Tractebel Energia
GDF SUEZ



Administration Proposal for the Ordinary General Assembly of April 8, 2014

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

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IBOVESPA
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2013

ADMINISTRATION PROPOSAL FOR THE ORDINARY GENERAL ASSEMBLY TO BE HELD ON APRIL 8, 2014, IN COMPLIANCE WITH CVM (THE SECURITIES COMMISSION OF BRAZIL) INSTRUCTION 481, OF DECEMBER 17, 2009 (ICVM 481/09).

According to art. 9 of ICVM 481/09, the Company shall provide up to 1 (one) month before the Ordinary General Assembly (OGA) date, the documents and information described in the following items:

- **Administration and Annual Report (Items I and II, art. 9 of ICVM 481/09)**

  Complete Annual Report, including the Administration Report, was filed at the CVM and BM&FBOVEPSA on February 20, 2014 and they were published by the Diário Oficial do Estado de Santa Catarina and Diário Catarinense (newspapers), on February 28, 2014. Such documents are also available on the websites of the Company (www.tractebelenergia.com.br), the CVM (www.cvm.gov.br) and BM&FBOVESPA (www.bmfbovespa.com.br).

- **Comments of the administrators about the Company's financial situation, according to the terms of item 10 of the reference form (Item III of art. 9 of ICVM 481/09)**

  The information with comments of the administrators about the Company's financial situation is available in Annex I of this document.

- **Report (Comment) of the Independent Auditors (Item IV of art. 9 of ICVM 481/09)**

  The report (Comment) of the Independent Auditors is included in the Company's Complete Annual Report.

- **Comment of the Financial Committee, including dissenting votes, if any (Item V of art. 9 of ICVM 481/09)**

  The report of the Financial Committee is included in the Company's Complete Annual Report; it should be noted that there was no dissenting vote.

- **Form - Standard Financial Statements (DFP) (§ 1 of art. 9 - Item I)**

  The form – Standard Financial Statements (DFP) was sent by the Company on February 20, 2014, on the same day the Administration Report and the Complete Annual Report were submitted. This document can be viewed on the websites of CVM (www.cvm.gov.br) and BM&FBOVESPA (www.bmfbovespa.com.br)

- **Proposal for the allocation of the fiscal year net earnings that contain, at least, the information indicated in Annex 9-1-II of ICVM 481/09 (§1 of art. 9 - Item II)**

  The information related to Annex 9-1-II of ICVM 481/09 are available in Annex II of this document.

- **Report of the Audit Committee, if any (§1 of art. 9 - Item III)**

  The Company has no Audit Committee.

- **Data related to the candidates designated or supported by the Company's Administration or by controlling shareholders for the elections of members for the Company's Board of Directors and Financial Committee, as required in items 12.6 to 12.10 of the Reference Form referred to in CVM 480/09 Instruction**

  These data are presented in Annex III of this document.

- **Information regarding the remuneration of administrators, based on item 13 of the Reference Form mentioned above**

  Such information is presented in Annex IV of this document.

- **Information regarding the proposal of employee participation in the results for the fiscal year 2013**

  Such information is presented in Annex V of this document.

Annex I

Art. 9 of ICVM 480/09 – Item III – Comments of the administrators about the Company's financial situation, according to the terms of item 10 of the reference form

10. Comments of Directors

10.1 Comments of Directors about

a. General financial and asset conditions

Consolidated information related to the fiscal year ended on December 31, 2013

In the fiscal year 2013, the Company – as well as other companies operating in the electrical sector – felt the impact from decisions made by the federal government regarding the drought that started at the end of 2012 and remained in 2013. Such decisions included the redistribution of charges from the additional thermoelectric generation and the implementation of complementary measures in 2013, which were not aligned with the planning of companies. These measures negatively impacted the results in short-term market operations, including at CCEE, whose variation between 2013 and 2012 brought additional net expenditures of R$ 316 million. On the other hand, the Company presented 8.3% growth in its net revenue from sales to distributors, free customers and marketers. In this scenario, the Company's EBITDA in 2013 was a little lower than in 2012.

The following factors supported the Company's favorable financial and asset conditions:

- The net earnings accumulated in 2013 reached R$ 1.437 million. The effects resulting from short-term operations mentioned above and impairment, in the amount of R$ 67 million, affected negatively the profit obtained in the fiscal year 2013.
- Solid generation of operating cash – The consolidated EBITDA, in the concept of net earnings plus income tax and social contribution, net financial expenditures, depreciation and amortization and impairment, reached R$ 3.043 million in 2013, 1.9% less than in 2012. The EBITDA margin was 54.6%.
- Low level of debts – The Company's low level of debts allows to benefit from growth opportunities. The "total debt/EBITDA ratio" on December 31, 2013 was 1.1 times and the "Net debt/EBITDA ratio" on the same day was 0.75 times. In 2013, the Company reduced its debts in foreign currency with the anticipated settlement of debts with the National Treasury in the net value of R$ 65 million, reducing its currency exposure and generating financial gains of almost R$ 50 million.
- Risk rating maintenance – Fitch Ratings: (i) International - "BBB", and (ii) National long-term and second issue of debentures - "AAA(bra)"; Standard & Poor's: (i) Long-term corporate credit, in national scale Brazil – "brAAA", and (ii) Short-term corporate credit – "brA-1".
- Reduced level of default – This condition is a result of the rigorous process of credit analysis and the diversification of the Company's client portfolio.
- Sustained growth – In the first quarter of 2013, the eighth and last generation unit of Estreito Hydroelectric Power Plant started operating and, in the fourth quarter of 2013, two of total four

wind farms implemented under the Trairí Project started operating: Guajiru and Trairí Wind Farms. Also in 2013, the Company acquired wind power projects in Bahia, which will allow the installed power of around 206 MW. In February 2014, the capital stock acquisition from Ferrari Termoelétrica S.A. was concluded; that is a sugarcane bagasse cogeneration plant of 65.5 MW installed capacity. Also in 2014, Fleixeiras I and Mundaú Wind Farms will start operating, with 30 MW capacity each, and Santa Mônica Wind Power Complex will be constructed, also in Ceará and near the Trairí Complex, with 97.2 MW capacity.

- Generation record – In 2013, the total energy production reached 45.344 GWh, representing 25.3% increase in relation to 2012. This production showed a new annual record in generation, due to improved hydrology in relation to 2012 and better delivery of thermoelectric energy. The following factors also helped reach these results: the total installed capacity of Estreito Hydroelectric Power Plant was reached and Trairí e Guajiru Wind Farms started operating.
- Remuneration to shareholders without financial decapitalizaton and aligned with the Company's strategies and investment plans – In 2013, the proposed dividends were again 100% of the distributable net earnings of the Company, with reduced net debt of the Company.
- The Company remained in the Corporate Sustainability Index (ISE) rating of BM&FBOVESPA – The Company has participated in this rating since its first edition in 2005.
- Appreciation of Company's shares – Along the year, the shares of Tractebel Energia showed 15.5% appreciation in relation to 2012, not including the income distribution, with yield over 6%, while the shares that constitute the electrical sector index decreased 8.8% and Ibovespa 15.5%.

Consolidated information regarding the fiscal year ended on December 31, 2012

The net earnings and the consolidated EBTIDA increased 3.6% and 6.8%, respectively, in relation to results in 2011, confirming again the Company's operational efficiency.

It should be noted that, in 2012, because of the unfavorable hydrological conditions in the country, the Company's hydroelectric generation had 24.9% reduction. That decrease did not necessarily resulted in reduced economic and financial result, as the Company participates in the Energy Reallocation Mechanism (MRE), where it shares hydroelectric generation risks with other agents. These conditions required the activation of the country's thermoelectric complex, and the Company's generation of this type of energy increased 32.8%.

Both the unfavorable hydrology and the greater delivery of thermoelectric power plants caused short-term market prices increase in late 2012, resulting in an increase of R$ 137.22 in the average price in relation to 2011. This price increase was one of the factors that contributed to the Company's increased net result from short-term market operations.

The factors presented below supported the Company's favorable asset and financial conditions:

- Growing profit generation - In 2012, the Company again presented a consistent growth, even with the persistent scenario of global economic crisis, slow growth of the Brazilian economy, price variations in the short-term market and regulatory changes made by the federal

government. The consolidated net earnings in the fiscal year 2012 was R$ 1.499 million, representing growth in the ninth consecutive year.

- Strong generation of operating cash - The consolidated EBITDA in 2012 reached R$ 3.108 million. The EBTIDA margin reached 63.3%.
- Low level of debts – The "total debt/EBITDA ratio" on December 31, 2012 was 1.14 times and the "Net debt/EBITDA ratio" on the same day was 0.76 times.
- Expansion of financing boundaries – The Company has expanded the covenant related to the 2nd issue of debentures from 2.5 to 3.5 times the "Gross debt/EBITDA" ratio, to prepare for the acquisition of Jirau Hydroelectric Power Plant from its controller GDF SUEZ.
- Resources for Trairi Complex wind power projects – The Company, having a solid structure of guarantees, obtained from BNDES resources to fund the first wind farms whose sales were exclusively to the free market, in the total amount of R$ 358 million, corresponding to 75% of total investments.
- Improved risk rating – The ability to meet financial obligations was again increased by first-line risk rating agencies. On April 27, 2012, Fitch Ratings increased the Company's international rating from "BBB-" to "BBB", as well as its national long-term and second emission of debentures, from "AA+(bra)" to "AAA(bra)", both with perspective of stability. On September 27, 2012, Standard & Poor's increased the Company's long-term corporate credit rating, at the national level, from "brAA+" to "brAAA", with perspective of stability, and confirmed the short-term corporate credit rating of "brA-1".
- Reduced level of default – This condition is a result of the rigorous process of credit analysis and the diversification of the Company's client portfolio.
- Sustained growth – In August 2012, Estreito Hydroelectric Power Plant reached 97.3% of its total assured energy, as its 7th generation unit has started operating, contributing to an increase of R$ 191 million in the Company's net revenue.
- Remuneration to shareholders without financial decapitalizaton and aligned with the Company's strategies and investment plans – In 2012, the proposed dividends were again 100% of the distributable net earnings of the Company.
- The Company remained in the Corporate Sustainability Index (ISE) rating of BM&FBOVESPA.
- Appreciation of Company's shares – On December 31, 2012, the Company's shares showed 18.9% appreciation, not including the income distribution, while Ibovespa had 7.4% increase and the shares that constitute the electrical sector index decreased 11.7%.

Consolidated information regarding the fiscal year ended on December 31, 2011

The factors presented below supported the Company's favorable asset and financial conditions in 2011:

- Growing and consistent profit generation - In 2011, the Company kept its history of exceeding results, even with the global scenario of political and economic crisis, changes and uncertainties. The consolidated net earnings in 2011 were R$ 1.448 million.

- Strong generation of operating cash - The consolidated EBITDA in 2011 reached R$ 2.910 million. The EBTIDA margin reached 67.2%.
- Low level of debts – The "total debt/EBITDA ratio" on December 31, 2011 was 1.25 times and the "Net debt/EBITDA ratio" on the same day was 0.99 times.
- Risk rating analyzed by Fitch Ratings: "BBB-" at global level ("Investment Grade"), and"AA+" at national level, and by Standard & Poor's: "brAA+" at national level, with positive bias. As mentioned before, in 2012, Fitch Ratings and Standard & Poor's increased the Company's risk rating.
- Reduced level of customer default.
- Sustained growth – In 2011, the first four generation units of Estreito Hydroelectric Power Plant started operating, contributing to an increase of R$ 87 million in the Company's net revenue.
- Remuneration to shareholders without financial decapitalizaton and aligned with the Company's strategies and investment plans – In 20112, the proposed dividends were again 100% of the distributable net earnings.
- The Company remained in the Corporate Sustainability Index (ISE) rating of BM&FBOVESPA.
- The Company's shares, listed in the New Market of BM&FBOVESPA, presented 16.2% appreciation, while Ibovespa had 18.1% decrease.

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

Capital structure

The Administration understands the Company has a capital structure with low level of financial leverage, which allows a growth strategy for the following years.

The Company's business presents a high generation of operating cash, especially due to its high margin, a result of a strong capital characteristic of the energy generation activity and the rigorous cost and expense controls of the Company's Administration.

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

Values in R$ million	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Gross debt [1]	3.495	3.535	3.649
(-) Cash and cash equivalents	1.224	1.180	782
Net debt	2.271	2.355	2.867
Long-term debt (% of total debt)	81.0%	85.1%	88.6%
Net equity	5.365	5.502	5.450
Degree of leverage [2]	29.7%	30.0%	34.5%
Composition of capital structure:			
- Own capital (net equity / total liabilities)	42.4%	44.9%	45.3%
- Third parties' capital (current and non-current liabilities / total liabilities)	57.6%	55.1%	54.7%

The low level of debt and the low degree of leverage ensure a good liquidity situation for the Company.

Possibility of redemption of shares

The Company's Administration has no intention to perform any redemption of shares. The Company keeps its strategy of seeking new investments to, at least, keep its market share, which presents a scenario of growing energy consumption in Brazil for the following years.

(i) hypotheses of redemption

There is no hypothesis of redemption of shares issued by the Company besides those legally foreseen.

(ii) formula of redemption value calculation

Likewise, there is no hypothesis of redemption of shares issued by the Company besides those legally foreseen.

[1] Includes: loans, financing and debentures.
[2] Net debt/(Net debt + Net equity)

c. Payment capability in relation to financial commitments assumed

The Company's Administrators, after analyzing the performance indicators and cash flow generation, understand the Company, in normal market situations, has all conditions to meet is short- and medium-term obligations, and keep expanding its investments. The Administrators also understand that, in normal market conditions, the solid cash generation ensures a comfort margin for the Company to meet its long-term obligations.

The Company's "Total debt/EBITDA" ratio on December 31, 2013 was 1.15 times (1.14 times in 2012 and 1.25 in 2011), and the "EBITDA/Financial expenses" ratio was 5.35 times (5.73 times in 2012 and 2011).

The Company's risk rating is elaborated by two rating agencies: Standard & Poor's and Fitch Ratings.

As mentioned before, in April 2013, Fitch Ratings kept the Company's international rating at "BBB" and kept the national long-term rating and 2nd emission of debentures at "AAA(bra)", both with perspective of stability. This review was encouraged by the following factors, described in the document elaborated by this agency: (i) high and predictable operating cash generation; (ii) solid free cash flow, despite the high dividends; (iii) maintenance of solid credit indicators; (iv) credit profile benefitted by long-term energy sale agreements; (v) strong position of liquidity and financial flexibility; and (vi) ambitious investment plan; partially mitigated project risks. Then, the Company's ratings are among the best of its sector.

Likewise, on November 14, 2013, Standard & Poor's kept the Company's long-term corporate credit rating, at the national level, at "brAAA", with perspective of stability. On the same day, the agency also confirmed the short-term corporate credit rating "brA-1". According to the report issued by this agency, the maintenance of ratings shows the expectation that, even with the possible acquisition of Jirau Hydroelectric Power Plant, the Company will keep benefiting from strong financial metrics, with a total adjusted debt over EBITDA below 4x, even if the acquisition of Jirau plant is 100% funded through debts.

d. Funding sources for working capital and investments in non-current assets

Besides using some of its cash generation, the main funding source for the Company's investment projects is BNDES, directly and/or via BNDES and its accredited banks. These financial institutions usually offer an interest rate and payment deadlines aligned with the return from energy generation projects.

If the investment project is not eligible for financing via BNDES, the Company may use other funding sources, such as the Fundo Constitucional de Financiamento do Nordeste (FNE), Fundo Constitucional de Financiamento do Centro-Oeste (FCO), and the capital market, via issuance of bonds and/or debentures, or other funding sources, to keep a proper capital and liquidity structure. The Company is constantly analyzing funding options for its operations.

In the last 3 (three) fiscal years, the Company used BNDES and its accredited banks as its main funding source for its projects. In these agreements, in general, there is a "standard" relation to have these credit lines, which is around 30% of own capital and 70% for fundable items.

e. Funding sources for working capital and investments in non-current assets the Company intends to use to cover liquidity deficiencies

Although the Administration does not foresee any situation of liquidity deficiency, the Company has foreseen credit lines (working capital, long-term financing and bank guarantee) with first-line financial institutions in the total amount of around R$ 8.8 billion.

In addition, due to the high ratings assigned by the risk rating agencies, the Company has quick access to the capital market if financial resources are needed.

f. Levels of debt and the characteristics of such debts, also describing:

The main information about debts incurred of financial institutions are described below:

(i) Relevant loan and financing agreements

Main conditions of loan and financing agreements collected on December 31, 2013

		Payment conditions		
Companies / Banks	**Interest**	**Due date**	**Principal and interest**	**Balance (in million)**
National currency:				
Tractebel Energia				
Bank of America Merrill Lynch	98% of CDI	July 2014	Principal: July 2013, Jan. 2014 and July 2014 Interest: quarterly	292
Nordic Investment Bank	IPCA + 3.55% a year	Oct. 2022	Principal: quarterly, as of Oct. .2015 Interest: quarterly	151
Banks (transfer from Finame)	2.5% a year	Jan. 2023	Principal: monthly and as of Feb. 2015 Interest: quarterly until Feb. 2015 and monthly as of this date	13
BNDES	TJLP + 2.7% a year [a]	Oct. 2023	Monthly	158
Banks (transfer from BNDES) [b]	TJLP + 3.25% a year [a]	Oct. 2023	Monthly	319
Controlled companies:				
- CEE				
BNDES	TJLP + 1.89% a year [a]	Sept. 2029	Monthly	839
BNDES – Social credit [e]	TJLP	June 2018	Monthly	22
Banks (transfer from BNDES) [b]	TJLP + 2.95% a year [a]	Sept. 2029	Monthly	570
- Hidropower (Banco do Brasil)	8.08% a year [c]	Oct. 2017	Monthly	15
- Beberibe (BNDES)	TJLP + 3.5% a year [a]	Dec. 2023	Monthly	86
- Pedra do Sal (BNDES)	TJLP + 1.92% a year [a]	Dec. 2023	Monthly	58
- Areia Branca (BNDES)	TJLP + 2.5% a year [a]	June 2024	Monthly	50
- Ibitiúva				
BNDES (Subcredit A & C)	TJLP + 2.05% a year [a]	Jan. 2021	Monthly	25
BNDES (Subcredit B) [d]	4.5% a year	Jan. 2020	Monthly	26
- Trairí Project (BNDES) [f]	TJLP + 2.51% [a]	July 2029	Monthly	359
Foreign currency – Tractebel Energia				
BNP Paribas (Floating Rate Note)	*Euribor* + 2.75% a year	Nov. 2015	Annually	129
HSBC USA [g]	1.3882% a year	Aug. 2015	Principal: Aug. 2015 Interest: quarterly	211

[a] The amount corresponding to TJLP that exceeds 6% a year is capitalized, incorporating it into the principal amount of financing.
[b] The Banks are: Itaú Unibanco, Itaú BBA, Bradesco, Santander and Votorantim.
[c] Fixed rate already considering the compliance bonus of 15% for payment by the due date.
[d] Credit to finance machines and equipment for Ibitiúva Plant.
[e] Credit to exclusively finance social and environmental projects for Estreito project.
[f] To fund the Trairí Project that includes the following companies: Trairí, Mundaú, Guajiru and Fleixeiras I.
[g] The loan is fully protected against US dollar variation through an operation of currency swap in which the Company assumed a passive position with a rate of 99.9% of CDI.

Additional information about loan and financing agreements of most relevant values of the Company and its controlled companies

The balance on December 31, 2013 of the agreements listed below are in the table of item f(i) above.

Tractebel Energia

- Bank of America Merrill Lynch

In July 2011, the Company hired a loan from the Bank of America Merrill Lynch in the original amount of US$ 274 million, or R$ 430 million.

This transaction with the Bank of America Merrill Lynch included a swap operation with its Brazilian subsidiary to protect all future cash flows against US dollar oscillations, in the amount of R$ 430 million, through which the Company will keep an active position corresponding to dollar variation plus interest of 2.6236% a year and a passive position of 98% of CDI.

The financial institutions that granted the loan ensure the payment of all cash flows resulting from the swap operation if the Brazilian subsidiary does not meet its contracted obligations. The due date for the principal and the swap and loan interest amortization is the same.

The Company has the right to settle the principal and the financial charges of loan and swap using the net basis, if required, and will perform such liquidity simultaneously, on the due dates.

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

Consequently, the impact on the Company's financial result due to these financial instruments will be 98% of CDI.

- Nordic Investment Bank

In January 2013, the Company signed a loan agreement with the Nordic Investment Bank (NIB), in the amount of R$ 143 million, or US$ 70 million. The net amount of R$ 142 million was received on January 22, 2013, discounting R$ 1 million of loan costs. The amortization deadline is 10 years, as of October 2015, and the financial charges on the loan are IPCA + 3.55% a year.

- BNDES and its Banks (transfer from BNDES)

In March 2007, Companhia Energética São Salvador (CESS) hired BNDES and its Banks (transfer from BNDES) Itaú Unibanco, Bradesco, Santander and Votorantim, a credit line in the initial amount of R$ 570 million to build São Salvador Hydroelectric Power Plant.

On December 30, 2013, CESS was incorporated by the Company and such financing was fully assumed by Tractebel Energia.

- BNP Paribas (Floating Rate Notes)

In November 1999, the Company issued 40 million euros in Floating Rate Notes (Notes) in the international market, in private placement regime, due in November 2007, with Citibank N.A. London acting as the issue agent and payer of the Notes. This debt was renegotiated on its original due date, and it received an 8-year deadline, due in November 2015, and remuneration based on Euribor rate, plus 2.75% spread a year over the debt balance of the principal, to be paid annually. There are no guarantees offered to this loan.

- HSBC USA

In August 2013, the Company hired a loan from HSBC USA in the amount of US$ 90 million (or R$ 207 million on the resource release date). The amortization of the principal will occur in a single payment at the end of the agreement, on August 17, 2015, and the interest will be amortized on a quarterly basis, from November 18, 2013 to November 17, 2015. The financial charges on the funding value are fixed, 1.3882% a year, and there are no guarantees regarding this loan.

The Company's Investment and Derivative Policy establishes that the utilization of financial instruments of derivatives is limited to hedge, and a close correlation should be kept in terms of debt profile, volumes and deadlines.

Thus, the Company, to protect all future cash flows against US dollar oscillation, hired a swap operation with the Brazilian subsidiary from the same financial institution that granted the loan, in the amount of R$ 207 million, through which it will keep an active position corresponding to dollar variation plus interest of 1.3882% a year and a passive position of 99.9% of the Interbank Deposit Certificate (CDI). The due date for the principal and the swap and loan interest amortization is the same.

Due to the characteristics of these financial instruments, the Company used the accounting rules of fair value hedge to report them. Thus, both hedge instrument (swap) and hedge loan are measured through the fair value despite the result, fully protecting the Company from US dollar and interest rate oscillations.

Consolidated controlled companies of Tractebel Energia

The following financing with BNDES and its Banks (transfer from BNDES) were hired in the Project Finance category. Specific Purpose Groups (SPE) were created for the implementation of these projects.

- Companhia Energética Estreito (CEE)

In March 2008, CEE signed a financing agreement with BNDES and its Banks (transfer from BNDES) Itaú Unibanco, Bradesco and Votorantim, in the original amount of R$ 1.358 million, for the construction of Estreito Hydroelectric Power Plant.

- Mundaú, Guajiru, Fleixeiras I and Trairí

In May 2012, indirectly controlled companies of Mundaú, Guajiru, Fleixeiras I and Trairí signed a financing agreement with BNDES for the implementation of their wind farms for the Trairí Complex, in the State of Ceará. The total amount was R$ 358 million, with R$ 1 million of this amount still waiting to be released, related to the social subcredit.

Guarantees of loans and financing

- Bank of America Merrill Lynch

The loan guarantee is a bond in the amount of US$ 274 million or R$ 641 million on Dec. 31, 2013, to the Bank of America N.A.

- BNDES and its Banks (transfer from BNDES) mentioned above

Hydroelectric project financing has the following guarantees: (a) pledge of rights resulting from the concession; (b) pledge of credit rights from electric energy acquisition and sale agreements; (c) reserve account in an amount corresponding to three months of debt service or bank guarantee; (d) reserve account in an amount corresponding to three months of contractual expenses of operation and maintenance, applicable to power plants that hire third parties' services to perform such activities; and (e) pledge of total actions.

Besides these guarantees, for the CEE agreement, there is also the pledge of dividends to be paid by Tractebel Energia to its controller GSELA.

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

Due to the incorporation, the guarantees from such financing will be replaced by a bank guarantee for the payment to BNDES, and only the central account of receivables will be kept for its accredited banks.

- BNDES – Wind farm projects

The guarantees to wind farm projects are: (a) chattel mortgage of assets and equipment; (b) total shares representative of the working capital of controlled companies; (c) receivables and reserve account; and (d) corporate guarantee of Tractebel Energia.

(ii) other long-term relations with financial institutions

Represent the debentures issued by the Company. On December 32, 2013, the Company had the following issue in force:

	Payment conditions				
Issues	**Remuneration**	**Interest/currency update**	**Principal**	**Quantity**	**Value in R$ million**
2nd Issue – unique series	IPCA + 7% a year	Annually on May 15	3 payments on May 15, 2012, 2013 and 2014	35,000	174

The debentures from the 2nd issue do not have any guarantee.

(ii.i) – Concessions payable

Besides loans, finances and debentures, the Company has financial liabilities related to onerous concessions for the Public Asset Use (UBP) for electric energy generation in the following hydroelectric power plants: Cana Brava, Ponte de Pedra, São Salvador and Estreito. The characteristics of businesses and agreements indicate the conditions and intention of parties to execute them fully.

The contractual values are corrected with the current value based on discount rates of reference on the obligation assumption date. The discount rate used in Cana Brava, São Salvador and Estreito concessions payable was 10% a year, and for Ponte de Pedra concession, it was 8.3% a year.

Original contracted values

The original values, corrected using the annual variation of IGP-M (Cana Brava and Ponte de Pedra) and IPCA (Estreito and São Salvador), indicated below in R$ thousand, are paid in monthly payments of 1/12 (one twelfth) the respective annual values informed below.

	Original value		Corrected value	
Power Plants and years of payment	**Annual payment**	**Total payment**	**Annual payment**	**Total payment**
Cana Brava Hydroelectric Power Plant				
Until July 31, 2023	680	6.517	2.778	23.951
From August 1, 2023 to July 31, 2033	61.280	612.800	222.298	2.222.980
		619.317		**2.246.931**
Ponte de Pedra Hydroelectric Power Plant				
Until September 30, 2019	200	1.150	631	3.674
From Oct. 1, 2019 to Sept. 30, 2020	16.200	16.200	51.890	51.890
From Oct. 1, 2020 to Sept. 30, 2034	31.109	435.531	99.646	1.395.050
		452.881		**1.450.614**
São Salvador Hydroelectric Power Plant				
Until April 30, 2037	20.000	**488.333**	46.457	**1.104.687**
Estreito Hydroelectric Power Plant				
Until December 31, 2037	1.960	**47.358**	4.596	**111.130**

The current value of the obligation related to the concessions mentioned above and presented in the balance of December 31, 2013, is R$ 1.595 million, that is: R$ 588 million to Cana Brava, R$ 524 million to Ponte de Pedra, R$ 440 million to São Salvador and R$ 43 million to Estreito.

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

The other liabilities reported by the Company are the following: income tax and social contribution payable, other tax and regulatory obligations, dividends and interest on own capital, suppliers, provision to remunerations and charges, tax, civil and labor provisions, obligations with retirement benefits and other obligations.

In short, the debts with financial institutions (loans, financing and debentures), concessions payable and other current and non-current liabilities total R$ 7.290 million, as informed in item 3.7 of this form.

(iii) Degree of subordination among the debts

The Company does not adopt any subordination policy for its obligations under liabilities of the balances that are part of the annual report and, thus, in case of any court-supervised reorganization, the Company will adopt Law 11.101/05 to rule the preference in the universal concourse of creditors.

(iv) eventual restrictions imposed to the Company, in particular, regarding limits of debts and incurring new debts, distribution of dividends, sale of assets, issuance of new securities and sale of shareholding control

The Company is subject to the following covenants – financial indexes and limits – established in its loan, financing and debenture agreements:

a) Loans and financing

Debt	Covenants
Tractebel Energia	
Bank of America Merrill Lynch	EBITDA[3] /consolidated financial expenses ≥ 2.0 Consolidated debt/EBITDA ≤ 3.5
Nordic Investment Bank	Controller: Total debt/EBITDA ≤ 3.5 Consolidated: Total debt/EBITDA ≤ 4.5 Consolidated: EBITDA/Financial expense at least 2.0
HSBC USA	EBITDA/consolidated financial expenses ≥ 2.0 Consolidated debt/EBITDA ≤ 4.5
BNDES and its Banks (transfer from BNDES) – São Salvador	Consolidated debt/EBITDA ≤ 4.5
Controlled companies consolidated by Tractebel Energia	
BNDES and its Banks (transfer from BNDES) - CEE and Areia Branca	Debt service coverage index[4] ≥ 1.2
BNDES and its Banks (transfer from BNDES) - Beberibe and Pedra do Sal	Debt service coverage index ≥ 1.3
BNDES - Ibitiúva	(i) General debt index ≤ 0.80 (ii) Debt service coverage index ≥ 1.3
BNDES – Trairi, Guajiru, Fleixeiras and Mundaú Wind Farms	Debt service coverage index ≥ 1.3

Tractebel Energia, as the controller and guarantor of CEE financing from BNDES, has to use the following financial index: Consolidated debt/EBITDA ≤ 3.5.

Loans obtained from BNDES are formalized with financing agreements and a credit line and are subject to the provisions applicable to BNDES agreements.

[3]EBITDA: Operating profit – financial result – depreciation and amortization.
[4]Debt service coverage index: Cash generated from the activity/Debt service

In the terms of these provisions, besides the financial covenants described in the table above, borrowers cannot, without a prior authorization from BNDES: (i) give preference to other credits; (ii) amortize shares; (iii) issue debentures; (iv) issue beneficial parties; (v) assume new debts, observing the exceptions foreseen in the provisions applicable to BNDES agreements; (vi) alienate or burden items of its permanent assets; and (vii) distribute dividends above the minimum amount, in some controlled companies.

The Company has fulfilled its financial obligations established in loan and financing agreements.

b) Debentures

Debt – Tractebel Energia	Covenants
2nd Issue	(i) EBITDA/Consolidated Financial Expenses ≥ 2.0 (ii) Consolidated Debt/EBITDA ≤ 3.5

Besides the financial obligations described above, in the terms of debenture issuance, the Company shall follow the restrictions described below; otherwise, its debts represented by debentures will have an anticipated due dates: (i) alteration in the Company's direct or indirect shareholding control; (ii) alienation, inoperability or extended interruption or any other provision from the Company for permanent assets that represent individually or collectively, 25% of the Company's electric energy generation capacity, and that undoubtedly affects the Company's economic and financial capability; and (iii) payment of dividends, interest on own capital or any other participation in profits foreseen in the Articles of Incorporation, except for the payment of required minimum dividend distribution, as foreseen in the Joint Stock Company Law, if the Company has any delayed payment of any debenture payment obligation.

The Company has fulfilled its obligations regarding its financial covenants and restrictions.

g. limits of contracted finance utilization

CEE obtained from BNDES and its Banks (transfer from BNDES) additional resources for the construction of Estreito Hydroelectric Power Plant, in the amount of R$ 308 million, with R$ 3 million of this amount still waiting to be released. The Company foresees that such resources will be released by June 2014.

Regarding the financing obtained from BNDES for the construction of Trairi Complex wind farms, the amount of R$ 1 million is still waiting to be released, from total R$ 358 million financed. These resources may be released in the fiscal year 2014.

h. significant alterations to items of the annual report

Reclassification and adjustment of balances

- CPC 33 (R1) and IAS 19 Revised – Employee benefits

The accounting practices related to the recognition and measurement of employee benefits were altered and their adoption became mandatory as of January 1, 2013.

The new regulation eliminated the "corridor" approach, which allowed to defer the recognition of actuarial gains or losses in the result. Thus, the actuarial gains or losses evaluated on an annual basis by actuaries will be reported directly under "Equity evaluation adjustments – Other comprehensive results", in Net Equity.

In addition, the calculation of asset profitability started to be based on the discount rate used to evaluate the current value of obligation with retirement benefits.

As a result, the Company adjusted retrospectively to January 1, 2012 its assets, liabilities and results with retirement benefits and the respective impacts on deferred income tax and social contribution.

- Reclassification of fuel account to be reimbursed

The Company, until the fiscal year ended on December 31, 2012, used to present the values of reimbursable fuel with the net resources of the Energy Development Account (CDE) for the amounts to be paid to fuel suppliers. Starting in the fiscal year 2013, these operations are segregated, in the Company's assets and liabilities. To allow the comparability of accounting information, the balances of these accounts related to December 31, 2012 and January 1, 2012 were reclassified.

- Adjustments and reclassifications resulting from the procedures mentioned above

The impacts on balances and consolidated result statements, before and after the retrospective adjustments, in R$ thousand, are the following:

(i) Impacts on balances on January 1, 2012 and December 31, 2012

	Balance on Dec. 31, 2012			Balance on Jan. 1, 2012		
	Published	Adjusted	Re-submitted	Published	Adjusted	Re-submitted
Current assets	**1.985.305**	**45.763**	**2.031.068**	**1.526.208**	**41.798**	**1.568.006**
Fuel to be reimbursed	-	47.823	47.823	-	47.732	47.732
Other current assets	70.981	(2.060)	68.921	56.197	(5.934)	50.263
Non-current asset	**10.279.111**	**705**	**10.279.816**	**10.502.355**	**412**	**10.502.767**
Other non-current assets	40.742	705	41.447	51.433	412	51.845
Total assets	**12.264.416**	**46.468**	**12.310.884**	**12.028.563**	**42.210**	**12.070.773**
Current liabilities	**1.690.673**	**45.763**	**1.736.436**	**1.472.698**	**41.798**	**1.514.496**
Suppliers	219.328	45.763	265.091	234.336	41.798	276.134
Non-current liabilities	**5.110.903**	**(38.706)**	**5.072.197**	**5.105.607**	**(105.334)**	**5.000.273**
Obligations with retirement benefits	274.607	(59.009)	215.598	300.964	(159.809)	141.155
Deferred income tax and social contribution	179.127	20.303	199.430	166.539	54.475	221.014
Net equity	**5.462.840**	**39.411**	**5.502.251**	**5.450.258**	**105.746**	**5.556.004**
Reserves	3.014.411	(9.043)	3.005.368	3.002.215	-	3.002.215
Other comprehensive results	-	48.454	48.454	-	105.746	105.746
Total Liabilities and Net Equity	**12.264.416**	**46.468**	**12.310.884**	**12.028.563**	**42.210**	**12.070.773**

(ii) Impacts on the results of the fiscal year ended on December 12, 2012

	Published	Adjusted	Re-submitted
Elements of operating expenses, net	(29.009)	(7.951)	(36.960)
EARNINGS BEFORE FINANCIAL RESULTS AND TAXES	**2.547.238**	**(7.951)**	**2.539.287**
Financial result	(447.238)	(5.752)	(452.990)
EARNINGS BEFORE TAXES	**2.100.000**	**(13.703)**	**2.086.297**
Income Tax and Social Contribution	(600.077)	4.660	(595.417)
NET EARNINGS OF THE FISCAL YEAR	**1.499.923**	**(9.043)**	**1.490.880**
Net Earnings per share – basic and diluted – R$	**2.30**		**2.28**

h.1) Comparative analysis between the results from the fiscal years ended on December 31, 2013 and 2012, according to IFRS and CPC:

	December 31				
Values in R$ million	**2013**	**% of revenue**	**2012 (re-submitted)**	**% of revenue**	**2013 versus 2012 (%)**
NET REVENUE FROM SALES	**5.569**	**100**	**4.913**	**100**	**13.4**
Cost of energy sold and services provided					
Electric energy acquired for resale	(776)	13.9	(664)	13.5	16.9
Transactions in short-term energy market	(638)	11.5	(53)	1.1	1,103.8
Duties of electrical network utilization and connection	(308)	5.5	(330)	6.7	(6.7)
Cost of electric energy production	(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 EARNINGS	**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
Reversion (constitution) of operating provisions	1	0.0	(37)	0.8	(102.7)
Provision for impairment	(73)	1.3	-	-	-
Other operating revenues (expenses), net	(1)	0.0	(18)	0.2	(94.4)
	(270)	**4.8**	**(243)**	**4.9**	**11.1**
EARNINGS BEFORE THE FINANCIAL RESULT AND TAXES	**2.387**	**42.9**	**2.539**	**51.7**	**(6.0)**
Financial result					
Financial revenues	183	(3.3)	88	(1.8)	106.8
Financial expenses	(568)	10.3	(541)	11.0	5.0
	(386)	**7.0**	**(453)**	**9.2**	**(14.8)**
EARNINGS BEFORE TAXES	**2.002**	**35.9**	**2.086**	**42.5**	**(4.1)**
Income tax and social contribution	(565)	10.1	(595)	12.2	(5.2)
NET EARNINGS OF THE FISCAL YEAR	**1.437**	**25.8**	**1.491**	**30.3**	**(3.6)**
EARNINGS PER SHARE – BASIC AND DILUTED IN R$	**2.20**		**2.28**		
EBITDA	**3.043**	**54.6**	**3.100**	**63.1**	**1.9**

Net revenue from sales

When comparing the years, the net revenue from sales had a 13.4% increase of R$ 656 million, from R$ 4.913 million in 2012 to R$ 5.569 million in 2013. This increase was essentially due to the following combined factors: (i) R$ 290 million – increase in the average net sales price; (ii) R$ 268 million – increase of revenue from short-term market operations, including those related to CCEE; (iii) R$ 90 million – increase in the amount of energy sold; (iv) R$ 15 million – increase of ash and carbon credit sales; and (v) R$ 8 million – reduced energy export.

- Average net sales price

In 2013, the average energy sales price, net of taxes on revenue, reached R$ 139.97/MWh, 5.5% above the price adopted in 2012 of R$ 132.66/MWh.

The price increase was basically due to the monetary correction of existing contracts.

- **Sales volume**

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

The increase in the amount of energy sold was a result of the following factors: (i) increase of 2,864 GWh (average 330 MW) in the energy supply to free consumers; (ii) reduction of 1,213 GWh (average 131 MW) in the energy supply to distributors; (iii) reduction of 739 GWh (average 84 MW) in the energy supply to marketers; and (iv) energy export only in 2012: 26 GWh (average 3 MW).

Cost of energy sold and services provided

In 2013, such cost reached R$ 2.912 million, 36.7% or R$ 781 million more than the amount of R$ 2.131 million reported in 2012. These variations were basically due to the following factors:

- Electric energy acquired for resale: increase of R$ 112 million in 2013 in relation to 2012, reflecting the adjustments in existing long-term agreements and prices of agreements that came into force in 2013.

- Short-term market operations, including those related to CCEE: between the fiscal years 2013 and 2012, the increase was R$ 584 million. More details are found below in a specific item.

- Duties of electrical network utilization and connection: reduction of R$ 22 million between 2013 and 2012, showing the impact of measures from the federal government that resulted in reduced sectorial duties on transmission tariff in 2013.

- Fuel for electric energy production: when comparing the analyzed years, these costs presented an increase of R$ 30 million, showing the increased thermoelectric energy generation, leading to 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 utilization of water resources: increase of R$ 36 million when comparing the analyzed years, resulting in increased generation of the Company's hydroelectric units.

- Staff: increase of R$ 19 million between the analyzed years, mostly due to the annual correction of staff remuneration and benefits.

- Depreciation and amortization: increase of R$ 24 million when comparing 2012 and 2013, mostly due to the operation of new generation units of Estreito Hydroelectric Power Plant and new wind farms located in the State of Ceará.

Details of Short-Term Operations, including CCEE operations

Short-term operations are energy sale and acquisition with delivery not exceeding six months and whose main objective is to manage the exposure of Tractebel Energia in the Electric Energy Trading Chamber (CCEE). Then, the energy prices in such operations is linked with the Difference Liquidation Value (PLD). This item also includes the CCEE operations, considering the volatile and seasonal and consequently short-term character of the results from CCEE accounting. Besides, the positive or negative exposures are liquidated at the PLD, which is, then, similar to the short-term operations described above.

Regarding CCEE operations, the various monthly credit or debit entries to the account of one CCEE agent are summarized in a single invoice, payable or receivable, therefore requiring its entry as revenue or expense. It should be noted that, a change in the profile of invoices has been seen due to adjustments in the Company's portfolio management strategy. Tal change does not to make a direct comparison of the elements that comprise each invoice in both years, sand that explains why this topic was created. Thus, it allows to analyze the oscillation of the main elements, although they have been placed either as revenue or as expense, according to the credit or debit nature of the invoice to which they are connected.

In general, these elements are revenue or expense from, for instance: (i) the application of the Energy Reallocation Mechanism (MRE); (ii) the "submarket risk"; (iii) distribution encouraged by the Risk Aversion Curve (RAC); (iv) the application of the System Service Duties (ESS), which result from the distribution out of merit order from the thermoelectric power plants; and (v), naturally, the exposure (energy position sold or purchased in monthly accounting records), which, in turn , will be liquidated at the PLD.

In the accumulated results of the fiscal year 2013, the net result from short-term operations, including CCEE operations, was minus R$ 71 million versus plus R$ 245 million in the fiscal year 2012, i.e., a negative variation of R$ 316 million between the analyzed years.

This negative result was mostly due to the following factors: (i) short-term energy acquisition, in the second half of 2013, to reduce the debt with CCEE and, consequently, mitigate the effects of CNPE 03/2013 Resolution (CNPE 03); (ii) negative net effect due to the difference between (ii.i) the expense incurred in 2013, due to insufficient hydroelectric generation in SIN in relation to the energy allocation at CCEE by the agents, especially in January and February, and (ii.ii) the gain obtained in 2012, due to the exceeding hydroelectric generation in SIN, particularly in the two first quarters of the year; (iii) intensification of the credit position with CCEE, a result of the Company's energy allocation strategy; (iv) reduced thermoelectric exposure due to increased distribution of these power plants by merit order; (v) positive result with MRE in 2013 due to increased hydroelectric generation, especially in the second half, when comparing to the negative effect in 2012; and (vi) recognition of estimated costs regarding the participation of generators in the distribution of the System Service Duties (ESS), established in CNPE 03, despite the preliminary injunction obtained by the association that represents the Company - Associação Brasileira dos Produtores Independentes de Energia Elétrica (Apine) – suspending the effects of CNPE 03.

If the legal decision is contrary to the effects of CNPE 03, the additional cost of R$ 55 million reported in 2013 will be reverted by the Company.

It should be noted that the expressive increase of average annual PLD of South and Southeast/Central West submarkets, from over R$ 166.77/MWh in 2012 to R$ 258.19/MWh in 2013, significantly contributed to positive results from the intensified credit position with CCEE and secondary energy, and negatively to costs related to thermoelectric exposure.

Gross profit

In 2013, the Company's gross profit was R$ 2.657 million, 4.5% lower than in 2012, of R$ 2.782 million, a result of the variations explained in subsections "Net revenue from sales" and "Cost of energy sold and services provided".

Operating revenues (expenses)

- General and administrative expenses from sales

In the twelve-month period, these expenses totaled R$ 197 million in 2013 and R$ 189 million in 2012, i.e., an increase of R$ 8 million, or 4%. This variation is especially related to the annual correction of staff remuneration and benefits.

- Constitutions and reversions of operating provisions, net

In 2013, the Company had net revenue of R$ 1 million from reversions of operating provisions, while in the previous year, it had net expenses of R$ 37 million related to the constitution of provisions, resulting in a positive impact of R$ 38 million between the analyzed years. The main provisions reported in 2012 also refer to civil and tax provisions in the amount of R$ 25 million and the provision for non-recurring loss of R$ 16 million, resulting from asset incorporation effects.

- Provision for impairment

In 2013, the Company had a provision for impairment, in particular for Charqueadas Thermoelectric Power Plant, in the amount of R$ 67 million, due to regulations recently imposed by Aneel, which will reduce the coal consumption reimbursement starting in January 2016 and will not allow to recover additional investments that would be necessary to fulfill the new efficiency factors of the power plant required by the regulatory agency.

Earnings before the financial result and taxes (service result)

In 2013, this result was R$ 2.387 million, R$ 152 million or 6.0% lower than in 2012, which was R$ 2.539 million, a result of the variations described above, in subsections “Gross profit” and “Operating revenues (expenses)”.

Financial result

- Financial revenues

When comparing the analyzed years, the financial revenues increased R$ 95 million, from R$ 88 million in 2012 to R$ 183 million in 2013. This variation is basically due to the following factors: (i) R$ 49 million revenue from the anticipated liquidation at market value of debt with the National Treasury Secretariat (STN) and its respective deposit to an escrow account; (ii) non-recurring gain of R$ 29 million from a lawsuit that questioned the amount of interest and monetary variation from a delayed payment for energy sales in previous years; (iii) increase of R$ 22 million in the revenue from financial investments; and (iv) reduction of R$ 6 million related to interest on accounts receivables.

- Financial expenses

On an annual basis, the expenses increased R$ 27 million, from R$ 541 million to R$ 568 million, a result of the following variations: (i) increase of R$ 18 million in the exchange rate variation; (ii) reduction of R$ 11 million in interest and monetary variation on the debt; (iii) increase of R$ 11 million in interest and monetary variation on concessions payable; (iv) increase of R$ 9 million from the financial correction of provisions; and (v) increase of R$ 5 million in net interest on actuarial liability.

Income Tax (IT) and Social Contribution on Net Earnings (CSLL)

In 2013, the expenses with IT and CSLL increased from over R$ 595 million in 2012 to R$ 565 million in 2013, a reduction of R$ 30 million. This variation is also the result of reduced earnings before taxes and credit from interest on own capital. The effective rates of taxes on profit in 2013 and 2012 were 28.2% and 28.5%, respectively.

Net earnings in the fiscal year

In the twelve-month period, the net earnings 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 mostly due to the following impacts mentioned above: (i) negative variation of the net result of short-term market operations, also with CCEE, in the amount of R$ 209 million, which includes the impact from CNPE 03, and the provision of R$ 36 million resulting from CNPE 03; (ii) increase in the earnings related to the other operations of the Company, in the amount of R$ 160 million; (iii) impairment of thermoelectric generation assets, in the amount of R$ 49 million; and (iv) recognition of non-recurring gain of R$ 52 million from the anticipated liquidation of debt and lawsuit favoring the Company related to interest and monetary variation on energy sale.

EBITDA and EBITDA Margin

In the twelve-month period, the EBITDA had a reduction of R$ 58 million, or 1.9%, from R$ 3.101 million in 2012 to R$ 3.043 million in 2013. The EBITDA margin in 2013 was 54.6%, representing a reduction of 8.5 p.p. in relation to 2012.

These reductions of such indicators are mostly due to the negative results of short-term market operations, including with CCEE, between the analyzed years, in the amount of R$ 316 million, which includes the impact from CNPE 03, and the provision of R$ 55 million resulting from CNPE 03.

Reconciliation between net earnings and EBITDA

Values in R$ million	Dec. 31, 2013	Dec. 31, 2012 (Re-submitted)
Net earnings in the fiscal year	1.437	1.491
(+) Income tax and social contribution	565	595
(+) Financial expenses, net	386	453
(+) Depreciation and amortization	582	561
EBITDA	**2.970**	**3.100**
(+) Provision for impairment	73	-
EBITDA Corrected	**3.043**	**3.100**
EBITDA Margin (%)	**54.6%**	**63.1%**

The EBITDA presented by the Company follows the guidelines from CVM Instruction 527/2012, which rules the publication of this non-accounting indicator. The EBITDA is not a financial performance indicator according to the "International Accounting Practices and Accounting Practices Adopted in Brazil", and it should neither be considered separately, or as an option to net earnings, or as an operational performance indicator, or as an option to operating cash flows, or as a liquidity indicator.

As this calculation does not consider financial expenses and revenues, the income tax and the social contribution and depreciation, amortization and impairment, the EBITDA acts as a general economic performance indicator. Consequently, the EBITDA is a significant tool to regularly compare operational performance and be a reference for administrative decision. The EBITDA allows a better understanding not only about the financial performance, about also about the ability to fulfill liabilities and obtain resources for capital expenses and working capital. However, the EBITDA involves some limitations that affect its adoption as a profitability indicator, as it does not consider certain costs resulting from businesses that could significantly affect profits, such as financial expenses, taxes, depreciation, capital expenses and other related charges.

Comparative analysis between the results from the fiscal years ended on December 31, 2012 and 2011, according to IFRS and CPC:

Values in R$ million	December 31 2012 (Re-submitted)	% of the revenue	2011	% of the revenue	2012 versus 2011 (%)
NET REVENUE FROM SALES	**4.913**	**100**	**4.327**	**100**	**13.5**
Cost of energy sold and services provided					
Electric energy acquired for resale	(664)	13.5	(472)	10.9	40.7
Operations in short-term energy market	(53)	1.1	(22)	0.5	140.9
Duties of electrical network utilization and connection	(330)	6.7	(287)	6.6	15.0
Cost of electric energy production	(1.058)	21.5	(1.057)	24.5	0.1
Cost of services provided	(26)	0.5	(23)	0.5	13.0
	(2.131)	**43.4**	**(1.861)**	**43.0**	**14.5**
GROSS EARNINGS	**2.782**	**56.6**	**2.466**	**57.0**	**12.8**
Operating revenues (expenses)					
Expenses with sales	(19)	0.4	(17)	0.4	11.8
General and administrative expenses	(170)	3.5	(157)	3.6	8.3
Reversion (constitution) of operating provisions	(37)	0.8	97	(2.3)	(138.1)
Other operating revenues (expenses), net	(17)	0.2	20	(0.4)	(185.0)
	(243)	**4.9**	**(57)**	**1.3**	**326.3**
EARNINGS BEFORE THE FINANCIAL RESULT AND TAXES	**2.539**	**51.7**	**2.409**	**55.7**	**5.4**
Financial result					
Financial revenues	88	(1.8)	133	(3.0)	(33.8)
Financial expenses	(541)	11.0	(508)	11.7	6.5
	(453)	**9.2**	**(375)**	**8.7**	**20.8**
EARNINGS BEFORE TAXES	**2.086**	**42.5**	**2.034**	**47.0**	**2.6**
Income tax and social contribution	(595)	12.1	(586)	13.5	1.5
NET EARNINGS OF THE FISCAL YEAR	**1.491**	**30.3**	**1.448**	**33.5**	**3.0**
EARNINGS PER SHARE – BASIC AND DILUTED - IN R$	**2,28**		**2,22**	**-**	
EBITDA	**3.100**	**63,1**	**2.910**	**67.2**	**6.5**

Net revenue from sales

When comparing the years, the net revenue from sales had a 13.5% increase of R$ 586 million, from R$ 4.327 million in 2011 to R$ 4.913 million in 2012. This increase was essentially due to the following combined factors: (i) R$ 301 million – increase in the average net sales price; (ii) R$ 213 million – increase in the amount of energy sold; (iii) R$ 210 million increase of revenue from short-term market operations, including those related to CCEE; (iv) R$ 7 million – increase of ash and carbon credit sales; and (v) R$ 145 million – reduced energy export.

In 2012, generation units of Estreito Hydroelectric Power Plant started operating, and this fact brought the additional revenue of R$ 191 million, an amount already considered in the segmentation mentioned in the paragraph above.

- Average net sales price

In 2012, the average energy sales price was R$ 132.66/MWh, 8.1% above the price adopted in 2011 of R$ 122.68/MWh.

The price increase was basically due to the monetary correction of existing contracts, and higher prices adopted in new contracts, especially for energy sale to marketers.

- **Sales volume**

The accumulated amount of energy sold in 2012 was 34,559 GWh (average 3,934 MW) versus 33,984 GWh (average 3,879 MW) reported in 2011, an increase of 575 GWh (average 55 MW), or 1.7%. Apart from energy export, which fell from 824 GWh (average 94 MW) in 2011 to 26 GWh (average 3 MW) in 2012, the energy sales amount increased 1,373 GWh (average 156 MW), or 4.1%, between the analyzed years. Of this variation, 1,299 GWh (average 147 MW) resulted from the generation units of Estreito Hydroelectric Power Plant that started operating.

The increase in the amount of energy sold, apart from energy export, was a result of the following factors: (i) increase of 1,653 GWh (average 188 MW) in the energy supply to distributors; (ii) increase of 984 GWh (average 112 MW) in energy sold to free consumers; and (iii) reduction of 1,264 GWh (average 144 MW) in sales to marketers.

The Company, in 2011 and 2012, in a response to the request of some free consumers, transferred some prior agreements established with them to marketers belonging to the same economic group of the company. In addition, the Company established new agreements with marketers that also transfer the energy acquired exclusively to industrial units of the same group. These actions have been encouraged by customers' request to improve the management of their energy purchase and allocation to their industrial units.

However, when seeking a more realistic analysis about the sales progress to free consumer, the Company, in 2012, started to present sales to marketers that allocate the energy acquired to its production units as sales to free consumers, and not anymore as sales to marketers. Just for the records, the amount reclassified in 2011 was 678 GWh (average 77 MW), corresponding to R$ 83 million.

Cost of energy sold and services provided

In 2012, such cost reached R$ 2.131 million, 14.5% or R$ 270 million more than the amount of R$ 1.861 million reported in 2011. These variations were basically due to the following factors:

- Electric energy acquired for resale: increase of R$ 192 million, corresponding to 1,341 GWh (average 153 MW) in 2012 in relation to 2011, encouraged by the Company's plan to buy short- and medium-term energy and create new products for supply in the period of three, four and five years, and, to a small extent, the annual correction of prices of existing agreements.

- Short-term market operations, including those related to CCEE: between the fiscal years 2012 and 2011, the increase was R$ 31 million. More details are found below in item 10.2.a. (i)- "Details of CCEE operations" of this document.

- Duties of electrical network utilization and connection*:* increase of R$ 43 million between 2012 and 2011, showing especially the impact of the annual correction of the Transmission System Use Tariff (TUST) and the start of operation of three new generation units of Estreito Hydroelectric Power Plant.

- Cost of electric energy production and services provided: increase of R$ 4 million between the analyzed years especially due to the following variations:

- Fuel for electric energy production: when comparing the analyzed years, these costs presented a reduction of R$ 69 million, due to the following facts: (i) reduction of R$ 84 million in own mineral coal consumption due to reduced energy export; and (ii) increase of R$ 15 million in the consumption of biomass, natural gas and diesel oil due to increased generation at the thermoelectric power plants.

- Financial compensation for the utilization of water resources: reduction of R$ 48 million when comparing the analyzed years, a result of the following: (i) lower hydroelectric generation due to the drought in the country; (ii) annual tariff correction; and (iii) start of operation of nine units from Estreito Hydroelectric Power Plant.

- Staff: increase of R$ 19 million between the analyzed years, mostly due to the annual correction of staff remuneration and benefits and additional provisions regarding new adhesions to the Voluntary Dismissal Program (PDV).

- Third party's materials and services: increase of R$ 20 million between 2011 and 2012, basically due to increased demand for maintenance and conservation services of the Company's generation units and, to a small extent, demand for environmental consulting and engineering services. In late 2012, the Company incurred extraordinary maintenance costs of thermoelectric units, particularly in Jorge Lacerda Thermoelectric Complex and Alegrete Thermoelectric Power Plant, which was demanded to fulfill the needs of the National Integrated System, due to reduced offer of hydroelectric generation in the Brazilian electrical system.

- Depreciation and amortization: increase of R$ 63 million when comparing the analyzed years, mostly due to the operation of new generation units of Estreito Hydroelectric Power Plant.
- Other costs: increase of R$ 19 million when comparing the analyzed years, due to an extraordinary correction of taxes on energy purchase made in the first quarter of 2012.

Details of Short-Term Operations, including CCEE operations

The considerations about the results and recognition of Short-Term Operations are described in the item with the same title, regarding the explanations between fiscal years 2013 and 2012.

In 2012, the net result with CCEE (revenue minus expenses) was positive: R$ 245 million, an increase of R$ 179 million in relation to also positive result of R$ 66 million obtained in 2011.

This increase in the result was especially due to the following: (i) intensified sale position with CCEE; (ii) increase in the revenue from secondary energy, compensated almost fully by costs resulting from reduced hydroelectric generation in the last months of the year, as mentioned before; (iii) negative result due to thermoelectric exposure, even with lower exposure in 2012 than in 2011; and (iv) reduction of positive result in MRE.

It should be noted that the expressive increase of average PLD of South and Southeast/Central West submarkets, from R$ 29.55/MWh in 2011 to R$ 166.77/MWh in 2012, significantly contributed to positive results from the intensified sale position with CCEE and secondary energy, and to negative impacts from increased value of thermoelectric exposure and costs from reduced hydroelectric generation.

Gross profit

In 2012, the Company's gross profit was R$ 2.782 million, 12.8% higher than in 2011, of R$ 2.286 million, a result of the variations explained in subsections "Net revenue from sales" and "Cost of energy sold and services provided".

Operating revenues (expenses)

- General and administrative expenses

In 2012, the general and administrative expenses were R$ 170 million, i.e., an increase of R$ 13 million in relation to R$ 157 million incurred in 2011. Apart from the extraordinary donation made by the Company in the amount of R$ 5 million in 2012, these expenses increased R$ 8 million when comparing the analyzed years, a result mostly from the following variations: (i) increase of R$ 9 million with staff expenses due to the annual correction of staff remuneration and benefits and additional provisions regarding new adhesions to the Voluntary Dismissal Program (PDV); (ii) increase of R$ 4 million in expenses and provisions regarding consulting services and lawyers' fees; (iii) reduction of R$ 3 million in depreciation and amortization due to the end of the life of some assets; and (iv) reduction of R$ 2 million in expenses with rents.

- Reversion (constitution) of operating provisions

In 2012, the Company had net expenses of R$ 37 million related to operating provisions, while in 2011, the Company had net revenue related to reversion of provisions in the amount of R$ 97 million, leading to a negative impact on the result of R$ 126 million when comparing both years. The main provisions in 2012 correspond mainly to: (i) contingencies of civil and tax nature in the amount of R$ 13 million; (ii) provision for non-recurring loss resulting from the effects of asset incorporation, to be performed by the Company, in the amount of R$ 16 million; and (iii) respective adjustment according to CPC 33 (R1) of R$ 8 million. The most relevant reversions reported in 2011 were related to: (i) non-recurring actuarial liability, in the additional amount of R$ 77 million; and (ii) contingencies of civil, labor and tax nature, in the net amount of R$ 13 million.

- Other operating revenues (expenses), net

In 2012, net expenses of R$ 8 million were reported, mostly related to the loss from fixed asset write-off and penalties assumed with suppliers, while in 2011 net expenses were R$ 20 million, a result of the following: (i) non-recurring gain from disposal of investments the amount of R$ 15 million; (ii) extraordinary gain of R$ 9 million from a lawsuit related to PIS and Cofins; and (iii) loss from fixed asset write-off in the amount of R$ 5 million. The impacts were due to a negative effect on the result of R$ 37 million between the analyzed years.

Earnings before the financial result and taxes (service result)

In 2012, this result was R$ 2.539 million, R$ 13 million or 5.4% higher than in 2012, which was R$ 2.409 million, a result of the variations described above, in subsections "Gross profit" and "Operating revenues (expenses)".

Financial result

- Financial revenues

When comparing the analyzed years, the financial revenues decreased R$ 45 million, from R$ 133 million in 2011 to R$ 88 million in 2012. This variation is basically due to the following reductions: (i) R$ 28 million revenue from financial investments; (ii) R$ 7 million in interest on tax credits; (iii) R$ 2 million in interest on electricity bills; (iv) R$ 3 million mostly due to the redemption of values from financial investments with an institution under liquidation by the Central Bank; and (v) R$ 5 million from other financial revenues.

- Financial expenses

The financial expenses increased R$ 27 million, from R$ 508 million in 2011 to R$ 541 million in 2012, a result of the following increases: (i) R$ 15 million in interests; (ii) R$ 3 million in exchange rate variation; (iii) R$ 9 million in monetary variation; and (iv) retrospective correction from CPC 33 (R1) of around R$ 6 million.

Income Tax (IT) and Social Contribution on Net Earnings (CSLL)

In 2012, the expenses with IT and CSLL increased R$ 9 million, from R$ 586 million in 2011 to R$ 595 million in 2012. This increase is a result of the increased earnings before taxes and credit from interest on own capital. The effective rates of taxes on profit in 2011 and 2012 were 28.5% and 28.8%, respectively.

Net earnings in the fiscal year

In the fiscal year 2012, the net earnings reached R$ 1.490 million, 3.0%, or R$ 43 million above the amount obtained in 2011 of R$ 1.448 million. Apart from non-recurring effects – provision of R$ 10 million in 2012 and the reversion of provision and gains from lawsuit and disposal of investments, which totaled R$ 67 million in 2011 –, the net earnings between the analyzed years increased R$ 120 million, or 8.2%.

This increase was mostly due to the following factors mentioned above: (i) increase in the average sales price and quantity of energy sold; (ii) increased result due to the start of operation of three new generation units of Estreito Hydroelectric Power Plant; (iii) increase in expenses from the acquisition of energy for resale; (iv) increase in contingency provisions; (v) reduced financial revenues; and (vi) reduced energy export.

EBITDA and EBITDA Margin

The EBITDA increased from R$ 2.910 million in 2011 to R$ 3.108 million in 2012, an increase of 6.8%, while the EBITDA margin had a reduction of 3.9 p.p. – 63.3% in 2012 and 67.2% in 2011.

Apart from the annual non-recurring effects – total R$ 101 million in 2011, R$ 77 million of which related to the reversion of provision, R$ 9 million related to gains obtained in a lawsuit and R$ 15 million from disposal of investment; and R$ 16 million in 2012 from provisions –, the EBITDA increased 11.2%. On the other hand, the EBTIDA margin decreased between 2011 and 2012, from 64.9% to 63.6%. This reduction was mostly due to the following: (i) increased energy acquisition for resale; and (ii) better results from CCEE transactions, which partially compensated the factor described in item (i).

Reconciliation between net earnings and EBITDA

Values in R$ million	Dec. 31, 2012 (Re-submitted)	Dec. 31, 2011
Net earnings in the fiscal year	1.491	1.448
(+) Income tax and social contribution	595	586
(+) Financial expenses, net	453	374
(+) Depreciation and amortization	561	502
EBITDA	**3.100**	**2.910**
EBITDA Margin (%)	**63.1%**	**67.2%**

The EBITDA presented by the Company follows the guidelines from CVM Instruction 527/2012, which rules the publication of this non-accounting indicator. The EBITDA is not a financial performance indicator according to the "International Accounting Practices and Accounting Practices Adopted in Brazil", and it should neither be considered separately, or as an option to net earnings, or as an operational performance indicator, or as an option to operating cash flows, or as a liquidity indicator.

As this calculation does not consider financial expenses and revenues, the income tax and the social contribution and depreciation, amortization and impairment, the EBITDA acts as a general economic performance indicator. Consequently, the EBITDA is a significant tool to regularly compare operational performance and be a reference for administrative decision. The EBITDA allows a better understanding not only about the financial performance, about also about the ability to fulfill liabilities and obtain resources for capital expenses and working capital. However, the EBITDA involves some limitations that affect its adoption as a profitability indicator, as it does not consider certain costs resulting from businesses that could significantly affect profits, such as financial expenses, taxes, depreciation, capital expenses and other related charges.

h.2) Comparison between the results from the fiscal years ended on December 31, 2013, 2012 and 2011, according to IFRS and CPC

	ASSETS							
In millions of R$	12.31.2013	%	12.31.2012 (Restated)	%	12.31.2011	%	12.31.2013 over 12.31.2012 (%)	12.31.2012 over 12.31.2011 (%)
CURRENT ASSETS								
Cash and cash equivalents	1,224	9.7	1,180	9.6	782	6.5	3.7	50.9
Trade accounts receivable	740	5.8	623	5.1	542	4.5	18.8	14.9
Inventories	65	0.5	45	0.4	43	0.4	44.4	4.7
Other tax credits recoverable	60	0.5	55	0.4	63	0.5	9.1	(12.7)
Fuel reimbursable	140	1.1	48	0.4	6	-	191.7	700.0
Other current assets	109	0.9	80	0.5	90	0.8	36.3	(11.1)
	2,338	**18.5**	**2,031**	**16.4**	**1,526**	**12.7**	**15.1**	**33.1**
NON-CURRENT ASSETS								
Long Term Assets								
Other tax credits recoverable	100	0.8	122	1.0	152	1.3	(18.0)	(19.7)
Amounts receivable from sale of asset	87	0.7	87	0.7	87	0.7	-	-
Restricted deposits	131	1.0	103	0.8	91	0.8	27.2	13.2
Judicial deposits	107	0.8	110	0.9	106	0.9	(2.7)	3.8
Deferred income and social contribution taxes	18	0.1	17	0.1	24	0.2	5.9	(29.2)
Other non-current assets	39	0.4	48	0.5	61	0.4	(18.8)	(21.3)
	482	**3.8**	**487**	**4.0**	**521**	**4.3**	**(1.0)**	**(6.5)**
Fixed Assets	**9,708**	**76.7**	**9,683**	**78.7**	**9,885**	**82.2**	**0.3**	**(2.0)**
Intangibles	**126**	**1.0**	**110**	**0.9**	**96**	**0.8**	**14.5**	**14.6**
	10,316	**81.5**	**10,280**	**83.6**	**10,502**	**87.3**	**0.4**	**(2.1)**
TOTAL	**12,654**	**100.0**	**12,311**	**100.0**	**12,028**	**100.0**	**2.8**	**2.4**

In millions of R$	LIABILITIES AND SHAREHOLDERS' EQUITY							
	12.31.2013	%	12.31.2012 (Restated)	%	12.31.2011	%	12.31.2013 over 12.31.2012 (%)	12.31.2012 over 12.31.2011 (%)
CURRENT LIABILITES								
Suppliers	510	4.0	265	2.2	234	1.9	92.5	13.2
Dividends and interest on equity	221	1.7	248	2.0	221	1.8	(10.9)	12.2
Loans, financing and debentures	667	5.3	527	4.3	417	3.5	26.6	26.4
Concessions payable	52	0.4	49	0.4	46	0.4	6.1	6.5
Income and social contribution taxes payable	434	3.4	383	3.1	307	2.6	13.3	24.8
Other tax and regulatory liabilities	63	0.5	54	0.4	78	0.6	16.7	(30.8)
Provision for remuneration and charges	64	0.5	62	0.5	54	0.4	3.2	14.8
Research and development obligations	56	0.4	57	0.5	39	0.3	(1.8)	46.2
Tax, civil and labor provisions	15	0.1	29	0.2	9	0.1	(48.3)	222.2
Retirement benefits obligations	29	0.2	32	0.3	36	0.3	(9.4)	(11.1)
Other current liabilities	72	0.7	30	0.2	32	0.4	140.0	(6.3)
	2,183	**17.2**	**1,736**	**14.1**	**1,473**	**12.3**	**25.7**	**17.9**
NON-CURRENT LIABILITIES								
Loans, financing and debentures	2,830	22.4	3,008	24.4	3,232	26.9	(5.9)	(6.9)
Concessions payable	1,543	12.2	1,380	11.2	1,220	10.1	11.8	13.1
Research and development obligations	27	0.2	10	0.1	39	0.3	170.0	(74.4)
Tax, civil and labor provisions	180	1.4	146	1.2	133	1.1	23.3	9.8
Retirement benefits obligations	190	1.5	216	1.8	301	2.5	(12.0)	(28.2)
Deferred income and social contribution taxes	164	1.3	199	1.6	167	1.4	(17.6)	19.2
Other non-current liabilities	172	1.4	113	0.9	13	0.1	52.2	769.2
	5,106	**40.4**	**5,072**	**41.2**	**5,105**	**42.4**	**0.7**	**(0.6)**
SHAREHOLDERS' EQUITY								
Capital	2,446	19.3	2,446	19.9	2,446	20.3	-	-
Capital reserve	92	0.7	92	0.7	92	0.8	-	-
Valuation adjustments	590	4.7	631	5.1	648	5.4	(6.5)	(2.6)
Profit reserves	1,772	14.0	1,755	14.3	1,745	14.5	1.0	0.6
Proposed dividends	462	3.7	576	4.7	517	4.3	(19.8)	11.4
	5,362		**5,500**		**5,448**			
Non-controlling interest	3	-	3	-	2	-	-	-
	5,365	**42.4**	**5,503**	**44.7**	**5,450**	**45.3**	**(2.5)**	**9.4**
TOTAL	**12,654**	**100.0**	**12,311**	**100.0**	**12,028**	**100.0**	**2.8**	**2.4**

The reclassification occurred on Dec. 31, 2012 are described in item 10.1 "h" of this form.

Comments on significant variations between the annual reports of Dec. 31, 2013 and Dec. 31, 2012

Current assets

Cash and cash equivalents

The increase of R$ 44 million is mostly due to the following factors: (i) resources from the operational activities of R$ 2.316 million; (ii) loans and financing in the amount of R$ 520 million for debt refinancing and the construction of wind farms from the Trairi Wind Complex and Estreito Hydroelectric Power Plant; (iii) allocation of R$ 547 million to fixed assets and intangibles; (iv) R$ 568 million amortization of loans, financing and debentures; (v) payments from concessions payables in the amount of R$ 52 million; and (vi) payments of dividends and interests on own capital in the amount of R$ 1.612 million.

Accounts receivable from customers

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

Inventories

The increase of R$ 20 million is basically due to the increased inventor of own fuel.

Fuels to reimburse

The increase of R$ 92 million is mostly due to the accumulated amounts of two months to be reimbursed by Eletrobras on Dec. 31, 2013 and of only one month on Dec. 31, 2012.

Other current assets

The increase of R$ 29 million is mainly due to increased balance from income tax and social contribution.

Non-current assets

Long-term assets

Other financial credits to recover

The reduction of R$ 22 million is basically related to the credit compensation of PIS and Cofins in the fiscal year 2013.

Binding deposits

The increase of R$ 28 million is basically due to complementary guarantee deposit for the finance of Estreito Hydroelectric Power Plant and Trairi Wind Complex.

Intangibles

The increase of R$ 16 million is basically due to the recognition of rights to Campo Largo and Santa Mônica projects acquired in business combinations.

Fixed assets

The increase of R$ 25 million is a result of the following: (i) acquisitions of assets totaling R$ 645 million; (ii) incorporation of Maesa assets totaling R$ 16 million; (ii) depreciation of R$ 563 million; and (iii) recognition of the provision to reduce impairment in the amount of R$ 73 million.

Current liabilities

Suppliers

The increase of R$ 245 million is mostly due to the increased balance of purchased electric energy, transactions with CCEE and suppliers of fossil fuels and biomass.

Dividends and interests on won capital

The reduction of R$ 27 million is due to a small interest credit on own capital in December 2013 versus December 2012.

Loans, financing and debentures

The increase of R$ 140 million was a result of the following factors: (i) transfer of R$ 766 million from non-current liabilities, mainly due to the loan payments to the Bank of America Merrill Lynch and 2nd-issue debentures, which are due in 2014; (ii) proper financial duties of R$ 237 million; (iii) payments of principal and interest of R$ 814 million; and (iv) reduction of R$ 49 million due to correction at fair value due to the anticipated liquidation of loan with STN.

Income tax and social contribution payable

The increase of R$ 51 million is mainly due to the balance compensation payable in 2012, with credit of PIS and Cofins resulting from a final legal decision that favored the Company.

Other financial and regulatory obligations

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

Financial, civil and labor provisions

The reduction of R$ 14 million is mainly due to the liquidation of civil provisions in 2013.

Other current liabilities

The increase of R$ 42 million is basically due to the provision for the estimated future disbursement to conclude the construction of power plants and customer anticipation balance, whose expectation is for short-term liquidation.

Non-current liabilities

Loans, financing and debentures

The reduction of R$ 178 million is due to the following factors: (i) transfer of R$ 766 million to current liabilities regarding the debts due in 2014; (ii) resources received from BNDES for the construction of Trairi wind farms and Estreito Hydroelectric Power Plant, and loans obtained from NIB and HSBC USA that totaled R$ 519 million; and (iii) financial duties of R$ 69 million.

Concessions payable

The increase of R$ 163 million is due to the following: (i) interest and monetary variation of R$ 217 million; and (ii) transfer of R$ 54 million to current liabilities.

Financial, civil and labor provisions

The increase of R$ 34 million is mainly due to the following: (i) creation of new provisions totaling R$ 17 million; and (ii) correction of existing provisions totaling R$ 23 million.

Obligations with retirement benefits

The reduction of R$ 26 million is basically due to the following: (i) net interest on net actuarial assets/liabilities of R$ 21 million; (ii) contribution from the sponsor of R$ 28 million; and (iii) gain from new actuarial calculation of R$ 22 million.

Deferred income tax and social contribution - liabilities

The reduction of R$ 35 million is essentially due to the combination of the following impacts on deferred taxes: (i) reduced gain from swap operation related to the finance with the Bank of America Merrill Lynch and the fixed asset cost assigned (fair value); (ii) creation of a provision for impairment; and (iii) reversion through the readjustment of obligations with retirement benefits.

Other non-current liabilities

The increase of R$ 59 million is mainly due to the contingent obligations from investments made and electric energy acquisition, whose expectation is for long-term liquidation.

Net equity

The reduction of R$ 138 million is a result of the following factors: (i) net earnings of R$ 1.437 in the fiscal year 2013; (ii) payment of dividends from the fiscal year 2012 of R$ 576 million; (iii) interim dividends and interest on own capital related to the fiscal year 2013 of R$ 1.013 million; and (ii) new calculation of obligations with retirement benefits in the amount of R$ 14 million.

Comments on significant variations between the annual reports of Dec. 31, 2012 and Dec. 31, 2011

Current assets

Cash and cash equivalents

The increase of R$ 398 million is mostly due to the following factors: (i) resources from the operational activities of R$ 2.359 million; (ii) loans and financing in the amount of R$ 244 million for the construction of wind farms from the Trairi Wind Complex and Estreito Hydroelectric Power Plant; (iii) allocation of R$ 335 million to fixed assets and intangibles; (iv) R$ 395 million amortization of loans, financing and debentures; (v) payments from concessions payables in the amount of R$ 49 million; and (vi) payments of dividends and interests on own capital in the amount of R$ 1.421 million.

Accounts receivable from customers

The increase of R$ 81 million is basically due to the increased price of energy sale and increased accounts receivable from the energy sold in the system regulated by Estreito Hydroelectric Power Plant, which started operating in January 2012.

Binding deposits

The reduction of R$ 38 million is basically due to guarantee deposits for the CCEE operations, given the smaller exposure of the Company in the operations conducted in this market.

Other current assets

The increase of R$ 15 million is mainly due to increased amount of anticipation to suppliers and accounts receivable from asset sale and services provided to third parties.

Non-current assets

Long-term assets

Taxes and social contribution to recover

The reduction of R$ 34 million is basically related to the following factors: (i) credit from PIS and Cofins on the acquisition of machines and equipment, and, to a small extent, on the expenses with power plant construction; and (ii) transfer of some credits to current assets to be used for compensation in the following year.

Deferred income tax and social contribution - assets

The reduction of R$ 7 million is essentially due to the compensation of earnings with financial loss and negative base of social contribution.

Binding deposits

The increase of R$ 12 million is basically due to complementary guarantee deposit for the finance of Estreito Hydroelectric Power Plant.

Legal deposits

The increase of R$ 5 million is mostly due to the correction of deposited values, new deposits made and redemption performed during the analyzed period.

Fixed assets

The reduction of R$ 202 million is mostly due to the following: (i) acquisitions of assets totaling R$ 354 million, R$ 113 million of which correspond to the wind farms of Trair Complex, R$ 177 million refer to Estreito Hydroelectric Power Plant and R$ 64 million are related to implementations to keep the reliability and safety of the generation system from the Company's power plants; (ii) depreciation of R$ 546 million; and (iii) write-offs of R$ 10 million.

Intangibles

The increase of R$ 13 million was basically due to the recognition of rights to Estreito Hydroelectric Power Plant operation licenses, which correspond to the costs required to obtain and maintain the operation license for this power plant.

Current liabilities

Suppliers

The reduction of R$ 15 million are basically due to the following factors: (i) reclassification of some obligations with duties from electrical network utilization and electric energy bought to non-current liabilities; and (ii) increased balance of suppliers of fixed assets and CCEE transactions.

Dividends and interest on own capital

The increase of R$ 27 million is due to the largest credit from interest on own capital in December 2012 when compared to December 2011.

Loans, financing and debentures

The increase of R$ 110 million is a result of the following factors: (i) transfer of R$ 528 million from non-current liabilities, mainly due to the loan payments to the Bank of America Merrill Lynch and 2nd-issue debentures, which are due in 2013; (ii) proper financial duties of R$ 249 million; and (iii) payments of principal and interest of R$ 667 million.

Concessions payable

The increase of R$ 3 million is due to the combination of the transfer in the amount of R$ 52 million of non-current liabilities and payments made in the fiscal year of R$ 49 million.

Income tax and social contribution payable

The increase of R$ 64 million is mostly due to increased income tax and social contribution in the fiscal year 2012 versus 2011.

Provision for remuneration and duties

The increase of R$ 8 million was basically due to increased provision for expenses with the Voluntary Dismissal Program (PDV) as a result of new adhesions to the program.

Financial, civil and labor provisions

The increase of R$ 20 million is mostly due a transfer from non-current liabilities to cover expected disbursements to liquidate provisions in the fiscal year 2013.

Non-current liabilities

Loans, financing and debentures

The reduction of R$ 225 million is a result of the following factors: (i) transfer of R$ 528 million to current liabilities regarding the debts due in 2013; (ii) resources received from BNDES for the construction of Trairi wind farms and Estreito Hydroelectric Power Plant totaling R$ 244 million; and (iii) financial duties of R$ 59 million.

Concessions payable

The increase of R$ 160 million is due to the following: (i) interest and monetary variation of R$ 209 million; (ii) transfer to current liabilities in the amount of R$ 52 million; and (iii) correction of R$ 49 million in Estreito Hydroelectric Power Plant concession values.

Financial, civil and labor provisions

The increase of R$ 13 million is basically due to the following: (i) creation of new provisions totaling R$ 30 million; and (ii) correction of existing provisions totaling R$ 16 million; and (iii) transfer of R$ 33 million to current liabilities basically related to provisions with expected liquidation in 2013.

Obligations with retirement benefits

The reduction of R$ 26 million is basically due to the following: (i) interest on actuarial liabilities, net of earnings from assets of the Plans, of R$ 10 million; (ii) contribution of the sponsor totaling R$ 32 million; and (iv) recognition of the liability reversion due to the actuarial gain of R$ 8 million.

Deferred income tax and social contribution - liabilities

The increase of R$ 12 million is basically due to the following factors: (i) deferred taxes on earnings with the swap operation related to the financing from the Bank of America Merrill Lynch and the encouraged accelerated depreciation of certain construction expenses and acquisition of assets; and (ii) reversion resulting from the depreciated correction of the fair value of the fixed asset recognized at the first adoption of the technical declarations of IFRS and CPC.

Others

The increase of R$ 71 million is essentially due to the transfer of obligations related to duties from the electrical network utilization and electric energy acquisition, which are expected to have long-term liquidation.

Net equity

The increase of R$ 13 million is due to the following factors: (i) net earnings in the fiscal year 2012 of R$ 1.500 million; (ii) payment of dividends related to 2011 of R$ 517 million; and (iii) interim dividends and interest on own capital related to 2012 of R$ 970 million.

10.2 Comments of Directors about:

a. Results of the Company's operations, in particular:

(i) description of any important component of the revenue

The Company's net revenue comprises the following:

In millions of R$	12.31.2013	%	12.31.2012	%	12.31.2011 (Restated)	%	12.31.2013 over 12.31.2012 (%)	12.31.2012 over 12.31.2011 (%)
NET REVENUE FROM SALES (NRS)								
Revenue from electric energy wholesales	3,074	55.1	3,183	64.8	2,859	66.1	(3.4)	11.3
Revenue from electric energy retail sales	1,887	33.9	1,399	28.5	1,209	27.9	34.9	15.7
Transactions in the short-term energy market	566	10.2	298	6.1	88	2.0	89.9	238.6
Exportation of electrical energy	-	0.0	8	0.2	153	3.5	(100.0)	(94.8)
Other revenues	42	0.8	25	0.4	18	0.5	68.0	38.9
	5,569	**100.0**	**4,913**	**100.0**	**4,327**	**100.0**	**13.4**	**13.5**

The Company, in 2011 and 2012, in a response to the request of some free consumers, transferred some prior agreements established with them to marketers belonging to the same economic group of the company. In addition, the Company established new agreements with marketers that also transfer the energy acquired exclusively to industrial units of the same group. These actions have been encouraged by customers' request to improve the management of their energy purchase and allocation to their industrial units.

However, for a more realistic analysis about the sales progress to free consumer, the Company, in 2012, started to present sales to marketers that allocate the energy acquired to its production units as sales to free consumers, and not anymore as sales to marketers. Just for the records, the amount reclassified in 2011 under "Electric energy supply" was R$ 82 million.

Comparative analysis of significant variations of the components of the net revenue from sales between the fiscal years ended on Dec. 31, 2013 and Dec. 31, 2012

Electric energy supply

In 2013, this revenue reached R$ 3.074 million, a reduction of 3.4%, or R$ 109 million, in relation to the fiscal year 2012, which reported R$ 3.183 million. This reduction is due to the following variations: (i) R$ 179 million – reduction of 1,213 GWh (average 131 MW), or 6.1% in GWh, in the volume sold to distributors; (ii) R$ 141 million – increase of 5.1% in the average sales price to distributors; (iii) R$ 85 million – reduction of 739 GWh (average 84 MW), or 25.8% in GWh, in the quantity of energy sold to marketers; and (iv) R$ 14 million – 5.1% increase in the price of energy sold to marketers.

Electric energy provision

The revenue from sales to free consumers increased R$ 488 million, or 34.9%, between the analyzed years, from R$ 1.399 million in 2012 to R$ 1.887 million in 2013. Such growth is related to the increase of 2,864 GWh (average 330 MW), or 24.3% in GWh, equivalent to R$ 354 million, in the amount of energy sold, and the increase of 8.6% in the average sales price, or R$ 134 million.

Short-term market operations

In 2013, an increase of R$ 268 million was reported in the revenue from short-term market operations, including with CCEE, from R$ 298 million in 2012 to R$ 566 million in 2013. More details about these operations and variations are provided in item 10.2.h.1.

Comparative analysis of significant variations of the components of the net revenue from sales between the fiscal years ended on Dec. 31, 2012 and Dec. 31, 2011

Electric energy supply

In 2012, this revenue reached R$ 3.183 million, an increase of 11.3%, or R$ 324 million, in relation to the fiscal year 2011, which reported R$ 2.859 million. This increase is due to the following variations: (i) R$ 168 million – increase of 6.5% in the average sales price to distributors; (ii) R$ 57 million – increase of 17.0% in the energy price to marketers; (iii) R$ 231 million – increase of 1,653 GWh (average 188 MW), or 9.1%, in the volume sold to distributors; and (iv) R$ 132 million – reduction of 1,264 GWh (average 144 MW) in the quantity of energy sold to marketers.

This increase in sales to distributors is basically due to the start of energy supply from Estreito Hydroelectric Power Plant within the regulated system of energy sale to distributors, as of January 1, 2012. In 2012, a reduction was reported in the volume sold through bilateral agreements signed before the energy auctions in the regulated system.

In 2011, the energy generated by Estreito Hydroelectric Power Plant was mostly sold to free consumers.

Electric energy provision

In 2012, the revenue from energy provision reached R$ 1.399 million, 15.6% above the amount of R$ 1.209 million reported in 2011. This increase is related to the following factors: (i) R$ 114 million – increase of 984 GWh (average 112 MW) in the amount of energy sold; and (ii) R$ 76 million – increase of 6.0% in the average sales price.

Short-term market operations

In 2012, an increase of R$ 210 million was reported in the revenue from CCEE operations, from R$ 88 million in 2011 to R$ 298 million in 2012. More details about these operations and variations are provided in item 10.2.h.1.

Electric energy export

In 2012, the net revenue from energy export was R$ 8 million, a reduction of R$ 145 million versus R$ 153 million reported in 2011. This reduction was due to lower demand, especially from Argentina, and due to the fact that the Company's thermoelectric units are operating by order of merit, to fulfill the energy needs of the country. It should be noted that the energy export volume from every plant in the Brazilian Electric System is defined by the ONS, based on the availability of plants and considering the lowest costs stated by the plants.

(ii) factors that significantly impacted the operating results

The factors that significantly impacted the Company's operating results in 2013, 2012 and 2011 are described below. Complementary information about such factors are provided in items 10.1. h and 10.2. a (i) above.

Fiscal Year 2013 - (i) increase in the average sales price and quantity of energy sold; (ii) negative variation in the net result of short-term market operations, including with CCEE; (iii) increase in earnings from the other operations of the Company; (iv) impairment of thermoelectric generation assets; and (v) recognition of non-recurring gains due to anticipated liquidation of debt and a lawsuit that favored the Company regarding interest and monetary variation on energy sales.

Fiscal Year 2012 - (i) increase in the average sales price and quantity of energy sold; (ii) increased result due to the start of commercial operation of three new units of Estreito Hydroelectric Power Plant; (iii) reduced energy export in 2012; (iv) increase in expenses with energy acquisition for resale; (v) better result of CCEE operations; (vi) increase in operating provisions; and (vii) increase in net financial expenses due to smaller revenues from financial investments and increased interest and monetary and exchange variation rates, on debts.

Fiscal Year 2011 - (i) increase in the average price for energy sales and export; (ii) positive result obtained with the start of commercial operation of Estreito Hydroelectric Power Plant; (iii) reduced volume of energy acquisition for resale; (iv) lower positive result in CCEE operations; (v) increase in reversions of operating provisions; and (vi) reduced interest and monetary variation on loans and financing, due to deb amortization; (vii) increased expenses with exchange rate variation on debts, due to R$ currency depreciation in relation to foreign currencies that correct loan rates.

b. Variations of revenues attributable to price changes, exchange rates, inflation index, volume changes and introduction of new products and services

The Company's revenues from sales are supported by contracts containing clauses of price correction mostly based on IPCA and IGP-M. The Company's revenue is not exposed to exchange rates and was not impacted by the introduction of new products and services.

The Company's revenue variations due to price changes and volume changes are explained in item 10.2.a (i).

c. Impact of inflation, price variation of main goods and products, exchange rate and interest rate on the Company's operating result and financial result

c.1) Impact of inflation and price variation on electric energy sale costs

Electric energy acquisition for resale – These operations are usually performed based on medium- and long-term contracts, whose prices are mostly corrected using IGP-M and IPCA. The average impact regarding the price correction using inflation indexes in 2013 was around R$ 18 million and around R$ 29 million and R$ 10 million in 2012 and 2011, respectively.

Fuel for electric energy production – The price of gas consumed at Willian Arjona Thermoelectric Power Plant is in US dollar, equivalent in R$, and annually corrected using the Producer Price Index (PPI) index, an indicator used by the US government for industrial commodities. Coal values not reimbursable by CDE are negotiated at new contracts or contract renewal and is based on parametric formulas whose main components are INPC and specific sectorial indexes, most of them published by Fundação Getulio Vargas (FGV). The correction indexes did not result in relevant impact on the Company's expenses, which were significantly affected by the variation of quantities consumed in fiscal years 2013, 2012 and 2011.

Duties for the electrical network utilization and connection – These duties are calculated by multiplying the network utilization amount, in kW, by the tariff established on an annual basis by Aneel, and sharing the total expected and actual cost of connection and transmission, for the entire system, and the correction indexes of transmission and connection agreements in force – usually IGPM and IPCA. The impact of variation of these inflation indicators on the Company's cost was around R$ 18 million, R$ 14 million and R$ 11 million in 2013, 2012 and 2011, respectively.

Financial compensation based on the utilization of water resources - The value corresponds to 6.75% on the quantity of electric energy produced, using an Annual Reference Tariff (TAR) defined by Aneel, based on the cost of energy acquisition by the distributor, corrected every four years. The TAR in force for the fiscal year 2013 had an increase of 3.54% in relation to the tariff used in 2012, which brought an impact to the Company's expenses of around R$ 5 million. In 2012 and 2011, the impact from the increase of 6.6% and 5.6%, respectively, was R$ 8 million in each year.

c.2) Impact of exchange rate, inflation index and interest rate on the Company's financial result

Exchange rate exposure

The portion of loans exposed to the exchange rate variation on Dec. 31, 2013 was R$ 129 million (R$ 215 million on Dec. 31, 2012 and R$ 212 million on Dec. 31, 2011), corresponding to 3.7% (6.1% on Dec. 31, 2012 and 5.8% on Dec. 31, 2011) of the consolidated sum of loans, financing and debentures of the Company.

In September 2013, the Company liquidated in advance all its debts in US dollar with the National Treasury Secretariat (STN), in the amount of R$ 64 million, eliminating the Company's exposure to dollar.

The Company has loans in dollar with total swap for CDI, which are considered debts linked with the CDI variation, and not with dollar. Those loans are due in 2014 and 2015.

The Company's financial result due to the exchange variation in 2012 has a negative impact of R$ 39 million (R$ 21 million in 2011 and a positive impact of R$ 18 million in 2011). These impacts represented around 2.0% of the Company's operating result in 2013 (1.0% in 2011 and 0.9% in 2010).

Due to the Company's low level of debt in foreign currency, the risk of relevant impacts on its financial result and cash due to foreign currency variation in relation to Real is relatively low.

Exposure to risk of floating interest rate and indexes

The Company is exposed to floating interest rate and indexes related to the variations of TJLP, CDI, IPCA and IGP-M. The impact of interest and monetary variation on the Company's financial result in fiscal years 2013, 2012 and 2011 were the following:

(Values in R$ million)	Loans, financing and debentures	Concessions payable	Total
Fiscal year ended on Dec. 31, 2013			
- Interest	223	136	359
- Monetary variation	21	81	102
Fiscal year ended on Dec. 31, 2012			
- Interest	236	121	357
- Monetary variation	19	86	105
Fiscal year ended on Dec. 31, 2011			
- Interest	239	105	344
- Monetary variation	35	67	102

10.3 Comments of Directors about the relevant effects the events below have caused or are expected to cause on the Company's financial statements and results

a. Introduction or alienation of the operational segment

The start of operation of the eighth and last generation unit of Estreito Hydroelectric Power Plant, in March 2013, and the start of operation of Trairí and Guajiru Wind Farms, in October and November 2013, brought an increase of average 39.1 MW in the Company's commercial capacity.

b. Incorporation, acquisition or alienation of share participation

The main information regarding the acquisition, incorporation and alienation of the Company's share participations in 2013, 2012 and 2011 are the following:

b.1) Events related to the fiscal year ended on December 31, 2013

Companhia Energética Estreito (CEE)

In March 2013, Aneel authorized the start of operation of the 8th energy generation unit of Estreito Hydroelectric Power Plant, with an increase of 135.8 MW in its installed capacity and average 7.0 MW in its commercial capacity. With this new unit in operation, Estreito Hydroelectric Power Plant reached 100% of its installed capacity and assured energy capacity, equivalent to 1,087 MW and average 641.1 MW, respectively; and 435.6 MW and average 256.9 MW of that amount belong to CEE.

Companhia Energética São Salvador (CESS)

On Dec. 30, 2013, the Extraordinary General Assembly of the Shareholders unanimously approved the incorporation of controlled Companhia Energética São Salvador (CESS) into Tractebel Energia, with the incorporation of the net result of the company on the base date of Dec. 30, 2013.

Trairi Complex – update of 2012 information

Trairi & Guajiru wind farms started operating in October and November 2013, adding 55.4 MW to the installed capacity and average 32.1 MW to the commercial capacity of the Company's generation complex. Fleixeiras wind farm started operating in test phase in December 2013, with its effective commercial operation started in January 2014, adding 30 MW and mean 16.6 MW to the Company's installed capacity and commercial capacity, respectively. The energy generated by the wind farms from Trairí Project has been sold in the Free Trade Environment (ACL), in medium- and long-term agreements, through controlled TBLC.

Campo Largo Project

In June 2013, the Company concluded the process for the acquisition of CLWP Brasil Ltda. for the amount of R$ 22 million, after fulfilling some conditions foreseen in the agreement established in January 2013 - R$ 13 million of this amount still to be paid, with payments corrected using IPCA variation and interest of 1.5% a year.

CLWP owns 7 SPEs, each of them responsible for developing a wind generation project, in the municipalities of Umburanas and Sento Sé, 420 km from Salvador, with total installed capacity of 206 MW and commercial capacity of average 105 MW.

The Company is conducting internal studies to analyze the project implementation.

The prior controllers of CLWP are also developing other wind power projects of 150 MW installed capacity, in the same region, and the Company is given preference for the acquisition of such projects, for the amount of R$ 17 million, provided that the environmental licensing is obtained, which is in approval phase.

Santa Mônica Wind Power Complex

Santa Mônica Wind Power Complex has total installed capacity and commercial capacity of 97.2 MW and average 55.3 MW, respectively. The implementation of this project is being analyzed. The Complex is comprised of the following wind farms:

- Santa Mônica Wind Power Center and Ouro Verde Wind Power Center – update of the information from Dec. 31, 2012.

In August 2013, TBLP, fully controlled by the Company, concluded the process for the acquisition of Usina Geradora Eólica Santa Mônica SPE S.A. (whose project is Santa Mônica Wind Power Center) and Usina Geradora Eólica Santa Mônica II SPE Ltda. (which owns the Ouro Verde Wind Power Center project) for the amount of R$ 7 million, after fulfilling the contractual conditions in effect before the acquisition, and R$ 4 million of this amount still have to be paid, with payments corrected using IPCA variation. The wind power project, located in the State of Ceará, has two plants of total installed capacity of 48.6 MW and commercial capacity of average 27.1 MW.

- Central Eólica Cacimbas Ltda. – update of the information from Dec. 31, 2012

In February 2013, after fulfilling contractual conditions, TBLP concluded the acquisition of Central Eólica Cacimbas Ltda. (currently named Flecheiras Geração e Comercialização de Energia Elétrica Ltda.). Its installed capacity and commercial capacity are 18.9 MW and average 11.7 MW, respectively.

- Estrela Wind Power Center

Estrela Wind Power Center (project of Central Eólica Trairí II Ltda.), acquired in 2010, is a project whose installed capacity is 29.7 MW and commercial capacity is 16.5 MW.

Ferrari Termoelétrica S.A.

In December 2013, the Company signed a contract for the acquisition of all capital stock of Ferrari Termoelétrica S.A., through its controlled TBLP, for the amount of R$ 172 million, fulfilling some conditions established in the stock purchase and sale agreement. In February 2014, after fulfilling all contractual conditions, the acquisition was concluded.

Ferrari Termoelétrica S.A. is a special purpose company that owns all assets of Central Geradora Termelétrica UTE Ferrari (UTE Ferrari), a biomass-fired energy cogeneration development in commercial operation since June 2009, located in the Municipality of Pirassununga, State of São Paulo. This thermoelectric power plant has installed capacity of 65.5 MW and commercial capacity of average 23.2 MW - average 18.0 MW of this capacity were contracted at Electric Energy Auctions for the Regulated Contract System.

SPE intends to make investments of R$ 85 million in modernization and expansion of this thermoelectric power plant, to increase its installed capacity to 80.5 MW. Therefore, its commercial capacity may increase to average 35.6 MW.

Porto das Barcas Project Alienation

On December 12, 2013, the Company, due to low synergy with the other wind power projects, sold for around R$ 2 million all shares of Porto das Barcas S.A., a wind power project located in the State of Piauí. This company did not perform any operational activity.

b.2) Events related to the fiscal year ended on December 31, 2012

Trairi Complex – update of information obtained in 2011

In May 2012, BNDES granted R$ 358 million financing for the implementation of four wind farms from the Trairi Complex, in Ceará, R$ 205 million of this amount were withdrawn by December 2012. Its installed capacity is 115.4 MW and its commercial capacity is average 58.2 MW.

Santa Mônica Wind Power Project

In October 2012, TBLP, controlled by the Company, signed a contract for the acquisition of Santa Mônica Wind Power Project for the amount of R$ 7 million, which is located in Ceará, near the wind farms from Trairi Complex.

This project has two power plants whose total installed capacity is 58.8 MW and commercial capacity is average 26.5 MW.

Campo Largo Wind Power Projects

The Company, through TBLP, signed in January 2013 an agreement for the acquisition of all capital stock of CLWP Brasil Ltda. (CLWP) for the amount of R$ 23 million, which will be fully paid provided that certain contractual conditions are fulfilled. CLWP has seven wind power generation projects, located in the municipalities of Umburanas and Sento Sé, in the State of Bahia, whose total installed capacity is around 206 MW and estimated commercial capacity is average 105 MW.

The prior controllers of CLWP are also developing wind power projects of over 150 MW installed capacity, in the same region, and the Company is given preference for the acquisition of such projects, for the amount of R$ 16 million, provided that the environmental licensing is obtained, which is in approval phase.

Flecheiras Wind Power Project

In February 2013, the Company acquired Flecheiras Wind Power Project, located in the State of Ceará, near other wind farms being constructed by the Company. Its installed capacity and commercial capacity foreseen for the project are 18.9 MW and average 8.9 MW, respectively. The acquisition value was R$ 1 million.

b.3) Events related to the fiscal year ended on December 31, 2011

Seival Project Alienation Conclusion

In June 2011, the Company concluded the process started in 2010 to sell all shares it owned of Seival Participações S.A. (Seival), after fulfilling all conditions established in the sale agreement, which included the prior approval of Aneel and the Administrative Council for Economic Defense (CADE).

Seival owned 99.99% of the capital stock of Usina Termelétrica Seival Ltda., a company that has the rights, as well as the authorizations of Aneel and the installation license, to implement and explore a coal-fired thermoelectric power plant, in Candiota, RS, whose installed capacity can reach 540 MW. The company has not performed any operational activity by the sale date.

The corrected sale value was R$ 39 million, resulting in capital gain of R$ 15 million, reported in the Company's results.

The Company keeps developing other coal-fired thermoelectric power projects in the region of Candiota (RS), aligned with its strategy of growth in the Brazilian electric sector.

Wind power generation projects – Trairi Complex and Porto do Delta

In March 2011, the Company's Board of Directors approved the implementation of five wind power projects for electric energy sale in the free market: four in the State of Ceará (Trairi Complex) and one in the State of Piauí (Porto do Delta). The projects totaled 145.4 MW installed capacity, with total investment of around R$ 625 million. A significant portion of the commercial capacity of these power plants was sold to free consumers in medium- and long-term agreements.

The Company concluded in 2013 the sale process of Porto do Delta, whose installed capacity is 30 MW.

c. Unusual events or operations

The main unusual events that impacted the Company's results were:

Fiscal Year 2013 – the main events were: (i) recognition of a provision for impairment, in the amount of R$ 73 million, corresponding to the assets of Charqueadas Thermoelectric Power Plant, due to regulations recently imposed by Aneel (the Brazilian Electricity Regulatory Agency) that will reduce the coal consumption reimbursement starting in January 2016, depending on the efficiency standard of the plant, and that will not allow to recover additional investments that would be necessary to reach new efficiency factors required by the regulatory agency; (ii) recognition of costs in the amount of R$ 55 million regarding the participation of generators in the distribution of the System Service Duties (ESS), established in CNPE 03, despite the preliminary injunction obtained by the association that represents the Company - Associação Brasileira dos Produtores Independentes de Energia Elétrica (Apine) – suspending the effects of CNPE 03; (iii) R$ 49 million gain from the anticipated liquidation at market value of debt with the National Treasury Secretariat (STN) and its respective deposit to an escrow account; and (iv) R$ 29 million gain from a lawsuit that questioned the amount of interest and monetary variation from a delayed payment for energy sales in previous years.

Fiscal Year 2012 – the most important events were: (i) recognition of a provision for loss resulting from the effects of asset incorporation, in the amount of R$ 16 million; and (ii) net expenses in the amount of R$ 17 million, related to loss due to write-off of fixed assets and penalties assumed with suppliers.

Fiscal Year 2011 – the main events were: (i) complement of legal gain from 2010, in the amount of R$ 9 million, related to process nº IN 468; (ii) loss due to write-off of fixed assets in the amount of R$ 5 million, resulting from asset replacement; and (iii) R$ 15 million gain due to disposal of investments in Maesa.

10.4 Comments of directors about:

a. Significant changes in accounting practices

CPC 33 (R1) and IAS 19 Revised – Employee benefits

The accounting practices related to the recognition and measurement of employee benefits were altered and their adoption became mandatory as of January 1, 2013.

The new regulation eliminated the "corridor" approach, which allowed to defer the recognition of actuarial gains or losses in the result. Thus, the actuarial gains or losses evaluated on an annual basis by actuaries will be reported directly under "Equity evaluation adjustments – Other comprehensive results", in Net Equity.

In addition, the calculation of asset profitability started to be based on the discount rate used to evaluate the current value of obligation with retirement benefits.

CPC 19 (R2) and IFRS 11 – Joint Operation

This regulation states that, in relations among entities characterized as Joint Operation, the operator should report its assets, liabilities, revenues and expenses related to its participation in the joint operation. The economic features and essence of the Company's participation in business and operations of Itá Energética S.A. characterize it as a joint operation.

The adoption of such regulation did not result in any alteration regarding the method used in the elaboration of the Company's annual report and result for the fiscal year ended on December 31, 2012.

b. Significant effects of changes in accounting practices

As a result of the changes in regulations to report employee benefits, as mentioned above, the Company adjusted retrospectively to January 1, 2012 its assets, liabilities and results with retirement benefits and the respective impacts on deferred income tax and social contribution. These adjustments to the annual report and statements of results are described in item 10.1.h.

c. Qualifications and emphasis in the auditor's opinion

Fiscal Years 2013, 2012 and 2011

The Report of Independent Auditors had no qualification regarding the Financial Statements for the fiscal years ended on December 31, 2013, December 31, 2012 and December 31, 2011.

We reproduce below the standard emphasis indicated in the reports of independent auditors about the financial statements for the fiscal years ended on December 31, 2013, December 31, 2012 and December 31, 2011, applicable to all Companies with investments in controlled companies, colligated companies and joint operations evaluated through the method of asset equivalence, as required in IBRACON Technical Notice nº 04/2010.

"As described in Note 2, the individual financial statements were elaborated according to the accounting practices adopted in Brazil. For Tractebel Energia S.A., these practices differ from IFRS, which are applicable to individual financial statements in terms of evaluation of investments in controlled companies and joint operations through asset equivalence, while for the purposes of IFRS, it would be the cost or fair value."

As mentioned in IBRACON Technical Notice and in CPC 43(R1) Technical Statement "Initial Adoption of Technical Statements", there should be no divergence between the consolidated net equity and the consolidated result in the consolidated financial statements elaborated according to the accounting practices adopted in Brazil and those elaborated according to IFRS, with differences limited to individual financial statements, due to the evaluation of investments in controlled companies or in joint operations, which, according to the Brazilian legislation in force should be evaluated through the method of asset equivalence in individual financial statements, as allowed by Law 11.941, which altered the Joint Stock Company Law.

Also according to IBRACON Technical Notice, efforts were dedicated to produce financial statements based on the accounting practices adopted in Brazil equal to those elaborated according to international practices (IFRS). As the differences mentioned above are punctual, CVM requested the addition of a paragraph in the report of the independent auditor to emphasize this subject, to warn users of financial statements that these differences between individual financial statements elaborated according to accounting practices adopted in Brazil and individual financial statements elaborated according to IFRS are limited to the evaluation of investments in controlled companies, colligated companies and joint operations through the method of asset equivalence and the maintenance of deferred amounts in individual financial statements.

We also reproduced below the emphasis given by independent auditors in the report about the audit on financial statements for the fiscal year ended on December 31, 2013, to highlight that financial statements of December 31, 2012 were adjusted to reflect the change in accounting practices required by the Committee of Financial Statements (CPC).

"As mentioned in Note 3 item s.1, due to the changes in accounting practices adopted by the Company in 2013, the values related to the fiscal year ended on December 31, 2012 presented for the purposes of comparison, were adjusted and will be re-submitted, as foreseen in CPC 23 – Accounting Practices, Changes in Value Estimate and Error Corrections. In our opinion, it has no change related to this subject".

10.5 Critical accounting practices adopted by the Company, exploring, in particular, financial estimates made by the administration about uncertain issues, relevant to the description of the financial situation and results, which require subjective or complex judgment, such as: provisions, contingencies, revenue recognition, financial credits, long-term assets, life of non-current assets, pension plans, adjustments of conversion to foreign currency, environmental recovery costs, criteria for impairment test and financial instruments

Critical accounting practices are those considered important to indicate the financial condition and the results and require difficult, subjective or complex judgment of the administration, frequently resulting from the need to make estimates with impact on inherently uncertain issues. As the number increases of variables and criteria that affect the possible future solution of these uncertainties, these judgments become even more subjective and complex.

For the elaboration of financial statements, the Company adopted certain criteria based on its experience and other factors that it considers reasonable and relevant. Although these estimates and criteria are revised by the Company during the normal business course, its financial statements and results of its operations frequently require judgments regarding the effects of inherently uncertain issues about the accounting value of its assets and liabilities.

Actual results may vary from estimated values due to distinct variables, criteria or conditions. To provide a better understanding of how the Company makes its judgments about future events, including variables and criteria used in estimates, and some impacts related to changes in these estimate, we've included comments related to each accounting practice described below:

a) Obligations with retirement benefits

The Company recognizes its obligations with plans of employee benefits and related costs, net values of assets in the plan, adopting the following practices: (i) the obligations due to the pension plans are determined actuarially, using the method of projected credit unit.

The discount rate used to calculate the present value of obligations is defined on the balance date, based on interest rates of the Federal Government securities with due dates that are similar to the expected dates for the payments of future projected obligations; and (ii) the assets in the pension plan are evaluated at market value on the balance date.

In actuarial calculations, actuarial consultants also use subjective factors, like mortality tables and salary increase projection, dismissal and turnover.
The actuarial criteria used by the Company can be materially different from the actual results due to changes in economic and market conditions, regulatory events, legal decisions or shorter or longer life of participants. However, the Company and its actuaries use consistent criteria with internal and external analyses conducted to define estimates.

b) Life of fixed assets

The Company recognizes the depreciation of its fixed assets based on annual rates defined by Aneel, and which are adopted by companies operating in the Brazilian electric sector and that represent the estimated life of assets – limited to the period of concession or authorization of its plants, when applicable. However, the actual life may vary based on the technological modernization of long-term assets from each generation unit. The life of fixed assets also affects the impairment test, when such tests are not required.

c) Impairment test for long-term assets

There are specific rules to evaluate the impairment for long-term assets, especially the fixed assets. At the end of the fiscal year, the Company performs one analysis to check for any evidence of asset impairment. If any of such evidence is identified, the Company conducts the impairment test.

The impairment revision process is subjective and requires significant judgment through analyses. On December 31, 2013, the Company, based on its analyses, identified that it was necessary to create a provision for impairment for some of its long-term assets, in the amount of R$ 73 million.

d) Financial, civil and labor provisions

It is defined through risk evaluation and qualification, whose loss is considered probable. Such evaluation is supported by the judgment of the administration, with its attorneys, considering the common laws, the decisions in initial and further instances, the history of agreements and decisions, the experience of the administration and its attorneys, and other applicable aspects.

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

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

The Company observes the New Market regulations of corporate governance and considers that its internal controls are sufficient, given the type of activity and the volume of transactions it performs.

In addition, considering the complexity of its activities and technological innovations, the Company's administration makes every effort to study, revise and continuously improve its processes, and create new tools for revision and internal controls. Since 2006, the Company has formally revised and tested its systems of internal controls, initially to fulfill the requirements of the Sarbanes-Oxley Act and today to fulfill a specific program of its main controller, the GDF SUEZ Group, which is certified through process validation tests by independent auditors that are not responsible for the audit on the Company's financial statements. Any fault detected in the systems of internal controls are reported and eliminated in action plans whose implementation is verified by independent auditors, specifically hired for that purpose.

In addition, the Financial Committee, besides its assignments defined by law, has the obligation to evaluate the systems of risk management and internal controls of the Company.

b. Deficiencies and recommendations related to internal controls identified in the report of independent auditors

The deficiencies and recommendations related to internal controls identified by the independent auditors specifically hired for that purpose and that are not responsible for the audit on the Company's financial statements – are analyzed by the CEO and the CFO and the Director of Investor Relations during the annual meeting for the certification of the internal control program of the Company. The action plans for the necessary corrections are submitted and their implementation is verified by independent auditors (follow-up). No significant deficiency was indicated in the report of independent auditors for the fiscal years 2013, 2012 and 2011 that can cause significant impacts on the Company.

In addition, the independent auditors in charge of the audit on the Company's financial statements also test internal controls and revise some tests conducted for the purposes of the internal control program of the Company. The most recent Letter of Recommendations was related to the fiscal year ended on December 31, 2012. The main considerations in this report refer to the following: (i) formalization of a policy for the creation and reversion of a provision for doubtful credits; (ii) formalization of document transfer to external attorneys; (iii) classification of the Bank Deposit Certificate, according to its expected liquidity; (iv) amortization deadline for goodwill generated at the acquisition of investments in controlled Itá Energética S.A.; (v) submission and calculation of loan and swap operation with the Bank of America; (vi) depreciation through the method of units produced at Companhia Energética Estreito; (vii) submission of the Comprehensive Result Statement, even if it does not containing balances; (viii) opening in the tax balance on earnings; (ix) net submission of current and deferred taxes and fees; and (x) specific controls of technology and information processes. The comments reported do not affect the Company's internal control system and were not relevant to changing the opinion of independent auditors.

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

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

The Company did not have, in 2013, 2012 and 2011, resources resulting from the public offering of securities distribution.

b) In case of any relevant deviation between the effective resource allocation and proposed allocation in prospects for the respective distribution

Not applicable.

c) In case of any deviation, the reasons for such deviations

Not applicable.

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

a. The assets and liabilities directly or indirectly owned by the Company and that do not appear in its balance sheet (off-balance sheet items)

Information provided in item 10.9 of this form.

b. Other items not evidenced in the financial statements

Not applicable.

10.9 Comments of directors about each item not evidenced in the financial statements indicated in item 10.8

a. how such items change or may change revenues, expenses, operating result, financial expenses or other items of the Company's financial statements

b. nature and purpose of operation

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

See below the information previously requested in item 10.8.

Operating leases – Beberibe, Pedra do Sal and Trairí Wind Power Projects

The Company's wind power projects have lease agreements for the lands used in the installation and construction of wind turbine towers, substation and related transmission facilities. The agreements have fixed and/or variable payments and are corrected using the inflation index or percentage on the gross operating revenue of the companies. The agreement periods usually match Annel's authorization period for energy generation. The minimum payments estimated for the future are:

Year	R$ million
2014	3
2015 to 2018	11
2019 and after	37
	51

Portfolio of assets written off for which the entity keeps risks and responsibilities, indicating respective liabilities

Not applicable.

Agreements for future sale and acquisition of products or services

- Bilateral Agreements of Electric Energy Sale or Acquisition

The table below shows the Company's Energy Balance, on its base date of December 31, 2013, considering its assured energy and electric energy sale or acquisition agreements in force for the next six years.

Energy Balance

	(in average MW)	2014	2015	2016	2017	2018	2019	Gross Price at Auction (R$/MWh)	Reference Date	Gross Price Corrected for Dec. 31, 2013 (R$/MWh)
	Own Resources	3.506	3.511	3.505	3.520	3.543	3.543			
+	Acquisition for Resale	824	367	245	220	200	200			
=	Total Resources	4.330	3.878	3.750	3.740	3.743	3.743			
	Regulated Sales *	1.661	1.651	1.508	1.155	1.155	1.155			
	2004-EE-2007-08	10	-	-	-	-	-	70,9	Dec-04	109,7
	2005-EE-2008-08	143	143	-	-	-	-	81,6	Apr-05	122,5
	2005-EE-2009-08	353	353	353	-	-	-	94,0	Oct-05	138,5
	2005-EN-2010-30	200	200	200	200	200	200	115,1	Dec-05	168,1
	2006-EN-2009-30	493	493	493	493	493	493	128,4	Jun-06	184,4
	2006-EN-2011-30	148	148	148	148	148	148	135,0	Nov-06	192,8
	2007-EN-2012-30	256	256	256	256	256	256	126,6	Jun-07	173,4
	Proinfa	44	44	44	44	44	44	147,8	Jun-04	261,1
	1st Reserve Auction	14	14	14	14	14	14	158,1	Aug-08	202,5
+	Bilateral Sales	2.561	2.131	1.801	1.560	1.032	661			
	Total Sales (B)	4.222	3.782	3.309	2.715	2.187	1.816			
	Balance (A - B)	**108**	**96**	**441**	**1.025**	**1.556**	**1.927**			
	Average sales price (R$/MWh) *1:	140,1	139,5	140,1						
	Average purchase price (R$/MWh) *2:	131,3	139,9	148,4						

* XXXX-YY-WWWW-ZZ, where:
XXXX ⇨ auction year
YY ⇨ EE = existing energy or EN = new energy
WWWW ⇨ year of supply start
ZZ ⇨ \ supply duration (in years)

*1: Resale price net of ICMS and taxes on revenue (PIS/Cofins, R&D), ref. Dec. 31, 2013, i.e., it does not consider future inflation.
*2: Acquisition price, net, considering the benefits of PIS/Cofins credit, ref. Dec. 31, 2013, i.e., it does not consider future inflation.

Note: The balance uses the gravity center reference.
Average prices are estimates only, based on financial planning revisions, not considering the variation of contracted quantities, which are updated on a quarterly basis.

- Connection agreement

The Company has connection agreements with Centrais Elétricas do Sul do Brasil S.A. (Eletrosul), Furnas Centrais Elétricas S.A. (Furnas), Centrais Elétricas do Norte do Brasil S.A. (Eletronorte) and Transmissora Delmiro Gouveia (TDG), in force until the end of concessions and authorizations for the generation units associated with the agreements.

On December 31, 2013, the nominal value of future obligations from connection agreements is R$ 156 million.

- Transmission System Use Agreement (CUST)

The Company, its direct controlled CEE and Itasa and indirect controlled Mundaú, Guajiru, Fleixeiras and Trairi have agreements with ONS to use the transmission and basic network system. The agreements are usually valid until the end of concessions and authorizations for the Company's generation units.

On December 31, 2013, the nominal value of future obligations from these agreements totals R$ 6.077 million.

- Distribution System Use Agreement (CUSD)

On December 31, 2013, the nominal value of future obligations from these agreements totals R$ 215 million.

- Gas acquisition agreement

The Company established in 2001 an agreement for the acquisition of natural gas with Companhia de Gás do Mato Grosso do Sul (MSGÁS), for five years, and that can be renewed for equal periods of five years, to allow the start of operation of gas-fired William Arjona Thermoelectric Power Plant (UTE William Arjona).

With the agreement term to end on May 22, 2006, the Company showed interest in renewing the agreement, but MSGÁS informed that such renewal would involve price increase, as determined by Petróleo Brasileiro S.A. (Petrobras), the company that sells gas to MSGÁS and a party in the contract.

As the proposed price correction was not aligned with the contractual conditions, the Company started a lawsuit against Petrobras and MSGÁS in order to keep the gas supply. This lawsuit is awaiting a judgment of the appeals from both the Company and Petrobras, also to increase the agreement term to compensate for the period without gas supply.

In November 2009, the Company had a favorable temporary decision, which obliged MSGÁS and Petrobras to keep the gas supply to William Arjona Thermoelectric Power Plant. This supply remained until the middle of 2012, when Petrobras was allowed to suspend its gas supply again.

In late 2012, the Superior Court of Justice (STJ) decided to cancel the appeal submitted by Petrobras, which leads to the cancellation of the decision to suspend the gas supply, already requested by the Company, but still awaiting the final decision of the STJ.

In January 2013, the Company requested the STJ President to cancel the decision that allowed Petrobras to interrupt in 2012 the gas supply to William Arjona Thermoelectric Power Plant.

Such request was accepted, and the gas supply restarted, until February 22, 2013, when the supply was again interrupted after a new decision of the Ministry in an injunctive relief made by Petrobras, which ensured again Petrobras right to interrupt the gas supply until the final judgment.

However, on November 5, 2013, Petrobras request was refused and, on November 8, 2013, the gas supply restarted. Petrobras request of price correction is still awaiting a decision.

- Construction agreements for Fleixeiras and Mundaú wind farms

Fleixeiras and Mundaú wind farms have agreements for the implementation of their facilities in the State of Ceará. The future obligations related to these agreements, on the base date of December 31, 2013, are R$ 38 million (R$ 317 million on December 31, 2012).

- Modernization of Passo Fundo and Salto Santiago Hydroelectric Power Plants

In December 2012, the Company signed an agreement with Voith Hydro Ltda. for the modernization of Passo Fundo and Salto Santiago Hydroelectric Power Plants. The total value of the agreement, on the base date of December 31, 2013 is R$ 269 million, R$ 23 million of this amount are for Passo Fundo plant modernization, to be concluded by 2015, and R$ 246 million for Salto Santiago plant modernization, to be concluded by 2017.

b. Other items not evidenced in the financial statements

There are no other relevant items that have not been included in the Company's financial statements.

10.10 Main elements of the Company's business plan:

a. Investments, including:

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

The Company, at the end of 2013, had the construction work in progress for the wind farms from Trairi Complex. The expenses, by December 31, 2013, totaled R$ 521 million, R$ 165 million of this amount from investments of own resources and R$ 356 million from BNDES financing. It should be noted that amount to be invested until the end of this construction work will be from its own resources.

The investments made in 2013 and those foreseen for the period of 2014-2016, on the base date of December 31, 2013, are:

Values in R$ million	Made in 2013	Foreseen for 2014	Foreseen for 2015	Foreseen for 2016
Financing with:				
- Third party's capital	152	-	-	-
- Own capital	532	489	739	243
	685	**489**	**739**	**243**

In 2013, the Company invested R$ 443 million in the construction of new plants, mentioned above, R$ 87 million of this amount in Estreito Hydroelectric Power Plant, R$ 320 million in wind farms in the Northeast Region and R$ 36 million in new investments, such as Campo Largo, Santa Mônica and an additional participation in Machadinho Hydroelectric Power Plant.

Also in 2013, the Company invested R$ 242 million in maintenance and revitalization projects of its generation units, to keep its high level of availability.

The values mentioned above do not consider interest on financing during the construction phase of the developments.

The main projects and investments foreseen for 2014 are: (i) construction in progress of wind farms from Trairi Complex; (ii) acquisition of Ferrari Termoelétrica S.A; and (iii) maintenance and revitalization projects of the Company's generation units in progress.

In addition, for 2014 and 2015, the investments include long-term maintenance program in progress for existing plants and modernization of Passo Fundo and Salto Santiago plants and a financial reserve for the acquisition of the control of Energia Sustentável do Brasil, the company

that, after the approval from BNDES and its banks that transfer the sale of 20% of Jirau Plant to Mitsui & Co. Ltd. in January 2014, controls now 40% of the project.

ii. Sources of investment funding

The sectorial projects are usually 60% to 70% funded and the remaining portion is from the Company's own resources. BNDES is the source of financing for most projects of the Company.

iii. Relevant disinvestments in progress and foreseen disinvestments

There is no relevant disinvestment in progress and no disinvestment foreseen to be made by the Company.

b. Acquisitions already mentioned of plants, equipment, patents or other assets that may significantly impact the Company's production capacity

According to the business model of GDF SUEZ in Brazil, controller GSELA participates in auctions and develops hydroelectric projects, mitigates the main risks, and then transfers the projects to Tractebel Energia. The moment of transference is determined according to the risk profile stage of each project.

In this context, GDF SUEZ, through its controlled Energia Sustentável do Brasil, is implementing Jirau Hydroelectric Power Plant, in construction phase in Porto Velho, State of Rondônia, RO, of 3,750 MW rated power, already including the plant expansion to 50 generation units, in which GDF SUEZ has 40% participation.

Also according to the business model, the Commission of Related Parties of Tractebel Energia will negotiate the acquisition with GDF SUEZ - GSELA. Thus, the project may be transferred to Tractebel Energia after the main development risks are mitigated.

c. New products and services, indicating: (i) description of researches in progress and already announced; (ii) total amounts spent by the Company in researches for the development of new products or services; (iii) projects being developed and already announced; and (iv) total amounts spent by the Company in the development of new products or services

i. **description of researches in progress and already announced**

Not applicable.

ii. **total amounts spent by the Company in researches for the development of new products or services**

Not applicable.

iii. **projects being developed and already announced**

Not applicable.

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

Not applicable.

It should be noted that Tractebel Energia, as a company of electric energy generation and authorized to have an independent production, has to allocate, on an annual basis, at least 1% of its net operating revenue to research and development in the electric 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 of the Company, according to Aneel regulations; and (iii) 20% to the Ministry of Energy (MME). The R&D resources support studies and researches to expand the energy system and the inventory and availability to use the hydroelectric potential.

At the end of 2013, the Company and its controlled companies had R$ 82 million to be invested in their own projects, R$ 57 million of this amount were for projects in progress and the remaining portion has not yet been allocated to projects evaluated by Aneel.

A considerable portion of the amount already allocated is for a R&D project for photovoltaic (PV) generation de 3MWp, in which the Company is the head, with 11 other companies from the electric sector – called the cooperated companies – and the Federal University of Santa Catarina (UFSC), acting as the entity in charge. The amount invested in this project is R$ 56 million, around R$ 35 million of which will be invested by Tractebel Energia.

Tractebel Energia Research and Development Program is focused on technological innovation in the energy sector and technical and scientific training of Brazilian researchers, covering investment themes, such as: alternative sources of electric energy generation, management of basins and reservoirs, the environment, maintenance and energy efficiency, among others.

10.11 Comments about other factors of relevant impact on the operational performance and that have not been identified or discussed in the other items of this section

There are no other factors of relevant impact on the Company's operational performance that have not been identified or discussed in the other items.

Annex II

Art. 9 ICVM 481/09 – § 1 Item II – Proposal of destination of net earnings from the fiscal year that contains, at least, the information indicated in Annex 9-1-II of ICVM 481/09:

Destination of net earnings from the fiscal year

1) Inform the net earnings from the fiscal year	R$ 1,436,100 (controller)
2.a) Inform the total amount of dividends, including anticipated dividends and interest on own capital already announced	R$ 1,474,200
2.b) Inform the value of dividends per share, including anticipated dividends and interest on own capital already announced	R$ 2.2584046518 per ordinary share
3) Inform the percent on net earnings distributed from the fiscal year	100% of net earnings distributable and adjusted[5]
4) Inform the total amount and the value of dividends distributed per share, based on earnings from prior fiscal years	Not applicable
5) Inform, discounting anticipated dividends and interest on own capital already announced:	
a) The gross value of dividends and interest on own capital, separately, by share type and class	R$ 461.8 million, corresponding to R$ 0.7074583705 per ordinary share.
b) The payment condition and deadline for dividends and interest on own capital	To be submitted for approval of the Ordinary General Assembly (OGA) on April 8, 2014.
c) Eventual incidence of correction and interest on	Not applicable

[5] Net Earnings Distributable corresponds to net earnings from the fiscal year, discounted from the Legal Reserves (not applicable to the fiscal year 2012 as the limit of 20% on the capital stock was reached) and from Tax Incentives, and adjusted by asset evaluation (cost of fixed assets, according to CPC 27 and ICPC 10), reported in "Accumulated Earnings".

dividends and interest on own capital	
d) Declaration date of payment of dividends and interest on own capital considered for the identification of shareholders that will have the right to receive such payment	The declaration date of payment will be defined by the OGA.

6) In case of any declaration of dividends or interest on own capital based on earnings from semiannual balances or smaller periods

a) Inform the amount of dividends or interest on own capital already announced	R$ 767.6 million of interim dividends and R$ 244.8 million of credit from interest on own capital
b) Inform the date of respective payments	Start of payment of interim dividends was on September 23, 2013 and of interest on own capital on February 28, 2014.

7) Provide a comparative table indicating the following values per share by type and class:

a) Net earnings from the fiscal year in question and 3 prior fiscal years	2013 = R$ 2.2001213000 2012 = R$ 2.2833731575 2011 = R$ 2.2177768582
b) Dividends and interest on own capital distributed in the last 3 fiscal years	2013 = R$ 2.2584046518 2012 = R$ 2.3690660667(*) 2011 = R$ 2.1897556102

(*) Before the retrospective application of CPC 33 (R1).

8) In case of earnings allocated to legal reserve	
a) Identify the amount allocated to the legal reserve	Not applicable; the amount allocated reached the legal limit of 20% on the total capital stock.
b) Detail the legal reserve calculation method	Not applicable to the fiscal year 2013; when applicable, it corresponded to 5% of the net earnings from the fiscal year.

9) If the company has preference shares with right to minimum fixed dividends	Not applicable

10) Regarding mandatory dividends	
a) Describe the calculation method foreseen in the Articles of Incorporation	The Company's Articles of Incorporation foresees that, for every fiscal year, the distribution of dividends should not be lower than 30% (thirty percent) of net earnings, adjusted according to the law, and the destination of full earnings from the fiscal year should be submitted to the GOA analysis. - The Company will produce a semiannual balance and the Administration Council may declare interim dividends base on that balance. - The Company may produce a balance and distribute interim dividends for smaller periods, provided that the total dividends paid in each semester of the fiscal year do not exceed the amount of the capital reserves determined in §1 of Art. 182 of Law 6.404, of December 15, 1976. - The Administration Council may declare intermediate dividends, in case of accumulated earnings or profit reserves in the most recent annual or semiannual balance.

	- The Company, after approval of the Administration Council, may credit or pay remuneration interest on own capital to shareholders; in this case, observing the applicable legislation. The amounts paid or credited by the Company related to interest on own capital may be calculated using the value of mandatory dividends, according to the applicable legislation. - The period to claim dividends ends in 3 (three) years; otherwise, if not opportunely claimed, the dividends shall become benefits of the Company.

b) Inform if dividends are fully paid	Yes
c) Inform the amount eventually retained	Not applicable

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

12) In case of allocation of earnings to a contingency reserve	
a) Identify the amount allocated to such reserve	Not applicable
b) Identify the loss considered as probable	Not applicable
c) Explain why this loss was considered as probable	Not applicable
d) Justify the reserve creation	Not applicable

13) In case of allocation of earnings to a reserve of unrealized profit

a) Inform the amount allocated to the reserve of unrealized profit	Not applicable
b) Inform the nature of unrealized profits that originated the reserve	Not applicable

14) In case of allocation of earnings to statutory reserve	
a) Describe the statutory clauses that originated the reserve	Not applicable
b) Identify the amount allocated to this reserve	Not applicable
c) Describe how the amount was calculated	Not applicable

15) In case of retention of profits foreseen in capital budget	
a) Identify the retained amount	Not applicable
b) Provide a copy of the capital budget	Not applicable

16) In case of allocation of earnings to a reserve of tax incentive	
a) Inform the amount allocated to this reserve	R$ 17.2 million
b) Explain the nature of such allocation	The reserve is created with the allocation of a portion of the earnings from the fiscal year equivalent to the tax benefit granted by the Amazonia Development Superintendence (Sudam). This benefit is a 75% reduction in income tax calculated on the profit from the activities developed by Ponte de Pedra Hydroelectric Power Plant.

Annex III

Information about the candidates assigned or supported by the Administration or by the controlling shareholders for the election of the Company's Administrative Council and Financial Committee, according to requirements in items 12.6 to 12.10 of the reference form mentioned in CVM Instruction 480/09

The following tables contain information about the candidates supported by the Company's controlling shareholders to replace one of the Administrative Board members and for the Financial Committee:

12.6 / 8 - Members and professional experience of the administration and financial committee

Name CPF (Individual Taxpayer Registration Number) Other offices and functions held in the issuer	Age Occupation	Administrative Body Elective office held	Election date Starting date	Term Assigned by the controller
Maurício Stolle Bähr 748.528.847-49 Member of the Strategic Committee	56 Engineer	Belongs to the Administrative Board only 20 – Chairman of the Administrative Board	04.08.2014 04.08.2014	2 years Yes
Philip Julien De Cnudde 000.000.000-00 Member of the Strategic Committee	53 Engineer	Belongs to the Administrative Board only 21 – Vice-President of the Administrative Board	04.08.2014 04.08.2014	2 years Yes
Dirk Achiel Marc Beeuwsaert 000.000.000-00 Member of the Strategic Committee	66 Engineer	Belongs to the Administrative Board only 22 – Administrative Board (Effective member)	04.08.2014 04.08.2014	2 years Yes
Guy Marie Numa Joseph Ghislain Richelle 000.000.000-00 Member of the Strategic Committee	58 Engineer	Belongs to the Administrative Board only 22 - Administrative Board (Effective member)	04.08.2014 04.08.2014	2 years Yes
Willem Frans Alfons Van Twembeke 000.000.000-00 Member of the Strategic Committee	48 Engineer	Administrative Board 22 - Administrative Board (Effective member)	04.08.2014 04.08.2014	2 years Yes
Manoel Arlindo Zaroni Torres 115.116.056-34 -	64 Engineer	Belongs to the Board of Directors and to the Administrative Board 33 – Advisor (Effective member) and Chief Executive Officer	04.08.2014 04.08.2014	2 years Yes

Name	Age	Administrative Body	Election Date	Term
CPF (Individual Taxpayer Registration Number)	Occupation	Elective office held	Starting Date	Assigned by the controller
Other offices and functions held in the issuer				
André de Aquino Fontenelle Cangucú	45	Belongs to the Administrative Board	04.08.2014	2 years
126.646.148-51	Manager	23 - Administrative Board (Deputy)	04.08.2014	Yes
-				
Gil de Methodio Maranhão Neto	51	Belongs to the Administrative Board	04.08.2014	2 years
734.574.937-15	Engineer	23 - Administrative Board (Deputy)	04.08.2014	Yes
-				
Luiz Eduardo Simões Viana	58	Belongs to the Administrative Board	04.08.2014	2 years
465.817.407-30	Economist	23 - Administrative Board (Deputy)	04.08.2014	Yes
-				
Pierre Victor Marie Nicolas Devillers	43	Belongs to the Administrative Board	04.08.2014	2 years
000.000.000-00	Manager	23 - Administrative Board (Deputy)	04.08.2014	Yes
Member of the Strategic Committee				
Patrick Charles Clement Obyn	53	Belongs to the Administrative Board only	04.08.2014	2 years
009.113.629-67	Lawyer	23 - Administrative Board (Deputy)	04.08.2014	Yes
-				
José Carlos Cauduro Minuzzo	62	Belongs to the Board of Directors and to the Administrative Board	04.08.2014	2 years
199.412.420-20	Engineer	39 – Other Advisors/Directors	04.08.2014	Yes
-				

Name	Age	Administrative Body	Election date	Term
CPF (Individual Taxpayer Registration Number)	**Occupation**	**Elective office held**	**Starting date**	**Assigned by the controller**
Other offices and functions held in the issuer				
Paulo de Resende Salgado	68	Financial Committee	04.08.2014	Until Aug 2015
161.008.917-00	Economist	40 – Chairman of the F.C. (Effective member) – Assigned by the controller	04.08.2014	Yes
-				
Carlos Guerreiro Pinto	71	Financial Committee	04.08.2014	Until Aug 2015
047.615.457-04	Manager	43 – F.C. (Effective member) – Assigned by the controller	04.08.2014	Yes
-				
Flávio Marques Lisboa Campos	63	Financial Committee	04.08.2014	Until Aug 2015
118.388.096-00	Engineer	46 - F.C. (Deputy) – Assigned by the controller	04.08.2014	Yes
-				
Manoel Eduardo Bouzan de Almeida	61	Financial Committee	04.08.2014	Until Aug 2015
269.006.377-87	Accountant	46 - F.C. (Deputy) – Assigned by the controller	04.08.2014	Yes
-				

Maurício Stolle Bähr - 748.528.847-49

Born on September 17th 1957, he holds a Bachelor Degree in Mechanical Engineer from Universidade Gama Filho (RJ) and a Bachelor Degree in Systems Analysis from Pontifícia Universidade Católica do Rio de Janeiro. He also holds an MBA from COPPEAD - Universidade Federal do Rio de Janeiro (UFRJ) and Corporate Finance from Berkeley University in United States of America (EUA).

He was Chief Financial Officer of Serra da Mesa Energia S.A. and of Nacional Energética S.A.

Currently, he is Chief Executive Officer of GDF SUEZ Energy Brasil Ltda., Director of GDF SUEZ Energy Latin America Participações Ltda., General Representative of GDF SUEZ in Brazil, Chairman of the Administrative Board of ONS and of Energia Sustentável do Brasil S.A. and Member of the Executive Board of Consórcio Estreito Energia.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Philip Julien De Cnudde – 000.000.000-00

Born on December 7th 1960, he is an electrical engineer and holds a Bachelor Degree in Operation Management from Ghent University (Belgium) and he attended the CEPED Management Program, at INSEAD, Fonteinebleau (France). From 1989 to 1993, he was a General Manager for the commencement of operations of the Company, based in the United States. He was transferred, in 1993, to Belgium, where has the Head of Operations at Monceau-sur-Sambre Electrical Power Plant of Electrabel S.A. In 1998, he undertook the function of Head of the Internal Audit Department of Electrabel, until 2001, when he became the Head of Business Control, Accounting and Consolidation at Tractebel EGI. In 2007, he was invited to be the Senior Vice-President of Business Development Supervision at BEI, in London and Brussels.

Dirk Achiel Marc Beeuwsaert – 000.000.000-00

Born on January 14th 1948, he holds a Bachelor Degree in Mechanical and Electrical Engineering from Ghent University (Belgium). He attended the CEPED Management Program, at INSEAD, Fontainebleau (France). He was CEO at GDF SUEZ Energy International, Chairman at GDF SUEZ Energy North America Inc., Director at Glow Energy, public-held Company based in Thailand, Director at International Power S.A. (current corporate name of SUEZ Tractebel S.A.), and Director at Electrabel, Director at Tractebel Engineering, Director at Gaselys (France) and Director at Célizan (France). Currently he is: (i) Senior Vice-President at GDF SUEZ, in charge of the Energy International division; (ii) Chairman of the administrative committee at International Power Ltd.; (iii) member of the executive and administrative committees at GDF SUEZ; and (iv) CEO at Electrabel and International Power S.A., besides being part of the Strategic Committee and Administrative Board of Tractebel Energia S.A.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Guy Marie Numa Joseph Ghislain Richelle – 000.000.000-00

Born on April 29th 1955, he is a civil engineer and administrator. He holds a Bachelor Degree in Civil Engineering from Liége University (Belgium) and Business Management from IAG – Catholic University of Louvain (Belgium). He holds the Senior Reactor Operator certificate from National Regulatory Commission. In the last five years, he was CEO and Executive Officer at GDF SUEZ Energy Middle East, Asia e Africa. Currently he is the COO (equivalent to Operation Director) at International Power Ltd. (England), Executive Director, and CEO at International Power S.A. (Belgium). He is also member of the Administrative Board of the following companies: (a) Glow Energy Public Co. Ltd. (Thailand); (b) Glow Group (Except Glow IPP 3 Co. Ltd.); (c) Glow SSP 1 Co. Ltd.; (d) Glow SSP 2 Co. Ltd.; (e) Glow SSP 3 Co. Ltd.; (f) Glow SSP 11 Co. Ltd.; (g) Glow SPP 12 Co. Ltd.; (h) Glow SPP 13 Co. Ltd.; (i) International Power Ltd.; (j) E.Cl S.A. (Chile; (k) IPM (UK) Power Holdings Limited (Gibraltar) and legal representative of IPM EAGLE LLP, besides being part of the Strategic Committee and Administrative Board at Tractebel Energia S.A.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Willem Frans Alfons Van Twembeke – 000.000.000-00

Born on August 22nd 1965, he holds a Master Degree in Electromechanical Engineering from Catholic University of Loeuven (Belgium) and a Master Degree with specialization in Nuclear Science from Rensselaer Polytechnic Institute (NY, EUA). He holds MBA from Catholic University of Leuven (Belgium). He joined Tractebel Energy Engineering Group in 1991. In 1997, he was transferred to South America, where he undertook different executive positions in Chile and Peru. From 2001 to 2004, he was the CEO at Electroandina, in Chile and from 2004 to 2006; he was the CEO at EnerSur, Gás Natural de Lima y Callao e Suez Energy, in Peru. In 2006, he returned to Brussels as General Vice-Manager of Negotiation and Portfolio Management until January 2010. In this period he was also the Chairman of the Administrative Board at European Energy Portfolio Management (Holland), Electrabel Energia Hellas (Greece) and GDFSUEZ Energy Trading Romania (Romania); he was also member of the Administrative Board at ACEA Electrabel Trading (Italy). When he returned to Latin America, he was the Operation Director at GDF SUEZ Energy Latin America (Chile) from February 2010 to April 2011 and he was the Chairman of the Administrative Board at Gas Natural Licuado de Mejillones (Chile) and member of the Administrative Board at ECL (Chile). From May 2011 to April 2013, he was CEO at GDFSUEZ Energy Asia (Thailand) and Chairman of the Administrative Board at Glow Energy (Thailand) and Uch Power Limited (Pakistan) and member of the Administrative Board of Paiton Energy (Indonesia), PTT-NGD (Thailand) and Senoko Energy (Singapure). Currently he is CEO at GDFSUEZ Energy International and member of the Administrative Board of International Power Ltd.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Manoel Arlindo Zaroni Torres - 115.116.056-34

Born on December 18th 1949, he holds a Bachelor Degree in Electrical Engineering from Escola Federal de Engenharia de Itajubá (MG) and a Specialist Degree in General Management from CEDEP, associated with INSEAD, in Fontainebleau, France. From 1973 to 1998, he worked at Furnas Centrais Elétricas S.A. (Furnas) and in 1998; he joined the Board of Directors of Tractebel Brasil as the Operation Director of Tractebel Energia. In 1999, he undertook the CEO position of the Company and he already is the Executive Director of some Specific Purpose Companies (SPE) controlled by Tractebel Energia. He was member of the Administrative Board of ONS and of Mercado Atacadista de Energia Elétrica (MAE), currently known as Chamber for the Commercialization of Electric Power (CCEE). He is member of the Administrative Board of Itá Energética S.A. and Chairman of the Plenary Council of the Management Committee of Machadinho Consortium. He is also member of the Superior Council of Strategy Formulation of Santa Catarina Federation Industries (FIESC).

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

André de Aquino Fontenelle Cangugú - 126.646.148-51

Born on January 6th 1969, he holds a Bachelor Degree in Business Management from Escola de Administração de Empresas de São Paulo (Business Management School of São Paulo) of Fundação Getúlio Vargas (EAESP-FGV); he holds Master Degree in Business Management from the same institution. From July 2004 to December 2009, he was Chief Financial Officer (CFO) of Enersul S.A., the second largest private electric energy generator Company of Peru. From 1998 to 2002, he was Partner, Manager and Director of Enron Corp. Currently he is CFO of GDF SUEZ Latin America, in Peru.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Gil de Methodio Maranhão Neto - 734.574.937-15

Born on January 18th 1963, he holds a Bachelor Degree in Civil Engineering from Veiga de Almeida and MBA in Finances from IBMEC. He worked in the areas of Capital Market (equity funds management and underwriting) and Commercial (pension funds) at Banco Nacional S.A. He has been at Group GDF SUEZ since 2006 and he is currently responsible for the development of new opportunities of expansion of the Group GDF SUEZ in Brazil, where he is Director.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Luiz Eduardo Simões Viana - 465.817.407-30

Luiz Eduardo Simões Viana - 465.817.407-30

Born on April 3rd 1955, he graduated in Business Economics from Faculdade de Ciências Políticas e Econômicas do Rio de Janeiro (Faculty of Political and Economic Sciences of Rio de Janeiro) in 1985. He concluded his Master Business Administration (MBA) at COPPEAD, UFRJ (Federal University of Rio de Janeiro) in 1998. He worked as an economist at BNDES Participações S.A. (BNDESPAR) between September 1980 and June 1991, always in the area of Capital Market. He was Underwriting Manager of Banco Nacional S.A. between September 1991 and December 1995. He was Superintendent of Institutional Relations of Serra da Mesa Energia S.A. (former Nacional Energética S.A.) between January 1996 and May 1998. Currently, he is Director of Itasa, without any specific function, working cumulatively as Director of Investor Relations, deputy member of the Administrative Board of Energia Sustentável do Brasil and responsible for the Financial and Administrative Management of Group GDF SUEZ in Brazil.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Pierre Victor Marie Nicolas Devillers – 000.000.000-00

Born on January 17th 1971, he holds a Master Degree in Legal Studies from Catholic University of Leuven (Belgium) and a Master Degree in Accounting and Finances from Cooremans Institute of Brussels (Belgium). He is also graduated in Business and management from Catholic University of Louvain La-Neuve (Belgium), besides having attended the Building on Talent Management Program from IMD, in Lauzanne (Switzerland) and the General Management Program from CEDEP, INSEAD, in Fonteinebleau (France). From December 2006 to August 2010, he was Senior Vice-President of Human Resources for Benelux and Germany of Electrabel S.A. In August 2010, he became a member of the central team of International Power – GDF Suez Integration Office (Belgium). In February 2011, he was transferred to Buenos Aires, where he was Senior Vice-President of Human Resources and Communication of GDF Suez Energy Latin America (Buenos Aires) until October 2013. Currently he is the Senior Vice-President of Strategy and Portfolio Management, Human Resources and Communication of GDF Suez Energy Latin America in Buenos Aires (Argentina).

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Patrick Charles Clement Obyn - 009.113.629-67

Born on July 28th 1960, he graduated from the Faculty of Law, University of Antwerp, Belgium. He was lawyer of Union Carbide (chemical industry) and of Group Alcatel (telecommunications). In 1995, he joined the Group SUEZ Tractebel as Senior Advisor of Electricity and Gaz International. He has been the General Advisor of GDF SUEZ Energy Latin America Participações Ltda since 2002.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

José Carlos Cauduro Minuzzo - 199.412.420-20

Born on October 29th, 1951, he graduated in Mechanical Engineering from the Pontifícia Universidade Católica do Rio Grande do Sul (Pontifical Catholic University of Rio Grande do Sul). He started his professional career at Eletrosul, in 1976, working in the area of Thermal Generation at the Complexo Termoelétrico Jorge Lacerda (Jorge Lacerda Thermoelectric Complex) until 1992. From that date onward, he managed the Engineering and Maintenance Division of Thermal Power Plants until 1997 and, afterwards, the Department of Thermal Generation until June 1999. Currently he is member of the Management Committee of Itá Consortium and Director of Machadinho Consortium. He is also deputy of the Administrative Board of Itá Energética S.A., of Energia Sustentável do Brasil and of Tractebel Energia S.A. He has been Energy Production Director of Tractebel Energia since 1999. He is also Director of some Specific Purpose Companies controlled by the Company.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Paulo de Resende Salgado - 161.008.917-00

Born on July 2nd 1945, he is graduated in Economic Sciences from Universidade Cândido Mendes of Rio de Janeiro (Cândido Mendes University of Rio de Janeiro), he holds Post-Graduation in Financial Management, from Fundação Getúlio Vargas (FGV) and MBA in Management Development Program and Capital Market from FGV-AID-EUA. He was Vice-President of Citibank, Investment Superintendent at Banco Econômico de Investimentos S.A., Underwriting and Privatization Director at Banco Nacional S.A., where he took part in the privatization project of Light and of Companhia Siderúrgica Nacional (CSN). He was also Director of Nacional Energética S.A. and of IVEN S.A. and Financial Director of Nacional Energética S.A. and Economic Advisor of Agenda Corretora de Câmbio e Valores Mobiliários Ltda.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Carlos Guerreiro Pinto - 047.615.457-04

Born on June 17th 1942, he is graduated in Business Administration from the Sociedade de Ensino Superior Augusto Motta (SUAM) and post-graduated in Business Administration from the Instituto de Pós-Graduação e Pesquisa em Administração da Universidade Federal do Rio de Janeiro – COPPEAD (Institute of Business Administration Post-Graduation and Research of Federal University of Rio de Janeiro). He concluded the Financial Management Course from Centro de Treinamento do Citibank N.A. and he is certified in Partnership for the Entrepreneurship Development from Fundação Dom Cabral. He was responsible for the structuration of the Open Market area of Banco Nacional and he was nominated Business Risk Director. Moreover, he was the CEO of Sinal Corretora de Valores. He was Inspecting Director, assigned by the Agência Nacional de Saúde Suplementar – ANS (Supplementary Health Nacional Agency), which regulates the Companies of private health plans, from March 2010 to November 2011, as auditor in special regimen operators of Fiscal Management. Currently he is an Invited Advisor at Fundação Getúlio Vargas, rendering Management Advising Services in Instituto Estadual do Ambiente – INEA and in SEA – Secretaria Estadual do Ambiente do Estado do Rio de Janeiro (Environment Estate Secretary of Rio de Janeiro).

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Flávio Marques Lisboa Campos - 118.388.096-00

Born on November 17th 1950, he graduated as a Civil Engineering in 1973, from Escola de Engenharia da Universidade Federal de Minas Gerais – UFMG (Engineering School of Federal University of Minas Gerais). Currently he is CEO of Tractebel Engineering Latin America (Tractebel Engineering – GDF SUEZ Group). From 2002 to 2010, he was General Director and CEO of Leme Engenharia Ltda. He had the following functions in this company: 1994 to 2002 – General and Executive Director; 1992 to 1994 – Business Development Director, working in the coordination of marketing strategies, business prospecting and feasibility, contract negotiations with clients and development expenses management; 1988 to 1992 – Technical Director, working in the areas of Electrical Power Generation and Dams, Electrical Systems and Industrial Projects, especially in the technical supervision and drawing up of contracts of several projects; and from 1976 to 1988 – working in the technical area as Head of the Hydraulic Engineering Department and Manager of several large-scale projects. From 1972 to 1976, he was a Civil Engineer at Elektrowatt Ingenieros Consultores, Guatemala City, Guatemala, Elektrowatt Engineering Services, Zurick, Switzerland e Eletroprojetos S.A. – Estudos de Engenharia. Currently, he is a member of the Board of Directors of Associação Brasileira da Infra-Estrutura e Indústrias de Base – ABDIB (Brazilian Association of Infrastructure and Key Industries). He is also a member of the following: Board of Directors of Sociedade Mineira of Engenheiros (Mineira Society of Engineers) and Board of Directors of the Associação Brasileira de Consultores de Engenharia – ABCE (Brazilian Association of Engineering Advisers).

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

Manoel Eduardo Bouzan de Almeida - 269.006.377-87

Born on April 3rd 1952, he holds a Bachelor Degree in Accounting Sciences; he graduated from Faculdades Integradas Simonsen in 1978, in Rio de Janeiro. He worked in industry sector from 1969 to June 1995 working in several administrative functions until being promoted to Administrative and Accounting Manager. In the second half of 1995, he was invited to be the accountant of the energetic project of Serra da Mesa, of Serra da Mesa S.A., remaining in this function until June 1998, when he was transferred to the Tractebel Group (Nowadays GDF SUEZ) to work at the *holding* as an accountant, where he remained until his retirement, at the end of June 2011.

He signed a statement confirming he had not been convicted of any: i) crime; ii) CVM administrative proceeding; or iii) final and unappelable decision, either administrative or judicial, which has suspended or invalidated them for the exercise of any professional or commercial activity.

12.7 Members of the statutory, audit, financial and remuneration committees:

Name CPF (Individual Taxpayer Registration Number	Type of committee Description other committees	Office held Description of other offices held	Occupation Age	Election date Starting date	Term
Other offices and functions held in the issuer					
Maurício Stolle Bähr	Other committees	Member of the Committee (Effective)	Engineer	6.25.1999	Indefinite
748.528.847-49	Strategic committee	Chairman of the Administrative Board	55	6.25.1999	
Philip Julien De Cnudde	Other committees	Member of the Committee (Effective)	Engineer	2.20.2014	Indefinite
000.000.000-00	Strategic committee	Vice-president of the Administrative Board	53	2.20.2014	
Dirk Achiel Marc Beeuwsaert	Other committees	Member of the Committee (Effective)	Engineer	3.15.2001	Indefinite
000.000.000-00	Strategic committee	Effective member of the Administrative Board	65	3.15.2001	
Willem Frans Alfons Van Twembeke	Other committees	Member of the Committee (Effective)	Engineer	4.29.2013	Indefinite
000.000.000-00	Strategic committee	Effective member of the Administrative Board	47	4.29.2013	
Pierre Victor Marie Nicolas Devillers	Other committees	Member of the Committee (Effective)	Administrator	10.25.2013	Indefinite
000.000.000-00	Strategic committee	-	42	10.25.2013	
Guy Marie Numa Joseph Ghislain Richelle	Other committees	Member of the Committee (Effective)	Engineer	5.4.2012	Indefinite
000.000.000-00	Strategic committee	Effective member of the Administrative Board	58	5.4.2012	

12.9 Marital relationship, stable union or until second degree of kinship related to the issuer, controlled and controller companies' managers:

Justification for the non-completion of the table:

There are any relationship, as aforementioned, between any officers and members of the Financial Committee, indicated by the Controlling Shareholder; between officers of the Company or of direct or indirect controlled Companies; between officers of the Company or of its indirect or direct controlled Companies and direct and indirect controllers of the Company; and between officers of the Company and of the direct and indirect controllers of the Company.

12.10 Hierarchical, subordination, services or control between officers (assigned by the Controlling Shareholder) and controlled and controllers companies and others

a) Company controlled, direct or indirectly, by the issuer

Identification	CPF (Individual Taxpayer Nº)/ CNPJ (Corporate Nº)	Type of relationship of the Officer with the related person	Type of related person
Office/Function			
Issuer's Officer			
Manoel Arlindo Zaroni Torres	**115.116.056-34**		
Executive President			
Related Person – Executive President in the last fiscal years			
Companhia Energética São Salvador (CESS)	04.848.623/0001-70	Control	Direct. Controlled Co.
Companhia Energética Estreito (CEE)	08.976.022/0001-01	Control	Direct. Controlled Co
Lages Bioenergética S.A. (Lages)	05.210.535/0001-00	Control	Direct. Controlled Co
Tractebel Energia Comercializadora Ltda. (TBLC)	04.100.556/0001-00	Control	Direct. Controlled Co
Tractebel Energias Complementares Participações Ltda. (TBLP)	09.212.990/0001-04	Control	Direct. Controlled Co
Usina Termoelétrica Pampa Sul S.A. (Pampa Sul)	04.739.720/0001-24	Control	Direct. Controlled Co
Épsilon Participações Ltda. (Épsilon)	09.212.980/0001-60	Control	Direct. Controlled Co

Note

He was Executive President of Seival Participações S.A. (Seival) until the conclusion of its sale, which happened in June 2011. He was also Executive President of Lagoa Formosa Bioenergética Ltda. Until the dissolution of the Company, which happened at the end of 2011.

Related Person – Chairman of the Administrative Board in the last fiscal years.			
Ibitiúva Bioenergética S.A. (Ibitiúva)	09.541.336/0001-36	Control	Indirect Controlled Co
Related Person – Member of the Administrative Board in the last three fiscal years			
Itá Energética S.A. (Itasa)	01.355.994/0001-21	Control	Direct. Controlled Co.

Note

Tractebel is controller with Itasa with participating interest of 48.75% in the capital of this Company.

Identification	CPF (Individual Taxpayer Nº)/ CNPJ (Corporate Nº)	Type of relationship of the Officer with the related party	Type of related person
Office/Function			
Issuer's Officer			
José Carlos Cauduro Minuzzo	**199.412.420-20**		
Energy Production Director			
Related Party – Executive President in the last fiscal years			
Tupan Energia Elétrica Ltda. (Tupan)	02.800.821/0001-38	Control	Ind.Contr.Comp.
Hidropower Energia S.A. (Hidropower)	05.261.707/0001-75	Control	Ind.Contr.Comp.
Eólica Beberibe S.A. (Beberibe)	05.032.564/0001-20	Control	Ind.Contr.Comp.
Eólica Pedra do Sal S.A. (Pedra do Sal)	08.448.356/0001-02	Control	Ind.Contr.Comp.
Hidrelétrica Areia Branca S.A. (Areia Branca)	06.793.964/0001-10	Control	Ind.Contr.Comp.
Ibitiúva	09.541.336/0001-36	Control	Ind.Contr.Comp.
Related Party – Operation Director in the last fiscal years			
CESS	04.848.623/0001-70	Control	Dir.Contr.Comp.
Lages	05.210.535/0001-00	Control	Dir.Contr.Comp.
TBLP	09.212.990/0001-04	Control	Dir.Contr.Comp.
Related Party – Technical Operational Director in the last fiscal years			
CEE	08.976.022/0001-01	Control	Dir.Contr.Comp.
Related Party – Member of the Administrative Board in the last fiscal years			
Ibitiúva	09.541.336/0001-36	Control	Ind.Contr.Comp.
Related Party – Deputy member of the Administrative Board in the last fiscal years			
Itasa	01.355.994/0001-21	Control	Dir.Contr.Comp.
Note			
Tractebel is controller with Itasa with participating interest of 48.75% in the capital of this Company.			
Issuer's Officer			
Patrick Charles Clement Obyn	**009.113.629-67**		
Deputy member of the Administrative Board			
Related Party – Deputy member of the Administrative Board in the fiscal year ended on Dec. 31, 2011			
Ibitiúva	09.541.336/0001-36	Control	Ind.Contr.Comp.

Identification	CPF (Individual Taxpayer Nº)/ CNPJ (Corporate Nº)	Type of relationship of the Officer with the related party	Type of related person
Office/Function			
Issuer's Officer			
Maurício Stolle Bähr	**748.528.847-49**		
Chairman of the Administrative Board			
Related Party – Chairman of the Administrative Board in the last fiscal years			
Itasa	01.355.994/0001-21	Control	Dir.Contr.Comp.
Related Party – Member of the Executive Board in the last fiscal years			
Consórcio Estreito Energia (Ceste)	05.387.829/0001-02	Control	Dir.Contr.Comp.

Tractebel is controller with Ceste with participating interest of 40.07% in the capital of this Company.

Issuer's Officer			
Gil de Methodio Maranhão Neto	**734.574.937-15**		
Member of the Administrative Board			
Related Party – Deputy member of the Administrative Board in the last three fiscal years			
Itasa	01.355.994/0001-21	Control	Dir.Contr.Comp.
Issuer's Officer			
Luiz Eduardo Simões Viana	**465.817.407-30**		
Member of the Administrative Board			
Related Party – Director without any special title and cumulatively Investor Relation Director in the last three fiscal years			
Itasa	01.355.994/0001-21	Control	Dir.Contr.Comp.

b) direct or indirect controller of the issuer

Identification Office/Function	CPF (Individual Taxpayer Nº)/ CNPJ (Corporate Nº)	Type of relationship of the Officer with the related party	Type of related person
Issuer's Officer			
Maurício Stolle Bähr **Chairman of the Administrative Board**	**748.528.847-49**		
Related Person – Director in the last fiscal years			
GDF Suez Energy Latin America Participações Ltda. (GSELA)	01.370.013/0001-15	Control	Dir.Contr.Comp.
Issuer's Officer			
Dirk Achiel Marc Beeuwsaert **Member of the Administrative Board**	**000.000.000-00**		
Related Person – Executive Vice-President and Member of the Executive Board in the last three fiscal years			
GDF SUEZ		Control	Ind.Contr.Comp.
Related Person – Chairman of the Administrative Board in the fiscal years ended on Dec. 31, 2012 and Dec. 31, 2011			
International Power Ltd.		Control	Ind.Contr.Comp.
Related Person – Executive President in the fiscal years on Dec. 31, 2013 and Dec. 31, 2012			
Electrabel		Control	Ind.Contr.Comp.
International Power S.A.		Control	Ind.Contr.Comp.
Issuer's Officer			
Guy Marie Numa Joseph Ghislain Richelle **Member of the Administrative Board**	**000.000.000-00**		
Related Person – Executive President in the last three fiscal years			
International Power S.A.		Control	Ind.Contr.Comp.
Related Person – Operation Director and Member of the Administrative Board in the last three fiscal years			
International Power Ltd.		Control	Ind.Contr.Comp.
Issuer's Officer			
Willem Frans Alfons Van Twembeke **Member of the Administrative Board**	**000.000.000-00**		
Related Person – Member of the Administrative Board in the fiscal years ended on Dec. 31, 2013 and Dec. 31, 2012			
GDF Suez Energy Latin America Participações Ltda. (GSELA)	01.370.013/0001-15	Control	Dir.Contr.Comp.
Issuer's Officer			
Philip Julien De Cnudde **Member of the Administrative Board**	**000.000.000-00**		
Related Person – Executive Vice-President of Business Development Supervision in the fiscal years ended on Dec. 31, 2013 , Dec. 31, 2012 and Dec. 31, 2010			
GDF SUEZ Energy International	-	Control	Ind.Contr.Comp.

Annex IV

Information related to the officers' remuneration based on item 13 of the mentioned reference form

13. OFFICER'S REMUNERATION

13.1 Political or practical description of remuneration of the Administrative Board, Statutory and Non-Statutory Board of Directors, Financial Committee, Statutory, Audit, Risk, Financial and Remuneration Committees, approaching the following aspects:

a. Objectives of the remuneration policy or practice

The remuneration policy for the Board of Directors, Statutory Board and Financial Committee is based on the market practices and aims to attract and retain professionals who match the Company's needs. It considers the required knowledge, the complexity of the activities and the expected results of each office.

b. Composition of the remuneration

(i) Description of the remuneration elements and the objectives of each one of them

The value of the officers' annual global remuneration (members of the Administrative Board, Statutory Board and Financial Committee) is annually established by the General Shareholders' Meeting of the Company.

Its composition is established by the Administrative Board as follows:

- Administrative Board

The annual value established for each Advisor is paid in 13 monthly installments and eventual variable installments may be considered in the overall amount approved by the General Shareholders' Meeting.

The Chairman of the Board receives remuneration higher than the other members do, and according to the results presented, he also receives a variable installment based on the results reached by the Company, considering financial indicators, targets and its operational results. The member elected by the employees also receives a bonus calculated based on the number of monthly remunerations paid to the employees as Profit or Result Sharing Programs.

- Statutory Board

The Board members' remuneration is split into fixed and variable payments and its annual value is approved by the General Shareholders' Meeting.

The benefits offered by the Company compose the indirect remuneration, such as assistance to health recovery, life insurance and complementary social welfare.

The variable payment (bonus) considers:

- annual financial indicators (development of the Company EBTIDA, free cash flow generation, net result of the Company, solidarity with the results of the controller economic group, etc.), which represent an average of 40% from the annual bonus,

- individual and operational indicators (compliance with targets, industrial and/or financial results), which represent an average of 40% from the annual bonus;

- behavioral and managerial issues, which represent an average of 20% from the annual bonus.

The value of the bonus may vary between 35% and 88% of the fixed annual remuneration, according to the officer's position, his/her challenges and established targets. The payment is made in the first half of the following year, after the closure of the base fiscal year.

- Non-Statutory Board

The company has no Non-Statutory Board.

- Financial Committee

The Financial Committee members' pro-labore is set out by the General Shareholders' Meeting of the Company that elects them and may not be inferior, for each one of the members in charge, to 10% of the Directors' monthly average remuneration – without taking into account the benefits and variable remuneration.

- Committees

The Company has committees which take part, direct or indirectly, on its decision-making process and there is no additional remuneration for its members, except for the Leader of the Strategic Committee, who receives an additional monthly remuneration equals to the members of the Administrative Board, where he is also an Advisor.

- Special Independent Committee for Evaluation of Related-Party Transactions

For the Special Independent Committee for Evaluation of Related-Party Transactions, the Administrative Board may establish a complementary remuneration for its members, as well as confer them other advantages and protections in order to preserve their independence and autonomy.

On April 27th 2011, in the 111th Administrative Board Meeting, this Committee was installed to analyze a specific Project; the advisors involved received a bonus equivalent to a fixed monthly remuneration in the fiscal year 2011.

This committee was installed again on May 4th 2012 to analyze a specific transaction, according to what had already been commented on item 12.1 and it was uninstalled at the same date, after the Administrative Board had approved this material. In 2013 and in 2012 no remunerations were made to pay the participants of this Committee.

(ii) Proportion of each element in total remuneration

The Administrative Board remuneration is fixed for all its members, except for the Chairman of the Board and for the Advisor elected by the employees of the Company, who also receives a variable remuneration. The variable remuneration of the Chairman of the Board may reach up to 88% of the fixed remuneration and the advisor's, elected by the employees, may reach up to 40% of the fixed remuneration. The remuneration of the Financial Committee is fixed in its entirety.

The fixed remuneration of the Statutory Board is market-based established and its amount is paid in 13 monthly installments. The variable installment may vary from 35% to 88% of the annual fixed remuneration.

The participation in fixed and variable remuneration and in acknowledged benefits regarding the total remuneration is represented by the following percentiles:

	2013	2012	2011
Administrative Board			
Fixed remuneration	87%	88%	86%
Variable remuneration	10%	9%	12%
Benefits	3%	3%	2%
Financial Committee			
Fixed remuneration	100%	100%	100%
Variable remuneration	-	-	-
Benefits	-	-	-
Statutory Board			
Fixed remuneration	56%	54%	68%
Variable remuneration	39%	41%	26%
Benefits	5%	5%	6%

(iii) Methodology of calculation and adjustment of each remuneration element

The Company Officers' remuneration is periodically monitored based on market researches, contracted from first-line specialized advisory companies, in order to compare the amount paid to officers by Companies of similar size and billing; the Companies of the Brazilian electric power sector have the largest participation and they comply with the internal consistency of the controller economic group, GDF SUEZ.

The definition of the values of the fixed payments of the Statutory Board is established having as basis the market average obtained in researches as the ones aforementioned, according to the nature and liability of each position.

Likewise, the variable installment is established considering the market practices for each position, and its payment considers the financial and operational results obtained by the Company, such as net profit, EBTIDA, as well as the fulfilment of specific targets, previously negotiated, and managerial and behavioral aspects.

The officers' remuneration is adjusted annually, in January, and takes into consideration, besides the market issues previously mentioned that wage alterations might be recommended according to the inflation of the last period since the last adjustment.

(iv) Reasons that justify the composition of remuneration

The remuneration policy for the Administrative Board, Statutory Board and Financial Committee is based on market practices in order to attract and retain professionals compatible with the Company's needs.

The Administrative Board has its remuneration following market standards for similar companies.

The Statutory Board has its market-based remuneration periodically monitored. The variable remuneration depends on the compliance of collective and individual targets, of Company results and of the solidary contribution of up 10% of the controller economic group result.

The Financial Committee has its remuneration established at the minimum value, equivalent to 10% of the Executive Board's average remuneration. This Committee does not have variable remuneration.

c. Main performance indicators that are considered in order to determine each remuneration element

When setting up the officers' remuneration towards the market, quantitative and qualitative indicators, contribution degree with results, general performance and experience indicators are used.

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

Pro-labore (fixed remuneration) and the benefits are established under market researches, and they are not altered during the fiscal year for they are set up for each year within the limits approved by the General Shareholders' Meeting.

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

- year financial indicators (Development of the Company EBITDA, free cash-flow generation, net profit of the Company, solidarity with the controller economic group's results, etc.), which represent around 40% of the annual bonus;

- individual and operational indicators (fulfilment of targets, industrial and/or financial results), which represent round 40% of the annual bonus;

- behavioral and managerial issues, which represent round 20% of the annual bonus.

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

The value of the officers' annual variable remuneration depends on the fulfilment of short-term objectives of the Company.

For medium and long-term objectives, the Company has not established any direct incentive of alignment for its officers. However, the economic group from which the Company is part has a stock option policy, in Paris, at pre-established values, and a donation of share programs in future, whether the results established for these donations are met.

In general, these free shares and stock options have no significant value regarding the Company officers' annual remuneration, according to details in item 13.16 of this Reference Form.

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

No payments are made by subsidiaries and, in cases of companies with control shared with partners who are not part of the economic group, when there is sharing remuneration program in their committees, the values noticed by the officers are returned to the Company. The Controller Group does not make any type of payment to Tractebel Energia Board of Directors, except to the ones mentioned under letter "e", which are corporate and made in order to reinforce the feeling of being part of worldwide group.

g. Existence of any remuneration or benefit bound to the occurrence of a specific 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 administrative board, statutory board and financial committee:

Total remuneration expected for the current fiscal year Dec. 31, 2014 – Annual Values in R$				
	Administrative Board	Statutory Board	Financial Committee	Total
No. of members ("b")	18.0	7.0	3.0	
Annual fixed remuneration	4,779,585.81	7,381,725.60	421,200.00	12,582,511.41
Wage or pro-labore	3,576,345.12	5,302,906.86	351,000.00	9,230,251.98
Direct and indirect benefits	-	496,030.12	-	496,030.12
Committee memberships	201,864.06	-	-	201,864.06
Others	1,001,376.63	1,582,788.62	70,200.00	2,654,365.25
Description of other fixed remunerations	Social duties	Social duties	Social duties	
Variable remuneration	1,133,300.57	6,448,098.50	-	7,581,399.07
Bonus	885,391.04	5,037,576.95	-	5,922,967.99
Results Sharing Program	-	-	-	-
Attendance at meetings	-	-	-	-
Fees	-	-	-	-
Others	247,909.53	1,410,521.55	-	1,658,431.08
Description of other variable remunerations	Social duties	Social duties	-	-
Post-employment remuneration	144,863.56	757,948.99	-	902,812.55
Office termination	-	-	-	-
Stock based remuneration	-	-	-	-
Note	18 members in the whole year	7 members in the whole year	3 members in the whole year	-
Total of remuneration	6,057,749.94	14,587,773.09	421,200.00	21,066,723.03

Total remuneration of the fiscal year on Dec. 31, 2013 – Annual Values in R$				
	Administrative Board	Statutory Board	Financial Committee	Total
No. of members (“b”)	17.9	7.0	3.0	
Annual fixed remuneration	4,305,595.65	7,031,288.56	388,444.80	11,725,329.01
Wage or pro-labore	3,342,378.62	5,019,923.94	323,679.00	8,685,981.56
Direct and indirect benefits	-	508,197.27	-	508,197.27
Committee memberships	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 duties.	Social duties.	Social duties.	
Variable remuneration	499,756.33	4,879,385.99		5,379,142.32
Bonus	383,761.05	3,818,693.79	-	4,202,454.84
Results Sharing Program	-	-	-	-
Attendance at meetings	-	-	-	-
Fees	-	-	-	-
Others	115,995.28	1,060,692.20	-	1,176,687.48
Description of other variable remunerations	Social duties.	Social duties.	-	-
Post-employment	131,694.48	689,044.54	-	820,739.02
Office termination	-	-	-	-
Stock based remuneration	-	-	-	-
Note	17 members remunerated in 12 months and 1 member remunerated in 11 months	7 members in the whole year	3 members in the whole year	-
Total of remuneration	4,937,046.46	12,599,719.09	388,444.80	17,925,210.35

Total remuneration of the fiscal year on Dec. 31, 2012 – Annual Values in R$				
	Administrative Board	Statutory Board	Financial Committee	Total
No. of members (“b”)	17.8	7.0	3.0	
Annual fixed remuneration	4,182,705.00	6,530,705.19	351,739.12	11,065,149.31
Wage 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
Committee memberships	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 duties.	Social duties.	Social duties.	
Variable remuneration	431,390.22	4,957,760.54		5,389,150.76
Bonus	329,805.98	3,880,467.00	-	4,210,272.98
Results Sharing Program	-	-	-	-
Attendance at meetings	-	-	-	-
Fees	-	-	-	-
Others	101,584.24	1,077,293.54	-	1,178,877.78
Description of other variable remunerations	Social duties.	Social duties.	-	-
Post-employment	126,258.10	548,946.52	-	675,204.62
Office termination	-	-	-	-
Stock based remuneration	-	-	-	-
Note	17 members remunerated in 12 months and 1 member in 9 months	7 members in the whole year	3 members in the whole year	-
Total of remuneration	4.740.353,32	12,037,412.25	351,739.12	17,129,504.69

Total remuneration of the fiscal year on Dec. 31, 2011 – Annual Values in R$				
	Administrative Board	Statutory Board	Financial Committee	Total
No. of members ("b")	17.8	6.9	3.0	
Annual fixed remuneration	3,571,462.29	7,199,493.87	329,133.96	11,100,090.12
Wage or pro-labore	2,735,451.12	4,547,771.51	274,278.30	7,557,500.93
Direct and indirect benefits	-	556,279.77	-	556,279.77
Committee memberships	178,347.49	-	-	178,347.49
Others	657,663.68	2,095,442.59	54,855.66	2,807,961.93
Description of other fixed remunerations	Social duties.	R$ 1,372,724.09 (social duties) and R$ 722,718.50 (indemnifications).	Social duties.	
Variable remuneration	521,599.01	2,770,888.35		3,292,487.36
Bonus	409,624.37	2,205,539.92	-	2,615,164.29
Results Sharing Program	-	-	-	-
Attendance at meetings	-	-	-	-
Fees	-	-	-	-
Others	111,974.64	565,348.43	-	677,323.07
Description of other variable remunerations	Social duties.	Social duties.	-	-
Post-employment	82,857.22	543,855.62	-	626,712.84
Office termination	-	-	-	-
Stock based remuneration	-	-	-	-
Note	17 members remunerated in 12 months and 1 member in 9 months	6 members remunerated in 12 months and 1 member in 11 months	3 members in the whole year	-
Total of remuneration	4,175,918.52	10,514,237.84	329,133.96	15,019,290.32

The number of members of each body was computed as specified in the Official Letter CVM/SEP no. 03/2012.

13.3 In relation to the variable remuneration of the last three fiscal years and the one expected for the current fiscal year:

Eventual variable remunerations of the Administrative Board may be considered under the global amount approved by the General Shareholders' Meeting. There is no variable remuneration for members of the Financial Committee. The information are presented in the table below:

Expected for the fiscal year 2014

(Values in R$)	Administrative Board	Executive Board
Number of members remunerated	2.0	7.0
Bonus		
Minimum expected value in the remuneration plan	-	-
Maximum expected value in the remuneration plan	1,133,300.57	6,448,098.50
Expected value in the remuneration plan, if the targets are reached	772,704.93	4,396,430.80
Results sharing program		
Minimum expected value in the remuneration plan	-	-
Maximum expected value in the remuneration plan	-	-
Expected value in the remuneration plan, if the targets are reached	-	-
Value effectively acknowledged in the result	-	-

The values above include the social duties on remunerations

Acknowledged in the last three (3) fiscal years:

Statutory Board (Values in R$)	2013	2012	2011
Number of members remunerated	7.0	7.0	6.9
Bonus			
Minimum expected value in the remuneration plan	-	-	-
Maximum expected value in the remuneration plan	5,379,142.36	5,205,648.57	4,597,081.74
Expected value in the remuneration plan, if the targets are reached	4,218,773.14	4,957,760.54	2,159,848.16
Value effectively acknowledged in the result	4,879,385.99	4,957,760.54	2,770,888.35
Results sharing program			
Minimum expected value in the remuneration plan	-	-	-
Maximum expected value in the remuneration plan	-	-	-
Expected value in the remuneration plan, if the targets are reached	-	-	-
Value effectively acknowledged in the result	-	-	-

The values above include the social duties on remunerations

Administrative Board (Values in R$)	2013	2012	2011
Number of members remunerated	2.0	2.0	2.0
Bonus			
Minimum expected value in the remuneration plan	-	-	-
Maximum expected value in the remuneration plan	966,104.81	766,968.16	715,380.71
Expected value in the remuneration plan, if the targets are reached	707,098.97	383,484.08	536,535.53
Value effectively acknowledged in the result	499,756.33	431,390.22	521,599.01
Results sharing program			
Minimum expected value in the remuneration plan	-	-	-
Maximum expected value in the remuneration plan	-	-	-
Expected value in the remuneration plan, if the targets are reached	-	-	-
Value effectively acknowledged in the result	-	-	-

The values above include the social duties on remunerations

13.4 Regarding the remuneration plan based on actions of the Administrative Board and of the Statutory Board, in effect in the last fiscal year and expected for the current fiscal year:

Until the presentation date of this Reference Form, the Company does not have any remuneration plan in effect based in actions of Tractebel Energia.

13.5 Quantity of shares or quotas, direct or indirectly held, in Brazil or overseas, and other investment securities convertible into shares or quotas, issued by the Company, its direct or indirect controllers, controlled companies or joint operations, by members of the Administrative Board, Statutory Board or of the Financial Committee, grouped by body, on the closure date of the last fiscal year

The Company has no incentive program based on quotas or shares of Tractebel Energia. However, without costs and bond with its results, the Company officers, as well as its employees, may take part on the program established by the controller group, whose values do not present meaningful percentage regarding the annual remuneration.

The members of the Administrative Board, including Directors who are also members of this Committee, hold, on Dec. 31, 2013, issuance shares of Tractebel Energia, equivalent to 0.047436% from the total of issued shares.

According to CVM guidance, when a member of the Board of Director is part of the Administrative Board, its investment securities are disclosed exclusively in the amount held by the members of the Administrative Board.

The quote of the Company share on Dec. 12, 2013 was R$ 35.94 per share. (See additional information on the item 13.5 of table 13.16).

13.6 Regarding the remuneration based on shares acknowledged in the results of the 3 last fiscal years and regarding the expected remuneration for the current fiscal year of the administrative board and of the statutory board.

Until the presentation date of this Reference Form, the Company had no remuneration plan based on shares of Tractebel Energia.

13.7 Regarding the outstanding options of the Administrative Board and of the Statutory Board at the end of the last fiscal year

Until the presentation date of this Reference Form, the Company had no remuneration plan in effect based on shares of Tractebel Energia.

13.8 Regarding the options exercised and stock delivered related to the remuneration based on shares of the Administrative Board and of the Statutory Board, in the last 3 fiscal years

Until the presentation date of this Reference Form, the Company had no remuneration plan in effect based in shares of Tractebel Energia.

13.9 Brief description of the information needed for the comprehension of the data disclosed in items "13.6" a "13.8", such as the explanation of the pricing method of shares and options

Until the presentation date of this Reference Form, the Company had no remuneration plan in effect based on shares of Tractebel Energia.

13.10 Pension plans in effect offered to the members of the administrative board and to the statutory directors

(Values in R$)	Administrative Board	Statutory Board
No. of members	3.0	7.0
Name of the plan	CD Plan	CD Plan
Amount of officers who meet the conditions to get retired	2.0	5.0
Conditions to get retired beforehand	1.0	2.0
Updated value of the accumulated contributions in the pension plan until the closure of the last fiscal year, discounted the installment related to the contributions made directly by the officers	1,221,419.03	5,638,431.15
Total value accumulated from the contributions made during the last fiscal year, discounted the installment related to the contributions made directly by the officers	129,283.09	542,144.85
Whether there is possibility of early redemption and in which conditions	Not Applicable	Not Applicable

13.11 Average Remuneration of Officers

	Administrative Board			Statutory Board			Financial Committee		
(Values in R$)	Dec. 31,2013	Dec. 31,2012	Dec. 31,2011	Dec. 31,2013	Dec. 31, 2012	Dec. 31,2011	Dec. 31,2013	Dec. 31,2012	Dec. 31,.2011
No. of members	17.9	17.8	17.8	7.0	7.0	6.9	3.0	3.0	3.0
Value of the higher remuneration	1,163,329.63	1,251,844.13	1,277,946.79	2,455,228.97	3,117,711.49	2,474,262.40	129,471.60	117,246.37	109,711.32
Value of the lesser remuneration	122,794.80	114,357.85	107,008.45	866,467.04	953,659.43	917,887.30	129,471.60	117,246.37	109,711.32
Value of the average remuneration	275,812.65	266,311.98	234,602.16	1,799,959.87	1,719,630.32	1,519,398.53	129,481.60	117,246.37	109,711.32

The values above consider the fixed and variable remuneration and include social duties on the remunerations.

The members of the Board and Committees identified with the higher and lesser remuneration hold the office for the twelve (12) months of the year.

13.12 Contractual arrangements, insurance policies or other instruments that structure remuneration or indemnification mechanism for the officers in the event of discharge of office or retirement and what are the financial consequences for the Company

The Company has no contractual arrangement, insurance policies or other instruments that structure remuneration or indemnification mechanisms for the officers in the event of discharge of office or retirement.

13.13 Regarding the 3 last fiscal years, indicate the percentage of the total remuneration of each body acknowledged in the result of the Company, related to the members of the administrative board, of the statutory board or of the financial committee that are parties related to the direct or indirect controller companies, as defined by the accounting rules that deal with this subject.

The total remuneration of the members of the Administrative Board who have labor agreement bound to the direct and indirect Company's controllers refer to 77%, 69% and 66% in the years 2013, 2012 and 2011, respectively. At the Executive Committee, the controller company holds the Executive President's labor agreement. His remuneration is entirely paid by Tractebel Energia and represents 24%, 26% and 24% of the total remuneration of the Board of Directors in 2013, 2012 and 2011, respectively. At the Financial Committee, there are no members considered as parties related to the Company's controllers.

13.14 Regarding the last 3 fiscal years, indicate the values acknowledged in the Company's result as remuneration of members of the administrative board, of the statutory board or of the financial committee, grouped by body, for any reason but their office, such as, commissions and advisory or consulting services rendered.

There was no remuneration payment for members of the Administrative Board, of the Statutory Board or of the Financial Committee for any reason but their office.

13.15 Regarding the 3 last fiscal years, indicate the values acknowledged in the result of the direct or indirect controller Companies, of joint operations and controllers, such as the remuneration of the members or the administrative board, of the statutory board or of the financial committee of the Company grouped by body, specifying why such values were attributed to such individuals

Tractebel Energia has members of its Administrative Board and Executive Board whom compose the Administrative Board and Board of Directors of the Company under common control Itá Energética S.A. (Itasa). The values acknowledged in the result of the aforementioned controllers related to the remuneration payment of these Officers, which are deducted from their annual bonus, which are presented in the following table:

(Values in R$)	2013	2012	2011
Administrative Board of Tractebel Energia			
No. of remunerated members	4.0	4.0	4.0
Value	655,200.00	638,400.00	596,400.00
Statutory Board of Tractebel Energia			
No. of remunerated members	3.0	3.0	3.0
Value	374,400.00	364,800.00	340,800.00
Total	1,029,600.00	1,003,200.00	937,200.00

The values received by the Directors of Tractebel Energia as members of the Administrative Board of Itasa are deducted from their annual bonus.

13.16 Other information the Company considers relevant

The Controller Group keeps a stock option program of the GDF SUEZ controller at Paris Stock Exchange – France for its main officers in the world, established based on its main liabilities, and premium in shares for performance or as a bonus may be given within the established conditions, to all employees.

The following table shows the average of share assignments of the Controller Group to members of the Executive Board of the Company:

	Plan of 2013	Plan of 2012	Plan of 2011
b) Performance Shares			
Quantity	2,600	3,214	2,256
Values in R$ on Dec. 31, 2013	142,948.00	176,705.72	126,893.84
c) Free Shares			
Quantity	-	35	25
Values in R$ on Dec. 31, 2013	-	1,924.30	1,374.50

Notes:

- The value of the GDF SUEZ share, at Paris Stock Exchange, on Dec. 31, 2013, closed at € 17.04, corresponding to R$ 54.98. On Dec. 31, 2012, it closed at € 15.48, equivalent to R$ 41.99 and in € 21.12 on Dec. 31, 2011, corresponding to R$ 51.45.

- The amount of performance shares is reduced inasmuch as some financial indexes of the GDF SUEZ controller are not reached. The shares are only transferred to the directors after five years of their issuance, and the final quantity depends on the financial results of the controller group in this period.

- The free shares given in one year are only made available for the officer four years after its concession and, whether certain targets are not fulfilled, the amount of shares may be reduced or even eliminated.

Annex V

Information related to the proposal of employees' sharing program in the results of the fiscal year 2013

14.3 Description of the Company employees' remuneration policies

a. Wage and variable remuneration policy

Remuneration policy:

The Company remuneration policy keeps a remuneration system aligned with the market practices, which meets the Company and its employees' interests. Thus, it is important to consider that:

- The amount paid to each employee, for his/her work in the Company, shall be compatible with the amount paid for this work in the market;
- The remuneration shall reflect each employee's liabilities, performance degree and results reached, either individually or as a team.

Profit Sharing Plan

Besides paying a fixed wage, the Company keeps a variable remuneration system that comprehends the Profit Sharing Plan (PLR). This remuneration is offered to all employees of the Company and conditioned to the Company's Results, measured by the EBITDA and by the Net Profit of the period, besides the fulfillment of Corporate Targets and the evaluation of Behaviors adherent to the Organizational Culture. These criteria are negotiated with the labor unions and established in the Collective Labor Agreement (ACT). The payment of the PLR provides the opportunity to offer remuneration values competitive to the ones practiced in the Brazilian market.

The administrative proposal comprehends the amount of up R$ 25,4 million (twenty-five million and four hundred thousand reais) as PLR of the employees, regarding the fiscal year 2013, to be distributed according to the criteria established in the Company Remuneration System and Collective Labor Agreement.