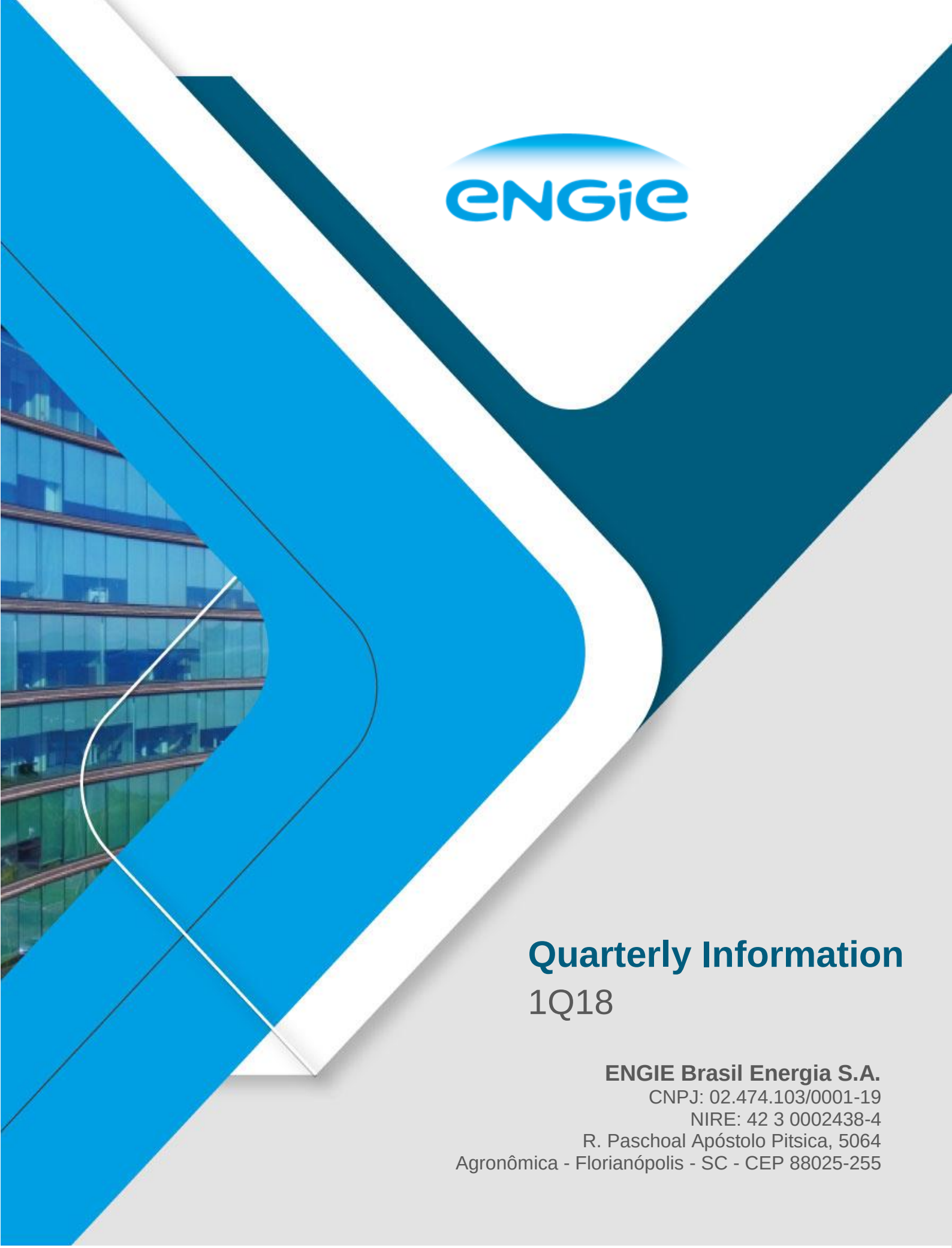


Quarterly Information

1Q18

ENGIE Brasil Energia S.A.
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EGIE 3 NOVO MERCADO BM&FBOVESPA
BRASIL BOLSA BALCÃO
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Índice de Ações com Governança Corporativa Diferenciada IGC
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Company Information / Capital Composition

Number of shares (Units)	Current quarter 3/31/2018
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	10/27/2017	Interest on equity	3/27/2018	Common shares		0.65033
Annual Shareholders' Meeting	7/27/2017	Dividends	1/10/2018	Common shares		1.43842
Board of Directors' Meeting	4/11/2018	Dividends	6/28/2018	Common shares		0.97551

Parent company Financial Statements / Balance Sheet - Assets (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2018	Prior Year 12/31/2017
1	Total Assets	14,317,395	15,152,706
1.01	Current Assets	1,235,471	2,294,219
1.01.01	Cash and Cash Equivalents	117,203	1,305,015
1.01.03	Accounts Receivable	876,632	720,435
1.01.03.01	Trade Accounts Receivable	808,272	689,885
1.01.03.02	Other Accounts Receivable	68,360	30,550
1.01.03.02.01	Dividends receivable from subsidiaries	68,360	30,550
1.01.04	Inventories	17,008	94,946
1.01.08	Other Current Assets	224,628	173,823
1.01.08.03	Other	224,628	173,823
1.01.08.03.01	Restricted deposits	3,269	10,751
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	23,991	23,991
1.01.08.03.05	Other current assets	143,807	133,512
1.01.08.03.06	Non-current assets held for sale	53,561	5,569
1.02	Non-current Assets	13,081,924	12,858,487
1.02.01	Long Term Assets	256,522	260,108
1.02.01.09	Other Non-current Assets	256,522	260,108
1.02.01.09.04	Restricted deposits	9,759	9,546
1.02.01.09.05	Judicial deposits	100,747	98,646
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	109,410	115,406
1.02.01.09.09	Other non-current assets	36,606	36,510
1.02.02	Investments	8,340,276	7,523,753
1.02.02.01	Equity Interest	8,340,276	7,523,753
1.02.02.01.02	Interest on Subsidiaries	8,076,317	7,257,355
1.02.02.01.03	Interest in Joint Ventures	263,959	266,398
1.02.03	Property, Plant and Equipment	4,454,436	5,043,803
1.02.03.01	Property, Plant and Equipment in Operation	4,348,165	4,821,533
1.02.03.03	Construction in Progress	106,271	222,270
1.02.04	Intangible Assets	30,690	30,823
1.02.04.01	Intangible Assets	30,690	30,823

Parent Company Financial Statements / Balance Sheet - Liabilities (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2018	Prior Year 12/31/2017
2	Total Liabilities	14,317,395	15,152,706
2.01	Current Liabilities	1,704,748	3,104,641
2.01.01	Social and Labor Obligations	104,729	93,115
2.01.01.02	Labor Obligations	104,729	93,115
2.01.02	Suppliers	348,706	408,772
2.01.02.01	Domestic Suppliers	348,706	408,772
2.01.03	Tax Liabilities	81,302	166,346
2.01.03.01	Federal Tax Liabilities	81,302	166,346
2.01.03.01.01	Income and Social Contribution Taxes Payable	81,302	166,346
2.01.04	Loans and Financing	827,210	805,705
2.01.04.01	Loans and Financing	796,522	787,856
2.01.04.01.01	In Local Currency	112,645	112,425
2.01.04.01.02	In Foreign Currency	683,877	675,431
2.01.04.02	Debentures	30,688	17,849
2.01.05	Other Liabilities	301,829	1,589,373
2.01.05.02	Other	301,829	1,589,373
2.01.05.02.01	Dividends and Interest on Equity Payable	6,879	1,300,237
2.01.05.02.04	Concessions payable	61,896	61,367
2.01.05.02.05	Other tax and regulatory liabilities	60,761	56,639
2.01.05.02.06	Other current liabilities	172,293	171,130
2.01.06	Provisions	40,972	41,330
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	9,647	9,647
2.01.06.01.01	Fiscal Provisions	150	150
2.01.06.01.02	Social Security and Labor Provisions	3,154	3,154
2.01.06.01.04	Civil Provisions	6,343	6,343
2.01.06.02	Other Provisions	31,325	31,683
2.01.06.02.04	Retirement benefits obligations	30,683	30,683
2.01.06.02.05	Provision for sale of fixed assets	642	1,000
2.02	Non-current liabilities	5,293,608	5,217,471
2.02.01	Loans and Financing	2,078,352	2,104,525
2.02.01.01	Loans and Financing	1,256,283	1,291,810
2.02.01.01.01	In Local Currency	270,532	297,109
2.02.01.01.02	In Foreign Currency	985,751	994,701
2.02.01.02	Debentures	822,069	812,715
2.02.02	Other Liabilities	2,505,607	2,420,422
2.02.02.02	Other	2,505,607	2,420,422
2.02.02.02.03	Concessions payable	2,458,456	2,385,027
2.02.02.02.04	Other Non-Current Liabilities	47,151	35,395
2.02.03	Deferred Taxes	355,275	340,204
2.02.03.01	Deferred Income and Social Contribution Taxes	355,275	340,204
2.02.04	Provisions	354,374	352,320
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	73,336	71,349
2.02.04.01.01	Tax Provisions	6,728	6,662
2.02.04.01.02	Social Security and Labor Provisions	8,526	7,706
2.02.04.01.04	Civil Provisions	58,082	56,981
2.02.04.02	Other Provisions	281,038	280,971

Parent Company Financial Statements / Balance Sheet - Liabilities (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2018	Prior Year 12/31/2017
2.02.04.02.04	Retirement benefits obligations	281,038	280,971
2.03	Shareholders' equity	7,319,039	6,830,594
2.03.01	Paid-in Capital Stock	2,829,056	2,829,056
2.03.04	Profit Reserves	3,610,616	3,600,738
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	160,951	151,073
2.03.04.10	Dividends	636,755	636,755
2.03.05	Retained Earnings/Losses	491,867	0
2.03.06	Assets Valuation Adjustments	366,905	379,612
2.03.08	Other Comprehensive Income	20,595	21,188

Parent Company Financial Statements / Income Statement (In thousands of Reais)

Account Code	Account description	YTD Current Year 1/1/2018 to 3/31/2018	YTD Prior Year 1/1/2017 to 3/31/2017
3.01	Revenue from Sales of Goods and/or Services	1,218,614	1,059,059
3.02	Cost of Products and/or Services Sold	-549,321	-457,613
3.02.01	Electrical energy purchased for resale	-292,507	-113,918
3.02.02	Transactions in the short-term energy market	-27,883	-15,394
3.02.03	Charges for the use of and connection to the power grid	-78,478	-85,206
3.02.04	Cost of electrical energy production	-144,532	-235,927
3.02.05	Cost of services rendered	-5,921	-7,168
3.03	Gross Income	669,293	601,446
3.04	Operating Expenses/Income	123,497	94,049
3.04.01	Sales Expenses	-2,661	-2,339
3.04.02	General and Administrative Expenses	-42,631	-39,490
3.04.04	Other Operating Income	1,933	744
3.04.05	Other Operating Expenses	-1,966	-3
3.04.06	Equity income	168,822	135,137
3.04.06.01	Equity	169,657	135,972
3.04.06.02	Goodwill amortization	-835	-835
3.05	Income before Financial Result and Taxes	792,790	695,495
3.06	Financial Result	-153,612	-92,854
3.06.01	Financial Income	8,142	33,395
3.06.02	Financial Expenses	-161,754	-126,249
3.07	Income before Income Taxes	639,178	602,641
3.08	Income and Social Contribution Taxes	-150,140	-152,228
3.08.01	Current	-135,069	-145,419
3.08.02	Deferred	-15,071	-6,809
3.09	Net Income from Continuing Operations	489,038	450,413
3.11	Net Income for the Period	489,038	450,413
3.99	Earnings per share (R$ /share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	ON	0.74921	0.69003
3.99.02	Diluted Earnings per Share		
3.99.02.01	ON	0.74921	0.69003

Parent Company Financial Statements / Comprehensive Income Statement (In thousands of Reais)

Account Code	Account description	YTD Current Year 1/1/2018 to 3/31/2018	YTD Prior Year 1/1/2017 to 3/31/2017
4.01	Net Income for the Period	489,038	450,413
4.02	Other comprehensive income (loss)	-593	-6,160
4.02.01	Equity in the losses of subsidiaries, net of deferred taxes	-593	-6,160
4.03	Comprehensive Income for the Period	488,445	444,253

Parent Company Financial Statements / Cash Flow Statement – Indirect Method
(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2018 to 3/31/2018	YTD Prior Year 1/1/2017 to 3/31/2017
6.01	Net Cash from Operating Activities	369,262	580,791
6.01.01	Cash Generated from Operations	706,347	685,324
6.01.01.01	Income before income taxes	639,178	602,641
6.01.01.02	Equity Interest income	-168,822	-135,137
6.01.01.03	Depreciation and amortization	71,616	100,111
6.01.01.04	Monetary variation	45,296	35,337
6.01.01.05	Interest	114,274	85,357
6.01.01.06	Constitution (Reversal) of operating provisions	194	-2,988
6.01.01.08	Other	4,611	3
6.01.02	Changes in Assets and Liabilities	-337,085	-104,533
6.01.02.01	Trade accounts receivable	-116,537	15,533
6.01.02.02	Fuel reimbursable	-1,716	-63,181
6.01.02.03	Inventories	-327	-4,603
6.01.02.04	Tax credits recoverable	-32	-3,660
6.01.02.05	Restricted and judicial deposits	5,911	-7,612
6.01.02.06	Renegotiation of hydrological risk to recognize	5,996	5,997
6.01.02.07	Other assets	-10,135	13,797
6.01.02.08	Suppliers	-56,478	-3,059
6.01.02.09	Payment of income and social contribution taxes	-153,139	-61,725
6.01.02.10	Payment of interest on debt, net of hedge	-16,390	-12,780
6.01.02.11	Other tax and regulatory obligations	336	-7,301
6.01.02.12	Retirement benefits obligations	-6,899	-6,256
6.01.02.13	Other liabilities	12,325	30,317
6.02	Net Cash from Investment Activities	-153,013	-358,449
6.02.01	Dividends received from subsidiaries	105,735	9,750
6.02.02	Capital increase in subsidiaries and joint venture	-229,143	-340,429
6.02.03	Acquisition of investment	-267	-1,747
6.02.04	Acquisition of property, plant and equipment and intangible assets	-28,940	-26,023
6.02.05	Other	-398	0
6.03	Net Cash from Financing Activities	-1,404,061	-479,963
6.03.02	Loans and financing paid, net of hedge	-27,833	-33,782
6.03.03	Payment of concession installments payable	-15,939	-15,561
6.03.04	Dividends and interest on equity paid	-1,356,539	-430,609
6.03.05	Other	-3,750	-11
6.05	Increase (Decrease) in Cash and Cash Equivalents	-1,187,812	-257,621
6.05.01	Opening Balance of Cash and Cash Equivalents	1,305,015	1,175,259
6.05.02	Closing Balance of Cash and Cash Equivalents	117,203	917,638

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2018 to 3/31/2018

(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	3,600,738	0	400,800	6,830,594
5.03	Adjusted Opening Balances	2,829,056	0	3,600,738	0	400,800	6,830,594
5.05	Total Comprehensive Income	0	0	0	489,038	-593	488,445
5.05.01	Net Income for the Period	0	0	0	489,038	0	489,038
5.05.02	Other Comprehensive Income	0	0	0	0	-593	-593
5.05.02.06	Fair Value of Hedge of Cash Flow of Subsidiaries	0	0	0	0	-593	-593
5.06	Internal Changes in Shareholders' Equity	0	0	9,878	2,829	-12,707	0
5.06.04	Tax Incentive Reserve	0	0	9,878	-9,878	0	0
5.06.05	Realization of Deemed Cost	0	0	0	12,707	-12,707	0
5.07	Closing Balances	2,829,056	0	3,610,616	491,867	387,500	7,319,039

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
5.05.02.06	Fair Value of Hedge of Cash Flow of 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
5.06.04	Tax incentive Reserve	0	0	6,066	-6,066	0	0
5.06.05	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 / Value Added Statement (In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2018 to 3/31/2018	YTD Prior Year 1/1/2017 to 3/31/2017
7.01	Revenues	1,352,449	1,177,758
7.01.01	Sale of Products and Services	1,352,482	1,174,828
7.01.02	Other Income	-33	2,930
7.02	Raw material Acquired from Third Parties	-436,498	-290,611
7.02.01	Cost of Products and Services Sold	-324,680	-161,104
7.02.02	Materials, Energy, Third Parties Services and Other	-25,781	-38,676
7.02.04	Other	-86,037	-90,831
7.02.04.02	(Constitution) Reversal of operating provisions	-194	2,988
7.02.04.03	Charges for the use of and connection to the power grid	-78,478	-85,206
7.02.04.05	Other	-7,365	-8,613
7.03	Gross Added Value	915,951	887,147
7.04	Retentions	-71,616	-100,111
7.04.01	Depreciation, Amortization and Depletion	-71,616	-100,111
7.05	Net Added Value Generated	844,335	787,036
7.06	Added Value Received in Transfer	176,964	168,532
7.06.01	Equity income	168,822	135,137
7.06.02	Financial Income	8,142	33,395
7.07	Total Added Value to Distribute	1,021,299	955,568
7.08	Distribution of Added Value	1,021,299	955,568
7.08.01	Labor	43,390	59,443
7.08.01.01	Direct Remuneration	27,160	35,199
7.08.01.02	Benefits	9,175	14,887
7.08.01.03	F.G.T.S.	1,894	2,669
7.08.01.04	Other	5,161	6,688
7.08.01.04.01	Profit sharing	5,161	6,688
7.08.02	Taxes, Duties and Contributions	288,742	273,372
7.08.02.01	Federal	283,428	268,969
7.08.02.02	State	4,571	3,650
7.08.02.03	Municipal	743	753
7.08.03	Third Parties Capital Remuneration	72,340	56,627
7.08.03.01	Interest	70,757	50,612
7.08.03.02	Rentals	2,074	2,673
7.08.03.03	Other	-491	3,342
7.08.03.03.01	Capitalized interest and monetary variation	0	2,189
7.08.03.03.02	Other financial expenses	-491	1,153
7.08.04	Remuneration of Own Capital	491,867	452,944
7.08.04.03	Retained Earnings / Loss for the Period	491,867	452,944
7.08.05	Other	124,960	113,182
7.08.05.01	Sectorial charges	37,892	41,281
7.08.05.02	Charges on concessions payable	89,897	74,432
7.08.05.03	Realization of deemed cost	-12,707	-8,597
7.08.05.04	Tax incentive reserve	9,878	6,066

Consolidated Financial Statements / Balance Sheet - Assets
(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2018	Prior Year 12/31/2017
1	Total Assets	18,936,577	19,568,513
1.01	Current Assets	2,712,584	3,735,779
1.01.01	Cash and Cash Equivalents	716,144	1,930,070
1.01.03	Accounts Receivable	1,261,586	1,170,286
1.01.03.01	Trade Accounts Receivable	1,148,924	1,058,469
1.01.03.02	Other Accounts Receivable	112,662	111,817
1.01.03.02.01	Receivables on divestments	112,662	111,817
1.01.04	Inventories	138,253	98,249
1.01.08	Other Current Assets	596,601	537,174
1.01.08.03	Other	596,601	537,174
1.01.08.03.01	Restricted deposits	7,982	15,423
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	26,064	26,064
1.01.08.03.04	Concession financial asset	254,636	301,904
1.01.08.03.05	Other current assets	254,358	188,214
1.01.08.03.06	Non-current assets held for sale	53,561	5,569
1.02	Non-current Assets	16,223,993	15,832,734
1.02.01	Long Term Assets	2,868,150	2,826,648
1.02.01.09	Other Non-current Assets	2,868,150	2,826,648
1.02.01.09.04	Restricted deposits	243,534	231,489
1.02.01.09.05	Judicial deposits	102,229	100,095
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	138,435	144,950
1.02.01.09.08	Concession financial asset	2,282,197	2,245,463
1.02.01.09.09	Other non-current assets	101,755	104,651
1.02.02	Investments	17,628	19,027
1.02.02.01	Equity interest	17,628	19,027
1.02.02.01.04	Other equity interest	17,628	19,027
1.02.03	Property, Plant and Equipment	12,039,136	11,678,108
1.02.03.01	Property, Plant and Equipment in Operation	8,633,687	8,599,983
1.02.03.03	Construction in Progress	3,405,449	3,078,125
1.02.04	Intangible Assets	1,299,079	1,308,951
1.02.04.01	Intangible Assets	1,299,079	1,308,951

Consolidated Financial Statements / Balance sheet - Liabilities
(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2018	Prior Year 12/31/2017
2	Total Liabilities	18,936,577	19,568,513
2.01	Current Liabilities	4,327,783	5,676,471
2.01.01	Social and Labor Obligations	107,919	94,879
2.01.01.02	Labor Obligations	107,919	94,879
2.01.02	Suppliers	551,303	617,396
2.01.02.01	Domestic Suppliers	551,303	617,396
2.01.03	Tax Liabilities	108,477	181,351
2.01.03.01	Federal Tax Liabilities	108,477	181,351
2.01.03.01.01	Income and Social Contribution Taxes Payable	108,477	181,351
2.01.04	Loans and Financing	3,132,190	3,075,918
2.01.04.01	Loans and Financing	955,547	948,158
2.01.04.01.01	In Local Currency	271,670	272,727
2.01.04.01.02	In Foreign Currency	683,877	675,431
2.01.04.02	Debentures	2,176,643	2,127,760
2.01.04.02.01	Debentures and promissory notes	2,176,643	2,127,760
2.01.05	Other Liabilities	385,919	1,664,593
2.01.05.02	Other	385,919	1,664,593
2.01.05.02.01	Dividends and Interest on Equity Payable	7,439	1,300,516
2.01.05.02.04	Concessions payable	67,601	67,051
2.01.05.02.05	Other tax and regulatory liabilities	100,195	93,668
2.01.05.02.06	Other current liabilities	210,684	203,358
2.01.06	Provisions	41,975	42,334
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	10,650	10,651
2.01.06.01.01	Tax Provisions	327	327
2.01.06.01.02	Social Security and Labor Provisions	3,153	3,153
2.01.06.01.04	Civil Provisions	7,170	7,171
2.01.06.02	Other Provisions	31,325	31,683
2.01.06.02.04	Retirement benefits obligations	30,683	30,683
2.01.06.02.05	Provision for sale of fixed assets	642	1,000
2.02	Non-current liabilities	7,285,608	7,057,317
2.02.01	Loans and Financing	3,619,161	3,680,498
2.02.01.01	Loans and Financing	2,797,092	2,867,783
2.02.01.01.01	In Local Currency	1,811,341	1,873,082
2.02.01.01.02	In Foreign Currency	985,751	994,701
2.02.01.02	Debentures	822,069	812,715
2.02.02	Other Liabilities	2,747,029	2,510,220
2.02.02.02	Other	2,747,029	2,510,220
2.02.02.02.03	Concessions payable	2,505,975	2,432,348
2.02.02.02.04	Other Non-Current Liabilities	241,054	77,872
2.02.03	Deferred Taxes	558,688	507,905
2.02.03.01	Deferred Income and Social Contribution Taxes	558,688	507,905
2.02.04	Provisions	360,730	358,694
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	79,692	77,723
2.02.04.01.01	Tax Provisions	6,878	6,810
2.02.04.01.02	Social Security and Labor Provisions	8,793	7,969
2.02.04.01.04	Civil Provisions	64,021	62,944

Consolidated Financial Statements / Balance Sheet - Liabilities (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2018	Prior Year 12/31/2017
2.02.04.02	Other Provisions	281,038	280,971
2.02.04.02.04	Retirement benefits obligations	281,038	280,971
2.03	Consolidated Shareholders' equity	7,323,186	6,834,725
2.03.01	Paid-in Capital Stock	2,829,056	2,829,056
2.03.04	Profit Reserves	3,610,616	3,600,738
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	160,951	151,073
2.03.04.10	Additional Dividend Proposed	636,755	636,755
2.03.05	Retained Earnings/Losses	491,867	0
2.03.06	Assets Valuation Adjustments	366,905	379,612
2.03.08	Other Comprehensive Income	20,595	21,188
2.03.09	Non-Controlling Interest	4,147	4,131

Consolidated Financial Statements / Income Statement (In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2018 to 3/31/2018	YTD Prior Year 1/1/2017 to 3/31/2017
3.01	Revenue from Sales of Goods and/or Services	1,868,853	1,605,912
3.02	Cost of Products and/or Services Sold	-943,581	-826,352
3.02.01	Electrical energy purchased for resale	-429,682	-378,659
3.02.02	Transactions in the short-term energy market	-58,683	-26,616
3.02.03	Charges for the use of and connection to the power grid	-111,650	-103,288
3.02.04	Cost of electrical energy production	-337,632	-310,617
3.02.05	Cost of services rendered	-5,934	-7,172
3.03	Gross Income	925,272	779,560
3.04	Operating Expenses/Income	-49,696	-44,895
3.04.01	Sales Expenses	-3,863	-3,880
3.04.02	General and Administrative Expenses	-43,871	-40,676
3.04.04	Other Operating Income	1,937	762
3.04.05	Other Operating Expenses	-1,966	-3
3.04.06	Equity income (loss)	-1,933	-1,098
3.05	Income Before Financial Result and Taxes	875,576	734,665
3.06	Financial Result	-156,902	-71,628
3.06.01	Financial Income	24,848	62,994
3.06.02	Financial Expenses	-181,750	-134,622
3.07	Income Before Income Taxes	718,674	663,037
3.08	Income and Social Contribution Taxes	-229,339	-212,342
3.08.01	Current	-178,119	-191,905
3.08.02	Deferred	-51,220	-20,437
3.09	Net Income from Continuing Operations	489,335	450,695
3.11	Consolidated Net Income for the Period	489,335	450,695
3.11.01	Attributable to the Partners of the Parent Company	489,038	450,413
3.11.02	Attributable to Non-Controlling Partners	297	282
3.99	Earnings per share (R$ /share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	ON	0.74966	0.69046
3.99.02	Diluted earnings per share		
3.99.02.01	ON	0.74966	0.69046

Consolidated Financial Statements / Comprehensive Income Statement (In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2018 to 3/31/2018	YTD Prior Year 1/1/2017 to 3/31/2017
4.01	Consolidated Net Income for the Period	489,335	450,695
4.02	Other comprehensive income	-593	-6,160
4.02.01	Unrealized (losses) gains from cash flow hedge operations originated in the period	-182	5,558
4.02.02	Deferred income and social contribution taxes	63	-1,890
4.02.03	Realized (losses) from cash flow hedge operations originated in the period	-474	-9,828
4.03	Consolidated Comprehensive Income for the Period	488,742	444,535
4.03.01	Attributed to the Parent Company's Shareholders	488,445	444,253
4.03.02	Attributed to Non-controlling Shareholders	297	282

Consolidated Financial Statements / Cash Flow Statement - Indirect Method
(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2018 to 3/31/2018	YTD Prior Year 1/1/2017 to 3/31/2017
6.01	Net Cash from Operating Activities	700,857	733,231
6.01.01	Cash Generated from Operations	981,402	934,350
6.01.01.01	Income before income taxes	718,674	663,037
6.01.01.02	Equity income (loss)	1,933	1,098
6.01.01.03	Depreciation and amortization	169,061	149,730
6.01.01.04	Monetary variation	41,261	34,806
6.01.01.05	Interest	130,433	87,065
6.01.01.06	Remuneration of concession financial asset	-84,814	0
6.01.01.07	Constitution (Reversal) of operating provisions	92	-1,389
6.01.01.08	Other	4,762	3
6.01.02	Changes in Assets and Liabilities	-280,545	-201,119
6.01.02.01	Trade accounts receivable	-86,609	19,160
6.01.02.02	Fuel reimbursable	-61,940	-63,181
6.01.02.03	Inventories	-50,431	-4,739
6.01.02.04	Tax credits recoverable	216	-4,271
6.01.02.05	Restricted and judicial deposits	5,858	-7,815
6.01.02.06	Renegotiation of hydrological risk to recognize	6,515	6,516
6.01.02.07	Concession financial asset	95,348	0
6.01.02.08	Other assets	-5,841	12,423
6.01.02.09	Suppliers	-113,861	-22,183
6.01.02.10	Payment of income and social contribution taxes	-167,361	-110,317
6.01.02.11	Payment of interest on debt, net of hedge	-50,889	-43,852
6.01.02.12	Other tax and regulatory obligations	7,932	-1,037
6.01.02.13	Retirement benefits obligations	-6,899	-6,256
6.01.02.14	Fuel payable to CDE	131,059	0
6.01.02.15	Other liabilities	16,358	24,433
6.02	Net Cash from Investment Activities	-460,555	-375,271
6.02.01	Capital increase in joint ventures	-267	-1,747
6.02.02	Acquisition of investment	-267	-1,747
6.02.03	Acquisition of property, plant and equipment and intangible assets	-460,021	-371,777
6.03	Net Cash from Financing Activities	-1,454,228	-321,978
6.03.01	Loans and financing obtained	0	211,471
6.03.02	Loans and financing paid, net of hedge	-67,347	-69,005
6.03.03	Payment of concession installments payable	-17,452	-17,007
6.03.04	Dividends and interest on equity paid	-1,356,539	-430,609
6.03.05	Other	-12,890	-16,828
6.05	Increase (Decrease) in Cash and Cash Equivalents	-1,213,926	35,982
6.05.01	Opening Balance of Cash and Cash Equivalents	1,930,070	1,815,340
6.05.02	Closing Balance of Cash and Cash Equivalents	716,144	1,851,322

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2018 to 3/31/2018 (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	3,600,738	0	400,800	6,830,594	4,131	6,834,725
5.03	Adjusted Opening Balances	2,829,056	0	3,600,738	0	400,800	6,830,594	4,131	6,834,725
5.04	Capital Transactions with Partners	0	0	0	0	0	0	-281	-281
5.04.06	Dividends	0	0	0	0	0	0	-281	-281
5.05	Total Comprehensive Income	0	0	0	489,038	-593	488,445	297	488,742
5.05.01	Net Income for the Period	0	0	0	489,038	0	489,038	297	489,335
5.05.02	Other Comprehensive Income	0	0	0	0	-593	-593	0	-593
5.05.02.06	Fair value of hedge of cash flow of subsidiaries	0	0	0	0	-593	0	0	0
5.06	Internal Changes in Shareholders' Equity	0	0	9,878	2,829	-12,707	0	0	0
5.06.04	Tax Incentive Reserve	0	0	9,878	-9,878	0	0	0	0
5.06.05	Realization of Deemed Cost	0	0	0	12,707	-12,707	0	0	0
5.07	Closing Balances	2,829,056	0	3,610,616	491,867	387,500	7,319,039	4,147	7,323,186

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	Fair value of hedge of cash flow of 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
5.06.04	Tax incentive reserve	0	0	6,066	-6,066	0	0	0	0
5.06.05	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 / Value Added Statement (In thousands of Reais)

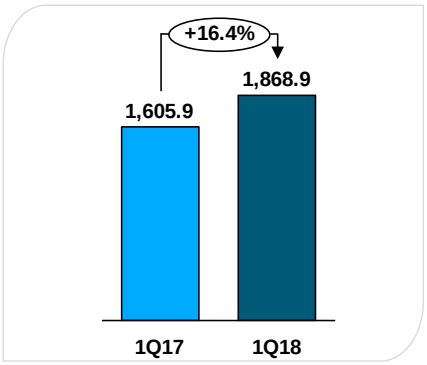
Account Code	Account Description	YTD Current Year 1/1/2018 to 3/31/2018	YTD Prior Year 1/1/2017 to 3/31/2017
7.01	Revenues	2,581,406	2,184,467
7.01.01	Sale of Products and Services	2,068,928	1,776,349
7.01.02	Other Income	-29	2,948
7.01.03	Income related to the Construction of Own Assets	512,507	405,170
7.02	Raw material Acquired from Third Parties	-1,156,911	-976,296
7.02.01	Cost of Products and Services Sold	-518,026	-441,038
7.02.02	Materials, Energy, Third Parties Services and Other	-61,981	-51,461
7.02.04	Other	-576,904	-483,797
7.02.04.01	Expenses with construction of plants	-455,307	-372,498
7.02.04.02	(Constitution) Reversal of operating provisions	-92	1,389
7.02.04.03	Charges for the use of and connection to the power grid	-111,650	-103,288
7.02.04.04	Other	-9,855	-9,400
7.03	Gross Added Value	1,424,495	1,208,171
7.04	Retentions	-169,061	-149,730
7.04.01	Depreciation, Amortization and Depletion	-169,061	-149,730
7.05	Net Added Value Generated	1,255,434	1,058,441
7.06	Added Value Received in Transfer	22,915	61,896
7.06.01	Equity income (loss)	-1,933	-1,098
7.06.02	Financial Income	24,848	62,994
7.07	Total Added Value to Distribute	1,278,349	1,120,337
7.08	Distribution of Added Value	1,278,349	1,120,337
7.08.01	Labor	62,530	60,392
7.08.01.01	Direct Remuneration	40,138	35,924
7.08.01.02	Benefits	11,862	15,005
7.08.01.03	F.G.T.S.	3,344	2,730
7.08.01.04	Other	7,186	6,733
7.08.01.04.01	Profit sharing	7,186	6,733
7.08.02	Taxes, Duties and Contributions	435,235	387,549
7.08.02.01	Federal	429,337	383,104
7.08.02.02	State	4,628	3,679
7.08.02.03	Municipal	1,270	766
7.08.03	Third Parties Capital Remuneration	148,973	97,385
7.08.03.01	Interest	87,257	56,509
7.08.03.02	Rentals	3,330	4,064
7.08.03.03	Other	58,386	36,812
7.08.03.03.01	Capitalized interest and monetary variation	57,200	34,861
7.08.03.03.02	Other financial expenses	1,186	1,951
7.08.04	Remuneration of Own Capital	491,867	452,944
7.08.04.03	Retained Earnings / Loss for the Period	491,867	452,944
7.08.05	Other	139,744	122,067
7.08.05.01	Sectorial charges	50,647	48,218
7.08.05.02	Charges on concessions payable	91,629	76,098
7.08.05.03	Non-controlling shareholder	297	282
7.08.05.04	Realization of deemed cost	-12,707	-8,597
7.08.05.04	Tax incentive reserve	9,878	6,066

Economic-Financial Performance

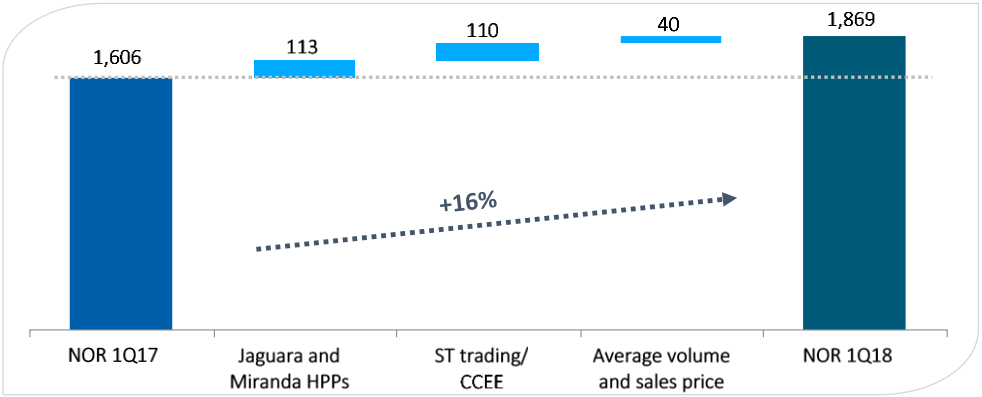
Net Operating Revenue

In 1Q18, net operating revenue reported an increase of 16.4%, (R$ 263.0 million), compared with 1Q17, from R$ 1,605.9 million to R$ 1,868.9 million. The key factors underlying this variation were: (i) R$ 112.6 million, due to recognition of revenue from operations at the Jaguara and Miranda Hydroelectric Power Plants in the Regulated Contracting Environment (ACR), the plants acquired via Aneel's Non-Renewed Concessions Auction of which R$ 84.8 million corresponds to the remuneration of the financial asset and R$ 27.8 million to Generation Assets Management revenue (GAG) to cover the costs of operation, maintenance and improvements; (ii) R$ 110.4 million – growth in revenue due to transaction in the short-term market, more especially those transacted through the Electric Energy Trade Board (CCEE); and (iii) R$ 40.0 million, reflecting the larger volume of energy sold, partially attenuated by a slight reduction in average sales price for free consumers.

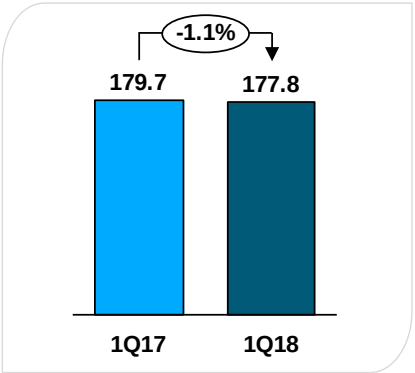
Net Operating Revenue
R$ million



Net Operating Revenue Change
R$ million



Net Average Selling Price*



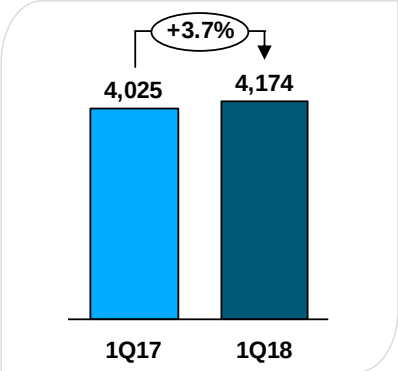
(*) Net of taxes and exports.

✓ Net Average Selling Price

The average energy selling price, net of exports and taxes on revenue reached R$ 177.76/MWh in 1Q18, 1.1% lower than 1Q17, the value of which was R$ 179.69/MWh.

Price reductions were essentially a reflection of new energy sales contracts for industrial clients at prices less than existing or expiring agreements.

Sales Volume
Average MW



✓ **Sales Volume**

The amount of energy sold increased from 8,694 GWh (4,025 average MW) in 1Q17 to 9,016 GWh (4.174 average MW) in 1Q18, an increase of 322 GWh (149 average MW) between compared periods.

These variations largely reflect the combination of growth in sales to trading companies, including trading operations, partially offset by the reduction in sales to distributors due to the Surplus and Deficits Compensation Mechanism (MCSD) and the decline in consumption on the part of industrial clients.

Comments on Variation in Net Operating Revenue

✓ **Revenue from Sale of Electric Energy - Distribution Companies**

Revenue from sales to distribution reached R$ 687.3 million in 1Q18, 0.6% higher than the R$ 682.9 million reported in 1Q17. This variation reflects the following factors: (i) R$ 14.0 million – an increase of 2.1% in the net average selling price; and (ii) R$ 9.6 million – a reduction of 44 GWh (21 average MW) in volumes sold.

The decrease in sales volume between periods under review was principally due to reductions of the MCSD, partially attenuated by the entry into operation of the Assú V Photovoltaic Plant. Growth in net average selling price is mainly due to the monetary restatement of existing contracts.

✓ **Revenue from Sale of Electric Energy - Trading Companies**

In 1Q18, net operating revenue to trading companies was R$ 196.4 million, 71.5% higher than the revenue recorded in 1Q17, which was R$ 114.5 million. This improved showing was due to the following factors: (i) R$ 43.1 million – an increase of 313 GWh (145 average MW) in energy volume sold; (ii) R$ 37.1 million – with respect to selling agreements for trading operations (89 average MW); and (iii) R$ 1.7 million – growth of 1.5% in net average selling prices.

The variation in volume in the quarter was mainly due to new sales agreements with trading companies, including trading operations. The increase in price largely reflects new agreements at prices higher than the average for existing and expiring contracts.

✓ **Revenue from Sale of Electric Energy - Free Consumers**

Revenue from sale to free consumers fell 6.0% between the quarters under analysis from R$ 764.5 million in 1Q17 to R$ 718.8 million in 1Q18. The following events contributed to this variation: (i) R$ 23.8 million decrease of 3.1% in the average net selling price of energy. The decline in prices was largely due to new agreements at lower prices than the average for existing and expiring agreements; and (ii) R$ 21.9 million – a reduction of 137 GWh (63 average MW) in the amount of energy sold, basically a reflection of lower consumption by the industrial sectors. The portfolio of free consumers increased from 280 in 1Q17 to 326 in 1Q18, a rise of 16.4%.

✓ **Export of Electric Energy**

In the quarter under analysis, energy exports were zero. In 1Q17, the Company exported 2 GWh (0.23 average MW) of electricity to Argentina, resulting in net revenue of R$ 0.6 million.

✓ **Transactions in the short-term market – especially those conducted through the Electric Energy Trade Board (CCEE)**

In 1Q18, revenue generated in the short-term market, especially within the scope of the CCEE, was R$ 146.9 million, while in 1Q17, the amount was R$ 36.5 million, representing an increase of R$ 110.4 million when comparing the same quarters for successive years. A more detailed explanation of these variations is to be found in the item below "Details of Short-Term Operations - especially Transactions conducted through the Electric Energy Trade Board (CCEE)".

✓ **Remuneration of concession financial assets**

The equivalent to 70% of the physical guarantee of the Jaguara and Miranda Hydroelectric Power Plants, the concession contracts for which became effective on December 29, 2017, will be remunerated through the Grant Bonus Return (RBO) comprising the Generation Annual Revenue (RAG) to be generated by the companies. On the basis of the economic essence of the transaction, the part equivalent to the amount paid for the concession grant is recorded as a financial asset and the remuneration of these assets, recognized as operating financial revenue. The amount of this remuneration recognized in 1Q18 for the Jaguara and Miranda Hydroelectric Power Plants was R$ 52.6 million and R$ 32.2 million, respectively.

✓ **Revenue from services rendered**

Still with respect to the Jaguara and Miranda Hydroelectric Power Plants, for energy sold in the ACR, also as part of the RAG, the companies will receive the portion relating to the Generation Assets Management (GAG) for covering the costs with operations and maintenance as well as expenditures with improvements and investments during the term of the concession agreement. The value of the GAG recognized in 1Q18 was R$ 15.4 million and R$ 12.4 million, respectively for the Jaguara and Miranda Hydroelectric Power Plants.

Costs of Electric Energy and Services

The costs of energy sold and services increased by R$ 117.2 million or 14.2% between compared quarters, growing from R$ 826.4 million in 1Q17 to R$ 943.6 million in 1Q18. Such variations are due essentially to tendencies in the principal components as follows:

✓ **Electric energy purchased for resale:** an increase of R$ 51.0 million (13.5%) in 1Q18 compared with 1Q17, a reflection above all of the following factors: (i) R$ 8.1 million – decrease of 49 GWh (23 average MW), a reflection of the reduction in medium and long-term purchases for the management of the Company's portfolio; (ii) R$ 16.0 million – an increase of 4.2% in the net average price due to fresh agreements at higher average prices than those of prevailing and expiring agreements; and (iii) R$ 43.1 million – purchases of electric energy allocated to trading operations (101 average MW). Additionally, electric energy purchased for trading operations and not sold to trading companies was settled on the CCEE.

✓ **Transactions in the short-term market - especially those within the scope of the CCEE:** comparing the quarters under analysis, the costs of transactions were R$ 32.1 million (120.5%) greater. More details are given in the following specific item.

✓ **Charges for use of and connection to the electricity grid:** an increase of R$ 8.4 million (8.1%) between quarters under analysis due principally to the annual readjustment in transmission tariffs and recognition in 1Q18 of the charges relative to the portion of energy from the Jaguara and Miranda Hydroelectric Power Plants sold in the ACL.

✓ **Fuels for the generation of electricity:** decrease of R$ 6.3 million (22.0%) comparing 1Q18 with the same quarter of 2017 due basically to the stoppage of operations at the William Arjona Thermoelectric Power Plant in the first quarter of 2017, given its economic unviability due to the increase in gas prices.

✓ **Personnel:** an increase of R$ 1.6 million (3.4%) in 1Q18 compared with 1Q17, largely due to the annual readjustment in employee compensation and benefits.

✓ **Materials and third-party services:** an increase of R$ 8.8 million (21.5%) year-on-year due in large part to recognition of the costs of operation and maintenance in 1Q18 of the Jaguara and Miranda Hydroelectric Power Plants and the Santa Mônica Wind Complex, which in 1Q17 saw part of these overheads absorbed by the wind turbine supplier.

✓ **Depreciation and amortization:** a rise of R$ 19.1 million (13.0%) between quarters year-on-year and largely a reflection of the following items: (i) amortization of an intangible asset with respect to the acquisition of the Jaguara and Miranda Hydroelectric Power Plants; (ii) depreciation of substantial maintenance work carried out on the Unit A of the Jorge Lacerda Thermoelectric Complex in mid-2017; and (iii) the entry into commercial operations of the Assú V Photovoltaic Plant on December 23, 2017.

Details of Short Term Operations – especially Transactions in 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, 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) dispatch driven 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 1Q18 and in 1Q17, net results (difference between revenues and costs – deducted from taxes on revenues and the costs) from short-term transactions – particularly those executed on the CCEE, were positive at R$ 88.2 million and R$ 9.9 million, respectively, resulting in an increase of R$ 78.3 million between two periods in question.

This variation is essentially a reflection of the combination of the following factors: (i) an increase of the positive effects from secondary energy; (ii) the positive effect of the difference of prices between the North and the Southeast submarkets in 1Q18 and between the Northeast and Southeast submarkets in 1Q17; (iii) the increase in the thermoelectric generation deficit due to a decline in generation from this source; (iv) reduction in MRE revenue due to the decrease in hydroelectric generation in the period; and (v) a reduction in the short position on the CCEE, a result of the strategy for allocating hydric resources during 2018.

It is worth considering that the increase in average PLD in 2018, as shown below, contributed to the increase in the negative effects of thermoelectric generation and the short position in 1Q18 of the CCEE and conversely, to the increase in the positive effect from secondary energy.

In December 2017, Aneel set maximum and minimum limits for the PLD for 2018 at R$ 505.18/MWh and R$ 40.16/MWh, respectively. On a quarterly comparison basis, the average PLD for the South and Southeast/Center-West submarkets increased by 25.9%, from R$ 155.37/MWh in 1Q17 to R$ 195.61/MWh in 1Q18. Additionally, the PLD for the North submarket fell 5.1% from R$ 79.10 to R$ 75.10, and the average PLD for the Northeast submarket from R$ 195.97/MWh in 1Q17 to R$ 191.56/MWh in 1Q18, or a decline of 2.3%.

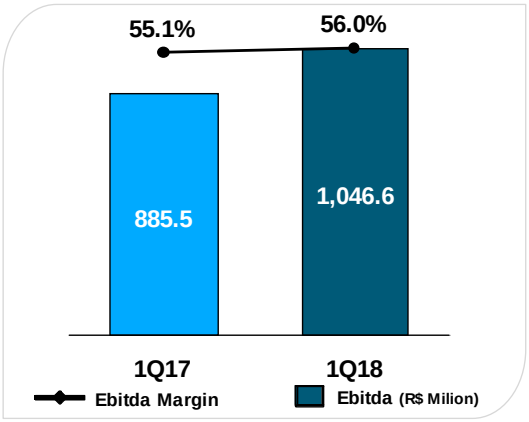
Selling, General and Administrative Expenses

General and administrative expenses between quarters under review, increased by R$ 3.2 million (7.9%) from R$ 40.7 million in 1Q17 to R$ 43.9 million in 1Q18, by virtue, to a great extent, of additional expenditures with IT services in 1Q18 and a reversal of a provision in 1Q17.

Ebitda and Ebitda Margin

Set against the background of the effects already discussed, Ebitda for 1Q18 was R$ 1,046.6 million, 18.2% or R$ 161.1 million over the R$ 885.5 million in 1Q17. The 1Q18 Ebitda margin was 56.0%, a growth of 0.9 p.p. in relation to the same period in 2017.

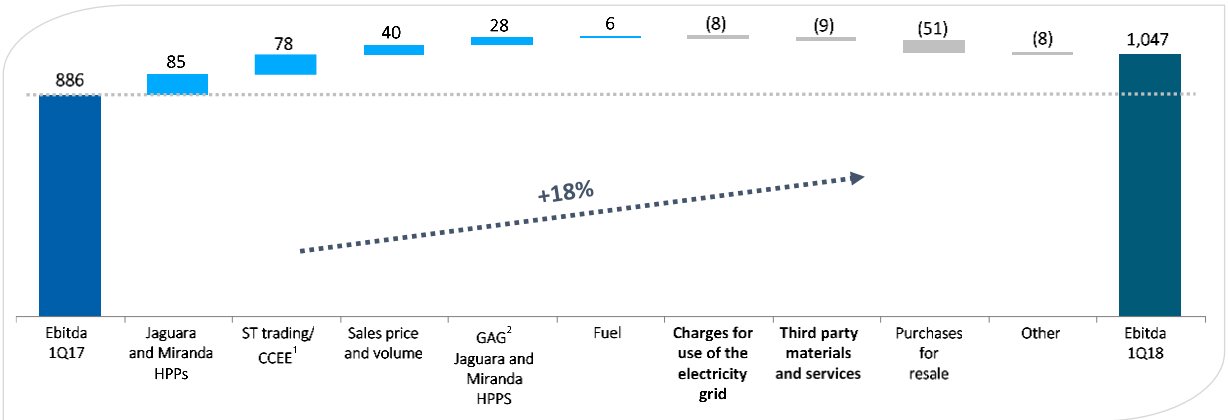
Ebitda (1) and Ebitda Margin



(1) Ebitda: net profit + income tax and social contribution and financial expenses, net + depreciation and amortization.

The above increases reflect a combination of the following factors: (i) recognition of R$ 84.8 million in operating financial revenue from the Jaguara and Miranda Hydroelectric Power Plants in 1Q18; (ii) the positive effect of R$ 78.3 million in transactions conducted in the short-term market – particularly those executed within the scope of the CCEE; (iii) the increase of R$ 40.0 million in the combination of price and volume in energy sold under agreements; (iv) recognition of R$ 27.9 million in the cost of Generation Assets Management (GAG) for the operation, maintenance and improvements at the Jaguara and Miranda Hydroelectric Power Plants in 1Q18; (v) the decline of R$ 6.3 million in fuel consumption; (vi) an increase of R$ 51.0 million in energy purchases for trading and portfolio composition; (vii) growth of R$ 8.8 million in the costs of third party materials and services; (viii) increase of R$ 8.4 million in charges for use of the network; (ix) growth of R$ 3.2 million in SG&A expenses; and (x) an increase of R$ 4.8 million in other operational costs and expenses.

Ebitda Change
R$ million



(1) Considers the combined effect of changes in revenue and expenses.
(2) GAG - Generation Assets Management

The following table reconciles net income with Ebitda:

(In millions of R$)	1Q18	1Q17	Chg. %
Net income	489.3	450.7	8.6
(+) Income tax and social contribution	229.4	212.3	8.1
(+) Net financial result	156.9	71.7	118.8
(+) Depreciation and amortization	169.1	149.7	13.0
Ebitda	**1,044.7**	**884.4**	**18.1**
(+) Equity loss	1.9	1.1	72.7
Adjusted Ebitda	**1,046.6**	**885.5**	**18.2**

Financial Result

Financial income: in 1Q18, revenues reached R$ 24.8 million, that is, R$ 38.1 million or **60.6% down** on the R$ 62.9 million reported for the same quarter in 2017, and principally due to the following factors: (i) reduction of R$ 35.6 million in income from financial investments due to the lower volumes of invested resources and declining interest rates; and (ii) a decrease of R$ 1.5 million in monetary restatement on court escrow deposits.

Financial expenses: expenses in 1Q18 were R$ 181.7 million or R$ 47.1 million and 35.0% higher than the R$ 134.6 million recorded in 1Q17. The principal variations were: (i) recognition of R$ 36.0 million of interest on promissory notes issued in November 2017 for payment of part of the concession grant bonus for the acquisition of the Jaguara and Miranda Hydroelectric Power Plants; (ii) an increase of R$ 12.0 million in monetary restatement and R$ 3.5 million in interest on concessions payable; and (iii) a decrease of R$ 5.8 million in interest on monetary restatement on provisions and actuarial liabilities.

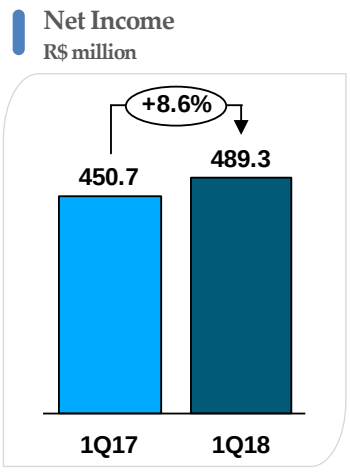
Income Tax and Social Contribution on Net Income

Income Tax and Social Contribution overheads in 1Q18 were R$ 229.4 million, R$ 17.1 million or 8.1% higher than the value for the same quarter of 2017 of R$ 212.3 million, reflecting above all the increase of pretax profits. The effective tax rate of IT and CS in 1Q18 was 31.9% against 32.0% in 1Q17.

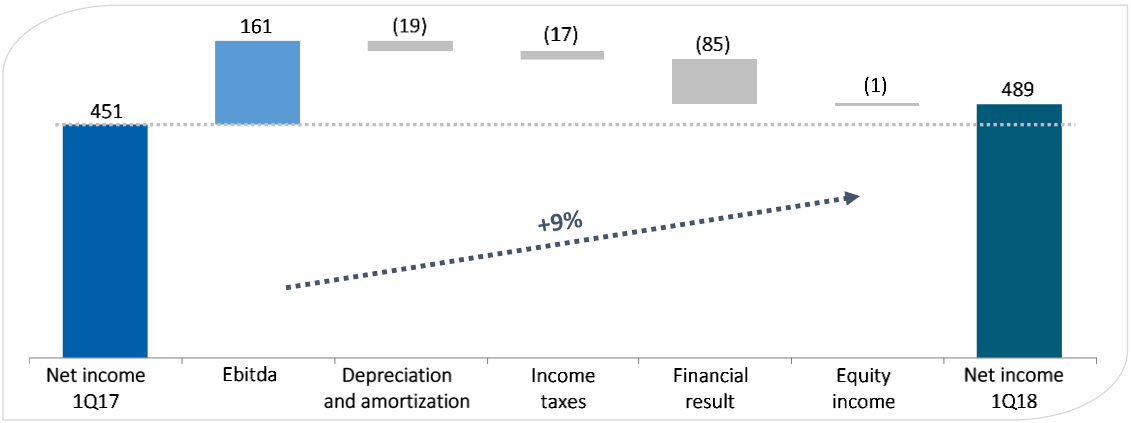
Net Income

Net income for 1Q18 was R$ 489.3 million, R$ 38.6 million or 8.6% higher than R$ 450.7 million registered in 1Q17.

The increase is a combination of the following factors: (i) growth of R$ 161.1 million in Ebitda; (ii) an increase of R$ 85.2 million in net financial expenses; (iii) an increase of R$ 17.1 million in income tax and social contribution; (iv) a growth of R$ 19.4 million in depreciation and amortization; and (v) elevation of the negative result for equity income of R$ 0.8 million.



Net Income Change
R$ million



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, 2018

(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). In March 2018, the Company entered the electrical energy transmission sector, as described below in item "g".

The shares of the Company are listed in the Novo Mercado segment of B3 S.A. – Brasil, Bolsa, Balcão (B3) 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 7.2%[1] [2] of the country's installed capacity. Its installed capacity, including its stakes in energy generation consortiums, is 7,868.1 MW. Out of this total, 83.2% comes from hydroelectric power plants, 11.2% from thermoelectric power plants and 5.6% from complementary energy (wind farms, solar, biomass and Small Hydroelectric Power Plants – SHPP). At 3.31.2018, physical guarantee for sale averaged 4,268.0 MW, of which 161.8 average MW are related to the portion of 70% of physical guarantee of the hydroelectric power plants Jaguara and Miranda, which were allocated to the Regulated Contracting Environment (ACR) in the Physical Guarantee Quota System.

The Company's generation facilities in operation consist of 30 plants, of which 11 hydroelectric power plants (HPP), six thermoelectric power plants (TPP), of which three coal and three biomass, nine wind farms, two photovoltaic solar power plants and two small hydroelectric power plants (SHPP).

The main corporate and operational events occurred in the first quarter of 2018 are summarized as follows:

[1] Information based on data verified on reference date 12.31.2017.

[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.

a) Normative Resolution no. 801/2017 Aneel

On 12.19.2017, Aneel issued Normative Resolution no. 801 (REN 801), in effect from 1.1.2018, which established new rules for planning, formation, processing and management of the Fuel Consumption Account (CCC) and for the reimbursement of the fuel costs for domestic coal thermal power generation, intermediated by the Energy Development Account (CDE). For more information regarding the impacts of the new law on the Company's operations, see "Note 5 – Inventory".

b) Capital increase at Diamante Geração de Energia Ltda. ("Diamante") and transfer of operation from Thermal Power Complex Jorge Lacerda (CTJL)

On 1.2.2018, ENGIE Brasil Energia increased the capital stock of the direct subsidiary Diamante by R$ 562,432, mainly by paying for the property, plant and equipment and inventory related to CTJL. The main purpose of said operation was to maintain the coal-fired generation operations in a separate company and did not have any effect on the Company's consolidated results. In February, Aneel issued Authorizing Resolution no. 6,849/2018, authorizing the transfer of plants belonging to CTJL of ENGIE Brasil Energia to Diamante.

c) Payment of interim dividends related to the 1st half of 2017

On 1.10.2018, the Company paid interim dividends for the first half of 2017 in the amount of R$ 938,918, corresponding to R$ 1.4384206188 per share.

d) Approval of financing operations

On 1.25.2018 and 2.22.2018, the Board of Directors approved new financing operations from the Brazilian Development Bank (BNDES) for the construction of the Campo Largo Wind Power Complex – Phase I and Pampa Sul TPP, in the amounts of R$ 1,039,100 and R$ 728,950, respectively. The Company has already fulfilled all the conditions precedent and is at in final stage for signing said agreements.

e) Revocation of authorization of the William Arjona TPP

On 2.20.2018, answering the Company's request, Aneel revoked the authorization of William Arjona TPP, whose operations had been suspended since the beginning of 2017, in view of the economic and financial unfeasibility due to the increase natural gas prices.

f) Downgrade of long-term international rating in foreign currency

On 2.27.2018, Fitch Ratings, consequent to the recent downgrading of Brazil's sovereign rating to 'BB-', downgraded the Company's long-term foreign currency rating to 'BB', with a stable outlook, thus remaining one notch above sovereign rating. The Company's long-term national rating, on the local scale, remained 'AAA(bra)', with a stable outlook.

g) Signing of concession agreement relating to Transmission Auction 02/2017

On 3.8.2018, the Company, through its direct subsidiaries ENGIE Brasil Energias Complementares Participações Ltda. ("ECP") and ENGIE Brasil Energia Comercializadora Ltda. ("EBC"), signed the concession agreement relating to the Transmission Auction 02/2017.

The term of the concession of the public transmission service, including construction, assembly, operation and maintenance of transmission facilities will be 30 years from the date of signing of the concession agreement, and the deadline for commercial startup is 3.8.2023. The Permitted Annual Revenue (RAP) contracted in the Auction was R$ 231,725.

h) Payment of interest on equity for fiscal year 2017

Interest on equity for fiscal year 2017 was paid on 3.27.2018. The gross amount credited was R$ 424,500, corresponding to R$ 0.6503333249 per share.

i) Registration of IPO application with the Securities and Exchange Commission of Brazil (CVM) for Companhia Energética Jaguara ("Jaguara") and Companhia Energética Miranda ("Miranda")

On 2.15.2018 and 2.19.2018, the Company filed an application with the CVM for the IPO of the direct subsidiaries Jaguara and Miranda, respectively. The initial application is under CVM's analysis.

j) Net working capital

The negative net working capital recorded on the balance sheet at 3.31.2018 is primarily due to the issue of promissory notes and new loans contracted, in the fourth quarter of 2017, to finance the payment of concession fees of the Jaguara and Miranda Hydroelectric Plants, which mature in 2018. The promissory notes will be paid through the issue of long-term debt in the capital markets or with financial institutions or, if necessary, through funds generated by the operating activities of ENGIE Brasil Energia.

NOTE 2 – PRESENTATION OF QUARTERLY FINANCIAL INFORMATION

The Company's quarterly information (ITR) was prepared in compliance with Accounting Pronouncement CPC 21 – Interim Statements and with the Consolidated ITR 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 – International Financial Reporting 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. ("Itasa") 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 ITR. There is also no difference between net earnings per share – basic and diluted – due to the fact that no shares with diluting effects were issued in the presentation periods.

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

In the ITR 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 12.31.2017, which did not require significant updates, have not been repeated in the notes selected for the quarterly information of 3.31.2018. Therefore, these financial statements should be read together with the financial statements for the year ended on 12.31.2017.

The accounting practices and calculation methods adopted in the preparation of the ITR of 3.31.2018, 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 12.31.2017.

a) Pronouncements applicable to the Company starting from 01.01.2018

a.1) CPC 47 – Revenues from contracts with customers (IFRS 15)

CPC 47 introduces a comprehensive framework to determine if and when a revenue is recognized and for how long it should be measured, and replaces, starting from 01.01.2018, the current standards for revenue recognition, including CPC 30 – Revenues (IAS 18), CPC 17 – Construction contracts (IAS 11) and CPC 30 Interpretation A – Customer loyalty programs (IFRIC 13).

The adoption of said standard had no effect on the individual and consolidated financial statements for 2017 and ITR of 3.31.2018.

a.2) CPC 48 – Financial instruments (IFRS 9)

CPC 48 replaces, starting from 1.1.2018, CPC 38 – Financial instruments: recognition and measurement (IAS 39) and establishes new requirements for classification, measurement, impairment, hedge accounting and recognition of financial assets and liabilities.

- Classification – Financial Assets

The new standard introduces a new approach to the classification and measurement of financial assets, which reflects the business model in which the assets are managed and their cash flow characteristics.

CPC 48 contains three main categories for classification of financial assets: measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss. The standard eliminates the categories existing under CPC 38. As demonstrated in Note 18 – Risk Management and Financial Instruments, the Company started to present its financial assets according to the aforementioned categories.

- Impairment – Financial Assets

CPC 48 replaces the “incurred losses” model of CPC 38 with a prospective model of “expected loan losses.” This requires from the Company significant judgment of how changes in economic factors impact expected loan losses, which will be determined based on weighted probabilities.

The new model of expected losses applies to financial assets measured at amortized cost and at fair value through other comprehensive income, namely:

(i) Cash, bank deposits and restricted deposits: held with top-tier financial institutions. The Company considers these assets to have low credit risk based on external credit score assessments of the counterparties.

(ii) Trade accounts receivable and other receivables: the Company calculated expected credit losses based on its actual loan loss experience in recent years. The amounts under trade accounts receivable do not have significant financial components, so the Company decided to apply a simplified approach, under which the loan loss is expected through the asset's life. Additionally, when calculating expected losses, the Company used a matrix, from the segregation of clients based on common characteristics. Note that the Company does not have a history of losses.

(iii) Concession financial asset: this asset corresponds to the present value of future cash flows that will be calculated for the recovery of bonus paid for the concessions of Jaguara and Miranda HPPs, which have unconditional guarantee of receipt without market risks.

The adoption of this standard did not impact the impairment of financial assets of the Company.

- Classification – Financial liabilities

CPC 48 retains most of the requirements of CPC 38 for the classification of financial liabilities, except the treatment of the fair value of liabilities designated as measured at fair value through profit or loss.

- Hedge accounting

CPC 48 requires the Company to ensure that the hedge accounting relationships are aligned with the Company's risk management objectives and strategies, and to ensure the application of a qualitative and prospective approach to assess the effectiveness of the hedge. In applying CPC 48, the Company opted to continue to apply the CPC 38 requirements for hedge accounting, as permitted by the standard. Thus, the adoption of said standard did not have change impact on hedge accounting of the Company.

b) 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.

c) Approval of the ITR

The ITR as herein presented has been approved by the Board of Directors in a meeting held on 4.19.2018.

NOTE 3 – CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Cash and bank deposits	**560**	**2,331**	**15,711**	**21,809**
Marketable securities:				
Exclusive investment fund				
Repurchase transactions backed by federal bonds	116,485	1,302,541	692,660	1,899,491
Other marketable securities	158	143	7,773	8,770
	116,643	**1,302,684**	**700,433**	**1,908,261**
	117,203	**1,305,015**	**716,144**	**1,930,070**

NOTE 4 – TRADE ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Distributors	263,081	248,206	327,978	309,080
Traders	182,132	182,214	76,660	78,148
Free Consumers	25,820	23,969	341,727	373,494
Transactions within the CCEE[3]	343,419	241,676	396,090	304,216
Services rendered	-	-	12,938	-
Expected credit losses	(6,180)	(6,180)	(6,469)	(6,469)
	808,272	**689,885**	**1,148,924**	**1,058,469**

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, while amounts billed monthly to the CCEE are received in approximately 45 days.

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

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Overdue up to 30 days	2,636	503	5,555	3,442
Overdue more than 30 days	6,928	6,920	8,356	7,626
	9,564	**7,423**	**13,911**	**11,068**

Expected credit losses are constituted considering a prospective model, based on actual credit loss in past years.

[3] Electric Energy Commercialization Chamber

NOTE 5 – INVENTORY

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Inventory	18,488	60,058	50,551	62,445
Inputs for energy production	-	36,219	87,363	37,089
Impairment	(1,987)	(1,987)	(1,987)	(1,987)
Others	507	656	2,326	702
	17,008	**94,946**	**138,253**	**98,249**

The increase in the balance of "Inputs for energy production" is mainly due to the mandatory acquisition, in the first quarter of 2018, of charcoal belonging to the Energy Development Account (CDE) under the management of the Company on the base date of 12.31.2016, deducted from CDE's strategic inventory that will be held by the Company, as provided in REN 801/2017 of Aneel, which totaled R$ 54,205.

NOTE 6 – RECEIVABLES ON DIVESTMENTS

These refer to amounts receivable due to the conclusion of the divestment of the indirect subsidiaries Eólica Beberibe, Eólica Pedra do Sal and Areia Branca SHPP, in October 2017, which will be received in 2018, restated by the National Broad Consumer Price Index (IPCA).

NOTE 7 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Financing guarantees	9,232	9,095	237,419	225,516
Reinvestment deposits	3,241	3,241	3,241	3,241
CCEE debt position guarantees	28	7,510	3,661	11,088
Contractual commitments guarantees	-	-	1,080	1,094
Other	527	451	6,115	5,973
	13,028	**20,297**	**251,516**	**246,912**
Classification in the balance sheet				
Current assets	3,269	10,751	7,982	15,423
Non-current assets	9,759	9,546	243,534	231,489
	13,028	**20,297**	**251,516**	**246,912**

Guarantees for loans are aimed at ensuring the payment of debt with BNDES and onlending banks and are mostly 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.

NOTE 8 – CONCESSION FINANCIAL ASSET

On 9.27.2017, Aneel conducted the Auction of non-Extended Concessions (Auction 001/2017), in which the Company won two lots, corresponding to the concessions of the Jaguara and Miranda HPP.

The installed capacity of the plants will be allocated at the proportion of 70% to the ACR, in the Physical Guarantee Quota System, and 30% to the Free Contracting Environment (ACL). The portion allocated to the ACR is guaranteed by the Government and has no demand, market or hydrological risk.

The bonus grant for 30 years of the Jaguara HPP and Miranda HPP was R$ 2,171,000 and R$ 1,360,000, respectively. Payment was made in a single installment on 11.30.2017.

The Company calculated the present value of future cash flows of energy to be settled in the ACR, based on the discount rate before taxes, determined for the purpose of this calculation, of 6.9% p.a., which best represents the expected return on this portion of investments. The amount represents an unconditional right of the Company to receive cash during the concession period and, therefore, it was classified as financial asset.

a) Changes

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
Balance at 12.31.2017	**1,580,397**	**966,970**	**2,547,367**
Received	(59,153)	(36,195)	(95,348)
Interest	38,143	23,343	61,486
Monetary variation	14,480	8,848	23,328
Balance at 3.31.2018	**1,573,867**	**962,966**	**2,536,833**
Classification in balance sheet			
Current assets	157,979	96,657	254,636
Noncurrent assets	1,415,888	866,309	2,282,197
	1,573,867	**962,966**	**2,536,833**

b) Realization profile of the concessional financial asset presented under non-current assets

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
April to December 2019	120,297	73,602	193,899
2020	131,669	80,560	212,229
2021	119,111	72,877	191,988
2022	107,753	65,928	173,681
2023	97,478	59,641	157,119
2024 to 2028	364,360	222,933	587,293
2029 to 2047	475,220	290,768	765,988
	1,415,888	**866,309**	**2,282,197**

NOTE 9 - NON-CURRENT ASSETS HELD FOR SALE

	Parent Company and Consolidated		
	Inventory	PPE	Total
Balance at 12.31.2017	**-**	**5,569**	**5,569**
Additions	10,427	37,611	48,038
Write-off from sale of assets	-	(46)	(46)
Balance at 3.31.2018	**10,427**	**43,134**	**53,561**

On 2.20.2018, Aneel revoked the authorization of the William Arjona TPP in compliance with the Company's request, in view of the economic and financial unfeasibility of the Plant resulting from the increase in the cost of natural gas. Also in February 2018, the Company finished prospecting market agents to intermediate the divestment of the Plant's assets.

Due to the current stage of the asset divestment process, in the first quarter of 2018, the Company started recording the full amount of inventory and property, plant and equipment related to the Plant, in the amounts of R$ 10,427 and R$ 37,611, respectively, in non-current assets held for sale.

NOTE 10 – JUDICIAL DEPOSITS

a) Breakdown

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Tax and social security	75,218	75,136	76,035	75,945
Civil	20,746	18,784	21,292	19,318
Labor	4,783	4,726	4,902	4,832
	100,747	**98,646**	**102,229**	**100,095**

With regard to the total amount of judicial deposits, R$ 23,161 (R$ 21,206 on 12.31.2017) in the Parent Company and R$ 23,615 (R$ 21,650 on 12.31.2017) in consolidated, are directly related to probable risk contingencies recognized as provisions in the Company's liabilities.

NOTE 11 – INVESTMENTS

a) Breakdown

	Parent Company	
	3.31.2018	12.31.2017
Interest on subsidiaries:		
Measured at the equity method		
Equity in earnings of subsidiaries	8,262,143	7,445,053
Fair value in the acquisition of investments	67,209	68,016
Goodwill on expected future profitability	10,924	10,684
	8,340,276	**7,523,753**

b) Changes in investments evaluated through the equity method

	Balance at 12.31.2017	Capital increase	Transfer of Control	Equity in earnings of subsidiaries	Dividends	Other comprehensive income	Balance at 3.31.2018
ECP	**2,572,787**	106,132	-	34,881	(56,400)	-	**2,657,400**
Pampa Sul[4]	**1,762,593**	122,563	-	25,406	-	(595)	**1,909,967**
CEE[5]	**1,066,881**	-	-	25,503	-	-	**1,092,384**
Jaguara	**869,064**	90	-	35,933	(232)	-	**904,855**
Miranda	**591,393**	90	-	18,057	(139)	-	**609,401**
EBC	**280,613**	-	-	14,040	(75,000)	-	**219,653**
Itasa	**247,371**	-	-	2,734	(3,774)	-	**246,331**
Lages[6]	**38,302**	-	-	1,111	(8,000)	-	**31,413**
ENGIE Solar[7]	**7,156**	267	-	(1,933)	-	-	**5,490**
ECV[8]	**5,302**	-	-	57	-	-	**5,359**
Diamante	**-**	562,432	-	13,868	-	-	**576,300**
Outros	**3,591**	-	(1)	-	-	-	**3,590**
	7,445,053	**791,574**	**(1)**	**169,657**	**(143,545)**	**(595)**	**8,262,143**

The proceeds from the capital increase at ECP and Pampa in 1Q18 were mainly allocated to the construction of the Campo Largo and Umburanas Wind Power Complexes, and the Pampa Sul Thermal Power Plant. In January 2018, the Company substantially increased the capital of Diamante by paying up the property, plant and equipment and inventories related to CTJL.

b.1) Information on the main subsidiaries, for 1Q18

	Capital	Assets	Liabilities	Adjusted shareholders' Equity	Net Revenue	Adjusted net Income (Loss)	Interest (%)
ECP	2,107,024	3,310,429	744,075	2,661,547	87,789	35,178	**99.99**
Pampa Sul	600,000	1,872,112	97,984	1,909,967	-	25,406	**99.99**
CEE	920,380	2,364,758	1,272,374	1,092,384	116,402	25,503	**99.99**
Jaguara	854,409	2,288,249	1,383,394	904,855	96,995	35,933	**99.99**
Miranda	582,663	1,433,692	824,291	609,401	72,733	18,057	**99.99**
EBC	4,200	567,797	348,144	219,653	881,773	14,040	**99.99**
Itasa	510,135	538,911	33,617	505,294	41,625	5,608	**48.75**
Lages	30,530	33,838	2,425	31,413	7,237	1,111	**99.99**
ENGIE Solar	39	32,905	21,925	10,980	7,531	(3,866)	**50.00**
ECV	5,000	5,359	-	5,359	-	57	**99.99**
Diamante	562,432	806,902	230,602	576,300	122,998	13,868	**99.99**

Non-controlling interest

The non-controlling interest of Ibitiúva Bioenergética S.A. in the shareholders' equity and the net income of ECP, its parent company, presented above is R$ 4,147 and R$ 297, respectively.

[4] Pampa Sul S.A. Thermal Power Plant.
[5] Companhia Energética Estreito.
[6] Lages Bioenergética Ltda.
[7] ENGIE Geração Solar Distribuída S.A. – joint venture.
[8] ENGIE Comercializadora Varejista de Energia Ltda.

Capitalized interests

ENGIE Brasil Energia took out loans and issued debentures to finance the construction of the Campo Largo, Santa Mônica and Umburanas Wind Power Complexes and the Assú V Photovoltaic Power Plant, investments that are part of ECP and Pampa Sul TPP, Pampa Sul's project. Interest on this debt was capitalized as construction assets in the consolidated financial statements and recognized using the equity method in the parent company's financial statements.

In 1Q18, the interest capitalized in ECP and Pampa Sul was R$ 11,430 and R$ 25,741, respectively. In the first three months to 3.31.2018, the amounts capitalized in the same subsidiaries were R$ 95,163 and R$ 135,839, respectively. In the table above, "Adjusted shareholders' equity" and "Adjusted net income (loss)" include the items described above.

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent Company			
		3.31.2018			12.31.2017
	Average rate of depreciation	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	3.0%	5,111,583	(3,084,815)	2,026,768	2,064,751
Buildings and improvements	2.9%	1,287,822	(779,832)	507,990	528,676
Machinery and equipment	4.7%	4,133,687	(2,276,229)	1,857,458	2,271,284
Furniture and fixtures	6.3%	7,321	(4,527)	2,794	3,886
Vehicles	14.3%	1,907	(1,395)	512	773
Special obligations		(47,357)	-	(47,357)	(47,837)
		10,494,963	**(6,146,798)**	**4,348,165**	**4,821,533**
In progress					
Reservoirs, dams and ducts		4,161	-	4,161	4,151
Buildings and improvements		10,098	-	10,098	10,099
Machinery and equipment		72,131	-	72,131	188,972
Advances to suppliers		14,539	-	14,539	13,129
Acquisitions to be apportioned		5,342	-	5,342	5,919
		106,271	**-**	**106,271**	**222,270**
		10,601,234	**(6,146,798)**	**4,454,436**	**5,043,803**

		Consolidated			
		3.31.2018			12.31.2017
	Average rate of depreciation	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	3.3%	8,011,653	(4,534,705)	3,476,948	3,530,574
Buildings and improvements	3.1%	1,972,755	(1,241,537)	731,218	731,454
Machinery and equipment	4.7%	9,797,601	(5,329,934)	4,467,667	4,380,402
Furniture and fixtures	6.3%	10,584	(6,348)	4,236	4,344
Vehicles	14.3%	4,649	(3,549)	1,100	1,171
Special obligations		(47,482)	-	(47,482)	(47,962)
		19,749,760	**(11,116,073)**	**8,633,687**	**8,599,983**
In progress					
Reservoirs, dams and ducts		116,143	-	116,143	113,713
Buildings and improvements		375,386	-	375,386	314,503
Machinery and equipment		1,435,969	-	1,435,969	1,291,572
Advances to suppliers		915,312	-	915,312	826,630
Acquisitions to be apportioned		562,639	-	562,639	531,707
		3,405,449	**-**	**3,405,449**	**3,078,125**
		23,155,209	**(11,116,073)**	**12,039,136**	**11,678,108**

b) Changes

	Parent Company						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2017	**2,064,751**	**528,676**	**2,271,284**	**4,659**	**222,270**	**(47,837)**	**5,043,803**
Additions	-	-	-	-	19,324	-	19,324
Transfer – Diamante	(2,055)	(13,599)	(351,187)	(2,557)	(125,043)	-	(494,441)
Assets held for sale	-	-	(32,769)	(716)	(4,126)	-	(37,611)
Transfers	(1,825)	(5,964)	11,438	2,025	(6,154)	480	-
Write-offs	(275)	-	(6,517)	-	-	-	(6,792)
Depreciation	(33,828)	(1,123)	(34,791)	(105)	-	-	(69,847)
Balance at 3.31.2018	**2,026,768**	**507,990**	**1,857,458**	**3,306**	**106,271**	**(47,357)**	**4,454,436**

	Consolidated						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2017	**3,530,574**	**731,454**	**4,380,402**	**5,515**	**3,078,125**	**(47,962)**	**11,678,108**
Additions	-	-	-	-	505,320	-	505,320
Capitalized interest and monetary variation	-	-	-	-	57,200	-	57,200
Assets held for sale	-	-	(32,769)	(716)	(4,126)	-	(37,611)
Transfer	(509)	4,337	226,017	745	(231,070)	480	-
Write-offs	(275)	-	(6,517)	-	-	-	(6,792)
Depreciation	(52,842)	(4,573)	(99,466)	(208)	-	-	(157,089)
Balance at 3.31.2018	**3,476,948**	**731,218**	**4,467,667**	**5,336**	**3,405,449**	**(47,482)**	**12,039,136**

On 01.02.2018, ENGIE Brasil Energia increased the capital of the direct subsidiary Diamante by R$ 562,432, of which R$ 494,441 were through the payment of property, plant and equipment related to CTJL. The transfer of power plants from CTJL to Diamante was approved by Aneel in February 2018.

NOTE 13 – INTANGIBLE ASSETS

a) Breakdown

		Parent Company			
		3.31.2018			12.31.2017
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Right to use	Until 2034	74,886	(44,196)	**30,690**	**30,823**

		Consolidated			
		3.31.2018			12.31.2017
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Grant bonus – Jaguara	Until 2047	620,327	(8,595)	611,732	616,792
Grant bonus – Miranda	Until 2047	411,223	(5,698)	405,525	408,896
Right to use assets	Until 2037	100,650	(47,384)	53,266	52,910
Energy purchase right	Until 2023	64,561	(31,581)	32,980	34,455
Rights over wind farm projects in operation	Until 2045	19,233	(2,676)	16,557	16,761
Rights over wind farm projects under construction/development	-	163,943	-	163,943	163,743
Rights over Solar Project Assú	-	15,194	(118)	15,076	15,194
		1,395,131	**(96,052)**	**1,299,079**	**1,308,951**

a.1) Grant bonus

The difference between the amount paid as bonus for the grant and the amount recorded as concession financial asset represents the right to use the infrastructure of the Jaguara and Miranda Hydroelectric Plans to generate and sell energy. This amount was recognized under intangible assets and is being amortized using the straight-line method over the term of the concession of the Plants.

a.2) Right over projects

Rights over these 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.

NOTE 14 – SUPPLIERS

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Fossil fuels and biomass	165,906	207,315	166,771	208,220
Electrical energy purchased	117,546	101,237	153,634	224,593
Charges for the use of the power grid	31,261	34,632	46,850	42,228
Suppliers of materials and services	25,149	51,985	50,459	64,838
Property, plant and equipment suppliers	6,486	13,603	121,550	77,245
Transactions in the spot market	2,358	-	12,039	272
	348,706	**408,772**	**551,303**	**617,396**

NOTE 15 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	3.31.2018			12.31.2017		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	82,472	163,584	246,056	82,329	183,875	266,204
Banks (BNDES onlending)	1,533	5,972	7,505	1,535	6,355	7,890
Nordic Investment Bank (NIB)	26,922	100,976	127,898	26,715	106,879	133,594
Financial charges	1,718	-	1,718	1,846	-	1,846
	112,645	**270,532**	**383,177**	**112,425**	**297,109**	**409,534**
Measured at fair value						
Foreign currency – with hedge						
HSBC USA	-	336,152	336,152	-	328,916	328,916
Scotiabank	-	649,599	649,599	-	665,785	665,785
Bank of Tokyo	660,893	-	660,893	665,260	-	665,260
Financial charges	22,984	-	22,984	10,171	-	10,171
	683,877	**985,751**	**1,669,628**	**675,431**	**994,701**	**1,670,132**
Loans and financing	**796,522**	**1,256,283**	**2,052,805**	**787,856**	**1,291,810**	**2,079,666**

The balances of loans and financing at the parent company, net of hedge effects, are as follows:

	Parent Company					
	3.31.2018			12.31.2017		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**796,522**	**1,256,283**	**2,052,805**	**787,856**	**1,291,810**	**2,079,666**
Effects of Hedge (swap) on the balance sheet						
Long position[9]	(2,485)	(11,263)	(13,748)	(3,933)	(14,274)	(18,207)
Short position[9]	4,613	11,654	16,267	-	-	-
Loans and financing, net of hedge effects	**798,650**	**1,256,674**	**2,055,324**	**783,923**	**1,277,536**	**2,061,459**

	Consolidated					
	3.31.2018			12.31.2017		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	196,376	1,309,646	1,506,022	197,456	1,356,047	1,553,503
Banks (BNDES onlending)	40,618	400,719	441,337	40,548	410,156	450,704
Nordic Investment Bank (NIB)	26,922	100,976	127,898	26,715	106,879	133,594
Financial charges	7,754	-	7,754	8,008	-	8,008
	271,670	**1,811,341**	**2,083,011**	**272,727**	**1,873,082**	**2,145,809**
Measured at fair value						
Foreign currency – with hedge						
HSBC USA	-	336,152	336,152	-	328,916	328,916
Scotiabank	-	649,599	649,599	-	665,785	665,785
Bank of Tokyo	660,893	-	660,893	665,260	-	665,260
Financial charges	22,984	-	22,984	10,171	-	10,171
	683,877	**985,751**	**1,669,628**	**675,431**	**994,701**	**1,670,132**
Loans and financing	**955,547**	**2,797,092**	**3,752,639**	**948,158**	**2,867,783**	**3,815,941**

[9] The long position of the hedge is presented as part of the items "Other Current Assets" and "Other Non-Current Assets", while the short position is presented as part of the "Other Current Liabilities" and "Other Non-current Liabilities" accounts.

The balances of loans and financing in the consolidated, net of hedge effects, are as follows:

	Consolidated					
	31,03,2018			31,12,2017		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**955,547**	**2,797,092**	**3,752,639**	**948,158**	**2,867,783**	**3,815,941**
Effects of Hedge (swap) on the balance sheet						
Long position[10]	(2,485)	(11,263)	(13,748)	(3,933)	(14,274)	(18,207)
Short position[10]	4,613	11,654	16,267	-	-	-
Loans and financing, net of hedge effects	**957,675**	**2,797,483**	**3,755,158**	**944,225**	**2,853,509**	**3,797,734**

b) Changes

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2017	**787,856**	**1,291,810**	**2,079,666**	**948,158**	**2,867,783**	**3,815,941**
Interest	22,059	-	22,059	16,294	22	16,316
Monetary variation	360	1,096	1,456	637	3,872	4,509
Capitalized interest and monetary variation	-	-	-	40,262	-	40,262
Foreign exchange variation	3,317	3,160	6,477	3,317	3,160	6,477
Adjustment at fair value	(7,609)	(12,122)	(19,731)	(7,609)	(12,122)	(19,731)
Transfers	27,661	(27,661)	-	65,623	(65,623)	-
Principal amortization	(27,833)	-	(27,833)	(67,347)	-	(67,347)
Interest amortization	(9,289)	-	(9,289)	(43,788)	-	(43,788)
Balance at 3.31.2018	**796,522**	**1,256,283**	**2,052,805**	**955,547**	**2,797,092**	**3,752,639**

c) Maturity of balances under non-current liabilities

	Parent Company	Consolidated
April to December 2019	83,163	196,834
2020	419,583	567,296
2021	44,926	185,780
2022	694,641	832,066
2023	13,962	151,387
2024 to 2028	8	687,133
2029 to 2033	-	176,596
Loans and financing	**1,256,283**	**2,797,092**

d) Financial contract commitments (covenants)

There were no changes in the financial covenants compared to those presented in Note 17 – Loans and Financing of the financial statements for 12.31.2017. The financial commitments established in the loan and financing agreements are being fulfilled by the Company and its subsidiaries.

[10] The long position of the hedge is presented as part of the items "Other Current Assets" and "Other Non-Current Assets", while the short position is presented as part of the "Other Current Liabilities" and "Other Non-current Liabilities" accounts.

NOTE 16 – DEBENTURES AND PROMISSORY NOTES

a) Breakdown

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Debentures	852,757	830,564	852,757	830,564
Promissory notes	-	-	2,145,955	2,109,911
	852,757	**830,564**	**2,998,712**	**2,940,475**
Classification in balance sheet				
Current liabilities	30,688	17,849	2,176,643	2,127,760
Non-current liabilities	822,069	812,715	822,069	812,715
	852,757	**830,564**	**2,998,712**	**2,940,475**

b) Changes

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2017	**17,849**	**812,715**	**830,564**	**2,127,760**	**812,715**	**2,940,475**
Interest	13,072	-	13,072	39,125	-	39,125
Monetary variation	249	8,872	9,121	249	1,925	2,174
Capitalized interest and monetary variation	-	-	-	9,991	6,947	16,938
Transfers	(482)	482	-	(482)	482	-
Balance at 3.31.2018	**30,688**	**822,069**	**852,757**	**2,176,643**	**822,069**	**2,998,712**

c) Maturities of balances recorded as non-current liabilities

	Parent Company and Consolidated
2021	83,497
2022	152,215
2023	153,521
2024 to 2028	432,836
Debentures	**822,069**

d) Contractual covenants

There were no changes in the financial covenants compared to those presented in Note 18 – Debentures and Promissory Notes of the financial statements for 12.31.2017. The covenants of the debentures are being fully met by the Company and the promissory notes do not contain financial covenants.

NOTE 17 – CONCESSIONS PAYABLE

a) Breakdown

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Cana Brava HPP	1,076,043	1,035,551	1,076,043	1,035,551
Ponte de Pedra HPP	906,743	875,569	906,743	875,569
São Salvador HPP	537,566	535,274	537,566	535,274
Estreito HPP	-	-	53,224	53,005
	2,520,352	**2,446,394**	**2,573,576**	**2,499,399**
Classification in the balance sheet				
Current liabilities	61,896	61,367	67,601	67,051
Non-current liabilities	2,458,456	2,385,027	2,505,975	2,432,348
	2,520,352	**2,446,394**	**2,573,576**	**2,499,399**

b) Changes

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2017	**61,367**	**2,385,027**	**2,446,394**	**67,051**	**2,432,348**	**2,499,399**
Interest	-	55,202	55,202	-	56,460	56,460
Monetary variation	-	34,695	34,695	-	35,169	35,169
Transfers	16,468	(16,468)	-	18,002	(18,002)	-
Amortizations	(15,939)	-	(15,939)	(17,452)	-	(17,452)
Balance at 3.31.2018	**61,896**	**2,458,456**	**2,520,352**	**67,601**	**2,505,975**	**2,573,576**

c) Maturities of balances disclosed in non-current liabilities

	Parent Company	Consolidated
April to December 2019	56,673	60,606
2020	117,340	122,164
2021	142,103	146,489
2022	130,556	134,544
2023	453,223	456,847
2024 to 2028	1,004,283	1,018,020
2029 to 2033	514,579	523,106
2034 to 2038	39,699	44,199
	2,458,456	**2,505,975**

NOTE 18 – 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 2018, there were no changes in risks the Company and its subsidiaries are exposed to or in the management and measurement of these risks, when compared to those reported in Note 20 – Risk Management and Financial Instruments of the financial statements for 12.31.2017.

a) Liabilities denominated in foreign currency

At 3.31.2018, the Company and your subsidiaries held no financial obligation denominated in foreign currencies whose exchange variation was not fully hedged against.

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

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Long position				
Fair value hedge on loans	13,748	18,207	13,748	18,207
Short position				
Fair value hedge on loans	(16,267)	-	(16,267)	-
Cash flow hedge on liabilities	-	-	(2,127)	(1,944)
Net position	**(2,519)**	**18,207**	**(4,646)**	**16,263**

a.1) Fair value hedge operations on loans

The Company contracted swap operations with the Brazilian subsidiaries of the same lending financial institutions in U.S. dollars, in order to hedge future payment flows of principal and interest, including any income tax levied thereon, against foreign exchange fluctuation.

Due to the characteristics of said financial instruments, the Company applied the rules of fair value hedge accounting to record them. As a result, both the underlying loan object of the hedge operation and the hedge instrument itself (swap) are measured at fair value through profit or loss, thus fully protecting the Company from the financial effects, as well as impacts from exchange variation in its results.

a.1.1) Changes

	Parent Company and Consolidated		
	Current	Non-current	Total
Assets at 12.31.2017	**3,933**	**14,274**	**18,207**
Interest	(8,527)	(8,122)	(16,649)
Exchange variation	3,317	3,160	6,477
Fair value adjustment	(7,952)	(9,703)	(17,655)
Interest amortization	7,101	-	7,101
Liabilities at 3.31.2018	**(2,128)**	**(391)**	**(2,519)**

a.2) Cash flow hedge operations

As at 3.31.2018, 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.

The notional value of these NDF operations at 3.31.2018 is US$49,182, of which is contracted from HSBC, Citibank and Itaú, and mature up to December 2018.

On 3.31.2018, realized gains and unrealized losses of NDFs amounted to R$ 717 and R$ 2,127, respectively, recognized in Shareholders' Equity in the item "Other comprehensive income".

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

In compliance with CVM Instruction no. 475/2008, and for reference purposes, the Company prepared a sensitivity analysis on its loans, financing, debentures, promissory notes, concessions payable and concession financial assets 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	**3.31.2018**	**3.31.2019**	**Probable**	**Δ + 25% (*)**	**Δ + 50% (*)**
Risk of increase in interest rate and indices					
TJLP[11]	6.9%	6.8%	-0.1 p.p.	1.7 p.p.	3.4 p.p.
CDI[12]	8.4%	6.3%	-2.1 p.p.	1.6 p.p.	3.2 p.p.
IPCA	2.7%	4.0%	1.3 p.p.	1.0 p.p.	2.0 p.p.
IGP-M[13]	0.2%	4.3%	4.1 p.p.	1.1 p.p.	2.2 p.p.
Risk of decrease in interest rate and indices					
IPCA	2.7%	4.0%	1.3 p.p.	-1.0 p.p.	-2.0 p.p.

(*) Variations in probable scenario for 2019.

The probable sensitivity was calculated based on the variation of indices in the last twelve months recorded on 3.31.2018 and those expected for the next 12 months ending on 3.31.2019, and show the probable additional effects on the Company's results. Variations that could affect the consolidated result and, consequently, shareholders' equity, in the next 12 months compared to the last 12 months if the scenarios materialize are the following:

[11] Long-term Interest Rate (TJLP).
[12] Interbank Deposit Certificate.
[13] General Market Price Index.

	Balance at 3.31.2018	Sensitivity		
		Probable	Δ + 25%	Δ + 50%
Risk of increase (liability)				
Loans and financing				
TJLP	1,954,292	3,476	(31,065)	(62,576)
CDI (Loans with swap to CDI)	1,011,216	14,272	(10,836)	(21,726)
IPCA (Loan with swap to IPCA)	658,412	(8,273)	(6,750)	(13,500)
IPCA	128,719	(1,386)	(1,131)	(2,261)
		8,089	**(49,782)**	**(100,063)**
Debentures				
IPCA	852,757	**(10,665)**	**(8,702)**	**(17,403)**
Promissory notes				
CDI	2,145,955	**30,312**	**(22,995)**	**(46,225)**
Concessions payable				
IGP-M	1,982,786	(84,396)	(22,126)	(44,251)
IPCA	590,790	(7,008)	(5,724)	(11,447)
		(91,404)	**(27,850)**	**(55,698)**
Risk of decrease (asset)				
Concession financial asset				
IPCA	2,536,833	**31,717**	**(26,902)**	**(53,805)**
Total		**(31,951)**	**(136,231)**	**(273,194)**

c) Category and fair value of financial instruments

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Financial assets				
Fair value through profit or loss				
Marketable securities	116,643	1,302,684	700,433	1,908,261
Fair value hedge on loans[14]	13,748	18,207	13,748	18,207
Amortized cost				
Trade accounts receivable	808,272	689,885	1,148,924	1,058,469
Dividends receivable from subsidiaries	68,360	30,550	-	-
Fuel reimbursable[14]	45,805	44,089	45,805	44,089
Restricted deposits	13,028	20,297	251,516	246,912
Cash and bank deposits	560	2,331	15,711	21,809
Concession financial asset	-	-	2,536,833	2,547,36
	1,066,416	**2,108,043**	**4,712,970**	**5,845,114**
Financial liabilities				
Fair value through profit or loss				
Loans in foreign currency	1,669,628	1,670,132	1,669,628	1,670,132
Fair value hedge on loans[15]	16,267	-	16,267	-
Amortized cost				
Concessions payable	2,520,352	2,446,394	2,573,576	2,499,399
Debentures and promissory notes	852,757	830,564	2,998,712	2,940,475
Loans in local currency	383,177	409,534	2,083,011	2,145,809
Suppliers	348,706	408,772	551,303	617,396
Dividends and interest on equity	6,879	1,300,237	7,439	1,300,516
Liabilities linked to investment acquisition[15]	-	-	21,352	21,146
Fair value through other comprehensive income				
Cash flow hedge on liabilities[15]	-	-	2,127	1,944
	5,797,766	**7,065,633**	**9,923,415**	**11,196,817**

[14] Presented under "Other current assets" and/or "Other non-current assets".

[15] Presented under "Other current liabilities" and "Other non-current liabilities".

Financial assets and liabilities measured at fair value through profit or loss are assessed based on the market prices in active markets (Level 1), except loans in foreign currencies 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, promissory notes 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			
	3.31.2018		12.31.2017	
	Book	Market	Book	Market
Loans and financing in local currency	383,177	386,737	409,534	416,018
Debentures	852,757	948,653	830,564	904,938
Concessions payable	2,520,352	3,191,563	2,446,394	3,036,163
	3,756,286	**4,526,953**	**3,686,492**	**4,357,119**

	Consolidated			
	3.31.2018		12.31.2017	
	Book	Market	Book	Market
Loans and financing in local currency	2,083,011	2,095,398	2,145,809	2,161,186
Debentures and promissory notes	2,998,712	3,097,201	2,940,475	3,018,413
Concessions payable	2,573,576	3,260,069	2,499,399	3,102,350
	7,655,299	**8,452,668**	**7,585,683**	**8,281,949**

NOTE 19 – PROVISIONS

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

a) Breakdown

	Parent Company		Consolidated	
	3.31.2018	12.31.2017	3.31.2018	12.31.2017
Civil				
Expropriations and administrative servitude	35,690	35,019	35,690	35,019
Environment	10,978	10,797	10,978	10,797
Retirement benefits	2,645	2,603	2,645	2,603
Sundry lawsuits	15,112	14,905	21,878	21,696
	64,425	**63,324**	**71,191**	**70,115**
Labor	**11,680**	**10,860**	**11,946**	**11,122**
Tax	**6,878**	**6,812**	**7,205**	**7,137**
Divestment of generation assets	**642**	**1,000**	**642**	**1,000**
	83,625	**81,996**	**90,984**	**89,374**
Classification in the balance sheet				
Current liabilities	10,289	10,647	11,292	11,651
Non-current liabilities	73,336	71,349	79,692	77,723
	83,625	**81,996**	**90,984**	**89,374**

b) Possible and remote risks

The Company and its subsidiaries are 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.

	3.31.2018			12.31.2017		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Parent Company						
Tax and pension	274,525	230,366	504,891	272,636	228,166	500,802
Civil	107,640	139,012	246,652	105,589	136,579	242,168
Labor	7,839	142,189	150,028	6,442	132,025	138,467
	390,004	**511,567**	**901,571**	**384,667**	**496,770**	**881,437**
Consolidated						
Tax and pension	350,889	252,313	603,202	348,509	249,898	598,407
Civil	124,368	139,107	263,475	122,334	136,673	259,007
Labor	11,585	157,553	169,138	10,077	143,737	153,814
	486,842	**548,973**	**1,035,815**	**480,920**	**530,308**	**1,011,228**

There were no significant updates in the first quarter related to the main risks assessed as being possible risk, which are presented in Note 24 – Provisions to the financial statements of 12.31.2017.

NOTE 20 – 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 Fundação Eletrosul de Previdência e Assistência Social - 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 Centrais Elétricas S.A. (Eletrosul), as well as participants that opted for the proportional benefit deferred until that date, who did not migrate to PREVIG. The main characteristics of the plans managed by the Company are:

a) Breakdown

	Parent Company and Consolidated					
	3.31.2018			12.31.2017		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	15,811	178,955	194,766	15,666	181,924	197,590
Uncontracted deficit	14,789	102,083	116,872	14,858	99,047	113,905
Contributions and current service costs	83	-	83	159	-	159
Recorded actuarial liability	**30,683**	**281,038**	**311,721**	**30,683**	**280,971**	**311,654**

Retirement benefits obligations recognized in the balance sheet are partially covered by contracted obligations and/or obligations acknowledged through an instrument for the acknowledgment of debt and agreement entered into by the Company with respective Foundations.

Contracted amounts presented in non-current liabilities are expected to be settled as follows:

	ELOS	PREVIG	Total
April to December 2019	9,639	2,414	12,053
2020	13,796	3,329	17,125
2021	14,605	3,528	18,133
2022	15,462	2,158	17,620
2023	16,369	1,473	17,842
2024 to 2028	74,608	229	74,837
2029 to 2032	21,345	-	21,345
	165,824	**13,131**	**178,955**

b) Changes in retirement benefit obligations

	Plans				
	ELOS BD	PREVIG BD	PREVIG BSPS[16]	GC[17]	Total
Liabilities recorded at 12.31.2017	**291,644**	**15,547**	**1,198**	**3,265**	**311,654**
Contribution and cost of current services	7	(56)	-	10	(39)
Payments of contracted obligations	(5,956)	(825)	(80)	-	(6,861)
Net interest on actuarial liabilities/assets	6,565	322	24	56	6,967
Liabilities recorded at 3.31.2018	**292,260**	**14,988**	**1,142**	**3,331**	**311,721**

NOTE 21 – DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES

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

a) Breakdown

	Parent Company				
		3.31.2018			12.31.2017
Description of credits	Calculation basis	IR	CSLL	Total	Total
Liabilities					
Property, plant and equipment deemed cost (fair value)	811,181	202,795	73,006	275,801	207,148
Accelerated depreciation	597,699	149,425	53,793	203,218	270,220
Unrealized sale at MAE[18] (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Capitalized financial charges	65,904	16,476	5,931	22,407	22,606
Adjustment to fair value in business combination	36,368	9,092	3,273	12,365	12,553
Unrealized hedge gains	29,021	7,255	2,612	9,867	4,176
Other	4,484	1,121	404	1,525	1,435
		413,028	**148,690**	**561,718**	**554,673**
Assets					
Expected credit losses	129,166	32,292	11,625	43,917	43,917
Retirement benefit obligations	116,927	29,232	10,523	39,755	38,767
Adjustment to fair value in business combination	104,369	26,092	9,393	35,485	35,280
Provision for asset impairment	93,348	23,337	8,401	31,738	41,751
Civil, tax and labor provisions	75,081	18,770	6,757	25,527	24,853
Interest on property, plant and equipment in progress (RIC)	38,339	9,585	-	9,585	15,609
Other	60,107	15,026	5,410	20,436	14,292
		154,334	**52,109**	**206,443**	**214,469**
Net total		**258,694**	**96,581**	**355,275**	**340,204**

[16] Paid Supplementary Proportional Benefit.
[17] Confidentiality Bonus.
[18] Wholesale Electricity Market.

	Consolidated				
	3.31.2018				12.31.2017
Description of credits	Calculation basis	IR	CSLL	Total	Total
Liabilities:					
Property, plant and equipment deemed cost (fair value)	811,181	202,795	73,006	275,801	207,148
Accelerated depreciation	799,319	199,830	71,939	271,769	335,795
Capitalized financial charges	415,955	103,989	37,436	141,425	122,474
Interest on concession financial asset	132,732	33,183	11,946	45,129	11,878
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Adjustment to fair value in business combination	36,368	9,092	3,273	12,365	12,553
Amortization of portion allocated to concession financial asset	34,633	8,658	3,117	11,775	9,075
Unrealized hedge gains	29,021	7,255	2,612	9,867	4,176
Other	4,484	1,121	404	1,525	1,435
		592,787	**213,404**	**806,191**	**741,069**
Assets:					
Expected credit losses	131,305	32,826	11,817	44,643	44,643
Revenue from Return of Grant Bonus (RBO)	118,105	29,526	10,629	40,155	17,793
Retirement benefit obligations	116,927	29,232	10,523	39,755	38,767
Adjustment to fair value in business combination	104,369	26,092	9,393	35,485	35,280
Provision for asset impairment	93,348	23,337	8,401	31,738	41,424
Civil, tax and labor provisions	80,320	20,080	7,229	27,309	26,652
Tax losses and social contribution tax loss carryforwards	42,067	10,517	3,786	14,303	13,722
Interest on property, plant and equipment in progress (RIC)	38,339	9,585	-	9,585	15,609
Fair value adjustment of property, plant and equipment	32,450	8,113	2,921	11,034	11,591
Other	70,296	17,556	6,348	23,904	18,465
		206,864	**71,047**	**277,911**	**263,946**
Net total		**385,923**	**142,357**	**528,280**	**477,123**
Classification in the balance sheet					
Liabilities		408,263	150,425	558,688	507,905
Assets[19]		(22,340)	(8,068)	(30,408)	(30,782)
Total		**385,923**	**142,357**	**528,280**	**477,123**

[19] Presented under "Other non-current assets"

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

	Parent Company	Consolidated
Balance at 12.31.2017	**340,204**	**477,123**
Taxes deferred in profit or loss	15,071	51,220
Taxes deferred in other comprehensive income	-	(63)
Balance at 3.31.2018	**355,275**	**528,280**

c) Expected realization and required payments

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
April to December 2018	50,988	27,290	52,616	27,290
2019	9,248	29,793	15,209	35,523
2020	50,906	63,879	66,725	73,330
2021	7,038	36,018	15,950	44,964
2022	15,984	45,681	20,250	54,171
2023	7,688	39,831	11,646	47,908
2024 to 2028	34,609	197,087	50,090	256,773
2029 to 2033	29,139	107,433	44,581	171,575
After 2034	843	14,706	844	94,657
	206,443	**561,718**	**277,911**	**806,191**

NOTE 22 – 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 listing regulations of the Novo Mercado segment of B3, 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 3.31.2018 and 12.31.2017.

b) Subscribed and paid-in capital

The Company's fully subscribed and paid-in capital on 3.31.2018 and 12.31.2017 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 3.31.2018, is R$ 11.21 (R$ 10.47 for each share at 12.31.2017).

The Company's ownership structure at 3.31.2018 and 12.31.2017 was as follows:

Shareholders	% of capital
ENGIE Participações	68.71%
Banco Clássico S.A.	10.00%
Other shareholders	21.29%
	100.00%

As of 3.31.2018 and 12.31.2017, the number of Company shares held by its managers was 374,628.

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.

NOTE 23 – RECONCILIATION OF NET REVENUE

In compliance with CPC 47 – Revenue from contracts with clients, the following table presents the reconciliation between gross operating revenue and net operating revenue:

	Parent Company		Consolidated	
	3.31.2018	3.31.2017	3.31.2018	3.31.2017
GROSS OPERATING REVENUE				
Electrical energy distributors	627,638	586,935	764,144	753,547
Electrical energy traders	506,947	490,868	217,450	128,285
Free consumers	68,063	64,780	800,971	844,870
Transactions in the short-term market	134,166	17,009	163,854	40,323
Interest on concessional financial asset	-	-	84,814	-
Services rendered	12,661	11,560	34,703	5,630
Other revenues	3,007	3,676	2,992	3,694
	1,352,482	**1,174,828**	**2,068,928**	**1,776,349**
DEDUCTIONS FROM OPERATING REVENUE				
PIS[20] and Cofins[21]	(122,132)	(105,534)	(184,635)	(159,156)
Research and Development	(8,239)	(7,735)	(11,942)	(8,781)
ICMS[22]	(2,880)	(2,061)	(2,881)	(2,061)
ISSQN[23]	(617)	(439)	(617)	(439)
	(133,868)	**(115,769)**	**(200,075)**	**(170,437)**
NET OPERATING REVENUE	**1,218,614**	**1,059,059**	**1,868,853**	**1,605,912**

[20] Social Integration Program.
[21] Contribution to Social Security Financing.
[22] State Tax on Sales of Goods and Services related to Interstate and Intermunicipal Transport and Communication.
[23] Tax on Services of Any Nature.

NOTE 24 – DETAIL OF OPERATING EXPENSES BY NATURE

a) Costs of electrical energy production and services rendered

	Parent Company		Consolidated	
	3.31.2018	3.31.2017	3.31.2018	3.31.2017
Depreciation and amortization	69,283	97,960	166,720	147,572
Personnel	27,695	47,671	50,302	48,660
Royalties[24]	26,769	30,064	34,379	35,192
Third party materials and services	14,065	29,090	49,690	40,900
Constitution (Reversal) of provision, net	196	(2,089)	34	(375)
Fuel	101	26,037	22,320	28,633
Other	12,344	14,362	20,121	17,207
	150,453	**243,095**	**343,566**	**317,789**
Classification in the result				
Electricity production cost	144,532	235,927	337,632	310,617
Cost of services rendered	5,921	7,168	5,934	7,172
	150,453	**243,095**	**343,566**	**317,789**

A part of the variation recorded under "Electricity production cost" and "Cost of services rendered" of the Parent Company in 1Q18 stems from the transfer of operations of CTJL from ENGIE Brasil Energia to the wholly-owned subsidiary Diamante. The main purpose of said operation was to maintain coal-fired generation operations in a separate company and did not have any effect on the Company's consolidated results.

b) Selling, general and administrative expenses

	Parent Company		Consolidated	
	3.31.2018	3.31.2017	3.31.2018	3.31.2017
Personnel	17,942	17,255	18,131	17,416
Third party materials and services	11,716	9,586	12,291	10,561
Management	5,492	5,131	5,511	5,153
Depreciation and amortization	2,333	2,151	2,341	2,158
Contributions and donations	1,855	1,831	2,562	2,455
Pension funds	1,659	1,657	1,659	1,657
Rent	1,531	1,926	1,548	2,698
Other	2,764	2,292	3,691	2.458
	45,292	**41,829**	**47,734**	**44,556**
Classification in the result				
Sale expenses	2,661	2,339	3,863	3,880
General and administrative expenses	42,631	39,490	43,871	40,676
	45,292	**41,829**	**47,734**	**44,556**

[24] Financial compensation for the use of water resources.

NOTE 25 – FINANCIAL RESULT

	Parent Company		Consolidated	
	3.31.2018	3.31.2017	3.31.2018	3.31.2017
Financial income				
Income from marketable securities	5,198	27,255	15,500	49,297
Interest on receivables	1,936	2,113	4,908	3,586
Monetary variation on judicial deposits	545	2,049	563	2,040
Income on restricted deposits	194	240	3,619	5,389
Other financial income	269	1,738	258	2,682
	8,142	**33,395**	**24,848**	**62,994**
Financial expenses				
Interest and monetary variation on				
Concessions payable	89,897	74,432	91,629	76,098
Loans and financing	23,515	15,495	20,825	38,263
Debentures and promissory notes	22,193	20,912	41,299	3,953
Fair value hedge on loans	16,649	-	16,649	-
Retirement benefit obligations	6,967	7,861	6,967	7,861
Provisions	1,433	6,344	1,517	6,425
Other	1,591	52	1,898	286
Exchange variation on				
Loans	6,477	-	6,477	-
Fair value hedge on loans	(6,477)	-	(6,477)	-
Fair value adjustment	(2,076)	-	(2,076)	-
Other financial expenses	1,585	1,153	3,042	1,736
	161,754	**126,249**	**181,750**	**134,622**
Financial expenses, net	**153,612**	**92,854**	**156,902**	**71,628**

NOTE 26 – INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent Company			
	3.31.2018		3.31.2017	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**639,178**	**639,178**	**602,641**	**602,641**
Standard rates	25%	9%	25%	9%
Tax expenses at standard rates	**(159,795)**	**(57,526)**	**(150,660)**	**(54,238)**
Permanent differences				
Equity in net income of subsidiaries	42,414	15,269	33,993	12,237
Tax incentives	10,296	-	6,857	-
Other	(692)	(106)	(417)	-
	(107,777)	**(42,363)**	**(110,227)**	**(42,001)**
Breakdown of taxes in the income statement				
Current	(95,101)	(39,968)	(104,980)	(40,439)
Deferred	(12,676)	(2,395)	(5,247)	(1,562)
	(107,777)	**(42,363)**	**(110,227)**	**(42,001)**

	Consolidated			
	3.31.2018		3.31.2017	
	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**718,674**	**718,674**	**663,037**	**663,037**
Standard rates	25%	9%	25%	9%
Tax expenses at standard rates	**(179,669)**	**(64,681)**	**(165,759)**	**(59,673)**
Permanent differences				
Tax incentives	11,995	-	6,857	-
Differences between taxable and notional income	4,777	1,338	5,198	1,616
Other	(2,345)	(754)	(471)	(110)
	(165,242)	**(64,097)**	**(154,175)**	**(58,167)**
Breakdown of taxes in the income statement				
Current	(125,985)	(52,134)	(138,907)	(52,998)
Deferred	(39,257)	(11,963)	(15,268)	(5,169)
	(165,242)	**(64,097)**	**(154,175)**	**(58,167)**

NOTE 27 – TRANSACTIONS WITH RELATED PARTIES

The Company has related-party transactions that are described in more details in Note 33 - Transactions with Related Parties of the financial statements as at 12.31.2017. 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 S.A.

In January 2018, ENGIE Brasil Energia signed energy purchase agreements with the following direct subsidiaries:

Seller	Expiry	Index for annual adjustment	Base date for adjustment	Future Commitments Basis 3.31.2018
Diamante	2021	IPCA	January	1,606,872
Jaguara	2031	IPCA	January	1,540,710
Miranda	2031	IPCA	January	900,917

Additionally, there were no other significant changes in these transactions in the first quarter of 2018.

a) Amounts recognized in balance sheet accounts:

	ASSETS				LIABILITIES		
	Accounts receivable				Supplier		IOE[25]
	Energy	Services	Loan	Dividends	Energy	Other	Dividends
3.31.2018							
EBC	167,376	-	-	-	2,951	29	-
Jaguara	1,677	417	-	1,780	9,514	-	-
Miranda	8,383	356	-	1,066	5,563	-	-
CEE	-	-	-	25,204	-	-	-
Diamante	-	15,437	-	-	60,794	722	-
Ceste[26]	-	1,640	-	-	-	-	-
Itasa	-	1,438	-	-	9,539	-	-
ECP and subsidiaries	-	641	-	40,000	-	-	-
Geramamoré[27]	-	-	-	-	10,206	-	-
ENGIE Solar	-	-	4,549	-	-	-	-
Other	-	1,547	-	310	1,197	425	-
	177,436	**21,476**	**4,549**	**68,360**	**99,764**	**1,176**	**-**
12.31.2017	**182,214**	**10,027**	**-**	**30,550**	**24,304**	**393**	**893,081**

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
3.31.2018						
EBC	479,948	-	99	8,672	-	-
Miranda	20,892	-	99	26,977	-	-
CEE	14,701	-	99	-	-	-
Jaguara	4,802	-	99	28,532	-	-
Ceste	-	5,529	-	-	-	-
Itasa	-	4,847	-	25,144	-	-
Lages	-	684	58	-	-	-
Diamante	-	-	99	121,718	-	-
ECP subsidiaries	-	-	949	-	-	-
Geramamoré	-	-	-	27,387	-	-
ESBR[28]	-	-	-	3,155	-	-
Other	-	-	99	-	314	83
	520,343	**11,060**	**1,601**	**241,585**	**314**	**83**
3.31.2017	**495,102**	**10,568**	**921**	**36,923**	**992**	**-**

[25] Interest on equity.
[26] Consórcio Estreito Energia.
[27] Geramamoré Participações e Comercializadora de Energia Ltda.
[28] Energia Sustentável do Brasil S.A.

c) Compensation of key Management personnel

Compensation of key management personnel on 3.31.2018 was R$ 5,366 and R$ 5,385 (R$ 5,131 and R$ 5,153 on 3.31.2017) in the parent company and consolidated, respectively. Management does not receive compensation based on shares issued by ENGIE Brasil Energia.

NOTE 28 – 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 5.31.2018 and the coverage amount is R$ 16,748,153 in the parent company and R$ 20,364,940 in the consolidated statements, as shown below:

	Parent Company		Consolidated	
Type of plant	Material damages	Loss of profit	Material damages	Loss of profit
HPP	11,424,879	2,012,374	13,298,853	2,216,443
TPP	2,189,807	1,074,887	2,189,807	1,074,888
Complementary plants (wind, biomass and SHPP)	45,671	535	1,288,814	296,135
	13,660,357	**3,087,796**	**16,777,474**	**3,587,466**

The maximum combined limit of indemnification for material damages and loss of profits is R$ 2,184,468 per event.

b) Engineering risks

The projects for construction of the Pampa Sul Thermal Power Plant and the Campo Largo Wind Power Complex - Phase I has an engineering risk coverage of R$ 1,830,000 and R$ 1,982,000, respectively for the entire duration of construction works. Coverage for civil liability amounts to R$ 190,000 and R$ 60,000, respectively. The policies for engineering and civil liability risks for the Umburanas Wind Farm construction project are being contracted, with temporary policies in place, amounting to R$ 35,000 and R$ 10,000, respectively.

c) Other coverages

The Company 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 employees and officers.

NOTE 29 – LONG-TERM COMMITMENTS

The Company has long-term agreements, and further information can be obtained in Note 35 – Long-term Commitments to the financial statements of 12.31.2017.

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

- Power grid connection agreement;

- Transmission and Distribution System Use Agreement (CUST and CUSD);

- Operation and maintenance agreements

- 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 2018.

NOTE 30 – ADDITIONAL CASH FLOW INFORMATION

The following complementary cash flow transactions were as follows:

	Parent Company		Consolidated	
	3.31.2018	3.31.2017	3.31.2018	3.31.2017
Dividends allocated by subsidiaries	143,545	-	-	-
Offsetting of income tax and social contribution	3,361	4,793	4,860	7,167
Capitalized interest and monetary variation	-	2,189	57,200	34,861
Capital increase in subsidiary with inventory and property, plant and equipment	(562,280)	-	-	-
Addition of non-current asset held for sale	(48,038)	-	(48,038)	-
Suppliers of property, plant and equipment and intangible assets	(7,117)	4,149	44,305	39,961

NOTE 31 – SUBSEQUENT EVENTS

a) New loans

On 4.5.2018 and 4.17.2018, the Company took loans from financial institutions abroad in the amount of US$ 200,000, equivalent to R$ 681,030 and, at the same time, contracted swap operations with the Brazilian subsidiary of the same financial institution that granted the loan, in order to hedge all future cash flows.

b) Additional dividends proposed

On 4.11.2018, the Annual Shareholders Meeting approved the allocation of net income and the distribution of additional dividends proposed for fiscal year 2017 in the amount of R$ 636,756, corresponding to R$ 0.9755096548 per share. On said date, the Company recognized the payment obligation in its balance sheet. The Company's shares will trade ex-dividends as of 4.24.2018, and the dividends will be paid on 6.28.2018.

c) Possible divestment of coal energy generation assets

On 4.12.2018, the Company informed its shareholders and the market that negotiations with CountourGlobal for the acquisition of CTJL, as well as the Pampa Sul Thermal Power Complex, did not progress satisfactorily, with the Company deciding to evaluate alternatives for continuing the process to decarbonize its portfolio.

d) Acquisition of remaining interest in ENGIE Solar

On 4.19.2018, the Board of Directors authorized the Company to submit a proposal to acquire the remaining 50% interest in ENGIE Solar. The acquisition should be concluded in 2018. In April 2016, ENGIE Brasil Energia had acquired 50% of the company's capital stock through capital subscription.

BOARD OF DIRECTORS

Maurício Stolle Bähr
Chairman

Manoel Arlindo Zaroni Torres
Vice-Chairman

Pierre Jean Bernard Guiollot
Member

Paulo Jorge Tavares Almirante
Member

Dirk Achiel Marc Beeuwsaert
Member

Claude Emile Jean Turbet
Member

Roberto Henrique Tejada Vencato
Member

José Pais Rangel
Member

Paulo de Resende Salgado
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 equity interest, 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 Brasil Energia 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 3.31.2018 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 2018

Estimative for the years 2018, 2019 and 2020, announced in the fourth quarter of 2017:

Description \ Projection period	2018	2019	2020
Financed with debt	2,708	1,130	474
Financed with own capital[29]	397	(228)	669
Total	**3,105**	**902**	**1,143**

Estimates for the years 2018, 2019 and 2020, in force in 1Q18:

Description \ Projection period	2018	2019	2020
Financed with debt	2,721	1,511	433
Financed with own capital[29]	909	(573)	1,158
Total	**3,630**	**938**	**1,591**

Changes in the estimates informed for the years 2018, 2019 and 2020 between the 4Q17 and the estimate in force in 1Q18:

Description \ Projection period	2018	2019	2020
Financed with debt	13	381	(41)
Financed with own capital	512	(345)	489
Total	**525**	**36**	**448**

Analysis of material changes:

Changes from the last reporting period were mainly due to the update of physical and financial schedules of projects under construction: Pampa Sul TPP, Campo Largo and Umburana Wind Power Complexes and the start of construction work on the Gralha Azul Transmission Line.

The updated forecasts mainly refer to:

- 2018 and 2019: the construction of the Campo Largo and Umburanas Wind Complexes, of Pampa Sul TPP, the Gralha Azul Transmission Line, the Assú V Photovoltaic Project and the modernization of Salto Osório HPP.
- 2020: the development of the Gralha Azul Transmission Line project and the modernization of Salto Osório HPP.

Investments made in the first quarter of 2018:

In 1Q18, the Company invested R$ 499.5 million in the construction, maintenance, renovation of its generating facilities and in the acquisition of projects, of which R$ 460.5 million were required in the construction of Campo Largo and Umburanas Wind Power Complexes, Pampa Sul TPP, the Assú Photovoltaic Plant and the Gralha Azul Transmission Line, while R$ 37.8 million were used in maintenance works for the Company's generating facilities.

[29] The negative amounts presented in the line "Financed with own capital".

Other Relevant Information

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, 2018, which comprise the balance sheet as of March 31, 2018 and the related statements of income, of comprehensive income, of changes in shareholders' equity and 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 of Brazil - CVM, 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 the technical pronouncement CPC 21 (R1) and international standard IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the CVM.

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, 2018, prepared by the Company's Management, whose presentation in the interim information is required according to the standards issued by the CVM, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), 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.

Joinville, April 19, 2018

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

Chief Commercialization Officer

Gustavo Henrique Labanca Novo

Chief Business Development Officer

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Chief Generation Officer

Edson Luiz da Silva

Chief Strategy and Regulation Officer

Júlio César Lunardi

Chief Administrative Officer

Florianópolis, April 19, 2018

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

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

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

Florianópolis, April 19, 2018