

Alupar

1Q14 Results

ALUP11
NÍVEL 2
BM&FBOVESPA

May 12th, 2014

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.

Alupar at a Glance

Alupar is the only listed company in Brazil operating in transmission and generation segments

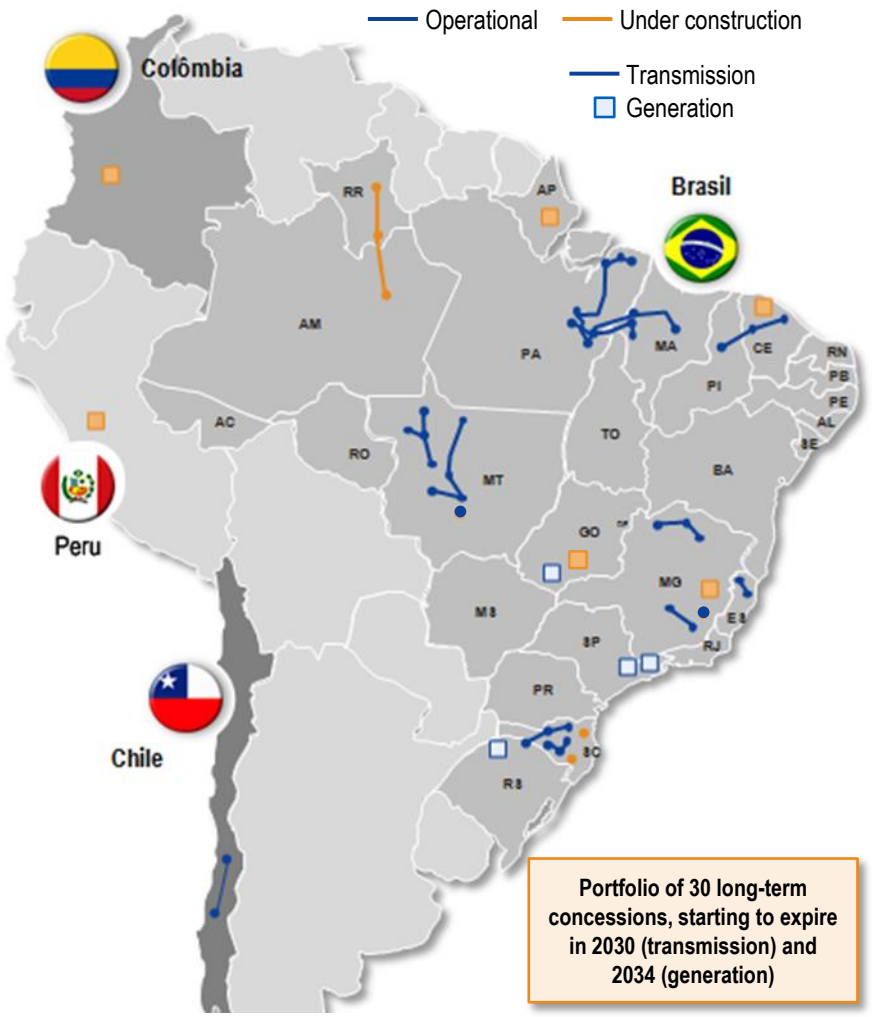
Alupar Concession – Transmission and Generation

Asset	Begin	Concession	End	Type
ECTE	2000	30	2030	Transmission
ETEP	2001	30	2031	Transmission
EATE	2001	30	2031	Transmission
ERTE	2002	30	2032	Transmission
ENTE	2002	30	2032	Transmission
STN	2004	30	2034	Transmission
Transleste	2004	30	2034	Transmission
Transudeste	2005	30	2035	Transmission
Transirapé	2005	30	2035	Transmission
Lumitrans	2004	30	2034	Transmission
STC	2006	30	2036	Transmission
ETES	2007	30	2037	Transmission
Transchile	2005	Lifetime		Transmission
EBTE	2008	30	2038	Transmission
IME	2009	30	2039	Transmission
EJEM	2010	30	2040	Transmission
EVG	2010	30	2040	Transmission
ESDE	2009	30	2039	Transmission
NE	2012	30	2042	Transmission
ETSE	2012	30	2042	Transmission
Queluz	2004	30	2034	Generation
Lavrinhas	2004	30	2034	Generation
Foz do Rio Claro	2006	35	2041	Generation
Ijuí	2006	35	2041	Generation
Ferreira Gomes	2010	35	2045	Generation
Risaralda	2011	Lifetime		Generation
Energia dos Ventos	2012	35	2047	Generation
Verde 8	2013	35	2048	Generation
La Virgen	2013	Lifetime		Generation
Água Limpa	2013	35	2048	Generation

Today

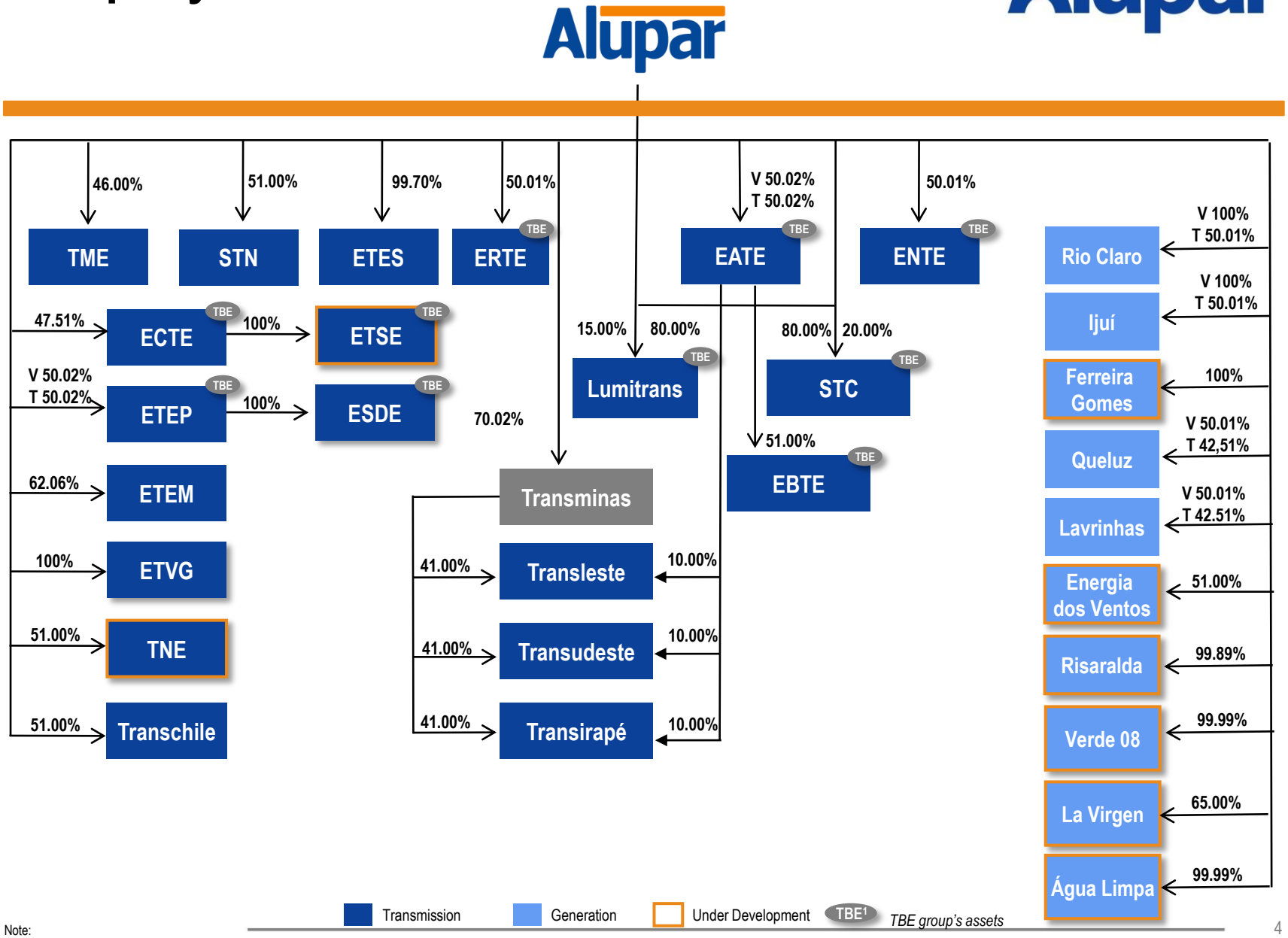
Operating | Under Construction

Geographic Footprint of the Assets



Portfolio of 30 long-term concessions, starting to expire in 2030 (transmission) and 2034 (generation)

Company's Assets



Note:
(1) TBE's 10 transmission assets: EATE, EBTE, ECTE, ENTE, ERTE, ESDE, ETEP; ETSE, LUMITRANS e STC.

Alupar's Business Culture

- Financial Discipline
- Responsible and Sustainable Growth
- Efficient Capital Structure
- Corporate Governance and Transparency
- Skilled and Motivated Team

Material Fact, February 27th, 2014

Dividends

ALUPAR INVESTIMENTO S.A. ("Company"), a publicly-held company registered with the Brazilian Securities and Exchange Commission ("CVM") under no. 2149-0, pursuant to Article 157, paragraph four, of Law 6404 of December 15, 1976, as amended, and CVM Instruction 358 of January 3, 2002, as amended, hereby informs its shareholders and the market in general that, on this date, it held two Board of Directors' Meetings, as follows:

1st) discussed and resolved on the Board of Executive Officers' proposal for the declaration of interim dividends to be paid from the existing profit reserve account in the balance sheet of December 31, 2012, totaling R$156,225,450.00; and

2nd) recommended and approved Management's accounts, the balance sheet and the financial statements for the fiscal year ended December 31, 2013, the Board of Executive Officers' proposal for the allocation of net income for the fiscal year ended December 31, 2013 and the distribution of dividends totaling R$193,719,558.00.

Notice to the Market, April 17th, 2014

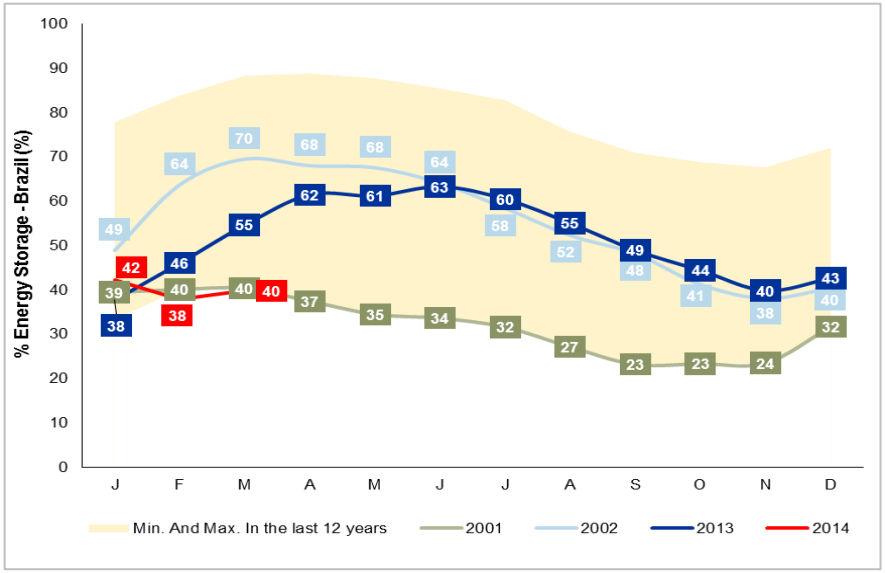
Change of Independent Auditor

ALUPAR INVESTIMENTO S.A. ("Company"), a publicly-held company registered with CVM under number 2149-0, headquartered at Avenida Doutor Cardoso de Melo, 1.855, Bloco I, 9º andar, sala A, in the city and state of São Paulo, inscribed in the roll of corporate taxpayers (CNPJ/MF) under number 08.364.948/0001-38 ("Alupar"), hereby announces to its shareholders and the market in general that for the purposes disclosed in the article 28, of the Instruction CVM 308/99, the change in the independent auditors for the external independent audit of the Company for fiscal year 2014 from Ernst & Young Terco Auditores Independentes S.S. ("E&Y") to KPMG Auditores Independentes ("KPMG"). KPMG will begin its activities as of the review of the quarterly financial information ("ITRs") for the first quarter of 2014.

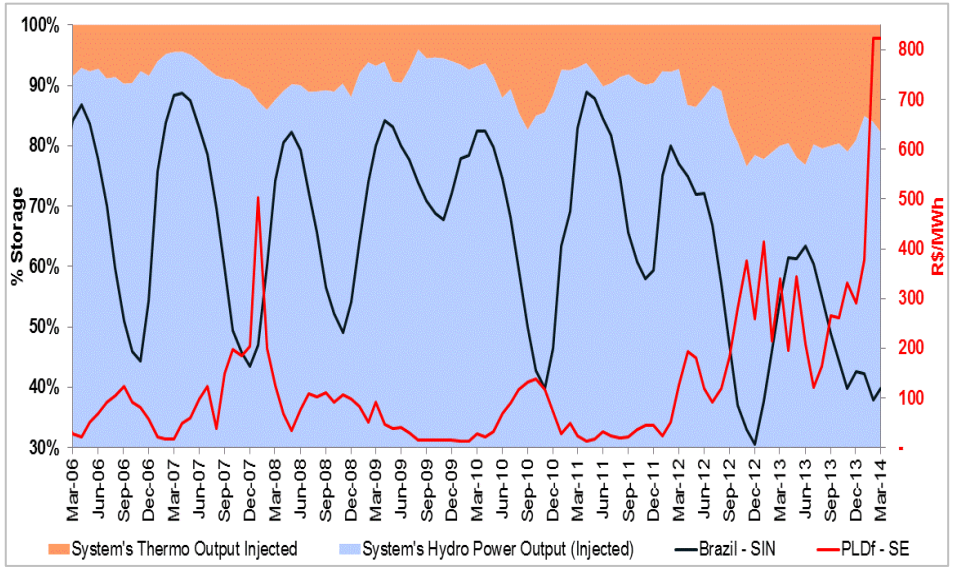
Said change of independent auditors will be effected upon expiration of the service agreement between the parties, pursuant the Instruction CVM 308/99.

In addition, we inform that E&Y is aware about such change.

Energy Price



Source: ONS

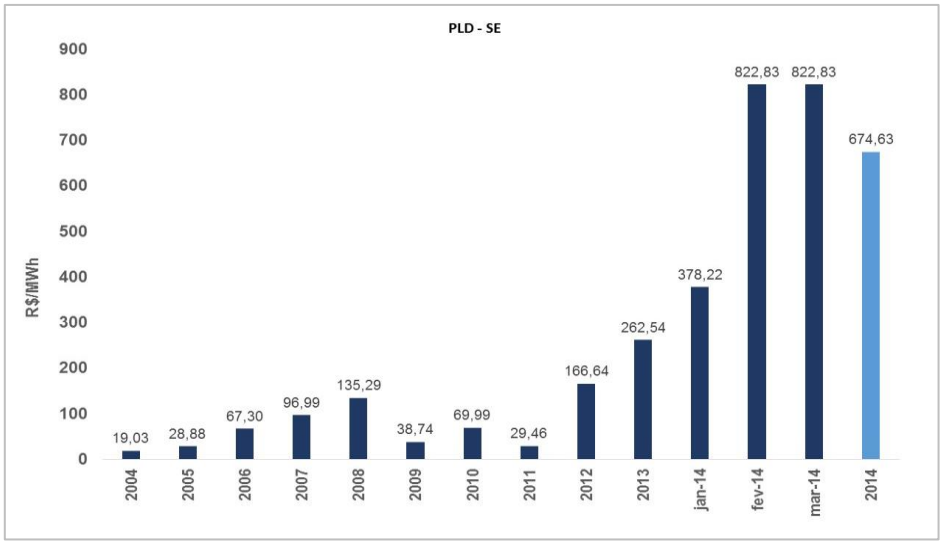


Source: ONS/CCEE

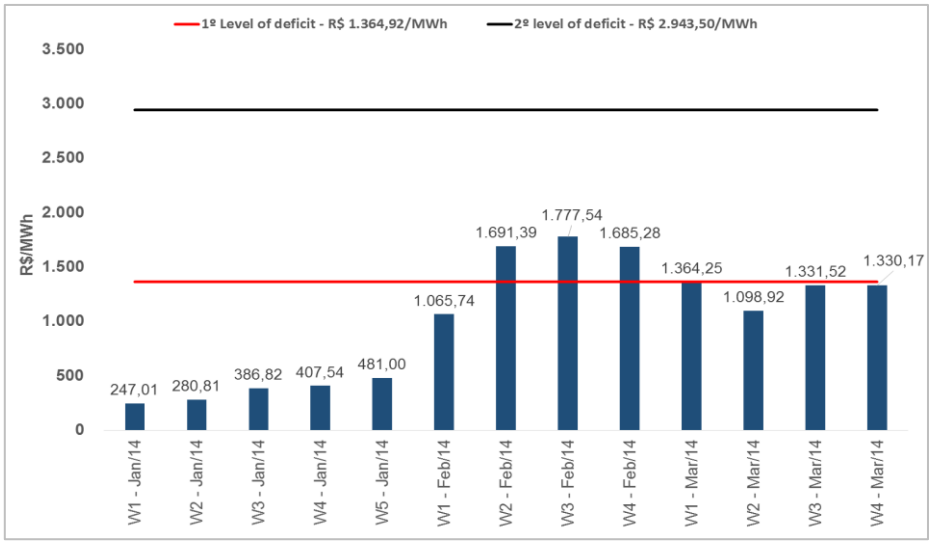
- Increase in thermoelectric generation
- Delays in the construction of greenfield projects
- Recent adoption of risk aversion procedures in the energy spot price (PLD) formation

✓ **These effects may pressure the energy prices in the short-term**

Energy Price



Source : CCEE



Source : ONS/CCEE

- Increase of average PLD's
- Average PLD of R$ 674.63/MWh in 1Q14
- PLD stayed on the top price every week of feb/14 to Mar/14, beating the 1st Deficit Baseline in the 2nd, 3rd and 4th week of feb/14.

Financial Highlights



Alupar

Financial Highlights - Consolidated

Key Indicators "CORPORATE LAW (IFRS)"			
R$ MM	1Q14	1Q13	Var.%
Adjusted Net Revenue	**324.2**	**281.1**	**15.3%**
EBITDA (CVM 527)	280.9	227.4	23.5%
Adjusted EBITDA Margin	86.7%	80.9%	(5.8 p.p)
Financial Results	(53.0)	(51.9)	2.2%
Consolidated Net Income	175.5	147.1	19.3%
Subsidiaries` Minority Interest	100.7	83.1	21.2%
Net Income – Alupar	**74.8**	**64.0**	**16.8%**
Earnings per UNIT (R$)*	**0.36**	**0.31**	**16.8%**
Net Debt**	2,484.0	2,751.6	(9.7%)
Net Debt / Ebitda***	2.2	3.0	

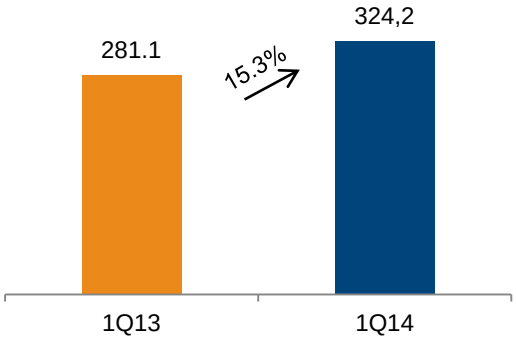
Key Indicators "REGULATORY"			
R$ MM	1Q14	1Q13	Var.%
Net Revenue	**318.6**	**269.5**	**18.2%**
EBITDA (CVM 527)	272.3	212.6	28.1%
Adjusted EBITDA Margin	85.5%	78.9%	6.6 p.p
Financial Results	(53.0)	(51.9)	2.2%
Consolidated Net Income	146.2	102.5	42.6%
Subsidiaries` Minority Interest	86.6	55.3	56.6%
Net Income – Alupar	**59.5**	**47.1**	**26.3%**
Earnings per UNIT (R$)*	**0.29**	**0.23**	**26.3%**
Net Debt**	2,484.0	2,751.6	(9.7%)
Net Debt / Ebitda***	2.3	3.2	

* Net Income / Units Equivalents (208.300.600) ** Including Securities under Non–Current Assets ***Annualized EBITDA

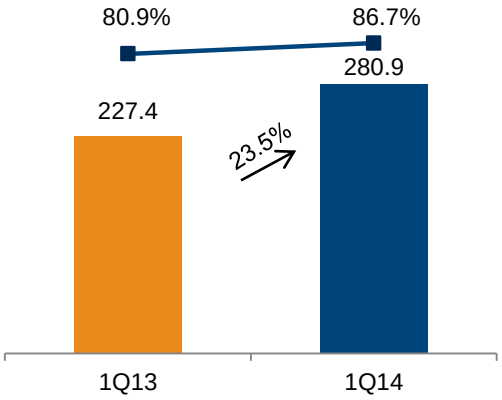
Consolidated Financial Highlights

IFRS Information

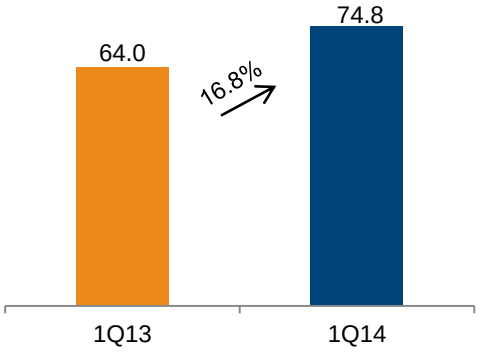
Adjusted Net Revenue (R$ MM)



EBITDA (R$ MM) and Margin (%)

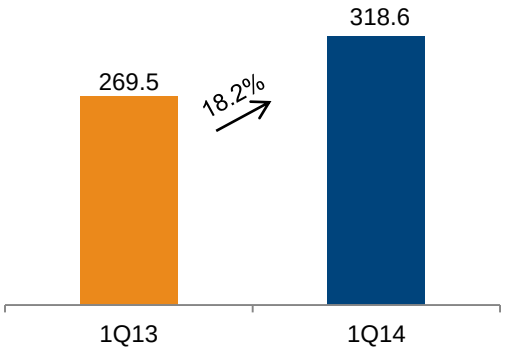


Net income (R$ MM)

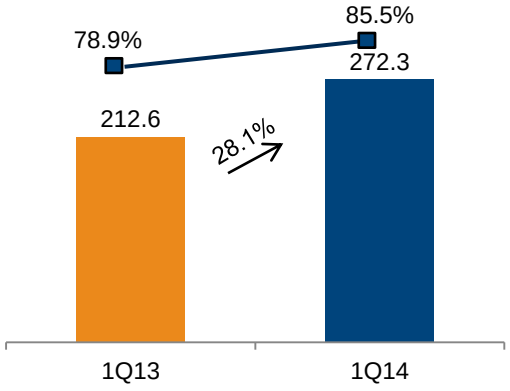


Regulatory Information

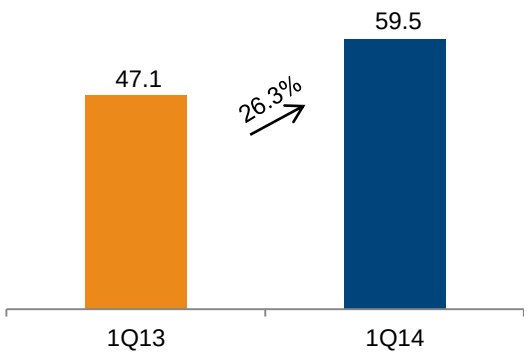
Net Revenue (R$ MM)



EBITDA (R$ MM) and Margin (%)



Net Income (R$ MM)



Transmission Financial Highlights - Combined

Key Indicators "CORPORATE LAW (IFRS)"			
R$ MM	1Q14	1Q13	Var.%
Adjusted Net Revenue	**269.0**	**255.9**	**5.1%**
Adjusted Operating Costs*	(19.6)	(17.5)	12.1%
Depreciation / Amortization	(1.7)	(1.4)	21.4%
Operating Expenses	(8.8)	(6.8)	29.4%
EBITDA (CVM 527)	**240.6**	**231.6**	**3.9%**
Adjusted EBITDA Margin	89.4%	90.5%	(1.1 p.p)
Financial Results	(33.4)	(26.6)	25.5%
Net Income	**169.5**	**183.3**	**(7.5%)**
Net Debt**	1,385.5	1,309.5	5.8%
Net Debt / EBITDA***	1.4	1.4	

Key Indicators "REGULATORY"			
R$ MM	1Q14	1Q13	Var.%
Net Revenue	**257.2**	**239.2**	**7.6%**
Adjusted Operating Costs*	(19.4)	(17.5)	10.9%
Depreciation / Amortization	(29.4)	(27.8)	5.8%
Operating Expenses	(8.8)	(6.8)	29.4%
EBITDA (CVM 527)	**229.1**	**214.8**	**6.6%**
Adjusted EBITDA Margin	89.1%	89.8%	(0.7 p.p)
Financial Results	(33.4)	(26.6)	25.5%
Net Income	**136.7**	**134.9**	**1.3%**
Net Debt**	1,385.5	1,309.5	5.8%
Net Debt / EBITDA***	1.5	1.5	

*Adjusted Operating Costs: excluding infrastructure costs

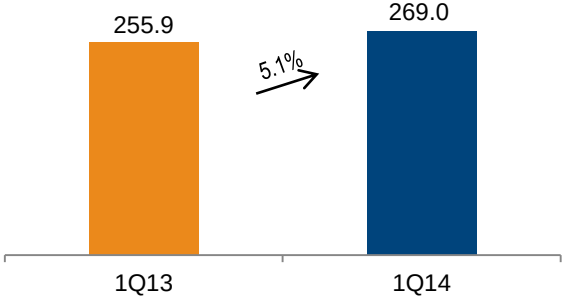
** Including Securities under Non-Current Assets

*** Annualized EBITDA

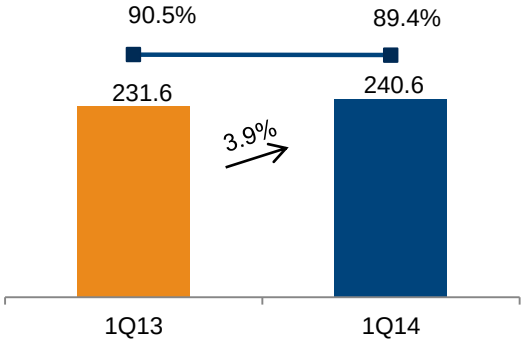
Transmission Financial Highlights - Combined

IFRS Information

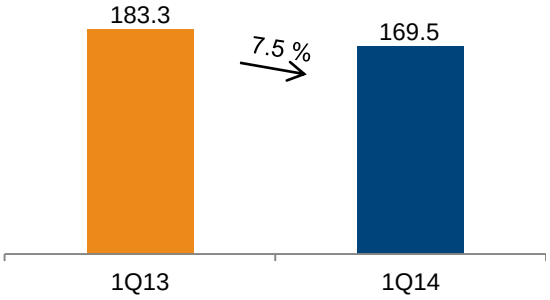
Adjusted Net Revenue (R$ MM)



EBITDA (R$ MM) and Margin (%)

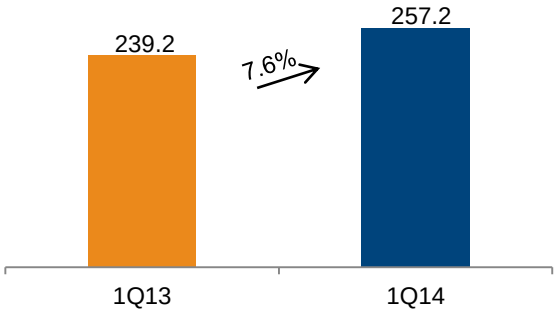


Net Income (R$ MM)

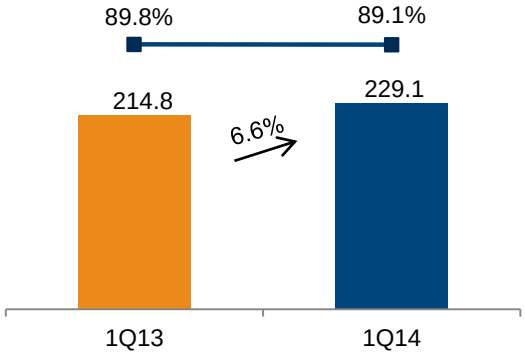


Regulatory Information

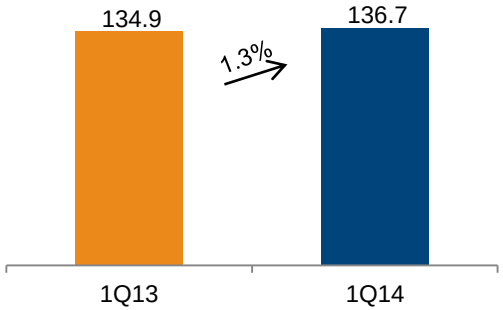
Net Revenue (R$ MM)



EBITDA (R$ MM) e Margem (%)



Net Income (R$ MM)



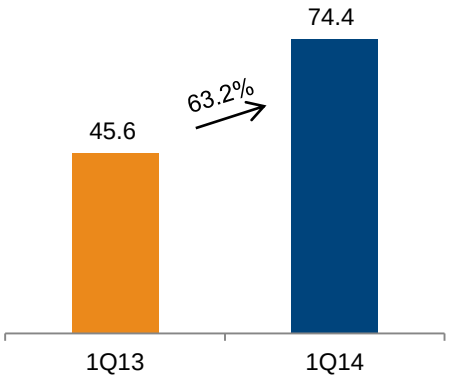
Generation Financial Highlights - Combined

Key Indicators "CORPORATE LAW (IFRS)"			
R$ MM	1Q14	1Q13	Var.%
Net Revenue	**74.4**	**45.6**	**63.2%**
Operating Costs	(7.5)	(7.5)	-
Depreciation & Amortization	(8.3)	(8.3)	-
Energy Purchases	(2.8)	(18.6)	(84.9%)
Operating Expenses	(3.4)	(2.5)	36.0%
EBITDA (CVM 527)	**60.7**	**17.0**	**257.0%**
EBITDA Margin	**81.6%**	**37.3%**	**44.3 p.p**
Financial Result	(10.4)	(11.6)	(10.3%)
Net Income / Loss	**32.7**	**(3.6)**	**-**
Net Debt *	1,151.8	1,145.5	0.5%
Net Debt / EBITDA**	4.7	16.8	

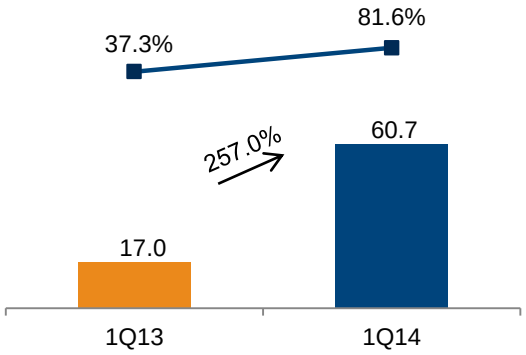
* Including Securities under Non-Current Assets

**Annualized EBITDA

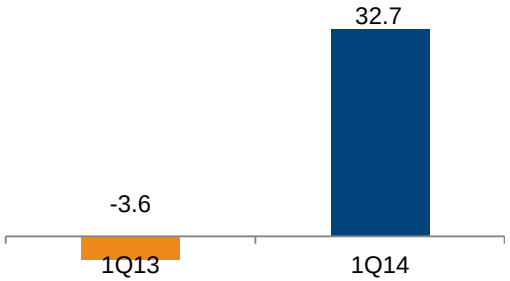
Net Revenue (R$ MM)



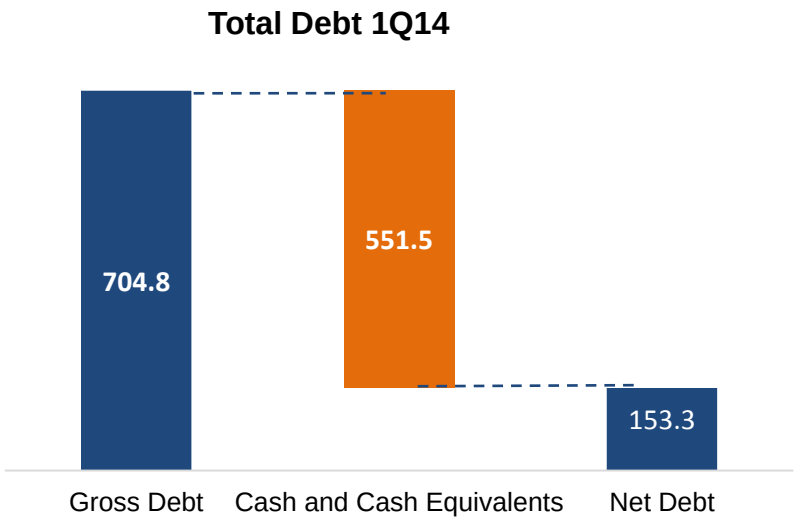
EBITDA (R$ MM) e Margem (%)

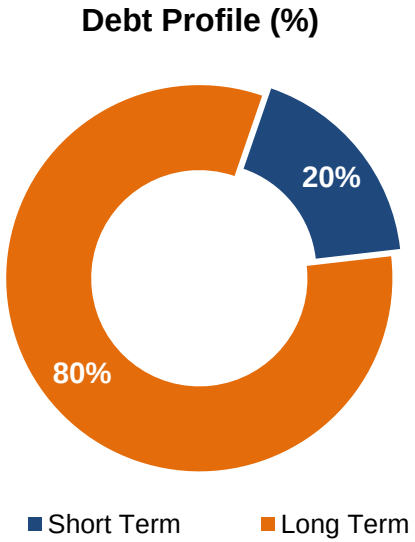


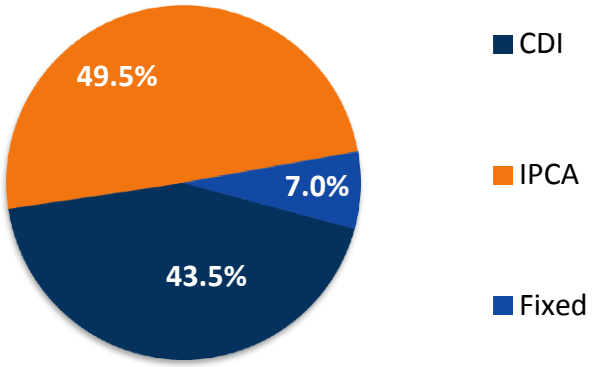
Net Income (R$ MM)

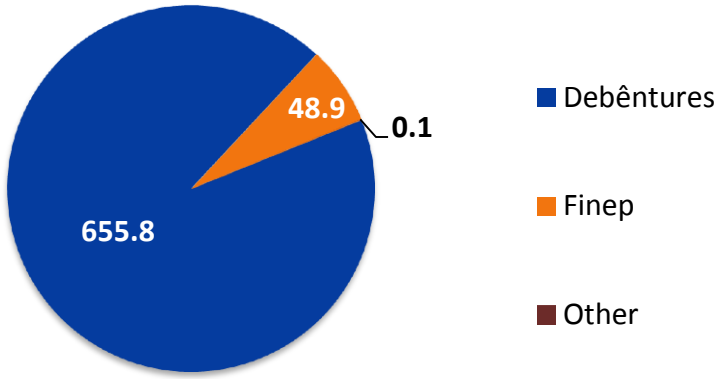


Indebtedness - Controlling



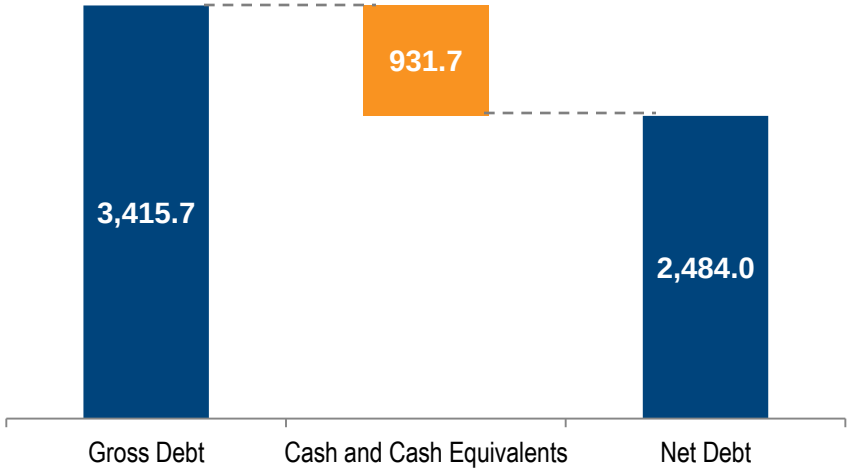




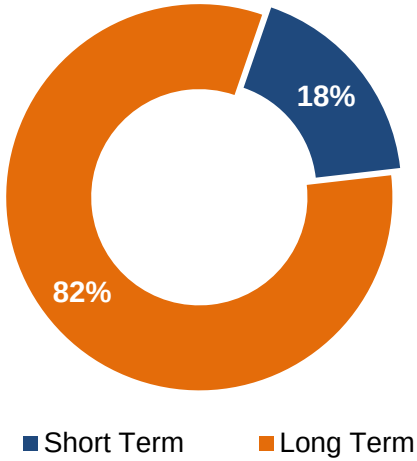


Indebtedness - Consolidated

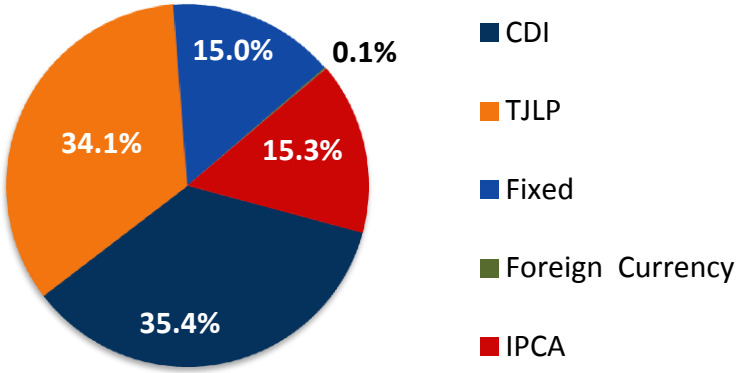
Total Debt 1Q14



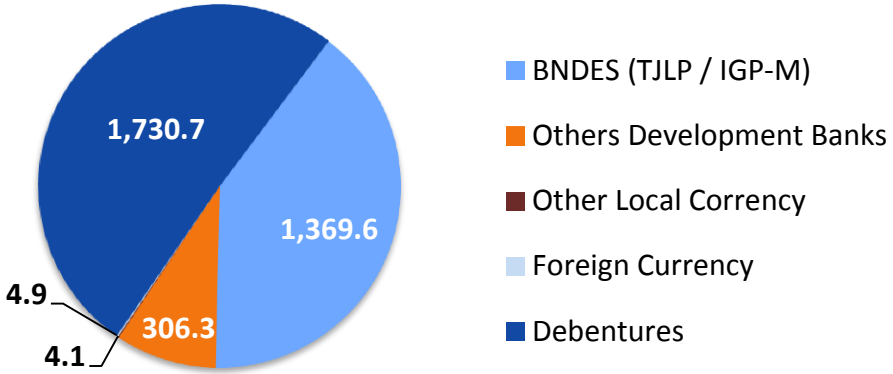
Debt Profile (%)



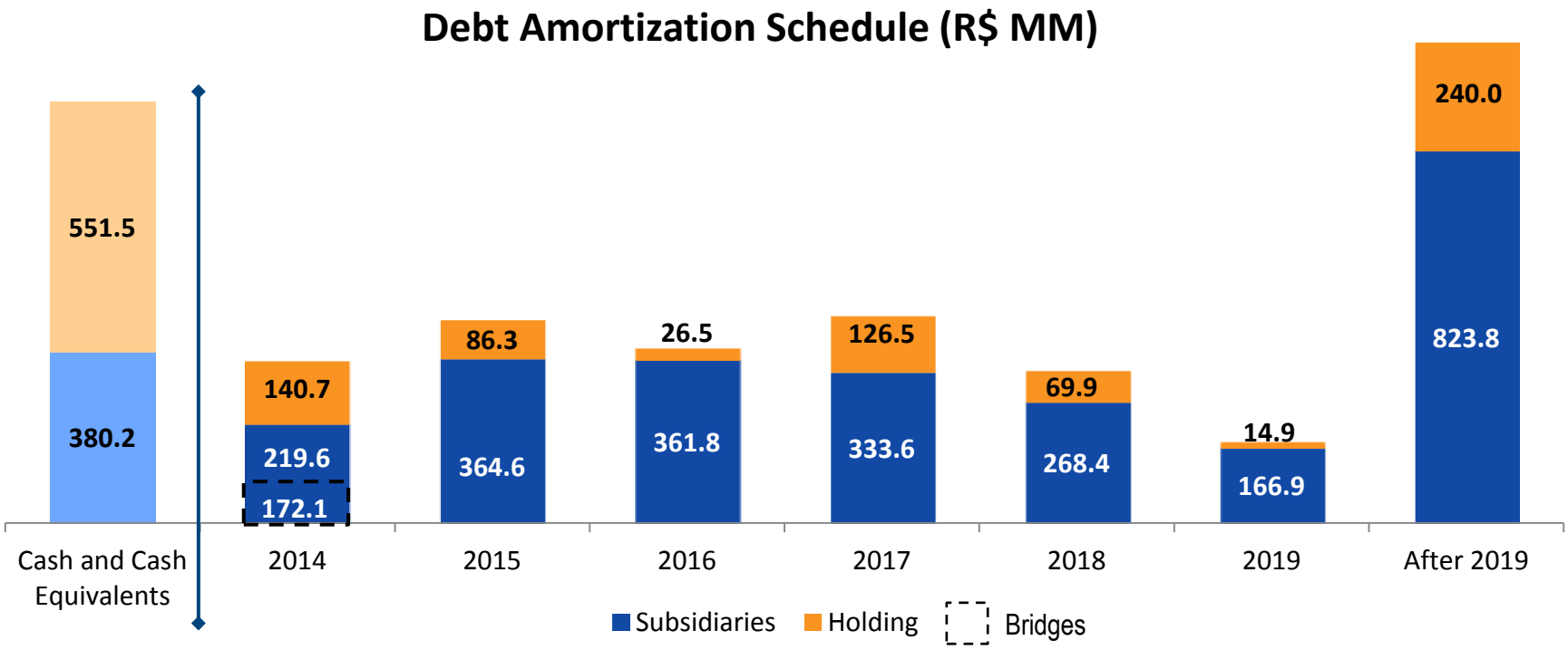
Gross Debt by Index (%)



Gross Debt Composition (R$ MM)



Indebtedness – Debt Maturity 1Q14



FitchRatings

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

Moody's Investors Service

✓ Corporate (national scale) ***Aa2.br***

✓ Corporate (globa scalel) ***Ba1***



Alupar

IR Contacts
Marcelo Costa
IRO
Luiz Coimbra
Kássia Orsi Amendola
IR Analyst
Tel.: (011) 2184-9600
ri@alupar.com.br

ALUP11
NÍVEL 2
BM&FBOVESPA

May, 12th, 2014