



## M&A – Main Transactions (Mar-18)

### Eletrobras subsidiaries sell Intesa to reduce debt (Mar-18)

The board of Eletrobras approved the sale of the SPE Intesa by its subsidiaries Chesf and Eletronorte. The purpose of the transaction was to reduce the financial leverage of Eletrobras, thereby improving its debt indicator of net debt to EBITDA.

### Eneva acquires 100% of Uniper's shares in Pecem II for BRL 50M (Mar-18)

Brazilian Eneva announced the acquisition of the thermal plant Pecém II from Uniper Holding for BRL 50M. After the deal, Eneva will be the sole owner of the plant. Pecém II has 365MW of installed capacity and started operation in 2013.

### Gas Natural Fenosa acquires solar plants in MG from Canadian Solar (Mar-18)

Gas Natural Fenosa, through its subsidiary Global Power Generation, acquired two solar plants from Canadian Solar in Brazil. GNF will invest EUR 95M to develop 83MWp of Guimaranã I and Guimaranã II in the Brazilian state of Minas Gerais (MG). The COD is due in the last quarter of 2018 and the PPA price was EUR 97.5/MWh.

### Light sells its subsidiary Light Esco to Ecogen for BRL 43M (Mar-18)

Ecogen, a subsidiary of Japanese Mitsui, acquired the energy efficiency arm of the Brazilian distributor Light for BRL 43M. The transaction still needs the approval of the Administrative Council of Economic Defense (Cade).

### EDP acquires 14.5% of Celesc (Mar-18)

Portuguese EDP concluded the acquisition of 14.5% of Celesc, previously owned by Previ, the pension fund of Banco do Brasil. The transaction was valued at BRL 244M, but can reach BRL 450M through a Voluntary Public Offering. Last April in partnership with Celesc, EDP won 485 km of lines in the transmission auction promoted by the government.

### Cade approves acquisition of wind plant by JV between Votorantim and CPPIB (Mar-17)

Cade approved, with no restrictions, the acquisition of Grupo Mário Araripe's wind farm Ventos de Santo Estevão by a joint venture formed between Votorantim Energia and Canada Pension Plan Investment Board (CPPIB).

## Indices

### Energy Price Indices

	Center-West	Southeast	South	Northeast	North
February PLD* (USD/MWh)	57	57	57	54	13
March PLD* (USD/MWh)	66	66	66	66	12
Hydro Reservoir Level - March/18**	42%	42%	69%	36%	66%

### Economic Indices

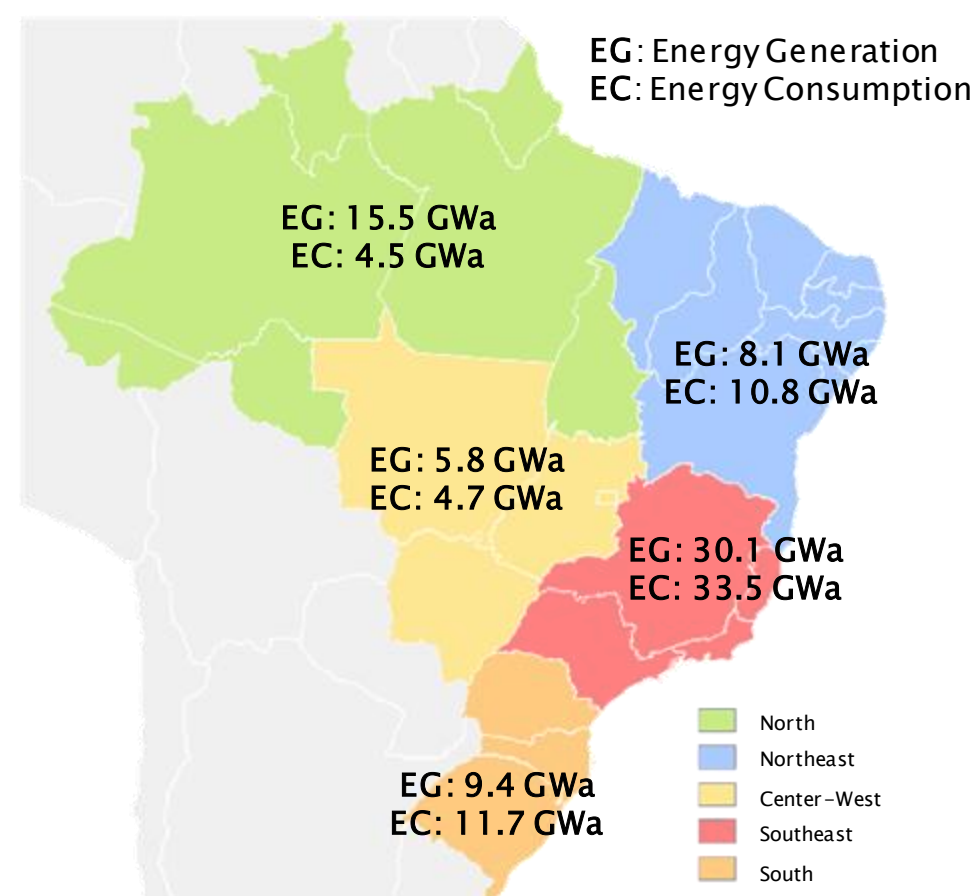
Brazilian Treasury Bonds - NTN2045***	5.17% + IPCA per annum
Brazilian CPI - IPCA - YTD	0.61%
Brazilian CPI - IPCA - 12M	2.84%
Average FX Rate 2017 YTD (R\$/USD)	3.32

\* 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 NTN2045: indexed to IPCA (Brazilian CPI - Central Bank inflation guidance)

### Energy Generation and Consumption

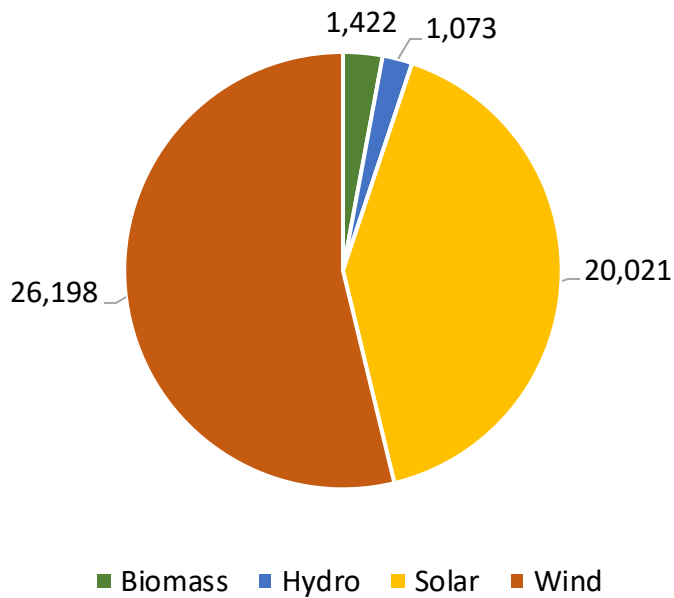


Sources: ANEEL, ONS, EPE, CCEE, Valor, Canal Energia, IstoÉ, Reuters.

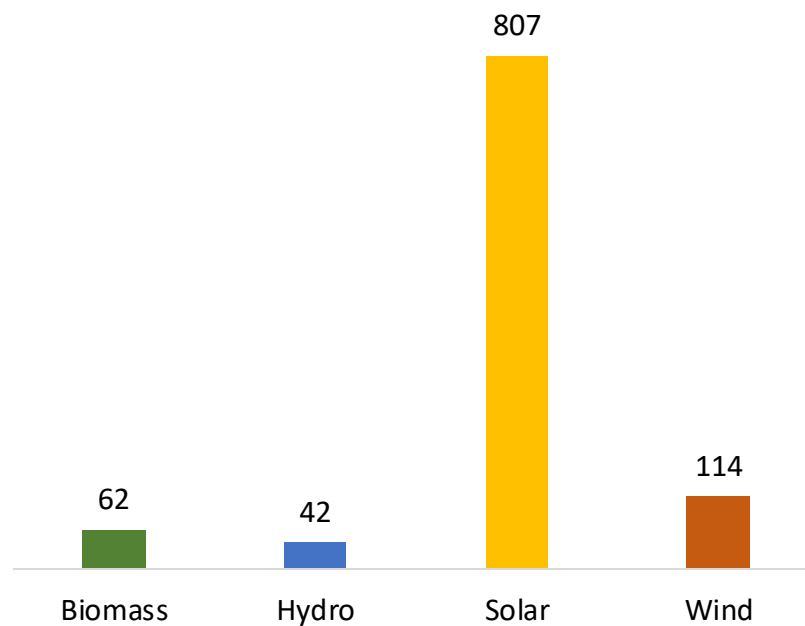


## Outlook: Brazilian New Energy Auction Results

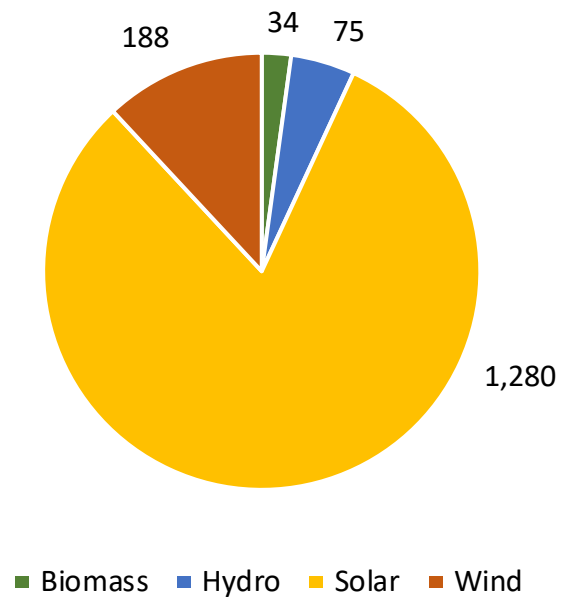
### MW Registered Pre Bid Bond



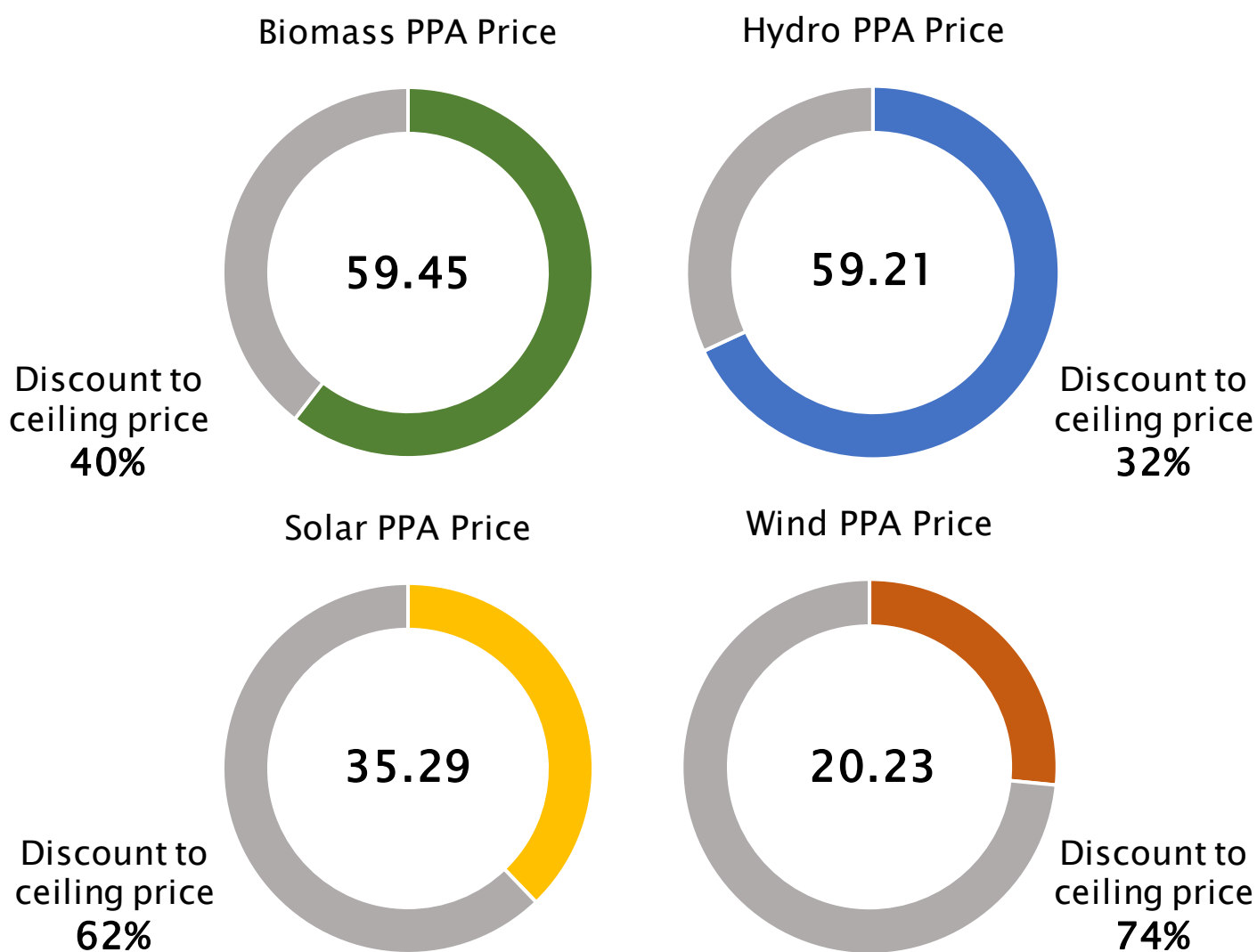
### MW Sold



### Investments (USD M)



### Average PPA Price (All prices are in USD/MWh)



### Location



Source: CCEE.

## ITA Capital

ITA Capital is your partner on the ground in Brazil to help navigate the local cultural and political landscape and to assist on regulatory and tax issues for renewable energy infrastructure assets at all stages of development. Our team has developed a strong expertise with over 15 years of investment advisory in Brazil and abroad. Please feel free to contact us if you need a local partner or advisor in this unique and complex market.