

ENGIE Brasil Energia successfully bids for hydroelectric concessions adding 832 MW to its generator complex

Another 605 MW of installed capacity will be added with the acquisition of the Umburanas Wind Complex

Florianópolis, Brazil, October 26, 2017. ENGIE Brasil Energia S.A. ("ENGIE Brasil Energia", "EBE" or "Company") – BM&FBOVESPA: EGIE3, ADR: EGIEY - announces earnings for the second quarter ending September 30, 2017 (3Q17). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. The values are expressed in Brazilian Reais (R$), except where otherwise indicated.

Highlights

- ✓ ENGIE Brasil Energia reported net earnings of R$ 358.0 million in 3Q17 (R$ 0.5485/share), 9.8% (R$ 38.9 million) less than reported in the third quarter 2016 (3Q16).
- ✓ Ebitda[1] for the period was R$ 710.8 million, a decline of 11.9% (R$ 96.3 million) compared with 3Q16. The Ebitda margin was 43.0% in 3Q17, a year-on-year 7.4 p.p reduction.
- ✓ Net revenue from sales rose 3.2% (R$ 51.9 million) compared to the amount reported for 3Q16, totaling R$ 1,654.7 million in 3Q17.
- ✓ In 3Q17, the Company sold 8,850 GWh (4,008 average MW), volume 1.9% above the amount commercialized in 3Q16.
- ✓ The average contracted energy sales price, net of exports and revenue taxes was R$ 181.04/MWh in 3Q17, 0.1% less than reported in 3Q16.
- ✓ In Aneel 01/2017 Auction, EBE successfully bid for the Jaguara and Miranda Hydroelectric Power Plant concessions worth R$ 3.5 billion for a term of 30 years as from the end of the assisted operation period. The acquisition will add a further 832 MW of installed renewable energy capacity to the Company's generator complex.
- ✓ On August 23, the Company announced the acquisition of the Umburanas Wind Complex project with an installed capacity of 605 MW and located in the Municipality of Umburanas in the north of the state of Bahia. The total value of the acquisition is R$ 15 million. The conclusion of the operation is contingent on satisfying certain precedent conditions.
- ✓ The Generation Operations Center (COG) at the Company's headquarters took over the remote operations of the Cana Brava (GO) and São Salvador (TO) hydroelectric power plants.
- ✓ Época Negócios 360º yearbook elected ENGIE Brasil Energia as the best Company in Brazil for Corporate Governance.
- ✓ For the eighth time, the Company was awarded the Transparency Trophy, sponsored by ANEFAC, Fipecafi and Serasa Experian.

Subsequent Events

- ✓ A credit of R$ 424.5 million (R$ 0.6503333249 per share) in the form of interest on shareholders' equity was approved for the period from January 1 to December 31, 2017. The shares will be ex-interest on shareholders' equity as from November 10, 2017.

For Immediate Release

Additional information:

Carlos Freitas
Chief Finance and Investor Relations Officer
carlos.freitas@engie.com

Rafael Bósio
IR Manager
rafael.bosio@engie.com
Phone: + 55 48 3221-7221

ri.BREnergia@engie.com

Conference call and webcast:
On 10/27/2017 at 9:00 a.m. (EDT): in Portuguese (simultaneous translation into English).

Further details on Upcoming Events section, available on page 22.

Visit our website
www.ENGIEnergia.com.br

Summary of Financial and Operational Indicators

ENGIE Brasil Energia - Consolidated						
(In millions of R$)	**3Q17**	**3Q16**	**Chg.**	**9M17**	**9M16**	**Chg.**
Net Revenue from Sales (NRS)	1,654.7	1,602.8	3.2%	4,942.6	4,776.2	3.5%
Results from Operations (EBIT)	546.7	648.7	-15.7%	1,969.7	1,881.1	4.7%
Ebitda [1]	710.8	807.1	-11.9%	2,451.8	2,351.5	4.3%
Ebitda / NRS - (%)[1]	43.0	50.4	-7.4 p.p.	49.6	49.2	0.4 p.p.
Net Income	358.0	396.9	-9.8%	1,299.9	1,072.7	21.2%
Return On Equity (ROE) [2]	27.1	25.4	1.7 p.p.	27.1	25.4	1.7 p.p.
Return On Invested Capital (ROIC) [3]	24.9	24.2	0.6 p.p.	24.9	24.2	0.6 p.p.
Net Debt [4]	1,464.0	765.0	91.4%	1,464.0	765.0	91.4%
Gross Power Production (avg MW) [5]	4,076	5,104	-20.1%	4,134	5,172	-20.1%
Energy Sold (avg MW)	4,008	3,933	1.9%	4,033	3,960	1.8%
Average Net Sales Price (R$/MWh) [6]	181.04	181.23	-0.1%	179.76	179.57	0.1%
Number of Employees - Total	1,134	1,207	-6.0%	1,134	1,207	-6.0%
EBE Employees	1,086	1,169	-7.1%	1,086	1,169	-7.1%
Employees on Under Construction Plants	48	38	26.3%	48	38	26.3%

(1) Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization.
(2) ROE: net average equity for the past 4 quarters /shareholders' equity.
(3) ROIC: EBIT / invested capital (invested capital: debt - cash and cash equivalents - deposits earmarked for debt servicing + SE).
(4) Adjusted amount, net of gains from hedge operations.
(5) Total gross electricity output from the plants operated by ENGIE Brasil Energia.
(6) Net of taxes and exports.

EGIE3 NOVO MERCADO BM&FBOVESPA
IBOVESPA
Índice de Ações com Governança Corporativa Diferenciada IGC
Índice de Ações com Tag Along Diferenciado ITAG
Índice de Sustentabilidade Empresarial ISE 2017
MSCI 2015 Constituent MSCI Global Sustainability Indexes



MESSAGE FROM THE MANAGEMENT

ENGIE Brasil Energia recorded several important achievements during 3Q17, making some significant acquisitions for strengthening the Company's strategic positioning and registering progress in key projects directed towards efficiency and profitability. We were also recognized by the market both from the point of view of awards as well as the performance of our shares.

The highlight of the quarter was the acqusition of the Jaguara and Miranda hydro plants - hitherto operated by Companhia Energética de Minas Gerais (Cemig) - at the Aneel 01/2017 Auction held at the end of the period. ENGIE Brasil Energia offered a sucessful bid of R$ 3.5 billion for the two plants' concessions (for 30 years), thus ramping up the Company's installed capacity by 424 MW and 408 MW, respectively.

A futher landmark event in the period was the steps taken to acquire the Umburanas Wind Complex from its existing owners, Renova Energia. With a potential wind power output of 605 MW, of which 257.5 MW for delivery to the free market, 102.5 MW already contracted in the regulated market and a further 245 MW to be harnessed later by EBE, the Umburanas Project is scheduled to begin commercial operations in 2019. The acquisition involves resources of R$ 15 million to be paid to Renova and will increase the Company's footprint in the non-conventional renewable energy segment, albeit with the caveat that certain conditions precedent must still be fulfilled for the transaction to be finalized.

Together, both operations will add a further 1,437 MW to EBE's portfolio, expanding our total capacity by 16.3%. As a result, we concluded the quarter as the largest independent energy producer in Brazil.

At the same time that we were effective in our acquisition strategy, we continued to make progress on other fronts such as the sounding out the market as to potential purchasers for our coal-fired generation assets - Jorge Lacerda Thermoelectric Complex with 857 MW of capacity in the state of Santa Catarina and the Pampa Sul Thermoelectric Power Plant with a capacity of 345 MW, under construction in the state of Rio Grande do Sul. We are currently at the phase of analyzing non-binding proposals already received and structuring the next phase.

All these initiatives are in total accord with the ENGIE Group's global strategy of energy transition, decarbonization and focus on renewable energy worldwide.

A further initiative is the Company's preparations to take part in the next energy transmission auction. If successful, this would mean ENGIE Brasil Energia's entry into this segment as a new line of business, complementary to our existing generation portfolio to which we believe additional value could be created as a result.

Operationally, we continue focused on enhancing profitability and efficiency. In the quarter under review, we successfully completed the incorporation of the Cana Brava (GO) and São Salvador (TO) hydroelectric plants in the Generation Operations Center (COG) system at the Company's headquartes in Florianópolis (SC). As a result, a total of five plants are now operated in full out of the COG, leaving the connection of the Passo Fundo HPP and Assú V Photovoltaic Plant to the system to complete the remote operations set for 2017.

From the financial point of view, the quarter's results were influenced by short-term operations – more especially transactions across the Electric Energy Trade Board (CCEE), principally due to strong hydrological crisis the consequent thermoelectric dispatch, which impacts the the Generation Scaling Factor (GSF). Despite net revenue from sales growing 3.2% and energy volume sold up by 1.9%, the reflection of the CCEE transactions accounted largely for the 11.9% reduction to R$ 710.8 million in 3Q17 EBITDA. Net earnings posted a decline of 9.8% year-on-year amounting to R$ 358.0 million in the quarter for the same reason. For the first nine months of the year however, the Company was able to report a growth of 4.3% in EBITDA and 21.2% in net income.

The policy of dividend distribution did not changed as a result of the decline in net earnings and EBITDA or in the light of the acquisitions already mentioned. A total of R$ 424.5 million as interest on shareholders' equity will be distributed for the period from January 1 to December 31, 2017. Registered shareholders as of November 9, 2017 will receive this credit on a date to be advised by the Executive Board.

In short, we are satisfied with the results of our strategy, which has always been based on the allocation of capital focused on positive returns and a conservative approach to the management of risks. It is our belief that the market has recognized our performance: besides an appreciation of 11.3% in share price this third quarter, ENGIE Brasil Energia was elected the Best Company in Corporate Governance in the Época Negócios 360º yearbook and for the eighth time was awarded the Transparency Trophy organized by ANEFAC, Fipecafi and Serasa Experian. This recognition is an honor and motivates us to continue acting transparently in line with the best market practices as well as creating value for our stakeholders.

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Freitas
Chief Financial and Investor Relations Officer



OPERATING PERFORMANCE

Generating Complex

ENGIE Brasil Energia is part of the largest independent power producer group in Brazil, ending the 3Q17 with an installed capacity of 7,069.5 MW and operates a generating complex of 8,790.2 MW. This complex comprises 31 plants (nine hydro, four thermal and 18 complementary energy source plants - biomass, small hydro (SHP), windpowered and solar), 27 of which are wholly owned by the Company and four (the Itá, Machadinho and Estreito hydro power plants and the biomass Ibitiúva Bioenergética) jointly-owned through consortia with other companies.

ENGIE Brasil Energia's Generating Complex

Power Plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	Company's Share		
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	Oct/30	544.2
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Sep/28	755.1
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9	Jul/32	147.2
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6	Nov/37	256.9
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0	Sep/28	522.0
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	Aug/33	273.5
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	Apr/37	151.1
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	Sep/28	119.0
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	Sep/34	133.5
Total - Hydro			**7,270.3**	**5,559.7**		**2,902.5**
Jorge Lacerda Complex[1]	Thermal	Capivari de Baixo (SC)	857.0	857.0	Sep/28	649.9
William Arjona	Thermal	Campo Grande (MS)	190.0	190.0	Apr/29	136.1
Total - Thermal			**1,047.0**	**1,047.0**		**786.0**
Trairi Complex[2]	Wind Farm	Trairi (CE)	115.4	115.4	Sep/41	63.9
Santa Mônica Complex[2]	Wind Farm	Trairi (CE)	97.2	97.2	Jan/45	47.4
Ferrari	Biomass	Pirassununga (SP)	80.5	80.5	Jun/42	35.6
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	Apr/30	13.9
Lages	Biomass	Lages (SC)	28.0	28.0	Oct/32	11.1
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6	Dec/32	10.1
Beberibe[3]	Wind Farm	Beberibe (CE)	25.6	25.6	Aug/33	7.8
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	23.7	23.7	Dec/32	9.2
Areia Branca[3]	SHP	Rio Manhuaçu (MG)	19.8	19.8	May/30	10.4
Pedra do Sal[3]	Wind Farm	Parnaíba (PI)	18.0	18.0	Oct/32	5.7
Cidade Azul	Solar	Tubarão (SC)	3.0	3.0	not applicable[4]	0.0
Tubarão P&D	Wind Farm	Tubarão (SC)	2.1	2.1	not applicable[4]	0.0
Total - Complementary			**472.9**	**462.8**		**215.1**
Total			**8,790.2**	**7,069.5**		**3,903.6**

[1] Complex comprised of three power plants.
[2] Complex comprised of four power plants.
[3] The Beberibe and Pedra do Sal Wind Farms and the Areia Branca Small Hydroelectric Plant are being sold pursuant to the decision of the Company's Board of Directors dated December 23, 2016.
[4] For generating plants with installed capacity lower than or equal to 5 MW the legal instrument applicable is the record.



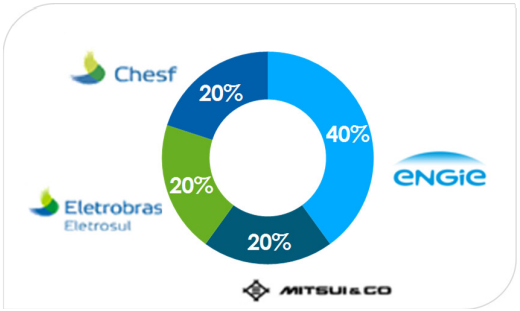
Expansion

Power plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term	Assured energy (aMW) Company's Share
			Total	Company's Share		
Jirau	Hydro	Madeira River (RO)	3,750.0	1,500.0	Aug/43	882.0
Jaguara	Hydro	Grande River (MG)	424.0	424.0	*	341.0
Miranda	Hydro	Araguari River (MG)	408.0	408.0	*	198.2
Total			**4,582.0**	**2,332.0**		**1,421.2**

* 30 years from the end of the assisted operation period.

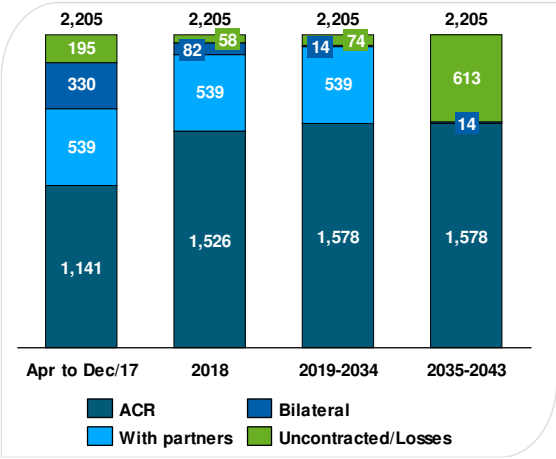
Jirau. Energia Sustentável do Brasil (ESBR), is responsible for the construction, maintenance, operation and sale of energy generated by the Jirau Hydroelectric Power Plant, located in the Madeira River, in the city of Porto Velho, state of Rondônia.

ESBR - Estrutura Societária



ESBR submitted the winning bid at the 35-year concession auction organized by Brazilian Electricity Regulatory Agency (Aneel) (A-5/2008 Auction) on May 19, 2008, offering the most competitive proposal for 70% of the energy to be produced by the Plant, at the time, based on a total of 44 generating units, for captive customers supplied by distribution companies. At the energy auction held on August 17, 2011 (A-3/2011 Auction), ESBR sold a further 209.3 average MW for delivery in 2014 over a 30-year period, the result of increased expansion of the initial project to 50 generating units. The Ministry of Mines and Energy (MME) confirmed Jirau HPP´s new commercial capacity in Ordinance 337 of November 10, 2015 with an increase from 2,184.3 average MW to 2,205.1 average MW as from publication date. The 20.5 average MW increase represents the result of a review of the plant's hydraulic losses and as a consequence, ESBR was able to sell an additional 18 average MW at the A-1 Energy Auction held on December 13, 2015.

ESBR PPA's Portfolio
Average MW



On December 26, 2012, the Plant became eligible for the sale of carbon credits following United Nations Organization (UNO) registration. Jirau now enjoys the right to trade approximately 6 million tons of CO_2/year.

Since November 2016, Jirau HPP has 50 generator units in operation, representing a total installed capacity of 3,750 MW. The plant was unveiled on December 16, 2016.

In 3Q17, the plant generated 720.0 average MW, 61.1% above the 447.0 average MW for 3Q16, while the National Electrical System Operator Uptime Ratio (FID) was 99.7% (data subject to final CCEE booking).

In May 2017, ENGIE Brasil Participações (EBP) announced the engagement of Banco Itaú BBA S.A. to provide financial advisory services for an economic-financial study for the preparation of a proposal for the eventual transfer to ENGIE Brasil Energia (EBE) of EBP's stakes of 40% in ESBR Participações S.A. (ESBRpar) - holder of 100% of the capital stock of ESBR - and the 100% participation in Geramamoré Participações e Comercializadora de Energia Ltda. The preparation of the study continues and the proposal for transfer of EBP's stake to the Company will be presented to the Board of Directors of ENGIE Brasil Energia in due course, at which time the Special Independent Committee for Transactions with Related Parties will be convened.



Jaguara. At the 01/2017 Auction conducted by Aneel on September 27, 2017, the Company made a successful bid for the concession of the Jaguara Hydroelectric Power Plant situated in the municipalities of Sacramento (MG) and Rifaina (SP), and worth R$ 2.17 billion. Unveiled in 1971, the plant has an installed capacity of 424 MW and assured energy of 341 average MW. The concession term will run for 30 years as from the end of the assisted period.

The plant has an agreement under the regulated contracting environment whereby 70% of its total energy is sold on the basis of the quotas regime at R$ 107.51/MWh while the remaining 30% will be traded in the free market.

Miranda. EBE put in a successful bid in the Aneel auction 01/2017 for the concession of the Miranda Hydroelectric Power Plant located in the Municipality of Indianópolis (MG), and worth R$ 1.36 billion. The plant began commercial operations in 1998 and has an installed capacity of 408 MW and assured energy of 198.2 average MW. As with the Jaguara HPP, its concession term runs for a period of 30 years as from the end of the assisted period with 70% of the energy to be contracted in the regulated environment via the quotas regime at R$ 123.16/MWh and the remaining 30% to be sold in the free market.





ENGIE Geração Solar Distribuída. Since 2016, the Company has been operating in the distributed generation market through ENGIE Geração Solar Distribuída S.A., in which it has a 50% stake in the capital. This initiative is a response to the challenges of a dynamic energy matrix and closer to the end consumer.

In 3Q17, ENGIE installed 541 systems with a capacity to generate 2,200 kWp, of which 480 (1,272 kWp) relates to the Efficient Bonus Program – Photovoltaic Line in the state of Santa Catarina, the latter concluding the initial sales program with the signature of 1,000 contracts. A further 61 systems were installed in 3Q17, representing an addition of 928 kWp. At month-end September 2017, ENGIE Geração Solar Distribuída posted a total of 901 installed systems with a generation capacity of 4,981 kWp, and reporting a footprint in 11 states.

Projects under Construction

Power plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	Company's Share		
Pampa Sul	Thermal	Candiota (RS)	345.0	345.0	Mar/50	323.5
Campo Largo Complex - Phase I	Wind Farm	Umburanas and Sento Sé (BA)	326.7	326.7	Jul/50	157.8
Assú V	Solar	Assú (RN)	36.7	36.7	Jun/51	9.2
Total			**708.4**	**708.4**		**490.5**





Pampa Sul TPP - general onsite – chimney, absorber, precipitator and boiler

Pampa Sul Thermoelectric Power Plant – Rio Grande do Sul. The Pampa Sul TPP is to be sited in the Municipality of Candiota, state of Rio Grande do Sul with an installed capacity of 345 MW. The plant will use thermal coal as fuel from a seam also located in Candiota and will be linked to the SIN through a 525 kv transmission line to the Candiota II substation, to be built by the Company.

The plant's 294.5 average MW of commercial capacity was sold for a 25-year term at the A-5 Auction held on November 28, 2014 at a **price of R$ 230.9/MWh, restated up to September 30, 2017**. The investment approved for the construction of the Plant was approximately R$ 1.8 billion (as of November 2014). Also in November 2014, the Company protected the investment portion in foreign currencies against the exchange rate variation effects through hedging operations.

In 3Q17, significant progress was made on assembling the coal conveyor belt, while work on the plant chimney stack was resumed. The electro-mechanical assembling of the boiler is proceeding apace in addition to the erection of the cooling towers, electrostatic precipitator, water systems and the coal transfer towers. As a result, work on the plant is 71.8% complete.

Start of commercial operations is scheduled for the first quarter of 2019.

Campo Largo Wind Complex – Bahia (Phase I). The Campo Largo Wind Complex (CECL) is made up of a series of wind generation operations to be developed in stages. The Complex has a potential for harnessing 656.7 MW, Phase I amounting to 326.7 MW and Phase II, 330 MW of installed capacity, all located in the municipalities of Umburanas and Sento Sé, about 420 km from the city of Salvador in the state of Bahia. At the A-5 Auction on November 28, 2014, ENGIE Brasil Energia sold 82.6 average MW for a 20-year term at a **price of R$ 168.9/MWh, restated up to September 30, 2017**, to be generated from six wind farms with an installed capacity of 178.2 MW.



Campo Largo Wind Farm – concreting of wind turbine bases

A further five wind farms in the Complex with a total installed capacity of 148.5 MW (75.2 average MW) are being developed at this stage of the project. In this case, the energy has already been sold to the Free Contracting Environment (ACL). The investment approved for the 11 wind farms was of approximately R$ 1.7 billion (as of June 2014). The investment portion denominated in foreign currencies was protected against the exchange rate variation effects through hedging operations.

At the end of 3Q17, 83% of all wind turbine foundations had been concreted and brush clearance of the accesses concluded with 50% of the internal access roads already paved.

Work is proceeding on the installation of the foundations for the porticos, yard equipment and command and control room. Brush clearance and foundations for the medium volt pole network are being executed.

The Brazilian National Heritage Institute (IPHAN) issued its agreement in August for the license permitting installation of the transmission line and authorizing work to begin on excavation of tower foundations. Since authorization, the right of way for 88 of the 116 towers has already been cleared and the foundations for 47 concreted.

Initial commercial operations of the first projects are scheduled for the second quarter 2018.



Assú V Photovoltaic Plant. Through the intermediary of a subsidiary, in November 2015 at Aneel's Second Reserve Energy Auction (Aneel Auction 009/2015) of 2015, the Company sold 9.2 average MW solar energy for a 20-year term **at a price of R$ 334.3/MWh, restated up to September 30, 2017**. The energy is to be generated by the Assú V Photovoltaic Plant, which will have an installed capacity of 36.7 MW and a component of the Assú Photovoltaic Complex to be built in the Municipality of Assú state of Rio Grande do Norte.

Total investment is about R$ 220.0 million (in June 2015).

In 3Q17, work on the foundations and the installation of ten inverter and transformer units was concluded. Progress has also been made in assembling the solar tracking structures, installation of the photovoltaic panels, low and medium voltage interconnections and the construction of the Assú Collector Substation. Work was also begun in September for pre-commissioning the plant, implementation of the transmission line and on the connection bay at the Açú 2 Substation where the Plant links up with the National Interconnected System - SIN.

On August 30, the United Nations Organization (UNO) approved the Plant's program of activities, permitting entry into its Clean Development Mechanism under which the Assú V will generate carbon credits through the avoidance 46,000 tCO2e/year in emissions over a period of seven years as from 2018.

Initial operations are expected to begin in December of this year.

Projects under Development

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Company's Share
Umburanas Complex	Wind Farm	Umburanas (BA)	605.0	605.0
Santo Agostinho Complex	Wind Farm	Lajes and Pedro Avelino (RN)	600.0	600.0
Norte Catarinense	Thermal	Garuva (SC)	600.0	600.0
Campo Largo Complex - Phase II	Wind Farm	Umburanas and Sento Sé (BA)	330.0	330.0
Assú - Plants I, II, III e IV	Solar	Assú (RN)	146.8	146.8
Alvorada	Solar	Bom Jesus da Lapa (BA)	90.0	90.0
Total			**2,371.8**	**2,371.8**

Complexo Eólico Umburanas. The Complex has a total **installed capacity of 605 MW**, of which 257.5 MW will be sold to the free market and 102.5 MW traded under the A-5/2014 Auction, totaling 360 MW. Commercial operations are expected to begin in 2019. EBE will harness the remaining 245 MW in due course.

Situated in the Municipality of Umburanas (BA), the project was acquired for R$ 15 million and will be developed in conjunction with the adjacent Campo Largo Wind Complex, capturing synergies during both the installation and commercial phases of the project. The conclusion of the acquisition process, which began on August 23, 2017, is contingent on the fulfillment of certain conditions precedent.

Santo Agostinho Wind Complex – Rio Grande do Norte. The Complex is made up of 24 Specific Purpose Companies (SPEs), each one responsible for the development of a wind generation project, representing a **total development capacity of 600 MW.** All the projects will be located in the municipalities of Lajes and Pedro Avelino, about 120 km from the city of Natal, the capital of the state of Rio Grande do Norte. In June 2016, the state of Rio Grande do Norte's environmental protection agency, the Environmental and Sustainable Development Institute (Idema), declared the project to be environmentally viable. The project has been registered for the next energy auctions (A4 and A-6) scheduled to take place on December 18 and 20, 2017.



3D images from the Norte Catarinense TPP project.

Norte Catarinense Thermoelectric Power Plant – Santa Catarina. The Company is developing a project for the construction of a natural gas-fired combined cycle thermoelectric power plant in the city of Garuva, in the north of the state of Santa Catarina. **The Norte Catarinense TPP will have an installed capacity of approximately 600 MW**. In March 2016, the Preliminary License was issued, allowing the Plant to take part in future new energy auctions.

Campo Largo Wind Complex – Bahia (Phase II). The Company intends to add about **330 MW of installed capacity** to the Complex with the implementation of its second phase, for sale of energy to the free and regulated markets. As in the case of the Santo Agostinho Wind Complex, Phase II of the Campo Largo Wind Complex has been registered to take part in the upcoming energy auctions (A-4 and A-6) scheduled for December 18 and 20, 2017.

Assú Photovoltaic Complex. ENGIE Brasil Energia has exercised an option to purchase a further two projects belonging to the Assú Photovoltaic Complex. This now consists of five projects, to be developed in the municipal district of Assú, state of Rio Grande do Norte, expanding its **total installed capacity to approximately 183 MWp**. As previously mentioned, the energy to be generated by the Assú V Photovoltaic Plant was sold at the 2015 Second Reserve Energy Auction. The other solar energy plants are at the stage of raising solar irradiance data, already having Preliminary Licenses and qualifying them to take part in new energy auctions.

Besides the abovementioned projects, the Company is also examining the potential for photovoltaic solar energy generation in areas where it is installing its wind farms. In addition, it is also analyzing partnerships which could accelerate the development of this energy source in line with the process of energy transition which is taking place at world level.

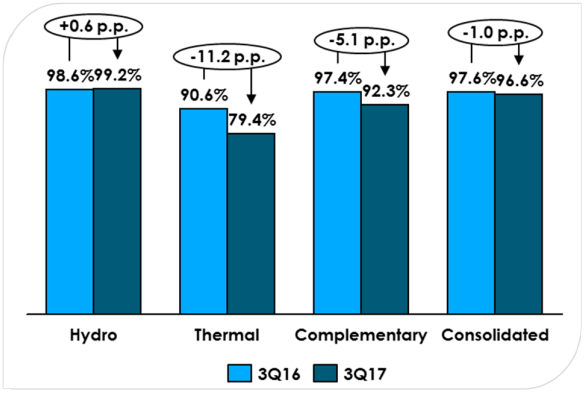
Alvorada Photovoltaic Complex. ENGIE Brasil Energia has acquired a site in the state of Bahia, - a region with potential for generating solar energy - for the development of four projects comprising the **Alvorada Photovoltaic Complex**. The projects, which **will have a total installed capacity of 90 MWp.** All projects are at the stage of raising solar irradiance data and received their Preliminary License in August 2016, qualifying them to take part in new energy auctions.

Uptime Operating

The plants operated by ENGIE Brasil Energia reported uptime working of **96.6% in 3Q17, ignoring scheduled stoppages**: 99.2% for the hydroelectric plants, 79.4% for the thermoelectric plants and 92.3% with respect to the plants fired from complementary energy sources, namely SHPs, biomass, wind and photovoltaic.

If all scheduled shutdowns are taken into account, the aggregate uptime in the second quarter 2017 was 88.5%: 95.5% for the hydroelectric plants, 36.4% for the thermoelectrics and 88.9% for plants operating with complementary energy sources.

Uptime Operating
Not considering scheduled shutdowns

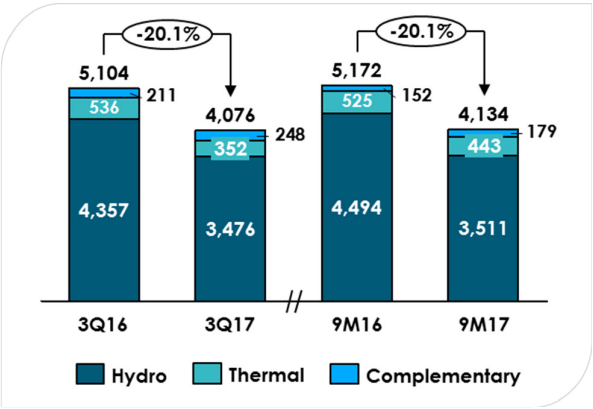


Uptime at the Company's plants in the quarter was affected largely by stoppages at the thermoelectric plants. More specifically, this was due to strong vibrations in the sleeve bearing of the Unit 2 turbine of the Jorge Lacerda A Thermoelectric Plant, the partial overhaul of the Jorge Lacerda C Thermoelectric Power Plant and downtime at the William Arjona Thermoelectric Plant until the suspension of its commercial operations.



Production

Generation
Average MW



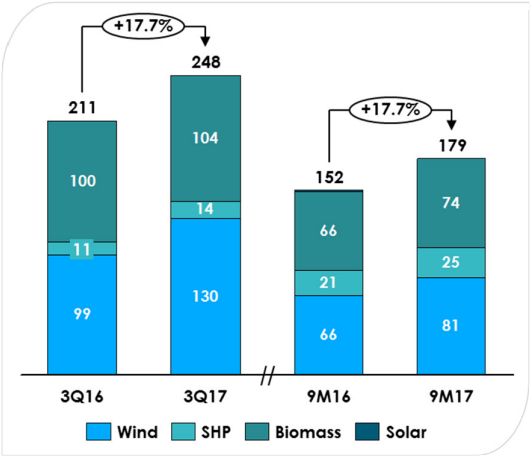
Electricity output from plants operated by ENGIE Brasil Energia was 9,000 GWh (4,076 average MW) in 3Q17. This result is **20.1% lower** than production for 3Q16. Total output breaks down as follows: hydroelectric plants, 7,674 GWh (3,476 average MW), thermoelectric plants 778 GWh (352 average MW) and the complementary sourced units 548 GWh (248 average MW). Results point to reductions of 20.2% and 34.3%, respectively, on the hydro and thermoelectric and an increase of 17.7% in complementary energy sources, in relation to 3Q16.

If output in 3Q17 is compared with the same period in the preceding year, reduction in generation from the hydroelectric plants is due largely to less favorable hydrological conditions. Conversely, reduction in thermoelectric generation is due principally to the decommissioning of the Charqueadas Thermoelectric Plant and the partial overhaul of Unit C of the Jorge Lacerda Thermoelectric Complex which extended throughout the quarter. The Santa Mônica Wind Complex was responsible for an increase in generation from the complementary plants, this beginning operations during 3Q16, together with increased output from the Lages Co-generation Plant.

In this context, it is worth pointing out that an increase in the Company's hydroelectric generation does not necessarily reflect an improvement in economic-financial performance. Conversely, a reduction in this type of generation does not inevitably imply a deterioration in economic-financial performance due to the adoption of the Energy Reallocation Mechanism (MRE), which defrays the risks of hydro generation among its participants.

As to the Company's thermal generation, its increase might reduce (as a function of the Company's level of contracting) exposure to the Price for the Settlement of Differences (PLD), the opposite being the case when there is a decrease, all other variables being equal.

Generation by Complementary Source
Average MW



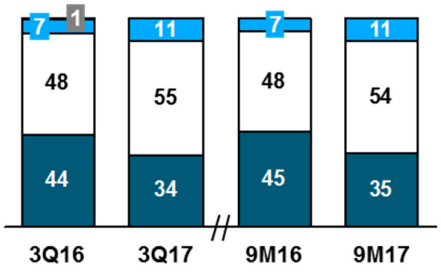
Clients

In 3Q17, the free consumer share of the Company's portfolio was 54.8% of total physical sales and 50.3% of the total net revenue from sales, increases of 6.7 p.p. and 5.6 p.p., respectively in relation to the same quarter in 2016.

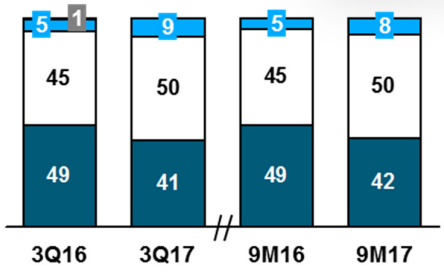
Growth in the share of sales to free consumers is reflected in greater incentivized energy sales volume to clients migrating from the Regulated Contracting Environment (ACR) to the Free Contracting Environment (ACL). Increases in sales of incentivized energy were also boosted by the start of commercial operations at the Santa Mônica Complex.



Breakdown of Customers by Physical Sales (%)



Breakdown of Customers in Contracted Sales Comprising Net Revenues from Sales (%)



Distribution Companies | Free Customers | Trading Companies | Export[1]

[1] Energy exports as a share of physical sales and net revenue from sales were 0.01% in 9M17.

Commercial Strategy

The Company pursues a commercial strategy of gradual sales of future energy availability for any given year as a means of mitigate the risk of exposure to spot prices (Price for Settlement of Differences - PLD) for that particular year. Electric energy sales are made during windows of opportunity that open when the market shows a greater buying propensity.

ENGIE Brasil Energia's energy balance based on proprietary commercial capacity and power purchasing agreements outstanding as at **September 30, 2017** is as follows:

Energy Balance
(Average MW)

	2017	2018	2019	2020	2021	2022	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted (R$/MWh)
Own Resources*	3,498	3,509	3,933	3,961	3,970	3,985			
+ Purchases for Resale	1,215	1,062	742	454	330	324			
= Total Resources (A)	**4,713**	**4,571**	**4,675**	**4,415**	**4,300**	**4,309**			
Government Auction Sales[1]	1,257	1,312	1,699	1,587	1,587	1,587			
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	218.8
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	240.3
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	250.7
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	225.6
2014-EE-2014-06	109	109	109	-	-	-	270.7	May-14	333.0
Proinfa	19	19	19	19	19	19	147.8	Jun-04	255.4
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	266.4
Auction Mix (New Energy / Reserve / DG)	18	18	17	14	14	14	-	-	253.1
2014-NE-2019-25	-	-	295	295	295	295	183.5	Mar-14	230.9
2014-NE-2019-25	-	-	10	10	10	10	206.2	Nov-14	250.0
2014-NE-2019-20	-	-	83	83	83	83	139.3	Nov-14	168.9
2015-NE-2018-20	-	46	46	46	46	46	188.5	Aug-15	211.2
8th Reserve Energy Auction	-	9	9	9	9	9	303.0	Nov-15	334.3
+ Bilateral Sales	2,876	2,879	2,450	1,871	1,290	901			
= Total Sales (B)	**4,133**	**4,191**	**4,149**	**3,458**	**2,877**	**2,488**			
Balance (A - B)	**580**	**380**	**526**	**957**	**1,423**	**1,821**			
Sales average **net** price (R$/MWh) [2]:	179.5	177.0	182.1						
Purchases average **net** price (R$/MWh) [3]:	167.2	174.2	183.1						

[1] XXXX-YY-WWW-ZZ, where:
XXXX → year of auction
YY → EE = existing energy or NE = new energy
WWWW → year of delivery start
ZZ → supply contract duration (in years)

[2] Sales price is net of ICMS and taxes over revenue (PIS/Cofins, R&D), i.e. future inflation is not considered.

[3] Purchase net price, considering benefits from PIS/Cofins credits, i.e. future inflation is not considered.

Notes:
- The balance refers to the settlement point.
- The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.
- Aneel agreed to the renegotiation of the hydrological risk with respect to the Company's agreements negotiated through the Regulated Contracting Environment (ACR). Additional information can be found in the financial statements of 2015.

* Does not take into account the energy sale of the Beberibe, Pedra do Sal and Umburanas wind farms, the Areia Branca SHP, the William Arjona TPP and the Jaguara and Miranda HPPs.

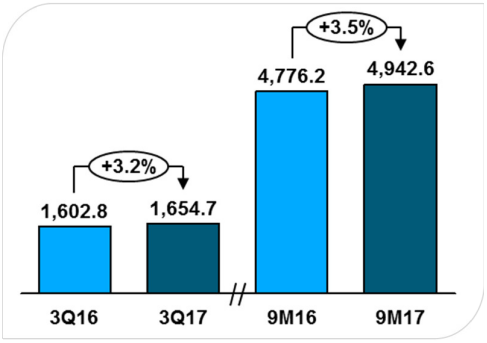


ECONOMIC-FINANCIAL PERFORMANCE

Net Revenue from Sales

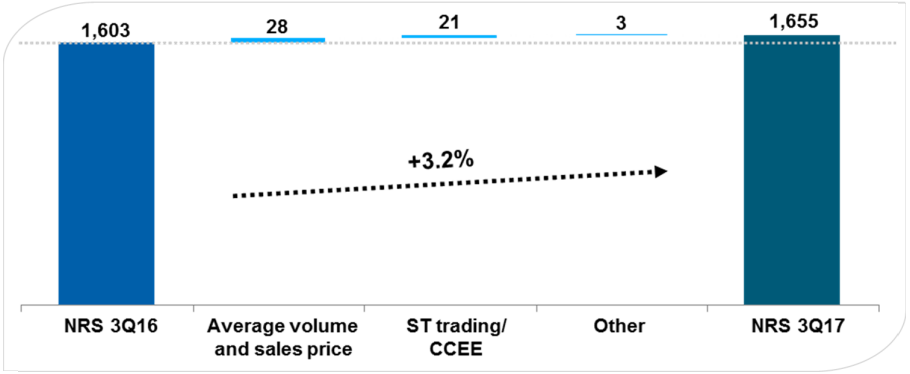
In 3Q17, **net revenue from sales increased by 3.2%** (R$ 51.9 million) when compared with 3Q16, rising from R$ 1,602.8 million to R$ 1,654.7 million.

Net Revenue from Sales
R$ 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).

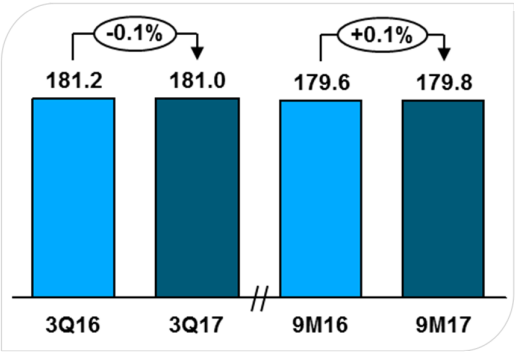
Net Revenue from Sales Change
R$ million



✓ **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.

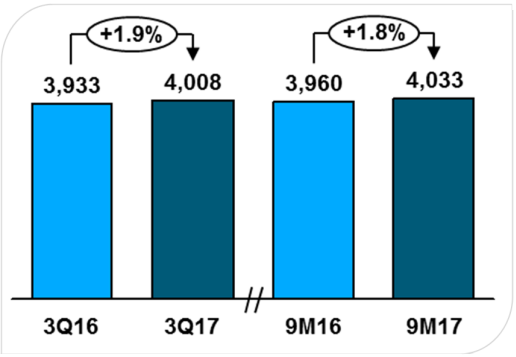
Net Average Selling Price*
R$/MWh



(*) Net of taxes and exports.



Sales Volume
Average MW



✓ **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 a 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:

✓ **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 Thermoelectric Plant 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.

✓ **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.

✓ **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.

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

✓ **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.

✓ **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.

✓ **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.

✓ **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 Plant (UHSS); and (iv) the impacts from additional impairment of the Company's thermoelectric generation assets.

✓ **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 Thermoelectric Power Plant and to the process of decommissioning of the Charqueadas Thermoelectric Power Plant.

✓ **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 Thermoelectric 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 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 thermoelectric generation in the period due to the maintenance program at Unit C of the Jorge Lacerda Thermoelectric Power Plant; 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.

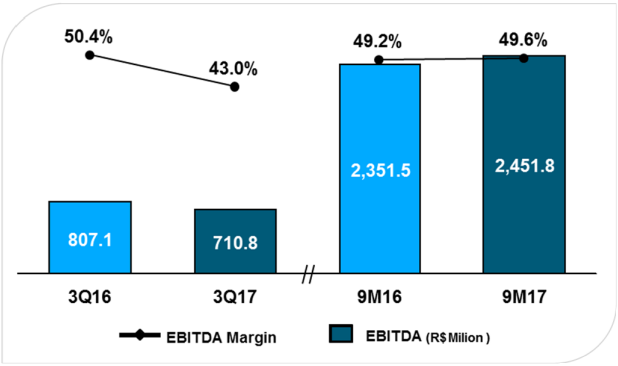
Worthy of consideration is the sharp increase in average PLD between the quarters (as shown below). This contributed negatively in the light of results from the application of the GSF and thermoelectric exposure although conversely, having a positive effect on revenue relative to the long position on the CCEE. Comparing the two quarters under review, average PLD for the South and Southeast/Center-West submarkets saw an increase of 282.4% 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.

Ebitda [1] and Ebitda Margin

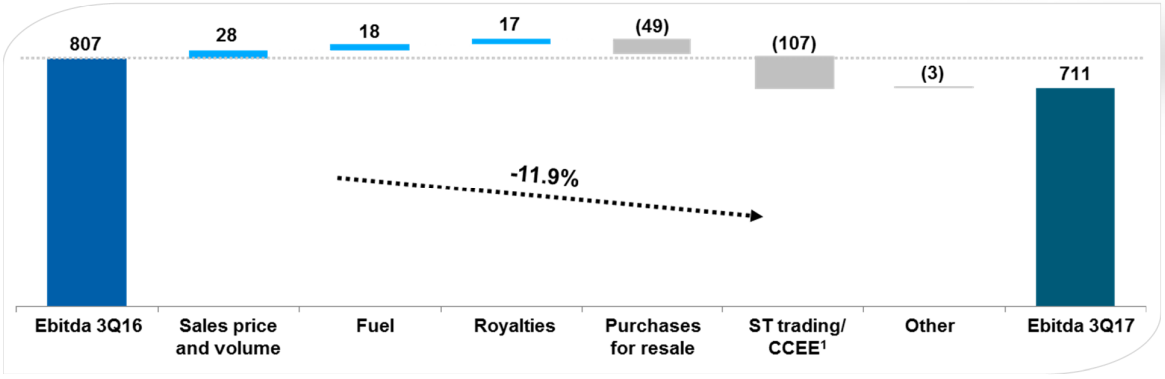


(1) Ebitda: net profit + income tax and social contribution and financial expenses, net + depreciation and amortization.

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.



Ebitda Change
R$ million



(1) Considers the combined effect of changes in revenue 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

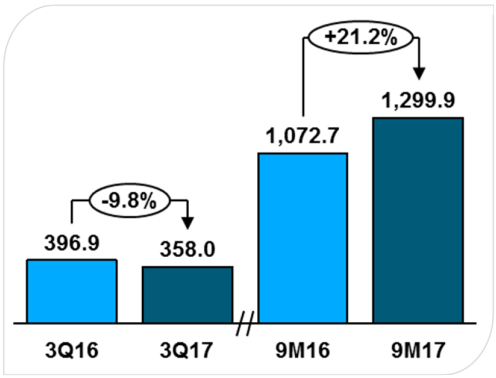
3Q17 income tax and social contribution payments were R$ 138.2 million, R$ 48.2 million (25.9%) less than the R$ 186.4 million reported for the same quarter in 2016, principally a reflection of the following items: (i) a decline in pre-tax profits; and (ii) initial Amazon Development Authority (Sudam)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



Net Income

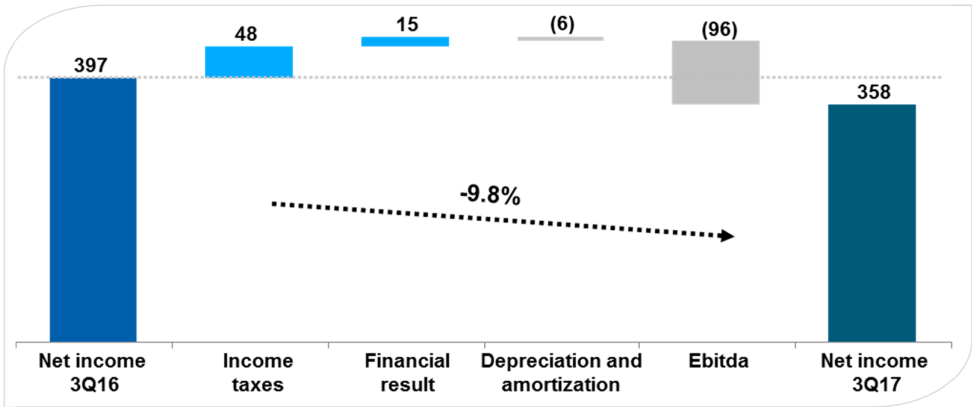
Net income in 3Q17 was R$ 358.0 million, **R$ 38.9 million (9.8%) less** than the R$ 396.9 million posted in 3Q16.

Net Income
R$ million



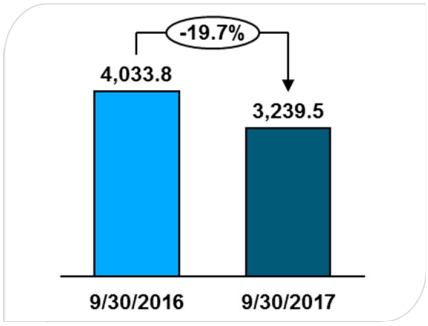
This decrease is the result of the following factors: (i) reduction of R$ 96.3 million in Ebitda; (ii) positive impact of R$ 15.0 million in financial result; (iii) increase of R$ 6.1 million in depreciation and amortization; (iv) decrease of R$ 48.2 million in income tax and social contribution; and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

Net Income Change
R$ million



Debt

Total Debt
R$ million

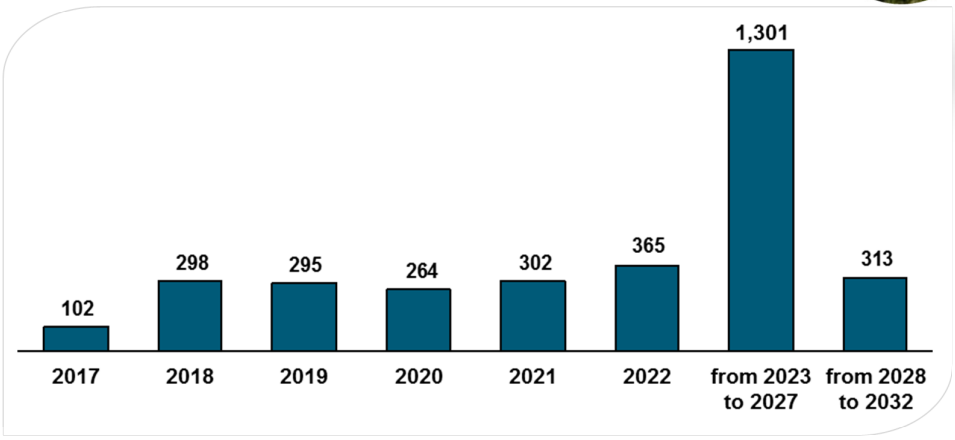


The Company's **total gross consolidated debt** as at September 30, 2017, represented mainly by loans, financing and debentures, **totaled R$ 3,239.5 million, a decrease of 19.7%** (R$ 794,3 million) compared to the position as at September 30, 2016, net of the hedge operations.

The variation in Company debt is largely related to a combination of the following factors occurring between 3Q16 and 3Q17: (i) drawdowns from the BNDES and its financial agents in the aggregate amount of R$ 320.3 million for investments in the modernization of the Passo Fundo and Salto Santiago HPPs and the Jorge Lacerda Thermoelectric Complex and for the construction of Santa Mônica WPP; (ii) R$ 314.3 million in charges payable together with monetary restatement and currency translation effects; (iii) R$ 1,289.9 million in amortization of loans, financing and debentures; and (iv) R$ 139.0 million transfer of financing of subsidiaries and reclassified as assets held for sale.

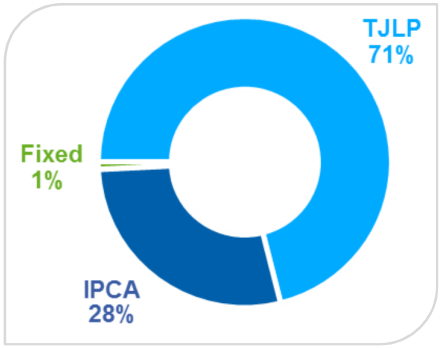


Maturity Term Loans
R$ million



The **average weighted nominal cost of debt** in the end of 3Q17 was **9.1%** (11.7% in the end of 3Q16).

Debt Breakdown



On September 30, 2017, the Company's **net debt** (total debt less deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 1,464.0 million**, **an increase of 91.4%** compared with the end of 3Q16.

Net Debt
R$ million

	09/30/2017	09/30/2016	Chg. %
Gross debt	3,239.5	4,210.5	-23.1
Result of derivatives operations	0.0	(176.7)	-100.0
Deposits earmarked for the payment of debt	(214.0)	(183.5)	16.6
Cash and cash equivalents	(1,561.5)	(3,085.3)	-49.4
Total net debt	**1,464.0**	**765.0**	**91.4**

Capital Expenditures

ENGIE Brasil Energia's **total investments** in **3Q17 were R$ 503.2 million**, of which (i) R$ 52.6 million was allocated to projects for generator complex maintenance and revitalization and; (ii) R$ 450.6 million in the construction of new plants, of which R$ 264.1 million was allocated to the construction of Pampa Sul TPP, R$ 131.8 million to the Campo Largo Wind Complex and R$ 54.7 million to the Assú Photovoltaic Plant.



Credit of Interest on Shareholders' Equity

At a meeting on October 26, 2017, ENGIE Brasil Energia's Board of Directors approved the credit of interest on equity capital for the period from January 1 to December 30, 2017 in the amount of **R$ 424.5 million (R$ 0.6503333249 per share)**.

The Company's shares will trade **ex-interest** from **10 de novembro, 2017**. These earnings will be paid out on a date to be decided in due course by Board of Executive Officers and notified through a Notice to Shareholders.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainable Management

All plants under the Company's responsibility adhere to ENGIE Brasil Energia Sustainable Management Policy, which covers the areas of Quality, Environment, Occupational Health and Safety, Social Responsibility and Energy Management. On September 30, 2017, out of the 31 plants installed in 12 states of Brazil's five regions, 12 (with an aggregate capacity of 92.5% of the total operated by the Company) are certified in accordance with NBR ISO 9001 (for Quality), NBR ISO 14001 (for the Environment) and NBR OHSAS 18001 (for Occupational Health and Safety) standards. In the area of Social Responsibility, the Company endeavors to adhere to the directives in the NBR ISO 26000 guide (which is not susceptible to certification); and the Jorge Lacerda Thermoelectric Complex, the three plants of which, are among the 12 which are certified according to the NBR ISO 50001 standard for Energy Efficiency.

In addition to the Sustainable Management Policy, other standards related to the Company's commitment to sustainable development are included in the corporate website on such themes as Human Rights, Stakeholder Engagement and Climate Change as well as the Sustainability Committee's Internal Charter, the code for the Environment and Ethics and the Sustainability Reports published annually based on Global Reporting Initiative (GRI) recommendations and since 2014 also making use of the International Integrated Reporting Council (IIRC) framework.

Sustainability Committee

ENGIE Brasil Energia Sustainability Committee was set up in 2007 and is currently made up of 12 members drawn from different areas, more especially those related most closely to stakeholders, such as shareholders, clients, suppliers, employees, the media and communities. Coordination is the responsibility of the Administrative Director's Office while one of the Committee members is the Board employee representative. Among others, the Committee has as its objectives to:

- ✓ Contribute towards maintaining the balance of interests of the different stakeholders in relation to the Company;
- ✓ Develop awareness programs to propagate concepts and practices of sustainability among both internal and external audiences;
- ✓ Contribute to the use of best corporate governance practices; and
- ✓ Propose, obtain approval from the Management Board and work on a coordinated basis with the organizational units to achieve the annual corporate sustainability goals ("ENGIE Brasil Energia Sustainability Goals"). These goals are based on four Programs — Cultural Development, Environmental Improvement, Social Inclusion and Education for Sustainability —, with initiatives linked to indicators and weightings so permitting an evaluation at the end of each year.

Highlights of the Quarter and Year

- ✓ In August, the Company launched the new versions of its Code of Ethics and Ethical Practices Guide. Approved by the Board of Directors, this fresh edition has been revised and has incorporated the result of reflections on the part of both the Company as well as our Controlling Group. These documents consolidate the principles and ethical guidelines to be followed by the Company in its activities, based on a modern vision of ethics as applied to the businesses and shared with our stakeholders. See these documents in http://www.engieenergia.com.br/wps/portal/internet/en/investidores/governanca-corporativa/codigos-e-politicas.
- ✓ The Company was recognized in the 5th Sustentar Ranking for Innovation sponsored by the Sustentar Institute being placed 1st in the "Sustainable Services" category for the Energy Efficiency Diagnosis program for clients.

Sustainability Indices

Since 2012, it has been standard practice of the Company to include the principal sustainability indicators for each period in its quarterly and annually results presentations. The following table shows the indicators for 3Q17, associating each indicator with GRI recommendations.



Sustainability Indices[1]

Item	Dimension[2]	Index	GRI disclosure[3]	3Q17	3Q16	Change	9M17	9M16	Change
1	Quality	Operating plants	EU1, G4-9	31	29	2	31	29	2
2		Installed capacity (MW)	EU1, G4-9	8,790	8,748	0.5%	8,790	8,748	0.5%
3		Proprietary capacity (MW)	EU1, G4-9	7,069	7,008	0.9%	7,069	7,008	0.9%
4		Number of certified plants	EU6, G4-15	12	14	-2	12	14	-2
5		Certified installed capacity (MW)	EU6, G4-15	8,127	7,294	11.4%	8,127	7,294	11.4%
6		Certified installed capacity in relation to the total	EU6, G4-15	92.46%	83.38%	9.1 p.p.	92.46%	83.38%	9.1 p.p.
7		Installed capacity from renewable sources	EU1, G4-9	7,743	7,665	1.0%	7,743	7,665	1.0%
8		Installed capacity from renewable sources in relation to the total	EU1, G4-9	88.09%	87.62%	0.47 p.p.	88.09%	87.62%	0.47 p.p.
9		Energy generation (GWh)	EU2	9,000	11,270	-20.1%	27,083	34,008	-20.4%
10		Certified energy generation	EU6, G4-15	8,452	10,262	-17.6%	25,901	30,320	-14.6%
11		Certified energy generation in relation to the total	EU6, G4-15	93.9%	91.1%	2.8 p.p.	95.6%	89.2%	6.4 p.p.
12		Energy generation from renewable sources (GWh)	EU2	8,222	10,086	-18.5%	24,182	30,550	-20.8%
13		Energy generation from renewable sources in relation to the total	EU2	91.4%	89.5%	1.9 p.p.	89.3%	89.8%	-0.5 p.p.
14		Uptime ratio, excluding scheduled stoppages	EU30	96.6%	97.6%	-1.0 p.p.	94.5%	97.0%	-2.5 p.p.
15		Uptime ratio, including scheduled stoppages	EU30	88.5%	88.5%	0.0 p.p.	87.5%	86.9%	0.6 p.p.
16	Environment	Saplings donated and planted (sum-total of planted and donated saplings)[4]	G4-EN27	58,490	77,960	-25.0%	169,228	244,355	-30.7%
17		Number of visitors at the plants[4]	G4-26	27,090	25,957	4.4%	64,010	71,621	-10.6%
18		CO2 Emissions (fossil fuel plants) (t/MWh)	G4-EN15	1.0878	0.999	8.9%	1.0223	1.002	2.1%
19		CO2 Emissions from ENGIE Brasil Energia's generation complex (t/MWh)	G4-EN15	0.103	0.132	-22.0%	0.113	0.131	-13.9%
20	Occupational Heath and Safety (OH&S)	Average number of employees[5]	G4-10, G4-LA1	1,048	1,128	-7.1%	1,050	1,126	-6.7%
21		Frequency Rate ("Taxa de Frequência" - TF) own employees[6]	G4-LA6	4.100	1.870	↑	1.380	0.650	↑
22		Severity Rate ("Taxa de Gravidade" - TG) own employees[7]	G4-LA6	0.016	0.009	↑	0.006	0.003	↑
23		Frequency Rate ("Taxa de Frequência" - TF) own employees + long term service providers[6]	G4-LA6	1.990	4.210	↓	1.040	1.970	↓
24		Frequency Rate ("Taxa de Frequência" - TF) short term service providers + ongoing constructions [6 8]	G4-LA6	1.200	-	-	0.620	-	-
25	Social Responsibility[9]	Non-incentive investments	G4-EC8, G4-SO1	959.30	702.10	36.6%	2,197.80	2,490.50	-11.8%
26		Investments via Children and Teenagers Fund - FIA	G4-EC8, G4-SO1	694.50	421.59	64.7%	1,451.50	2,178.48	-33.4%
27		Investments via Cultural Incentives Act - Rouanet	G4-EC8, G4-SO1	1,745.10	2,940.95	-40.7%	6,482.10	8,771.73	-26.1%
28		Investments via Sport Incentives Act	G4-EC8, G4-SO1	300.00	100.00	200.0%	300.00	310.00	-3%
29		Investments via National Program of Support to Oncology Care - PRONON	G4-EC8, G4-SO1	0.00	0.00	-	0.00	0.00	-
30		Investments via National Program of Support to Disabled Person´s Heath - PRONAS/PCD	G4-EC8, G4-SO1	0.00	0.00	-	0.00	0.00	-
31		Investments via Municipal Elderly Fund	G4-EC8, G4-SO1	12.20	0.00	100.0%	382.60	0.00	100%

Notes:

1) Additional indices available at ITR (www.ENGIEenergia.com.br / Investors / Financial Information/ CVM Reports)

2) Reference: ENGIE Sustainable Management Policy.

3) GRI: Global Reporting Initiative, G4 version.

4) Ceste (Consórcio Estreito Energia) not included.

5) Average nº in the period of own employees working at power plants in operation, at the headquarters and at the São Paulo's office.

6) TF = number of occupational accidents for every million hours of exposure to hazards, considered the same employees of item 19.

7) TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards, considered the same employees of item 19 and the outsourced working in the same places.

8) Key Performance Indicators (KPI's) monitoring started in 2017, therefore, there is no historic data in 2016. The data does not include the construction of the Pampa Sul Thermoelectric Power Plant.

9) Amounts in thousands of reais.

CORPORATE GOVERNANCE

ENGIE Brasil Energia's Corporate Bylaws are being permanently adjusted to the new rules and procedures of the BM&FBovespa Novo Mercado Listing Regulations, the highest corporate governance level of that stock exchange. In addition, as already mentioned, the Company is a component of the BM&FBovespa's Corporate Sustainability Stock Index (ISE). ENGIE Brasil Energia's Board of Directors' meetings are monitored in relation to the time dedicated to strategic and short term issues, relative to corporate sustainability. The Board is made up of nine effective members, one of whom represents the employees. A further two directors are independent. With the exception of the employee representative, all are elected by the shareholders at a General Shareholders Meeting. Permanently installed, the Fiscal Council is totally independent of management and the outside auditor, and is accountable for the supervision of management acts and for examining and opining on the financial statements, for evaluating risk management systems and internal controls as well as proposals to be submitted to the Board of Directors when engaging additional services from the external auditor of the financial statements.

Ethical behavior is one of the Company's corporate values. In this context it has adopted a Code of Ethics – a public document which can be accessed from the corporate website -, as well as having an Ethics Committee responsible for updating the Code and analyzing ethical issues. **In 2013, ENGIE Brasil Energia ratified its adherence to the Business Pact for Integrity and against Corruption,** an Instituto Ethos initiative in parallel with the United Nations Global Compact to which ENGIE S.A. has been a signatory since launch.



At the end of 3Q17, the Stock Exchange announced new Novo Mercado Regulations. ENGIE Brasil Energia voted in favor of all the modifications proposed to the regulations, viewing them as material to advances in the areas of transparency, equitability, accountability and corporate responsibility applicable to the companies listed in this segment of the market. Companies must implement the new requirements by early 2021, and those superseding rules already in place, will come into effect as from 2018. The Company views these new requirements as a valuable contribution to its management and governance and is dedicating maximum effort in implementing the changes as soon as possible. A working party has already been set up and the planning and study of the necessary measures to be taken are already in progress.

In addition to Novo Mercado regulations, ENGIE Brasil Energia complies with the precepts of the Sarbanes-Oxley act, the purpose of which is to combat unethical conduct and make the financial statements more reliable.

ENGIE Brasil Energia's dividend policy establishes a minimum mandatory dividend of 30% of net income for the fiscal year, adjusted pursuant to Law 6,404/76. In addition, the Company policy determines the intention of paying in each calendar year dividends and/or interest on shareholders' equity for a value of not less than 55% of adjusted net income in the form of semi-annual payouts.

With respect to the asset transfer model and other transactions with related parties, ENGIE Brasil Energia and its controlling shareholder understand that its existing corporate governance standards should be raised even further. Among the initiatives implemented stands out the creation, by means of adaptation to the Company's Bylaw, of the Special Independent **Committee for Valuation of Transactions with Related Parties**, a non-permanent body, which, when called, will be composed in its majority by independent directors of the ENGIE Brasil Energia's Board.

CAPITAL MARKETS

Since its listing on BM&FBovespa's Novo Mercado, ENGIE Brasil Energia has become a component of the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG), incorporating those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake. The Company's shares are also included in the Corporate Sustainability Stock Index (ISE), comprising companies with a recognized commitment to social and corporate responsibility, as well as the Electric Energy Stock Index (IEE), which is a sector index made up of the more significant listed companies in the industry. The Company' shares are also traded on BMF&FBovespa's leading stock index – the Bovespa and on Euronext-Vigeo EM 70 — a stock index made up of companies with a premium performance in corporate responsibility in developing countries. Vigeo is the leading constituent agent for ratings of corporate social responsibility and analyzes approximately 330 indicators.

ENGIE Brasil Energia's shares are traded on the BM&FBovespa under the EGIE3 symbol. On the United States Over-The-Counter (OTC) market, the Company's Level 1 American Depositary Receipts (ADR) are traded under the **EGIEY Code**, one ADR being equivalent to one common share.

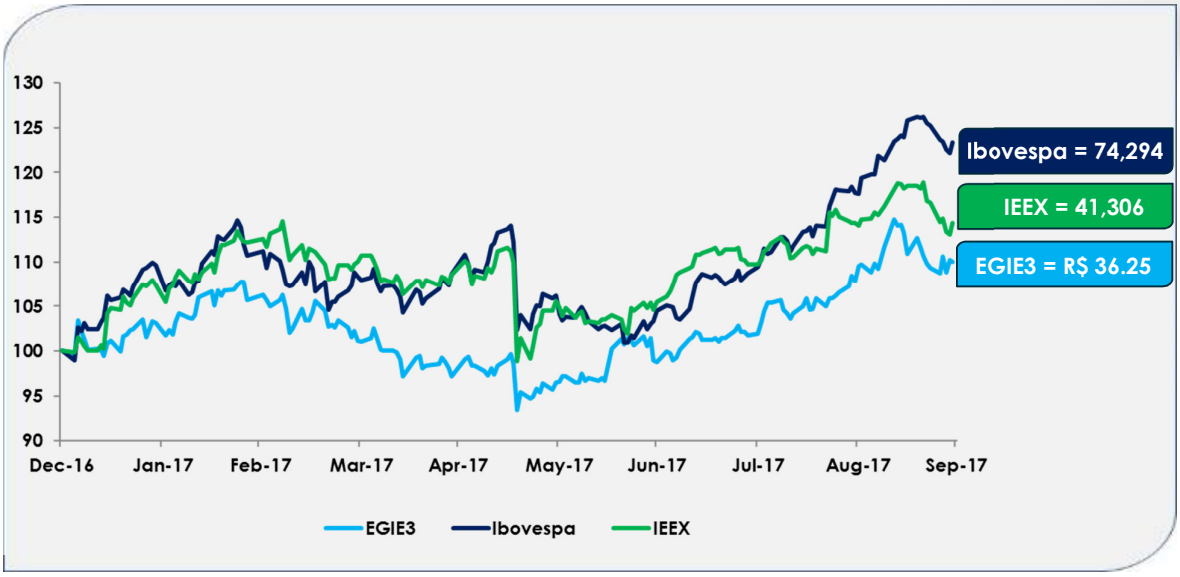
Share Performance — EGIE3

In 3Q17, Brazil's leading stock index on the B3 reported an appreciation of 18.1% as opposed to one of 13.3% in the same period in 2016. In 9M17, the index increased 23.4% (34.6% in 9M16). Ibovespa's strong performance is principally a reflection of advances on the domestic front such as the deceleration in inflation, the decline in interest rates and signs of recovery in the economy.

ENGIE Brasil Energia shares at the end of 3Q17 **recorded an appreciation of 11.3%**, a result significantly better than recorded in 3Q16, when the Company's shares rose 2.9%, and above the Electric Energy Stock Index (IEEX), which registered an increase of 8.4% in 3Q17. The closing price of EGIE3 at quarter-end 3Q17 was R$ 36.25/shares**, translating into a R$ 23.7 billion market capitalization of the Company.**

In 3Q17, the daily average trading volume of EGIE3 was R$ 31.4 million, 0.5% below R$ 31.6 million reported in 3Q16.

EGIE vs. Ibovespa vs. IEEX
(Base 100 – 12/31/2016)





Upcoming Event

ENGIE Brasil Energia will be holding the following events to discuss the earnings results:

Conference call with Webcast (In Portuguese — simultaneous translation into English)

Date: October 27, 2017
Time: 9:00 a.m. (EDT) / 11:00 a.m. (Brasília DST)

Connection numbers:
Participants in the USA: +1 (516) 300-1066 / 1-866-866-2673 (Toll Free)
Participants in the UK: + 44 (20) 34785282
Participants in Brazil: +55 (11) 3127-4971 / (11) 3728-5971
Access code: ENGIE

Webcast

The access links will be found at the company's website (www.ENGIEenergia.com.br), at the Investors section.

A replay will be available from October 27th to November 2nd, 2017. Access by dialing: +55 (11) 3127-4999, code: 58081665 (Portuguese) and 48181980 (English).

Important

This release contains information and opinions on future events subject to risks and uncertainties, which are based on current forecasts, projections and tendencies in relation to the Company´s businesses. Innumerous factors can affect the estimates and assumptions on which these opinions are based. For this reason, the estimates and forward looking statements in this release may not become a reality. In the light of these restrictions, shareholders and investors should not adopt any decisions based on estimates, projections and forward looking statements contained in this release.



ATTACHMENT I
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET – ASSETS

(In thousands of R$)		
Assets	**9/30/2017**	**12/31/2016**
Current Assets	**3,091,044**	**3,355,091**
Cash and cash equivalents	1,561,517	1,815,340
Accounts receivables from clients	745,497	824,079
Inventory	105,631	105,541
Fiscal credits recoverable	52,959	14,589
Refund of fuel purchases	47,857	49,472
Restricted deposits	11,845	8,760
Renegotiation of hydrological risk to appropriate	26,064	26,064
Other current assets	124,657	91,643
Non current asset held for sale	415,017	419,603
Non Current Assets	**12,144,681**	**11,064,600**
Long Term Assets	**552,812**	**612,302**
Fiscal credits recoverable	21,400	37,991
Restricted deposits	219,978	185,768
Deposits earmarked for the payment of debt	213,981	180,183
Other restricted deposits	5,997	5,585
Deposits in court	99,542	149,730
Renegotiation of hydrological risk to appropriate	151,467	171,015
Other non current assets	60,425	67,798
Investments	**14,717**	**4,886**
Property, Plant and Equipment	**11,310,933**	**10,194,898**
Intangible	**266,219**	**252,514**
Total	**15,235,725**	**14,419,691**



ATTACHMENT II
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET – LIABILITIES

(In thousands of R$)		
Liabilities	**9/30/2017**	**12/31/2016**
Current Liabilities	**2,508,927**	**1,800,794**
Suppliers	449,457	371,149
Dividends and interest on shareholder´s equity	946,332	372,040
Loans and financing	308,216	283,196
Debentures	17,792	16,547
Concessions payable	66,958	65,408
Tax and social contribution obligations	129,576	81,023
Other fiscal and regulatory obligations	83,793	88,632
Labor obligations	91,754	94,753
Provision	20,657	35,001
Obligations related to retirement benefits	27,219	27,219
Liabilities related to non current asset held for sale	147,050	159,496
Other current liabilities	220,123	206,330
Non Current Liabilities	**6,169,876**	**6,004,503**
Loans and financing	2,108,925	2,001,081
Debentures	804,574	787,908
Concessions payable	2,361,929	2,281,968
Provision	81,028	292,106
Obligations related to retirement benefits	275,780	272,248
Deferred income taxes and social contribution	470,357	311,331
Other non current liabilities	67,283	57,861
Shareholders' Equity	**6,556,922**	**6,614,394**
Share capital	2,829,056	2,829,056
Profit reserves	2,953,637	3,336,013
Adjustment on fixed asset	411,568	446,158
Retained earnings	358,640	-
Non controlling interests	4,021	3,167
Total	**15,235,725**	**14,419,691**



ATTACHMENT III
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(In thousands of R$)	3Q17	3Q16	Chg. %	9M17	9M16	Chg. %
Net Revenue from Sales	**1,654,738**	**1,602,820**	**3.2**	**4,942,593**	**4,776,162**	**3.5**
Costs of Energy Sold and Services Provided	**(1,066,020)**	**(910,044)**	**17.1**	**(2,839,343)**	**(2,750,573)**	**3.2**
Electric power purchased for resale	(462,691)	(413,617)	11.9	(1,239,474)	(1,208,187)	2.6
Transactions in the short term market, including those conducted through the CCEE	(149,955)	(21,627)	593.4	(293,761)	(153,377)	91.5
Charges for the use of and connection to the electricity grid	(107,760)	(103,089)	4.5	(315,844)	(292,440)	8.0
Fuel expenses	(18,325)	(36,525)	-49.8	(288,382)	(126,117)	128.7
Financial compensation for use of water resources	(31,699)	(48,977)	-35.3	(88,479)	(145,973)	-39.4
Personnel	(56,923)	(60,121)	-5.3	(160,570)	(175,702)	-8.6
Materials and third party services	(58,710)	(52,188)	12.5	(147,578)	(131,395)	12.3
Depreciation and amortization	(161,782)	(156,062)	3.7	(473,781)	(463,738)	2.2
Reversals of operating provisions	4,207	106	3,868.9	225,917	49	460,955.1
Others	(22,382)	(17,944)	24.7	(57,391)	(53,693)	6.9
Gross Income	**588,718**	**692,776**	**-15.0**	**2,103,250**	**2,025,589**	**3.8**
Operating Income (Expenses)	**(42,069)**	**(43,782)**	**-3.9**	**(131,858)**	**(143,974)**	**-8.4**
Selling expenses	(3,652)	(4,128)	-11.5	(12,453)	(13,410)	-7.1
General and administrative expenses	(39,122)	(39,843)	-1.8	(121,817)	(133,953)	-9.1
Other operating income, net	705	189	273.0	2,412	3,389	-28.8
Result of corporate participations	**6**	**(274)**	**0.0**	**(1,693)**	**(518)**	**0.0**
Equity income/(loss)	6	(274)	0.0	(1,693)	(518)	0.0
Income Before Financial Result and Taxes	**546,655**	**648,720**	**-15.7**	**1,969,699**	**1,881,097**	**4.7**
Net Financial Result	**(50,458)**	**(65,460)**	**-22.9**	**(128,928)**	**(310,468)**	**-58.5**
Financial income	38,613	103,317	-62.6	164,246	322,280	-49.0
Financial expenses	(89,071)	(168,777)	-47.2	(293,174)	(632,748)	-53.7
Income Before Taxes	**496,197**	**583,260**	**-14.9**	**1,840,771**	**1,570,629**	**17.2**
Income tax	(97,265)	(135,449)	-28.2	(384,253)	(360,455)	6.6
Social contribution	(40,885)	(50,928)	-19.7	(156,629)	(137,431)	14.0
Net Income for the Period	**358,047**	**396,883**	**-9.8**	**1,299,889**	**1,072,743**	**21.2**
Number of Ordinary Shares	**652,742,192**	**652,742,192**		**652,742,192**	**652,742,192**	
Net Income per Share	**0.5485**	**0.6080**	**-9.8**	**1.9914**	**1.6434**	**21.2**



ATTACHMENT IV
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOW

(In thousands of R$)	3Q17	3Q16	9M17	9M16
Cash Flow from Operating Activities				
Income before taxes on income	496,197	583,260	1,840,771	1,570,629
Adjustments to reconcile net income before taxes generated from operating cash flow:				
Depreciation and amortization	164,119	158,068	480,423	469,881
Reversal of provision for impairment	(14,540)	-	(14,540)	-
Monetary variation	(1,327)	36,493	(2,675)	146,972
Interests	80,643	113,686	259,610	384,129
(Reversal) / Accrual of operating provisions	(20,220)	(130)	(243,466)	130
Others	13,365	581	16,983	2,689
Adjusted Profit	**718,237**	**891,958**	**2,337,106**	**2,574,430**
Increase (reduction) in assets				
Accounts receivables from clients	(17,402)	(51,811)	90,133	(5,159)
Refund of fuel purchases	6,442	63,066	1,615	84,552
Fiscal credits recoverable	4,571	(1,264)	(46,080)	(27,895)
Inventory	3,094	7,681	3,826	(7,761)
Deposits in court and restricted deposits	59,201	15,337	52,537	7,477
Renegotiation of hydrological risk to appropriate	6,516	6,516	19,548	19,548
Other assets	(20,075)	20,578	(40,473)	(15,201)
Increase (reduction) in liabilities				
Suppliers	(61,178)	11,891	14,068	(244,853)
Taxes and social contribution obligations	5,561	2,428	5,561	5,407
Other fiscal and regulatory obligations	(12,369)	7,414	(10,117)	(18,653)
Obligations related to retirement benefits	(6,956)	(3,363)	(19,888)	(9,996)
Other liabilities	14,233	37,789	14,441	62,641
Cash Generated from Operating Activities	**699,875**	**1,008,220**	**2,422,277**	**2,424,537**
Payment of income tax and social contribution	(62,518)	(115,654)	(238,578)	(360,170)
Payment of interests on debt, net of hedge	(86,791)	(77,865)	(182,530)	(232,810)
Net Cash from Operating Activities	**550,566**	**814,701**	**2,001,169**	**1,831,557**
Investments Activities	**(495,644)**	**(343,973)**	**(1,423,974)**	**(758,369)**
Acquisitions of investments, net of cash and cash equivalents received	(15,627)	(7,419)	(25,151)	(20,055)
Used in fixed assets and intangibles	(473,686)	(336,554)	(1,382,987)	(738,314)
Cash and cash equivalents of subsidiaries transferred to assets held for sale	(6,331)	-	(15,836)	-
Financing Activities	**1,138**	**509,897**	**(831,018)**	**(384,694)**
Loans and financing contracted	109,472	601,584	320,943	621,779
Payment of loans and financing	(77,170)	(67,466)	(226,488)	(412,445)
Payments of concessions payable	(17,205)	(16,128)	(51,264)	(47,496)
Payments of dividends and interest on shareholders' equity	(9)	(11)	(838,610)	(522,134)
Deposits for funding	(5,780)	(10,375)	(19,334)	(21,342)
Others	(8,170)	2,293	(16,265)	(3,056)
Increase (Decrease) in Cash and Cash Equivalents	**56,060**	**980,625**	**(253,823)**	**688,494**
Reconciliation of Cash and Cash Equivalents				
Opening balance	1,505,457	2,104,723	1,815,340	2,396,854
Closing balance	1,561,517	3,085,348	1,561,517	3,085,348
Increase (Decrease) in Cash and Cash Equivalents	**56,060**	**980,625**	**(253,823)**	**688,494**
Transactions that do Not Affect Cash and Cash Equivalents				
Capitalized interest and monetary	41,506	32,470	113,594	83,557
Supplier's of fixed assets and intangibles	41,884	(10,438)	66,163	(33,499)
Offsetting of income tax and social contribution	6,458	12,130	30,122	53,731
Future disbursements estimate	(9,979)	(2,640)	39,187	(4,899)
Amounts to pay related to purchase of investments	(4,786)	-	(4,786)	13,027