



PRESS RELEASE

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ENEL DISTRIBUIÇÃO CEARÁ INVESTMENTS UP 40.6% IN 1H 2017

MAIN FINANCIAL HIGHLIGHTS (*millions of Brazilian reais*)

	1H2017	1H2016	Change
Revenues	3,213.55	2,983.42	+7.7%
EBITDA	397.61	381.57	+4.2%
EBIT	313.34	304.82	+2.8%
Net income	214.87	218.22	-1.5%
Net debt	898.40	957.32	- 6.2%
Capex	294.17	209.27	+40.6%

Carlo Zorzoli, Enel's Country Manager for Brazil, said: *"We continue to strongly invest in Ceará in connection of new clients and quality of service, especially addressing grid digitisation, mainly through the implementation of a remote controlled network automation system. Our operational performance, recognised by customers, has proven to be effective and has also been reflected in our results, despite the country's economic slowdown."*

Fortaleza, July 25th, 2017 – Today Enel Distribuição Ceará's Board of Directors published the company's financial results of the first half of 2017.

- **Revenues** increased by 7.7%, mainly due to the tariff adjustment (+0.15%) applied as of April 22nd, 2017 and the lower recognition of regulatory liabilities¹ resulting from higher electricity purchase costs in 1H 2017, to be deducted from 2018 tariff adjustment.
 - Revenues increase more than offset the 2.2% decrease in energy sales and transport.

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

- **EBITDA** up 4.2%, mainly due to higher revenues.
 - *The above increase more than offset the higher costs of equipment and services, resulting from contractual adjustments to inflation and the increase in operation and maintenance activities resulting from the implementation of the company's service quality plan.*
- **EBIT** up 2.8%, mainly reflecting 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** slightly decreased mainly due to 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.
 - *Partially offset by the reduction of financial charges on debt, explained by lower debt balance due to the reduction of net debt, by lower interest rate in the country and lower inflation in relation to the previous period.*
- **Net financial debt** down by 6.2%, as a result of operating cash flow in the last 12 months that fully covered all operating costs, investments and interest on debt during this period.
- **Capex** up 40.6%, mainly due to connection of new customers and modernisation/digitisation of the distribution network.

OPERATIONAL HIGHLIGHTS

	1H2017	1H2016	Change
Energy sales and transport (GWh)	5,567	5,695	-2.2%
Customers	3,953,118	3,821,629	+3.4%
SAIDI	9.39	9.73	-3.5%
SAIFI	5.91	5.25	+12.6%

- **Energy sales and transport** down by 2.2% mainly due to the country's economic slowdown.
- **System Average Interruption Duration (SAIDI) and System Average Interruption Frequency (SAIFI)** amounted to, respectively 9.39 hours and 5.91 times in 1H 2017, numbers below those established by the regulator (Aneel).