ENGIE Brasil Energia S.A.
Quarterly Information
3Q17

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IBOVESPA
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Company Information / Capital Composition

Number of shares (Units)	Current quarter 9/30/2017
Paid-in capital	
Common	652,742,192
Preferred	0
Total	652,742,192
Treasury shares	
Common	0
Preferred	0
Total	0

Company Information / Profit Distribution in Cash

Event	Approval	Profit Distribution	Commencement of Payment	Type of Share	Class of Share	Profit Distribution per Share (Reais / Share)
Board of Directors' Meeting	10/27/2016	Interest on equity	2/1/2017	Common shares		0.66259
Annual Shareholders' Meeting	4/17/2017	Dividends	6/21/2017	Common shares		0.62757
Board of Directors' Meeting	7/27/2017	Dividends		Common shares		1.43842
Board of Directors' Meeting	10/26/2017	Interest on equity		Common shares		0.65033

Parent company Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2017	Prior Year 12/31/2016
1	Total Assets	12,733,122	12,188,695
1.01	Current Assets	1,834,498	2,104,755
1.01.01	Cash and Cash Equivalents	1,145,710	1,175,259
1.01.03	Accounts Receivable	449,186	722,022
1.01.03.01	Trade Accounts Receivable	401,019	505,348
1.01.03.02	Other Accounts Receivable	48,167	216,674
1.01.03.02.01	Dividends receivable from subsidiaries	310	167,202
1.01.03.02.02	Fuel reimbursable	47,857	49,472
1.01.04	Inventories	102,418	102,085
1.01.06	Recoverable Taxes	45,395	10,457
1.01.06.01	Current recoverable taxes	45,395	10,457
1.01.06.01.02	Tax credits recoverable	45,395	10,457
1.01.08	Other Current Assets	91,789	94,932
1.01.08.03	Other	91,789	94,932
1.01.08.03.01	Restricted deposits	3,913	2,485
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	23,991	23,991
1.01.08.03.04	Other current assets	54,831	57,534
1.01.08.03.05	Non-current assets held for sale	9,054	10,922
1.02	Non-current Assets	10,898,624	10,083,940
1.02.01	Long Term Assets	260,796	344,390
1.02.01.09	Other Non-current Assets	260,796	344,390
1.02.01.09.03	Tax credits recoverable	18,727	35,894
1.02.01.09.04	Restricted deposits	9,450	8,500
1.02.01.09.05	Judicial deposits	98,104	148,390
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	121,405	139,398
1.02.01.09.08	Other non-current assets	13,110	12,208
1.02.02	Investments	5,502,020	4,442,140
1.02.02.01	Equity Interest	5,502,020	4,442,140
1.02.02.01.02	Interest on Subsidiaries	5,235,489	4,182,599
1.02.02.01.03	Interest in Joint Ventures	266,531	259,541
1.02.03	Property, Plant and Equipment	5,106,641	5,276,572
1.02.03.01	Property, Plant and Equipment in Operation	4,912,484	4,966,307
1.02.03.03	Construction in Progress	194,157	310,265
1.02.04	Intangible Assets	29,167	20,838
1.02.04.01	Intangible Assets	29,167	20,838

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2017	Prior Year 12/31/2016
2	Total Liabilities	12,733,122	12,188,695
2.01	Current Liabilities	1,852,003	1,182,482
2.01.01	Social and Labor Obligations	89,638	90,655
2.01.01.02	Labor Obligations	89,638	90,655
2.01.02	Suppliers	203,464	211,777
2.01.02.01	Domestic Suppliers	203,464	211,777
2.01.03	Tax Liabilities	123,313	54,210
2.01.03.01	Federal Tax Liabilities	123,313	54,210
2.01.03.01.01	Income Tax and Social Contribution Payable	123,313	54,210
2.01.04	Loans and Financing	165,003	154,306
2.01.04.01	Loans and Financing	147,211	137,759
2.01.04.01.01	In Local Currency	147,211	137,759
2.01.04.02	Debentures	17,792	16,547
2.01.05	Other Liabilities	1,223,689	610,295
2.01.05.02	Other	1,223,689	610,295
2.01.05.02.01	Dividends and Interest on Equity Payable	946,237	371,478
2.01.05.02.04	Concessions payable	61,272	59,907
2.01.05.02.05	Other tax and regulatory liabilities	47,673	61,370
2.01.05.02.06	Other current liabilities	168,507	117,540
2.01.06	Provisions	46,896	61,239
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	9,852	24,641
2.01.06.01.02	Social Security and Labor Provisions	3,505	3,500
2.01.06.01.04	Civil Provisions	6,347	21,141
2.01.06.02	Other Provisions	37,044	36,598
2.01.06.02.04	Retirement benefits obligations	27,219	27,219
2.01.06.02.05	Provision for sale of fixed assets	9,825	9,379
2.02	Non-current liabilities	4,328,218	4,394,986
2.02.01	Loans and Financing	1,303,184	1,366,142
2.02.01.01	Loans and Financing	498,610	578,234
2.02.01.01.01	In Local Currency	498,610	578,234
2.02.01.02	Debentures	804,574	787,908
2.02.02	Other Liabilities	2,346,492	2,255,102
2.02.02.02	Other	2,346,492	2,255,102
2.02.02.02.03	Concessions payable	2,314,832	2,235,059
2.02.02.02.04	Other Non-Current Liabilities	31,660	20,043
2.02.03	Deferred Taxes	327,228	214,112
2.02.03.01	Deferred Income Tax and Social Contribution	327,228	214,112
2.02.04	Provisions	351,314	559,630
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	69,284	277,382
2.02.04.01.01	Tax Provisions	6,703	6,929
2.02.04.01.02	Social Security and Labor Provisions	7,474	7,306
2.02.04.01.04	Civil Provisions	55,107	263,147
2.02.04.02	Other Provisions	282,030	282,248
2.02.04.02.04	Retirement benefits obligations	275,780	272,248
2.02.04.02.05	Provision for sale of fixed assets	6,250	10,000

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2017	Prior Year 12/31/2016
2.03	Shareholders' equity	6,552,901	6,611,227
2.03.01	Paid-in Capital Stock	2,829,056	2,829,056
2.03.04	Profit Reserves	2,953,637	3,336,013
2.03.04.01	Legal Reserve	565,811	565,811
2.03.04.05	Retained Earnings Reserve	2,247,099	2,247,099
2.03.04.07	Tax Incentive Reserve	140,727	113,459
2.03.04.10	Dividends	0	409,644
2.03.05	Retained Earnings/Losses	358,640	0
2.03.06	Assets Valuation Adjustments	388,196	413,987
2.03.08	Other Comprehensive Income	23,372	32,171

Parent Company Financial Statements / Income Statement

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2017 to 9/30/2017	YTD Current Year 1/1/2017 to 9/30/2017	YTD Year-ago Quarter 7/1/2016 to 9/30/2016	YTD Previous Year 1/1/2016 to 9/30/2016
3.01	Revenue from Sales of Goods and/or Services	961,275	3,068,068	1,048,970	3,192,411
3.02	Cost of Products and/or Services Sold	-520,422	-1,471,295	-514,379	-1,569,397
3.02.01	Electrical energy purchased for resale	-133,610	-351,748	-117,611	-347,945
3.02.02	Transactions in the short-term energy market	-38,785	-125,019	-21,281	-122,906
3.02.03	Charges for the use of and connection to the power grid	-88,405	-258,765	-84,453	-240,331
3.02.04	Cost of electrical energy production	-251,700	-713,224	-283,474	-836,051
3.02.05	Cost of services rendered	-7,922	-22,539	-7,560	-22,164
3.03	Gross Profit	440,853	1,596,773	534,591	1,623,014
3.04	Operating Expenses/Income	94,196	303,185	74,260	144,478
3.04.01	Sales Expenses	-2,328	-7,962	-2,294	-7,652
3.04.02	General and Administrative Expenses	-36,980	-120,650	-38,793	-130,987
3.04.04	Other Operating Income	667	2,357	170	3,287
3.04.06	Equity income	132,837	429,440	115,177	279,830
3.04.06.01	Equity	133,672	431,946	116,012	282,336
3.04.06.02	Goodwill amortization	-835	-2,506	-835	-2,506
3.05	Income Before Financial Result and Taxes	535,049	1,899,958	608,851	1,767,492
3.06	Financial Result	-72,972	-194,929	-74,871	-314,693
3.06.01	Financial Income	11,668	73,248	76,436	240,451
3.06.02	Financial Expenses	-84,640	-268,177	-151,307	-555,144
3.07	Income Before Income Taxes	462,077	1,705,029	533,980	1,452,799
3.08	Income Tax and Social Contribution	-104,321	-405,994	-137,366	-380,795
3.08.01	Current	-92,208	-292,878	-129,948	-476,092
3.08.02	Deferred	-12,113	-113,116	-7,418	95,297
3.09	Net Income from Continuing Operations	357,756	1,299,035	396,614	1,072,004
3.11	Net Income for the Period	357,756	1,299,035	396,614	1,072,004

Parent Company Financial Statements / Income Statement

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2017 to 9/30/2017	YTD Current Year Year 1/1/2017 to 9/30/2017	YTD Year-ago Quarter Quarter 7/1/2016 to 9/30/2016	YTD Previous Year Year 1/1/2016 to 9/30/2016
3.99	Earnings per share (R$ /share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.54808	1.99012	0.60761	1.64231
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.54808	1.99012	0.60761	1.64231

Parent Company Financial Statements / Comprehensive Income Statement

(In thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2017 to 9/30/2017	YTD Current Year 1/1/2017 to 9/30/2017	YTD Year-ago Quarter 7/1/2016 to 9/30/2016	YTD Previous Year 1/1/2016 to 9/30/2016
4.01	Net Income for the Period	357,756	1,299,035	396,614	1,072,004
4.02	Other comprehensive income (loss)	-13,681	-8,799	-13,968	-272,993
4.02.01	Equity in the losses of subsidiaries, net of deferred taxes	-13,681	-8,799	-13,968	-272,993
4.03	Comprehensive Income for the Period	344,075	1,290,236	382,646	799,011

Parent Company Financial Statements / Cash Flow Statement – Indirect Method

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 9/30/2017	YTD Prior Year 1/1/2016 to 9/30/2016
6.01	Net Cash from Operating Activities	1,518,169	1,424,022
6.01.01	Cash Generated from Operations	1,595,009	1,960,883
6.01.01.01	Income before income taxes	1,705,029	1,452,799
6.01.01.02	Equity Interest income	-429,440	-279,830
6.01.01.03	Depreciation and amortization	308,928	312,849
6.01.01.04	Monetary variation	-7,410	127,744
6.01.01.05	Interest	261,080	345,707
6.01.01.06	Reversal of operating provisions, net	-243,901	-652
6.01.01.08	Other	723	2,266
6.01.02	Changes in Assets and Liabilities	-76,840	-536,861
6.01.02.01	Trade accounts receivable	108,946	-23,325
6.01.02.02	Fuel reimbursable	1,615	84,552
6.01.02.04	Inventories	3,582	-7,304
6.01.02.05	Tax credits recoverable	-31,782	-35,341
6.01.02.06	Restricted and judicial deposits	54,143	11,819
6.01.02.07	Renegotiation of hydrological risk to recognize	17,993	17,993
6.01.02.08	Other assets	-3,533	3,420
6.01.02.09	Suppliers	-366	-211,445
6.01.02.10	Payment of Income tax and Social Contribution	-136,111	-294,357
6.01.02.11	Payment of interest on debt	-74,327	-122,508
6.01.02.12	Other tax and regulatory obligations	-18,279	-13,097
6.01.02.13	Retirement benefits obligations	-19,888	-9,996
6.01.02.14	Other liabilities	21,167	62,728
6.02	Net Cash from Investment Activities	-585,699	-497,002
6.02.01	Capital increase in subsidiaries and joint venture	-1,170,011	-512,665
6.02.02	Acquisition of property, plant and equipment and intangible assets	-113,351	-208,764
6.02.03	Capital reduction in subsidiary	150,000	0
6.02.04	Dividends received from subsidiaries and joint venture	553,425	226,812
6.02.04	Other	-5,762	-2,385
6.03	Net Cash from Financing Activities	-962,019	-244,151
6.03.01	Loans, financing and debentures obtained	25,346	621,779
6.03.02	Loans and financing paid	-102,447	-297,383
6.03.03	Concession installments paid	-46,817	-43,259
6.03.04	Dividends and interest on equity paid	-838,143	-521,050
6.03.05	Deposits related to debt service	42	-4,238
6.05	Increase (Decrease) in Cash and Cash Equivalents	-29,549	682,869
6.05.01	Opening Balance of Cash and Cash Equivalents	1,175,259	1,739,008
6.05.02	Closing Balance of Cash and Cash Equivalents	1,145,710	2,421,877

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2017 to 9/30/2017

(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
5.04	Capital Transactions with Partners	0	0	-409,644	-938,918	0	-1,348,562
5.04.08	Additional 2016 dividends paid	0	0	-409,644	0	0	-409,644
5.04.09	Dividends in 1H17	0	0	0	-938,918	0	-938,918
5.05	Total Comprehensive Income	0	0	0	1,299,035	-8,799	1,290,236
5.05.01	Net Income for the Period	0	0	0	1,299,035	0	1,299,035
5.05.02	Other Comprehensive Income	0	0	0	0	-8,799	-8,799
5.05.02.06	Cash Flow Hedge Operations in Subsidiaries	0	0	0	0	-8,799	-8,799
5.06	Internal Changes in Shareholders' Equity	0	0	27,268	-1,477	-25,791	0
5.06.05	Tax Incentive Reserve	0	0	27,268	-27,268	0	0
5.06.06	Realization of Deemed Cost	0	0	0	25,791	-25,791	0
5.07	Closing Balances	2,829,056	0	2,953,637	358,640	411,568	6,552,901

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2016 to 9/30/2016

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872
5.03	Adjusted Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872
5.04	Capital Transactions with Partners	0	0	-209,499	-645,197	0	-854,696
5.04.08	Additional 2015 dividends paid	0	0	-209,499	0	0	-209,499
5.04.09	Dividends in 1H16	0	0	0	-645,197	0	-645,197
5.05	Comprehensive Income Total	0	0	0	1,072,004	-272,993	799,011
5.05.01	Net Income for the Period	0	0	0	1,072,004	0	1,072,004
5.05.02	Other Comprehensive Income	0	0	0	0	-272,993	-272,993
5.05.02.06	Cash Flow Hedge Operations in Subsidiaries	0	0	0	0	-272,993	-272,993
5.06	Internal Changes in Shareholders' Equity	291,595	0	-272,644	6,851	-25,802	0
5.06.04	Capital increase	291,595	0	-291,595	0	0	0
5.06.05	Tax incentive Reserve	0	0	18,951	-18,951	0	0
5.06.06	Realization of Deemed Cost	0	0	0	25,802	-25,802	0
5.07	Closing Balances	2,737,361	91,695	2,850,959	433,658	470,514	6,584,187

Parent Company Financial Statements / Value Added Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 9/30/2017	YTD Prior Year 1/1/2016 to 9/30/2016
7.01	Revenues	3,410,066	3,559,769
7.01.01	Sale of Products and Services	3,405,520	3,541,594
7.01.02	Other Income	4,546	18,175
7.02	Raw material Acquired from Third Parties	-958,065	-993,666
7.02.01	Cost of Products and Services Sold	-774,622	-607,984
7.02.02	Materials, Energy, Third Parties Services and Other	-135,794	-120,009
7.02.04	Other	-47,649	-265,673
7.02.04.01	Charges for the use of and connection to the power grid	-258,765	-240,331
7.02.04.02	Reversal of operating provisions	243,901	652
7.02.04.04	Other	-32,785	-25,994
7.03	Gross Added Value	2,452,001	2,566,103
7.04	Retentions	-308,928	-312,849
7.04.01	Depreciation, Amortization and Depletion	-308,928	-312,849
7.05	Net Added Value Generated	2,143,073	2,253,254
7.06	Added Value Received in Transfer	502,688	520,281
7.06.01	Equity income	429,440	279,830
7.06.02	Financial Income	73,248	240,451
7.07	Total Added Value to Distribute	2,645,761	2,773,535
7.08	Distribution of Added Value	2,645,761	2,773,535
7.08.01	Labor	196,484	213,397
7.08.01.01	Direct Remuneration	117,258	136,779
7.08.01.02	Benefits	47,876	45,143
7.08.01.03	F.G.T.S. - workers' severance fund	9,518	9,969
7.08.01.04	Other	21,832	21,506
7.08.01.04.01	Profit sharing	21,832	21,506
7.08.02	Taxes, Duties and Contributions	764,392	750,534
7.08.02.01	Federal	749,180	736,531
7.08.02.02	State	13,503	11,984
7.08.02.03	Municipal	1,709	2,019
7.08.03	Third Parties Capital Remuneration	148,704	305,560
7.08.03.01	Interest	135,481	276,599
7.08.03.02	Rentals	6,816	7,125
7.08.03.03	Other	6,407	21,836
7.08.03.03.01	Capitalized interest and monetary variation	2,189	14,888
7.08.03.03.02	Other financial expenses	4,218	6,948
7.08.04	Remuneration of Own Capital	1,297,558	1,078,855
7.08.04.02	Dividends	938,918	645,197
7.08.04.03	Retained Earnings / Loss for the Period	358,640	433,658
7.08.05	Other	238,623	425,189
7.08.05.01	Sectorial charges	109,191	160,808
7.08.05.02	Charges on concessions payable	127,955	271,232
7.08.05.03	Tax incentive reserve	27,268	18,951
7.08.05.04	Realization of deemed cost	-25,791	-25,802

Consolidated Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2017	Prior Year 12/31/2016
1	Total Assets	15,235,725	14,419,691
1.01	Current Assets	3,091,044	3,355,091
1.01.01	Cash and Cash Equivalents	1,561,517	1,815,340
1.01.03	Accounts Receivable	793,354	873,551
1.01.03.01	Trade Accounts Receivable	745,497	824,079
1.01.03.02	Other Accounts Receivable	47,857	49,472
1.01.03.02.02	Fuel reimbursable	47,857	49,472
1.01.04	Inventories	105,631	105,541
1.01.06	Recoverable Taxes	52,959	14,589
1.01.06.01	Current recoverable taxes	52,959	14,589
1.01.06.01.01	Tax credits recoverable	52,959	14,589
1.01.08	Other Current Assets	577,583	546,070
1.01.08.03	Other	577,583	546,070
1.01.08.03.01	Restricted deposits	11,845	8,760
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	26,064	26,064
1.01.08.03.04	Other current assets	124,657	91,643
1.01.08.03.05	Non-current assets held for sale	415,017	419,603
1.02	Non-current Assets	12,144,681	11,064,600
1.02.01	Long Term Assets	552,812	612,302
1.02.01.09	Other Non-current Assets	552,812	612,302
1.02.01.09.03	Tax credits recoverable	21,400	37,991
1.02.01.09.04	Restricted deposits	219,978	185,768
1.02.01.09.05	Judicial deposits	99,542	149,730
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	151,467	171,015
1.02.01.09.08	Other non-current assets	60,425	67,798
1.02.02	Investments	14,717	4,886
1.02.02.01	Equity interest	14,717	4,886
1.02.02.01.04	Other equity interest	14,717	4,886
1.02.03	Property, Plant and Equipment	11,310,933	10,194,898
1.02.03.01	Property, Plant and Equipment in Operation	8,750,426	8,548,313
1.02.03.03	Construction in Progress	2,560,507	1,646,585
1.02.04	Intangible Assets	266,219	252,514
1.02.04.01	Intangible Assets	266,219	252,514

Consolidated Financial Statements / Balance sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2017	Prior Year 12/31/2016
2	Total Liabilities	15,235,725	14,419,691
2.01	Current Liabilities	2,508,927	1,800,794
2.01.01	Social and Labor Obligations	91,754	94,753
2.01.01.02	Labor Obligations	91,754	94,753
2.01.02	Suppliers	449,457	371,149
2.01.02.01	Domestic Suppliers	449,457	371,149
2.01.03	Tax Liabilities	129,576	81,023
2.01.03.01	Federal Tax Liabilities	129,576	81,023
2.01.03.01.01	Income Tax and Social Contribution Payable	129,576	81,023
2.01.04	Loans and Financing	326,008	299,743
2.01.04.01	Loans and Financing	308,216	283,196
2.01.04.01.01	In Local Currency	308,216	283,196
2.01.04.02	Debentures	17,792	16,547
2.01.05	Other Liabilities	1,317,206	732,410
2.01.05.02	Other	1,317,206	732,410
2.01.05.02.01	Dividends and Interest on Equity Payable	946,332	372,040
2.01.05.02.04	Concessions payable	66,958	65,408
2.01.05.02.05	Other tax and regulatory liabilities	83,793	88,632
2.01.05.02.06	Other current liabilities	220,123	206,330
2.01.06	Provisions	47,876	62,220
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	10,832	25,622
2.01.06.01.01	Tax Provisions	177	177
2.01.06.01.02	Social Security and Labor Provisions	3,505	3,500
2.01.06.01.04	Civil Provisions	7,150	21,945
2.01.06.02	Other Provisions	37,044	36,598
2.01.06.02.04	Retirement benefits obligations	27,219	27,219
2.01.06.02.05	Provision for sale of fixed assets	9,825	9,379
2.01.07	Liabilities on Non-current assets held for sale and discontinued	147,050	159,496
2.01.07.01	Liabilities on Non-current assets held for sale	147,050	159,496
2.02	Non-current liabilities	6,169,876	6,004,503
2.02.01	Loans and Financing	2,913,499	2,788,989
2.02.01.01	Loans and Financing	2,108,925	2,001,081
2.02.01.01.01	In Local Currency	2,108,925	2,001,081
2.02.01.02	Debentures	804,574	787,908
2.02.02	Other Liabilities	2,429,212	2,339,829
2.02.02.02	Other	2,429,212	2,339,829
2.02.02.02.03	Concessions payable	2,361,929	2,281,968
2.02.02.02.04	Other Non-Current Liabilities	67,283	57,861
2.02.03	Deferred Taxes	470,357	311,331
2.02.03.01	Deferred Income Tax and Social Contribution	470,357	311,331
2.02.04	Provisions	356,808	564,354
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	74,778	282,106
2.02.04.01.01	Tax Provisions	6,758	7,093
2.02.04.01.02	Social Security and Labor Provisions	7,556	7,448
2.02.04.01.04	Civil Provisions	60,464	267,565

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2017	Prior Year 12/31/2016
2.02.04.02	Other Provisions	282,030	282,248
2.02.04.02.04	Retirement benefits obligations	275,780	272,248
2.02.04.02.05	Provision for sale of fixed assets	6,250	10,000
2.03	Consolidated Shareholders' equity	6,556,922	6,614,394
2.03.01	Paid-in Capital Stock	2,829,056	2,829,056
2.03.04	Profit Reserves	2,953,637	3,336,013
2.03.04.01	Legal Reserve	565,811	565,811
2.03.04.05	Retained Earnings Reserve	2,247,099	2,247,099
2.03.04.07	Tax Incentive Reserve	140,727	113,459
2.03.04.10	Additional Dividend Proposed	0	409,644
2.03.05	Retained Earnings/Losses	358,640	0
2.03.06	Assets Valuation Adjustments	388,196	413,987
2.03.08	Other Comprehensive Income	23,372	32,171
2.03.09	Non-Controlling Interest	4,021	3,167

Consolidated Financial Statements / Income Statement

(In thousands of Reais)

Account Code	Account Description	Current quarter 7/1/2017 to 9/30/2017	YTD Current Year 1/1/2017 to 9/30/2017	Year-ago quarter 7/1/2016 to 9/30/2016	YTD Previous Year 1/1/2016 to 9/30/2016
3.01	Revenue from Sales of Goods and/or Services	1,654,738	4,942,593	1,602,820	4,776,162
3.02	Cost of Products and/or Services Sold	-1,066,020	-2,839,343	-910,044	-2,750,573
3.02.01	Electrical energy purchased for resale	-462,691	-1,239,474	-413,617	-1,208,187
3.02.02	Transactions in the short-term energy market	-149,955	-293,761	-21,627	-153,377
3.02.03	Charges for the use of and connection to the power grid	-107,760	-315,844	-103,089	-292,440
3.02.04	Cost of electrical energy production	-337,676	-967,696	-364,136	-1,074,379
3.02.05	Cost of services rendered	-7,938	-22,568	-7,575	-22,190
3.03	Gross Profit	588,718	2,103,250	692,776	2,025,589
3.04	Operating Expenses/Income	-42,063	-133,551	-44,056	-144,492
3.04.01	Sales Expenses	-3,652	-12,453	-4,128	-13,410
3.04.02	General and Administrative Expenses	-39,122	-121,817	-39,843	-133,953
3.04.04	Other Operating Income	705	2,412	189	3,389
3.04.06	Equity income (loss)	6	-1,693	-274	-518
3.05	Income Before Financial Result and Taxes	546,655	1,969,699	648,720	1,881,097
3.06	Financial Result	-50,458	-128,928	-65,460	-310,468
3.06.01	Financial Income	38,613	164,246	103,317	322,280
3.06.02	Financial Expenses	-89,071	-293,174	-168,777	-632,748
3.07	Income Before Income Taxes	496,197	1,840,771	583,260	1,570,629
3.08	Income Tax and Social Contribution	-138,150	-540,882	-186,377	-497,886
3.08.01	Current	-108,827	-381,224	-166,438	-565,015
3.08.02	Deferred	-29,323	-159,658	-19,939	67,129
3.09	Net Income from Continuing Operations	358,047	1,299,889	396,883	1,072,743
3.11	Consolidated Net Income for the Period	358,047	1,299,889	396,883	1,072,743
3.11.01	Attributable to the Partners of the Parent Company	357,756	1,299,035	396,614	1,072,004
3.11.02	Attributable to Non-Controlling Partners	291	854	269	739
3.99	Earnings per share (R$ /share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.54853	1.99143	0.60802	1.64344

Consolidated Financial Statements / Income Statement

(In thousands of Reais)

Account Code	Account Description	Current quarter 7/1/2017 to 9/30/2017	YTD Current Year 1/1/2017 to 9/30/2017	Year-ago quarter 7/1/2016 to 9/30/2016	YTD Previous Year 1/1/2016 to 9/30/2016
3.99.02	Diluted earnings per share				
3.99.02.01	ON	0.54853	1.99143	0.60802	1.64344

Consolidated Financial Statements / Comprehensive Income Statement

(In thousands of Reais)

Account Code	Account Description	Current quarter 7/1/2017 to 9/30/2017	YTD Current Year 1/1/2017 to 9/30/2017	Year-ago quarter 7/1/2016 to 9/30/2016	YTD Previous Year 1/1/2016 to 9/30/2016
4.01	Consolidated Net Income for the Period	358,047	1,299,889	396,883	1,072,743
4.02	Other comprehensive income	-13,681	-8,799	-13,968	-272,993
4.02.01	Unrealized gains (losses) from cash flow hedge operations	-7,667	13,325	-23,990	-407,165
4.02.02	Deferred Income Tax and Social Contribution	2,606	-4,531	8,156	138,436
4.02.03	Realized gains (losses) from cash flow hedge operations	-8,620	-17,593	1,866	-4,264
4.03	Consolidated Comprehensive Income for the Period	344,366	1,291,090	382,915	799,750
4.03.01	Attributed to the Parent Company's Shareholders	344,075	1,290,236	382,646	799,011
4.03.02	Attributed to Non-controlling Shareholders	291	854	269	739

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 9/30/2017	YTD Prior Year 1/1/2016 to 9/30/2016
6.01	Net Cash from Operating Activities	2,001,169	1,831,557
6.01.01	Cash Generated from Operations	2,337,106	2,574,430
6.01.01.01	Income before income taxes	1,840,771	1,570,629
6.01.01.02	Equity income (loss)	1,693	518
6.01.01.03	Depreciation and amortization	480,423	469,881
6.01.01.04	Monetary variation	-2,675	146,972
6.01.01.05	Interest	259,610	384,129
6.01.01.06	(Reversal) Constitution of operating provisions, net	-243,466	130
6.01.01.08	Other	750	2,171
6.01.02	Changes in Assets and Liabilities	-335,937	-742,873
6.01.02.01	Trade accounts receivable	90,133	-5,159
6.01.02.02	Fuel reimbursable	1,615	84,552
6.01.02.04	Inventories	3,826	-7,761
6.01.02.05	Tax credits recoverable	-46,080	-27,895
6.01.02.06	Restricted and judicial deposits	52,537	7,477
6.01.02.07	Renegotiation of hydrological risk to recognize	19,548	19,548
6.01.02.08	Other assets	-40,473	-15,201
6.01.02.09	Suppliers	14,068	-244,853
6.01.02.10	Payment of income tax and social contribution	-238,578	-360,170
6.01.02.11	Payment of interest on debt, net of hedge	-182,530	-232,810
6.01.02.12	Other tax and regulatory obligations	-10,117	-18,653
6.01.02.13	Retirement benefits obligations	-19,888	-9,996
6.01.02.14	Other liabilities	20,002	68,048
6.02	Net Cash from Investment Activities	-1,423,974	-758,369
6.02.01	Acquisition of investment, net of cash and cash equivalents from acquired companies	-25,151	-20,055
6.02.02	Acquisition of property, plant and equipment and intangible assets	-1,382,987	-738,314
6.02.03	Cash and cash equivalents from subsidiaries transferred to assets held for sale	-15,836	0
6.03	Net Cash from Financing Activities	-831,018	-384,694
6.03.01	Loans, financing and debentures obtained	320,943	621,779
6.03.02	Loans and financing paid	-226,488	-412,445
6.03.03	Concession installments paid	-51,264	-47,496
6.03.04	Dividends and interest on equity paid	-838,610	-522,134
6.03.05	Deposits related to debt service	-19,334	-21,342
6.03.06	Other	-16,265	-3,056
6.05	Increase (Decrease) in Cash and Cash Equivalents	-253,823	688,494
6.05.01	Opening Balance of Cash and Cash Equivalents	1,815,340	2,396,854
6.05.02	Closing Balance of Cash and Cash Equivalents	1,561,517	3,085,348

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2017 to 9/30/2017

(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
5.04	Capital Transactions with Partners	0	0	-409,644	-938,918	0	-1,348,562	0	-1,348,562
5.04.08	Additional 2016 dividends paid	0	0	-409,644	0	0	-409,644	0	-409,644
5.04.10	Interim dividends paid	0	0	0	-938,918	0	-938,918	0	-938,918
5.05	Total Comprehensive Income	0	0	0	1,299,035	-8,799	1,290,236	854	1,291,090
5.05.01	Net Income for the Period	0	0	0	1,299,035	0	1,299,035	854	1,299,889
5.05.02	Other Comprehensive Income	0	0	0	0	-8,799	-8,799	0	-8,799
5.05.02.06	Cash flow hedge	0	0	0	0	-8,799	-8,799	0	-8,799
5.06	Internal Changes in Shareholders' Equity	0	0	27,268	-1,477	-25,791	0	0	0
5.06.05	Tax Incentive Reserve	0	0	27,268	-27,268	0	0	0	0
5.06.06	Realization of Deemed Cost	0	0	0	25,791	-25,791	0	0	0
5.07	Closing Balances	2,829,056	0	2,953,637	358,640	411,568	6,552,901	4,021	6,556,922

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2016 to 9/30/2016

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872	2,264	6,642,136
5.03	Adjusted Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872	2,264	6,642,136
5.04	Capital Transactions with Partners	0	0	-209,499	-645,197	0	-854,696	0	-854,696
5.04.08	Additional 2015 dividends paid	0	0	-209,499	0	0	-209,499	0	-209,499
5.04.09	Dividends in 1H16	0	0	0	-645,197	0	-645,197	0	-645,197
5.05	Total Comprehensive Income	0	0	0	1,072,004	-272,993	799,011	739	799,750
5.05.01	Net Income for the Period	0	0	0	1,072,004	0	1,072,004	739	1,072,743
5.05.02	Other Comprehensive Income	0	0	0	0	-272,993	-272,993	0	-272,993
5.05.02.06	Cash Flow Hedge	0	0	0	0	-272,993	-272,993	0	-272,993
5.06	Internal Changes in Shareholders' Equity	291,595	0	-272,644	6,851	-25,802	0	0	0
5.06.04	Capital increase	291,595	0	-291,595	0	0	0	0	0
5.06.05	Tax incentive reserve	0	0	18,951	-18,951	0	0	0	0
5.06.06	Realization of deemed cost	0	0	0	25,802	-25,802	0	0	0
5.07	Closing Balances	2,737,361	91,695	2,850,959	433,658	470,514	6,584,187	3,003	6,587,190

Consolidated Financial Statements / Value Added Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 9/30/2017	YTD Prior Year 1/1/2016 to 9/30/2016
7.01	Revenues	6,830,020	5,902,926
7.01.01	Sale of Products and Services	5,467,357	5,283,694
7.01.02	Other Income	4,601	18,277
7.01.03	Income related to the Construction of Own Assets	1,358,062	600,955
7.02	Raw material Acquired from Third Parties	-3,382,686	-2,528,652
7.02.01	Cost of Products and Services Sold	-1,844,892	-1,510,407
7.02.02	Materials, Energy, Third Parties Services and Other	-183,743	-165,103
7.02.04	Other	-1,354,051	-853,142
7.02.04.01	Charges for the use of and connection to the power grid	-315,844	-292,440
7.02.04.02	Reversal (recognition) of operating provisions	243,466	-130
7.02.04.03	Expenses with construction of plants	-1,246,657	-532,287
7.02.04.05	Other	-35,016	-28,285
7.03	Gross Added Value	3,447,334	3,374,274
7.04	Retentions	-480,423	-469,881
7.04.01	Depreciation, Amortization and Depletion	-480,423	-469,881
7.05	Net Added Value Generated	2,966,911	2,904,393
7.06	Added Value Received in Transfer	162,553	321,762
7.06.01	Equity income (loss)	-1,693	-518
7.06.02	Financial Income	164,246	322,280
7.07	Total Added Value to Distribute	3,129,464	3,226,155
7.08	Distribution of Added Value	3,129,464	3,226,155
7.08.01	Labor	200,711	216,712
7.08.01.01	Direct Remuneration	120,514	139,267
7.08.01.02	Benefits	48,439	45,624
7.08.01.03	F.G.T.S. - workers' severance fund	9,780	10,168
7.08.01.04	Other	21,978	21,653
7.08.01.04.01	Profit sharing	21,978	21,653
7.08.02	Taxes, Duties and Contributions	1,085,490	1,024,889
7.08.02.01	Federal	1,069,955	1,010,578
7.08.02.02	State	13,652	12,099
7.08.02.03	Municipal	1,883	2,212
7.08.03	Third Parties Capital Remuneration	283,945	448,984
7.08.03.01	Interest	152,343	342,323
7.08.03.02	Rentals	10,577	10,919
7.08.03.03	Other	121,025	95,742
7.08.03.03.01	Capitalized interest and monetary variation	113,594	83,556
7.08.03.03.02	Other financial expenses	7,431	12,186
7.08.04	Remuneration of Own Capital	1,297,558	1,078,855
7.08.04.02	Dividends	938,918	645,197
7.08.04.03	Retained Earnings / Loss for the Period	358,640	433,658
7.08.05	Other	261,760	456,715
7.08.05.01	Sectorial charges	126,654	185,069
7.08.05.02	Charges on concessions payable	132,775	277,758
7.08.05.03	Non-controlling shareholder	854	739
7.08.05.04	Tax incentive reserve	27,268	18,951

Consolidated Financial Statements / Value Added Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 9/30/2017	YTD Prior Year 1/1/2016 to 9/30/2016
7.08.05.05	Realization of attributed cost	-25,791	-25,802

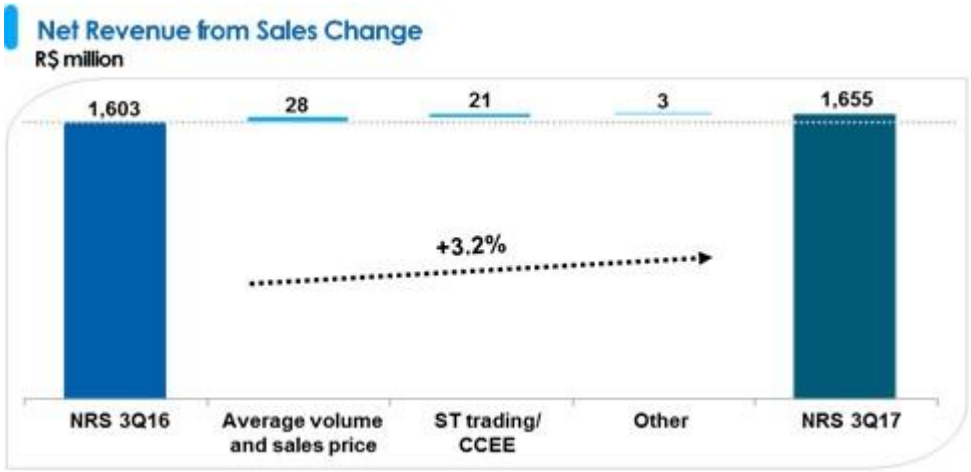
Economic-Financial Performance

Net Revenue from Sales

In 3Q17, **net revenue from sales increased by 3.2%** (R$ 51.9 million) when compared with 3Q16, rising from R$ 1,602.8 million to R$ 1,654.7 million.

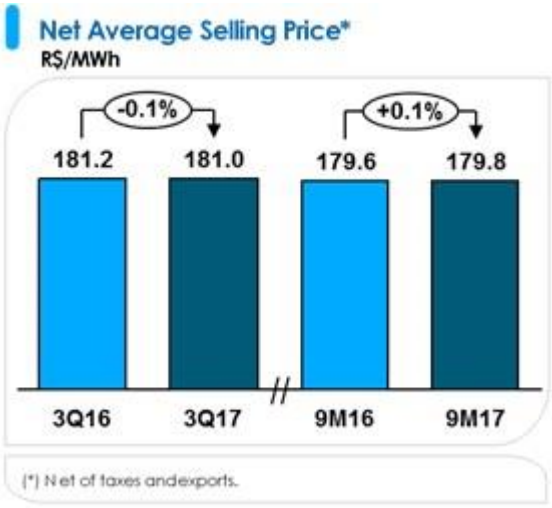


The principal factors underlying this variation were: (i) R$ 28.3 million — an increase due to the combination of higher energy volume sold, partially offset by lower average sales prices net of revenue taxes; and (ii) R$ 20.9 million — increase in revenue from transactions conducted on the short-term market, particularly those transacted through the Electric Energy Trade Board (CCEE).



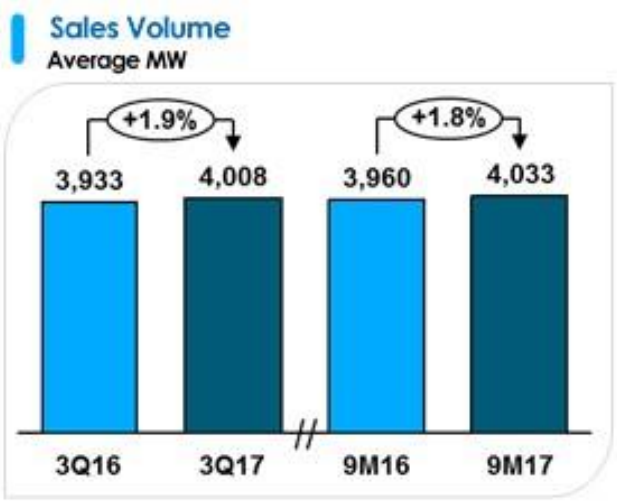
a) Net Average Selling Price

The average energy selling price, net of taxes on revenue, was R$ 181.04/MWh in 3Q17, **0.1% lower** than in 3Q16, when selling prices were R$ 181.23/MWh. Reduction in prices was essentially due to new sales agreements with free consumers and trading companies and slightly lower prices than the average for existing agreements, attenuated by the maturing of the Existing Energy Auction agreement at the end of 2016.



b) Sales Volume

Energy sales volume sold increased from 8,685 GWh (3,933 average MW) in 3Q16 to 8,850 GWh (4,008 average MW) in 3Q17, **an increase of 165 GWh** (75 average MW). These variations reflect in large part, the combination of growth in conventional energy sales to trading companies and the sale of incentivized energy to free consumers - including energy resulting from initial commercial operations at the Santa Mônica Complex with an assured energy of 47.4 average MW, partially attenuated by the maturing of existing sales agreements, particularly those with distributors.



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

Distribution Companies

Revenue from sales to distribution companies was R$ 659.3 million in 3Q17, **14.4% lower** than the R$ 770.5 million reported in 3Q16. This variation is a combination of the following factors: (i) R$ 184.4 million — reduction of 842 GWh (381 average MW) in sales volume from 3,851 GWh (1,744 average MW) in 3Q16 to 3,009 GWh (1,363 average MW) in 3Q17; and (ii) R$ 73.2 million — an increase of 9.5% in the average net selling price. The decrease in sales volume between the periods under review is largely due to expiry of the Existing Energy Auction agreement at the end of 2016 (343 average MW), combined with the reductions arising from the Surplus and Deficits Compensation Mechanism (MCSD). In addition, the variation in average selling price in excess of inflation was due to the expiry of the agreement under the aforementioned auction, the price of which was less than the average practiced for prevailing agreements in the market.

Trading Companies

In the quarter under review, **net revenue from sales to trading companies** was R$ 136.7 million, **67.1% higher** than the revenue reported in 3Q16 (R$ 81.8 million). This improvement reflects the following aspects: (i) R$ 57.0 million — an increase of 414 GWh (187 average MW) in energy sales volume increasing from 580 GWh (263 average MW) in 3Q16 to 994 GWh (450 average MW) in 3Q17; and (ii) R$ 2.1 million — a decrease of 2.5% in net average selling prices. The variation in volume during the quarter under review was due principally to increased sales of conventional energy, concomitantly with the purchase of incentivized energy from trading companies for resale to free consumers, which had migrated from ACR to ACL. As with 2Q17, the price reduction is largely due to the expiry of agreements with higher prices than the average practiced for new operations.

Free Consumers

Revenues from sales to free consumers increased 14.6% from R$ 703.4 million in 3Q16 to R$ 806.1 million in 3Q17. The following events contributed to this variation: (i) R$ 111.5 million — elevation of 671 GWh (304 average MW) in energy volume sold from 4,176 GWh (1.891 average MW) in 3Q16 to 4,847 GWh (2,195 average MW) in 3Q17 due basically to sales of a greater volume of incentivized energy to clients migrating from ACR to ACL as well as energy generated from the new commercially operational Santa Mônica Complex; and (ii) R$ 8.8 million — a reduction of 1.3% in the net average selling price of energy. Similarly to the case of the selling price for trading companies, the reduction is largely due to the expiry of agreements with prices higher than the average practiced for new operations.

Export of Electric Energy

In 3Q16, the Company exported 78 GWh (35 average MW) of electric energy to Argentina at the average price of R$ 232.28/MWh, generating net revenues of R$ 18.1 million. In the quarter under review, the Company made no exports.

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

In 3Q17, **revenue generated from short-term market operations** - especially within the scope of the CCEE - was R$ 41.5 million compared with R$ 20.6 million in 3Q16, representing **a year-on-year increase of R$ 20.9 million**. A more detailed explanation of these variations is to be found in the item below "Details of Short-Term Operations - especially Transactions in CCEE".

Costs of Electric Energy and Services

The **costs of energy sales and services increased R$ 155.9 million (17.1%)** from R$ 910.1 million in 3Q16 to R$ 1,066.0 million in 3Q17. These variations reflect largely tendencies in the following components:

a) Electric energy purchased for resale: an increase of R$ 49.1 million in 3Q17 compared with 3Q16, reflecting above all the combination of the following: (i) R$ 117.7 million - an increase of 696 GWh (315 average MW) in purchases to mitigate the effects of exposure to the CCEE, the contracting of incentivized energy for resale to free consumers and thirdly, acquisitions to compensate for the effects of the maintenance stoppage at Unit C of the Jorge Lacerda Thermal Power Complex in 3Q17; and (ii) R$ 68.6 million – a decline due to the reduction in average price of purchases, driven mainly by the expiry of energy purchase agreements with higher prices than the average practiced for existing and new agreements.

b) Transactions in the short-term market - especially those within the scope of the CCEE: in the quarter under review, costs of these transactions increased by R$ 128.3 million. Details are described in the specific item below.

c) Charges for use of and connection to the electricity grid: costs of these transactions increased by R$ 4.7 million between the comparable quarters due principally to the annual readjustment in transmission charges.

d) Fuels for the generation of electricity: decrease of R$ 18.2 million, due largely to revised energy efficiency percentages for the Jorge Lacerda Thermal Power Complex between the comparable quarters feeding through to an increased reimbursement for fuel from the Energy Development Account (CDE).

e) Financial compensation for use of water resources (royalties): a decrease of R$ 17.3 million between compared quarters, reflecting reduced generation from the hydro plants in 3Q17 as well as a reduction in the Restated Reference Tariff (TAR) of 22.7% in 2017.

f) Personnel: a reduction of R$ 3.2 million in 3Q17 compared with 2Q16 due mainly to readjustments in headcount and a reduction in costs arising from the Voluntary Severance Plan (PDV), the latter having been concluded in November 2016.

g) Materials and third party services: an increase of R$ 6.5 million between quarters. These costs reflect largely the payment of a success fee following a legal agreement with the natural gas supplier in an action disputing the difference in price of fuel supplied in the period from September 2014 and June 2017. This amount was partially attenuated by lower demand for materials and third party services from the Company's generator units.

h) Depreciation and amortization: an increase of R$ 5.7 million between the quarters under review, the result primarily of the following factors: (i) entry into commercial operations of the Santa Mônica Wind Complex; (ii) capitalization of major maintenance work; (iii) conclusion of modernization work on the Salto Santiago Hydroelectric Power Plant (UHSS); and (iv) the impacts from additional impairment of the Company's thermal power generation assets.

i) Reversal of net operating provisions: the positive effect of R$ 4.1 million between comparable quarters. The variation is principally due to the reversal of provisions on the sale of fuel oil from the Alegrete Thermal Power Plant and to the process of decommissioning of the Charqueadas Thermal Power Plant.

j) Other costs: The principal year-on-year variation was due to the writing down of fuel oil worth R$ 2.8 million of the Alegrete Thermal Power Plant in 3Q17, the effect of which was compensated by the reversal of the provision mentioned in the previous item.

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) from dispatch triggered by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal power plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) and settled at the PLD.

In 3Q17 and 3Q16, net results (difference between revenue and costs — less revenue taxes and costs) from short-term transactions including those conducted on the CCEE, were negative at R$ 108.4 million and R$ 1.0 million, respectively.

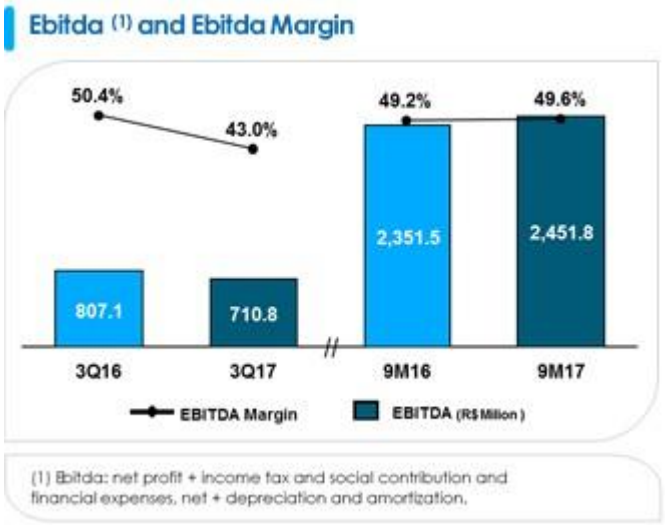
This variation is largely due to the combination of the following factors: (i) the increasingly negative effects of the GSF - in spite of deductions for the positive effects accruing from the renegotiation of hydrological risk - due to the high hydrological generation deficit factor in 3Q17; (ii) reduced thermal power generation in the period due to the maintenance program at Unit C of the Jorge Lacerda Thermal Power Complex; and (iii) reduction in MRE revenue in 3Q17 due to the decline in hydro generation in relation to 3Q16. These effects were partially attenuated by the increase in the long position on the CCEE in the light of the different weightings in the allocation of hydroelectric resources and the purchase of energy, as mentioned in the item Electric energy purchased for resale, between the compared quarters.

Worthy of consideration is the sharp increase in average PLD between the quarters (as shown below). This contributed negatively in the light of results from the application of the GSF and thermoelectric exposure although conversely, having a positive effect on revenue relative to the long position on the CCEE. Comparing the two quarters under review, average PLD for the South and Southeast/Center-West submarkets saw an increase of 282.5% from R$ 114.03/MWh in 3Q16 to R$ 436.20/MWh in 3Q17.

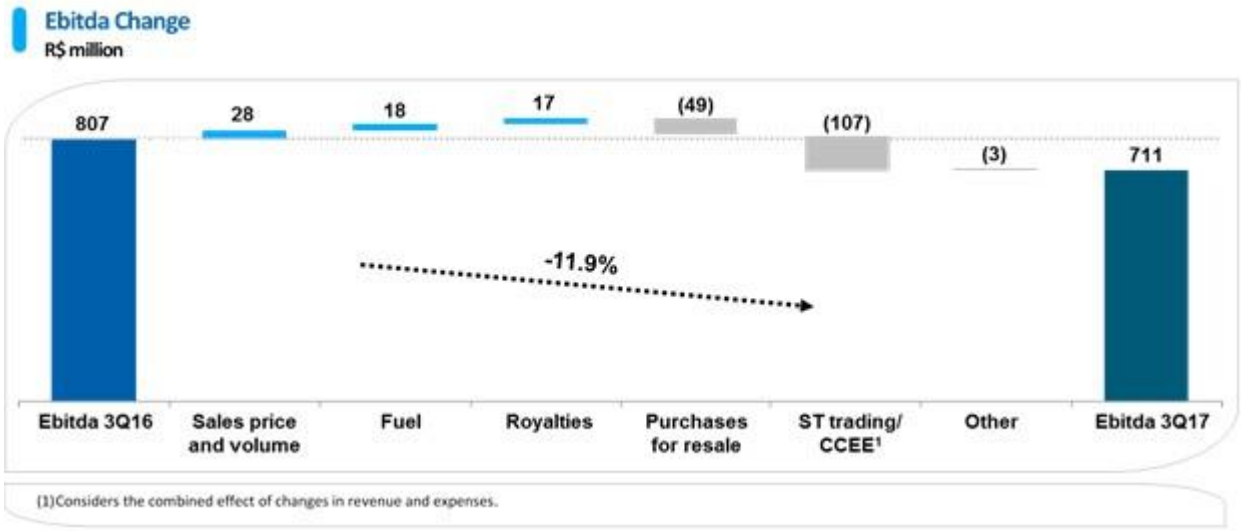
In December 2016, Aneel set maximum and minimum PLD limits for 2017 at R$ 533.82/MWh and R$ 33.68/MWh, respectively.

Ebitda and Ebitda Margin

Due to factors arready mentioned, **Ebitda** for 3Q17 was R$ 710.8 million, **R$ 96.3 million (11.9%) less** than the R$ 807.1 million reported for 3Q16. The corresponding Ebitda margin was 43.0% in 3Q17, a decrease of 7.4 p.p. compared with 3Q16.



These reductions reflect a combination of the following factors: (i) the negative effect of R$ 107.4 million in transactions conducted across the short-term market - more especially those transacted across the CCEE; (ii) the increase of R$ 49.1 million in energy purchases for resale; (iii) growth of R$ 28.3 million net revenue from the sale of contracted energy; (iv) decrease of R$ 18.2 million in fuel costs; (v) decline of R$ 17.3 million in expenditures with royalties; (vi) increase of R$ 4.7 million in charges for use of and connection to the electricity grid; and (vii) a decrease of R$ 1.1 million in other operating costs and expenses.



The following table reconciles net income with Ebitda:

(In millions of R$)	3Q17	3Q16	Chg. %	9M17	9M16	Chg. %
Net income	358.0	396.9	-9.8	1,299.9	1,072.7	21.2
(+) Income tax and social contribution	138.2	186.4	-25.9	540.9	497.9	8.6
(+) Net financial result	50.5	65.5	-22.9	128.9	310.5	-58.5
(+) Depreciation and amortization	164.1	158.0	3.9	480.4	469.9	2.2
Ebitda	**710.8**	**806.8**	**-11.9**	**2,450.1**	**2,351.0**	**4.2**
(+) Equity loss	0.0	0.3	0.0	1.7	0.5	0.0
Adjusted Ebitda	**710.8**	**807.1**	**-11.9**	**2,451.8**	**2,351.5**	**4.3**

Financial Result

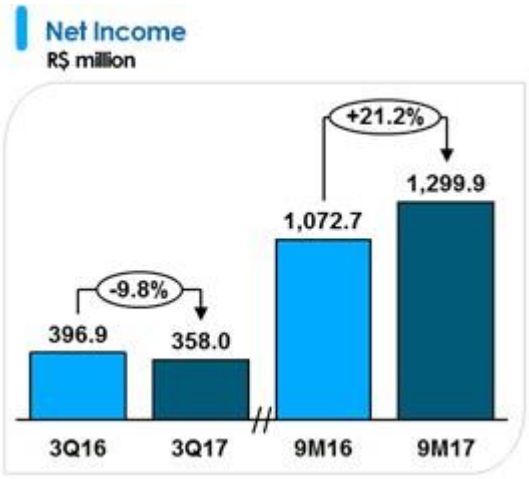
- **Financial income:** in 3Q17, financial revenue was R$ 38.6 million or **R$ 64.7 million (62.6%) lower** than the R$ 103.3 million recorded in 3Q16, the main reasons being: (i) reduction of R$ 57.0 million in income from financial investments due to the lower volumes of invested resources and declining interest rates; (ii) the decrease of R$ 3.9 million in monetary restatement on court escrow deposits; and (iii) the decrease of R$ 1.5 million in interest on accounts receivable at the CCEE.
- **Financial expenses:** financial expenses in 3Q17 were R$ 89.1 million, that is, **R$ 79.7 million (47.2%) below** financial expenses reported in 3Q16, which were R$ 168.8 million. The variation was principally due to: (i) a reduction of R$ 41.9 million in interest and monetary restatement on debt due to a decline in gross debt and falling inflation; (ii) a decrease of R$ 32.1 million in monetary restatement on concession fee agreements payable, again in the light of declining inflation; and (iii) a decrease of R$ 8.0 million in interest and monetary restatement on provisions and actuarial liabilities.

Income Tax and Social Contribution on Net Income

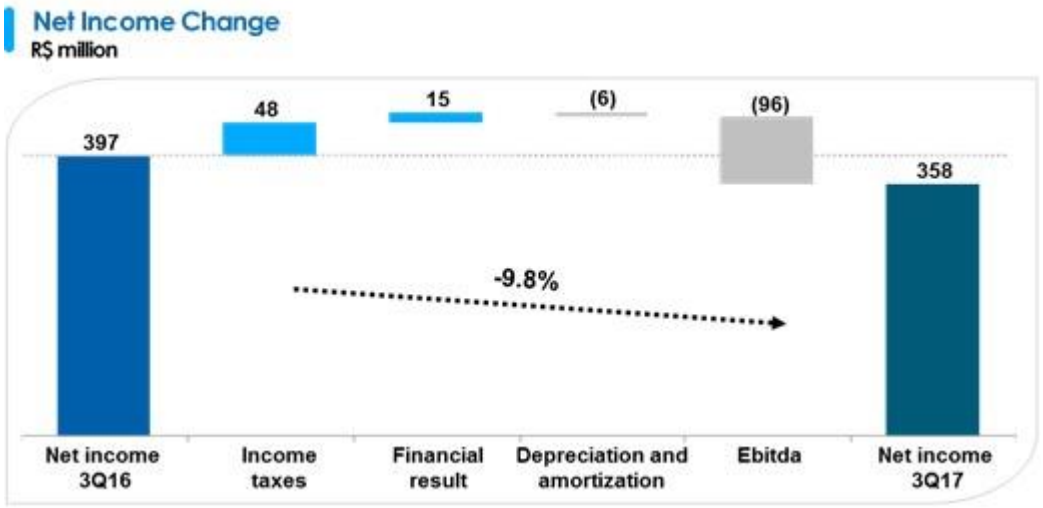
3Q17 income tax and social contribution payments were R$ 138.2 million, R$ 48.2 million (25.9%) less than the R$ 186.4 million reported for the same quarter in 2016, principally a reflection of the following items: (i) a decline in pre-tax profits; and (ii) initial Amazon Development Authority (Sudam) tax breaks for the Ponte de Pedra and the Estreito Hydroelectric Power Plants granted in 2017.

Net Income

Net income in 3Q17 was R$ 358.0 million, **R$ 38.9 million (9.8%) less** than the R$ 396.9 million posted in 3Q16.



This decrease is the result of the following factors: (i) reduction of R$ 96.3 million in Ebitda; (ii) positive impact of R$ 15.0 million in financial result; (iii) increase of R$ 6.1 million in depreciation and amortization; (iv) decrease of R$ 48.2 million in income tax and social contribution; and (v) positive equity income result of R$ 0.3 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 SEPTEMBER 30, 2017

(In thousands of Reais or other currencies, unless otherwise indicated)

NOTE 1 – OPERATIONS

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

The shares of the Company are listed in the Novo Mercado segment of B3 (current name of BM&FBOVESPA) under the ticker EGIE3. ENGIE Brasil Energia also trades Level 1 American Depositary Receipts (ADR) in the U.S. Over-the-Counter market under the ticker EGIEY, in the proportion of one ADR for each common share.

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

The ENGIE group is the largest private energy generator in Brazil's electric power industry, accounting for approximately 6.2%[1] [2] of the country's installed capacity. At 9.30.2017, its installed capacity, including its stakes in energy generation consortiums, is 7,069.5 MW. Out of this total, 78.6% arises from hydroelectric power plants, 14.8% from thermal power plants and 6.6% from complementary energy (Small Hydroelectric Power Plants – SHPP, wind farms, biomass and solar power plants). At 9.30.2017, physical guarantee for sale averaged 3,903.6 MW.

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

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

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

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

[3] On 12.23.2016, the Company's Board of Directors approved the sale of shareholding interest held by the Company and its direct subsidiary ENGIE Brasil Energias Complementares Participações Ltda. ("ECP") in wind power plants Beberibe and Pedra do Sal and in Areia Branca SHPP, which account for 63.4 MW of the installed capacity and 23.9 MWa of the Company's commercial capacity. Conclusion of the operation is subject to compliance with prior conditions established in the share purchase and sale agreement.

a) Commercial start-up of the wind farms Cacimbas, Estrela and Ouro Verde

In the first half of 2017, Aneel authorized the commercial startup of the wind farms Cacimbas, Estrela and Ouro Verde, which belong to the Santa Mônica Wind Complex (CESM), located in the city of Trairi, state of Ceará, Brazil, increasing the Company's installed capacity by 70.2 MW and its commercial capacity by 33.0 MW average. With that, all wind farms comprising CESM (installed capacity of 97.2 MW and physical guarantee of 47.4 MW average) have completed their commercial startup.

b) Payment of interest on equity for fiscal year 2016

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

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

On 2.15.2017, the Company announced to its shareholders and the market that it engaged Banco Morgan Stanley S.A. to provide non-binding financial advisory services in a market study to identify possible buyers for its coal-based energy generation assets: (i) Jorge Lacerda Thermal Power Complex – with installed capacity of 857 MW; and (ii) Pampa Sul Thermal Power Plant – plant under construction, which will have installed capacity of 345 MW and whose commercial startup is scheduled for early 2019.

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

EBE received non-binding proposals from parties potentially interested in the assets and is currently analyzing these proposals.

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

On 03.25.2017, modernization works at the Salto Santiago Hydroelectric Power Plant, which were begun in late 2012, were concluded, increasing the Plant's commercial capacity by 24.2 MW average. Investments made as a result of the modernization project, which focused mainly on the acquisition of new rotors to improve output in the generation units, came to approximately R$400,000.

e) Agreement for natural gas supply

On 05.24.2017, the Company and its fuel supplier signed a consent order, which was ratified on 6.20.2017, ending the legal dispute regarding divergence in the definition of fuel prices. For more information see Note 16 – Provisions.

f) Payment of additional dividends for fiscal year 2016

On 6.21.2017, the Company paid additional dividends for fiscal year 2016 in the amount of R$409,644, corresponding to R$ 0.6275749291 per share.

g) Interim dividends

At the meeting held on 7.27.2017, the Board of Directors approved the distribution of interim dividends based on the quarterly information as of 6.30.2016, in the amount of R$938,918, corresponding to R$1.4384206188 per share, equivalent to 100% of the adjusted net income for the first half of 2017. Interim dividends will be paid later, as determined by the Board of Executive Officers and announced through a Notice to Shareholders.

h) Acquisition of the Umburanas Wind Power Complex

On 08.23.2017, the Company, through its direct subsidiary ENGIE Brasil Energias Complementares Participações Ltda. ("ECP"), acquired the entire capital stock of the companies making up the Umburanas Wind Power Complex ("Umburanas Project"), located in the state of Bahia. The Umburanas Project comprises the right to build and operate a wind power complex with installed capacity of 605 MW, of which 360 MW must be implemented by mid-2019. The total installed capacity of 257.5 MW will be allocated to the free market and the remaining 102.5 MW were sold in the A-5/2014 Auction. The balance 245 MW will remain in the Company's portfolio for future development. Aneel approved the transfer of the Umburanas Project to the Company on 10.24.2017 and hence the operation should be consummated in November 2017. The total acquisition amount was R$15,000.

i) Acquisition of concessions of the Jaguara and Miranda Hydroelectric Power Plants

On 09.27.2017, the Company won the Non-extended Concessions Auction held by Aneel for the Jaguara and Miranda Hydroelectric Power Plants. EBE submitted the highest bonus for the concession of electricity generation under the quota system, observing the threshold 70% of the physical guarantees of the Hydroelectric Power Plants allocated to the Regulated Contracting Environment. The balance 30% will be allocated to the Free Contracting Environment.

The Jaguara Hydroelectric Power Plant ("Jaguara HPP") is located in the city of Rifânia (MG) and started commercial operation in 1971, with installed capacity of 424 MW and physical guarantee of 341 average MW. The concession was won for R$2,171,000, for a period of 30 years starting after the assisted operation period. The Miranda Hydroelectric Power Plant ("Miranda HPP") is located in the city of Indianápolis (MG) and started commercial operation in 1998, with installed capacity of 408 MW and physical guarantee of 198.2 average MW. The concession was won for R$1,360,000, also for 30 years starting after the assisted operation period.

The concession agreements are expected to be signed in November 2017, when assisted operation is also expected to begin. The assisted operation period is limited to six months after its beginning.

NOTE 2 – PRESENTATION OF QUARTERLY FINANCIAL INFORMATION

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

The Brazilian accounting standards are convergent with the international standards (IFRS), except for the recording, in the parent company's balance sheet, of the controlling interest in the joint venture in Itá Energética S.A. which, under Brazilian rules, is recognized by the equity method, while according to IFRS, by the rules applicable to joint ventures, it is stipulated that assets, liabilities and profit or loss be recognized in proportion to its share in the joint venture.

There is no difference between shareholders' equity and parent company and consolidated results included, respectively, in the individual and consolidated quarterly information. 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 quarterly information was also prepared in accordance with the rules established by the Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of Quarterly Information (ITR), using amortized historical cost as base value, excluding fair value assessment of certain financial instruments, when required by the rules.

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

The content and values of certain explanatory notes presented in the financial statements for the year ended on 12.31.2016, which did not require significant updates, have not been repeated in the notes selected for the quarterly information of 9.30.2017. Therefore, these financial statements should be read together.

The accounting practices and calculation methods adopted in the preparation of Quarterly Information of 9.30.2017, as well as the main judgments and uncertainties in the estimates used in applying accounting practices are the same as those used in the preparation of the financial statements for the year ended on 12.31.2016.

a) EmpresasNet System

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

b) Approval of the quarterly information

The quarterly information as herein presented has been approved by the Board of Directors in a meeting held on 10.26.2017.

NOTE 3 – CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Cash and bank deposits	**1,140**	**1,418**	**14,574**	**12,007**
Marketable securities:				
Exclusive investment fund – Citibank				
Repurchase transactions backed by federal bonds	1,144,501	1,173,841	1,540,050	1,793,540
Other marketable securities	69	-	6,893	9,793
	1,144,570	**1,173,841**	**1,546,943**	**1,803,333**
	1,145,710	**1,175,259**	**1,561,517**	**1,815,340**

NOTE 4 – TRADE ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Distributors	234,369	286,312	287,511	386,139
Traders	141,646	153,436	53,000	21,384
Free Consumers	25,004	24,802	366,712	329,956
Transactions within the CCEE[4]	6,180	46,978	44,743	93,069
Estimated losses with doubtful accounts	(6,180)	(6,180)	(6,469)	(6,469)
	401,019	**505,348**	**745,497**	**824,079**

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

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

	Parent Company		Consolidated	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Overdue up to 30 days	-	431	194	1,153
Overdue more than 30 days	6,188	10,047	7,542	12,332
	6,188	**10,478**	**7,736**	**13,485**

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

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

[4] Electric Energy Commercialization Chamber

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

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

NOTE 5 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Financing guarantees	8,998	8,406	213,981	180,183
Reinvestment deposits	3,241	2,420	3,241	2,420
Contractual commitments guarantees	-	-	6,716	6,264
Other	1,124	159	7,885	5,661
	13,363	**10,985**	**231,823**	**194,528**
Classification in the balance sheet				
Current assets	3,913	2,485	11,845	8,760
Non-current assets	9,450	8,500	219,978	185,768
	13,363	**10,985**	**231,823**	**194,528**

Guarantees for loans are aimed at ensuring the payment of debt with Banco Nacional de Desenvolvimento Econômico e Social, the Brazilian Development Bank ("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 6 – NON-CURRENT ASSETS HELD FOR SALE

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

	Parent Company		Consolidated	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Property, plant and equipment	**9,054**	**10,922**	**9,054**	**10,922**
Investments				
Assets	-	-	405,963	408,681
Related liabilities	-	-	(147,050)	(159,496)
Net assets	**-**	**-**	**258,913**	**249,185**
	9,054	**10,922**	**267,967**	**260,107**
Classification in the balance sheet				
Assets	9,054	10,922	415,017	419,603
Liabilities[5]	-	-	(147,050)	(159,496)
	9,054	**10,922**	**267,967**	**260,107**

a) Investments

Refers to investments in the special purpose entities (SPE) Beberibe, Pedra do Sal and Areia Branca, which were sold in December 2016. All the conditions precedent established in the sale agreement were met until October 2017 and the transaction will be concluded by the end of the month.

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

NOTE 7 – JUDICIAL DEPOSITS

a) Breakdown

	Parent Company		Consolidated	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Tax and social security	75,054	125,900	75,856	126,645
Civil	18,277	17,711	18,801	18,175
Labor	4,773	4,779	4,885	4,910
	98,104	**148,390**	**99,542**	**149,730**

In September 2017, retained judicial deposits related to lawsuits whose final and unappealable decisions were in favor of the company were released in the amount of R$55,212. The lawsuit required the maintenance of the non-cumulative system for calculating PIS and Cofins taxes on revenues arising from "predetermined price" contracts.

[5] Shown in "Liabilities on non-current assets for sale".

Other judicial deposits are linked to lawsuits and administrative proceedings, of which R$21,318 on 09.30.2017 (R$20,809 on 12.31.2016) are directly related to probable risk contingencies recognized as provisions, in the Company's liabilities.

NOTE 8 – INVESTMENTS

a) Breakdown

	Parent Company	
	9.30.2017	12.31.2016
Interest on subsidiaries:		
Measured at the equity method		
Equity in earnings of subsidiaries	5,424,735	4,368,111
Surplus value in the acquisition of investments	68,626	70,556
Goodwill on expected future profitability	8,659	3,473
	5,502,020	**4,442,140**

b) Changes in investments evaluated through the equity method

	Balance at 12.31.2016	Capital increase	Capital decrease	Equity in earnings of subsidiaries	Dividends	Other comprehensive income	Balance at 9.30.2017
Itasa[6]	**254,655**	-	-	7,793	(10,634)	-	**251,814**
CEE[7]	**1,100,780**	-	-	97,725	(143,849)	-	**1,054,656**
Lages[8]	**42,985**	-	-	17,345	(22,467)	-	**37,863**
EBC[9]	**136,806**	-	-	96,247	(18,584)	-	**214,469**
ECP[10]	**1,989,942**	521,353	(150,000)	164,269	(191,000)	14,423	**2,348,987**
Pampa[11]	**833,924**	642,296	-	50,025	-	(23,222)	**1,503,023**
ECV[12]	**4,403**	600	-	235	-	-	**5,238**
ENGIE Solar[13]	**1,027**	5,762	-	(1,693)	-	-	**5,096**
Norte Catarinense[14]	**3,589**	-	-	-	-	-	**3,589**
	4,368,111	**1,170,011**	**(150,000)**	**431,946**	**(386,534)**	**(8,799)**	**5,424,735**

The decrease in ECP's capital stock was due to the release of financing by BNDES in 2017 for the four SPEs comprising the Santa Mônica Wind Complex, for the construction of plants that had been financed with own capital until the financing was released.

[6] Itá Energética S.A., jointly-controlled operation.
[7] Companhia Energética Estreito.
[8] Lages Bioenergética S.A.
[9] ENGIE Brasil Energia Comercializadora Ltda.
[10] ENGIE Brasil Energias Complementares Participações Ltda.
[11] Usina Termelétrica Pampa Sul S.A.
[12] ENGIE Comercializadora Varejista de Energia Ltda.
[13] ENGIE Geração Solar Distribuída S.A., joint operation.
[14] Usina Termelétrica Norte Catarinense Ltda.

b.1) Information on the main subsidiaries

	Itasa	CEE	Lages	EBC	ECP	Pampa
Interest (%)	**48.75**	**99.99**	**99.99**	**99.99**	**99.99**	**99.99**
12.31.2016						
Assets	579,169	2,508,064	65,444	519,115	2,612,701	821,633
Adjusted shareholders' Equity	522,369	1,100,780	42,985	136,806	1,993,109	833,924
9.30.2017						
Assets	551,904	2,333,219	40,563	534,673	3,216,889	1,455,306
Adjusted shareholders' Equity	516,542	1,054,656	37,863	214,469	2,353,008	1,503,023
3Q17						
Net revenue	41,298	113,653	11,736	909,010	114,403	-
Adjusted net income	5,139	37,297	7,334	6,289	63,056	17,406
9M17						
Net revenue	124,777	353,468	36,138	2,673,668	312,396	-
Adjusted net income	15,986	97,725	17,345	96,247	165,123	50,025

Non-controlling interest

The non-controlling interest of Ibitiúva in the shareholders' equity and the net income of ECP presented above is R$4,021 and R$854, respectively.

Capitalized interests

ENGIE Brasil Energia took out loans and issued debentures to finance the construction of the Pampa Sul Thermal Power Plant, the Campo Largo and Santa Mônica Wind Power Complexes and the Assú V Photovoltaic Power Plant. Interest on 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. The total amount capitalized in subsidiaries ECP and Pampa by 9.30.2017 was R$72,232 and R$85,439, respectively. In the third quarter of 2017, the amount capitalized in the same subsidiaries were R$9,442 and R$17,449 (R$22,183 and R$50,094 in 9M17), respectively.

In the table above, "Adjusted shareholders' equity" and "Adjusted net income for the period" include the items described above.

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent Company			
		9.30.2017			12.31.2016
	Average rate of depreciation	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.8%	5,086,548	(2,987,146)	2,099,402	2,203,596
Buildings and improvements	3.1%	1,474,345	(935,063)	539,282	564,765
Machinery and equipment	4.3%	6,639,290	(4,322,066)	2,317,224	2,204,840
Furniture and fixtures	6.3%	9,840	(5,774)	4,066	4,351
Vehicles	14.3%	3,146	(2,319)	827	993
Special obligations		(48,317)	-	(48,317)	(12,238)
		13,164,852	**(8,252,368)**	**4,912,484**	**4,966,307**
In progress					
Reservoirs, dams and ducts		2,706	-	2,706	1,380
Buildings and improvements		9,885	-	9,885	7,991
Machinery and equipment		169,023	-	169,023	248,420
Advances to suppliers		7,895	-	7,895	24,192
Acquisitions to be apportioned		4,648	-	4,648	28,282
		194,157	**-**	**194,157**	**310,265**
		13,359,009	**(8,252,368)**	**5,106,641**	**5,276,572**

		Consolidated			
		9.30.2017			12.31.2016
	Average rate of depreciation	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	3.1%	7,069,633	(3,486,031)	3,583,602	3,741,964
Buildings and improvements	3.2%	1,786,355	(1,040,565)	745,790	768,052
Machinery and equipment	4.4%	9,410,410	(4,946,751)	4,463,659	4,044,356
Furniture and fixtures	6.3%	10,599	(6,059)	4,540	4,786
Vehicles	14.3%	4,480	(3,203)	1,277	1,517
Special obligations		(48,442)	-	(48,442)	(12,362)
		18,233,035	**(9,482,609)**	**8,750,426**	**8,548,313**
In progress					
Reservoirs, dams and ducts		109,481	-	109,481	74,415
Buildings and improvements		275,266	-	275,266	90,673
Machinery and equipment		936,912	-	936,912	469,269
Advances to suppliers		796,111	-	796,111	743,344
Acquisitions to be apportioned		442,737	-	442,737	268,884
		2,560,507	**-**	**2,560,507**	**1,646,585**
		20,793,542	**(9,482,609)**	**11,310,933**	**10,194,898**

b) Changes in property, plant and equipment

	Parent Company						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2016	**2,203,596**	**564,765**	**2,204,840**	**5,344**	**310,265**	**(12,238)**	**5,276,572**
Additions	-	-	-	-	168,934	(37,374)	131,560
Capitalized interest and monetary variation	-	-	-	-	2,189	-	2,189
Impairment reversal	-	-	1,550	-	-	-	1,550
Transfers	(1,479)	5,646	281,718	51	(287,231)	1,295	-
Write-offs	-	-	(402)	(4)	-	-	(406)
Depreciation	(102,715)	(31,129)	(170,482)	(498)	-	-	(304,824)
Balance at 9.30.2017	**2,099,402**	**539,282**	**2,317,224**	**4,893**	**194,157**	**(48,317)**	**5,106,641**

	Consolidated						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2016	**3,741,964**	**768,052**	**4,044,356**	**6,303**	**1,646,585**	**(12,362)**	**10,194,898**
Additions	-	-	-	-	1,505,721	(37,375)	1,468,346
Capitalized interest and monetary variation	-	-	-	-	113,594	-	113,594
Impairment reversal	-	-	1,550	-	-	-	1,550
Reclassification to assets held for sale	2,279	653	11,991	8	175	-	15,106
Transfers	1,341	17,769	684,989	174	(705,568)	1,295	-
Write-offs	-	-	(11,428)	(5)	-	-	(11,433)
Depreciation	(161,982)	(40,684)	(267,799)	(663)	-	-	(471,128)
Balance at 9.30.2017	**3,583,602**	**745,790**	**4,463,659**	**5,817**	**2,560,507**	**(48,442)**	**11,310,933**

NOTE 10 – INTANGIBLE ASSETS

a) Breakdown

		Parent Company			
		9.30.2017			12.31.2016
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Right to use	Until 2034	70,690	(41,523)	**29,167**	**20,838**

		Consolidated			
		9.30.2017			12.31.2016
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Energy purchase right	Until 2023	64,561	(28,602)	35,959	40,471
Right to use assets	Until 2037	94,507	(43,353)	51,154	39,054
Rights over Trairí Project	Until 2041	12,668	(2,168)	10,500	10,939
Rights over Santa Mônica Project	Until 2045	6,565	(158)	6,407	6,565
Rights over Campo Largo Project	-	87,606	-	87,606	81,392
Rights over Santo Agostinho Project	-	59,399	-	59,399	58,899
Rights over Assú Project	-	15,194	-	15,194	15,194
		340,500	**(74,281)**	**266,219**	**252,514**

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.

b) Changes in intangible assets

	Parent Company	Consolidated
Balance at 12.31.2016	**20,838**	**252,514**
Addition	12,433	16,286
Fair value of rights acquired	-	6,714
Amortization	(4,104)	(9,295)
Balance at 9.30.2017	**29,167**	**266,219**

NOTE 11 – SUPPLIERS

	Parent Company		Consolidated	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Fossil fuels and biomass	53,935	48,371	54,970	49,545
Electrical energy purchased	52,578	47,514	157,661	146,998
Charges for the use of the power grid	35,052	34,624	42,389	41,966
Suppliers of materials and services	28,743	46,837	38,227	61,107
Property, plant and equipment suppliers	17,652	23,360	120,110	53,947
Transactions in the spot market	15,504	11,071	36,100	17,586
	203,464	**211,777**	**449,457**	**371,149**

NOTE 12 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	9.30.2017			12.31.2016		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	82,130	203,964	286,094	73,033	240,842	313,875
Banks (BNDES onlending)	35,930	182,243	218,173	35,655	207,585	243,240
Nordic Investment Bank (NIB)	26,444	112,403	138,847	25,958	129,807	155,765
Financial charges	2,707	-	2,707	3,113	-	3,113
Loans and financing	**147,211**	**498,610**	**645,821**	**137,759**	**578,234**	**715,993**

	Consolidated					
	9.30.2017			12.31.2016		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	198,416	1,401,719	1,600,135	168,221	1,184,886	1,353,107
Banks (BNDES onlending)	74,852	594,803	669,655	77,045	686,388	763,433
Nordic Investment Bank (NIB)	26,444	112,403	138,847	25,958	129,807	155,765
Banco do Brasil	-	-	-	3,305	-	3,305
Financial charges	8,504	-	8,504	8,667	-	8,667
	308,216	**2,108,925**	**2,417,141**	**283,196**	**2,001,081**	**2,284,277**

b) Changes in loans and financings

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2016	**137,759**	**578,234**	**715,993**	**283,196**	**2,001,081**	**2,284,277**
Additions	8,146	17,200	25,346	23,805	297,138	320,943
Interest income (expense)	36,257	-	36,257	79,477	-	79,477
Monetary variation gain (loss)	1,388	5,575	6,963	2,790	19,439	22,229
Capitalized interest and monetary variation	871	-	871	70,399	-	70,399
Transfers	102,399	(102,399)	-	221,339	(221,339)	-
Reclassification to liabilities related to non-current assets held for sale	-	-		(937)	12,606	11,669
Principal amortization	(102,447)	-	(102,447)	(226,488)	-	(226,488)
Interest payment	(37,162)	-	(37,162)	(145,365)	-	(145,365)
Balance at 9.30.2017	**147,211**	**498,610**	**645,821**	**308,216**	**2,108,925**	**2,417,141**

The Company signed a contract with BNDES for R$353,515 to finance the construction of the Santa Mônica Wind Power Complex. Of the total amount, R$351,715 will carry interest equivalent to TJLP + 2.18% p.a. and monthly amortizations from June 2017 to May 2033; and R$1,800 will carry interest equivalent to TJLP and monthly amortizations from January 2018 to May 2033. Over the course of 2017, BNDES released a part of the funds amounting to R$295,597, net of funding costs. The covenant established in this agreement is the debt service coverage ratio (cash generated from the activity / debt service) ≥ 1.2.

On 08.11.2017, BNDES released R$ 25,346, net of funding costs, related to the portion of financing contracted in 2014, allocated to the modernization of the Salto Santiago and Passo Fundo Plants.

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

	Parent Company	Consolidated
October to December 2018	36,126	73,870
2019	144,504	295,481
2020	117,128	264,257
2021	78,802	219,099
2022	78,819	215,701
2023 to 2027	43,231	727,639
2028 to 2033	-	312,878
Loans and financing	**498,610**	**2,108,925**

d) Contract commitments (covenants)

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

NOTE 13 – DEBENTURES

a) Changes in debentures

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2016	**16,547**	**787,908**	**804,455**	**16,547**	**787,908**	**804,455**
Interest income (expense)	38,703	-	38,703	8,666	-	8,666
Monetary variation gain (loss)	390	14,665	15,055	390	2,825	3,215
Capitalized interest and monetary variation	763	555	1,318	30,800	12,395	43,195
Transfers	(1,446)	1,446	-	(1,446)	1,446	-
Interest payment	(37,165)	-	(37,165)	(37,165)	-	(37,165)
Balance at 9.30.2017	**17,792**	**804,574**	**822,366**	**17,792**	**804,574**	**822,366**

As shown in Note 8 – Capital Expenditure, the Company raised funds to invest in the construction of the Pampa Sul Thermal Power Plant. Interest and inflation adjustment on this operation are being capitalized in the consolidated financial statements.

b) Maturities of debentures recorded as non-current liabilities

	Parent Company and Consolidated
2021	82,985
2022	149,283
2023 to 2027	572,306
Debentures	**804,574**

c) Contractual covenants

The covenants established by the debentures are being fully complied with by the Company.

NOTE 14 – CONCESSIONS PAYABLE

a) Breakdown

	Parent Company		Consolidated	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Cana Brava Hydroelectric Power Plant	997,156	950,283	997,156	950,283
Ponte de Pedra Hydroelectric Power Plant	845,993	814,472	845,993	814,472
São Salvador Hydroelectric Power Plant	532,955	530,211	532,955	530,211
Estreito Hydroelectric Power Plant	-	-	52,783	52,410
	2,376,104	**2,294,966**	**2,428,887**	**2,347,376**
Classification in the balance sheet				
Current liabilities	61,272	59,907	66,958	65,408
Non-current liabilities	2,314,832	2,235,059	2,361,929	2,281,968
	2,376,104	**2,294,966**	**2,428,887**	**2,347,376**

b) Changes in concessions payable

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2016	**59,907**	**2,235,059**	**2,294,966**	**65,408**	**2,281,968**	**2,347,376**
Interest	-	157,438	157,438	-	161,213	161,213
Monetary variations	-	(29,483)	(29,483)	-	(28,438)	(28,438)
Transfers	48,182	(48,182)	-	52,814	(52,814)	-
Amortizations	(46,817)	-	(46,817)	(51,264)	-	(51,264)
Balance at 9.30.2017	**61,272**	**2,314,832**	**2,376,104**	**66,958**	**2,361,929**	**2,428,887**

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

	Parent Company	Consolidated
October to December 2018	14,323	15,640
2019	66,824	71,794
2020	109,595	114,112
2021	132,672	136,779
2022	121,890	125,623
2023 to 2027	1,019,982	1,034,131
2028 to 2032	705,804	714,586
2033 to 2037	143,742	149,264
	2,314,832	**2,361,929**

NOTE 15 – RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

In 2017, there were no changes in risks the Company is exposed to or in the management and measurement of these risks, when compared to those reported in Note 20 of the financial statements for 12.31.2016.

a) Cash flow hedge

As at 9.30.2017, the Company maintains a Non-Deliverable Forward (NDF) operation to hedge all of its future foreign-denominated payments arising from contractual commitments related to the construction of the coal-fired Pampa Sul Thermal Power Plant and of the Assú Photovoltaic Power Plant. The NDFs used to hedge the commitments assumed by the Assú V Photovoltaic Solar Power Plant were contracted by ENGIE Brasil Energia – the indirect parent company – and fully transferred to the subsidiary.

The notional value of these NDF operations at 9.30.2017 is U$88,167, of which is contracted from Bradesco, Citibank and Itaú, and mature up to December 2018.

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

	Consolidated	
	9.30.2017	12.31.2016
Long position		
Current assets[15]	7	1,490
Non-current assets[16]	-	1,965
Short position		
Current liabilities[17]	(2,209)	(21,846)
Non-current liabilities[18]	(2,864)	-
Net position	**(5,066)**	**(18,391)**

The corresponding entry for these unrealized gains and losses is recognized directly to shareholders' equity under "Other comprehensive income (loss)", net of deferred income tax and social contribution, in the amount of R$3,344. In addition, an amount of R$835 was recognized under "Other comprehensive income," relating to the gains realized from NDF contracted again due to the revision of the supplier payment flow.

Unrealized gains incurred in the first nine months of 2017 and unrealized losses incurred in the third quarter, net of impacts from deferred income tax and social contribution, were R$13,855, and in the second quarter of 2017 they were R$8,794 and R$5,061, respectively, and are recorded in the "Statement of comprehensive income."

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

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

The probable basic scenario for 9.30.2018 was defined using the following assumptions available in the market (Source: Central Bank of Brazil Market Readout).

Variation of interest rates and indices:	Change 9.30.2017	Probable Scenario 9.30.2018	Sensitivity		
			Probable	Δ + 25% (*)	Δ + 50% (*)
TJLP	7.3% p.a.	7.0% p.a.	-0.3 p.p.	1.8 p.p.	3.5 p.p.
IPCA	2.5% p.a.	4.1% p.a.	1.6 p.p.	1.0 p.p.	2.1 p.p.
IGP-M	-1.4% p.a.	4.6% p.a.	6.0 p.p.	1.2 p.p.	2.3 p.p.

(*) Variations on probable scenario for 2017.

[15] Presented under "Other current assets".
[16] Presented under "Other non-current assets".
[17] Presented under "Other current liabilities".
[18] Presented under "Other non-current liabilities".

The probable sensitivity was calculated based on the variation of indices in the last twelve months recorded on 9.30.2017 and those expected for the next twelve months ending on 9.30.2018. The other sensitivities shown were calculated based on the variation of 25% and 50% on the probable scenario for the next twelve months ending on 9.30.2018. Variations that could be observed on the consolidated financial result of the Company in the next twelve months compared to the last twelve months if the scenarios materialize are the following:

	Balance at	Sensitivity		
	9.30.2017	Probable	Δ + 25%	Δ + 50%
Loans and financing				
TJLP	2,251,083	5,667	(39,931)	(80,456)
IPCA	139,815	(1,926)	(1,280)	(2,559)
		3,741	**(41,211)**	**(83,015)**
Debentures				
IPCA	822,366	**(13,224)**	**(8,793)**	**(17,584)**
Concessions payable				
IGP-M	1,843,150	(115,530)	(21,957)	(43,913)
IPCA	585,737	(8,477)	(5,620)	(11,240)
		(124,007)	**(27,577)**	**(55,153)**
Total		**(133,490)**	**(77,581)**	**(155,752)**

c) Category and fair value of financial instruments

	Parent Company		Consolidated	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Financial assets				
Measured at fair value through profit or loss				
Marketable securities	1,144,570	1,173,841	1,546,943	1,803,333
Restricted deposits	13,363	10,985	231,823	194,528
Receivables and loans				
Cash and bank deposits	1,140	1,418	14,574	12,007
Trade accounts receivable	401,019	505,348	745,497	824,079
Fuel reimbursable	47,857	49,472	47,857	49,472
Hedge operations				
Cash flow hedge on obligations	-	-	7	3,455
	1,607,949	**1,741,064**	**2,586,701**	**2,886,874**
Financial liabilities				
Financial liabilities assessed at amortized cost:				
Suppliers	203,464	211,777	449,457	371,149
Loans and financing	645,821	715,993	2,417,141	2,284,277
Debentures	822,366	804,455	822,366	804,455
Concessions payable	2,376,104	2,294,966	2,428,887	2,347,376
Liabilities linked to investment acquisition [19]	-	-	25,438	43,068
Hedge operations				
Cash flow hedge on obligations	-	-	5,073	21,846
	4,047,755	**4,027,191**	**6,148,362**	**5,872,171**

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

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

d) Market value of financial instruments

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

	Parent Company			
	9.30.2017		12.31.2016	
	Book	Market	Book	Market
Loans and financing	645,821	651,403	715,993	728,513
Debentures	822,366	926,431	804,455	841,565
Concessions payable	2,376,104	2,962,817	2,294,966	2,901,915
	3,844,291	**4,540,651**	**3,815,414**	**4,471,993**

	Consolidated			
	9.30.2017		12.31.2016	
	Book	Market	Book	Market
Loans and financing	2,417,141	2,431,350	2,284,277	2,450,271
Debentures	822,366	926,431	804,455	841,565
Concessions payable	2,428,887	3,028,842	2,347,376	2,967,320
	5,668,394	**6,386,623**	**5,436,108**	**6,259,156**

NOTE 16 – 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	
	9.30.2017	12.31.2016	9.30.2017	12.31.2016
Civil				
Fuel purchase	-	209,960	-	209,960
Expropriations and administrative servitude	33,570	31,817	33,570	31,817
Environment	10,651	10,170	10,651	10,170
Retirement benefits	2,569	17,425	2,569	17,425
Sundry lawsuits	14,664	14,916	20,824	20,138
	61,454	**284,288**	**67,614**	**289,510**
Tax	**6,703**	**6,929**	**6,935**	**7,270**
Labor	**10,979**	**10,806**	**11,061**	**10,948**
Divestment of generation assets	**16,075**	**19,379**	**16,075**	**19,379**
	95,211	**321,402**	**101,685**	**327,107**
Classification in the balance sheet				
Current liabilities	19,677	34,020	20,657	35,001
Non-current liabilities	75,534	287,382	81,028	292,106
	95,211	**321,402**	**101,685**	**327,107**

In 2Q17, the Company reversed the provision related to the fuel purchase process due to a consent order signed with the natural gas supplier in a suit to discuss the difference in fuel price during the period from September 2014 to June 2017. Concurrently with the reversal of the provision, the cost of fuel was recognized, eliminating the effects of this additional cost on the company's operating results.

In 3Q17, the Company and ELOS - Fundação Eletrosul de Previdência e Assistência Social - entered into an agreement with 10 plaintiffs, members of the foundation, who filed a lawsuit to claim a declaration of nullity or, alternatively, a declaration of the ineffectiveness of the options exercised by them in order to limit contributions to the foundation to their contribution salaries, which resulted in the reduction of their retirement benefits. The Company reversed R$15,613, of which R$4,353 was related to the agreement and R$11,260 was due to a provision above the agreed amount. The lawsuit is in court, with three participants still remaining.

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.

	9.30.2017			12.31.2016		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Parent Company						
Tax	270,555	265,065	535,620	258,990	210,611	469,601
Civil	103,795	134,581	238,376	98,694	128,071	226,765
Labor	6,250	129,778	136,028	6,736	109,830	116,566
	380,600	**529,424**	**910,024**	**364,420**	**448,512**	**812,932**
Consolidated						
Tax	345,831	286,548	632,379	331,483	230,981	562,464
Civil	120,660	134,673	255,333	121,855	128,153	250,008
Labor	9,498	140,964	150,462	9,989	112,396	122,385
	475,989	**562,185**	**1,038,174**	**463,327**	**471,530**	**934,857**

There were no significant updates in the nine-month period related to the main risks assessed by the Company and its legal advisors as being possible risk, which are presented in Note 24 to the financial statements of 12.31.2016.

NOTE 17 – RETIREMENT BENEFITS OBLIGATIONS

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

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

a) Breakdown

	Parent Company and Consolidated					
	9.30.2017			12.31.2016		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	15,295	184,714	200,009	13,843	178,797	192,640
Current contributions and service costs	163	-	163	211	89	300
Uncontracted deficit	11,761	91,066	102,827	13,165	93,362	106,527
Recorded actuarial liability	**27,219**	**275,780**	**302,999**	**27,219**	**272,248**	**299,467**

b) Changes in retirement benefit obligations

	Plans				
	ELOS BD	PREVIG BD	PREVIG BSPS	GC[20]	Total
Liabilities recorded at 12.31.2016	**276,944**	**17,856**	**1,438**	**3,229**	**299,467**
Cost of current services	-	(20)	-	74	54
Contributions/payments	-	(224)	-	(472)	(696)
Net interest on net actuarial liabilities/assets	21,985	1,289	105	205	23,584
Payments of contracted obligations	(16,490)	(2,683)	(237)	-	(19,410)
Liabilities recorded at 9.30.2017	**282,439**	**16,218**	**1,306**	**3,036**	**302,999**

c) Maturities of contracted obligations recorded in non-current liabilities

	ELOS	PREVIG	Total
October to December 2018	3,043	707	3,750
2019	12,881	3,103	15,984
2020	13,637	3,289	16,926
2021	14,436	3,486	17,922
2022	15,283	2,132	17,415
2023 to 2027	73,467	1,682	75,149
2028 to 2032	37,568	-	37,568
	170,315	**14,399**	**184,714**

[20] Confidentiality bonus.

NOTE 18 – DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

a) Breakdown

Description of credits	Parent Company				
	9.30.2017				12.31.2016
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Accelerated depreciation	760,257	190,064	68,423	258,487	223,602
Property, plant and equipment deemed cost (fair value)	623,150	155,788	56,084	211,872	226,058
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Capitalized financial charges	67,068	16,767	6,036	22,803	22,562
Adjustment to fair value in business combination	37,472	9,368	3,372	12,740	13,303
Other	3,985	996	359	1,355	1,143
		399,847	**143,945**	**543,792**	**523,203**
Assets:					
Provision for asset impairment	132,364	33,091	11,913	45,004	53,417
Allowance for doubtful accounts	129,166	32,292	11,625	43,917	43,917
Fair value adjustment in business combinations	103,190	25,798	9,287	35,085	36,603
Retirement benefits obligations	102,951	25,738	9,266	35,004	36,306
Civil, tax and labor provisions	71,236	17,809	6,411	24,220	99,523
Interest on property, plant and equipment in progress (RIC)	66,072	16,518	-	16,518	19,247
Other	49,463	12,364	4,452	16,816	20,078
		163,610	**52,954**	**216,564**	**309,091**
Net total		**236,237**	**90,991**	**327,228**	**214,112**

Description of credits	Consolidated				
	9.30.2017				12.31.2016
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Accelerated depreciation	944,375	236,094	84,994	321,088	277,274
Property, plant and equipment deemed cost (fair value)	623,150	155,788	56,084	211,872	226,058
Capitalized financial charges	312,787	78,197	28,151	106,348	66,553
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Adjustment to fair value in business combination	37,472	9,368	3,372	12,740	13,303
Other	3,992	998	360	1,358	2,318
		507,309	**182,632**	**689,941**	**622,041**
Assets:					
Provision for asset impairment	132,364	33,091	11,913	45,004	52,816
Allowance for doubtful accounts	131,304	32,826	11,817	44,643	44,643
Fair value adjustment in business combinations	103,190	25,798	9,287	35,085	36,603
Retirement benefits obligations	102,951	25,738	9,266	35,004	36,306
Civil, tax and labor provisions	75,753	18,938	6,818	25,756	100,794
Interest on property, plant and equipment in progress (RIC)	66,072	16,518	-	16,518	19,247
Tax loss and negative basis	52,927	13,232	4,763	17,995	-
Fair value adjustment of property, plant and equipment	34,974	8,744	3,148	11,892	12,791
Other	56,456	14,113	5,102	19,215	44,201
		188,998	**62,114**	**251,112**	**347,401**
Net amount		**318,311**	**120,518**	**438,829**	**274,640**
Classification in the balance sheet					
Liabilities		341,480	128,877	470,357	311,331
Assets [21]		(23,169)	(8,359)	(31,528)	(36,691)
Total		**318,311**	**120,518**	**438,829**	**274,640**

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

	Parent Company	Consolidated
Balance at 12.31.2016	**214,112**	**274,640**
Taxes deferred in profit or loss	113,116	159,658
Taxes deferred in other comprehensive income	-	4,531
Balance at 9.30.2017	**327,228**	**438,829**

[21] Amount presented in item "Other non-current assets"

c) Expected realization and required payments

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
October to December 2017	14,691	5,509	15,686	5,769
2018	87,746	55,441	109,313	56,474
2019	14,284	22,691	16,127	26,682
2020	11,800	23,162	12,944	27,257
2021	10,912	27,613	12,002	31,708
2022	9,149	32,314	10,219	40,321
2023 to 2027	31,954	163,463	36,763	203,498
2028 to 2032	32,082	127,720	34,091	170,056
After 2033	3,946	85,879	3,967	128,176
	216,564	543,792	251,112	689,941

NOTE 19 – SHAREHOLDERS' EQUITY

a) Authorized capital stock

The Company is authorized to increase its capital stock up to the limit of R$5,000,000, by resolution of Board of Directors, regardless of any amendment to its bylaws. Under the listing regulations of the Novo Mercado segment of B3 (current name of BM&FBOVESPA), 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 9.30.2017 and 12.31.2016.

b) Subscribed and paid-in capital

The Company's fully subscribed and paid-in capital on 9.30.2017 and 12.31.2016 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 9.30.2017, is R$10.04 (R$10.13 for each share at 12.31.2016).

The Company's ownership structure at 9.30.2017 and 12.31.2016 was as follows:

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

As of 9.30.2017 and 12.31.2016, the number of Company shares held by its managers was 374,628 and 374,328 shares, respectively.

c) Other comprehensive income

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

NOTE 20 – RECONCILIATION OF NET REVENUE

	Parent Company			
	3Q		9M	
	2017	2016	2017	2016
GROSS OPERATING INCOME				
Electrical energy distributors	553,832	706,702	1,683,806	1,832,202
Electrical energy traders	422,684	342,506	1,419,328	1,387,555
Free consumers	68,127	64,129	199,520	204,377
Transactions in the short-term market	2,114	4,182	49,933	48,679
Other revenues	19,992	34,743	52,933	68,781
	1,066,749	**1,152,262**	**3,405,520**	**3,541,594**
DEDUCTIONS FROM OPERATING INCOME				
PIS and Cofins	(95,370)	(92,884)	(305,305)	(317,125)
ICMS	(3,119)	(2,490)	(8,273)	(7,257)
ISS	(460)	(438)	(1,352)	(1,269)
Research and development	(6,525)	(7,480)	(22,522)	(23,532)
	(105,474)	**(103,292)**	**(337,452)**	**(349,183)**
NET REVENUE	**961,275**	**1,048,970**	**3,068,068**	**3,192,411**

	Consolidated			
	3Q		9M	
	2017	2016	2017	2016
GROSS OPERATING INCOME				
Electrical energy distributors	727,600	849,718	2,211,060	2,524,097
Electrical energy traders	151,933	91,834	432,617	277,276
Free consumers	891,329	776,379	2,608,005	2,349,620
Transactions in the short-term market	44,854	22,781	181,203	81,149
Other revenues	13,687	28,935	34,472	51,552
	1,829,403	**1,769,647**	**5,467,357**	**5,283,694**
DEDUCTIONS FROM OPERATING INCOME				
PIS and Cofins	(163,542)	(155,426)	(489,821)	(472,978)
ICMS	(3,119)	(2,490)	(8,273)	(7,257)
ISS	(460)	(438)	(1,352)	(1,269)
Research and development	(7,544)	(8,473)	(25,318)	(26,028)
	(174,665)	**(166,827)**	**(524,764)**	**(507,532)**
NET REVENUE	**1,654,738**	**1,602,820**	**4,942,593**	**4,776,162**

NOTE 21 – DETAIL OF OPERATING EXPENSES BY NATURE

a) Costs of electrical energy production and services rendered:

	Parent Company			
	3Q		9M	
	2017	2016	2017	2016
Depreciation and amortization	103,354	103,516	302,309	306,728
Fuel	15,181	34,158	279,422	119,105
Personnel	55,378	59,352	156,161	172,343
Third party materials and services	42,689	36,031	102,602	90,055
Royalties	28,735	43,572	76,222	126,592
Reversal of operating provisions[22]	(3,494)	-	(226,463)	(832)
Other	17,779	14,405	45,510	44,224
	259,622	**291,034**	**735,763**	**858,215**
Classification in the result				
Electricity production cost	251,700	283,474	713,224	836,051
Cost of services provided	7,922	7,560	22,539	22,164
	259,622	**291,034**	**735,763**	**858,215**

	Consolidated			
	3Q		9M	
	2017	2016	2017	2016
Depreciation and amortization	161,782	156,062	473,781	463,738
Fuel	18,325	36,525	288,382	126,117
Personnel	56,922	60,121	160,570	175,702
Third party materials and services	58,712	52,188	147,578	131,395
Royalties	31,699	48,977	88,479	145,973
Reversal of operating provisions[22]	(4,206)	(106)	(225,917)	(49)
Other	22,380	17,944	57,391	53,693
	345,614	**371,711**	**990,264**	**1,096,569**
Classification in the result				
Electricity production cost	337,676	364,136	967,696	1,074,379
Cost of services provided	7,938	7,575	22,568	22,190
	345,614	**371,711**	**990,264**	**1,096,569**

[22] For more information see Note 16 – Provisions.

b) Selling, general and administrative expenses

	Parent Company			
	3Q		9M	
	2017	2016	2017	2016
Personnel	20,431	19,268	59,045	61,099
Third party materials and services	13,169	7,663	33,192	29,954
Management	6,451	4,534	17,457	17,138
Depreciation and amortization	2,329	1,999	6,619	6,121
Contributions and donations	1,989	1,135	5,537	7,037
Rent	1,449	1,630	4,659	4,794
(Reversal) Accrual of operating provisions, net[23]	(16,017)	(24)	(17,438)	180
Other	9,507	4,882	19,541	12,316
	39,308	**41,087**	**128,612**	**138,639**
Classification in the result				
Sale expenses	2,328	2,294	7,962	7,652
General and administrative expenses	36,980	38,793	120,650	130,987
	39,308	**41,087**	**128,612**	**138,639**

	Consolidated			
	3Q		9M	
	2017	2016	2017	2016
Personnel	20,597	19,420	59,636	61,615
Third party materials and services	14,070	8,955	36,165	33,708
Management	6,472	4,553	17,523	17,228
Depreciation and amortization	2,337	2,006	6,642	6,143
Contributions and donations	2,651	1,870	7,455	9,286
Rent	1,406	2,158	4,732	5,846
(Reversal) Accrual of operating provisions, net[23]	(16,013)	(24)	(17,549)	179
Other	11,254	5,033	19,666	13,358
	42,774	**43,971**	**134,270**	**147,363**
Classification in the result				
Sale expenses	3,652	4,128	12,453	13,410
General and administrative expenses	39,122	39,843	121,817	133,953
	42,774	**43,971**	**134,270**	**147,363**

[23] For more information see Note 16 – Provisions.

NOTE 22 – FINANCIAL RESULT

	Parent Company			
	3Q		9M	
	2017	2016	2017	2016
Financial income				
Income from marketable securities	10,408	67,560	60,975	162,337
Monetary variation on judicial deposits	747	4,679	5,430	13,526
Interest on receivables	242	2,543	4,618	21,619
Interest and monetary variation on judicial deposits	-	1,418	-	38,590
Other financial income	271	236	2,225	4,379
	11,668	**76,436**	**73,248**	**240,451**
Financial expenses				
Interest and monetary variation				
Concessions payable	46,190	75,162	127,955	271,232
Debentures	14,174	16,234	53,758	23,746
Loans and financing	13,278	19,885	43,220	66,235
Fair value hedge on loans	-	20,604	-	63,152
Retirement benefit obligations	7,862	9,107	23,584	27,323
Provisions	1,058	7,920	13,629	28,565
Transactions in the CCEE	-	-	1,290	67,577
Other	702	64	1,129	366
Exchange variation				
Loans	-	10,260	-	(202,664)
Fair value hedge on loans	-	(10,260)	-	202,664
Fair value adjustment	-	116	-	1,934
Other financial expenses	1,376	2,215	3,612	5,014
	84,640	**151,307**	**268,177**	**555,144**
Financial expenses, net	**72,972**	**74,871**	**194,929**	**314,693**

	Consolidated			
	3Q		9M	
	2017	2016	2017	2016
Financial income				
Income from marketable securities	36,716	93,754	147,496	242,722
Interest on receivables	1,725	3,136	8,729	22,734
Monetary variation on judicial deposits	785	4,766	5,565	13,806
Interest and monetary variation on judicial deposits	-	1,418	-	38,590
Other financial income	(613)	243	2,456	4,428
	38,613	**103,317**	**164,246**	**322,280**
Financial expenses				
Interest and monetary variation				
Concessions payable	47,743	76,986	132,775	277,758
Loans and financing	25,288	43,432	101,706	136,089
Fair value hedge on loans	-	20,604	-	63,152
Retirement benefit obligations	7,862	9,107	23,584	27,323
Provisions	1,115	8,011	13,858	28,925
Debentures	3,507	6,641	11,881	14,153
Transactions in the CCEE	-	99	1,314	72,680
Other	813	374	1,567	2,306
Exchange variation				
Loans	-	10,260	-	(202,664)
Fair value hedge on loans	-	(10,260)	-	202,664
Fair value adjustment	-	116	-	1,934
Other financial expenses	2,743	3,407	6,489	8,428
	89,071	**168,777**	**293,174**	**632,748**
Financial expenses, net	**50,458**	**65,460**	**128,928**	**310,468**

NOTE 23 – INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent Company							
	3Q				9M			
	2017		2016		2017		2016	
	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**462,077**	**462,077**	**533,980**	**533,980**	**1,705,029**	**1,705,029**	**1,452,799**	**1,452,799**
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	**(115,519)**	**(41,587)**	**(133,495)**	**(48,058)**	**(426,257)**	**(153,453)**	**(363,200)**	**(130,752)**
Permanent differences:								
Equity in net income of subsidiaries	33,418	12,030	29,003	10,441	107,987	38,875	70,584	25,410
Tax incentives	8,279	-	5,875	-	29,407	-	20,674	-
Other	(845)	(97)	(939)	(193)	(2,312)	(241)	(2,979)	(532)
	(74,667)	**(29,654)**	**(99,556)**	**(37,810)**	**(291,175)**	**(114,819)**	**(274,921)**	**(105,874)**
Breakdown of taxes in the income statement								
Current	(65,520)	(26,688)	(93,861)	(36,087)	(207,279)	(85,599)	(344,270)	(131,822)
Deferred	(9,147)	(2,966)	(5,695)	(1,723)	(83,896)	(29,220)	69,349	25,948
	(74,667)	**(29,654)**	**(99,556)**	**(37,810)**	**(291,175)**	**(114,819)**	**(274,921)**	**(105,874)**
Effective rate	**16.2%**	**6.4%**	**18.6%**	**7.1%**	**17.1%**	**6.7%**	**18.9%**	**7.3%**

	Consolidated							
	3Q				9M			
	2017		2016		2017		2016	
	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**496,197**	**496,197**	**583,260**	**583,260**	**1,840,771**	**1,840,771**	**1,570,629**	**1,570,629**
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	**(124,049)**	**(44,658)**	**(145,815)**	**(52,493)**	**(460,193)**	**(165,669)**	**(392,657)**	**(141,357)**
Permanent differences:								
Differences between taxable and notional income	10,545	3,452	8,605	2,828	25,589	8,217	15,096	4,629
Tax incentives	15,803	-	5,875	-	49,345	-	20,674	-
Other	436	321	(4,114)	(1,263)	1,006	823	(3,568)	(703)
	(97,265)	**(40,885)**	**(135,449)**	**(50,928)**	**(384,253)**	**(156,629)**	**(360,455)**	**(137,431)**
Breakdown of taxes in the income statement								
Current	(75,463)	(33,364)	(120,545)	(45,893)	(266,135)	(115,089)	(409,118)	(155,897)
Deferred	(21,802)	(7,521)	(14,904)	(5,035)	(118,118)	(41,540)	48,663	18,466
	(97,265)	**(40,885)**	**(135,449)**	**(50,928)**	**(384,253)**	**(156,629)**	**(360,455)**	**(137,431)**
Effective rate	**19.6%**	**8.2%**	**23.2%**	**8.7%**	**20.9%**	**8.5%**	**22.9%**	**8.8%**

NOTE 24 – TRANSACTIONS WITH RELATED PARTIES

The Company has related-party transactions that are described in more details in Note 33 of the financial statements as at 12.31.2016. The main transactions are the following:

- Purchase and sale of energy;

- Operation and maintenance;

- Administrative services;

- Guarantees;

- Sureties and guarantees; and

- Loan between Ibitiúva and Andrade Açúcar e Álcool S.A. ("Andrade").

There were no significant changes in these transactions in the first nine months of 2017. Note that during the course of 2017, the Company entered into short-term energy purchase agreements with related parties in order to manage its energy portfolio. These agreements were signed under conditions and prices in line with market practices.

a) Amounts recognized in balance sheet accounts:

	ASSETS			LIABILITIES		
	Accounts receivable			Supplier		IOE [24]
	Energy	Services	Dividends	Energy	Other	Dividends
9.30.2017						
EBC	141,646	-	-	3,866	-	-
Itasa	-	3,888	-	9,241	-	-
ENGIE Participações	-	62	-	-	217	645,150
Ceste	-	1,640	-	-	-	-
ESBR[25]	-	-	-	1,500	-	-
Geramamoré[26]	-	-	-	19,630	-	-
Other	-	413	310	-	-	-
	141,646	**6,003**	**310**	**34,237**	**217**	**645,150**
12.31.2016	**155,125**	**4,039**	**167,202**	**13,382**	**965**	**297,180**

[24] Interest on equity.
[25] Energia Sustentável do Brasil.
[26] Geramamoré Participações e Comercializadora de Energia Ltda.

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
3Q17						
EBC	422,685	-	96	8,890	-	-
CEE	-	-	96	-	-	-
Lages	-	728	56	-	-	-
Itasa	-	4,848	-	25,717	-	-
Ceste	-	5,529	-	-	-	-
Geramamoré	-	-	-	82,944	-	-
ESBR	-	-	-	4,174	-	-
ECP subsidiaries	-	-	653	-	-	-
Degremont	-	-	-	-	845	-
Others	-	-	96	-	377	-
	422,685	**11,105**	**997**	**121,725**	**1,222**	**-**
3Q16	**439,784**	**10,568**	**926**	**31,299**	**1,247**	**849**

	Revenue			Cost	Expense	
	Supply of energy	O&M Services	Administrative services	Energy purchase	Third party services	Financial income
9M17						
EBC	1,419,329	-	290	25,030	-	-
CEE	1,253	-	290	-	-	-
Lages	4,293	1,987	169	-	-	-
Itasa	-	14,393	-	76,324	-	-
Ceste	-	16,303	-	-	-	-
Geramamoré	-	-	-	143,957	-	-
ESBR	-	-	-	11,183	-	-
ECP subsidiaries	242	-	1,951	-	-	-
Degremont	-	-	-	-	1,938	-
Other	-	-	290	-	1,041	-
	1,425,117	**32,683**	**2,990**	**256,494**	**2,979**	**-**
9M16	**1,403,012**	**30,698**	**2,777**	**92,189**	**3,212**	**5,315**

c) Management compensation

Compensation of key Management personnel on 09.30.2017 was R$17,457 (R$16,256 on 09.30.2016) in the parent company and R$17,523 (R$16,347 on 09.30.2016) in the consolidated statements. In 3Q17, Management compensation was R$6,451 (R$4,534 in 3Q16) in the parent company and R$6,472 (R$4,553 in 3Q16) in the consolidated statement.

Management does not receive compensation based on shares issued by ENGIE Brasil Energia.

NOTE 25 – INSURANCE

a) Operating and lost profit risks

The Company is covered by the international insurance policy for Property Damage and Business Interruption (PDBI) of the insurance program of its parent company ENGIE. The insurance is valid until 5.31.2018 and the coverage amount is R$14,303,893 in the parent company and R$18,289,159 in the consolidated statements, as shown below:

	Parent Company		Consolidated	
Type of plant	Material damages	Loss of profit	Material damages	Loss of profit
Hydroelectric power plants	9,028,399	1,964,594	10,902,374	2,168,663
Thermal power plants	2,189,807	1,074,887	2,189,807	1,074,888
Complementary plants (wind, biomass and SHPP)	45,671	535	1,574,525	378,902
	11,263,877	**3,040,016**	**14,666,706**	**3,622,453**

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 Assú V Photovoltaic Power Plant, the Pampa Sul Thermal Power Plant and the Campo Largo Wind Power Complex (Phase I) has an engineering risk coverage of R$183,000, R$1,830,000 and R$1,982,000, respectively for the entire duration of construction works. Coverage for civil liability amounts to R$10,000, R$190,000 and R$60,000, respectively.

c) Other coverages

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

d) Accidents occurred in 2017

On 04.12.2017, the Company registered accidents at generation unit no. 2 of the UTLA 1 plant of the Jorge Lacerda Thermal Power Complex (CTJL). The plant has installed capacity of 100 MW, comprising two identical generation units of 50 MW each, and commercial capacity of 34.7 MW average. The Company and the insurer are currently negotiating the coverage for material damages and loss of profits arising from this accident. The deductible related to business interruption is equivalent to the first 45 days of shutdown of generation.

NOTE 26 – LONG-TERM COMMITMENTS

The Company has long-term agreements, and further information can be obtained in Note 35 to the financial statements of 12.31.2016.

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

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

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

NOTE 27 – ADDITIONAL CASH FLOW INFORMATION

The following complementary cash flow transactions were as follows:

	Parent Company		Consolidated	
	9.30.2017	9.30.2016	9.30.2017	9.30.2016
Compensation of income tax and social contribution	16,514	31,966	30,122	53,731
Suppliers of property, plant and equipment and intangible assets	(5,708)	(11,220)	66,163	(33,499)
Capitalized interest and monetary variation	2,189	14,888	113,594	83,557
Estimated future disbursements for investment in property, plant and equipment	36,350	-	39,187	(4,899)
Dividends allocated by subsidiaries	386,534	267,025	-	-

NOTE 28 – SUBSEQUENT EVENTS

At a meeting held on 10.26.2016, the Board of Directors of the Company approved the credit of interest on equity related to the period from January 1 to December 31, 2017, in the gross amount of R$424,500, corresponding to R$0.6503333249 per share.

The credit of interest on equity will be recorded in the Company's books on 12.31.2017, for shareholders of record on 11.09.2017, and the Company's shares will be traded ex-interest on equity as from 11.10.2017.

The interest, net of withholding income tax, will be calculated towards the minimum mandatory dividends and will be paid based on the shareholder registration information available with Itaú Unibanco Banco Múltiplo S.A. on a date to be defined later by the Board of Executive Officers and announced through a Notice to Shareholders.

BOARD OF DIRECTORS

Maurício Stolle Bähr
President

Manoel Arlindo Zaroni Torres
Vice-President

Pierre Jean Bernard Guiollot
Member

Paulo Jorge Tavares Almirante
Member

Dirk Achiel Marc Beeuwsaert
Member

José Carlos Cauduro Minuzzo
Member

Roberto Henrique Tejada Vencato
Member

José Pais Rangel
Member

Antonio Alberto Gouvêa Vieira
Member

BOARD OF EXECUTIVE OFFICERS

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Henrique Boquimpani de Freitas
Chief Financial and Investor Relations Officer

Marco Antônio Amaral Sureck
Chief Commercialization Officer

Gustavo Henrique Labanca Novo
Chief Business Development Officer

José Luiz Jansson Laydner
Chief Generation Officer

Edson Luiz da Silva
Chief Strategy and Regulation Officer

Júlio César Lunardi
Chief Administrative Officer

ACCOUNTING DEPARTMENT

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

Comments on Business Projections

Identification of projections

a. Purpose of projection

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

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

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

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

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

b. Period projected and projection term

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

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

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

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

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

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

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

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

The estimated and actual amounts for the quarter ended 9.30.2017 are shown in the tables below. These amounts are expressed in millions of Brazilian real and do not include interest on financing that were capitalized during the construction of the plants.

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

Description / projection period	2017	2018	2019
Financed with debt	2.052	1.550	131
Financed with own capital	(15)	718	250
Total	**2.037**	**2.268**	**381**

Estimate for the years 2017, 2018 and 2019, informed in 2Q17:

Description / projection period	2017	2018	2019
Financed with debt	1.816	1.717	60
Financed with own capital	506	219	200
Total	**2.322**	**1.936**	**260**

Estimate for the years 2017, 2018 and 2019, in force on 3Q17:

Description / projection period	2017	2018	2019
Financed with debt	4.306	2.552	200
Financed with own capital	1.506	(630)	15
Total	**5.812**	**1.922**	**215**

Change in the estimates informed for the years 2017, 2018 and 2019 between the 2nd and 3rd quarters:

Description / projection period	2017	2018	2019
Financed with debt	2,490	835	140
Financed with own capital	**3,490**	**(14)**	**(45)**
Total	2,490	835	140

Analysis of material changes:

Changes from the last reporting period were mainly due to the acquisition of concessions through the Non-Extended Concession Auction, held on 9.27.2017, of two hydroelectric power plants – Jaguara (424 MW) and Miranda (408 MW) – for R$2.171 billion and R$1.360 billion, respectively. The concession agreements will be valid for 30 years from the end of the assisted operation period.

The updated forecasts mainly refer to:

- 2017: maintenance of the Company's generation facilities, the development of Pampa Sul TPP, wind power and photovoltaic projects and the acquisition of hydroelectric power plants at the CEMIG Auction.
- 2018: maintenance of the Company's generation facilities, the development of Pampa Sul TPP, and wind power projects.
- 2019: maintenance of the Company's generation facilities and the development wind power projects.

Investments made in the third quarter of 2017:

ENGIE Brasil Energia's investments in the first nine months of 2017 totaled R$1,487 million, of which: (i) R$1,329 million were invested in the construction of new plants, namely: R$626 million for the construction of Pampa Sul TPP, R$397 million to the Campo Largo Wind Power Complex, R$186 million to the Assú Photovoltaic Centrer, R$102 million to the Santa Mônica Wind Complex, R$12 million to ENGIE Geração Solar Distribuída and R$6 million to Santo Agostinho; (i) R$99 million were allocated to maintenance and renovation projects of the generation facilities; and (iii) R$59 million were allocated to the modernization of Salto Santiago.

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

To the Shareholders, Directors 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 September 30, 2017, which comprise the balance sheet as of September 30, 2017 and the related statements of income, of comprehensive income for the three and nine-month periods ended on that date, and of changes in shareholders' equity and cash flows for the nine-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 regarding the individual and consolidated interim financial information

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 nine-month period ended on September 30, 2017, 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, which do not require the presentation of the SVA. These statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, consistent with the parent company and consolidated interim financial information taken as a whole.

Audit and review of amounts corresponding to the previous fiscal year

The Quarterly Information (ITR) mentioned in the first paragraph include individual and consolidated financial information corresponding to the result, comprehensive result, changes in shareholders' equity, cash flows and value added in the quarter ended September 30, 2016, obtained from the Quarterly Information (ITR) of the comparison quarter, and to the balance sheet published on December 31, 2016, obtained from the individual and consolidated financial statements on December 31, 2016 for comparison purposes. Review of the Quarterly Information (ITR) for the quarter ended September 30, 2016 and examination of the individual and consolidated financial statements for the fiscal year ended December 31, 2016 were carried out under the responsibility of other independent auditors, who issued review and audit reports dated October 27, 2016 and February 23, 2017 respectively, without reservations.

Joinville, October 26, 2017

DELOITTE TOUCHE TOHMATSU

Independent Auditors

CRC n.º 2 SP-011.609/O-8 F-SC

Fernando de Souza Leite

Accountant

CRC n.º 1 PR-050.422/O-3

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

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

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

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Henrique Boquimpani de Freitas
Chief Finance and Investor Relations Officer

Marco Antônio Amaral Sureck
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, October 26, 2017

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

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

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Florianópolis, October 26, 2017