

NOTIFICATION TO SHAREHOLDERS

INITIAL DATE FOR THE PAYMENT OF INTEREST ON EQUITY TO SHAREHOLDERS

We communicate to the Shareholders and the market in general that the Management Board of Tractebel Energia S.A., in meeting held on 07.04.2005, in the use of the powers attributed by the Board of Directors, established 07.08.2005 as the initial date for the payment of Interest on Equity – IOE credited on 05.31.2005.

As decided by the Board of Directors, in meeting held on 05.12.2005, on the date of payment the IOE's shall be monetarily updated according to the SELIC variation rate, between 05.31.2005 and 07.08.2005.

Therefore, the amounts per type and class of shares shall be the following:

Type/Class	Gross value on 05. 31.2005	IN R\$, PER 1.000 SHARES BLOCK
		Gross value updated to 07.08.2005
Ordinary	0.168516	0.171924
Preferred "A"	0.199740	0.203779
Preferred "B"	0.168516	0.171924

According to the afore mentioned decision by the Board of Directors, IOE's shall be paid in accordance with stock status on 05.18.2005, therefore prior to the Company shares grouping that took place on 05.23.2005.

The parcel corresponding to the variation of SELIC rate shall be liable to twenty two point five percent (22.5%) in Income Tax deducted at Source, within current legislation.

Florianópolis, July 4th 2005

Marc Verstraete
 Financial and Investor Relations Director