TRACTEBEL ENERGIA's 2010 net income grows by 11.1% to reach R$ 1,211.6 million, a record for the 7th consecutive year. EBITDA is 18.6% higher.

Florianópolis (SC), February 4, 2011 – Tractebel Energia S.A. ("Tractebel Energia", "Tractebel", or "the Company") – BM&FBovespa: TBLE3, ADR: TBLEY, the largest private sector electricity generating company in Brazil, announces earnings for the fourth quarter and twelve month period ending December 31, 2010 (4Q10 and 12M10). 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 real, except where otherwise indicated.

Highlights

2010

● Tractebel Energia reported a record net income of R$ 1,211.6 million (R$ 1.8562 per share) in 2010, 11.1% higher than the R$ 1,090.9 million in 2009 – the latter value restated in the light of the adoption of new accounting standards in Brazil and their alignment with IFRS.

● A Board of Directors meeting on February 4, 2011 approved the proposal for the distribution of complementary dividends for 2010 in the amount of R$ 158.3 million (R$ 0.2424687839 per share). Total annual dividends and interest on shareholders' equity reached R$ 664.4 million, equivalent to R$ 1.0178134249 per share and a 55% payout of the distributable net adjusted income.

● Accumulated EBITDA in 2010 was R$ 2,611.5 million, a growth of 18.6% against R$ 2,201.7 million for the preceding year reflecting the higher volumes and prices of contracted energy as well as the successful strategy in the allocation of resources implemented by the Company. The EBITDA margin for 12M10 was 63.7%, 0.7 p.p. up on the 63.0% posted in 2009, the latter value also duly restated.

● Consolidated net operating revenue rose 17.3% in 2010 compared with 2009, totaling R$ 4,100.4 million.

● Consolidated 2010 sales totaled 3,863 average MW, 9.5% higher than 2009. The increase reflects the addition of new power plants and the higher volume of energy purchased for resale.

● The average price of energy sales net of exports and deductions for gross operating revenue reached R$ 112.58/MWh in 2010, 3.5% more than R$ 108.81/MWh recorded in 2009. This increase reflects the readjustment in prices of existing contracts and the higher prices practiced for new contracts.

● Tractebel continued a component of BM&FBovespa's Corporate Sustainability Index – ISE announced at the end of 2010. The Company has participated in the index since its inception.

For immediate release

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

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Conference call and webcast
On 02/07/2011: at 8:00 a.m. (ET) in Portuguese – simultaneous translation into English.

Further details on Upcoming Events section, available on page 15.

Visit our website
www.tractebelenergia.com.br

Summary of Economic and Operational Indicators

Tractebel - Consolidated						
(in millions of R$)	4Q10	4Q09	Chg.	12M10	12M09	Chg.
Gross Operating Revenue	1.241,6	1.018,8	21,9%	4.586,1	3.886,3	18,0%
Net Operating Revenue (NOR)	1.107,6	914,2	21,2%	4.100,4	3.496,7	17,3%
Result from Service (EBIT) (1)	572,3	493,4	16,0%	2.150,2	1.777,0	21,0%
EBITDA (1) (2)	696,2	615,1	13,2%	2.611,5	2.201,7	18,6%
EBITDA / NOR - (%) (1)	62,9	67,3	-4,4 p.p.	63,7	63,0	0,7 p.p.
Net Income (1)	373,3	340,6	9,6%	1.211,6	1.090,9	11,1%
Net Debt	3.361,3	2.160,0	55,6%	3.361,3	2.160,0	55,6%
Energy Sold (avg MW)	3.865	3.522	9,7%	3.863	3.529	9,5%
Number of Employees	1.033	990	4,3%	1.033	990	4,3%

(1) Considers accounting adjustment for 4T09 and 12M09
(2) EBITDA represents: operating results + financial results + depreciation and amortization

OPERATING PERFORMANCE

Generating Complex

The largest private sector electricity generator in Brazil, Tractebel Energia has an installed capacity of 6,472 MW and operates a 7,543 MW generating complex made up of 21 plants (eight hydro, six thermal and seven complementary energy source plants - biomass, small hydro and wind-powered), 18 of which are wholly owned by the Company and three - the Itá and Machadinho hydro power plants and the biomass Ibitiúva Bioenergética - jointly-owned through consortia with other companies.

Tractebel Energia's Generating Complex

Power Plants	Source	Location	Installed Capacity (MW)	
			Total	Tractebel's Portion
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1
Total - Hydro			**6,183.3**	**5,124.1**
Jorge Lacerda Complex*	Thermal	Capivari de Baixo (SC)	857.0	857.0
William Arjona	Thermal	Campo Grande (MS)	190.0	190.0
Charqueadas	Thermal	Charqueadas (RS)	72.0	72.0
Alegrete	Thermal	Alegrete (RS)	66.0	66.0
Total - Thermal			**1,185.0**	**1,185.0**
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	21.2
Lages	Biomass	Lages (SC)	28.0	28.0
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6
Beberibe	Wind Farm	Beberibe (CE)	25.6	25.6
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	23.7	23.7
Areia Branca	SHP	Rio Manhuaçu (MG)	19.8	19.8
Pedra do Sal	Wind Farm	Parnaíba (PI)	18.0	18.0
Total - Complementary			**174.7**	**162.9**
Total			**7,543.0**	**6,472.0**

(*) Complex comprised of 3 power plants.

Projects under Construction

New Projects

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Group's portion
Jirau*	Hydro	Madeira River (RO)	3,450.0	1,728.5
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6
Total			**4,537.0**	**2,164.1**

(*) Share of GDF SUEZ in the project, based on a total installed capacity of 3,450 MW.

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. An Extraordinary General Meeting held on October 19, 2010 unanimously approved the acquisition of all the common shares issued by SUEZ Energia Renovável S.A. (SER), which holds a 40.07% stake in the Consórcio Estreito Energia, which in turn is responsible for the construction of the power plant. Other partners in the project are Vale with 30.00%; Alcoa Alumínio with 25.49%; and Camargo Corrêa Energia with 4.44%.

The energy corresponding to the Company's stake in the project (256 average MW) was sold at the new energy auction on October 16, 2007 at R$ 149.7/MWh, the price referenced to December 31, 2010, with deliveries beginning in 2012 for a period of 30 years. The operations startup of Estreito Hydroelectric Power Plant is foreseen to the first quarter 2011.

Jirau. Energia Sustentável do Brasil, a Special Purpose Company, is 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. The company, comprising GDF SUEZ (50.1%), Eletrosul (20.0%), Chesf (20.0%) and Camargo Corrêa (9.9%), submitted the winning bid at the concession auction organized by the Brazilian Electric Energy Agency (Aneel) on May 19, 2008, offering the most competitive proposal for 70% of the energy to be produced by the plant for captive consumers supplied by electric energy distributors as from January 2013. The start of Jirau Hydroelectric Power Plant commercial operation is foreseen for May 2012 and the anticipation of the turbine ramp up will make available a substantial volume of energy to be sold in the free market.

The current power plant configuration provides for 3,450 MW of capacity, operating 46 turbines, each with a 75 MW capacity, its assured energy being more than 2 thousand average MW and the respective concession has duration of 35 years. The installed capacity and assured energy of Jirau HPP may increase in the light of project modifications submitted to Aneel and the Ministry of Mines and Energy (MME). In line with the prevailing business model, it is envisaged that Tractebel Energia will acquire the stake in the project of its controlling company as soon as the principal development risks have been mitigated, an event which is not expected to take place before the end of 2011.

Uptime Operating

In 4Q10, the plants operated by Tractebel achieved a 98.7% uptime ratio excluding scheduled stoppages. This overall ratio breaks down as follows: 99.8% in hydroelectric generation, 92.9% in thermal generation and 97.6% taking into account the complementary plants, or more specifically SHPs, wind farms and plants operating on the basis of biomass. If all stoppages are contemplated, then total uptime in 4Q10 was 95.7%, being 97.3% for the hydro plants, 89.0% for the thermoelectric plants and 83.2% for the plants classified as complementary.

The annual accumulated uptime ratio in 2010 was 98.3% excluding scheduled stoppages, breaking down as follows: 99.5% for hydro generation, 92.5% for thermal generation and 93.9% considering the complementary plants. If all stoppages are taken into consideration then total uptime was 94.3%, being 95.9% for the hydro plants, 87.3% for the thermoelectric plants and 85.2% for the complementary operations.

Production

In 4Q10, electric energy production of the plants operated by Tractebel was 10,913 GWh (4,943 average MW), a decline of 1.0% in relation to 4Q09. Of total generation, the hydro plants were responsible for 9,113 GWh (4,127 average MW), a decline of 8.0%; the thermal plants for 1,631 GWh (739 average MW), an increase of 59.3%; and the complementary plants for 170.0 GWh (77 average MW), an increase of 71.5%.

Again in 4Q10, more exactly at noon on October 8, 2010, Tractebel broke its instantaneous generation record for the plants it operates with 7,073.6 MW, equivalent to a capacity factor of 93.8%.

In the 12-month period (12M10), total electric energy production reached 42,986 GWh (4,907 average MW), of which 37,047 GWh (4,229 average MW) was generated by the hydroelectric plants, 5,421 GWh (619 average MW) by the thermal plants and 518 GWh (59 average MW) by those plants classified as complementary. There was a significant year-on-year increase in total output of 35.3%, representing a new record which in large part can be attributed to a period of favorable rainfall throughout Brazil. The increase in generation at the hydro plants was 35.9%; at the thermal electric plants, 29.8%; and at the complementary plants, 55.1%, this increase partly explained by the startup of the Areia Branca SHP and the Ibitiúva Bioenergética Thermoelectric Plant. Tractebel's total generation for the year exceeded the previous record set in 2008 by 23.8%.

It is worth noting that the increase in hydro generation does not necessarily result in an improvement in the Company's economic and financial performance. Likewise, the reduction in this type of generation does not as such imply deterioration in economic and financial performance. This characteristic reflects the use of the Energy Reallocation Mechanism (MRE), which dilutes the risks of hydroelectric generation among the Mechanism's participants.

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

Clients

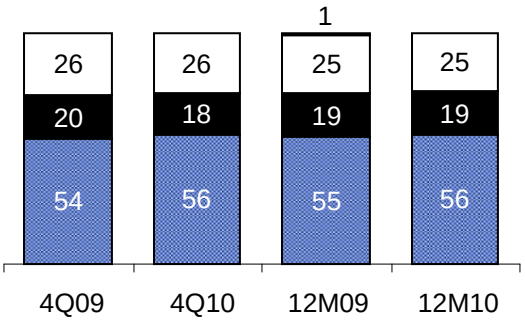
Tractebel Energia has a well-diversified customer portfolio, serving energy distribution concessionaires through Government-organized electric energy auctions, and also trading companies and free consumers (mostly large industrial clients) mainly served through flexible contracts both in terms of duration and volume. In addition, the Company's strategy is to diversify its sales between the different segments of the economy.

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

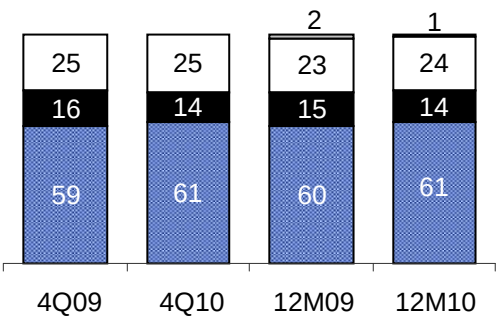
Compared with 4Q09, the participation of free customers as percentage of total physical sales in 4Q10 declined 0.3 p.p. reaching 26.2% of the total. The contribution of these customers to total gross operating revenue relative to contracted sales reported an increase of 0.2 p.p. from 24.5% in 4Q09 to 24.7% in 4Q10.

For the accumulated period 12M10, the share of free customers in physical sales held steady at 25.0% at the end of 2010. The contribution of these customers to total gross operating revenue saw a 0.3 p.p. increase to 23.6% in 2010.

Breakdown of Customers by Physical Sales (%)



Breakdown of Customers in Contracted Sales Comprising Gross Operating Revenue (%)





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 December 31, 2010, Tractebel reported the following energy balance.

Energy Balance

	(avg MW)	2011	2012	2013	2014	2015	2016	Auction Gross Price (R$/MWh)	Reference Date	Gross price adjusted as of 12/31/2010 (R$/MWh)
	Own Resources	3,467	3,617	3,617	3,617	3,617	3,617			
+	Purchases for Resale	399	426	370	254	201	201			
=	Total Resources (A)	3,866	4,043	3,987	3,871	3,818	3,818			
	Regulated Sales*	1,446	1,701	1,702	1,702	1,692	1,541			
	2004-EE-2007-08	10	10	10	10	-	-	70.9	Dec-04	91.8
	2005-EE-2008-08	150	150	150	150	150	-	81.6	Apr-05	102.6
	2005-EE-2009-08	381	381	381	381	381	381	94.0	Oct-05	116.0
	2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	140.7
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	154.4
	2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	166.3
	2007-NE-2012-30	-	256	256	256	256	256	126.6	Jun-07	149.7
	Proinfa	53	52	53	53	53	52	147.8	Jun-04	199.2
	1st Reserve Energy Auction	11	11	11	11	11	11	158.1	Aug-08	169.7
+	Bilateral Sales	2,352	2,289	2,201	1,896	1,556	1,092			
=	Total Sales (B)	3,798	3,990	3,903	3,598	3,248	2,633			
	Balance (A - B)	**68**	**53**	**84**	**273**	**570**	**1,185**			
	Sales average **net** price (R$/MWh)*1:	120.6	121.5	121.5						
	Purchases average **net** price (R$/MWh)*2:	120.0	117.3	117.4						

* 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 12/31/10.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 12/31/10.

Note: The balance refers to the settlement point. It considers the energy generated by the Estreito, which start of operations is scheduled for 1Q11.

ADOPTION OF THE NEW ACCOUNTING PROCEDURES AND ECONOMIC AND FINANCIAL PERFORMANCE

Adoption of the new accounting procedures issued by the Brazilian Accounting Standards Committee (CPC) and international accounting practices in accordance with International Financial Reporting Standards (IFRS)

As from January 1, 2010 and retroactively from January 1, 2009 (opening balance sheet) the Company has adopted all the procedures issued by the CPC applicable to its operations and which are consistent with international financial accounting practices - IFRS. As such, certain account balances for fiscal year 2009 and previously disclosed, were restated to reflect changes following the adoption of new procedures and to allow year-on-year comparisons for the periods under review.

The restated results for these procedures which have impacted Company results for 4Q10 and 4Q09 in the fiscal years ending December 31, 2010 and December 31, 2009 were as follows:

(in millions of R$)	4Q10	4Q09	12M10	12M09
Net income prior to the adoption of the new practices	**375.3**	**351.5**	**1,219.6**	**1,134.4**
Adjustments:				
- Depreciation of fair value adjustment of fixed assets	(21.5)	(21.2)	(86.2)	(84.8)
- Registration of a gain and reversal of an actuarial loss regarding liabilities for post-employment benefits	18.8	6.0	75.3	24.0
- Deferred Income Tax and Social Contribution of the above adjustments	0.9	5.2	3.7	20.7
- Other adjustments	(0.2)	(0.9)	(0.8)	(3.4)
	(2.0)	(10.9)	(8.0)	(43.5)
Net income after new accounting	**373.3**	**340.6**	**1,211.6**	**1,090.9**

Considerations on the restated results above are as follows:

Depreciation of fair value adjustment of fixed assets

In alignment with CPC 27 procedures and the interpretation of ICPC 10, the Company adopted fair value as a cost attributed to its fixed assets which had previously been shown at their a book value substantially below their fair value. This procedure was given strong support by ICPC 10 (Clarifications on CPC 27 and CPC 28) and represents the adoption of best corporate governance practice in the preparation of financial statements. The restatement to the fair value of the asset, net of deferred income tax and social contribution of R$ 821.0 million on January 1, 2009 is offset by the net equity account denominated "Adjustment for equity valuation". The adoption of this procedure will result in the increase in the Company's depreciation during the useful life of assets adjusted to their fair value. The said adjustment, net of deferred income tax and social contribution will not affect the basis of calculating income tax and social contribution or the conditions for dividend distribution.

Constitution of gain and reversal of actuarial loss on liabilities with post-employment benefits

Pursuant to previous accounting practices in CVM Instruction 371/00, the accumulated actuarial losses of less than 10% of the present value of the defined benefits liability ("corridor methodology") were not recognized in the Company's results but disclosed in the Explanatory Notes and the losses in excess of the corridor limit registered in the result for the average remaining life expectancy of benefit plan members. This procedure has not been modified by the new accounting practice established in CPC 33. However, according to the exemption in CPC 37 R1 (Initial Adoption of the International Accounting Standards), the Company has recognized actuarial losses in its opening balance sheet up to then not recorded in the liabilities and having retained earnings as an offsetting entry in the net equity account, in the amount of R$ 103.4 million. The Company has chosen to maintain the corridor approach for recognizing actuarial gains and losses as from the date of the initial adoption of the accounting procedures. This has meant the reversal of the actuarial loss of R$ 6.0 million in 4Q09 and R$ 24.0 million in 2009 and in the actuarial gain of R$ 17.7 million in 4Q10 and R$ R$ 75.3 million in 2010.

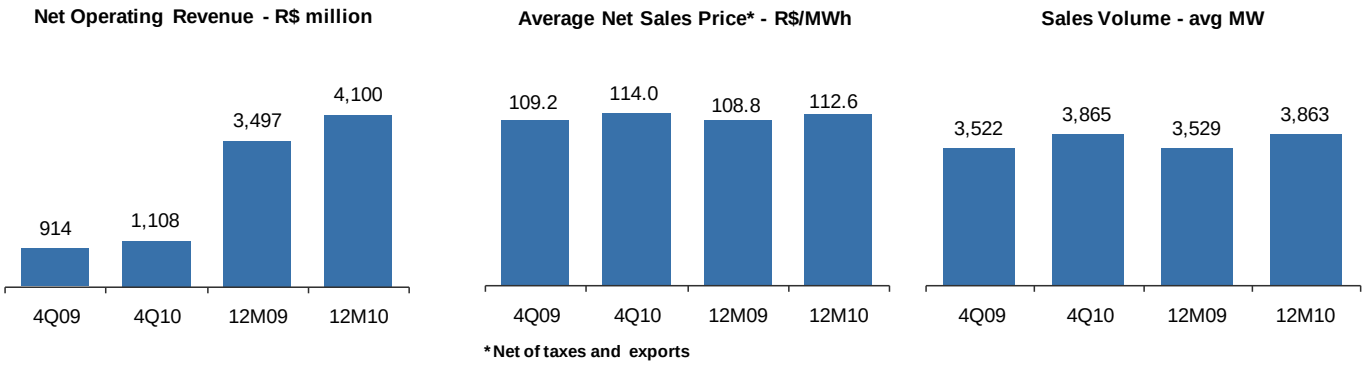
Economic and Financial Performance

Net Operating Revenue

In 4Q10 net operating revenue reported a year-on-year increase of 21.2% from R$ 914.2 million to R$ 1,107.6 million. For the fiscal year 2010, this item recorded a total of R$ 4,100.4 million, 17.3% up on the R$ 3,496.7 million reported in 2009. The variation seen between periods is directly related to the evolution in gross operating revenue and on deductions on operating revenue as described below.

The average energy sales price, excluding exports and net of deductions on gross operating revenue was R$ 113.97/MWh in 4Q10, an increase of 4.4% in relation to the prevailing price in 4Q09, which was R$ 109.21/MWh. On an annual basis, the average price increased 3.5% from R$ 108.81/MWh in 2009 to R$ 112.58/MWh in 2010.

Sales volume in 4Q10 was 8,535 GWh (3,865 average MW), 9.7% up on the 7,776 GWh (3,522 average MW) sold in the same quarter of 2009. In the 2010 fiscal year, energy sales volume reached 33,838 GWh (3,863 average MW), a rise of 9.5% in relation to 2009, when sales volume recorded 30,911 GWh (3,529 average MW).



Gross Operating Revenue

The Company reported gross operating revenue in 4Q10 of R$ 1,241.6 million, 21.9% higher than the same period in 2009 which was R$ 1,018.8 million. This variation is essentially a combination of the following: (i) an increase of R$ 115.2 million in revenue as a result of transactions conducted through the Energy Trading Board (CCEE) as described under a specific heading in this report; (ii) R$ 100.7 million due to the increase of 9.7% in energy sales volume; (iii) an increase of R$ 42.3 million due to the rise of 4.9% in the average energy sales price; and (iv) a reduction of R$ 35.0 million due to the recognition of non-recurring revenue in 4Q09 with respect to indemnity payments for loss of revenue due to the delay in the conclusion of work on the São Salvador HPP.

The Company's fiscal year 2010 gross operating revenue was R$ 4,586.1 million against R$ 3,886.3 million in 2009. This 18.0% improvement reflects the following factors: (i) an increase of R$ 222.3 million in revenue as a result of transactions conducted through the Energy Trading Board (CCEE) as described under a specific heading in this report; (ii) an increase of R$ 327.0 million due to the rise of 9.5% in energy sales volumes; (iii) a growth of R$ 132.4 million due to the 3.7% rise in the average price of energy sold; (iv) the startup in commercial operations of new plants resulting in additional sales of 638 GWh (73 average MW) and operating revenue of R$ 81.2 million; (v) a decline of R$ 30.6 million in energy exports; and (vi) a reduction of R$ 35.0 million due to recognition of non-recurring revenue in 4Q09 as already commented.

Revenues from electric energy operations

a) Wholesale market for electric energy

Revenue from the wholesale supply of energy, namely energy sales to distributors and trading companies, reached R$ 819.8 million in 4Q10 against R$ 714.1 million reported for the same period in the preceding year, 14.8% higher and due to the following principal increases: (i) R$ 79.4 million due to a rise of 576 GWh (261 average MW) in sales to distributors, largely reflecting the inception of contracts in the regulated market; and (ii) R$ 23.1 million due to a 3.8% rise in the average price to distributors.

In fiscal year 2010 as a whole, revenue reached R$ 3,238.7 million, 14.5% higher than R$ 2,828.3 million recorded in 2009. The variation reflects the following increases: (i) R$ 259.1 million due to a hike in sales volume of 1,906 GWh (218 average MW) to distributors; (ii) R$ 48.1 million or 500 GWh (57 average MW) to trading companies; and (iii) R$ 102.3 million due to the increase of 4.3% in average sales prices to distributors.

b) Retail market for electric energy

Retail market sales revenue (sales to free consumers) reported an improvement of 16.7% from R$ 232.8 million in 4Q09 to R$ 271.7 million in 4Q10, a result of the following increases: (i) R$ 15.9 million due to a 6.6% rise in average energy sales prices; and (ii) R$ 20.8 million due to growth of 178 GWh (81 average MW) in the quantity of energy sold to the industrial sector following the peak of the world financial crisis.

Annual 2010 revenue was R$ 1,011.0 million, 15.0% up on the R$ 878,8 million reported in 2009 and largely reflecting: (i) the increase in the average sales price of 5.5%, resulting in additional revenue of R$ 50.0 million; and (ii) the growth in annual energy sales volume of 688 GWh (79 average MW), for the same reason as mentioned above and representing revenue growth of R$ 80.0 million.

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

Revenues reported for 4Q10 under this item were R$ 144.3 million against R$ 29.1 million for the same period in 2009, a year-on-year rise of R$ 115.2 million.

For the full fiscal year 2010, revenue reached R$ 287.4 million, a growth of R$ 222.3 million compared with R$ 65.1 million in fiscal year 2009.

Further explanations on these operations and changes can be found below under "Details of CCEE operations".

d) Electric energy exports

Exports of energy in the quarters under review were not significant. During fiscal year 2010, revenues on exports to Argentina and Uruguay were R$ 30.1 million, against R$ 60.7 million in 2009.

Deductions from Operating Revenue

Deductions from operating revenue reported a year-on-year increase of 28.0% from R$ 104.7 million in 4Q09 to R$ 134.0 million in 4Q10. These reductions represented 10.3% and 10.8% respectively of gross operating revenue (excluding exports which are exempt from these deductions). This relative increase was related to the increase in PIS and Cofins charges due to the change introduced for levying these charges from a cumulative method (rate of 3.65%) to a non-cumulative method (rate of 9.25%, but with the right to a tax credit on certain acquisitions) on revenue from contracts which expired in the period under analysis but signed prior to changes in levying methodology.

In the full fiscal year 2010, deductions were R$ 485.8 million, a growth of 24.7% in relation to the preceding fiscal year which was R$ 389.6 million. These deductions corresponded to 10.7% and 10.2% of gross operating revenue, respectively, this increase also being justified by the change in taxation base as mentioned above

Costs of Electric Energy and Services

Costs reached R$ 500.5 million in 4Q10, 33.0% up on the R$ 376.4 million for the same quarter in 2009. Fiscal year 2010 costs grew 20.5% from R$ 1,567.3 million in 2009 to R$ 1,888.1 million in 2010. This variation is fundamentally due to the trend in the principal cost components as follows:

- **Electric power purchased for resale:** an increase of R$ 78.4 million in 4Q10 due basically to the increase of 595 GWh (269 average GW) of purchased energy, allowing the Company to sell a 30-year product in the so-called “botox” energy auction at attractive prices, deliveries beginning in 2010, and to meet energy sales commitments. In fiscal year 2010, purchased energy increased 2,429 GWh (277 average MW), similarly for the same reason as described above, resulting in an increase in costs of R$ 282.1 million. A large number of these purchase contracts was signed some years ago – and therefore bear no relation to spot market prices (PLD).

- **Transactions channeled through the Energy Trading Board (CCEE):** in the quarters under review there was an increase of R$ 3.0 million. Costs with these transactions for fiscal years 2010 and 2009 fell R$ 118.0 million as described under a specific item below.

- **Fuel Expenses:** increase of R$ 24.6 million in 4Q10 as compared with the same quarter in 2009 due to: (i) a rise of R$ 18.2 million in natural gas consumption at the William Arjona TPP to satisfy energy demand; and (ii) the increase of R$ 6.3 million in the cost of biomass for generation requirements at the Lages Cogeneration Plant. In 2010, these costs rose R$ 23.5 million, the result of increased gas consumption equivalent to R$ 36.6 million and biomass equivalent to R$ 5.3 million, as well as the reduction of R$ 19.3 million in thermal coal consumption used in generation for export.

- **Charges for the use of and connection to the electricity grid:** reduction of R$ 3.9 million in 4Q10 in relation to the same period in 2009 due to a reduction in Tariffs for Use of the Transaction System (TUST) introduced in July 2010 on the conclusion of the transmission companies’ tariff revision. In 2010 there was a growth of R$ 6.1 million due to the combination of a startup in commercial operations of new plants together with the reduction in TUSTs explained above.

- **Financial compensation for the use of water resources:** in comparative quarters values remained stable. On a comparative fiscal year basis, there was an increase of R$ 41.7 million, reflecting the annual tariff readjustment and the significant increase in dispatch from the hydro plants.

- **Personnel:** increase of R$ 5.6 million in 4Q10 and R$ 17.0 million for the fiscal year as a whole due to the annual salary readjustment for employees as well as the need for expanding the payroll to meet growth in the Company’s generating complex requirements.

- **Third party services:** increase of R$ 7.0 million in 4Q10 and R$ 23.6 million in 12M10 in large part due to stronger demand for scheduled and executed maintenance and conservation services at the generator units during 2010.

- **Depreciation and amortization:** increase of R$ 6.6 million in 4Q10 and R$ 33.6 million in 12M10 compared with the same periods 2009 principally due to the depreciation resulting from the startup in commercial operations at the Areia Branca, Ibitiúva and São Salvador plants.

Energy Trading Board – Details of CCEE Operations

The various monthly credit or debit entries to the account of a member of the CCEE 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 commercialization strategy, there have been changes in billing profile in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing over the two-year period – the reason for including the present topic. This topic will allow the analysis of the oscillations in the principal elements in spite of their allocation 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 accounts) which will be settled at the spot price

In 4Q10, the Company reported net operating revenue from transactions conducted through the CCEE of R$ 140.3 million against a value of R$ 27.7 million calculated for the same period last year, resulting in increased revenue of R$ 112.6 million in the result between comparable periods.

Net operating revenue reported in 2010 was R$ 281.5 million against a net expense in 2009 of R$ 58.9 million, that is a positive variation in the result for CCEE transactions of R$ 340.4 million.

The improved results largely reflect the following factors:

I. MRE (Energy Reallocation Mechanism) – revenue remained stable between comparative quarters. For the fiscal year there was an increase of R$ 78.2 million, representing the difference between a net expense in R$ 15.6 million in 2009 and a net income of R$ 62.6 million in 2010. This variation was the consequence of greater generation from the Company's hydroelectric power plants during fiscal year 2010 when compared with 2009. This increase in revenue was partially offset by higher expenses from royalties as described under the item "Financial compensation for use of water resources"; and

II. Other transactions executed through the CCEE – the positive result of R$ 113.4 million and R$ 262.2 million between comparative quarters and fiscal years largely reflects (i) the success of the strategy of optimizing the allocation of generation resources by the Company; and (ii) the greater generation of thermoelectric plants during the period.

General and Administrative Expenses

General and administrative expenses rose R$ 3.0 million or 6.5% from R$ 45.8 million in 4Q09 to R$ 48.8 million in 4Q10 due essentially to a combination of the following variations: (i) an increase in staff and management expenses due to the annual readjustment in compensation; and (ii) reduction in the demand for consultancy services and in welfare contributions and donations. This item reported an increase for the year as a whole of R$ 16.2 million, or 11.3%, from R$ 143.7 million in 2009 to R$ 159.9 million in 2010, principally due to the reasons already described.

Constitution (Reversals) of Operating Provisions, Net

There was a reversal of net operating provisions of R$ 21.4 million between comparative quarters largely due to actuarial gains of R$ 18.7 million, offset against a reduction in liabilities relative to post-employment benefits. This is associated to the adoption of international (IFRS) and Brazilian (CPC) accounting procedures as explained above.

In 2010, these reversals were R$ 73.4 million and arose largely for the same reason as described above, in the amount of R$ 75.3 million.

Favorable Court Ruling

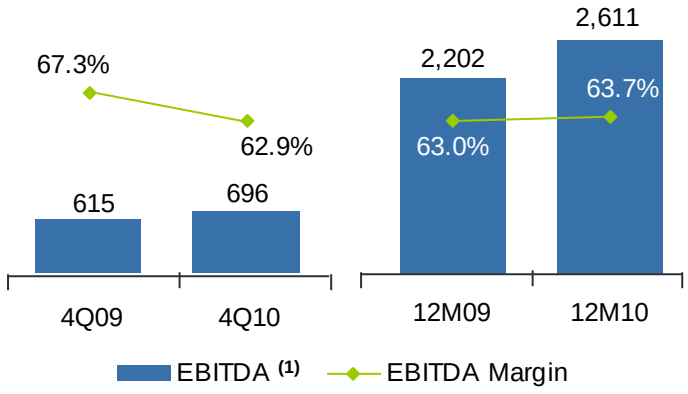
In 2010, the Company recognized non-recurring revenue of R$ 45.8 million due to a court action – ruled in its favor - for which there is no appeal, on the right to calculate PIS and Cofins using the cumulative methodology on revenue arising from contracts signed prior to the change in the legislation to the non-cumulative methodology. Meanwhile in the 2009 fiscal year, the Company recorded a non-recurring gain of R$ 8.4 million following the rescission of the construction contract for building the São João biomass plant.

EBITDA and EBITDA Margin

As a reflection of the factors already discussed, 4Q10 EBITDA reached R$ 696.2 million, an increase of 13.2% when compared with the R$ 615.1 million recorded in 4Q09. EBITDA margin in 4Q10 was 62.9% while in 4Q09 it was 67.3%. The reduced margin reflects greater generation from William Arjona TPP and the higher transaction volume of energy purchased for resale at thinner margins than in the case of sales of energy generated by the Company itself.

In 2010, EBITDA reached R$ 2,611.5 million, 18.6% higher in relation to 2009 when this item was R$ 2,201.7 million. EBITDA margin for 2010 and 2009 was 63.7% and 63.0%, respectively.

EBITDA (1) (R$ million) and EBITDA Margin (%)



(1) EBITDA represents: operating profits + financial result + depreciation and amortization

In order to allow the reconciliation of the operating income with the EBITDA, we present the table below:

EBITDA (in thousands of R$)	4Q10	4Q09	Chg. %	12M10	12M09	Chg. %
Operating income	452,813	413,635	9.5	1,721,310	1,537,207	12.0
(+/-) Financial Result	119,491	79,736	49.9	428,842	239,789	78.8
(+) Depreciation and Amortization	123,883	121,720	1.8	461,325	424,714	8.6
Total	**696,187**	**615,091**	**13.2**	**2,611,477**	**2,201,710**	**18.6**

Financial Result

Financial income: amounted to R$ 36.4 million in 4Q10, recording an expansion of R$ 10.6 million in relation to R$ 25.8 million reported in 4Q09, principally due to higher interest rates on financial investments in the quarter.

For fiscal year 2010 as a whole, this revenue was R$ 130.6 million, R$ 43.7 million up on the R$ 86.9 million for 2009 also substantially a reflection of higher interest rates on these financial investments and largely due to oscillations in the Selic basic rate of interest.

Financial expenses: a rise of R$ 50.3 million in the quarter from R$ 105.5 million in 4Q09 to R$ 155.8 million in 4Q10, resulting from a combination of the following factors: (i) an increase of R$ 11.9 million of interest on debt principally due to the initial recognition of interest on debt of the companies whose plants have recently gone into commercial operation; (ii) a growth of R$

38.4 million in monetary restatement on debt and financing largely due to the oscillations in the IGP-M applicable to concession charges payable; (iii) a reduction of R$ 1.6 million in the foreign exchange rate translation effect on currency loans by virtue of the variation in US dollar and the Euro against the Real; and (iv) the decrease of R$ 5.8 million in charges on the Company's actuarial liabilities.

On an annual basis, expenses rose by R$ 232.8 million from R$ 326.7 million in 2009 to R$ 559.5 million in 2010. This variation reflects a the following factors: (i) an increase of R$ 66.1 million in interest on debt; (ii) growth of R$ 120.7 million in monetary restatement on debt and financing; (iii) decrease of R$ 62.4 million in the foreign exchange translation effect on currency loans; and (vi) a reduction of R$ 23.2 million on charges on the Company's actuarial liabilities. Factors behind the changes are those described in the preceding paragraph

Income Tax and Social Contribution

Income tax and social contribution overheads in 4Q10 were R$ 79.5 million, R$ 6.5 million up on the same period in 2009 when these were R$ 73.0 million. The variation is largely due to the increase in earnings - pre-income tax/social contribution.

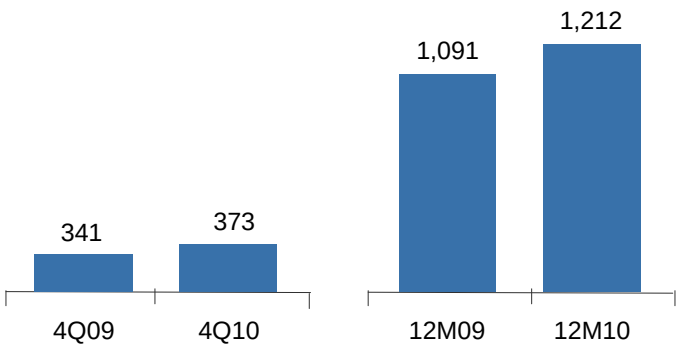
In fiscal year 2010, these expenses reached R$ 509.7 million, R$ 63.4 million up in relation to this item in 2009 when the amount recorded was R$ 446.3 million. The increase similarly corresponds to the growth in pre-tax earnings.

Net Income

Again reflecting comments made in the course of this release, 4Q10 net earnings were R$ 373.3 million, 9.6% over 4Q09 when the same item was R$ 340.6 million.

In the fiscal year 2010, net income reached R$ 1,211.6 million, 11.1% better than the R$ 1,090.9 million posted for the 2009 fiscal year. This result represents an all-time record for the Company, the seventh consecutive one.

Net Income - R$ million



Debt

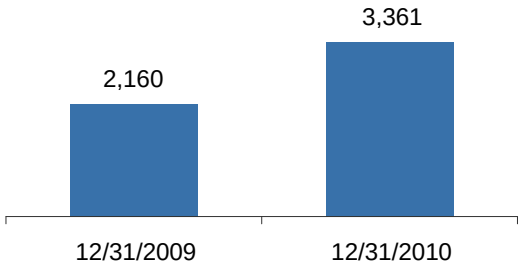
As of December 31, 2010, the Company's net debt (total debt less cash and cash equivalents) was R$ 3,361.3 million, 55.6% higher than R$ 2,160.0 million registered for December 31, 2010.

Total consolidated gross debt – represented principally by loans, debentures and financing - totaled R$ 4,443.9 million, an increase of 30.1% compared to the position on December 31, 2009. Of total debt outstanding at the end of the period, 4.8% was foreign currency denominated (7.2% at the end of 4Q09), this portion being unhedged.

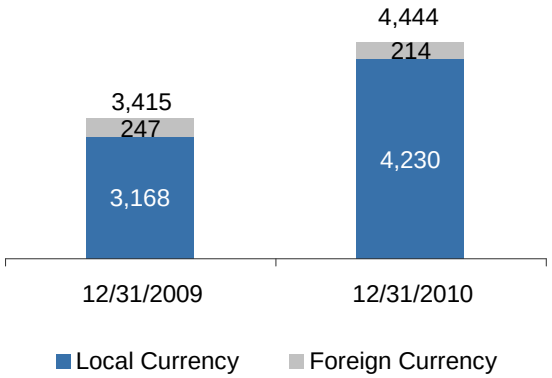
Growth in Company debt is related principally to a combination of the following factors: (i) drawdown from the National Economic and Social Development Bank - BNDES and its financial agents in the total accumulated amount of R$ 63.5 million between the comparative periods for meeting capital expenditure requirements at Ibitiúva Bioenergética TPP; (ii) as from 3Q10, consolidation into the Company's balance sheet of financing of SUEZ Energia Renovável S.A. amounting to R$ 1,374.4 million, obtained from the BNDES and its financial agents for use in the construction of the Estreito HPP; (iii) R$ 344.4 million in

charges incurred and to be paid and monetary and currency restatement, between the comparative periods; and (iv) amortization of loans, financing and debentures amounting to R$ 748.5 million during 2010.

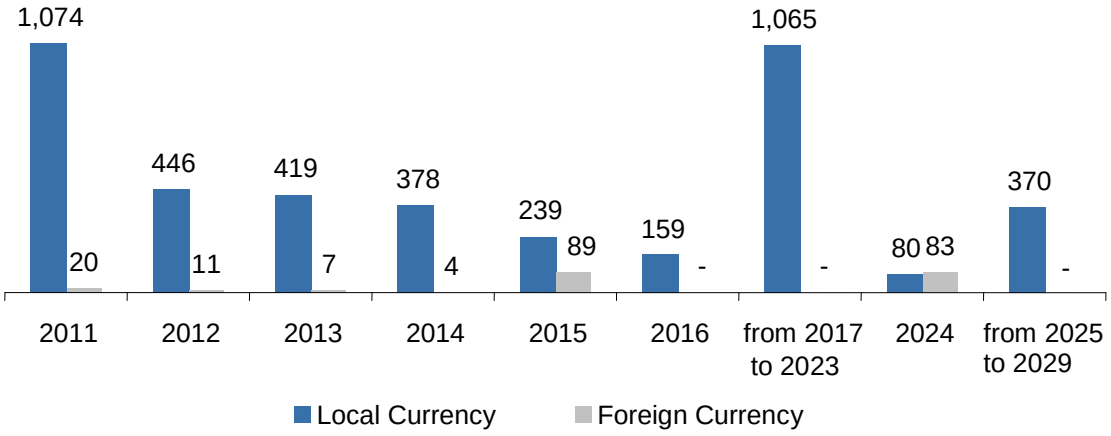
Performance of Net Debt - R$ million



Composition of Total Debt - R$ million



Maturity Term Loans - R$ million



Capital Expenditures

In 2010, Tractebel invested R$ 2,118.8 million in the construction of new plants as part of its expansion plan for the generation complex. These investments break down as follows: (i) R$ 2,061.9 million in the Estreito HPP – this value contemplating the cost of the project's acquisition and investments made post-acquisition; (ii) R$ 36.0 million in Ibitiúva Bioenergética TPP; (iii) R$ 10.7 million in work on the Areia Branca SHP; and (iv) R$ 10.2 million on complementary work to the São Salvador HPP.

Additionally, R$ 89.2 million was dedicated to maintenance and modernization projects to maintain the high degree of plant uptime.

As a result, computing the values used for the generating complex construction and maintenance, in 2010, the Company invested R$ 2,208.0 million, this value does not includes the capitalization of interest during the construction phase of new projects.

Proposed Complementary Dividends

The meeting of Tractebel's Board of Directors held on February 4, 2011 approved the complementary dividend proposal for the period from January 1 to December 31, 2010 in the amount of R$ 158.3 million (R$ 0.2424687839 per share). This will be ratified by the Ordinary General Meeting which will also establish payout conditions. Thus, total profit distribution for 2010 will

amount to R$ 664.4 million, equivalent to R$ 1.0178134249 per share, equivalent to a 55% payout of the distributable net adjusted income - this level of shareholder compensation to remain at similar levels in 2011, reflecting investments already committed.

SUSTAINABILITY: COMMITMENT AND CERTIFICATIONS

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

All Tractebel Energia plants are NBR ISO 9001 and NBR ISO 14001 certified, except from those acquired in 2008. 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.

The Management Board of Tractebel Energia has 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 BM&FBovespa's Novo Mercado on November 16, 2005, underscoring the Company's commitment to best corporate governance practice.

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

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

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

Tractebel Energia's dividend policy establishes a minimum mandatory dividend of 30% of net income for the fiscal year, adjusted pursuant to Law 6,404/76. In addition, 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, the Company and its controlling company understand that its existing corporate governance standards should be raised even further. Among the initiatives announced of particular note was the creation in October 2010 of the Special Independent Committee for Valuation of Transactions with Related Parties, the majority of its members made up of independent directors of the Company's Board.

CAPITAL MARKETS

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

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

Share Performance – TBLE3

The Brazilian economy saw a strong recovery in 2010 – interrupted by the financial crisis which intensified towards the end of 2008. This performance was based on an abundant supply of credit and an extremely demanded labor market, also driven by a policy of fiscal easing.

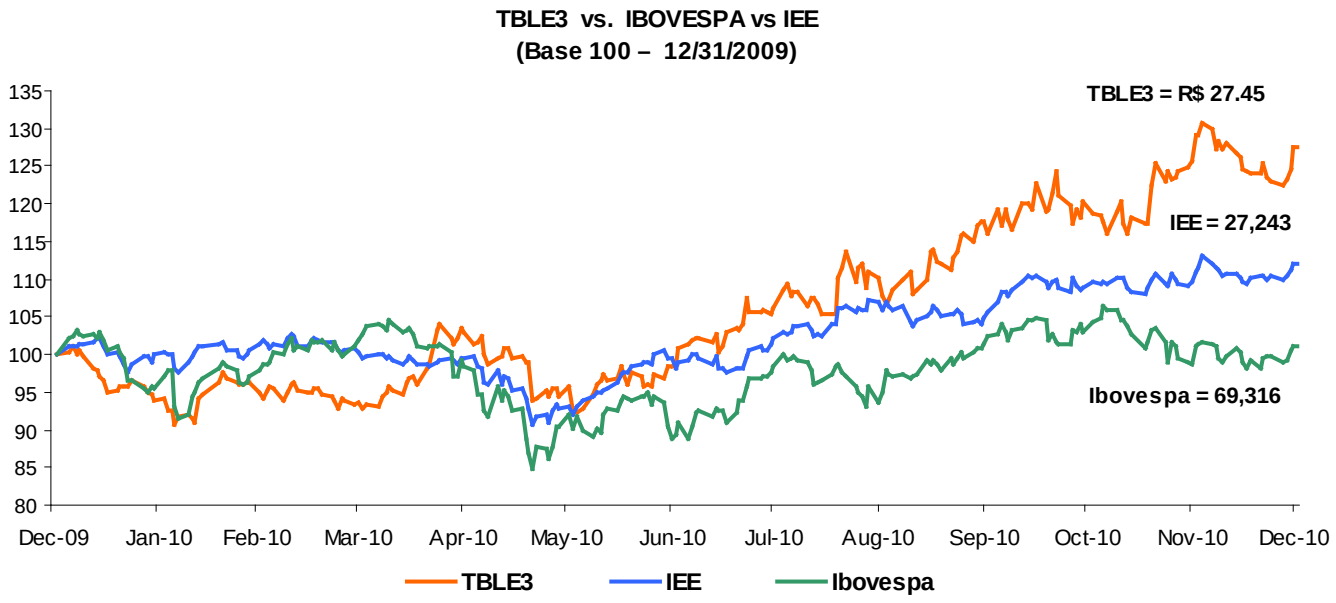
In 4Q10 BM&FBovespa reported a depreciation of 0.2% although for the full calendar year there was a small gain of 1.1%, indicative of the volatility in Brazilian stock exchange performance.

In the US equities market, the Dow Jones index - the benchmark for the New York stock exchange, closed the calendar year reporting an 11.0% rally over the period.

Set against this background, Tractebel's shares reported an increase of 8.4% in 4Q10 and a significant rally of 27.5% for the year as a whole in 2010, ignoring dividends. This was a significantly better performance than the Ibovespa and the IEE – the electric energy stock index – which ended the year recording an appreciation of 1.1% and 11.9%, respectively.

During the year the Company's securities were traded on all the days the BM&FBovespa was open for business and averaging a daily turnover of R$ 13.8 million - 1.4% up on the R$ 13.6 million reported in 2009.

Tractebel shares posted a closing price on December 31, 2010 at R$ 27.45/share, equivalent to a market capitalization of approximately R$ 17.9 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: February 7, 2011
Time: 8:00 a.m. (ET) / 11:00 a.m. (Brasília time)

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

The access links can be found on the Company's website (www.tractebelenergia.com.br), at the Investors section.

Replay available from February 7 to 13, 2011. Access by calling (55 11) 4688-6312, code: 0166128.

Meetings with analysts

Florianópolis
Date: February 8, 2011
Time: 6:30 p.m. (Brasília Time)
Venue: Majestic Palace Hotel

São Paulo
Date: February 10, 2011
Time: 8:30 a.m. (Brasília Time)
Venue: Hotel Blue Tree Faria Lima

Porto Alegre
Date: February 11, 2011
Time: 12:30 p.m. (Brasília Time)
Venue: Hotel Deville Aeroporto

Belo Horizonte
Date: February 9, 2011
Time: 12:00 p.m. (Brasília Time)
Venue: Hotel Mercure BH Lourdes

Rio de Janeiro
Date: February 10, 2011
Time: 6:30 p.m. (Brasília Time)
Venue: Hotel Pestana

Disclaimer

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

ATTACHMENT I
TRACTEBEL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET – ASSETS

(in thousands of R$)		
Assets	**12/31/2010**	**12/31/2009**
Current Assets	**1,906,733**	**1,872,885**
Cash and cash equivalents	1,082,580	1,254,640
Accounts receivables from clients	531,106	435,292
Asset kept for sale	23,057	-
Taxes and social contributon	91,818	72,920
Warehouse	46,032	44,652
Pledges and restricted deposits	81,553	33,511
Other credits	50,587	31,870
Non Current Assets	**10,943,555**	**9,061,504**
Long Term Assets	**872,025**	**806,242**
Taxes and social contributon to offset	219,880	74,482
Pledges and restricted deposits	51,244	63,738
Deposits in court	133,464	217,309
Receivable on tangible assets disposal	86,886	86,886
Deferred assets	328,240	311,330
Other credits	52,311	52,497
Property, Plant and Equipment	**9,976,009**	**8,137,229**
Intangible	**95,521**	**118,033**
Total	**12,850,288**	**10,934,389**

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

(in thousands of R$)		
Liabilities	**12/31/2010**	**12/31/2009**
Current Liabilities	**2,259,838**	**1,406,428**
Suppliers	268,851	246,117
Dividends and interest on shareholder´s equity	189,509	169,509
Loans and financing	189,414	221,346
Debentures	905,017	126,407
Taxes, fees and contributions	457,937	411,616
Estimated obligations	54,881	41,233
Research and development (R&D) program obligations	14,991	48,112
Provision for tax, civil and labor risks	10,866	12,677
Concessions payable	42,297	37,419
Post-employment benefits	25,939	25,478
Other obligations	100,136	66,514
Non Current Liabilities	**5,517,766**	**5,078,913**
Loans and financing	2,567,145	1,465,106
Debentures	782,344	1,601,783
Obligations under the research and development program	41,260	-
Provision for tax, civil and labor risks	143,416	127,418
Concessions payable	1,092,650	920,055
Post-employment benefits	409,452	491,657
Deferred fiscal liabilities	445,691	459,938
Other obligations	35,808	12,956
Shareholders' Equity	**5,072,684**	**4,449,048**
Share capital	2,445,766	2,445,766
Capital reserves	91,695	91,695
Fixed asset valuation	708,190	765,069
Profit reserves	1,827,033	1,146,518
Total	**12,850,288**	**10,934,389**

ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(in thousands of R$)	4Q10	4Q09	Chg. %	12M10	12M09	Chg. %
Gross Operating Revenue	**1,241,593**	**1,018,842**	**21.9**	**4,586,133**	**3,886,319**	**18.0**
Deductions from operating revenue	**(134,023)**	**(104,671)**	**28.0**	**(485,752)**	**(389,642)**	**24.7**
Net Operating Revenue	**1,107,570**	**914,171**	**21.2**	**4,100,381**	**3,496,677**	**17.3**
Energy Sales Costs	**(500,474)**	**(376,361)**	**33.0**	**(1,888,072)**	**(1,567,320)**	**20.5**
Electric power purchased for resale	(169,672)	(91,288)	85.9	(674,175)	(392,099)	71.9
Transactions channeled through the CCEE	(4,037)	(1,041)	287.8	(5,952)	(123,945)	-95.2
Fuel expenses	(21,794)	2,838	-867.9	(61,062)	(37,582)	62.5
Charges for the use of and connection to the electricity grid	(66,135)	(70,043)	-5.6	(269,087)	(263,029)	2.3
Financial compensation for use of water resources	(32,744)	(33,360)	-1.8	(133,548)	(91,900)	45.3
Personnel	(38,738)	(33,152)	16.8	(136,684)	(119,680)	14.2
Materials and third party services	(39,764)	(31,623)	25.7	(93,469)	(84,838)	10.2
Depreciation and amortization	(118,530)	(111,917)	5.9	(447,213)	(413,566)	8.1
Others	(9,060)	(6,775)	33.7	(36,156)	(28,316)	27.7
Gross Income	**607,096**	**537,810**	**12.9**	**2,212,309**	**1,929,357**	**14.7**
Operating Income (Expenses)	**(34,792)**	**(44,439)**	**-21.7**	**(62,157)**	**(152,361)**	**-59.2**
Selling expenses	(3,595)	(3,839)	-6.4	(14,363)	(14,831)	-3.2
General and administrative expenses	(48,758)	(45,775)	6.5	(159,935)	(143,711)	11.3
Favorable ruling on lawsuit	-	8,392	-	45,803	8,392	445.8
Constitution of operating provisions, net	18,210	(3,230)	-663.8	66,519	(6,896)	-1,064.6
Other operating income (expenses), net	(649)	13	-5,092.3	(181)	4,685	-103.9
Service Income	**572,304**	**493,371**	**16.0**	**2,150,152**	**1,776,996**	**21.0**
Net Financial Result	**(119,491)**	**(79,736)**	**49.9**	**(428,842)**	**(239,789)**	**78.8**
Financial income	36,372	25,813	40.9	130,627	86,883	50.3
Financial expenses	(155,863)	(105,549)	47.7	(559,469)	(326,672)	71.3
Income Before Taxes	**452,813**	**413,635**	**9.5**	**1,721,310**	**1,537,207**	**12.0**
Income tax	(55,206)	(52,408)	5.3	(370,804)	(324,867)	14.1
Social contribution	(24,261)	(20,594)	17.8	(138,857)	(121,473)	14.3
Net Income for the Period	**373,346**	**340,633**	**9.6**	**1,211,649**	**1,090,867**	**11.1**
EBITDA	**696,187**	**615,091**	**13.2**	**2,611,477**	**2,201,710**	**18.6**
Net income per share	0.5720	0.5218	9.6	1.8562	1.6712	11.1

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

(in thousands of R$)	4Q10	4Q09	12M10	12M09
Operating Activities				
Net income for the period	373,346	340,633	1,211,649	1,090,867
Expenses (revenues) that do not affect cash:				
Depreciation and amortization	123,883	121,720	461,325	424,714
Net monetary variations	40,883	(2,105)	98,753	(82,364)
Net interests	3,813	12,544	110,918	101,924
Operating provision, net	(11,010)	15,966	(57,704)	22,100
Deferred income tax and social contribution	(14,628)	(10,789)	(22,523)	(22,910)
Others	6,196	622	5,174	(2,794)
	522,483	478,591	1,807,592	1,531,537
Decrease (Increase) in Assets				
Accounts receivables from clients	19,081	9,795	(97,660)	(47,713)
Taxes and social contributions	(32,435)	1,587	(82,723)	(5,731)
Warehouse	(1,595)	2,220	(1,351)	14,136
Collateral and linked / judicial deposits	(81,601)	(5,147)	57,825	(53,626)
Others	(13,175)	2,541	(3,187)	(6,575)
	(109,725)	10,996	(127,096)	(99,509)
Increase (Decrease) in Liabilities				
Suppliers	(45,013)	6,998	(49,844)	14,951
Taxes, fees and contributions	78,083	46,207	51,073	(25,855)
Estimaded obligations	(2,892)	(4,770)	12,784	2,345
Provision for fiscal, civil and labor contingencies	(1,816)	(1,005)	(4,393)	(10,538)
Post-employment benefits	(7,567)	(12,933)	(30,802)	(40,250)
Research and development (R&D) program obligations	2,463	(1,305)	8,140	(12,158)
Others	2,808	10,020	13,027	15,576
	26,066	43,212	(15)	(55,929)
Funds from Operating Activities	**438,824**	**532,799**	**1,680,481**	**1,376,099**
Investments activities	**(392,253)**	**(87,479)**	**(1,094,891)**	**(258,515)**
Increase of investments, net of cash availability	(324,453)	(996)	(791,889)	(2,971)
Used in fixed assets	(66,279)	(82,155)	(296,350)	(250,923)
Used in intangibles	(1,521)	(4,328)	(6,652)	(4,621)
Financing activities	**(138,411)**	**346,368**	**(757,650)**	**(282,949)**
Loans, financing and debentures	210,711	476,483	276,751	1,403,084
Payment of loans, financing and debentures	(58,406)	(120,145)	(477,849)	(946,795)
Payments to related Parties	-	-	-	(221,306)
Payments of concessions payable	(7,056)	(9,803)	(36,602)	(14,639)
Pledges and legal/escrow deposits	942	(167)	16,074	(8,152)
Payment of dividends and interest on shareholders' equity	(284,602)	-	(536,024)	(495,141)
Total Effects on Cash	**(91,840)**	**791,688**	**(172,060)**	**834,635**
Cash and cash equivalents				
Opening balance	1,174,420	462,952	1,254,640	420,005
Closing balance	1,082,580	1,254,640	1,082,580	1,254,640
	(91,840)	**791,688**	**(172,060)**	**834,635**
Payments made in the year	**-**	**-**	**-**	**-**
Interest on loans, financing and debentures	92,435	78,247	270,643	256,049
Income tax and social contribution	42,283	46,801	484,515	468,486
Transactions that do not affect cash				
Offsetting of income tax and social contribution	92	1,238	6,535	2,035
Supplier's of fixed assets	14,647	4,237	32,061	11,062
Accounting for the HPP São Salvador's concession	-	-	-	352,097
Accounting for the HPP Estreito's concession	-	-	34,186	-
Dividends and interest on shareholders' equity credited	378,270	275,913	378,270	275,913