







Alupar

ALUP11
NÍVEL 2
BM&FBOVESPA

2Q17 Results



1. Highlights
   - ✓ 2Q17 Highlights
   - ✓ Development of the ongoing Assets
2. Financial Information

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Agenda



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Highlights

2Q17 Highlights

Dividends

Payment on July 24, 2017, the residual portion of the dividends declared at the ESM held on April 25, 2017, in the amount of R$ 60,070,901.60, as Notice to Shareholders disclosed on July 20, 2017.

Termination of Energy Contracts:

On May 29, the Company reported the results of the MSCD A4+, published by the CCEE, which rescinds the following energy contracts:

- ✓ **16th LEN (Verde 08 SHPP):** rescission of 100% of the energy sales contracts (CCEARs) from the Aneel 06/2013 Auction, from January 2018 until the end of the contract.
- ✓ **18th LEN (Água Limpa SHPP):** rescission of 100% of the energy sales contracts (CCEARs) of the Aneel 10/2013 Auction, from May 2018 until the end of the contract.

Development of the ongoing Assets

	Concession Contract Signing Date	State	Capex ANEEL R$ MM	RAP Contracted R$ MM	Deadline Start-up (Notice)	Environmental Studies under development	REIDI Approval		Priority Project
						IBAMA / IDEMA (RN) / IEMA (ES)	MME	RFB	MME
ETAP (Lot I)	09/02/2016	RN	284.9	48.5	Dec/19	✓ Protocol – IDEMA 06/02/2017	✓ ok	✓ ok	✓ Approved 03/30/2017
ETC (Lot T)	09/02/2016	ES	151.0	28.1	Jun/19	✓ Protocol -IEMA 04/18/2017	✓ ok	✓ ok	✓ Aproved 02/21/2017
TPE (Lot 2)	02/10/2017	MG/BA	1,269.0	214.7	Feb/22	✓ IBAMA	✓ ok	✓ Protocol 07/21/2017	✓ Protocol 04/24/2017
TCC (Lot 6)	02/10/2017	MG/ES	698.8	146.0	Feb/22	✓ IBAMA	✓ ok	✓ Protocol 07/21/2017	✓ Protocol 04/24/2017
ESTE (Lot 22)	02/10/2017	MG/ES	485.8	101.0	Feb/22	✓ IBAMA	✓ ok	✓ Protocol 07/26/2017	✓ Protocol 04/26/2017
TSM (Lot 19)	08/11/2017	SP/RJ	889.0	99.1	Aug/22	✓ IBAMA			

IDEMA: Instituto de Desenvolvimento Sustentável e Meio Ambiente do Rio Grande do Norte | IEMA: Instituto Estadual de Meio Ambiente e Recursos Hídricos | IBAMA: Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis

TCE - Colombia

June 2017: Deliver the DAA (Environmental Diagnosis of Alternatives) to ANLA (National Authority of Environmental Licenses) - forecast of the entity's pronouncement is until October 2017, with the definition of the line route.

With the approval, the Executive Project and EIA (Environmental Impact Study) of the selected route will be started.



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Financial Highlights

Financial Highlights - Consolidated

Key Indicators "CORPORATE LAW (IFRS)"						
R$ MM	2Q17	2Q16	Var.%	6M17	6M16	Var.%
Adjusted Net Revenue	359.8	401.6	(10.4%)	731.9	774.3	(5.5%)
EBITDA (CVM 527)	**262.4**	**351.6**	**(25.4%)**	**568.4**	**662.8**	**(14.3%)**
Adjusted EBITDA Margin	**72.9%**	**87.6%**	**(14.7 p.p)**	**77.7%**	**85.6%**	**(7.9 p.p)**
Financial Results	(75.3)	(100.1)	(24.7%)	(169.1)	(209.5)	(19.3%)
Consolidated Net Income	130.6	194.2	(32.7%)	295.8	339.1	(12.8%)
Subsidiaries' Minority Interest	78.3	110.5	(29.1%)	169.8	201.3	(15.6%)
Net Income Alupar	**52.3**	**83.6**	**(37.5%)**	**126.0**	**137.8**	**(8.6%)**
Earnings per UNIT (R$)*	**0.18**	**0.29**	**(37.5%)**	**0.43**	**0.47**	**(8.6%)**
Net Debt**	2,710.0	3,931.1	(31.1%)	2,710.0	3,931.1	(31.1%)
Net Debt / Ebitda***	2.6	2.8		2.4	3.0	

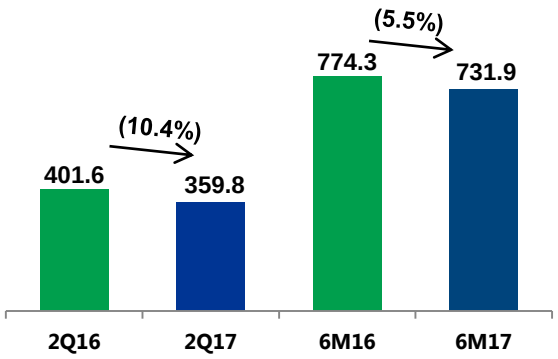
Key Indicators "REGULATORY"						
R$ MM	2Q17	2Q16	Var.%	6M17	6M16	Var.%
Net Revenue	424.8	381.5	11.4%	857.2	759.4	12.9%
EBITDA (CVM 527)	**326.8**	**329.6**	**(0.8%)**	**692.7**	**644.1**	**7.5%**
EBITDA Margin	**76.9%**	**86.4%**	**(9.5 p.p)**	**80.8%**	**84.8%**	**(4.0 p.p)**
Financial Results	(75.3)	(100.1)	(24.8%)	(169.1)	(209.5)	(19.3%)
Consolidated Net Income	160.7	156.7	2.5%	358.3	284.0	26.2%
Subsidiaries' Minority Interest	98.8	92.8	6.5%	204.0	175.0	16.6%
Net Income Alupar	**61.9**	**63.9**	**(3.1%)**	**154.3**	**109.0**	**41.6%**
Earnings per UNIT (R$)*	**0.21**	**0.22**	**(3.1%)**	**0.53**	**0.37**	**41.6%**
Net Debt**	2,710.0	3,931.1	(31.1%)	2,710.0	3,931.1	(31.1%)
Net Debt / Ebitda***	2.1	3.0		2.0	3.1	

*For the purposes of comparative analysis, the number of shares for 2Q16 and 6M16 were adjusted. Net Income / Units Equivalents (293,037,090) ** Including Securities under Non-Current Assets ***Annualized EBITDA.

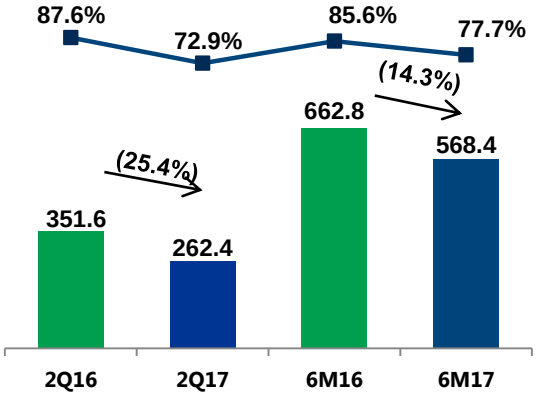
Financial Highlights - Consolidated

Corporate Law

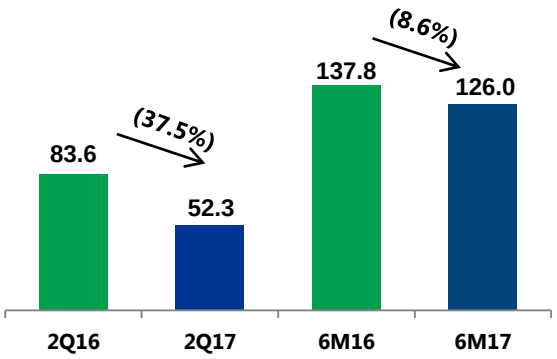
Ajusted Net Revenue (R$ million)



EBITDA (R$ million) e Margin[1] (%)

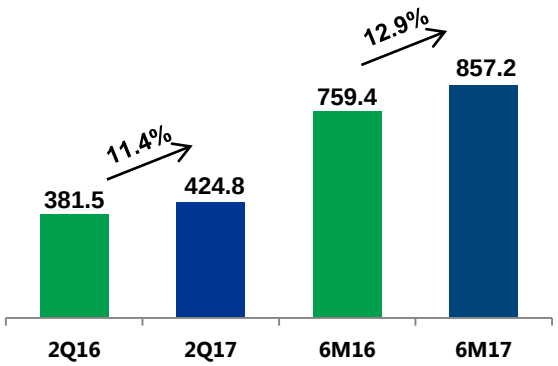


Net Profit Alupar (R$ million)

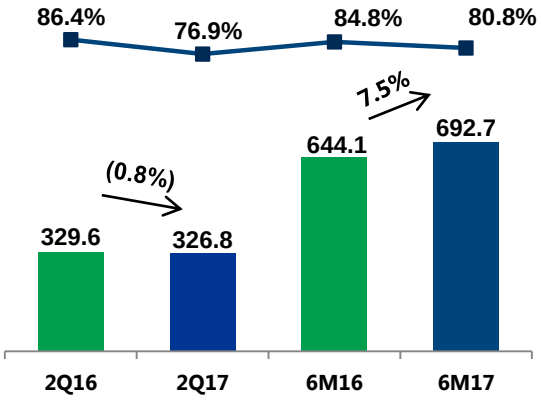


Regulatory

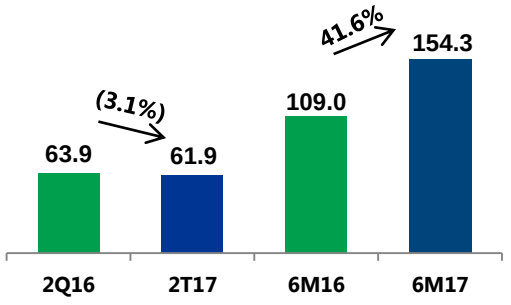
Net Revenue (R$ million)



EBITDA (R$ million) e Margin (%)



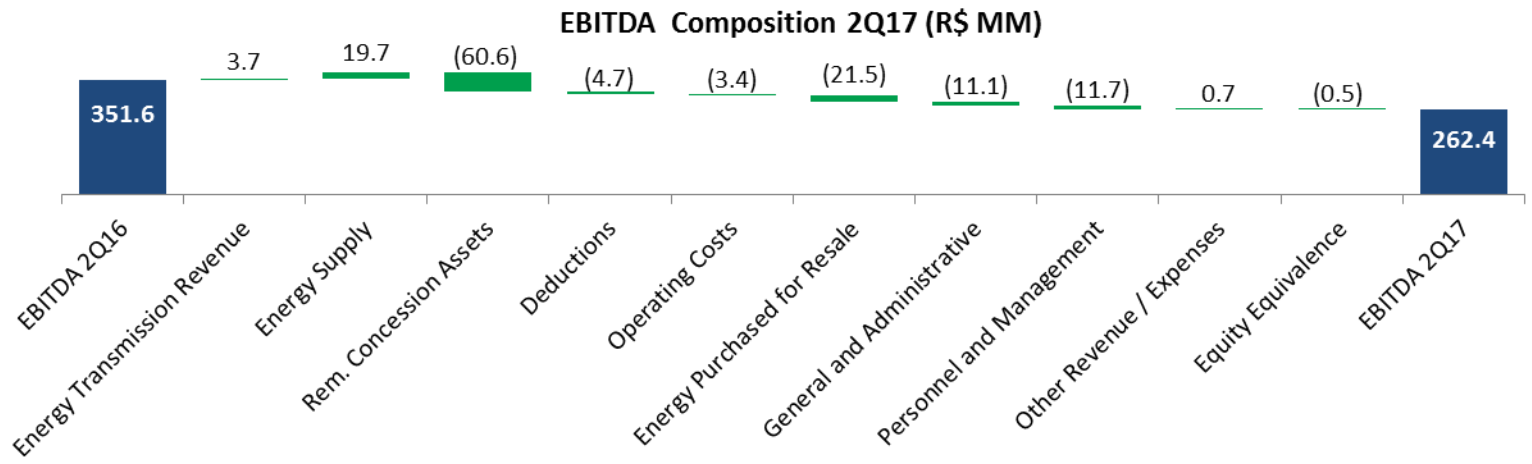
Net Profit Alupar (R$ million)



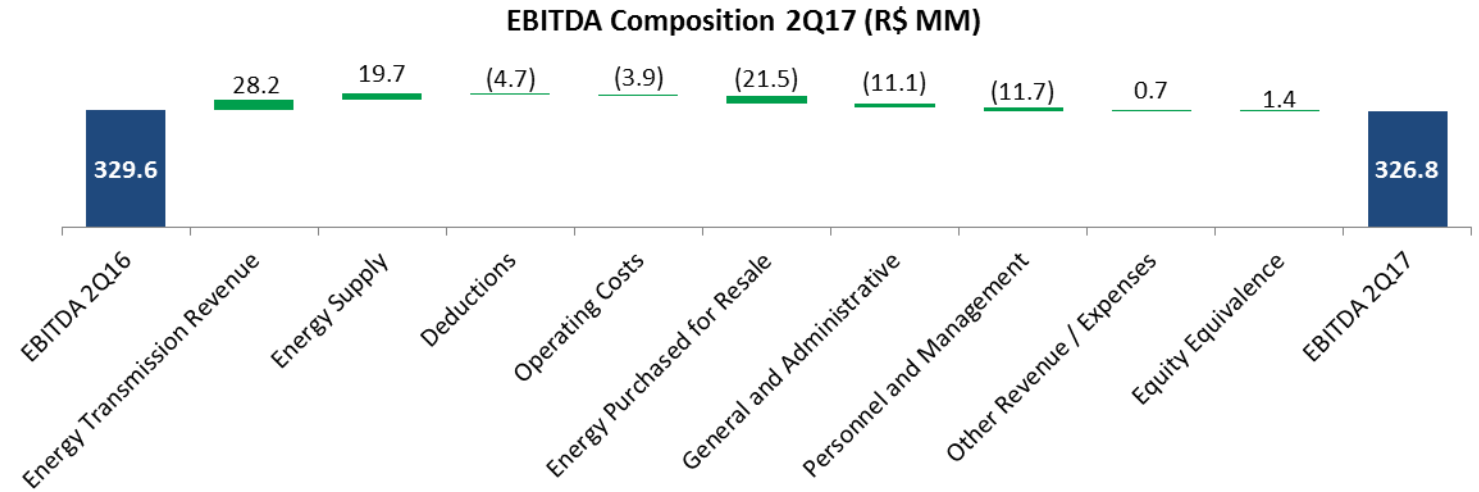
[1] Ebitda Ajusted Margin

Financial Highlights - Consolidated

Corporate Law

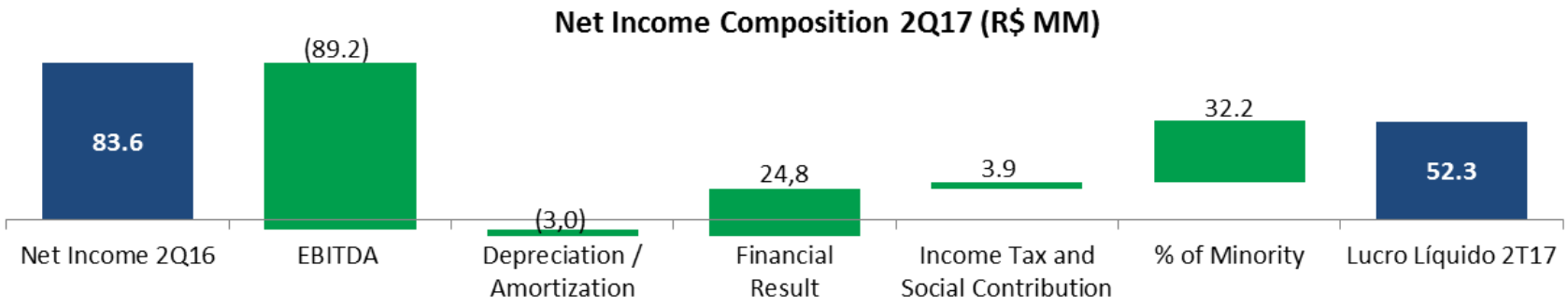


Regulatory

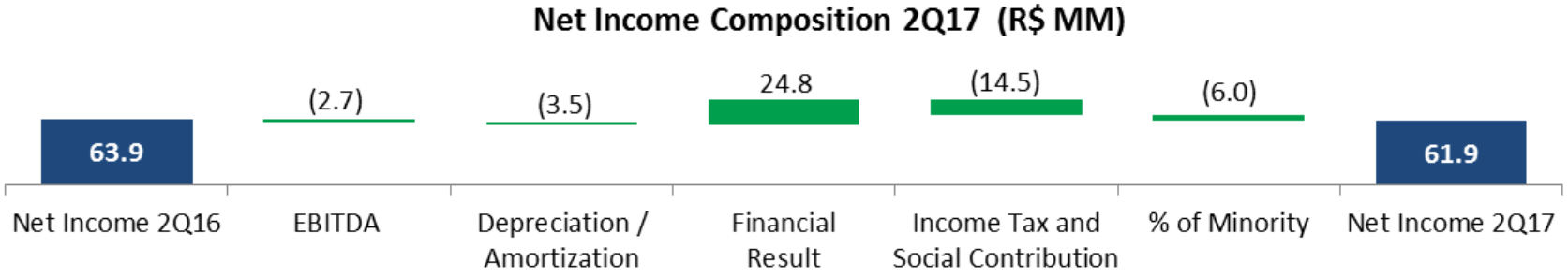


Financial Highlights - Consolidated

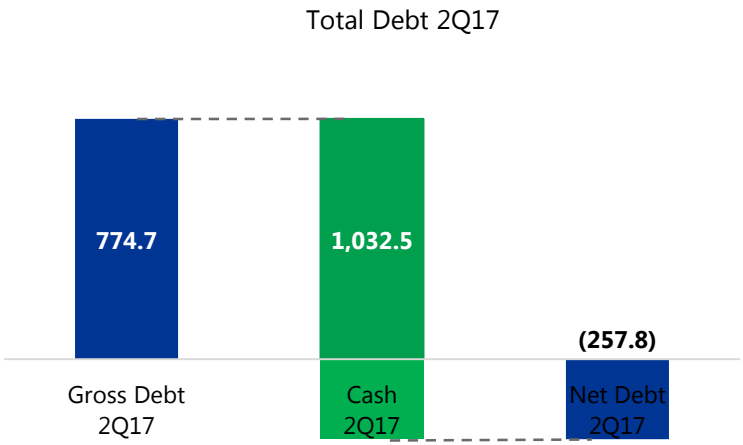
Corporate Law

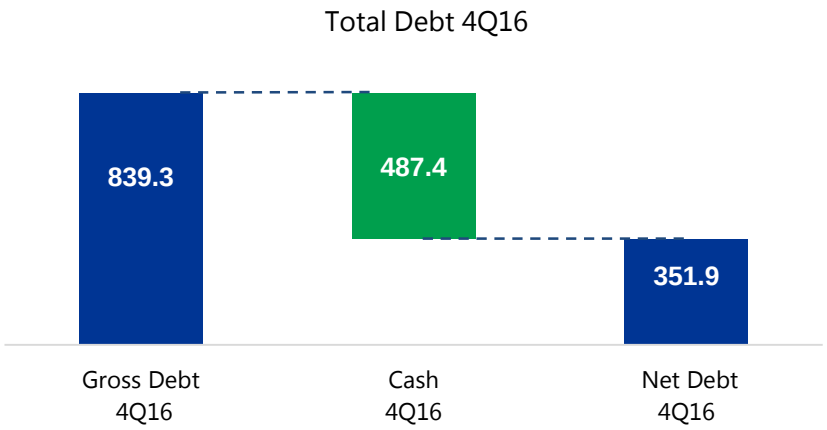


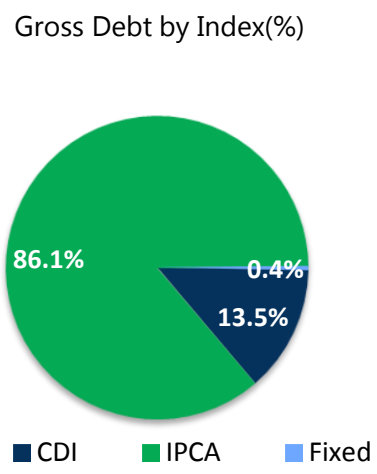
Regulatory

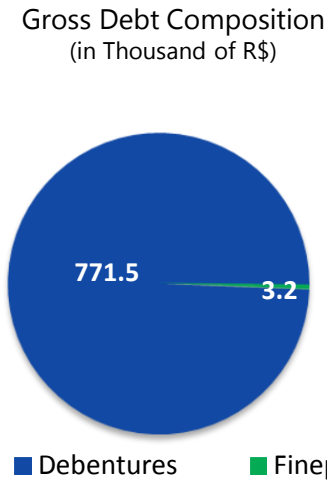


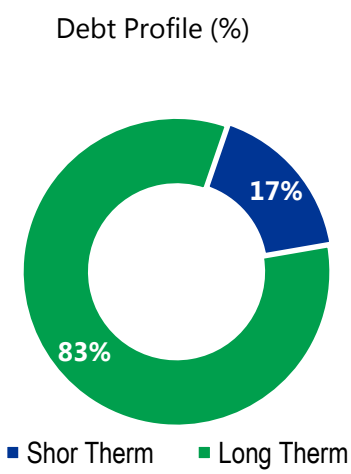
Indebtedness – Holding Company



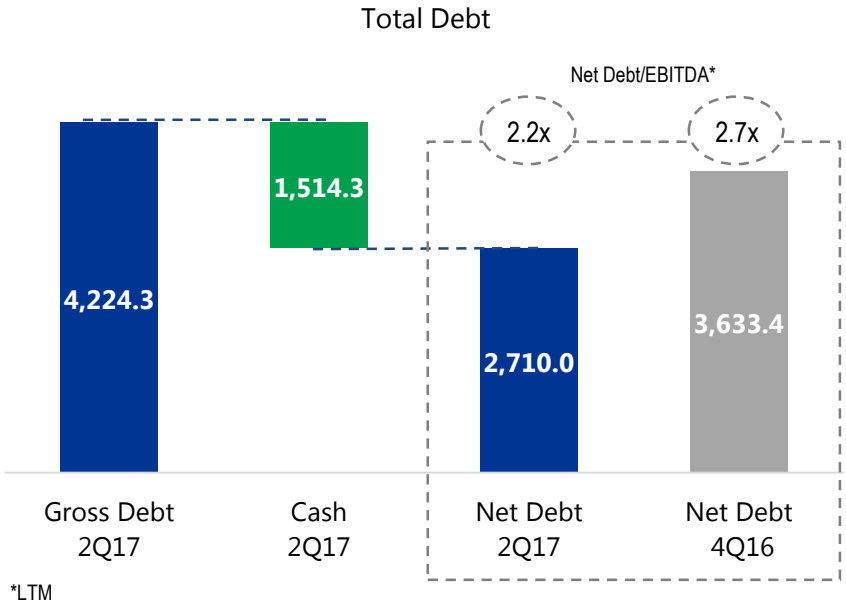


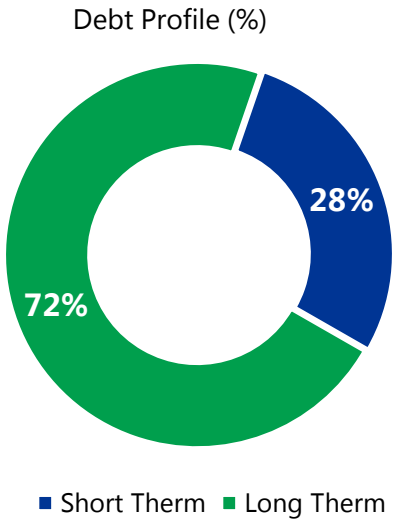


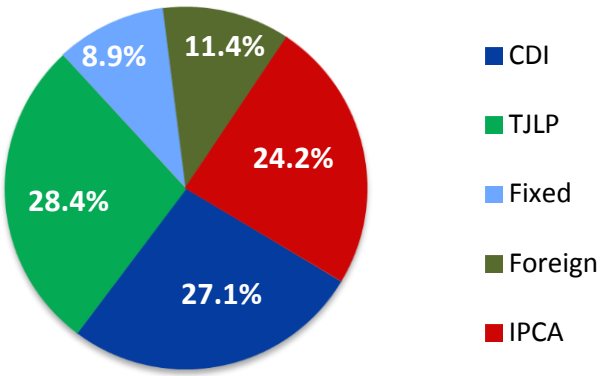


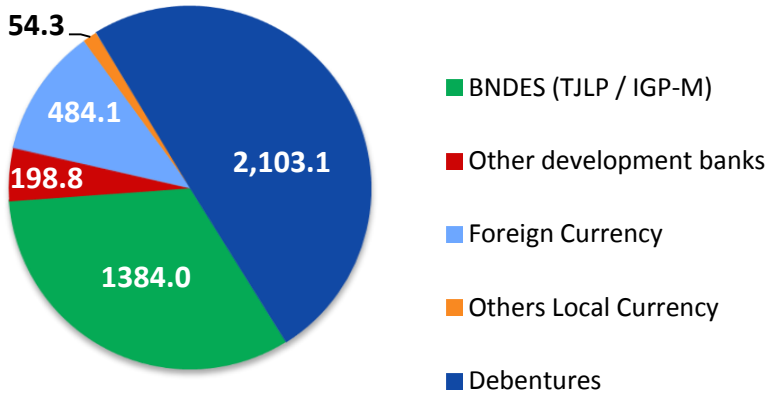


Indebtedness- Consolidated

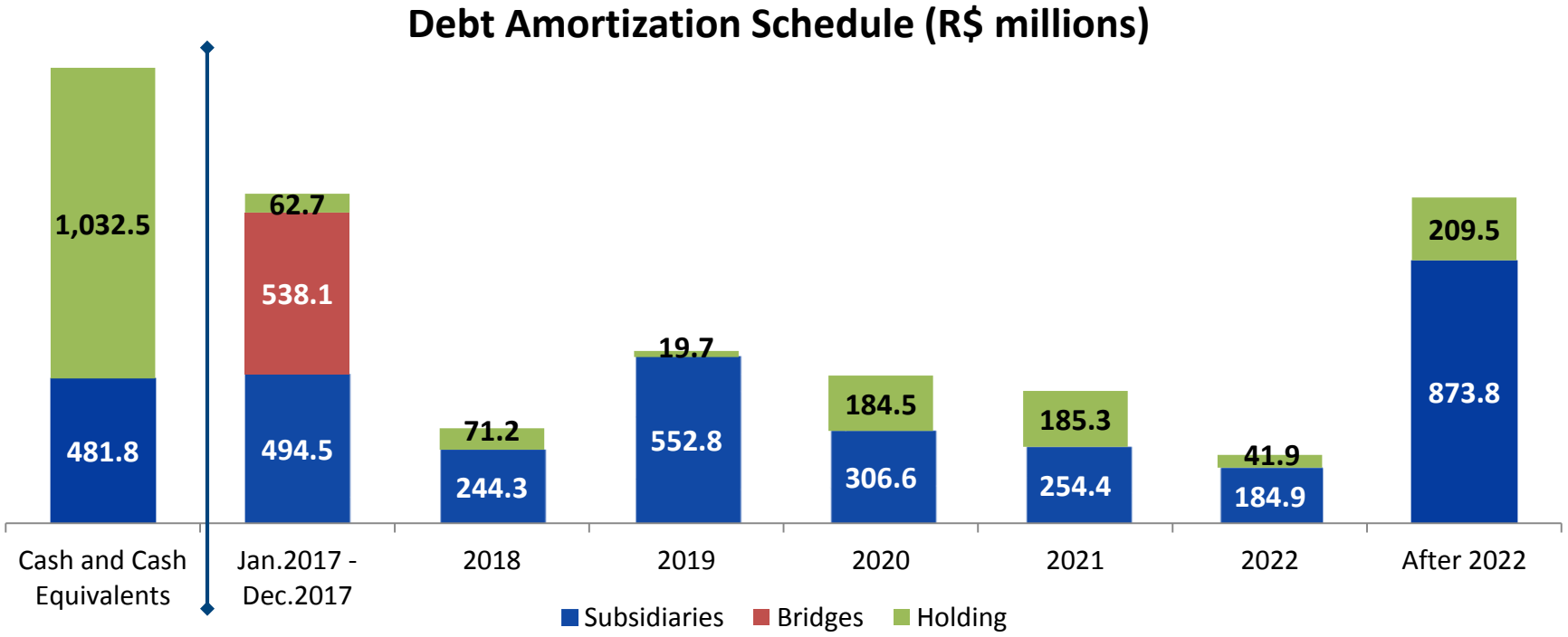








Indebtedness - Consolidated



BRIDGES (*R$ MM*)	**2017**
La Virgen / Alupar Inversiones	R$ 348.9
Risaralda	R$ 135.2
Verde 8	R$ 34.0
ETVG	R$ 20.1
TOTAL	**R$ 538.1**

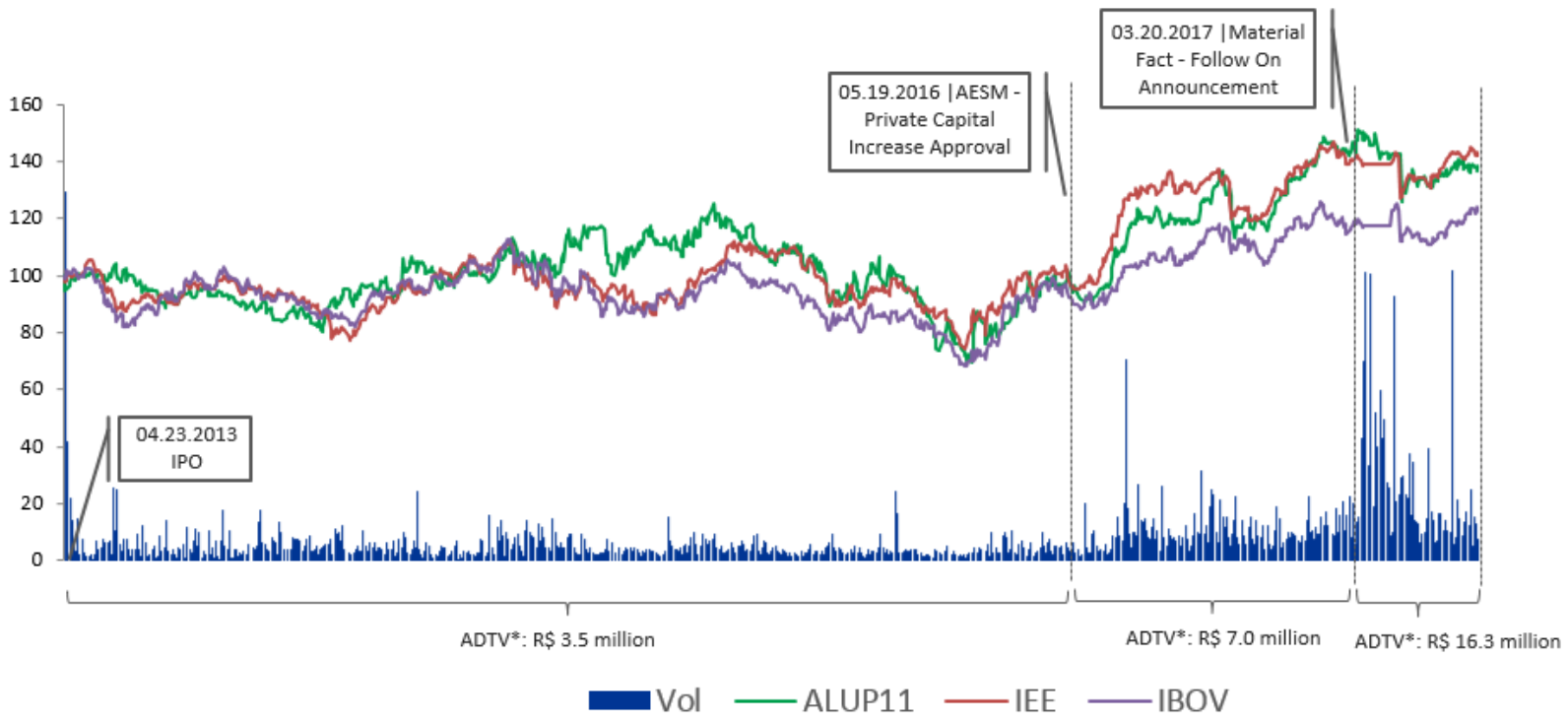
Fitch Ratings

✓ Corporate (national scale) ***AA+***

Capital Markets

Variation YTD*
ALUP11: 10.81%

Performance ALUP11 vs. Volume
(Base 100)



ADTV: Average Daily Traded Volume
YTD: Year to date

Transmission Financial Highlights - Consolidated

Key Indicators "CORPORATE LAW (IFRS)"						
R$ MM	2Q17	2Q16	Var.%	6M17	6M16	Var.%
Adjusted Net Revenue	253.9	320.1	(20.7%)	522.2	613.4	(14.9%)
Adjusted Operating Costs*	(19.7)	(18.8)	5.1%	(40.6)	(39.5)	2.6%
Depreciation / Amortization	(0.7)	(2.6)	(72.2%)	(1.4)	(5.4)	(73.8%)
Operating Expenses	(11.2)	(14.5)	(22.8%)	(20.6)	(23.8)	(13.7%)
EBITDA (CVM 527)	**223.0**	**286.9**	**(22.3%)**	**461.0**	**550.0**	**(16.2%)**
Adjusted Ebitda Margin	**87.8%**	**89.6%**	**(1.8 p.p)**	**88.3%**	**89.7%**	**(1.4 p.p)**
Financial Results	(39.2)	(53.6)	(26.7%)	(83.2)	(107.1)	(22.3%)
Net Income	**154.5**	**188.6**	**(18.1%)**	**316.9**	**359.1**	**(11.8%)**
Net Debt**	1,280.7	1,635.9	(21.7%)	1,280.7	1,635.9	(21.7%)
Net Debt / EBITDA***	1.4	1.4		1.4	1.5	

Key Indicators "REGULATORY"						
R$ MM	2Q17	2Q16	Var.%	6M17	6M16	Var.%
Net Revenue	316.2	294.5	7.4%	642.9	589.3	9.1%
Operating Costs	(18.4)	(16.9)	8.6%	(38.4)	(36.8)	4.3%
Depreciation / Amortization	(31.8)	(32.9)	(3.3%)	(64.0)	(65.9)	(3.0%)
Operating Expenses	(11.2)	(14.5)	(22.8%)	(20.6)	(23.8)	(13.7%)
EBITDA (CVM 527)	**286.7**	**263.1**	**9.0%**	**583.9**	**528.7**	**10.4%**
Ebitda Margin	**90.7%**	**89.3%**	**1.4 p.p**	**90.8%**	**89.7%**	**1.1 p.p**
Financial Results	(39.2)	(53.6)	(26.7%)	(83.2)	(107.1)	(22.3%)
Net Income	**181.9**	**148.6**	**22.4%**	**375.2**	**299.6**	**25.3%**
Net Debt**	1,280.7	1,635.9	(21.7%)	1,280.7	1,635.9	(21.7%)
Net Debt / EBITDA***	1.1	1.6		1.1	1.5	

* Adjusted Operating Costs: excluding infrastructure costs, depreciation and amortization

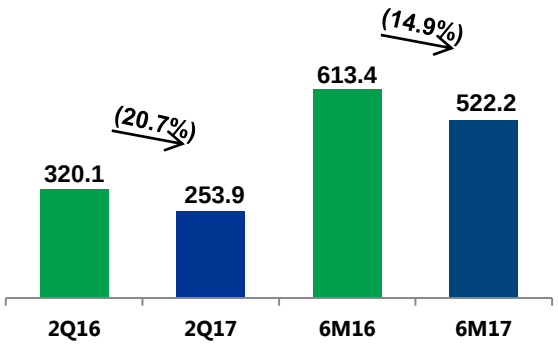
** Including Securities under Non-Current Assets

*** Annualized EBITDA

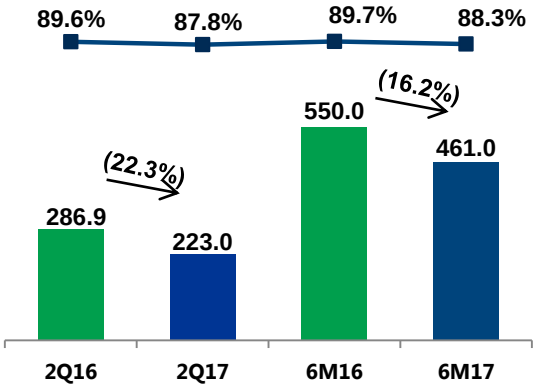
Trasmission Financial Highlights - Combined

Corporate Law

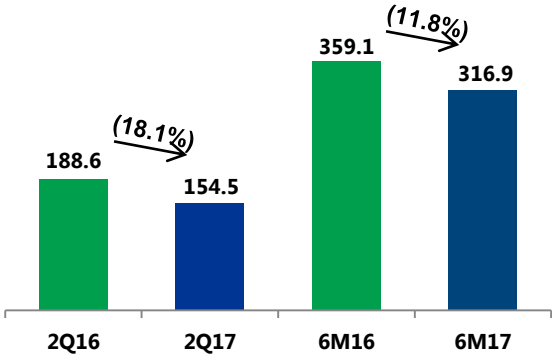
Ajusted Net Revenue (R$ million)



EBITDA (R$ million) and Margin [1] (%)

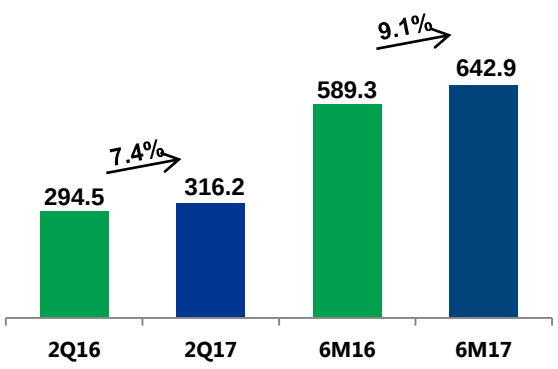


Net Profit - Alupar (R$ million)

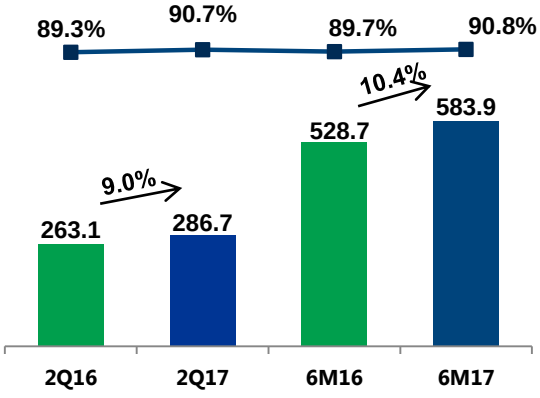


Regulatory

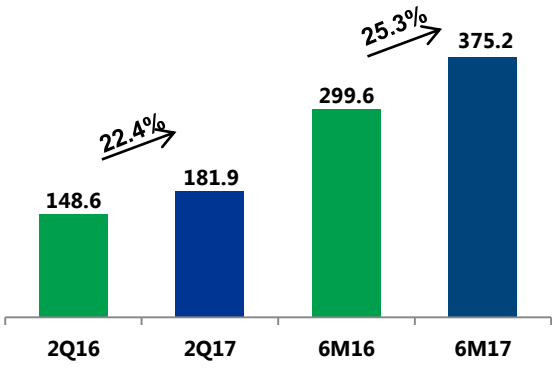
Net Revenue (R$ million)



EBITDA (R$ million) and Margin (%)



Net Profit - Alupar (R$ million)



[1] Margem Ebitda Ajustada

Generation Financial Highlights - Combined

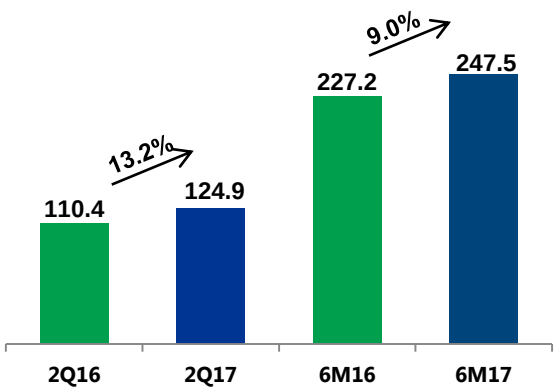
Key Indicators "CORPORATE LAW (IFRS)"						
R$ MM	2Q17	2Q16	Var.%	6M17	6M16	Var.%
Net Revenue	124.9	110.4	13.2%	247.5	227.2	9.0%
Operating costs	(20.4)	(19.8)	3.1%	(39.7)	(42.1)	(5.7%)
Depreciation / Amortization	(22.4)	(19.4)	15.5%	(45.3)	(37.7)	20.1%
Energy Purchase	(35.6)	(28.5)	24.7%	(48.7)	(51.5)	(5.3%)
Operating Expenses	(4.2)	17.3	-	(9.1)	9.0	-
EBITDA (CVM 527)	**64.8**	**79.4**	**(18.4%)**	**150.0**	**142.6**	**5.2%**
Ebitda Margin	**51.9%**	**71.9%**	**(20.0 p.p)**	**60.6%**	**62.8%**	**(2.2 p.p)**
Financial Result	(30.7)	(24.3)	26.3%	(66.7)	(51.0)	30.7%
Net Income / Loss	**5.5**	**39.5**	**(86.0%)**	**37.5**	**53.0**	**(29.3%)**
Net Debt*	1,659.3	1,707.4	(2.8%)	1,659.3	1,707.4	(2.8%)
Net Debt / EBITDA**	6.4	5.4		5.5	6.0	

* Includes Securities under Non-Current Assets

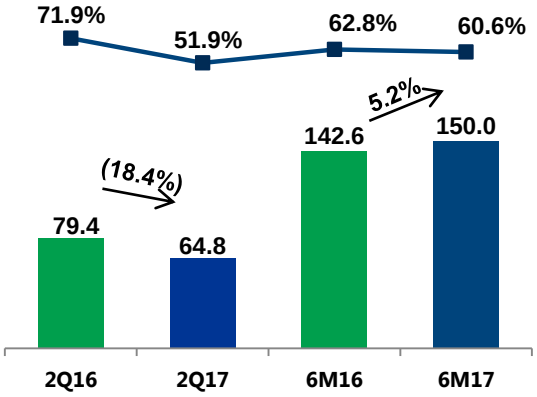
**Annualized EBITDA

Generation Financial Highlights - Combined

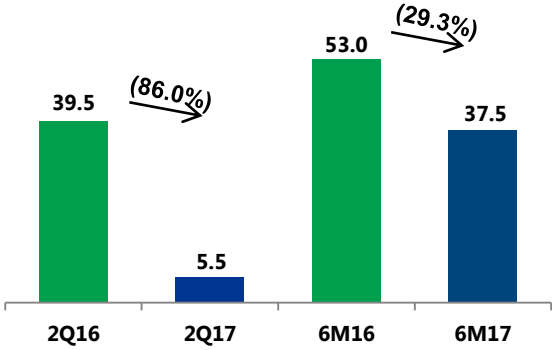
Net Revenue (R$ million)



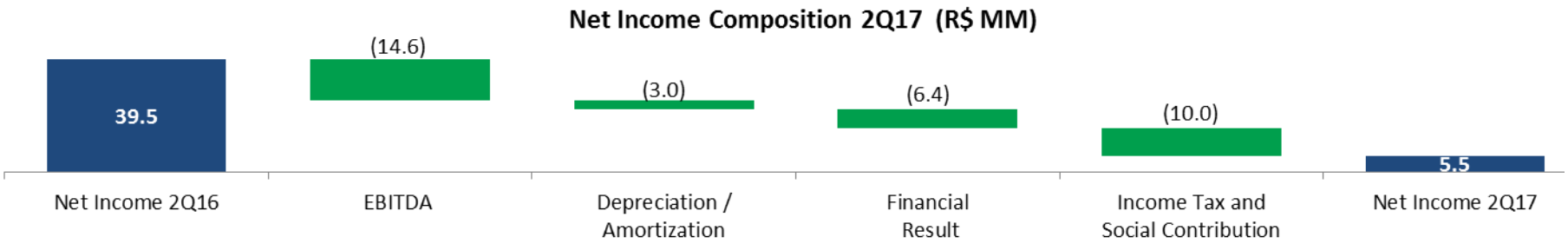
EBITDA (R$ million) and Margin (%)



Net Profit - Alupar (R$ million)



Net Income Composition – 2Q17



Disclaimer

The stand-alone and consolidated financial statements were prepared in accordance with the accounting principles adopted in Brazil, which include corporation law, the pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee (CPC) and the regulations of the Securities and Exchange Commission of Brazil (CVM), combined with specific legislation issued by the National Electric Power Agency (ANEEL). As the industry regulator, ANEEL has powers to regulate the concessions. The results are usually presented in both IFRS and former formats in order to permit comparisons with other periods. However, the results presented in "Regulatory" format are not audited. ALUPAR uses the audited results based on the IFRS principles to declare dividends.

The forward-looking statements contained in this document relating to the business outlook, projections of operational and financial results and the growth prospects of ALUPAR are merely projections, and as such are based exclusively on management's expectations for the future of the business. These expectations depend materially on changes in market conditions and the performance of the Brazilian economy, the sector and international markets and therefore are subject to change without prior notice.

IR Contact

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Luiz Coimbra
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