Local Conference Call

Tractebel Energia

3Q13 Earnings

October 28, 2013

Operator:

Good morning. This is the Tractebel Energia conference call, where 3Q13 results will be discussed. All participants are connected only as listeners and later the question and answer session will be open, when instructions will be provided for participation. If you need the help of an operator during the conference call, simply enter *0. Remember that this conference call is being recorded. This presentation, with slides, will be transmitted simultaneously over the Internet at www.tractebelenergia.com.br, in the Investors section.

There, you can also obtain a copy of the presentation and of the release of Company results. Before proceeding, I want to clarify that any statements that may be made during this conference call related to Company business perspectives should be viewed as projections, dependent on the country's economic situation, on the electric sector's performance and regulation as well as on other variables and, therefore, are subject to change. Today, we have with us Mr. **Eduardo Sattamini,** Financial and Investor Relations Director at Tractebel Energia, Mr. **Antônio Previtali,** Manager of Investor Relations, who will comment on Tractebel Energia's performance in 3Q13, and Ms. **Anamélia Medeiros,** Manager of Market Relations at GDF Suez Energy Latin America, who will give an update on the implementation of the Jirau Hydroelectric Plant. After that, they will immediately answer any questions. I now give the floor to Mr. Eduardo Sattamini. Mr. Eduardo, please proceed.

Eduardo Sattamini:

Good morning everyone. We are going to talk about 3Q13 and Tractebel Energia's performance. This quarter stands out because of the reduction in our result reserve created back in the first quarter of the year due to our energy allocation strategy and a period of high spot market prices, with a position as the selling company. Therefore, this will permeate our main indicators, on which I now comment. Our net revenue from sales in the quarter, 3Q13 compared to 3Q12, increased 9.12%, mainly because of the raise in sales price, contributing with R$ 71 million. Our sales price went from R$ 132.8 to R$ 140.8, net price. In the quarters under comparison, our EBITDA fell 5.1%, mainly because of short-term operations for covering our positions and the increase in purchases for resale. This has a direct impact on the company's margin EBITDA, which fell 8.5%.
Net profits were not as affected because we had a non-recurring gain that contributed to this net profit with 32, approximately R$ 32 million. However, if not for that recurring result in the quarters, we would have had, compared to the previous quarter, a reduction of around 5.4%, in line with the reduction we had in EBITDA.

In terms of energy sold, we had no significant variation and production was quite high, mainly due to the increase in hydro generation in 2013 compared to the same period of 2012, where we were already beginning to experience a period of poor hydrology.

Moving on to slide 5, with the highlights for the quarter, the first point is approval of the distribution of Interest on Shareholders' Equity, by the Board of Directors, at R$ 0.375 per share. The shares will be ex-interest starting November 26, 2013, and we will make the declaration on that Interest on Shareholders' Equity on the last day of the year. Payment will be made next year, on a date to be defined by the Company's Executive Board.

On September 20, we had the conclusion of the assembly of 13 generators for Central Elétrica de Guajiru, one of the Trairi Wind Centrals. Together with the 11 Trairi aero generators, represent 24 aero generators synchronized this morning. We received confirmation the machines were synchronized at ten o'clock in this morning. This will be a very positive event for us. We were waiting for the Pecém Substation to become operational so we can connect our plants. And then we are going to get this period of strong winds in the region, which characterize, which begin in October, and continue until the beginning of next year. This will contribute towards our position, cover part of our debtor position while still in the fourth quarter of this year.

In 3Q13, Tractebel also won several awards that are worth mentioning. The Environmental Brazil Award, promoted by the Brazil-United States Chamber of Commerce, in its 9th edition, in the category of Rational Use of Water Resources. It also won the trophy for best company in the electric energy sector of Brazil in a ranking promoted by the Isto É Dinheiro magazine, in its 10th edition. And it was the highlight of the electric energy sector at the 6th Abrasca Value Creation Award 2013 for the proportional return to shareholders in the past three years, and a distinction in governance, transparency, risk management, social-environmental policies, investor relations, among others.

Moving on to slide 6, which shows our control structure, remember we part of the Suez Group, which detains 68.71% of the company. We are part of the Novo Mercado, the highest index of governance in the Stock Exchange, and we have been in the ISE for the past eight years. Ever since the creation of the ISE, the company has been part of this important index. There is no other specific alteration in relation to the controlled companies.

I move on to slide 7, where we show the positioning of our plants. We have increasingly gone from a regional player to a national player. The inauguration of the plants in the northeast increases our capacity for serving that sub-market. We have a generation portfolio with hydrothermal characteristics, and that has a risk reduction factor, which is also important during times of poor hydrology. In addition, we are the company that has grown the most since privatization among its peers. The companies were privatized at the end of the 1990s, and we can see that the company was the only one to enjoy robust growth.

On page 8, we talk about our leadership position among private generators. The company is the biggest private generator in the Brazilian electric sector, with the acquisition of participation in

Jirau, and even reducing the Suez Group's share in Jirau from 60% to 40%, we continue with a big lead and the chance for consolidation in the sector, as they appear.

In slide 9, we talk about our balanced portfolio between distributors and free customers, and trading companies, and that portfolio gives us long-term flow stability through long-term contracts, but also flexibility for serving the market. The company believes it should try to sell and increase its free customers base so it can create value for its clients and capture value for its shareholders, thus avoiding participation in A-1 auctions where prices normally have a price cap determined by the government, with less turnover.

It is worth underscoring that from last quarter to the second quarter of 2013 – to the third quarter - we had an increase in direct sales to free customers. We had 41% in the previous quarter, and we are heading to 43%, and that is a reduction in sales through trading companies. In a way, this has been following a tendency from the past, of confidence in the free customers in direct relations with the generator, and also in relation to recent changes we had in regulation, that is, we had a regulation beginning, a regulation beginning starting this year, where it began to have bilateral guarantees between the buyer and seller, and the buyer beginning to run the risk of the seller. Therefore, the companies with a given portfolio, with assets, are companies that then have a greater chance of attracting new clients.

Moving on to slide number 10, since we have given much importance to the free market, you can observe that our total sales volume has been increasing year by year, and it is at a level, representing the highest historical level of sales in the free market until today. We try to make a diversification among the diverse sectors of the economy in order to avoid any specific risk of any industry. Here we have the highest concentration in the cement industry, but comprised of big international players like Lafarge, Cimpor, companies that are financially very solid. Our vision is to reduce credit risks and for such we also have a rigorous credit policy and a very meticulous credit analysis.

We are now going to slide 12, where we speak about economic growth. The income distribution profile should contribute towards an increase in demand for electricity. We see that in a recent past, we had a very weak economic growth rate, measured by GDP, but we also verified that energy consumption behavior did not follow this poor growth perceived in the economy. In other words, a new component is the income distribution component, which has been contributing towards increasing the elasticity of energy consumption in the country, the elasticity of consumption income.

We also have the perception that the increase in thermoelectric participation, delays in installing new projects and preference for contribution, for the construction of hydroelectric plants with small storage capacity should contribute towards an increase in future energy prices. When we look at the graph on the right, distribution of supply by source, we see that our projected demand line cuts supply at thermoelectricity. In other words, we see that even, we saw that starting this year, that even with the long-term average for hydrology we could no longer serve the entire system with hydro. That is, thermal is necessary for the system today, and for that reason, we see that price levels tend to rise, the more and more we depend on thermal plants.

On the left side, we see a small structural leftover, but that leftover is a small amount when compared to the periods before 2006. Obviously, we have a more robust model where transmission capacity also diminishes this exaggerated need for excess supply, but economic growth that is a little more robust could also pressure demand significantly in the years to come.

Now, we go to slide 14, where we speak about our uncontracted position. Tractebel's uncontracted position, which can be identified there by the graph on the left, fell considerably, especially after 2015/2016/2017, and that is due to two factors; sales, obviously, since we had an intensification of sales this semester for future years. However, we also had a loss in our resources, which mainly occurs due to shortage of gas from the William Arjona Plant, which had its activities suspended in March of this year. We were still trying to re-establish this resource through administrative and judicial measures. Last quarter we did not report that because there was still a very strong hope. Administratively today, we, the resources are almost depleted, but judicially, we are still trying. Actually, next November 5 we are going to have a hearing where it may be re-established. However, in a prudent manner, demonstrating prudence in relation to the market, at William Arjona we then decided to make its resources for future years, in order to have a procedure that is more conservative.
And we also had a change in relation to Alegrete, a fuel oil plant, which became, which proved to be unfeasible for operations there in the very beginning of the very poor rainfall period, and so we decided to deactivate the plant and give it back to the Union. The plant used to belong to the Union, but it had been assigned to the company. Therefore, these are the two main factors that acted on reducing our resources.

In addition, we can move on to page 15, where we can talk in a little more detail about the energy balance, and the other factors that influenced it, especially bilateral sales volume. We had a small increase in 2013, of 5 average MW sold over what we had in 2013. 2013 is a current year, so these variations will be small. In 2014, we had a 154 increase in bilateral sales, 154 average MW in bilateral sales. In 2015, we had 46 average MW; in 2016, 104 average MW; in 2017, 76 average MW, and starting in 2018, we have 60 average MW.
It is also worth underscoring that in the energy balance, we had small variations in average price, but there is an important variation, which is worth calling attention to, which is the average net purchasing price for 2015. We had a significant reduction. We had, that year, basically a contract, a contract of 200 average MW, which had quite a high price. This contract was made some time ago, around 2008, 2007/2008, when market prices were higher. At the time, our idea for this contract was to reposition the portfolio, make sales, which were sales with higher values than those at which we bought. And now, in 2015, now in 2013 we made new purchases for 2015, with lower prices than that. Therefore, we had a significant reduction. Some analysts asked us at what price level, we had prices there around R$ 120 for these purchases, which is why the price went from, the average purchase price went from R$ 139 to nearly R$ 129 reals per MW/hour.

We now go to page 17, where we speak about the expansion of the Jirau project, and I now give the floor to Anamélia.

Anamélia Medeiros:

Good morning everyone. On behalf of GDF Suez, I thank you all for your presence. I am going to bring you up to date on the Jirau project this third quarter. You already know some of the general data - project with 3750 MW of installed capacity, with 50 units at 75 MW each, and ensured energy already assigned of 2185 average MW. 73% of Jirau's energy has already been sold in PPAs to distributors, divided into two types of PPA. The first PPA with 1383 average MW of ensured energy, already beginning, initially scheduled for January 2013, but postponed with the negotiations underway with ANEEL. The second PPA, beginning in March 2014, and the balance of energy available will be sell by the shareholders. This terms, have already been contracted with shareholders that will sell at the right moment. Financing conditions are also broadly well known, the total financing of R$ 9.5 billion, the rates, the increases practiced in the market.

Well, moving on to project updates in more specific terms for this quarter, as announced, we had kicked off commercial operations for the first generation unit on September 6, 2013, unit 29 in the left margin. We also had a very successful rite, which was the filling of the powerhouse reservoir on the right margin to enable the startup of the subsequent machines. And now we can already say that the main civil works activities have already been concluded. We have advanced physically more than 90%, which is a major milestone for a project this size.

Present day CAPEX for the project is R$ 17.3 billion. This update was made now in September 2013. Likewise, the last update we made in March 2013 is also known. The partnership with Mitsui is being finalized; as you know Mitsui purchased a 20% share in the project. The conclusion of this transaction is projected for the second semester of 2013, and it is currently conditioned only on approval from BNDES and from the transfer banks, since CADE gave its approval on July 1, 2013, and ANEEL gave its approval on September 24, 2013.

As you already know, the project obtained registration in the Clean Development Mechanism in the Kyoto Protocol this year, and we are expecting a credit generation of 6 million tons of CO2, carbon credit, full capacity – revenues already beginning in 2014. Just to add a little more of this, starting the moment the first machine already starts operations, we are already generating revenue for obtaining carbon credit, but we expect the first sales starting 2014. And as you also know, we are negotiating additional options for creating value, with ensured additional energy, which had already been assigned a minimum of 24.3 average MW by ANEEL, additional tax incentives in the project implementation region, and the MME has already approved Jirau as a priority project for purposes of issuing infrastructure debentures, creating other possibilities for financing.

On slide 19, you see an update that shows how the works are advancing at an intense pace, filling the powerhouse on the right margin, as I have already underscored, from September to October, is a perspective of one month that shows this variability. In addition, the status of the powerhouse

on the left margin, with an upstream vision from June to September, which is also quite modified and already has a full reservoir in the area in question.

Thank you for your presence, and later we can answer any questions. I now give the floor again to Director Sattamini.

Eduardo Sattamini:
Well, we now move on to page 20, where we speak about projects with a slightly smaller span than Jirau. We are going to talk about the Trairi project, as we have already mentioned. We synchronized two of the four parks already this morning, and we will also have two parks entering commercial operations by the end of the year. As I said, these parks will already contribute towards the generation of energy and settlement of our positions now at the end of the year.

On page 21, we talk about our Solar Power Plant project with capacity for 3 MW/peak, an investment of R$ 53 million. Our objective is within the R&D program to evaluate the potential for solar generation in Brazil. We also have the installation of 8 evaluation modules at 70 kWp each, in several regions. You can see the distribution on the map of evaluation modules and this project has a partnership with the photovoltaic research group from the Federal University of Santa Catarina. And how is the project doing today? We already have the first and second evaluation module concluded; the third and fourth in the execution phase; the Solar Plant's landscaping is already constructed; the executive project in execution and the start of metal structure assembly in modules in November of this year.

We are going to move on to slide 23. We speak about company growth according to financial performance; we begin speaking about financial performance. We have seen the steady growth and consistent financial performance of the company and that leads the company to the management of a customer's portfolio very well done, and focus on the strategy of hiring, and this enables the company to have a strategy of crescent acquisitions and glimpse future growth.

This growth has not been profitable over recent auctions, but the company, this growth in financial aggregates shows the company was in the past and continues having this prudent and disciplined behavior - it took proper investment decisions.

We go to slide 24. This is where we speak of the evolution of net revenues, and we basically mentioned the main factors, one of which is average sales price, which increased 6%. This average sales price was one of the factors that contributed to the 9.2%, where the short-term CCEE also contributed to R$ 55 million. There we had an evolution in revenue in the short-term market, R$ 117 million in 3Q12 to R$ 172 million in 3Q13. We did not have exports this year and that harmed our revenues when comparing the quarters by R$ 8 million.

Moving on to EBITDA, on page 25, for operations, we had R$ 48 million in normal contributions, and the major component here is the question of short-term purchases, on the impacts of short-term operations, which contributed with R$ 83 million. Here we broke it down, it contributed negatively with R$ 83 million, here we broke down the short-term effect between the short-term CCEE positions and the position related to the CNPE 03 provision, which did not represent outgoing cash for the company, but in a prudent manner, we have been constituting provisions in relation to this new regulation since last quarter. Altogether, we have R$ 60 million provisioned, and these R$ 60 million can, as we obtain a ruling of merit in our favor, be reversed and return to company results.

In slide 26, when we speak of the evolution of net profits, the main component we have there is the non-recurring financial result component. We had a prepayment operation of a debt with the Secretary of the Treasury, stemming from Brazilian debt, negotiation of Brazilian debt, *Brady bonds*, and this debt had collateral entered in the company books, in the company's books at the value of the curve, and in reality the settlement, this asset, these assets had much greater market value. Therefore, when we made a prepayment, it generated a financial gain for the company of R$ 49 million reals, which after discounting income tax generated this effect of R$ 32 million in the company's financial results. Operations contributed with R$ 28 million of reais, compared to the same quarter the previous year. The financial result was a little better than last year, R$ 11 million. And once again, we then have the contribution of short-term operations, broken down here into CNPE 03 and CCEE, contributing with a R$ 54 million reduction in our net profits, and thus our net profits only achieved a final growth of 2.9%.

Moving on to page 27, speaking of indebtedness, our indebtedness is low, with low exchange exposure. The exchange exposure according to the settlement of the STN operation we spoke of now in the last slide, reduced our exchange exposure from 6% to 4% of our total debt. Our debt has become basically stable, going from last quarter at R$ 3.473 million to this quarter at R$ 3.470 million, total gross debt, we had as components that increased our debt as a continuity of investment in wind energy, in Estreito and in 4131 operation as well, done with HSBC. As a counterpoint, we had normal reductions in operations, the first due date for the Bank of America Merrill Lynch operation, the normal amortization from BNDES and this STN operation we commented on to you.

In terms of cash position, our cash position, previous quarter and this quarter fell a little, but in compensation, we also had the payment at the end of September of R$ 764 million in dividends.

You will able to observe this on page 28, when we compare it with the evolution of net debts, which increased 9.2%, mainly because of this event, dividend payment, which took place in

September. We had the Estreito and wind energy investments, as we commented, and then other factors of less importance were partially compensated by the generation of normal company cash, which we call operational activities.

On page 29, we show the debt profile. The profile has a small concentration in 2014. We have two tranches still from the Bank of America Merrill Lynch operation coming due, and there is the last DB tranche, from the second issue of debentures that comes due now in mid-2014. This generates a reasonable concentration in 2014. So we go back to slightly lower level in 2015 with normal maturing of our long-term obligations contracted with the BNDES, plus an HSBC operation that was made this year, and which is a short-term operation, two years. And we also have the settlement of the operation we have in Euros, also occurring in 2015, at the end of 2015, which are floating rating notes, held in Euros at a cost of 3.7% as you can see here in the graph in the lower left, in the pie chart.

Most of the debt, as we have mentioned, is in reals, even because we don't have revenue in other currencies, so it is a way for us to not have a difference between assets and liabilities, of currency, it could generate greater risk to company results. Examining the composition of indebtedness, most is actually long-term financing stemming from BNDES, represented herein in domestic currency by the LTIR, some part of the operation in CDI, are operations in swapped foreign currency. This last IPCA tranche which represents 9% of debt, and other financing here with a fixed rate, such as PFU and Regional Development Funds.

On page 30 then, we speak about our CAPEX when we look at 2013, basically, we have energy, the Northeast Wind Energy, which is the Trairi Complex, representing a significant part of 2013 investments. We also have the residue from Estreito, and we have a significant O&M CAPEX value related to the modernization of the São Salvador and Passo Fundo plants. This modernization project will take place throughout 2013/2014, ending in 2015, so this should lead to a, the increase is already represented in our estimated CAPEX, for carrying out this modernization over coming years.

Therefore, we move on to page 31, where we speak of the dividend policy, always remembering that our minimum statutory is 30% of net profits. The administration's commitment is a minimum payout of 55% and we have been paying 100% there since 2011 in order to avoid retaining funds in the company if they have no specific use, as we already mentioned in the beginning. The level of investment has been low, and so we have opted to make the payout at 100%.

Well, that was all, so now we will open for questions and answers.

Operator:

Ladies and gentlemen, we now begin the question and answer session. In order to make a question, please enter "*1". To remove the question from the list enter "*2". *Our first question comes from Mr. Gabriel Laera, Itaú BBA.*

Gabriel Laera – Itaú BBA:
Thanks for the opportunity. Eduardo, explain something to me. How does the Alegrete reserve situation remain, and sorry, William Arjona. I can zero it then here; you won't have it any more, you won't be able to contract on it? In short, if you could tell us the story a little better, because I don't remember. But I do remember that this came out in the ITR for the third quarter of 2012, I think.

Eduardo Sattamini – Director of Finance and Investor Relations:
We had gas until, we had gas until March of this year. That legal fight has been going on with Petrobrás, which is the supplier of the gas. That plant was contracted at the time of the PPT, that is, there is a law, a Decree-Law, which was, which gives coverage for 20 year contracting of these PPT plants, and at a given moment in time, Petrobrás decided the contract should not be renewed in accordance with this higher law. So we have been discussing that in court; we had gas until March, so our attempt to have the supply re-established in accordance with this higher law, which is the Decree, but today there is an injunction that Petrobrás was able to obtain, to suspend the supply. So we are waiting for a ruling of merit on the issue, regarding if they have the obligation or not. And, as a matter of prudence, we removed that from the reserve. Our expectation is for this higher Decree to end up overriding any other contractual condition that may exist, and for us to have this reserve re-established. However, in a prudent manner, we decided to remove that from our reserve, from our portfolio.

Gabriel Laera – Itaú BBA:
In other words, you took that with the CCEE, and you didn't count on…

Eduardo Sattamini – Director of Finance and Investor Relations:
Today, the operation is suspended at ANEEL. So if it is suspended at ANEEL, the reserve at CCEE is also suspended.

Operator:
Our next question comes from Mr. Sérgio Tamashiro, Safra.

Sérgio Tamashiro – Safra:
Good morning everyone. I have two questions, and the first one is in relation to Jirau. This quarter here, the third quarter, you are announcing here an increase in CAPEX in the second quarter, of R$ 16.3 billion, which went now to R$ 17.3 billion. But, on the other hand, the BNDES is still informing

the value at R$ 9.5 billion. So, I just wanted to know, are you going to have to allocate more equity, is the project going to get less leverage. And then I ask concerning Mitsui's part, of the 20%, which you are informing that each partner is contracting, having their PPA. But, do they have the demand for using this energy, or are they also going to be selling this energy here in the secondary market, and do you have right of preference? What is going to become of this energy?

Anamélia Medeiros:
Well, thank you for the question. In relation to CAPEX, we announced an increase of 1 billion in CAPEX for March. We did not project any renegotiation of debt up to this moment with the BNDES, so this contribution, a priori, will be done with equity. In relation to Mitsui, as I have said, the PPAs were agreed upon between the ESBR and the existing shareholders, with volumes proportional to their share in the project. In relation to GDF Suez's portion, we are in discussion with the Tractebel commercialization team to study a better strategy for allocating this energy in the market. The team already administers an ample portfolio and it has a history of success in free market commercialization, which permits us to access a pool of consumers and develop products within the company's portfolio, which facilitates the integration of this energy to the portfolio. But we are going to deal specifically with the commercialization issue in a clearer manner as soon as we are more certain in relation to the volume of energy available.

Sérgio Tamashiro – Safra:
In reality, my question was: this energy from Mitsui, in the end, will it be competing with this energy as well, which Tractebel will be trying to sell?

Anamélia Medeiros:
Look, I don't know if I was very clear, but GDF Suez will remain with 60% of the energy allocated to the free market. Mitsui has not yet assume any sort of obligation in relation to this energy. So this entire portion will be discussed at an opportune moment for commercialization with the Tractebel commercialization team.

Eduardo Sattamini:
Sérgio, Sattamini. When you look at the ESBR contact portfolio, you will see that Mitsui does not appear in the energy taker chart. Therefore, GDF Suez's part is the integral part, in relation to the previous 60%. In other words, what Mitsui acquired was participation in the asset 100% contracted, which is the vehicle, which is the ESBR.

Sérgio Tamashiro – Safra:
I understand. And the second question is, looking here at the energy balance sheet, again comparing the second quarter with the third, what I see, and I find very interesting, own resources, they fell much more; 124 MW/average in 2013, 2014 156 MW/average, 2015 157

MW/average, 192 MW/average, 196 MW/average and 173/MW average. Why are own resources falling, from the second to the third quarter?

Eduardo Sattamini – Director of Finance and Investor Relations:
No, it is what we commented a little earlier, during the presentation. During the year, we had a few regulatory and contractual problems; one was the stopping of the gas supply from William Arjona, which is the main component here, which occurred in March. So, William Arjona, proportionally for the year, it represented one value, Alegrete was another value taken from the reserve. And then we have, starting 2014, 2015, William Arjona and Alegrete completely off our chart, so you see this increase. And some other changes because of that average in August. Every August there is an evaluation of the physical guarantee of the thermals as a result of their history of stoppages, so that reflects, it is being reflected based on this quarter in all lines for coming years, for our own resources. We decided to give the information this quarter because we thought that some of our, first one, in August, there is this revision that occurs, and second because we felt that some elements here we should prudently provide the information for the market already this year.

Sérgio Tamashiro – Safra:
Now I understand, thank you.

Eduardo Sattamini:
Welcome.

Operator:
Excuse me ladies and gentlemen. Please limit your questions to two at a time. Our next question comes from Mr. Felipe Leal, Merrill Lynch.

Felipe Leal – Merrill Lynch:
Hi, good morning to all. I would like to know about the transmission situation for the wind energy projects under development and also the issue of transmission in the Jirau project, if it is already, if it is already possible to flow energy without transmission problems.

Eduardo Sattamini:
Let's see. In the wind energy projects, this was the main bottleneck we had to synchronize the machines. We had the Trairi plant ready, since the last quarter, and we could not connect because the substation was late. With the substation ready, which took place this week, we can now synchronize. So the matter of energy flow from the wind energy plants in the Trairi Complex is solved. So now there will be the normal entrance of the Trairi Plants and the energy will be available for the system. It is worth remembering that we have other projects in the same region,

and we have the capacity in our line to connect in this same substation. In other words, we will have guaranteed connection to all these parks that we have there, and our line is ready for this Trairi Complex. In relation to Jirau, I am going to pass the question over to Anamélia and she will explain in a little more detail.

Anamélia Medeiros:
Well, in relation to the high voltage transmission line that connects Jirau to the south-southeast system, the line entered in testing on October 10, and commercial operations have not started yet. ONS estimates the line will be ready for operations by mid or end of November. However, that depends on an accompaniment and on test performance.

Felipe Leal – Merrill Lynch:
Great, thank you.

Operator:
Excuse me ladies and gentlemen. Remember that to ask questions just enter asterisk one (*1). We now close the question and answer session. I would like to give the floor to Mr. Eduardo Sattamini for final considerations. Mr. Eduardo, please proceed.

Eduardo Sattamini – Director of Finance and Investor Relations:
Once again, thank you for your participation, for the questions. This also makes our presentation and our call a little more dynamic. We hope that the beginning of next year, reporting the fourth quarter of 2013, we will have good results to inform. Good afternoon to all.

Operator:
The Tractebel Energia conference call is terminated. Thank you for your participation, have a good afternoon and thank you for using Chorus Call.