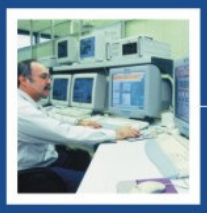
Tractebel Energia
suez





3QT06

TRACTEBEL ENERGIA announces net income of R$ 258 million and EBITDA of R$ 442 million in the third quarter of 2006

Florianópolis (SC), October 30 2006 – Tractebel Energia S.A. (Bovespa: TBLE3), the largest private electricity generating company in Brazil, today announces earnings for the third quarter ending September 30 2006 (3Q06). 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 Reais, except where otherwise indicated.

For immediate release

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Highlights

- Physical sales at Tractebel Energia totaled 8,377 GWh (3,794 average MW) in 3Q06, an increase of 18.8% compared with 7,052 GWh (3,194 average MW) in 3Q05.
- The average sales price reached R$ 92.98/MWh in 3Q06, 8.5% more than the average sales price of R$ 85.69/MWh for such contracts in the same period in 2005.
- Consolidated net operating revenue in 3Q06 totaled R$ 694.8 million, 27.1% higher than the same period in 2005, reflecting the combined impact of volume and energy prices.
- Spot prices were affected by the drought in southern Brazil. The rise in spot prices resulted in higher expenses from thermal substitution energy purchases, which reached R$ 86.3 million in 3Q06.
- EBITDA reached R$ 441.9 million in 3Q06, increasing 18.0% compared with the third quarter of 2005 (3Q05), corresponding to an EBITDA margin of 63.6%; in 9M06, the Company posted EBITDA of R$ 1,258.2 million.
- Tractebel recorded a net income of R$ 257.8 million in 3Q06, equivalent to earnings per share of R$ 0.39. For the accumulated nine-month period (9M06), net income was R$ 790.3 million.
- As from October 25 2006, the Company paid out interest on shareholders' equity worth R$ 114.0 million, and interim dividends of R$ 324.0 million, both based on net income for the first semester 2006.

Summary of economic and operational indicators

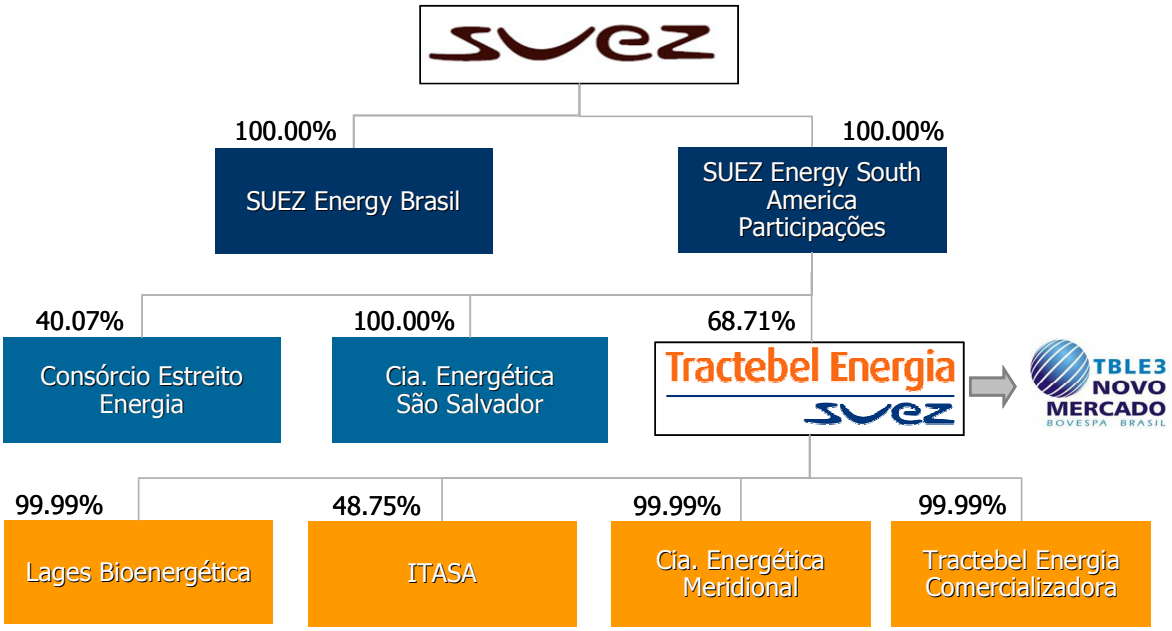
Tractebel - Consolidated	Quarter			Accumulated		
In Millions of Reais	3Q06	3Q05	Chg.	9M06	9M05	Chg.
Gross operating revenue	787.1	616.3	27.7%	2,249.4	1,934.2	16.3%
Net operating revenue	694.8	546.7	27.1%	1,990.6	1,702.3	16.9%
Result from service (EBIT)	389.8	323.9	20.3%	1,102.1	947.6	16.3%
EBITDA (1)	441.9	374.3	18.0%	1,258.2	1,103.5	14.0%
EBITDA / NOR - (%)	63.6	68.5	-4.9 p.p.	63.2	64.8	-1.6 p.p.
Net income	257.8	307.4	-16.1%	790.3	700.1	12.9%
Net debt	876.2	1,117.5	-21.6%	876.2	1,117.5	-21.6%
Energy sold (GWh)	8,377	7,052	18.8%	24,104	22,354	7.8%
Number of employees	906	894	1.3%	906	894	1.3%

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

CORPORATE PROFILE

Tractebel Energia, controlled by the SUEZ Group, is the largest private sector electricity generating company in Brazil. It is made up of a generating complex of 13 hydroelectric and thermoelectric power plants located in the states of Paraná, Santa Catarina, Rio Grande do Sul, Mato Grosso do Sul and Goiás, with an installed capacity of 5,860 MW.

% of total capital – September 30, 2006



Lages Bioenergética Ltda.: constituted in 2002, this subsidiary operates as an independent energy producer through the Lages thermoelectric power plant, located in the municipality of Lages (SC). This is a co-generating plant with a 28 MW steam turbo-generator, which produces energy from timber waste (biomass) as a fuel. The concession period for construction and operating the plant expires in October 2032.

Itá Energética S.A. - ITASA: holds the concession for operating the Itá Hydroelectric Plant together with Companhia Siderúrgica Nacional-CSN and Companhia de Cimento Itambé. The plant is located on the Uruguai River, between the municipalities of Itá (SC) and Aratiba (RS) and has an installed capacity of 1,450 MW with five sets of generators, each having an output of 290 MW. The concession period for the construction and commercial operating of the plant expires in October 2030.

Cia. Energética Meridional-CEM: holds the concession for the Cana Brava Hydroelectric Plant sited on the Tocantins River, northern region of the state of Goiás, with an installed capacity of 450 MW. The concession period for construction and commercial operating of the plant expires in August 2033.

Tractebel Energia Comercializadora Ltda.: constituted in October 2000 with its corporate objective being the commercialization of electricity in the unregulated market, including buying, selling, importing and exporting electricity as well as the intermediation of any of these operations and the practice and settling of transactions arising from these activities.

Capital Stock

On September 30 2006, the Company's capital stock was R$ 2,445.8 million, representing 652,742,192 common shares with no par value. The breakdown of corporate ownership of the Company is as follows:

Breakdown of Capital	%
SUEZ Energy South America Part. Ltda.	68.71
Banco Clássico	10.00
BNDESPAR	2.80
Federal Government	1.90
Other	16.59
	100.00

OPERATING PERFORMANCE

Generating Complex

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

Tractebel Energia's generating complex

Power plants	Hydro/ Thermal	Location	Installed Capactity (MW)	
			Total	Tractebel's portion
Salto Santiago	Hydro	Rio Iguaçu (PR)	1,420	1,420
Salto Osório	Hydro	Rio Iguaçu (PR)	1,078	1,078
Passo Fundo	Hydro	Rio Passo Fundo (RS)	226	226
Itá	Hydro	Rio Uruguai (SC and RS)	1,450	1,090
Machadinho	Hydro	Rio Uruguai (SC and RS)	1,140	383
Cana Brava	Hydro	Rio Tocantins (GO)	450	450
Total - Hydro			**5,764**	**4,647**
Jorge Lacerda Complex *	Thermal	Capivari de Baixo (SC)	857	857
Charqueadas	Thermal	Charqueadas (RS)	72	72
Alegrete	Thermal	Alegrete (RS)	66	66
William Arjona	Thermal	Campo Grande (MS)	190	190
Lages	Thermal	Lages (SC)	28	28
Total - Thermal			**1,213**	**1,213**
Total			**6,977**	**5,860**

(*) Complex comprised of 3 power plants.

Production

In the third quarter of 2006, Tractebel Energia's plants generated 4,951 GWh (2,238 average MW). Compared with 3Q05, this represents an increase of 36.5% in thermoelectric generation, amounting to 1,603 GWh (726 average MW), and a reduction of 56.0% for hydroelectric power generation at 3,338 GWh (1,512 average MW). Joint energy generation from thermal and hydroelectric sources reported an overall reduction of 43.6% compared with 3Q05 due to the severe drought affecting southern Brazil since the beginning of the year. This obliged the National Electricity System Operator (ONS) to reduce the hydro production and increase thermal production in the South. At the same time, there was an increase in energy transfers from the Southeast to the South via the interconnecting grid system.

In the full nine-month period 2006, total electric energy production amounted to 15,922 GWh (2,430 average MW), being 11,494 GWh (1,754 average MW) from the hydro plants and 4,428 GWh (676 average MW) from thermal sources. Once more due to the drought in the south of the country, overall generation volume for the semester was down by 26.2% compared with the same period in 2005. These volumes include the total output from the Itá and Machadinho plants, the only ones in the Company's overall generating complex that are not wholly owned.

In 3Q06, Tractebel Energia's 13 plants operated at 98.4% uptime, excluding scheduled maintenance stoppages. Taking all stoppages into account, global uptime was 91.2%, 92.5% in the case of hydro generation and 85.2% for the thermoelectric plants

As a result of this quarterly performance, the Company reported 98.8% uptime for the accumulated nine-month period, factoring out programmed stoppages. Considering all stoppages, global uptime was 94.4%, being 95.5% for the hydro plants and 89.5% for the thermoelectric plants.

Energy Balance

Based on data for assured energy and purchase and sales contracts in force in September 30, 2006, Tractebel Energia's energy balance shows that the Company has its current capacity almost entirely contracted up to 2008.

Energy Balance as of September 30, 2006

	(aMW)	2006	2007	2008	2009	2010	2011	2012	Auction Price (R$/MWh)	Date	Price Corrected to Sep 30, 2006 (R$/MWh)
	Own Resources	3,210	3,167	2,998	3,280	3,280	3,280	3,280			
+	Purchases for Resale	651	333	325	409	439	130	130			
=	Total Resources (A)	3,861	3,499	3,322	3,689	3,719	3,410	3,410			
	Government Auction Sales*	-	10	160	1,034	1,234	1,234	1,234			
	2004-EE-08	-	10	10	10	10	10	10	70.9	Dec-04	76.7
	2005-EE-08	-	-	150	150	150	150	150	81.6	Apr-05	85.9
	2005-EE-08	-	-	-	381	381	381	381	94.0	Oct-05	97.1
	2005-EN-30	-	-	-	-	200	200	200	115.1	Dec-05	117.9
	2006-EN-30	-	-	-	493	493	493	493	128.4	Jun-06	129.2
+	Bilateral Sales	3,810	3,488	3,116	2,330	2,132	1,186	881			
=	Total Sales (B)	3,810	3,498	3,276	3,364	3,366	2,420	2,115			
	Balance (A - B)	**51**	**1**	**46**	**325**	**353**	**990**	**1,295**			
	Sales Average Price (R$/MWh):	92.0	99.5	102.1							
	Purchases Average Price (R$/MWh):	62.0	81.5	82.0							

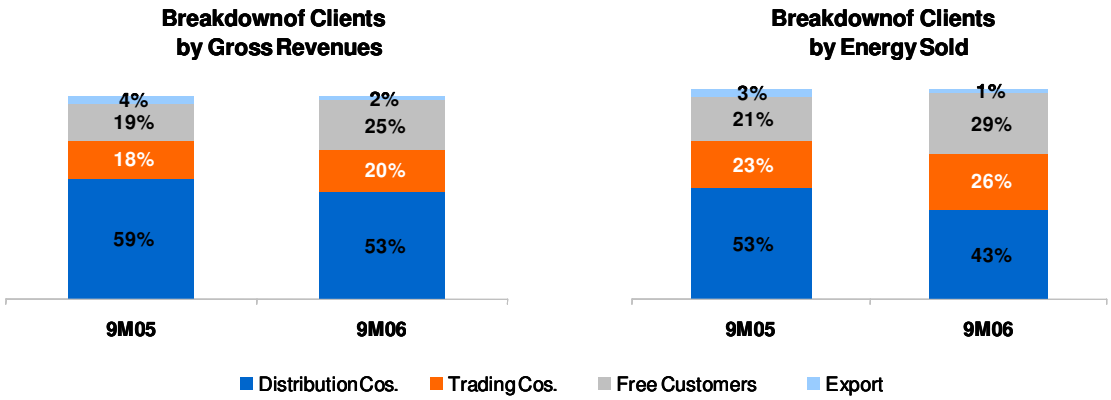
*: XXXX-YY-ZZ, where:
XXXX ⇨ year of auction
YY ⇨ EE = existing energy or NE = new energy
ZZ ⇨ supply contract duration (in years)

Customers

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

The Company actively pursues a policy of enhancing consumer loyalty by tailoring energy purchases to the production characteristics of each consumer. As part of the same policy, energy audits are also another service provided to selected customers to ensure optimized power utilization.

The market share of industrial consumers in the Company's portfolio recorded a further quarter-on-quarter increase, reaching 24.6% of the gross operating revenue and 29.2% of the physical sales up to September 30, 2006.



ECONOMIC AND FINANCIAL PERFORMANCE

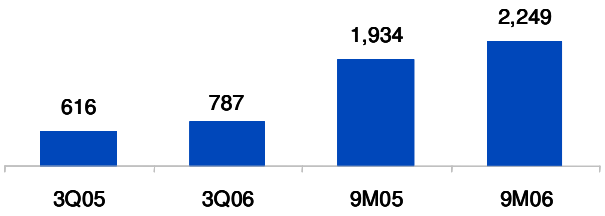
In the first quarter of 2006, following a directive from ANEEL (the National Electricity Regulatory Agency), the recovery of fuel consumption subsidy costs through the intermediary of the CCC/CDE accounts and hitherto booked as gross operating revenue, was registered in a separate fuel cost rectifying account. The amounts of R$ 75.0 million and R$ 257.8 million shown in the operating revenue for 3Q05 and 9M05, respectively, reported in the September 30 2005 quarterly earnings bulletin under operating revenue, were reclassified to allow a better comparative analysis of the periods shown.

Gross Operating Revenue

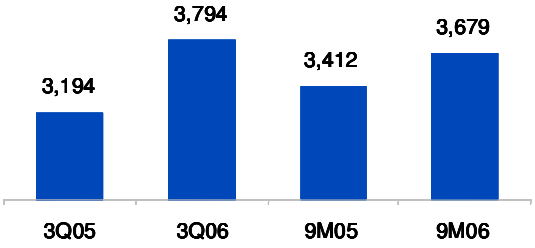
Third quarter 2006 consolidated gross operating revenue was R$ 797.1 million, a growth of 27.7% compared with the same period in 2005. Revenue from the sale of energy to the wholesale market was R$ 585.8 million and sales to final consumers (energy sales to the free unregulated market) were R$ 197.5 million, representing, respectively, a growth of 18.8% and 65.8% against 3Q05, indicative of the Company's successful efforts in the development of the free consumer portfolio.

3Q06 sales amounted to 8,377 GWh (3,794 average MW), an increase of 18.8% compared with 7,052 GWh (3,194 average MW) in 3Q05. The average price of the Company's commercialization contracts reached R$ 92.98/MWh, 8.5% more than the average contracted energy sales price for the same period last year, approximately R$ 85.69/MWh.

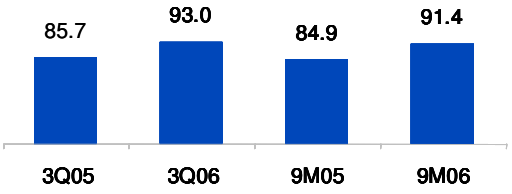
Gross Operating Revenue - R$ million



Sales Volume - aMW



Average Price - R$/MWh



Net Operating Revenue

Net operating revenue for 3Q06 amounted to R$ 694.8 million against R$ 546.7 million in 3Q05, a 27.1% increase.

Deductions from gross operating revenue grew 32.6% year-on-year, increasing from R$ 69.6 million in 3Q05 to R$ 92.2 million in 3Q06. This increase was principally due to a combination of the following factors:

- Taxes and social contributions – there was an increased payment of ICMS (state sales tax), reflecting the higher final consumer sales, on which this tax is applied. Conversely, there was a decrease in PIS (Employees' Profit Participation Scheme) and COFINS (Social Contribution on Turnover) charges because as from December 2005 such charges are any longer levied on the reimbursement of the consumption of fossil fuels acquired with resources from the Fuel Consumption Account (CCC) and the Energy Development Account (CDE), due to changes in accounting practices proposed by ANEEL for registering.

- Research and development – following changes in accounting procedures effective 2006, investments to be applied in research and development projects (1% of sales revenue) have been reported as a deduction from gross revenue.

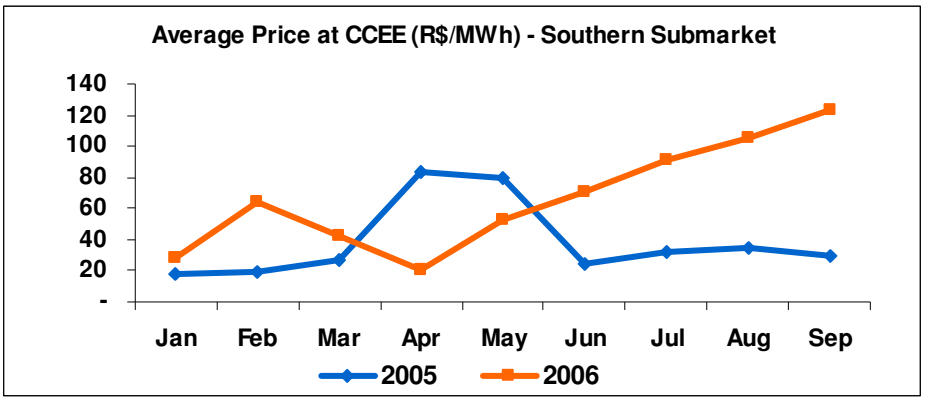
Costs and General Administrative Expenses

Total operating costs and expenses amounted to R$ 305.0 million in 3Q06, corresponding to a growth of 36.9% over the R$ 222.8 million reported in the same period in 2005. This result reflects the following principal factors:

a) Purchased energy for resale

- Third party purchases: R$ 64.4 million higher than 3Q05 due to the increase in volume of energy sales, principally by the Tractebel Energia Comercializadora subsidiary.

- Transactions channeled through the Energy Trading Board - CCEE (Câmara de Comercialização de Energia Elétrica): an increase of R$ 90.8 million compared to the same period in 2005, principally due to: (a) the need to replace energy under the contract with CIEN, which was non-operational in from June 2006; b) rise in spot prices, which resulted in higher volume of thermal substitution energy purchases; and c) the costs of the Energy Reallocation Mechanism – MRE were higher due to the Company's reduced hydro generation activity as already commented under "Production". From the R$ 90.8 million, item (c) accounts for approximately a third of the total increase.



b) Fuel costs for generating electricity: the 3Q05 balance involves an adjustment in coal consumption of R$ 7.1 million, relative to preceding periods. Excluding this adjustment, there was an inexpressive increase, mainly due to an increase in coal consumption for generation of energy for export and in biomass for generation of energy in the co-generation plant of Lages.

c) Charges for the use of the transmission and distribution network: these expenses were R$ 11.9 million higher than in 3Q05 due to increased sales under bilateral contracts, replacing initial contracts not subject to transmission charges.

d) Financial compensation for use of hydro resources: R$ 14.1 million less than in 3Q05 due to the impact on the calculation base for this contribution caused by the reduction in deliveries from the hydroelectric plants by the National Electricity System Operator – ONS, a direct outcome of the severe drought afflicting the southern region of Brazil since the beginning of the year.

e) Personnel: a year-on-year increase of R$ 6.8 million due to the recognition in the quarter of a R$ 3.3 million provision for a employee results sharing and bonus payment scheme. In 2005, this provision was recognized in its entirety in December.

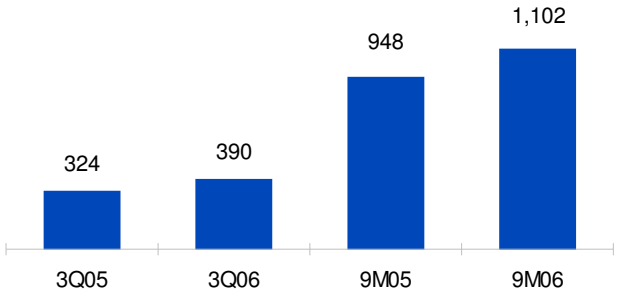
f) Rebate of tariff add-on: at the behest of ANEEL, an expense of R$ 8.9 million was recognized in 3Q06 to reflect the obligatory rebating of the tariff add-on to distribution companies under the initial contracts regime, previously charged to compensate for the differences of PIS and COFINS following changes in the fiscal legislation.

g) Favorable ruling on lawsuit: the recognition of a R$ 88.7 million gain representing a favorable ruling, against which there is no appeal, of litigation for the elimination of the calculation basis for PIS and COFINS contributions.

Operating Result (EBIT)

The third quarter operating result (EBIT) registered R$ 389.8 million, an increase of 20.3% compared with 3Q05.

EBIT (R$ million)

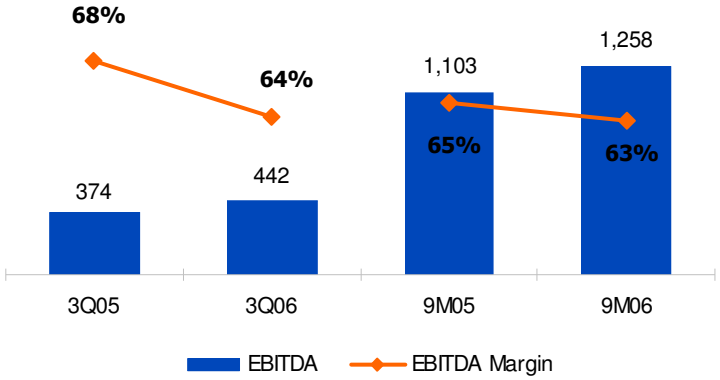


Note: EBIT considers reclassified operating accounts pursuant to a recent directive from ANEEL, as described in the beginning of Economic and Financial Performance section.

EBITDA and EBITDA Margin

Reflecting the impacts already commented, the quarterly EBITDA reported R$ 441.9 million, an increase of 18.0% compared with the same period in 2005. The EBITDA margin was 63.6% compared with 68.5% in 3Q05.

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



Note: EBITDA Margin considers reclassified operating accounts pursuant to a recent directive from ANEEL, as described in the beginning of Economic and Financial Performance section.

Financial Result

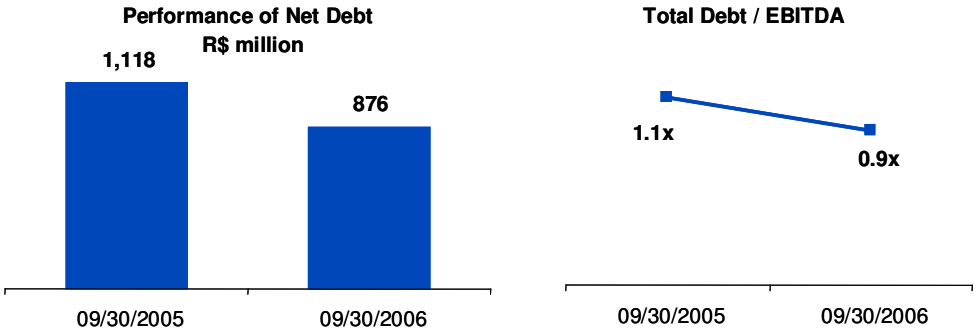
Net financial expenses were R$ 50.9 million against R$ 3.9 million for the same period in 2005, an increase of R$ 47.0 million. This change is principally due to a combination of the following aspects:

- Reduction of R$ 15.0 million in income on financial investments due to a lower cash position and well as lower interest rates prevailing in the market as compared with 3Q05.
- Interest payments on loans, financing and debentures were R$ 6.8 million less than recorded for the preceding year, reflecting the result of the reduced Long Term Interest Rate (TJLP), to which part of the Company's debt is linked, and the gradual amortization of outstanding debt during the period.
- In 3Q06 US Treasury Bonds held as collateral for the debt in favor of the Brazilian Treasury Secretariat – STN recorded a loss of R$ 7.3 million, while for the same period in 2005 this guarantee reported a gain of R$ 12.5 million.
- Monetary variation on loans, financing, debentures and ANEEL concession charges generated a financial loss of R$ 5.0 million. Conversely, in the same period in 2005, this monetary restatement generated a financial gain of R$ 3.9 million. The difference reflects variations in the General Market Price Index (IGPM) for the quarters under review.

- In the quarter under review, the foreign exchange variation loss, net of the result for currency swap operations, was R$ 6.1 million, while in the same period in 2005, there was a foreign exchange gain of R$ 7.0 million. These results are a reflection of the Real's performance in the comparative periods when set against a basket of currencies in which the Company's debt is denominated.

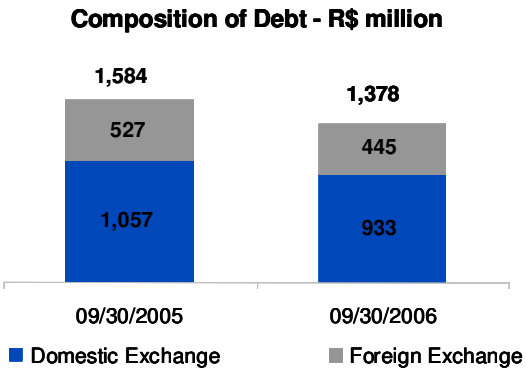
Debt

Company's net debt at the end of 3Q06 (total debt less cash and cash equivalents and swap results) was R$ 876.1 million, compared with R$ 1,117.5 million in 3Q05.



Gross consolidated debt including interest, mainly in the form of long-term loans and financing, totaled R$ 1,377.6 million on September 30 2006, a decline of 13.1% compared with the position on September 30 2005.

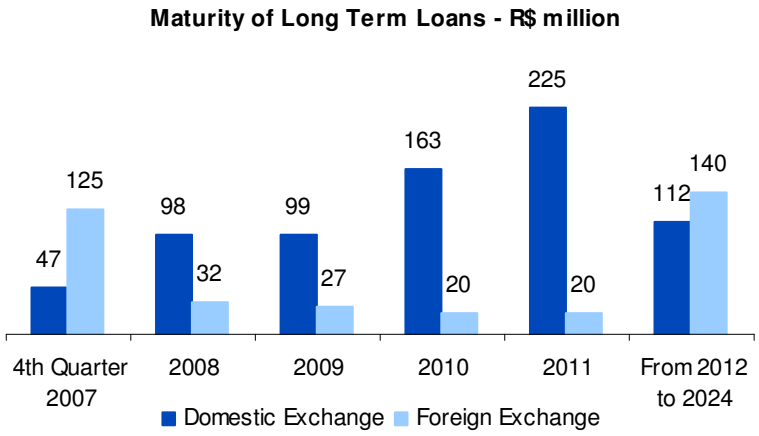
Approximately 32% of total debt as at September 30 2006 was currency denominated (33% in 3Q05), of which about 58% was hedged against foreign exchange fluctuations.



A detailed breakdown of loans, financing and debentures is shown below:

Loans, financing and debentures

	09/30/2005			09/30/2006		
R$ million	**Short Term**	**Long Term**	**Total**	**Short Term**	**Long Term**	**Total**
Domestic Currency						
Eletrobrás	72	193	265	87	115	202
Financial Institutions	61	351	412	63	297	360
Debentures	35	345	380	39	332	371
Total	**168**	**889**	**1,057**	**189**	**744**	**933**
% of Domestic currency	61%	68%	67%	70%	67%	68%
Foreign Currency						
National Treasury Office	89	288	377	62	240	302
Financial Institutions	19	131	150	19	124	143
Total	**108**	**419**	**527**	**81**	**364**	**445**
% of Foreign currency	39%	32%	33%	30%	33%	32%
Total	**276**	**1,308**	**1,584**	**270**	**1,108**	**1,378**

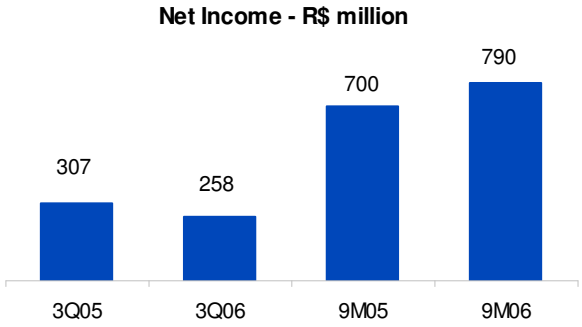


Net Income

The Company reported a net income of R$ 257.8 million in 3Q06 against R$ 307.4 million in the same quarter of 2005. This reduction is basically due to the increase in costs on transactions through the Energy Trading Board – CCEE and to the financial result as mentioned above.

Net income for the quarters under review was impacted by the following non-recurring transactions: (a) a gain arising from legal action ruled in favor of the Company was recognized in 3Q06 for a value of R$ 58.5 million, net of taxes; in addition there was a reduction in income tax and social contribution of R$ 38.8 million – a reflection of the credit of interest on shareholders' equity; and (b) capital and fiscal gains of R$ 96.7 million were recognized in the 3Q05 results arising from the divestiture of the Jacuí Project.

Accumulated net income for 2006 reached R$ 790.3 million, representing an increase of 12.9% against the same period in 2005.



Capital Expenditures

During the quarter under review, capital expenditures were restricted to maintenance projects amounting to R$ 20.2 million. For 9M06, this figure totaled R$ 42.0 million.

The investments made during 2006 were instrumental in Tractebel Energia recording excellent efficiency and performance indicators. As mentioned above, uptime for the accumulated 9M06 period was 98.82%, excluding programmed stoppages.

Dividend and Interest on Shareholder's Equity Payments

On October 25 2006, the Company began paying out dividends and interest on shareholders' equity relative to the first semester 2006 and approved by the Board of Directors at its meeting held on August 11 2006. Tractebel Energia is to pay out a total of R$ 0.671015 per share, being R$ 0.174648 per share in the form of interest on shareholders' equity and R$ 0.496367 per share with respect to interim dividends.

SUBSEQUENT EVENT

Energy Auction

At the new energy auction on October 10 2006, SUEZ Energy South America, Tractebel Energia's controlling shareholder, sold 148 average MW of energy from the São Salvador hydroelectric power project at a price of R$ 135.01/MWh, start of delivery scheduled for 2011.

The plant has an installed capacity of 241 MW and is located on the Tocantins River, between the states of Tocantins and Goiás, being its concession acquired by SUEZ Energy South America in 2001.

STOCK MARKETS

Tractebel Energia listing on Bovespa's *Novo Mercado*

Tractebel Energia has been listed on the São Paulo Stock Exchange (Bovespa) since May 1998 and on November 16 2005 adhered to Bovespa's *Novo Mercado* Regulations. The latter initiative is part of a sequence of measures taken during the year to further improve the Company's relationship with the capital markets.

During that year, Tractebel Energia became a component of the **IGC** - Special Corporate Governance Stock Index, the **ITAG** - Special Tag Along Stock Index, which incorporates those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake, as well as the **ISE -** Corporate Sustainability Index comprising companies with a recognized commitment to social and corporate responsibility.

Tractebel Energia's shares are traded on the São Paulo Stock Exchange under the TBLE3 symbol. The Company's Level I American Depositary Receipts (ADRs) are also traded on the US OTC over-the-counter market under the TBLEY symbol at a ratio of 1 ADR to every 5 ordinary shares.

Corporate Governance

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

Tractebel Energia has granted tag along rights to all shareholders. Its Bylaws have been adapted to conform to the new rules and procedures of the *Novo Mercado* Listing Regulations. The Board of Directors now has nine members, of whom one represents the interests of the employees, with a further two being independent directors.

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

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

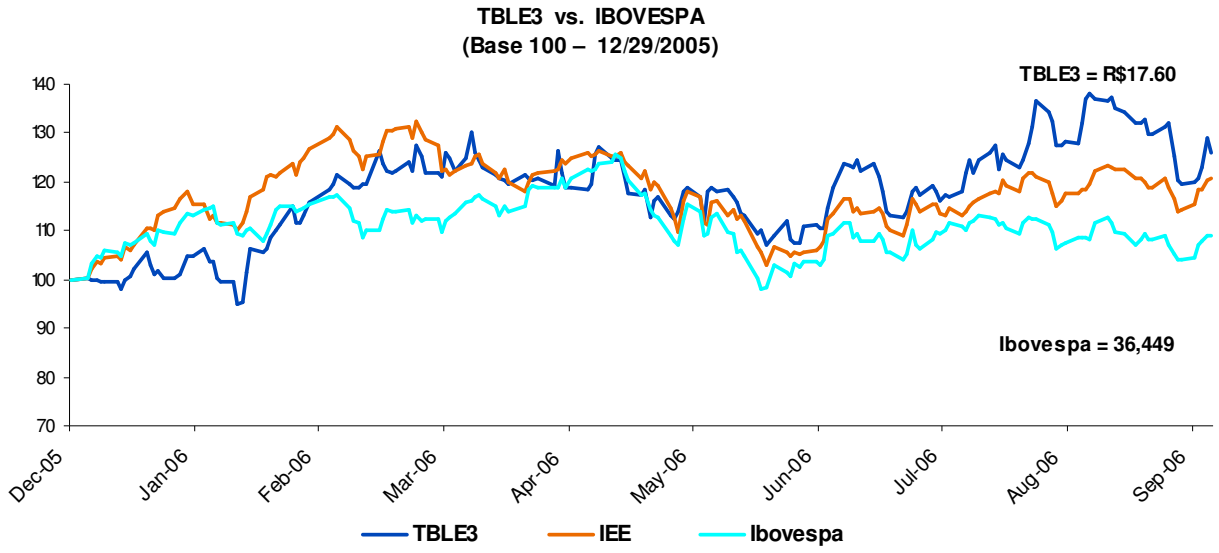
Share Performance – TBLE3

Tractebel Energia's (TBLE3) common shares reported an appreciation of 5.9% during 3Q06, while the Ibovespa, a stock index reflecting the performance 57 shares with the greatest market liquidity, fell 0.5% and the IEE – the Electric Power Index, which sweeps up the performance of shares in the Brazilian electricity sector as a whole, also rose by 6.2%.

In the nine-month period, share performance was positive, reporting a gain of 25.9%, better than the 9.0% for the Ibovespa and the 20.5% for the IEE.

During 9M06, the Company's shares traded every day the stock exchange was open for business. The average daily trading volume was R$ 7.2 million, volumes increasing particularly strongly from November 2005 following the conclusion of measures to formalize adhesion to a listing on Bovespa's *Novo Mercado*. Trading turnover was also boosted by a secondary share offering, which ramped up the free-float to 31.3%.

On September 30 2006, the shares were priced at R$ 17.60/share, translating into a market capitalization of R$ 11.5 billion.



UPCOMING EVENTS

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

Conference Call with Webcast (in Portuguese)

Date: October 31, 2006
Time: 10:00 a.m. (Brasília time)
Telephones for connection:
Participants in Brazil: 11 4688.6301
Password for participants: Tractebel

Conference Call with Webcast (in English)

Date: October 31, 2006
Time: 10:00 a.m. (ET) / 12:00 noon (Brasília time)
Telephones for connection:
Participants in Brazil: 55 11 4688.6301
Participants in USA: (1 800) 860.2442
Participants in other countries: (1 412) 858.4600
Password for participants: Tractebel

The links for access will be available on the Company's website (www.tractebelenergia.com.br), in the Investors section. Replay available from October 31 to November 09 2006. Access by calling 55 11 4688.6225, code 627.

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 effect 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	In Thousand Reais	
ASSETS	**9/30/2006**	**6/30/2006**
Current Assets	**1,114,478**	**772,913**
Cash and Cash Equivalents	41,138	17,127
Securities	456,526	269,801
Consumers, concessionaires and holder of permissions	337,919	313,727
Warehouse	32,937	21,046
Advances to suppliers	4,844	1,756
Pledges and restricted deposits	59,006	49,804
Disposal, services in progress and expenditure to reimburse	7,321	7,759
Taxes and social contributon recoverable	101,021	44,787
Deferred assets	18,704	19,375
Miscellaneous receivables	19,324	15,630
Others	35,738	12,101
LongTerm Assets	**469,016**	**438,767**
Concessionaires and holders of permission	4,201	6,208
Disposal of assets and rights	65,854	63,470
Deferred assets	192,914	189,514
Pledges and restricted deposits	28,960	27,879
Deposits in court	144,986	119,937
Others	32,101	31,759
Permanent Assets	**4,340,648**	**4,374,569**
Investments	38,558	40,245
Property plant and equipment	4,265,018	4,294,947
Deferred	37,072	39,377
TOTAL ASSETS	**5,924,142**	**5,586,249**

Consolidated Balance Sheet	In Thousand Reais	
LIABILITIES	**9/30/2006**	**6/30/2006**
Current Liabilities	**1,137,303**	**611,411**
Suppliers	211,481	145,965
Dividends and interest on shareholder´s equity	424,950	3,192
Loans and financing	231,537	212,687
Debentures	38,551	27,339
Taxes and social contribution in installments	64,688	31,204
Provision for contingencies	12,936	14,166
Estimated obligations	28,658	60,080
Post-employment benefits	28,222	31,786
Derivatives	30,924	37,358
Others	65,356	47,634
Long-Term Lialities	**1,718,903**	**1,726,656**
Loans and financing	775,195	805,470
Debentures	332,289	332,005
Provision for contingencies	94,472	91,043
Concessions payable	194,044	187,332
Post-employment benefits	278,451	267,815
Others	44,452	42,991
Shareholders´ Equity	**3,067,936**	**3,248,182**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Surplus reserves	148,500	148,500
Accumulated income	381,975	562,221
TOTAL LIABILITIES	**5,924,142**	**5,586,249**

ATTACHMENT II

In Thousand Reais	3Q06	3Q05	Chg. %	9M06	9M05	Chg. %
Gross operating revenue	**787,068**	**616,296**	**27.7**	**2,249,440**	**1,934,248**	**16.3**
Supply of electric energy	585,829	492,952	18.8	1,695,939	1,578,150	7.5
Provision of electric energy	197,460	119,117	65.8	540,691	343,646	57.3
Other revenues	3,779	4,227	-10.6	12,810	12,452	2.9
Deductions from operating revenue	**(92,231)**	**(69,555)**	**32.6**	**(258,814)**	**(231,948)**	**11.6**
Net revenue from sales and services	**694,837**	**546,741**	**27.1**	**1,990,626**	**1,702,300**	**16.9**
Costs and operating expenses	**(304,992)**	**(222,807)**	**36.9**	**(888,530)**	**(754,701)**	**17.7**
Electric energy purchased for resale	(174,001)	(18,763)	827.4	(348,931)	(128,774)	171.0
Fuel to produce energy	(22,400)	(28,157)	-20.4	(87,109)	(83,422)	4.4
Charges on the use of electric system	(52,190)	(40,310)	29.5	(150,981)	(121,832)	23.9
Financial compensation for use of water resources	(9,092)	(23,234)	-60.9	(32,190)	(48,805)	-34.0
Personnel	(32,779)	(26,000)	26.1	(95,734)	(86,625)	10.5
Third-party services	(20,154)	(17,511)	15.1	(53,115)	(51,079)	4.0
Material	(5,356)	(5,280)	1.4	(12,604)	(15,064)	-16.3
Depreciation and amortization	(52,044)	(50,400)	3.3	(156,069)	(155,897)	0.1
Rebate on tariff add on	(8,929)	-	-	(8,929)	-	-
Favorable ruling on lawsuit	88,687	-	-	88,687	-	-
Other	(16,734)	(13,152)	27.2	(31,555)	(63,203)	-50.1
Service income	**389,845**	**323,934**	**20.3**	**1,102,096**	**947,599**	**16.3**
Amortization of goodwill	(1,687)	(1,687)	-	(5,060)	(5,060)	-
Equity income on prior year adjustment	-	-	-	300	-	-
Net financial income (expenses)	**(50,880)**	**(3,862)**	**1,217.5**	**(115,830)**	**(89,620)**	**29.2**
Financial income	**26,042**	**34,574**	**-24.7**	**86,410**	**82,898**	**4.2**
Financial expenses	**(76,922)**	**(38,436)**	**100.1**	**(202,240)**	**(172,518)**	**17.2**
Operating income	**337,278**	**318,385**	**5.9**	**981,506**	**852,919**	**15.1**
Non-operating income (loss)	135	3,625	-96.3	17,269	3,515	391.3
Income before taxes	**337,413**	**322,010**	**4.8**	**998,775**	**856,434**	**16.6**
Social contribution	(21,296)	(28,900)	-26.3	(80,690)	(66,774)	20.8
Income tax	(58,364)	14,261	-	(127,764)	(89,608)	42.6
Net income for the period	**257,753**	**307,371**	**-16.1**	**790,321**	**700,052**	**12.9**
EBITDA	441,889	374,334	18.0	1,258,165	1,103,496	14.0
Net income per share	0.39	0.47	-17.0	1.21	1.07	13.1
EBITDA per share	0.68	0.57	19.3	1.93	1.69	14.2

ATTACHMENT III

TRACTEBEL ENERGIA S.A.

Statement of Cash Flow - Consolidated

In thousands R$	3Q06	3Q05	9M06	9M05
Operating activities				
Net income for the year	257,753	307,371	790,321	700,052
Expenses (Revenues) that do not affect cash:	-	-	-	-
Depreciation and Amortization	52,055	50,407	156,099	155,923
Amortization of goodwill	1,687	1,687	5,060	5,060
Net monetary variations	9,400	(14,470)	4,613	(26,316)
Net interest	10,171	10,302	35,222	40,556
Charges over debt collateral - STN - DMPL	7,250	(12,454)	7,250	(12,454)
Operating provision (reversion), net	5,590	(1,439)	(3,289)	(2,588)
Deferred income tax and social contribution	(2,727)	32,449	47,694	36,494
Income from the disposal of fixed assets	489	(3,625)	(16,645)	(3,515)
Others	-	12,436	8,561	21,761
	341,668	**382,664**	**1,034,886**	**914,973**
Decrease (increase) in assets	**-**	**-**	**-**	**-**
Consumers and concessionaires	(17,199)	15,134	(22,624)	(12,733)
Advances to suppliers	1,740	6,652	1,044	3,929
Credits from the fuel consumption account – CCC/CDE	(26,000)	-	(26,000)	-
Disposals, services in progress and expeditures to reimburse	533	1,008	3,068	3,160
Taxes and social contributions recoverable	(56,223)	(19,879)	(82,917)	28,689
Collateral and linked / judicial deposits	(31,411)	(11,871)	(74,392)	6,345
Warehouse	(11,935)	(406)	(9,425)	(3,056)
Sandry debtors	(1,480)	3,523	5,532	6,165
Pre-paid expenses	(2,873)	(9,072)	5,878	(8,931)
Others	(641)	7,512	(576)	3,425
	(145,489)	**(7,399)**	**(200,412)**	**26,993**
Increase (decrease) in liabilities	**-**	**-**	**-**	**-**
Suppliers	29,361	(18,043)	84,329	(6,009)
Loans, financing and debentures	19,139	19,570	19,023	30,654
Taxes and social contributions	31,770	(31,149)	22,025	(7,406)
Estimated obligations	705	2,713	(6,339)	5,114
Post-Employment benefits	(7,194)	(8,965)	(23,349)	(26,390)
Rebate of tariff add-on	14,588	-	14,588	-
Others	3,528	5,719	14,819	1,405
	91,897	**(30,155)**	**125,096**	**(2,632)**
Net funds from operating activities	**288,076**	**345,110**	**959,570**	**939,334**
Investments activities	**(20,321)**	**(11,298)**	**(43,650)**	**(30,028)**
Used in fixed assets and deferred items	(20,321)	(11,298)	(43,650)	(30,028)
Financing activities	**(57,019)**	**(136,058)**	**(727,393)**	**(1,033,993)**
Payment of loans, financing and debentures	(30,699)	(34,632)	(157,330)	(470,445)
DDebentures	-	-	-	200,000
Payment of *swap* adjusts	(10,078)	(6,396)	(56,122)	(66,923)
Payment of dividends and interest on Shareholders' equity	(16,242)	(95,030)	(513,941)	(696,625)
Redemption of collateral and linked deposits	-	-	-	-
Total effects on cash	**210,736**	**197,754**	**188,527**	**(124,687)**
Cash and cash equivalents	-	-	-	-
Opening balance	286,928	333,236	309,137	655,683
Closing balance	497,664	530,990	497,664	530,996
	210,736	**197,754**	**188,527**	**(124,687)**
Payments made in the year	**35,690**	**49,782**	**214,691**	**226,970**
Transactions that do not affect cash	**438,289**	**-**	**468,915**	**23,117**