Tractebel Energia approves interest on shareholders' equity of R$ 0.375/share

Florianópolis, Brazil, October 25, 2013 – 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, 2013 (3Q13 and 9M13). 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

3Q13

● The Company reported a 3Q13 net income of R$ 401.5 million (R$ 0.6152 per share), a growth of 2.9% compared with the R$ 390.1 million for the same period in 2012. Net income for the first nine months of 2013 amounted to R$ 1,150.4 million, an 8.6% improvement for the first nine months of 2012.

● EBITDA reached R$ 806.9 million in 3Q13, a decline of 5.1% relative to 3Q12, the negative impact of transactions in the short-term market including those conducted on the CCEE (Electric Power Trade Board). The Company registered EBITDA of R$ 2,397.3 million, a growth of 2.4%, for the first three quarters of 2013.

● Net revenue from sales rose 9.2% compared with the same period in 2012, increasing from R$ 1,297.3 million in 3Q12 to R$ 1,416.5 million in the period under analysis.

● Energy sales in the third quarter 2013 amounted to 8,783 GWh (3,978 average MW), remaining practically unchanged from 3Q12.

● The average contracted energy price, net of exports and deductions from gross operating revenue, reached R$ 140.75/MWh in 3Q13, a 6.0% increase in relation to 3Q12.

● The Board of Directors has approved a payout of R$ 244.8 million in the form of interest on shareholders' equity for the period from January 1 to December 31, 2013, corresponding to R$ 0.3750332107 per share. The Company's shares are to be traded ex-interest on shareholders' equity as from November 26, 2013.

● The assembly of 13 wind turbines was concluded on September 20th at the Guajiru Wind Complex, the second of four wind farms under construction in the state of Ceará and all scheduled for completion by the end of 2013.

● In 3Q13, Tractebel Energia received the following awards: (a) the ninth Brazil Environmental Award sponsored by the Brazilian – United States Chamber of Commerce, in the "Rational Use of Hydraulic Resources" category; (b) The Trophy for the Best Company in the Brazilian Electric Sector in the tenth edition of the Isto É Dinheiro magazine's ranking; and (c) electric energy sector highlight in the 6th Abrasca Creation of Value 2013 Award for shareholder return in the previous three years and distinction in governance, transparency, risk management, socio-environmental policy and investor relations, among others.

For immediate release

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

Eduardo Sattamini
Chief Financial and Investor Relations Officer
sattamini@tractebelenergia.com.br

Antonio Previtali Jr.
IR Manager
previtali@tractebelenergia.com.br
Phone: + 55 48 3221-7221

Conference call and webcast:
On 10/28/2013 at 09:00 a.m. (DST) 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$)	3Q13	3Q12	Chg.	9M13	9M12	Chg.
Net Revenue from Sales (NRS)	1,416.5	1,297.3	9.2%	4,080.7	3,645.1	12.0%
Result from Service (EBIT)	659.5	710.9	-7.2%	1,963.8	1,928.0	1.9%
EBITDA (1)	806.9	850.1	-5.1%	2,397.3	2,340.3	2.4%
EBITDA / NRS - (%)(1)	57.0	65.5	-8.5 p.p.	58.7	64.2	-5.5 p.p.
Net Income	401.5	390.1	2.9%	1,150.4	1,059.4	8.6%
Net Debt	2,704.6	3,009.0	-10.1%	2,704.6	3,009.0	-10.1%
Energy Sold (avg MW)	3,978	3,988	-0.3%	4,041	3,876	4.3%
Average Net Sales Price (R$/MWh) (2)	140.75	132.77	6.0%	138.52	131.59	5.3%
Number of Employees	1,119	1,080	3.6%	1,119	1,080	3.6%

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

OPERATING PERFORMANCE

Generating Complex

The largest private sector electricity generator in Brazil, Tractebel has an installed capacity of 6,909 MW and operates a generating complex of 8,630 MW. This 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)		Concession/Authorization original term expiration date
			Total	Tractebel's Share	
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	October 16, 2030
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	September 27, 2028
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9	July 14, 2032
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6	November 26, 2037
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0	September 27, 2028
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	August 26, 2033
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	September 27, 2028
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	April 22, 2037
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	September 30, 2034
Total - Hydro			**7,270.3**	**5,559.7**	
Jorge Lacerda Complex*	Thermal	Capivari de Baixo (SC)	857.0	857.0	September 27, 2028
William Arjona	Thermal	Campo Grande (MS)	190.0	190.0	April 28, 2029
Charqueadas	Thermal	Charqueadas (RS)	72.0	72.0	September 27, 2028
Alegrete	Thermal	Alegrete (RS)	66.0	66.0	September 27, 2028
Total - Thermal			**1,185.0**	**1,185.0**	
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	April 4, 2030
Lages	Biomass	Lages (SC)	28.0	28.0	October 29, 2032
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6	December 18, 2032
Beberibe	Wind Farm	Beberibe (CE)	25.6	25.6	August 3, 2033
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	23.7	23.7	December 18, 2032
Areia Branca	SHP	Rio Manhuaçu (MG)	19.8	19.8	May 2, 2030
Pedra do Sal	Wind Farm	Parnaíba (PI)	18.0	18.0	October 1, 2032
Total - Complementary			**174.7**	**164.6**	
Total			**8,630.0**	**6,909.3**	

Expansion

Projects under construction:

Projects Under Construction

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Group's Share
Jirau	Hydro	Madeira River (RO)	3,750.0	1,500.0
Trairi Complex*	Wind Farm	Trairi (CE)	115.4	115.4
Nova Aurora	Solar	Capivari de Baixo (SC)	3.0	3.0
Total			**3,868.4**	**1,618.4**

(*) Trairi Complex is comprised of the Mundaú, Fleixeiras I, Trairí and Guajiru pow er 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 (Brazilian Electricity Regulatory Agency) on May 19, 2008, offering the most competitive proposal for 70% of the energy to be produced by the Plant, at the time, based on a total of 44 generating units, a 3,300 MW installed capacity and 1,975.3 average MW of commercial capacity for captive customers supplied by electric energy distributors 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. On July 2, Aneel announced a decision to increase Jirau's commercial capacity by at least 24.3 average MW

following the commissioning of the final generator unit. The increase will come partially from the project's additional expected assured energy. Aneel is also proposing a discussion of complementary compensations with the concession-granting authority. The Plant has become eligible for trading carbon credits as it was successfully registered with the United Nations (UN), thus being granted the right to sell approximately 6 million tons of CO2/year when operating at full capacity. Additionally, as per the announcement to the market published by Tractebel on May 13, 2013, GDF SUEZ, the Company's parent, sold a 20.0% stake in Jirau to Mitsui & Co. Ltd. The transaction was approved by the Brazilian anti-trust authority (Conselho Administrativo de Política Econômica - Cade) on July 1st and by Aneel on September 24th. The operation is expected to be concluded by the end of 2013, contingent on the approval of the Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social - BNDES) and the on-lending banks. Following the conclusion of the transaction, GDF SUEZ will hold a stake of 40%, while Chesf and Eletrosul, both of which are subsidiaries of Eletrobrás, will have 20% each, the same percentage as that of Mitsui. 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. The first generating unit went into operation on September 6, 2013.

Wind farms – Ceará – Trairi. It is in progress the implementation activities of the four wind farms located in the state of Ceará, with a total installed capacity of 115.4 MW, 58.2 average MW of commercial capacity, representing an investment of R$ 540.Siemens is 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. The assembly of the wind turbines at the Trairi and Guajiru wind complexes has been concluded and the forecast is that the Trairi Wind Complex will be fully operational by the end of 2013.

Photovoltaic Solar Energy Plant – Santa Catarina. In May 2013, jointly with the Federal University of Santa Catarina's Photovoltaic Research Group and other partners, Tractebel began the construction of the first 70 kWp trial module and the implementation of the Nova Aurora Solar Photovoltaic Plant of 3 MWp, located in Capivari de Baixo, SC adjacent to the Jorge Lacerda Thermoelectric Complex. The project is being developed under Aneel's Technological Research and Development Program for the Electric Energy Sector.

Uptime Operating

In 3Q13, the plants operated by Tractebel Energia achieved a 97.4% uptime ratio, excluding scheduled shutdowns, being 98.5% in hydroelectric generation, 89.6% in thermoelectric generation and 98.1% for the plants operating with complementary sources (SHPs, wind and biomass). For the accumulated first three quarters of 2013, the plants reported 97.3% uptime.

Production

Electric energy output in 3Q13 from the plants operated by Tractebel was 12,375 GWh (5,605 average MW). This result represents an increase of 10.6% in relation to 3Q12. The hydroelectric plants were responsible for 10,637 GWh (4,818 average MW) of the total generated while the thermoelectric power plants accounted for a further 1,565 GWh (709 average MW) and plants powered by complementary sources, 173 GWh (78 average MW). The results indicate an increase of 11.9% in relation to the hydroelectric power plants, an increase of 3.2% for the thermoelectric plants and an increase of 1.8% in relation to the complementary-sourced plants.

Third quarter rainfall in the Southern Region, where the majority of the Company's largest hydro power plants are located, registered a considerable improvement on 3Q12, thus justifying the greater hydroelectric generation mentioned in the preceding paragraph. In addition, the National Electrical Systems Operator's (ONS) plan is to maintain a high level of thermoelectric generation with a view to restoring reservoir levels in the south and southeast regions – this being the justification for the greater deployment of electricity from Tractebel's thermo plants in relation to 3Q12.

During the third quarter, Tractebel's plants broke two records for monthly generation: in July, the Salto Santiago Hydroelectric Plant generated 990 GWh, representing a capacity factor of 93.7%; and in August, the Ibitiúva Thermoelectric Power Plant reported an output of 23 GWh, corresponding to a capacity factor of 93.1%.

Again during the quarter, commissioning tests were begun on the Trairi Wind Complex, an indication that the plant will shortly be commercially operational.

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

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

Clients

In 3Q13, free customers reported a 42.2% share of the Company's physical sales and 38.5% of its total net revenue from contracted sales, a rise of 8.4 p.p. and 8.5 p.p., respectively, in relation to the same quarter in 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 September 30, 2013, Tractebel reported the following energy balance.

Energy Balance

(avg MW)	2013	2014	2015	2016	2017	2018	Auction Gross Price (R$/MWh)	Reference Date	Gross Price Adjusted as of 09/30/2013 (R$/MWh)
Own Resources	3,482	3,515	3,514	3,479	3,475	3,498			
+ Purchases for Resale	731	798	314	205	200	200			
= Total Resources (A)	4,213	4,313	3,828	3,684	3,675	3,698			
Regulated Sales*	1,661	1,661	1,651	1,508	1,155	1,155			
2004-EE-2007-08	10	10	-	-	-	-	70.9	1-dez-04	108.4
2005-EE-2008-08	143	143	143	-	-	-	81.6	1-abr-05	121.7
2005-EE-2009-08	353	353	353	353	-	-	94.0	1-out-05	138.0
2005-NE-2010-30	200	200	200	200	200	200	115.1	1-dez-05	166.9
2006-NE-2009-30	493	493	493	493	493	493	128.4	1-jun-06	183.5
2006-NE-2011-30	148	148	148	148	148	148	135.0	1-nov-06	191.2
2007-NE-2012-30	256	256	256	256	256	256	126.6	1-jun-07	172.3
Proinfa	44	44	44	44	44	44	147.8	1-jun-04	261.1
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	1-ago-08	202.5
+ Bilateral Sales	2,523	2,587	1,999	1,618	1,351	858			
= Total Sales (B)	4,184	4,248	3,650	3,126	2,506	2,013			
Balance (A - B)	**29**	**65**	**178**	**558**	**1,169**	**1,685**			
Sales average **net** price (R$/MWh)*1:	141.1	138.2	137.6						
Purchases average **net** price (R$/MWh)*2:	127.8	125.9	129.2						

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

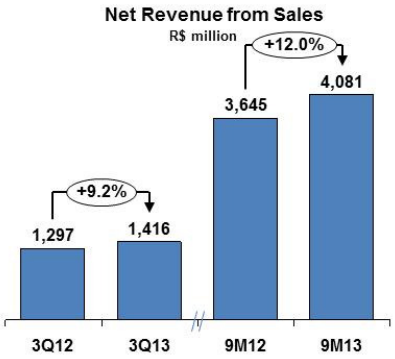
*1: Sales price is net of ICMS and taxes over revenues (PIS/Cofins, R&D), as of 09/30/13, i.e. future inflation is not considered.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 09/30/13, i.e. future inflation is not considered.

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

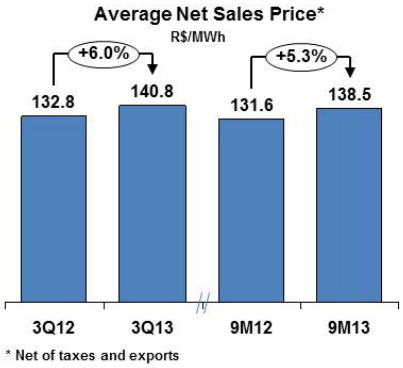
Net Revenue from Sales

In 3Q13, net revenue from sales reported a year-on-year growth of 9.2%, or R$ 119.2 million, increasing from R$ 1,297.3 million to R$ 1,416.5 million. Leading factors contributing to this variation were: (i) R$ 70.8 million – an increase in average net selling prices reflecting a significant change in sales mix as already noted under "Clients"; (ii) R$ 54.7 million – an increase in transactions in the short-term market including those conducted through the Electric Power Trade Board (CCEE); and (iii) R$ 8.0 million – a reduction in revenue from energy exports.



- **Net average selling price**

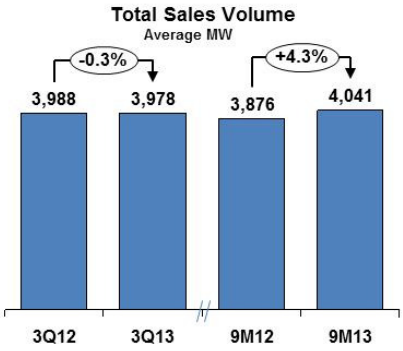
The average energy selling price, net of exports and taxes on gross revenue, was R$ 140.75/MWh in 3Q13, a 6.0% improvement over the same quarter in 2012 when this value stood at R$ 132.77/MWh. The price increase was essentially due to monetary restatement of existing agreements as well as the higher prices charged on new agreements with free customers. This was partially offset by the increase in average prices below inflation to distributors due to the expiry and reduction in the number of power purchase agreements at prices higher than the average currently prevailing in the market.



- **Sales volume**

Ignoring the impact of energy exports of 26 GWh (12 average MW) in the third quarter of 2012, the energy volume sold in the periods under review remained at similar levels – from 8,779 GWh (3,976 average MW) in 3Q12 to 8,783 GWh (3,978 average MW) in 3Q13.

The stability in sales volume reflects a combination of the following factors: (i) the increase of 730 GWh (331 average MW) in the supply of energy to free customers; (ii) a decrease of 425 GWh (193 average MW) in the wholesale supply of power to the distributors; and (iii) the reduction of 301 GWh (136 average MW) in the sale of energy to trading companies.



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

a) Wholesale market for electric energy

Revenue from the wholesale supply of electric energy to distribution and trading companies in 3Q13 amounted to R$ 760.6 million, less than the R$ 813.6 million reported for 3Q12. The following variations contributed to this result: (i) R$ 63.6 million – a reduction of 425 GWh (193 average MW), or 8.5% in sales volume to distributors; (ii) R$ 36.6 million – an increase of 5.3% in average net selling prices to distributors; (iii) R$ 33.5 million – a decrease of 301 GWh (136 average MW), or 36.7% in the amount of energy sold to trading companies; and (iv) R$ 7.5 million – a 10.6% increase in the price of energy sold to the trading companies.

b) Retail market for electric energy

There was a year-on-year 35.1% hike in revenue from energy sold to free consumers, increasing from R$ 352.0 million in 3Q12 to R$ 475.6 million. The following factors contributed to this change: (i) R$ 90.0 million – a 24.5% growth in sales volume of 730 GWh (331 average MW); (ii) R$ 33.6 million - an 8.5% increase in the net average selling price of energy.

c) Transactions in the short-term market

In 3Q13, revenue from the short-term market including transactions through the CCEE, was R$ 172.0 million compared with the same quarter in 2012 when the transactional value was R$ 117.3 million, an increase of R$ 54.7 million. A more detailed explanation as to these operations is to be found in the item below “Details of short-term operations including transactions conducted through the CCEE”.

Costs of Electric Energy and Services

The costs of electric energy sales and services increased by 35.3%, or R$ 185.0 million between comparable quarters from R$ 524.3 million in 3Q12 to R$ 709.3 million in the quarter under analysis. This variation is essentially due to a combination of the following factors:

a) **Electric power purchased for resale:** an increase of R$ 35.8 million in 3Q13 compared with the same quarter in 2012, reflecting readjustments in the prices of existing long-term agreements and prices of agreements effective in 2013 as well as an increase in energy purchase volume.

b) **Transactions in the short-term market, including those conducted through the CCEE:** the costs of these transactions reported a year-on-year rise of R$ 137.2 million. Further details are to be found in the specific item below.

c) **Fuels for production of electric energy:** reduction of R$ 6.3 million in 3Q13 in relation to the same quarter for 2012 due largely to the reduction in mineral coal used for energy exports and natural gas for powering the William Arjona Thermoelectric Power Plant.

d) **Charges for the use of and connection to the electricity grid:** fall of R$ 4.6 million between the compared quarters under review, largely reflecting the effects of Federal Government measures for reducing sector charges on transmission tariffs in 2013.

e) **Financial compensation for the use of water resources (royalties):** an increase of R$ 5.4 million between compared quarters, largely due to the increase in generation at the Company’s hydro plants.

f) **Personnel:** an increase of R$ 2.9 million over the same quarter in 2012, basically the reflection of the annual collective bargaining agreement for employee wages and benefits. In addition, there was an increase in headcount.

g) **Third party services and material:** increase of R$ 4.4 million compared with 3Q12 due to higher maintenance and conservation overheads at the Company's generator units.

h) **Depreciation and amortization:** increase of R$ 9.2 million between the quarters under review due above all to the entry into operations of the new generator units at Estreito HPP.

Details of Short Term Operations Including Transactions Conducted through the CCEE

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

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

Generically speaking, these elements are income or expense items arising for example from: (i) the application of the Energy Reallocation Mechanism (MRE); (ii) the 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 3Q13, the Company reported a net positive result of R$ 33.4 million (difference between revenues and expenses – less taxes and compulsory contributions on these same revenues) from its short-term transactions – including those conducted on the CCEE. This compares with a similarly net positive result of R$ 115.9 million in 3Q12 and thus a negative variation of R$ 82.5 million between the two periods under review.

This variation largely reflected a combination of the following factors: (i) short-term purchase of energy in 3Q13 to avoid a short CCEE position; (ii) a decline in secondary energy revenue – that is energy which results when hydroelectricity generated by MRE agents exceeds their seasonally adjusted energy allocation; (iii) increased long position reflecting the Company's strategy of monthly energy allocation; (iv) growth in MRE revenues due to the increase in hydroelectric generation; and (v) recognition of estimated costs in relation to the participation of the generators in the apportionment of System Services Charges (ESS) under CNPE Resolution 03/2013 despite a court injunction granted in favor of the Company's class association, the Brazilian Association for Independent Energy Producers (Apine), suspending the implementation of this Resolution.

It is worth noting that with respect to item (v), should the final ruling go against CNPE Resolution 03, then the additional cost of R$ 18.0 million, which has been recognized in 2Q13 plus the R$ 42.4 million provisioned in the preceding quarter, will revert to the Company.

It should also be noted that the increase in the average PLD spot price for the South and Southeast/Mid-Western submarkets, which increased from R$ 131.08/MWh in 3Q12 to R$ 174.56/MWh in 3Q13, contributed significantly to the factors mentioned above and cited under items (i) to (iii).

General and Administrative Expenses

Sales, general and administrative expenses were stable at R$ 46.0 million for the quarters under review.

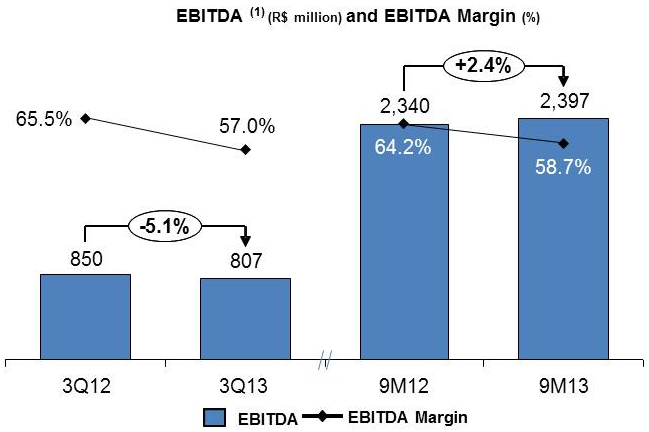
Other Operating Expenses, Net

Expenses fell by R$ 14.2 million between compared quarters from R$ 16.0 million to R$ 1.8 million mainly due to write-offs in the third quarter of 2012, the result of replacement of machinery and equipment in the Company's generator complex.

EBITDA and EBITDA Margin

In the light of the factors mentioned above, the Company recorded 3Q13 EBITDA of R$ 806.9 million, 5.1% down on the R$ 850.1 million for the same quarter in 2012. EBITDA margin reached 57.0% in 3Q13, representing a reduction of 8.6 p.p. compared to the same period for 2012. The decline is largely due to the reduction of R$ 82.5 million arising from the positive result for transactions in the short-term market, including those conducted through the CCEE, with short-term electricity purchases for resale also contributing with an increase of R$ 35.8 million, partially offset by an increase in net revenue of R$ 77.8 million due to higher net average selling prices.

In the first nine months of 2013, EBITDA increased by R$ 57.0 million or 2.4% from R$ 2,340.3 million in 2012 to R$ 2,397.3 million in 2013.



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

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

(in thousand R$)	3Q13	3Q12	Chg. %	9M13	9M12	Chg. %
Net income	401,543	390,060	2.9	1,150,434	1,059,414	8.6
(+) Income tax and social contribution	195,998	192,513	1.8	561,088	524,500	7.0
(+) Financial expenses, net	61,943	128,330	-51.7	252,261	344,066	-26.7
(+) Depreciation and Amortization	147,382	139,151	5.9	433,558	412,340	5.1
EBITDA	**806,866**	**850,054**	**-5.1**	**2,397,341**	**2,340,320**	**2.4**

Financial Result

Financial income: in 3Q13, these revenues were R$ 78.5 million, representing an increase of R$ 56.6 million over the R$ 21.9 million reported for the same quarter in 2012. This variation is largely due to recognition of a non-recurring gain of R$ 49.1 million, the result of pre-payment at market value of debt owed to the National Treasury Department (STN) and its respective collateral guarantee.

Financial expenses: these expenses in 3Q13 were R$ 140.5 million, R$ 9.7 million less than the R$ 150.2 million in the same period for the preceding year. The decline is largely due to: (i) the reduction of R$ 19.5 million in monetary restatement on concessions payable due to the lower variation in inflation indices between compared quarters; and (ii) the increase of R$ 11.2 million in foreign exchange translation losses on loans.

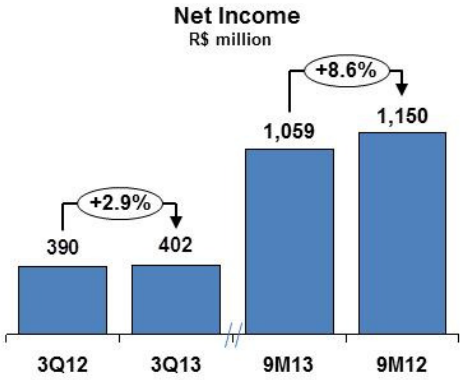
Income Tax and Social Contribution on Net Income

Income tax and social contribution overheads amounted to R$ 196.0 million in 3Q13, R$ 3.5 million more than the R$ 192.5 million for the same quarter of 2012. This variation stems mainly from increased pre-tax profits between the two compared quarters.

Net Income

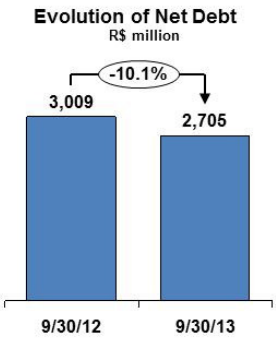
Net income for 3Q13 was R$ 401.5 million, R$ 11.4 million or 2.9% higher than R$ 390.1 million reported for the same quarter in 2012. This variation is essentially due to the combination of the following factors, previously discussed: (i) R$ 51.3 million – increase in net revenue due to a higher average net selling price; (ii) R$ 54.4 million – a reduction in the positive results for transactions conducted in the short-term market including those through the CCEE, of which R$ 11.9 million corresponds to estimated costs in relation to the participation of the generators in the approtionment of System Service Charges (ESS) pursuant to the requirements of CNPE Resolution 03; (iii) R$ 23.6 million – an increase in the purchase of electric energy for resale; and (iv) R$ 32.4 million – a non-recurring gain from the pre-payment of debt.

In the nine-month period, net income rose from R$ 1,059.4 million in 2012 to R$ 1,150.4 million in 2013, that is a year-on-year 8.6% growth of R$ 91.0 million.

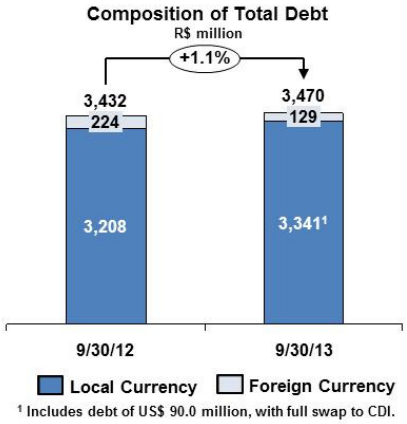


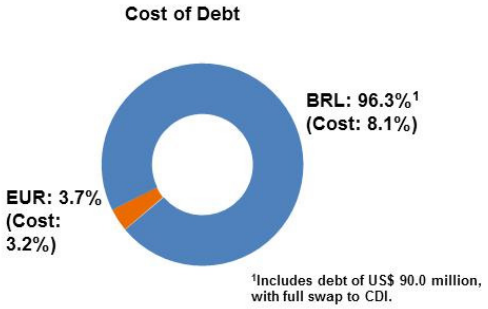
Debt

On September 30, 2013, the Company recorded net debt (total debt less cash and cash equivalents) of R$ 2,704.6 million, 10.1% lower than the R$ 3,009.0 million posted on 3Q12.

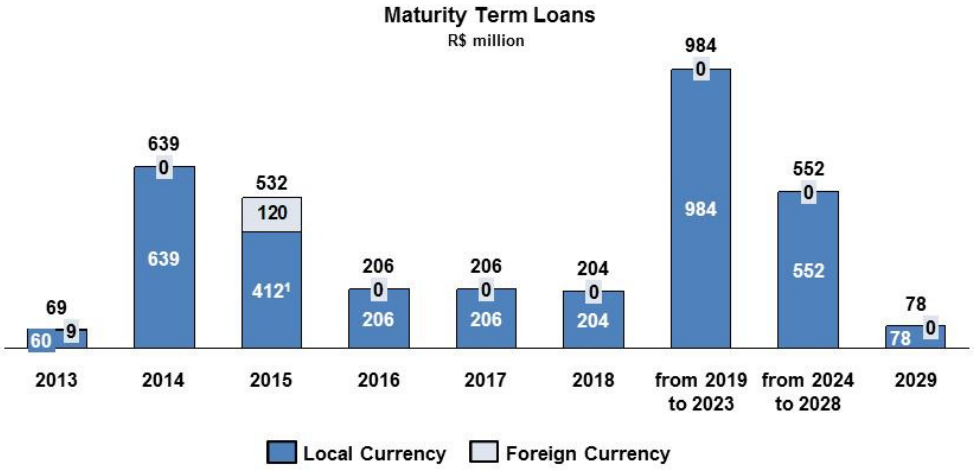


Total consolidated gross debt – represented principally by loans, debentures and financing – amounted to R$ 3,469.9 million at the end of 3Q13, an increase of 1.1% compared to the position on September 30, 2012. Of total debt outstanding at the end of the period, 9.4% was foreign currency denominated (6.5% at the end of 3Q12). In the period under review, the Company contracted a swap operation to protect 62.0% of the foreign currency denominated debt leaving its currency exposure at 3.7% of total gross debt.





Increased Company leverage is related principally to a combination of factors occurring between 3Q12 and 3Q13: (i) draw down of lines of credit with the Brazilian Development Bank (BNDES) and its financial agents amounting to a total of R$ 425.4 million, for investments in Estreito HPP and Trairi Wind Complex; (ii) conclusion of a loan agreement with HSBC Bank USA for US$ 90.0 million (equivalent to R$ 207.3 million) subject to a swap operation to hedge total future funds flows against an appreciation in the USD-Real exchange rate; (iii) payment of R$ 299.8 million in charges and monetary and foreign exchange restatement; (iv) amortization of debentures amounting to R$ 202.3 million; (v) R$ 643.5 million in amortization of loans and financing; and (vi) gain of R$ 49.1 million due to the pre-payment of debt with the National Treasury Department at market value as described under "Financial Revenue".



¹ Includes debt of US$ 90.0 million, with full swap to CDI.

Capital Expenditures

In 3Q13, the Company's total investments were R$ 174.1 million, of which R$ 50.2 million were earmarked to projects for the maintenance and repowering of generator plants and a further R$ 123.9 million applied in the construction of new plants (Estreito HPP and the Trairi Wind Farm Complex).

Record of Interest on Shareholders' Equity

Tractebel Energia's Board of Directors approved the record of interest on shareholders' equity relative to the period from January 1st to December 31, 2013, in the amount of R$ 244.8 million (R$ 0.3750332107 per share).

The Company's shares will be traded ex-interest as from November 26, 2013. 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, CERTIFICATIONS AND PERFORMANCE

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

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

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

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

Sustainability Indices[1]				
	Indices	**3Q13**	**3Q12**	**Change**
Quality	Number of certified plants	15	15	-
	Generation plant uptime, except for scheduled stoppages (%)	97.4	96.8	0.55 p.p.
	Generation plant uptime, including scheduled stoppages (%)	92.4	94.3	-1.9 p.p.
Environment	Number of licensed operating plants	22	22	-
	Saplings donated and planted (sum-total of planed and donated saplings)[2]	27,899	29,136	-4.2%
	Number of visitors at the plants	78,663	89,151	-11.8%
	CO2 Emissions (fossil fuel plants) (t/MWh)	1.054	1.044	1.0%
	CO2 Emissions from the Tractebel Energia generation plants (t/MWh)	0.133	0.141	-5.7%
Occupational Heath and Safety and Social Responsibility	Number of employees at the end of the period	1,116	1,080	3.3%
	Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[3]	0.000	0.000	⇔
	Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[4]	0.000	0.000	⇔
	Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[3]	0.000	1.480	⇩
	Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[4]	0.000	0.015	⇩
	Investments via Children and Teenagers Fund and Cultural Incentives Act (R$ thousands)	1,873	2,805	-33.2%
	Non-incentive investments, except for Estreito Social Investment (R$ thousands)	550	871	-36.8%

Notes: 1) Additional indices available from ITR (Tractebel website / Investor / CVM information).
2) CESTE not included.
3) TF = number of occupational accidents for every million hours of exposure to hazards.
4) TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards.

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 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

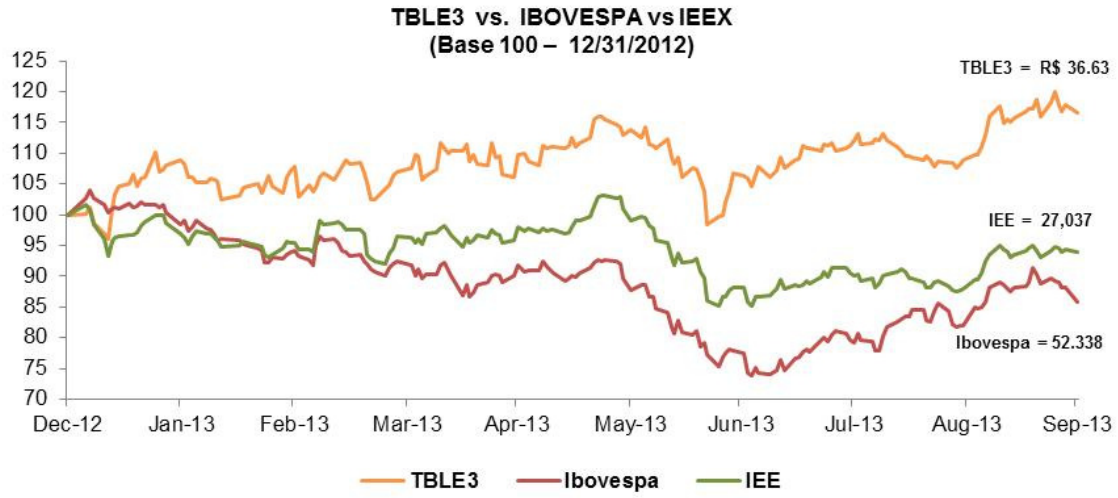
In September, the Brazilian stock exchange recorded an increase for the third consecutive month, closing the third quarter with an appreciation of 10.3%, the best quarterly performance since the first three months of 2012. This reduced accumulated depreciation for the calendar year as a whole to 14.1%.

Tractebel Energia's stock accompanied Ibovespa's rising trend for the quarter, closing the period with a 9.3% appreciation against 6.4% for the IEE – the Electric Sector Stock Index.

For the accumulated nine month period of 2013, TBLE3 posted a gain of 16.6%, while the Ibovespa and the IEE were both down by 14.1% and 6.1%, respectively.

In 3Q13, TBLE3's average daily trading volume was R$ 19.7 million, 14.3% less than reported for the same period in 2012 when average turnover was R$ 23.0 million.

Tractebel's shares reported a closing price for the period of R$ 36.63/share, translating into a market capitalization for the Company of approximately R$ 23.9 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: October 28, 2013
Time: 09:00 a.m. (DST) / 11:00 a.m. (Brasília Daylight Savings time)

Connection numbers:
Participants in Brazil: +55 11 4688-6361
Participants in the USA: +1 855 281-6021
Participants from other countries: +1 786 924-6977
Access code: Tractebel

A replay will be available from October 28th to November 3, 2013. Access by dialing: +55 11 4688-6312, code: 5167550#.

Webcast

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 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	**9/30/2013**	**12/31/2012**
Current Assets	**1,788,689**	**1,985,305**
Cash and cash equivalents	765,300	1,179,976
Accounts receivables from clients	759,659	622,916
Inventory	63,221	45,374
Taxes and social contributions recoverable	52,275	64,749
Restricted deposits	680	1,309
Refund of fuel purchases	66,787	2,060
Other current assets	80,767	68,921
Non Current Assets	**10,362,271**	**10,279,816**
Long Term Assets	**471,221**	**487,231**
Taxes and social contributions recoverable	112,145	128,185
Receivable on assets	86,886	86,886
Deferred income taxes and social contribution	17,901	16,992
Restricted deposits	107,197	103,310
Deposits in court	118,962	110,411
Other non current assets	28,130	41,447
Property, Plant and Equipment	**9,759,770**	**9,683,085**
Intangible	**131,280**	**109,500**
Total	**12,150,960**	**12,265,121**

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

(in thousands of R$)		
Liabilities	**9/30/2013**	**12/31/2012**
Current Liabilities	**1,805,184**	**1,690,673**
Suppliers	317,179	219,328
Dividends and interest on shareholder´s equity	12,026	247,591
Loans and financing	492,137	357,043
Debentures	168,564	170,042
Concessions payable	51,388	48,800
Tax and social contribution obligations	482,503	416,076
Provision for labor obligations	62,428	61,785
Provision for tax, civil and labor risks	12,585	29,170
Obligations related to retirement benefits	26,899	32,368
Other current liabilities	179,475	108,470
Non Current Liabilities	**5,037,088**	**5,072,197**
Loans and financing	2,809,188	2,848,912
Debentures	-	158,548
Concessions payable	1,489,676	1,380,126
Provision for tax, civil and labor risks	168,391	145,550
Obligations related to retirement benefits	218,609	215,598
Deferred income taxes and social contribution	164,272	199,430
Other non current liabilities	186,952	124,033
Shareholders' Equity	**5,308,688**	**5,502,251**
Share capital	2,445,766	2,445,766
Capital reserve	91,695	91,695
Fixed asset valuation	541,563	582,656
Profit reserves	2,178,077	2,331,017
Other comprehensive income	48,454	48,454
Non controlling interests	3,133	2,663
Total	**12,150,960**	**12,265,121**

ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(in thousands of R$)	3Q13	3Q12	Chg. %	9M13	9M12	Chg. %
Net Revenue from Sales	**1,416,462**	**1,297,250**	**9.2**	**4,080,708**	**3,645,089**	**12.0**
Costs of Energy Sold and Services Provided	**(709,313)**	**(524,272)**	**35.3**	**(1,972,421)**	**(1,561,505)**	**26.3**
Electric power purchased for resale	(197,836)	(162,077)	22.1	(605,688)	(500,677)	21.0
Transactions in the short term market, including those conducted through the CCEE	(138,552)	(1,406)	9,754.3	(286,828)	(21,230)	1,251.1
Charges for the use of and connection to the electricity grid	(78,763)	(83,330)	-5.5	(228,775)	(246,231)	-7.1
Fuel expenses	(4,810)	(11,067)	-56.5	(38,452)	(31,436)	22.3
Financial compensation for use of water resources	(44,505)	(39,118)	13.8	(99,341)	(81,233)	22.3
Personnel	(43,427)	(40,526)	7.2	(134,751)	(119,756)	12.5
Materials and third party services	(40,282)	(35,928)	12.1	(113,365)	(112,298)	1.0
Depreciation and amortization	(145,561)	(136,379)	6.7	(427,517)	(404,057)	5.8
Others	(15,577)	(14,441)	7.9	(37,704)	(44,587)	-15.4
Gross Income	**707,149**	**772,978**	**-8.5**	**2,108,287**	**2,083,584**	**1.2**
Operating Income (Expenses)	**(47,665)**	**(62,075)**	**-23.2**	**(144,504)**	**(155,604)**	**-7.1**
Selling expenses	(2,851)	(4,675)	-39.0	(8,741)	(13,288)	-34.2
General and administrative expenses	(43,113)	(41,297)	4.4	(131,161)	(120,879)	8.5
Other operating income (expenses), net	(1,701)	(16,103)	-89.4	(4,602)	(21,437)	-78.5
Income Before Financial Result and Taxes	**659,484**	**710,903**	**-7.2**	**1,963,783**	**1,927,980**	**1.9**
Net Financial Result	**(61,943)**	**(128,330)**	**-51.7**	**(252,261)**	**(344,066)**	**-26.7**
Financial income	78,545	21,891	258.8	154,018	69,262	122.4
Financial expenses	(140,488)	(150,221)	-6.5	(406,279)	(413,328)	-1.7
Income Before Taxes	**597,541**	**582,573**	**2.6**	**1,711,522**	**1,583,914**	**8.1**
Income tax	(142,281)	(140,179)	1.5	(408,555)	(382,214)	6.9
Social contribution	(53,717)	(52,334)	2.6	(152,533)	(142,286)	7.2
Net Income for the Period	**401,543**	**390,060**	**2.9**	**1,150,434**	**1,059,414**	**8.6**
Income allocated to:						
Tractebel Energia's shareholders	401,387	389,914	2.9	1,149,964	1,058,999	8.6
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	156	146	6.8	470	415	13.3
EBITDA	**806,866**	**850,054**	**-5.1**	**2,397,341**	**2,340,320**	**2.4**
Net income per share	0.6152	0.5976	2.9	1.7625	1.6230	8.6

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

(in thousands of R$)	3Q13	3Q12	9M13	9M12
Cash flow from operating activities				
Income before taxes	597.541	582.573	1.711.522	1.583.914
Adjustments to reconcile net income taxes and operating cash flow:				
Depreciation and amortization	147.382	139.151	433.558	412.340
Monetary and exchange rate variation	33.159	43.896	92.972	100.821
Interests	38.234	94.955	223.766	277.920
Constitution (reversals) of operating provisions	(2.407)	(367)	254	5.018
Others	2.163	9.630	2.587	10.050
Adjusted profit	816.072	869.838	2.464.659	2.390.063
Reduction (increase) in assets				
Accounts receivables from clients	(133.343)	(109.026)	(116.928)	(131.183)
Accounts receivables from Eletrobras	(4.536)	2.206	(64.727)	5.934
Taxes and social charges recoverable	14.398	41.498	27.004	41.720
Inventory	(1.296)	5.384	(17.847)	1.311
Deposits in court and restricted deposits	26.381	(7.514)	(312)	21.800
Other assets	(21.985)	(7.851)	1.973	(19.459)
Increase (reduction) in liabilities				
Suppliers	97.369	3.870	97.552	22.591
Research and development obligations	5.612	2.212	16.499	6.755
Obligations related to retirement benefits	(6.366)	(6.261)	(18.995)	(20.923)
Advancement to clients	(1.769)	(8.708)	(9.085)	(23.181)
Other liabilities	17.639	15.131	2.560	24.405
Cash generated from operating activities	808.176	800.779	2.382.353	2.319.833
Payment of income tax and social contribution	(63.318)	(34.611)	(474.527)	(515.244)
Payment of interests on loans, financing and debentures	(57.031)	(57.725)	(183.312)	(208.302)
Net cash from operating activities	**687.827**	**708.443**	**1.724.514**	**1.596.287**
Investments activities	**(168.266)**	**(68.742)**	**(429.050)**	**(244.669)**
Advance payment for the acquisition of investments	(3.218)	-	(13.456)	-
Investment acquisitions, net of cash and equivalents from acquired companies	1.994	-	1.994	-
Used in fixed assets	(164.702)	(66.532)	(412.620)	(240.481)
Used in intangibles	(2.340)	(2.210)	(4.968)	(4.188)
Financing activities	**(739.590)**	**(699.308)**	**(1.710.140)**	**(1.710.090)**
Loans and financing contracted	286.235	53.083	458.934	70.525
Payment of loans, financing and debentures	(250.079)	(52.893)	(520.557)	(317.620)
Payments of concessions payable	(12.924)	(12.639)	(38.198)	(36.454)
Payments of dividends and interest on shareholders' equity	(763.604)	(690.171)	(1.612.076)	(1.421.051)
Deposits for funding	782	3.312	1.757	(5.490)
Increase (decrease) in cash and cash equivalents	**(220.029)**	**(59.607)**	**(414.676)**	**(358.472)**
Reconciliation of cash and cash equivalents				
Opening balance	985.329	482.943	1.179.976	781.808
Closing balance	765.300	423.336	765.300	423.336
Increase (decrease) in cash and cash equivalents	**(220.029)**	**(59.607)**	**(414.676)**	**(358.472)**
Transactions that do not affect cash and cash equivalents				
Capitalized interest on loans and concession	5.242	5.148	17.172	29.404
Used in fixed assets and intangibles against suppliers	4.958	(3.544)	30.227	12.298
Offsetting of income tax and social contribution	909	10.229	70.752	11.374
Balance of remaining installments related to purchase of investments	3.660	-	15.881	-