



## PRESS RELEASE

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## ENEL DISTRIBUIÇÃO CEARÁ INVESTMENTS UP 32.5% IN THE FIRST QUARTER OF 2017

### MAIN FINANCIAL HIGHLIGHTS (*millions of Brazilian reais*)

	2017	2016	Change
Revenues	1,520.17	1,391.71	+9.2%
EBITDA	192.75	165.32	+16.6%
EBIT	151.20	127.04	+19%
Net income	101.14	81.76	+23.7%
Net debt	928.38	1,055.30	-12.0%
Capex	126.87	95.74	+32.5%

**Carlo Zorzoli, Enel's Country Manager for Brazil, said:** "We are continuing to invest in Ceará to modernise our distribution network and further improve our quality indicators, which are already best in class in Brazil and widely recognised among our customers. Despite Brazil's economic slowdown, we have managed to improve our operational performance and contribute to the development of Ceará state."

**Fortaleza, May 04<sup>th</sup>, 2017** – Enel Distribuição Ceará's Board of Directors has published today the company's financial results of the first quarter of 2017.

- **Revenues** increased by 9.2%, mainly due to tariff adjustment approved in April 2016 by National Electricity Agency -ANEEL.
  - Effect partially offset by the 2% decrease in energy sales and transport.
- **EBITDA** up 16,6%, mainly due to higher revenues.
  - Partially offset by higher costs of equipments and services, due to increase in operation and maintenance activities.

- **EBIT** up 19%, mainly due to EBITDA increase.
  - *Partially offset by higher depreciation and amortisation charges, as a result of the increase in the asset base originating from investment in the period.*
- **Net income** up 23.7%, mainly due to EBITDA increase, resulting from the impact in the 1Q of tariff adjustment approved in April 2016.
  - *Partially offset by the lower financial adjustment on the value of assets that are not fully depreciated at the end of the concession period and are reimbursed by the Federal government to the distribution company. The value of these assets is updated monthly in line with the inflation index, which decreased during the period, hence reducing the value of the reimbursement.*
- **Net financial debt** down by 12%, thanks to higher cash generation in the past 12 months that was mainly due to lower energy purchase payments, which resulted from better water availability in the country between march 2016 and march 2017.
- **Capex** up 32.5%, mainly due to connection of new customers and modernisation/digitisation of the distribution network.

#### OPERATIONAL HIGHLIGHTS

	2017	2016	Change
<b>Energy sales and transport (GWh)</b>	2,742	2,798	-2%
<b>Customers</b>	3.925.909	3.788.233	+3.6%
<b>SAIDI</b>	9,22	10,45	-11.8%
<b>SAIFI</b>	5,54	5,81	-4.6%

- **Energy sales and transport** down by 2% due to the economic slowdown and lower temperatures in Ceará this summer.
- **System Average Interruption Duration (SAIDI) and System Average Interruption Frequency (SAIFI)** showed respective improvements of 11.8% and 4.6% in 2017, as a result of the investments to improve the network.