

Quarterly information
ITR-3Q12

TRACTEBEL ENERGIA S.A.

September 30th,2012

Rua Paschoal Apóstolo Pítsica, n° 5.064, Agronômica - Florianópolis (SC), CEP 88025-255

Index

Company Information

Capital Composition 1

Profit Distribution in Cash 2

Individual Financial Statements

Balance Sheet - Assets 3

Balance Sheet - Liabilities 4

Statement of Income 6

Statement of Comprehensive Income 8

Statement of Cash Flow 9

Statement of Changes in Shareholders' Equity (DMPL)

DMPL - from 1/01/2012 to 9/30/2012 10

DMPL - from 1/01/2011 to 9/30/2011 11

Statement of Added-value 12

Consolidated Financial Statements

Balance Sheet - Assets 13

Balance Sheet - Liabilities 14

Statement of Income 16

Statement of Comprehensive Income 18

Statement of Cash Flow 19

Statement of Changes in Shareholders' Equity (DMPL)

DMPL - from 1/01/2012 to 9/30/2012 20

DMPL - from 1/01/2011 to 9/30/2011 21

Statement of Added-value 22

Performance Commentary 23

Notes 30

Commentary on the Business Projections Performance 81

Other Relevant Information 84

Opinions and Statements

Special Review Report - Unqualified 85

Statement of the Executive Officers on the Financial Statements 87

Statement of the Executive Officers on the Independent Auditors' Report 88

Company Information / Capital Composition

Quantity of shares (Units)	Current quarter 9/30/2012
Paid-in capital	
Common	652,742,192
Preferred	0
Total	652,742,192
Treasury shares	
Common	0
Preferred	0
Total	0

Company Information / Profit Distribution in Cash

Event	Approval	Profit Distribution	Payment Commencement	Type of Share	Class of Share	Profit Distribution per Share (Reais / Share)
Ordinary shareholders´ general meeting	3/21/2012	Dividends	5/15/2012	Common shares		0.79256
Board of Directors' Meeting	7/26/2012	Dividends	9/27/2012	Common shares		1.06284
Board of Directors' Meeting	10/25/2012	Interest on equity		Common shares		0.42314

Individual Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
1	Total Assets	8,563,715	8,971,519
1.01	Current Assets	726,239	1,110,743
1.01.01	Cash and Cash Equivalents	117,078	567,119
1.01.03	Accounts Receivable	504,592	418,849
1.01.03.01	Trade Accounts Receivable	494,046	410,903
1.01.03.02	Other Accounts Receivable	10,546	7,946
1.01.03.02.01	Dividends from Subsidiaries	10,546	7,946
1.01.04	Inventories	39,124	38,883
1.01.06	Recoverable Taxes	82	1,987
1.01.06.01	Current Taxes Recoverable	82	1,987
1.01.08	Other Current Assets	65,363	83,905
1.01.08.03	Other	65,363	83,905
1.01.08.03.01	Pledges and Restricted Deposits	9,717	32,159
1.01.08.03.02	Other	55,646	51,746
1.02	Non Current Assets	7,837,476	7,860,776
1.02.01	Long Term Assets	257,742	245,630
1.02.01.03	Accounts Receivable	89,642	86,886
1.02.01.03.01	Trade Accounts Receivable	2,756	0
1.02.01.03.02	Other Accounts Receivable	86,886	86,886
1.02.01.08	Credits from Related Parties	7,388	6,981
1.02.01.08.02	Receivables from Subsidiaries	7,388	6,981
1.02.01.09	Other Non Current Assets	160,712	151,763
1.02.01.09.03	Recoverable Taxes	16,993	16,099
1.02.01.09.04	Judicial Deposits	110,298	104,059
1.02.01.09.05	Other	33,421	31,605
1.02.02	Investments	2,747,413	2,551,112
1.02.02.01	Equity Interest	2,747,413	2,551,112
1.02.02.01.02	Interest on Subsidiaries	2,414,525	2,239,831
1.02.02.01.03	Interest on Joint Ventures	332,888	311,281
1.02.03	Property, Plant and Equipment	4,820,649	5,048,182
1.02.03.01	Property, Plant and Equipment in Operation	4,781,397	4,966,297
1.02.03.03	Construction in Progress	39,252	81,885
1.02.04	Intangible Assets	11,672	15,852
1.02.04.01	Intangible Assets	11,672	15,852

Individual Financial Statements/ Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
2	Total Liabilities	8,563,715	8,971,519
2.01	Current Liabilities	1,046,075	1,130,811
2.01.01	Social and Labor Obligations	55,931	53,031
2.01.01.02	Labor Obligations	55,931	53,031
2.01.02	Suppliers	189,978	219,640
2.01.02.01	Domestic Suppliers	189,707	219,640
2.01.02.02	Foreign Suppliers	271	0
2.01.03	Tax Liabilities	305,201	304,483
2.01.03.01	Federal Tax Liabilities	297,867	303,919
2.01.03.01.01	Income and Social contribution Taxes Payable	345,723	357,804
2.01.03.01.02	PIS and COFINS Payable	25,866	19,142
2.01.03.01.03	Other	4,618	5,052
2.01.03.01.04	(-) Federal Taxes Recoverable	-78,340	-78,079
2.01.03.02	State Taxes Liabilities	6,832	93
2.01.03.02.01	ICMS Payable	11,051	7,443
2.01.03.02.02	(-) ICMS Recoverable	-4,219	-7,350
2.01.03.03	Municipal Taxes Liabilities	502	471
2.01.03.03.01	ISS Tax Payable	502	471
2.01.04	Loans and Financing	358,012	224,904
2.01.04.01	Loans and Financing	178,481	41,364
2.01.04.01.01	In Local Currency	158,164	23,851
2.01.04.01.02	In Foreign Currency	20,317	17,513
2.01.04.02	Debentures	179,531	183,540
2.01.05	Other Liabilities	81,608	285,068
2.01.05.02	Other	81,608	285,068
2.01.05.02.01	Dividends and Interest on Equity	10,816	220,767
2.01.05.02.04	Research and Development Obligations	17,315	15,626
2.01.05.02.05	Concessions Payable	3,209	2,643
2.01.05.02.06	Other Liabilities	50,268	46,032
2.01.06	Provisions	55,345	43,685
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	19,300	7,640
2.01.06.01.02	Social Security and Labor Provisions	4,200	3,000
2.01.06.01.04	Civil Provisions	15,100	4,640
2.01.06.02	Other Provisions	36,045	36,045
2.01.06.02.04	Post-employment Benefits	36,045	36,045
2.02	Non Current liabilities	2,214,979	2,392,727
2.02.01	Loans and Financing	646,190	937,535
2.02.01.01	Loans and Financing	490,399	629,681
2.02.01.01.01	In Local Currency	286,667	434,988
2.02.01.01.02	In Foreign Currency	203,732	194,693
2.02.01.02	Debentures	155,791	307,854
2.02.02	Other Liabilities	977,781	864,623
2.02.02.02	Other	977,781	864,623
2.02.02.02.03	Research and Development Obligations	39,946	36,649
2.02.02.02.04	Concessions Payable	937,787	825,730
2.02.02.02.05	Other Liabilities	48	2,244

Individual Financial Statements/ Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
2.02.03	Deferred Taxes	184,128	165,482
2.02.03.01	Deferred Income and Social Contribution Taxes	184,128	165,482
2.02.04	Provisions	406,880	425,087
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	132,326	124,123
2.02.04.01.01	Tax Provisions	18,458	17,869
2.02.04.01.02	Social Security and Labor Provisions	6,373	7,996
2.02.04.01.04	Civil Provisions	107,495	98,258
2.02.04.02	Other Provisions	274,554	300,964
2.02.04.02.04	Post-employment Benefits	274,554	300,964
2.03	Shareholders' Equity	5,302,661	5,447,981
2.03.01	Paid-in Capital Stock	2,445,766	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.02.07	Capital Reserves	91,695	91,695
2.03.04	Profit Reserves	1,758,916	2,262,157
2.03.04.01	Legal Reserve	489,153	489,153
2.03.04.05	Retained Earnings Reserve	1,229,380	1,229,380
2.03.04.07	Tax Incentive Reserve	40,383	26,282
2.03.04.08	Additional Dividend Proposed	0	517,342
2.03.05	Retained Earnings/Losses	407,817	0
2.03.06	Assets Valuation Adjustments	598,467	648,363

Individual Financial Statements / Statement of income

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/01/2012 to 9/30/2012	Accumulated in the Current Year 1/01/2012 to 9/30/2012	Same Quarter in the Prior Year 7/01/2011 to 9/30/2011	Accumulated in the Prior Year 1/01/2011 to 9/30/2011
3.01	Revenue from Sales of Goods and/or Services	954,188	2,607,823	932,367	2,633,500
3.02	Cost of Products and/or Services Sold	-328,982	-971,164	-434,419	-1,098,473
3.02.01	Electrical Energy Purchased for Resale	-49,521	-158,962	-102,662	-223,475
3.02.02	Transactions within CCEE	-1,257	-20,735	-236	-20,466
3.02.03	Charges for the Use of and Connection to the Power Grid	-66,917	-198,960	-63,236	-178,252
3.02.04	Cost of Electrical Energy Production	-205,159	-573,886	-263,331	-660,529
3.02.05	Cost of Services Rendered	-6,128	-18,621	-4,954	-15,751
3.03	Gross Income	625,206	1,636,659	497,948	1,535,027
3.04	Operating Expenses/Income	5,435	56,003	32,193	64,682
3.04.01	Sales Expenses	-3,013	-9,451	-3,504	-9,938
3.04.02	General and Administrative Expenses	-39,624	-115,554	-38,718	-115,171
3.04.04	Other Operating Income	2,379	2,708	19,221	69,595
3.04.04.01	Reversal of Operating Provisions, Net	2,379	2,708	18,534	57,708
3.04.04.03	Disposal of Investment	0	0	0	10,188
3.04.04.04	Others	0	0	687	1,699
3.04.05	Other Operating Expenses	-16,047	-13,720	0	0
3.04.06	Equity income (loss)	61,740	192,020	55,194	120,196
3.04.06.01	Equity	62,747	194,689	55,714	121,417
3.04.06.02	Amortization of Goodwill/Concession Right	-1,007	-2,669	-520	-1,221
3.05	Income (Loss) Before Financial Income (Loss) and Taxes	630,641	1,692,662	530,141	1,599,709
3.06	Financial Result	-74,846	-193,923	-62,215	-179,433
3.06.01	Financial Income	14,373	44,908	22,968	71,211
3.06.02	Financial Expenses	-89,219	-238,831	-85,183	-250,644
3.07	Income (Loss) Before Income Taxes	555,795	1,498,739	467,926	1,420,276
3.08	Income and Social Contribution Taxes	-163,619	-432,958	-135,647	-422,269
3.08.01	Current	-185,631	-414,312	-136,856	-427,122
3.08.02	Deferred	22,012	-18,646	1,209	4,853
3.09	Net Income (Loss) from Continuing Operations	392,176	1,065,781	332,279	998,007

Individual Financial Statements / Statement of income

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/01/2012 to 9/30/2012	Accumulated in the Current Year 1/01/2012 to 9/30/2012	Same Quarter in the Prior Year 7/01/2011 to 9/30/2011	Accumulated in the Prior Year 1/01/2011 to 9/30/2011
3.11	Net Income (Loss) for the Period	392,176	1,065,781	332,279	998,007
3.99	Earning per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share	0.60081	1.63277	0.50905	1.52895
3.99.01.01	ON				

Individual Financial Statements / Statement of Comprehensive Income

Reasons for no fulfilling the chart:

The Company does not have comprehensive income.

Individual Financial Statements / Statement of Cash Flow - Indirect Method

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/01/2012 to 9/30/2012	Accumulated in the Prior Year 1/01/2011 to 9/30/2011
6.01	Net Cash from Operating Activities	1,217,985	1,308,326
6.01.01	Cash Generated from Operations	1,810,168	1,730,411
6.01.01.01	Income Before Income Taxes	1,498,739	1,420,276
6.01.01.02	Depreciation and Amortization	279,243	275,022
6.01.01.03	Equity Interest Income (Loss)	-192,020	-120,196
6.01.01.04	Monetary and Foreign Exchange Variance	86,516	67,172
6.01.01.05	Interest	129,853	151,287
6.01.01.06	Constitution (Reversal) of Operating Provision, Net	-2,176	-52,157
6.01.01.07	Other	10,013	-10,993
6.01.02	Changes in Assets and Liabilities	-592,183	-422,085
6.01.02.01	Trade Accounts Receivable	-82,716	51,696
6.01.02.02	Reimbursement for Fuel Purchase	5,934	-31,079
6.01.02.03	Recoverable Taxes	8,069	4,836
6.01.02.04	Inventories	-241	-1,362
6.01.02.05	Pledges and Restricted and Judicial Deposits	23,681	104,179
6.01.02.06	Suppliers	-35,688	99,460
6.01.02.07	Income and Social Contribution Taxes Paid	436,152	-492,343
6.01.02.08	Interest on Loans, Financing, Debentures Paid	-68,441	-128,710
6.01.02.09	Post-employment Benefits	-20,923	-27,931
6.01.02.10	Research and Development Obligations	4,986	-2,017
6.01.02.11	Other	9,308	1,186
6.02	Net Cash from Investing Activities	-65,137	-47,475
6.02.01	Increase of Investments	-126,184	-25,478
6.02.02	Investment in Property, Plant and Equipment	-56,781	-73,466
6.02.03	Investment in Intangible Assets	-1,475	-3,599
6.02.04	Dividends Received from Subsidiaries	119,303	30,521
6.02.05	Capital Decrease in Subsidiary	0	24,547
6.03	Net Cash Generated/(Consumed) in Financing Activities	-1,602,889	-1,111,097
6.03.01	Loan	0	430,000
6.03.02	Payments of Loans, Financing and Debentures	-179,825	-1,193,870
6.03.03	Payment of Dividends and Interest on Equity	-1,421,051	-345,983
6.03.04	Payment of Concessions Payable	-2,013	-1,862
6.03.05	Credits from Related Parties	0	618
6.05	Increase (Decrease) in Cash and Cash Equivalents	-450,041	149,754
6.05.01	Opening Balance of Cash and Cash Equivalents	567,119	796,117
6.05.02	Closing Balance of Cash and Cash Equivalents	117,078	945,871

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/01/2012 to 9/30/2012

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,262,157	0	648,363	5,447,981
5.03	Adjusted Opening Balances	2,445,766	91,695	2,262,157	0	648,363	5,447,981
5.04	Capital Transactions with Shareholders	0	0	-517,342	-693,759	0	-1,211,101
5.04.06	Dividends	0	0	-517,342	-693,759	0	-1,211,101
5.05	Total Comprehensive Income	0	0	0	1,065,781	0	1,065,781
5.05.01	Net Income for the Period	0	0	0	1,065,781	0	1,065,781
5.06	Internal Changes in Shareholders' Equity	0	0	14,101	35,795	-49,896	0
5.06.04	Tax Incentive Reserve	0	0	14,101	-14,101	0	0
5.06.05	Adjustment to Fair Value of Property, Plant and Equipment	0	0	0	49,896	-49,896	0
5.07	Closing Balances	2,445,766	91,695	1,758,916	407,817	598,467	5,302,661

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/01/2011 to 9/30/2011

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	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 Shareholders	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 for the Period	0	0	0	998,007	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

Individual Financial Statements / Statement of Added Value

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/01/2012 to 9/30/2012	Accumulated in the Prior Year 1/01/2011 to 9/30/2011
7.01	Revenues	2,872,961	2,913,579
7.01.01	Sale of Products and Services	2,886,681	2,907,736
7.01.02	Other Income	-13,720	11,886
7.01.02.01	Other Income and Expenses	-13,720	11,886
7.01.04	Allowance for/Reversal of Allowance for Doubtful Accounts	0	-6,043
7.02	Inputs Acquired from Third Parties	-550,646	-607,163
7.02.01	Cost of Products and Services Sold	-214,272	-356,408
7.02.02	Materials, Energy, Third-party Services and Other	-115,910	-114,268
7.02.04	Other	-220,464	-136,487
7.02.04.01	Reversal of Operating Provisions, Net	2,708	63,751
7.02.04.02	Charges for the Use of and Connection to the Power Grid	-198,960	-178,252
7.02.04.03	Other	-24,212	-21,986
7.03	Gross Added Value	2,322,315	2,306,416
7.04	Retentions	-279,243	-275,022
7.04.01	Depreciation, Amortization and Depletion	-279,243	-275,022
7.05	Net Added Value Generated	2,043,072	2,031,394
7.06	Added Value Received in Transfer	236,928	191,407
7.06.01	Equity Income (Loss)	192,020	120,196
7.06.02	Financial Income	44,908	71,211
7.07	Total Added Value to Distribute	2,280,000	2,222,801
7.08	Distribution of Added Value	2,280,000	2,222,801
7.08.01	Labor	151,671	134,358
7.08.01.01	Direct Compensation	97,350	86,753
7.08.01.02	Benefits	31,563	26,604
7.08.01.03	F.G.T.S.	7,221	6,537
7.08.01.04	Other	15,537	14,464
7.08.02	Taxes, Duties and Contributions	715,470	697,845
7.08.02.01	Federal	695,819	666,808
7.08.02.02	State	18,329	29,513
7.08.02.03	Municipal	1,322	1,524
7.08.03	Third-Party Capital Remuneration	131,698	179,231
7.08.03.01	Interest	99,601	158,423
7.08.03.02	Rentals	8,369	9,799
7.08.03.03	Others	23,728	11,009
7.08.04	Remuneration of Own Capital	1,065,781	998,007
7.08.04.02	Dividends	693,759	658,014
7.08.04.03	Retained Earnings / Loss for the Period	372,022	339,993
7.08.05	Other	215,380	213,360
7.08.05.01	Sectorial Charges	100,744	133,654
7.08.05.02	Charges on Concessions Payable	114,636	79,706

Consolidated Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
1	Total Assets	11,626,718	12,028,563
1.01	Current Assets	1,278,393	1,526,208
1.01.01	Cash and Cash Equivalents	423,336	781,808
1.01.03	Accounts Receivable	674,976	542,149
1.01.03.01	Trade Accounts Receivable	674,976	542,149
1.01.04	Inventories	41,526	42,837
1.01.06	Recoverable Taxes	63,157	64,294
1.01.06.01	Current Taxes Recoverable	63,157	64,294
1.01.08	Other Current Assets	75,398	95,120
1.01.08.03	Other	75,398	95,120
1.01.08.03.01	Pledges and Restricted Deposits	10,470	38,923
1.01.08.03.02	Other	64,928	56,197
1.02	Non Current Assets	10,348,325	10,502,355
1.02.01	Long Term Assets	518,994	520,655
1.02.01.03	Accounts Receivable	93,747	86,886
1.02.01.03.01	Trade Accounts Receivable	6,861	0
1.02.01.03.02	Other Accounts Receivable	86,886	86,886
1.02.01.06	Deferred Taxes	19,456	23,930
1.02.01.06.01	Deferred Income and Social Contribution Taxes	19,456	23,930
1.02.01.09	Other Non Current Assets	405,791	409,839
1.02.01.09.03	Recoverable Taxes	133,301	162,007
1.02.01.09.04	Pledges and Restricted Deposits	102,063	90,567
1.02.01.09.05	Judicial Deposits	120,290	105,832
1.02.01.09.06	Other	50,137	51,433
1.02.03	Property, Plant and Equipment	9,734,435	9,885,151
1.02.03.01	Property, Plant and Equipment in operation	9,113,519	9,255,048
1.02.03.03	Construction in Progress	620,916	630,103
1.02.04	Intangible Assets	94,896	96,549
1.02.04.01	Intangible Assets	94,896	96,549

Consolidated Financial Statements / Balance sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
2	Total Liabilities	11,626,718	12,028,563
2.01	Current Liabilities	1,434,909	1,472,698
2.01.01	Social and Labor Obligations	56,668	53,710
2.01.01.02	Labor Obligations	56,668	53,710
2.01.02	Suppliers	262,829	234,336
2.01.02.01	Domestic Suppliers	262,558	234,336
2.01.02.02	Foreign Suppliers	271	0
2.01.03	Tax Liabilities	350,642	352,009
2.01.03.01	Federal Taxes Liabilities	322,286	332,237
2.01.03.01.01	Income and Social Contribution Taxes Payable	369,402	383,212
2.01.03.01.02	PIS and COFINS Payable	28,817	22,192
2.01.03.01.03	Other	5,280	5,665
2.01.03.01.04	(-) Federal Taxes Recoverable	-81,213	-78,832
2.01.03.02	State Taxes Liabilities	27,457	18,918
2.01.03.02.01	ICMS Payable	31,729	26,584
2.01.03.02.02	(-) ICMS Recoverable	-4,272	-7,666
2.01.03.03	Municipal Taxes Liabilities	899	854
2.01.03.03.01	ISS Tax Payable	899	854
2.01.04	Loans and Financing	554,356	417,464
2.01.04.01	Loans and Financing	374,825	233,924
2.01.04.01.01	In Local Currency	354,508	216,411
2.01.04.01.02	In Foreign Currency	20,317	17,513
2.01.04.02	Debentures	179,531	183,540
2.01.05	Other Liabilities	154,094	370,519
2.01.05.02	Other	154,094	370,519
2.01.05.02.01	Dividends and Interest on Equity Payable	11,074	221,025
2.01.05.02.04	Research and Development Obligations	21,030	19,390
2.01.05.02.05	Concessions Payable	48,448	45,688
2.01.05.02.06	Other Liabilities	73,542	84,416
2.01.06	Provisions	56,320	44,660
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	20,275	8,615
2.01.06.01.02	Social Security and Labor Provisions	4,200	3,000
2.01.06.01.04	Civil Provisions	16,075	5,615
2.01.06.02	Other Provisions	36,045	36,045
2.01.06.02.04	Post-employment Benefits	36,045	36,045
2.02	Non Current Liabilities	4,886,456	5,105,607
2.02.01	Loans and Financing	2,877,979	3,231,736
2.02.01.01	Loans and Financing	2,722,188	2,923,882
2.02.01.01.01	In Local Currency	2,518,456	2,729,189
2.02.01.01.02	In Foreign Currency	203,732	194,693
2.02.01.02	Debentures	155,791	307,854
2.02.02	Other Liabilities	1,396,556	1,273,777
2.02.02.02	Other	1,396,556	1,273,777
2.02.02.02.03	Research and Development Program Obligations	44,074	38,959
2.02.02.02.04	Concessions Payable	1,346,311	1,220,264
2.02.02.02.05	Other Liabilities	6,171	14,554

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2012	Prior Year 12/31/2011
2.02.03	Deferred Taxes	195,541	166,539
2.02.03.01	Deferred Income and Social Contribution Taxes	195,541	166,539
2.02.04	Provisions	416,380	433,555
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	141,826	132,591
2.02.04.01.01	Tax Provisions	18,458	17,869
2.02.04.01.02	Social Security and Labor Provisions	6,373	7,996
2.02.04.01.04	Civil Provisions	116,995	106,726
2.02.04.02	Other Provisions	274,554	300,964
2.02.04.02.04	Post-employment Benefits	274,554	300,964
2.03	Consolidated Shareholders' Equity	5,305,353	5,450,258
2.03.01	Paid-in Capital Stock	2,445,766	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.02.07	Capital Reserves	91,695	91,695
2.03.04	Profit Reserves	1,758,916	2,262,157
2.03.04.01	Legal Reserve	489,153	489,153
2.03.04.05	Retained Earnings Reserve	1,229,380	1,229,380
2.03.04.07	Tax Incentive Reserve	40,383	26,282
2.03.04.08	Additional Dividend Proposed	0	517,342
2.03.05	Retained Earnings/Losses	407,817	0
2.03.06	Assets Valuation Adjustments	598,467	648,363
2.03.09	Non-controlling Shareholders Interests	2,692	2,277

Consolidated Financial Statements / Statement of income

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/01/2012 to 9/30/2012	Accumulated in the Current Year 1/01/2012 to 9/30/2012	Same quarter in the Prior Year 7/01/2011 to 9/30/2011	Accumulated in the Prior Year 1/01/2011 to 9/30/2011
3.01	Revenue from Sales of Goods and/or Services	1,297,250	3,645,089	1,150,691	3,230,663
3.02	Cost of Products and/or Services Sold	-524,272	-1,561,505	-528,400	-1,391,642
3.02.01	Electrical Energy Purchased for Resale	-162,077	-500,677	-131,621	-347,437
3.02.02	Transactions within CCEE	-1,406	-21,230	-810	-21,762
3.02.03	Charges for the Use of and Connection to the Power Grid	-83,330	-246,231	-74,971	-208,179
3.02.04	Cost of Electrical Energy Production	-271,331	-774,746	-316,044	-798,513
3.02.05	Cost of Services Rendered	-6,128	-18,621	-4,954	-15,751
3.03	Gross Income	772,978	2,083,584	622,291	1,839,021
3.04	Operating Expenses/Income	-60,086	-149,641	-25,998	-64,025
3.04.01	Sales Expenses	-4,675	-13,288	-3,797	-12,401
3.04.02	General and Administrative Expenses	-41,297	-120,879	-41,283	-124,189
3.04.04	Other Operating Income	1,927	1,234	19,082	72,610
3.04.04.01	Reversal of Operating Provision, Net	1,927	1,234	18,431	57,174
3.04.04.03	Disposal of Investment	0	0	0	15,436
3.04.04.04	Others	0	0	651	0
3.04.05	Other Operating Expenses	-16,041	-16,708	0	-45
3.05	Income (Loss) Before Financial Income (Loss) and Income Taxes	712,892	1,933,943	596,293	1,774,996
3.06	Financial Result	-126,892	-339,752	-101,401	-289,189
3.06.01	Financial Income	21,891	69,262	29,835	92,081
3.06.02	Financial Expenses	-148,783	-409,014	-131,236	-381,270
3.07	Income (Loss) Before Income Taxes	586,000	1,594,191	494,892	1,485,807
3.08	Income and Social Contribution Taxes	-193,678	-527,995	-162,613	-487,800
3.08.01	Current	-210,784	-494,519	-161,001	-490,239
3.08.02	Deferred	17,106	-33,476	-1,612	2,439
3.09	Net Income (Loss) from Continuing Operations	392,322	1,066,196	332,279	998,007
3.11	Income/Loss for the Period	392,322	1,066,196	332,279	998,007
3.11.01	Attributed to the Parent Company's Shareholders	392,176	1,065,781	332,279	998,007
3.11.02	Attributed to Non-controlling Shareholders	146	415	0	0

Consolidated Financial Statements / Statement of income

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/01/2012 to 9/30/2012	Accumulated in the Current Year 1/01/2012 to 9/30/2012	Same quarter in the Prior Year 7/01/2011 to 9/30/2011	Accumulated in the Prior Year 1/01/2011 to 9/30/2011
3.99	Earning per Share - (Reais/Share)				
3.99.01	Basic Earnings per Share	0.60104	1.63341	0.50905	1.52895
3.99.01.01	ON				

Consolidated Financial Statements / Statement of Comprehensive Income

Reasons for no fulfilling the chart:

The Company does not have comprehensive income.

Consolidated Financial Statements / Statement of Cash Flow - Indirect Method

(In thousands of Reais)

Account Code	Account Description	Accumulated of the Current Year 1/01/2012 to 9/30/2012	Accumulated of the Prior Year from 1/01/2011 to 9/30/2011
6.01	Net Cash from Operating Activities	1,596,287	1,511,917
6.01.01	Cash Generated from Operations	2,390,063	2,146,132
6.01.01.01	Income Before Income Taxes	1,594,191	1,485,807
6.01.01.02	Depreciation and Amortization	412,340	368,296
6.01.01.03	Monetary and Foreign Exchange Variance	100,821	85,823
6.01.01.04	Interest	273,606	256,954
6.01.01.05	Constitution (Reversal) of Operating Provision, Net	-945	-51,702
6.01.01.06	Other	10,050	954
6.01.02	Changes in Assets and Liabilities	-793,776	-634,215
6.01.02.01	Trade Accounts Receivable	-131,183	-2,342
6.01.02.02	Reimbursement for Fuel Purchase	5,934	-31,079
6.01.02.03	Recoverable Taxes	41,720	26,344
6.01.02.04	Inventories	1,311	-1,288
6.01.02.05	Pledges Restricted and Judicial Deposits	21,800	112,049
6.01.02.06	Non-recurring Asset for Sale	0	23,057
6.01.02.07	Suppliers	22,591	57,146
6.01.02.08	Income and Social Contribution Taxes Paid	-515,244	-538,601
6.01.02.09	Interest on Loans, Financing, Debentures Paid	-208,302	-196,287
6.01.02.10	Post-employment Benefits Paid	-20,923	-27,931
6.01.02.11	Research and Development Obligations	6,755	-403
6.01.02.12	Advances from Clients	-23,181	-40,875
6.01.02.13	Other	4,946	-14,005
6.02	Net Cash from Investment Activities	-244,669	-263,870
6.02.02	Investment in Property, Plant and Equipment	-240,481	-260,044
6.02.03	Investment in Intangible Assets	-4,188	-3,826
6.03	Net Cash Generated/(Consumed) in Financing Activities	-1,710,090	-1,203,054
6.03.01	Loans and Financing	70,525	502,799
6.03.02	Payment of Loans, Financing and Debentures	-317,620	-1,290,806
6.03.03	Payment of Dividends and Interest on Equity	-1,421,051	-345,983
6.03.04	Payment of Concessions Payable	-36,454	-31,039
6.03.05	Pledges and Restricted Deposits	-5,490	-38,025
6.05	Increase (Decrease) in Cash and Cash Equivalents	-358,472	44,993
6.05.01	Opening Balance of Cash and Cash Equivalents	781,808	1,082,580
6.05.02	Closing Balance of Cash and Cash Equivalents	423,336	1,127,573

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/01/2012 to 9/30/2012

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,262,157	0	648,363	5,447,981	2,277	5,450,258
5.03	Adjusted Opening Balances	2,445,766	91,695	2,262,157	0	648,363	5,447,981	2,277	5,450,258
5.04	Capital Transactions with Shareholders	0	0	-517,342	-693,759	0	-1,211,101	0	-1,211,101
5.04.06	Dividends	0	0	-517,342	-693,759	0	-1,211,101	0	-1,211,101
5.05	Total Comprehensive Income	0	0	0	1,065,781	0	1,065,781	415	1,066,196
5.05.01	Net Income for the Period	0	0	0	1,065,781	0	1,065,781	415	1,066,196
5.06	Internal Changes in Shareholders' Equity	0	0	14,101	35,795	-49,896	0	0	0
5.06.04	Tax Incentive Reserve	0	0	14,101	-14,101	0	0	0	0
5.06.05	Adjustment to Fair Value of Property, Plant and Equipments	0	0	0	49,896	-49,896	0	0	0
5.07	Closing Balances	2,445,766	91,695	1,758,916	407,817	598,467	5,302,661	2,692	5,305,353

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/01/2011 to 9/30/2011

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	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 Shareholders	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 for 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 Equipment	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 Added Value

(In thousands of Reais)

Account Code	Account Description	Accumulated in the Current Year 1/01/2012 to 9/30/2012	Accumulated in the Prior Year 1/01/2011 to 9/30/2011
7.01	Revenues	4,282,059	3,777,386
7.01.01	Sale of Products and Services	4,081,405	3,616,887
7.01.02	Other Income	-16,708	15,391
7.01.02.01	Other Income and Expenses	-16,708	15,391
7.01.03	Income from Construction of Own Assets	217,634	151,288
7.01.04	Allowance for/Reversal of Allowance for Doubtful Accounts	-272	-6,180
7.02	Inputs Acquired from Third Parties	-1,180,729	-864,184
7.02.01	Cost of Products and Services Sold	-567,779	-489,954
7.02.02	Materials, Energy, Third-party Services and Other	-147,111	-137,592
7.02.04	Other	-465,839	-236,638
7.02.04.01	Expenditures in the Construction of Power Plants	-188,230	-69,540
7.02.04.02	Reversal of Operating Provisions, Net	1,506	63,354
7.02.04.03	Charges for the Use of and Connection to the Power Grid	-246,231	-208,179
7.02.04.04	Other	-32,884	-22,273
7.03	Gross Added Value	3,101,330	2,913,202
7.04	Retentions	-412,340	-368,296
7.04.01	Depreciation, Amortization and Depletion	-412,340	-368,296
7.05	Net Added Value Generated	2,688,990	2,544,906
7.06	Added Value Received in Transfer	69,262	92,081
7.06.02	Financial Income	69,262	92,081
7.07	Total Added Value to Distribute	2,758,252	2,636,987
7.08	Distribution of Added Value	2,758,252	2,636,987
7.08.01	Labor	155,535	137,074
7.08.01.01	Direct Compensation	100,492	89,028
7.08.01.02	Benefits	31,905	26,884
7.08.01.03	F.G.T.S.	7,601	6,698
7.08.01.04	Other	15,537	14,464
7.08.02	Taxes, Duties and Contributions	965,532	874,097
7.08.02.01	Federal	900,494	798,634
7.08.02.02	State	63,535	73,739
7.08.02.03	Municipal	1,503	1,724
7.08.03	Third-party Capital Remuneration	285,001	344,168
7.08.03.01	Interest	220,008	240,845
7.08.03.02	Rentals	10,471	11,895
7.08.03.03	Others	54,522	91,428
7.08.03.03.01	Capitalized Financial Interest	28,182	78,775
7.08.03.03.02	Other	26,340	12,653
7.08.04	Remuneration of Own Capital	1,066,196	998,007
7.08.04.02	Dividends	693,759	658,014
7.08.04.03	Retained Earnings / Loss for the Period	372,022	339,993
7.08.04.04	Interest of Non-controlling Shareholders in Retained Earnings	415	0
7.08.05	Other	285,988	283,641
7.08.05.01	Sectorial Charges	124,242	154,914
7.08.05.02	Charges on Concessions Payable	160,524	125,754
7.08.05.03	Capitalized Concession Charges	1,222	2,973

Performance Commentary - Consolidated

Net Revenue from Sales

In 3Q12, net revenue from sales presented a growth of 12.7%, or R$ 146.6 million, when compared to the same period of the preceding year, increasing from R$ 1,150.7 million to R$ 1,297.3 million. The key factors that contributed to this variation were as follows: (i) R$ 94.3 million – an increase due to transactions conducted within the scope of the Electrical Energy Trading Board (CCEE); (ii) R$ 75.2 million – growth in energy sales volume; (iii) R$ 63.5 million – increase in the average net selling price; and (iv) R$ 86.8 million – reduction in energy export revenue.

The increase in sales revenue of R$ 34.0 million from the entry into commercial operation of four more generating units at the Estreito HPP by the end of the quarter under analysis is included in the respective items mentioned above.

Net average selling price

The average selling price of contracted energy, net of taxes and contributions and excluding exportation, was R$ 132.77/MWh in 3Q12, 6.2% above the amount reported in the same quarter of 2011, which value was R$ 125.07/MWh.

- **Sales volume**

Excluding energy exports of 514 GWh (233 average MW) and 26 GWh (12 average MW) in the third quarter of 2011 and 2012, respectively, energy amounts sold increased from 8,234 GWh (3,729 average MW) in 3Q11 to 8,779 GWh (3,976 average MW) in 3Q12, representing a growth of 6.6%, or 545 GWh (247 average MW), between the periods under analysis.

This variation is due to the following combination of events: (i) expansion of 475 GWh (215 average MW) in energy supply to distributors; (ii) increase of 307 GWh (139 average MW) in energy sold to free customers; and (iii) a decline of 237 GWh (107 average MW) in sales to trading companies.

Due to the request of certain free consumers, during 2011 and 2012, the Company has transferred some contracts previously signed with them to trading companies in the same economic group. In addition, the Company has signed new contracts with other trading companies which also allocate purchased energy to the industrial units of the same group. These modifications reflect initiatives on the part of the clients to improve the management of their energy purchases and allocations of their industrial units as a whole.

However, in order to achieve a more realistic analysis on the evolution of sales to free consumers, as from the quarter under analysis, the Company is now disclosing sales to those trading companies which allocate purchased energy exclusively to their production units as sales to free consumers and no longer to trading companies. In this respect, the amount reclassified in 3Q11 was 162 GWh (74 average MW).

As a consequence of the commercial operations start-up of four additional Estreito HPP generating units, the sale of energy related to the Company´s share in the plant increased from 219 GWh (99 average MW) in 3Q11 to 539 GWh (244 average MW) in 3Q12, a growth of 320 GWh (145 average MW).



Commentary on variations in net revenue from sales, by type of account

a) Wholesale market for electric energy

Sales revenue from the wholesale supply of energy – namely, revenue originating from sales to distributors and trading companies - reached R$ 813.6 million in 3Q12 (R$ 722.4 million in 3Q11), or a growth of 12.6% between the compared periods. The following factors contributed to this increase: (i) R$ 36.8 million – growth of 5.6% in the average net selling price to distributors; (ii) R$ 10.6 million – increase of 12.0% in the net selling price of energy to the trading companies; (iii) R$ 67.5 million – an increase of 475 GWh (215 average MW), or 10.5%, in sales volume to distributors; and (iv) R$ 23.7 million – a decrease of 237 GWh (107 average MW), or 22.4%, in the amount of energy sold to trading companies.

Growth in sales to distributors is due substantially to the start in delivery of energy supplies from Estreito HPP in the regulated contracting environment to distributors as from January 1, 2012. Energy sales to this market in the quarter under analysis were 558 GWh (252 average MW), or R$ 80.6 million. In 3Q11, energy generated from Estreito HPP was sold to free consumers.

b) Retail market for electric energy

Sales revenue from the retail supply of energy – namely revenue from sales to free customers – increased 15.6% between the analyzed quarter, from R$ 304.5 million in 3Q11 to R$ 352.0 million in the quarter under review. The variation occurred due to a combination of the following events: (i) R$ 11.9 million – an increase of 3.7% in the average net selling price; and (ii) R$ 35.6 million – a growth of 307 GWh (139 average MW) or 11.5% in the amount of energy sold.

c) Transactions conducted within the scope of CCEE

In 3Q12, revenue recorded from transactions conducted within the scope of CCEE was R$ 117.3 million as against R$ 23.0 million for the same quarter in 2011, representing an evolution of R$ 94.3 million. More detailed explanations on these operations and related variations can be found below under the item "Details of CCEE operations".

d) Electrical energy exportation

Export revenue in the third quarter of 2012 was R$ 7.9 million, R$ 86.8 million lower than the revenue recorded in the same period for the preceding year, which was R$ 94.7 million. The decline occurred both due to falling export demand, mainly from Argentina, and also due to the Company's thermal plants operating according to order of merit to meet the National Interconnected System's (SIN) energy needs.

It is worth mentioning in this context that energy export volume from each plant in the Brazilian Electricity System is set by the National Electrical Systems Operator (ONS) on the basis of plant availability and taking into consideration the lower declared costs of these same plants.

Costs of Electrical Energy and Services

The costs of energy sales and services declined 0.8%, or R$ 4.1 million, from R$ 528.4 million in 3Q11 to R$ 524.3 million in the quarter under analysis. This retraction was, essentially, the result of a combination of performance in the main components listed below:

a) **Electrical energy purchased for resale:** increase of R$ 30.5 million, equivalent to 214 GWh (97 average MW), in 3Q12 against the same quarter of 2011, due to the Company's plan to purchase short and medium-term energy for the creation of new products for supply over three, four and five years and to an inferior proportion, due to the annual readjustment in the prices of existing agreements.

b) Transactions conducted within the scope of CCEE**:** there were no significant variations in this item between the two compared periods, costs totaled about R$ 1 million in each quarter. More details are described on specific heading below.

c) **Fuel Expenses:** decline R$ 54.0 million, substantially, due to the reduction in own mineral coal used for the export of energy.

d) **Charges of use of and connection to the power grid:** increase of R$ 8.4 million between the quarters under analysis, mainly reflecting the annual readjustment in the Tariff for the Use of the Transmission System (TUST) and increased of TUST due to the entry into commercial operation of four new generating units at Estreito HPP.

e) **Financial compensation for the use of water resources (royalties):** decline of R$ 4.7 million between the compared quarters, result of a combination of the following events: (i) reduced hydroelectricity generation due to drought conditions in southern of Brazil where part of the Company's generating facilities are located; (ii) readjustment of the annual tariff; and (iii) increase in royalties payments for the aforementioned entry into operation of the generating units at Estreito HPP.

f) **Personnel:** an increase of R$ 3.6 million in 3Q12 in relation to the same quarter in 2011, mainly due to the annual readjustment in employee compensation and further adherences to the Voluntary Layoff Program (PDV) in 3Q12.

g) **Third party services and material:** decrease of R$ 1.1 million between the quarters under analysis basically due to lower demand for maintenance and conservation services at the Company's generating plants.

h) **Depreciation and amortization:** increase of R$ 11.1 million in the quarter under analysis compared with 3Q11, principally due to the startup in commercial operations of the new generating units at Estreito HPP.

i) **Insurance**: increase of R$ 1.5 million in the cost of the premium due to the renewal of the annual policy.

Electrical 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 main 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 3Q12, the Company recorded a net positive result – the difference between income and expenses, net of taxes and contributions – arising from transactions conducted on the CCEE in the amount of R$ 115.9 million (a positive result of R$ 22.2 million in 3Q11), an improvement of R$ 93.7 million between the compared quarters.

The increased performance was largely due to a combination of the following factors: (i) growth in the Company's long position on the CCEE; (ii) increased impacts of thermoelectric exposure although volume was slightly lower than 3Q11; (iii) increased revenue from secondary energy (energy which is obtained when overall hydroelectric energy generation exceeds the system's average assured energy) in spite of the decline in the volume of secondary energy in 3Q12 in relation to the same quarter in 2011; and (iv) a decline in the positive result on the MRE due to the reduced volume of hydroelectric generation resulting from the drought in southern of Brazil.

It is worth pointing out that the significant increase from R$ 19.91/MWh in 3Q11 to R$ 131.08/MWh in 3Q12 for the average spot price (PLD) for the South and Southeast/Mid-West submarkets contributed to the increase in the positive result of the Company's long position on the CCEE as well as the position in secondary energy. However, the increase in PLD also added to the negative result from thermoelectric exposure.

General and Administrative Expenses

General and administrative expenses continued stable at R$ 41.3 million between the compared quarters. When compared with 3Q11, expenses with personnel in the third quarter of 2012 increased R$ 1.6 million and expenses with services and amortization declined R$ 1.7 million.

Constitution (Reversals) of Operating Provisions, Net

Reversal of provisions, net of constitutions, decreased from R$ 18.4 million in the third quarter of 2011 to R$ 1.9 million in 3Q12. The variation was mainly due to the reduction in the reversal of the provision for the payment of post-employment benefits due to the decrease in actuarial gain recognized in 3Q12.

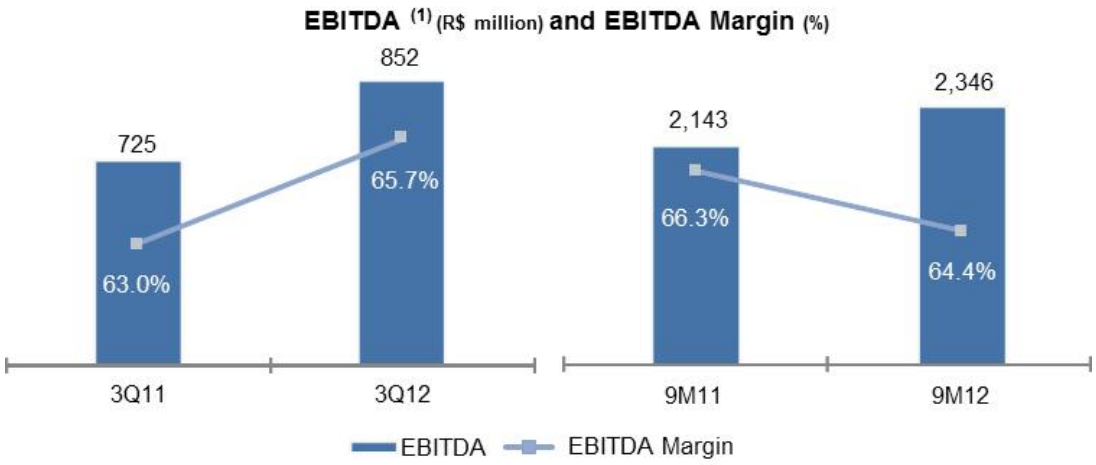
Other Operating Expenses, Net

The expenses increased by R$ 16.7 million mainly due to increase of property, plant and equipment write-offs during the quarter under analysis, due to the substitution of machinery and equipment in the Company's generating facilities.

EBITDA and EBITDA Margin

Reflecting the effects previously commented, EBITDA in 3Q12 reached R$ 852.0 million, 17.5% above the R$ 725.3 million reported in 3Q11. The EBITDA margin reached 65.7%, 2.7% above the 63.0% margin in the same period in the preceding year.

The growth in the EBITDA margin is mainly due to the increase in the positive result from transactions conducted within the scope of the CCEE.



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

The information disclosed in the table below allow the reconciliation of the operating income with EBITDA:

(in thousand R$)	3Q12	3Q11	Chg. %	9M12	9M11	Chg. %
Operating income	586,000	494,892	18.4	1,594,191	1,485,807	7.3
(+/-) Financial Result	126,892	101,401	25.1	339,752	289,189	17.5
(+) Depreciation and Amortization	139,151	128,985	7.9	412,340	368,296	12.0
EBITDA	**852,043**	**725,278**	**17.5**	**2,346,283**	**2,143,292**	**9.5**

Service Income (Income before Financial Result and Income Taxes)

Incorporating the aforementioned impacts, the result of service income increased from R$ 596.3 million in 3Q11 to 712.9 million in the quarter under analysis, an increase of R$ 116.6 million, or 19.6% between compared periods.

Financial Result

Financial income: in 3Q12, these revenues reached R$ 21.9 million, R$ 7.9 million less than the amount of R$ 29.8 million recorded in the same quarter of 2011. The reduction was mainly due to the lower volume of invested funds and the decline in interest rates commonly used in the financial market.

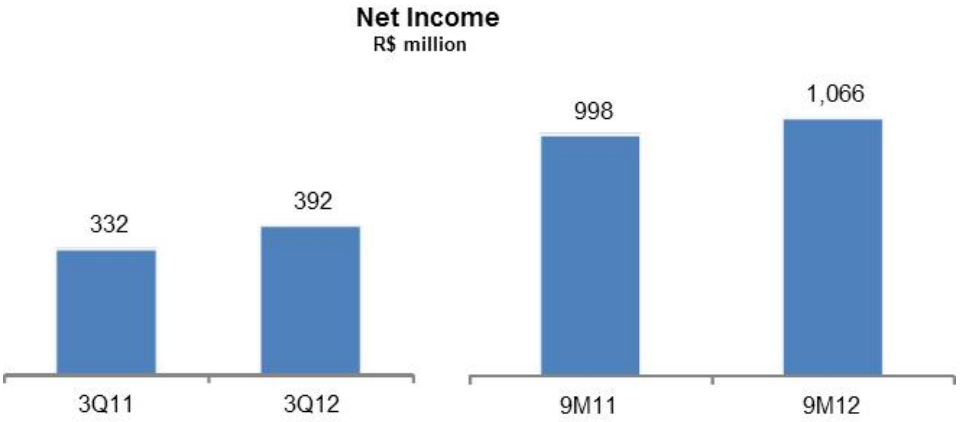
Financial expenses: an increase of R$ 17.6 million between the quarters under analysis from R$ 131.2 million in 3Q11 to R$ 148.8 million in 3Q12. This variation was the result of the association of the following main factors: (i) R$ 30.8 million – growth in monetary variation on concessions payable principally due to the increase in IGP-M; (ii) R$ 4.8 million – growth of interest on concessions payable; and (iii) R$ 20.5 million – reduction in the exchange variation due to the oscillation in currency rates of US dollar and euro compared to Brazilian real.

Income Tax (IR) and Social Contribution (CS)

Income tax and social contribution expenses in 3Q12 were R$ 193.7 million, an increase of R$ 31.1 million over 3Q11 when the amount was R$ 162.6 million. Growth is consistent with the evolution of R$ 91.1 million in income before taxes. These expenses represented 33.0% and 32.9% of income before taxes in 3Q12 and 3Q11, respectively.

Net Income

As a reflection of the impacts aforementioned, 3Q12 net income reached R$ 392.3 million, 18.1% or R$ 60.0 million more than the R$ 332.2 million reported in the same quarter in the preceding year. The increase in net income has occurred, mainly due to the combination of the following aspects, already discussed in this report: (i) an increase in average net selling prices; (ii) an income increase due to the entry into commercial operation of four new generating units at Estreito HPP; (iii) a growth in the positive result from transactions conducted within CCEE; (iv) an increase in energy purchasing operations for resale; (v) reduction in energy export volume; (vi) an increase in operating provisions and the write-off of machinery and equipment from the Company's plants; and (vii) an increase in financial expenses.



TRACTEBEL ENERGIA S.A.

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

NOTES TO THE QUARTERLY FINANCIAL STATEMENT AS OF 09.30.2012

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

1. OPERATIONS

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

The Company is controlled by GDF SUEZ Energy Latin America Participações Ltda. (GSELA), a company established in Brazil under the control of International Power S.A. (actual denomination of SUEZ-Tractebel S.A.) headquartered in Belgium. International Power S.A. is company under Internation Power PLC (IPR) control, headquartered in United Kingdom, integrating the GDF SUEZ group, headquartered in France.

The Company is the largest private company in electrical energy generation in Brazil, responsible for about 6% [1]of the country's installed capacity. The Company's installed capacity on September 30th, 2012, including its stakes in consortiums, and after seven of eight generating units in Estreito Hydroelectric Power Plant (Estreito HPP) started their commercial operations is 6,854.8MW. Out of this total, 80.3% arises from hydroelectric power plants, 17.3% from thermoelectric power plants and 2.4% from complementary energy: Small Hydroelectric Power Plants - SHPP, wind farms and biomass-fired power plants. Assured energy for commercialization of the Company's plants as of 9.30.2012, after the start-up of Estreito HPP is 3,804.9 averages MW.

Subsidiaries in operation and under construction, whether under direct or common control, are listed in Note 9 - Investments.

The Company's quarterly information is presented taking into account only one operating segment composed of the generation and sale of electrical energy generated or acquired through medium and long-term agreements. This segment concentrates about 99.6% of the Company's net revenue for the nine-month period ended 9.30.2012. The Company manages such activities as a single business segment.

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

The main events related to the Company's operating activity carried out in the third quarter of 2012 are summarized as follows:

a) Commercial start-up of the 7th generator unit at the Estreito HPP

The seventh generator unit at Estreito HPP had its commercial start-up on 8.09.2012. This unit has a total installed capacity of 135.87 MW and assured energy for selling 31.21 averages MW, in which the Company has a share of 54.44 MW and 12.51 averages MW, respectively, corresponding to its 40.07% share in the Estreito Energia Consortium (Ceste). Thus, the Estreito HPP reached 951.14 MW, or 87.5%, of its installed capacity and 623.61 averages MW, or 97.3%, of its total assured energy for commercial purposes.

The last generating unit is scheduled for commercial start-up by the end of 2012.

b) Provisional measure 579 (MP 579)

On 9.11.2012, Provisional Measure No. 579 was enacted, regarding power generation, transmission and distribution concessions, and reduction of the sector's charges in order to reduce tariffs. According to Provisional Measure No. 579, electrical energy concessions granted before the enactment of the Concessions Law (Law 8987/95) not yet submitted to bidding can be renewed only once, for up to 30 years, provided that concessionaires accept compensation through tariffs only, to cover operation and maintenance costs (O&M), charges, taxes, and, as applicable, transmission and distribution expenses. Some sectorial charges will be eliminated or reduced, and using them will be covered through Treasury allocations. Reimbursement for thermal electricity coal costs through the Energy Development Account has been maintained.

Tractebel Energia's generation assets have not been directly impacted by Provisional Measure No. 579 regarding concession renewals, since they were acquired through bidding processes after publication of Law 8987/95.

c) Release of the 1st installment of the financing obtained for the wind farms construction

On 9.26.2012, the Company obtained the release of the first installment of the financing from the Brazilian Development Bank (BNDES) for the construction of four wind farms in the state of Ceará. The amount released was R$ 53,083, net of funding costs. The total amount to be funded will be R$ 358,000, which is equivalent to 70% of the financeable items of those projects.

d) Starting date for payment of interim dividends of the first semester of 2012

The Company's Board of Directors, in a meeting held on 7.26.2012, approved the distribution on interim dividends, based on the financial statements as of 6.30.2012, in the amount of R$ 693,759, corresponding to R$ 1.0628376925 per share, or to 100% of the adjusted net income of the first semester of 2012. Starting date for payment of said dividends was 9.27.2012.

e) Rating increase

Standard & Poor's agency has upgraded, on 9.27.2012, the Company's long-term corporate credit rating, considering Brazil national scale, from 'brAA+' to 'brAAA', with a stability perspective. On the same date, the agency also reaffirmed short-term corporate credit rating 'brA-'.

According to Standard &Poor's report, rating upgrade reflects the expected acquisition of Jirau in 2013, which will permit the Company to benefit from an intermediate financial risk profile, with total adjusted debt on EBITDA lower than 4x, even if purchase of Jirau is 100% financed by debt.

2. – PRESENTATION OF FINANCIAL STATEMENTS

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

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

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

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

Except for the mentioned in the two following paragraphs, the accounting policies and calculation methods adopted in the preparation of quarterly financial statements, as well as the main judgments and uncertainties in the estimates used in applying accounting practices are the same as those used in the preparation of the financial statements for the year ended 12.31.2011.

As from the second quarter of 2012, the Company began to present current tax liabilities and deferred tax liabilities net of the tax assets, when such taxes correspond to the same tax entities and there is the intention of the Company administration to liquidate them at net value. In order to maintain comparison between the balance sheets presented, the amount of R$ 85,429 (R$ 86,498 on a consolidated basis) and R$ 238,935 (R$ 240,607 consolidated), originally recorded on the balance sheet of 12.31.2011, in the accounts of tax credits and deferred tax assets, respectively, were reclassified to the accounts of tax liabilities and deferred tax liabilities.

Also in the 2Q12, the Company began to calculate its depreciation according to the new rates established by ANEEL, recognizing in that quarter, the effects retroactively to 1.01.2012 as required by the Aneel Resolution. The adoption of these rates will result in a reduction of annual depreciation on the Company's assets of roughly R$ 2,460.

The content and values of certain explanatory notes in the financial statements for the year ending 12.31.2011 and quarterly statements of 9.30.2011, which did not require significant updates, have not been repeated on the notes selected for the quarterly statements of 9.30.2012. 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 to fair value of property, plant and equipment mentioned in "Other Comprehensive Income," is presented in the column as such as there is no more appropriate option in the standard CVM statement for the presentation of said transaction.

The quarterly information previously mentioned was approved by the Board of Directors in a meeting held on 10.25.2012.

New standards, and changes or interpretation of IFRS issued by IASB

Accounting standards and technical interpretations reviewed or issued up to 12.31.2011 are mentioned in the financial statements for the year then ended and were not repeated in these quarterly financial statements since they had no changes. The main revisions and/or changes in the nine-month period ended 9.30.2012 are highlighted below.

IFRS 1 - Governmental Loans

In March 2012, the IASB issued a review of the IFRS 1, by which adds an exception to the retrospective application of the international standards, requiring that for the application of the requirements of the IFRS 9 - Financial Instruments and IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance shall be prospective for government loans existing on the date of transaction to the international standards. Changes will be effective for annual periods that begin on/after 1.01.2013. The review of said interpretation does not apply to the Company.

Annual review - Cycle 2009-2011

In May 2012, IASB issued a review of the following standards: IFRS 1 – First-time Adoption of International Financial Reporting Standards, IAS 1 – Presentation of Financial Statements, IAS 16 – Property, Plant and Equipment, IAS 32 – Financial Instruments: Presentation and IAS 34 – Interim Financial reporting. The annual review process is a vehicle used to make changes that are non-urgent, but necessary for the pronouncements issued. The modifications shall be applied retrospectively to the annual periods that begin on/ after 1.01.2013. According to the Company's evaluation, the company believes that the standard changes represent minor text revisions and clarifications, without substantially modifying the statements, and do not impact its consolidated financial statements.

Consolidated Financial Statements, Agreements with shared control and Disclosure of interests in other entities (Transition Guide to standards IFRS 10, 11 and 12)

In June 2012, the IASB issued a review of IFRS 10 - Consolidated Financial Statements, clarifying the intention of the IASB in the first issue of the transition guide for IFRS 10. In this review, the IASB explains that the start date of application of IFRS 10 means "the beginning of the period of annual reporting in which IFRS 10 is applicable for the first time." The review also clarifies how the entity shall adjust the comparative period retrospectively, if the date of obtaining control under IFRS 10 is subsequent to the application of IAS 27 – Consolidated and Separated Financial Statements.

The IASB also reviewed IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities, in order to relief presentation or adjust the comparative information for periods prior to the immediately preceding period. IFRS 12 was also reviewed, eliminating the requirement for presentation of comparative information for the disclosures related to unconsolidated entities in any period prior to the first annual period in which the IFRS 12 is applicable. The ammendments to IFRS are effective for annual periods beginning on/after 1.01.2013. The Company is evaluating the possible effects from the implementation of the aforementioned reviewed.

3. – CASH AND CASH EQUIVALENTS

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	12.31.2011	9.30.2012	12.31.2011
Cash and cash bank deposits	**847**	**960**	**4,240**	**5,274**
Marketable securities				
Citibank - Exclusive investment fund				
Repurchase transactions with federal public bonds[2]				
National Treasury Note (NTN - B)	77,521	563,011	257,646	735,639
Financial Treasury Bills (LFT)	14,907	-	49,544	-
National Treasury Bill (LTN)	20,516	-	68,187	-
	112,944	**563,011**	**375,377**	**735,639**
Financial Institutions[3]				
Certificates of Bank Deposit (CDB)	3,287	3,148	10,608	18,559
Repurchase transactions with debentures	-	-	33,111	22,336
	3,287	**3,148**	**43,719**	**40,895**
Total of marketable securities	**116,231**	**566,159**	**419,096**	**776,534**
	117,078	**567,119**	**423,336**	**781,808**

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

[2]These are sales of marketable securities with a repurchase commitment by the seller concomitant with the commitment of reselling by the buyer. These transactions have immediate liquidity and are remunerated by the Selic rate and are backed by federal government bonds.

[3]Banks: Safra, Itaú Unibanco, Itaú BBA, Banco do Brasil, Votorantim and Bradesco.

4. – TRADE ACCOUNTS RECEIVABLE

a) Breakdown

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
Current	**9.30.2012**	**12.31.2011**	**9.30.2012**	**12.31.2011**
Concessionaires	248,319	247,788	353,026	319,930
Trading companies	127,385	124,038	66,725	51,395
Free consumers	20,696	21,836	155,260	151,841
Exports	740	740	740	740
Transactions within CCEE				
- Current	100,284	19,879	103,012	21,758
- Extraordinary Tariff Recovery (RTE)	2,665	2,665	2,665	2,665
- Agents with lawsuits or in default	122,574	122,574	122,574	122,574
	622,663	**539,520**	**804,002**	**670,903**
Allowance for doubtful accounts	(128,617)	(128,617)	(129,026)	(128,754)
	494,046	**410,903**	**674,976**	**542,149**

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

b) Breakdown of accounts receivable by maturity

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	**12.31.2011**	**9.30.2012**	**12.31.2011**
Up to 30 days	-	9,397	1,361	10,475
From 61 to 90 days	-	-	951	-
More than 91 days	155,473	132,022	138,075	132,442
	155,473	**141,419**	**140,387**	**142,917**

The Company has receivables from its subsidiary Companhia Energética Estreito (CEE), in the amounts of R$ 18,960, already due over 90 days, respectively. These amounts are expected to be settled in the fourth quarter of 2012 or in the first quarter of 2013.

c) Allowance for doubtful accounts - Breakdown

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	**12.31.2011**	**9.30.2012**	**12.31.2011**
Trading companies	6,043	6,043	6,452	6,180
Agents with lawsuits or in default	122,574	122,574	122,574	122,574
	128,617	**128,617**	**129,026**	**128,754**

d) Adjustment to present value of trade accounts receivable

In February 2012, certain distribution Company, member of the National Interconnected System, filed a request for court recovery. The amounts receivable allocated by the Company in that lawsuit were R$ 7,560. In September, the Creditors' Board approved the Legal Recovery Plan of the distribution company, which estimates the payment of this debt in 60 equal installments.

Considering that the above-mentioned agreement did not take into consideration the levy of interest on amounts receivable, the Company adjusted it to present value based using a discount rate of 7.5%, compatible with the nature, term and risks related to the transaction. The adjustment to present value recognized in the current quarter was R$1,295.

Due to the agreement, amounts that will be received in the long term, of R$2,756 and R$6,861, respectively from the parent company and the consolidated, are now presented in non current assets.

5. - TAXES RECOVERABLE

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	12.31.2011	9.30.2012	12.31.2011
Current				
PIS [4] and Cofins[5]	-	-	57,711	60,698
ICMS[6]	-	-	211	146
Income and social contribution taxes	-	-	5,153	1,463
INSS [7]	82	1,987	82	1,987
	82	**1,987**	**63,157**	**64,294**
Non Current				
PIS and COFINS	845	4,639	107,095	137,832
ICMS	16,148	11,460	19,070	14,413
Income and social contribution taxes	-	-	7,130	9,756
INSS	-	-	6	6
	16,993	**16,099**	**133,301**	**162,007**

Consolidated PIS and Cofins tax credits amounts arise from the acquisition of machinery and equipment for implementing power generation projects.

6. – PLEDGES, RESTRICTED AND JUDICIAL DEPOSITS

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	12.31.2011	9.30.2012	12.31.2011
Current				
Reserve account – Transactions in CCEE	**9,717**	**32,159**	**10,470**	**38,923**
Non Current				
Debt service reserve account	-	-	**102,063**	**90,567**

[4]Social Integration Program
[5]Contribution for social security funding
[6]Value-added tax on sales and services for Communication and Transport
[7]Instituto Nacional do Seguro Social

The balance of the "Electrical Energy Trading Chamber transaction reserve account" takes into account the level of exposure of the Company and its subsidiaries in transactions within the CCEE. That exposure is used as a basis to define the amount of the financial reserve used to guarantee those transactions. As for the "Reserve account for debt services" balance, it aims to guarantee the debt services with the financial banks. The resources of the reserve accounts are applied in investment funds or CDBs.

7. - OTHER ACCOUNTS RECEIVABLE

In this caption are recorded the receivables of Jacuí Elétrica S.A. (Eleja) relating to the sale of the Jacuí thermoelectric arrangement. The balance of R$ 86,866 corresponds to the present value of the installments that the Company had as receivables in July 2009, the month that the Company started a process of foreclosure of the contract, due to the fact that Eleja had suspended payments of installments due, starting in February 2009.

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

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

As of 9.30.2012, the nominal value of the unsettled contractual installments, restated by the contractual index, the General Price Index for Domestic Availability (IGP-DI) amounts to R$ 125,453 (R$ 116,172 as of 12.31.2011). Total debt amount, including fines and contract charges, exceeds experts' appraisal amount, making the Company request a boost to the attachment, which is awaiting court decision.

In July 2012, Eleja filed a request to annul actions executed until then. The Company became aware of this request and, on 7.26.2012, challenged Eleja's request.

The Company is awaiting the outcome of proceedings in court to assess the need for adjustment of receivables recorded.

8. - JUDICIAL DEPOSITS

a) Breakdown

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	12.31.2011	9.30.2012	12.31.2011
Tax	91,978	91,202	92,438	91,652
Civil	14,466	9,727	23,684	10,725
Labor	3,854	3,130	4,168	3,455
	110,298	**104,059**	**120,290**	**105,832**

The amounts deposited are linked to lawsuits being processed in court and in administrative levels. From the amount deposited on 9.30.2012, in the parent company and consolidated information, R$46,193 (R$ 40,627 on 12.31.2011) are directly related to potential risk provisions described in Note 17 – Tax, civil and labor provisions.

The Company received, on 7.12.2012, the granting of the request for waiver of the judicial deposits, in the amount of R$ 44,804, on 9.30.2012, relating to the proceeding of PIS and Cofins

on predetermined price within the scope of Normative Instruction (IN) 658/06 of the Internal Revenue Service of Brazil. However, these funds have not been raised yet because, on 8.10. 2012, the Federal Government claimed the suspension of the license issuance order to review contracts linked to court decision. More details are described in Note 17 – Tax, social security, labor and civil provisions.

9. - INVESTMENTS

a) Breakdown

	Parent company (BRGAAP)	
	9.30.2012	12.31.2011
Interest on subsidiaries:		
Measured at the equity method		
Equity in earnings of subsidiaries	2,632,108	2,433,138
Goodwill/Concession right	115,305	117,974
	2,747,413	**2,551,112**

b) Measured at the equity method

b.1) Financial information of the subsidiaries

	Itasa [8]	CEE[9]	CESS[10]	Lages[11]	TBLC[12]	TBLP[13]
Interest (%)	**48.75%**	**99.99%**	**99.99%**	**99.99%**	**99.99%**	**99.99%**
12.31.2011						
Total assets	801,335	2,554,938	1,363,537	66,754	350,800	959,951
Shareholders' equity	638,523	915,408	360,775	59,198	168,254	618,221
9.30.2012						
Total assets	796,090	2,634,900	1,341,792	64,898	355,113	1,090,254
Shareholders' equity	682,848	981,323	376,749	61,922	159,352	719,873
3rd quarter of 2012						
Net revenue	48,824	82,055	51,929	10,426	430,497	26,361
Net income	12,119	14,827	4,207	1,212	31,337	5,256
9.30.2012						
Net revenue	176,002	247,535	160,186	30,142	1,358,779	81,398
Net income	57,364	38,461	15,974	2,724	96,097	13,468

[8] Itá Energética S.A., jointly-controlled subsidiary.
[9] Companhia Energética Estreito
[10] Companhia Energética São Salvador
[11] Lages Bioenergética Ltda.
[12]Tractebel Energia Comercializadora Ltda.
[13]Tractebel Energias Complementares Participações Ltda.

b.2) Movement of investments

	Itasa	CEE	CESS	Lages	TBLC	TBLP	Others	Total
Balance at 12.31.2011	**311,281**	**915,408**	**360,775**	**59,198**	**168,254**	**618,221**	**1**	**2,433,138**
AFCI[14]	-	38,000	-	-	-	88,184	-	**126,184**
Equity in net income of subsidiaries	27,965	38,461	15,974	2,724	96,097	13,468	-	**194,689**
Dividends	(6,358)	(10,546)	-	-	(104,999)	-	-	**(121,903)**
Balance at 9.30.2012	**332,888**	**981,323**	**376,749**	**61,922**	**159,352**	**719,873**	**1**	**2,632,108**

Wind power generation projects under implementation

The Company continues the construction of four wind farms, located in the state of Ceará (Mundaú, Guajiru, Fleixeiras I and Trairi), with commercial generation capacity for of 58.22 average MW and estimated investments of R$ 476,060.

The Company is selling the energy to be generated by these plants in the Free Trading Environment (ACL). The Company expects to finish the construction of the arrangements in the first quarter of 2013.

c) Goodwill/Concession right – Parent company

Subsidiaries	CEE	CESS	Total
Balance as at 12.31.2011	**85,872**	**32,102**	**117,974**
Amortization	(1,721)	(948)	(2,669)
Balance as at 9.30.2012	**84,151**	**31,154**	**115,305**

The goodwill/concession right paid in the acquisitions of the subsidiaries was defined with a basis on the present value of the cash flow projections obtained through economic and financial evaluations and resulted from the acquisition of the concession granted by Aneel for use of public assets in the generation of electrical energy. The asset is being amortized over the periods of the concession contract, according to its defined useful life, since the economic benefits arising from the acquisitions of these investments will occur over the course of the concession period.

[14] Advances for future capital increase.

10.- PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	Parent company (BRGAAP)				
		9.30.2012			12.31.2011
	Average rate of depreciation %	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.7	4,406,601	(2,215,534)	2,191,067	2,283,077
Buildings and improvements	3.2	1,278,861	(726,138)	552,723	580,294
Machinery and equipment	4.1	5,551,354	(3,505,463)	2,045,891	2,111,418
Vehicles	14.2	1,729	(1,264)	465	496
Furniture and fixtures	6.2	8,283	(3,642)	4,641	4,547
		11,246,828	**(6,452,041)**	**4,794,787**	**4,979,832**
Special obligations		(13,390)	-	(13,390)	(13,535)
		11,233,438	**(6,452,041)**	**4,781,397**	**4,966,297**
In progress					
Buildings and improvements		13,442	-	13,442	12,625
Machinery and equipment		23,536	-	23,536	63,210
Acquisitions to be apportioned		2,274	-	2,274	6,050
		39,252	**-**	**39,252**	**81,885**
		11,272,690	**(6,452,041)**	**4,820,649**	**5,048,182**

	Consolidated (BRGAAP and IFRS)				
		9.30.2012			12.31.2011
	Average rate of depreciation %	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.9	6,822,370	(2,411,122)	4,411,248	4,550,425
Buildings and improvements	3.4	1,747,165	(794,212)	952,953	991,768
Machinery and equipment	4.1	7,545,560	(3,788,969)	3,756,591	3,720,407
Vehicles	14.2	2,054	(1,566)	488	524
Furniture and fixtures	6.2	9,772	(4,018)	5,754	5,584
		16,126,921	**(6,999,887)**	**9,127,034**	**9,268,708**
Special obligations		(13,515)	-	(13,515)	(13,660)
		16,113,406	**(6,999,887)**	**9,113,519**	**9,255,048**
In progress					
Reservoirs, dams and ducts		10,191	-	10,191	10,892
Buildings and improvements		37,887	-	37,887	12,836
Machinery and equipment		75,156	-	75,156	182,187
Advances to suppliers		139,583	-	139,583	106,980
Acquisitions to be apportioned		358,099	-	358,099	317,208
		620,916	**-**	**620,916**	**630,103**
		16,734,322	**(6,999,887)**	**9,734,435**	**9,885,151**

b) Changes in property, plant and equipment

	Parent company (BRGAAP)						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2011	**2,283,077**	**580,294**	**2,111,418**	**5,043**	**81,885**	**(13,535)**	**5,048,182**
Additions	-	-	-	-	55,923	145	56,068
Transfers	(3,973)	(229)	102,261	497	(98,556)	-	-
Write-offs	(235)	-	(9,753)	(25)	-	-	(10,013)
Depreciation	(87,802)	(27,342)	(158,035)	(409)	-	-	(273,588)
Balance at 9.30.2012	**2,191,067**	**552,723**	**2,045,891**	**5,106**	**39,252**	**(13,390)**	**4,820,649**

	Consolidated (BRGAAP and IFRS)						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2011	**4,550,425**	**991,768**	**3,720,407**	**6,108**	**630,103**	**(13,660)**	**9,885,151**
Additions	-	-	-	-	265,714	145	265,859
Transfers	11,289	1,766	261,225	621	(274,901)	-	-
Write-offs	(235)	-	(9,793)	(25)	-	-	(10,053)
Depreciation	(150,231)	(40,581)	(215,248)	(462)	-	-	(406,522)
Balance at 9.30.2012	**4,411,248**	**952,953**	**3,756,591**	**6,242**	**620,916**	**(13,515)**	**9,734,435**

c) Depreciation rates

In early 2012, Aneel issued a Normative Resolution establishing new annual depreciation rates for certain assets linked to the concession and authorization for the generation of electrical energy. The Company, in the second quarter, started to calculate its depreciation according to the new rates and recognized its effects retroactive to 1.01.2012, as required by the aforementioned resolution. The adoption of these rates will result in a reduction of annual depreciation on the Company's assets of approximately R$ 2,460.

d) Fair value adjustment of property, plant and equipment

In attendance of CPC 27 - Property, Plant and Equipment and ICPC 10 - Clarifications on CPC27 and CPC 28 - Investment property, on 1.01.2009, the Company adopted the fair value as the deemed cost of property, plant and equipment of its plants that had a book value substantially inferior or superior than its fair value.

Balances of property, plant and equipment on 9.30.2012 and 12.31.2011 compound the fair value, net of depreciation, of R$ 865,508 and R$ 982,326, respectively. Depreciation on the adjustment to fair value in the nine-month periods ended on 9.30.2012 and 9.30.2011 was R$ 66,526 and R$ 64,625, respectively.

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

The Company, for the purpose of preparing the consolidated information, considered as reference to record the onerous concessions and authorizations granted by the Federal Government for the use of public assets to generate hydroelectric electrical energy, contracted or acquired in a business combination, the IFRS 3 - Business Combination Application Guide, which enables the recognition of the fair value for the concession and the property, plant and equipment as the single asset in the accounting statements, when these assets can no longer be sold or transferred separately.

In accordance with this pronouncement, the Company recognized the onerous concession and the authorizations contracted or acquired in a business combination as a single asset in the property, plant and equipment group, broken-down by the nature of the assets proportionally to their cost of acquisition.

f) Depreciation of assets comprising the Plants' Original Project

The Company, solely based on Law 8987/95 and Decree 2003/96, considers that at the end of the concession and authorization terms of the hydroelectric arrangements, there is not a guarantee of restitution of the residual value of the Original Project by the Granting Power. Therefore, the Company, as from 1.01.2007, 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 the possibility of renewing the concession granted. Its worth mentioning that fixed asset items purchased on or before 1.01.2007 required adoption of the deemed cost with basis on their appraised fair value as of 1.01.2009, the date of transition to IFRS and the new Brazilian accounting pronouncements.

g) Allocation of financial charges

Financial charges linked to financings and concession payables are capitalized in property, plant and equipment assets in progress during the construction of the power plants. Financial charges capitalized in the consolidated property, plant and equipment in the third quarter of 2012 and 2011 was R$5,147 and R$23,596, respectively.

h) Impairment of assets

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

11.– INTANGIBLE ASSETS

	Parent company (BRGAAP)					
	9.30.2012			12.31.2011		
	Adjusted cost	Accumulated amortization	Total	Adjusted cost	Accumulated amortization	Total
Right to use	27,093	(17,217)	**9,876**	25,618	(14,794)	**10,824**
Goodwill merged from CEM[15]	44,578	(42,782)	**1,796**	44,578	(39,550)	**5,028**
	71,671	**(59,999)**	**11,672**	**70,196**	**(54,344)**	**15,852**

	Consolidated (BRGAAP and IFRS)					
	9.30.2012			12.31.2011		
	Adjusted cost	Accumulated amortization	Total	Adjusted cost	Accumulated amortization	Total
Right to use	34,153	(18,282)	**15,871**	29,988	(15,696)	**14,292**
Electrical energy purchase right	64,561	-	**64,561**	64,561	-	**64,561**
Rights of Trairí Project	12,668	-	**12,668**	12,668	-	**12,668**
Goodwill merged from CEM	44,578	(42,782)	**1,796**	44,578	(39,550)	**5,028**
	155,960	**(61,064)**	**94,896**	**151,795**	**(55,246)**	**96,549**

12.- SUPPLIERS

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	12.31.2011	9.30.2012	12.31.2011
Domestic suppliers				
Charges for the use of and connection to the power grid	102,789	93,500	110,625	98,979
Electricity purchased	52,162	98,408	96,567	87,970
Transactions within CCEE	50	371	50	689
Materials and services	24,965	24,424	34,464	32,494
Fossil fuels and biomass	8,554	1,037	8,554	873
Suppliers of property, plant and equipment	1,187	1,900	12,298	13,331
	189,707	**219,640**	**262,558**	**234,336**
Foreign suppliers				
Materials and services	271	-	271	-
	189,978	**219,640**	**262,829**	**234,336**

[15]Company Energética Meridional, a wholly-owned subsidiary incorporated by the Company in 2008.

13.– TAX LIABILITIES

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	**12.31.2011**	**9.30.2012**	**12.30.2011**
Federal				
Income tax and social contribution	345,723	357,804	369,402	383,212
PIS and COFINS	25,866	19,142	28,817	22,192
INSS	3,524	3,663	4,107	4,228
Other	1,094	1,389	1,173	1,437
	376,207	**381,998**	**403,499**	**411,069**
(-) Federal taxes to offset	(78,340)	(78,079)	(81,213)	(78,832)
	297,867	**303,919**	**322,286**	**332,237**
State				
ICMS payable	11,051	7,443	31,729	26,584
(-) ICMS recoverable	(4,219)	(7,350)	(4,272)	(7,666)
	6,832	**93**	**27,457**	**18,918**
Municipal				
ISS tax payable	502	471	899	854
	305,201	**304,483**	**350,642**	**352,009**

Current tax obligations are presented net of assets when said taxes correspond to the same tax entities and the Company's management intends to settle them at net value. In order to maintain the comparison between the balance sheets published, the amounts of taxes recoverable in 12.31.2011 presented above were reclassified from the "Taxes recoverable" account to the "Tax liabilities" caption.

The amount of R$68,701 (parent and consolidated) regarding federal tax credits, correspond to PIS and Cofins recognized due to a final court decision related to the application of Normative Instruction 468/2004. The Company is awaiting the entitlement of such credit with the Brazilian Federal Revenue Service to offset it. (See supplementary information in note 17 – Tax, labor, social security and civil provisions).

14.– LOANS AND FINANCING

a) Breakdown

	Parent company (BRGAAP)					
	9.30.2012			12.31.2011		
	Current	Non Current	Total	Current	Non Current	Total
Local currency						
Bank of America Merrill Lynch	143,333	286,667	430,000	-	430,000	430,000
BNDES	8,730	-	8,730	14,965	4,988	19,953
Charges	6,101	-	6,101	8,886	-	8,886
	158,164	**286,667**	**444,831**	**23,851**	**434,988**	**458,839**
Foreign currency						
STN[16]	8,848	99,202	108,050	12,374	97,605	109,979
BNP Paribas (Floating Rate Note)	-	104,530	104,530	-	97,088	97,088
Charges	11,469	-	11,469	5,139	-	5,139
	20,317	**203,732**	**224,049**	**17,513**	**194,693**	**212,206**
	178,481	**490,399**	**668,880**	**41,364**	**629,681**	**671,045**

	Consolidated (BRGAAP and IFRS)					
	9.30.2012			12.31.2011		
	Current	Non Current	Total	Current	Non Current	Total
Local currency						
Bank of America Merrill Lynch	143,333	286,667	430,000	-	430,000	430,000
BNDES	111,279	1,312,599	1,423,878	106,829	1,319,263	1,426,092
Banks (Transfer BNDES)	82,924	902,996	985,920	82,910	960,757	1,043,667
Banco do Brasil	3,966	16,194	20,160	3,966	19,169	23,135
BRDE	-	-	-	4,556	-	4,556
Charges	13,006	-	13,006	18,150	-	18,150
	354,508	**2,518,456**	**2,872,964**	**216,411**	**2,729,189**	**2,945,600**
Foreign currency						
STN	8,848	99,202	108,050	12,374	97,605	109,979
BNP Paribas (Floating Rate Note)	-	104,530	104,530	-	97,088	97,088
Charges	11,469	-	11,469	5,139	-	5,139
	20,317	**203,732**	**224,049**	**17,513**	**194,693**	**212,206**
	374,825	**2,722,188**	**3,097,013**	**233,924**	**2,923,882**	**3,157,806**

[16]National Treasury Department, net of deposited guarantees.

b) Changes in loans and financings

	Parent company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non Current	Total	Current	Non Current	Total
Balance at 12.31.2011	**41,364**	**629,681**	**671,045**	**233,924**	**2,923,882**	**3,157,806**
Additions	-	-	-	-	70,525	70,525
Transfers	152,462	(152,462)	-	296,433	(296,433)	-
Interests generated	38,319	-	38,319	175,788	39,216	215,004
Capitalized interests	-	-	-	-	(28,182)	(28,182)
Guarantee remuneration	-	(3,637)	(3,637)	-	(3,637)	(3,637)
Exchange variation	1,262	16,817	18,079	1,262	16,817	18,079
Amortization of principal	(19,693)	-	(19,693)	(157,488)	-	(157,488)
Interest payment	(35,233)	-	(35,233)	(175,094)	-	(175,094)
Balance at 9.30.2012	**178,481**	**490,399**	**668,880**	**374,825**	**2,722,188**	**3,097,013**

Release of BNDES funds

On 9.26.2012, the Company received the first tranche of R$53,083, net of transaction costs of R$ 712, of the BNDES financing to implement four wind farms that are in progress in the municipality of Trairi, Ceará State. The main conditions contracted are as follows: (i) total amount financed - R$ 358,000; (ii) interest - TJLP + 2.51% p.a.; e (iii) amortization period - 16 years.

In addition to this release, in the second quarter, the Company received R$17,442 from BNDES referring to the financing for Estreito HPP construction work.

c) Maturity of loans and financing under non current liabilities

	Parent company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
October to December 2013	-	4,298	4,298	42,007	4,298	46,305
2014	286,667	4,300	290,967	455,322	4,300	459,622
2015	-	104,531	104,531	169,825	104,531	274,356
2016	-	-	-	170,721	-	170,721
2017	-	-	-	171,050	-	171,050
2018 to 2022	-	-	-	824,361	-	824,361
2023 to 2027	-	-	-	525,526	-	525,526
2028 to 2029	-	90,603	90,603	159,644	90,603	250,247
	286,667	**203,732**	**490,399**	**2,518,456**	**203,732**	**2,722,188**

d) Contracted conditions

		Payment Conditions		
	Interest	Maturity	Principal and interest	Balance
Local currency				
Parent company				
Bank of America Merrill Lynch	98% of CDI	7.2014	Principal: 7.2013, 1.2014 and 7.2014 Interest rates: quarterly	436,073
BNDES	TJLP + 4% p.a.(a)	4.2013	Monthly	8,758
Subsidiaries				
BNDES	TJLP + (from 1.89% to 4.0% p.a.) (a)	9.2013 to 7.2029	Monthly (b)	1,371,516
Banks (Transfer BNDES) (c)	TJLP + (from 2.95% to 3.85% p.a.) (a)	9.2013	Monthly	988,693
BNDES - Subcredit B (d)	4.5% p.a.	1.2020	Monthly	30,908
BNDES - Social Credit (e)	Long Term Interest Rate (TJLP)	6.2018	Monthly	16,696
Banco do Brasil	8.08% p.a. (f)	10.2017	Monthly	20,320
Foreign currency				
Parent company				
STN	Libor + 1.075% p.a.	4.2024	Semi-annual	112,068
BNP Paribas	*Euribor*+ 2.75% p.a.	11.2015	Annual	111,981

(a) The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into the financing's principal.
(b) For Ceará State Wind projects financing, principal amortization and interest payment will start in August 2013.
(c) The Banks are the following: Itaú Unibanco, Bradesco, Santander and Votorantim.
(d) Loan for financing Ibitiúva power plant machinery and equipment.
(e) Loan for financing social and environmental projects of the Estreito project.
(f) Fixed rate includes a bonus of 15% for payments made up to the maturity date.

e) Covenants

The financial commitments established in the loan and financing agreements are being fulfilled by the Company, except as concerns certain indicators of the indirect subsidiary Hidropower, which are supported by a waiver of their fulfillment up to the total settlement of the loan.

15.- DEBENTURES

a) Breakdown

	Parent company and Consolidated (BRGAAP and IFRS)					
	9.30.2012			12.31.2011		
	Current	Non Current	Total	Current	Non Current	Total
2nd Issuance - single series	154,240	155,791	310,031	149,046	299,328	448,374
Cana Brava – single series	16,655	-	16,655	15,880	8,526	24,406
Interests	8,636	-	8,636	18,614	-	18,614
	179,531	**155,791**	**335,322**	**183,540**	**307,854**	**491,394**

b) Changes in debentures

	Parent company and Consolidated (BRGAAP and IFRS)		
	Current	Non Current	Total
Balance at 12.31.2011	**183,540**	**307,854**	**491,394**
Transfers	160,909	(160,909)	-
Interests generated	23,293	106	23,399
Monetary variations	5,129	8,740	13,869
Amortization of principal	(160,132)	-	(160,132)
Interest payment	(33,208)	-	(33,208)
Balance at 9.30.2012	**179,531**	**155,791**	**335,322**

Change in the 2nd issuance of debentures financial covenant of Tractebel Energia and payment of the first debentures installment

On 5.10.2012 the General Meeting of Debenture Holders (AGD) approved the increase of its financial covenant established in the its 2nd issue, from 2.5 times to 3.5 times on the "gross debt / EBITDA" ratio: This alteration resulted in the payment of a premium of R$ 1,076, equivalent to 0.22% of the nominal value of the debentures.

c) Conditions contracted

			Payment Conditions		
	Quantity	Remuneration	Interest/monetary change	Principal	Guarantee
2nd Issuance - single series	35,000	IPCA [17] + 7% p.a.	Annually on 5.15	3 installments on May 13, 14, 2012	Without guarantee
Cana Brava – single series	7,773	TJLP + 4% p.a.[18]	On a semiannual basis, on the first of April and October, until 4.01.2013.	On a semiannual basis, on the first of April and October, until 4.1.2013.	Receivables from energy sales

d) Covenants

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

16.- CONCESSIONS PAYABLE

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	12.31.2011	9.30.2012	12.31.2011
Cana Brava hydroelectric power plant	493,808	432,721	493,808	432,721
Ponte de Pedra hydroelectric power plant	447,188	395,652	447,188	395,652
São Salvador hydroelectric power plant	-	-	413,128	401,132
Estreito hydroelectric power plant	-	-	40,635	36,447
	940,996	**828,373**	**1,394,759**	**1,265,952**
Classifying in the balance sheet				
Current liabilities	3,209	2,643	48,448	45,688
Non Current liabilities	937,787	825,730	1,346,311	1,220,264
	940,996	**828,373**	**1,394,759**	**1,265,952**

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

In order to accurately reflect in shareholders' equity the granted onerous concession and the related obligation to the Federal Government, amounts corresponding to concessions were recorded in property, plant and equipment against liabilities. Additional information on the asset record is shown in Note 10 – Property, Plant and Equipment.

[17]National Amplified Consumer Price Index (IPCA)

[18]The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into 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 plant, São Salvador and Estreito was 10% p.a. and 8.3% p.a. to Ponte de Pedra.

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

Contract for Concession of Use of the Public Assets (UBP) of Estreito HPP

In response to the Company's request, Aneel approved in this year, the alteration of the monetary correction index of the contract from IGP-M to IPCA with the objective of equalizing the obligation with the monetary correction index of the electricity prices performed in the Regulated Contracting Environment (ACR).

Moreover, due to the increase in the plant's assured energy output from 584.9 average MW to 641.08 MW, the annual installment of UBP (rate for use of public assets) to be paid by the subsidiary Companhia Energética Estreito (CEE) rose from R$ 3,819 to R$ 4,186. The retroactive application of this change resulted in an additional payment of R$ 436 by UBP.

a) Changes in the concession payables balance

	Parent company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non Current	Total	Current	Non Current	Total
Balance at 12.31.2011	**2,643**	**825,730**	**828,373**	**45,688**	**1,220,264**	**1,265,952**
Supplement of the concession payable of Estreito HPP	-	-	-	-	3,515	3,515
Transfers	2,579	(2,579)	-	39,214	(39,214)	-
Interests generated	-	57,684	57,684	-	91,585	91,585
Capitalized interest	-	-	-	-	(1,222)	(1,222)
Monetary variations	-	56,952	56,952	-	71,383	71,383
Amortizations	(2,013)	-	(2,013)	(36,454)	-	(36,454)
Balance at 9.30.2012	**3,209**	**937,787**	**940,996**	**48,448**	**1,346,311**	**1,394,759**

b) Maturities of concessions payable presented in non current liabilities

	Parent company (BRGAAP)	Consolidated (BRGAAP and
October to December 2013	656	11,399
2014	2,480	42,983
2015	2,262	39,083
2016	2,063	35,529
2017	1,882	32,305
2018 to 2022	134,819	250,128
2023 to 2027	438,118	509,693
2028 to 2032	307,923	352,349
2033 to 2037	47,584	72,842
	937,787	**1,346,311**

17.– TAX, SOCIAL SECURITY, LABOR AND CIVIL PROVISIONS

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

a) Breakdown

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
Probable risks:	**9.30.2012**	**12.31.2011**	**9.30.2012**	**12.31.2011**
Tax risks				
INSS	16,039	15,451	16,039	15,451
Other	2,419	2,418	2,419	2,418
	18,458	**17,869**	**18,458**	**17,869**
Civil risks				
Charges for the use of the transmission svstem	60,926	49,603	60,926	49,603
Contracts with suppliers	25,807	23,815	32,223	29,619
Benefits retirement	10,563	9,787	10,563	9,787
Environmental	7,633	7,069	7,633	7,069
Occupational disease and labor accident	4,705	4,407	4,705	4,407
Expropriations	8,030	3,620	8,030	3,620
Sundry lawsuits	4,931	4,597	8,990	8,236
	122,595	**102,898**	**133,070**	**112,341**
Labor risks	**10,573**	**10,996**	**10,573**	**10,996**
Total	**151,626**	**131,763**	**162,101**	**141,206**
Classification in the balance sheet				
Current liabilities	19,300	7,640	20,275	8,615
Non Current liabilities	132,326	124,123	141,826	132,591
	151,626	**131,763**	**162,101**	**141,206**

More recent information about the provisions evaluated as probable:

a.1) Tax risks

Social Security Charges (INSS)

The notification arises from the supposed lack of payment of social security charges on compensation amounts paid to employees. The lawsuit is presently held by the Reporting Judge Minister for judging the appeal filed by the Federal Government.

a.2) Civil risks

Charge for the use of transmission system

The lawsuit objective is adjusting the Transmission System Use Tariff paid by the Ponte de Pedra Hydroelectric Power Plant up to the amount charged from another power plant with similar features. In the quarter there was no change in the lawsuit progress, only the restatement of provisioned amounts.

Contracts with suppliers

- Companhia de Interconexão Energética (Cien): refers to the ordinary action for indemnity filed by Cien to obtain the right to receive the difference related to the application of a foreign exchange adjustment foreseen in the energy sale agreement, and its termination due to a supposed breach of a contractual clause. In March 2011 it was decided that the lawsuit should return to regular courts, but the Company filed a special appeal against that decision, and its appeal was accepted for judgment, and the lawsuit is to be sent to the Superior Court of Justice for allocation to a court.

- **Electrical Energy supplier:** that lawsuit claims the collection of amounts calculated in the Energy Wholesale Market (currently Electrical Energy Trading Chamber) during the energy rationing period from September 2000 to December 2002. In the first quarter of 2012, the Preliminary Injunction brought by the subsidiary before the Superior Court of Justice (STJ) was judged and dismissed. In May 2012, the subsidiary Itasa was notified to deposit the amount of the debt, subsequently canceling the letter of guarantee issued previously. It should be taken into account that Itasa has another lawsuit claiming a payment of a similar nature, by the same plaintiff, and requested offset of the amounts against a debit, but that request was not granted.

- Expropriations: the growth of the accrued amount between December 2011 and September 2012 resulted substantially from the inflow of lawsuits filed by individuals and legal entities whose subject matter refers to expropriations of the areas affected by the reservoir of Ponte de Pedra Hydroelectric Power Plant.

b) Possible and remote risks

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

	Parent company (BRGAAP)					
	9.30.2012			12.31.2011		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	114,624	548,251	662,875	461,053	530,830	991,883
Civil	16,140	399	16,539	9,631	371	10,002
Labor	9,806	21,629	31,435	10,940	15,407	26,347
	140,570	**570,279**	**710,849**	**481,624**	**546,608**	**1,028,232**

	Consolidated (BRGAAP and IFRS)					
	9.30.2012			12.31.2011		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	162,852	548,251	711,103	499,551	530,830	1,030,381
Civil	42,001	399	42,400	12,237	1,351	13,588
Labor	16,165	22,822	38,987	10,940	15,407	26,347
	221,018	**571,472**	**792,490**	**522,728**	**547,588**	**1,070,316**

b.1) Possible tax risks

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

Voluntary confession

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

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

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

The amount of the notices restated on 9.30.2012 is R$ 54,996 (R$ 52,809 on 12.31.2011).

Value-added tax on sales and services for Communication and Transport (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 electrical energy sold to free consumers are issued in the month following the taxable event. The tax authority understands that this practice postpones for one month the collection of the tax due to the state.

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

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

Regarding the proceedings related to subsidiary TBLC, the Court of Taxes and Rates (CTR) reduced the amount and fine in one of the notices, and maintained the amounts in the other.

After this decision, TBLC filed a rectification request and permission for Special Appeal, which were rejected. Accordingly, the lawsuit will return to the origin for adjustments.

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

Despite the partial success of the Company's defenses, the Company's Management and 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 higher than the risk of losses.

The aforementioned assessment notices are being contested by the Company and its lawyers. The updated amount of the proceedings on 9.30.2012 is R$ 13,123 (R$ 13,628 on 12.31.2011), in the parent company, and R$51,230 (R$51,694 on December 31, 2011), consolidated.

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

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

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

Amounts related to the negative taxable basis of social contribution derive from the merger of a company held on 4.29.1998, which were used after the amendment to the tax legislation introduced by Provisional Measure (MP) 2.158-35, of 2001, prohibiting the use of negative taxable basis from mergers, combinations or spin-offs of companies.

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

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

The lawsuit is pending decision of the 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 updated amount of this notice on 9.30.2012 is R$ 29,456 (R$ 28,524 on 12.31.2011).

b.2) Remote tax risks

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

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

On 12.30.2010 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 1506/1976 of 12.23.1976, set forth important tax benefits to the Brazilian Electrical 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 12.12.1985, DNAEE (National Department of Water and Electrical Energy) issued Administrative Rule no. 250/1985, which changed the accounting criteria adopted until then and remuneration of construction in progress (interest of up to 10% p.a.), taking advantage of income tax exemption benefit as a result of Decree-law 1506/1976, recorded until then in the income statement, started to receive two different accounting classifications: a) the portion referring to construction work financed with own capital started to be recorded in shareholders' equity and, therefore, with no effects at the income statement in the period; and b) the portion referring to construction work financed by loans started to be recorded as a credit to deferred charges to be later amortized in income statement, concomitantly with contract amounts debited, also, in deferred charges. With that procedure, the amount of revenue that is tax exempt, arising from loan-based constructions, which was previously recorded in income statement upon tax calculation, started being recognized in income statement, with exclusion for determining taxable income, but only when: i) the asset under construction originating the income becomes operational or (ii) is written off.

This new accounting procedure took place until 12.31.1995, and was amended by Administrative Rule No. 526 of 11.22.1995, issued by the DNAEE, which, among other decisions, determined the transfer of balances existing in deferred charges regarding remuneration of property, plant and equipment in progress, to property, plant and equipment, and eliminated the calculation and recording of the remuneration of property, plant and equipment in progress corresponding to the portion of the constructions made with borrowed capital and keeping the remuneration only on the portion of the constructions made with own capital.

The exemption guaranteed by that Decree-Law was revoked by Law no. 9,718 of 11.27.1998, causing the Company to suspend its calculation and recording as of 1.01.1999.

Accordingly, amounts of remuneration of property, plant and equipment in progress that are being disallowed by tax authorities refer to previously deferred revenues, calculated under said decree-law, and, therefore, benefited by income tax exemption, which are being recognized in income during the operation of the power plants that originated them.

On 2.24.2012, the Company became aware of the court decision by the Federal Revenue Trial Office in Florianópolis, where the issue had its merits analyzed and the contestation was upheld. That decision can only be considered as definitive after confirmation by a higher administrative level, namely, the Administrative Council of Tax Appeals. In view of that decision, the Company started classifying the risk of an unfavorable outcome of the action as remote.

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 updated amount of this notice on 9.30.2012 is R$ 369,478 (R$ 350,919 on 12.31. 2011).

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

In July 2005, the Company filed for an Injuction against the requirements provided in Regulatory Instruction no. 468/2004 (IN 468/2004), that the revenues arising from the contracts signed until 10.31.2003 should be subject to non-cumulative taxation of PIS and Cofins as from the first price change, decharacterizing the "predetermined price" concept, provided for by the article 10 of Law 10833/2003.

IN 468/2004 was revoked on 7.04.2006 by IN 658/2006, in light of the advent of article 109 of Law 11196/2005, which established that the predetermined price would not be changed if the price readjustment occured is linked to the production cost or the variation of the index that would reflect the weighted variation of the costs of the inputs used. However, despite the change incorporated into IN 658/2006 resulting from the aforesaid law, the requirements challenged for the Company remained.

In October 2006 the Regional Federal Court (TRF) of the 4th Region, assured the Company of the right to collect PIS and Cofins contributions according to the cumulative taxation, as provided for by article 10, XI, b of Law no. 10,833/2003, and without the illegal and unconstitutional restrictions of IN 468/2004, and enabling the Company to suspend the judicial deposits started on June 2005. However, the decision of TRF did not include IN 658/2006, which made the Company to file a special appeal to the Superior Court of Justice (STJ).

The Federal Government, in turn, lodged a special appeal vis-a-vis the decision of the Regional Federal Court, which was not accepted, reason whereby, in April 2010, it was formally certified the final and unappealable court decision was handed down by TRF in relation to IN 468/2004.

Due to this reason, in July 2010, the request for issuance of a court order to release the judicial deposits made in the period from June 2005 to June 2006, remaining pending the release of undue amounts collected prior to June 2005 and the deposits made in the period from July 2006 - month of publication of IN 658/2006 - to October 2006 - month of the decision of TRF. The restrictions on the repetition of undue payments and on the redemption of the judicial deposits were imposed by the Federal Revenue Service of Brazil under the argument that the Injunction in question had not become final.

Considering that the Special Appeal lodged by the Company was not known by STJ, due to absence of appellate interest, since TRF fully accepted the Company's request to continue in the cumulative tax system, such a proceeding became final in the month of June 2012, with no further claims involving the aforesaid Normative Instructions (468/2004 and 658/2006).

Since there are no further claims concerning the aforementioned INs, after this decision, in June the Company performed the write-off of R$ 373,457, related to the amount that was considered a lawsuit with remote loss risk.

Regarding the deposits made from July to October 2006, on 7.12.2012 was published the granting of the Company's request for waiver authorizing the issuance of a court order for release of such deposits since STJ has concluded that the concession of the order by TRF of the 4th Region, also encompasses the period ruled by IN 658/2006.

However, on 8.10.2012, Federal Government requested the suspension of the license issuance order to withdraw said judicial deposits and allow the review of contracts linked to the court decision. Intimated to make a pronouncement the Company requested the order to be rejected by the Federal Government. The current amount updated on 9.30.2012 is R$ 44,804 (R$ 41,496 on 12.31.2011).

The Company also filed on 9.11.2012, the request of redemption of credits recognized in the final and unappealable court decision related to the undue payment of the amounts deposited prior to June 2005, which updated amount on 9.30.2012 is R$ 68,701 (R$ 66,009 on 12.31.2011).

Recovery of PIS and COFINS

In 1998, Law 9718/98 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 Company's management and 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 income. Such amendment is strongly based on Technical Notes issued by said Agency.

In view of the aforementioned 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 9.30.2012 is R$ 171,242 (R$ 163,273 on 12.31.2011).

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, sponsored by the Company, as its Founder, and by other International Power GDF-SUEZ Group companies in Brazil. The benefit plans managed by PREVIG are: Defined Contribution (CD) and Defined Benefit (BD), the latter closed for new adhesions.

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

a) Defined benefit plan (BD)

The breakdown of the Company's post-employment benefits is presented in the table below:

	Parent company and Consolidated (BRGAAP and IFRS)					
	9.30.2012			12.31.2011		
	Current	Non Current	Total	Current	Non Current	Total
Obligations contracted						
Contract for the acknowledgment of past debts	20,168	101,286	121,454	18,646	111,870	130,516
Deficit not contracted						
Current contributions and coverage of costs	1,382	838	2,220	3,575	1,642	5,217
Deficit not contracted and GC	14,495	12,762	27,257	13,824	21,823	35,647
Actuarial Evaluation	**36,045**	**114,886**	**150,931**	**36,045**	**135,335**	**171,380**
Deferred actuarial gains	-	159,668	159,668	-	165,629	165,629
Recorded actuarial liability	**36,045**	**274,554**	**310,599**	**36,045**	**300,964**	**337,009**

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

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

	ELOS	PREVIG	Total
October to December 2013	4,527	598	5,125
2014	18,937	1,970	20,907
2015	3,563	1,778	5,341
2016	3,768	1,885	5,653
2017	3,985	1,998	5,983
2018 to 2023	29,270	11,859	41,129
2024 to 2027	13,189	164	13,353
2028 to 2029	3,795	-	3,795
	81,034	**20,252**	**101,286**

The movement of post-employment benefits per plan is summarized as follows:

	BD Plan	BSPS Plan	GC	Total
Liabilities recorded on 12.31.2011	**312,898**	**22,617**	**1,494**	**337,009**
Effects in the income - from January to September 2012:				
Cost of current service	(634)	-	909	275
Cost of interest	95,512	2,544	141	98,197
Earnings expected from assets	(87,492)	(2,970)	-	(90,462)
Amortization of actuarial gains	(3,384)	(2,610)	33	(5,961)
Net gain	**4,002**	**(3,036)**	**1,083**	**2,049**
Contributions	(8,781)	-	(67)	(8,848)
Payment of obligations contracted	(19,352)	(259)	-	(19,611)
Liabilities recorded on 9.30.2012	**288,767**	**19,322**	**2,510**	**310,599**

Breakdown of net expenses to be recognized in the income statement from October to December 2012, related to the defined benefit plan and to the confidentiality bonus is as follows:

	BD Plan	BSPS Plan	GC	Total
Cost of current service	(12)	-	(15)	(27)
Cost of interest	(31,836)	(846)	(48)	(32,730)
Expected return of the plan assets	29,163	990	-	30,153
Amortization of actuarial gains	1,128	870	(12)	1,986
Net expense	**(1,557)**	**1,014**	**(75)**	**(618)**

Due to the current Brazilian economic scenario of declining interest rates, Company management understands that the reduction in the discount rate and the assessment of the market value of the assets, which could be considered for the calculation of restatement of the present value of its actuarial liabilities, net, would not result in significant impacts on the "Post-employment benefits" amounts or in the Company's income statement for 2012.

b) Defined contribution plan (CD)

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

Administrative expenses that are the Company's responsibility in the third quarter of 2012 amounted to R$ 1.740 (R$ 1.648 in the third quarter of 2011).

19. – DEFERRED TAXES

Net balances comprising deferred income and social contribution tax liabilities are presented below:

	Parent company (BRGAAP)				
	9.30.2012				12.31.2011
Description of credits	Calculation basis	IR	CS	Total	Total
Liabilities:					
Fair value of the fixed asset	954,288	238,572	85,886	324,458	350,826
Gain in swap transaction	129,383	32,346	11,644	43,990	-
Provision for Sale of energy	107,456	26,864	9,671	36,535	36,535
Fair value of concession payable	48,510	12,128	4,366	16,494	17,056
Subtotal		**309,910**	**111,567**	**421,477**	**404,417**
Assets:					
RIC[19]	141,903	(35,476)	-	(35,476)	(38,205)
Post-employment benefits	189,012	(47,253)	(17,011)	(64,264)	(69,591)
Allowance for doubtful accounts	128,617	(32,154)	(11,575)	(43,729)	(43,729)
Provision for tax, civil and labor risks	149,310	(37,328)	(13,438)	(50,766)	(44,012)
Fair value adjustment with business combination.	83,938	(20,985)	(7,554)	(28,539)	(26,511)
Adjustment to present value of accounts receivable	14,587	(3,647)	(1,313)	(4,960)	(4,718)
Incentivized accelerated depreciation	9,321	(2,330)	(839)	(3,169)	(4,021)
Other	18,955	(4,739)	(1,707)	(6,446)	(8,148)
Subtotal		**(183,912)**	**(53,437)**	**(237,349)**	**(238,935)**
Net total		**125,998**	**58,130**	**184,128**	**165,482**

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

Description of credits	Consolidated (BRGAAP and IFRS)				
	9.30.2012				12.31.2011
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Fair value of the fixed asset	954,288	238,572	85,886	324,458	350,826
Gain in swap transaction	129,383	32,346	11,644	43,990	-
Sale of energy	107,456	26,864	9,671	36,535	36,535
Fair value for concession payable	48,510	12,128	4,366	16,494	17,056
Incentivized accelerated depreciation	94,998	23,749	8,550	32,299	2,729
Subtotal		**333,659**	**120,117**	**453,776**	**407,146**
Assets:					
RIC	141,903	(35,476)	-	(35,476)	(38,205)
Post-employment benefits	189,012	(47,253)	(17,011)	(64,264)	(69,591)
Allowance for doubtful accounts	128,754	(32,188)	(11,587)	(43,775)	(43,729)
Provision for tax, civil and labor risks	149,310	(37,328)	(13,438)	(50,766)	(44,013)
Fair value adjustment with business combination.	83,938	(20,985)	(7,554)	(28,539)	(26,511)
Tax loss and negative social contribution basis	56,781	(14,195)	(5,111)	(19,306)	-
Adjustment to present value of accounts receivable	15,038	(3,760)	(1,354)	(5,114)	(4,718)
Accelerated depreciation	9,321	(2,330)	(839)	(3,169)	(4,021)
Other	23,015	(5,754)	(2,072)	(7,826)	(9,819)
Subtotal		**(199,269)**	**(58,966)**	**(258,235)**	**(240,607)**
Net total		**134,390**	**61,151**	**195,541**	**166,539**

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

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	Assets	Liabilities	Assets	Liabilities
From October to December 2012	6,290	8,368	8,273	8,368
From January to September 2013	15,670	22,033	20,158	22,033
From October to December 2013	5,837	21,601	7,466	21,601
2014	18,798	52,070	27,539	52,070
2015	77,613	21,038	81,566	21,038
2016	24,936	20,013	24,975	20,013
from 2017 to 2018	24,194	74,991	24,247	74,991
from 2019 to 2020	21,210	44,953	21,210	45,949
2021 onwards	42,801	156,410	42,801	187,713
	237,349	**421,477**	**258,235**	**453,776**

Presentation of deferred taxes

The Company presents the deferred tax liabilities net of assets, when the aforementioned taxes correspond to the same tax entities and there is the enforceable right and the intention of Company management to settle these at their net value. In order to maintain the comparison between the balance sheets submitted, the amounts of deferred income tax and social contribution assets presented as of 12.31.2011, were reclassified from the "Deferred tax assets" account to the "Deferred tax liabilities" caption.

20.- SHAREHOLDERS' EQUITY

a) Subscribed and paid-in capital

As of 9.30.2012 and 12.31.2011, the Company's fully subscribed and paid-in capital is R$2,445,766, represented by 652,742,192 registered common shares without par value. The book value of the share in Reais, on 9.30.2012, is R$ R$ 8.12 (R$ 8.35 for each share on 12.31.2011).

The breakdown of the Company's shareholding structure on 9.30.2012 and 12.31.2011 is as follows:

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

As of 9.30.2012, the Company had 204,229,559 outstanding shares. On the same date, the Company's management had 284,890 shares.

b) Payment of dividends

b.1) Payment of additional dividends credited in the fiscal year 2011

The payments of the 1st and 2nd installment of the additional dividends proposed on the net income for the year 2011, approved at the Ordinary Shareholders´General Meeting, were made as of 5.15.2012 and 6.29.2012, respectively. The total value of those dividends was R$ 517,342, corresponding to R$ 0.792566942 per share.

b.2) Interim dividends related to the first semester of 2012

The Board of Directors, in a meeting held on 7.26.2012, approved the distribution on interim dividends, based on the financial statements prepared on 6.30.2012, in the amount of R$ 693,759, corresponding to R$ 1.0628376925 per share. Said dividends started to be paid on 9.27.2012.

21.– RECONCILIATION OF NET SALES

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

	Parent company (BRGAAP)			
	3rd Quarter		Accumulated in 9 months	
	2012	2011	2012	2011
GROSS OPERATING INCOME				
Supply of electrical energy	856,320	825,618	2,540,857	2,483,556
Supply of electrical energy	52,299	65,279	150,884	203,086
Transactions within CCEE	125,469	23,881	156,114	40,604
Export of electrical energy	8,023	95,652	8,023	153,022
Other revenues	12,414	10,754	30,803	27,468
	1,054,525	**1,021,184**	**2,886,681**	**2,907,736**
DEDUCTIONS FROM OPERATING INCOME				
PIS and COFINS	(84,572)	(73,316)	(236,729)	(220,298)
ICMS	(6,671)	(6,695)	(17,515)	(28,728)
ISS	(321)	(274)	(1,035)	(936)
Research and development	(8,773)	(8,532)	(23,579)	(24,274)
	(100,337)	**(88,817)**	**(278,858)**	**(274,236)**
NET SALES	**954,188**	**932,367**	**2,607,823**	**2,633,500**

	Consolidated (BRGAAP and IFRS)			
	3rd Quarter		Accumulated in 9 months	
	2012	2011	2012	2011
GROSS OPERATING INCOME				
Supply of electrical energy	893,157	796,637	2,564,955	2,321,852
Supply of electrical energy	410,825	358,080	1,182,654	1,080,576
Transactions within CCEE	130,444	24,374	306,465	43,837
Export of electrical energy	8,023	95,652	8,023	153,022
Other revenues	8,479	7,955	19,308	17,600
	1,450,928	**1,282,698**	**4,081,405**	**3,616,887**
DEDUCTIONS FROM OPERATING INCOME				
PIS and COFINS	(122,102)	(99,775)	(344,063)	(285,206)
ICMS	(20,904)	(22,114)	(62,704)	(72,902)
ISS	(321)	(274)	(1,035)	(936)
Research and development	(10,351)	(9,844)	(28,514)	(27,180)
	(153,678)	**(132,007)**	**(436,316)**	**(386,224)**
NET SALES	**1,297,250**	**1,150,691**	**3,645,089**	**3,230,663**

Reclassification between gross operating income captions – consolidated

Following the request of certain free consumers, during 2011 and 2012, the Company transferred some contracts previously signed with them to trading companies of the same economic group. In addition, the Company entered into new agreements with other energy trading companies that also pass on the electrical energy acquired exclusively for the industrial facilities of the same group.

However, in order to improve comparison between information, the Company started, beginning as of this quarter, to present sales to trading companies that use acquired electrical energy solely in its producing units as sales to free consumers "Provision of electrical energy",

and not as to trading companies “Supply of electrical energy”.

Balances of R$21,758 and R$69,145 were reclassified from caption “supply of electrical energy” to caption “provision of electrical energy” in the third quarter of 2011 and in the accumulated nine-months of 2011, respectively.

22.- DETAIL OF OPERATING EXPENSES BY NATURE

Costs of electrical energy production and services provided

	Parent company (BRGAAP)							
	3rd Quarter				Accumulated in 9 months			
	2012		2011		2012		2011	
	Energy sold	Services rendered	Energy sold	Services rendered	Energy sold	Services rendered	Energy sold	Services rendered
Personnel	35,447	4,270	32,752	3,588	104,114	13,185	94,216	10,557
Material	5,223	290	7,595	54	17,523	697	16,823	424
Third party services	20,832	1,358	20,976	925	63,634	3,785	61,472	3,725
Fuel for generation	8,284	-	63,138	-	22,756	-	98,065	-
Royalties[20]	33,483	-	37,754	-	65,740	-	98,444	-
Depreciation and amortization	89,979	-	90,506	-	270,981	-	268,388	-
Inspection fee	2,792	-	2,573	-	8,375	-	7,721	-
Rentals	1,658	206	1,702	146	5,247	683	5,196	515
Other	7,461	4	6,335	241	15,516	271	10,204	530
	205,159	**6,128**	**263,331**	**4,954**	**573,886**	**18,621**	**660,529**	**15,751**

	Consolidated (BRGAAP and IFRS)							
	3rd Quarter				Accumulated in 9 months			
	2012		2011		2012		2011	
	Energy sold	Services rendered	Energy sold	Services rendered	Energy sold	Services rendered	Energy sold	Services rendered
Personnel	36,256	4,270	33,317	3,588	106,571	13,185	95,789	10,557
Material	5,970	290	8,505	54	19,692	697	19,152	424
Third party services	28,310	1,358	27,568	925	88,124	3,785	78,525	3,725
Fuel for generation	11,067	-	65,081	-	31,436	-	104,828	-
Royalties	39,118	-	43,831	-	81,233	-	114,526	-
Depreciation and amortization	136,379	-	125,269	-	404,057	-	357,836	-
Inspection fee	3,382	-	2,986	-	10,144	-	8,960	-
Rentals	2,270	206	2,309	146	6,943	683	6,742	515
Other	8,579	4	7,178	241	26,546	271	12,155	530
	271,331	**6,128**	**316,044**	**4,954**	**774,746**	**18,621**	**798,513**	**15,751**

[20]Compensation for the use of water resources (Royalties)

Administrative and general expenses

	Parent company (BRGAAP)			
	3rd Quarter		Accumulated in 9 months	
	2012	2011	2012	2011
Personnel	13,262	11,857	38,220	33,730
Management	4,972	4,394	12,932	11,437
Materials	708	806	1,549	1,963
Third party services	8,852	9,659	27,510	26,864
Depreciation and amortization	2,765	2,453	8,262	6,634
PREVIG Contribution	2,821	765	6,909	5,517
Contributions and donations	93	2,860	2,852	7,542
Sectorial contributions	1,088	1,036	3,050	3,215
Rentals	774	1,137	2,271	3,928
Insurance	90	109	291	329
Others	4,199	3,642	11,708	14,012
	39,624	**38,718**	**115,554**	**115,171**

	Consolidated (BRGAAP and IFRS)			
	3rd Quarter		Accumulated in 9 months	
	2012	2011	2012	2011
Personnel	13,768	12,157	39,860	34,953
Management	5,190	4,581	13,526	12,033
Materials	711	808	1,556	2,002
Third party services	9,298	10,133	29,423	29,064
Depreciation and amortization	2,772	3,716	8,283	10,460
PREVIG Contribution	2,821	765	6,909	5,517
Contributions and donations	286	2,860	3,045	7,544
Sectorial contributions	1,245	1,143	3,435	3,513
Rentals	873	1,300	2,666	4,456
Insurance	90	109	320	329
Other	4,243	3,711	11,856	14,318
	41,297	**41,283**	**120,879**	**124,189**

23.– REVERSAL (CONSTITUTION) OF OPERATING PROVISIONS

	Parent company (BRGAAP)			
	3rd Quarter		Accumulated in 9 months	
	2012	2011	2012	2011
Post-employment benefits	4,402	20,845	12,853	67,477
Tax, civil and labor risks	(2,011)	(2,311)	(10,133)	(3,726)
Doubtful accounts	-	-	-	(6,043)
Others	(12)	-	(12)	-
	2,379	**18,534**	**2,708**	**57,708**

	Consolidated (BRGAAP and IFRS)			
	3rd Quarter		Accumulated in 9 months	
	2012	2011	2012	2011
Post-employment benefits	4,402	20,845	12,853	67,477
Tax, civil and labor risks	(2,403)	(2,335)	(11,107)	(4,044)
Doubtful accounts	-	-	(272)	(6,180)
Others	(72)	(79)	(240)	(79)
	1,927	**18,431**	**1,234**	**57,174**

The reversal in the "Post-employment benefits" caption in 2011 mainly corresponds to the recognition of the amortization of the deferred actuarial gains that were higher than the 10% limit allowed ("corridor"), as established in the accounting standards.

24.– FINANCIAL RESULT

	Parent company (BRGAAP)			
	3rd Quarter		Accumulated in 9 months	
	2012	2011	2012	2011
Financial income				
Income from marketable securities	8,118	18,665	27,032	50,385
Interest on accounts receivable	2,554	1,418	8,700	7,472
Monetary variation on judicial deposits	1,870	2,759	6,319	7,483
Others	1,831	126	2,857	5,871
	14,373	**22,968**	**44,908**	**71,211**
Financial expenses				
Interest on debts	16,332	27,736	58,081	98,720
Interest on concessions payable	20,354	17,059	57,684	48,746
Interest on net actuarial liabilities	2,579	4,541	7,735	13,624
Monetary variation on debts	2,742	2,124	13,869	26,157
Monetary variation on concessions payable	33,902	4,030	56,952	30,960
Exchange variation on debts	3,007	23,525	18,079	17,538
Other financial expenses	10,303	6,168	26,431	14,899
	89,219	**85,183**	**238,831**	**250,644**
Financial expenses, net	**74,846**	**62,215**	**193,923**	**179,433**

	Consolidated (BRGAAP and IFRS)			
	3rd Quarter		Accumulated in 9 months	
	2012	2011	2012	2011
Financial income				
Income from marketable securities	14,849	25,488	48,848	69,873
Interest on accounts receivable	3,135	1,262	10,877	7,982
Monetary variation on judicial deposits	2,076	2,759	6,533	7,483
Others	1,831	326	3,004	6,743
	21,891	**29,835**	**69,262**	**92,081**
Financial expenses				
Interest on debts	58,708	59,582	178,402	180,075
Interest on concessions payable	31,104	26,343	89,141	77,083
Interest on net actuarial liabilities	2,579	4,541	7,735	13,624
Monetary variation on debts	2,742	2,245	13,869	27,108
Monetary variation on concessions payable	38,991	8,149	71,383	48,671
Exchange variation on debts	3,007	23,525	18,079	17,538
Other financial expenses	11,652	6,851	30,405	17,171
	148,783	**131,236**	**409,014**	**381,270**
Financial expenses, net	**126,892**	**101,401**	**339,752**	**289,189**

25.– TAX RECONCILIATION, IN THE INCOME STATEMENT

	Parent company (BRGAAP)							
	3rd Quarter				Accumulated in 9 months			
	2012		2011		2012		2011	
	IR	CS	IR	CS	IR	CS	IR	CS
Income before taxes	**555,795**	**555,795**	**467,926**	**467,926**	**1,498,739**	**1,498,739**	**1,420,276**	**1,420,276**
Equity in net income of subsidiaries	(62,747)	(62,747)	(55,714)	(55,714)	(194,689)	(194,689)	(121,417)	(121,417)
Permanent differences	3,887	2,309	1,463	(1,082)	8,085	4,971	(2,192)	(4,696)
Tax basis	**496,935**	**495,357**	**413,675**	**411,130**	**1,312,135**	**1,309,021**	**1,296,667**	**1,294,163**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income and social contribution taxes	**(124,234)**	**(44,582)**	**(103,419)**	**(37,002)**	**(328,034)**	**(117,812)**	**(324,167)**	**(116,475)**
Tax incentives	5,190	-	4,977	-	14,101	-	11,096	-
Other	6	1	(16)	(187)	(1,226)	13	7,150	127
Total income (loss)	**(119,038)**	**(44,581)**	**(98,458)**	**(37,189)**	**(315,159)**	**(117,799)**	**(305,921)**	**(116,348)**
Breakdown of taxes in the income statement								
Current	(134,982)	(50,649)	(99,057)	(37,799)	(300,726)	(113,586)	(310,377)	(116,745)
Deferred	15,944	6,068	599	610	(14,433)	(4,213)	4,456	397
	(119,038)	**(44,581)**	**(98,458)**	**(37,189)**	**(315,159)**	**(117,799)**	**(305,921)**	**(116,348)**

	Consolidated (BRGAAP and IFRS)							
	3rd Quarter				Accumulated in 9 months			
	2012		2011		2012		2011	
	IR	CS	IR	CS	IR	CS	IR	CS
Income (loss) before taxes	**586,000**	**586,000**	**494,892**	**494,892**	**1,594,191**	**1,594,191**	**1,485,807**	**1,485,807**
Decrease in subsidiaries basis taxed at estimated profit taxation	(6,349)	(5,491)	(3,479)	(2,530)	(17,630)	(14,712)	(8,512)	(5,566)
Permanent differences	5,469	4,414	1,479	(1,108)	14,655	11,885	4,526	1,977
Tax basis	**585,120**	**584,923**	**492,892**	**491,254**	**1,591,216**	**1,591,364**	**1,481,821**	**1,482,218**
Tax rates	25%	9%	25%	9%	25%	9%	25%	9%
Income and social contribution taxes	**(146,280)**	**(52,643)**	**(123,223)**	**(44,213)**	**(397,804)**	**(143,223)**	**(370,455)**	**(133,400)**
Tax incentives	5,190	-	4,977	-	14,101	-	11,096	-
Other	54	1	33	(187)	(1,082)	13	5,907	(948)
Total income (loss)	**(141,036)**	**(52,642)**	**(118,213)**	**(44,400)**	**(384,785)**	**(143,210)**	**(353,452)**	**(134,348)**
Breakdown of taxes in the income statement:								
Current	(153,373)	(57,411)	(116,737)	(44,264)	(359,448)	(135,071)	(356,556)	(133,683)
Deferred	12,337	4,769	(1,476)	(136)	(25,337)	(8,139)	3,104	(665)
	(141,036)	**(52,642)**	**(118,213)**	**(44,400)**	**(384,785)**	**(143,210)**	**(353,452)**	**(134,348)**

Tax incentive corresponds to the 75% reduction of income tax calculated on income from Ponte de Pedra Hydroelectric Power Plant operation. Such benefit was granted because the Plant is installed in the Amazon Development Superintendence area and it is valid for 10 years, counted as from 2006.

26.– FINANCIAL INSTRUMENTS

a) Financial instruments by category

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	12.31.2011	9.30.2012	12.31.2011
Financial assets				
Measured at fair value through profit or loss				
Marketable securities	116,231	566,159	419,096	776,534
Held to maturity				
Pledges and restricted deposits	9,717	32,159	112,533	129,490
Receivables and loans				
Cash and cash bank deposits	847	960	4,240	5,274
Trade accounts receivable	494,046	410,903	674,976	542,149
Sale of assets	86,886	86,886	86,886	86,886
Judicial deposits	110,298	104,059	120,290	105,832
Receivables from subsidiaries	7,388	14,927	-	-
	825,413	**1,216,053**	**1,418,021**	**1,646,165**
Financial liabilities				
Financial liabilities measured at amortized cost				
Suppliers	189,978	219,640	262,829	234,336
Loans and financing	668,880	671,045	3,097,013	3,157,806
Debentures	335,322	491,394	335,322	491,394
Concessions payable	940,996	828,373	1,394,759	1,265,952
	2,135,176	**2,210,452**	**5,089,923**	**5,149,488**

b) Fair value of financial instruments

Fair values of financial instruments were determined based on future cash flows discounted to present value at market interest rates considered as adequate for operations with characteristics similar to those existing in the Company.

Differences between amounts presented in the balance sheet and its fair values were identified only in loans and financing, debentures and concession payable. These differences occurred mainly because these instruments present long-term settlements and different costs in relation to interest rates currently used for similar contracts.

Book and fair values of said financial instruments are the following:

	Parent company (BRGAAP)			
	9.30.2012		12.31.2011	
	Book	Market	Book	Market
Loans and financing				
- In local currency	444,831	444,027	458,839	457,188
- In foreign currency	224,049	246,359	212,206	239,702
Debentures	335,322	348,078	491,394	493,908
Concessions payable	940,996	1,716,199	828,373	1,227,435
	1,945,198	**2,754,663**	**1,990,812**	**2,418,233**

	Consolidated (BRGAAP and IFRS)			
	9.30.2012		12.31.2011	
	Book	Market	Book	Market
Loans and financing				
- In local currency	2,872,964	2,875,801	2,945,600	2,947,085
- In foreign currency	224,049	246,359	212,206	239,702
Debentures	335,322	348,078	491,394	493,908
Concessions payable	1,394,759	2,416,558	1,265,952	1,811,391
	4,827,094	**5,886,796**	**4,915,152**	**5,492,086**

Fair value measurement

The accounting practices define fair value as the amount whereby an asset could be exchanged, or a liability settled, between parties with knowledge of the business and interest in taking part, in a transaction in which there are no favored parties. For the calculation of the fair value of its financial instruments, the Company used assets or interest rate quotations to calculate the present value in the active market, which, according to accounting practices, is defined as Level I evaluation.

c) Risk Management

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

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

c.1) Market risk

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

The swap operation contracted by the Company to obtain full protection against the foreign exchange and cash flow risks of a loan taken out in US dollars with Bank of America Merrill Lynch, in the year 2011, was considered and is being presented as a single synthetic financial instrument.

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

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

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

The probable basic scenario as of 9.30.2013 (12-month period) was defined using assumptions available in the market (source: Brazilian Central Bank Focus), and sensitivity calculation considered the variation between the current rates and indices and the forecasted scenario for 9.30.2013. The sensitivity analysis also considered variations of 25% and 50% on interest rates, floating rates and foreign exchange variations considered in the forecasted scenario.

Impacts on the Company's financial result, estimated for the following 12 months and arising from these variations are as follows.

Interest variation and floating ratios risks:	Balance at 9.30.2012	Probable scenario Credit (Debit)	Scenario Δ 25%	Scenario Δ 50%
Loans and financing				
- TJLP	2,385,663	-	27,043	58,820
- CDI	436,073	(895)	7,675	15,208
- US dollar	112,068	4,448	22,457	49,362
- Euro	111,981	4,445	22,439	49,324
		7,998	**79,614**	**172,714**
Debentures				
- IPCA	317,870	**(612)**	**2,196**	**4,392**
Concessions payable				
- IPCA	453,616	(1,032)	5,917	11,834
- IGP-M	941,143	27,293	12,912	25,824
		26,261	**18,829**	**37,658**

Ratios	Annual variation Base 9.30.2012	Probable scenario	Scenario Δ 25%	Scenario Δ 50%
- TJLP	5.50%	5.50%	1.38 p.p.	2.75 p.p.
- CDI	7.36%	7.58%	1.90 p.p.	3.79 p.p.
- IPCA	5.14%	5.52%	1.40 p.p.	2.76 p.p.
- IGP-M	8.07%	5.28%	1.32 p.p.	2.64 p.p.

Currencies	Quotation on 9.30.2012	Probable scenario	Scenario Δ 25%	Scenario Δ 50%
- US dollar	2.03	1.95	2.44	2.93
- Euro	2.61	2.51	3.13	3.76

Sensitivity analysis related to the issuance of debentures indexed at TJLP was not presented in current quarter due to their early settlement on 10.04.2012, as detailed in Note 31 – Subsequent events.

Libor 6 months and Euribor floating rates on 9.30.2012 were 0.64% p.a. and 0.65% p.a., respectively, and loan balances related to these interest rates were R$71,124 (R$38,175 net of guarantees) and R$111,982, respectively, on the same date. Possible variations in these rates would not result in significant impacts on the Company's financial result; accordingly, its effects were not presented in the sensitivity analysis above.

c.2) Capital management risk

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

c.3) Credit risk

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

In order to minimize credit risk in the agreements to sell electrical energy to free consumers, sellers and generating companies, as well as in former bilateral agreements with the distribution companies, the Company requires bank guarantee and secured CDB. For counterparties that wish to present another type of guarantee, the Company, through its credit area, analyzes and establishes, in accordance with its Credit Analysis Policy, guarantees that should be required from these counterparties. In addition, the Company annually reviews credit analyses on all its customers and periodically evaluates its exposure to several economy factors, trying to diversify its portfolio and decrease this exposure to the specific sector risk.

In financial market investment transactions, the Company prioritizes investments in government bonds, and it also has a policy for determining credit limits to financial institutions, which is periodically reviewed by the Financial Committee based on internal criteria and on ratings disclosed by risk rating agencies.

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.4) Liquidity risk

The management of the Company's liquidity risk is under the responsibility of the Financial Committee, which administers fund raising requirements and short-, medium- and long-term liquidity management by permanently monitoring forecasted and actual cash flows. The Company, in order to ensure the capacity to pay its obligations, uses a minimum cash policy that is annually reviewed based on cash projections and monthly monitored in the Committee meetings. The management of marketable securities focuses on short-term investments, especially with daily maturities, in order to provide maximum liquidity and to cover disbursements.

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

27.–TRANSACTIONS WITH RELATED PARTIES

a) Amounts recognized in balance sheet and income statement accounts:

a.1) Balance Sheet

	Assets				Liabilities			
9.30.2012	Accounts receivable	Dividends	Intercompany Loans	Total	Suppliers	Dividends and interest on equity	Other	Total
Itasa	2,310	-	-	2,310	3,998	-	187	4,185
CEE	18,960	10,546	-	29,506	-	-	-	-
Lages	1,877	-	-	1,877	-	-	-	-
TBLC	97,943	-	-	97,943	-	-	-	-
CESS	603	-	-	603	-	-	-	-
Ceste	1,316	-	-	1,316	-	-	-	-
Ibitiúva	19	-	7,388	7,407	-	-	-	-
Others	376	-	-	376	101	-	188	289
TOTAL	**123,404**	**10,546**	**7,388**	**141,338**	**4,099**	**-**	**375**	**4,474**
12.31.2011	**116,341**	**7,946**	**6,981**	**131,268**	**49,524**	**148,344**	**132**	**198,000**

a.2) Income Statement

	Income Statement							
	Operating income				Revenue	Cost		
		Services Revenues						
3rd quarter of 2012	Energy supply	Operation and maintenance	Management	Total	Financial	Energy and fuel purchases	Outsourced services	Equity in subsidiaries
Itasa	-	3,513	-	3,513	-	28,049	-	5,907
CEE	-	-	-	-	-	-	-	14,827
Lages	3,495	502	52	4,049	-	-	-	1,212
TBLC	268,917	-	106	269,023	-	-	-	31,337
CESS	1,808	181	58	2,047	-	-	-	4,207
Ceste	-	3,947	-	3,947	-	-	-	-
TBLP	-	-	-	-	-	-	-	5,257
Others	-	-	260	260	89	-	326	-
TOTAL	**274,220**	**8,143**	**476**	**282,839**	**89**	**28,049**	**326**	**62,747**
3rd quarter of 2011	**248,832**	**7,905**	**474**	**257,211**	**540**	**85,084**	**1,122**	**55,714**

The transactions with related parties carried out by the Company include basically: (i) energy purchase and sale agreements; (ii) operation and maintenance services of power plants; (iii) rendering of administrative services; and (iv) guarantees granted to third parties. In consolidated balance, said transactions are eliminated to the extent of the Company's shareholding interest in the capital of each subsidiary.

b) Future commitments

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

b.1) Purchase and sale of electrical energy

Subsidiary	Average MW	Maturity	Annual adjustment index	Future commitment (Base 9.30.2012)
Purchase:				
Itasa	167	10.16.2030	IGP-M	1,322,279
Itasa	61	10.16.2030	Dollar variation + USA Inflation	479,187
Sale:				
TBLC	150	12.31.2015	IPCA	348,801
TBLC	190	12.31.2016	IPCA	577,830
TBLC	895	12.31.2012	IGP-M	227,000
Lages	16	03.31.2017	IGP-M	75,306
CESS	5	04.22.2037	IPCA	159,430

In accordance with the Company's commercial policy, sales to free consumers are carried out mainly through subsidiary TBLC, which buys energy from the Company to comply with its contractual commitments.

b.2) Operation and maintenance

Related party	Maturity	Annual adjustment index	Future commitment (base 9.30.2012)
Itasa	10.16.2030	IGP-M	207,642
Ceste	5.01.2025	INPC (80%) and IPCA (20%)	200,061
CESS	10.15.2023	IGP-M	11,766
Lages	3.31.2015	Salary adjustment	5,016

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

b.3) Administrative services

Tractebel Energia provides those services necessary to the administrative activities of the direct and indirect subsidiaries. Contracts are valid for an indefinite period and contracted amounts are annually adjusted at INPC. The amount annually contracted from its subsidiaries is R$ 1,904.

b.4) Guarantees

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

Bank	Type of guarantee	Amount of the debt on 9.30.2012
BNDES and Banks (BNDES onlending)	Pledge of total shares issued by the following direct and indirect subsidiaries: Itasa, CESS, CEE, Beberibe, Pedra do Sal, Areia Branca, Ibitiúva, Fleixeiras I, Guajiru, Mundaú and Trairí.	2,407,813
Banco do Brasil	Pledge of total shares issued by indirect subsidiary Hidropower, owned by its wholly-owned subsidiary TBLP.	20,320

b.5) Sureties and guarantees

The Company is the guarantor of and jointly liable for energy purchase transactions of certain subsidiaries, in transactions totaling R$84,058. These guarantees' maturities are scheduled as follows: R$ 62,608 in the third quarter of 2012, R$ 19,938 in 2013 and R$ 1,513 in 2015.

b.6) Intercompany Loans - Receivables from subsidiaries

The Company has an outstanding loan with indirect subsidiary Ibitiúva granted to be invested in the construction of UTE Ibitiúva Bioenergética in the period in which this subsidiary was awaiting the release of BNDES funds. The remuneration of the loan corresponds to at 100% of Selic rate. On 9.30.2012, the remaining balance is R$ 7,388 (R$ 6,981 on 12.31.2011) and the payment is estimated up to the end of 2012.

b.7) Remuneration of key management personnel

The compensation, charges and benefits related to the Management's key personnel are presented as follows. The only long-term benefit granted by the Company is the pension (post-employment). The management's compensation is not based on shares of Tractebel Energia.

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	**9.30.2011**	**9.30.2012**	**9.30.2011**
Short term benefits and fees	6,639	6,393	7,129	6,889
Management bonus	3,205	2,363	3,205	2,363
Post-employment benefits	525	470	525	470
Social charges	2,563	2,211	2,667	2,311
	12,932	**11,437**	**13,526**	**12,033**

28.– INSURANCE[21]

As of 9.30.2012, the Company has comprehensive insurance policies for operating risks with the following declared amounts: (i) material damage: R$ 11,358,213 in the parent company and R$ 17,212,351 in the consolidated; and (ii) loss of profit: R$ 1,130,784 in the parent company and R$ 1,322,751 in the consolidated. The maximum combined limit of indemnification for material damages and loss of profits is R$705,303 per event. In addition to these insurances, the Company has civil liability insurance policies with coverage in the amount of R$90,000.

We should consider as well that the Estreito consortium currently has engineering risk insurance for units which are still not under commercial operation with declared amounts for material damages of R$2,404,630 and expected loss of profit of R$612,233. The Company's interest in coverage for which Estreito Consortium is responsible corresponds to R$963,535 and R$245,322, respectively, equivalent to its interest in this Consortium.

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.

[21]The adopted risk assumptions, in view of their nature, are not part of the scope of an audit of financial statements, and, consequently, were not analyzed by our independent auditors.

29.– LONG-TERM COMMITMENTS

The Company has long-term agreements, and their information is disclosed in more detail on the financial statements of 12.31.2011.

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

- Bilateral contracts for purchase and sale of electrical energy;
- Contract for the sale of carbon credits - Certified Emission Reductions (CER);
- Power grid connection agreements;
- Transmission and Distribution Network Usage Agreements (CUST and CUSD);
- Purchase of natural gas;
- Lease operations; and
- Construction agreements

There was no significant change in the long-term commitments in the current quarter, with the exception of the supply of natural gas to Usina Termelétrica William Arjona, where Petrobras obtained an injunction allowing it to suspend the supply of gas. Also in relation to this matter, there was a subsequent decision taken by STJ, considering that the Petrobras' Special Appeal was "untimely" or submitted beyond the legal deadline, which decision Petrobras filed an appeal against STJ itself. Accordingly, the Company is awaiting the judgment of this appeal.

30.– ADDITIONAL INFORMATION TO THE CASH FLOW

During quarters ended 9.30.2012 and 9.30.2011, the following transactions that did not involve cash and cash equivalents were carried out:

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	9.30.2012	9.30.2011	9.30.2012	9.30.2011
Compensation of income and social contribution taxes	10,024	-	11,374	4,131
Property, plant and equipment suppliers	1,187	-	12,298	30,132
Interest on financing and concessions - capitalized	-	-	29,404	81,748
Proposed dividends and interest on equity credited	-	658,014	-	-
Dividends receivable from subsidiaries	10,546	-	-	-

31.– SUBSEQUENT EVENTS

Acquisition by GDF SUEZ of additional interest in Jirau HPP

On 10.01.2012, the Company became aware, through announcement published by its indirect parent company GDF SUEZ S.A. (GDF SUEZ), that an additional financing has been confirmed of up to R$2,300,000 for Jirau Power Plant project, possibly increasing total available financing for the project to R$9,500,000.

In the same bulletin, GDF SUEZ also announced the acquisition of additional 9.9% of interest in UHE Jirau, which belongs to Camargo Correa. The price is based on capital investments made by Camargo Correa to the project, adjusted up to transaction date. This acquisition is subject to regulatory approvals expected to occur in the fourth quarter of 2012.

From the beginning of the project, shareholders agreed that Camargo Correa would leave UHE Jirau Project in the last construction stages, after main construction risks had been mitigated.

After acquisition, GDF SUEZ will increase its interest in Jirau HPP project from 50.1% to 60.0%. Camargo Correa remains fully engaged in the project's success, as the main civil contractor of the construction work.

Early settlement of debentures

On 10.04.2012, the Company settled in advance the amount corresponding to 7,773 debentures issued for the construction of Cana Brava Plant. The amount paid was R$8,532, being R$8,525 principal and R$7 interest. These debentures' maturity were scheduled for 4.01.2013 and remunerated at TJLP + 4% p.a.

Credit of interest on equity

In a meeting held on 10.25.2012, the Company's Board of Directors approved interest on equity from January 1 to December 31, 2012 in the gross amount of R$276,200, corresponding to R$0.4231379607 per share.

The credit of interest on equity in the Company's accounting books will occur as of 12.31.2012, based on shareholding position on 11.23.2012 and the Company's shares will start to be traded ex-interest on equity beginning as of 11.26.2012.

Interest net of withheld income tax will be charged to mandatory dividends and will be paid based on data of Itaú Unibanco Banco Múltiplo S.A. reference file, on a date to be subsequently defined by the Executive Board and communicated in a Notice to Shareholders.

BOARD OF DIRECTORS

Maurício Stolle Bähr
President

Jan Franciscus María Flachet
Vice-President

Manoel Arlindo Zaroni Torres
Board Member

Philip Gotsall Cox
Board Member

Dirk Achiel Marc Beeuwsaert
Board Member

Guy Marie Numa Joseph Ghislain Richelle
Board Member

Luiz Antônio Barbosa
Board Member

José Pais Rangel
Board Member

Luiz Leonardo Cantidiano Varnieri Ribeiro
Board Member

BOARD OF EXECUTIVE OFFICERS

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
CFO and Investor Relations Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

José Luiz Jansson Laydner
Projects Development and Implementation Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Edson Luiz da Silva
Planning and Control Officer

Luciano Flávio Andriani
Administrative Officer

ACCOUNTING DEPARTMENT

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

Identification of projections

a. Purpose of projection

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

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

• Investments financed with own capital, including acquisitions, and

• Investments financed with debts, including debts assumed in the acquisitions.

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

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

b. Period projectioned and projection term

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

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

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

• Schedule for maintenance of the generating units;

• Diagnosis of equipment;

• Regulatory obligations; and

• Strategic initiatives.

The amounts informed, projectioned and realized do not consider interest on construction.

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

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

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

Standardized Financial Statements (DFP) as of 12.31.2011 the Company disclosed the following projections for the years 2012, 2013 and 2014:

Amounts in R$ million	Estimate for the next three years: Disclosed during the 4Q11 in the DFP		
	2012	**2013**	**2014**
Financed with debt	369	-	-
Financed with own capital	486	605	186
Total	**855**	**605**	**186**

In the first quarter of 2012, projections were again reviewed and are comprised as follows, as well as in the 2nd quarter of 2012:

Amounts in R$ million	Estimates for the next 3 years: disclosed in the 1st quarter and maintained in the 2nd quarter of 2012		
	2012	**2013**	**2014**
Financed with debt	299	225	-
Financed with own capital	360	651	206
Total	**659**	**876**	**206**

In the third quarter of 2012 the projections were reviewed and henceforth present the following breakdown.

Amounts in R$ million	Estimate for the next three years: Disclosed during the 4Q12 in the DFP		
	2012	**2013**	**2014**
Financed with debt	207	319	-
Financed with own capital	456	644	203
Total	**663**	**963**	**203**

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

Changes in projections disclosed in Standardized Financial Statements as of 12.31.2011:

The changes in the projections disclosed in the DFP as of 12.31.2011 are mainly derived from the following factors: (i) the postponement until 2013 of part of the investments foreseen for the construction of new wind farms in the Northeastern Region (the Delta Port and the Trairí Project); (ii) the changes in the allocation of investments in the program for the long-term maintenance of the existing plants; and (iii) the increase in the projection for obtaining financing for the construction of the wind farms in the Trairí Project.

Changes in projections disclosed in the 1st quarter and 2nd quarter:

As regards projections disclosed in the 1st and 2nd quarters, main changes are as follows:

2012

Financing with debt: reduction due to postponement to 2013 of a portion of Trairí Project financing releases, although initial investment is unchanged.

Financing with own capital: increase due to the necessity of own funds, mainly in Trairí Project, as financing releases initially estimated for 2012 will only occur in 2013.

2013

Financing with debt: increase due to postponement of a portion of financing to 2013, as mentioned above.

Financing with own capital: decrease due to the necessity of anticipation, as previously described, combined with the increase resulting from the anticipation of investment schedule in the revitalization of Passo Fundo and Salto Santiago plants.

Investments made until the 3Q12:

Until the third quarter of 2012, R$65 million were invested, of which R$53 million were used for the construction of new plants (the Estreito Hydroeletric Power Plants and the Wind Farms) and R$12 million were allocated to the program for the long-term maintenance of the existing plants. Of this amount, R$ 42 million were financed with own capital and R$ 23 million with third-party capital.

The investment accumulated in the nine-month period comes to R$ 244 million, with R$ 181 million invested in the construction of the new plants, mentioned above, and R$ 63 million in the long-term maintenance program of existing plants. Of this amount, R$ 204 million correspond to the portion financed with own capital and R$ 40 million resulting from third-party capital.

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

Report on the review of quarterly information - ITR

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

Introduction

We have reviewed the interim, individual and consolidated accounting information of Tractebel Energia S.A., contained in the Quarterly Information - ITR Form for the quarter ended September 30, 2012, which comprise the balance sheet as of September 30, 2012 and the related statements of income for the 3 and 9-month period then ended, of changes in shareholders' equity and of cash flows for the 9-month period then ended, including the summary of the main accounting policies and other explanatory notes.

Management is responsible for the preparation of the individual interim accounting information in accordance with CPC 21 - Interim Statement and of the consolidated interim accounting information in accordance with CPC 21 - Technical Pronouncement and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim information

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

Conclusion on the consolidated interim information

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

Other matters

Statements of added value

We also reviewed the individual and consolidated value-added statements for the nine-month period ended on September 30, 2012, prepared by the Company's management, whose presentation in the interim information is required according to the standards issued by the CVM - Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the IFRS, which do not require the presentation of the SVA. These statements were

subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

Comparative accounting information

The information and the amounts corresponding to the three and nine-month periods ended September 30, 2011, presented for comparative purposes, were previously reviewed by other independent auditors, who issued a report dated November 4, 2011, which did not contain any modification. Amounts corresponding to the year ended December 31, 2011 presented for comparison purposes were previously audited by other independent auditors that issued a report dated March 7, 2012 which has not been changed.

Florianópolis, October 25, 2012

KPMG Auditores Independentes
CRC SC-000071/F-8

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

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

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

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
CFO and Investor Relations Officer

José Luiz Jansson Laydner
Projects Development and Implementation Officer

Edson Luiz da Silva
Planning and Control Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Luciano Flávio Andriani
Administrative Officer

Opinions and Statements / Statement of the Executive Officers on 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 also, agrees with the opinion of the independent auditors of the Company, KPMG Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
CFO and Investor Relations Officer

José Luiz Jansson Laydner
Projects Development and Implementation Officer

Edson Luiz da Silva
Planning and Control Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Luciano Flávio Andriani
Administrative Officer