







Alupar

ALUP11
NÍVEL 2
BM&FBOVESPA

1Q18 Results Presentation



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

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Agenda



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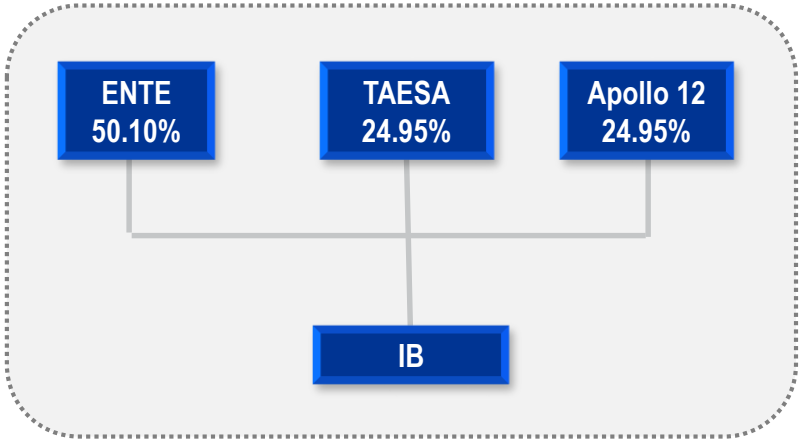
Highlights

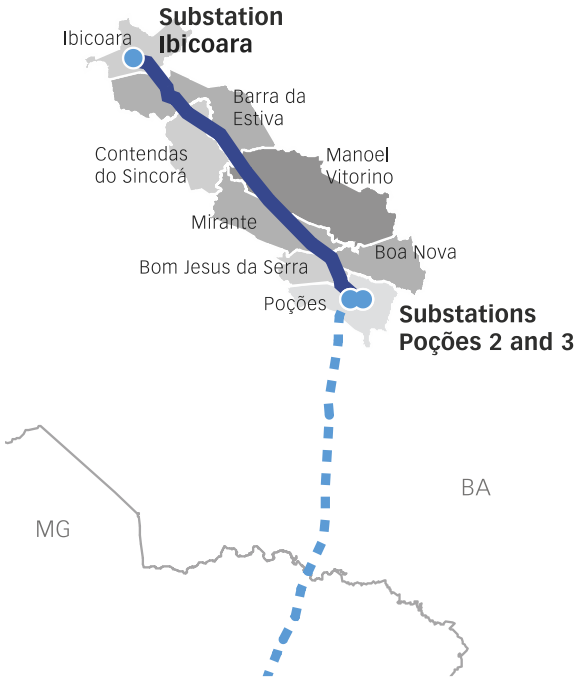
Period Highlights

Acquisition of IB's Equity Capital (EDTE – Empresa Diamantina de Transmissão de Energia)

On March 26, 2018, the Company announced that, in addition to the matters disclosed in the Material Fact of November 17, 2017, after the approval from CADE and ANEEL, the transfer to the Company's ENTE subsidiary was concluded, with 50.10% of equity interest of IB. Upon completion of the transaction, Alupar will indirectly own 25.06% of IB (EDTE).

✓ **% Indirect by Alupar: 25.06%**





Period Highlights

Rating in international scale

On April 6, 2018, for the first time, Fitch Ratings assigned to the Company the international scale rating for foreign currency “BB” and domestic currency “BBB-”, maintaining a stable outlook.

FITCH ASSIGNS FIRST-TIME 'BB' IDR TO ALUPAR INVESTIMENTO S.A.; OUTLOOK STABLE

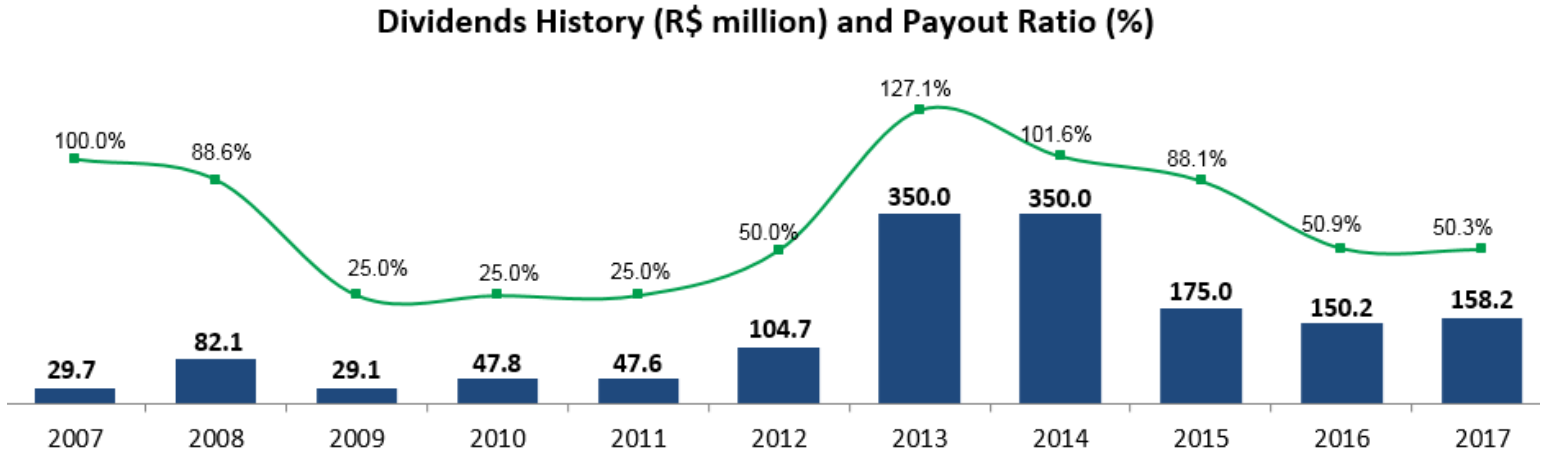
Fitch Ratings-Sao Paulo-06 April 2018: Fitch Ratings has assigned Alupar Investimento S.A. (Alupar) a first-time 'BB' Foreign Currency Issuer Default Rating (IDR) and 'BBB-' Local Currency IDR. The Rating Outlook is Stable. Fitch currently rates Alupar's National Scale rating 'AAA(bra)'/Stable and local issuances ratings
'AAA(bra)' . A full list of ratings follows at the end of this press release.

Allocation of Profit

On April 26, 2018, the Annual and Extraordinary Shareholders' Meeting approved the distribution of dividends in the amount of **R$ 158,241,795.95** of net income for the year 2017 corresponding to R$ 0.18 per common and preferred share issued by the Company, equivalent to R$ 0.54 per Unit, being:

- ✓ **R$ 61,537,788.83**, as interim dividends, as declared by the Company's Board of Directors at a meeting held on January 29, 2018, corresponding to R$ 0.07 per common and preferred shares issued by the Company, equivalent to R$ 0.21 per Unit.
  - ➢ Ex-dividend as of February 2, 2018;
  - ➢ Payment on February 16, 2018.

- ✓ **R$ 96,704,007.12**, as dividends, corresponding to R$ 0.11 per common and preferred share issued by the Company, equivalent to R$ 0.33 per Unit.
  - ➢ Ex-dividend as of April 27, 2018;
  - ➢ Payment up to July 30, 2018.



Development of the ongoing Assets

	Concession Contract Signing Date	State	Capex (MM)	RAP Contracted (MM)	Deadline Start-up (Notice)	Environmental Studies under development	REIDI Approval		Priority Project	DUP
						IBAMA / IDEMA (RN) / IEMA (ES) INEMA (BA)	MME	RFB	MME	
ETAP	09/02/2016	RN	R$ 284.9*	R$ 48.5	Dec/19	LI IDEMA – 09/20/17 - Substation LS IDEMA – 12/01/17 - TL	Approved 03/21/17	Approved 07/27/17	Approved 03/30/17	06/20/2017
ETC	09/02/2016	ES	R$ 151.0*	R$ 28.1	Jun/19	LI IEMA – 03/23/18	Approved 03/23/17	Approved 07/27/17	Approved 02/21/17	12/12/2017
TPE	02/10/2017	MG/BA	R$ 1,269.0*	R$ 214.7	Feb/22	IBAMA Registered RAS – 01/05/18	Approved 07/11/17	Approved 10/04/17	Approved 10/13/17	TL – 04/03/2018 SS 1 – 04/03/2018 SS 2 – 04/17/2018
TCC	02/10/2017	MG/ES	R$ 698.8*	R$ 146.0	Feb/22	IBAMA Registered EIA – 11/28/17	Approved 07/12/17	Approved 11/06/17	Approved 10/13/17	SS – 01/23/2018 TL – 04/17/2018
ESTE	02/10/2017	MG/ES	R$ 485.8*	R$ 101.0	Feb/22	IBAMA Registered EIA – 01/31/2018	Approved 07/24/17	Approved 09/29/17	Approved 09/14/17	12/05/2017
TSM	08/11/2017	SP/RJ	R$ 889.0*	R$ 99.1	Aug/22	IBAMA	Approved 11/06/17	Approved 04/06/18	Approved 11/14/17	-
ETB	09/27/2016	BA	R$ 720.5*	R$ 121.6	Jun/20	INEMA - Registered EMI Line 1 – 01/24/18 Line 2 – 02/02/18	Approved 02/21/17	Approved 08/10/17	Approved 12/06/17	TL 1 – 01/23/2018 TL 2 – 04/03/2018
EDTE	12/01/2016	BA	R$ 368.0*	R$ 60.0	Dec/19	INEMA – Registered EMI 01/23/2018	Approved 05/08/17	Approved 08/10/17	Approved 12/06/17	02/20/2018
TCE	11/23/2016	Risaralda/Tolima/ Cundinamarca/ Caldas	US$ 130.0	US$ 22.5	Nov/21	ANLA	-	-	-	

*Capex ANEEL

Changes in the Project Status 1Q18 *vs.* 4Q17

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
INEMA: Instituto Estadual do Meio Ambiente e Recursos Hídricos | LI: Licença de Instalação | LS: Licença Simplificada | LP: Licença Prévia | RAS: Relatório Ambiental Simplificado | EIA: Estudo de Impacto Ambiental | EMI: Estudo de Médio Impacto | ANLA: Autoridade Nacional de Licenças Ambientais.



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Financial Highlights

Financial Highlights - Consolidated

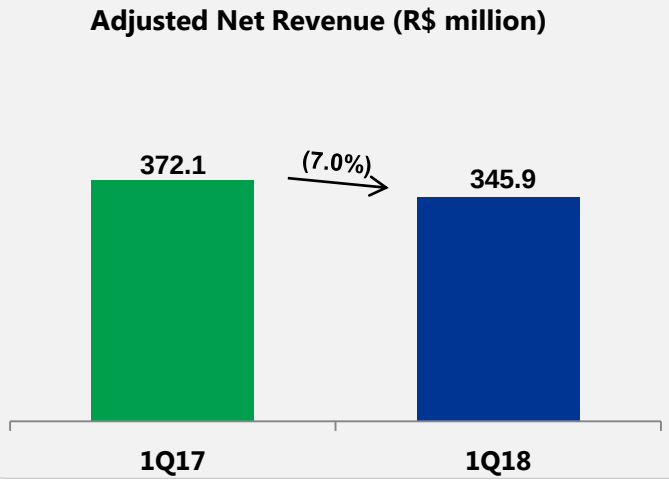
Key Indicators "CORPORATE LAW (IFRS)"			
R$ MM	1Q18	1Q17	Var.%
Adjusted Net Revenue	345.9	372.1	(7.0%)
EBITDA (CVM 527)	**257.4**	**305.9**	**(15.9%)**
Adjusted EBITDA Margin	**74.4%**	**82.2%**	**(7.8 p.p)**
Financial Results	(62.2)	(93.8)	(33.7%)
Consolidated Net Income	137.4	165.2	(16.9%)
Subsidiaries' Minority Interest	77.0	91.5	(15.8%)
Alupar Net Income	**60.3**	**73.7**	**(18.2%)**
Earnings per UNIT (R$) *	**0.21**	**0.25**	**(18.2%)**
Net Debt **	2,700.7	3,534.6	(23.6%)
Net Debt / Ebitda ***	2.6	2.9	

Key Indicators "Regulatory"			
R$ MM	1Q18	1Q17	Var.%
Net Revenue	388.7	432.4	(10.1%)
EBITDA (CVM 527)	**298.7**	**365.9**	**(18.4%)**
EBITDA Margin	**76.8%**	**84.6%**	**(7.8 p.p)**
Financial Results	(62.2)	(93.8)	(33.7%)
Consolidated Net Income	154.4	197.6	(21.9%)
Subsidiaries' Minority Interest	87.0	105.2	(17.3%)
Alupar Net Income	**67.3**	**92.4**	**(27.1%)**
Earnings per UNIT (R$) *	**0.23**	**0.32**	**(27.1%)**
Net Debt **	2,700.7	3,534.6	(23.6%)
Net Debt / Ebitda ***	2.3	2.4	

* For the purposes of comparative analysis, the number of shares for 1Q18. Net Income / Units Equivalents (293.037.090) ** Including Securities under Non-Current Assets *** Annualized EBITDA.

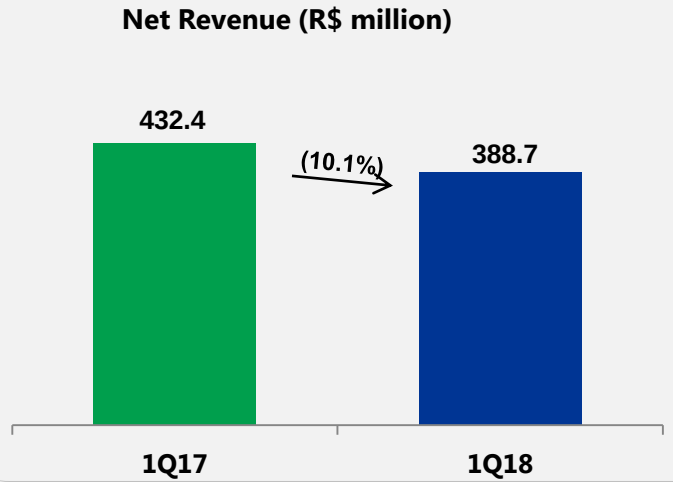
Financial Highlights - Consolidated

Corporate Law Information



- **- R$ 17.8 mm – Compensation Revenue from Concession Assets**
  - Reduction of rates of remuneration of financial assets
    - Fall of inflation projection 1Q18 x 1Q17;
    - Amortization of financial assets - receipt of RAPs.
- **- R$ 8.6 mm – Energy Supply Revenue**
  - Seasonalization strategy of generators;
  - Operations within the scope of the trader.

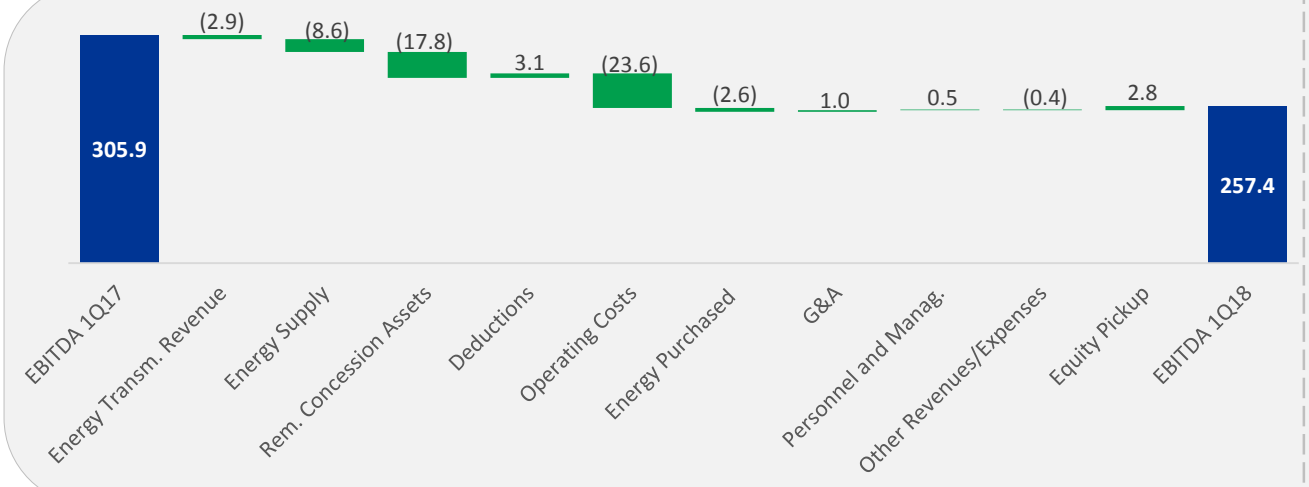
Regulatory Information



- **- R$ 38.2 mm in Energy Transmission Revenue**
  - - R$ 27.6 mm in EATE and ETEP transmitters: 50% cliff in RAP, *pro rata temporis* - anniversary of 15 years of operation;
  - - R$ 8.0 mm on the ECTE transmitter: 50% cliff in RAP - anniversary of 15 years of operation.
- **- R$ 8.6 mm – Energy Supply Revenue**
  - Seasonalization strategy of generators;
  - Operations within the scope of the trader.

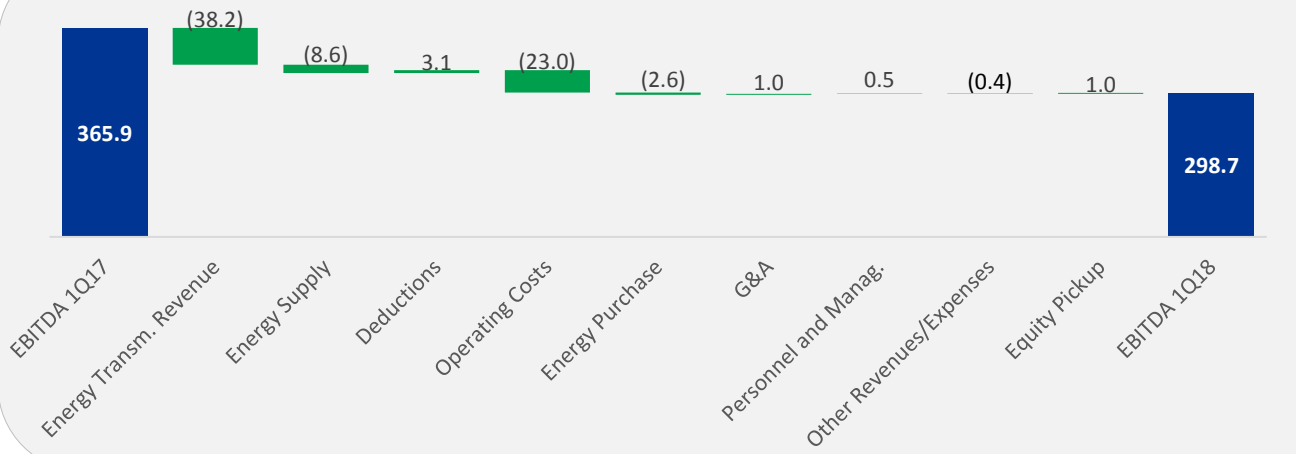
Financial Highlights Consolidated - EBITDA

Corporate Law Information



- **- R$ 26.2 mm in Adjusted Net Revenue**
- **+ R$ 23.6 mm in Operational Costs**
  - Provision of GSF in the Queluz and Lavrinhas SHPs, in the amount of R$ 23.0 mm.
- **+ R$ 2.6 mm in Energy Purchase**
  - Energy allocation strategy.
- **+ R$ 2.8 mm in Equity Pickup**
  - Accounting for ETB, which will not be consolidated in the financial statements of Alupar and will have its equity accounting result.

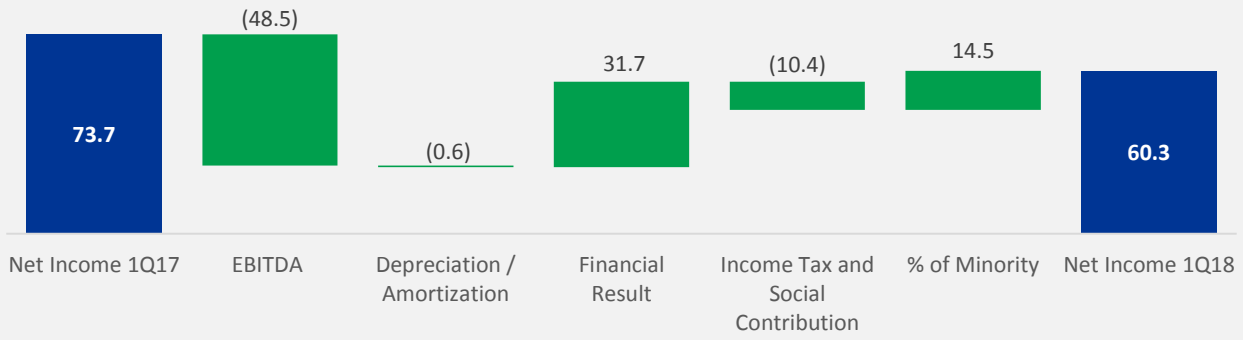
Regulatory Information



- **- R$ 43.7 mm in Net Revenue**
- **+ R$ 23.6 mm in Operational Costs**
  - Provision of GSF in the Queluz and Lavrinhas SHPs, in the amount of R$ 23.0 mm.
- **+ R$ 2.6 mm in Energy Purchase**
  - Energy allocation strategy.

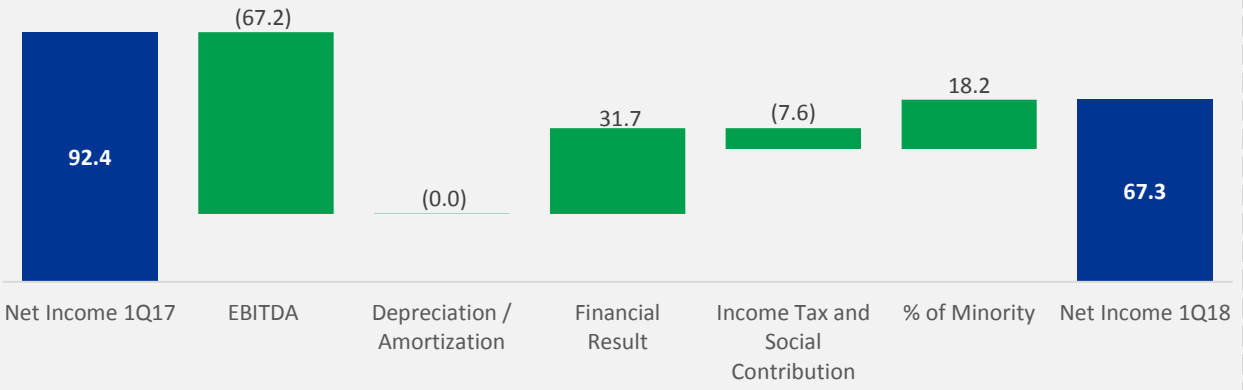
Financial Highlights Consolidated – Net Income

Corporate Law Information



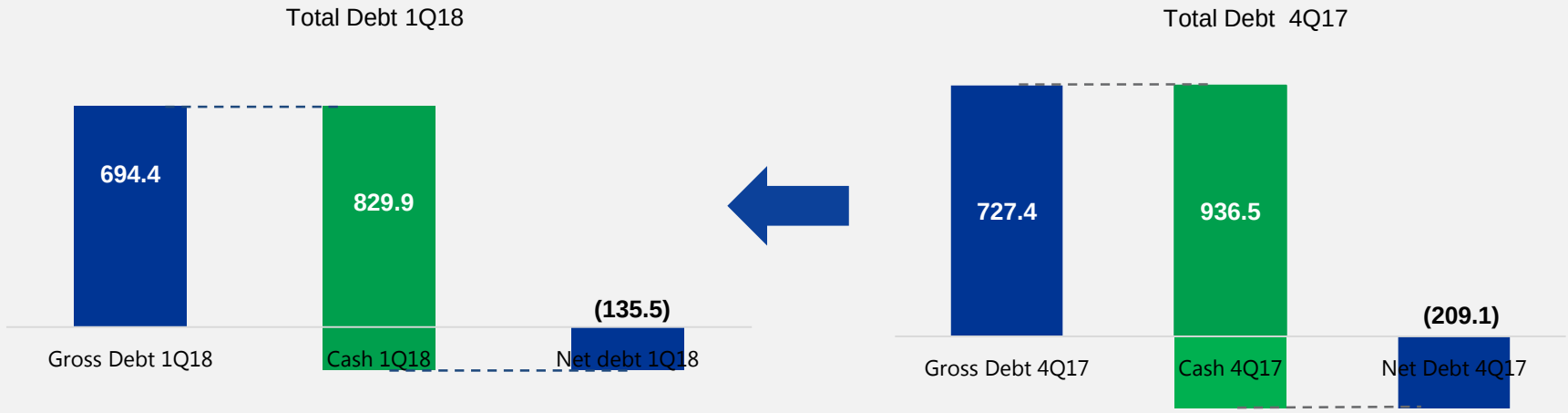
- **- R$ 48.5 mm in EBITDA**
- **- R$ 31.7 mm in Financial Results**
  - Financial Expenses: - R$ 49.4 mm
  - Financial Revenue: - R$ 17.7mm
- **+ R$ 10.4 mm in Tax/Social Contribution**
  - Constitution, in 1Q17, of the deferred tax in the Morro Azul SHPP, variation of R$ 10.9 mm
- **- R$ 14.5 mm in % Minority**
  - Reduction in the profits of Queluz and Lavrinhas SHPPs, due to the provision of GSF, variation of R$ 13.3 mm.

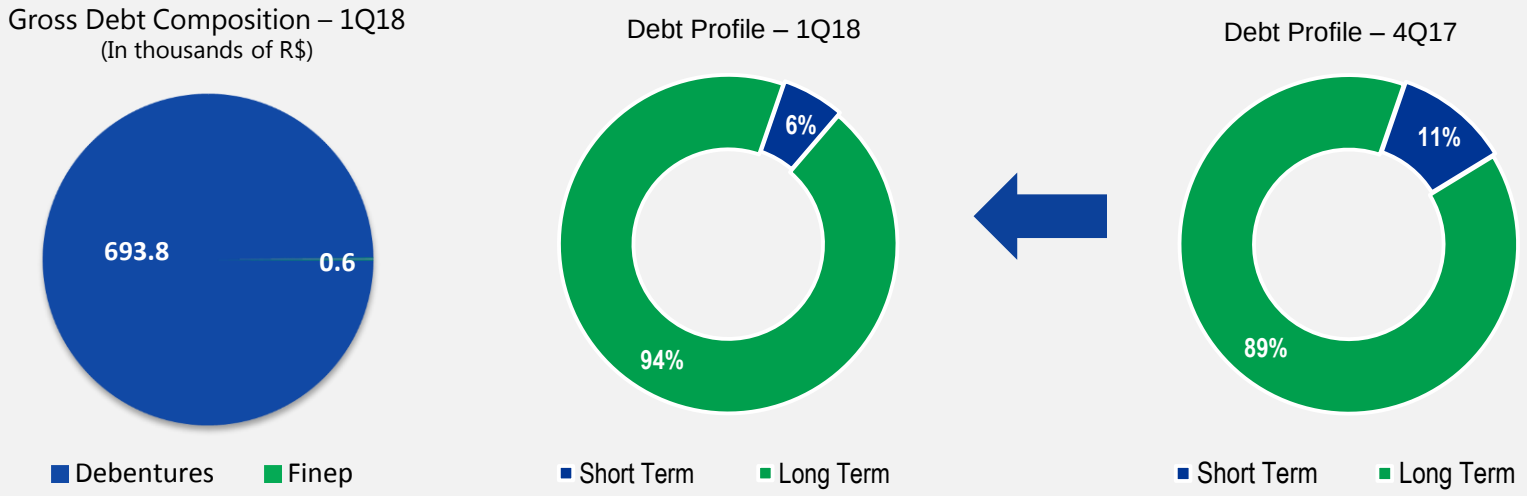
Regulatory Information



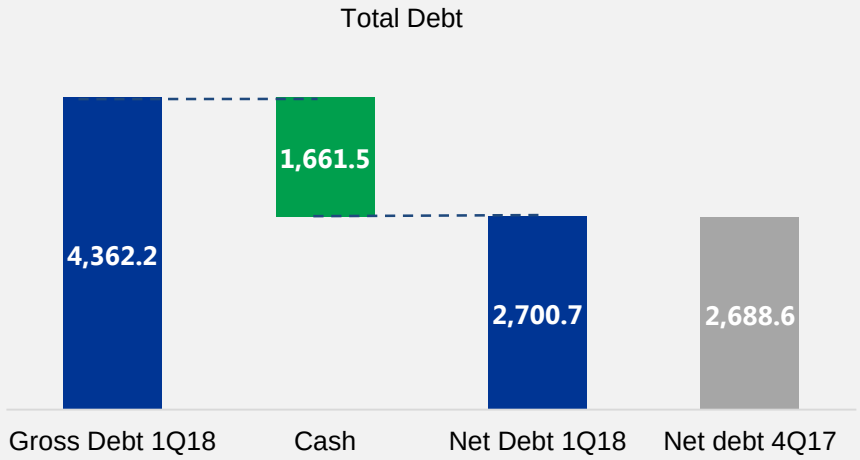
- **- R$ 67.2 mm in EBITDA**
- **- R$ 31.7 mm in Financial Results**
  - Financial Expenses: - R$ 49.4 mm
  - Financial Revenue: - R$ 17.7mm
- **+ R$ 7.6 mm in Tax/Social Contribution**
  - Constitution, in 1Q17, of the deferred tax in the Morro Azul SHPP, variation of R$ 10.9 mm
- **- R$ 18.2 mm in % Minority**
  - Reduction in the profits of Queluz and Lavrinhas SHPPs, due to the provision of GSF, variation of R$ 13.3 mm.

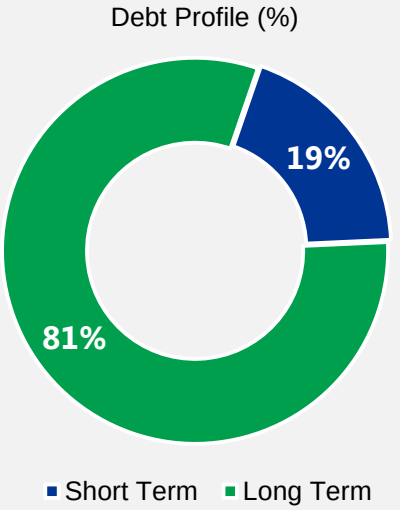
Indebtedness- Holding

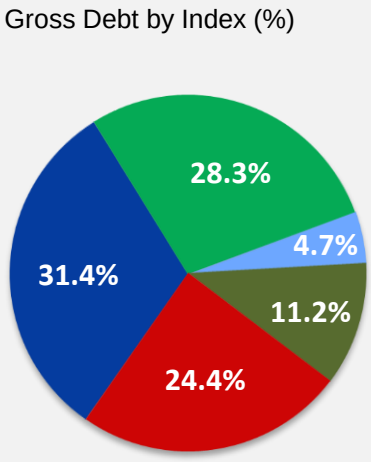




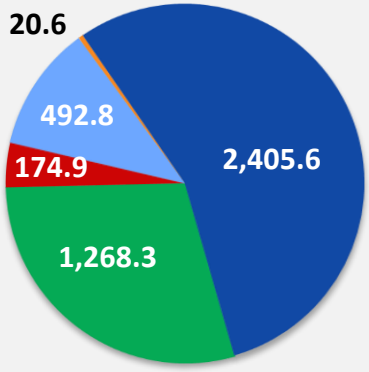
Indebtedness- Consolidated





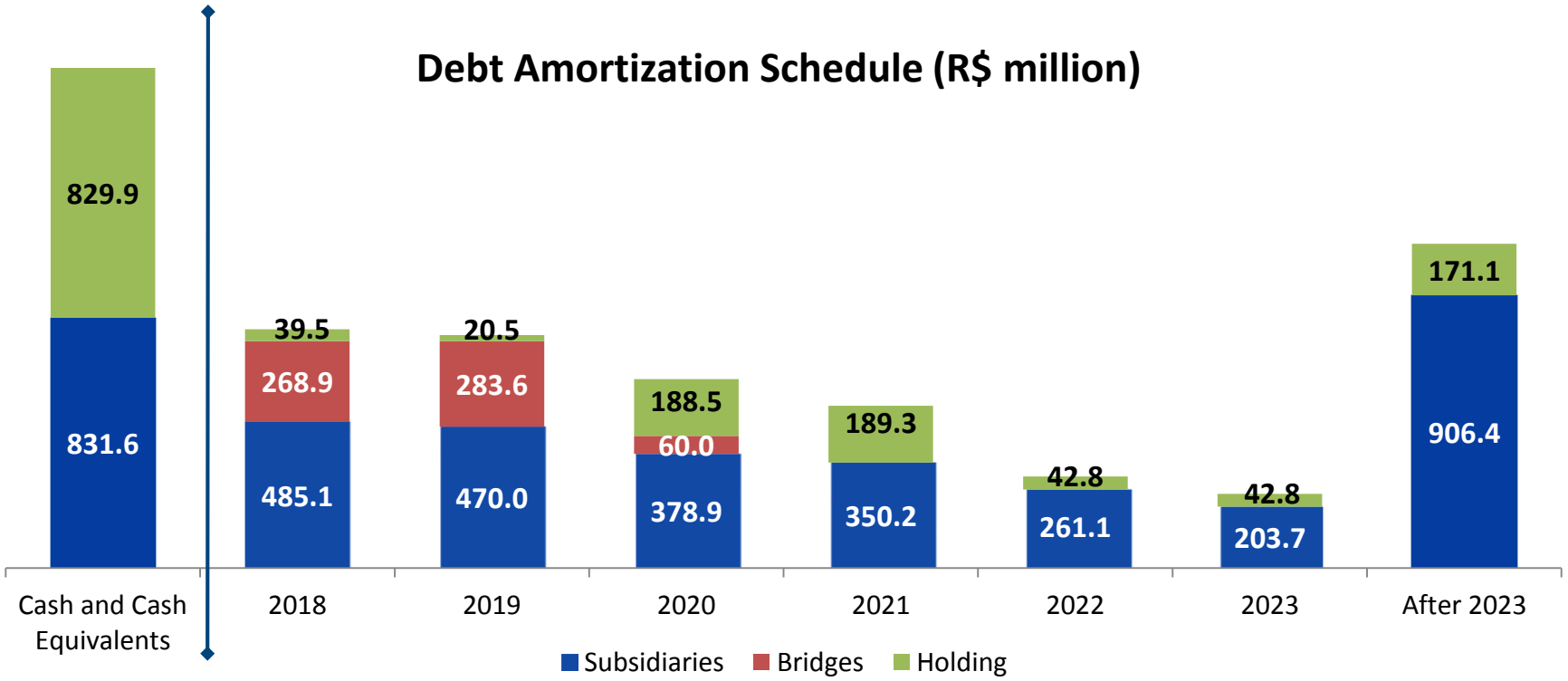


CDI
TJLP
Fixed
Foreign
IPCA



BNDES (TJLP / IGP-M)
Other Development Banks
Foreign
Other Local Currency
Debentures

Indebtedness - Consolidated



BRIDGES (*R$ MM*)	2018	2019	2020
La Virgen / Alupar Inversiones	-	30.0	60.0
Risaralda	143.4	-	-
Verde 8	105.0	-	-
ETVG	20.6	-	-
ETAP	-	152.2	-
ETC	-	101.4	-
TOTAL	**268.9**	**283.6**	**60.0**

Fitch Ratings

- ✓ Corporative (national scale) ***AAA***
- ✓ International scale ***BB***

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.

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