ENGIE Brasil Energia S.A.
Results Presentation
4Q17 and 2017

February 22, 2018

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01

Highlights, Shareholding Structure, Assets, Market Share and Sales

HIGHLIGHTS

Main financial and operational indexes:

(in R$ million)	4Q17	4Q16	Chg.	12M17	12M16	Chg.
Net Operating Revenue (NOR)	2,067.4	1,666.2	24.1%	7,010.0	6,442.4	8.8%
Results from Operations (EBIT)	880.5	540.5	62.9%	2,850.2	2,421.6	17.7%
Ebitda [1]	1,067.6	824.0	29.6%	3,519.5	3,175.6	10.8%
Ebitda / NRS - (%) [1]	51.6	49.5	2.1 p.p.	50.2	49.3	0.9 p.p.
Net Income	704.7	475.5	48.2%	2,004.6	1,548.3	29.5%
Return On Equity (ROE) [2]	29.3	23.4	5.9 p.p.	29.3	23.4	5.9 p.p.
Return On Invested Capital (ROIC) [3]	22.5	22.7	-0.2 p.p.	22.8	22.6	0.2 p.p.
Net Debt [4]	4,582.6	1,093.2	319.2%	4,582.6	1,093.2	319.2%
Power Production (avg MW) [5]	4,187	4,794	-12.7%	4,148	5,077	-18.3%
Energy Sold (avg MW)	4,227	3,962	6.7%	4,082	3,961	3.1%
Average Net Sales Price (R$/MWh) [6]	182.17	183.98	-1.0%	180.39	180.68	-0.2%
Number of Employees - Total	1,131	1,116	1.3%	1,131	1,116	1.3%
EBE Employees	1,083	1,078	0.5%	1,083	1,078	0.5%
Employees on Under Construction Plants	48	38	26.3%	48	38	26.3%

Notes:
[1] Ebitda represents: net income + income tax and social contribution + financial result + depreciation and amortization.
[2] ROE: net average equity for the past 4 quarters/shareholders' equity.
[3] ROIC: EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits earmarked for debt servicing + SE).
[4] Adjusted amount, net of gains from hedge operations.
[5] Total gross electricity output from the plants operated by ENGIE Brasil Energia.
[6] Net of taxes and exports.

HIGHLIGHTS
(cont'd)

In the Transmission Auction 02/2017, promoted by Aneel, the Company successfully bid for Lot 1, a 1,050 kilometers and five substations stretch located in Paraná with a concession term of 30 years.

In 4Q17, the Company transfer the effective management of the Jaguara and Miranda HPPs and took over full operations of the plants, adding 832 MW of installed capacity to its generating complex.

EBE concluded the acquisition of the total capital stock of the companies comprising the Umburanas Wind Complex, in the state of Bahia, at the adjusted price of R$ 16.9 million.

The Assú V Solar Plant, located at Rio Grande do Norte, went into commercial operations in December, adding 30 MW of installed capacity.

HIGHLIGHTS
(cont'd)

The sale of the Beberibe and Pedra do Sal Wind Farms and the Areia Branca SHP was concluded for R$ 322.0 million, underscoring the Company's strategy of rotation and optimization of its generating complex.

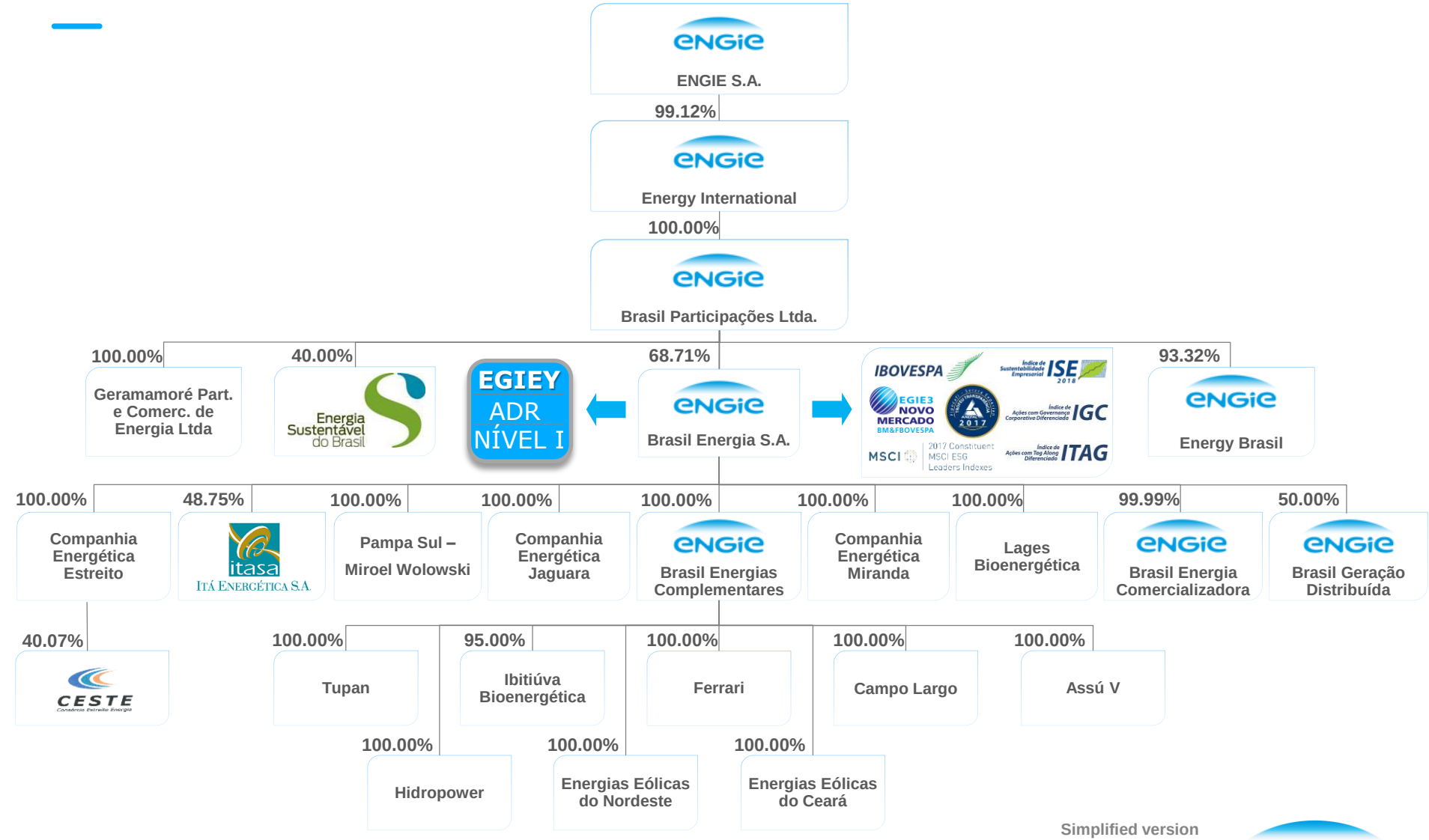
In February 2018, Aneel revoked, as requested by the Company, the authorization for operating the William Arjona Thermoelectric Power Plant, with 190.0 MW of installed capacity, located in the state of Mato Grosso do Sul.

For the 13th consecutive year, EBE was included in the Corporate Sustainability Index (ISE). The Company has been a component of the ISE since its inception in 2005.

The Company is one of the five Brazilian companies to have been included in the Global 100 Most Sustainable Corporations, elaborated by Corporate Knights Magazine.

Approved the proposal for the distribution of complementary dividends, subject to ratification by Annual General Shareholders' Meeting, in the amount of R$ 636.8 million (R$ 0.9755/share).

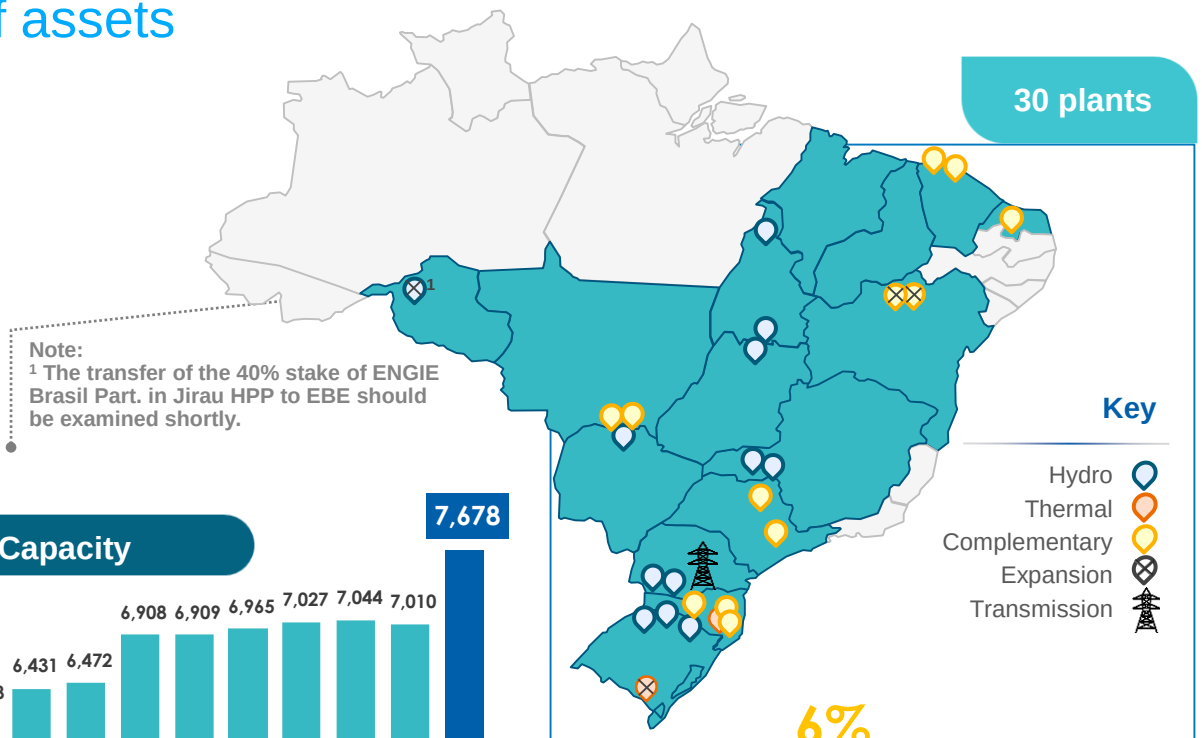
SHAREHOLDING STRUCTURE

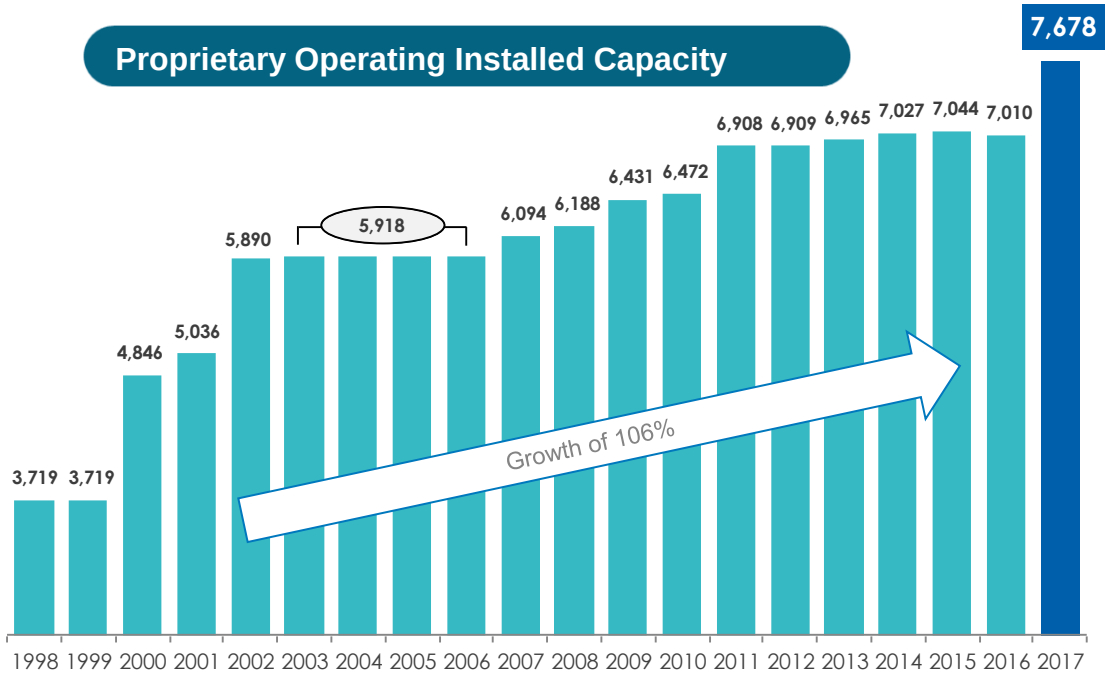


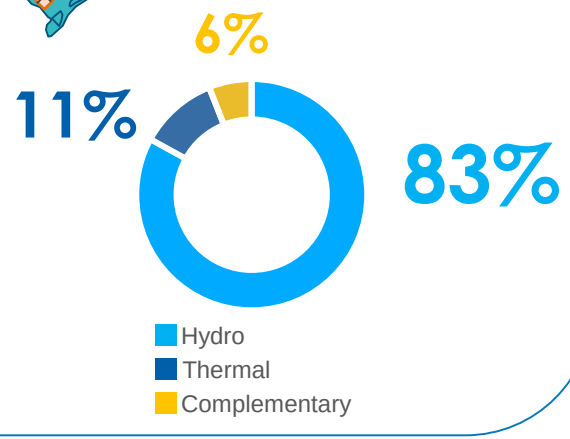
Simplified version

CONSISTENT EXPANSION
in a diversified portfolio of assets

Own installed capacity of
7,678 MW
from 30 plants
operated by the Company



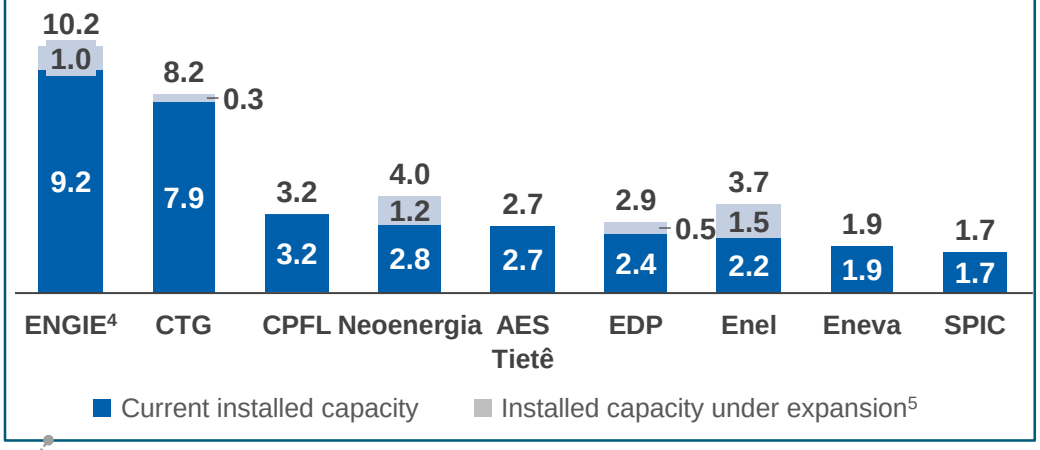




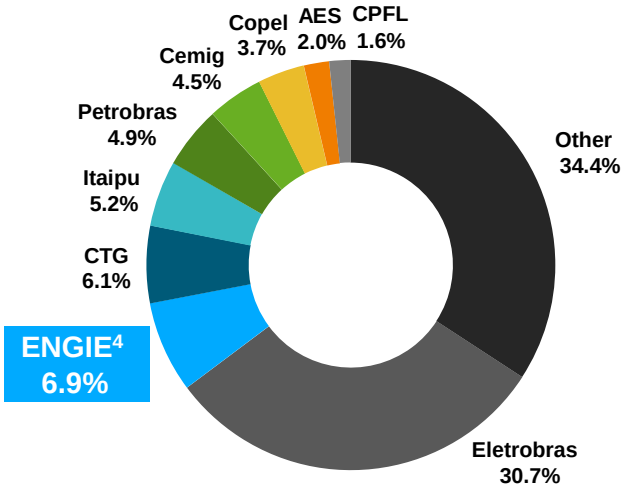
RELEVANT POSITION
among the private power producers

ENGIE Brasil Energia is part of the largest independent power producer group in the country and is 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 group, of the 9.2GW in operation from ENGIE Group in Brazil, EBE accounts for 7.7GW.
5 Based on information from Aneel, ONS and internal study.

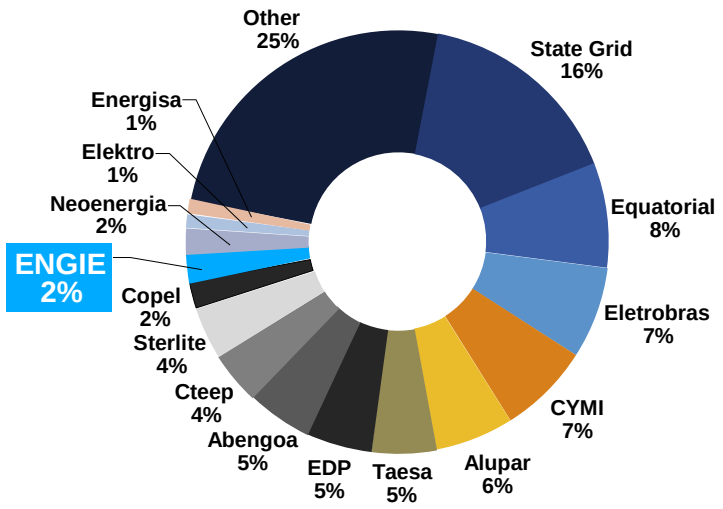
TRANSMISSION
expanding its participation in the electric power industry

EBE's debut into the energy transmission segment in Brazil, representing a new business line.

Transmission Segment – Main numbers

- ✓ Basic network extension (> 230 kV): 132,616 km[1].
- ✓ Total Maximum Annual Allowed Revenue (RAP) of transmission companies: R$ 23.8 billion[2].
- ✓ Eletrobras Group accounts for approximately 50% of the transmission market.
- ✓ Since 2013, there was a significant increase in the participation of private agents.
- ✓ Considering all the auctions from 2013 to 2017, over than 42 thousand km of lines (R$ 10.1 billion RAP) were auctioned.

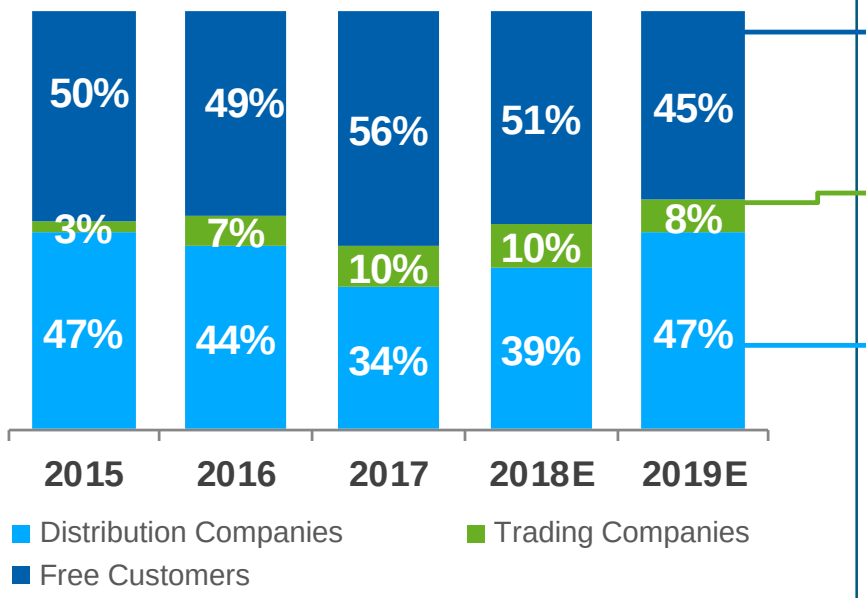
Brazil Auctions 2013-2017– Market Share (%RAP)[3]



Notes:
[1] PAR/ONS data considering National Interlinked System (SIN) in 2019.
[2] Total RAP of transmission companies in the 2017-2018 cycle was approved in REH 2,258/2017.
[3] Considering the winners in the auctions, without taking into account eventual change in control that have occurred since then.

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 (signed until 2004) → Long-term cash flow predictability

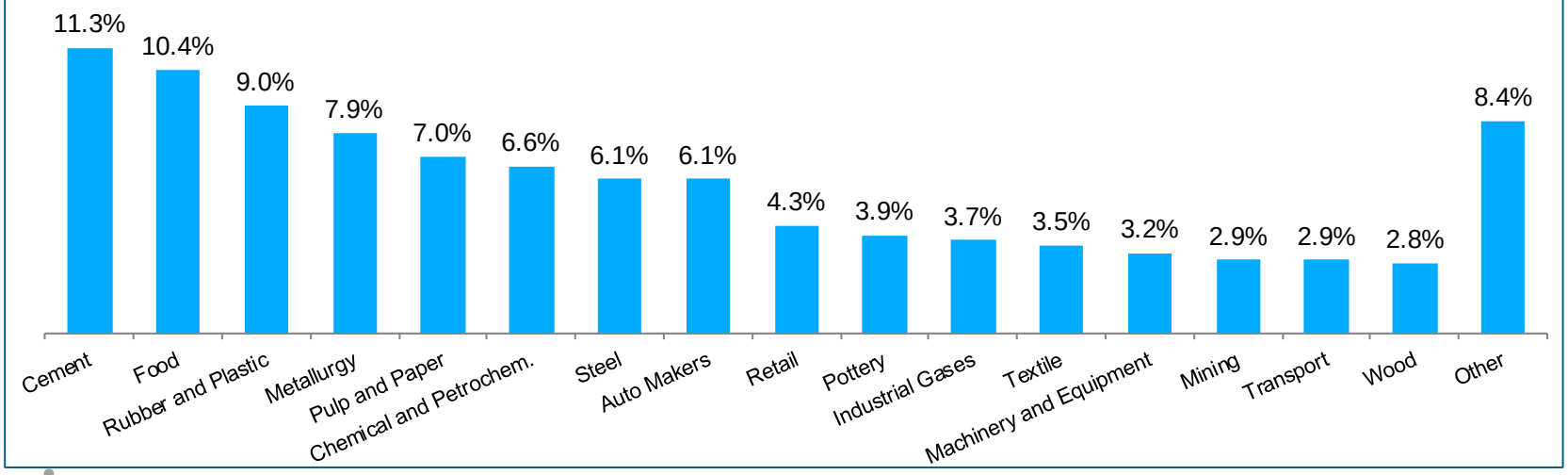
…to minimize risks and to maximize portfolio`s efficiency.

The portfolio of free customers rose from 228 in 2016 to 280 in 2017, an increase of 22.8%.

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 2018: 2,293 average MW



Source: Internal study based on IBGE`s classification.



02

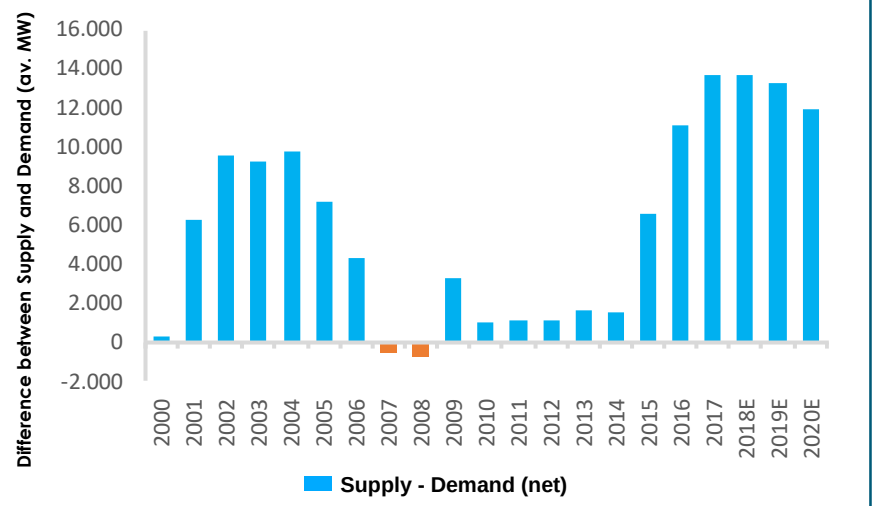
Energy Market in Brazil

ENERGY MARKET

- **Supply:** in the past, supplied by hydroelectric plants with reservoirs. Currently, a greater presence of thermoelectric and hydroelectric run-of-river plants and water shortages. Expansion of supply from intermittent sources continues.
- **Demand:** the recovery in consumption accelerates the reduction in the difference between supply and demand.

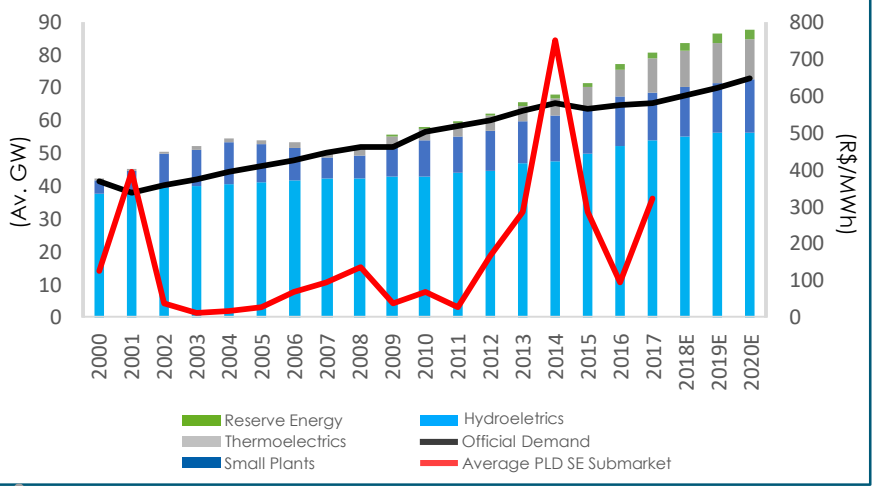
- **Surplus of capacity in the short-medium term, with a scarcity of energy and storage**
- **Greater volatility of spot prices at a high level**

Theoretical Supply x Demand (ignores GSF impact)



Source: ENGIE Brasil Energia internal study based on official sector documents.

Distribution of Supply by Source



Source: Internal study based on Aneel and ONS data.



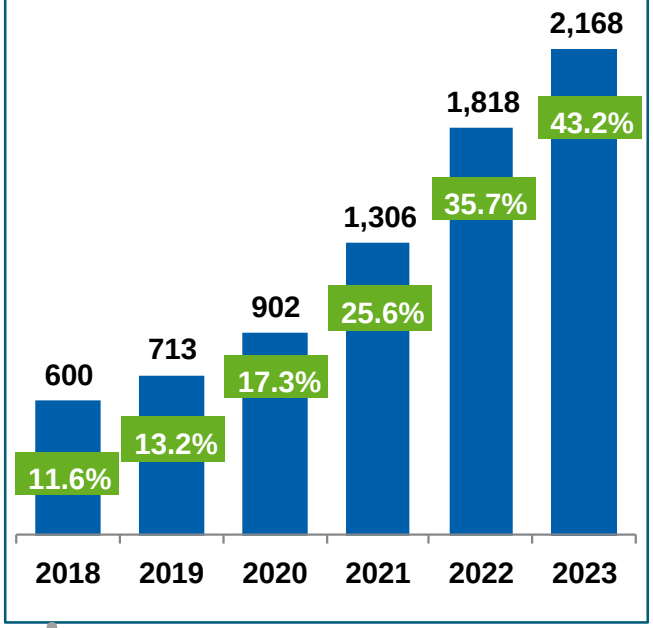
03

Sales Strategy

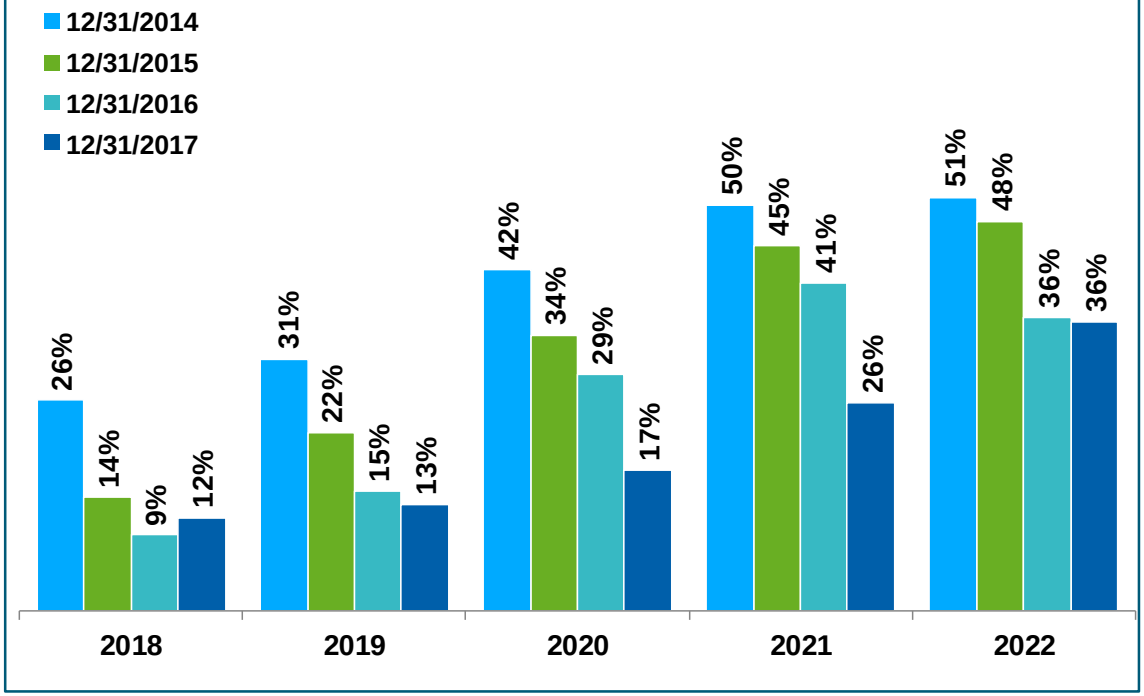
COMMERCIAL STRATEGY
considers the gradual sale of future availability

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 DECEMBER 31, 2017

(in average MW)	2018	2019	2020	2021	2022	2023	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted (R$/MWh)
Own Resources	4,085	4,627	4,716	4,725	4,738	4,736			
+ Purchases for Resale	1,081	786	492	367	356	283			
= Total Resources (A)	**5,166**	**5,413**	**5,208**	**5,092**	**5,094**	**5,019**			
Government Auction Sales[1]	1,638	2,058	2,013	2,013	2,013	2,013			
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	219.5
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	241.0
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	251.5
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	226.6
2014-EE-2014-06	103	103	-	-	-	-	270.7	May-14	333.0
Proinfa	19	19	19	19	19	19	147.8	Jun-04	255.4
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	266.4
Auction Mix (New Energy / Reserve / DG)	18	17	14	14	14	14	-	-	253.5
2014-NE-2019-25	-	234	295	295	295	295	183.5	Mar-14	233.5
2014-NE-2019-25	-	10	10	10	10	10	206.2	Nov-14	252.9
2014-NE-2019-20	-	83	83	83	83	83	139.3	Nov-14	170.9
2015-NE-2018-20	-	46	46	46	46	46	188.5	Aug-15	213.6
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	338.1
2017-EN-2019-20	-	48	48	48	48	48	136.4	Nov-14	166.5
Government Auction - Quotas regime									
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	134.7
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	151.2
+ Bilateral Sales	2,928	2,642	2,293	1,773	1,263	838			
= Total Sales (B)	**4,566**	**4,700**	**4,306**	**3,786**	**3,276**	**2,851**			
Balance (A - B)	**600**	**713**	**902**	**1,306**	**1,818**	**2,168**			
Sales Average Price (R$/MWh) **(Net)**[2,4]:	180.4	182.8	184.0						
Purchases Average Price (R$/MWh) **(Net)**[3,4]:	178.7	184.0	164.5						

[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.
[4] Desconsidering sales for quota regime (Jaguara and Miranda HPPs).

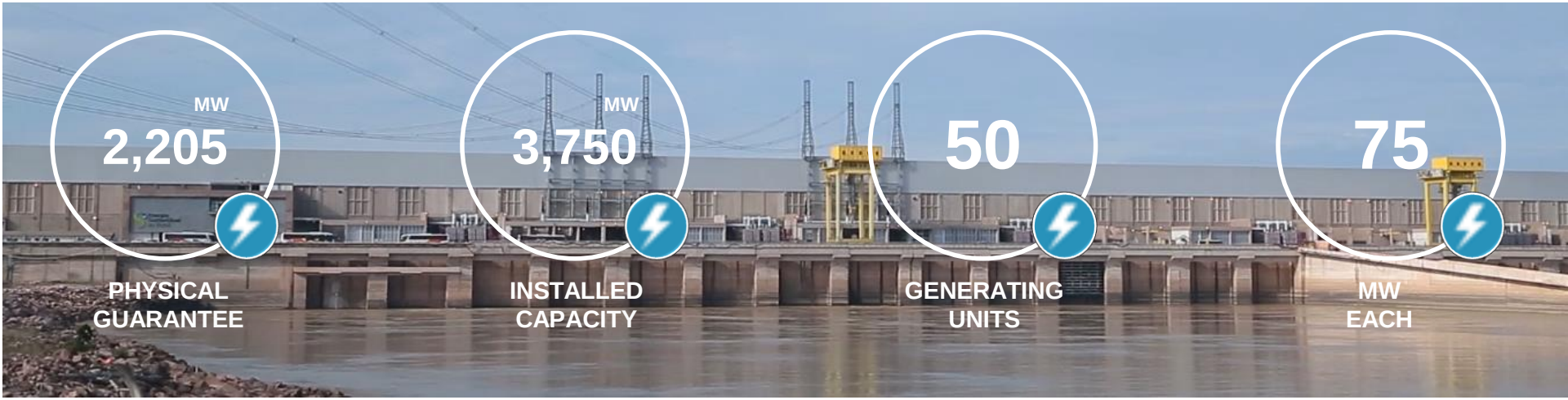
Notes:
- The balance refers to the settlement point (net of losses and internal consumption of the plants).
- The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.



04

Expansion

EXPANSION:
Jirau | update



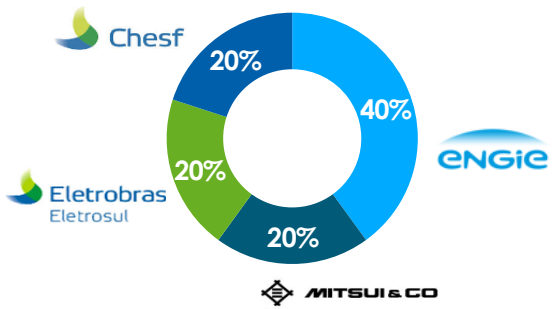
CAPEX: approximately R$ 20 billion (Dec/2016)

Financing conditions

- 100% financed by BNDES: R$ 9.5 billion (initial R$ 7.2 billion + R$ 2.3 billion) with amortization in 20 years
- interested rate: TJLP + spread from 2.25% to 2.65%

Majeure lawsuit - recognition of 535 days in the First Instance. Analysis processing in the Second Instance

ESBR shareholders

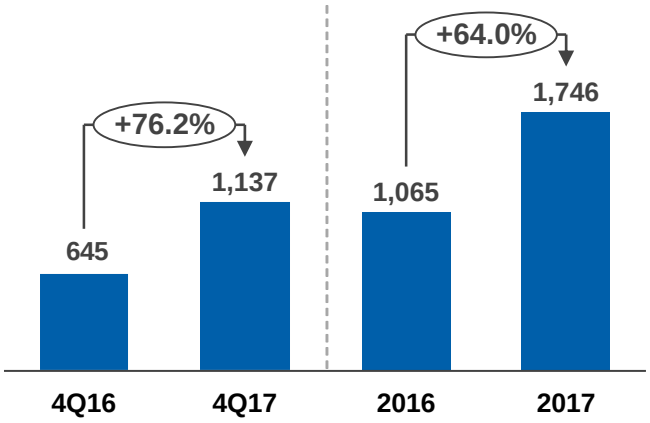


EXPANSION:
Jirau | update

Options to create additional value

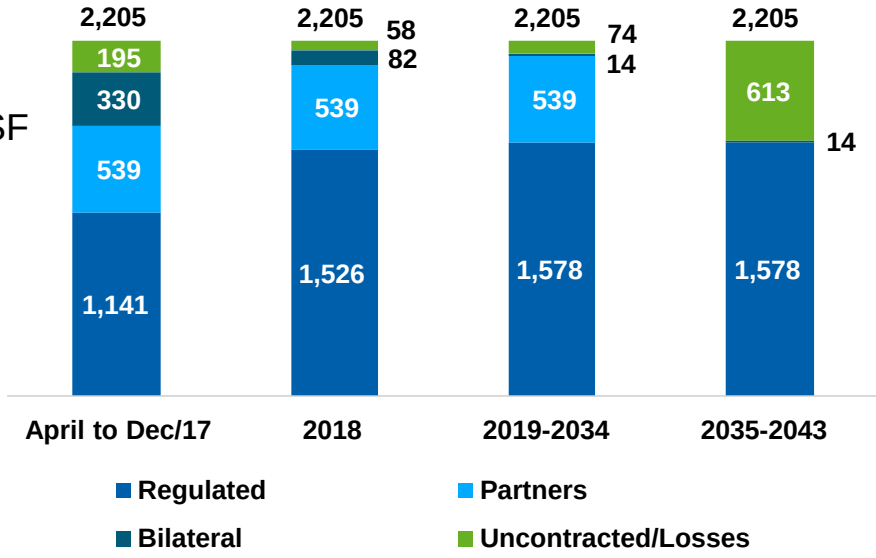
- Constant reservoir level
- Recalculation of transmission tariff
- Sale of carbon credits
- Additional long-term tax breaks
- Recalculation of GFOM/Renegotiation of GSF
- Rebalancing of the agreement

Production (MW average)[1]



- Uptime operating factor in 4Q17/2017: 99.7%[1]

ESBR PPA's portfolio (MW average)



Note:
[1] Subject to final CCEE booking.

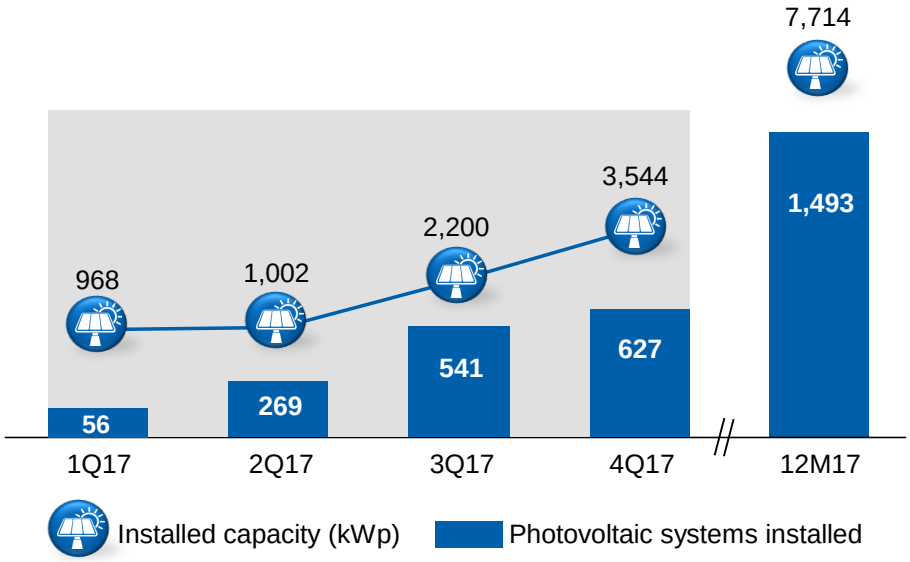
EXPANSION:
ENGIE Geração Solar Distribuída

Acting in the segment of decentralized solar energy generation

In 4Q17, the highlight was the launch of the Solar Industry Program, jointly with Fiesc and WEG S.A.



Presence in 14 states



EXPANSION:
Transmission Line – Aneel Auction 02/2017

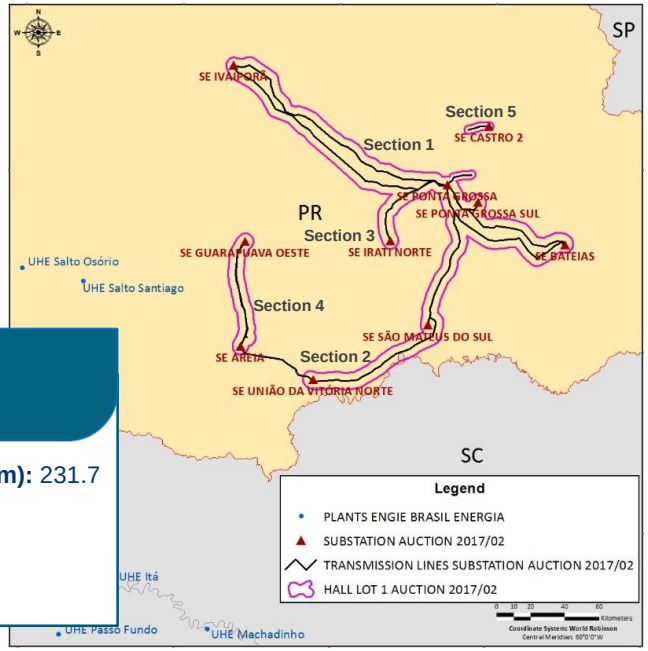
Expected anticipation of COD with investment below Aneel projections

- Composition: 13 transmission lines totaling around 1,050 km and five substations
- Access to finance at competitive rates
- Location offers synergies with Salto Santiago and Salto Osório HPPs

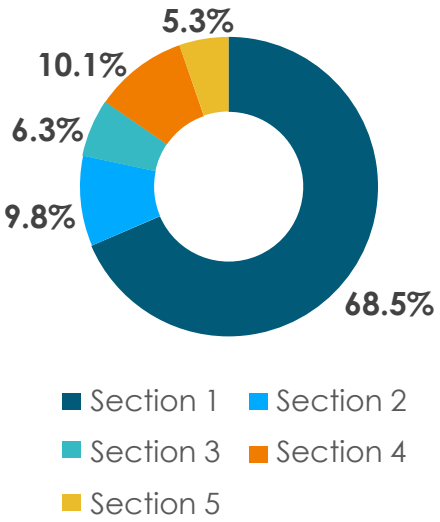


Transmission Line – Lot 1
Paraná (PR)

Contracted Annual Allowed Revenue (R$ mm): 231.7
Aneel Capex: R$ 2.0 billion
Deadline to start operations: March 9, 2023
Concession period: 30 years



RAP by section (%)



THERMAL PROJECT UNDER CONSTRUCTION:
Pampa Sul TPP

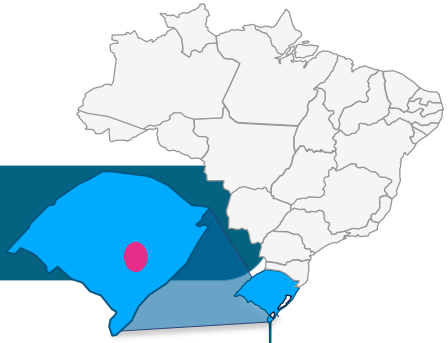
Work on the site 77% complete

In an A-5 Auction, occurred in November 2014, were sold 294.5 aMW.

In 4Q17, civil work on the chimney stack was completed together with the complex logistical operations involving transportation and positioning of the turbine and generator. The work on the coal conveyor belt and dam are almost finished.



Pampa Sul TPP under construction – general onsite



Pampa Sul TPP
Candiota (RS)

Fuel: coal
Installed Capacity: 345.0 MW
Commercial Capacity: 323.5 aMW
Contracted Price[1]: R$ 233.5/MWh
Contract Term: 25 years (as from Jan/2019)
Investment (R$mm)[2]**:** 1,800
Start of construction: 2015
Start of operation: 1Q19
Annual Fixed Revenue (R$mm)[1]**:** 602.5

Notes:
[1] Value as of December 2017.
[2] Value as of November 2014.

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

Total 11 plants

Start on commissioning of three of the 11 wind farms scheduled for the second quarter of 2018

- Six wind farms: 82.6 aMW sold at the A-5 Auction held in November 2014
- Five wind farms: 75.2 aMW sold for the free customers

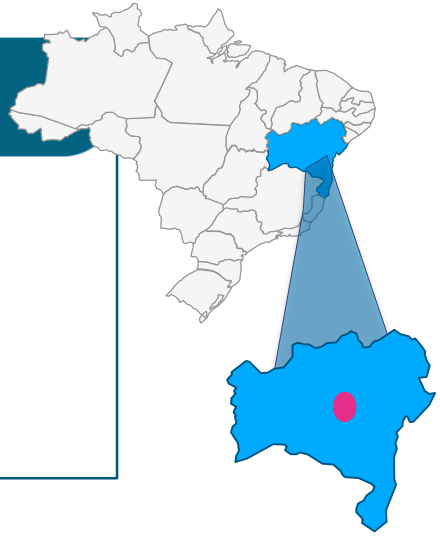
By the end of 4Q17, all earthmoving, surfacing of internal accesses and concreting of the foundations of the 121 wind turbines had been concluded. In the transmission line, 70% of the work on assembling and 73% of tower earthing were executed.



Campo Largo Wind Farm – Campo Largo Substation

Campo Largo WC
Sento Sé and Umburanas (BA) (Phase I)

Installed Capacity: 326.7 MW
Commercial Capacity: 164.9 aMW
Contracted Price[1,2]: R$ 170.9/MWh
Term[2]: 20 years (as from Jan/2019)
Investment (R$mm)[3]: 1,700
Start of construction: 2016
Start of operation: 2Q18
Nº of wind turbines: 121 (2.7 MW each)
RCE Annual Revenue (R$mm)[1,2]: 123.6



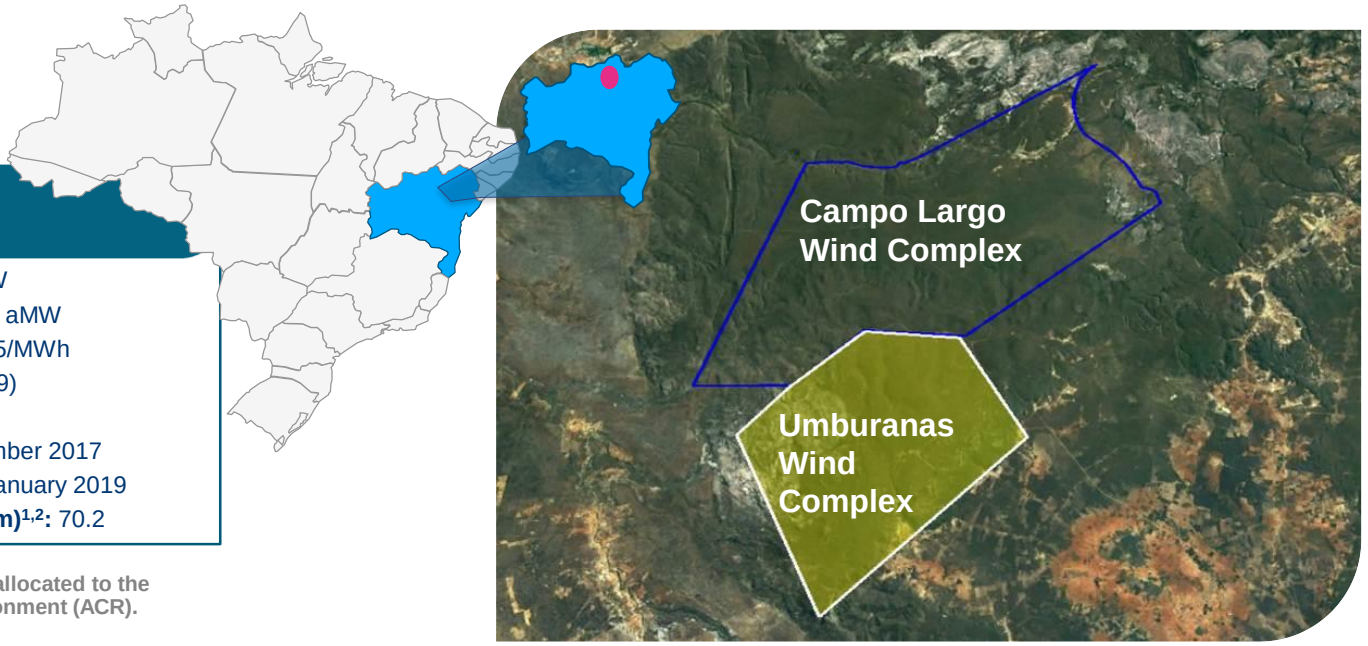
Notes:
[1] Value as of December 2017.
[2] With respect to the portion allocated to the Regulated Contracting Environment (ACR).
[3] Value as of June 2014.

WIND PROJECT UNDER CONSTRUCTION:
Umburanas Wind Complex (Phase I)

Acquisition of the Umburanas WC reinforces the Bahia wind generation cluster with the capture of synergies

Of the 360 MW, 257.5 MW will be allocated to the free market with high contracting level in the medium and long terms and 102.5 MW was sold at the A-5/2014 Auction.

In the 4Q17, civil construction works and the installation of internal accesses already begun, with all the environmental licensing been regularized.



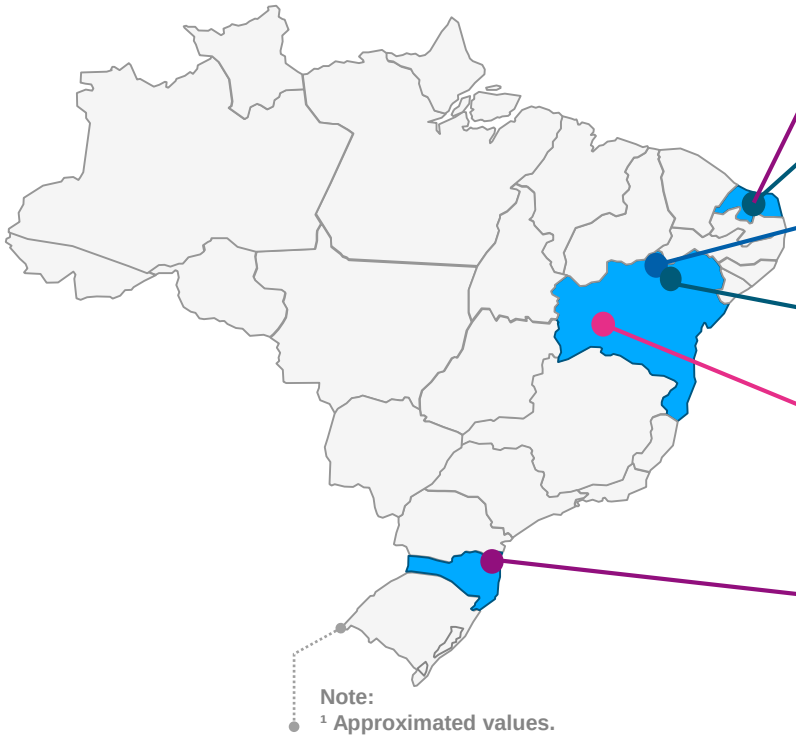
Umburanas WC
Umburanas (BA)

Installed Capacity: 360.0 MW
Commercial Capacity: 207.5 aMW
Contracted Price[1,2]: R$ 166.5/MWh
Term[1]: 20 years (as from 2019)
Investment (R$mm)[3]: 1,800
Start of construction: November 2017
Start of operation: as from January 2019
RCE Annual Revenue (R$mm)[1,2]: 70.2

Notes:
[1] With respect to the portion allocated to the Regulated Contracting Environment (ACR).
[2] Value as of December 2017.
[3] Value as of September 2017.

PROJECTS UNDER DEVELOPMENT

ENGIE Brasil Energia has also a portfolio of assets under development. Some of them are presented below.



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 (Phase II)

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

Umburanas WC – BA (Phase II)

Installed Capacity: 245 MW

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

Note:
[1] Approximated values.



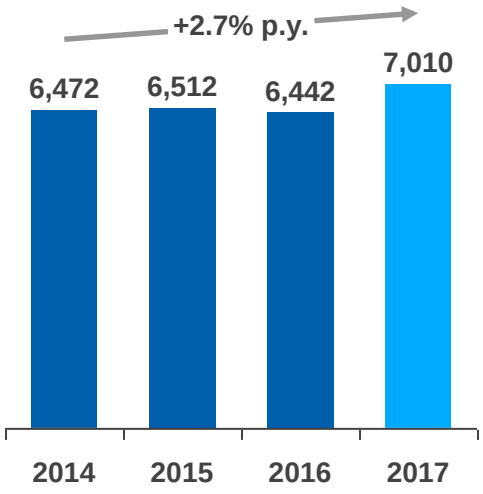
05

Financial Performance

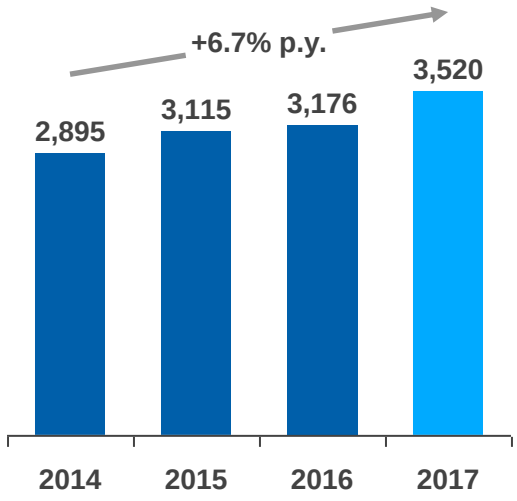
SOLID FINANCIAL PERFORMANCE

Efficiency in the management of the 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.
In 2017, such strategies translated into significant growth.

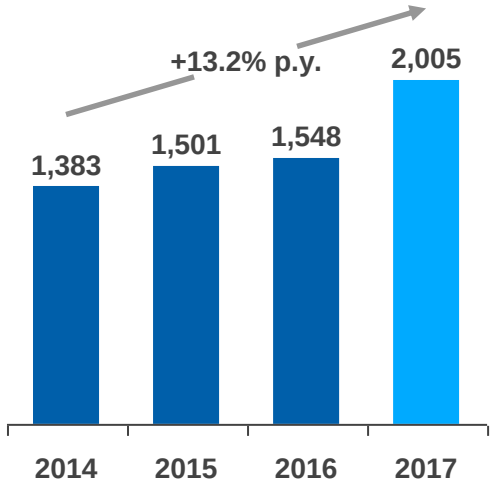
Net Operating Revenue (R$ million)



Ebitda (R$ million)

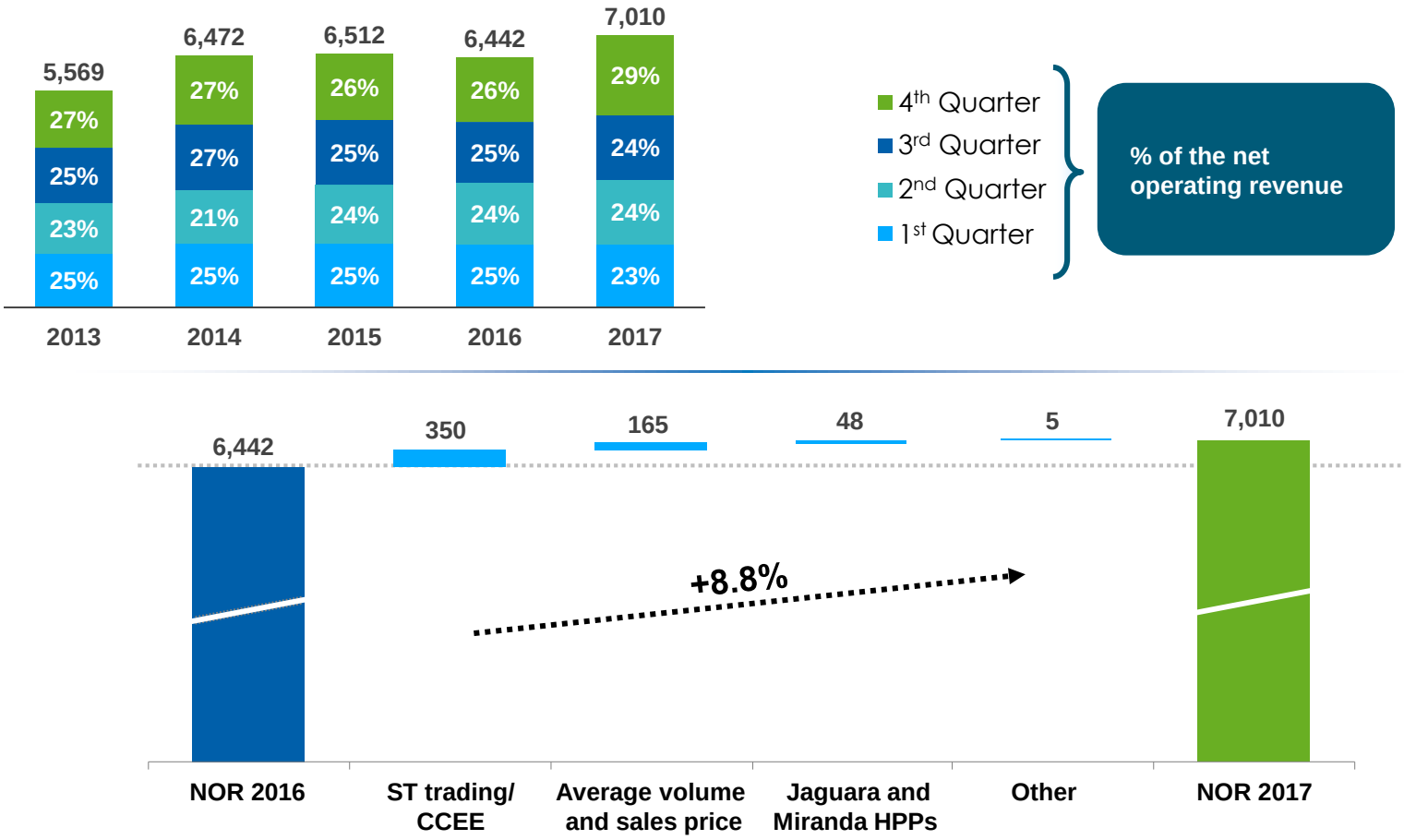


Net Income (R$ million)



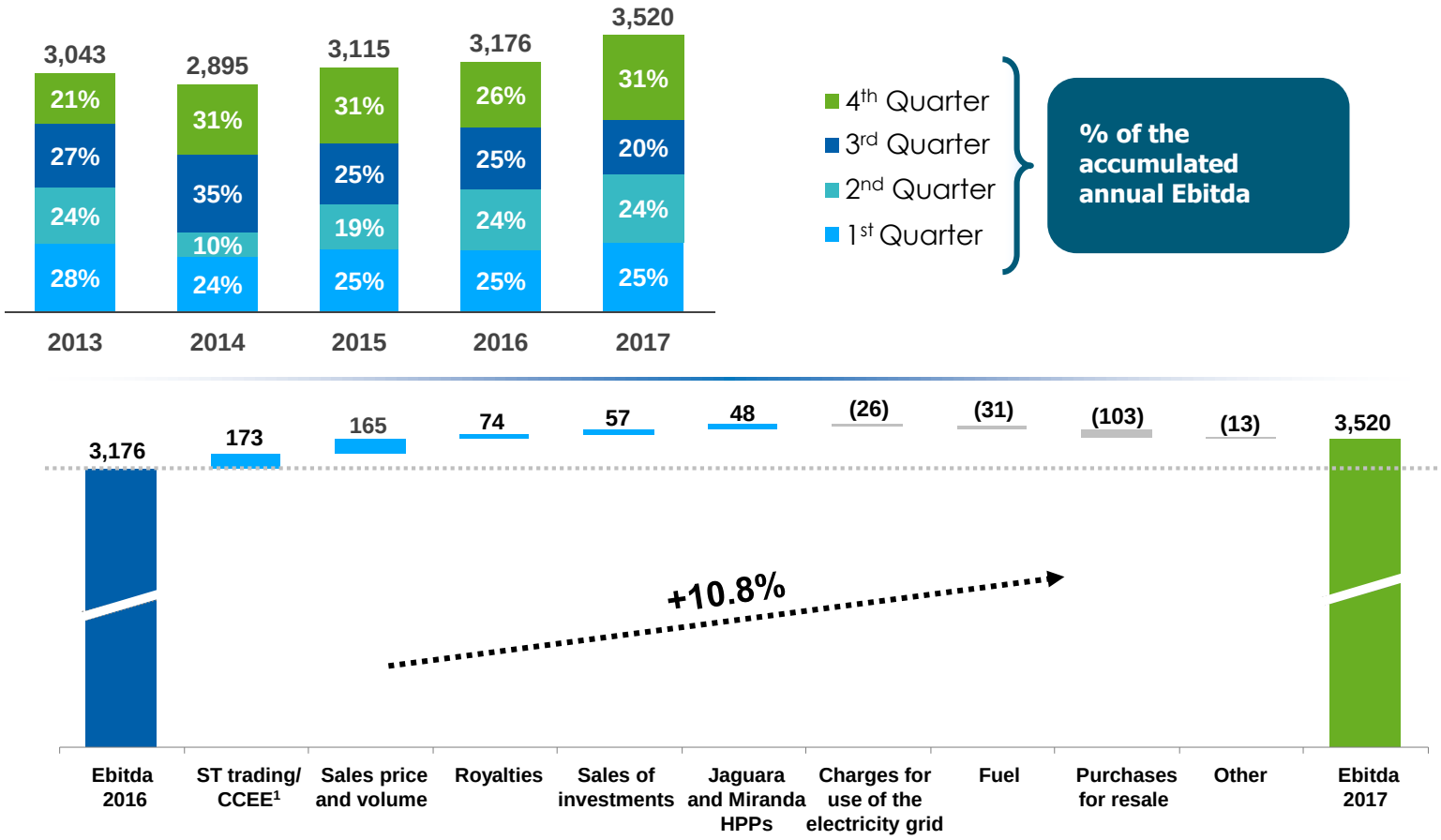
NET OPERATING REVENUE CHANGE

Net operating revenue change (R$ million)



EBITDA CHANGE

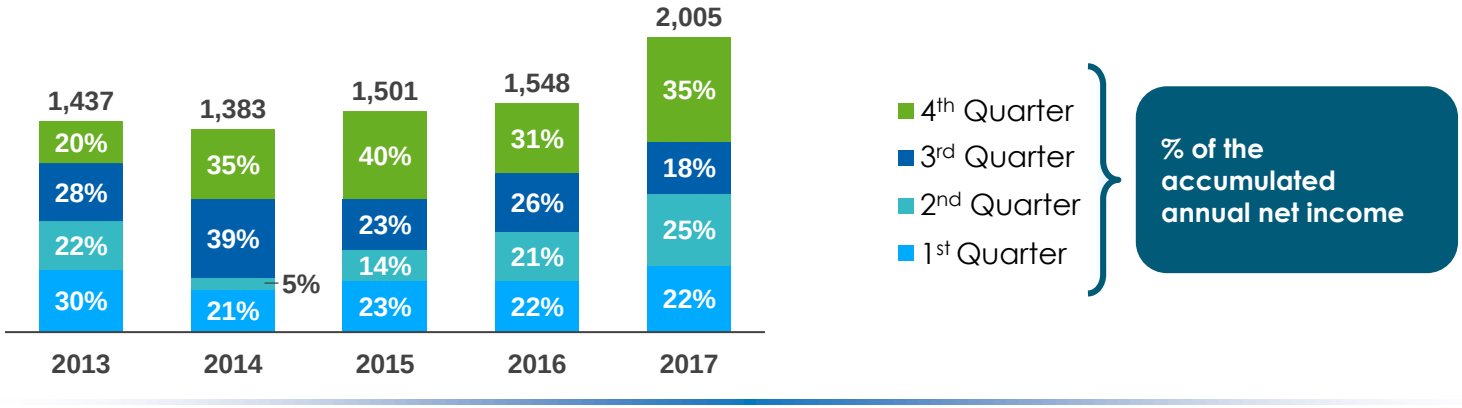
Ebitda change (R$ million)

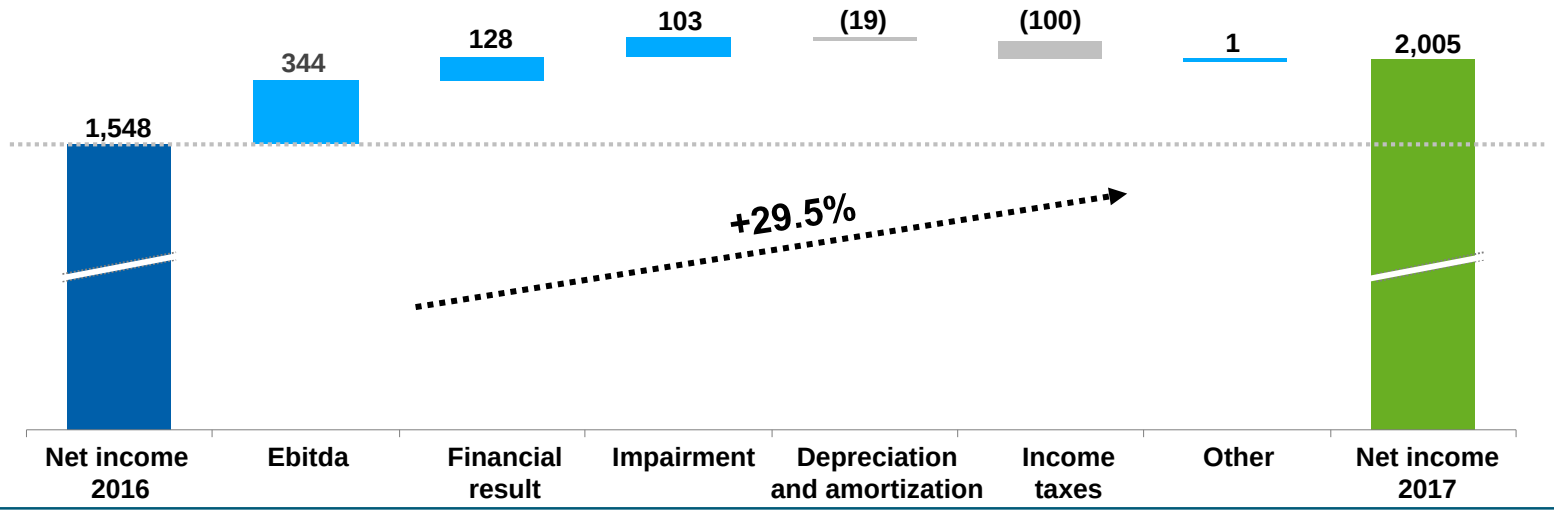


Note:
[1] Considers the combined effect of changes in revenue and expenses.

NET INCOME CHANGE

Net income change (R$ million)

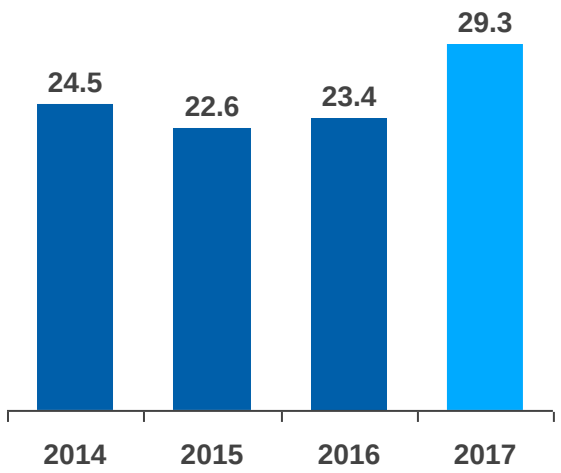




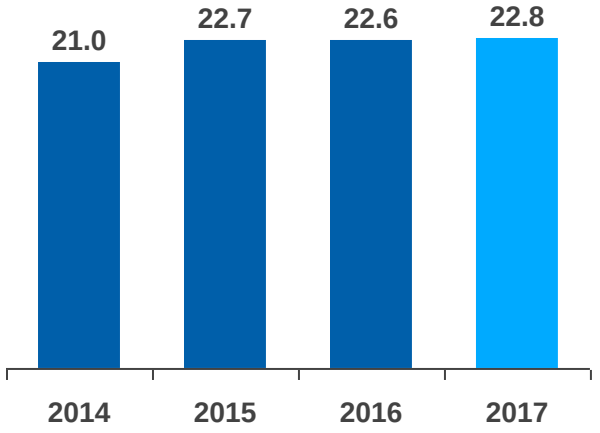
CONSISTENT FINANCIAL INDICATORS

Creation of shareholder value: high levels of ROE and ROIC.

ROE[1] – Return on Equity (%)



ROIC[2] – Return Over Invested Capital (%)



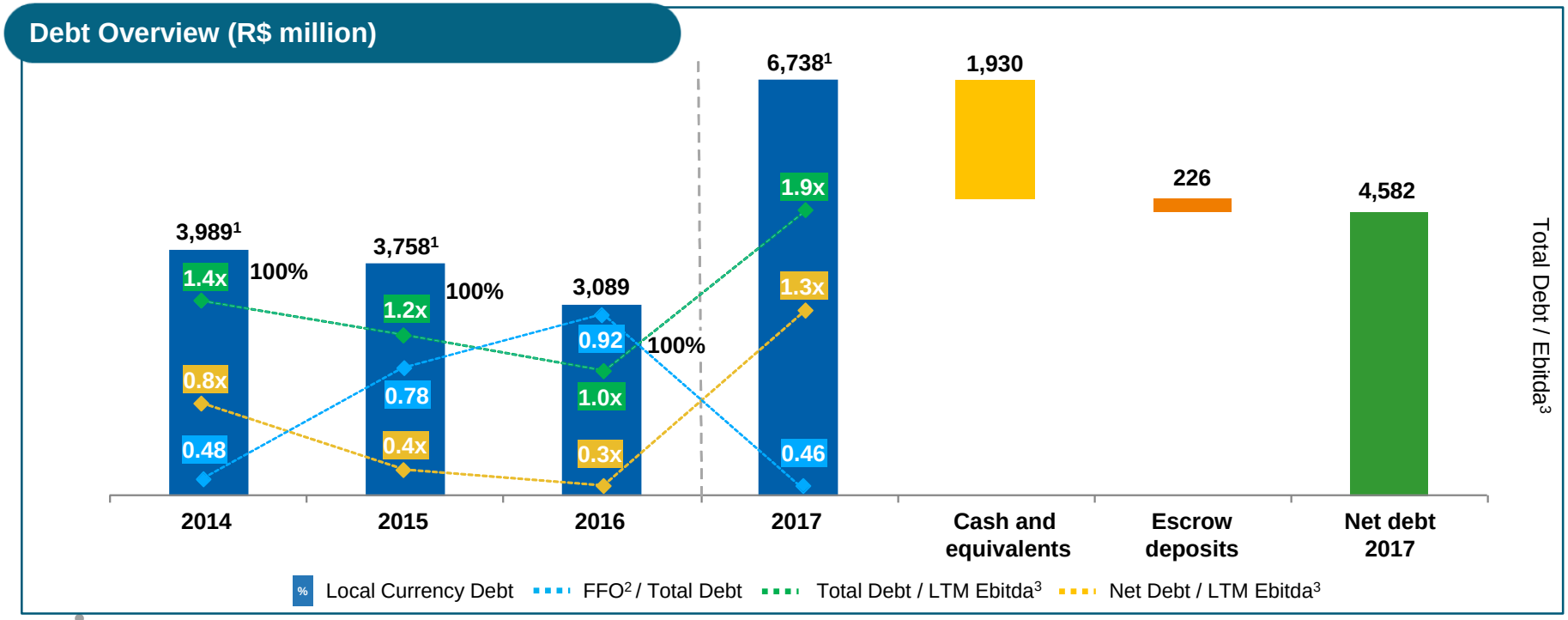
Notes:
[1] ROE: net average equity for the past 4 quarters / shareholders' equity.
[2] ROIC: EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits earmarked for debt servicing + SE).

Source: ENGIE Brasil Energia internal study based on the Company's Financial Statements.

LIMITED DEBT
with no currency exposure

Adjustment in leverage, with competitive cost, facilitates the growth opportunities that were captured

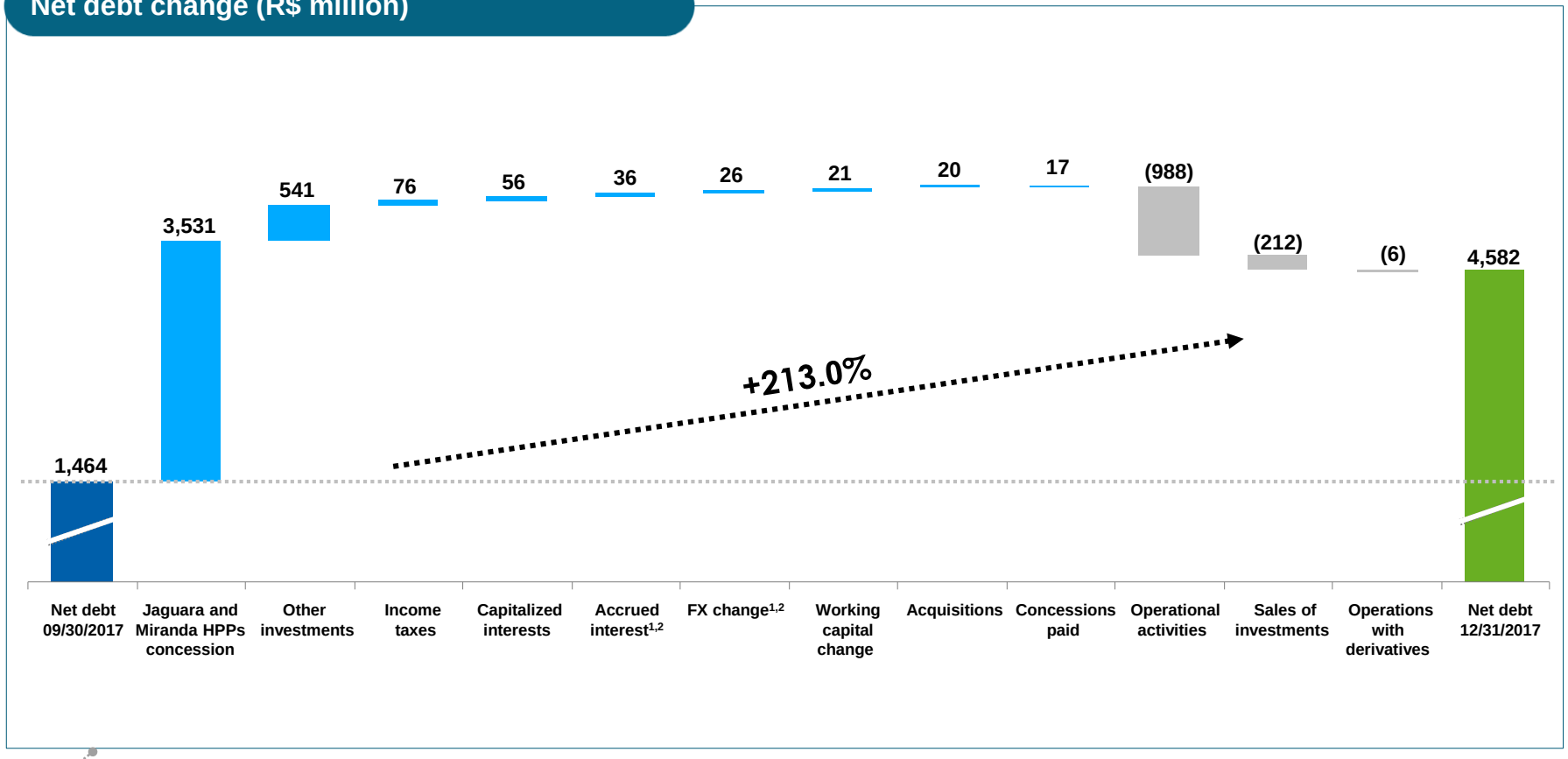
Debt Overview (R$ million)



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)

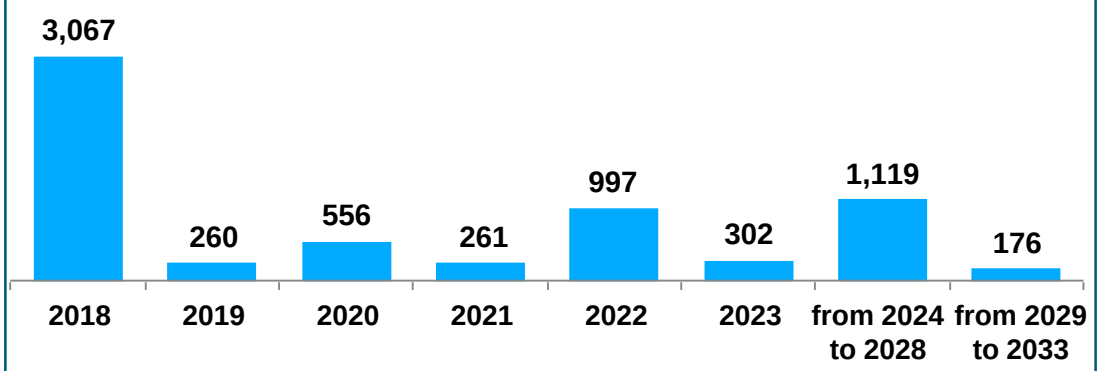


Notes:
[1] Does not impact the Company's cash position.
[2] The interests and FX change refer only to the Company's financial debt (loans, financing and debentures).

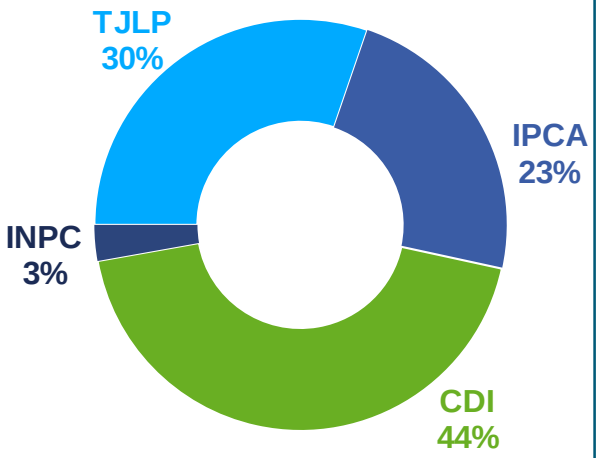
DEBT PROFILE AND COMPOSITION
low costs and defensive indexes

First line *rating* and robust cash generation translate into competitive costs of debt for financing growth.

Maturity debt schedule (R$ million)



Composition of debt



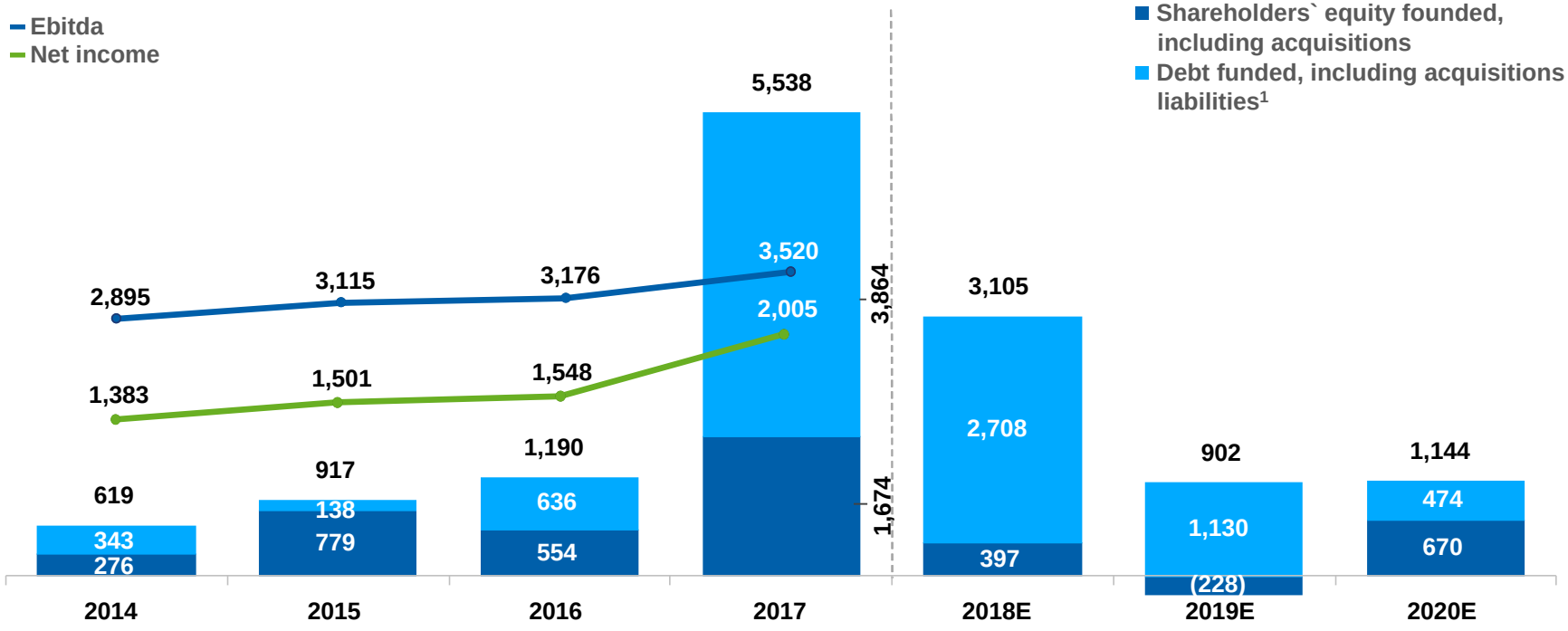
Nominal cost of debt: 8.1% (10.5% in 4Q16)

The process of rolling over short term debt has begun.

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)

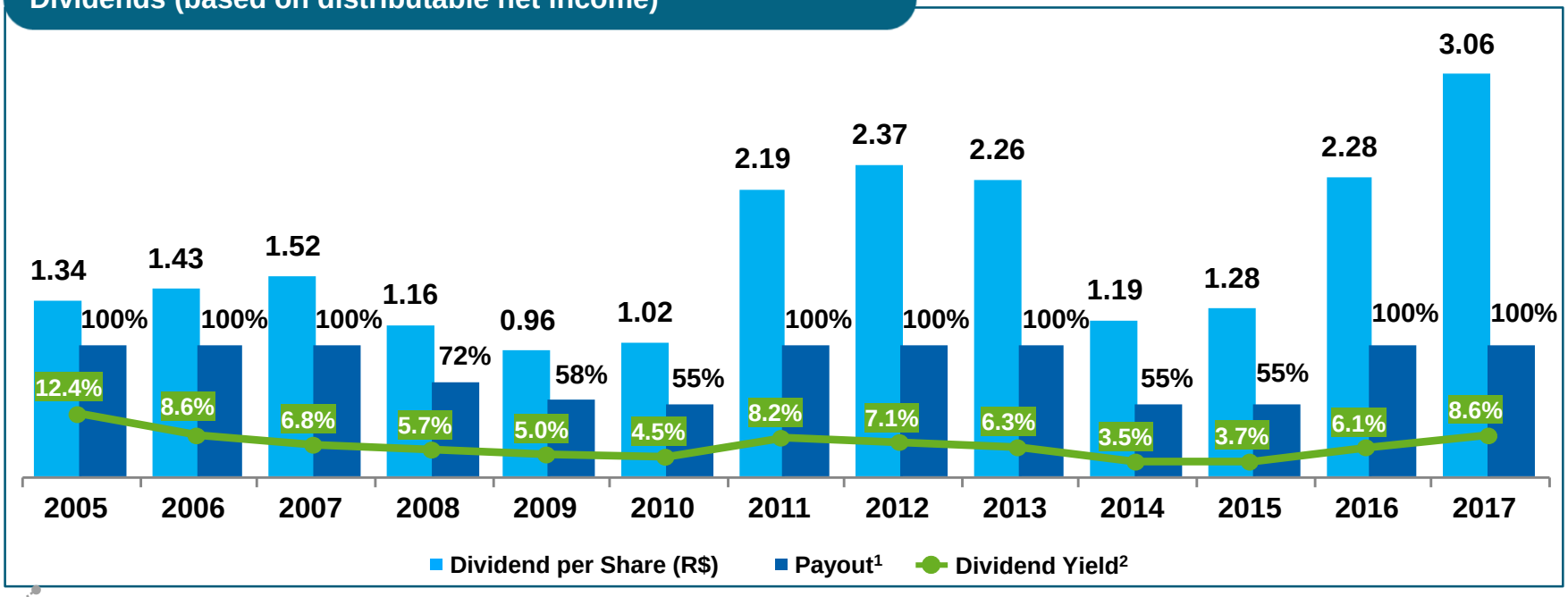


Note:
[1] Does not consider interests incurred during the construction.

DIVIDEND POLICY

- By-law minimum payout: 30% of payable net income
- Management commitment: minimum payout of 55% of payable net income
- 2 dividends per year

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

✓ Projects with high financability

PREMIUM RATING

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

INDUSTRY LEADERSHIP

✓ Largest independent power producer group in Brazil

✓ Market cap: R$ 23.2 billion in 12/31/2017

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

HIGH-CALIBER CORPORATE GOVERNANCE AND SUSTAINABILITY

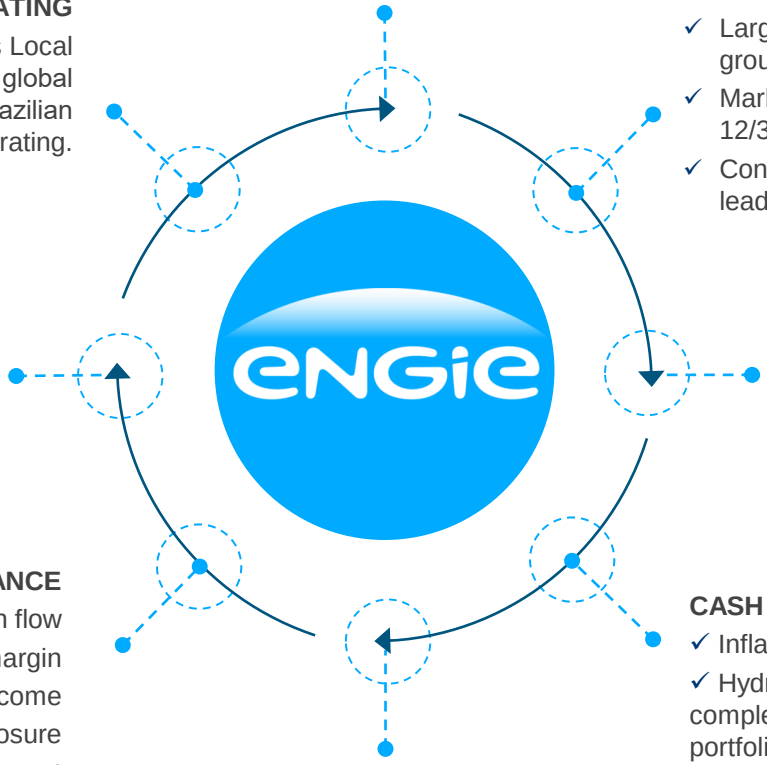
✓ Diversified and qualified team

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

✓ First class controlling shareholder

✓ B3's Novo Mercado

✓ Component of B3 ISE's since its inception in 2005.



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 based, with diversification on complementary sources and active portfolio management

✓ 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



06

Supporting Data

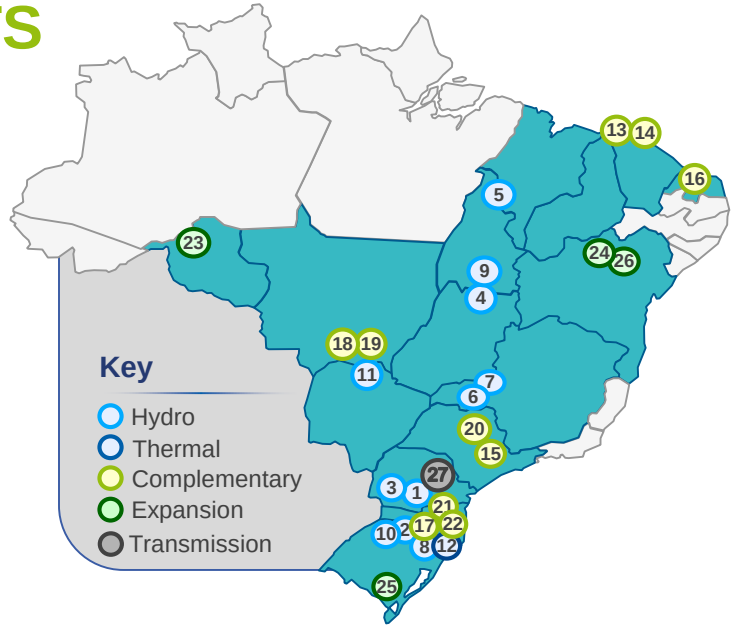
DIVERSIFIED PORTFOLIO OF ASSETS

Installed capacity of 7,678.1 MW (4,268.0 MWa) from 30 plants operated by ENGIE Brasil Energia: 83% hydro, 11% thermal and 6% complementary.

	Hydro Power Plants	Installed Capacity (MW)	Commercial Capacity (MWa)[5]
1	Salto Santiago	1,420.0	733.3
2	Itá	1,126.9[1]	564.7[1]
3	Salto Osório	1,078.0	502.6
4	Cana Brava	450.0	260.8
5	Estreito	435.6[1]	256.9[1]
6	Jaguara	424.0	341.0
7	Miranda	408.0	198.2
8	Machadinho	403.9[1]	165.3[1]
9	São Salvador	243.2	148.2
10	Passo Fundo	226.0	113.1
11	Ponte de Pedra	176.1	133.6
	Total	**6,391.7**	**3,417.7**

	Thermal Power Plants	Installed Capacity (MW)	Commercial Capacity (MWa)
12	Jorge Lacerda Complex[2]	857.0	649.9
	Total	**857.0**	**649.0**

	Complementary P. Plants	Installed Capacity (MW)	Commercial Capacity (MWa)
13	Trairi Complex (Wind)[3]	115.4	63.9
14	Santa Mônica Complex (Wind)[3]	97.2	47.4
15	Ferrari (Biomass)	80.5	35.6
16	Assú V (Solar)	30.0	9.2
17	Lages (Biomass)	28.0	11.1
18	Rondonópolis (SHP)	26.6	10.1
19	José G. da Rocha (SHP)	23.7	9.2
20	Ibitiúva (Biomass)	22.9[1]	13.9[1]
21	Cidade Azul (Solar)	3.0	n/a
22	Tubarão P&D (Wind)	2.1	n/a
	Total	**429.4**	**200.4**



Expansion

	Generation	Installed Capacity (MW)	Commercial Capacity (MWa)
23	Jirau (Hydro)[4]	1,500.0	882.0
24	Umburanas Complex (Wind)	360.0	207.5
25	Pampa Sul (Thermal)	345.0	323.5
26	Campo Largo Complex (Wind)	326.7	164.9
	Total	**2,531.7**	**1,577.9**

	Transmission	Size	Substations
27	Lot 1	1,050 Km	5

Notes:
[1] Portion owned by ENGIE Brasil Energia.
[2] Complex comprised by three power plants.
[3] Complex comprised by four wind farms.
[4] The transfer of the 40% stake of ENGIE Brasil Part. in Jirau HPP to EBE should be examined shortly.
[5] Considers the revision of the physical guarantee in effect from January 1, 2018, pursuant to Ministry of Mines and Energy Ordinance 178/2017.

RENEGOTIATION
of the hydrological risk

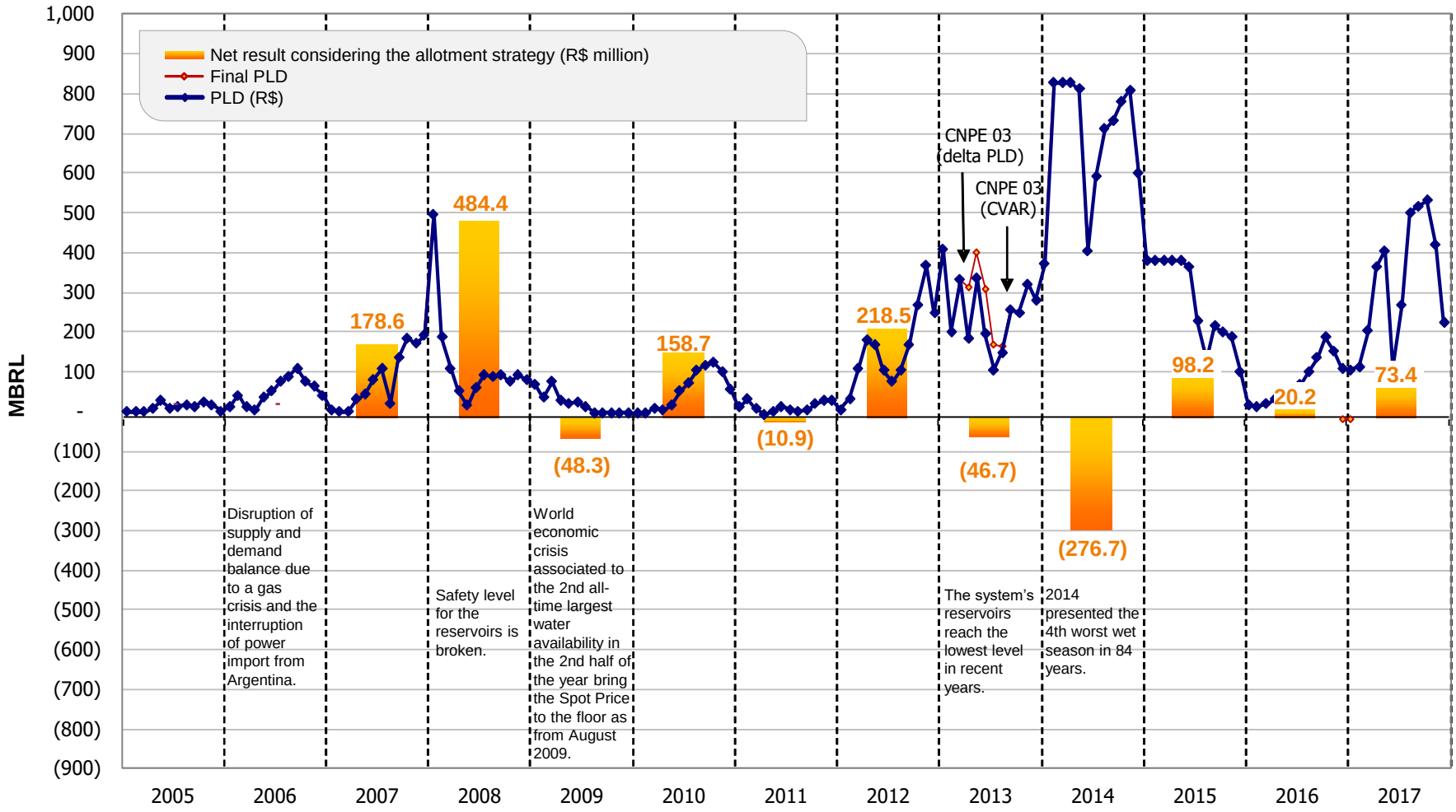
On December 31, 2015, Aneel approved the renegotiation of ENGIE Brasil Energia´s hydrological risk as shown in the following table:

Plant	Product	Amount Renegotiated average MW	Amount Renegotiated MWh	Net unit reimbursement (R$)	Total reimbursement (R$ million)	Term* (years)
Cana Brava HPP	SP92	261.66	2,292,177	18.26	41.9	13.25
Itá HPP	SP92	336.00	2,943,360	18.26	53.7	13.25
Machadinho HPP	SP92	84.04	736,190	18.26	13.4	13.25
Ponte de Pedra HPP	SP95	123.55	1,082,315	23.80	25.8	7.17
Salto Santiago HPP	P97	150.00	1,314,000	24.36	32.0	2.92
São Salvador HPP	SP91	142.13	1,245,048	16.52	20.6	17.25
Estreito HPP	SP91	247.13	2,164,859	16.52	35.8	17.25
TOTAL		**1,344.51**	**11,777,950**		**223.1**	

*** Extension term as from January 1, 2016 for payment of the premium for reimbursement to 2015 results.**

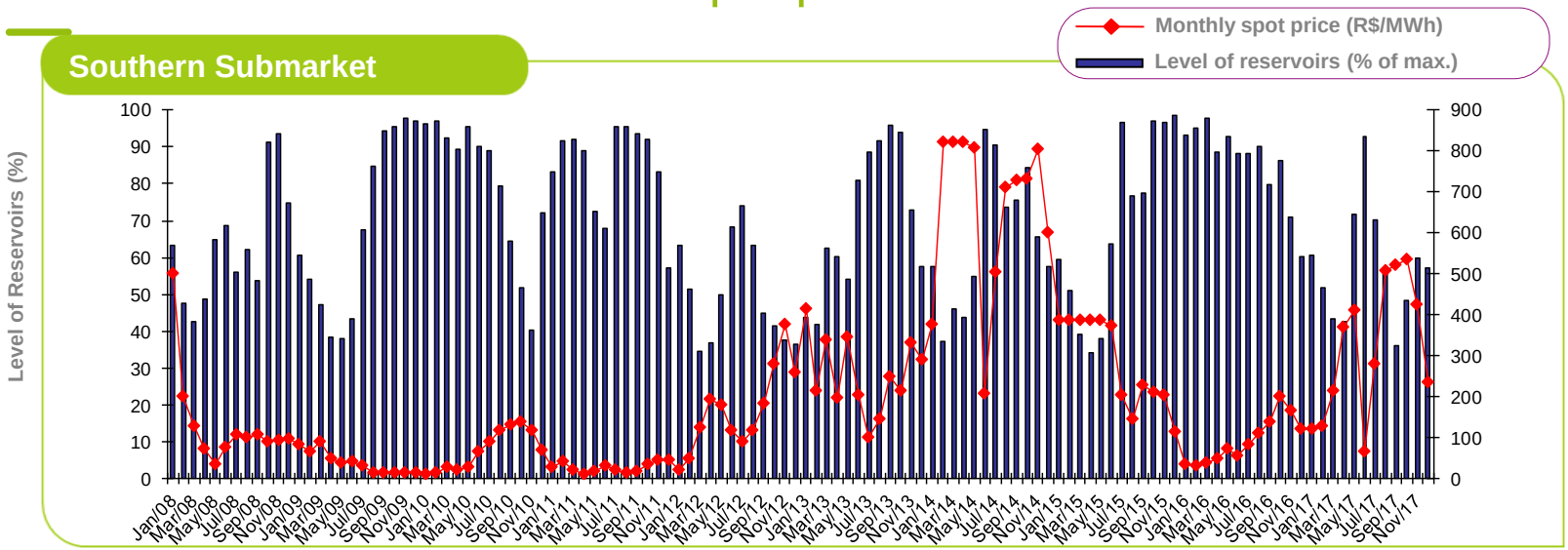
Signing up to the renegotiation is limited to agreements negotiated within the scope of the Regulated Contracting Environment (ACR), with effects as from January 01, 2015.

IMPACTS FROM
energy allotment net result

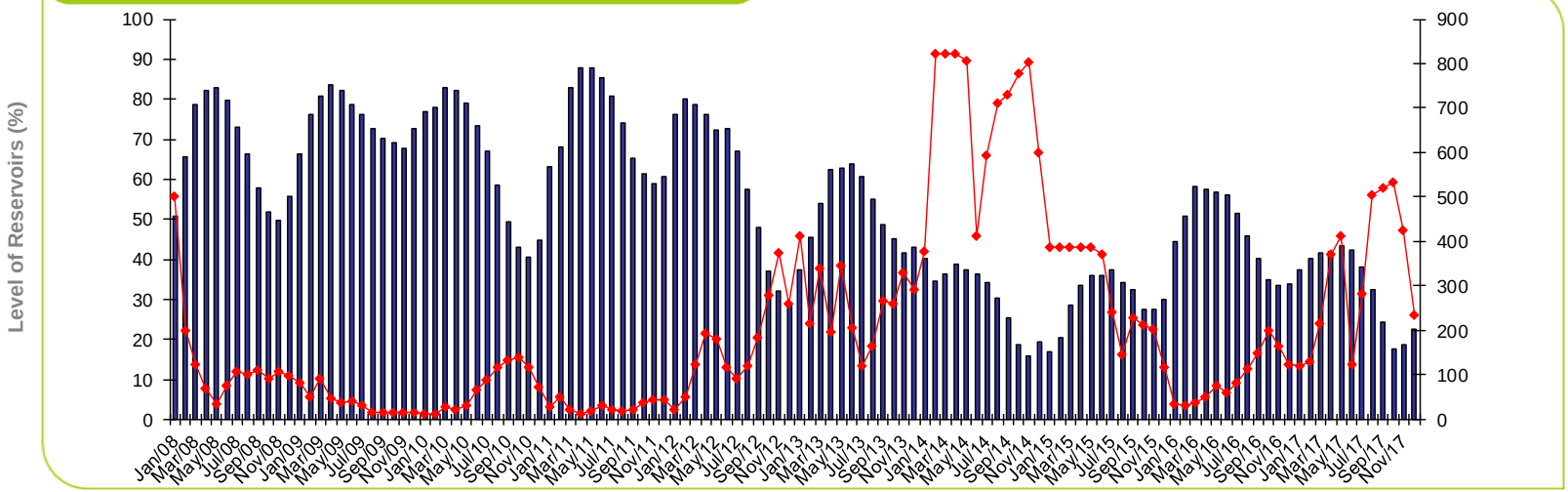


CORRELATION
between reservoir levels and spot prices

Southern Submarket

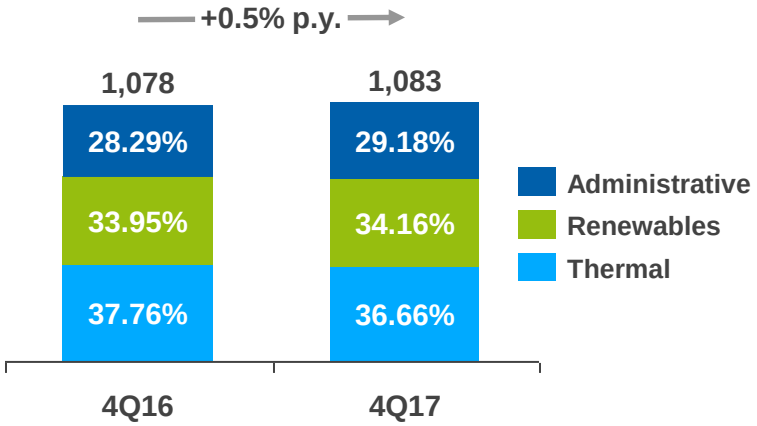


Southeast/Central-Western Submarket

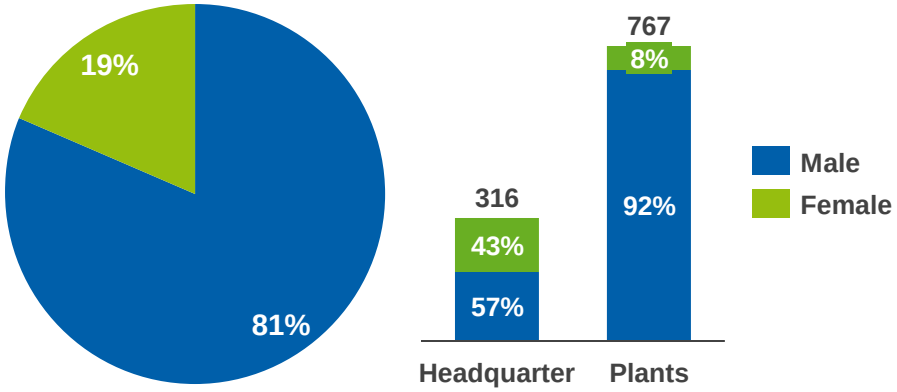


HEADCOUNT[1]

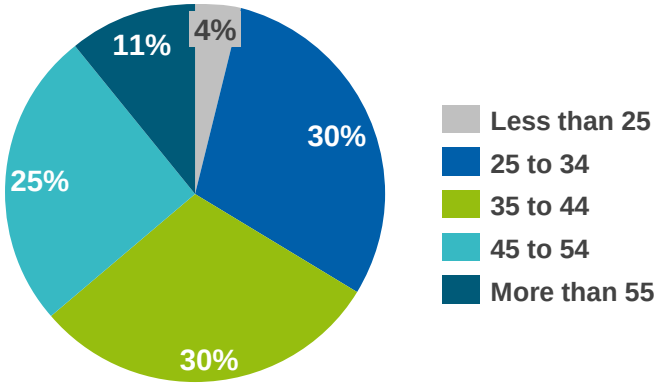
Number of employees



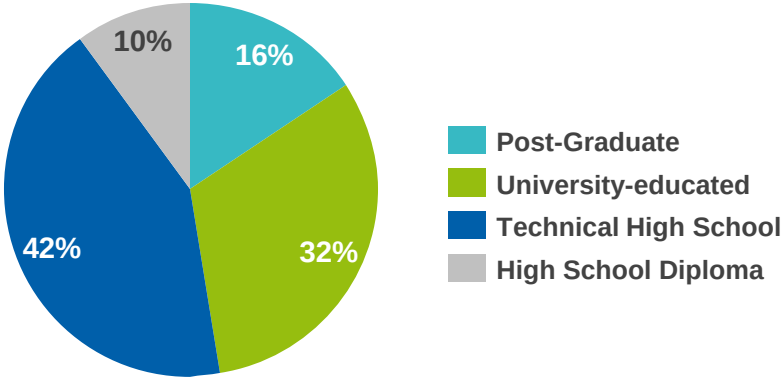
By gender



By age group



By academic qualifications



Note:
[1] Does not consider employees posted to projects under construction.

Sustainable Development

PRINCIPLES

Mission: Provide innovative and sustainable solutions in energy.

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 **6.9% of the country's total;**
- **Plant uptime was 95.2% in 2017**, if scheduled stoppages are excluded;
- The **Company reported annual generation during the year of 36,335 GWh**, equivalent to 4,148 aMW, being 88.4% from renewable sources:
  - ✓ 83.7% from hydroelectric power plants
  - ✓ 4.7% from complementary sources (wind, SHPs, solar and biomass)
  - ✓ 11.6% from gas- and coal-fired thermoelectric plants
- Headcount: approximately **1,131 on the payroll** at year-end 2017, including ENGIE Brasil Energia itself and its subsidiaries, together with several 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

SUSTAINABLE MANAGEMENT SEMINAR



- Held since 2012 (previoulsy denominated Ethics, Sustainability and Energy Seminar).
- 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 sixth edition, the 2017 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$ 31.5 million in 2017, 40% for projects, 40% for the National Scientific and Technological Development Fund (FNDCT) and 20% for funding the Empresa de Pesquisa Energética (EPE).

CULTURE AND SUSTAINABILITY CENTERS





- Implemented in regions adjacent to the plants
- Provides spaces for community gatherings for all and any kind of cultural or educational manifestation
- Up to 100% built using Law Rouanet tax incentives
- Autonomous management independent of Government or Company
- There are 5 Centers in operation:
  - Entre Rios do Sul - RS
  - Alto Bela Vista – SC
  - Capivari de Baixo – SC
  - Quedas do Iguaçu - PR
  - Concórdia – SC
- The sixth Center is about to be inaugurated, in the municipality of Minaçu – GO

ISE, CERTIFICATION AND SUSTAINABILITY REPORT

- B3's new ISE portfolio is valid from January 8, 2018 to January 4, 2019 and composed of shares from 30 companies. ENGIE Brasil Energia is one of nine that has remained a component of the ISE since its inception in 2005.

- The Company is on the Vigeo Eiris' ranking of the 100 emerging market companies with the best socio-environmental performance and corporate governance.

- 87% of the installed capacity operated by the Company in 2017 is 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 since 2014 adopted Integrated Report guidelines.

Corporate Knights

- The Company has been included in the 14th annual ranking of the Global 100 List of the Most Sustainable Large Corporations in 52nd place. The *ranking* has been prepared since 2005 by the Canadian company Corporate Knights.

SUSTAINABILITY INDICATORS[1]

Item	Dimension[2]	Index at the end of the period under analysis	GRI disclosure[3]	4Q17	4Q16	Change	12M17	12M16	Change
1	Quality	Operating plants	EU1, G4-9	31	29	2	31	29	2
2		Installed capacity (MW)	EU1, G4-9	9,589	8,720	10.0%	9,589	8,720	10.0%
3		Proprietary capacity (MW)	EU1, G4-9	7,868	6,999	12.4%	7,868	6,999	12.4%
4		Number of certified plants	EU6, G4-15	12	14	-2	12	14	-2
5		Certified installed capacity (MW)	EU6, G4-15	8,127	8,345	-2.6%	8,127	8,345	-2.6%
6		Certified installed capacity in relation to the total	EU6, G4-15	84.8%	95.3%	-10.5 p.p.	84.8%	95.3%	-10.5 p.p.
7		Installed capacity from renewable sources	EU1, G4-9	8,541	7,673	11.3%	8,541	7,673	11.3%
8		Installed capacity from renewable sources in relation to the total	EU1, G4-9	89.1%	88.0%	1.1 p.p.	89.1%	88.0%	1.1 p.p.
9		Energy generation (GWh)	EU2	9,244	10,584	-12.7%	36,335	44,592	-18.5%
10		Certified energy generation	EU6, G4-15	8,701	10,076	-13.6%	34,602	42,944	-19.4%
11		Certified energy generation in relation to the total	EU6, G4-15	94.1%	95.2%	-1.1 p.p.	95.2%	96.3%	-1.1 p.p.
12		Energy generation from renewable sources (GWh)	EU2	7,942	9,399	-15.5%	32,131	39,954	-19.6%
13		Energy generation from renewable sources in relation to the total	EU2	85.9%	88.8%	-2.9 p.p.	88.4%	89.6%	-1.2 p.p.
14		Uptime ratio, excluding scheduled stoppages	EU30	97.5%	97.7%	-0.2 p.p.	95.2%	97.2%	-1.9 p.p.
15		Uptime ratio, including scheduled stoppages	EU30	92.6%	86.4%	6.2 p.p.	88.8%	86.8%	2.0 p.p.
16	Environment	Saplings donated and planted (sum-total of planted and donated saplings)[4]	G4-EN27	105,799	95,914	10.3%	275,027	340,269	-19.2%
17		Number of visitors at the plants[4]	G4-26	20,888	20,548	1.7%	84,988	92,154	-7.8%
18		CO2 Emissions (fossil fuel plants) (t/MWh)	G4-EN15	1.393	1.029	35.4%	1.112	1.009	10.2%
19		CO2 Emissions from ENGIE Brasil Energia's generation complex (t/MWh)	G4-EN15	0.149	0.146	2.3%	0.122	0.135	-9.7%
20	Occupational Heath and Safety (OH&S)	Frequency Rate ("Taxa de Frequência" - TF) own employees[5]	G4-LA6	0.000	0.000	-	1.050	0.490	↑
21		Severity Rate ("Taxa de Gravidade" - TG) own employees[6]	G4-LA6	0.000	0.000	-	0.004	0.002	↑
22		Frequency Rate ("Taxa de Frequência" - TF) own employees + long term service providers[5]	G4-LA6	2.050	0.000	↑	1.030	1.520	↓
23		Frequency Rate ("Taxa de Frequência" - TF) short term service providers + ongoing constructions[5 7]	G4-LA6	0.880	-	-	0.690	-	-
24	Social Responsibility[8]	Non-incentive investments	G4-EC8, G4-SO1	447.7	1,166.9	-61.6%	2,898.1	5,044.3	-42.5%
25		Investments via Children and Teenagers Fund - FIA	G4-EC8, G4-SO1	142.5	237.6	-40.0%	2,022.9	2,544.3	-20.5%
26		Investments via Cultural Incentives Act - Rouanet	G4-EC8, G4-SO1	1,088.0	1,563.0	-30.4%	9,537.1	10,184.7	-6.4%
27		Investments via Sport Incentives Act	G4-EC8, G4-SO1	984.6	2,255.3	-56.3%	1,895.2	2,565.3	-26.1%
28		Investments via National Program of Support to Oncology Care - PRONON	G4-EC8, G4-SO1	2,117.2	2,573.8	-17.7%	2,119.0	2,573.8	-17.7%
29		Investments via National Program of Support to Disabled Person´s Heath - PRONAS/PCD	G4-EC8, G4-SO1	2,707.0	1,310.2	106.6%	1,383.5	1,310.2	5.6%
30		Investments via Municipal Elderly Fund	G4-EC8, G4-SO1	1,555.7	2,184.1	-28.8%	2,423.2	2,348.3	3.2%

Notes:
[1] Additional indices available in the Sustainability Report, to be published in the end of April (engieenergia.com.br / Sustainability / Finance / Sustainability Report).
[2] Reference: ENGIE Sustainable Management Policy.
[3] GRI: Global Reporting Initiative, G4 version.
[4] Ceste (Consórcio Estreito Energia) not included.
[5] TF = number of occupational accidents for every million hours of exposure to hazards.
[6] TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards.
[7] KPI's monitoring started in 2017, therefore, there is no historic data in 2016. The data does not include the construction of the Pampa Sul Thermoelectric Power Plant.
[8] Amounts in thousand of reais (R$).

SOME AWARDS RECEIVED IN 2017

- **13th Brazil Environmental Award** (American Chamber of Commerce Rio de Janeiro – AmCham Rio)
  - Winning project: Conservation of endemic species of ichthyofauna in the Iguaçu River (PR)
- **24th Expressão Ecology Award**

  Winning projects: Environmental and Socio-Economic Management of the Hydroelectric Power Plants

  Initiatives for conserving the ichthyofauna in the upper Uruguay River
- **5th in the Sustentar de Inovação ranking**
  - Winning project: Energy Efficiency Diagnosis Program
- **ANEFAC Transparency Trophy**, sponsored by the National Association of Finance, Administration and Accounting Executives (Anefac), for the Energy Sector Companies.
- **Época 360 Prize sponsored by Época magazine**
  - Best company in Corporate Governance
- **Institutional Investor 2017 Ranking**
  - Best Investors Relations Program (*Sell-Side)*
  - Best CEO of the electric sector company in Latin America (*Sell-Side)*

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