



## M&A – Main Transactions (Jun/Jul/Aug-17)

### Brazilian Energy Minister sets the date for energy auctions (Aug-17)

The Brazilian Mines and Energy Minister (MME) scheduled for December the energy auctions A-4 and A-6, which will contract electricity with initial date of operation for 2021 and 2023, respectively. Biomass, small hydro, solar and wind projects will participate in the auctions and they can be registered until September.

### Elektro and Neoenergia merger creates the biggest distributor in Brazil (Jun-17)

The merger between the companies Elektro and Neoenergia will create a new company with annual revenue of approximately USD 6.5bi. The new company has the Spanish Iberdrola as a mutual stockholder and intends to go public in the coming months.

### EDF acquires 80% of another solar farm from Canadian Solar (Jun-17)

EDF acquired 80% of Pirapora II solar farm, with 115MW of capacity. The project is located in Minas Gerais state and will become operational in 2018. This acquisition follows EDF's prior investment in Pirapora I project, when the French company acquired 80% of the 195MW solar farm.

### Ômega Geração raises USD 267 million on its IPO (Jul-17)

The Brazilian renewable energy company Ômega Geração concluded its initial public offering after reducing its share price to BRL 15.60 (USD 4.94), 8.2% lower than the initial price. The IPO was intended to enable the purchase of electricity assets and the exit of one of Ômega's shareholders, the private equity fund Warbug Pincus, which raised USD 79.3 million.

### Brazil-China USD 20bi fund is created to invest in Brazilian infrastructure projects (Jun-17)

The USD 20bi infrastructure fund formed by Brazil and China will be managed by state-owned BNDES and Caixa Econômica Federal. The Brazil-China Cooperation Fund will receive USD 15bi from the Chinese Claifund and USD 5bi from Brazilian financial institutions. The priority is to invest in logistics and energy projects, but other areas will be considered as well.

### Actis acquires 6 wind farms from Gestamp Renewable Energy (Jul-17)

Actis acquired six wind farms located in the Northeast region of Brazil for approximately USD 50 million. All of them already have PPA, and the total capacity of the projects is 130MW.

## Indices

### Energy Prices Indices

	Center-West	Southeast	South	Northeast	North
May PLD* (USD/MW)	132	132	132	134	55
June PLD* (USD/MW)	40	40	21	46	41
July PLD* (USD/MW)	90	90	90	90	90
Hydro Reservoir Level -August/17**	37%	37%	68%	15%	59%

### Economic Indices

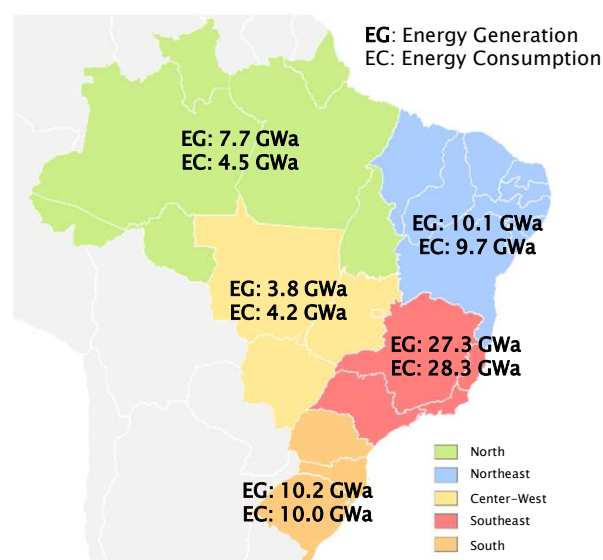
Brazilian Treasury Bonds – NTN20 2045***	5.16% + IPCA per annum
Brazilian CPI – IPCA – YTD	1.43%
Brazilian CPI – IPCA – 12M	2.71%
Average FX Rate 2017 YTD (R\$/USD)	3.18

\* PLD: Average Spot Market Energy price

\*\* Hydro Reservoir Level: used to calculate the PLD and to determine when thermal plants must be turned on to provide security to the system.

\*\*\* Brazilian Treasury Bonds NTN20 2045: indexed to IPCA (Brazilian CPI – Central Bank inflation guidance)

### Energy Generation and Consumption

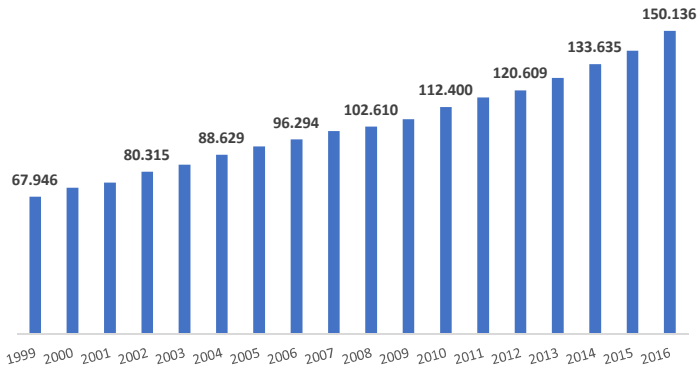


Sources: ANEEL, ONS, EPE, CCEE, Valor Econômico, Estadão, Canal Energia.

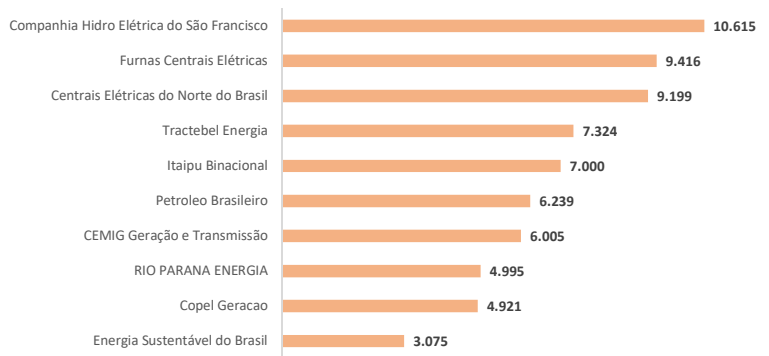


## Brazilian Power Generation Outlook

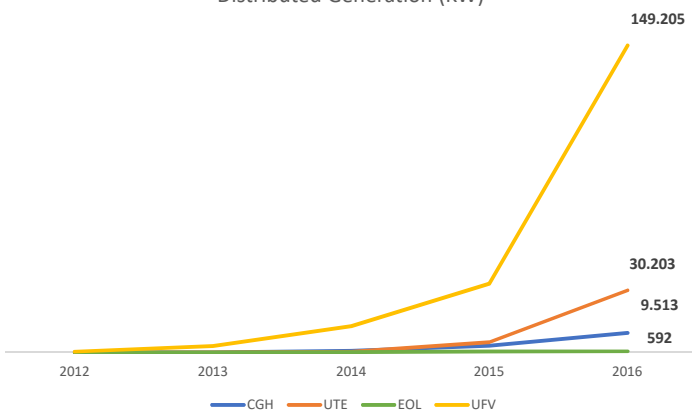
Installed Capacity (MW)



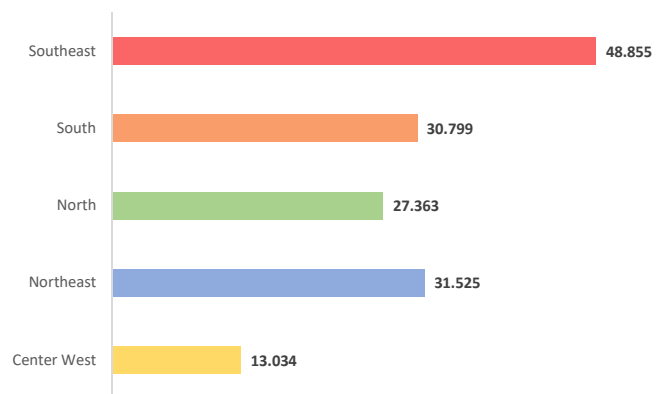
10 Biggest Electricity Producers - 2017 (MW)



Distributed Generation (KW)



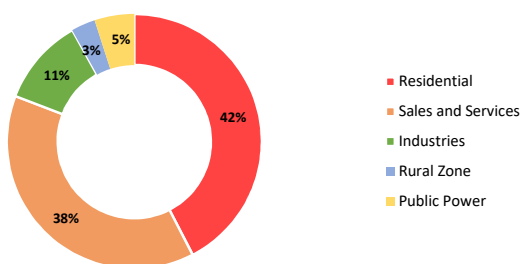
Installed Capacity per Region - 2017 (MW)



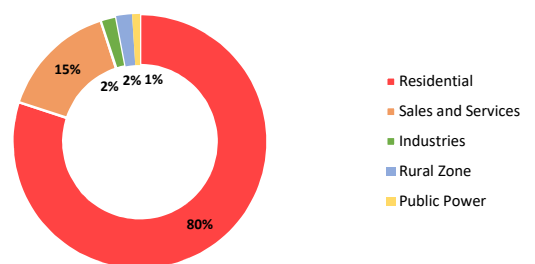
## Brazil hits new record in solar microgeneration

Brazil just hit a new record in distributed photovoltaic microgeneration, reaching 100MW of installed capacity. According to the Brazilian Association of Solar Photovoltaic Energy, the country has 12,520 photovoltaic systems connected to the grid, representing over BRL 850M in investment since 2012. Residential consumers represent 42% of installed capacity followed by sales and services companies (38%), industry (11%), public power (5%) and rural zone systems (3%). Regarding the number of installed systems, residential consumer supremacy is even greater, representing 80%, followed by sales and services companies (15%), industries (2%), rural zone (2%) and public power (1%).

Installed Capacity



Number of Installed Systems



Sources: ANEEL, Canal Energia.