TRACTEBEL ENERGIA announces a record net income of R$ 1,045.6 million in 2007

Generation also achieved its best performance ever

Florianópolis, SC, Brazil, March 7, 2008 – Tractebel Energia S.A. (Tractebel) - Bovespa: TBLE3, ADR: TBLEY -, the largest private sector electricity generating company in Brazil, announces earnings for the fourth quarter and twelve month period ending December 31, 2007 (4Q07 and 12M07). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. The values are expressed in Reais, except where otherwise indicated.

HIGHLIGHTS

- In 2007 Tractebel's generating complex broke all previous records in electricity generation with 33,858 GWh or 3,865 average MW, surpassing the previous record set in 2002 of 31,045 GWh or 3,544 average MW.

- Net consolidated revenue in 2007 amounted to R$ 3,043.4 million, 12.5% greater than 2006, reflecting an increase in exports to Argentina and higher prices for contracting energy.

- Sales contract average price in 2007, net of deductions, was 12.0% higher than 2006, leveraged by higher exports mentioned above. Discounting export business, the average price was still 9.6% higher than 2006.

- EBITDA reached a record R$ 1,857.3 million in the period, equivalent to an increase of 16.4% compared with 12M06, again a reflection of stronger exports and energy sales contract prices.

- Net income for the period, again a record, was R$ 1,045.6 million, corresponding to R$ 1.60 per share, therefore 6.8% more than net income reported for 2006.

- The Board of Directors approved the credit of interest on shareholders' equity for the second half of 2007 worth R$ 88.0 million, so as the credit of dividends relative to the same period worth R$ 457.2 million. Being that, the yearly payout reached 95% for the fifth time in a row.

- TBLE remained listed in the São Paulo Stock Exchange's (Bovespa) Corporate Sustainability Stock Index – ISE 2008, announced on November 26, 2007. The Company has been part of the index since Bovespa first established it.

- In December, the Institutional Investor magazine presented the Company with awards as Brazil's Top Shareholder-Friendly Company , Brazil's Top CEO and Brazil's Top CFO.

2007

For immediate release

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

Marc Verstraete
Finance and IR Director
marc@tractebelenergia.com.br

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

Conference Call and Webcast
On 03/10/08: at 09:00 a.m. in Portuguese
at 11:00 a.m. in English
(both ET)

Further details on Upcoming Events section, available on page 14.

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Summary of economic and operational indicators

Tractebel - Consolidated	Quarter			Accumulated		
In Millions of Reais	4Q07	4Q06	Chg.	12M07	12M06	Chg.
Gross operating revenue	862.2	795.2	8.4%	3,364.7	3,005.1	12.0%
Net operating revenue (NOR)	781.8	714.9	9.4%	3,043.4	2,705.5	12.5%
Result from service (EBIT)	448.0	284.6	57.4%	1,628.2	1,386.6	17.4%
EBITDA (1)	505.4	336.8	50.1%	1,857.3	1,595.0	16.4%
EBITDA / NOR - (%)	64.6	47.1	17.5 p.p.	61.0	59.0	2.1 p.p.
Net income	301.1	188.8	59.4%	1,045.6	979.1	6.8%
Net debt	1,019.1	1,025.2	-0.6%	1,019.1	1,025.2	-0.6%
Energy sold (avg MW)	3,701	3,946	-6.2%	3,744	3,748	-0.1%
Number of employees	917	906	1.2%	917	906	1.2%

(1) EBITDA represents: operating results + financial results + depreciation and amortization + amortization of goodwill.

OPERATING PERFORMANCE

Generating Complex

With the acquisition of the Ponte de Pedra HPP on December 13, 2007, Tractebel Energia reasserted its intention of remaining Brazil's largest private sector electricity generating company, operating a complex of 7,153 MW made up of 14 plants (seven hydroelectric and seven thermoelectric plants). Twelve of these are wholly owned by the Company and two (the Itá and Machadinho hydroelectric plants) are partially owned through the medium of consortia.

Tractebel Energia's Generating Complex

Power plants	Hydro/ Thermal	Location	Installed Capactity (MW)	
			Total	Tractebel's portion
Salto Santiago	Hydro	Iguaçu River (PR)	1,420	1,420
Salto Osório	Hydro	Iguaçu River (PR)	1,078	1,078
Passo Fundo	Hydro	Passo Fundo River (RS)	226	226
Itá	Hydro	Uruguai River (SC and RS)	1,450	1,127
Machadinho *	Hydro	Uruguai River (SC and RS)	1,140	404
Cana Brava	Hydro	Tocantins River (GO)	450	450
Ponte de Pedra**	Hydro	Correntes River (MT)	176	176
Total - Hydro			**5,940**	**4,881**
Complexo Jorge Lacerda ***	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			**7,153**	**6,094**

(*) Considering the addition of 21.4 MW regarding the acquisition of stake in MAESA.

(**) Acquisition subject to approval by BNDES

(***) Complex comprised of 3 power plants.

Projects under Construction

New Projects

Power plants	Hydro/ Thermal	Location	Installed Capactity (MW)	
			Total	Tractebel's portion
São Salvador	Hydro	Tocantins River (TO)	243	243
Estreito *	Hydro	Tocantins River (TO/MA)	1,087	435
Total			**1,330**	**678**

(*) Project to be transfered from SUEZ Energy South America - SESA in the 1st half 2008.

São Salvador. In 2Q07 Tractebel Energia acquired the total common and preferred shares issued by Companhia Energética São Salvador – CESS and owned by SUEZ Energy South America Participações Ltda. – SESA, representing 99.99% of the voting capital and 99.99% of the total capital of CESS. This company is the owner of the São Salvador hydroelectric concession, which has an installed capacity of 243.2 MW and 148.5 average MW of assured energy.

For this acquisition, Tractebel paid SESA R$ 304.0 million cash in local currency, to which will be added a further R$ 18.0 million should the starting date for payments relative to the use of public good charge (UBP) coincide with the beginning of the supply of electricity originally scheduled for 2011 in the Regulated Market Electricity Commercialization Contracts – CCEARs.

In October 2006 CESS sold this energy through the 3rd New Energy Auction to distributors that participate in the Regulated Contracting Environment – ACR, for a 30-year period, beginning January 2011. CESS also signed a contract in October with the consortium construction contractor for work to begin. Commercial operations are expected to begin in the first quarter of 2009.

Estreito. The Estreito Hydroelectric Power Plant, under construction 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. The project is controlled by the Consórcio Estreito, composed of SESA, which holds a stake of 40.1%, Companhia Vale do Rio Doce with 30.0%, Alcoa Alumínio with 25.5% and Camargo Corrêa Energia with 4.4%.

In the new energy auction held on October 16, 2007, SESA sold 256 average MW output from this scheme at a price of R$ 126.57/MWh, deliveries to begin from 2012. Construction work is running to plan and the transfer of the project to Tractebel Energia is forecast to take place by the end of the first half of 2008.

Uptime Operating

In 4Q07 the plants operated by Tractebel Energia recorded 98.0% uptime, excluding scheduled stoppages, 99.9% in hydroelectric generation and 88.6% in thermoelectric generation.

Uptime for the year was also 98.0%, excluding scheduled stoppages. Including all programmed stoppages, global uptime was 93.0%, 94.8% in the case of hydroelectric and 85.0% for thermoelectric generation.

Production

4Q07 electric energy production at the power plants operated by Tractebel Energia was 9,783 GWh (4,431 average MW), a growth of 80.2% compared with 4Q06. Of the total generated, the thermoelectric plants were responsible for 1,622 GWh (735 average MW) and hydroelectric plants, 8,161 GWh (3,696 average MW), representing a significant year-on-year increase in output both from the thermoelectric plants of 56.3% and also the hydroelectric plants of 85.9%.

In the accumulated twelve-month period (12M07), total electricity production reached 33.858 GWh (3,865 average MW), 28,858 GWh (3,294 average MW) from the hydroelectric plants and 5,000 GWh (571 average MW) from thermoelectric sources. In 2007 the historical record for global generation was broken, with a growth of 58.6% compared with 2006 due to both notably improved hydrological conditions during 2007 in the case of the hydroelectric plants; and increase in the thermoelectric generation, enhanced by exports to Argentina.

Overall, the outstanding feature of these numbers is that despite additional load demand culminating in the annual generation record already mentioned, total plant uptime at Tractebel Energia remained at a high level, an indication of the degree of company plant reliability in spite of the intensity of the requirements made on the system.

It is worth mentioning that the increase or decrease in the hydroelectric generation from Tractebel assets do not lead necessarily to the enhancement or deterioration of the Company's economic and financial performance in the period under review. This is a consequence of the adoption of the Energy Reallocation Mechanism (MRE), which allows its members to mitigate the hydroelectric generation risks.

Regarding Tractebel's thermoelectric generation, its increase reduces the Company's exposure to the spot price (PLD), being the other way round also true, as long as the other variables do not change.

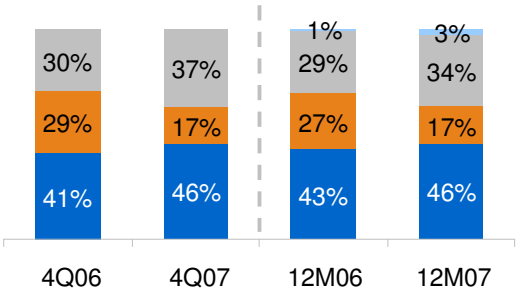
Customers

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

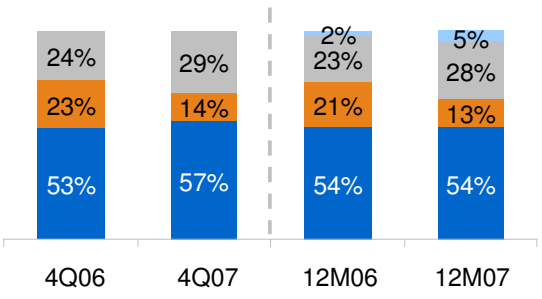
The Company actively pursues a policy of enhancing consumer loyalty by providing tailor-made services, thus permitting the adaptation of energy purchases to the production processes of each customer.

In 2007 the number of free customers in the portfolio increased compared with 2006, reaching 27.6% of gross operating revenue and 33.9% of the physical sales, representing a year-on-year increase of 4.5 p.p. and 4.6 p.p., respectively.

Breakdown of Customers by Physical Sales



Breakdown of Customers by Gross Revenues



Distribution Cos. Trading Companies Free Customers Export

OUTLOOK AND STRATEGY

The Company has opted to maintain part of its available energy on a non-contracted basis as from 2011, when forecasts for the sector indicate a potential increase in prices.

Based on data of assured energy and contracts in force on December 31, 2007, Tractebel Energia's energy balance shows that the Company 's current resources, including acquisitions from third parties, is almost entirely contracted through 2010.

Energy Balance

	(avg MW)	2008	2009	2010	2011	2012	2013	Auction Gross Price (R$/MWh)	Reference Date	Gross Price Adjusted as of Dec 31, 2007 (R$/MWh)
	Own Resources	3,127	3,292	3,327	3,514	3,551	3,551			
+	Purchases for Resale	459	466	608	278	161	265			
=	Total Resources (A)	3,586	3,758	3,935	3,792	3,712	3,816			
	Government Auction Sales*	160	1,034	1,234	1,382	1,638	1,638			
	2004-EE-2007-08	10	10	10	10	10	10	70.9	Dec-04	78.9
	2005-EE-2008-08	150	150	150	150	150	150	81.6	Apr-05	88.3
	2005-EE-2009-08	-	381	381	381	381	381	94.0	Oct-05	102.2
	2005-NE-2010-30	-	-	200	200	200	200	115.1	Dec-05	124.0
	2006-NE-2009-30	-	493	493	493	493	493	128.4	Jun-06	135.9
	2006-NE-2011-30	-	-	-	148	148	148	135.0	Nov-06	142.1
	2007-NE-2012-30	-	-	-	-	256	256	126.6	Jun-07	129.9
+	Bilateral Sales	3,416	2,684	2,494	1,648	1,411	1,138			
=	Total Sales (B)	3,576	3,718	3,728	3,030	3,049	2,776			
	Balance (A - B)	**10**	**40**	**207**	**762**	**663**	**1,040**			
	Sales average **net** price (R$/MWh)*1:	92.0	92.6	95.3						
	Purchases average **net** price (R$/MWh)*2:	71.8	86.4	92.2						

* 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).
*2: Purchase net price, considering benefits from PIS/COFINS credits.

Note: The balance refers to the settlement point. It considers the energy generated by the projects São Salvador and Estreito, which start of operations are scheduled for 1Q09 and 3Q10, respectively, besides that from Ponte de Pedra HPP from April 2008 on.

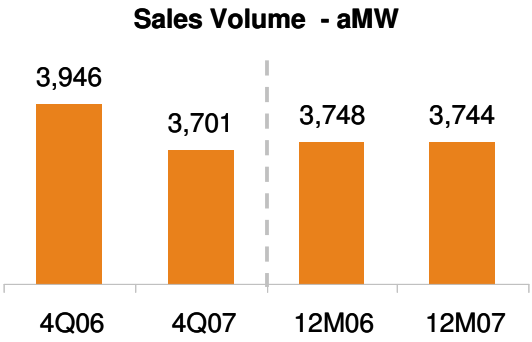
ECONOMIC AND FINANCIAL PERFORMANCE

Gross Operating Revenue

As from January 2007 revenue from the supply of electric energy has been recognized net of ICMS, in the case this sales tax applies to a special regime known as tax replacement on interstate sales operations. Up to December 31, 2006, the tax had been incorporated in the account group "Deductions from operating revenue". In order to facilitate comparative analysis between the periods under review, gross operating revenue and respective deductions relative to 4Q06 were reclassified, the figures changing respectively from R$ 811.3 million and R$ 96.4 million to R$ 795.2 million and R$ 80.3 million. In fiscal year 2006 the values for the same account groups were changed respectively from R$ 3,060.7 million and R$ 355.2 million to R$ 3,005.1 million and R$ 299.6 million.

Gross operating revenues for 4Q07 was R$ 862.2 million, 8.4% higher than for the same period in 2006, principally reflecting the increase of 13.7% in the average price of energy sold and offsetting the reduction of 6.2% in the amount of energy sold in this quarter. Revenue from sales to the wholesale market reached R$ 606.1 million, 1.7% more than recorded in 4Q06, and sales to end consumers were R$ 253.1 million, representing growth of 34.7% against the same quarter in 2006, a reflection of the Company's drive to expand its free customer base.

Consolidated sales in 4Q07 totaled 8,171 GWh (3,701 average MW), a reduction of 6.2% compared with the 8,713 GWh (3,946 average MW) sold in the same period in 2006. This fall was largely occasioned by a reduced volume of trading operations during the quarter.



In the fiscal year 2007 gross operating revenue reached R$ 3,364.7 million, 12.0% higher than registered in 2006 - R$ 3,005.1 million. This was due to the increase in average sales price for energy of 12.0%, principally in the case of free consumers, and by the higher price and volume of exports for meeting energy demands from Argentina. In 2007 the quantity of energy sold remained at the same level as 2006, equivalent to approximately 3,740 average MW.

Deductions from Operating Revenue

Deductions from gross operating revenue relate principally to sales tax payments (PIS, COFINS and ICMS) and values deducted from revenue to be invested in research and development projects – R&D.

In 4Q07 these deductions at R$ 80.3 million showed little significant modification in relation to the same quarter in 2006. However, when broken down, the variations were as follows:

- **Taxes and contributions on revenue –** increased by R$ 3.7 million in 4Q07 due to a combination of growth in energy sales revenue accompanied by a reduction in the ICMS sales tax resulting from changes to the organizational structure of the subsidiary, Tractebel Energia Comercializadora Ltda., since June 2007. As a result, ICMS charged on electricity supply sales to end consumers in São Paulo, previously recorded as "ICMS deducted from revenue", is now collected on a tax replacement basis and deducted directly from sales revenue from end consumers.

- **Research and Development - R&D –** were reduced by R$ 3.6 million in 4Q07 principally due to changes in procedures for setting the base for the calculation of R&D.

For fiscal year 2007 deductions were R$ 321.3 million, 7.2% higher than in 2006, which was R$ 299.6 million. This year-on-year increase was mainly due to the increase in sales taxes amounting to R$ 23.7 million as commented above.

Net Operating Revenue

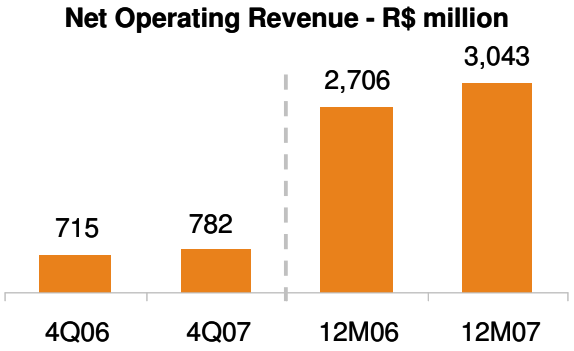
In 4Q07 net operating revenue reported a 9.4% improvement compared with the same quarter 2006, increasing from R$ 714.9 million to R$ 781.8 million.

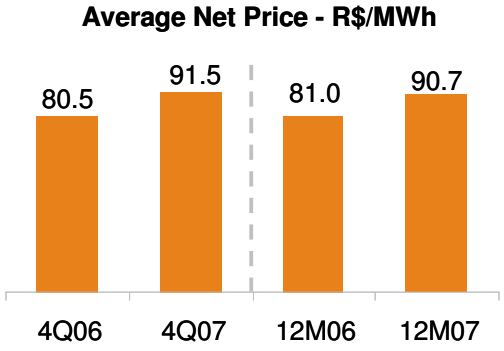
In fiscal year 2007 net revenue reached R$ 3,043.4 million, 12.5% higher than the R$ 2,705.5 million recorded in 2006.

The increases reported in these periods are largely a reflection of the variations in the average price of energy sales as previously mentioned.

The average price of energy sales, net of deductions on gross operating revenue, amounted to R$ 91.49/MWh in 4Q07, 13.7% up on the price prevailing in 4Q06, which was R$ 80.45/MWh and the result of the increase in price and volume of energy sales to free customerss.

For the accumulated 12M07 period, net sales price rose from R$ 80.96/MWh in 2006 to R$ 90.65/MWh in 2007, representing growth of 12.0% due to the increase in price and volume of energy sales to free customers and exported to Argentina.





Costs of Electric Energy and Services

Cost amounted to R$ 244.3 million in 4Q07, a decline of 29.8% on the value of 4Q06, which was R$ 347.8 million. In the fiscal year 2007, costs remained practically unchanged relative to 2006, totaling R$ 1,069.8 million in 12M07 and R$ 1,081.4 million in 12M06. These changes reflect mainly the following elements:

- **Third party energy purchases:** an increase of R$ 7.9 million in 4Q07 due to higher energy purchasing prices for resale, despite the lower volume acquired. For the accumulated period 2007, there was a reduction of R$ 19.7 million due to the smaller quantities of energy bought for resale in 1Q07 and 3Q07.

- **Transactions channeled through the Energy Trading Board - CCEE:** reduction of R$ 132.5 million in 4Q07 and R$ 99.6 million in 12M07, largely a combination of the following factors: (i) a decrease of R$ 129.5 million in 4Q07 and R$ 102.3 million in 12M07, principally due to lower exposure to the CCEE, in the light of impacts from the process of monthly allocation of annual assured energy from the hydroelectric power plants, compared with the same period in 2006; (ii) an increase of R$ 14.2 million in 4Q07 and R$ 61.4 million in 12M07 of revenues from the Energy Reallocation Mechanism (MRE) due to the greater dispatch levels from the hydroelectric power plants required by the

National Electricity System Operator (ONS); and (iii) a reduction of R$ 7.8 million in 4Q07 and R$ 57.4 million in 12M07 in revenues due to reduced dispatch from the William Arjona Thermoelectric Power Plant (WATPP) following the upgrading of transmission lines in the Campo Grande (MS) area, as from November 2006.

- **Fuel Expenses:** reduction of R$ 4.1 million in 4Q07, due to WATPP's lower consumption of natural gas, the result of a reduction in plant generation activity following the suspension of gas supplies by Petrobras on November 1, 2007. Conversely, in 12M07 there was an increase of R$ 24.9 million basically reflecting a combination of the following factors: (i) a decrease of R$ 46.9 million due to the lower demand for gas caused by the reduction of dispatch levels from the WATPP following the upgrading in transmission lines and cuts in gas supplies in 4Q07, mentioned above; and (ii) an increase of R$ 72.6 million in the consumption of coal to meet greater demand for energy exports to Argentina, particularly in 3Q07.

- **Financial compensation for the use of water resources:** growth of R$ 14.9 million in 4Q07 and R$ 51.4 million in 12M07 due to the significant increase in the dispatch of energy from the hydroelectric plants by the ONS as compared with 2006 when southern Brazil suffered a severe drought. This was partially offset by enhanced MRE revenue, as above mentioned.

- **Depreciation and amortization:** an increase of R$ 5.7 million in 4Q07 and R$ 21.4 million in 12M07 due to reevaluation of the lifespan of certain hydroelectric plant assets, as from January 2007.

Selling Expenses

Selling expenses are largely made up of overheads for the use of and connection to the electricity grid and totaled R$ 55.7 million in 4Q07, in line with the R$ 54.1 million recorded for the same period in 2006. For the fiscal year 2007 these expenses amounted to R$ 216.7 million, 3.1% more than in 2006, due to an increase in charges for the use of the grid through the intermediary of an annual tariff increase as well as payroll expenses.

General and Administrative Expenses

General and administrative expenses increased 4.6%, from R$ 32.3 million in 4Q06 to R$ 33.8 million in 4Q07. Not considering the 2006 non-recurring expenses of R$ 9.1 million with respect to the obligatory refunding of an additional tariff, previously charged to customers for offsetting differences in PIS and COFINS levies, these expenses in 2007 were 4.7% higher, totaling R$ 130.1 million. The increases were mainly due to annual wage increases and recognition in 2007 of the provision for management bonuses and for the voluntary severance program (PDV) implemented by the Company.

Net Reversal of Operational Provisions

In 4Q07 there was a R$ 1.8 million increase in provisions compared with the same period for the preceding year, in large part the result of recognition of new civil liability provisions and constitution and reversals of labor, tax and post-employment benefit provisions.

In the 2007 fiscal year the constituted provision was R$ 2.2 million. On the other hand in 2006, the reversal of R$ 11.5 million was principally the result of a reversal of a civil liability provision of R$ 22.0 million and the constitution of a provision for payment of post-employment benefits of R$ 7.9 million.

Favorable Outcome to Legal Suit

In 4Q07 the Company recognized a R$ 3.7 million gain following a final decision not subject to appeal with respect to the reduction rate for retention of occupational accident insurance. In 4Q06 the Company won a court action worth R$ 5.8 million, with respect to a declaratory action for the improper payment of guarantee insurance in an international tender bid for the importing of energy from Argentina.

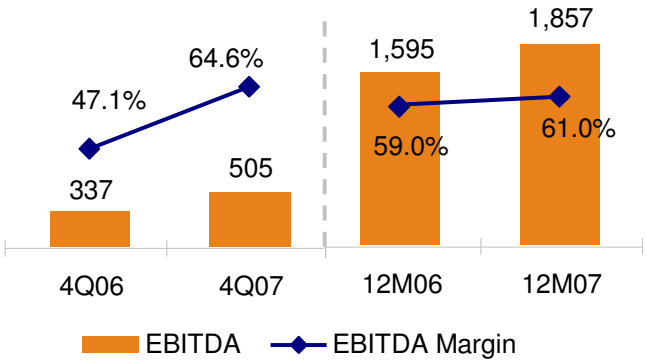
In 2006 the Company reported gains in legal actions totaling R$ 94.5 million. This amount included the R$ 5.8 million mentioned above and R$ 88.7 million following a final decision not subject to appeal with respect to the elimination of the calculation basis for PIS and COFINS contributions.

EBITDA and EBITDA Margin

Reflecting the results of the above, 4Q07 EBITDA reached R$ 505.4 million, an increase of 50.1% compared to R$ 336.8 million in 4Q06. While the EBITDA margin in 4Q06 was 47.1%, in 4Q07 it increased to 64.6%.

In the fiscal year 2007 EBITDA was R$ 1,857.3 million, 16.4% more than 2006, when this item reported R$ 1,595.0 million. EBITDA margin in 2007 reached 61.0% as against 59.0% in 2006.

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



Financial Result

Financial income: in 4Q07 financial income increased by R$ 5.4 million compared with the same quarter in 2006, mainly due to increased financial investments, a reflection of a greater availability of resources for investment during the period.

In the fiscal year as a whole, financial income decreased by R$ 7.1 million, as the increase in income on financial investments and monetary restatement on judicial deposits during fiscal year 2007 was below the recognition in 2006 of non-recurring financial income relative to extraordinary interest on installment debt receivables for energy sales and lawsuits decided in favor of the Company.

Financial expenses: in 4Q07 financial expenses increased R$ 5.3 million compared with the same period in 2006 due to the following factors: (i) an increase in foreign exchange gains on loans and financing, net of the currency hedge operation, in the amount of R$ 11.4 million, due to the greater depreciation in the basket of currencies comprising the debt in relation to the Real; (ii) an increase in monetary restatement on debt, in the amount of R$ 12.1 million, principally due to the issuance of debentures in 2Q07 indexed to the IPCA and the greater variation of the IGP-M in this quarter compared with 4Q06; and (iii) an increase of R$ 4.8 million in expenses with charges on operating provisions. This reflected the reversal of interest on the tax contingency for an adjusted estimate in the amount of R$ 5.0 million, an event that was not repeated in 4Q07.

In the fiscal year 2007 these financial expenses reported a decrease of R$ 28.6 million in relation to 2006 mainly due to a combination of the following effects: (i) a decrease of R$ 11.1 million in interest on loans, financing and debentures, due to the reduction of the TJLP (Long Term Interest Rate), SELIC (basic rate of interest) and CDI (Interbank Interest Rate) and the gradual reduction in debt in line with amortizations over the period; (ii) a growth of R$ 33.5 million in revenue from foreign exchange gains on loans and finance, net of the result from the foreign exchange hedge operation, given the higher depreciation of the basket of currencies comprising the debt against the Real; and (iii) a year-on-year increase of R$ 17.5 million in monetary restatement on debt due to the increase in the IGP-M.

Non-Operating Results

The decrease of R$ 14.1 million in expenses between the comparative quarters is due to equipment write off in 4Q06, a reflection of systems modernization at some of the Company's plants at a cost of R$ 13.1 million.

The year-on-year variation R$ 4.4 million is largely due to the writing off of equipment as commented and the effects of the sale of 33.34% of the Jacuí Project, in 2006.

Income Tax and Social Contribution

The increase of R$ 65.4 million in 4Q07 compared with the same period in 2006 is largely due to the increase of R$ 60.6 million in income tax and social contribution on increased income before tax, as explained in the factors already commented upon.

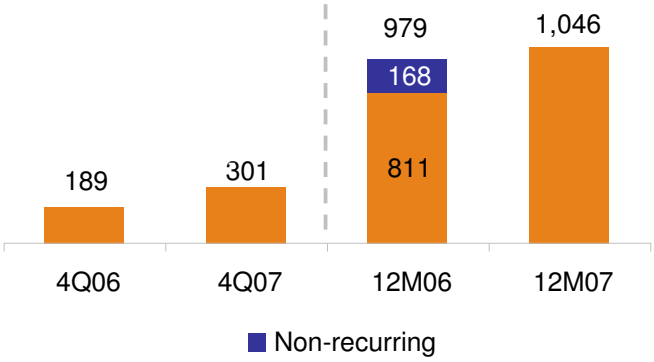
There was an increase of R$ 191.9 million in fiscal year 2007 due mainly to: (i) an increase of R$ 87.8 million in income before tax; (ii) higher income tax and social contribution payments of R$ 12.6 million, due to a lower credit of interest on shareholders' equity in 2007 compared with 2006; and (iii) recognition of an extraordinary tax gain of R$ 87.1 million in 2006, due to the effects of the sale of 33.34% of the Jacuí Project.

Net Income

In 4Q07 net income was R$ 301.1 million, 59.4% higher than the R$ 188.8 million for the same period in 2006, a reflection of factors already mentioned. Particularly notable was that 4Q07 net income had a positive impact of R$ 87.5 million, net of income tax and social contribution, due to a decrease in expenses on Energy Trading Board (CCEE) transaction, in turn, due to the optimization of hydroelectric resources allocation as mentioned in the item "Transactions channeled through the CCEE".

In the fiscal year 2007 net income item was R$ 1,045.6 million, 6.8% more than the preceding year, which was R$ 979.1 million, representing R$ 1.60 per share. Excluding non-recurring events in 2006, i.e. lawsuits decided in favor of the Company and the effects arising from the sale of the Jacuí Project, net income for the year in review would have been 28.9% higher than recorded in 2006.

Net Income - R$ million



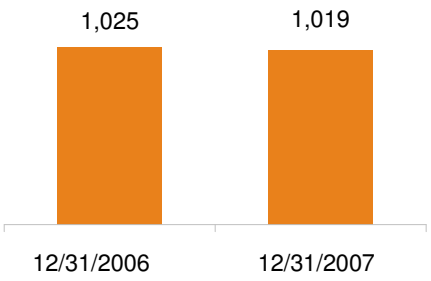
Debt

The Company's net debt as at December 31, 2007 (total debt less cash and cash equivalents and the result of swap operations) was R$ 1,019.1 million compared to R$ 1,025.2 million at the end of 2006.

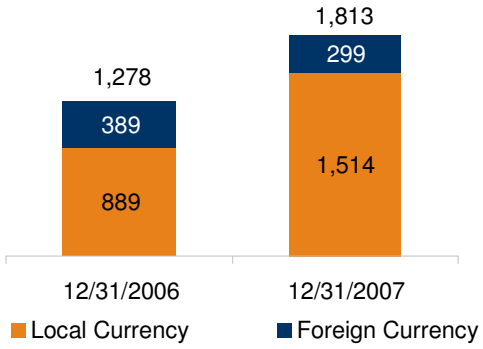
Total gross consolidated debt, mainly in the form of loans, debentures and financing, totaled R$ 1,813.2 million on December 31, 2007, a 41.9% increase compared with the position as at December 31, 2006. Of the total debt at the end of the period, 16.5% was foreign currency denominated (30.4% at the end of 4Q07).

Growth in Company debt reflects the R$ 350.0 million debenture issue in 2Q07. This issue was four times oversubscribed and was placed in the market at IPCA plus 7% p.a., with a seven-year maturity. In addition, in 2007 the Company raised a loan from the Brazilian National Development Bank - BNDES and its financial agents for R$ 570.2 million for funding investments in the São Salvador Hydroelectric Power Plant. The amount made available up to December 31, 2007 was R$ 392.7 million.

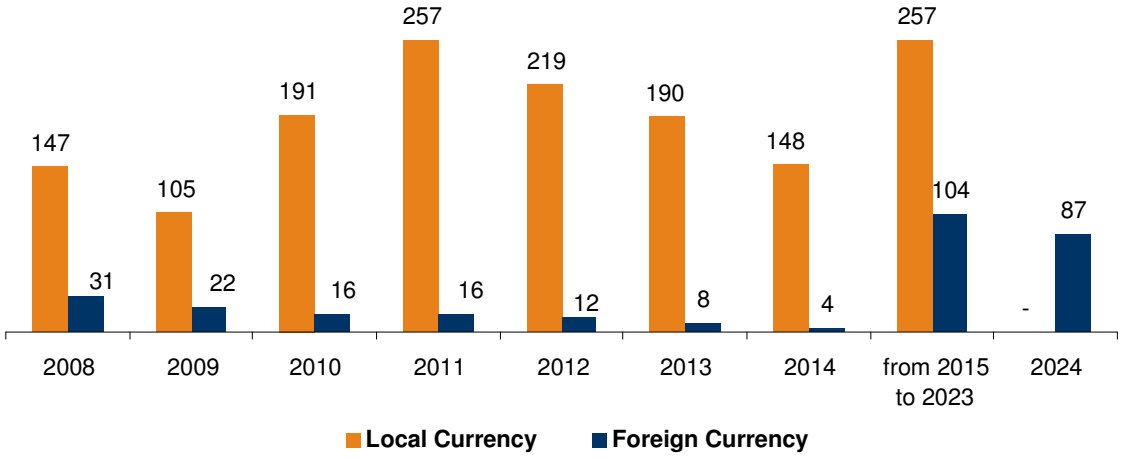
Performance of Net Debt - R$ million



Composition of Total Debt - R$ million



Maturity Term Loans - R$ million



Capital Expenditures

As from the second quarter 2007, the Company has begun investments in the construction of the São Salvador Hydroelectric Power Plant with BNDES financing. These investments amounted to R$ 305.1 million in 2007. In addition, capital expenditures dedicated to plant maintenance and modernizing amounted to R$ 74.3 million, 7.7% greater than in 2006.

Accumulated investments in 2007 reached R$ 379.4 million, a value significantly greater than the R$ 69.0 million outlay in 2006, again principally a reflection of investments in the São Salvador Hydroelectric Power Plant.

Payout

On December 5, 2007 the Board of Directors approved the credit of interest on shareholders' equity for the second half of 2007 worth R$ 88.0 million, corresponding to R$ 0.1348158600 per share. Additionally, on March 7, 2008 the Board approved the credit of dividends relative to the same period worth R$ 457.2 million, or R$ 0.7005499732 per share.

The total net income distributed to shareholders in 2007 amounted to R$ 993.3 million: R$ 817.3 million in the form of dividends and R$ 176.0 million as interest on shareholders' equity, representing a payment proposal of 95% of net income for the fiscal year, or R$ 1.5218031188 per share. Being that, for the fifth time in a row the yearly payout reaches 95%.

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 plants are NBR ISO 9001 and NBR ISO 14001 certified. 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 Bovespa'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.

In 3Q07 the Management Board of Tractebel Energia established a Sustainability Committee for enhancing the Company's operations as a partner and catalyst for economic, social and environmental development in the locations where it has a presence and in accordance with its values which are professionalism, sense of partnership, team work, creation of value, respect for the environment and ethics.

CORPORATE GOVERNANCE

Tractebel Energia became a member of Bovespa'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 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.

In December 2007 the Institutional Investor magazine presented the Company with awards as Brazil's Top Shareholder-Friendly Company, Brazil's Top CEO and Brazil's Top CFO. These accolades were granted on the basis of the performance of 115 Brazilian domestic and multinational institutions.

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.

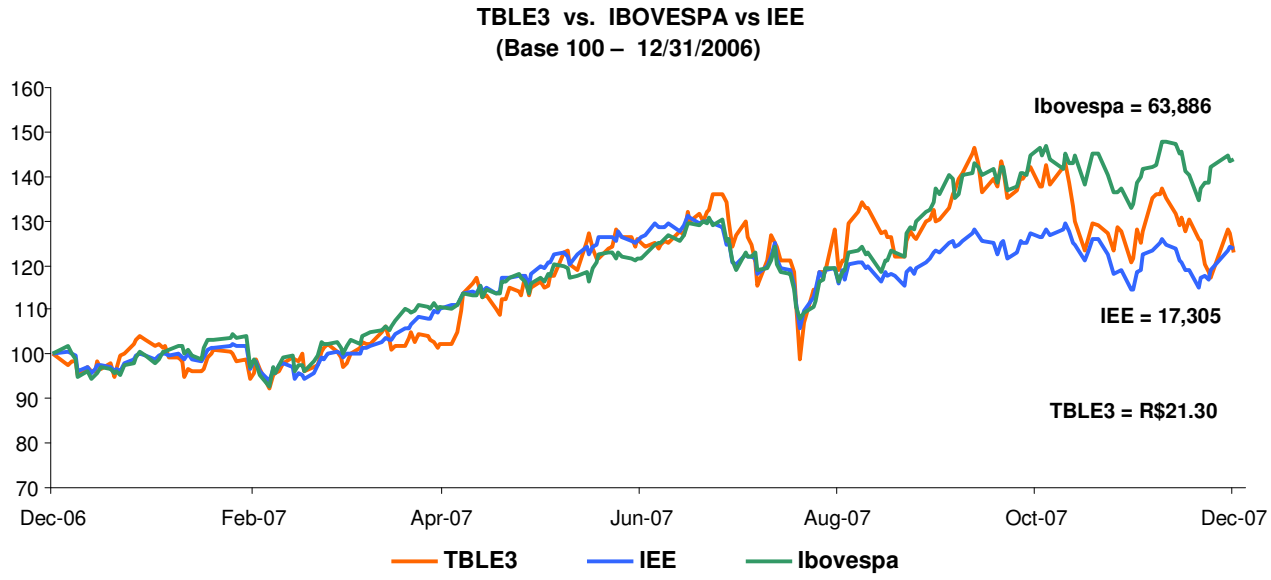
Tractebel Energia's common shares are traded on the São Paulo Stock Exchange under the TBLE3 symbol. The Company's Level I American Depositary Receipts (ADRs) are also traded on the US Over-The-Counter (OTC) market under the TBLEY symbol at a ratio of 1 ADR to every 5 common shares.

Share Performance – TBLE3

In 2007 TBLE3 appreciated 23.1%, while the Ibovespa, a stock index reflecting the performance of the most liquid securities in the Brazilian market, increased 43.7%. The IEE, which represents the consolidated performance of the electricity sector's shares as a whole, depreciated 23.7%. In 4Q07, the Company's shares registered a depreciation of 5.5% against an appreciation of 0.6% and 5.7% in the IEE and Ibovespa, respectively.

The Company's shares were traded on all the days the Stock Exchange was open for business in 2007, the average daily trading volume for the year being R$ 15.6 million, a 90.0% increase in volume compared with 2006.

On December 31, 2007 the Company's shares were quoted at R$ 21.30/share, representing a market capitalization equivalent to R$ 13.9 billion.



UPCOMING EVENTS

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

Conference Call with Webcast (in Portuguese)

Date: March 10, 2008.
Time: 9:00 a.m. (ET) / 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 10, 2008.
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), at the Investors section. Replay available from March 10 to March 18, 2008. Access by calling (55 11) 4688-6312, code 114.

Meetings with Analysts

Florianópolis
Date: March 12, 2008
Time: 6:30 p.m. (Brasília time)
Venue: Hotel Majestic Palace – Room Ritz I

São Paulo
Date: March 13, 2008
Time: 12:30 a.m. (Brasília time)
Venue: Hotel Intercontinental – Room Giorgi

Rio de Janeiro
Date: March 13, 2008
Time: 6:00 p.m (Brasília time)
Venue: Pestana Hotel – Room Mauá

Porto Alegre
Date: March 14, 2008
Time: 12:30 a.m. (Brasília time)
Venue: Hotel Plaza São Rafael – Salão Nobre

Belo Horizonte
Date: March 18, 2008
Time: 6:00 p.m. (Brasília time)
Venue: Mercure BH Lourdes Hotel – Room Copérnico

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	**12/31/2007**	**12/31/2006**
Current Assets	**1,264,351**	**792,052**
Cash and cash equivalents	25,170	23,593
Securities	768,921	233,247
Resources subject to payment of obligations	-	21,643
Consumers, concessionaires and holder of permissions	349,906	358,002
Taxes and social contributon recoverable	11,169	26,707
Warehouse	50,068	23,623
Pledges and restricted deposits	19,785	53,947
Deferred assets	12,160	21,351
Advances to suppliers	4,067	3,022
Others	23,105	26,917
Non Current Assets	**5,333,739**	**4,747,057**
Long Term Assets	**499,546**	**449,210**
Concessionaires and holders of permission	4,548	16,063
Taxes and social contributon to offset	24,183	13,124
Pledges and restricted deposits	32,330	29,422
Deposits in court	150,679	131,331
Disposal of assets and rights	81,315	68,565
Deferred assets	204,015	188,489
Others	2,476	2,216
Permanent Assets	**4,834,193**	**4,297,847**
Investments	113,407	36,873
Property plant and equipment	4,612,826	4,148,898
Intangible	75,492	77,310
Deferred	32,468	34,766
Total	**6,598,090**	**5,539,109**

ATTACHMENT II

TRACTEBEL ENERGIA S.A.

CONSOLIDATED BALANCE SHEET – LIABILITIES

Consolidated Balance Sheet	In Thousand Reais	
Liabilities	**12/31/2007**	**12/31/2006**
Current Liabilities	**1,479,796**	**1,246,812**
Suppliers	273,911	239,319
Dividends and interest on shareholder´s equity	532,997	478,043
Loans and financing	121,024	306,079
Debentures	56,560	37,834
Taxes and social contribution	341,396	45,870
Estimated obligations	33,073	28,650
Derivatives	-	4,526
Research and development (R&D) program obligations	46,574	35,135
Provision for contingencies	10,336	11,206
Post-employment benefits	18,450	20,369
Others	45,475	39,781
Non Current Liabilities	**2,301,441**	**1,527,726**
Long Term Liabilities	**2,301,441**	**1,527,726**
Loans and financing	970,731	610,251
Debentures	664,919	323,344
Taxes and contributons payable in installments	12,203	5,383
Estimated obligations	2,794	653
Provision for contingencies	68,040	56,289
Concessions payable	234,188	201,546
Post-employment benefits	310,333	293,725
Deferred fiscal liabilities	36,535	36,535
Others	1,698	-
Shareholders' Equity	**2,816,853**	**2,764,571**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Surplus reserves	279,392	227,110
Total	**6,598,090**	**5,539,109**

ATTACHMENT III

TRACTEBEL ENERGIA S.A.

CONSOLIDATED INCOME STATEMENT

In Thousand Reais	4Q07	4Q06	Chg. %	12M07	12M06	Chg. %
Gross Operating Revenue	**862,184**	**795,167**	**8.4**	**3,364,716**	**3,005,108**	**12.0**
Deductions from operating revenue	**(80,347)**	**(80,261)**	**0.1**	**(321,289)**	**(299,576)**	**7.2**
Net Operating Revenue	**781,837**	**714,906**	**9.4**	**3,043,427**	**2,705,532**	**12.5**
Eletric Energy and Service Costs	**(244,298)**	**(347,787)**	**-29.8**	**(1,069,820)**	**(1,081,392)**	**-1.1**
Electric energy purchased from third-party	(87,172)	(79,287)	9.9	(267,652)	(287,404)	-6.9
Transactions conducted through the CCEE	(7,969)	(140,499)	-94.3	(181,709)	(281,313)	-35.4
Fuel expenses	(10,924)	(14,961)	-27.0	(126,960)	(102,070)	24.4
Financial compensation for use of water resources	(25,797)	(10,867)	137.4	(89,756)	(38,326)	134.2
Personnel	(25,939)	(22,804)	13.7	(89,370)	(82,318)	8.6
Depreciation and amortization	(55,221)	(49,524)	11.5	(219,117)	(197,743)	10.8
Costs of services rendered	(3,613)	(3,033)	19.1	(10,830)	(10,254)	5.6
Others	(27,663)	(26,812)	3.2	(84,426)	(81,964)	3.0
Gross Income	**537,539**	**367,119**	**46.4**	**1,973,607**	**1,624,140**	**21.5**
Operating Expenses	**(89,557)**	**(82,569)**	**8.5**	**(345,407)**	**(237,494)**	**45.4**
Selling expenses	(55,696)	(54,122)	2.9	(216,757)	(210,149)	3.1
General and administrative expenses	(33,825)	(32,343)	4.6	(130,121)	(133,300)	-2.4
Reversal of operational provisions, net	(3,736)	(1,919)	94.7	(2,229)	11,453	-
Favorable ruling on lawsuit	3,700	5,815	-36.4	3,700	94,502	-96.1
Service Income	**447,982**	**284,550**	**57.4**	**1,628,200**	**1,386,646**	**17.4**
Result of corporate participations	**(1,687)**	**(1,686)**	**0.1**	**(6,747)**	**(6,446)**	**4.7**
Amortization of goodwill	(1,687)	(1,686)	0.1	(6,747)	(6,746)	-
Equity income	-	-	-	-	300	-
Net Financial Income (Expenses)	**(40,271)**	**(40,378)**	**-0.3**	**(134,653)**	**(156,208)**	**-13.8**
Financial income	26,628	21,256	25.3	100,602	107,666	-6.6
Financial expenses	(66,899)	(61,634)	8.5	(235,255)	(263,874)	-10.8
Operating Income	**406,024**	**242,486**	**67.4**	**1,486,800**	**1,223,992**	**21.5**
Non-operating income (loss)	(162)	(14,284)	-98.9	(1,462)	2,985	-
Income Before Taxes	**405,862**	**228,202**	**77.9**	**1,485,338**	**1,226,977**	**21.1**
Income tax	(76,688)	(28,533)	168.8	(321,552)	(156,297)	105.7
Social contribution	(28,109)	(10,844)	159.2	(118,159)	(91,534)	29.1
Net Income for the Period	**301,065**	**188,825**	**59.4**	**1,045,627**	**979,146**	**6.8**
EBITDA	**505,444**	**336,845**	**50.1**	**1,857,319**	**1,595,011**	**16.4**
Net income per share	0.4612	0.2893	59.4	1.6019	1.5001	6.8

ATTACHMENT IV

TRACTEBEL ENERGIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOW

In thousands R$	4Q07	4Q06	12M07	12M06
Operating Activities				
Net income for the year	301,065	188,825	1,045,627	979,146
Expenses (revenues) that do not affect cash:				
Depreciation and amortization	57,465	52,264	229,119	208,364
Amortization of goodwill	1,687	1,686	6,747	6,746
Net monetary variations	1,738	2,223	(16,320)	(1,938)
Net interest	15,237	13,095	54,981	57,397
Operating provision (reversion), net	4,999	582	6,758	(11,006)
Investiments of resources in R&D	-	5,695	-	35,076
Deferred income tax and social contribution	3,580	1,778	(6,334)	49,469
Others	234	6,613	(1,465)	6,669
	386,005	**272,761**	**1,319,113**	**1,329,923**
Decrease (Increase) in Assets				
Consumers and concessionaires	14,402	5,721	19,612	(11,371)
Resources subject to payment of obligations	-	4,357	21,643	(21,643)
Disposals, services in progress and expenditures to reimburse	1,065	469	9,333	3,273
Taxes and social contributions recoverable	1,859	72,505	5,861	(10,412)
Collateral and linked / judicial deposits	22,926	(7,089)	33,061	(76,303)
Warehouse	(27,189)	9,314	(26,445)	(111)
Pre-paid expenses	159	1,822	(2,243)	7,700
Others	(829)	(1,727)	(2,975)	3,568
	12,393	**85,372**	**57,847**	**(105,299)**
Increase (Decrease) in Liabilities				
Suppliers	29,918	26,259	36,400	107,938
Loans, financing and debentures	(10,074)	(16,292)	14,352	2,731
Taxes and social contributions	56,899	(33,182)	303,993	(11,157)
Estimated obligations	1,306	(8)	6,295	3,732
Provision for contingencies	(3,011)	(4,370)	(6,806)	(11,983)
Post-employment benefits	(7,319)	(7,036)	(29,334)	(30,374)
Research and development	(620)	-	11,399	-
Others	7,474	3,434	3,548	1,001
	74,573	**(31,195)**	**339,847**	**61,888**
Funds from Operating Activities	**472,971**	**326,938**	**1,716,807**	**1,286,512**
Investments activities	**(178,573)**	**(25,689)**	**(704,546)**	**(69,343)**
Used in fixed assets and deferred items	(158,260)	(25,689)	(377,545)	(69,343)
Investments in acquisitions, net of acquired cash and cash equivalents	(20,313)	-	(327,001)	-
Financing activities	**(355,496)**	**(542,073)**	**(475,010)**	**(1,269,466)**
Payment of loans, financing and debentures	(59,613)	(86,211)	(202,041)	(243,541)
Financing and debentures	164,229	-	693,363	-
Payment of swap adjusts	(21,816)	(30,912)	(26,077)	(87,034)
Payment of dividends and interest on shareholders' equity	(438,296)	(424,950)	(940,255)	(938,891)
Total Effects on Cash	**(61,098)**	**(240,824)**	**537,251**	**(52,297)**
Cash and cash equivalents				
Opening balance	855,189	497,664	256,840	309,137
Closing balance	794,091	256,840	794,091	256,840
	(61,098)	**(240,824)**	**537,251**	**(52,297)**
Payments made in the year				
Interest on loans, financing and debentures	42,294	50,101	114,892	137,682
Income tax and social contribution	26,150	22,647	154,470	150,147
Transactions that do not affect cash				
Offsetting of income tax and social contribution	9,306	66,226	21,638	67,188
Proposed dividends and interest on shareholders' equity credited	545,279	492,189	545,279	492,189
Adjustment for previous fiscal years	-	-	-	29,953