



4Q13 Earnings Release

March 28, 2014

4Q13 Highlights & Subsequent Events

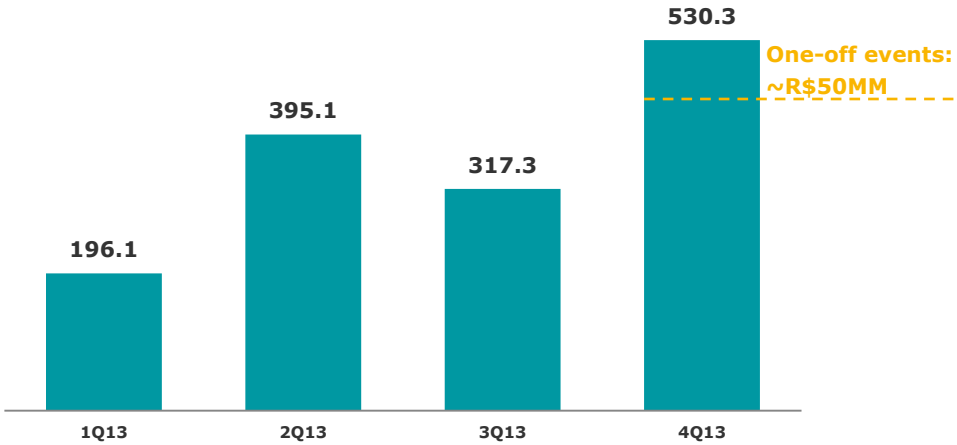
MAIN INDICATORS (R$MM)	4Q13	4Q12	2013	2012
Net Operating Revenue	530.3	20.1	1,438.8	48.8
Operating Costs	(472.3)	(27.1)	(1,507.0)	(50.9)
Operating Expenses	(38.4)	(67.0)	(167.3)	(231.0)
EBITDA	76.3	(71.9)	(88.9)	(224.4)
Net Income	(280.3)	(135.8)	(942.5)	(435.2)
Net Debt	5,932.9	5,389.6	5,932.9	5,389.6
Total Generation Energy Sales (GWh)	3,939	235	10,919	235

Highlights & Subsequent Events

- ~600MW of added capacity with the start-up of Pecém II, Parnaíba III and Parnaíba IV
- ~R$155MM recovered as a result from Aneel's revision of the methodology of energy cost reimbursement for start-up delays – "ICB Online"
- Successful HoldCo short-term debt refinance, rolling-over the existing debt and securing additional credit lines of up to ~R$600MM
- Pecém I and Itaqui hourly-basis unavailability charges halted by injunctions granted by a Federal Court
- Parnaíba Gás Natural capital increase of R$250MM concluded
- Injunction granted Pecém II the right to receive fixed revenues from Sep, 2013 to COD amounting to R$31MM

Net Operating Revenues Development 2013

Net Operating Revenues (R$MM)



- Increased Revenues in 4Q13 due to:
  - More stable operation of the coal plants
  - Start up of Pecém II
  - Approval of ICB Online reimbursement criteria for Itaqui and Pecém II
  - Injunction granting Pecém II the right to receive fixed revenues from Sep, 2013 to COD

Recurring Net Revenues of approx. R$480 million reflecting increased capacity and improved operational performance

Operating Costs & Expenses

Operating Costs[1] (R$ MM)

- 4Q13 operating costs inflated by:
  - Increased coal capacity with the start up of Pecém II (higher cost/MWh, as compared to gas-fired generation)
  - Non-recurring events
    - Accounting reclassifications of entries previously booked as Assets (R$16.4MM)
    - Accounting adjustments to amounts booked in 3Q13 (R$16.6MM)
    - Cost of energy that Parnaíba II acquired to meet free market PPA obligations (R$20.9MM)

Operating Costs (R$MM)	**1Q13**	**2Q13**	**3Q13**	**4Q13**
Operating Costs[1] (R$ '000)	295,352	392,359	259,153	416,767
Gross Energy Generated (GWh)	773	1,826	2,001	2,588
Operating Costs per Gross Energy Generated (R$/MWh)	382.1	214.9	129.5	161.0

Holding Operating Expenses[1, 2]

- Holding operating expenses reduced 9.6% (4Q13/4Q12), mainly attributable:
  - **Personnel:** Reduction in stock option-related expenses (-R$5.4MM); Lower provision for employee bonus (-R$17.2MM); Annual collective bargaining process (+R$0.4MM); and Dismissals (+R$2.8MM)
  - **Outsourced Services:** Decrease of shared services w/ EBX's services terminated (-R$7.5MM); and Tech and Legal consulting (-R$3.8MM)

Holding Expenses (R$MM)	**4Q12**	**1Q13**	**2Q13**	**3Q13**	**4Q13**	**2012**	**2013**
ENEVA[1,2]	34.5	17.5	20.2	23.9	31.2	**105.8**	**92.8**
ENEVA Participações[1] (50%)	5.0	6.0	6.9	6.1	5.8	**13.2**	**24.8**
Headcount[3]	**150**	**160**	**174**	**196**	**176**		

NOTES: 1) Does not include Depreciation & Amortization; 2) Does not include Stock Options; 3) Comprises personnel of ENEVA and ENEVA Par. holdings

EBITDA Development 2013

Consolidated EBITDA (R$MM)



- EBITDA of R$76.3MM, resulting mainly from:
  - Beginning of commercial operations at Pecém II on October 18, 2013;
  - Improved operational performance of the coal plants, resulting in lower unavailability charges;
  - Approval by ANEEL of the ICB Online reimbursement criteria for Itaqui and Pecém II;
  - Higher unavailability costs in Parnaíba I due to stoppages to allow Parnaíba III and IV power plants connection to the grid.

1st Quarter of positive EBITDA resulting from improved operational performance but also one time events

Operational Performance (Itaqui)

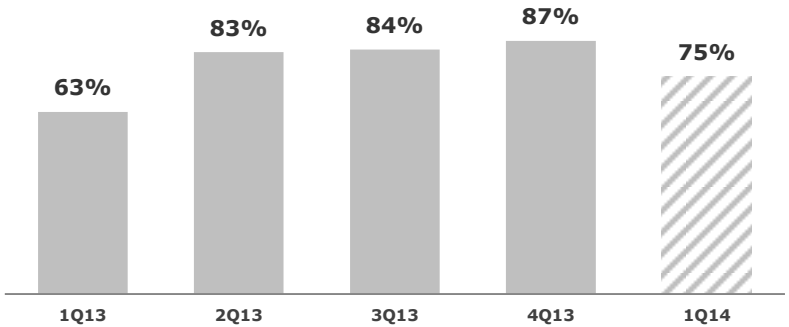
Positive EBITDA driven by increased availability but also one-time events. Variable costs covered by variable revenues

EBITDA (R$MM)

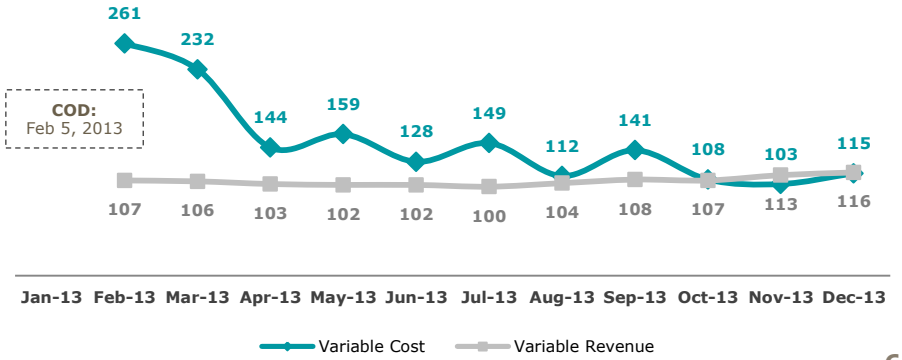


- 1st quarter of positive EBITDA since COD, due to increased availability and reduced operating costs
- EBITDA amounted R$24.2MM (EBITDA mg: 16.1%), mostly attributable to:
  - ICB Online reimbursement (R$17.2MM);
  - Lower unavailability costs despite higher spot prices, as a result of improved operational performance
  - Reduction in variable cost per MWh (-18.7% QoQ)

Availability



Variable Revenue X Variable Cost (R$/MWh)



Sources: ONS, Company estimates

Operational Performance (Pecém II)

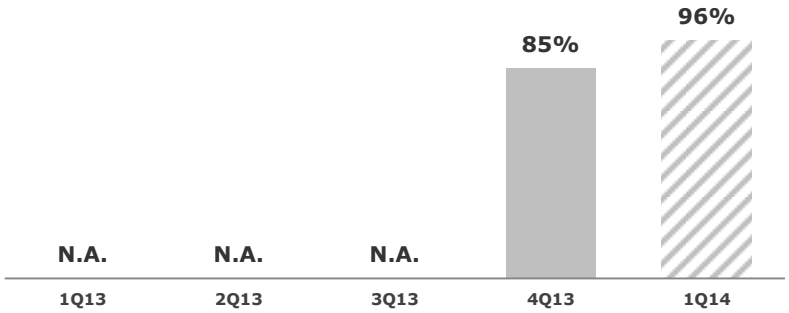
Availability in the first 3 months higher than international benchmark. Recurring positive margin on dispatch

EBITDA (R$MM)



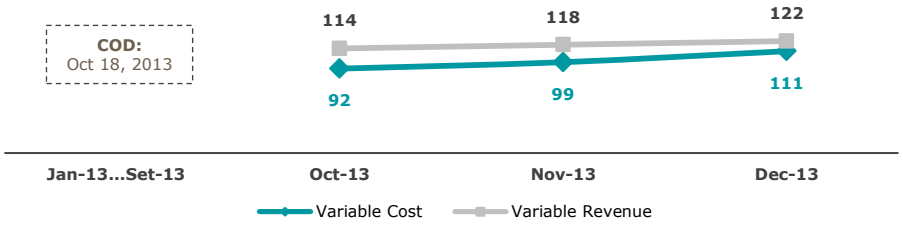
- Startup on October 18, 2013
- EBITDA amounted R$55.4MM (EBITDA mg: 37.8%) in the 4Q13, mostly attributable to:
  - Injunction granting Fixed Revenues from September until commercial startup (R$31MM);
  - Unavailability costs impacted by higher spot prices (R$22.3MM);
  - ICB Online reimbursement (R$6.1MM).

Availability



Sources: ONS, Company estimates

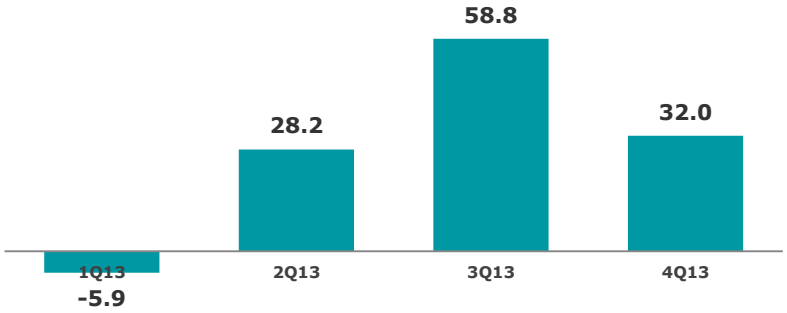
Variable Revenue X Variable Cost (R$/MWh)



Operational Performance (Parnaíba I)

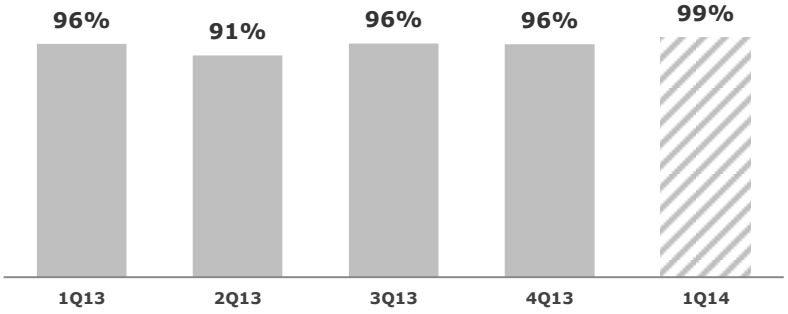
Unavailability costs impacted EBITDA, despite plant's full capacity and stable operations

EBITDA (R$MM)



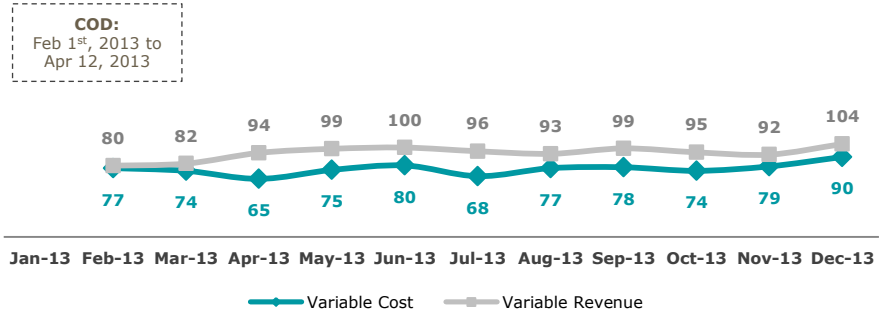
- EBITDA amounted R$32.0MM (EBITDA mg: 14.9%), mostly attributable to:
  - Higher unavailability costs (R$17.5MM), primarily due to stoppages to allow Parnaíba III and Parnaíba IV to be connected to the grid (R$6MM);
  - Variable cost control;
  - Stable operations.

Availability



Sources: ONS, Company estimates

Variable Revenue X Variable Cost (R$/MWh)



OBS: Dispatch margin captured by Parnaíba Gás Natural

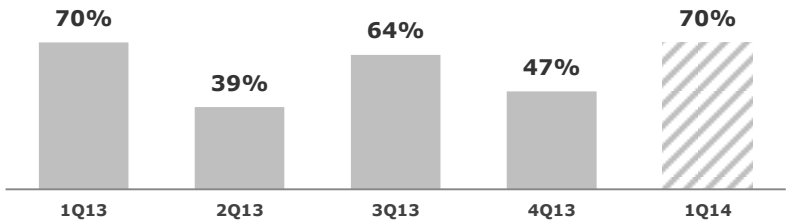
Operational Performance (Pecém I)

EBITDA benefited by one-time items, despite outage of Turbine #1 in December

EBITDA[1] (R$MM)



Availability

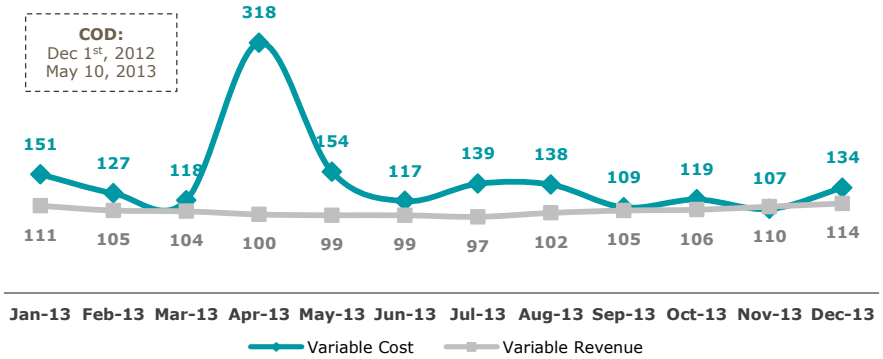


Sources: ONS, Company estimates

- In 4Q13 and Jan, 14, Turbine #1 was 2,327 hours unavailable primarily due to shaft maintenance and hydrogen seal replacement

- EBITDA amounted R$61.7MM (EBITDA mg: 18.5%), mostly attributable to:
  - Lower Variable Revenue due to outage of Turbine #1 throughout 4Q13;
  - Higher Unavailability Costs (R$83.9MM), despite accounting in December in accordance with 60-month rolling average unavailability (R$3.2MM);
  - ICB Online reimbursement (R$107.8MM);
  - Higher Fuel Costs (Coal: R$56.6MM; Diesel: R$12.3MM), inflated due to shutting down and restarting processes from stoppages
  - Lower variable cost (-7.0% QoQ)

Variable Revenue X Variable Cost (R$/MWh)

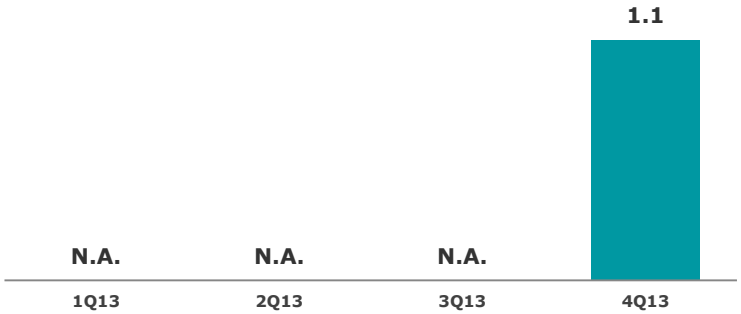


NOTE: 1) Figures consider 100% of Pecém I.

Operational Performance (Parnaíba III)

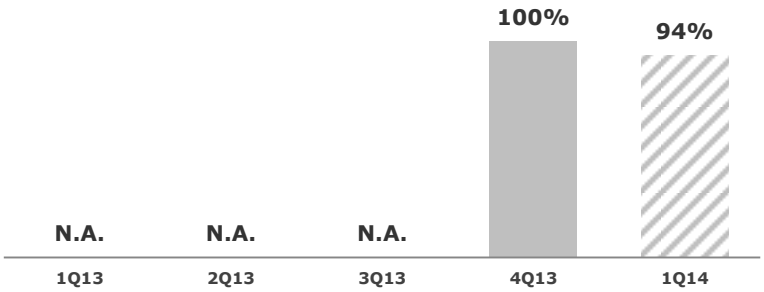
High availability since COD

EBITDA[1] (R$MM)



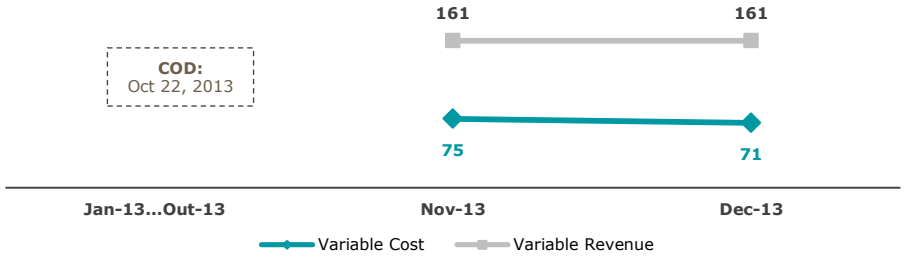
- Start of commercial operations on October 22, 2013
- EBITDA amounted R$1.1MM, impacted by R$37.9MM of net energy acquisition costs incurred to meet contractual obligations

Availability



Sources: ONS, Company estimates

Variable Revenue X Variable Cost (R$/MWh)

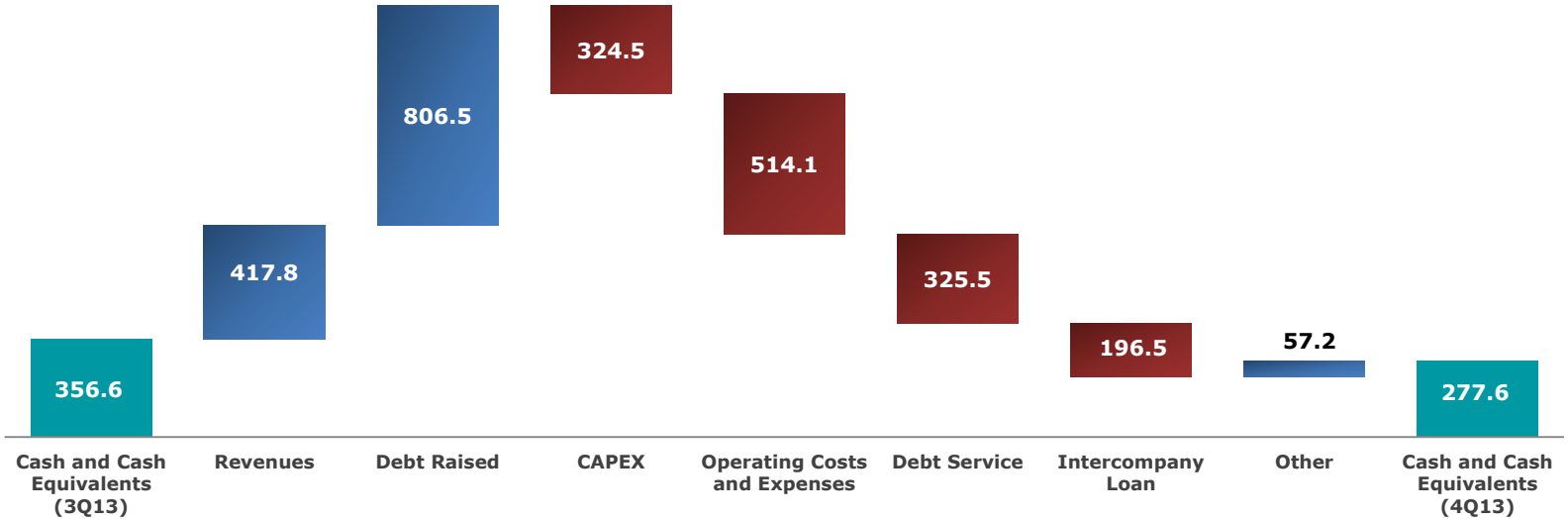


OBS: Dispatch margin captured by Parnaíba Gás Natural

NOTE: 1) Figures consider 100% of Parnaíba III

Consolidated Cash Position

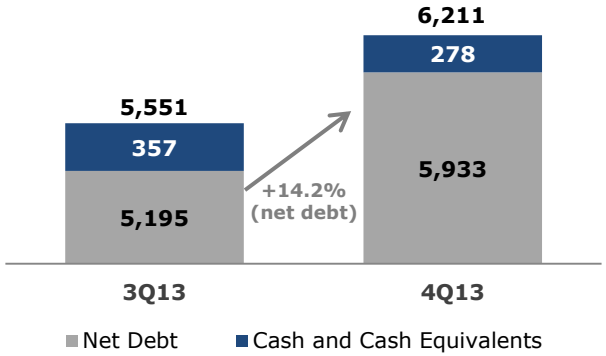
R$600 million of additional debt secured in 4Q13 to fulfill projects' CAPEX and working capital



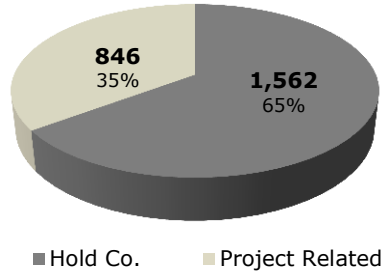
Refinancing of Holding Debt

Successful short-term debt refinance and additional credit lines secured

Consolidated Debt (R$MM)

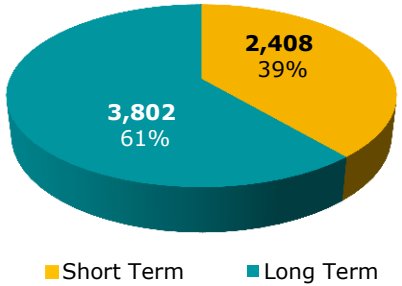


Consolidated Short-Term Debt (R$MM)



Gross Short-Term Debt
R$2,408MM

Consolidated Gross Debt Profile (R$MM)



Total Gross Debt
R$6,211MM

- R$845.9MM out of the total debt balance of short-term debt is allocated in the projects, as follows:
  - **R$280.4MM:** Current portion of the long-term debts of Itaqui, Pecém II and Parnaíba I;
  - **R$85.3MM:** Bridge loans to Parnaíba I, maturing in December, 2014 and April, 2015. The outstanding balance will be paid-off in installments, which started in October, 2013;
  - **R$480.3MM:** Bridge loans to Parnaíba II, which should be paid-off with the disbursement of the long-term financing packages.

Regulatory Update

Positive outcomes in 4Q13 and early 2014

ADOMP – Downtime/Unavailability Charges

- Pecém I and Itaqui filed in Jan, 2014 a lawsuit against Aneel questioning hourly-based unavailability charges;
- On Jan 24, 2014, a Federal Court granted an injunction halting unavailability charges as measured, establishing the methodology provided for in PPAs (60-month rolling average);
- The lawsuit also claims the reimbursement of amounts paid since PPAs' beginning;
- Request for revision for ADOMP methodology presented to Aneel last week

ICB Online – Pass-through criteria for power purchase in case of startup delay

- Aneel approved a revised reimbursement criteria for energy acquisition costs;
- New criteria establishes that reimbursement be based on the current ("online") cost of the plant to the system (ICB Online), in case it was operating commercially;
- The decision was retroactive to the PPA start dates.

Pecém II Fixed Revenue Reimbursement

- Pecém II filed a lawsuit claiming for fixed revenues of Jul, 2013 and Aug, 2013 (R$48MM). Decision pending;
- Already received R$31MM from Sept, 2013 up to plant's COD (Oct 18, 2013), as granted by an injunction

Next steps

Capital Structure

- HoldCo. debt refinancing concluded in Dec, 2013
- Management work to implement further short and long term measures to strengthen the Company capital structure

Parnaíba II

- On Mar 17, 2014, ENEVA filed a request for a postponement in the implementation schedule of Parnaíba II

Cost reduction

- 2nd phase of organizational restructuring underway
- Cost reduction at project level by applying Fleet Management concept to ENEVA's plants

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