# Conference Call Presentation 3Q18

November 2018

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", "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.**

# Highlights

# Market - Highlights

## Generation

| Variation 3Q18/3Q17 | Energia vendida (%) | Av. price (%) |
|---|---|---|
| Regulated Mkt | -10.9% | -8.4% |
| Free mkt | -33.9% | 37.5% |
| O&M – Law 12.783/12 | NA | NA |
| Sobradinho | 1.7% | 3.1% |
| Itumbiara | 48.3% | 2.0% |

Aggregation of
**828 MW/year**

**Belo Monte: 611MW**
**São Manuel :175 MW**
**Casa Nova 3: 28 MW**
**Anta:14 MW**

## Transmission

| Empresa | RAP Variation 3Q17 x 3Q18 Law 12.783 | RAP Variation 3Q17 x 3Q18 - Exploration |
|---|---|---|
| Chesf | -9,2% | -10,6% |
| Eletronorte | -1,5% | 3,0% |
| Eletrosul | -9,2% | 4,5% |
| Furnas | -3,1% | -26,0% |
| Amazonas GT | | 3,5% |

Physical aggregation
**222 Km of TL/year**

Aggregated RAP
**R$ 80 million/year**

- **TL 230 kV Mascarenhas / Linhares TL 500 kV Brasília Leste / Luziânia C1 and C2**
- **TL 230 kV Foz do Chapecó / Pinhalzinho C1**

## Distribution

**11.7 GWh** Sold Energy

| 9M17 X 9M18 | Energy (%) | Revenue (%) |
|---|---|---|
| Amazonas | 1.3% | 15.5% |
| Boa Vista | 4.0% | 13.9% |
| Ceal | -0.5% | 24.0% |
| Cepisa | 1.8% | 38.6% |
| Ceron | 3.3% | 12.1% |
| Eletroacre | -0.5% | 1.6% |

## Regulation

**R$ 1.03 bi** | **Gain GAG** Melhoria

**Angra 3** Reference Price Review | CNPE Recommendation: R$ 480,00/MWh

## Investiments

**R$ 2,830 milion** investments, with emphasis on Transmission and Generation project

## Dinvestiments

Sale of 4 **Distribution Companies**

**R$ 1.3 billion**

Eletrobras Distribuição Piauí — Equatorial

Eletrobras Distribuição Acre, Eletrobras Distribuição Rondônia — Energisa

Eletrobras Distribuição Roraima — Consórcio Oliveira Energia

Sale of SPEs in the auction 09/27/2018

## Indebtedness

Net Debt / Management Ebitda

| 2017 | 3Q18 | PDNG Target |
|---|---|---|
| 6.1 | 3.3 | < 3 |

# 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. |
| **Contingencies 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 |

# Financial Highlights 3Q18

IFRS

## NET REVENUE

Bruna refazer

3Q17 R$ 8,892 million | 3Q18 R$ 8,936 million

+0,5% over 3Q17

IFRS

## EBITDA

3Q17 R$ 2,249 million | 3Q18 R$ 189 million

-92% over 3Q17

IFRS

## NET RESULT

3Q17 R$ 550 million | 3Q18 (R$ 1,613) million

-393% over 3Q17

| Non-recurring items | Net Revenue | | EBITDA | | Net Result | |
|---|---|---|---|---|---|---|
| | 3Q17 | 3Q18 | 3Q17 | 3Q18 | 3Q17 | 3Q18 |
| **IFRS** | **8,892** | **8,936** | **2,249** | **189** | **550** | **-1,613** |
| RBSE/Construction/Proinfa | -1,887 | -1,444 | -820 | -943 | -820 | -943 |
| Retroactive Tariff Asset | - | - | 800 | 2,201 | 800 | 2,201 |
| Contingencies | | | -1.458 | -126 | -1,458 | -126 |
| Onerous Contracts / Impairment / Losses on Invest | - | - | 0 | 418 | 0 | 418 |
| Provision for losses on investments classified as held for sale | - | - | 704 | 9 | 1.435 | 560 |
| **Managerial** | **7,006** | **7,491** | **1,475** | **1,748** | **507** | **497** |

## NET REVENUE MANAGERIAL

3Q17 R$ 7,006 million | 3Q18 R$ 7,491 million

+ 7% over 3Q17

## EBITDA MANAGERIAL

3Q17 R$ 1,475 million | 3Q18 R$ 1,748 million

+ 18% over 3Q17

## NET RESUL MANAGERIAL

3Q17 R$ 507 million | 3Q18 R$ 497 million

-2% over 3Q17

# Financial Highlights 9M18

IFRS

## NET REVENUE

9M17
R$ 26,847 million

9M18
R$ 28,105 million

+ 5% over 9M17

IFRS

## EBITDA

9M17
R$ 9,140 million

9M18
R$ 6,769 million

-26% over 9M17

IFRS

## NET RESULT

9M17
R$ 2,272 million

9M18
R$ 1,275 million

-44% over 9M17

| Non-recurring items | Net Revenue | | EBITDA | | Net Result | |
|---|---|---|---|---|---|---|
| | 9M17 | 9M18 | 9M17 | 9M18 | 9M17 | 9M18 |
| **IFRS** | **26,847** | **28,105** | **9,140** | **6,769** | **2,272** | **1,275** |
| RBSE/Construction/Proinfa | -6.852 | -4,499 | -4,940 | -3,169 | -3,386 | -3,169 |
| Retroactive Tariff Asset | 0 | -2,810 | 0 | -2,810 | 0 | -2,810 |
| Contingencies | - | - | 1,921 | 3,714 | 1,921 | 3,714 |
| Onerous Contracts / Impairment / Losses on Invest | | | -2,531 | -424 | -2,531 | -424 |
| Provision for losses on investments classified as held for sale | - | - | 0 | 418 | 0 | 418 |
| Othe non recurring items | - | - | 1,620 | -295 | 1,634 | 1,750 |
| **Managerial** | **19,995** | **20,796** | **5,210** | **4,204** | **-89** | **754** |

## NET REVENUE MANAGERIAL

9M17
R$ 19,995 million

9M18
R$ 20,796 million

+ 4% over 9M17

## EBITDA MANAGERIAL

9M17
R$ 5,210 million

9M18
R$ 4,204 million

-19% over 9M17

## NET RESULT MANAGERIAL

9M17
(R$ 89) million

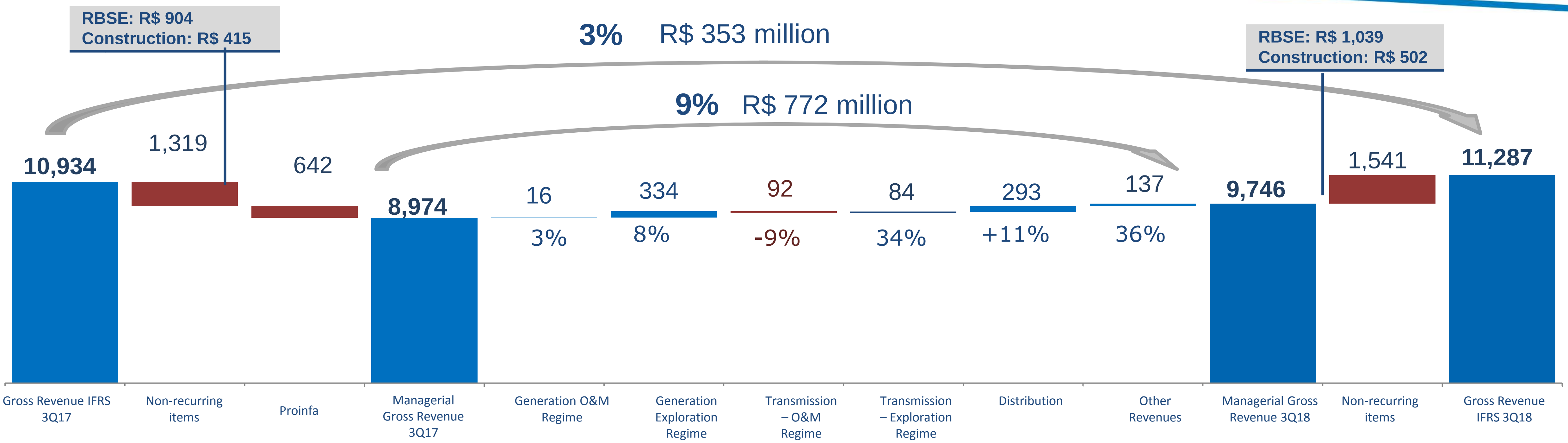
9M18
R$ 754 million

+945% over 9M17

# Financial

# Gross Revenue 3Q18

R$ Million




## Generation

**O&M**

Annual readjustment of RAG and changes in the CFURH values,.

**EXPLORATION**

**Amazonas GT:** +R$ 252 million energy of Mauá 3 in the short term

**Furnas**: +R$ 128 million,seasonality of contracts and PLD, compensated by:

**Eletronorte**: termination of contracts (-R$ 75 million with a 28% reduction in contracted energy (325MWavg)

## Transmission

**O&M**

**Furnas**: reduction of AAR in R$ 127 million, of contract 062.

**EXPLORATION**

**Furnas:** update of the transmission financial assets of SPE Transenergia Goias by R$ 10 million.

Annual update of the AAR of the Subsidiaries of 2.6% average, with the aggregate AAR of operating regime of R$ 14 million.

**Eletronorte** ETE, PVTE and LVTE totaling R$ 34 million in return on investment.

## Distribution

**Cepisa**: tariff increase by 27.6% and tariff flags by R$ 214 million.

**Amazonas D**: tariff readjustment of 17% (R$ 110 million)

**Ceal**: negative adjustment of the CVA of the 2018 cycle with reversal in (R$ 287 million)

## Other Revenues

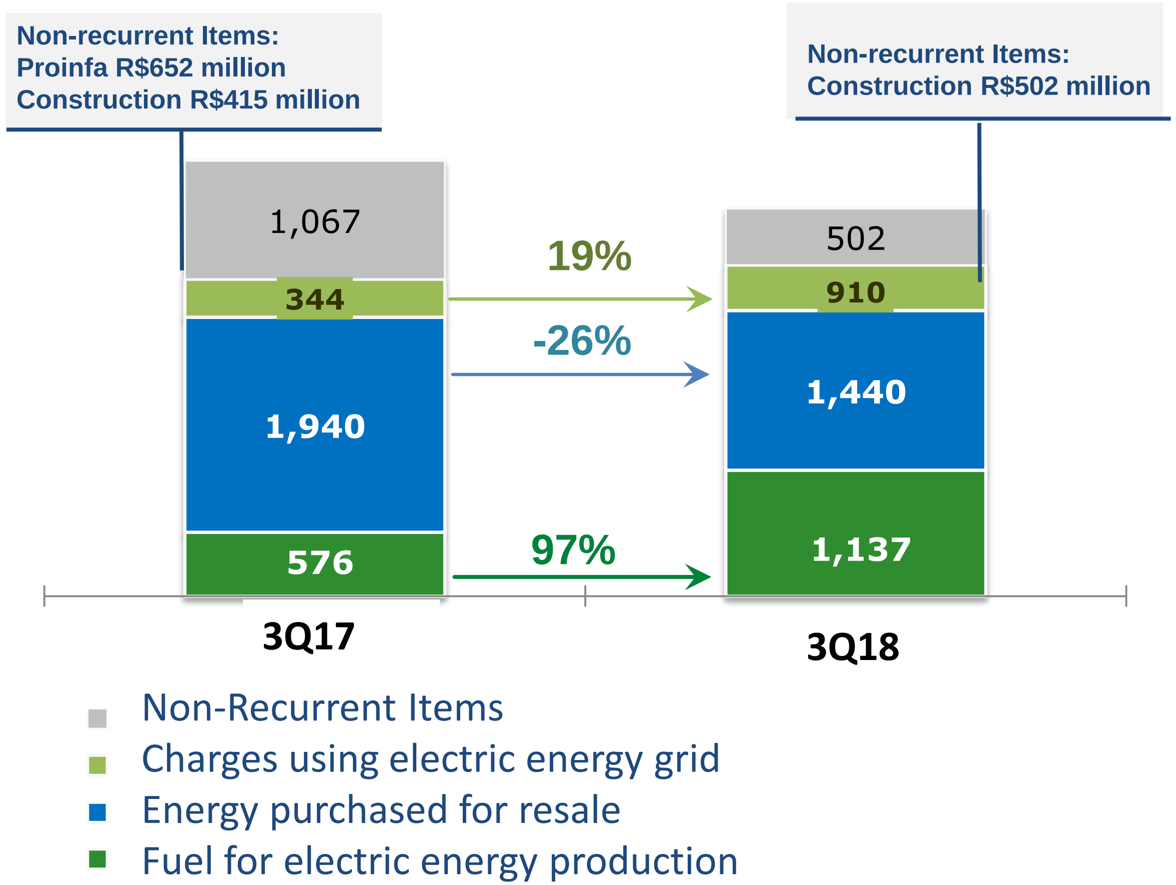
**Eletronorte:** increase in the value of the rendering of services for Norte Energia of R$ 12 million and sale of fixed assets (R$ 8 million)
**Distribution Companies:** increase in revenues by R$ 77 million ;

Eletroacre: unitization (R $ 24 million); subsidy to compensate for tariff discounts in Amazonas D (R$18 million).

For purposes of comparison between periods, in the Gross Revenue IFRS, Proinfa's revenues are excluded from the purchase price of energy for resale of Proinfa - IFRS 15.

# Operating Costs
(R$ million)

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




**Charges using electric energy grid:**
**Increase of R$ 80 million:**

- **Distribution Companies:** beginning of the payment of RBSE of transmition companies according to Ordinance 120/MME;

**Energy purchased for resale:**
**Decrease:**

- **Ceron** - reduction of R$ 200 million reduction of Termonorte's physical guarantee and reduction of the cut-off factor by 4.3%
- **Eletronorte** – reduction of R$ 75 million due to the deprecation of 345Mwavg (-R$ 75 million);
- **Furnas** - reduction of R$ 64 million in energy purchased at CCEE,
- **Amazonas GT** - reduction of R$ 44 million due to the higher generation of TEU Aparecida and Mauá Bloco

**Increase:**

- **Ceal** - short-term energy acquisition (R$ 49 million, Reserve Energy (R$ 11.4 million).

**Fuels: Increase of R$ 561 million**
**Amazonas D –** Gloss R$ 260 million, CCC expenses of R$ 99 million in 3Q17.
**Amazonas GT** - increase of 52 million from the start of Mauá's gas consumption, 3 and CCC reimbursement (+ R $ 48 million).

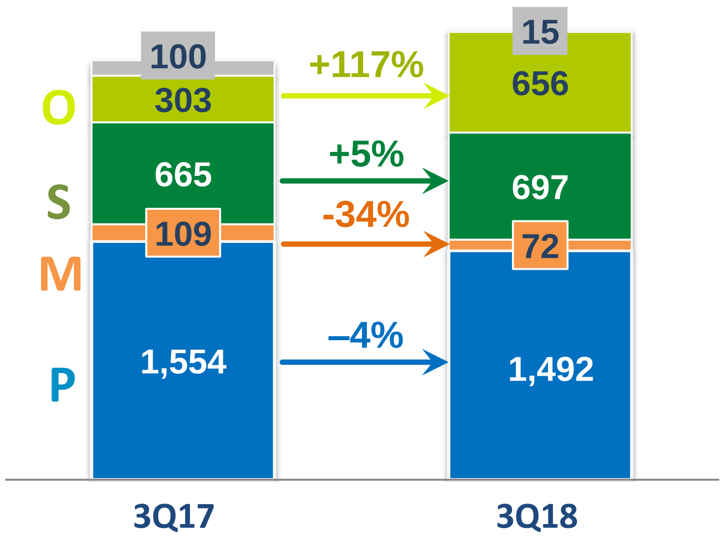
**Furnas** - Increase in fuel price - TPU Santa Cruz (R$ 53 million)

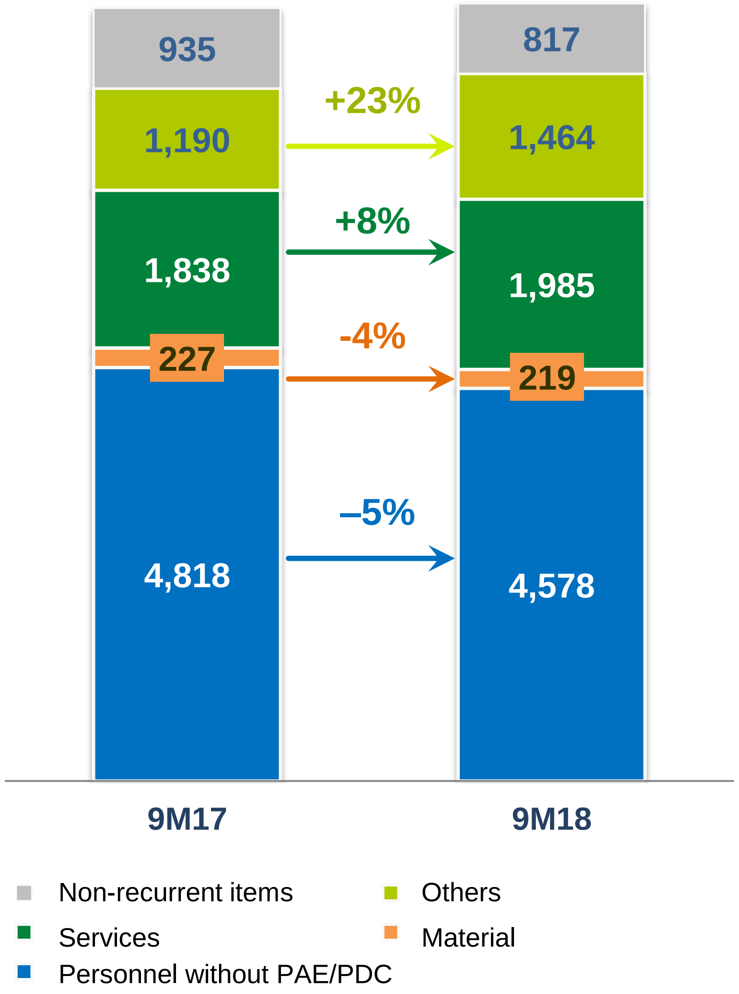
For comparative purposes, the cost of purchasing energy for resale of Proinfa is treated as non - recurring, since in 3Q18 it was reduced from Proifa revenue - IFRS 15.

# 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% |




## Personnel 3Q18

- Reduction of costs by PAE, PDC, risk reduction and overtime, **totaling R$ 80 million**,
- Collective bargain, 1.7% increase

## Supplies 3Q18

**Decrease by R$ 38 million**

**Amazonas GT**
-R$ 19 million lower maintenance of the Mauá Power Plant Complex

**Eletronuclear**
-R$ 18 million for non-realization of stop maintenance for 3Q18.

## Services 3Q18

- **Increase of R$ 21 million**
- Consulting Services at the Holding Company (R$ 45 million):CSC (R$ 10 mm); SAP (R$ 2 million); Deloitte - Internal controls (R$ 6 mm
- Eletronuclear (R$ 20 million ) non-stop for maintenance and by Amazonas D (R$ 24 million) - reduction in "Technical Service" and "Maintenance and Conservation of Equipment.

## Others 3Q18

Cepisa (R$ 21.4 million) in particular for loss on prescribed credits
Amazonas D: (R$ 94 million) in particular due to cut factor

## Non-recurrent key items 3Q18

| PAE Cost | PDC Cost | Eletrosul | Independent Investigation Cost |
|---|---|---|---|
| R$ 90 million | Reversal of R$ 3 million | R$ 46 million of fines for expiry of Lot – A | R$ 15 million |

# Operating Provisions

R$ Million

| Amounts in R$ million | 3Q17 | 3Q18 | % | Balance on 09/30/18 |
|---|---|---|---|---|
| Warranties | 9 | 10 | 20% | 524 |
| Contingencies | -410 | -683 | 67% | 26,760 |
| Compulsory Loans Contingencies | -390 | -1,518 | 289% | 18,198 |
| PCLD – costumers and resellers | -54 | -123 | 126% | 1,807 |
| PCLD – financing and loans | -5 | -5 | -8% | 285 |
| Onerous Contracts | 744 | 147 | -80% | 1,477 |
| Provision/reversal w/losses on investments | 17 | 5 | -68% | 1,856 |
| Provision/reversal for losses on investments classified as held for sale | 0 | -418 | - | 418 |
| Impairment | 713 | -21 | -103% | 17,452 |
| Provision ANEEL CCC | -349 | 0 | -100% | |
| TFRH – Pará Rate | -273 | 0 | -100% | 0 |
| Others | -249 | -219 | -12% | Not available |
| **Total** | -248 | -2,824 | 1,040% | 68,778 |

**Chesf: (R$ 301) million** concerning GSF lawsuits

**Compulsory Loans, so that (R$ 1,389) million,** base recomposition of lawsuits.

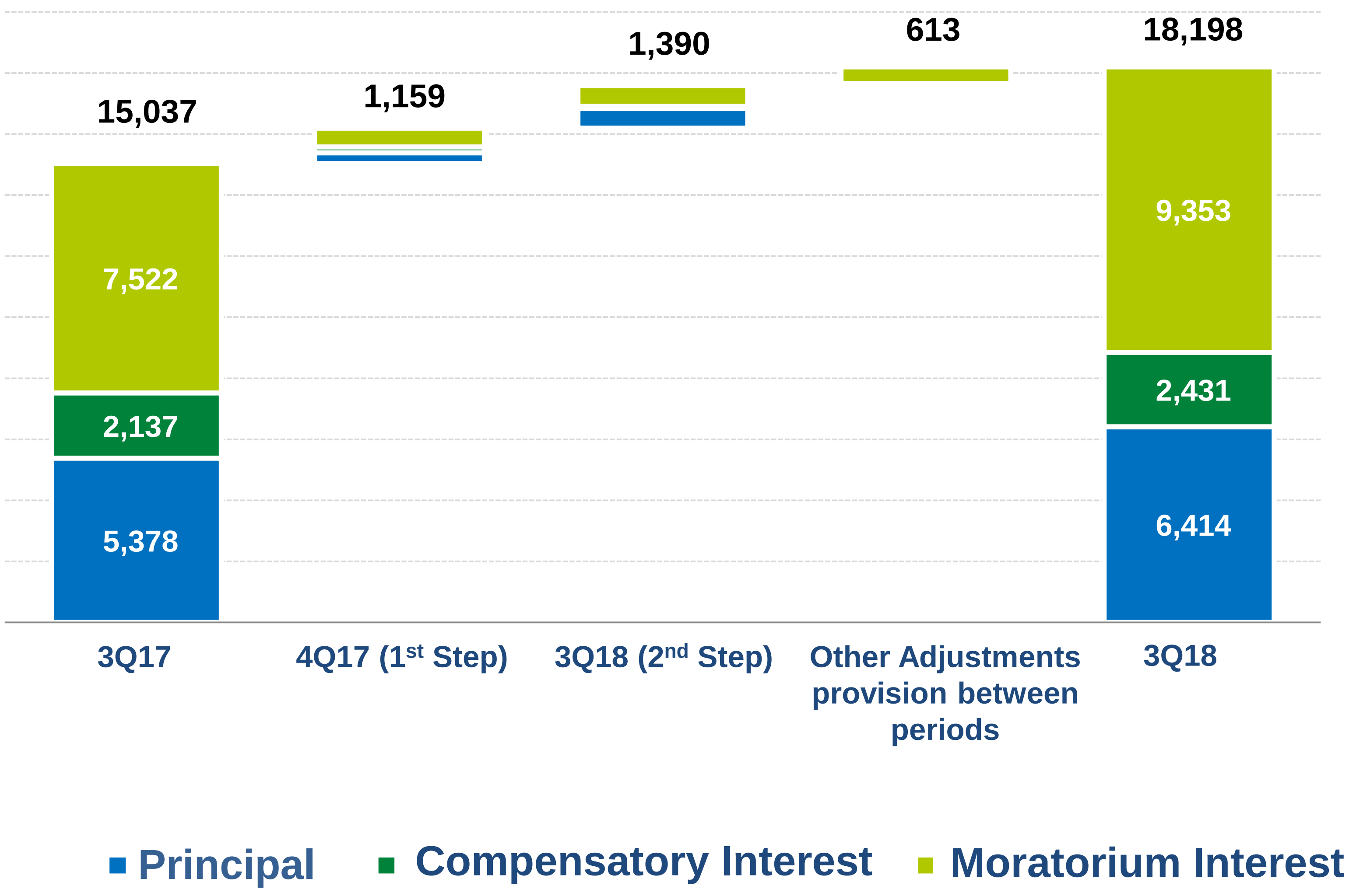
**PCLD** - Impact of application of IFRS 9

Constitution
**Santa Cruz – (R$ 290 million)**
Reversal
**Angra 3: R$ 236 million**
**Coaracy Nunes: R$ 130 million**

**Adjustment of the fair value of SPEs** included in the Auction of 9/27/2018 to the minimum price.

**Constitution**
**Angra III:** (R$ 236 million)
TPU Santa Cruz: (R$ 38 million)

# Compulsory Loan Contingencies




The Management has been adopting the following measures:

**Step 1:** Reassessment by legal counsel of the risk classification of the lawsuits- treated in 4Q17 (R$ 1,159 million);

**Step 2:** Recomposition of lawsuit data (citation dates, amounts of credits involved and etc.) - contracting of legal advice - treated in 3Q18 (R$ 1,390 million)

**Next steps:**

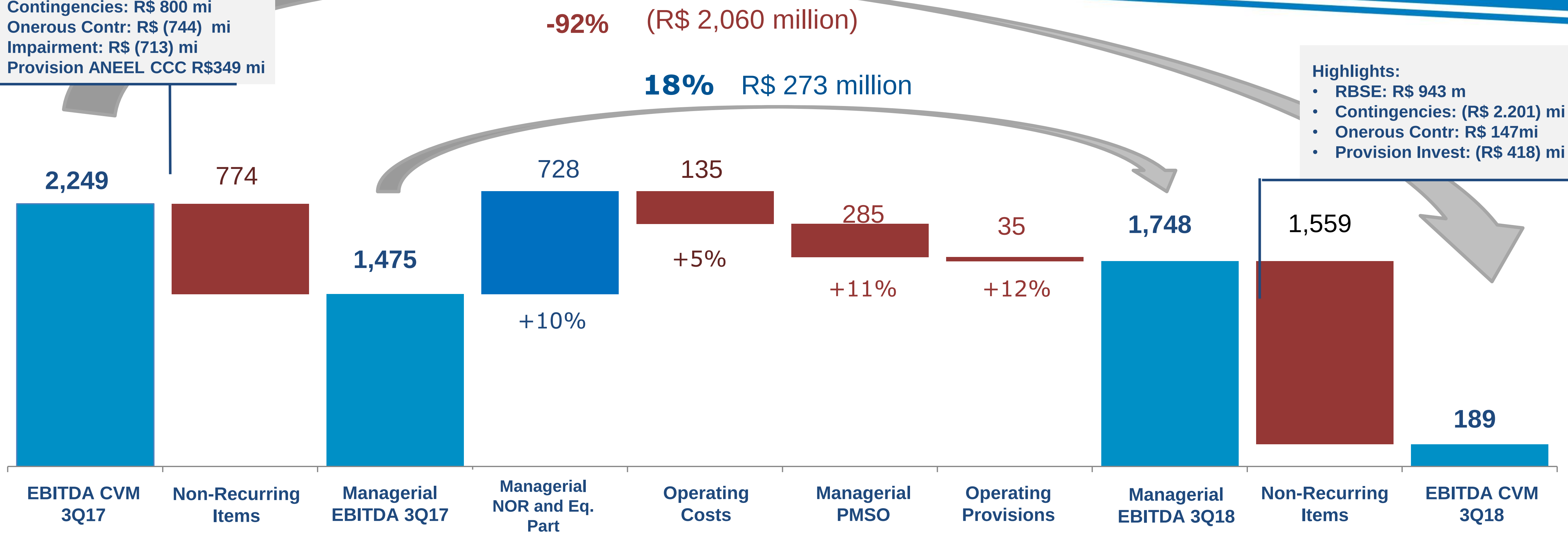
Complete the alternatives to reduce contingency: studies of debt capitalization, agreements and others.

# 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**

**Managerial NOR and Equity Participation:**

**Amazonas GT**: + R $ 252 million - Mauá 3 short-term sold to LDP;
Tariff rate asset of the designation period: + R $ 285 million;
**Shareholdings:** + R $ 244 million) in particular North Energy - + R $ 188 million

**Managerial Operating Costs**:

**Amazonas D** - Gloss of R$ 260 CCC million
**Amazonas GT**: +52 million - fuel consumption of Mauá 3
**Furnas:** + R $ 53 million - Increase in fuel prices - UTE Santa Cruz
Energy purchased for resale: - R $ 191 million

**Managerial PMSO:**

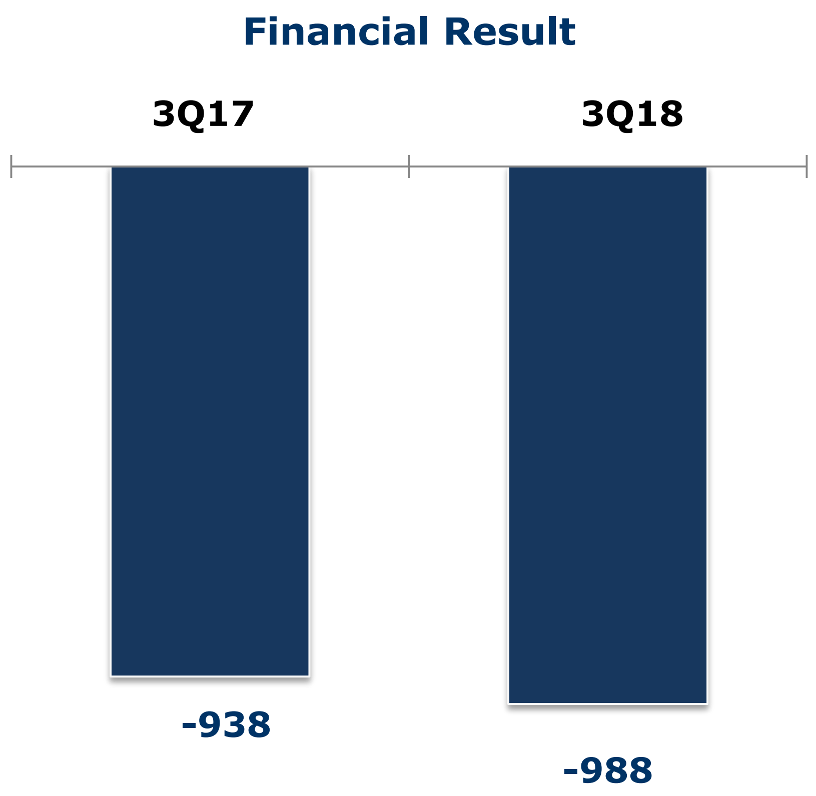
- Consulting Services at the Holding Company (R$ 45 million)
- **Cepisa** (R$ 21.4 million): loss on prescribed credits
- **Amazonas D** (R$ 94 million): cutting factor
- **Furnas**:Tractebel indemnification (R$ 39 million)

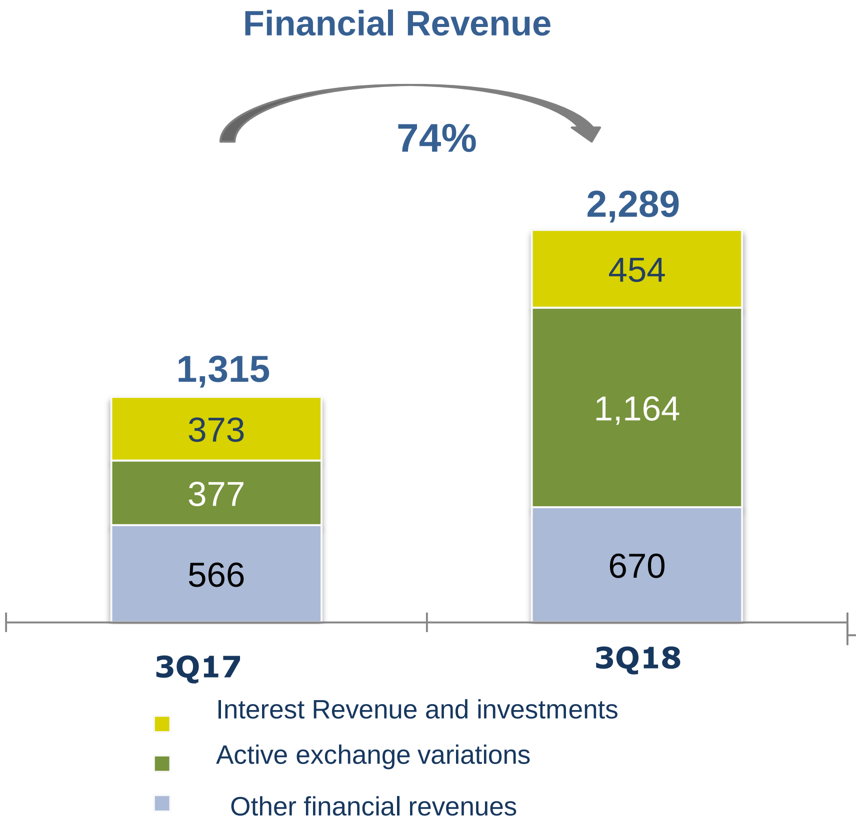
**Managerial Operating Provisions**:

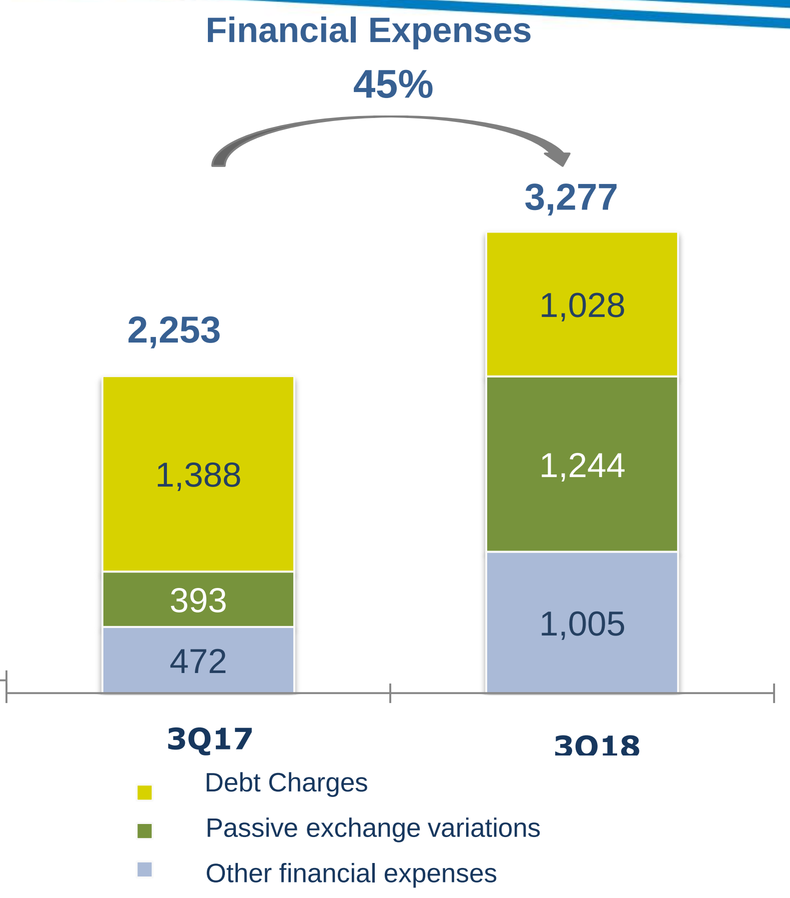
**PCLD** consumers and resellers - Impact of application of IFRS 9 (R$ 342)
Other provision: reduction on R$ 30 million

# Financial Result 3Q18

(R$ million)



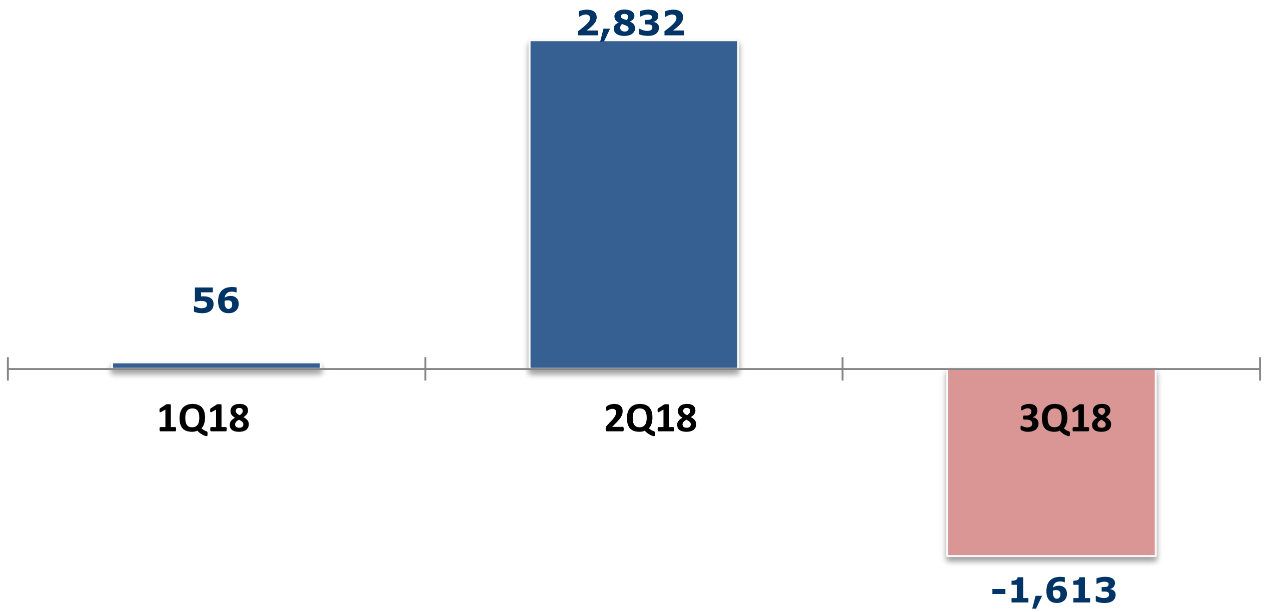



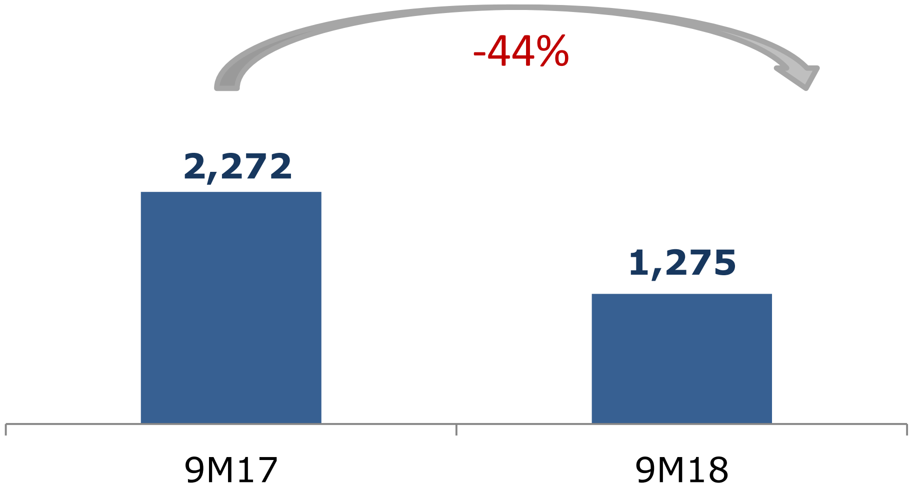

**Interest income and financial investments and Net monetary restatement -** Reduction of indexes (Selic, IPCA and others).

**Charges** - Reduction in the balance of loans and financing and reduction of indexes with Caixa, BB, CEF and Caf.

**Other Financial Results** – Eletronorte: Losses in derivatives due to the fall in the Selic rate to have surpassed the gain with the appreciation of the dollar and aluminum price (R$ 186 million);
Eletrobras: monetary restatement on provision for Compulsory Loan (R$ 197 million)

# Net profit
(R$ million)




**3Q18**

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)

**9M18**

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

# Result by segment 9M18

| R$ million | | G & T Total | G & T Variation |
|---|---|---|---|
| **ROL** | **9M18** | **19,477** | **-11%** |
| | 9M17 | 21,909 | |
| (–) PMSO | **9M18** | **-5,511** | **-11%** |
| | 9M17 | -6,218 | |
| (–) Operational costs and expenses | **9M18** | **-6,410** | **-15%** |
| | 9M17 | -7,575 | |
| **Ebitda** | **9M18** | **8,787** | **-5%** |
| | 9M17 | 9,223 | |
| Financial result | **9M18** | **-1,986** | **1%** |
| | 9M17 | -1,969 | |
| **Net Income** | **9M18** | **4,146** | **-16%** |
| | 9M17 | 4,924 | |

**Amortization RBSE**

| | RBSE | (–) IR | RBSE net. |
|---|---|---|---|
| **9M18** | **3,492** | **1,187** | **2,305** |
| 9M17 | 3,731 | 1,269 | 2,463 |

**ROL GT**

- Proinfa: about (R$ 2 billion) - Reclassification of Energy Expenditure Purchased for Proinfa Resale as a revenue reducer. Without this effect, NOR would have reduced only 2%;
- Eletronorte: (R$ 263 million) - Unhire of 325 Mwavg.

**PMSO GT**

- Reduction of costs of approximately R$ 276 million by PAE, PDC, risk reduction and overtime, offset by a 1.7% increase in ACT 2018/2019).
- Reduction of material in Eletronuclear (R$ 7mm)
- Amazonas GT (R$ 6mm) for the lower maintenance of the Mauá Power Plants Complex

**Costs and Expenses GT**

- Energy Purchased for Proinfa Resale (R $ 2bi) - reclassification
- Reversal of Pará's Rate in Eletronorte: R $ 1.1 billion
- Eletronorte: Reduction R $ 75 million descontratação (345Mwmed)
- Amazonas GT - Reduction of energy purchased by the largest generation of UTE Aparecida and Mauá Block
- Increase of fuel: Furnas for R $ 129 million - largest dispatch of UTE Santa Cruz; Amazonas GT - start of Mauá gas consumption;

**Financial Result GT**

- Financial discipline: reduction of indebtedness with CEF, BB and CAF

# 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)

| | 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 potencial 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 |

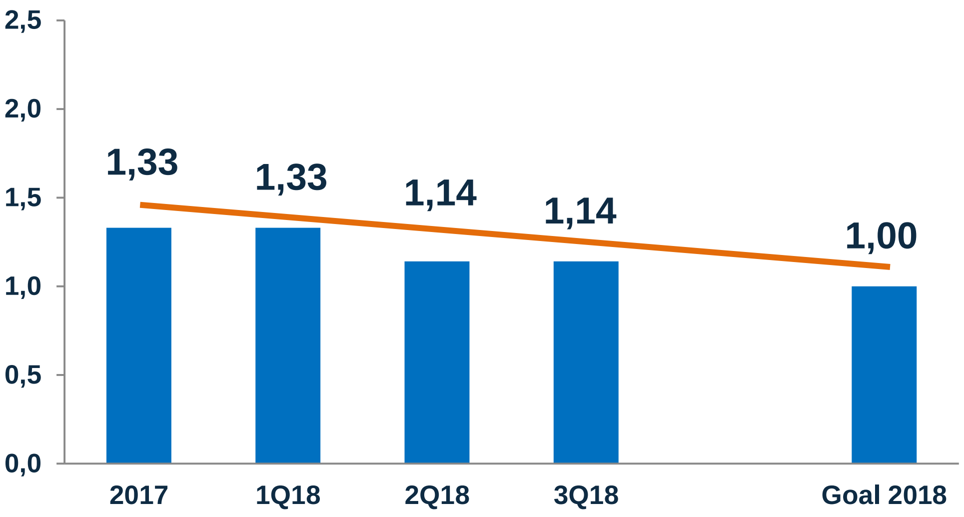
- **New Impairment Test of Angra 3**

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

# 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.

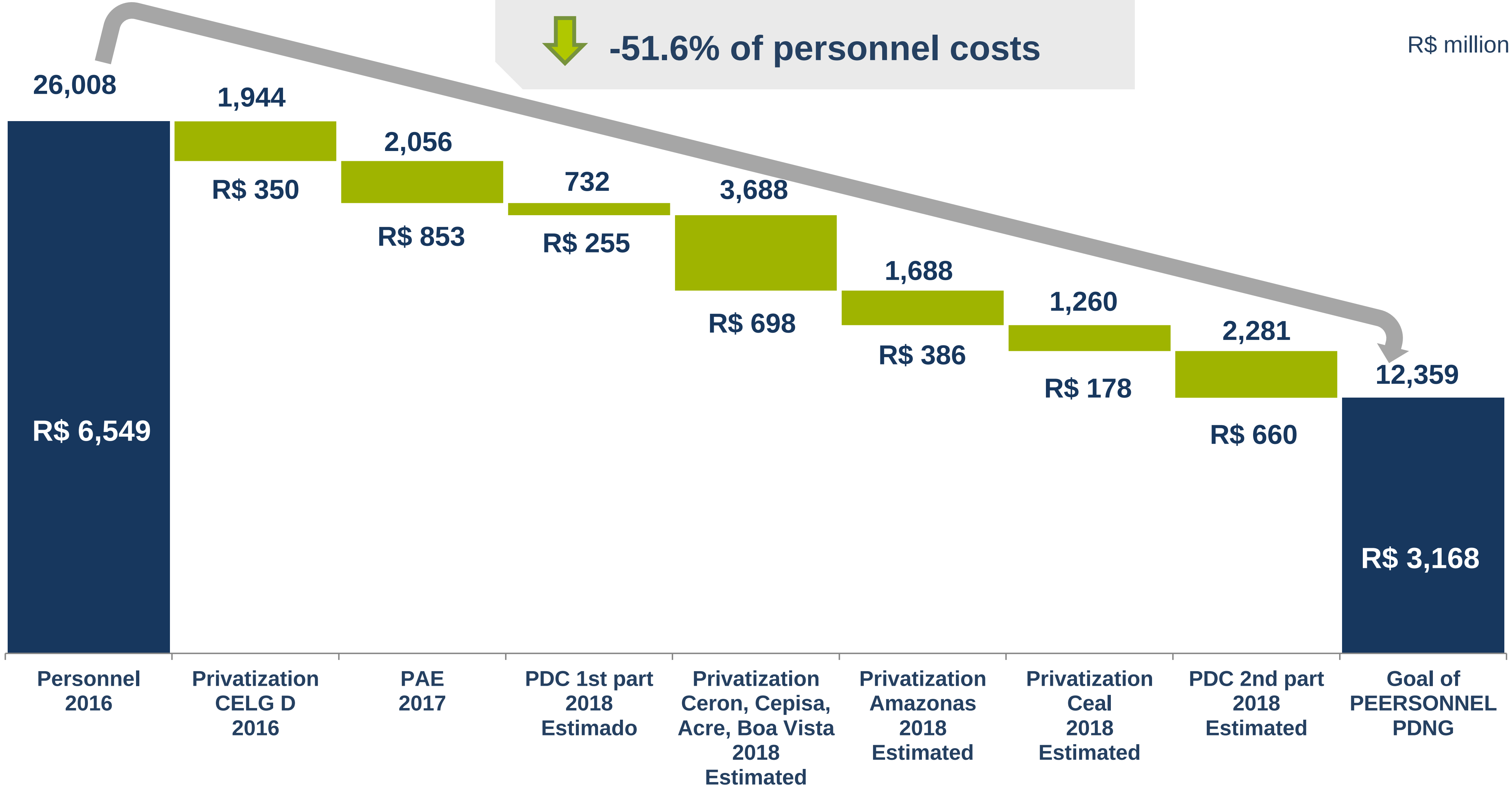
**Resolution CNPE** | **R$ 480/MWh** recommended tariff to make the Angra 3 viable

| | Extraordinary Retirement Plan 2017 | Consensual Dismissal Plan – 1st Stage 1S18 | Consensual Dismissal Plan – 2nd Stage 2S18 | Overtime, risk remuneration, warnings | Organizational restructuring |
|---|---|---|---|---|---|
| Employees disconnected | 2,056 | 732 | 2,281 goal | R$ 55 milion savings | R$ 55 mi / year saving |
| Cost | R$ 574 million | R$ 185 million | R$ 730 million estimated | | |
| Saving | R$ 853 million / year | R$ 255 million / year | R$ 660 million / year estimated | | |

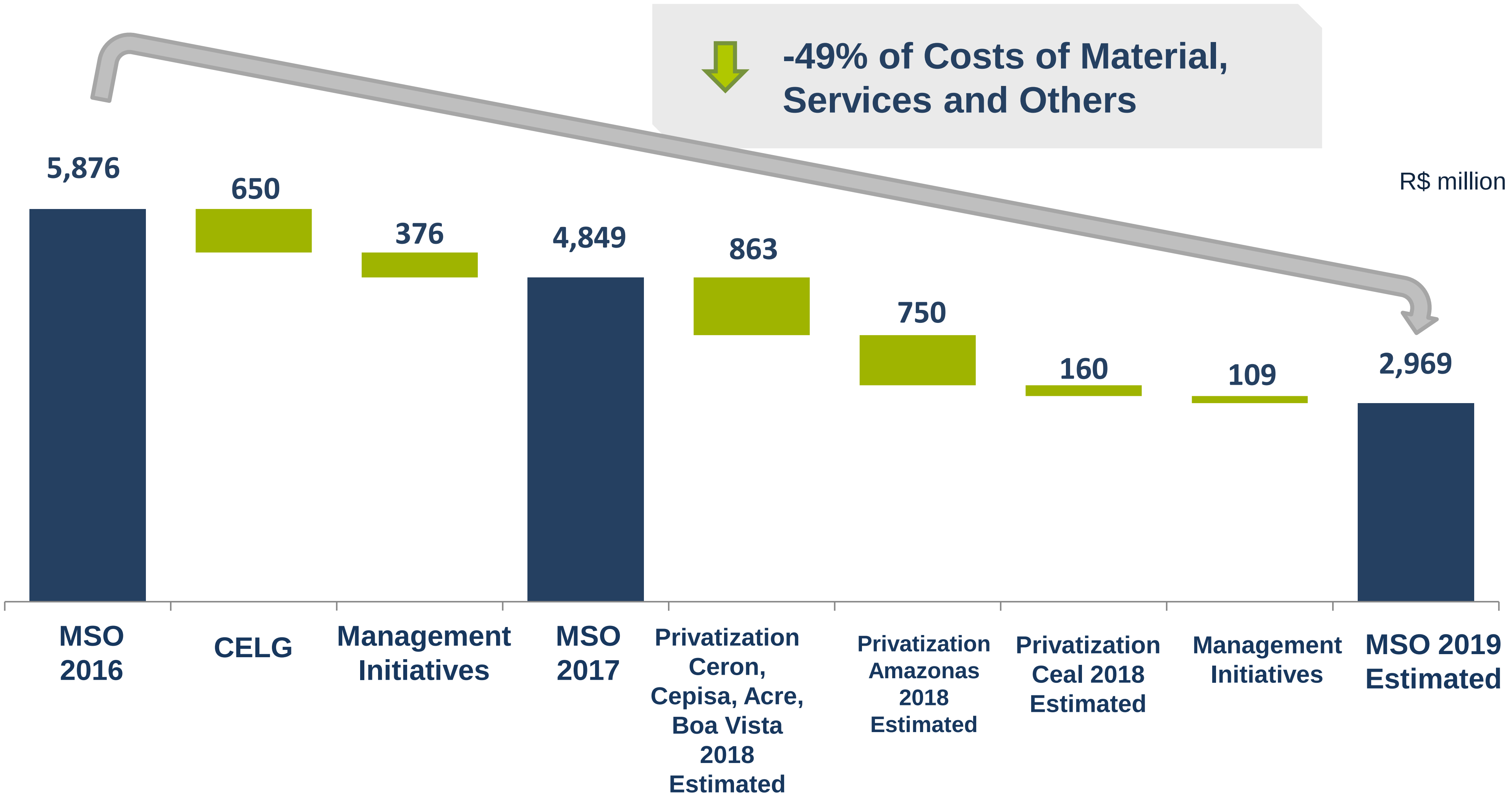
# Personnel costs reduction

-52.4% of employees

-51.6% of personnel costs



# Material, Supplies and Others




**Management Initiatives**

Reduction of:

- Rents
- Insurance
- Secretary
- Travels
- Security guards

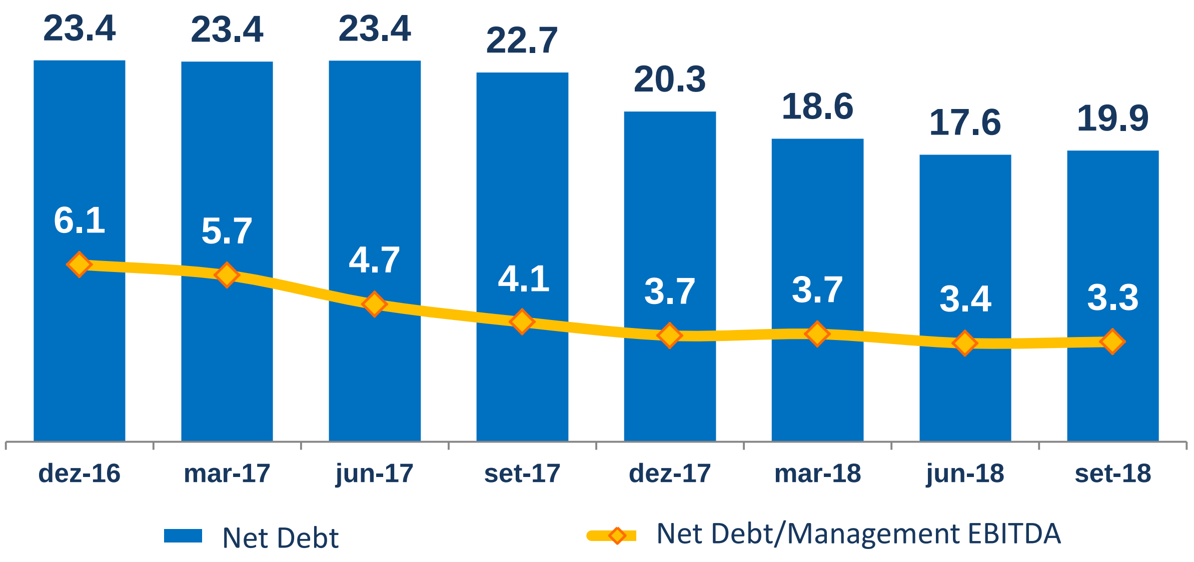
This presentation may contain estimates, but all goals depend on the Management's expectations. See Disclaimer. It does not consider effects of annual adjustments.

# Net Debt

| Goal | Net Debt / EBITDA < 3,0 |
|---|---|

R$ million

## Net Debt / Ebitda




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

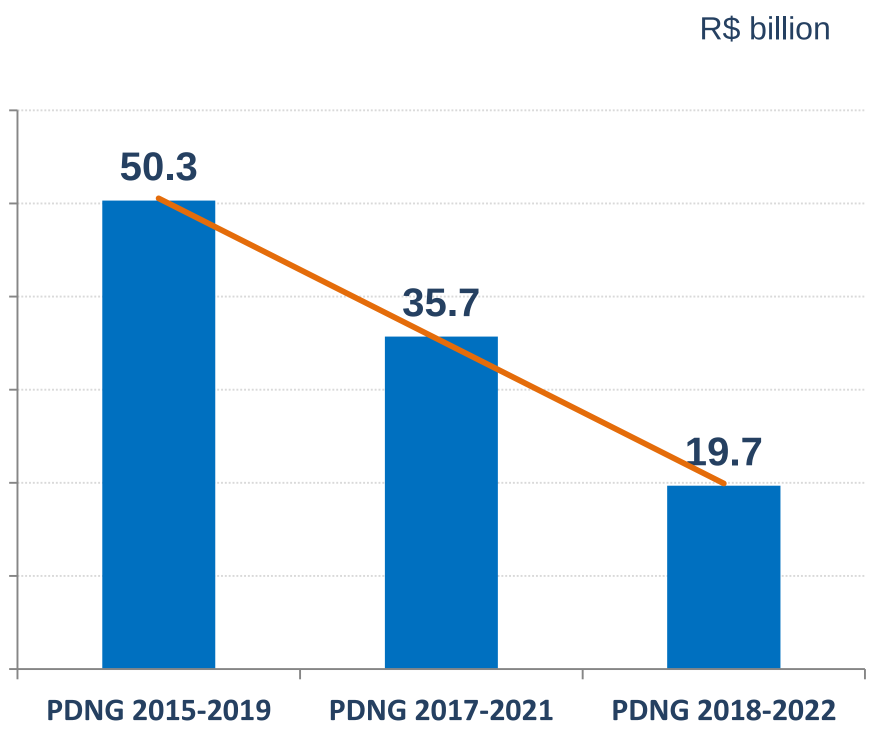
*Excluded Ebitda from Ceron, Cepisa, Eletroacre and Boa Vista

| 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 Receivable 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** |

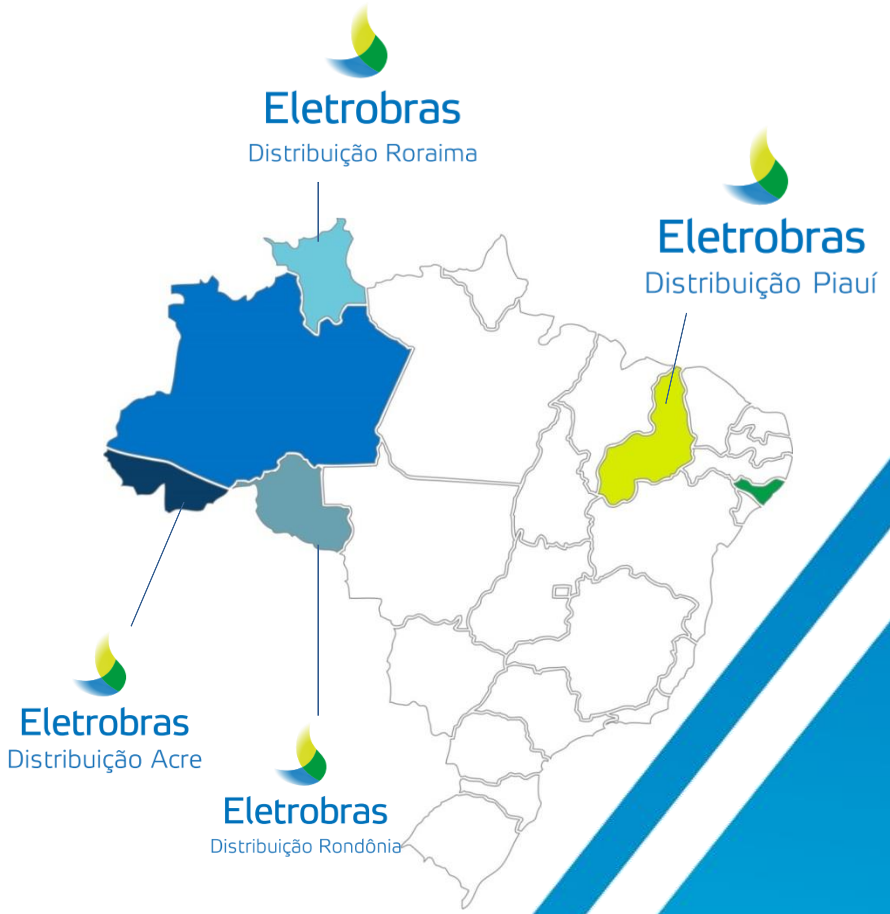
1. Financing and related receivables, with RGR resources, owed by a company outside the Eletrobras group (R$ 1,372 million) were excluded, since Eletrobras acted as the sole administrator of the RGR Fund;
2. RGR liabilities referring to the federalization of the CEAM Distributor, incorporated by Amazonas 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.

# 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** |



# Privatization of the distribution companies




| Month | Company | Auction winner | Tariff reduction | Grants |
|---|---|---|---|---|
| June 2018 | Cepisa | Equatorial | 8.52% | R$ 95 millions |
| August 2018 | Eletroacre | Energisa | 3.27% | - |
| | Ceron | Energisa | 1.75% | - |
| | Boa Vista | Consórcio Oliveira Energia | - | - |

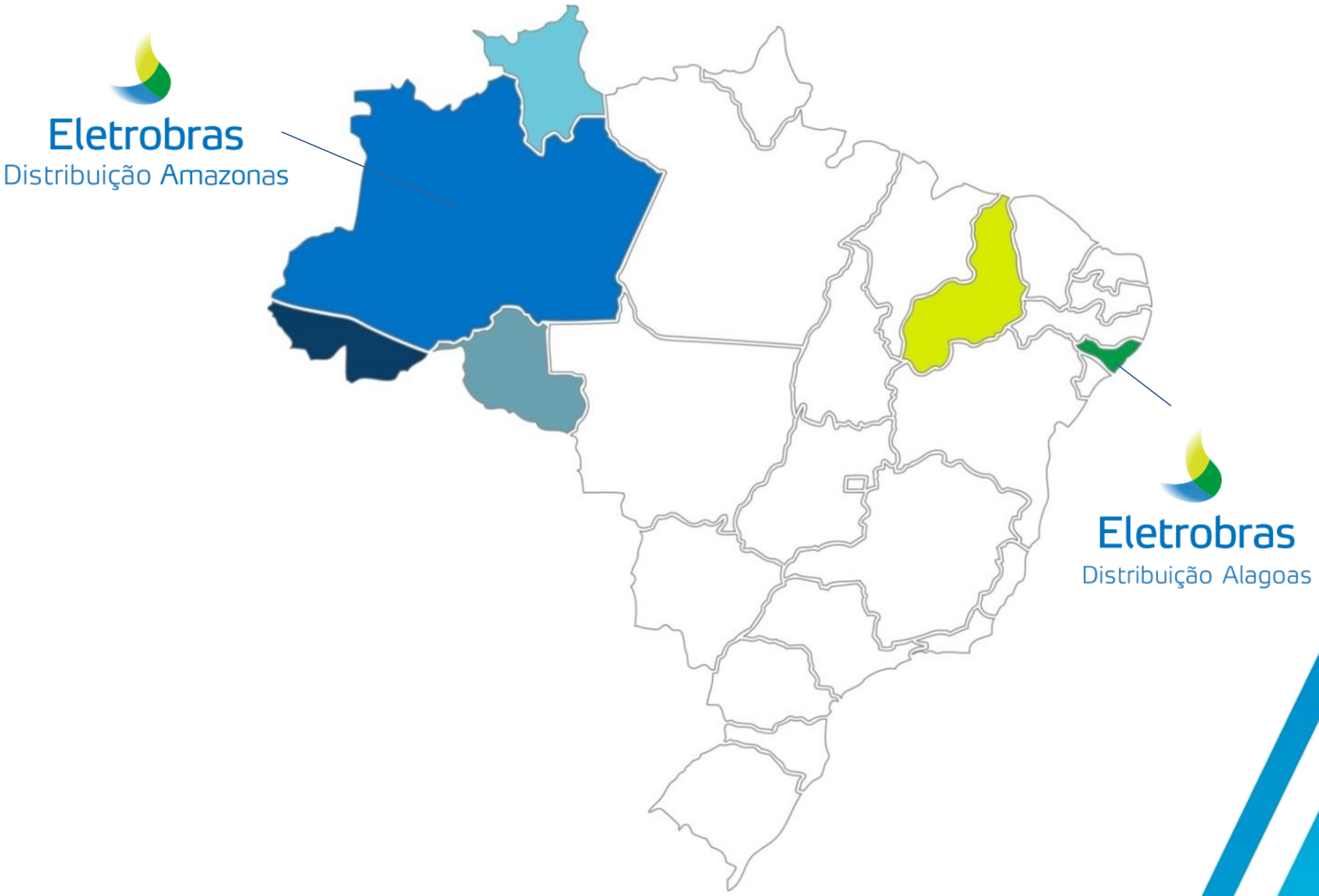
## Homologation of Results

08/28/2018 - Cepisa and 10/5/2018 - Ceron, Boa Vista and Eletroacre

## Control Transfer

10/17/2018 - Cepisa; 10/30/2018 - Ceron; until 12/05/2018 - Boa Vista and Eletroacre

# Privatization of Amazonas D and Ceal




**Amazonas Energia**

Auction – 11/27/2018

**Ceal**

Suspended - Civil Action No. 3,132/DF

# Investor Relations

www.eletrobras.com.br/elb/ri
ombudsman-ri@eletrobras.com
+55 21 2514 6331
+55 21 2514 4637