ENGIE Brasil Energia S.A.
Results Presentation
4Q16 and 2016

February 23, 2017

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01

Highlights, Shareholding Structure, Market Share, Assets and Sales

HIGHLIGHTS

Main financial and operational indexes:

(in R$ million)	4Q16	4Q15	Chg.	2016	2015	Chg.
Net Revenue from Sales (NRS)	1,666.2	1,709.2	-2.5%	6,442.4	6,512.0	-1.1%
Results from Operations (EBIT)	542.8	805.1	-32.6%	2,424.4	2,503.8	-3.2%
Ebitda [1]	824.0	967.0	-14.8%	3,175.6	3,114.6	2.0%
Ebitda / NRS - (%) [1]	49.5	56.6	-7.1 p.p.	49.3	47.8	1.5 p.p.
Net Income	475.6	599.7	-20.7%	1,548.3	1,501.3	3.1%
Net Debt [2]	1,093.2	1,214.8	-10.0%	1,093.2	1,214.8	-10.0%
Power Production (avg MW) [3]	4,794	5,902	-18.8%	5,077	5,436	-6.6%
Energy Sold (avg MW)	3,962	4,099	-3.4%	3,971	4,111	-3.5%
Average Net Sales Price (R$/MWh) [4]	183.98	175.26	5.0%	180.68	171.37	5.4%
Number of Employees	1,078	1,168	-7.7%	1,078	1,168	-7.7%

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)



Three wind turbines at Cacimbas Wind Farm, component part of the Santa Mônica Wind Complex, began commercial operations in December 2016. The remaining four turbines were released for operations in January 2017. As a result, 18.9 MW of renewable, non-conventional energy was added to the Company's generator complex.



The Company finalized the negotiations for the sale of the Beberibe and Pedra do Sal wind plants as well as the Areia Branca Small Hydroelectric Plant. The transaction is a component part of the optimization strategy for the generating complex, permitting expansion in assets which have a greater degree of synergy one with the other. The conclusion of the operation is subject to completion of certain conditions precedent.



For the 12th consecutive year, EBE was included in the portfolio of the Corporate Sustainability Stock Index (ISE). The Company is one of ten companies which have been components of the ISE since its inception in 2005.

HIGHLIGHTS
(cont'd)

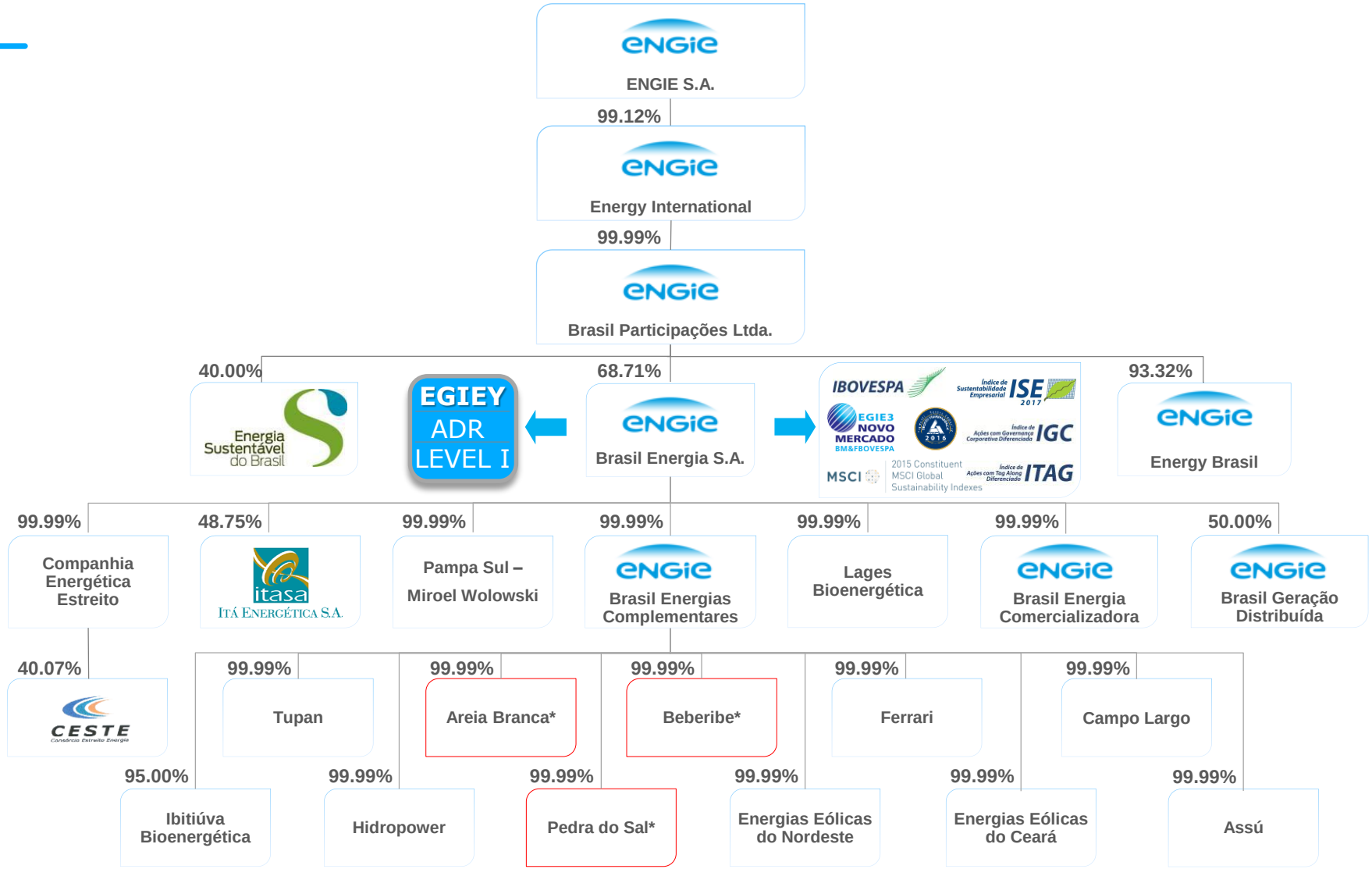
The new Chief Financial and Investor Relations Officer, Carlos Freitas took up his position on January 9. Freitas was appointed by the Board of Directors in October 2016.

The Company signed an agreement with the energy distributor for the state of Santa Catarina for the installation of photovoltaic systems in a thousand households in the state, totaling 2,600 kWp.

The Board of Directors approved the proposal for the payout of complementary dividends for R$ 409.6 million (R$ 0.6275/share) subject to ratification by the Annual General Shareholders' Meeting.

The Co. has mandated Banco Morgan Stanley S.A. to render financial advisory services in the form of market prospection on a non-binding basis with a view to identifying potential purchasers for its following coal fired generation assets.

SHAREHOLDING STRUCTURE

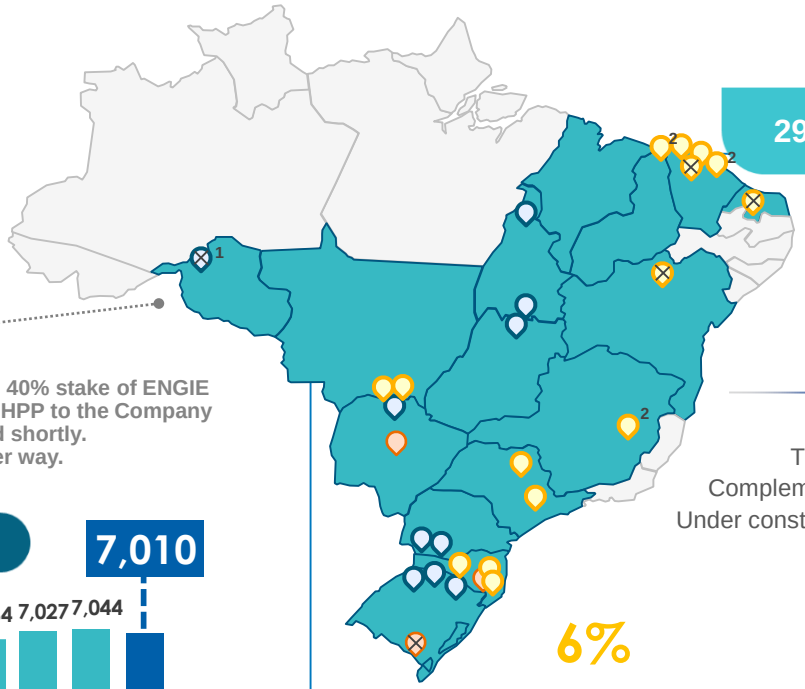


Simplified version

* Sale process under way.

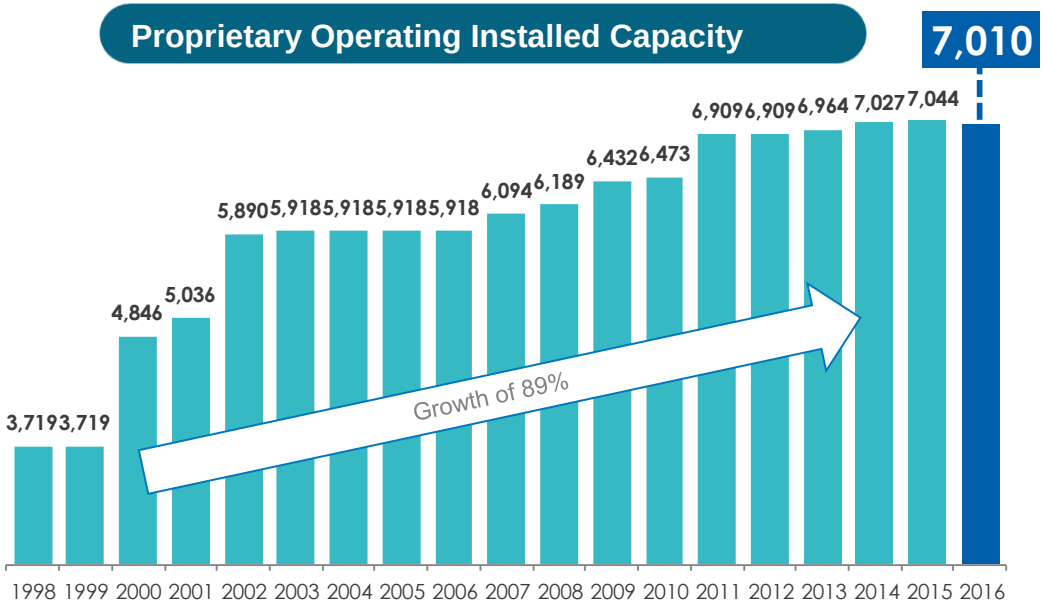
DIVERSIFIED PORTFOLIO OF ASSETS
with strategic location

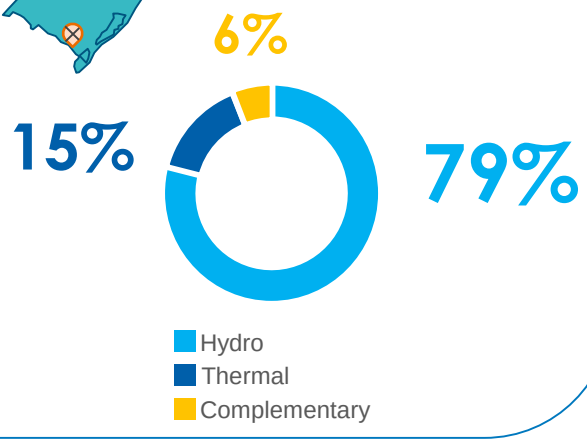
Own installed capacity of
7,010.1 MW
from 29 plants
operated by the Company



Notes:
[1] The transfer of the 40% stake of ENGIE Brasil Part. in Jirau HPP to the Company should be examined shortly.
[2] Sale process under way.

Proprietary Operating Installed Capacity

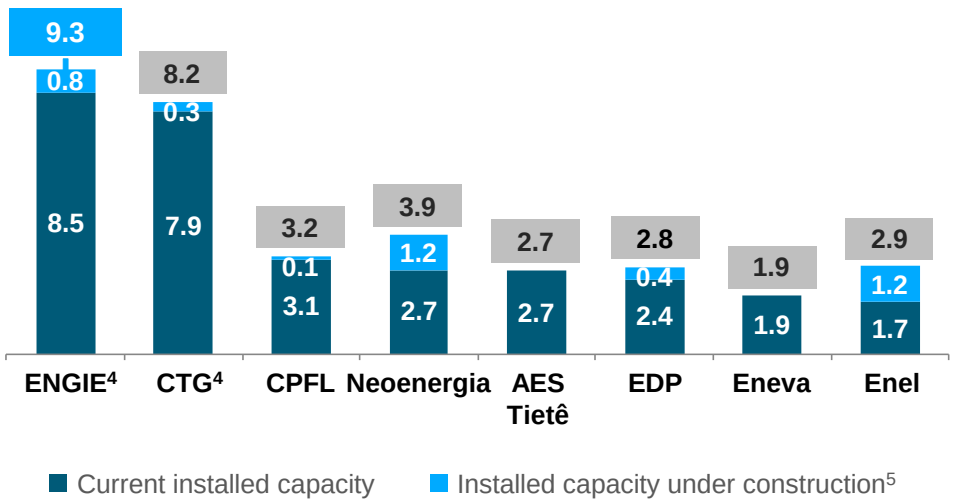




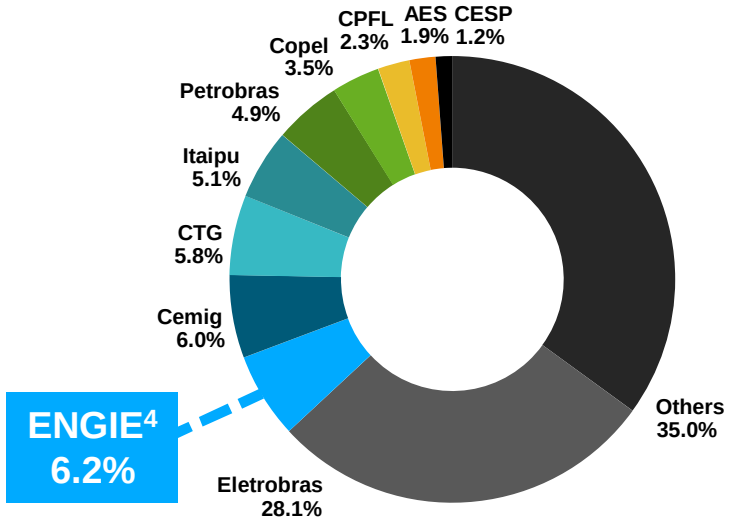
RELEVANT POSITION
among the private power producers

ENGIE Brasil Energia is part of the largest independent power producer in the country and is well positioned to capture business opportunities.

Private Sector – Installed Capacity[1] (GW)



Brazil – Existing Installed Capacity[2,3]

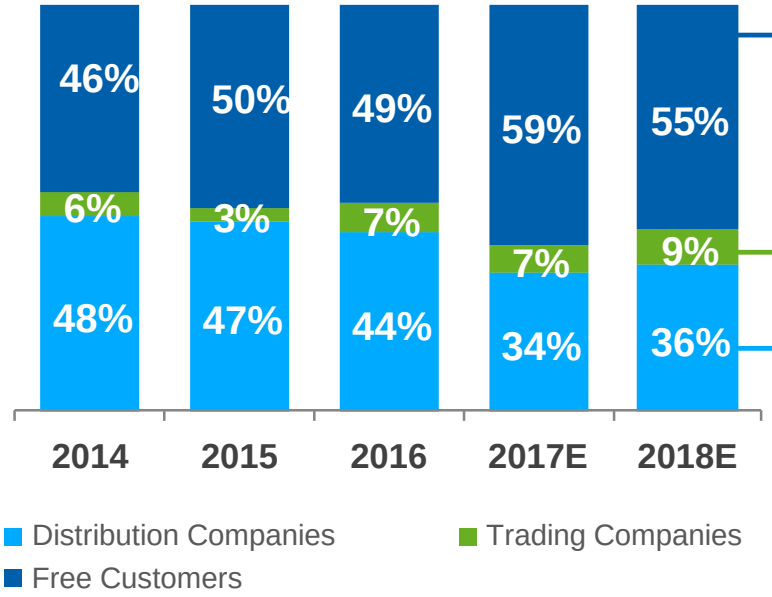


Source: Aneel, Companies' websites and in-house studies.

Notes:
1 Apparent sum-related errors are a result from rounding of addends.
2 Amount corresponding to National Interlinked System (SIN).
3 Includes only the Brazilian part of Itaipu.
4 Considering the consolidated installed capacity of the groups.
5 Based on information from Aneel, ONS and internal study.

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

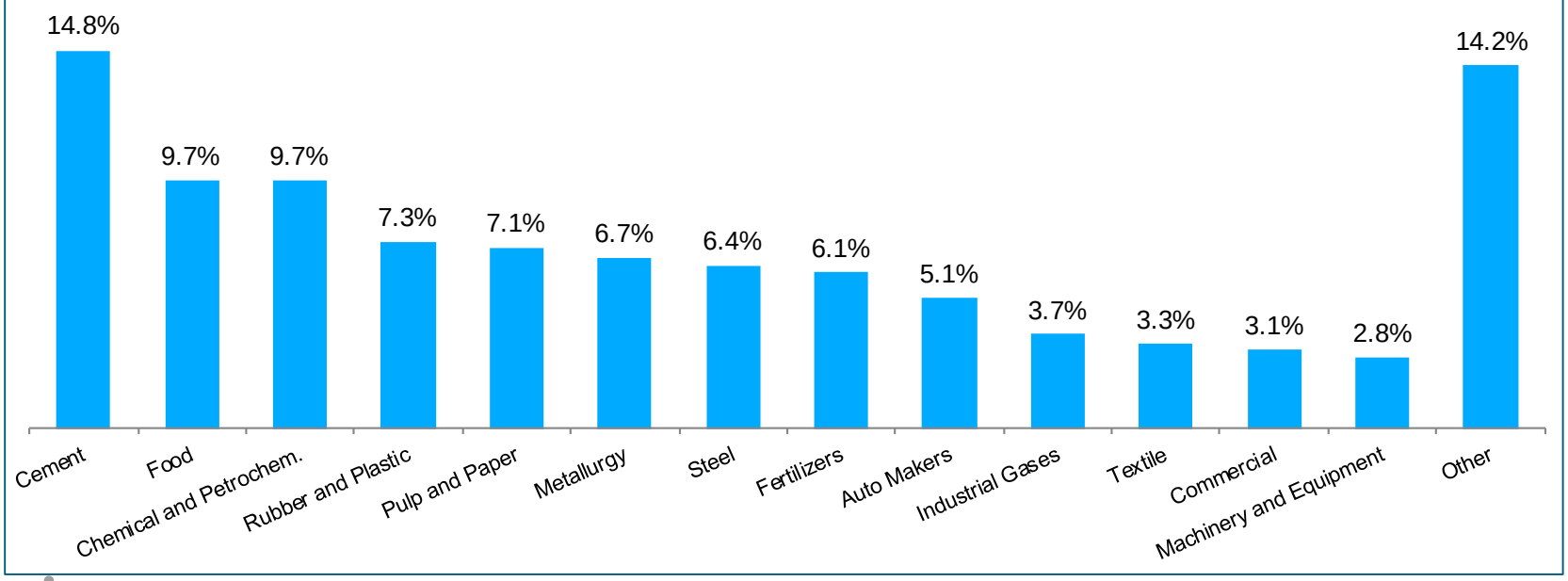
→ Long-term cash flow predictability

…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 2017: 2,366 average MW



Source: Internal study based on IBGE`s classification.



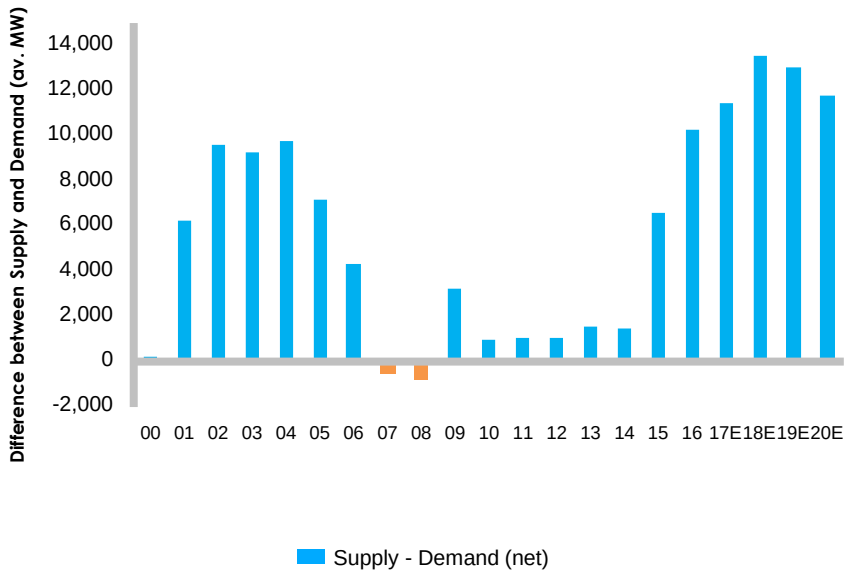
02

Energy Market in Brazil

REVISION OF DEMAND

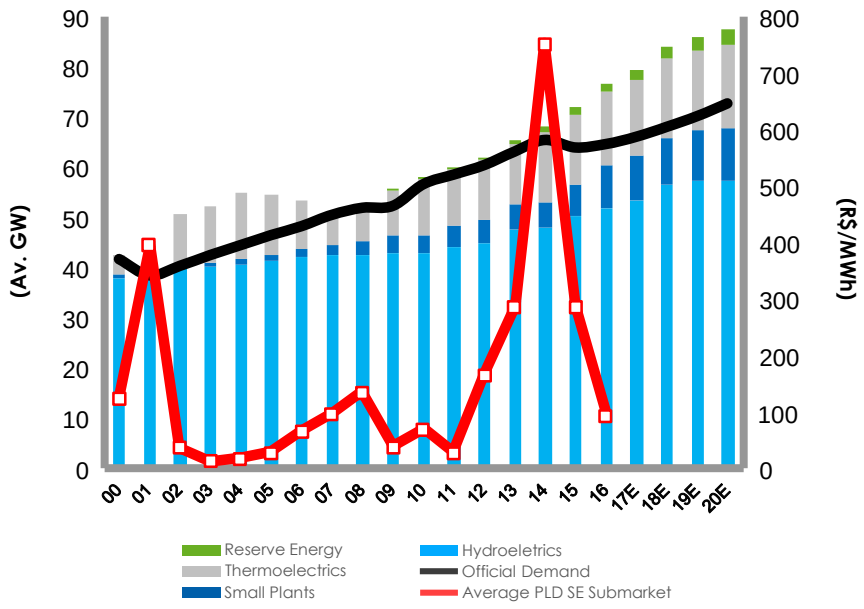
The sharp drop in demand, the result of two years of declining economic activity, has generated excess energy supplies in the market. However, the existence of expensive generation capacity, restrictions on the exchange of energy between submarkets and an unfavorable hydrological situation have provided support for price levels.

Energy Market



Source: ENGIE Brasil Energia internal study based on the Monthly Operations Plan (PMO) for January 2017.

Distribution of Supply by Source



Source: Internal study based on Aneel and ONS data.

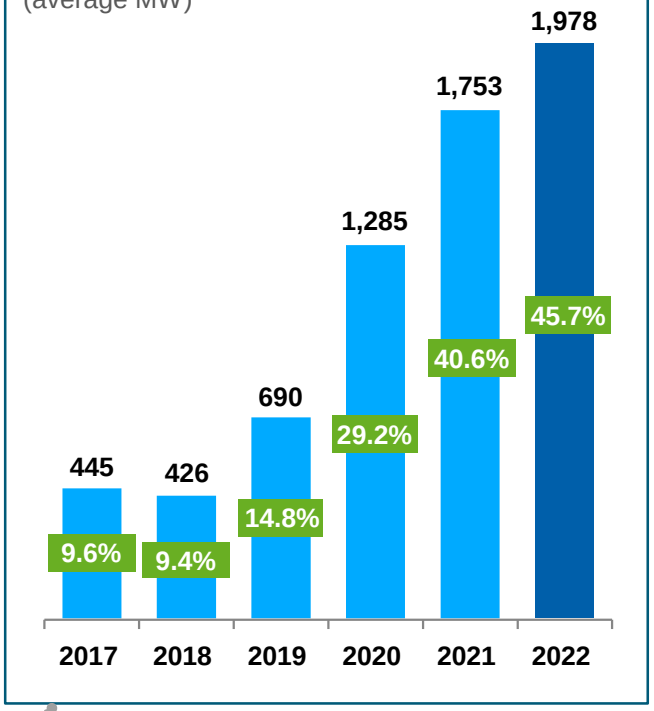


03

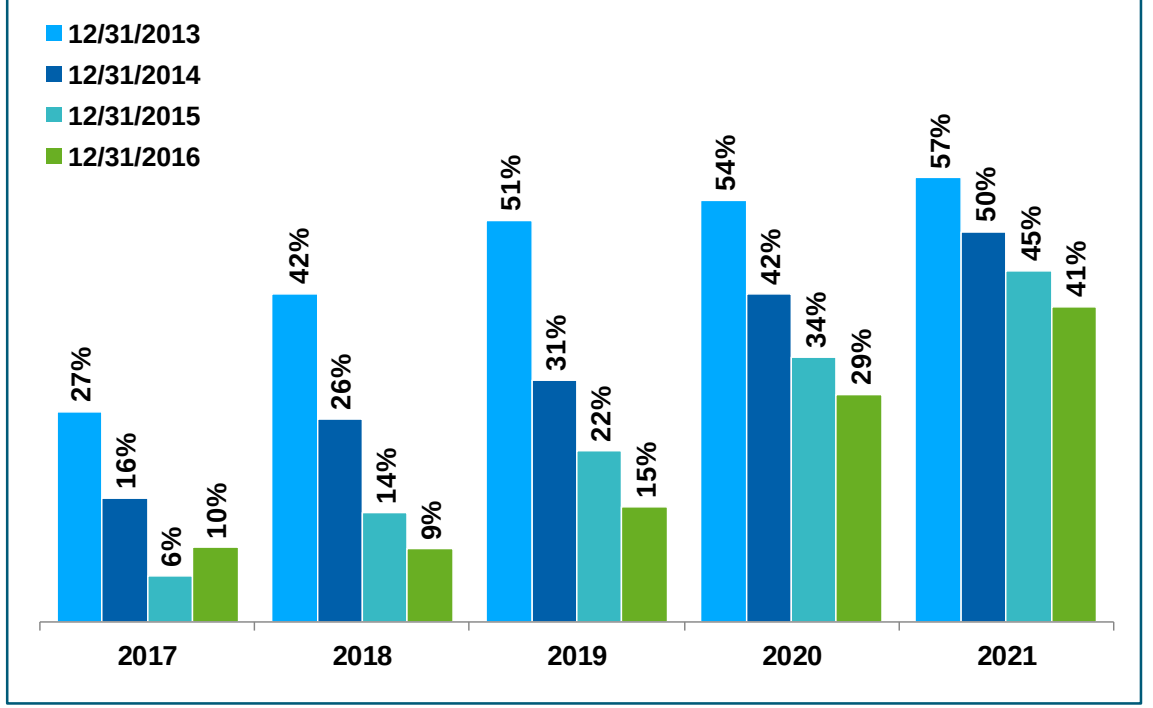
Sales Strategy

COMMERCIAL STRATEGY
considers the gradual sale of future availability

ENGIE Brasil Energia uncontracted energy[1]



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



Note:
[1] Percentage of total resources.

ENERGY BALANCE

As of December 31, 2016

(in average MW)	2017	2018	2019	2020	2021	2022	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted (R$/MWh)
Own Resources	3,518	3,536	3,962	3,989	3,998	4,013			
+ Purchases for Resale	1,105	1,012	715	415	317	314			
= Total Resources (A)	**4,623**	**4,548**	**4,677**	**4,404**	**4,315**	**4,327**			
Government Auction Sales[1]	1,307	1,355	1,749	1,612	1,612	1,612			
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	212.2
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	232.9
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	243.5
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	219.0
2014-EE-2014-06	134	134	134	-	-	-	270.7	May-14	320.0
Proinfa	44	44	44	44	44	44	147.8	Jun-04	311.0
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	254.3
Auction Mix (New Energy / Reserve / DG)	18	18	17	14	14	14	-	-	242.9
2014-NE-2019-25	-	-	295	295	295	295	183.5	Mar-14	226.8
2014-NE-2019-25	-	-	10	10	10	10	206.2	Nov-14	245.7
2014-NE-2019-20	-	-	83	83	83	83	139.3	Nov-14	166.0
2015-NE-2018-20	-	46	46	46	46	46	188.5	Aug-15	207.5
8th Reserve Energy Auction	-	2	9	9	9	9	303.0	Nov-15	325.1
+ Bilateral Sales	2,871	2,767	2,238	1,507	950	737			
= Total Sales (B)	**4,178**	**4,122**	**3,987**	**3,119**	**2,562**	**2,349**			
Balance (A - B)	**445**	**426**	**690**	**1,285**	**1,753**	**1,978**			
Sales Average Price (R$/MWh) **(Net)**[2]:	176.7	174.6	181.1						
Purchases Average Price (R$/MWh) **(Net)**[3]:	166.3	173.0	183.9						

[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), i.e. future inflation is not considered.
[3] Purchase net price, considering benefits from PIS/Cofins credits, 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

EXPANSION:
Jirau | update

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

- 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

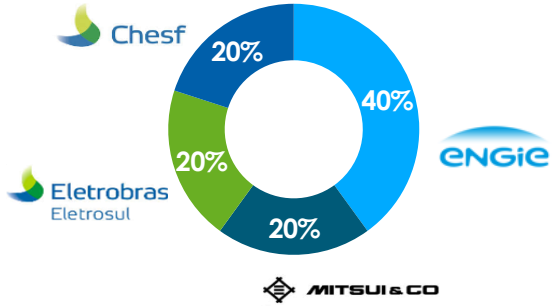
Balance of energy available to be sold by shareholders

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

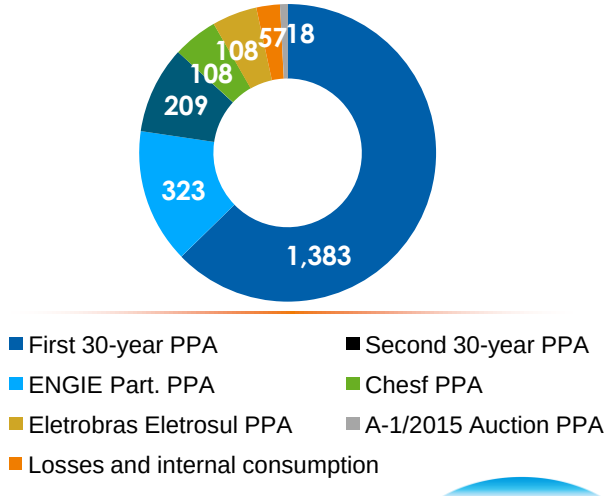
Financing conditions

- 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)



EXPANSION:
Jirau | update

Project status

- Full assured energy achieved in 3Q15 with the COD of the 33rd unit
- In 4Q16, total production was 645 aMW while uptime operating factor achieved 99.7%. For the 12 months of 2016, total production was 1,065 aMW and the uptime operating factor reached 99.6%
- Full COD achieved in 4Q16, totaling 3,750 MW in commercial operation (50 units installed). Currently the third largest hydro power plant in Brazil, Jirau HPP was inaugurated on December 16, 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

Photo of Jirau HPP inauguration (Dec/2016)



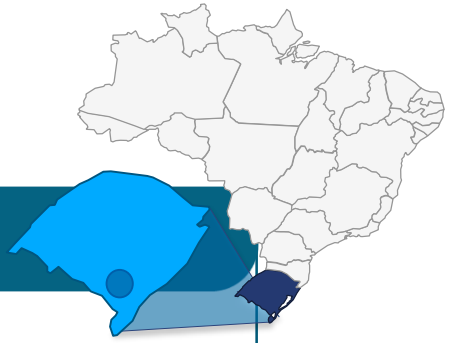
THERMAL PROJECT UNDER CONSTRUCTION:
Pampa Sul TPP

Project description

The project, under construction in Candiota (RS), sold 294.5 avg. MW at R$ 226.8/MWh[1] in an A-5 Auction, occurred in November 2014. The facility will fire thermal coal from reserves also located in Candiota. In the fourth quarter 2016, work on the site was approximately 47% complete.



Pampa Sul TPP under construction – overview of the site.



Pampa Sul TPP - RS

Installed Capacity: 340.0 MW
Commercial Capacity: 294.5 aMW
Contracted Price[1]: R$ 226.8/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)[1]: 585.2

Notes:
[1] Value as of December 2016.
[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 R$ 166.0/MWh[1] 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).

In 4Q16, work on the execution of the internal accesses of the platforms and wind turbine foundations began and the installation license for the final wind farm in the Complex was issued.

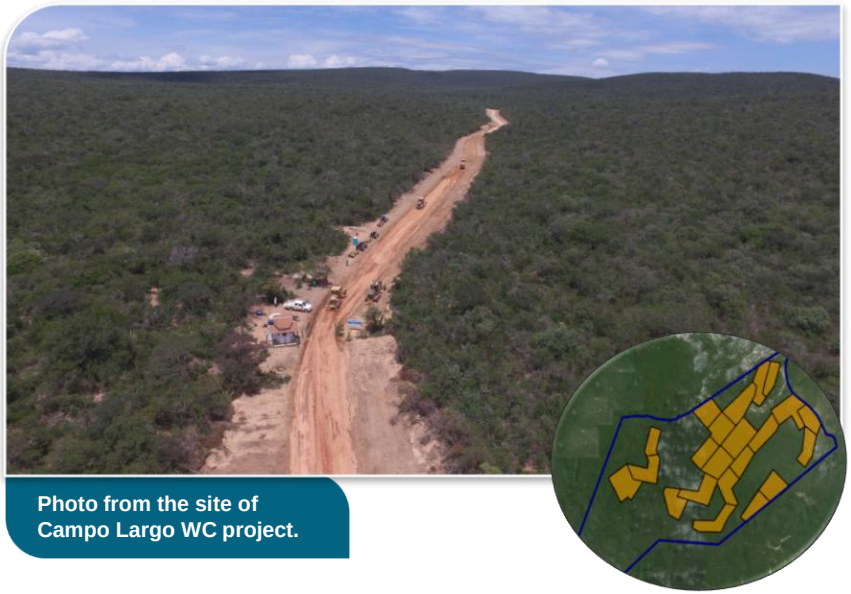
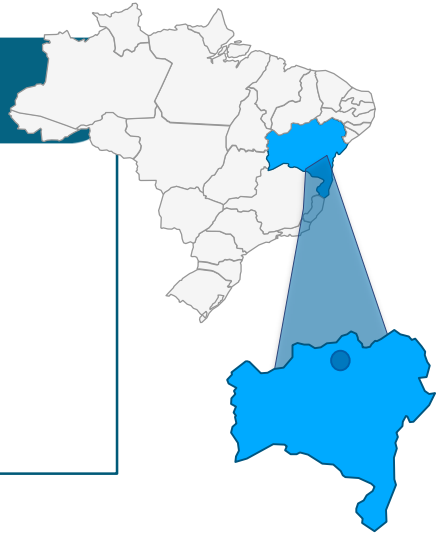


Photo from the site of Campo Largo WC project.

Campo Largo WC – BA (phase I)

Installed Capacity: 326.7 MW
Commercial Capacity: 157.8 aMW
Contracted Price[1,2]: R$ 166.0/MWh
Term[2]: 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]: 120.1



Notes:
[1] Value as of December 2016.
[2] With respect to the portion allocated to the Regulated Contracting Environment (ACR).
[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 R$ 207.5/MWh[1].

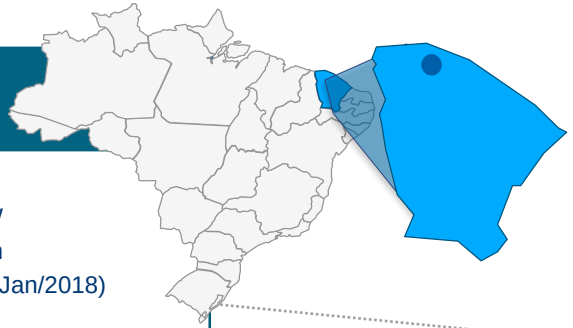
The Santa Mônica and Cacimbas Wind Centrals achieved the total of commercial operation in December 2016 and January 2017, respectivelly. Work on the other Wind Farms proceeded apace, Estrela Wind Farm is finishing its reliability tests and Ouro Verde is in commissioning phase.



Santa Mônica WC in commercial operation.

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[2]: 47.4 aMW
Contracted Price[1]: R$ 207.5/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)[1]: 83.6

Notes:
[1] Value as of December 2016.
[2] Approximated value.
[3] Value as of March 2014.

SOLAR PROJECT UNDER CONSTRUCTION:
Assú V Photovoltaic Central

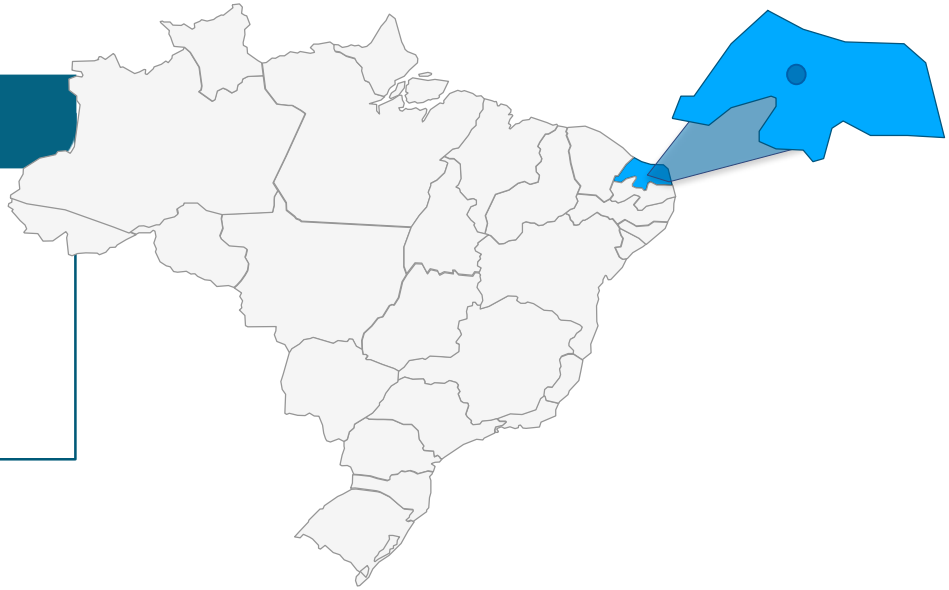
Project description

Assú V Photovoltaic Central commercialized 9.2 average MW in a reserve auction held in November 2015, at R$ 325.1/MWh[1].

In January 2017 the operation received its installation license.

Assú V Photovoltaic Central - RN

Installed Capacity: 36.7 MWp
Commercial Capacity[2]: 9.2 aMW
Contracted Price[1]: R$ 325.1/MWh
Contract Term: 20 years (as from Nov/2018)
Investment (R$mm)[3]: 220.0
Start of construction: 2017
Start of operation: Dec/2017
Annual Fixed Revenue (R$mm)[1]: 26.2



Notes:
[1] Value as of December 2016.
[2] Approximated value.
[3] Value as of June 2015.

PROJECT UNDER DEVELOPMENT:
distributed solar generation

Project description

In 2016, EBE entered in the segment of distributed photovoltaic generation by acquiring 50% of the now denominated ENGIE Geração Solar Distribuída S.A.

Total investment could amount to as high as R$ 24.3 million (as of April, 2016).

In the quarter under review, an agreement was signed with the state of Santa Catarina energy distributor for the installation of photovoltaic systems in a thousand households throughout the state. The project will be operated under the Efficient Bonus Program – Photovoltaic Line, which provides for a subsidy from the distributor of 60% of the consumer's total investment.

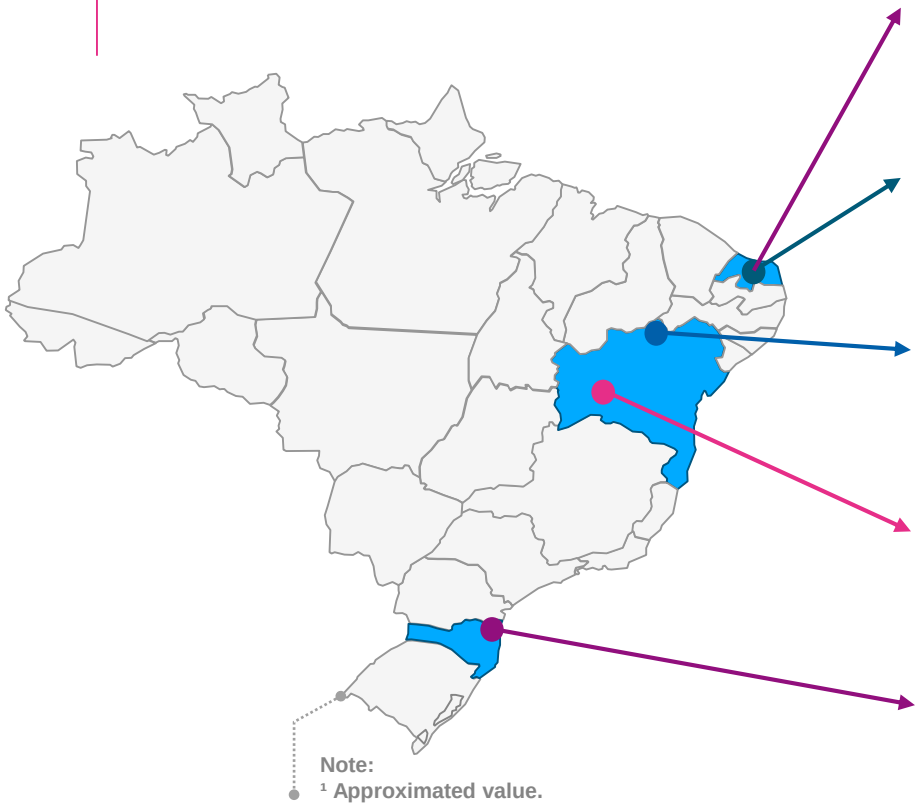




PROJECTS UNDER DEVELOPMENT

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, II, III and IV Photovoltaic Centrals - RN

Installed Capacity[1]: 146.8 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 MWp

Norte Catarinense TPP - SC

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



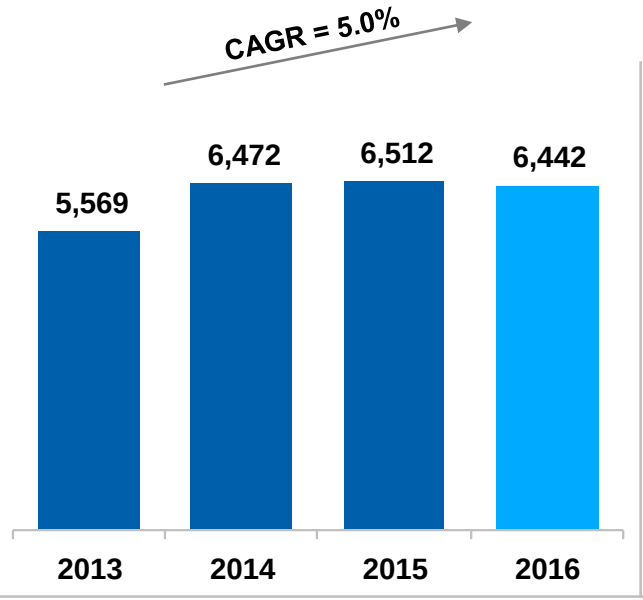
05

Financial Performance

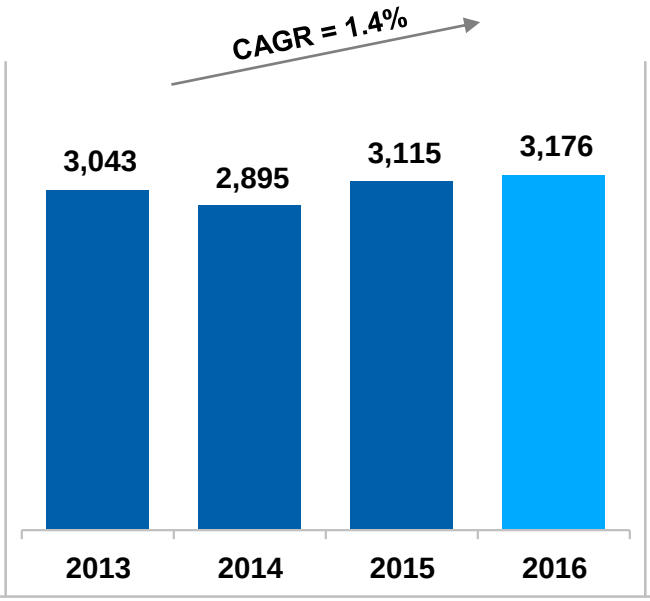
SOLID FINANCIAL PERFORMANCE

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

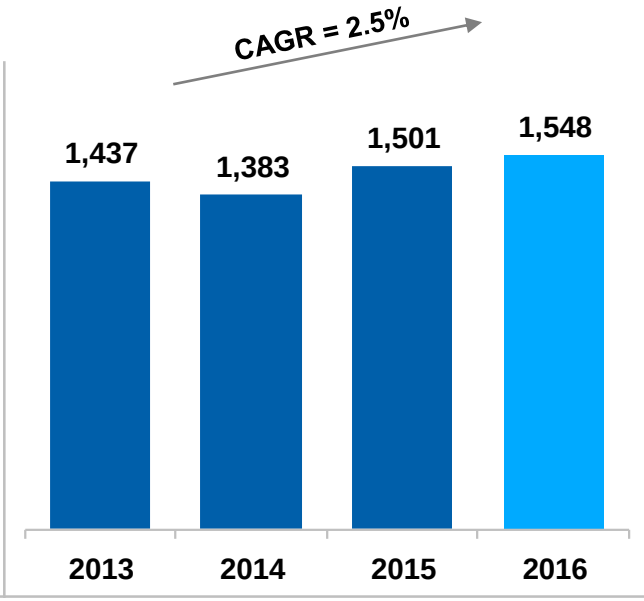
Net Revenue (R$ million)



Ebitda (R$ million)

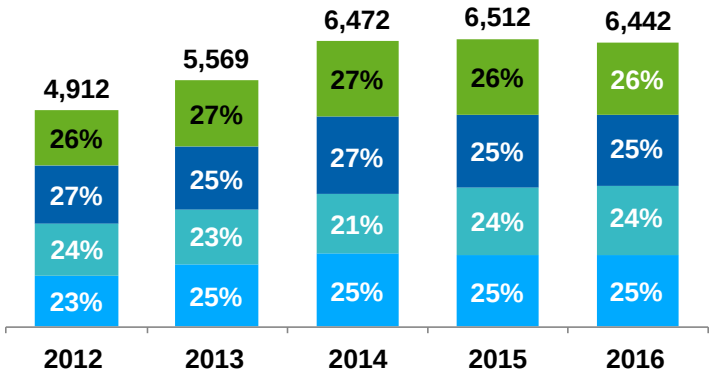


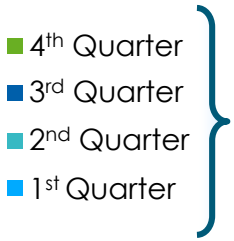
Net Income (R$ million)



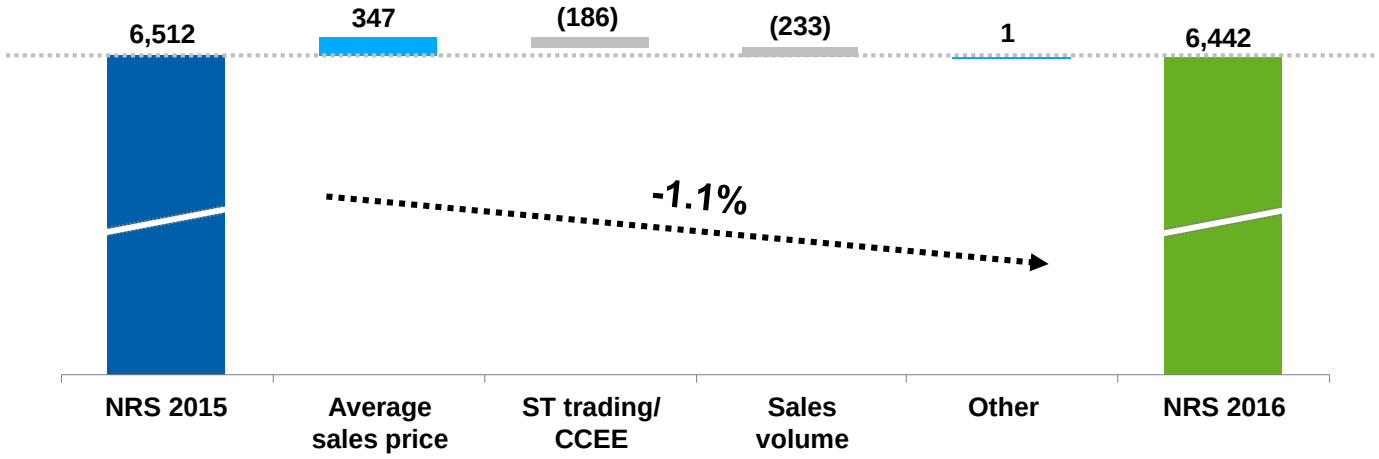
NET REVENUE FROM SALES CHANGE

Net revenue from sales change (R$ million)



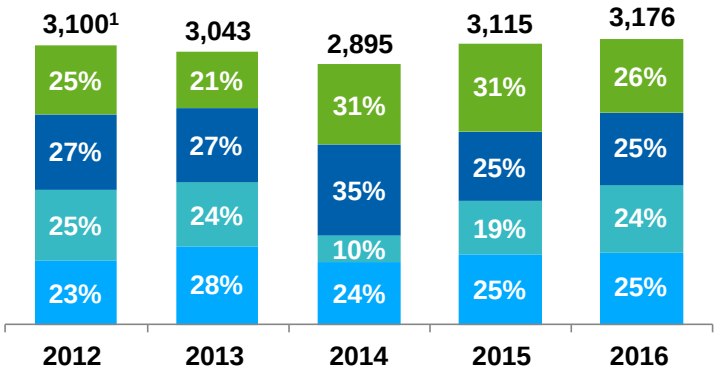


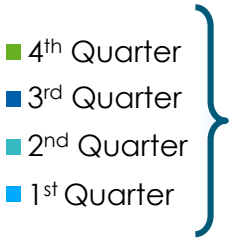
% of the accumulated annual net revenue from sales



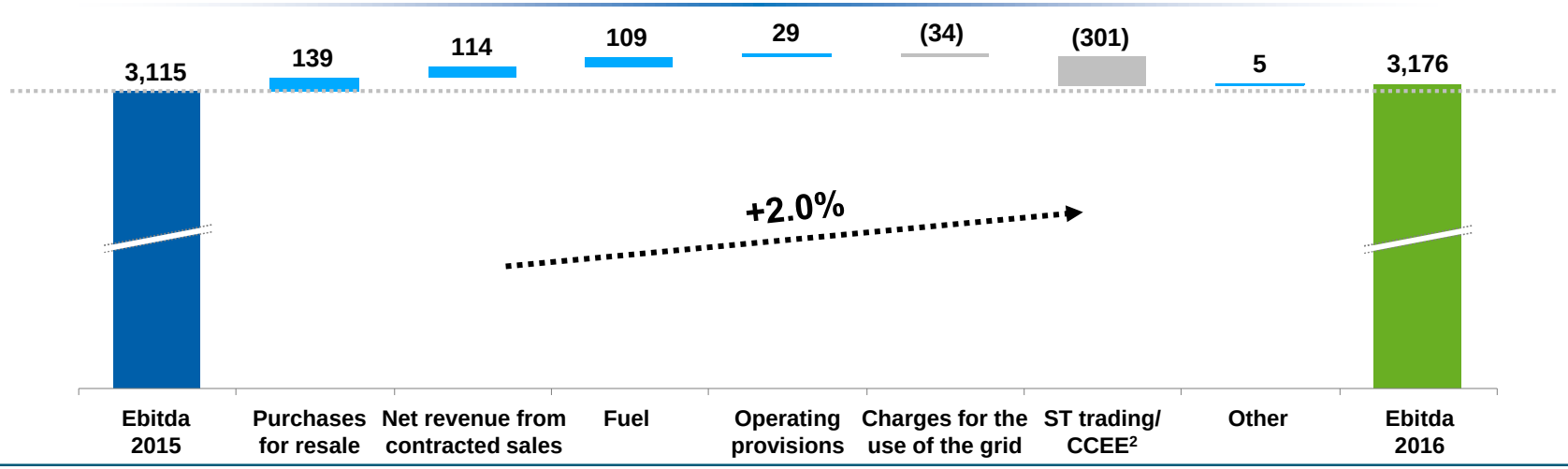
EBITDA CHANGE

Ebitda change (R$ million)





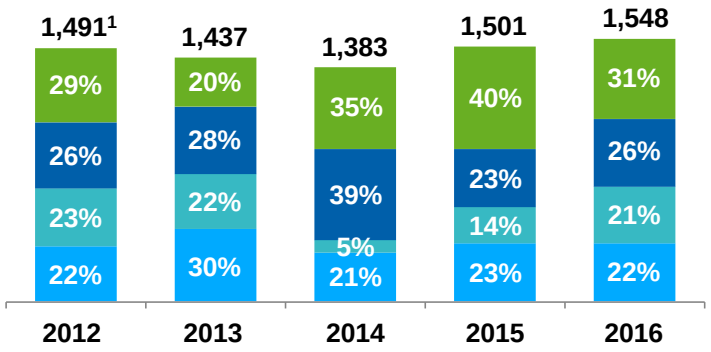
% of the accumulated annual Ebitda

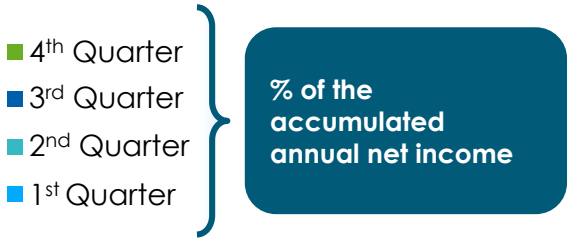


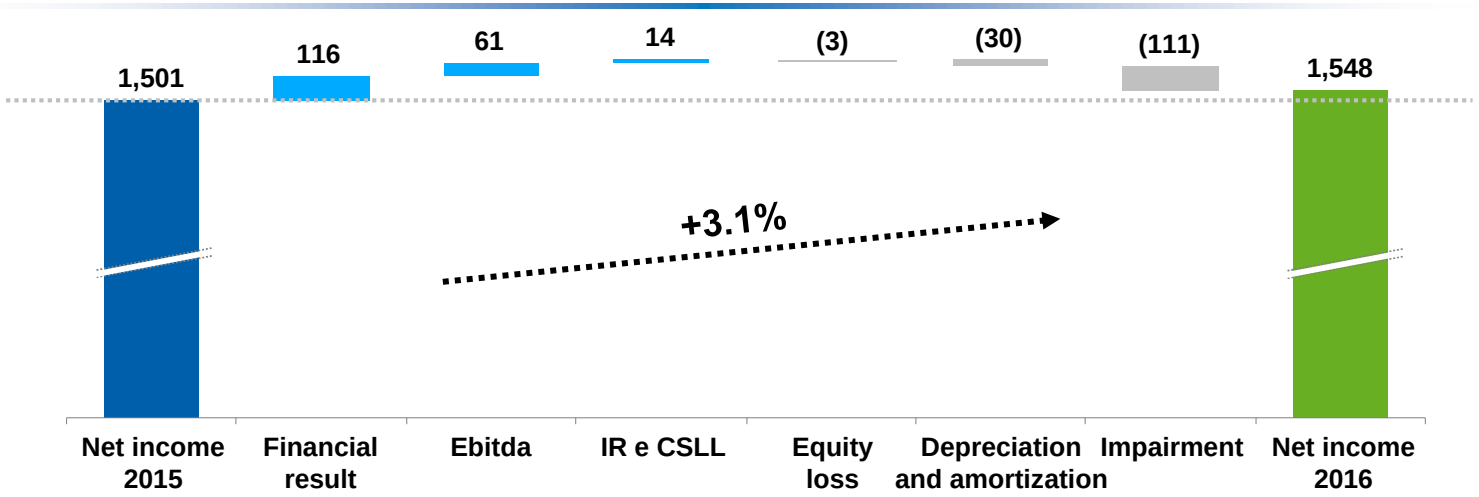
Notes:
[1] Adjustment due to change in accounting practice.
[2] Considers the combined effect of changes in revenue and expenses.

NET INCOME CHANGE

Net income change (R$ million)





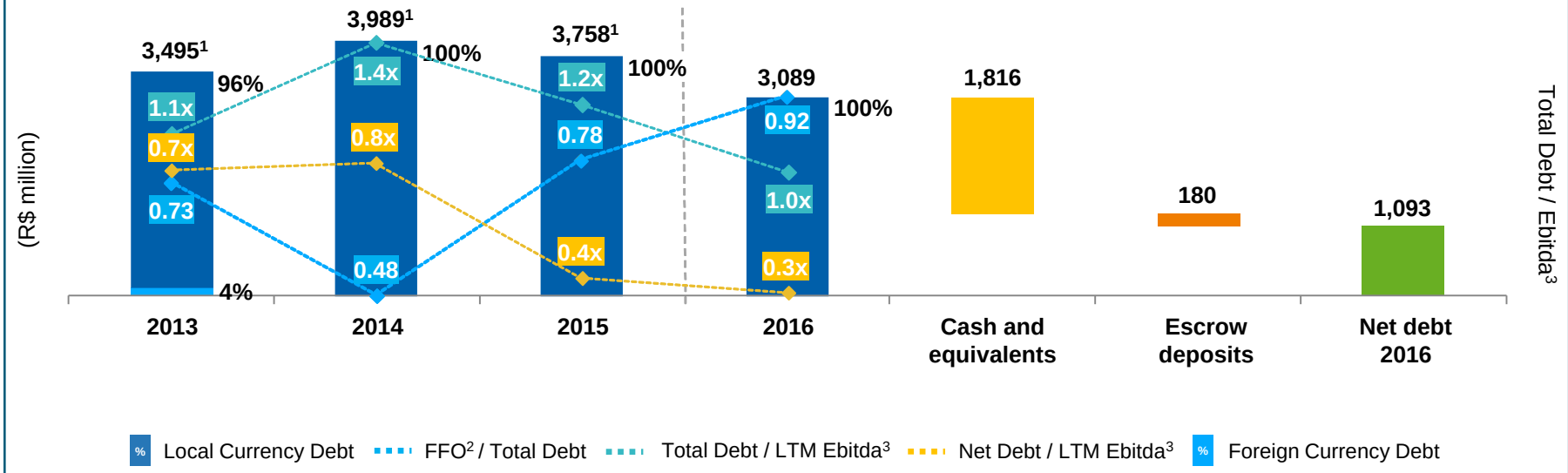


Note:
[1] Adjustment duo to change in accounting practice.

LIMITED DEBT
with no currency exposure

The low leverage of the Company has enabled it to maximize growth opportunities and qualifies it for excellent credit ratings and competitive credit facilities.

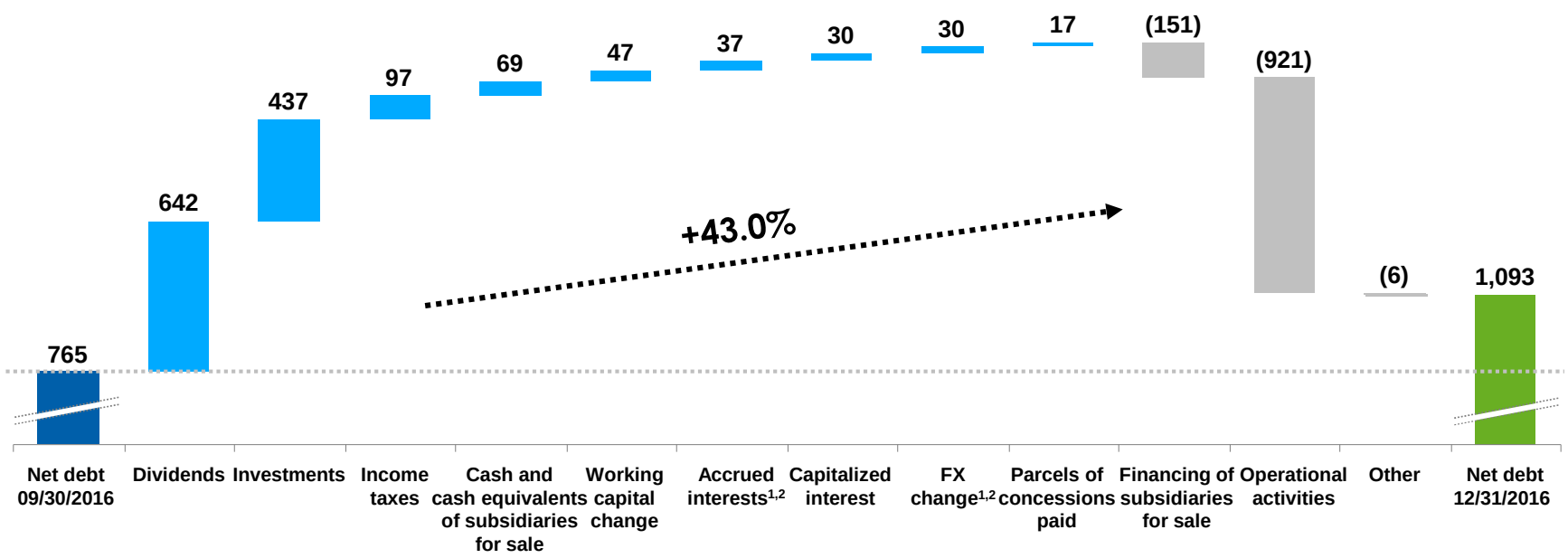
Debt Overview (R$ million)



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)

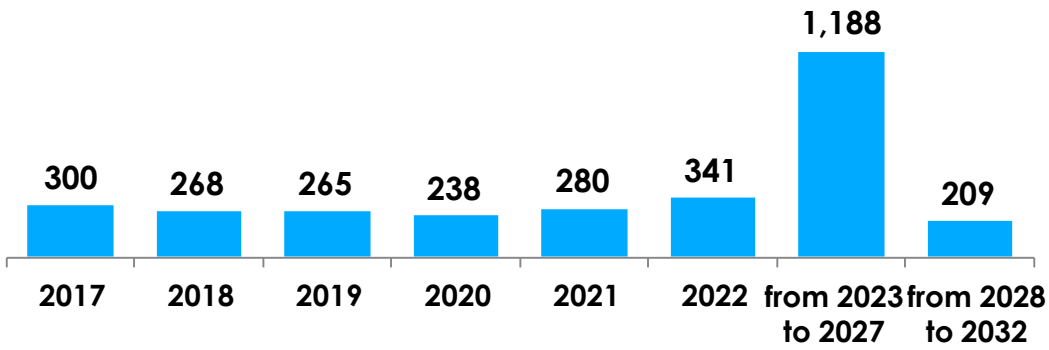


Notes:
[1] Does not impact the Company's cash position.
[2] The interests and FX change refer only to the Company's financial debt (loans, financing and debentures).

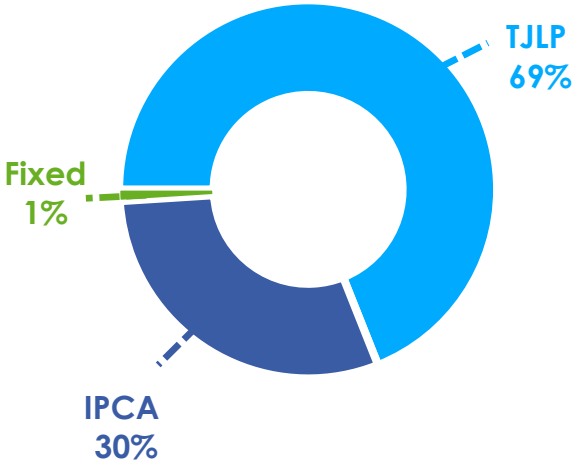
MEDIUM AND LONG-TERM DEBT with low costs and defensive indexes

Debt profile and robust cash generation translate into competitive costs of debt for financing growth.

Maturity debt schedule (R$ million)



Composition of debt



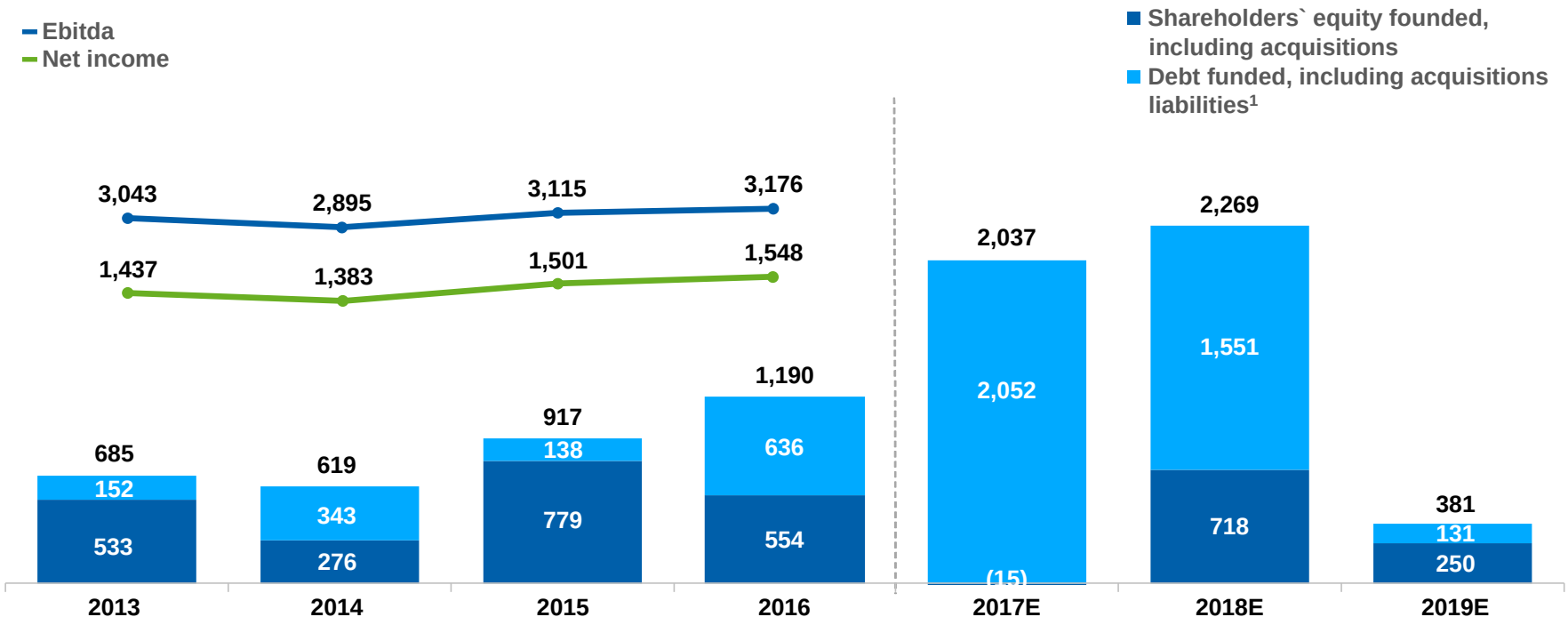
Nominal cost of debt: 10.5%

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)

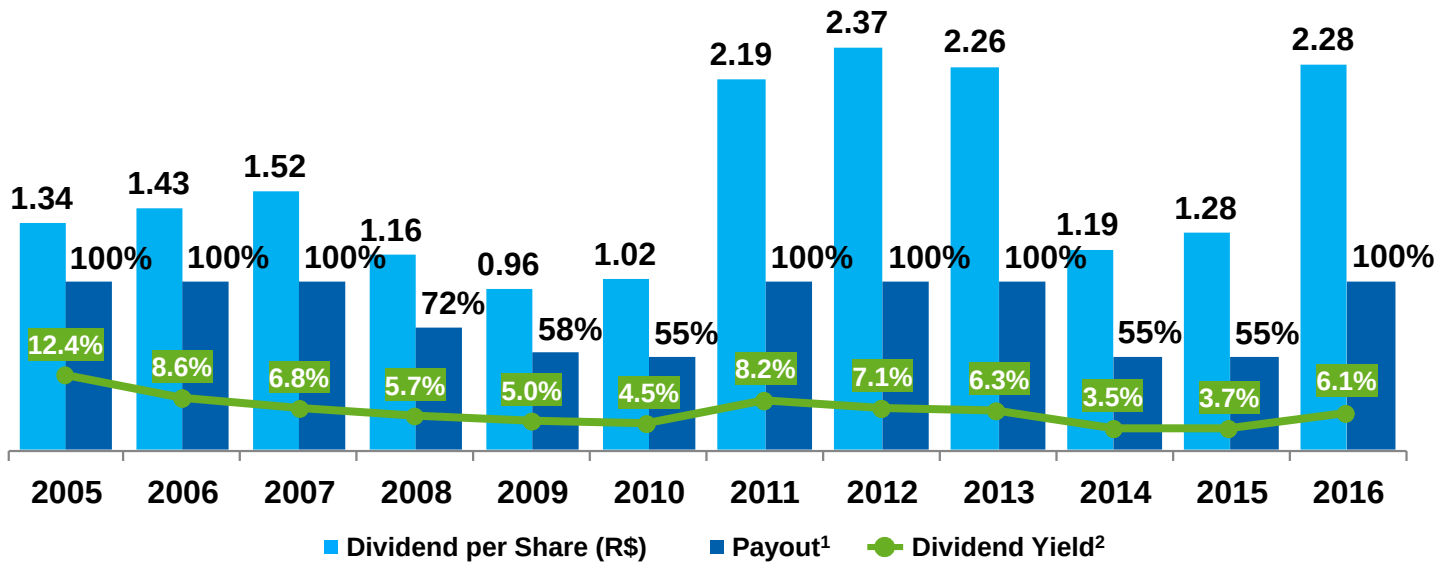


Note:
[1] Does not consider interests incurred during the construction.

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)



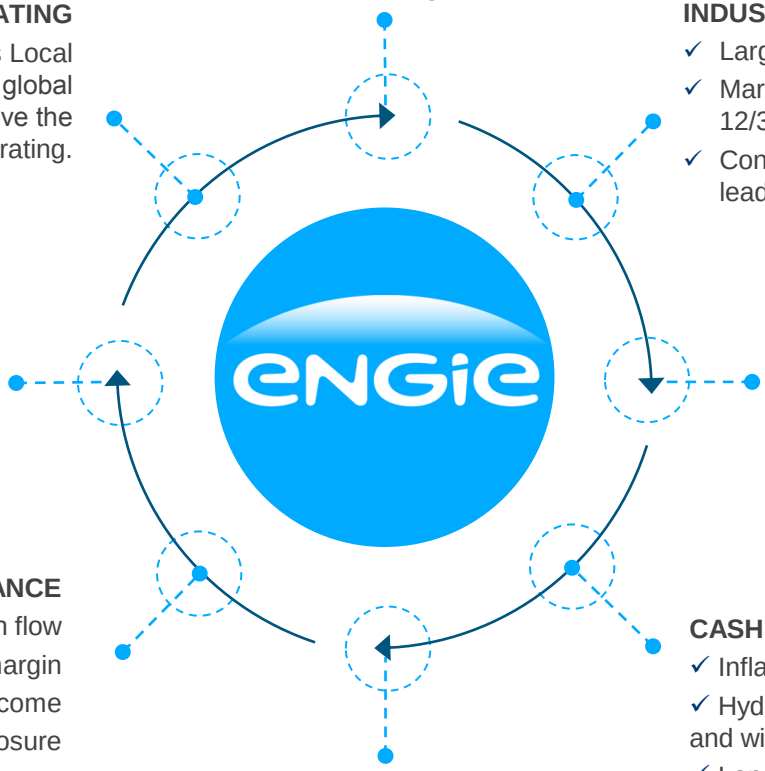
Notes:
[1] Considers the annual payable net income.
[2] Based on volume-weighted closing price of ON shares in the period.

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$ 22.8 billion in 12/31/2016
- ✓ 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

CONTACTS

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06

Supporting Data

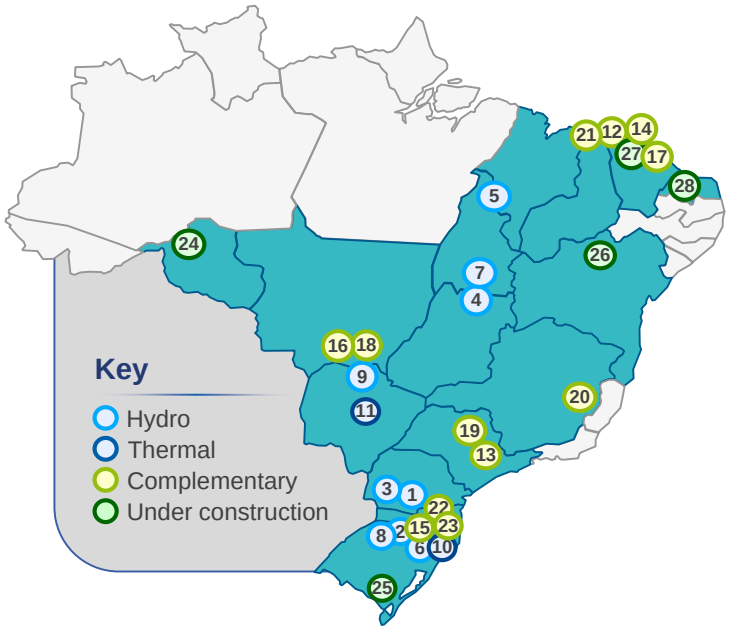
DIVERSIFIED PORTFOLIO OF ASSETS
with strategic location

Installed capacity of 7,010.1 MW from 29 plants operated by ENGIE Brasil Energia: 79% hydro, 15% thermal and 6% complementary.

	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
	Total	1,047.0	786.0

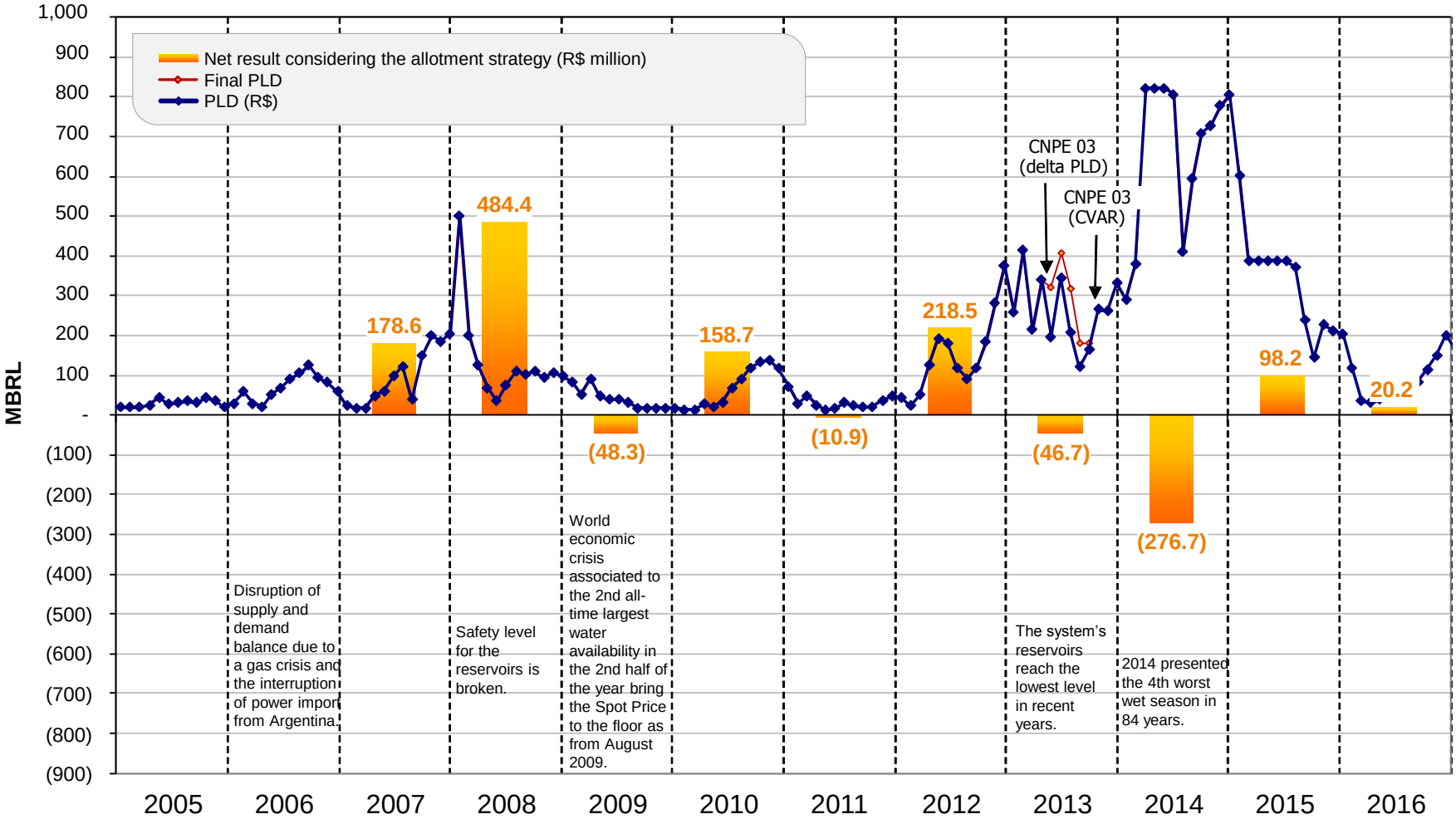
	Complementary P. Plants	Installed Capacity (MW)	Commercial Capacity (MWa)[1]
12	Trairi Complex[4]	115.4	63.9
13	Ferrari (Biomass)	80.5	35.6
14	Santa Mônica Complex (Wind)[5]	37.8	20.2
15	Lages (Biomass)	28.0	25.0
16	Rondonópolis (SHP)	26.6	10.1
17	Beberibe (Wind)[6]	25.6	7.8
18	José G. da Rocha (SHP)	23.7	9.2
19	Ibitiúva (Biomass)	22.9[2]	13.9[2]
20	Areia Branca (SHP)[6]	19.8	10.4
21	Pedra do Sal (Wind)[6]	18.0	5.7
22	Cidade Azul (Solar)	3.0	n/a
23	Tubarão P&D (Wind)	2.1	n/a
	Total	403.4	201.8



	Expansion	Installed Capacity (MW)	Commercial Capacity (MWa)[1]
24	Jirau (Hydro)[7]	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)[5]	59.4	27.2
28	Assú V (Solar)	36.7	9.2
	Total	2,262.8	1,399.7

Notes:
[1] Figures following specific legislation.
[2] Portion owned by ENGIE Brasil Energia.
[3] Complex comprised by three power plants.
[4] Complex comprised by four wind farms.
[5] Considering the start of commercial operation of the Santa Mônica and Cacimbas Wind Power Plants.
[6] Sale process under way.
[7] The transfer of the 40% stake of ENGIE Brasil Part. in Jirau HPP to the Company should be examined shortly.

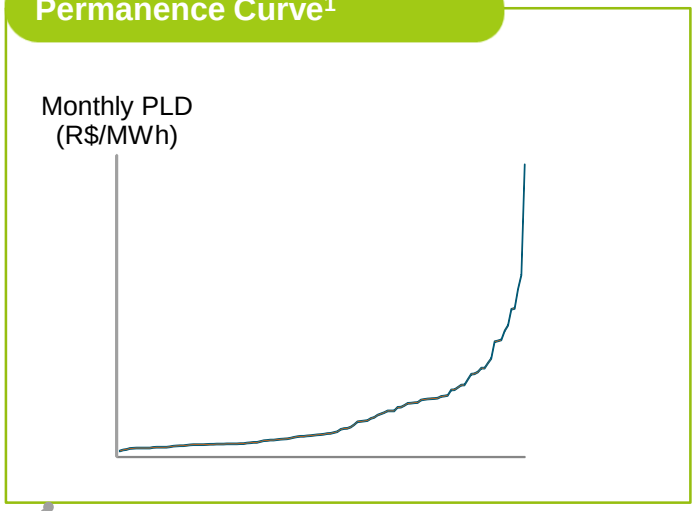
IMPACTS FROM
energy allotment net result



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]

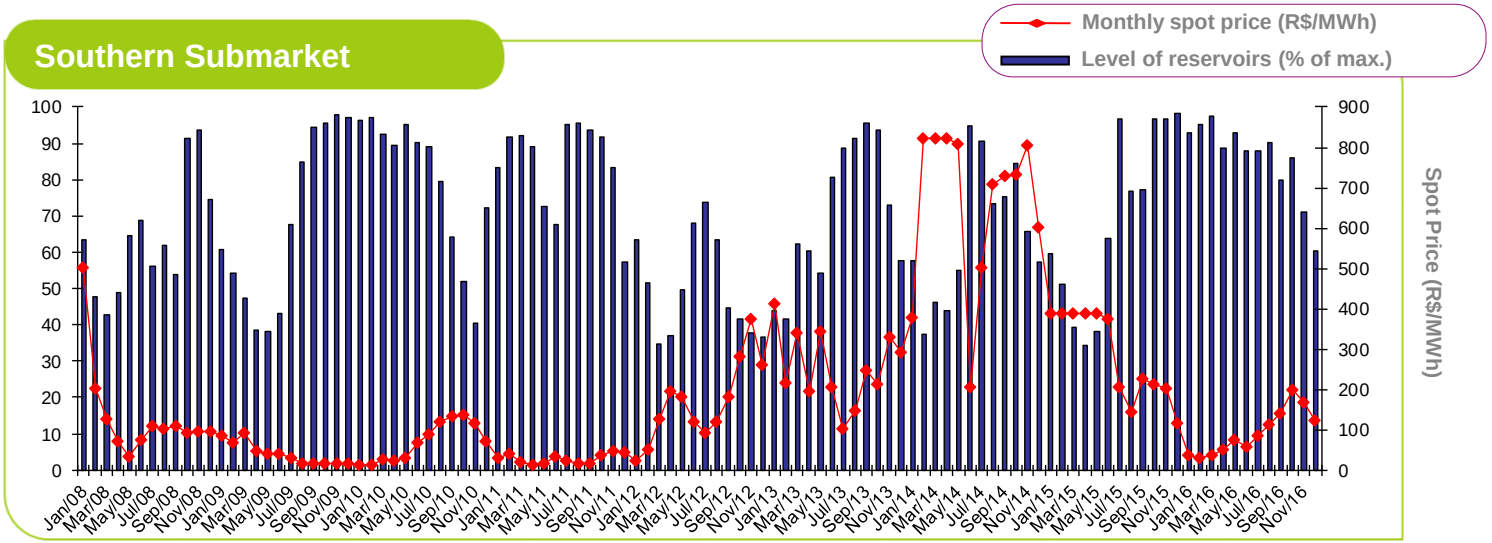


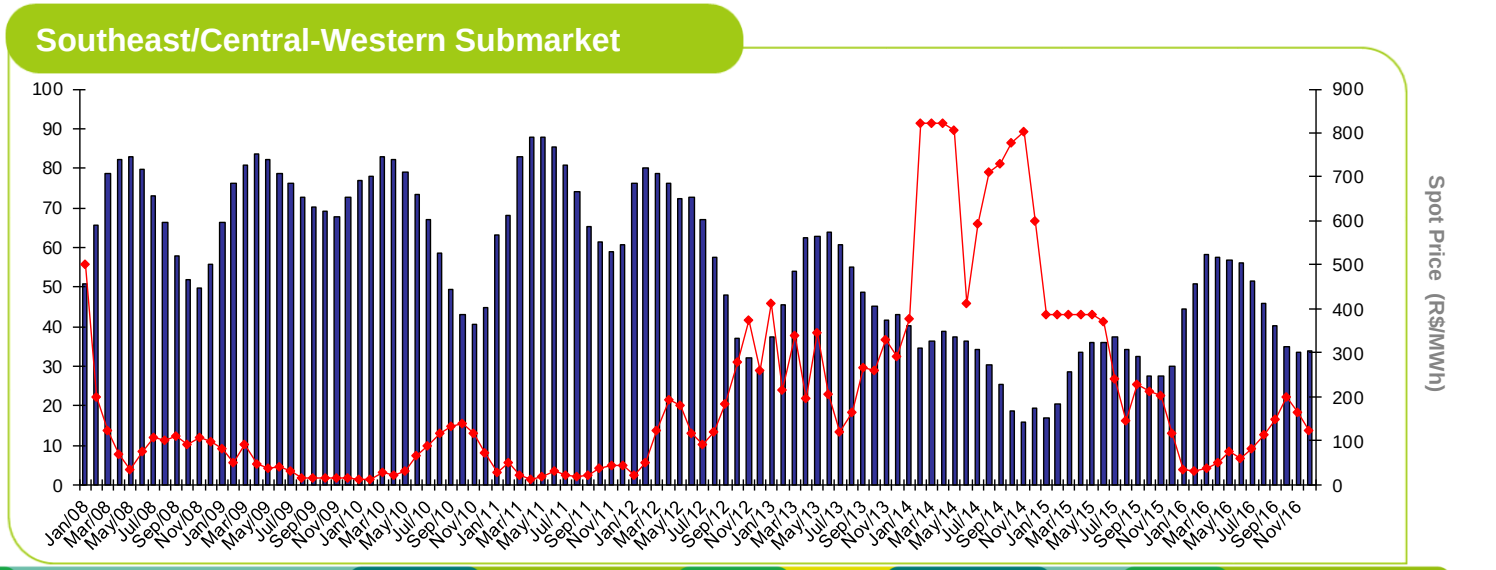
Occurrences[2]

	May/2003 - Sep/2012	Oct/2012 - Dec/16
Avg. PLD (in R$)	104.31	397.57
PLD Std Deviation (in R$)	108.72	291.92
Monthly PLD > R$ 100.00	37%	92%
Monthly PLD > R$ 200.00	12%	77%

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





Sustainable Development Highlights

PRINCIPLES

Mission: Provide innovative and sustainable solutions in energy and services to people, companies and territories.

Vision:
Transform people's relationship with energy aiming at a sustainable world.

Values:
professionalism, sense of partnership, teamwork, creation of value, respect for the environment, and ethics

Commitment with Sustainable Development:

- Provide sustainable solutions from the economic, social and environmental points of view
- Control the impact of the Company's operations
- Create value for shareholders and society

COMMITMENT WITH SOCIETY



- Continually upgrade the Management of the Environment together with Quality, Health and Safety, Social Responsibility and Energy Efficiency
- Contribute towards the mitigation of climate change
- Adopt fair competitive practices
- Combat fraud and corruption
- Contribute to social inclusion
- Not to countenance child or compulsory labor
- Not to accept discrimination
- Engage all stakeholders in the sustainable development concept, acting with ethics and transparency and sharing values, principles and practices

OUR PRODUCT



- **A product which is essential for life and present along the entire production chain**
- ENGIE Group's proprietary installed capacity in Brazil represents **6.2% of the country's total;**
- **Plant uptime was 97.2% in 2016,** if scheduled stoppages are excluded;
- The **Company reported annual generation during the year of 44,592 GWh**, equivalent to 5,077 aMW, **89.6% from renewable sources:**
  - ✓ 86.3% from hydroelectric power plants
  - ✓ 3.3% from complementary sources (wind, SHPs, solar and biomass)
  - ✓ 10.4% from gas- and coal-fired thermoelectric plants;
- There was also job-creation: approximately **1,078 on the payroll** at year-end 2016, including ENGIE Brasil Energia itself and its subsidiaries together with 820 outsourced professionals.

PUBLIC DOCUMENTS



- Corporate Bylaws
- Charters: Board of Directors and Sustainability Committee
- ENGIE Policy for Sustainability Management:
  - ✓ Quality
  - ✓ Environment
  - ✓ Occupational Health and Safety
  - ✓ Social Responsibility
  - ✓ Energy Management
- ENGIE Policy for Climate Change
- ENGIE Policy for Stakeholder Engagement
- Human Rights Policy
- Environment Code
- Ethics Code

V ETHICS, SUSTAINABILITY AND ENERGY SEMINAR



Programação

Dia 01/06/2016

08h30-09h00 Inscrições e café de boas vindas
09h00-09h15 Abertura com Júlio César Lunardi, Diretor Administrativo e Coordenador do **Comitê de Sustentabilidade** da ENGIE Tractebel Energia
09h15-10h00 Participação da ENGIE na Conferência Mundial do Clima e Bioenergia com Philipp Hauser da **ENGIE Brasil**
10h00-10h45 Conferência Mundial do Clima e o papel da juventude com Alicia Amancio, representante da juventude catarinense na **Conferência Mundial do Clima**
10h45-11h00 Intervalo
11h00-11h45 Clima Leandro Puchalski **Rede RBS**
11h45-12h30 Painel sobre Mudança Climáticas: Adaptação e Mitigação com mediação de: José Lourival Magri Gerente de Meio Ambiente da **ENGIE Tractebel Energia**
14h00-14h15 Inscrições e café de boas vindas
14h15-14h30 Abertura com Luciane Pedro e Antônio Carlos Benavides dos **Comitês de Sustentabilidade e Ética** da ENGIE Tractebel Energia
14h30-15h15 O Estado da Arte da Sustentabilidade Empresarial com Cezar Martins e Carol Jungmann da **Usina82**
15h15-16h00 A Sustentabilidade Empresarial na ENGIE Tractebel Energia com Mario Benevides do **Comitê de Sustentabilidade** da ENGIE Tractebel Energia
16h00-16h15 Intervalo
16h15-17h00 Ética e Transparência na Dimensão Social do **ISE BM&F Bovespa** com Isabela Domenici e Bruno Bacchi da Ricca RI
17h00-17h15 Encerramento do primeiro dia

Dia 02/06/2016

14h00-14h30 Inscrições e café de boas vindas
14h30-14h45 Abertura com Maury Garret do **Comitê de Sustentabilidade** da ENGIE Tractebel Energia
14h45-15h30 Geração Distribuída e a ENGIE Solar com Gabriel Mann dos Santos e Rodolfo Pinto da **ENGIE Solar**
15h30-15h45 Intervalo
15h45-16h30 Crescimento sustentável com o uso de soluções eficientes na cadeia de valor com Marcio Heron Vogt da **WEG**
17h00-17h15 Encerramento

Comitê de Sustentabilidade ENGIE www.tractebelenergia.com.br

- Held since 2012
- Engagement of the value chain: employees, clients, suppliers, shareholders, investors, representatives of government and community
- Issues covered: human rights, diversity, ethics in professional relationships and in society, climate change, environmental preservation, among others
- In its fifth edition, the 2016 seminar was held at the Head Offices of the Company, with transmission via video to all regional offices

RESEARCH AND DEVELOPMENT



- Compulsory legal minimum investment of 1% of net annual operating revenue
- Objectives:
  - To seek sustainable solutions in order to add value to the operations
  - To interact with academic and research institutions for each region, incentivizing institutional and social development
- Allocated R$ 32 million in 2016, 40% for projects, 40% for the National Scientific and Technological Development Fund (FNDCT) and 20% for funding the Empresa de Pesquisa Energética (EPE)

ISE, CERTIFICATION AND SUSTAINABILITY REPORT

- BM&FBovespa's new ISE portfolio is valid from January 2, 2017 to January 5, 2018.
- It comprises the equities of 34 companies
- ENGIE Brasil Energia is one of ten that has remained a component of the ISE since its inception in 2005

- Of the 8,720 MW of installed capacity operated by the Company, 85%, installed in 14 of the 28 plants, are certified according to NBR ISO 9001 and 14001 (Quality and Environment), and NBR OHSAS 18001 (Occupational Health and Safety)
- The Jorge Lacerda Thermoelectric Complex is also certified according to the Energy Efficiency NBR ISO 50001 norm

- The Sustainability Report is published annually according to the GRI G4 standard and from 2014 adopted Integrated Report guidelines

SUSTAINABILITY INDICATORS[1]

Item	Dimension[2]	Index	GRI disclosure[3]	4Q16	4Q15	Change	12M16	12M15	Change
1	Quality	Operating plants	EU1, G4-9	29	28	1	29	28	1
2		Installed capacity	EU1, G4-9	8,720	8,765	-0.5%	8,720	8,765	-0.5%
3		Proprietary capacity	EU1, G4-9	6,999	7,044	-0.6%	6,999	7,044	-0.6%
4		Number of certified plants	EU6, G4-15	14	14	-	14	14	-
5		Certified installed capacity (MW)	EU6, G4-15	8,345	7,330	13.8%	8,345	7,330	13.8%
6		Certified installed capacity in relation to the total	EU6, G4-15	95.31%	83.63%	11.7 p.p.	95.31%	83.63%	11.7 p.p.
7		Installed capacity from renewable sources	EU1, G4-9	7,673	7,646	0.4%	7,673	7,646	0.4%
8		Installed capacity from renewable sources in relation to the total	EU1, G4-9	87.99%	87.23%	0.76 p.p.	87.99%	87.23%	0.76 p.p.
9		Energy generation (GWh)	EU2	10,584	13,031	-18.8%	44,592	47,622	-6.4%
10		Certified energy generation	EU6, G4-15	10,076	11,829	-14.8%	42,944	41,894	2.5%
11		Certified energy generation in relation to the total	EU6, G4-15	95.2%	90.8%	4.4 p.p.	96.3%	88.0%	8.3 p.p.
12		Energy generation from renewable sources (GWh)	EU2	9,399	11,591	-18.9%	39,954	41,212	-3.1%
13		Energy generation from renewable sources in relation to the total	EU2	88.8%	88.9%	-0.1 p.p.	89.6%	86.5%	3.1 p.p.
14		Uptime ratio, excluding scheduled stoppages	EU30	97.7%	97.9%	-0.2 p.p.	97.2%	97.4%	-0.2 p.p.
15		Uptime ratio, including scheduled stoppages	EU30	86.4%	86.7%	-0.3 p.p.	86.8%	86.9%	-0.1 p.p.
16	Environment	Saplings donated and planted (sum-total of planted and donated saplings)[4]	G4-EN27	95,914	81,178	18.2%	340,269	262,218	29.8%
17		Number of visitors at the plants[4]	G4-26	20,548	24,287	-15.4%	92,154	100,464	-8.3%
18		CO2 Emissions (fossil fuel plants) (t/MWh)	G4-EN15	1.0289	0.969	6.2%	1.0087	0.976	3.4%
19		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)	G4-EN15	0.146	0.107	36.4%	0.135	0.131	2.9%
20	Occupational Heath and Safety (OH&S)	Average number of employees[5]	G4-10, G4-LA1	1,078	1,138	-5.3%	1,114	1,139	-2.2%
21		Frequency Rate ("Taxa de Frequência" - TF), except for outsourced positions[6]	G4-LA6	0.00	0.000	-	0.49	0.000	↑
22		Severity Rate ("Taxa de Gravidade" - TG), except for outsourced positions[7]	G4-LA6	0.000	0.000	-	0.002	0.000	↑
23		Frequency Rate ("Taxa de Frequência" - TF), including outsourced positions[6]	G4-LA6	0.00	0.000	-	1.52	0.540	↑
24		Severity Rate ("Taxa de Gravidade" - TG), including outsourced positions[7]	G4-LA6	0.000	0.000	-	0.001	0.000	↑
25	Social Responsibility[8]	Non-incentive investments	G4-EC8, G4-SO1	1,166.92	1,459.28	-20.0%	5,044.28	3,304.36	52.7%
26		Investments via Children and Teenagers Fund - FIA	G4-EC8, G4-SO1	237.59	639.80	-62.9%	2,544.27	1,709.01	48.9%
27		Investments via Cultural Incentives Act - Rouanet	G4-EC8, G4-SO1	1,563.00	602.00	159.6%	10,184.72	7,465.44	36.4%
28		Investments via Sport Incentives Act	G4-EC8, G4-SO1	2,255.30	832.26	1.7	2,565.29	1,420.00	0.8
29		Investments via National Program of Support to Oncology Care - PRONON	G4-EC8, G4-SO1	2,573.80	251.47	9.2	2,573.80	637.77	3.0
30		Investments via National Program of Support to Disabled Person´s Heath - PRONAS/PCD	G4-EC8, G4-SO1	1,310.21	550.00	1.38	1,310.20	550.00	1.38
31		Investments via Municipal Elderly Fund	G4-EC8, G4-SO1	2,184.12	142.04	1437.7%	2,348.33	234.44	9.0

Notes:

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

[2] Reference: ENGIE Sustainable Management Policy.

[3] GRI: Global Reporting Initiative, version G4.

[4] Ceste not included.

[5] Average n° in the period of own employees working at power plants in operation, at the headquarters and at the São Paulo's office.

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

[7] 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.

[8] In millions of R$.

SOME RECOGNITIONS RECEIVED IN 2016

- Fritz Müller Award (Fundação do Meio Ambiente de Santa Catarina - FATMA)
  Project winner: Environmental Educators Training Program from the Itá Consortium
- Brazil Environmental Award (American Chamber of Commerce Rio de Janeiro – Am Cham Rio)
  Project winners: Center for Culture and Sustainability and Cidade Azul Photovoltaic Solar Plant
- Época 360 Prize sponsored by Época magazine – Best company in the Energy sector
- Ethics in Business Prize
  Project winner: Conservation of Headwaters Program
- ANEFAC Transparency Trophy for the Energy Sector Companies