



Company Presentation - 1Q15

May 28th, 2015

Agenda

01. Grupo Energisa
02. 1Q15 Highlights
03. Technical and Commercial Highlights
04. Financial Highlights

01

Grupo Energisa

Grupo Energisa

GRUPO ENERGISA COVERAGE AREA

13 power distribution
concessions across
Brazil

788
municipalities served

6.3 million
clients

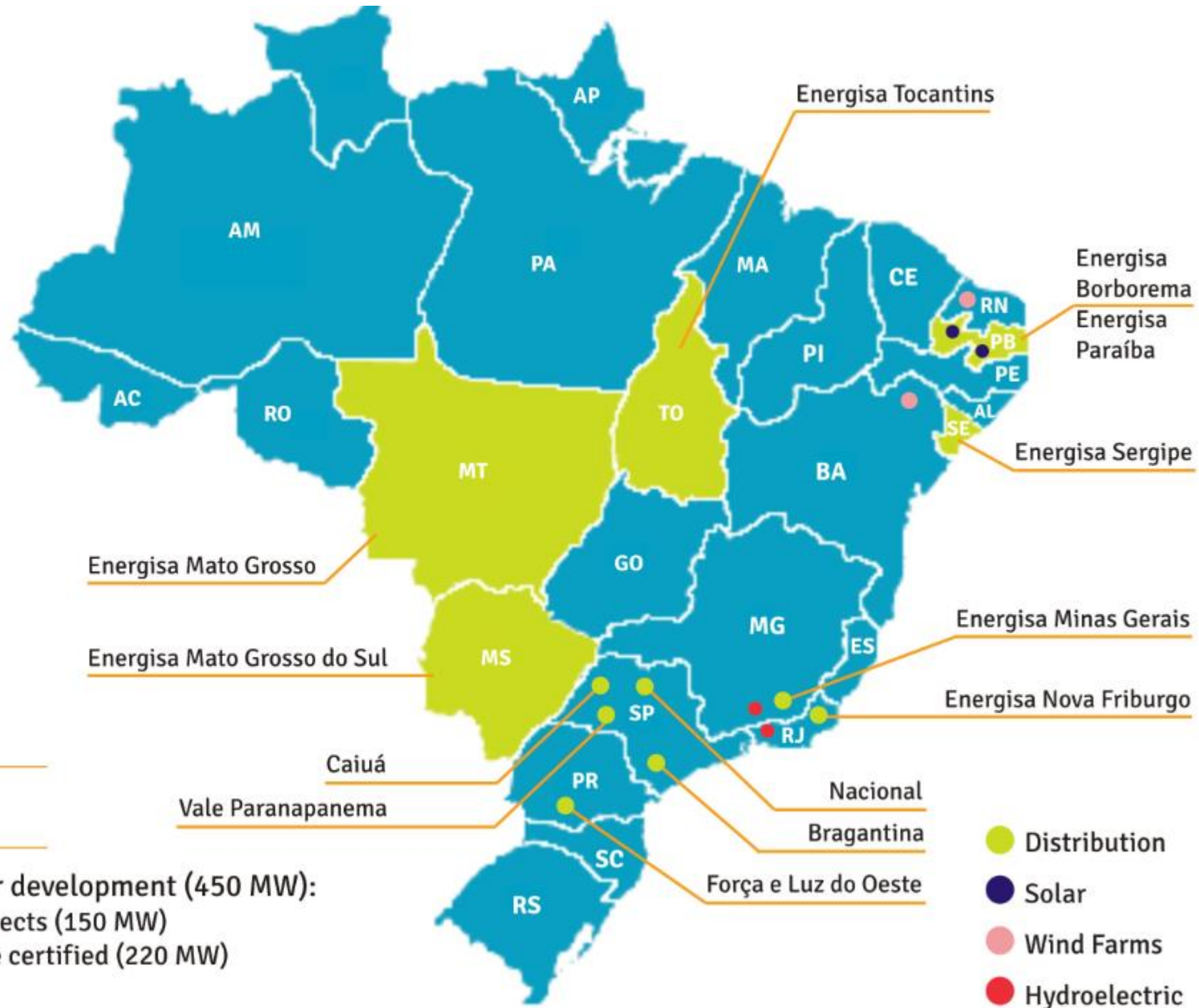
16.0 million
people served
(8.2% of Brazil population)

1,630,000 km²
Total area covered

6 Services companies

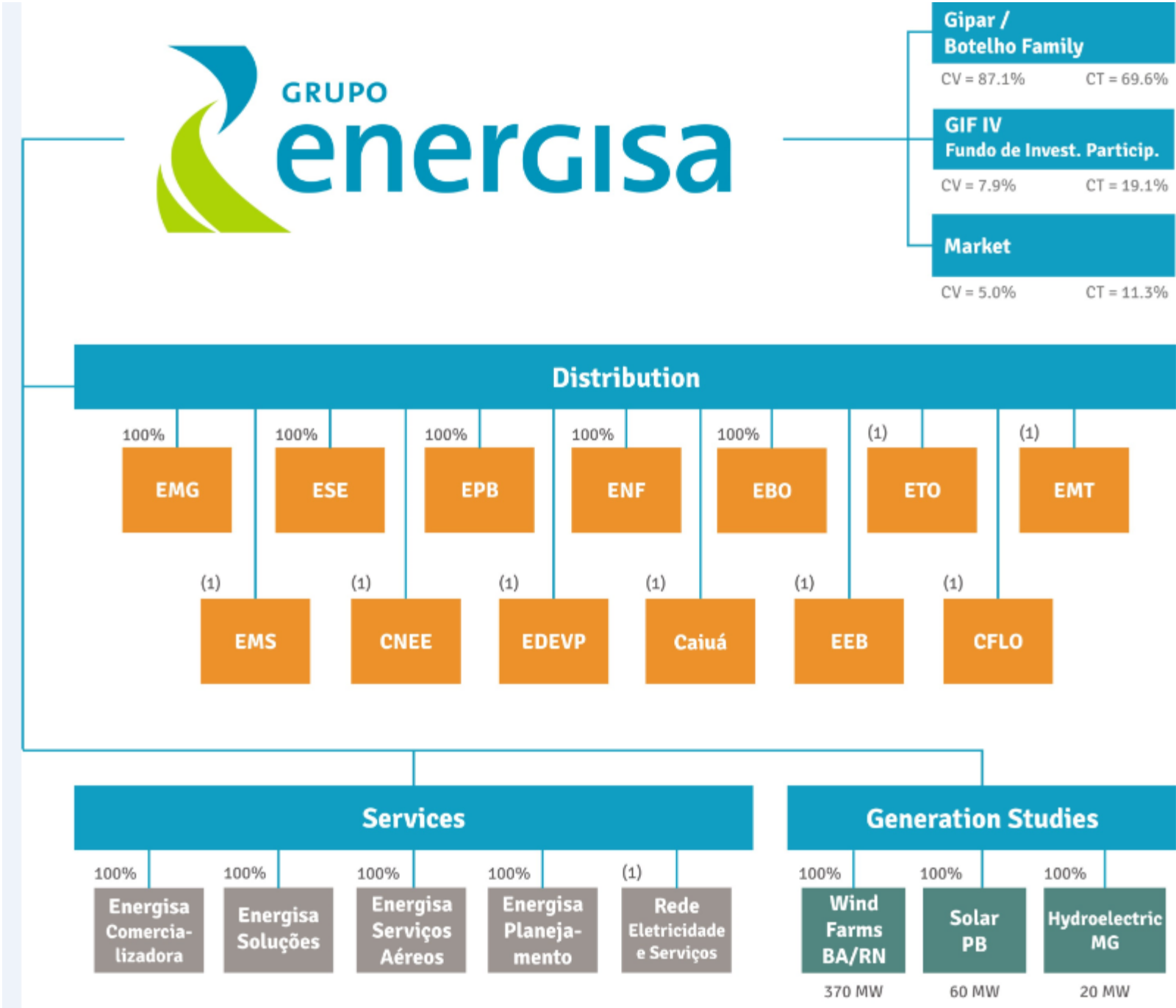
11 Generation projects under development (450 MW):

- * 5 certified wind power projects (150 MW)
- * 3 wind power projects to be certified (220 MW)
- * 2 solar projects (60 MW)
- * 1 hydro project (20 MW)



Grupo Energisa - Shareholding Structure

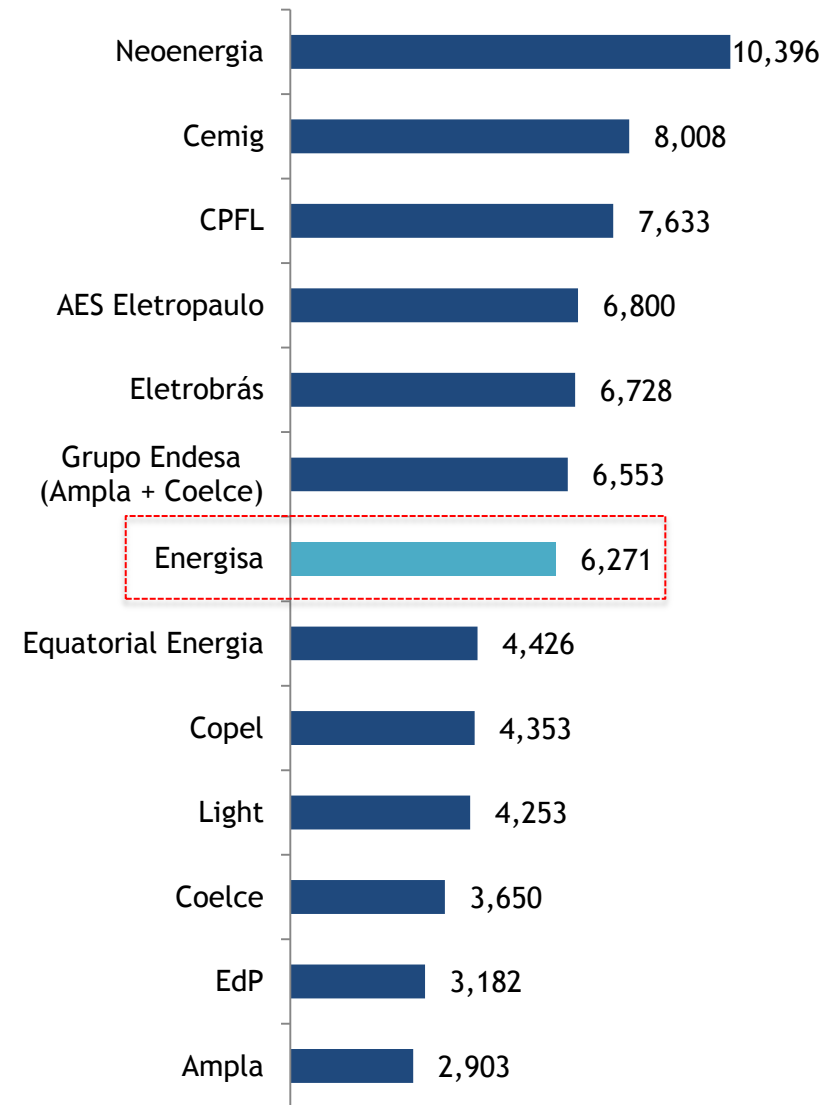
Energisa is controlled by Gipar S/A.



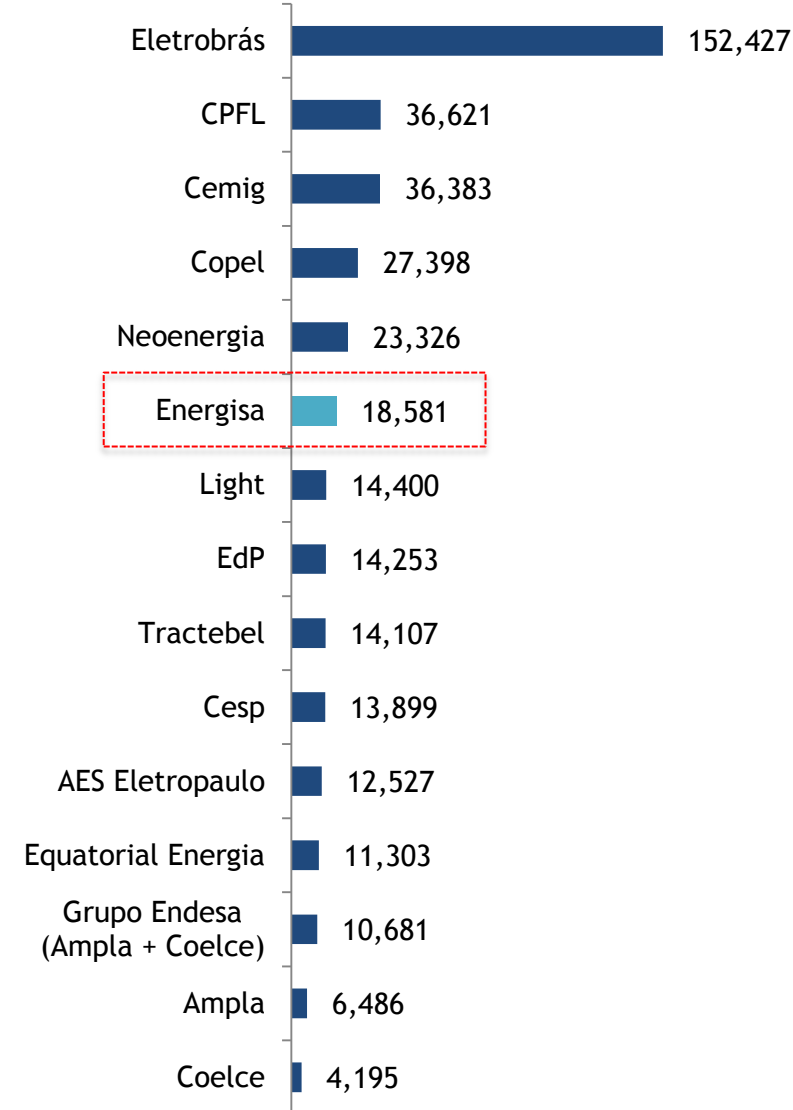
CV = Voting Capital | CT = Total Capital
 (1) Subsidiaries of Rede Energia S/A, which holds: 71.4% of Energisa Tocantins (ETO); 57.7% of Energisa Mato Grosso; 99.9% of Energisa Mato Grosso do Sul (SEM); 98.7% of CNEE; 100% of Caiuá; 91.5% of EEB; 97.7% of CFLO and 99.9% of Rede Eletricidade e Serviços S/A.

Power Utility Ranking in Brazil

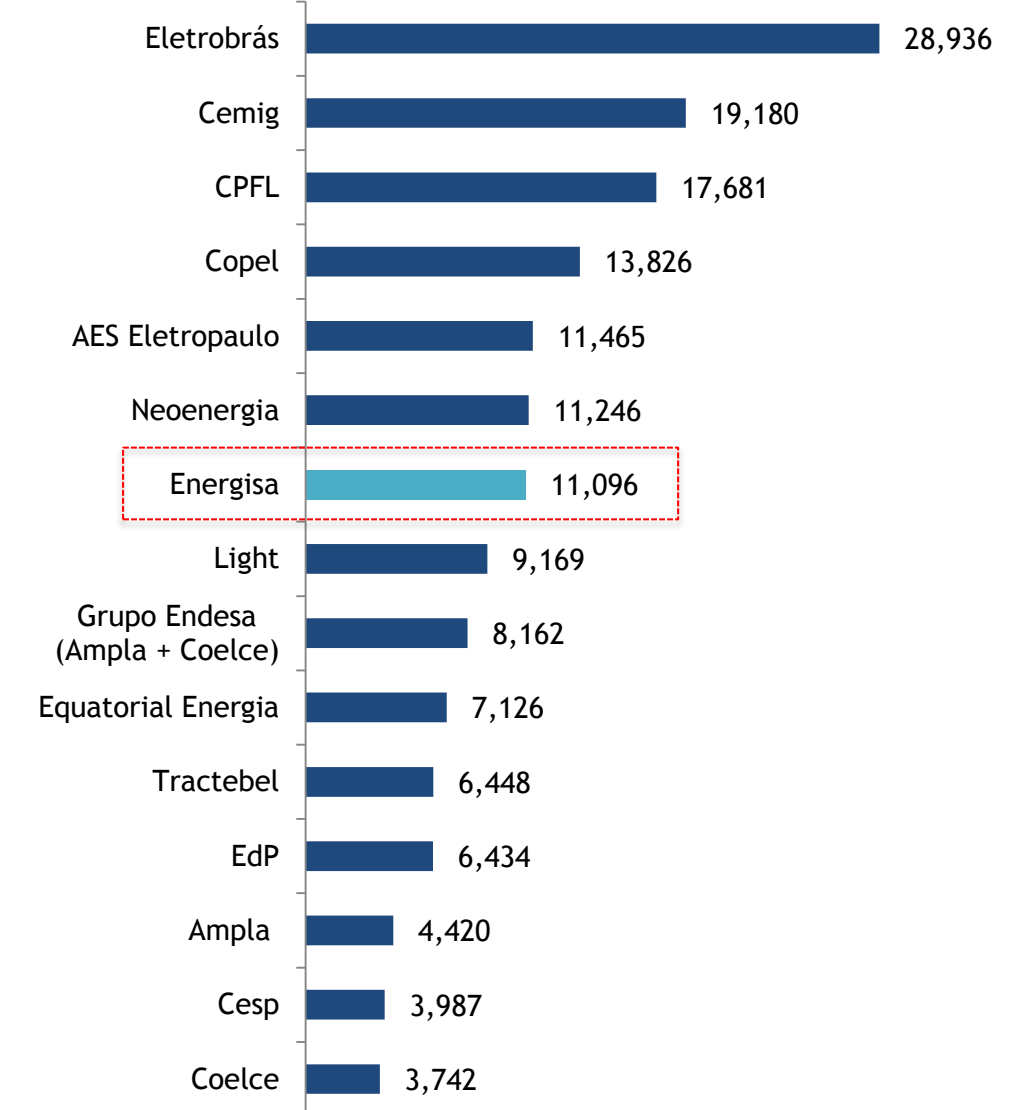
Number of Clients (million)



Total Assets (R\$ million)



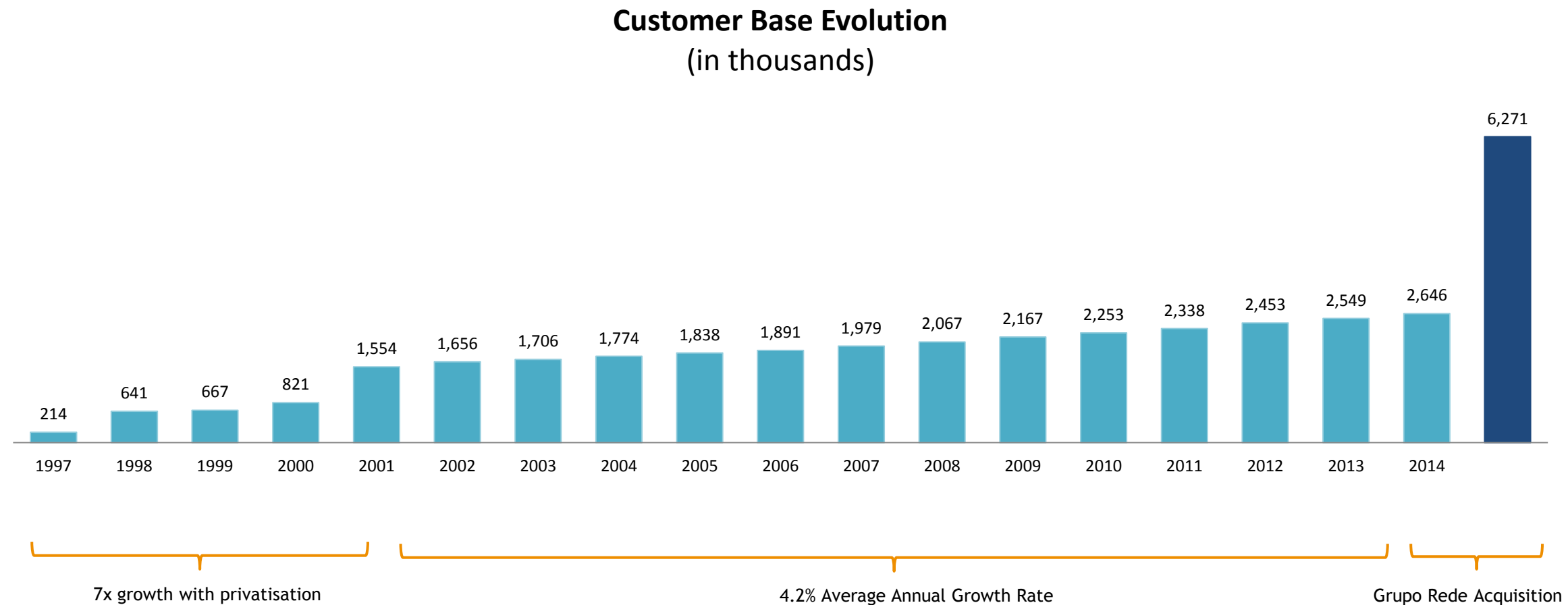
Net Revenues (R\$ million)



Source: Company filings, 2014 data.

Growth Prospects

- ✓ Operations expansion and acquisitions expertise.
- ✓ 1996 to 2001: customer base increased seven times with the acquisition of four distribution companies.
- ✓ In April 2014, as a result of Grupo Rede's acquisition, the Company's customer base more than doubled, reaching approximately 6.3 million consumers.



02

1Q15 Highlights

Sale of Generation Assets

- ✓ On May 19th, 2015, Grupo Energisa reached another milestone with the sale of HPP Tangara to Brookfield.
- ✓ The transaction is expected to reach R\$ 2.7 billion of which R\$ 1.7 billion to be paid in cash (R\$ 1.5 billion already paid), that reflects a multiple over 10x EBITDA (last twelve months).
- ✓ In the second half of 2015, the Company expects to receive the final price adjustments related to the post-closing balance sheet to be prepared specifically for this transaction

03

Technical and Commercial Highlights

Expertise in Reducing Energy Losses (1/2)

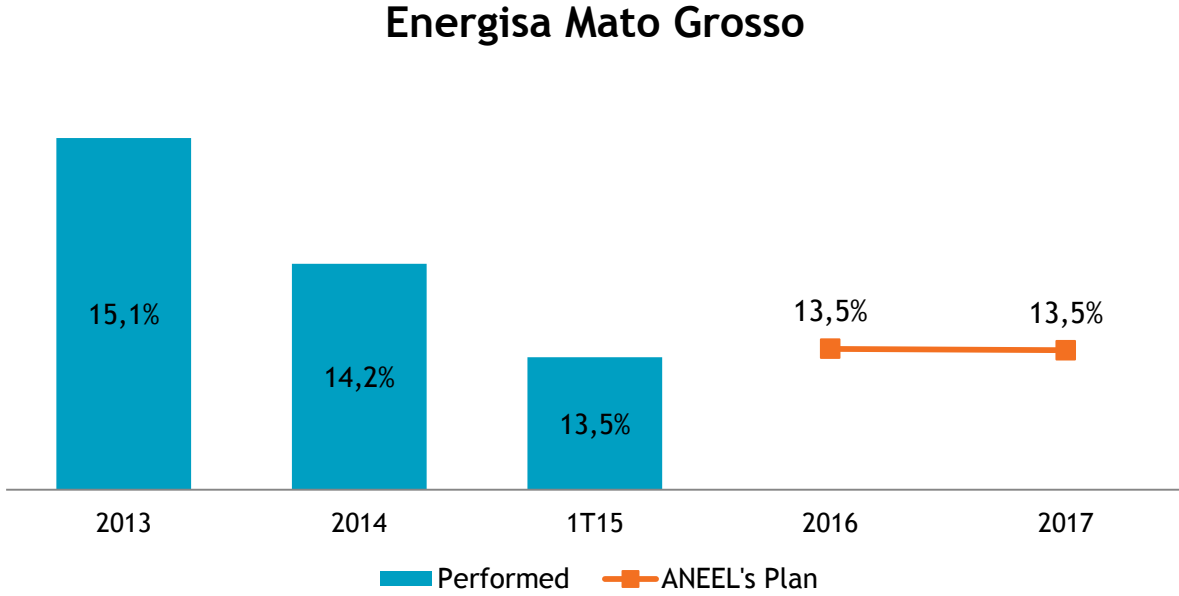
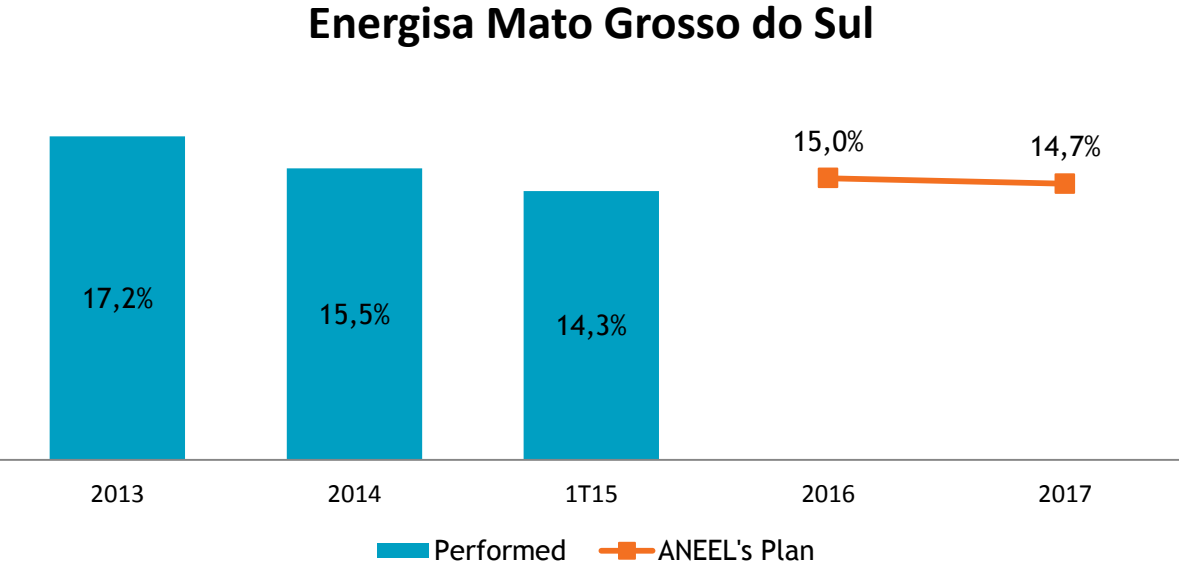
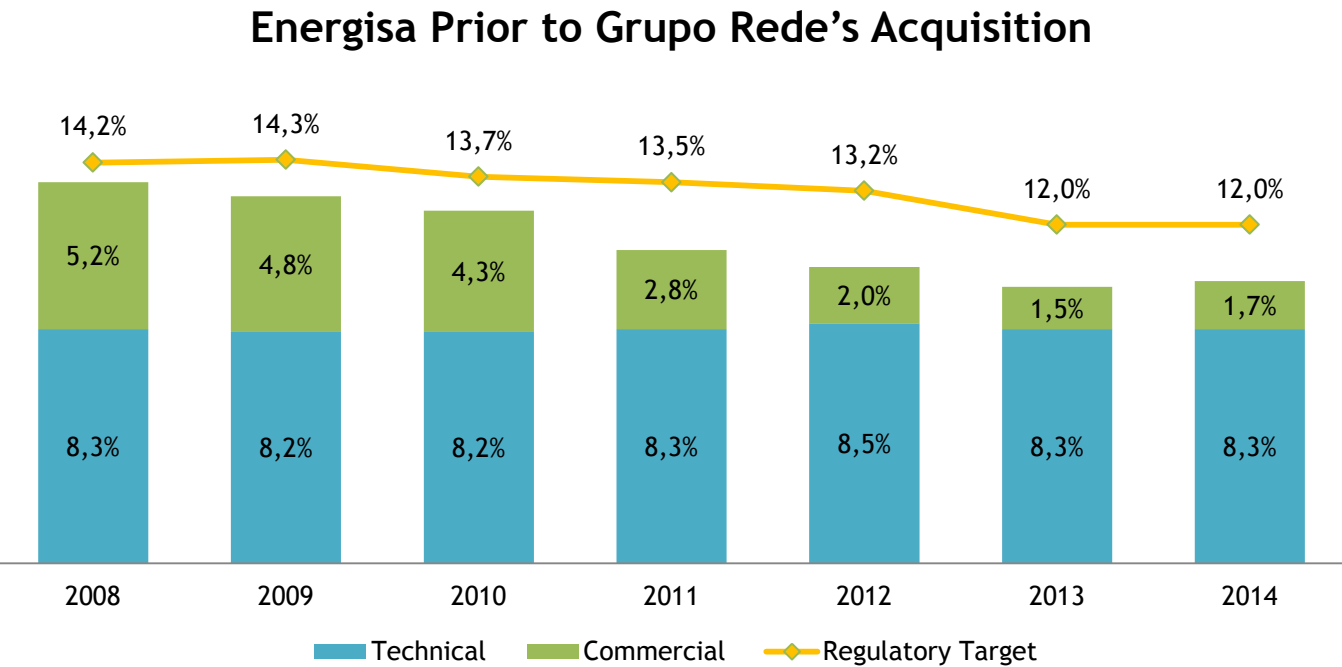
Twelve months after Grupo Rede's acquisition, management actions to prevent energy theft and fraud in electricity consumption and the resulting reduction in energy loss are notorious. The Company expects that the positive effects will be even more emphasized in the next coming years, as described in ANEEL's Plan.

Distribution Companies	Energy Losses (%)					Energy Losses Regulatory Targets		
	2013	2014	1Q14	1Q15	Variation 1Q14-1Q15	2015	2016	2017
Energisa Mato Grosso do Sul	17.21	14.01	16.50	14.30	-2.20	15.36	15.05	14.74
Energisa Mato Grosso	15.60	12.93	14.84	13.47	-1.37	13.50	13.50	13.50
Energisa Tocantins	14.70	14.01	15.07	14.24	-0.83	13.89	13.89	13.89
Nacional	8.20	8.77	8.45	8.11	-0.34	6.85	6.85	6.85
Energisa Nova Friburgo	5.17	5.00	5.17	4.88	-0.29	5.89	5.89	5.89
Caiuá	7.95	8.09	8.10	7.84	-0.26	7.34	7.34	7.34
Vale Paranapanema	7.42	7.65	7.32	7.21	-0.11	7.35	7.35	7.35
Energisa Sergipe	9.04	9.14	9.08	8.97	-0.11	10.39	10.39	10.39
Força e Luz do Oeste	3.42	3.93	3.94	3.85	-0.09	3.11	3.11	3.11
Bragantina	4.98	5.03	5.11	5.07	-0.04	4.91	4.91	4.91
Energisa Borborema	6.00	5.90	5.92	5.90	-0.02	7.82	7.82	7.82
Energisa Minas Gerais	8.27	9.13	8.66	9.17	0.51	8.95	8.95	8.95
Energisa Paraíba	11.78	12.08	11.56	12.35	0.79	13.57	13.57	13.57
Energisa Consolidated	12.36	11.24	12.26	11.59	-0.67			

For comparison purposes, the data considers the acquisition of Grupo Rede in 1Q14.

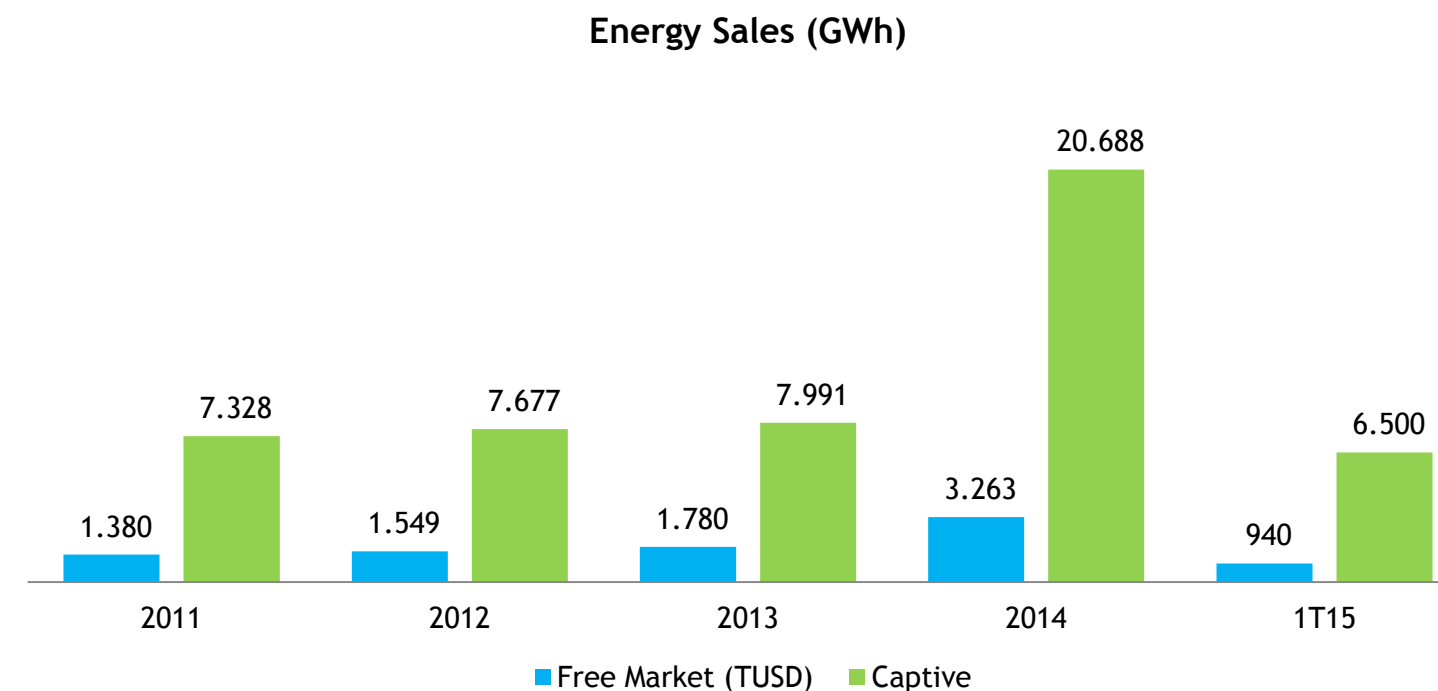
Expertise in Reducing Energy Losses (2/2)

For Grupo Rede’s distribution companies, the reduction in energy losses was even more significant. According to ANEEL’s Plan, the company expects that these ratios will be in line with Energisa quality standards prior to Grupo Rede’s acquisition.



Solid Customer Base (1Q15)

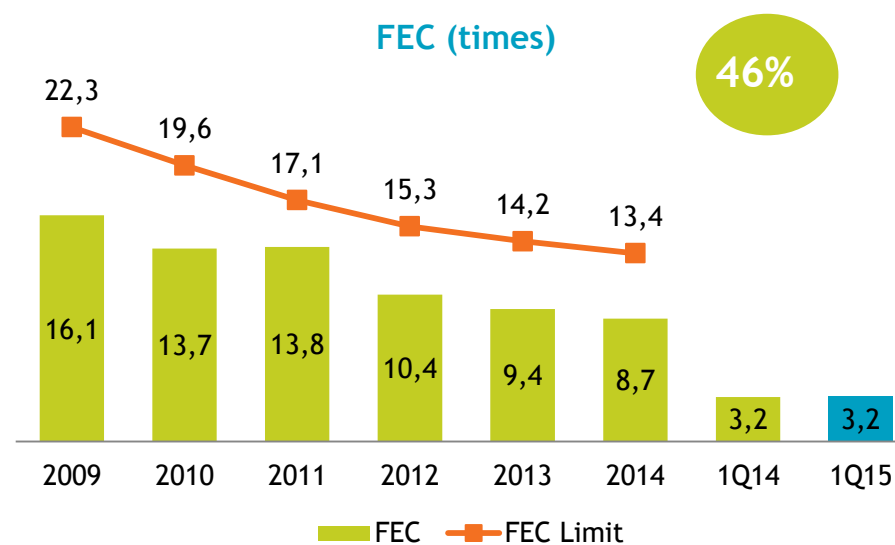
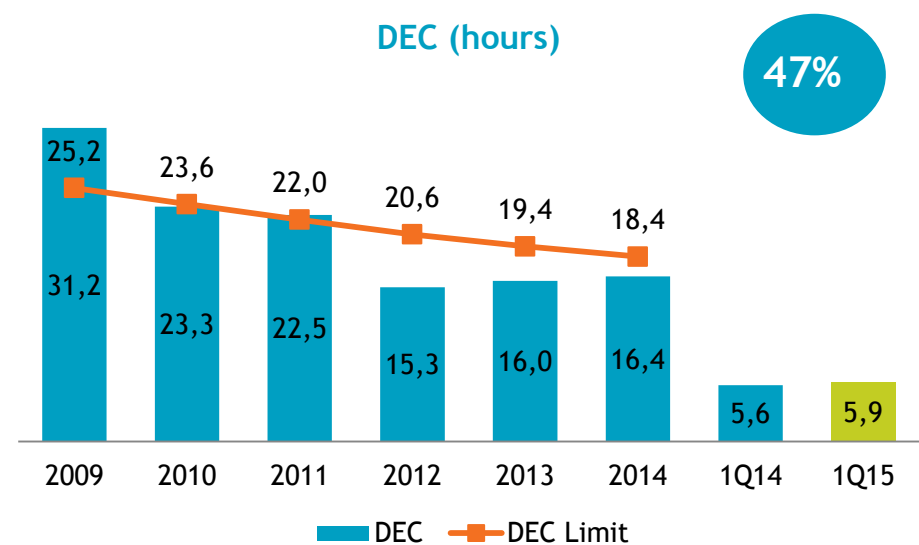
- ✓ Consolidated energy sales (captive + free market), reached 7,411 GWh in 1Q15, an 183% increase over the same period in 2014.
- ✓ 43.5% of total sales were made in the Center-West region by Energisa Mato Grosso and Energisa Mato Grosso do Sul, representing a 6.8% combined growth rate in electricity consumption.



- ✓ In the Northeast region, Energisa Paraíba, Energisa Sergipe and Energisa Borborema's sales reached 28.8% of the Group's total revenues. In the North region, Energisa Tocantins represented 6.3% of the total. The South and Southeast discos represented 21.4% of the total.

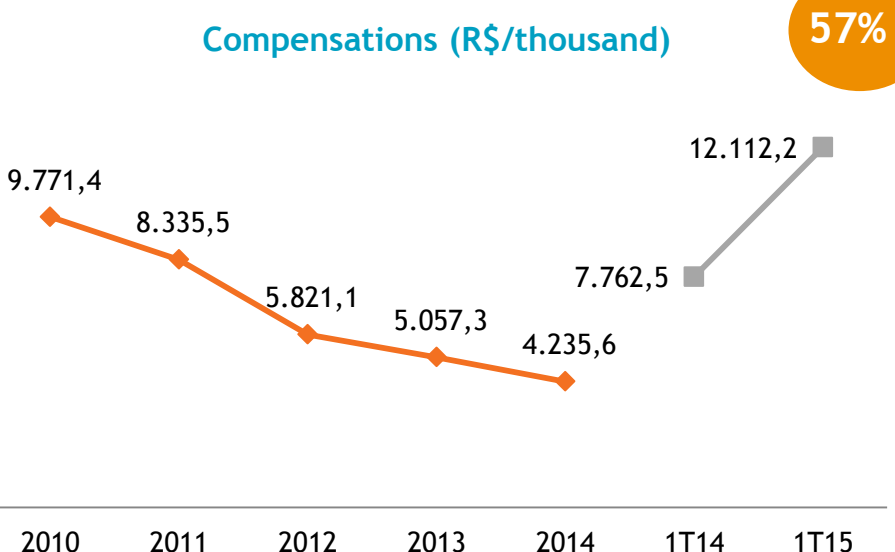
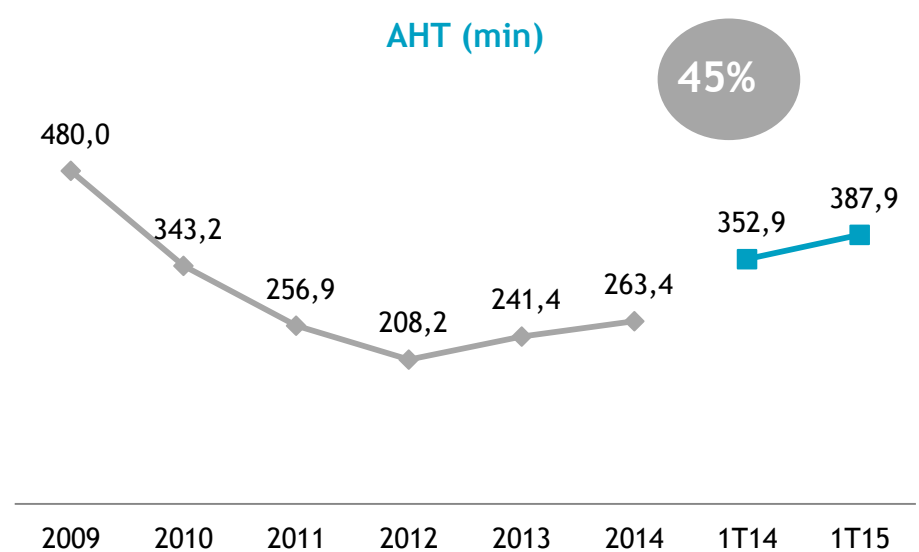
Service Quality - DEC and FEC

Historically, Grupo Energisa has shown high quality levels, above the established target, reached through innovation and good consumer relationship. The numbers below reference the Energisa Group before Grupo Rede's acquisition.



Turning around distressed companies into profitable businesses.

Poorly managed state-owned companies turned into efficient and financially sound companies.



04

Financial Highlights

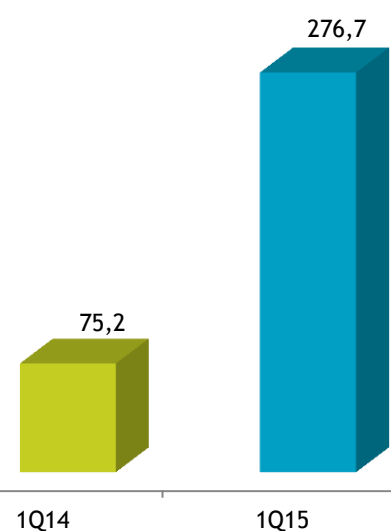
Solid Financial Base

- Consolidated Net Income: R\$ 2,556.1 million, a 273.4% increase compared to 1Q14.

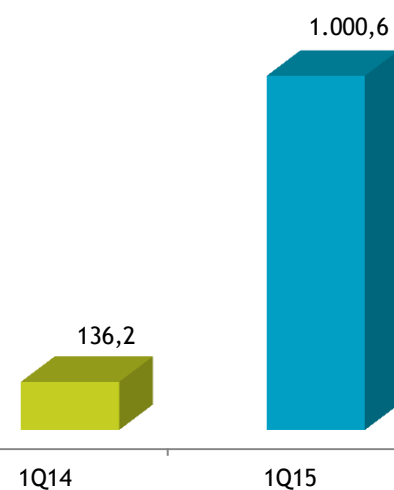
- Net Debt: R\$ 6,021 million
- Annualized Adjusted Recurring EBITDA : R\$ 2,032 million, including late payments
- Net Debt/Adjusted EBITDA: **2,96x**

- Average debt maturity: 6.2 years
- Average cost of debt: 13.1% p.a.
- Cash and equivalents (1Q15): R\$ 2,645.2 millions

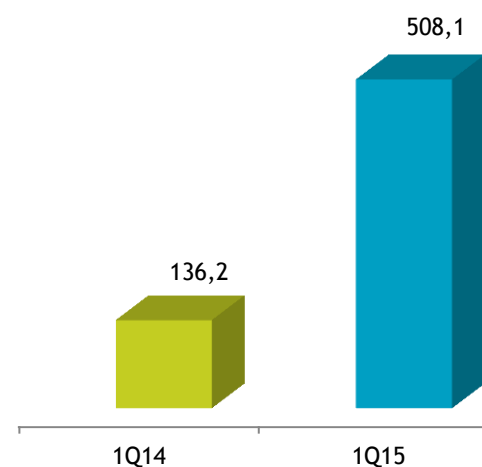
Consolidated Net Income



Consolidated Adjusted EBTIDA



Consolidated Adjusted Recurring EBITDA*



* Does not consider the sale of generation assets.

✓ The consolidated EBITDA, increased from R\$ 194 million in 1Q14 to R\$ 502 million in 1Q15, representing a R\$ 308 million increase (or 159%).

✓ Net debt, after the conclusion of generation assets sale, will be reduced by R\$ 620 million.

Investments

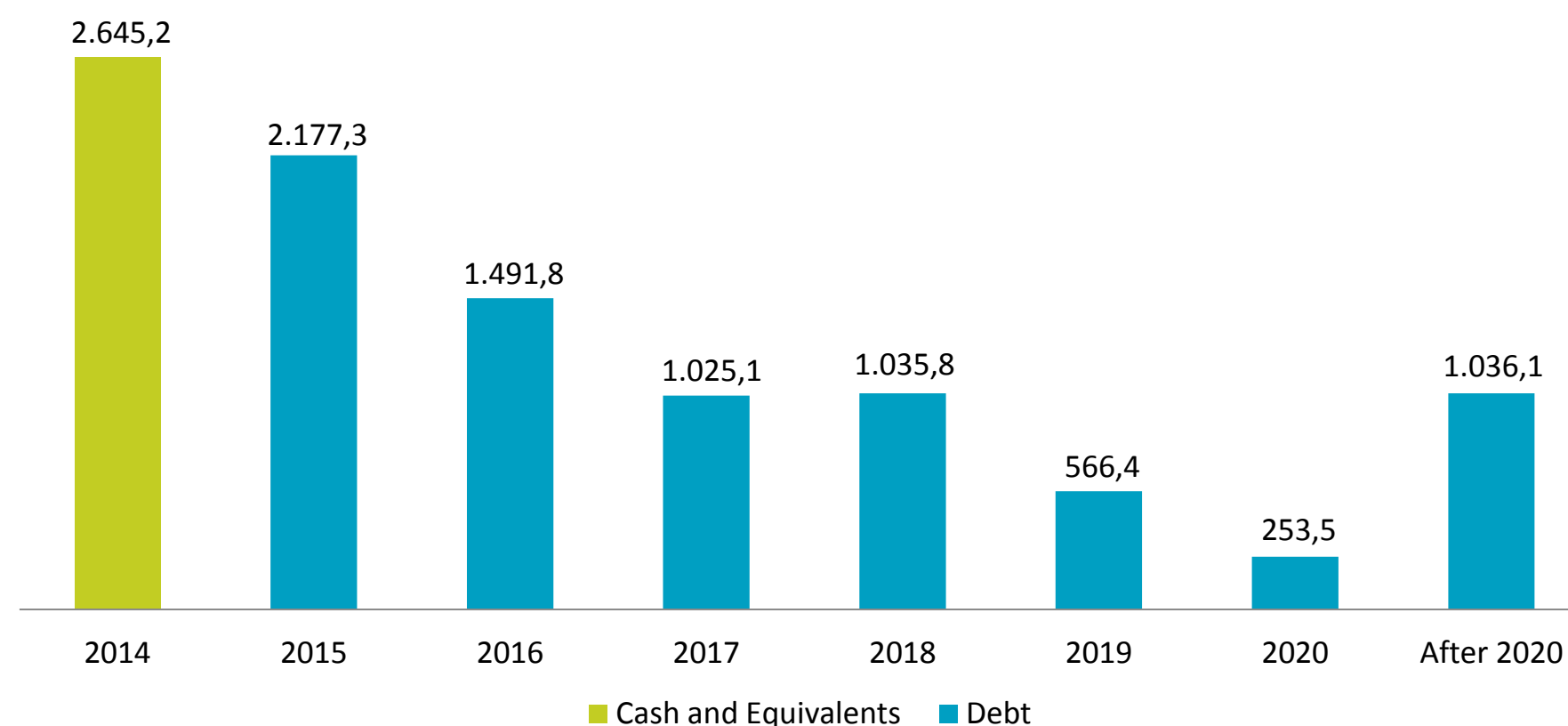
In 2015 first quarter, Grupo Energisa invested R\$ 323.4 million, of which 55.1% (or R\$ 178.2 million) were made by Grupo Rede's distribution companies. The total invested represents a 162.1% increase when compared to the same period in 2014.

Investments (R\$ million)		
Companies	2014	1Q15
Energisa Mato Grosso do Sul	219.70	37.60
Energisa Mato Grosso	304.20	80.30
Energisa Tocantins	95.60	44.10
Nacional	16.90	3.40
Energisa Nova Friburgo	8.30	1.50
Caiuá	29.70	4.00
Vale Paranapanema	16.40	2.40
Energisa Sergipe	90.00	14.20
Força e Luz do Oeste	4.70	0.90
Bragantina	19.90	4.20
Energisa Borborema	20.50	4.90
Energisa Minas Gerais	49.50	10.50
Energisa Paraíba	154.50	35.40
Energisa Soluções e Construções	10.60	9.90
Thermo Power Plant Sugar Cane Biomass(*)	202.30	68.50
Others	30.60	1.60
Total	1,273.40	323.40

(*) Assets divested on March 31st, 2015.

Conservative Debt Profile

As of March 31st, 2015, Grupo Energisa's debt (includes loans, debt charges and debentures) payment schedule and its available cash and equivalents can be described below:



- ✓ Net debt, after the conclusion of the generation assets sale, will be reduced by R\$ 620 million, creating a cash cushion to pay down 2016 debt.

Regulatory Highlights (1/2)

- ✓ On June 3rd, 2015, the Brazilian Government enacted the 8.461/2015 Decree renewing the power utility distribution concessions of Energisa Minas Gerais, Energisa Friburgo, Caiuá, CFLO, CNEE, EDEVP and Bragantina for another 30 years (maturity date in 2045). The renewal is subject to pre-determined service conditions: service quality, financial management, technical and economic efficiency and reasonable tariffs.

Distribution Company	Concession Contract	Concession Start Date	Concession Maturity Date
Energisa Minas Gerais	40/1999-ANEEL	06/18/1999	07/07/2045
Energisa Nova Friburgo	42/1999-ANEEL	06/18/1999	07/07/2045
Caiuá	013/1999-ANEEL	02/03/1999	07/07/2045
Companhia Força e Luz do Oeste - CFLO	22/1999-ANEEL	02/03/1999	07/07/2045
Companhia Nacional de Energia Elétrica - CNEE	16/1999-ANEEL	02/03/1999	07/07/2045
Vale Paranapanema	14/1999-ANEEL	02/03/1999	07/07/2045
Bragantina	12/1999-ANEEL	02/03/1999	07/07/2045
Energisa Tocantins	52/1999-ANEEL	06/28/1999	01/30/2020
Energisa Mato Grosso do Sul	01/1997-ANEEL	12/04/1997	12/04/2027
Energisa Mato Grosso	03/1997-ANEEL	12/11/1997	12/11/2027
Energisa Sergipe	07/1997-ANEEL	12/23/1997	12/22/2027
Energisa Borborema	08/2000-ANEEL	02/04/2000	02/03/2030
Energisa Paraíba	019/2001-ANEEL	03/21/2001	03/20/2031

Regulatory Highlights (1/2)

- ✓ On March, 2015, due to the drought and activation of thermal plants to make up for the drop in hydro generation, the distributors requested an Extraordinary Tariff Review to compensate for the hike in energy spot prices.
- ✓ The significant impact from the increase in energy tariffs in 2015, as well as dates for the next Rate Case (Tariff Review), are shown in the table below:

Distribution Company	Next Tariff Review	Extraordinary Tariff Review 2015 Consumer Average Effect
Energisa Minas Gerais	06/18/2016	26,90%
Energisa Nova Friburgo	06/18/2016	26,00%
Caiuá	05/10/2016	32,40%
Companhia Força e Luz do Oeste - CFLO	06/29/2016	31,90%
Companhia Nacional de Energia Elétrica - CNEE	05/10/2016	35,20%
Vale Paranapanema	05/10/2016	29,40%
Bragantina	05/10/2016	38,50%
Energisa Tocantins	07/04/2016	4,50%
Energisa Mato Grosso do Sul	04/08/2018	27,90%
Energisa Mato Grosso	04/08/2018	26,80%
Energisa Sergipe	04/22/2018	8,00%
Energisa Borborema*	02/04/2017	0,60%
Energisa Paraíba	08/28/2017	3,80%

* Energisa Borborema's Extraordinary Tariff Review occurred after its Rate Case. As such, the impact of the rate hike is not comparable to peers as most of the increase was already reflected in the previous Tariff Review.

Grupo Energisa's Ratings

- ✓ Grupo Energisa's current ratings, issued by Standard & Poor's, Moody's Investors Service and Fitch Ratings are listed below.

Rating Agency	Company	National Classification/ Outlook	Global Classification/ Outlook	Last Report
Fitch Ratings	Energisa S/A	A+(bra) (stable)	BB (stable)	04/01/2015
	Energisa Paraíba	AA(bra) (stable)	BB+ (stable)	04/01/2015
	Energisa Sergipe	AA(bra) (stable)	BB+ (stable)	04/01/2015
	Energisa Minas Gerais	AA(bra) (stable)	BB+ (stable)	04/01/2015
Moody's	Energisa S/A	Aa3.br (stable)	Ba2 (stable)	05/01/2015
	Energisa Tocantins	Aa2.br (stable)	Ba1 (stable)	05/01/2015
	Energisa Mato Grosso	Aa3.br (stable)	Ba2 (stable)	05/01/2015
Standard & Poor's	Energisa S/A	brAA- (negative)	BB (negative)	12/01/2014
	Energisa Sergipe	brAA- (negative)	BB (negative)	12/01/2014
	Energisa Paraíba	brAA- (negative)	BB (negative)	12/01/2014
	FIDC III Energisa 2008	brAAA	-	03/01/2015
	FIDC IV Energisa Centro Oeste	brAAA	-	03/01/2015

THANK YOU.