ENGIE BRASIL ENERGIA S.A.
A Publicly Held Company – CNPJ 02.474.103/0001-19
NIRE 4230002438-4

ANNOUNCEMENT TO THE MARKET

ENGIE BRASIL ENERGIA S.A., a publicly held company with registered offices in the city of Florianópolis, state of Santa Catarina at Rua Paschoal Apóstolo Pítsica, 5064, enrolled in the tax register (CNPJ/MF) under number 02.474.103/0001-19 ("EBE" or "Company"), pursuant to CVM Instruction 358/2002, wishes to inform its shareholders and the market at large, that it has signed a binding agreement for the acquisition of the total remaining capital stock still not held in ENGIE Geração Solar Distribuída S.A., a joint stock company with its registered offices at Rua Emílio Blum, 131, room 1107, Centro, CEP 88020-010, Florianópolis, Santa Catarina, enrolled in the tax register (CNPJ/MF) under number 24.564.686/0001-10.

EBE's debut in the distributed solar energy segment in 2016 represented a key strategic step towards the Company's insertion in the context of the energy transition. The increased investment is the manner in which the Company reaffirms its operations in the segment, thereby contributing to a more dynamic energy matrix and one closer to the final consumer.

The operation does not constitute a significant investment for EBE, neither does it require consideration in the light of provisions in Article 256, Law 6.404/76. For this reason, the transaction will not be submitted for ratification by shareholders in a general meeting although the conclusion of the operation is contingent on approval by the Brazilian Anti-Trust Authority (CADE).

Florianópolis, July 4, 2018.

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Freitas
Chief Financial and
Investor Relations Officer