



# Equatorial Transmissão

November 04, 2016

## **OWNERSHIP CULTURE**

- Strong Alignment of Interests
- Value Creation

## **FAST DECISION PROCESS**

- Benefiting from windows of opportunities

## **MANAGERIAL PROWESS**

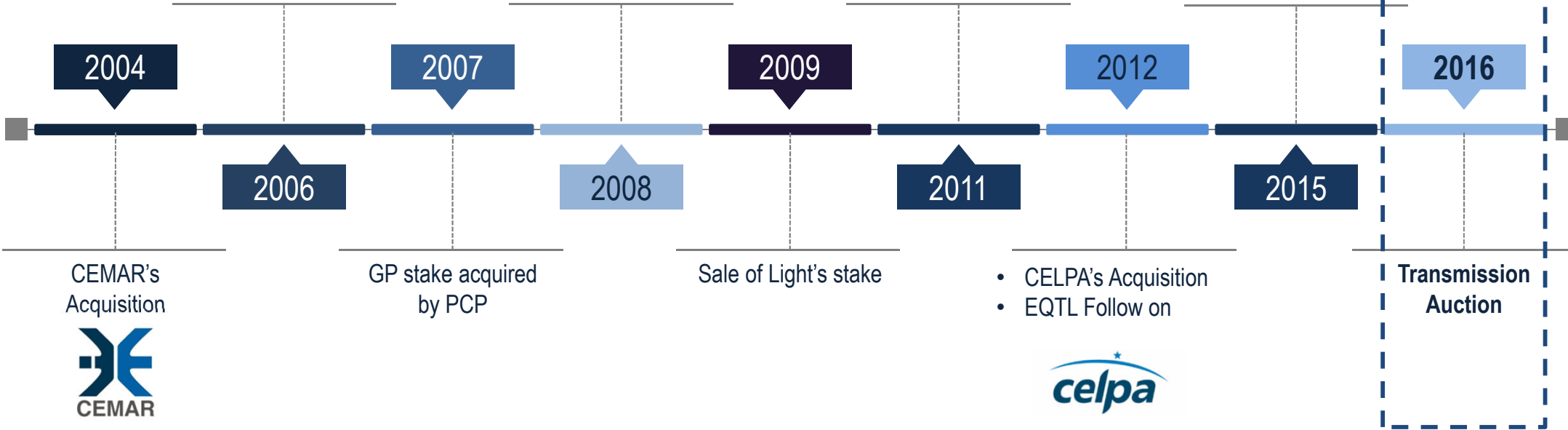
- Operational
- Capital Allocation
- Risk Control

# Equatorial History

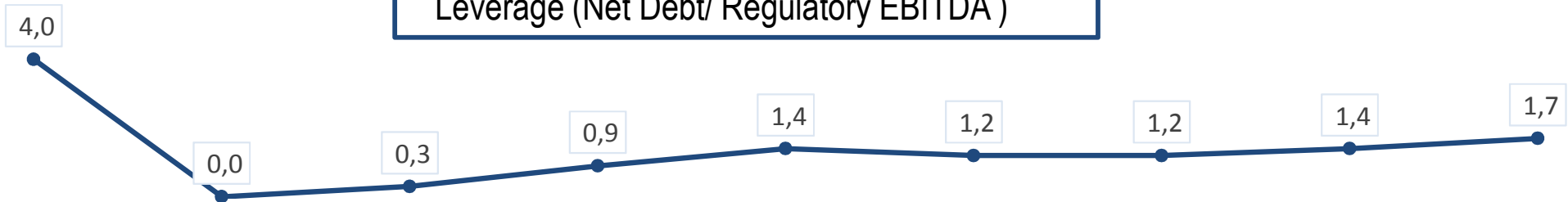
- Equatorial IPO
- PCP Latin America acquires 46% of EQTL
- Acquisition of Stake in Light
- Novo Mercado entrance
- Acquisition of a 25% stake in Geramar

Acquisition of 51% of Sol Energias

Equatorial Transmissão Creation



Leverage (Net Debt/ Regulatory EBITDA)



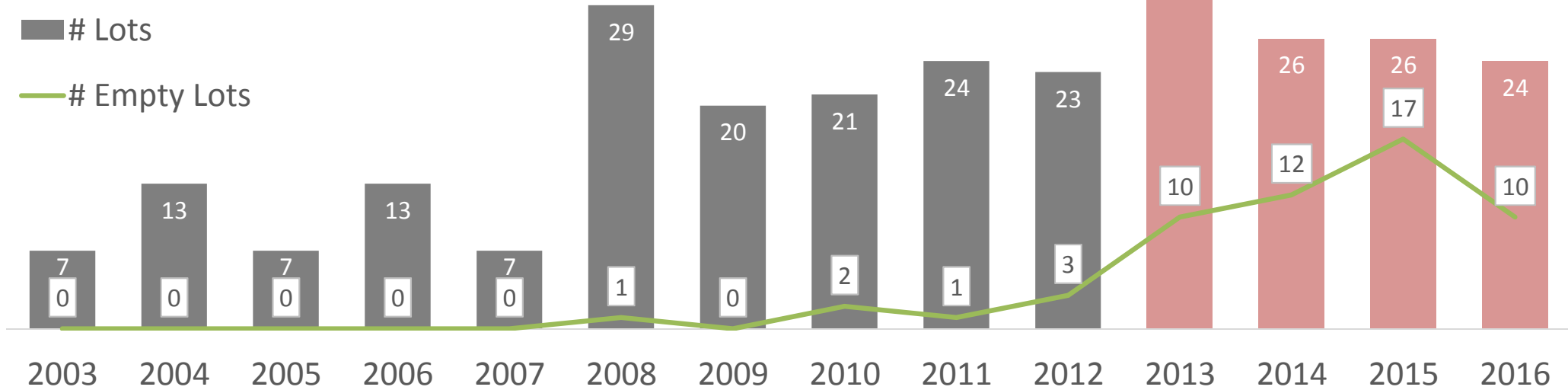
# Transmission Auction Conditions



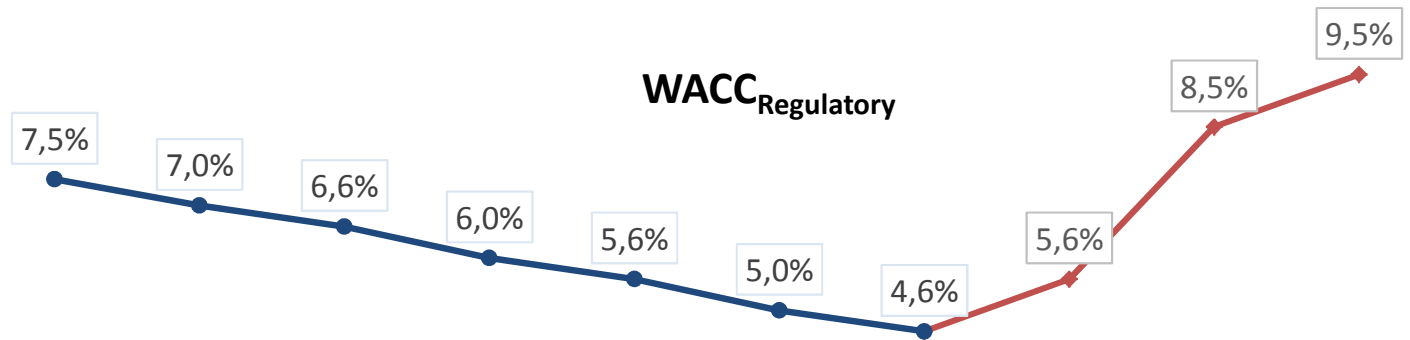
○ Average Discount to Max Revenue

■ # Lots

— # Empty Lots



Auctions' Historical Figures



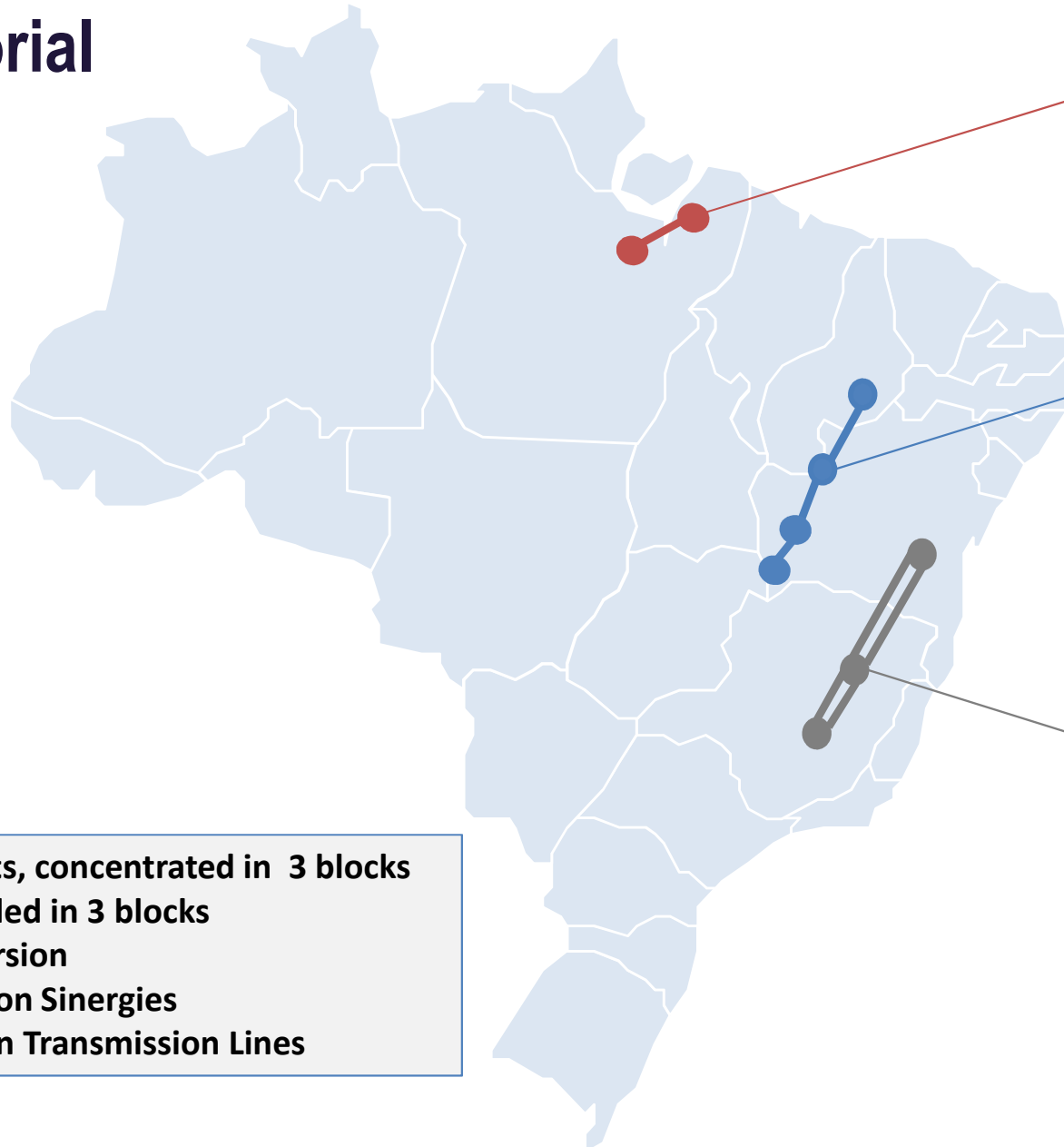
Higher WACC

Higher Regulatory Capex

Longer Construction Period

Smaller Lots Size

# Auction 13/2015 (2<sup>nd</sup> Phase) – Lots Equatorial



Block 1	
Km Lines	
Lot 23	125
SubStations	2

Block 2	
Km Lines	
Lot 08	251
Lot 09	213
Lot 12	380
<b>Total</b>	<b>844</b>
SubStations	1

Block 3	
Km Lines	
Lot 14	594
Lot15	257
Lot 16	330
<b>Total</b>	<b>1.181</b>
SubStations	1

- Smaller lots, concentrated in 3 blocks
- 7 lots divided in 3 blocks
- Risk Dispersion
- Construction Sinergies
- 2.150 km in Transmission Lines

# Auction Results - Equatorial

Block 1	
(R\$ MM)	Capex ANEEL
Lot 23	R\$ 426,98
<b>Annual Revenue</b>	<b>R\$ 89,79</b>

Block 2	
(R\$ MM)	Capex ANEEL
Lot 08	R\$ 444,83
Lot 09	R\$ 473,11
Lot 12	R\$ 547,50
<b>Total</b>	<b>R\$ 1.465,44</b>
<b>Annual Revenue</b>	<b>R\$ 251,32</b>

Block 3	
(R\$ MM)	Capex Aneel
Lot 14	R\$ 1.065,59
Lot 15	R\$ 435,45
Lot 16	R\$ 507,22
<b>Total</b>	<b>R\$ 2.008,26</b>
<b>Annual Revenue</b>	<b>R\$ 377,42</b>

- **ANEEL's Total Capex:** R\$ 3.901 MM
- **Contracted Capex:** Between 3%-5% discount on ANEEL's Total Capex.
- **Total Annual Revenues (RAP):** R\$ 718.5 MM (11.8% discount to maximum)
- **Operational Start:** Average anticipation of, at least, 12 months.
- **Main Suppliers / Construction Companies:** Andrade Gutierrez and Elecnor.
- Blocks within **SUDAM / SUDENE fiscal benefit area of influence** (totally or partially)

# Execution Capacity

## Equatorial - Historical

## Transmission

### Capex

(R\$ MM)	2011	2012	2013	2014	2015	TOTAL
Own Capex	809	874	657	1.015	821	
Light for All	340	222	90	292	295	
<b>Total</b>	<b>1.149</b>	<b>1.096</b>	<b>747</b>	<b>1.307</b>	<b>1.116</b>	
<b>Capex (real figures)*</b>	<b>1.584</b>	<b>1.427</b>	<b>919</b>	<b>1.510</b>	<b>1.165</b>	<b>6.605</b>

\*IPCA (until jun/16)

**Total Capex Aneel: R\$ 3,901 MM**

2017	2018	2019	2020	2021
20 - 25%	50 - 60%	15 - 30%		

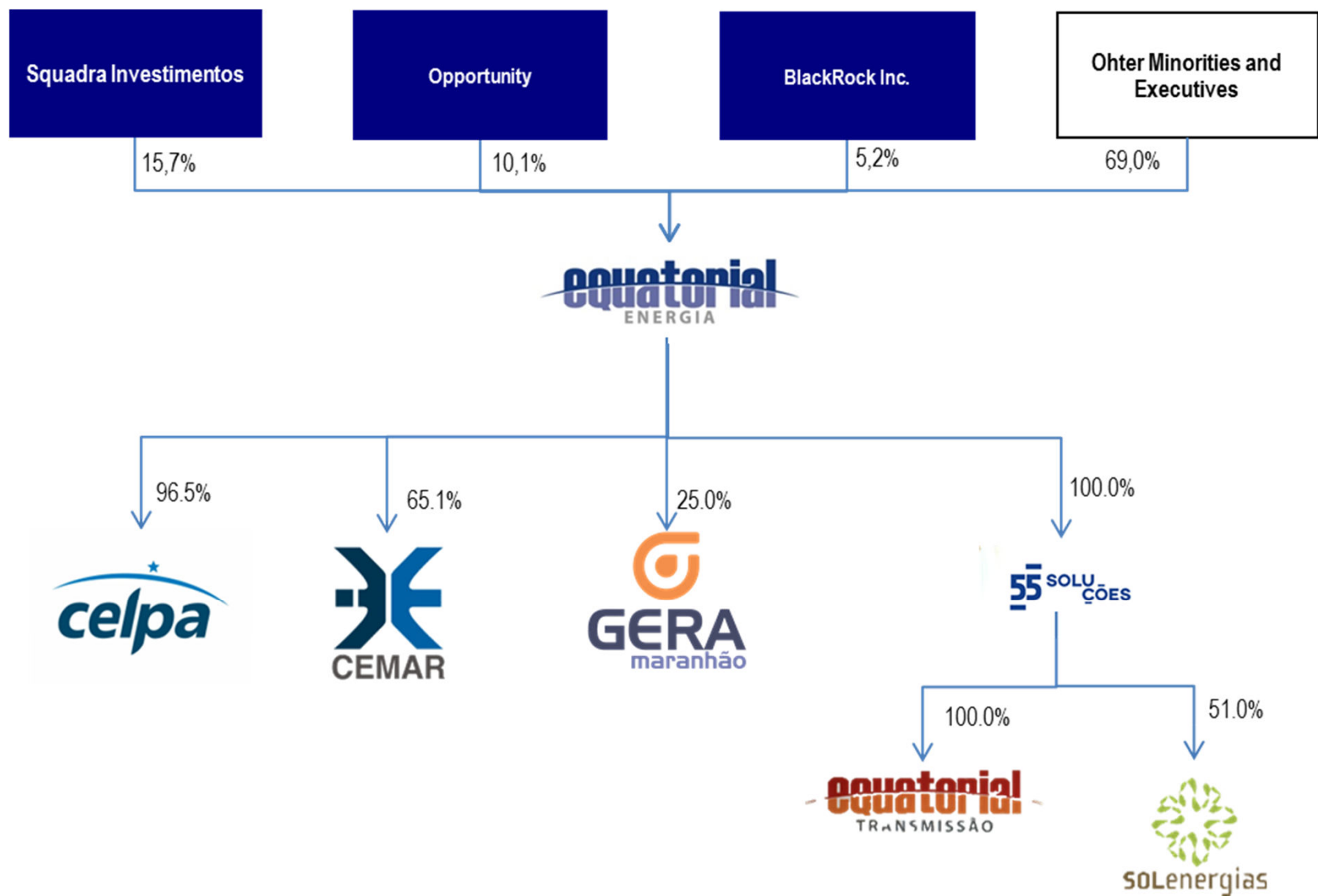
### Km of Grid

	2012	2013	2014	2015	Δ 15/12
CEMAR	114.708	120.806	123.033	125.738	<b>11.030</b>
CELPA	109.959	112.760	121.512	127.345	<b>17.386</b>

**Km of Grid: 2,150 km**

- **Scattered Construction**
- **Several Suppliers / Construction Companies**
- **Several Environmental Licenses**

# Future Structure Equatorial







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