ENGIE Brasil Energia S.A.
Quarterly Information
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Company Information / Capital Composition

Number of shares (Units)	Current quarter 3/31/2017
Paid-in capital	
Common	652,742,192
Preferred	0
Total	652,742,192
Treasury shares	
Common	0
Preferred	0
Total	0

Company Information / Profit Distribution in Cash

Event	Approval	Profit Distribution	Commencement of Payment	Type of Share	Class of Share	Profit Distribution per Share (Reais / Share)
Board of Directors' Meeting	10/27/2016	Interest on equity	2/1/2017	Common shares		0.66259
Annual Shareholders' Meeting	4/17/2017	Dividends	6/21/2017	Common shares		0.62757

Parent company Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2017	Prior Year 12/31/2016
1	Total Assets	12,368,946	12,188,695
1.01	Current Assets	1,886,147	2,104,755
1.01.01	Cash and Cash Equivalents	917,638	1,175,259
1.01.03	Accounts Receivable	762,033	722,022
1.01.03.01	Trade Accounts Receivable	491,928	505,348
1.01.03.02	Other Accounts Receivable	270,105	216,674
1.01.03.02.01	Dividends receivable from subsidiaries	157,452	167,202
1.01.03.02.02	Fuel reimbursable	112,653	49,472
1.01.04	Inventories	106,688	102,085
1.01.06	Recoverable Taxes	11,990	10,457
1.01.06.01	Current Taxes Recoverable	11,990	10,457
1.01.06.01.02	Tax credits recoverable	11,990	10,457
1.01.08	Other Current Assets	87,798	94,932
1.01.08.03	Other	87,798	94,932
1.01.08.03.01	Restricted deposits	9,791	2,485
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	23,991	23,991
1.01.08.03.04	Other current assets	43,094	57,534
1.01.08.03.05	Non-current assets held for sale	10,922	10,922
1.02	Non-current Assets	10,482,799	10,083,940
1.02.01	Long Term Assets	339,850	344,390
1.02.01.09	Other Non-current Assets	339,850	344,390
1.02.01.09.03	Tax credits recoverable	34,565	35,894
1.02.01.09.04	Restricted deposits	8,884	8,500
1.02.01.09.05	Judicial deposits	150,612	148,390
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	133,401	139,398
1.02.01.09.08	Other non-current assets	12,388	12,208
1.02.02	Investments	4,913,292	4,442,140
1.02.02.01	Equity Interest	4,913,292	4,442,140
1.02.02.01.02	Interest on Subsidiaries	4,649,072	4,182,599
1.02.02.01.03	Interest in Joint Ventures	264,220	259,541
1.02.03	Property, Plant and Equipment	5,208,867	5,276,572
1.02.03.01	Property, Plant and Equipment in Operation	4,867,122	4,966,307
1.02.03.03	Construction in Progress	341,745	310,265
1.02.04	Intangible Assets	20,790	20,838
1.02.04.01	Intangible Assets	20,790	20,838

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2017	Prior Year 12/31/2016
2	Total Liabilities	12,368,946	12,188,695
2.01	Current Liabilities	866,242	1,182,482
2.01.01	Social and Labor Obligations	97,572	90,655
2.01.01.02	Labor Obligations	97,572	90,655
2.01.02	Suppliers	212,867	211,777
2.01.02.01	Domestic Suppliers	212,867	211,777
2.01.03	Tax Liabilities	68,609	54,210
2.01.03.01	Federal Tax Liabilities	68,609	54,210
2.01.03.01.01	Income and Social Contribution Taxes Payable	68,609	54,210
2.01.04	Loans and Financing	167,499	154,306
2.01.04.01	Loans and Financing	138,075	137,759
2.01.04.01.01	In Local Currency	138,075	137,759
2.01.04.02	Debentures	29,424	16,547
2.01.05	Other Liabilities	259,066	610,295
2.01.05.02	Other	259,066	610,295
2.01.05.02.01	Dividends and Interest on Equity Payable	5,209	371,478
2.01.05.02.04	Concessions payable	60,368	59,907
2.01.05.02.05	Other tax and regulatory liabilities	55,141	61,370
2.01.05.02.06	Other current liabilities	138,348	117,540
2.01.06	Provisions	60,629	61,239
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	24,644	24,641
2.01.06.01.02	Social Security and Labor Provisions	3,505	3,500
2.01.06.01.04	Civil Provisions	21,139	21,141
2.01.06.02	Other Provisions	35,985	36,598
2.01.06.02.04	Retirement benefits obligations	27,219	27,219
2.01.06.02.05	Provision for sale of fixed assets	8,766	9,379
2.02	Non-current liabilities	4,447,224	4,394,986
2.02.01	Loans and Financing	1,344,983	1,366,142
2.02.01.01	Loans and Financing	547,722	578,234
2.02.01.01.01	In Local Currency	547,722	578,234
2.02.01.02	Debentures	797,261	787,908
2.02.02	Other Liabilities	2,316,119	2,255,102
2.02.02.02	Other	2,316,119	2,255,102
2.02.02.02.03	Concessions payable	2,293,469	2,235,059
2.02.02.02.04	Other Non-Current Liabilities	22,650	20,043
2.02.03	Deferred Taxes	220,921	214,112
2.02.03.01	Deferred Income and Social Contribution Taxes	220,921	214,112
2.02.04	Provisions	565,201	559,630
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	282,652	277,382
2.02.04.01.01	Tax Provisions	6,487	6,929
2.02.04.01.02	Social Security and Labor Provisions	7,075	7,306
2.02.04.01.04	Civil Provisions	269,090	263,147
2.02.04.02	Other Provisions	282,549	282,248
2.02.04.02.04	Retirement benefits obligations	273,799	272,248
2.02.04.02.05	Provision for sale of fixed assets	8,750	10,000
2.03	Shareholders' equity	7,055,480	6,611,227

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2017	Prior Year 12/31/2016
2.03.01	Paid-in Capital Stock	2,829,056	2,829,056
2.03.04	Profit Reserves	3,342,079	3,336,013
2.03.04.01	Legal Reserve	565,811	565,811
2.03.04.05	Retained Earnings Reserve	2,247,099	2,247,099
2.03.04.07	Tax Incentive Reserve	119,525	113,459
2.03.04.10	Capital Increase and Additional Dividends Proposed	409,644	409,644
2.03.05	Retained Earnings/Losses	452,944	0
2.03.06	Assets Valuation Adjustments	431,401	446,158

Parent Company Financial Statements / Income Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 3/31/2017	YTD Previous Year 1/1/2016 to 3/31/2016
3.01	Revenue from Sales of Goods and/or Services	1,059,059	1,093,887
3.02	Cost of Products and/or Services Sold	-457,613	-536,421
3.02.01	Electrical energy purchased for resale	-113,918	-116,589
3.02.02	Transactions in the short-term energy market	-15,394	-60,518
3.02.03	Charges for the use of and connection to the power grid	-85,206	-77,857
3.02.04	Cost of electrical energy production	-235,927	-274,467
3.02.05	Cost of services rendered	-7,168	-6,990
3.03	Gross Income	601,446	557,466
3.04	Operating Expenses/Income	94,049	40,085
3.04.01	Sales Expenses	-2,339	-2,557
3.04.02	General and Administrative Expenses	-39,490	-43,203
3.04.04	Other Operating Income	744	670
3.04.05	Other Operating Expenses	-3	-3
3.04.06	Equity income	135,137	85,178
3.04.06.01	Equity	135,972	86,013
3.04.06.02	Goodwill amortization	-835	-835
3.05	Income Before Financial Result and Taxes	695,495	597,551
3.06	Financial Result	-92,854	-123,563
3.06.01	Financial Income	33,395	97,678
3.06.02	Financial Expenses	-126,249	-221,241
3.07	Income Before Income Taxes	602,641	473,988
3.08	Income and Social Contribution Taxes	-152,228	-127,096
3.08.01	Current	-145,419	-207,932
3.08.02	Deferred	-6,809	80,836
3.09	Net Income from Continuing Operations	450,413	346,892
3.11	Net Income for the Period	450,413	346,892
3.99	Earnings per share (R$ /share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	ON	0.69003	0.53144
3.99.02	Diluted Earnings per Share		
3.99.02.01	ON	0.69003	0.53144

Parent Company Financial Statements / Comprehensive Income Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 3/31/2017	YTD Previous Year 1/1/2016 to 3/31/2016
4.01	Net Income for the Period	450,413	346,892
4.02	Other comprehensive income (loss)	-6,160	-122,685
4.02.01	Equity in the losses of subsidiaries, net of deferred taxes	-6,160	-122,685
4.03	Comprehensive Income for the Period	444,253	224,207

Parent Company Financial Statements / Cash Flow Statement – Indirect Method

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 3/31/2017	YTD Prior Year 1/1/2016 to 3/31/2016
6.01	Net Cash from Operating Activities	580,791	493,572
6.01.01	Cash Generated from Operations	685,324	664,550
6.01.01.01	Income before income taxes	602,641	473,988
6.01.01.02	Equity Interest income	-135,137	-85,178
6.01.01.03	Depreciation and amortization	100,111	101,884
6.01.01.04	Monetary variation	35,337	40,476
6.01.01.05	Interest	85,357	132,953
6.01.01.06	Reversal of operating provisions, net	-2,988	-1,351
6.01.01.07	Other	3	1,778
6.01.02	Changes in Assets and Liabilities	-104,533	-170,978
6.01.02.01	Trade accounts receivable	15,533	-81,356
6.01.02.02	Fuel reimbursable	-63,181	26,223
6.01.02.04	Inventories	-4,603	-10,075
6.01.02.05	Tax credits recoverable	-3,660	-12,543
6.01.02.06	Restricted and judicial deposits	-7,612	-44,682
6.01.02.07	Renegotiation of hydrological risk to recognize	5,997	5,997
6.01.02.08	Other assets	13,797	-21,153
6.01.02.09	Suppliers	-3,059	75,323
6.01.02.10	Payment of income and social contribution taxes	-61,725	-46,904
6.01.02.11	Payment of interest on debt, net of hedge	-12,780	-44,355
6.01.02.12	Other tax and regulatory obligations	-7,301	-17,236
6.01.02.13	Retirement benefits obligations	-6,256	-3,692
6.01.02.16	Other liabilities	30,317	3,475
6.02	Net Cash from Investment Activities	-358,449	-132,597
6.02.01	Capital increase in subsidiaries and joint ventures	-340,429	-93,736
6.02.02	Acquisition of property, plant and equipment	-24,833	-49,344
6.02.03	Acquisition of intangible assets	-1,190	-1,705
6.02.04	Dividends received from subsidiaries	9,750	12,188
6.02.04	Other	-1,747	0
6.03	Net Cash from Financing Activities	-479,963	-576,815
6.03.01	Loans and financing obtained	0	58
6.03.02	Loans and financing paid	-33,782	-249,748
6.03.03	Concession installments paid	-15,561	-14,289
6.03.04	Dividends and interest on equity paid	-430,609	-312,622
6.03.05	Deposits related to debt service	-11	-214
6.05	Increase (Decrease) in Cash and Cash Equivalents	-257,621	-215,840
6.05.01	Opening Balance of Cash and Cash Equivalents	1,175,259	1,739,008
6.05.02	Closing Balance of Cash and Cash Equivalents	917,638	1,523,168

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2017 to 3/31/2017

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,829,056	0	3,336,013	0	446,158	6,611,227
5.03	Adjusted Opening Balances	2,829,056	0	3,336,013	0	446,158	6,611,227
5.05	Total Comprehensive Income	0	0	0	450,413	-6,160	444,253
5.05.01	Net Income for the Period	0	0	0	450,413	0	450,413
5.05.02	Other Comprehensive Income	0	0	0	0	-6,160	-6,160
5.05.02.07	Cash Flow Hedge Operations in Subsidiaries	0	0	0	0	-6,160	-6,160
5.06	Internal Changes in Shareholders' Equity	0	0	6,066	2,531	-8,597	0
5.06.06	Tax Incentive Reserve	0	0	6,066	-6,066	0	0
5.06.07	Realization of Deemed Cost	0	0	0	8,597	-8,597	0
5.07	Closing Balances	2,829,056	0	3,342,079	452,944	431,401	7,055,480

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2016 to 3/31/2016

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872
5.03	Adjusted Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872
5.05	Total Comprehensive Income	0	0	0	346,892	-122,685	224,207
5.05.01	Net Income for the Period	0	0	0	346,892	0	346,892
5.05.02	Other Comprehensive Income	0	0	0	0	-122,685	-122,685
5.05.02.06	Cash Flow Hedge Operations in Subsidiaries	0	0	0	0	-122,685	-122,685
5.06	Internal Changes in Shareholders' Equity	290,487	0	-285,368	3,487	-8,606	0
5.06.04	Capital increase	290,487	0	-290,487	0	0	0
5.06.05	Tax incentive Reserve	0	0	5,119	-5,119	0	0
5.06.06	Realization of Deemed Cost	0	0	0	8,606	-8,606	0
5.07	Closing Balances	2,736,253	91,695	3,047,734	350,379	638,018	6,864,079

Parent Company Financial Statements / Value Added Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 3/31/2017	YTD Prior Year 1/1/2016 to 3/31/2016
7.01	Revenues	1,177,758	1,232,260
7.01.01	Sale of Products and Services	1,174,828	1,225,678
7.01.02	Other Income	2,930	6,582
7.02	Raw material Acquired from Third Parties	-290,611	-348,021
7.02.01	Cost of Products and Services Sold	-161,104	-233,954
7.02.02	Materials, Energy, Third Parties Services and Other	-38,676	-29,286
7.02.04	Other	-90,831	-84,781
7.02.04.02	Reversal of operating provisions	2,988	1,351
7.02.04.03	Charges for the use of and connection to the power grid	-85,206	-77,857
7.02.04.05	Other	-8,613	-8,275
7.03	Gross Added Value	887,147	884,239
7.04	Retentions	-100,111	-101,884
7.04.01	Depreciation, Amortization and Depletion	-100,111	-101,884
7.05	Net Added Value Generated	787,036	782,355
7.06	Added Value Received in Transfer	168,532	182,856
7.06.01	Equity income	135,137	85,178
7.06.02	Financial Income	33,395	97,678
7.07	Total Added Value to Distribute	955,568	965,211
7.08	Distribution of Added Value	955,568	965,211
7.08.01	Labor	59,443	68,562
7.08.01.01	Direct Remuneration	35,199	44,532
7.08.01.02	Benefits	14,887	13,707
7.08.01.03	F.G.T.S.	2,669	3,146
7.08.01.04	Other	6,688	7,177
7.08.01.04.01	Profit sharing	6,688	7,177
7.08.02	Taxes, Duties and Contributions	273,372	264,200
7.08.02.01	Federal	268,969	259,685
7.08.02.02	State	3,650	3,397
7.08.02.03	Municipal	753	1,118
7.08.03	Third Parties Capital Remuneration	56,627	126,928
7.08.03.01	Interest	50,612	115,435
7.08.03.02	Rentals	2,673	2,373
7.08.03.03	Other	3,342	9,120
7.08.03.03.01	Capitalized interest and monetary variation	2,189	5,915
7.08.03.03.02	Other financial expenses	1,153	3,205
7.08.04	Remuneration of Own Capital	452,944	350,379
7.08.04.03	Retained Earnings / Loss for the Period	452,944	350,379
7.08.05	Other	113,182	155,142
7.08.05.01	Sectorial charges	41,281	56,283
7.08.05.02	Charges on concessions payable	74,432	102,346
7.08.05.03	Realization of deemed cost	-8,597	-8,606
7.08.05.04	Tax incentive reserve	6,066	5,119

Consolidated Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2017	Prior Year 12/31/2016
1	Total Assets	14,792,314	14,419,691
1.01	Current Assets	3,435,856	3,355,091
1.01.01	Cash and Cash Equivalents	1,851,322	1,815,340
1.01.03	Accounts Receivable	920,987	873,551
1.01.03.01	Trade Accounts Receivable	808,334	824,079
1.01.03.02	Other Accounts Receivable	112,653	49,472
1.01.03.02.01	Fuel reimbursable	112,653	49,472
1.01.04	Inventories	110,280	105,541
1.01.06	Recoverable Taxes	14,685	14,589
1.01.06.01	Current Taxes Recoverable	14,685	14,589
1.01.06.01.02	Tax credits recoverable	14,685	14,589
1.01.08	Other Current Assets	538,582	546,070
1.01.08.03	Other	538,582	546,070
1.01.08.03.01	Restricted deposits	16,237	8,760
1.01.08.03.02	Unrealized hedge gains	0	1,490
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	26,064	26,064
1.01.08.03.04	Other current assets	76,678	90,153
1.01.08.03.05	Non-current assets held for sale	419,603	419,603
1.02	Non-current Assets	11,356,458	11,064,600
1.02.01	Long Term Assets	615,254	612,302
1.02.01.09	Other Non-current Assets	615,254	612,302
1.02.01.09.03	Tax credits recoverable	36,318	37,991
1.02.01.09.04	Restricted deposits	198,854	185,768
1.02.01.09.05	Judicial deposits	152,011	149,730
1.02.01.09.06	Unrealized hedge gains	0	1,965
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	164,499	171,015
1.02.01.09.08	Other non-current assets	63,572	65,833
1.02.02	Investments	7,281	4,886
1.02.02.01	Equity interest	7,281	4,886
1.02.02.01.04	Other equity interest	7,281	4,886
1.02.03	Property, Plant and Equipment	10,482,995	10,194,898
1.02.03.01	Property, Plant and Equipment in Operation	8,602,633	8,548,313
1.02.03.03	Construction in Progress	1,880,362	1,646,585
1.02.04	Intangible Assets	250,928	252,514
1.02.04.01	Intangible Assets	250,928	252,514

Consolidated Financial Statements / Balance sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2017	Prior Year 12/31/2016
2	Total Liabilities	14,792,314	14,419,691
2.01	Current Liabilities	1,491,991	1,800,794
2.01.01	Social and Labor Obligations	102,017	94,753
2.01.01.02	Labor Obligations	102,017	94,753
2.01.02	Suppliers	392,004	371,149
2.01.02.01	Domestic Suppliers	392,004	371,149
2.01.03	Tax Liabilities	90,229	81,023
2.01.03.01	Federal Tax Liabilities	90,229	81,023
2.01.03.01.01	Income and Social Contribution Taxes Payable	90,229	81,023
2.01.04	Loans and Financing	325,625	299,743
2.01.04.01	Loans and Financing	296,201	283,196
2.01.04.01.01	In Local Currency	296,201	283,196
2.01.04.02	Debentures	29,424	16,547
2.01.05	Other Liabilities	361,011	732,410
2.01.05.02	Other	361,011	732,410
2.01.05.02.01	Dividends and Interest on Equity Payable	5,771	372,040
2.01.05.02.04	Concessions payable	65,912	65,408
2.01.05.02.05	Other tax and regulatory liabilities	88,519	88,632
2.01.05.02.06	Other current liabilities	200,809	206,330
2.01.06	Provisions	61,609	62,220
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	25,624	25,622
2.01.06.01.01	Tax Provisions	177	177
2.01.06.01.02	Social Security and Labor Provisions	3,505	3,500
2.01.06.01.04	Civil Provisions	21,942	21,945
2.01.06.02	Other Provisions	35,985	36,598
2.01.06.02.04	Retirement benefits obligations	27,219	27,219
2.01.06.02.05	Provision for sale of fixed assets	8,766	9,379
2.01.07	Liabilities on Non-current assets held for sale and discontinued	159,496	159,496
2.01.07.01	Liabilities on Non-current assets held for sale	159,496	159,496
2.02	Non-current liabilities	6,241,394	6,004,503
2.02.01	Loans and Financing	2,938,798	2,788,989
2.02.01.01	Loans and Financing	2,141,537	2,001,081
2.02.01.01.01	In Local Currency	2,141,537	2,001,081
2.02.01.02	Debentures	797,261	787,908
2.02.02	Other Liabilities	2,399,505	2,339,829
2.02.02.02	Other	2,399,505	2,339,829
2.02.02.02.03	Concessions payable	2,340,555	2,281,968
2.02.02.02.04	Other Non-Current Liabilities	58,950	57,861
2.02.03	Deferred Taxes	331,485	311,331
2.02.03.01	Deferred Income and Social Contribution Taxes	331,485	311,331
2.02.04	Provisions	571,606	564,354
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	289,057	282,106
2.02.04.01.01	Tax Provisions	6,539	7,093
2.02.04.01.02	Social Security and Labor Provisions	7,122	7,448
2.02.04.01.04	Civil Provisions	275,396	267,565

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2017	Prior Year 12/31/2016
2.02.04.02	Other Provisions	282,549	282,248
2.02.04.02.04	Retirement benefits obligations	273,799	272,248
2.02.04.02.05	Provision for sale of fixed assets	8,750	10,000
2.03	Consolidated Shareholders' equity	7,058,929	6,614,394
2.03.01	Paid-in Capital Stock	2,829,056	2,829,056
2.03.04	Profit Reserves	3,342,079	3,336,013
2.03.04.01	Legal Reserve	565,811	565,811
2.03.04.05	Retained Earnings Reserve	2,247,099	2,247,099
2.03.04.07	Tax Incentive Reserve	119,525	113,459
2.03.04.10	Capital Increase and Additional Dividend Proposed	409,644	409,644
2.03.05	Retained Earnings/Losses	452,944	0
2.03.06	Assets Valuation Adjustments	431,401	446,158
2.03.09	Non-Controlling Interest	3,449	3,167

Consolidated Financial Statements / Income Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 3/31/2017	YTD Previous Year 1/1/2016 to 3/31/2016
3.01	Revenue from Sales of Goods and/or Services	1,605,912	1,602,655
3.02	Cost of Products and/or Services Sold	-826,352	-916,282
3.02.01	Electrical energy purchased for resale	-378,659	-389,323
3.02.02	Transactions in the short-term energy market	-26,616	-71,968
3.02.03	Charges for the use of and connection to the power grid	-103,288	-94,344
3.02.04	Cost of electrical energy production	-310,617	-353,656
3.02.05	Cost of services rendered	-7,172	-6,991
3.03	Gross Income	779,560	686,373
3.04	Operating Expenses/Income	-44,895	-47,773
3.04.01	Sales Expenses	-3,880	-4,647
3.04.02	General and Administrative Expenses	-40,676	-43,875
3.04.04	Other Operating Income	762	752
3.04.05	Other Operating Expenses	-3	-3
3.04.06	Equity income (loss)	-1,098	0
3.05	Income Before Financial Result and Taxes	734,665	638,600
3.06	Financial Result	-71,628	-128,153
3.06.01	Financial Income	62,994	124,966
3.06.02	Financial Expenses	-134,622	-253,119
3.07	Income Before Income Taxes	663,037	510,447
3.08	Income and Social Contribution Taxes	-212,342	-163,340
3.08.01	Current	-191,905	-235,716
3.08.02	Deferred	-20,437	72,376
3.09	Net Income from Continuing Operations	450,695	347,107
3.11	Consolidated Net Income for the Period	450,695	347,107
3.11.01	Attributable to the Partners of the Parent Company	450,413	346,892
3.11.02	Attributable to Non-Controlling Partners	282	215
3.99	Earnings per share (R$ /share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	ON	0.69046	0.53177
3.99.02	Diluted Earnings per Share		
3.99.02.01	ON	0.69046	0.53177

Consolidated Financial Statements / Comprehensive Income Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 3/31/2017	YTD Previous Year 1/1/2016 to 3/31/2016
4.01	Consolidated Net Income for the Period	450,695	347,107
4.02	Other comprehensive income	-6,160	-122,685
4.02.01	Unrealized gains (losses) from cash flow hedge operations	5,558	-192,027
4.02.02	Deferred income and social contribution taxes	-1,890	65,289
4.02.03	Realized gains from cash flow hedge operations in the period	-9,828	4,053
4.03	Consolidated Comprehensive Income for the Period	444,535	224,422
4.03.01	Attributed to the Parent Company's Shareholders	444,253	224,207
4.03.02	Attributed to Non-controlling Shareholders	282	215

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 3/31/2017	YTD Prior Year 1/1/2016 to 3/31/2016
6.01	Net Cash from Operating Activities	733,231	682,656
6.01.01	Cash Generated from Operations	934,350	864,720
6.01.01.01	Income before income taxes	663,037	510,447
6.01.01.02	Equity income (loss)	1,098	0
6.01.01.03	Depreciation and amortization	149,730	154,118
6.01.01.04	Monetary variation	34,806	49,088
6.01.01.05	Interest	87,065	150,128
6.01.01.06	Reversal of operating provisions, net	-1,389	-840
6.01.01.07	Other	3	1,779
6.01.02	Changes in Assets and Liabilities	-201,119	-182,064
6.01.02.01	Trade accounts receivable	19,160	-4,882
6.01.02.02	Fuel reimbursable	-63,181	26,223
6.01.02.04	Inventories	-4,739	-10,216
6.01.02.05	Tax credits recoverable	-4,271	-3,407
6.01.02.06	Restricted and judicial deposits	-7,815	-50,834
6.01.02.07	Renegotiation of hydrological risk to recognize	6,516	6,516
6.01.02.08	Other assets	12,423	-26,604
6.01.02.09	Suppliers	-22,183	56,542
6.01.02.10	Payment of income and social contribution taxes	-110,317	-77,605
6.01.02.11	Payment of interest on debt, net of hedge	-43,852	-80,871
6.01.02.12	Other tax and regulatory obligations	-1,037	-21,120
6.01.02.13	Retirement benefits obligations	-6,256	-3,692
6.01.02.14	Other liabilities	24,433	7,886
6.02	Net Cash from Investment Activities	-375,271	-200,523
6.02.01	Capital increase in joint ventures	-1,747	0
6.02.02	Acquisition of property, plant and equipment	-370,417	-190,829
6.02.03	Acquisition of intangible assets	-1,360	-1,828
6.02.04	Other	-1,747	-7,866
6.03	Net Cash from Financing Activities	-321,978	-615,514
6.03.01	Loans and financing obtained	211,471	58
6.03.02	Loans and financing paid	-69,005	-287,759
6.03.03	Concession installments paid	-17,007	-15,659
6.03.04	Dividends and interest on equity paid	-430,609	-312,622
6.03.05	Deposits related to debt service	-7,429	-3,974
6.03.06	Other	-9,399	4,442
6.05	Increase (Decrease) in Cash and Cash Equivalents	35,982	-133,381
6.05.01	Opening Balance of Cash and Cash Equivalents	1,815,340	2,396,854
6.05.02	Closing Balance of Cash and Cash Equivalents	1,851,322	2,263,473

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2017 to 3/31/2017

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,829,056	0	3,336,013	0	446,158	6,611,227	3,167	6,614,394
5.03	Adjusted Opening Balances	2,829,056	0	3,336,013	0	446,158	6,611,227	3,167	6,614,394
5.05	Total Comprehensive Income	0	0	0	450,413	-6,160	444,253	282	444,535
5.05.01	Net Income for the Period	0	0	0	450,413	0	450,413	282	450,695
5.05.02	Other Comprehensive Income	0	0	0	0	-6,160	-6,160	0	-6,160
5.05.02.07	Cash flow hedge from subsidiaries	0	0	0	0	-6,160	-6,160	0	-6,160
5.06	Internal Changes in Shareholders' Equity	0	0	6,066	2,531	-8,597	0	0	0
5.06.06	Tax Incentive Reserve	0	0	6,066	-6,066	0	0	0	0
5.06.07	Realization of Deemed Cost	0	0	0	8,597	-8,597	0	0	0
5.07	Closing Balances	2,829,056	0	3,342,079	452,944	431,401	7,055,480	3,449	7,058,929

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2016 to 3/31/2016

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872	2,264	6,642,136
5.03	Adjusted Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872	2,264	6,642,136
5.05	Total Comprehensive Income	0	0	0	346,892	-122,685	224,207	215	224,422
5.05.01	Net Income for the Period	0	0	0	346,892	0	346,892	215	347,107
5.05.02	Other Comprehensive Income	0	0	0	0	-122,685	-122,685	0	-122,685
5.05.02.06	Cash Flow Hedge	0	0	0	0	-122,685	-122,685	0	-122,685
5.06	Internal Changes in Shareholders' Equity	290,487	0	-285,368	3,487	-8,606	0	0	0
5.06.04	Capital increase	290,487	0	-290,487	0	0	0	0	0
5.06.05	Tax incentive reserve	0	0	5,119	-5,119	0	0	0	0
5.06.06	Realization of deemed cost	0	0	0	8,606	-8,606	0	0	0
5.07	Closing Balances	2,736,253	91,695	3,047,734	350,379	638,018	6,864,079	2,479	6,866,558

Consolidated Financial Statements / Value Added Statement

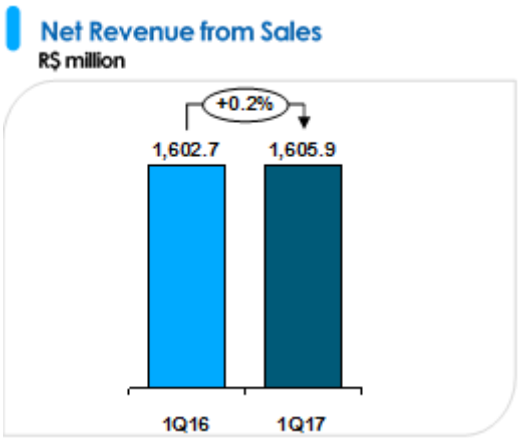
(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 3/31/2017	YTD Prior Year 1/1/2016 to 3/31/2016
7.01	Revenues	2,184,467	1,921,154
7.01.01	Sale of Products and Services	1,776,349	1,777,497
7.01.02	Other Income	2,948	6,664
7.01.03	Income related to the Construction of Own Assets	405,170	136,993
7.02	Raw material Acquired from Third Parties	-976,296	-784,235
7.02.01	Cost of Products and Services Sold	-441,038	-522,160
7.02.02	Materials, Energy, Third Parties Services and Other	-51,461	-42,573
7.02.04	Other	-483,797	-219,502
7.02.04.01	Expenses with construction of plants	-372,498	-117,247
7.02.04.02	Reversal (recognition) of operating provisions	1,389	840
7.02.04.03	Charges for the use of and connection to the power grid	-103,288	-94,344
7.02.04.04	Other	-9,400	-8,751
7.03	Gross Added Value	1,208,171	1,136,919
7.04	Retentions	-149,730	-154,118
7.04.01	Depreciation, Amortization and Depletion	-149,730	-154,118
7.05	Net Added Value Generated	1,058,441	982,801
7.06	Added Value Received in Transfer	61,896	124,966
7.06.01	Equity income (loss)	-1,098	0
7.06.02	Financial Income	62,994	124,966
7.07	Total Added Value to Distribute	1,120,337	1,107,767
7.08	Distribution of Added Value	1,120,337	1,107,767
7.08.01	Labor	60,392	69,564
7.08.01.01	Direct Remuneration	35,924	45,212
7.08.01.02	Benefits	15,005	13,910
7.08.01.03	F.G.T.S.	2,730	3,216
7.08.01.04	Other	6,733	7,226
7.08.01.04.01	Profit sharing	6,733	7,226
7.08.02	Taxes, Duties and Contributions	387,549	343,019
7.08.02.01	Federal	383,104	338,371
7.08.02.02	State	3,679	3,485
7.08.02.03	Municipal	766	1,163
7.08.03	Third Parties Capital Remuneration	97,385	177,158
7.08.03.01	Interest	56,509	142,817
7.08.03.02	Rentals	4,064	3,527
7.08.03.03	Other	36,812	30,814
7.08.03.03.01	Capitalized interest and monetary variation	34,861	25,661
7.08.03.03.02	Other financial expenses	1,951	5,153
7.08.04	Remuneration of Own Capital	452,944	350,379
7.08.04.03	Retained Earnings / Loss for the Period	452,944	350,379
7.08.05	Other	122,067	167,647
7.08.05.01	Sectorial charges	48,218	66,054
7.08.05.02	Charges on concessions payable	76,098	104,865
7.08.05.03	Non-controlling shareholder	282	215
7.08.05.04	Realization of deemed cost	-8,597	-8,606
7.08.05.05	Tax incentive reserve	6,066	5,119

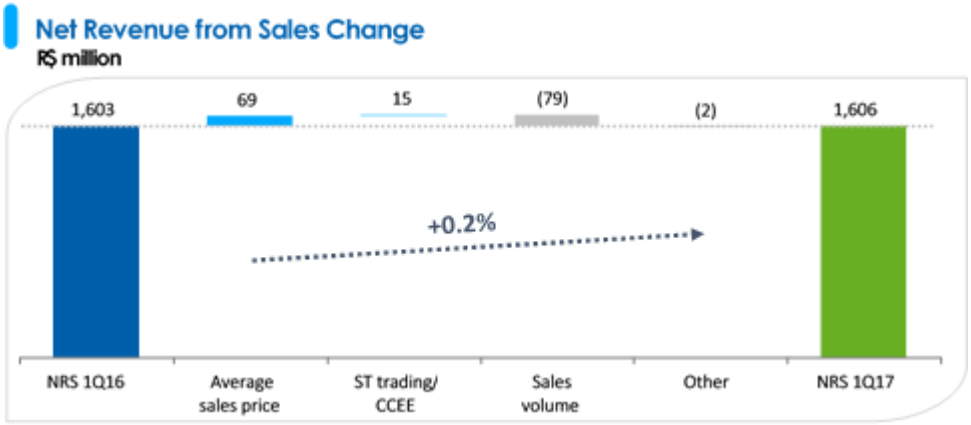
Economic-Financial Performance

Net Revenue from Sales

In 1Q17, **net revenue from sales posted an increase of 0.2%**, (R$ 3.2 million) from R$ 1,602.7 million in 1Q16 to R$ 1,605.9 million.



The principal factors underlying this variation were: (i) R$ 69.2 million - increase in net average selling price; (ii) R$ 14.7 million - increase in revenue from transactions conducted in the short-term market, particularly those transacted through the Electric Energy Trade Board (CCEE), and (iii) R$ 78.7 million - reduced sales of energy by volume.



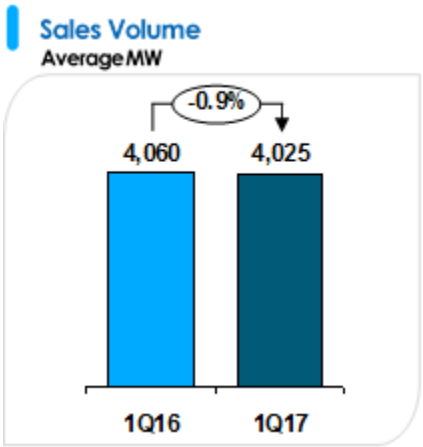
- **Net Average Selling Price**

The average energy selling price, net of exports and revenue taxes was R$ 179.69/MWh in 1Q17, **1.4% more** than the R$ 177.29/MWh recorded in 1Q16. Higher prices are essentially due to monetary restatement of existing agreements, partially attenuated by the maturing of sales agreements to free consumers and trading companies at higher prices than the average for prevailing agreements in the market and the lower prices practiced for new business.



- **Sales Volume**

Energy sales volume fell from 8,867 GWh (4,060 aMW) in 1Q16 to 8,694 GWh (4,025 aMW) in 1Q17, **a reduction of 173 GWh** (35 aMW) between the compared quarters. This variation is due largely to the expiry or reduction of existing sales agreements, partially offset by increased sales of conventional energy to trading companies for resale of incentivized energy to free consumers.



Comments on Variation in Net Revenue from Sales - by Client Class

- **Distribution Companies**

Revenue from sales to distribution companies amounted to R$ 682.9 million in 1Q17, an amount which was **11.4% less** than the R$ 770.9 million recorded in 1Q16. This variation reflects: (i) R$ 192.3 million - reduction of 905 GWh (398 average MW) in sales volume; and (ii) R$ 104.3 million - an increase of 13.5% in net average selling price. The decrease in sales volume between the periods under analysis is largely a reflection of the expiry of the Existing Energy Auction agreement at the end of 2016, combined with the reductions arising from the Surplus and Deficits Compensation Mechanism (MCSD). In addition, the variation in average selling price in excess of inflation was due to the expiry of the agreement under the aforementioned auction, the price of which was less than the average practiced for prevailing agreements in the market.

- **Trading Companies**

In the quarter under review, **revenue from sales to trading companies** was R$ 114.5 million, **37.8% higher** than revenue at R$ 83.1 million reported in 1Q16. This improvement reflects the following aspects: (i) R$ 34.3 million - an increase of 253 GWh (120 average MW) in energy sales volume; and (ii) R$ 2.9 million - a decrease of 3.5% in net average selling price. The variation in volume during the quarter under review was due principally to the sale of conventional energy, concomitantly with the purchase of incentivized energy from trading companies for resale to free consumers, which migrated from the Regulated Contracting Environment (ACR) to the Free Contracting Environment (ACL).

- **Free Consumers**

Revenue from sales to free consumers increased by 6.5% between the comparative quarters from R$ 718.0 million in 1Q16 to R$ 764.5 million in 1Q17. The following factors contributed to this variation: (i) R$ 78.7 million - a rise of 477 GWh (242 average MW) in energy sold due to higher volumes of incentivized energy sales this year to clients that migrated from the ACR to the ACL, partially offset by a decline in consumption on the part of industrial clients; and (ii) R$ 32.2 million - a reduction of 4.5% in the average net selling price of energy.

- **Transactions in the short term market - especially those conducted through the CCEE**

In 1Q17, **revenue generated from short-term market operations**, through the CCEE was R$ 36.5 million compared with R$ 21.8 million in 1Q16, representing **an increase of R$ 14.7 million** (67.4%) between compared quarters. A more detailed explanation of these variations is to be found in the item below "Details of short-term operations conducted through the CCEE".

Costs of Electric Energy and Services

Costs of electric energy and services sales fell by R$ 89.9 million **(9.8%)**, between the compared quarters from R$ 916.3 million in 1Q16 to R$ 826.4 million in 1Q17. These variations can be explained essentially by the tendencies in the following components:

a) Electric energy purchased for resale: reduction of R$ 10.7 million (2.7%) in 1Q17 compared with 1Q16, above all reflecting the termination of energy purchase agreements at higher prices than the prevailing average and lower prices for new agreements, partially attenuated by the increase of 510 GWh (245 average MW) of purchases for mitigating the effects of CCEE exposure as well as purchases of incentivized energy for resale to free consumers.

b) Transactions in the short-term market - especially those within the scope of the CCEE: between the two quarters under analysis, costs with these transactions were R$ 45.3 million (63.0%) less. More details are to be found under the specific heading.

c) Charges for use of and connection to the electricity grid: an increase of R$ 8.9 million (9.5%), between quarters due principally to the annual readjustment in transmission tariffs.

d) Fuels for generation of electric energy: a decrease of R$ 24.1 million (45.7%) compared with 1Q16 due essentially to reduced demand for natural gas from the William Arjona Thermoelectric Plant (UTWA) - the latter scarcely dispatched during the course of 1Q17.

e) Financial compensation for the use of water resources (royalties): a decline of R$ 16.1 million (31.4%) between compared quarters, reflecting, principally, reduced generation from the hydro plants in 1Q17 as well as a cut in the Restated Reference Tariff (TAR) of approximately 23% in 2017.

f) Personnel: reduction of R$ 7.2 million (12.9%) in 1Q17 in relation to 1Q16, mainly due to a readjustment in payroll and costs arising from the Voluntary Severance Plan (PDV) concluded in November 2016.

g) Materials and third party services: increase of R$ 9.1 million (28.6%) between the quarters under analysis, basically due to recognition of extraordinary gains in 1Q16 of R$ 15.3 million, due to the recovery of PIS and Cofins tax credits on materials and service provider agreements, partially offset by the renegotiation of service agreements for the conservation of the thermoelectric generator units.

h) Depreciation and amortization: reduction of R$ 4.4 million (2.9%) between quarters, resulting from the reclassification of the Beberibe and Pedra do Sal wind farms as well as the Areia Branca Small Hydroelectric Plant to non-current assets held for sale, and recognition of additional impairment of the Company's thermoelectric generation assets, both events occurring in 2016. This decline was partly compensated by the entry into operation of wind generation assets in the state of Ceará at the end of 2016 and early 2017.

Details of Short Term Operations - especially Transactions on the Electric Energy Trade Board (CCEE)

Short-term operations are classified as energy purchase or sale operations, the principal objective being the management of exposure on the CCEE. Consequently, the price of these operations is characterized by the linkage with the Price for Settlement of Differences (PLD). This item also includes the transactions conducted through the CCEE, given their volatile and seasonal nature - and, therefore, short-term - of the results originating from accounting movement in the CCEE. Additionally, the long and short positions are settled at the PLD, thus, similar to the short-term operations described above.

In relation to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of a Board agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expense item. In this context, it is worth pointing out that due to adjustments in the Company's portfolio management strategy, changes have been taking place in the profile of the mentioned billings. Such fluctuations complicate the direct comparison of the elements comprising each billing for the periods being analyzed - the reason for including this specific topic. The strategy allows us to analyze the fluctuations of the principal elements involved in spite of allocation being either to an income or expenses account according to the credit or debit nature of the billing to which they relate.

Generically, these elements are revenues or expenses arising, for example, (i) from the application of the Energy Reallocation Mechanism (MRE); (ii) from the Generation Scaling Factor, triggered when generation of plants, part of the MRE, is greater or smaller (Secondary Energy) than the allocated energy; (iii) from the so-called "submarket risk"; (iv) from dispatch triggered by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) and settled at the PLD.

In 1Q17, the net result (difference between revenues and costs, less tax on revenues and costs) from short-term transactions, particularly those conducted on the CCEE, was positive at R$ 9.9 million, compared with a negative figure in 1Q16 of R$ 50.1 million and therefore a **positive variation of R$ 60.0 million** between the compared quarters.

This variation reflects a combination of the following factors: (i) in 1Q17, there was the positive impact of secondary energy revenue while in 1Q16, the adjustment in physical guarantee with respect to the application of the GSF had a negative affect; (ii) a change from a long position on the CCEE in 1Q16 to a short one in 1Q17, due to the Company's strategy of allocating energy; (iii) an increase in the amount of thermoelectric exposure due to lower dispatch when comparing the two quarters and the higher average PLD in 1Q17, as well as the decommissioning of the Charqueadas Thermoelectric Plant at the end of 2016; (iv) reimbursement of costs through the application of the System Service Charge (ESS) in 1Q16 for the dispatch of the William Arjona TPP (UTWA) outside the order of merit; (v) decrease in the negative impact of exposure between submarkets due to a reduced mismatch between average PLDs in 1Q17; and (vi) reduced MRE revenue between the compared quarters.

Worthy of mention is that the sharp increase in average PLD between quarters as discussed below, contributed more significantly to the positive effect arising from secondary energy and conversely, to the negative impact from thermoelectric exposure and from the short position on the CCEE.

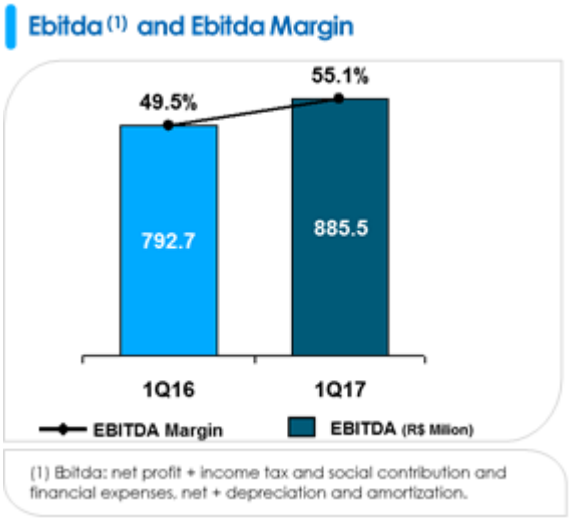
In December 2016, Aneel set maximum and minimum PLD limits for 2017 at R$ 533.82/MWh and R$ 33.68/MWh, respectively. On a comparative basis between quarters, average PLD for the South and Southeast/Central-Western submarkets increased 349.0%, from R$ 34.60/MWh in 1Q16 to R$ 155.37/MWh in 1Q17.

General and Administrative Expenses

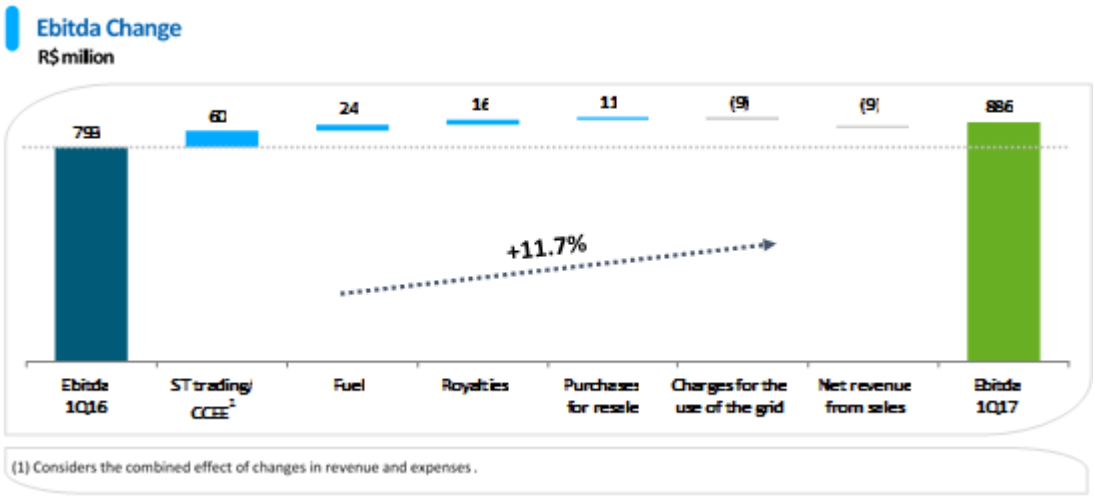
Sales, general and administrative expenses between the two quarters under analysis declined by R$ 3.9 million (8.2%), from R$ 48.5 million in 1Q16 to R$ 44.6 million in 1Q17, substantially due to the readjustment in workforce and personnel expenditures due to the impacts from the Voluntary Severance Plan (PDV) concluded in 2016.

Ebitda and Ebitda Margin

In the light of the foregoing factors, **Ebitda** for 1Q17 reached R$ 885.5 million, that is R$ 92.8 million **(11.7%) more** than the R$ 792.7 million reported in 1Q16. **Ebitda margin** was 55.1% in 1Q17, **a growth of 5.6 p.p.** in relation to the same period in 2016.



The above increases are a consequence of the combination of the following factors: (i) the positive effect of R$ 60.0 million from transactions executed in the short-term market – especially those conducted through the CCEE; (ii) a decrease of R$ 24.1 million in fuel consumption; (iii) a decline of R$ 16.1 million in outlay of royalties; (iv) a reduction of R$ 10.6 million in energy purchases; (v) an increase of R$ 8.9 million in charges for use of the network; (vi) a decrease of R$ 9.5 million in net contracted energy sales revenue; and (vii) a fall of R$ 0.4 million in other operational costs and expenses.



The following table reconciles net income with Ebitda:

(In millions of R$)	1Q17	1Q16	Chg. %
Net income	450.7	347.1	29.8
(+) Income tax and social contribution	212.3	163.3	30.0
(+) Financial expenses, net	71.7	128.2	-44.1
(+) Depreciation and amortization	149.7	154.1	-2.9
Ebitda	**884.4**	**792.7**	**11.6**
(+) Equity loss	1.1	0.0	0.0
Adjusted Ebitda	**885.5**	**792.7**	**11.7**

Financial Result

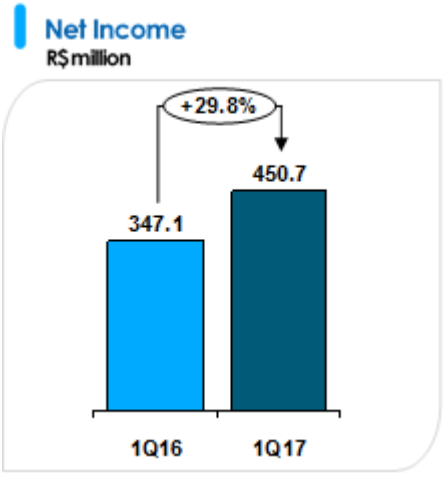
- **Financial income:** in 1Q17, revenue was R$ 62.9 million, that is, **R$ 62.0 million (49.6%) lower** than the R$ 124.9 million posted in 1Q16, largely a reflection of: (i) the reduction of R$ 23.5 million in income from financial investments due to a reduced volume of investible resources as well as the decline in interest rates; (ii) recognition in 1Q16 of R$ 37.2 million, of financial charges on receivables due to a ruling in the Company's favor with respect to a legal dispute with an electricity sector agent; and (iii) a decline of R$ 2.4 million in monetary restatement on court escrow deposits.
- **Financial expenses:** expenses in 1Q17 were R$ 134.6 million, or **R$ 118.5 million (46.8%) below** the R$ 253.1 million registered in 1Q16. The principal variations were: (i) a reduction of R$ 33.9 million in interest and monetary restatement on debt; (ii) recognition in 1Q16 of R$ 46.3 million in monetary restatement of amounts pending settlement through the CCEE due to preliminary injunctions issued for avoiding application of GSF effects; (iii) fall of R$ 34.0 million in monetary restatement on concessions payable; and (iv) a decrease of R$ 6.2 million in interest and monetary restatement of provisions and actuarial liabilities.

Income Tax and Social Contribution on Net Income

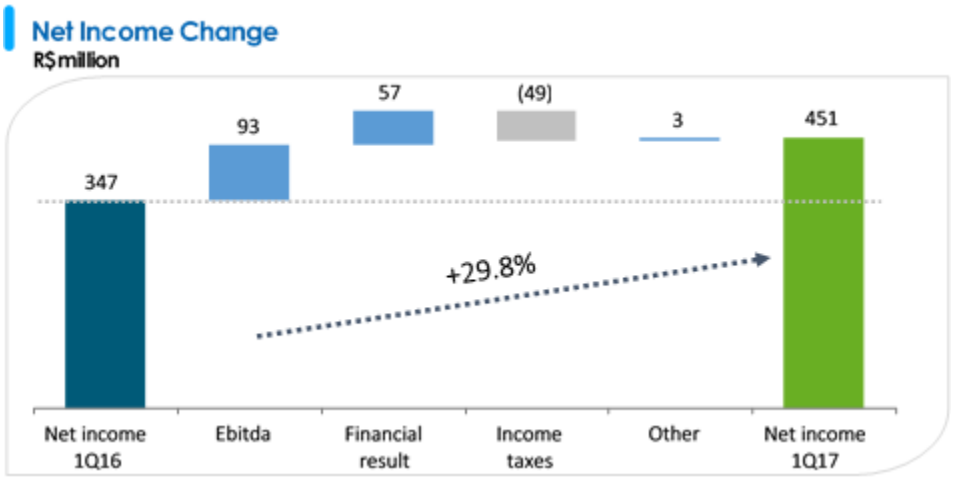
Income Tax and Social Contribution in 1Q17 amounted to R$ 212.3 million, R$ 49.0 million (30.0%) greater than the R$ 163.3 million for 1Q16, and a reflection, above all, of an increase in pre-tax profits.

Net Income

Net income for 1Q17 was R$ 450.7 million, R$ 103.6 million **(29.8%)**, **greater** than the R$ 347.1 million reported in 1Q16.



The increase reflects the following combination: (i) growth of R$ 92.8 million in Ebitda; (ii) reduction of R$ 56.5 million in net financial expenses; (iii) an increase of R$ 49.0 million in income tax and social contribution; (iv) a reduction of R$ 4.4 million in depreciation and amortization overheads; and (v) an expense of R$ 1.1 million in the equity income account.



ENGIE BRASIL ENERGIA S.A.
CNPJ Nº 02.474.103/0001-19 | NIRE Nº 42 3 0002438-4
NOTES TO THE QUARTERLY INFORMATION
AS OF MARCH 31, 2017
(In thousands of Reais or other currencies, unless otherwise indicated)

NOTE 1 – OPERATIONS

ENGIE Brasil Energia S.A. ("Company" or "ENGIE Brasil Energia" or "EBE") is an independent utility concessionaire and a publicly held corporation with its registered headquarters in the municipality of Florianópolis, Santa Catarina state, Brazil. The core business and main operating activity of the Company and its subsidiaries is the generation and sale of electrical energy, regulated by the Brazilian Electricity Regulatory Agency (Aneel), which is linked to the Ministry of Mines and Energy (MME).

The shares of the Company are listed in the New Market segment of BM&FBOVESPA under the ticker EGIE3. ENGIE Brasil Energia also trades Level 1 American Depositary Receipts (ADR) in the U.S. Over-the-Counter market under the ticker EGIEY, in the proportion of one ADR for each common share.

The Company is controlled by ENGIE Brasil Participações Ltda. ("ENGIE Participações"), a company established in Brazil and controlled by International Power S.A., headquartered in Belgium. International Power is a subsidiary of International Power Ltd., a company headquartered in the United Kingdom, which is part of the economic group ENGIE group, headquartered in France.

The ENGIE group is the largest private energy generator in Brazil's electric power industry, accounting for approximately 6.2%[1] [2] of the country's installed capacity. At 3.31.2017, its installed capacity, including its stakes in energy generation consortiums, is 7,039.8 MW. Out of this total, 79.0% arises from hydroelectric power plants, 14.9% from thermoelectric power plants and 6.1% from complementary energy (Small Hydroelectric Power Plants – SHPP, wind farms, biomass and solar power plants). At 3.31.2017, assured energy for sale averaged 3,882.5 MW.

The Company's generation facilities in operation consist of thirty plants, of which nine hydroelectric power plants, seven thermoelectric power plants (three coal, three biomass and one natural gas plant), three SHPP, ten wind farms and one photovoltaic solar power plant[3].

The main corporate and operational events occurred in the first quarter of 2017 are summarized as follows:

[1] Information based on data verified on reference date 12.31.2016.

[2] The non-financial information contained in this Quarterly Information, such as MW, average MW, installed capacity and others, are not reviewed by the independent auditors.

[3] On 12.23.2016, the Company's Board of Directors approved the sale of shareholding interest held by the Company and its subsidiary ENGIE Brasil Energias Complementares Participações Ltda. ("ECP") in wind power plants Beberibe and Pedra do Sal and in SHPP Areia Branca, which account for 63.4 MW of the installed capacity and 23.96 MWa of the Company's commercial capacity. A conclusão da operação está sujeita ao atendimento de determinadas condições precedentes previstas no contrato de compra e venda de ações.

a) Start-up of the wind farms Cacimbas and Estrela

On 01.06.2017, Aneel authorized the commercial startup of the last four generation units at the Cacimbas wind farm, and on 03.17.2017 it authorized the commercial start-up of all generation units at the Estrela wind farm, which increased the Company's installed capacity by 40.5 MW and its commercial capacity by 19.8 MW average. The wind farms are located in Trairi, state of Ceará and are part of the Santa Mônica Wind Complex.

b) Payment of interest on equity for fiscal year 2016

Interest on equity for fiscal year 2016 was paid on 2.01.2017. The gross amount credited was R$ 432,500, corresponding to R$ 0.6625893121 per share.

c) Prospecting potential buyers for coal-based energy generation assets

On 2.15.2017, the Company announced to its shareholders and the market that it engaged Banco Morgan Stanley S.A. to provide non-binding financial advisory services in a market study to identify possible buyers for its coal-based energy generation assets: (i) Jorge Lacerda Thermal Power Complex – with installed capacity of 857 MW; and (ii) Pampa Sul Thermal Power Plant – plant under construction, which will have installed capacity of 340 MW and whose commercial startup is scheduled for end-2018.

The potential Operation is in line with ENGIE's decarbonization strategy around the world, focused on low carbon emission activities, such as generation of renewable energy, natural gas and infrastructure.

d) Conclusion of modernization works at the Salto Santiago Hydroelectric Power Plant

On 03.25.2017, modernization works at the Salto Santiago Hydroelectric Power Plant, which were begun in late 2012, were concluded. Investment in the modernization project, which focused on improving output by installing new turbine rotors in the generation units, came to approximately R$400 million.

NOTE 2 – PRESENTATION OF QUARTERLY FINANCIAL INFORMATION

a) Preparation basis

The Company's quarterly information was prepared in compliance with Accounting Pronouncement CPC 21 – Interim Statements and with the Consolidated quarterly information presented simultaneously, in accordance with the international standard IAS 34 – Interim Financial Reporting and with CPC 21.

The Brazilian accounting standards are convergent with the international standards (IFRS), except for the recording, in the parent company's balance sheet, of the controlling interest in the joint venture in Itá Energética S.A. which, under Brazilian rules, is recognized by the equity method, while according to IFRS, by the rules applicable to joint ventures, it is stipulated that assets, liabilities and profit or loss be recognized in proportion to its share in the joint venture. There is no difference between shareholders' equity and parent company and consolidated results included, respectively, in the individual and consolidated quarterly information.

The quarterly information was also prepared in accordance with the rules established by the Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of Quarterly Information (ITR), using amortized historical cost as base value, excluding fair value assessment of certain financial instruments, when required by the rules.

In the quarterly information elaboration it is necessary that the Company´s management rely on estimates when recording certain transactions that affect its assets and liabilities, revenues and expenses.

The content and values of certain explanatory notes presented in the financial statements for the year ended on 12.31.2016, which did not require significant updates, have not been repeated in the notes selected for the quarterly information of 3.31.2017. Therefore, these financial statements should be read together.

The accounting practices and calculation methods adopted in the preparation of quarterly information of 3.31.2017, as well as the main judgments and uncertainties in the estimates used in applying accounting practices are the same as those used in the preparation of the financial statements for the year ended on 12.31.2016.

a) EmpresasNet System

It is worth noting that the table "Statement of Changes in Shareholders' Equity" of CVM's "EmpresasNet" System, the Adjustment to fair value of property, plant and equipment mentioned in "Other Comprehensive Income", is presented in the column as such, since there is no more appropriate option in the standard CVM statement for the presentation of said transactions.

b) Approval of the quarterly information

The quarterly information as herein presented have been approved by the Board of Directors in a meeting held on 4.25.2017.

NOTE 3 – CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	3.31.2017	12.31.2016	3.31.2017	12.31.2016
Cash and bank deposits	**802**	**1,418**	**24,040**	**12,007**
Marketable securities:				
Exclusive investment fund – Citibank				
Repurchase transactions backed by federal bonds	916,752	1,173,841	1,822,293	1,793,540
Other marketable securities	84	-	4,989	9,793
	916,836	**1,173,841**	**1,827,282**	**1,803,333**
	917,638	**1,175,259**	**1,851,322**	**1,815,340**

NOTE 4 – TRADE ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	3.31.2017	12.31.2016	3.31.2017	12.31.2016
Distributors	249,837	286,312	304,308	386,139
Traders	165,804	153,436	43,969	21,384
Free Consumers	23,674	24,802	363,465	329,956
Transactions within the CCEE[4]	58,793	46,978	103,061	93,069
Estimated losses with doubtful accounts	(6,180)	(6,180)	(6,469)	(6,469)
	491,928	**505,348**	**808,334**	**824,079**

The average term for receiving amounts relative to electrical energy sale invoices is approximately 30 days, as from the first day of month subsequent to the sale.

The breakdown of overdue accounts receivable recorded under current assets is as follows:

	Parent Company		Consolidated	
	3.31.2017	12.31.2016	3.31.2017	12.31.2016
Overdue up to 30 days	-	431	24	1,153
Overdue more than 30 days	6,180	10,047	7,714	12,332
	6,180	**10,478**	**7,738**	**13,485**

The Company accrued allowance for doubtful accounts on overdue accounts receivable, for which the risk of recovery is deemed as probable.

In addition to the provisions mentioned above, the Company has amounts receivable from transactions conducted in the Wholesale Electricity Market (MAE), currently CCEE, between 2000 and 2002, for which it maintains full allowance for doubtful accounts. The nature and amounts of these transactions are:

(i) R$110,598 – corresponds to credits from transactions made within the MAE between September 2000 and September 2002, which were not received due to certain debtor agents having taken Court action, disagreeing with the interpretation given by that organization, in relation to the provisions of the General Agreement of the Electrical Segment. The provision was established due to doubts in relation to the receipt of the values regarding the aforementioned transactions.

(ii) R$12,388 – refers, substantially, to debts by defaulting agents in the first financial settlement made by MAE, on 12.30.2002, regarding the transactions made within the scope of that market. Such amounts are being the objects of bilateral negotiations for a long time. However, due to uncertainties regarding payment, the Company has set some cash aside as allowance for doubtful accounts, regardless of any legal action applicable to the case.

[4] Electric Energy Commercialization Chamber

NOTE 5 – FUEL REIMBURSABLE

	Parent Company and Consolidated	
Periods	**3.31.2017**	**12.31.2016**
December	-	49,472
February	57,793	-
March	54,860	-
	112,653	**49,472**

This item records amounts receivable related to the reimbursement of fuel purchased for consumption by the Company's thermal power plants. These purchases are paid using funds from the Energy Development Account (CDE), whose aim, among other things, is to ensure competitiveness of the energy produced from domestic charcoal. Reimbursement usually takes place after the presentation of the proof of payments to fuel suppliers.

As of 2016, in accordance with Aneel's new resolution, the percentage of reimbursement of mineral coal purchased using funds from the Energy Development Account (CDE) is now linked to the energy efficiency of the generating unit. Consequently, the Company expects to reduce reimbursement by approximately 12.8% for purchases carried out by the Jorge Lacerda complex. Such reduction should take effect after the definitive measurement expected to occur during 2017. The estimated reimbursement amount of R$ 109,322 (R$ 87,364 on 12.31.2016) was recorded under "Other current liabilities."

NOTE 6 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	3.31.2017	**12.31.2016**	**3.31.2017**	**12.31.2016**
Financing guarantees	8,655	8,406	192,998	180,183
Reinvestment deposits	9,723	2,420	9,724	2,420
Contractual commitments guarantees	-	-	6,435	6,264
Other	297	159	5,934	5,661
	18,675	**10,985**	**215,091**	**194,528**
Classification in the balance sheet				
Current assets	9,791	2,485	16,237	8,760
Non-current assets	8,884	8,500	198,854	185,768
	18,675	**10,985**	**215,091**	**194,528**

Guarantees for loans are constituted for the amount equivalent to three months of debt service and contractual operating and maintenance expenses for plants that hire third-party services to perform these activities. These restricted deposits are aimed at ensuring the payment of debt with BNDES and onlending banks.

NOTE 7 – NON-CURRENT ASSETS HELD FOR SALE

The main categories of assets and liabilities held for sale are detailed below:

	Parent Company	Consolidated
	3.31.2017 and 12.31.2016	3.31.2017 and 12.31.2016
Property, plant and equipment	10,922	10,922
Investments		
Assets	-	408,681
Related liabilities	-	(159,496)
Net assets	**-**	**249,185**
	10,922	**260,107**
Classification in the balance sheet		
Assets	10,922	419,603
Liabilities[5]	-	(159,496)
	10,922	**260,107**

a) Held-for-sale investments

Refers to investments in the special purpose entities (SPE) Beberibe, Pedra do Sal and Areia Branca, the sale of which was approved by the Company's Board of Directors in a meeting held on 12.23.2016. The conclusion of said sale is subject to meeting certain conditions precedent provided for in the sale agreement, including prior approval from Brazil's antitrust agency CADE, BNDES and Aneel. The Company Management expects the sale to be concluded by the third quarter of 2017.

The value of SPEs, before possible and usual price adjustments, was established at R$ 391,768, of which R$ 85,418 refer to its estimated net debt. Held-for-sale assets, net of related liabilities, are measured at book value, below the fair value of sale, net of estimated sale expenses.

NOTE 8 – INVESTMENTS

a) Breakdown

	Parent Company	
	3.31.2017	12.31.2016
Interest on subsidiaries:		
Measured at the equity method		
Equity in earnings of subsidiaries	4,838,352	4,368,111
"Goodwill" (Concession right)	69,334	70,170
Other	5,606	3,859
	4,913,292	**4,442,140**

[5] Shown in "Liabilities related to non-current assets held for sale".

b) Changes in investments evaluated through the equity method

	Balance at 12.31.2016	Capital increase	Equity in earnings of subsidiaries	Other comprehensive income	Balance at 12.31.2016
Itasa[6]	**254,655**	-	2,283	-	**256,938**
CEE[7]	**1,100,780**	-	27,377	-	**1,128,157**
Lages[8]	**42,985**	-	4,973	-	**47,958**
EBC[9]	**136,806**	-	52,619	-	**189,425**
ECP	**1,989,942**	145,112	33,751	9,123	**2,177,928**
Pampa[10]	**833,924**	193,570	15,979	(15,283)	**1,028,190**
ECV[11]	**4,403**	-	88	-	**4,491**
ENGIE Solar[12]	**1,027**	1,747	(1,098)	-	**1,676**
Norte Catarinense[13]	**3,589**	-	-	-	**3,589**
	4,368,111	**340,429**	**135,972**	**(6,160)**	**4,838,352**

b.1) Information on the main subsidiaries

	Itasa	CEE	Lages	EBC	ECP	Pampa
Interest (%)	**48.75**	**99.99**	**99.99**	**99.99**	**99.99**	**99.99**
12.31.2016						
Assets	579,169	2,508,064	65,444	519,115	2,612,701	821,633
Adjusted shareholders' Equity	522,369	1,100,780	42,985	136,806	1,993,109	833,924
3.31.2017						
Assets	561,803	2,508,656	70,984	574,282	3,009,641	1,006,967
Adjusted shareholders' Equity	527,052	1,128,157	47,958	189,425	2,181,377	1,028,190
1Q17						
Net revenue	40,878	114,960	13,773	858,135	51,249	-
Adjusted net income	4,683	27,377	4,973	52,619	34,033	15,979

Non-controlling interest

The non-controlling interest of Ibitiúva in the shareholders' equity and the net income of ECP presented above is R$3,449 and R$282, respectively.

6 Itá Energética S.A., joint venture.
7 Companhia Energética Estreito.
8 Lages Bioenergética S.A.
9 ENGIE Brasil Energia Comercializadora Ltda.
10 Usina Termelétrica Pampa Sul S.A.
11 ENGIE Comercializadora Varejista de Energia Ltda.
12 ENGIE Geração Solar Distribuída S.A., joint venture.
13 Usina Termelétrica Norte Catarinense Ltda.

Capitalized interests

ENGIE Brasil Energia took out loans and issued debentures to finance the construction of the Pampa Sul Thermal Power Plant, the Campo Largo and Santa Mônica Wind Power Complexes and the Assú V Photovoltaic Power Plant. Interest on the loans and debentures contracted by ENGIE Brasil Energia to invest in the construction of these subsidiaries' plants was capitalized as construction assets in the consolidated financial statements and recognized using the equity method in the parent company's financial statements. In the first quarter of 2017, R$5,413 was capitalized in ECP and R$15,904 in Pampa.

In the year up to 3.31.2017, the amounts capitalized in the same subsidiaries were R$ 55,462 and R$51,249, respectively. In the table above, "Adjusted shareholders' equity" and "Adjusted net income for the year" include the items described above.

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent Company			
		3.31.2017			12.31.2016
	Average rate of depreciation	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.8%	5,086,548	(2,917,685)	2,168,863	2,203,596
Buildings and improvements	3.1%	1,467,475	(913,263)	554,212	564,765
Machinery and equipment	4.3%	6,406,765	(4,255,689)	2,151,076	2,204,840
Furniture and fixtures	6.3%	9,767	(5,539)	4,228	4,351
Vehicles	14.3%	3,069	(2,134)	935	993
Special obligations		(12,192)	-	(12,192)	(12,238)
		12,961,432	**(8,094,310)**	**4,867,122**	**4,966,307**
In progress					
Reservoirs, dams and ducts		1,388	-	1,388	1,380
Buildings and improvements		8,764	-	8,764	7,991
Machinery and equipment		276,161	-	276,161	248,420
Advances to suppliers		24,454	-	24,454	24,192
Acquisitions to be apportioned		30,978	-	30,978	28,282
		341,745	**-**	**341,745**	**310,265**
		13,303,177	**(8,094,310)**	**5,208,867**	**5,276,572**

		Consolidated			
		3.31.2017			12.31.2016
	Average rate of depreciation	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	3.1%	7,067,468	(3,379,011)	3,688,457	3,741,964
Buildings and improvements	3.2%	1,771,412	(1,012,494)	758,918	768,052
Machinery and equipment	4.4%	8,982,353	(4,820,911)	4,161,442	4,044,356
Furniture and fixtures	6.3%	10,493	(5,806)	4,687	4,786
Vehicles	14.3%	4,451	(3,006)	1,445	1,517
Special obligations		(12,316)	-	(12,316)	(12,362)
		17,823,861	**(9,221,228)**	**8,602,633**	**8,548,313**
In progress					
Reservoirs, dams and ducts		91,332	-	91,332	74,415
Buildings and improvements		122,666	-	122,666	90,673
Machinery and equipment		600,796	-	600,796	469,269
Advances to suppliers		736,719	-	736,719	743,344
Acquisitions to be apportioned		328,849	-	328,849	268,884
		1,880,362	**-**	**1,880,362**	**1,646,585**
		19,704,223	**(9,221,228)**	**10,482,995**	**10,194,898**

b) Changes in property, plant and equipment

	Parent Company						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2016	**2,203,596**	**564,765**	**2,204,840**	**5,344**	**310,265**	**(12,238)**	**5,276,572**
Additions	-	-	-	-	28,982	-	28,982
Capitalized interest and monetary variation	-	-	-	-	2,189	-	2,189
Transfers	(502)	(182)	343	(14)	309	46	-
Write-offs	-	-	(3)	-	-	-	(3)
Depreciation	(34,231)	(10,371)	(54,104)	(167)	-	-	(98,873)
Balance at 3.31.2017	**2,168,863**	**554,212**	**2,151,076**	**5,163**	**341,745**	**(12,192)**	**5,208,867**

	Consolidated						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2016	**3,741,964**	**768,052**	**4,044,356**	**6,303**	**1,646,585**	**(12,362)**	**10,194,898**
Additions	-	-	-	-	411,023	-	411,023
Capitalized interest and monetary variation	-	-	-	-	34,861	-	34,861
Transfers	(284)	4,080	208,216	49	(212,107)	46	-
Write-offs	-	-	(11,003)	-	-	-	(11,003)
Depreciation	(53,223)	(13,214)	(80,127)	(220)	-	-	(146,784)
Balance at 3.31.2017	**3,688,457**	**758,918**	**4,161,442**	**6,132**	**1,880,362**	**(12,316)**	**10,482,995**

NOTE 10 – INTANGIBLE ASSETS

a) Breakdown

		Parent Company			
		3.31.2017			12.31.2016
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Right to use	Until 2034	59,443	(38,653)	**20,790**	**20,838**

		Consolidated			
		3.31.2017			12.31.2016
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Right to use assets	Until 2037	79,512	(40,353)	39,159	39,054
Energy purchase right	Until 2023	64,561	(25,594)	38,967	40,471
Rights over Trairí Project	Until 2041	12,668	(1,875)	10,793	10,939
Rights over Santa Mônica Project	Until 2045	6,565	(41)	6,524	6,565
Rights over Campo Largo Project	-	81,392	-	81,392	81,392
Rights over Santo Agostinho Project	-	58,899	-	58,899	58,899
Rights over Assú Project	-	15,194	-	15,194	15,194
		318,791	**(67,863)**	**250,928**	**252,514**

Rights over the abovementioned projects arise from the fair value of the basic environmental projects, the certification of power generation, wind measurements, preliminary environmental licenses and leasing agreements acquired jointly with the companies. The amortization of these rights will start after the wind farms start to operate commercially and will be recognized through the straight-line method over the term of the authorization for use of the assets.

b) Changes in intangible assets

	Parent Company	Consolidated
Balance at 12.31.2016	**20,838**	**252,514**
Addition	1,190	1,360
Amortization	(1,238)	(2,946)
Balance at 3.31.2017	**20,790**	**250,928**

NOTE 11 – SUPPLIERS

	Parent Company		Consolidated	
	3.31.2017	12.31.2016	3.31.2017	12.31.2016
Electrical energy purchased	43,577	47,514	125,786	146,998
Transactions in the short-term market	22,036	11,071	31,020	17,586
Fossil fuels and biomass	56,461	48,371	57,459	49,545
Charges for the use of the power grid	34,336	34,624	41,705	41,966
Suppliers of materials and services	28,948	46,837	42,126	61,107
Suppliers of property, plant and equipment	27,509	23,360	93,908	53,947
	212,867	**211,777**	**392,004**	**371,149**

NOTE 12 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	3.31.2017			12.31.2016		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	73,075	223,644	296,719	73,033	240,842	313,875
Banks (BNDES onlending)	35,771	199,319	235,090	35,655	207,585	243,240
Nordic Investment Bank (NIB)	26,261	124,759	151,020	25,958	129,807	155,765
Financial charges	2,968	-	2,968	3,113	-	3,113
Loans and financing	**138,075**	**547,722**	**685,797**	**137,759**	**578,234**	**715,993**

	Consolidated					
	3.31.2017			12.31.2016		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	182,938	1,387,509	1,570,447	168,221	1,184,886	1,353,107
Banks (BNDES onlending)	74,505	629,269	703,774	77,045	686,388	763,433
Nordic Investment Bank (NIB)	26,261	124,759	151,020	25,958	129,807	155,765
Banco do Brasil	2,313	-	2,313	3,305	-	3,305
Financial charges	10,184	-	10,184	8,667	-	8,667
	296,201	**2,141,537**	**2,437,738**	**283,196**	**2,001,081**	**2,284,277**

b) Changes in loans and financings

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2016	**137,759**	**578,234**	**715,993**	**283,196**	**2,001,081**	**2,284,277**
Additions	-	-	-	10,196	201,275	211,471
Interest income (expense)	11,893	-	11,893	28,924	-	28,924
Monetary variation gain (loss)	669	2,933	3,602	1,173	8,166	9,339
Capitalized interest and monetary variation	871	-	871	16,584	-	16,584
Transfers	33,445	(33,445)	-	68,985	(68,985)	-
Principal amortization	(33,782)	-	(33,782)	(69,005)	-	(69,005)
Interest payment	(12,780)	-	(12,780)	(43,852)	-	(43,852)
Balance at 3.31.2017	**138,075**	**547,722**	**685,797**	**296,201**	**2,141,537**	**2,437,738**

The Company signed a contract with BNDES for R$353,515 to finance the construction of the Santa Mônica Wind Power Complex. Of the total amount, R$351,715 will carry interest equivalent to TJLP + 2.18% p.a. and monthly amortizations from June 2017 to May 2033; and R$ 1,800 will carry interest equivalent to TJLP and monthly amortizations from January 2018 to May 2033. On 02.22.2017, BNDES released a part of the funds amounting to R$ 211,471.

c) Maturity of loans and financing under non-current liabilities

	Parent Company	Consolidated
Abril to December 2018	101,331	211,397
2019	135,107	279,787
2020	111,472	252,303
2021	78,382	212,412
2022	78,399	209,031
2023 to 2027	43,031	696,191
2028 to 2033	-	280,416
Loans and financing	**547,722**	**2,141,537**

d) Contract commitments (covenants)

Debt	Covenants
Parent company	
Nordic Investment Bank	Parent company: Total debt / EBITDA ≤ 3.5 Consolidated: Total debt / EBITDA ≤ 4.5 Parent company and Consolidated: EBITDA / financial expenses ≥ 2.0
BNDES – Modernization	Net Debt of the parent company/EBITDA ≤ 3.5
BNDES and Banks (BNDES onlending) – Usina São Salvador	Consolidated gross debt/EBITDA ≤ 4.5
Subsidiaries	
BNDES and Banks (BNDES onlending)	Debt service coverage ratio[14] ≥ 1.2 or 1.3, depending on the subsidiary
BNDES Expansion	Net Debt/EBITDA ≤ 3.5
BNDES - Ibitiúva	Total debt ratio ≤ 0.80 Debt service coverage ratio ≥ 1.3

The financial commitments established in the loan and financing agreements are being fulfilled by the Company.

NOTE 13 – DEBENTURES

a) Changes in debentures

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2016	**16,547**	**787,908**	**804,455**	**16,547**	**787,908**	**804,455**
Interest income (expense)	12,347	-	12,347	2,331	-	2,331
Monetary variation gain (loss)	249	8,316	8,565	249	1,373	1,622
Capitalized interest and monetary variation	763	555	1,318	10,779	7,498	18,277
Transfers	(482)	482	-	(482)	482	-
Balance at 3.31.2017	**29,424**	**797,261**	**826,685**	**29,424**	**797,261**	**826,685**

b) Main conditions contracted

			Payment Conditions		
	Quantity	Remuneration	Charges	Principal	Guarantee
5th Issuance - single series	165,000	IPCA + 6.3% p.a.	Annually in December	3 annual installments as of 12.2022	Without guarantee
6th Issuance – Series 1	246,600	IPCA + 6.2621% p.a.	Annually in July	3 annual installments as of 7.2021	Without guarantee
6th Issuance – Series 2	353,400	IPCA + 6.2515% p.a.	Annually in July	3 annual installments as of 7.2024	Without guarantee

[14] Debt service coverage rate: Activity cash generation/ Debt service

c) Contractual covenants

Debt	Covenants
5th and 6th Issuances - single series	EBITDA/consolidated financial expenses ≥ 2.0 Consolidated gross debt/EBITDA ≤ 4.5

The covenants are being fully complied with by the Company.

NOTE 14 – CONCESSIONS PAYABLE

a) Breakdown

	Parent Company		Consolidated	
	3.31.2017	12.31.2016	3.31.2017	12.31.2016
Cana Brava Hydroelectric Power Plant	982,370	950,283	982,370	950,283
Ponte de Pedra Hydroelectric Power Plant	839,182	814,472	839,182	814,472
São Salvador Hydroelectric Power Plant	532,285	530,211	532,285	530,211
Estreito Hydroelectric Power Plant	-	-	52,630	52,410
	2,353,837	**2,294,966**	**2,406,467**	**2,347,376**
Classification in the balance sheet				
Current liabilities	60,368	59,907	65,912	65,408
Non-current liabilities	2,293,469	2,235,059	2,340,555	2,281,968
	2,353,837	**2,294,966**	**2,406,467**	**2,347,376**

b) Changes in concessions payable

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2016	**59,907**	**2,235,059**	**2,294,966**	**65,408**	**2,281,968**	**2,347,376**
Interest	-	51,674	51,674	-	52,917	52,917
Monetary variations	-	22,758	22,758	-	23,181	23,181
Transfers	16,022	(16,022)	-	17,511	(17,511)	-
Amortizations	(15,561)	-	(15,561)	(17,007)	-	(17,007)
Balance at 3.31.2017	**60,368**	**2,293,469**	**2,353,837**	**65,912**	**2,340,555**	**2,406,467**

c) Maturities of concessions payable disclosed in non-current liabilities

	Parent Company	Consolidated
April to December 2018	41,695	45,523
2019	64,015	68,711
2020	106,488	110,756
2021	129,567	133,448
2022	119,057	122,584
2023 to 2027	1,000,256	1,013,625
2028 to 2032	692,505	700,803
2033 to 2037	139,886	145,105
	2,293,469	**2,340,555**

NOTE 15 – RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

In order to conduct more efficiently risk evaluation and monitoring process in its business, the Company has the Risk Management Committee, which is responsible for: (i) internally promote the awareness on risk treatment; (ii) define goals and guidelines for its management; (iii) promote and suggest improvements in its evaluation processes; and (iv) classify and define control procedures.

In the first quarter of 2017, there were no changes in risks the Company is exposed to or in the management and measurement of these risks.

a) Cash flow hedge

Unrealized gains (losses) with cash flow hedge operations are as follows:

	Consolidated	
	3.31.2017	12.31.2016
Long position	-	3,455
Short position	(12,833)	(21,846)
Net position	**(12,833)**	**(18,391)**
Classification in the balance sheet		
Current assets	-	1,490
Non-current assets	-	1,965
Current liabilities[15]	(10,645)	(21,846)
Non-current liabilities[16]	(2,188)	-
	(12,833)	**(18,391)**

As at 3.31.2017, the Company maintains a Non-Deliverable Forward (NDF) operation to hedge all of its future foreign-denominated payments arising from contractual commitments related to the construction of the coal-fired Pampa Sul Thermal Power Plant and of the Assú Photovoltaic Power Plant. The NDFs used to hedge the commitments assumed by the Assú V Photovoltaic Solar Power Plant were contracted by ENGIE Brasil Energia – the indirect parent company – and fully transferred to the subsidiary.

These NDF operations are contracted 82.5% from Bradesco, 9.1% from Citibank, 5.8% from Itaú and 2.6% from Santander, and mature up to December 2018.

At 3.31.2017, unrealized losses with NDF totaled a liability of R$ 12,833 (R$ 21,846 at 12.31.2016). The corresponding entry for this unrealized loss is recognized directly to shareholders' equity under "Other comprehensive income (loss)", net of deferred income and social contribution taxes, in the amount of R$ 8,470. In addition, an amount of R$ 8,600 was recognized under "Other comprehensive income," relating to the gains realized from NDF contracted again due to the revision of the supplier payment flow. Unrealized gains, net of impacts from deferred income and social contribution taxes, incurred in the first quarter of 2017, were R$ 3,668 and are recorded in the "Statement of comprehensive income."

[15] Presented under "Other current liabilities"
[16] Presented under "Other non-current liabilities"

b) Sensitivity analysis of the exposure to risks related to interest rates and floating rates

In compliance with CVM Instruction no. 475/08 and its subsequent amendments, and for reference purposes, the Company prepared a sensitivity analysis on its loans, financing, debentures and concessions payable exposed to interest rate variation risks and floating rate risks.

The probable basic scenario for 3.31.2018 was defined using the following assumptions available in the market (Source: Central Bank of Brazil Market Readout).

	Change	Probable Scenario	Sensitivity		
Variation of interest rates and indices:	**3.31.2017**	**3.31.2018**	**Probable**	**Δ + 25% (*)**	**Δ + 50% (*)**
TJLP	7.5% p.a.	7.5% p.a.	0.0 p.p.	1.9 p.p.	3.8 p.p.
IPCA	4.6% p.a.	4.6% p.a.	0.0 p.p.	1.1 p.p.	2.3 p.p.
IGP-M	7.2% p.a.	4.8% p.a.	-2.4 p.p.	1.2 p.p.	2.4 p.p.

(*) Variations on probable scenario for 2017.

The probable sensitivity was calculated based on the variation of indices in the last twelve months recorded on 3.31.2017 and those expected for the next twelve months ending on 3.31.2018. The other sensitivities shown were calculated based on the variation of 25% and 50% on the probable scenario for the next twelve months ending on 3.31.2018. Variations that could be caused on the consolidated financial result of the Company in the next twelve months compared to the last twelve months if the scenarios materialize are the following:

	Balance at	Sensitivity		
	3.31.2017	**Probable**	**Δ + 25%**	**Δ + 50%**
Loans and financing				
TJLP	2,253,639	-	(42,956)	(86,599)
IPCA	152,032	-	(1,580)	(3,159)
		-	**(44,536)**	**(89,758)**
Debentures				
IPCA	826,685	**-**	**(9,787)**	**(19,573)**
Concessions payable				
IGP-M	1,821,551	40,357	(21,106)	(42,213)
IPCA	584,916	-	(6,564)	(13,128)
		40,357	**(27,670)**	**(55,341)**
Total		**40,357**	**(81,993)**	**(164,672)**

c) Category and fair value of financial instruments

	Parent Company		Consolidated	
	3.31.2017	12.31.2016	3.31.2017	12.31.2016
Financial assets				
Measured at fair value through profit or loss				
Marketable securities	916,836	1,173,841	1,827,282	1,803,333
Restricted deposits	18,675	10,985	215,091	194,528
Receivables and loans				
Cash and bank deposits	802	1,418	24,040	12,007
Trade accounts receivable	491,928	505,348	808,334	824,079
Fuel reimbursable	112,653	49,472	112,653	49,472
Hedge operations				
Cash flow hedge on obligations	-	-	-	3,455
	1,540,894	**1,741,064**	**2,987,400**	**2,886,874**
Financial liabilities				
Financial liabilities assessed at amortized cost:				
Suppliers	212,867	211,777	392,004	371,149
Loans and financing	685,797	715,993	2,437,738	2,284,277
Debentures	826,685	804,455	826,685	804,455
Concessions payable	2,353,837	2,294,966	2,406,467	2,347,376
Liabilities linked to investment acquisition [17]	-	-	32,454	43,068
Hedge operations				
Cash flow hedge on obligations	-	-	12,833	21,846
	4,079,186	**4,027,191**	**6,108,181**	**5,872,171**

Financial assets and liabilities measured at fair value through profit or loss are assessed based on the market prices in active markets (Level 1), excluding Loans and Financing and hedge operations, which are assessed based on observable data (Level 2).

d) Market value of financial instruments

In operations involving financial instruments, differences were identified only between amounts presented in the balance sheet and their market values, in loans and financing, debentures and concessions payable. These differences occurred mainly because these instruments have long-term settlements and different costs in relation to interest rates currently used for similar contracts. The market values were determined based on future cash flows discounted to present value at rates considered as adequate for operations with similar characteristics.

	Parent Company			
	3.31.2017		12.31.2016	
	Book	Market	Book	Market
Loans and financing in local currency	685,797	690,398	715,993	728,513
Debentures	826,685	907,815	804,455	841,565
Concessions payable	2,353,837	2,962,918	2,294,966	2,901,915
	3,866,319	**4,561,131**	**3,815,414**	**4,471,993**

	Consolidated	
	3.31.2017	12.31.2016

[17] Presented under "Other current liabilities" and "Other non-current liabilities"

	Book	Market	Book	Market
Loans and financing in local currency	2,437,738	2,598,090	2,284,277	2,450,271
Debentures	826,685	907,815	804,455	841,565
Concessions payable	2,406,467	3,029,018	2,347,376	2,967,320
	5,670,890	**6,534,923**	**5,436,108**	**6,259,156**

NOTE 16 – PROVISIONS

Provisions are recognized by the Company in amounts considered sufficient to settle the respective liabilities, when according to the legal counsels and Management, they involve probable risk of future disbursement.

a) Breakdown

	Parent Company		Consolidated	
	3.31.2017	12.31.2016	3.31.2017	12.31.2016
Civil				
Fuel purchase	214,501	209,960	214,501	209,960
Expropriations and administrative servitude	32,488	31,817	32,488	31,817
Retirement benefits	17,742	17,425	17,742	17,425
Environmental	10,358	10,170	10,358	10,170
Sundry lawsuits	15,140	14,916	22,249	20,138
	290,229	**284,288**	**297,338**	**289,510**
Tax	**6,487**	**6,929**	**6,716**	**7,270**
Labor	**10,580**	**10,806**	**10,627**	**10,948**
Divestment of generation assets	**17,516**	**19,379**	**17,516**	**19,379**
	324,812	**321,402**	**332,197**	**327,107**
Classification in the balance sheet				
Current liabilities	33,410	34,020	34,390	35,001
Non-current liabilities	291,402	287,382	297,807	292,106
	324,812	**321,402**	**332,197**	**327,107**

In 1Q17, there were no significant changes related to liabilities assessed as probable loss.

The main provision assessed as probable loss is related to a legal dispute with a fuel supplier resulting from the controversy regarding the application of the laws in force to define the price of fuel. The Company adopted a conservative stance and classified the lawsuit as having a probable risk of loss, considering that: (i) the claim is still in its initial stages of discussion, (ii) the award of the claim has not yet been judged in lower courts, and (iii) there is no previous jurisprudence for similar claims. The provisioned amount corresponds to the expected net disbursement of funds by the Company in the event of an adverse outcome in said legal dispute.

b) Possible and remote risks

The Company is also a party to lawsuits that, in the opinion of the legal counsels and its Management, do not represent a probable risk of future disbursement, for which reason the amounts related to those lawsuits are not provisioned for.

	3.31.2017			12.31.2016		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Parent Company						
Tax	261,947	255,967	517,914	258,990	210,611	469,601
Civil	100,579	130,587	231,166	98,694	128,071	226,765
Labor	6,068	115,080	121,148	6,736	109,830	116,566
	368,594	**501,634**	**870,228**	**364,420**	**448,512**	**812,932**
Consolidated						
Tax	335,486	276,752	612,238	331,483	230,981	562,464
Civil	117,249	130,899	248,148	121,855	128,153	250,008
Labor	9,140	117,429	126,569	9,989	112,396	122,385
	461,875	**525,080**	**986,955**	**463,327**	**471,530**	**934,857**

NOTE 17 – RETIREMENT BENEFITS OBLIGATIONS

The Company offers complementary pension plans for its employees through PREVIG - Sociedade de Previdência Complementar. The foundation is a nonprofit closed pension entity, sponsored by the Company, as its Founder, and by other ENGIE companies in Brazil. The benefit plans managed by PREVIG are: Defined Contribution (CD) and Defined Benefit (BD), the latter closed for new adhesions.

The Company also sponsors the BD plan of ELOS, also closed for new adhesions. The participants in this plan are mainly retirees that were entitled to benefits until 12.23.1997, the date of spin-off of Eletrosul, as well as participants that opted for the proportional benefit deferred until that date, who did not migrate to PREVIG.

a) Breakdown of obligations with retirement benefits

	Parent Company and Consolidated					
	3.31.2017			12.31.2016		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	13,943	176,628	190,571	13,843	178,797	192,640
Current contributions and service costs	123	39	162	211	89	300
Uncontracted deficit	13,153	97,132	110,285	13,165	93,362	106,527
Recorded actuarial liability	**27,219**	**273,799**	**301,018**	**27,219**	**272,248**	**299,467**

b) Changes in retirement benefit obligations

	Plans				
	ELOS BD	PREVIG BD	PREVIG BSPS	GC[18]	Total
Liabilities recorded at 12.31.2016	**276,944**	**17,856**	**1,438**	**3,229**	**299,467**
Cost of current services	-	(7)	-	25	18
Contributions/payments	8	(78)	-	76	6
Net interest on net actuarial liabilities/assets	7,328	430	35	68	7,861
Payments of contracted obligations	(5,447)	(809)	(78)	-	(6,334)
Liabilities recorded at 3.31.2017	**278,833**	**17,392**	**1,395**	**3,398**	**301,018**

c) Expected settlement of contracted obligations in non-current liabilities

	ELOS	PREVIG	Total
April to December 2018	8,346	2,237	10,583
2019	11,964	3,084	15,048
2020	12,666	3,269	15,935
2021	13,410	3,466	16,876
2022	14,198	2,120	16,318
2023 to 2027	67,134	1,672	68,806
2028 to 2032	33,062	-	33,062
	160,780	**15,848**	**176,628**

[18] Confidentiality bonus.

NOTE 18 – DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES

Deferred income and social contribution tax assets and liabilities, are presented net, as follows:

a) Breakdown

	Parent Company				
	3.31.2017				12.31.2016
Description of credits	Calculation basis	IR	CS	Total	Total
Liabilities:					
Accelerated depreciation	691,102	172,776	62,199	234,975	223,602
Property, plant and equipment deemed cost (fair value)	650,965	162,741	58,587	221,328	226,058
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Capitalized financial charges	68,164	17,041	6,135	23,176	22,562
Adjustment to fair value in business combination	38,576	9,644	3,472	13,116	13,303
Other	3,586	897	323	1,220	1,143
		389,963	**140,387**	**530,350**	**523,203**
Assets:					
Civil, tax and labor provisions	299,395	74,849	26,946	101,795	99,523
Provision for asset impairment	152,000	38,001	13,680	51,681	53,417
Allowance for doubtful accounts	129,166	32,292	11,625	43,917	43,917
Retirement benefits obligations	110,401	27,600	9,936	37,536	36,306
Fair value adjustment in business combinations	108,111	27,028	9,730	36,758	36,603
Interest on property, plant and equipment in progress (RIC)	73,349	18,337	-	18,337	19,247
Other	57,077	14,268	5,137	19,405	20,078
		232,375	**77,054**	**309,429**	**309,091**
Net total		**157,588**	**63,333**	**220,921**	**214,112**

Description of credits	Consolidated				
	3.31.2017				12.31.2016
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Accelerated depreciation	857,711	214,427	77,195	291,622	277,274
Property, plant and equipment deemed cost (fair value)	650,965	162,741	58,587	221,328	226,058
Capitalized financial charges	229,848	57,462	20,687	78,149	66,553
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Adjustment to fair value in business combination	38,576	9,644	3,472	13,116	13,303
Unrealized hedge gains	-	-	-	-	1,175
Other	3,586	897	323	1,220	1,143
		472,035	**169,935**	**641,970**	**622,041**
Assets:					
Civil, tax and labor provisions	304,872	76,218	27,438	103,656	100,794
Provision for asset impairment	150,434	37,609	13,539	51,148	52,816
Allowance for doubtful accounts	131,304	32,826	11,817	44,643	44,643
Retirement benefits obligations	110,401	27,600	9,936	37,536	36,306
Fair value adjustment in business combinations	108,111	27,028	9,730	36,758	36,603
Interest on property, plant and equipment in progress (RIC)	73,349	18,337	-	18,337	19,247
Fair value adjustment of property, plant and equipment	36,739	9,185	3,307	12,492	12,791
Tax loss and negative basis	26,960	6,740	2,426	9,166	-
Realized gains in capitalized hedge operations	19,147	4,787	1,723	6,510	15,677
Other	72,814	18,189	6,568	24,757	28,524
		258,519	**86,484**	**345,003**	**347,401**
Net amount		**213,516**	**83,451**	**296,967**	**274,640**
Classification in the balance sheet					
Liabilities		238,884	92,601	331,485	311,331
Assets [19]		(25,368)	(9,150)	(34,518)	(36,691)
Total		**213,516**	**83,451**	**296,967**	**274,640**

b) Change in deferred income and social contribution taxes, net

	Parent Company	Consolidated
Balance at 12.31.2016	**214,112**	**274,640**
Taxes deferred in profit or loss	6,809	20,437
Taxes deferred in other comprehensive income	-	1,890
Balance at 3.31.2017	**220,921**	**296,967**

[19] Amount presented under "Other non-current assets"

c) Expected realization and required payments

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
April to December 2017	57,850	15,585	62,852	16,354
2018	137,126	55,490	149,019	56,515
2019	14,309	22,741	16,683	25,480
2020	12,061	23,211	13,374	25,960
2021	10,808	27,241	12,089	29,990
2022	9,179	31,942	10,444	38,231
2023 to 2027	28,328	150,470	34,202	181,913
2028 to 2032	21,363	98,646	27,936	130,091
After 2033	18,405	105,024	18,404	137,436
	309,429	**530,350**	**345,003**	**641,970**

NOTE 19 – SHAREHOLDERS' EQUITY

a) Authorized capital stock

The Company is authorized to increase its capital stock up to the limit of R$ 5,000,000, by resolution of Board of Directors, regardless of any amendment to its bylaws. Under the BM&FBOVESPA's New Market listing regulations, the Company cannot issue preferred shares or founder shares.

The Company has no treasury shares and did not perform any purchase and sale transactions involving shares of its own issuance in the periods ending 3.31.2017 and 12.31.2016.

b) Subscribed and paid-in capital

The Company's fully subscribed and paid-in capital on 3.31.2017 and 12.31.201 is R$2,829,056, represented by 652,742,192 registered common shares without par value.

The book value of the share in Reais, at 3.31.2017, is R$ 10.81 (R$ 10.13 for each share at 12.31.2016).

The Company's ownership structure at 3.31.2017 and 12.31.2016 was as follows:

Shareholders	% of capital
ENGIE Brasil Participações Ltda. ("ENGIE Participações")	68.71%
Banco Clássico S.A.	10.00%
Other shareholders	21.29%
	100.00%

As of 3.31.2017 and 12.31.2016, the number of Company shares held by its managers was 364,328 and 374,328 shares, respectively.

c) Other comprehensive income

The account records the following variations of the fair value, net of deferred income and social contribution taxes: (i) obligations with the retirement benefits of defined benefit plans sponsored by the Company; and (ii) cash flow hedges of future commitments in foreign currency signed by the Company's subsidiaries.

NOTE 20 – RECONCILIATION OF NET REVENUE

	Parent Company		Consolidated	
	3.31.2017	3.31.2016	3.31.2017	3.31.2016
GROSS OPERATING INCOME				
Electrical energy distributors	586,935	528,264	753,547	850,878
Electrical energy traders	490,868	590,451	128,285	95,362
Free consumers	64,780	69,624	844,870	795,456
Transactions in the short-term market	17,009	20,535	40,323	24,467
Other revenues	15,236	16,804	9,324	11,334
	1,174,828	**1,225,678**	**1,776,349**	**1,777,497**
DEDUCTIONS FROM OPERATING INCOME				
PIS and Cofins	(105,534)	(119,737)	(159,156)	(161,846)
ICMS	(2,061)	(2,204)	(2,061)	(2,204)
ISS	(439)	(400)	(439)	(400)
Research and development	(7,735)	(9,450)	(8,781)	(10,392)
	(115,769)	**(131,791)**	**(170,437)**	**(174,842)**
NET REVENUE	**1,059,059**	**1,093,887**	**1,605,912**	**1,602,655**

NOTE 21 – DETAIL OF OPERATING EXPENSES BY NATURE

a) Costs of electrical energy production and services rendered:

	Parent Company		Consolidated	
	3.31.2017	3.31.2016	3.31.2017	3.31.2016
Depreciation and amortization	97,960	99,754	147,572	151,980
Personnel	47,671	54,837	48,660	55,886
Fuel	26,037	50,506	28,633	52,724
Royalties	30,064	43,272	35,192	51,306
Third party materials and services	29,090	19,619	40,900	31,800
Accrual of provisions, net	(2,089)	(1,000)	(375)	(488)
Other	14,362	14,469	17,207	17,439
	243,095	**281,457**	**317,789**	**360,647**
Classification in the result				
Electricity production cost	235,927	274,467	310,617	353,656
Cost of services provided	7,168	6,990	7,172	6,991
	243,095	**281,457**	**317,789**	**360,647**

b) Selling, general and administrative expenses

	Parent Company		Consolidated	
	3.31.2017	3.31.2016	3.31.2017	3.31.2016
Personnel	17,255	20,014	17,416	20,145
Third party materials and services	9,586	9,667	10,561	10,773
Management	5,131	5,745	5,153	5,765
Contributions and donations	1,831	2,929	2,455	3,627
Depreciation and amortization	2,151	2,130	2,158	2,138
Rent	1,926	1,589	2,698	1,813
Pension fund	1,657	1,598	1,657	1,598
Accrual of provisions, net	(899)	(351)	(1,014)	(352)
Other	3,191	2,439	3,472	3,015
	41,829	**45,760**	**44,556**	**48,522**
Classification in the result				
Electricity production cost	2,339	2,557	3,880	4,647
Cost of services provided	39,490	43,203	40,676	43,875
	41,829	**45,760**	**44,556**	**48,522**

NOTE 22 – FINANCIAL RESULT

	Parent Company		Consolidated	
	3.31.2017	3.31.2016	3.31.2017	3.31.2016
Financial income				
Income from marketable securities	27,255	51,351	49,297	73,577
Interest monetary variation on court decision marketable securities	-	37,172	-	37,172
Interest on receivables	2,113	2,893	3,586	3,382
Income from restricted deposits	240	161	5,389	4,620
Monetary variation on judicial deposits	2,049	4,381	2,040	4,484
Other financial income	1,738	1,720	2,682	1,731
	33,395	**97,678**	**62,994**	**124,966**
Financial expenses				
Interest and monetary variation				
Concessions payable	74,432	102,346	76,098	104,865
Loans and financing	15,495	24,974	38,263	48,826
Fair value hedge on loans	-	22,977	-	22,977
Debentures	20,912	4,274	3,953	4,274
Transactions in the CCEE	-	42,903	7	46,291
Retirement benefit obligations	7,861	9,108	7,861	9,108
Provisions	6,344	11,199	6,425	11,342
Other	52	255	279	1,191
Exchange variation				
Loans	-	(114,906)	-	(114,906)
Fair value hedge on loans	-	114,906	-	114,906
Fair value adjustment	-	1,756	-	1,756
Other financial expenses	1,153	1,449	1,736	2,489
	126,249	**221,241**	**134,622**	**253,119**
Financial expenses, net	**92,854**	**123,563**	**71,628**	**128,153**

NOTE 23 – INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent Company			
	3.31.2017		3.31.2016	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**602,641**	**602,641**	**473,988**	**473,988**
Standard rates	25%	9%	25%	9%
Tax expense at standard rates	**(150,660)**	**(54,238)**	**(118,497)**	**(42,659)**
Permanent differences:				
Equity in net income of subsidiaries	33,993	12,237	21,503	7,741
Tax incentives	6,857	-	5,744	-
Other	(417)	-	(823)	(105)
	(110,227)	**(42,001)**	**(92,073)**	**(35,023)**
Breakdown of taxes in the income statement				
Current	(104,980)	(40,439)	(151,270)	(56,662)
Deferred	(5,247)	(1,562)	59,197	21,639
	(110,227)	**(42,001)**	**(92,073)**	**(35,023)**
Effective rate	**18.3%**	**7.0%**	**19.4%**	**7.4%**

	Consolidated			
	3.31.2017		3.31.2016	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**663,037**	**663,037**	**510,447**	**510,447**
Standard rates	25%	9%	25%	9%
Tax expense at standard rates	**(165,759)**	**(59,673)**	**(127,612)**	**(45,940)**
Permanent differences:				
Difference between the calculation base of taxable and presumptive profit tax regimes	5,198	1,616	4,336	1,304
Tax incentives	6,857	-	5,744	-
Other	(471)	(110)	(988)	(184)
	(154,175)	**(58,167)**	**(118,520)**	**(44,820)**
Breakdown of taxes in the income statement				
Current	(138,907)	(52,998)	(171,526)	(64,190)
Deferred	(15,268)	(5,169)	53,006	19,370
	(154,175)	**(58,167)**	**(118,520)**	**(44,820)**
Effective rate	**23.3%**	**8.8%**	**23.2%**	**8.8%**

NOTE 24 – TRANSACTIONS WITH RELATED PARTIES

a) Amounts recognized in balance sheet accounts:

	ASSETS			LIABILITIES		
	Accounts receivable			Supplier		IOE [20]
	Energy	Services	Dividends	Energy	Other	Dividends
3.31.2017						
EBC	165,804	-	81,417	3,995	-	-
CEE	-	-	56,151	-	-	-
Lages	2,223	187	17,843	-	-	-
Itasa	-	1,371	2,041	9,549	-	-
ENGIE Participações	-	736	-	-	299	-
Ceste	-	1,577	-	-	-	-
ESBR[21]	-	-	-	1,207	-	-
ECP Subsidiaries	-	526	-	-	-	-
	168,027	**4,397**	**157,452**	**14,751**	**299**	**-**
12.31.2016	**155,125**	**4,039**	**167,202**	**13,382**	**965**	**297,180**

b) Amounts recognized in the income statement:

	Revenue			Cost	Expense	
	Supply of energy	O&M Services	Administrative services	Energy purchase	Third party services	Financial income
3.31.2017						
EBC	490,869	-	97	8,576	-	-
CEE	-	-	97	-	-	-
Lages	4,233	629	56	-	-	-
Itasa	-	4,623	-	25,169	-	-
Ceste	-	5,316	-	-	-	-
ESBR	-	-	-	3,181	-	-
ECP Subsidiaries	-	-	574	-	-	-
Degremont	-	-	-	-	659	-
Others	-	-	97	-	333	-
	495,102	**10,568**	**921**	**36,926**	**992**	**-**
3.31.2016	**503,498**	**9,559**	**926**	**31,319**	**1,070**	**2,445**

c) Management compensation

The remuneration of key Management personnel was 3.31.2017 is R$ 5,131 (R$ 5,745 at 3.31.2016) in the parent company and R$ 5,153 (R$ 5,765 at 3.31.2016) in the consolidated. The Management does not receive share-based compensation from ENGIE Brasil Energia.

[20] Interest on equity

[21] Energia Sustentável do Brasil.

d) Other transactions with related parties

The Company has other related-party transactions that are described in more details in the financial statements as at 12. 31.2016.

The main transactions are the following:

- Purchase and sale of energy;

- Operation and maintenance;

- Administrative services;

- Guarantees;

- Sureties and guarantees; and

- Loan between Ibitiúva and Andrade Açúcar e Álcool (Andrade.

There were no significant changes in other related-party transactions in the first three months of 2017.

NOTE 25 – INSURANCE

a) Operating and lost profit risks

The Company is covered by the international insurance policy for Property Damage and Business Interruption (PDBI) of the insurance program of its parent company ENGIE. The insurance is valid until 5.31.2017 and the coverage amount is R$ 11,857,523 in the parent company and R$ 15,217,728 in the consolidated statements, as shown below.

	Parent Company		Consolidated	
Type of plant	Material damages	Loss of profit	Material damages	Loss of profit
Hydroelectric power plants	8,099,302	489,026	9,779,785	489,025
Thermoelectric power plants	2,521,297	706,445	2,521,297	706,446
Complementary plants (wind, biomass and PCH)	40,977	476	1,412,702	308,473
	10,661,576	**1,195,947**	**13,713,784**	**1,503,944**

The maximum combined limit of indemnification for material damages and loss of profits is R$ 1,789,020 per event.

b) Engineering risks

The projects for construction of the Assú V Photovoltaic Power Plant in the Santa Mônica Wind Power Complex and Pampa Sul Thermal Power Plant has an engineering risk coverage of R$ 183,000, R$ 450,000 and R$ 1,830,000, respectively for the entire duration of construction works. Coverage for civil liability amounts to R$ 10,000, R$ 20,000 and R$ 190,000, respectively.

c) Other coverages

The Company also has insurance to cover national and international transportation risks, civil liability of the directors, officers and management, extended to its subsidiaries, as well as group life insurance for its officers and employees.

NOTE 26 – LONG-TERM COMMITMENTS

The Company has long-term agreements, and further information can be obtained in the financial statements of 12.31.2016.

The Company's main long-term commitments are as follows:

- Power grid connection agreement;
- Transmission and Distribution System Use Agreement (CUST and CUSD);
- Bilateral power purchase and sale agreements;
- Lease agreements;
- Plant modernization and expansion agreements;
- Ongoing construction agreements;
- Lease agreement for the administrative office; and
- Renegotiation of hydrological risk.

There were no major changes in long-term commitments in the first quarter of 2017.

NOTE 27 – ADDITIONAL CASH FLOW INFORMATION

The following complementary cash low transactions were as follows:

	Parent Company		Consolidated	
	3.31.2017	3.31.2016	3.31.2017	3.31.2016
Compensation of income and social contribution taxes	4,793	5,569	7,167	7,936
Suppliers of property, plant and equipment and intangible assets	4,149	(8,638)	39,961	(26,822)
Capitalized interest and monetary variation	2,189	5,915	34,861	25,661
Amounts payable from investment acquisition	-	-	-	13,027
Dividends receivable from subsidiaries	-	37,382	-	-

NOTE 28 – SUBSEQUENT EVENTS

a) Operational startup of Cacimbas wind farm

On 5.04.2017, Aneel authorized the commercial startup of the 11 generating units of the Ouro Verde wind complex located in the city of Trairi, state of Ceará, with installed capacity of average 29.7 MW and total commercial capacity of average 13.2 MW. As a result, all wind farms forming the Santa Mônica Wind Power Complex are now in commercial operation.

b) Additional dividends proposed

On 4.17.2017, the Annual Shareholders' Meeting approved the allocation of net income and the distribution of additional dividends proposed for fiscal year 2016 in the amount of R$ 409,644, corresponding to R$ 0.6275749291 per share. On said date, the Company recognized the payment obligation in the balance sheet. The Company's shares will trade ex-dividends as of 5.30.2017, and the dividends will be paid on 6.21.2017.

BOARD OF DIRECTORS

Maurício Stolle Bähr
President

Manoel Arlindo Zaroni Torres
Vice-President

Pierre Jean Bernard Guiollot
Member

Paulo Jorge Tavares Almirante
Member

Dirk Achiel Marc Beeuwsaert
Member

Willem Frans Alfons Van Twembeke
Member

Roberto Henrique Tejada Vencato
Member

José Pais Rangel
Member

Luiz Leonardo Cantidiano Varnieri Ribeiro
Member

BOARD OF EXECUTIVE OFFICERS

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Henrique Boquimpani de Freitas
Chief Financial and Investor Relations Officer

Marco Antônio Amaral Sureck
Chief Commercialization Officer

Gustavo Henrique Labanca Novo
Chief Business Development Officer

José Luiz Jansson Laydner
Chief Generation Officer

Edson Luiz da Silva
Chief Strategy and Regulation Officer

Júlio César Lunardi
Chief Administrative Officer

ACCOUNTING DEPARTMENT

Marcelo Cardoso Malta
Accounting Department Manager
Accountant - CRC RJ 072259/O-5 T-SC

Comments on Business Projections

Identification of projections

a. Purpose of projection

Investments in the maintenance, revitalization and expansion of the generation facilities.

The Company's investment statements segregate values in two groups:

- Investments financed with own capital, including acquisitions, and
- Investments financed with debts, including debts assumed in the acquisitions.

Both projection models are included in item "d" below.

The projections made are mere reasonable estimates that usually depend on future events, thus cannot be regarded as a promise to perform by the Company and its managers.

b. Period projected and projection term

ENGIE quarterly discloses to the market its investment projections for the current year and the two subsequent years, valid until its realization or replacement by another projection.

c. Prospect assumptions, indicating which ones can be influenced by the Company's management

The Company's projections for investment are mainly based on the following assumptions:

- Schedule for maintenance of the generating units;
- Diagnosis of equipment;
- Regulatory obligations; and
- Strategic initiatives.

The amounts informed, projected and actual, do not consider interest on construction (interest on equity capital and loan capital).

The Management can influence all assumptions, except for the regulatory obligations that are beyond its control.

In case of a significant change in the foregoing assumptions, the projections can be reviewed.

d. Value of the indicators that are the subject matter of the projection

The estimated and actual amounts for the quarter ended 3.31.2017 are shown in the tables below. These amounts are expressed in millions of Brazilian real and do not include interest on financing that were capitalized during the construction of the plants.

First quarter of 2017

Estimate for the years 2017, 2018 and 2019 announced in the fourth quarter of 2016 and valid for the first quarter of 2017:

Description / projection period	2017	2018	2019
Financed with debt	2,052	1,550	131
Financed with own capital	(15)	718	250
Retained earnings from 2010 used in the Jirau acquisition	511	-	-
Total	**2,548**	**2,268**	**381**

There are no changes in the forecast informed for the years 2017, 2018 and 2019 during the fourth quarter of 2016 and the position verified in the first quarter of 2017.

Investments made in the first quarter of 2017:

Description / projection period	Projected 2017	Actual 1Q17	Estimated 9M17
Financed with debt	2,052	(218)	1,834
Financed with own capital	(15)	(183)	(198)
Retained earnings from 2010 used in the Jirau acquisition	511	-	511
Total	**2,548**	**(401)**	**2,147**

In the first quarter of 2017, investments made by ENGIE Brasil Energia amounted to R$ 401 million, of which (i) R$ 16 million was allocated to maintenance and renovation projects of the generation facilities; (ii) R$ 18 million was allocated to modernization of the Salto Santiago Hydroelectric Power Plant; and (iii) R$ 364 million was invested in building new plants, of which R$188 million was allocated to the construction of Pampa Sul Thermal Power Plant (Pampa Sul TPP), R$ 88 million to the Campo Largo Wind Complex, R$ 24 million to the Santa Mônica Wind Complex and R$ 64 million to the Assú Wind Power Project, and (iv) R$ 3 million was allocated to the acquisition of Santo Agostinho.

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

To the Shareholders and Managers of
Engie Brasil Energia S.A.
Florianópolis - SC

Introduction

We have reviewed the interim, separate and consolidated financial information of Engie Brasil Energia S.A. ("Company"), identified as Parent Company and Consolidated, respectively, contained in the Quarterly Information – ITR Form for the quarter ended March 31, 2017, which comprise the balance sheet as of March 31, 2017 and the related statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the three-month period then ended, including the summary of the main accounting policies and other explanatory notes.

The management of the Company is responsible for the preparation of the parent company and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Statements and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, we are not aware of any facts that would lead us to believe that the parent company interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other matters

Value added statement

We also reviewed the parent company and consolidated value-added statements (SVA) for the three-month period ended on March 31, 2017, prepared by the Company's management, whose presentation in the interim information is required according to the standards issued by the CVM - Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the IFRS, which do not require the presentation of the SVA. These statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, consistent with the parent company and consolidated interim financial information taken as a whole.

Audit and review of amounts corresponding to the previous fiscal year

The Quarterly Information (ITR) mentioned in the first paragraph include individual and consolidated financial information corresponding to the result, comprehensive result, changes in shareholders' equity, cash flows and value added in the quarter ended March 31, 2016, obtained from the Quarterly Information (ITR) of the comparison quarter, and to the balance sheet published on December 31, 2016, obtained from the individual and consolidated financial statements on December 31, 2016 for comparison purposes. Review of the Quarterly Information (ITR) for the quarter ended March 31, 2016 and examination of the individual and consolidated financial statements for the fiscal year ended December 31, 2016 were carried out under the responsibility of other independent auditors, who issued review and audit reports dated May 5, 2016 and February 23, 2017 respectively, without reservations.

Joinville, April 25, 2017

DELOITTE TOUCHE TOHMATSU

Independent Auditors

CRC n.º 2 SP-011.609/O-8 F-SC

Fernando de Souza Leite

Accountant

CRC n.º 1 PR-050.422/O-3

Opinions and Statements/Statement of the Executive Officers on the Financial Statements

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Financial Statements (parent company and consolidated) and also, agrees with the opinion of the independent auditors of the Company, Deloitte Touche Tohmatsu Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Henrique Boquimpani de Freitas
Chief Finance and Investor Relations Officer

Marco Antônio Amaral Sureck
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Júlio César Lunardi
Chief Administrative Officer

Florianópolis, April 25, 2017

Opinions and Statements / Statement of the Executive Officers on the Independent Auditors' Report

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Chief Administrative Officer

Florianópolis, April 25, 2017