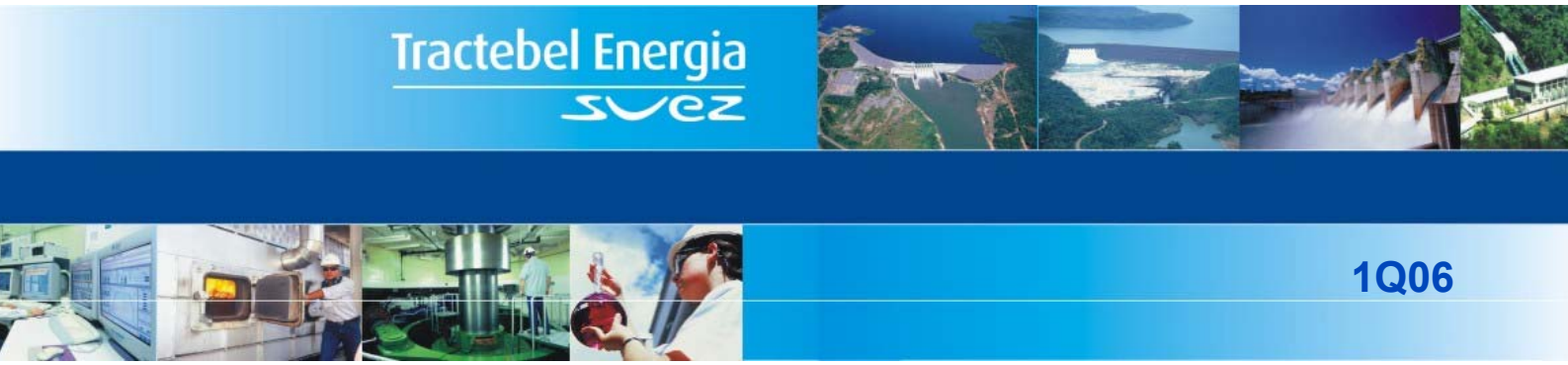


1Q06

TRACTEBEL ENERGIA announces net profit of R$ 344 million and EBITDA of R$ 390 million in first quarter of 2006

Florianópolis (SC), April 25 2006 – Tractebel Energia S.A. (Bovespa: TBLE3), the largest private sector electricity generating company in Brazil, today announces earnings for first quarter ending March 2006 (1Q06). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. The values are expressed in Reais, except where otherwise indicated.

For immediate release

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Highlights

- Tractebel Energia reported a net profit of R$ 344 million in the first quarter of 2006. Ignoring the impact arising from the sale of the remaining stake in the Jacuí Project, net profit would have been R$ 216 million, representing a growth of 25.5% against the same period in 2005.
- EBITDA grew 16.3% in the period to reach R$ 390 million and equivalent to an EBITDA margin of 61.9%.
- Consolidated gross revenues totaled R$ 708 million, a growth of 5.4% over the first quarter of 2005, reflecting the combination of volume and contracted energy prices.
- Tractebel Energia's (TBLE3) shares posted an appreciation of 22.3% in the first quarter of 2006, reaching an average daily trading volume of R$ 9.6 million.

Summary of economic and operational indicators

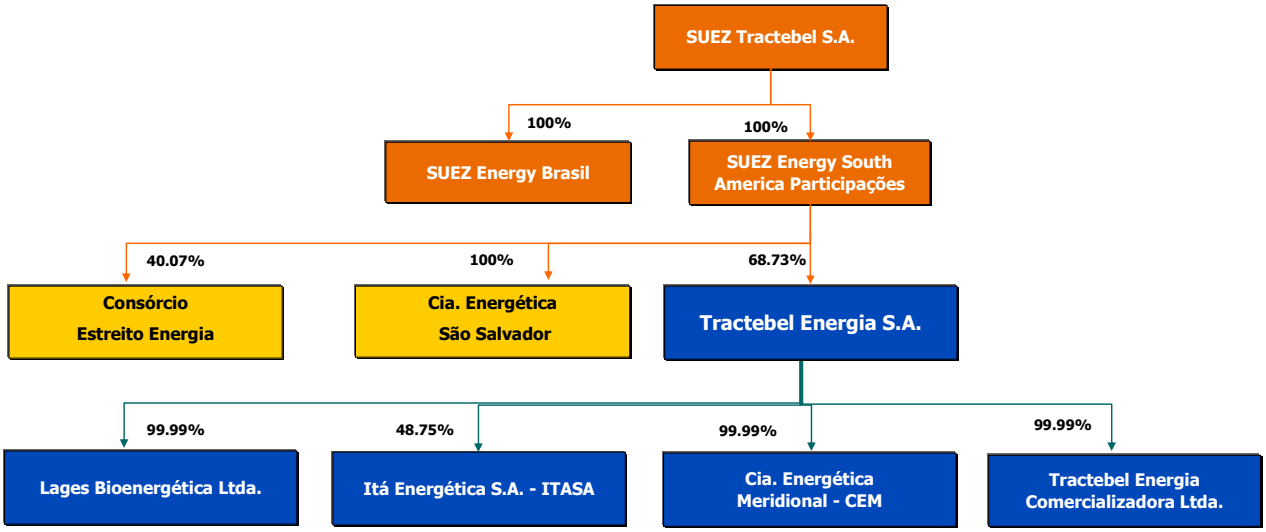
Tractebel - Consolidated	Quarter				
In Millions of Reais	1Q/06	4Q/05	1Q/05	1Q/06 vs.4Q/05	1Q/06 vs.1Q/05
Gross operating revenue	708.0	658.5	671.9	7.5%	5.4%
Net operating revenue	630.4	586.1	589.5	7.6%	6.9%
Result from service (EBIT)	338.2	283.3	306.8	19.4%	10.2%
EBITDA (1)	390.2	335.5	359.6	16.3%	8.5%
EBITDA / NOR	61.9%	57.2%	61.0%	4.7 p.p.	0.9 p.p.
Net income	343.8	220.1	172.2	56.2%	99.6%
Net debt	947.0	1,117.5	1,091.0	-15.3%	-13.2%
Energy sold (GWh)	7,800	7,589	7,845	2.8%	-0.6%
Number of employees	902	893	883	1.0%	2.2%

(1) EBITDA represents: net income + financial results + non-operating results + social contribution tax and income tax + depreciation and amortization + amortization of goodwill.

CORPORATE PROFILE

Tractebel Energia is the largest private sector electricity generating company in Brazil. It is made up of a generating complex of 13 hydroelectric and thermoelectric power plants located in the states of Paraná, Santa Catarina, Rio Grande do Sul, Mato Grosso do Sul and Goiás, with a installed capacity of 5.860 MW. Tractebel Energia is controlled by the SUEZ Group.

% of total capital – March 31, 2006



Lages Bioenergética Ltda.: constituted in 2002, this subsidiary operates as an independent energy producer through the Lages thermoelectric power plant, located in the municipality of Lages (SC). This is a co-generating plant with a 28 MW steam turbo-generator, which produces energy from timber waste as a fuel. The concession period for construction and operating the plant expires in October 2032.

Itá Energética S.A. - ITASA: holds the concession for operating the Itá Hydroelectric Plant together with Companhia Siderúrgica Nacional-CSN and Companhia de Cimento Itambé. The plant is located on the Uruguai River, between the municipalities of Itá (SC) and Aratiba (RS) and has an installed capacity of 1,450 MW with five sets of generators, each having an output of 290 MW. The concession period for the construction and commercial operating of the plant expires in October 2030.

Cia. Energética Meridional-CEM: holds the concession for the Cana Brava Hydroelectric Plant sited on the Tocantins River, northern region of the state of Goiás with an installed capacity of 450 MW. The concession period for construction and commercial operating of the plant expires in August 2033.

Tractebel Energia Comercializadora Ltda.: constituted in October 2000 with its corporate objective being trading electricity in the unregulated contracting market, including buying, selling, importing and exporting electricity as well as the intermediation of any of these operations. In March 2006, Tractebel Energia Comercializadora had contracts with around 60 customers, representing a sales volume of 6.819 average MW.

Capital Stock

On March 31 2006, the Company's capital stock was R$ 2,445.8 million, representing 652,742,192 ordinary shares with no par value. The breakdown of corporate ownership of the Company is as follows:

Breakdown of Capital	%
Suez Energy South America Part. Ltda.	68.73
Banco Clássico	10.00
BNDESPAR	2.80
Federal Government	1.90
Other	16.57
	100.00

OPERATING PERFORMANCE

Generating Complex

The Company continues to rank as the largest private sector generating company in the country with an installed capacity of 6,977 MW, made up of 6 hydroelectric and 7 thermoelectric power plants, of which 11 are wholly owned by Tractebel Energia S.A and 2 hydro plants (UHE Itá and UHE Machadinho) owned by consortia, of which Tractebel Energia is a member.

Tractebel Energia's generating complex

Power plants	Hydro/ Thermal	Location	Installed Capactity (MW)	
			Total	Tractebel's portion
Salto Santiago	Hydro	Rio Iguaçu (PR)	1,420	1,420
Salto Osório	Hydro	Rio Iguaçu (PR)	1,078	1,078
Passo Fundo	Hydro	Rio Passo Fundo (RS)	226	226
Itá	Hydro	Rio Uruguai (SC and RS)	1,450	1,090
Machadinho	Hydro	Rio Uruguai (SC and RS)	1,140	383
Cana Brava	Hydro	Rio Tocantins (GO)	450	450
Total - Hydro			**5,764**	**4,647**
Jorge Lacerda Complex *	Thermal	Capivari de Baixo (SC)	857	857
Charqueadas	Thermal	Charqueadas (RS)	72	72
Alegrete	Thermal	Alegrete (RS)	66	66
Willian Arjona	Thermal	Campo Grande (MS)	190	190
Lages	Thermal	Lages (SC)	28	28
Total - Thermal			**1,213**	**1,213**
Total			**6,977**	**5,860**

(*) Complex composed of 3 power plants.

Production

In the first quarter of 2006, Tractebel Energia's plants accumulated production of 6,030 GWh, thus maintaining the volume very similar to the same period of previous year. Out of this figure, the hydroelectric generation amounted to 4,671 GWh, while thermoelectric generation reached 1,359 GWh, representing 7.5% of energy demand by SIN – the National Grid System.

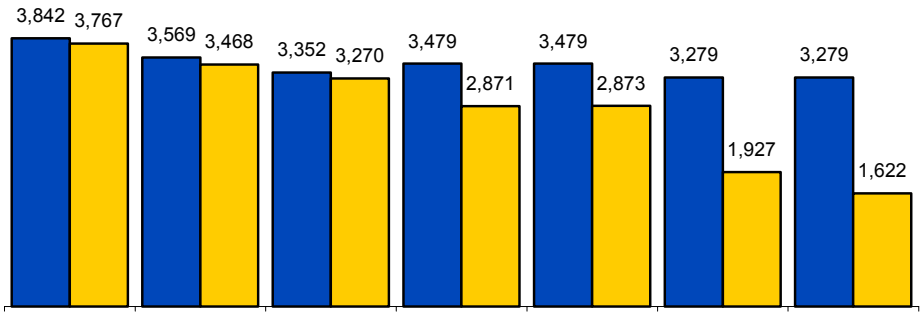
These volumes include the total output from the Itá and Machadinho plants, in which the Company has stakes of 68.6% and 16.9%, respectively.

The plants operated at a level of 99.0% uptime, not considering scheduled maintenance. If considered the time associated to this type of maintenance, the overall uptime decreases to 97.1%, being 98.3% for the hydro generation and 91.7% for the thermal one.

Energy balance

In accordance with the data on assured energy and ongoing contracts for the purchase and sale of energy as of March 31 2006, the Company's energy balance indicates that capacity is almost totally contracted through to 2008.

Energy balance as of March 31, 2006



Average MW	2006	2007	2008	2009	2010	2011	2012
Assured Energy	3,245	3,236	3,067	3,279	3,279	3,279	3,279
Purchases	597	333	285	200	200	0	0
Own Resources	**3,842**	**3,569**	**3,352**	**3,479**	**3,479**	**3,279**	**3,279**
Ordinary sales	3,767	3,458	3,110	2,330	2,132	1,186	881
Gov. auctions sales	0	10	160	541	741	741	741
Total sales	**3,767**	**3,468**	**3,270**	**2,871**	**2,873**	**1,927**	**1,622**
Balance	**75**	**101**	**82**	**608**	**606**	**1,352**	**1,657**

At the electricity power auctions held in 2005, the Company sold 531 average MW of existing energy and 200 average MW of new energy for delivery from 2008 at prices of between R$ 81.55/MWh and R$ 115.90/MWh.

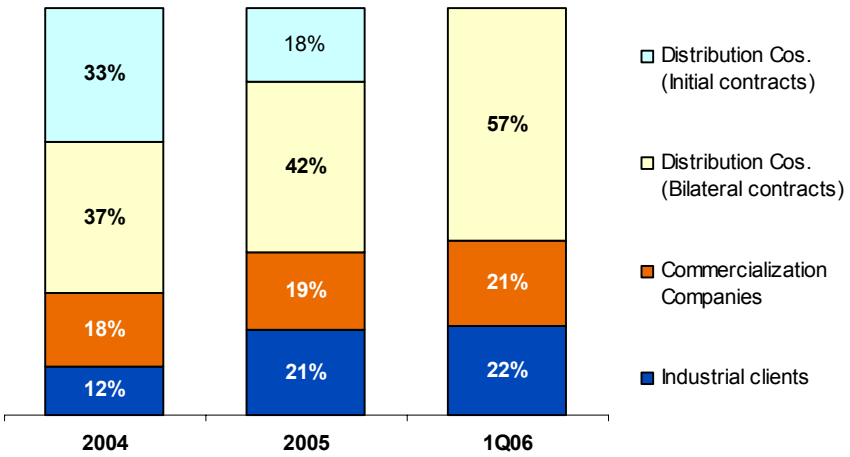
Clients

Tractebel Energia has a diversified portfolio of clients, serving energy distribution concessionaires, traders and free consumers (industries), through contracts with flexible duration and volumes. Among the Company's key industrial clients are those operating in the pulp and paper, fertilizer, industrial gases, petrochemicals, automotive and food sectors.

The Company's strategy is to increase the share of the industrial segment in its portfolio of contracts. For this purpose, it actively pursues a policy of enhancing client loyalty by customizing energy purchases to the production characteristics of each consumer. In addition, one of the services provided under this same policy is energy audits to ensure that power utilization is optimized for selected clients. The company is thus able to achieve a competitive edge in the relationship with these clients, at the same time, maximizing the use and availability of energy volumes for sale.

The participation of industrial consumers in the Company's sales revenues – practically zero in 2000 - reached 22% in the first quarter of 2006, when the portfolio included more than 100 free consumers.

Breakdown of revenues



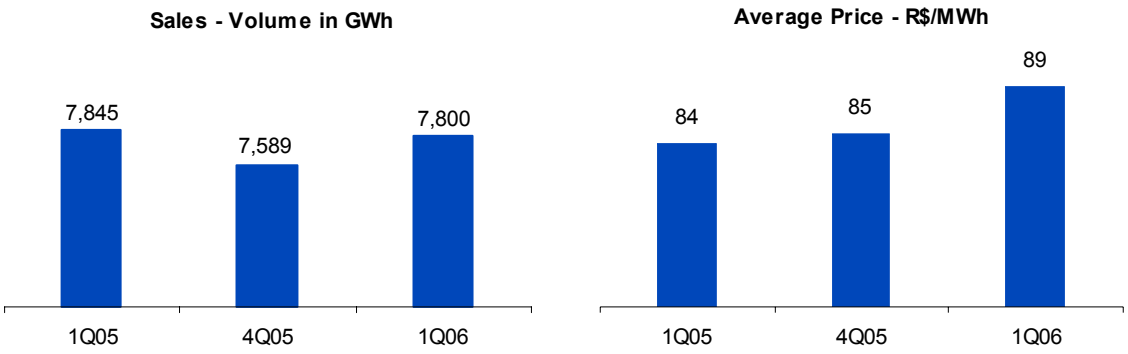
ECONOMIC AND FINANCIAL PERFORMANCE

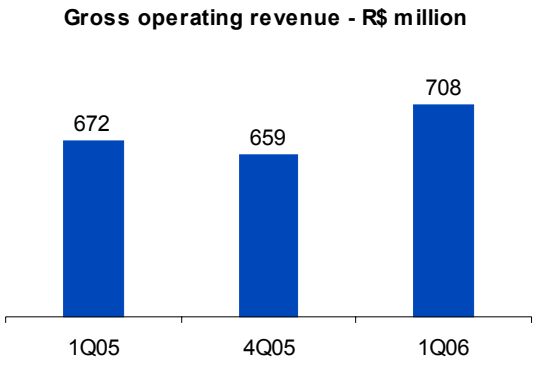
In the first quarter of 2006, in the light of a directive from ANEEL (the National Electricity Power Agency), the subsidy for fuel consumption costs through the intermediary of the CCC/CDE (Fuel Consumption Account/Energy Development Account), which had been booked to gross operating revenues, was transferred to a separate fuel cost rectifying account. The amount of R$ 97.1 million shown in the operating revenues in the Quarterly Information of March 31 2005 was therefore reclassified to allow a better year-on-year comparative analysis for the two quarters.

Gross Operating Revenues

First quarter 2006 consolidated gross operating revenues were R$ 708.0 million, a growth of 5.4% compared with the first quarter 2005. Revenues from the sale of energy to the wholesale market reached R$ 548.3 million and sales to free consumers were R$ 156.0 million, representing, respectively, a reduction of 2.3% and an increase of 45.4% over the same period in 2005, indicative of the successful development of the free consumer portfolio.

The operating revenue performance is largely due to the average price of the Company's contracts which reached approximately R$ 89/MWh, 6.0% higher than the average price of contracted energy in the same period in 2005 of about R$ 84/MWh.





Net Revenues

Net revenues in the first quarter of 2006 amounted to R$ 630.4 million, a 6.9% increase compared to the same period in 2005. Deductions from gross revenues – largely sales taxes – fell 5.9% year-on-year, falling from R$ 82.3 million to R$ 77.5 million. This variation was principally due to a combination of the following factors:

- In the first quarter of 2006, as the result of a Court Injunction filed against the Brazilian Internal Revenue authority, the Company paid PIS (Employees' Profit Participation Scheme) and COFINS (Social Contribution on Turnover) levied on revenues on contracts signed prior to October 31 2003 with a term of more than one year at a pre-fixed price, on the basis of a cumulative tax regime applying a rate of 3.65%. Conversely, in the first quarter of 2005, the Tractebel Energia paid PIS and COFINS on the basis of a non-cumulative tax regime at a rate of 9.25% on these same contracts.
- In view of changes made to accounting procedures for registering research and development expenditures during the quarter, the percentage (1%) of Company revenues which must be allocated to R&D projects is now being recognized in the accrual month and shown as a deduction against gross revenues.

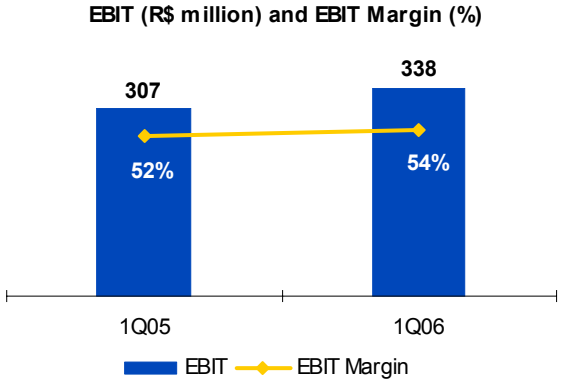
Operating Costs and Expenses

Total operating costs and expenses were R$ 292.3 million in the first quarter, a year-on-year increase of 3.4%. This result arises from the principal factors as follows:

- **Purchased electricity for resale**: an increase of R$ 9.6 million compared to the same period in 2005, principally reflecting growth in the volume of energy purchases of the Tractebel Comercializadora subsidiary to meet customer demand.
- **Fuel costs for generating electricity**: a reduction of R$ 5.9 million compared with the first quarter 2005, the result of a combination of the increase in contract prices and lower coal consumption in 2006, due to a decline in demand for power from coal-fired electricity generating plants.
- **Charges for use of the transmission and distribution network**: these expenses registered a growth of R$ 4.3 million, compared with the same period in 2005 due to increased sales through bilateral contracts in substitution of initial contracts on which there are no transmission charges. This item was also impacted by a readjustment in the tariffs for these services.
- **Payroll, material and third party services**: an increase of R$ 4.8 million compared with the first quarter 2005 due to payroll and contractual readjustments.

Operating Result (EBIT)

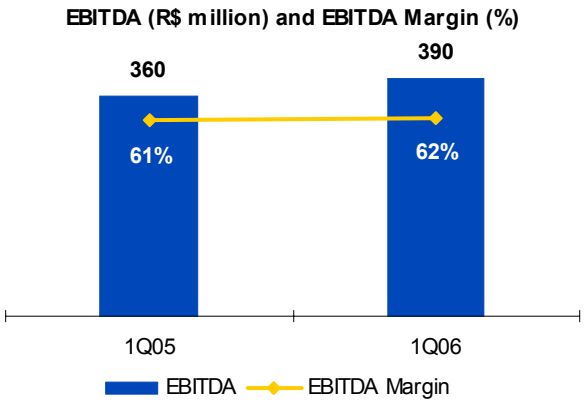
First quarter operating result (EBIT) was R$ 338.2 million, an expansion of 10.2% compared to the first quarter 2005.



Note: EBIT Margin considers reclassified operating accounts pursuant to a recent directive from ANEEL, as described in the beginning of Economic and Financial Performance section.

EBITDA and EBITDA Margin

The EBITDA for the quarter at R$ 390.2 million, equivalent to an EBITDA margin of 61.9% is a reflection of the impact of the factors mentioned above.



Note: EBIT Margin considers reclassified operating accounts pursuant to a recent directive from ANEEL, as described in the beginning of Economic and Financial Performance section.

Financial Result

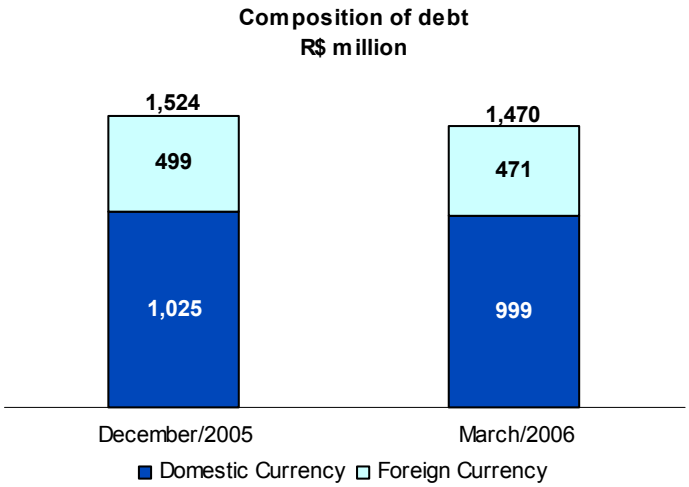
Net financial expenses fell to R$ 11.8 million (R$ 46.1 million in the first quarter 2005). This variation is principally due to the following aspects:

- a foreign exchange gain of R$ 13.0 million on loans and financing, net of losses on exchange rate swap operations, due to the appreciation of the Real against a basket of currencies comprising the Company's debt;
- an increase in financial revenues of R$ 6.3 million, due to the recovery of financial charges paid to third parties; and
- a reduction of R$ 14.4 million in interest expenses on loans and financing due to the prepayment of financing with the Inter American Development Bank in May 2005 (IBD), and the expenses relative to taxes and social contributions.

Debt

Gross consolidated debt, including charges, totaled R$ 1,470.1 million as at March 31 2006, representing a fall of 3.5% compared with December 31 2005.

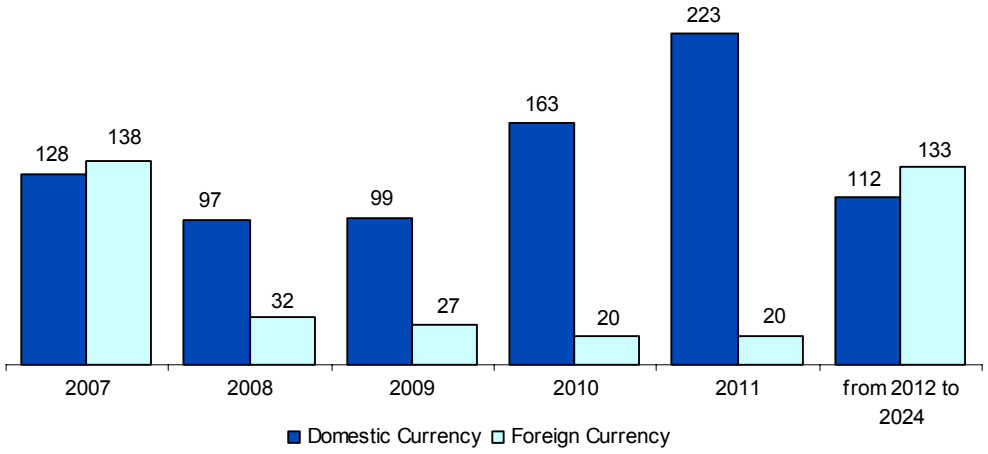
Approximately 32% of the debt as at March 31 2006 was currency denominated (33.0% as at December 31 2005), of which about 33.0% was hedged against foreign exchange fluctuations.



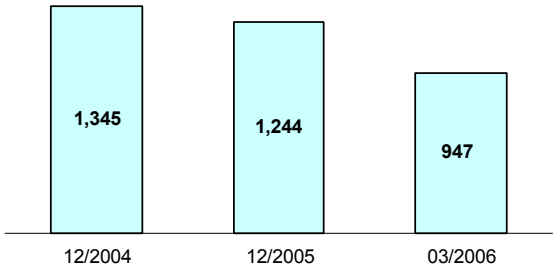
A breakdown of the loans, financing and debentures can be found below:

R$ million	12/31/2005			03/31/2006		
	Short Term	Long Term	Total	Short Term	Long Term	Total
Domestic Currency						
Eletrobrás	81	175	256	72	158	230
Financial Institutions	62	338	400	63	325	388
Debentures	31	338	369	41	340	381
Total	**174**	**851**	**1,025**	**176**	**823**	**999**
% of Domestic currency	63%	68%	67%	63%	69%	68%
Foreign Currency						
National Treasury Office	88	264	352	88	245	333
Financial Institutions	13	134	147	14	124	138
Total	**101**	**398**	**499**	**102**	**369**	**471**
% of Foreign currency	37%	32%	33%	37%	31%	32%
Total	**275**	**1,249**	**1,524**	**278**	**1,192**	**1,470**

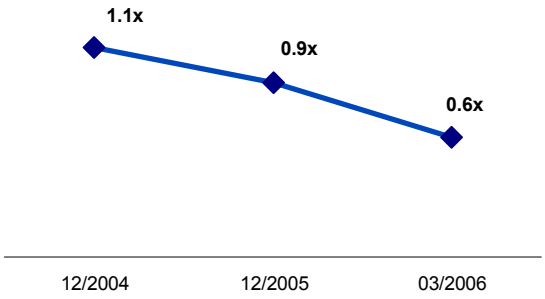
Maturity of long term loans, financing and debentures - R$ million



Performance of net debt
R$ million

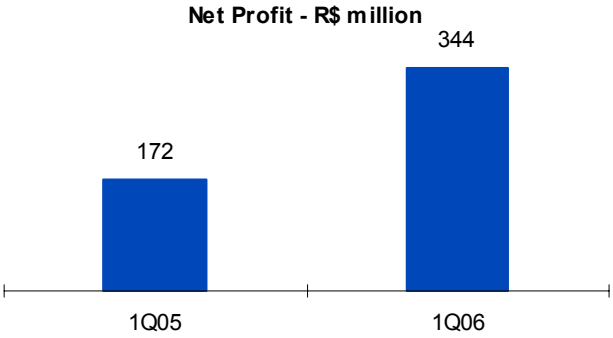


Net debt / Ebitda



Net Profit

First quarter net profit 2006 reached R$ 343.8 million. Factoring out the effects of the sale of the remaining stake in the Jacuí Project, net profit would have been R$ 216.1 million, representing a growth of 25.5% over the same period in the preceding year. Worthy of mention here is the positive contribution from higher growth in net revenues relative to the increase in costs and general and administrative expenses, as well as the reduction in financial expenses.



Capital Expenditures

During the first quarter of 2006, capital expenditures totaled R$ 7.2 million, fully allocated to the annual program for plant maintenance and upgrading.

Thanks to investment in the upgrading of the generator complex, the Company was able to report a 99.0% production uptime during the year, not considered the scheduled maintenance.

CAPITAL MARKETS

Tractebel Energia in Bovespa's *Novo Mercado*

Tractebel Energia has been listed on the Bovespa since May 1998 and on November 16 2005 adhered to Bovespa's Novo Mercado. The latter initiative is part of a sequence of measures taken during the year to further improve the Company's relationship with the capital markets by adopting the best corporate governance practice.

During that year, Tractebel Energia became a component of the **IGC** - Special Corporate Governance Stock Index, the **ITAG** - Special Tag Along Stock Index, which incorporates those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake, as well as the **ISE -** Corporate Sustainability Index comprising companies with recognized commitment to social and corporate responsibility.

Tractebel Energia's shares are traded on the São Paulo Stock Exchange under the TBLE3 symbol. The Company's Level I American Depositary Receipts (ADRs) are also traded on the US OTC over-the-counter market under the TBLEY symbol at a ratio of 1 ADR to every 5 ordinary shares.

Corporate Governance

Tractebel Energia's dividend policy establishes a minimum mandatory dividend of 30% (thirty percent) of adjusted net profit for the fiscal year, pursuant to Law 6,404/76. Besides that, the dividend policy defines the intention of declaring and paying out dividends and/or interest on shareholders' equity of not less than 55% of the adjusted net profit, through semi-annual payments.

On April 26 2006, Tractebel Energia is to propose to the Ordinary and Extraordinary General Meeting amendments to its Bylaws for the purpose of adapting them to the rules and procedures of the São Paulo Stock Exchange's Novo Mercado Listing Regulations.

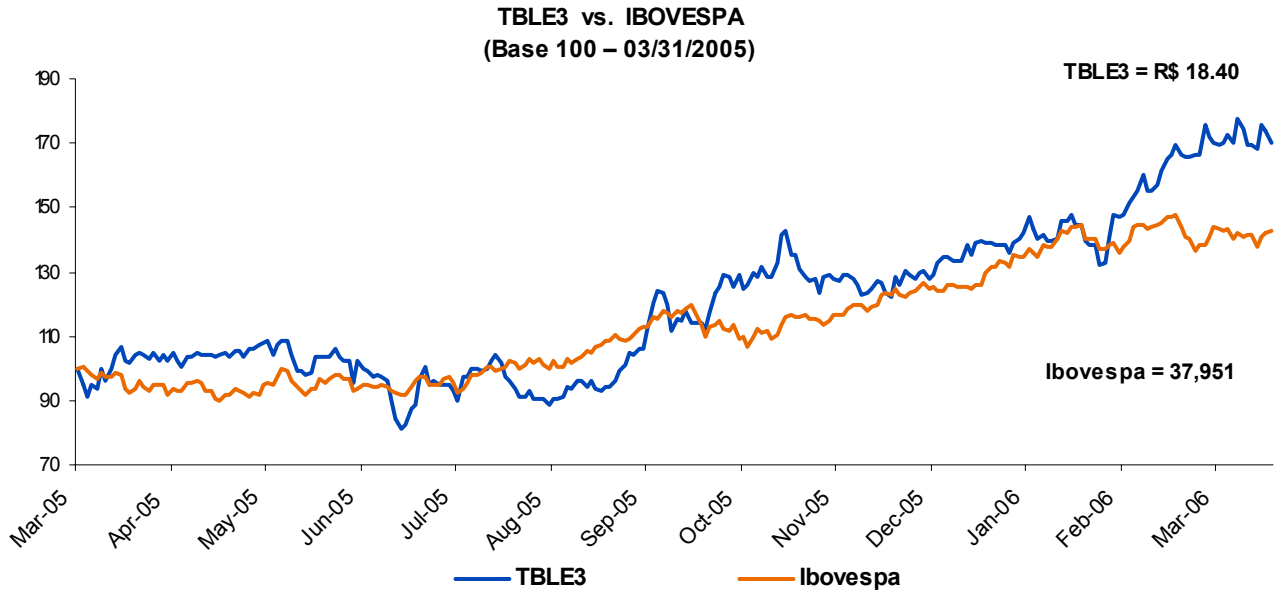
The consolidated rules in the Novo Mercado's Listing Regulations broaden shareholder rights, improve company information disclosure and, in determining the resolution of disputes through the medium of an Arbitration Panel, provide investors with the security of a faster and more sepecialized alternative for the purpose.

Share Performance – TBLE3

In the first quarter of 2006, Tractebel Energia (TBLE3) ordinary shares posted gains of 22.3%, compared with an appreciation of 13.4% in the Ibovespa – a stock index reflecting the performance of 57 of the most liquid shares in the market.

During that period, the Company's shares traded every day the stock exchange was open for business. The average daily trading volume was R$ 9,597 thousand, volumes increasing particularly strongly from November 2005 following the secondary share offering which expanded the free-float to 31.3%, as well as Tractebel Energia's compliance with the prerequisites of the *Novo Mercado* listing.

At the end of the first quarter, the shares were priced at R$ 18.40/share, equivalent to a market capitalization of R$ 12,010 million.



UPCOMING EVENTS

Tractebel Energia will be holding the following events to discuss first quarter 2006 Earnings:

Conference Call with Webcast (in Portuguese)

Date: April 27 2006
Time: 9:00 a.m. (ET) / 10:00 a.m. (Brasília time)

Telephones for connection:
Participants in Brazil: (11) 4613.0501 or 4613.4525
Password for participants: **Tractebel**

The links for access will be available in the Company's website (www.tractebelenergia.com.br), in the Investor Relations section.

Replay available from April 27 to May 08 2006. Call (11) 4613.4532, code: 309.

Conference Call with Webcast (in English)

Date: March 17 2006
Time: 11:00 a.m. (ET) / 12:00 a.m. (Brasília time)

Telephones for connection:
Participants in Brazil: (11) 4613.0502
Participants in USA: (1 800) 860.2442
Participants from other countries: (1 412) 858.4600
Password for participants: **Tractebel**

The links for access will be available in the Company's website (www.tractebelenergia.com.br), in the Investor Relations section.

Replay available from April 27 to May 08 2006. Call (11) 4613.4532, code: 715.

Disclaimer

This release contains information and opinions on future events subject to risks and uncertainties based on current forecasts, projections and tendencies of the Company's business. Innumerous factors can effect the estimates and suppositions on which these opinions are based. In view of these risks and uncertainties described herein, estimates and declarations with respect to future events contained in this material may not be become realities. In view of these restrictions, shareholders and investors should not take any decisions based on estimates, projections and declarations as to future events contained in this release.

ATTACHMENT I

TRACTEBEL ENERGIA S.A

Consolidated Balance Sheet	In Thousand Reais	
ASSETS	**3/31/2006**	**12/31/2005**
Current Assets	**1,158,971**	**864,311**
Cash and Cash Equivalents	22,786	12,179
Securities	536,554	296,958
Consumers, concessionaires and holder of permissions	326,896	304,975
Warehouse	16,699	23,512
Advances to suppliers	4,080	3,341
Credits from consumption account - CCC/CDE	31,243	30,553
Disposal, services in progress and expenditure to reimburse	8,290	9,999
Taxes and social contributon recoverable	79,610	16,719
Deferred assets	54,964	82,344
Others	77,849	83,731
LongTerm Assets	**439,324**	**399,978**
Concessionaires and holders of permission	7,561	10,617
Disposal of assets and rights	90,789	60,220
Deferred assets	183,319	192,309
Pledges and restricted deposits	27,170	26,119
Deposits in court	94,857	71,405
Others	35,628	39,308
Permanent Assets	**4,415,073**	**4,441,072**
Investments	41,931	43,619
Property plant and equipment	4,331,462	4,353,468
Deferred	41,680	43,985
TOTAL ASSETS	**6,013,368**	**5,705,361**

Consolidated Balance Sheet	In Thousand Reais	
LIABILITIES	**3/31/2006**	**12/31/2005**
Current Liabilities	**1,190,651**	**1,215,167**
Suppliers	142,975	122,125
Dividends and interest on shareholder´s equity	495,487	495,487
Loans and financing	236,597	243,343
Debentures	41,328	31,090
Taxes and social contribution in installments	27,716	47,437
Provision for contingencies	24,037	42,326
Estimated obligations	57,366	49,243
Post-employment benefits	48,526	81,020
Derivatives	72,552	65,876
Others	44,067	37,220
Long-Term Lialities	**1,763,297**	**1,804,233**
Loans and financing	852,413	911,138
Debentures	339,755	338,196
Provision for contingencies	100,313	105,383
Concessions payable	183,826	178,130
Post-employment benefits	243,799	205,755
Others	43,191	65,631
Shareholders´ Equity	**3,059,420**	**2,685,961**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Surplus reserves	148,500	148,500
Accumulated income	373,459	
TOTAL LIABILITIES	**6,013,368**	**5,705,361**

ATTACHMENT II

TRACTEBEL ENERGIA S.A.

Income Statement - Consolidated

In Thousand Reais	1Q06	1Q05	Chg. %
Gross operating revenue	**707,964**	**671,881**	**5.4**
Supply of electric energy	548,344	561,148	-2.3
Provision of electric energy	155,945	107,288	45.4
Other revenues	3,675	3,445	6.7
Deductions from operating revenue	**(77,524)**	**(82,346)**	**-5.9**
Net revenue from sales and services	**630,440**	**589,535**	**6.9**
Costs and operating expenses	**(292,279)**	**(282,706)**	**3.4**
Electric energy purchased for resale	(75,486)	(65,926)	14.5
Fuel to produce energy	(24,448)	(30,320)	-19.4
Third-party services	(15,507)	(13,274)	16.8
Financial cmpensation for use of water resources	(14,230)	(14,286)	-0.4
Charges on the use of electric system	(49,071)	(44,768)	9.6
Personnel	(26,216)	(23,099)	13.5
Material	(3,426)	(3,982)	-14.0
Depreciation and amortization	(52,072)	(52,758)	-1.3
Other	(31,823)	(34,293)	-7.2
Service income	**338,161**	**306,829**	**10.2**
Amortization of goodwill	(1,687)	(1,687)	0.0
Equity income on prior year adjustment	300	-	-
Net financial income (expenses)	**(11,807)**	**(46,128)**	**-74.4**
Financial income	**31,190**	**21,457**	**45.4**
Financial expenses	**(42,997)**	**(67,585)**	**-36.4**
Operating income	**324,967**	**259,014**	**25.5**
Non-operating income (loss)	51,665	(58)	-
Income before taxes	**376,632**	**258,956**	**45.4**
Social contribution	(33,772)	(23,106)	46.2
Income tax	946	(63,623)	-
Net income for the period	**343,806**	**172,227**	**99.6**
EBITDA	390,233	359,587	8.5
Net income per shares	0.53	0.26	99.6
EBITDA per shares	0.60	0.55	8.5