ENGIE BRASIL ENERGIA S.A.

SCRIPT OF THE CONFERENCE CALL WITH WEBCAST
RESULTS FOR THE FIRST QUARTER 2019
May 09, 2019 – 11:00 a.m. (BRASÍLIA TIME)

Operator: Good morning. This is the conference call of ENGIE Brasil Energia where we shall discuss the results for the first quarter 2019. All participants are connected in a listen-only mode. Later, we will open the call for the questions and answers session, at which time instructions for participating will be given. Should you need the help of an operator during the conference call, just touch "asterisk zero". We would like to remind you that the call is being recorded.

The presentation, accompanied by the respective slides, will be transmitted simultaneously on the internet through the www.engie.com.br/investidores website. By accessing the website, you can also obtain a copy of the presentation and the press release of the Company's results.

Before proceeding further, we would like to clarify that any forward-looking statements that may be made during this conference call with respect to the business outlook for the Company should be treated as forecasts contingent on the economic scenario for the country, performance and electric sector regulations as well as other variables, and therefore subject to change.

With us today are **Eduardo Sattamini**, Chief Executive Officer and Chief Financial and Investor Relations Officer of ENGIE Brasil Energia and **Rafael Bósio**, Investor Relations Manager, both of whom will comment on the performance of ENGIE Brasil Energia in the first quarter 2019. Immediately afterwards, they will take any questions you may have. We would remind you that journalists wishing to ask questions should do so via e-mail, sending their questions to the Company's Press Relations area.

I will now turn the call over to **Eduardo Sattamini**. Please go ahead.

EDUARDO SATTAMINI: Thank you very much and good morning to all. Firstly to clarify that I am still accumulating the function of chief executive officer and finance director although we are in the process of seeking an executive to fill the chief financial officer's position. As you know, Carlos Freitas, our former CFO has left to pursue new challenges elsewhere, a natural characteristic of young people. But we should shortly have some good news in relation to our new executive and very probably we may have some inhouse values elevated to the function of CFO.

Very well, it is with satisfaction that I can be here with you today once more to report solid earnings, the results for the first quarter 2019 being indicative of the soundness of the Company, and the long-term consistency of its results. The surprise on the hydrological front was a very dry January resulting in short-term market prices reaching the regulatory ceiling in February. And clearly this impacted the market as a whole and in fact created a degree of stress in the short-term market with the liquidation of some traders. However, I believe that to a degree, this state of affairs is now in the past with the regularization of the hydrological system as from March, April bringing prices in the spot market a little lower and reducing the pressure on those with open positions.

Good, speaking a little about net operating revenue, we'll begin with slide 5 on the main financial and operational highlights. Revenues have exploded, principally when compared with the preceding year when we began our trading activities in January 2018. The trading activity has a much greater turnover but with slimmer margins. So you will see an increase in revenue but a reduction in the Company's average margin. This situation should disappear with the passing of the ramp up phase in our trading activity. So in all probability when we compare 2020 with 2019 we will no longer see this exaggerated percentage growth from one year to the next.

We had an increase in trading revenue of R$ 190 million out of a total of nearly R$ 500 million, 40% of this coming from trading. But we also had revenue from our normal generation activities with an increase of prices of the order of 6% in relation to the same quarter last year, while volumes were up 2.6%, representing the incorporation of some wind farms in the portfolio. These then are basically the elements which influenced net operating revenue.

As to Ebitda, we saw the same effects, but on the cost side, we had a small reduction in purchases for resale. By way of an aside here, when we talk about purchases for resale we exclude our trading activities also because it substantially inflates our energy purchases as a whole. We had a better result this year in the short-term market than the same quarter last year increasing by about R$ 20 million. The result this year from the short-term market was of the order of R$ 100 million, between positive and negative exposure in the quarter against something in the region of R$ 80 million in 2017. Both positive results in the short-term market.

GSF was a major influence. We have seen secondary energy in the market in this first half of about 50%, the seasonal weighting by the companies being 50% greater than energy demand. In other words, the allocation was 50% greater than the seasonal requirements. In relation to the first quarter of 2018, this same factor stood at 12.5%. In relation to earnings we had an increase in net income of about 15.6%, this increase corresponding to

an increase of the same order in Ebitda. And we also have some elements such as financial result a little worse, but clearly due to our growth being based on leverage. The company invests in projects, many projects have a leveraged capital structure so you have an increase in financial expenses. And also because we have an increase in inflation when compared to the same quarter in 2018. On the other hand, we had a reduction in the tax take, in the effective tax rate, this also contributing positively to the net result.

Very well, in terms of energy generation there were increases from all sources, hydroelectric, thermal and wind, as we have already commented, thanks to growth in our capacity, and better hydrology than in the first quarter of 2018.

Let's move on to the highlights on slide 6. The leading highlight was in fact a subsequent event on April 5 when we had confirmation of our success in the sale process of Transportadora Associada de Gás da Petrobras, where we took a stake of 32.5% in the consortium made up of Engie S/A and CDPQ, CDPQ, the Canadian investment fund which took a stake of 35%, ourselves 32.5% and Engie S/A, 32.5% of this consortium, which acquired 90% of Transportadora de Gás Associada. Petrobras still maintains the remaining 10% of the asset.

In the same month of April, we also reported another subsequent event, namely the Umburanas Wind Complex reaching 100% of its commercial capacity, adding a further 360 MW of installed capacity to our generator complex. We see this as a major achievement. This wind complex was built in record time by us, beginning the construction, the civil works, in very late 2017, if I am not mistaken right at the end of November. We managed in less than a year and a half, or close to a year and half later, to have a fully operating wind complex.

And sequential to our acquisition of TAG, - obviously we had made no mention that the acquisition would be a leveraged acquisition -, the equity that we are going to inject into TAG is an equity which we are going to leverage and we are already in the process of raising these resources in the market. And in spite of this additional leverage in the Company, Fitch Ratings re-analyzed our rating and reiterated our AAA(bra) Brazil rating, and BB rating on the global scale, maintaining the two levels of rating unchanged. Our rating on the global scale is one notch above sovereign rating.

On slide 7, we talk about the Board's approval of the debenture issue of R$ 2.5 billion reflecting our need for working capital since a part of the resources held in cash today is to be used for the acquisition of TAG. And at the Annual General Meeting as well, we approved the distribution of additional dividends of around R$ 80 million, representing the remainder of the total payout for 2018 to reach 100% of distributed profits. Now on May 7, our share

is trading ex-dividend and we shall be deciding payout date in the light of our cash flow. As we will have some cash pressures over the next two months, the Management Board has been allowed to make the decision and from the second half, we shall be able to settle still unpaid dividends.

On slide 8 of our presentation, the main element here is the inclusion of the 32.5% stake in the consortium known as Aliança Transportadora de Gás, which holds 90% of TAG. The other stakes continue unchanged.

The important aspect in slide 9 to note is that today with the entry into commercial operations of Umburanas, we have 55 plants in operation with a total proprietary installed capacity of 8,276 MW. We have grown significantly over the past year and we intend to continue growing, adding fresh capacity in the coming years. This year we expect shortly to have Pampa operating commercially – the status of which we shall be talking about in a later slide. We have 1,000 kms of transmission lines under construction. These are the transmission lines in the state of Paraná for which we bid in the 2017 auction. We now have an increasingly larger energy matrix based on energy from hydro and complementary sources, that is to say renewable power. And with the sale of the coal assets, we expect to reach 100% of renewables in our portfolio.

Slide 10, shows our continued position of leadership among private sector generators with 9.8 GW of installed capacity, increasing to 10.6 GW with the entry into operations of Campo Largo 2, a project which has already been approved. Pampa, Umburanas, this combination of plants would ramp up our installed energy by 0.8 GWs. And we will return to transmission a little later on.

On page 11, we talk about the natural gas asset, the gas pipeline, the set of gas pipelines of TAG. TAG is made up of 4,500 kms of high pressure gas pipeline, 3,700 kms along the coast and 800 kms in the Amazon region, the Coari-Manaus section, which is this second stretch of pipeline. It has a physical capacity contracted by Petrobras of more than 70 million m^3 / day, 12 compression stations, of which six proprietary and six subcontracted. TAG has assets in operation with a strategic location and low regulatory risk. You can see here on the map the length of the pipeline running from the state of Rio de Janeiro to the state of Ceará with various entry and exit points along the pipeline.

On slide 12, we show contraction levels, a 100% level of contraction over the next 12 years and the contracts which are in effect today. You can see that the largest agreements have very long maturities, November 2033, December 2025, November 2030, longstanding agreements and which will give stability and cash flow for this asset in these first few years. And it is going to place us in a good position to discuss alterations to the gas legislation,

making for more competitive legislation and a more dynamic market. This is the role we expect to play and similar to what we did in the energy sector back in the late nineties. In our view, natural gas will see the same modernization process and we intend to be an important player in this scenario.

On slide 13 on transmission, today we have a small participation in this market but expect to grow. Preferably on the basis of greenfield assets but also with an eye on potential acquisitions, as long as this brings added value to our investors.

On slide 14 on solar distribution, this is still a small part of our business, but we are beginning to have positive results. Although this is still an activity which depends a lot on volume, growth has been exponential and we hope that over the next few years distributed solar generation will give us the possibility of being closer to our clients and generating value together with them.

On slide 15, we again touch on generation of conventional incentivized energy, of our overall energy portfolio. We continue to pursue a strategy of equilibrium as far as possible between the free and regulated market and extracting what is good from both markets. To give you an idea, in terms of free customers, our option for this market is more dispersed due to the prospects for a change in the regulatory framework. We have gone from 326 free clients in the first quarter of 2018, from 326 to 523 in the first quarter of 2019 reporting growth of 60.4% in the number of our clients. Clearly this gives us a different dynamic with our clients, we are increasing our sales force, modernizing and automating the way we interact with our clients, segmenting. And in this way we are going to have an activity much closer to the client, offering much more value to our clean energy clients.

On slide 16, we show how the free market is becoming increasingly more important for us. There is the concern with the diversification of risk. We have no major concentration of risk in the sectors so that we are protected from delinquencies, adopting the same strategy as managing an equities portfolio by diversifying risk and achieving a more long term consistent and more predictable result.

On slide 18, where we discuss the energy market a little, the question of access to structural supply continues although hampered by hydroelectricity supply due to poor reservoir inflows - still not a good moment for recovery in reservoir levels and operator's ability to manage resources. Thus, this is reflected in major volatility in spot prices and demonstrated here in slide 18.

Moving on to slide 20 and talking a little about our energy position. We have a large contracted volume over the next few years, almost totally contracted, operating heavily for

future contract market sales and on the buying side, for portfolio management. And consequently, building product portfolios with a longer duration. This is how we always worked by diluting contractual risk over the years.

Moving to the market on slide 21, you have the basis for modeling future revenues as results. You can conclude from this that we have a reasonable volume of new sales, bilateral sales. If you check, between 2019 and 2024, we had something in the region of 150 average MW over these years but with a greater amount for the years 2022, 23 and 24, where we still have a concentration of uncontracted energy. Normal for a company which works with renewal of client contracts, with a market which normally contracts three, four years of energy for each contract.

Speaking of expansion, we continue the discussion on Jirau. Jirau as a hydroelectric project has been suffering seriously on account of the GSF question and for this reason, we await a solution to this and other problems with the project – refinancing (via BNDES), improvement in the cash situation – so that we can get back to talking with the controlling company on the transfer of this asset to our operational base.

Moving on to page 25, the Pampa Sul thermal project. The good news is that the plant is practically ready to roll having already completed the hot commissioning process. On May 7, we received Aneel authority - published yesterday in the *Diário Oficial* – for test operations. Next week we should be synchronizing the machine, that is, from next week we shall be injecting energy into the system albeit still at a test phase. From now on, there will be ramp ups, load growth, disconnections to make small adjustments, calibrations. Our forecast is that we shall be ready to deliver energy from July 1. Although our obligation was to deliver as from January 1, we took advantage of a renegotiation window with the distributor; knowing that we were having some problems in fulfilling deadlines with the delivery of the plant, we uncontracted the first half of 2018 and now we are under the obligation of delivering energy from the second half onwards, something we feel confident in doing. The outlook then is for the commissioning process to take place normally during the months of May and June so that we can set the commercial operation starting date for this plant for the beginning of July of this year.

As we said, the Umburanas project went into full commercial operations at the end of April and from this coming quarter, will cease to be classified under “projects in expansion”.

And on slide 27, we can see the start of the wind project of Campo Largo 2. As you may recall, Campo Largo 1, Umburanas and Campo Largo 2, are all projects in the same area. This is the Bahia cluster located between Umburanas and Sento Sé. So this is going to give us nearly 1,000 MW, or close to 1,000 MW of installed capacity there in the Bahia cluster.

Slide 28 looks at Gralha Azul and here is not much which is new. We are in the process of negotiating rights of way, environmental licensing, surveys of the historical heritage along the transmission line route. This is a phase where there is nothing particularly new other than the normal field work involving socio-environmental aspects. We expect that by November we can begin construction, receive the appropriate license and begin building the Ponta Grossa substation. This would be the first unit of Gralha Azul and mark the first stage of construction. We have separated the project into various lots due to the issue of environmental licensing in such a way that we could begin work at different times, this also permitting us to generate revenues as soon as possible. So in short, this is the strategy we have adopted.

Moving on to slide 29 relating to our pipeline of projects under development. We have here a good wind energy pipeline, beginning with the Rio Grande do Norte cluster, still with a good capacity being developed or to be developed as in the case of the Bahia cluster of about 550 MW. So we have nearly 1,400, 1,500 MW of energy in the Bahia clusters. If we include here other projects which are under negotiation, we reach a total of nearly 2,000, 2,200 MW of installed capacity in the cluster, in wind power alone. We also have photovoltaic potential at the Alvorada site in Bahia. Again at Assú, in Rio Grande do Norte, we have another 150 MW of installed capacity as well as our Norte Catarinense TPP project in the state of Santa Catarina, with an installed capacity of up to 600 MW, but where we are evaluating the possibility of increasing further still. In fact we have also begun the process of environmental licensing for ramping up installed capacity to 1.2 MW, and eventually to from another cluster for the development of a liquefied natural gas terminal in that region. There is a problem of gas supplies: the necessity of installing new thermoelectric capacity there has to go hand in hand with the building of a new terminal or a solution for increasing the supply of gas in that section of the Gasbol pipeline.

So moving on to financial performance, as we have already said, results have been solid. In the past three years we have seen growth in net operating revenue of the order of 17% with Ebitda accompanying growth. And net income has been growing on average by 22.3% in the past three years. Thus, the Company is showing a solid performance, seeking to combine growth and returns at accelerated levels. Perhaps this explains our current share value and for the share to have performed so well over the past twelve months.

Let's look at slide 32 on net operating revenue and the principal factors driving this item: the trading operations, and a short-term market with volumes a little higher, price and sales volume as a function of our organic activity, of the organic growth of our activity combining to lift growth in net operating sales by 25%.

Turning to Ebitda, we have also already mentioned the main factors, those which drove net operating revenues, combined with some elements such as the reduction in purchases for portfolio management and some other small elements which have been responsible for our Ebitda having presented a performance 16% higher than the same quarter in 2018.

Moving on to slide 34 and the evolution in net income, the Ebitda result contributed R$ 166 million. We had an increase in interest payments due to leveraging our growth, additional depreciation and amortization also due to new assets coming on stream, and obviously an increase in taxes. There was also a small impairment at our William Arjona thermoelectric plant, decommissioned in previous years, the assets at this plant being sold recently, while the Company suffered a small net loss in value. As a result, our net income increased from R$ 489 million in the first quarter of 2018 to R$ 565 million in the first quarter of 2019, a growth of 16%.

Very well, slide 35 is about our return on equity showing substantial growth. We had been experiencing some growth in equity but without the corresponding returns but this came good in 2018. Meanwhile, invested capital here remaining more or less flat albeit at a very high level. In 2018, we had a 23% return on invested capital. In the first quarter for 2018 and 2019, we had more or less the same number. And we also have the effects, or will have the effects, here of Umburanas as well as the effect of Campo Largo in 2019, which should contribute to a small increase in this number.

Moving on to slide 36, debt. We saw a small growth in net debt of 1.8x as opposed to our covenants which are above 3.5x net debt/Ebitda, in other words we are at a very comfortable level. Let's move to the acquisition of TAG. As we have already said, we are going for a leveraged acquisition and this should take us by the end of the year to something close to 2.5x Ebitda. But with the contribution coming from the project throughout the year from 2020, this should decrease a little and with new projects coming on stream, we should be able to reduce this 2.5x, giving us space to continue growing organically or through acquisitions. In short, our appetite for growth over the next few years is in no way going to be diminished.

Good, slide 37 shows how net debt has evolved, increasing from R$ 6.8 billion to R$ 8.3 billion, that is an increase of R$ 1.5 billion and a reflection of our investments during this period as well as the payout of 100% of our results.

Slide 38 shows our debt profile with a small concentration of maturities from 2020 to 2022 reflecting bridging loan agreements covering our projects. For example, the Umburanas Project, which has already gone into full operation, still awaits the release of funds from the BNDES. We always accelerate construction to the maximum and take a bridge loan normally

on the basis of 4131 operations and swapping dollars for CDI – in the case of international loans with international rates we only pay CDI which has had a very low cost of the order of 101, 102% of CDI. So cheap financing in order that we can arrange a longer term solution later – in the case of Umburanas with the BNDES, in other cases in the form of infrastructure debentures or a line from the BNB. So these are bridge loans which are going to be transformed into debt over the next three years with longer maturities and a profile more compatible with our cash generation. Not that this volume of debt is something which concerns us, although there is normally more cash than this. However, our idea is to lengthen the profile and at the same time continue growing still with a good payout to our shareholders.

When we look at slide 39, we can see a little of our strategy. If you look at 2019, in fact we have a case here of negative financing, that is I am going to be transferring resources from the drawdown of BNDES financing into our cash position. In other words, I am going to recover cash already injected as investments. Total investments for this year then is of the order of R$ 5 billion of Capex, including something of the order of R$ 3.6 billion for TAG, which is our jointly-owned gas pipeline.

In slide 40, dividend policy, we maintain a payout of 100% whenever we can. Obviously at times of a little more political and economic stress such as 2014 and 2015, we lower the payout so as not to create unnecessary pressure on the Company by having to go to the markets at inadequate moments in terms of interest rates. So as a general rule, we try to pay out 100% but when this is not possible, we adjust the level we believe is a minimum payout in line with the market of 55% of net income. Not that we cannot go lower than this. We can, but this could be seen as a disappointment by the market in relation to what we have been practicing. If this should occur one day, full disclosure will be given with an explanation. However, we see no need to change this policy.

So with this explanation… perhaps the final detail, with dividend payout in the form of additional dividends, we will reach a 9.2% dividend yield. Significantly greater than other dividend yields in the market. This is also an attraction of our shares and also should bring in a larger number of investors interested in good dividend payers such as us.

So with these observations, I conclude the presentation and am open - with Rafael, who is in the office in Florianópolis – I am in São Paulo – to answer your questions.

BEGINNING OF THE QUESTIONS AND ANSWERS SESSION

OPERATOR: Ladies and gentlemen, we shall now begin the questions and answers session. To ask a question please touch asterisk 1 (*1). To withdraw a question from the list, touch asterisk 2 (*2).

Our first question comes from TIAGO SILVA of SANTANDER. TIAGO, please go ahead.

TIAGO SILVA: Good morning to all and thanks for the call. My first question is about growth. You have been speaking about organic and inorganic growth. We have recently seen the company investing in gas transmission with the acquisition of TAG and a short time ago in electricity transmission. Are you considering or looking at anything in distribution also - or are you going to focus on generation and transmission, or something different from distribution? And my second question is about TAG: can you give a little more detail in addition to the already existing agreements as to what you see for growth in the creation of value of this business. Thank you.

EDUARDO SATTAMINI: On the first question in relation to distribution: no this is not on our radar to go into distribution. Some time ago now we decided to stay out of this segment because today you already have a concentration, a consolidation in the business. You have major players with a volume, capacity of scale operating in this market. I am not saying we would never look at it but it seems to us to be a market today with dominant players with competitive advantages in relation to a new entrant. So these are our thoughts on distribution.

On TAG, how to create value: obviously that is through the modernization of the gas market. And this is what we are expecting from a new law, a dynamic which stimulates competition, which increases gas volumes. Today, you have a generation capacity which is not exploited if for no other reason than the fact that the infrastructure is incipient because there is too much power in the hands of the dominant player. We believe that as the market becomes more competitive and dynamic, volumes should increase and with the increase, we will end up having opportunities to grow as well. New substations, new compression stations, new entry and exit points and with this, some investments being monetized with satisfactory results. This then would be the first stage and obviously we look at the gas market not only with the eyes of a pipeline operator, but eventually as a source of opportunities for the group. Perhaps the gas transmission company itself cannot operate other functions because of regulatory restrictions. But other companies in the group might be able to operate in the commercialization or eventually in gas distribution, in the same way that we understand that there will be disinvestments by Petrobras, such as Petrobras' disinvestments in the gas pipeline segment. Also some kind of disinvestment is likely for stimulating competition in the market, even in the distribution market which is also a natural monopoly. So we understand that there may be opportunities for this and we have to be already positioned. The TAG business as it is today is a profitable business because it gives us an adequate stable return over many years but it still presents upsides

even though these were not valorized in the proposal. Nevertheless, they are there and the company believes it has the competence and capacity to be able to capture them when the time is right.

TIAGO SILVA: Excellent, thank you.

OPERATOR: The next question comes from MARIA CAROLINA CARNEIRO of CREDIT SUISSE. MARIA, please go ahead.

MARIA CAROLINA: Good day to all and thank you for the call. I have two questions as well The first still on the subject of TAG. Could you please give us the step by step process now, both in terms of the settlement of the operation as well as raising debt so that we can... I remember that in the call on the acquisition of TAG, you said that the conditions were closed but at that time we did not have the amount or the cost of the financing. So it is only to know if there is any update in relation to the funding, if it is in local currency or USD, because there was that possibility, and what might be the cost. And a second question, if you could give us - sorry the line was cut a little, I don't know if you said anything – a little more information on the possible participation in the auction in the next renewables auctions, A-4 and A-6, and if you put, I think in the release if I am not mistaken, what would be the possibility of putting in the second or the third phase of one of the complexes that you have in this auction. I you could comment, I should be grateful. Thank you.

EDUARDO SATTAMINI: So let me begin by talking a little about TAG and then Rafael can also help complete the answer because he accompanied the step by step implementation of the acquisition. He has, with our financial people, discussed daily the various phases of the operation. Very well, for TAG we have the financing within the vehicle which is Aliança, the company constituted to shelter the consortium constituted by the two consortium members of Engie and CDPQ. This vehicle will leverage itself and afterwards there will be a reverse merger with TAG in such a way that the financing stays in the wealth generating source and here you have no fiscal loss in this operation. So how is this finance structured? In a very simple way for you, it is partly currency denominated and linked to the part of the revenue flows from the pipelines, also currency denominated, and a part in Reais leveraged at about 70% of acquisition amount. This then is the financing structure. The leading local banks are responsible for the domestic part of financing through a loan, the debt issue. And with this we close the capital structure of the vehicle used for raising the finance to be subsequently merged into TAG. And with respect to ENGIE Brasil Energia, as I said, we should leverage, we should be leveraging and this already is at an advanced

stage, all very well advanced, just awaiting, we were just awaiting the final schedule, an important stage of the final schedule being the approval by CADE and this was obtained recently. And now there is the countdown of 15 days necessary for CADE to declare the process as finalized and with this, we are able to proceed to the financial closing. So by the end of May, early June, we should be closing this operation and from then on begin to enjoy the benefits from ownership of the TAG asset. So that is it more or less, I am not sure your question has been fully answered. Details of rates if you would permit, I will only provide once the operation is completely closed although as far as these conditions are concerned, the deal is already closed. But I would prefer to pass this information on only when the agreements have been finalized as well as volumes, adjusted. But I would prefer to give this information out when the agreements have been finalized and the volumes as well since they need to be adjusted. Also because a part of the financing is in dollars and it is this financing that will dictate the degree of leverage and the capital amount to be injected. Obviously, these FX variations are marginal and this will in no way, or in any significant way, affect the returns from the transaction.

In relation to the renewables auction, yes we are always very much involved in these. While from our standpoint, we believe that the amount to be acquired in this auction is going to be low and consequently the competition very intense, and probably we will not have an appetite, there is an appetite from a few players which need to grow, need to mark out their position as developers of new projects. This is not our case, we have a portfolio. We have to always be attentive to investments which give us an adequate return. Thus, in a scenario of small amounts and a super-offering of projects, we imagine that the competition is going to be substantial. But we will be there because we have to be constantly connected as to what is happening in the market so that we can make the best possible offer and understand and learn from the market any new aspects (technology, prices, costs) which may be influencing the decisions of our competitors.

RAFAEL BÓSIO: Carol, just by way of an add on to what Sattamini has mentioned then, we are going to endeavor to be at the next auctions, although we will continue developing projects on the basis of their commercial feasibility in the free market, examples being the Santo Agostinho and Umburanas 2. And as occurred with the Campo Largo 2 Wind Complex, where we are to begin construction now in the second half.

MARIA CAROLINA: Right. Many thanks everyone.

OPERATOR: Remembering that for questions just touch asterisk 1 (*1). Please hold while we collect the questions. And our next question comes from MARCELO FARIAS, of BANCO DO BRASIL. MARCELO, Please go ahead.

MARCELO FARIAS: Good morning everyone, I am Marcelo from BBDTVM. With respect to the injection of R$ 3.5 billion for the acquisition, in addition to this volume, will ENGIE Brasil provide any type of aval or surety in this package?

EDUARDO SATTAMINI: Only temporarily and not permanently, we, all the partners initially have to guarantee in the loans, any effective variation there may be between disbursement and closing. But the idea is well defined, well-structured project finance through the vehicle which is Aliança and subsequently TAG and Aliança merged. Together with the partners, we have the possibility of opting for some type of reserve account or replacing the reserve account with an aval to release resources, or for resources to flow to the partners themselves, or to be reinvested in other activities. So to answer the question, another type of guarantee in a very marginal way. The idea is basically traditional project finance.

MARCELO FARIAS: Thank you.

OPERATOR: Once more I would like to remined you that to ask a question just touch asterisk 1(*1). Please hold while we collect the questions.

FINAL CONSIDERATIONS

Operator: We now conclude the questions and answers session. I would like to ask **Eduardo Sattamini** to make some final considerations. Please Mr. **Sattamini** you may go ahead...

EDUARDO SATTAMINI: Very well, I would like to thank you all for taking part and for the questions. I would like to remind you that we are still at a very delicate moment for the electricity sector with as yet no implementation of the solution for the GSF issue, with defaults in the short-term market. We understand that there is a solution – already confirmed by the agents – but that for political reasons, it is not being implemented. So this is perhaps just to draw your attention on the possibility of dialog with the Brazilian legislators and that a solution is needed for the electricity sector, independently of the solution that has been sought for the gas sector, where there is to be a revision of the regulatory framework. Speaking more specifically on the impact of the inclusion of *Brasduto* within Bill 10,985, which is of interest to the sector for unlocking the short-term market and regularizing settlement on the Electric Energy Trade Board - CCEE. So this is the final message that I would like to leave with you – we are viewing this with a degree of anxiety, because while not affecting a company of our size, because we have market clout, we are regulated by degree of leverage and this can affect the small players and end up generating a concentration of pubic disinterest. What we do not want to see is a step backwards in the market. So I would like to thank you once more leaving this final message with you.

CONCLUSION

Operator: The conference call of ENGIE Brasil Energia is now concluded. We thank the participation of all and have a good afternoon. And thank for using Voitel.