

ENERGISA S.A.
 - Publicly Held Company -
 CNPJ/MF n° 00.864.214/0001-06
 NIRE n.º 33.3.0016654-8

**ENERGISA MATO GROSSO -
 DISTRIBUIDORA DE ENERGIA S.A.**
 - Publicly Held Company -
 CNPJ/MF n.º 03.467.321/0001-99
 NIRE n.º 51.300.001.179

MATERIAL FACT

Pursuant to article 157 (4) of Law 6404 issued December 15, 1976, as amended, ("Brazilian Corporation Law") and Brazilian Securities Commission ("CVM") Directive 358 issued January 03, 2002 and subsequent amendments ("ICVM 358/02") and further to the company notices published on December 8, 2017 and December 27, 2017, **ENERGISA S.A.**, a publicly held company, corporate taxpayer registration number (CNPJ/MF) 00.864.214/0001-06 ("Company"), and **ENERGISA MATO GROSSO - DISTRIBUIDORA DE ENERGIA S.A.**, publicly held company, corporate taxpayer registration number (CNPJ/MF) 03.467.321/0001-99 ("EMT"), hereby announces:

1. AUCTION

On this date the auction was held for the voluntary public offering to acquire up to all of the common and preferred shares issued by EMT, as per the Offer notice published on December 8, 2017 and amended on December 27, 2017 ("Notice").

During the auction the Offering was accepted by the holders of **12,043,631** (twelve million forty-three thousand six hundred and thirty-one) common, registered, book-entered shares with no par value of EMT (ENMT3) and **39,458,673** (thirty-nine million four hundred and fifty-eight thousand six hundred and seventy-three) preferred registered, book-entered shares with no par value of EMT (ENMT4).

The tables below present the distribution of EMT's share capital before and after the Offering:

Energisa Mato Grosso - Distribution of the Share Capital - <u>Before the Offering</u>						
Shareholder	Number of shares					
	Common	%	Preferred	%	Total	%
REDE ENERGIA PARTICIPAÇÕES S/A	53,180,038	72.38	69,600,226	49.92	122,780,264	57.67
ENERGISA S/A	3,626,634	4.94	15,399,302	11.04	19,025,936	8.94
OTHER SHAREHOLDERS	16,671,439	22.69	54,433,007	39.04	71,104,446	33.40
Total company capital	73,478,111	100.00	139,432,535	100.00	212,910,646	100.00

Energisa Mato Grosso - Distribution of the Share Capital - <u>After the settlement on 1/19/2018</u>						
Shareholder	Number of shares					
	Common	%	Preferred	%	Total	%
REDE ENERGIA PARTICIPAÇÕES S/A	53,180,038	72.38	69,600,226	49.92	122,780,264	57.67
ENERGISA S/A	15,670,265	21.33	54,857,975	39.34	70,528,240	33.13
OTHER SHAREHOLDERS	4,627,808	6.30	14,974,334	10.74	19,602,142	9.21
Total company capital	73,478,111	100.00	139,432,535	100.00	212,910,646	100.00

The Offering auction will be settled on **January 19, 2018** and will result in the Company paying out **R\$ 442,919,814.40** (four hundred and forty-two million nine hundred nineteen thousand eight hundred and fourteen reais and forty cents), an amount which does not include the applicable charges, fees and commission and the possibility of a Subsequent Acquisition.

2. SUBSEQUENT ACQUISITIONS

As the Offering has been accepted by the holders of more than 2/3 (two thirds) of the EMT common and preferred shares free float, pursuant to item 2.11(iii) of the Notice the Company will acquire all of the common and preferred shares of the shareholders who accept the Offering.

Furthermore, as more than 2/3 (two thirds) of the common and preferred free float has been acquired, the holders of EMT's remaining free float are entitled to sell their shares to the Company on or before **April 16, 2018** for the per-share price of R\$ 8.60 (eight reais and sixty cents), restated by the variance in the rate of the special system for settlement and custody of the Brazilian Central Bank (SELIC rate), published by the Brazilian Central Bank, from the date of the auction's settlement until the date of effective payment, if necessary adjusted for payments or rights to dividends or interest on equity in accordance with the procedure set out in item 2.12 of the Notice.

Any shareholder who wishes to exercise the subsequent sale right may do so within the aforesaid period by submitting an application to Banco Itaú S.A., the EMT share registrar, or selling them directly in the B3 electronic trading system. The subsequent acquisition price shall be paid within a maximum of: (a) up to 15 (fifteen) days as from the application submitted by the holder of shares subject to the Offering directly to the Offeror via the registrar; or (b) in 3 (three) days if the sale is made directly in the electronic trading system of the B3 BOVESPA segment.

For further information please contact our investor relations department either by the email ri@energisa.com.br or the telephone numbers (32) 3429-6226, (32) 3429-6516 and (32) 3429-6327.

Cataguases, January 16, 2018.

Maurício Perez Botelho
Investor Relations Director