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

MATERIAL FACT

ENGIE BRASIL ENERGIA S.A., a publicly listed company with registered offices in the city of Florianópolis, state of Santa Catarina at Rua Paschoal Apóstolo Pítsica, 5064, Bairro Agronômica, CEP 88025-255, enrolled in the tax register (CNPJ/MF) under number 02.474.103/0001-19 ("Company"), wishes to announce to its shareholders and to the market that at a meeting of the Board of Directors of the Company held on October 27, 2016, alterations to the disclosure of announcements on material acts and facts were approved pursuant to the Company's "Policy for the Disclosure of Material Information and Trading of Shares" ("Disclosure Policy").

As permitted under CVM Instruction 547 of February 5, 2014, which amended CVM Instruction 358 of January 3, 2002, the Company will now disclose its announcements of material acts or facts through (i) the Investor Relations page of the corporate website (http://www.engieenergia.com.br/wps/portal/internet/investidores), (ii) the electronic system available on the page of the Brazilian Securities and Exchange Commission - CVM (www.cvm.gov.br) and BM&FBovespa S.A. – Securities, Commodities and Futures Exchange (www.bmfbovespa.com.br) and (iii) the website page of the **Rede de Divulgação** portal (http://www.rededivulgacao.com.br).

Notwithstanding disclosure of material acts or facts through the above mentioned communication channels, any material fact may also be published in the country's leading newspapers.

The Company also informs that it is to update its registration and reference forms to reflect the changes in the above-mentioned Disclosure Policy.

Florianópolis, October 27, 2016.

Eduardo Antonio Gori Sattamini
Chief Executive, Financial and Investor Relations Officer