

Deutsche Bank CEO Day

São Paulo – June, 2011

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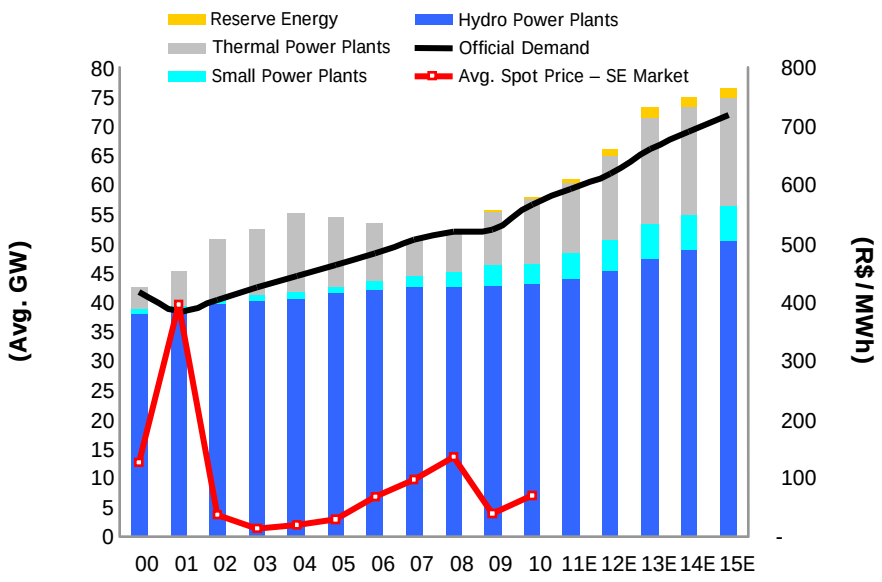
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- Prices - Medium and long term scenarios.
- Sales overview.
- Concessions renewal and possible impacts in prices.
- Organic growth/M&A.
- HPP Jirau.
- Attachments.

Strong economic growth will increase demand for electric energy

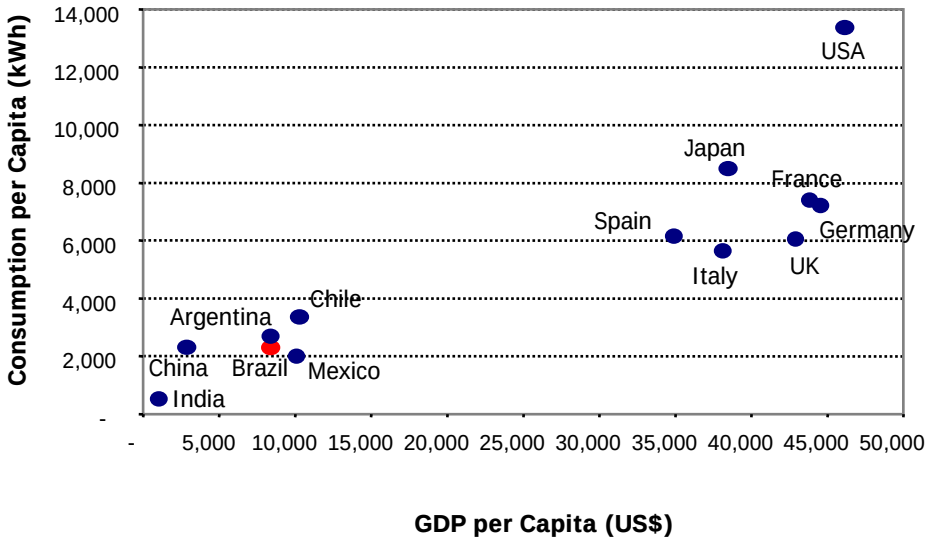
Increased thermal role and adoption of risk aversion procedures may pressure up energy prices in the future.

Energy Market Outlook and Supply Distribution by Source



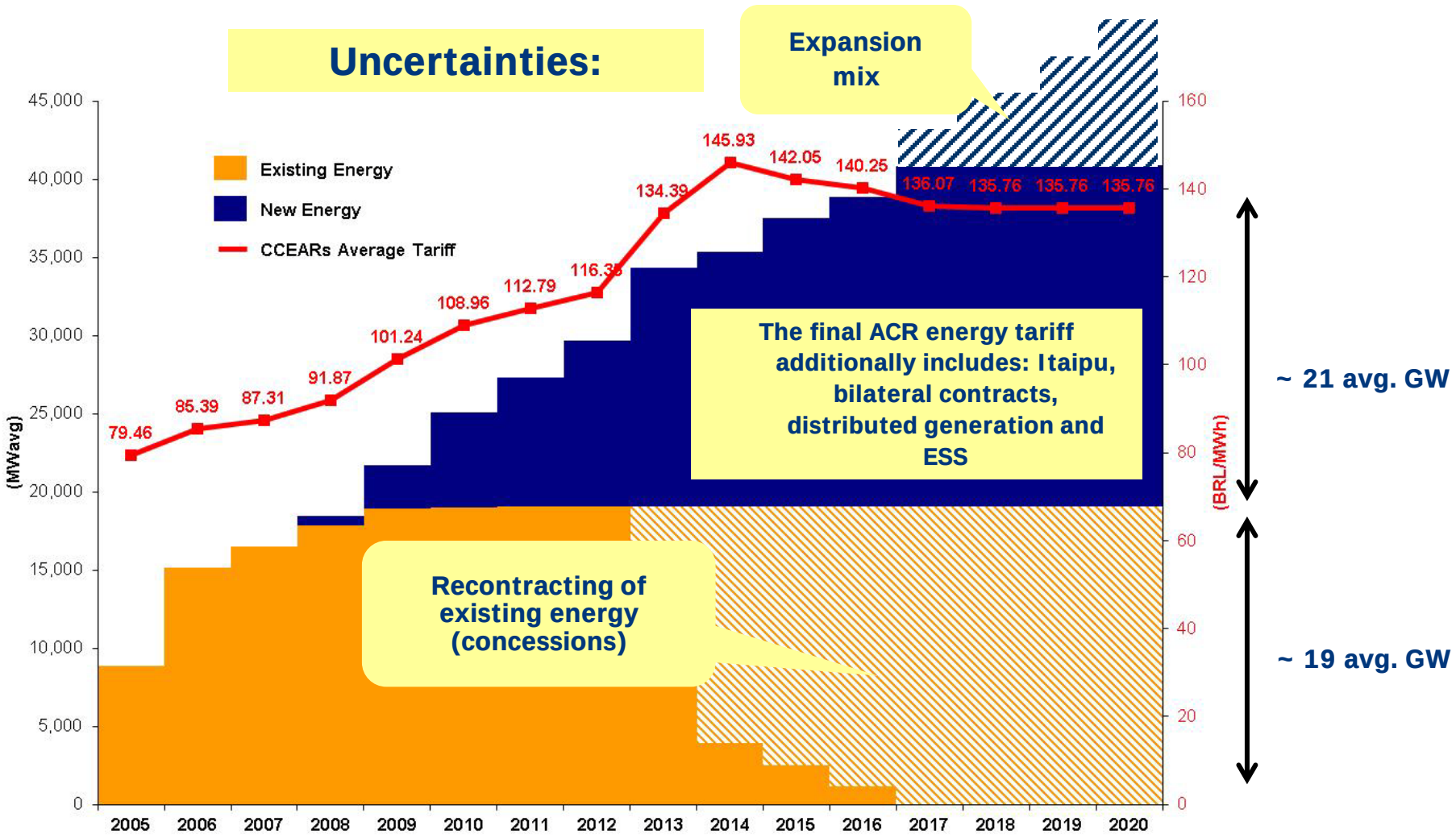
Source: Internal study based on information provided by Aneel and ONS.

Electricity Consumption (per capita, yearly)



Source: IEA Energy Statistics, 2009.

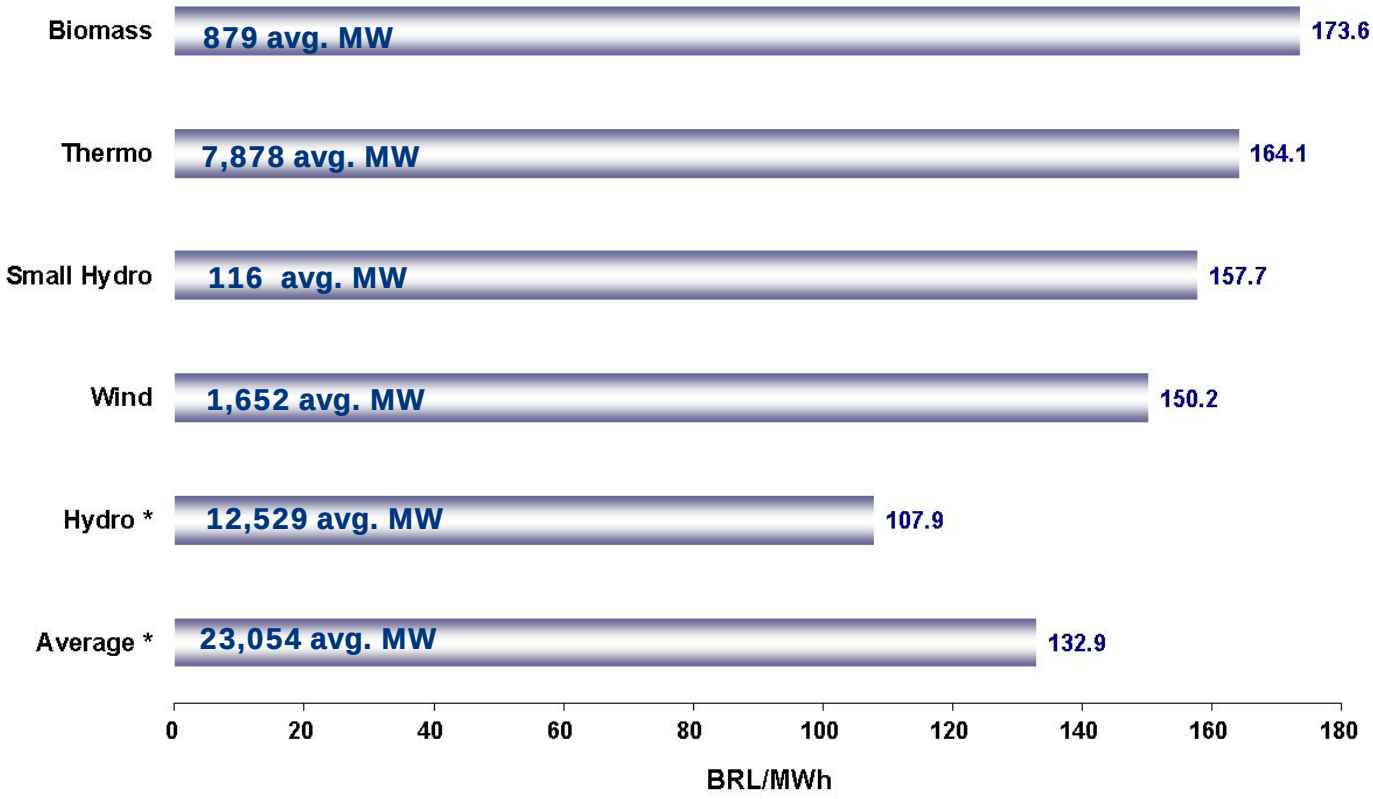
Average Price of Contracted Energy in the ACR Auctions



- Average price does not take into account volumes which terminate as from 2013.
- Reserve energy is not included.

Prices: May/2011 Source: CCEE

Competitiveness of sources at the regulated environment auctions



- Average price of the contracted mix of R$ 132.9/MWh
- Hydro plants at prices lower than the mix
- Wind power plants have become competitive
- Thermal Power Plants using fossil fuel and biomass fuels at prices above of the mix
- Angra III with a maximum price of about R$ 150/MWh (reserve energy)

*** Considers reserve energy from large projects for the free market at the price of R$ 130/MWh. Excludes botox plants installed under the previous regulatory framework.**

Reserve energy is considered.

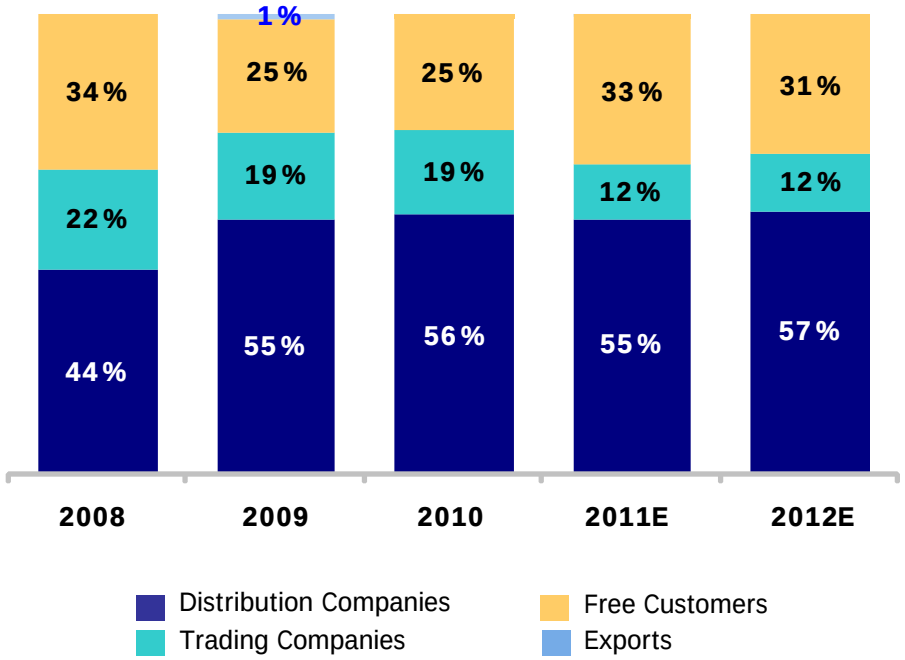
Prices: May/2011

Source: CCEE

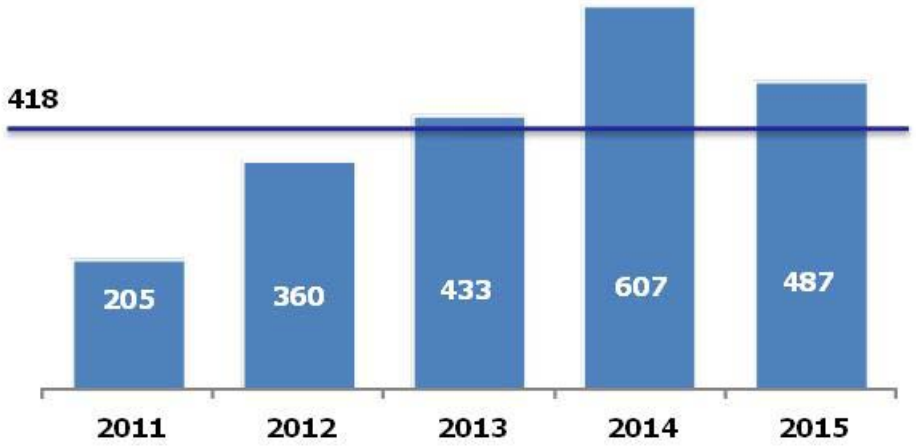
Sales of future availability during 2010

Total volume of new contracts signed in 2010 totaled 418 avg MW for the coming 5 years.

Client Breakdown (based on contracted energy)



Sales volume in 2010 (avg. MW)

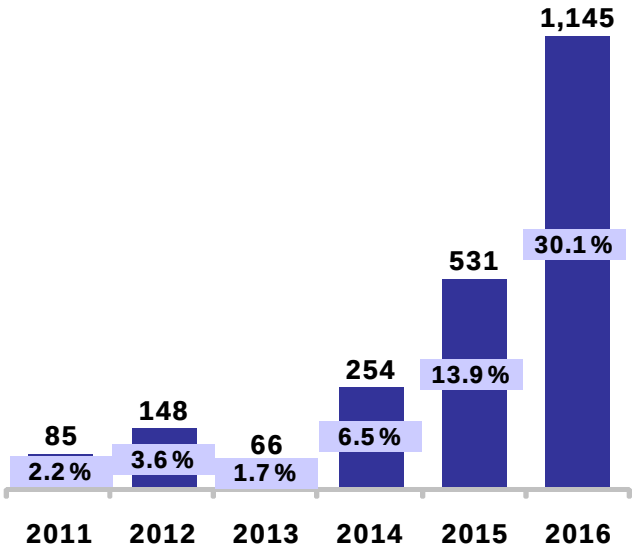


Tractebel: the energy for delivery in the medium term is almost fully contracted

Tractebel's commercial strategy considers, among others aspects, the gradual sale of future availability. As the time goes by, the Company is able to better foresee the market conditions in a given year ahead and, as a result, to fine tune the amount of uncontracted energy.

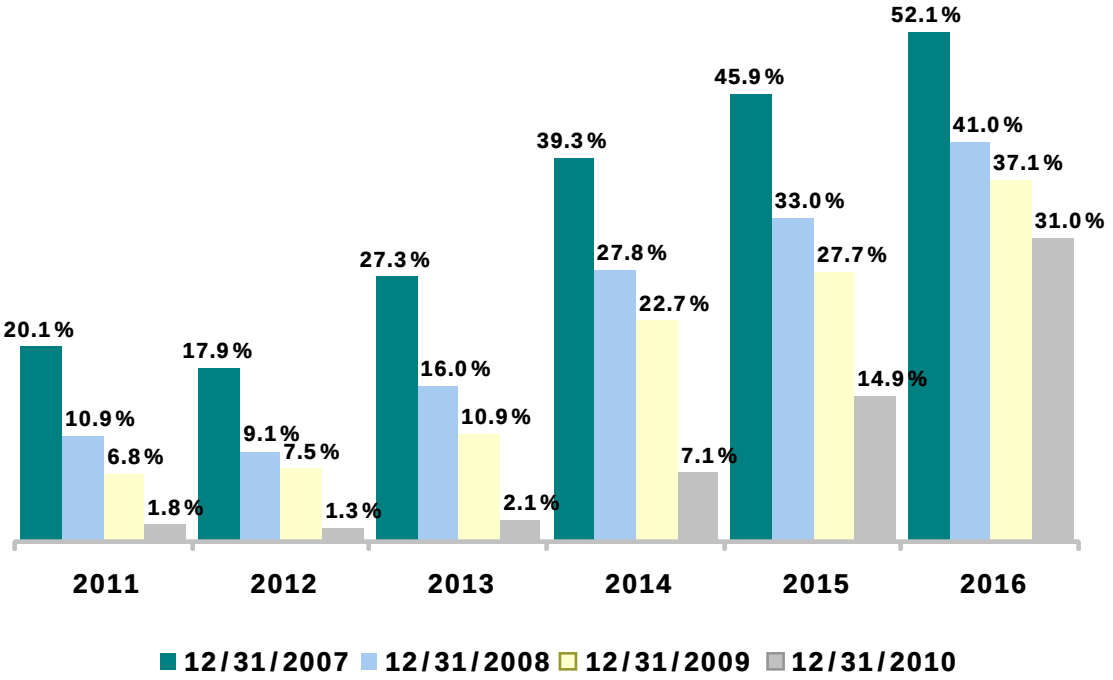
Tractebel Energia's Uncontracted Energy[1]

(average MW) in 03/31/2011



Tractebel: Uncontracted Energy Compared to the Availability of a Given Year

In 03/31/2011



Note:

[1] Percentage of total resources.

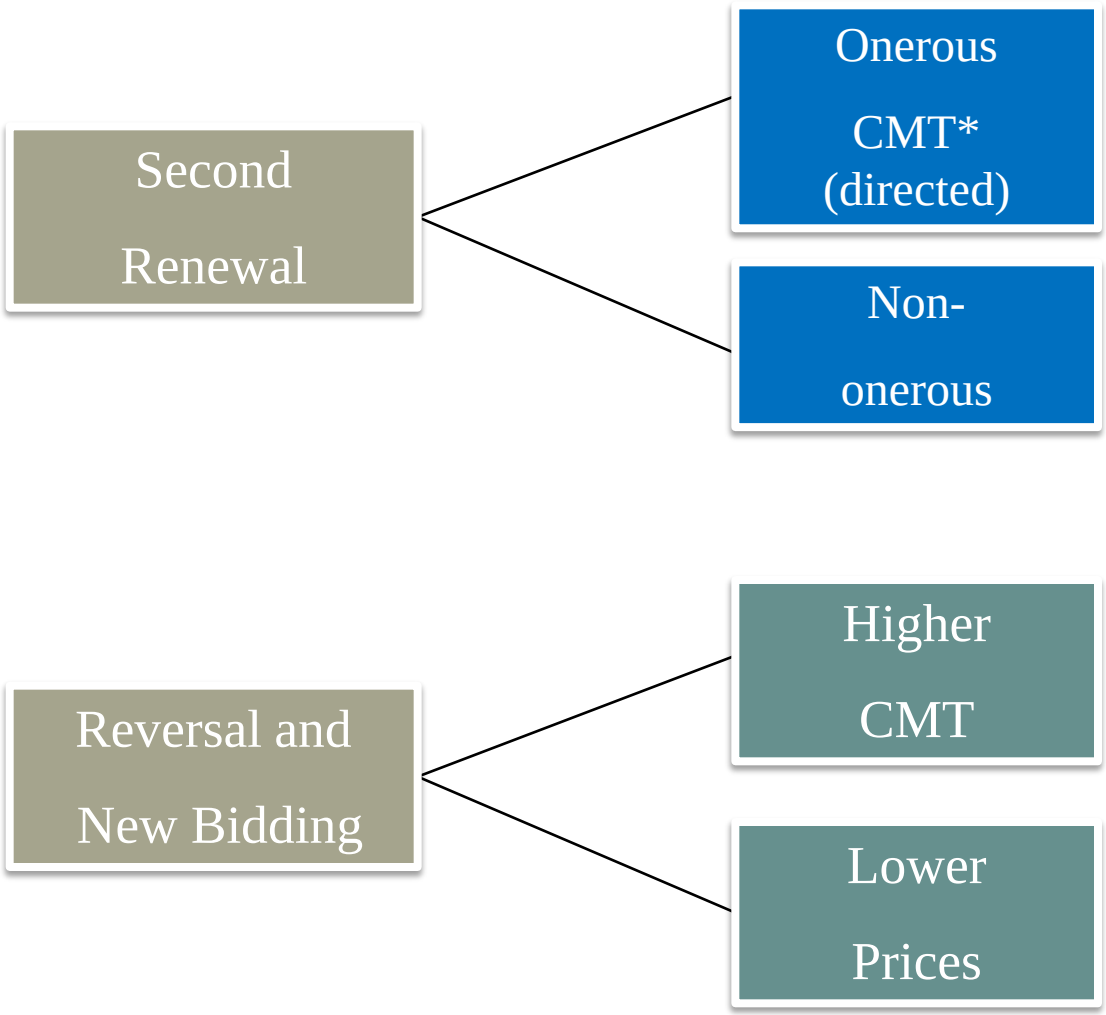
Expired Concessions and Recontracting of Existing Energy

- The way the Government handles expired concessions will directly affect future energy prices and consequently the value of generation assets

- The problem:
  - Nearly 20% (21,792 MW) of the Brazilian system's installed capacity with generation concessions expires in 2015 with no legal possibility of renewal or extension of maturity
  - Need for re-contracting existing energy within the ACR as from 2013:
    - 9,054 Av. MW in 2013
    - 6,782 Av. MW in 2014
    - 1,172 Av. MW in 2015

- Current legal framework explicitly provides for the existence of ACL and ACR (Law 9,074/95).
  - The definition of two contracting environments presupposes that elements and conditions will be in place so that these environments may co-exist.
  - The solution necessarily must ensure the continuity of the ACL environment, fundamental to the sustainability of independent producers and free consumers.

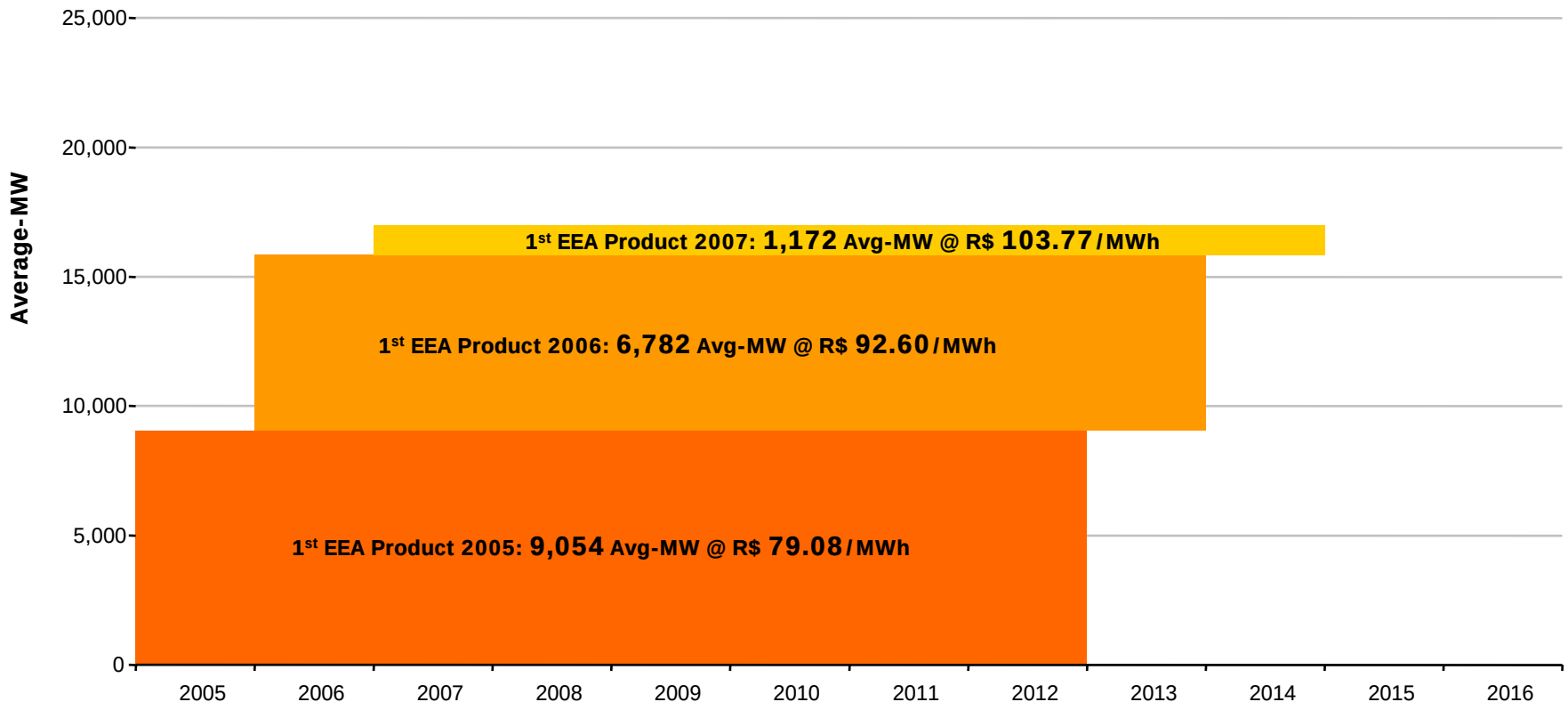
Approaches for Concession Expiry



CMT* – Contribution to Reduce Tariffs for End Users

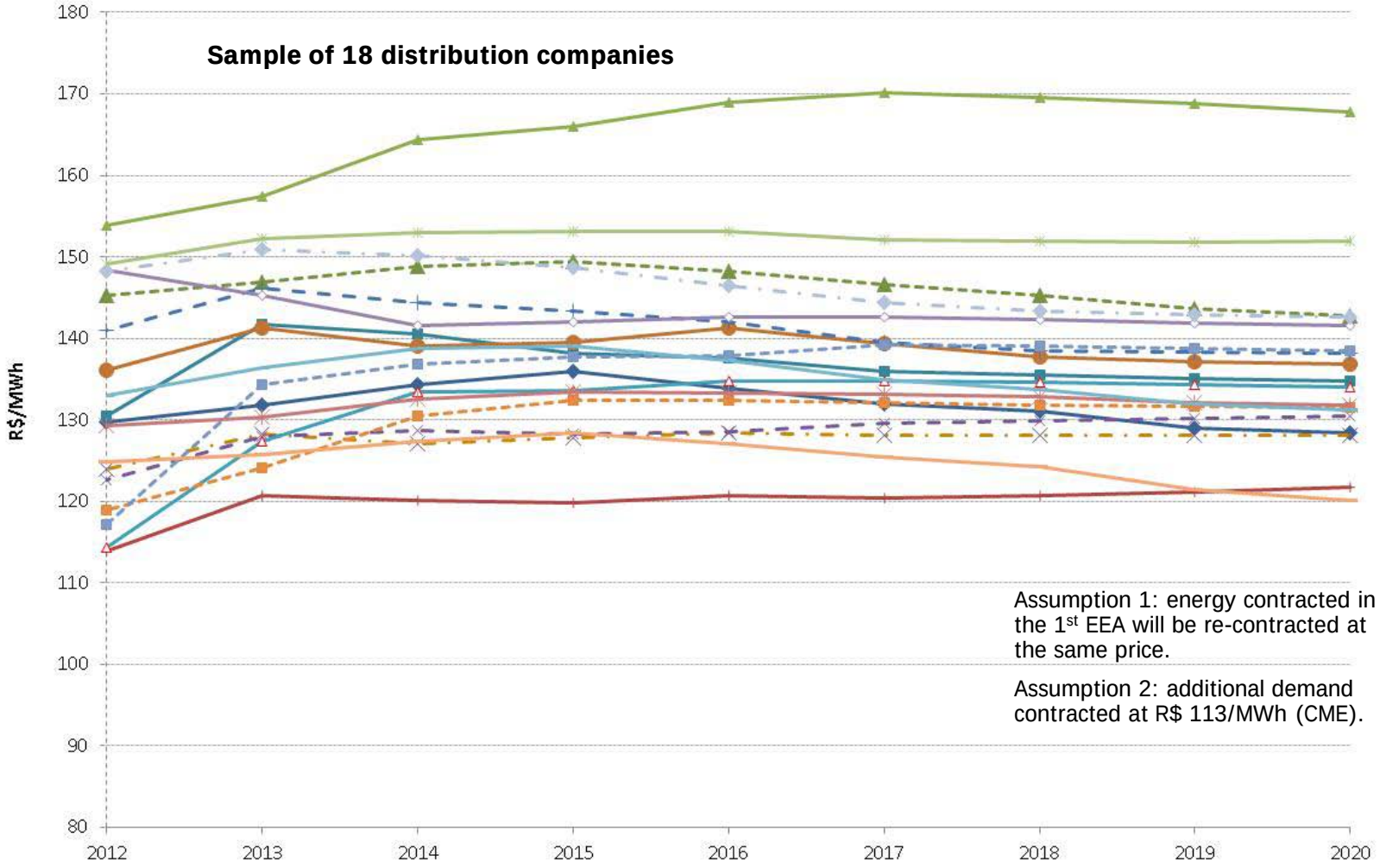
Source: APINE

Projection of energy tariffs
(introduction: the result of the 1st Existing Energy Auction)

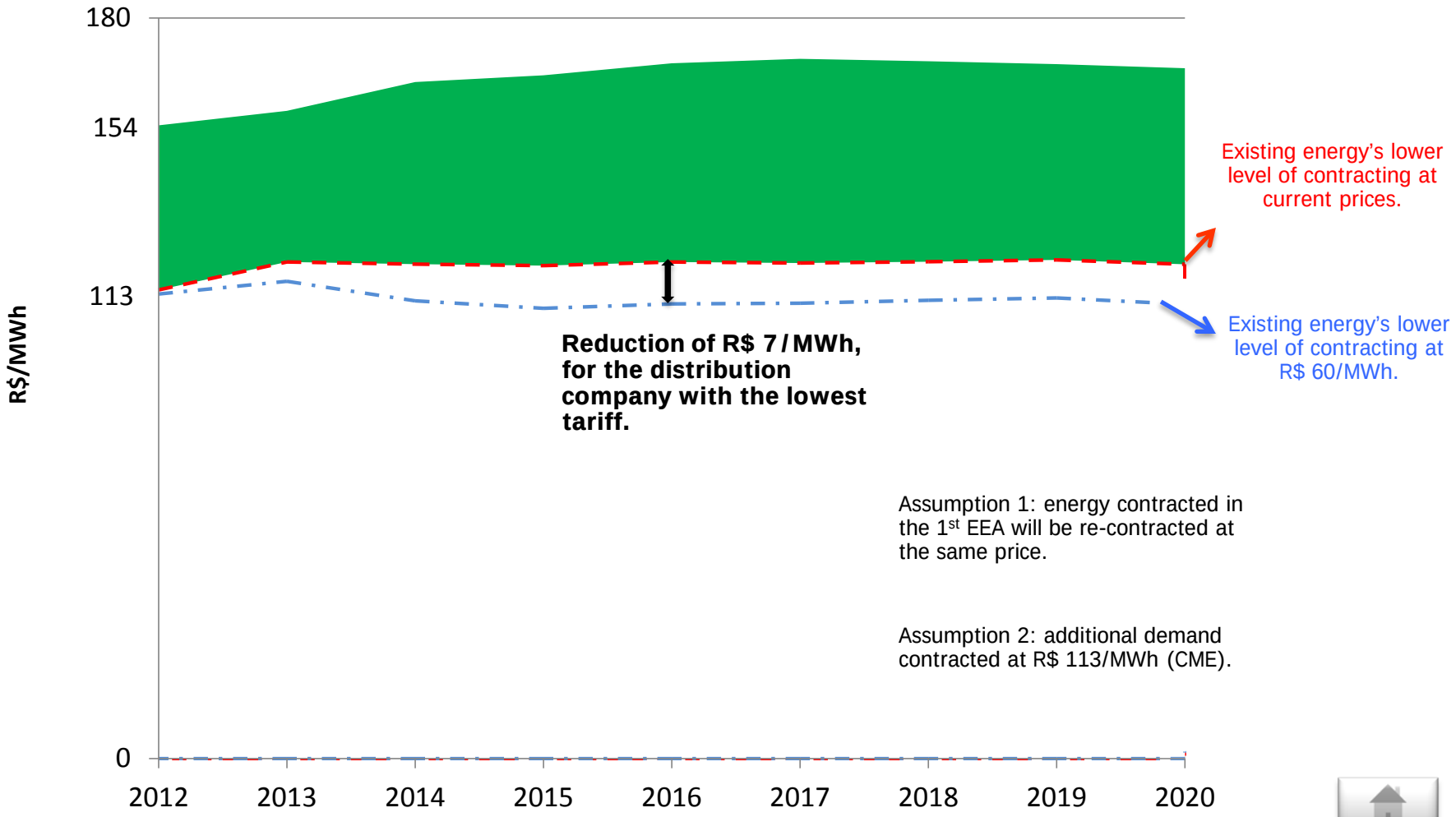


Prices: April/2011

Projection of energy tariffs
(including losses and charges)



Projection of energy tariffs
(distribution companies)



Organic growth / M&A

- Major hydro plants to be auctioned up to 2019 (19,050 MW):

São Luiz do Tapajós (6,133 MW)
Jatobá (2,336 MW)
Marabá (2,160 MW)
Serra Quebrada (1,328 MW)
Jamanzim (881 MW)
Cachoeira do Caí (802 MW)
Itapiranga (725 MW)
São Manoel (700 MW)
Cachoeira dos Patos (528 MW)
Torixoréu (408 MW)
Sinop (400 MW)
Água Limpa (320 MW)
Foz do Apiacás (230 MW)

- Wind projects:

Description: five wind farms under development. Sales driven to the free market of incentivized energy, to be installed in the States of CE and PI, where TBLE already operates two wind power plants.

Installed capacity: 145.4 MW

CAPEX: R$ 630 million

- Biomass:

Projetcs in analysis and discussion of partnerships with first tier companies.

- Tractebel Energia is well positioned to play a consolidating role.
  - HPP Ponte de Pedra (176.1 MW) - 2007;
  - SHPs Rondonópolis (26.6 MW) and José Gelazio da Rocha (23.7 MW) – 2008
  - Econergy assets – 2008
    - Wind farms: Beberibe (25.6 MW) and Pedra do Sal (17.9 MW);
    - SHP Areia Branca (19.80 MW).

Hydro project under construction: Jirau

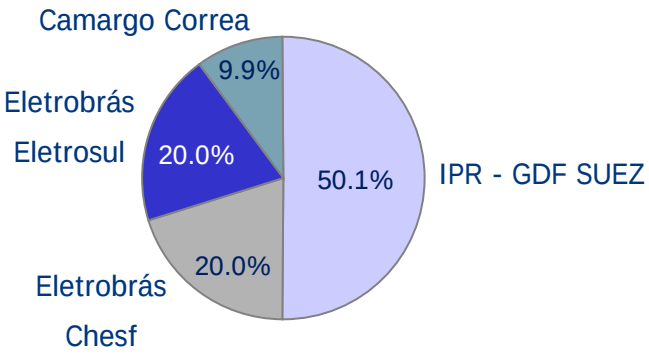
Technical Data

Location:	Madeira River
Reservoir:	269 km2
Capacity:	3,300 MW + 150 MW (committed)
	+ 300 MW (under investment analysis)
Assured Energy (avg):	1,975 MW (44 turbines[1])
Bulb turbines:	44 + 2 (committed) + 4 (under analysis)

Note:

[1] Additional Assured Energy under analysis

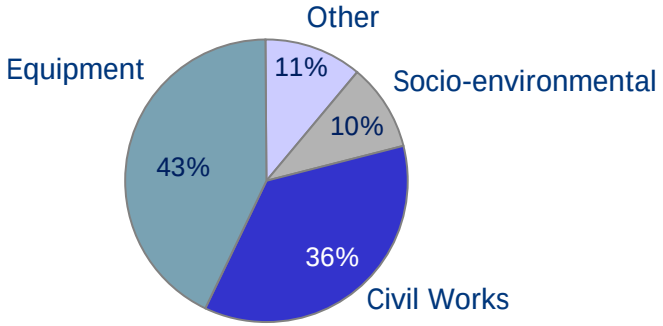
The company: ESBR



Relevant Facts

CAPEX:	R$ 11.9 billion (as of Dec/10)
	R$ 5.0 billion hard cost already invested
BNDES current financing:	25-year term (20-year amortization)
	R$ 7.2 billion
	Grace period (1st credit line): Sep/12
	Average financing costs: TJLP + 2.35%
	Additional financing under discussion

CAPEX Breakdown



Hydro project under construction: Jirau

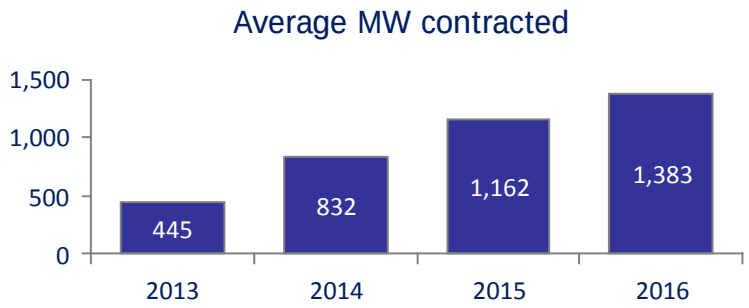
Energy commercialization

30-Year Power Purchase Agreement (PPA)

- ✓ PPA price (indexed to IPCA): R$ 71.4/MWh (as of May/08) equivalent to R$ 83.1/MWh (as of Mar/11)
- ✓ 30-year PPA for 70% of the energy, from 2013 onwards
- ✓ After 2016 the energy amount under the PPA is flat until 2042

Energy not contracted

- ✓ Tractebel is examining the possibility of a call option contract for a part of ESBR's non-contracted energy



Project Schedule

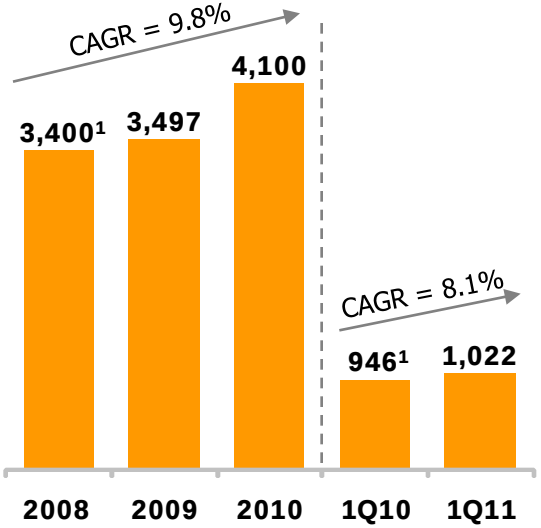
- ✓ On schedule: river deviation in 2H11 (Aug/Sep 2011)

Attachments

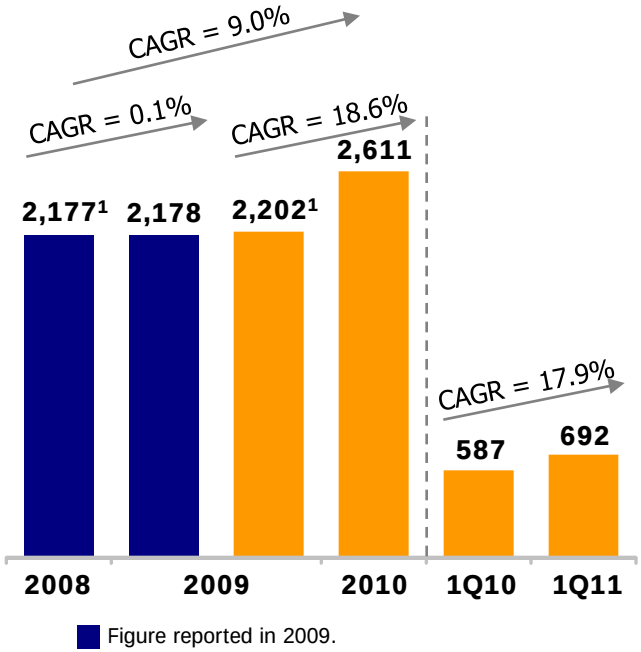
Consistent and constant growth of the financial performance

Efficient management of its client portfolio and focus on contracting strategies have paved the way for a substantial top line growth of both revenues and EBITDA over the years. Consistent net income has supported the Company's investment plan.

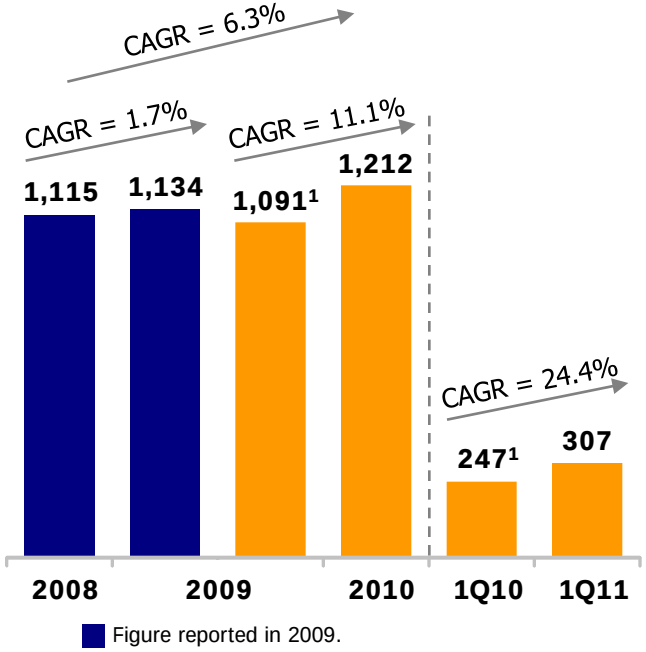
Net Revenues (R$ million)



EBITDA² (R$ million)



Net Income² (R$ million)



Notes:

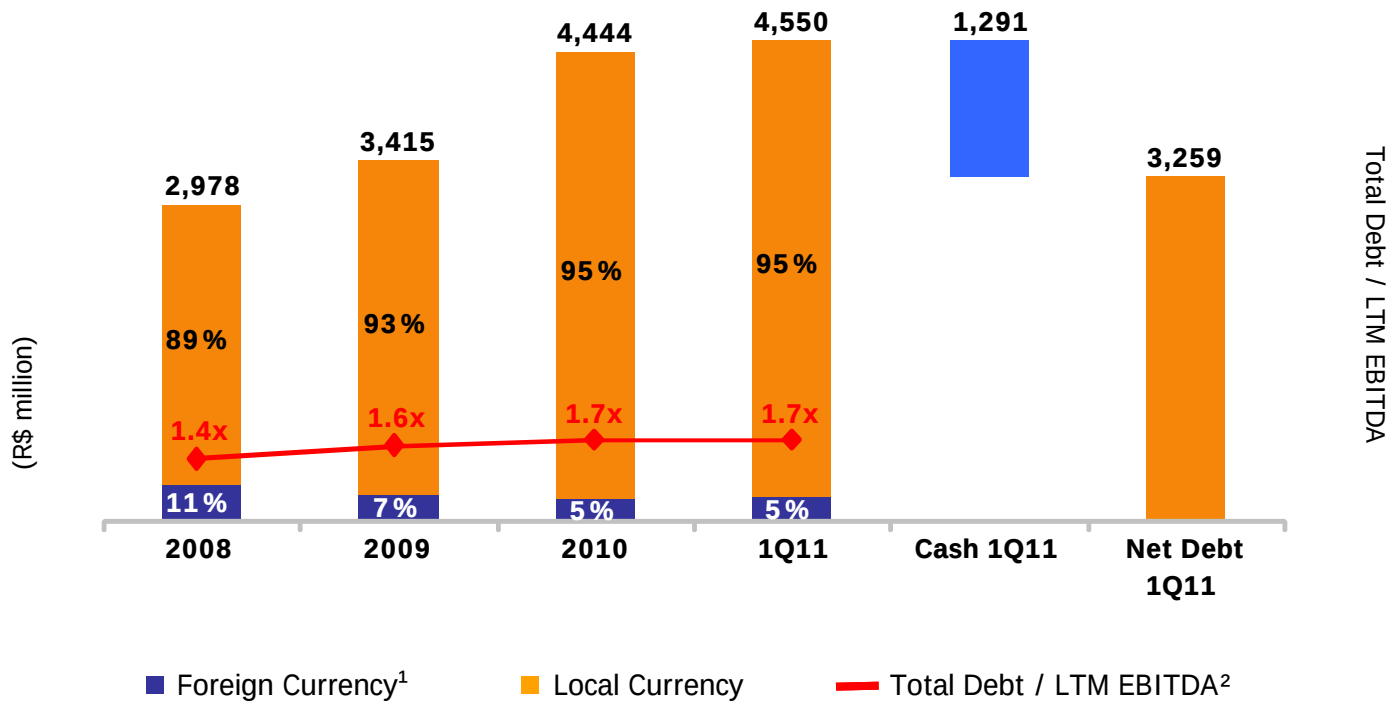
[1] Considers new accounting procedures.

[2] The figure for 2009 which was reported on that year has been changed based on new accounting procedures and international accounting practices according to IFRS.

Limited indebtedness and low exposure to foreign exchange

Low leverage enables Tractebel to benefit from growth opportunities.

Debt Overview (R$ million)



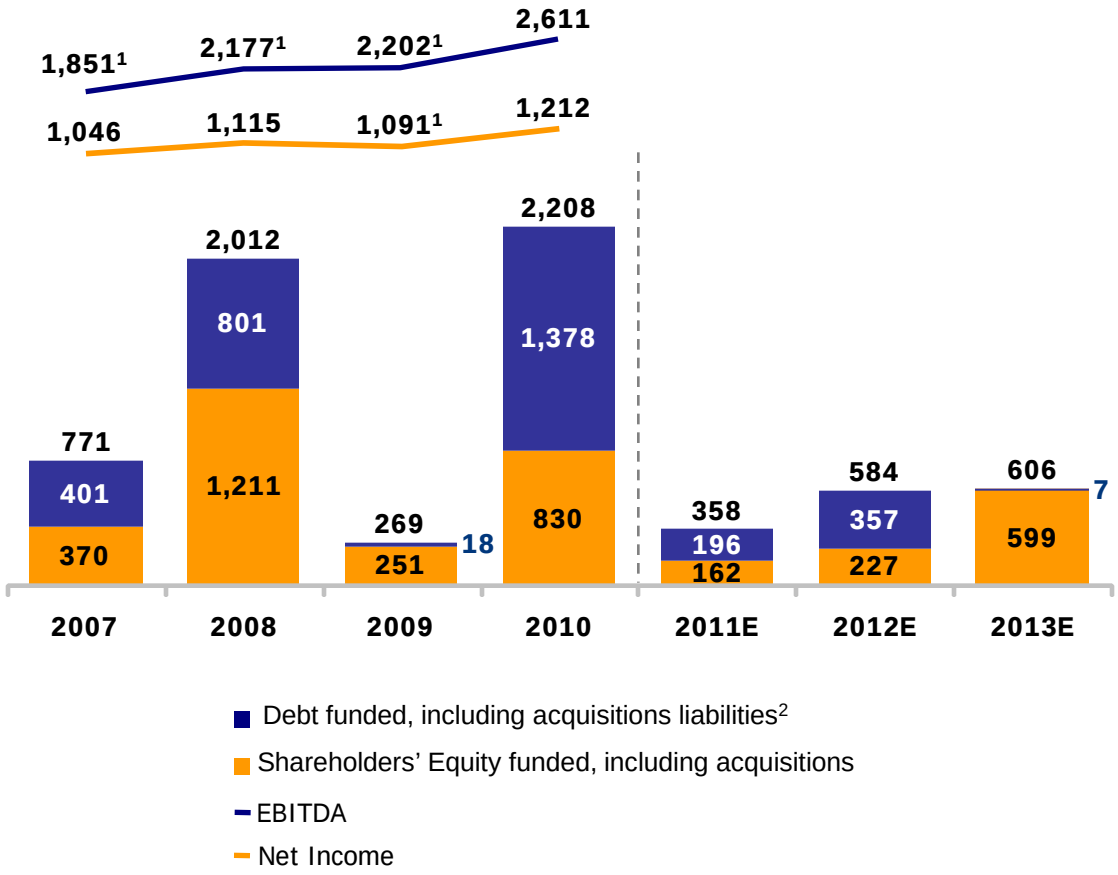
Notes:

[1] Not hedged.

[2] LTM EBITDA = last-twelve-month EBITDA.

Expansion plan and low maintenance CAPEX are supported by a high cash flow

Accomplished / expected CAPEX and corresponding financing sources (R$ million)

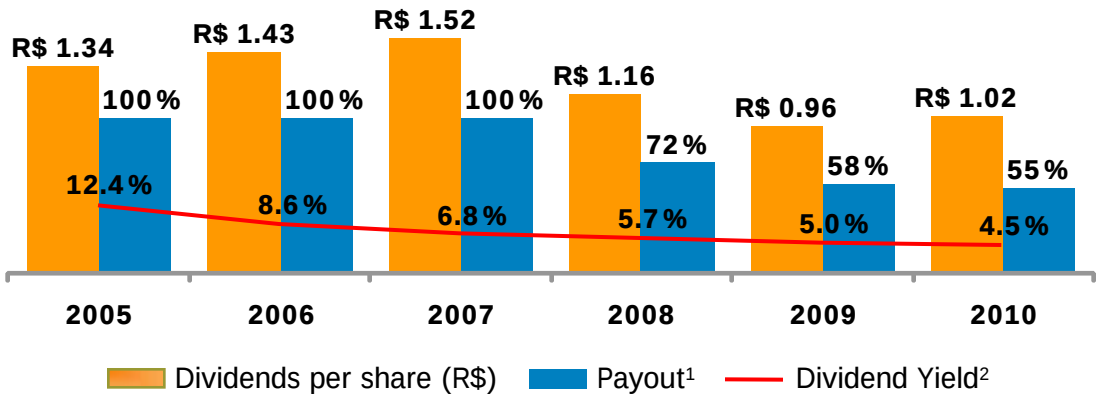


Note:
1 Considers new accounting procedures.
2 Does not consider interests incurred during the construction.

Dividend policy

- By-law minimum payout: 30% of payable net income.
- Management commitment: minimum payout of 55% of payable net income.
- Payment frequency: semi-annual.

Dividends (based on payable net income)

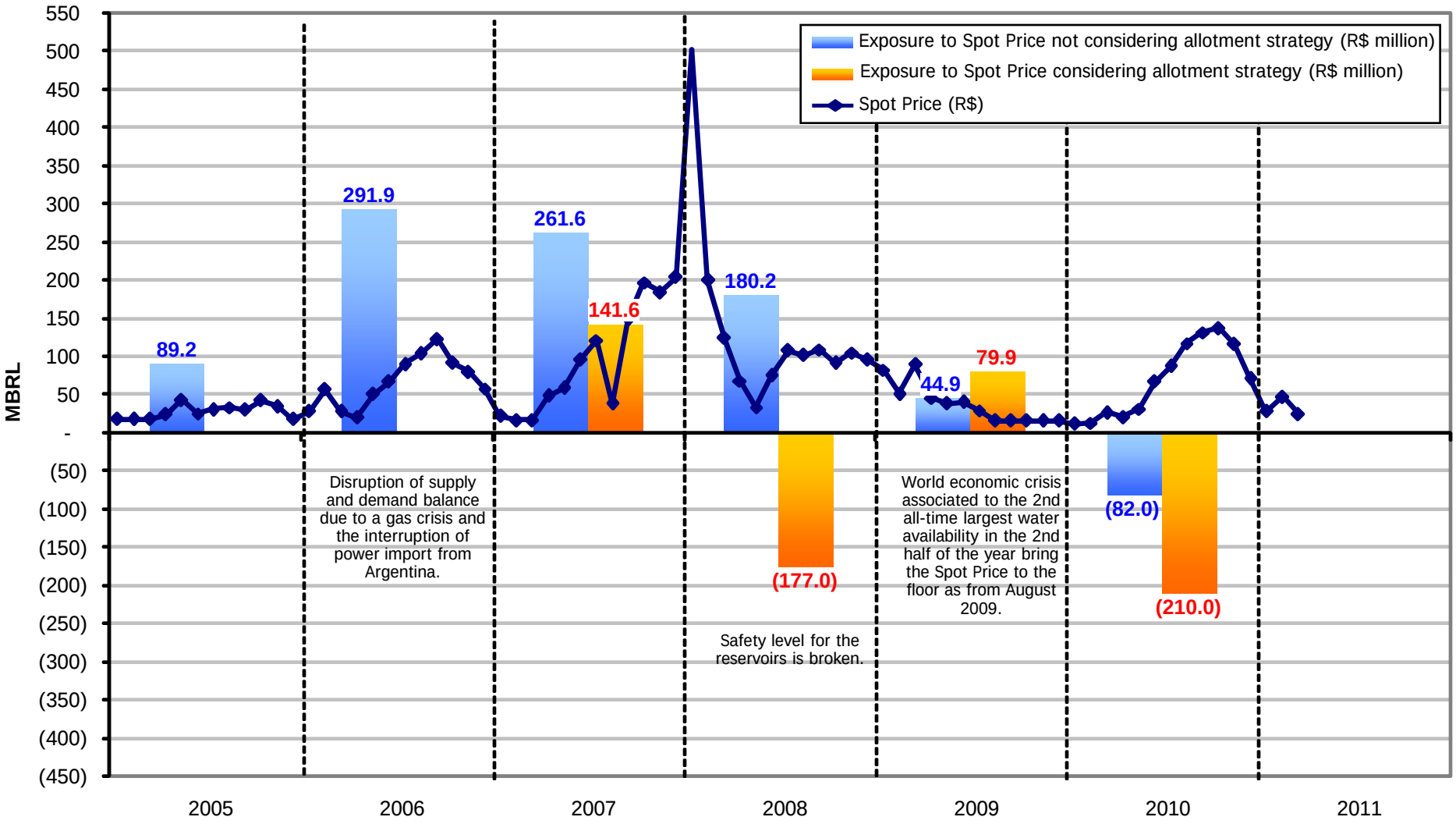


Note:

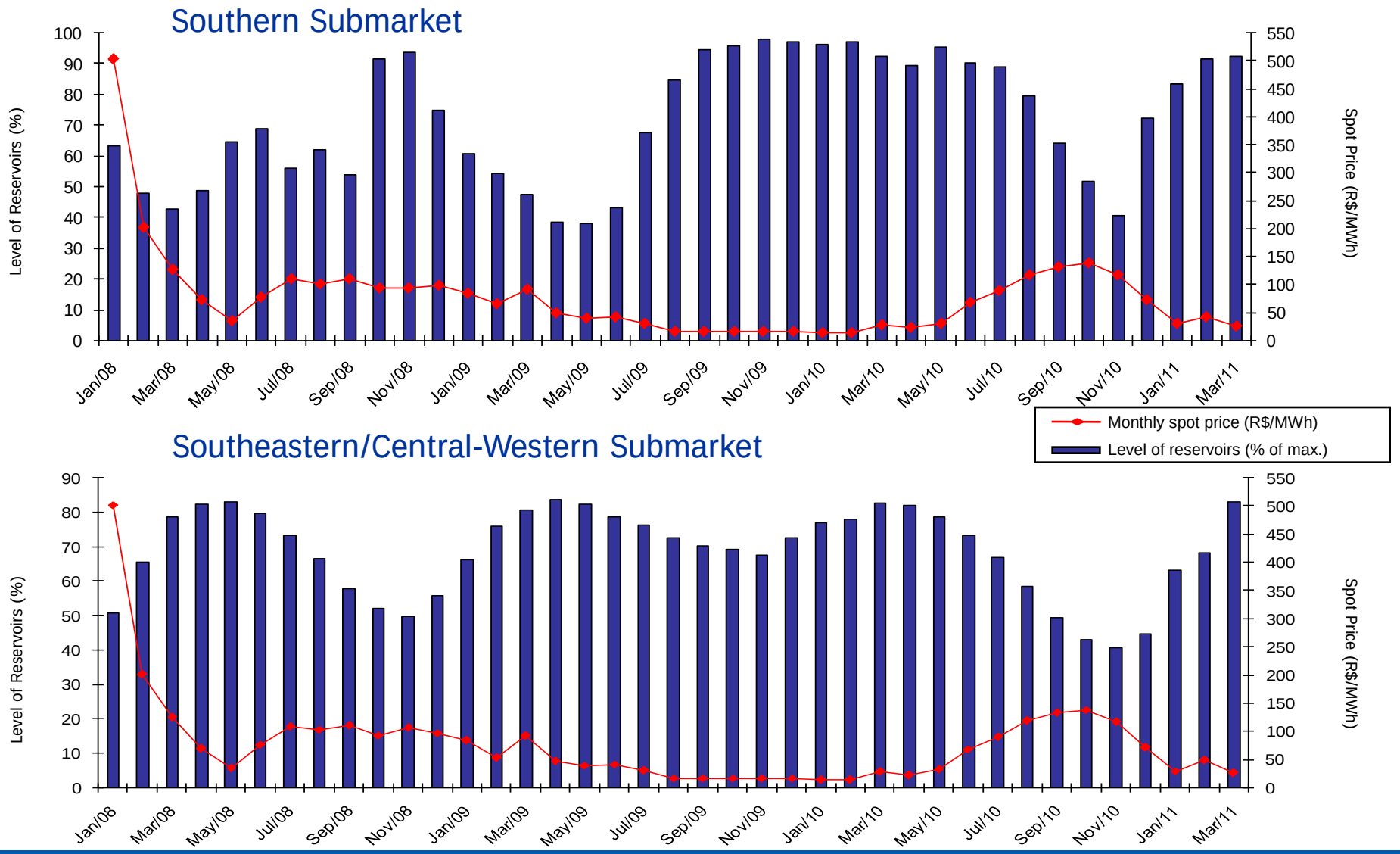
[1] Considers the annual payable net income.

[2] Based on volume-weighted market price of ON shares in the period.

Expenses: impacts of energy allotment (2007 thru 2011)



Correlation between reservoir levels and spot prices



Contacts

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