# TRACTEBEL ENERGIA's 2011 net income grows by 19.5%, exceeding R$ 1.4 billion

Florianópolis (SC), February 7, 2012 – 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, 2011 (4Q11 and 12M11). 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

● Tractebel Energia's 2011 net income set a new annual record, the eighth consecutive, at R$ 1,448.1 million (R$ 2.2185 per share), 19.5% greater than the achieved in 2010.

● At a meeting on February 7th, 2012, the Board of Directors approved a complementary dividends proposal relating to 2011, totaling R$ 517.3 million (R$ 0.792566942 per share). For the year, total dividends and interest on equity capital reached R$ 1,429.3 million, equal to R$ 2.1897556102 per share or 100% of adjusted distributable net income.

● Accumulated EBITDA in 2011 was R$ 2,909.7 million, an increase of 11.4% on the previous year. EBITDA margin for 12M11 was 67.2%, 3.5 p.p. above the registered in 2010.

● Consolidated net revenues from sales reached R$ 4,327.0 million and grew 5.5% in 2011.

● Consolidated sales in 2011 totaled 3,879 average MW, 0.4% higher than in 2010.

● The average price of contracted energy sales, net of taxes and exports, reached R$ 122.68/MWh in 2011, 9.0% above the registered in 2010.

● The accumulated annual uptime ratio achieved in 2011 was 98.3%, excluding scheduled stoppages: 98.6% for hydroelectric generation, 97.2% for thermoelectric generation and 93.4% for complementary plants.

● Tractebel remained listed in BM&FBovespa's (São Paulo Stock Exchange) Corporate Sustainability Stock Index (ISE), released at 2011 year-end. The Company has been a part of this index since it was created in 2005.

● 2011 also saw the startup of operations at the Estreito HPP, of 1,087 MW capacity, of which 40.07% are assigned to the Company. As of December 31st, four of the eight generating units were fully working, representing 75% of the Plant's total assured energy.

● The Company obtained its first ever investment grade rating in 2011 (BBB- from Fitch Ratings), as well as obtaining the brAA+ rating with a positive outlook from Standard & Poor's.

● In its first participation in the award, Tractebel was selected as one of the 150 companies included in the Você S/A – Exame Guide – The Best Companies To Work For, 2011 edition.

**2011**

**For immediate release**


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

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**Conference call and webcast:**
On 08/02/2011 at 09:00 a.m. (EDT) in Portuguese – simultaneous translation into English.

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

Visit our website
**www.tractebelenergia.com.br**

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### Summary of Economic and Operational Indicators

| Tractebel - Consolidated | | | | | | |
|---|---|---|---|---|---|---|
| (in millions of R$) | 4Q11 | 4Q10 | Chg. | 12M11 | 12M10 | Chg. |
| Net Revenue from Sales (NRS) | 1,096.3 | 1,107.6 | -1.0% | 4,327.0 | 4,100.4 | 5.5% |
| Result from Service (EBIT) | 633.6 | 572.3 | 10.7% | 2,408.6 | 2,150.2 | 12.0% |
| EBITDA (1) | 766.4 | 696.2 | 10.1% | 2,909.7 | 2,611.5 | 11.4% |
| EBITDA / NRS - (%) | 69.9 | 62.9 | 7.0 p.p. | 67.2 | 63.7 | 3.5 p.p. |
| Net Income | 450.1 | 373.3 | 20.6% | 1,448.1 | 1,211.6 | 19.5% |
| Net Debt | 2,867.4 | 3,361.3 | -14.7% | 2,867.4 | 3,361.3 | -14.7% |
| Energy Sold (avg MW) | 3,801 | 3,865 | -1.7% | 3,879 | 3,863 | 0.4% |
| Average Net Sales Price (R$/MWh) (2) | 124.23 | 113.97 | 9.0% | 122.68 | 112.58 | 9.0% |
| Number of Employees | 1,084 | 1,033 | 4.9% | 1,084 | 1,033 | 4.9% |

(1) EBITDA represents: operating results + financial results + depreciation and amortization
(2) Net of taxes and exports

# OPERATING PERFORMANCE

## Generating Complex

The largest private sector electricity generator in Brazil, Tractebel Energia will have, after the entry into operation of all the Estreito HPP's generating units, an installed capacity of 6,908 MW and will operate a generating complex with installed capacity of 8,630 MW. Four generating units of Estreito HPP have already begun operations and the total ramp-up of the plant is scheduled for 2012. Thus, the generating complex comprises 22 plants (nine hydro, six thermal and seven complementary energy source plants - biomass, small hydro – SHP – and wind-powered), 18 of which are wholly owned by the Company and four - the Itá, Machadinho and Estreito hydro power plants and the biomass Ibitiúva Bioenergética - jointly-owned through consortia with other companies.

**Tractebel Energia's Generating Complex**

| Power Plants | Source | Location | Installed Capacity (MW) | |
|---|---|---|---|---|
| | | | Total | Tractebel's Portion |
| Itá | Hydro | Uruguai River (SC and RS) | 1,450.0 | 1,126.9 |
| Salto Santiago | Hydro | Iguaçu River (PR) | 1,420.0 | 1,420.0 |
| Machadinho | Hydro | Uruguai River (SC and RS) | 1,140.0 | 403.9 |
| Estreito* | Hydro | Tocantins River (TO/MA) | 1,087.0 | 435.6 |
| Salto Osório | Hydro | Iguaçu River (PR) | 1,078.0 | 1,078.0 |
| Cana Brava | Hydro | Tocantins River (GO) | 450.0 | 450.0 |
| Passo Fundo | Hydro | Passo Fundo River (RS) | 226.0 | 226.0 |
| São Salvador | Hydro | Tocantins River (TO) | 243.2 | 243.2 |
| Ponte de Pedra | Hydro | Correntes River (MT) | 176.1 | 176.1 |
| **Total - Hydro** | | | **7,270.3** | **5,559.7** |
| Jorge Lacerda Complex** | Thermal | Capivari de Baixo (SC) | 857.0 | 857.0 |
| William Arjona | Thermal | Campo Grande (MS) | 190.0 | 190.0 |
| Charqueadas | Thermal | Charqueadas (RS) | 72.0 | 72.0 |
| Alegrete | Thermal | Alegrete (RS) | 66.0 | 66.0 |
| **Total - Thermal** | | | **1,185.0** | **1,185.0** |
| Ibitiúva Bioenergética | Biomass | Pitangueiras (SP) | 33.0 | 21.2 |
| Lages | Biomass | Lages (SC) | 28.0 | 28.0 |
| Rondonópolis | SHP | Ribeirão Ponte de Pedra (MT) | 26.6 | 26.6 |
| Beberibe | Wind Farm | Beberibe (CE) | 25.6 | 25.6 |
| José Gelazio da Rocha | SHP | Ribeirão Ponte de Pedra (MT) | 23.7 | 23.7 |
| Areia Branca | SHP | Rio Manhuaçu (MG) | 19.8 | 19.8 |
| Pedra do Sal | Wind Farm | Parnaíba (PI) | 18.0 | 18.0 |
| **Total - Complementary** | | | **174.7** | **162.9** |
| **Total** | | | **8,630.0** | **6,907.6** |

(*) The complete plant ramp-up is expected for 2012.

(**) Complex comprised of 3 pow er plants.

**Estreito.** The Estreito Hydroelectric Power Plant (Estreito HPP), located on the Tocantins River on the boundary between the states of Tocantins and Maranhão, is one of the largest generation projects in Brazil and will have an installed capacity of 1,087 MW. Tractebel controls Companhia Energética Estreito, which has a 40.07% stake in the Consórcio Estreito Energia, the latter responsible for the implementation of the Plant. The other partners are Vale, with 30.00%; Alcoa Alumínio, with 25.49%; and Intercement Brasil S.A. – a subsidiary of the Camargo Corrêa group, 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$ 159.48/MWh, the price referenced to December 31, 2011, with deliveries beginning in 2012 for a period of 30 years. The following table shows the impact of the ramp-up in the commercial capacity of the Plant.

**Estreito's Ramp-Up (Average MW) – Tractebel's Share**

| Unity | Assured Energy | Tractebel's Share of the Assured Energy | Operating Date |
|---|---|---|---|
| Generating Unit 1 | 52.01 | 52.01 | 04/29/11 |
| Generating Unit 2 | 51.69 | 103.71 | 07/02/11 |
| Generating Unit 3 | 50.80 | 154.51 | 09/30/11 |
| Generating Unit 4 | 38.38 | 192.88 | 12/23/11 |
| Generating Unit 5 | 25.99 | 218.87 | - |
| Generating Unit 6 | 18.50 | 237.37 | - |
| Generating Unit 7 | 12.51 | 249.88 | - |
| Generating Unit 8 | 7.00 | 256.88 | - |

## Projects under Construction

**New Projects**

| Power plants | Source | Location | Installed Capacity (MW) | |
|---|---|---|---|---|
| | | | Total | Group's portion |
| Jirau | Hydro | Madeira River (RO) | 3,750.0 | 1,878.8 |
| Porto do Delta and Trairi Complex* | Wind Farm | Parnaíba (PI) and Trairi (CE) | 145.4 | 145.4 |
| **Total** | | | **3,895.4** | **2,024.2** |

(*) Trairi Complex is comprised of the Mundaú, Fleixeiras I, Trairi and Guajiru power plants.

**Jirau.** Energia Sustentável do Brasil (ESBR), comprising IPR-GDF SUEZ (50.1%), Eletrosul (20.0%), Chesf (20.0%) and Camargo Corrêa (9.9%), is a Special Purpose Company responsible for the construction, maintenance, operation and sale of energy to be generated by the Jirau Hydroelectric Power Plant, under construction in the city of Porto Velho, state of Rondônia. ESBR submitted the winning bid at the 35-year concession auction organized by Aneel on May 19, 2008, offering the most competitive proposal for 70% of the energy to be produced by the Plant, at the time, based on a total of 44 generating units, a 3,300 MW installed capacity and 1,975.3 average MW of commercial capacity for captive customers supplied by electric energy distributors as from January 2013. At the A-3 energy auction held on August 17, 2011, ESBR sold a further 209.3 average MW for delivery in 2014 over a 30-year period, the result of increased expansion of the initial project to 50 generating units and 3,750 MW of installed capacity. Hence, the total commercial capacity has risen to 2,184.6 average MW. In addition, discussions are taking place with the licensing authority and the regulator as to the further ramping up of additional commercial capacity of approximately 90 average MW which can be added to the 2,184.6 average MW already approved. On September 28, 2011, the deviation of the Madeira River was concluded, representing the completion of an important milestone for the project and the phased commissioning of units is expected to start in the second half of 2012. In line with the prevailing business model, it is envisaged that the plant will be transferred to Tractebel when the main development risks have been mitigated, an event which is expected to take place around the Plant's commercial operation date (COD).

**Wind farms.** On 2Q11, Tractebel announced the notice to proceed to start the construction of five wind farms in Northeast Brazil – one in the state of Piauí and four in the state of Ceará – with a total installed capacity of 145.4 MW and representing an investment of R$ 625.6 million. The first stage of the work involves the executive project and equipment manufacture. Siemens is responsible for the supply and assembly of the 63 towers and wind turbines - model SWT 2.3-101 units, each with a capacity of 2.3 MW. Following this, in November 2011 civil construction works began for the wind farms in the state of Ceará.

## Uptime Operating

In 4Q11, the plants operated by Tractebel achieved a 97.9% uptime ratio, excluding scheduled stoppages: 98.9% for hydroelectric generation, 93.0% for thermoelectric generation and 95.2% for plants classified as complementary – SHPs, biomass and wind. If we consider all stoppages, then total uptime in 4Q11 was 97.3%: 97.6% for hydroelectric generation, 85.6% for thermoelectric generation and 90.0% for the complementary plants.

The accumulated annual uptime ratio achieved in 2011 was 98.3%, excluding scheduled stoppages: 98.6% for hydroelectric generation, 97.2% for thermoelectric generation and 93.4% for complementary plants. If we consider all stoppages, then total uptime was 92.6%: 93.7% for hydroelectric generation, 87.8% for thermoelectric generation and 85.8% for the complementary plants.

## Production

In 4Q11, electric energy output from the plants operated by Tractebel was 12,368 GWh (5,602 average MW), a year-on-year improvement of 13.3% compared to 4Q10. Of the total generated, the hydro plants were responsible for 10,892 GWh (4,933 average MW), an increase of 19.5%, the thermoelectric plants for 1,292 GWh (585 average MW), a decrease of 20.8%, and the complementary plants for 184 GWh (84 average MW), an increase of 8.2%. In October the Company broke its monthly generation record, with 4,567 GWh produced (6,138 average MW).

Still in 4Q11, and more precisely at 1:40 p.m. on November 11th, Tractebel broke its instantaneous generating record at the plants it operates, which at the time was 7,951 MW, equivalent to a capacity factor of 91.8%.

In the 12 months of 2011, total electricity production reached 45,023 GWh (5,140 average MW), of which the hydro plants were responsible for 40,718 GWh (4,648 average MW), the thermoelectric plants for 3,701 GWh (422 average MW) and the complementary plants for 604 GWh (69 average MW). Compared to 2010, there was an increase in total generation of almost 5%, which sets a new annual generation record for the Company. This was largely a reflection of favorable rainfall conditions and the startup of operations at some generator units at Estreito HPP. The increase in generation at the hydroelectric plants was 9.9%, at the thermoelectric plants there was a reduction of 31.7%, and at the complementary plants an increase of 16.6%.

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

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

## Clients

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

By maintaining a close relationship with its customers, the Company is able to identify their needs and, thus, develop customized products and services that enhance their loyalty.

Compared with 4Q10, the participation of free customers as a percentage of total physical sales of the Company in 4Q11 grew 3.7 p.p. reaching 29.9%. The contribution of these customers to total net revenues from sales relative to contracted sales reported an increase of 3.6 p.p. from 23.6% in 4Q10 to 27.2% in 4Q11.

In 2011, the share of free customers in the portfolio increased compared with 2010, reaching 29.8% of total physical sales and 26.7% of net revenues from sales, representing a year-on-year increase of 4.8 p.p. and 5.3 p.p., respectively, over 2010.



## 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, 2011, Tractebel reported the following energy balance.

**Energy Balance**

| (avg MW) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Auction Gross Price (R$/MWh) | Reference Date | Gross price adjusted as of 12/31/2011 (R$/MWh) |
|---|---|---|---|---|---|---|---|---|---|
| Own Resources | 3,575 | 3,658 | 3,681 | 3,681 | 3,681 | 3,681 | | | |
| + Purchases for Resale | 599 | 404 | 316 | 215 | 205 | 200 | | | |
| = Total Resources (A) | 4,174 | 4,062 | 3,997 | 3,896 | 3,886 | 3,881 | | | |
| Regulated Sales* | 1,669 | 1,669 | 1,669 | 1,659 | 1,513 | 1,154 | | | |
| 2004-EE-2007-08 | 10 | 10 | 10 | - | - | - | 70.9 | dez-04 | 98.0 |
| 2005-EE-2008-08 | 146 | 146 | 146 | 146 | - | - | 81.6 | abr-05 | 109.5 |
| 2005-EE-2009-08 | 359 | 359 | 359 | 359 | 359 | - | 94.0 | out-05 | 123.8 |
| 2005-NE-2010-30 | 200 | 200 | 200 | 200 | 200 | 200 | 115.1 | dez-05 | 150.1 |
| 2006-NE-2009-30 | 493 | 493 | 493 | 493 | 493 | 493 | 128.4 | jun-06 | 164.7 |
| 2006-NE-2011-30 | 148 | 148 | 148 | 148 | 148 | 148 | 135.0 | nov-06 | 172.3 |
| 2007-NE-2012-30 | 256 | 256 | 256 | 256 | 256 | 256 | 126.6 | jun-07 | 159.5 |
| Proinfa | 44 | 44 | 44 | 44 | 44 | 44 | 147.8 | jun-04 | 220.9 |
| 1st Reserve Energy Auction | 13 | 13 | 13 | 13 | 13 | 13 | 158.1 | ago-08 | 179.9 |
| + Bilateral Sales | 2,434 | 2,362 | 2,047 | 1,716 | 1,274 | 1,084 | | | |
| = Total Sales (B) | 4,103 | 4,031 | 3,716 | 3,375 | 2,787 | 2,238 | | | |
| **Balance (A - B)** | **71** | **31** | **281** | **521** | **1,099** | **1,643** | | | |
| Sales average **net** price (R$/MWh)*1: | 129.5 | 130.6 | 130.1 | | | | | | |
| Purchases average **net** price (R$/MWh)*2: | 119.4 | 121.6 | 124.0 | | | | | | |

* 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 12/31/11, i.e. future inflation is not considered.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 12/31/11, i.e. future inflation is not considered.

Note: The balance refers to the settlement point.
The average prices are considered simply estimates and are based on financial planning revisions, not considering contrated quantity, which are updated quarterly.

# Economic and Financial Performance

## Net Operating Revenue

Net sales revenue in 4Q11 fell by 1.0%, or R$ 11.3 million, from R$ 1,107.6 million to R$ 1,096.3 million, when compared to the same period in the previous year. This decrease is explained by the following combined principal factors: (i) reduction of R$ 82.0 million in revenue from transactions conducted through the Energy Trading Board (CCEE); (ii) decrease of R$ 59.7 million resulting from the fall in energy sales volume, fact that keeps relation with the reduction of the volume of energy purchased for resale; (iii) increase of R$ 82.0 million as a result of an increase in net average selling price; and (iv) increase of R$ 46.5 million as a result of the startup of commercial operations at Estreito HPP in April 2011.

Net sales volume for 2011 was R$ 4,327.0 million, equal to 5.5%, or R$ 226.5 million, more than the R$ 4,100.4 million achieved in 2010. This increase is mainly a reflection of the following: (i) increase of R$ 330.7 million due to higher average energy selling and increase of R$ 123.0 million in energy export prices; (ii) increase of R$ 86.6 million due to the startup of commercial operations at Estreito HPP; (iii) fall in R$ 171.9 million resulting from reductions in revenue from transactions conducted through the Energy Trading Board; and (iv) decrease of R$ 146,0 million as a result of lower energy sales volume, which is related to the reduction of energy purchased for resale.

- **Net average selling price**

The average price of contracted energy sales, net of taxes and exports, was R$ 124.23/MWh in 4Q11, 9.0% higher than recorded for the same period in 2010, when this figure was R$ 113.97/MWh.

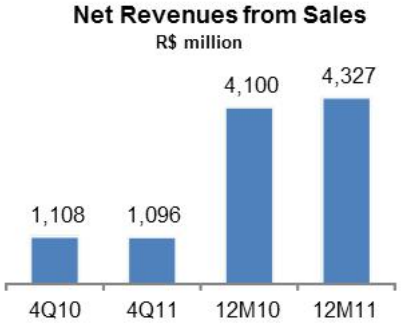
For the 12 months of 2011, the average price was R$ 122.68/MWh, also a 9.0% increase on the 2010 figure, which was R$ 112.58/MWh, both net of taxes and exports.

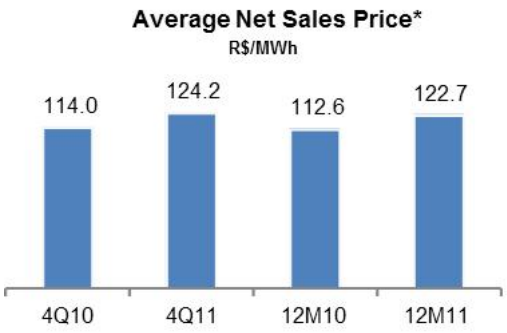
This increase in prices was the result of monetary restatement in existing contracts as well as higher prices in new contracts with free consumers and energy trading companies.

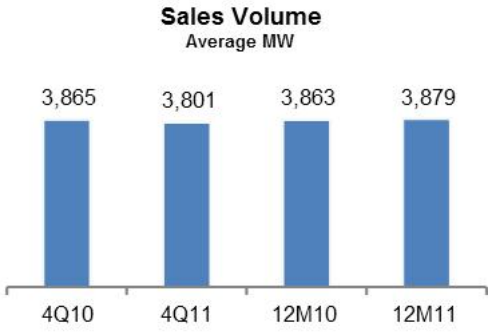
- **Sales Volume**

Sales volume in 4Q11 was 8,393 GWh (3,801 average MW), 1.7% below the 8,535 GWh (3,865 average MW) sold in the same quarter in 2010. This figure is due to a combination of the following key factors: (i) a reduction of 125 GWh (57 average MW) in the wholesale supply of energy to the distribution companies, which reflected (i.i) the termination of sales contracts signed prior to the auctions conducted through the Regulated Contracting Market (ACR) environment; (i.ii) the beginning of São Salvador HPP's supply in the ACR; and (i.iii) greater demand for energy from existing contracts; (ii) a decrease of 288 GWh (131 average MW) in energy sold to the trading companies; and (iii) an increase of 274 GWh (124 average MW) in energy sold to free consumers.

Accumulated energy sales volume for 2011 reached 33,984 GWh (3,879 average MW), 0.4% greater than the 33,838 GWh (3,863 average MW) sold during the previous year. Discounting energy exports, which jumped from 135 GWh (15 average MW) in 2010 to 824 GWh (94 average MW) in 2011, there was a reduction in sales volume of 1.6% between the two years. Similarly, this variation is explained by the fall in sales to the distribution and trading companies over the year, of 751 GWh (86 average MW) and 1,470 GWh (168 average MW), respectively, and by the increase of 1,679 GWh (192 average MW) in sales to free consumers.




* Net of taxes and exports

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

### a) Wholesale market for electric energy

Revenue from the wholesale supply of energy, namely energy sales to distributors and trading companies, reached R$ 758.6 million in 4Q11 against the R$ 743.7 million reported for the same quarter in 2010, representing an increase of 2.0%. This variation reflects the following factors: (i) increase of R$ 39.9 million due to a 6.7% adjustment in the average selling price to distributors; (ii) increase of R$ 19.3 million as a result of the increase of 15.6% in the average net price adopted in transactions conducted with energy trading companies; (iii) reduction of 125 GWh (57 average MW), equal to R$ 16.5 million, in sales to the distribution companies, due to the termination of contracts signed prior to the auctions conducted in the ACR, the beginning of São Salvador HPP's supply in the ACR, as well as greater energy sales; and (iv) decline of 288 GWh (131 average MW), equal to R$ 27.7 million in energy sold to the trading companies, due mainly to the non-renewal of expired contracts.

For 2011 as a whole, this revenue was R$ 2,941.1 million, 1.3% below the R$ 2,980.1 million achieved in 2010. This fall was the result of the following key factors: (i) reduction of 751 GWh (86 average MW), equal to R$ 98.8 million, in sales to the distribution companies, and of 1,470 GWh (168 average MW), equal to R$ 138.0 million, in sales to the trading companies, due to the same reasons explained above in the quarter analysis; and (ii) an increase of R$ 136.7 million and R$ 61.2 million, the result of increases of 5.7% and 12.5% in average net selling prices to distribution and trading companies, respectively, due to price adjustments for inflation and sales at higher average prices than before.

**b) Retail market for electric energy**

Revenue from retail market sales (sales to free consumers) reported a year-on-year increase of 23.4% for the quarters in question, from R$ 230.0 million in 4Q10 to R$ 283.9 million in 4Q11. This change reflected the following increases: (i) R$ 24.3 million due to the increase of 10.0% in the average energy selling price; and (ii) R$ 29.6 million due to the additional 274 GWh (124 average MW) of energy sold, the result of new sales contracts and growth in consumption among existing industrial customers, thus absorbing part of the energy freed up from the distribution and trading companies, as already discussed in the "Wholesale market for electric energy" item, above.

Comparing 2011 and 2010, revenue increased by 38.0%, rising from R$ 816.7 million in 2010 to R$ 1,126.9 million in 2011. This growth was due to the following: (i) rise of R$ 135.7 million as a result of the 15.1% increase in the average net sales price; and (ii) additional sales of 1,679 GWh (192 average MW), equal to R$ 174.5 million, for the reasons described in the analysis between quarters above.

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

In 4Q11, revenue recorded through the CCEE was R$ 47.6 million while in the same quarter in the previous year it reached R$ 129.6 million, a fall of R$ 82.0 million between the periods being compared. Looking at total 2011 results, the net revenue from these transactions was R$ 88.0 million, a reduction of R$ 171.9 million compared to the R$ 259.9 million achieved in 2010.

More detailed explanations on these operations and related variations can be found below under the item "Details of CCEE operations".

**d) Electric energy exports**

The Company did not make significant exports of energy during the quarters analyzed. For 2011 as a whole, energy exports to Argentina and Uruguay amounted to R$ 153.1 million, an increase of R$ 123.0 million over the total R$ 30.1 million exported in 2010. It is worth pointing out that export volumes from each plant in the Brazilian Electricity System are decided by the National Electrical Systems Operator (ONS) based on plant uptime and taking into account the lowest declared costs of the plants.

## Costs of Electric Energy and Services

The costs of energy sales and services decreased by 6.3%, equal to R$ 31.5 million, falling from R$ 500.5 million in 4Q10 to R$ 469.0 million for the quarter being analyzed. In 2011 these costs reached R$ 1,860.6 million, which is 1.4% or R$ 27.5 million less than the R$ 1,888.1 million recorded in 2010. These variations occurred due mainly to changes in the following factors:

a) **Electric power purchased for resale:** decrease of R$ 45.2 million, equal to 411 GWh (186 average MW), for 4Q11 compared with 4Q10, and of R$ 202.2 million, or 1,883 GWh (215 average MW), for 2011 compared with 2010. These decreases occurred as a result of the maturing of energy purchase agreements and a lower volume of new contracts. Average purchase prices remained practically stable between the quarters and years being compared. The reduction in energy volume purchased was partially offset by the generation resulting from the startup of commercial operations at Estreito HPP, which added an additional 362 GWh (164 average MW) of energy for sale in the quarter, and 676 GWh (115 average MW) for the year.

b) **Transactions channeled through the CCEE:** there was a decrease of R$ 3.8 million between the quarters under analysis. Comparing 2011 with 2010, costs associated with these transactions increased by R$ 16.1 million. Greater detail is given in the specific item below.

c) **Fuel Expenses:** a fall of R$ 17.8 million for 4Q11 compared to the same period in 2010 due to the following decreases: (i) R$ 16.1 million in costs related to natural gas, as the William Arjona Thermoelectric Power Plant was not called upon to dispatch energy in 4Q11, as was the case in 4Q10, to serve the Brazilian electric system's energy requirements; and (ii) R$ 1.8 million in the consumption of biomass for generation at the Lages Cogeneration Plant. Comparing 2011 with 2010, these costs increased by R$ 47.7 million, principally due to the

following: (i) increase of R$ 77.6 million in the cost for the mineral coal used in generating energy for export; (ii) decrease of R$ 28.6 million in the cost of natural gas consumption, for the same reason mentioned above; and (iii) reduced biomass consumption equal to R$ 2.4 million.

d) **Charges for the use of and connection to the electricity grid:** increase of R$ 12.8 million in 4Q11 compared to 4Q10 and of R$ 18.1 million in 2011 compared to the previous year. The rises were due to the increase in the Tariff for the Use of the Transmission System (TUST) in the light of the tariff revision process for the transmission companies and the beginning of TUST collection from Estreito HPP.

e) **Financial compensation for the use of water resources (royalties):** growth of R$ 11.9 million between the quarters being analyzed, and of R$ 25.7 million between 2011 and 2010, resulting from increased hydro generation, the annual tariff adjustment and the application of this charge on energy generated as a result of the operational startup at Estreito HPP.

f) **Personnel:** an increase of R$ 3.7 million in 4Q11 compared to the same quarter in 2010, and of R$ 12.1 million between the two years in question, due largely to the annual increase in employee pay and, to a lesser extent, the expansion in employee numbers in line with growth in the Company's business.

g) **Third party services and material:** reduction of R$ 4.6 million between the two quarters analyzed, due essentially to reduced demand for maintenance services at the generation units in 4Q11 and, resultingly, decreased consumption of replacement materials. Between 2011 and 2010 there was an increase of R$ 12.8 million, due to greater demand for materials, and maintenance and conservation services at the Company's generation units and, to a lesser extent, in environmental consultancy and engineering services at the generation units.

h) **Depreciation and amortization:** an increase of R$ 10.3 million for the quarter analyzed compared to 4Q10 and of R$ 39.5 million when comparing 2011 with 2010, due principally to the startup of commercial operations at Estreito HPP as well as the conclusion of repowering work on certain plants.

## Energy Trading Board – Details of CCEE Operations

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

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

In 4Q11, the Company recorded a net positive result – the difference between income and expenses (calculated from taxes and contributions levied on income) – from transactions conducted within the scope of the CCEE of R$ 47.3 million, against a net positive result of R$ 125.6 million posted in 4Q10, and therefore a reduction of R$ 78.3 million between the periods being compared.

In 2011, the net positive result registered was R$ 66.0 million against the R$ 253.9 million achieved in 2010, equivalent to a decrease of R$ 187.9 million between the years being analyzed.

The decline in the net positive result between the quarters and years being examined was principally due to the combination of the following factors: (i) the Company's shorter position with the CCEE, mainly the result of an increase in thermoelectric exposure because of weakened demand for this energy source in the Brazilian Electricity System, partially offset by (ii) a greater volume of secondary energy – hydroelectric energy generation greater than the System's averaged assured energy; and (iii) the increase in revenue in the MRE resulting from greater hydroelectric energy generation.

The factors mentioned in items (i) and (ii) were attenuated by the reduction in the average spot price (PLD) for the South and Southeast/Midwest sub-markets. The latter achieved averages of R$ 108.69/MWh in 4Q10 and R$ 42.39/MWh in 4Q11, and of R$ 69.99/MWh in 2010 and R$ 29.55/MWh in 2011.

## General and Administrative Expenses

General and administrative expenses fell from R$ 48.8 million in 4Q10 to R$ 32.9 million in 4Q11, a decrease of R$ 15.9 million, or 32.6%, between the two quarters under comparison. This reduction was principally the result of the following events: (i) reclassification of the income tax expense on income totaling R$ 9.9 million, referring to donations under the "Rouanet Law", which until 3Q11 had been treated as operating expenses; and (ii) reversal of the operating provision of R$ 7.3 million for consulting services which will not be charged for by the service provider. In 2011 these expenses totaled R$ 157.1 million, a decrease of R$ 2.8 million (1.8%) on 2010 expenses, which reached R$ 159.9 million. This variation was principally driven by the reversal of the operating provision for R$ 7.3 million mentioned above, combined with the increase in expenses with personnel and materials totaling R$ 4.8 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.

In 4Q11, the Company recorded a complement to the revenue mentioned above, to the value of R$ 8.8 million.

## Constitution (Reversals) of Operating Provisions, Net

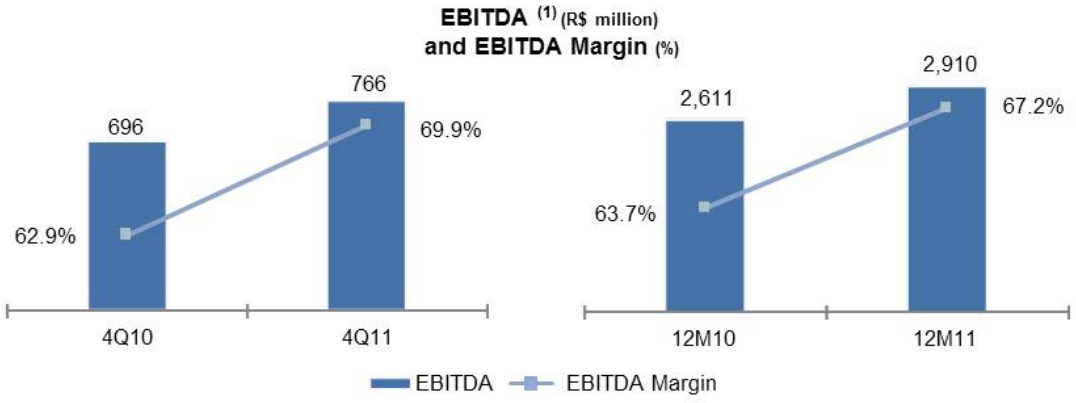
The increase in reversals of operating provisions, net of constitutions, between the quarters being analyzed, totaling R$ 21.6 million, occurred principally as a result of the reversal of R$ 18.4 million in 4Q11, which was due to the following: (i) a legal ruling in favor of the Company in a case concerning its supposed failure to pay social security charges from certain employee remuneration payments; and (ii) a review of provisions for tax, administrative and pension plan risks.

For 2011 as a whole, the increase in reversals of operating provisions, net of constitutions, was R$ 30.5 million, the consequence of the R$ 18.4 million mentioned above, in addition to a combination of the following: (i) reversal of R$ 17.3 million as a result of the settlement agreed with the claimant party in a case demanding the removal of a pension plan earnings ceiling in order to allow revision of the retirement earnings paid by the Company's private pension company; (iii) a complement provision of R$ 5.8 million relating to the settlement of transactions pending from the period of electricity rationing; (iv) constitution of the provision for doubtful accounts of R$ 6.2 million concerning sums due from an electricity trading company excluded from the CCEE for reasons of payment delinquency.

## EBITDA and EBITDA Margin

A reflection of the factors previously mentioned, EBITDA in 4Q11 reached R$ 766.4 million, 10.1% above the R$ 696.2 million registered in 4Q10. EBITDA margin was 69.9%, compared with the 62.9% achieved for the same period in the previous year.

In 2011, EBITDA reached R$ 2,909.7 million, 11.4% higher than the R$ 2,611.5 million achieved in the previous year. EBITDA margins in 2011 and 2010 were 67.2% and 63.7%, respectively.




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

To allow the reconciliation of the operating result with EBITDA, we show the following table:

| (in thousand R$) | 4Q11 | 4Q10 | Chg. % | 12M11 | 12M10 | Chg. % |
|---|---|---|---|---|---|---|
| Operating income | 548,981 | 452,813 | 21.2 | 2,034,788 | 1,721,310 | 18.2 |
| (+/-) Financial Result | 84,621 | 119,491 | -29.2 | 373,810 | 428,842 | -12.8 |
| (+) Depreciation and Amortization | 132,803 | 123,883 | 7.2 | 501,099 | 461,325 | 8.6 |
| **EBITDA** | **766,405** | **696,187** | **10.1** | **2,909,697** | **2,611,477** | **11.4** |

## Financial Result

**Financial income:** in 4Q11, financial income was R$ 41.6 million, R$ 5.2 million higher than the R$ 36.4 million achieved in the same quarter in 2010. This growth was the result of the following combined factors: (i) recording of interest of R$ 11.6 million relating to the updating of PIS and Cofins credits resulting from a legal ruling favoring the Company; (ii) a fall in R$ 3.7 million in revenue from financial investments due to a reduced amount invested and a fall in interest rates; and (iii) a reduction of R$ 2.7 million in charges on accounts receivable.

In 2011, financial income rose from $ 130.6 million to R$ 133.7 million, an increase of R$ 3.1 million. The variation is due mainly to the following: (i) recording of interest of R$ 11.6 million, as mentioned above; (ii) a fall in R$ 2.6 million in revenue from financial investments; (iii) reduction of R$ 3.4 million in monetary variation on deposits linked to litigation; and (iv) a fall in R$ 2.7 million in charges on accounts receivable.

**Financial expenses:** a reduction of R$ 29.7 million between the quarters being compared, from R$ 155.9 million in 4Q10 to R$ 126.2 million in 4Q11. This variation was the result of the combination of the following key factors: (i) reduction of R$ 23.3 million in monetary variation on debts, the result of the liquidation of debentures indexed to inflation indices, as well as a fall in the inflation indices variation; (ii) decrease of interest on loans, financing and debentures, in the amount of R$ 12.9 million, as a result of amortizations and the pre-payment of debts partially substituted by loans with interest rates lower than those previously contracted; (iii) reduction of R$ 1.6 million in charges on the Company's actuarial liabilities; (iv) increase of R$ 5.8 million in exchange rate expenses on debts in foreign currency; and (v) increase of R$ 3.3 million in interest on concessions payable.

On a yearly basis, expenses fell from R$ 559.5 million in 2010 to R$ 507.5 million in 2011, in other words by R$ 52.0 million. This decrease was the result of the same factors mentioned above; however the figures involved in the yearly comparison are as follows: (i) reduction of R$ 39.7 million in interest on debts; (ii) decrease of R$ 28.9 million on monetary variation on debts; (iii) reduction of R$ 6.4 million in charges on actuarial liabilities; (iv) increase of R$ 33.3 million in exchange rate expenses; and (v) increase of R$ 12.7 million in interest on concessions payable. In addition to these factors, in 2010 the Company recorded a non-recurring loss of R$ 20.2 million resulting from an unfavorable decision on a requested tax indemnity from interest and fines on debit installments for Social Contribution on Net Income, and for which a provision had not been made given that the Company had received favorable decisions on previous occasions.

## Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution expenses in 4Q11 were R$ 98.9 million, R$ 19.4 million higher than 4Q10, when this item was R$ 79.5 million.

On a yearly basis, these expenses grew from R$ 509.7 million in 2010 to R$ 586.7 million in 2011, an increase of R$ 77.0 million.

The increases above are largely due to the increase in income before taxes, net from the record of interest on shareholders' equity, achieved in the last quarters of each year.

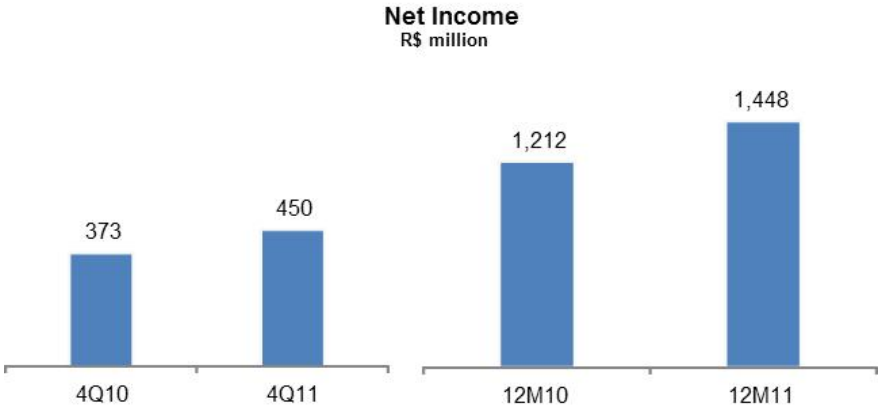
## Net Income

A reflection of the factors previously commented on, net income for 4Q11 reached R$ 450.1 million, an increase of R$ 76.8 million, or 20.6%, from that registered in the same quarter of the previous year, which was R$ 373.3 million.

For 2011, net income reached R$ 1,448.1 million, an increase of R$ 236.5 million, or 19.5%, on the R$ 1,211.6 million recorded in 2010.

This growth in net income essentially reflects the combination of the following factors already commented above: (i) increase in the average net selling price; (ii) increase in energy exports over the year; (iii) result of the startup of commercial operations at

Estreito HPP; (iv) reduction in energy purchases for resale; (v) a decline in the positive result in the transactions conducted within the scope of the CCEE; (vi) a non-recurring gain from favorable court ruling; (vii) an increase in reversals of operating provisions; (viii) a decrease in net financial expenses; and (ix) reduced Income Tax and Social Contribution expenses on net income in function of the increased amount of interest on shareholder's equity.

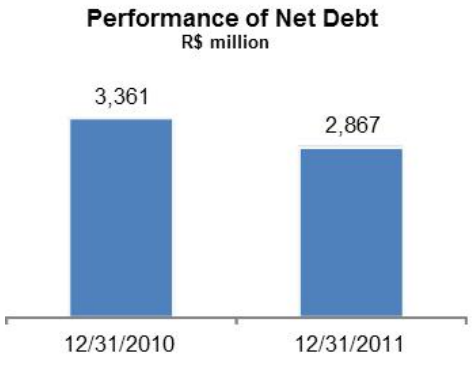


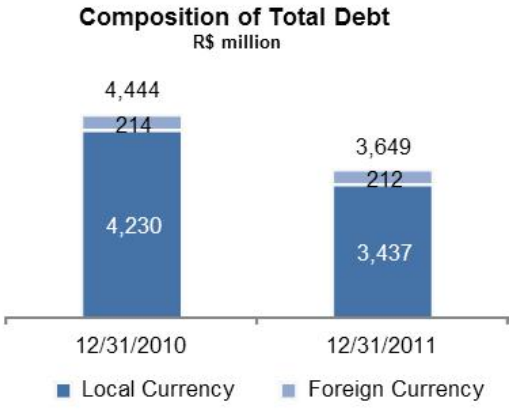

## Debt

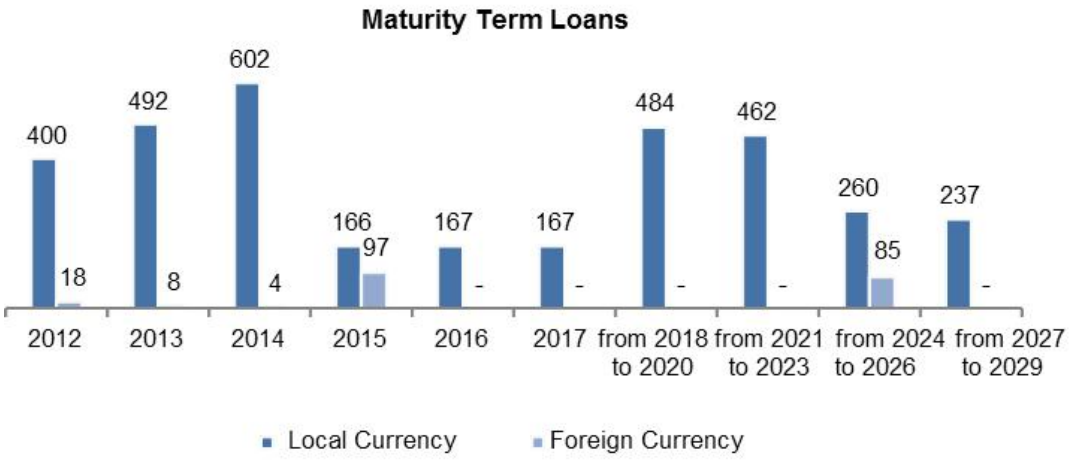
On December 31, 2011, the Company recorded net debt (total debt less cash and cash equivalents) of R$ 2,867.4 million, 14.7% lower than the R$ 3,361.3 million posted on December 31, 2010.

Total consolidated gross debt – represented principally by loans, debentures and financing – amounted to R$ 3,649,2 million, a decrease of 17.9% compared to the position on December 31, 2010. Of total debt outstanding at the end of the period, 5.8% were foreign currency denominated (4.8% at the end of 2010), this portion being unhedged, due to its long amortization profile.

The reduction in Company debt is related largely to a combination of the following events during 2011: (i) drawdown from the National Economic and Social Development Bank - BNDES and its financial agents in the total accumulated amount of R$ 72.8 million to meet investment requirements at Estreito HPP; (ii) the generation of R$ 388.6 million in charges to be paid together with monetary and currency restatement; (iii) contracting additional funding of R$ 430.0 million through a loan from the Bank of America Merrill Lynch; (iv) amortizations of debentures worth R$ 1,322.1 million; and (v) amortizations of loans and financing of R$ 364.1 million.






## Capital Expenditures

Continuing with its plans for expanding its generator complex, in 2011 Tractebel invested R$ 203.2 million in the construction of new plants, with R$ 154.3 million directed to Estreito HPP and R$ 48.9 million invested in five wind farms under construction in Brazil's Northeast Region.

Additionally, R$ 116.8 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 2011, the Company invested R$ 320.0 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 7, 2012 approved the complementary dividend proposal for the period from January 1 to December 31, 2011 in the amount of R$ 517.3 million (R$ 0.792566942 per share). This will be ratified by the Ordinary General Meeting which will also establish payout conditions. Thus, total profit distribution for 2011 will amount to R$ 1,429.3 million, equivalent to R$ 2.1897556102 per share, equivalent to a 100% payout of the distributable net adjusted income. For 2012, a payout of 55% is expected, given the investments anticipated for expanding the Company's generator complex.

# SUSTAINABILITY: COMMITMENT AND CERTIFICATIONS

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

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

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

## Recognition - Você S/A - Exame

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

## CORPORATE GOVERNANCE

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

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

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

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

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

With respect to the asset transfer model, Tractebel and its controlling company understand that its existing corporate governance standards should be raised even further. Among the initiatives announced of particular note was the creation in October 2010 of the Special Independent Committee for Valuation of Transactions with Related Parties, the majority of its members made up of independent directors of the Company's Board.

## CAPITAL MARKETS

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

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

### Share Performance – TBLE3

In the scenario of the worsening crisis in the European Union, the BM&FBovespa Index (Ibovespa) ended 2011 significantly down by 18.1%, at 56,754 points, due mainly to the risk aversion of most global investors given the global economic situation during the period, despite the recovery witnessed in 4Q11, when the Ibovespa appreciated by 8.5%.

On the Brazilian stock exchange, energy shares registered impressive performances – the Electric Energy Index (IEE) appreciated by 17.3% in 4Q11 and by 19.7% in 2011. The Company's shares rose 16.4% in value for the quarter being analyzed and 16.2% for 2011 accumulated, figures which take into account the distribution of dividends. TBLE3 finished the year quoted at R$ 29.96, therefore giving Tractebel a market value of R$ 19.6 billion.

The Company's securities were traded on all the days the BM&FBovespa was open for business in the period. In 2011, the average daily trading volume was R$ 14.4 million, up 4.3% on the average R$ 13.8 million recorded in 2010.



## 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 8, 2012
**Time:** 9:00 a.m. (EDT) / 12:00 noon (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 will be available from February 8th to 14, 2012. Access by calling +55 11 4688-6312, code: 1875596.

### Meetings with analysts

**Rio de Janeiro**
**Date:** February 8, 2012
**Time:** 9:00 a.m. (Brasília Time)
**Venue:** Hotel Pestana

**São Paulo**
**Date:** February 8, 2012
**Time:** 6:30 p.m. (Brasília Time)
**Venue:** Hotel Renaissance

**Porto Alegre**
**Date:** February 8, 2012
**Time:** 6:30 p.m. (Brasília Time)
**Venue:** Hotel Plaza São Rafael

**Belo Horizonte**
**Date:** February 8, 2012
**Time:** 7:00 p.m. (Brasília Time)
**Venue:** Hotel Mercure BH Lourdes

**Florianópolis**
**Date:** February 9, 2011
**Time:** 6:30 p.m. (Brasília Time)
**Venue:** Majestic Palace Hotel

## 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** | **12/31/2011** | **12/31/2010** |
| **Current Assets** | **1,612,706** | **1,906,733** |
| Cash and cash equivalents | 781,808 | 1,082,580 |
| Accounts receivables from clients | 542,149 | 531,106 |
| Assets available for sale | - | 23,057 |
| Taxes to recover | 150,792 | 91,818 |
| Warehouse | 42,837 | 46,032 |
| Pledges and restricted deposits | 38,923 | 81,553 |
| Other credits | 56,197 | 50,587 |
| **Non Current Assets** | **10,758,515** | **10,943,555** |
| **Long Term Assets** | **776,815** | **872,025** |
| Taxes to recover | 162,007 | 219,880 |
| Pledges and restricted deposits | 90,567 | 51,244 |
| Deposits in court | 105,832 | 133,464 |
| Receivable on assets | 86,886 | 86,886 |
| Deferred income taxes and social contribution | 280,090 | 328,240 |
| Other credits | 51,433 | 52,311 |
| **Property, Plant and Equipment** | **9,885,151** | **9,976,009** |
| **Intangible** | **96,549** | **95,521** |
| **Total** | **12,371,221** | **12,850,288** |

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

| (in thousands of R$) | | |
|---|---|---|
| **Liabilities** | **12/31/2011** | **12/31/2010** |
| **Current Liabilities** | **1,559,196** | **2,259,838** |
| Suppliers | 234,336 | 268,851 |
| Dividends and interest on shareholder´s equity | 221,025 | 189,509 |
| Loans and financing | 233,924 | 189,414 |
| Debentures | 183,540 | 905,017 |
| Tax obligations | 438,507 | 457,937 |
| Labor Obligations | 53,710 | 54,881 |
| Research and development (R&D) obligations | 19,390 | 14,991 |
| Provision for tax, civil and labor risks | 8,615 | 10,866 |
| Concessions payable | 45,688 | 42,297 |
| Post-employment benefits | 36,045 | 25,939 |
| Other obligations | 84,416 | 100,136 |
| **Non Current Liabilities** | **5,361,767** | **5,517,766** |
| Loans and financing | 2,923,882 | 2,567,145 |
| Debentures | 307,854 | 782,344 |
| Research and development (R&D) program obligations | 38,959 | 41,260 |
| Provision for tax, civil and labor risks | 132,591 | 143,416 |
| Concessions payable | 1,220,264 | 1,092,650 |
| Post-employment benefits | 300,964 | 409,452 |
| Deferred income taxes and social contribution | 422,699 | 445,691 |
| Other obligations | 14,554 | 35,808 |
| **Shareholders' Equity** | **5,450,258** | **5,072,684** |
| Share capital | 2,445,766 | 2,445,766 |
| Capital reserves | 91,695 | 91,695 |
| Fixed asset valuation | 648,363 | 708,190 |
| Profit reserves | 1,744,815 | 1,827,033 |
| Additional proposed dividends | 517,342 | - |
| Minoritary shareholders share | 2,277 | - |
| **Total** | **12,371,221** | **12,850,288** |

# ATTACHMENT III
## TRACTEBEL ENERGIA S.A.
## CONSOLIDATED INCOME STATEMENT

| (in thousands of R$) | 4Q11 | 4Q10 | Chg. % | 12M11 | 12M10 | Chg. % |
|---|---|---|---|---|---|---|
| **Net Revenues from Sales** | **1,096,288** | **1,107,570** | **-1.0** | **4,326,951** | **4,100,381** | **5.5** |
| **Energy Sales Costs** | **(468,981)** | **(500,474)** | **-6.3** | **(1,860,623)** | **(1,888,072)** | **-1.5** |
| Electric power purchased for resale | (124,495) | (169,672) | -26.6 | (471,932) | (674,175) | -30.0 |
| Transactions channeled through the CCEE | (260) | (4,037) | -93.6 | (22,022) | (5,952) | 270.0 |
| Fuel expenses | (3,971) | (21,794) | -81.8 | (108,799) | (61,062) | 78.2 |
| Charges for the use of and connection to the electricity grid | (78,982) | (66,135) | 19.4 | (287,161) | (269,087) | 6.7 |
| Financial compensation for use of water resources | (44,683) | (32,744) | 36.5 | (159,209) | (133,548) | 19.2 |
| Personnel | (42,470) | (38,738) | 9.6 | (148,816) | (136,684) | 8.9 |
| Materials and third party services | (35,140) | (39,764) | -11.6 | (136,966) | (124,195) | 10.3 |
| Depreciation and amortization | (128,827) | (118,530) | 8.7 | (486,663) | (447,213) | 8.8 |
| Others | (10,153) | (9,060) | 12.1 | (39,055) | (36,156) | 8.0 |
| **Gross Income** | **627,307** | **607,096** | **3.3** | **2,466,328** | **2,212,309** | **11.5** |
| **Operating Income (Expenses)** | **6,295** | **(34,792)** | **-118.1** | **(57,730)** | **(62,157)** | **-7.1** |
| Selling expenses | (4,425) | (3,595) | 23.1 | (16,826) | (14,363) | 17.1 |
| General and administrative expenses | (32,871) | (48,758) | -32.6 | (157,060) | (159,935) | -1.8 |
| Favorable ruling on lawsuit | 8,812 | - | - | 8,812 | 45,803 | -80.8 |
| Gains arising from assets disposals | - | - | - | 15,436 | - | - |
| Reversal of operating provisions, net | 39,861 | 18,210 | 118.9 | 97,035 | 66,519 | 45.9 |
| Other operating income (expenses), net | (5,082) | (649) | 683.1 | (5,127) | (181) | 2,732.6 |
| **Service Income** | **633,602** | **572,304** | **10.7** | **2,408,598** | **2,150,152** | **12.0** |
| **Net Financial Result** | **(84,621)** | **(119,491)** | **-29.2** | **(373,810)** | **(428,842)** | **-12.8** |
| Financial income | 41,591 | 36,372 | 14.3 | 133,672 | 130,627 | 2.3 |
| Financial expenses | (126,212) | (155,863) | -19.0 | (507,482) | (559,469) | -9.3 |
| **Income Before Taxes** | **548,981** | **452,813** | **21.2** | **2,034,788** | **1,721,310** | **18.2** |
| Income tax | (72,020) | (55,206) | 30.5 | (425,472) | (370,804) | 14.7 |
| Social contribution | (26,862) | (24,261) | 10.7 | (161,210) | (138,857) | 16.1 |
| **Net Income for the Period** | **450,099** | **373,346** | **20.6** | **1,448,106** | **1,211,649** | **19.5** |
| **EBITDA** | **766,405** | **696,187** | **10.1** | **2,909,697** | **2,611,477** | **11.4** |
| Net income per share | 0.6896 | 0.5720 | 20.6 | 2.2185 | 1.8562 | 19.5 |

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

| (in thousands of R$) | 12M11 | 12M10 |
|---|---|---|
| **Operating cash flow** | | |
| Net income before taxes | 2,034,788 | 1,721,310 |
| Adjustments to reconcile net income taxes and operating cash flow: | | |
| Depreciation and amortization | 501,099 | 461,325 |
| Monetary and exchange rate variation | 109,468 | 98,753 |
| Interests | 340,336 | 381,560 |
| Reversal of operating provisions, net | (92,985) | (57,704) |
| Others | 6,395 | 5,175 |
| | 2,899,101 | 2,610,419 |
| **Variation in Assets and Liabilities** | | |
| Accounts receivables from clients | (9,846) | (97,660) |
| Taxes to recover | 35,625 | (82,723) |
| Inventory | 3,195 | (1,351) |
| Pledges and linked / judicial deposits | 83,653 | 57,825 |
| Non-current assest for sale | 23,057 | - |
| Other Credits | (5,934) | 1,332 |
| Suppliers | (24,808) | (49,844) |
| Post-employment benefits paid | (23,766) | (30,802) |
| Research and development obligations | 2,098 | 8,140 |
| Advancement to clients | (33,461) | 30,645 |
| Others | (28,812) | (5,166) |
| | 21,001 | (169,604) |
| | | |
| **Cass from operating activities** | **2,920,102** | **2,440,815** |
| Paid income tax and social contribution | (598,664) | (489,691) |
| Interest on loans, financing and debentures paid | (267,764) | (270,643) |
| **Net cash from operating activities** | **2,053,674** | **1,680,481** |
| **Investments activities** | **(361,078)** | **(1,094,891)** |
| Investment acquisitions, net of cash and equivalents from acquired companies | - | (791,889) |
| Used in fixed assets | (347,321) | (296,350) |
| Used in intangibles | (13,757) | (6,652) |
| **Financing activities** | **(1,993,368)** | **(757,650)** |
| Loans, financing and debentures | 502,799 | 276,751 |
| Payment of loans, financing and debentures | (1,418,390) | (477,849) |
| Payments of concessions payable | (44,443) | (36,602) |
| Payment of dividends and interest on shareholders' equity | (1,002,366) | (536,024) |
| Pledges and deposits for funding | (30,968) | 16,074 |
| **Decrease in cash and cash equivalents** | **(300,772)** | **(172,060)** |
| **Cash and cash equivalents** | | |
| Opening balance | 1,082,580 | 1,254,640 |
| Closing balance | 781,808 | 1,082,580 |
| | **(300,772)** | **(172,060)** |
| **Transactions that do not affect cash and cash equivalents** | | |
| Dividends and interest on shareholders' equity credited | 771,332 | 378,270 |
| Offsetting of income tax and social contribution | 8,928 | 6,535 |
| Concession registry fees due | - | 31,643 |
| Supplier's of fixed assets | 13,331 | 32,061 |
| Capitalized interest on loans and concession | 101,033 | 37,237 |