Tractebel Energia announces interest on shareholders' equity of R$ 254.0 million for fiscal year 2011, on top of the R$ 658.0 million interim dividends paid on October 6th

Florianópolis, Brazil, November 4, 2011 – 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 third quarter and nine month period ending September 30, 2011 (3Q11 and 9M11). 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

3Q11

● Tractebel reported a third quarter 2011 net income of R$ 332.3 million (R$ 0.5091 earnings per share), 3.2% higher than recorded in 3Q10.

● EBITDA (earnings before interest, taxes, depreciation and amortization) for the period showed a year-on-year increase of 5.3% reaching R$ 725.3 million, equivalent to an EBITDA margin of 63.0%.

● Consolidated net operating revenue in 3Q11 amounted to R$ 1,150.7 million, an increase of 6.2% in relation to the same period in 2010.

● The average price of contracted energy sales, net of exports and deductions on gross operating revenue, reached R$ 125.07/MWh in the third quarter of 2011, 6.1% up on the R$ 117.90/MWh sale price in the same period in 2010. This increase reflects the readjustment in the prices of existing contracts and the higher prices practiced in the new contracts for free customers and distribution companies.

● At a meeting held on November 4, 2011, the Board of Directors approved the payout of interest on shareholders' equity for the period from January 1 to December 31, 2011 in the amount of R$ 254.0 million (R$ 0.3891122760 per share).

● In 3Q11, the Brazilian Electric Energy Agency (Aneel) authorized the commercial startup of the 2nd and 3rd generating units at the Estreito Hydroelectric Power Plant, adding a further 102.5 average MW to the Company's generating complex. Thus, the plant reached 60.1% of its commercial capacity.

● On August 26, Fitch Ratings reaffirmed the international rating 'BBB-' (investment grade) and the Brazilian National Scale 'AA+' to Tractebel. On September 2, Standard & Poor's upgraded the corporate credit rating outlook assigned to Tractebel on the Brazilian National Scale from stable to positive. Additionally, the agency reiterated the Company's ratings, including its long-and short-term credit ratings at 'brAA+/brA-1'.

● On September 22, Tractebel was elected as the highlight of the 15th Transparency Trophy awarded by Anefac – Fipecafi – Serasa Experian for the quality of its account statements for 2010 in the "Company with sales up to R$ 8 billion" category. This was the third such Trophy award to the Company and its second consecutive.

For immediate release

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

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Conference call and webcast
On 11/08/2011 at 08:00 a.m. (EDT) in Portuguese – simultaneous translation into English.

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

Visit our website
www.tractebelenergia.com.br

Summary of Economic and Operational Indicators

Tractebel - Consolidated						
(in millions of R$)	3Q11	3Q10	Chg.	9M11	9M10	Chg.
Gross Operating Revenue	1,282.7	1,212.9	5.8%	3,616.9	3,344.5	8.1%
Net Operating Revenue (NOR)	1,150.7	1,083.0	6.2%	3,230.7	2,992.8	7.9%
Result from Service (EBIT) (1)	596.3	577.1	3.3%	1,775.0	1,577.8	12.5%
EBITDA (1) (2)	725.3	688.5	5.3%	2,143.3	1,915.3	11.9%
EBITDA / NOR - (%) (1)	63.0	63.6	-0.6 p.p.	66.3	64.0	2.3 p.p.
Net Income (1)	332.3	322.1	3.2%	998.0	838.3	19.1%
Net Debt	2,635.5	3,101.4	-15.0%	2,635.5	3,101.4	-15.0%
Energy Sold (avg MW)	3,962	3,722	6.4%	3,906	3,841	1.7%
Average Net Sales Price (R$/MWh) (3)	125.07	117.90	6.1%	122.14	112.71	8.4%
Number of Employees	1,086	1,025	6.0%	1,086	1,025	6.0%

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

OPERATING PERFORMANCE

Generating Complex

The largest private sector electricity generator in Brazil, Tractebel Energia 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. Three generating units of Estreito have already begun operations and the total ramp-up of the plant is scheduled for 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 expected for 2012.

(**) Complex comprised of 3 pow er 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 Camargo Corrêa Energia, with 4.44%.

The energy corresponding to the Company's stake in the project (256 average MW) was sold at the new energy auction on October 16, 2007 at R$ 157.19/MWh, the price referenced to September 30, 2011, 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	Tractebel's Share of the Assured Energy	Operating Date
Generating Unit 1	52.01	52.01	04/29/11
Generating Unit 2	51.69	103.71	07/02/11
Generating Unit 3	50.80	154.51	09/30/11
Generating Unit 4	38.38	192.88	-
Generating Unit 5	25.99	218.87	-
Generating Unit 6	18.50	237.37	-
Generating Unit 7	12.51	249.88	-
Generating Unit 8	7.00	256.88	-

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 Guajirú 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. On September 28, 2011, the deviation of the Madeira River was concluded, representing the completion of an important milestone for the project and the phased commissioning of units is expected to start in the second half of 2012. 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. On 2Q11, Tractebel announced the notice to proceed to start the construction of five wind farms 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. The first stage of the work involves the executive project and equipment manufacture. Siemens is responsible for the supply and assembly of the 63 towers and wind turbines - model SWT 2.3-101 units, each with a capacity of 2.3 MW.

Uptime Operating

In 3Q11, the plants operated by Tractebel achieved a 98.0% uptime ratio, excluding scheduled stoppages: 98.0% for hydroelectric generation, 98.8% for thermoelectric generation and 92.4% for plants classified as complementary – SHPs, biomass and wind. If we also factor in scheduled stoppages, then total generator complex uptime in the quarter was 91.1%.

Production

In 3Q11, electric energy output from the plants operated by Tractebel was 12,590 GWh (5,702 average MW), a year-on-year improvement of 9.2% and largely a reflection of favorable rainfall conditions, more particularly in Southern Brazil.

As has been the case in the last two years, the Company set a monthly generation record in August, measured in GWh. The previous record was set in August 2010 with power output of 4,070 GWh (5,470 average MW). In the quarter under review, the record was beaten twice: firstly in July with 4,119 GWh (5,537 average MW) and again in August with 4,261 GWh (5,727 average MW). In terms of average MW, a further record was established: generation in September reached 5,847 average MW. However, since this was a month with only 30 days instead of 31, generation measured in GWh was lower than that of the preceding month. These successive records were driven by the increase in the Company's installed capacity following the startup of commercial operations at Estreito HPP, the latter's second and third generator units beginning commercial operations on July 2 and September 30, 2011, respectively.

Of the total generated in 3Q11, the Company's hydro plants were responsible for 11,392 GWh (5,160 average MW), the thermoelectric plants for 1,053 GWh (477 average MW) and the complementary plants for 145 GWh (65 average MW). These numbers represent a year-on-year increase of 16.7% in relation to the hydroelectric plants, a reduction of 66.8% in relation to the thermoelectric plants and an increase of 2.8% in the case of the complementary plants.

The natural decision to maximize hydro generation resulted in a reduced need for thermal dispatch to the domestic market, the explanation for the drastic reduction in generation from the thermoelectric plants relative to the same quarter in the preceding year. Nevertheless, worthy of note is the performance for the second consecutive quarter of Unit C of the Jorge Lacerda Thermoelectric Complex (UTLC) which registered 100% uptime. In 3Q11, UTLC's overall capacity factor was approximately 90%, while technical efficiency was 100%, that is, operating at the maximum demanded level.

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 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.

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.

Compared with 3Q10, the participation of free customers as a percentage of total physical sales of the Company in 3Q11 grew 2.1 p.p. reaching 28.7%. The contribution of these customers to total gross operating revenue relative to contracted sales reported an increase of 3.0 p.p. from 23.9% in 3Q10 to 26.9% in 3Q11.



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 September 30, 2011, Tractebel reported the following energy balance.

Energy Balance

	(avg MW)	2011	2012	2013	2014	2015	2016	Auction Gross Price (R$/MWh)	Reference Date	Gross price adjusted as of 09/30/2011 (R$/MWh)
	Own Resources	3,430	3,581	3,681	3,681	3,681	3,681			
+	Purchases for Resale	434	574	389	308	215	205			
=	Total Resources (A)	3,864	4,155	4,070	3,989	3,896	3,886			
	Regulated Sales*	1,439	1,695	1,695	1,695	1,685	1,535			
	2004-EE-2007-08	10	10	10	10	-	-	70.9	dez-04	96.7
	2005-EE-2008-08	150	150	150	150	150	-	81.6	abr-05	108.4
	2005-EE-2009-08	381	381	381	381	381	381	94.0	out-05	123.2
	2005-NE-2010-30	200	200	200	200	200	200	115.1	dez-05	148.8
	2006-NE-2009-30	493	493	493	493	493	493	128.4	jun-06	163.7
	2006-NE-2011-30	148	148	148	148	148	148	135.0	nov-06	170.6
	2007-NE-2012-30	-	256	256	256	256	256	126.6	jun-07	157.2
	Proinfa	44	44	44	44	44	44	147.8	jun-04	220.9
	1st Reserve Energy Auction	13	13	13	13	13	13	158.1	ago-08	179.9
+	Bilateral Sales	2,375	2,345	2,306	2,003	1,667	1,243			
=	Total Sales (B)	3,814	4,040	4,001	3,698	3,352	2,778			
	Balance (A - B)	**50**	**115**	**69**	**291**	**544**	**1,108**			
	Sales average **net** price (R$/MWh)*1:	125.2	127.7	128.8						
	Purchases average **net** price (R$/MWh)*2:	120.7	117.8	119.9						

* 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 09/30/11, i.e. future inflation is not considered.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 09/30/11, i.e. future inflation is not considered.

Note: The balance refers to the settlement point. It considers the energy generated by the Estreito, from 2Q11.
The average prices are considered simply estimates and are based on financial planning revisions, not considering contrated quantity, which are updated quarterly.

ADOPTION OF THE NEW ACCOUNTING PROCEDURES AND ECONOMIC AND FINANCIAL PERFORMANCE

Adoption of the new accounting procedures

During the course of 2010, the Company adopted the option permitted by the Brazilian Securities and Exchange Commission - CVM of presenting the quarterly information in accordance with the accounting practices prevailing up to December 31, 2009. The companies which adopted this course of action are obliged to republish this information, adjusted to the new standards issued by the Accounting Pronouncement Committee (CPC) and approved by the CVM, and consistent with the International Financial Reporting Standards (IFRS). The information regarding the 3Q10 included in this document already contemplates the adjustments arising from the adoption of these accounting practices.

Economic and Financial Performance

Net Operating Revenue

Net operating revenue in 3Q11 was R$ 1,150.7 million against the R$ 1,083.0 million recorded in the same period of 2010 and therefore an increase of 6.2%. This increase principally reflects higher average price and sales volume as will be commented further on – partially offset by the reduction of R$ 75.0 million in revenue from transactions conducted through the Energy Trading Board (CCEE).

- **Net average selling price**

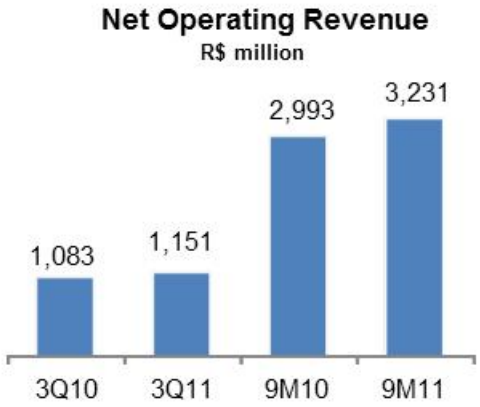
The average net price of contracted energy sales, net of exports and deductions on gross operating revenue was R$ 125.07/MWh in 3Q11, 6.1% higher than in 3Q10 when this figure was R$ 117.90/MWh. This variation reflects the increase in the prices of existing contracts with distribution companies and free customers as well as the reduction in prices practiced by energy trading companies.

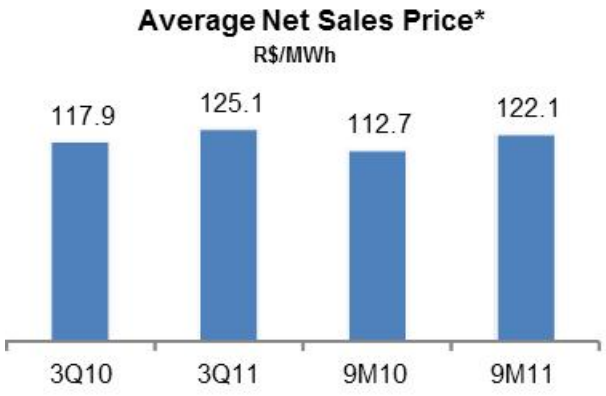
- **Sales Volume**

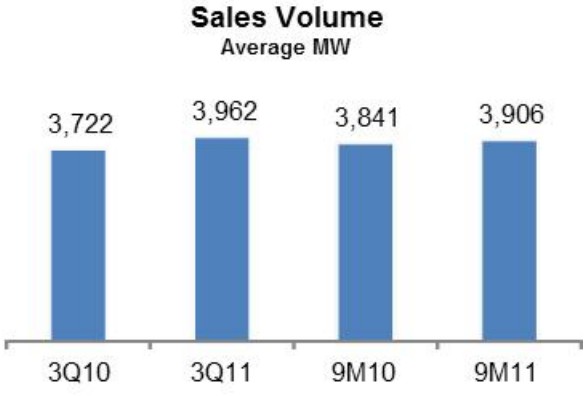
Sales volume in 3Q11 was 8,748 GWh (3,962 average MW), 6.4% higher than the 8,218 GWh (3,722 average MW) sold in the same quarter in 2010. Discounting energy exports, which between comparative periods jumped from 102 GWh (46 average MW) in 3Q10 to 514 GWh (233 average MW) in 3Q11, sales rose 1.5%, or 118 GWh (53 average MW).

This increase is due to a combination of the following key factors: (i) an increase of 326 GWh (148 average MW) in sales volume to free customers; (ii) a reduction of 123 GWh (55 average MW) in the wholesale supply of energy to the distribution companies due in large part to the termination of sales contracts signed prior to the auctions conducted through the Regulated Contracting Market (ACR) environment; and (iii) a decrease of 85 GWh (39 average MW) in energy sold in the short term to the trading companies due to maturing contracts and the reduced attractiveness of this type of operation as a result of the significantly lower prices practiced in 3Q11 when compared to 3Q10.

This change in volume sales is partially explained by the startup in operations of Generating Units #1 to #3 of Estreito HPP, responsible for boosting the Company's commercial capacity by 225 GWh (103 average MW), by the reduction of 344 GWh (156 average MW) of electricity purchased for resale and the greater allocation of energy for commercialization in 3Q11 vis-à-vis to 3Q10.







* Net of taxes over sales and exports

Gross Operating Revenue

In 3Q11, gross operating revenue amounted to R$ 1,282.7 million, 5.8% higher than the R$ 1,212.9 million reported for 3Q10. The explanations for the variations in gross operating revenue are as follows:

a) Wholesale market for electric energy

Revenue from the wholesale supply of energy, namely energy sales to distributors and trading companies, reached R$ 818.4 million in 3Q11 against the R$ 813.5 million reported for the same quarter in 2010, representing an increase of 0.6%. This change reflects the following factors: (i) increase of R$ 49.3 million due to a 7.7% readjustment in the average selling price to distributors; (ii) reduction of R$ 18.0 million in sales to the distributors due in large part to the termination of contracts signed prior to the auctions conducted in the ACR of approximately 450 GWh (203 average MW), partially offset by the beginning of wholesale supplies in 2011 in the ACR of 327 GWh (148 average MW) dispatched from São Salvador HPP; (iii) decrease of R$ 16.5 million as a result of the fall of 10.7% in the average price practiced in transactions conducted with energy trading companies, principally short term operations; and (iv) decline of R$ 9.9 million (86 GWh or 39 average MW) in commercialization revenue with the expiring of certain sales contracts and due to lower selling prices in the spot market.

b) Retail market for electric energy

Revenue from retail market sales (sales to free customers) reported a year-on-year increase of 27.8% from R$ 263.2 million in 3Q10 to R$ 336.3 million in 3Q11. This trend reflected the following increases: (i) R$ 31.5 million due to the increase of 11.1% in the average energy selling price; and (ii) R$ 41.6 million due to the additional 326 GWh (148 average MW) in the amount of energy sold as a result of new sales contracts and growth in consumption of existing industrial customers, thus absorbing the energy freed up from the distributors as already discussed under (ii) of the item “Wholesale market for electric energy”, above.

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

In 3Q11, revenue recorded under this item reported a decline of R$ 84.0 million - from R$ 108.4 million in 3Q10 to R$ 24.4 million in the quarter under review. More detailed explanations on these operations and related variation can be found ahead under the item “Details of CCEE operations”.

d) Electric energy exports

Energy exports to Argentina and Uruguay amounted to R$ 95.6 million in 3Q11, an increase of R$ 72.9 million over the total exported of R$ 22.7 million in 3Q10. It is worth pointing out that export volumes from each plant in the Brazilian Electricity System are decided by the National Electrical System Operator (ONS) based on plant uptime and taking into account the lowest declared costs of the plants themselves.

Deductions from Operating Revenue

The deductions from gross operating revenue increased 1.7% between the two comparable quarters from R$ 129.8 million in 3Q10 to R$ 132.0 million in 3Q11, representing 10.9% and 11.1% respectively, of gross operating revenue excluding exports, which are not computed in the calculation base for the purpose of these deductions.

In relative terms, the trend of the deductions reflects largely the following variations: (i) increase in PIS and Cofins due to the maturity of sales contracts, revenue from which was taxed on a cumulative basis (a rate of 3.65%), but due to the recontracting of this energy, charges are now being collected on a non-cumulative basis (rate of 9.25%, but enjoying a tax credit on certain purchases); (ii) a greater proportional participation of free customers in overall sales, on which, as a general rule, ICMS is collected and; (iii) a reduction in ICMS by virtue of the benefit enjoyed by a particular client with the right to defer the collection of this tax.

Costs of Electric Energy and Services

The costs of energy sales and services increased by 10.5% or R$ 50.2 million from R$ 478.1 million in 3Q10 to R$ 528.4 million in the quarter under review. The variation basically reflects the trend in the following components:

a) **Electric power purchased for resale:** reduction of R$ 35.1 million in 3Q11 or 344 GWh (156 average MW) due principally to maturing power purchase agreements for energy supplied in the comparable periods. The average purchase price remained practically stable between periods.

b) **Transactions channeled through the CCEE:** there was no significant variation between the costs in the comparable quarters, totaling approximately R$ 1 million. Greater details are given ahead under a specific item.

c) **Fuel Expenses:** a growth of R$ 39.8 million in 3Q11 due to the combination of the following: (i) increase of R$ 49.7 million in costs related to the consumption of coal used in the generation of energy for export; and (ii) reduction of R$ 9.5 million in the use of natural gas given that the William Arjona Thermoelectric Power Plant was not called upon to dispatch energy in 3Q11, as was the case in the same quarter of 2010, due to the system's energy requirements.

d) **Charges for the use of and connection to the electricity grid:** increase of R$ 9.3 million in 3Q11 due to the increase in the Tariff for the Use of the Transmission System (TUST) in the light of the tariff revision process for the transmission companies and the beginning of TUST collection from Estreito HPP following the startup of commercial operations.

e) **Financial compensation for the use of water resources (royalties):** growth of R$ 7.5 million in 3Q11, resulting from increased year-on-year hydro generation and the initial charging of royalties to Estreito HPP.

f) **Personnel:** an increase of R$ 2.4 million in 3Q11 justified largely by the annual collective bargaining agreement on compensation for employees and the increase in payroll to meet growth in the Company's business.

g) **Third party services and material:** an increase of R$ 5.6 million in 3Q11 due to greater demand for materials and maintenance and conservation services at the Company's generation units as well as an increase in consultancy services, especially those relating to environmental and engineering questions at the units already mentioned.

h) **Depreciation and amortization:** this item posted an increase of R$ 16.8 million in 3Q11 due principally to the depreciation resulting from the startup of commercial operations at Estreito HPP as well as the conclusion of repowering work on certain plants.

Energy Trading Board – Details of CCEE Operations

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

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

In 3Q11, the Company recorded a net positive result (difference between income and expenses) arising out of transactions conducted within the scope of the CCEE of R$ 23.6 million against a net positive result of R$ 107.5 million posted in 3Q10, and therefore a reduction in result of R$ 83.9 million between comparable periods.

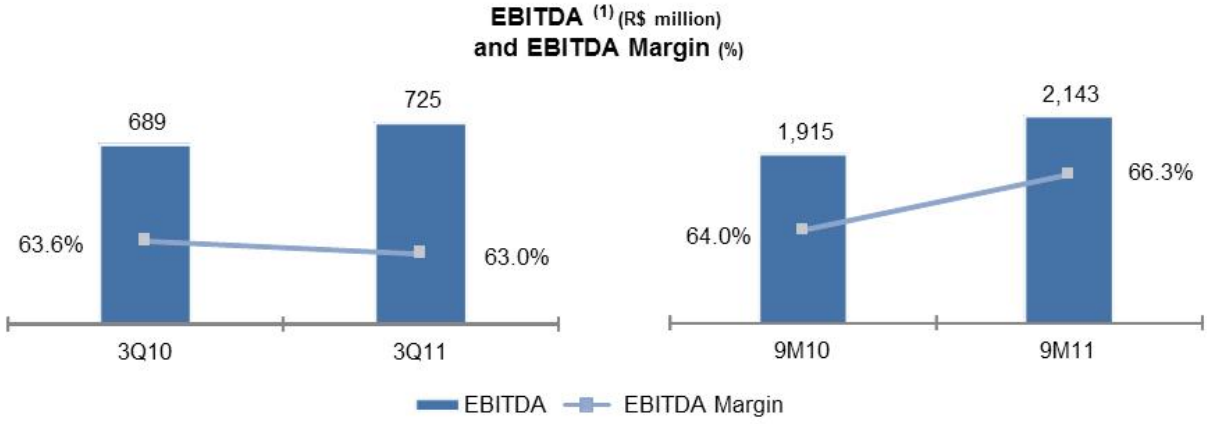
This decline was principally due to the combination of the following factors: (i) reduction in gains from the resources allocation strategy due to the Company having changed from an essentially long position with the CCEE in 3Q10 to an essentially short position in 3Q11. The impact of this transformation was attenuated by the reduction in the average spot price (PLD) for the South and Southeast/Midwest sub-markets, varying from R$ 112.74/MWh in 3Q10 to R$19.91/MWh in 3Q11 (ii) in spite of a greater reported volume of secondary energy, the corresponding revenue saw no major variation due to the year-on-year fall in average spot prices; and (iii) an increase in revenue in the MRE resulting from greater hydroelectric energy generation between comparable periods.

General and Administrative Expenses

General and administrative expenses fell by 1.1% from R$ 41.7 million in 3Q10 to R$ 41.3 million in 3Q11.

EBITDA and EBITDA Margin

Reflecting the effects already commented, EBITDA in 3Q11 reached R$ 725.3 million, 5.3% above the R$ 688.5 million for 3Q10. The EBITDA margin was 63.0%, against the 63.6% reported in the same period in the preceding year.



(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$)	3Q11	3Q10	Chg. %	9M11	9M10	Chg. %
Operating income	494,892	487,925	1.4	1,485,807	1,268,497	17.1
(+/-) Financial Result	101,401	89,182	13.7	289,189	309,351	-6.5
(+) Depreciation and Amortization	128,985	111,419	15.8	368,296	337,442	9.1
EBITDA	**725,278**	**688,526**	**5.3**	**2,143,292**	**1,915,290**	**11.9**

Financial Result

Financial income: in 3Q11, income was R$ 29.8 million, R$ 6.5 million lower than the R$ 36.4 million for the same quarter in 2010. The variation reflects principally a decline in income on financial investments due to the amortization of debt during the course of 2011, which reduced the volume of investable resources.

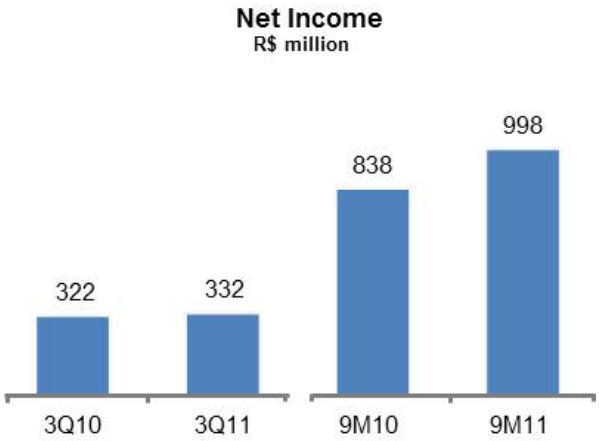
Financial expenses: growth of R$ 5.7 million between comparable periods from R$ 125.5 million in 3Q10 to R$ 131.2 million in the quarter under review. This variation arose largely from the combination of the following factors: (i) an increase of R$ 23.9 million in expenses involving a foreign exchange translation loss on currency denominated debt due to the devaluation of the Real against the US dollar and the Euro; (ii) an increase of R$ 3.0 million in interest on concessions payable due to a variation in the inflation indices; (iii) a reduction of R$ 12.8 million in interest on loans, financing and debentures, substantially due to amortizations of debt during the course of 2011; (iv) a decrease of R$ 5.2 million in monetary restatement on debt principally due to the amortization of inflation indexed debentures; and (v) reduction of R$ 1.6 million in charges on the Company's actuarial liabilities.

Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution expenses in 3Q11 were R$ 162.6 million, R$ 3.2 million lower than the same period in 2010 when this item was R$ 165.8 million. This reduction is largely due to increased deductions arising out of accelerated depreciation expenses calculated on the Income Tax and Social Contribution base. Increased tax breaks also contributed to the result.

Net Income

Net income for 3Q11 recorded an advance of R$ 10.2 million, or 3.2% from R$ 322.1 million in 3Q10 to R$ 332.3 million in the quarter under review. This improvement essentially reflects the combination of the following factors already commented above: (i) increase in the average net selling price; (ii) substantial increase in energy exports; (iii) result of the startup of commercial operations at Estreito HPP; (iv) reduction in energy purchases due to the maturing of high priced contracts; (v) a decline in the positive result in the transactions conducted within the scope of the CCEE; and (vi) growth in net financial expenses.

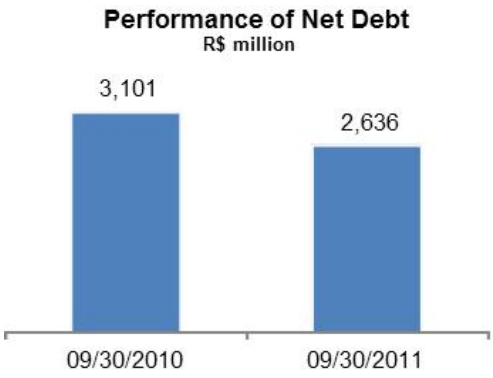


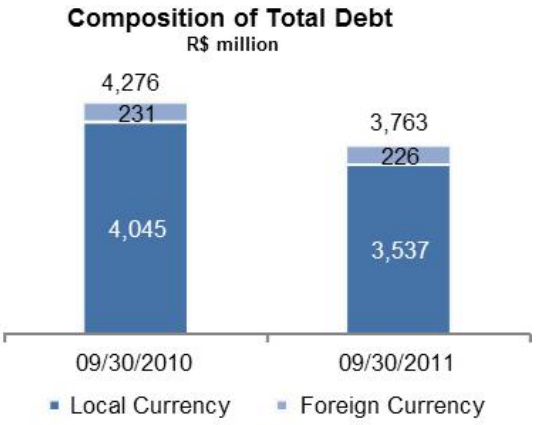
Debt

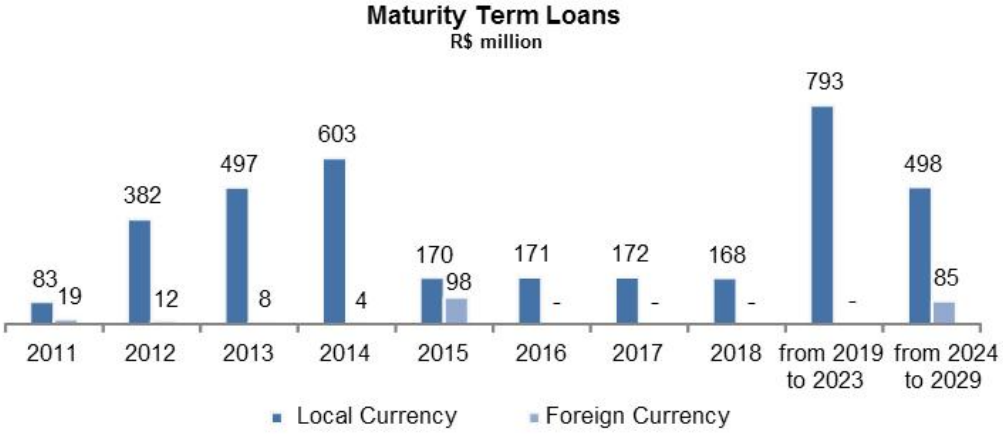
On September 30, 2011, the Company recorded net debt (total debt less cash and cash equivalents) of R$ 2,635.5 million, 15.0% lower than the R$ 3,101.4 million posted on September 30, 2010.

Total consolidated gross debt – represented principally by loans, debentures and financing – amounted to R$ 3,763.1 million, a decrease of 12.0% compared to the position on September 30, 2010. Of total debt outstanding at the end of the period, 6.0% were foreign currency denominated (5.4% at the end of 3Q10), 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 3Q10 and 3Q11: (i) drawdown from the National Economic and Social Development Bank - BNDES and its financial agents in the total accumulated amount of R$ 283.1 million to meet investment requirements at Estreito HPP; (ii) the generation of R$ 413.1 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$ 1,372.2 million; and (v) amortizations of loans and financing of R$ 266.7 million.







Capital Expenditures

In 3Q11, Tractebel allocated R$ 46.1 million to the maintenance and the repowering projects of its generator complex and a further R$ 92.2 million to the construction of Estreito HPP, thus totaling R$ 138.3 million in the period.

Record of Interest on Shareholders' Equity

Tractebel Energia's Board of Directors approved at its meeting on November 4, 2011, the record of interest on shareholders' equity relative to the period from January 1st to December 31, 2011, in the amount of R$ 254.0 million (R$ 0.3891122760 per share).

The Company's shares will be traded ex-interest as from November 18, 2011. Distribution of profits will take place on a date to be fixed by the Board of Executive Officers and will be announced in a Notice to Shareholders.

SUSTAINABILITY: COMMITMENT AND CERTIFICATIONS

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

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

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

Recognition - Você S/A - Exame

Following its debut in this award, Tractebel was chosen to be a component of a group of 150 companies to be included in the Guia Você S/A - Exame - The Best Companies for You to Work For, 2011 edition. Based on its overall score, Tractebel was placed 34th in the ranking.

CORPORATE GOVERNANCE

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

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

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

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

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

With respect to the asset transfer model, Tractebel and its controlling company understand that its existing corporate governance standards should be raised even further. Among the initiatives announced of particular note was the creation in

October 2010 of the Special Independent Committee for Valuation of Transactions with Related Parties, the majority of its members made up of independent directors of the Company's Board.

CAPITAL MARKETS

Since its listing on BM&FBOVESPA's Novo Mercado, Tractebel has become a component of the Special Corporate Governance Stock Index (**IGC**) and the Special Tag Along Stock Index (**ITAG**), incorporating those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake. The Company's shares are also included in the Corporate Sustainability Stock Index (**ISE**), comprising companies with a recognized commitment to social and corporate responsibility, as well as the Electric Energy Stock Index (**IEE**), which is a sector index made up of the more significant listed companies in the industry.

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

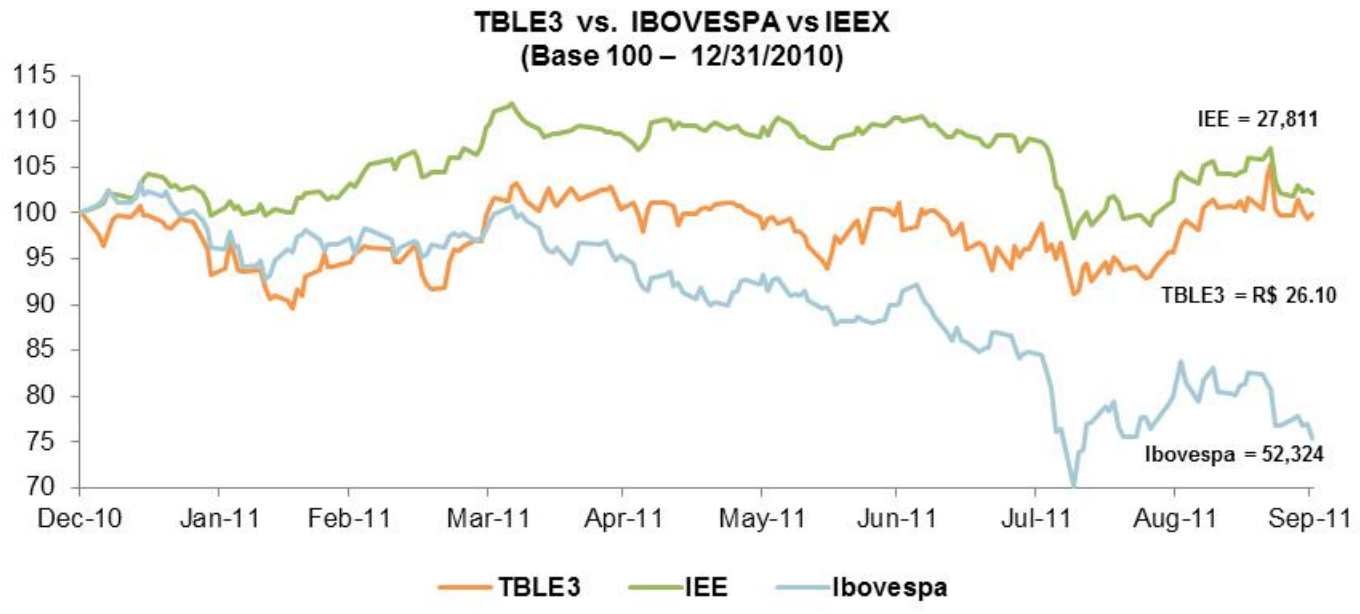
Share Performance – TBLE3

The international scenario continued to impact the Brazilian equities market in 3Q11 with investors and analysts remaining apprehensive as to the outcome of the European crisis. In addition, the domestic market suffered from inflationary pressures while the decline in the BM&FBOVESPA - already apparent in the first half of the year – gathered momentum in the third quarter. Between July and September, the Ibovespa stock index was off by 16.2%, its largest decline since slumping 24.2% in the last three months of 2008, the climax of the financial crisis. During the year, the Brazilian stock market accumulated a loss of 24.5%.

Tractebel shares depreciated 1.2% in 3Q11, albeit a better performance than the IEE – the electric energy stock index and the Ibovespa, which fell 7.5% and 16.2%, respectively. For the first nine months of the year 2011, TBLE3 remained practically stable posting a depreciation of just 0.1%, while the IEE was up 2.1% and the Ibovespa reported a significant decline of 24.5%.

The Company's securities were traded on all the days the BM&FBOVESPA was open for business in the period. The average daily trading volume in 3Q11 was up by 26.2% from volumes recorded in the same period for 2010 with R$ 15.9 million against R$ 12.6 million in 3Q10.

Tractebel's shares closed the trading day on September 30, 2011 priced at R$ 26.10/share, giving the Company a market capitalization equivalent to about R$ 17.0 billion.



UPCOMING EVENTS

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

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

Date: November 8, 2011
Time: 08:00 a.m. (EDT) / 11:00 a.m. (Brasília time)

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

A replay will be available from November 8th to 14, 2011. Access by dialing: +55 11 4688-6312, code: 6348548.

Webcast

The access links will be found at the company's website (www.tractebelenergia.com.br), at the Investors 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	**9/30/2011**	**12/31/2010**
Current Assets	**1,943,860**	**1,906,733**
Cash and cash equivalents	1,127,573	1,082,580
Accounts receivables from clients	534,578	531,106
Non-current assets for sale	-	23,057
Taxes to recover	140,650	91,818
Warehouse	47,320	46,032
Pledges and restricted deposits	7,541	81,553
Receivables from Eletobras	31,079	-
Other credits	55,119	50,587
Non Current Assets	**10,840,029**	**10,943,555**
Long Term Assets	**817,597**	**872,025**
Taxes to recover	164,431	219,880
Pledges and restricted deposits	91,273	51,244
Deposits in court	107,260	133,464
Receivable on assets	86,886	86,886
Deferred income taxes and social contribution	315,877	328,240
Other credits	51,870	52,311
Property, Plant and Equipment	**9,932,512**	**9,976,009**
Intangible	**89,920**	**95,521**
Total	**12,783,889**	**12,850,288**

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

(in thousands of R$)		
Liabilities	**9/30/2011**	**12/31/2010**
Current Liabilities	**2,071,174**	**2,259,838**
Suppliers	323,423	268,851
Dividends and interest on shareholder´s equity	659,810	189,509
Loans and financing	247,938	189,414
Debentures	178,689	905,017
Tax obligations	398,109	457,937
Labor Obligations	51,599	54,881
Research and development (R&D) program obligations	23,695	14,991
Provision for tax, civil and labor risks	13,746	10,866
Concessions payable	45,379	42,297
Post-employment benefits	52,350	25,939
Other obligations	76,436	100,136
Non Current Liabilities	**5,458,308**	**5,517,766**
Loans and financing	3,018,276	2,567,145
Debentures	318,219	782,344
Research and development (R&D) program obligations	32,153	41,260
Provision for tax, civil and labor risks	144,630	143,416
Concessions payable	1,185,745	1,092,650
Post-employment benefits	307,979	409,452
Deferred income taxes and social contribution	432,490	445,691
Other obligations	18,816	35,808
Shareholders' Equity	**5,254,407**	**5,072,684**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Fixed asset valuation	665,534	708,190
Profit reserves	1,016,823	1,827,033
Retained Earnings	1,034,589	-
Total	**12,783,889**	**12,850,288**

ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(in thousands of R$)	3Q11	3Q10	Chg. %	9M11	9M10	Chg. %
Gross Operating Revenue	**1,282,698**	**1,212,869**	**5.8**	**3,616,887**	**3,344,540**	**8.1**
Deductions from operating revenue	**(132,007)**	**(129,827)**	**1.7**	**(386,224)**	**(351,729)**	**9.8**
Net Operating Revenue	**1,150,691**	**1,083,042**	**6.2**	**3,230,663**	**2,992,811**	**7.9**
Energy Sales Costs	**(528,400)**	**(478,167)**	**10.5**	**(1,391,642)**	**(1,387,598)**	**0.3**
Electric pow er purchased for resale	(131,621)	(166,762)	-21.1	(347,437)	(504,503)	-31.1
Transactions channeled through the CCEE	(810)	(892)	-9.2	(21,762)	(1,915)	1,036.4
Fuel expenses	(65,081)	(25,304)	157.2	(104,828)	(39,268)	167.0
Charges for the use of and connection to the electricity grid	(74,971)	(65,697)	14.1	(208,179)	(202,952)	2.6
Financial compensation for use of w ater resources	(43,831)	(36,329)	20.7	(114,526)	(100,804)	13.6
Personnel	(36,905)	(34,550)	6.8	(106,346)	(97,946)	8.6
Materials and third party services	(37,052)	(31,428)	17.9	(101,826)	(84,431)	20.6
Depreciation and amortization	(125,269)	(108,461)	15.5	(357,836)	(328,683)	8.9
Others	(12,860)	(8,744)	47.1	(28,902)	(27,096)	6.7
Gross Income	**622,291**	**604,875**	**2.9**	**1,839,021**	**1,605,213**	**14.6**
Operating Income (Expenses)	**(25,998)**	**(27,768)**	**-6.4**	**(64,025)**	**(27,365)**	**134.0**
Selling expenses	(3,797)	(3,563)	6.6	(12,401)	(10,768)	15.2
General and administrative expenses	(41,283)	(41,747)	-1.1	(124,189)	(111,177)	11.7
Favorable ruling on law suit	-	-	-	-	45,803	-100.0
Gains arising from assets disposals	-	-	-	15,436	-	-
Reversal of operating provisions, net	18,431	17,392	6.0	57,174	48,309	18.4
Other operating income (expenses), net	651	150	334.0	(45)	468	-109.6
Service Income	**596,293**	**577,107**	**3.3**	**1,774,996**	**1,577,848**	**12.5**
Net Financial Result	**(101,401)**	**(89,182)**	**13.7**	**(289,189)**	**(309,351)**	**-6.5**
Financial income	29,835	36,360	-17.9	92,081	94,255	-2.3
Financial expenses	(131,236)	(125,542)	4.5	(381,270)	(403,606)	-5.5
Income Before Taxes	**494,892**	**487,925**	**1.4**	**1,485,807**	**1,268,497**	**17.1**
Income tax	(118,213)	(121,386)	-2.6	(353,452)	(315,598)	12.0
Social contribution	(44,400)	(44,457)	-0.1	(134,348)	(114,596)	17.2
Net Income for the Period	**332,279**	**322,082**	**3.2**	**998,007**	**838,303**	**19.1**
EBITDA	**725,278**	**688,526**	**5.3**	**2,143,292**	**1,915,290**	**11.9**
Net income per share	0.5091	0.4934	3.2	1.5289	1.2843	19.1

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

(in thousands of R$)	9M11	9M10
Operating Activities		
Net income for the period	998,007	838,303
Expenses (revenues) that do not affect cash:		
Depreciation and amortization	368,296	337,442
Monetary variations	85,823	57,871
Interests	256,954	285,312
Reversal of operating provisions, net	(51,702)	(46,694)
Income tax and social contribution - current	490,239	438,089
Income tax and social contribution - deferred	(2,439)	(7,895)
Others	954	(1,183)
	2,146,132	1,901,245
Decrease (Increase) in Assets		
Accounts receivables from clients	(2,342)	(116,741)
Receivables from Eletobras	(31,079)	1,332
Taxes to recover	26,344	(50,288)
Inventory	(1,288)	244
Pledges and linked / judicial deposits	112,049	139,426
Non-current assest for sale	23,057	-
Others	(9,773)	8,657
	116,968	(17,370)
Increase (Decrease) in Liabilities		
Suppliers	57,146	15,013
Paid income tax and social contribution	(538,601)	(474,605)
Payments of loans, financing and debentures charges	(196,287)	(178,207)
Post-employment benefits	(27,931)	(23,235)
Research and development (R&D) program obligations	(403)	5,677
Advancement to clients	(40,875)	(13,219)
Others	(4,232)	46,042
	(751,183)	(622,534)
Funds from Operating Activities	**1,511,917**	**1,261,341**
Investments activities	**(263,870)**	**(722,322)**
Increase of investments, net of cash availability	-	(467,436)
Used in fixed assets	(260,044)	(250,557)
Used in intangibles	(3,826)	(4,329)
Financing activities	**(1,203,054)**	**(619,239)**
Financing	502,799	66,040
Payment of loans, financing and debentures	(1,290,806)	(419,443)
Payments of concessions payable	(31,039)	(29,546)
Pledges and deposits for funding	(38,025)	15,132
Payment of dividends and interest on shareholders' equity	(345,983)	(251,422)
Total Effects on Cash and cash equivalents	**44,993**	**(80,220)**
Cash and cash equivalents		
Opening balance	1,082,580	1,254,640
Closing balance	1,127,573	1,174,420
	44,993	**(80,220)**
Transactions that do not affect cash and cash equivalents		
Offsetting of income tax and social contribution	4,131	6,425
Concessions payable	1,463	41,799
Supplier's of fixed assets	30,132	17,414
Amount payable related to the acquisition of Companhia Energética Estreito	-	327,710
Interest on capitalized debt	78,775	8,809