ELETROBRAS DAY

November 2018

TENYEARS
Listed on the NYSE

Eletrobras

Disclaimer

This presentation may contain **estimates and projections** that **are not statements of past events,** but reflect **beliefs and expectations of our administration** and may constitute estimates and projections about **future events** pursuant to Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended.

The words "believe", "may", "estimate", "continue",“anticipates," "intends," "hopes," and the like aims to identify **estimates that necessarily involve risks and uncertainties**, **known or unknown**.

Risks and uncertainties known include, but are not limited to: **economic**, **regulatory**, **political and commercial conditions** general in Brazil and abroad, **changes in interest rates**, **inflation and value of the Real**, **changes in volumes and the pattern of electric energy use by the consumer**, **competitive conditions**, our level of **indebtedness**, the possibility of receiving **payments related to our receivables**, **changes in the levels rain and water** in the reservoirs used to operate our hydroelectric dams, our **financing plans and capital investment**, **government regulations** and other risks described in our annual report and other documents registered in .

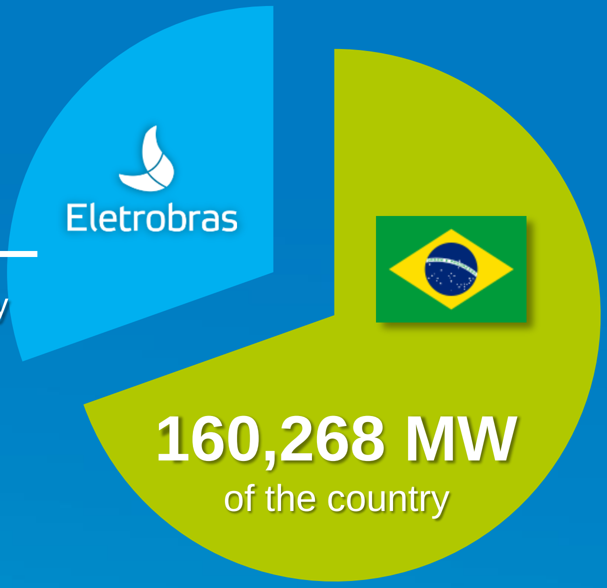
Estimates and projections refer only to the date on which they were expressed and we do not assume **any obligation to update any of these estimates or projections** due to the occurrence of new information or future events**.** Future results of the Company's operations and initiatives may differ from current expectations and **the investor should not rely solely on the information contained herein.**

This material contains **calculations that may not reflect accurate results due to rounding.**

Our Business

Vertedouro – Belo Monte

Generation



+ 828 MW

of physical aggregation
in 2018

Conclusion of generation works

	São Manoel		**Sinop**		**Belo Monte**
2018	Apr	Jun	Dec	**2019**	Dec

Aggregate power

+ 828.05MW	+ 1,557.70MW	– estimated commercial go-live in 2018

Brazil Interconnection

The largest transmission company in Latin America

2018

1960

Transmission Evolution – Basic Grid

71,407 km
Total of transmission lines

65,173 km _ **47.9%**
With voltage ≥ 230kV **of Brazil**

+ 222 km
of physical aggregation **in 2018**

Highlights:

- SS Jaboatão 230/69 kV – 300 MVA (PE)
- TL 230 kV Mascarenhas / Linhares (ES)
- TL 500 kV Brasília Leste / Luziânia C1 and C2 (DF/GO)
- TL 230 kV Foz do Chapecó / Pinhalzinho C1 (RS/SC)

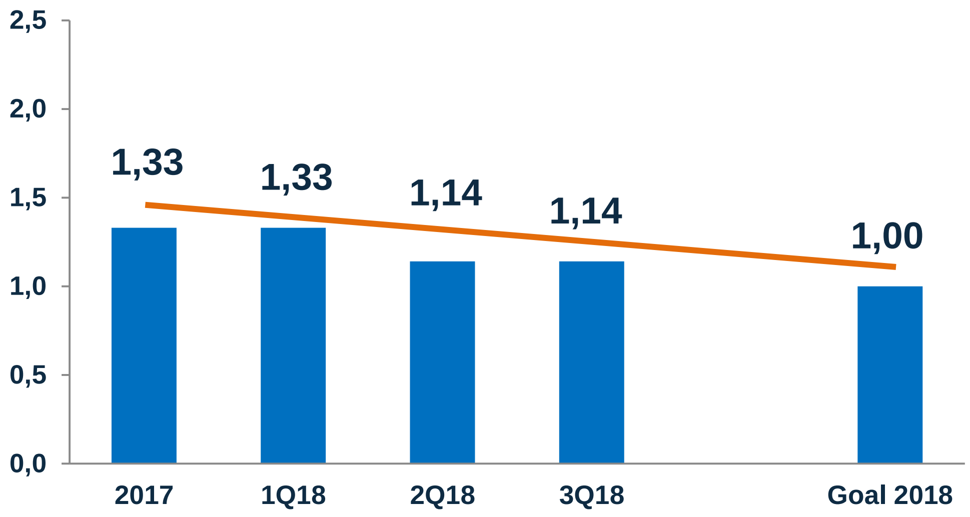
Total AAR aggregated in Eletrobras companies

R$ 80 million/year

Business and Management Master Plan

Challenge 2021/22: Operational Excellence

Recurrent PMSO / Regulatory PMSO



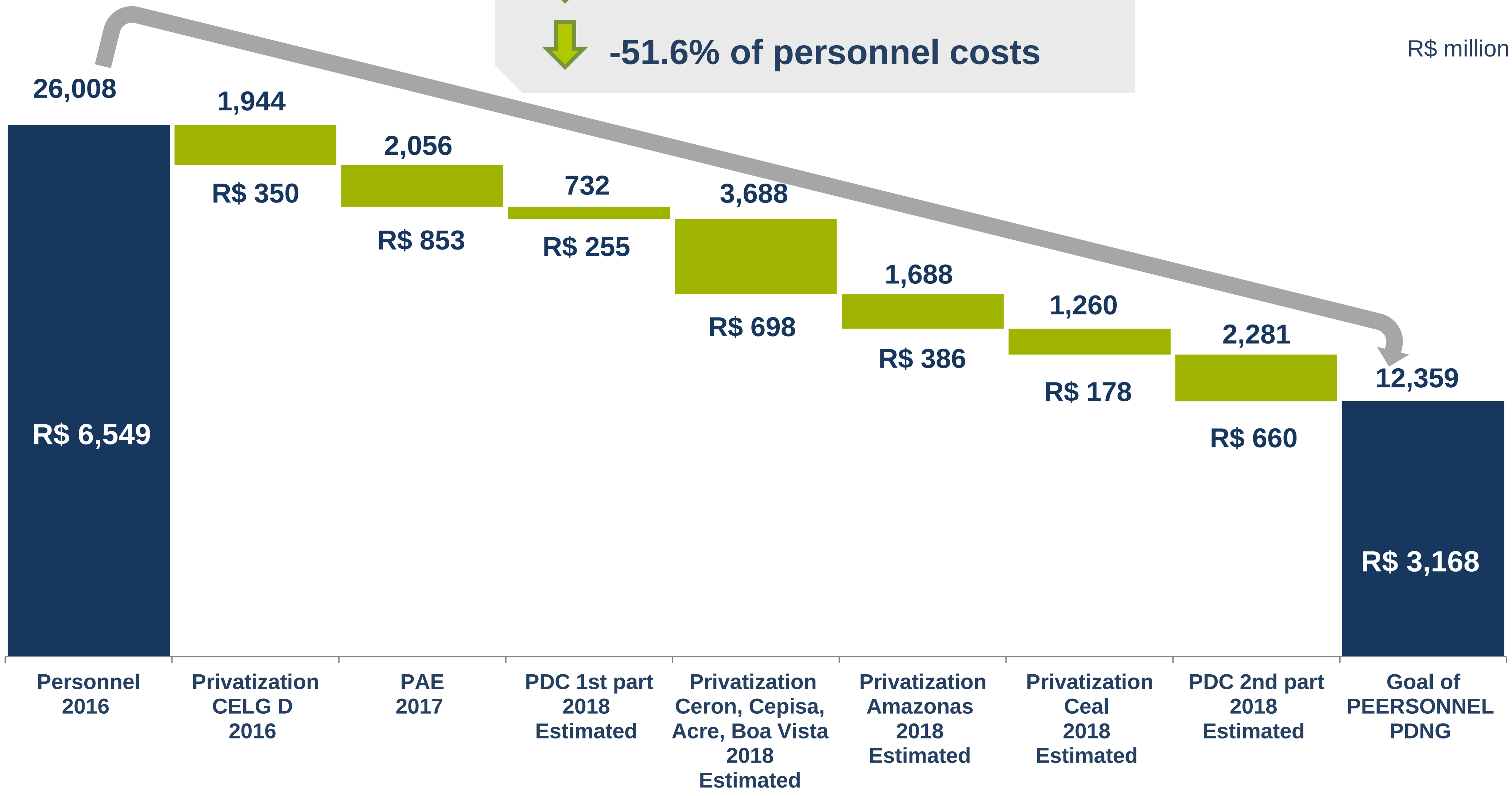
CSC	**Go Live** Jul/2018 **86%** realization	Gains GAG Improvement	**R$ 1.03 billion**
ProERP: *Go Live*	**Stage 1** **100%** Mar/2018 **Stage 2** Dec/2018 est. **Stage 3** Mar/2019 est.	Resolution CNPE	**R$ 480/MWh** recommended tariff to make the Angra 3 viable

	Extraordinary Retirement Plan 2017	Consensual Dismissal Plan – 1st Stage 1H18	Consensual Dismissal Plan – 2nd Stage 2H18	Overtime, risk remuneration, warnings	Organizational restructuring
Employees disconnected	**2,056**	**732**	**2,281** goal	**R$ 55 milion** savings	**R$ 55 mi / year** savings
Cost	**R$ 574 million**	**R$ 185 million**	**R$ 730 million** estimated		
Savings	**R$ 853 million / year**	**R$ 255 million / year**	**R$ 660 million / year** estimated		

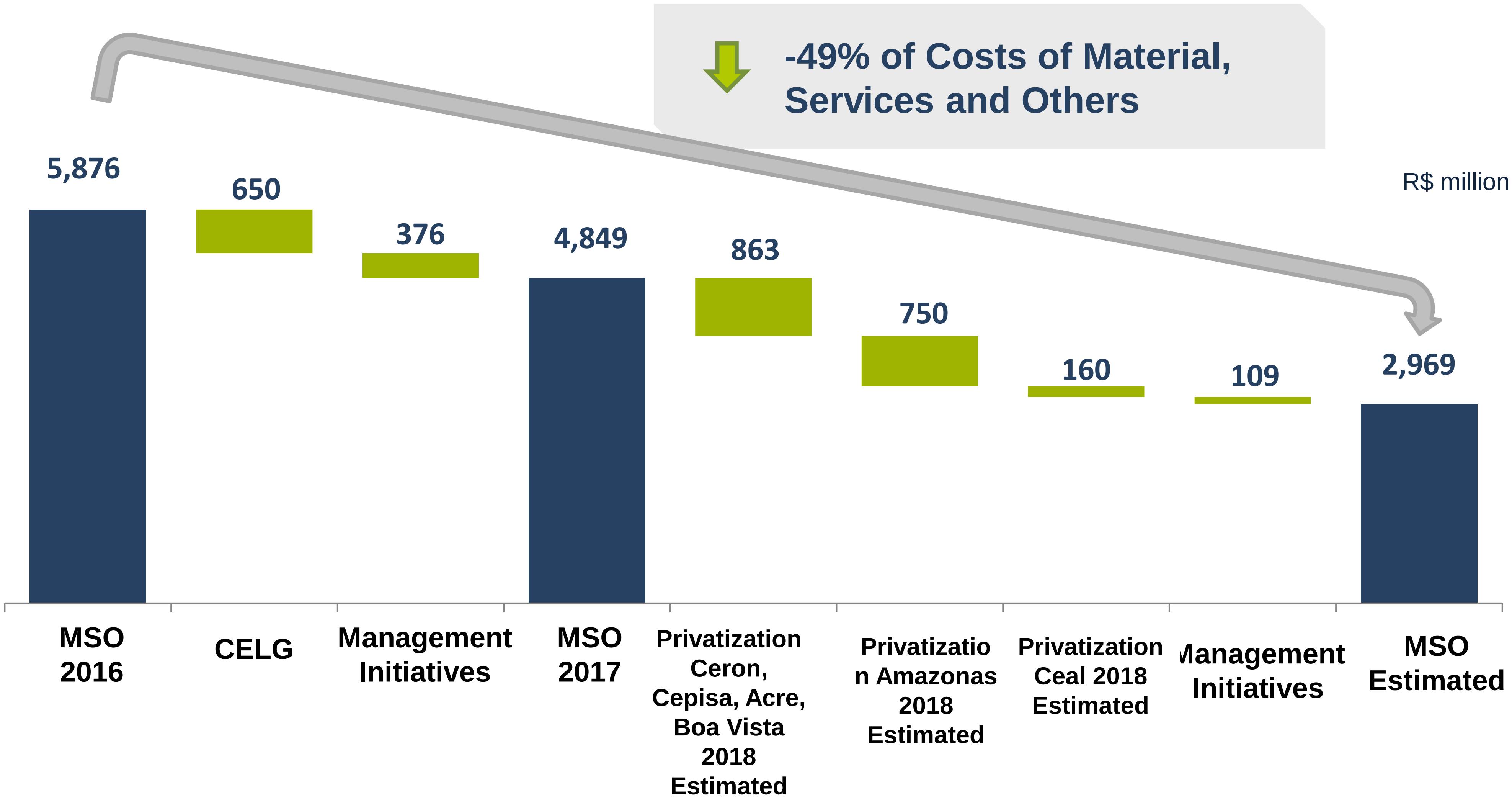
Personnel Costs Reduction

-52.4% of employees

-51.6% of personnel costs



Material, Supplies and Others



Management Initiatives

Reduction of:

- Rents
- Insurance
- Secretary
- Travels
- Security guards

Net Debt

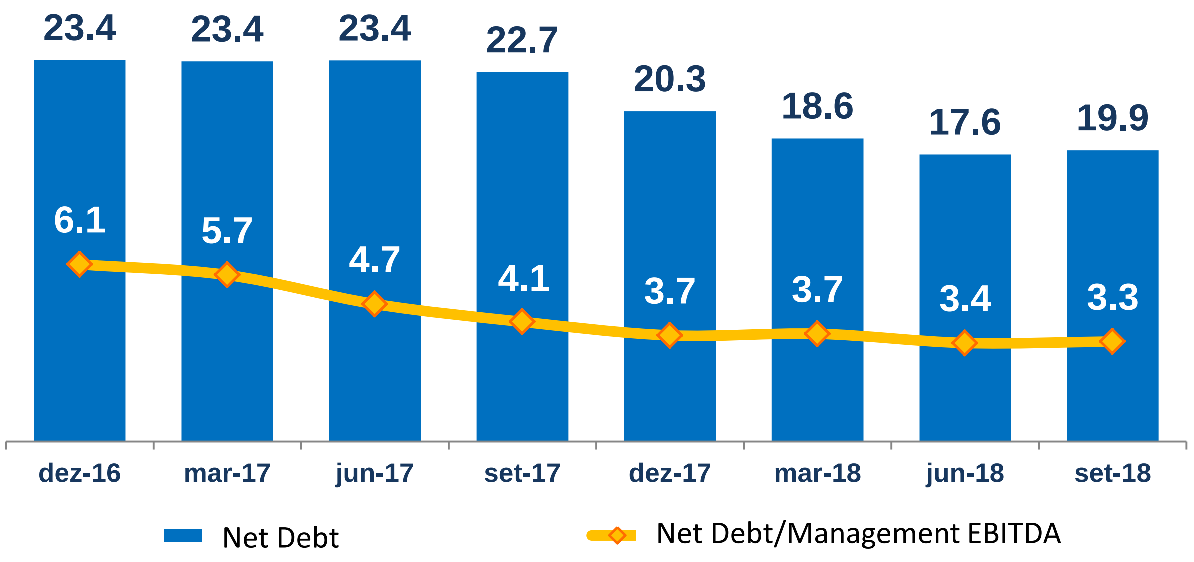
Goal	Net Debt / EBITDA < 3,0

R$ million

Net Debt	09/30/2018
GROSS DEBT	**43,428**
(-) RGR of other companies[1]	1,147
(-) Purchase of shares of distributors with RGR resources[2]	532
(-) Debt with Third Party Distributors Sold Pro forma [3]	1,372
(+) Assumption of debt Distributors Sold Pro forma[3]	2,807
= GROSS DEBT Pro forma	**43,183**
(-) (Cash and Cash Equivalents + Securities)	7,514
(-) Financing ReceivableS without RGR[1]	10,191
(-) Financing Receivable from Distributors Sold (RO/RGR) Pro Forma[3]	3,343
(-) Net balance of Itaipu Financial Asset	2,160
Net Debt	**19,975**

1. Financing and related receivables, with RGR resources, owed by a company outside the Eletrobras group (R$ 1,372 million) were excluded, since Eletrobras acted as the sole administrator of the RGR Fund;
2. RGR liabilities referring to the federalization of the CEAM Distributor, incorporated by Amazonas D, and to the purchase of Celpa's shares, to be paid pursuant to Articles 21-A and 21-B of Law 12,783 / 2013 (R$ 532 million);
3. In IFRS, debt and credit transactions, due to the sale of the distributors Cepisa, Ceron, Eletroacre, Boa Vista, according to 171st AGE, will occur only in 4Q18, according to the signing of the contracts, but was treated pro forma due to sales at the auctions.

Net Debt / EBITDA



EBITDA (LTM)	3.8	4.0	4.9	5.5	5.5	5.0	5.2	6.0 *

* Excludes EBITDA from Ceron, Cepisa, Eletroacre and Boa Vista

Challenge 2021/22: Financial Discipline

Divestments

R$ 1.3 billion	R$ 3.5 million	R$ 95 million
sale of **26** SPEs on **9/27/18**	sale of administrative properties of Chesf, Eletronorte and Eletronuclear	sale of shares of Eletropaulo by Eletropar

Privatizations

Achieved

CELG DISTRIBUIÇÃO

Eletrobras Distribuição Acre

Eletrobras Distribuição Piauí

Eletrobras Distribuição Rondônia

Eletrobras Distribuição Roraima

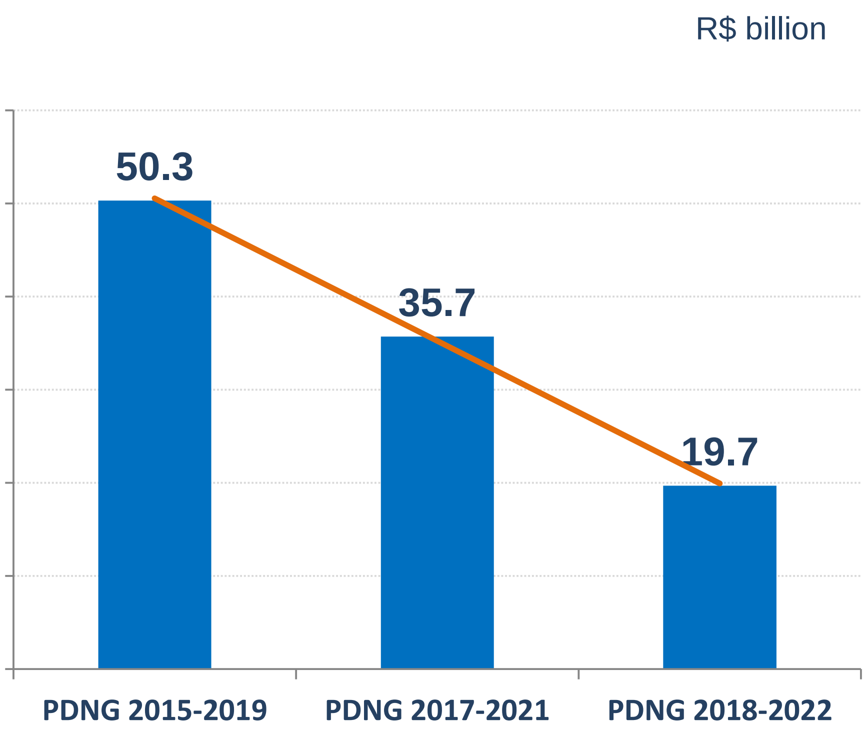
Ongoing

Eletrobras Distribuição Amazonas — **Auction** in **November** 27/2018

Eletrobras Distribuição Alagoas — Auction suspended by the Supreme Federal Court

Investments PDNG 2018-2022

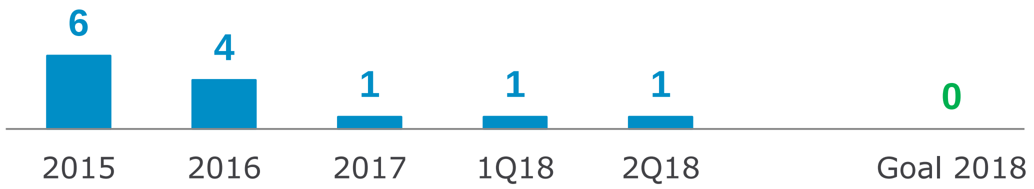
Detailing (R$ million)	Budgeted 2018	Accomplished 3Q18	Accomplished 9M18	Accomplished 9M18 (%)	2018 - 2022
Corporate Enterprises	**4,382**	**848**	**2,070**	**47%**	**14,239**
Generation	1,321	242	**499**	38%	5,157
Transmission	2,367	380	**869**	37%	7,300
Infrastructure and Others	434	97	**291**	67%	1,523
Distribution*	260	129	**412**	158%	260
Investments in SPEs	**1,826**	**128**	**760**	**42%**	**5,517**
Generation	1,490	127	**731**	49%	4,837
Transmission	336	1	**29**	9%	680
Total	**6,208**	**976**	**2,830**	**46%**	**19,756**



Challenge 2021/22: Governance and Workforce Empowerment

Governance and Compliance

No. of Material Weaknesses



Closure of the DOJ investigation
Class actions closure with US $ 14.75 million agreement

By-Laws and Policy approved by the holding company and other Eletrobras companies

IG-Sest - Level of excellence in the 2nd cycle, with maximum marks in the three dimensions: Information Transparency, Management / Control / Audit and Councils / Committees / Boards
B3 Governance Seal

Reduction of material weaknesses from 6 to 1 (accounting closure, to be eliminated until Dec/18)

Reduction of 80% of significant deficiencies from 2016 to 2017

Installation of the Statutory Audit Committee

Independent evaluation of 200 officers and counselors of Eletrobras companies
Evaluation of 190 advisers indicated in SPEs and related companies

Workforce Empowerment

Qualitative and quantitative dimensioning of personnel

- **Analysis of the staff of Eletrobras companies**
- **Consulting for the development of the qualitative and quantitative board - beginning in November 2018**

Performance Management System

- **Preliminary diagnosis of SGD**
- **SGD tool modeling**
- **Internal Training on Targets Developments**
- **Goals meeting - until December 2018**
- **Result and subsequent actions - until December 2018**

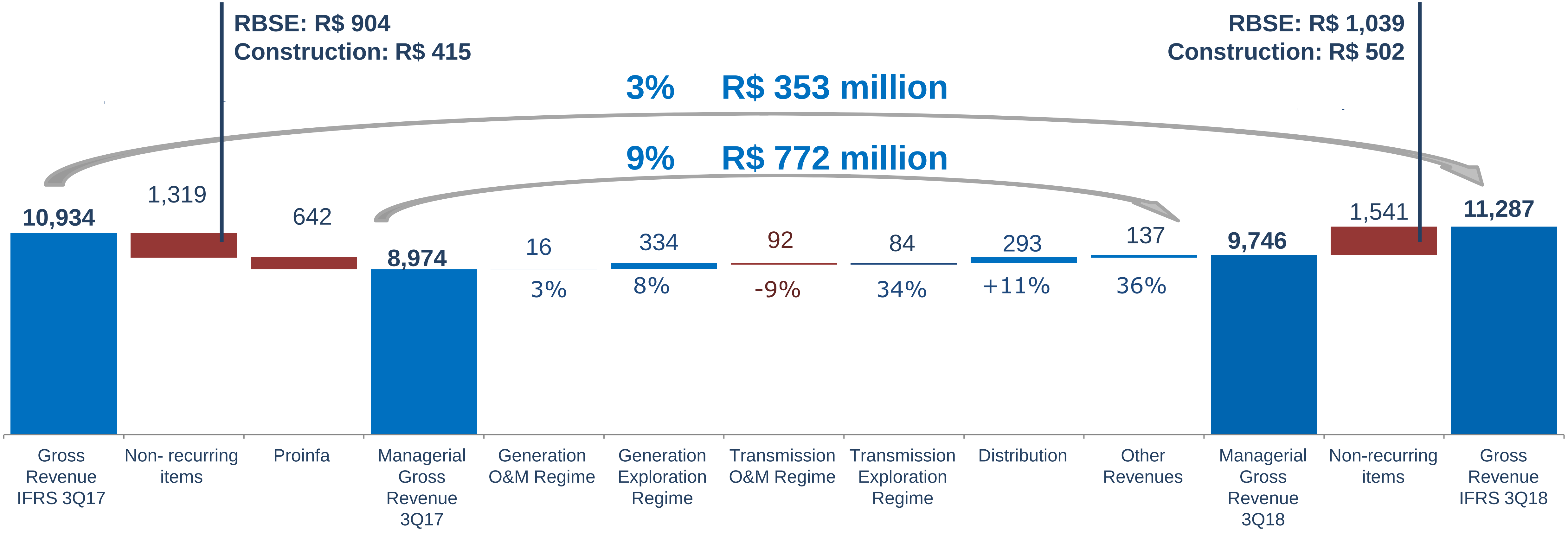
Financial Highlights

Non recurring items – 3Q18

Revenue Proinfa	**R$ 810 million**	Reclassification of Revenue and Cost of Energy Purchased for Resale
Compulsory Loan	**R$ 1,518 million**	Provision, of which R$ 1,389 related to the completion of the base review
Contigencies Chesf	**R$ 301 million**	GSF Sobradinho (R$ 241) million and others
SPEs Provision	**R$ 418 million**	Losses for Investments Available-for-sale SPEs for fair value adjustment
TPU Santa Cruz	**R$ 328 million**	Provision of Onerous Contract

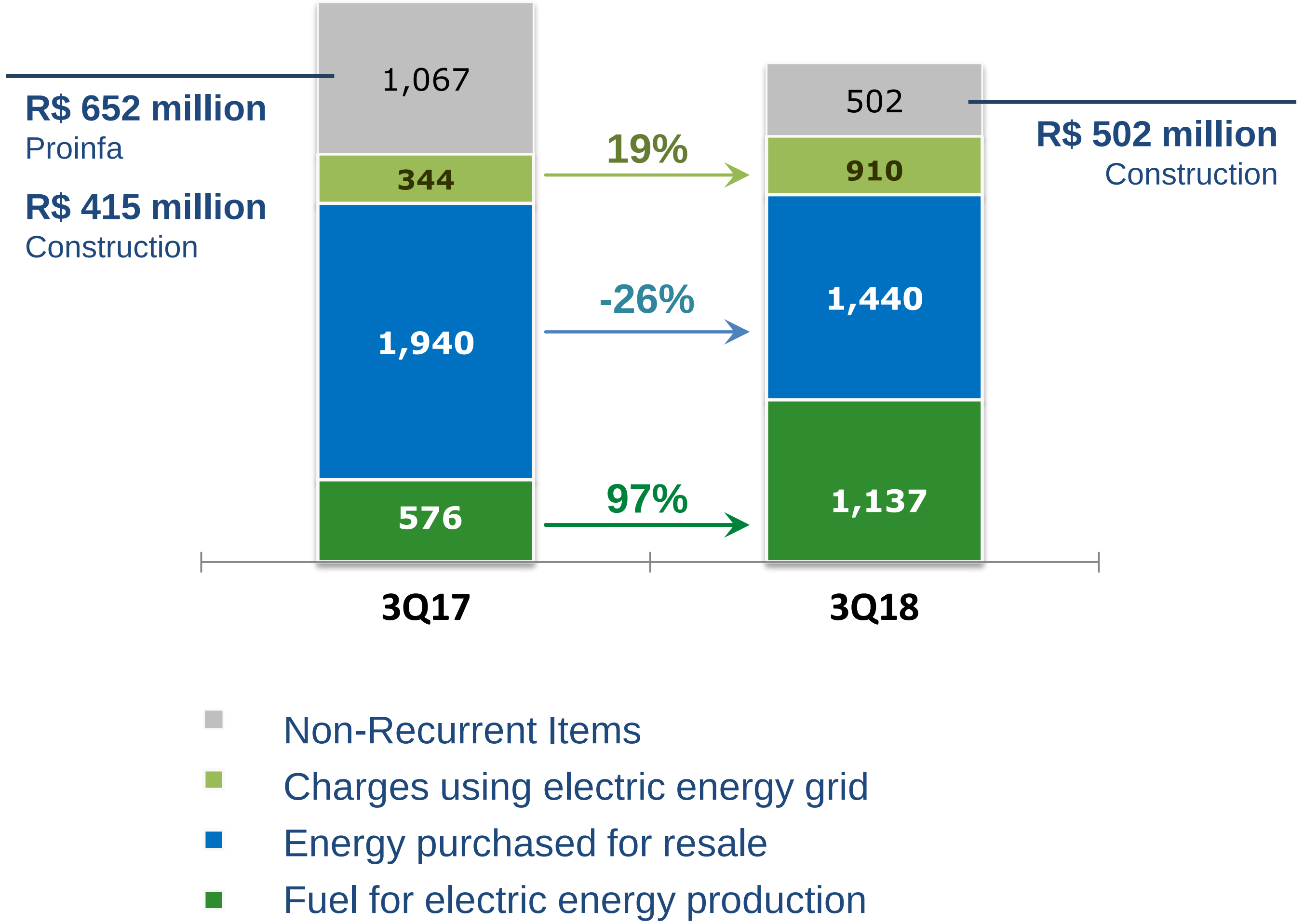
Gross Revenue 3Q18

(R$ million)



Operating Costs
(R$ million)

Consolidated	3Q17	3Q18	%
IFRS Costs	3,928	3,498	-11%
Managerial Costs	2,861	2,996	5%

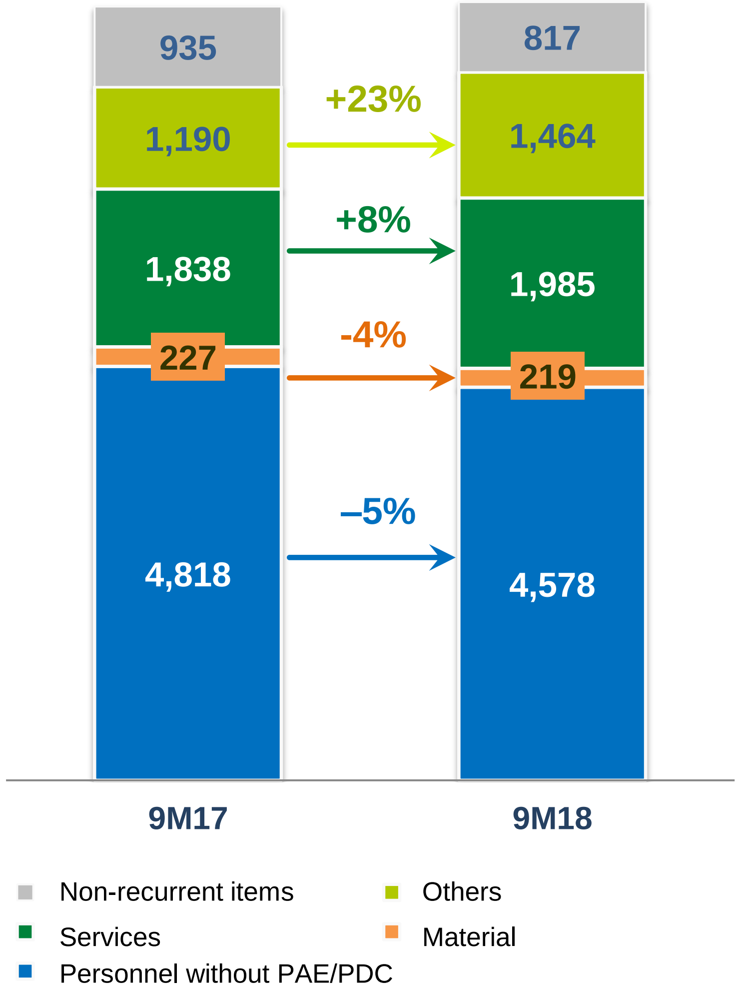


For comparative purposes, the cost of purchasing energy for resale of Proinfa is treated as non - recurring, since in 3Q18 i

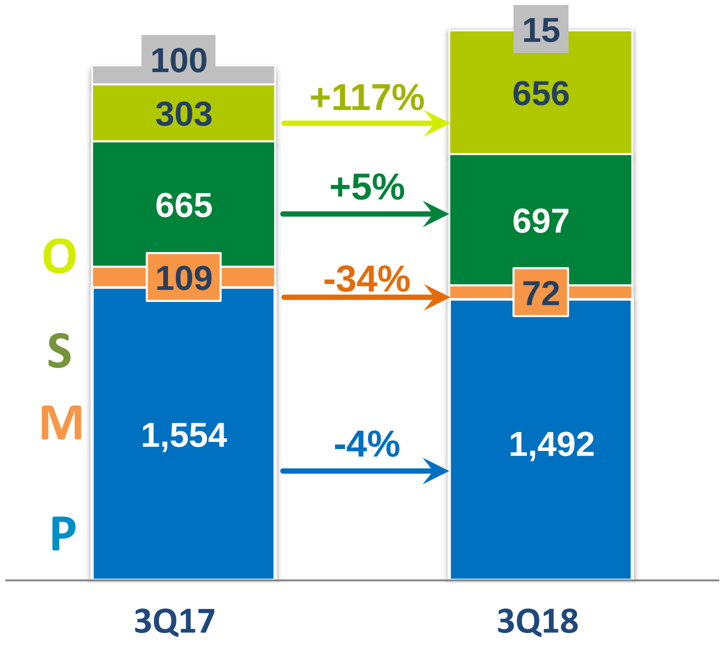
Personnel, Supplies, Service and Others

(R$ million)

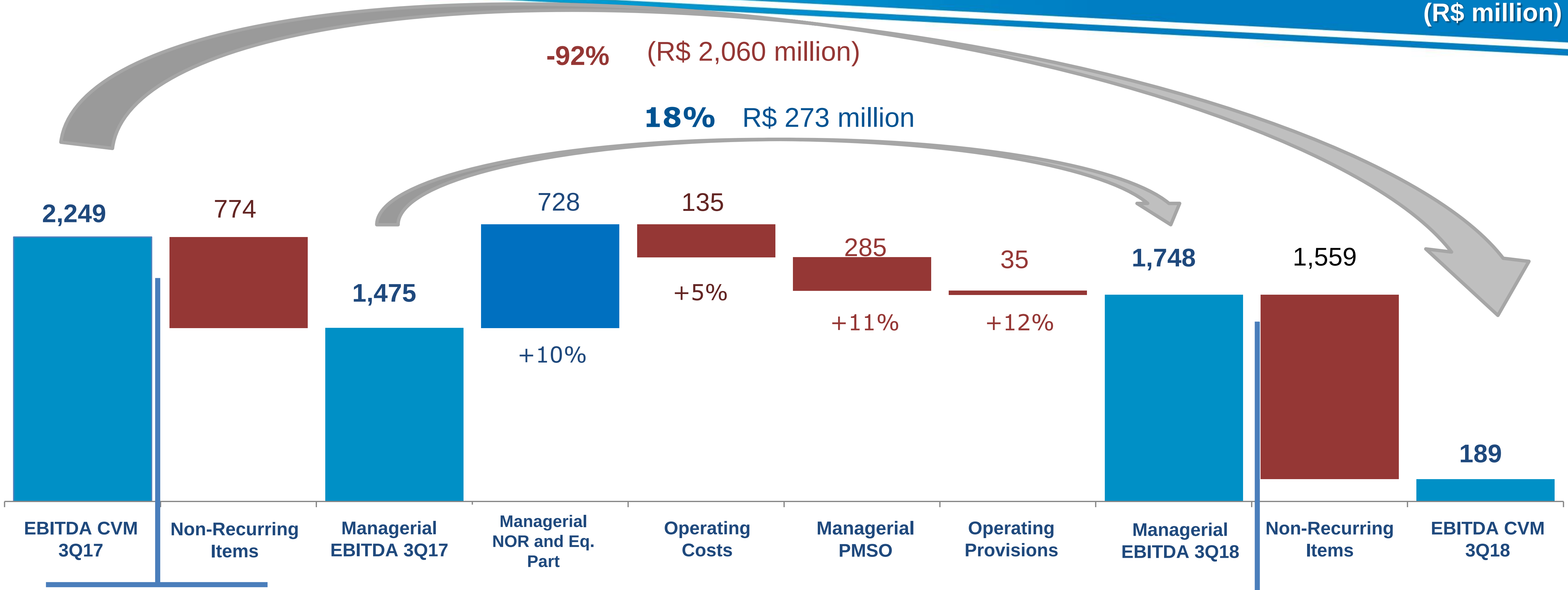
Consolidated	9M17	9M18	%
PMSO IFRS	9,007	9,062	0.6%
PMSO Managerial	8,072	8,245	3.9%



Consolidated	3Q17	3Q18	%
PMSO IFRS	2,731	2,931	7.3%
PMSO Managerial	2,631	2,917	10.9%



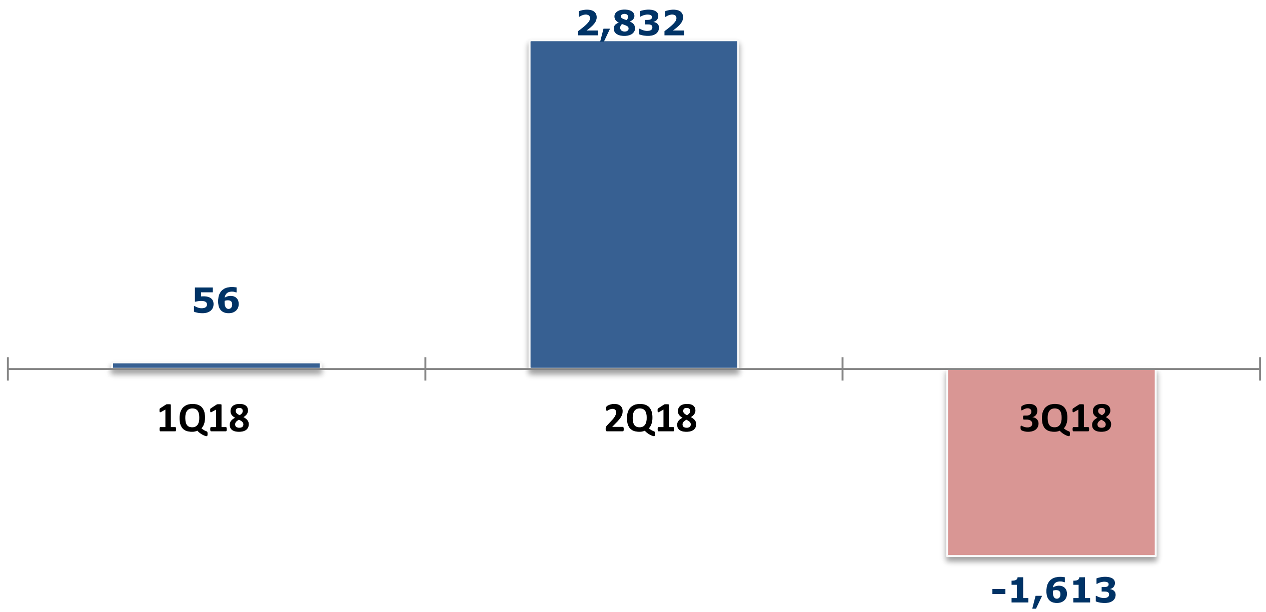
Ebitda 3Q18
(R$ million)

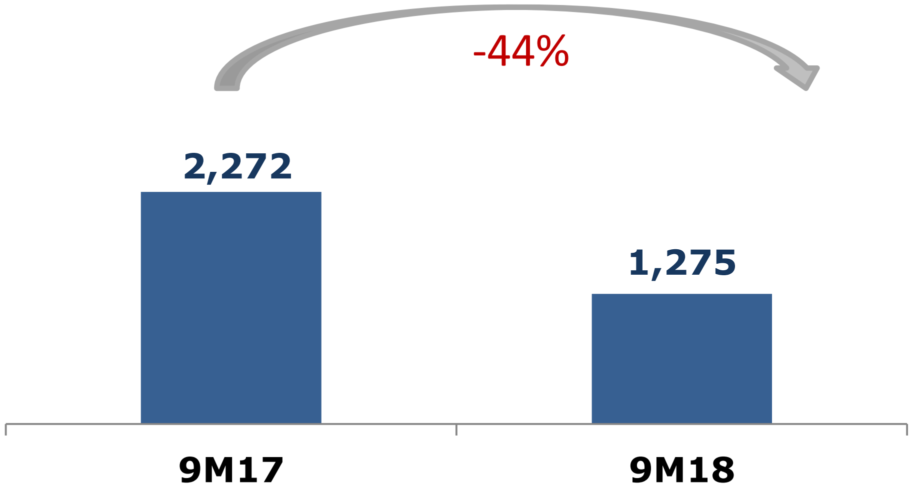


Highlights:
- RBSE: R$ (820) mi
- Contingencies: R$ 800 mi
- Onerous Contr: R$ (744) mi
- Impairment: R$ (713) mi
- Provision ANEEL CCC R$349 mi

Highlights:
- RBSE: R$ 943 m
- Contingencies: (R$ 2.201) mi
- Onerous Contr: R$ 147mi
- Provision Invest: (R$ 418) mi

Net profit
(R$ million)





<u>3Q18</u>

1. (+) RBSE Revenue - R$ 1,039 million
2. (-) Operating Provisions: (R$ 2,824 million)

- (R$ 1,518 million) - Compulsory Loan
- (R 301 million) - Provision Chesf de GSF HPU Sobradinho and others
- (R$ 417 million) - Losses for Investments Available-for-sale SPEs for fair value adjustment
- (R$ 328) - Onerous Contract TPU Santa Cruz

3. (-) Loss of Distributors (R$ 998 million)

<u>9M18</u>

1. (+) Revenue from tariff assets arising from recognition by Ordinance No. 301/2018 - R$ 4.2 billion
2. (-) Operating Provisions: R$ 3,571 million
3. (+) Receipt of RBSE - R$ 3,492 million
4. (+) Reversal of provision for Pará Rate - R $ 1.3 billion
5. (-) Consensus Dismissal Plan - PDC R$ 293 million
6. (-) Registration agreement Cepisa / Agespisa / Sefaz-PI - R$ 231 million
7. (-) Registration of tax provision referring to the lawsuit filed by the Government of the State of Rondônia for collection of ICMS - R$ 563 million

Financial Statements - Subsequent Events

Distribution Companies negative equity

- Uncovered Equity reversal of distribution companies already sold

Auction sales already performed

	Cepisa	Eletroacre	Ceron	Boa Vista	Subtotal (A)	Ceal (B)	Amazonas D (C)	Total (A,B,C)
Negative Equity Value 2Q18	-1,192	-457	-2,840	-714	**-5,203**	-1,010	-13,632	**-19,845**
Eletrobras Capitalization	0,05	114	1,833	342	**2,289**	0,05	8,911	**11,200**
Post-Privatization Reversal Potential	-1,192	-344	-1,007	-372	**-2,914**	-1,010	-4,721	**-8,645**

Reversal of the distributors' short-term liabilities, with a positive effect on the results of Eletrobras, according to the date of the execution of the share purchase agreement.

Subsequent events to 3Q18

- **Revenue from sale of SPEs**

R$ 1.3 billion, net of costs**, with a potential positive net result of approximately R$ 400 million**
– Effect depends on the signature of the transfer contracts

GAG "melhoria" accounting

In 3Q18, the Company received **R$ 264 million**, of GAG improvement but recorded only as "advances" until the company completes its investment plan and verifies the investment costs to be deducted from the accounting of this revenue.

The monthly consolidated GAG improvement amounts that will be received amount to **R$ 89.7 million**

Chesf	Furnas	Eletronorte
60.0	29.0	0.7

- **New Impairment Test of Angra 3**

Operating Provision: R$ 11.3 billion
Physical advance of 62%

Investor Relations

Eletrobras

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