



PRESS
RELEASE

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ENEL DISTRIBUIÇÃO CEARÁ INVESTMENTS UP 18.7% IN 2016

MAIN FINANCIAL HIGHLIGHTS (millions of Brazilian reais)

	2016	2015	Change
Revenues	6,381.5	6,310.9	+1.1%
EBITDA	715.9	688.5	+4.0%
EBIT	559.1	544.2	+2.7%
Net income	393.1	363.1	+8.3%
Net debt	909.2	1,229.7	-26.1%
Capex	536.1	451.8	+18.7%

Carlo Zorzoli, Enel's Country Manager for Brazil, said: "We have grown in Ceará by improving our financial and operational performance despite Brazil's economic slowdown. We are continuously investing in the modernisation of the distribution network while also managing to further improve service quality."

Fortaleza, February 22nd, 2017 – Enel Distribuição Ceará's Board of Directors has approved the company's financial results as of the end of 2016.

- **Revenues** slightly increased by 1.1%, mainly due to 2.2% increase in energy sales and transport, the 2015 extraordinary tariff adjustment and tariff review, and the tariff adjustment approved in April 2016 by national electricity regulator ANEEL.
 - *Partially offset by the recognition of regulatory liabilities¹ resulting from lower electricity purchase costs in 2016 due to improved water availability in the country, to be deducted in the 2017 tariff adjustment.*
- **EBITDA** up 4% mainly due to higher revenues and lower energy purchase costs.
 - *Partly offset by increase in provisions for non-payment of electricity bills, as a*

¹ Order 4,621 enacted by ANEEL in November 2014, which allows distribution companies to record in their financial results non-manageable costs that are higher or lower than those recognised in the current tariff

consequence of Brazil's adverse macroeconomic environment.

- **EBIT** up 2.7%, mainly due to higher depreciation and amortisation charges as a result of the increase in the asset base originating from investment in the period. Those investments were aimed at modernising the distribution network to improve service quality as well as connecting new customers.
- **Net income** up 8.3% mainly due to EBITDA increase.
 - *The increase in net income was also due to the lower net financial expenses resulting from the reduction in net debt.*
- **Net financial debt** down by 26%, thanks to higher cash flow in 2016 that was mainly due to the cash in of accounts receivable and lower energy purchase costs which resulted from better water availability in the country.
- **Capex** up 18.7% due to connection of new customers and modernisation of the distribution network.

OPERATIONAL HIGHLIGHTS

	2016	2015	Change
Energy sales and transport (GWh)	11,615	11,365	+2.2%
Customers	3,889,762	3,757,580	+3.5%
DEC	8.81	12.26	-28.1%
FEC	5.04	6.81	-26.0%

- **Energy sales and transport** grew due to +3.5% increase in number of customers.
 - *Of c. 133,500 new customers, 20,114 were residential clients and 19,866 rural businesses.*
- **System Average Interruption Duration (SAIDI) and System Average Interruption Frequency (SAIFI)** showed respective improvements of 28.1% and 26% in 2016, as a result of the investments to improve the network.