Tractebel Energia approves 100% payout of interim dividends: R$ 1.0628 per share

Florianópolis, Brazil, July 26, 2012 – 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 and six month period ending June 30, 20112 (2Q12 and 6M12). 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

2Q12

● The Company recorded a net income of R$ 344.4 million (R$ 0.5275 per share) in the period under review, an amount 4.0% down on the reported amount for 2Q11.

● EBITDA reached R$ 779.9 million in 2Q12, a 7.5% improvement in relation to 2Q11 and equivalent to an EBITDA margin of 65.3%, 3.3 p.p. down against the 68.6% for the same quarter in 2011 due to higher volumes of commercialized energy.

● Net revenue from sales in 2Q12 totaled R$ 1,194.3 million, 12.9% higher than 2Q11.

● Excluding energy exports of 303 GWh (138 average MW) in the second quarter of 2011, sales rose from 8,185 GWh (3,747 average MW) in 2Q11 to 8,260 GWh (3,782 average MW) in 2Q12, a year-on-year growth of 0.9%, or 74 GWh (34 average MW). Including exports in 2Q11, energy sales declined year-on-year by 2.7%, or 228 GWh (104 average GW).

● The average contracted energy price, net of taxes and exports, was R$ 131.78/MWh in 2Q12, representing an increase of 8.6% on the same quarter in 2011.

● The sixth of the eight generating units at the Estreito Hydroelectric Power Plant went into commercial operation on May 29. Located on the Tocantins River, the plant will have a total installed capacity of 1,087 MW, of which 40.07% is assigned to the Company. With the start-up of Generating Unit 6, 92.4% of the Plant's assured energy belonging to the Company will be available.

● On June 24, a prototype onshore wave energy converter generated the first KWh from a site on the breakwater at Pecém Port in the state of Ceará. This is a project conducted under Aneel's (National Electric Energy Agency) R&D Program and is being totally financed by Tractebel. The project enjoys a partnership with the Postgraduate and Engineering Research Institute of the Federal University of the State of Rio de Janeiro (Coppe/UFRJ) and the government of the state of Ceará.

● The Company's Board of Directors approved the distribution of R$ 693.8 million (payout of 100%) as interim dividends based on the results for 6M12, corresponding to R$ 1,0628376925 per share.

● In a press announcement of April 27, Fitch Ratings uplifted the Company's international rating from 'BBB-' to 'BBB', as well as increasing the National Long-Term Rating and the rating for the Second Debentures Issue from 'AA+(bra)' to 'AAA(bra)', both of which with a stable outlook.

For immediate release

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

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Conference call and webcast:
On 07/27/2012 at 09:00 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

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Summary of Economic and Operational Indicators

Tractebel - Consolidated						
(in millions of R$)	2Q12	2Q11	Chg.	6M12	6M11	Chg.
Net Revenue from Sales (NRS)	1,194.4	1,057.8	12.9%	2,347.8	2,080.0	12.9%
Result from Service (EBIT)	640.8	604.8	5.9%	1,221.1	1,178.7	3.6%
EBITDA (1)	779.9	725.5	7.5%	1,494.2	1,418.0	5.4%
EBITDA / NRS - (%)	65.3	68.6	-3.3 p.p.	63.6	68.2	-4.6 p.p.
Net Income	344.4	358.8	-4.0%	673.9	665.7	1.2%
Net Debt	2,937.6	3,134.4	-6.3%	2,937.6	3,134.4	-6.3%
Energy Sold (avg MW)	3,782	3,886	-2.7%	3,819	3,877	-1.5%
Average Net Sales Price (R$/MWh) (2)	131.78	121.30	8.6%	130.15	120.68	7.8%
Number of Employees	1,074	1,032	4.1%	1,074	1,032	4.1%

(1) EBITDA represents: operating results + financial results + depreciation and amortization.
(2) Net of taxes and exports.

OPERATING PERFORMANCE

Generating Complex

The largest private sector electricity generator in Brazil, Tractebel Energia will have, after the entry into operation of all the Estreito HPP's generating units, an installed capacity of 6,908 MW and will operate a generating complex with installed capacity of 8,630 MW. Six generating units of Estreito HPP have already begun operations and the total ramp-up of the plant is scheduled for the course of 2012. Thus, the generating complex comprises 22 plants (nine hydro, six thermal and seven complementary energy source plants - biomass, small hydro – SHP – and wind-powered), 18 of which are wholly owned by the Company and four - the Itá, Machadinho and Estreito hydro power plants and the biomass Ibitiúva Bioenergética - jointly-owned through consortia with other companies.

Tractebel Energia's Generating Complex

Power Plants	Source	Location	Installed Capacity (MW)	
			Total	Tractebel's Portion
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9
Estreito*	Hydro	Tocantins River (TO/MA)	1,087.0	435.6
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			**7,270.3**	**5,559.7**
Jorge Lacerda Complex**	Thermal	Capivari de Baixo (SC)	857.0	857.0
William Arjona	Thermal	Campo Grande (MS)	190.0	190.0
Charqueadas	Thermal	Charqueadas (RS)	72.0	72.0
Alegrete	Thermal	Alegrete (RS)	66.0	66.0
Total - Thermal			**1,185.0**	**1,185.0**
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	21.2
Lages	Biomass	Lages (SC)	28.0	28.0
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6
Beberibe	Wind Farm	Beberibe (CE)	25.6	25.6
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	23.7	23.7
Areia Branca	SHP	Rio Manhuaçu (MG)	19.8	19.8
Pedra do Sal	Wind Farm	Parnaíba (PI)	18.0	18.0
Total - Complementary			**174.7**	**162.9**
Total			**8,630.0**	**6,907.6**

(*) The complete plant ramp-up is scheduled for the course of 2012.
(**) Complex comprised of 3 power plants.

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

The energy corresponding to the Company's stake in the project (256 average MW) was sold at the new energy auction on October 16, 2007 at R$ 158.35/MWh, the price referenced to June 30, 2012, with deliveries beginning in 2012 for a period of 30 years. The following table shows the impact of the ramp-up in the commercial capacity of the Plant.

Estreito's Ramp-Up (Average MW) – Tractebel's Share

Unity	Assured Energy	Accumulated Assured Energy		Operating Date
	MW	MW	%	
Generating Unit 1	52.01	52.01	20.2%	04/29/11
Generating Unit 2	51.69	103.71	40.4%	07/02/11
Generating Unit 3	50.80	154.51	60.1%	09/30/11
Generating Unit 4	38.38	192.88	75.1%	12/23/11
Generating Unit 5	25.99	218.87	85.2%	03/02/12
Generating Unit 6	18.50	237.37	92.4%	05/29/12
Generating Unit 7	12.51	249.88	97.3%	-
Generating Unit 8	7.00	256.88	100.0%	-

Projects under Construction

New Projects

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Group's portion
Jirau	Hydro	Madeira River (RO)	3,750.0	1,878.8
Porto do Delta and Trairi Complex*	Wind Farm	Parnaíba (PI) and Trairi (CE)	145.4	145.4
Total			**3,895.4**	**2,024.2**

(*) Trairi Complex is comprised of the Mundaú, Fleixeiras I, Trairi and Guajiru power plants.

Jirau. Energia Sustentável do Brasil (ESBR), comprising IPR-GDF SUEZ (50.1%), Eletrosul (20.0%), Chesf (20.0%) and Camargo Corrêa (9.9%), 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 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 as from January 2013. 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. In addition, discussions are taking place with the licensing authority and the regulator as to the further ramping up of additional commercial capacity of approximately 90 average MW which can be added to the 2,184.6 average MW already approved. In line with the prevailing business model, it is envisaged that the plant will be transferred to Tractebel when the main development risks have been mitigated, an event which is expected to take place around the Plant's commercial operation date (COD).

Wind farms. In 2011, implementation activities of five wind farms started in Northeast Brazil – one in the state of Piauí and four in the state of Ceará – with a total installed capacity of 145.4 MW and representing an investment of R$ 625.6 million. Construction of the sites in the state of Ceará is in progress, Siemens being responsible for the supply and assembly of the 50 towers and wind turbines - model SWT 2.3-101 units, each with a capacity of 2.3 MW. All wind farms in the state of Ceará are scheduled to go into commercial operations by the first half of 2013. The Installation License (LI) for the wind farm in the state of Piauí was only granted on June 18, 2012.

Uptime Operating

In 2Q12, the plants operated by Tractebel Energia achieved a 96.6% uptime ratio, excluding scheduled stoppages, being 98.0% in hydroelectric generation, 89.2% in thermoelectric generation and 90.5% for the plants operating with complementary sources (SHPs, wind and biomass). This percentage is in line with the accumulated figure for the year of 96.9%.

Production

In 2Q12, electric energy output from the plants operated by Tractebel was 6,616 GWh (3,029 average MW), a year-on-year reduction of 32.2% in relation to 2Q11. Of the generated total, the hydroelectric plants were responsible for 5,390 GWh (2,468 average MW), the thermoelectric plants for 1,055 GWh (483 average MW) and the plants fired from complementary energy sources, for 171 GWh (78 average MW). Results point to a sharp reduction of 39.0% in relation to the hydro plants and reflecting adverse hydrological conditions in the Southern Region where the larger part of the Company's hydroelectric

generation capacity is situated. By contrast, there was a significant rise of 33.5% in generation from thermal plants - despite Unit C at the Jorge Lacerda Thermoelectric Complex (UTLC) undergoing scheduled maintenance up to June 18 - as well as an increase of 27.6% at the plants fueled by complementary energy sources.

Unfavorable hydrological conditions drove up spot energy prices resulting in the majority of the Company's thermoelectric plants - with the exception of the Alegrete TPP - operating by order of merit for much of the quarter.

It is also worth registering that in 2Q12 the sixth generating unit went into commercial operation at Estreito HPP, more precisely on May 29.

It is worth noting that the increase or reduction in hydro generation does not necessarily result in an improvement or deterioration in the Company's 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.

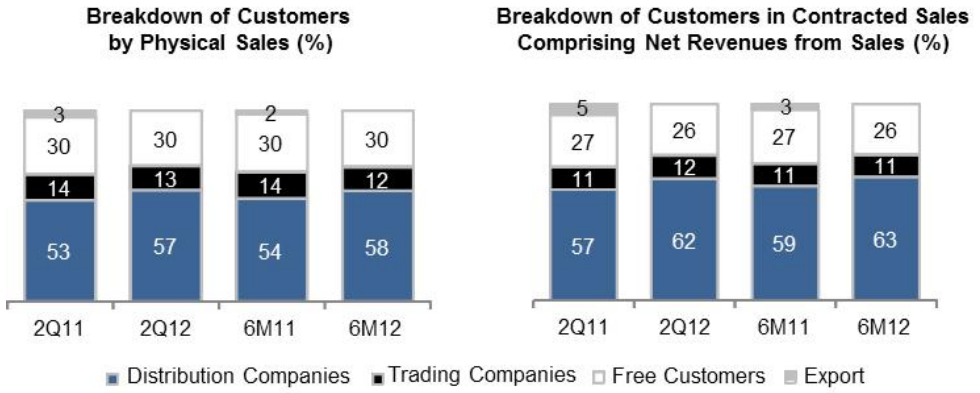
The increase in the Company's thermal generation mitigates exposure to the spot price (PLD), the opposite also being true, all other variables remaining unchanged.

Clients

Tractebel Energia has a well-diversified customer portfolio, serving energy distribution companies through Government-organized electric energy auctions, and also trading companies and free customers (mostly large industrial clients) the latter being 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.

By maintaining a close relationship with its customers, the Company is able to identify their needs and, thus, develop customized products and services that enhance their loyalty.

Compared with the same quarter in 2011, the share of free customers in the Company's portfolio reached 29.8% of physical sales and 25.8% of net revenue from sales, corresponding to year-on-year declines of 0.1 p.p. and 0.7 p.p., respectively. The growth in the participation of sales to the distributors - already apparent in 1Q12 - reflects the beginning of commercial operations at Estreito HPP which is to supply the regulated contracting environment for a period of 30 years as from January 2012.



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 June 30, 2012, Tractebel reported the following energy balance.

Energy Balance

	(avg MW)	2012	2013	2014	2015	2016	2017	Auction Gross Price (R$/MWh)	Reference Date	Gross price adjusted as of 06/30/2012 (R$/MWh)
	Own Resources	3,575	3,658	3,681	3,681	3,681	3,681			
+	Purchases for Resale	601	441	333	215	205	200			
=	Total Resources (A)	4,176	4,099	4,014	3,896	3,886	3,881			
	Regulated Sales*	1,669	1,669	1,669	1,659	1,513	1,154			
	2004-EE-2007-08	10	10	10	-	-	-	70.9	Dec-04	99.7
	2005-EE-2008-08	146	146	146	146	-	-	81.6	Apr-05	111.9
	2005-EE-2009-08	359	359	359	359	359	-	94.0	Oct-05	125.9
	2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	153.4
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	168.7
	2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	175.5
	2007-NE-2012-30	256	256	256	256	256	256	126.6	Jun-07	158.4
	Proinfa	44	44	44	44	44	44	147.8	Jun-04	232.7
	1st Reserve Energy Auction	13	13	13	13	13	13	158.1	Aug-08	190.5
+	Bilateral Sales	2,494	2,426	2,114	1,758	1,328	1,131			
=	Total Sales (B)	4,163	4,095	3,783	3,417	2,841	2,285			
	Balance (A - B)	**13**	**4**	**231**	**479**	**1,045**	**1,596**			

Sales average **net** price (R$/MWh)*1:	132.0	132.1	132.8
Purchases average **net** price (R$/MWh)*2:	123.3	126.7	128.4

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

*1: Sales price is net of ICMS and taxes over revenues (PIS/Cofins, R&D), as of 06/30/12, i.e. future inflation is not considered.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 06/30/12, 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 2Q12, net revenue from sales posted a growth of 12.9%, equivalent to R$ 136.5 million, when compared to the same period in the preceding year, increasing from R$ 1,057.8 million to R$ 1,194.3 million. The key factors contributing to this variation were as follows: (i) R$ 100.2 million – an increase due to the transactions conducted within the scope of the Energy Trading Board (CCEE); (ii) R$ 77.1 million – due to a rise in the net selling price; (iii) R$ 14.8 million – a growth in the volume of energy sold; and (iv) R$ 56.3 million – a decline in revenue given that the Company was not required by the National Electrical System Operator (ONS) to dispatch energy for export during the quarter under review.

The increase in sales revenue in the amount of R$ 73.7 million from the entry into commercial operation of five more generating units at the Estreito HPP by the end of the second quarter 2012, including R$ 6.9 million from the results of operations conducted through the CCEE, is incorporated in the respective above-mentioned items.

- **Net average selling price**

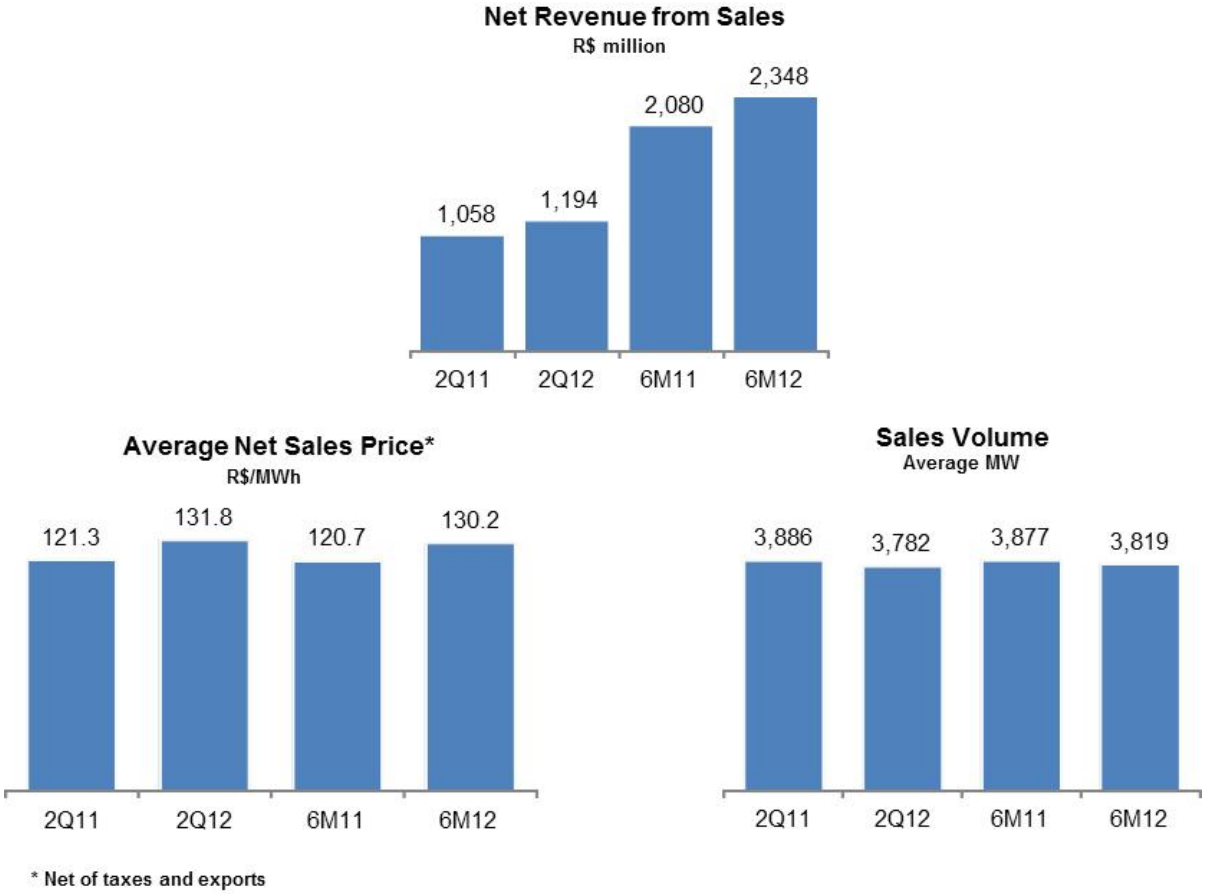
The average selling price of contracted energy, net of taxes and exports was R$ 131.78/MWh in 2Q12, 8.6% above the amount reported in the same quarter of 2011, the value for which was R$ 121.30/MWh.

- **Sales volume**

Excluding energy exports of 303 GWh (138 average MW) in the second quarter of 2011, sales increased from 8,185 GWh (3,747 average MW) in 2Q11 to 8,260 GWh (3,782 average MW) in 2Q12, a year-on-year growth of 0.9%, or 74 GWh (34 average MW). This variation arose from the following key factors: (i) evolution of 245 GWh (112 average MW) in the wholesale supply of energy to distributors; (ii) reduction of 98 GWh (45 average MW) in energy sales to trading companies; and (iii) a decline of 73 GWh (33 average MW) of energy sold to free customers. In the quarter under review, some sales agreements with free consumers were transferred to the trading companies in the same economic group as the client.

If exports made in 2Q11 are included on total sales, the Company reported a year-on-year decline in energy sales of 2.7%, or 228 GWh (104 average GW).

In the light of the beginning of commercial operations of five additional Estreito HPP generating units, the sale of energy generated by the plant increased from 75 GWh (34 average MW) in 2Q11 to 544 GWh (249 average MW) in 2Q12, a growth of 469 GWh (215 average MW).



* Net of taxes and exports

Comments on variations in net revenue from sales, by type of account

a) Wholesale market for electric energy

Sales revenue from the wholesale supply of energy – namely sales to distributors and trading companies – reached R$ 807.5 million in 2Q12 against R$ 717.5 million reported in the same quarter of 2011, a year-on-year growth of 12.5%. The following factors contributed to this increase: (i) R$ 47.4 million – representing an increase of 7.7% in the average net selling price to distributors; (ii) R$ 19.6 million – an increase of 17.3% in the average net selling price to trading companies; (iii) R$ 33.8 million – an increase of 245 GWh (112 average MW) in the amount of energy sold to distributors; and (iv) R$ 10.8 million – reduction of 98 GWh (45 average MW) in energy volume sold to trading companies. The growth of sales to distributors as a result of startup of commercial operations at Estreito HPP in the amount of R$ 66.8 million, equivalent to 469 GWh (215 average MW), is incorporated in the aforementioned respective factors.

b) Retail market for electric energy

Sales revenue from the retail supply of energy – namely revenue from sales to free customers – increased year-on-year by 0.7% from R$ 279.0 million in 2Q11 to R$ 280.9 million in the quarter under review. The variation reflects a combination of the following events: (i) R$ 10.0 million – an increase of 3.7% in the average net selling price; and (ii) R$ 8.1 million – a decline of 73 GWh (33 average MW) in the amount of energy sold.

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

In 2Q12, revenue recorded from transactions conducted through the CCEE was R$ 101.6 million as against R$ 1.4 million for the same quarter in 2011 representing an evolution of R$ 100.2 million. More detailed explanations on these operations and related variations can be found below under the item “Details of CCEE operations”.

d) Electric energy exports

The Company was not required by the ONS to dispatch energy for export in 2Q12, while in the same period in 2011 exports were R$ 56.3 million. It is worth noting that energy export volume from each plant of the Brazilian Electricity System is set by the ONS based on plant availability and taking into account lowest stated costs of the plants.

Costs of Electric Energy and Services

Cost of sales of energy and services rose 13.2%, or R$ 59.4 million, from R$ 448.9 million in 2Q11 to R$ 508.3 million in the quarter under review. This advance was largely due to the trend in the following components:

a) **Electric power purchased for resale:** increase of R$ 55.6 million, equivalent to 382 GWh (175 average MW) in 2Q12 against the same quarter of 2011, due to the Company's plan to purchase short and medium-term energy for the creation of new products for supply over three, four and five years and to a lesser degree, due to the annual readjustment in the prices of existing agreements.

b) **Transactions channeled through the CCEE:** there was a year-on-year decrease in these costs of R$ 5.0 million. Greater details are given in the specific item below.

c) **Fuel Expenses:** reduction of R$ 19.7 million large due to a combination of the following factors: (i) R$ 29.8 million – reduction in the consumption of proprietary mineral coal in the quarter under review since there was no demand for energy exports; and (ii) R$ 7.5 million – growth in the consumption of natural gas due to the dispatch of the William Arjona TPP in April 2012 to guarantee the system's energy security.

d) **Charges for the use of and connection to the electricity grid:** year-on-year increase of R$ 11.5 million in the quarter under review, largely reflecting: (i) the annual readjustment in the Tariff for Use of the Transmission System (TUST); and (ii) the collection of TUST following the startup of commercial operations of the new generating units at Estreito HPP.

e) **Financial compensation for the use of water resources (royalties):** year-on-year decline of R$ 15.8 million, the result of a combination of the following events: (i) reduced hydroelectricity generation due to drought conditions in Southern Brazil where part of the Company's generating complex is located; (ii) readjustment in the annual tariff; and (iii) initial collection of royalties upon startup of the new generating units of Estreito HPP.

f) **Personnel:** increase of R$ 3.4 million in 2Q12 against the same quarter 2011, due largely to a combination of the following factors: (i) expansion in the payroll in line with growth in the Company's business; and (ii) the annual increase in employee salaries.

g) **Third party services and material:** increase of R$ 7.7 million between the quarters under analysis due basically to higher demand for maintenance and conservation services at the Company's generating units and to a lesser degree, for environmental consultancy and engineering services.

h) **Depreciation and amortization:** increase of R$ 19.2 million in the quarter under review compared with 2Q11, principally due to the startup in commercial operations of the new generating units at Estreito HPP.

Energy Trading Board – Details of CCEE Operations

The various monthly credit or debit entries to the account of a CCEE agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expenses account. In this context it is worth pointing out that due to adaptations to the Company's portfolio management strategy, changes have been taking place in the billing profile in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing in the two years - the reason for including this specific topic, allowing us to analyze the oscillations of the principal elements involved in spite of allocation being either to income or expenses according to the credit or debit nature of the billing to which they relate.

Generically speaking, these elements are income or expense items arising for example from: (i) the application of the Energy Reallocation Mechanism (MRE); (ii) the so-called "sub-market risk"; (iii) dispatch triggered by the Risk Aversion Curve (CAR); (iv) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (v), naturally, exposure (a short or long position in the monthly accounting) which will be settled at the spot price.

In 2Q12, the Company recorded a net positive result - the difference between income and expenses – net of taxes and contributions - arising out of transactions conducted on the CCEE of R$ 99.9 million against a net negative result of R$ 5.4 million posted in 2Q11 and therefore an improvement of R$ 105.3 million between comparable periods.

This better performance in which a net expense was transformed into income between comparable quarters, was largely due to a combination of the following factors: (i) growth in the Company's long position on the CCEE; (ii) increased impacts of the thermoelectric exposure in spite of volume having been less than 2Q11; (iii) increased revenue from secondary energy (energy which is obtained when hydroelectric energy generation exceeds the system's average assured energy); and (iv) negative impact on the MRE due to reduced volume of hydroelectric generation, in turn caused by drought conditions prevailing in Southern Brazil .

It is worth pointing out that the significant increase from R$ 20.45/MWh in 2Q11 to R$ 164.55/MWh in 2Q12 for the average spot price (PLD) for the South and Southeast/Mid-West submarkets, contributed to the enhancement of the positive impact of the Company's long position on the CCEE as well as the position in secondary energy and, to a lesser degree, the negative effects of thermoelectric exposure.

General and Administrative Expenses

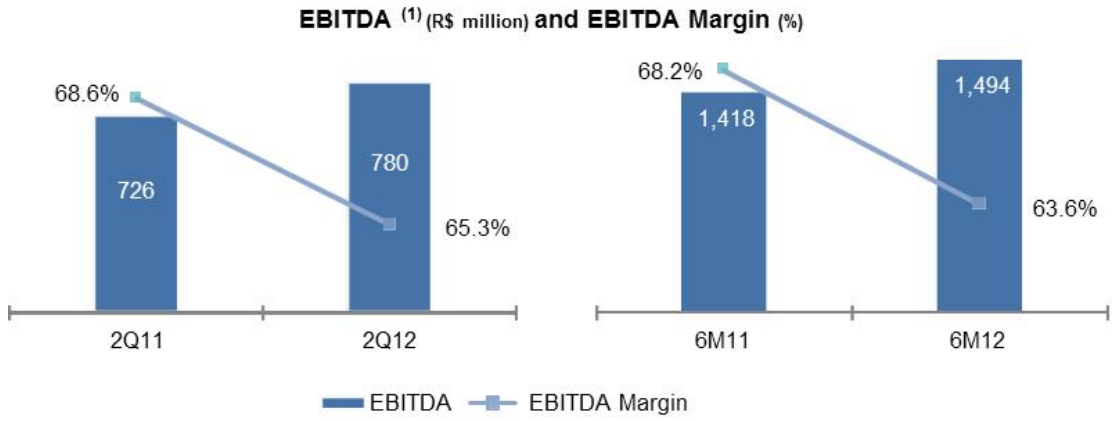
General and administrative expenses reported a decline of R$ 3.3 million, or 7.5%, between comparable periods from R$ 44.6 million in 2Q11 to R$ 41.3 million in the quarter under review. This variation essentially stemmed from a reduction in (i) contributions to the complementary retirement plan sponsored by the Company; (ii) rental/leasing expenses; and (iii) tax breaks for cultural ends.

Constitution (Reversals) of Operating Provisions, Net

For the quarters under analysis, reversals exceeded provisions, the end figure declining from R$ 28.7 million to R$ 1.8 million. The principal reasons for the variation were as follows: (i) decrease of R$ 19.9 million in the reversal of the provision for payment of post-employment benefits due to the smaller actuarial gain recognized in 2Q12; and (ii) the decline of R$ 6.4 million in the reversal of certain provisions for civil lawsuits contingencies.

EBITDA and EBITDA Margin

A reflection of the factors previously commented, EBITDA in 2Q12 reached R$ 779.9 million, 7.5% above the R$ 725.5 million reported in 2Q11. The EBITDA margin reached 65.3% against 68.6% in the same period in the preceding year. The narrower margin is largely a result of the increase in energy purchase for resale operations, the margins on which are smaller than those with sales of energy generated by the Company itself through medium and long-term operations.



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

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

(in thousand R$)	2Q12	2Q11	Chg. %	6M12	6M11	Chg. %
Operating income	513,683	525,466	-2.2	1,008,191	990,915	1.7
(+/-) Financial Result	127,095	79,376	60.1	212,860	187,788	13.4
(+) Depreciation and Amortization	139,101	120,680	15.3	273,189	239,311	14.2
EBITDA	**779,879**	**725,522**	**7.5**	**1,494,240**	**1,418,014**	**5.4**

Financial Result

Financial income: in 2Q12, these revenues reached R$ 24.1 million, R$ 1.5 million, or 6.7%, above the R$ 22.6 million reported for the same quarter in 2011. This largely reflects the restatement of the Company's tax credits.

Financial expenses: an increase of R$ 49.2 million between comparable quarters from R$ 101.9 million in 2Q11 to R$ 151.1 million in 2Q12. This variation resulted from the association of the following principal factors: (i) R$ 25.7 million – negative impact of the foreign exchange variation due to the depreciation of the Real against the US dollar and the Euro; (ii) R$ 10.8 million – growth in the variation of monetary restatement due to greater variation in the IGP-M inflation index; (iii) R$ 10.7 million – increased interest on loans, financing and debentures principally due to higher interest on the financing of Estreito HPP – which ceased to be capitalized, now being recognized as a financial expense as the generating units are brought into commercial operation – combined with the reduction of interest reflecting the amortization of debt in the period between the quarter under analysis; and (iv) R$ 3,6 million – growth of interest on concessions payable.

Income Tax and Social Contribution on Net Income

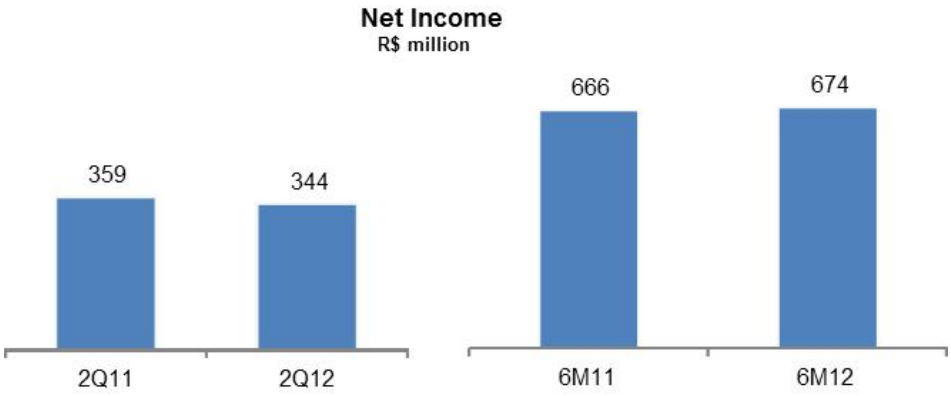
Income tax and social contribution overheads were R$ 169.3 million, an amount which was R$ 2.6 million higher than the R$ 166.7 million reported in 2Q11. These expenses represented 32.9% and 31.7%, respectively, of the pre-tax result for 2Q12 and 2Q11.

Service Income (Profit before the Financial Result and Tax on Earnings)

Incorporating the above-mentioned impacts, the service income increased from R$ 604.8 million in 2Q11 to 640.8 million in the quarter under review, an increase of R$ 36.0 million, or 5.9% between the compared periods. This trend largely reflects a combination of the following aspects already cited during the course of this report: (i) an increase in the average contracted sale prices; (ii) results arising from the beginning of commercial operations of the new generating units at Estreito HPP; (iii) increase in the positive result from transactions conducted on the CCEE; (iv) the increase in the volume of energy purchase transactions for resale; and (v) the reduced positive impact on the result for reversal of operational provisions between the quarters examined.

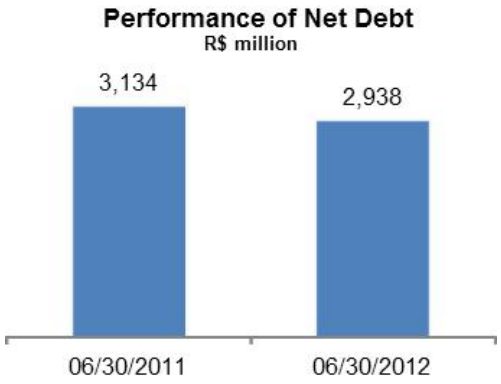
Net Income

As a reflection of the impacts already discussed above, net income for 2Q12 reached R$ 344.4 million, 4.0% or R$ 14.4 million, less than the R$ 358.8 million reported for the same quarter in the preceding year. The oscillation in net income is essentially the combination of factors described above under the item "Service income", involving increased financial expenses due to the depreciation of the Real against the US dollar and the Euro and the increase in the inflation indices used to restate the Company's debt.

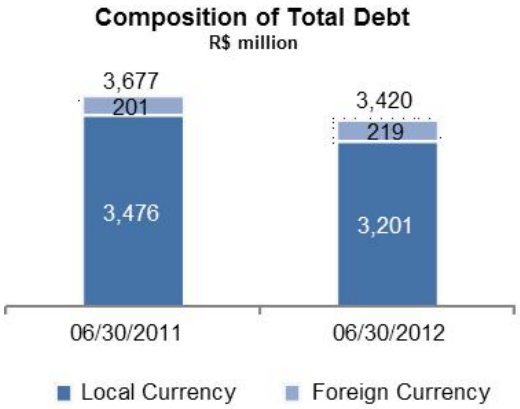


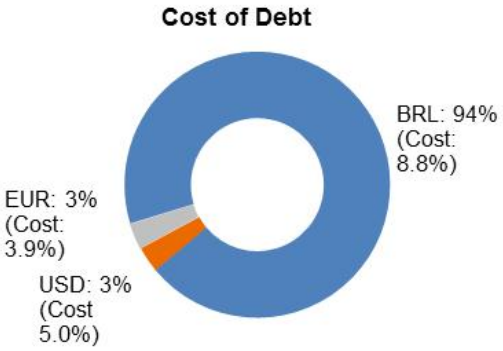
Debt

On June 30, 2012, the Company recorded net debt (total debt less cash and cash equivalents) of R$ 2,937.6 million, 6.3% lower than the R$ 3,134.4 million posted in 2Q11.

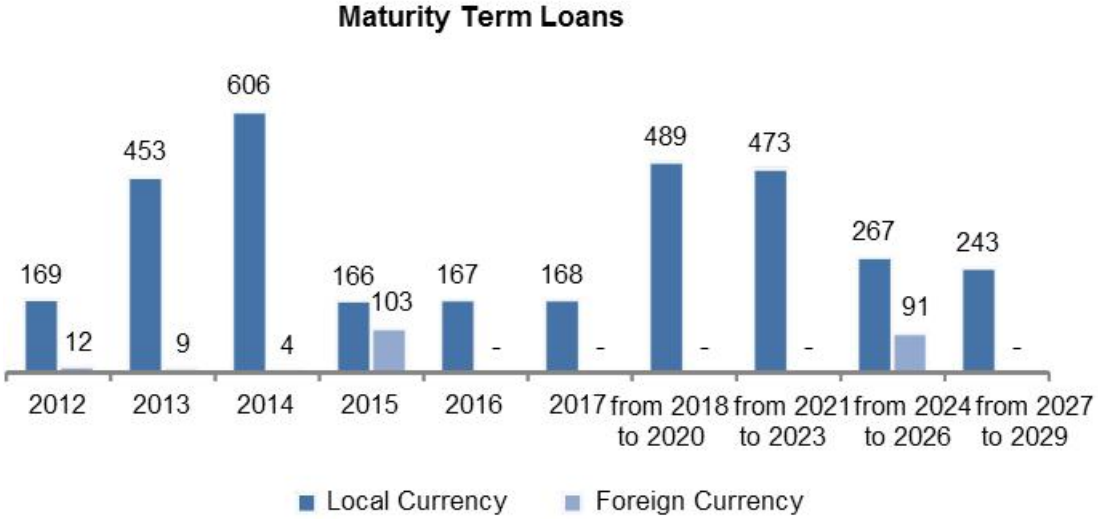


Total consolidated gross debt – represented principally by loans, financing and debentures– amounted to R$ 3,420.5 million, a decrease of 7.0% compared to the position on June 30, 2011. Of total debt outstanding at the end of the period, 6.4% were foreign currency denominated (5.5% in 2Q11), this portion being unhedged due to its long amortization profile.





The reduction in Company debt is related largely to a combination of the following events between 2Q11 and 2Q12: (i) drawdown from the National Economic and Social Development Bank (BNDES) and its financial agents in the total accumulated amount of R$ 36.2 million to meet investment requirements at Estreito HPP; (ii) the generation of R$ 361.9 million in charges to be paid together with monetary and currency restatement; (iii) contracting additional funding of R$ 430.0 million through a loan from the Bank of America Merrill Lynch; (iv) amortizations of debentures worth R$ 631.4 million; and (v) amortizations of loans and financing of R$ 453.1 million.



Capital Expenditures

During 2Q12, Tractebel Energia's investments amounted to R$ 178.9 million.

Of this total, R$ 127.9 million was dedicated to new plants, R$ 49.4 million of which to Estreito HPP and R$ 78.5 million to the wind farms under construction in the Northeast Region. The remaining R$ 51.0 million was used for maintenance and modernization projects in the Company's existing generating complex.

Dividend Payments

At its meeting of July 26, 2012, the Board of Directors of Tractebel Energia approved the payment of interim dividends based on the financial statements raised as at June 30, 2012 for the amount of R$ 693.8 million (R$ 1.0628376925 per share), translating into a payout of 100% for the first half of 2012 based on distributable net income.

The Company's shares shall be traded ex-interim dividends as from August 13, 2012. The interim dividends shall be paid on a date to be subsequently decided upon by the Board of Executive Officers and communicated through a Notice to Shareholders, according to the shareholder records on file at Itaú Unibanco S.A. on August 10, 2012.

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 highlights:

Sustainability Indexes[1]

Index	2Q12	2Q11	Change
Number of licenced power plants	22	22	-
Number of certified power plants	15	15	-
Generating complex uptime, excluding scheduled stoppages (%)	96.6	98.7	-2.2 p.p.
Generating complex uptime, considering all stoppages (%)	87.8	89.5	-1.9 p.p.
Number of attendees at Power Plants Visit and Environmental Education Program	24,494	23,921	2.4%
Donation and seedling planting (planted and donated amount, not considering CESTE)	92,315	118,741	-22.3%
Frequency Rate (FR), not considering third parties services[2]	0.000	2.050	⇩
Severity Rate (SR), not considering third parties services[3]	0.000	0.016	⇩
Frequency Rate (FR), considering third parties[2]	1.630	2.550	-36.1%
Severity Rate (SR) , considering third parties[3]	0.000	0.050	⇩
Encouraged Investments by Childhood and Adolescence Fund and Rouanet Law (R$ thousand)	3,106	2,100	47.9%
Non Encouraged Investments, not considering Estreito Social Investment (R$ thousand)	1,258	506	148.8%

1) More indexes can be found in ITRs - Quarterly Information reports (www.tractebelenergia.com.br / investor / CVM files)
2) FR = number of labor accidents occurred per one million hours of risk exposure
3) SR = number of days lost with labor accidents occured per one thousand hours of risk exposure

CORPORATE GOVERNANCE

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

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

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

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

With respect to the asset transfer model 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.

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

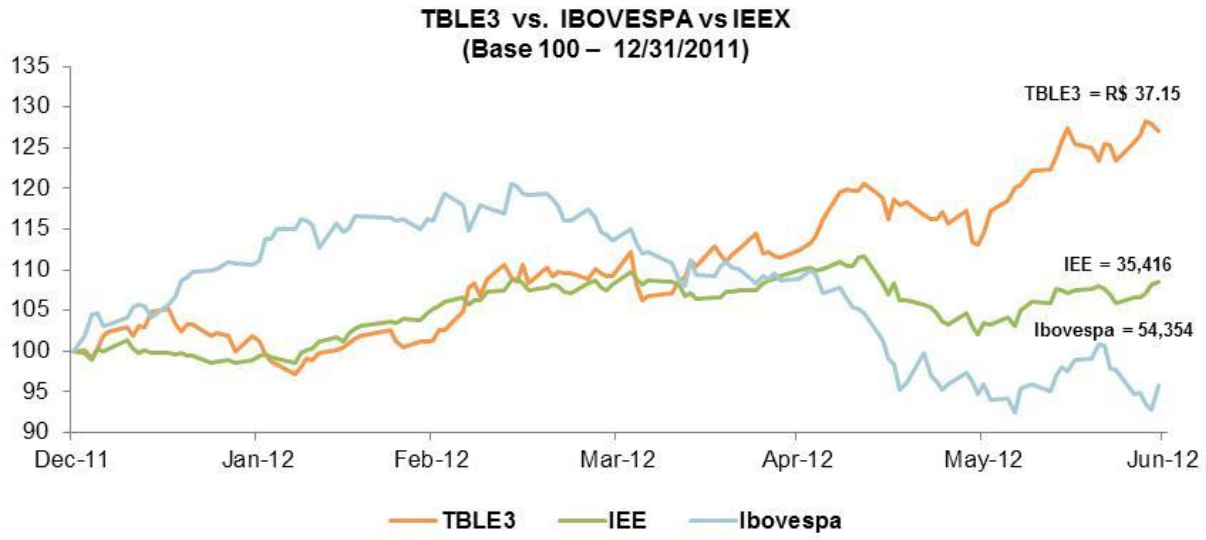
In yet one more quarter characterized by economic uncertainty in the Eurozone, the Ibovespa stock index closed 2Q12 with a depreciation of 15.7%, narrowly escaping the worst quarterly performance on record since 2008. Ibovespa reported a 4.2% decline for the first half of the year, the result not being even worse thanks to the last trading day of June which brought some relief in the news out of Europe, boosting exchanges and practically offsetting the accumulated losses for the month.

The market was positively surprised following Eurozone leaders' acceptance of recapitalization of the banks and purchase of government bonds of member countries in the single currency bloc. This saw the yield on securities representing Greek, Italian and Spanish debt tumble, signaling less aversion to risk on the part of investors.

Tractebel Energia's shares posted an appreciation of 16.3% in 2Q12. TBLE significantly outperformed the results for the Electric Energy Stock Index (IEE), which remained virtually stable, reporting a gain of 0.4%, and the Ibovespa, which slumped in the quarter as commented above.

The Company's securities were traded on all the days the BM&FBovespa was open for business in the period. The significant increase in average daily trading volume reported in 1Q12 was repeated in the second quarter at R$ 25.3 million, exceeding by 104.2% the volume of R$ 12.4 million posted in 2Q11.

At the close of business on June 30, 2012 Tractebel's shares were trading at R$ 37.15/share, corresponding to a market capitalization of approximately R$ 24.2 billion.


TBLE3 vs. IBOVESPA vs IEEX
(Base 100 – 12/31/2011)
135
130
125
120
115
110
105
100
95
90
Dec-11
Jan-12
Feb-12
Mar-12
Apr-12
May-12
Jun-12
TBLE3 = R$ 37.15
IEE = 35,416
Ibovespa = 54,354
TBLE3
IEE
Ibovespa

UPCOMING EVENTS

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

2Q12 Earnings Meeting

Venue: Hotel Blue Tree Faria Lima
Av. Brig. Faria Lima, 3989 – São Paulo-SP
Date: July 27, 2012
Time: 8:30 a.m. (EDT) Welcome coffee
9:00 a.m. (EDT) Presentation

Conference call
(in Portuguese - simultaneous translation into English)

Date: July 27, 2012
Time: 9:00 a.m. (EDT) / 10:00 a.m. (Brasília time)

Connection numbers:
Participants in Brazil: +55 (11) 4688-6361
Participants in the USA: +1 (888) 700-0802
Participants from other countries: +1 (786) 924-6977
Access code: Tractebel

A replay will be available from July 27th to August 3rd, 2012. Access by dialing: +55 (11) 4688-6312, code: 1663006#.

Video Webcast
(in Portuguese – simultaneous translation into English)
The access links will be found at the company's website (www.tractebelenergia.com.br), at the Investor section.

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	**6/30/2012**	**12/31/2011**
Current Assets	**1,232,514**	**1,526,208**
Cash and cash equivalents	482,943	781,808
Accounts receivables from clients	565,321	542,149
Taxes to recover	66,525	64,294
Inventory	46,910	42,837
Pledges and restricted deposits	5,027	38,923
Other credits	65,788	56,197
Non Current Assets	**10,426,280**	**10,502,355**
Long Term Assets	**516,907**	**520,655**
Taxes to recover	140,694	162,007
Pledges and restricted deposits	101,401	90,567
Deposits in court	118,159	105,832
Receivable on assets	86,886	86,886
Deferred income taxes and social contribution	19,501	23,930
Other credits	50,266	51,433
Property, Plant and Equipment	**9,814,715**	**9,885,151**
Intangible	**94,658**	**96,549**
Total	**11,658,794**	**12,028,563**

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

(in thousands of R$)		
Liabilities	**6/30/2012**	**12/31/2011**
Current Liabilities	**1,056,531**	**1,472,698**
Suppliers	259,393	234,336
Dividends and interest on shareholder´s equity	7,486	221,025
Loans and financing	234,108	233,924
Debentures	172,391	183,540
Tax obligations	155,380	352,009
Labor Obligations	44,769	53,710
Research and development (R&D) obligations	20,593	19,390
Provision for tax, civil and labor risks	9,823	8,615
Concessions payable	48,178	45,688
Post-employment benefits	36,045	36,045
Other obligations	68,365	84,416
Non Current Liabilities	**4,995,473**	**5,105,607**
Loans and financing	2,859,625	2,923,882
Debentures	154,373	307,854
Research and development (R&D) program obligations	42,299	38,959
Provision for tax, civil and labor risks	146,730	132,591
Concessions payable	1,288,894	1,220,264
Post-employment benefits	283,006	300,964
Deferred income taxes and social contribution	212,693	166,539
Other obligations	7,853	14,554
Shareholders' Equity	**5,606,790**	**5,450,258**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Fixed asset valuation	619,298	648,363
Profit reserves	1,753,726	1,744,815
Additional proposed dividends	-	517,342
Retained Earnings	693,759	-
Minoritary shareholders share	2,546	2,277
Total	**11,658,794**	**12,028,563**

ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(in thousands of R$)	2Q12	2Q11	Chg. %	6M12	6M11	Chg. %
Net Revenue from Sales	**1,194,372**	**1,057,843**	**12.9**	**2,347,839**	**2,079,972**	**12.9**
Energy Sales Costs	**(508,254)**	**(448,884)**	**13.2**	**(1,037,233)**	**(863,242)**	**20.2**
Electric power purchased for resale	(166,164)	(110,590)	50.3	(338,600)	(215,816)	56.9
Transactions channeled through the CCEE	(1,724)	(6,770)	-74.5	(19,824)	(20,952)	-5.4
Fuel expenses	(15,083)	(34,806)	-56.7	(20,369)	(39,747)	-48.8
Charges for the use of and connection to the electricity grid	(78,428)	(66,922)	17.2	(162,901)	(133,208)	22.3
Financial compensation for use of water resources	(16,642)	(32,487)	-48.8	(42,115)	(70,695)	-40.4
Personnel	(41,380)	(37,971)	9.0	(79,230)	(69,441)	14.1
Materials and third party services	(41,232)	(33,515)	23.0	(76,370)	(64,774)	17.9
Depreciation and amortization	(136,397)	(117,232)	16.3	(267,678)	(232,567)	15.1
Others	(11,204)	(8,591)	30.4	(30,146)	(16,042)	87.9
Gross Income	**686,118**	**608,959**	**12.7**	**1,310,606**	**1,216,730**	**7.7**
Operating Income (Expenses)	**(45,340)**	**(4,117)**	**1,001.3**	**(89,555)**	**(38,027)**	**135.5**
Selling expenses	(4,710)	(3,748)	25.7	(8,613)	(8,604)	0.1
General and administrative expenses	(41,252)	(44,603)	-7.5	(79,582)	(82,906)	-4.0
Gains arising from assets disposals	-	15,436	-	-	15,436	-
Constitution (Reversals) of Operating Provisions, Net	1,770	28,745	-93.8	(693)	38,743	-
Other operating income (expenses), net	(1,148)	53	-	(667)	(696)	-4.2
Service Income	**640,778**	**604,842**	**5.9**	**1,221,051**	**1,178,703**	**3.6**
Net Financial Result	**(127,095)**	**(79,376)**	**60.1**	**(212,860)**	**(187,788)**	**13.4**
Financial income	24,068	22,561	6.7	47,371	62,246	-23.9
Financial expenses	(151,163)	(101,937)	48.3	(260,231)	(250,034)	4.1
Income Before Taxes	**513,683**	**525,466**	**-2.2**	**1,008,191**	**990,915**	**1.7**
Income tax	(123,105)	(119,380)	3.1	(243,749)	(235,239)	3.6
Social contribution	(46,226)	(47,312)	-2.3	(90,568)	(89,948)	0.7
Net Income for the Period	**344,352**	**358,774**	**-4.0**	**673,874**	**665,728**	**1.2**
Net Income allocated to:						
Tractebel Energia's shareholders	344,226	358,774	-4.1	269	-	0.0
Non-controlling shareholders	126	-	0.0	269	-	0.0
EBITDA	**779,879**	**725,522**	**7.5**	**1,494,240**	**1,418,014**	**5.4**
Net income per share	0.5275	0.5496	-4.0	1.0324	1.0199	1.2

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

(in thousands of R$)	6M12	6M11
Operating cash flow		
Net income before taxes	1,008,191	990,915
Adjustments to reconcile net income taxes and operating cash flow:		
Depreciation and amortization	273,189	239,311
Monetary and exchange rate variation	56,925	54,674
Interests	180,292	168,218
Constitution (Reversals) of Operating Provisions, Net	1,411	(36,281)
Others	431	700
	1,520,439	1,417,537
Variation in Assets and Liabilities		
Accounts receivables from clients	(22,157)	7,366
Taxes to recover	222	1,158
Inventory	(4,073)	2,786
Pledges and linked / judicial deposits	29,314	109,091
Suppliers	18,720	1,880
Post-employment benefits	(14,662)	(20,284)
Research and development obligations	4,543	(2,713)
Advancement to clients	(14,473)	(24,219)
Others	1,191	(32,716)
	(1,375)	42,349
Cash from operating activities	**1,519,064**	**1,459,886**
Paid income tax and social contribution	(480,633)	(488,649)
Interest on loans, financing and debentures paid	(150,577)	(158,932)
Net cash from operating activities	**887,854**	**812,305**
Investments activities	**(175,938)**	**(185,750)**
Used in fixed assets	(173,961)	(182,669)
Used in intangibles	(1,977)	(3,081)
Financing activities	**(1,010,781)**	**(1,166,641)**
Financing	17,442	54,007
Payment of loans, financing and debentures	(264,726)	(857,976)
Payments of concessions payable	(23,815)	(20,948)
Payment of dividends and interest on shareholders' equity	(730,880)	(345,965)
Pledges and deposits for funding	(8,802)	4,241
Decrease in cash and cash equivalents	**(298,865)**	**(540,086)**
Cash and cash equivalents		
Opening balance	781,808	1,082,580
Closing balance	482,943	542,494
	(298,865)	**(540,086)**
Transactions that do not affect cash and cash equivalents		
Capitalized interest on loans and concession	24,256	58,536
Supplier's of fixed assets	15,842	26,179
Offsetting of income tax and social contribution	1,145	912
Supplement of HPP Estreito's concession payable	3,515	-