Expansion plan and hydrological uncertainties reduce 2014 payout to 55%

Florianópolis (SC), March 30, 2015 – 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, 2014 (4Q14 and 12M14). 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

- ✓ **Net revenue from sales amounted to R$ 6,472.5 million in 2014,** 16.2% or R$ 903.8 million higher than reported in 2013, reflecting the effects of the increased net average selling price. This item was also driven by increased energy volumes sold and revenues from transactions conducted in the short-term market, as well as the recognition of the re-composition of revenues receivable on the CCEE.
- ✓ **EBITDA reached R$ 2,895.1 million in 2014,** a decline of 4.8% or R$ 147.5 million compared with 2013, due largely to the negative impact of transactions conducted in the short-term market including those executed through the CCEE, relative to the comparative years under analysis. EBITDA margin for 2014 was 44.7%, a reduction of 9.9 p.p. compared to 2013. Excluding the non-recurring annual impacts, EBITDA would have declined by R$ 403.6 million or 13.0% in fiscal year 2014 compared with the preceding year.
- ✓ Tractebel Energia posted **a net accumulated profit of R$ 1,383.1 million (R$ 2.1189 per share) in 2014,** 3.7% or R$ 53.6 million lower than reported in 2013. If the non-recurring annual events are factored out, there would have been a year-on-year reduction in net accumulated profit of R$ 259.5 million or 17.7%.
- ✓ **The average contracted energy sales price,** net of exports and deductions on gross operating revenue **was R$ 149.20/MWh,** 6.6% higher than was the case of 2013.
- ✓ **The amount of energy sold in 2014 as a whole was 37,072 GWh (4,232 average MW),** an improvement of 4.6%, compared with 2013.
- ✓ On November 28, **the Company sold 386.9 average MW of wind, biomass and thermal energy at the Generation Auction 6/2014 (A-5)**. Additionally, the development of a further 148.5 MW of wind energy was announced. This represents a growth of 12.7% in the Company's installed capacity.
- ✓ For the tenth consecutive year, the Company's shares have been included in BM&FBovespa's **Corporate Sustainability Index (ISE).** Tractebel Energia has been a component of the ISE since inception in 2005.
- ✓ In December 2014, Standard & Poor's **reiterated its corporate credit rating for the Company at 'brAAA/brA-1** on the Brazil National Scale with a stable outlook.
- ✓ At a meeting on March 30, 2015, Tractebel Energia's Board of Directors approved the proposal to payout **complementary dividends** for the period from January 1st to December 31, 2014, in the amount of **R$ 172.1million (R$ 0.2636276932 per share)**, subject to ratification by the Annual General Meeting.

2014

For immediate release

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

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Conference call and webcast:
On 03/31/2015 at 10:00 a.m. (EDT) in Portuguese – simultaneous translation into English.

Further details on Upcoming Events section, available on page 17.

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Summary of Economic and Operational Indicators

Tractebel - Consolidated						
(in millions of R$)	**4Q14**	**4Q13**	**Chg.**	**12M14**	**12M13**	**Chg.**
Net Revenue from Sales (NRS)	1,728.1	1,488.0	16.1%	6,472.5	5,568.7	16.2%
Results from Operations (EBIT)	733.8	423.4	73.3%	2,302.9	2,387.2	-3.5%
EBITDA [1]	884.1	645.2	37.0%	2,895.1	3,042.6	-4.8%
EBITDA / NRS - (%)[1]	51.2	43.4	7.8 p.p.	44.7	54.6	-9.9 p.p.
Net Income	481.9	286.3	68.3%	1,383.1	1,436.7	-3.7%
Net Debt [2]	2,237.8	2,149.3	4.1%	2,237.8	2,149.3	4.1%
Energy Sold (avg MW)	4,337	4,061	6.8%	4,232	4,046	4.6%
Average Net Sales Price (R$/MWh) [3]	152.17	144.05	5.6%	149.20	139.97	6.6%
Number of Employees	1,174	1,165	0.8%	1,174	1,165	0.8%

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

(2) Adjusted amount, as explained in the item "Debt".

(3) Net of taxes and exports.

OPERATING PERFORMANCE

Generating Complex

The largest private sector electricity generator in Brazil, Tractebel has an **installed capacity of 7,027.2 MW and operates a generating complex of 8,747.9 MW.** This complex comprises 27 plants (nine hydro, six thermal and 13 complementary energy source plants - biomass, small hydro – SHP –, wind-powered and solar), 23 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	Oct-30
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Sep-28
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9	Jul-32
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6	Nov-37
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0	Sep-28
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	Aug-33
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	Sep-28
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	Apr-37
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	Sep-34
Total - Hydro			**7,270.3**	**5,559.7**	
Jorge Lacerda Complex*	Thermal	Capivari de Baixo (SC)	857.0	857.0	Sep-28
William Arjona	Thermal	Campo Grande (MS)	190.0	190.0	Apr-29
Charqueadas	Thermal	Charqueadas (RS)	72.0	72.0	Sep-28
Total - Thermal			**1,119.0**	**1,119.0**	
Ferrari	Biomass	Pirassununga (SP)	65.5	65.5	Jun-42
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	Apr-30
Guajiru	Wind Farm	Trairi (CE)	30.0	30.0	Sep-41
Fleixeiras	Wind Farm	Trairi (CE)	30.0	30.0	Sep-41
Mundaú	Wind Farm	Trairi (CE)	30.0	30.0	Sep-41
Lages	Biomass	Lages (SC)	28.0	28.0	Oct-32
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6	Dec-32
Beberibe	Wind Farm	Beberibe (CE)	25.6	25.6	Aug-33
Trairi	Wind Farm	Trairi (CE)	25.4	25.4	Sep-41
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	23.7	23.7	Dec-32
Areia Branca	SHP	Rio Manhuaçu (MG)	19.8	19.8	May-30
Pedra do Sal	Wind Farm	Parnaíba (PI)	18.0	18.0	Oct-32
Cidade Azul	Solar	Tubarão (SC)	3.0	3.0	not applicable**
Total - Complementary			**358.6**	**348.5**	
Total			**8,747.9**	**7,027.2**	

(*) Complex comprised of 3 power plants.

(**) For generating plants with installed capacity lower than or equal to 5 MW the legal instrument applicable is the record.

Expansion

Projects under Construction

Projects under Construction

Power plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date
			Total	Tractebel's/ Group's Share	
Jirau *	Hydro	Madeira River (RO)	3,750.0	1,500.0	Aug-43
Pampa Sul	Thermal	Candiota (RS)	340.0	340.0	to be defined
Campo Largo	Wind Farm	Umburanas and Sento Sé (BA)	326.7	326.7	to be defined
Santa Mônica	Wind Farm	Trairi (CE)	97.2	97.2	Jan-45
Ferrari (retrofit)	Biomass	Pirassununga (SP)	15.0	15.0	Jun-42
Total			**4,528.9**	**2,278.9**	

(*) It is envisaged that GDF SUEZ's stake in the project will be transferred to Tractebel Energia.

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



Assembling Area - Power house right bank (Jan/2015)

auction organized by the Brazilian Electricity Regulatory Agency (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. 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. Additionally, on December 26, 2012, the Plant has become eligible for trading carbon credits as it was successfully registered with the United Nations (UN), thus being granted the right to sell approximately 6 million tons of CO_2/year when operating at full capacity. Additionally, as per the announcement to the market published by Tractebel Energia on May 13, 2013, GDF SUEZ, the Company's parent, sold a 20.0% stake in Jirau to Mitsui & Co. Ltd. The transaction was completed on January 16, 2014, after the approval of the Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social - BNDES) and the on-lending banks - the Brazilian anti-trust authority (Conselho Administrativo de Política Econômica - Cade) approval was granted on July 1, 2013, and by Aneel on September 24, 2013. With the conclusion of the transaction, GDF SUEZ currently holds a stake of 40.0%, while the Chesf and Eletrosul, both of which are subsidiaries of Eletrobrás, remain with 20.0% each, the same percentage as that of the Japanese partner. Currently, the project has 26 units in commercial operation and another two synchronized to the electricity grid, 28 units therefore being connected to the National Power Grid System (SIN). In addition to them, four other units are under commissioning. In line with the prevailing business model, it is envisaged that GDF SUEZ's share in the project will be transferred to Tractebel Energia as soon as the principal development risks have been mitigated.



3D images from the Pampa Sul TPP project.

Pampa Sul Thermoelectric Power Plant – Rio Grande do Sul – Phase I. The Pampa Sul TPP is to be sited in the Municipality of Candiota (RS) with an installed capacity of 340 MW. The plant will use thermal coal as fuel from a seam also located in Candiota and will be linked to the SIN through an already existing transmission line in the city of Bagé (RS). **The plant's 294.5 average MW of commercial capacity was sold for R$ 201.98/MWh, for a term of 25 years**, starting January 1, 2019, at the A-5 Auction held on November 28, 2014. Total Company investment in construction in this phase will be approximately R$ 1.8 billion.

Campo Largo Wind Farm Complex – Bahia – Phase I. The Campo Largo Wind Farm Complex (CECL) is made up of a complex of wind generation projects with a total potential development capacity of around 630 MW, all located in the municipalities of Umburanas and Sento Sé, about 420 km from the city of Salvador in the state of Bahia. The Complex will be developed in stages. At the A-5 Auction on November 28, 2014, **Tractebel Energia sold 82.6 average MW for an average value of R$ 135.47/MWh, for a 20 (twenty) year term**, starting January 1, 2019, to be generated from six wind farms with an installed capacity of 178.2 MW. A further five wind farms in the Complex with a total installed capacity of 148.5 MW (approximately 70 average MW) will be developed at this stage of the project. In this case, the energy will be sold to the Free Contracting Environment (ACL). The 11 wind farms represent a total investment of about R$ 1.7 billion.

Santa Mônica Wind Complex – Ceará. On 2Q14, authorization was given for construction work to begin on the Santa Mônica Wind Complex to be installed in the Municipality of Trairi (CE). The Complex will be made up of the following projects with the respective installed capacities: Trairi II Wind Farm, 29.7 MW; Cacimbas Wind Farm, 18.9 MW; Santa Mônica Wind Farm, 18.9 MW; and Santa Mônica SPE II Wind Farm, 29.7 MW. The project is located close to the Trairi Wind Complex with (115.4 MW installed capacity) - already in commercial operation - and will benefit from the synergies to be derived from existing structures such as a substation and transmission line which both projects have in common. **The Company is to invest about R$ 460 million in the Santa Mônica Wind Complex, increasing the capacity of its generator park by a further 97.2 MW of unconventional renewable energy** once all the generator units are in commercial operations - scheduled for 2016.

Ferrari Thermoelectric Power Plant – São Paulo (expansion). The Company is dedicating investments of about R$ 85 million to the modernization and expansion of Ferrari TPP with installed capacity to be ramped up to 80.5 MW. As a result, commercial capacity is expected to reach 35.6 average MW. Expansion work was begun on March 2014 and conclusion is forecast for the first half of 2015. At the A-5 Auction held on November 28, 2014, **Tractebel Energia sold 9.8 average MW generated from the expanded Ferrari TPP project at R$ 202.00/MWh, for a term of 25 years,** starting January 1, 2019.



Ferrari TPP

Projects under Development

Projects under Development

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Tractebel's Share
Santo Agostinho	Wind Farm	Lajes and Pedro Avelino (RN)	600.0	600.0
Norte Catarinense	Thermal	Garuva (SC)	600.0	600.0
Pampa Sul - Phase II	Thermal	Candiota (RS)	340.0	340.0
Campo Largo - Phase II	Wind Farm	Umburanas and Sento Sé (BA)	300.0	300.0
Total			**1,840.0**	**1,840.0**

Santo Agostinho Wind Complex - Rio Grande do Norte. The Complex is made up of 24 specific purpose companies (SPEs), each one responsible for the development of a wind generation project, representing a **total development capacity of 600 MW.** All the projects will be located in the municipalities of Lajes and Pedro Avelino, about 120 km from the city of Natal, the capital of the state of Rio Grande do Norte. In December 2014, Tractebel Energias Complementares Participações Ltda., a subsidiary of the Company finalized the acquisition of the capital stock of nine of the 24 SPEs, this constituting the first phase of the project to be developed and thus adding 225 MW to the Company's generator complex. Environmental studies are in preparation and the issue of a Preliminary License (LP) is expected for 4Q15.



3D images from the UTE Norte Catarinense project.

Norte Catarinense TPP – Santa Catarina. The Company is developing a project for the construction of a natural gas-fired combined cycle thermoelectric power plant in the city of Garuva, in the north of the state of Santa Catarina. The Norte Catarinense TPP will have an installed capacity of approximately 600 MW, and will be a participant in a future A-5 energy auction. The environmental impact study (EIA) and respective environmental impact report (RIMA), preconditions for the LP, have been concluded.

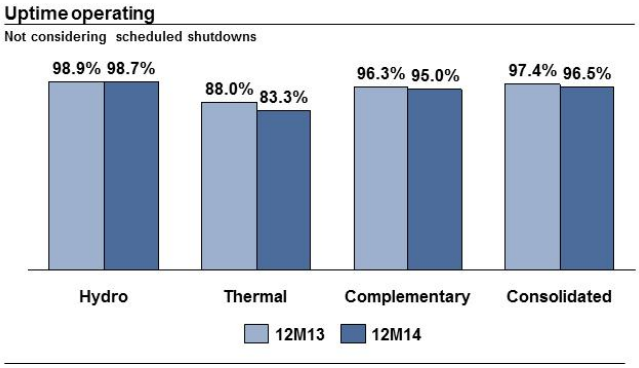
Pampa Sul Thermoelectric Power Plant – Rio Grande do Sul – Phase II. A second phase is envisaged at Pampa Sul TPP, which is being built in the Municipality of Candiota (RS), thus adding 340 MW to the planned installed capacity of the first phase.

Campo Largo Wind Farm Complex – Bahia – Phase II. The Company intends to add about 300 MW of installed capacity to the Campo Largo Wind Complex in a second phase of development for sale of energy to the free and regulated markets.

Uptime Operating

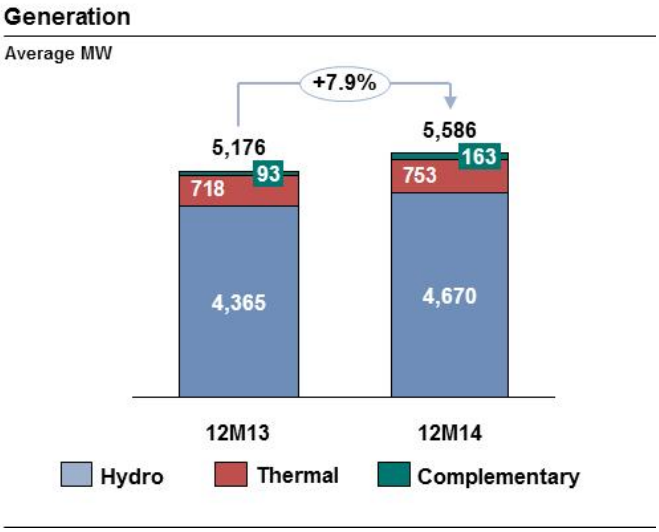
In 4Q14, the plants operated by Tractebel Energia reported **uptime working** of 96.3% **if scheduled shutdowns are not considered:** 99.5% for the hydroelectric plants, 76.3% for the thermoelectric plants and 93.6% for the plants fired from complementary sources – namely SHPs, biomass, wind and solar. This ratio is 0.2 p.p. below the **accumulated level for the year: 96.5%.**

The reduction can be attributed entirely to the thermoelectric power plant segment and principally due to a forced stoppage at unit 6 of the Jorge Lacerda Thermoelectric Power Plant (CTJL) caused by a short circuit in its generator. This event occurred late in June 2014, the plant still not being back in operation by the year-end. The accumulated uptime working values for 2014 for the hydroelectric, thermoelectric and units fired from complementary energy sources were 98.7%, 83.3% and 95.0%, respectively.



If all unscheduled stoppages are also taken into account, overall uptime in the last quarter 2014 was 86.6% - 89.1% in the case of hydroelectric plants, 70.4% for thermoelectric units and 86.6% in the case of operations involving complementary energy sources. The uptime ratio **for the year was 86.8%** - 88.9% for hydro plants, 71.9% for the thermoelectric units and 89.3% for plants fired from complementary sources.

Production



In 4Q14, electricity output from the plants operated by Tractebel was 13,108 GWh (5,937 average MW), a reduction of 5.2% compared with the same period in 2013. Out of total energy generated, the hydroelectric plants accounted for 11,023 GWh (4,992 average MW), thermoelectric plants for 1,649 GWh (747 average MW) and the complementary-fired units for 436 GWh (198 average MW). These results, compared with the same period in 2013, indicate a reduction of 6.9% in the case of the hydro plants, a reduction of 3.7% in relation to the thermal plants and an increase of 54.6% in relation to the complementary plants.

Despite the impact of scheduled stoppages at practically all of them as well as the modernization of three generator units at the Salto Santiago, Passo Fundo and Ponte de Pedra plants, generation from the hydroelectric plants was higher compared with the other three quarters of the year. As to the year-on-year reduction in generation from the thermal plants, we would mention the main cause of downtime was the forced stoppage at UTLB's unit 6, already commented above under the item "Uptime Operating".

During the quarter under analysis, monthly generation records were broken at the Beberibe, Fleixeiras I, Mundaú and Trairi wind farms, which produced respectively 11.5 GWh (15.5 average MW), 17.9 GWh (24.0 average MW), 15.6 GWh (20.9 average MW) and 15.7 GWh (21.0 average MW).

In the 12-month period, total electric energy output reached 48,941 GWh (5,586 average MW), an increase of 7.9% in relation to 2013. Of the total generated, the hydro plants were responsible for 40,912 GWh (4,670 average MW), a 7.0% increase; thermoelectric plants for 6,598 GWh (753 average MW), an increase of 4.8%; and the complementary plants for 1,432 GWh (163 average MW), an increase of 76.5%.

The increase in the complementary-fired plants was due to the startup in operations of Fleixeiras I and Mundaú wind farms, the Ferrari TPP and the Cidade Azul Solar Plant in 2014.

It is worth noting that the increase in hydroelectric generation does not necessarily result in an improvement or deterioration in the Company's economic and financial performance. In the same way, the reduction in this type of generation does not of itself imply deterioration in economic-financial performance. This is due to the use of the Energy Reallocation Mechanism (MRE), which dilutes the risks of hydroelectric generation among all the Mechanism's participants.

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

Clients

Compared to 4Q13, the share of free consumers in the Company's portfolio in 4Q14 rose 2.5 p.p. in physical sales and 2.6 p.p. in net revenue from contracted sales, reaching 43.9% and 40.2%, respectively.

In the context of the 12M14 period, free consumers represented 44.0% of physical sales and 40.6% of net revenue from contracted sales, increases of 2.6 p.p. for both indicators compared with 2013.



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. However, Tractebel Energia is considering leaving a larger volume of its commercial capacity uncontracted in the short-term market to attenuate the impact of some negative factors prevailing in the current scenario. These include the changes in spot price calculation methodology considerably increasing it and the greater volatility of this price, combined with the systemic deficit in hydroelectric generation in recent quarters and the outlook that this situation will persist.

In line with data for proprietary commercial capacity and purchase and sale contracts in effect on December 31, 2014, Tractebel reported the following energy balance:

Energy Balance

(avg MW)	2015	2016	2017	2018	2019	2020	Auction Gross Price (R$/MWh)	Reference Date	Gross Price Adjusted as of 12/31/2014 (R$/MWh)
Own Resources	3,533	3,524	3,549	3,562	3,943	3,932			
+ Purchases for Resale	812	813	425	390	370	200			
= Total Resources (A)	4,345	4,337	3,974	3,952	4,313	4,132			
Regulated Sales*	1,819	1,676	1,323	1,323	1,710	1,557			
2005-EE-2008-08	143	-	-	-	-	-	81.6	Apr-05	130.3
2005-EE-2009-08	353	353	-	-	-	-	94.0	Oct-05	147.4
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	178.7
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	196.1
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	205.1
2007-NE-2012-30	256	256	256	256	256	256	126.6	Jun-07	184.4
2014-EE-2014-06	150	150	150	150	150	-	270.7	May-14	270.7
Proinfa	44	44	44	44	44	44	147.8	Jun-04	267.7
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	214.0
Auction Mix (Reserve / New Energy / DG)	18	18	18	18	17	14	-	-	199.6
2014-NE-2019-25	-	-	-	-	295	295	202.0	Nov-15	202.0
2014-NE-2019-25	-	-	-	-	10	10	202.0	Nov-15	202.0
2014-NE-2019-20	-	-	-	-	83	83	135.5	Nov-15	135.5
+ Bilateral Sales	2,427	2,264	2,026	1,613	1,254	848			
= Total Sales (B)	4,246	3,940	3,349	2,936	2,964	2,405			
Balance (A - B)	**99**	**397**	**625**	**1,016**	**1,349**	**1,727**			
Sales average **net** price (R$/MWh)*1:	158.0	155.0	153.4						
Purchases average **net** price (R$/MWh)*2:	167.2	164.1	188.2						

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

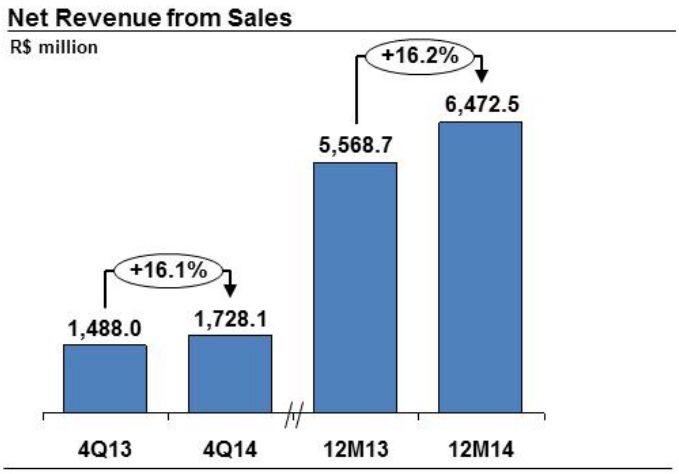
*1: Sales price is net of ICMS and taxes over revenues (PIS/Cofins, R&D), as of 12/31/14, i.e. future inflation is not considered.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 12/31/14, i.e. future inflation is not considered.

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

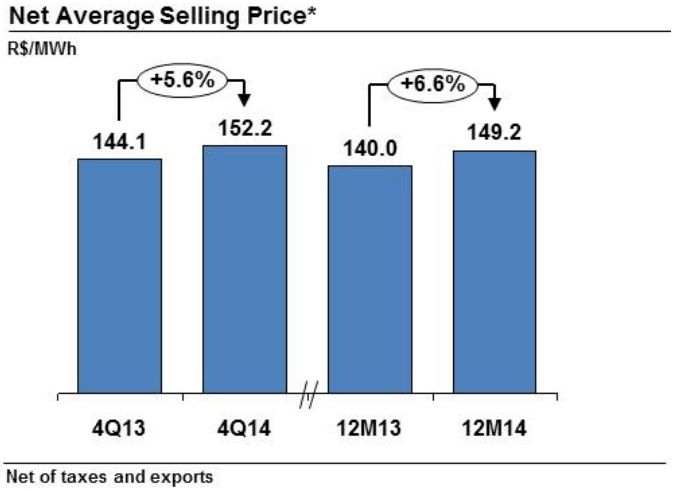
Economic-Financial Performance

Net Revenue from Sales

In 4Q14, net revenue from sales reported growth of 16.1%, or R$ 240.1 million, when compared with the same period in 2013, increasing from R$ 1,488.0 million to R$ 1,728.1 million. The principal factors driving this result were: (i) R$ 90.8 million – increase in energy volume sold; (ii) R$ 75.0 million – an increase in average net selling price; (iii) R$ 16.9 million – increase in revenue from transactions conducted on the short-term market including those within the scope of the CCEE and (iv) R$ 59.1 million – recomposition of a revenue shortfall on the CCEE due to the temporary shutdown of generation following a forced stoppage at the Jorge Lacerda Thermoelectric Complex's generator units.



Full year-on-year comparison shows an increase in net revenue from sales of R$ 903.8 million, or 16.2%, rising from R$ 5,568.7 million in 2013 to R$ 6,472.5 million in 2014. This rise is essentially due to the following combination of factors: (i) R$ 351.4 million – an increase in the average net price; (ii) R$ 218.4 million – increased volume of energy sold; (iii) R$ 176.8 million – increased revenue from transactions conducted in the short term market including those occurring within the scope of the CCEE; (iv) R$ 159.9 million – recomposition of revenue on the CCEE, as already mentioned; and (v) R$ 6.1 million – reduction in revenue from the sale of carbon credits.



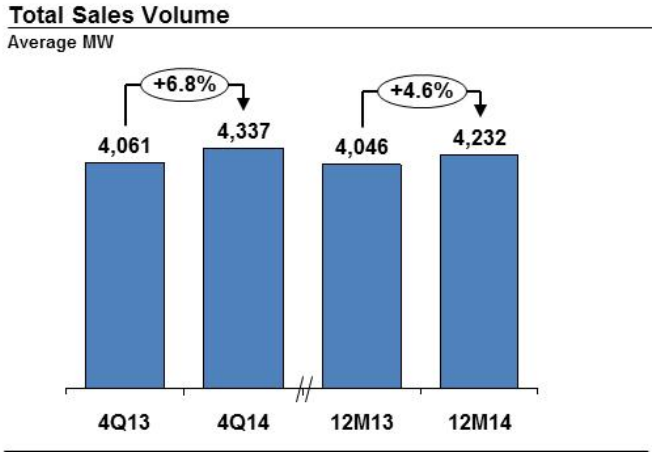
* Net of taxes and exports

Net average selling price

The average selling price of energy, net of income tax, was R$ 152.17/MWh in 4Q14, 5.6% higher than recorded for the same quarter in 2013, when the price was R$ 144.05/MWh. The average for the twelve months of 2014 was R$ 149.20/MWh, **6.6% greater than the case in 2013**, when the price was R$ 139.97/MWh. The price increase was largely the result of the monetary restatement of existing contracts.

✓ **Sales volume**

The amount of energy sold increased from 8,966 GWh (4,061 average MW) in 4Q13 to 9,577 GWh (4,337 average MW) in 4Q14, an increase of 6.8%, or 611 GWh (276 average MW), between the compared periods. This variation is due principally to: (i) an increase in purchase volume; (ii) entry into full operations of the Trairi Wind Complex; and (iii) acquisition of the Ferrari Termoelétrica S.A., events partially offset by the reduction in demand from clients and by a greater volume of uncontracted commercial capacity in 2014.



The amount of energy sold for the full year 2014 was 37,072 GWh (4,232 average MW) against 35,445 GWh (4,046 average MW) recorded in 2013, **a growth of 1,627**

GWh (186 average MW), or 4.6%. The factors driving this variation are largely those factors explained for 4Q14, above.

Comments on Variation in Net Revenue from Sales by Client Class

✓ **Distributors**

The Company reported revenue from sales to distributors of R$ 826.8 million in 4Q14, 11.6% higher than the R$ 740.9 million posted in 4Q13. A combination of the following factors contributed to this effect: (i) R$ 48.7 million – an increase of 6.4% in the net average selling price; and (ii) R$ 37.2 million – an increase of 230 GWh (104 average MW), or 4.9%, in sales volume due to energy sales on the occasion of the 13th Existing Energy Auction, as well as due to the acquisition of the Ferrari Termoelétrica S.A. subsidiary, events partially offset by the reduction in contracted energy volume in other contracts.

During the year 2014, this revenue reached 3,044.0 million, **an increase of 7.8% compared with fiscal year 2013,** which reported R$ 2,824.2 million in revenue from sales to distributors. This increase is explained by the association of the following variations: (i) R$ 216.1 million – growth of 7.6% in the average net selling price; and (ii) R$ 3.7 million – a slight increase of 0.1% in energy volume sold.

✓ **Trading Companies**

Revenue from sales to trading companies fell from R$ 64.6 million in 4Q13 to R$ 44.7 million in 4Q14, a reduction of 30.8% between the compared periods, the result of the following factors: (i) R$ 12.5 million – decrease of 108 GWh (49 average MW), or 20.6%, in the volume of energy sold; and (ii) 7.4 million – reduction of 12.9% in the average net selling price.

In the 12-month period of 2014, revenue from sales to trading companies was R$ 239.2 million, **4.4% lower than revenue reported in 2013 of R$ 250.1 million**. The reduction is the result of the following aspects: (i) R$ 7.6 million – reduction of 3.1%, or 65 GWh (7 average MW) in the amount of energy sold; and (ii) R$ 3.3 million – decrease of 1.3% in the net average selling price.

✓ **Free Consumers**

Revenue from free consumers increased 20.5% between the quarters under analysis from R$ 486.0 million in 4Q13 to R$ 585.8 million in the same period of 2014. The following events contributed to this variation: (i) R$ 66.1 million – growth of 489 GWh (221 average MW), or 13.2%, in the volume of energy sold; and (ii) R$ 33.7 million – an increase of 6.5% in the average net selling price of energy.

In the twelve months of 2014, this revenue was R$ 2,247.9 million, 19.1% up from the R$ 1,887.0 million recorded for 2013. This expansion is related to the following: (i) R$ 222.3 million – growth of 1,669 GWh (191 average MW), or 11.4%, in the volume of energy sales; and (ii) R$ 138.6 million – growth of 6.9% in the net average selling price.

✓ **Transactions in the short term market including those conducted through the CCEE**

In 4Q14, revenue produced from the short-term market, including revenue within the scope of the CCEE, was R$ 259.9 million, while in the same period 2013, revenue was R$ 183.9 million, representing an increase of R$ 76.0 million on a quarterly comparison basis. In the twelve months of 2014 compared with 2013, revenue from short-term transactions reported an **increase of R$ 336.7 million** from R$ 566.4 million in 2013 **to R$ 903.1 million in 2014**. The amounts recorded in 4Q14 and 12M14 include the recognition of the recomposition of revenue shortfall due to the reduction in the long position on the CCEE, on grounds of temporary interruption of generation, motivated by insurance claims incurred in Jorge Lacerda Thermoelectric Complex's generator units, in the amount of R$ 59.1 million and 159.9 million, respectively. A more detailed explanation as to these operations and variations is to be found in the item below "Details of short-term operations including transactions conducted on the CCEE".

Costs of Electric Energy and Services

The costs of sales of energy and services were slightly down by R$ 0.2 million between comparable quarters from R$ 941.5 million in 4Q13 to R$ 941.3 million in the quarter under analysis. **In the year 2014,** these costs amounted to R$ 3,974.8 million, **36.5%, or R$ 1,063.1 million,** an increase over the R$ 2,911.7 million reported for 2013.

These variations are essentially due to the principal components as follows:

✓ **Electric power purchased for resale:** an increase of R$ 135.3 million in 4Q14 compared with the same quarter in 2013, and R$ 500.5 million in 2014 in relation to 2013, reflecting principally (i) pricing readjustments on existing

contracts; and (ii) the increase in medium and long-term power purchasing agreements of 772 GWh (350 average MW) in 4Q14 and 2,897 GWh (331 average MW) in 12M14.

✓ **Transactions in the short-term market including those conducted through the CCEE:** between the quarters under analysis, the costs of these transactions were down by R$ 163.5 million. On the other hand, for fiscal year 2014 vis a vis 2013 as a whole, there was an increase in costs of R$ 401.6 million. Such changes include the amount of R$ 83.3 million, recognized as cost recovery, a consequence of the increased exposure in the CCEE due to the temporary shutdown of Jorge Lacerda Thermoelectric Complex's generator units, as previously mentioned. Greater details are described in the specific item below.

✓ **Fuels for the production of electric energy:** a year-on-year growth of R$ 19.8 million in 4Q14 and R$ 134.1 million between compared fiscal years, reflecting principally the increase in natural gas consumption at the William Arjona Thermoelectric Power Plant in the light of the greater deployment of this facility.

✓ **Charges for the use of and connection to the electricity grid:** an increase of R$ 9.4 million between the quarters under analysis and R$ 25.1 million between the full fiscal years of 2014 and 2013, largely reflecting the annual readjustment in transmission tariffs as well as the entry into commercial operation of the Trairi Wind Farm Complex and the acquisition of Ferrari Termoelétrica S.A.

✓ **Materials and third party services:** growth of R$ 8.6 million between the quarters under analysis and R$ 20.7 million when comparing the full fiscal years due principally to greater demand for operating and maintenance services particularly at the Jorge Lacerda Thermoelectric Complex, the São Salvador Hydro Power Plant and Ferrari Thermal Power Plant.

✓ **Financial compensation for the use of water resources (royalties):** reduction of R$ 1.4 million between the comparable quarters and an increase of R$ 22.4 million when comparing the full years 2014 and 2013. The latter increase is largely due to the increase in generation from the Company's hydroelectric plants.

✓ **Personnel:** an increase of R$ 3.2 million in 4Q14 in relation to the same quarter 2013 and R$ 16.1 million comparing the full twelve month periods of successive years, largely due to the annual wage bargaining agreement on salaries and benefits for employees.

✓ **Depreciation and amortization:** increase of R$ 1.3 million and R$ 9.7 million in comparable quarters and years, respectively, above all due to the startup of operations at the Trairi Wind Farm Complex and the acquisition of Ferrari Termoelétrica S.A.

✓ **Reversal of operating provisions, net:** positive effect on the result of R$ 18.4 million in 4Q14 compared with 4Q13 and R$ 13.8 million between the full fiscal years. The variations presented are largely the result of the following factors: (i) R$ 92.3 million – reversal of the civil provision for collecting an additional amount on the Tariff for the Use of the Transmission System (TUST) from Ponte de Pedra Hydroelectric Power Plant (UHPP), due to a ruling in favor of the Company which reduced the risk of loss from the outcome of the legal action; (ii) R$ 89.3 million – civil provisioning due to a judicial dispute with a supplier in the light of a disagreement over the implementation of the current legislation establishing the price of raw materials used by the Company; and (iii) R$ 15.7 million – reversal of a provision on a social security service (INSS) collection as a result of the Company's adherence to the amnesty on tax liabilities under the so-called "REFIS da Copa" program.

✓ **Others:** increase in expenses of R$ 4.6 million in 4Q14 in relation to the same period in 2013, due largely to the payment of contingencies arising from INSS debits, with the consequent reduction of penalties in accordance with the "REFIS da Copa" tax amnesty. Comparing the full fiscal years, there was a positive effect of R$ 55.4 million, reflecting essentially the reversal in 2Q14 of liabilities relating to energy purchases and transmission charges totaling R$ 54.8 million.

Details of Short Term Operations Including Transactions Conducted through the CCEE

Short-term operations are classified as energy purchase or sale operations not exceeding six months and having the optimization of Tractebel's exposure to the CCEE as their prime objective. Consequently, the price of these operations is characterized by the linkage with Price for Settlement of Differences (PLD) or spot price. This item also includes the transactions conducted through the CCEE, given the volatile and seasonal nature - and, therefore, short-term transactions - of the results originated from accounting in CCEE. Additionally, the long and short positions are settled at the spot price, thus, similar to the short-term operations described above.

As to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of an 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 Assured Energy Adjustment Factor which occurs when the generation from the plants which are part of the MRE, in relation to allocated energy, is greater (Secondary Energy) or less (Generation Scaling Factor - GSF); (iii) the so-called "sub-market risk"; (iv) dispatch triggered by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) which will be settled at the spot price.

In 4Q14, the Company recorded a net positive result (difference between revenues and expenses – less taxes and contributions thereon) from short-term transactions (including those conducted on the CCEE) in the amount of R$ 114.0 million, an improvement of R$ 239.5 million against a negative result of R$ 125.5 million reported for 4Q13.

This variation arose essentially from a combination of the following factors: (i) the negative effect of the adjustment in physical guarantee resulting tom the application of the GSF in 4Q14 and the generation of Secondary Energy in 4Q13; (ii) increase in the long position on the CCEE reflecting the Company's strategy for monthly allotments of energy; (iii) increase in thermoelectric exposure due to the stoppage of generation for maintenance to the generator unit at the Jorge Lacerda Thermoelectric Plant; (iv) purchase of short term energy in 4Q13; and (v) recognition of amounts relating to the recovery of negative impacts in the CCEE, resulting from forced stoppages, motivated by insurance claims on generator units. Thus, the items (ii), (iv) and (v) offset the negative impacts of the other two.

For the accumulated period 2014, the net result from short-term transactions, including those conducted through the CCEE, was a negative R$ 136.2 million against a similarly negative result of R$ 71.3 million, reported for the same period in 2013, or in other words, a worsening of R$ 64.9 million when comparing the two years in question. Excluding the provision set aside according to CNPE 03 in 2013 and its subsequent reversal in 2014, the negative result of transactions in the short-term market, including those conducted through the CCEE, between comparable fiscal years would be R$ 173.9 million.

This trend is essentially a combination of the following: (i) growth in the net negative effect due to the application of the GSF; (ii) significant long position on the CCEE as a result of the Company's strategy adopted for monthly allotments of energy; (iii) the increase in the Company's thermoelectric exposure - related above all to the suspension of generation caused by faults and maintenance work on thermoelectric generator units; (iv) reduction of short term energy purchases; (v) increase of the positive result in the MRE; (vi) reversal of the provision for eventual costs relative to the effects of the participation of the generators in the prorating of the System Service Charges (ESS), as enacted in CNPE Resolution 03, in the light of the reduced risk of losses from a judicial action contesting the collection of these amounts; and (vii) recovery of negative impacts in the CCEE, resulting from forced stoppages, motivated by insurance claims on generator units, as previously mentioned. Thus, the negative effects of items (i) and (iii) were attenuated by the remaining items.

It is worth pointing out that the significant increases in average PLD between the quarters and the years under analysis, as shown below, notably contributed to the positive effects on results arising from the increased long position on the CCEE and negatively, in the form of costs relative to the application of the GSF and to thermoelectric exposure.

When comparing quarters, the average PLD for the South and Southeast/Central-Western regions increased by 151.3% from R$ 286.51/MWh in 4Q13 to R$ 719.99/MWh in 4Q14. Taking both full fiscal years into account, **the PLD** in the same submarkets **increased 161.7% from R$ 258.19/MWh in 2013 to R$ 675.81/MWh in 2014.**

Provision for Reduction in Impairment Value

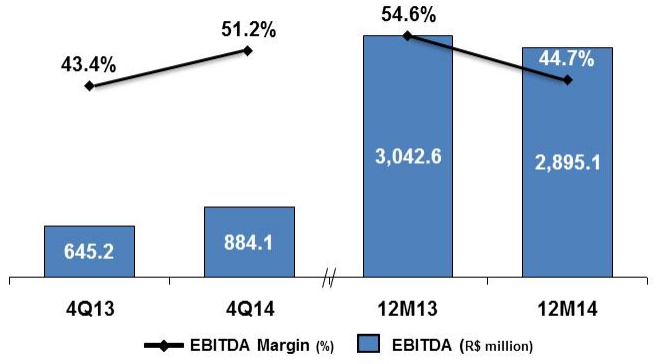
In 2013, the Company recognized a provision for a reduction of impairment value on assets, especially those of the Charqueadas Thermoelectric Power Plant, of R$ 72.8 million. The impairment value of Charqueadas assets was constituted due to the probable effects resulting from the rules imposed by Aneel reducing the reimbursement for coal consumption as from January 2016. Based on internal assessments, these rules would result in an impairment loss on assets and not permit a return on the additional investments needed to meet the Regulator's new efficiency parameters at the plant.

EBITDA and EBITDA Margin

Reflecting the effects mentioned above, Tractebel's 4Q14 EBITDA was R$ 884.1 million, 37.0% or R$ 238.9 million greater than the R$ 645.2 million reported for 4Q13. The Company's EBITDA margin was 51.2% in 4Q14, representing an increase of 7.8 p.p. in relation to the same period in 2013. This increase can be largely ascribed to a combination of the following key factors and already commented above: (i) an increase of R$ 165.8 million in net revenue from contracted energy sales; (ii) the positive effect of R$ 97.1 million in transactions conducted across the short-term market and including those conducted within the scope of the CCEE; (iii) recognition of R$ 142.4 million with respect to the recovery of the negative impacts on the CCEE as a result of forced stoppages in generation due to technical faults in generator units; (iv) increase of R$ 135.3 million in energy purchases for resale; (v) a growth of R$ 19.8 million in fuel consumption; and (vi) an increase of R$ 8.2 million of the other energy selling costs.

In the twelve month period, EBITDA posted a reduction of R$ 147.5 million, or 4.8%, from R$ 3,042.6 million in 2013 **to R$ 2,895.1 million in 2014**. The EBITDA margin in 2014 was 44.7%, representing a decline of 9.9 p.p. compared with 2013. This decline can be largely attributed to a combiination of the following factors: (i) an increase of R$ 569.8 million in net revenues from contracted energy sales; (ii) the negative effect of R$ 417.1 million on transactions conducted in the short-term market, including those executed across the CCEE; (iii) recognition in 2014 of the recovery of the negative effects on the CCEE due to the aforementioned stoppages at the Company's generator units in the amount of R$ 243.2 million; (iv) reversal in 2014 of the provision of R$ 54.5 million constituted in 2013 reflecting the impacts of CNPE Resolution 03, resulting in positive variation of R$ 109.0 million; (v) growth of R$ 500.5 million in energy purchases for resale; (vi) growth of R$ 134.1 million in fuel consumption; (vii) constitution in 2014 of a provision of R$ 89.3 million in the light of a judicial dispute with a supplier following a disagreement on the price of fuel consumption; (viii) reversal in 2014 of provisions with respect to: (viii.i) collection of an additional amount on the Tariff for Use of the Transmission System from Ponte de Pedra Hydroelectric Power Plant of R$ 92.3 million; and (viii.ii) prescribed liabilities of R$ 54.8 million; and (ix) an increase of R$ 75.6 million of the remaing operating costs and expenses. **Excluding the non-recurring effects mentioned** in items (iv), (viii.i) and (viii.ii), **EBITDA would have reached R$ 2,693.5 million and R$ 3,097.1 million, for the years 2014 and 2013, respectively, a reduction of R$ 403.6 million, or 13.0%, between the compared fiscal years.**

EBITDA[1] and EBITDA Margin



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

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

(in millions of R$)	4Q14	4Q13	Chg. %	12M14	12M13	Chg. %
Net income	481.9	286.3	68.3	1,383.1	1,436.7	-3.7
(+) Income tax and social contribution	133.5	3.9	3,345.5	573.5	565.0	1.5
(+) Financial expenses, net	118.4	133.3	-11.2	346.3	385.5	-10.2
(+) Depreciation and Amortization	150.3	148.9	0.9	592.1	582.5	1.7
(+) Impairment	0.0	72.8	-100.0	0.0	72.8	-100.0
EBITDA	**884.1**	**645.2**	**37.0**	**2,895.1**	**3,042.6**	**-4.8**

Financial Result

Financial Income: these revenues reported R$ 36.8 million in 4Q14, R$ 8.2 million more than the R$ 28.6 million posted in the same quarter of 2013, principally due to the increase in revenue from financial investments of the Company's cash position.

On a full fiscal year-on-year comparative basis, financial revenues increased R$ 23.7 million from R$ 182.7 million in 2013 **to R$ 206.4 million in 2014**. This variation is explained essentially by the following factors: (i) reversal of R$ 61.4

million in 2014, corresponding to interest and monetary restatement on prescribed liabilities mentioned under the item "Cost of Electric Energy Sales and Services - Others"; (ii) increase of R$ 25.4 million in revenue on financial investments; (iii) reduction of R$ 18.0 million in gains as a result of favorable rulings on law suits; (iv) recognition of a gain of R$ 49.1 million in 2013 resulting from the early settlement at market value of debt with the Federal Treasury Department (STN); and (v) an increase of R$ 2.0 million in monetary restatement of court escrow deposits.

Financial Expenses: these expenses in 4Q14 were R$ 155.1 million, R$ 6.8 million lower than R$ 161.9 million recorded for the same quarter in 2013. The principal changes were as follows: (i) a reduction of R$ 7.9 million in interest and monetary restatement of debt; (ii) a decline of R$ 7.6 million in foreign exchange translation costs; (iii) increase of R$ 2.9 million in interest and monetary restatement on concessions payable; and (iv) an increase of R$ 5.8 million in financial charges on other Company debts.

On an annual basis, expenses fell from R$ 568.2 million **to R$ 552.7 million**, a difference of R$ 15.5 million, the result of a combination of the following variations: (i) a reduction of R$ 42.4 million in expenses with the translation effect on currency denominated debt; (ii) an increase of R$ 7.9 million on interest and monetary restatement on concessions payable; (iii) an increase of R$ 7.3 million in net interest on actuarial liabilities; (iv) growth of R$ 6.8 million in interest and monetary restatement on debt; and (v) an increase of R$ 4.9 million in financial charges on other Company debts.

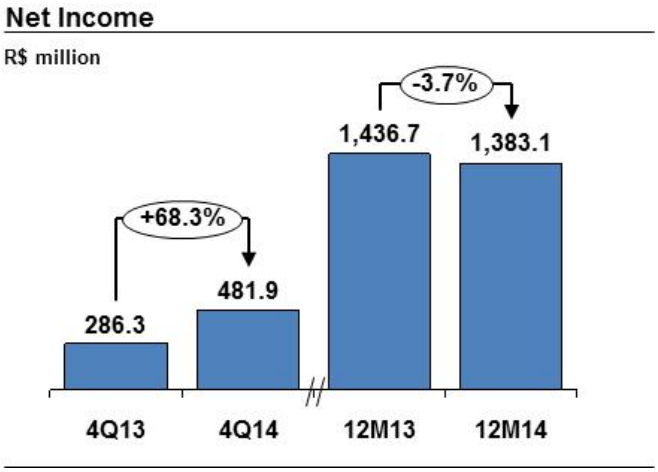
Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution expenses in 4Q14 were R$ 133.5 million, an increase of R$ 3.9 million from the R$ 129.6 million for the same quarter in 2013. The increase is due to higher pre-tax earnings together with a lower credit value of interest on shareholders' equity in 2014.

For the full year, these expenses rose from R$ 565.0 million in 2013 **to R$ 573.5 million in 2014, an increase of R$ 8.5 million**. This variation also reflects the result above all of the combination between the reduction in pre-tax profit and the lower value credit value of interest on shareholders' equity. **The effective tax rates on profits for 2014 and 2013 were 29.3% and 28.2%, respectively**.

Net income

Net income for 4Q14 was R$ 481.9 million, R$ 195.6 million, or 68.3% greater than the R$ 286.3 million reported for the same quarter in 2013. This increase was largely due to the following: (i) growth of R$ 238.9 million in EBITDA; (ii) reduction of R$ 15.0 million in net financial expenses; (iii) increase of R$ 1.5 million in depreciation and amortization overheads; (iv) recognition of impaired assets during 2013 amounting to R$ 72.8 million; and (v) an increase of R$ 129.6 million in income tax and social contribution charges.



In the fiscal year, net income fell from R$ 1,436.7 million in 2013 **to R$ 1,383.1 million in 2014**, **a reduction of R$ 53.6 million, or 3.7%**. This variation stems essentially from the following factors already explained above, net of income tax and social contribution: (i) reduction of R$ 97.4 million in EBITDA; (ii) decline of R$ 37.1 million in net recurring financial expenses and reduction of non-recurring financial gains between 2013 and 2014 of R$ 11.2 million, resulting in a variation of R$ 25.9 million in the financial result; (iii) an increase of R$ 6.4 million in depreciation and amortization; (iv) recognition of R$ 48.0 million in impairment value in fiscal year 2013; and (v) a decrease of R$ 23.7 million in the permanent deductions oh the basis of calculation on income tax and social contribution, in particular in the interest on the shareholders' equity.

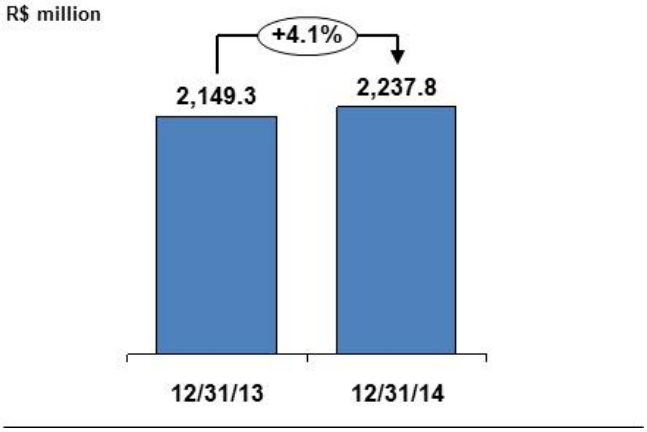
Disregarding annual nonrecurring effects, net of tax, positively impacting EBITDA for 2014 in the total amount of R$ 133.1 million and negatively in 2013 for R$ 36.0 million, registered impairment value in 2013 of R$ 48.0 million and the positive nonrecurring effects on the financial result, namely; (I) financial charges of R$ 40.5 million on reversal of prescribed liabilities in 2014; (ii) gain in 2013 of R$ 32.4 million in the early settlement of debt; and (iii) a gain in 2013 of

R$ 19.3 million in a lawsuit with no right of appeal, **net income** in 2014 and 2013 would have been R$ 1,209.5 million and R$ 1,469.0 million, respectively, **a year-on-year reduction of 17.7% or R$ 259.5 million.**

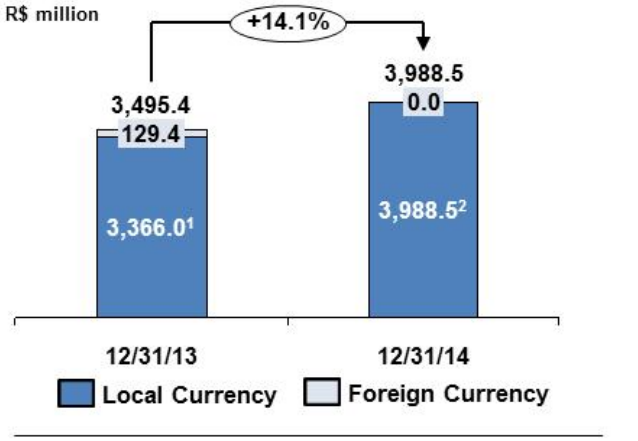
Debt

On December 31, 2014, **the Company's net debt (total debt less cash and cash equivalents) was R$ 2,237.8 million, an increase of 4.1%** over the same item reported at the end of 2013. As from 3Q14, deposits earmarked for the guarantee of payment of debt servicing were deducted from gross debt for the purposes of calculating the Company's net debt. In order to maintain consistency of procedures between the periods analyzed, net debt as of December 31, 2013 was adjusted from R$ 2,271.2 million to R$ 2,149.3 million.

Evolution of Net Debt



Composition of Total Debt



¹ Includes debt of US$ 90.0 million, with full swap to CDI.
² Includes debt of US$ 370.3 million, with full swap to CDI.

Total consolidated gross debt, represented largely by loans, financing and debentures, net of hedge operations, **totaled R$ 3,988.5 million at the end of 2014, an increase of 14.1%** compared to the position of December 31, 2013. Out of total debt at the end of the period, 28.7% was denominated in foreign currency (9.7% at the end of 2013). However, taking into account the swap operations, the Company recorded no currency exposure at the end of 2014.

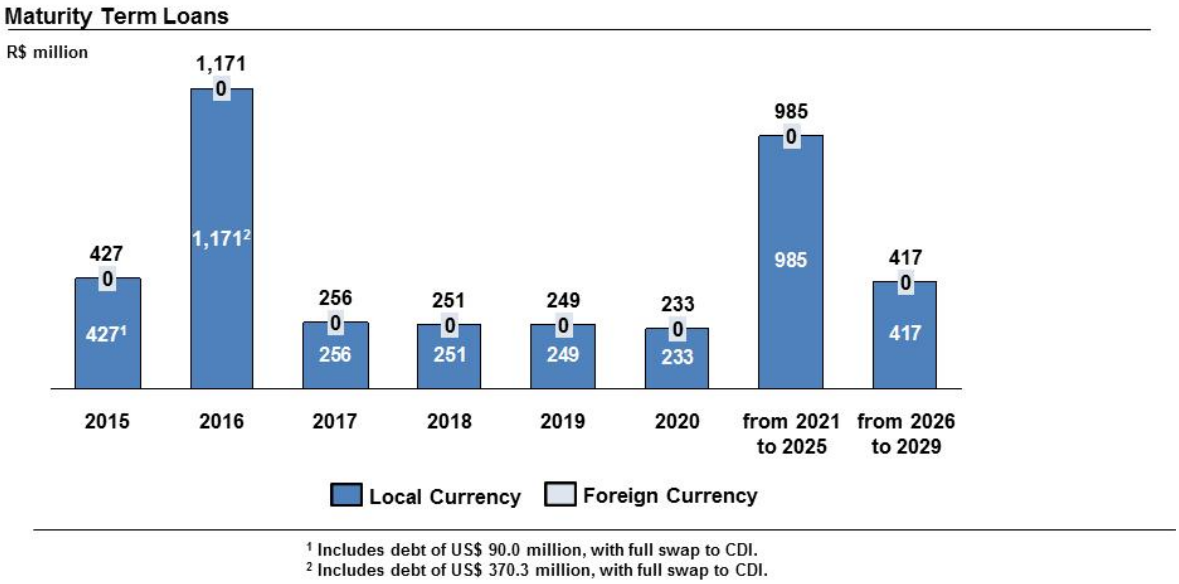
Cost of Debt



BRL: 100.0%¹
(Cost: 8.9% p.y.)

¹ Includes debt of US$ 460.3 million, with full swap to CDI.

The increase in Company debt is largely related to a combination of the following factors occurring between 2013 and 2014: (i) drawdown from the BNDES and its financial agents of the total amount of R$ 130.7 million in support of investment driven to the modernization of the Salto Santiago and Passo Fundo HPP; (ii) absorption of the financing contract with the BNDES and on lending banks due to the acquisition of the Ferrari Termoelétrica S.A. for R$ 44.5 million; (iii) contracting of loans in foreign banks for US$ 370.3 million (equivalent to R$ 927.2 million), subject to swap operations to protect the entirety of future cash flows against US dollar appreciation; (iv) issue in December 2014 of simple non-convertible debentures for R$ 162.4 million; (v) the generation of R$ 265.3 million in incurred charges payable including monetary restatement and currency translation effects; (vi) amortization of debentures of R$ 184.6 million; and (vii) R$ 852.3 million in amortization of loans and financing.



[1] Includes debt of US$ 90.0 million, with full swap to CDI.
[2] Includes debt of US$ 370.3 million, with full swap to CDI.

Capital Expenditures

In 4Q14, the Company made investments of R$ 140.0 million, of which R$ 43.7 million were invested in the construction of new plants and R$ 96.3 million used for maintenance and revitalization projects in the Company's generator complex.

In 2014, the Company continued to grow and revitalize its generator complex. A total of R$ 343.0 million was spent on the construction of the Trairi, Campo Largo and Santa Mônica Wind Farm Complexes and the modernization and expansion of Ferrari TPP. A further R$ 228.4 million was invested in maintenance and revitalization projects.

As a result, total investments in 2014 were R$ 571.4 million.

Proposed Complementary Dividends

At a meeting held on March 30, 2015, the Board of Directors of Tractebel Energia approved the proposal of complementary dividends for the period from January 1 to December 31, 2014, **in the amount of R$ 172.1 million (R$ 0.2636276932 per share).** This will be ratified by the Annual General Meeting, which will decide payment conditions.

Thus**, total distributed profits for 2014 will amount to R$ 775.2 million, equivalent to R$ 1.1875973571 per share or 55% of net adjusted distributable income.**

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 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 4Q14 and 2014 highlights:

Sustainability Indices[1]							
	Index	4Q14	4Q13	Change	2014	2013	Change
Quality	Number of operating plants[2]	27	24	3	27[1]	24[2]	3
	Total installed capacity[2]	8748 MW	8685 MW	63 MW	8748 MW	8685 MW	63 MW
	Number of certified plants[2]	14	15	-1	14	15	-1
	Total certified installed capacity (MW)[2]	7,330	7,396	-0.89%	7,330	7,396	-0.89%
	Percentage of the certified installed capacity in relation to the total	83.79%	85.16%	-1.37 p.p.	83.79%	85.16%	-1.37 p.p.
	Installed capacity from renewable sources	7,629	7,500	129	7,629	7,500	129
	Percentage of the installed capacity from renewable sources in relation to the total	87.21%	86.36%	0.85 p.p.	87.21%	86.36%	0.85 p.p.
	Total energy generation (GWh)	13,107.876	13,832.751	-5.24%	48,942.020	45,344.298	7.93%
	Certified energy generation	11,520.536	12,392.980	-7.04%	42,314.985	39,562.062	6.96%
	Percentage of the certified energy generation in relation to the total	87.89%	89.59%	-1.70 p.p.	86.46%	87.25%	-0.79 p.p.
	Energy generation from renewable sources (GWh)	11,458.663	12,119.417	-5.45%	42,343.917	39,050.270	8.43%
	Percentage of the energy generation from renewable sources in relation to the total	87.42%	87.61%	-0.20 p.p.	86.52%	86.12%	0.40 p.p.
	Uptime ratio, excluding scheduled stoppages (%)	96.29%	97.71%	-1.42 p.p.	96.48%	97.39%	-0.91 p.p.
	Uptime ratio, including scheduled stoppages (%) (%)	86.63%	91.85%	-5.22 p.p.	86.77%	92.28%	-5.51 p.p.
Environment	Number of licensed operating plants	100.00%	100.00%	-	100.00%	100.00%	-
	Saplings donated and planted (sum-total of planed and donated saplings[3]	78,693	63,065	24.78%	301,435	257,110	17.24%
	Number of visitors at the plants	23,831	25,862	-7.85%	91,490	100,686	-9.13%
	CO^2 Emissions (fossil fuel plants) (t/MWh)	0.967	1.008	-4.07%	0.970	1.031	-5.86%
	CO^2 Emissions from Tractebel Energia's generation complex(t/MWh)	0.122	0.125	-2.40%	0.131	0.143	-8.39%
Occupational Heath and Safety	Average number of employees	1,138	1,124	1.2%	1,132	1,125	0.6%
	Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[4]	0.000	0.000	-	1.450	0.980	⇧
	Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[5]	0.000	0.000	-	0.062	0.000	⇧
	Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[4]	2.650	0.000	⇧	2.870	0.950	⇧
	Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[5]	0.000	0.000	-	0.023	0.006	⇧
Investments in the Social Responsibility Program (R$ thousands)	Non-incentive investments[6]	1,222	1,031	18.4%	4,143	2,807	47.6%
	Investments via Children and Teenagers Fund	307	1,488	-79.4%	1,837	2,054	-10.6%
	Investments via Cultural Incentives Act	2,032	3,346	-39.3%	9,396	9,742	-3.6%
	Investments via SportIncentives Act	1,252	260	381.6%	1,319	360	266.4%
	Other Investments via Incentive Acts (Health and others)	1,021	-	-	1,221	-	-

Notes: 1) Additional indices available from ITR (Tractebel website / Investor / CVM information).
2) In 2014, the Alegrete Thermoelectric Plant, in the State of Rio Grande do Sul, ceased to be part of Tractebel Energia's generation complex.
3) Ceste not included.
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.
6) Except for Estreito Social Investment

CORPORATE GOVERNANCE

Tractebel Energia's Corporate Bylaws are being permanently adjusted to the new rules and procedures of the BM&FBovespa Novo Mercado Listing Regulations, the highest corporate governance level of that stock exchange. **The Company has also been a component of BM&FBovespa's Corporate Sustainability Stock Index (ISE) since its inception in 2005.** Tractebel Energia's Board of Directors' meetings are monitored in relation to the time dedicated to strategic and short term issues, relative to corporate sustainability. The Board is made up of nine effective members, one of whom represents the employees. A further two directors are independent. With the exception of the employee representative, all are elected by the shareholders at a General Shareholders Meeting. Permanently installed, the Fiscal Council is totally independent of management and the outside auditor, and is accountable for the supervision of management acts and for examining and opining on the financial statements, for evaluating risk management systems and internal controls as well as proposals to be submitted to the Board of Directors when engaging additional services from the external auditor of the financial statements.

Ethical behavior is one of the Company's corporate values. In this context it has adopted a Code of Ethics – a public document which can be accessed from the corporate website -, as well as having an Ethics Committee responsible for updating the Code and analyzing ethical issues. **In 2013, Tractebel Energia ratified its adherence to the Business Pact for Integrity and against Corruption,** an Instituto Ethos initiative in parallel with the United Nations Global Compact to which GDF SUEZ has been a signatory since launch.

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.

On January 6, 2014, the Company's shares became a component of BM&FBovespa's Ibovespa Stock Index.

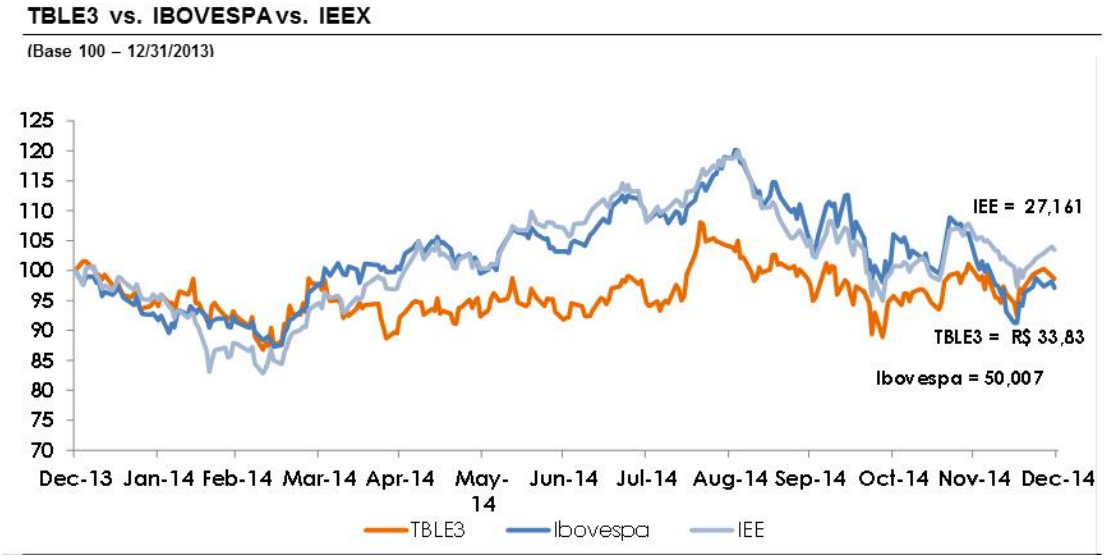
Tractebel Energia's common shares are traded on the São Paulo Stock Exchange (BM&FBovespa) **under the TBLE3** symbol. In addition, the Company's Level I American Depositary Receipts (ADRs) trade on the US Over-The-Counter **OTC market under the TBLEY symbol** at a ratio of one ADR for each common share.

Share Performance – TBLE3

Bovespa's leading stock index reported a decline of 7.6% in the fourth quarter 2014, closing the year with a depreciation of 2.9% for the full 12-month period. Despite the negative result, this was an improvement on 2013, when the stock index reported a decline of 15.5%. In US dollar terms, Ibovespa accumulated losses of 13.7% in 2014.

Tractebel Energia's shares registered an appreciation of 1.1% in the final quarter 2014, **reducing the depreciation of the stock to 1.3% at year-end, following a gain of 15.5% in 2013.** The Electric Sector Stock Index (IEE) reported an annual appreciation of 3.5% while the Ibovespa, as already mentioned, dipped 2.9% in the period. **The share price of TBLE3 on December 31, 2014 was R$ 33.83/share**, equivalent to a **market value** for the Company of **R$ 22.1 billion**.

In 4Q14, the average daily volume of TBLE3 was R$ 29.1 million, 52.5% up on the same period in 2013. **For the full year 2014, the average volume was R$ 27.3 million, a growth of 19.8%** over 2013, possibly reflecting the inclusion of the Company's shares in the BM&FBovespa Stock Index in early 2014.



UPCOMING EVENT

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

Conference call with webcast

(in Portuguese - simultaneous translation into English)

Date: March 30, 2015
Time: 10:00 a.m. (EDT) / 11:00 a.m. (Brasília time)

Connection numbers:
Participants in Brazil: +55 (11) 3193-1001/(11) 2820-4001
Participants in the USA: +1 (786) 924-6977
Participants from other countries: +1 (888) 700-0802
Access code: Tractebel

Webcast

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 March 31st to April 6, 2015. Access by dialing: +55 (11) 3193-1012, code: 8759970#

Meetings with analysts (Brasília Time)

Florianópolis
Date: March 31, 2015
Time: 7:00 p.m.
Venue: Majestic Palace Hotel

Belo Horizonte
Date: April 1, 2015
Time: 7:00 p.m.
Venue: Hotel Mercure BH Lourdes

São Paulo
Date: April 2, 2015
Time: 9:00 a.m.
Venue: Staybridge Suites São Paulo

Rio de Janeiro
Date: April 1, 2015
Time: 6:00 p.m.
Venue: JW Marriott Hotel Rio de Janeiro

Porto Alegre
Date: April 1, 2015
Time: 6:30 p.m.
Venue: Plaza São Rafael 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 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	**12/31/2014**	**12/31/2013**
Current Assets	**3,284,956**	**2,321,687**
Cash and cash equivalents	1,604,731	1,224,276
Accounts receivables from clients	713,154	740,326
Inventory	70,259	64,785
Fiscal credits recoverable	50,751	59,830
Refund of fuel purchases	343,221	139,601
Insurance claim receivable	216,426	-
Restricted deposits	104,260	3,833
Unrealized gains on hedging transactions	30,144	-
Other current assets	65,124	89,036
Non Current Asset Held for Sale	86,886	-
Non Current Assets	**10,335,590**	**10,315,939**
Long Term Assets	**480,996**	**481,360**
Accounts receivables from clients	3,309	4,432
Fiscal credits recoverable	84,056	100,222
Restricted deposits	156,013	130,857
Deposits in court	117,144	106,854
Amounts receivable from sale of asset	-	86,886
Unrealized gains on hedging transactions	63,595	1,115
Other non current assets	56,879	50,994
Property, Plant and Equipment	**9,658,078**	**9,708,227**
Intangible	**196,516**	**126,352**
Total	**13,620,546**	**12,637,626**

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

(in thousands of R$)		
Liabilities	**12/31/2014**	**12/31/2013**
Current Liabilities	**1,954,081**	**2,166,933**
Suppliers	641,702	510,346
Dividends and interest on shareholder´s equity	200,142	221,276
Loans and financing	454,321	492,843
Debentures	442	174,072
Concessions payable	55,115	51,763
Tax and social contribution obligations	228,464	434,166
Other fiscal and regulatory obligations	66,985	62,927
Provision for labor obligations	71,909	64,122
Provision for tax, civil and labor risks	15,046	15,136
Obligations related to retirement benefits	48,799	28,851
Other current liabilities	171,156	111,431
Non Current Liabilities	**6,011,516**	**5,106,082**
Loans and financing	3,435,085	2,829,645
Debentures	162,884	-
Concessions payable	1,710,657	1,543,406
Provision for tax, civil and labor risks	187,426	179,836
Obligations related to retirement benefits	234,119	189,668
Deferred income taxes and social contribution	212,507	163,663
Other non current liabilities	68,838	199,864
Shareholders' Equity	**5,654,949**	**5,364,611**
Share capital	2,445,766	2,445,766
Capital reserve	91,695	91,695
Profit reserves	2,589,794	2,233,572
Adjustment on fixed asset	488,660	527,416
Other comprehensive income	35,130	62,924
Non controlling interests	3,904	3,238
Total	**13,620,546**	**12,637,626**

ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(in thousands of R$)	4Q14	4Q13	Chg. %	12M14	12M13	Chg. %
Net Revenue from Sales	**1,728,086**	**1,487,950**	**16.1**	**6,472,496**	**5,568,658**	**16.2**
Costs of Energy Sold and Services Provided	**(941,282)**	**(941,494)**	**0.0**	**(3,974,788)**	**(2,911,677)**	**36.5**
Electric power purchased for resale	(346,640)	(211,320)	64.0	(1,276,026)	(775,517)	64.5
Transactions in the short term market, including those conducted through the CCEE	(145,899)	(309,425)	-52.8	(1,039,326)	(637,744)	63.0
Charges for the use of and connection to the electricity grid	(88,195)	(78,818)	11.9	(332,662)	(307,593)	8.2
Fuel expenses	(51,451)	(31,606)	62.8	(204,186)	(70,058)	191.5
Financial compensation for use of water resources	(47,393)	(48,798)	-2.9	(170,504)	(148,139)	15.1
Personnel	(54,761)	(51,545)	6.2	(202,391)	(186,296)	8.6
Materials and third party services	(54,330)	(45,689)	18.9	(179,768)	(159,054)	13.0
Depreciation and amortization	(148,288)	(146,970)	0.9	(584,157)	(574,487)	1.7
Others	(4,325)	(17,323)	-75.0	14,232	(52,789)	-127.0
Gross Income	**786,804**	**546,456**	**44.0**	**2,497,708**	**2,656,981**	**-6.0**
Operating Income (Expenses)	**(53,035)**	**(123,009)**	**-56.9**	**(194,760)**	**(269,751)**	**-27.8**
Selling expenses	(4,240)	(5,306)	-20.1	(17,212)	(18,637)	-7.6
General and administrative expenses	(47,584)	(45,889)	3.7	(180,340)	(177,866)	1.4
Other operating income (expenses), net	(1,211)	(71,814)	-98.3	2,792	(73,248)	-103.8
Income Before Financial Result and Taxes	**733,769**	**423,447**	**73.3**	**2,302,948**	**2,387,230**	**-3.5**
Net Financial Result	**(118,384)**	**(133,260)**	**-11.2**	**(346,299)**	**(385,521)**	**-10.2**
Financial income	36,757	28,641	28.3	206,410	182,659	13.0
Financial expenses	(155,141)	(161,901)	-4.2	(552,709)	(568,180)	-2.7
Income Before Taxes	**615,385**	**290,187**	**112.1**	**1,956,649**	**2,001,709**	**-2.3**
Income tax	(97,902)	(1,113)	8,696.2	(418,423)	(409,668)	2.1
Social contribution	(35,578)	(2,761)	1,188.6	(155,121)	(155,294)	-0.1
Net Income for the Period	**481,905**	**286,313**	**68.3**	**1,383,105**	**1,436,747**	**-3.7**
Income allocated to:						
Tractebel Energia's shareholders	481,835	286,148	68.4	1,382,368	1,436,112	-3.7
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	70	165	-57.6	737	635	16.1
Net income per share	0.7383	0.4386	68.3	2.1189	2.2011	-3.7
EBITDA	**884,088**	**645,212**	**37.0**	**2,895,073**	**3,042,553**	**-4.8**

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

(in thousands of R$)	4Q14	4Q13	12M14	12M13
Cash flow from operating activities				
Income before taxes on income	615,385	290,187	1,956,649	2,001,709
Adjustments to reconcile net income before taxes generated from operating cash flow:				
Depreciation and amortization	150,319	148,928	592,125	582,486
Impairment	-	72,837	-	72,837
Monetary and exchange rate variation	36,148	46,184	74,012	139,156
Interests	103,075	120,527	363,450	344,293
Others	(2,444)	1,379	1,470	4,220
Adjusted profit	902,483	680,042	2,987,706	3,144,701
Reduction (increase) in assets				
Accounts receivables from clients	130,782	3,984	36,059	(112,944)
Refund of fuel purchases	(118,435)	(27,051)	(203,620)	(91,778)
Fiscal credits recoverable	(37,204)	(37,166)	(25,310)	(10,162)
Inventory	3,486	(1,564)	(5,474)	(19,411)
Deposits in court and restricted deposits	(53,568)	11,634	(49,588)	11,322
Insurance claim receivable	(105,271)	-	(216,426)	-
Other assets	35,433	(22,200)	(23,936)	(20,227)
Increase (reduction) in liabilities				
Suppliers	261,460	130,244	164,810	227,796
Taxes and social contribution obligations	81,594	5,639	(4,358)	(6,193)
Other fiscal and regulatory obligations	(23,887)	(18,628)	(1,011)	(8,064)
Research and development obligations	4,820	(570)	18,128	15,929
Obligations related to retirement benefits	(11,576)	(8,469)	(33,439)	(27,464)
Other liabilities	11,823	(3,997)	(45,173)	(9,254)
Cash generated from operating activities	1,081,940	711,898	2,598,368	3,094,251
Payment of income tax and social contribution	(147,770)	(42,642)	(666,441)	(517,169)
Payment of interests on debts	(61,374)	(62,576)	(255,024)	(245,888)
Net cash from operating activities	**872,796**	**606,680**	**1,676,903**	**2,331,194**
Investments activities	**(131,786)**	**(125,663)**	**(588,220)**	**(554,713)**
Acquisitions of investments, net of cash and cash equivalents received	(19,768)	1	(235,294)	(11,461)
Used in fixed assets	(109,309)	(116,201)	(340,862)	(528,821)
Used in intangibles	(2,709)	(9,463)	(12,064)	(14,431)
Financing activities	**413,581**	**(22,041)**	**(708,228)**	**(1,732,181)**
Loans and financing contracted	985,961	61,003	1,220,376	519,937
Payment of loans, financing and debentures	(175,182)	(47,373)	(781,914)	(567,930)
Payments of concessions payable	(14,273)	(13,409)	(54,894)	(51,607)
Payments of dividends and interest on shareholders' equity	(378,180)	(68)	(1,081,325)	(1,612,144)
Deposits for funding	(6,069)	(21,204)	(11,795)	(19,447)
Others	1,324	(990)	1,324	(990)
Increase (decrease) in cash and cash equivalents	**1,154,591**	**458,976**	**380,455**	**44,300**
Reconciliation of cash and cash equivalents				
Opening balance	450,140	765,300	1,224,276	1,179,976
Closing balance	1,604,731	1,224,276	1,604,731	1,224,276
Increase (decrease) in cash and cash equivalents	**1,154,591**	**458,976**	**380,455**	**44,300**
Transactions that do not affect cash and cash equivalents				
Capitalized interest on loans and concession	16,530	3,660	17,776	20,832
Supplier's of fixed assets and intangibles	(4,790)	(14,554)	(34,147)	15,673
Complementary dividends proposed and interest on shareholders' equity credited	1,029,331	706,588	1,029,331	706,588
Offsetting of income tax and social contribution	34,302	28,485	50,823	99,237
Acquisition of property, plant and equipment provisioned due to future disbursements estimate	36,713	(151,008)	21,625	(66,973)
Balance of remaining installments related to purchase of investments, net of escrow account	22,639	-	36,068	15,881