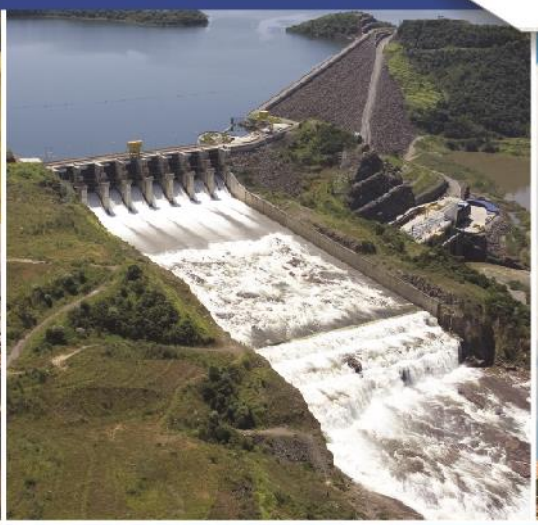
Tractebel Energia
GDF SUEZ




Management Proposal for the Annual General Meeting from 04.30.2015

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

Address: Rua Paschoal Apóstolo Pítsica, 5064 – Agronômica – Florianópolis – SC – CEP 88025-255

TBLE3 NOVO MERCADO BM&FBOVESPA
IBOVESPA
Índice de Sustentabilidade Empresarial ISE 2015
Índice de Ações com Governança Corporativa Diferenciada IGC
Índice de Ações com Tag Along Diferenciado ITAG
ANEFAC 2014
Quanto mais transparente, mais valiosa

PROPOSAL FROM THE BOARD FOR THE ANNUAL GENERAL MEETING, TO BE HELD ON THE 30TH OF APRIL 2015, IN COMPLIANCE WITH THE INSTRUCTION OF THE SECURITIES COMMISSION (CVM) No. 481 FROM DECEMBER 17th 2009 (ICVM 481/09)

According to Article 9 of the ICVM 481/09, the Company shall provide within one (1) month before the date of the Annual General Meeting (AGM), the documents and information set out in the following sections:

- **Administration Report and Accounting Statements (Sections I and II of Article 9th of CVM Instruction 481/09)**

  The Annual Accounting Complete Statements, including the Management Report, were filed at CVM and BM& FBOVESPA on March 30th, 2015 and will be published in the Diário Oficial do Estado de Santa Catarina and Diário Catarinense newspapers, on April 7th, 2015. Such documents are also available on the following websites: the Company's (www.tractebelenergia.com.br), CVM (www.cvm.gov.br) and BM&FBOVESPA (www.bmfbovespa.com.br).

- **Management comments on the Company's financial position, in accordance with item 10 of the reference form (Item III of Article 9 of CVM Instruction 481/09)**

  Information concerning the comment of the directors on the Company's financial situation are available in Annex I of this document.

- **Report (opinion) by the Independent Auditors (Section IV of Article 9 of CVM 481/09)**

  The Report (opinion) by the Independent Auditors is contemplated in the Company's Annual Complete Accounting Statements.

- **Fiscal Council Report, including dissenting votes, if any (Section V of Article 9 of ICVM 481/09)**

  The Fiscal Council Report is contemplated in the Company's Annual Financial Statements, noting that there were no dissenting votes.

- **Financial Standardized Statements Form - DFP (§ 1 of article 9 - Section I)**

  The Financial Standardized Statements Form (DFP) was sent by the Company on March 30th, 2015, on the same date as the delivery of the Complete Business and Financial Statements Annual Report. This document can be accessed by the CVM websites (www.cvm.gov.br) and the BM&FBOVESPA one (www.bmfbovespa.com.br)

- **Proposed allocation of net profit for the year containing at least the information indicated in Annex 9-1-II of ICVM 481/09 (§ 1 of Article 9 - section II)**

  Information relating to Annex 9-1-II of ICVM 481/09 are available in Annex II of the present document.

- **Statement by the Audit Committee, if any (§ 1 of Article 9 - Section III)**

  The Company has no Audit Committee.

- **Capital budget**

  Information relating to the Capital Budget is presented in Annex III.

- **Information relating to the candidates indicated or supported by the Directors of the Company or by the controlling shareholders, for the election of members of the Company's fiscal council, pursuant to the requirements in sections 12.6 to 12.10 of the Reference Form referenced by CVM Instruction 480/09 (Art. 10)**

  The mentioned information is shown in Annex IV of the present document.

- **Information concerning the remuneration of directors based on item 13 of said Reference Form (Art.12)**

  This information is presented in Annex V of this document.

- **Information concerning the proposed employee participation in year 2014 results**

  The proposal is presented in Annex VI of this document.

Annex I

Article 9 ICVM 480/09 – Section III – Administrators' comments on the Company's financial position, in accordance with item 10 of the reference form

10.1 Directors' comments on

a. Financial conditions and general property

Consolidated information for the year ended on 12.31.2014

In 2014, a year marked by a severe drought, Tractebel Energia maintained its history of consistent results. Its EBITDA and net income were of R$ 2,895 million and R$ 1,383 million, respectively, slightly lower than those achieved in 2013, which amounted to R$ 3,043 and R$ 1,437, respectively, despite the considerable increase in the cost of transactions in the Commercialization Chamber of Electricity (CCEE) to replace the electricity that could not be generated. The growth of these costs was mainly due to the Company's greater exposure in the CCEE by reason, mainly, to the effects of the increased physical warranty adjustment factor, the GSF (Generation Scaling Factor), which occurs when the generation of the participating plants in the Mechanism for reallocation of Energy (MRE) is lower than the assured energy of the plants. This exposure was aggravated by the substantial increase in the Differences Settlement Price (PLD), which went from the average value of R$ 258.19 in 2013 to R$ 675.81, in 2014.

The diversity of its sources, coupled with the coordinated management of the planning and control of the offer, the portfolio of contracts and maintenance of the plants, allowed the Company to better meet the challenges arising from the lack of rain, confirming the resilience pointed by the market, as one of its key differentiators. Also contributed to the result successful efforts in tax, regulatory and legal areas that provided non-recurring gains, without which the EBITDA and net income would have been 13.0% and 17.7% lower than the ones in 2013.

The following factors cited support the favorable equity and financial conditions of the Company:

- Generation of High profit margins - Net profit for the 2014 fiscal year was R$ 1,383 million. The effects of the above events negatively affected the year profit.
- Consistent generation of operating cash - The Consolidated EBITDA, in the concept of net profit plus income tax and social contribution, net financial expenses and depreciation and amortization, totaled R$ 2,895 million in 2014, 4.9% below the 2013. The EBITDA margin was 44.7%.

- Low indebtedness - The "Total debt / EBITDA" ratio in 12.31.2014 was 1.4 times and the "Net indebtedness / EBITDA" one, on the same date, was 0.8 times that. Of the total debt at the end of year 2014, 28.7% was denominated in foreign currency. However, considering the contracted swap transactions, there is no foreign currency exposure at the end of 2014. In 2014, the Company prepaid its debt in foreign currency with BNP Paribas, in the amount of R$ 130 million, totally eliminating its currency exposure.
- Risk classification Maintenance (rating) - Fitch Ratings: (i) International - "BBB", and (ii) Long-Term National and Second Issuance of Debentures - "AAA (bra) '; Standard & Poor's: (i) Corporate long-term loan, in the national Brazil scale - "brAAA", and (ii) Short-term corporate credit - "brA-1".
- Low level of default - This condition is the result of hard credit analysis process and diversification of the Company's customer portfolio.
- Sustained growth - Its installed capacity grew 62.5 MW in 2014. The total expansion of the year was 128.5 MW, through the acquisition of the generating facilities the Thermal Power Plant Ferrari, located in São Paulo, 65.5 MW, and the entry into operation of the wind farms named Fleixeiras I and Mundaú, in Ceará - both of 30.0 MW and belonging to the Triair Wind Complex - and the Solar Wind Energy Plant named Cidade Azul, of 3.0 MW peak, in Santa Catarina. The works of the Wind Complex of Santa Monica, Ceará, with 97.2 MW of power, followed its course to enable its entry into operation, in 2016. Still in 2014, the expansion of the Ferrari TPP for 80.5 MW was started, to be completed by 2015, and the Company acquired the companies CLWP Brasil II Participações Ltda., CLWP Brasil III Participações Ltda., part of the Complex named Campo Largo, and the development rights of the Santo Agostinho wind complex, with potential for development equivalent to 300 MW and 600 MW, respectively.
- The Auction energy trading held by the National Electric Energy Agency (Aneel) - The Company was successful in the new energy auction for delivery from 2019, promoted by Aneel in November 2014, when 386.9 MW of three power plants were commercialized: the Wind Complex of Campo Largo (82.6 MW), Coal thermoelectric Pampa Sul (294.5 MW) and Ferrari biomass thermoelectric (9.8 MW).
- Plants Construction contracts - In 2014, the Company entered into contracts for building plants belonging to the Wind Complex of Santa Monica, Thermal Power Plant of Pampa Sul and the Wind Complex of Campo Largo. The latter two have values indexed to the US dollar. For protection of the totality of the commitments against fluctuations in the foreign currency, the Company contracted Non-Deliberable Forward operations (NDF).
- Remuneration to shareholders with no financial capitalization and aligned to the strategies and the Company's investment plans - In the year 2014, dividends accounted for 55% of the distributable net income.
- Maintaining the Company in the Corporate Sustainability Index (ISE) of BM& FBOVESPA - This is the tenth consecutive year that the Company's shares participate in this index.

- Devaluation of the price of the Company's shares - Throughout the year, the shares of Tractebel Energia depreciated 1.3% compared to 2013, reflecting the uncertainties of the macroeconomic scenario and the electricity sector, while shares in Ibovespa retreated 2.9%.

Consolidated information concerning the social year ended on 12.31.2013

In the year 2013, the Company - as well as other companies in the industry - was affected by the decisions of the Federal Government related to the severe drought that extended since the end of 2012. These include the redistribution of the burden of the additional thermal generation and the implementation of complementary measures in the course of 2013, which came in the opposite direction to the planning of companies. These measures have contributed negatively for the results of transactions in the short-term market; even at CCEE, whose variation between the years 2013 and 2012 was an additional net expense of R$ 316 million. On the other hand, the Company recorded an increase of 8.3% in its net sales revenue to distributors, free consumers and traders. Given this scenario, the Company's EBITDA in 2013 was slightly lower than 2012.

The following factors cited support the favorable equity and financial conditions of the Company:

- Consistent profits Generation - Accumulated Net profit in 2013 reached 1,437 million. The effects accruing from short-term transactions mentioned above as well as the impairment constituted, in the amount of R$ 67 million, negatively affected the profit for the year 2013.
- Solid operating cash generation - The Consolidated EBITDA, in the concept of net profit plus income tax and social contribution, net financial expenses, depreciation and amortization and impairment, totaled R$ 3,043 million in 2013, 1.9% lower than 2012. The EBITDA margin was 54.6%.
- Low indebtedness - The "total indebtedness / EBITDA" ratio on 12.31.2013 was 1.1 times that and the "Net indebtedness / EBITDA", on the same date was 0.7 times that. In 2013, the Company reduced its foreign currency debt with the debt prepayment to the National Treasury, in the net amount of R$ 65 million, reducing its currency exposure and generating a financial gain of almost R$ 50 million.
- Risk Classification Maintenance (rating) - Fitch Ratings: (i) International - "BBB", and (ii) Long-Term National and the Second Issuance of Debentures - "AAA (bra) '; Standard & Poor's: (i) Corporate long-term credit, in the national Brazil scale - "brAAA", and (ii) Short-term corporate credit - "brA-1".
- Low level of default - This condition is the result of the austere process of credit analysis and the diversification of the Company's customer portfolio.
- Sustained growth - In the first quarter of 2013, the eighth and last generating unit of the Estreito Hydroelectric Power Plant started its commercial operation and in the fourth quarter of that year, two of the four wind farms in implementation of the Trairí Project started operations: the Guajiru Wind Center and the Trairí Wind Center. Still in 2013, the Company acquired wind projects in Bahia, which will allow the development of an installed capacity of approximately 206 MW.

- Generation Record - In 2013, the total production reached 45,344 GWh of energy, representing an increase of 25.3% over the previous year. This production represented its new annual generation record and could be achieved by improving the hydrology compared to 2012 and to the higher dispatch of thermoelectric power. It also contributed to the achievement of that mark, the totality of the installed capacity of the Estreito hydropower plant (HPP) and the start of the commercial operation of the Trairí and Guajiru Wind Centers.
- Remuneration to shareholders with no financial decapitalization and aligned to the strategies and the Company's investment plans - In the year 2013, the proposed dividends again corresponded to 100% of the distributable net profit of the Company, with a reduction of the net debt.
- Maintaining Company's Corporate Sustainability Index (ISE) of BM&FBOVESPA - The Company participates in this index since its first edition in 2005.
- • Company's quotation price Valuing - Throughout the year, the shares of Tractebel Energia registered an appreciation of 15.5% compared to 2012, excluding the distribution of earnings, with yield higher than 6%, while shares that compose the electricity sector index fell 8.8% and the Ibovespa index fell 15.5%.

Consolidated information concerning the year ended on 12.31.2012

Net profit and consolidated EBITDA grew, respectively, 3.6% and 6.8% compared to the results obtained in 2011.

It is considered that during the year 2012, due to unfavorable hydrological conditions in the country, there was a reduction of 24.9% in the Company's hydroelectric generation. This decrease does not necessarily result in a deterioration of the economic and financial results, as the Company participates in the Energy Reallocation Mechanism (MRE), where it shares the risks of hydroelectric generation with other agents. Such conditions were responsible for an increased need for activation of the thermoelectric center of the country, and the generation of such energy by the Company showed an increase of 32.8%.

Both the unfavorable hydrology as the largest dispatch of thermoelectric plants caused spot market prices to fire at the end of 2012, resulting in a higher average price of R$ 137.22 when compared to 2011. This increase in the price was one of the factors that contributed for the Company to obtain an increase in net profit, with the transactions in the short-term spot market.

The following cited factors support the favorable equity and financial conditions of the Company:

- Increasing profit generation - In the year 2012, the Company once again showed consistent growth of its results, despite the continued global economic crisis scenario, the shy growth of the Brazilian economy, the variations in the short term market prices and regulatory changes established by the Federal Government. Consolidated net profit for the year 2012 was R$ 1,499 million, representing an increase for the ninth consecutive year.
- Strong operating cash generation - Consolidated EBITDA in 2012 was R$ 3,108 million. The EBITDA margin reached 63.3%.
- Low indebtedness level - The "Total Indebtedness / EBITDA" ratio on 12.31.2012 was 1.1 times and the "Net indebtedness/EBITDA", on the same date was 0.7 times.
- Broadening of the possible limits of financing - The Company extended the contractual commitment (covenant) on the 2nd issuances of debentures from 2.5 times to 3.5 times more than that "Gross debt / EBITDA" ratio, in order to prepare for the acquisition of the Jirau Power Plant from its controller, GDF SUEZ.
- Financing of wind projects by the Trairi Complex - The Company, with the presentation of a solid warranty structure, made with BNDES the financing of the first wind companies possible, whose sales were intended exclusively for the free market, in the amount of R$ 358 million, equivalent to 75% of total investments.
- Improved risk classification (rating) - The ability to honor its financial commitments was raised by the best credit rating agencies. On 04.27.2012, Fitch Ratings raised the Company's international rating of "BBB-" to "BBB", as well as the National Long-Term rating and the Second Issuance of Debentures, from "AA + (bra) 'to' AAA (bra)", both with stable perspective. Already on 09.27.2012, Standard & Poor's raised the Company's long-term corporate credit rating, on a national Brazil scale, from "brAA+" to "brAAA" with a stable outlook and reaffirmed the short-term corporate credit rating known as "brA-1 ".
- Reduced level of default - A result of a rigorous process of credit analysis and diversification of the Company's customer portfolio.
- Sustained Growth - In August 2012, The Estreito power plant reached 97.3% of its total assured energy, with the entry into operation of the 7th generating unit, contributing to the Company's increase of net revenue of R$ 191 million.
- Remuneration to shareholders without financial capitalization and aligned to the strategies and investment plans of the Company - In the year 2012, proposed dividends again corresponded to 100% of the Company's distributable net income.
- Maintaining the Company Corporate Sustainability Index (ISE) of BM&FBOVESPA.
- Valuation of the quotation of the Company's shares - On 12.31.2012 the Company's shares values showed an increase of 18.9% - without the inclusion of revenues - while the Ibovespa increased 7.4% and the actions that make up the index of the electric sector dropped 11.7%.

b. Capital structure and possibility of redemption of shares or quotas:

Capital structure

The Management understands that the Company has a capital structure with low leverage, which allows the growth strategy execution in the coming years.

The Company's business presents a high operating cash generation, mainly due to its high margin, a result of the intensive characteristic in capital of the power generation activity and of the rigid cost controls and expenses made by the Company's administration.

The main components of the Company's capital structure are as follows:

Values in million R$	12.31.2014	12.31.2013	12.31.2012
Gross debt [1]	3,989	3,495	3,534
(-) Cash and cash equivalent and restricted deposits	1,751	1,346	1,283
Net debt	2,238	2,149	2,251
Long-term debt (% of total debt)	89.3%	81.0%	85.1%
Net worth	5,655	5,365	5,503
Level of leverage[2]	28.4%	28.6%	29.0%
Capital structure composition:			
- Own capital (Net worth/ Total liability)	41.5%	42.5%	44.7%
- Third parties' capital (current and non-current liabilities/total liabilities)	58.5%	57.5%	55.3%

The reduced level of indebtedness and the low leverage guarantee a comfortable liquidity situation for the Company.

Possibility of redemption of shares

There is no intention, by the Company, in proceeding with any redemption of shares. The Company maintains the strategy of continuing to seek new investments to, at least, maintain its participation in the market, which presents a scenario of energy consumption growth in Brazil, in the coming years.

(i) Redemption hypothesis

There are no redemption hypotheses of the Company's shares beyond the ones provided by law.

[1] Contemplates the loans, financings and debentures, considering the effects of *hedges*.
[2] Net debt / (Net Debt + Net worth)

(ii) Redemption value calculation formula

Similarly, there is no Redemption hypothesis of the Company's shares beyond the ones provided by law.

c. Payment capacity in relation to the financial commitments

The Company's Managers by analysis of performance indicators and the generation of cash flow understand that the Company, in normal market conditions has fully able to honor the short and medium term obligations exist today and to continue expanding their investments. The Directors also consider that under normal market conditions, the solid cash generation gives the Company comfort margin to honor all existing long-term bonds. The company has the ability to pay each of its financial commitments. In the last three fiscal years, the Company settled its relevant obligations assumed, such as suppliers, dividends, debt, concessions payable, and others. The only exception arises from the portion of amounts payable to coal suppliers purchased with resources from the Energy Development Account (CDE), from the fiscal year 2014, whose payments have been partly due to delays in the receipt of the coal consumption refund with funds from CDE.

The "Total debt / EBITDA" ratio of the Company, on 12/31/2014 was 1.4 times (1.1 times in 12.31.2013 and 12.31.2012), and the ratio "EBITDA / Financial expenses" was 5.2 times that on 12.31.2014 (5.3 times on 12.31.2013 and 5.7 times that on 12.31.2012).

The risk rating (rating) of the Company is made by two rating agencies, Standard & Poor's and Fitch Ratings.

In April 2014, as already mentioned, Fitch Ratings maintained the Company's international rating at "BBB" and maintained the National Long-Term rating at "AAA (bra)" both with stable perspective. This review was motivated by the following highlights, displayed in the document elaborated by this agency: (i) solid consolidated financial profile; (ii) supported by the strong and predictable operating cash generation flow; (iii) low leverage; (iv) robust liquidity position; and (v) extended schedule of debt amortization. As a result, the Company's ratings are among the best in its industry.

Likewise, on 12.29.2014 Standard & Poor's maintained the Company's long-term corporate credit rating, in the national Brazil scale, in "brAAA" with a stable perspective. On the same date, the agency also reaffirmed the short-term corporate credit rating, "brA-1". According to the report of that agency, the maintenance of the ratings reflects the expectation that even with the possible acquisition of the Jirau HPP, the Company will continue to benefit from strong financial metrics, with a total adjusted debt over EBITDA below 4x, even if buying Jirau is 100% financed by debt.

d. Sources of financing for working capital and investments in non-current assets

In addition to using part of its cash flow, the main source of financing for the Company's investment projects is the BNDES, directly and / or through Conveyors BNDES Banks. These financial institutions usually offer Interest rate and payment terms compatible with the return of power generation projects.

If the investment project is not eligible for BNDES financing, the Company may use other sources of funding stimulated, as the Constitutional Fund for Financing the Northeast (FNE), the Constitutional Fund of Midwest Financing (FCO), to the capital market through the issuance of promissory notes and/or debentures or other sources of funding, in order to maintain a capital structure and adequate liquidity. The Company constantly evaluates its operations financing alternatives.

In the last three (3) fiscal years, the Company used the BNDES and Onlending Banks as the main source of funding for its projects. In those contracts, in general, there is a "standard" ratio to obtain these credit lines, which lies in the range of 30% equity and 70% own capital for financeable items.

e. Sources of financing for working capital and investments in non-current assets to be used to cover liquidity shortfalls

Notwithstanding the fact that the Administration does not provide any liquidity deficiency situation, the Company has credit lines in view (working capital, long-term financing and bank guarantee) before first class financial institutions amounting to approximately R$ 4.9 billion.

In addition, because of the high ratings assigned by the rating agencies, the Company has quick access to the capital market for any survey of financial needs.

f. Indebtedness levels and characteristics of such debts, as describing:

The main information on the debt contracted with financial institutions is described below:

(i) loan contracts and relevant financing

Main hired conditions from loans and financing

Companies / Banks	Interest	Payment conditions		Bal. on 12.31.2014	Bal. on 12.31.2013	Bal. on 12.31.2012
		Due	Main and inter.			
Controller:						
National currency						
Bank of America Merril Lynch	98% of CDI	07.2014	Principal: from 07.2013 Quarterly	-	292	435
Nordic Investment Bank	IPCA + 3,55% p.a.	10.2022	Principal: from 10.2015 Quarterly	161	151	-
BNDES – Modernization	TJLP + 2,26% p.a. (a)	07.2020	Monthly, from 08.2016 Interest: Quarterly by 08.2016	127	-	-
BNDES –São Salvador Plant	TJLP + 2,7% p.a. (a)	10.2023	Monthly	142	158	-
Banks (transfer to BNDES) (b)	TJLP + 3,25% p.a. (a)	10.2023	Monthly	286	319	-
Banks (transfer to Finame)	2,91% p.a.	01.2023	Monthly, from 02.2015 Interest: Quarterly by 02.2015	17	13	-
Foreign currency (euro)						
BNP Paribas (*Floating Rate Notes*)	*Euribor* + 2,75% p.a.	11.2015	Annual	-	129	112
Foreign currency (dollar)						
STN	*Libor* + 1.075% p.a.	04.2024	Biannual	-	-	104
HSBC USA I	1.3882% p.a. with swap for 99.9% of CDI	08.2015	Principal: 08.2015 Interest: Quarterly	238	211	-
HSBC USA II	1.4294% p.a. with swap for 97% of CDI	03.2016	Principal: 03.2016 Interest: Quarterly	263	-	-
HSBC USA III	1.7871% p.a. with swap for 99% of CDI	10.2016	Principal: 10.2016 Interest: Quarterly	211	-	-
HSBC USA IV	1.8104% p.a. with swap for 98.6% of CDI	12.2016	Principal: 12.2016 Interest: Quarterly	132	-	-
Mizuho Bank	1.7260% p.a. with swap for 96.02% of CDI	12.2016	Principal: 12.2016 Interest: Quarterly	235	-	-
Bank of Tokyo	114,2857% Libor + 0.5486% p.a. with swap for 98% of CDI	12.2016	Principal: 12.2016 Interest: Quarterly	131	-	-
Controlled:						
Hydropower - Banco do Brasil	8.08% p.a. (c)	10.2017	Monthly	11	15	19
Energy company Estreito						
BNDES – Social credit	TJLP	06.2018	Monthly	18	22	21
BNDES	TJLP + 1.89% p.a. (a)	09.2029	Monthly	785	839	892
Banks (transfer to BNDES) (b)	TJLP + 2.95% p.a. (a)	09.2029	Monthly	534	570	606
Ibitiúva						
BNDES (Subcredit B)	4.5% p.a.	01.2020	Monthly	21	26	30
BNDES (Subcredit A and C)	TJLP + 2.05% p.a. (a)	01.2021	Monthly	22	25	29

To be continued on next page

Companies / Banks	Interest	Payment conditions				
		Due	Principal and Interest	Bal. on 12.31.2014	Bal. on 12.31.2013	Bal. on 12.31.2012
Ferrari						
BNDES	TJLP + 1.91% p.a. [a]	06.2021	Monthly	27	-	-
Banks (transfer to BNDES) [b]	TJLP + 3.40% p.a. [a]	06.2021	Monthly	12	-	-
Beberibe - BNDES	TJLP + 3.5% p.a. [a]	12.2023	Monthly	80	86	91
Pedra do Sal - BNDES	TJLP + 1.92% p.a. [a]	12.2023	Monthly	54	58	62
Areia Branca – BNDES	TJLP + 2.5% p.a. [a]	06.2024	Monthly	45	50	55
Trairí Project [c] **–** BNDES	TJLP + 2.51% [a]	07.2029	Monthly	337	359	205
São Salvador Energy Company [d]						
BNDES	TJLP + 2.7% p.a.	10.2023	Monthly	-	-	174
Banks (BNDES Transfer) [b]	TJLP + 3.25% p.a. [a]	10.2023	Monthly	-	-	351

[a] The amount corresponding to the TJLP installment that exceeds 6% p.a. is incorporated into the main one.
[b] The Banks are the following ones: Itaú Unibanco, Itaú BBA, Bradesco, Santander and Votorantim.
[c] Trairí Project Financing, composed by the following companies: Trairí, Mundaú, Guajiru and Fleixeiras I.
[d] CESS was incorporate to the Company on 12.30.2013.

Additional information on the loan and relevant values financing of the Company and its controlled companies

The balances as of 12.31.2014 of the contracts listed below are in the table of item f (i), previously presented.

Tractebel Energia

- Bank of America Merrill Lynch

In July 2014, the Company settled the loan contracted with Bank of America Merrill Lynch. The original loan amount was US$ 274 million North American dollars, equivalent to R$ 430 million.

It was part of the deal negotiated with the Bank of America Merrill Lynch in the hiring of a swap transaction with its Brazilian subsidiary, to protect the totality of the future cash flows against the US dollar fluctuations, in the amount of R$ 430 million, through which the Company had an active position corresponding to the dollar variation plus interest of 2.6236% p.a. and a passive position equivalent to 98% of CDI. Consequently, the effect on the Company's financial results arising from the execution of these financial instruments was equivalent to 98% of CDI.

- Nordic Investment Bank

In January 2013, the Company signed a loan agreement with the Nordic Investment Bank (NIB), amounting to R$ 143 million, or US$ 70 million. Receipt of the amount took place on 01.22.2013 amounting to R$ 142 million, net issuance cost of R$ 1 million. The amortization period is 10 years, from October 2015, and financial charges on the loan are IPCA + 3.55% per annum.

- BNDES – Modernization of generating facilities

In September 2014, the Company entered into an agreement with BNDES amounting to R$ 318 million, to finance the modernization of plants Salto Santiago, Passo Fundo and Jorge Lacerda A. In November 2014, US$ 127 million were released, referring the installment regarding the resources allocated to the first two plants. Out of the total financing, US$ 273 million will have an Interest equivalent to TJLP + 2.26% and monthly amortizations from August 2016 to July 2020; R$ 43 million will pay fixed Interest of 6% p.a. and Monthly amortizations between August 2016 and July 2024; and R$ 2 million will have Interest corresponding to TJLP and monthly amortizations from August 2016 to July 2020.

- BNP Paribas (*Floating Rate Notes*)

In November 1999, the Company issued 40 million Euros in Floating Rate Notes (Notes) in the international market, at private placement regime, due in November 2007 with Citibank N.A. London acting as issuing and paying agent of the Notes. This debt was renegotiated on the original due date, thus being valid for eight years, due in November 2015, and remuneration for the Euribor rate plus a spread of 2.75% per annum (p.a.) on the outstanding balance of the principal one, to be paid annually. In November 2014, the Company prepaid all of the debt, in the amount of R$ 130 million, representing its market value.

- The National Treasury Secretariat – STN

In September 2013, the Company settled in advance all of its contracted debts with the STN in the amount of R$ 65 million.

- Loans made in Foreign currency

The Company contracted during the years 2013 and 2014, Foreign currency loans with HSBC USA, Mizuho Bank and Bank of Tokyo.

The Company's Investment and Derivatives Policy states that the use of derivative financial instruments is restricted to the risk protection (hedge) and the close correlation to debt profile, volumes and deadlines should be kept.

Thus, the Company, in order to protect the totality of the future cash flows against the US dollar fluctuations, contracted swap operations for all the loans at Foreign currency, with the Brazilian subsidiary of the same financial institution. In doing so, the Company will maintain an active position corresponding to the dollar variation plus Interest and a passive position equivalent to the CDI variation. The principal due in and the amortization of Interest of loans and swaps will occur exactly on the same dates.

The main conditions of the loans and swap transactions are as follows:

		Value		Loans and active position of *swap*	Passive position of *swap*	
Banks	**Mth/Year**	**US$**	**R$**	**US$ + Interest (p.a.) Δ**	**CDI Δ**	**Due**
HSBC USA	08.2013	90	207	1.3882 %	99.9% do CDI	08.2015
HSBC USA	03.2014	100	231	1.4294 %	97.0% do CDI	03.2016
HSBC USA	10.2014	80	200	1.7871 %	99.0% do CDI	10.2016
HSBC USA	12.2014	50	128	1.8104%.	98.6% do CDI	12.2016
Mizuho Bank	12.2014	90	234	1.7260 %	96.02% do CDI	12.2016
Bank of Tokyo	12.2014	50	128	114.2857% of Libor + 0.5486%	98.0% do CDI	12.2016
		460	**1,128**			

Due to the characteristics of these financial instruments, the Company applied the hedge accounting rules of fair value for the record thereof. Thus, both the hedging instrument (swap) and the hedged loan are measured by the fair value contrary to the result, fully protecting the Company from fluctuations of the US dollar and the Interest rate.

Controlled Companies consolidated in Tractebel Energia

The following financings with BNDES and Banks (BNDES Transfer) have been hired in the Project Finance modality. To this end, specific purpose societies (SPE) were established, for the implementation of the respective projects.

- Estreito Energy Company (CEE)

In March 2008, the EEC subsidiary signed a financing agreement with BNDES and Banks (BNDES Transfer) Itaú Unibanco, Bradesco and Votorantim, in the original amount of R$ 1,358 million for the construction of the Estreito Hydroelectric Power Plant.

- Mundaú, Guajiru, Fleixeiras I and Trairí

In May 2012, the indirect subsidiaries Mundaú, Guajiru, Fleixeiras I and of the Trairí signed BNDES financing intended for the implementation of its wind facilities of the Trairí Complex, in the state of Ceará. The total financed amount was R$ 358 million, of which only R$ 1 million has its authorization still pending, regarding social subcredit.

Loan and financing warranties

The Company maintains a warranty for loans and financing described below. For the Company's other loans, there are no guarantees granted by the Company.

- Bank of America Merrill Lynch

The loan guarantee was a Promissory Note in the amount of US$ 274 million in favor of Bank Of America N.A. As already mentioned, the Company settled the loan in July 2014.

- BNDES and Banks (BNDES transfer) previously mentioned

The financing of hydroelectric projects have the following guarantees: (a) pledge of rights emerging from bestowing; (b) Pledge of credit rights arising from the purchase and sale of electricity contracts; (c) spare account in an amount equivalent to three months of debt service or bank guarantee; (d) spare account in an amount corresponding to three months of contractual operation and maintenance expenses, applicable to plants that hire third-party services for the execution of such activities; and (e) security of all shares.

In addition to these guarantees, for the EEC contract, there is also the pledge of dividends to be paid by Tractebel Energia to its parent company, GSELA.

- BNDES and Banks (BNDES transfer) - financing from the São Salvador Hydroelectric Plant, incorporated by Tractebel Energia

Due to the incorporation, the guarantees of the respective financing have been replaced by a bank guarantee for the BNDES installment; and for the transferring banks, only the its centralizing account receivables will be maintained.

- BNDES – Wind projects

The warranties for wind projects are as follows: (a) conditional sale of property and equipment; (b) totality of shares representing the capital stock of subsidiaries; (c) receivables and reserve/spare account; and (d) corporate guarantee of Tractebel Energia.

(ii) other long-term relationships with financial institutions

They are represented by the debentures issued by the Company. On 12.31.2014, 12.31.2013 and 12.31.2012 the Company owned the following current emissions:

			Payment conditions				
	Quantity	Remuneration	Interest/Monetary variation	Principal	Bal. on 12.31.2014	Bal. on 12.31.2013	Bal. on 12.31.2012
2nd Issuance single series	35,000	IPCA + 7% p.a.	Annually in May	3 installm. on 05.2012/13/14	-	174	329
5th Issuance · single series	165,000	IPCA + 6.3% p.a.	Annually in December	3 installm. on 12.2022/23/24	163	-	-

Additional information on debentures

- Payment of the third installment of the 2nd issuance debentures

In May 2014, the payment of the third and final installment of the 2nd issue of debentures in the amount of R$ 185 million, was made.

- Fifth issuance of debentures

In December 2014, the Company issued 165,000 single debentures, not convertible into issuer's shares, single series, of the unsecured species, with a nominal value of R$ 1, making the date of issue, the total amount of R$ 165 million. These debentures are adjusted by IPCA and yield remuneration interest corresponding to 6.3% p.a., calculated on the updated Unit Face Value. The payment of such Remuneration shall be yearly, with the first one on 12.15.2015. The principal one will be repaid in 3 Annual installments on the dates of 12.15.2022, 12.15.2023 and 12.15.2024.

The settlement of the public offering of debentures occurred on 12.23.2014 and the proceeds are intended to modernize the Salto Santiago HPP and Passo Fundo HPP.

The costs of transactions incurred in raising funds through this issuance were R$ 3 million, which was recorded as a reduction of the fair value, initially recognized. Thus the effective Interest rate of debentures, for expenses appropriation purposes of accounting Interest is 6.4% p.a..

(ii.i) Concessions payable

In addition to loans, financing and debentures, the Company has a financial liability relating to onerous concessions for the Use of Public Property (UBP), for the generation of electricity in the following hydroelectric plants: Cana Brava, Ponte de Pedra, San Salvador and Estreito. The characteristics of the business and the agreements show the condition and intention of the parties to implement them fully.

Contractual amounts are adjusted to present value based, on reference, discount rates on the date of assumption of the duty The discount rate used for concessions to pay Cana Brava, San Salvador and was 10.0% p.a. and the Stone Bridge was 8.3% p.a.

Hired original values

The original values, adjusted by the annual IGP-M (Cana Brava and Ponte de Pedra and of IPCA (Estreito and San Salvador), as follows on thousands of US dollars, are paid in equal monthly installments 1/12 (one twelfth) of the respective values Annual below informed.

	Original value		Updated value	
Plants and Years of Payment	Annual Payment	Total Payment	Annual Payment	Total Payment
Cana Brava Hydroelectric Plant				
Up to 07.31.2023	1	6	3	22
From 08.01.2023 to 07.31.2033	61	613	231	2,308
		619		**2,330**
Ponte de Pedra Hydroelectric Plant				
Up to 09.30.2019	-	1	1	3
From 10.01.2019 to 09.30.2020	16	16	54	54
From 10.01.2020 to 09.30.2034	31	436	103	1,448
		453		**1,505**
São Salvador Hydroelectric Plant				
Up to 04.30.2037	20	**448**	49	**1,127**
Estreito Hydroelectric Plant				
Up to 12.31.2037	2	**45**	5	**113**

The present value of the obligation concerning the mentioned concessions, recorded in the balance of 12.31.2014 is R$ 1,766 million (R$ 1,595 million on 12.31.2013 and R$ 1,429 million on 12.31.2012), considering: R$ 669 million for Cana Brava, R$ 588 million for Ponte de Pedra, R$ 463 million for San Salvador and R$ 46 million for Estreito.

(ii.ii) - Other current and non-current liabilities

The other liabilities recorded by the Company are as follows: Income tax and social contribution payable, other tax and regulatory obligations, dividends and Interest on own capital, suppliers, provision for remuneration and charges, tax, civil and labor provisions, bonds with retirement benefits, obligations related to the acquisition of investments, bonds with research and development, income tax and social contribution and other obligations.

In short, the set of debts with financial institutions (loans, financing and debentures), of grants payable and other current and non-current liabilities result on 12.31.2014 in a total amount of R$ 7,966 million (R$ 7,273 million on 12.31.2013 and R$ 6,808 million on 12.31.2012).

(iii) Degree of debt subordination

The company does not adopts any subordination policy between the obligations recorded as liabilities payable in the balance sheets, which comprise the financial statements and, accordingly, in the event of a possible situation of judicial reorganization, the Company will adopt the provisions of Act No. 11,101 / 05 to compose the order of preference, in an universal creditor contest.

(iv) Any restrictions imposed on the Company, especially in relation to debt limits and contracting new debts, distribution of dividends, sale of assets, issuance of new securities and the alienation of corporate control

a) Loans and financing

The Company is subject to the following contractual commitments (covenants) - financial ratios and limits - established in its loan and financing contracts:

Debt	***Covenants***
Controller:	
Bank of America Merril Lynch	EBITDA/consolidated financing expenses ≥ 2,0 Consolidated Gross Debt/EBITDA ≤ 3,5
Nordic Investment Bank	Controller: Total Debt/EBITDA ≤ 3,5 Consolidated: Total Debt/EBITDA ≤ 4,5 Controller e Consolidate: EBITDA/financing expenses ≥ 2,0
BNDES - Modernization	Net debt/EBITDA ≤ 3,5
BNDES and Banks (BNDES Transfer) – São Salvador Plant	Consolidated Gross Debt/EBITDA ≤ 4,5
HSBC USA, Mizuho Bank and Bank of Tokyo	EBITDA/consolidated financing expenses ≥ 2,0 Consolidated Gross Debt/EBITDA ≤ 4,5
Controlled Companies:	
BNDES and Banks (BNDES Transfer)	Coverage ratio of debt service[3] ≥ 1,2 or 1,3, depending on the controlled company
BNDES - Ibitiúva	Overall indebtedness ratio ≤ 0,80 Coverage ratio of debt service ≥ 1,3

Tractebel Energia, As the Controller and guarantor of the CEE financing with BNDES, must meet the following financial ratio: Consolidated Debt /EBITDA ≤ 3.5.

The loans contracted with BNDES are formalized through the signing of financing agreements by credit line opening and subject to the provisions applicable to BNDES agreements.

[3] Coverage ratio of debt service: Activity Cash Generation / Debt Service

Under those provisions, in addition to the financial covenants described in the table presented above, loan takers may not, without the prior authorization of BNDES: (i) give preference to other credits; (ii) perform amortization of shares; (iii) issue debentures; (iv) issue beneficiary parties; (v) take on new Debts, given the exceptions expressly provided for in the provisions applicable to BNDES contracts; (vi) sell or encumber assets from its permanent assets; and (vii) distribute dividends higher than the minimum required in some Controlled Companies.

The financial commitments set out in loan and financing agreements are being executed by the Company.

b) Debentures

Debt	*Covenants*
2nd issuance – single series	EBITDA/consolidated financing expenses ≥ 2.0 Consolidated Gross Debt/EBITDA ≤ 3.5
5th issuance– single series	EBITDA/consolidated financing expenses ≥ 2.0 Consolidated Gross Debt/EBITDA ≤ 4.5

In addition to the financial commitments described in the table, in terms of issuance of the debentures indenture, the Company shall comply with the restrictions described below, subject to early maturity of the debts represented by debentures: (i) default for deadline longer than two working days payments, as defined in the indenture of debentures,; (ii) non-compliance for a period exceeding five working days after receipt of notification sent by the Fiduciary Agent of any non-pecuniary obligation defined in the indenture of debentures; (iii) non-payment of any obligations which, individually or together, are equal to or greater than R$ 100 million; (iv) early maturity of any Debt whose value, individually or jointly, is greater than R$ 100 million; (v) protest of the Company's bonds or any of its Controlled ones; (vi liquidation, dissolution, termination or any form of corporate reorganization of Controlled ones of the Company and Company itself, unless the succession company(ies) are also Controlled Companies, directly or indirectly, by a company of the economic group in which the Company operates; (vii request for judicial, extrajudicial recovery, self-bankruptcy or any analog procedure that characterizes a state of insolvency of the Company or its Controlled ones; (viii requirement or declaration of bankruptcy of the Company or its Controlled Companies, unless such requirement is contested and there is evidence of elusive deposit, within the legal period, if applicable; (ix) split, merger or any type of corporate reorganization of the company, unless: (ix.i) the change is approved by the General Meeting of Debenture Holders; (ix.ii) the right of redemption to debenture holders who do not agree with the reorganization is guaranteed; or (ix.iii) the successor company is controlled, directly or indirectly, by a company belonging to the same Company's economic group; (x) change in the direct or indirect share control of the Company; (xi) sale, inoperativeness or prolonged stoppage or any other disposition by the Company of fixed assets that represent, individually or in the aggregate, 25% of the capacity of power generation by the Company, and that are proven to affect the economic-financing capacity of the Company; (xii) intervention or loss of concession/authorization representing more than 25% of

its installed capacity, and that are proven to affect the financial and economic capacity of the Company; (xiii) transformation of the corporate type of the Company; (xiv) reduction of the Company's share capital, unless approved by the General Meeting of Debenture Holders; (xv) Payment of dividends, Interest on own capital or any other profit sharing provided in the Bylaws, except for the payment of mandatory minimum dividend provided in the Law of Share Corporations, if the Company is in default with respect to the payment of any obligation payment concerning the debentures; (xvi) transfer, assignment promise or any form of transfer or promise of transfer of rights and obligations to the issuance of debentures to third parties, without the prior authorization of the debenture holders; (xvii) non-renewal, cancellation, revocation or suspension of authorization, concessions, grants, permits or licenses required for the performance of the Company's activities involving the interruption or suspension of 25% of the Company's generation capacity and cause a significant effect on the Company's ability to comply with the obligations arising from the Indenture of issuance of debentures; (xviii) failure to comply with any judicial, administrative or court decision, final and unappealable and not subject to appeal or arbitration award not subject to appeal, on an individual or aggregate amount equal to or greater than R$ 100 million; (xix) failure to maintain a corporate risk rating lower than AA, on a local scale by Standard & Poor's, Fitch or equivalent rating by Moody's; and (xx) use of resources from the issuance of debentures, as described in the indenture of issuance thereof.

The financial covenants and restrictions are being fully complied with, by the Company.

g. limits for the use of funds already contracted

The controlled company EEC contracted with BNDES and the Banks (BNDES installment Transfer) an additional financing for the construction of the Estreito HPP in the amount of R$ 308 million, of which R$ 2 million are still pending in terms of license. The Company's forecast is that these resources be released until June 2015.

The Company maintains with BNDES a financing for the Modernization of the Power Plants named Salto Santiago and Passo Fundo, and Thermal Power Plant named Jorge Lacerda A, in the amount of R$ 318 million. The Modernization project of the mentioned plants is running and so far R$ 127 million have been withdrawn. The balance to cash out is R$ 191 million and the Company's forecast is that resources are released by October 2017.

The Company also has a balance to withdraw amounting to R$ 4 million in PSI Finame contracts with banks transferring resources from BNDES, whose expected carrying out is estimated by December 2015.

h. significant changes in each financial statement item

Reclassification and adjustment of accounting balances

- CPC 33 (R1) and Revised IAS 19 – Benefits to employees

The accounting policies relating to the recognition and measurement of Benefits to employees were changed and its adoption has become mandatory from 01.01.2013.

The new standard eliminated the "corridor" method approach, which allowed the deferral of recognition of actuarial gains and losses in the result. Thus, actuarial gains and losses annually evaluated by actuaries will be recognized directly under the rubric entitled "Equity valuation adjustment - other comprehensive results" in Net worth.

Furthermore, the calculation of the plan profitability assets started being performed based on the discount rate used for purposes of evaluating the present value of obligations with retirement Benefits.

As a result, the Company retrospectively adjusted to 01.01.2012 the rights, obligations and results with retirement Benefits and the deferred respective effects on the income tax and social contribution.

- Reimbursement Fuel bill reclassification

The Company, up to the year ended on 12.31.2012, presented the values of recoverable fuels with the net resources of the Energy Development Account (CDE) of amounts payable to fuel suppliers. From 2013, these transactions are now presented as segregated in assets and liabilities of the Company. In order to allow comparability between the accounting information, the balances of the accounts mentioned relating to 12.31.2012 and 01.01.2012 were reclassified.

- Adjustments and reclassifications resulting from the above procedures

Effects on the balance sheets and the consolidated income statements, before and after the retroactive adjustments in thousands of reais, are as follows:

(i) Effects in the balance sheet on 12.31.2012

	Balance on 12.31.2012		
	Published	**Adj.**	**Adjusted**
Current assets	**1,985**	**46**	**2,031**
Fuel to be reimbursed	-	48	48
Other current assets	81	(2)	79
Non-current assets	**10,279**	**1**	**10,280**
Other non-current assets	64	1	65
Total assets	**12.264**	**47**	**12,311**
Current liabilities	**1,689**	**47**	**1,736**
Suppliers	218	47	265
Non-current liabilities	**5,111**	**(39)**	**5,072**
Obligations with retirement Benefits	275	(59)	216
Deferred income tax and social contribution taxes	179	20	199
Net worth	**5,463**	**39**	**5,503**
Reserves	3.015	(9)	3,006
Other comprehensive results	-	48	48
Total liabilities and Net worth	**12,264**	**47**	**12,311**

(ii) Effects in the results of the year ended on 12.31.2012

	Published	**Adjustments**	**Adjusted**
Constitution of operating, net expenses	(29)	(8)	(37)
PROFIT BEFORE THE FINANCING RESULT AND ATTRIBUTES	**2,547**	**(8)**	**2,539**
Financing Result	(447)	(6)	(453)
PROFIT BEFORE TRIBUTES OVER PROFIT	**2,100**	**(14)**	**2,086**
Income tax and Social Contribution	(600)	5	(595)
YEAR NET PROFIT	**1,500**	**(9)**	**1,491**
Net Profit per Share - basic and diluted – R$	**2.30**		**2.28**

h.1) Comparative analysis of the results for the years ended on December 31st, 2014 and 2013, prepared in accordance with IFRS and CPC:

Values in R$ million	December 31st				
	2014	% of revenue	2013	% of revenue	2014 *versus* 2013 (%)
NET SALES REVENUE	**6,473**	**100.0**	**5,569**	**100.0**	**16.2**
Costs of sold energy and services provided					
Electricity purchased for resale	(1,276)	19.7	(776)	13.9	64.4
Transactions in the short-term energy market	(1,040)	16.1	(638)	11.5	63.0
Charges for the use of the electric network and connection	(333)	5.1	(308)	5.5	8.1
Electricity production cost	(1,301)	20.1	(1,165)	20.9	11.7
Cost of services provided	(25)	0.4	(25)	0.4	-
	(3,975)	**61.4**	**(2,912)**	**52.3**	**36.5**
GROSS PROFIT	**2,498**	**38.6**	**2,657**	**47.7**	**(6.0)**
Operating Revenues (expenses)					
Expenses with sales	(17)	0.3	(19)	0.3	(10.5)
General and administrative Expenses	(181)	2.8	(178)	3.2	1.7
Provision for reduction of recoverable value	-	-	(73)	1.3	(100.0)
Other net operating revenues	3	(0.0)	-	-	-
	(195)	**3.0**	**(270)**	**4.8**	**(27.8)**
PROFIT BEFORE THE FINANCING RESULT AND ATTRIBUTES	**2,303**	**35.6**	**2,387**	**42.9**	**(3.5)**
Financing Result					
Financing revenues	207	(3.2)	183	(3.3)	13.1
Financing expenses	(553)	8.5	(568)	10.2	(2.6)
	(346)	**5.3**	**(385)**	**6.9**	**(10.1)**
PROFIT BEFORE TRIBUTES OVER PROFIT	**1,957**	**30.2**	**2,002**	**35.9**	**(2.2)**
Income tax and Social Contribution	(574)	8.9	(565)	10.1	1.6
YEAR NET PROFIT	**1,383**	**21.4**	**1,437**	**25.8**	**(3.8)**
PROFIT PER SHARE - BASIC AND DILUTED - IN REAIS	**2,12**		**2.20**		
EBITDA	**2.895**	**44,7**	**3,043**	**54.6**	**(4.9)**

NET SALES REVENUE

In the comparison between 2014 and 2013, there was an expansion of NET SALES REVENUE from R$ 904 million, or 16.2%, from R$ 5,569 million in 2013 to R$ 6,473 million in 2014. This increase was held primarily because of the following combination: (i) R$ 352 million - increase in the average net selling price; (ii) R$ 218 million - increase in the amount of energy sold; (iii) R$ 177 million - revenue increase in transactions in the short-term market, even in the CCEE matter; (iv) R$ 160 million - recovery of revenue that the Company failed to obtain at CCEE, due to the temporary stoppage of generation, driven by losses incurred in generating units of the Complex named Jorge Lacerda; and (v) R$ 6 million - reduction of carbon credit sales revenue.

- Average net price sales

In 2014, the average price of energy sales, net of taxes on income was R$ 149.20 / MWh, 6.6% higher than in 2013, from R$ 139.97 / MWh. The increase occurred mainly due to the restatement of existing contracts.

- **Sales volume**

The amount of energy sold in 2014 was 37,072 GWh (4,232 average MW), an increase of 1,627 GWh (186 average MW), or 4.6%, compared to 2013 when the volume was 35,445 GWh (4,046 avergae MW). Such variation is mainly due to the combination of the following: (i) increase of the volume of purchases; (ii) the commencement of full operation of the Wind Complex named Trairí; and (iii) acquisition of Ferrari Termoelétrica S.A., events partially compensated by the reduction of the customer demand and higher volume of trade capacity uncontracted in 2014.

Costs of sold energy and services provided

In 2014, the costs of energy sales and services totaled R$ 3,975 million, 36.5%, or R$ 1,063 million higher than the R$ 2,912 million of 2013. This variation derived mainly from the following factors:

- Electricity purchased for resale: increase of R$ 500 million in 2014 compared to 2013, primarily reflecting (i) the price readjustments of existing contracts; and (ii) the increase of the medium and long-term hirings in the amount of 2,897 GWh (331 average MW) in 2014.

- Transactions in the short-term market, even in CCEE matter: between 2014 and 2013 there was an increase in costs of R$ 402 million. Such variation includes the amount of R$ 83 million, recognized as cost recovery, given the increase in the exposure in the CCEE due to the temporary interruption of generation of generating units of the Jorge Lacerda Complex, previously cited. Further details are described below, under a specific item.

- Fuels for the production of electricity: increase of R$ 134 million between 2014 and 2013, mainly reflecting the increase in natural gas consumption by the Thermoelectric plant named William Arjona, due to the higher dispatch of the Plant.

- Electric network usage and connection charges: increase of R$ 25 million between 2014 and 2013, reflection in a large part of the annual readjustment of the transmission tariffs, in addition to the commercial operation entrance of the Wind Complex named Trairí and the acquisition of Ferrari Termoelétrica S.A..

- Third parties' materials and services: increase of R$ 21 million between 2014 and 2013, primarily due to the higher demand for operation and maintenance services, especially in the Jorge Lacerda Thermoelectric Complex, in the São Salvador HPP and in the Ferrari Thermoelectric plant.

- Financial compensation for the use of water resources (royalties): increase of R$ 22 million between 2014 and 2013, largely explained by the increase in the Company's hydroelectric generation units.

- Personnel: increase of R$ 16 million between 2014 and 2013, substantially due to the annual readjustment of the Remuneration and Benefits of employees.

- Depreciation and amortization: increase of R$ 10 million between 2014 and 2013, mainly due to the start-up of the Trairí Wind Complex operation and the acquisition of Ferrari Termoelétrica S.A.

- Reversal of net operating provisions: positive effect on the result of R$ 14 million between 2014 and 2013, mainly due to: (i) R$ 92 million - reversal of civil provision on the collection of an additional value from TUST Hydroelectric Plant named Ponte de Pedra, motivated by a favorable decision to the company that reduced the risk of loss in the lawsuit; (ii) R$ 89 million - constitution of civil provision arising from legal disputes with the supplier by reason of divergence regarding the application of the terms of the current legislation, in relation to setting the price of the consumed input; and (iii) R$ 16 million - reversal of provision regarding the collection of INSS due to the Company's adherence to the equationing of tax debts plan referred to as "Cup REFIS".

- Others: positive effect of R$ 55 million between 2014 and 2013, primarily reflecting the reversal in the second quarter of 2014, of prescribed liabilities related to the purchase of energy and transmission charges.

Detailing of short-term operations, including the transactions in CCEE

Short-term operations are defined as purchase and sale of energy with a duration of delivery not exceeding six months, where the primary goal is Tractebel exposure management in CCEE. Thus, the price of energy in these operations is characterized by the link with the Differences Settlement Price (PLD). The present item also includes the transactions in CCEE, given the volatile and seasonal character - and therefore short-term - of the results arising from the accounting at CCEE. Additionally, positive or negative exposures are settled at PLD, thereby in the same manner as short-term operations.

On transactions in CCEE, the various creditors or debtors launches performed monthly in the account of a CCEE agent are synthesized in a single invoice, receivable or payable, thus requiring his record in revenue or expenditure heading. It is noteworthy that, due to adjustments in the portfolio management strategy, there has been a change in the profile of invoices, which makes the direct comparison of the elements that compose them in two years. This is the reason for the present topic, to allow an analysis of the oscillations in the principal elements, in spite of their allocation either to income or expenses, according to the credit or debit nature of the billing to which they are attached.

Generically, these elements are revenues or expenses arising from, for example, (i) the application of the Energy Reallocation Mechanism (MRE); (ii) the Assured Energy Adjustment Factor, which occurs when the generation of plants which are part of the MRE, in relation to the allocated power is greater (Secondary Energy) or lower (GSF - Generation Scaling Factor); (iii) the so-called "submarket risk"; (iv) dispatch motivated by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), which result from the dispatch of the order of merit of thermoelectric power plants; and (vi) naturally, the exposure (sold or purchased position of energy in the monthly accounts), which, in turn, will be paid to the value of PLD.

In the accumulated from 2014, net income arising from short-term transactions, including those carried out in CCEE, was negative in R$ 136 million against the also negative R$ 71 million recorded in 2013, that is, a worsening of R$ 65 million between the years compared. Excluding the constitution of the CNPE provision, 03 in 2013 and its reversal in 2014, the negative result of the transactions in the short-term market, even in the CCEE matter, between the years, would be higher at R$ 174 million.

This deterioration was due, in particular, by the conjunction of the following: (i) growth of net negative effect in the application of SFM; (ii) increase of creditor position at CCEE, as a result of the energy allocation strategy by the Company; (iii) increase of the thermal exposure of the Company, related mainly to the suspension of generation caused by accidents and maintenances of thermal power generating units; (iv) short-term energy purchases reduction; (v) increase of the positive result in the MRE; (vi) provision reversal of any costs related to the effects of the participation of generators in the division of the System Service Charges (ESS), as established by Resolution CNPE 03, in view of the reduction of the risk of loss in the lawsuit, challenging the collection of these values; and (vii) recovery from the negative effects at CCEE, caused by the interruption in the generation, due to claims in generating units, previously mentioned. Thus, the negative effects reported in items (i) and (iii) were attenuated by others.

The significant increases in average PLD of the Southern and Southeastern / Midwest submarkets, between 2013 and 2014, significantly contributed to the positive effects in the outcome of the expansion of creditor position at CCEE, and negatively for the costs relating to the implementation of GSF and thermal exposure. When comparing the years, PLD in the same submarkets advanced 161.7%, from R$ 258.19 / MWh in 2013 to R$ 675.81 / MWh in 2014.

GROSS PROFIT

In the year 2014, the Company's GROSS PROFIT was R$ 2,498 million, 6.0% lower than presented in 2013, which was R$ 2,657 million, reflecting the variations explained in sub-items "NET SALES REVENUE" and "Costs of sold energy and services provided".

Operating Revenues (expenses)

- Provision for reduction of recoverable value

In the year 2013, the Company recognized a provision for reduction of recoverable value (impairment) of assets, particularly those of the Charqueadas Thermal Power Plant in the amount of R$ 73 million. The impairment of the Charqueadas' assets was formed because of the likely effects of the rules imposed by Aneel, that predict the reduction of the coal reimbursement from January 2016, which, according to internal assessments, would hamper the recovery of assets and additional investments that would be needed to meet the new plant efficiency factors required by the Regulator.

PROFIT BEFORE THE FINANCING RESULT AND ATTRIBUTES (Service Result)

In the accumulated from 2014, this result was R$ 2,303 million, R$ 84 million or 3.5% lower compared to what was presented at the same period of the previous year, which was R$ 2,387 million as a result of the changes described above in items "GROSS PROFIT" and "Operating Revenues (expenses)".

Financing Result

- Financing revenues

When comparing 2014 and 2013, the financing revenues increased R$ 24 million, from R$ 183 million to R$ 207 million. This variation is explained mainly by the following factors: (i) reversal of R$ 61 million in 2014, corresponding to the Interest and Monetary variation of prescribed liabilities; (ii) increase of R$ 25 million in the revenue from financial investments; (iii) a R$ 18 million reduction in gains resulting from success in lawsuits; (iv) recognition of a gain of R$ 49 million in 2013, arising from the early settlement at market value of the Debt with the National Treasury Secretariat (STN); and (v) R$ 2 million increment of Monetary variation arising from legal deposits.

- Financing expenses

The expenses decreased from R$ 568 million in 2013 to R$ 553 million in 2014, or R$ 15 million, resulting from the combination of the following variations: (i) a reduction of R$ 42 million at exchange variation expense of Debts; (ii) increase of R$ 8 million in Interest and Monetary variation over concessions payable; (iii) increase of R$ 7 million in net Interest over actuarial liabilities; (iv) increase of R$ 7 million in Interest and Monetary variation over Debts; (v) increment of R$ 5 million in the financial burden over the Company's other debts.

Income Tax (IR) and Social Contribution on Net Profit (CSLL)

Expenditure on IR and CSLL increased from R$ 565 million in 2013 to R$ 574 million in 2014, increase of R$ 9 million. This variation is mainly a result of the reduction of profit before taxes and the lowest amount of credit of Interest over own capital. The effective tax rates on profits in the years 2014 and 2013 were 29.3% and 28.2%, respectively.

YEAR NET PROFIT

In the year, net income increased from R$ 1,437 million in 2013 to R$ 1,383 million in 2014, that is, a reduction of R$ 54 million, or 3.8%. This variation was mainly due to the following factors previously explained, namely net Income tax and Social Contribution: (i) a reduction of R$ 97 million in EBITDA; (ii) decrease of R$ 37 million of financing recurring net expenses and reduction of non-recurring financial gains between the years 2013 and 2014 at R$ 11 million resulting in a R$ 26 million variation in Financing Result; (iii) increase of R$ 7 million in depreciation and amortization; (iv) recognition of the impairment of R$ 48 million in year 2013; and (v) a reduction of R$ 24 million of permanent deductions from the calculation basis of Income tax and Social Contribution, especially the Interest over own capital.

Excluding the non-recurring annual net tax effects, which positively impacted the 2014 EBITDA, totaling R$ 133 million, and negatively the year 2013, at R$ 36 million, the recording of impairment in 2013, in R$ 48 million and the non-recurring positive effects on Financing Result, namely: (i) financial expenses of R$ 41 million over the prescribed liabilities reversed in 2014; (ii) gain in 2013 of R$ 33 million at the early settlement of Debt; and (iii) gain in 2013, of R$ 19 million in final and unappealable lawsuit, the net income in the years 2014 and 2013 would be R$ 1,209 million and R$ 1,469 million, respectively, a decrease of R$ 259 million, or 17.7% between the years analyze.

EBITDA and EBITDA Margin

In the year, EBITDA decreased R$ 148 million, or 4.9%, from R$ 3,043 million in 2013 to R$ 2,895 million in 2014. The EBITDA margin reached 44.7% in 2014, representing a decrease of 9.9 p.p. compared to the previous year. Reductions of these indicators are primarily due to combination of the following factors: (i) increase of R$ 570 million in net revenue of contracted energy sales; (ii) the negative impact of R$ 417 million in transactions in the short-term market, including those at CCEE; (iii) recognition in 2014 of the recovery of negative effects at CCEE, resulting from claims in the Company's generating units, as mentioned above, in the amount of R$ 243 million; (iv) reversal in 2014 of the provision due to the impacts of Resolution CNPE 03, constituted in 2013, in the amount of R$ 54 million, resulting in increase of R$ 108 million; (v) increase of R$ 500 million in energy purchases for resale; (vi) increase of R$ 134 million in fuel consumption; (vii) establishment, in 2014, of civil provision arising from litigation with supplier, due to the divergence in the setting of the price for fuel consumed, in the amount of R$ 89 million; (viii) reversal in 2014 of provisions relating to: (VIII.I) claims of additional value for the Usage Rate of the Ponte de Pedra Hydroelectric Power Transmission System, in the amount of R$ 92 million; and (viii.ii) at prescribed liabilities, in the amount of R$ 55 million; and (ix) increase of R$ 76 million of other costs and expenses. Excluding the non-recurring effects mentioned in (iv), (VIII.I) and (viii.ii), EBITDA would have reached R$ 2,694 million and R$ 3,097 million in the years 2014 and 2013 respectively, a reduction of R$ 403 million, or 13.0%, between the years compared.

Reconciliation between net profit and EBITDA

Values in R$ million	12.31.2014	12.31.2013
YEAR NET PROFIT	1,383	1,437
(+) Income tax and Social Contribution	574	565
(+) Financing net expenses	346	386
(+) Depreciation and amortization	592	582
EBITDA	**2,895**	**2,970**
(+) Provision for reduction of recoverable value *(impairment)*	-	73
Adjusted EBITDA	**2,895**	**3,043**
EBITDA margin (%)	**44.7%**	**54.6%**

The EBITDA presented by the Company follows the guidance established by CVM Instruction No. 527/2012, which now presides the disclosure of this non-accounting indicator. EBITDA is neither a measure of financial performance according to the "International Accounting Practices Adopted in Brazil" nor should not be considered in isolation, or as an alternative to net profit, as measure of operating performance or an alternative to operating cash flows, or as a measure of liquidity.

Because they are not considered for its calculation, expenditure and Financing revenues, income tax and social contribution and depreciation, amortization and impairment, EBITDA is a general economic performance indicator. Consequently, the EBITDA is a significant tool to periodically compare the operating performance, as well as to support certain administrative decisions. The EBITDA allows a better understanding not only on financial performance, but also on the ability to comply with the liabilities obligations and to obtain funds for capital expenditures and working capital. The EBITDA, however, has limitations that hamper its use as a measure of profitability, as it does not consider certain costs of business, which could affect, significantly, profits, such as financing expenses, taxes, depreciation, capital expenses and others related charges.

Comparative analysis between the results for the years ended on December 31st, 2013 and 2012, prepared in accordance with IFRS and CPC:

	December 31st				
Values in R$ million	**2013**	**% of revenue**	**2012 (Re-presented)**	**% of revenue**	**2013 *versus* 2012 (%)**
NET SALES REVENUE	**5,569**	**100**	**4,913**	**100**	**13.4**
Costs of sold energy and services provided					
Electricity purchased for resale	(776)	13.9	(664)	13.5	16.9
Transactions in the short-term energy market	(638)	11.5	(53)	1.1	1,103.8
Charges for use of the electricity network and connection	(308)	5.5	(330)	6.7	(6.7)
Electricity production cost	(1,165)	20.9	(1.058)	21.5	10.1
Cost of services provided	(25)	0.5	(26)	0.6	(3.8)
	(2,912)	**52.3**	**(2.131)**	**43.4**	**36.6**
GROSS PROFIT	**2,657**	**47.7**	**2,782**	**56.6**	**(4.5)**
Operating Revenues (expenses)					
Expenses with sales	(19)	0.3	(23)	0.5	(17.4)
General and administrative Expenses	(178)	3.2	(165)	3.4	7.9
(Constitution) reversal of operating provisions	1	0.0	(37)	0.8	(102.7)
Provision for reduction of recoverable value	(73)	1.3	-	-	-
Other (expenses) net operating revenues	(1)	0.0	(18)	0.2	(94.4)
	(270)	**4.8**	**(243)**	**4.9**	**11.1**
PROFIT BEFORE THE FINANCING RESULT AND ATTRIBUTES	**2,387**	**42.9**	**2,539**	**51.7**	**(6.0)**
Financing Result					
Financing revenues	183	(3.3)	88	(1.8)	106.8
Financing expenses	(568)	10.3	(541)	11.0	5.0
	(386)	**7.0**	**(453)**	**9.2**	**(14.8)**
PROFIT BEFORE TRIBUTES OVER PROFIT	**2,002**	**35.9**	**2,086**	**42.5**	**(4.1)**
Income tax and Social Contribution	(565)	10.1	(595)	12.2	(5.2)
YEAR NET PROFIT	**1,437**	**25.8**	**1,491**	**30.3**	**(3.6)**
PROFIT PER SHARE - BASIC AND DILUTED - IN REAIS	**2.20**		**2.28**		
EBITDA	**3,043**	**54,6**	**3,100**	**63.1**	**1.9**

NET SALES REVENUE

Comparing the years there has been an expansion of NET SALES REVENUE of R$ 656 million, or 13.4%, from R$ 4,913 million in 2012 to R$ 5,569 million in 2013. This increase was due mainly from the combination of the following: (i) R$ 290 million - increase in the average net selling price; (ii) R$ 269 million - increase of transactions revenue made in the short-term market, including at the CCEE; (iii) R$ 90 million - increase in the amount of energy sold; (iv) R$ 15 million - growth of carbon and ashes credit sales; and (v) R$ 8 million - reduction in energy exports.

- Average sales net price

The average price of energy sales, net of taxes over income, reached R$ 139.97 / MWh, 5.5% higher than that practiced in 2012, which was of R$ 132.66 / MWh.

The price increase occurred, mainly, due to the monetary restatement of existing contracts.

- **Sales volume**

The amount of energy sold in the accumulated ratio of 2013 was 35,445 GWh (4,046 average MW) against 34,559 GWh (3,934 average MW) recorded in 2012, an increase of 886 GWh (112 average MW), or 2.6% GWh. The variation in average MW is slightly different because 2012 was a leap year.

The increased amount of energy sold was due to conjunction of the following: (i) development of 2,864 GWh (330 average MW) in power supply for free consumers; (ii) reduction of 1,213 GWh (131 average MW) in power supply for distributors; (iii) decrease of 739 GWh (84 average MW) in energy sales to trading companies; and (iv) export of energy only in 2012, in the amount of 26 GWh (3 average MW).

Costs of sold energy and services provided

In the year 2013, these costs reached R$ 2,912 million, 36.6%, or R$ 781 million, higher than the R $ 2,131 million recorded in 2012. These changes took place, essentially, the trend in the following components:

- Electricity purchased for resale: increase of R$ 112 million in 2013 compared to 2012, reflecting the readjustments of existing long-term contracts and the prices of the contracts with terms started in 2013.

- Transactions in the short-term market, including in the context of CCEE: between the 2013 and 2012, the increase was R$ 585 million. Further details are described below under a specific item.

- Charges for use of the electricity network and connection*:* decrease of R$ 22 million between the years 2013 and 2012, reflecting, for the most part, the effects of measures imposed by the federal government that resulted in the reduction of industry charges over transmission tariffs, in 2013.

- Fuels for electricity production: in the comparison between the years under review, these costs increased by R$ 30 million, reflecting the increase in thermoelectric power generation resulting in an

increase of R$ 15 million in natural gas consumption in UTWA, and R$ 15 million in net consumption of biomass, coal and diesel oil.

- Financial compensation for the use of water resources: increase of R$ 36 million between the years compared, as a result of the increment of generation of the Company's hydroelectric units.

- Personnel: increase of R$ 19 million in the analyzed years, due mainly to the annual readjustment of remuneration and the employees' Benefits.

- Depreciation and amortization: increase of R$ 24 million between 2012 and 2013, due above all to the entry into operation of new generating units of the Estreito Hydroelectric Power Plant and the new wind centers, located in the state of Ceará.

Detailing of short-term operations, including transactions in the CCEE

Short-term operations are defined as purchase and sale of energy, with a delivery duration not exceeding six months, and that have as their main objective the management of Tractebel Energia exposure at the Electricity Trading Chamber (CCEE). Thus, the price of energy in such operations is characterized by the link to the Differences Settlement Price (PLD). This item also includes transactions in CCEE, given the volatile and seasonal character - and therefore short-term - of the results arising from the accounting at CCEE. Additionally, positive or negative exposures are settled at PLD, thereby, like the short-term operations described above CCEE.

On transactions in CCEE, the various creditors or debtors launches monthly performed on the account of a CCEE agent are synthesized in a single invoice, receivable or payable, thus requiring its record in revenue or expense item. Note that, due to adjustments in the portfolio management strategy, one has noted in recent years a change in the aforementioned invoices profile. Such fluctuations complicate the direct comparison of the elements comprising each billing or invoice in the two years, which is the reason for the present topic. Thus, it allows us to perform an analysis of the oscillations in the principal elements, in spite of their allocation either in the revenue or in the expense, according to the credit or debit nature of the invoice to which they relate.

Generically, these elements are income or expenses from, for example, (i) the application of the Energy Reallocation Mechanism (MRE); (ii) the so-called "submarket risk"; (iii) dispatch triggered by the Risk Aversion Curve (CAR); (iv) the application of the System Service Charges (ESS) resulting from the dispatch out of the order of merit of thermoelectric power plants; and (v) naturally, from the exposure (sold or purchased position of energy in the monthly accounting), which, in turn, will be paid to the value of PLD.

In the accumulated of 2013, the net result from short-term transactions, including those carried out at CCEE, was a negative R$ 71 million against the positive result of R$ 245 million in the same period of 2012, that is, a negative variation of R$ 316 million between the years compared.

This reduction in results was due, in particular, to the conjunction of the following: (i) purchase of energy in the short term from the second quarter of 2013, to reduce the debt position in CCEE and, as a consequence, mitigate the effects of Resolution CNPE 03/2013 (CNPE 03); (ii) net negative effect due to the difference between (II.I) the expenditure incurred in 2013, due to the lack of hydroelectric generation in the SIN, in relation to the allocation of power in CCEE by the agents, especially in January and February, and (II.II) the gain made in 2012 by virtue of the excess of the hydroelectric generation in the SIN, mainly in the first two quarters of the year; (iii) expansion of the creditor position in CCEE, as a result of the energy allocation strategy by the Company; (iv) reduction of the thermal exposure due to the increase of the dispatch of these plants by order of merit; (v) positive result in the MRE in 2013, by the largest hydroelectric generation, especially in the second half, compared to the negative effect in 2012; and, (vi) recognition of the estimated costs related to the participation of generators in the apportionment of System Service Charges (ESS), established by CNPE 03, despite the injunction obtained by the association representing the Company, the Brazilian Association of Independent Power Producers (Apine) suspending the effects of the aforementioned Resolution.

If the court decision is contrary to the effects of Resolution CNPE 03, the additional cost of R$ 55 million recognized in 2013 will be reversed by the Company.

It is worth noting that the increase of the annual average PLD of the Southern and Southeastern/midwest submarkets, which went from R$ 166.77 / MWh in 2012 to R$ 258.19 / MWh in 2013, significantly contributed to the positive effects on results from the expansion of the creditor position in CCEE, and the secondary energy and, negatively, for costs related to the thermoelectric plant exposure.

GROSS PROFIT

In the year 2013, the Company's GROSS PROFIT was R$ 2,657 million, 4.5% lower than the one presented in 2012, which was R$ 2,782 million, reflecting the variations explained in sub-items "NET SALES REVENUE" and "Costs of sold energy and services provided".

Operating Revenues (expenses)

- General and administrative expenses with sales

In the twelve months, these expenses were R$ 197 million in 2013 and R$ 188 million in 2012, that is, an increase of R$ 9 million, or 4.8%. These variations are related mainly to the Annual readjustment of remuneration and Benefits of the employees.

- Constitutions and reversals of net operating provisions

e Company, in 2013, recorded net revenues from the reversal of operating provisions of R$ 1 million, while in the previous year, it had recognized a net expense related to the provisioning of R$ 37 million, resulting in a positive impact of R$ 38 million between the years analyzed. The main provisions recorded in 2012 also refer to civil and tax provisions amounting to R$ 25 million and the provision for the non-recurring loss of R$ 16 million, resulting from asset incorporation effects.

- Provision for reduction of recoverable value

In the year 2013, the Company recognized a provision for impairment of assets, particularly those of the Thermal Power Plant named Charqueadas in the amount of R$ 73 million, due to recently imposed rules by Aneel, which will reduce the reimbursement of coal consumption from January 2016 and will not enable the recovery of additional investments that would be needed to meet the new plant efficiency factors, required by the regulator.

PROFIT BEFORE THE FINANCING RESULT AND ATTRIBUTES (Service result)

In the accumulated of 2013, this result was R$ 2,387 million, R$ 152 million or 6.0% lower compared to what has been presented at the same period of the previous year, which was R$ 2,539 million, as a result of the changes described above in items "GROSS PROFIT" and "Operating Revenues (expenses)".

Financing Result

- Financing revenues

In the comparison between the years, The Financing revenues increased R$ 95 million, from R$ 88 million in 2012 to R$ 183 million in 2013. This variation is explained mainly by the following factors: (i) gain of R$ 49 million in the early settlement at market value of the Debt with the National Treasury Secretariat (STN) and its respective deposit as a warranty; (ii) non-recurring gain of R$ 29 million in lawsuit, that questioned the amount of Interest and Monetary variation over energy sales received in arrears, in previous years; (iii) R$ 22 million in the income of financial investments; and (iv) a reduction of R$ 6 million in Interest over receivables.

- Financing expenses

On an annual basis, expenses increased from R$ 541 million to R$ 568 million, or R$ 27 million, resulting from the combination of the following variations: (i) R$ 18 million in exchange variation of Debt; (ii) a reduction of R$ 11 million in Interest and Monetary variation over Debt; (iii) increase of R$ 11 million in Interest and Monetary variation on concessions payable; (iv) increase of R$ 9 million of the financial adjustment of provisions; and (v) increase of R$ 5 million in net Interest over actuarial liabilities.

Income Tax (IR) and Social Contribution on Net Income (CSLL)

In the accumulated amount of the year, the cost of IR and social contribution increased from R$ 595 million in 2012 to R$ 565 million in 2013, a reduction R$ 30 million. This variation is also mainly due to a result of the reduction of the profit before taxes and credit of Interest over own capital. The effective tax rates over profits in the years 2013 and 2012 were 28.2% and 28.5%, respectively.

YEAR NET PROFIT

In the twelve-month period, net profit increased from R$ 1,491 million in 2012 to R$ 1,437 million in 2013, that is, a reduction of R$ 54 million, or 3.6%. This variation was essentially a combination of the following retro impacts mentioned: (i) negative change in net outcome from transactions in the short-term market, including at CCEE, amounting to R$ 209 million, which includes the effects of CNPE 03 including the provision of R$ 36 million resulting from that resolution; (ii) increase in profit regarding the Company's other operations in the amount of R$ 160 million; (iii) impairment registration of thermal generation assets in the amount of R$ 49 million; and (iv) recognition of non-recurring gains of R$ 52 million arising from early settlement of Debt and lawsuit that is favorable to the Company, on Interest and Monetary variation over energy sales.

EBITDA and EBITDA Margin

In the twelve-month period, EBITDA decreased R$ 57 million, or 1.9%, from $ 3,100 million in 2012 to R$ 3,043 million in 2013. The EBITDA margin reached 54.6% in 2013, representing a decrease of 8.5 pp compared to 2012.

The reductions of these indicators were mainly due to the negative variation of results in transactions in the short-term market, including at CCEE, between the years analyzed, the amount of R$ 316 million, which includes the effects of CNPE 03, including provision of R$ 55 million resulting from that resolution.

Reconciliation between net profit and EBITDA

Values in R$ million	12.31.2013	12.31.2012 (Re-presented)
YEAR NET PROFIT	1,437	1,491
(+) Income tax and Social Contribution	565	595
(+) Net financing expenses	386	453
(+) Depreciation and amortization	582	561
EBITDA	**2,970**	**3,100**
(+) Provision for reduction of recoverable value *(impairment)*	73	-
Adjusted EBITDA	**3,043**	**3,100**
EBITDA margin (%)	**54.6%**	**63.1%**

EBITDA presented by the Company follows the guidance established by CVM Instruction No. 527/2012, which now governs the disclosure of any such financial ratio. EBITDA is not a measure of financial performance according to the "International Accounting Practices and the ones adopted in Brazil", and neither should it be considered in isolation, or as an alternative to net profit as a measure of operating performance or an alternative to operating cash flows, or as a measure of liquidity.

Because they are not considered for its calculation, expenditure and Financing revenues, the income tax and social contribution and depreciation, amortization and impairment, EBITDA works as a general economic performance indicator. Consequently, the EBITDA is a significant tool to compare periodically the operating performance, as well as to support certain administrative decisions. EBITDA allows a better understanding not only on financial performance, but also on the ability to comply with the obligations and liabilities and of obtaining funds for capital expenditures and working capital. EBITDA, however, has limitations that impair its use as a profitability measure, since it does not consider certain costs of business, which could affect, significantly, profits, such as financing expenses, taxes, depreciation, capital expenses and other related charges.

h.2) Comparison between the balance sheets of December 31st, 2014, December 31st, 2013 and December 31, 2012st prepared in accordance with IFRS and CPC

	ASSETS						
In RS million	12.31.2014	%	12.31.2013	%	12.31.2012 (Restatement)	%	12.31.2014 *versus* 12.31.2013 (%)
CURRENT ASSETS							
Casch and cash equivalent	1.605	11,8	1.224	9,7	1.180	9,6	31,1
Client accounts receivable	713	5,2	740	5,9	623	5,1	(3,6)
Inventory	70	0,5	65	0,5	45	0,4	7,7
Tax credits recoverable	51	0,4	60	0,5	55	0,4	(15,0)
Fuel to be reimbursed	343	2,5	140	1,1	48	0,4	145,0
Insurance Indemnification receivable	217	1,6	-	-	-	-	-
Linked deposits	104	0,8	4	-	1	-	2.500,0
Non-realized earnings in hedge operations	30	0,2	-	-	-	-	-
Other current assets	65	0,6	89	0,8	79	0,5	(27,0)
	3.198	**23,6**	**2.322**	**18,5**	**2.031**	**16,4**	**37,7**
Non-current assets kept for Sales	87	0,6	-	-	-	-	-
	3.285	**24,2**	**2.322**	**18,5**	**2.031**	**16,4**	**37,7**
NON-CURRENT ASSETS							
Long-term assets							
Tax credits recoverable	84	0,6	100	0,8	122	1,0	(16,0)
Linjked Deposits	156	1,1	131	1,0	103	0,8	19,1
Legal Deposits	117	0,9	107	0,8	110	0,9	9,3
Values receivable for disposal of assets	-	-	87	0,7	87	0,7	(100,0)
Non-realized earnings in hedge operations	64	0,5	1	-	-	-	6.300,0
Other non-current assets	60	0,4	56	0,4	65	0,6	7,1
	481	**3,5**	**482**	**3,7**	**487**	**4,0**	**(0,2)**
Fixed assets	**9.658**	**70,9**	**9.708**	**76,8**	**9.683**	**78,7**	**(0,5)**
Intangible assets	**197**	**1,4**	**126**	**1,0**	**110**	**0,9**	**56,3**

	LIABILITIES AND EQUITY							
In R$ million	12.31.2014	%	12.31.2013	%	12.31.2012 (Restatement)	%	12.31.2014 *versus* 12.31.2013 (%)	12.31.2013 *versus* 12.31.2012 (%)
CURRENT LIABILITIES								
Suppliers	642	4,7	510	4,0	265	2,2	25,9	92,5
Dividends and Interest on Equity	200	1,5	221	1,7	248	2,0	(9,5)	(10,9)
Loans, financing and debentures	455	3,3	667	5,3	527	4,3	(31,8)	26,6
Grants payable	55	0,4	52	0,4	49	0,4	5,8	6,1
Income tax and social contribution payable	228	1,7	434	3,4	383	3,1	(47,5)	13,3
Other tax and regulatory duties	67	0,5	63	0,5	54	0,4	6,3	16,7
Provision for remunerations and charges	72	0,5	64	0,5	62	0,5	12,5	3,2
Tax, civel and labor provisions	15	0,1	15	0,2	29	0,2	-	(48,3)
Retirement benefits duties	49	0,4	29	0,2	32	0,3	69,0	(9,4)
Other non-current liabilities	171	1,2	112	0,9	87	0,7	52,7	28,7
	1.954	**14,3**	**2.167**	**17,1**	**1.736**	**14,1**	**(9,8)**	**24,8**
NON-CURRENT LIABILITIES								
Loans, financing and debentures	3.598	26,4	2.830	22,4	3.008	24,4	27,1	(5,9)
Grants payable	1.711	12,6	1.543	12,2	1.380	11,2	10,9	11,8
Tax, civil and labor provisions	187	1,4	180	1,4	146	1,2	3,9	23,3
Retirement benefits duties	234	1,7	190	1,5	216	1,8	23,2	(12,0)
Income tax and deferred social contribution	213	1,6	164	1,3	199	1,6	29,9	(17,6)
Other non-current liabilities	69	0,4	199	1,6	123	1,0	(65,3)	61,8
	6.012	**44,1**	**5.106**	**40,4**	**5.072**	**41,2**	**17,7**	**0,7**
EQUITY								
Working capital	2.446	18,0	2.446	19,4	2.446	19,9	-	-
Capital reserves	92	0,7	92	0,7	92	0,7	-	-
Profit reserves	2.417	17,7	1.772	14,0	1.755	14,3	36,4	1,0
Proposed dividends	172	1,3	462	3,7	576	4,7	(62,8)	(19,8)
Equity valuation adjustments	489	3,6	527	4,2	583	4,7	(7,2)	(9,6)
Othe comprehensive results	35	0,3	63	0,5	48	0,4	(44,4)	31,3
	5.651		**5.362**		**5.500**			
Non-controller shareholder stake	4	-	3	-	3	-	-	-
	5.655	**41,6**	**5.365**	**42,5**	**5.503**	**44,7**	**5,4**	**2,9**

The reclassifications occurred on 12.31.2012 are described in item 10.1 "h" of this form.

Comments on significant variations between the balance sheets of 12.31.2014 and 12.31.2013

Current assets

Cash and cash equivalents

The R$ 381 million increase results mainly from the following combination: (i) cash provided by operating activities of R$ 1,677 million; (ii) raising of funds through loans, financing and debentures, amounting to R$ 1,220 million, intended mainly to the Modernization of Power Plants named Salto Santiago and Passo Fundo, the expansion of Ferrari Termoelétrica S.A., the construction of wind projects in development and refinancing of debts; (iii) payment of dividends and Interest on shareholders' equity of R$ 1,081 million; (vi) amortization of R$ 782 million of loans, financing and debentures; (v) investment of R$ 353 million in fixed and intangible assets; (vi) payment for the acquisition of companies Ferrari Termoelétrica S.A., CLWP Brasil II Participações Ltda., CLWP Brasil III Participações Ltda. and development rights of the Wind Complex named Santo Agostinho, in the amount of R$ 235 million; and (vii) Payment of grants installments payable in the amount of R$ 55 million.

Accounts receivable from customers

The R$ 27 million reduction is due mainly to the decrease in receivables arising from transactions in the short-term energy market, partially compensated by the increase in accounts receivable resulting from higher sales price of energy and new sales contracts signed.

Fuel to be reimbursed

The R$ 203 million was due mainly to the five-month accumulation of fuel purchases amounts to be reimbursed by Eletrobras on 12.31.2014 and of only two months on 12.31.2013. One of the installments due was received in January 2015.

Insurance indemnity receivable

The balance of R$ 217 million corresponds to the insurance indemnity receivable due to the negative impacts in CCEE from the generation of temporary stoppage in generating units of the Jorge Lacerda Complex, motivated by accidents occurring in these units. The Company received R$ 101 million in the first quarter of 2015.

Linked deposits

The $ 100 million increment derives mainly from the following factors: (i) R$ 48 million - deposits made in a linked account to warrant the fulfillment of certain precedent conditions set forth in the acquisition agreement of the totality of the share capital of Ferrari Termoelétrica S.A. namely:(ii) implementation of improvements in the efficiency of the cogeneration process, environmental license, as well as a review of the physical warranty of the plant; and (i.ii) technical review of the turbo generator, completion of adaptation works of substations, among others; and (ii) R$ 54 million - input of financial guarantees by reason for transactions effected on CCEE.

Unrealized gains on hedging transactions

This rubric covers unrealized gains on fair value hedge operations and cash flow, which have presented a balance of R$ 27 million and R$ 3 million in 2014, respectively. The fair hedge values were contracted concurrently with loans in foreign currency, in order to protect all the future payments of principal and Interest from the US dollar fluctuations. The cash flow hedges are intended to protect the payments of future commitments in foreign currency, arising from plants construction contracts.

Other current assets

The R$ 24 million reduction is mainly due to the decrease of the balance to compensate from Income tax and Social Contribution.

Non-current assets kept for sales

This item contains the goods received by the Company, due to a favorable decision at a lawsuit against Elétrica Jacuí Ltda. (Eleja) for the collection of receivables from the sale of the thermoelectric project named Jacuí. In 2013 the receivables of Eleja, amounting to R$ 87 million, had been included in "Receivables from asset disposal "in Non-current assets. From 09.30.2014, with the adjudication and receipt of goods granted in credit guarantee, the Company began to record the assets as "Non-current assets kept for sale", keeping the record of the asset's carrying amount, since it does present a lower value than the assessment provided by a legal expert of the assets pertaining to the Company, in the amount of R$ 114,981.

Non-current assets

Non-current receivables

Tax credits recoverable

The R$ 16 million reduction is related mainly to the compensation of PIS and Cofins for the year 2014.

Linked Deposits

The increase in R$ 25 million is due mainly to the addition of the deposit at warranty of the financing of the Trairi Wind site.

Legal Deposits

The increase in R$ 10 million refers basically to Monetary variation of the Legal Deposits.

Non-realized earnings in hedge operations

This rubric covers Non-Realized earnings in hedge operations of fair value and cash flow, which have presented a balance in 2014 of R$ 39 million and R$ 25 million respectively. The nature of the operations is described under "Non-Realized earnings in hedge operations", in item "Current assets".

Fixed assets

The reduction in R$ 50 million is due to the following items: (i) acquisition of assets in the amount of R$ 294 million; (ii) acquisition of Ferrari Termoelétrica S.A., whose fixed assets was R$ 217 million, including the fair value of acquisition allocated to these assets; (iii) Interest on loans and financing capitalized in the amount of R$ 18 million; (iv) depreciation of R$ 577 million; and (iv) asset impairment of R$ 2 million.

Intangible assets

The R$ 71 million increase resulted substantially from the recognition of rights on the projects CLWP Brasil II Participações Ltda., CLWP Brasil III Participações Ltda. and Santo Agostinho, acquired in business combinations.

Current liabilities

Suppliers

The R$ 132 million increment is the result substantially from the combination of the following: (i) increase in the transaction balance in CCEE; (ii) increase of Suppliers of fossil fuels and biomass; (iii) reduction of purchased electricity balances; and (iv) a decrease in fixed assets and intangible assets from suppliers.

Dividends and Interest over own capital

The decrease in R$ 21 million results from a lower interest credit on own capital for the year 2014, compared to 2013.

Loans, financing and debentures

The R$ 212 million decrease was due to: (i) payments of principal and of R$ 1,004 million; (ii) transfer of R$ 567 million in non-current liabilities, mainly due to the loan installments with BNP Paribas, paid in advance in 2014, and the loan, net of hedging, with HSBC due in 2015; (iii) appropriate financial charges of R$ 219 million; and (iv) absorption of the financing contract with BNDES and onlending banks resulting from the acquisition of Ferrari Termoelétrica S.A. amounting to R$ 6 million.

Income tax and social contribution payable

The R$ 206 million reduction is mainly due to the combination of reduced actual taxable profit (basis for calculation of the Income tax and Social Contribution) and of the lowest amount of credit of Interest over own capital.

Provision for remunerations and charges

The R$ 8 million increase is mainly due to the increase in the provision for result sharing and management Bonus.

Obligations with retirement Benefits

The R$ 20 million increment is due essentially to the increase in the estimate of benefits payments and contributions to be made in 2015.

Other current liabilities

The increase of R$ 59 million is due, primarily, to the installments falling due for the acquisition of the full working capital of Ferrari Termoelétrica S.A., CLWP Brasil II Participações Ltda., CLWP Brasil III Participações Ltda. and Santo Agostinho Complex.

Non-current liabilities

Loans, financing and debentures

The increase of R$ 768 million is explained by the following factors: (i) receipt of BNDES financing and resources from this issue of debentures, substantially for the Modernization from the Power Plants named Salto Santiago and Passo Fundo, and loans with HSBC , Mizuho and Tokyo, totaling R$ 1,220 million; (ii) transfer to the Current liabilities of R$ 567 million from the debts that will expire in 2015; (iii) absorption of the financing contract with BNDES and transferring Banks from the acquisition of Ferrari Termoelétrica S.A. in the amount of R$ 38 million; (iv) finance charges of R$ 77 million.

Grants payable

The R$ 168 million stems from the following: (i) Interest and Monetary variation of R$ 226 million; and (ii) transfer to the Current liabilities of R$ 58 million.

Tax, civil and labor provisions

The increase of R$ 7 million relates mainly to the following: (i) update of the existing provisions in the amount of R$ 22 million and (ii) reversal of provision related to recovery of INSS due to the Company's adherence to addressing equationing plan of tax debts called "Cup REFIS", in the amount of R$ 16 million.

Obligations with retirement Benefits

The increase of R$ 44 million is essentially the combination of the following: (i) net interest on acturial liabilities/assets of R$ 28 million; (ii) sponsor's contribution of R$ 34 million; (iii) loss on remeasurement of actuarial of R$ 70 million; and (iv) a transfer of R$ 20 million to the Current liabilities.

Deferred income tax and social contribution taxes

The R$ 49 million is basically due to the combination of the following impacts on deferred taxes: (i) higher tax accelerated depreciation of eligible assets; (ii) lower gains from swap transactions and the deemed cost of the Fixed assets (fair value); (iii) recognition of deferred taxes on the hedge cash flow operations and on the capitalized interest; and (iv) provision for the remeasurement of the obligations with retirement benefits.

Other non-current liabilities

The R$ 130 million reduction results primarily from the following: (i) reversal of prescribed liabilities related to the purchase of energy and transmission charges, in the amount of R$ 116 million; and (ii) transfer of R$ 26 million for the Current liabilities of the expected realizable value of the obligations/duties, with research and development in the next twelve months.

Net worth

The increase of R$ 290 million resulted from the combination of the following: (i) YEAR NET PROFIT 2013 of R$ 1,383 million; (ii) approval of the proposed distribution of dividends for 2013 of R$ 462 million; (iii) interim dividends and Interest on own capital credited for 2014 of R$ 603 million; (iv) remeasurement of obligations with retirement benefits in the amount of R$ 46 million; and (v) recognition of Non-Realized earnings in hedge cash flow operations, amounting to R$ 18 million.

Comments on significant variations between the balance sheets of 12.31.2013 and 12.31.2012

Current asset

Cash and cash equivalents

The R$ 44 million increase results mainly from the following combinations: (i) cash provided by operating activities of R$ 2,316 million; (ii) raise of loans and financing of R$ 520 million for the refinancing of Debt and the construction of wind centers of the Wind Complex named Trairi and the works of the Estreito HPP; (iii) investment of R$ 547 million in fixed and intangible assets; (iv) amortization of R$ 568 million of loans, financings and debentures; (v) payment of installments payable of grants, in the amount of R$ 52 million; and (vi) payment of dividends and interest on shareholders' own capital of R$ 1,612 million.

Accounts receivable from clients

The R$ 117 million increase is due basically to the increase in the selling price of energy and the increase in Transactions in the short-term energy market.

Inventory

The increase of R$ 20 million corresponds mainly to the increase in the stock of own fuel.

Fuels to be reimbursed

The R$ 92 million increase was due mainly to the accumulation in two months of the amounts to be reimbursed by Eletrobras, on 12.31.2013 and only one month on 12.31.2012.

Non-current assets

Non-current receivables

Tax credits to recover

The R$ 22 million reduction is related mainly to the compensation of PIS and COFINS credits during the year 2013.

Linked deposits

The increase in R$ 28 million is due basically to the complement of the warranty deposit for the financing to the Estreito HPP and the wind center named Trairí.

Fixed assets

The increase in R$ 25 million is due to the following items: (i) acquisition of assets in the amount of R$ 645 million; (ii) incorporation of Maesa's assets in the amount of R$ 16 million; (ii) depreciation of R$ 563 million and (iii) recognition of provision for the reducing the asset recovery value (impairment) of R$ 73 million.

Intangible assets

The R$ 16 million increase resulted substantially from the recognition of rights on the projects Campo Largo and Santa Monica, acquired in business combinations.

Current liabilities

Suppliers

The R$ 245 million is the result substantially of the increase in the balance of purchased electricity, transactions at CCEE and the Suppliers of fossil fuels and biomass.

Dividends and interest on own capital

The decrease in R$ 27 million results from a lower credit of interest over own capital in December 2013, compared with the same month of 2012.

Loans, financing and debentures

The R$ 140 million increase was due to: (i) transfer of R$ 766 million of Non-current liabilities mainly due to the loan installments with Bank of America Merrill Lynch and the debentures of the 2nd issuance, which expire in 2014; (ii) appropriate financial charges of R$ 237 million (iii) payments of principal and interest of R$ 814 million and (iv) a R$ 49 million reduction resulting from the adjustment to fair value, by the early settlement of the loan with the STN.

Income tax and social contribution payable

The increase of R$ 51 million is mainly due to the offset of the balance payable in 2012, with PIS and COFINS credit, due to court order, final and unappealable in favor of the Company.

Other tax and regulatory obligations

The increase of R$ 9 million is mainly due to the combination of the following factors: (i) increase of R$ 7 million in the balance payable of PIS and Cofins; (ii) a R$ 11 million reduction in the amount of ICMS payable; and (iii) increase of R$ 13 million in the amount payable relating to the financing compensation for the use of water resources.

Tax, civil and labor provisions

The R$ 14 million refers mainly to the settlement of civil lawsuits throughout the year of 2013.

Other current liabilities

The increase of R$ 25 million results primarily from a provision for estimated future disbursement to the completion of plant construction works and the customer advance balance, whose expectation is that liquidations will take place in the short term.

Non-current liabilities

Loans, financing and debentures

The R$ 178 million is explained by the following factors: (i) transfer to the Current liabilities of R$ 766 million from the debts that will expire in 2014; (ii) receipt of financing from BNDES, to apply in the construction of wind centers from the Trairi Complex and the Estreito HPP, and of loans contracted with NIB and HSBC USA, amounting to R$ 519 million; and (iii) financing charges of R$ 69 million.

Grants payable

The R$ 163 million increment stems from the following: (i) Interest and Monetary variation of R$ 217 million; and (ii) transfer to Current liabilities in the amount of R$ 54 million.

Tax, civil and labor provisions

The advance of R$ 34 million refers mainly to the following: (i) establishment of new provisions in the amount of R$ 17 million and (ii) update of the existing provisions in the amount of R$ 23 million.

Obligations with retirement Benefits

The R$ 26 million is due essentially to the following: (i) Interest on net acturial passive/active of R$ 21 million; (ii) sponsor's contribution in the amount of R$ 28 million; and (iii) gain on acturial remeasurement in the amount of R$ 22 million.

Deferred income tax and social contribution taxes

The decrease of R$ 35 million is basically due to the combination of the following impacts on deferred taxes: (i) reduction of gains from the swap operation on the financing relating to the Bank of America Merrill Lynch and the deemed cost of the Fixed assets (fair value); (ii) constitution over the provision for recoverable value of the assets (impairment); and (iii) reversal by the remeasurement from the obligations with retirement benefits.

Other non-current liabilities

The increase of R$ 76 million results fundamentally from a provision for estimated future disbursement to the completion of plant construction works.

Net worth

The reduction of R$ 138 million resulted from the combination of the following: (i) YEAR NET PROFIT 2013 of R$ 1,437 million; (ii) payment of dividends related to 2012 of R$ 576 million; (iii) interim dividends and interest on own capital credited, regarding 2013 R$ 1,013 million; and (ii) remeasurement of obligations with retirement benefits in the amount of R$ 14 million.

10.2 Directors' comments on:

a. Results of Company operations, especially:

(i) description of any important components of the revenue

The composition of the Company's net revenue is as follows:

In R$ million	12.31.2014	%	12.31.2013	%	12.31.2012	%	12.31.2014 *versus* 12.31.2013 (%)	12.31.2013 *versus* 12.31.2012 (%)
NET REVENUE								
Electricity distributors	3.044	47,0	2.824	50,7	2.862	58,3	7,8	(1,3)
Electricity traders	239	3,7	250	4,4	321	6,5	(4,4)	(22,1)
Free consumers	2.248	34,7	1.887	33,9	1.399	28,5	19,1	34,9
Transactions in the short-term market	903	14,0	566	10,2	298	6,1	59,5	89,9
Electricity Export	-	0,0	-	0,0	8	0,2	-	(100,0)
Other revenues	39	0,6	42	0,8	25	0,4	(7,1)	68,0
	6.473	**100,0**	**5.569**	**100,0**	**4.913**	**100,0**	**16,2**	**13,4**

The Company, throughout the year of 2012, following a request from certain free consumers, transferred some contracts previously signed with them to trading companies belonging to the same group of the company. Furthermore, the Company has signed new contracts with traders which also pass on the energy acquired exclusively for industrial units of the same group. These actions have been motivated by customer initiative to improve the management of their purchases and power allocations in the set of their plants.

However, in seeking a more realistic analysis of the evolution of sales to free consumers, the Company, from 2012, started to present sales to trading companies that submit the energy purchased to their production units, as sales for free consumers, and not as for traders any longer.

Comparative analysis of significant variations in the NET SALES REVENUE components between the years ended on 12.31.2014 and 12.31.2013

Electricity Distributors

In the year 2014, this revenue totaled 3,044 million, an increase of 7.8%, or R$ 220 million, compared to the year 2013, which had R$ 2,824 million sales revenue to distributors. This increase is explained by the combination of the following variations: (i) R$ 216 million - 7.6% growth in the average net sales price; and (ii) R$ 4 million - a slight increase of 0.1% of the volume of energy sold.

Electricity Traders

In 2014, the sales revenue to trading companies was R$ 239 million, R$ 11 million lower, or 4.4%, to the revenue earned in 2013, of R$ 250 million. The reduction presented is the result of: (i) R$ 8 million - a decrease of 3.1%, or 65 GWh (7 average MW), in the amount of energy sold; and (ii) R$ 3 million - a decrease of 1.3% in average net sales price.

Electricity supply

In the year 2014, these revenues totaled R$ 2,248 million, 19.1%, or R$ 361 million, in addition to the R$ 1,887 million earned in 2013. This increase is related to the following: (i) R$ 222 million - an increase of 1,669 GWh (191 MW), or 11.4%, in the amount of energy sales; and (ii) R$ 139 million - 6.9% growth in the average net price of energy sold.

Transactions in the short-term market

In the twelve months of 2014 compared to the previous year, there was an increase of R$ 337 million in the revenue from short-term transactions, from R$ 566 million in 2013, to R$ 903 million in 2014. This variation includes the recognition of the recovery of revenue, due to the reduced credit position in CCEE, due to the temporary interruption of generation, driven by losses incurred in generating units of the Jorge Lacerda Complex, amounting to 160 million. Further explanations on these operations and changes can be found in item 10.1.h.1.

Comparative analysis of significant variations in the NET SALES REVENUE components between the years ended on 12.31.2013 and 12.31.2012

Electricity Distributors

In the year 2013, this revenue reached R$ 2,824 million, a reduction of 1.3%, or R$ 38 million in the financial year 2012, which was R$ 2,862 million. This decrease is explained by the association of the following variations: (i) R$ 179 million - a decrease of 1,213 GWh (131 MW), or 6.1% in GWh in sales volume; (ii) R$ 141 million - an increase of 5.1% in the average net selling price.

Electricity Traders

In 2013, this revenue was R$ 250 million, a reduction of 22.1%, or R$ 71 million, compared to the year 2012, which was R$ 321 million. This reduction is due to the combination from the following: (iii) R$ 85 million - a reduction of 739 GWh (84 average MW), or 25.8% in GWh, in the amount of energy sold; and (iv) R$ 14 million - extension in 5.1% of the selling price of energy.

Electricity supply

Sales revenue to free consumers increased by R$ 488 million, or 34.9%, between the years under review, from R$ 1,399 in 2012 to R$ 1,887 million in 2013. This increase is related to an increase of 2,864 GWh (330 MW), or 24.3% GWh, equivalent to R$ 354 million, the amount of energy sales and a 8.6% growth in the energy sales average net price, or R$ 134 million.

Transactions in the short-term market

In the 12 months of 2013, there was an increase of R$ 268 million in the revenue earned in the short-term market, including at CCEE, from R$ 298 million in 2012 to R$ 566 million in 2013. Further explanations on these operations and variations can be found in item 10.1.h.1.

(ii) factors that materially affected the operating results

The factors that materially affect the Company's operating results for the years 2014, 2013 and 2012 are listed below. Additional information on the group are detailed in items 10.1.h and 10.2.a. (i) described earlier.

Year of 2014 - (i) increase in average net sales price and in the amount of the energy sales; (ii) negative effect on net result of the transactions in the short-term market, including at CCEE, including the recognition of the negative effects recovery in CCEE resulting from losses in the Company's generating units; (iii) increase in costs for the purchase of electricity for resale; (iv) increase in fuel consumption due to the higher dispatch of the thermoelectric plant named William Arjona; (vi) reversal of prescribed liabilities regarding the acquisition of energy and transmission charges; and (vii) fall in net financing expenses.

Year of 2013 - (i) increase in the average net sales price and in the amount of energy sold; (ii) negative change in net result of transactions in the short-term market, including at CCEE; (iii) increase in profit related to the other operations of the Company; (iv) asset impairment recorded for thermoelectric generation; and (v) recognition of non-recurring gains from early settlement of debts and lawsuit favorable to the Company, regarding interest and Monetary variation over energy sales.

Year of 2012 - (i) expansion in the average net sales price and in the amount of energy sold; (ii) increase of income due to the commencement of commercial operation of three new units of the Estreito HPP ; (iii) reduction in energy exports recorded in 2012; (iv) higher costs with the purchase of electricity for resale; (v) increase of the positive result in the transactions at CCEE scope; (vi) increase in operating provisions; and (vii) increase in net financing expenses, due to the lower income conjunction with investments applications and the higher interest and monetary and exchange variations, over the debts.

b. Changes in revenues due to changes in prices, exchange rates, inflation, changes in volumes and introduction of new products and services

The Company's sales revenues are supported by contracts with price adjustment clauses, in large part, by the IPCA and IGP-M. The Company's revenue is not exposed to exchange rates and was not affected by the introduction of new products and services.

Variations of the Company's revenues due to price modification and volume change are explained in item 10.2.a (i).

c. Impact of inflation, changes in prices of main inputs and products, foreign exchange and Interest rates on the operating result and Financing Result of the Company.

c.1) Inflation and price variation in cost of sales of electricity

Electricity purchased for resale - These transactions are normally executed through medium and long-term contracts, which have their readjusted prices, for the most part, by IGP-M and IPCA. The average impact relating to the price adjustment of inflation in the year 2014 was about R$ 27 million, and in the years 2013 and 2012 was approximately R$ 18 million and R$ 29 million, respectively.

Fuel for producing electricity - The price of the gas consumed in the William Arjona HPP is denominated in US dollars, equivalent in reais, and readjusted annually by the variation of the Producer Price Index (PPI), an indicator of the US government for industrial use commodities. The non-refundable coal prices by the CDE are negotiated upon hiring the purchase or renewal of the contract, and has as an indexer parametric formulas, whose main components are the INPC and specific sector indexes, mostly published by the Getulio Vargas Foundation (FGV). The adjustment rates did not result in significant effects on the Company's cost, which was affected substantially by the variance in the quantities consumed in the financial years of 2014, 2013 and 2012.

Electric network and connection usage charges - They are calculated by multiplying the amount of network usage in kW, by the rate established annually by Aneel, based on the apportionment of the total costs of connection and transmission observed and expected for the entire system, and in readjustments rates of transmission contracts and existing connection - mostly IGPM and IPCA. The effect of the variation of these inflation indicators in the Company's cost was approximately R$ 20 million, R$ 18 million and R$ 14 million in 2013 and 2012, respectively.

Financial compensation for the use of water resources - The amount corresponds to 6.75% of the amount of electricity produced, valued by an Annual Reference Tariff (TAR) defined by Aneel, based on the acquisition cost of energy by the distributor, reviewed every four years. The current TAR for the year 2014 did not suffer any readjustments compared to what was practiced in 2013, not generating additional impacts on the Company's cost. As for years 2013 and 2012, the effects of readjustments 3.5% and 6.6% were R$ 5 million and R$ 8 million, each year.

c.2) Exchange, inflation and Interest rate impact on the Company's Financing Result

Exposure to currency ratio

On 12.31.2014, the Company did not have any loans exposed to variation of Foreign currency quote (R$ 129 million on 12.31.2013 and R$ 215 million on 12.31.2012). On 12.31.2013 and 12.31.2012, the amounts exposed to such variation corresponded to 3.7% and 6.1%, respectively, of the consolidated sum of Loans, financing and debentures of the Company.

In September 2013, the Company prepaid all of its debts in US dollars, contracted with the National Treasury Secretariat (STN), amounting to R$ 64 million, extinguishing the Company's exposure to the dollar.

In November 2014, the loan from BNP Paribas was paid in advance in the amount of R$ 130 million, extinguishing the Company's exposure to the Euro.

The Company has loans contracted in dollars with full swap for CDI, which are considered as debts linked to CDI variation and not the dollar one. These loans are due in 2015 and 2016.

The Company's Financing Result as a consequence of variation in the year 2014 was positively impacted in R$ 3 million (negative effect of R$ 39 million in 2013 and R$ 21 million in 2012). These effects accounted for approximately 0.2% of the Company's operating outcome in 2013 (2.0% in 2013 and 1.0% in 2012).

As a result of the inexistence of loan balances and financing in Foreign currency with no hedge coverage, the risk of significant impacts on its Financing Result and cash, as a consequence of the variation in foreign currencies against Real is null.

Exposure to Interest rates and fluctuating indexes

The company is exposed to the interest rate and fluctuating indexes related to variations in TJLP, CDI, IPCA and IGP-M. The impacts of Interest and Monetary variation on the Company's financing result in years 2013 2012 and 2011 were as follows:

(Values in R$ million)	Loans, financing and debentures	Grants payable	Total
Fiscal Year ended on 12.31.2014			
- Interest	235	152	387
- Monetary variation	16	73	89
Fiscal Year ended on 12.31.2013			
- Interest	223	136	359
- Monetary variation	21	81	102
Fiscal Year ended on 12.31.2012			
- Interest	236	121	357
- Monetary variation	19	86	105

10.3 Directors' comments on the material effects that the events below have caused or are expected to cause to the Company's financial statements and results

a. Operating segment introduction or disposal

The Company manages its business as a single operating segment, which consists of the generation and sale activities of electricity generated by its assets or acquired through medium and long-term contracts. This segment represented 99.3% of net revenues from consolidated sales in 2014. The following events have resulted in impacts on the capacity of the Company: (i) 65.5 MW increment due to the merger to the generator of the Ferrari thermoelectric plant; (ii) 60 MW increase resulting from the entry into operation of the wind central Fleixeiras I and Mundaú, both of 30 MW and belonging to the Wind Complex named Trairí; (iii) increase of 3 MW due to the start-up of the Cidade Azul Photovoltaic Plant; and (iv) reduction of 66 MW due to the complete withdrawal of the request for the authorization of the transaction and its respective return to the Union of Algrete thermoelectric plant, made by the Company to the National Electric Energy Agency (Aneel).

Thus, Tractebel Energia ended the year 2014 with an increase of 62.5 MW, compared to the installed capacity of 2013.

b. Constitution, acquisition or disposal of ownership interest

The main information related to the acquisition, development and disposal of investments of the Company are as follows:

- Ferrari Termoelétrica S.A.

In February of 2014, the wholly-owned subsidiary TBLP completed the acquisition of the totality of the share capital of Ferrari Termoelétrica S.A. for R$ 176 million, whose composition is as follows:

(i) R$ 161 million - the amount paid on the closing date, of which R$ 46 million was deposited in a linked account to release upon fulfillment of certain conditions, namely:(a) R$ 34 million - implementation of improvements in the efficiency of the cogeneration process, environmental license, as well as a review of the physical warranty of the plant for 35.6 average MW; and (b) 12 million - technical review of the turbo generator, completion of adaptation works of substations, among others.

(ii) R$ 4 million - Amount paid in April 2014 on the price adjustment resulting from the working capital variation and net indebtedness between the contract signing date and the date of closing.

(iii) R$ 11 million - amount to be paid by the commitment to provide additional fuel by the seller in sufficient quantity and quality, so that the Ferrari UTE generates 35.6 MW of electricity.

The updated amount of the deposit referred to in item (i), in the amount of R$ 48 million, plus the commitment mentioned in item (iii) results in the amount of R$ 59 million, which is recorded under liabilities.

Ferrari Termoelétrica S.A. is a specfic purpose company which owns all of the assets of the Ferrari HPP Central Thermoelectric Generator (Ferrari HPP) , a sugar cane biomass energy cogeneration venture, in commercial operation since June 2009, located in the city of Pirassununga, State of São Paulo. The Ferrari HPP has an installed capacity of 65.5 MW and an average commercial capacity of 23.2 MW, of which 18.0 MW were hired in Electricity Auctions for the Regulated Market.

In April 2014, the Company began its activities aimed at the modernization and expansion of the HPP, in order to increase their trade capacity for 35.6 average MW and the installed capacity for 80.5 MW.

- Campo Largo Project

In June 2014, the TBLP, the Company's wholly-owned subsidiary completed the acquisition of companies CLWP Brasil II Participações Ltda. (CLWP II) and CLWP Brasil III Participações Ltda. (CLWP III), for the amounts of R$ 22 million and R$ 40 million, respectively, of which R$ 9 million relate to installments conditioned on the increase of installed capacity, updated by the IPCA and interest variation, of 1.5 % p.a.

The total amount of the acquisition corresponds mainly to the fair value of basic environmental projects, energy generation certification, measurement of winds, the previous environmental licenses and lease agreements.

CLWP II is a holding company which owns five SPE, totaling a 150 MW development potential. The development of such projects is being evaluated by the Company.

CLWP III is a holding company which owns ten SPE, which amount to a total potential of 300 MW development. Out of these SPE, four began the construction of wind plants from November 2014 aiming at the supplying contract signature for the provision of their wind turbines. One of the parks whose construction was initiated in 2014, sold its energy in the auction held by Aneel in November 2014.

- Santo Agostinho Project

In August 2014, the wholly-owned subsidiary TBLP acquired the rights to develop the Santo Agostinho Wind Complex, which is composed by twenty-four SPE,, each one being responsible for the development of a wind power generation venture, with a total of 600 MW development potential, all located in the municipalities of Lajes and Pedro Avelino, in the state of Rio Grande do Norte.

The maximum acquisition price is R$ 54 million, composed of a fixed amount of R$ 39 million and an amount in connection with performance of up to R$ 15 million, which will be paid as long as certain conditions laid down in the contract are complied with. At the acquisition date, the Company paid the amount of R$ 3 million related to the expected advance in the updated agreement.

In December 2014, the Company completed the acquisition of the first phase of the project, with nine SPE transferred and a holding company for its control. The purchase date regarding this first phase is R$ 21 million.

c. Unusual events or operations

The main unusual events that impacted the result of the Company in year 2014 were as follows: (i) reversal of the record of the estimated costs of R$ 55 million, made in 2013, related to the effects of the participation of generators in the apportionment of the System Service Charge (ESS), as established by Resolution CNPE 03, given the reducing of the risk of loss in the lawsuit challenging the collection of these values; (ii) reversal of prescribed liabilities related to the purchase of energy and transmission charges, amounting to R$ 55 million and the respective financing charges in the amount of R$ 61 million; and (iii) reversal of civil provision related to the recovery of additional value of Transmission System Usage Tariff (TUST) of the Hydroelectric Plant of Ponte de Pedra (UHPP) in the amount of R$ 92 million, driven by a favorable decision to the Company, which reduced the risk of loss in the lawsuit.

10.4 Directors' comments on

a. Significant changes in the accounting practices

CPC 33 (R1) and Revised IAS 19 – Benefits for employees

The accounting practices for the recognition and measurement of benefits for employees were changed and its adoption has become mandatory from 01.01.2013.

The new standard eliminated the approach of the "corridor" method that allowed the deferral of the recognition of actuarial gains or losses in earnings. Thus, actuarial gains and losses annually evaluated by actuaries will now be recognized directly under "Valuation adjustment - Other comprehensive results", in Net worth.

In addition, the calculation of the profitability of plan assets began to be performed based on the discount rate used for purposes of evaluating the present value of obligations with retirement benefits.

b. Significant effects of changes in accounting practices

As a consequence of changes in CPC 33 and IAS 19 standards for the registration of Employee benefits, as previously mentioned, the Company retrospectively adjusted the assets, liabilities and results with the retirement benefits to 01.01.2012, as well as the respective effects on the deferred income tax and social contribution taxes. These adjustments in balance sheets and income statements are described in item 10.1.h.

c. Exceptions and emphasis present in the in the auditor's conclusion

Years 2014, 2013 and 2012

There was no exception in the Report (opinion) of the Company's Independent Auditors on the Accounting statements for the years ended on 12.31.2014, 12.31.2013 and 12.31.2012.

We transcribed in the following paragraph, the standard emphasis contained in the reports of the independent auditors issued on the financial statements for the years ended on 12.31.2013 and 12.31.2012, applicable to all companies that have investments in Controlled Companies, affiliates and controlled ventures in set valued by the equity method, as required by the IBRACON Technical Notice No. 04/2010.

As described in Note 2, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Tractebel Energia S.A., these practices differ from IFRS applicable to separate financial statements only in regard to the valuation of investments, in Controlled Companies and Controlled Companies jointly by the equity method, whereas for IFRS purposes it would be cost or fair value".

The aforementioned standard emphasis was excluded from the reports of the independent auditors issued on the financial statements for the year ended on 12.31.2014, because in August 2014, the IASB issue a review of IAS 27 allowing entities to also adopt the equity method in the evaluation of their investments. The early adoption of this procedure eliminated the only inconsistency between Brazilian and international accounting practices, until then existing, which waived any retrospective adjustment in the reported financial statements.

We are also transcribing in the next paragraph, the emphasis given by the independent auditors report, related to the audit of the accounting statements for the year ended on 12.31.2013, to emphasize that the accounting statements of 12.31.2012 were adjusted to reflect the change in the accounting standard required by the Accounting Pronouncements Committee - CPC.

"As mentioned in Note 3 item s.1, due to changes in accounting policies adopted by the Company in 2013, the corresponding figures for the year ended on December 31st, 2012 presented for comparative purposes, have been and are being restated as required by CPC 23 - Accounting Policies, changes in Accounting Estimates and Error Correction. Our opinion does not contain any modification related to this subject".

10.5 Critical accounting policies adopted by the Company, exploring in particular accounting estimates made by the management on uncertain and relevant issues for describing the financial position and results that require subjective or complex judgments, such as: provisions, contingencies, revenue recognition, tax credits, long-lived assets, useful life of noncurrent assets, pension plans, conversion adjustments in foreign currency, environmental recovery costs, criteria for testing the recovery of assets and financial instruments

The critical accounting policies are those important to present the financial condition and results and require the most difficult, subjective or complex judgments by management, often as a result of the need to make estimates that impact matters that are inherently uncertain. As one increases the number of variables and assumptions, affecting the possible future resolution of the uncertainties, those judgments become even more subjective and complex.

In preparing the accounting statements, the Company adopted certain assumptions arising from historical experience and other factors it deems reasonable and relevant. Although these estimates and assumptions are reviewed by the Company in the ordinary course of business, the statement of its financial condition and results of operations often requires making judgments regarding the effects of inherently uncertain matters, on the accounting value of its assets and liabilities.

The actual results can differ from estimates due to variables, assumptions and conditions. In order to provide an understanding of how the Company forms its judgments about future events, including the variables and assumptions in the estimates, and some impacts related to the changes in these estimates, we have included comments related to each critical accounting practice described below:

a) Obligations with retirement Benefits

The Company recognizes its obligations with benefits plans to employees and related costs, net of plan assets, adopting the following practices: (i) future commitments arising from pension benefit plans are discounted to the present value based on interest rates of the Federal Government securities with an average duration equivalent to the expected payment for the projected future commitments; and (ii) the assets of the pension plan are valued at their market values, at the balance sheet date.

In the actuarial calculations, actuarial consultants also use subjective factors such as mortality tables and prediction of wage growth, of dismissal, and turnover. The actuarial assumptions used by the Company may differ materially from actual results due to changes in economic and market conditions, regulatory events, judicial decisions or shorter/longer life spans of participants. However, the Company and its actuaries have used assumptions consistent with the internal and external analyzes to define the estimates used.

b) Useful life of Fixed assets

The Company recognizes the depreciation of its fixed assets based on Annual rates established by Aneel, which are practiced by companies in the Brazilian electric sector and represent the estimated useful lives of the assets - limited to the term of the concession or authorization of its plants, when applicable. However, actual useful lives can vary based on the technological update of the assets of each generating unit. The useful lives of the Fixed assets also affect impairment tests of those long-lived assets, when they are needed.

c) Reduction test of the recoverable value of long-lived assets

There are specific rules to assess the recovery of long-lived assets, especially fixed assets. At year end, the Company performs an analysis to determine whether there is evidence that the amount of long-lived assets may not be recoverable. If such evidence is identified, the Company carries out the assessment test of assets recovery.

The review process of asset recovery is subjective and requires significant judgments through the completion of analyzes. On 12.31.2013, the Company, based on its analysis, identified the need for a provision for reduction of recoverable value of some of its long-lived assets, in the amount of R$ 73 million. On 12.31.2014, there are no identified codes that may result in the reduction of the recoverable value of our assets.

d) Tax, civil and labor provisions

They are defined on the basis of evaluation and qualification of risks whose likelihood of loss is considered probable. This assessment is supported by the judgment of management, together with its legal advisors, considering the courts, decisions on initial and higher courts, the history of possible agreements and decisions, the experience of management and legal counsel, and other aspects applicable.

10.6 Internal controls adopted to ensure the preparation of reliable financial statements:

a. Degree of efficiency of such controls, indicating any imperfections and measures adopted to correct them

The company complies with the corporate governance standards of the New Market and believes that its internal controls are sufficient, given the type of activity and the volume of transactions which it operates.

In addition, given the complexity of activities and technological innovations, the Company's management is committed to deepening, reviewing and continuously improving its processes, besides creating new tools to review and internal controls. Since 2006, the Company formally reviews and tests its internal control systems, initially to meet the Sarbanes-Oxley Act and currently to meet a specific program by its main Controller, the GDF SUEZ Group, which is certified based on validation tests of the processes carried out by independent auditors, other than those responsible for auditing the Company's financial statements. Any faults detected in the internal control systems are registered and corrected in action plans, whose implementation is checked by independent auditors, hired specifically for this purpose.

In addition, the Supervisory Board, in addition to its powers under the law, has the statutory obligation to evaluate the risk management systems and internal controls of the Company.

b. Deficiencies and recommendations on internal controls in the independent auditor's report

Deficiencies and recommendations on internal controls, pointed by the independent auditors, hired specifically for this purpose and not those responsible for auditing the Company's accounting statements - are reviewed by the Chief Executive Officer and the Chief Financial Officer and Investor Relations, at the annual meeting of certification of the Company's internal control program. The plans for the necessary corrections are recorded and their implementation is checked by independent auditors (Follow-up). There are no significant deficiencies pointed out in the report of the independent auditors, concerning the fiscal years 2014, 2013 and 2012, that could result in significant impacts to the Company.

Additionally, the independent auditors responsible for auditing the Company's accounting statements also conduct their internal control tests, including reviewing some of the tests conducted for the purposes of the Company's internal control program. The last letter of recommendations was issued for the year ended on 12.31.2013. The main considerations in this report are related to the following: (i) formalization of the establishment of policy and reversal of allowance for doubtful paying credits; (ii) presentation and measurement of loan and swap operation with Bank of America; (iii) opening in the balance of income taxes; (iv) accounting records made out of accrual basis, because of the monthly closing deadlines adopted by the Company; (v) definition of procedure for the extraction of financial reports in the integrated business management system; (vi) assessment of the loan agreement signed between the Company's indirect subsidiary - Ibitiúva Bioenergética - and Andrade Açúcar e Álcool S.A.; (vii) presentation of the effects of the application of new accounting policies on recognition and measurement of benefits for employees; (viii) identification and allocation of goodwill from acquisitions, if applicable; (ix) assessment of the adjustment estimated calculations regarding energy sales contracts through the Incentive Program for Alternative Energy Source (Proinfa); and (x) specific controls of technology and information processes. The reported comments do not compromise the system of Company's internal controls, nor were they relevant to modify the opinion of the independent auditors.

10.7 Comments by directors, if the Company has already made a public offering for distribution of securities

a) How the resources resulting from the offering were utilized.

In December 2014, the Company issued 165,000 single debentures, not convertible into issuer's shares, single series, unsecured, with a nominal value of R$ 1,000.00, making in the issue date, the total amount of R$ 165 million. These debentures are adjusted by IPCA and render remuneration interest corresponding to 6.3% p.a., calculated on the updated Nominal Unit Value. The payment of such Remuneration shall be yearly, with the first on 12.15.2015. The principal will be repaid in 3 Annual installments on the dates of 12.15.2022, 12.15.2013 and 12.15.2024.

The settlement of the public offering of the debentures occurred on 12.23.2014 and the proceeds are intended to finance the modernization works of the hydroelectric power plants of Salto Santiago and Passo Fundo.

The Company has not obtained, in the years 2013 and 2012, resources resulting from a public offer for distribution of securities.

b) If there were significant deviations between the actual use of funds and the application proposals disclosed in prospectus of the respective distribution

Not applicable.

c) If there were deviations, the reasons for such deviations

Not applicable.

10.8 Description by the directors of the relevant items not included in the Company's financial statements

a. Assets and liabilities held by the Company, directly or indirectly, not included in the balance sheet (off-balance sheet items)

b. Other items not evidenced in the financial statements

The directors of the Company state that there are no relevant assets and liabilities that are not reflected in the Company's accounting statements for the years ended on December 31st, 2014, 2013 and 2012.

10.9 Directors' comments in relation to each of the items not recorded in the financial statements indicated in item 10.8

a. how these items change or may change revenues, expenses, operating income, financing expenses or other items of the Company's financial statements;

b. nature and purpose of the operation

c. nature and amount of the obligations assumed and rights generated in favor of the Company, as a result of the operation

The directors of the Company state that there are no relevant assets and liabilities that are not reflected in the Company's accounting statements for the years ended on December 31st, 2014, 2013 and 2012.

10.10 Key elements of the Company's business plan:

a. Investments, including:

i. Quantitative and qualitative description of investments in progress and expected investments

The Company, at the end of 2014, held in progress the works of the Wind Complexes of Santa Monica and Campo Largo, of the Ferrari Project and the modernization of the Passo Fundo and Salto Santiago plants. The total spending until 12.31.2014, was R$ 619 million, R$ 276 million from investments with own resources and R$ 343 million from third parties.

The investments made in 2014 and scheduled for the period from 2015 to 2017, at the base date of 12.31.2014, are as follows:

Values in R$ million	Achieved/Realized 2014	Expected 2015	Expected 2016	Expected 2017
Financing through:				
- Third party's capital	343	643	690	834
- Own capital	276	320	1,215	555
	619	963	1,905	1,389

In the year 2014, the Company invested R$ 89 million in the construction of new plants, of which R$ 22 million in wind plants under construction in the Northeast, R$ 23 million in the complex named Santa Monica and R$ 44 million to expand the Ferrari HPP. There was also the acquiring of new investments; among them, Campo Largo phases II and III, Santa Monica, and Santo Agostinho, in the amount of R$ 302 million.

Additionally, in the same year, the Company invested R$ 228 million in the maintenance and revitalization projects of its generation site, in order to maintain the high degree of availability in the plants.

The above-mentioned amounts do not consider capitalization of Interest on financing during the construction phase of the projects.

The main projects and investments planned for 2015 are: (i) the expansion of generation facilities in Ferrari Termoelétrica S.A.; (ii) the construction of the Wind Complexes of Santa Monica and Campo Largo and Thermal Power Plant named Pampa Sul; and (iii) the continuation of the revitalization and maintenance program of the Company's generating facilities.

Moreover, for the years of 2015 and 2016, the planned investments consider the continuity of long-term maintenance program for existing plants and the Modernization of the Passo Fundo (2015) and Salto Santiago plants (2015 e 2016) and the provision of financial reserve for the acquisition of Energia Sustentável do Brasil, a company that, after approval by BNDES and the lending banks for the sale of 20% of the Jirau HPP to Mitsui & Co. Ltd. in January 2014, began to hold 40% of the endeavor, in Jirau.

ii. Investment funding sources

Sector projects generally have financing in the order of 60% to 70% of total investment and the rest is usually covered with own resources. BNDES is the financial backer of the majority of our projects.

iii. Relevant divestitures in progress and expected divestitures

There are no relevant divestments in progress and there are no relevant divestments in sight, to be made by the Company.

b. Acquisition of plants, equipment, patents or other assets already disclosed, which may materially affect the Company's production capacity

In line with the business model of the Economic GDF SUEZ Group in Brazil, the Controller GSELA participates in the auctions and develops hydropower projects, mitigates the main risks, and then transfers the project to Tractebel Energia. The time of the transfer is determined by the stage of each project risk profile.

In this context, GDF SUEZ, through its subsidiary named Energia Sustentável do Brasil, is deploying the Jirau HPP, under construction in Porto Velho, State of Rondônia (RO), with a nominal power of 3,750 MW - already including the expansion of the plant design for 50 generating units - in which GDF SUEZ holds 40%.

Still according to the business model, the Related Party Committee of Tractebel Energia will negotiate the purchase with GDF SUEZ - GSELA. Thus, there is the prospect of the project being transferred to Tractebel Energia when the main development risks have been mitigated.

c. New products and services, including: (i) description of ongoing research already disclosed; (ii) total amounts spent by the Company in research to develop new products or services; (iii) projects under development already disclosed; and (iv) total amounts spent by the Company in developing new products or services

i. description of ongoing research already disclosed

Not applicable.

ii. total amounts spent by the issuer in research to develop new products or services

Not applicable.

iii. projects under development already disclosed

Not applicable.

iv. total amounts spent by the issuer in the development of new products or services

Not applicable.

It is worth mentioning that Tractebel Energia, as the electricity generating company, authorized for the independent production, is obliged to annually applying the amount of at least 1% of its net operating revenues adjusted in research and development of the electricity sector.

These resources are allocated as follows: (i) 40% to the National Fund for Scientific and Technological Development (FNDCT); (ii) 40% to research and development projects (R&D) developed by the Company, according to regulations established by Aneel; and (iii) 20% to the Ministry of Mines and Energy (MME) to mainly cover the studies and planning of research at the expansion of the Brazilian energy system.

At the end of 2014, the Company and its Controlled Companies had a balance of R$ 100 million for investments in own projects, of which R$ 82 million will be assumed through existing R&D obligations and those to be constituted in future years.

Substantial part of the already committed amount refers to research and development projects aimed at the photovoltaic (PV) generation of 3MWp, in which the Company is the proposing company, which has 11 other companies in the industry - called cooperative ones - and with the Federal University of Santa Catarina (UFSC), acting as the Executing entity, and the development and certification of a wind turbine with national technology and rated power of 3.3 MW, in partnership with the company WEG S.A. We estimate an investment of about R$ 56 million and R$ 160 million, of which approximately R$ 35 million and 70 million will be contributed by Tractebel Energia, respectively.

The Research and Development Program by Tractebel Energia seeks technological innovation in the energy sector and the technical-scientific training of Brazilian researchers, covering topics of investment, such as alternative sources of electricity generation, watershed and reservoirs management, environment, maintenance and energy efficiency, among others.

10.11 Comment on other factors that have significantly affected operating performance and that have not been identified or commented on other items in this section

There are no other factors that influence in a relevant way the Company's operating performance, that have not been identified or commented on other items.

Annex II

Article 9 of ICVM 481/09 – § 1 Section II – Proposed allocation of YEAR NET PROFIT containing at least the information indicated in Annex 9-1-II of ICVM 481/09:

Allocation of YEAR NET PROFIT

1) Inform YEAR NET PROFIT	R$ 1,382 million (Controller)
2.a) Inform the total amount of dividends, including interim dividends and Interest over own capital already declared	R$ 775 million
2.b) Inform the amount per share of dividends, including interim dividends and Interest over own capital already declared	R$ 1,1875973571 for ordinary share
3) Inform the percentage over the distributed YEAR NET PROFIT	55% of distributable adjusted net profit [4]
4) Inform the total amount and the amount per share of dividends, distributed based on profits from previous years	Not applicable
5) Inform, deducing prepaid dividends and Interest over own capital already declared:	
a) The gross amount of dividends and Interest over own capital, separately, per share of each type and class	R$ 172 million, corresponding to R$ 0.2636276932 per ordinary share.
b) The form and term of payment of dividends and Interest over own capital	To be submitted for approval by the Annual General Meeting (AGO) on 04/30/2015.
c) Any restatement and Interest on dividends and Interest on own capital	Not applicable
d) Date of declaration for the payment of dividends and	The date of payment

[4] Distributable Net Profit consists of year net profit, deducted from legal reserves (Not applicable in the year 2014 due to reaching the 20% limit of the working capital) and tax incentives, and adjusted by the realization of the equity valuation adjustment (cost assigned of fixed assets, as guidance established in CPC 27 and ICPC 10), recognized in the "Retained Profits" account".

Interest over own capital used to identify shareholders entitled to receive them	declaration will be defined by AGO.

6) In case there has been a declaration of dividends or Interest over own capital based on net profit recorded in biannual balance sheets or with shorter periods

a) Inform the amount of dividends and Interest over own capital already declared	R$ 380 million interim dividends and R$ 223 million credit of Interest over own capital
b) Inform the date of the respective payments	Start of payment of interim dividends occurred on 11.26.2014 and the Interest over own capital on 03.17.2015.

7) Provide a comparative table indicating the following amounts per share of each type and class:

a) YEAR NET PROFIT and the 3 previous years	2014 = R$ 2,1177862004 2013 = R$ 2,2001213000 2012 = R$ 2,2833731575
b) Provide a comparative table indicating the following amounts per share of each type and class:	2014 = R$ 1,1875973571 2013 = R$ 2,2584046518 2012 = R$ 2,3690660667(*)

(*)Prior to the retrospective application of CPC 33 (R1).

8) If profits are allocated to the legal reserve	
a) Identify the amount allocated to the legal reserve	Not applicable because the amount lodged reaches the 20% legal limit of the paid working capital.
b) Detail the calculation of the legal reserve	Not applicable for 2014, whenever applicable corresponds to 5% of the YEAR NET PROFIT.
9) If the company has preferred shares entitled to minimum fixed dividends	Not applicable
10) Regarding the mandatory dividend	
a) Describe the calculation method set forth in the statute	The company's bylaws provides that each year the distribution of a dividend of at least 30% (thirty percent) of net profit, adjusted in accordance with the law is mandatory, and the allocation of the full exercise result must be submitted to the resolution of the General Assembly. - The Company shall prepare the semiannual balance, while the Board of Directors can declare interim dividends based in that. - The Company may prepare balance sheets and distribute interim dividends in shorter periods, provided that the total dividends paid in each half of the fiscal year does not exceed the amount of capital reserves, mentioned in §1 of Article 182 of Law No. 6404 from December 15th, 1976. - The Board of Directors may declare interim dividends to the account of retained earnings or profit reserves in the last annual balance sheet.

	The Company, by resolution of the Board of Directors, may credit or pay remuneration interest to shareholders over own capital, noting, therefore, the applicable legislation. The amounts paid or credited by the Company as interest over own capital may be attributed, in conformity with applicable legislation, to the amount of mandatory dividends. - Prescribes in three (3) years the action to claim dividends, which, unclaimed in due course, will benefit the Company.

b) Inform whether it is being fully paid	Yes
c) Inform any amount retained	Not applicable

11) In case of retention of mandatory dividend due to the company's financial situation	
a) Inform retention amount	Not applicable
b) Describe in detail the financial situation of the company, including covering aspects related to liquidity analysis, working capital and positive cash flows	Not applicable
c) Justify the withholding of dividends	Not applicable

12) In case of allocation of the result for contingency reserve	
a) Identify the amount intended for the reserve	Not applicable
b) Identify the loss considered probable	Not applicable
c) Explain why the loss was considered probable	Not applicable
d) Justify the constitution of the reserve	Not applicable

13) In case of allocation of the result for profit reserve to be realized	
a) Inform the amount allocated to the reserve of unrealized	Not applicable

profits	
b) Inform the nature of unrealized profits that originated the reserve	Not applicable

14) In case of allocation of the result to statutory reserves	
a) Describe the statutory clauses that established the reservation	Not applicable
b) Identify the amount allocated to the reserve	Not applicable
c) Describe how the amount was calculated	Not applicable

15) In case of retained profits predicted in capital budget	
a) Identify the retention amount	634 million
b) Provide a copy of the capital budget	Filed in CVM and BM&FBovespa via Empresas.Net system

16) If a result is allocated for the reserve of tax incentives	
a) Inform the amount intended for the reserve	R$ 12 million

b) Explain the nature of allocation	The reserve is formed through the allocation of part of the proceeds for the year equivalent to the tax benefit, granted by the Superintendency of Amazon Development (Sudam). This benefit corresponds to a 75% reduction in the calculated income tax on the profits of the exploration of the activities developed by the hydroelectric plant Ponte de Pedra.

Annex III

Capital Budget
In thousands of Reais

	To perform		
Sources	**2015**	**2016**	**Total**
Profit retention for the year 2014 (Article 196 of the Corporation Law)	634,250	-	634,250
Profit retention for the acquisition of Jirau in the year 2010	510,796	-	510,796
Third party capital for investment program	643,423	690,381	1,333,804
Inner generation of cash	-	389,576	389,576
Source total	**1,788,469**	**1,079,957**	**2,868,426**
Applications			
Pampa Sul Thermal Power Plant	255,796	662,106	917,902
Santa Monica I and II Wind Park	248,260	188,033	436,293
Campo Largo Wind Park	40,621	152,881	193,502
Ferrari Thermoelectric Plant S.A.	36,500	4,091	40,591
Reserve for acquisition of Jirau	-	510,796	510,796
Industrial park maintenance	382,229	387,113	769,342
Application total	**963,406**	**1,905,020**	**2,868,426**

Annex IV

Data relating to the candidates indicated or supported by the management or controlling shareholders for the election of members of the Company's Supervisory Board, as required in items 12.6 to 12.10 of the reference form, referenced by CVM Instruction 480/09

Data relating to the candidates supported by its controlling shareholders for the composition of the Supervisory Board are those presented in the following tables:

12.6 / 8 - Composition and professional experience of the supervisory board

Supervisory Board

Name	Age	Administration body	Election date	Term of office
CPF or Passport	Profession	Position held	Tenure date	Indicated by the controller
Other positions and roles exercised in the issuer				
Paulo de Resende Salgado	69	Supervisory board	04.30.2015	By AUG 2016
161.008.917-00	Economist	40 - President of C.F. (Permanent)	04.30.2015	Yes
-				
Carlos Guerreiro Pinto	72	Supervisory board	04.30.2015	By AUG 2016
047.615.457-04	Administrator	43 - C.F.(Permanent)	04.30.2015	Yes
-				
Flávio Marques Lisboa Campos	64	Supervisory board	04.30.2015	By AUG 2016
118.388.096-00	Engineer	46 - C.F.(Alternate)	04.30.2015	Yes
-				
Manoel Eduardo Bouzan de Almeida	62	Supervisory board	04.30.2015	By AUG 2016
269.006.377-87	Accountant	46 - C.F.(Alternate)	04.30.2015	Yes
-				

12.7 - Composition of statutory committees and audit, financial and remuneration committees:

Not applicable

12.8 - Composition of the statutory committees and the audit, financial and remuneration committees.

a. Resumes of the appointed Members of the Supervisory Board.

Paulo de Resende Salgado - 161.008.917-00

Born on 02.07.1945, graduated in Economic Sciences from the Candido Mendes University of Rio de Janeiro, holds a postgraduate degree from The Getúlio Vargas Foundation (FGV) in Financial Executive, a Management Development Program and Capital Market FGV-AID-EUA MBA. He was Vice President of Citibank, Superintendent of Investment in the Economic Investment Bank , Director of Underwriting and Privatization of Nacional S.A. , where he participated in the privatization project of the "Light" and the National Steelmaker Company (CSN). He also acted as Director of Nacional Energética S.A. and IVEN S.A., and as Chief Financial Officer of Nacional Energética S.A., and as an Economic Consultant for Agenda Corretora de Câmbio e Valores Mobiliários Ltda.

He signed a declaration stating he did not suffer any: i) criminal conviction; ii) conviction in CVM administrative process; nor iii) final and unappealable conviction at the legal or administrative level, which has suspended or disqualified him to practice any professional or commercial activity.

Carlos Guerreiro Pinto - 047.615.457-04

Born on 06.17.1942, graduated in Business Administration from the Unified Society of Higher Education Augusto Motta (SUAM), he has a graduate degree in Business Administration from the Institute of Postgraduate Studies and Research in Administration by the Federal University of Rio de Janeiro (COPPEAD), having also concluded his Financial Management course at Citibank N.A. and being certified in Partnership for Enterprise Development at Fundação Dom Cabral. He was responsible for structuring the Open Market area of Nacional Bank, also being appointed Director of the Business Risk Area. Additionally, he acted as President of Sinal Corretora de Valores. He exercised the roles of Audit Director, appointed by the National Supplementary Health Agency (ANS), a regulator of private health insurance companies, from March / 2010 to November / 2011, as an auditor in the operators placed in special Audit Committee regime. He is currently a Consultant Guest of the Getulio Vargas Foundation, providing advisory services in Management, in the State Environmental Institute - INEA and SEA - State Secretariat for the State Environment of Rio de Janeiro.

He signed a declaration stating he did not suffer any: i) criminal conviction; ii) conviction in CVM administrative process; nor iii) final and unappealable conviction at the legal or administrative level, which has suspended or disqualified him to practice any professional or commercial activity.

Flávio Marques Lisboa Campos - 118.388.096-00

Born on 11.17.1950, he is a Civil Engineer graduated in 1973 at the School of Engineering, in the Federal University of Minas Gerais (UFMG). He is currently the CEO of Tractebel Engineering Latin America Latin America (Tractebel Engineering - GDF SUEZ Group). He was Managing Director and CEO of Leme Engenharia Ltda. from 2002 to 2010, having held the following activities in this company: 1994-2002 - General and Executive Officer; 1992-1994 - Director of Business Development, working in coordination of marketing strategies, exploration and feasibility of business, contract negotiations with customers and administration of development costs; 1988-1992 - Technical Director, acting in the areas of Electrical Generation and Dams, Electric Systems and Industrial Projects, especially technical supervision and preparation of contracts of several projects; and from 1976 to 1988 acting in the technical area as Head of the Hydraulic Engineering industry, and Managing several large projects. He worked as a Civil Engineer from 1972 to 1976 in companies Elektrowatt Ingenieros Consultores, Guatemala City, Guatemala, Elektrowatt Engineering Services, Zurick, Switzerland and Eletroprojetos S.A. - Engineering Studies. Currently, he participates in the Board of the Brazilian Association of Infrastructure and Basic Industries (ABDIB) and also a member of the following boards: Board of the Mining Society of Engineers and the Board of the Brazilian Association of Engineering Consultants (ABCE).

He signed a declaration stating he did not suffer any: i) criminal conviction; ii) conviction in CVM administrative process; nor iii) final and unappealable conviction at the legal or administrative level, which has suspended or disqualified him to practice any professional or commercial activity.

Manoel Eduardo Bouzan de Almeida - 269.006.377-87

Born on 03/04/1952, he holds a Bachelor in Accounting, having graduated in 1978 in the Integrated College of Simonsen, in Rio de Janeiro. He worked in the industry sector from 1969 to June 1995, exercising various administrative functions, reaching the position of administrative and accounting manager. In the second half of 1995, he was invited to perform the accountant role for the energy project of Serra da Mesa, on behalf of the Serra Mesa S.A. Company, staying until June 1998, where he was transferred to the Tractebel Group (currently GDF SUEZ), to work in the holding as accountant, where he remained until his retirement, at the end of June 2011.

He signed a declaration stating he did not suffer any: i) criminal conviction; ii) conviction in CVM administrative process; nor iii) final and unappealable conviction at the legal or administrative level, which has suspended or disqualified him to practice any professional or commercial activity.

12.9 - Marital relationship, marriage or stable relationship to the second degree between:

a. Company's administrators

There are none of the relationships above mentioned between any of the indicated to compose the Supervisory Board and the Company's other directors.

b. (i) Company management and the (ii) administrators of the Company's direct or indirect controlled firms

There are none of the relationships above mentioned between any of the recommended for inclusion in the Supervisory board and administrators of the Company's direct or indirect controlled firms.

c. (i) Company's administrators or its direct or indirect controlled firms and (ii) Company's direct or indirect controllers

There are none of the relationships above mentioned between any of the recommended for inclusion in the Supervisory board and the Company's direct or indirect shareholders.

d. (i) Company management and the (ii) administrators of the Company's direct and indirect Controllers

There are none of the relationships above mentioned between any of the recommended for inclusion in the Supervisory board and administrators of the Company's direct or indirect controllers.

12.10 - Subordination relationships, service delivery or control maintained in the past 3 years, between the Company's administrators and: ***a. Controlled company, directly or indirectly, by the Company***

Individuals appointed by the Controller to compose the Supervisory Board did not exercise in the past 3 fiscal years, any executive function in Controlled Companies, directly or indirectly, by the Company.

Annex V

Information regarding the administrators' remuneration based on item 13 of the previously mentioned reference form

13. Administrators' remuneration

13.1 Description of the policy or practice of remuneration of the Board of Directors, Statutory and Non-Statutory board, the Supervisory Board, the Statutory and Audit, Risk, Financial and Remuneration Committees, addressing the following aspects:

a. Objectives of the policy or practice of remuneration

The Remuneration policy for the Board of Directors, Statutory Board and Supervisory Board is based on market practices, and aims to attract and retain professionals compatible with the Company's needs. It considers the required knowledge, the complexity of activities and the expected results of each position.

b. Remuneration composition

(i) Description of the Remuneration elements and objectives of each one

The annual global Remuneration of directors (members of the Board of Directors, Statutory Board and Supervisory Board) is set for the Fiscal Year annually by the General Assembly of the Shareholders.

Its composition is established by the Board of Directors, as follows:

- Board of Directors

The annual value established for each Director is monthly paid in 13 installments, and any variable amounts can be considered in the overall amount approved by the General Assembly of Shareholders.

The Chairman of the Remuneration receives more than other members, and according to the results presented he/she also receives a variable amount based on the results achieved by the Company, considering financial indicators, targets and results of operations. The member elected by the employees may also receive get a Bonus calculated based on the number of monthly remunerations, paid to employees as profit or results stake.

- Statutory Board

The Remuneration of the Board members is divided into fixed and variable installments, and its annual amount is approved by the General Assembly of Shareholders.

The benefits offered by the Company comprise the indirect Remuneration such as: health care assistance, life insurance and complementary pension.

The bonus value may vary between 35% and 88% of the fixed annual remuneration, according to the position of the executive, his/her challenges and established goals. Payment occurs in the first half of the following year, after the closure of the base year, according to fulfillment of the established goals.

- Non-statutory board

The Company has no non-statutory Board installed.

- Supervisory board

The pro labore of the Supervisory Board members is set by the General Assembly of the Shareholders that elects them and cannot be lower, for each member, 10% of the average of the monthly remuneration of Directors - without considering the Benefits and Variable remuneration.

- Committees

The Company has committees that participate directly or indirectly from the Company's decision-making process, and there is no additional remuneration for its members, except for the Leader of the Strategic Committee, which receives an additional monthly remuneration equal to that of the members of the Board of Directors, where he/she also participates as a Counselor.

- Special Independent Committee for the Evaluation of Transactions with Related Parties

For the Special Independent Committee for the Evaluation of Transactions with Related Parties, the Board of Directors may establish an complimentary remuneration for its members, and defer them other advantages and protections to preserve its independence and autonomy.

This committee was installed on 05.04.2012 to analyze a specific and uninstalled transaction on the same date, after the approval of this matter in the Board of Directors. In the last three years, there were no payments as a remuneration for the participants of the Committee.

(ii) Proportion of each component in the total remuneration

The remuneration of the Board of Directors is fixed for all its members, except for the Chairman of the Board and the Board member elected by the Company's employees, who also receive Variable remuneration. The Variable remuneration of the Chairman of the Board can reach up to 88% of the fixed remuneration, and the member elected by employees' up to 40% of his/her fixed remuneration. As for the remuneration of the Supervisory Board, it is fixed in its entirety.

The fixed remuneration of the Statutory Board is established based on the market, and its value is paid in 13 monthly installments. The variable portion can vary from 35% to 88% of the fixed annual remuneration.

The participation of the fixed remuneration, Variable remuneration and benefits recognized in relation to the total remuneration, are represented by the following percentages:

	2014	2013	2012
Board of Directors			
Fixed remuneration	81%	87%	88%
Variable compensation	19%	10%	9%
Benefits	-	3%	3%
Supervisory board			
Fixed remuneration	100%	100%	100%
Variable compensation	-	-	-
Benefits	-	-	-
Statutory Board			
Fixed remuneration	53%	56%	54%
Variable compensation	45%	39%	41%
Benefits	2%	5%	5%

(iii) Calculation and adjustment methodology of each remuneration element

The remuneration of the Company's management is monitored periodically based on market research, contracted with specialized consultants of the first line, with the aim of allowing comparisons between the amount paid to the executives' size and similar billing companies, with greater participation of those that operate in the Brazilian electricity sector, as well as with the observance of the internal consistency in the controller economic group, GDF SUEZ.

The definition of the fixed installments values of the Statutory Board is established considering the market median obtained in studies, such as those cited above as a basis, according to the nature and responsibilities of each position.

Similarly, the variable portion is established considering market practices for each position, and its payment considers the financial and operating results obtained by the Company, such as net income, EBITDA, and the achievement of specific milestones, previously negotiated and managerial and behavioral aspects.

The adjustment of remuneration of directors is annual, in January, and takes into account, in addition to the market issues mentioned above, which can recommend salary changes, the inflation rate from the last period since the last adjustment.

(iv) Reasons that justify the composition of remuneration

The remuneration policy for the Board of Directors, Statutory Board and Supervisory Board is based on market practices, and aims to attract and retain professionals compatible with the Company's needs.

The Board of Directors has its remuneration following industry standards to similar companies.

The Statutory Board has its remuneration periodically monitored, based on the market. The annual variable remuneration depends on the fulfillment of individual and collective goals, the company's results and the solidarity contribution for up to 10% of income for the controller economic group.

The Supervisory Board has established a remuneration in the minimum amount equivalent to 10% of the average remuneration of the Executive Board. This Council has no variable remuneration.

c. The key performance indicators taken into account in determining each remuneration element

In the positioning of directors' remuneration in relation to the market, quantitative and qualitative indicators, degree of contribution to the results, overall performance and experience are used.

The variable remuneration (bonus) is directly related to corporate and individual performance results, and considers:

- Financial indicators for the year: Evolution of the Company's EBITDA, free cash flow, net income of the Company, joint liability with the results of the parent economic group, etc;

- Individual and operational indicators: achievement of goals, industrial and/or financial results;

- Behavioral and managerial issues.

d. How the remuneration is structured to reflect the evolution of performance indicators

The pro labore (fixed remuneration) and benefits are established in market research function and are not changed during the year, as they are defined for each year within the limits approved by the General Assembly of Shareholders for the Fiscal Year (January-December).

The Variable remuneration (Bonus) is directly related to corporate and individual performance results, and considers:

- Financial indicators of the year representing an average of 40% of the annual bonus;

- Individual and operational indicators representing an average of 40% of the annual Bonus;

- Behavioral and managerial issues, which represent an average of 20% of the annual Bonus.

e. How the policy or practice of remuneration is aligned with the Company's short, medium and long term

The value of annual variable remuneration of executives depend on the compliance with the Company's short-term objectives.

The Company has not yet established any medium and long-term direct alignment incentive goals for its executives. However, the economic group of which the Company is part of has a share purchase option policy, in Paris, with pre-established values, and a share donation program (*free shares*) in the future, if the results established for these donations eventually are achieved.

In general, these *free shares* and procurement options are not relevant values in relation to the annual remuneration of the Company's executives, as detailed in item 13.16 - of this Management Proposal.

f. Existence of remuneration supported by subsidiaries, direct or indirect controlled companies

There are no payments made by subsidiaries and, in the case of shared control companies with non-participating members of the economic group, when there is remuneration for participation on their boards, the values noticed by administrators are returned to the Company. The Controller Group does not make any type of payment to the Board of Tractebel Energia, except those cited in letter "e", with a corporate nature and in order to strengthen the feeling of being part of a worldwide group.

g. Existence of any remuneration or benefit linked to the occurrence of a certain corporate event, such as the alienation of the Company's corporate control

It does not apply to the company.

13.2 Total remuneration of the Board of Directors, Statutory Executive Board and Supervisory Board:

Total compensation expected for the current fiscal year 12.31.2015 - Annual Amounts in Reais				
	Board of Directors	Statutory Board	Supervisory board	Total
No. of members ("b")	18.0	7.0	3.0	
Fixed annual remuneration	5,121,323.30	8,198,224.28	477,335.04	13,796,882.62
Salary or pro labore	3,849,443.43	5,805,993.50	372,918.00	10,028,354.93
Direct and indirect benefits	-	650.967,85	-	650.967,85
Participation in committees	213.540,00	-	-	213.540,00
Others	1.058.339,87	1.741.262,93	104.417,04	2.904.019,84
Description of other fixed remunerations	Social security charges	Social security charges	Social security charges	
Variable compensation	1.195.632,06	6.802.743,91	-	7.998.375,97
Bonus	934.087,55	5.314.643,68	-	6.248.731,23
Participation in results	-	-	-	-
Participation in meetings	-	-	-	-
Commissions	-	-	-	-
Others	261,544,51	1,488,100.23	-	1,749,644.74
Description of other variable remunerations	Social security charges	Social security charges	-	-
Post-employment	37,819.09	427,421.97	-	465,241.06
Position termination	-	-	-	-
Share-based	-	-	-	-
Remarks	18 members throughout the year	7 members throughout the year	3 members throughout the year	-
Total remuneration	6,354,774.45	15,428,390.16	477,335.04	22,260,499.65

In 2015, the total amount of the annual remuneration of the Managers, fixed at R$ 24 million (twenty-four million reais for the fiscal year 2015), same as the amount proposed in 2014, will be submitted to the Annual General Meeting (AGM), to be held on 4/30/2015.

This amount allows us to include any resignations arising from the voluntary retirement program of the Board, approved in late 2013.

Total remuneration of the fiscal year on 12.31.2014 - Annual Amounts in Reais				
	Board of Directors	Statutory Board	Supervisory board	Total
No. of members (“b”)	18,0	7,0	3,0	
Fixed annual remuneration	4,636,326.54	7,608,527.64	415,800.00	12,660,654.18
Salary or pro labore	3,564,857.97	5,405,290.53	34,500.00	9,316,648.50
Direct or indirect Benefits	-	596,433.05	-	596,433.05
Participation in committees	201,000.00	-	-	201,000.00
Others	870,468.57	1,606,804.06	69,300.00	2,546,572.63
Description of other fixed remunerations	Social security charges	Social security charges	Social security charges	
Variable compensation	1,133,300.57	6,448,098.55	-	7,581,399.12
Bonus	885,391.04	5,037,577.00	-	5,922,968.04
Participation in results	-	-	-	-
Participation in meetings	-	-	-	-
Commissions	-	-	-	-
Others	247,909.53	1,410,521.55	-	1,658,431.08
Description of other variable remunerations	Social security charges	Social security charges	-	-
Post-employment	36,997.90	397,923.27	-	434,921.17
Position termination	-	-	-	-
Share-based	-	-	-	-
Remarks	18 members throughout the year	7 members throughout the year	3 members throughout the year	-
Total remuneration	5,806,625.01	14,454,549.46	415,800,00	20,676,974.47

In 2014, the annual remuneration of the Managers was approved by the Annual General Meeting (AGM), fixed at R$ 24 million for the fiscal year 2014.

This amount was established providing the maximum bonus value for the managers, which was not fully realized and provided for the executive succession program with the voluntary resignation plan, whose planned resignations for 2014 did not occur.

Total remuneration of the fiscal year on 12.31.2013 - Annual Amounts in Reais				
	Board of Directors	Statutory Board	Supervisory board	Total
No. of members (“b”)	17.9	7.0	3.0	
Fixed annual remuneration	4,305,595.65	7,031,288.56	388,444.80	11,725,329.01
Salary or pro labore	3,342,378.62	5,019,923.94	323,679.00	8,685,981.56
Direct or indirect Benefits	-	508,197.27	-	508,197.27
Participation in committees	188,658.00	-	-	188,658.00
Others	774,559.03	1,503,167.35	64,765.80	2,342,492.18
Description of other fixed remunerations	Social security charges.	Social security charges	Social security charges.	
Variable compensation	499,756.33	4,879,385.99		5,379,142.32
Bonus	383,761.05	3,818,693.79	-	4,202,454.84
Participation in results	-	-	-	-
Participation in meetings	-	-	-	-
Commissions	-	-	-	-
Others	115,995.28	1,060,692.20	-	1,176,687.48
Description of other variable remunerations	Social security charges.	Social security charges.	-	-
Post-employment	131,694.48	689,044.54	-	820,739.02
Position termination	-	-	-	-
Share-based	-	-	-	-
Remarks	17 members for 12 months and 1 member for 11 months	7 members throughout the year	7 members throughout the year	-
Total remuneration	4,937,046.46	12,599,719.09	388,444.80	17,925,210.35

Total remuneration of the fiscal year on 12.31.2012 - Annual Amounts in Reais				
	Board of Directors	Statutory Board	Supervisory board	Total
No. of members (“b”)	17.8	7.0	3.0	
Fixed annual remuneration	4,182,705.00	6,530,705.19	351,739.12	11,065,149.31
Salary or pro labore	3,186,271.82	4,744,042.54	293,115,93	8,223,430.29
Direct or indirect Benefits	-	431,819.64	-	431.819,64
Participation in committees	175,723.41	-	-	175,723.41
Others	820,709.77	1,354,843.01	58,623.19	2,234,175.97
Description of other fixed remunerations	Social security charges.	Social security charges	Social security charges.	
Variable compensation	431,390.22	4,957,760.54		5,389,150.76
Bonus	329,805.98	3,880,467.00	-	4,210,272.98
Participation in results	-	-	-	-
Participation in meetings	-	-	-	-
Commissions	-	-	-	-
Others	101,584.24	1,077,293.54	-	1,178,877.78
Description of other variable remunerations	Social security charges.	Social security charges.	-	-
Post-employment	126,258.10	548,946.52	-	675,204.62
Position termination	-	-	-	-
Share-based	-	-	-	-
Remarks	17 members along 12 mths and 1 member along 9 mths	7 members throughout the year	3 members throughout the year	-
Total remuneration	4,740,353.32	12,037,412.25	351,739.12	17,129,504.69

13.3 Regarding Variable compensation of the last 3 fiscal years and the estimate for the current fiscal year:

Any variable remuneration of the Board of Directors can be considered in the overall amount approved by the General Assembly of Shareholders. There is no variable remuneration to members of the Supervisory Board. The information is presented in the table below:

Planned for Fiscal Year of 2015

(Values in Reais)	Board of Directors	Executive Board
Number of paid members	2.0	7.0
Bonus		
Minimum amount estimated in the remuneration plan	-	-
Maximum amount estimated in the remuneration plan	1,195.632.07	6,802,743.91
Estimated value in the remuneration plan, whether the targets are met	730,225.02	4,565,116.58
Result sharing		
Minimum amount estimated in the remuneration plan	-	-
Maximum amount estimated in the remuneration plan	-	-
Estimated value in the remuneration plan, whether the targets are met	-	-
Amount effectively recognized in the result	-	-

The figures above include the Social security charges over remunerations

Recognized in the 3 (three) last years:

Statutory Board (Values in Reais)	2014	2013	2012
Number of paid members	7.0	7.0	7.0
Bonus			
Minimum amount estimated in the remuneration plan	-	-	-
Maximum amount estimated in the remuneration plan	6,695,504.32	5,379,142.36	5,205,648.57
Estimated value in the remuneration plan, whether the goals are met.	4,565,116.58	4,218,773.14	4,957,760.54
Amount effectively recognized in the result	6,448,098.55	4,879,385.99	4,957,760.54
Participation in the result			
Minimum amount estimated in the remuneration plan	-	-	-
Maximum amount estimated in the remuneration plan	-	-	-
Estimated value in the remuneration plan, whether the goals are met.	-	-	-
Amount effectively recognized in the result	-	-	-

The figures above include the Social security charges over remunerations

Board of Directors (Values in Reais)	2014	2013	2012
Number of paid members	2.0	2.0	2.0
Bonus			
Minimum amount estimated in the remuneration plan	-	-	-
Maximum amount estimated in the remuneration plan	1,133,300.57	966,104.81	766,968.16
Estimated value in the remuneration plan, whether the goals are met	730,225.02	707,098.97	383,484.08
Amount effectively recognized in the result	1,133,300.57	499,756.33	431,390.22
Stake/Participation in the outcome			
Minimum amount estimated in the remuneration plan	-	-	-
Maximum amount estimated in the remuneration plan	-	-	-
Estimated value in the remuneration plan, whether the goals are met	-	-	-
Amount effectively recognized in the result	-	-	-

The figures above include the Social security charges on remuneration

13.4 Regarding the compensation plan based on the Board of Directors and the Statutory Board's shares, effective in the last fiscal year and estimated for the current year:

As of the date of presentation of this Management Proposal, the Company has no share-based remuneration plan from Tractebel Energia.

13.5 Number of shares or quotas directly or indirectly held in Brazil or abroad, and other securities convertible into shares or quotas issued by the Company, its direct or indirect subsidiaries or under common control, by members of the Board of Directors, of the Statutory Board or of the Supervisory Board, grouped by body, on the closing date of the last fiscal year

The Company has no incentive program based on Tractebel Energia quotas or shares. However, without charge and not linked to the results, the Company's management, as well as their employees may participate in the program established by the controlling group, whose values do not present significant percentage in relation to the annual remuneration.

The members of the Board of Directors, including Directors who are also members of this Council, held on 12.31.2014, 381,132 issuance shares of Tractebel Energia equivalent to 0.058389% of the total issued shares.

As recommended by CVM, when a Board member is part of the Board of Directors, its securities are disclosed only in the amount held by the members of the Board of Directors.

The Company's share price on 12.31.2014 was R$ 33.83 per share. (See additional information about item 13.5 in Table 13.16).

13.6 In relation to the Share-based remuneration recognized in the last 3 fiscal years and planned for the current fiscal year, the Board of Directors and Statutory Board

As of the date of presentation of this Management Proposal, the Company has no share-based remuneration plan from Tractebel Energia.

13.7 What about the standing options of the Board of Directors and the Statutory Board at the end of last fiscal year?

As of the date of presentation of this Management Proposal, the Company has no share-based remuneration plan from Tractebel Energia.

13.8 Regarding exercised options and shares delivered, related to share-based remuneration of the Board of Directors and the Statutory Board in the past 3 fiscal years

As of the date of presentation of this Management Proposal, the Company has no share-based remuneration plan from Tractebel Energia.

13.9 Brief description of the information necessary to understand the data disclosed in items "13.6" to "13.8" as the explanation of the pricing method of the value of shares and options

As of the date of presentation of this Management Proposal, the Company has no share-based remuneration plan from Tractebel Energia.

13.10 Pension plans in effect, granted to the members of the Board of Directors and executive officers

(Values in reais)	Board of Directors	Statutory Board
Number of members	3.0	7.0
Plan Name	CD Plan	CD Plan
Number of managers who are eligible to retire	2,0	6,0
Conditions for early retirement	1,0	1,0
Updated value of accumulated contributions in the pension plan, until the end of the last fiscal year, subtracting the installment related to contributions made directly by the administrators	1.459.383,64	6.602.471,62
Total amount of contributions made during the last fiscal year, subtracting the installment of contributions made directly by the administrators	129.829,62	370.590,98
If there is a possibility of early redemption and what the conditions are	Not applicable	Not applicable

13.11 Average Remuneration of Administrators

	Board of Directors			Statutory Board			Supervisory board		
(Values in Reais)	12.31.2014	12.31.2013	12.31.2012	12.31.2014	12.31.2013	12.31.2012	12.31.2014	12.31.2013	12.31.2012
No. of members	18	17.9	17.8	7.0	7.0	7.0	3.0	3.0	3.0
Highest remuneration value	1,599,840.30	1,163.329.63	1,251.844.13	3,385,348.93	2,455,228.97	3,117,711.49	138,600.00	129,471.60	117,246.37
Lowest remuneration value	130,800.00	122,794.80	114,357.85	1,382,199.78	866,467.04	953,659.43	138,600.00	129,471.60	117,246.37
Average remuneration value	322,590.28	275,812.65	266,311.98	2,064,935.54	1,799,959.87	1,719,630.32	138,600.00	129,481.60	117,246.37

The above figures consider the fixed and variable remuneration and include social security charges over earnings.

The members of the Board and Councils identified with the highest and lowest compensation exercised their roles along the twelve (12) months of the year.

13.12 Contractual arrangements, insurance policies or Others instruments that structure mechanisms of remuneration or compensation for directors, in case of dismissal or retirement, what the financial consequences for the Company would be

The Company has no contractual arrangements, insurance policies or other instruments that structure mechanisms of remuneration or compensation for directors in the event of dismissal or retirement.

13.13 Regarding the last 3 fiscal years, indicate the percentage of total remuneration of each body, recognized in the Company relating to members of the Board of Directors, the Statutory Board or the Supervisory Board who are parties related to the direct or indirect controller, as defined by the accounting rules that address this matter

The total remuneration of the members of the Board of Directors who have employment contracts linked to the direct and indirect controllers of the Company correspond to 72%, 77%, and 69% in the years 2014, 2013 and 2012 respectively. In the Executive Board, the contract of employment of the Director President is kept with the holding company. Its remuneration is paid in full by Tractebel Energia and represents 26%, 26% and 24% of the total remuneration of the Executive Board in 2014, 2013 and 2012 respectively. In the Supervisory Board there are no members that can be considered as related parties of the Company's controllers.

13.14 Regarding the last 3 fiscal years, indicate the amounts recognized in the result of the Company as remuneration of the Board of Directors, Statutory Board or Supervisory Board, grouped by body, for any reason other than the position they hold, such as Commissions and consulting or advisory services provided

There was no payment of remuneration to members of the Board of Directors, of the Statutory Board or Supervisory Board, for any reason other than the position they hold.

13.15 Regarding the 3 last fiscal years, indicate the amounts recognized in the result of the direct or indirect, of corporations under common control and of Company's subsidiaries, as remuneration of members of the Board of Directors, of the Statutory Board or the Supervisory Board of the Company, grouped by body, specifying why these amounts were assigned to these individuals

Tractebel Energia has members of its Board of Directors and Executive Directors comprising the Board of Directors and Executive Officers of the company, under common control of Ita Energética S.A. (Itasa). From April 2014, the remuneration of the Board of Directors has been reviewed and altered as per AGO from 05.30.2014. The amounts recognized in the income of said subsidiary regarding the payment of remuneration of Directors, which are deducted from their annual bonus, are shown in the table below.

(Values in Reais)	2014	2013	2012
Board of Directors of Tractebel Energia			
Number of paid members	4.0	4.0	4.0
Value	195,076.80	655,200.00	638,400.00
Statutory Board of Tractebel Energia			
Number of paid members	3.0	3.0	3.0
Value	117,057.60	374,400.00	364,800.00
Total	312,134.40	1,029,600.00	1,003,200.00

The amounts received by the Directors of Tractebel Energia as members of the Board of Directors of Itasa are deducted from their annual Bonus.

13.16 Other information that the Company deems relevant

The Controller Group maintains a share purchase option program by the GDF SUEZ controller at the Paris Stock Exchange - France for its top executives in the world, established on the basis of their main responsibilities, and on share prize for performance or Bonus, which may be granted, within the established conditions, to all employees.

The chart below sets the average duties of the Controlling Group's shares to the members of the Company's Executive Board:

	2014 Plan	2013 Plan	2012 Plan
b) ***Perfomance Shares***			
Quantity	3,214	2,600	3,214
Values in Reais 12.31.2014	201,519.76	142,948.00	176,705.72
c) ***Free Shares***			
Quantity	-	-	35
Values in Reais 12.31.2014	-	-	1,924.30

Notes:

- The share price of GDF SUEZ, at the Paris Stock Exchange, has the following quotations:

	Euros	Reais
12.31.2014	19.43	62.70
12.31.2013	17.04	54.98
12.31.2012	15.48	41.99

- The number of Performance Shares is reduced to the extent that certain financial ratios by the GDF SUEZ controller are not affected. The shares are only transferred to the directors after five years of its issue, and the final amount depends on the financial results of the controlling group in this period.

- The free shares granted in a year are only available to the executive four years after it was granted and, if certain targets are not met, the number of shares may be reduced or even eliminated.

Annex VI

Information about the proposal of employee participation in the year 2014's results

14.3 Description of the remuneration policies of the Company's employees

a. Salary Policy and Variable compensation

Remuneration policy:

The Company's remuneration policy is to maintain a pay system in line with market practices, which meets the Company's interests and its employees'. Thus, one should consider that:

- The amount paid to each employee for his work in the Company, shall be consistent with the value of this work in the market;

- The remuneration should reflect the responsibilities of each employee, the degree of performance and achievements, individually and in a team.

Participation in Profit or Results (PLR):

In addition to the payment of a fixed salary, the Company maintains a Variable compensation system that includes the Participation Program in Profit or Results (PLR). This remuneration is granted to all employees of the Company and subject to Business Results, measured by EBITDA and net income for the period, and achievement of corporate goals, and evaluation of adherent behaviors to the organizational culture. These criteria are negotiated with the unions and established in the Collective Labor Agreement (ACT). The payment of PLR fosters the practice of competitive remuneration values toward those practiced by the labor market in Brazil.

Management's proposal includes the amount of R$ 26 million in terms of PLR of the employees, related to the year 2014, to be distributed according to the criteria set out in the Company's Remuneration System and Collective Labor Agreements.