TRACTEBEL ENERGIA S.A.

CNPJ/MF n.º 02.474.103/0001-19

ANNUAL GENERAL MEETING

MANAGEMENT PROPOSAL FOR THE ANNUAL GENERAL SHAREHOLDERS' MEETING TO BE HELD ON MARCH 21, 2012 IN COMPLIANCE WITH CVM INSTRUCTION 481 DATED DECEMBER 17, 2009 (CVM Instruction 481/09).

Pursuant to Article 9 of CVM Instruction 481/09 the Company shall supply, no later than 1 (one) month before the date set for the Annual General Meeting (AGM), the following documents and information:

- **Management Report and Accounting Statements (Subsections I and II of Article 9 of CVM Instruction 481/09).**
  The Management Report and the Complete Annual Accounting Statements were filed with the Brazilian Security and Exchange Commission - CVM and with BM&FBovespa on February 7, 2012 and published in the Official Gazette of the State of Santa Catarina, and *Diário Catarinense* and *Notícias do Dia* newspapers on February 28, 2012. These documents are also available on the Company's website: www.tractebelenergia.com.br, the website of the CVM: (www.cvm.gov.br) and BM&FBOVESPA (www.bmfbovespa.com.br).

- **Management comments on the Company's financial situation, pursuant to item 10 of the reference form (Subsection III of Article 9 of CVM Instruction 481/09).**
  Management's comments on the Company's financial situation are available in Annex I of this Proposal.

- **Independent Auditor's Report (Subsection IV of Article 9 of CVM Instruction 481/09).**
  The Independent Auditor's Report is included in the Company's Management Report and in the Accounting Statements.

- **Fiscal Council's opinion, including dissident votes, as the case may be (Subsection V of Article 9 ICVM 481/09).**
  The Fiscal Council's opinion is included in the Company's Management Report and Accounting Statements. We emphasize herewith that there were no dissident votes.

- **Paragraph 1 of Article 9 - Subsection I – Standard Account statements Form – DFP.**
  The Company submitted the DFP form on February 7, 2012, on the same date that the Management Report and the Complete Annual Accounting Statements were submitted. This document can be accessed from the CVM (www.cvm.gov.br) and BM&FBovespa (www.bmfbovespa.com.br) websites.

- **Paragraph 1 of Article 9 - Subsection II – Proposal for the allocation of net profits for the fiscal year containing, at least, information listed in Annex 9-1-II of CVM Instruction 481/09.**

Information relative to Annex 9-1-II of CVM Instruction 481/09 is available in Annex II of this Proposal.

- **Paragraph 1 of Article 9 - Subsection III – Report of the Audit Committee if the case.**

  The Company has no audit committee.

Annex I

Article 9 CVM Instruction 480/09 – Subsection III – Management comments on the Company's financial situation, pursuant to item 10 of the reference form:

10. Comments of the Executive Board

10.1. The Executive Board shall comment on:

a. General financial and equity situation

Information for the fiscal year ending December 31, 2011

In 2011, the Company maintained a favorable equity and financial condition, reporting:

- Growing and consistent generation of profit. Consolidated net income for the fiscal year 2011 was R$ 1,448 million, representing an increase for the eighth consecutive year.
- Strong operating cash flow. Consolidated EBITDA - according to the concept of operating result plus depreciation, amortization and net financial expenses - in 2011 reached R$ 2,910 million. EBTIDA margin reached 67.2%.
- Low level of debt permitting maximization of growth opportunities. Total debt/EBITDA ratio on December 31, 2011 was 1.25 times and the net debt / EBITDA ratio on the same date was 0.99 times.
- Risk rating classification as per Fitch Ratings was "BBB-" on a global scale ("Investment Grade") and "AA+" on a national scale, and as per Standard & Poor's, brAA+ on a national scale with positive outlook.
- Reduced level of delinquency among clients due to the diversification of the client portfolio and strict credit analysis.
- High level of contracted sales of its commercial capacity for the next 4-5 years.

- Leadership maintained in the private sector for electric power production, being responsible for about 6.5% of Brazilian installed capacity (source = National Electricity System Operator – ONS) as at December 31, 2011. Sustained growth due to the Company's strategy of evaluating risks and opportunities in the market allowed a 85% increase in installed capacity of the Company, leading to an increase in installed capacity from 3,719 MW to 6,908[1] MW over the 13 years of operations since privatization. In 2011, the first four of the eight generator units at the Estreito HPP began commercial operations. These units have a total installed capacity of 543.48 MW and

[1] Considers the complete motorization of the eight units at the Estreito Hydroelectric Power Plant (Estreito HPP) expected for 2012.

assured energy for commercialization of 481.36 average MW of which the Company has a participation of 40.07%, corresponding to its stake in the Estreito Consortium.

- Remuneration to shareholders without depleting the Company's capital and aligned to the strategies and the investment plans of the Company. The dividends proposed correspond to 100% of the net income from 2005 to 2007, and 2011, available for distribution for the respective fiscal years. In the years from 2008 to 2010, dividends amounted to, respectively, 72%, 58% and 55% of distributable profits, compatible with the Company's growth strategy plan.

- Continued to be a component of BM&FBOVESPA's Corporate Sustainability Stock Index (ISE). The Company has been a component of this stock index since its inception.
    - Won the 15th Transparency Trophy, awarded by Anefac – Fipecafi – Serasa Experian, as an outstanding company for the quality and transparency of its account statements for the fiscal year 2010 in the category "Company with sales up to R$ 8 billion". This was the third time the Company had received the award and the second consecutive time.

Information for fiscal year ending December 31, 2010

The Company's financial and equity situation for fiscal year 2010 was very favorable, demonstrating:

- Growing and consistent profit generation. Net income for fiscal year 2010 was R$ 1,212 million, representing a growing value over the years.
- Strong operating cash generation. EBITDA for 2010 amounted to R$ 2.612 million.
- A low level of debt. The total debt-to-EBITDA ratio at December 31, 2010, was 1.7 times and the net debt-to-EBITDA ratio was 1.3 times.
- A decrease in the level of default due to client portfolio diversification and a strict credit analysis process.
- High level of contracted commercial capacity over the short to medium term.
- Leadership maintained in the private sector for electric power production.
- Remuneration to shareholders without depleting the Company's capital. The dividends distributed correspond to 100% of the net income from 2005 to 2007 available for distribution for the respective fiscal years. In the years from 2008 to 2010, dividends amounted to, respectively 72%, 58% and 55%, a distribution strategy compatible with the Company's investment plan.
- Continued to be a component of BM&FBOVESPA's Corporate Sustainability Stock Index (ISE).

Information for fiscal year ending December 31, 2009

In 2009, the Company also reported a favorable equity and financial position, showing:

- Growing and consistent profit generation. Net income for fiscal year 2009 was R$ 1,091 million.
- Strong operating cash generation. EBITDA in 2009 was R$ 2,202 million.
- Low level of debt which reflects the Company's potential to maximize opportunities for growth. Total debt / EBITDA ratio as at December 31, 2009, was 1.6 times and net debt/ EBITDA was 0.98 times.
- Reduced delinquency levels due to client portfolio diversification and a strict process of credit analysis.
- Remains the private sector leader in electricity generation.
- Remuneration to shareholders without financially depleting the Company. Distributed dividends from 2005 to 2007, in 2008 and in 2009 were respectively 100%, 72% and 58% of the net distributable income for the fiscal year, consistent with the Company's growth strategy.

b. Capital structure and possibility of stock/quota redemption:

Structure of capital

Management understands that the Company has a capital structure with a low financial leverage allowing the execution of a growth strategy over the next few years.

The Company's business generates large operating cash flows, especially due a high margin as a result of the capital-intensive characteristic of electric power production and due to tight cost/expenses controls introduced by Management.

The principal components of the Company's capital structure are shown below:

Amounts in R$ million	12.31.2011	12.31.2010	12.31.2009
Gross Debt [2]	3,649	4,444	3,415
(-) Cash and cash equivalents	(782)	(1,083)	(1,255)
Net debt	2,867	3,361	2,160
Long-term debt (% of total debt)	88.6%	75.4%	89.8%
Shareholders' equity	5,450	5,073	4,449
Leverage [3]	34.5%	39.9%	32.7%
Breakdown of capital structure:			
- Own capital (shareholders equity/ total liabilities)	44.1%	39.5%	40.7%
- Third party capital (current and non-current liabilities / total liabilities)	55.9%	60.5%	59.3%

The Company enjoys comfortable liquidity thanks to reduced debt levels and low leverage.

Possibility of stock redemption

The Company's Management has no intention of redeeming stock. The Company continues to pursue a strategy of new investments for at least maintaining its market share in a growth scenario of increasing consumer demand, expected in Brazil for the next few years.

(i) event of stock redemption

There is no possibility of redemption of the Company's shares beyond those legally permitted.

(ii) calculation formula of redemption value

Similarly there is no possibility of redemption of the Company's shares beyond those legally permitted.

c. Payment capacity of financial commitments assumed

After analyzing performance and cash flow generation indicators, Management understands that the Company is in a favorable position, under normal market conditions, to honor its current short- and medium-term commitments, as well as to continue expanding its investments. It believes that, under normal market conditions, the Company has a strong cash generation to allow it to comfortably honor all existing long-term commitments.

Total debt/EBITDA ratio on December 31, 2011 was 1.25 times and the EBITDA/financial expenses ratio was 5.73 times.

[2] Includes loans, financing and debentures

[3] Net Debt/(Net Debt + Shareholders' Equity)

Classification of the Company's risk ("rating") is conducted by two rating agencies - Standard & Poor's and Fitch Ratings. In May 2011, Fitch Ratings assigned a 'BBB-' (Investment Grade) international rating to Tractebel Energia and affirmed a domestic long-term rating of 'AA+(bra)', both with a stable outlook. In the relative document the rating agency highlights (i) the strong and predictable operating cash generation; (ii) the solid credit metrics; (iii) the strong liquidity position; (iv) the benefit of long- term energy sales contracts; and (v) the ambitious investment plan with project risks partially mitigated. In September 2011, Standard & Poor's Rating Services amended its outlook for the corporate credit rating assigned on the Brazil National Scale to Tractebel Energia S.A., from stable to positive (brAA+ with a positive tendency). As a result, Company ratings are among the best in the sector.

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

In addition to using part of its cash generation, the principal source of financing for the Company's investment projects is the National Economic and Social Development Bank (BNDES), either directly or through On-lending Agents. These financial institutions usually offer interest rates and repayment tenors compatible with returns from energy generation projects.

Should the investment project not be eligible for financing from the BNDES, the Company can resort to other sources of incentive funding, for example the Constitutional Fund for Financing the Northeast (FNE), Constitutional Fund for Financing the Midwest (FCO) and the capital markets through the issue of promissory notes and / or debentures, or other sources of finance with a view to maintaining its adequate capital structure and liquidity. The Company constantly evaluates the alternatives for financing its operations.

e. Funding sources for working capital and investments in non-current assets intended to be used to cover liquidity shortfalls

Management does not foresee any situation of liquidity shortfall, the Company having credit lines (working capital, long-term finance and bank sureties) formally approved by first class financial institutions in the amount of about R$ 3.7 billion.

Besides which, the Company enjoys strong credit ratings from the risk rating agencies and can quickly access the capital markets in case of need of financial resources.

f. Level of debt and characteristics of such debt, also describing:

The principal information on debt is described as follows:

(i) key loan and financing agreements

Principal conditions of the agreements for all the loans and financing as at December 31, 2011

Values in R$ million			Payment conditions	
	Interest	Maturity	Principal and interest	Balance
Controlling Co.				
Domestic currency				
Bank of America Merrill Lynch	98% of CDI	07.2014	Principal: 07.2013, 01.2014 and 07.2014 Interest: quarterly	439
BNDES	TJLP + 4% p.a. [a]	04.2013	monthly	20
Foreign currency				
STN	*Libor* + 1.075% p.a.	04.2024	Semi-annual	112
BNP Paribas	*Euribor*+ 2.75%p.a.	11.2015	Annual	100
Controlled Companies				
Domestic currency				
CEE				
BNDES	TJLP + 1.89% p.a. [a]	09.2029	Monthly	896
BNDES - Social Credit[b]	TJLP	06.2018	Monthly [e]	16
Banks - BNDES on-lending[d]	TJLP + 2.95% p.a. [a]	09.2029	Monthly	637
CESS				
BNDES	TJLP + 2.7% p.a. [a]	10.2023	Monthly	190
Banks - BNDES on-lending[d]	TJLP + 3.25% p.a. [a]	10.2023	Monthly	384
Itasa				
BNDES	TJLP + 4% p.a. [a]	09.2013	Monthly	21
Banks – BNDES onlending[d]	TJLP + 3.85% p.a. [a]	09.2013	Monthly	27
Other controlled companies				
BNDES	TJLP + (1.92% to 3.5% p.a.) [a]	01.2021 to 0	Monthly	254

		6.2024		
BNDES – Sub-credit B[c]	4.5% p.a.	01.2020	Monthly	34
Banco do Brasil	8.08% p.a. [f]	10.2017	Monthly	23
BRDE	TJLP + 2.25% p.a. [a]	08.2012	Monthly	5

[a] The amount corresponding to the portion of the TJLP that exceeds 6% p.a. is capitalized and included in the principal of the financing.
[b] Credit exclusively for financing social and environmental projects at the Estreito facility.
[c] Credit for financing machinery and equipment at Ibitiúva HPP.
[d] The banks are as follows: Itaú Unibanco, Bradesco, Santander and Votorantim.
[e] Interest is paid quarterly from 11.2010 to 06.2012 and monthly from 07.2012.
[f] Fixed rate already contemplates performance bonus of 15% for payment by maturity date.

Additional information on agreements with the most relevant values, entered into by the Company and the companies it controls:

The balances on December 31, 2011 of the agreements listed below can be found under f(i) shown above.

-Controlling Company

Bank of America Merrill Lynch

In July 2011, the Company concluded a loan agreement with Bank of America Merrill Lynch in the original amount of US$ 273,537 thousand (equivalent to R$ 430 million). In order to hedge future cash flows in their entirety against the oscillations in the US dollar, the Company contracted a swap operation with the Brazilian subsidiary of the same institution which granted a loan for R$ 430 million, through which it will maintain an asset position, corresponding to the variation in the US dollar plus interest of 2.6236% p.a. and a liability position equivalent to 98% of the Interbank Deposit Certificate (CDI). The financial institution that granted the loan, guarantees payment of all cash flows arising from the swap operation should its Brazilian subsidiary eventually fail to honor agreed obligations. Maturity of principal plus amortization of interest on the loan and on the swap, will take place exactly on the same dates.

If necessary, the Company enjoys the right to settle principal and financial charges for the loan and the swap operation on a net basis and will do so simultaneously on the respective expiry dates in accordance with the agreements.

Hence, the financial instruments and their respective financial charges are deemed as a single financial instrument and are shown on a net basis in the balance sheet and in the Company's results as a single financial instrument, reflecting in a more appropriate manner the amounts and the indication of future cash flows as well as the risks to which this cash flow will be exposed. Consequently, the effect on the Company's financial result arising from the contracting of the said financial instruments will be equivalent to 98% of the CDI.

BNDES and BNDES On-lending Banks

Financing in the initial amount of R$ 114 million was originally contracted by the controlled company, Companhia Energética Meridional (CEM) for the construction of Cana Brava Hydroelectric Power Plant (Cana Brava HPP) on a project finance basis. In the light of the incorporation of CEM by Tractebel in 2008, the guarantees initially granted to the BNDES were replaced by a Bank Letter of Guarantee from Itaú Unibanco, in the amount corresponding to the outstanding balance of the debt, in the event that the guarantee is called, with expiry date set at October 15, 2013.

National Treasury Department (STN)

In April 1997, the Company entered into an "Agreement of Acknowledgement and Consolidation of Debt" with the Federal Government, whereby the Company acknowledged a debt of R$ 202 million, equivalent to US$ 199 million on August 1, 1996. This debt refers to external commitments resulting from medium- and long-term loan agreements entered into with foreign creditors and which were not deposited with the Central Bank of Brazil pursuant to National Monetary Council (CMN) resolutions, subject to exchange for bonds issued by the Federal Government, pursuant to the respective CMN resolutions.

To guarantee the commitments assumed pursuant to the debt acknowledgement agreement, the Company (i) has established sureties in cash, discount and par bonds equivalent to US$ 22 million and US$ 16 million, respectively; and (ii) assigned and transferred to the Federal Government credits to its current account generated by deposits against its own receivables, up to the limit sufficient to cover the payment of installments and other charges owed by the Company at each maturity date, pursuant to the debt acknowledgement agreement.

BNP Paribas (Floating Rate Notes)

In November 1999, the Company issued in the international market the equivalent of Euros 40 million of Floating Rate Notes ("Notes") which mature in November, 2007, under a private placement. Citibank N.A. London was the issuing and paying agent. These Notes were renegotiated on the date of their original expiry, with a new repayment tenor of eight years with remuneration at the EuroLibor rate, plus a spread of 2.75% p.a. on the outstanding principal amount, payable annually. No guarantees were offered for this loan.

- Controlled companies

The following financing with the BNDES and On-lending Banks were concluded on the basis of the Project Finance model. For this purpose, Specific Purpose Companies were established for implementing the respective hydroelectric projects.

-Companhia Energética Estreito (CEE)

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

- Companhia Energética São Salvador (CESS)

In March 2007, the wholly-owned subsidiary CESS entered into financing agreements in the total amount of R$ 570 million, with BNDES and BNDES On-lending Banks Itaú-Unibanco, Bradesco, Santander and Votorantim for the construction of the São Salvador Hydroelectric Power Plant.

- Itá Energética S.A. (Itasa)

In March 2001, the controlled company jointly with Itasa entered into a R$ 542 million financing agreement with BNDES and with BNDES On-lending banks, Itaú-Unibanco, Bradesco, Safra and Votorantim, for the construction of the Itá Hydroelectric Power Plant.

- Guarantees of the loan agreements with the above mentioned BNDES and BNDES On-lending Banks

Contractual guarantees are: (a) pledge of emergent concession rights; (b) pledge of credit rights resulting from the power purchase agreements; (c) agreement to maintain a reserve account in an amount equivalent to three months of debt service or bank guarantee; (d), reserve account corresponding to three months of the plant's contractual operation and maintenance expenses applicable to the plants that engage the services of third parties for the execution of these activities.

Additional to the guarantees, in the case of CEE there is also a pledge on dividends to be paid by Tractebel Energia to its controlled company, GSELA, and for Itasa, the guarantee of the sum total of the shares of this controlled company.

(ii) other long-term relationships with financial institutions

These relationships are represented by debentures issued by the Company.

Main conditions of debentures issued by the Company on December 31, 2011

Amounts in R$ million		Payment Conditions			
Issues	**Remuneration**	**Interest/monetary restatement**	**Principal**	**Quantity**	**Balance**
2nd Issue Single Series	IPCA + 7% p.a.	Annually on 05.15	3 installments on 5.15.2012, 13 and 14	35,000	466
Cana Brava Single Series	TJLP + 4% p.a. (*)	Semi-annually on 04.01 and 10.01 to 04.01.2013	Semi-annually on 04.01 and 10.01 to 04.01.2013	7,773	25

(*) The amount corresponding to the installment of the TJLP (Long-term Interest Rate) which exceeds 6% p.a. will be capitalized and incorporated into the nominal amount of the debentures.

The 2nd issue debentures carry no guarantee. The Cana Brava issue has receivables from the sale of energy generated by the Plant as a guarantee.

In 2011, the Company made the following repayments of debentures on their expiry dates or on an anticipated basis.

	Amounts in R$ million	Date
Controlling Company		
3rd issue	637	04.01.2011
1st series of the 1st issue	169	04.29.2011
4th issue	415	07.21.2011
Controlled Company		
2nd series of the issue of the controlled company Itasa	15	06.01.2011
1st series of the issue of the controlled company Itasa	14	12.02.2011

Early payments

In 2011, the Company made early payments on its 4th debenture issue in the amount of R$ 415 million plus the additional cost due to early payment of R$ 4 million. Amortization was made with part of the funds obtained from the loan from Bank of America Merrill Lynch as mentioned above. The said repaid debentures carried a total financial charge of 110% of the CDI and the final annual installment of principal amortization was originally due in November 2015.

Again in 2011, the controlled company, Itasa also repaid up front with own resources its 1st and 2nd series debentures in the total amount of R$ 60 million. The amount proportional to the Company's stake corresponded to R$ 29 million. The debentures carry a cost of IGP-M + 9.4% p.a. and were originally repayable in annual installments through June 2013.

(iii) degree of debt subordination

The Company has no subordinated debt.

(iv) eventual restrictions imposed on the Company, particularly in relation to debt limits and in contracting new debt, distribution of dividends, disposal of assets, issuance of new securities and the sale of corporate control

The Company is subject to the following covenants - indices and financial limits - established in its financing and debenture agreements:

a) Loans and financing:

Debt	*Covenants*
Controlling Company	
Bank of America Merrill Lynch	EBITDA[4]/consolidated financial expenses ≥ 2.0 Consolidated debt/EBITDA ≤ 3.5

BNDES	Shareholders' equity /total assets ≥ 30%

Debt	***Covenants***
Controlled companies	
BNDES and BNDES On-Lending Banks - CESS, Beberibe and Pedra do Sal	Debt service coverage ratio [5] ≥ 1.3
BNDES and BNDES On-Lending Banks - CEE and Areia Branca	Debt service coverage ratio ≥ 1.2
BNDES and BNDES On-Lending Banks - Itasa	Shareholders equity / total assets ≥ 40%
BNDES - Ibitiúva	(i) General debt ratio ≤ 0.80 (ii) Debt service coverage ratio ≥ 1,3
Banco do Brasil	(i) Shareholders' equity / total assets ≥ 0.35 (ii) EBITDA Margin[6] (EBITDA/NOR) ≥ 0.80 (iii) EBITDA/ financial expenses ≥ 2.70 (iv) Total financial debt / EBITDA ≤ 4.0 (v) Current assets / current liabilities ≥ 1.2 (vi) Debt service coverage ratio ≥ 1.3
BRDE	(current and non-current liabilities) / total assets ≤ 66%

Loans contracted with the BNDES are formalized by entering into financing agreements under which lines of credit are opened and are subject to provisions applicable to BNDES agreements. Pursuant to the provisions applicable to BNDES agreements, in addition to the financial covenants described in the table above, BNDES's borrowers may not without prior BNDES authorization: (i) give preference to other credits, (ii) amortize stock; (iii) issue debentures; (iv) issue participation certificates; (v) take on new debt pursuant to the qualifications expressly stipulated in writing set forth in the provisions applicable to BNDES agreements; (vi) sell or encumber property, plant and equipment; and (vii) payout dividends in excess of the minimum mandatory dividends, in the case of some controlled companies.

The Company is in compliance with the financial commitments enshrined in the loan and finance agreements, except in the cases commented below.

The controlled company, Hidropower has restrictive clauses in its financing agreements which require that certain financial ratios be maintained, among them current liquidity, debt-service coverage and EBITDA margin.

Due to structural questions, Hidropower's current liabilities are above the level initially permitted by the financing agreement, which negatively affects both the current liquidity and also debt-service coverage ratio.

[4]EBITDA: operating result –financial result – depreciation and amortization.
[5]Debt service coverage ratio: Cash generation from the activity /debt service
[6] EBITDA Margin: EBITDA / Net operating revenues (NOR)

The Company has obtained a waiver from the Banco do Brasil in the event of non-compliance with any one of the financial commitments set forth in the agreement until repayment of the financing. On December 31, 2011 debt outstandings stood at R$ 23 million.

b) Debentures

Debt	Covenants
Tractebel Energia	
2nd Issue	(i) EBITDA/Consolidated Financial Expenses ≥ 2.0 (ii) Consolidated Debt/EBITDA ≤ 2.5
Cana Brava – 1st Issue (Single Series)	Shareholders' Equity / Total Assets ≥ 30%

In addition to the financial covenants described above and pursuant to the deeds of issue of the debentures, the Company must adhere to the restrictions described as follows subject to the penalty of having to liquidate the debentures before maturity in the event of: (i) an alteration in the Company's direct or indirect shareholder control; (ii) a sale, ineffectiveness or prolonged interruption of operations or any other form of disposal, by the Company, of property, plant and equipment representing, individually or collectively, 25% of the Company's capacity for generating electrical energy and which certifiably affect the Company's financial-economic capacity; and (iii) payment of dividends, interest on shareholders' equity or any other participation in the profits pursuant to the Bylaws, with the exception of payment of the minimum mandatory dividend pursuant to the provisions of Brazilian corporate law, should the Company be in default with the payment of any pecuniary liability with respect to the debentures.

The Company is in full compliance with the financial covenants and restrictions describe above.

g. limits for utilization of the financing already contracted

The indirectly controlled company Ibitiúva raised financing with the BNDES, the relative agreement signed in 2010, for a total value of R$ 82 million, of which R$ 72 million has already been received, R$ 3 million still remains to be drawn while R$ 8 million will not be used.

The controlled company, Companhia Energética Estreito, through the BNDES and BNDES On-Lending Banks, contracted supplementary finance for the continuing the construction of the Estreito Hydroelectric Power Plant in the amount of R$ 308 million, of which R$ 39 million still remains to be drawn given that work at Estreito HPP is still in the conclusion phase and the envisaged social investments at the project are still subject to ratification by the BNDES. The Company is forecasting that these resources will be drawn by June 2012.

The Company has no other agreed loans or financing that have not been fully drawn down.

h. significant changes in each item of the account statements

In 2011, there were no significant changes in the Company's account statements. As from January 1, 2010 and retroactively from January 1, 2009, the Company adopted all the procedures issued by the Brazilian Accounting Pronouncements Committee - CPC applicable to its operations and which are consistent with international financial accounting practices (International Financial Reporting Standards – IFRS). As such, certain account balances for fiscal year ending December 31, 2009 and previously disclosed, were restated to reflect changes following the adoption of the new procedures and to permit a year-on-year comparison for the periods under review.

The impacts arising from the adoption of these new procedures in fiscal year 2009 were as follows:

Net income prior to the adoption of the new practices	**1,134**
Adjustments:	
- Depreciation of fair value adjustment of fixed assets	(85)
- Registration of an actuarial gain on a post-employment benefits liability	24
- Deferred Income Tax and Social Contribution of the above adjustments	21
- Other adjustments	(3)
	(43)
Net income after adoption of new accounting practices	**1,091**

Considerations on the restated results above are as follows:

Depreciation of fair value adjustment of fixed assets

In alignment with CPC 27 – Fixed Assets procedures and the interpretation of ICPC 10 – Interpretation on the Initial Adoption to the Fixed Assets, the Company adopted fair value as an attributed cost to the fixed assets of its plants which had previously been shown at book value and substantially below their fair value. This procedure was given strong support by ICPC 10 and represents the adoption of best corporate governance practice in the preparation of account statements. The restatement to the fair value of the asset, net of deferred income tax and social contribution of R$ 821.0 million on January 1 2009 is offset by the shareholders' equity account denominated "Adjustment for equity valuation". The adoption of this procedure will result in the increase in the Company's depreciation during the useful life of assets adjusted to their fair value. The said adjustment, net of deferred income tax and social contribution, will not affect the basis for calculating income tax and social contribution or the base on which the dividend distribution is made.

Constitution of gain and reversal of actuarial loss on liabilities with post-employment benefits

Pursuant to previous accounting practices in CVM Instruction 371/00, the accumulated actuarial losses of less than 10% of the present value of the defined benefits liability ("corridor methodology") were not recognized in the Company's results but disclosed in an Explanatory Note and losses in excess of the corridor limit registered in the result for the average remaining life expectancy of benefit plan members. This procedure has not been modified by the new accounting practice established in CPC 33 – Benefits to Employees. However, according to the exemption in CPC 37 R1 - Initial Adoption of the International Accounting Standards, the Company has recognized actuarial losses in its opening balance sheet, up to then not recorded in the liabilities, having retained earnings as an offsetting entry in the shareholders' equity in the amount of R$ 103 million. The Company has chosen to maintain the corridor approach for recognizing actuarial gains and losses as from the date of the initial adoption of the accounting procedures.

h.1) Comparative analysis between the results for the fiscal years ending December 31 2011 and 2010

Amounts in R$	December 2011	% of revenu	2010	% of revenue	2010/201 (%)
NET REVENUE FROM	**4,327**	**100**	**4,00**	**100**	**5.5**
COST OF ENERGY					
Electricity purchased for	(472)	10.9	(674)	16.4	(30.0)
Transactions through the	(22)	0.5	(6)	0.1	266.7
Charges for use of and connection to	(287)	6.6	(269)	6.6	6.7
Cost of electricity	(1,057)	24.5	(921)	22.5	14.8
Cost of services	(23)	0.5	(18)	0.4	27.8
	(1,861)	**43.0**	**(1,888)**	**46.0**	
GROSS	**2,466**	**57.0**	**2,212**	**54.0**	**11.5**
OPERATING INCOME					
Selling	(17)	0.4	(14)	0.3	21.4
General and administrative	(157)	3.6	(160)	3.9	
Reversal of operating revenues,	97	(2.3)	66	(1.6)	47.0
Favorable ruling on	9	(0.2)	46	(1.1)	
Other operating income,	11	(0.2)	-	-	-
	(57)	**1.3**	**(62)**	**1.5**	
Service	**2,409**	**55.7**	**2,150**	**52.4**	**12.0**
Financial					
Financial	133	(3.0)	131	(3.2)	1.5
Financial	(508)	11.7	(560)	13.7	
	(375)	**8.7**	**(429)**	**10.5**	
INCOME BEFORE	**2,034**	**47.0**	**1,721**	**42.0**	**18.2**
Income tax and social	(586)	13.5	(509)	12.4	15.1
NET INCOME FOR THE	**1,448**	**33.5**	**1,212**	**29.6**	**19.5**
NET EARNINGS PER SHARE- BASIC AND	**2.22**	**-**	**1.85**	**-**	
EBITDA	**2,910**	**67.3**	**2,612**	**63.7**	**11.4**

Net Operating Revenues

In 2011, net operating revenue was R$ 4,327 million, 5.5%, or R$ 227 million, higher than the R$ 4,100 million recorded in 2010. This essentially reflected the combination of factors as follows: (i) growth of R$ 331 million due to an increase in average sales price as well as an increase of R$ 123 million in energy exports to Argentina and Uruguay; (ii) increase of R$ 87 million as a result of the startup of operations at Estreito HPP as explained in item 10.2.a. (i) – "Detailing of the operations

conducted through the CCEE"; (iii) decline of R$ 172 million due to the reduction in transactions conducted through the Energy Trading Board (CCEE); and (iv) reduction of R$ 146 million due to reduced sales volume - related to a decline in energy purchased for resale.

- Net average sale price

The average energy sale price, excluding exports and net of deductions from gross operating revenues, was R$ 122.68/MWh in 2011, an increase of 9.0% in relation to R$ 112.58/MWh in 2010. Price increases reflect the application of monetary restatement on existing contracts as well as the higher prices practiced for new sales agreements with free consumers and energy traders.

- Sales volume

In 2011, sales volume reached 33,984 GWh (3,879 average MW), 0.4% greater than the 33,838 GWh (3,863 average MW) sold in the preceding year. Ignoring energy exports, which jumped from 135 GWh (15 average MW) in 2010 to 824 GWh (94 average MW) in 2011, there would have been a year-on-year reduction in sales volume of 1.6%. This decline reflects the association of the following factors: (i) reduction of 751 GWh (86 average MW) in the wholesale supply of energy to distributors, reflecting (i.i) the expiring of bilateral agreements signed prior to the auctions in the Regulated Contracting Environment (ACR); (i.ii) the beginning of wholesale supplies in the ACR of energy from São Salvador Hydroelectric Power Plant (São Salvador HPP); and (i.iii) higher energy demand for existing contracts; (ii) decrease of 1,470 GWh (168 average MW) in sales to trading companies; and (iii) increase of 1,678 GWh (192 average MW) in volumes sold to free consumers.

Costs of electric energy sales

In 2011, the costs of energy sales and services amounted to R$ 1,861 million, 1.4% or R$ 27 million less than the R$ 1,888 million registered in 2010. This variation reflects the following principal components:

-Electric energy bought for resale: decline of R$ 202 million, equivalent to 1,883 GWh (215 average MW) in 2011, when compared with 2010 due to the expiry in power purchasing agreements and smaller volume of new agreements. Average prices remained practically stable between comparative years. The reduction in purchase volume was partially offset by the startup in commercial operations at Estreito HPP which resulted in additional annual energy for sale of 676 GWh (115 average MW).

-Transactions channeled through the CCEE: Between fiscal years 2010 and 2011, costs rose for these transactions by R$ 16 million. Greater details are to be found in item 10.2.a. (i) – "Detailing of the operations conducted through the CCEE" of this document.

- Charges for use of and connection to the electricity grid: increase of R$ 18 million in 2011 compared with the preceding year due to the readjustment in the Tariff for Use of the Transmission System (TUST), a reflection of the transmission companies' price review as well as the initial collection of TUST following the startup of commercial activities at Estreito HPP.

- Cost of production of electric energy and services rendered: increase of R$ 141 million between fiscal years under review, essentially due to the following factors:

- **Fuels for the production of electric energy:** on a comparative basis for the years 2011 and 2010, these costs increased R$ 48 million, principally the result of a combination of factors as follows: (i) an increase of R$ 78 million in the cost of thermal coal used in the generation of electricity for export; (ii) a decline of R$ 29 million in natural gas costs for the same reason as mentioned above; and (iii) a decline of R$ 2 million in the consumption of biomass.
- **Financial compensation for use of water resources:** growth of R$ 26 million between 2011 and 2010, the result of the increase in hydroelectric generation, higher annual tariffs and the collection of this charge on generated energy following startup in operations at Estreito HPP.
- **Personnel:** increase of R$ 12 million year-on-year, largely due to the annual salary increase for employees and to a lesser degree, expansion in the payroll in line with growth in the Company's business.
- **Material and outsourced services:** a year-on-year increase of R$ 13 million mainly due to higher demand for maintenance and conservation services at the generator units and to a lesser extent, environmental and engineering consultancy services required by the generating plants.
- **Depreciation and amortization:** an increase of R$ 40 million compared with 2010, principally due to the beginning of commercial operations at Estreito HPP and the conclusion of modernization work at certain plants.

Gross income

For fiscal year 2011, the Company's gross income was R$ 2,466 million, a year-on-year increase of 11.5 %, reflecting changes explained under the headings "Net operating revenues" and "Cost of electric energy sales".

Operating Income (Expenses)

- **General and administrative expenses**

In 2011, general and administrative expenses were R$ 157 million, a decrease of R$ 3 million, or 1.8% in relation to the R$ 160 million in 2010. This variation is due principally to a reversion in provisions of R$ 7 million for consultancy services which will not be collected by the service provider, together with growth in personnel and material expenses in the amount of R$ 5 million.

- Reversal of operating provisions, net

For the full year 2011, the increase in the reversal of provisions, net of fresh allowances, was R$ 31 million, the consequence of a combination of the following: (i) reversal during the year of R$ 18 million due to a court decision ruled in favor of the Company in a lawsuit relating to the alleged failure to collect social security charges on certain amounts in remuneration credited to employees, and revision of values relating to provisions for tax, administrative and social security risks; (ii) reversal of R$ 17 million in the light of the judicial agreement signed with part of the plaintiffs in an action in which the latter claimed the lifting the social security ceiling for the purposes of revision of retirement payments made by the private pension fund sponsored by the Company; (iii) reversal of R$ 12 million of an actuarial provision for payment of retirement benefits; (iv) complementary provision of R$ 6 million for an action relative to the settlement of transactions pending from the period when electricity was subject to rationing; (v) constitution of a provision for payments overdue of R$ 6 million on receivables from a trader excluded from the CCEE for reasons of delinquency.

- Court actions found in favor of the company

In 2010, the Company recognized non-recurring revenue of R$ 46 million due to a court action - ruled in its favor - claiming the right to calculate PIS and Cofins using the cumulative methodology on revenue arising from contracts signed prior to the change in the legislation, to the non-cumulative methodology. In 2011, the Company recognized the complement of the gain mentioned for the amount of R$ 9 million.

Service income

In 2011, service income was R$ 2,409 million, 12.0% higher than the R$ 2,150 million reported in 2010, resulting from the variations described above in the sub-items “Gross income” and “Operating Income (Expenses)”.

Financial Result

- Financial income

In 2011, financial income increased from R$ 131 million to R$ 133 million, an increase of R$ 2 million. The variation is due to a combination of the following: (i) recognition of interest of R$ 12 million, relative to the restatement of a PIS and Cofins credit originating from a court ruling found in favor of the Company; (ii) a decline of R$ 3 million in income from financial investments; (iii) reduction of R$ 3 million of monetary restatement on outstandings held in court escrow accounts; and (iv) a fall in R$ 3 million in charges on accounts receivable.

-Financial Expenses

Financial expenses declined from R$ 560 million in 2010 to R$ 508 million in 2011, a difference of R$ 52.0 million. This decline is due to a combination of the following factors: (i) a decline of R$ 40 million in interest on debt due to amortizations and prepayments of debt partially substituted for loans at lesser rates of interest compared with those contracted previously; (ii) a decrease of R$ 29 million in monetary restatement on debt, a consequence of the repayment of debentures indexed to inflation indices as well as the reduction in the inflation indices themselves; (iii) reduction of R$ 6 million in charges on the Company's actuarial liabilities; (iv) an increase of R$ 33 million in expenses with foreign exchange variation on currency denominated debt; and (v) growth of R$ 13 million in interest on concessions payable. In addition to these effects, in 2010, the Company recognized a non-recurring loss of R$ 20 million due to a court ruling against the fiscal amnesty claimed by the Company for interest and fine on Social Contribution on Net Income outstandings, repayable in installments, the amount for which had not be provisioned, given that the Company had previously received favorable decisions from previous courts.

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

IR and CSLL expenses increased from R$ 509 million in 2010 to R$ 586 million in 2011, a growth of R$ 77.0 million. Growth was largely due to an increase in pre-tax earnings, less the credit for interest on shareholders equity with respect to the last quarters for each year.

Net Income for the fiscal year

Net income in 2011 reached R$ 1,448 million, a R$ 236 million increase, or 19.5%, over net earnings for 2010 of R$ 1,212 million, a reflection of the comments already made in the course of this document. Increased profits essentially stem from the combination of the following principal factors: (i) increase in the average net sale price; (ii) higher energy exports during the course of the year; (iii) positive results following the startup in commercial operations of Estreito HPP; (iv) a reduction in energy purchases for resale; (v) a decline in the positive result for transactions negotiated on the CCEE; (vi) non-recurring gain from a court action, (vii) an increase in reversions from operating provisions; (viii) decrease in net financial expenses; and (ix) lower IR and CSLL on

profits due to the increase in the value of the credit for interest on shareholders' equity.

EBITDA and EBITDA Margin

Reflecting the impacts previously commented, EBITDA in 2011 reached R$ 2,910 million, 11.4% up on 2010, when this item was R$ 2,612 million. EBITDA margins in 2011 and 2010 were 67.2% and 63.7%, respectively.

Reconciliation between net income and EBITDA

Amounts in R$ million	**12.31.2011**	**12.31.2010**
Net income for the fiscal year	1,448	1,212
Depreciation and amortization	502	462
Net financial result	374	429
Income tax and social contribution	586	509
EBITDA	**2,910**	**2,612**
EBITDA Margin (%)	**67.3%**	**63.7%**

In accordance with the Company's calculations, EBITDA is equal to earnings before income tax and social contribution, net financial expenses and depreciation and amortization expenses. EBITDA does not represent a measurement of financial performance according to the "International Accounting Practices and those Adopted in Brazil", neither should it be considered in isolation or as an alternative to net income or as a measure of operating performance or as an alternative to operating cash flows, or as a measure of liquidity.

Since in the calculation of EBITDA, financial expenses and income, income tax and social contribution and depreciation and amortization are not taken into consideration, EBITDA acts as an indicator of general economic performance. Consequently, EBITDA works as a significant tool for comparing periodically, operating performance as well as the basis for certain decisions of an administrative nature. EBITDA allows a better understanding not only of financial performance but also of the capacity to comply with liabilities and to obtain funds for capital expenditures and working capital. However, EBITDA has limitations which restricts its use as a measure of profits since it does not take into consideration certain costs which could significantly affect profits such as financial expenses, taxes, depreciation, capital expenditures and other related charges.

Comparative analysis between results ending December 31, 2010 and 2009

Amounts in R$ million	December 31 2010	% of revenue	2009	% of revenue	2009/2010 (%)
NET REVENUE FROM SALES	4,100	100	3,497	100	17.2
COST OF ENERGY SALES					
Electricity purchased for resale	(674)	16.4	(392)	11.2	71.9
Transactions through the CCEE	(6)	0.1	(124)	3.5	(95.2)
Charges for use of and connection to the grid	(269)	6.6	(263)	7.5	2.3
Cost of electricity production	(921)	22.5	(774)	22.2	19.0
Cost of Services rendered	(18)	0.4	(15)	0.4	20.0
	(1,888)	46.0	(1,568)	44.8	20.4
GROSS INCOME	2,212	54.0	1,929	55.2	14.7
OPERATING INCOME (EXPENSES)					
Selling expenses	(14)	0.3	(15)	0.4	(6.7)
General and administrative expenses	(160)	3.9	(144)	4.1	11.1
Reversal (Constitution) operating provisions net	66	(1.6)	(7)	0.2	-
Favorable ruling on lawsuit	46	1.1	9	0.3	411.1
Other operating income. net	-	-	5	0.1	-
	(62)	1.5	(152)	4.3	(59.2)
Service income	2,150	52.4	1,777	50.8	21.0
Financial result					
Financial income	131	3.2	87	2.5	50.6
Financial expenses	(560)	13.7	(327)	9.4	71.3
	(429)	10.5	(240)	6.9	78.8
INCOME BEFORE TAXES	1,721	42.0	1,537	44.0	12.0
Income tax and social contribution	(509)	12.4	(446)	12.8	14.1
NET INCOME FOR THE PERIOD	1,212	29.6	1,091	31.2	11.1
EARNINGS PER SHARE – BASIC AND DILUTED	1,85	-	1.67	-	
EBITDA [1]	2,612	63.7	2,202	63.0	18.6

Net operating revenue

For the fiscal year 2010, this item recorded a total of R$ 4,100 million, 17.3% up on the R$ 3,497 million reported in 2009. The variation is related principally to the combination of the following factors: (i) growth of R$ 124 million due to a rise in the average sale price of 9.5%; (ii) increase of R$ 207 million due to the trend in transactions undertaken through the Electric Energy Trading Board (CCEE) as explained in item 10.2. a) i - "Detailing of the operations in the CCEE" of the document; (iii) increase of R$ 311 million due to growth in energy volume sold, principally, to electric energy distributors following the initial supplies of 200 average MW sold in the auction held in 2005; (iv) decrease of R$ 31 million in energy exports; and (v) reduction of R$ 39 million in other revenues

related largely to the recognition in 2009 of the gain of R$ 35 million as a result of the agreement concluded with the São Salvador Consortium for offsetting the loss of revenue due to the delay in the conclusion of work on the São Salvador HPP.

- Average net price of sales

Between the comparable years, the average sale price of energy excluding exports and taxes increased from R$ 108.81/MWh in 2009 to R$ 112.58/MWh in 2010, representing an increase of 3.5%.

- Sales volume

In fiscal year 2010, the quantity of energy sold amounted to 33,838 GWh (3,863 average MW), an increase of 9.5% in relation to 2009 when the energy sold was 30,911 (3,529 average MW).

Costs of Electric Energy Sales

Fiscal year 2010 costs grew 20.5% from R$ 1,568 million in 2009 to R$ 1,888 million in 2010. This variation is fundamentally due to the trend in the principal cost components as follows:

- Electric power purchased for resale: an increase of R$ 282 million in the year essentially due to the increase of 2,429 GWh (277 average MW) in energy purchase volume, allowing the Company to sell a 30-year product through the so-called "botox" energy auction at attractive prices, deliveries to begin in 2010, and to meet other energy sales commitments. A large number of the purchase contracts was signed some years ago – and therefore bear no relation to spot market prices (PLD).

-Transactions channeled through the Electricity Energy Trading Board (CCEE): Costs with these transactions between fiscal years 2009 and 2010 fell R$ 118 million as described in item 10.2. a) i - "Detailing of the operations in the CCEE" of the document.

-Charges for the use of and connection to the electricity grid: growth of R$ 6 million in 2010 due to the combination of startup in commercial operations of new plants together with the reduction in the Tariff for Use of the Transmission System (TUST) in July 2010, the result of a transmission company tariff revision.

- Costs of Electric Energy Production and services rendered: the increase of R$ 147 million largely reflects the following:

- **Fuel expenses for generation:** increase of R$ 23 million in the year as compared with 2009 due to a rise of R$ 36 million in natural gas consumption at the William Arjona TPP and the increase of R$ 5 million in the cost of biomass for generation requirements at the Lages Co-generation Plant, as well as the reduction of R$ 19 million in thermal coal consumption used in generation for export of electric energy.

- **Financial compensation for use of water resources:** on a comparative fiscal year basis, there was an increase of R$ 42 million, reflecting the annual tariff readjustment and the significant increase in dispatch from the hydro plants.
- **Personnel:** increase of R$ 17 million for the fiscal year as a whole following the annual wage bargaining agreement for employees as well as the need for expanding the payroll to meet growth in the Company's generator complex requirements.
- **Third party services:** increase of R$ 23 million in large part due to greater demand for maintenance and conservation services at the generating units during 2010.
- **Depreciation and amortization:** increase of R$ 34 million compared with the same period in 2009, principally due to the depreciation resulting from the startup in commercial operations at the Areia Branca, Ibitiúva and São Salvador plants.

Gross profit

In fiscal year 2010, the Company reported gross profits of R$ 2,212 million, 14.7 % more than reported in 2009, a reflection of the variations explained in sub-items "Net operating revenue" and "Costs of energy sales".

Operating Income (Expenses)

- General and administrative expenses

General and administrative expenses rose R$ 16 million, or 11.3%, from R$ 144 million in 2009 to R$ 160 million in 2010, due essentially to a combination of the following variations: (i) an increase in staff and management expenses following the annual wage bargaining agreement; (ii) reduction in the demand for consultancy services and (iii) growth in welfare contributions and donations.

- Reversal of operational provisions, net

There was a reversal of net operating provisions of R$ 73 million between comparative years largely due to the recognition of actuarial gains offset against a reduction in liabilities relative to post-employment benefits of R$ 75 million. This reflects the adoption of international (IFRS) and Brazilian (CPC) accounting procedures.

- Court Action Found in Favor of the Company

In 2010, the Company recognized non-recurring revenue of R$ 46 million due to a court action – ruled in its favor for which there is no appeal - on the right to calculate PIS and Cofins using the cumulative methodology on revenue arising from agreements signed prior to the change in the legislation as opposed to the non-cumulative methodology. Meanwhile in fiscal year 2009, the Company recorded a non-recurring gain of R$ 9 million following a legal agreement for rescinding the construction contract for building the São João biomass plant.

Service income

In fiscal year 2010, service income was R$ 2,150 million, 21.0% up on 2009, which was R$ 1,777 million, result of the variations described above under sub-items "Gross profit" and "Operating Income (Expenses)".

Financial Result

Financial income

In 2010, this revenue was R$ 131 million, R$ 44 million up on the R$ 87 million for 2009, substantially a reflection of higher interest rates on financial investments during the year, largely due to higher interest rates on these applications.

Financial Expenses

Expenses rose by R$ 233 million from R$ 327 million in 2009 to R$ 560 million in 2010. This variation reflects a combination of the following factors: (i) an increase of R$ 66 million in interest on debt, principally due to the initial recognition of interest on debt of the companies with plants which have recently gone into commercial operation, (ii) growth of R$ 121 million in monetary restatement on debt and financing largely due to the oscillations in the IGP-M applicable to concession charges payable; (iii) decrease of R$ 62 million in the foreign exchange rate gain on currency loans by virtue of the variation in the US dollar and the Euro against the Real; and (iv) a reduction of R$ 23 million in charges on the Company's actuarial liabilities.

Income Tax (IR) and Social Contribution (CSLL)

In fiscal year 2010, IR and CSLL expenses reached R$ 509 million, R$ 63 million up in relation to this item in 2009 when the amount recorded was R$ 446 million. The increase similarly corresponds to the growth in pre-tax earnings.

Net Income

Again reflecting comments made in the course of this report, in the fiscal year 2010, net income reached R$ 1,212 million, 11.1% better than the R$ 1,091 million posted for the 2009 fiscal year.

EBITDA and EBITDA Margin

Reflecting factors already described above in 2010, EBITDA reached R$ 2,612 million, 18.6% higher in relation to 2009 when this item was R$ 2,202 million. EBITDA margin for 2010 and 2009 was 63.7% and 63.0%, respectively.

Reconciliation between net income and EBITDA

In R$ million	**12.31.2010**	**12.31.2009**
Net income for the fiscal year	1,212	1,091
Depreciation and Amortization	462	425
Net Financial Result	429	240
Income Tax and Social Contribution	509	446
EBITDA	**2,612**	**2,202**
EBITDA Margin (%)[1]	**63.7%**	**63.0%**

h.2) Comparative analysis between the balance sheets of December 31, 2011, December 31, 2010 and December 31, 2009) in accordance with IFRS and CPC (Brazilian Accounting Pronouncements Committee)

Tractebel Energia
GDF SUEZ

	ASSETS							
Amounts in R$ million	12.31.2011	%	12.31.2010	%	12.31.2009	%	12.31.2010 versus 12.31.2011 (%)	12.31.2009 versus 12.31.2010 (%)
CURRENT ASSETS								
Cash and cash equivalents	782	6.3	1,083	8.4	1,255	11.5	(27.8)	(13.7)
Accounts payable from clients	542	4.4	531	4.1	435	4.0	2.1	22.1
Inventory	43	0.3	46	0.4	45	0.4	(6.5)	2.2
Recoverable taxes	151	1.2	92	0.7	73	0.7	64.1	26.0
Assets available for sale	-	-	23	-	-	-	-	-
Pledges and escrow deposits	39	0.3	82	0.6	33	0.3	(52.4)	148.5
Others credits	56	0.5	50	0.4	32	0.3	12.0	56.3
	1,613	**13.0**	**1,907**	**14.6**	**1,873**	**17.2**	**(15.4)**	**1.8**
NON-CURRENT ASSETS		-		-				
Long -Term Assets								
Recoverable taxes	162	1.3	220	1.7	74	0.7	(26.4)	197.3
Pledges and escrow deposits	91	0.7	51	0.4	64	0.6	78.4	(20.3)
Deferred income tax and social contribution	280	2.3	328	2.6	311	2.8	(14.6)	5.5
Receivables on the sale of assets	87	0.7	87	0.7	87	0.8	-	-
Court escrow deposits	106	0.9	134	1.0	217	2.0	(20.9)	(38.2)
Other credits	51	0.3	52	0.4	53	0.5	(1.9)	(1.9)
	777	**6.2**	**872**	**6.8**	**806**	**7.4**	**(10.9)**	**8.2**
Property Plant and Equipment	**9,885**	**80.1**	**9,976**	**77.5**	**8,137**	**74.5**	**(0.9)**	**22.6**
Intangible	**96**	**0.8**	**95**	**0.7**	**118**	**1.0**	**1.1**	**(19.5)**
	10,758	**87.1**	**10,943**	**85.0**	**9,061**	**82.9**	**(1.7)**	**2.5**
TOTAL	**12,371**	**100.1**	**12,850**	**99.6**	**10,934**	**100.1**	**(3.7)**	**17.5**

Amounts in R$ million	LIABILITIES AND SHAREHOLDERS' EQUITY						31.12.2010 versus 12.31.2011 (%)	31.12.2009 versus 12.31.2010 (%)
	12.31.2011	%	12.31.2010	%	12.31.2009	%		
CURRENT LIABILITIES								
Suppliers	234	1.9	269	2.1	246	2.2	(13.0)	9.3
Dividends and interest on shareholders' equity	221	1.8	190	1.5	170	1.6	16.3	11.8
Taxes and social contributions payable	439	3.5	458	3.6	412	3.8	(4.1)	11.2
Loans. financing and debentures	417	3.4	1,094	8.5	348	3.2	(61.9)	214.4
Concessions payable	46	0.4	42	0.3	37	0.3	9.5	13.5
Labor obligations	54	0.4	55	0.4	41	0.4	(1.8)	34.1
Provision for tax. civil and labor risks	9	0.1	11	0.1	13	0.1	(18.2)	(15.4)
Post-employment benefits	36	0.3	26	0.2	26	0.2	38.5	-
Other obligations	103	0.8	115	0.9	113	1.0	(10.4)	1.8
	1,559	**12.6**	**2,260**	**17.6**	**1,406**	**12.8**	**(31.0)**	**60.7**
NON CURRENT LIABILITIES								
Loans. financing and debentures	3,232	26.1	3,349	26.1	3,067	28.1	(3.5)	9.2
Concessions payable	1,220	9.9	1,093	8.5	920	8.4	11.6	18.8
Provision for tax. civil and labor risks	133	1.1	143	1.1	127	1.2	(7.0)	12.6
Post employment benefits	301	2.4	409	3.2	492	4.5	(26.4)	(16.9)
Deferred income tax and social contribution	423	3.4	446	3.5	460	4.2	(5.2)	(3.0)
Other obligations	53	0.4	77	0.6	13	0.1	(31.2)	492.3
	5,362	**43.3**	**5,517**	**43.0**	**5,079**	**46.5**	**(2.8)**	**8.6**
SHAREHOLDERS EQUITY								
Capital stock	2,446	19.8	2,446	19.0	2,446	22.4	-	-
Capital reserves	92	0.7	92	0.7	92	0.8	-	-
Adjustments in asset evaluation	648	5.2	708	5.5	765	7.0	(8.5)	(7.5)
Profit reserves	2,262	18.3	1,827	14.2	1,146	10.5	23.8	59.4
	5,448		**5,073**		**4,449**		**7.4**	
Minority shareholders	2	-	-	-	-	-	-	-
	5,450	**44.0**	**5,073**	**39.4**	**4,449**	**40.7**	**7**	**51.9**
TOTAL	**12,371**	**55.9**	**12,850**	**60.6**	**10,934**	**59.3**	**(3.7)**	**17.5**

Comments on significant variations between the balance sheets for December 31,2011 and December 31,2010

Current Assets

Cash and cash equivalents

The reduction is essentially the combination of the following factors: (i) resources from operating activities of R$ 2,054 million; (ii) application of R$ 347 million in fixed assets; (iii) amortization of R$ 1,418 million of loans, financing and debentures; (iv) capturing of R$ 503 million in loans and financing used largely for early payment of the Company's 4th debenture issue and the construction of Estreito HPP; and (v) payment of dividends and interest on equity capital of R$ 1,002 million.

Accounts receivable from clients

The growth is largely due to the higher average energy sale price between the comparable fiscal years.

Recoverable taxes

The growth is largely due to the reduction in the period of offsetting PIS and Cofins and the consequent transfer of values that were shown in the non-current assets.

Assets available for sale

The balance as at December 31, 2010 was realized in 2011 due to the conclusion of the sale of shares in Seival TPP.

Pledges and escrow deposits

The reduction reflects a decline in the need for constituting a financial reserve guaranteeing transactions through the CCEE due to a decline in the Company's exposure to this market at the end of 2011.

Non-current assets

Long-term assets

Recoverable taxes

The reduction is largely due to the combination of the following two factors (i) constitution of PIS and Cofins credits on the acquisition of machines and equipment and on expenditures with plant constructions, and (ii) the transfer of part of these credits to current assets with their eligibility for offsetting.

Pledges and escrow deposits

The increase in the outstanding balance is largely due to the beginning of the obligation for constituting the financial reserve for guaranteeing payment of the charges for financing arranged for the construction of the Estreito HPP.

Deferred income tax and social contribution

The variation reflects essentially the reduction in the provision for payment of post- employment benefits resulting from the recognition of the actuarial gain in 2011.

Court deposits

The decrease corresponds principally to the redemption of R$ 33 million relative to an attached financial investment contracted to substitute and reduce the costs of a bank surety, guaranteeing an action challenging the value of the Tariff for Use of the Transmission System (TUST) charged to the Ponte de Pedra HPP. This investment was later waived by the Bank without the cost of the bank guarantee being altered.

Property, plant and equipment

The variation largely reflects the following movement: (i) acquisition of assets amounting to R$ 398 million, of which R$ 252 million corresponds to values invested in the construction of Estreito HPP, R$ 100 million in work for maintaining the reliability and safety of the generation system of the Company's plants and R$ 46 million in the Trairí Wind Farm project; (ii) depreciation of R$ 488 million; and (iii) the writing off of R$ 6 million.

Current liabilities

Suppliers

The reduction is due mainly to a decline in outstandings with suppliers of property, plant and equipment in the amount of R$ 19 million, a reflection of progress in construction work at Estreito HPP and a decline in outstandings with suppliers of electric energy bought for resale in the amount of R$ 16 million.

Dividends and interest on shareholders' equity

The increase is driven by the higher credit for interest on shareholders' equity in December 2011 compared with the same month of 2010.

Taxes and social contributions payable

The decrease is basically due to the combination between (i) the greater anticipation of income tax (IR) and social contribution (CSLL) in 2011 against 2010 and, (ii) higher IR and CSLL posted in 2011 arising from the increase in the result between the comparable years.

Loans, financing and debentures

The decrease occurred due to the following factors: (i) transfer of non-current liabilities of R$ 373 million; (iii) appropriation of interest and monetary and currency restatement of R$ 252 million; and (iii) payments of principal and interest for a total amount of R$ 1,686 million.

Concessions payable

The increase is principally due to the combination of the transfer of non-current liabilities for R$ 48 million with payments realized during the fiscal year of R$ 44 million.

Post-employment benefits

Growth reflects the outlook for realization of an actuarial deficit in 2012.

Others

The reduction was basically due to a combination of the following: a decrease in the balance of client advances and the increase in the outstanding balance of financial offsets payable for the use of water resources.

Non-current liabilities

Loans, financing and debentures

The variation reflects the combination of the following factors: (i) a loan contracted with the Bank of America Merrill Lynch for R$ 439 million; (ii) liberation of R$ 64 million by BNDES largely for financing the construction of the Estreito HPP; (iii) appropriation of interest and monetary restatement of R$ 120 million; (iv) foreign exchange rate gain of R$ 16 million; (v) pre-payment of R$ 384 million of debentures and financing; (vi) transfer to current liabilities of R$ 373 million of a tranche of debt to expire in 2012.

Concessions payable

The increase is principally the combination of firstly, the appropriation of interest and monetary restatement for R$ 175 million and the transfer to current liabilities of R$ 48 million.

Post-employment benefits

The reduction is essentially due to: (i) interest on the actuarial liability of R$ 125 million; (ii) income from Retirement Plan assets of R$ 106 million; (iii) contribution of the sponsor and members of R$ 35 million; and (iv) recognition of the reduction of the liability due to the actuarial gain of R$ 82 million relative to the amortization of the excess to the limit of 10% on the total liability of the Plans ("corridor methodology"), pursuant to the system described in Technical Pronouncement CPC 33 – Post-employment Benefits.

Deferred income tax and social contribution - liability

The variation arises principally from the reduction resulting from the depreciation of the adjustment in the fair value of the fixed assets recognized at the time of the initial adoption of technical pronouncements IAS 16 and CPC 27 – Fixed Assets.

Shareholders' Equity

The growth is due basically to the posting of the net income for the fiscal year ending December 31, 2011 of R$ 1,448 million, deducted for allocation of R$ 912 million for the distribution of interim dividends and interest on equity capital plus the payment of R$ 158 million of dividends pertaining to fiscal year 2010.

Comparison of balance sheets as of December 31, 2010 and December 31, 2009

Current Assets

Cash and cash equivalents

The reduction is largely due to a combination of the following factors: (i) resources arising from the operating activities of R$ 1,680 million; (ii) investment in fixed assets of R$ 296 million; (iii) acquisition of SUEZ Energia Renovável S.A. (formerly denominated Companhia Energética Estreito) in the amount of R$ 792 million, net of cash and cash equivalents of the acquired company; (iv) amortization of R$ 478 million in loans, financing and debentures; (v) funding of R$ 277 million for financing the plants; and (vi) distribution of dividends and interest on shareholders' equity of R$ 536 million.

Accounts receivable from clients

Growth is basically due to the increase in energy sale prices and receivables on sales made by the companies which began operations during 2010.

Recoverable taxes

The increase was largely due to the recognition of the PIS/Cofins credit as the result of a court ruling in the Company's favor - with no right of appeal - with respect to the illegality of the application of Normative Instruction 468/2004. These credits will be used to offset future federal taxes payable by the Company against authorization for such from the Brazilian Internal Revenue Service.

Asset held for sale

This asset is the result of the Company's intention to sell the Seival Project, constituted by the companies Seival Participações S.A. and Usina Termelétrica Seival Ltda. (Seival Thermoelectric Power Plant). This holds the rights to build and operate a coal-fired thermoelectric power plant in Candiota (RS) with an installed capacity of up to 540 MW. The sale of the asset was finalized in 2011.

Pledges and escrow deposits

Growth is due to the greater need for compulsory deposits guaranteeing the settlement of transactions conducted within the scope of the Electric Electricity Energy Trading Board (CCEE), due to the greater volume of transactions undertaken in this market.

Others

The rise in this item was basically a reflection of the higher receivables volume on the sale of assets and services rendered to third parties.

Non-current assets

Long-term assets

Recoverable taxes

The increase is largely the result of the inclusion in the consolidated balance sheet of PIS and Cofins credits on the acquisition of fixed assets in the amount of R$ 121 million from Companhia Energética Estreito, acquired in 2010.

Pledges and escrow deposits

The reduction is largely due to the combination as follows: (i) constitution of a reserve account in guarantee for loan-service payments on financing with the BNDES and On-lending Banks, amortization of which began in 2010; and (ii) redemption following pre-payment of financing for Ponte de Pedra Energética S.A.

Deferred income tax and social contribution

The variation occurred basically due to the following: (i) reduction in the provision for payment of post-employment benefits, following the recognition of the actuarial gain in 2010; (ii) registration of a tax loss and negative base for social contribution of the Company's controlled companies; (iii) booking of deferred taxes on goodwill incorporated from a controlled company; and (iv) recognition of deferred taxes on the fair value in a combination of businesses.

Court escrow deposits

The decrease corresponds, principally to the redemption of R$ 108 million arising from a ruling in favor of the Company with no right of appeal with respect to the illegality of the application of Normative Instruction nº 468/2004.

Property, Plant and Equipment

The variation is largely due to: (i) inclusion in the consolidated balance sheet of R$ 1,941 million relative to the Companhia Energética Estreito asset acquired in August 2010; (ii) acquisitions of assets amounting to R$ 353 million, of which R$ 37 million corresponds to the Ibitiúva Bioenergética Thermoelectric power plant, R$ 224 million to the Estreito Hydroelectric power plant, following its acquisition, and R$ 92 million in work to maintain the reliability and security of the generation system of the Company's plants; (iii) depreciation and amortization of R$ 450 million; and (iv) R$ 5 million in write-offs.

Current liabilities

Suppliers

Growth is substantially due to increased energy purchase transactions in the amount of R$ 27 million.

Dividends and interest on shareholders' equity

The increase is the result of the higher interest on shareholders' equity credit in December 2010 in comparison with the same month in 2009.

Taxes and social contributions payable

The increase is largely a reflection of the higher income tax and social contribution in 2010 due to the increase in earnings before tax in that year.

Loans, financing and debentures

The increase reflects the following factors: (i) transfer of non-current liabilities of R$ 1,200 million, due largely to debentures maturing in the first half of 2011; (ii) financial charges of R$ 295 million; and (iii) payments of principal and interest of R$ 749 million.

Concessions payable

The increase is principally due to a combination of the transfer from non-current liabilities amounting to R$ 39 million and payments made during the fiscal year of R$ 37 million

Others

Growth occurred basically due to the receipt of advance payment from a client for the delivery of energy in 2011.

Non-current liabilities

Loans, financing and debentures

The increase can be ascribed to the following factors: (i) financing from the BNDES and On-lending Banks for investment in the construction of plants in the amount of R$ 277 million; (ii) inclusion in the consolidated balance sheet of R$ 1,161 million relative to the acquisition of Companhia Energética Estreito in August 2010; (iii) transfer to current liabilities of R$ 1,200 million of debt maturing in 2011; (iv) financial overheads of R$ 60 million; and (v) foreign exchange translation losses of R$ 14 million.

Concessions payable

The increase stems from the following: (i) inclusion in the consolidated balance sheet of R$ 31 million with respect to concession rights for operating Estreito Hydroelectric Power Plant, acquired in August 2010; (ii) interest and monetary restatement of R$ 180 million; (iii) transfer to current liabilities of R$ 39 million.

Post-employment benefits

The reduction is due essentially to the following: (i) interest on technical reserves of R$ 120 million; (ii) income from the Plan assets of R$ 95 million; (iii) contribution from sponsor and retirement plan members of R$ 31 million; and (iv) recognition of the reduction of liabilities due to the actuarial gain of R$ 75 million with respect to amortization of the excess over the limit of 10% on the total liability of the Plans ("corridor methodology"), pursuant to the system envisaged in Technical Pronouncement CPC 33 –Post-Employment Benefits.

Deferred income tax and social contribution - liability

The variation basically arises from the following: (i) reduction resulting from the depreciation of the adjustment to the fair value of fixed assets recognized at the time of the initial adoption of the technical pronouncements IAS 16 and CPC 27 – Fixed Assets; and (ii) constitution of the deferred taxes on incentivized depreciation of certain costs of construction and acquisition of plants controlled by the Company.

Others

The increase is largely due to the transfer of obligations with research and development from current liabilities.

Shareholders' equity

Growth was the result of earnings recorded on December 31, 2010 of R$ 1,212 million and the allocation of R$ 506 million of these profits for distribution as dividends and interest on shareholders' equity and for the payment of R$ 82 million of dividends relative to fiscal year 2009.

10.2 Comments of the executive directors on:

a. Results of the Company's operations, especially:

(i) description of any important components of revenue

The breakdown of the Company's net operating revenues is as follows:

	December 31							
Amounts in R$ million	**2011**	**%**	**2010**	**%**	**2009**	**%**	**2010/2011 (%)**	**2009/2010 (%)**
NET OPERATING REVENUE								
Wholesale supply of electricity	2,941	68.0	2,980	72.7	2,612	74.7	(1.3)	14.1
Retail supply of electricity	1,127	26.0	817	19.9	719	20.6	37.9	13.6
Transactions conducted through CCEE	88	2.0	260	6.3	53	1.5	(66.2)	390.6
Electricity exports	153	3.5	30	0.7	61	1.7	410.0	(50.8)
Other revenues	18	0.5	13	0.4	52	1.6	38.5	(75.0)
	4,327	**100.0**	**4,100**	**100.0**	**3,497**	**100**	**5.5**	**17.2**

Comparative analysis of the significant variations in the components of net operating revenues between the fiscal years ending December 31, 2011 and December 31,2010

Wholesale market for electric energy

Revenue from the wholesale market for energy – resulting from sales to distributors and traders - reached R$ 2,941 million in 2011, 1.3% below the R$ 2,980 million recorded in 2010. This decline reflects the following principal factors: (i) a reduction of 751 GWh (86 average MW) in sales volume to distributors, equivalent to R$ 99 million, due to the combination of the expiry of contracts signed prior to the auctions in the ACR, the initiation of supplies in the ACR from São Salvador HPP and the growth in energy sales; (ii) a decrease of 1,470 GWh (168 average MW) in the amount sold to traders corresponding to R$ 138 million, essentially a reflection of the non-renewal of expired contracts; and (iii) growth of R$ 137 million and R$ 61 million, due to the increase of 5.7% and 12.5% of average net sales prices to distributors and traders respectively, subsequent to price readjustments in line with inflation indices and sales at higher prices than previously practiced.

Retail market for electric energy

Revenue from the retail market in electric energy – that is revenue originating from sales to free consumers - rose 38.0%, increasing from R$ 817 million in 2010 to R$ 1,127 million in 2011. This expansion is due to the following: (i) an increase of R$ 136 million reflecting a 15.1% average net sale price rise; and (ii) additional sales of 1,678 GWh (192 average MW), equivalent to a R$ 174 million, the result of new sales contracts and rising consumption of industrial clients, thus absorbing part of the energy freed up from expiring contracts with distributors and traders as already discussed under the item "Wholesale market for electric energy".

Transactions channeled through the CCEE

In 2011, net operating income from transactions conducted through the CCEE was R$ 88 million, a reduction of R$ 172 million in relation to the R$ 260 million recorded in 2010. Further explanations on these operations and changes can be found below.

Details of CCEE Operations

The various monthly credit or debit entries to the account of a member of the CCEE are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expense account. In this context, it is worth pointing out that due to adjustments in portfolio management strategy, there has been a change in the profile of billings in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing in the two years under review – the reason for including the present topic - and allowing an analysis of the oscillations of the principal elements in spite of their allocation either to income or expenses according to the credit or debit nature of the billing to which they relate.

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

In 2011, the Company reported a positive net operating result of R$ 66.0 million (revenue of R$ 88 million and an expense of R$ 22 million) against R$ 254 million (revenue of R$ 260 million and an expense of R$ 6 million) in 2010, thus, a decrease of R$ 188 million between the years under review.

The decline in the year-on-year net positive result is due principally to a combination of the following key factors: (i) growth in the short position with the CCEE due largely to the increase in thermoelectric exposure, the result of the lower demand from the grid for this source of energy, partially offset (ii) by the greater volume of secondary energy – hydro generation in excess of the average assured energy for the system; and (iii) by growth in revenue in the MRE due to larger volumes of hydroelectricity generation.

The impacts mentioned in items (i) and (ii) were attenuated by the reduction in average spot prices for the South and Southeast/Midwest. The latter recorded averages of R$ 69.99/MWh in 2010 and R$ 29.55/MWh in 2011.

Exports of electric energy

Exports of energy to Argentina and Uruguay in 2011 reached R$ 153 million, an increase of R$ 123 million in relation to 2010 when total company exports were R$ 30 million. It is worth noting that export volume from each plant in the Brazilian Electricity System is established by the National Electric System Operator (ONS) based on availability and the declared lowest costs of the plants.

Comparative analysis of the components of operating revenue between fiscal years ending December 31, 2010 and December 31, 2009

Wholesale market for electric energy

Revenue from the wholesale supply of electric energy, reached R$ 2980 million in 2010, 14.1% up on the R$ 2,612 million reported in 2009. The variation reflects the following factors: (i) increase of R$ 239 million due to higher sales volume of 1,906 GWh (218 average MW) to distributors, largely reflecting the initiation of contracts with the regulated market; (ii) R$ 44 million or 500 GWh (57 average MW) to trading companies; and (iii) R$ 85 million due to the increase of 3.8% in the average net sales prices to distributors.

Retail market for electric energy

With respect to revenue from the retail supply of electric energy, there was a 13.6% year-on-year improvement from R$ 719 million to R$ 817 million. The main factors at play were: (i) the increase in the average sales price of 4.4%, resulting in additional net operating revenue of R$ 33 million; and (ii) the growth in annual energy sales volume of 688 GWh (79 average MW), following increased industrial demand on the back of the post-crisis recovery and representing revenue growth of R$ 65 million.

Transactions within the CCEE environment

For the full fiscal year 2010, revenue for this item reached R$ 260 million, a growth of R$ 207 million in relation to the R$ 53 million reported in 2009.

Detailing of CCEE operations

In 2010, the Company recorded a net operating revenue from transactions conducted through the CCEE of R$ 254 million (R$ 260 million of revenue and R$ 6 million of expenses), against a net expense in 2009 of R$ 71 million (revenue of R$ 53 million and an expense of R$ 124 million), that is a positive variation in the result for transactions conducted on the CCEE of R$ 325 million. Explanations of these operations and variations are to be found below.

The improved results largely reflect the following factors:

(i) MRE (Energy Reallocation Mechanism) - increase of R$ 70 million, representing the difference between a net expense of R$ 16 million in 2009 and a net income of R$ 54 million in 2010. This variation was the consequence of greater generation from the Company's hydroelectric power plants during fiscal year 2010 when compared with 2009. This increase in revenue was partially offset by higher expenses from royalties as described under the item "Financial compensation for use of water resources"; and

(ii) Other transactions executed through the CCEE – a positive result of R$ 255 million between comparative fiscal years largely reflects the success of the strategy of allocation of generation resources by the Company and the greater generation from thermoelectric plants during the period.

Exports of electric energy

In fiscal year 2010, revenue from electricity exports to Argentina and Uruguay was R$ 30 million, against R$ 61 million reported in 2009, a reflection of the reduced demand from these countries in 2010.

Others

A reduction of R$ 39 million, largely as a result of the recognition in 2009 of the R$ 35 million gains due to the agreement with the São Salvador Consortium to compensate loss of revenue due to the delay in concluding work on the São Salvador Hydroelectric Power Plant.

(ii) factors which materially affected operating results

The factors which materially affected the Company's results in 2011, 2010 and 2009 were as follows. Complementary information on these results is shown in more detail in items 10.1. h and 10.2. a (i) as described above.

Fiscal Year 2011 - (i) increase in the average net price for domestic sale and export of energy; (ii) positive result from the startup in commercial operations at Estreito HPP; (iii) reduction in energy purchases for resale; (iv) decline in the positive result for transactions conducted through the CCEE; (v) increase in the reversal of operating provisions; and (vi) decrease in interest and monetary restatement on loans and financing due to amortization of debt; (vii) growth in the negative foreign exchange translation effect due to the devaluation of the Real in relation to currencies which restate currency denominated loans.

Fiscal Year 2010 - (i) increase in the amount and average net price of energy sold; (ii) increase of the positive result from transactions conducted on the CCEE; (iii) results accruing from the startup in commercial operations of new plants; (iv) growth in purchase of energy for resale; (v) negative impact on the financial result due to increase in inflation indices and the reduced positive foreign exchange translation effect; and (vi) increase in the actuarial gain with respect to the amortization of the surplus to the limit of 10% on the total of the liability of the Retirement Plans ("corridor methodology") in accordance with the system provided in Technical Pronouncement CPC 33 – Post-employment Benefits.

Fiscal Year 2009 - (i) increase in average net price of energy sold; (ii) reduction in the positive result from transactions conducted through the CCEE; (iii) decrease in energy purchased for resale; (iv) decline in the consumption of fuel use for generation of the energy needs of the system; (v) reduction of expenses with monetary restatement of debts due to the reduction in inflation indices; and (vi) an increase in the foreign exchange rate gain on currency denominated loans.

b. Variations in revenue attributable to price modifications, foreign exchange rates, inflation, changes in volumes and the introduction of new products and services

The Company's sales revenue is based on agreements with price readjustment clauses, using to for the most part, the National Amplified Consumer Price Index (IPCA) and the General Market Price Index (IGP-M) indices. The Company's revenue is not exposed to currency risk, and it was not affected by the introduction of new products and services.

Variations in the Company's revenue due to price modifications, inflation, and changes in volume are explained in item 10.2 (a) (i).

c. Impact of inflation, of price variations of its principal inputs and products, of foreign exchange and interest rates on operating results and financial results

c.1) Impact of inflation and price variations on the costs of electrical energy sales

Electrical energy purchased for re-sale

The long-term agreements have price readjustment clauses, most commonly using the IGP-M and IPCA indices.

Fuel for the production of electrical energy

The price of natural gas consumed in the William Arjona Thermoelectric Power Plant is denominated in the Brazilian Reals equivalent of US dollars, and readjusted annually by the variation in the Producer Price Index (PPI), a United States Department of Labor indicator for commodities for industrial use. Coal prices that are not reimbursable from the Energy Development Account (CDE), are negotiated when contracted or when the agreement is renewed, and uses as an indexer, parametric formulas whose principal components are the National Consumer Price Index (INPC) and specific sectoral indices, most of which are published by the Fundação Getúlio Vargas (FGV).

Charges for the use of the electrical network and connection

These are calculated by multiplying the use of the network, in KW, by the tariff established annually by Aneel, based on the proportional distribution of total connection and transmission costs measured for the entire system, and on the readjustment indices established in the transmission and connection agreements in force – the majority of these indices being either the IGPM or IPCA.

Financial compensation for the use of hydrological resources

The value corresponds to 6.75% of the quantity of electrical energy produced based on an Annual Reference Tariff (TAR) established by Aneel according to the distribution concessionaires' cost of acquiring energy and reviewed every four years.

c.2) Impacts of foreign exchange, inflation and interest rates on the Company's financial results

Currency exposure

The value of loans expressed in currency as at December 31, 2011 was R$ 212 million, corresponding to 5.8% of the consolidated total of the Company's loans, financing and debentures. Of this total, 3.1% was indexed to the US dollar and 2.7% to the Euro. Debt maturities are distributed over a long-term horizon but bunched between 2015 and 2024.

Due to the foreign exchange translation effect in the fiscal year 2011, the Company's financial result was negatively impacted by R$ 18 million, equivalent to approximately 0.9% of the operating profits for 2011.

In the light of the low level of currency denominated debt and its long-term maturity profile, the risk of significant impacts on the financial result and on the Company's cash is relatively low. Taking the outstanding balance of this debt as of December 31, 2011 as a base and in the light of the probable scenario for the next twelve months with the variation in the US dollar from R$ 1.86 to R$ 1.79 and in the Euro from R$ 2.43 to R$ 2.32, then the impact of currency variation on the pro-forma financial result for 2012 would be approximately R$ 9 million.

Exposure to floating interest rate and index risk

The Company is exposed to floating interest rates and indices related to variations of the TJLP, CDI, IPCA and IGP-M**.**

The impact of interest expenses on the Company's financial result for fiscal year 2011 was R$ 344 million, of which R$ 239 million on loans, financing and debentures and R$ 105 million on the outstanding balance of concessions payable. Again, the impact of monetary restatement was R$ 102 million, R$ 35 million in the case of debentures and R$ 67 million in the case of the outstanding balance payable on concessions.

The following table shows the eventual additional impact on the Company's pro-forma financial result for 2012, calculated on existing debt as at December 31, 2011 based on the probable scenario for the next twelve months (source: Focus Central Bank of Brazil).

Risk of variation in floating interest rates and indices:	Change in 2011	Probable scenario 2012	Change	Balance as at December 31 2011	Impact in R$ million
Loans and financing					
- TJLP	6.00%	6.00%	-	2,449	-
- CDI	11.60%	9.69%	1.91 p.p.	439	(8)
Debentures					
- TJLP	6.00%	6.00%	-	25	-
- IPCA	6.50%	5.32%	1.18 p.p.	466	(4)
Concessions payable					
- IGP-M	5.10%	5.08%	0.02 p.p.	865	(0.1)
- IPCA	6.50%	5.32%	1.18 p.p.	401	(5)

10.3 Directors' comments on the relevant effects that the events below have caused, or are expected to cause, on the Company's account statements and on its results:

a. Introduction or sale of an operational segment

During 2011, four of the eight generator units of the Estreito Hydroelectric Power Plant began commercial operations. Net operating revenue generated by these units was R$ 87 million. The effects on EBITDA and net income from the startup in operations at Estreito HPP was R$ 66 million and R$ 13 million, respectively. According to the completion schedule for Estreito HPP, all generator units should be operational by the end of the third quarter 2012.

b. Constitution, acquisition or sale of corporate stakes

The principal information with respect to acquisition, incorporation and sale of the Company's corporate stakes for the years 2011, 2010 and 2009 are as follows:

b.1) Events with respect to the fiscal year ending December 31 2011

Conclusion of the Seival Project sale

In June 2011, the Company concluded the process initiated in 2010 to sell the totality of the shares that it held in the capital stock of Seival Participações S.A., following the completion of all conditions precedent established in the sale agreement, among them, the prior agreement of Aneel and the approval of the Administrative Council for Economic Defense (CADE). Seival is a Special Purpose Company, holder of 99.99% of the capital stock of Usina Termelétrica Seival Ltda. This company holds the rights, including the Aneel authorizations and the installation license, to build and operate a coal-fired thermoelectric power plant in Candiota (RS) with an installed capacity of up to 540 MW. Up to the date of sale, the company had not conducted any operational activity.

The total corrected sale value was R$ 39 million, thus resulting in a capital gain of R$ 15 million recognized in the result of the Company.

The Company is continuing to develop other coal-fired thermoelectric power plant projects in the Candiota region in line with its strategy for growth in the Brazilian electric energy sector.

Wind energy generation projects

In March 2011, the Company's Board of Directors approved the installation of five wind farm projects for the sale of electricity in the free market, four in the state of Ceará (CE) and one in the state of Piauí (PI). The projects amounted to 145.4 MW, with a total estimated investment of R$ 625 million. A significant portion of the commercial capacity from these plants was sold to free consumers under medium and long-term power purchasing agreements.

The authorization for the companies to operate as independent energy producers has already been granted by Aneel. The Company has concluded the contracting of the companies responsible for supplying the equipment and for assembling of the 63 wind turbine towers, each with a generation capacity of 2.3 MW. The executive projects are being prepared, equipment is being manufactured and a start on the civil construction work on the wind farms in Ceará has already been made. The Company still awaits the installation license for the project in Piauí. Completion of the construction of the wind farms is scheduled for early 2013.

b.2) Events relative to the fiscal year ending December 31, 2010

Acquisition of SUEZ Energia Renovável (SER), the former denomination of Companhia Energética Estreito (CEE)

In August 2010, the Company finalized all the conditions precedent established in the Purchase Agreement signed in December 2009, namely the approval of Aneel, BNDES and the On-lending Banks. In the same month, following ratification of the transaction at the Extraordinary General Meeting (EGM) of October 19, 2010, on a unanimous vote of the minority shareholders, the Company concluded the acquisition of the common shares of CEE owned by its controlling company, GDF SUEZ Latin America Participações Ltda.

CEE owns a 40.07% stake in the Estreito Energia Consortium (Ceste), established to support the installation and operation for the harnessing of hydroelectricity at Estreito, the power plant to have an installed capacity of 1,087 MW and an assured energy of 641.08 average MW. The other consortium members of Ceste are Companhia Vale do Rio Doce (30%), Estreito Energia S.A. – Alcoa Group (25.49%) and Intercement Brasil S.A. – an entity pertaining to the Camargo Corrêa Group - (4.44%), the consortium leader being CEE.

At the 5th New Energy Auction, the Company sold 256 average MW (for a period of 30 years - supplies beginning on January 1, 2012) to electricity distribution companies which are part of the Regulated Contracting Environment (ACR). The amount of energy sold is proportional to the Company's stake in Ceste.

The total acquisition cost of R$ 799 million is made up of: (i) R$ 604 million corresponding to the original value on the date of the agreement's signature; (ii) R$ 25 million with respect to monetary restatement according to the IPCA and annual interest of 6% *pro-rata temporis* until the acquisition date; and (iii) R$ 170 million relative to advances for a future capital increase and applied in the construction of the Plant, restated at the IPCA and with annual interest of 6% per annum *pro-rata temporis*, to be collected by GSELA between the agreement signature date and the acquisition date.

The original price of R$ 604 million was set on the basis of an economic-financial evaluation prepared by a highly reputable and specialized Financial Institution based on the discounted cash flow methodology.

Incorporation of Ponte de Pedra Energética S.A. (PPESA) by Energia América do Sul Ltda. (EAS) and EAS by Tractebel Energia S.A.

On October 30, the Extraordinary General Meeting approved the proposal for incorporation of PPESA by its controlling company, EAS, and the incorporation of the latter, also by its controlling company, Tractebel Energia S.A., pursuant to the Protocols for Incorporation and Instruments of Justification for Incorporation. The purpose of the incorporation was to reduce the current organizational structure, cutting costs, increasing shareholder value, rationalizing and optimizing investments and facilitating the unification, standardization and rationalization of the general management of the businesses of the companies involved.

b.3) Events relative to the fiscal year ending December 31, 2009

Acquisition of wind farm energy generating projects

In November 2009, the Company acquired Special Purpose Companies with projects for generating wind energy in the state of Ceará with an installed capacity of 121.9 MW. Some of these projects were qualified to participate in the reserve energy auction promoted by Aneel in December, although no energy was contracted due to the low prices bid by competitors at the auction. These projects underwent minor modifications and their installation approved by the Company in 2011, as mentioned above under item b.1.

c. Unusual events or operations

The principal unusual events which impacted the Company's results were as follows:

Fiscal Year 2011 – the complement to a court action ruled in favor of the Company in 2010 for R$ 9 million was recognized and a loss on the writing off of fixed assets in the amount of R$ 5 million, the result of the replacement of switch gear at a company plant.

Fiscal year 2010 – the Company recognized non-recurring revenue of R$ 46 million due to a court litigation in its favor, not subject to appeal, on the right to calculate PIS and Cofins using the cumulative methodology on revenue arising from contracts signed prior to the change in the legislation to the non-cumulative methodology.

Fiscal year 2009 – non-recurring revenue of R$ 8 million was recognized as a consequence of a court agreement with respect to the rescission to construct the biomass-fired São João plant.

10.4 Comments of the directors on:

a. Significant changes in accounting practices

Initial adoption of International Financial Reporting Standards - IFRS and the Accounting Pronouncement Committee - CPC

The consolidated accounting information published as from 2010 was prepared in conformity with the IFRS, issued by the International Accounting Standards Board (IASB), which is aligned with the generally accepted accounting practices adopted in Brazil (BRGAAP), based on the pronouncements issued by the CPC.

During 2009 and 2010, the CVM approved various Pronouncements, Interpretations and Technical Orientations issued by the CPC, amending certain accounting practices previously adopted in Brazil, to come into effect as from January 1, 2010, retroactive to January 1 2009 ("transition date") for comparison purposes. The accounting information relative to the fiscal year ending December 31, 2009 was adjusted and reclassified to allow for the introduction of these new procedures and make the account information comparable with the following years.

In 2011, CPC continued a process of revisions and amendments in some of the pronouncements in order to maintain the compendium of norms current. None of the changes or alterations had any impact on the Company's account statements.

The IFRS norms, amendments to existing norms and interpretation of norms (IFRIC) effective in January 1, 2011, similarly did not result in any impact on the Company's account statements.

b. Significant effects of amendments on accounting practices

Fiscal year 2011

There were no significant effects due to changes in account practices for the year 2011.

Fiscal years 2010 and 2009

The pronouncements arising from the initial adoption of the IFRS and the CPC, the application of which impacted the Company's accounting information as from the date of their adoption (January 1, 2009) are demonstrated below.

CPC 15 – Business combination: the Pronouncement's objective is to increase the relevance, reliability and comparability of the information that the entity provides in its account statements on business combinations (an operation or event through which a purchaser obtains control of one or more businesses) and on their effects. To this end, this pronouncement establishes principles and requirements so that the purchaser: (i) recognizes and measures the identifiable assets acquired, the liabilities assumed and the corporate stakes of non-controlling entities in the acquired asset; (ii) recognizes and measures the premium reflecting future returns (goodwill) from the business combination or gain accruing from a favorable purchase; and (iii) determines the information that must be disclosed for allowing the users of the account statements to assess the nature and the financial effects of the business combination.

For the purposes of preparing the account statements, the Company has anticipated the adoption of the rules established in IFRS 3 (Business combination), an accounting standard which is consistent with CPC 15, for the business combinations included within the scope of this accounting pronouncement, adopted by the Company from January 1, 2008. Up to this date, the business combinations were booked in accordance with the accounting practices previously adopted, pursuant to the rules established by CVM Instruction 247/96. The Company opted for the exemption pursuant to CPC 37 R1 (First Adoption of the International Accounting Standards) and did not adopt the requirements of CPC 15 retroactively to January 1, 2008.

CPC 25 - Provisions, Contingent Liabilities and Contingent Assets: the purpose of this Accounting Pronouncement is to establish that criteria for recognition and the bases for measurement appropriate to provisions and contingent liabilities and assets are applied, and that sufficient information is disclosed in the explanatory notes to allow users to understand their nature, opportunity and value.

The values of court deposits related to taxation, civil and labor provisions previously shown in the balance sheet in a reducing account for the respective provision, in the liabilities, pursuant to CVM Decision nº489/05, revoked by the adoption of CPC 25, are now shown in the Company's assets.

CPC 26 – Presentation of Account statements: this Accounting Pronouncement is to define the basis for the presentation of the account statements and to assure their comparability, not only in respect of the preceding periods for the same entity but also the account statements for other entities. In this scenario, this Accounting Pronouncement establishes general requirements for showing the account statements, guidelines for their structure and the minimum requirements for their content.

Deferred income tax and social contribution, for which the expectation is for realization to take place in the following twelve months to the presentation of the account statements, were previously recorded in the current assets, pursuant to CVM Instruction 371/2002. Pursuant to CPC 26, these deferred taxes are now to be recognized in full in the Company's long-term assets

CPC 27 – Property, Plant and Equipment: this Accounting Pronouncement is to establish the accounting treatment for property, plant and equipment to ensure that the users of the account statements are able to discern the information on the investment of the entity in its fixed assets as well as related changes. The principal points to be considered in booking the property, plant and equipment are the recognition of the assets, the determination of their book and depreciation values and losses for devaluation to be recognized in relation to these items.

Pursuant to the guidance in the accounting pronouncements on the subject, the Company adopted fair value as attributed cost for the valuation of the fixed assets of its plants, where book value showed a value substantially higher or lower than fair value. This procedure was strongly supported by the CPC and the CVM through the ICPC 10 (Clarifications on CPC 27 and CPC 28) and it is the Company's understanding that such procedure represents the adoption of best corporate governance practices in the preparation of account statements. The adjustment to fair value of the asset, net of deferred income tax and social contribution, was offset against the shareholders' equity account denominated "Adjustments in equity value". The depreciation on the said adjustment will not impact the base for calculating income tax and social contribution or the calculation base for dividend distribution. The Company has maintained the useful life of its assets adopted up to now since this is estimated and defined by Aneel, practiced by the industry and accepted by the market as adequate - this procedure being supported by OCPC 05 (Guidance on Concession Contracts).

CPC 30 - Revenue: the Accounting Pronouncement's objective is to establish the accounting treatment for revenue generated from certain types of transactions and events and to determine when to recognize it. The revenue is recognized when it is probable that the future economic benefits will flow to the entity and these benefits can be reliably measured.

According to the accounting practices previously adopted, the Company's revenue shown in the income statement segregated gross operating revenue, deductions from gross operating revenue and net operating revenue. CPC 30 establishes that for disclosure purposes in the income statement, revenue should include only gross inflow of economic benefits already received and to be received by the entity when originating from its own activities. The quantities collected on behalf of third parties such as sales taxes and resources for research and development as determined by Aneel, are not economic benefits which flow to the entity and do not result in an increase in shareholders' equity; therefore, they should not be shown as revenue. In addition, as called for by the CPC, the Company must publish an explanatory note reconciling the gross revenue for fiscal purposes and the revenue reported in the income statement.

CPC 33 – Post-employment Benefits: this Accounting Pronouncement establishes the booking and disclosure of benefits granted to the employees. For this purpose, the Accounting Pronouncement requires that the entity recognize: (i) a liability when the employee has rendered the service in exchange for benefits to be paid in the future; and (ii) an expense when the entity uses the economic benefit as a result of the service received from the employee, in exchange for benefits to this employee.

Pursuant to previous accounting practices enshrined in CVM Instruction 371/00, the accumulated actuarial losses within a limit of 10% of the present value of the defined benefits liability ("corridor methodology"), were not recognized in the Company's results but disclosed in the Explanatory Notes, and the losses in excess of this corridor limit were recognized in the result for the average remaining life of benefit plan members. This procedure has not been modified by the new accounting practice established in CPC 33. However, according to the exemption in CPC 37 R1 (First Adoption of the International Accounting Standards), the actuarial losses within the corridor limit and therefore not registered in the liabilities, were recorded by the Company in its opening balance as an offset to the retained earnings account in the shareholders' equity. The Company has chosen to maintain the corridor approach for recognizing its result for actuarial gains and losses as from the first adoption date.

***Interpretation of the Accounting Pronouncements Committee (ICPC) 08 – Accounting for the Payment of Proposed Dividends*:** the Accounting Pronouncement provides that the value of the dividends for an amount above the established mandatory minimum, not approved at the general shareholders' meeting, must be shown and highlighted in the shareholders' equity. Under the previous accounting practices these complementary dividends were deducted from shareholders' equity and recognized in the Company's liabilities.

Statement of the adjustments and reclassifications arising from the first adoption of the new accounting practices

Amounts in R$ million	Assets	Liabilities	Shareholders' Equity	Net Income
Balance prior to adoption of the new practices	**9,654**	**5,973**	**3,681**	**1,134**
Adjustments and reclassifications:				
Current Assets				
Deferred fiscal assets	(16)	-	-	-
Non-current Assets				
Court escrow deposits	49	-	-	-
Deferred fiscal assets	88	-	72	-
Property, plant and equipment	1,159	-	1,159	-
Current Liabilities				
Dividends and interest on shareholders' equity	-	(82)	82	-
Non-current liabilities				
Provision for tax, civil and labor risks	-	49	-	-
Post-employment benefits	-	133	(133)	-
Deferred fiscal liabilities	-	412	(412)	-
Cost of energy sold				
Depreciation	-	-	-	(84)
Operating revenues (expenses)				
Reversal of operating provisions	-	-	-	24
Deferred IT and SC	-	-	-	17
	1,280	512	768	(43)
Balance following adoption of the new practices	**10,934**	**6,485**	**4,449**	**1,091**

c. Qualifications and emphases contained in the opinion of the auditor

Fiscal Years 2011 and 2010

There are no qualifications in the independent auditor's report for the Company with respect to the Account Statements for the fiscal years ending December 31, 2011 and December 31, 2010.

Below, we show the standard emphasis in the reports of the independent auditors for 2011 and 2010, following the adoption of the IFRS, pursuant to the requirements of IBRACON Technical Announcement nº 04/2010. This applies to the individual account statements of all the Companies

which have investments in controlled, affiliated and controlled projects, jointly evaluated by the equity income method.

"As described in explanatory note 2, the individual account statements were prepared in accordance with account practices adopted in Brazil. In the case of Tractebel Energia S.A., these practices differ from the IFRS, applicable to separate account statements, only in relation to the evaluation of the investments in controlled and jointly controlled companies by the equity income method, while for the purposes of IFRS, such evaluation would be at cost or fair value."

As mentioned in the aforesaid IBRACON Technical Announcement and according with Technical Pronouncement CPC 43(R1) "The Initial Adoption of the Technical Pronouncements", there should be no divergence between the consolidated shareholders' equity and the consolidated result in the consolidated account statements prepared in accordance with accounting standards adopted in Brazil and those prepared in alignment with the IFRS. Differences, if any, should be restricted to the individual account statements due to the evaluation of the investments in controlled companies or jointly controlled projects, which in accordance with current Brazilian legislation must be evaluated by the equity income method in the individual account statements as well as by the eventual maintenance of outstanding balances in the deferred items of these individual account statements as permitted by Law 11.941, which amended the Corporate Law.

Further to the said IBRACON Technical Pronouncement, effort was made in order that the account statements prepared in accordance with the accounting practices adopted in Brazil are equal to those prepared in accordance with international norms (IFRS). As the above mentioned remaining differences are one-off, the Brazilian Securities and Exchange Commission (CVM) has required an additional paragraph in the report of the independent auditors to emphasize this matter, in cases where such a difference exists. In such cases, readers of the account statements are made aware that these differences between the individual account statements prepared in accordance with accounting practices adopted in Brazil and the separate account statements prepared in accordance with the IFRS are restricted to the evaluation of the investments in controlled and affiliated companies and in jointly controlled projects using the equity income method and through the maintenance of deferred items in the individual account statements.

Fiscal Year 2009 - There are no qualifications in the independent auditor's report for the Company with respect to the Account Statements for the fiscal years ending December 31, 2009.

10.5 Critical accounting policies adopted by the Company, dwelling especially on accounting estimates conducted by the management regarding matters that are uncertain and relevant to the description of the financial situation and of the results, which require subjective or complex judgment, such as: provisions, contingencies, revenue accruals, tax credits, assets usable over the long-term, useful life of long-term assets, pension plans, foreign currency conversion adjustments, costs of environmental recovery, criteria for testing the recovery of assets and financial instruments

Use of estimates

In the preparation of account statements, management must base its estimates on the registration of certain transactions which affect its assets, liabilities, revenues and expenses as well as the disclosure of information in its account statements. To prepare these estimates, management uses the best available information on the date of preparation of the account statements as well as experience with past and/or current events, also considering the assumptions relative to future events. The account statements include therefore, estimates relative principally to the useful life of the fixed asset, guidelines for which are decided by Aneel, to the evaluation of recoverability of assets, to the registration of the provisions for credits of doubtful liquidation, to the provisions necessary to cover eventual tax, civil and labor risks, to the assumptions used in the definition of discount rates, return on assets and mortality rate for calculation of post-employment benefits, and to the determination of fair value of financial instruments and for estimates used in the calculation of the sensitivity analysis.

Principal judgments and sources of uncertainties in the estimates

Critical accounting practices are those that are vitally important to demonstrate the financial condition and the results and require more difficult, subjective or complex judgments on the part of management, frequently as a result of the need to make estimates that have an impact on questions which are inherently uncertain. As the number of variables and assumptions which affect the possible future solution of these uncertainties increases, these judgments become more subjective and complex. In the preparation of the account statements, the Company has adopted certain assumptions as a result of historical experience and other factors which it deems as reasonable and relevant. Even if these estimates and assumptions are reviewed by the Company in the ordinary course of the business, the statement of its financial condition and the results of the operations frequently require the use of judgment as to the effects of questions inherently uncertain as to the accounting value of its assets and liabilities. The real results can be distinct from the estimates for different variables, assumptions or conditions. We include comments with respect to each critical accounting practice below in order to provide an understanding of how the Company reaches its judgments on future events:

Deferred income tax and social contribution

Deferred income tax and social contribution are generated by temporary differences between the book value of the assets and liabilities and their respective fiscal values and the fiscal losses and negative social contribution bases. The amounts of deferred income tax assets and social contribution are revised at the end of each fiscal year for evaluating and where such are to be realized against future taxable profits based on the forecasts for taxable results, supported by technical feasibility studies to be submitted to the management bodies of the Companies. Deferred fiscal assets and liabilities are calculated using the tax rates applicable on the taxable profit in the years that these temporary differences are to be realized. The future taxable profit can be greater or less than the estimates considered at the time of definition of the need to register and the amount to be registered of the fiscal asset.

- ***Post-employment benefits***

The Company recognizes its obligation to employee benefits plans and the related costs, net of the plan assets, adopting the following practices: (i) the cost of obligations with post-employment benefits is determined actuarially using the projected unit credit method. The discount rate used for calculating the future benefits obligation is an estimate of the interest rate on the date of the balance sheet of high quality fixed income investments with maturities that coincide with the expected maturities of the obligations; (ii) the assets of the pension plan are evaluated at market value at the balance sheet date.

In the actuarial calculations, the actuarial consultants also use subjective factors such as mortality rates, salary growth forecasts, employment termination and rotativity.

The actuarial assumptions used by the Company can be materially different from the real results due to changes in the economic and market conditions, regulatory events, judicial decisions or long or shorter life spans of the plan members. However, the Company and its actuaries have used assumptions consistent with the internal and external analyses conducted to define the estimates used.

- ***Useful life of property, plant and equipment***

The Company recognizes the depreciation of its fixed assets based on the annual rates established by Aneel, practiced by the industry and accepted by the market as adequate, limited to the concession term of the Plants, when applicable. However, the useful real lives can vary based on the technological modernization of each unit. The useful lives of the fixed assets also affect the tests for the recovery of the costs of the long duration assets, when necessary.

- ***Test for reduction of the recoverable value of the assets of long duration***

There are specific rules for evaluating the recoverability of assets with a long duration, especially property, plant and equipment. On the date of the closing of the fiscal year, the Company undertakes an analysis to determine if there is evidence that the amount of the long duration assets is not recoverable. If such evidence is identified, the Company proceeds to test for assessing recovery of assets.

The process of revision of asset recoverability is subjective and requires significant judgments on the basis of analysis. The Company's analyses did not identify the need to constitute any provision for the recovery of long-duration assets.

- ***Provision for taxation, civil and labor risks***

Is defined on the basis of evaluation and qualification of the risks where the loss is considered probable. This evaluation is supported by judgment on the part of management together with its legal advisers on the basis of case law, rulings handed down by lower and higher courts, the track record of agreements and decisions, the experience of the management and of the legal advisers as well as other applicable aspects.

10.6 Internal controls adopted to assure the elaboration of reliable account statements:

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

The Company meets the corporate governance standards of the Novo Mercado and considers its internal controls adequate considering the type of activity and volume of transactions in which it is engaged.

Additionally, considering the complexity of activities and technological innovations, the Company's management is directing its best efforts to deepen, revise and continually improve its processes and implement new tools for revision and internal controls. Beginning in 2006, the Company formally reviews and tests its internal controls system, initially to meet the requirements of the Sarbanes-Oxley Law and currently, to conform to a specific program implemented by its main controller, the GDF SUEZ group. Eventual faults detected in the internal control systems are registered and corrected in action plans, the implementation of which is verified by the independent auditors.

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

Deficiencies and recommendations in internal controls reported by the independent auditors are analyzed by the CEO and by the CFO and Investor Relations Officer during the annual meeting for certifying the Company's internal controls program. The action plans for the necessary corrections are registered and their implementation is verified by the independent auditors (Follow-up). No significant deficiency was registered in the report of the independent auditors for fiscal years 2011, 2010 and 2009 which could result in relevant impacts to the Company.

Additionally, the independent auditors responsible for the Company's Account Statements also undertake tests of internal controls. These include revising some of the tests undertaken for the purposes of the Company's internal controls program.

10.7 Comments of the executive directors in the event the Company has already made a public offering

a. How the funds obtained from the offering were employed.

The Company's use of the resources resulting from the public offerings of debentures in the years 2011, 2010 and 2009 were as follows:

3rd Debentures Issue (April 2009) in the amount of R$ 600 million

The funds obtained by way of this public offering were used to: (i) fully pay down the Company's fourth issue of promissory notes amounting to R$ 300 million, issued by the Company in April 2009 and (ii) payment of a portion of the debt represented by the third issue of Company promissory notes in the amount of R$ 400 million, issued by the Company in May 2008 and settled in May, 2009. These debentures were settled on the expiry date in April 2011.

4th Debentures Issue (December 2009) in the amount of R$ 400 million

The funds obtained by way of the said public offering were used (i) for the acquisition of Companhia Energética Estreito (current denomination of SUEZ Energia Renovável S.A. – SER), owner of a 40.07% stake in the Estreito Energia Consortium, (ii) a reduction in the costs and lengthening of the debt profile; and (iii) for reinforcing working capital for the continued operations of the Company. The Company made early settlement of these debentures in July 2011 with funds raised from Bank of America Merrill Lynch, as per information already provided in this document.

b. If there were any relevant deviations regarding the effective application of funds and the proposals for allocation of funds disclosed in the respective distribution prospectuses

There were no deviations regarding the effective application of funds and the proposal for the Company's debenture issues.

c. In the event deviations have occurred, the reasons for such

Not applicable.

10.8. Description by the executive directors of relevant items not apparent in the Company's account statements

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

Information provided under item 10.9 below.

b. Other items not apparent in the account statements

Not applicable.

10.9 Comments of the directors in relation to each one of the items not apparent in the account statements as mentioned in item 10.8

***a.* how these items change or could change the revenues, expenses, operating result, financial expenses and other items in the Company's account statements**

***b.* nature and purpose of the operation**

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

Below we provide the information required jointly with that for item 10.8 above.

i. operating lease, assets and liabilities

The Company has the following lease agreements, classified as operating because ownership of the asset cannot be transferred to the lessee on expiry of the agreement and there is no option to purchase the asset. In addition, such operations do not satisfy the other conditions described in IAS 17 and CPC 06 – Leasing Operations for classification as finance leases.

- Company Head Office

The Company has signed an agreement for the use of a property housing its new head offices. Duration is for ten years with the possibility of renewal and the values agreed are restated annually according to the annual variation of the IPCA. As of December 31, 2011, the historical nominal value of future commitments was R$ 37 million.

- Land for wind farms

The Company has 13 (thirteen) agreements for leasing of land which has been or will be used in the installation and construction of wind turbine towers, substations and transmission installations associated to the wind farms of the Company (Beberibe, Pedra do Sal and the Trairí Project). The agreements will expire between 2027 and 2042 and the payments are made up of fixed and variable installments, the latter generally due upon the entry into operation of each one of the projects.

Estimated minimum future payments are as follows:

Year	Values in R$ million
2012	2
2013 to 2016	9
After 2017	33
	44

ii receivables portfolios written off for which the entity continues to bear risks and responsibilities, indicating the respective liabilities

Not applicable.

iii future purchase agreements of products or services

a) Bilateral Electric Energy Purchase Agreements

The following table shows the Company's energy balance as of December 31 2011 considering assured energy and the purchase agreements in effect for the following six years.

Energy Balance

	(avg MW)	2012	2013	2014	2015	2016	2017	Auction Gross Price (R$/MWh)	Reference Date	Gross price adjusted as of 12/31/2011 (R$/MWh)
	Own Resources	3,575	3,658	3,681	3,681	3,681	3,681			
+	Purchases for Resale	599	404	316	215	205	200			
=	Total Resources (A)	4,174	4,062	3,997	3,896	3,886	3,881			
	Regulated Sales*	1,669	1,669	1,669	1,659	1,513	1,154			
	2004-EE-2007-08	10	10	10	-	-	-	70.9	dez-04	98.0
	2005-EE-2008-08	146	146	146	146	-	-	81.6	abr-05	109.5
	2005-EE-2009-08	359	359	359	359	359	-	94.0	out-05	123.8
	2005-NE-2010-30	200	200	200	200	200	200	115.1	dez-05	150.1
	2006-NE-2009-30	493	493	493	493	493	493	128.4	jun-06	164.7
	2006-NE-2011-30	148	148	148	148	148	148	135.0	nov-06	172.3
	2007-NE-2012-30	256	256	256	256	256	256	126.6	jun-07	159.5
	Proinfa	44	44	44	44	44	44	147.8	jun-04	220.9
	1st Reserve Energy Auction	13	13	13	13	13	13	158.1	ago-08	179.9
+	Bilateral Sales	2,434	2,362	2,047	1,716	1,274	1,084			
=	Total Sales (B)	4,103	4,031	3,716	3,375	2,787	2,238			
	Balance (A - B)	**71**	**31**	**281**	**521**	**1,099**	**1,643**			
	Sales average **net** price (R$/MWh)*1:	129.5	130.6	130.1						
	Purchases average **net** price (R$/MWh)*2:	119.4	121.6	124.0						

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

*1: Sales price is net of ICMS and taxes over revenues (PIS/Cofins, R&D), as of 12/31/11, i.e. future inflation is not considered.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 12/31/11, i.e. future inflation is not considered.

Note: The balance refers to the settlement point.
The average prices are considered simply estimates and are based on financial planning revisions, not considering contrated quantity, which are updated quarterly.

b) Connection Agreements

The Company has a connection agreement with Eletrosul Centrais Elétricas S.A. (Eletrosul) and Furnas Centrais Elétricas S.A. (Furnas), expiring on the termination date of the concessions of the Company's generator units. In the case of Ponte de Pedra HPP, the Company has an agreement with Centrais Elétricas do Norte do Brasil S.A. (Eletronorte). In relation to the controlled companies, the agreements for use of connection are as follows:

- Eólica Beberibe S.A.: Companhia Energética do Ceará (Coelce).
- Eólica Pedra do Sal S.A.: Companhia Energética do Piauí (Cepisa).

As at December 31, 2011, the amount of future commitments with respect to the connection agreements is R$ 248 million.

c) Agreement for Use of the Transmission and Distribution System (CUST and CUSD)

The Company and controlled companies CESS, CEE and Itasa have agreements with the National Electricity System Operator (ONS) for the use of the transmission and the basic network system. For those plants not connected directly to the basic grid, companies have distribution agreements with the energy distributors in the regions where the plants are located.

In most cases, the agreements run until the termination date of the concession or the authorizations of the Company's generator units. On December 31, 2011, the amount of the future commitments under these agreements totaled R$ 7,040 million.

d) Natural gas purchase agreement

On November 10, 2000 Tractebel Energia and MSGÁS (Companhia de Gás do Mato Grosso do Sul) entered into an agreement for regulating the supply of gas to the William Arjona thermoelectric power plant (UTWA). The supply of raw material to MSGÁS is, in its turn, regulated by the agreement signed between that concessionaire and Petrobras, and is executed through the distribution branch pipeline connected to GASBOL.

In February, 2006 Petrobras conditioned the renewal of its agreement with MSGÁS to an increase in prices over those that were in effect, which was unacceptable to Tractebel Energia. The parties being unable to reach an agreement and in the face of a threat to interrupt the supply of gas to UTWA, the Company filed for a court order with the objective of securing continuity in the supply of the fuel. On November 26, 2009 a writ of prevention was issued and the supply of gas as well as the continuity of the agreement over an additional five years from that date was guaranteed.

The current price, in local currency, is made-up of three parts, one relative to the supply of gas, another to transportation and the third is related to the distributor's margin. This price is adjusted annually in May according to the Producer Price Index (PPI), a US federal government indicator for commodities used for industrial ends.

The quantity contracted with MSGÁS is up to 1.350.000 cubic meters per day and, in the event the UTWA does not require this consumption, the Company is obligated to pay the amount of the distributor's margin, as per value established in the agreement.

The maximum monthly cost to the Company should the total volume be consumed is R$ 12 million. The minimum annual cost representing the distributor's margin, is R$ 9 million. On December 31, 2011, the minimum value payable under the agreement up to November 2014 is R$ 27 million.

e) Carbon credits sales agreement – Certified Emission Reductions (CER)

The Lages Bioenergética Ltda. controlled company has a carbon credits sale agreement with the Prototype Carbon Fund (PCF), the volume of which represents about 40% of the estimated total of CERs to be generated by 2014. The amount of CERs to be transferred annually to the PCF is 88,000 until 2013 and 134,000 in 2014. The outstanding balance as at December 31, 2011 is 486.000 CER, equivalent to R$ 9 million.

iv. unfinished construction agreements

The Company has the following construction agreements in progress for the installation of new plants.

i. *São Salvador Hydroelectric Power Plant:* agreement with the São Salvador Consortium for complementary work on the São Salvador HPP. The outstanding balance at December 31, 2011 was R$ 11 million.

ii. *Ibitiúva Bioenergética Thermoelectric Power Plant:* agreement with Areva Koblitz S.A. for the rendering of engineering services, acquisition of equipment and plant construction. As at December 31, 2011, work still to be executed corresponded to R$ 1 million.

iii. *Estreito Hydroelectric Power Plant:* the Estreito Consortium in which the Company has a 40.07% stake, has agreements earmarked to the installation of the Estreito Hydroelectric Power Plant, the outstanding balance of which on December 31, 2011 was R$ 176 million, of which R$ 71 million corresponds to CEE's stake.

iv. *Energias Eólicas do Nordeste (EEN)*: EEN and its controlled companies have agreements earmarked to the installation of the wind farms in the states of Piauí and Ceará, with expiry on December 31, 2012. Future commitments relative to the said agreements as of baseline date December 31, 2011, are R$ 489 million.

v. Future financing receipts agreements

Not applicable.

b. Other items not apparent in the account statements

There are no other significant items which are not apparent in the Company's account statements.

10.10 Principal elements of the Company's business plan:

a. Investments including

i. quantitative and qualitative description of the investments in progress and of forecasted investments

As at December 31, 2011, the Company had construction work in progress at Estreito HPP and at the wind farms in the northeast of Brazil. The total investments in Estreito HPP up to December 31, 2011 were R$ 2,111 million, of which R$ 799 million correspond to the acquisition value of Companhia Energética Estreito (CEE) and R$ 1,312 to resources financed by the BNDES. Total expenditures at the northeastern wind farms up to December 31, 2011 amounted to R$ 49 million, fully funded out of own capital, given that the Company is still in negotiations for raising finance from the BNDES.

The investments executed in 2011 and forecast from 2012 to 2014 are as follows:

Amounts in R$ million	Executed 2011	Forecast 2012	Forecast 2013	Forecast 2014
Finance with:				
- Own capital	256	369	605	186
- Third party capital	64	486		
	320	855	605	186

During 2011, the Company invested the equivalent of R$ 203 million in the construction of new plants, R$ 154 million in Estreito HPP and R$ 49 million in the wind farms under construction in the northeast of the country.

In addition, in the same year, the Company invested R$ 117 million in maintenance and modernization projects at its generator complex in order to maintain a high degree of plant uptime.

The above values do not include the capitalization of interest on financing during the construction phase of the projects.

The principal projects and investments forecast for 2012 are: (i) the conclusion of Estreito HPP; (ii) the continuation of construction of the wind farms in the northeast region; and (iii) the continuation of the modernization and maintenance program of the Company's generator complex.

In 2013 and 2014, additional investments are envisaged in the continued program of long-term maintenance of the existing plants. There is forecast for a financial reserve in 2013 to acquire control of Energia Sustentável do Brasil, a company which holds a 50.1% stake in Jirau Hydroelectric Power Plant.

i. sources of financing for investments

Sector projects generally finance approximately between 60% and 70% of total investments and the remainder is covered with own funds. The BNDES is the source of financing for the majority of the Company's projects.

ii. relevant divestments in progress and forecast

There are no relevant divestments in progress nor are any foreseen by the Company

b. acquisitions already announced of plant, equipment, patents or other assets are expected to influence the Company's production capacity

As widely announced to the market, the controlling company GDF SUEZ participates in the auctions and undertakes the construction of hydroelectric power projects, mitigates the principal risks and then transfers the projects to Tractebel Energia. The point at which the transfer takes place is determined by the stage of the risk profile for each project.

In this context, GDF SUEZ, through the Energia Sustentável do Brasil, is building the Jirau HPP, under construction in Porto Velho, state of Rondônia (RO), with an installed nominal capacity of 3,750 MW – this incorporating the project for further expansion at the plant to 50 generator units. GDF SUEZ has a 50.1% stake in Energia Sustentável do Brasil.

In line with the Group's business model in Brazil, Tractebel Energia's Related Parties Committee will negotiate the acquisition of the project with GDF SUEZ. For this reason, the prospects are good that the project will be transferred to Tractebel Energia when the principal development risks are mitigated, an event expected close to the time when the plant goes into commercial operations.

c. New products and services, stating: (i) description of previously disclosed research in progress; (ii) total amounts spent by the Company in research in the development of new products or services; (iii) previously disclosed projects in progress; and (iv) total amounts spent by the Company in the development of new products or services

iv. description of previously disclosed research in progress

Not applicable

v. total amounts spent by the issuer for research in the development of new products or services
Not applicable.

vi. previously disclosed projects in progress
Not applicable.

vii. total amounts spent by the issuer in the development of new products or services
Not applicable.

It is worth mentioning that Tractebel Energia, in its capacity as an electricity generating company, authorized for independent production, is obliged to invest at least 1% annually of its adjusted net operating revenue in research and development in the electric energy sector.

The resources allocated to this end are applied as follows: (i) 40% to the National Scientific and Technological Development Fund (FNDCT); (ii) 40% to research and development projects conducted by the Company pursuant to Aneel regulations; and (iii) 20% to the Ministry of Mines and Energy (MME). R&D resources are for funding the studies and research for planning the expansion of the energy system as well as studies on inventory and feasibility necessary for the harnessing of hydroelectric generating potential.

On December 31, 2011, the Company and its controlled companies had R$ 56 million available for investing in proprietary projects, of which R$ 15 million is currently committed to projects in progress and the rest still not earmarked to Aneel-approved projects.

The objective of Tractebel Energia's Research and Development Program is technological innovation in the energy sector and the technical-scientific training of Brazilian research workers, encompassing such investment themes as: alternative sources of electricity generation, environment, energetic maintenance and efficiency, among others.

10.11 Comment on other factors which have significantly influenced operating performance and which have not been identified or commented in the other items in this section

There are no other factors which have significantly influenced operating performance and which have not be identified or commented in the other items.

Tractebel Energia
GDF SUEZ

Annex II

Article 9, ICVM 481/09 – 1st paragraph, sub-section II – Proposal for allocating net income for the fiscal year, which contains, at least, the information indicated in annex 9-1-II of ICVM 481/09:

Allocation of net income for the fiscal year

1) State the net income for the fiscal year	R$ 1,447.6 million (controlling company)
2.a) State the total amount of dividends, including interim dividends and interest on shareholders' equity already declared	R$ 1,429.3 million
2.b) State the value-per-share of dividends, including interim dividends and interest on shareholders' equity already declared	R$ 2.1897556102 per common share
3) State the percentage of total payout on net income for the fiscal year	100% of the net adjusted income available for distribution[7]
4) State the aggregate amount and the value-per-share of dividends distributed based on profits for previous fiscal years	Not applicable
5) State, after deducting interim dividends and interest on shareholders' equity already declared:	
a) The gross amount of dividends and interest on shareholders' equity, segregated by share of each type and class	R$ 517.3 million corresponding to R$ 0.7925669420 per common share

[7] Distributable net income corresponds to Net Income for the fiscal year, deducted for Legal Reserves and Fiscal Incentives and adjusted for the transaction with the non-controlling shareholder and for the realization of the adjustment in the asset valuation (attributed cost of the fixed assets in accordance with guidance in CPC 27 and ICPC 10), recognized in the "Retained Profits" account.

b) The manner and term of payment of dividends and interest on shareholders' equity	To be submitted for approval at the Annual General Meeting (AGM) to be held on March 21, 2012
c) Eventual application of monetary restatement or interest on dividends and interest on shareholders' equity	Not applicable
d) Date of notice of payment of dividends and interest on shareholders' equity for purposes of identifying shareholders with a right to receive them	The date for declaring payout will be set by the AGM

6) In the event dividends and interest on shareholders' equity have been declared based on profits reported in semi-annual balance sheets or those for shorter periods

a) State the total amount of dividends or interest on shareholders' equity already declared	R$ 658.0 million of interim dividends and R$ 254.0 million credit of interest on shareholders' equity
b) State the date of the respective payments	Payout of interim dividends begins on October 6, 2011 and interest on shareholders equity on February 10, 2012

7) Supply a table showing a comparison for the following values per share according to type and class:	
a) Net income for the fiscal year and in the previous three fiscal years	2011= R$ 2.2177768582 2010 = R$ 1.8562434964 2009 = R$ 1.6712059256
b) Dividends and interest on shareholders' equity paid-out in the last three fiscal years	2011 = R$ 2.1897556102 2010 = R$ 1.0178134249 2009 = R$ 0.9558426155
8) In the event profits are allocated to the legal reserve	
a) Identify the amount allocated to the legal reserve	R$ 66.6 million
b) Indicate the basis for calculating the legal reserve	4.6% of the net income in the fiscal year thus reaching the legal limit of 20% on the subscribed capital stock.
9) In the event the Company possesses preferred shares with a right to minimum fixed dividends	Not applicable

10) With respect to the mandatory dividend	
a) Describe how it is calculated pursuant to the Bylaws	The Company's Bylaws determine that in each fiscal year a mandatory dividend of not less than 30% (thirty percent) of the adjusted net income, be paid-out. The decision on whether to apply the full result of the fiscal year shall be submitted to the General Meeting. - The Company shall raise a semi-annual balance sheet and the Board of Directors may determine that interim dividends be paid-out based on the same. - The Company may raise a balance sheet and pay-out interim dividends in shorter periods as long as the total amount of dividends paid-out in each semester of the fiscal year does not exceed the value of equity reserves, pursuant to the 1st paragraph of article 182 of Law 6.404 of December 15, 1976. - The Board of Directors may determine that intermediate dividends be paid-out against retained earnings or profit reserves verified in the most recent annual or semi-annual balance sheet. - The Company may credit or pay-out to shareholders interest on shareholders' equity at the discretion of the Board of Directors, observing the applicable legislation. The amounts paid-out or credited by the Company of interest on shareholders' equity may be included in the mandatory dividend, pursuant to the applicable legislation. - Dividends may be claimed over a period of 3 (three) years, after which unclaimed dividends will revert to the Company.
b) State whether it is being paid in full	Yes
c) State the amount eventually withheld	Not applicable

11) In the event the mandatory dividend is being withheld due to the financial situation of the company	
a) State the amount withheld	Not applicable
b) Describe in detail the company's financial situation, including aspects related to analyses of liquidity, working shareholders' equity and positive cash-flows.	Not applicable
c) Justify the withholding of dividends	Not applicable
12) In the event the result is applied to a reserve for contingencies	
a) State the amount applied to the reserve	Not applicable
b) Identify the loss that is considered probable	Not applicable
c) Explain why the loss is considered probable	Not applicable
d) Justify the setting-up of the reserve	Not applicable
13) In the event the result is applied to an unrealized profits reserve	
a) State the amount applied to the unrealized profits reserve	Not applicable
b) State the nature of the unrealized profits that caused the reserve to be set-up	Not applicable

14) In the event the result is applied to statutory reserves	
a) Describe the statutory clauses that established the reserve	Not applicable
b) State the amount applied to the reserve	Not applicable
c) Describe how the amount was calculated	Not applicable

15) In the event profits were retained as foreseen in the capital expenditures budget	
a) State the amount withheld	Not applicable
b) Supply a copy of the capital expenditures budget	Not applicable

16) In the event profits were applied to the tax incentives reserve	
a) State the amount applied to the reserve	R$ 9.5 million
b) Explain the nature of the application	The reserve is constituted through the allocation of the portion of the result for the fiscal year equivalent to the tax benefit granted by the Agency for the Development of the Amazon (Sudam). This benefit corresponds to a reduction of 75% in the income tax calculated on profits for the operation of activities of the Ponte de Pedra HPP.

Tractebel Energia
GDF SUEZ

Annex III

Data on candidates nominated or supported by the Management or by the controlling shareholders for election of members of the Company's Board of Directors and Fiscal Council as per requirements contained in items 12.6 to 12.10 of the reference form pursuant to CVM Instruction 480/09

12.6 and 12.8 – Breakdown and professional experience of the management and fiscal council

Name	Age	Management body	Date of election	Term of office
CPF	Profession	Elective position held	Date of taking office	Nominated by the controlling shareholder
Other positions and functions exercised in the issuer				
Maurício Stolle Bähr	54	Sits on the Board of Directors only	03.21.2012	2 years
748.528.847-49	Engineer	20 – Chairman of the Board of Directors	03.21.2012	Yes
Member of the Strategic Committee				
Jan Franciscus María Flachet	56	Sits on the Board of Directors only	03.21.2012	2 years
059.308.257-50	Engineer	21 - Vice Chairman of the Board of Directors	03.21.2012	Yes
Member of the Strategic Committee				
Dirk Achiel Marc Beeuwsaert	64	Sits on the Board of Directors only	03.21.2012	2 years
000.000.000-00	Engineer	22 - Board of Directors (Effective)	03.21.2012	Yes
Member of the Strategic Committee				
Guy Marie Numa Joseph Ghislain Richelle	56	Sits on the Board of Directors only	03.21.2012	2 years
000.000.000-00	Engineer	22 - Board of Directors (Effective)	03.21.2012	Yes
Manoel Arlindo Zaroni Torres	62	Sits on the Executive Board and the Board of Directors	03.21.2012	2 years
115.116.056-34	Engineer	33 – Chief Executive Officer and Member of the Board of Directors (Effective)	03.21.2012	Yes
-				
Philip Gotsall Cox	60	Sits on the Board of Directors only	03.21.2012	2 years
000.000.000-00	Accountant	22 - Board of Directors (Effective)	03.21.2012	Yes
Member of the Strategic Committee				

Name	Age	Management body	Date of election	Term of office
CPF	Profession	Elective position held	Date of taking office	Nominated by the controlling shareholder
Other positions and functions exercised in the issuer				
André de Aquino Fontenelle Cangucú	43	Sits on the Board of Directors only	03.21.2012	2 years
126.646.148-51	Administrator	23 - Board of Directors (Alternate)	03.21.2012	Yes
-				
Gil de Methodio Maranhão Neto	49	Sits on the Board of Directors only	03.21.2012	2 year
734.574.937-15	Engineer	23 - Board of Directors (Alternate)	03.21.2012	Yes
-				
José Carlos Cauduro Minuzzo	60	Sits on the Executive Board and the Board of Directors	03.21.2012	2 years
199.412.420-20	Engineer	39 – Director of Energy Production and Member of the Board of Directors (Alternate)	03.21.2012	Yes
Luiz Eduardo Simões Viana	57	Sits on the Board of Directors only	03.21.2012	2 years
465.817.407-30	Economist	23 - Board of Directors (Alternate)	03.21.2012	Yes
-				
Manuel François Colcombert	51	Sits on the Board of Directors only	03.21.2012	2 years
000.000.000-00	Engineer	23 - Board of Directors (Alternate)	03.21.2012	Yes
Member of the Strategic Committee				
Patrick Charles Clement Obyn	51	Sits on the Board of Directors only	03.21.2012	2 years
009.113.629-67	Lawyer	23 - Board of Directors (Alternate)	03.21.2012	Yes
-				

Name	Age	Management body	Date of election	Term of office
CPF	Profession	Elective position held	Date of taking office	If nominated by the controlling shareholder
Other positions or functions exercised in the issuer				
Carlos Guerreiro Pinto	69	Fiscal Council	03.21.2012	Until AGM of 2013
047.615.457-04	Administrator	43 - F.C.(Effective) Nominated by the controlling shareholder	03.21.2012	Yes
-				
Flávio Marques Lisboa Campos	61	Fiscal Council	03.21.2012	Until AGM 2013
118.388.096-00	Engineer	46 - F.C.(Alternate) Nominated by the controlling shareholder	03.21.2012	Yes
-				
Manoel Eduardo Bouzan de Almeida	59	Fiscal Council	03.21.2012	Until AGM 2013
269.006.377-87	Accountant	46 - F.C.(Alternate) Nominated by the controlling shareholder	03.21.2012	Yes
-				
Paulo de Resende Salgado	66	Fiscal Council	03.21.2012	Until AGM 2013
161.008.917-00	Economist	40 – President of the F.C. (Effective) – Nominated by the controlling shareholder	03.21.2012	Yes
-				

Maurício Stolle Bähr - 748.528.847-49

Born on September 17, 1957, Mr. Båhr graduated in Mechanical Engineering from *Universidade Gama Filho do Rio de Janeiro* and in Systems Analysis from the *Pontifiícia Universidade Católica do Rio de Janeiro* (PUC-RJ). He holds an MBA from COPPEAD – *Universidade do Rio de Janeiro* (UFRJ) and a master's degree in Corporate Finance from Berkeley University, USA. Mr. Båhr held the position of Finance Director at Mesa Energia S.A. and at Nacional Energética S.A. He is currently CEO at GDF SUEZ Energy Brasil Ltda., Director at GDF SUEZ Energy Latin America Participações Ltda., General Representative of GDF SUEZ in Brazil and Chairman of the Board of the National Electric System Operator (ONS), Chairman of the Board of Directors of Sustainable Energy of Brazil (Energia Sustentável do Brasil S.A.) and member of the Decision-Making Council at the Estreito Energia Consortium – CESTE.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Jan Franciscus María Flachet - 059.308.257-50

Born on March 6, 1956, Mr. Flachet is an Electromechanical Engineer, graduated from the Catholic University of Louvain - UCL, Belgium. He holds a Master degree in Management from the Administration and Management Institute at UCL and participated in the Management program at CEDEP, affiliated to INSEAD, in Fontainebleau, France. In 1979 he was Head of the Operation Department at Unerg, in Brabant, Belgium. From 1990 to 1996 he was General Manager of electricity distribution at Electrabel. Mr. Flachet was General Manager at Litoral Gás, in Argentina, Senior Vice President of Distribution and Commercial Operations at Tractebel EGI and Executive Vice-president of Business Development in South America. Currently, he holds the positions of Regional Manager in South America and CEO at GDF SUEZ Energy Latin America Participações. Ltda.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Dirk Achiel Marc Beeuwsaert - 000.000.000-00

Born on January 14, 1948, Mr. Beeuwsaert is a Mechanical and Electrical Engineer, graduated from the University of Ghent, Belgium. He participated in the CEDEP Management Program in Fontainebleau, France. He was CEO at GDF SUEZ Energy International, President at GDF SUEZ Energy North America Inc., and held Executive Director positions at Glow Energy, a public company established in Thailand, at Suez Tractebel SA , at Eletrabel, at Tractebel Engineering, at Gaselys (France) and at Célizan (France). He is currently: (i) Executive Vice-president at GDF SUEZ, (ii) Chairman of the Board of Directors of International Power; and (iii) Member of Executive Committee of GDF SUEZ, also integrates the Strategic Committee of Tractebel Energia.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Guy Marie Numa Joseph Ghislain Richelle – 000.000.000-00

Born April 29, 1955, civil engineer and administrator. Graduated in civil engineering from University of Liége (Belgium) and the faculty of business administration from IAG – the Catholic University of Louvain (Belgium). Has Senior Reactors Operator certification from the US National Regulatory Commission. In the last five years, he held the position of CEO and managing director of GDF SUEZ Energy Middle East, Asia and Africa. He is currently COO of International Power PLC (United Kingdom), executive director and CEO of SUEZ-Tractebel (Belgium) and member of the board of directors of the following companies: (a) Glow Energy Public Co., Ltd. (Thailand); (b) Glow Group (Except Glow IPP 3 Co. Ltd., (c) Glow SSP 2 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) Houay Ho Thai Co. Ltd., (j) Houay Ho Power Co. Ltd., (k) Glow Hemarj Wind Co. Ltd.; (l) GHECO-One Co. Ltd.); (m) International Power PLC; .(n) E.Cl S.A. (Chile); (o) Glow SPP 11 Company Limited (Thailand); (p) Glow SPP 12 Company Limited (Thailand), (q) Glow SPP 13 Company Limited (Thailand); and (r) IPM (UK) Power Holdings Limited (Gibraltar).

The person nominated for the for vacancy as an effective member of the Company's Board of Directors declares that he is apt to assume the said position, should he be elected and that he has not suffered any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Manoel Arlindo Zaroni Torres - 115.116.056-34

Born on December 18, 1949, Mr. Torres is an Electrical Engineer, graduated from the Federal School of Engineering of Itajubá (MG) and has a Specialist in General Management degree from CEDEP, affiliated to INSEAD, in Fontainebleau, France. From 1973 to 1998, he worked at Furnas Centrais Elétricas S.A. (Furnas), and in 1998, he joined the Executive Board of Tractebel Brasil as Operations Director for Tractebel Energia. In 1999, he was appointed to the post of chief executive officer of the Company as well as acting as the chief executive officer of some of the Special Purpose Companies controlled by Tractebel Energia. He was a member of the Board of Directors of the ONS (the national grid) and the Wholesale Electric Energy Market (MAE), currently the Electric Energy Trading Board (CCEE). He sits on the Board of Itá Energética S.A. and is president of the Plenary Council for the Management Committee of the Machadinho Consortium. He also acts as a member of the Senior Strategic Formulation Council for the State of Santa Catarina (FIESC), and as ambassador for the Universidade Federal de Itajubá (MG).

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Philip Gotsall Cox - 000.000.000-00

Born September 22, 1951, he is an accountant and after schooling at Bishop Vesey´s Grammar School in Sutton Coldfield, Birmingham (United Kingdom) concluded his Bachelor of Geography degree at Queens' College, Cambridge (United Kingdom). He began his professional career at Price Waterhouse Coopers. In the last five years he has held positions as Executive Director of National Power International Holdings B.V. and of IP Financial Holding I, LLC, and sat on the Board of Directors of the following companies: (i) International Power Columbus, (ii) International Power (Impala), and (iii) International Power (Jersey) Limited, (iv) IPM (North Wales) Limited, (v) International Power (Cayman) Limited, (vi) National Power International Holdings B.V., (vii) The Hub Power Company, (viii) British Electricity International (OS) Limited, and (ix) International Power NPA Holdings. Currently he is CEO of International Power PLC, Executive Director of Wincanton PLC, member of the Board of Directors of the following companies: (a) Wm Morrison Supermarkets PLC, (b) Australian Power Investments B.V., (c) European Power Holdings B.V., (d) Gippsland Ventures Pty Ltd, (e) International Power Iberia Energia, S.L., (f) International Power PLC, (g) Morwell Financial Services Pty Limited; and (h) Venafro Energia S.r.l., and he is a member of the Strategic Committee of Tractebel Energia S.A.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

André de Aquino Fontenelle Cangucú - 126.646.148-51

Born January 6, 1969 and graduated in Business Administration from the São Paulo Business School of the Fundação Getúlio Vargas (EAESP-FGV), also obtaining a Master's in Business Administration from the same institution. From July 2004 to December 2009 he was Chief Financial Officer (CFO) of Enersur S.A., the second largest generator in the private sector in Peru. Between 1998 and 2002, he held posts as Associate, Manager and Director at Enron Corp. He is currently CFO of GDF-SUEZ Latin America, Peru.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Gil de Methodio Maranhão Neto - 734.574.937-15

Born on January 18, 1963, Mr. Maranhão is a Civil Engineer, graduated from Veiga de Almeida and holds an MBA in Finance from IBMEC. He worked in the Capital Markets (underwriting and stock funds management) and Trading (Pension Funds) areas at Banco Nacional S.A. Since 1996 on GDF SUEZ group, Mr. Maranhão is currently responsible for the development of new expansion opportunities for the GDF SUEZ group in Brazil, where he is a director.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

José Carlos Cauduro Minuzzo - 199.412.420-20

Born on October 29, 1951, Mr. Minuzzo graduated in Mechanical Engineering from the Pontificate Catholic University of Rio Grande do Sul. He began his professional career at Eletrosul in 1976, performing his functions in the thermal production area at Jorge Lacerda Thermoelectric Power Plant up to 1992. From that point on, he managed the Thermoelectric Engineering and Maintenance division until 1997 and, subsequently, the Thermal Production Department up to June, 1999. Mr. Minuzzo currently holds the position of member of the Management Committee of the Itá and Machadinho Consortiums. He is furthermore a deputy board member for the Board of Directors at Itá Energética S.A. and in the Council for Water Resources of the State of Paraná (Conselho Estadual de Recursos Hídricos do Paraná). Since 1999, he holds the position of Energy Production Director at Tractebel Energia. Mr. Minuzzo is also a Director in some of the SPC's controlled by Tractebel Energia S.A.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Luiz Eduardo Simões Viana - 465.817.407-30

Born April 03, 1955, he is an Economist, graduating from the Political and Economic Sciences Faculty of Rio de Janeiro in 1985. He obtained an MBA COPPEAD from UFRJ in 1998. He worked as an Economist at BNDES Participações S.A. (BNDESPAR) from September 1980 to June 1991, always linked to the Capital Markets. He was Underwriting Manager at Banco Nacional S.A. from September 1991 to December 1995. He worked as Head of Institutional Relations for Serra da Mesa Energia S.A. (formerly Nacional Energética S.A.) from January 1996 to May 1998. He is currently a Director of Itasa without a specific designation accumulating the functions of Investor Relations Director, alternate member of the Board of Directors of Energia Sustentável do Brasil and responsible for the financial and administrative management of GDF SUEZ group in Brazil.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Manuel François Colcombert - 000.000.000-00

Born on July 9, 1960, Mr. Colcombert graduated in Industrial Engineering from ITBA, Buenos Aires, in 1984 and holds an MBA from International Institute for Management Development (IMD), Lausanne, Switzerland, where he graduated in 1990. Mr. Colcombert was active in the Energy sector, occupying General, Sales, Strategy and Business Planning Management positions. He is currently Senior Vice-president for Strategy & Portfolio Management for the South American region of the GDF SUEZ group (Regional América do Sul). He is or has been a member of the Board of Directors at several companies belonging to the GDF SUEZ group in South America and in Europe.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Patrick Charles Clement Obyn - 009.113.629-67

Born on July 28, 1960, Mr. Obyn graduated from the Antwerp Law School in Belgium. Mr. Obyn was a corporate lawyer at Union Carbide (Chemical Industry) and at the Alcatel Group (Telecommunications). In 1995 he joined the Suez-Tractebel group as Senior Adviser for Electricity and Gas International. Since 2002, he holds the position of General Counsel at GDF SUEZ Energy Latin America Participações Ltda.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Carlos Guerreiro Pinto - 047.615.457-04

Born on June 17, 1942, Mr. Pinto graduated in Business Administration from the Augusto Motta Unified University (SUAM) and in Finance Management from Citibank N.A.'s training center. He also holds an Executive Management MBA from the Management Research and Post-Graduation Institute (COPPEAD) of the Federal University at Rio de Janeiro. Mr. Pinto was responsible for structuring the Open Market area of Banco Nacional, and was also assigned the Business Risk Area Director position. In addition, he held the position of President at Sinal Corretora de Valores. He held the functions of Fiscal Director, appointed by the National Agency for Supplementary Health (ANS), regulator for private health insurance companies for the period from March 2010 and November 2011 as auditor for health insurance operators placed under Special Fiscal Supervision.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Flávio Marques Lisboa Campos - 118.388.096-00

Born on November 17, 1950, Mr. Campos is a Civil Engineer who graduated in 1973 from the School of Engineering of the Mato Grosso Federal University (UFMG). He is currently CEO América Latina of Tractebel Engineering Latin America (Tractebel Engineering – GDF SUEZ Group). He was Managing Director and CEO at Leme Engenharia Ltda. from 2002 to 2010, and he has held the following additional positions at this company: 1994 to 2002 – Executive and General Director; 1992 to 1994 – Business Development Director, where he coordinated all activities related to sales strategy, business prospecting and feasibility analysis, contract negotiation with clients and managing development expenses; 1988 to 1992 – Technical Director, managing Electricity Production and Dams, Electric Systems and Industrial Projects, most notably having supervised technical issues and developed contracts for several projects; and, from 1976 to 1988 – worked in the technical area as Head of the Hydraulic Engineering sector and as a Manager for several large projects. Mr. Campos worked as a Civil Engineer from 1972 to 1976 at Elektrowatt Ingenieros Consultores, Guatemala City, Guatemala, Elektrowatt Engineering Services, Zurich, Switzerland and Eletroprojetos S.A. – Engineering studies. He currently participates in the Executive Board of ABDIB (Brazilian Infra-structure and Base Industries Association) and is also member of the following Councils: Director Council of Sociedade Mineira de Engenheiros and of the Directive Council for the Brazilian Association of Engineering Consultants (ABCE).

The members of the Board of Director, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Manoel Eduardo Bouzan de Almeida - 269.006.377-87

Born on April 3, 1952, Mr. Almeida holds a bachelor degree in Accounting, having graduated in 1978 from Simonsen College (Faculdades Integradas Simonsen) in Rio de Janeiro. He worked in the industrial sector from 1969 to June 1995 engaged in several administrative activities, reaching the position of Administrative and Accounting Manager. In the second semester of 1995 he was invited to act as the accountant for the Serra da Mesa energy project, belonging to Serra da Mesa S.A., which he agreed to up to June 1998, when he was transferred to the Tractebel Group (currently GDF SUEZ), where he works at the Holding as an accountant, remaining until his retirement at the end of 2011.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

Paulo de Resende Salgado - 161.008.917-00

Born on July 2, 1945, Mr. Salgado graduated in Economics from Cândido Mendes University in Rio and holds a graduate degree as a Financial Executive from the Getulio Vargas Foundation (FGV) as well as an MBA in the Management Development Program (PDG) and in the Capital Markets AID-USA program offered by FGV.

Mr. Salgado was Resident Vice-President at Citibank, Investment Superintendent at Banco Econômico de Investimentos S.A., Underwriting and Privatization Director at Banco Nacional S.A., where he was engaged in the privatization project of LIGHT and CSN. He was also Director at Nacional Energética S.A. and at IVEN S.A, Finance Director at Nacional Energética S.A. and Economic Consultant at Agenda Corretora de Câmbio e Valores Mobiliários Ltda.

The members of the Board of Directors, Executive Board and the Fiscal Council have signed a declaration stating that they have not been found guilty of any: i) criminal sentence; ii) administrative process of the Brazilian Securities and Exchange Commission - CVM; or iii) action with no right of appeal in the judicial or administrative sphere, which has resulted in suspension or disqualification from any professional or commercial activity.

12.7 Breakdown of the statutory committees and the audit, financial and compensation committees:

Name CPF	Type of committee Description other committees	Position held Description of other positions held	Profession Age	Date of Election Date of taking office	Term of office
Other positions and functions exercised at the issuer					
Maurício Stolle Bähr	Other committees	Committee Member (Effective)	Engineer	06/25/1999	Not applicable
748.528.847-49	Strategic Committee	Chairman of the Board of Directors	54	06/25/1999	
Jan Franciscus María Flachet	Other committees	Committee Member (Effective)	Engineer	04/25/2003	Not applicable
059.308.257-50	Strategic Committee	Vice Chairman of the Board of Directors	56	04/25/2003	
Dirk Achiel Marc Beeuwsaert	Other committees	Committee Member (Effective)	Engineer	03/15/2001	Not applicable
000.000.000-00	Strategic Committee	Effective member of the Board of Directors	64	03/15/2001	
Philip Gotsall Cox	Other committees	Committee Member (Effective)	Accountant	11/04/2011	Not applicable
000.000.000-00	Strategic Committee	Effective Member of the Board of Directors	60	11/04/2011	
Manuel François Colcombert	Other committees	Committee Member (Effective)	Engineer	01/18/2000	Not applicable
000.000.000-00	Strategic Committee	Alternate Member of the Board of Directors	51	01/18/2000	
Victor-Frank de Paula Rosa Paranhos	Other committees	Committee Member (Effective)	Engineer	06/25/1999	Not applicable
098.414.907-49	Strategic Committee	-	65	06/25/1999	

12.9 Existence of a marital relationship, consensual union or kinship up to the second degree with the members of the management of the issuer, controlled companies and controlling companies:

There are no family ties such as the ones described above between any of the members of management and the Fiscal Council nominated by the Controlling Shareholder; between the members of management of the Company and the members of management of the controlled companies of the Company, either directly or indirectly; between the members of management of the Company or its controlled companies, whether directly or indirectly controlled, and direct and indirect controlling entities of the Company; and between the members of management of Company and the members of the management of directly and indirectly controlled corporations of the Company.

12.10 Relationship of subordination, provision of service or control between members of management (Nominated by the Controlling Shareholder) and the controlled companies, controlling companies and others

a) company controlled directly or indirectly by the issuer

Identification	CPF/CNPJ	Type of relation of the Member of Management with the related person	Type of related person
Position/Function			
Member of the Management of the Issuer			
Manoel Arlindo Zaroni Torres	**115.116.056-34**		
Chief Executive Officer			
Related Person – Chief Executive Officer in the last three fiscal years			
Companhia Energética São Salvador (CESS)	04.848.623/0001-70	Control	Directly Controlled
Companhia Energética Estreito (CEE)	08.976.022/0001-01	Control	Directly Controlled
Lages Bioenergética S.A. (Lages)	05.210.535/0001-00	Control	Directly Controlled
Tractebel Energia Comercializadora Ltda. (TBLC)	04.100.556/0001-00	Control	Directly Controlled
Tractebel Energias Complementares Participações Ltda. (TBLP)	09.212.990/0001-04	Control	Directly Controlled
Delta Energética S.A. (Delta)	04.739.720/0001-24	Control	Directly Controlled
Épsilon Participações Ltda. (Épsilon)	09.212.980/0001-60	Control	Directly Controlled

Note

He was Chief Executive Officer of Seival Participações S.A. (Seival) up to the conclusion of its sale in June 2011. Likewise he was Chief Executive Officer of Lagoa Formosa Bioenergética Ltda. until the winding up of the company at the end of 2011. In 2009 and 2010 he was Chief Executive Officer of Energia América do Sul Ltda. (EAS), a company which Tractebel Energia incorporated at the end of 2010.

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

Note

Tractebel is joint controller of Itasa with a 48.75% stake in the capital of this company.

Identification	CPF/CNPJ	Type of relation of the Member of Management with the Related Person	Type of Related Person
Position/Function			
Member of the Management of the Issuer			
José Carlos Cauduro Minuzzo	**199.412.420-20**		
Director of Energy Production			
Related Person – Chief Executive Officer in the last three fiscal years			
Tupan Energia Elétrica S.A. (Tupan)	02.800.821/0001-38	Control	Indirectly Controlled
Hidropower Energia S.A. (Hidropower)	05.261.707/0001-75	Control	Indirectly Controlled
Eólica Beberibe S.A. (Beberibe)	05.032.564/0001-20	Control	Indirectly Controlled
Eólica Pedra do Sal S.A. (Pedra do Sal)	08.448.356/0001-02	Control	Indirectly Controlled
Related Person – Chief Executive Officer in the fiscal year ending 12.31.2011			
Hidrelétrica Areia Branca S.A. (Areia Branca)	06.793.964/0001-10	Control	Indirectly Controlled
Ibitiúva	09.541.336/0001-36	Control	Indirectly Controlled
Note			
He was Chief Executive Officer of Ponte de Pedra Energética S.A., as well as Technical Director of EAS until the incorporation of these companies by Tractebel Energia at the end of fiscal year 2010.			
Related Person – Director of Operations in the last three fiscal years			
CESS	04.848.623/0001-70	Control	Directly Controlled
Lages	05.210.535/0001-00	Control	Directly Controlled
TBLP	09.212.990/0001-04	Control	Directly Controlled
Note			
Related Person – Technical-Operational Director			
CEE	08.976.022/0001-01	Control	Directly Controlled
Related Person – Member of the Board of Directors in the last three fiscal years			
Ibitiúva	09.541.336/0001-36	Control	Directly Controlled
Related Person – Alternate Member of the Board of Directors in the last three fiscal years			
Itasa	01.355.994/0001-21	Control	Directly Controlled
Note			
Tractebel is joint controller of Itasa with a 48.75% stake in the capital.			

Identification	CPF/CNPJ	Type of relation of the Member of the Management with the Related Person	Type of Related Person
Position/Function			
Member of the Management of the Issuer			
Maurício Stolle Bähr	**748.528.847-49**		
Chairman of the Board of Directors			
Related Person – Chairman of the Board of Directors in the last three fiscal years			
Itasa	01.355.994/0001-21	Control	Directly Controlled
Consórcio Estreito Energia (Ceste)	05.387.829/0001-02	Control	Directly Controlled
Member of the Management of the Issuer			
Jan Franciscus María Flachet	**059.308.257-50**		
Member of the Board of Directors			
Related Person – Member of the Board of Directors in the last three fiscal years			
Itasa	01.355.994/0001-21	Control	Directly Controlled
Member of the Management of the Issuer			
Gil de Methodio Maranhão Neto	**734.574.937-15**		
Member of the Board of Directors			
Related Person – Alternate member of the Board of Directors in the last three fiscal years			
Itasa	01.355.994/0001-21	Control	Directly Controlled
Related Person – Technical Director in the fiscal year ending 12.31.2009			
CEE	08.976.022/0001-01	Control	Directly Controlled
Member of the Management of the Issuer			
Luiz Eduardo Simões Viana	**465.817.407-30**		
Member of the Board of Directors			
Related Person – Director without specific designation and accumulating the functions of Investor Relations Officer in the last three fiscal years			
Itasa	01.355.994/0001-21	Control	Directly Controlled
Related Person – Administrative Director for the fiscal year ending 12.31.2009			
CEE	08.976.022/0001-01	Control	Directly Controlled

b) direct or indirect controller of the issuer

Identification Position/Function	CPF/CNPJ	Type of relation of the Member of the Management with the Related Person	Type of Related Person
Member of the Management of the Issuer			
Maurício Stolle Bähr **Chairman of the Board of Directors**	**748.528.847-49**		
Related Person – Director in the last three fiscal years			
GDF Suez Energy Latin America Participações Ltda. (GSELA)	01.370.013/0001-15	Control	Direct Controller
Member of the Management of the Issuer			
Jan Franciscus María Flachet **Vice-Chairman of the Board of Directors**	**059.308.257-50**		
Related Person – Chief Executive Officer in the last three fiscal years			
GSELA	01.370.013/0001-15	Control	Direct Controller
Member of the Management of the Issuer			
Dirk Achiel Marc Beeuwsaert **Member of the Board of Directors**	**000.000.000-00**		
Related Person – Executive Vice President of the Executive Committee in the last three fiscal years			
GDF SUEZ		Control	Indirect Controller
Related Person – Chairman of the Board of Directors in the last fiscal year			
International Power PLC		Control	Indirect Controller
Member of the Management of the Issuer			
Guy Marie Numa Joseph Ghislain Richelle **Member of the Board of Directors**	**000.000.000-00**		
Related Person – Chief Executive Officer in the fiscal year ending 12.31.2011			
SUEZ-Tractebel		Control	Indirect Controller
Related Person – Operations Director and Member of the Board of Directors in the fiscal year ending 12.31.2011			
International Power PLC		Control	Indirect Controller
Member of the Management of the Issuer			
Philip Gotsall Cox **Member of the Board of Directors**	**000.000.000-00**		
Related Person – Chief Executive Officer in the last three fiscal years			
International Power PLC (IPR)		Control	Indirect Controller
Related Person – Member of the Board of Directors in the last three fiscal years			
International Power PLC		Control	Indirect Controller

Tractebel Energia
GDF SUEZ

Annex IV

Information with respect to management compensation based on item 13 of the said reference form

13. MANAGEMENT COMPENSATION

13.1 Description of the compensation policy or practice of the Board of Directors, Executive Board/non-Executive Board, of the Fiscal Council, of the Statutory Committees and of the Audit, Risk, Financial and Compensation committees, covering the following aspects:

a. Objectives of the compensation policy or practice

The compensation policy for the Board of Directors, Executive Board and Fiscal Council is based on market practices and aims at attracting and retaining professionals who are compatible with the Company's needs. The policy considers the required knowledge, the complexity of the activities and the results expected from each position.

b. Composition of the compensation

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

The aggregate total of the annual compensation paid to management (members of the Board of Directors, Executive Board and Fiscal Council) is defined annually at the Annual General Meeting.

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

Board of Directors

The annual amount of compensation established for each Board Director is paid in 13 monthly installments, and eventual variable portions may be considered within the aggregate amount approved by the General Meeting.

The chairman of the Board receives a higher compensation than the other members and, in accordance with results reported by the Company, also receives a variable portion based on results the Company achieves taking into account financial indicators, targets and its operational results. In addition, the member elected by the employees receives a bonus calculated on the basis of the number of monthly salaries paid to the employees as Participation in Profits and Results.

Executive Board

Compensation for members of the Executive Board is composed of a fixed and variable portion, and the aggregate annual amount is established by the General Shareholders' Meeting.

The benefits offered by the Company, such as health plan, life insurance, complementary pension plan represents indirect compensation.

The variable portion sweeps up:

- financial indicators for the year (evolution in EBTIDA, free cash generation, net income, solidarity with the results of the economic controlling group, etc.), representing on average 40% of the annual bonus;

- individual and operational indicators (meeting of goals, industrial and /or financial results), which represent on average of 40% of the annual bonus amount;
- behavioral and managerial questions which represent on average of 20% of the annual bonus amount.

The bonus may vary between 25 and 90% of the total annual compensation in line with the executive position, its challenges and established goals. Payment takes place in the first half of the following year after the close of the fiscal year.

Non-Executive Board

The company does not have a Non-Executive Board.

Fiscal Council

Fees (pro-labore) paid to members of the Fiscal Council is stipulated by the General Shareholders' Meeting which elects them and, for each effective member, cannot be less than 10% of the average compensation paid to Executive Board Members, excluding benefits and variable compensation.

Committees

The Company has committees which participate directly or indirectly in its decision-making process, and there is no additional compensation for their members with the exception of the Head of the Strategy Committee. The latter receives an additional monthly compensation equal to the members of the Board of Directors (in which he also participates as a Director).

Further with respect to the Independent Related Parties Committee, the Board of Directors may set complementary compensation for its members as well as grant them other advantages and protections to preserve their independence and autonomy. At the 111th Meeting of the Board of Directors on April 27, 2011, the committee was installed to analyze a specific project, the directors involved receiving a bonus equivalent to a fixed monthly compensation in the fiscal year 2011.

(ii) Proportion of each element in total compensation

The compensation for the Board of Directors is fixed for all its members, except for the Chairman of the Board and for the elected Director who also receives variable compensation. Compensation of the members of the Fiscal Council is fixed in its entirety.

The fixed portion of compensation granted to the Executive Board members is based on market values and is paid in 13 monthly installments. The variable portion may vary from 20 to 60% of the fixed annual compensation.

The participation of fixed compensation, variable compensation and the recognized benefits, in relation to total compensation, are shown in the following percentages:

	2011	2010	2009
Board of Directors			
Fixed compensation	87%	89%	86%
Variable compensation	13%	11%	14%
Benefits	-	-	-
Fiscal council			
Fixed compensation	100%	100%	100%
Variable compensation	-	-	-
Benefits	-	-	-
Executive board			
Fixed compensation	68%	62%	65%
Variable compensation	26%	32%	27%
Benefits	6%	6%	8%

Note: the foregoing chart considers the values paid in each one of the years shown. Up to year-end December 31, 2009, it is worth noting that the Company was not provisioning the expected bonus for the entire Executive Board, this procedure being adopted as from 2010. In addition, in 2010, the Company recognized part of the bonus paid for the fiscal year 2009 and not provisioned in that year.

(iii) Methodology for calculating and readjusting each of the elements of the compensation

The compensation of the Members of the Company's Management is monitored periodically based on market surveys for which top class specialized consultancies are engaged. The purpose is to permit a comparison between the value paid to the executives by companies

with similar size and sales, particularly those companies that operate in the Brazilian electricity sector, as well as maintaining internal consistency in the controlling economic group (IPR-GDF SUEZ).

The setting of the values of the fixed remuneration for the Executive Board is established based on the market median obtained in the surveys as previously cited in accordance with the nature and responsibility of each position.

In the same way, the variable portion is established considering market practices for each position, and its payment takes into account financial and operational results reported by the Company including net income, EBITDA, as well as the meeting of specific targets, previously negotiated, and managerial and behavioral aspects.

Compensation for management is adjusted annually in January and takes into account, not only questions previously cited, which may recommend salary changes, but also inflation for the period that has elapsed since the previous adjustment.

(iv) Reasons justifying the composition of the compensation

The compensation policy for the Board of Directors, Executive Board and Fiscal Council is based on market practices and aims at attracting and retaining professionals who are compatible with the Company's needs.

The Fiscal Council's compensation is set at a minimum equivalent value of 10% of the average compensation for the Executive Board. The Council does not receive variable remuneration.

The compensation of the Executive Board is monitored periodically based on market surveys. The variable portion is contingent on collective and individual targets, company results and the contribution on a joint and several basis of up to 10% in alignment with the controlling economic group.

The Board of Directors' compensation is aligned to market standards for similar companies.

c. Main performance indicators taken into consideration in determining each compensation element

In establishing management compensation in relation to the market, quantitative and qualitative indicators, degree of contribution to the results, overall performance and experience are all taken into account.

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

Pro-labore income (fixed remuneration) and benefits are established in the light of market surveys and are not modified during the fiscal year since they are set for each year within the limits approved by the General Shareholders' Meetings.

Variable compensation is directly related to the results of corporate and individual performance and considers:

- financial indicators for the year (evolution of Company's EBITDA, generation of free cash, net result, the results for the controlling economic group, etc.), which represent an average of 40% of the annual bonus;

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

- behavioral and managerial questions which represent an average of 20% of the annual bonus.

e. How the compensation policy or practices align with the Company's interests in the short, medium and long-term

The variable amount of the annual compensation of the executives depends on meeting the Company's short-term objectives.

The Company has still to establish direct incentives for meeting medium and long-term objectives by its executives. However, the economic group of which the Company is a part, adopts a policy adopted out of Paris of Group stock options at pre-established values, and a program for donating shares in the future should the expected results justify such donations.

As a general rule, these "free shares" and stock options do not involve large amounts in relation to annual compensation of the Company's executives, as detailed in item 13.16.

f. Existence of compensation supported by subsidiary companies, controlled companies or direct or indirect controlling entities

There are no payments made by subsidiaries. In cases of companies where control is shared with partners which are not participants of the economic group, when there is compensation paid for participating in their boards, the values received are returned to the Company. The controlling Group makes no payment to the Members of Management of Tractebel Energia, except that cited in letter "e", of a corporate nature and with the objective of encouraging the sentiment of being part of a worldwide group.

g. Existence of any compensation or benefit earmarked to the holding of a specific corporate event, such as sale of the corporate control of the Company

Not applicable to the Company.

13.2 Compensation recognized in the results for the Board of Directors, Executive Board and the Fiscal Council [i]:

Total compensation forecast for the Fiscal Year 12.31.2012 - Values in R$ thousands				
	Board of Directors	**Executive Board**	**Fiscal Council**	**Total**
Number of compensated members	**17.00**	**7.00**	**3.00**	**27.00**
Fixed annual compensation	**4,755,833.62**	**9,550,147.88**	**438,281.64**	**14,744,263.14**
Pro-labore	3,880,074.96	6,016,593.17	365,234.70	10,261,902.83
Direct and indirect benefits	-	764,011.83	-	764,011.83
Compensation for participating in committees	-	-	-	-
Others	875,758.66	2,769,542.88	73,046.94	3,718,348.48
Description of other fixed compensation	Others refer to mandatory social charges,	Others refer to mandatory social charges,	Others refer to mandatory social charges,	
Variable annual compensation	**694,572.11**	**3,726,620.87**	**-**	**4,421,192.98**
Bonuses	545,464,35	2,981,296,70	-	3,526,761,05
Sharing in the results	-	-	-	-
Compensation for participating in meetings	-	-	-	-
Commissions	-	-	-	-
Other	149,107,76	745,324,17	-	894,431,93
Description of other variable compensation	Others refer to mandatory social charges,	Others refer to mandatory social charges,	-	-
Post-employment benefits	**-**	**834,543.88**	**-**	**834,543.88**
Benefits due to termination of position	-	-	-	-
Stock option-based compensation	-	-	-	-
Note	-	-	-	-
Total Compensation	**5,450,405.73**	**14,111,312.63**	**438,281.64**	**20,000,000.00**

Until fiscal year ending 12.31.2009, the Company did not provision the Bonus destined for the Executive Board. As from 2010, the Company began to provision in full the expected Bonus for the entire Executive Board. Additionally in 2010, the company recognized part of the Bonus paid relative to fiscal year 2009 and not provisioned in that year, as mentioned. The variation shown in the expenses with the Bonus between the fiscal years 2009 and 2010 is justified by these two procedures.

Tractebel Energia
GDF SUEZ

Total compensation forecast for the Fiscal Year 12.31.2012 - Values in R$ thousands				
	Board of Directors	**Executive Board**	**Fiscal Council**	**Total**
Number of compensated members	**17.00**	**6.92**	**3.00**	**26.92**
Fixed annual compensation	**3,571,426.29**	**7,199,493.87**	**329,133.96**	**11,100,090.12**
Pro-labore	2,913,798.61	4,547,771.51	274,278.30	7,735,848.42
Direct and indirect benefits	-	556,279.77	-	556,279.77
Compensation for participating in committees	-	-	-	-
Other	657,663.68	2,095,442.59	54,855.66	2,807,961.93
Description of other fixed compensation	Others refer to mandatory social charges,	Others refer to mandatory social charges and indemnifications,	Others refer to mandatory social charges,	
Annual variable compensation	**521,599.01**	**2,770,888.35**		**3,292,487.36**
Bonuses	409,624.37	2,205,539.92	-	2,615,164.29
Sharing in the results	-	-	-	-
Compensation for participating in meetings	-	-	-	-
Commissions	-	-	-	-
Other	111,974.64	565,348.43	-	677,323.07
Description of other variable compensation	Others refer to mandatory social charges,	Others refer to mandatory social charges,	-	-
Post-employment benefits	**-**	**626,712.84**	**-**	**626,712.84**
Benefits due to termination of position	-	-	-	-
Share-based compensation	-	-	-	-
Note	-	-	-	-
Total Compensation	**4,093,061.30**	**10,597,095.06**	**329,133.96**	**15,019,290.32**

Tractebel Energia
GDF SUEZ

Total compensation forecast for the Fiscal Year 12.31.2012 - Values in R$ thousands				
	Board of Directors	Executive Board	Fiscal Council	Total
Number of members compensated	**17.00**	**7.00**	**3.00**	**27.00**
Fixed annual compensation	**3,434,233.09**	**6,120,017.32**	**308,227.68**	**9,862,478.09**
Pro-labore	2,747,386.47	4,198,109.57	246,582.14	7,192,078.18
Direct and indirect benefits	-	289,309.58	-	289,309.58
Compensation for participating in committees	-	-	-	-
Other	686,846.62	1,632,598.17	61,645.54	2,381,090.33
Description of other fixed compensation	Others refer to mandatory social charges,	Others refer to mandatory social charges,	Others refer to mandatory social charges,	-
Annual Variable Compensation	**431,144.13**	**4,392,489.00**	**-**	**4,823,683.13**
Bonuses	344,915.30	3,162,592.08	-	3,507,507.38
Sharing in the results	-	-	-	-
Compensation for participating in meetings	-	-	-	-
Commissions	-	-	-0	-
Other	86,228.83	1,229,896.92	-	1,316,125.75
Description of other variable compensation	Others refer to mandatory social charges,	Others refer to mandatory social charges,	-	-
Post-employment benefits	**-**	**601,809.46**	*	**601,809.46**
Benefits due to termination of position	-	-	-	-
Share-based compensation	-	-	-	-
Note	-	-	*	-
Total Compensation	**3,865,377.22**	**11,114,315.78**	**308,227.68**	**15,287,920.8**

Tractebel Energia
GDF SUEZ

Total compensation forecast for the Fiscal Year 12.31.2012 - Values in R$ thousands				
	Board of Directors	**Executive Board**	**Fiscal Council**	**Total**
Number of members compensated	**17.00**	**6.00**	**3.00**	**26.00**
Fixed annual compensation	**3,193,392.30**	**5,229,410.29**	**248,018.34**	**8,670,820.93**
Pro-labore	2,554,713.84	3,534,917.54	198,414.67	6,288,046.05
Direct and indirect benefits	-	319,802.59	-	319,802.59
Compensation for participating in committees	-	-	-	-
Other	638,678.46	1,374,690.16	49,603.67	2,062,97.,29
Description of other fixed compensation	Others refer to mandatory social charges,	Others refer to mandatory social charges,	Others refer to mandatory social charges,	
Annual Variable Compensation	**520,986.94**	**2,197,158.53**	**-**	**2,718,145.47**
Bonuses	416,789.55	1,581,954.14	-	1,998,743.69
Sharing in the results	-	-	-	-
Compensation for participating in meetings	-	-	-	-
Commissions	-	-	-	-
Other	104,197.39	615,204.39	-	719,401.78
Description of other variable compensation	Others refer to mandatory social charges,	Others refer to mandatory social charges,		
Post-employment benefits	**-**	**670,392.44**	**-**	**670,392.44**
Benefits due to termination of position	-	-	-	-
Share-based compensation	-	-	-	-
Note	-	-	-	-
Total Compensation	**3,714,379.24**	**8,096,961.26**	**248,018.34**	**12,059,358.84**

13.3 With respect to variable compensation for the past three fiscal years and the forecast for the current fiscal year:

Eventual variable compensation paid to the Board of Directors may be included in the aggregate amount approved by the General Meeting. The members of the Fiscal Council do not enjoy variable compensation. Information is presented in the table below:

Forecast for Fiscal Year 2012

(Amounts in R$ thousands)	Executive Board
Number of compensated members	07
Bonuses	
Forecasted minimum amount in the compensation plan	-
Forecasted maximum amount in the compensation plan	5,730,088.73
Forecasted amount in the compensation plan should targets be reached	3,726,620.87
Participation in the result	
Forecasted minimum amount in the compensation plan	-
Forecasted maximum amount in the compensation plan	-
Forecasted amount in the compensation plan should targets be reached	-
Amount effectively recognized in the result	-

Executive Board (Amounts in R$ thousands)	2011	2010	2009
Number of compensated members	6,92	7	6
Bonuses			
Forecasted minimum amount in the compensation plan	-	-	-
Forecasted maximum amount in the compensation plan	4,597,081.74	2,479,348.74	2,454,803.85
Forecasted amount in the compensation plan should targets be reached	2,159,848.16	2,479,348.74	2,454,803.85
Amount effectively recognized in the result	2,771,888.35	4,392,489.00	2,197,158.53
Participation in the result			
Forecasted minimum amount in the compensation plan	-	-	-
Forecasted maximum amount in the compensation plan	-	-	-
Forecasted amount in the compensation plan should targets be reached	-	-	-
Amount effectively recognized in the result	-	-	-

Until fiscal year ending 12.31.2009, the Company did not provision the Bonus destined for the Executive Board. As from 2010, the Company began to provision in full the expected Bonus for the entire Executive Board. Additionally in 2010, the company recognized part of the Bonus paid relative to fiscal year 2009 and not provisioned in that year, as mentioned. The variation shown in the expenses with the Bonus between the fiscal years 2009 and 2010 is justified by these two procedures.

The above amounts include mandatory social charges on compensation.

13.4 Regarding the share-based compensation plan in effect for the Board of Directors and for the Executive Board during the last fiscal year and forecasted for the current fiscal year:

Not applicable to the Company.

a. General terms and conditions
b. Principal plan objectives
c. Way in which the plan contributes to these objectives
d. How does the plan fit in the overall compensation plan of the Company
e. How does the plan align to the interests of management and the Company over the short, medium and long-term
f. Maximum number of shares included
g. Maximum number of stock option grants
h. Conditions for share acquisitions
i. Criteria for setting acquisition or strike price
j. Criteria for setting the exercising period
k. Method of settlement
l. Restrictions on transfer of the shares
m. Criteria and events which, when verified, will occasion suspension, alteration or extinguishment of the plan
n. Effects of the release of members of management from the Company's corporate bodies on their rights as enshrined in the share-based compensation plan

13.5 Quantity of shares or units directly and indirectly held, in Brazil or overseas, and of other securities convertible into shares or units, issued by the Company, its direct or indirect controlling entities, companies it controls or under common control by members of the Board of Directors, Executive Board and the Fiscal Council, grouped according to the management body, on the closing date of the last fiscal year.

The Company does not offer an incentive share or quota-based program. However, without detriment or connection to its results, the management of the Company as well as its employees may participate in programs established by the Controlling Group, the amounts for which do not represent a significant percentage in terms of annual compensation.

On December 31, 2011, the members of the Board of Directors and the Executive Board held 134,775 shares issued by Tractebel Energia, distributed as follows

Shareholder	Shares	(%)
Board of Directors	132,175	0.020249
Executive Board	2,600	0.000398
Fiscal Council	-	-
Total	**134,775**	**0.020647**

The Company's share price at the end of 2011 was R$ 29.96 per share.

See additional information on item 13.5 in the chart 13.16

13.6 Regarding share-based compensation to the Board of Directors and to the Executive Board booked to the results for the last three fiscal years and forecasted for the current fiscal year

Not applicable to the Company.

13.7 Regarding exercisable stock options of the Board of Directors and the Executive Board at the close of the last fiscal year

Not applicable to the Company.

13.8 Regarding exercised options and delivered shares relative to share-based compensation of the Board of Directors and the Executive Board in the last three fiscal years

Not applicable to the Company.

13.9 Summarized description of the information required to comprehend the data disclosed in items 13.6 to 13.8, such as an explanation of the method employed for pricing shares and stock options

Not applicable to the Company.

13.10 Regarding pension plans in effect and granted to the members of the Board of Directors and to the executive boards

(Amounts in Reais)	Board of Directors	Executive Board
Number of members	1	7
Name of the Plan	CD Plan	CD Plan
Number of managers who are eligible for retirement	1	4
Conditions for early retirement	-	1
Updated value of accumulated contributions to the pension plan to the close of the last fiscal year, discounting the portion made directly by the members of management	94,219.34	4,200,942.82
Total accumulated amount of the contributions paid to the plan over the last fiscal year, after discounting the portion made directly by the members of management	11,855.63	427,001.58
If early withdrawals are possible and under what conditions	Not applicable	Not applicable

13.11 Average Compensation of Members of Management

	Executive Board			Board of Directors			Fiscal Council		
(Amounts in Reais)	**12.31.2011**	**12.31.2010**	**12.31.2009**	**12.31.2011**	**12.31.2010**	**12.31.2009**	**12.31.2011**	**12.31.2010**	**12.31.2009**
Number of members	6.92	7.00	6.00	17.00	17.00	17.00	3.00	3.00	3.00
Individual highest compensation	2,474,262.40	2,520,668.02	2,804,205.07	1,277,946.79	1,096,008.72	1,244,639.95	109,711.32	102,742.56	82,672.28
Individual lowest compensation	917,887.30	675,442.12	623,246.46	107,008.45	100,211.36	96,213.60	109,711.32	102,742.56	82,672.28
Average individual compensation	1,531,372.12	1,587,759.40	1,349,493.54	240,768.31	227,375.13	218,492.90	109,711.32	102,742.56	82,672.28

The amounts shown in the tables above include mandatory social charges levied on compensation.

13.12 Contractual arrangements, insurance policies or other instruments that create mechanisms to compensate or indemnify members of management in the event of dismissal or retirement, stating the financial consequences to the Company

The Company has no contractual arrangements, insurance policies or other instruments that create mechanisms to compensate or indemnify management in the event of dismissal or retirement.

13.13 With regards to the last three fiscal years, state the percentage of total compensation recognized in the Company's results with respect to members of the Board of Directors, Executive Board or the Fiscal Council, that were parties related to direct or indirect controlling entities, as defined in the relative accounting rules

The total compensation of the members of the Board of Directors who have work contracts linked to the direct or indirect controlling entities of the Company corresponds to 66%, 74% and 73% in the years 2011, 2010 and 2009, respectively. There are no members of the Executive Board or Fiscal Council who can be considered as related parties to the Company's controllers.

13.14 With regards to the last three fiscal years, indicate amounts recognized in the Company's results as compensation to members of the Board of Directors, Executive Board or Fiscal Council, grouped by management body, for any reason other than the position they occupy, as for example, commissions and consulting or advisory services rendered

No amounts were recognized in the Company's results as compensation to members of the Board of Directors, Executive Board or Fiscal Council, grouped by management body, for any reason other than the position they occupy.

13.15 In relation to the three last fiscal years, indicate amounts recognized in the results of direct or indirect controllers, of companies under common control and controlled by the Company, as compensation for members of the Board of Directors, Executive Board or Fiscal Council, grouped by management body, specifying under which title these amounts were credited to these individuals

Tractebel Energia has members on its Board of Directors and Executive Board who sit on the Board of Directors and Executive Board of the jointly controlled company, Itá Energética S.A.. The amounts recognized in the result of the aforementioned controlled company relative to the payment of the compensation of these Members of Management are as follows:

(Amounts in Reais)	2011	2010	2009
Board of Directors of Tractebel Energia			
Number of compensated members	4	4	4
Amount	596,400.00	541,800.00	576,000.00
Executive Board of Tractebel Energia			
Number of compensated members	3	3	2
Amount	340,800.00	310,700.02	216,000.00
Total	**937,200.00**	**852,500.02**	**792,000.00**

13.16 Other information which the Company deems relevant

The Controlling Group maintains a stock option program in the shares of the controlled company, GDF SUEZ, trading on the Paris Stock Exchange, for its principal executives worldwide, established on the basis of their principal responsibilities, as well as awards in the form of performance shares or as a bonus, which under certain conditions, can be given to all employees.

In the following table, we show the average amount in shares offered by the Controlling Group to members of the Executive Board of the Company:

	2011	2010	2009
a) Stock options			
Quantity	-	-	4.529
Amount in Reais			18,962.13
b) Performance Shares			
Quantity	2,256	-	1,009
Amount in Reais	122,901.01		54,771.20
c) Free shares			
Quantity	25	-	20
Amount in Reais	1,175.72		851.00

Note:

- The price of the share of the controlling group, IPR-GDF SUEZ, on the Paris Stock Exchange was € 21.12 on December 31, 2011. The market price of the stock options for the acquisition of

the shares issued in 2009 as of the same date was € 1.72 (R$ 4.19). The exercise date for the options is four years after their issue.

- The quantity of Performance Shares declines as certain financial ratios of the controlling company GDF SUEZ are not met. The shares are only transferred to the executive directors five years after their issue and the final quantity depends on the financial results of the controlling group during this period.

- Free shares awarded in a year only become available to the executive director four years after their award and the quantity of shares can be reduced or even eliminated should certain targets not be met.

- With the merger of the GDF SUEZ group with International Power (IPR), no incentives were given based on shares of GDF SUEZ in 2010.