

Quarterly Results

3Q16 –November 16th 2016

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Agenda

Introduction

Message from the CEO

3Q16 Highlights

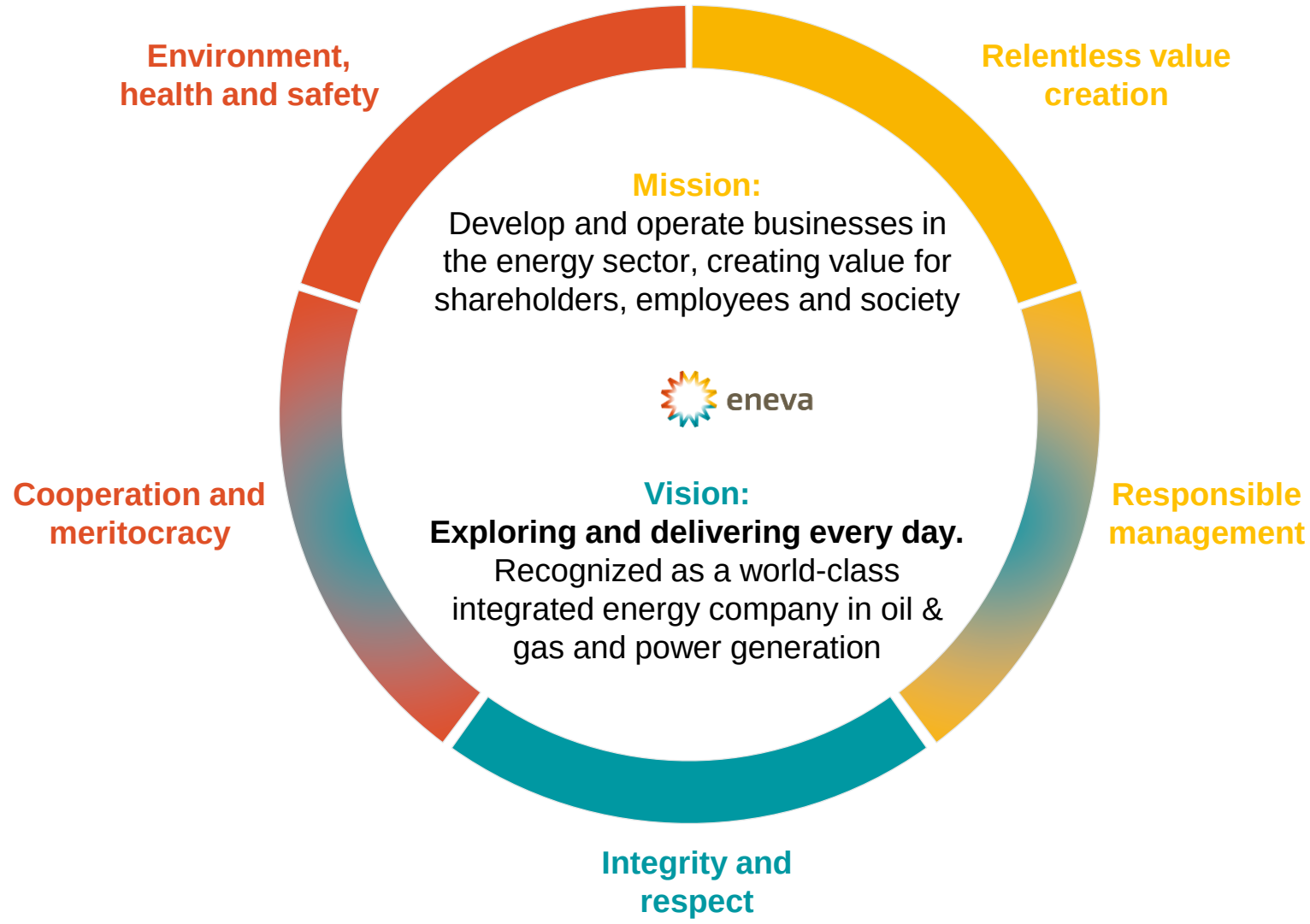
Operational Performance

Financial Performance

Introduction

Message from the CEO

Mission, vision and values



Message from the CEO

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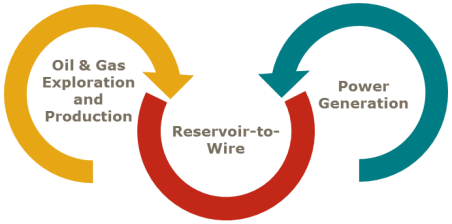
Cambuhy Investimentos	BTG Pactual	uniper	Itaú	Other
26%	34%	8%	8%	24%

Approximate share

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Fully Operational Assets and Integrated Business Model

- Gas TPPs
- Coal TPPs
- E&P Assets
- Solar Power Generation

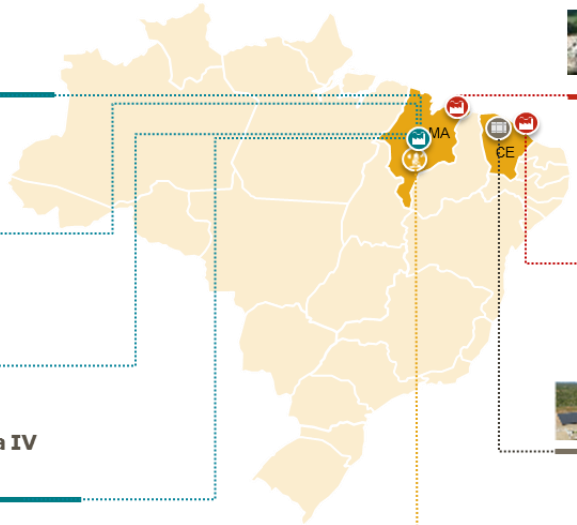



Parnaíba I
676MW


Parnaíba II
519MW


Parnaíba III
178MW


Parnaíba IV
56MW



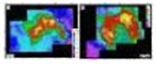

Itaqui
360MW


Pecém II[1]
365MW


Tauá
1MW

Parnaíba Basin:
- 7 gas fields
- 153 km of pipeline network
- Gas collection and Treatment facilities


Gavião Real (GVR)


Gavião Branco[2] (GVB)


Gavião Vermelho (GVV)


Gavião Azul (GVA)


Gavião Branco Norte (GVBN)

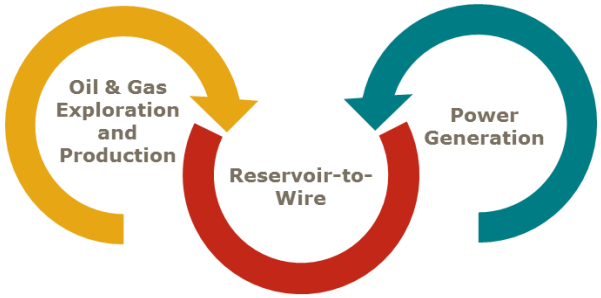

Gavião Preto (GVP)


Gavião Caboclo (GVC)

Source: Company
2 50% owned by Eneva.
3 Gavião Branco and Gavião Branco Sudeste fields were merged by the regulatory agency in 2016.

Message from the CEO

Exploring and delivering every day





Operational Stability

- ✓ Fully operational portfolio of assets with no construction risk
  - 2,2GW of installed capacity
  - Up to 8,4mm m³ per day of natural gas production capacity
- ✓ Company is prepare to grow along with the national energy expansion

Management Focus

- ✓ Delivery of substantial operational improvements, performing in line with international benchmarking
- ✓ HSE internal targets more severe than legal requirements
- ✓ Strong EBITDA and CFO generation to support future growth

Turnaround track record

- ✓ Execution of the plan and exit of the Judicial Recovery in record time, with debt restructuring of ~ R $ 5 Billion
- ✓ 71% natural gas daily production capacity increase in 18 months, ahead of foreseen schedule and below budget
- ✓ R$ 1,16 Billion capital increase concluded in October - R$1,15 Billion from PGN's asset contribution and R$14mm in cash

3Q16 Highlights

Parnaíba II beginning of commercial operation

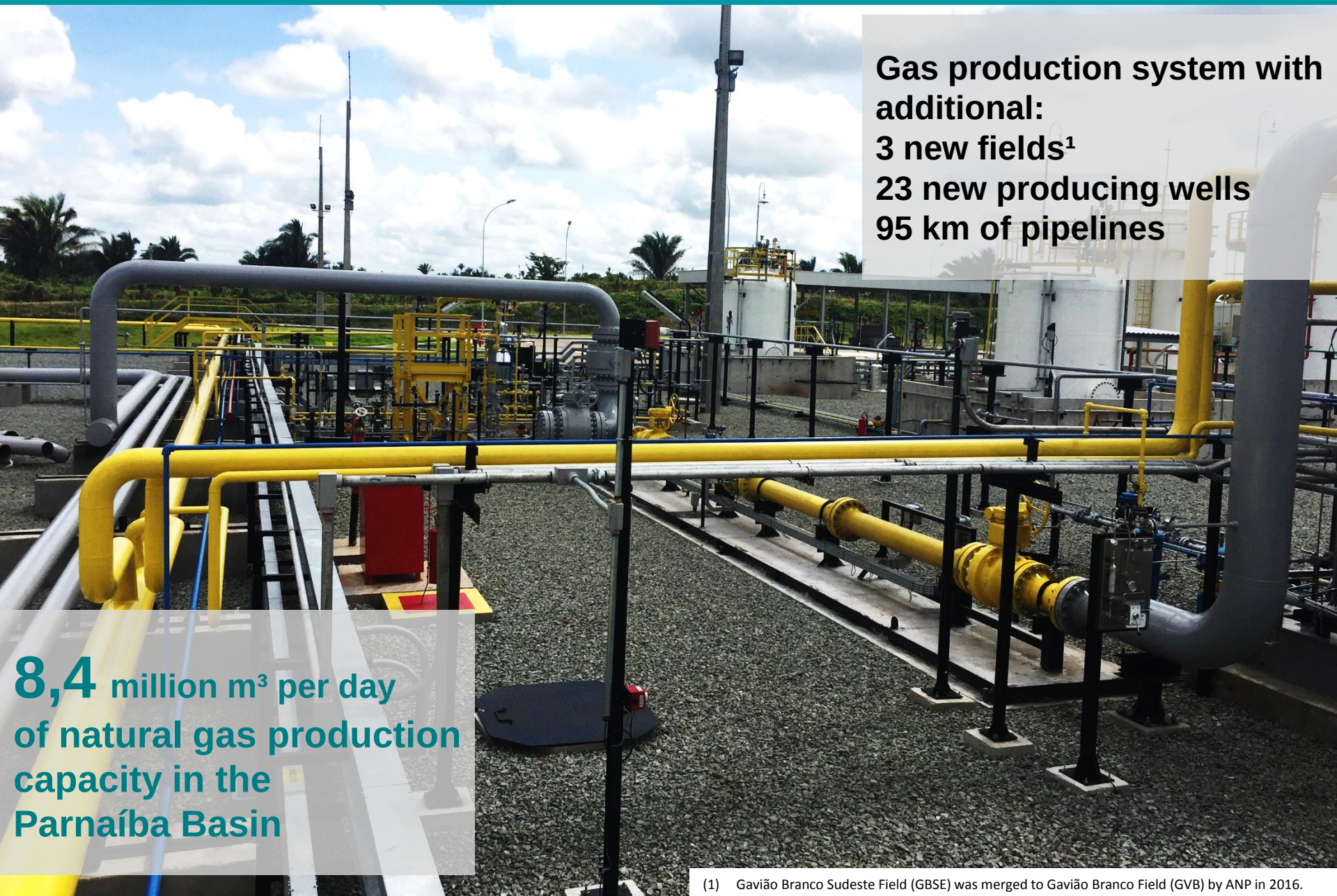


A-3/2011 Auction
COD: July/2016
PPA contract:450Mwa for 20 years
ENEVA's participation: 100%
Combined Cycle

Fuel:
Natural Gas

519 MW
of additional installed capacity to the North Submarket

Natural gas production capacity increased by 71%



Gas production system with additional:
3 new fields[1]
23 new producing wells
95 km of pipelines

8,4 million m³ per day of natural gas production capacity in the Parnaíba Basin

(1) Gavião Branco Sudeste Field (GBSE) was merged to Gavião Branco Field (GVB) by ANP in 2016.

3Q16 Highlights



Power Generation

- Fully operational capacity accomplished in the Parnaíba Complex
- Parnaíba Complex: maintenance stopage
- Itaqui: maintenance stopage
- Pecém II: creation of Emergency Hydro Charge due to water situation in Ceará State



Upstream (oil and gas E&P)

- Natural gas installed capacity increase to 8,4 mm m³ per day
- Average daily natural gas production increased from 4,0 to 6,3 mm m³ per day
- Independent Reserves Certification Report (GCA) concluded in 31/08/2016: 18,5 Billion cubic metters (2P)



Energy Commercialization

- Total volume commercialized in the Quarter: 556.086 MWh
  - 279.920,16 MWh purchased vs. 276.166,56 MWh sold
- Parnaíba IV: ballast purchase due to maintenance schedule



Cost Control and Financial Discipline[1]

- Proforma EBTIDA of R$ 350 mm
- Proforma Free Cash Flow to Equiy of R$50,4 mm, and Cash Position of R$500 mm in the end of the quarter
- R$ 20MM reduction in Parnaíba III leverage

Energy Scenario

Average PLD

North

3Q2016: R$124,87 /MWh
3Q2015: R$204,46 /MWh

Northeast

3Q2016: R$125,72 /MWh
3Q2015: R$205,29 /MWh

Average MW

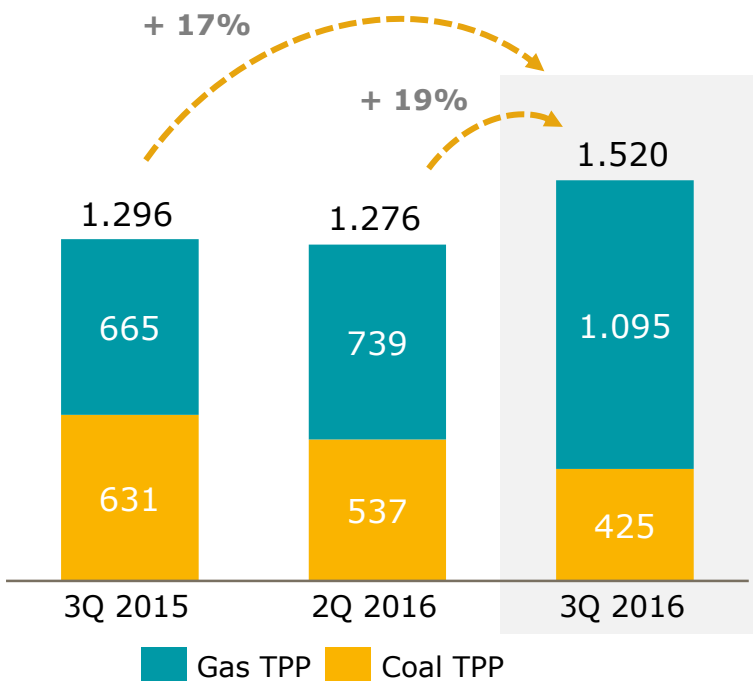
3Q2016: 1.520
3Q2015: 1.296

(1) Proforma - 2015: participation interest of 100% Parnaíba Gás Natural; 50% PECEM II; 100% BPMB; 100% Parnaíba III; 100% Parnaíba IV; 100% Parnaíba Comercializadora; and 100% Comercializadora de Energia; 2016: participation interest of 100% Parnaíba Gás Natural and 50% Pecém II.

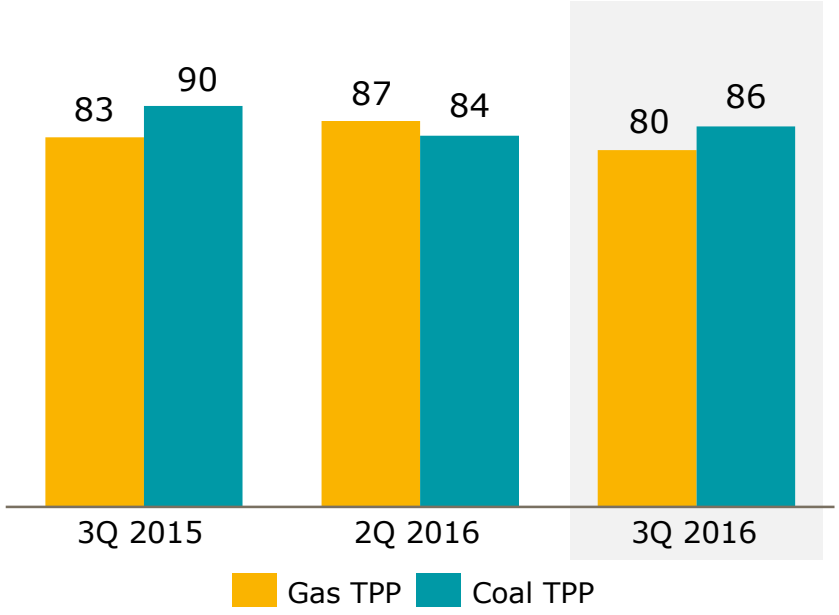
Operational Performance

Power Generation

Average power output (MWh)



Availability (%)

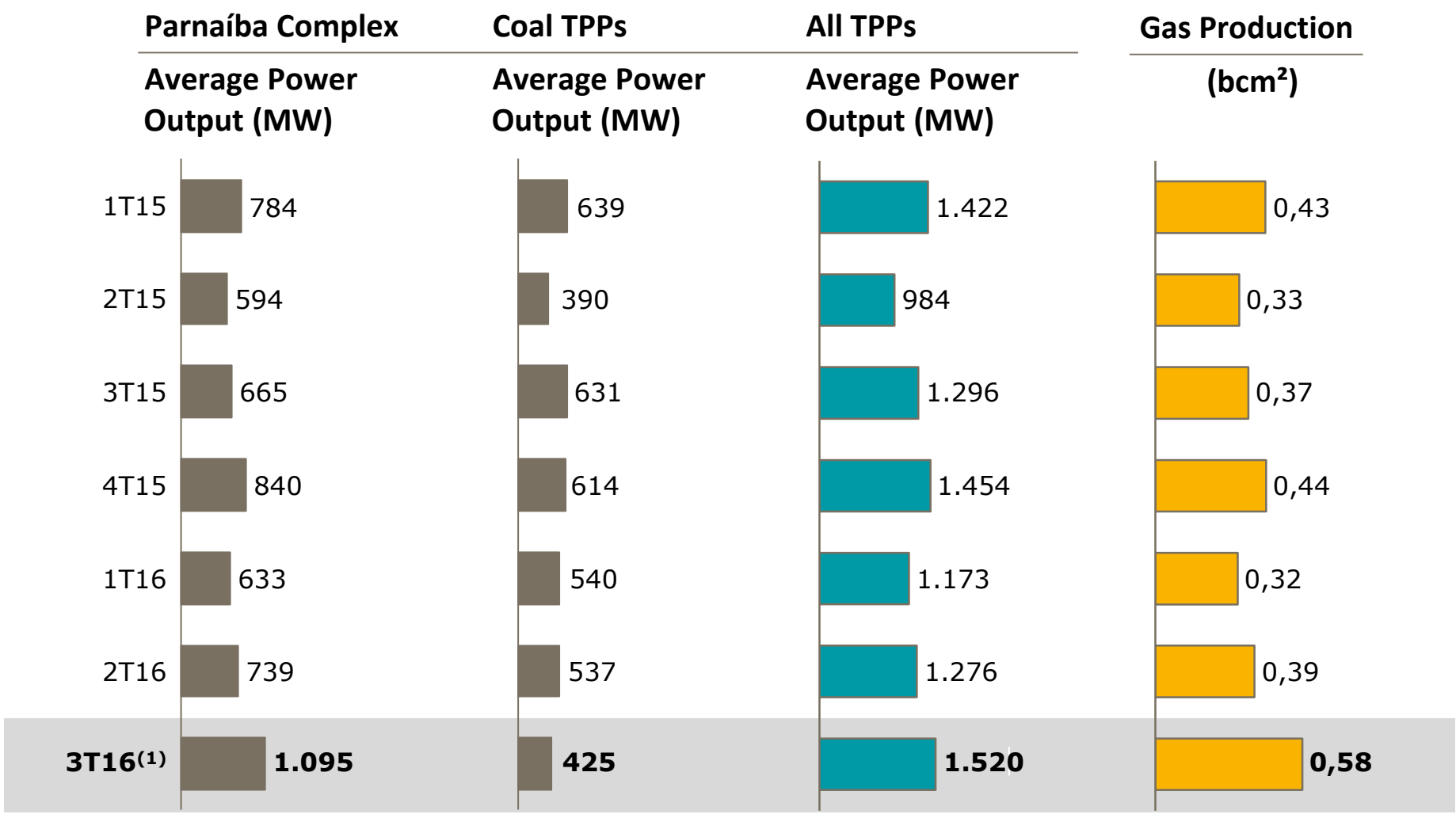


- Beginning of Parnaíba II commercial operation contributed with additional 490.6 MW average power output in 3Q16

- **July:** operational maintenance in Parnaíba IV
- **August:** operational maintenance in Parnaíba IV
- **September:** Parnaíba I, III and IV stopped for scheduled maintenance

Operational Performance

Power Generation and Gas Production History

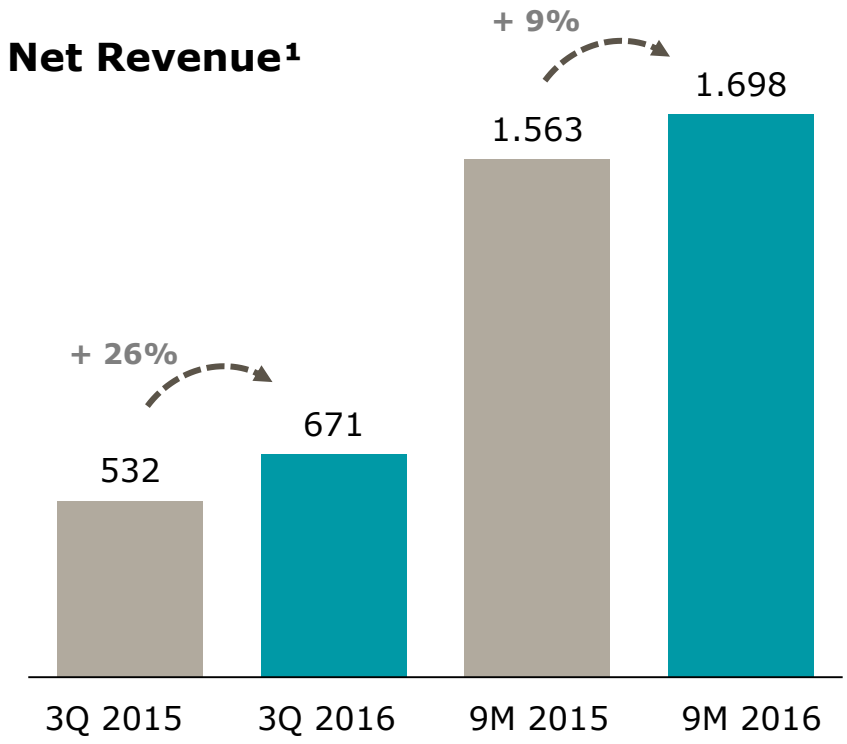


(1) COD of Parnaíba II TPP contributed with additional production of +479,7 MW
(2) Billion cubic metter

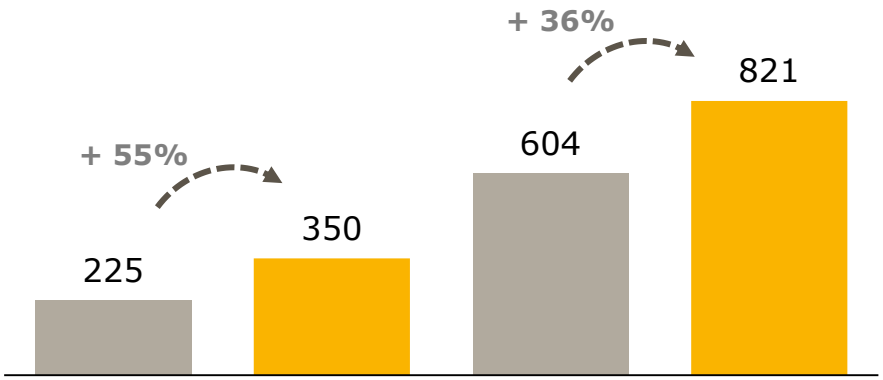
Financial Performance

(mm R$)

Net Revenue[1]



EBITDA[1]

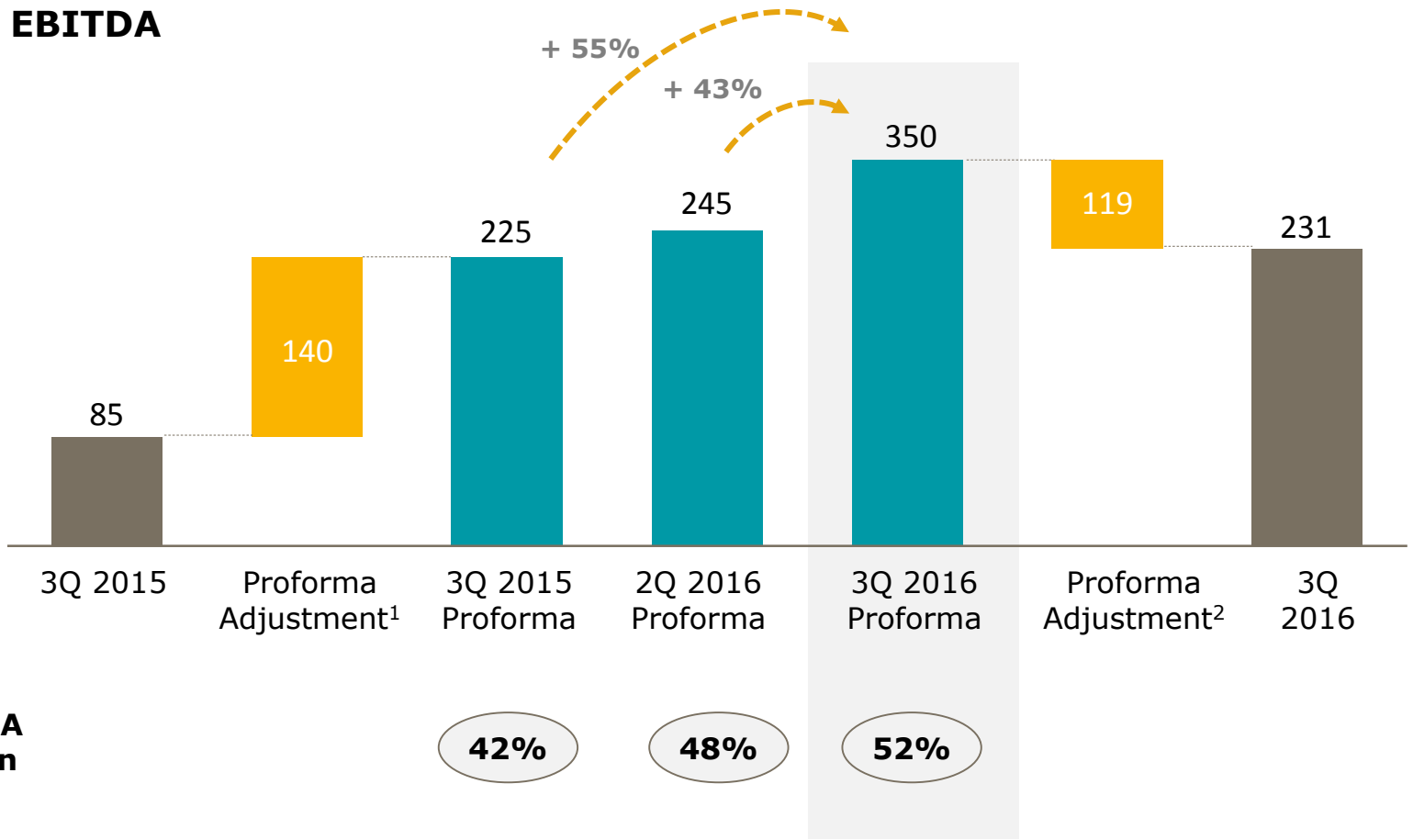


EBITDA Margin	3Q 2015	3Q 2016	9M 2015	9M 2016
	42%	52%	39%	48%

(1) Proforma - 2015: participation interest of 100% Parnaíba Gás Natural; 50% PECEM II; 100% BPMB; 100% Parnaíba III; 100% Parnaíba IV; 100% Parnaíba Comercializadora; and 100% Comercializadora de Energia; 2016: participation interest of 100% Parnaíba Gás Natural and 50% Pecém II.

Financial Performance

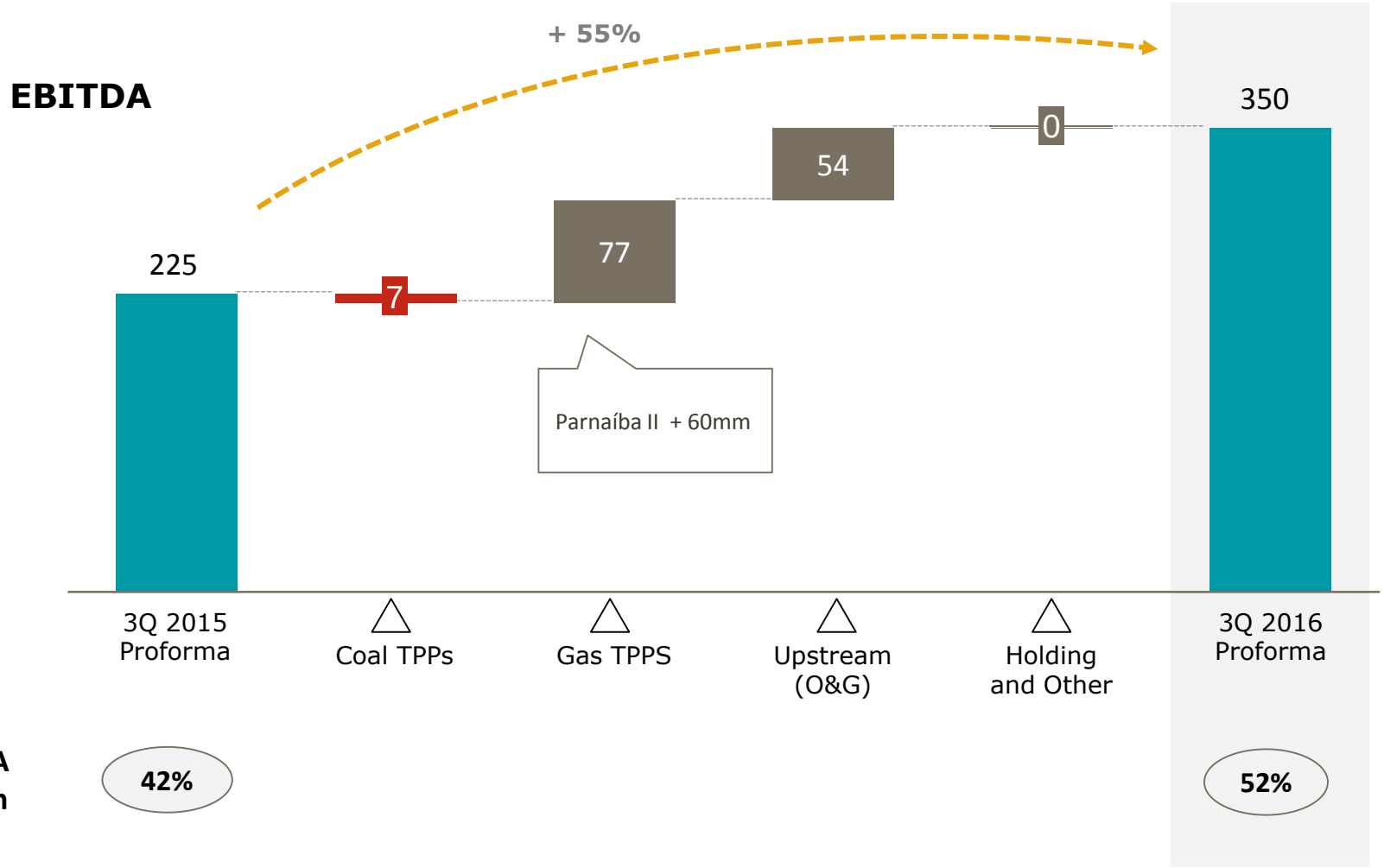
(mm R$)



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Financial Performance

(mm R$)



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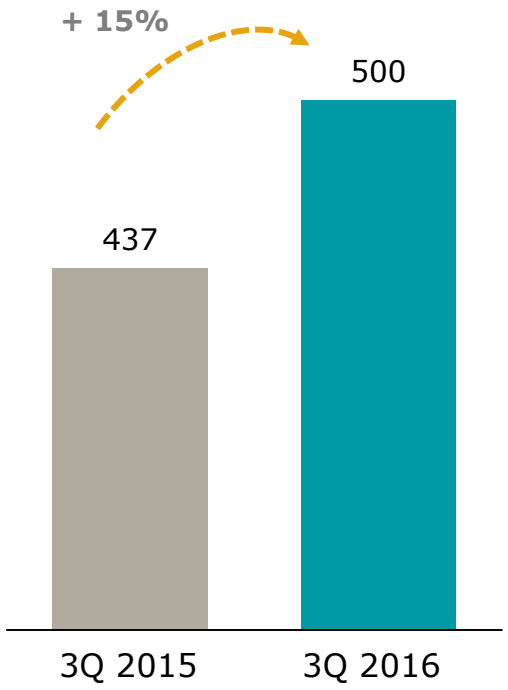
Financial Performance

(mm R$)

Free Cash Flow[1]

	3Q 2015	3Q 2016	9M 2015	9M 2016
Net Profits	-116	-10	112	-226
Operating Cash Flow	112	269	290	744
Investing Cash Flow	-328	-52	-427	-195
Financial Cash Flow	-0	-157	112	-220
Free Cash Flow to Equity	**-331**	**50**	**87**	**103**

Cash Position[2]

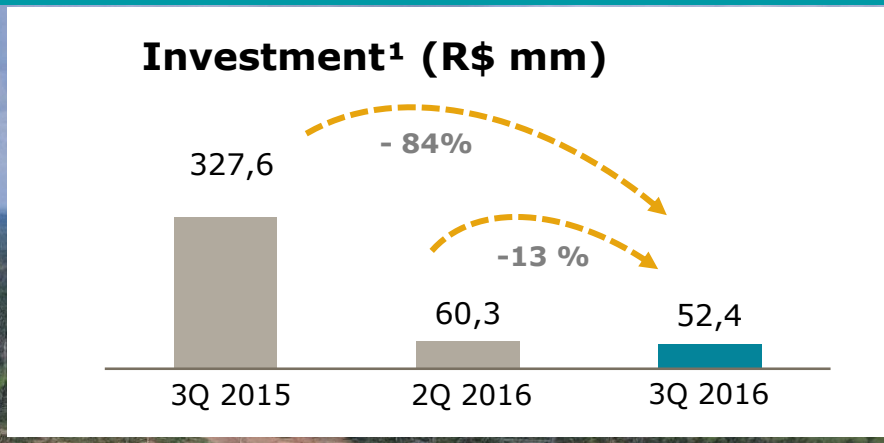


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(2) Prof-forma Cash Position, as note #1, not inlcuding bidding deposits.

Fully operational portfolio of assets from 3Q16 on

3Q15 investment includes Parnaíba II TPP and the development of Gavião Vermelho (GVV), Gavião Branco (GVB) and Gavião Branco Sudeste (GBSE)[2] fields to increase daily natural gas production capacity.



1,4 GW

of installed capacity in the Parnaíba Complex, pioneer in the reservoir-to-wire model in Brazil

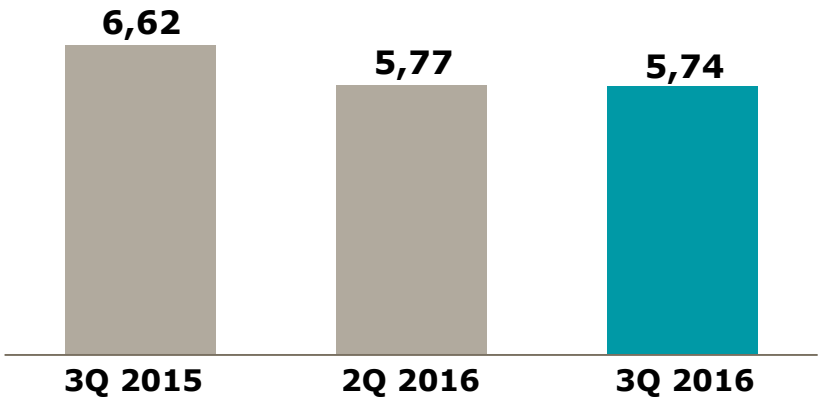
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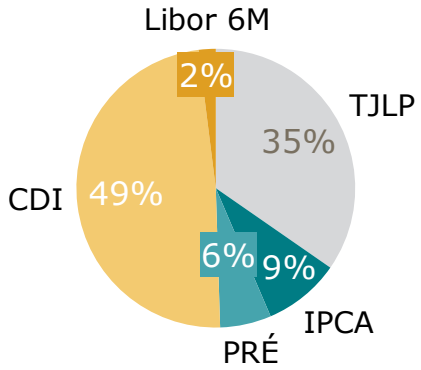
Financial Performance

Debt Level

Consolidated Gross Debt[1] (Bn R$)

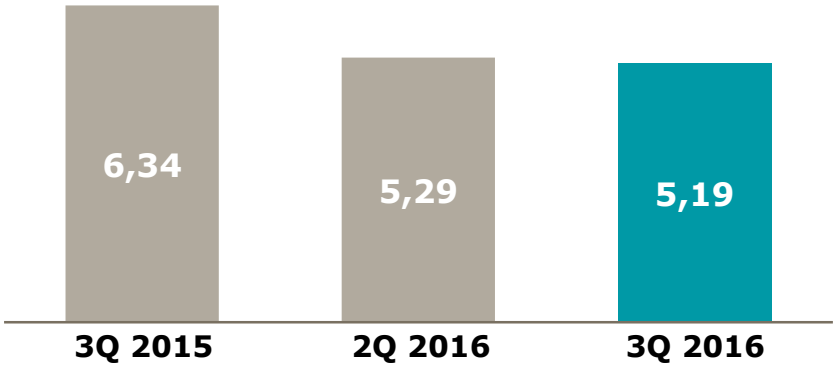


Debt Profile[1]

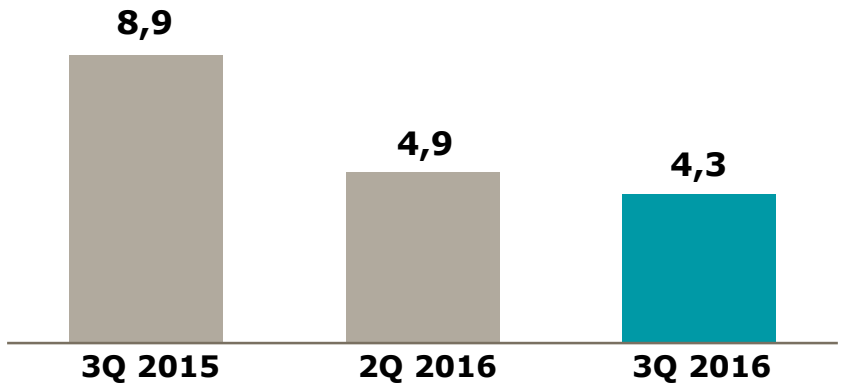


Average weighted Debt nominal cost: 14,01%

Average Term[1] (years)



Net Debt / LTM EBITDA[1]



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ENEVA
Investor Relations
phone: +55 21 3721-3030
ri.eneva.com.br
ri@eneva.com.br



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