



PRESS RELEASE

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AMPLA INCREASES INVESTMENTS IN 9M 2016 DESPITE DIFFICULT ECONOMIC SITUATION IN THE COUNTRY

MAIN FINANCIAL HIGHLIGHTS (*millions of Brazilian reais*)

	9M 2016	9M 2015	Change
Revenues	5,469.9	6,290.2	-13%
EBITDA	219.9	251.9	-13%
EBIT	32.2	91.7	- 65%
Net income	(199.1)	(31.2)	-
Net debt	2,976.0	2,352.9	+26%
Capex	571.4	558.5	+2%

Carlo Zorzoli, Enel's Country Manager for Brazil, said: *"Ampla's financial results are still affected by the country's economic downturn, that has had a strong impact on the Brazilian distribution sector. Against this backdrop, energy sales and transport are stagnating and energy losses are increasing in Ampla's concession area. We are in any case investing in network modernisation with the aim of improving service quality."*

Niterói, November^{3rd}, 2016 – Ampla's Board of Directors has approved the company's financial results for the nine months of 2016.

- **Revenues** down by 13%, mainly due to recognition of regulatory liabilities¹ resulting from lower electricity purchase costs in 9M2016, to be deducted from 2017 tariff adjustment.
 - Slightly down by 0.4% in energy sales and transport, as a consequence of Brazil's economic slowdown.
 - Effects partially offset by March 2015 and March 2016 tariff adjustments approved by ANEEL.
- **EBITDA** down by 13%, mainly due to increase in provisions for non-payment of electricity bills and higher energy losses in the period, mainly attributable to the adverse macroeconomic environment in Rio de Janeiro State and Brazil as a whole.

¹ Order 4,621 enacted by Brazilian regulator 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

- **EBIT** down by 65%, mainly due to higher depreciation and amortisation charges as a result of the increase in the asset base originated by investment in the period.
- **Net income** down, mainly due to lower EBIT and rises in financial charges driven by higher debt to cover investments in modernising distribution network and improving service quality.
- **Net Financial Debt** up by 26% due to increase in loans received mainly from banks and parent company Enel Brasil, to finance Ampla's investment plan and working capital.
 - *Debt further grew due to higher inflation and taxes, increasing financial costs of contracts.*
- **Capex** increased by 2%, mainly focused on modernisation of distribution network to improve Ampla's service quality.

OPERATIONAL HIGHLIGHTS

	9M 2016	9M 2015	Change
Energy Sale and Transport (GWh)	8,740	8,778	- 0.4%
Customers	3,042,583	2,952,404	+3.1%

- **Energy sales and transport** were slightly down due to lower electricity consumption per capita in regulated (-3.3%) market that was in turn mainly attributable to Brazil's economic slowdown.
 - *Partially offset by the increase in number of customers (+3.1%).*
 - *Of c. 90,100 new customers, 17,400 were residential.*