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

MATERIAL FACT

ENGIE BRASIL ENERGIA MAKES A SUCCESSFUL BID FOR LOT 1 IN THE 02/2017 TRANSMISSION AUCTION

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, enrolled in the tax register CNPJ/MF under number 02.474.103/0001-19 ("Company"), pursuant to the provision in CVM instructions 358/2002 and 480/2009, announces to the shareholders and the market at large that the Company, through subsidiaries companies, made a successful bid at the Transmission Auction 02/2017 ("Auction"), held today by the National Electric Energy Agency ("Aneel"), for the following lot:

Lot	Location	Maximum RAP (R$ million)	Contracted RAP (R$ million)	Discount	Investment expected by Aneel (R$ million)
1	Paraná (PR)	355.4	231.7	34.80%	2,017.0

The term of the public service concession for transmission, including construction, assembling, operation and maintenance of the transmission installations will be thirty years as from the signature date of the concession agreement.

"This Auction marks ENGIE Brasil Energia's debut into the energy transmission sector in Brazil representing a new line of business and complementing our current generation portfolio. The lot we successfully bid is located in a state where we already have facilities and should generate operational synergies. This is one more step by the Company in the quest for the creation of shareholder value", said Eduardo Sattamini, Chief Executive Officer.

Florianópolis, December 15, 2017.

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Freitas
Chief Financial and Investor Relations Officer