Financing	52,967	49,577
2.01.04.01.01	In Domestic Currency	25,867	29,461
2.01.04.01.02	In Foreign Currency	27,100	20,116
2.01.04.02	Debentures	172,987	895,178
2.01.05	Other Obligations	783,539	270,293
2.01.05.02	Other	783,539	270,293
2.01.05.02.01	Dividends and Interest on Equity Payable	659,810	189,509
2.01.05.02.04	Obligations w ith Research and Development Program	19,165	11,995
2.01.05.02.05	Concession Fees Payable	2,662	2,499
2.01.05.02.06	Post-employment Benefits	52,350	25,939
2.01.05.02.07	Other	49,552	40,351
2.01.06	Provisions	13,600	10,720
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	13,600	10,720
2.01.06.01.02	Social Security and Labor Provisions	3,000	4,000
2.01.06.01.04	Civil Provisions	10,600	6,720
2.02	Non-Current Liabilities	2,642,275	2,729,353
2.02.01	Loans and Financing	948,017	979,381
2.02.01.01	Loans and Financing	637,988	213,417
2.02.01.01.01	In Domestic Currency	438,730	19,953
2.02.01.01.02	In Foreign Currency	199,258	193,464
2.02.01.02	Debentures	310,029	765,964

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Individual Financial Statements / Liability Balance Sheet (Thousands of Reais)

Code	Description	Current Quarter 9/30/2011	Previous Year 12/31/2010
2.02.02	Other Obligations	1,138,717	1,174,116
2.02.02.02	Other	1,138,717	1,174,116
2.02.02.02.03	Obligations w ith Research and Development Program	31,435	40,622
2.02.02.02.04	Concession Fees Payable	796,207	718,526
2.02.02.02.05	Post-employment Benefits	307,979	409,452
2.02.02.02.06	Other Obligations	3,096	5,516
2.02.03	Deferred Taxes	413,684	434,845
2.02.03.01	Deferred Income Tax and Social Contribution	413,684	434,845
2.02.04	Provisions	141,857	141,011
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	141,857	141,011
2.02.04.01.01	Tax Provisions	33,504	32,260
2.02.04.01.02	Social Security and Labor Provisions	8,976	9,579
2.02.04.01.04	Civil Provisions	99,377	99,172
2.03	Shareholders' Equity	5,254,407	5,072,684
2.03.01	Paid-Up Capital Stock	2,445,766	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.04	Profit Reserves	1,674,837	1,827,033
2.03.04.01	Legal Reserve	422,556	422,556
2.03.04.05	Retained Earnings Reserve	1,229,380	1,229,380
2.03.04.07	Tax Incentive Reserve	22,901	16,827
2.03.04.08	Proposed Additional Dividends	0	158,270
2.03.05	Accumulated Profits/Losses	376,575	0
2.03.06	Asset Value Adjustments	665,534	708,190

Individual Financial Statements / Statement of Income (Thousands of Reais)

Code	Description	Current Quarter 7/1/2011 to 9/30/2011	Accumulated Current Year 1/1/2011 to 9/30/2011	Same Quarter of Previous Year 7/1/2011 to 9/30/2011	Accumulated Previous Year 1/1/2010 to 9/30/2010
3.01	Income from Sale of Goods and/or Services	932,367	2,633,500	829,507	2,282,949
3.02	Cost of Goods and/or Services Sold	-434,419	-1,098,473	-296,894	-838,447
3.02.01	Power Purchased for Resale	-102,662	-223,475	-51,394	-147,830
3.02.02	Transactions via CCEE	-236	-20,466	44	-658
3.02.03	Electric network usage and connection charges	-63,236	-178,252	-53,214	-164,268
3.02.04	Cost of Power Production	-263,331	-660,529	-187,049	-513,981
3.02.05	Cost of Services Provided	-4,954	-15,751	-5,281	-11,710
3.03	Gross Income	497,948	1,535,027	532,613	1,444,502
3.04	Operating Income/Expenses	32,193	64,682	-5,088	-9,669
3.04.01	Selling Expenses	-3,504	-9,938	-3,287	-9,898
3.04.02	General and Administrative Expenses	-38,718	-115,171	-36,598	-100,978
3.04.04	Other Operating Income	19,221	69,595	20,403	103,330
3.04.04.01	Reversal of Operating Provisions, Net	18,534	57,708	19,723	56,531
3.04.04.02	Gains in Law suits	0	0	0	45,803
3.04.04.03	Investment Sales	0	10,188	0	0
3.04.04.04	Other	687	1,699	680	996
3.04.06	Income from Equity Pick-up	55,194	120,196	14,394	-2,123
3.04.06.01	Equity Pick-up	55,714	121,417	14,711	-28
3.04.06.02	Goodwill Amortization/Concession Rights	-520	-1,221	-317	-2,095
3.05	Income Before Financial Income and Taxes	530,141	1,599,709	527,525	1,434,833
3.06	Financial Income	-62,215	-179,433	-48,782	-168,388
3.06.01	Financial Revenues	22,968	71,211	27,988	74,184
3.06.02	Financial Expenses	-85,183	-250,644	-76,770	-242,572
3.07	Income Before Taxes on Profits	467,926	1,420,276	478,743	1,266,445
3.08	Income Tax and Social Contribution on Profits	-135,647	-422,269	-156,661	-428,142
3.08.01	Current	-136,856	-427,122	-158,964	-423,801
3.08.02	Deferred	1,209	4,853	2,303	-4,341
3.09	Net Income from Continued Operations	332,279	998,007	322,082	838,303
3.11	Profit/Loss in the Period	332,279	998,007	322,082	838,303
3.99	Income per Share (Reais/Share)				
3.99.01	Basic Income per Share				
3.99.01.01	Common Shares	0.50905	1.52895	0.49343	1.28428

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

Code	Description	Accumulated Current Year 1/1/2011 to 9/30/2011	Accumulated Previous Year 1/1/2010 to 9/30/2010
6.01	Net Cash Operating Activities	1,308,326	1,082,453
6.01.01	Operating Cash Flow	1,730,411	1,642,967
6.01.01.01	Net Income for the Year	998,007	838,303
6.01.01.02	Depreciation and Amortization	275,022	234,177
6.01.01.03	Equity Pick-up	-120,196	2,123
6.01.01.04	Monetary and Foreign Exchange Variation	67,172	23,499
6.01.01.05	Interest	151,287	170,329
6.01.01.06	Reversal of Operating Provisions, Net	-52,157	-51,816
6.01.01.07	Deferred Income Tax and Social Contribution	-4,853	4,341
6.01.01.08	Current Income Tax and Social Contribution	427,122	423,801
6.01.01.09	Other	-10,993	-1,790
6.01.02	Variations in Assets and Liabilities	-422,085	-560,514
6.01.02.01	Clients	51,696	-112,957
6.01.02.02	Amounts Receivable from Eletrobras	-31,079	1,332
6.01.02.03	Taxes Recoverable	4,836	-41,335
6.01.02.04	Inventories	-1,362	-1,253
6.01.02.05	Collateral and Restricted/Judicial Deposits	104,179	141,977
6.01.02.06	Suppliers	99,460	6,392
6.01.02.07	Income Tax and Social Contribution Paid	-492,343	-458,143
6.01.02.08	Interest on Loans, Financing and Debentures Paid	-128,710	-105,632
6.01.02.09	Post-employment Benefits	-27,931	-23,235
6.01.02.10	Obligations with Research and Development Program	-2,017	3,925
6.01.02.11	Other	1,186	28,415
6.02	Net Cash Investment Activities	-47,475	-909,590
6.02.01	Application in Investments	-25,478	-856,138
6.02.02	Investments in Property, Plant and Equipment	-73,466	-60,261
6.02.03	Investments in Intangible Assets	-3,599	-3,910
6.02.04	Capital Reduction in Subsidiary	24,547	0
6.02.05	Dividends Received from Subsidiaries	30,521	10,719
6.03	Net Cash Financing Activities	-1,111,097	-335,542
6.03.01	Loan, Financing and Debenture Payments	-1,193,870	-114,942
6.03.02	Concession Fees Payable	-1,862	-1,393
6.03.03	Credits with Related Parties	618	32,215
6.03.04	Dividend and Interest on Equity Payments	-345,983	-251,422
6.03.05	Loan	430,000	0
6.05	Increase (Reduction) in Cash and Cash Equivalents	149,754	-162,679
6.05.01	Opening Balance of Cash and Cash Equivalents	796,117	1,093,839
6.05.02	Closing Balance of Cash and Cash Equivalents	945,871	931,160

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Individual Financial Statements / Statement of Changes in Shareholders' Equity 1/1/2011 to 9/30/2011
(Thousands of Reais)

Code	Description	Paid-Up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	1,827,033	0	708,190	5,072,684
5.03	Adjusted Opening Balances	2,445,766	91,695	1,827,033	0	708,190	5,072,684
5.04	Capital Transactions with Partners	0	0	-158,270	-658,014	0	-816,284
5.04.06	Dividends	0	0	-158,270	-658,014	0	-816,284
5.05	Total Comprehensive Income	0	0	0	998,007	0	998,007
5.05.01	Net Income in the Period	0	0	0	988,007	0	998,007
5.06	Internal Changes in Shareholders' Equity	0	0	6,074	36,582	-42,656	0
5.06.04	Adjustment to Fair Value of Property, Plant and Equipment	0	0	0	42,656	-42,656	0
5.06.05	Tax Incentive Reserve	0	0	6,074	-6,074	0	0
5.07	Closing Balances	2,445,766	91,695	1,674,837	376,575	665,534	5,254,407

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Individual Financial Statements / Statement of Changes in Shareholders' Equity 1/1/2010 to 9/30/2010 (Thousands of Reais)

Code	Description	Paid-Up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	1,146,518	0	765,069	4,449,048
5.03	Adjusted Opening Balances	2,445,766	91,695	1,146,518	0	765,069	4,449,048
5.04	Capital Transactions with Partners	0	0	-81,913	-286,100	0	-368,013
5.04.06	Dividends	0	0	-81,913	-286,100	0	-368,013
5.05	Total Comprehensive Income	0	0	0	838,303	0	838,303
5.05.01	Net Income in the Period	0	0	0	838,303	0	838,303
5.06	Internal Changes in Shareholders' Equity	0	0	0	42,659	-42,659	0
5.06.04	Adjustment to Fair Value of Property, Plant and Equipment	0	0	0	42,659	-42,659	0
5.07	Closing Balances	2,445,766	91,695	1,064,605	594,862	722,410	4,919,338

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

Code	Description	Accumulated Current Year 1/1/2011 to 9/30/2011	Accumulated Previous Year 1/1/2010 to 9/30/2010
7.01	Income	2,913,579	2,578,802
7.01.01	Sales of Merchandise, Products and Services	2,907,736	2,532,004
7.01.02	Other Revenues	11,886	46,798
7.01.04	Provision/Reversal of Doubtful Accounts	-6,043	0
7.02	Inputs Acquired from Third Parties	-607,163	-409,753
7.02.01	Cost of Products, Merchandise and Services Sold	-534,660	-357,776
7.02.02	Materials, Energy, Third Party Services and Other	-114,268	-93,605
7.02.04	Other	41,765	41,628
7.02.04.01	Reversal of Operating Provisions, Net	63,751	56,531
7.02.04.02	Other	-21,986	-14,903
7.03	Gross Value Added	2,306,416	2,169,049
7.04	Retentions	-275,022	-234,178
7.04.01	Depreciation, Amortization and Depletion	-275,022	-234,178
7.05	Net Value Added Produced	2,031,394	1,934,871
7.06	Value Added Received in Transfer	191,407	72,061
7.06.01	Income from Equity Pick-up	120,196	-2,123
7.06.02	Financial Revenue	71,211	74,184
7.07	Total Value Added Distributable	2,222,801	2,006,932
7.08	Distribution of Value Added	2,222,801	2,006,932
7.08.01	Personnel	134,358	127,036
7.08.01.01	Direct Compensation	86,753	84,505
7.08.01.02	Benefits	26,604	24,390
7.08.01.03	F. G. T. S.	6,537	5,728
7.08.01.04	Other	14,464	12,413
7.08.02	Taxes, Fees and Contributions	697,845	698,328
7.08.02.01	Federal	666,808	658,555
7.08.02.02	State	29,513	38,808
7.08.02.03	Municipal	1,524	965
7.08.03	Third Party Capital Remuneration	179,231	184,743
7.08.03.01	Interest	158,423	169,916
7.08.03.02	Rents	9,799	6,511
7.08.03.03	Other	11,009	8,316
7.08.04	Ow n Capital Remuneration	998,007	838,303
7.08.04.02	Dividends	658,014	286,100
7.08.04.03	Retained Profits/Losses in the Period	339,993	552,203
7.08.05	Other	213,360	158,522
7.08.05.01	Industry Charges	133,654	114,465
7.08.05.02	Concession Charges Payable	79,706	44,057

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Consolidated Financial Statements / Asset Balance Sheet (Thousands of Reais)

Code	Description	Current Quarter 9/30/2011	Previous Year 12/31/2010
1	Total Assets	12,783,889	12,850,288
1.01	Current Assets	1,943,860	1,906,733
1.01.01	Cash and Cash Equivalents	1,127,573	1,082,580
1.01.03	Accounts Receivable	534,578	531,106
1.01.03.01	Clients	534,578	531,106
1.01.04	Inventories	47,320	46,032
1.01.06	Taxes Recoverable	140,650	91,818
1.01.06.01	Current Taxes Recoverable	140,650	91,818
1.01.08	Other Current Assets	96,739	155,197
1.01.08.01	Non-Current Assets for Sale	0	23,057
1.01.08.03	Other	93,739	132,140
1.01.08.03.01	Collateral and Restricted Deposits	7,541	81,553
1.01.08.03.02	Amounts Receivable from Eletrobras	31,079	0
1.01.08.03.03	Other	55,119	50,587
1.02	Non-Current Assets	10,840,029	10,943,555
1.02.01	Long-term Assets	817,597	872,025
1.02.01.06	Deferred Taxes	315,877	328,240
1.02.01.06.01	Deferred Income Tax and Social Contribution	315,877	328,240
1.02.01.09	Other Non-Current Assets	501,720	543,785
1.02.01.09.03	Collateral and Restricted Deposits	91,273	51,244
1.02.01.09.04	Asset Sales	86,886	86,886
1.02.01.09.05	Taxes Recoverable	164,431	219,880
1.02.01.09.06	Judicial Deposits	107,260	133,464
1.02.01.09.07	Other	51,870	52,311
1.02.03	Property, Plant and Equipment	9,932,512	9,976,009
1.02.03.01	Property, Plant and Equipment in Operation	9,304,030	7,719,897
1.02.03.03	Property, Plant and Equipment in Progress	628,482	2,256,112
1.02.04	Intangible Assets	89,920	95,521
1.02.04.01	Intangible Assets	89,920	95,521

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Consolidated Financial Statements / Liability Balance Sheet (Thousands of Reais)

Code	Description	Current Quarter 9/30/2011	Previous year 12/31/2010
2	Total Liabilities	12,783,889	12,850,288
2.01	Current Liabilities	2,071,174	2,259,838
2.01.01	Social and Labor Obligations	51,599	54,881
2.01.01.02	Labor Obligations	51,599	54,881
2.01.02	Suppliers	323,423	268,851
2.01.02.01	Domestic Suppliers	323,423	268,851
2.01.03	Tax Obligations	398,109	457,937
2.01.03.01	Federal Tax Obligations	367,826	424,481
2.01.03.01.01	Income Tax and Social Contribution Payable	342,351	398,032
2.01.03.01.02	Pis and Cofins Payable	20,161	21,212
2.01.03.01.03	INSS Payable	4,309	3,960
2.01.03.01.04	Other	1,005	1,277
2.01.03.02	State Tax Obligations	29,468	32,225
2.01.03.02.01	ICMS Payable	29,468	32,225
2.01.03.03	Municipal Tax Obligations	815	1,231
2.01.03.03.01	ISS Payable	815	1,231
2.01.04	Loans and Financing	426,627	1,094,431
2.01.04.01	Loans and Financing	247,938	189,414
2.01.04.01.01	In Domestic Currency	220,838	169,298
2.01.04.01.02	In Foreign Currency	27,100	20,116
2.01.04.02	Debentures	178,689	905,017
2.01.05	Other Obligations	857,670	372,872
2.01.05.02	Other	857,670	372,872
2.01.05.02.01	Dividends and Interest on Equity Payable	659,810	189,509
2.01.05.02.04	Obligations with Research and Development Program	23,695	14,991
2.01.05.02.05	Concession Fees Payable	45,379	42,297
2.01.05.02.06	Post-employment Benefits	52,350	25,939
2.01.05.02.07	Other	76,436	100,136
2.01.06	Provisions	13,746	10,866
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	13,746	10,866
2.01.06.01.02	Social Security and Labor Provisions	3,000	4,000
2.01.06.01.04	Civil Provisions	10,746	6,866
2.02	Non-Current Liabilities	5,458,308	5,517,766
2.02.01	Loans and Financing	3,336,495	3,349,489
2.02.01.01	Loans and Financing	3,018,276	2,567,145
2.02.01.01.01	In Domestic Currency	2,819,018	2,373,681
2.02.01.01.02	In Foreign Currency	199,258	193,464
2.02.01.02	Debentures	318,219	782,344

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Consolidated Financial Statements / Liability Balance Sheet (Thousands of Reais)

Code	Description	Current Quarter 06/30/2011	Previous Year 12/31/2010
2.02.02	Other Obligations	1,544,693	1,579,170
2.02.02.02	Other	1,544,693	1,579,170
2.02.02.02.03	Obligations with Research and Development Program	32,153	41,260
2.02.02.02.04	Concession Fees Payable	1,185,745	1,092,650
2.02.02.02.05	Post-employment Benefits	307,979	409,452
2.02.02.02.06	Other Obligations	18,816	35,808
2.02.03	Deferred Taxes	432,490	445,691
2.02.03.01	Deferred Income Tax and Social Contribution	432,490	445,691
2.02.04	Provisions	144,630	143,416
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	144,630	143,416
2.02.04.01.01	Tax Provisions	33,504	32,260
2.02.04.01.02	Social Security and Labor Provisions	8,976	9,579
2.02.04.01.04	Civil Provisions	102,150	101,577
2.03	Consolidated Shareholders' Equity	5,254,407	5,072,684
2.03.01	Paid-Up Capital Stock	2,445,766	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.04	Profit Reserves	1,674,837	1,827,033
2.03.04.01	Legal Reserve	422,556	422,556
2.03.04.05	Retained Earnings Reserve	1,229,380	1,229,380
2.03.04.07	Tax Incentive Reserve	22,901	16,827
2.03.04.08	Proposed Additional Dividends	0	158,270
2.03.05	Accumulated Profits/Losses	376,575	0
2.03.06	Asset Valuation Adjustments	665,534	708,190

Consolidated Financial Statements / Statement of Income (Thousands of Reais)

Code	Description	Current Quarter 7/1/2011 to 9/30/2011	Accumulated Current Year 1/1/2011 to 9/30/2011	Same Quarter Previous Year 7/1/2010 to 9/30/2010	Accumulated Previous Year 1/1/2010 to 9/30/2010
3.01	Income from Sale of Goods and/or Services	1,150,691	3,230,663	1,083,042	2,992,811
3.02	Cost of Goods and/or Services Sold	-528,400	-1,391,642	-478,167	-1,387,598
3.02.01	Power Purchased for Resale	-131,621	-347,437	-166,762	-504,503
3.02.02	Transactions via CCEE	-810	-21,762	-892	-1,915
3.02.03	Electric network usage and connection charge	-74,971	-208,179	-65,697	-202,952
3.02.04	Cost of Power Production	-316,044	-798,513	-239,535	-666,518
3.02.05	Cost of Services Provided	-4,954	-15,751	-5,281	-11,710
3.03	Gross Income	622,291	1,839,021	604,875	1,605,213
3.04	Operating Income/Expenses	-25,998	-64,025	-27,768	-27,365
3.04.01	Selling Expenses	-3,797	-12,401	-3,563	-10,768
3.04.02	General and Administrative Expenses	-41,283	-124,189	-41,747	-111,177
3.04.04	Other Operating Income	19,082	72,610	17,542	94,580
3.04.04.01	Reversal of Operating Provisions, Net	18,431	57,174	17,392	48,309
3.04.04.02	Gains in Lawsuits	0	0	0	45,803
3.04.04.03	Investment Sale	0	15,436	0	0
3.04.04.04	Other	651	0	150	468
3.04.05	Other Operating Expenses	0	-45	0	0
3.05	Income Before Financial Income and Taxes	596,293	1,774,996	577,107	1,577,848
3.06	Financial Income	-101,401	-289,189	-89,182	-309,351
3.06.01	Financial Revenues	29,835	92,081	36,360	94,255
3.06.02	Financial Expenses	-131,236	-381,270	-125,542	-403,606
3.07	Income Before Taxes on Profits	494,892	1,485,807	487,925	1,268,497
3.08	Income Tax and Social Contribution on Profits	-162,613	-487,800	-165,843	-430,194
3.08.01	Current	-161,001	-490,239	-164,686	-438,089
3.08.02	Deferred	-1,612	2,439	-1,157	7,895
3.09	Net Income from Continued Operations	332,279	998,007	322,082	838,303
3.11	Consolidated Profit/Loss in the Period	332,279	998,007	322,082	838,303
3.11.01	Attributed to Controlling Shareholders	332,279	998,007	322,082	838,303
3.99	Income per Share (Reais/Share)				
3.99.01	Basic Income per Share				
3.99.01.01	Common Shares	0.50905	1.52895	0.49343	1.28428

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

Code	Description	Accumulated Current Year 1/1/2011 to 9/30/2011	Accumulated Previous Year 1/1/2010 to 9/30/2010
6.01	Net Cash Operating Activities	1,511,917	1,261,341
6.01.01	Operating Cash Flow	2,146,132	1,901,245
6.01.01.01	Net Income for the Year	998,007	838,303
6.01.01.02	Depreciation and Amortization	368,296	337,442
6.01.01.03	Monetary and Foreign Exchange Variation	85,823	57,871
6.01.01.04	Interest	256,954	285,312
6.01.01.05	Reversal of Operating Provisions, Net	-51,702	-46,694
6.01.01.06	Deferred Income Tax and Social Contribution	-2,439	-7,895
6.01.01.07	Current Income Tax and Social Contribution	490,239	438,089
6.01.01.08	Other	954	-1,183
6.01.02	Variations in Assets and Liabilities	-634,215	-639,904
6.01.02.01	Clients	-2,342	-116,741
6.01.02.02	Accounts Receivable from Eletrobras	-31,079	1,332
6.01.02.03	Taxes Recoverable	26,344	-50,288
6.01.02.04	Inventories	-1,288	244
6.01.02.05	Collateral and Restricted/Judicial Deposits	112,049	139,426
6.01.02.06	Suppliers	57,146	15,013
6.01.02.07	Income Tax and Social Contribution Paid	-538,601	-474,605
6.01.02.08	Interest on Loans, Financing and Debentures Paid	-196,287	-178,207
6.01.02.09	Post-employment Benefits Paid	-27,931	-23,235
6.01.02.10	Obligations with Research and Development Program	-403	5,677
6.01.02.11	Advances from clients	-40,875	-13,219
6.01.02.12	Other	9,052	54,699
6.02	Net Cash Investment Activities	-263,870	-722,322
6.02.01	Investments	0	-467,436
6.02.02	Investments in Property, Plant and Equipment	-260,044	-250,557
6.02.03	Investments in Intangible Assets	-3,826	-4,329
6.03	Net Cash Financing Activities	-1,203,054	-619,239
6.03.01	Financing	502,799	66,040
6.03.02	Loan, Financing and Debenture Payments	-1,290,806	-419,443
6.03.03	Dividends and Interest on Equity Payments	-345,983	-251,422
6.03.04	Concession Fees Payable	-31,039	-29,546
6.03.05	Collateral and Restricted Deposits	-38,025	15,132
6.05	Increase (Reduction) in Cash and Cash Equivalents	44,993	-80,220
6.05.01	Opening Balance of Cash and Cash Equivalents	1,082,580	1,254,640
6.05.02	Closing Balance of Cash and Cash Equivalents	1,127,573	1,174,420

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity 1/1/2011 to 9/30/2011 (Thousands of Reais)

Code	Description	Paid-Up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Shareholdings	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	1,827,033	0	708,190	5,072,684	0	5,072,684
5.03	Adjusted Opening Balances	2,445,766	91,695	1,827,033	0	708,190	5,072,684	0	5,072,684
5.04	Capital Transactions with Partners	0	0	-158,270	-658,014	0	-816,284	0	-816,284
5.04.06	Dividends	0	0	-158,270	-658,014	0	-816,284	0	-816,284
5.05	Total Comprehensive Income	0	0	0	998,007	0	998,007	0	998,007
5.05.01	Net Income in the Period	0	0	0	998,007	0	998,007	0	998,007
5.06	Internal Changes in Shareholders' Equity	0	0	6,074	36,582	-42,656	0	0	0
5.06.04	Adjustment to Fair Value of Property, Plant and Equipement	0	0	0	42,656	-42,656	0	0	0
5.06.05	Tax Incentive Reserve	0	0	6,074	-6,074	0	0	0	0
5.07	Closing Balances	2,445,766	91,695	1,674,837	376,575	665,534	5,254,407	0	5,254,407

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity 1/1/2010 to 9/30/2010 (Thousands of Reais)

Code	Description	Paid-Up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profit or Loss	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Shareholdings	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	1,146,518	0	765,069	4,449,048	0	4,449,048
5.03	Adjusted Opening Balances	2,445,766	91,695	1,146,518	0	765,069	4,449,048	0	4,449,048
5.04	Capital Transactions with Partners	0	0	-81,913	-286,100	0	-368,013	0	-368,013
5.04.06	Dividends	0	0	-81,913	-286,100	0	-368,013	0	-368,013
5.05	Total Comprehensive Income	0	0	0	838,303	0	838,303	0	838,303
5.05.01	Net Income in the Period	0	0	0	838,303	0	838,303	0	838,303
5.06	Internal Changes in Shareholders' Equity	0	0	0	42,659	-42,659	0	0	0
5.06.04	Adjustment to Fair Value of Property, Plant and Equipement	0	0	0	42,659	-42,659	0	0	0
5.07	Closing Balances	2,445,766	91,695	1,064,605	594,862	722,410	4,919,338	0	4,919,338

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Quanto mais transparente, melhor o mercado vê a sua empresa

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

Code	Description	Accumulated Current Year 01/01/2011 to 09/30/2011	Accumulated Previous Year 01/01/2010 to 09/30/2010
7.01	Income	3,777,386	3,641,962
7.01.01	Sales of Merchandise, Products and Services	3,616,887	3,344,540
7.01.02	Other Revenues	15,391	46,271
7.01.03	Revenues Relative to Construction of Own Assets	151,288	251,151
7.01.04	Provision/Reversal of Doubtful Accounts	-6,180	0
7.02	Inputs Acquired from Third Parties	-867,157	-1,095,066
7.02.01	Cost of Products, Merchandise and Services Sold	-698,133	-763,526
7.02.02	Materials, Energy, Third Party Services and Other	-137,592	-115,611
7.02.04	Other	-31,432	-215,929
7.02.04.01	Expenses with Plant Construction	-72,513	-243,323
7.02.04.02	Reversal of Operating Provisions, Net	63,354	48,309
7.02.04.03	Other	-22,273	-20,915
7.03	Gross Value Added	2,910,229	2,546,896
7.04	Retentions	-368,296	-337,442
7.04.01	Depreciation, Amortization and Depletion	-368,296	-337,442
7.05	Net Value Added Produced	2,541,933	2,209,454
7.06	Value Added Received in Transfer	92,081	94,255
7.06.02	Financial Revenue	92,081	94,255
7.07	Total Value Added Distributable	2,634,014	2,303,709
7.08	Distribution of Value Added	2,634,014	2,303,709
7.08.01	Personnel	137,074	128,391
7.08.01.01	Direct Compensation	89,028	85,725
7.08.01.02	Benefits	26,884	24,420
7.08.01.03	F. G. T. S.	6,698	5,833
7.08.01.04	Other	14,464	12,413
7.08.02	Taxes, Fees and Contributions	874,097	801,643
7.08.02.01	Federal	798,634	732,567
7.08.02.02	State	73,739	67,752
7.08.02.03	Municipal	1,724	1,324
7.08.03	Third Party Capital Remuneration	344,168	276,469
7.08.03.01	Interest	240,845	249,285
7.08.03.02	Rents	11,895	8,450
7.08.03.03	Other	91,428	18,734
7.08.03.03.01	Capitalized Interest	78,775	7,828
7.08.03.03.02	Other	12,653	10,906
7.08.04	Own Capital Remuneration	998,007	838,303
7.08.04.02	Dividends	658,014	286,100
7.08.04.03	Retained Profits/Losses in the Period	339,993	552,203
7.08.05	Other	280,668	258,903
7.08.05.01	Industry Charges	154,914	135,995
7.08.05.02	Concession Charges Payable	125,754	122,908

Adoption of the new accounting procedures

During the course of 2010, the Company adopted the option permitted by the Brazilian Securities and Exchange Commission - CVM of presenting the quarterly information in accordance with the accounting practices prevailing up to December 31, 2009. The companies which adopted this course of action are obliged to republish this information, adjusted to the new standards issued by the Accounting Pronouncement Committee (CPC) and approved by the CVM, and consistent with the International Financial Reporting Standards (IFRS). The information regarding the 3Q10 included in this document already contemplates the adjustments arising from the adoption of these accounting practices.

Economic and Financial Performance

Net Operating Revenue

Net operating revenue in 3Q11 was R$ 1,150.7 million against the R$ 1,083.0 million recorded in the same period of 2010 and therefore an increase of 6.2%. This increase principally reflects higher average price and sales volume as will be commented further on – partially offset by the reduction of R$ 75.0 million in revenue from transactions conducted through the Energy Trading Board (CCEE).

- **Net average selling price**

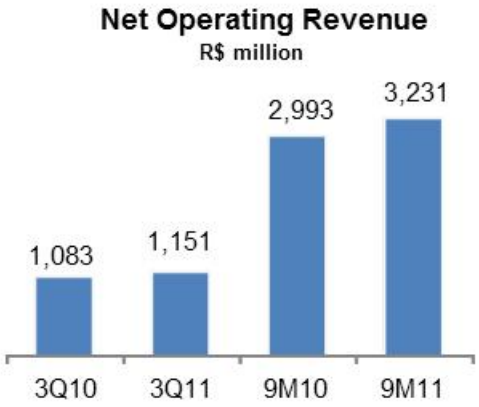
The average net price of contracted energy sales, net of exports and deductions on gross operating revenue was R$ 125.07/MWh in 3Q11, 6.1% higher than in 3Q10 when this figure was R$ 117.90/MWh. This variation reflects the increase in the prices of existing contracts with distribution companies and free customers as well as the reduction in prices practiced by energy trading companies.

- **Sales Volume**

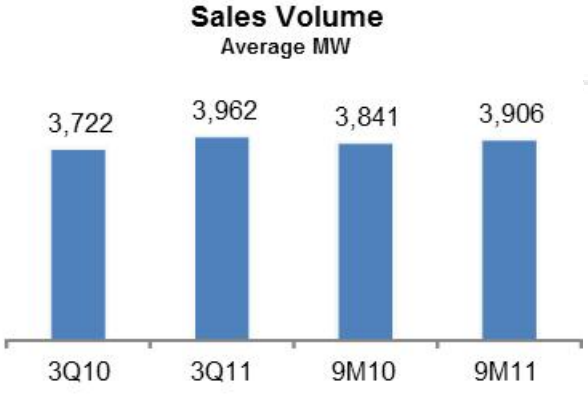
Sales volume in 3Q11 was 8,748 GWh (3,962 average MW), 6.4% higher than the 8,218 GWh (3,722 average MW) sold in the same quarter in 2010. Discounting energy exports, which between comparative periods jumped from 102 GWh (46 average MW) in 3Q10 to 514 GWh (233 average MW) in 3Q11, sales rose 1.5%, or 118 GWh (53 average MW).

This increase is due to a combination of the following key factors: (i) an increase of 326 GWh (148 average MW) in sales volume to free customers; (ii) a reduction of 123 GWh (55 average MW) in the wholesale supply of energy to the distribution companies due in large part to the termination of sales contracts signed prior to the auctions conducted through the Regulated Contracting Market (ACR) environment; and (iii) a decrease of 85 GWh (39 average MW) in energy sold in the short term to the trading companies due to maturing contracts and the reduced attractiveness of this type of operation as a result of the significantly lower prices practiced in 3Q11 when compared to 3Q10.

This change in volume sales is partially explained by the startup in operations of Generating Units #1 to #3 of Estreito HPP, responsible for boosting the Company's commercial capacity by 225 GWh (103 average MW), by the reduction of 344 GWh (156 average MW) of electricity purchased for resale and the greater allocation of energy for commercialization in 3Q11 vis-à-vis to 3Q10.







* Net of taxes over sales and exports

Gross Operating Revenue

In 3Q11, gross operating revenue amounted to R$ 1,282.7 million, 5.8% higher than the R$ 1,212.9 million reported for 3Q10. The explanations for the variations in gross operating revenue are as follows:

a) Wholesale market for electric energy

Revenue from the wholesale supply of energy, namely energy sales to distributors and trading companies, reached R$ 818.4 million in 3Q11 against the R$ 813.5 million reported for the same quarter in 2010, representing an increase of 0.6%. This change reflects the following factors: (i) increase of R$ 49.3 million due to a 7.7% readjustment in the average selling price to distributors; (ii) reduction of R$ 18.0 million in sales to the distributors due in large part to the termination of contracts signed prior to the auctions conducted in the ACR of approximately 450 GWh (203 average MW), partially offset by the beginning of wholesale supplies in 2011 in the ACR of 327 GWh (148 average MW) dispatched from São Salvador HPP; (iii) decrease of R$ 16.5 million as a result of the fall of 10.7% in the average price practiced in transactions conducted with energy trading companies, principally short term operations; and (iv) decline of R$ 9.9 million (86 GWh or 39 average MW) in commercialization revenue with the expiring of certain sales contracts and due to lower selling prices in the spot market.

b) Retail market for electric energy

Revenue from retail market sales (sales to free customers) reported a year-on-year increase of 27.8% from R$ 263.2 million in 3Q10 to R$ 336.3 million in 3Q11. This trend reflected the following increases: (i) R$ 31.5 million due to the increase of 11.1% in the average energy selling price; and (ii) R$ 41.6 million due to the additional 326 GWh (148 average MW) in the amount of energy sold as a result of new sales contracts and growth in consumption of existing industrial customers, thus absorbing the energy freed up from the distributors as already discussed under (ii) of the item “Wholesale market for electric energy”, above.

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

In 3Q11, revenue recorded under this item reported a decline of R$ 84.0 million - from R$ 108.4 million in 3Q10 to R$ 24.4 million in the quarter under review. More detailed explanations on these operations and related variation can be found ahead under the item “Details of CCEE operations”.

d) Electric energy exports

Energy exports to Argentina and Uruguay amounted to R$ 95.6 million in 3Q11, an increase of R$ 72.9 million over the total exported of R$ 22.7 million in 3Q10. It is worth pointing out that export volumes from each plant in the Brazilian Electricity System are decided by the National Electrical System Operator (ONS) based on plant uptime and taking into account the lowest declared costs of the plants themselves.

Deductions from Operating Revenue

The deductions from gross operating revenue increased 1.7% between the two comparable quarters from R$ 129.8 million in 3Q10 to R$ 132.0 million in 3Q11, representing 10.9% and 11.1% respectively, of gross operating revenue excluding exports, which are not computed in the calculation base for the purpose of these deductions.

In relative terms, the trend of the deductions reflects largely the following variations: (i) increase in PIS and Cofins due to the maturity of sales contracts, revenue from which was taxed on a cumulative basis (a rate of 3.65%), but due to the recontracting of this energy, charges are now being collected on a non-cumulative basis (rate of 9.25%, but enjoying a tax credit on certain purchases); (ii) a greater proportional participation of free customers in overall sales, on which, as a general rule, ICMS is collected and; (iii) a reduction in ICMS by virtue of the benefit enjoyed by a particular client with the right to defer the collection of this tax.

Costs of Electric Energy and Services

The costs of energy sales and services increased by 10.5% or R$ 50.2 million from R$ 478.2 million in 3Q10 to R$ 528.4 million in the quarter under review. The variation basically reflects the trend in the following components:

a) **Electric power purchased for resale:** reduction of R$ 35.1 million in 3Q11 or 344 GWh (156 average MW) due principally to maturing power purchase agreements for energy supplied in the comparable periods. The average purchase price remained practically stable between periods.

b) **Transactions channeled through the CCEE:** there was no significant variation between the costs in the comparable quarters, totaling approximately R$ 1 million. Greater details are given ahead under a specific item.

c) **Fuel Expenses:** a growth of R$ 39.8 million in 3Q11 due to the combination of the following: (i) increase of R$ 49.7 million in costs related to the consumption of coal used in the generation of energy for export; and (ii) reduction of R$ 9.5 million in the use of natural gas given that the William Arjona Thermoelectric Power Plant was not called upon to dispatch energy in 3Q11, as was the case in the same quarter of 2010, due to the system’s energy requirements.

d) **Charges for the use of and connection to the electricity grid:** increase of R$ 9.3 million in 3Q11 due to the increase in the Tariff for the Use of the Transmission System (TUST) in the light of the tariff revision process for the transmission companies and the beginning of TUST collection from Estreito HPP following the startup of commercial operations.

e) **Financial compensation for the use of water resources (royalties):** growth of R$ 7.5 million in 3Q11, resulting from increased year-on-year hydro generation and the initial charging of royalties to Estreito HPP.

f) **Personnel:** an increase of R$ 2.4 million in 3Q11 justified largely by the annual collective bargaining agreement on compensation for employees and the increase in payroll to meet growth in the Company’s business.

g) **Third party services and material:** an increase of R$ 5.6 million in 3Q11 due to greater demand for materials and maintenance and conservation services at the Company’s generation units as well as an increase in consultancy services, especially those relating to environmental and engineering questions at the units already mentioned.

h) **Depreciation and amortization:** this item posted an increase of R$ 16.8 million in 3Q11 due principally to the depreciation resulting from the startup of commercial operations at Estreito HPP as well as the conclusion of repowering work on certain plants.

Energy Trading Board – Details of CCEE Operations

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

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

In 3Q11, the Company recorded a net positive result (difference between income and expenses) arising out of transactions conducted within the scope of the CCEE of R$ 23.6 million against a net positive result of R$ 107.5 million posted in 3Q10, and therefore a reduction in result of R$ 83.9 million between comparable periods.

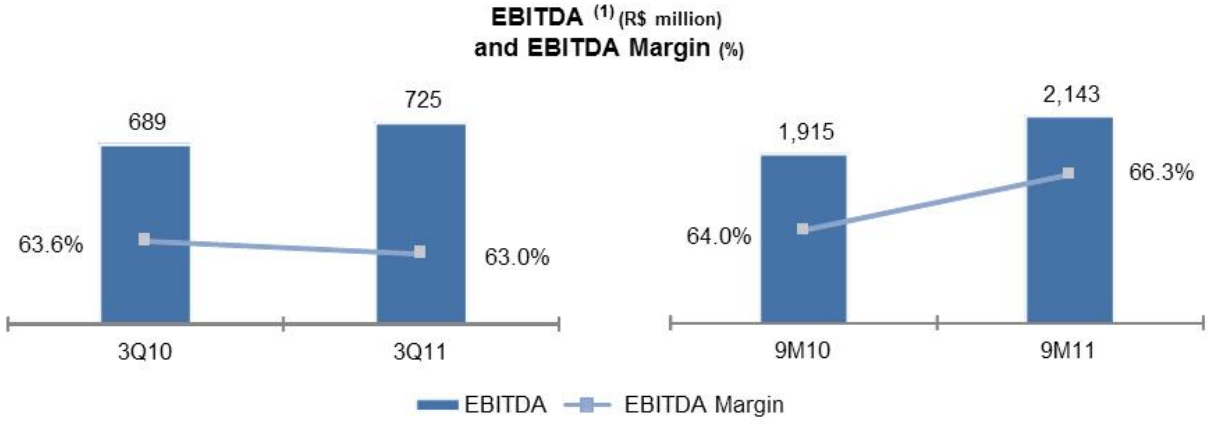
This decline was principally due to the combination of the following factors: (i) reduction in gains from the resources allocation strategy due to the Company having changed from an essentially long position with the CCEE in 3Q10 to an essentially short position in 3Q11. The impact of this transformation was attenuated by the reduction in the average spot price (PLD) for the South and Southeast/Midwest sub-markets, varying from R$ 112.74/MWh in 3Q10 to R$19.91/MWh in 3Q11 (ii) in spite of a greater reported volume of secondary energy, the corresponding revenue saw no major variation due to the year-on-year fall in average spot prices; and (iii) an increase in revenue in the MRE resulting from greater hydroelectric energy generation between comparable periods.

General and Administrative Expenses

General and administrative expenses fell by 1.1% from R$ 41.7 million in 3Q10 to R$ 41.3 million in 3Q11.

EBITDA and EBITDA Margin

Reflecting the effects already commented, EBITDA in 3Q11 reached R$ 725.3 million, 5.3% above the R$ 688.5 million for 3Q10. The EBITDA margin was 63.0%, against the 63.6% reported in the same period in the preceding year.



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

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

(in thousand R$)	3Q11	3Q10	Chg. %	9M11	9M10	Chg. %
Operating income	494,892	487,925	1.4	1,485,807	1,268,497	17.1
(+/-) Financial Result	101,401	89,182	13.7	289,189	309,351	-6.5
(+) Depreciation and Amortization	128,985	111,419	15.8	368,296	337,442	9.1
EBITDA	**725,278**	**688,526**	**5.3**	**2,143,292**	**1,915,290**	**11.9**

Financial Result

Financial income: in 3Q11, income was R$ 29.8 million, R$ 6.5 million lower than the R$ 36.4 million for the same quarter in 2010. The variation reflects principally a decline in income on financial investments due to the amortization of debt during the course of 2011, which reduced the volume of investable resources.

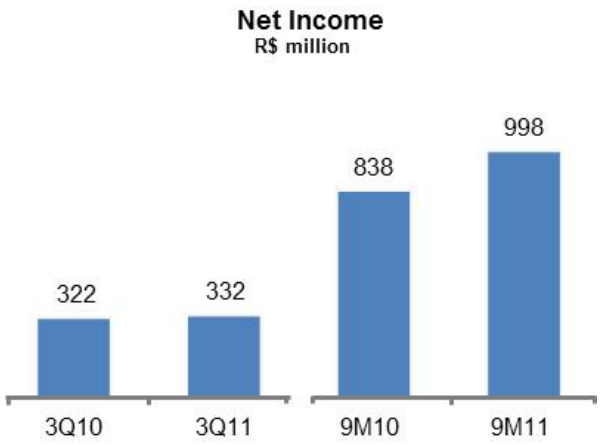
Financial expenses: growth of R$ 5.7 million between comparable periods from R$ 125.5 million in 3Q10 to R$ 131.2 million in the quarter under review. This variation arose largely from the combination of the following factors: (i) an increase of R$ 23.9 million in expenses involving a foreign exchange translation loss on currency denominated debt due to the devaluation of the Real against the US dollar and the Euro; (ii) an increase of R$ 3.0 million in interest on concessions payable due to a variation in the inflation indices; (iii) a reduction of R$ 12.8 million in interest on loans, financing and debentures, substantially due to amortizations of debt during the course of 2011; (iv) a decrease of R$ 5.2 million in monetary restatement on debt principally due to the amortization of inflation indexed debentures; and (v) reduction of R$ 1.6 million in charges on the Company's actuarial liabilities.

Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution expenses in 3Q11 were R$ 162.6 million, R$ 3.2 million lower than the same period in 2010 when this item was R$ 165.8 million. This reduction is largely due to increased deductions arising out of accelerated depreciation expenses calculated on the Income Tax and Social Contribution base. Increased tax breaks also contributed to the result.

Net Income

Net income for 3Q11 recorded an advance of R$ 10.2 million, or 3.2% from R$ 322.1 million in 3Q10 to R$ 332.3 million in the quarter under review. This improvement essentially reflects the combination of the following factors already commented above: (i) increase in the average net selling price; (ii) substantial increase in energy exports; (iii) result of the startup of commercial operations at Estreito HPP; (iv) reduction in energy purchases due to the maturing of high priced contracts; (v) a decline in the positive result in the transactions conducted within the scope of the CCEE; and (vi) growth in net financial expenses.



1 - OPERATIONS

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

The Company is controlled by GDF SUEZ Energy Latin America Participações Ltda. (GSELA), a company established in Brazil under the control of SUEZ-Tractebel S.A., headquartered in Brussels, Belgium. After the combination of assets between GDF SUEZ and International Power PLC (IPR) on February 4, 2011, SUEZ-Tractebel S.A. became a company under IPR's control, integrating the GDF SUEZ group headquartered in France.

The Company is the largest private company in power generation in Brazil[1], responsible for about 6%[1] of the country's installed capacity. The Company's installed capacity, including its stakes in the Itá and Machadinho consortiums, increased from 6,472 MW[1] on December 31, 2010 to 6,635.3 MW on September 30, 2011, after three of eight generating units in Estreito Hydroelectric Power Plant (Estreito HPP) started their commercial operations. Out of this total, approximately 79.6%[1] is derived from hydroelectric power plants, 17.9%[1] from thermoelectric power plants and 2.5%[1] from alternative energy (Small Hydroelectric Power Plants - SHPP, wind farms and biomass-fired plants). Assured power for commercialization increased from 3,554 average MW[1] on December 31, 2010 to 3,708.5 average MW on September 30, 2011, including the assured power of the three units of Estreito HPP that belong to the Company.

The Company's generator complex comprises the following power generating sources: 9 (nine) hydroelectric power plants, 6 (six) thermoelectric[2], 3 (three) small hydroelectric power plants, 2 (two) wind farms and 2 (two) biomass-fired power plants.

Subsidiaries in operation and under construction, whether under direct or common control are listed in Note 11 - Investments.

The Company's quarterly information is presented taking into account only one operating segment composed of the sale of power generated and acquired through long-term agreements. This segment concentrates about 99.5% and 99.6%, respectively, of the Company's total revenue in the periods ended on September 30, 2011 and September 30, 2010. The Company manages such activities as a single segment.

[1]Non-financial information provided herein, such as MW, average MW, installed capacity, number of employees, among others, is not examined by the independent auditors.

[2] The Jorge Lacerda Thermoelectric complex is composed of 3 plants.

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

a) Interim dividends in the first half of 2011

In a meeting held on July 29, 2011, the Board of Directors approved the distribution of interim dividends, based on the financial statements from June 30, 2011, in the amount of R$658,014, equal to R$1.0080763921 and 100% of the adjusted net income of 1H11. The Company's shares were traded ex-interim dividends as of August 11, 2011. Dividends were paid on October 6, 2011, based on the registration data held at Itaú Unibanco.

b) Commercial start-up of the 2nd and 3rd generator units at the Estreito Hydroelectric Power Plant

The second and third generator units at Estreito HPP had their commercial start-up on July 2, 2011 and September 30, 2011, increasing the installed capacity and the assured energy of the wholly-owned subsidiary Companhia Energética Estreito (CEE) by 108.9 MW and 102.5 average MW, respectively.

2 - PRESENTATION OF THE QUARTERLY INFORMATION

The consolidated quarterly information, identified as "Consolidated," was prepared in compliance with Technical Pronouncement CPC 21– Interim Statements of the Accounting Pronouncements Committee (APC) and international rule IAS 34 – Interim Financial Reporting, issued by the *International Accounting Standards Board (IASB)*. Said pronouncements are equivalent and entirely compliant with Brazilian and international accounting practices.

The individual quarterly information of Tractebel Energia, identified as "Controller," was also prepared according to CPC 21. These individual statements differ from the International Financial Reporting Standards (IFRS) only with respect to the assessment of investments by the equity method which, according to IFRS, should be measured and presented at cost or fair value.

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

In the preparation of the quarterly information it is necessary that the Company's management rely on estimates when recording certain transactions that affect its assets, liabilities, income and expenses, widely disclosing this information in its notes.

The accounting policies and calculation methods adopted in the preparation of quarterly information, as well as the main judgments and uncertainties in the estimates used in the application of accounting practices, are the same as those used in the preparation of the financial statements for the fiscal year ended December 31, 2010. In addition to the accounting practice relative to depreciation of property, plant and equipment, the depreciation method adopted for the assets of the Estreito HPP during the period of its installation will be that of "produced units." By this method, depreciation of assets that become operational is recognized proportionally to each generator unit capacity aggregated to the business as of the start of the commercial operation of each turbine throughout the construction of the plant. The Company's management understands that this method is that which best reflects the relation between the depreciation expense and the generation of future economic benefits from the asset's operation.

The content and amounts of certain notes presented in the financial statements for the fiscal year ended December 31, 2010 that do not require significant updating were not repeated in the selected notes for the quarterly information of September 30, 2011. Therefore, these two financial statements should be read together.

It is worth noting that the table "Statement of Changes in Shareholders' Equity" of the CVM's "EmpresasNet" System, the adjustment of equity assessments mentioned in Note 21.d – Shareholders' Equity, although it does not correspond to "Other Comprehensive Income," is presented in the column as such as there is no more appropriate option in the statement for the presentation of said transaction.

The quarterly information previously mentioned was approved by the Board of Directors in a meeting held on November 4, 2011.

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

Some new IASB accounting procedures and IFRIC interpretations were published and/or reviewed and their adoption is optional or mandatory for the annual periods ending as of January 1, 2011. Those issued in previous periods are mentioned in the financial statements for the fiscal year ended December 31, 2010 and were not repeated in this quarterly information as the same evaluations regarding their application have been maintained. The Company's assessment of the impacts of these new procedures and interpretations issued in 2011 is as follows:

IAS 27 – Separate Financial Statements

In May of 2011, the IASB issued a revised rule IAS 27 removing the requirements related to the *Consolidated Financial Statements* that were substituted by IFRS 10 - Consolidated Financial Statements. At the same time, the IASB reallocated to IAS 27 requirements from rules IAS 28 - Investments in Associates and IAS 31 – Interests in Joint Ventures with regards to separate financial statements.

The alterations to IAS 27 will be effective for annual periods beginning January 1, 2013. The Company is evaluated the effects of the application of this procedure and any differences in relation to IAS 28.

IAS 28 – Investments in Associates and Joint Ventures

In May of 2011, IASB issued a revision to IAS 28 incorporating the procedures for recording joint ventures as the equity method is applicable both to joint ventures and associates. On the other hand, the disclosure requirements for investments in associates and joint ventures were combined in a single, comprehensive procedure, IFRS 12 - Disclosure of Interests in Other Entities.

The alterations to IAS 28 will be effective for annual periods beginning on/after January 1, 2013. The Company is evaluating possible effects of the application of the alterations to said procedure.

IFRS 10 – Consolidated Financial Statement

In May of 2011, IASB issued rule IFRS 10, which substituted IAS 27 and interpretation SIC 12 – Consolidation – Special Purpose Entities regarding the applicable requirements to consolidated financial statements.

IFRS 10 defines "control" using a single model of consolidation for all types of entities, stating that an investor can exercise power over an investment in several ways, not just through management of financial and operating policies. Although the exposure to risks and benefits is an indicator of control, it is not an isolated reason for consolidation of any type of entity.

This procedure is valid for annual periods beginning on/after January 1, 2013. The Company is assessing the effects of its application and any differences in relation to IAS 27.

IFRS 11 – Joint Arrangements

In May of 2011, the IASB issued IFRS 11, classifying joint ventures in two types: (i) operations with shared control, and (ii) ventures with shared control. Parties with shared control of an operation have rights over the assets and obligations over the liabilities, while parties with shared control of a venture have rights over net assets. Thus, the proportional consolidation method for ventures with shared control was eliminated and substituted with the equity method.

IFRS 11 will be effective for annual periods beginning January 1, 2013. The Company is evaluating the characteristics and the economic nature of the shared control of the Itá Energética S.A. (Itasa) joint venture. In case the business is seen as a joint venture, participation will no longer be consolidated in proportion to the Company's interest in its capital and will be recorded by the equity method.

IFRS 12 – Disclosure of Interests in Other Entities

In May of 2011, IASB issued IFRS 12, which substituted the disclosure requirements of IAS 27, IAS 28 and IAS 31, except for those applicable for the preparation of separate financial statements, maintained in the revised IAS 27.

IFRS 12 expands the disclosure requirements for consolidated entities, as well as introducing disclosures regarding unconsolidated entities.

This procedure is valid for annual periods beginning on/after January 1, 2013. The Company is assessing the effects of its application and any differences in relation to IAS 28.

IFRS 13 – Fair Value Measurement

In May of 2011, IASB issued IFRS 13 to establish unified information regarding the procedures for fair value measurements required or permitted under IFRS, reducing its complexity and improving the consistency of its application, increasing the comparability of information presented in the financial statements.

However, IFRS 13 does not alter the original requirements of IFRS rules, but merely clarifies the definition of fair value, provides guidance on determining fair value and improves disclosure of fair value measurements.

This procedure will be effective for annual periods beginning on/after January 1, 2013. The Company believes that the alterations in said procedure will not impact its Consolidated Financial Statement.

IAS 19 – Employee Benefits

In June of 2011, IASB issued a revised IAS 19, eliminating the "corridor" approach by which accumulated actuarial gains and losses within the limit of 10% of the current value of obligations with established benefit plans are not recognized in the entity's result, while gains or losses above the corridor limit are registered in the result during the average remaining lifespan of participants of the established benefit plan. According to the revised IAS 19, actuarial gains and losses derived from re-measurement of actuarial liabilities as of the date of the change in the accounting practice should be recognized in other comprehensive income.

The alterations to IAS 19 will be effective for annual periods beginning on/after January 1, 2013. According to the Company's preliminary evaluation, as a consequence of the adoption of this procedure, off-balance actuarial gains, as mentioned in Note 18 – Post-employment benefits, will be recognized in a contra account to shareholders' equity, according to the rules relative to the change in accounting practices.

IAS 1 – Presentation of Items of Other Comprehensive Income

In June of 2011, IASB issued a revised IAS 1 requiring the separation in other comprehensive income of items that may and may not be reclassified as profit or loss when certain conditions are met.

The alterations to IAS 1 will be effective for annual periods beginning on/after January 1, 2013. The Company believes that the alterations in said procedure will not impact its consolidated financial statements.

The CPC has not yet made its respective technical pronouncements and correlated alterations to the abovementioned new and existing IFRS procedures or IFRIC interpretations. Due to the commitment of the CPC and CVM to maintain procedures issued up to date based on IASB revisions, these pronouncements and alterations are expected to be published by the CPC and approved by the CVM by the date of mandatory application.

IFRIC 20 – Waste Removal Costs in the Surface Mine Production Phase

In October of 2011, the IASB issued the IFRIC 20 interpretation regarding surface mine operations that provides that entities may eventually incur costs with waste removal to access mineral deposits. IFRIC 20 is effective for annual periods as of July 1, 2010. The Company understands that the adoption of this interpretation will not affect its business.

3 - CASH AND CASH EQUIVALENTS

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2011	12.31.2010	9.30.2011	12.31.2010
Cash and bank deposits in cash	**1,623**	**1,710**	**8,841**	**8,882**
Citibank – Exclusive Investment Fund				
Repurchase agreements with Federal Government Securities [3]				
National Treasury Notes (NTN – B)	593,994	741,573	678,009	934,407
National Treasury Notes (NTN - F)	192,909	-	220,196	-
Treasury Financial Bill (LFT)	155,147	-	177,090	-
National Treasury Bill (LTN)	-	50,812	-	64,025
	942,050	**792,385**	**1,075,295**	**998,432**
Financial Institutions [4]				
Bank Deposit Certificates (CDB)	2,198	2,022	14,155	48,106
Repurchase agreements with debentures	-	-	29,282	27,160
	2,198	**2,022**	**43,437**	**75,266**
Total cash and cash equivalents	**944,248**	**794,407**	**1,118,732**	**1,073,698**
	945,871	**796,117**	**1,127,573**	**1,082,580**

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

[4]Banco Safra, Banco Itaú Unibanco Holding S.A. (Itaú), Banco do Brasil (BB) and Banco Votorantim.

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

The average profitability of the fund in the third quarter of 2011 was 100.2% of the Interbank Deposit Certificates rate (CDI).

4 - CLIENTS

	Company (BRGAAP)				
	9.30.2011				12.31.2010
		Past-due			
	Current	Up to 90 days	Over 90 days	Total	Total
Concessionaires	223,418	-	-	223,418	216,600
Traders	107,465	-	6,043	113,508	125,682
Free Consumers	22,659	40	104	22,803	24,685
Exports	19,000	-	740	19,740	740
Transactions with CCEE		-	-		
- Current	15,742	1,211	549	17,502	77,402
- Agents with lawsuits or in default	-	-	122,574	122,574	122,574
- Special Tariff Recovery (RTE)	-	-	2,666	2,666	1,056
	388,284	**1,251**	**132,676**	**522,211**	**568,739**
(-) Allowance for doubtful accounts	-	-	(128,617)	(128,617)	(122,574)
	388,284	**1,251**	**4,059**	**393,594**	**446,165**

	Consolidated (BRGAAP and IFRS)				
	9.30.2011				12.31.2010
		Past-due			
	Current	Up to 90 days	Over 90 days	Total	Total
Concessionaires	298,804	-	273	299,077	271,921
Traders	46,393	-	6,180	52,573	56,524
Free Consumers	147,877	834	104	148,815	121,788
Exports	19,000	-	740	19,740	740
Transactions with CCEE		-			
- Current	16,111	1,222	554	17,887	79,077
- Agents with lawsuits or in default	-	-	122,574	122,574	122,574
- Special Tariff Recovery (RTE)	-	-	2,666	2,666	1,056
	528,185	**2,056**	**133,091**	**663,332**	**653,680**
(-) Allowance for doubtful accounts	-	-	(128,754)	(128,754)	(122,574)
	528,185	**2,056**	**4,337**	**534,578**	**531,106**

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

In the first quarter of 2011, the Company constituted a provision for doubtful accounts in the amount of R$6,043 in the parent company and R$6,180 in the consolidated statements due to the long-term default of the Power Commercialization Chamber (CCEE). The Company is taking the proper measures to recover the outstanding amount receivable.

Agents with lawsuits or in default

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

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

5 - TAXES RECOVERBALE

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2011	12.31.2010	9.30.2011	12.31.2010
Current				
ICMS[5]	7,625	4,178	8,152	4,855
Income Tax and Social Contribution	7,878	5,761	13,082	19,079
Cofins [6]	38,713	42,122	96,326	54,687
PIS (tax on revenue) [7]	8,782	9,518	21,107	12,135
INSS [8]	1,983	1,054	1,983	1,062
	64,981	**62,633**	**140,650**	**91,818**
Non-current				
ICMS	11,181	11,178	14,139	16,090
Income Tax and Social Contribution	-	-	7,329	-
Cofins	5,265	11,147	114,268	164,293
PIS	1,143	2,448	24,989	35,797
INSS	3,700	3,700	3,706	3,700
	21,289	**28,473**	**164,431**	**219,880**

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

Recoverable PIS/Cofins amounts mainly refer to the option for using the right to credits on building construction and acquisition of machines and equipment, pursuant to specific laws.

Until July of 2011, credits on the acquisition of machines and equipment were compensated monthly in at the rate of 1/48. As of August of 2011, the credit balance on July 31, 2011 and those credits constituted as of this date are being compensated monthly in up to 12 (twelve) months, until they are fully compensated in July of 2012.

Credits from building construction have been compensated monthly at the rate of 1/24.

6 - NON-CURRENT ASSETS FOR SALE

In June of 2011, after fulfillment of all conditions established in the sales contract, including prior consent from Aneel and the approval of the Administrative Economic and Defense Council (CADE), the sale of all shares in Seival Participações S.A. (Seival) was concluded.

The total corrected selling price was R$38,523. Due to the conclusion of the operation, the final payment of R$14,304 was fully received and capital gains of R$15,436 were recognized in the Company's results.

Seival Participações S.A. is a special purpose entity that holds 99.99% of the capital stock of Usina Termelétrica Seival (TPP), which, in turn holds the rights, including Aneel authorizations and installation licenses, to implement and explore the coal-fired thermoelectric plant in Candiota, Rio Grande do Sul State, with an installed capacity of 540 MW.

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

7 - COLLATERAL AND RESTRICTED DEPOSITS

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2011	12.31.2010	9.30.2011	12.31.2010
Current				
Reserve account for CCEE transactions				
CDB	-	-	4,102	81
Repurchase agreements with debentures	-	21,793	821	33,600
Investment funds	2,618	47,872	2,618	47,872
	2,618	**69,665**	**7,541**	**81,553**
Non-current				
Reserve account for debt service				
CDB	-	-	6,712	7,196
Repurchase agreements with debentures	-	-	-	1,965
Investment funds	-	-	84,561	42,083
	-	**-**	**91,273**	**51,244**

The decrease in the balance of the "Reserve account for CCEE transactions" is the result of reduced need for constitution of a financial reserve to guarantee CCEE transactions due to the Company's reduced exposure in this market in 2011.

The balance of the "Reserve account for debt service" line increased due to the requirement to constitute a financial reserve to guarantee payment of financing contracted for the construction of Estreito HPP.

The average earnings of the collateral and judicial deposits in the third quarter of 2011 was 100% of the CDI.

8 - DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION - ASSET

	Company (BRGAAP)				
	9.30.2011				12.31.2010
Type of credit	Tax basis	Income tax	Social contrib.	Total	Total
Interest on property, plant and equipment in progress (RIC)	151,243	37,811	-	37,811	41,098
Post-employment benefits	237,831	59,458	21,405	80,863	102,910
Allowance for doubtful accounts	128,616	32,154	11,575	43,729	41,675
Provision for tax, civil and labor risks	153,142	38,286	13,783	52,069	43,280
Accelerated depreciation	12,662	3,165	1,140	4,305	5,157
Adjustment to present value of receivables	13,875	3,469	1,249	4,718	4,718
Incorporated goodwill	48,456	12,114	4,361	16,475	17,650
Other	94,510	23,628	8,506	32,134	31,925
		210,085	**62,019**	**272,104**	**288,413**

	Consolidated (BRGAAP and IFRS)				
	9.30.2011				12.31.2010
Type of credit	Tax basis	Income tax	Social contrib.	Total	Total
Interest on property, plant and equipment in progress (RIC)	151,243	37,811	-	37,811	41,098
Post-employment benefits	237,831	59,458	21,405	80,863	102,910
Allowance for doubtful accounts	128,753	32,188	11,588	43,776	41,675
Provisions for tax, civil and labor risks	154,228	38,558	13,881	52,439	43,596
Accelerated depreciation	12,662	3,165	1,140	4,305	5,157
Adjustment to present value of receivables	13,875	3,469	1,249	4,718	4,718
Adjustment to fair value of property, plant and equipment	50,151	12,538	4,513	17,051	17,745
Incorporated goodwill	48,456	12,114	4,361	16,475	17,650
Tax loss carryforwards and negative basis of social contribution	72,167	18,042	6,495	24,537	20,499
Other	99,713	24,928	8,974	33,902	33,192
		242,271	**73,606**	**315,877**	**328,240**

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

The estimated realization of deferred income tax and social contribution and their recovery:

	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
October to December, 2011	9,590	10,023
2012	29,512	30,866
2013	35,794	37,165
2014	25,767	27,113
2015	18,233	21,263
2016 to 2017	83,173	90,397
2018 to 2019	27,299	38,359
2020 on	42,736	60,691
	272,104	**315,877**

9 - ASSET SALES

In this line, the amount receivable from Elétrica Jacuí S.A. (Eleja) related to the sale of the Jacuí thermoelectric project is registered. From February 2009, Eleja failed to pay the due monthly installments, whose total historical amount on September 30, 2011 was R$ 74,280 (R$50,862 on December 31, 2010).

In July 2009, after many unsuccessful attempts to recover payments due, the Company had no other option than to file for judicial recovery of said contract in an amount equivalent to the total debt, since Eleja's delinquency anticipated the maturity of all existing debt.

The Company understands that the balance sheet reflects the best estimate of the fair value of this asset on those dates. On September 30, 2011, the nominal value of the debt, restated by the IGP-DI, was R$116,291 (R$106,228 on December 31, 2010).

The foreclosure filed against Eleja has been in progress in the court of Florianópolis (Santa Catarina State), and the seizure of assets used as collateral at the registry of deeds and documents of Charqueadas (Rio Grande do Sul State) was granted. In March of 2011, the seizure of assets given as guarantee was turned into a lien and the Company expects the completion of the judicial investigation being carried out by an expert in order to determine the value of assets given as collateral.

Currently, these assets have already been pledged to have a market value that is enough to recover the recorded credit, and that is why the Company's Management did not deem it necessary to record any provision for losses.

10 - JUDICIAL DEPOSITS

a) Breakdown

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2011	12.31.2010	9.30.2011	12.31.2010
Tax	92,067	84,720	92,513	85,075
Civil	10,198	40,996	10,916	42,485
Labor	3,496	5,599	3,831	5,904
	105,761	**131,315**	**107,260**	**133,464**

The deposited amounts are directly related to the current judicial and administrative proceedings in which the Company is party. From the amount deposited on September 30, 2011, in the parent company and consolidated information, R$37,469 (R$68,568 on December 31, 2010) is directly related to provisions described in Note 20 – Provisions for tax, civil and labor risks.

b) Changes

	Company (BRGAAP)				
	Balance as of 12.31.2010	Additions	Adjustments	Write-offs and redemptions	Balance as of 9.30.2011
Tax	**84,720**	76	7,271	-	**92,067**
Civil	**40,996**	10,465	1,054	(42,317)	**10,198**
Labor	**5,599**	561	212	(2,876)	**3,496**
	131,315	**11,102**	**8,537**	**(45,193)**	**105,761**

	Consolidated (BRGAAP and IFRS)					
	Balance as of 12.31.2011	Additions	Transfers and reclassifications	Adjustments	Write-offs and redemptions	Balance as of 9.30.2011
Tax	**85,075**	101	56	7,281	-	**92,513**
Civil	**42,485**	11,132	(994)	1,054	(42,761)	**10,916**
Labor	**5,904**	649	-	212	(2,934)	**3,831**
	133,464	**11,882**	**(938)**	**8,547**	**(45,695)**	**107,260**

In the second quarter of 2011, the Company redeemed the financial application at R$32,936, previously contracted by subsidiary Ponte de Pedra S.A. (PPESA) in order to reduce the cost of bank guarantees related to the civil proceeding regarding the plant's Transmission System Usage Tariff (TUST) contestation. With PPESA's incorporation by Tractebel Energia, in 2010, and, afterwards, the Company's reduced credit risk rating, the bank no longer demanded said financial application.

11 - INVESTMENTS

a) Breakdown

	Company (BRGAAP)	
	9.30.2011	12.31.2010
Investments in subsidiaries:		
Assessed by the equity method		
Equity Pick-up	2,294,121	2,162,946
Goodwill / Concession rights	118,596	119,817
	2,412,717	**2,282,763**

b) Assessed by the equity method

b.1) Financial information of subsidiaries

	Itasa	CESS	Lages	TBLC	EAS [9]	TBLP	CEE
12.31.2010							
Interest (%)	48.75	99.99	99.99	99.99	99.99	99.99	99.99
Total assets	852,035	1,385,165	84,226	259,985	-	934,031	2,336,439
Shareholders' equity	598,445	351,733	71,193	65,431	-	514,067	868,509
9.30.2011							
Interest (%)	48.75	99.99	99.99	99.99	99.99	99.99	99.99
Total assets	821,394	1,366,957	66,034	317,296	-	934,345	2,522,426
Shareholders' equity	643,169	355,502	56,407	138,612	-	548,006	881,778
Net revenue	180,761	147,241	27,788	1,105,897	-	81,765	58,582
Net income	45,598	3,770	214	73,181	-	8,754	13,269

b.2) Changes in investments

	Itasa	CESS	Lages	TBLC	TBLP	CEE	Other	Total
Balance as of 12.31.2011	**291,743**	**351,733**	**71,193**	**65,431**	**514,067**	**868,509**	**270**	**2,162,946**
AFAC [10]	-	-	-	-	25,478	-	-	25,478
Equity Pick-up	22,229	3,770	214	73,181	8,754	13,269	-	121,417
Dividends	(424)	-	(15,000)	-	-	-	-	(15,424)
Reclassification	-	-	-	-	(296)	-	-	(296)
Balance as of 9.30.2011	**313,548**	**355,503**	**56,407**	**138,612**	**548,003**	**881,778**	**270**	**2,294,121**

On March 22, 2011, Tractebel's Board of Directors approved the implementation of five wind farms for sale of power in the free market, totaling 145.4 MW of installed capacity, with a total investment estimated at R$640,000.

The Company is negotiating with suppliers for equipment and assembly and with the BNDES for financing. The conclusion of the wind farms is expected for the fourth quarter of 2012. A significant portion of the commercial capacity of the energy to be generated is sold to free customers in medium and long term contracts.

[9] Energia América do Sul Ltda. (EAS) incorporated by the Company on 12.30.2010.
[10] Advance for Future Capital Increase (AFAC).

Below, more information on the projects:

Subsidiaries	Plant	Installed Capacity	Location
Central Eólica Mundaú S.A.	Central Eólica Mundaú	30.0 MW	Trairi - CE
Central Eólica Guajiru S.A.	Central Eólica Guajiru	30.0 MW	Trairi - CE
Central Eólica Fleixeiras I S.A.	Central Eólica Fleixeiras I	30.0 MW	Trairi - CE
Central Eólica Trairi S.A.	Central Eólica Trairi	25.4 MW	Trairi - CE
Eólica Porto das Barcas S.A.	Eólica Porto do Delta	30.0 MW	Parnaíba - PI

c) Goodwill / concession rights – company

Subsidiaries	CESS	CEE	Total
Balance as of 12.31.2011	**33,369**	**86,448**	**119,817**
Amortization	(950)	(271)	(1,221)
Balance as of 9.30.2011	**32,419**	**86,177**	**118,596**

Goodwill paid in the acquisition of subsidiaries is based on the present value of cash flow projections obtained from financial and economic appraisals and arise from the concession or authorization by Aneel granting the right to use a public asset for energy generation. These amounts are being amortized during the term of the concession agreement in function of their established useful life, as economic benefits from the acquisition of these investments will arise throughout the concession agreement's term.

12 - PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	Company (BRGAAP)				
		9.30.2011			12.31.2010
	Average depreciation rate (%)	Adjusted cost	Accumulated depreciation	Net Value	Net Value
Operating					
Reservoirs, dams and pipelines	3.08	4,413,441	(2,091,782)	2,321,659	2,422,496
Buildings and improvements	3.05	1,272,759	(688,941)	583,818	595,343
Machines and equipment	3.72	5,479,907	(3,341,438)	2,138,469	2,227,806
Vehicles	20.00	1,643	(1,093)	550	714
Furniture and Fixtures	10.00	6,267	(3,840)	2,427	2,748
		11,174,017	**(6,127,094)**	**5,046,923**	**5,249,107**
Special obligations		(13,583)	-	(13,583)	(10,223)
		11,160,434	**(6,127,094)**	**5,033,340**	**5,238,884**
Property, plant and equipment in progress					
Buildings and improvements		11,917	-	11,917	5,054
Machines and equipment		74,785	-	74,785	67,994
Acquisitions to divide		4,875	-	4,875	3,338
		91,577	**-**	**91,577**	**76,386**
		11,252,011	**(6,127,094)**	**5,124,917**	**5,315,270**

	Consolidated (BRGAAP and IFRS)				
		9.30.2011			12.31.2010
	Average depreciation rate (%)	Adjusted cost	Accumulated depreciation	Net Value	Net Value
Operating					
Reservoirs, dams and pipelines	2.59	6,816,115	(2,211,882)	4,604,233	3,268,782
Buildings and improvements	3.21	1,739,410	(741,031)	998,379	986,857
Machines and equipment	3.62	7,256,511	(3,545,442)	3,711,069	3,470,028
Vehicles	20.00	1,966	(1,385)	581	755
Furniture and Fixtures	10.00	7,628	(4,152)	3,476	3,823
		15,821,630	**(6,503,892)**	**9,317,738**	**7,730,245**
Special obligations		(13,708)	-	(13,708)	(10,348)
		15,807,922	**(6,503,892)**	**9,304,030**	**7,719,897**
Property, plant and equipment in progress					
Reservoirs, dams and pipelines		10,266	-	10,266	404,336
Buildings and improvements		12,490	-	12,490	475,204
Machines and equipment		226,760	-	226,760	888,601
Advance to suppliers		99,940	-	99,940	70,626
Acquisitions to divide		279,026	-	279,026	417,345
		628,482	**-**	**628,482**	**2,256,112**
		16,436,404	**(6,503,892)**	**9,932,512**	**9,976,009**

b) Changes

	Company (BRGAAP)						
	Balance as of 12.31.2011	Additions	Reclassification	Transfers	Depreciation	Write-offs	Balance as of 9.30.2011
Operating							
Reservoirs, dams and pipelines	2,422,496	-	-	(12,466)	(88,371)	-	2,321,659
Buildings and improvements	595,343	-	-	10,065	(21,590)	-	583,818
Machines and equipment	2,227,806	-	-	69,975	(159,163)	(149)	2,138,469
Vehicles	714	-	-	(83)	(81)	-	550
Furniture and Fixtures	2,748	-	-	139	(444)	(16)	2,427
	5,249,107	**-**	**-**	**67,630**	**(269,649)**	**(165)**	**5,046,923**
Special obligations	(10,223)	(3,360)	-	-	-	-	(13,583)
	5,238,884	**(3,360)**	**-**	**67,630**	**(269,649)**	**(165)**	**5,033,340**
In Progress							
Buildings and improvements	5,054	18,871	-	(12,008)	-	-	11,917
Machines and equipment	67,994	33,132	-	(26,341)	-	-	74,785
Acquisitions to divide	3,338	25,119	5,699	(29,281)	-	-	4,875
	76,386	**77,122**	**5,699**	**(67,630)**	**-**	**-**	**91,577**
	5,315,270	**73,762**	**5,699**	**-**	**(269,649)**	**(165)**	**5,124,917**

	Consolidated (BRGAAP and IFRS)						
	Balance as of 12.31.2011	Additions	Reclassification	Transfers	Depreciation	Write-offs	Balance as of 9.30.2011
Operating							
Reservoirs, dams and pipelines	3,268,782	-	-	1,452,554	(117,103)	-	4,604,233
Buildings and improvements	986,857	-	-	45,241	(33,719)	-	998,379
Machines and equipment	3,470,028	-	-	448,751	(207,561)	(149)	3,711,069
Vehicles	755	-	-	(82)	(92)	-	581
Furniture and Fixtures	3,823	-	-	182	(513)	(16)	3,476
	7,730,245	**-**	**-**	**1,946,646**	**(358,988)**	**(165)**	**9,317,738**
Special obligations	(10,348)	(3,360)	-	-	-	-	(13,708)
	7,719,897	**(3,360)**	**-**	**1,946,646**	**(358,988)**	**(165)**	**9,304,030**
In Progress							
Reservoirs, dams and pipelines	404,336	138,098	-	(532,168)	-	-	10,266
Buildings and improvements	475,204	17,193	-	(479,907)	-	-	12,490
Machines and equipment	888,601	91,574	-	(753,415)	-	-	226,760
Advance to suppliers	70,626	42,481	-	(13,167)	-	-	99,940
Acquisitions to divide	417,345	23,971	5,699	(167,989)	-	-	279,026
	2,256,112	**313,317**	**5,699**	**(1,946,646)**	**-**	**-**	**628,482**
	9,976,009	**309,957**	**5,699**	**-**	**(358,988)**	**(165)**	**9,932,512**

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

Pursuant to CPC 27 - Property, Plant and Equipment and ICPC 10 - Clarifications on CPC27 and CPC 28 guidance, on January 1, 2009, the Company adopted the fair value as the cost of property, plant and equipment of its plants that had a book value substantially different than its fair value.

Balances on September 30, 2011 and December 31, 2010 account for the fair value, net of depreciation, of R$1,008,348 and R$1,073,015, respectively. Depreciation on the adjustment to fair value of years ended on September 30, 2011 and September 30, 2010 was R$64,625 and R$64,635, respectively.

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

In order to draft the consolidated information, the Company opted for the early adoption of the rules set forth by IFRS 3 - Business combination, standard which is consistent with CPC 15, in the combinations included within the scope of this pronouncement made as from January 1, 2008. This standard allows the recognition of the fair value of the concession and of property, plant and equipment, as single assets whenever these assets cannot be sold or transferred separately. In accordance with this pronouncement, the Company recognized the onerous concession and the authorizations contracted or acquired in a business combination as a single asset in the property, plant and equipment group, broken-down by the nature of the assets proportionally to their cost of acquisition.

e) Depreciation of assets comprising the Plants' Original Project

The Company, solely based on Law 8,987/95 and Decree 2.003/96, considers that at the end of the concession term, a compensation of the residual value established in the Original Project is not expected to be granted by the Granting Power. Therefore, the Company, as of January 1, 2007, has depreciated said assets at the rates determined by Aneel, which are limited to the concession term, even though the agreements and the law provide for the possibility that the concession be renewed. It is worth mentioning that all the main property, plant and equipment assets acquired before January 1, 2007 were recorded at their fair value upon the transition to the IFRS standards and new CPCs, on January 1, 2009.

f) Allocation of financial charges

Financial charges of financings are capitalized in property, plant and equipment assets in progress during the construction of the power plants. Charges capitalized on a consolidated basis in the third quarter of 2011 amounted to R$22,278 (over R$7,827 year-on-year).

g) Asset impairment

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

13 - INTANGIBLE ASSETS

a) Breakdown

	Company (BRGAAP)					
	9.30.2011			12.31.2010		
	Adjusted cost	Accumulated amortization	Total	Adjusted cost	Accumulated amortization	Total
Right to use	25,495	(13,903)	**11,592**	21,896	(11,762)	**10,134**
Goodwill merged from CEM [11]	44,578	(38,473)	**6,105**	44,578	(35,241)	**9,337**
	70,073	**(52,376)**	**17,697**	**66,474**	**(47,003)**	**19,471**

	Consolidated (BRGAAP and IFRS)					
	9.30.2011			12.31.2010		
	Adjusted cost	Accumulated amortization	Total	Adjusted cost	Accumulated amortization	Total
Right to use	29,594	(14,720)	**14,874**	25,887	(12,387)	**13,500**
Power purchase right	64,561	-	**64,561**	64,561	-	**64,561**
Rights of Trairí Project	3,133	-	**3,133**	3,133	-	**3,133**
Goodwill merged from CEM	44,578	(38,473)	**6,105**	44,578	(35,241)	**9,337**
Goodwill merged from Itasa	72,793	(71,546)	**1,247**	72,793	(67,803)	**4,990**
	214,659	**(124,739)**	**89,920**	**210,952**	**(115,431)**	**95,521**

[11] Companhia Energética Meridional (CEM), wholly-owned subsidiary incorporated by the Company in 2008.

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

Goodwill of Itasa and merged subsidiary CEM also has a finite useful life and will be amortized up to December of 2011 and February of 2013, respectively.

The rights of the Trairí Project correspond to the fair value of projects, of energy generation certifications, wind measurements, previous environmental licenses and lease agreements acquired in a business combination.

b) Changes

	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
Balance as of 12.31.2011	**19,471**	**95,521**
Additions	3,599	3,826
Transfers	-	(119)
Amortization	(5,373)	(9,308)
Balance as of 9.30.2011	**17,697**	**89,920**

14 - SUPPLIERS

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2011	12.31.2010	9.30.2011	12.31.2010
Electric network usage charges	90,467	81,003	95,846	84,857
Power purchase	85,403	53,569	91,595	104,203
Transactions with CCEE	371	1,337	1,281	1,337
Material and services	38,110	34,686	77,962	77,528
Fossil fuels/biomass	59,195	3,491	56,739	926
	273,546	**174,086**	**323,423**	**268,851**

The increased balance of the "Fossil fuels/biomass" line was mostly due to the purchase of coal for export power generation.

15 - LOANS AND FINANCING

a) Breakdown

	Company (BRGAAP)					
	9.30.2011			12.31.2010		
	Current	Non-current	Total	Current	Non-current	Total
Domestic currency						
Bank of America Merrill Lynch	-	430,000	430,000	-	-	-
Eletrobras	-	-	-	10,796	-	10,796
BNDES	14,965	8,730	23,695	14,965	19,953	34,918
Banco do Brasil	882	-	882	3,529	-	3,529
Charges	10,020	-	10,020	171	-	171
	25,867	**438,730**	**464,597**	**29,461**	**19,953**	**49,414**
Foreign currency						
STN [12]	16,520	100,394	116,914	15,425	104,500	119,925
BNP Paribas (Floating Rate Note)	-	98,864	98,864	-	88,964	88,964
Charges	10,580	-	10,580	4,691	-	4,691
	27,100	**199,258**	**226,358**	**20,116**	**193,464**	**213,580**
	52,967	**637,988**	**690,955**	**49,577**	**213,417**	**262,994**

	Consolidated (BRGAAP and IFRS)					
	9.30.2011			12.31.2010		
	Current	Non-current	Total	Current	Non-current	Total
Domestic currency						
Bank of America Merrill Lynch	-	430,000	430,000	-	-	-
Eletrobras	-	-	-	10,796	-	10,796
BNDES	101,868	1,343,543	1,445,411	73,064	1,297,836	1,370,900
Banks (BNDES Onleading)	82,910	981,543	1,064,453	56,086	1,001,920	1,058,006
Banco do Brasil	4,848	20,160	25,008	7,495	23,135	30,630
BRDE	6,265	-	6,265	6,835	4,556	11,391
CEF	6,034	43,772	49,806	5,777	46,234	52,011
Charges	18,913	-	18,913	9,245	-	9,245
	220,838	**2,819,018**	**3,039,856**	**169,298**	**2,373,681**	**2,542,979**
Foreign currency						
STN	16,520	100,394	116,914	15,425	104,500	119,925
BNP Paribas (Floating Rate Note)	-	98,864	98,864	-	88,964	88,964
Charges	10,580	-	10,580	4,691	-	4,691
	27,100	**199,258**	**226,358**	**20,116**	**193,464**	**213,580**
	247,938	**3,018,276**	**3,266,214**	**189,414**	**2,567,145**	**2,756,559**

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

b) Changes

	Company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non-current	Total	Current	Non-current	Total
Balance as of 12.31.2011	**49,577**	**213,417**	**262,994**	**189,414**	**2,567,145**	**2,756,559**
Additions	-	430,000	430,000	-	502,799	502,799
Transfers	18,534	(18,534)	-	157,258	(157,258)	-
Interest recorded in the results	21,594	-	21,594	87,746	13,710	101,456
Capitalized interest	-	-	-	-	78,775	78,775
Exchange variation	1,779	15,993	17,772	1,779	15,993	17,772
Interest on deposited guarantees	-	(2,888)	(2,888)	-	(2,888)	(2,888)
Amortization of principal	(31,987)	-	(31,987)	(115,438)	-	(115,438)
Amortization of interest	(6,530)	-	(6,530)	(72,821)	-	(72,821)
Balance as of 9.30.2011	**52,967**	**637,988**	**690,955**	**247,938**	**3,018,276**	**3,266,214**

Bank of America Merrill Lynch

On July 7, 2011, the Company signed a loan agreement with Bank of America Merrill Lynch in the amount of US$273,537 (equivalent to R$430,000). The funds were made available on July 20, 2011, and the main contract conditions are:

- Interest: 2.6236% p.a. fixed.
- Maturity of principal: July 20, 2013, January 20, 2014 and July 20, 2014.
- Amortization of interest: quarterly, starting on October 20, 2011 and ending on July 20, 2014.
- Covenants: EBITDA/consolidated financial expenses $\geq$ 2.0 consolidated debt/EBITDA $\leq$ 3.5.

The Company, in order to protect its future cash flows from USD oscillations, contracted a swap operation with the Brazilian subsidiary of the same financial institution that granted the loan, at R$430,000, which will grant an active position related to the USD variation plus 2.6236% p.a. and passive position equal to 98% of Interbank Deposit Rate (CDI). The financial institution that granted the loan ensures the payment of all cash flows from the swap operation if its Brazilian subsidiary eventually fails to honor the contracted obligations. Maturity of principal and amortization of the loan and swap's interest will happen on the same dates.

The Company has the right to settle the principal and the loan's financial charges and swap operation on a net basis, if necessary, and will do so simultaneously with its respective maturities, as provided in the agreements.

Thus, the financial instruments and their respective charges are considered a single financial instrument and are presented on a net basis in the balance sheet and in the Company's results, as a single financial instrument, reflecting more appropriately the amounts and the indication of future cash flows, as well as the risks to which this cash flow will be exposed.

As a consequence, the effect on the Company's financial result from the contraction of the abovementioned financial instruments will be equivalent to 98% of the CDI.

BNDES

In the third quarter of 2011, the BNDES made R$18,792 (R$64,403 in 2011) available regarding the financing done for the construction of Estreito HPP.

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

	Company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Domestic currency	Foreign currency	Total	Domestic currency	Foreign currency	Total
October to December, 2012	3,741	3,824	7,565	52,498	3,824	56,322
2013	148,322	7,911	156,233	337,498	7,911	345,409
2014	286,667	3,824	290,491	456,251	3,824	460,075
2015	-	98,864	98,864	170,438	98,864	269,302
2016	-	-	-	171,374	-	171,374
2017 to 2019	-	-	-	508,037	-	508,037
2020 to 2022	-	-	-	475,286	-	475,286
2023 to 2025	-	84,835	84,835	324,618	84,835	409,453
2026 to 2029	-	-	-	323,018	-	323,018
	438,730	**199,258**	**637,988**	**2,819,018**	**199,258**	**3,018,276**

d) Contractual conditions

		Payment conditions		
	Interest	Maturity	Principal and Interest	Balance
Foreign currency				
TBLE				
STN	*Libor* + 1.075% p.a.	04.2024	Semi-annual	120,918
BNP Paribas (Floating Rate Note)	*Euribor* + 2.75% p.a.	11.2015	Annual	105,440
Domestic currency				
TBLE				
Banco do Brasil	8.14% p.a. [c]	12.2011	Monthly	886
BNDES	TJLP + 4% p.a. [a]	04.2013	Monthly	23,788
Bank of America Merrill Lynch	98% of CDI	07.2014	Principal: 3 installments: July 22, 2013, January 21, 2014 and July 21, 2014 [e] Interest: quarterly	439,922
Itasa				
BNDES	TJLP + 4% p.a. [a]	09.2013	Monthly	24,367
Banks (BNDES Onleading) [b]	TJLP + 3.85% p.a. [a]	09.2013	Monthly	30,206
Lages (BRDE)	TJLP + 2.25% p.a. [a]	08.2012	Monthly	6,286
CESS				
BNDES	TJLP + 2.7% p.a. [a]	10.2023	Monthly	194,041
Banks (BNDES Onleading) [b]	TJLP + 3.25% p.a. [a]	10.2023	Monthly	391,918
Tupan (CEF)	TJLP + 3.5% p.a. [a]	12.2019	Monthly	49,862
Hidropower (Banco do Brasil**)**	8.08% p.a. [c]	10.2017	Monthly	24,274
Beberibe (BNDES)	TJLP + 3.5% p.a. [a]	12.2023	Monthly	96,856
Pedra do Sal (BNDES)	TJLP + 1.92% p.a. [a]	12.2023	Monthly	66,264
Areia Branca (BNDES)	TJLP + 2.5% p.a. [a]	06.2024	Monthly	60,483

	Interest	Payment conditions		Balance
		Maturity	Principal and Interest	
Ibitiúva				
BNDES (B subloan)	4.5% p.a.	01.2020	Monthly, after 02.2011	35,133
BNDES (A and C subloan)	TJLP + 2.05% p.a. (a)	01.2021	Monthly, after 02.2011	33,479
CEE				
BNDES	TJLP + 1.89% p.a. (a)	09.2029	Monthly, after 10.2011	899,579
BNDES – Social Credit	TJLP	06.2018	Monthly, after 07.2012 (d)	16,342
Banks (BNDES Onleading)(b)	TJLP + 2.95% p.a. (a)	09.2029	Monthly, after 10.2011	646,170

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

(b) Banks (BNDES onlending) are Itaú Unibanco, Banco Bradesco, Banco Santander and Banco Votorantim.

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

(d) Interest will be paid quarterly in the period from 11.15.2010 and 06.15.2012.

(e) Interest will be paid quarterly in the period from 10.20.2011 and 7.21.2014.

e) Covenants

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

Indirect subsidiary Hidropower Energia S.A. has restrictive clauses in its financing agreements which require maintenance of financial indexes, among which are current liquidity, debt service coverage and EBITDA margin.

Due to structuring matters, this company's current liabilities are above the level initially established upon the contracting of the financing, which has a negative effect both on the liquidity ratio and on the debt service's coverage ratio.

The Company had a waiver by Banco do Brasil by an eventual non-fulfillment of any of the contract covenants until the liquidation. Debt on September 30, 2011 is R$24,274 (R$27,245 on December 31, 2010).

16 - DEBENTURES

a) Breakdown

	9.30.2011			12.31.2010		
	Current	Non-current	Total	Current	Non-current	Total
Company (BRGAAP)						
1st Issue (1st Series)	-	-	-	150,558	-	150,558
2nd Issue	145,902	293,374	439,276	-	420,668	420,668
3rd Issue	-	-	-	604,064	-	604,064
4th Issue	-	-	-	80,000	320,890	400,890
Cana Brava	15,141	16,655	31,796	14,437	24,406	38,843
Interest	11,944	-	11,944	46,119	-	46,119
Total Company	**172,987**	**310,029**	**483,016**	**895,178**	**765,964**	**1,661,142**
Itasa (1st and 2nd Series)	4,690	8,190	12,880	9,034	16,380	25,414
Interest	1,012	-	1,012	805	-	805
Total Consolidated (BRGAAP and IFRS)	**178,689**	**318,219**	**496,908**	**905,017**	**782,344**	**1,687,361**

b) Changes

	Company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non-current	Total	Current	Non-current	Total
Balance as of 12.31.2011	**895,178**	**765,964**	**1,661,142**	**905,017**	**782,344**	**1,687,361**
Transfers	475,925	(475,925)	-	484,115	(484,115)	-
Interest	78,404	1,610	80,014	79,897	1,610	81,507
Exchange variation	7,543	18,380	25,923	8,494	18,380	26,874
Amortization of principal	(1,161,883)	-	(1,161,883)	(1,175,368)	-	(1,175,368)
Amortization of interest	(122,180)	-	(122,180)	(123,466)	-	(123,466)
Balance as of 9.30.2011	**172,987**	**310,029**	**483,016**	**178,689**	**318,219**	**496,908**

In 2Q11, the Company and subsidiary Itasa did the following debentures amortization: (i) 3rd issue, in the amount of R$637,175, fully paid on April 1, 2011; (ii) 1st series of the 1st issue, in the amount of R$169,280, paid on April 29, 2011; and (iii) 2nd series of subsidiary Itasa's issue, in the amount of R$30,299 (R$14,771 relative to the Company's share), on June 1, 2011.

In the third quarter, the Company anticipated the settlement of the 4th Issue debentures in the amount of R$414,845, including the R$4,000 fine paid for the early settlement. This amortization was done with part of the funds from the Bank of America Merrill Lynch loan mentioned above. The settled debentures had a total cost of 110% of the CDI and the final annual installment of amortization of the principal would mature on November 5, 2015.

c) Maturities of debentures stated in non-current liabilities

	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
October to December, 2012	7,960	12,055
2013	155,222	159,317
2014	146,847	146,847
	310,029	**318,219**

d) Contractual conditions

			Payment conditions		
	Number	Remuneration	Interest / Monetary Variation	Principal	Guarantee
Company					
2nd Issue – Single series	35,000	IPCA + 7% p.a.	Yearly on 05.15	3 installments on 05.15.2012/13/14	No guarantee
Cana Brava – Single series	7,773	TJLP + 4% p.a. [13]	Semiannual on April,01 and October,01, up to 04.01.13	Semiannual on April,01 and October,01, up to 04.01.13	Receivable from energy sale
Itasa – 1st and 2nd Series	8,400	IGP-M + 9.4% p.a.	Yearly on December,01	Yearly on December,01 until 12.01.2013	Pledge of credit rights

e) Covenants

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

17 - CONCESSION FEES PAYABLE

	Company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2011	12.31.2010	9.30.2011	12.31.2010
Usina Hidrelétrica Cana Brava	415,755	373,704	415,755	373,704
Usina Hidrelétrica Ponte de Pedra	383,114	347,321	383,114	347,321
Usina Hidrelétrica São Salvador	-	-	396,212	379,736
Usina Hidrelétrica Estreito	-	-	36,043	34,186
	798,869	**721,025**	**1,231,124**	**1,134,947**
Classification on the balance sheet				
Current liabilities	2,662	2,499	45,379	42,297
Non-current liabilities	796,207	718,526	1,185,745	1,092,650
	798,869	**721,025**	**1,231,124**	**1,134,947**

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

In order to accurately reflect in shareholders' equity the granted onerous concession and the related obligation to the Federal Government, these were recorded in property, plant and equipment against liabilities. (Additional information in Note 12 – Property, Plant and Equipment)

[13] The amount corresponding to the TJLP portion that exceeds 6% p.a. is capitalized, together with the nominal value of debentures.

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

During the construction of the power plants, the adjustment of liabilities based on the discount rate and monetary variation is capitalized in fixed assets and, as of the start-up date, recognized directly in the statement of income.

a) Changes

	Company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non-current	Total	Current	Non-current	Total
Balance as of 12.31.2011	**2,499**	**718,526**	**721,025**	**42,297**	**1,092,650**	**1,134,947**
Transfers	2,025	(2,025)	-	34,121	(34,121)	-
Capitalized interest	-	-	-	-	1,462	1,462
Interest recorded in the results	-	48,746	48,746	-	77,083	77,083
Exchange variation	-	30,960	30,960	-	48,671	48,671
Amortizations	(1,862)	-	(1,862)	(31,039)	-	(31,039)
Balance as of 9.30.2011	**2,662**	**796,207**	**798,869**	**45,379**	**1,185,745**	**1,231,124**

b) Maturities of concessions stated in non-current liabilities

	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
October to December, 2012	316	10,451
2013	938	39,154
2014	901	35,643
2015	867	32,451
2016	835	29,540
2017 to 2019	8,168	79,553
2020 to 2022	105,483	159,102
2023 to 2025	193,358	233,636
2026 to 2028	196,890	227,146
2029 to 2031	181,106	203,834
2032 to 2034	107,345	124,418
2035 to 2037	-	10,817
	796,207	**1,185,745**

18 - POST-EMPLOYMENT BENEFITS

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

The Company also sponsors the BD plan of Fundação Eletrosul de Previdência e Assistência Social (ELOS), also closed for new adhesions.

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

	Company and Consolidated (BRGAAP and IFRS)					
	9.30.2011			12.31.2010		
	Current	Non-current	Total	Current	Non-current	Total
Contracted and/or recognized liabilities						
Agreements of acknowledgement of past debts	18,184	104,155	122,339	20,111	111,981	132,092
Non-contracted actuarial liabilities						
Coverage of costs relating to SB-40[14] and current contributions	1,861	1,947	3,808	2,185	2,607	4,792
Accounting deficit and confidentiality bonus (GC)	32,305	201,877	234,182	3,643	294,864	298,507
Recorded actuarial liabilities	**52,350**	**307,979**	**360,329**	**25,939**	**409,452**	**435,391**

The contracted amounts stated in non-current liabilities are expected to be paid as follows:

	ELOS	PREVIG	Total
October to December, 2012	3,942	612	4,554
2013	16,498	2,303	18,801
2014	17,511	1,869	19,380
2015	2,903	1,687	4,590
2016	3,078	1,788	4,866
2017 to 2019	10,386	6,034	16,420
2020 to 2022	12,370	6,115	18,485
2023 to 2025	9,076	1,154	10,230
2026 to 2029	6,829	-	6,829
	82,593	**21,562**	**104,155**

[14] SB-40 – Special retirement with reduced term.

Changes in post-employment benefits are summarized below:

	BD Plan	CD Plan	GC	Total
Liabilities as of 12.31.2011	**407,998**	**25,878**	**1,515**	**435,391**
Impacts on 2011 income:				
Cost of interest	90,488	2,889	143	93,520
Current cost of service	59	-	50	109
Expected revenue from assets	(77,642)	(1,836)	-	(79,478)
Amortization of actuarial gains	(60,749)	(693)	30	(61,412)
Net gains	**(47,844)**	**360**	**223**	**(47,261)**
Contributions	(2,004)	(4,106)	-	(6,110)
Payments of contracted obligations	(21,180)	(246)	-	(21,426)
Benefits paid	-	-	(265)	(265)
Liabilities as of 9.30.2011	**336,970**	**21,886**	**1,473**	**360,329**

Net gains to be recognized in the statement of income from October to December of 2011, related to the defined benefit plans and the confidentiality bonus, are as follows:

	BD Plan	CD Plan	GC	Total
Cost of interest	(30,163)	(963)	(48)	(31,174)
Current cost of service	(20)	-	(17)	(37)
Expected return on plan assets	25,961	671	-	26,632
Amortization of actuarial gains	20,250	231	(10)	20,471
Net gains	**16,028**	**(61)**	**(75)**	**15,892**

The Company's Board understands that there were no significant changes to the economic and accounting premises used in the evaluation of its accounting liabilities that needed to be revised on September 30, 2011.

19 - DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES – LIABILITIES

	Company (BRGAAP)				
	9.30.2011				12.31.2010
Type of credit	Tax basis	Income tax	Social Contrib.	Total	Total
Provision for the sale of power	107,456	26,864	9,671	36,535	36,535
Fair value of property, plant and equipment	1,058,542	264,636	95,269	359,905	382,571
Fair value of concession fees payable	50,718	12,679	4,565	17,244	15,739
	1,216,716	**304,179**	**109,505**	**413,684**	**434,845**

	Consolidated (BRGAAP and IFRS)				
	9.30.2011				12.31.2010
Type of credit	Tax basis	Income tax	Social contrib.	Total	Total
Provision for the sale of power	107,456	26,864	9,671	36,535	36,535
Fair value of property, plant and equipment	1,058,542	264,636	95,269	359,905	382,571
Fair value of concession fees payable	50,718	12,679	4,565	17,244	15,739
Subsidized accelerated depreciation	55,313	13,828	4,978	18,806	10,846
	1,272,029	**318,007**	**114,483**	**432,490**	**445,691**

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

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

Fair value of the concession payable - results from the application of CPC 15 – Business combination in the acquisition of subsidiary.

Subsidized accelerated depreciation – arises from the accelerated depreciation of certain construction costs and the acquisition of assets in certain Company power plants, as provided for in the tax legislation.

Deferred tax liabilities will be realized as follows:

	Company (BRGAAP)	Consolidated (BRGAAP and IFRS)
October to December, 2011	7,743	7,743
2012	30,972	30,972
2013	29,061	29,061
2014	22,833	22,833
2015	21,128	21,128
2016 to 2017	76,728	76,728
2018 to 2019	40,877	40,877
2020 on	184,342	203,148
	413,684	**432,490**

20 - PROVISIONS FOR TAX, CIVIL AND LABOR RISKS

Tax, civil and labor-related suits and claims which, according to the Company's legal counsel and management, are subject to losses in the form of expenses, are accrued in amounts considered sufficient to cover future disbursement to settle the respective liabilities.

a) Breakdown

	Company (BRGAAP)		Consolidated (BRGAAP e IFRS)	
	9.30.2011	12.31.2010	9.30.2011	12.31.2010
Probable tax risks				
INSS	31,061	29,827	31,061	29,827
Other	2,443	2,433	2,443	2,433
	33,504	**32,260**	**33,504**	**32,260**
Probable civil risks				
Agreements with suppliers	23,930	22,288	23,930	22,288
Pension benefit	20,346	26,844	20,346	26,844
Occupational diseases and accidents	5,407	6,536	5,407	6,536
Transmission System Usage Tariff (TUST)	46,493	37,412	46,493	37,412
Environmental	6,886	6,317	6,886	6,317
Sundry lawsuits	6,915	6,495	9,834	9,046
	109,977	**105,892**	**112,896**	**108,443**
Probable labor risks	**11,976**	**13,579**	**11,976**	**13,579**
Total reserves for probable risk	**155,457**	**151,731**	**158,376**	**154,282**
Classification on the balance sheet				
Current liabilities	13,600	10,720	13,746	10,866
Non-current liabilities	141,857	141,011	144,630	143,416
	155,457	**151,731**	**158,376**	**154,282**

Probable tax risks – Updates for 2011

Brazilian Social Security Institute (INSS)

Relative to the notification from the INSS because of the alleged nonpayment of social security charges on compensation paid to employees, the Federal Union filed an appeal in the Superior Court of Justice (STJ). The appeal was not granted, as per decision disclosed on April 14, 2011. In view of the above, the Federal Union filed a new appeal for judgment, currently in possession of the Minister presiding over the case.

Probable civil risks - Updates

Agreements with suppliers

Regarding the lawsuit filed by Companhia de Interconexão Energética (Cien), on June 8, 2011, the Company filed a special motion regarding the decision and, on June 10, 2011, a petition informed the filing of the special motion. Since then, the records are awaiting new analysis for further judgment.

Pension benefit

On May 5, 2011, an agreement with part of the complainants resulted in a payment of R$2,021 and a reversal provision of R$6,527.

b) Possible and remote risks

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

	Company (BRGAAP)					
	9.30.2011			12.31.2010		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	448,254	522,711	970,965	408,986	478,882	887,868
Civil	13,328	495	13,823	14,459	466	14,925
Labor	10,598	13,076	23,674	8,288	20,331	28,619
	472,180	**536,282**	**1,008,462**	**431,733**	**499,679**	**931,412**

	Consolidated (BRGAAP and IFRS)					
	9.30.2011			12.31.2010		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	484,994	522,711	1,007,705	435,710	478,882	914,592
Civil	16,040	506	16,546	17,205	485	17,690
Labor	10,598	13,076	23,674	8,288	20,331	28,619
	511,632	**536,293**	**1,047,925**	**461,203**	**499,698**	**960,901**

Possible tax risks

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

1) Corporate Income Tax and Social Contribution on Net Income

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

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

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

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

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

On December 12, 1985 the National Department of Water and Power (DNAEE) issued Ordinance no. 250/1985, aiming to change the accounting criteria used as of then and the interest on property, plant and equipment in progress (interest of up to 10% p.a.), purpose of the benefit that exempts the income tax, and due to Decree-law no. 1,506/1976, now has two distinct accounting classifications:

i) the portion of the construction executed with own capital is now recorded in shareholders' equity and, therefore, with no effect in the income for the period; and

ii) the portion of the construction executed using loans is now credited into deferred charges, which will then be amortized, jointly with the contract prices debited in deferred charges.

With this procedure, the exempted revenue, previously recorded in income upon its calculation now is deferred in income as credit amortization: (i) after the startup of the asset under construction which originated it started operating; or (ii) upon the write-off of respective asset, which is excluded for the purposes of calculating the taxable income.

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

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

The Company's Management and its legal advisors understand that the arguments used to challenge the tax credit entry provide an optimistic expectation of a favorable outcome for the claim. The restated amount of these proceedings on September 30, 2011, in the parent company and the consolidated information, is R$343,794 (R$322,652 on December 31, 2010).

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

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

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

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

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

The lawsuit is pending decision of the First Panel of the 7th Chamber with mandatory appeal to Fiscal Resources Managerial Council (CARF), issued by the Brazilian Federal Revenue Service, and with voluntary appeal from the Company exclusively focusing on the non-levy of the delinquency charge. The restated amount of these proceedings on September 30, 2011, in the parent company and the consolidated information, is R$25,985 (R$23,928 on December 31, 2010).

1.3) Voluntary confession

The Company offset credits against income and social contribution taxes payable by means of voluntary confession, through an Electronic Refund or Reimbursement Request and Offset Declaration (PER/DCOMP), not subject to fines. Accordingly, the Brazilian Federal Revenue Service partially approved the offset requests and the Company filed noncompliance notices, which are awaiting judgment. The Company argues that tax authorities will not be charged a penalty against a company that held tax credits and voluntarily reported its debts. The restated amount of the proceedings on September 30, 2011, in the company and the consolidated, is R$52,067 (R$47,946 on December 31, 2010).

2) São Paulo State VAT (ICMS)

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

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

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

The mentioned tax assessment notice is being challenged by the Company and its lawyers, who understand that they should not succeed, reason why they consider that the possibility of a favorable court decision is higher than the risk of loss.

Regarding the notices related to subsidiary TBLC, the judging entity reduced the amount and fine in one of the notices, and maintained the amounts in the other. In both processes, a common motion was filed by both parties before the Court of Taxes and Rates (CTR).

In one of the notices applied to parent company Tractebel Energia, the amount and fine were reduced, as this process included a common motion from the São Paulo State Revenue Office, and in the other, there has been no decision in the first instance.

Despite the partial success of the Company's defenses, the Company's Management and its legal advisors understand that the total amounts are subject to appraisal mistakes and legal grounds, where the chance of success for these disputes is still higher than the risk of losses. The updated amount of the proceedings on September 30, 2011 is R$12,711 (R$9,210 on December 31, 2010) in the parent company, and R$49,301 (R$35,720 on December 31, 2010), consolidated.

Remote tax risks

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

1) Recovery of PIS and Cofins

In 1998, Law 9,718/98 was published, extending the PIS and Cofins calculation basis that, so far, only levied on the companies' gross revenues.

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

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

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

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

In fact, up to 2005, the fuel acquired with "CCC Subsidy" and Energy Development Account (CDE) funds were recorded due to its consumption in the plants as "operational cost" in contra account to a "Subsidy" revenue.

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

In view of the mentioned summary, the Management understands that the risk of loss in the process is remote. The lawsuit is pending judgment at the Brazilian Federal Revenue Service of Florianópolis, 4th Panel. The updated amount on September 30, 2011 is R$160,969 (R$157,529 on December 31, 2010).

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

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

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

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

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

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

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

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

The Federal Government, on the other hand, filed a special appeal in view of the judgment, seeking the amendment that recognizes the illegality of Regulatory Instruction 468/2004 by the Regional Federal Court of the 4th Region. The Federal Government's special motion was not accepted, reason why on April 12, 2010, the decision of the Regional Federal Court of the 4th Region was formally deemed final and unappealable, guaranteeing the Company's right to tax income from agreements entered into before October 31, 2003, as set forth by Law no. 31.10.2003, according to the cumulative regime of PIS and Cofins, without the limitations imposed by Regulatory Instruction 10,833/03.

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

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

Despite the abovementioned facts, the Brazilian Federal Revenue Office understands that the Injunction has not yet been formally judged, and thus, it has rejected, on February 14, 2011, the request for Proof of Claim of credit from the amounts unduly collected during the period between November of 2004 and May of 2005, which amounted to R$65,206 in September 01, 2011 (R$62,802 in December 31, 2010). Despite the rejection of the request, the Company still considers the possibility of loss remote.

On June 14, 2011, the special motion filed by the National Treasury was not recognized and the presented provision of Regulatory Appeal [15] was denied by a decision formally deemed as final and unappealable. Thus, in relation to the portion of the ruling favorable to taxpayers, the requirement of final ruling, mandatory for granting of the information request relative to the installment proportional to its success in the demand, remains.

The special appeal filed by the Company to obtain a declaration of its right to remain subject to the cumulative PIS and Cofins taxation regime is awaiting ruling in the Superior Court of Justice (STJ).

The inquiry of deposits made, supported by Regulatory Instruction 658/2006, amounting to R$40,545 on September 30, 2011 (R$38,832 on December 31, 2010), depends on the decision of the special motion by the STJ. The provision in the term of the abovementioned Regulatory Instruction 658/2006 (from August of 2006 on), with remote risk, is R$352,886 on September 30, 2011 (R$312.933 on December 31, 2010).

21 - SHAREHOLDERS' EQUITY

a) Authorized capital stock

The Company is authorized to increase its capital stock up to the limit of R$5,000,000, regardless of any amendment to its bylaws. Under the BM&FBOVESPA's New Market listing regulations, the Company cannot issue preferred shares or founder shares. The Company does not hold treasury shares as of September 30, 2011.

b) Subscribed and paid-up capital

As of September 30, 2011 and December 31, 2010, the Company's fully subscribed and paid-up capital is R$2,445,766, represented by 652,742,192 registered common shares without par value. The book value per share as of September 30, 2011 is R$8.05 (R$7.77 per share as of December 31, 2010).

Below is the Company's shareholding structure on September 30, 2011 and December 31, 2010:

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

[15] A regulatory appeal is na appeal filed to challange individual rulings handed down by the judge of other appeals.

c) Composition of revenues

	9.30.2011	12.31.2010
Capital reserve		
Compensation of assets and rights constituted with own capital	**91,695**	**91,695**
Asset valuation adjustment	**665,534**	**708,190**
Income Reserves		
Legal reserves	422,556	422,556
Income retention reserve	1,229,380	1,229,380
Fiscal incentives reserve	22,901	16,827
Proposed additional dividend	-	158,270
	1,674,837	**1,827,033**
	2,432,066	**2,626,918**

d) Assets valuation adjustment

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

22 - OPERATING EXPENSES BY TYPE

Costs from sold energy and provided services:

	Company (BRGAAP)							
	2011				2010			
	3rd quarter		Year		3rd quarter		Year	
	Costs		Costs		Costs		Costs	
	Energy sold	Services provided	Energy sold	Services provided	Energy sold	Services provided	Energy sold	Services provided
Personnel	32,752	3,588	94,216	10,557	30,829	3,506	89,031	8,332
Materials	7,595	54	16,823	424	4,491	120	13,678	229
Outsourced services	20,976	925	61,472	3,725	15,195	1,427	48,442	2,607
Fuel for generation	63,138	-	98,065	-	22,849	-	31,961	-
Royalties [16]	37,754	-	98,444	-	30,630	-	84,313	-
Depreciation and amortization	90,506	-	268,388	-	76,954	-	229,186	-
Rents	1,702	146	5,196	515	1,202	104	3,522	143
Other	8,908	241	17,925	530	4,899	124	13,848	399
	263,331	**4,954**	**660,529**	**15,751**	**187,049**	**5,281**	**513,981**	**11,710**

[16] Royalties for use of hydrological resources

	Consolidated (BRGAAP and IFRS)							
	2011				2010			
	3rd quarter		Year		3rd quarter		Year	
	Costs		Costs		Costs		Costs	
	Energy sold	Services provided	Energy sold	Services provided	Energy sold	Services provided	Energy sold	Services provided
Personnel	33,317	3,588	95,789	10,557	31,044	3,506	89,614	8,332
Materials	8,505	54	19,152	424	5,858	120	15,733	229
Outsourced services	27,568	925	78,525	3,725	24,023	1,427	65,862	2,607
Fuel for generation	65,081	-	104,828	-	25,304	-	39,268	-
Royalties	43,831	-	114,526	-	36,329	-	100,804	-
Depreciation and amortization	125,269	-	357,836	-	108,461	-	328,683	-
Rents	2,309	146	6,742	515	2,059	104	5,235	143
Other	10,164	241	21,115	530	6,457	124	21,319	399
	316,044	**4,954**	**798,513**	**15,751**	**239,535**	**5,281**	**666,518**	**11,710**

Expenses with general and administrative sales:

	Company (BRGAAP)							
	2011				2010			
	3rd quarter		Year		3rd quarter		Year	
	Expenses		Expenses		Expenses		Expenses	
	Selling	General and Administrative	Selling	General and Administrative	Selling	General and Administrative	Selling	General and Administrative
Personnel	2,180	11,857	6,781	33,730	2,373	10,511	7,083	31,987
Management	-	4,394	-	11,437	-	4,373	-	11,227
Materials	(26)	806	51	1,963	9	459	21	1,265
Outsourced services	1,292	9,659	2,946	26,864	248	11,863	795	29,504
Depreciation and amortization	-	2,453	-	6,634	-	1,703	-	4,991
Rents	58	1,137	160	3,928	56	1,048	156	2,824
Other	-	8,412	-	30,615	601	6,641	1,843	19,180
	3,504	**38,718**	**9,938**	**115,171**	**3,287**	**36,598**	**9,898**	**100,978**

	Consolidated (BRGAAP and IFRS)							
	2011				2010			
	3rd quarter		Year		3rd quarter		Year	
	Expenses		Expenses		Expenses		Expenses	
	Selling	General and Administrative	Selling	General and Administrative	Selling	General and Administrative	Selling	General and Administrative
Personnel	2,180	12,157	6,781	34,953	2,373	10,654	7,083	32,481
Management	-	4,581	-	12,033	-	4,562	-	11,747
Materials	(26)	808	51	2,002	9	464	21	1,290
Third party services	1,303	10,133	4,649	29,064	297	9,805	963	28,906
Depreciation and amortization	-	-	-	10,460	-	2,958	-	8,759
Rents	58	1,300	182	4,456	56	1,052	164	2,908
Other	282	12,304	738	31,221	828	12,252	2,537	25,086
	3,797	**41,283**	**12,401**	**124,189**	**3,563**	**41,747**	**10,768**	**111,177**

23 - REVERSAL (CONSTITUTION) OF OPERATING PROVISIONS

	Company (BRGAAP)			
	2011		2010	
	3rd quarter	Year	3rd quarter	Year
Post-employment benefits	20,845	67,477	18,770	56,489
Civil	(3,580)	(4,085)	(701)	(2,579)
Tax	383	(1,244)	(741)	(1,191)
Labor	886	1,603	474	1,891
Doubtful accounts	-	(6,043)	1,921	1,921
	18,534	**57,708**	**19,723**	**56,531**

	Consolidated (BRGAAP and IFRS)			
	2011		2010	
	3rd quarter	Year	3rd quarter	Year
Post-employment benefits	20,845	67,477	18,770	56,489
Civil	(3,604)	(4,403)	(3,032)	(10,801)
Tax	383	(1,244)	(741)	(1,191)
Labor	886	1,603	474	1,891
Doubtful accounts	-	(6,180)	1,921	1,921
Other	(79)	(79)	-	-
	18,431	**57,174**	**17,392**	**48,309**

Gains in line "Post-employment benefits" mostly correspond to the recognized actuarial gains according to the rules established by CPC 33 – Post-employment benefits.

24 - FINANCIAL RESULT

	Company (BRGAAP)			
	2011		2010	
	3rd quarter	Year	3rd quarter	Year
Financial income				
Income from marketable securities	18,665	50,385	21,651	51,113
Interest on receivables	1,418	7,472	2,154	6,537
Monetary variation on judicial deposits	2,759	7,483	3,682	11,234
Other	126	5,871	501	5,300
	22,968	**71,211**	**27,988**	**74,184**
Financial expenses				
Debt charges	27,736	98,720	47,601	129,908
Charges on concession fees payable	17,059	48,746	7,964	23,009
Charges on actuarial liabilities	4,541	13,624	6,155	18,467
Interest on taxes	817	1,171	63	20,284
Monetary variation on debts	2,124	26,157	1,311	23,643
Monetary variation on concession fees payable	4,030	30,960	6,316	21,048
Exchange variation on debts	23,525	17,538	(360)	(9,905)
Other financial expenses	5,351	13,728	7,720	16,118
	85,183	**250,644**	**76,770**	**242,572**
Financial expenses, net	**62,215**	**179,433**	**48,782**	**168,388**

	Consolidated (BRGAAP and IFRS)			
	2011		2010	
	3rd quarter	Year	3rd quarter	Year
Financial income				
Income from marketable securities	25,488	69,873	29,661	68,805
Interest on receivables	1,262	7,982	2,404	8,289
Monetary variation on judicial deposits	2,759	7,483	3,686	11,242
Other	326	6,743	609	5,919
	29,835	**92,081**	**36,360**	**94,255**
Financial expenses				
Debt charges	59,582	180,075	72,439	206,858
Charges on concession fees payable	26,343	77,083	23,342	67,696
Charges on actuarial liabilities	4,541	13,624	6,155	18,467
Interest on taxes	866	1,430	84	20,508
Monetary variation on debts	2,245	27,108	1,924	26,061
Monetary variation on concession fees payable	8,149	48,671	13,627	55,212
Exchange variation on debts	23,525	17,538	(360)	(9,905)
Other financial expenses	5,985	15,741	8,331	18,709
	131,236	**381,270**	**125,542**	**403,606**
Financial expenses, net	**101,401**	**289,189**	**89,182**	**309,351**

25 - TAX RECONCILIATION

	Company (BRGAAP)							
	2011				2010			
	3rd quarter		Year		3rd quarter		Year	
	Income tax	Social contrib.	Income tax	Social contrib.	Income tax	Social contrib.	Income tax	Social contrib.
Income before taxes	**467,926**	**467,926**	**1,420,276**	**1,420,276**	**478,743**	**478,743**	**1,266,445**	**1,266,445**
Permanent Differences								
Management bonuses and 13th salary	1,059	-	2,504	-	1,819	-	3,756	-
Donations	1,765	1,765	4,969	4,969	922	922	3,080	3,080
Equity Pick-up	(55,714)	(55,714)	(121,417)	(121,417)	(14,389)	(14,389)	350	350
Other	(1,361)	(2,847)	(9,665)	(9,665)	(2,853)	73	(6,678)	2,073
Tax basis	**413,675**	**411,130**	**1,296,667**	**1,294,163**	**464,242**	**465,349**	**1,266,953**	**1,271,948**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income Tax and Social Contribution	**(103,419)**	**(37,002)**	**(324,167)**	**(116,475)**	**(116,061)**	**(41,881)**	**(316,738)**	**(114,475)**
Tax incentives	4,977	-	11,096	-	922	-	3,080	-
Other	(16)	(187)	7,150	127	357	2	(476)	467
Income Tax and Social Contribution – Income Statement	**(98,458)**	**(37,189)**	**(305,921)**	**(116,348)**	**(114,782)**	**(41,879)**	**(314,134)**	**(114,008)**
Breakdown of taxes in the statement of income:								
Current	(99,057)	(37,799)	(310,377)	(116,745)	(116,425)	(42,539)	(310,794)	(113,007)
Deferred	599	610	4,456	397	1,643	660	(3,340)	(1,001)
	(98,458)	**(37,189)**	**(305,921)**	**(116,348)**	**(114,782)**	**(41,879)**	**(314,134)**	**(114,008)**

	Consolidated (BRGAAP and IFRS)							
	2011				2010			
	3rd quarter		Year		3rd quarter		Year	
	Income tax	Social contrib.	Income tax	Social contrib.	Income tax	Social contrib.	Income tax	Social contrib.
Income before taxes	**494,892**	**494,892**	**1,485,807**	**1,485,807**	**487,925**	**487,925**	**1,268,497**	**1,268,497**
Permanent Differences								
Management bonuses and 13th salary	1,059	-	2,504	-	1,856	-	3,867	-
Donations	1,765	1,765	4,969	4,969	922	922	3,080	3,080
Differences in calculation basis for taxes subsidiaries based on presumed profit	(3,479)	(2,530)	(8,512)	(5,566)	(3,496)	(2,711)	(11,280)	(9,010)
Other	(1,345)	(2,873)	(2,947)	(2,992)	1,477	5,938	623	10,873
Tax basis	**492,892**	**491,254**	**1,481,821**	**1,482,218**	**488,684**	**492,074**	**1,264,787**	**1,273,440**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income Tax and Social Contribution	**(123,223)**	**(44,213)**	**(370,455)**	**(133,400)**	**(122,171)**	**(44,287)**	**(316,197)**	**(114,610)**
Tax incentives	4,977	-	11,096	-	2,488	-	6,461	-
Other	33	(187)	5,907	(948)	(1,703)	(170)	(5,862)	14
Income Tax and Social Contribution – Income Statement	**(118,213)**	**(44,400)**	**(353,452)**	**(134,348)**	**(121,386)**	**(44,457)**	**(315,598)**	**(114,596)**
Breakdown of taxes in the statement of income:								
Current	(116,737)	(44,264)	(356,556)	(133,683)	(120,252)	(44,434)	(320,324)	(117,765)
Deferred	(1,476)	(136)	3,104	(665)	(1,134)	(23)	4,726	3,169
	(118,213)	**(44,400)**	**(353,452)**	**(134,348)**	**(121,386)**	**(44,457)**	**(315,598)**	**(114,596)**

26 - FINANCIAL INSTRUMENTS

a) Financial instruments category

	Company (BRGAAP)		Consolidated (BRGAAP and	
	9.30.2011	12.31.2010	9.30.2011	12.31.2010
Financial assets:				
Receivables and loans:				
Cash and bank deposits in cash	1,623	1,710	8,841	8,882
Clients	393,594	446,165	534,578	531,106
Dividends from subsidiaries	1,628	6,525	-	-
Collateral and restricted deposits	2,618	69,665	98,814	132,797
Asset sales	86,886	86,886	86,886	86,886
Judicial deposits	105,761	131,315	107,260	133,464
Credits with subsidiaries	6,800	6,765	-	-
Non-current assets for sale	-	23,856	-	23,057
	598,910	**772,887**	**836,379**	**916,192**
Fair value through profit of loss				
Held for trading:				
Cash equivalents	944,248	794,407	1,118,732	1,073,698
Financial liabilities:				
Financial liabilities measured at amortized cost:				
Suppliers	273,546	174,086	323,423	268,851
Loans, financing and debentures	1,173,971	1,924,136	3,763,122	4,443,920
Concession fees payable	798,869	721,025	1,231,124	1,134,947
	2,246,386	**2,819,247**	**5,317,669**	**5,847,718**

Cash equivalents correspond substantially to Fixed Income Financial Investments maintained in Exclusively Fixed Income Investment Funds. The fair value of this instrument is measured at the prices of public securities comprising this fund in the active market (level 1).

b) Risk Management

To carry out the risk assessment process more effectively, the Company created the Risk Management Committee, which is in charge of: (i) raising awareness for treating risks; (ii) defining goals and guidelines to manage risks; (iii) fostering and suggesting improvements in the assessment process; and (iv) rating and defining control procedures.

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

- Market Risk

The Company has a committee that manages these risks, formed by a representative member appointed by each of the following areas: financial planning, regulation and market, power supply planning, finance, trade, audit, project implementation and power production. The Planning and Control Officer is responsible for the coordination of the Committee.

The Company and its subsidiaries use financial instruments to hedge assets and liabilities, minimizing exposure to market risks, mainly in connection with interest rate, price indexes and currency fluctuations. The Company does not practice speculative investments in derivatives or any other risk assets. As mentioned in Note 15 – Loans and Financing, in June of 2011, the Company contracted a swap operation to fully protect itself from the exchange and cash flow risks, both being considered a single financial instrument. This Committee monitors all risks related to interest rate oscillations, costs and exchange indexes and, periodically, assesses the Company's exposure and proposes operating strategies, control systems, position limits and credit limits for other partners in the market.

There were no changes in the Company's exposure to market risks or in the management and measurement of these risks in the current year.

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

- Risks related to financial investments

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

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

The "Investment and Derivatives Policy" imposes strong restrictions on operations with derivatives and establishes continued follow up when contracting this type of operation. This monitoring is being applied to the Company's single swap operation.

- Foreign exchange risk

The portion of loan denominated in foreign currency, in the amount of R$226,358 on September 30, 2011, corresponds to 6.0% of the Company's total consolidated loans, financing and debentures, of which 3.2% is in U.S. dollars and 2.8% in Euros. Maturities of debts contracted with STN and BNP Paribas are distributed in the long term, concentrated in 2015 and 2024. Considering that the effect arising from the debt maturity is minimum on a short and medium term basis and, due to the impossibility of making an effective hedge for the balance sheet since there is no long-term forward curve, the Company does not hold any derivative instrument to protect its liabilities.

Regarding the loan contracted with Bank of America Merrill Lynch, there is an exchange protection operation with the same bank in Brazil, as mentioned. For more details on the composition of foreign currency debt, refer to Note 15 – Loans and Financing.

- Interest rates and fluctuating indexes risks

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

Interest rates and fluctuating indexes risks	Loans, financing and debentures	%	Concession fees payable	%
Libor Dollar	4,002	0.11	-	-
Euribor	105,440	2.94	-	-
TJLP	2,573,007	71.75	-	-
CDI	439,922	12.27	-	-
IPCA	449,650	12.54	396,212	32.18
IGP-M	13,892	0.39	834,912	67.82
	3,585,913	**100.00**	**1,231,124**	**100.00**

As previously stated, the financial instruments regarding the loan contracted with Bank of America Merrill Lynch were accounted at their net value. Thus, this debt is linked to the CDI.

- Sensitivity analysis

Due to the real's historic volatility against foreign currencies, price indexes and interest rates, the Company has prepared a sensitivity analysis for its debt based on the assumptions available on the market to show the impacts over the next twelve months.

The Company took into consideration the following premises for the next 12 months: U.S. dollar depreciation over the real at 4.2%, appreciation of the euro over the real at 0.6%, IPCA at 4.6% and IGP-M at 5.4%.

	Impacts on income (Revenue) Expense
Foreign currency variation	(4,409)
Price index fluctuation	
Debentures	11,787
Concession fees payable	62,864

Regarding interest rates premises, the Company considered that in the next 12 months, TJLP will stay at 6% p.a. and CDI will increase 0.37 percentage points. The impact on the Company's result due to this CDI variation would be R$1,418.

The Company's funds are invested in an Exclusive Fixed Income Investment Fund, whose policy is to allocate the funds to very low-risk assets. As of September 30, 2010, this fund's entire portfolio was invested in assets with credit risk from the Brazilian Government, with daily liquidity and floating interest rate, pegged to the variation of the Selic.

These funds will be used in the short-term, substantially reducing the risk of any significant effects on the earnings due to an eventual decrease in the basic interest rate in the Brazilian economy.

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

As per the floating interest rate risk, most of its debts are pegged to the TJLP, and this rate, despite the fact that this is a "floating" rate, it has been stable at 6% for several years, making it an almost fixed rate.

- Liquidity risk

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

The maturity profile of loans, financing and concession fees payable is as follows:

	Company (BRGAAP)					
	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Instruments subject to interest rate:						
-post-fixed						
Loans and financing and debentures	24,973	8,913	179,810	842,472	-	1,056,168
- pre-fixed						
Loans and financing	7,573	588	4,097	15,560	89,985	117,803
Concession fees payable	223	446	1,993	1,949	794,258	798,869
	32,769	**9,947**	**185,900**	**859,981**	**884,243**	**1,972,840**

	Consolidated (BRGAAP and IFRS)					
	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Instruments subject to interest rate:						
-post-fixed						
Loans and financing and debentures	48,029	43,748	314,349	1,527,987	1,651,805	3,585,918
- pre-fixed						
Loans and financing	8,442	1,903	10,156	48,319	108,384	177,204
Concession fees payable	3,937	7,784	33,658	138,411	1,047,334	1,231,124
	60,408	**53,435**	**358,163**	**1,714,717**	**2,807,523**	**4,994,246**

- Capital management risk

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

The Company's capital structure comprises net debt (loans, financings and debentures, described in notes 15 and 16, minus cash and cash equivalents, detailed in Note 3) and shareholders' equity, which includes capital stock, reserves and retained earnings.

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

- Credit risk

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

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

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

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

The Company is guarantor in several agreements with its subsidiaries to guarantee financing and does not have any type of guarantee, for protection against these risks.

c) Fair value of financial instruments

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

	Company (BRGAAP)			
	9.30.2011		12.31.2010	
	Book	Market	Book	Market
Loans and financing in local currency	464,597	393,982	49,414	49,135
Loans and financing in foreign currency	226,358	262,658	213,580	211,784
Debentures	483,016	483,016	1,661,142	1,557,388
Concession fees payable	798,869	1,150,975	721,025	1,024,567
	1,972,840	**2,290,631**	**2,645,161**	**2.842,874**

	Consolidated (BRGAAP and IFRS)			
	9.30.2011		12.31.2010	
	Book	Market	Book	Market
Loans and financing in local currency	3,039,856	2,972,436	2,542,979	2,546,069
Loans and financing in foreign currency	226,358	262,658	213,580	211,784
Debentures	496,908	496,908	1,687,361	1,583,608
Concession fees payable	1,231,124	1,715,929	1,134,947	1,558,491
	4,994,246	**5,447,931**	**5,578,867**	**5,899,952**

As mentioned in Note 15, the loan with Bank of America Merrill Lynch is presented net of the swap operation result as these are considered a single financial instrument, and its book and market value are stated in item "Loans and financing in local currency" above. The calculation of this financial instrument's market value considers the debt with financial charges at 98% of the CDI.

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

- Additional sensitivity analysis of financial instruments, according to CVM Instruction no. 475/08

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

Due to the volatility history of the real against foreign currencies, price indexes and interest rates, the Company has prepared a sensitivity analysis based on the assumptions available in the market to show the impacts over the next twelve months, considering a basic projected scenario as well as a 25% and 50% variation on this basic scenario.

The Company considered the following premises for defining the basic scenario: U.S. dollar depreciation over the real at 4.2%, appreciation of the euro over the real at 0.6%, IPCA at 4.6% and IGP-M at 5.4%. The projection of the effects on the Company's consolidated financial result over the next 12 months due to the application of these scenarios would be:

	Balance 9.30.2011	Basic scenario	Scenario I 25%	Scenario II 50%
Foreign currency variations	226,358	(4,409)	51,079	106,566
Price index fluctuations:				
Debentures	451,628	11,787	90,933	170,078
Concession fees payable	1,231,124	62,864	77,404	95,078

Regarding interest rates premises, the Company considered that in the next 12 months, TJLP will stay at 6% p.a. and CDI will increase 0.37 percentage points. The impact on the Company's result due to these variations would be:

	Balance 9.30.2011	Basic scenario	Scenario I 25%	Scenario II 50%
TJLP Variation	2,573,007	-	37,199	74,894
CDI Variation	439,922	1,418	13,015	24,376

27 - RELATED PARTY TRANSACTIONS

The transactions with related parties carried out by the Company include: (i) agreements for the purchase and sale of power; (ii) the provision of administrative services; (iii) operation and maintenance service for power plants; and (iv) guarantees granted to third parties. The details of the most important transactions are shown below:

a) Purchase and sale of power

Company	Volume (average MW)	Maturity	Annual restatement index	Balance as of 9.30.2011
Purchase:				
Itasa	167	10.16.2030	IGP-M	2,298,400
Itasa	61	10.16.2030	Dollar variation + US inflation	444,864
CEE	137	12.31.2011	IPCA	44,814
Sale:				
TBLC	150	3.1.2015	IPCA	414,422
TBLC	190	12.31.2016	IPCA	648,535
TBLC	433	12.31.2012	IPCA	505,472
Lages	26	3.31. 2017	Cost defined yearly in November	86,292
CESS	5	4.22. 2037	IPCA	148,796

Power contracted with subsidiary with shared control Itasa corresponds to the electrical energy it generates and that is sold by Tractebel Energia. Sale to free consumers is mostly carried out by wholly-owned subsidiary TBLC. TBLC purchases electrical energy in order to have electrical energy sufficient to meet its commitments, mainly those with industrial customers and sale contracts in power auctions in the regulated environment.

b) Operation and maintenance

Related party	Maturity	Annual restatement index	Balance as of 9.30.2011
Itasa	10.16.2030	IGP-M	212,253
Ceste	4.28.2025	Mix of the IPCA and INPC indexes	194,416
CESS	10.15.2023	IGP-M	12,144
Lages	3.31.2012	Restatement index of the Collective Bargaining Agreement of Tractebel Energia	929

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

c) Administrative services

Tractebel Energia provides those services necessary to the administrative activities of the direct and indirect subsidiaries. The annual contracted value is R$1,816 thousand, annually readjusted by INPC. This amount includes the new contracts signed in the third quarter of 2011.

d) Guarantees

The Company is the intervening party in the loan agreements signed by its direct and indirect subsidiaries with the BNDES, Onlending Banks and other financial agents, granting its total stock amount as a deposit.

e) Sureties and guarantees

The Company is also the guarantor of subsidiaries CESS, TBLC and CEE in operations to purchase power maturing in 2011 and 2012 in the total amount of R$39,606. The Company is also the guarantor of subsidiary TBLC in operations to purchase power maturing on December 31, 2011, in the total amount of R$57,699.

f) Mutual operation – credits with subsidiaries

The Company granted funds to indirect subsidiary Ibitiúva by mutual operations, in order to continue the execution of the works on its power plant while the funds from BNDES had not been released. The amounts are received as the BNDES releases the funds from the financing. The remuneration of the agreement corresponds to 100% of the Selic rate. The remaining amount on September 30, 2011 is R$6,800.

g) Advisory Services – SUEZ-Tractebel S.A. (Indirect Parent Company)

The Company executed an agreement with SUEZ-Tractebel S.A., its indirect parent company, the purpose of which is the provision of specific advisory services in the management, operational, financial, accounting, legal, marketing and project development areas, as the Company deems necessary. The contract renewal was approved by unanimous vote of the minority shareholders, at the Extraordinary General Meeting held on April 23, 2010, and the controlling shareholder resigned the voting right. The term of the agreement is three years, renewable every year. The value of fees during the effectiveness of the agreement is limited to the annual amount of 1,500,000.00 euros. Services shall be executed and the respective fees shall be submitted to the Company's Fiscal Council, which has one member elected by the minority shareholders. The outstanding amount on September 30, 2011 is R$11,222.

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

	Asset				Liability			
9.30.2011	Accounts receivable	Dividends	Mutual Operation	Total	Suppliers	Dividends and Interest on Equity	Other	Total
Itasa	2,237	-	-	2,237	6,373	-	21	6,394
CEE	5,485	-	-	5,485	31,075	-	-	31,075
Lages	1,999	-	-	1,999	-	-	-	-
TBLC	82,145	-	-	82,145	2,456	-	-	2,456
CESS	163	1,628	-	1,791	-	-	-	-
Ibitiúva	-	-	6,800	6,800	-	-	-	-
GSELA	4	-	-	4	-	452,135	-	452,135
SUEZ-Tractebel	-	-	-	-	5,301	-	-	5,301
Ceste	2,066	-	-	2,066	-	-	-	-
Other	130	-	-	130	331	-	-	331
TOTAL	94,229	1,628	6,800	102,657	45,536	452,135	21	497,692
12.31.2010	87,167	6,525	6,765	100,457	11,719	129,186	31	140,936

	Income								
	Operating Revenue				Revenue	Costs	Expenses		
		Service Income							
3Q11	Power Supply	Operation and Maintenance	Management	Total	Finances	Power Purchases	General and Administrative	Total	Equity Pick-Up
Itasa	-	3,357	-	3,357	-	33,672	-	33,672	7,678
CEE	5,485	-	-	5,485	-	51,412	-	51,412	13,253
Lages	4,246	464	50	4,760	-	-	-	-	75
TBLC	239,101	-	100	239,201	-	-	-	-	26,682
CESS	-	251	56	307	-	-	-	-	2,690
SUEZ Tractebel S.A.	-	-	-	-	-	-	878	878	-
Ceste	-	3,833	-	3,833	-	-	-	-	-
TBLP	-	-	-	-	-	-	-	-	5,336
Other	-	-	268	268	540	-	244	244	-
TOTAL	248,832	7,905	474	257,211	540	85,084	1,122	86,206	55,714
3Q10	133,443	7,689	426	141,558	-	35,928	1,039	36,967	14,711

i) Compensation of Management's key personnel

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

	Company (BRGAAP)			
	Third quarter of 2011	Third quarter of 2010	Year 2011	Year 2010
Short-term benefits and fees	2,675	1,902	6,790	5,459
Social charges	522	426	1,814	1,612
Management bonus and charges	1,027	1,882	2,363	3,687
Post-employment benefits	170	163	470	469
	4,394	4,373	11,437	11,227

	Consolidated (BRGAAP and IFRS)			
	Third quarter of 2011	Third quarter of 2010	Year 2011	Year 2010
Short-term benefits and fees	2,831	2,059	7,286	5,892
Social charges	553	458	1,914	1,699
Management bonus and charges	1,027	1,882	2,363	3,687
Post-employment benefits	170	163	470	469
	4,581	**4,562**	**12,033**	**11,747**

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

28 - INSURANCE

On September 30 2011, Tractebel Energia had broad operating risk policies and insurance with declared value for material damages amounted to R$9,567,408 and for lost profits in the amount of R$628,339. The maximum combined limit of indemnification for material damages and lost profits is R$553,000 per event.

Subsidiaries have insurance agreements with the following coverage characteristics and amounts on September 30, 2011:

	Operating risks	Profit Loss
	R$ thousand	R$ thousand
CEE	2,427,070	90,821
CESS	472,563	36,938
Lages	83,921	11,538
Tupan	82,185	2,388
Hidropower	86,329	2,000
Areia Branca	37,335	-
Pedra do Sal	75,535	11,196
Beberibe	112,402	15,835
Ibitiúva	82,243	22,391

In addition to these insures, the Company has civil liability insurance policies with coverage of R$87,215.

In the renovation of the operating risks policy, on May 31, 2011, the insured risk values were updated as per the report of an engineering company specialized in equity valuation for insurance purposes.

In the 2011/2012 cycle, the Company decided to adhere to the international insurance policy – Property Damage and Business Interruption (PDBI) of GDF SUEZ's insurance program, since it understands that business and coverage conditions prove to be more favorable than those available on the domestic market.

Estreito consortium currently has engineering risk insurance for units which are still not under commercial operation for material damage of R$2,404,630 and expected loss of profit of R$612,233.

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

29 - LONG-TERM AGREEMENTS

The Company has the following long-term agreement, and their information is disclosed in more detail on the financial statements of December 31, 2010.

- Power grid connection agreements;
- Transmission and Distribution Network Usage Agreements (CUST and CUSD);
- Bilateral power purchase and sale agreements;
- Purchase of natural gas;
- Leasing operations; and
- Construction agreements in progress.

Bilateral power purchase and sale agreements

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

Year	Average MW				
	Own Resources	Purchases for resale	Total availability	Contracted availability	% Contracted
2011	3,430	434	3,864	3,814	98.71
2012	3,581	574	4,155	4,040	97.23
2013	3,681	389	4,070	4,001	98.30
2014	3,681	308	3,989	3,698	92.70
2015	3,681	215	3,896	3,352	86.04
2016	3,681	205	3,886	2,778	71.49

30 - RECONCILIATION OF NET OPERATING REVENUE

In compliance with the requirements of CPC 30 – Revenues, the table below shows the reconciliation of the gross operating revenue for tax purposes and the net revenue from sales.

	Company (BRGAAP)			
	2011		2010	
	3rd quarter	Year	3rd quarter	Year
GROSS OPERATING REVENUE				
Power supply	825,618	2,483,556	707,920	2,136,489
Power provision	65,279	203,086	73,448	210,209
Transactions with CCEE	23,881	40,604	106,702	136,314
Power export	95,652	153,022	22,741	29,241
Other revenues	10,754	27,468	9,602	19,751
	1,021,184	**2,907,736**	**920,413**	**2,532,004**
DEDUCTIONS FROM OPERATING REVENUE				
PIS and Cofins (Taxes on Revenue)	(73,316)	(220,298)	(69,093)	(188,966)
ICMS	(6,695)	(28,728)	(13,766)	(38,435)
ISS (SERVICE TAX)	(274)	(936)	(327)	(523)
Research and Development	(8,532)	(24,274)	(7,720)	(21,131)
	(88,817)	**(274,236)**	**(90,906)**	**(249,055)**
NET OPERATING REVENUES FROM SALES	**932,367**	**2,633,500**	**829,507**	**2,282,949**

	Consolidated (BRGAAP and IFRS)			
	2011		2010	
	3rd quarter	Year	3rd quarter	Year
GROSS OPERATING REVENUE				
Power supply	818,395	2,390,997	813,540	2,418,964
Power provision	336,322	1,011,431	263,251	739,321
Transactions with CCEE	24,374	43,837	108,375	143,070
Power export	95,652	153,022	22,741	29,241
Other revenues	7,955	17,600	4,962	13,944
	1,282,698	**3,616,887**	**1,212,869**	**3,344,540**
DEDUCTIONS FROM OPERATING REVENUE				
PIS and Cofins (Taxes on Revenue)	(99,775)	(285,206)	(95,662)	(259,980)
ICMS	(22,114)	(72,902)	(24,920)	(67,274)
ISS	(274)	(936)	(326)	(531)
Research and Development	(9,844)	(27,180)	(8,919)	(23,944)
	(132,007)	**(386,224)**	**(129,827)**	**(351,729)**
NET OPERATING REVENUES FROM SALES	**1,150,691**	**3,230,663**	**1,083,042**	**2,992,811**

31 - ADDITIONAL INFORMATION TO THE CASH FLOW

Relevant transactions that do not involve cash and cash equivalents and payments made in the year are shown below:

	Company (BRGAAP)		Consolidated (BRGAAP e IFRS)	
	9.30.2011	30.09.2010	9.30.2011	30.09.2010
Transactions not involving cash				
Income and social contribution taxes offset	-	-	4,131	6,425
Property, plant and equipment suppliers	-	-	30,132	17,414
Interest on capitalized financing	-	-	78,775	8,809
Registration of concession fees payable	-	-	1,463	41,799
Proposed dividends and interest on capital paid	658,014	-	-	-
Amount payable relative to CEE acquisition	-	327,710	-	327,710

32 - SUBSEQUENT EVENTS

Payment of interest on equity

The Company's Board of Directors, in a meeting held on November 4, 2011, approved the payment of interest on equity for the period from January 1, 2011 to December 31, 2011, at R$253,990, equal to R$0.3891122760 per share.

The interest on equity recorded in the Company's accounting book will be paid on December 31, 2011, based on the shareholding position on November 17, 2011, and the Company's shares will be traded ex-interest on equity as of November 18, 2011.

Interest, net of the withholding income tax, will be added to the mandatory dividends and will be paid based on the registration details from Itaú Unibanco Banco Holding S.A., on a date to be defined by the Executive Board and informed through a Notice to the Shareholders.

BOARD OF DIRECTORS

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CEO

Jan Franciscus María Flachet
Vice-CEO

Manoel Arlindo Zaroni Torres
Member

Victor-Frank de Paula Rosa Paranhos
Member

Dirk Achiel Marc Beeuwsaert
Member

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Member

José Pais Rangel
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Antonio Alberto Gouvêa Vieira
Member

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CEO

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

José Luiz Jansson Laydner
Power Trading Officer and Development and Implementation Officer (current)

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antônio Amaral Sureck
Planning and Control Officer

Luciano Flávio Andriani
Administrative Officer

ACCOUNTING DEPARTMENT

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

Comments on the behavior of corporate projects

Alteration of projections for 2011, 2012 and 2013

In the third quarter of 2011 the Company made the following alterations to projections disclosed in the fourth quarter of 2010:

	Projections for the year, disclosed in:	
Amounts in R$ million	**4Q10**	**3Q11**
Description		
Financed with debt	129	246
Financed with own capital	93	214
Total 2011	**222**	**460**
Total 2012	**153**	**724**
Total 2013	**92**	**605**

Note: The projections above do not consider the effects of interest on third-party capital incurred on construction works.

Alteration of projections for 2011:

Investments in maintenance and the Estreito plant varied according to the updates made to their investment timelines. The main variation in projections for 2011 is due to the inclusion of investments for construction of new wind farms in the Northeast: Porto do Delta Wind Farm and the Trairi Wind Farm Complex. The Trairi Wind Farm Complex is composed of the following Wind Farms: Trairi, Fleixeiras I, Mundaú and Guajiru.

Alteration of projections for 2012 and 2013:

The main variations in these projections are due to the inclusion of investments for the construction of new wind farms in the Northeast - Porto do Delta Wind Farm and the Trairi Wind Farm Complex – the alteration in investments in the long-term maintenance program of existing plants, the updated timeline of the Estreito project and the financial reserve provision, in 2013, for the acquisition of control of Energia Sustentável do Brasil, which holds 50.1% of the Jirau HPP.

The current projections are presented below:

	Projections for the year, disclosued in 3Q11:		
Description / Projection period	**2011**	**2012**	**2013**
Financed with debt	246	336	-
Financed with own capital	214	388	605
Total	**460**	**724**	**605**

Other Information the Company Deems Material

There is no other information the Company deems material.

Deloitte.

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

We have reviewed the accompanying individual and consolidated interim financial information of Tractebel Energia S.A. (the "Company"), included in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2011, which comprises the balance sheet and the related statements of income for the quarter and nine-month period then ended, and changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

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

Scope of Review

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

Conclusion on the Individual Interim Financial Information

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

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Conclusion on the Consolidated Interim Financial Information

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

Other Matters

Interim Statements of Value Added

We have also reviewed the individual and consolidated interim statements of value added (DVA) for the nine-month period ended September 30, 2011, the presentation of which is required by the standards issued by Brazilian Securities Commission (CVM) applicable to the preparation of interim financial information (ITR) and is considered as supplemental information for IFRS that does not require the presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

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

Rio de Janeiro, November 4, 2011

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Paulo Roberto Marques Garrucho
Engagement Partner

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

Manoel Arlindo Zaroni Torres

CEO

Eduardo Antonio Gori Sattamini

Chief Financial and Investor Relations Officer

Jose Luiz Jansson Laydner

Energy Commercialization Officer
And Project Development and Implementation Officer (sitting)

Jose Carlos Cauduro Minuzzo

Energy Production Officer

Marco Antonio Amaral Sureck

Planning and Control Officer

Luciano Flavio Andriani

Administrative Officer

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

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

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