Tractebel Energia pays out 100% of the 2012 net income, amounting to R$ 2.37/share – a 7.1% dividend yield

Florianópolis (SC), February 7, 2013 – Tractebel Energia S.A. ("Tractebel Energia", "Tractebel", or "the Company") – BM&FBovespa: TBLE3, ADR: TBLEY, the largest private sector electricity generating company in Brazil, announces earnings for the fourth quarter and twelve month period ending December 31, 2012 (4Q12 and 12M12). 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

2012

● Tractebel Energia ended fiscal year 2012 with a net income of R$ 1,499.9 million (R$ 2.2979 per share), 3.6% higher than 2011.

● At a meeting held on February 7, 2013, the Board of Directors approved a proposal for payment of interim dividends for the second half 2012 in the amount of R$ 576.4 million (R$ 0.8830904134 per share). The Company's shares shall be traded ex-interim dividends as from February 20, 2013. For the fiscal year, total dividends and interest on shareholders' equity reached R$ 1,546.4 million, equivalent to R$ 2.3690660667 per share or 100% of the net adjusted distributable income.

● EBITDA reported a year-on-year increase of 6.8% in 2012 against 2011, reaching R$ 3,108.4 million, equivalent to an EBITDA margin of 63.3%, 3.9 p.p. down on the margin for the preceding year due principally to the increase in the purchase of energy for resale.

● Net revenue from sales rose 13.5% compared with 2011, totaling R$ 4,912.5 million.

● The accumulated energy sold in 2012 was 34,559 GWh (3,934 average MW), 575 GWh (55 average MW), or 1.7%, above the values recorded for 2011. Excluding energy exports which fell from 824 GWh (94 average MW) in 2011 to 26 GWh (3 average MW) in 2012, the volume of energy sold increased by 1,373 GWh (156 average MW), or 4.1% more than in 2011.

● The average contracted energy price excluding taxes and exports was R$ 132.66/MWh in 2012, 8.1% higher than 2011 when the price stood at R$ 122.68/MWh.

● The accumulated annual uptime ratio in 2012 was 96.9%, discounting programmed stoppages, 98.3% at the hydro plants, 89.0% at the thermal plants and 93.8% at the plants fired from complementary energy sources.

● Tractebel continued as a component of BM&FBovespa's Corporate Sustainability Stock Index – ISE, the composition of which was announced in late 2012. The Company has been a component of this index since its inception in 2005.

● On October 17, the 1,087 MW Estreito HPP was inaugurated with 97.3% of assured energy and seven of the eight generator units fully operational. The Company has a 40.07% share in the operation and is consortium leader. The Brazilian President Dilma Rousseff, and the Chairman of GDF SUEZ, Gerard Mestrallet, were both present at the power plant's unveiling ceremony.

● In 2012, Standard & Poor's increased the Company's Long-Term Credit Rating on the Brazilian National Scale from 'brAA+' to 'brAAA', with a stable outlook. Tractebel was also assigned higher ratings by Fitch Ratings, increasing the Company's International Rating from 'BBB-' to 'BBB'. Fitch also increased the National Long-Term and Second Debenture Issue ratings for Tractebel from 'AA+(bra)' to 'AAA(bra)', both with a stable outlook.

For immediate release

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

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Conference call and webcast:
On 02/08/2013 at 09:00 a.m. (EDT) in Portuguese – simultaneous translation into English.

Further details on Upcoming Events section, available on page 16.

TBLE3 NOVO MERCADO BM&FBOVESPA

Índice de Ações com Governança Corporativa Diferenciada IGC

Índice de Ações com Tag Along Diferenciado ITAG

Índice de Sustentabilidade Empresarial ISE 2013

Summary of Economic and Operational Indicators

Tractebel - Consolidated						
(in millions of R$)	4Q12	4Q11	Chg.	12M12	12M11	Chg.
Net Revenue from Sales (NRS)	1,267.4	1,096.3	15.6%	4,912.5	4,327.0	13.5%
Result from Service (EBIT)	613.3	633.6	-3.2%	2,547.2	2,408.6	5.8%
EBITDA (1)	762.1	766.4	-0.6%	3,108.4	2,909.7	6.8%
EBITDA / NRS - (%)(1)	60.1	69.9	-9.8 p.p.	63.3	67.2	-3.9 p.p.
Net Income	433.7	450.1	-3.6%	1,499.9	1,448.1	3.6%
Net Debt	2,354.6	2,867.4	-17.9%	2,354.6	2,867.4	-17.9%
Energy Sold (avg MW)	4,109	3,801	8.1%	3,934	3,879	1.4%
Average Net Sales Price (R$/MWh) (2)	136.19	124.23	9.6%	132.66	122.68	8.1%
Number of Employees	1,082	1,084	-0.2%	1,082	1,084	-0.2%

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

OPERATING PERFORMANCE

Generating Complex

The largest private sector electricity generator in Brazil, Tractebel Energia will have, after the entry into operation of all the Estreito HPP's generating units, an installed capacity of 6,909 MW and will operate a generating complex with installed capacity of 8,630 MW. Seven of the eight generating units of Estreito HPP have already begun operations and the total ramp-up of the plant is scheduled for the course of 2013. 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)		Concession/Authorization original term expiration date
			Total	Tractebel's Share	
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	October 16, 2030
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	September 27, 2028
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9	July 14, 2032
Estreito*	Hydro	Tocantins River (TO/MA)	1,087.0	435.6	November 26, 2037
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0	September 27, 2028
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	August 26, 2033
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	September 27, 2028
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	April 22, 2037
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	September 30, 2034
Total - Hydro			**7,270.3**	**5,559.7**	
Jorge Lacerda Complex**	Thermal	Capivari de Baixo (SC)	857.0	857.0	September 27, 2028
William Arjona	Thermal	Campo Grande (MS)	190.0	190.0	April 28, 2029
Charqueadas	Thermal	Charqueadas (RS)	72.0	72.0	September 27, 2028
Alegrete	Thermal	Alegrete (RS)	66.0	66.0	September 27, 2028
Total - Thermal			**1,185.0**	**1,185.0**	
Ibitiúva Bioenergética***	Biomass	Pitangueiras (SP)	33.0	22.9	April 4, 2030
Lages	Biomass	Lages (SC)	28.0	28.0	October 29, 2032
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6	December 18, 2032
Beberibe	Wind Farm	Beberibe (CE)	25.6	25.6	August 3, 2033
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	23.7	23.7	December 18, 2032
Areia Branca	SHP	Rio Manhuaçu (MG)	19.8	19.8	May 2, 2030
Pedra do Sal	Wind Farm	Parnaíba (PI)	18.0	18.0	October 1, 2032
Total - Complementary			**174.7**	**164.6**	
Total			**8,630.0**	**6,909.3**	

(*) The complete plant ramp-up is scheduled for the 1H13.

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

(***) Considers change in ow nership in 2012.

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$ 162.58/MWh, the price referenced to December 31, 2012, 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	Accumulated Assured Energy		Operating Date
	aMW	aMW	%	
Generating Unit 1	52.01	52.01	20.2%	April 29, 2011
Generating Unit 2	51.69	103.71	40.4%	July 2, 2011
Generating Unit 3	50.80	154.51	60.1%	September 30, 2011
Generating Unit 4	38.38	192.88	75.1%	December 23, 2011
Generating Unit 5	25.99	218.87	85.2%	March 2, 2012
Generating Unit 6	18.50	237.37	92.4%	May 29, 2012
Generating Unit 7	12.51	249.88	97.3%	August 9, 2012
Generating Unit 8	7.00	256.88	100.0%	-

Projects under Construction

New Projects

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Group's Share
Jirau	Hydro	Madeira River (RO)	3,750.0	2,250.0
Porto do Delta and Trairi Complex*	Wind Farm	Parnaíba (PI) and Trairi (CE)	145.4	145.4
Total			**3,895.4**	**2,395.4**

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

Jirau. Energia Sustentável do Brasil (ESBR) 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. 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). Tractebel announced in a material fact of October 1, 2012, GDF SUEZ acquired Camargo Corrêa's 9.9% stake in the capital of Jirau HPP. The price of the transaction was based on adjusted equity contributions by Camargo Corrêa in the project to the present. As a result of this acquisition, concluded in 4Q12, shareholding control now breaks down as follows: GDF SUEZ (60.0%), Eletrosul (20.0%) and Chesf (20.0%). Additionally, a further BNDES loan of up to R$ 2.3 billion was announced for the project potentially increasing total financing available to R$ 9.5 billion.

Wind farms. In 2011, implementation activities of five wind farms started 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. Construction of the sites in the state of Ceará is in progress and the concreting stage was concluded in 4Q12. Siemens is responsible for the supply and assembly of the 50 towers and wind turbines - model SWT 2.3-101 units, each with a capacity of 2.3 MW. All wind farms in the state of Ceará are scheduled to go into commercial operations by the first half of 2013. The Installation License (LI) for the wind farm in the state of Piauí was only granted on June 18, 2012.

Uptime Operating

In 4Q12, the plants operated by Tractebel Energia achieved a 97.0% uptime ratio, excluding scheduled stoppages, being 99.0% in hydroelectric generation, 85.6% in thermoelectric generation and 95.5% for the plants operating with complementary sources (SHPs, wind and biomass). Taking into account all stoppages, the global uptime ratio in 4Q12 was 92.4%, being 94.7% for hydroelectric power plants, 77.9% for thermal plants and 93.3% for plants fired from complementary sources.

The annual accumulated ratio for uptime in 2012 was 96.9% discounting scheduled stoppages, being 98.3% for hydroelectric generation, 89.0% for thermal plants and 93.8% for plants fired by complementary energy sources. Taking into account all stoppages, the global uptime ratio was 90.9%, being 94.1% for hydroelectric power plants, 72.7% for thermal plants and 87.2% for plants fired from complementary sources.

Production

In 4Q12, electric energy output from the plants operated by Tractebel was 9,707 GWh (4,396 average MW), a reduction of 21.5% in relation to 4Q11. Of the total generated, the hydro plants accounted for 7,985 GWh (3,616 average MW), a reduction of 26.7%; thermal plants for 1,523 GWh (690 average MW), an increase of 17.9%; and the plants fired from complementary energy sources for 199 GWh (90 average MW), an increase of 8.2%.

For the full 12-month period, total electric energy production reached 36,193 GWh (4,120 average MW), being 30,584 GWh (3,482 average MW) from the hydro plants, 4,916 GWh (559 average MW) from the thermal plants and 693 GWh (79 average MW) from the complementary energy power plants. Compared with 2011, there was an overall decline in generation of 19.6%. This year-on-year reduction in generation basically reflects unfavorable hydrological conditions in the south of Brazil and the stoppage at Jorge Lacerda TPP's C Unit for modernizing and repairs in the first half of 2012. Lower rainfall, principally in the

Uruguay River basin, was responsible for a reduction in generation from the hydroelectric plants of 24.9% in relation to 2011. Conversely, the thermoelectric plants recorded an increase of 32.8% in output while generation from the plants using complementary energy sources was 14.7% up in relation to 2011, the wind power plants reporting a particularly strong performance with their highest annual generation on record: 19.3 average MW, 46.6% more than in 2011, corresponding to a capacity factor of 44.3%.

It is worth noting that the increase or reduction in hydro generation does not necessarily result in an improvement or deterioration in the Company's 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

Compared with 4Q11, the share of free consumers as a percentage of the Company's total physical sales in 4Q12 rose 3.2 p.p. reaching 35.0% of the total. The contribution of these clients to the total net revenue from sales relative to contracted sales represented growth of 2.4 p.p., rising from 29.1% in 4Q11 to 31.5% in 4Q12.

For the full fiscal year, the contribution of free consumers in the portfolio also posted growth, reaching 34.1% of physical sales and 30.5% of net revenue from sales, equivalent to increases of 2.3 p.p. and 1.8 p.p., respectively in comparison with 2011.

The aforementioned variations take into account the reclassification due to the transfer of some contracts between the free consumer and trading companies of the same economic group as shown in the item "Sales volume" below.

The growth in the participation of sales to the distribution companies reflects the beginning of commercial operations at Estreito HPP which is to supply the regulated contracting environment for a period of 30 years as from January 2012.



STRATEGY

The Company pursues a commercial strategy of gradual sales of future energy availability for any given year as a means of offsetting the risk of exposure to spot prices (Price for Settlement of Differences - PLD) for that particular year. Electric energy sales are made during windows of opportunity which open when the market shows a greater buying propensity.

In line with data for proprietary commercial capacity and purchase and sale contracts in effect on December 31, 2012, Tractebel reported the following energy balance.

Energy Balance

	(avg MW)	2013	2014	2015	2016	2017	2018	Auction Gross Price (R$/MWh)	Reference Date	Gross price adjusted as of 12/31/2012 (R$/MWh)
	Own Resources	3,657	3,681	3,681	3,681	3,681	3,681			
+	Purchases for Resale	540	333	215	205	200	200			
=	Total Resources (A)	4,197	4,014	3,896	3,886	3,881	3,881			
	Regulated Sales*	1,660	1,660	1,650	1,507	1,154	1,154			
	2004-EE-2007-08	10	10	-	-	-	-	70.9	Dec-04	103.1
	2005-EE-2008-08	143	143	143	-	-	-	81.6	Apr-05	115.2
	2005-EE-2009-08	353	353	353	353	-	-	94.0	Oct-05	130.3
	2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	157.9
	2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	173.3
	2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	181.2
	2007-NE-2012-30	256	256	256	256	256	256	126.6	Jun-07	162.6
	Proinfa	44	44	44	44	44	44	147.8	Jun-04	226.6
	1st Reserve Energy Auction	13	13	13	13	13	13	158.1	Aug-08	190.5
+	Bilateral Sales	2,471	2,303	1,798	1,373	1,187	788			
=	Total Sales (B)	4,131	3,963	3,448	2,880	2,341	1,942			
	Balance (A - B)	**66**	**51**	**448**	**1,006**	**1,540**	**1,939**			
	Sales average **net** price (R$/MWh)*1:	133.1	133.0	132.6						
	Purchases average **net** price (R$/MWh)*2:	123.8	130.5	133.7						

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

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

Economic and Financial Performance

Net Revenue from Sales

In 4Q12, net revenue from sales reported a growth of 15.6%, or R$ 171.1 million, when compared to the same period in the preceding year, increasing from R$ 1,096.3 million to R$ 1,267.4 million. The key factors contributing to this variation were as follows: (i) R$ 98.4 million – increase in the net average selling price; (ii) R$ 94.7 million – growth in energy sales volume; (iii) R$ 4.5 million – an increase in sales of carbon credits and ash; and (iv) R$ 26.5 million – reduction in revenues from transactions conducted through the Energy Trading Board (CCEE).

Comparing the full two years, there was an increase in net revenue from sales of R$ 585.5 million, or 13.5%, from R$ 4,327.0 million in 2011 to R$ 4,912.5 million in 2012. This increase was largely a reflection of the following factors: (i) R$ 300.4 million - increase in the net average selling price; (ii) R$ 212.7 million – growth in the amount of energy sold; (iii) R$ 210.3 million – growth in revenue from transactions conducted through the CCEE; (iv) R$ 7.2 million – growth in sales of carbon credits and ash; (v) R$ 145.1 million – reduction in energy exports.

The startup of commercial operations during 2012 of generating units at Estreito HPP accounted for additional revenue of R$ 26.1 million and R$ 191.5 million in 4Q12 and for the full year 2012, respectively, amounts already considered in the segmentations mentioned in the previous paragraphs.

- **Net average selling price**

The net average selling price of energy was R$ 136.19/MWh in 4Q12, 9.6% higher than reported in the same quarter in 2011 when this same item was R$ 124.23/MWh. In the full 12-month period of 2012, this price reached R$ 132.66/MWh, or 8.1% higher than the R$ 122.68/MWh practiced during 2011.

Price hikes were largely due to the monetary restatement of existing sales contracts as well as the higher prices practiced for new contracts, particularly those covering sales to trading companies.

- **Sales volume**

The amount of energy sold increased from 8,393 GWh (3,801 average MW) in 4Q11 to 9,073 (4,109 average MW) in 4Q12, a growth of 8.1%, or 680 GWh (308 average MW), between the periods under analysis. Of this total, 164 GWh (74 average MW) reflected the initial commercial operations of some Estreito HPP generating units.

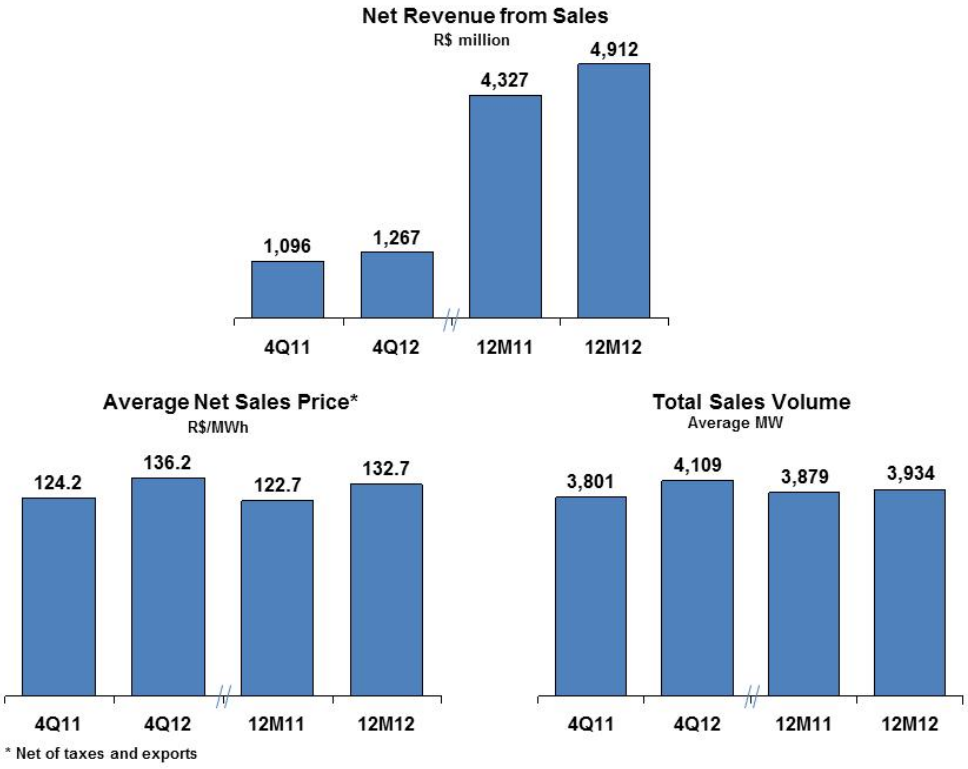
Growth in sales volume was a combination of: (i) expansion of 547 GWh (248 average MW) in energy supply to distributors; (ii) increase of 508 GWh (230 average MW) in energy sold to free consumers; and (iii) a decline of 375 GWh (170 average MW) in sales to trading companies.

For the year 2012 as a whole, the amount of energy sold was 34,559 GWh (3,934 average MW), 575 GWh (55 average MW), or 1.7% more than the 33,984 GWh (3,879 average MW) registered in 2011. Discounting energy exports, which fell from 824 GWh (94 average MW) in 2011 to 26 GWh (3 average MW) in 2012, energy sales volume increased year-on-year by 1,373 GWh (156 average MW), or 4.1%. Of this variation, 1,299 GWh (147 average MW) resulted from commercial operations of some Estreito HPP generating units.

The increase in the amount of energy sold, discounting exports, was a reflection of the following: (i) expansion of 1,653 GWh (188 average MW) in the wholesale supply of energy to distributors; (ii) expansion of 984 GWh (112 average MW) in energy sales to free consumers; and (iii) a decrease of 1,264 GWh (144 average MW) in sales to trading companies.

During the course of 2011 and 2012 and at the behest of certain free consumers, the Company has transferred some sales contracts originally signed with these consumers to trading companies pertaining to the same economic group. In addition, the Company signed fresh contracts with other trading companies which also allocate purchased energy to units in the same group. These transactions reflect initiatives on the part of clients to improve the management of their energy purchases and allocations in the context of their industrial units.

However, in order to achieve a more realistic analysis in terms of the evolution in sales to free consumers, as from 3Q12, the Company has begun to classify sales to those trading companies which allocate purchased energy exclusively to their production units as sales to free consumers and no longer to trading companies. In this respect, the amounts reclassified in 4Q11 and fiscal year 2011 were 162 GWh (74 average MW) and 678 GWh (77 average MW), equivalent to R$ 19.7 million and R$ 82.5 million, respectively.



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

a) Wholesale market for electric energy

Revenue from the wholesale supply of energy reached R$ 846.7 million in 4Q12 (R$ 738.9 million in 4Q11), a growth of 14.6%, or R$ 107.8 million between compared periods. The following factors contributed to this increase: (i) R$ 50.9 million – a rise of 7.6% in the net average selling price to distribution companies; (ii) R$ 22.1 million – an expansion in the energy price sold to trading companies of 24.7%; (ii) R$ 77.1 million – an increase of 547 GWh (248 average MW), or 11.8%, in sales volume to

distribution companies; and (iv) R$ 42.3 million – a decline of 375 GWh (170 average MW), or 34.8%, in the amount of energy sold to trading companies.

In the 12-month period for 2012, this revenue reported R$ 3,182.8 million, a growth of R$ 324.2 million, or 11.3%, in relation to the revenue recorded in 2011 which was R$ 2,858.6 million. This improvement is explained by the following variations: (i) R$ 168.1 million – a growth of 6.5% in the net average selling price to distribution companies; (ii) R$ 56.8 million – an increase in the energy price sold to trading companies of 17.0%; (iii) R$ 230.7 million – an increase of 1,653 GWh (188 average MW), or 9.1%, in volume sold to distribution companies; and (iv) R$ 131.4 million – a reduction of 1,264 GWh (144 average MW) in sales to trading companies.

The increase in the sales to distributors between comparative quarters is largely due to the initial deliveries of energy from Estreito HPP in the regulated contracting environment as from January 1, 2012. In addition during the year, there was a reduction in volume traded through bilateral contracts signed prior to electric energy auctions in the regulated environment.

During 2011, energy generated by Estreito HPP was sold largely to free customers.

b) Retail market for electric energy

Sales revenue in 4Q12 from the retail supply of energy increased year-on-year by 28.1% from R$ 303.6 million in 4Q11 to R$ 389.0 million in the same period for 2012. The variation reflected the following: (i) R$ 59.9 million – a growth of 508 GWh (230 average MW), or 19.0%, in the amount of energy sold; and (ii) R$ 25.4 million – a rise of 7.6% in the net average selling price of energy.

In the 12 months for 2012, this same revenue increased to R$ 1,398.4 million, 15.6% up on the R$ 1,209.4 million registered in the same period for 2011. This improvement is related to the following: (i) R$ 113.4 million – a growth of 984 GWh (112 average MW) in the amount of energy sold; and (ii) R$ 75.6 million - a growth of 6.0% in the net average selling price for energy.

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

In 4Q12, revenue recorded from transactions conducted through the CCEE was R$ 21.1 million, while in the same quarter for 2011, the amount was R$ 47.6 million, representing a decline of R$ 26.5 million. Meanwhile in 2012, in relation to the preceding year, there was an increase of R$ 210.3 million in these revenues from R$ 88.0 million in 2011 to R$ 298.3 million in 2012. More detailed explanations on these operations and related variations can be found below under the item “Details of CCEE operations”.

d) Electric energy exports

There were no energy exports during the quarters analyzed. In 2012 as a whole, net revenue from these transactions was R$ 8.0 million, a reduction of R$ 145.1 million in relation to the R$ 153.1 million posted for the year 2011. The decline reflects both lower demand, principally from Argentina, as well as the operation in the order of merit of the Company’s thermoelectric units to meet the Brazilian Interconnected Electricity System’s (SIN) energy requirements.

Costs of Electric Energy and Services

The costs of energy sales and services increased by 21.4%, or R$ 100.4 million, in the comparable quarters from R$ 469.0 million in 4Q11 to R$ 569.4 million in the quarter under review. In 2012, these costs reached R$ 2,130.9 million, 14.5%, or R$ 270.3 million higher than the R$ 1,860.6 million reported for the year 2011. These changes are largely due to a combination of the following factors:

a) **Electric power purchased for resale:** increase of R$ 38.4 million, equivalent to 232 GWh (105 average MW) in 4Q12 compared with the same quarter in 2011 and R$ 191.6 million, corresponding to 1,341 GWh (153 average MW) for the year 2012 in relation to 2011. These increases were driven by the Company’s plan to purchase short and medium term energy for the creation of new products for supply over three, four and five years and to a lesser degree, due to the annual restatement in the prices of existing products.

b) **Transactions channeled through the CCEE:** between the quarters under review, the costs with these transactions rose by R$ 32.0 million. When fiscal years 2011 and 2012 are compared, the increase was R$ 31.5 million. Further details are to be found under the specific heading below.

c) **Fuels for production of electric energy:** there was a R$ 4.3 million increase when comparing 4Q11 versus 4Q12, largely due to a combination of higher biomass consumption for generation requirements at the Lages Cogeneration Plant and the reversal of part of the cost of coal, recognized in 4Q11, as a function of adjustments in acquisition costs. When comparing the two consecutive fiscal years, these costs reported a decline of R$ 69.1 million, reflecting the

combination of the following factors: (i) a decline of R$ 84.2 million in the consumption of proprietary mineral coal in the light of lower energy exports; and (ii) an increase of R$ 15.1 million in the consumption of biomass, natural gas and diesel oil due to the increase in generation from the thermoelectric plants.

d) **Charges for the use of and connection to the electricity grid**: increase of R$ 4.7 million between the quarters under review and R$ 42.8 million in 2011 in relation to 2012, reflecting, principally, the effects of the Tariff for the Use of the Transmission System (TUST) and the startup of three new generating units at Estreito HPP.

e) **Financial compensation for the use of water resources (royalties):** reduction of R$ 14.1 million and R$ 47.4 million in relation to comparable quarters and years, respectively, the result of the combination of the following: (i) lower levels of hydroelectric generation due to the drought conditions in Brazil; (ii) the annual tariff readjustment; and (iii) the startup of the new generating units at Estreito HPP.

f) **Personnel:** an increase of R$ 5.3 million in 4Q12 in relation to the same quarter for 2011 and R$ 18.7 million in relation to 2011. This change is largely due to the annual readjustment in compensation and in employee benefits and additional provisions with respect to further members of the work force adhering to the Voluntary Layoff Program (PDV).

g) **Third party services and material:** an increase of R$ 9.4 million in relation to the comparable quarters and R$ 19.9 million in 2012 compared with 2011, basically due to greater demand for generating units maintenance and conservation services and, to a lesser degree, environmental consultancy and engineering services. It is worth noting that in 4Q12, the Company incurred extraordinary maintenance costs at the thermoelectric units, particularly the Jorge Lacerda Thermoelectric Complex and the Alegrete TPP, in the light of the need to satisfy SIN requirements given the reduction in the supply of hydroelectricity to the Brazilian grid.

h) **Depreciation and amortization:** an increase of R$ 17.2 million and R$ 63.4 million in the comparable quarters and fiscal years under analysis, respectively, due particularly to the startup in operations of some Estreito HPP generating units.

i) **Other costs:** an increase of R$ 3.2 million in relation to comparable quarters and R$ 18.9 million year against year due largely to the elevation in cost of plant insurance premiums and the 2011 to 2012 change, resulting from the extraordinary adjustment in taxation on energy purchases in the first quarter of 2012.

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 4Q12, the Company recorded a net negative result (the difference between income and expenses – net of taxes and contributions) arising from transactions conducted across the CCEE, in the amount of R$ 11.1 million, while for the same period in 2011, the result was positive at R$ 47.4 million, that is, a negative variation in the result quarter-against-quarter of approximately R$ 58.5 million.

This variation is essentially due to the combination of the following factors: (i) higher costs with the exposure to thermoelectric generation due to the increase in the PLD spot price, albeit that the volume of exposure in 4Q12 was much lower than in 4Q11; (ii) the negative impact on the result for 4Q12 due to the reduction in generation from the hydroelectric plants at levels below their commercial capacity, a function of the reduction in plant reservoir levels; while in the fourth quarter 2011, there was a positive impact due to the production of secondary energy in the system; (iii) a decline in the positive result on the MRE due to lower volumes of hydro generation caused by drought conditions in Brazil; and (iv) an increase in the long position on the CCEE but insufficient to offset the negative impacts resulting from the aforementioned events.

For the 12-month period in 2012, the net result from CCEE transactions was positive at R$ 244.8 million, representing growth of R$ 178.8 million in relation to the similarly positive result of R$ 66.0 million reported in 2011.

This improved performance was largely due to a combination of the following: (i) an increase in the long position on the CCEE; (ii) increased revenue from secondary energy, compensated almost entirely by costs arising from the reduction in hydroelectric generation in the last few months of 2012 as already mentioned; (iii) an increased negative result due to thermoelectric exposure despite the volume of exposure in 2012 being less than in the preceding year; and (iv) a decline in the positive result on the MRE.

It is worth pointing out that the significant increases in average PLD for the South and Southeast/Central-West submarkets, rising from R$ 42.39/MWh in 4Q11 to R$ 305.17/MWh in 4Q12, and from R$ 28.89/MWh in 2011 to R$ 166.77/MWh in 2012, contributed significantly to the positive effects on results due to the Company's long position on the CCEE and secondary energy as well as the negative impact arising from higher exposure to thermoelectricity and from costs associated with reduced hydroelectricity generation.

General and Administrative Expenses

General and administrative expenses for 4Q12 reached R$ 49.1 million, including extraordinary donations made by the Company and amounting to R$ 5.3 million. These same expenses in 4Q11 amounted to R$ 32.9 million, from which were deducted reclassified tax deductible donations realized in 2011 in the amount of R$ 4.4 million, previously recognized in this account but now shown in the income tax expense account. Ignoring extraordinary impacts, general and administrative expenses rose by R$ 6.5 million comparing the two quarters under review and a consequence of the following factors: (i) recognition of additional expenses and provisions for expenditures with consultancies and attorneys in the amount of R$ 3.6 million; and (ii) increase of R$ 2.0 million in payroll expenditures as a result of the annual collective bargaining process involving wages and fringe benefits and also provisions for new adherents to the PDV.

For the year 2012 as a whole, general and administrative expenses were R$ 170.0 million, thus exceeding the R$ 157.1 million in 2011 by R$ 12.9 million. Excluding the extraordinary donation mentioned in the previous paragraph, these expenses reported a year-on-year increase of R$ 7.6 million, the result principally of the following variations: (i) an increase of R$ 9.1 million in payroll expenses due to the factors mentioned in item (ii) in the preceding paragraph; (ii) an increase of R$ 3.9 million in expenses and provisions for consultancy services and attorney's fees; (iii) a reduction of R$ 3.3 million in depreciation and amortization expenses reflecting the termination of the useful life of certain assets; and (iv) a reduction of R$ 1.4 million in rental expenses.

Constitution (Reversals) of Operating Provisions

In 4Q12, the Company recognized an expense with operating provisions, net of reversals, of R$ 30.2 million. In the same period for 2011, it reported an income with the reversal of operating provisions, net of the constitution of provisions, of R$ 39.9 million, resulting in a negative effect between the quarters under review of R$ 70.1 million. The provisions recognized in 4Q12 correspond in large part to (i) contingencies of a civil and tax nature amounting to R$ 12.6 million; and (ii) a provision for a non-recurring loss resulting from the incorporation of an asset, to be realized by the Company, in the amount of R$ 15.7 million. The reversal of provisions registered in the fourth quarter of 2011 relates principally to an (i) extraordinary reversal of R$ 22.6 million of part of a registered actuarial liability in the light of an actuarial gain until 4Q12 not recognized in the balance sheet; and (ii) reversal of provisions for civil and tax contingencies in the net amount of R$ 16.2 million as a result of a court decision in favor of the Company for which there is no right of further appeal or resulting from agreements signed with the liable party for certain actions in the administrative and judicial spheres.

In 2012, the Company reported net expenses arising from operational provisions of R$ 29.0 million, whereas in the previous year it recognized net revenue with respect to the reversal of provisions of R$ 97.0 million, thus having a negative impact on the result between comparable years of R$ 126.0 million. The principal provisions recorded in 2012 are the same as mentioned in the preceding paragraph. The most significant reversals recognized in 2011 were: (i) a non-recurring actuarial liability registered in the additional amount of R$ 76.9 million; and (ii) contingencies of a civil, labor and tax nature in the net amount of R$ 13.1 million.

Other Operating Revenues (Expenses), Net

Analyzing 4Q12 compared with 4Q11, there was a negative impact on the result of R$ 3.7 million, reflecting the recognition by the Company in 4Q11 of a court action found in its favor relating to the unfounded payment of PIS and Cofins for the amount of R$ 8.8 million, and the loss on the write down of a fixed asset in the amount of R$ 5.1 million, while in 4Q12, there was no significant impact on the said item.

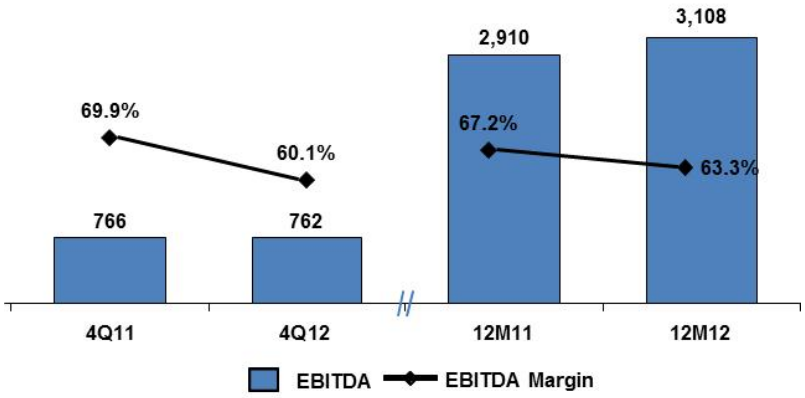
In 2012, a net expense of R$ 16.7 million was recognized in large part due to the loss on the write down of fixed assets and penalties assumed with suppliers while in 2011, net revenue of R$ 19.1 million was registered, due to a combination of the following: (i) non-recurring gain in the sale of an investment worth R$ 15.4 million; (ii) an extraordinary gain in a court action with respect to PIS and Cofins of R$ 8.8 million; and (iii) the loss on the write down of a fixed asset in the amount of R$ 5.1 million. These combined impacts had a negative effect on the result in 2012 against 2011 of R$ 35.8 million.

EBITDA and EBITDA Margin

EBITDA in 4Q12 reached R$ 762.1 million, a 0.6% decline on the same quarter in 2011 when this item was R$ 766.4 million, whereas EBITDA margin fell by 9.8 p.p. – 60.1% in 2012 and 69.9% in 2011. Ignoring the non-recurring effects already mentioned – a provision of R$ 15.7 million reported for the fourth quarter of 2012, reversal of a provision of R$ 22.6 million set aside in 4Q11 and the court action found in favor of the Company in the amount of R$ 8.8 million and also recognized in 4Q11 - EBITDA increased by 5.8% over the fourth quarter 2011, albeit resulting in a decline in EBITDA margin from 67.0% to 61.4%. The reduction in EBITDA margin occurred largely due to the increase in energy purchase and sale transactions where margins are narrower and due to the reduction in gains on transactions intermediated through the CCEE.

In 2012, the Company reported an EBITDA of R$ 3,108.4 million, 6.8% in excess of the previous year when this item recorded an amount of R$ 2,909.7 million, whereas EBITDA margin dropped by 3.9 p.p. – 63.3% in 2012 and 67.2% in 2011. Similarly excluding the annual non-recurring effects already mentioned - totaling R$ 101.1 million in 2011, being R$ 76.9 million with respect to the reversal of a provision, R$ 8.8 million arising from court action found in favor of the Company and R$ 15.4 million with respect to the sale of an investment and R$ 15.7 million in 2012 due to a provision - EBITDA increased by 11.2%. On the other hand, EBTIDA margin saw a reduction between the fiscal years 2011 and 2012 of 64.9% to 63.6%. The decline in the EBITDA margin fell principally due to a combination of the following: (i) an increase in the purchase of energy for resale; and (ii) an increase in the positive result for operations conducted through the CCEE, partially offsetting the factor described in item (i).

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



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

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

(in thousand R$)	4Q12	4Q11	Chg. %	12M12	12M11	Chg. %
Net income	433,727	450,099	-3.6	1,499,923	1,448,106	3.6
(+) Income tax and social contribution	72,082	98,882	-27.1	600,077	586,682	2.3
(+) Financial expenses, net	107,486	84,621	27.0	447,238	373,810	19.6
(+) Depreciation and Amortization	148,834	132,803	12.1	561,174	501,099	12.0
EBITDA	**762,129**	**766,405**	**-0.6**	**3,108,412**	**2,909,697**	**6.8**

Financial Result

Financial income: In 4Q12, this item amounted to R$ 18.9 million, R$ 22.7 million below the R$ 41.6 million recorded for the same quarter for 2011. This result was above all a reflection of the following reductions: (i) R$ 7.0 million in income from financial investments, due to the decline in the interest rates prevailing in the financial market and the lower volume of resources

available for investment; (ii) R$ 11.5 million in interest on tax credits, due largely to the Company recognizing an extraordinary restatement of this amount for the preceding months in 4Q12; and (iii) R$ 4.2 million in other financial income.

Comparing the two financial years as a whole, financial income fell R$ 45.5 million from R$ 133.7 million in 2011 to R$ 88.2 million in 2012. This variation is largely explained by the following reductions: (i) R$ 28.0 million in income on financial investments; (ii) R$ 7.1 million in interest on tax credits; (iii) R$ 2.5 million in interest on energy accounts; (iv) R$ 2.8 million due essentially to the recovery of financial investments from an institution wound up by the Central Bank; and (v) R$ 5.1 million in other financial income.

Financial expenses: In 4Q12, these expenses were R$ 126.4 million, slightly up on the same quarter for the previous year when this item totaled R$ 126.2 million. The principal variations which cancelled one another out were as follows: (i) increase of R$ 3.6 million in currency variation; (ii) growth in interest of R$ 1.3 million; (iii) an increase of R$ 1.3 million in other financial expenses; and (iv) a reduction in monetary variation of R$ 6.0 million.

On an annual basis, expenses rose from R$ 507.5 million to R$ 535.4 million, an increase of R$ 27.9 million, resulting from the following increases: (i) R$ 14.8 million in interest; (ii) R$ 3.5 million in currency variation; and (iii) R$ 9.6 million in monetary variation.

Income Tax and Social Contribution on Net Income

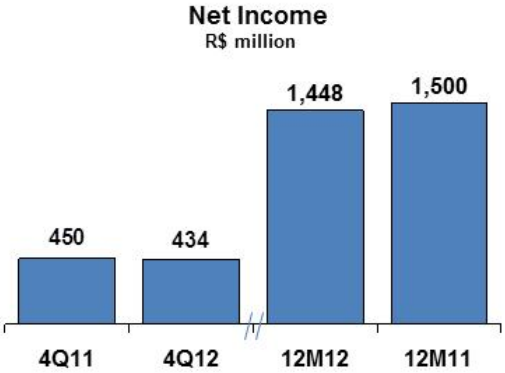
The Income Tax and Social Contribution item in 4Q12 was R$ 72.1 million, R$ 26.8 million less than the same quarter in 2011, when these items recorded R$ 98.9 million. The reduction reflected the combination of lower profit before tax and higher credit of interest on shareholders' equity in 2012, which resulted in a lower level of taxable profits.

For the year as a whole, these expenses rose from R$ 586.7 million in 2011 to R$ 600.1 million in 2012, representing growth of R$ 13.4 million. This evolution is above all a result of the increase in before-tax-profits and the credit of interest on shareholders' equity. The effective tax rates on profits for 2011 and 2012 were 28.8% and 28.6%, respectively.

Net Income

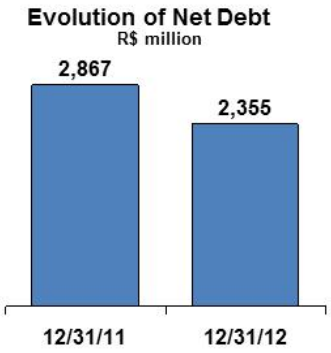
As a reflection of the impacts already discussed, net income for 4Q12 reached R$ 433.7 million, 3.6%, or R$ 16.4 million less than the R$ 450.1 million reported in the same quarter of the preceding year. Excluding non-recurring events mentioned with respect to the provision recognized in 4Q12 amounting to R$ 10.3 million and the reversion of a provision and a court action found in favor of the Company in the same quarter 2011 in the amount of R$ 20.8 million, net income reported growth of R$ 14.7 million, or 3.4%, when comparing quarter against quarter. This oscillation in net income is essentially the combination of the following factors already considered in the course of this report: (i) an increase in average net selling prices and the amount of energy sold; (ii) an increase in results due to the entry into commercial operation of three new generating units at Estreito HPP; (iii) reduction in results from transactions executed across the CCEE; (iv) growth in costs in purchased energy for resale; (v) growth in the provisions for contingencies; and (vi) a reduction in financial income.

Net income for fiscal year 2012 was R$ 1,499.9 million, 3.6%, or R$ 51.8 million higher than reported for fiscal year 2011, when the Company reported earnings of R$ 1,448.1 million. Similarly, discounting non-recurring annual effects, namely, the provision for R$ 10.3 million in 2012 and the reversion of the provision and the positive impact of a court action found in favor of the Company and the sale of investments in the total amount of R$ 66.8 million, in 2011, the Company reported 2012 net income of R$ 128.9 million, or 9.3% up on the preceding year. This growth was principally the result of the combination of factors mentioned in the preceding paragraph, with the exception of the transactions conducted through the intermediary of the CCEE, which when comparing the two years as a whole, saw a substantial increase, in addition to the reduction in energy exports recorded in 2012.

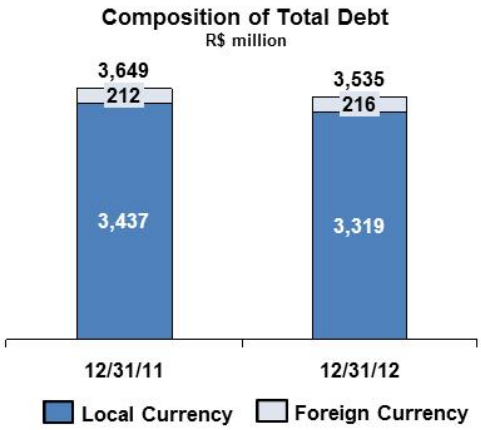


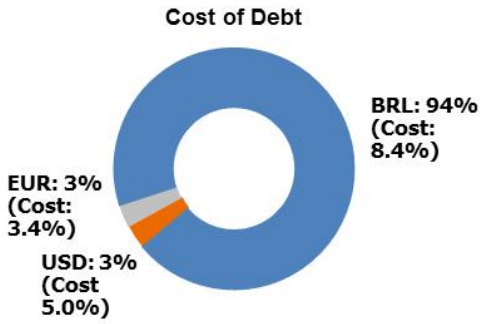
Debt

On December 31, 2012, the Company recorded net debt (total debt less cash and cash equivalents) of R$ 2,354.6 million, 17.9% lower than the R$ 2,867.4 million posted on December 31, 2011.

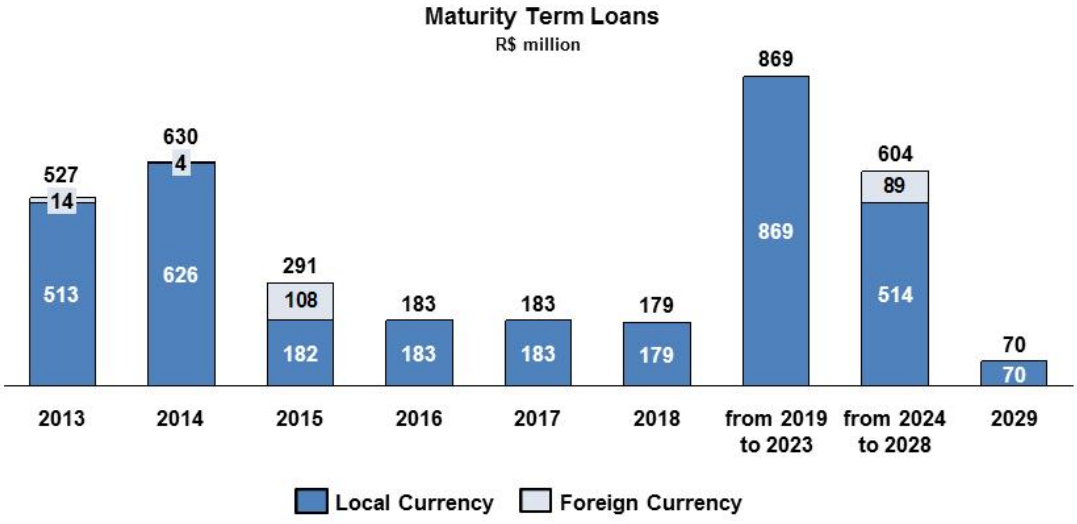


Total consolidated gross debt – represented principally by loans, debentures and financing – amounted to R$ 3,534.5 million, a decrease of 3.1% compared to the position on December 31, 2011. Of total debt outstanding at the end of the period, 6.1% were foreign currency denominated (5.8% at the end of 2011), 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 2012: (i) drawdown from the National Economic and Social Development Bank (BNDES) and its financial agents in the total accumulated amount of R$ 244.3 million to meet investment requirements at Estreito HPP; (ii) the generation of R$ 308.9 million in charges to be paid together with monetary and currency restatement; and (iii) amortizations of loans, financing and debentures worth of R$ 667.8 million.



Capital Expenditures

In order to execute its growth plan, Tractebel's 2012 investments reached R$ 272.6 million, of which R$ 160.1 million was dedicated to the construction of the Estreito HPP and a further R$ 112.5 million to work on the Trairi, Guajiru, Mundaú, Fleixeiras and Porto do Delta power plants under construction in the Brazilian Northeast.

A total of R$ 81.0 million was spent on maintenance and repowering projects as part of the Company's drive to maintain a high ratio of uptime.

As a result, in 2012 investments totaled R$ 353.6 million.

Interim Dividends

The meeting of Tractebel's Board of Directors held on February 7, 2013 approved the interim dividend proposal for the second half 2012 in the amount of R$ 576.4 million (R$ 0.8830904134 per share), being the shares traded ex-interim dividends as from February 20, 2013. The interim dividends shall be paid on a date to be subsequently decided upon by the Board of Executive Officers and communicated through a Notice to Shareholders. Thus, total profit distribution for 2012 reaches R$ 1,546.4 million, equivalent to R$ 2.3690660667 per share, equivalent to a 100% payout of the distributable net adjusted income, amount which, in considering accumulated profits, is higher than the net income for the year.

SUSTAINABILITY: COMMITMENT, CERTIFICATIONS AND PERFORMANCE

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

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

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

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

Sustainability Indices[1]							
	Index	**4Q12**	**4Q11**	**Change**	**2012**	**2011**	**Change**
Quality	Number of certified plants	15	15	-	15	15	-
	Generation plant uptime, except for scheduled stoppages (%)	97.0	97.9	-0.9 p.p.	96.9	98.3	-1.4 p.p.
	Generation plant uptime, including scheduled stoppages (%)	92.4	95.7	-3.3 p.p.	90.9	92.6	-1.7 p.p.
Environment	Number of licensed operating plants	22	22	-	22	22	-
	Saplings donated and planted (sum-total of planed and donated saplings)[2]	95,601	63,162	51.4%	311,038	386,643	-19.6%
	Number of visitors at the plants	25,661	25,457	0.8%	93,600	86,525	8.2%
	CO2 Emissions (fossil fuel plants) (t/MWh)[3]	1.058	1.052	0.6%	1.087	1.023	6.2%
	CO2 Emissions from the Tractebel Energia generation plant (t/MWh)[3]	0,166	0,110	50.9%	0.148	0.084	75.5%
Occupational Heath and Safety and Social Responsibility	Number of employees	1,082	1,084	-0.2%	1,082	1,084	-0.2%
	Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[4]	0.000	0.000	⟺	0.000	1.500	⇩
	Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[5]	0.000	0.000	⟺	0.000	0.025	⇩
	Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[4]	1.100	2.100	⇩	1.280	2.600	⇩
	Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[5]	0.000	0.077	⇩	0.000	0.063	⇩
	Investments via Children and Teenagers Fund and Cultural Incentives Act (R$ thousands)	3,218	3,519	-8.5%	10,812	8,581	26.0%
	Non-incentive investments, except for Estreito Social Investment (R$ thousands)[7]	247	650	-62.1%	2,323	2,160	7.5%

Notes: 1) Additional indices available from ITR (Tractebel website / Investor / CVM information).
2) CESTE not included.
3) Considered the plants operated by the Company in 2012, the hydro generation was 25% lower than the generation in 2011, and the fossil fuel plants generation in 2012 was 33% higher than in 2011.
4) TF = number of occupational accidents for every million hours of exposure to hazards.
5) TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards.

CORPORATE GOVERNANCE

Tractebel Energia's bylaw has been permanently adapted to comply with the new rules and procedures of the BM&FBovespa's Novo Mercado Listing Regulations. The Company's Board of Directors is made up of nine members, one of which represents the employees and two who are independent directors. With the exception of the employees' representative, all are elected by a General Shareholders' Meeting. A 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 and other transactions with related parties, Tractebel and its controlling shareholder understand that its existing corporate governance standards should be raised even further. Among the initiatives implemented stands out the creation, by means of adaptation to the Company's Bylaw, of the Special Independent Committee for Valuation of Transactions with Related Parties, a non-permanent body, which, when called, will be composed in its majority by independent directors of the Tractebel Energia's Board.

CAPITAL MARKETS

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

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

Share Performance – TBLE3

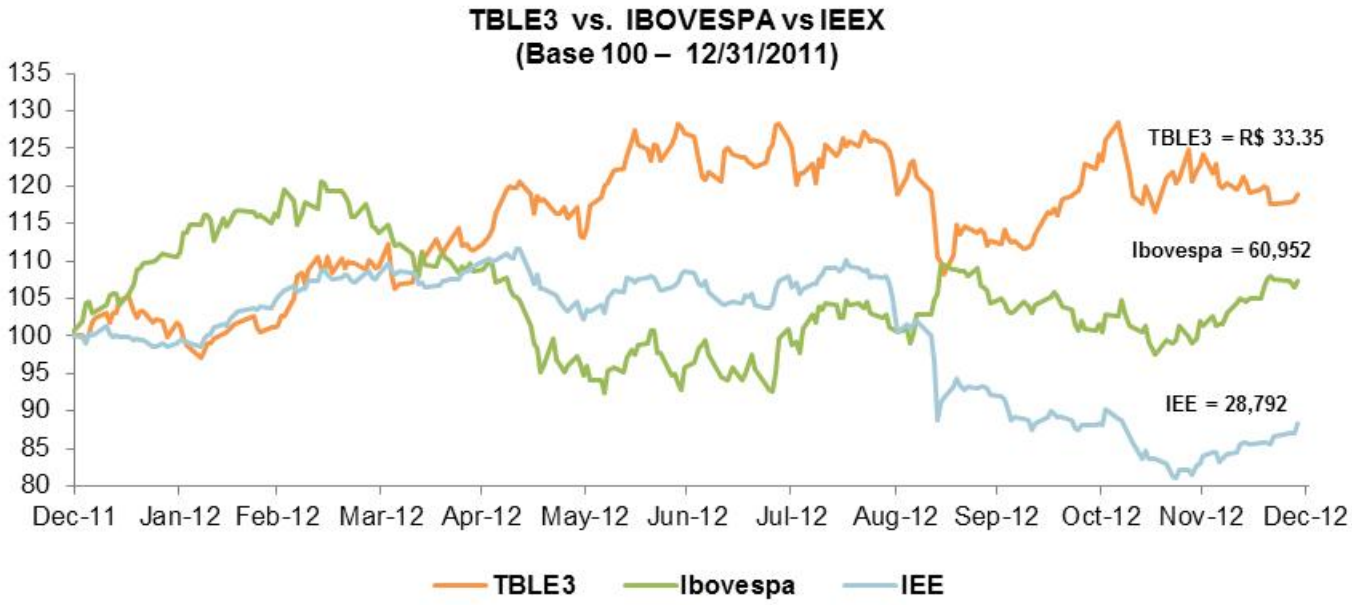
The Brazilian stock market reported modest growth in 4Q12 and in 12M12, appreciating 3.0% and 7.4%, respectively, largely reflecting the overseas scenario with the worsening of the crisis in the Eurozone and the slow recovery in the USA and, domestically, due to expectations surrounding the performance of the Brazilian economy and government activism which caused a degree of apprehension in the market, especially among public utility concessionaires.

The result of these factors on the performance of sectors with an important weighting on the Brazilian stock exchange was significant. A case in point is the electricity sector, the listed companies of which lost R$ 48 billion in market capitalization during the course of the year, resulting in IEE sector stock index depreciating by 4.3% in 4Q12 and 11.7% for the fiscal year 2012 as a whole.

Despite the adverse scenario, Tractebel Energia's shares reported a positive performance, increasing by 5.5% in 4Q12 and 18.9% over the 12-month period, in both cases ignoring distributed profits.

The Company's securities were traded on all the days the BM&FBovespa was open for business in 2012. In 4Q12, the average daily trading volume of shares in the Company reached R$ 21.4 million, 51.9% higher than the R$ 14.3 million reported in the same period for 2011. For the full year 2012, average daily trading volume reached R$ 23.1 million, 61.4% more than the average of R$ 14.3 million reported in 2011.

Tractebel's shares ended the year 2012 at a closing price of R$ 33.35/share, representing a market value for the Company of about R$ 21.8 billion.


TBLE3 vs. IBOVESPA vs IEEX
(Base 100 – 12/31/2011)
135
130
125
120
115
110
105
100
95
90
85
80
Dec-11
Jan-12
Feb-12
Mar-12
Apr-12
May-12
Jun-12
Jul-12
Aug-12
Sep-12
Oct-12
Nov-12
Dec-12
TBLE3 = R$ 33.35
Ibovespa = 60,952
IEE = 28,792
TBLE3
Ibovespa
IEE

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, 2013
Time: 9:00 a.m. (EDT) / 12:00 noon (Brasília time)

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

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

A replay will be available from February 8th to 14th, 2013. Access by dialing: (55 11) 4688-6312, code: 0576270 #

Meetings with analysts

Florianópolis
Date: February 18, 2013
Time: 6:30 p.m. (Brasília Time)
Venue: Majestic Palace Hotel

Belo Horizonte
Date: February 18, 2013
Time: 7:00 p.m. (Brasília Time)
Venue: Hotel Mercure BH Lourdes

Rio de Janeiro
Date: February 19, 2013
Time: 9:00 a.m. (Brasília Time)
Venue: Hotel Pestana

São Paulo
Date: February 19, 2013
Time: 6:30 p.m. (Brasília Time)
Venue: Caesar Business Faria Lima

Porto Alegre
Date: February 21, 2013
Time: 6:30 p.m. (Brasília Time)
Venue: Hotel Deville Porto Alegre

Disclaimer

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

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

(in thousands of R$)		
Assets	**12/31/2012**	**12/31/2011**
Current Assets	**1,985,305**	**1,526,208**
Cash and cash equivalents	1,179,976	781,808
Accounts receivables from clients	622,916	542,149
Inventory	45,374	42,837
Taxes to recover	64,749	64,294
Restricted deposits	1,309	38,923
Other current assets	70,981	56,197
Non Current Assets	**10,279,111**	**10,502,355**
Long Term Assets	**486,526**	**520,655**
Taxes and social contribution to recover	128,185	162,007
Receivable on assets	86,886	86,886
Deferred income taxes and social contribution	16,992	23,930
Restricted deposits	103,310	90,567
Deposits in court	110,411	105,832
Other non current assets	40,742	51,433
Property, Plant and Equipment	**9,683,085**	**9,885,151**
Intangible	**109,500**	**96,549**
Total	**12,264,416**	**12,028,563**

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

(in thousands of R$)		
Liabilities	**12/31/2012**	**12/31/2011**
Current Liabilities	**1,690,673**	**1,472,698**
Suppliers	219,328	234,336
Dividends and interest on shareholder´s equity	247,591	221,025
Loans and financing	357,043	233,924
Debentures	170,042	183,540
Concessions payable	48,800	45,688
Tax and social contribution obligations	416,076	352,009
Provision for labor obligations	61,785	53,710
Provision for tax, civil and labor risks	29,170	8,615
Post-employment benefits obligations	32,368	36,045
Other current liabilities	108,470	103,806
Non Current Liabilities	**5,110,903**	**5,105,607**
Loans and financing	2,848,912	2,923,882
Debentures	158,548	307,854
Concessions payable	1,380,126	1,220,264
Provision for tax, civil and labor risks	145,550	132,591
Post-employment benefits obligations	274,607	300,964
Deferred income taxes and social contribution	179,127	166,539
Other non current liabilities	124,033	53,513
Shareholders' Equity	**5,462,840**	**5,450,258**
Share capital	2,445,766	2,445,766
Capital reserve	91,695	91,695
Fixed asset valuation	582,656	648,363
Profit reserves	2,340,060	2,262,157
Minoritary shareholders share	2,663	2,277
Total	**12,264,416**	**12,028,563**

ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(in thousands of R$)	4Q12	4Q11	Chg. %	12M12	12M11	Chg. %
Net Revenue from Sales	**1,267,410**	**1,096,288**	**15.6**	**4,912,499**	**4,326,951**	**13.5**
Costs of Energy Sold and Services Provided	**(569,429)**	**(468,981)**	**21.4**	**(2,130,934)**	**(1,860,623)**	**14.5**
Electric power purchased for resale	(162,914)	(124,495)	30.9	(663,591)	(471,932)	40.6
Transactions channeled through the CCEE	(32,240)	(260)	12,300.0	(53,470)	(22,022)	142.8
Charges for the use of and connection to the electricity grid	(83,718)	(78,982)	6.0	(329,949)	(287,161)	14.9
Fuel expenses	(8,223)	(3,971)	107.1	(39,659)	(108,799)	-63.5
Financial compensation for use of water resources	(30,605)	(44,683)	-31.5	(111,838)	(159,209)	-29.8
Personnel	(47,762)	(42,470)	12.5	(167,518)	(148,816)	12.6
Materials and third party services	(44,577)	(35,140)	26.9	(156,875)	(136,966)	14.5
Depreciation and amortization	(146,029)	(128,827)	13.4	(550,086)	(486,663)	13.0
Others	(13,361)	(10,153)	31.6	(57,948)	(39,055)	48.4
Gross Income	**697,981**	**627,307**	**11.3**	**2,781,565**	**2,466,328**	**12.8**
Operating Income (Expenses)	**(84,686)**	**6,295**	**-1,445.3**	**(234,327)**	**(57,730)**	**305.9**
Selling expenses	(5,309)	(4,425)	20.0	(18,597)	(16,826)	10.5
General and administrative expenses	(49,138)	(32,871)	49.5	(170,017)	(157,060)	8.2
Reversals (constitution) of operating provisions	(30,243)	39,861	-175.9	(29,009)	97,035	-129.9
Other operating income (expenses), net	4	3,730	-99.9	(16,704)	19,121	-187.4
Income Before Financial Result and Taxes	**613,295**	**633,602**	**-3.2**	**2,547,238**	**2,408,598**	**5.8**
Net Financial Result	**(107,486)**	**(84,621)**	**27.0**	**(447,238)**	**(373,810)**	**19.6**
Financial income	18,923	41,591	-54.5	88,185	133,672	-34.0
Financial expenses	(126,409)	(126,212)	0.2	(535,423)	(507,482)	5.5
Income Before Taxes	**505,809**	**548,981**	**-7.9**	**2,100,000**	**2,034,788**	**3.2**
Income tax	(51,321)	(72,020)	-28.7	(436,106)	(425,472)	2.5
Social contribution	(20,761)	(26,862)	-22.7	(163,971)	(161,210)	1.7
Net Income for the Period	**433,727**	**450,099**	**-3.6**	**1,499,923**	**1,448,106**	**3.6**
Income allocated to:						
Tractebel Energia's shareholders	433,716	449,629	-3.5	1,499,497	1,447,636	3.6
Non-controlling shareholders	11	470	-97.7	426	470	-9.4
EBITDA	**762,129**	**766,405**	**-0.6**	**3,108,412**	**2,909,697**	**6.8**
Net income per share	0.6645	0.6896	-3.6	2.2979	2.2185	3.6

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

(in thousands of R$)	12M12	12M11
Cash flow from operating activities		
Net income before taxes	2,100,000	2,034,788
Adjustments to reconcile net income taxes and operating cash flow:		
Depreciation and amortization	561,174	501,099
Monetary and exchange rate variation	124,471	109,468
Interests	360,005	340,336
Constitution (reversals) of operating provisions	31,099	(92,985)
Others	10,569	6,395
Adjusted profit	3,187,318	2,899,101
Reduction (increase) in assets		
Accounts receivables from clients	(82,404)	(9,846)
Taxes and social charges recoverable	63,998	35,625
Inventory	(2,537)	3,195
Judicial and linked deposits	42,628	83,653
Asset available for sale	-	23,057
Other assets	(11,309)	(5,934)
Increase (reduction) in liabilities		
Suppliers	63,234	(24,808)
Research and development obligations	9,135	2,098
Post-employment benefits obligations	(27,387)	(23,766)
Advancement to clients	(26,572)	(33,461)
Other liabilities	(18,221)	(28,812)
Cash generated from operating activities	3,197,883	2,920,102
Payment of income tax and social contribution	(565,939)	(598,664)
Payment interests on loans, financing and debentures	(272,638)	(267,764)
Net cash from operating activities	**2,359,306**	**2,053,674**
Investments activities	**(334,988)**	**(361,078)**
Used in fixed assets	(306,704)	(347,321)
Used in intangibles	(28,284)	(13,757)
Financing activities	**(1,626,150)**	**(1,993,368)**
Loans and financing contracted	244,262	502,799
Payment of loans, financing and debentures	(395,200)	(1,418,390)
Payments of concessions payable	(49,053)	(44,443)
Payments of dividends and interest on shareholders' equity	(1,421,110)	(1,002,366)
Deposits for funding	(5,049)	(30,968)
Increase (decrease) in cash and cash equivalents	**398,168**	**(300,772)**
Cash and cash equivalents		
Opening balance	781,808	1,082,580
Closing balance	1,179,976	781,808
Increase (decrease) in cash and cash equivalents	**398,168**	**(300,772)**
Transactions that do not affect cash and cash equivalents		
Capitalized interest on loans and concession	33,841	101,033
Supplier's of fixed assets	36,900	13,331
Complementary dividends proposed and interest on shareholders' equity credited	852,629	771,332
Offsetting of income tax and social contribution	16,650	8,928