

TRACTEBEL ENERGIA announces net income of R$ 1,501.3 million in 2015 - 8.5% higher than 2014

Company approves complementary dividend proposal of R$ 209.5 million

Florianópolis, Brazil, February 23, 2016. 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, 2015 (4Q15 and 12M15). 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 Reais (R$), except where otherwise indicated.

Highlights

- ✓ Tractebel Energia posted an accumulated net income of R$ 1,501.3 million in 2015 (R$ 2.3000/share), 8.5% or R$ 118.2 million higher than reported in 2014. This is largely due to the Company's energy allocation strategy and the result of transactions conducted across the Electric Energy Trade Board (CCEE).
- ✓ EBITDA[1] amounted to R$ 3,114.6 million in 2015, an increase of 7.6% or R$ 219.5 million compared with 2014. The EBITDA margin was 47.8% in 2015, a 3.1 p.p. increase compared to the preceding year.
- ✓ Net revenue from sales amounted to R$ 6,512.0 million in 2015, an increase of 0.6% or R$ 39.5 million compared to 2014.
- ✓ The average contracted energy sales price, net of exports and income tax was R$ 171.37/MWh in 2015: 14.9% greater than recorded in 2014. This increase reflects essentially price readjustments to existing agreements as well as to the higher prices prevailing for new agreements.
- ✓ The amount of energy sold in fiscal year 2015 was 36,012 GWh (4,111 average MW), 2.9% lower in volume terms than sold in fiscal year 2014.
- ✓ For the 11th consecutive year, Tractebel Energia was included in BM&FBovespa's Corporate Sustainability Index (ISE). The Company is one of the 10 names that have comprised the ISE since inception.
- ✓ The Company was ranked second in the 17th Abrasca Best Annual Report Award, in addition to receiving an Honorable Mention for the economic and financial analysis.
- ✓ In November, the Company sold 9.2 average MW for R$ 302.99/MWh of solar energy at the 2015 Second Reserve Energy Auction for a 20 year term, delivery to begin in 2018, the energy to be generated from the Assú V Photovoltaic Plant.
- ✓ For the second consecutive time, the Company was recognized by the Brazilian Institute for Ethics in Business as an outstanding institution in the Most Ethical Companies in Brazil Ranking.
- ✓ In December 2015, Fitch Ratings downgraded the Company's International Foreign Currency rating from BBB to BBB- with a negative outlook, as a consequence of the Brazilian sovereign rating downgrade. There have been no changes to Tractebel's Local Long Term Rating, which stands at 'AAA(bra)' with a stable outlook.
- ✓ Since December 17, 2015, the Company has been using a new logo, thus aligning its visual identity to that of its parent company, ENGIE.
- ✓ In December 2015, the Brazilian Electricity Regulatory Agency (Aneel) approved the Company's adherence to the hydrological risk renegotiation.
- ✓ Tractebel Energia's Board of Directors has approved the payout proposal for complementary dividends in the amount of R$ 209.5 million (R$ 0.3210/share), to be ratified by the Annual General Meeting.

Subsequent events:

- ✓ In a press release dated February 17, 2016, Standard & Poor's announced the downgrading of the Company's long-term corporate credit rating on the Brazil National Scale from 'brAAA' to 'brAA' – the former rating of which had been reassigned in December 2015 -, in the light of the downgrading in the Brazilian sovereign risk classification to 'brAA-'.
- ✓ At a meeting held on February 23, 2016, the Board of Directors approved the allocation of part of accumulated profits to a capital increase in the amount of R$ 290.5 million. This proposal is subject to ratification by the Annual General Meeting.

For Immediate Release

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Conference call and webcast:
On 24/02/2016 at 08:00 a.m. (EDT): in Portuguese (simultaneous translation into English).

Further details on Upcoming Events section, available on page 20.

Visit our website
www.tractebelenergia.com.br

Summary of Economic and Operational Indicators

Tractebel - Consolidated						
(In millions of R$)	**4Q15**	**4Q14**	**Chg.**	**12M15**	**12M14**	**Chg.**
Net Revenue from Sales (NRS)	1,709.2	1,728.1	-1.1%	6,512.0	6,472.5	0.6%
Results from Operations (EBIT)	805.1	733.8	9.7%	2,503.8	2,302.9	8.7%
EBITDA (1)	967.0	884.1	9.4%	3,114.6	2,895.1	7.6%
EBITDA / NRS - (%)(1)	56.6	51.2	5.4 p.p.	47.8	44.7	3.1 p.p.
Net Income	599.7	481.9	24.4%	1,501.3	1,383.1	8.5%
Net Debt (2)	1,214.8	2,237.8	-45.7%	1,214.8	2,237.8	-45.7%
Gross Power Production (avg MW) (3)	5,902	5,937	-0.6%	5,436	5,586	-2.7%
Energy Sold (avg MW)	4,099	4,337	-5.5%	4,111	4,232	-2.9%
Average Net Sales Price (R$/MWh) (4)	175.26	152.17	15.2%	171.37	149.20	14.9%
Number of Employees	1,168	1,174	-0.5%	1,168	1,174	-0.5%

(1) EBITDA: net income + income tax and social contribution + financial results + depreciation and amortization.
(2) Adjusted amount, net of gains from hedge operations.
(3) Total electricity output from the plants operated by Tractebel Energia.
(4) Net of taxes and exports.

TBLE3 NOVO MERCADO BM&FBOVESPA
IBOVESPA
Índice de Ações com Governança Corporativa Diferenciada IGC
Índice de Ações com Tag Along Diferenciado ITAG
Índice de Sustentabilidade Empresarial ISE 2016
MSCI 2015 Constituent MSCI Global Sustainability Indexes



OPERATING PERFORMANCE

Generating Complex

The largest private sector electricity generator in Brazil, Tractebel Energia has an **installed capacity of 7,044.3 MW and operates a generating complex of 8,765.0 MW.** This complex comprises 28 plants (nine hydro, five thermal and 14 complementary energy source plants - biomass, small hydro (SHP), wind-powered and solar), 24 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)	80.5	80.5	Jun/42
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	Apr/30
Trairi Complex**	Wind Farm	Trairi (CE)	115.4	115.4	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
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***
Tubarão P&D	Wind Farm	Tubarão (SC)	2.1	2.1	not applicable***
Total - Complementary			**375.7**	**365.6**	
Total			**8,765.0**	**7,044.3**	

(*) Complex comprised of 3 power plants.
(**) Complex comprised of 4 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

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	Mar/50
Campo Largo Complex - Phase I	Wind Farm	Umburanas and Sento Sé (BA)	326.7	326.7	Jul/50
Santa Mônica Complex	Wind Farm	Trairi (CE)	97.2	97.2	Jan/45
Assú V	Solar	Assú (RN)	36.7	36.7	N/D
Total			**4,550.6**	**2,300.6**	

(*) It is envisaged that ENGIE'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 auction organized by 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. The Ministry of Mines and Energy (MME) confirmed Jirau HPP´s new commercial capacity in Ordinance 337 of November 10, 2015 with an increase from 2,184.3 average MW to 2,205.1 average MW as from publication date. The 20.5 average MW increase represents the result of a review of the plant's hydraulic losses and as a consequence, ESBR was able to sell an additional 18 average MW at the A-1 Energy Auction held on December 13, 2015.



Power house – left bank – downstream view (Jan/16)

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 CO2/year when operating at full capacity, volume equivalent to more than 50% of the emissions from civil aviation in Brazil in 2013, according to data from the National Civil Aviation Agency (Anac).

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.

Total assured energy was reached upon the start of commercial operations of the 33rd unit in July 2015. With the conclusion of this important stage, the Jirau HPP is in full compliance with its commercial obligations in the regulated market, independently of the final solution to the exculpatory responsibility following events of vandalism in 2011 and 2012. **The project currently has 41 units in commercial operation and another three being assembled and synchronized to the network.**

In 2015, National Electric System Operator (ONS) data for generation and consumption shows the plant ranking third in average hydraulic output with a production of 1,292.89 average MW. Jirau HPP currently has the highest uptime in the National Interconnected System (SIN). In accordance with the prevailing business model, ENGIE's stake in the project is to be transferred to Tractebel Energia when the principal risks have been mitigated.



Pampa Sul TPP: concrete foundation

Pampa Sul Thermoelectric Power Plant – Rio Grande do Sul. The Pampa Sul TPP is to be sited in the Municipality of Candiota, state of Rio Grande do Sul 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 a 525 kv transmission line to the Candiota II substation, to be built by the Company. **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. The investment approved for the construction of the Plant was approximately R$ 1.8 billion. Also in November 2014, the Company protected the investment portion in foreign currencies against the exchange rate variation effects through hedging operations.

Under the Ministry of Mines and Energy's Ordinance 187 of May 8, 2015, Pampa Sul was approved as a priority project for the generation of energy. On June 19, 2015, the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama) issued the Installation License for the plant.



At present, earth-moving activities are in progress with the removal of organic soil and the excavations for the base of some of the structures (boiler, powerhouse and chimney stack) with completion scheduled for March 2016. Work on the foundations, initial framework and concreting of the boiler structures has already begun together with the building of the offices and dormitory accommodation.

Campo Largo Wind 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 total value of R$ 139.29/MWh, for a 20 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 (75.2 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 investment approved for the 11 wind farms was of approximately R$ 1.7 billion. The Company protected the investment portion denominated in foreign currencies against the exchange rate variation effects through hedging operations. Work is scheduled to begin in 2016 and commercial operations as from November 2018.

Santa Mônica Wind Complex – Ceará. Under construction in the Municipality of Trairi, state of Ceará, the Santa Mônica Wind Complex will be made up of the following projects with the respective installed capacities: Estrela Wind Farm, 29.7 MW (formerly named Trairi II Wind Farm); Cacimbas Wind Farm, 18.9 MW; Santa Mônica Wind Farm, 18.9 MW; and Ouro Verde Wind Farm, 29.7 MW (formerly named Santa Mônica SPE II). 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 investing of approximately R$ 460 million in the Complex, which will increase the capacity of Tractebel Energia generator park by a 97.2 MW of unconventional renewable energy once all the generator units are in commercial operations. At the A-3 Auction of August 21, 2015, **Tractebel Energia sold 46.0 average MW** for a term of 20 years from January 1, 2018, at an average Cost Benefit Ratio (ICB) of R$ 181.49/MWh and an average Short Term Economic Cost (CEC) of R$ 6.96/MWh, resulting in an **average selling price of R$ 188.45/MWh,** representing R$ 75.9 million of fixed annual revenue. Operations are scheduled to begin in 2Q16.



Santa Mônica Wind Complex: Eolift installation.

Assú V Photovoltaic Plant. At Aneel's (Aneel 009/2015 Auction) Second Reserve Energy Auction 2015 in November 2015, a company subsidiary sold 9.2 average MW for R$ 302.99/MWh of solar energy for a term of 20 years, delivery to begin on November 1, 2018. The energy is to be generated by the Assú V Photovoltaic Plant, which will have an installed capacity of 36.7 MW and a component of the Assú Photovoltaic Complex to be built in the Municipality of Assú state of Rio Grande do Norte.

At an investment of about R$ 220.0 million, the project is currently at the environmental licensing and solar radiation measurement stage. Work is programmed to begin in 2017, the plant becoming operational in 2018.

Projects under Development

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Tractebel's Share
Santo Agostinho Complex	Wind Farm	Lajes and Pedro Avelino (RN)	600.0	600.0
Norte Catarinense	Thermal	Garuva (SC)	600.0	600.0
Campo Largo Complex - Phase II	Wind Farm	Umburanas and Sento Sé (BA)	330.0	330.0
Alvorada	Solar	Bom Jesus da Lapa (BA)	120.0	120.0
Assú - Plants I and II	Solar	Assú (RN)	73.4	73.4
Total			**1,723.4**	**1,723.4**



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. Between December 2014 and December 2015, Tractebel Energias Complementares Participações Ltda., a subsidiary of the Company finalized the acquisition of the capital stock of 19 of the 24 SPEs, this constituting the first phase of the project to be developed and thus adding 475 MW to the Company's generator complex. Environmental studies are in preparation and the issue of a Preliminary License (LP) is expected for the second half 2016.



3D images from the Norte Catarinense TPP project.

Norte Catarinense Thermoelectric Power Plant – 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**. The Environmental Impact Study (EIA) together with the respective Environmental Impact Report (RIMA) have been concluded and the appropriate public hearing held on September 28. The Preliminary License is expected to be issued in 1Q16, the plant then being eligible for participation in future new energy auctions.

Campo Largo Wind Complex – Bahia (Phase II). The Company intends to **add about 330 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.

Alvorada Photovoltaic Complex. Tractebel Energia has acquired a site in the state of Bahia, - a region with potential for generating solar energy - for the development of four projects comprising the **Alvorada Photovoltaic Complex**. The projects, which **will have a total installed capacity up to 120 MWp**, are at the stage of environmental licensing and measurement of solar radiation.

The Company is also examining the potential for photovoltaic solar energy generation in areas where it is installing its wind farms. In addition, it is also analyzing partnerships which could accelerate the development of this energy source in line with the process of energy transition which is taking place at world level.

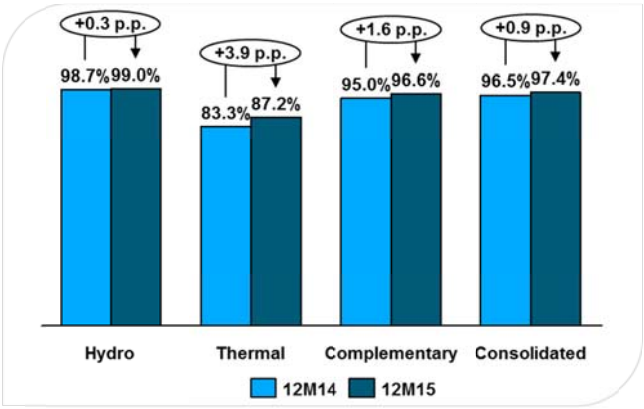
Assú Photovoltaic Complex. This Complex is being developed in the Municipality of Assú in state of Rio Grande do Norte, consisting of three photovoltaic plants with a total installed capacity of approximately 110 MWp. As already mentioned, the energy to be generated by the Assú V Photovoltaic Plant was sold at the 2015 Second Reserve Energy Auction. The Solar Plants I and II plants are currently at the environmental licensing and solar radiation measurement stages.

Uptime Operating

In 4Q15, the plants operated by Tractebel Energia reported uptime working of 97.9% ignoring scheduled stoppages: 99.0% for the hydroelectric plants, 91.6% for the thermoelectric plants and 95.4%, the plants fired from complementary energy sources – SHPs, biomass, wind and photovoltaic. **For the full 12-month period** of 2015 (excluding scheduled stoppages), the plants reported **uptime of 97.4%**, 99.0% in the case of the hydroelectric plants, 87.2% for the thermal powered units and 96.6% for the units driven by complementary sources.

Uptime Operating

Not considering scheduled shutdowns

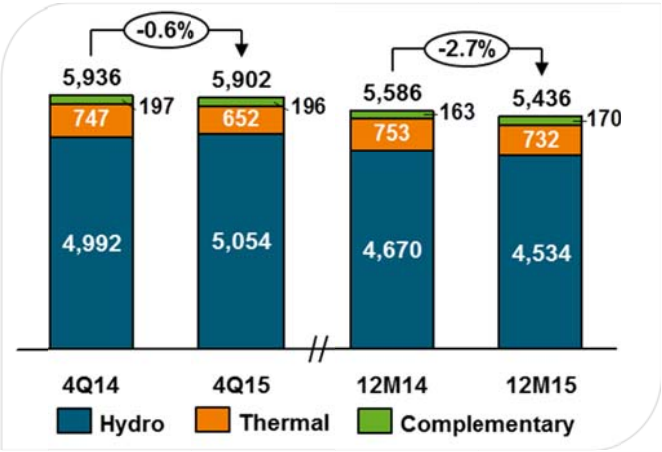


If all scheduled shutdowns are taken into account, the overall uptime in the fourth quarter 2015 was 86.7%: 88.9% for the hydroelectric plants, 71.2% for the thermoelectric plants and 90.5% for plants operating with complementary energy sources. The overall uptime for year-to-date was 86.9%: 89.1% for the hydroelectric plants, 72.5% for the thermoelectric plants and 87.2% for the plants from complementary energy sources. Uptime performance at the hydroelectric plants has been affected by the modernization work going on simultaneously at the Salto Santiago and Passo Fundo hydro power plants and a scheduled maintenance at Ponte de Pedra HPP, this has reflected in the overall ratio.



Production

Generation
Average MW



In 4Q15, electricity output from plants operated by Tractebel Energia was 13,031 GWh (5,902 average MW). This result is slightly less than production for 4Q14, representing a decline of 0.6%. Total production breaks down as follows: hydroelectric plants, 11,158 GWh (5,054 average MW), thermoelectric plants 1,441 GWh (652 average MW) and the complementary sourced units 432 GWh (196 average MW). Results point to an increase of 1.2% in relation to the hydro plants and a reduction of 12.7% and 0.8% at the thermoelectric and complementary operations, respectively.

Generation from the hydro plants was practically unchanged (albeit with a small increase) compared with 4Q15. On the other hand, there was a decline of more than 12% in output from the thermoelectric plants. This was due both to programmed maintenance stoppages - at the number 1 generator unit of the Jorge Lacerda A Thermoelectric Plant and more especially at the number 5 generator unit of the Jorge Lacerda B operation. Unscheduled stoppages such as the locking of the regenerative air heater at the Jorge Lacerda C Thermoelectric Plant also contributed to this decline.

In the 12-month period, the Company's total electricity energy output reached 47,622 GWh (5,436 average MW): a reduction of 2.7% in relation to 2014. This is due above all to low flow hydrology in the Northern Region, the location of the Estreito and Cana Brava hydro plants, and to the modernization of the generator units at the Salto Santiago, Passo Fundo and Ponte de Pedra operations. Out of total generated energy, the hydroelectric plants were responsible for 39,723 GWh (4,534 average MW), a 2.9% reduction; the thermal plants, for 6,410 GWh (732 average MW), a decline of 2.8%; and the complementary plants for 1,489 GWh (170 average MW), an increase of 4.0%.

In this context, it is worth pointing out that an increase in the Company's hydroelectric generation does not necessarily reflect an improvement in economic-financial performance. Conversely, a reduction in this type of generation does not inevitably imply a deterioration in economic-financial performance due to the adoption of the Energy Reallocation Mechanism (MRE), which defrays the risks of hydro generation among its participants.

As to the Company's thermal generation, its increase reduces exposure to the Price for the Settlement of Differences (PLD), the opposite being the case when there is a decrease, all other variables being equal.

Clients

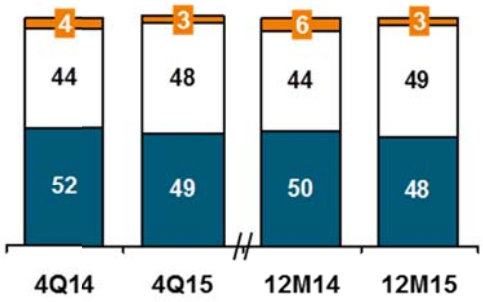
In 4Q15, **the participation of free consumers** in the Company's portfolio was 48.2% of physical sales and 45.9% of net revenue from sales, representing **increases of 4.3 p.p**. and **5.7 p.p**., respectively in relation to the same period in 2014.

Free consumers accounted for 48.8% of all physical sales and 47.3% of net revenue from sales in 12M15, year**-on-year increases of 4.8 p.p. and 6.6 p.p.**, respectively.

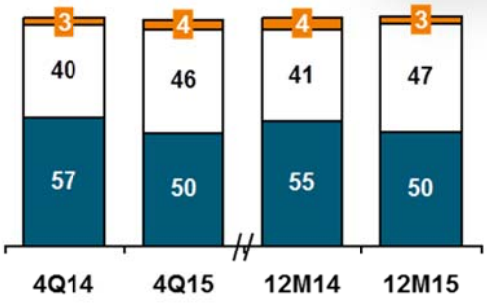
The growth in the participation of sales to free consumers shown in the following graphs reflects the inception of new agreements, monetary restatement of existing agreements and expiring contracts with distributors and trading companies where the respective electricity was sold on to free consumers or settled in the short term market.



Breakdown of Customers by Physical Sales
(%)



Breakdown of Customers in Contracted Sales Comprising Net Revenues from Sales
(%)



Distribution Companies | Free Customers | Trading Companies

Commercial 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 that open when the market shows a greater buying propensity.

Tractebel Energia's energy balance based on proprietary commercial capacity and power purchasing agreements outstanding as at **December 31, 2015** is as follows:

Energy Balance
(Average MW)

	2016	2017	2018	2019	2020	2021	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted as of 12/31/2015 (R$/MWh)
Own Resources	3,549	3,542	3,584	4,005	3,997	4,006			
+ Purchases for Resale	816	559	547	455	237	200			
= Total Resources (A)	**4,365**	**4,101**	**4,131**	**4,460**	**4,234**	**4,206**			
Regulated Sales*	1,681	1,323	1,369	1,756	1,603	1,603			
2005-EE-2009-08	353	-	-	-	-	-	94.0	Oct-05	160.7
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	194.5
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	213.5
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	223.4
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	200.6
2014-EE-2014-06	150	150	150	150	-	-	270.7	May-14	292.8
Proinfa	44	44	44	44	44	44	147.8	Jun-04	279.4
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	230.5
Auction Mix (Reserve / New Energy / DG)	18	18	18	17	14	14	-	-	217.9
2014-NE-2019-25	-	-	-	295	295	295	183.5	Nov-14	204.6
2014-NE-2019-25	-	-	-	10	10	10	206.2	Nov-14	230.0
2014-NE-2019-20	-	-	-	83	83	83	139.3	Nov-14	155.4
2015-EE-2016-01	5	-	-	-	-	-	169.4	Dec-15	169.4
2015-NE-2018-20	-	-	46	46	46	46	188.5	Aug-15	194.8
+ Bilateral Sales	2,535	2,522	2,175	1,704	1,187	708			
= Total Sales (B)	**4,216**	**3,845**	**3,544**	**3,460**	**2,790**	**2,311**			
Balance (A - B)	**149**	**256**	**587**	**1,000**	**1,444**	**1,895**			
Sales average **net** price (R$/MWh)*1:	172.9	168.0	167.2						
Purchases average **net** price (R$/MWh)*2:	200.7	187.9	198.0						

* XXXX-YY-WWW-ZZ, where:
XXXX ➔ year of auction
YY ➔ EE = existing energy or NE = new energy
WWWW ➔ year of delivery start
ZZ ➔ supply contract duration (in years)
*1: Sales price is net of ICMS and taxes over revenues (PIS/Cofins, R&D), as of 12/31/15, i.e. future inflation is not considered.
*2: Purchase net price, considering benefits from PIS/Cofins credits, as of 12/31/15, i.e. future inflation is not consdered.
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.



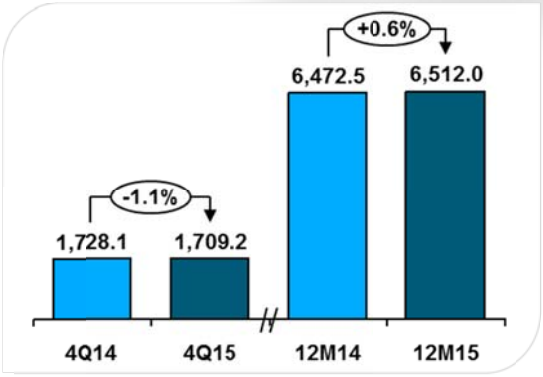
ECONOMIC-FINANCIAL PERFORMANCE

Net Revenue from Sales

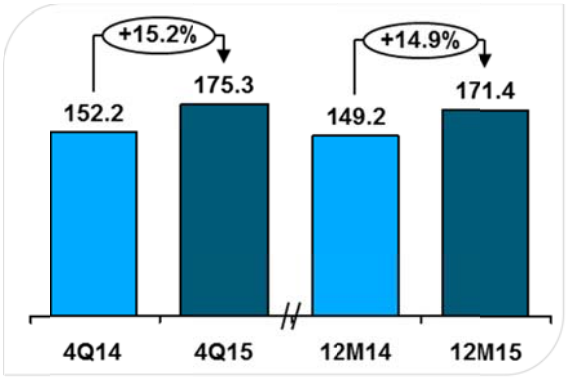
In 4Q15, net revenue from sales reported a decline of 1.1%, equivalent to R$ 18.9 million, compared with the same period in 2014, a reduction from R$ 1,728.1 million to R$ 1,709.2 million. The principal factors contributing to this variation were as follows: (i) R$ 92.3 million - a reduction in the volumes of energy sold; (ii) R$ 148.7 million – a decline in revenue from transactions conducted on the short term market including those within the scope of the Electric Energy Trade Board (CCEE), reductions nearly all offset by (iii) R$ 221.4 million – representing an increase in net average selling price.

When comparing consecutive years, net revenue from sales increased from R$ 6,472.5 million in 2014 to R$ 6,512.0 million in 2015, representing **growth of R$ 39.5 million, or 0.6%.** This increase is largely due to the following combination of factors: (i) R$ 822.5 million — an increase in the net average selling price; (ii) R$ 600.5 million — a reduction in revenue from transactions in the short term market, including those conducted within the scope of the CCEE; and (iii) R$ 182.3 million — lower reduced energy sales.

Net Revenue from Sales
R$ milhões



Net Average Selling Price*
R$/MWh



(*) net of taxes and exports

✓ **Net Average Selling Price**

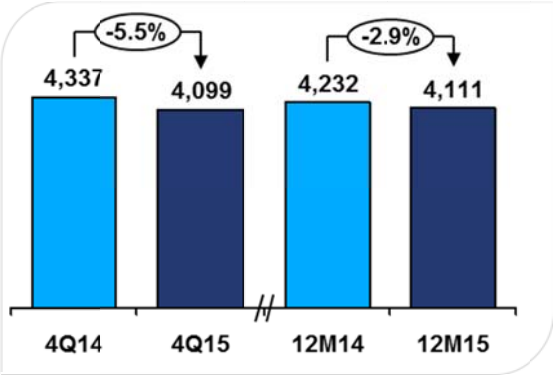
The average selling price, net of tax, reached R$ 175.26/MWh in 4Q15, 15.2% greater than in the same quarter for 2014 when average prices stood at R$ 152.17/MWh. For the 12 months of 2015, this price was R$ 171.37/MWh, **14.9% higher than the R$ 149.20/MWh reported for 2014**. The price hike was largely due to monetary restatement of existing agreements as well as higher prices negotiated for new agreements.

✓ **Sales Volume**

Energy sales volume declined from 9,577 GWh (4,337 average MW) in 4Q14 to 9,052 GWh (4,099 average MW) in 4Q15, a reduction of 5.5%, or 525 GWh (238 average MW) between the periods under comparison.

In 2015, energy sales volume was 36,012 GWh (4,111 average MW) against 37,072 GWh (4,232 average MW) recorded in 2014, **a reduction of 1,060 GWh (121 average MW) or 2.9%.** These variations in the quarter and fiscal year were due to a combination of the following key factors: (i) the expiry of agreements with distributors and trading companies, where the related energy was sold to free consumers or settled on the short term market, attenuating the negative impacts arising from the systemic deficit in hydroelectric generation; and (ii) an increase in purchase volumes.

Sales Volume
Average MW



Comments on Variation in Net Revenue from Sales by Client Class

✓ **Distributors**

Net sales revenue from distributors reached R$ 803.3 million in 4Q15, 2.8% lower than the R$ 826.8 million recorded for the same quarter in 2014 due to the combination of the following effects: (i) R$ 101.9 million - reduction of 582 GWh (263 average MW), or 11.7% of sales volume; and (ii) R$ 78.4 million - an increase of 10.1% in net average selling price.



In 2015, net revenue was R$ 3,046.6 million, a slight **increase of 0.1% in relation to fiscal year 2014**, when net revenue was R$ 3,044.0 million. This growth is a reflection of the association of the following variations: (i) R$ 246.1 million – growth of 8.4% in net average selling price; and (ii) R$ 243.5 million – reduction of 7.7%, or 1,434 GWh (163 average MW) in energy sales volume.

✓ **Trading Companies**

Net sales revenue from trading companies rose from R$ 44.7 million in 4Q14 to R$ 55.6 million in 4Q15, an increase of 24.4% between comparative periods as a result of the following factors: (i) R$ 26.5 million - an 68.1% increase in net average selling price; and (ii) a decrease of 108 GWh (49 average MW), or 26.0%, in the amount of energy sold and equivalent to R$ 15.6 million.

In 2015, revenue amounted to R$ 209.0 million, **12.6% down from 2014** - R$ 239.2 million. The reduction represents the results of the following factors: (i) R$ 129.4 million - a fall of 42.8% or 881 GWh (101 average MW) in energy volume sold; and (ii) R$ 99.2 million - growth of 52.7% in the net average selling price.

✓ **Free Consumers**

Net sales revenue from free consumers increased by 24.2% between the quarters under review from R$ 585.8 million in 4Q14 to R$ 727.5 million for the same period in 2015 due to the following effects: (i) R$ 116.5 million - an increase of 19.5% in the net average selling price; and (ii) R$ 25.2 million - a growth of 165 GWh (74 average MW), or 3.9% in energy volumes sold.

In 2015, the Company reported revenue from this segment of R$ 2,915.7 million, 29.7% greater than the R$ 2,247.9 million posted in 2014. This expansion reflects: (i) R$ 477.2 million — growth of 20.4% in net average selling prices; and (ii) R$ 190.6 million — again a growth of 1,255 GWh (143 average MW) or 7.7% in the energy sales volume.

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

In 4Q15, revenues from short term market business and including transactions across the CCEE, were R$ 111.2 million, while in the same period in 2014, these same revenues were R$ 259.9 million, a decline of R$ 148.7 million between the compared quarters. **Again for the 12 months of 2015, there was a year-on-year decline of R$ 600.5 million** in short term transaction revenue from R$ 903.1 million in 2014 to R$ 302.6 million. The results recorded for this item in 4Q15 and 12M15 include an increase in revenue of R$ 78.6 million, booked in 4Q15 and reflecting the renegotiation of hydrological risk for some of the Company's plants where energy was commercialized under the Regulated Contracting Environment pursuant to Law 13,203/2015. A more detailed explanation of these variations is to be found in the item below "Details of short term operations conducted through the CCEE".

Costs of Electric Energy and Services

Costs of energy and services recorded a reduction of R$ 96.5 million, or 10.3%, between the compared quarters, falling from R$ 941.3 million in 4Q14 to R$ 844.8 million in the quarter under analysis. In 2015, these same costs were **R$ 3,803.1 million, 4.3% or R$ 171.7 million** less than in 2014. These variations are essentially due to the following principal factors:

✓ **Electric energy purchased for resale:** an increase of R$ 181.4 million in 4Q15, compared to the same quarter in 2014, and of R$ 506.5 million in 2015 in relation to 2014, largely reflecting (i) price readjustments for existing agreements; and (ii) an increase in medium and long term purchases of 498 GWh (226 average MW) in 4Q15 and 552 GWh (63 average MW) in 12M15, particularly the acquisition of surplus energy from the Jirau Hydroelectric Power Plant.

✓ **Transactions in the short term market including those conducted through the CCEE:** comparing the two quarters, costs of these transactions fell by R$ 339.1 million. On a full fiscal year comparative basis, there was a reduction of R$ 972.4 million in costs. Such variations include a reduction in costs of R$ 120.2 million in 4Q15, relative to the effects arising from the completion of renegotiation of hydrological risk. Greater details are given in the specific item below.

✓ **Fuels for the production of electric energy:** growth of R$ 17.3 million when comparing 4Q15 with the same quarter in 2014 and R$ 45.8 million comparing the respective successive fiscal years. These increases reflect rising unit prices and the distribution costs of natural gas consumed at the William Arjona Thermoelectric Power Plant due to the depreciation of the Real against the US dollar.

✓ **Charges for the use of and connection to the electricity grid:** an increase of R$ 6.4 million between compared quarters and R$ 30.5 million on a 2014 x 2015 comparative basis, both increases due to the readjustment in annual tariff transmission charges.



✓ **Materials and third party services:** 4Q15 figures reported a year-on-year rise of R$ 9.4 million and R$ 33.0 million when the two consecutive fiscal years are compared. This was largely due to the greater demand for operational and maintenance services, notably at the Jorge Lacerda Thermoelectric Complex, the Charqueadas Thermoelectric Power Plant and the Salto Santiago and Estreito hydroelectric plants.

✓ **Financial compensation for use of water resources (royalties):** an increase of R$ 5.4 million and R$ 7.5 million between the compared quarters and the full fiscal years, 2015 and 2014, respectively, basically due to annual price readjustments.

✓ **Personnel:** an increase of R$ 10.9 million in 4Q15 in relation to the same quarter in 2014 and R$ 22.3 million between the years under analysis, in large part due to the annual adjustment in employee compensation and benefits.

✓ **Depreciation and amortization:** an increase of R$ 0.9 million and R$ 7.4 million on a quarterly and full fiscal year comparative basis, respectively, mainly due to additions to the Company's generator complex asset base.

✓ **Net operational provisions:** negative impact on the result of R$ 13.4 million in 4Q15 compared with 4Q14 and R$ 77.2 million comparing this item on a full fiscal year basis. When comparing variations on a quarterly basis, the results reflect largely events occurring in 4Q14: (i) R$ 92.3 million — reversal of a provision for a civil action relative to the collection of a surcharge on the Tariff for Use of the Transmission System by Ponte de Pedra Hydroelectric Power Plant (UHPP), following a decision found in favor of the Company, thus reducing the risk of loss from a judicial process; (ii) R$ 89.3 million — establishment of a provision for a civil action involving a dispute with a supplier on the application of the prevailing legislation with respect to the price of a raw material input consumed by the Company; (iii) R$ 15.7 million — reversal of a provision for a Brazilian Social Security Department (INSS) collection as a result of the Company's agreement to a tax amnesty known as the "REFIS da Copa"; and (iv) R$ 6.1 million — constitution of a civil provision with respect to indemnification for expropriations at Cana Brava Hydroelectric Power Plant. The principal factors which contributed to increased provisions in 2015 in relation to the preceding year were: (i) the above mentioned items (i) and (iii); (ii) the reduction of R$ 17.7 million in 2015 in the provision for the civil action arising from the judicial dispute with a supplier (mentioned above); and (iii) R$ 12.2 million with respect to the constitution and reversal for payment in 4Q14 and 1Q15, respectively, of a provision for a civil action with respect to indemnification for expropriations at Cana Brava Hydroelectric Power Plant.

✓ **Others:** positive variation of R$ 2.6 million in 4Q15 compared with the same period in 2014. Comparing fiscal years, the variation was negative at R$ 70.6 million, essentially reflecting: (i) reversal of prescribed liabilities in 2014 for R$ 54.8 million relating to energy purchases and transmission overheads; (ii) payment of R$ 6.1 million in indemnifications for expropriations which took place in 2015; and (iii) an increase of R$ 10.0 million in the premium on the Company's renewed insurance policies.

Details of Short Term Operations, Including Transactions on 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 generation in relation to allocated energy from the plants which are part of the MRE 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 PLD price.



In 4Q15 and in 4Q14, net results (difference between revenues and costs — less taxes on revenues and costs) arising from short term transactions conducted within the scope of the CCEE, were positive at R$ 304.4 million and R$ 114.0 million, respectively, representing a positive variation in the result of R$ 190.4 million for 4Q15.

This variation is largely due to a combination of the following factors: (i) a major reduction in the negative effect of the adjustment in physical guarantee in relation to the GSF (Generation Scaling Factor); (ii) a decline in the long position on the CCEE, a reflection of the Company's monthly power allocation strategy; (iii) a decrease in thermoelectric exposure due to the significant reduction in average PLD for 4Q15 in spite of the overall increase in volume exposure; (iv) recognition in 4Q15 of the effects of the signing up to the hydrological risk renegotiation at some of the Company's plants where energy is sold in the Regulated Contracting Environment (ACR) pursuant to Law 13,203/2015; (v) reduced impact of results from transactions on the CCEE in 4Q15 compared with 4Q14 with the recognition of amounts due to the recovery from the negative impacts of operations through the CCEE in 2014 following forced stoppages at company generator units; (vi) increase in revenue with ancillary services; and (vii) the increase in MRE revenue linked to the Energy Optimization Tariff (TEO). Items (ii) and (v) attenuated the positive effect of the other items.

For 2015 as a whole, the gross net result from short term transactions, including those executed through the CCEE, was positive at R$ 235.7 million against a negative result of R$ 136.2 million in 2014, that is **an improvement of R$ 371.9 million** between comparative years.

This variation again largely reflects the combination of factors described for the quarterly comparison, albeit for annualized amounts and values, plus; (i) the positive effects of short term transactions in 2015; and (ii) the reversal in 2Q14 of the provisions for supposed costs relative to the participation of generators in the prorating of System Service Charges (ESS) as per CNPE Resolution 03, given the reduced risk of loss from a judicial action contesting the collection of these amounts.

Worthy of note also was the significant reduction in average PLD when comparing the quarters and the full 12 month periods for each year, thus contributing significantly to mitigating negative impacts stemming from the application of the GSF and thermoelectric exposure, and on the other hand, to the reduction in the positive effects arising from surplus energy settled through the CCEE.

On a year-on-year comparative basis, the average PLD for the South and Southeast/Central-Western submarkets declined by 76.1% from R$ 719.99/MWh in 4Q14 to R$ 171.97/MWh in 4Q15. When comparing the full 12 month periods, the **PLD for the same submarkets fell by 57.8% from R$ 675.81/MWh in 2014 to R$ 285.41/MWh in 2015**.

Pursuant to Aneel´s ordinances, in December 2015 the Company formally signed up to the renegotiation of the hydrological risk for plants where energy is sold through the Regulated Contracting Environment. The Company adopted this decision following enactment of Law 13,203/2015 and in order to mitigate the negative effects of the GSF on generator plants subject to the Energy Reallocation Mechanism - MRE. As a condition to signing up to the renegotiation, the Company agreed to remove all preliminary injunctions impeding the payment of the GSF at its plants.

This renegotiation was made retroactive to January 2015 and resulted in the reimbursement (net of the 2015 risk premium) for R$ 223.1 million, booked to the asset "Renegotiation of hydrological risk to appropriate", which will be offset against future risk premiums to be incurred by the Company.

The following table shows the results for reimbursement following renegotiation for 2015 and the extension of the term for amortization of unit premiums under the ACR mechanism by product class.

Plant	Product	Amount Renegotiated average MW	Amount Renegotiated MWh	Net unit reimbursement (R$)	Total reimbursement (R$ million)	Term* (years)
Cana Brava HPP	SP92	261.66	2,292,177	18.26	41.9	13.25
Itá HPP	SP92	336.00	2,943,360	18.26	53.7	13.25
Machadinho HPP	SP92	84.04	736,190	18.26	13.4	13.25
Ponte de Pedra HPP	SP95	123.55	1,082,315	23.80	25.8	7.17
Salto Santiago HPP	P97	150.00	1,314,000	24.36	32.0	2.92
São Salvador HPP	SP91	142.13	1,245,048	16.52	20.6	17.25
Estreito HPP	SP91	247.13	2,164,859	16.52	35.8	17.25
TOTAL		**1,344.51**	**11,777,950**		**223.1**	

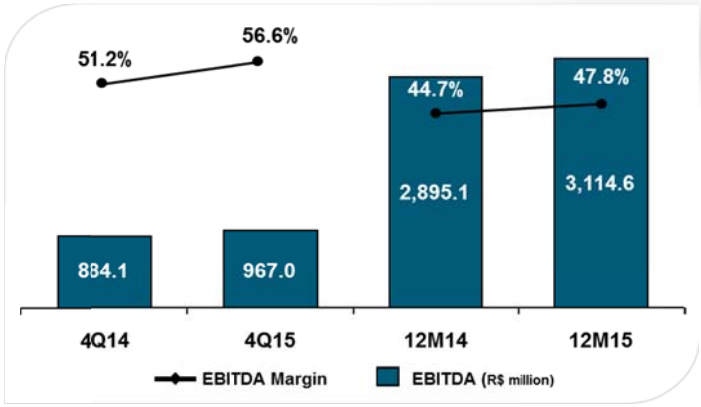
* Extension term as from January 1, 2016 for payment of the premium for reimbursement to 2015 results.



EBITDA and EBITDA Margin

Reflecting the aforementioned effects, EBITDA for 4Q15 was R$ 967.0 million, 9.4%, or R$ 82.9 million, above than the R$ 884.1 million posted in 4Q14. The EBITDA margin was 56.6% in 4Q15, representing an increase of 5.4 p.p. compared with 4Q14. These increases are largely a reflection of a combination of the following factors: (i) an increase of R$ 181.4 million in power purchases for resale; (ii) the positive impact of R$ 190.4 million from transactions executed in the short term market, including those conducted within the scope of the CCEE; (iii) an increase of R$ 129.1 million in net revenues from contracted energy sales; (iv) an increase of R$ 17.9 million in payroll costs and expenses; (v) a R$ 17.3 million increase in fuel consumption; (vi) the negative effect of R$ 14.3 million in net operational provisions; and (vii) an increase of R$ 5.7 million in other costs and operational expenses.

EBITDA (1) and EBITDA Margin



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

EBITDA increased by 7.6% or R$ 219.5 million from R$ 2,895.1 million in 2014 to R$ 3,114.6 million in the subsequent year. The Company reported an EBITDA margin of 47.8%, an increase of 3.1 p.p. in relation to 2014. This performance largely reflects a combination of the following factors: (i) an increase of R$ 640.2 million in net revenue from sales of contracted energy; (ii) growth of R$ 506.5 million in energy purchases for resale; (iii) the positive impact of R$ 426.4 million in transactions conducted in the short term market including those executed within the scope of the CCEE; (iv) reversal in 2014 of a provision of R$ 54.5 million for impacts arising from CNPE Resolution 03, published in 2013; (v) a R$ 45.8 million increase in fuel consumption; (vi) an increase of R$ 30.5 million in charges for the use of the electricity network and connection; (vii) a reduction of R$ 17.7 million in 2015 in relation to the preceding year in a provision for a civil action arising from a legal dispute with a fuel supplier; (viii) reversal in 2014 of provisions for the collection of a surcharge on Ponte de Pedra Hydroelectric Power Plant's Tariff for Use of the Transmission System in the amount of R$ 92.3 million; (ix) reversal of prescribed liabilities in 2014 amounting to R$ 54.8 million; and (x) an increase of R$ 80.4 million in other costs and operational expenses. **If the non-recurring events in 2014** mentioned items (iv), (viii) and (ix) are factored out, **the increase in EBITDA would have been R$ 421.1 million, or 15.6% greater in 2015 in relation to the preceding year.**

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

(In millions of R$)	4Q15	4Q14	Chg. %	12M15	12M14	Chg. %
Net income	599.7	481.9	24.4	1,501.3	1,383.1	8.5
(+) Income tax and social contribution	108.0	133.5	-19.1	531.9	573.5	-7.3
(+) Financial expenses, net	97.5	118.4	-17.7	470.6	346.3	35.9
(+) Depreciation and amortization	151.6	150.3	0.9	600.4	592.1	1.4
(+) Impairment	10.3	0.0	-	10.3	0.0	-
EBITDA	**967.0**	**884.1**	**9.4**	**3,114.6**	**2,895.1**	**7.6**



Financial Result

Financial income: in 4Q15, this income reached R$ 85.6 million, amount R$ 48.8 million or 132.6% higher than R$ 36.8 million reported for the same quarter in 2014, largely due to the increase in income from the Company's financial investments.

On a full fiscal year-on-year comparative basis, financial revenue increased R$ 74.4 million, or 36.0% from R$ 206.4 million in 2014 **to R$ 280.8 million in 2015**. This variation is largely the result of the following factors: (i) an increase of R$ 138.8 million in revenue from financial investments; (ii) a reversal of R$ 61.4 million in 2014, corresponding to interest and monetary restatement of prescribed liabilities already mentioned in the item "Costs of Energy Sales and Services - Others"; (iii) recognition in 2014 of R$ 11.0 million in gains as a result of legal rulings in favor of the Company; and (iv) an increase of R$ 4.0 million in the monetary restatement of court escrow accounts.

Financial expenses: expenses in 4Q15 were R$ 183.0 million, R$ 27.9 million or 18.0% higher than reported for the same quarter in 2014 when expenses were R$ 155.1 million. The principal variations in this item were (i) an increase of R$ 53.3 million in interest and monetary restatement of concession fees payable; (ii) a positive impact of R$ 21.4 million in interest and monetary restatement on provisions, mainly due to the reversal of a provision for a civil action involving a power purchasing agreement; (iii) a decrease in interest on R$ 9.7 million in contingencies; (iv) an increase of R$ 8.5 million in interest and monetary restatement on debt; and (v) a reduction of R$ 3.5 million in net interest on actuarial liabilities and currency variation expenses.

On a full fiscal year basis, expenses rose from R$ 552.7 million **to R$ 751.4 million**, a R$ 198.7 million or 36.0% increase, resulting largely from the combination of the following variations: (i) growth of R$ 75.6 million in interest and monetary restatement of debt; (ii) an increase of R$ 138.3 million in interest and monetary restatement on concession fees payable; (iii) a decrease of R$ 17.9 million in interest and monetary restatement of provisions and contingencies; and (iv) an increase of R$ 4.5 million in currency translation expenses on corporate debt.

Income Tax and Social Contribution on Net Income

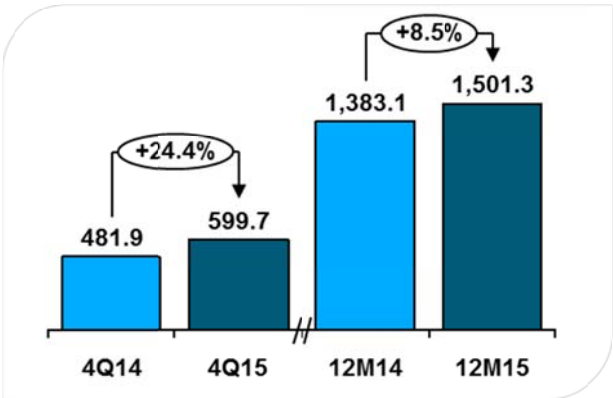
Income Tax and Social Contribution charges in 4Q15 were R$ 108.0 million, R$ 25.5 million less than the same quarter for 2014 when this item reported a total of R$ 133.5 million. The decrease was largely due to the increase of interest on equity credited to shareholders during 2015.

For the full 12-month period, these expenses declined from R$ 573.5 million in 2014 **to R$ 531.9 million in 2015:** a difference of R$ 41.6 million. This variation also reflects the factor mentioned in the preceding paragraph. **The effective tax rates on profits in 2015 and 2014 were 26.2% and 29.3%, respectively.**

Net Income

The Company's net income for 4Q15 was R$ 599.7 million, R$ 117.8 million or 24.4% higher than the R$ 481.9 million posted for the same quarter in 2014. This increase largely reflects: (i) an increase of R$ 82.9 million in EBITDA; (ii) a R$ 20.9 million fall in net financial expenses; (iii) an increase of R$ 1.2 million in depreciation and amortization; (iv) the recognition of asset impairment for 2015 amounting to R$ 10.3 million; and (v) a reduction of R$ 25.5 million in income tax and social contribution overheads.

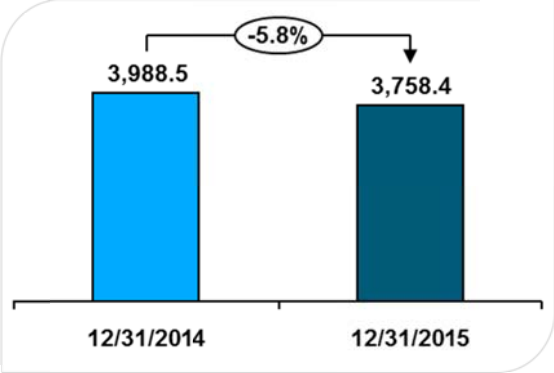
Net Income
R$ million



Net income rose from R$ 1,383.1 million in 2014 to R$ 1,501.3 million in 2015, or an **R$ 118.2 million, or 8.5% increase**. This variation was principally due to: (i) a R$ 219.5 million improvement in EBITDA; (ii) an increase of R$ 124.3 million in net financial expenses; (iii) an increase of R$ 8.3 million in depreciation and amortization expenses; (iv) recognition of asset impairment of R$ 10.3 million in fiscal year 2015; and (v) a R$ 41.6 million reduction in income tax and social contribution expenses.

Debt

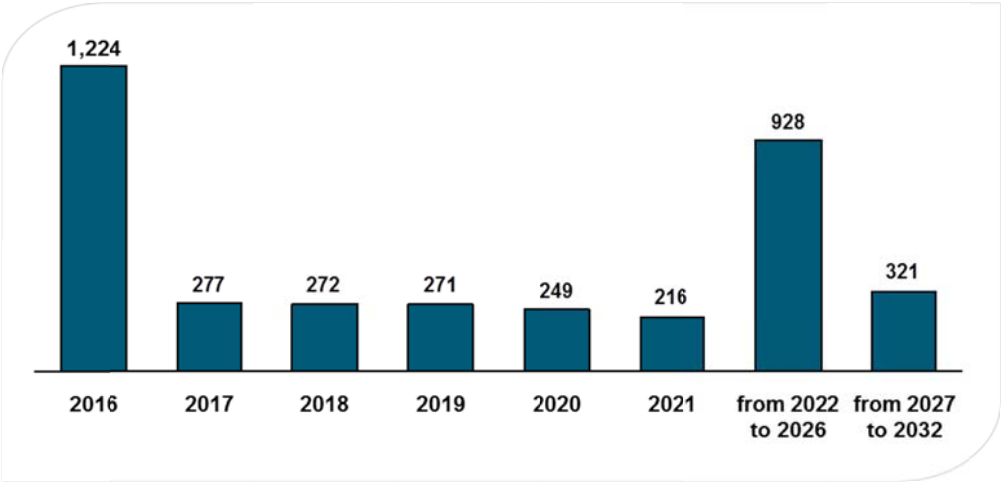
Total Debt
R$ million



The Company's **total gross consolidated debt** as at December 31, 2015, represented mainly by loans, financing and debentures, **net of hedge operations, totaled R$ 3,758.4 million, a decrease of 5.8%** or R$ 230.1 million, compared to the position as at December 31, 2014. Of total corporate debt at the end of the period, 34.2% was currency denominated (29.9% at the end of 2014). However, if the contracted swap operations are taken into account, **currency exposure was zero at the end of the period under analysis.**

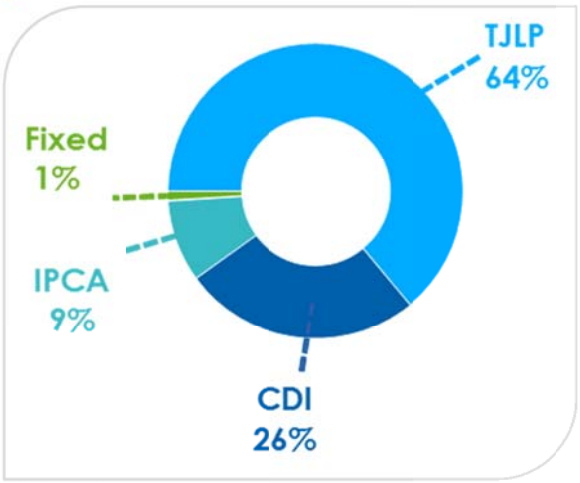
The variation in Company debt is largely related to a combination of the following factors occurring between 4Q14 and 4Q15: (i) drawdowns from the BNDES and its financial agents in the aggregate amount of R$ 104.6 million for investments in the modernization of the Salto Santiago and Passo Fundo HPPs and the Jorge Lacerda Thermoelectric Complex and for the expansion of Ferrari TPP; (ii) loan agreements in US dollars equivalent to R$ 27.0 million, subject to swap operations for protecting the total cash flow from foreign currency appreciation; (iii) R$ 394.4 million in charges payable together with monetary restatement and currency translation effects; and (iv) R$ 760.7 million in amortization of loans, financing and debentures.

Maturity Term Loans
R$ million



The **average weighted nominal cost of debt** in the end of 2015 was **11.1%.**

Composition of Debt





On December 31, 2015, the Company's **net debt** (total debt less derivative operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 1,214.8 million**, **a reduction of 45.7%** compared with the end of 2014.

Net Debt
R$ million

	12/31/2015	12/31/2014	Chg. %
Gross debt	4,247.2	4,052.7	4.8
Result of derivatives operations	(488.8)	(64.2)	660.9
Deposits earmarked for the payment of debt	(146.8)	(146.0)	0.5
Cash and cash equivalents	(2,396.9)	(1,604.7)	49.4
Total net debt	**1,214.8**	**2,237.8**	**-45.7**

Capital Expenditures

In 4Q15, Tractebel Energia invested R$ 200.9 million, of which R$ 45.9 million was allocated to projects for maintenance and revitalization of the generator complex; R$ 11.1 million, to the modernization of hydroelectric power plants; and R$ 143.9 million to the construction of new plants.

In 2015, the Company invested a total of R$ 917.3 million in construction, maintenance and revitalization of its generator complex and in the acquisition of projects. Construction work at the Santa Mônica and Campo Largo wind parks, the Pampa Sul TPP, the Central Fotovoltaica Assú and the Ferrari TPP involved further investments of R$ 493.6 million and will translate into an increase of about 11% in the Company´s installed capacity over the next four years. A further R$ 222.9 million was dedicated to investments in maintenance projects with a view to the continuation of a high plant uptime factor, this being 97.4% in 2015 as mentioned in the "Uptime" item. A total of R$ 134.5 million was invested in the modernization of the Salto Santiago and Passo Fundo plants - permitting a 12.2 average MW increase in the Company's physical guarantee in 2015. During the year, the Company also acquired projects totaling R$ 66.3 million.

Proposed Complementary Dividends

At a meeting held on February 23, 2016, Tractebel Energia's Board of Directors approved the proposal for a payout of complementary dividends for the period from January 1 to December 31,2015 **in the amount of R$ 209.5 million (R$ 0.3209526559 per share).** This proposal is to be ratified by the Annual General Meeting, on which it is also incumbent to establish conditions for payout.

Total payout of profits in 2015 will amount to R$ 834.8 million, equivalent to R$ 1.2788764646 per share or 55% of net adjusted distributable income.



COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainable Management

All plants under the Company's responsibility adhere to Tractebel Energia Sustainable Management Policy, which covers the areas of Quality, Environment, Occupational Health and Safety, Social Responsibility and Energy Management. Out of the 28 plants installed in 12 states of Brazil's five regions, 14 (with an aggregate capacity of 83.6% of the total operated by the Company) are certified in accordance with NBR ISO 9001 (for Quality), NBR ISO 14001 (for the Environment) and NBR OHSAS 18001 (for Occupational Health and Safety) standards. In the area of Social Responsibility, the Company endeavors to adhere to the directives in the NBR ISO 26000 guide (which is not susceptible to certification); the three plants in the Jorge Lacerda Thermoelectric Complex are among the 14 which are certified according to the NBR ISO 50001 standard for Energy Efficiency.

In addition to the Sustainable Management Policy, other standards related to the Company's commitment to sustainable development are included in the corporate website on such themes as Human Rights, Stakeholder Engagement and Climate Change as well as the Sustainability Committee's Internal Charter, the code for the Environment and Ethics and the Sustainability Reports. Since 2007, the Company has been publishing its Sustainability Report annually based on Global Reporting Initiative (GRI) recommendations and since 2014 also making use of the International Integrated Reporting Council (IIRC) framework.

Sustainability Committee

Tractebel´s Sustainability Committee was set up in 2007 and is currently made up of 12 members drawn from different areas, more especially those related most closely to stakeholders, such as shareholders, clients, suppliers, employees, the media and communities. Coordination is the responsibility of the Administrative Director's Office while one of the Committee members is the Board employee representative. Among others, the Committee has as its objectives to:

- ✓ contribute towards maintaining the balance of interests of the different stakeholders in relation to the Company;
- ✓ develop awareness programs to propagate concepts and practices of sustainability among both internal and external audiences; and
- ✓ contribute to the use of best corporate governance practices; and
- ✓ propose, obtain approval from the Management Board and work on a coordinated basis with the organizational units to achieve the annual corporate sustainability goals ("Tractebel Energia Sustainability Goals"). These goals are based on four Programs — Cultural Development, Environmental Improvement, Social Inclusion and Education for Sustainability —, with initiatives linked to indicators and weightings so permitting an evaluation at the end of each year. The 2014 goals and results achieved are contained in the Sustainability Report for that year. Likewise, the goals for 2015 will be included in the respective Report for the year, to be published in the website in April and May 2016 in Portuguese and English languages, respectively.

Highlights of the Quarter and Year

The leading highlight both for the quarter and the year itself in relation to the Company´s commitment to sustainable development was Tractebel Energia´s continuing presence as a component of BM&FBovespa's Corporate Sustainability Index (ISE), this for the 11th consecutive year. The ISE serves as a tool for the comparative analysis of the performance of companies listed on the BM&FBovespa from the point of view of corporate sustainability, measuring economic efficiency, environmental equilibrium, social justice and corporate governance. Until 2015, this stock index represented an equities portfolio of up to 40 companies although now reduced to 35 in 2016. Tractebel Energia and only a further nine companies have made up the ISE since its inception in 2005.

The Company's 2014 Sustainability Report was highlighted in the 17th Abrasca Award – Annual Report, ranking in second ahead of all the other companies in the Brazilian electricity sector, also receiving an honorable mention for the economic and financial analysis, both results being announced at the end of November.

Sustainability Indicators

Since 2012, it has been standard practice of the Company to include the principal sustainability indicators for each quarter in its quarterly results presentations. The following table shows the indicators for 4Q15, with a new feature associating each indicator with GRI recommendations.

The following table shows the quarter's highlights in relation to the socio-environmental indicators:



Sustainability Indices[1]

Item	Dimension[2]	Index[3]	GRI disclosure[4]	4Q15	4Q14	Change	12M15	12M14	Change
1	Quality	Operating plants	EU1, G4-9	28	27	1	28	27	1
2		Total operating installed capacity (MW)	EU1, G4-9	8,765	8,748	0.2%	8,765	8,748	0.2%
3		Number of certified plants	EU6, G4-15	14	14	-	14	14	-
4		Certified installed capacity (MW)	EU6, G4-15	7,330	7,330	-	7,330	7,330	-
5		Certified installed capacity in relation to the total	EU6, G4-15	83.63%	83.79%	-0.2 p.p.	83.63%	83.79%	-0.2 p.p.
6		Installed capacity from renewable sources	EU1, G4-9	7,646	7,629	0.2%	7,646	7,629	0.2%
7		Installed capacity from renewable sources in relation to the total	EU1, G4-9	87.23%	87.21%	0.02 p.p.	87.23%	87.21%	0.02 p.p.
8		Energy generation (GWh)	EU2	13,031	13,108	-0.6%	47,622	48,942	-2.7%
9		Certified energy generation	EU6, G4-15	11,829	11,521	2.7%	41,894	42,315	-1.0%
10		Certified energy generation in relation to the total	EU6, G4-15	90.8%	87.9%	2.9 p.p.	88.0%	86.5%	1.5 p.p.
11		Energy generation from renewable sources (GWh)	EU2	11,591	11,459	1.2%	41,212	42,344	-2.7%
12		Energy generation from renewable sources in relation to the total	EU2	88.9%	87.4%	1.5 p.p.	86.5%	86.5%	-
13		Uptime ratio, excluding scheduled stoppages	EU30	97.9%	96.3%	1.6 p.p.	97.4%	96.5%	0.9 p.p.
14		Uptime ratio, including scheduled stoppages	EU30	86.7%	86.6%	0.1 p.p.	86.9%	86.8%	0.1 p.p.
15	Environment	Saplings donated and planted (sum-total of planted and donated saplings)[5]	G4-EN27	81,178	78,693	3.2%	262,218	301,435	-13.0%
16		Number of visitors at the plants[5]	G4-26	24,287	23,831	1.9%	100,464	91,490	9.8%
17		CO2 Emissions (fossil fuel plants) (t/MWh)	G4-EN15	0.969	0.967	0.2%	0.976	0.970	0.6%
18		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)	G4-EN15	0.107	0.122	-12.3%	0.131	0.131	-
19	Occupational Heath and Safety (OH&S)	Average number of employees[6]	G4-10, G4-LA1	1,138	1,138	-	1,139	1,132	0.6%
20		Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[7]	G4-LA6	0.000	0.000	-	0.000	1.450	↓
21		Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[8]	G4-LA6	0.000	0.000	-	0.000	0.062	↓
22		Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[7]	G4-LA6	0.000	2.650	↓	0.540	2.870	↓
23		Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[8]	G4-LA6	0.000	0.000	-	0.000	0.023	↓
24	Social Responsibility[9]	Non-incentive investments	G4-EC8, G4-SO1	892.97	1,613.56	-44.7%	3,408.23	4,534.95	-24.8%
25		Investments via Children and Teenagers Fund	G4-EC8, G4-SO1	526.62	322.87	63.1%	1,557.34	1,887.43	-17.5%
26		Investments via Cultural Incentives Act	G4-EC8, G4-SO1	2,083.70	323.59	543.9%	7,478.44	7,687.73	-2.7%
27		Investments via Sport Incentives Act	G4-EC8, G4-SO1	970.00	1,252.04	-0.225	1,320.00	1,319.04	0.1%
28		Other Investments via Incentive Acts (health and others)	G4-EC8, G4-SO1	943.51	1,020.60	-7.6%	1,329.81	1,220.60	8.9%

Notes:

1) Additional indices available from ITR (Tractebel website / Investors / Financial Information/ Financial Statements).

2) Reference: Tractebel Energia's Sustainable Management Policy.

3) Indices don't consider Alegrete Thermoelectric Plant (in process of returning to the Union since 2013), except for OH&S, as there are activities in course at the plant, by means of proper and outsourced employees.

4) GRI: Global Reporting Initiative.

5) Ceste (Consórcio Estreito Energia) not included.

6) Average number in the period of own employees working at power plants in operation, at the headquarters and at the São Paulo's office.

7) TF = number of occupational accidents for every million hours of exposure to hazards, considered the same employees of item 19.

8) TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards, considered the same employees of item 19 and the outsourced working in the same places.

9) In millions of R$.

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. In addition, as already mentioned, the Company is a component of the BM&FBovespa's Corporate Sustainability Stock Index (ISE). 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 ENGIE 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 Energia 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.

In June 2015, the Company was made a component of the Euronext-Vigeo EM 70 - a stock index composed of companies ranked their highest by performance in corporate responsibility in developing countries. Vigeo is the leading rating agency for corporate social responsibility and analyzes approximately 330 indicators.

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

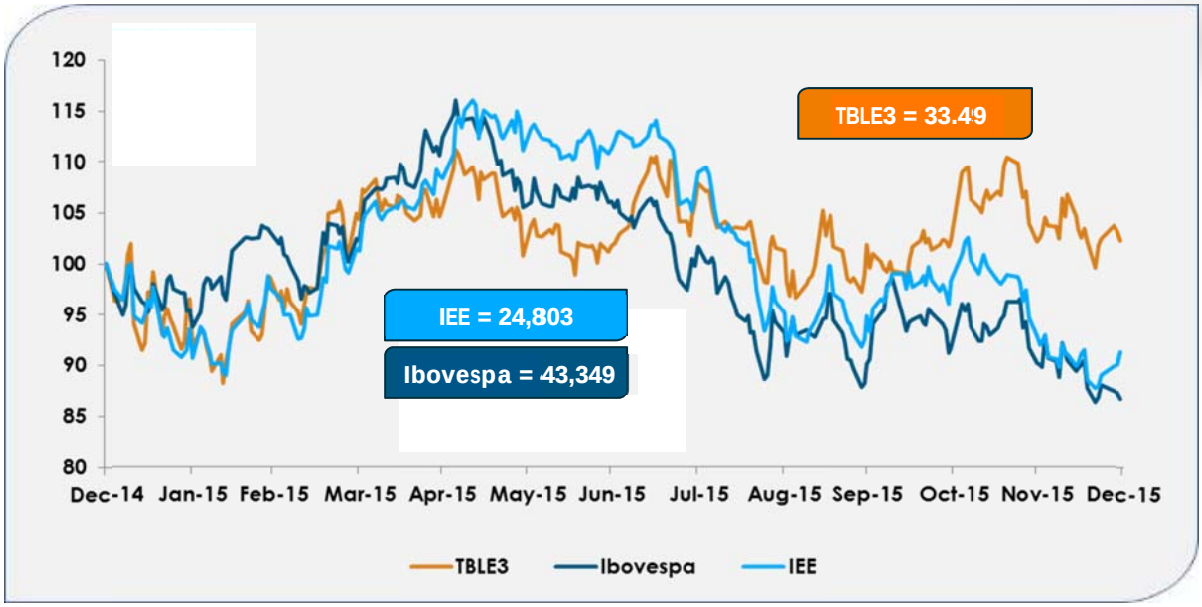
The Ibovespa, the benchmark index for the Brazilian equities market reported a depreciation of 3.8% in 4Q15 and 13.3% in 2015, the third consecutive year in which the index has declined. This is a reflection of the economic and political uncertainty surrounding the country, which was recently downgraded by two risk classification agencies to a sub-investment grade rating.

Set against this background, Tractebel Energia´s equities registered an appreciation of 0.3% in the final quarter of 2015, better than the greater decline of 3.8% reported for both the Electric Sector Stock Index (IEE) as well as the Ibovespa itself. **For the accumulated 12-month period to December 2015, the Company's shares remained in positive territory, reporting a 2.3% gain**, while the IEE depreciated 8.7% and the Ibovespa, 13.3%. TBLE3 was priced on December 31, 2015 at R$ 33.49/share, equivalent to a **market capitalization of R$ 21.9 billion.**

In 4Q15, the average daily trading volume of TBLE3 was R$ 32.2 million, 10.5% more than the R$ 29.1 million reported for the same period in 2014. **Average trading volume for the full fiscal year 2015 was R$ 27.9 million, a 2.3%** year-on-year increase.



TBLE vs. Ibovespa vs. IEEX
(Base 100 – 12/31/2014)





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: February 24, 2016
Time: 8:00 a.m. (EDT) / 10:00 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 February 24th to March 1, 2016. Access by dialing: +55 (11) 3193-1012, code: 0836434#

Meetings with analysts (Brasília time)

São Paulo
Date: February 29, 2016
Time: 9:00 a.m.
Venue: Staybridge Suites São Paulo

Rio de Janeiro
Date: February 29, 2016
Time: 7:00 p.m.
Venue: JW Marriott Hotel Rio de Janeiro

Important

This release contains information and opinions on future events subject to risks and uncertainties, which are based on current forecasts, projections and tendencies in relation to the Company´s businesses. Innumerous factors can affect the estimates and assumptions on which these opinions are based. For this reason, the estimates and forward looking statements in this release may not become a reality. In the light of these restrictions, shareholders and investors should not adopt any decisions based on estimates, projections and forward looking statements contained in this release.



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

(In thousands of R$)

Assets	12/31/2015	12/31/2014
Current Assets	**4,443,105**	**3,273,997**
Cash and cash equivalents	2,396,854	1,604,731
Accounts receivables from clients	773,602	713,154
Inventory	88,888	70,259
Fiscal credits recoverable	46,385	50,751
Refund of fuel purchases	144,249	343,221
Insurance claim receivable	7,618	216,426
Restricted deposits	19,713	104,260
Unrealized gains on hedging transactions	778,227	30,144
Hedge of debt	488,802	27,538
Cash flow hedge on purchases commitments	289,425	2,606
Renegotiation of hydrological risk to appropriate	26,064	-
Other current assets	74,619	54,165
Non current asset held for sale	86,886	86,886
Non Current Assets	**10,857,568**	**10,335,590**
Long Term Assets	**716,695**	**480,996**
Fiscal credits recoverable	46,763	84,056
Restricted deposits	158,139	156,013
Deposits earmarked for the payment of debt	146,766	145,965
Other restricted deposits	11,373	10,048
Deposits in court	132,480	117,144
Unrealized gains on hedging transactions	130,240	63,595
Hedge of debt	-	38,430
Cash flow hedge on purchases commitments	130,240	25,165
Renegotiation of hydrological risk to appropriate	197,079	-
Other non current assets	51,994	60,188
Property, Plant and Equipment	**9,897,550**	**9,658,078**
Intangible	**243,323**	**196,516**
Total	**15,300,673**	**13,609,587**



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

(In thousands of R$)		
Liabilities	**12/31/2015**	**12/31/2014**
Current Liabilities	**2,988,664**	**1,943,122**
Suppliers	573,573	641,702
Dividends and interest on shareholder´s equity	271,021	200,142
Loans and financing	1,712,490	454,321
Debentures	489	442
Concessions payable	60,572	55,115
Tax and social contribution obligations	17,799	228,464
Other fiscal and regulatory obligations	97,665	66,985
Provision for labor obligations	102,992	71,909
Provision for tax, civil and labor risks	25,727	15,046
Obligations related to retirement benefits	22,189	48,799
Other current liabilities	104,147	160,197
Non Current Liabilities	**5,669,873**	**6,011,516**
Loans and financing	2,353,268	3,435,085
Debentures	180,947	162,884
Concessions payable	2,009,980	1,710,657
Provision for tax, civil and labor risks	246,873	187,426
Obligations related to retirement benefits	255,552	234,119
Deferred income taxes and social contribution	558,826	212,507
Other non current liabilities	64,427	68,838
Shareholders' Equity	**6,642,136**	**5,654,949**
Share capital	2,445,766	2,445,766
Capital reserve	91,695	91,695
Profit reserves	3,333,102	2,589,794
Adjustment on fixed asset	769,309	523,790
Non controlling interests	2,264	3,904
Total	**15,300,673**	**13,609,587**



ATTACHMENT III
TRACTEBEL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(In thousands of R$)	4Q15	4Q14	Chg. %	12M15	12M14	Chg. %
Net Revenue from Sales	**1,709,197**	**1,728,086**	**-1.1**	**6,512,037**	**6,472,496**	**0.6**
Costs of Energy Sold and Services Provided	**(844,767)**	**(941,282)**	**-10.3**	**(3,803,095)**	**(3,974,788)**	**-4.3**
Electric power purchased for resale	(528,063)	(346,640)	52.3	(1,782,558)	(1,276,026)	39.7
Transactions in the short term market, including those conducted throug	193,162	(145,899)	-232.4	(66,885)	(1,039,326)	-93.6
Charges for the use of and connection to the electricity grid	(94,580)	(88,195)	7.2	(363,127)	(332,662)	9.2
Fuel expenses	(68,718)	(51,451)	33.6	(249,984)	(204,186)	22.4
Financial compensation for use of water resources	(52,780)	(47,393)	11.4	(177,958)	(170,504)	4.4
Personnel	(65,613)	(54,761)	19.8	(224,666)	(202,391)	11.0
Materials and third party services	(63,764)	(54,330)	17.4	(212,780)	(179,768)	18.4
Depreciation and amortization	(149,202)	(148,288)	0.6	(591,569)	(584,157)	1.3
(Reversals) Constitution of operating provisions	2,848	16,295	-82.5	(63,217)	14,009	-551.3
Others	(18,057)	(20,620)	-12.4	(70,351)	223	-31,647.5
Gross Income	**864,430**	**786,804**	**9.9**	**2,708,942**	**2,497,708**	**8.5**
Operating Income (Expenses)	**(59,335)**	**(53,035)**	**11.9**	**(205,112)**	**(194,760)**	**5.3**
Selling expenses	(3,847)	(4,240)	-9.3	(17,461)	(17,212)	1.4
General and administrative expenses	(51,289)	(47,584)	7.8	(182,757)	(180,340)	1.3
Other operating income (expenses), net	(4,199)	(1,211)	246.7	(4,894)	2,792	-275.3
Income Before Financial Result and Taxes	**805,095**	**733,769**	**9.7**	**2,503,830**	**2,302,948**	**8.7**
Net Financial Result	**(97,472)**	**(118,384)**	**-17.7**	**(470,598)**	**(346,299)**	**35.9**
Financial income	85,574	36,757	132.8	280,830	206,410	36.1
Financial expenses	(183,046)	(155,141)	18.0	(751,428)	(552,709)	36.0
Income Before Taxes	**707,623**	**615,385**	**15.0**	**2,033,232**	**1,956,649**	**3.9**
Income tax	(73,863)	(97,902)	-24.6	(383,334)	(418,423)	-8.4
Social contribution	(34,087)	(35,578)	-4.2	(148,595)	(155,121)	-4.2
Net Income for the Period	**599,673**	**481,905**	**24.4**	**1,501,303**	**1,383,105**	**8.5**
Number of Ordinary Shares	**652,742**	**652,742**		**652,742**	**652,742**	
Net Income per Share	**0.9187**	**0.7383**		**2.3000**	**2.1189**	



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

(In thousands of R$)	4Q15	4Q14	12M15	12M14
Cash Flow from Operating Activities				
Income before taxes on income	707,623	615,385	2,033,232	1,956,649
Adjustments to reconcile net income before taxes generated from operating cash flow:				
Depreciation and amortization	151,597	150,319	600,425	592,125
Monetary and exchange rate variation	65,285	36,148	215,845	74,012
Interests	97,422	103,075	470,385	363,450
Constitution of operating provisions	(8,976)	(4,104)	54,193	(938)
Others	14,824	1,660	24,209	2,408
Adjusted Profit	**1,027,775**	**902,483**	**3,398,289**	**2,987,706**
Reduction (increase) in assets				
Accounts receivables from clients	39,163	130,782	(54,660)	36,059
Refund of fuel purchases	3,494	(118,435)	198,972	(203,620)
Fiscal credits recoverable	(34,811)	(37,204)	(33,782)	(25,310)
Inventory	(2,990)	3,486	(18,629)	(5,474)
Deposits in court and restricted deposits	(14,433)	(53,568)	45,203	(49,588)
Insurance claim receivable	87,393	(105,271)	208,808	(216,426)
Renegotiation of hydrological risk to appropriate	(223,143)	-	(223,143)	-
Other assets	(281)	35,433	(14,736)	(23,936)
Increase (reduction) in liabilities				
Suppliers	(76,852)	261,460	(133,462)	164,810
Taxes and social contribution obligations	2,632	81,594	(1,323)	(4,358)
Other fiscal and regulatory obligations	15,567	(23,887)	39,431	(1,011)
Research and development obligations	(6,583)	4,820	(16,108)	18,128
Obligations related to retirement benefits	(1,511)	(11,576)	(11,980)	(33,439)
Other liabilities	7,239	11,823	19,777	(45,173)
Cash Generated from Operating Activities	**822,659**	**1,081,940**	**3,402,657**	**2,598,368**
Payment of income tax and social contribution	(78,932)	(147,770)	(477,035)	(666,441)
Payment of interests on debt, net of hedge	(93,559)	(61,374)	(347,010)	(255,024)
Net Cash from Operating Activities	**650,168**	**872,796**	**2,578,612**	**1,676,903**
Investments Activities	**(175,192)**	**(131,786)**	**(778,931)**	**(588,220)**
Acquisitions of investments, net of cash and cash equivalents received	(9,602)	(19,768)	(26,200)	(235,294)
Used in fixed assets	(145,672)	(109,309)	(723,996)	(340,862)
Used in intangibles	(19,918)	(2,709)	(28,735)	(12,064)
Financing Activities	**(19,859)**	**413,581**	**(1,007,558)**	**(708,228)**
Loans and financing contracted	44,471	985,961	137,995	1,220,376
Payment of loans, financing and debentures	(56,341)	(175,182)	(413,681)	(781,914)
Payments of concessions payable	(15,648)	(14,273)	(59,006)	(54,894)
Payments of dividends and interest on shareholders' equity	(1,446)	(378,180)	(704,335)	(1,081,325)
Deposits for funding	(4,930)	(6,069)	16,425	(11,795)
Others	14,035	1,324	15,044	1,324
Increase (Decrease) in Cash and Cash Equivalents	**455,117**	**1,154,591**	**792,123**	**380,455**
Reconciliation of Cash and Cash Equivalents				
Opening balance	1,941,737	450,140	1,604,731	1,224,276
Closing balance	2,396,854	1,604,731	2,396,854	1,604,731
Increase (Decrease) in Cash and Cash Equivalents	**455,117**	**1,154,591**	**792,123**	**380,455**
Transactions that do Not Affect Cash and Cash Equivalents				
Capitalized interest and monetary on loans	40,295	16,530	67,808	17,776
Supplier's of fixed assets and intangibles	1,203	(4,790)	39,244	(34,147)
Interest on shareholders' equity credited	314,000	223,000	314,000	223,000
Offsetting of income tax and social contribution	51,717	34,302	78,461	50,823
Provision for environmental costs	40,778	36,713	35,634	21,625
Balance of remaining installments related to purchase of investments	15,064	22,639	29,157	36,068