Tractebel Energia

SUEZ



TRACTEBEL ENERGIA reports record net income of R$ 979 million for 2006 and announces new investments

Florianópolis/SC, March 16 2007 – Tractebel Energia S.A. (Bovespa: TBLE3), the largest private sector electricity generating company in Brazil, today announces earnings for the fourth quarter (4Q06) and the 12-month period ending December 31 2006 (12M06). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. Values are expressed in Reais, except where otherwise indicated.

HIGHLIGHTS

• Tractebel Energia's physical sales reached 32,836 GWh (3,748 average MW) in 2006, an increase of 10.1% compared with 29,823 GWh (3,404 average MW) sold in 2005.

• Consolidated net operating revenue in 2006 amounted to R$ 2,705.5 million, 18.2% higher than in 2005, reflecting combined volumes and prices of contracted energy.

• Costs from transactions channeled through the Energy Trading Board (CCEE) grew R$ 274.2 million in 2006 compared to 2005, principally due to the substantial increase in spot prices – in turn, a reflection of the severe drought in the south of Brazil.

• Notwithstanding the drought, EBITDA reached R$ 1,595.0 million in 2006, an increase of 9.9% compared with 2005.

• Tractebel Energia recorded a net income of R$ 979.1 million in 2006, 6.4% higher than the accumulated amount registered in 2005.

• The Company will pay out 95% of the 2006 net income, or R$ 1.43 per share, representing an increase of 6.4% in comparison with 2005.

• All 13 of Tractebel Energia's generating plants now have NBR ISO 9001 and NBR ISO 14001 certificates, awarded by BVQI and attesting to their operating procedures quality and environmental responsibility. The Company is the first of the major generators in the electricity sector to have all its plants fully certified.

• The Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) granted the installation license for the Estreito Hydroelectric Power Plant, to be built by the Estreito Consortium, in which Tractebel Energia's controlling company, SUEZ, is the leading participant, with a 40.07% stake.

• The São Salvador Hydro Power Plant, which started construction in 2006, was registered in the Growth Boosting Program (PAC), recently launched by the Brazilian government.

2006

For immediate release

Additional information may be obteined by contacting the Investor Relations area:

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ISE Índice de Sustentabilidade Empresarial

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itag Índice de Ações com *Tag Along* Diferenciado

Summary of economic and operational indicators

Tractebel - Consolidated	Quarter			Accumulated		
In Millions of Reais	4Q06	4Q05	Chg.	12M06	12M05	Chg.
Gross operating revenue	811.3	658.5	23.2%	3,060.7	2,592.7	18.1%
Net operating revenue	714.9	586.1	22.0%	2,705.5	2,288.4	18.2%
Result from service (EBIT)	284.6	295.3	-3.6%	1,386.6	1,242.9	11.6%
EBITDA (1)	336.8	347.5	-3.1%	1,595.0	1,451.0	9.9%
EBITDA / NOR - (%)	47.1	59.3	-12.2 p.p.	59.0	63.4	-4.4 p.p.
Net income	188.8	220.0	-14.2%	979.1	920.1	6.4%
Net debt	1,025.2	1,244.2	-17.6%	1,025.2	1,244.2	-17.6%
Energy sold (GWh)	8,732	7,469	16.9%	32,836	29,823	10.1%
Number of employees	905	893	1.3%	905	893	1.3%

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



OPERATING PERFORMANCE

Generating Complex

The Company is the largest private sector generating company in Brazil and operates 6,977 MW of installed capacity, made up 13 plants (six hydroelectric and seven thermoelectric power plants), of which 11 are wholly owned by Tractebel Energia S.A and two (the Itá and Machadinho hydro plants) operated by consortia with other companies.

Tractebel Energia's generating complex

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

(*) Complex comprised of 3 power plants.

In 4Q06, the 13 plants operated by Tractebel Energia recorded 96.7% of uptime, discounting programmed stoppages. Taking all stoppages into account, global uptime was 90.6%, 93.8% in the case of hydro generation and 75.0% for the thermoelectric plants.

As a result of this quarterly performance, the Company reported 98.4% uptime for the accumulated twelve-month period, ignoring programmed stoppages. Considering all stoppages, global uptime was 93.5%, being 95.0% for the hydro plants and 86.4% for the thermoelectric plants.

All Tractebel plants have NBR ISO 9001 and NBR ISO 14001 certification. The purpose of NBR ISO 9001 certification is to improve the company's internal procedures and focus specifically on the continual upgrading of products and services. NBR ISO 14001 certification represents a norm for environmental management systems and is designed to reconcile environmental protection and pollution prevention with corporate socio-economic growth. A certified company periodically analyses and evaluates its environmental management system, seeking to identify opportunities for improvement and ways to implement them.

Production

In 4Q06, Tractebel Energia's plants generated 5,429 GWh (2,459 average MW). Compared with 4Q05, this represents a reduction of 5.1% in thermoelectric generation, amounting to 1,038 GWh (470 average MW), and a reduction of 38.4% for hydroelectric power generation, which totaled 4,391 GWh (1,989 average MW). Joint energy generation from thermal and hydroelectric sources reported an overall reduction of 33.9% compared with 4Q05 due to the severe drought affecting southern Brazil since the beginning of the year. This obliged the National Electricity System Operator (ONS) to reduce the dispatch of electricity generated from the hydro plants in order to restore water levels in the Iguaçu and Uruguai river basins.



In the 12M06, total electric energy production amounted to 21,351 GWh (2,437 average MW), being 15,885 GWh (1,813 average MW) from the hydro plants and 5,466 GWh (624 average MW) from thermal sources. Once more due to the drought in the south of the country, overall generation volume for the accumulated 12-month period was down by 28.4% compared with 2005. These volumes include the total output from the Itá and Machadinho plants, the only ones in the Company's overall generating complex that are not wholly owned.

In 2006, Tractebel Energia's hydro plants supplied reactive energy to the national electricity system amounting to 6.9 million MVArh, equivalent to a value in excess of R$ 24.6 million, as an ancillary reactive compensation service.

Energy Balance

Based on data for assured energy and purchase and sales contracts in force on December 31 2006, Tractebel Energia's energy balance shows that the Company 's current capacity, including acquisitions from third parties, is almost entirely contracted until 2008. However, the Company has opted to maintain a substantial part of its available energy on a non-contracted basis as from 2009, when forecasts for the sector indicate a potential increase in prices.

Energy Balance as of January 1, 2007

	(aMW)	2007	2008	2009	2010	2011	2012	Auction Price (R$/MWh)	Date	Price Adjusted as of Jan 1, 2007 (R$/MWh)
	Own Resources	3,178	2,998	3,281	3,281	3,425	3,425			
+	Purchases for Resale	418	417	409	439	217	130			
=	Total Resources (A)	3,596	3,415	3,690	3,719	3,642	3,555			
	Government Auction Sales*	10	160	1,034	1,234	1,382	1,382			
	2004-EE-08	10	10	10	10	10	10	70.9	Dec-04	77.6
	2005-EE-08	-	150	150	150	150	150	81.6	Apr-05	87.0
	2005-EE-08	-	-	381	381	381	381	94.0	Oct-05	98.3
	2005-NE-30	-	-	-	200	200	200	115.1	Dec-05	119.2
	2006-NE-30	-	-	493	493	493	493	128.4	Jun-06	130.7
	2006-NE-30	-	-	-	-	148	148	135.0	Nov-06	136.7
+	Bilateral Sales	3,553	3,116	2,330	2,132	1,186	1,050			
=	Total Sales (B)	3,563	3,276	3,364	3,366	2,568	2,432			
	Balance (A - B)	**33**	**139**	**325**	**353**	**1,074**	**1,123**			
	Sales Average Price (R$/MWh)	100.2	102.9							
	Purchases Average Price (R$/MWh)	82.1	82.6							

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

Note: São Salvador => Own Resources (144 MW average from 2011 on) and Botox sale (148 MW average from 2011 on)
CIEN is reestablished from 2009 on - in Own Resources (ongoing negotiations, Memorandum of Understanding Brazil/Argentina)

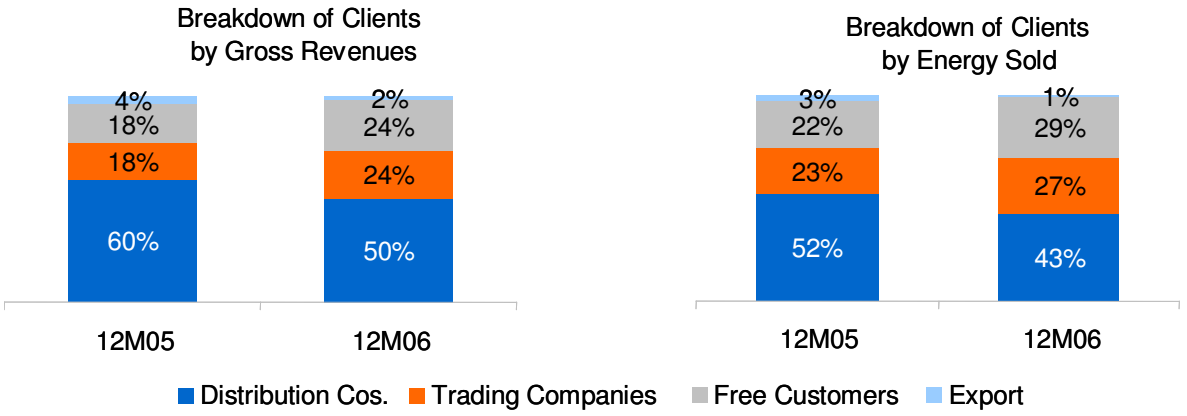
Customers

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

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



In 2006, the percentage of industrial consumers in the portfolio increased in relation to the previous year, reaching 24.5% of gross operating revenue and 29.3% of physical sales.



ECONOMIC AND FINANCIAL PERFORMANCE

Following a directive from ANEEL (the National Electricity Regulatory Agency), the recovery of fuel consumption subsidy costs through the intermediary of the CCC/CDE accounts and hitherto booked as gross operating revenue, was registered in a separate fuel cost rectifying account. The amounts of R$ 311.5 million and R$ 53.7 million for the 2005 fiscal year and 4Q05, respectively, shown as operating revenue in the 2005 financial statements, were reclassified to allow a better comparative analysis between the periods.

For this latest fiscal year, the financial charges on post-employment benefits, previously shown as operational provisions, are now recognized as financial expenses. The values of R$ 33.2 million and R$ 12.2 million, respectively, relating to the fiscal year 2005 and 4Q05, were reclassified in order to facilitate the comparison between the periods in question.

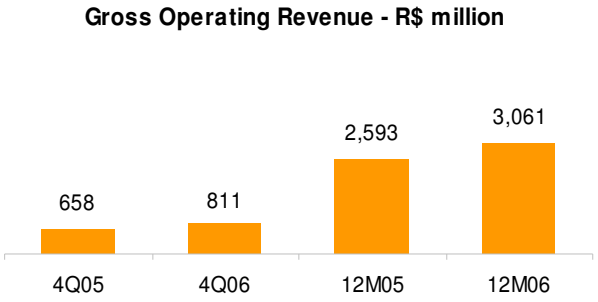
Gross Operating Revenue

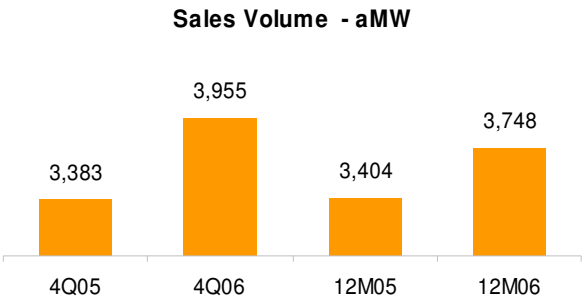
Fourth quarter 2006 gross operating revenue was R$ 811.3 million, a growth of 23.2% compared with the R$ 658.5 million for the same period in 2005. Revenue from the sale of energy to the wholesale market was R$ 596.0 million and sales to final consumers (energy sales to the free unregulated market) were R$ 202.5 million, representing, respectively, a growth of 14.8% and 49.1% against 2005, indicative of the Company's successful efforts in the development of the free consumer portfolio.

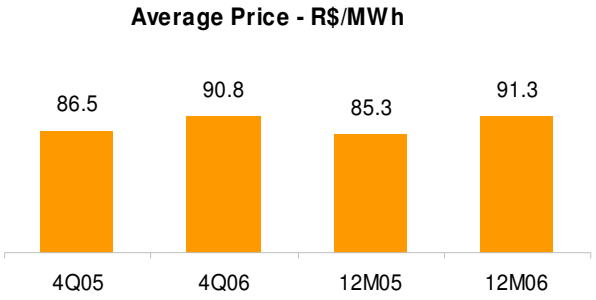
Consolidated 4Q06 sales amounted to 8,732 GWh (3,955 average MW), an increase of 16.9% compared with 7,469 GWh (3,383 average MW) sold in 4Q05. The average price of the Company's commercialization contracts reached R$ 90.80/MWh, 5.0% more than the average contracted energy sales price for the same period in the preceding year, approximately R$ 86.46/MWh.

Annual gross operating revenue reached R$ 3,060.7 million, a growth of 18.1 % compared with R$ 2,592.7 million in 2005. The increase in energy volumes of 10.1% and an average price hike of 7.1% were the main factors contributing to this improvement.









Net Operating Revenue

Compared with the same period in 2005, 4Q06 net operating revenue increased by 22.0% from R$ 586.1 million to R$ 714.9 million. This was largely a reflection of increases in volume and price to wholesale businesses and electricity supplies to final consumers.

Deductions from gross revenue are mainly the result of higher sales taxes, which increased 33.1% between the comparative periods from R$ 72.4 million to R$ 96.4 million. This was basically due to (a) increased ICMS (state sales tax) following higher sales to end consumers, on which this tax is charged, and (b), effective 2006, the recognition as a deduction against gross revenue of resources applied in Research and Development in the light of changes in accounting procedures proposed by ANEEL.

Net operating revenue for 12M06 reached R$ 2,705.5 million against R$ 2,288.4 million in 2005, an increase of 18.2%.

Costs and General Administrative Expenses

In this section, mention made to increases or reductions for 4Q06 are compared with 4Q05. Likewise, mention made to increases or reductions for 12M06 are compared with 12M05.

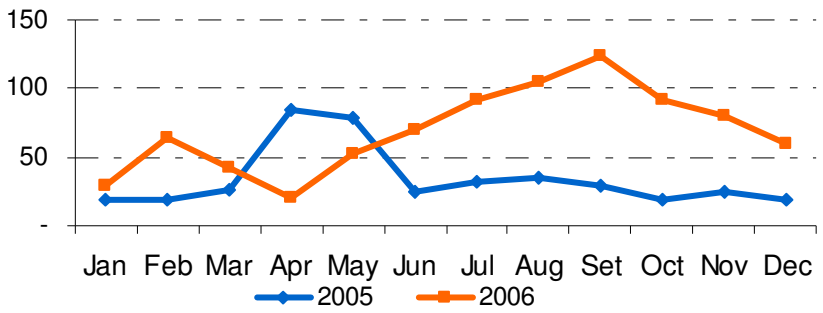
The operating costs and expenses reached R$ 433.9 million in 4Q06, representing an increase of 68.6%. For 12M06, this account amounted to R$ 1,424.8 million, an increment of 43.1%. Such changes can be explained by the main factors listed as follows:

Third party purchases: R$ 50.7 million higher in 4Q06 and R$ 131.0 million higher in 12M06, due to the increase in contractual commitments for energy sales.



Transactions channeled through the Energy Trading Board (CCEE): an increase of R$ 134.4 million in 4Q06 and R$ 274.2 million in 12M06, principally due to: (a) the need to replace energy under the contract with Companhia de Interconexão Energética (CIEN), which was non-operational from mid 2006; (b) the average increase in spot prices on the CCEE, which resulted in increased costs from substitution for thermoelectric energy; and (c) the costs of the Energy Reallocation Mechanism (MRE) were higher because of reduced hydro generation activity given the severe drought conditions afflicting southern Brazil.

Monthly Average Price at the CCEE (R$/MWh)
SE-CW Submarket



Fuel costs for generating electricity: a reduction of R$ 6.3 million for 4Q06, principally due to lower natural gas consumption at the William Arjona Plant, the result of minimal energy dispatch from this installation following the upgrading of transmission line services in the state of Mato Grosso Sul. For 12M06 these costs were slightly smaller when compared to 12M06 (R$ 102.1 million versus R$ 104.7 million, respectively).

Charges for the use of the transmission and distribution network: R$ 11.0 million higher in 4Q06 and R$ 40.1 million higher in 2006, due to the increase in sales volume under bilateral contracts, replacing initial contracts not subject to transmission, distribution and connection charges.

Financial compensation for use of hydro resources: reduction of R$ 14.2 million in 4Q06 and R$ 29.0 million in 2006, due to the impact on the calculation base for this contribution caused by the reduction in deliveries from the hydroelectric plants on the part of the ONS, given drought conditions already mentioned above.

Personnel: in 4Q06, there was a reduction of R$ 12.1 million, due to the full recognition in 4Q05 of the provision for an employee results sharing and bonus payment scheme. In 2006, this provision was recognized evenly over the 12-month period. For 12M06 such costs rose by 5.1%, from R$ 121.5 million to R$ 127.7 million.

Constitution of Net Operational Provisions

For 4Q06 there was a R$ 31.1 million decline in this account. This was mainly due to the recognition of non-recurring provisions of post-employment benefits in 4Q05, following changes to the benefits plan, and programmed maintenance in the light of a re-evaluation of the maintenance program.

Considering 12M06, there was a decrease by R$ 61.1 million, in comparison with 2005, resulting from the above cited reasons, besides the reversal of provision for a civil contingency given the remote probability of losses.

Favorable Court Rulings

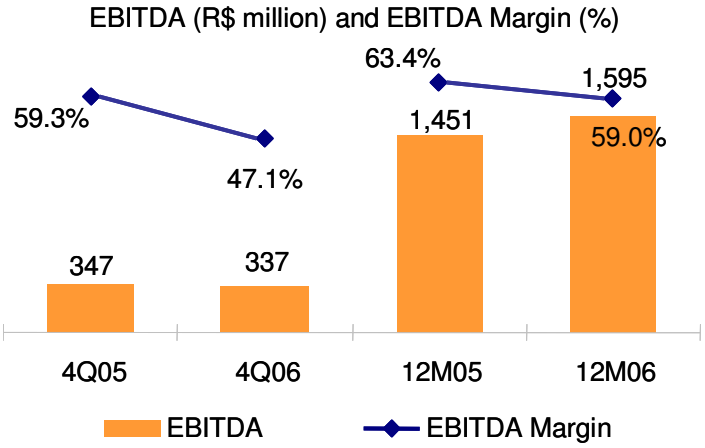
Considering just 4Q06, this account refers to a favorable court ruling worth R$ 5.8 million, relative to an agreement under a declaratory judgment action, for the improper payment of a surety on a proposal involving an international tender bid for importing energy from Argentina. Additionally, for 12M06, the Company benefited from another favorable court ruling, this time worth R$ 88.7 million, of litigation for the elimination of the calculation basis for PIS and COFINS contributions.



EBITDA and EBITDA Margin

Reflecting the impacts already mentioned, 4Q06 EBITDA reached R$ 336.8 million, a decline of 3.1% compared with 4Q05. The EBITDA margin was 47.1% compared with 59.3% in 4Q05.

For 12M06, EBITDA was R$ 1,595.0 million, an increase of 9.9% compared with the same period in 2005. In 2006, the EBITDA margin posted a decline from 63.4% to 59.0%.



Financial Result

Financial income: reduction of R$ 34.9 million and R$ 31.4 million for 4Q06 and 12M06, respectively, compared to equivalent periods of 2005, due to the decrease in income from financial investments, in turn reflecting a reduction in funds invested in the market and lower prevailing interest rates, and to the recognition in 4Q05 of non-recurring income from the restatement of tax and social contribution overpayments in previous years.

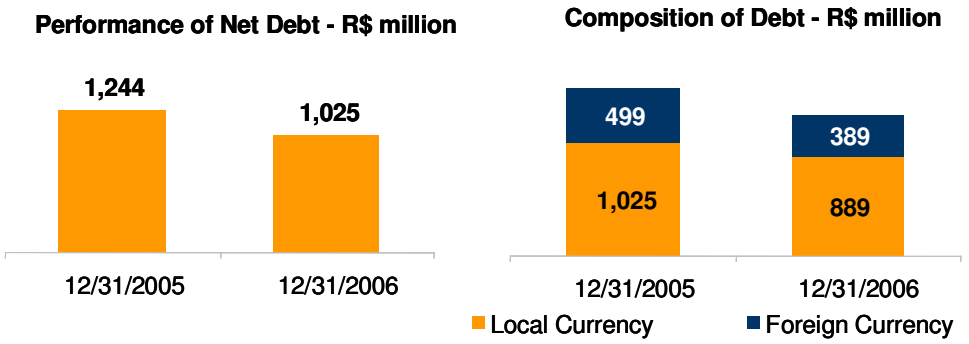
Financial expenses: reduction of R$ 40.6 million in 4Q06 and R$ 10.9 million in 12M06, in comparison with the same periods in the year before, due to the lower interest expenses on debt, reflecting the fall in the Long Term Interest Rate (TJLP) and the amortization of financing; and to the effects of the foreign exchange variation on the loans and financing, net of the results of currency hedge transactions, arising from the Real's performance against a basket of currencies in which the Company's debt is denominated.

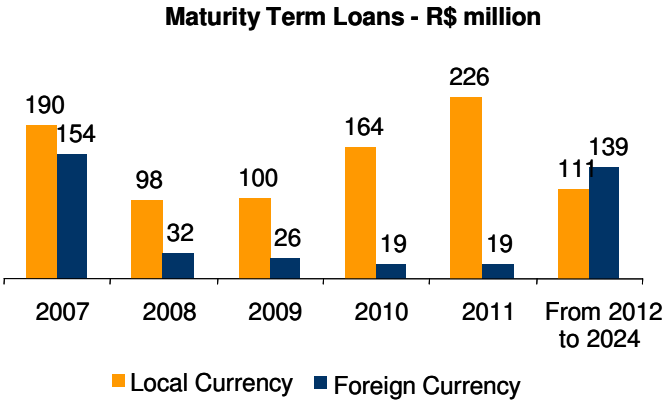
Debt

The Company's net debt at the end of December 2006 (total debt less cash and cash equivalents and the result of swap operations) was R$ 1,025.2 million compared to R$ 1,244.2 million at the end of 2005.



Total gross consolidated debt, mainly in the form of loans, debentures and financing, totaled R$ 1,277.5 million on December 31 2006, a decline of 16.2% compared with the position on December 31 2005. Of the total debt at the end of the period, 30.4% was exposed to currency risk (32.7% on December 31 2005), of which about 48.0% was hedged against foreign exchange fluctuations (36.7% on December 31 2005).

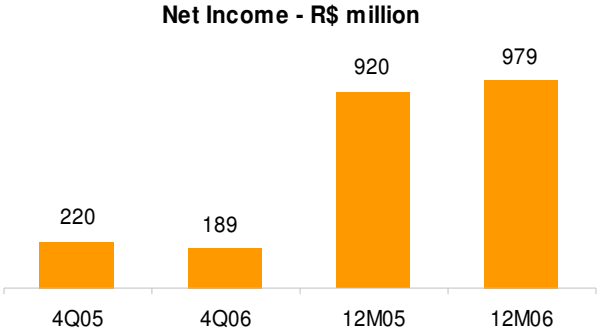




Net Income

In 4Q06, the Company posted net income of R$ 188.8 million, compared with R$ 220.0 million for the same period in 2005.This decrease reflects the various factors already commented above.

For 12M06, the Company reported net income of R$ 979.1 million, a 6.4% improvement on the R$ 920.1 million for the 2005 fiscal year, in 2006, corresponding to earnings per share of R$ 1.50.





Dividend Payout

At a meeting on March 15 2007, the Board of Directors approved the payout of dividends for the second semester 2006, totaling R$ 393.2 million, corresponding to R$ 0.602365 per share.

As a result, total profits distributed to shareholders in 2006 amounted to R$ 930.2 million, R$ 717.2 million in the form of dividends and R$ 213.0 million as interest on shareholders' equity. This is equivalent to a payout of 95% of the Adjusted Net Income for the fiscal year and of R$ 1.425048 per share, thus exceeding the minimum distribution of 55% of net income established in the corporate dividends policy.

Capital Expenditures

Tractebel Energia invested R$ 69.0 million in maintenance and modernization projects in the generation segment during the course of 2006 - 56.8% more than in 2005 – as part of the process of securing the Company's excellent efficiency and performance indicators.

The investments made during 2006 were instrumental in Tractebel Energia recording excellent efficiency and performance indicators. As mentioned above, uptime for the fiscal year was 98.4%, excluding programmed stoppages.

At the end of the year, the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) granted the installation license for the Estreito Hydroelectric Power Plant, to be built by the Estreito Consortium, in which Tractebel Energia's controlling company, the SUEZ group, is the leading participant, with a 40.07% stake.

The São Salvador Hydro Power Plant, which started construction in 2006, was registered in the Growth Boosting Program (PAC), recently launched by the Brazilian government.

CAPITAL MARKETS

Tractebel Energia's listing on Bovespa's *Novo Mercado*

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

Since its listing on Bovespa's *Novo Mercado*, Tractebel Energia 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 under the TBLE3 symbol. The Company's Level I American Depositary Receipts (ADRs) are also traded on the US over-the-counter (OTC) market under the TBLEY symbol at a ratio of 1 ADR to every 5 common shares.

Corporate Governance

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



Tractebel Energia's bylaws have been adapted to conform to the new rules and procedures of the *Novo Mercado* Listing regulations. The Board of Directors now has nine members, of whom one represents the interests of the employees, with a further two being independent directors.

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

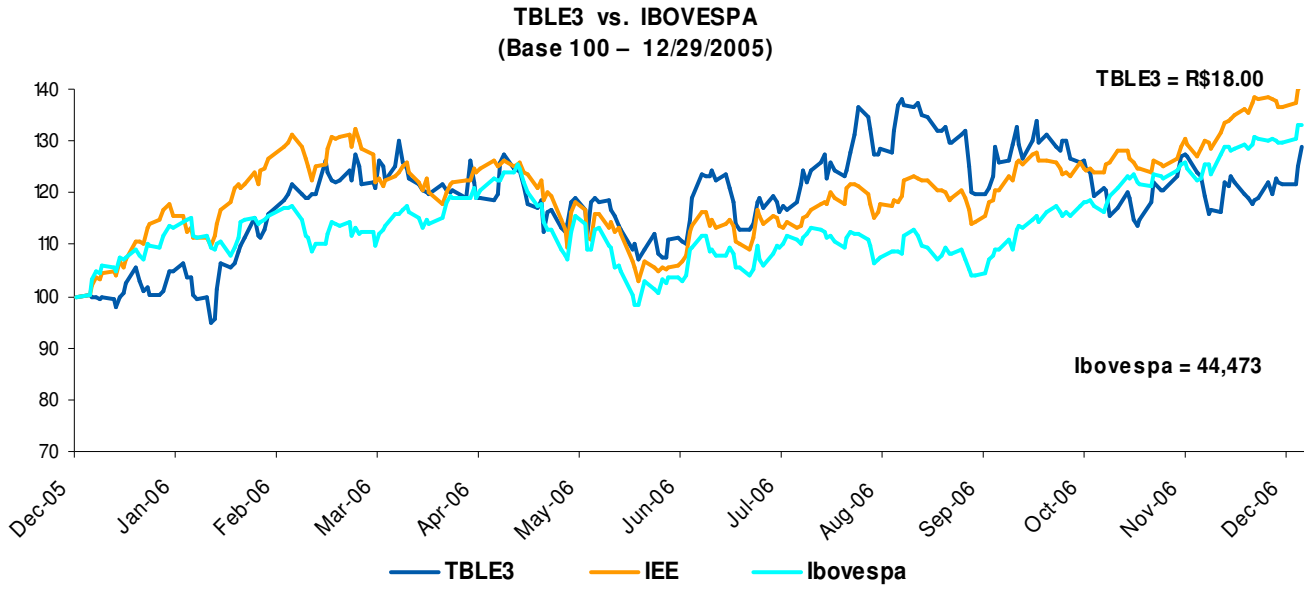
Tractebel Energia's dividend policy establishes a mandatory minimum dividend of 30% of the net income for the fiscal year, adjusted in accordance with Law 6,404/76. In addition, the policy allows for the semi-annual payment of dividends and/or interest on shareholders' equity for an amount not less than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

Share Performance – TBLE3

Tractebel Energia's (TBLE3) common shares reported an appreciation of 30.0% for the fiscal year 2006, while the Ibovespa, a stock index reflecting the performance 57 shares with the greatest market liquidity, appreciated 32.9% and the IEE, the Electric Energy Stock Index, which sweeps up the performance of shares in the Brazilian electricity sector as a whole, also rose by 40.8%. During the fourth quarter, the Company shares appreciated 2.3%.

During 2006, Tractebel Energia's shares traded every day the stock exchange was open for business. The average daily trading volume was R$ 8.2 million, volumes increasing particularly strongly from November 2005 following the conclusion of measures to formalize adhesion to a listing on Bovespa's *Novo Mercado*. A secondary share offering, ramping up the free-float to 31.3% also boosted trading turnover.

On December 28 2006, the shares were priced at R$ 18.00/share, translating into a market capitalization of R$ 11.7 billion.





UPCOMING EVENTS

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

Conference Call with Webcast (in Portuguese)

Date: March 19, 2007
Time: 10:00 a.m. (Brasília time)
Telephones for connection:
Participants in Brazil: 11 4688.6301
Password for participants: Tractebel

Conference Call with Webcast (in English)

Date: March 19, 2007
Time: 11:00 a.m. (ET) / 12:00 noon (Brasília time)
Telephones for connection:
Participants in Brazil: 55 11 4688.6301
Participants in USA: (1 800) 860.2442
Participants in other countries: (1 412) 858.4600
Password for participants: Tractebel

The links for access will be available on the Company's website (www.tractebelenergia.com.br), in the Investors section.
Replay available from March 19 to March 27 2007. Access by calling 55 11 4688.6225, code 112.

Meetings with Analysts

São Paulo
Date: March 20, 2007
Time: 8:30 a.m. (Brasília time)
Venue: Hotel Renaissance

Rio de Janeiro
Date: March 20, 2007
Time: 6:00 p.m. (Brasília time)
Venue: Pestana Hotel

Florianópolis
Date: March 21, 2007
Time: 6:30 p.m. (Brasília time)
Venue: Hotel Majestic Palace

Disclaimer

This release contains information and opinions on future events subject to risks and uncertainties based on current forecasts, projections and tendencies of the Company's business. Innumerous factors can effect the estimates and suppositions on which these opinions are based. In view of these risks and uncertainties described herein, estimates and declarations with respect to future events contained in this material may not be become realities. In view of these restrictions, shareholders and investors should not take any decisions based on estimates, projections and declarations as to future events contained in this release.



ATTACHMENT I

TRACTEBEL ENERGIA S.A.

CONSOLIDATED BALANCE SHEET – ASSETS

Consolidated Balance Sheet	In Thousand Reais	
ASSETS	**12/31/2006**	**12/31/2005**
CURRENT ASSETS	**792,052**	**836,532**
Cash and Cash Equivalents	23,593	12,179
Securities	233,247	296,958
Resources subject to payment of obligations	21,643	-
Consumers, concessionaires and holder of permissions	358,002	320,605
Taxes and social contributon recoverable	26,707	16,719
Warehouse	23,623	23,512
Pledges and restricted deposits	53,947	47,867
Deferred assets	21,351	82,344
Advances to suppliers	3,022	10,721
Others	26,917	25,627
NON CURRENT ASSETS	**4,747,057**	**4,815,569**
Long Term Assets	**449,210**	**374,497**
Concessionaires and holders of permission	16,063	38,314
Taxes and social contributon to offset	13,124	10,296
Pledges and restricted deposits	29,422	26,119
Deposits in court	131,331	45,924
Disposal of assets and rights	68,565	60,220
Deferred assets	188,489	192,309
Others	2,216	1,315
Permanent Assets	**4,297,847**	**4,441,072**
Investments	36,873	43,619
Property plant and equipment	4,148,898	4,272,779
Intangible	77,310	80,689
Deferred	34,766	43,985
TOTAL	**5,539,109**	**5,652,101**



ATTACHMENT II

TRACTEBEL ENERGIA S.A.

CONSOLIDATED BALANCE SHEET – LIABILITIES

Consolidated Balance Sheet	In Thousand Reais	
LIABILITIES	**12/31/2006**	**12/31/2005**
CURRENT LIABILITIES	**1,246,812**	**1,187,388**
Suppliers	239,319	94,346
Dividends and interest on shareholder´s equity	478,043	495,487
Loans and financing	306,079	243,343
Debentures	37,834	31,090
Taxes and social contribution in installments	45,870	47,437
Estimated obligations	28,650	49,243
Derivatives	4,526	65,876
Research and Development program obligations	35,135	-
Provision for contingencies	11,206	42,326
Post-employment benefits	20,369	81,020
Others	39,781	37,220
NON CURRENT LIABILITIES	**1,527,726**	**1,778,752**
Long Term Liabilities	**1,527,726**	**1,778,752**
Loans and financing	610,251	911,138
Debentures	323,344	338,196
Taxes and contributons payable in installments	5,383	6,230
Estimated obligations	653	22,869
Provision for contingencies	56,289	79,902
Concessions payable	201,546	178,130
Post-employment benefits	293,725	205,755
Deferred fiscal liabilities	36,535	36,532
SHAREHOLDERS' EQUITY	**2,764,571**	**2,685,961**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Surplus reserves	227,110	148,500
TOTAL	**5,539,109**	**5,652,101**



ATTACHMENT III

TRACTEBEL ENERGIA S.A.

CONSOLIDATED INCOME STATEMENT

In Thousand Reais	4Q06	4Q05	Chg. %	12M06	12M05	Chg. %
Gross operating revenue	**811,297**	**658,479**	**23.2**	**3,060,737**	**2,592,727**	**18.1**
Provision of electric energy	202,486	135,847	49.1	743,177	479,493	55.0
Supply of electric energy	595,983	519,332	14.8	2,291,922	2,097,482	9.3
Other revenues	12,828	3,300	288.7	25,638	15,752	62.8
Deductions from operating revenue	**(96,391)**	**(72,413)**	**33.1**	**(355,205)**	**(304,361)**	**16.7**
Net revenue from sales and services	**714,906**	**586,066**	**22.0**	**2,705,532**	**2,288,366**	**18.2**
Eletric Energy and Service Costs	**(347,471)**	**(173,521)**	**100.2**	**(1,081,392)**	**(710,810)**	**52.1**
Electric energy purchased from third-party	(79,289)	(28,554)	177.7	(287,404)	(156,366)	83.8
Transactions conducted through the CCEE	(140,497)	(6,128)	2,192.7	(281,313)	(7,090)	3,867.7
Cost of electric energy production	(124,652)	(136,194)	-8.5	(502,421)	(538,026)	-6.6
Costs of services rendered	(3,033)	(2,645)	14.7	(10,254)	(9,328)	9.9
Gross Income	**367,435**	**412,545**	**-10.9**	**1,624,140**	**1,577,556**	**3.0**
Operating Expenses	**(82,885)**	**(117,233)**	**-29.3**	**(237,494)**	**(334,645)**	**-29.0**
Selling expenses	(54,122)	(43,632)	24.0	(210,149)	(164,796)	27.5
General and administrative expenses	(32,343)	(40,253)	-19.7	(133,300)	(120,158)	10.9
Constitution/reversal of operational provisions, net	(2,235)	(33,348)	-93.3	11,453	(49,691)	-
Favorable ruling on lawsuit	5,815	-	-	94,502	-	-
Service income	**284,550**	**295,312**	**-3.6**	**1,386,646**	**1,242,911**	**11.6**
Result of Corporate Participations	**(1,686)**	**(1,686)**	**0.0**	**(6,446)**	**(6,746)**	**-4.4**
Amortization of goodwill	(1,686)	(1,686)	-	(6,746)	(6,746)	-
Equity income	-	-	-	300	-	-
Net financial income (expenses)	**(40,378)**	**(46,050)**	**-12.3**	**(156,208)**	**(135,670)**	**15.1**
Financial income	21,256	56,188	-62.2	107,666	139,086	-22.6
Financial expenses	(61,634)	(102,238)	-39.7	(263,874)	(274,756)	-4.0
Operating income	**242,486**	**247,576**	**-2.1**	**1,223,992**	**1,100,495**	**11.2**
Non-operating income (loss)	(14,284)	42	-	2,985	3,557	-16.1
Income before taxes	**228,202**	**247,618**	**-7.8**	**1,226,977**	**1,104,052**	**11.1**
Income tax	(28,533)	(19,913)	43.3	(156,297)	(109,521)	42.7
Social contribution	(10,844)	(7,661)	41.5	(91,534)	(74,435)	23.0
Net income for the period	**188,825**	**220,044**	**-14.2**	**979,146**	**920,096**	**6.4**
EBITDA	**336,845**	**347,487**	**-3.1**	**1,595,010**	**1,451,019**	**9.9**
Net income per share	0.2893	0.3371	-14.2	1.5001	1.4096	6.4



ATTACHMENT IV

TRACTEBEL ENERGIA S.A.
DETAILED OPERATIONAL EXPENSES

In Thousand Reais	2006					2005
	Costs		Expenses		Total	Total
	Production and Commercializatio	Services Rendered	Sales	General and Administrative		
Personnel	82,318	7,139	3,103	35,126	**127,686**	**121,458**
Managers	-	-	-	9,944	**9,944**	**9,009**
Material	21,932	265	111	1,589	**23,897**	**22,853**
Third-party services	48,333	2,247	1,145	26,515	**78,240**	**75,330**
Fuel to produce energy	102,070	-	-	-	**102,070**	**104,694**
Financial compensation for use of water resources	38,326	-	-	-	**38,326**	**67,311**
Charges on the use of electric system	-	-	202,545	-	**202,545**	**162,431**
Use of public property - UPP	2,209	-	-	-	**2,209**	**3,671**
Depreciation and amortization	197,743	-	-	10,621	**208,364**	**208,108**
Insurance	6,848	448	-	265	**7,561**	**9,239**
Labor and third part indemnities	-	19	2,920	4,416	**7,355**	**4,318**
Contributions to the energy sector	-	-	-	2,803	**2,803**	**4,168**
Inspection fee	-	-	-	9,419	**9,419**	**9,156**
Contributuins and donations	461	48	-	9,205	**9,714**	**4,885**
Reimbursement oo additional tariff	-	-	-	9,072	**9,072**	**-**
Other	2,181	88	325	14,325	**16,919**	**25,677**
Total	**502,421**	**10,254**	**210,149**	**133,300**	**856,124**	**832,308**



ATTACHMENT V

TRACTEBEL ENERGIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOW

In thousands R$	4Q06	4Q05	12M06	12M05
Operating activities				
Net income for the year	188,825	220,044	979,146	920,096
Expenses (Revenues) that do not affect cash:	-	-	-	-
Depreciation and Amortization	52,264	52,187	208,364	208,108
Amortization of goodwill	1,686	1,686	6,746	6,746
Net monetary variations	4,624	17,508	9,425	(8,296)
Net interest	10,932	21,661	54,096	52,411
Estimated obligations with suppliers	-	4,834	8,861	26,595
Operating provision (reversion), net	6,033	75,973	4,271	75,630
Investiments of resources in R&D	5,411	-	34,087	-
Deferred income tax and social contribution	1,775	(29,417)	49,469	7,078
Sale of carbon credits	(8,685)	-	(8,685)	-
Result of writing off of permanent assetes	14,286	(37)	(2,359)	(3,557)
Others	453	-	308	-
	277,604	**364,439**	**1,343,729**	**1,284,811**
Decrease (increase) in assets				
Consumers and concessionaires	5,721	(9,879)	(11,371)	(16,447)
Resources subject to payment of obligations	4,357	-	(21,643)	-
Advances to suppliers	814	1,592	1,858	5,521
Taxes and social contributions recoverable	72,937	16,902	(9,980)	24,452
Collateral and linked / judicial deposits	(11,129)	(20,317)	(85,490)	(13,972)
Warehouse	9,314	(6,846)	(111)	(9,902)
Pre-paid expenses	1,770	3,045	7,492	(5,886)
Others	2,941	(3,841)	5,402	2,744
	86,725	**(19,344)**	**(113,843)**	**(13,490)**
Increase (decrease) in liabilities				
Suppliers	23,394	12,236	107,723	6,227
Loans, financing and debentures	(16,292)	(11,659)	2,731	18,995
Taxes and social contributions	(33,182)	13,844	(11,157)	27,577
Estimated obligations	(5,531)	(10,500)	(11,870)	(26,930)
Provision for contingencies	(371)	(21,873)	(2,778)	(5,728)
Post-Employment benefits	(6,966)	(9,234)	(30,315)	(35,624)
Others	1,258	4,809	1,989	6,214
	(37,690)	**(22,377)**	**56,323**	**(9,269)**
Funds from operating activities	**326,639**	**322,718**	**1,286,209**	**1,262,052**
Investments activities	**(25,390)**	**(13,888)**	**(69,040)**	**(43,916)**
Used in fixed assets and deferred items	(25,390)	(13,888)	(69,040)	(43,916)
Financing activities	**(542,073)**	**(530,690)**	**(1,269,466)**	**(1,564,683)**
Payment of loans, financing and debentures	(86,211)	(77,930)	(243,541)	(548,375)
Debentures	-	-	-	200,000
Payment of *swap* adjusts	(30,912)	(39,152)	(87,034)	(106,075)
Payment of dividends and interest on Shareholders' equity	(424,950)	(413,608)	(938,891)	(1,110,233)
Total effects on cash	**(240,824)**	**(221,860)**	**(52,297)**	**(346,547)**
Cash and cash equivalents	-	-	-	-
Opening balance	497,664	530,996	309,137	655,684
Closing balance	256,840	309,136	256,840	309,137
	(240,824)	**(221,860)**	**(52,297)**	**(346,547)**
Payments made in the year	**-**	**-**	**-**	**-**
Interest on loans, financing and debentures	50,101	53,601	137,862	153,620
Income tax and social contribution	22,647	15,680	150,147	142,631
Transactions that do not affect cash	**-**	**-**	**-**	**-**
Offseting of income tax and social contribution	66,226	4,441	67,188	27,558
Proposed dividends and interest on shareholders' equity credited	54,187	500,891	492,189	500,891
Adjustement for previous fiscal years	-	-	29,653	-