TRACTEBEL ENERGIA reports increase in net income and EBITDA showing strong operating performance in 2Q10. Company ratings are upgraded.

Florianópolis, Brazil, August 12, 2010 – 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 second quarter 2010 (2Q10). 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 Reais (R$), except where otherwise indicated.

Highlights

2Q10

● Net income rose 3.1% in relation to 2Q09, reaching R$ 271.5 million (R$ 0.4159 per share).

● EBITDA reached R$ 620.6 million in 2Q10, an increase of 17.8% against 2Q09, with an EBITDA margin of 64.4%, and an improvement of 1.3 p.p. over the 63.1% for the same quarter in 2009.

● Consolidated net operating revenue in 2Q10 totaled R$ 964.2 million, 15.4% more than recorded in 2Q09 (R$ 835.6 million).

● 2Q10 consolidated sales rose 13.3% in relation to 2Q09, amounting to 3,934 average MW. The increase reflects the startup of new plants and a higher volume of energy purchases for resale.

● The average price of energy sales contracts, net of exports and deductions from gross operating revenue, reached R$ 108.8/MWh in 2Q10, a year-on-year decline of 0.4% from R$ 109.2/MWh due to lower prices practiced for short-term sales to trading companies.

● Tractebel achieved an instantaneous generation record by producing 7,019 MW, equivalent to a capacity factor of 93.1%, largely a reflection of high river inflows in the Southern Region.

● The Company's Board of Directors approved a payout of R$ 286.1 million in the form of interim dividends, which correspond to R$ 0.4383049909 per share and 55% of the net income of R$ 520.2 million reported for the first half of 2010. The payment will take place on October 15, 2010.

● On May 27, 2010, the 33 MW installed capacity Ibitiúva Bioenergética Thermal Power Plant (the new denomination for the Destilaria Andrade TPP) - located in the municipality of Pitangueiras (SP) - began commercial operations.

● Among subsequent events in July 2010, rating agencies Standard & Poor's and Fitch Ratings upgraded Tractebel Energia's ratings to "brAA+" and "AA+(bra)", respectively.

● Also post-2Q10, Tractebel was selected as one of the candidate companies to receive the Transparency Trophy at this year's 14th ANEFAC – FIPECAFI – SERASA EXPERIAN Awards.

● Tractebel and its parent company will promote a meeting with investors and market professionals in order to announce initiatives in its governance to be applied to related party transactions. A meeting to address the issue will take place at the InterContinental São Paulo hotel, located at Al. Santos, 1,123, on October 1, 2010 at 9:00 a.m. (Brasília time).

For immediate release

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

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Conference call and webcast
On 08/16/2010: at 9:00 a.m. (EDT) in Portuguese – simultaneous translation into English.

Further details on Upcoming Events section, available on page 14.

Visit our website
www.tractebelenergia.com.br

Summary of Economic and Operational Indicators

Tractebel - Consolidated				Accumulated		
(in millions of R$)	2Q10	2Q09	Chg.	6M10	6M09	Chg.
Gross Operating Revenue	1,074.6	929.8	15.6%	2,131.7	1,884.5	13.1%
Net Operating Revenue (NOR)	964.2	835.6	15.4%	1,909.8	1,695.8	12.6%
Result from Service (EBIT)	525.8	454.7	15.6%	1,006.2	841.2	19.6%
EBITDA (1)	620.6	526.9	17.8%	1,189.1	996.1	19.4%
EBITDA / NOR - (%)	64.4	63.1	1.3 p.p.	62.3	58.7	3.6 p.p.
Net Income	271.5	263.3	3.1%	520.2	497.2	4.6%
Net Debt	2,204.4	2,643.6	-16.6%	2,204.4	2,643.6	-16.6%
Energy Sold (avg MW)	3,934	3,473	13.3%	3,902	3,530	10.5%
Number of Employees	1,021	947	7.8%	1,021	947	7.8%

(1) EBITDA represents: operating results + financial results + depreciation and amortization

OPERATING PERFORMANCE

Generating Complex

The largest private sector electricity generator in Brazil, Tractebel Energia has an installed capacity of 6,469 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 Capactity (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	18.3
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**	**160.0**
Total			**7,543.0**	**6,469.1**

(*) Complex comprised of 3 power plants.

(**) New denomination of Destilaria Andrade Thermal Power Plant

Projects under Construction

New Projects

Power plants	Source	Location	Installed Capactity (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

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. On December 21, 2009, Tractebel Energia's Board of Directors unanimously approved the acquisition of all the common shares of SUEZ Energia Renovável S.A (SER), which holds a 40.07% stake in the Consórcio Estreito Energia, the project's controlling shareholder. The other members in the consortium are Vale with 30.00%; Alcoa Alumínio with 25.49%; and Camargo Corrêa Energia, with 4.44%. The transaction will have to be ratified at an Extraordinary General Meeting to be convened.

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$ 145.75/MWh, the price referenced to June 30, 2010, with deliveries beginning in 2012 for a period of 30 years. The operations startup of Estreito Hydroelectric Power Plant is foreseen to the first quarter 2011.

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 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 start of Jirau Hydroelectric Power Plant commercial operation is foreseen for May 2012 and the anticipation of the turbine rump up will make available a substantial volume of energy to be sold in the free market.

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 a 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 not expected to take place before the end of the second half 2011.

Uptime Operating

In 2Q10, the plants operated by Tractebel achieved 99.0% uptime, excluding scheduled stoppages, that is 99.9% for the hydro plants, 94.9% for the thermal plants and 92.9% for plants classified as complementary – small hydro power plants or SHPs, wind farm and biomass-fired facilities.

The high level of uptime, notably in the case of the hydro plants, takes on a particular relevance, being achieved during a period of heavy load demand as described below, and reflecting the Company's preventive maintenance policy.

Production

In 2Q10, electric energy output from the plants operated by Tractebel was 10,575 GWh (4.842 average MW), a significant growth of 187.5% compared with 2Q09. Of total generation, the hydro plants accounted for 9,360 GWh (4,286 average MW), the thermoelectric plants for 1,110 GWh (508 average MW) and the plants powered by complementary sources, 105 GWh (48 average MW). These numbers show a major increase of 283.0% in relation to the hydro plants and a small reduction of 5.2% in the case of the thermal plants. As to energy output from the plants operated from complementary sources, there was an increase of 65.5%, the year-on-year comparison however being distorted by the startup of operations at Areia Branca SHP and Ibitiúva Bioenergética TPP in the interval between the two comparative periods.

Contrary to the first half of 2009, when severe drought conditions affected southern Brazil – the region where the majority of Tractebel's plants are located – the first half of 2010 was marked by heavy rainfall. The improved hydrological conditions largely explain the nearly 300% increase in the Company's generation from hydroelectric sources. However, this performance is also a reflection of the ability of the plants to respond in a situation of extreme demand.

Under favorable conditions the natural decision to maximize the use of hydroelectricity generation saw a reduced need to call on thermoelectric sourced power, which in Tractebel's case, translated into a slight decline of 5.2%. Nevertheless, worthy of note is that the Jorge Lacerda IV Thermal Plant (or UTLC) operated at a capacity factor of nearly 75%, 10 p.p. more than the historical average.

The quarter under review also saw the breaking of an operating record: at 19:10 on June 22, the entire complex of plants operated by the Company instantaneously generated 7,019 MW, equivalent to a capacity factor of 93.1% of maximum power output, totaling 7,543 MW.

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.

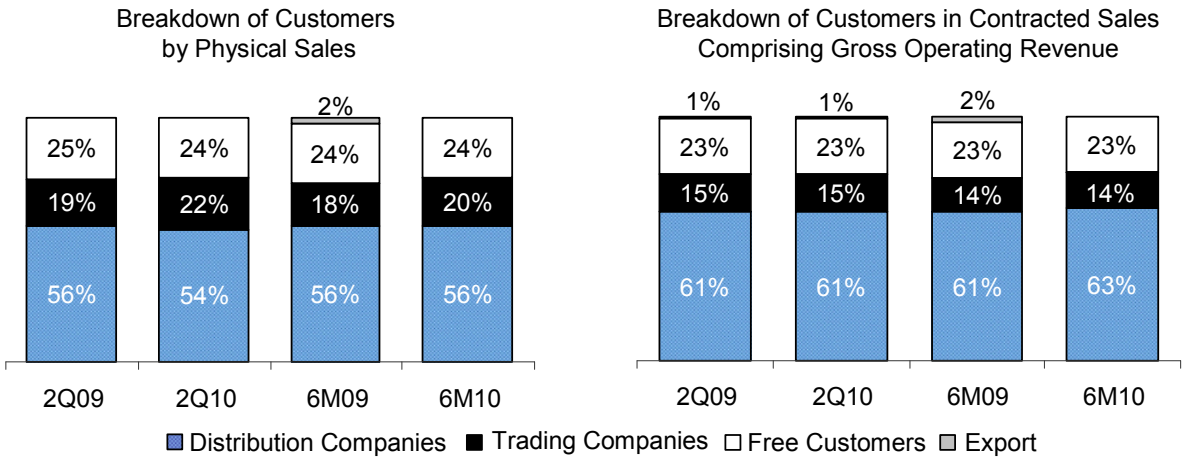
The increase in the Company's thermal generation mitigates exposure to the spot price (PLD), the opposite also being true, all other variables remaining unchanged.

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.

In spite of the decline in the participation of free customers in total physical sales from 25.0% in 2Q09 to 24.0% in 2Q10, the contribution of these customers in relation to the total gross operating revenue of contracted sales held steady at 23.3% in 2Q10.



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.

With forecasts for the sector pointing to a potential increase in energy prices, the Company has chosen to leave part of its future energy uncontracted.

In line with data for proprietary commercial capacity and purchase and sale contracts in effect on June 30, 2010, Tractebel reported the following energy balance.

Energy Balance

	(avg MW)	2010	2011	2012	2013	2014	2015	Auction Gross Price (R$/MWh)	Reference Date	Gross price adjusted as of 06/30/2010 (R$/MWh)
	Own Resources	3,365	3,504	3,617	3,617	3,617	3,617			
+	Purchases for Resale	651	352	306	278	253	200			
=	Total Resources (A)	4,016	3,856	3,923	3,895	3,870	3,817			
	Regulated Sales*	1,298	1,446	1,701	1,702	1,702	1,692			
	2004-EE-2007-08	10	10	10	10	10	-	70.9	Dec-04	89.1
	2005-EE-2008-08	150	150	150	150	150	150	81.6	Apr-05	99.9
	2005-EE-2009-08	381	381	381	381	381	381	94.0	Oct-05	112.5
	2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	137.1
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	150.7
	2006-NE-2011-30	-	148	148	148	148	148	135.0	Nov-06	161.9
	2007-NE-2012-30	-	-	256	256	256	256	126.6	Jun-07	145.8
	Proinfa	53	53	52	53	53	53	147.8	Jun-04	201.9
	1st Reserve Energy Auction	11	11	11	11	11	11	158.1	Aug-08	170.6
+	Bilateral Sales	2,632	2,239	2,033	1,909	1,527	1,238			
=	Total Sales (B)	3,930	3,685	3,734	3,611	3,229	2,930			
	Balance (A - B)	**86**	**171**	**189**	**284**	**641**	**887**			
	Sales average **net** price (R$/MWh)*1:	112.0	117.2	118.7						
	Purchases average **net** price (R$/MWh)*2:	116.0	118.5	115.8						

* 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 06/30/10.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 06/30/10.

Note: The balance refers to the settlement point. It considers the energy generated by the Estreito, which start of operations is scheduled for 1Q11.

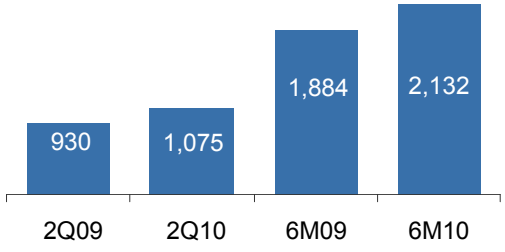
ECONOMIC AND FINANCIAL PERFORMANCE

Gross Operating Revenue

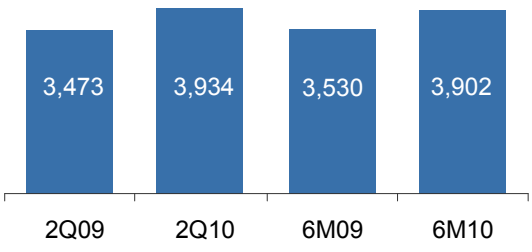
The Company reported gross operating revenue in 2Q10 of R$ 1,074.6 million, 15.6% higher than the same period for the preceding year when this item recorded R$ 929.8 million. This variation is essentially a combination of the following factors: (i) an increase of R$ 31.4 million due to the startup in commercial operations of new plants which provided sales of 303 GWh (139 average MW); (ii) growth of R$ 24.6 million in transactions conducted within the scope of the Energy Trading Board (CCEE), as described under a specific heading; and (iii) growth of R$ 88.1 million, the result of a favorable combination of sales prices and volume of energy sold. Regarding item (iii), the 2Q10 average sales prices reflect the growth in sales prices to the distributors and free customers and the decline in prices for trading companies - the latter resulted by the increase in short term sales, the prices of which were lower than those practiced with long-term sales -, while the volumes where impacted by higher energy purchases for resale (656 GWh or 300 average MW in addition).

Sales volume in 2Q10 was 8,592 GWh (3,934 average MW), a 13.3% improvement over 7,585 GWh (3,473 average MW) sold in the same period 2009.

Gross Operating Revenue - R$ million



Sales Volume - avg MW



Principal Components of Gross Operating Revenue

Wholesale market for electric energy

Revenue from the wholesale market, namely sales to entities other than free consumers, reached R$ 795.2 million in 2Q10, 12.9% up on 2Q09 when the Company posted revenue of R$ 704.5 million. This growth of R$ 90.7 million represented in large part higher sales volume (equivalent to 837 GWh or 383 average MW) to trading companies and distributors, these principally due to the sale of 200 average MW to the distributor pool at an auction held in 2005 with delivery beginning in 2010, and the start-up of commercial operations at the new plants. It should be pointed out that the increase in sales as a result of the initiation of commercial operations at the new plants was R$ 26.0 million, from 258 GWh or 118 average MW.

Retail market for electric energy

Business through the retail market (energy sales to free customers) recorded growth of 13.4% between comparative periods, increasing from R$ 214.8 million in 2Q09 to R$ 243.6 million in 2Q10, a result of the following key factors: (i) growth of R$ 13.9 million, a reflection of stronger sales on the back of a recovery in industrial demand (equivalent to 118 GWh or 54 average MW); (ii) an increase of R$ 9.5 million due to a rise in average prices of energy sold; and (iii) an increase of R$ 5.4 million (equivalent to 45 GWh or 21 average MW) reflecting the anticipation of operations at the São Salvador HPP.

Transactions channeled through the Energy Trading Board (CCEE)

In 2Q10, revenues under this item were R$ 26.8 million as against R$ 2.2 million in the same quarter of 2009. Further explanations on these operations can be found below under 'Details of CCEE operations'.

Exports of electric energy

In 2Q10, the Company reported export revenues on energy sales to Argentina and Uruguay of R$ 6.5 million, compared with the same period in 2009 of R$ 5.2 million.

Deductions from Operating Revenue

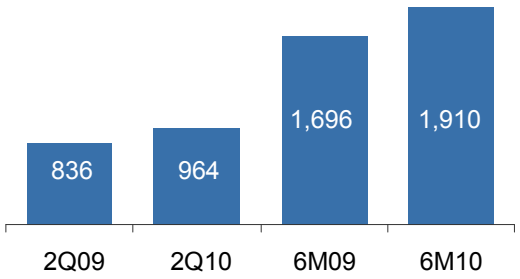
Deductions from operating revenues reported a year-on-year increase of 17.1% from R$ 94.3 million to R$ 110.4 million. These deductions represented 10.3% and 10.2% of the gross operating revenue (net of exports which are exempt from these deductions) for the second quarter of 2010 and 2009, respectively. This increase reflects a combination of the following factors: (i) an increase of R$ 13.2 million or 18.7% of PIS and Cofins charges, this due to a change in the way these levies are collected from a cumulative method (at a rate of 3.65%) to a non-cumulative one (at a rate of 9.25%, but with the right to tax credits on certain acquisitions) on those contracts with pre-fixed prices concluded during and after 2Q09; and (ii) a rise of R$ 2.3 million or 13.7% in ICMS sales tax payments, a reflection of an increase in sales volume to industrial consumers, transactions on which the collection of this tax is due.

Net Operating Revenue

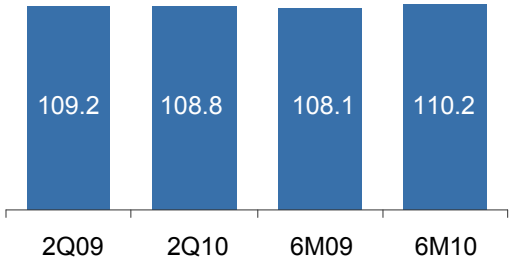
In 2Q10, net operating revenues registered growth of 15.4% when compared with the same quarter in 2009, rising from R$ 835.6 million to R$ 964.2 million. The increase reported is directly related to the evolution in gross operating revenue and the deductions from operating revenue as indicated above.

The average electric energy sales price, net of exports and operating revenues, reached R$ 108.82/MWh in 2Q10, slightly less than R$ 109.23/MWh in 2Q09. This reduction is a result of the lower prices prevailing for trading companies in short-term sales as we have mentioned above, although the average price for the first half of 2010 was 1.9% higher than for the same period in 2009.

Net Operating Revenue - R$ million



Average Net Sales Price - R$/MWh



Costs of Electric Energy and Services

The Company's costs were R$ 434.9 million in 2Q10, 31.6% up on the R$ 330.4 million in the same quarter in 2009. This variation is fundamentally due to the trend in the principal cost components as follows:

- **Electric power purchased for resale:** an increase of R$ 69.7 million in 2Q10 due basically to the increase of 656 GWh (300 average GW) of purchased energy allowing the Company to sell a 30-year product in the so-called "botox" energy auction at attractive prices, deliveries to begin in 2010, and to meet energy sales commitments. A large number of these purchase contracts was signed some years ago – and therefore bearing no relation to spot market prices (PLD).

- **Transactions channeled through the Energy Trading Board (CCEE):** a reduction of R$ 36.8 million, as commented below under this heading.

- **Fuel Expenses:** a rise of R$ 4.9 million in 2Q10, largely due to the cost of gas contracted by the William Arjona TPP.

- **Charges for the use of and connection to the electricity grid:** an increase of R$ 5.3 million in 2Q10, principally due to the annual tariff readjustment and the startup of operations of new plants.

- **Financial compensation for the use of water resources:** an increase of R$ 27.1 million, reflecting the substantial increase in dispatch from the hydroelectric plants in 2Q10 due to heavy rainfall when compared with the same quarter for the preceding year when generation from the hydro plants was restricted due to the severe drought, principally in southern Brazil.

- **Personnel:** an increase of R$ 3.9 million in 2Q10 due to the annual salary readjustment for employees and the increase in headcount.

- **Third party services:** an increase of R$ 6.1 million in 2Q10 as a function of greater demand for maintenance and conservation services at the Company's generating units and the contracting of complementary services at the plants going into commercial operations during and after 2Q09.

- **Depreciation and amortization:** R$ 21.7 million higher than 2Q10 compared with the same period in 2009, principally due to initial depreciation on generation assets entering service during and after 2Q09.

Energy Trading Board – Details of CCEE Operations

The various monthly credit or debit entries to the account of a member of the CCEE are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expenses account. In this context it is worth pointing out that due to adaptations to commercialization strategy, there have been changes in billing profile in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing over the two-year period – the reason for including the present topic. In this way, we are able to analyze the oscillations in the principal elements in spite of their allocation either to income or expenses according to the credit or debit nature of the billing to which they relate.

Generically speaking, these elements are income or expense items arising for example from: (i) the application of the Energy Reallocation Mechanism (MRE); (ii) the so-called "sub-market risk"; (iii) dispatch triggered by the Risk Aversion Curve (CAR);

(iv) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (v), naturally, exposure (a short or long position in the monthly accounts) which will be settled at the spot price.

In 2Q10, the Company reported net revenue of R$ 26.6 million from transactions conducted through the CCEE while in the same period for the preceding year there was a net expense of R$ 34.9 million, a year-on-year gain of R$ 61.5 million between the comparative periods. This change is largely due to the following:

I. an increase of R$ 51.5 million in the MRE result which reverted from an expense of R$ 36.4 million in 2Q09 to an income of R$ 15.1 million in the quarter under review. This variation occurred as result of the substantial increase in dispatch from the Company's hydro plants in 2Q10, in turn reflecting heavy rainfall during the period, as compared with the same quarter in 2009 when generation was affected by drought conditions in southern Brazil. This improvement in income was partially offset by higher royalties as described under item "Financial compensation for use of water resources"; and

II. other transactions executed through the CCEE recorded an improvement of R$ 10.0 million, primarily a consequence of the increase in revenue from secondary energy (generation in excess of average assured energy), from the reduction in the gain from ancillary services (generation of reactive energy) and the reduction in expenses arising from short positions; in the latter case the average spot PLD price for the Southern Submarket was lower in 2Q10 at R$ 40.67/MWh than in 2Q09 prices were R$ 42.89/MWh.

General and Administrative Expenses

General and administrative expenses rose R$ 2.7 million or 7.0%, from R$ 38.6 million in 2Q09 to R$ 41.3 million in 2Q10, essentially due to increased personnel and management overheads following the annual readjustment in salaries and benefits as well as an increase in total headcount – including personnel being trained to operate and maintain the plants going into operation in 2011 and later.

Constitution of Operating Provisions

These expenses declined from R$ 8.2 million in 2Q09 to R$ 4.5 million in 2Q10, principally due to a reduction in the provision for covering post-employment benefits on the back of the revision of discount rates on actuarial liabilities and income from the assets of the defined benefits plan sponsored by the Company.

Other operating income and expenses

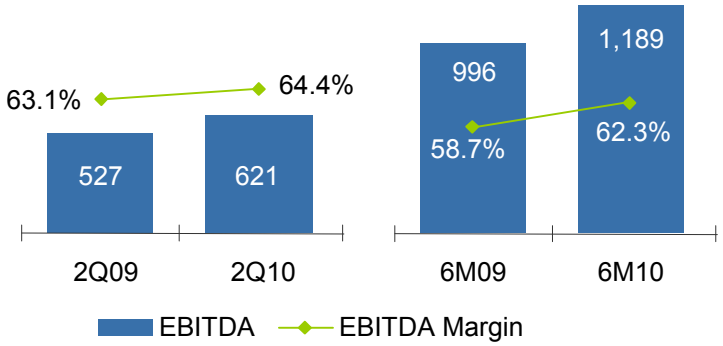
Definitive upholding of a legal action

In the quarter under review, the Company recognized non-recurring income of R$ 45.8 million following a final court ruling, not subject to appeal, of a legal action claiming the right to calculate PIS and Cofins charges on revenues from contracts signed prior to October 31, 2003 with a term longer than a year and at a predetermined price on the basis of the cumulative calculation system prevailing under the previous legislation.

EBITDA and EBITDA Margin

In the light of factors already commented, 2Q10 EBITDA reached R$ 620.6 million, up on 17.8% if compared with 2Q09, when the same item recorded an amount of R$ 526.9 million. EBITDA margin in 2Q10 was 64.4% against 63.1% in 2Q09.

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



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

In order to allow the reconciliation of the operating income with the EBITDA, we present the table below:

EBITDA (in thousands of R$)	2Q10	2Q09	Chg. %	6M10	6M09	Chg. %
Operating income	409,220	391,029	4.7	786,010	740,791	6.1
(+/-) Financial Expenses	116,583	63,683	83.1	220,169	100,451	119.2
(+) Depreciation and Amortization	94,808	72,168	31.4	182,933	154,905	18.1
Total	**620,611**	**526,880**	**17.8**	**1,189,112**	**996,147**	**19.4**

Financial Result

Financial income: increased by R$ 3.8 million in 2Q10 from R$ 25.7 million in 2Q09 to R$ 29.5 million, principally due to higher income from financial investments during the quarter and reflecting a greater volume of investible resources compared with 2Q09.

Financial expenses: in 2Q10, these expenses were R$ 146.0 million, an increase of R$ 56.7 million compared with 2Q09, when this item recorded R$ 89.4 million, and the result of a combination of the following factors: (i) an increase of R$ 15.9 million of interest on debt principally due to the increase of interest on loans and financing and concession charges payable for the São Salvador plant; (ii) growth of R$ 35.6 million in monetary restatement on debt due to higher variation in inflation indices for adjusting the Company's debt and monetary restatement of concession charges payable for São Salvador; (iii) reduction of R$ 28.4 million from foreign exchange translation gain on currency denominated loans in relation to the Real; (iv) a reduction of R$ 5.8 million in charges on the Company's actuarial liabilities; (v) recognition of a non-recurring loss of R$ 20.2 million due to a ruling without right of appeal against the Company's intended tax amnesty for interest plus fine on installment payments of Social Contribution on Net Income (CSLL) debits; this amount was not provisioned given the fact that Tractebel had received favorable decisions from lower instances and consequently had not deemed an eventual loss as probable; and (vi) non-recurring finance expense of R$ 36.4 million recognized in 2Q09 due to the adjustment in remuneration on US Treasury Bonds offered as collateral on the loan provided by the National Treasury Secretariat (STN).

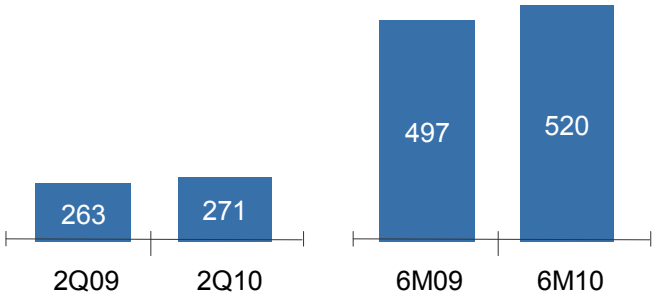
Income Tax and Social Contribution

Income tax and social contribution expenses in 2Q10 were R$ 137.7 million, R$ 10.0 million higher than the R$ 127.8 million for the same period in 2009. The variation is largely due to the increase in the pre-tax result.

Net Income

In 2Q10, net earnings were R$ 271.5 million, 3.1% more than the same quarter for the preceding year at R$ 263.3 million. Accumulated profit reached R$ 520.2 million, 4.6% more than reported for the first six months of 2009 when this item registered R$ 497.1 million.

Net Income - R$ million



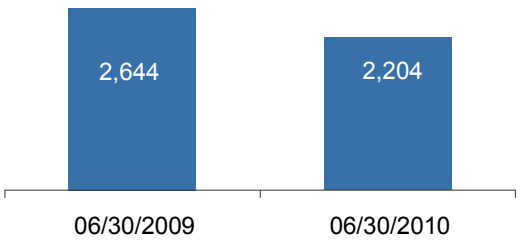
Debt

As of June 30, 2010, the Company's net debt (total debt less cash and cash equivalents) was R$ 2,204.4 million, 16.6% less than R$ 2,643.6 million registered for June 30, 2009, due to the higher volume of invested resources at the end of 2Q10.

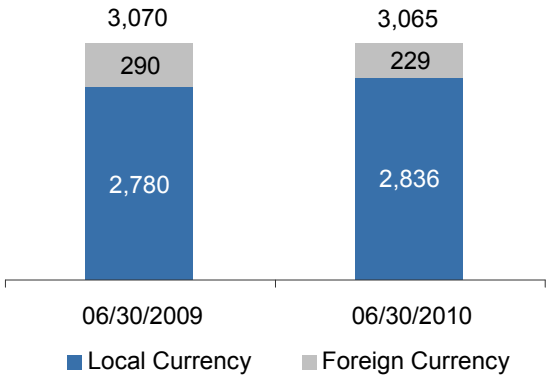
Total consolidated gross debt – represented principally by loans, debentures and financing - totaled R$ 3,065.5 million on June 30, 2010, a drop of 0.2% compared to the position on June 30, 2009. Of total debt outstanding at the end of the period, 7.5% was foreign currency denominated (9.5% at the end of 2Q09), this portion being unhedged.

The reduction in Tractebel's debt is related to a combination of the following factors: (i) drawdown from the BNDES and its financial agents in the total accumulated amount of R$ 115.2 million between the comparative periods for meeting capital expenditure requirements at the São Salvador HPP, Areia Branca SHP, the Pedra do Sal Wind Farm and the Ibitiúva Bioenergética TPP; (ii) the drawdown of the fourth debenture issue of R$ 400.0 million in 4Q09, the value of which is destined for the acquisition of SUEZ Energia Renovável S.A., cost savings and the lengthening of the debt maturity profile as well as the reinforcement of working capital for ongoing requirements of the Company's businesses; and (iii) the combination of charges and amortizations on loans, financing and debentures resulting in a net value of R$ 519.7 million in amortizations between 2Q09 and 2Q10.

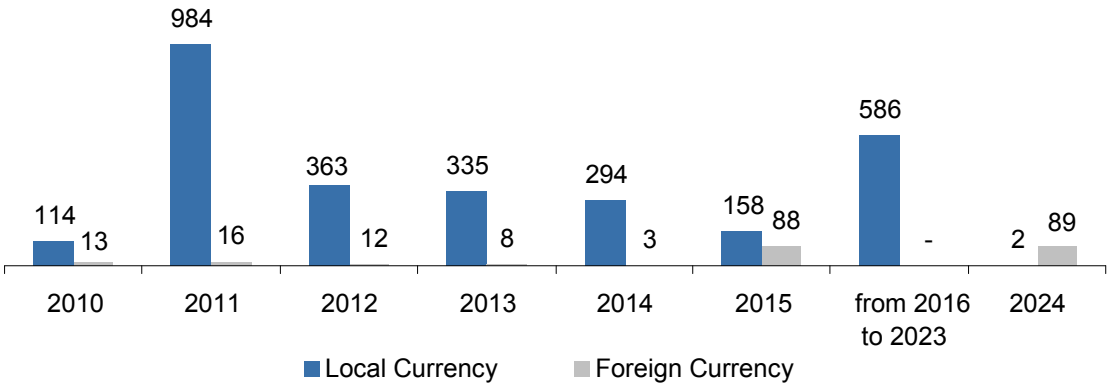
Performance of Net Debt - R$ million



Composition of Total Debt - R$ million



Maturity Term Loans - R$ million



Capital Expenditures

In 2Q10, the Company's total investments reached R$ 36.2 million of which R$ 17.0 million used in projects for maintenance and modernization of plants and R$ 19.2 million applied in the construction of Areia Branca SHP and the Ibitiúva Bioenergética TPP, and in complementary work on the São Salvador HPP.

Dividend Payments

At a meeting held on August 12, 2010, Tractebel Energia's Board of Directors approved the distribution of interim dividends based on the financial statements raised on June 30, 2010, amounting to R$ 286.1 million (R$ 0.4383049909 per share), thus representing a payout of 55% for the first half of 2009.

The Company's shares will be traded ex-dividend as from October 1, 2010, these profits being paid out on October 15, 2010.

For the full year of 2010, is maintained the expectation of 55% for the payout.

SUBSEQUENT EVENTS

Standard & Poor's rating agency assigned an upgraded rating to Tractebel of 'brAA+

In a Portuguese-language press release dated July 21, 2010, Standard & Poor's rating agency assigned an upgraded rating to Tractebel of 'brAA+'. The free translation into English of the summary in the published release is as follows:

- "We believe that due to the enhanced strategic importance of Tractebel Energia S.A. in GDF SUEZ's asset portfolio, the support of its controlling company has become more evident. This support is manifested in the way GDF SUEZ has transferred key generation assets, mitigating project risks.
- The prudent financial policy and the stable Brazilian regulatory framework are also factors which sustain the ratings.
- We have upgraded the Brazilian National Scale Credit Ratings assigned to Tractebel, including its long-term corporate credit rating from 'brAA' to 'brAA+'. The issuer rating outlook is stable.
- We believe that the company will maintain strong cash generation and an adequate level of liquidity despite heavy capital expenditures and higher debt which will result in temporarily weaker financial metrics than is currently the case."

Fitch Ratings agency assigned upgraded ratings to Tractebel.

In July 28, 2010, Fitch Ratings agency assigned upgraded ratings to Tractebel as follows:

- National Scale Long-Term Rating upgraded to 'AA+(bra)' (AA plus (bra)) from 'AA(bra);
- National Scale Rating for the 1st debenture issue in the amount of BRL200 million maturing in 2011, upgraded to 'AA+(bra)'(AA plus (bra)) from 'AA(bra)';
- National Scale Rating for the 2nd debenture issue in the amount of BRL600 million maturing in 2014, upgraded to 'AA+(bra)' (AA plus (bra)), from 'AA(bra)';
- National Scale Rating for the 3rd debenture issue in the amount of BRL350 million maturing on 2011, upgraded to 'AA+(bra)' (AA plus bra)), from 'AA(bra)'.

Tractebel competes for the Transparency Trophy

In July 2010, Tractebel was selected as a candidate for the Transparency Trophy in this year's 14th ANEFAC – FIPECAFI – SERASA EXPERIAN awards. The organizing institutions meet to select from among the companies which publish financial statements, those which demonstrate the greatest transparency. The analysis and classification are made on the basis of essentially technical criteria as established by FIPECAFI – Accounting, Actuarial and Financial Research Institute Foundation.

The Company is one of the finalists among "Companies with sales of up to R$ 8 billion", for the best transparency in its financial statements for 2009.

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. 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.

The Management Board of Tractebel Energia has established a Sustainability Committee for enhancing the Company's operations as a partner and catalyst for economic, social and environmental development in the locations where it has a presence and in accordance with its values which are professionalism, sense of partnership, team work, creation of value, respect for the environment and ethics.

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, 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.

Additionally, Tractebel will announce shortly, together with its parent company, initiatives which will further enhance its standards of corporate governance, particularly to related party transactions. To this end, Tractebel will promote a meeting with investors and market professionals at InterContinental São Paulo hotel, located at Al. Santos, 1,123, on October 1, 2010 at 9:00

a.m. (Brasília time). The event will be simultaneously translated into English and will count with teleconferencing and webcast resources.

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.

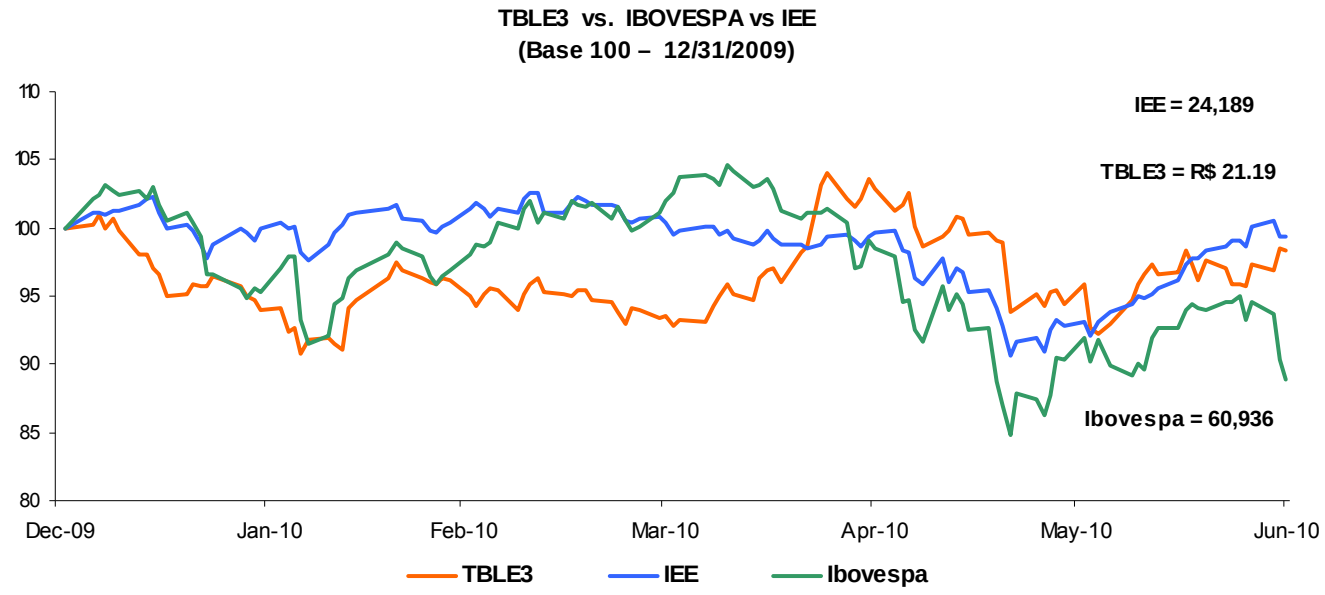
Share Performance – TBLE3

The performance of the world's leading bourses was characterized by extreme volatility during the second quarter of 2010, a reaction to the fiscal and monetary imbalances of some countries in continental Europe. Prospects of a weakening European economy and a declining Euro resulted in investors seeking protection in US treasury bonds to the detriment of other risk assets.

This tendency was reflected in Ibovespa movement during the quarter with the index recording a sharp fall of 13.4%, the worst quarterly result since the third quarter of 2008.

Tractebel's shares closed the second quarter of 2010 reporting an appreciation of 6.0%, while the IEE – the electric energy stock index, reported a loss of 0.1%. During 2Q10, the Company's securities were traded on all the days the BM&FBovespa was open for business with an average daily turnover of R$ 11.2 million, 29.8% less than the R$ 16.0 million recorded in 2Q09.

Tractebel's shares posted a closing price on June 30, 2010 of R$ 21.19/share, representing a market capitalization for the Company of about R$ 13.8 billion.



UPCOMING EVENTS

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

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

Date: August 16, 2010
Time: 9:00 a.m. (EDT)
Telephones for connection:
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 links for access will be available on the Company's website (www.tractebelenergia.com.br), at the Investors section.

Replay available from August 16 to 22, 2010. Access by calling (55 11) 4688-6312, code: 47,202.

Meetings with analysts

São Paulo
Date: August 17, 2010
Time: 8:30 a.m. (Brasília Time)
Venue: Hotel Intercontinental

Rio de Janeiro
Date: March 17, 2010
Time: 6:30 p.m. (Brasília Time)
Venue: Hotel Pestana

Florianópolis
Date: August 18, 2010
Time: 6:30 p.m. (Brasília Time)
Venue: Hotel Mercure itacorubi

Belo Horizonte
Date: August 19, 2010
Time: 6:00 p.m. (Brasília Time)
Venue: Hotel Mercure BH Lourdes

Porto Alegre
Date: August 20, 2010
Time: 12:30 p.m. (Brasília Time)
Venue: Hotel Embaixador

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	**6/30/2010**	**3/31/2010**
Current Assets	**1,546,406**	**1,434,488**
Cash and cash equivalents	861,082	825,309
Consumers, concessionaires and holder of permissions	459,277	463,921
Taxes and social contributon recoverable	94,330	51,596
Warehouse	41,283	39,758
Pledges and restricted deposits	16,429	3,260
Asset kept for sale	23,057	-
Deferred assets	19,192	18,821
Others	31,756	31,823
Non Current Assets	**7,989,712**	**8,087,346**
Long Term Assets	**664,166**	**683,261**
Taxes and social contributon to offset	103,799	107,194
Pledges and restricted deposits	49,319	64,518
Deposits in court	169,487	166,651
Receivable on tangible assets disposal	86,886	86,886
Deferred assets	232,375	235,542
Others	22,300	22,470
Investments	**338,339**	**338,339**
Property plant and equipment	**6,895,372**	**6,953,149**
Intangible	**91,835**	**112,597**
Total	**9,536,118**	**9,521,834**

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

(in thousands of R$)		
Liabilities	**6/30/2010**	**3/31/2010**
Current Liabilities	**1,702,321**	**1,239,293**
Suppliers	262,180	265,538
Dividends and interest on shareholder´s equity	1,302	251,422
Loans and financing	173,478	178,941
Debentures	788,892	163,330
Taxes and social contribution	270,150	173,576
Estimated obligations	46,106	48,530
Research and development (R&D) program obligations	15,294	21,918
Concessions payable	38,525	37,883
Provision for contingencies	12,658	13,658
Post-employment benefits	26,369	25,361
Others	67,367	59,136
Non Current Liabilities	**3,632,347**	**4,352,572**
Loans and financing	1,236,862	1,252,759
Debentures	866,275	1,611,527
Estimated obligations	2,207	4,063
Obligations under the research and development program	36,857	30,700
Concessions payable	985,284	950,208
Provision for contingencies	83,345	78,834
Post-employment benefits	354,923	357,695
Deferred fiscal liabilities	52,020	50,551
Others	14,574	16,235
Shareholders' Equity	**4,201,450**	**3,929,969**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Profit reserves	1,143,806	1,143,806
Retained Earnings	520,183	248,702
Total	**9,536,118**	**9,521,834**

ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(in thousands of R$)	2Q10	2Q09	Chg. %	6M10	6M09	Chg. %
Gross Operating Revenue	**1,074,643**	**929,849**	**15.6**	**2,131,671**	**1,884,474**	**13.1**
Deductions from operating revenue	**(110,398)**	**(94,258)**	**17.1**	**(221,902)**	**(188,627)**	**17.6**
Net Operating Revenue	**964,245**	**835,591**	**15.4**	**1,909,769**	**1,695,847**	**12.6**
Eletric Energy and Service Costs	**(434,926)**	**(330,473)**	**31.6**	**(855,663)**	**(751,612)**	**13.8**
Electric power purchased for resale	(162,815)	(93,129)	74.8	(337,741)	(191,884)	76.0
Transactions channeled through the CCEE	(321)	(37,156)	-99.1	(1,023)	(122,904)	-99.2
Fuel expenses	(9,660)	(4,698)	105.6	(13,964)	(30,329)	-54.0
Charges for the use of and connection to the electricity grid	(68,659)	(63,371)	8.3	(137,255)	(125,660)	9.2
Financial compensation for use of water resources	(33,055)	(5,913)	459.0	(64,475)	(25,402)	153.8
Personnel	(31,961)	(28,018)	14.1	(60,249)	(54,713)	10.1
Materials and third party services	(28,530)	(22,188)	28.6	(93,469)	(84,838)	10.2
Depreciation and amortization	(91,892)	(70,157)	31.0	(177,132)	(150,127)	18.0
Others	(8,033)	(5,843)	37.5	(12,727)	(9,180)	38.6
Gross Income	**529,319**	**505,118**	**4.8**	**1,054,106**	**944,235**	**11.6**
Operating Expenses	**(3,516)**	**(50,406)**	**-93.0**	**(47,927)**	**(102,993)**	**-53.5**
Selling expenses	(3,789)	(3,012)	25.8	(7,205)	(6,924)	4.1
General and administrative expenses	(41,296)	(38,601)	7.0	(80,108)	(75,365)	6.3
Favorable ruling on lawsuit	45,803	-	-	45,803	-	-
Constitution of operating provisions, net	(4,548)	(8,177)	-44.4	(6,735)	(21,893)	(69.2)
Other operating income (expenses), net	314	(616)	-151.0	318	1,189	-73.3
Service Income	**525,803**	**454,712**	**15.6**	**1,006,179**	**841,242**	**19.6**
Net Financial Result	**(116,583)**	**(63,683)**	**83.1**	**(220,169)**	**(100,451)**	**119.2**
Financial income	29,463	25,683	14.7	57,895	46,870	23.5
Financial expenses	(146,046)	(89,366)	63.4	(278,064)	(147,321)	88.7
Income Before Taxes	**409,220**	**391,029**	**4.7**	**786,010**	**740,791**	**6.1**
Income tax	(100,804)	(92,816)	8.6	(195,200)	(177,492)	10.0
Social contribution	(36,935)	(34,950)	5.7	(70,627)	(66,148)	6.8
Net Income for the Period	**271,481**	**263,263**	**3.1**	**520,183**	**497,151**	**4.6**
EBITDA	**620,611**	**526,880**	**17.8**	**1,189,112**	**996,147**	**19.4**
Net income per share	0.4159	0.4033	3.1	0.7969	0.7616	4.6

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

(in thousands of R$)	2Q10	2Q09	6M10	6M09
Operating Activities				
Net income for the period	271,481	263,263	520,183	497,151
Expenses (revenues) that do not affect cash:				
Depreciation and amortization	94,808	72,168	182,933	154,905
Net monetary variations	16,909	(43,825)	47,269	(55,203)
Net interest	(28,910)	47,637	32,265	95,083
Operating provision, net	1,452	8,823	5,305	26,603
Deferred income tax and social contribution	4,232	3,459	(7,576)	311
Others	186	896	(502)	(797)
	360,158	352,421	779,877	718,053
Decrease (Increase) in Assets				
Consumers and concessionaires	6,494	39,631	(23,984)	(23,215)
Taxes and social contributions recoverable	(39,408)	(10,832)	(40,068)	(10,988)
Warehouse	(1,526)	6,504	3,369	13,337
Collateral and linked / judicial deposits	(10,179)	(28,471)	25,627	(21,605)
Others	(1,449)	(12,489)	1,528	(10,388)
	(46,068)	(5,657)	(33,528)	(52,859)
Increase (Decrease) in Liabilities				
Suppliers	(4,922)	(39,885)	15,427	17,381
Taxes and social contributions	94,861	84,552	(145,545)	(172,978)
Labor obligations	(3,552)	(507)	3,256	5,433
Provision for contingencies	(118)	(1,301)	(2,103)	(7,961)
Post-employment benefits	(7,929)	(8,900)	(15,536)	(17,741)
Research and development (R&D) program obligations	(467)	2,299	4,039	(12,249)
Advancement to clients	6,574	(966)	2,286	(1,303)
Others	3,399	(2,897)	167	(14,669)
	87,846	32,395	(138,009)	(204,087)
Funds from Operating Activities	**401,936**	**379,159**	**608,340**	**461,107**
Investments activities	**(38,236)**	**(85,509)**	**(403,509)**	**(158,747)**
Advancement for acquisition of investments	-	-	(304,556)	-
Used in fixed assets	(36,212)	(85,434)	(96,403)	(158,559)
Used in intangibles	(2,024)	(75)	(2,550)	(188)
Financing activities	**(327,927)**	**(345,762)**	**(598,391)**	**(295,552)**
Financing and debentures	35,657	609,347	35,657	926,601
Payment of loans, financing and debentures	(119,912)	(807,061)	(381,129)	(844,576)
Payments to related Parties	-	-	-	(221,306)
Payments of concessions payable	(9,843)	(588)	(19,604)	(1,175)
Pledges and escrow deposits related to debt	16,291	(180)	16,805	(7,816)
Payment of dividends and interest on shareholders' equity	(250,120)	(147,280)	(250,120)	(147,280)
Total Effects on Cash	**35,773**	**(52,112)**	**(393,560)**	**6,808**
Cash and cash equivalents				
Opening balance	825,309	478,925	1,254,642	420,005
Closing balance	861,082	426,813	861,082	426,813
	35,773	**(52,112)**	**(393,560)**	**6,808**
Payments made in the year				
Interest on loans, financing and debentures	124,919	89,721	152,674	109,758
Income tax and social contribution	37,665	40,668	392,218	376,451
Transactions that do not affect cash				
Accountancy of the São Salvador HPP's concession	-	335,267	-	335,267
Aquisição da Suez Energia Renovável	-	-	304,556	-