

TRACTEBEL ENERGIA reports net income of R$ 242 million in 1Q07

EBITDA of R$ 451 million and EBITDA margin of 66.8% are all-time records

Florianópolis/SC, May 10, 2007 – Tractebel Energia S.A. (Bovespa: TBLE3), the largest private sector electricity generating company in Brazil, today announces earnings for the first quarter 2007. The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. Values are expressed in Reais, except where otherwise indicated.

HIGHLIGHTS

- Consolidated net operating revenue in 1Q07 totaled R$ 675.5 million, 7.2% higher than 1Q06, reflecting the combination of volume and prices for contracting electricity.
- Average sales contract prices in 1Q07 reached R$ 95.78/MWh, 7.7% higher than the average price for the same period in 2006 - R$ 88.96/MWh.
- Tractebel Energia's consolidated 1Q07 sales amounted to 7,848 GWh (3,633 average MW), an increase of 0.6% compared with 7,800 GWh (3,611 average MW) sold during the same period in 2006.
- EBITDA reached R$ 451.1 million in the period, an all-time record, standing for a growth of 13.0% compared with R$ 399.3 million in 1Q06.
- Tractebel Energia reported net income of R$ 242.1 million in 1Q07, corresponding to R$ 0.3709 per share. If non-recurring capital and fiscal gains, which added R$ 127.7 to the 1Q06 result, are excluded, the Company reported a net income 12.0% higher for 1Q07.
- In 1Q07, the Company acquired a 2.82% shareholding stake in Machadinho Energética S.A. – MAESA, a Special Purpose Company operating the Machadinho Hydroelectric Plant in consortium with Tractebel Energia. As a result of this acquisition, the Company increased its total participation in the consortium by 2.34%, adding a further 11.1 average MW to its portfolio.
- The Board of Directors of Tractebel Energia S.A., at a meeting held on May 10, 2007, approved the credit of interest on shareholders' equity relative to the first half of 2007, in the gross amount of R$ 88.0 million, corresponding to R$ 0.1348158600 per share.

1Q07

For immediate release

Additional information may be obteined by contacting the Investor Relations area:

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Conference Call with Webcast
05/14/07: at 10:00 a.m. (Portuguese)
12:00 noon (English)
(Brasilia time)
Further details on Upcoming Events section

Visit our website:
www.tractebelenergia.com.br

Summary of economic and operational indicators

Tractebel - Consolidated	Quarter			Change	
In Millions of Reais	1Q07	4Q06	1Q06	1Q07 vs 4Q06	1Q07 vs 1Q06
Gross operating revenue	761.3	811.3	706.6	-6.2%	7.7%
Net operating revenue	675.5	714.9	630.4	-5.5%	7.2%
Result from service (EBIT)	395.2	284.6	347.2	38.8%	13.8%
EBITDA (1)	451.1	336.8	399.3	33.9%	13.0%
EBITDA / NOR - (%)	66.8	47.1	63.3	19.7 p.p.	3.5 p.p.
Net income	242.1	188.8	343.8	28.2%	-29.6%
Net debt	695.2	1,025.2	947.0	-32.2%	-26.6%
Energy sold (GWh)	7,848	8,732	7,800.0	-10.1%	0.6%
Number of employees	909	905	902.0	0.4%	0.8%

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

NOVO MERCADO BOVESPA BRASIL

ISE Índice de Sustentabilidade Empresarial

igc

itag Índice de Ações com Tag Along Diferenciado



OPERATING PERFORMANCE

Generating Complex

The Company is the largest private sector generating company in Brazil and operates 6,977 MW of installed capacity, made up 13 plants (six hydroelectric and seven thermoelectric power plants), of which 11 are wholly owned by Tractebel Energia S.A and two (the Itá and Machadinho hydro plants) operated by consortia with other companies.

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	404
Cana Brava	Hydro	Rio Tocantins (GO)	450	450
Total - Hydro			**5,764**	**4,668**
Complexo Jorge Lacerda **	Thermal	Capivari de Baixo (SC)	857	857
Charqueadas	Thermal	Charqueadas (RS)	72	72
Alegrete	Thermal	Alegrete (RS)	66	66
William Arjona	Thermal	Campo Grande (MS)	190	190
Lages	Thermal	Lages (SC)	28	28
Total - Thermal			**1,213**	**1,213**
Total			**6,977**	**5,881**

(*) Considering the addition of 21,4 MW regarding the acquisition of stake in MAESA

(**) Complex comprised of 3 power plants.

In 1Q07, the 13 plants operated by Tractebel Energia recorded 96.4% of uptime, discounting programmed stoppages, 99.6% in the case of hydro generation and 81.4% for the thermoelectric plants.

All Tractebel plants have NBR ISO 9001 and NBR ISO 14001 certification. The purpose of NBR ISO 9001 certification is to improve the company's internal procedures and focus specifically on the continual upgrading of products and services. NBR ISO 14001 certification represents a norm for environmental management systems and is designed to reconcile environmental protection and pollution prevention with corporate socio-economic growth. Tractebel Energia is the first and the only one among the leading companies in the industry to own 100% of its power plants with such certifications, a clear sign of its operating quality and environmental care.

Production

1Q07 electric energy production at the power plants operated by Tractebel Energia was 4,984 GWh (2,308 average MW), a reduction of 17.3% compared with 1Q06. Of the total generated, thermoelectric plants were responsible for 747 GWh (346 average MW) and hydroelectric plants, 4,237 GWh (1,962 average MW), a year on year reduction of 45.0% and 9.3%, respectively.

The decrease in thermoelectricity generation was largely the result of the minimized dispatch from the William Arjona Thermoelectric Power Plant as from 4Q06 when revamped transmission lines were commissioned around the city of Campo Grande, state of Mato Grosso do Sul. The decrease also reflects the reduction in generation from the C unit at the Jorge Lacerda Thermoelectric Power Plant, which was partially unavailable in 1Q07. Reduced hydroelectric power generation in the South of Brazil in the first months of the year is common as a result of low hydraulic capacity. The combination of this fact with abundant supplies in the Southeast Region allows a greater interchange between one region and the other.



Energy Balance

Based on data for assured energy and purchase and sales contracts in force on March 31, 2007, Tractebel Energia's energy balance shows that the Company 's current capacity, including acquisitions from third parties, is almost entirely contracted until 2008. However, the Company has opted to maintain a substantial part of its available energy on a non-contracted basis as from 2009, when forecasts for the sector indicate a potential increase in prices.

Energy Balance as of March 31, 2007

	(avg MW)	2007	2008	2009	2010	2011	2012
	Own Resources	3,189	3,008	3,291	3,291	3,435	3,435
+	Purchases for Resale	502	417	409	556	217	130
=	Total Resources (A)	3,691	3,425	3,700	3,847	3,652	3,565
	Government Auction Sales*	10	160	1,034	1,234	1,382	1,382
	2004-EE-08	10	10	10	10	10	10
	2005-EE-08	-	150	150	150	150	150
	2005-EE-08	-	-	381	381	381	381
	2005-EN-30	-	-	-	200	200	200
	2006-EN-30	-	-	493	493	493	493
	2006-EN-30	-	-	-	-	148	148
+	Bilateral Sales	3,641	3,111	2,359	2,132	1,186	1,066
=	Total Sales (B)	3,651	3,271	3,393	3,366	2,568	2,448
	Balance (A - B)	**40**	**154**	**307**	**481**	**1,084**	**1,117**
	Sales Average Price (R$/MWh):	101.0	105.6				
	Purchases Average Price (R$/MWh):	74.3	88.7				

Auction Price (R$/MWh)	Date	Price Adjusted as of Mar 31, 2007 (R$/MWh)
70.9	Dec-04	78.3
81.6	Apr-05	87.7
94.0	Oct-05	99.1
115.1	Dec-05	120.2
128.4	Jun-06	131.7
135.0	Nov-06	137.8

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

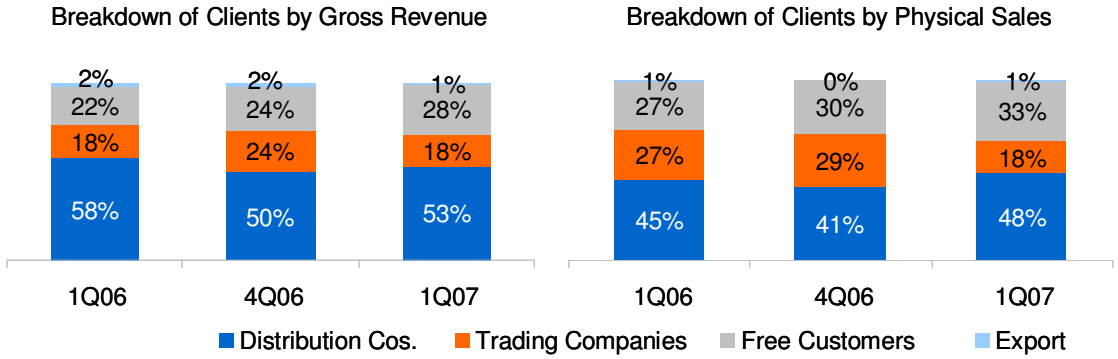
Note: São Salvador => Own Resources (144 average MW from 2011 on) and Botox sale (148 average MW from 2011 on).
CIEN to be reestablished from 2009 on as Own Resources (ongoing negotiations, Memorandum of Understanding Brazil/Argentina).

Customers

Tractebel Energia has a well-diversified customer portfolio, serving energy distribution concessionaires, commercialization companies and free consumers (industrial consumers) through flexible contracts both in terms of duration and volume.

The Company actively pursues a policy of enhancing consumer loyalty by tailoring energy purchases to the production characteristics of each consumer.

The percentage of industrial consumers in the portfolio increased in relation to the same period of 2006, reaching 28.4% of gross operating revenue and 32.6% of physical sales in the first quarter 2007.





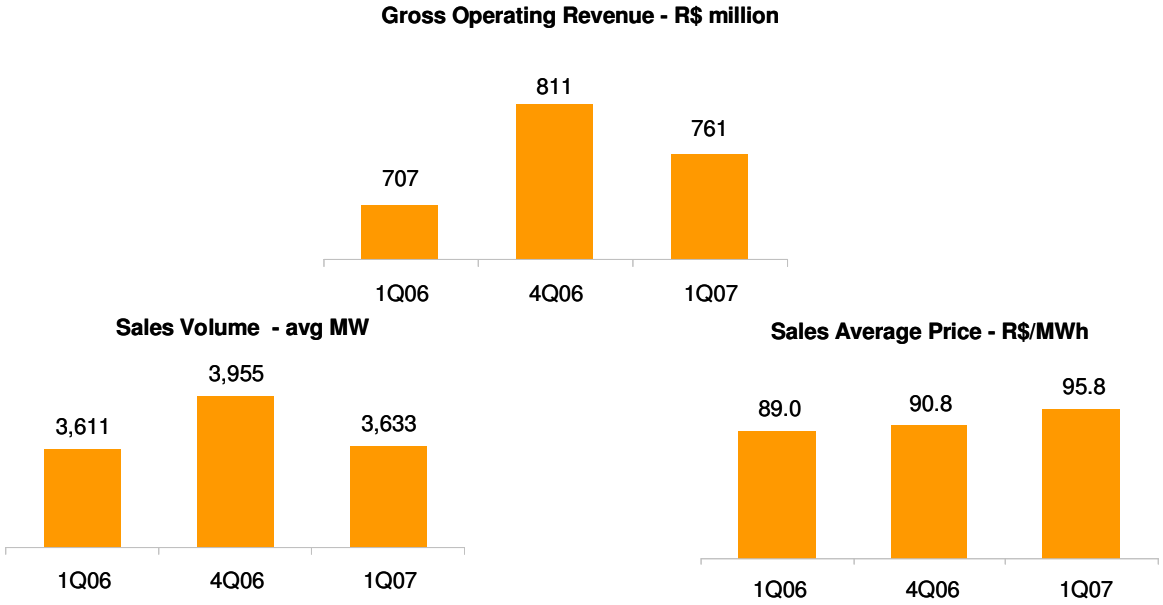
ECONOMIC AND FINANCIAL PERFORMANCE

Gross Operating Revenue

1Q07 consolidated gross operating revenue was R$ 761.3 million, a growth of 7.7% over the same period in 2006, when this item reported R$ 706.6 million, reflecting increases in sales price and volume. Revenue from the sale of energy to the wholesale market was R$ 544.1 million, in line with 1Q06. Sales to final consumers were R$ 215.3 million, representing a growth of 38.0% against 1Q06, reflecting the Company's efforts to expand its portfolio of free consumers.

Consolidated 1Q07 sales totaled 7,848 GWh (3,633 average MW), an increase of 0.6% in relation to the 7,800 GWh (3,611 average MW) sold in the same period in 2006. The average sales price of the Company's contracts reached R$ 95.78/MWh, 7.6% higher than the figures for 1Q06, which was R$ 88.96/MWh.

Compared with 4Q06, gross operating revenue in 1Q07 declined by R$ 50.0 million from R$ 811.3 million to R$ 761.3 million due to seasonal oscillations in the consumption of the Company's customer base.



Net Operating Revenue

In 1Q07, net operating revenue increased 7.2% compared with the same quarter 2006, rising from R$ 630.4 million to R$ 675.5 million.

Deductions from gross revenue, mainly the result of sales tax payments, increased 12.7% between the two comparable periods from R$ 76.1 million to R$ 85.8 million. This was basically due to higher sales to final consumers, on which this tax is levied.



Costs of Electric Energy and Services

Costs reached R$ 200.3 million in 1Q07, representing a growth of 2.2% over the R$ 196.1 million in 1Q06. This was mainly a reflection of the following principal elements:

- **Third party energy purchases:** a reduction of R$ 19.2 million, due to (i) the decline in purchased energy from Companhia de Interconexão Energética – CIEN, the result of a reduction in physical guarantees imposed by ANEEL (the industry regulator) for this generating unit and (ii) the reduction in purchases of energy from third parties for resale.

- **Transactions channeled through the Energy Trading Board - CCEE (Câmara de Comercialização de Energia Elétrica):** the growth of R$ 30.9 million was principally due to the fact that in 1Q06, the Company recorded sales revenue of R$ 27.3 million as reimbursement for expenses related to the dispatch of the William Arjona thermal plant. The plant used to be dispatched as a result of limitations on the interconnection system of the region with the national grid. In 1Q07 this revenue was practically non-existent due to minimal dispatch of energy from the plant following the upgrading of transmission lines as from November 2006.

- **Fuel for generating electricity:** a reduction of R$ 14.9 million, basically due to lower demand for natural gas from the William Arjona thermal plant, the result of minimal energy dispatch following the aforementioned upgrading of the transmission system in the Campo Grande region.

- **Depreciation:** an increase of R$ 3.8 million due to adjustments in the useful life of various fixed assets at the hydroelectric plants.

- **Financial compensation for use of hydro resources:** reduction of R$ 2.4 million, due to lower dispatch of the hydro plants by ONS, the independent dispatcher.

- **Personnel:** an increase of R$ 3.8 million, R$ 2.7 million relating to the recognition in the quarter of a provision for employee results sharing and bonuses. The accounting practice of recognizing these provisions on a monthly basis has been adopted since 2Q06.

Selling Expenses

Selling expenses largely comprise transmission costs and totaled R$ 50.5 million, 1.4% higher than the same period in 2006 and amounting to R$ 49.8 million. This increase reflects a combination of tariff adjustments and the recovery of PIS/COFINS credits on the same charges.

General and Administrative Expenses

General and administrative expenses fell from R$ 33.3 million to R$ 30.2 million, a reduction of 9.1% compared with 1Q06, the result of a combination of the following factors:

- Recognition in 1Q06 of non-recurring expenses with research and development worth R$ 9.6 million due to the changes in accounting procedures proposed by ANEEL.

- An increase in employee and management expenses of R$ 3.8 million. Of this total, R$ 1.3 million relates to the recognition of a provision for employee profit sharing and bonuses.

- An increase of R$ 2.3 million in expenses with third party services due to contractual readjustments and the contracting of consulting and auditing services in the quarter under review.



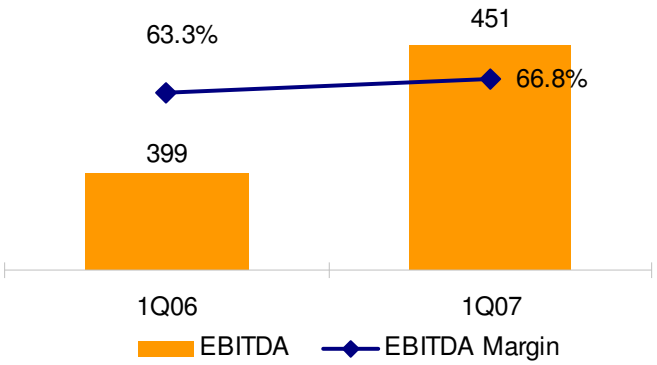
Constitution (Reversal) of Operational Provisions

The decline of R$ 4.7 million in the constitution of operational provisions in 1Q07 mainly reflect the decrease in provisions for post employment benefits with respect to changes to the Company's pension fund. Moreover, in 1Q06 there was the constitution of a provision for non-recurring losses on the recovery of ICMS (a VAT-like tax).

EBITDA and EBITDA Margin

Reflecting the foregoing comments, 1Q07 EBITDA amounted to R$ 451.1 million, an increase of 13.0% compared with 1Q06. While the 1Q06 EBITDA margin was 63.3%, in 1Q07, it reached 66.8%. In both cases, the figures set new records for Tractebel Energia.

EBITDA (R$ million) and EBITDA Margin (%)



Financial Result

Financial income: compared to the same quarter 2006, in 1Q07 there was a reduction of R$ 7.8 million from R$ 31.2 million to R$ 23.4 million, due to the following factors: (i) a decrease of R$ 5.5 million in interest income due to lower prevailing interest rates; (ii) an increase of R$ 2.4 million in interest on energy sale receivables, (iii) an increase of R$ 1.7 million in monetary restatement on litigation-related escrow accounts due to larger amounts held in deposit; and (iv) recognition in 1Q06 of R$ 6.2 million relative to the recovery of financial charges paid to third parties.

Financial expenses: the decrease of R$ 2.2 million in 1Q07 compared with the same period in 2006, the amount declining from 52.0 million to R$ 49.8 million due to a combination of the following aspects: (i) reduction of R$ 13.5 million in interest expenses due to a lower and the recognition of the gain from US Treasury Bonds representing guarantees on outstanding forex debt; and (ii) a decrease of R$ 10.3 million in foreign exchange gain on loans and financing, net of exchange rate hedging results, due to the smaller appreciation in 1Q07 compared to 1Q06 of the Real against the basket of currencies comprising the debt.

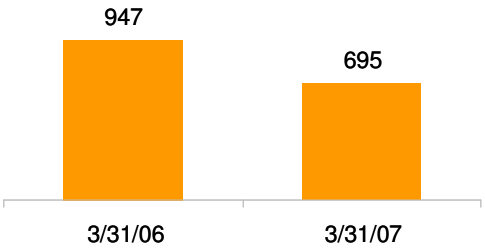
Debt

The Company's net debt at the end of March 2007 (total debt less cash and cash equivalents and the result of swap operations) was R$ 695.2 million, compared to R$ 1,025.2 million at the end of 2006.

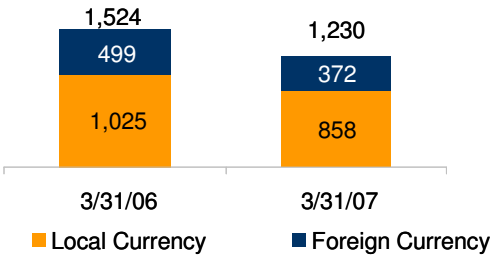


Total gross consolidated debt, mainly in the form of loans, debentures and financing, totaled R$ 1,230.0 million on March 31, 2007, a decline of 19.3% compared with the position on March 31, 2006. Of the total debt at the end of the period, 30.2% was exposed to currency risk (32.0% on March 31, 2006), of which 52.5% was hedged against foreign exchange fluctuations (33.0% on March 31, 2006).

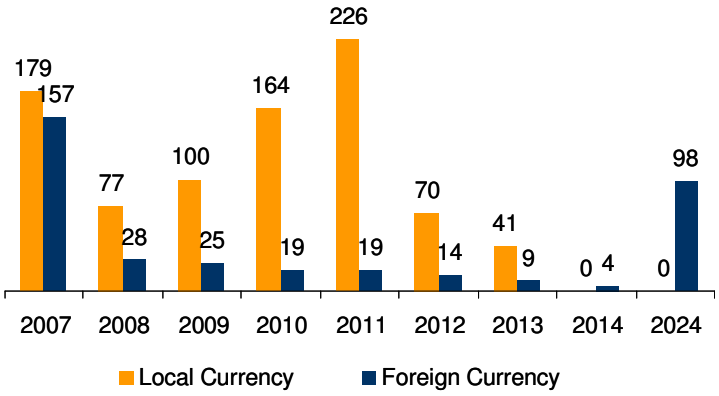
Performance of Net Debt - R$ million



Composition of Total Debt - R$ million



Maturity Term Loans - R$ million



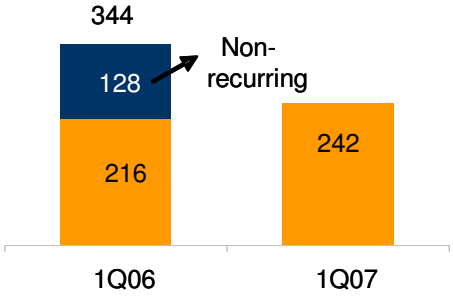
Non-Operating Result

In 1Q06 the sale of the remaining stake in the Jacuí Project was concluded resulting in a non-recurring non-operating result of R$ 51.7 million

Net Income

Tractebel reported a 1Q07 net income of R$ 242.1 million compared to R$ 343.8 million for the same period in 2006. The lower result reflects the impact stemming from the divestment of the remaining stake in the Jacuí Project in 1Q06. Excluding the non-recurring capital and fiscal gains from this divestment, there was a year on year increase of 12.0% in net income.

Net Income - R$ million





Dividend Payout

The Ordinary General Meeting held on April 17, 2007 approved the allocation of net income for the fiscal year and the distribution of complementary dividends proposed by the Company's Board of Directors, based on the financial statements for the fiscal year ending December 31, 2006.

As a result, in addition to the interim dividends paid and interest on shareholders' equity credited during the fiscal year 2006, it was decided to pay dividends of R$ 393,188,377.26, corresponding to R$ 0.6023639686 per common share.

Dividends were paid on May 7, 2007, based on the record date of April 24, 2007, with the shares being traded ex-dividends as from April 25, 2007.

Also on May 7, 2007, the Company paid interest on shareholders' equity credited on December 31, 2006 for a gross value of R$ 99,000,000.00, corresponding to R$ 0.151668 per common share.

Additionally, on May 10, 2007, the Board of Directors approved the credit of interest on shareholders' equity relative to the first half of 2007, in the gross amount of R$ 88.0 million, corresponding to R$ 0.1348158600 per share.

The record date for the entry of the interest on shareholders' equity to the Company's accounting records shall take place on June 30, 2007, based upon the shareholding position as of June 11, 2007 and will be paid on a date to be defined by the Board of Executive Officers and announced by means of a Notice to Shareholders.

Capital Expenditures

In the quarter under review, the Company's capital expenditures were allocated to maintenance and modernization projects at its plants and amounting to approximately R$ 5.8 million, 37.0% less than in the same period 2006, when investments were R$ 9.2 million.

In the light of the continual investments in maintenance and modernization of its generation complex, Tractebel Energia has reported excellent efficiency and performance indicators. The Company registered 96.4% aggregate uptime for its hydroelectric and thermoelectric power plants in the first quarter 2007.

CAPITAL MARKETS

Tractebel Energia's listing on Bovespa's *Novo Mercado*

Tractebel Energia has been listed on the São Paulo Stock Exchange (Bovespa) since May 1998 and on November 16 2005 adhered to Bovespa's *Novo Mercado* regulations. 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.

Tractebel Energia's adhesion to the rules of Bovespa's *Novo Mercado* listing has underscored the Company's commitment to best corporate governance practice. The strict listing rules for this segment of the market enhance shareholders' rights, improve the quality of the information disclosed and establish an Arbitration Panel offering investors the security of an alternative, more responsive and specialized forum to resolve corporate disputes.

The Company has a Code of Ethics and maintains a structure of committees, advisory councils and formal responsibilities for ethical issues, which are also monitored through organizational surveys.

Tractebel Energia's dividend policy establishes a mandatory minimum dividend of 30% of the net income for the fiscal year, adjusted in accordance with Law 6,404/76. In addition, the policy allows for the semi-annual payment of dividends and/or interest on shareholders' equity for an amount not less than 55% of the net adjusted income.



Share Performance – TBLE3

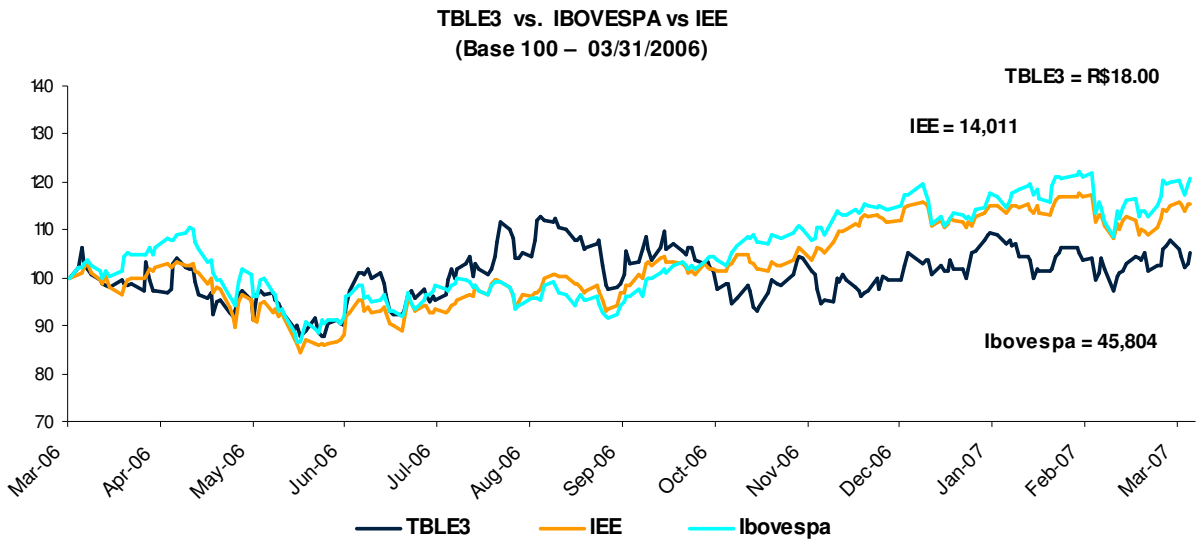
Since its listing on Bovespa's *Novo Mercado*, Tractebel Energia has become a component of the Special Corporate Governance Stock Index (**IGC**) and the Special Tag Along Stock Index (**ITAG)**, incorporating those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake. The Company's shares are also included in the Corporate Sustainability Stock Index (**ISE**), comprising companies with a recognized commitment to social and corporate responsibility, as well as the Electric Energy Stock Index **(IEE)**, which is a sector index made up of the more significant listed companies in the industry.

Tractebel Energia's common 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 Over-The-Counter (OTC) market under the TBLEY symbol at a ratio of 1 ADR to every 5 common shares.

In the first quarter 2007, TBLE3 share price was flat, while the Ibovespa, a stock index reflecting the performance of 57 securities with the greatest market liquidity, reported an appreciation of 0.9% and the IEE, which consolidates the performance of the electricity sector shares, appreciated 0.2%.

During the first quarter, the Company's shares traded every day the stock exchange was open for business. The average daily trading volume was R$ 8.6 million, volumes increasing particularly strongly from November 2005 following the conclusion of measures to formalize adhesion to a listing on Bovespa's Novo Mercado. Trading turnover was also boosted by the secondary share offering, which increased the Company's free-float to 31.3%.

On March 30 2007, the shares were priced at R$ 18.00/share, translating into a market capitalization of R$ 11.7 billion.





UPCOMING EVENTS

Tractebel Energia will be holding the following events to discuss first quarter 2007 earnings:

Conference call with Webcast (in Portuguese)

Date: May 14, 2007

Time: 10:00 (Brasília time)

Telephones for connection:

Participants in Brazil: (55 11) 4688.6301

Password for participants: Tractebel

Conference call with Webcast (in English)

Date: May 14, 2007

Time: 11:00 (ET) / 12:00 noon (Brasília time)

Telephones for connection:

Participants in Brazil: (55 11) 4688.6301

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 investors section.

Replay available from May 14 to May 22, 2007. Access by calling (55 11) 4688.6225, code: 566**.**

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 affect 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 – ASSETS

Consolidated Balance Sheet	In Thousand Reais	
ASSETS	**3/31/2007**	**12/31/2006**
CURRENT ASSETS	**1,053,892**	**792,052**
Cash and Cash Equivalents	19,602	23,593
Securities	528,762	233,247
Resources subject to payment of obligations	4,632	21,643
Consumers, concessionaires and holder of permissions	351,889	358,002
Taxes and social contributon recoverable	40,008	26,707
Warehouse	22,975	23,623
Pledges and restricted deposits	37,940	53,947
Deferred assets	24,205	21,351
Advances to suppliers	1,672	3,022
Others	22,207	26,917
NON CURRENT ASSETS	**4,730,969**	**4,747,057**
Long Term Assets	**457,024**	**449,210**
Concessionaires and holders of permission	12,781	16,063
Taxes and social contributon to offset	13,342	13,124
Pledges and restricted deposits	30,430	29,422
Deposits in court	134,501	131,331
Disposal of assets and rights	70,852	68,565
Deferred assets	193,133	188,489
Others	1,985	2,216
Permanent Assets	**4,273,945**	**4,297,847**
Investments	63,979	36,873
Property plant and equipment	4,099,892	4,148,898
Intangible	77,611	77,310
Deferred	32,463	34,766
TOTAL	**5,784,861**	**5,539,109**



ATTACHMENT II

TRACTEBEL ENERGIA S.A.

CONSOLIDATED BALANCE SHEET – LIABILITIES

Consolidated Balance Sheet	In Thousand Reais	
LIABILITIES	**3/31/2007**	**12/31/2006**
CURRENT LIABILITIES	**1,276,216**	**1,246,812**
Suppliers	170,285	239,319
Dividends and interest on shareholder´s equity	478,043	478,043
Loans and financing	287,290	306,079
Debentures	49,049	37,834
Taxes and social contribution in installments	145,494	45,870
Estimated obligations	31,759	28,650
Derivatives	13,515	4,526
Research and Development program obligations	37,248	35,135
Provision for contingencies	10,295	11,206
Post-employment benefits	19,620	20,369
Others	33,618	39,781
NON CURRENT LIABILITIES	**1,501,971**	**1,527,726**
Long Term Liabilities	**1,501,971**	**1,527,726**
Loans and financing	570,270	610,251
Debentures	323,434	323,344
Taxes and contributons payable in installments	5,161	5,383
Estimated obligations	703	653
Provision for contingencies	59,492	56,289
Concessions payable	208,257	201,546
Post-employment benefits	298,119	293,725
Deferred fiscal liabilities	36,535	36,535
SHAREHOLDERS' EQUITY	**3,006,674**	**2,764,571**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Surplus reserves	227,111	227,110
Net Income	242,102	0
TOTAL	**5,784,861**	**5,539,109**



ATTACHMENT III

TRACTEBEL ENERGIA S.A.

CONSOLIDATED INCOME STATEMENT

In Thousand Reais	1Q07	1Q06	Chg. %
Gross operating revenue	**761,314**	**706,570**	**7.7**
Provision of electric energy	215,254	155,945	38.0
Supply of electric energy	544,064	548,344	-0.8
Other revenues	1,996	2,281	-12.5
Deductions from operating revenue	**(85,766)**	**(76,130)**	**12.7**
Net revenue from sales and services	**675,548**	**630,440**	**7.2**
Eletric Energy and Service Costs	**(200,342)**	**(196,111)**	**2.2**
Electric energy purchased from third-party	(39,930)	(59,132)	-32.5
Transactions conducted through the CCEE	(47,216)	(16,354)	188.7
Cost of electric energy production	(111,193)	(118,579)	-6.2
Costs of services rendered	(2,003)	(2,046)	-2.1
Gross Income	**475,206**	**434,329**	**9.4**
Operating Expenses	**(80,042)**	**(87,135)**	**-8.1**
Selling expenses	(50,501)	(49,825)	1.4
General and administrative expenses	(30,234)	(33,269)	-9.1
Constitution (reversal) of operational provisions, net	693	(4,041)	-
Service income	**395,164**	**347,194**	**13.8**
Result of Corporate Participations	**(1,687)**	**(1,387)**	**21.6**
Equity income	(1,687)	(1,387)	21.6
Net financial income (expenses)	**(26,486)**	**(20,840)**	**27.1**
Financial income	23,358	31,190	-25.1
Financial expenses	(49,844)	(52,030)	-4.2
Operating income	**366,991**	**324,967**	**12.9**
Non-operating income (loss)	(702)	51,665	-
Income before taxes	**366,289**	**376,632**	**-2.7**
Income tax	(90,402)	946	-
Social contribution	(33,785)	(33,772)	0.0
Net income for the period	**242,102**	**343,806**	**-29.6**
EBITDA	**451,073**	**399,266**	**13.0**
Net income per share	0.3709	0.5267	-29.6



ATTACHMENT IV

TRACTEBEL ENERGIA S.A.
DETAILED OPERATIONAL EXPENSES

In Thousand Reais	1Q07					1Q06
	Costs		Expenses		Total	Total
	Production and Commercializatio	Services Rendered	Sales	General and Administrative		
Personnel	20,285	1,502	761	9,089	**31,637**	**25,737**
Managers	-	-	-	2,912	**2,912**	**1,721**
Material	4,614	29	-	265	**4,908**	**4,134**
Third-party services	9,921	330	-	8,017	**18,268**	**15,507**
Fuel to produce energy	9,520	-	-	-	**9,520**	**24,448**
Financial compensation for use of water resources	10,810	-	-	-	**10,810**	**13,203**
Charges on the use of electric system	-	-	51,645	-	**51,645**	**49,071**
Depreciation and amortization	53,212	-	-	2,697	**55,909**	**52,072**
Insurance	1,673	98	-	-	**1,771**	**549**
Labor and third part indemnities	-	-	-	-	**-**	**9,635**
Contributions to the energy sector	-	-	-	102	**102**	**493**
Inspection fee	-	-	-	2,024	**2,024**	**2,356**
Contributuins and donations	-	-	-	1,319	**1,319**	**1,311**
Reimbursement oo additional tariff	-	-	(2,722)	-	**(2,722)**	**-**
Other	1,158	44	817	3,809	**5,828**	**3,482**
Total	**111,193**	**2,003**	**50,501**	**30,234**	**193,931**	**203,719**



ATTACHMENT V

TRACTEBEL ENERGIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOW

In thousands R$	1Q07	1Q06
Operating activities		
Net income for the year	242,102	343,806
Expenses (Revenues) that do not affect cash:	-	-
Depreciation and Amortization	55,909	52,083
Amortization of goodwill	1,687	1,687
Net monetary variations	(4,313)	(18,720)
Net interest	8,000	17,959
Estimated obligations with suppliers	-	-
Operating provision (reversion), net	4,478	4,232
Investiments of resources in R&D	6,930	16,536
Deferred income tax and social contribution	(7,497)	21,094
Sale of carbon credits	-	-
Result of writing off of permanent assetes	702	(51,665)
Others	52	5,152
	308,050	**392,164**
Decrease (increase) in assets		
Consumers and concessionaires	9,395	(17,362)
Resources subject to payment of obligations	17,011	-
Disposals, services in progress and expenditures to reimburse	1,764	2,313
Taxes and social contributions recoverable	(13,499)	(64,383)
Collateral and linked / judicial deposits	17,245	(20,626)
Warehouse	648	6,862
Pre-paid expenses	1,350	5,797
Others	3,084	2,955
	36,998	**(84,444)**
Increase (decrease) in liabilities		
Suppliers	(69,023)	18,262
Loans, financing and debentures	15,714	17,864
Taxes and social contributions	99,404	(19,917)
Estimated obligations	(1,061)	5,800
Provision for contingencies	(51)	(864)
Post-Employment benefits	(7,702)	(8,969)
Research anda development	(4,817)	-
Others	(6,635)	(10,294)
	25,829	**1,882**
Funds from operating activities	**370,877**	**309,602**
Investments activities	**(34,619)**	**(9,157)**
Used in fixed assets and deferred items	(5,826)	(9,157)
Investments	(28,793)	-
Financing activities	**(44,734)**	**(50,242)**
Payment of loans, financing and debentures	(44,421)	(41,424)
Debentures	-	-
Payment of *swap* adjusts	(313)	(8,818)
Payment of dividends and interest on Shareholders' equity	-	-
Total effects on cash	**291,524**	**250,203**
Cash and cash equivalents	-	-
Opening balance	256,840	309,137
Closing balance	548,364	559,340
	291,524	**250,203**
Payments made in the year	**-**	**-**
Interest on loans, financing and debentures	15,080	19,934
Income tax and social contribution	57,034	89,406
Transactions that do not affect cash	**-**	**-**
Adjustement for previous fiscal years	-	46,494