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

ANNOUNCEMENT TO THE MARKET

Clarifications on Official Letter 351/2018-SAE - ENGIE Brasil Energia S.A. – Request for clarifications on press reports

Official Letter B3 S.A. – Brasil, Bolsa, Balcão:

March 08, 2018
351/2018-SAE

Engie Brasil Energia S.A.
For the Attention of Carlos Henrique Boquimpani de Freitas
Investor Relations Officer

Ref.: **Request for clarifications on press reports**

Dear Sirs,

Among other information in a report put out by Broadcast news agency on March 08, 2018 under the headline "Engie reiterates its aim of reaching leverage of 2.5x against the current 1.3x", mention is made of the fact that the company has a target of working at a leverage of about 2.5 times net debt/Ebitda in 12 months.

We request clarifications on the above mentioned item by March 9, 2018 with your confirmation or otherwise as well as other information deemed important.

Company statement:

In relation to the said report and information published therein, ENGIE Brasil Energia (EBE or ENGIE) clarifies as follows:

1) The information that the Company intends to reach a leverage of 2.5 times in 12 months does not reflect what was informed. EBE cited the said level of leverage as a comfortable and intended level in the light of the Company's current capital structure, projects with work in progress and commitments to financial institutions. However, no timeframe was established for reaching this leverage;

2) This information is in line with what has already been mentioned on other occasions, such as the Company's conference call on results for 2017 held on February 23 2018, when questioned by market analysts on the increased level of leverage in 2017 compared with 2016, and with which the Company was comfortable;

3) Neither should this information be considered as new or relevant given that the Company is subject to covenants with respect to its Banco Nacional de Desenvolvimento Econômico e Social (BNDES) debt agreed in December 2015 and since then published in its annual and quarterly Financial Statements restricting the Net Debt/Ebitda ratio to 3.5 times. The information that the Company intends to maintain levels close to 2.5 times is not applicable other than in relation to compliance with clauses for long in the public domain as already mentioned;

4) The Company discloses in its Reference Form, item 11.1, forecasts for financing of these investments through the contracting of debt, which in itself is sufficient indication of future increases in the net debt/Ebitda ratio. This again underscores the fact that the report, the subject of this Official Letter, is neither new or relevant;

5) During the trading day March 8, 2018, the date on which the report was published, no unusual variation in prices or trading volume of the Company's shares were detected.

In short, the Company reaffirms that there was no mention of any timeframe or target date set for reaching the leverage relative to the net debt/Ebitda ratio. Furthermore, the information mentioned cannot be considered as new or relevant, the absence of any unusual movement of shares being indicative of this.

In conclusion, ENGIE reiterates its commitment to the best levels of transparency and governance and continues open to any further clarifications which may be deemed necessary.

Florianópolis, March 9, 2018.

Carlos Freitas
Chief Financial and Investor Relations Officer

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