TRACTEBEL ENERGIA announces first quarter 2011 results: EBITDA and net income grow 17.9% and 24.4%, respectively.

Florianópolis (SC), April 27, 2011 – Tractebel Energia S.A. ("Tractebel Energia", "Tractebel", or "the Company") – BM&F Bovespa: TBLE3, ADR: TBLEY, the largest private sector electricity generating company in Brazil, announces earnings for the first quarter 2011 (1Q11). 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 Brazilian real, except where otherwise indicated.

HIGHLIGHTS

● Tractebel Energia reported a first quarter 2011 net income of R$ 307.0 million (R$ 0.4703 per share), 24.4% higher than the R$ 246.7 million reported in 1Q10.

● EBITDA (earnings before interest, taxes, depreciation and amortization) increased to R$ 692.5 million in 1Q11 from R$ 587.3 million in 1Q10, a growth of 17.9%. Among other causes, this performance results from an increase in average sale prices. EBITDA margin was 67.7%, a growth of 5.6 p.p. in relation to 1Q10, also reflecting the reduction in the quantity of energy purchased for resale, an activity which contributes to narrower margins in the Company's results.

● Consolidated net operating revenue in 1Q11 amounted to R$ 1,022.1 million, 8.1% more than 1Q10.

● The Company sold 3,865 average MW in the period, volumes holding stable compared to the 3,869 average MW sold in 1Q10.

● The average price of the energy sales contracts, net of exports and deductions for gross operating revenue reached R$ 120.07/MWh in the first three months of 2011, 7.5% up on the R$ 111.67 MWh sales price in the same period in 2010. This increase reflects the readjustment in the prices of existing contracts and the higher prices practiced in the new contracts for free consumers and energy trading companies.

1Q11

For immediate release

Additional information may be obtained by contacting the Investor Relations dept.:

Eduardo Sattamini
Finance and IR Director
sattamini@tractebelenergia.com.br

Antonio Previtali Jr.
IR Manager
previtali@tractebelenergia.com.br
Phone: + 55 48 3221-7221

Conference call and webcast
On 04/29/2011: at 10:00 a.m. (EST) in Portuguese – simultaneous translation into English.

Further details on Upcoming Events section, available on page 13.

Visit our website
www.tractebelenergia.com.br

Summary of Economic and Operational Indicators

Tractebel - Consolidated			
(in millions of R$)	**1Q11**	**1Q10**	**Chg.**
Gross Operating Revenue	1,149.9	1,057.0	8.8%
Net Operating Revenue (NOR)	1,022.1	945.5	8.1%
Result from Service (EBIT) (1)	573.9	477.7	20.1%
EBITDA (1) (2)	692.5	587.3	17.9%
EBITDA / NOR - (%) (1)	67.7	62.1	5.6 p.p.
Net Income (1)	307.0	246.7	24.4%
Net Debt	3,259.3	2,381.2	36.9%
Energy Sold (avg MW)	3,865	3,869	-0.1%
Average Net Sales Price (R$/MWh) (3)	120.07	111.67	7.5%
Number of Employees	1,045	1,007	3.8%

(1) Considers accounting adjustment for 1Q10.
(2) EBITDA represents: operating results + financial results + depreciation and amortization
(3) Net of taxes and exports

OPERATING PERFORMANCE

Generating Complex

The largest private sector electricity generator in Brazil, Tractebel Energia has an installed capacity of 6,472 MW and operates a 7,543 MW generating complex made up of 21 plants (eight hydro, six thermal and seven complementary energy source plants - biomass, small hydro and wind-powered), 18 of which are wholly owned by the Company and three - the Itá and Machadinho hydro power plants and the biomass Ibitiúva Bioenergética - jointly-owned through consortia with other companies.

Tractebel Energia's Generating Complex

Power Plants	Source	Location	Installed Capacity (MW)	
			Total	Tractebel's Portion
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1
Total - Hydro			**6,183.3**	**5,124.1**
Jorge Lacerda Complex*	Thermal	Capivari de Baixo (SC)	857.0	857.0
William Arjona	Thermal	Campo Grande (MS)	190.0	190.0
Charqueadas	Thermal	Charqueadas (RS)	72.0	72.0
Alegrete	Thermal	Alegrete (RS)	66.0	66.0
Total - Thermal			**1,185.0**	**1,185.0**
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	21.2
Lages	Biomass	Lages (SC)	28.0	28.0
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6
Beberibe	Wind Farm	Beberibe (CE)	25.6	25.6
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	23.7	23.7
Areia Branca	SHP	Rio Manhuaçu (MG)	19.8	19.8
Pedra do Sal	Wind Farm	Parnaíba (PI)	18.0	18.0
Total - Complementary			**174.7**	**162.9**
Total			**7,543.0**	**6,472.0**

(*) Complex comprised of 3 power plants.

Projects under Construction

New Projects

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Group's portion
Jirau*	Hydro	Madeira River (RO)	3,450.0	1,728.5
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6
Total			**4,537.0**	**2,164.1**

(*) Share of GDF SUEZ in the project, based on a total installed capacity of 3,450 MW.

Estreito. The Estreito Hydroelectric Power Plant, under construction on the Tocantins River on the boundary between the states of Tocantins and Maranhão, is one of the largest generation projects in Brazil and will have an installed capacity of 1,087 MW. Tractebel Energia controls Companhia Energética Estreito, previously denominated SUEZ Energia Renovável S.A., which has a 40.07% stake in the Consórcio Estreito Energia, the latter responsible for the implementation of the Plant. The other partners are Vale, with 30.00%; Alcoa Alumínio, with 25.49%; and Camargo Corrêa Energia, with 4.44%.

The energy corresponding to the Company's stake in the project (256 average MW) was sold at the new energy auction on October 16, 2007 at R$ 153.40/MWh, the price referenced to March 31, 2011, with deliveries beginning in 2012 for a period of 30 years. The startup of Estreito HPP's first generating unit is foreseen to the second quarter 2011 and the table below shows the Plant's ramp-up.

Estreito's Ramp-Up (Average MW)

Total Assured Energy (100%)	Unity	Assured Energy (40.07%)	Tractebel's Share of the Assured Energy (40.07%)
129.80	Turbine 1	52.01	52.01
258.81	Turbine 2	51.69	103.71
385.59	Turbine 3	50.80	154.51
481.36	Turbine 4	38.38	192.88
546.22	Turbine 5	25.99	218.87
592.40	Turbine 6	18.50	237.37
623.61	Turbine 7	12.51	249.88
641.08	Turbine 8	7.00	256.88

Jirau. Energia Sustentável do Brasil, a Special Purpose Company, is responsible for the construction, maintenance, operation and sale of energy to be generated by the Jirau Hydroelectric Power Plant, under construction in the city of Porto Velho, state of Rondônia. The company, comprising IPR-GDF SUEZ (50.1%), Eletrosul (20.0%), Chesf (20.0%) and Camargo Corrêa (9.9%), submitted the winning bid at the concession auction organized by the Brazilian Electric Energy Agency (Aneel) on May 19, 2008, offering the most competitive proposal for 70% of the energy to be produced by the plant for captive consumers supplied by electric energy distributors as from January 2013.

The plant is to have a capacity of 3,450 MW, operating 46 turbines, each with a 75 MW capacity, its assured energy being more than 2 thousand average MW and the respective concession has duration of 35 years. The installed capacity and assured energy of Jirau HPP may increase in the light of project modifications submitted to Aneel and the Ministry of Mines and Energy (MME). In line with the prevailing business model, it is envisaged that Tractebel Energia will acquire the stake in the project of its controlling company as soon as the principal development risks have been mitigated, an event which is expected to take place as from the second half 2012.

Uptime Operating

In 1Q11, the plants operated by Tractebel achieved a 98.5% uptime ratio, excluding scheduled stoppages: 98.8% in hydroelectric generation, 98.3% in thermal and 90.8% for plants classified as complementary (SHPs, wind, and biomass).

Taking into account all scheduled stoppages, aggregate uptime in the first quarter was 94.0%: 96.2% for hydro plants, 84.5% for thermal plants and 80.0% in the case of complementary sources. This value is below the aggregate uptime reported in the same period in 2010 (96.4%) - principally due to very favorable hydrological conditions in the period which kept spot energy prices low and created windows of opportunity for anticipating programmed maintenance work on thermal and complementary plants.

Production

In 1Q11, electric energy output from the plants operated by Tractebel was 10,307 GWh (4,772 average MW) recording an increase of 3.4% in relation to 1Q10, when 9,964 GWh was generated (4,613 average MW). Out of the total generated, the hydroelectric plants accounted for 9,599 GWh (4,444 average MW), thermal plants for a further 567 GWh (262 average MW) and the complementary plants, for 141 GWh (65 average MW). Set against 1Q10, these results represent an increase of 8.9% in relation to the hydroelectric plants, a reduction of 54.0% in relation to the thermoelectric plants and an increase of 42.4% in relation to the complementary plants – the latter increase largely reflecting the start up of operations in 2010 at the Areia Branca SHP in March and the Ibitiúva Bioenergética biomass-fired plant in May. Both plants therefore contributed timidly to output in 1Q10. As already commented, rainfall volumes heavily favored hydro operations during the quarter, to the detriment of other energy sources.

It is worth noting that the increase in hydro generation does not necessarily result in an improvement in the Company's economic and financial performance. Likewise, the reduction in this type of generation does not as such imply deterioration in economic and financial performance. This characteristic reflects the use of the Energy Reallocation Mechanism (MRE), which dilutes the risks of hydroelectric generation among the Mechanism's participants.

The increase in the Company's thermal generation mitigates exposure to the spot price (PLD), the opposite also being true, all other variables remaining unchanged.

Clients

Tractebel Energia has a well-diversified customer portfolio, serving energy distribution concessionaires through Government-organized electric energy auctions, and also trading companies and free consumers (mostly large industrial clients) mainly served through flexible contracts both in terms of duration and volume. In addition, the Company's strategy is to diversify its sales between the different segments of the economy.

The Company actively pursues a policy of enhancing consumer loyalty by providing tailor-made services, thus permitting the adaptation of energy purchases to the production processes of each customer.

The participation of free consumers in the Company's total physical sales in 1Q11 increased by 7.2 p.p. reaching 30.8% of the total. The contribution of these clients to total gross operating revenue against contracted sales reported a growth of 7.7 p.p., increasing from 22.3% in 1Q10 to 30.0% in 1Q11.This improvement was largely driven by new sales in the free contracting environment and an expansion in the consumption of industrial clients.



STRATEGY

The Company pursues a commercial strategy of gradual sales of future energy availability for any given year as a means of offsetting the risk of exposure to spot prices (Price for Settlement of Differences - PLD) for that particular year. Electric energy sales are made during windows of opportunity which open when the market shows a greater buying propensity.

In line with data for proprietary commercial capacity and purchase and sale contracts in effect on March 31, 2011, Tractebel reported the following energy balance.

Energy Balance

	(avg MW)	2011	2012	2013	2014	2015	2016	Auction Gross Price (R$/MWh)	Reference Date	Gross price adjusted as of 03/31/2011 (R$/MWh)
	Own Resources	3,440	3,598	3,608	3,608	3,608	3,608			
+	Purchases for Resale	436	541	390	274	201	201			
=	Total Resources (A)	3,876	4,139	3,998	3,882	3,809	3,809			
	Regulated Sales*	1,439	1,695	1,695	1,695	1,685	1,535			
	2004-EE-2007-08	10	10	10	10	-	-	70.9	Dec-04	91.9
	2005-EE-2008-08	150	150	150	150	150	-	81.6	Apr-05	102.9
	2005-EE-2009-08	381	381	381	381	381	381	94.0	Oct-05	116.1
	2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	141.0
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	154.6
	2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	161.7
	2007-NE-2012-30	-	256	256	256	256	256	126.6	Jun-07	153.4
	Proinfa	44	44	44	44	44	44	147.8	Jun-04	201.7
	1st Reserve Energy Auction	13	13	13	13	13	13	158.1	Aug-08	179.9
+	Bilateral Sales	2,352	2,296	2,237	1,933	1,593	1,129			
=	Total Sales (B)	3,791	3,991	3,932	3,628	3,278	2,664			
	Balance (A - B)	**85**	**148**	**66**	**254**	**531**	**1,145**			
	Sales average **net** price (R$/MWh)*1:	121.5	126.7	126.8						
	Purchases average **net** price (R$/MWh)*2:	119.3	115.3	117.4						

* 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 03/31/11.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 03/31/11.

Note: The balance refers to the settlement point. It considers the energy generated by the Estreito, from 2Q11.

ADOPTION OF THE NEW ACCOUNTING PROCEDURES AND ECONOMIC AND FINANCIAL PERFORMANCE

Adoption of the new accounting procedures

During the course of 2010, the Company adopted the option permitted by the Brazilian Securities and Exchange Commission - CVM of presenting the information with respect to 1Q10 in accordance with the accounting practices prevailing up to December 31, 2009. The companies which adopted this course of action are obliged to republish this information before the date for submitting the 1ITR (1Q Quarterly Information) 2011, adjusted to the new standards issued by the Accounting Pronouncement Committee (CPC) and approved by the CVM, and consistent with the International Financial Reporting Standards (IFRS). The information included in this document already contemplates the adjustments arising from the adoption of these accounting practices.

Economic and Financial Performance

Net Sales Revenue

In 1Q11, net sales revenue reported an increase of 8.1% when compared with the same period last year from R$ 945.5 million to R$ 1,022.1 million. This variation is directly linked to the growth in gross operating revenue and the deductions from operating revenue as commented below.

- **Net average selling price**

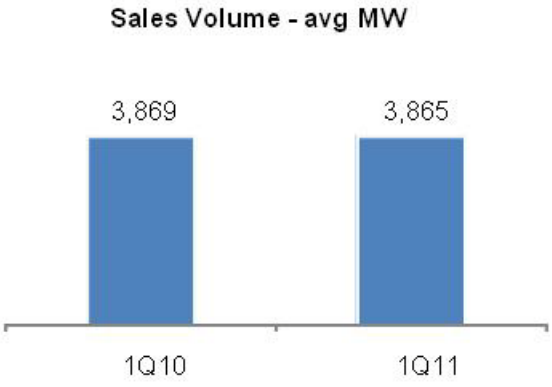
The average selling price of energy, excluding exports and net of deductions on gross operating revenue, was R$ 120.07/MWh in 1Q11, an improvement of 7.5% in relation to the same quarter in 2010 when the price was R$ 111.67/MWh. This variation was largely the fruit of the higher selling price due to contractual readjustments and the improved prices prevailing for free consumers and energy trading companies in new contracts.

- **Sales Volume**

Sales volume in 1Q11 was 8,349 GWh (3,865 average MW), consistent with the 8,357 GWh (3,869 average MW) sold in the same quarter of 2010, reflecting the reduction in the amount of energy purchased for resale, offset by the startup in the operations of new plants and by the greater allocation of proprietary resources in 1Q11 in relation to 1Q10.







*Net of taxes and exports

Gross Operating Revenue

In 1Q11, the Company reported gross operating revenue of R$ 1,149.9 million, 8.8% more than posted in the same period last year, which was R$ 1,057.0 million. The improved showing is essentially due to the combination of the following factors: (i) increase of R$ 84.0 million as a result of an 8.2% higher average selling price; and (ii) evolution of R$ 10.0 million in revenue relative to transactions conducted through the Electric Energy Trading Board (CCEE), as described under a specific heading in this report.

Revenues from electric energy operations

a) Wholesale market for electric energy

Revenue from the wholesale supply of energy, namely energy sales to distributors and trading companies, reached R$ 788.6 million in 1Q11 against the R$ 810.2 million reported in the same quarter in 2010, representing a reduction of 2.7%. This variation is the result of the following: (i) a decline of R$ 47.1 million in sales to distributors principally due to the termination or reduction of contracts signed prior to the Regulated Contracting Market (ACR) auctions of about 657 GWh (304 average MW), combined with the beginning of wholesale supply relative to the auction held in 2006 for sale to the regulated market of 320 GWh (148 average MW) from the São Salvador Hydroelectric Power Plant; (ii) a reduction of R$ 28.2 million (276 GWh - 128 average MW) in revenue from commercialization with the expiring of contracts; and (iii) an increase of R$ 53.7 million due to the elevation of 4.9% and 18.0% in average sale prices to distributors and trading companies, respectively.

It is important to mention that a substantial part of the energy contracted with distributors and trading companies was directed to new contracts with free consumers as can be seen in the comments under the item “Retail market for electric energy.”

b) Retail market for electric energy

Retail market sales revenue (sales to free consumers) reported an increase of 45.4% from R$ 232.5 million in 1Q10 to R$ 338.2 million in 1Q11, the result of the following increases: (i) R$ 30.4 million due to the increase of 11.3% in the average energy selling price; and (ii) R$ 75.3 million due to the growth of 605 GWh (280 average MW) in the amount of energy sold as the result of new sales contracts and the expansion in consumption by existing industrial clients.

c) Transactions channeled through the Energy Trading Board (CCEE)

Revenue in 1Q11 reported under this item registered an improvement of R$ 10.0 million, from R$ 7.8 million in 1Q10 to R$ 17.8 million in the quarter under analysis. More detailed explanations on these operations are to be found below in the item "Details of CCEE operations".

d) Electric energy exports

The export of energy to Uruguay amounted to R$ 1.1 million in 1Q11, while for the same period in the preceding year, overseas business was zero.

Deductions from Operating Revenue

Deductions from operating revenue reported an increase of 14.6% from R$ 111.5 million in 1Q10 to R$ 127.7 million in 1Q11, representing 10.5% and 11.1%, respectively, of gross operating revenue (excluding exports which are exempt from these deductions).

The variation in deductions is related to the increase (i) of PIS and Cofins charges, a function of growth in revenue and the expiry of sales contracts, the revenue from which was being taxed on a cumulative basis (a rate of 3.65%), but due to the recontracting of this energy, the charges in question are now being collected on a non-cumulative basis (rate of 9.25% but enjoying a tax credit on certain purchases); and (ii) of ICMS due to the readjustment in prices and stronger sales to industrial consumers.

Costs of Electric Energy and Services

The costs of the sale of energy and services fell 7.4% equivalent to R$ 32.9 million from R$ 447.3 million in 1Q10 to R$ 414.4 million for the quarter under review. The improvement is largely a reflection of the following components:

a) **Electric power purchased for resale:** this item posted a decline of R$ 69.7 million in 1Q11, or 618 GWh (286 average MW). This decline was not reflected in the sales volume due to the allocation of a greater volume of hydroelectric energy in this quarter in relation to 1Q10.

b) **Transactions channeled through the (CCEE):** there was a year-on-year increase of R$ 13.5 million between comparative quarters as described in a specific item below.

c) **Fuel Expenses:** in 1Q11 these costs were R$ 0.6 million higher due to consumption of thermal coal used in generating energy for export.

d) **Charges for the use of and connection to the electricity grid:** a reduction of R$ 2.3 million in relation to the same period for 2010, due to a reduction in the Tariff for Use of the Transmission System (TUST) following the conclusion of the tariff revision process for transmission companies.

e) **Financial compensation for the use of water resources:** R$ 6.9 million higher due to the increase of 8.9% in hydroelectric generation and the tariff readjustment of 5.6% in the period between the two comparative quarters.

f) **Personnel:** increase of R$ 1.8 million in 1Q11 justified largely by the annual collective bargaining agreement on salaries for the employees and due to new hiring to meet the growth in the Company's generating complex.

g) **Third party services:** increase of R$ 7.9 million in 1Q11, resulting from stronger demand from maintenance and conservation services at the Company's generator units, especially the thermoelectric units, the Company taking full advantage of the reduced need to use the latter plants for generation in the quarter under review.

h) **Depreciation and amortization:** this item in 1Q11 reported an increase of R$ 8.5 million principally due to the depreciation resulting from the startup in commercial operations at the Areia Branca and Ibitiúva Bioenergética plants as well as the conclusion of work on upgrading certain of the Company's plants.

Energy Trading Board – Details of CCEE Operations

The various monthly credit or debit entries to the account of a CCEE agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expenses account. In this context it is worth pointing out that due to adaptations to the Company's portfolio management strategy, changes have been taking place in the billing profile in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing in the two years -

the reason for including this specific topic, allowing us to analyze the oscillations of the principal elements involved in spite of allocation being 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 short or long position in the monthly accounting) which will be settled at the spot price.

In 1Q11, the Company recorded a net result (difference between income and expenses) arising out of transactions conducted within the scope of the CCEE of R$ 3.7 million against R$ 7.1 million registered in the same period in the preceding year, thus representing a reduction of R$ 3.4 million between the comparative periods. If on the one hand, there was an increase in the Company's short position as a result of the reduction in energy generated from thermoelectric sources, on the other hand, this fact was compensated by (i) the increase in the system's secondary energy (energy generated over and above the assured energy average); and (ii) the allocation of a greater volume of hydroelectric energy. These events were priced at a higher average spot price, which in the South Submarket, increased from R$ 18.17/MWh in 1Q10 to R$ 31.58/MWh in 1Q11.

General and Administrative Expenses

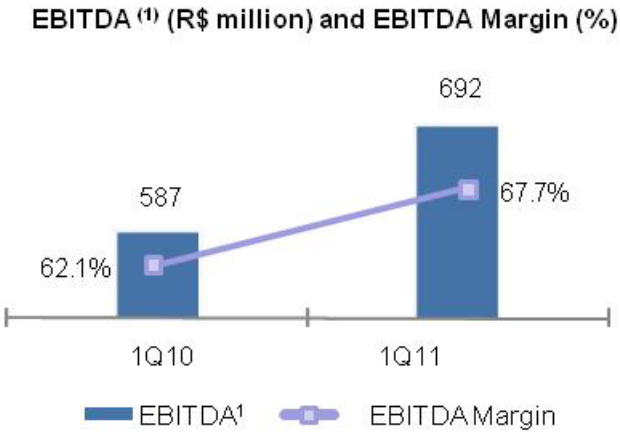
General and administrative expenses increased by R$ 4.8 million or 14.2% from R$ 33.5 million in 1Q10 to R$ 38.3 million in 1Q11, essentially due to the additional contribution to the employee Pension Fund and indemnities arising from court rulings.

Constitution (Reversals) of Operating Provisions, Net

In 1Q11, the Company constituted a provision for doubtful debts worth R$ 6.2 million on receivables from a trading company excluded from the CCEE due to delinquency. This provision was the principal factor which contributed to the variation in the reversal account, net, from R$ 16.6 million to R$ 10.0 million.

EBITDA and EBITDA Margin

Reflecting the effects mentioned above, EBITDA in 1Q11 reached R$ 692.5 million, 17.9% above the amount recorded in 1Q10, which was R$ 587.3 million. The EBITDA margin reached 67.7%, against 62.1% reported in the same period in 2010. In addition to the improvement in the average sales price, the wider margin is the result of lower volumes of purchase and sale transactions between the comparative periods, the margins for which are tighter than those on the sale of energy generated by the Company.



(1) EBITDA represents: operating profits + financial result + depreciation and amortization.

To allow the reconciliation of the operating result with EBITDA, we show the following table:

EBITDA (in thousands of R$)	1Q11	1Q10	Chg. %
Operating income	465,449	374,070	24.4
(+/-) Financial Result	108,412	103,586	4.7
(+) Depreciation and Amortization	118,631	109,671	8.2
Total	**692,492**	**587,327**	**17.9**

Financial Result

Financial income: in 1Q11, this item reported R$ 39.7 million, registering an increase of R$ 11.3 million in relation to the R$ 28.4 million for the same quarter of 2010. This trend reflected the following: (i) a growth of R$ 8.5 million in income on financial investments, a reflection of higher volumes of applied resources and the increase in interest rates; and (ii) the increase of R$ 3.2 million in interest on accounts receivable on the sale of energy

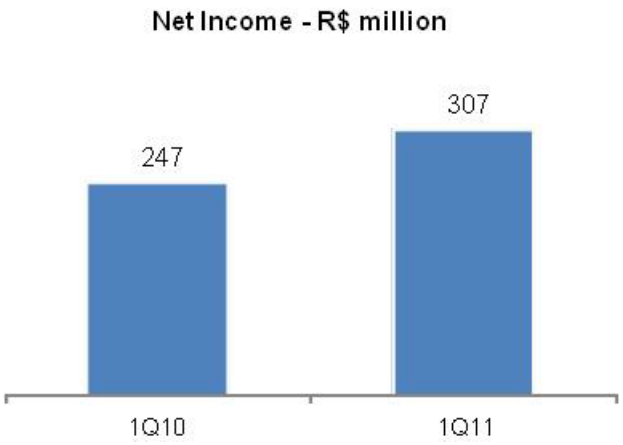
Financial expenses: an increase of R$ 16.1 million between the comparative periods from R$ 132.0 million in 1Q10 to R$ 148.1 million for the quarter under review. This variation is a combination of the following factors: (i) growth of R$ 7.8 million in interest on debt due to the evolution in CDI rates on the 3rd and 4th debenture issues, increased calculation base for interest on the concessions due to an upward adjustment in IGP-M and IPCA inflation rates for 2010, and a reduction of interest on loans and financing due to amortizations in the period; and (ii) a growth of R$ 9.8 million in monetary restatement on debt, largely the result of the restatement of debentures according to the IPCA and the increase in the base of the concessions payable for the same reason as mentioned above.

Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution overheads were R$ 158.5 million, R$ 31.1 million up relative to the same period in 2010 - R$ 127.4 million. The variation is largely due to the increase in results against income tax and social contribution. These expenses represent 34.0% on the pre-tax result for both quarters.

Net Income

Net income for 1Q11 recorded an additional R$ 60.2 million or 24.4% against the amount for the in the same period in 2010, increasing from R$ 246.7 million to R$ 307.0 million in the quarter under review. This increase is the result principally of (i) the increase in the average selling price of 7.5% due to adjustments for inflation and new sales contracts at better prices; (ii) the reduction in energy purchases for resale due to the expiry of contracts with high prices; and (iii) the larger allocation of energy in the CCEE, which reduced what would be the Company's shorter position, in turn the result of a decrease in generation from thermoelectric plants.



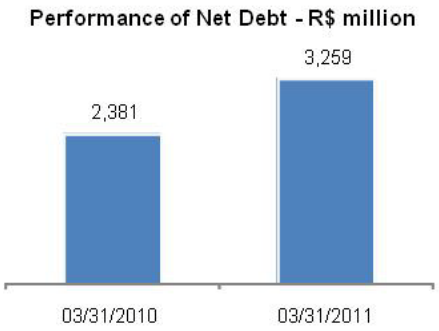
Debt

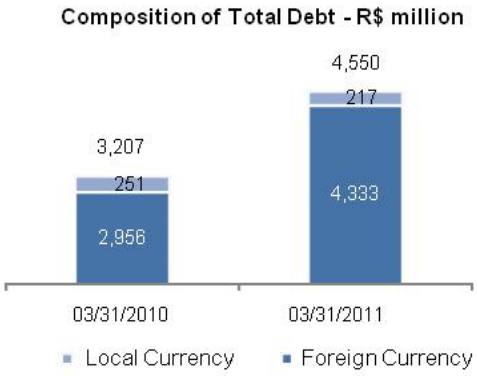
On March 31, 2011, the Company recorded net debt (total debt less cash and cash equivalents) of R$ 3,259.3 million, 36.9% higher than the R$ 2,381.2 million posted on March 31, 2010.

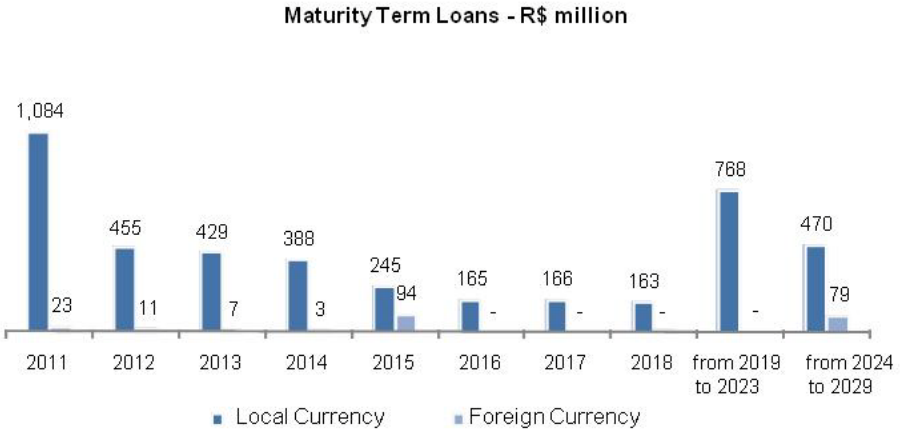
Total consolidated gross debt – represented principally by loans, debentures and financing – amounted to R$ 4,550.3 million, an increase of 41.9% compared to the position on March 31, 2010. Of total debt outstandings at the end of the period, 4.8% were foreign currency denominated (7.8% at the end of 1Q10), this portion being unhedged.

The growth in Tractebel's debt reflects the following combination of factors: (i) the drawdown of an accumulated total of R$ 71.8 million between periods from the National Economic and Social Development Bank (BNDES) and its onlending agents, destined for investments in the Ibitiúva Bioenergética Thermoelectric Power Plant; (ii) as from 3Q10, consolidation into the Company's balance sheet of existing financing of Companhia Energética Estreito, previously denominated SUEZ Energia Renovável S.A.,

amounting to R$ 1,420.0 million, obtained from the BNDES and its financial agents and used for the acquisition and construction of Estreito HPP; (iii) R$ 374.2 million in charges payable together with monetary and currency restatement, between the comparative periods; and (iv) amortization of loans, financing and debentures amounting to R$ 521.9 million in 2010.







Capital Expenditures

In the first quarter of 2011, the Company dedicated R$ 84.5 million to investments of which R$ 58.5 million were applied in the construction of new plants and R$ 26.0 million directed towards maintenance projects and modernization of the Company's generating complex.

SUSTAINABILITY: COMMITMENT AND CERTIFICATIONS

Tractebel Energia operates according to the principles of sustainable development, respecting the balance of environmental, social and economic dimensions in all its businesses. The guidelines that form the bedrock to the Company's plans for environmental management are contained in the Environmental Code, which governs compliance with environmental protection agency regulations as well as the interaction with the communities that live adjacent to the plants by cooperating to ensure improvement in their quality of life.

All Tractebel Energia plants are NBR ISO 9001 and NBR ISO 14001 certified, except from those acquired in 2008 and after. The objective of NBR ISO 9001 certification is to improve internal procedures and upgrade company products and services. NBR ISO 14001 is a standard for governing environmental management systems, designed to reconcile environmental protection and prevention of pollution with the socio-economic growth of the companies.

Thanks to this permanent commitment, the Company remained listed in BM&FBovespa's (São Paulo Stock Exchange) Corporate Sustainability Stock Index (ISE), a portfolio of shares of companies considered sustainable over a long-term horizon and with an excellent performance in financial, social, environmental and corporate governance practice aspects.

CORPORATE GOVERNANCE

Tractebel Energia became a member of BM&FBovespa's Novo Mercado on November 16, 2005, underscoring the Company's commitment to best corporate governance practice.

The Bylaws have been adapted to comply with the new rules and procedures of the Novo Mercado's Listing Regulations. The Company's Board of Directors is now made up of nine members, one of which represents the employees and two who are independent directors. With the exception of the employees' representative, all are elected by a General Shareholders' Meeting. A non-permanent Fiscal Council, which is independent of management and the Company's outside auditors, is responsible for supervising management acts and examining and opining on the financial statements.

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

In addition to Novo Mercado regulations, Tractebel Energia complies with the precepts of the Sarbanes-Oxley act, the purpose of which is to combat unethical conduct and make the financial statements more reliable.

Tractebel Energia's dividend policy establishes a minimum mandatory dividend of 30% of net income for the fiscal year, adjusted pursuant to Law 6,404/76. In addition, the Company policy determines the intention of paying in each calendar year dividends and/or interest on shareholders' equity for a value of not less than 55% of adjusted net income in the form of semi-annual payouts.

With respect to the asset transfer model, Tractebel and its controlling company understand that its existing corporate governance standards should be raised even further. Among the initiatives announced of particular note was the creation in October 2010 of the Special Independent Committee for Valuation of Transactions with Related Parties, the majority of its members made up of independent directors of the Company's Board.

CAPITAL MARKETS

Since its listing on BM&FBovespa's Novo Mercado, Tractebel 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 (BM&FBovespa) under the TBLE3 symbol. In addition, the Company's Level I American Depositary Receipts (ADRs) trade on the US Over-The-Counter OTC market under the TBLEY symbol at a ratio of one ADR for each common share.

Share Performance – TBLE3

The first quarter of 2011 was characterized by turbulence on the international front due to tensions in Libya, the economic fallout in Japan following the earthquake and the debt crisis in Europe, with the expectation that Portugal would be the next in line for a financial bailout.

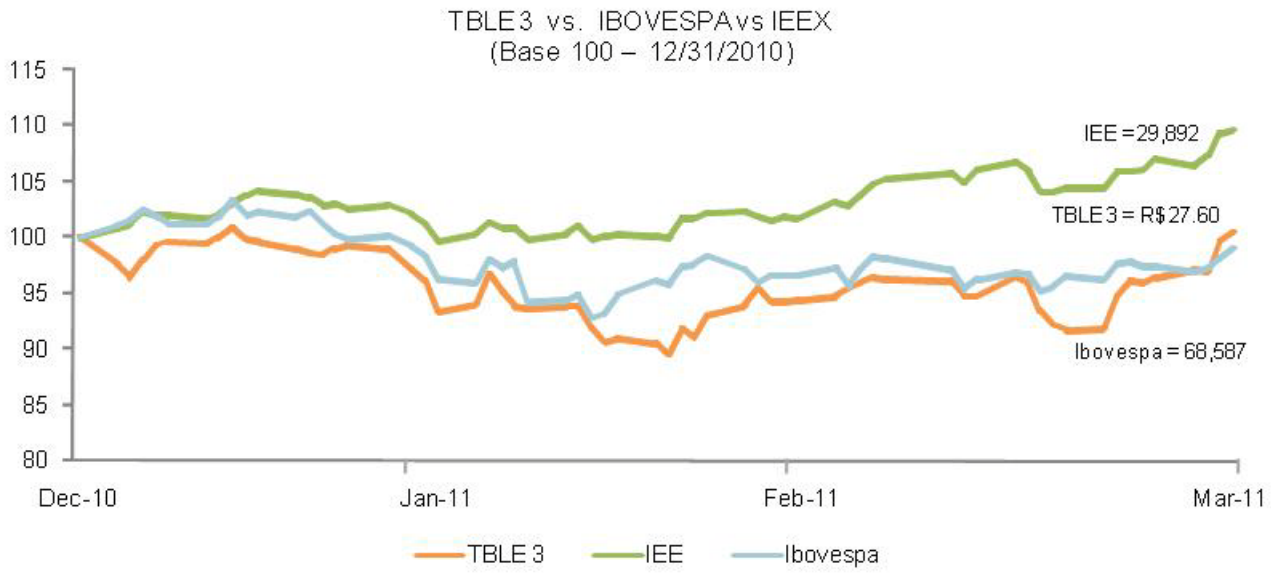
In spite of this, the leading stock indices in the United States closed the quarter with a solid performance, showing resilience to in the face of eventual downward pressures. The New York Stock Exchange's Dow Jones Index appreciated 6.4%, while the S&P rose 5.4% and the Nasdaq was also 4.8% in positive territory.

In the domestic market, the principal stock index, the Ibovespa, fell 1.0%, reflecting net withdrawals of capital by foreign investors from the BM&FBovespa in the period amounting to approximately R$ 2.8 billion.

Tractebel Energia's shares recorded an appreciation of 0.6% in the quarter against an increase of 9.7% in the IEE – the electric energy stock index - and a fall of 1.0% in the Ibovespa, as already commented above.

During the quarter, the Company's securities were traded on all the days the BM&FBovespa was open for business, averaging a daily turnover of R$ 15.0 million, 3.6% down on the R$ 15.6 million reported in 1Q10.

Tractebel's shares reported a closing price on March 31, 2011 of R$ 27.60/share equivalent to market capitalization for the Company of approximately R$ 18.0 billion.


TBLE3 vs. IBOVESPA vs IEEX
(Base 100 – 12/31/2010)
115
110
105
100
95
90
85
80
IEE = 29,892
TBLE3 = R$ 27.60
Ibovespa = 68,587
Dec-10
Jan-11
Feb-11
Mar-11
TBLE 3
IEE
Ibovespa

UPCOMING EVENTS

Tractebel Energia will be holding the following events to discuss the earnings results:

Conference call with webcast
(in Portuguese - simultaneous translation into English)

Date: April 29, 2011
Time: 10:00 a.m. (EST) / 11:00 a.m. (Brasília time)

Connection numbers:
Participants in Brazil: (11) 4688-6361
Participants in the USA: (1 888) 700-0802
Participants from other countries: (1 786) 924-6977
Access code: Tractebel

The access links can be found on the Company's website (www.tractebelenergia.com.br), at the Investors section.

Replay available from April 29th to May 5, 2011. Access by calling (55 11) 4688-6312, code: 4503120.

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

(in thousands of R$)		
Assets	**3/31/2011**	**12/31/2010**
Current Assets	**2,056,476**	**1,906,733**
Cash and cash equivalents	1,290,965	1,082,580
Accounts receivables from clients	509,464	531,106
Non-current assets for sale	23,057	23,057
Taxes to recover	101,683	91,818
Warehouse	51,695	46,032
Pledges and restricted deposits	27,926	81,553
Other credits	51,686	50,587
Non Current Assets	**10,941,214**	**10,943,555**
Long Term Assets	**875,490**	**872,025**
Taxes to recover	222,888	219,880
Pledges and restricted deposits	51,754	51,244
Deposits in court	136,537	133,464
Receivable on assets	86,886	86,886
Deferred income taxes and social contribution	325,408	328,240
Other credits	52,017	52,311
Property, Plant and Equipment	**9,970,752**	**9,976,009**
Intangible	**94,972**	**95,521**
Total	**12,997,690**	**12,850,288**

ATTACHMENT II
TRACTEBEL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET – LIABILITIES

(in thousands of R$)		
Liabilities	**3/31/2011**	**12/31/2010**
Current Liabilities	**2,108,457**	**2,259,838**
Suppliers	254,263	268,851
Dividends and interest on shareholder´s equity	189,506	189,509
Loans and financing	205,295	189,414
Debentures	954,196	905,017
Tax obligations	191,529	457,937
Labor Obligations	57,062	54,881
Research and development (R&D) program obligations	23,012	14,991
Provision for tax, civil and labor risks	38,138	10,866
Concessions payable	43,766	42,297
Post-employment benefits	52,959	25,939
Other obligations	98,731	100,136
Non Current Liabilities	**5,509,595**	**5,517,766**
Loans and financing	2,598,685	2,567,145
Debentures	792,096	782,344
Research and development (R&D) program obligations	29,398	41,260
Provision for tax, civil and labor risks	131,082	143,416
Concessions payable	1,133,477	1,092,650
Post-employment benefits	356,853	409,452
Deferred income taxes and social contribution	440,291	445,691
Other obligations	27,713	35,808
Shareholders' Equity	**5,379,638**	**5,072,684**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Fixed asset valuation	693,971	708,190
Profit reserves	1,827,033	1,827,033
Retained Earnings	321,173	-
Total	**12,997,690**	**12,850,288**

ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(in thousands of R$)	1Q11	1Q10	Chg. %
Gross Operating Revenue	**1,149,875**	**1,057,028**	**8.8**
Deductions from operating revenue	**(127,746)**	**(111,504)**	**14.6**
Net Operating Revenue	**1,022,129**	**945,524**	**8.1**
Energy Sales Costs	**(414,358)**	**(447,355)**	**-7.4**
Electric power purchased for resale	(105,226)	(174,926)	-39.8
Transactions channeled through the CCEE	(14,182)	(702)	1,920.2
Fuel expenses	(4,941)	(4,304)	14.8
Charges for the use of and connection to the electricity grid	(66,286)	(68,596)	-3.4
Financial compensation for use of water resources	(38,208)	(31,420)	21.6
Personnel	(31,470)	(29,716)	5.9
Materials and third party services	(31,259)	(23,398)	33.6
Depreciation and amortization	(115,335)	(106,786)	8.0
Others	(7,451)	(7,507)	-0.7
Gross Income	**607,771**	**498,169**	**22.0**
Operating Income (Expenses)	**(33,910)**	**(20,513)**	**65.3**
Selling expenses	(4,856)	(3,624)	34.0
General and administrative expenses	(38,303)	(33,532)	14.2
Reversal of operating provisions, net	9,998	16,639	-39.9
Other operating income (expenses), net	(749)	4	-
Service Income	**573,861**	**477,656**	**20.1**
Net Financial Result	**(108,412)**	**(103,586)**	**4.7**
Financial income	39,685	28,432	39.6
Financial expenses	(148,097)	(132,018)	12.2
Income Before Taxes	**465,449**	**374,070**	**24.4**
Income tax	(115,859)	(93,902)	23.4
Social contribution	(42,636)	(33,448)	27.5
Net Income for the Period	**306,954**	**246,720**	**24.4**
EBITDA	**692,492**	**587,327**	**17.9**
Net income per share	0.4703	0.3780	24.4

ATTACHMENT IV
TRACTEBEL ENERGIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOW

(in thousands of R$)	1Q11	1Q10
Operating Activities		
Net income for the period	306,954	246,720
Expenses (revenues) that do not affect cash:		
Depreciation and amortization	118,631	109,671
Net monetary variations	40,464	30,360
Net interests	90,521	87,666
Reversal of operating provisions, net	(7,863)	(14,972)
Income tax and social contribution	158,495	127,350
Others	1,189	(688)
	708,391	586,107
Decrease (Increase) in Assets		
Accounts receivables from clients	20,630	(30,478)
Taxes to recover	(4,812)	(583)
Warehouse	(5,692)	4,895
Pledges and linked / judicial deposits	56,185	35,806
Others	(1,558)	2,855
	64,753	12,495
Increase (Decrease) in Liabilities		
Suppliers	(8,178)	20,349
Paid income tax and social contribution	(429,990)	(380,894)
Labor obligations	1,183	6,808
Payments of loans, financing and debentures charges	(23,223)	(26,368)
Post-employment benefits	(9,736)	(7,607)
Research and development (R&D) program obligations	(3,841)	4,506
Others	1,466	(8,913)
	(472,319)	(392,119)
Funds from Operating Activities	**300,825**	**206,483**
Investments activities	**(96,812)**	**(365,350)**
Increase of investments, net of cash availability	-	(304,556)
Used in fixed assets	(94,322)	(60,268)
Used in intangibles	(2,490)	(526)
Financing activities	**4,372**	**(270,464)**
Financing	54,007	-
Payment of loans, financing and debentures	(40,150)	(261,217)
Payments of concessions payable	(10,262)	(9,761)
Pledges and deposits for funding	780	514
Payment of dividends and interest on shareholders' equity	(3)	-
Total Effects on Cash	**208,385**	**(429,331)**
Cash and cash equivalents		
Opening balance	1,082,580	1,254,640
Closing balance	1,290,965	825,309
	208,385	**(429,331)**
Transactions that do not affect cash		
Offsetting of income tax and social contribution	298	-
Supplier's of fixed assets	5,538	27,614