ENGIE Brasil Energia S.A.
Results Presentation
2Q16

July 28, 2016

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01

Highlights, Shareholding Structure, Market Share, Assets and Sales

HIGHLIGHTS

Main financial and operational indexes:

(in R$ million)	2Q16	2Q15	Chg.	6M16	6M15	Chg.
Net Revenue from Sales (NRS)	1,570.7	1,544.9	1.7%	3,173.3	3,162.8	0.3%
Results from Operations (EBIT)	594.0	437.0	35.9%	1,232.6	1,080.1	14.1%
Ebitda [1]	751.7	586.0	28.3%	1,544.4	1,375.9	12.2%
Ebitda / NRS - (%) [1]	47.9	37.9	10.0 p.p.	48.7	43.5	5.2 p.p.
Net Income	328.8	209.3	57.1%	675.9	554.0	22.0%
Net Debt [2]	1,202.7	2,079.1	-42.2%	1,202.7	2,079.1	-42.2%
Power Production (avg MW) [3]	4,919	4,279	15.0%	5,206	5,122	1.6%
Energy Sold (avg MW)	3,887	4,086	-4.9%	3,974	4,165	-4.6%
Average Net Sales Price (R$/MWh) [4]	180.4	170.1	6.1%	178.8	168.7	6.0%
Number of Employees	1,148	1,174	-2.2%	1,148	1,174	-2.2%

Notes:
[1] Ebitda represents: 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 ENGIE Brasil Energia.
[4] Net of taxes and exports.

HIGHLIGHTS
(cont'd)



The concreting of the pedestal to the 340 MW turbo-generator at Pampa Sul TPP was concluded, this requiring the mobilization of labor around the clock for 42 hours.



The Company issued R$ 600.0 million in non-convertible infrastructure debentures in two series at an average cost of IPCA + 6.26%. The relative funds to be allocated for the installation of the Pampa Sul TPP.



The Company received the Top of Mind award, sponsored by the newspaper A Notícia, as the most recalled brand name in the "Top Executive - Company, institution or foundation based in the state of Santa Catarina for sustainability and environmental responsibility" category.



BNDES (the Brazilian Development Bank) approved financing for Santa Mônica Wind Complex worth R$ 353.5 million

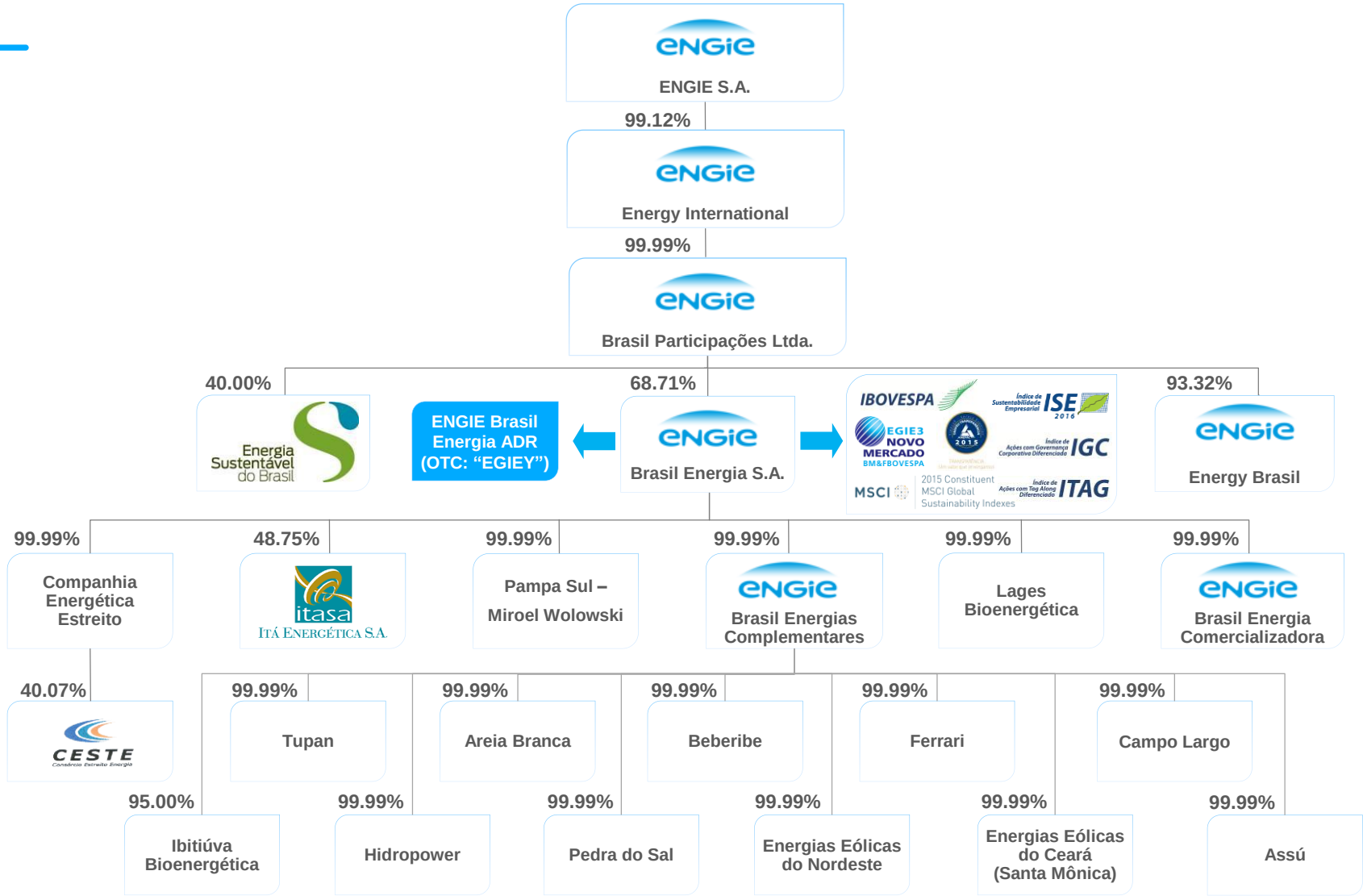
HIGHLIGHTS
(cont'd)

An Extraordinary General Meeting was held on July 14, approving the alteration in the Company's corporate denomination to ENGIE Brasil Energia S.A. From July 21, the Company's shares have been negotiated on the stock exchange under the"EGIE3" ticker symbol and the trading name of "ENGIE BRASIL". In the United States over-the-counter market, the Company's American Depositary Receipts (ADR) will trade under the "EGIEY" symbol.

The Company's Board of Directors approved the distribution of interim dividends of R$ 645.2 million, corresponding to R$ 0.9884 per share representing 100% of distributable net income reported for the first half of 2016.

In the 20th version of the Transparency Trophy, Anefac – Fipecafi - Serasa Experian, the Company was recognized for the quality and standard of information in its account statements, the transparency of the information and the quality of the management report for fiscal year 2015. This was the seventh time that ENGIE Brasil Energia has received this award, six of these awards being in the last seven years.

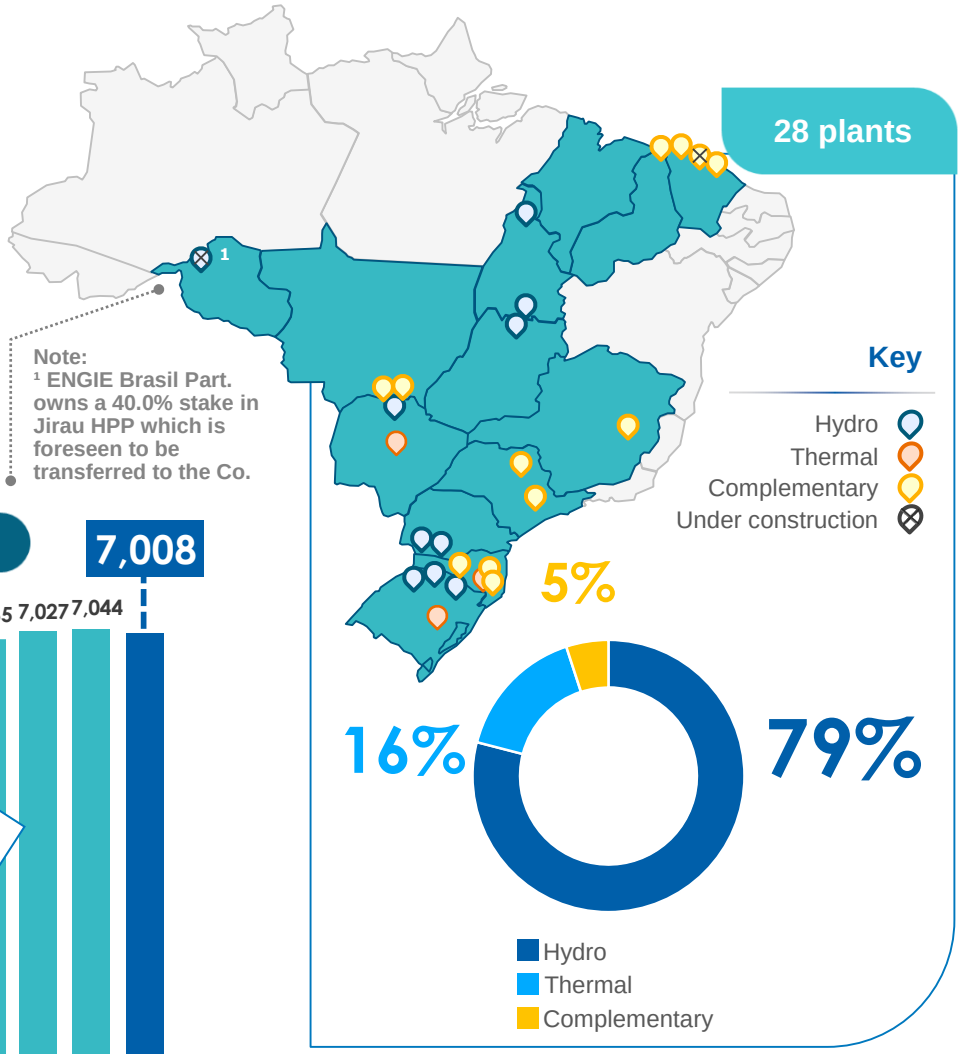
SHAREHOLDING STRUCTURE

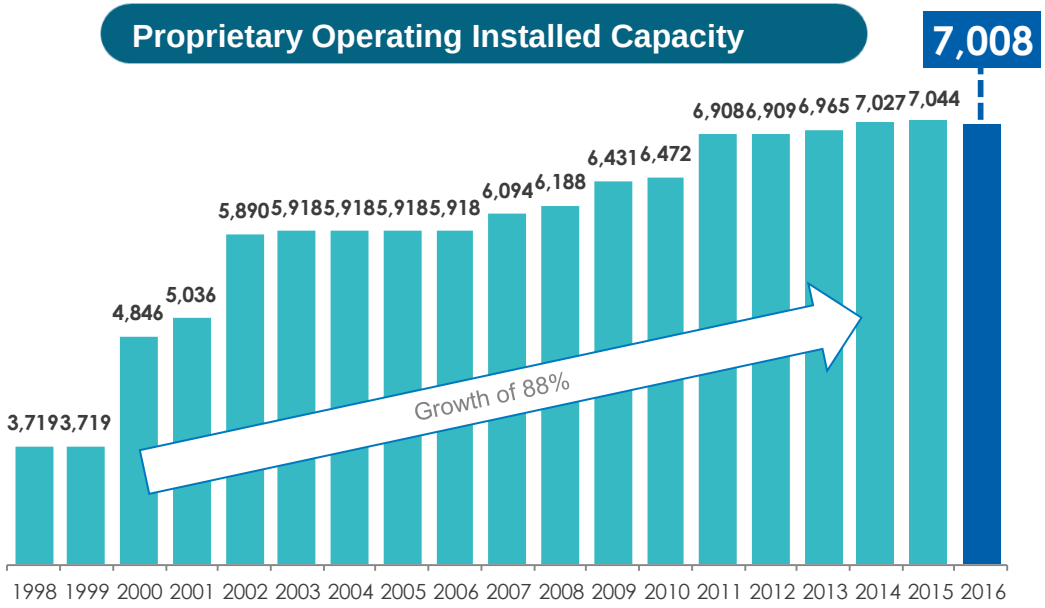


Simplified version

DIVERSIFIED PORTFOLIO OF ASSETS
with strategic location

Own installed capacity of
7,008.3 MW from
28 plants
operated by the Company in a
diversified portfolio

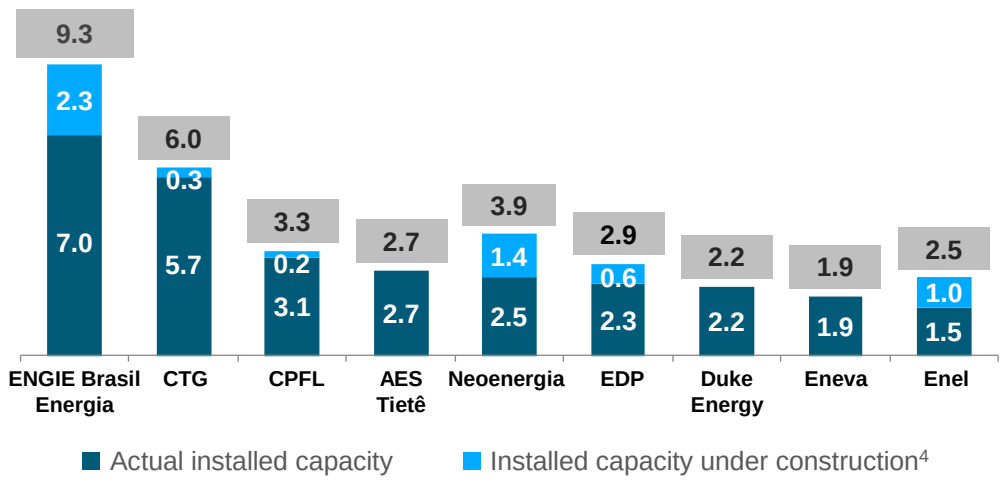




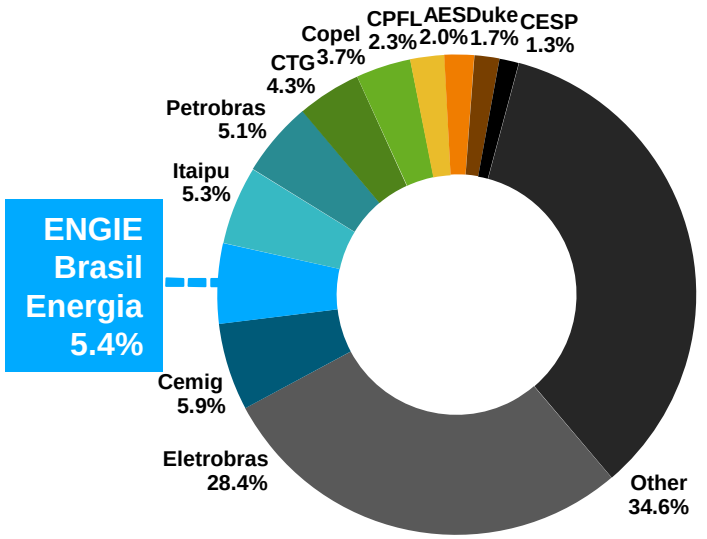
LEADING POSITION
in the generating sector

ENGIE Brasil Energia is the largest private player in the Brazilian generating market…

Private Sector – Installed Capacity[1] (GW)



Brazil – Existing Installed Capacity[2,3]



Source: Aneel, Companies' websites and in-house studies.

Notes:

[1] Apparent sum-related errors are a result from rounding of addends.

[2] Amount corresponding to SIN – National Interlinked System.

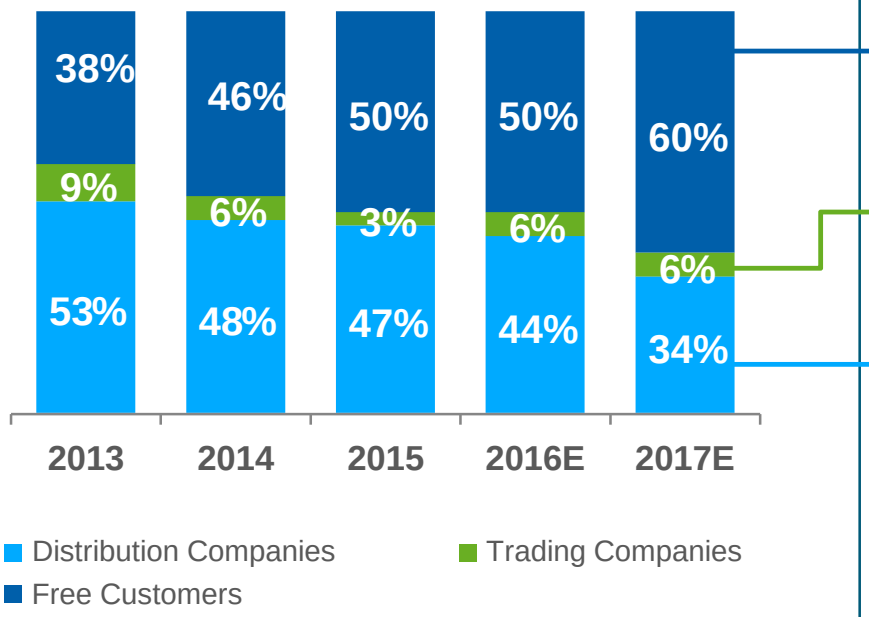
[3] Includes only the Brazilian part of Itaipu.

[4] Based on information from Aneel, ONS and internal study. For ENGIE Brasil Energia, the figure includes the plants under construction according to slide 40 of this presentation.

…and is well positioned to capture business opportunities.

DIVERSIFIED PORTFOLIO
among distribution, free customers and trading companies

Client Breakdown (based on contracted energy)



First to consistently serve the free market…

- Flexibility (prices, terms and conditions) → Maximizes portfolio's efficiency
- Opportunistic contracts (purchase/sale) → Product assembly
- Largest consumer market
- Regulated and unregulated contracts

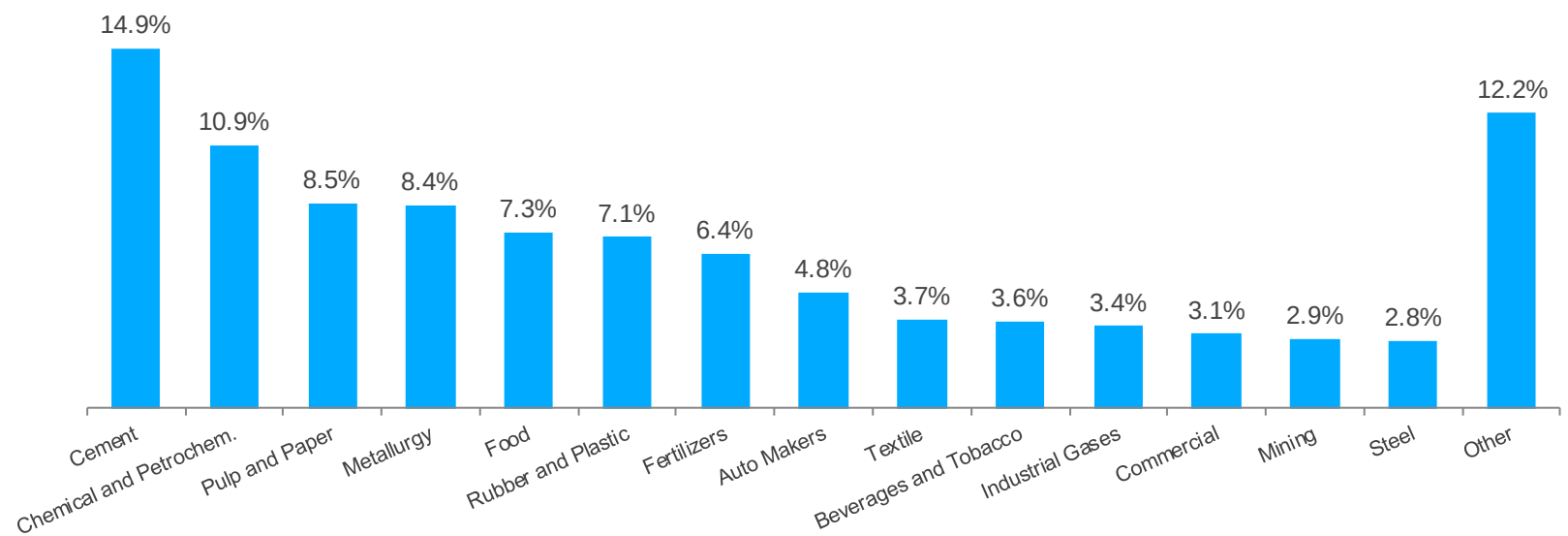
→ Long-term cash flow predictability

…to minimize risks and to maximize portfolio`s efficiency.

DIVERSIFICATION
also within the free customers portfolio

Free customer industry diversification and a strict credit assessment policy allow for a zero default reality.

Free customers total sales volume for 2016: 2,052 average MW



Source: Internal study based on IBGE`s classification.



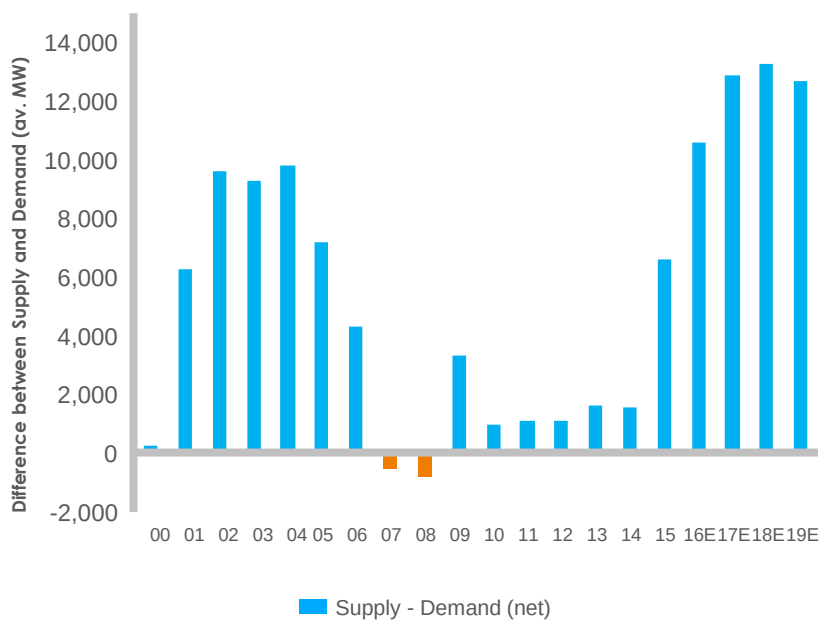
02

Energy Market in Brazil

DECLINE IN DEMAND BRINGS
theoretical improvement in the short term energy balance

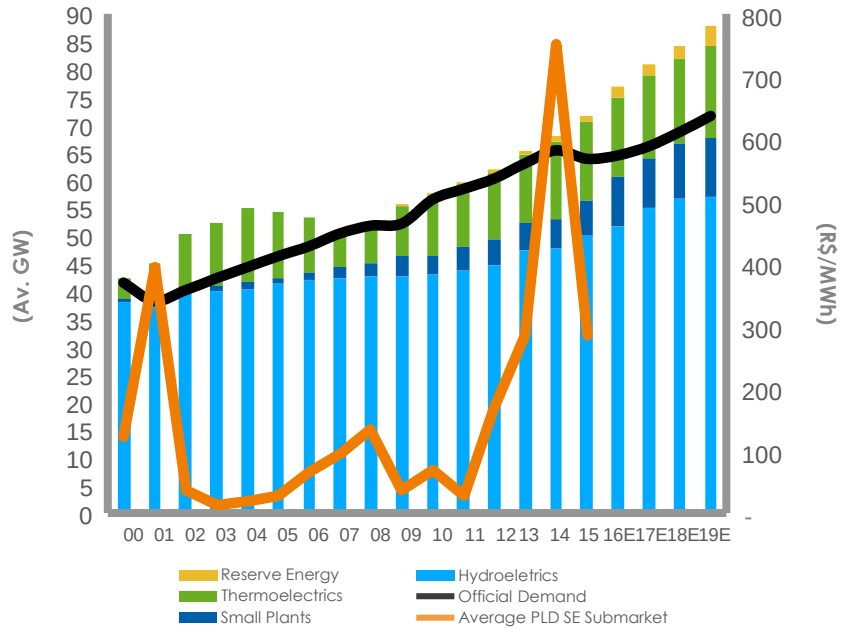
However, long term price support will be maintained due to the increased share of thermoelectric generation in the energy matrix and its dispatch to guarantee supplies to the system, delays in the implementation of projects, priority given to the construction of run-of-river hydroelectric plants, cost pressures following the recent devaluation of the Real and income redistribution.

Energy Market



Source: ENGIE Brasil Energia internal study based on the Monthly Operations Plan (PMO) for June 2016.

Distribution of Supply by Source



Source: Internal study based on Aneel and ONS data.



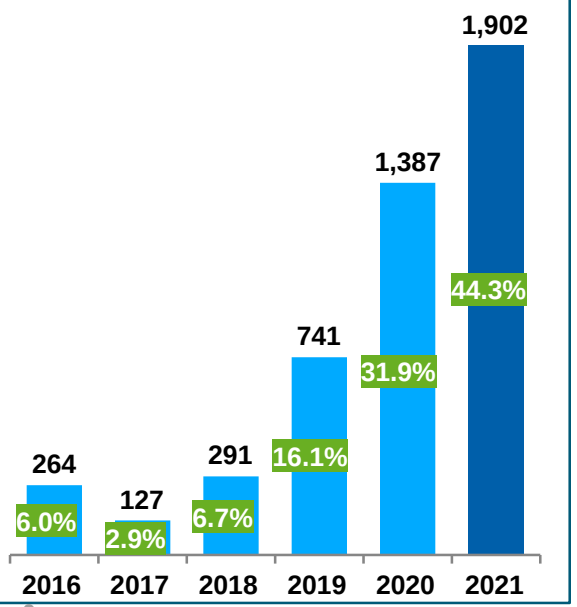
03

Sales Strategy

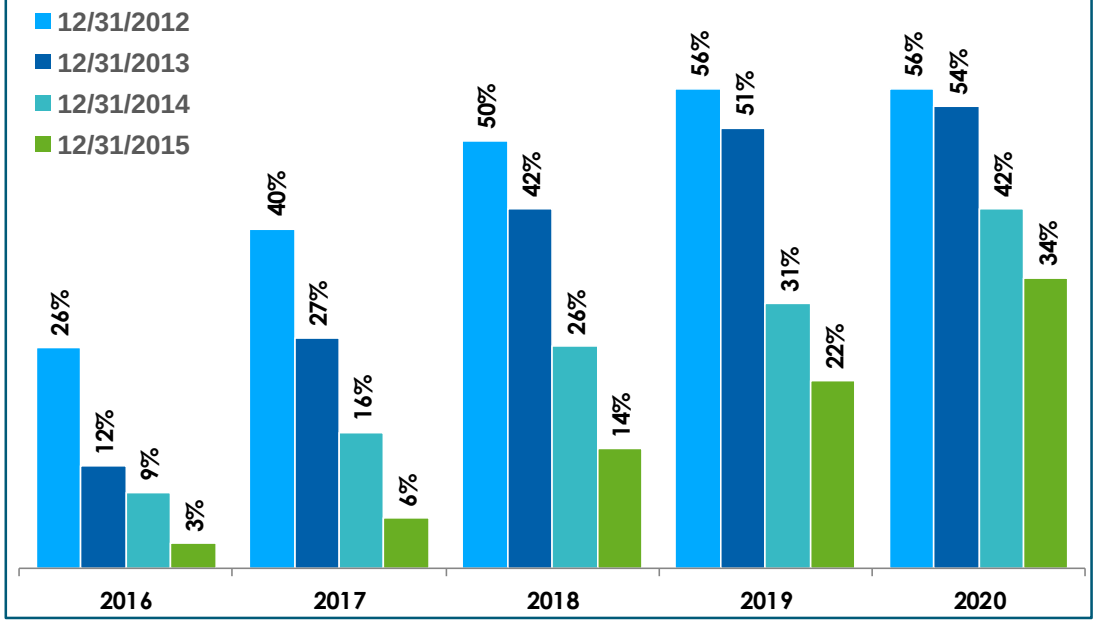
COMMERCIAL STRATEGY
considers the gradual sale of future availability

ENGIE Brasil Energia uncontracted energy[1]

(average MW)



ENGIE Brasil Energia: uncontracted energy compared to the availability of a given year



Note:
[1] Percentage of total resources.

ENERGY BALANCE

As of June 30, 2016

(in average MW)	2016	2017	2018	2019	2020	2021	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted as of 06/30/2016 (R$/MWh)
Own Resources	3,534	3,520	3,562	3,990	3,983	3,991			
+ Purchases for Resale	866	870	799	615	366	300			
= Total Resources (A)	**4,400**	**4,390**	**4,361**	**4,605**	**4,349**	**4,291**			
Government Auction Sales[1]	1,673	1,323	1,371	1,765	1,612	1,612			
2005-EE-2009-08	345	-	-	-	-	-	94.0	Oct-05	165.8
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	202.2
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	222.8
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	230.8
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	208.8
2014-EE-2014-06	150	150	150	150	-	-	270.7	May-14	320.0
Proinfa	44	44	44	44	44	44	147.8	Jun-04	304.7
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	254.3
Auction Mix (New Energy / Reserve / DG)	18	18	18	17	14	14	-	-	237.1
2014-NE-2019-25	-	-	-	295	295	295	183.5	Mar-14	222.8
2014-NE-2019-25	-	-	-	10	10	10	206.2	Nov-14	241.3
2014-NE-2019-20	-	-	-	83	83	83	139.3	Nov-14	163.0
2015-EE-2016-01	5	-	-	-	-	-	169.4	Dec-15	169.4
2015-NE-2018-20	-	-	46	46	46	46	188.5	Aug-15	203.9
8th Reserve Energy Auction	-	-	2	9	9	9	303.0	Nov-15	319.4
+ Bilateral Sales	2,463	2,940	2,699	2,099	1,350	777			
= Total Sales (B)	**4,136**	**4,263**	**4,070**	**3,864**	**2,962**	**2,389**			
Balance (A - B)	**264**	**127**	**291**	**741**	**1,387**	**1,902**			
Sales Average Price (R$/MWh) **(Net)**[2]:	182.9	180.3	181.1						
Purchases Average Price (R$/MWh) **(Net)**[3]:	212.4	186.3	186.9						

[1] XXXX-YY-WWWW-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)

[2] Sales price is net of ICMS and taxes over revenue (PIS/Cofins, R&D), as of 06/30/16, i.e. future inflation is not considered.
[3] Purchase net price, considering benefits from PIS/Cofins credits, as of 06/30/16, i.e. future inflation is not considered.

Notes:
- The balance refers to the settlement point.
- The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.
- Aneel agreed to the renegotiation of the hydrological risk with respect to the Company`s agreements negotiated through the Regulated Contracting Environment (ACR). Additional information can be found in the financial statements of 2015.



04

Expansion

HYDRO PROJECT UNDER CONSTRUCTION:
Jirau | project update

3,750 MW project, out of which 40.0% held by ENGIE Part.

- assured energy: 2,205 aMW

72.2% contracted under 30-year PPAs A-5 and A-3 Auctions, with protection against hydro generation deficit higher than 8% and 10%, respectively.

0.8% contracted under 3-year PPAs

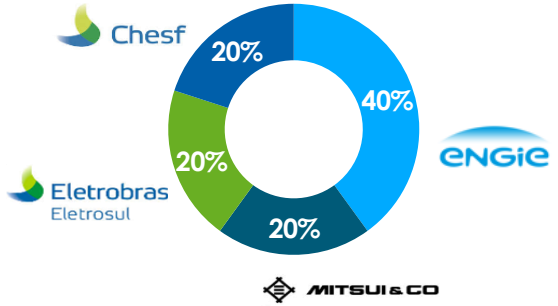
Balance of energy available to be sold by shareholders

Force majeure lawsuit - legal decision issued in the First Instance, recognizing 535 days. Analysis processing in the Second Instance

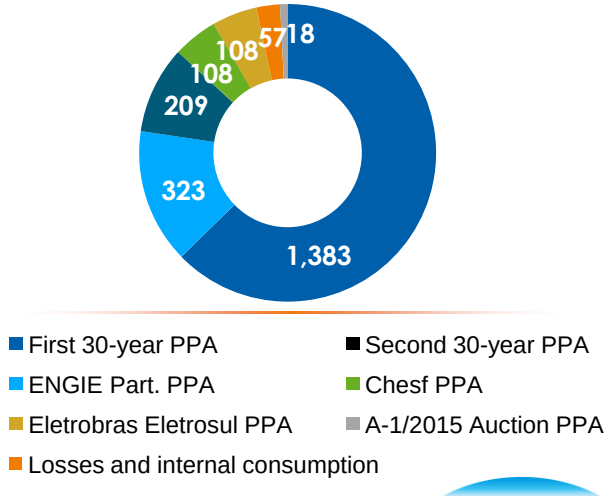
Financing conditions

- BNDES total financing: R$ 9.5 billion (initial R$ 7.2 billion + R$ 2.3 billion):
  - interest rate: TJLP + spread
  - amortization: 20 years
- spread: from 2.25% to 2.65%
- 100% of the debt is financed by BNDES, from which 50% is indirectly financed through a syndicate of banks

ESBR shareholders



ESBR PPA's portfolio - 2017 view (aMW)



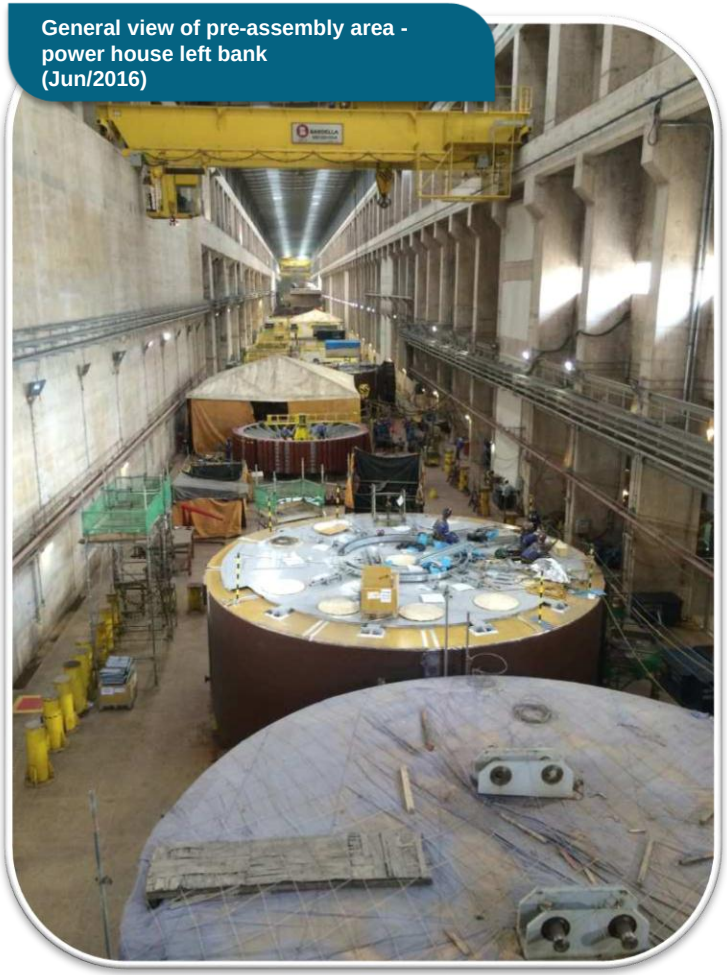
HYDRO PROJECT UNDER CONSTRUCTION:
Jirau | project update

Project status

- 3,150 MW in commercial operation (42 units installed to date)
- 75 MW synchronized and operating under test (1 unit)
- 150 MW under final assembling phase (2 units)
- full assured energy achieved in 2Q15 with the COD of the 33rd unit
- In 2Q16, total production was 1,489 aMW while uptime operating factor achieved 99.6%
- full COD foreseen for second half of 2016

Options to create additional value

- additional assured energy through the operation of reservoir at constant levels
- additional long term tax incentives in the region



General view of pre-assembly area - power house left bank (Jun/2016)

HYDRO PROJECT UNDER CONSTRUCTION:
Jirau | project update

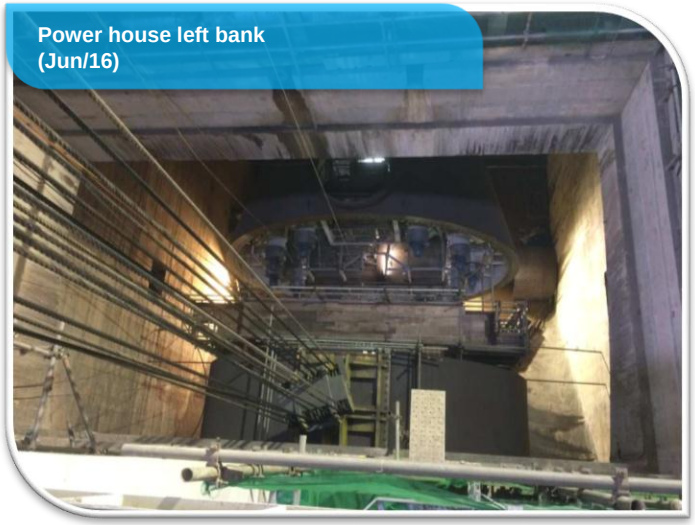
Power house left bank
(Jun/16)



Power house left bank
(Jun/16)



Power house left bank
(Jun/16)



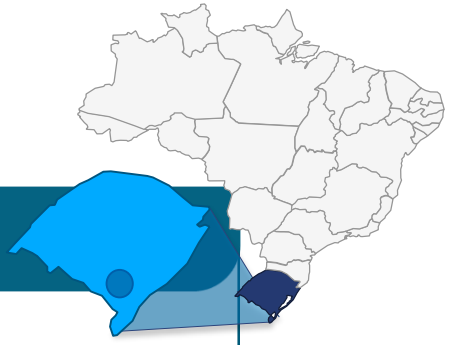
THERMAL PROJECT UNDER CONSTRUCTION:
Pampa Sul TPP

Project description

The project, under construction in Candiota (RS), sold 294.5 avg. MW at total price of R$ 201.98/MWh in an A-5 Auction, occurred in November 2014. The facility will fire thermal coal from reserves also located in Candiota.



Pampa Sul TPP under construction – chimney foundation.



Pampa Sul TPP - RS

Installed Capacity: 340.0 MW
Commercial Capacity: 294.5 aMW
Contracted Price[1]: R$ 201.98/MWh
Contract Term: 25 years (as from Jan/2019)
Investment (R$mm)[2]: 1,800
Start of construction: 2015
Start of operation: 2H18
Installation License: June 19, 2015
Annual Fixed Revenue (R$mm)[2]: 473.3

Note:
[1] Value as of March 2014.
[2] Value as of November 2014.

WIND PROJECT UNDER CONSTRUCTION:
Campo Largo Wind Complex (phase I)

Total 11 plants

Project description

The first phase of the Campo Largo Wind Complex will consist of 11 wind farms with a commercial capacity of 157.8 aMW. Of this total, six wind farms amounting to 178.2 MW of capacity sold 82.6 aMW at a total average price of R$ 139.29/MWh at an A-5 Auction held in November 2014.

Additionally, a further five wind farms are to be built and representing 148.5 MW (75.2 aMW) of capacity, the Company's generator complex thus totaling an overall capacity of 326.7 MW (157.8 aMW).

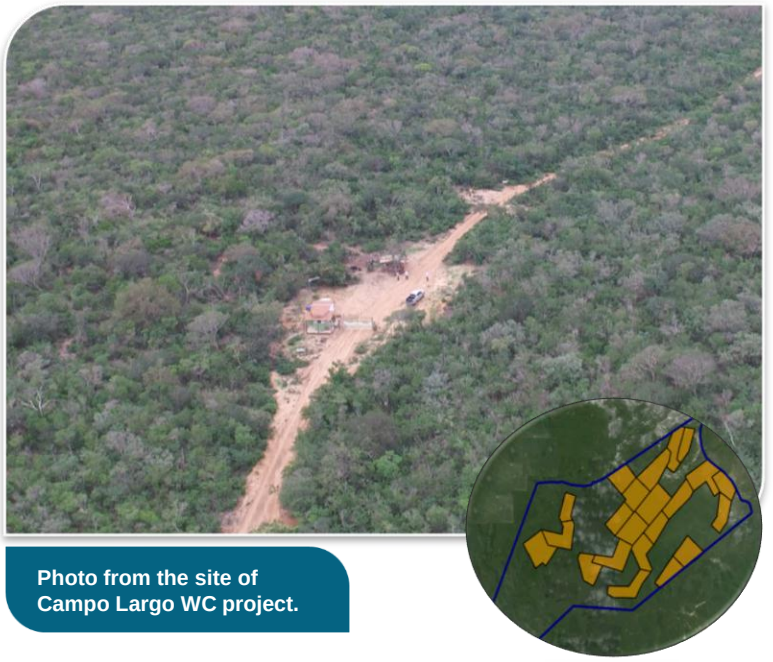
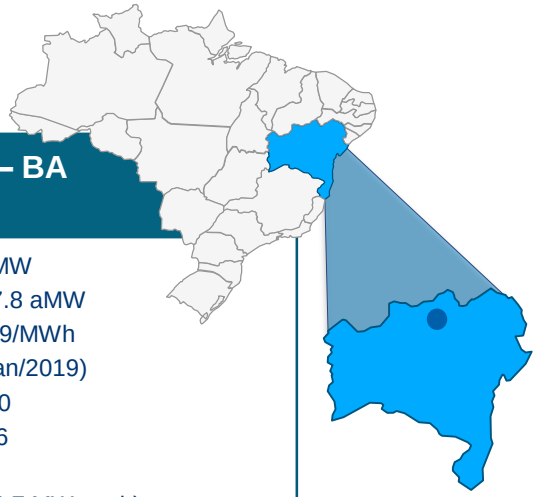


Photo from the site of Campo Largo WC project.



Campo Largo WC – BA (phase I)

Installed Capacity: 326.7 MW
Commercial Capacity: 157.8 aMW
Average Price[1,2]: R$ 139.29/MWh
Term[1]: 20 years (as from Jan/2019)
Investment (R$mm)[3]: 1,700
Start of construction: 2016
Start of operation: 2018
Nº of wind turbines: 121 (2.7 MW each)
Annual Fixed Revenue (R$mm)[1,2]: 100.8

Notes:
[1] With respect to the portion allocated to the Regulated Contracting Environment (ACR).
[2] Value as of November 2014.
[3] Value as of June 2014.

WIND PROJECT UNDER CONSTRUCTION:
Santa Mônica Wind Complex

Total 4 plants

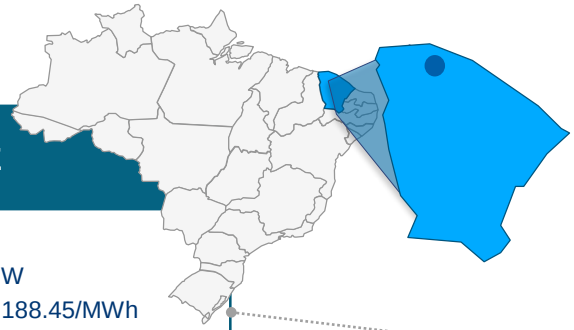
Project description

Santa Monica Wind Complex, located alongside Trairi Wind Complex, has sold 46.0 aMW in an A-3 auction in August 2015 at an average total price of R$ 188.45/MWh.



Santa Mônica WC under construction – scoops assembly.

Estrela (29.7 MW)	11 wind turbines
Ouro Verde (29.7 MW)	11 wind turbines
Cacimbas (18.9 MW)	7 wind turbines
Santa Mônica (18.9 MW)	7 wind turbines



Santa Mônica WC - CE

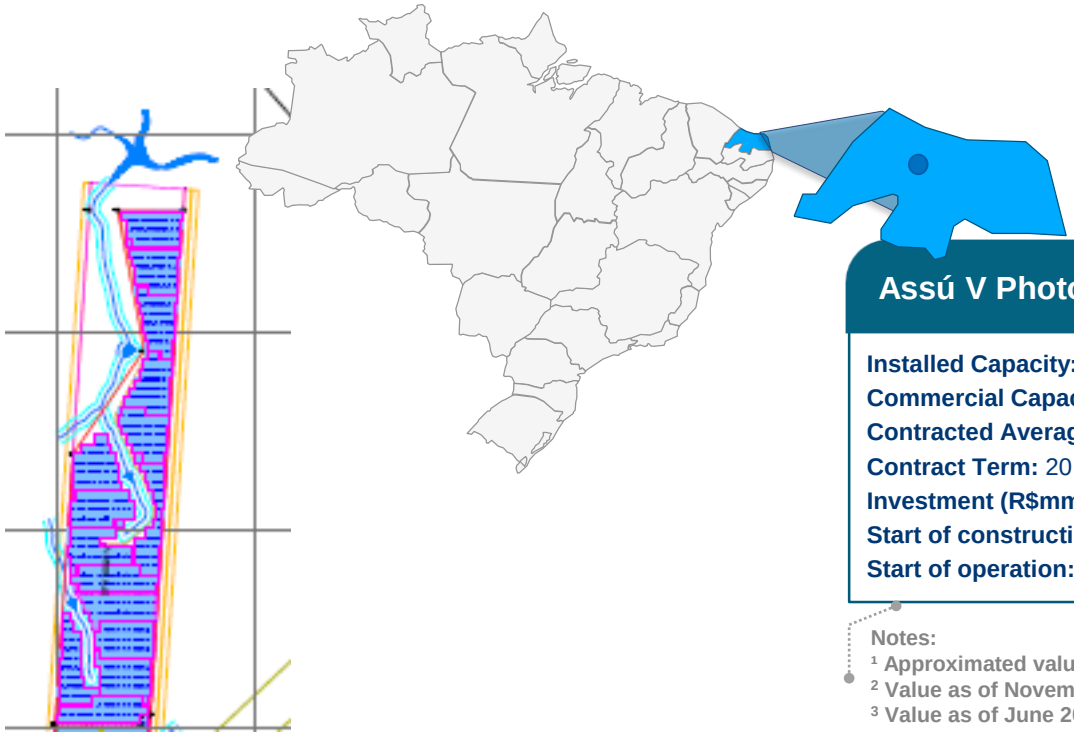
Installed Capacity: 97.2 MW
Commercial Capacity[1]: 48.7 aMW
Contracted Average Price[2]: R$ 188.45/MWh
Contract Term: 20 years (as from Jan/2018)
Investment (R$mm)[3]: 460.0
Start of construction: 2014
Start of operation: 2016
Annual Fixed Revenue (R$mm)[2]: 75.9

Notes:
[1] Approximated value.
[2] Value as of August 2015.
[3] Value as of March 2014.

SOLAR PROJECT UNDER CONSTRUCTION:
Assú V Photovoltaic Central

Project description

Assú V Photovoltaic Central commercialized 9.2 average MW in a reserve auction held in November 2015, at an average total price of R$ 302.99/MWh.



Assú V Photovoltaic Central - RN

Installed Capacity: 36.7 MWp
Commercial Capacity[1]: 9.2 aMW
Contracted Average Price[2]: R$ 302.99/MWh
Contract Term: 20 years (as from Nov/2018)
Investment (R$mm)[3]: 220.0
Start of construction: 2017
Start of operation: 2018

Notes:
[1] Approximated value.
[2] Value as of November 2015.
[3] Value as of June 2015.

PROJECT UNDER DEVELOPMENT:
distributed solar generation

Project description

Seeking to enter in the segment of distributed photovoltaic generation, the Company acquired 50% of the capital stock of the now denominated ENGIE Geração Solar Distribuída S.A. which is part of the Araxá Group, one of the leaders of the Brazilian market for solar distributed generation.

Total investment could amount to as high as R$ 24.3 million (as of April, 2016) and will be channeled towards upgrading execution capacity and corporate management as well as providing necessary working capital for growth in operations.

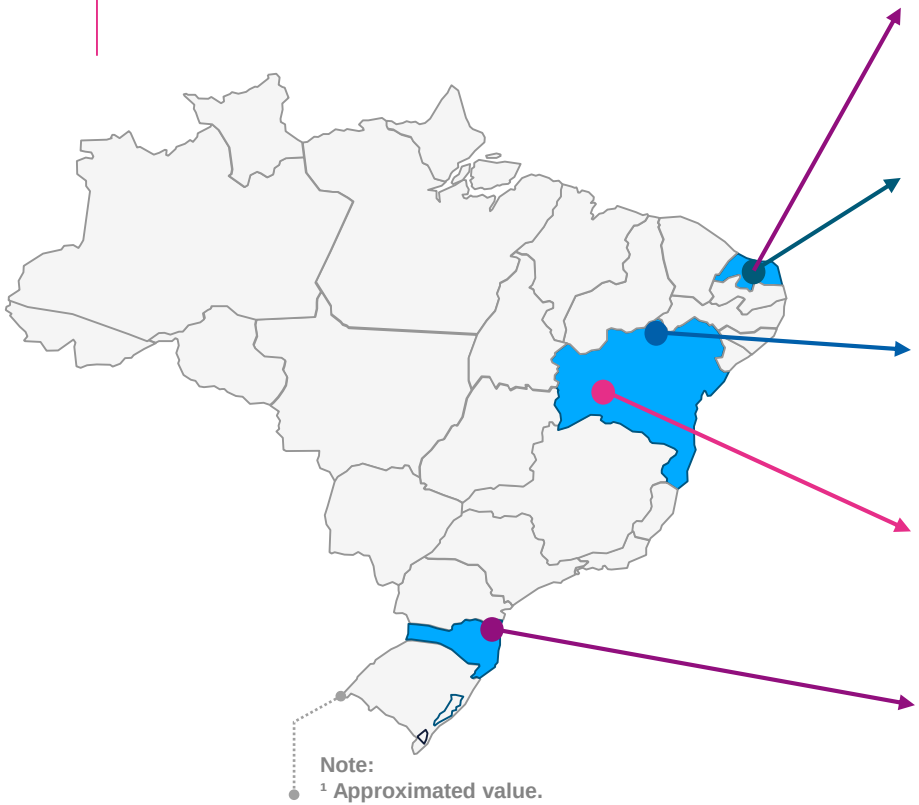




PROJECTS UNDER DEVELOPMENT

ENGIE Brasil Energia has some projects in its portfolio which are currently under development. Some of them are presented below.

Projects descriptions



Note:
[1] Approximated value.

Assú I and II Photovoltaic Centrals - RN

Installed Capacity[1]: 73.4 MWp

Sto. Agostinho WC - RN

Installed Capacity: 600 MW
Commercial Capacity[1]: 300 aMW

Campo Largo WC - BA (Fase II)

Installed Capacity[1]: 330.0 MW
Commercial Capacity: ~ 160.0 aMW

Alvorada Photovoltaic Complex - BA

Installed Capacity[1]: 90 MW

Norte Catarinense TPP - SC

Installed Capacity: 600 MW
Commercial Capacity[1]: 400 aMW
Fuel: natural gas



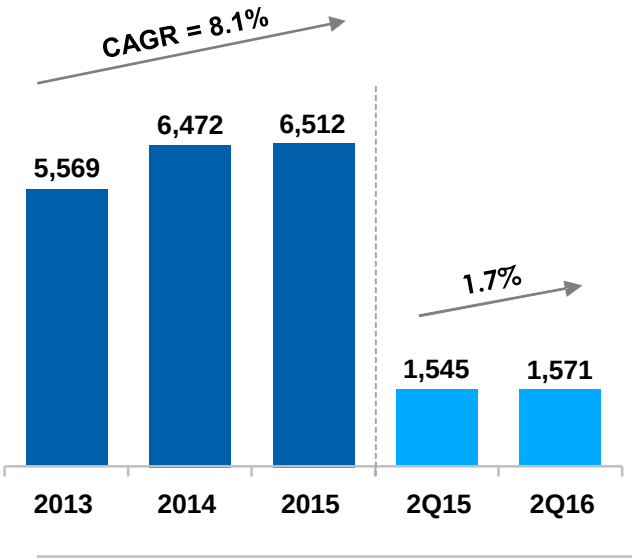
05

Financial Performance

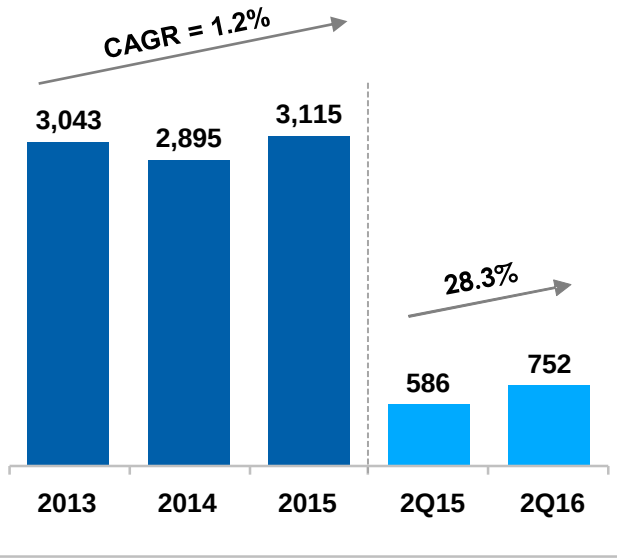
SOLID FINANCIAL PERFORMANCE

Efficiency in the management of the client portfolio and the focus on contracting strategies has enabled the Company to report stability in revenue generation, Ebitda and net income despite recent instability that affected the electricity sector and the Brazilian economy as a whole.

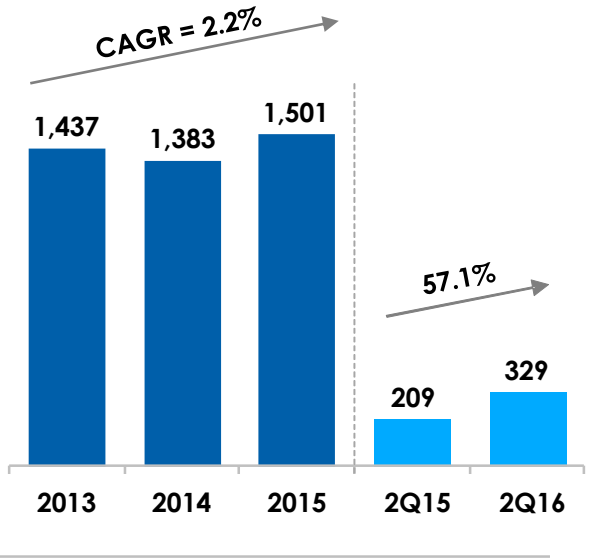
Net Revenue (R$ million)



Ebitda (R$ million)

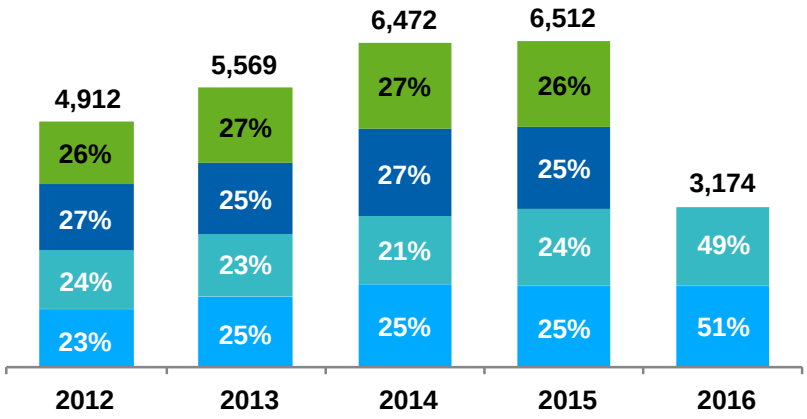


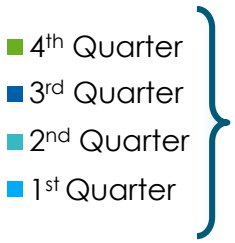
Net Income (R$ million)



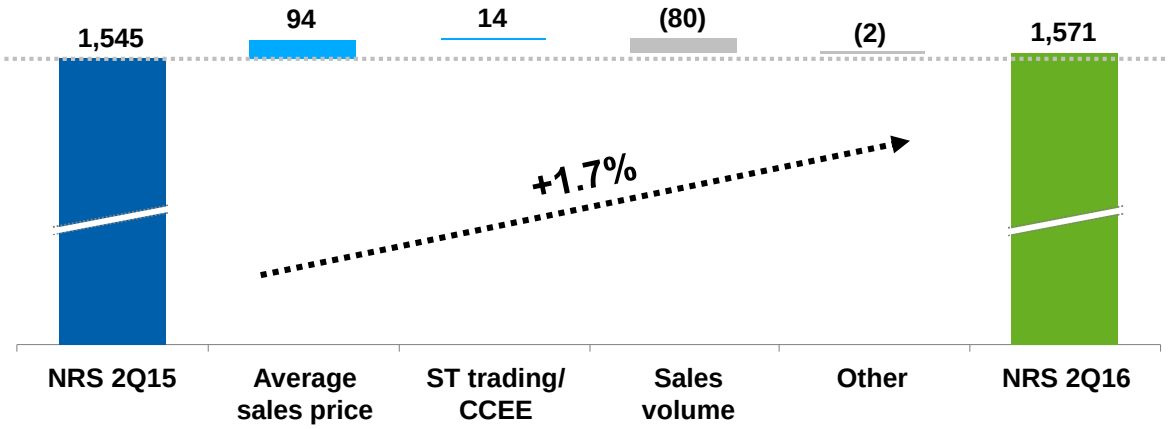
NET REVENUE FROM SALES CHANGE

Net revenue from sales change (R$ million)



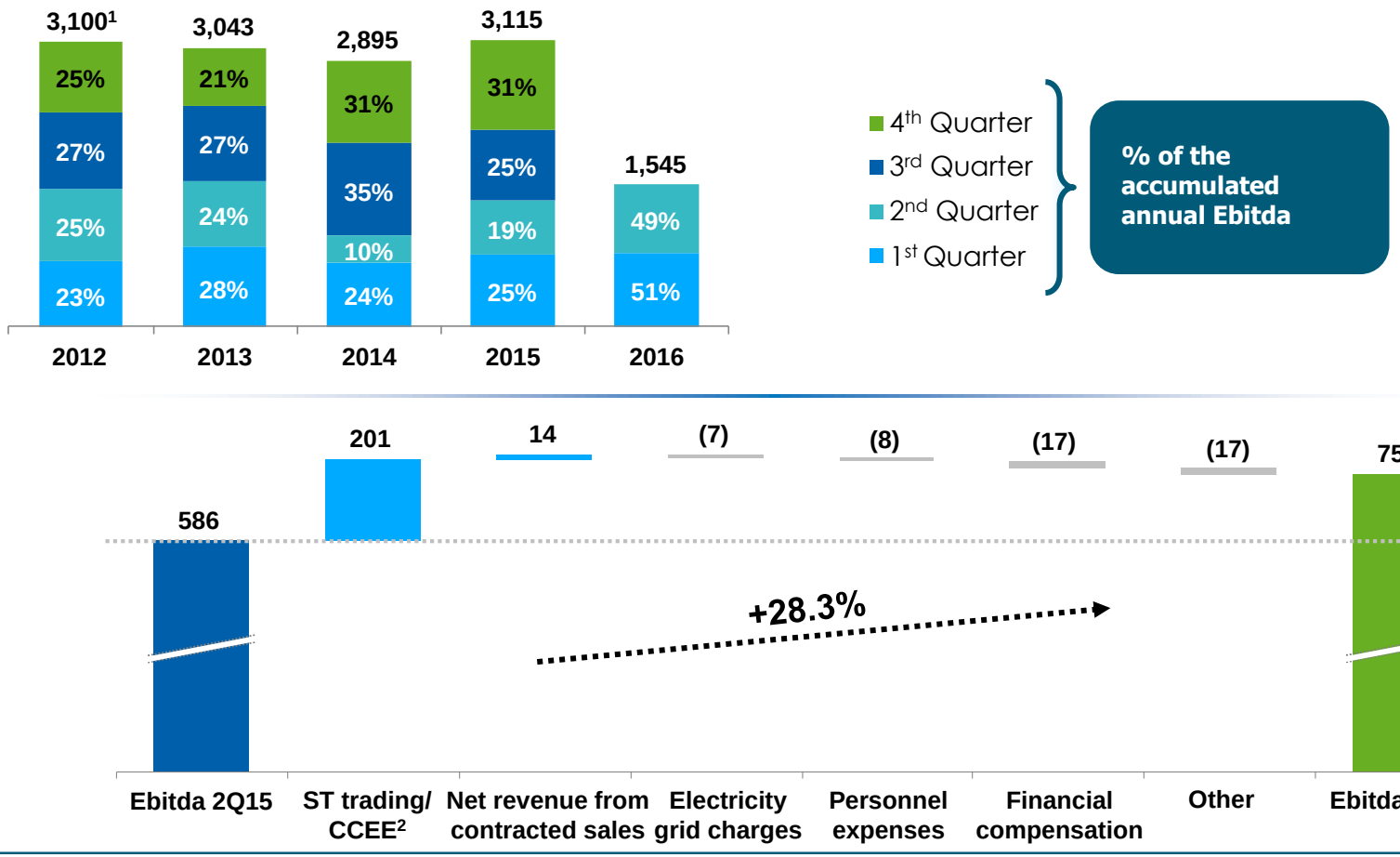


% of the accumulated annual net revenue from sales



EBITDA CHANGE

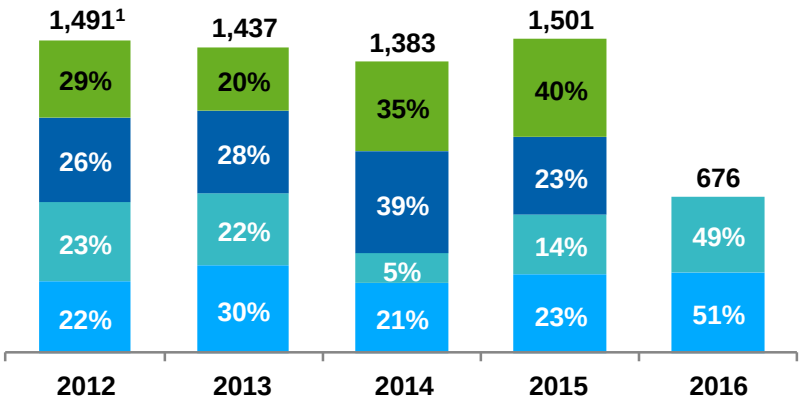
Ebitda change (R$ million)

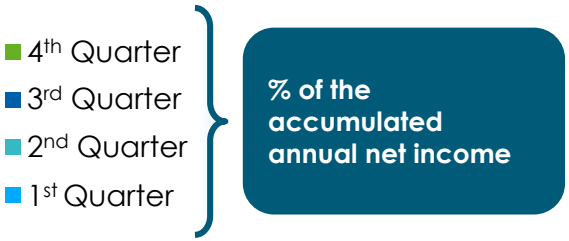


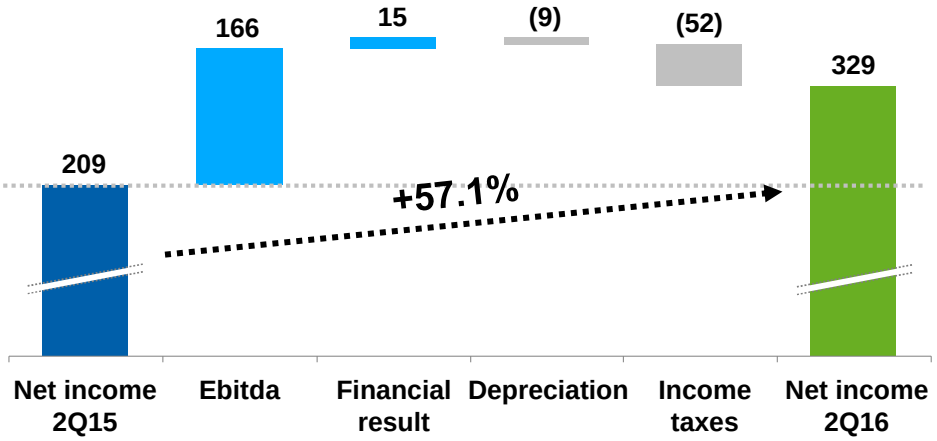
Notes:
[1] Adjustment due to change in accounting practice.
[2] Considers the combined effect of changes in revenue and expenses.

NET INCOME CHANGE

Net income change (R$ million)





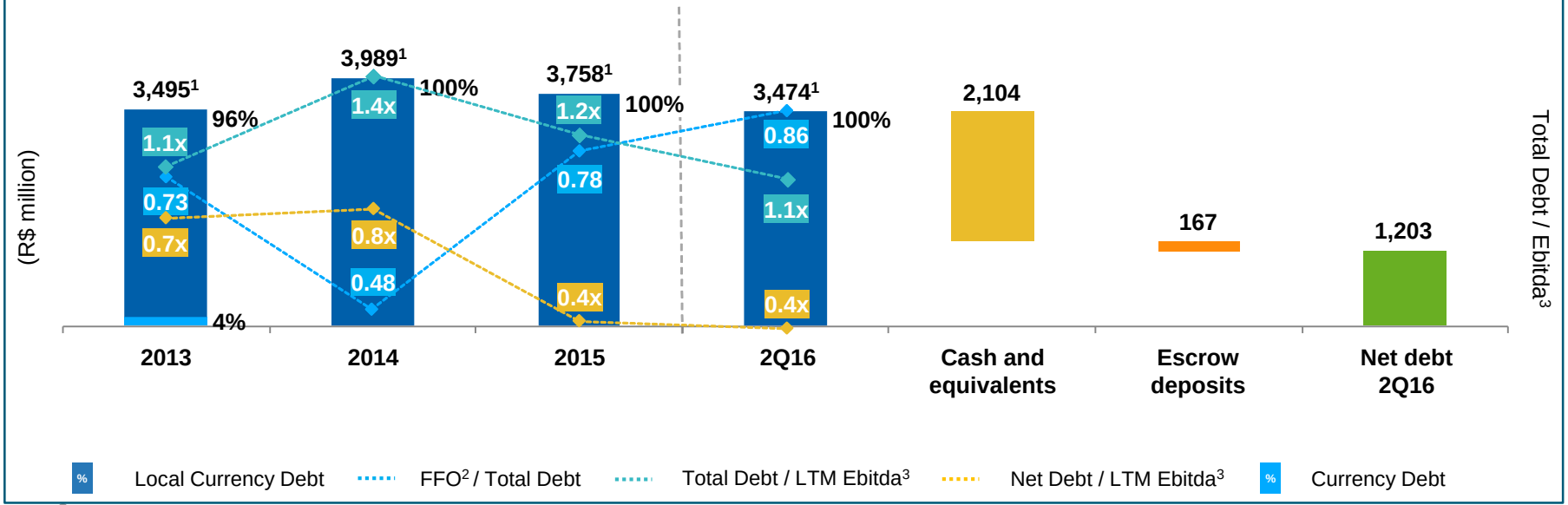


Note:
[1] Adjustment duo to change in accounting practice.

LIMITED DEBT,
with no currency exposure

The Company's low debt level allows it to capture growth opportunities.

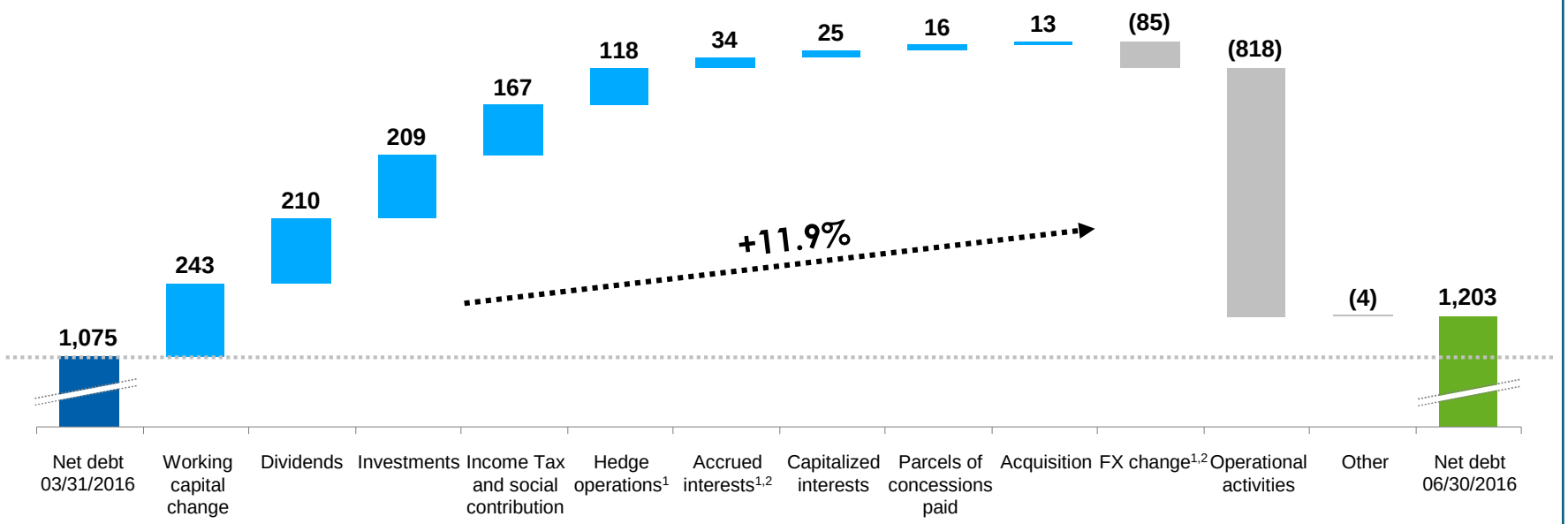
Debt Overview (R$ million)



Notes:
[1] Debt net of hedge operations.
[2] Funds from Operations.
[3] Ebitda in the past 12 months

NET DEBT CHANGE

Net debt change (R$ million)

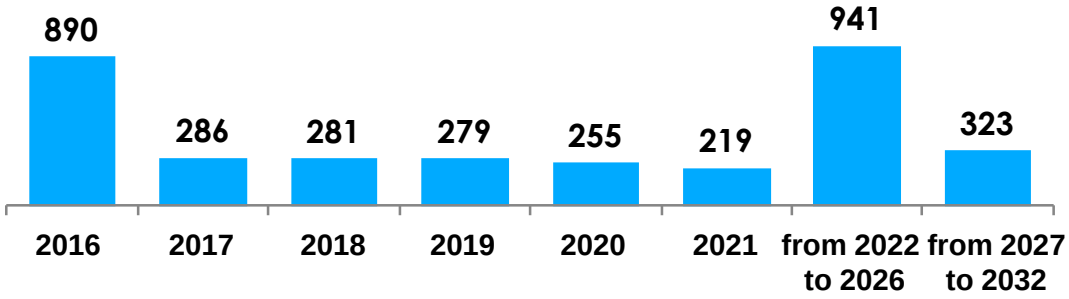


Notes:
[1] Does not impact the Company's cash position.
[2] The interests and FX change refer only to the Company's financial debt (loans, financing and debentures).

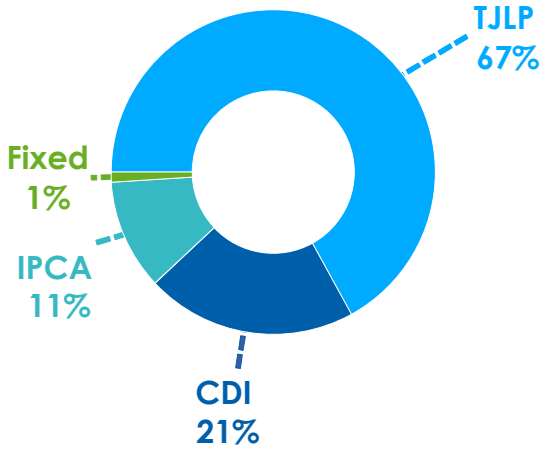
MEDIUM AND LONG-TERM DEBT, with low costs and defensive indexes

Debt profile and strong cash generation reduce refinancing risk.

Maturity debt schedule (R$ million)



Composition of debt



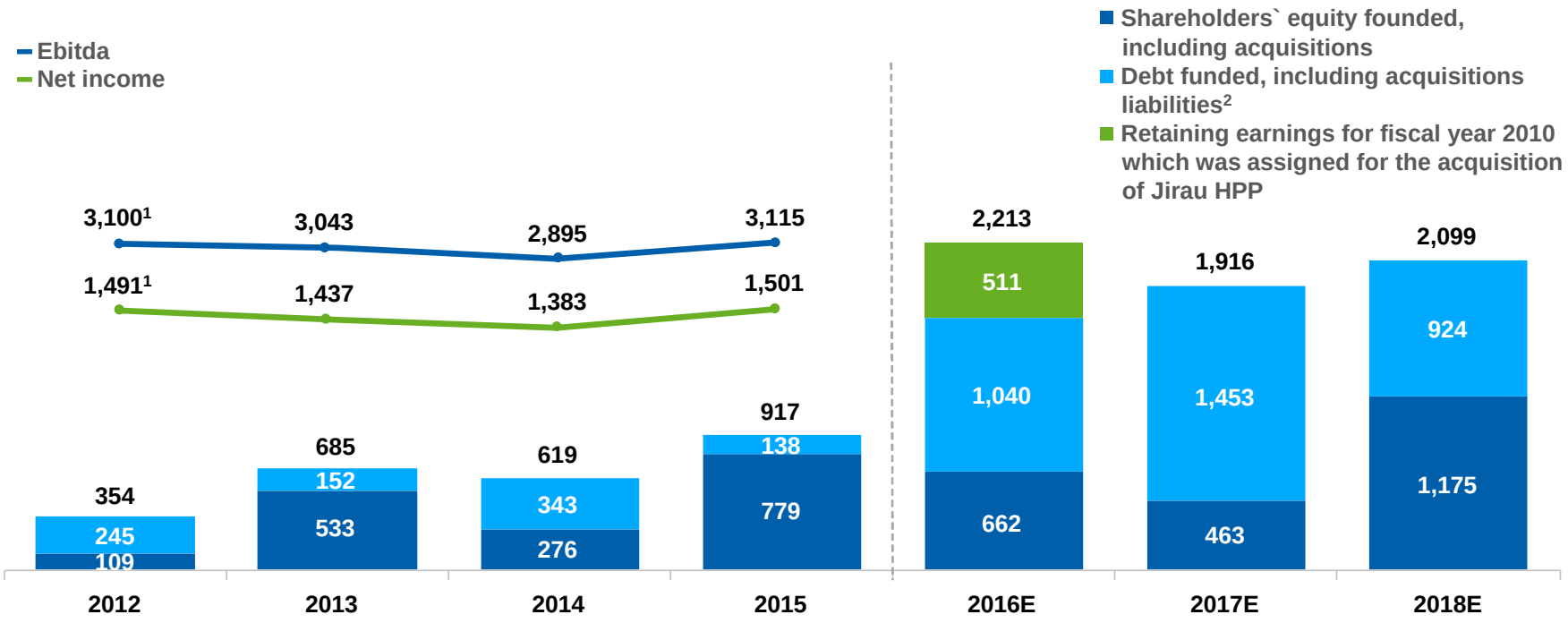
Nominal cost of debt: 11.2%

Remuneration of short-term debt is compatible with that of cash.

CAPEX

The expansion plan and maintenance CAPEX are supported by a strong cash flow generation and prudent funding strategy.

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

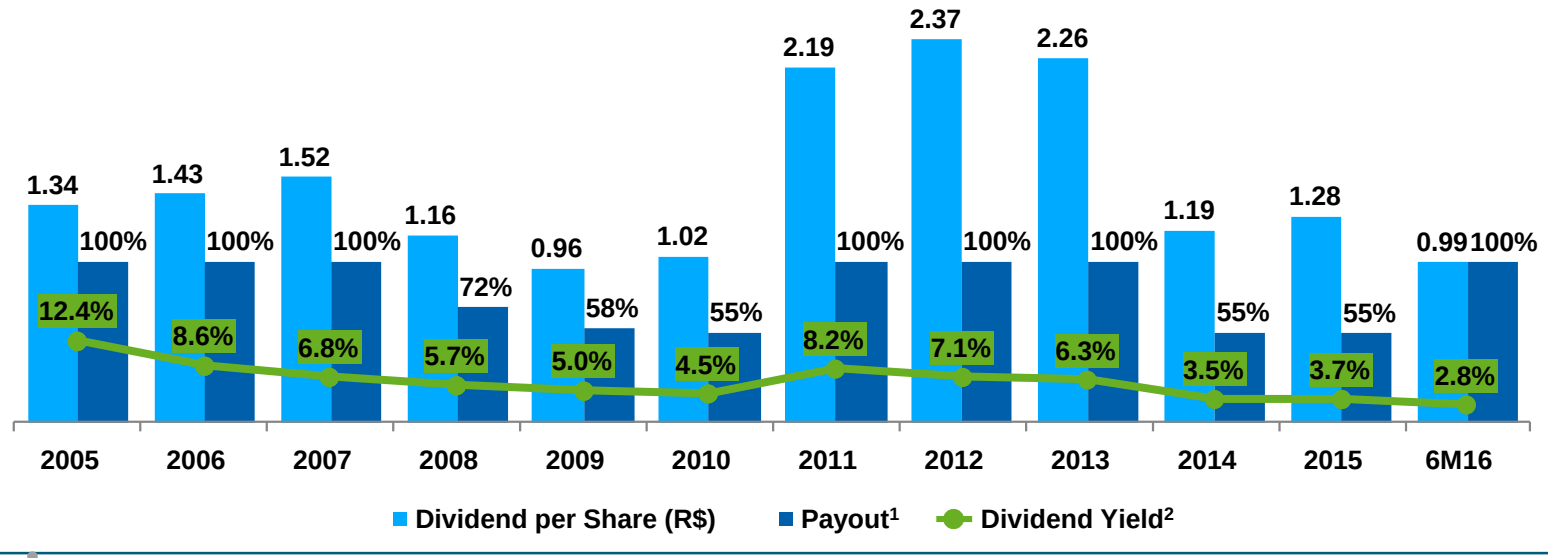


Notes:
1 Adjustment due to change in accounting practice.
2 Does not consider interests incurred during the construction.

DIVIDEND POLICY

- By-law minimum payout: 30% of payable net income.
- Management commitment: minimum payout of 55% of payable net income.
- 3 dividends per year: semi-annual dividends and interest on shareholders' equity (annual).

Dividends (based on distributable net income)



Notes:
[1] Considers the annual payable net income.
[2] Based on volume-weighted closing price of ON shares in the period.

COMPETITIVE ADVANTAGES

STRATEGIC INDUSTRY

✓ Defensive profile in times of crisis

✓ Attractive funding conditions

PREMIUM RATING

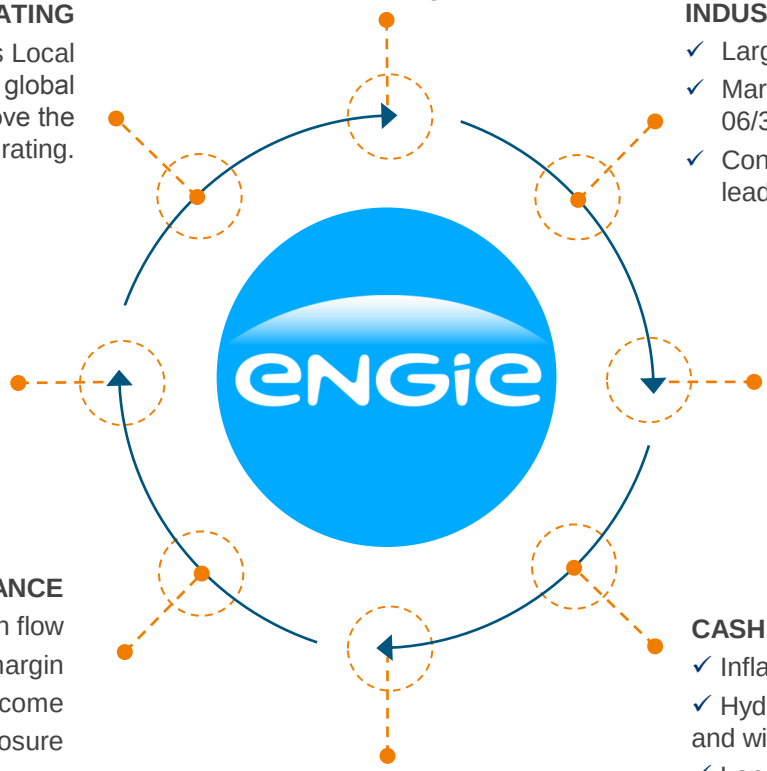
✓ Fitch Ratings rated the Company`s Local Long Term Rating as 'AAA(bra)' and in global scale "BB+(bra)", one notch above the Brazilian sovereign rating.

INDUSTRY LEADERSHIP

✓ Largest private generator in Brazil

✓ Market cap: R$ 25.0 billion in 06/30/2016

✓ Controlled by ENGIE S.A., world leader in energy



HIGH-CALIBER CORPORATE GOVERNANCE AND SUSTAINABILITY

✓ Experienced executives

✓ Discipline track record in investment decisions, based on triple bottom line concepts

✓ First class controlling shareholder

CLEAR COMMERCIAL STRATEGY

✓ Heavily contracted in the next years

✓ Diversified portfolio between free customers (over different industries) and regulated ones (distribution companies)

✓ Benefits from windows of opportunities

STABLE FINANCIAL PERFORMANCE

✓ Strong cash flow

✓ High average Ebitda margin

✓ Consistent net income

✓ No FX exposure

✓ Active financial management

CASH FLOW PREDICTABILITY

✓ Inflation-indexed contracts

✓ Hydro basis, completed by thermal and wind

✓ Long-term contracting strategy

HIGH OPERATIONAL PERFORMANCE

✓ Benchmark indexes of availability

✓ ISO 9001 (quality management), 14001 (environment management) and OHSAS 18001 (occupational health and safety) certified plants

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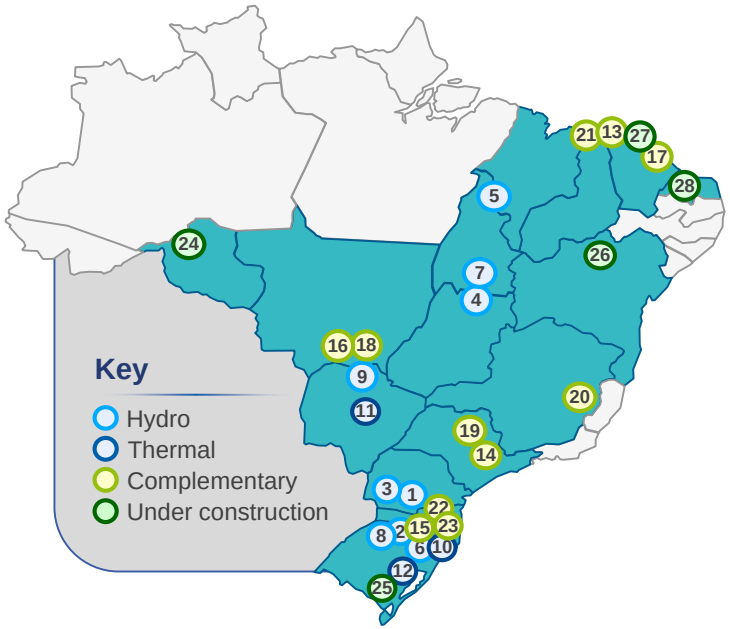
06

Supporting Data

DIVERSIFIED PORTFOLIO OF ASSETS
with strategic location

Installed capacity of 7,008.3 MW from 28 plants operated by ENGIE Brasil Energia: 79% hydro, 16% thermal and 5% complementary. This capacity stands for 88% increase since 1998.

	Hydro Power Plants	Installed Capacity (MW)	Commercial Capacity (MWa)[1]
1	Salto Santiago	1,420.0	735.2
2	Itá	1,126.9[2]	544.2[2]
3	Salto Osório	1,078.0	522.0
4	Cana Brava	450.0	273.5
5	Estreito	435.6[2]	256.9[2]
6	Machadinho	403.9[2]	147.2[2]
7	São Salvador	243.2	151.1
8	Passo Fundo	226.0	119.0
9	Ponte de Pedra	176.1	133.5
	Total	**5,559.7**	**2,882.6**
	Thermal Power Plants	**Installed Capacity (MW)**	**Commercial Capacity (MWa)[1]**
10	Jorge Lacerda Complex[3]	857.0	649.9
11	William Arjona	190.0	136.1
12	Charqueadas	36.0	22.9
	Total	**1,083.0**	**808.9**
	Complementary Power Plants	**Installed Capacity (MW)**	**Commercial Capacity (MWa)[1]**
13	Trairi Complex[4]	115.4	63.9
14	Ferrari (Biomass)	80.5	35.6
15	Lages (Biomass)	28.0	25.0
16	Rondonópolis (SHP)	26.6	10.1
17	Beberibe (Wind)	25.6	7.8
18	José G. da Rocha (SHP)	23.7	9.2
19	Ibitiúva (Biomass)	22.9[2]	13.9[2]
20	Areia Branca (SHP)	19.8	10.4
21	Pedra do Sal (Wind)	18.0	5.7
22	Cidade Azul (Solar)	3.0	n/a
23	Tubarão R&D (Wind)	2.1	n/a
	Total	**365.6**	**181.6**



	Power Plants Under Construction	Installed Capacity (MW)	Commercial Capacity (MWa)[1]
24	Jirau (Hydro)[5]	1,500.0	882.0
25	Pampa Sul (Thermal)	340.0	323.5
26	Campo Largo Complex (Wind)	326.7	157.8
27	Santa Mônica Complex (Wind)	97.2	48.7
28	Assú V (Solar)	36.7	9.2
	Total	**2,300.6**	**1,421.2**

Notes:
[1] Figures following specific legislation.
[2] Portion owned by ENGIE Brasil Energia.
[3] Complex comprised by 3 power plants.
[4] Considers Trairi, Guajiru, Fleixeiras I and Mundaú Wind Farms.
[5] ENGIE Part.`s stake (40% de 3,750 MW) might be transferred to the Company.

SUSTAINABILITY INDICATORS[1]

Item	Dimension[2]	Index[3]	GRI disclosure[4]	2Q16	2Q15	Change	6M16	6M15	Change
1	Quality	Operating plants	EU1, G4-9	28	28	0	28	28	0
2		Installed capacity	EU1, G4-9	8,729	8,765	-0.4%	8,729	8,765	-0.4%
3		Number of certified plants	EU6, G4-15	14	14	0	14	14	0
4		Certified installed capacity (MW)	EU6, G4-15	7,294	7,330	-0.5%	7,294	7,330	-0.5%
5		Certified installed capacity in relation to the total	EU6, G4-15	83.56%	83.63%	-0.1 p.p.	83.56%	83.63%	-0.1 p.p.
6		Installed capacity from renewable sources	EU1, G4-9	7,646	7,646	0.0%	7,646	7,646	0.0%
7		Installed capacity from renewable sources in relation to the total	EU1, G4-9	87.59%	87.23%	0.36 p.p.	87.59%	87.23%	0.36 p.p.
8		Energy generation (GWh)	EU2	10,742	9,344	15.0%	22,738	22,248	2.2%
9		Certified energy generation	EU6, G4-15	9,700	7,628	27.2%	20,057	18,859	6.4%
10		Certified energy generation in relation to the total	EU6, G4-15	90.3%	81.6%	8.7 p.p.	88.2%	84.8%	3.4 p.p.
11		Energy generation from renewable sources (GWh)	EU2	9,534	7,508	27.0%	20,470	18,767	9.1%
12		Energy generation from renewable sources in relation to the total	EU2	88.8%	80.4%	8.4 p.p.	90.0%	84.4%	5.7 p.p.
13		Uptime ratio, excluding scheduled stoppages	EU30	97.0%	97.9%	-0.9 p.p.	96.6%	97.0%	-0.3 p.p.
14		Uptime ratio, including scheduled stoppages	EU30	85.7%	87.7%	-1.9 p.p.	86.0%	87.3%	-1.3 p.p.
15	Environment	Saplings donated and planted (sum-total of planted and donated saplings)[5]	G4-EN27	68,878	61,467	12.1%	166,395	114,952	44.8%
16		Number of visitors at the plants[5]	G4-26	34,276	37,264	-8.0%	45,664	48,457	-5.8%
17		CO2 Emissions (fossil fuel plants) (t/MWh)	G4-EN15	1.006	0.974	3.3%	1.003	0.976	2.8%
18		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)	G4-EN15	0.146	0.191	-23.9%	0.131	0.131	-0.2%
19	Occupational Heath and Safety (OH&S)	Average number of employees[6]	G4-10, G4-LA1	1,116	1,139	-2.0%	1,115	1,141	-2.3%
20		Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[7]	G4-LA6	0.00	0.00	-	0.00	0.000	-
21		Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[8]	G4-LA6	0.000	0.000	-	0.000	0.000	-
22		Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[7]	G4-LA6	0.00	0.75	▼	0.76	0.39	▲
23		Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[8]	G4-LA6	0.000	0.000	-	0.000	0.000	-
24	Social Responsibility[9]	Non-incentive investments	G4-EC8, G4-SO1	2,219.94	1,138.93	94.9%	3,394.97	1,905.03	78.2%
25		Investments via Children and Teenagers Fund	G4-EC8, G4-SO1	984.73	1,184.10	-16.8%	1,656.02	1,237.90	33.8%
26		Investments via Cultural Incentives Act	G4-EC8, G4-SO1	1,358.70	1,258.00	8.0%	6,802.20	5,972.74	13.9%
27		Investments via Sport Incentives Act	G4-EC8, G4-SO1	0.00	60.00	-60.0	150.00	410.00	-260.0
28		Other Investments via Incentive Acts (health and others)	G4-EC8, G4-SO1	0.00	0.00	-	0.00	300.00	-300.0

Notes:

[1] Additional indices available from ITR (ENGIE Brasil Energia website / Investors / Financial Information/ Financial Statements).

[2] Reference: ENGIE Brasil 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

[4] GRI: Global Reporting Initiative.

[5] Ceste not included.

[6] Average n° 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$.

THERMAL SIDE
exposure to spot prices

375
avg MW

Expected minimum dispatch due to an annual inflexibility (based on the purchase of some 230,000 tons of coal a month)

+

375
avg MW (maximum exposure)

Thermal substitution energy

purchase in spot market

=

750
avg MW

Estimated commercial capacity (on a yearly basis)

Notes:
[1] **ENGIE Brasil Energia has been fully contracted → purchase of thermal substitution energy.**
[2] **On a monthly basis, inflexibility variations may occur.**
[3] **Figures related to the Energy Trading Board (CCEE) settlement point.**

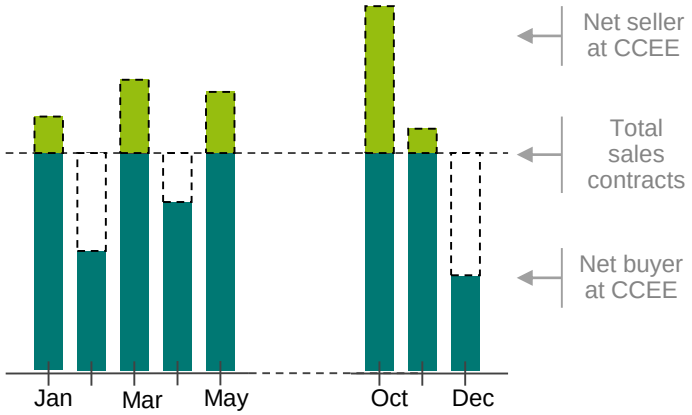
POWER SEASONALIZATION

How does the allocation of resources at CCEE (the energy trading board) over the months interfere with a genco quarterly results?

- Gencos can allocate their resources over the following year's months;
- Monthly fluctuations on sales is also a driver for exposure to spot price;
- Monthly energy differences are settled at spot price, i.e., PLD (Price for Settlement of Differences);
- As penalties apply for gencos with short positions considering the past twelve months, a "monthly closing" market is available for those gencos;
- The pricing for the "monthly closing" market is strongly linked to the spot price..

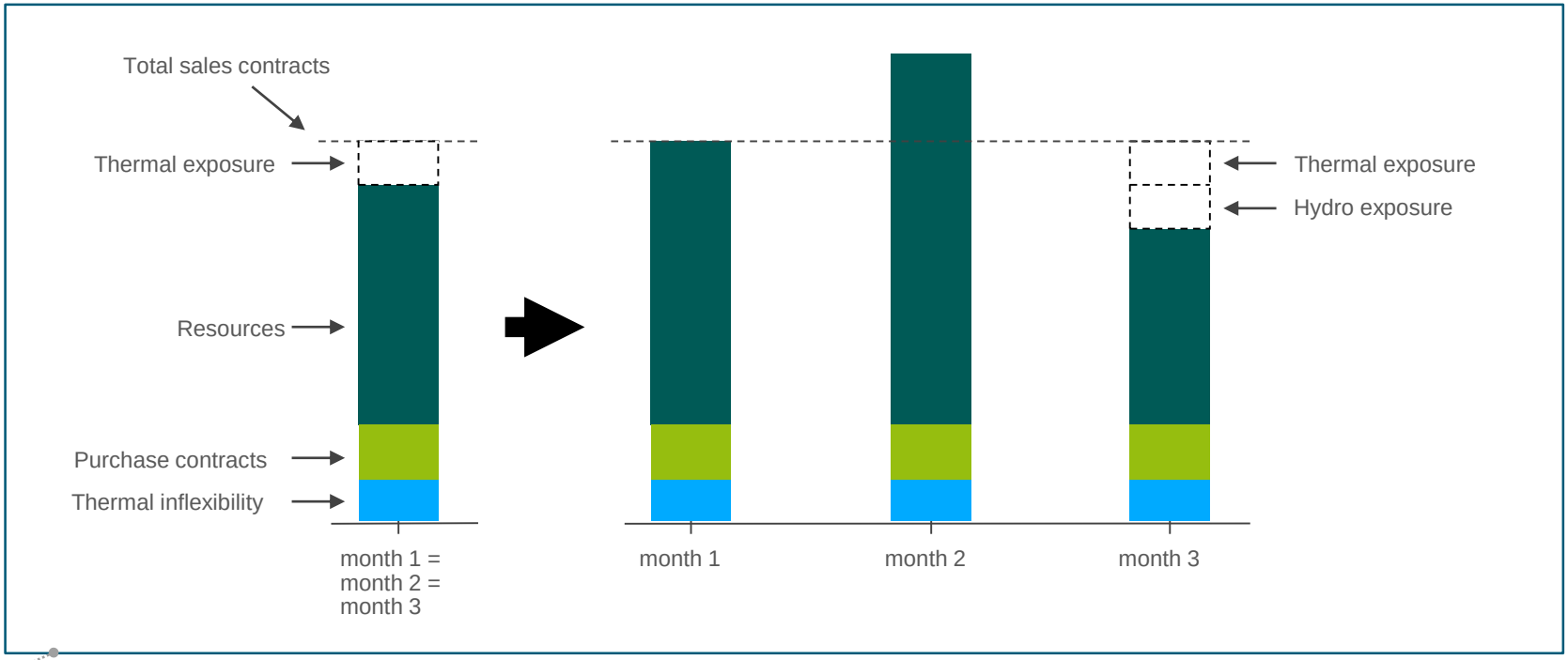
Annual resources

Monthly allocation over year x_1 (decision taken in Dec year x_0)



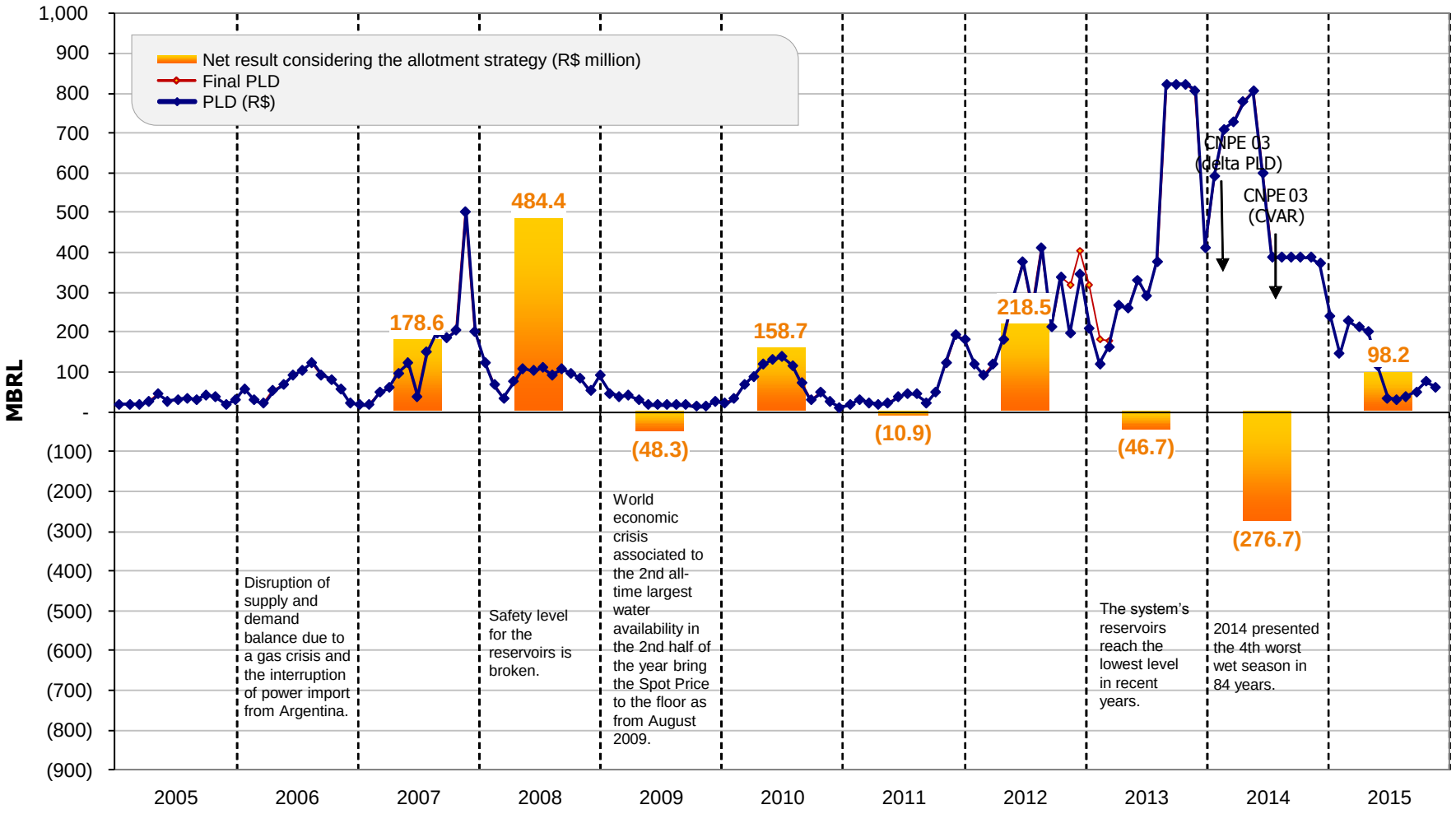
MECHANISMS TO MITIGATE
Exposure from the thermal side

As a consequence of the two previous slides, an appropriate monthly allocation of the resources over the year can mitigate the exposure arising from the thermal substitution energy to be purchased at spot price. An example follows:



Note: exposure box sizes are out of scale.

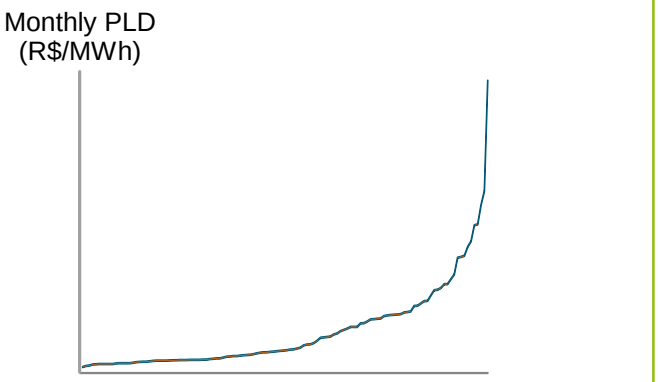
IMPACTS FROM
energy allotment net result



MAIN DRIVERS
and distribution curve of spot prices

- Reservoir levels of hydro plants;
- Rainfall behavior;
- Forecast of demand for power;
- Current and future availability of power plants and transmission lines;
- Availability of natural gas.

Permanence Curve[1]



Occurrences[2]

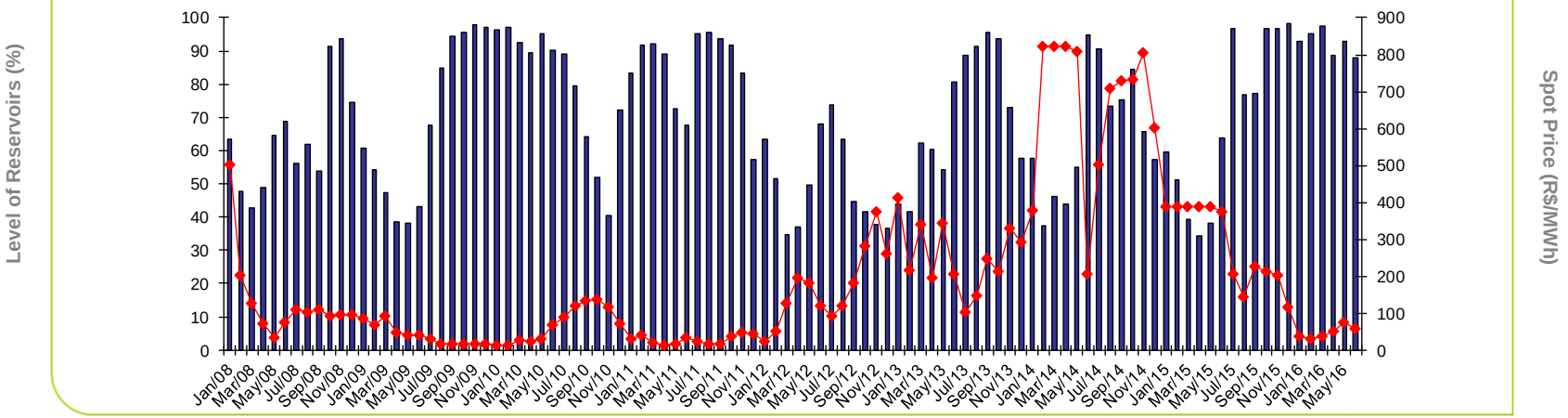
	May/2003 - Sep/2012	Oct/2012 - Jun/16
Avg. PLD (in R$)	102.47	424.28
PLD Std Deviation (in R$)	106.81	288.78
Monthly PLD > R$ 100.00	37%	87%
Monthly PLD > R$ 200.00	12%	80%

Notes:
[1] Figures have been ordered from the lowest. Values adjusted by IPCA (inflation index).
[2] PM 579 was published on September 11, 2012. Values adjusted by IPCA (inflation index).

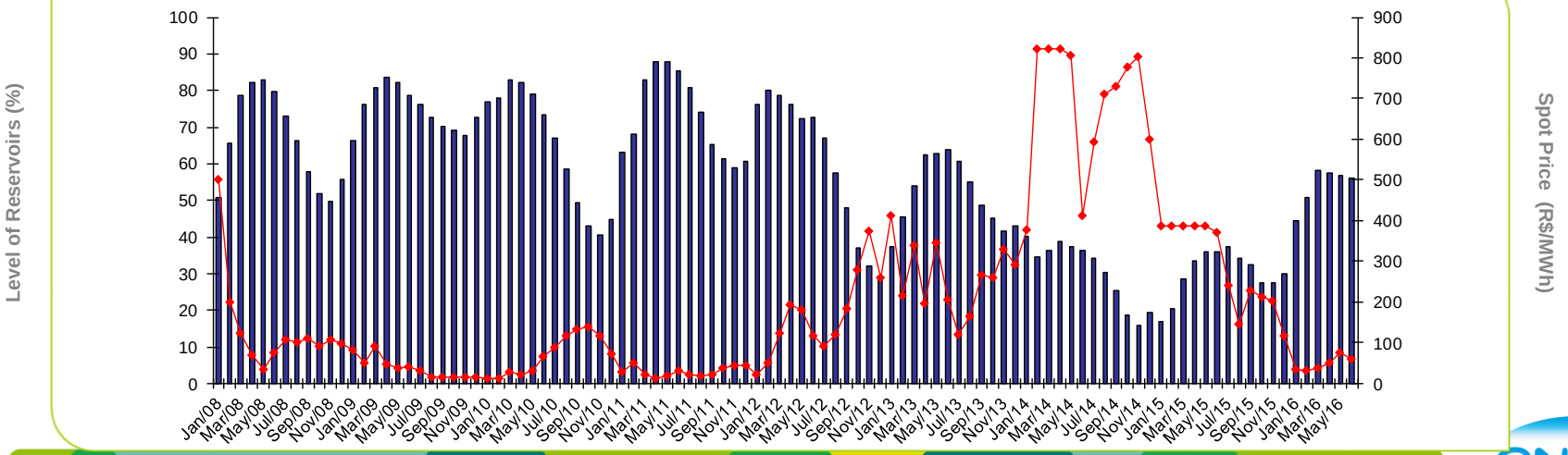
CORRELATION
Between reservoir levels and spot prices

Monthly spot price (R$/MWh)
Level of reservoirs (% of max.)

Southern Submarket

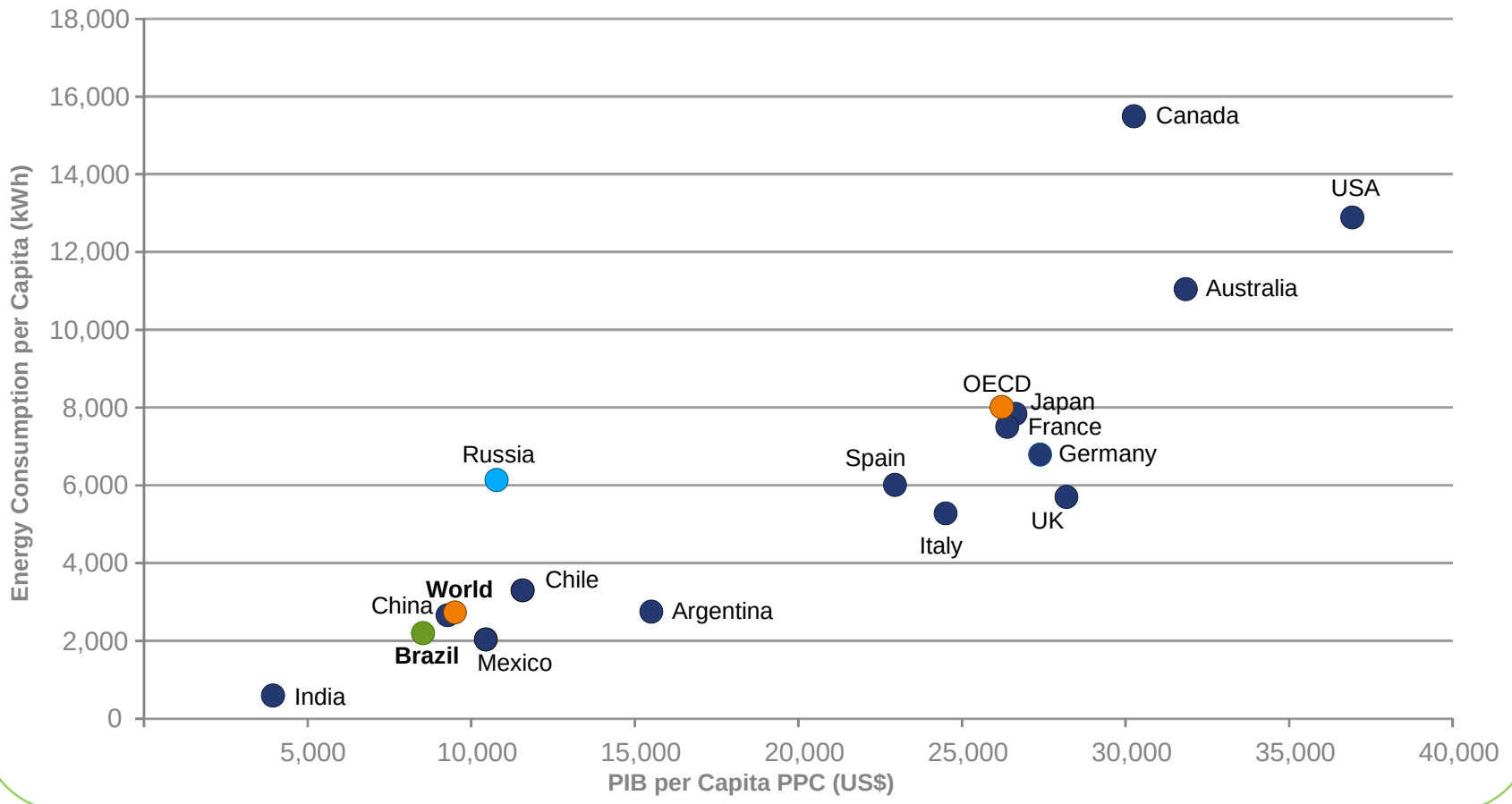


Southeast/Central-Western Submarket



ELECTRICITY:
large growth potential

Electricity Consumption (per capita, yearly)



Source: MME, Aug/12 (consolidated information for 2009)