Tractebel Energia increases the installed capacity of its generating complex by a further 125.5 MW

Florianópolis (SC), April 25, 2014 – Tractebel Energia S.A. ("Tractebel Energia", "Tractebel", or "the Company") – BM&FBovespa: TBLE3, ADR: TBLEY, the largest private sector electricity generating company in Brazil, announces earnings for the first quarter 2014 (1Q14). 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

● Net revenue from sales increased 18.1% compared with 1Q13, totaling R$ 1,643.0 million, increase due to the effects of the transactions conducted on the short-term market and the increase in the net average selling price.

● EBITDA reached R$ 694.1 million in 1Q14, a decline of 20.3% compared with 1Q13, principally due to the negative impact of the variation in transactions in the short term market, including those conducted within the scope of the CCEE. The EBITDA margin in 1Q14 was 42.2%, a decline of 20.4 p.p. against 62.6% in 1Q13.

● Net income reached R$ 289.2 million (R$ 0.4431 per share) in the first quarter of 2014, 31.9% less than in 1Q13.

● Energy volume sold increased from 8,909 GWh (4,125 average MW) in 1Q13 to 9,123 GWh (4,224 average MW) in 1Q14, a growth of 2.4%, or 214 GWh (99 average MW) in relation to 1Q13, principally due to the initial operations at the Trairi Wind Complex and the increase in the volume of power purchasing.

● The average contracted energy price, net of exports and deductions from gross operating revenue was R$ 144.54/MWh, 6.0% greater than 1Q13.

● On January 22, the Tractebel Energia power plant complex generated 8,031.6 MW instantaneously, establishing a new record. The previous one was 7,824.5 MW.

● On January 28, the National Electric Energy Agency (Aneel) authorized the startup in commercial operations of the Fleixeiras I Wind Farm (30.0 MW).

● On February 20, Tractebel Energia concluded the acquisition of the total capital of Ferrari Termoelétrica S.A., with installed capacity of 65.5 MW and a commercial capacity of 23.2 average MW.

● **Subsequent events:**

- Aneel authorized the Mundaú Wind Farm (30.0 MW) to begin commercial activities as from April 1, 2014, thus concluding the Trairi Wind Complex and adding 115.4 MW to the Company's installed capacity and 58.2 average MW to commercial capacity.
- On April 11, 2014, Board of Directors approval was given: (i) for the start on construction work on the Santa Mônica Wind Complex, at a site in the Municipality of Trairi (CE), with 97.2 MW of installed capacity; (ii) the acquisition of approximately 150 MW relating to five wind farm projects to be developed in the state of Bahia; and (iii) the acquisition of ten wind generation projects with a joint installed capacity of up to 300 MW, also in the state of Bahia, at an investment of R$ 35.1 million. In due course, the Company may also exercise an option for developing a solar generation project in the same area as these wind projects.

1Q14

For immediate release

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

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Conference call and webcast:
On 04/28/2014 at 10:00 a.m. (DST) in Portuguese – simultaneous translation into English.

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

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Summary of Economic and Operational Indicators

Tractebel - Consolidated			
(in millions of R$)	**1Q14**	**1Q13**	**Chg.**
Net Revenue from Sales (NRS)	1,643.0	1,390.9	18.1%
Results from Operations (EBIT)	546.4	729.4	-25.1%
EBITDA [(1)]	694.1	870.5	-20.3%
EBITDA / NRS - (%)[(1)]	42.2	62.6	-20.4 p.p.
Net Income	289.2	424.9	-31.9%
Net Debt	2,455.1	2,814.3	-12.8%
Energy Sold (avg MW)	4,224	4,125	2.4%
Average Net Sales Price (R$/MWh) [(2)]	144.54	136.33	6.0%
Number of Employees	1,130	1,118	1.1%

(1) EBITDA represents: net income + income tax and social contribution + financial results + depreciation and amortization.
(2) Net of taxes and exports.

OPERATING PERFORMANCE

Generating Complex

In 2014, a further 125.5 MW in capacity was added to Tractebel Energia's generating complex: on February 20, the Company concluded the acquisition of the Ferrari Thermoelectric Power Plant (65.5 MW) and on January 28, and April 1, the Fleixeiras I and Mundaú power plants, respectively, went into commercial operations bringing a further 30.0 MW each on stream. This increased the Company's total installed capacity to 7,024.2 MW, confirming Tractebel's ranking as the largest private sector electric energy generator in Brazil. The generating complex now has 26 plants, nine of which are hydro, five thermal plants and 12 fired from complementary sources – biomass, wind and small hydroelectric plants (SHPs) - 22 of which are wholly owned by the Company and four (the Itá, Machadinho and Estreito hydro plants and the Ibitiúva Bioenergética biomass-fired plant) are commercially operated in partnership with other companies.

Tractebel Energia's Generating Complex

Power Plants	Source	Location	Installed Capacity (MW)		Concession/Authorization original term expiration date
			Total	Tractebel's Share	
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	16-Oct-30
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	27-Sep-28
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9	14-Jul-32
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6	26-Nov-37
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0	27-Sep-28
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	26-Aug-33
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	27-Sep-28
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	22-Apr-37
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	30-Sep-34
Total - Hydro			**7,270.3**	**5,559.7**	
Jorge Lacerda Complex*	Thermal	Capivari de Baixo (SC)	857.0	857.0	27-Sep-28
William Arjona	Thermal	Campo Grande (MS)	190.0	190.0	28-Apr-29
Charqueadas	Thermal	Charqueadas (RS)	72.0	72.0	27-Sep-28
Total - Thermal			**1,119.0**	**1,119.0**	
Ferrari	Biomass	Pirassununga (SP)	65.5	65.5	27-Jun-42
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	04-Apr-30
Guajiru	Wind Farm	Trairi (CE)	30.0	30.0	20-Sep-41
Fleixeiras	Wind Farm	Trairi (CE)	30.0	30.0	27-Sep-41
Mundaú	Wind Farm	Trairi (CE)	30.0	30.0	27-Sep-41
Lages	Biomass	Lages (SC)	28.0	28.0	29-Oct-32
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6	18-Dec-32
Beberibe	Wind Farm	Beberibe (CE)	25.6	25.6	03-Aug-33
Trairi	Wind Farm	Trairi (CE)	25.4	25.4	29-Sep-41
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	23.7	23.7	18-Dec-32
Areia Branca	SHP	Rio Manhuaçu (MG)	19.8	19.8	02-May-30
Pedra do Sal	Wind Farm	Parnaíba (PI)	18.0	18.0	01-Oct-32
Total - Complementary			**355.6**	**345.5**	
Total			**8,744.9**	**7,024.2**	

(*) Complex comprised of 3 power plants.

Expansion

Projects under Construction

Power plants	Source	Location	Installed Capacity (MW)		Concession/Authorization original term expiration date
			Total	Tractebel's/Group's Share	
Jirau	Hydro	Madeira River (RO)	3,750.0	1,500.0	13-Aug-43
Santa Mônica	Wind Farm	Trairi (CE)	97.2	97.2	To be defined
Ferrari (retrofit)	Biomass	Pirassununga (SP)	15.0	15.0	To be defined
Cidade Azul	Solar	Capivari de Baixo (SC)	3.0	3.0	Not applicable
Total			**3,865.2**	**1,615.2**	

Jirau. Energia Sustentável do Brasil (ESBR), is a Special Purpose Company 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. ESBR submitted the winning bid at the 35-year concession auction organized by Aneel (Brazilian Electricity Regulatory Agency) on May 19, 2008, offering the most competitive proposal for 70% of the energy to be produced by the Plant, at the time, based on a total of 44 generating units, a 3,300 MW installed capacity and 1,975.3 average MW of

commercial capacity for captive customers supplied by electric energy distributors. At the A-3 energy auction held on August 17, 2011, ESBR sold a further 209.3 average MW for delivery in 2014 over a 30-year period, the result of increased expansion of the initial project to 50 generating units and 3,750 MW of installed capacity. Hence, the total commercial capacity has risen to 2,184.6 average MW. Additionally, on December 26, 2012, the Plant has become eligible for trading carbon credits as it was successfully registered with the United Nations (UN), thus being granted the right to sell approximately 6 million tons of CO2/year when operating at full capacity. Additionally, as per the announcement to the market published by Tractebel Energia on May 13, 2013, GDF SUEZ, the Company's parent, sold a 20.0% stake in Jirau to Mitsui & Co. Ltd. The transaction was completed on January 16, 2014, after the approval of the Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social - BNDES) and the on-lending banks - the Brazilian anti-trust authority (Conselho Administrativo de Política Econômica - Cade) approval was granted on July 1, 2013, and by Aneel on September 24, 2013. With the conclusion of the transaction, GDF SUEZ currently holds a stake of 40.0%, while the Chesf and Eletrosul, both of which are subsidiaries of Eletrobrás, remain with 20.0% each, the same percentage as that of the Japanese partner. Currently, the project has seven units in commercial operation, and another unit is synchronized to the transmission network, totaling eight units connected to the National Power Grid System (SIN). Additionally, two units are currently undergoing pre-operational tests. In line with the prevailing business model, it is envisaged that the plant will be transferred to Tractebel Energia when the main development risks have been mitigated.

Santa Mônica Wind Complex – Ceará. On April 11, 2014 authorization was given for construction work to begin on the Santa Mônica Wind Complex to be installed in the Municipality of Trairi (CE). The Complex will be made up of the following projects with the respective installed capacities: Trairi II Wind Farm, 29.7 MW; Cacimbas Wind Farm, 18.9 MW; Santa Mônica Wind Farm, 18.9 MW; and Santa Mônica SPE II Wind Farm, 29.7 MW. The project is located close to the Trairi Wind Complex with a capacity of 115.4 MW - already in commercial operation - and will benefit from the synergies to be derived from existing structures such as a substation and transmission line which both projects have in common. The Company is to invest about R$ 460 million in the Santa Mônica Wind Complex, increasing the capacity of its generator park by a further 97.2 MW of unconventional renewable energy once all the generator units are in commercial operations - scheduled for 2016. Total energy output will be negotiated through the Free Contracting Environment.

Ferrari Thermoelectric Power Plant – São Paulo (Expansion). The Company is dedicating investments of about R$ 85 million to the modernization and expansion of Ferrari TPP with installed capacity to be ramped up to 80.5 MW. As a result, commercial capacity is expected to reach 35.6 average MW. Expansion work was begun on March 25th and conclusion is forecast for the first half of 2015**.**

Photovoltaic Solar Energy Plant – Santa Catarina. Tractebel, together with the Photovoltaic Research Group at the Universidade Federal de Santa Catarina (UFSC) and other partners, is installing the Cidade Azul Solar Print with 3 MWp in the Municipality of Capivari de Baixo (SC) and adjacent to the Jorge Lacerda Thermoelectric Complex. The project is being implemented under Aneel's Technological Research and Development Program for the Electric Energy Sector (R&D). On March 31, trial runs were begun at the plant and commercial operations are expected to begin in the second quarter of 2014.

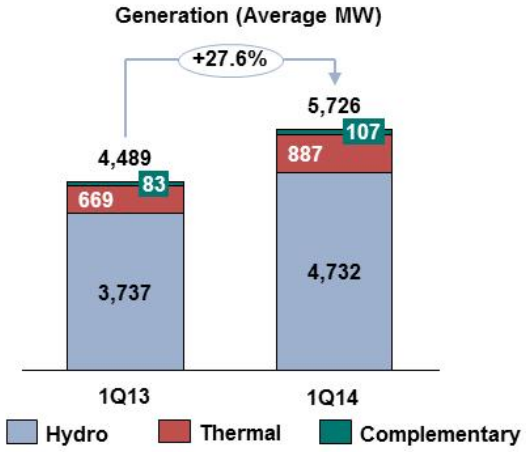
Uptime Operating

In 1Q14, the plants operated by Tractebel Energia reached a level of 98.0% uptime if programmed shutdowns are excluded: 99.6% in hydroelectric generation, 92.7% in thermoelectric generation and 93.2% for those plants denominated as complementary and made up of SHPs, wind farms and biomass-fired thermoelectric plants.

If all scheduled shutdowns are taken in to account, global uptime in 1Q14 was 93.6% - 95.4% for hydroelectric, 83.9% for thermoelectric and 82.8% for the complementary plants. These results are very similar to the global uptime recorded for the same period in 2013 (93.8%), the hydro plants showing a decline while the thermal plants registered improved uptime levels.

Production

In 1Q14, output of electric energy from plants operated by Tractebel amounted to 12,368 GWh (5,726 average MW), representing an increase of 27.6% compared with 1Q13, when 9,696 GWh (4,489 average MW) was generated. Out of the total generated, the hydro plants accounted for 10,221 GWh (4,732 average MW), thermoelectrics for 1,915 GWh (887 average MW) and plants fired from complementary sources for 232 GWh (107 average MW). These results represent a year-on-year increase of 26.6% in relation to the hydro plants, an increase of 32.6% for the thermal plants and nearly 28.9% in relation to the power plants operated from complementary energy sources.



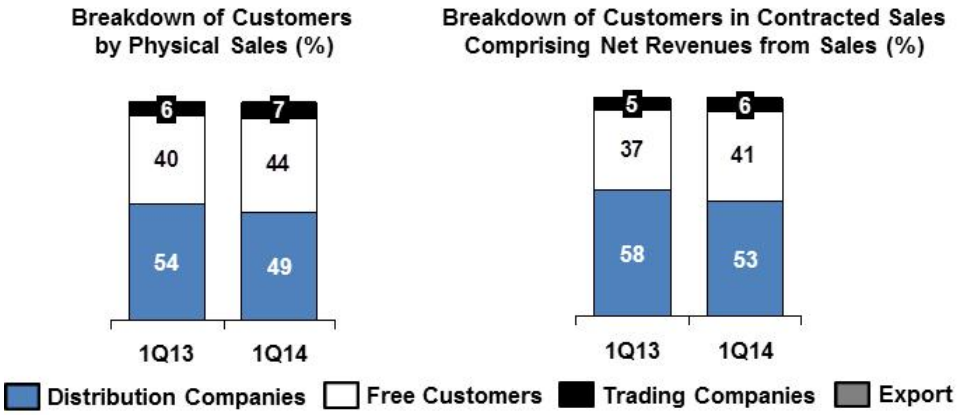
These figures indicate a considerable increase in the Company's generation activities in 1Q14 across the full spectrum of generation sources. In the first quarter of 2013, the reservoirs in the south of Brazil were still recovering from the unfavorable hydrological conditions of the preceding year. With this recovery, hydroelectric generation was significantly higher in 1Q14. We should also point out that the year-on-year comparative increase in installed capacity reflects the full commercial operation of the generator units at the Estreito Hydroelectric Power Plant as well as the Trairi Complex wind farms. The increase in thermoelectric generation was boosted by the resumption in gas supplies to the William Arjona thermoelectric plant allowing all five of its units to operate. Indeed, in January it reported a new monthly record for generation with 109,954 MWh (148 average MW) – the same month in which the Tractebel Energia's plant complex reached an instantaneous generation of 8,031.6 MW, beating the previous 7,824.5 MW and setting a new record. The Company set another new record in March, this time at the Lages Cogeneration Unit which produced 15,370 MWh (21 average MW).

It is worth noting that the increase in hydroelectric generation does not necessarily result in an improvement or deterioration in the Company's economic and financial performance. In the same way, the reduction in this type of generation does not of itself imply deterioration in economic-financial performance. This is due to the use of the Energy Reallocation Mechanism (MRE), which dilutes the risks of hydroelectric generation among all the Mechanism's participants.

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

Clients

Compared with 1Q13, the share of free consumers in relation to total physical sales in 1Q14 increased 4.0 p.p. and representing 43.7% of the total. The contribution of these clients to total net revenue from sales relative to contracted sales shows a growth of 4.2 p.p. from 36.8% in 1Q13 to 41.0% in 1Q14.



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, 2014, Tractebel reported the following energy balance.

Energy Balance

	(avg MW)	2014	2015	2016	2017	2018	2019	Auction Gross Price (R$/MWh)	Reference Date	Gross Price Adjusted as of 03/31/2014 (R$/MWh)
	Own Resources	3,529	3,534	3,531	3,552	3,575	3,575			
+	Purchases for Resale	845	438	295	233	200	200			
=	Total Resources (A)	4,374	3,972	3,826	3,785	3,775	3,775			
	Regulated Sales*	1,679	1,669	1,526	1,173	1,173	1,173			
	2004-EE-2007-08	10	-	-	-	-	-	70.9	Dec-04	109.8
	2005-EE-2008-08	143	143	-	-	-	-	81.6	Apr-05	122.8
	2005-EE-2009-08	353	353	353	-	-	-	94.0	Oct-05	138.6
	2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	168.1
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	184.5
	2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	193.0
	2007-NE-2012-30	256	256	256	256	256	256	126.6	Jun-07	173.6
	Proinfa	44	44	44	44	44	44	147.8	Jun-04	248.9
	1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	214.0
	Auction Mix (Reserve / New Energy / GD)	18	18	18	18	18	18	-	-	194.1
+	Bilateral Sales	2,544	2,235	2,050	1,750	1,203	774			
=	Total Sales (B)	4,223	3,904	3,576	2,923	2,376	1,947			
	Balance (A - B)	**151**	**68**	**250**	**862**	**1,399**	**1,828**			
	Sales average **net** price (R$/MWh)*1:	141.7	144.5	142.8						
	Purchases average **net** price (R$/MWh)*2:	135.1	144.6	152.2						

* 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)

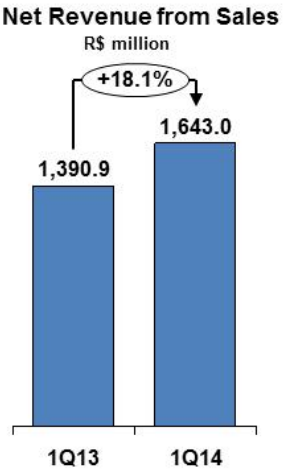
*1: Sales price is net of ICMS and taxes over revenues (PIS/Cofins, R&D), as of 03/31/14, i.e. future inflation is not considered.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 03/31/14, i.e. future inflation is not considered.

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

ECONOMIC AND FINANCIAL PERFORMANCE

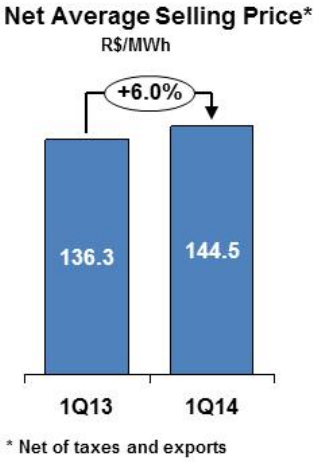
Net Revenue from Sales

In 1Q14, Tractebel Energia posted growth in net revenue from sales of 18.1%, or R$ 252.1 million, when compared with the same period in 2013, increasing from R$ 1,390.9 million to R$ 1,643.0 million. The principal factors contributing to this variation were: (i) R$ 154.6 million – an increase due to the transactions conducted on the short-term market including within the scope of the Electric Power Trade Board (CCEE); (ii) R$ 81.7 million – increase in the net average selling price; (iii) R$ 22.3 million – increase in energy sales volumes; and (iv) R$ 6.1 million – sale of carbon credits which occurred in 1Q13 only.



- **Net average selling price**

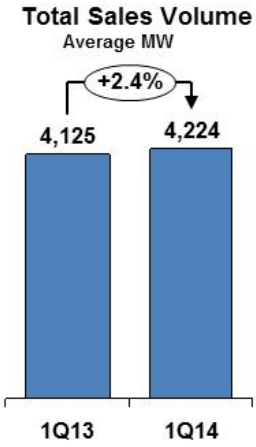
The average selling price of energy, net of taxes on gross revenue, was R$ 144.54/MWh in 1Q14, 6.0% higher than recorded for the same quarter in 2013 when prices stood at R$ 136.33/MWh. The price increase is largely due to the monetary restatement of existing sales agreements.



- **Sales Volume**

Energy sales volume increased from 8,909 GWh (4,125 average MW) in 1Q13 to 9,123 GWh (4,224 average MW) in 1Q14, an increase of 2.4%, or 214 GWh (99 average MW) when comparing the two quarters. The increase is largely a reflection of the startup in operations of the Trairi Wind Complex and the increase in the volume of power purchasing.

The variation in sales volume by client class was as follows: (i) increase of 447 GWh (207 average MW) in the supply of energy to free consumers; (ii) a decrease of 274 GWh (127 average MW) in wholesale supply to distributors; and (iii) an increase of 41 GWh (19 average MW) in energy sales to trading companies.



Comments on Variations in Net Revenue from Sales, by Client Class

a) Distributors

Sales revenue from distributors reached R$ 698.4 million in 1Q14, 0.5% less than the R$ 701.8 million reported in 1Q13. A combination of the following factors contributed to this: (i) R$ 41.3 million – a reduction of 274 GWh (127 average MW), equivalent to 5.7% in sales volume; and (ii) R$ 37.9 million – an increase of 5.6% in net average selling price.

b) Trading Companies

Sales revenue from trading companies increased from R$ 65.6 million in 1Q13 to R$ 79.6 million in 1Q14, a year-on-year growth of 21.3%. The increase reflects the following elements: (i) R$ 9.0 million – an increase of 13.3% in net average selling price; and (ii) R$ 5.0 million – a growth of 41 GWh (19 average MW), or 7.1%, in energy sales volume.

c) Free consumers

Revenue from sales to free customers increased by 20.9% between the quarters analyzed, increasing from R$ 447.2 million in 1Q13 to R$ 540.6 million in the same period in 2014. The following events contributed to the variation: (i) R$ 58.6 million – a growth of 447 GWh (207 average MW) or 12.6% in energy sales volume; and (ii) R$ 34.8 million – a rise of 7.3% in the net average selling price.

d)Transactions in the short-term market, including those conducted through the CCEE

In 1Q14, revenue generated from transactions in the short term market including sales conducted across the CCEE, was R$ 317.3 million, as against R$ 162.7 million for the same period in 2013, representing a year-on-year increase of R$ 154.6 million. A more detailed explanation as to these operations is to be found in the item below "Details of short-term operations including transactions conducted through the CCEE".

Costs of Electric Energy and Services

The costs of electric energy sales and services increased year-on-year by R$ 437.5 million, or 71.2% from R$ 614.5 million in 1Q13 to R$ 1,052.0 million in the quarter under analysis. These variations are principally due to the following components:

a) **Electric power purchased for resale:** increase of R$ 90.2 million in 1Q14 compared with the same quarter in 2013, reflecting new medium and long term power purchasing agreements and coming into effect in the second quarter of 2013, as well as readjustments to existing agreements.

b) **Transactions in the short-term market, including those conducted through the CCEE:** on a comparative quarterly basis, costs of these transactions increased by R$ 298.2 million. Greater details are described in the specific item below.

c) **Fuels for production of electric energy:** a year-on-year growth of R$ 23.0 million, principally due to natural gas consumption at the William Arjona Thermoelectric Power Plant (UTWA) in the light of the greater deployment of energy from the thermoelectric sources.

d) **Charges for the use of and connection to the electricity grid:** an increase of R$ 2.4 million between the compared quarters reflecting the annual readjustment in transmission tariffs and the startup of commercial operations at the Trairi Wind Complex.

e) **Financial compensation for the use of water resources (royalties):** an increase of R$ 13.6 million between quarters basically due to the greater deployment of energy from the Company's hydroelectric power plants.

f) **Personnel:** an increase of R$ 2.6 million in 1Q14 on the first quarter for 2013, in large part due to the annual readjustment in employee compensation and benefits.

g) **Depreciation e amortization:** a year-on-year increase of R$ 7.1 million, above all due to the beginning of commercial operations at the Trairi Wind Complex.

Details of Short-Term Operations Including Transactions Conducted through the CCEE

Short-term operations are considered to be energy purchase or sale operation, not exceeding six months and having the optimization of Tractebel's exposure to the CCEE as their prime objective. Consequently, the price of these operations is characterized by the linkage with Price for Settlement of Differences (PLD) or spot price. This item also includes the transactions conducted through the CCEE, given the volatile and seasonal nature - and, therefore, short-term transactions - of the results originated from accounting in CCEE. Additionally, the long and short positions are settled at the spot price, thus, similar to the short-term operations described above.

As to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of an 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 Assured Energy Adjustment Factor which occurs when the generation from the plants

which are part of the MRE, in relation to allocated energy, is greater (Secondary Energy) or less (Generation Scaling Factor - GSF); (iii) the so-called "sub-market risk"; (iv) dispatch triggered by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) which will be settled at the spot price.

In 1Q14, the net result from short term transactions, including those conducted on the CCEE, was a negative R$ 63.0 million against a positive result of R$ 80.6 million in the same period for 2013. This represents a year-on-year negative variation of R$ 143.6 million.

This variation is essentially due to the combination of the following factors: (i) a significant reduction in the net credit position as a result of the Company's strategy of allocating energy principally due to the debit position for March 2014 when the average PLD spot price was R$ 822.83/MWh; (ii) short term energy purchases in March 2014 at discounts in relation to PLD, with a view to reducing the debit balance for that month; (iii) greater excess in thermoelectric generation in relation to allocated energy due to the high level of deployment from these plants by order of merit; (iv) greater MRE revenue due to the increase in hydroelectric generation; and (v) a substantial increase in the GSF, in relation to the much lesser GSF registered in January 2013.

In this context it is important to consider the significant increase in average PLD for the South and Southeast/Central-Western submarkets with prices increasing from R$ 322.75/MWh in 1Q13 to R$ 674.63/MWh in 1Q14, contributing appreciably to the reduction in the net credit position on the CCEE as well as to the increase in positive results from surpluses from thermoelectric generation in relation to the overall seasonalized commercial capacity and the effects of GSF.

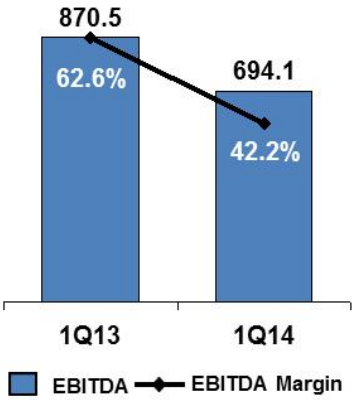
General, Sales and Administrative Expenses

General, sales and administrative expenses increased 3.9%, or R$ 1.7 million, in the quarters under review from R$ 43.3 million in 1Q13 to R$ 45.0 million in 1Q14. These variations relate largely to adjustments in employee salaries and benefits.

EBITDA and EBITDA Margin

Reflecting the foregoing factors, the Company's EBITDA for 1Q14 was R$ 694.1 million, 20.3%, or R$ 176.4 million lower than the R$ 870.5 million reported for 1Q13. EBITDA margin was 42.2% in 1Q14, a reduction of 20.4 p.p. in relation to the same period in 2013. These declines were largely due to the combination of the increase in net revenue of R$ 97.7 million, and (i) the negative effects of variation in transactions in the short term market including those executed across the CCEE, in the amount of R$ 143.6 million; (ii) the increase in energy purchases for resale amounting to R$ 90.2 million; (iii) growth in fuel consumption of R$ 23.0 million; and (iv) the increase of R$ 13.6 million in costs of the financial compensation for the use of water resources.

EBITDA (1) (R$ million) and EBITDA Margin (%)



(1) EBITDA represents: net income + income tax and social contribution + financial expenses, net + depreciation and amortization.

To allow the reconciliation of the net income with EBITDA, we show the following table:

(in thousand R$)	1Q14	1Q13	Chg. %
Net income	289,231	424,877	-31.9
(+) Income tax and social contribution	136,827	206,012	-33.6
(+) Financial expenses, net	120,368	98,492	22.2
(+) Depreciation and Amortization	147,713	141,161	4.6
EBITDA	**694,139**	**870,542**	**-20.3**

Financial Result

Financial income: In 1Q14, income reached R$ 33.6 million, R$ 9.1 million more than the R$ 24.5 million reported for the same quarter in 2013 – principally due to the increase of R$ 7.2 million in income from financial investments set against a scenario of rising interest rates.

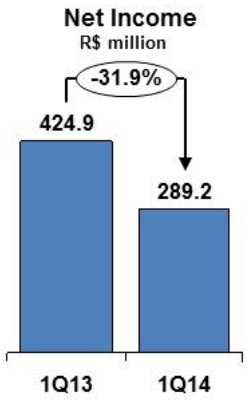
Financial expenses: These expenses in 1Q14 were R$ 154.0 million, R$ 31.0 million more than for the same quarter in 2013 due basically to increased interest and monetary restatement on concession agreements and the translation effect on currency denominated loans.

Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution overheads in 1Q14 were R$ 136.8 million, R$ 69.2 million less than the same quarter in 2013, when this item totaled R$ 206.0 million, a reflection of the decline in pre-tax profits.

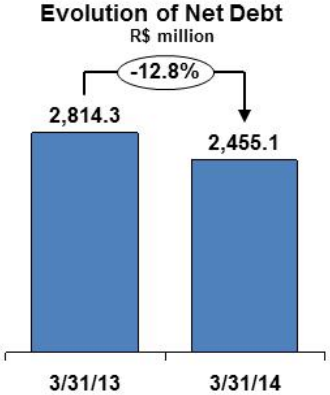
Net Income

1Q14 net income was R$ 289.2 million, R$ 135.7 million, or 31.9%, less that the R$ 424.9 million reported in the same quarter for 2013. This decline is mainly due to the reduction of R$ 116.4 million mentioned under the “EBITDA” item above, as well as an increase in financial expenses of R$ 14.5 million, both net of income tax and social contribution.

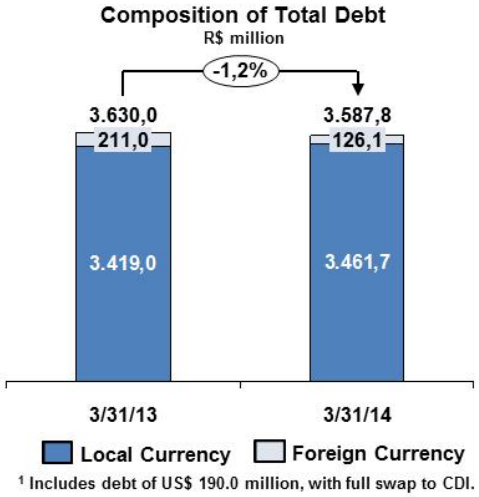


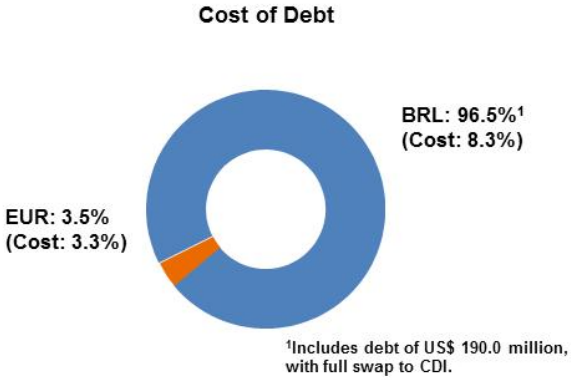
Debt

On March 31, 2014, the Company recorded net debt (total debt less cash and cash equivalents) of R$ 2,455.1 million, 12.8% lower than the R$ 2,814.3 million posted on March 31, 2013.

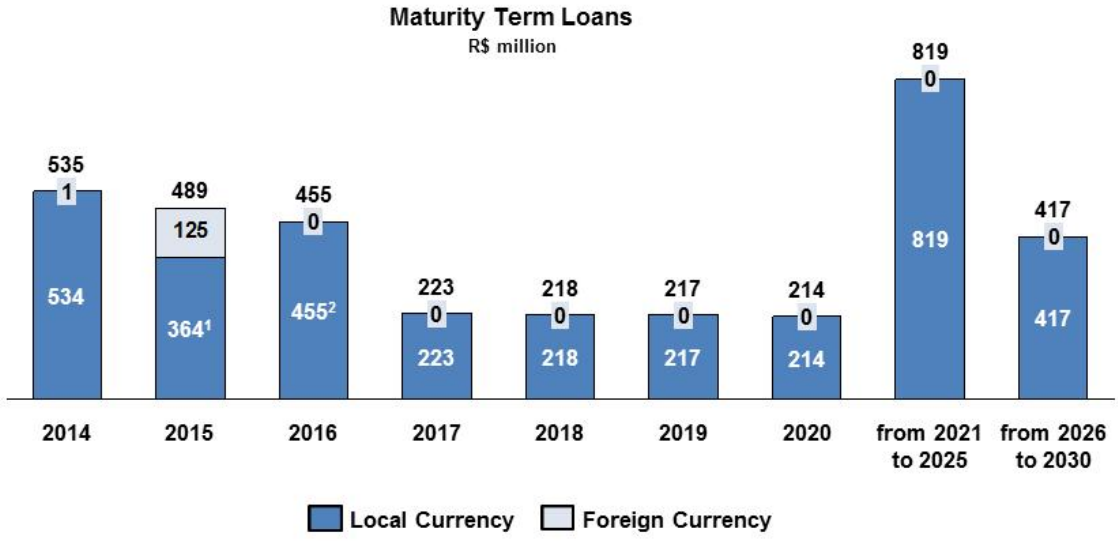


Total consolidated gross debt – represented principally by loans, debentures and financing – amounted to R$ 3,587.8 million at the end of 1Q14, a decrease of 1.2% compared to the position on March 31, 2013. Of total debt outstanding at the end of the period 15.8% was foreign currency denominated (5.8% at the end of 1Q13). However, taking into account the swap operation in 2013, the effective currency exposure was 3.5% of total gross debt at the end of the period under review





The decreased Company leverage is related principally to a combination of factors occurring between 1Q13 and 1Q14: (i) draw down of lines of credit with the Brazilian Development Bank (BNDES) and its financial agents amounting to a total of R$ 77.0 million, for investments in Estreito HPP and Trairi Wind Complex; (ii) conclusion of a loan agreement with the Nordic Investment Bank (NIB) in the amount of R$ 141.8 million, corresponding to US$ 70.0 million (iii) conclusion of two loan agreements with HSBC Bank USA for US$ 190.0 million (equivalent to R$ 438.3 million) subject to a swap operation to hedge total future funds flows against an appreciation in the USD-Real exchange rate; (iv) payment of R$ 303.9 million in charges and monetary and foreign exchange restatement; (v) amortization of debentures amounting to R$ 184.8 million; (vi) R$ 768.8 million in amortization of loans and financing; and (vii) gain of R$ 49.1 million due to the pre-payment of debt with the National Treasury Department at market value.



[1] Includes debt of US$ 90.0 million, with full swap to CDI.
[2] Includes debt of US$ 100.0 million, with full swap to CDI.

Capital Expenditures

In the first quarter of 2014, the Company made investments of R$ 257.0 million, of which R$ 176.1 million allocated for the acquisition of Ferrari Termoelétrica S.A., R$ 62.1 million was applied in the construction of new plants and R$ 18.8 million for modernization and repowering projects in the generating complex.

Out of the amount of R$ 176.1 million for the acquisition of Ferrari TPP, R$ 160.9 million was effectively disbursed, R$ 11.0 million will be paid as soon as some commercial conditions are met and R$ 4.2 million relates to price adjustment due to change in working capital and net debt.

From the total invested in the construction, maintenance and revitalization of plants, R$ 64.3 million was actually paid.

SUSTAINABILITY: COMMITMENT, CERTIFICATIONS AND PERFORMANCE

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.

Regarding social-environmental indicators, the following table presents the quarter and annual highlights:

Sustainability Indices[1]				
	Index	**1Q14**	**1Q13**	**Change**
Quality	Number of certified plants	15	15	-
	Generation plant uptime, except for scheduled stoppages (%)	98.0	96.7	1.3 p.p.
	Generation plant uptime, including scheduled stoppages (%)	93.6	93.8	- 0.2 p.p.
Environment	Number of licensed operating plants	26	22	18.2%
	Saplings donated and planted (sum-total of planed and donated saplings)[2]	50,566	46,676	8.3%
	Number of visitors at the plants	12,217	9,665	26.4%
	CO2 Emissions (fossil fuel plants) (t/MWh)[3]	0.979	1.026	-4.6%
	CO2 Emissions from the Tractebel Energia generation plant (t/MWh)	0.152	0.153	-0.9%
Occupational Heath and Safety and Social Responsibility	Number of employees	1,128	1,103	2.3%
	Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[3, 4]	4.110	0.000	⇧
	Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[5]	0.062	0.000	⇧
	Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[3, 4]	2.700	0.670	⇧
	Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[5]	0.033	0.019	⇧
	Investments via legal acts for culture, health, sport, childhood and adolescence (R$ thousands)	4,887.95	2,590.50	88.7%
	Non-incentive investments, except for Estreito Social Investment (R$ thousands)	2,054.29	2,408.78	-14.7%

Notes: 1) Additional indices available from ITR (Tractebel website / Investor / CVM information).
2) CESTE not included.
3) TF = number of occupational accidents for every million hours of exposure to hazards.
4) In the period (1Q14), there were accidents with two Tractebel Energia's employees and one with an outsourced employee, the three of them with temporary lost-time.
5) TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards.

CORPORATE GOVERNANCE

Tractebel Energia's Corporate Bylaws are being permanently adjusted to the new rules and procedures of the BM&FBovespa Novo Mercado Listing Regulations, the highest corporate governance level of that stock exchange. The Company has also been a component of BM&FBovespa's Corporate Sustainability Stock Index (ISE) since its inception in 2005. Tractebel Energia's Board of Directors' meetings are monitored in relation to the time dedicated to strategic and short term issues, relative to corporate sustainability. The Board is made up of nine effective members, one of whom represents the employees. A further two directors are independent. With the exception of the employee representative, all are elected by the shareholders at a General Shareholders Meeting. Permanently installed, the Fiscal Council is totally independent of management and the outside auditor, and is accountable for the supervision of management acts and for examining and opining on the financial statements, for evaluating risk management systems and internal controls as well as proposals to be submitted to the Board of Directors when engaging additional services from the external auditor of the financial statements.

Ethical behavior is one if the Company's corporate values. In this context it has adopted a Code of Ethics – a public document which can be accessed from the corporate website -, as well as having an Ethics Committee responsible for updating the Code and for the analyzing ethical issues. In 2013, Tractebel Energia ratified its adherence to the Business Pact for Integrity and against Corruption, an Instituto Ethos initiative in parallel with the United Nations Global Compact to which GDF SUEZ has been a signatory since launch.

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 and other transactions with related parties, Tractebel and its controlling shareholder understand that its existing corporate governance standards should be raised even further. Among the initiatives implemented stands out the creation, by means of adaptation to the Company's Bylaw, of the Special Independent Committee for Valuation of Transactions with Related Parties, a non-permanent body, which, when called, will be composed in its majority by independent directors of the Tractebel Energia'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.

On January 6, 2014, the Company's shares became a component of BM&FBovespa's Ibovespa Stock Index.

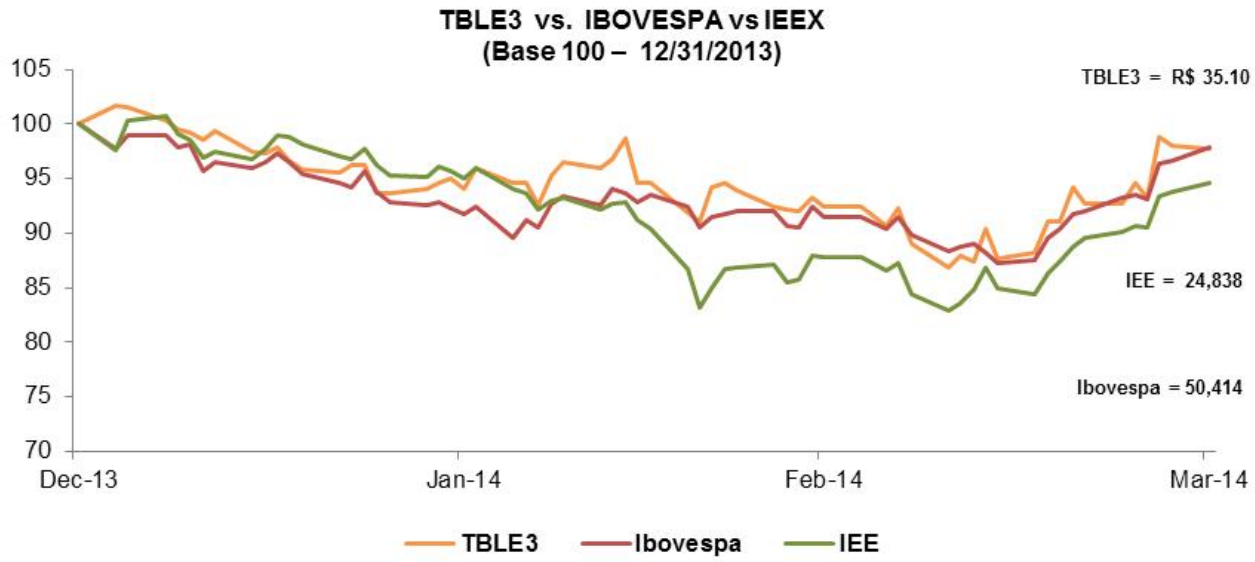
Tractebel Energia's common shares are traded on the São Paulo Stock Exchange (BM&FBovespa) under the TBLE3 symbol. In addition, the Company's Level I American Depositary Receipts (ADRs) trade on the US Over-The-Counter OTC market under the TBLEY symbol at a ratio of one ADR for each common share.

Share Performance – TBLE3

Trading in Brazilian electric energy sector equities was highly volatile in the first quarter of 2014, reflecting the growing risk of energy rationing as well as the announcement of government measures to improve distributors' cash positions - the market fearing that this could further worsen Brazil's overall fiscal position.

Set against this scenario, Tractebel Energia's shares depreciated by 2.3% in the first three months of the year. This was a positive result when compared to the loss of 5.4% recorded by the Electric Energy Stock Index - IEE and in line with the Ibovespa, which fell 2.1% in 1Q14. Tractebel's shares reported a closing price for the period of R$ 35.10/share, translating into a market capitalization for the Company of approximately R$ 22.9 billion.

In 1Q14, the average daily trading volume of TBLE3 was R$ 30.6 million, 15.9% higher than the R$ 26.4 million registered for the same period in 2013.



UPCOMING EVENT

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

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

Date: April 28, 2014
Time: 10:00 a.m. (DST) / 11:00 (Brasília time)

Connection numbers**:**
Participants in Brazil: (55 11) 3193-1001 / (55 11) 2820 4001
Participants in the USA: (1 786) 924-6977
Participants from other countries: (1 888) 700-0802
Access code: Tractebel

Webcast

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

Replay will be available from April 28th to May 4, 2014. Access by dialing: (55 11) 3193-1012, code: 3792991#.

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 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	**3/31/2014**	**12/31/2013**
Current Assets	**2,401,269**	**2,338,458**
Cash and cash equivalents	1,132,671	1,224,276
Accounts receivables from clients	760,689	740,326
Inventory	68,888	64,785
Income tax and social contribution recoverable	16,535	21,752
Other fiscal credits recoverable	61,881	59,830
Restricted deposits	47,963	3,833
Refund of fuel purchases	222,354	139,601
Other current assets	90,288	84,055
Non Current Assets	**10,461,776**	**10,315,939**
Long Term Assets	**478,311**	**481,360**
Taxes and social contributions recoverable	7,779	8,125
Other fiscal credits recoverable	87,911	100,222
Receivable on assets	86,886	86,886
Restricted deposits	142,596	130,857
Deposits in court	105,959	106,854
Deferred income taxes and social contribution	17,420	17,575
Other non current assets	29,760	30,841
Property, Plant and Equipment	**9,724,737**	**9,708,227**
Intangible	**258,728**	**126,352**
Total	**12,863,045**	**12,654,397**

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

(in thousands of R$)		
Liabilities	**3/31/2014**	**12/31/2013**
Current Liabilities	**1,867,927**	**2,183,704**
Suppliers	789,564	510,346
Dividends and interest on shareholder´s equity	13,117	221,276
Loans and financing	354,360	492,843
Debentures	180,786	174,072
Concessions payable	52,765	51,763
Tax and social contribution obligations	118,942	434,166
Other fiscal and regulatory obligations	50,285	62,927
Provision for labor obligations	68,473	64,122
Obligations on investments acquisition	77,313	3,573
Provision for tax, civil and labor risks	14,990	15,136
Obligations related to retirement benefits	28,851	28,851
Other current liabilities	118,481	124,629
Non Current Liabilities	**5,341,276**	**5,106,082**
Loans and financing	3,052,632	2,829,645
Concessions payable	1,601,053	1,543,406
Accounts payable on investments acquisition	770	12,846
Provision for tax, civil and labor risks	186,026	179,836
Obligations related to retirement benefits	187,868	189,668
Deferred income taxes and social contribution	117,692	163,663
Other non current liabilities	195,235	187,018
Shareholders' Equity	**5,653,842**	**5,364,611**
Share capital	2,445,766	2,445,766
Capital reserve	91,695	91,695
Adjustment on fixed asset	601,601	590,340
Profit reserves	1,768,062	2,233,572
Retained earnings	743,298	-
Non controlling interests	3,420	3,238
Total	**12,863,045**	**12,654,397**

ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(in thousands of R$)	1Q14	1Q13	Chg. %
Net Revenue from Sales	**1,643,042**	**1,390,881**	**18.1**
Costs of Energy Sold and Services Provided	**(1,051,988)**	**(614,481)**	**71.2**
Electric power purchased for resale	(265,207)	(175,009)	51.5
Transactions in the short term market, including those conducted through the CCEE	(380,272)	(82,085)	363.3
Charges for the use of and connection to the electricity grid	(77,433)	(75,030)	3.2
Fuel expenses	(50,567)	(27,564)	83.5
Financial compensation for use of water resources	(40,900)	(27,322)	49.7
Personnel	(45,474)	(42,872)	6.1
Materials and third party services	(35,860)	(36,011)	-0.4
Depreciation and amortization	(145,748)	(138,696)	5.1
Others	(10,527)	(9,892)	6.4
Gross Income	**591,054**	**776,400**	**-23.9**
Operating Income (Expenses)	**(44,628)**	**(47,019)**	**-5.1**
Selling expenses	(4,397)	(4,027)	9.2
General and administrative expenses	(40,613)	(39,287)	3.4
Other operating income (expenses), net	382	(3,705)	-110.3
Income Before Financial Result and Taxes	**546,426**	**729,381**	**-25.1**
Net Financial Result	**(120,368)**	**(98,492)**	**22.2**
Financial income	33,643	24,515	37.2
Financial expenses	(154,011)	(123,007)	25.2
Income Before Taxes	**426,058**	**630,889**	**-32.5**
Income tax	(99,661)	(150,125)	-33.6
Social contribution	(37,166)	(55,887)	-33.5
Net Income for the Period	**289,231**	**424,877**	**-31.9**
Income allocated to:			
Tractebel Energia's shareholders	289,049	424,712	-31.9
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	182	165	10.3
EBITDA	**694,139**	**870,542**	**-20.3**
Net income per share	0.4431	0.6509	-31.9

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

(in thousands of R$)	1Q14	1Q13
Cash flow from operating activities		
Income before taxes	426,058	630,889
Adjustments to reconcile net income before taxes generated from operating cash flow:		
Depreciation and amortization	147,713	141,161
Monetary and exchange rate variation	38,640	22,284
Interests	99,990	90,404
Constitution (reversals) of operating provisions, net	1,312	2,249
Others	5	295
Adjusted profit	713,718	887,282
Reduction (increase) in assets		
Accounts receivables from clients	(15,659)	(155,205)
Refund of fuel purchases	(82,753)	(66,343)
Other taxes and social charges recoverable	6,172	6,733
Inventory	(4,102)	(8,746)
Deposits in court and restricted deposits	(7,454)	(18,696)
Other assets	(4,189)	26,622
Increase (reduction) in liabilities		
Suppliers	245,500	55,470
Taxes and social contribution	(53,563)	(5,635)
Other fiscal and regulatory obligations	(13,528)	10,815
Research and development obligations	2,015	5,842
Obligations related to retirement benefits	(7,544)	(5,775)
Other liabilities	18,245	245
Cash generated from operating activities	796,858	732,609
Payment of income tax and social contribution	(398,704)	(400,986)
Payment of interests on loans, financing and debentures	(59,006)	(48,700)
Net cash from operating activities	**339,148**	**282,923**
Investments activities	**(216,194)**	**(141,573)**
Acquisitions of investments, net of cash and cash equivalents received	(151,890)	(6,509)
Used in fixed assets	(61,597)	(133,632)
Used in intangibles	(2,707)	(1,432)
Financing activities	**(214,559)**	**(506,024)**
Loans and financing contracted	234,415	141,825
Payment of loans, financing and debentures	(191,772)	(62,245)
Payments of concessions payable	(13,413)	(12,607)
Payments of dividends and interest on shareholders' equity	(243,727)	(573,450)
Deposits for funding	(62)	453
Increase (decrease) in cash and cash equivalents	**(91,605)**	**(364,674)**
Reconciliation of cash and cash equivalents		
Opening balance	1,224,276	1,179,976
Closing balance	1,132,671	815,302
Increase (decrease) in cash and cash equivalents	**(91,605)**	**(364,674)**
Transactions that do not affect cash and cash equivalents		
Capitalized interest on loans and concession	1,055	7,995
Supplier's of fixed assets and intangibles	14,111	42,834
Offsetting of income tax and social contribution	577	69,551
Balance of remaining installments related to purchase of investments	61,282	-