

RENOVA ENERGIA



Institutional Presentation

About Renova

Shareholders' Structure with solid Corporate Governance

Controlling Shareholders 79.6% ON
0.0% PN
59.2% Total



36.8% ON
0.0% PN
27.4% Total

21.4% ON
0.0% PN
15.9% Total

21.4% ON
0.0% PN
15.9% Total



Other

3.9% ON
22.8% PN
8.7% Total

7.2% ON
41.9% PN
16.0% Total

9.3% ON
35.3% PN
16.0% Total

Board & Committees Composition

BOARD



Management	Audit
Talent & Compensation	Pipeline Development
Finance	Engineering & Operations

Controlling Shareholder	Seats
Cemig	2
RR	2
Light	2
Total *	6 / 9

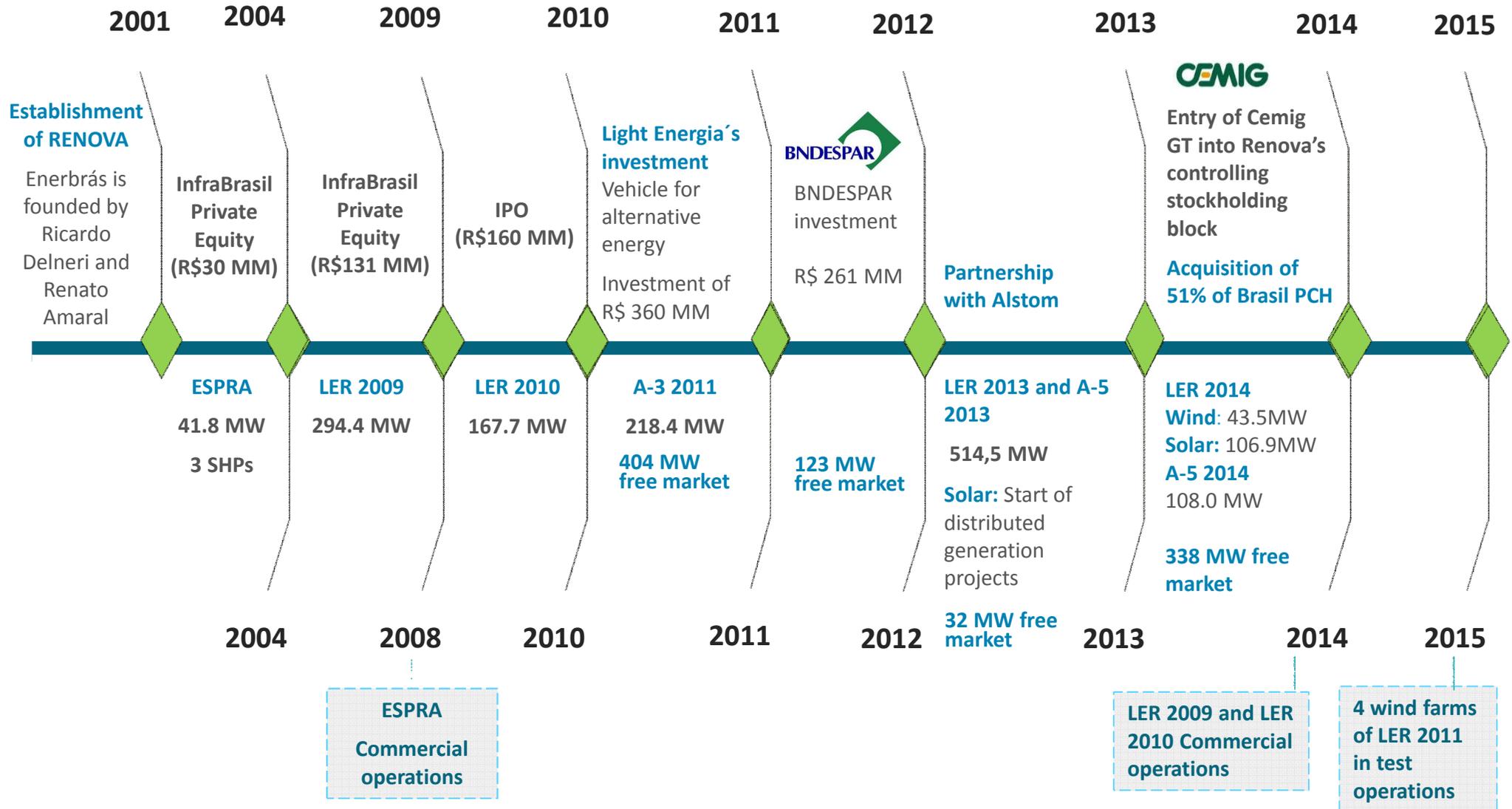
Decisions are always unanimous!

Unmatched Shareholders' Base

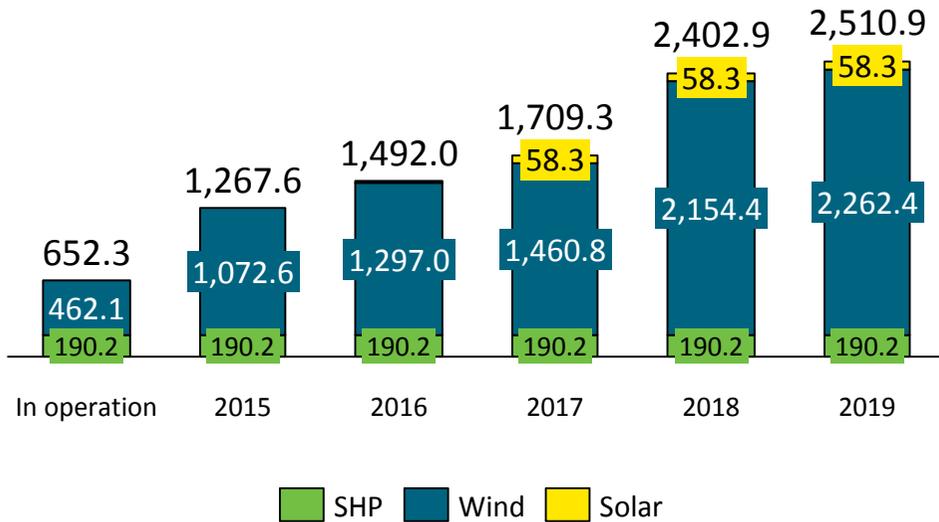


* The Board of Directors have a total of 9 members, of which 2 are independent.

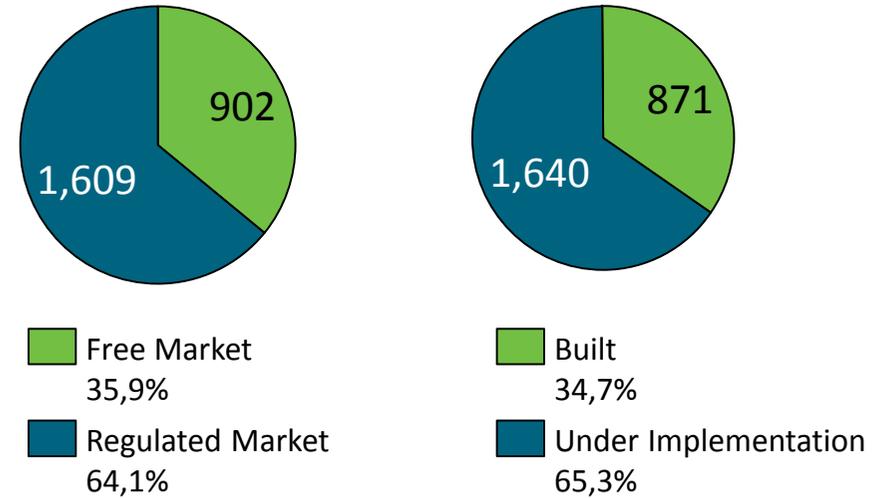
Successful track record of project sourcing, structuring, implementation and operation of renewable energy projects



Installed Capacity

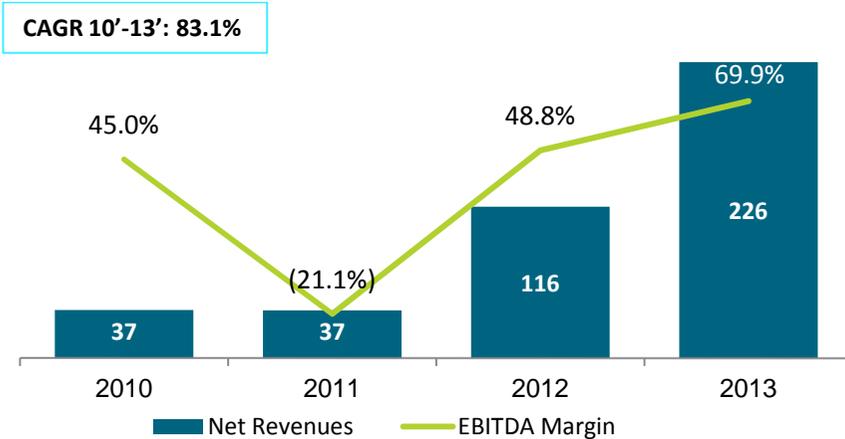


Installed Capacity – Operational Status and Market

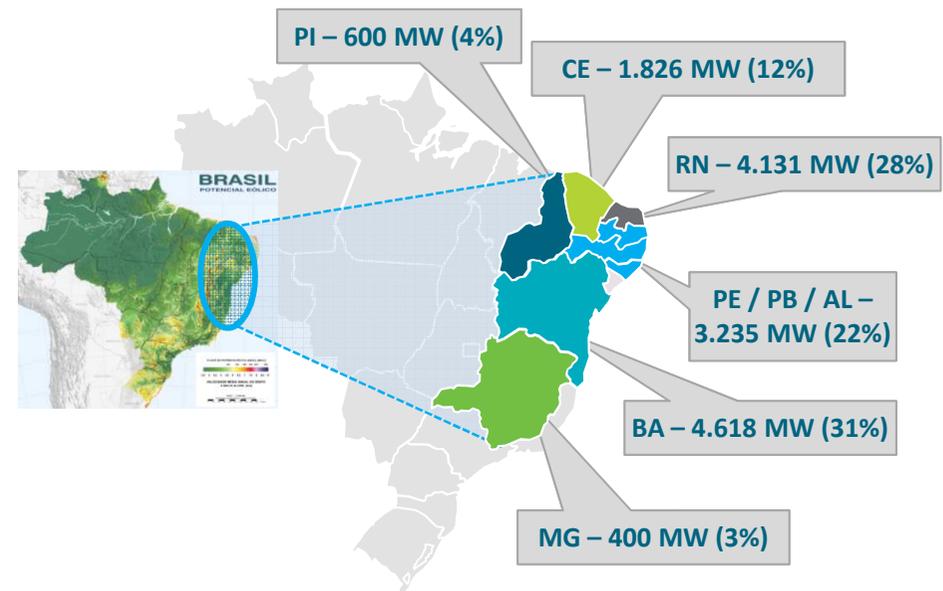


Net Revenues and EBITDA Margin

(R\$ MM)



Additional pipeline of 14,8 GW



Renova at-a-Glance





Sector Overview

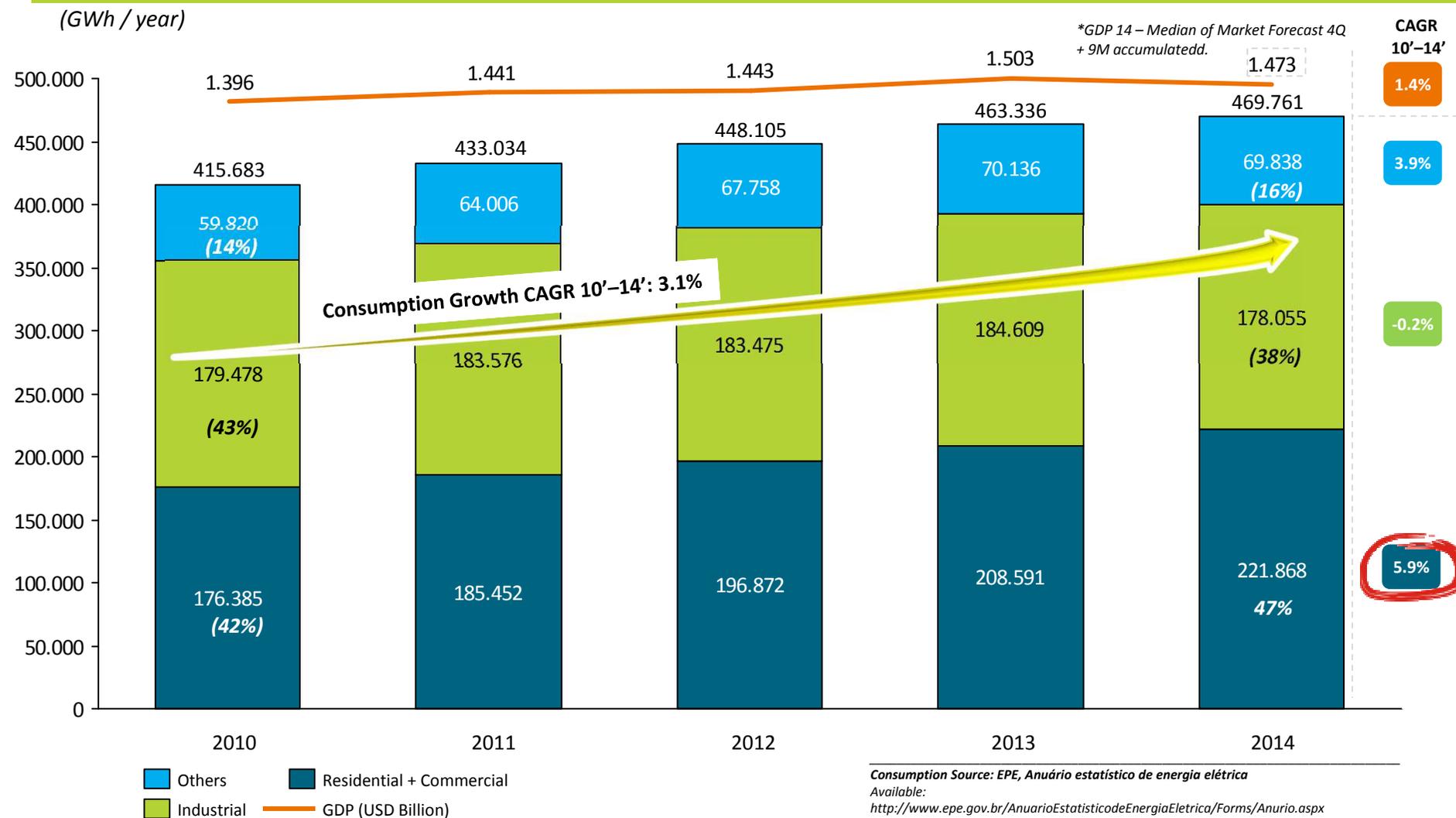
Sector Overview

Energy Demand grew at a CAGR of +3.1% between years 2010 and 2014.



Despite low GDP growth in recent years (2010-2014 @ ~1.4%), energy demand has grown at stable pace driven by increase in population purchase power: Residential + Commercial consumption grew at a CAGR of +5.9%.

Brazilian Energy Consumption by end-use sector



Others – Government Buildings, Public Street Lights, Rural Appliances.
 GDP discounted by IPCA (inflation) - baseline set on y2010.
 Exchange Rate – R\$ 2,70 = USD 1,00

Consumption Source: EPE, Anuário estatístico de energia elétrica
 Available: <http://www.epe.gov.br/AnuarioEstatisticodeEnergiaEletrica/Forms/Anurio.aspx>
<http://www.epe.gov.br/mercado/Documents/Resenha%20Mensal%20do%20Mercado%20de%20Energia%20El%C3%A9trica%20-%20Dezembro%202014.pdf>

GDP Source: IBGE, Séries Estatísticas and Bloomberg Terminal
 GDP 14 – Median of Market Forecast 4Q + 9M accumulated.

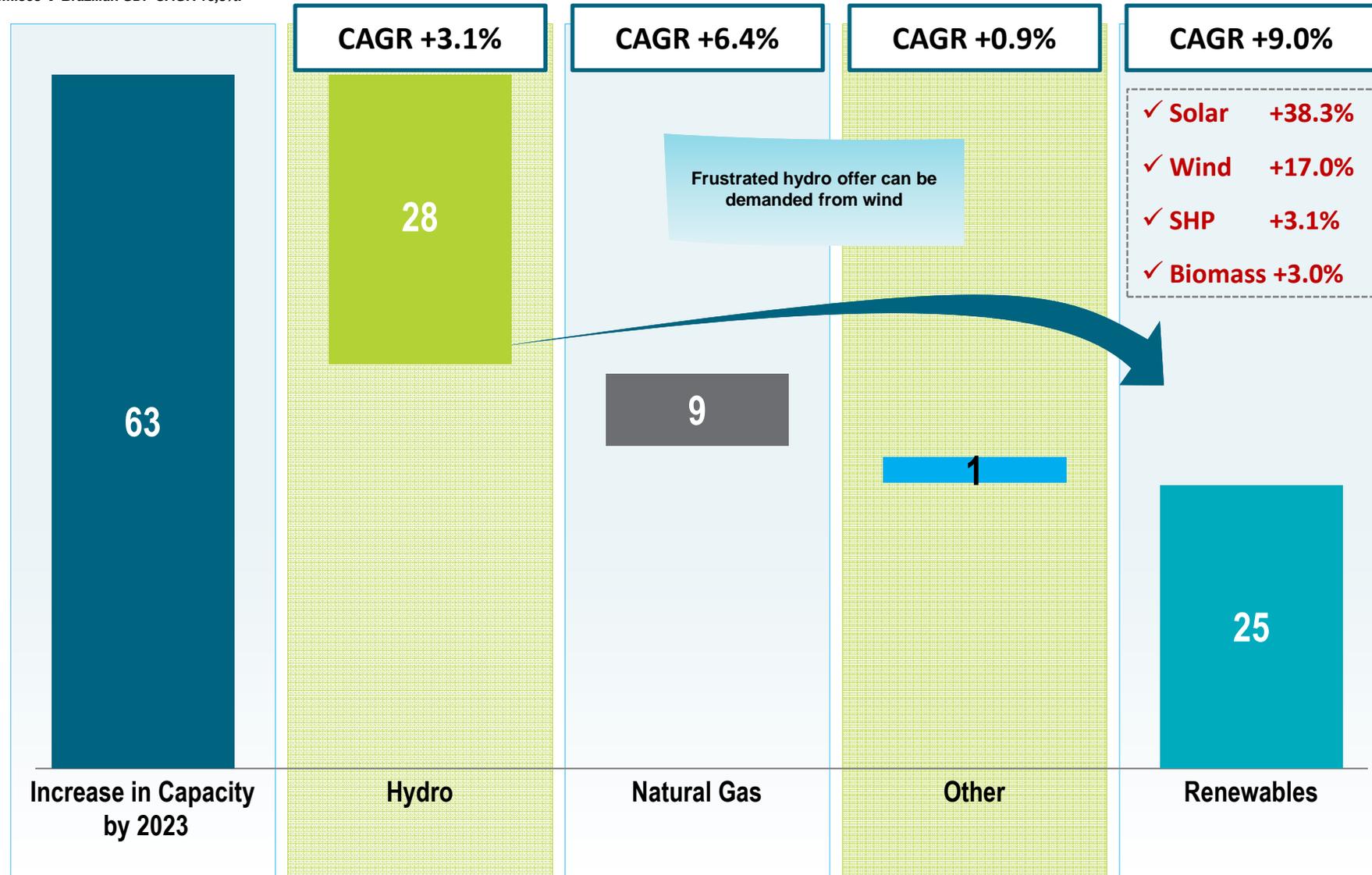
Sector Overview

Strong Demand to be Covered by Renewables

There will be an increase in installed capacity between year 2014-2023 of 63 GW, and renewable energy is strong in the pipeline.

New Energy Demand in Brazil (GW)

Premises → Brazilian GDP CAGR +3,8%.



Source: PDE 2023 and Aneel.

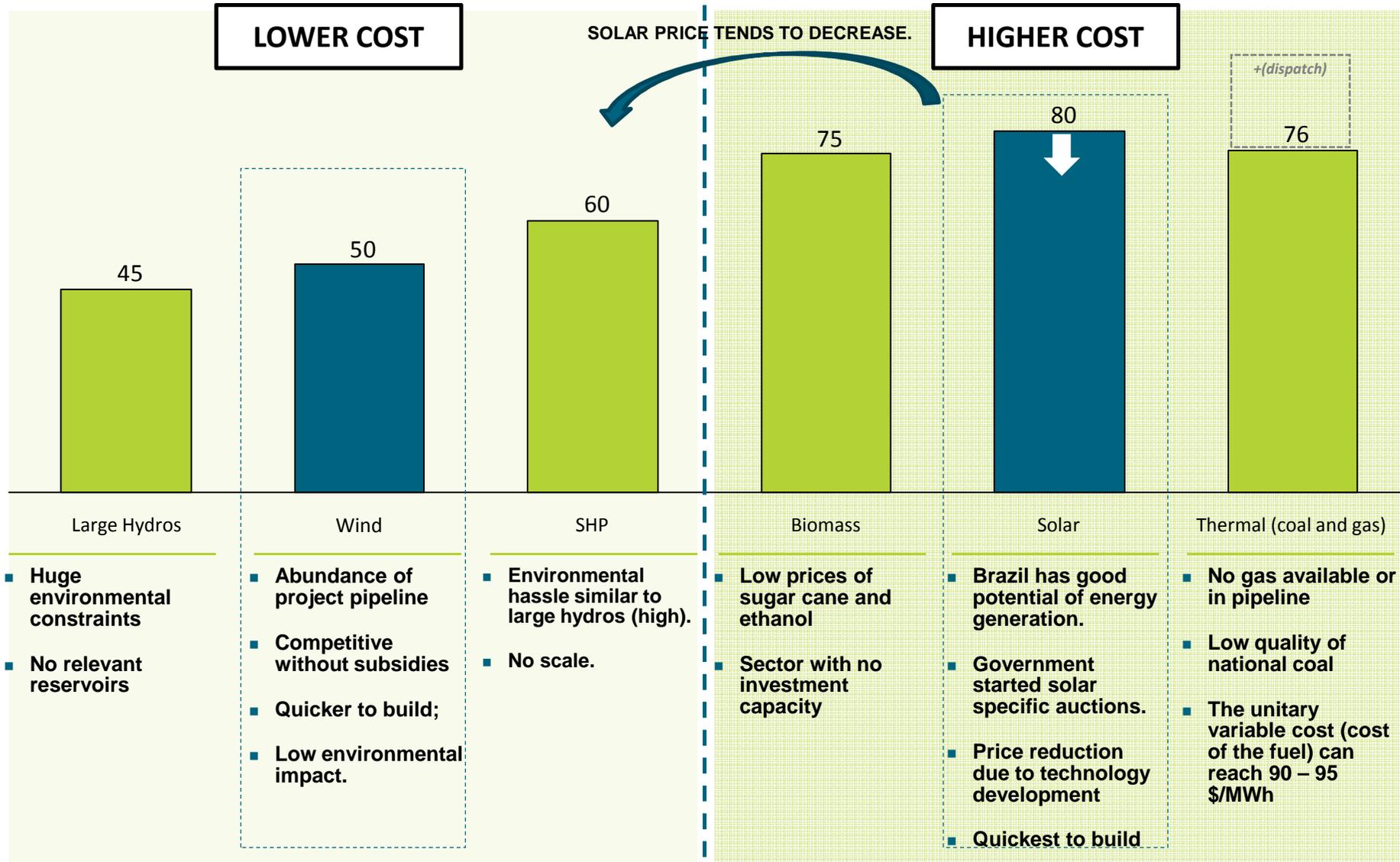
Sector Overview

Competitiveness of energy sources in Brazil's market

Among renewable sources the highlights are wind and solar and both are focus of Renova's scope.

Last Action Average Price

USD / MWh Exchange Real-Dolar = R\$ 2,70



Maximize Capacity



Goal

The model with subsidy seeks to maximize energy generation (MW or MWh) to develop the market



Minimize Cost



Goal

The current Brazilian model aims to minimize costs (R\$/MWh) in a model oriented to competition



European Wind Farms



- Oriented layouts to maximize capacity
- Turbines placed in good and average winds
- Lower average load factor

Brazilian Wind Farms

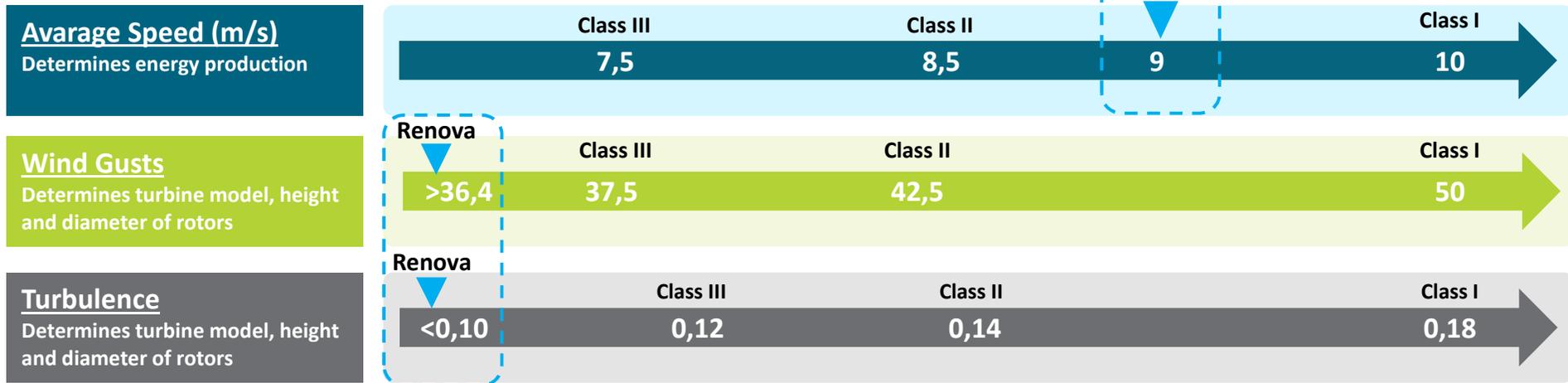


- Turbines placed only in excelente winds
- Turbines in line side-by-side on hilltops
- Minimum Wake/treadmill effects
- Higher average load factors / Lower cost of energy

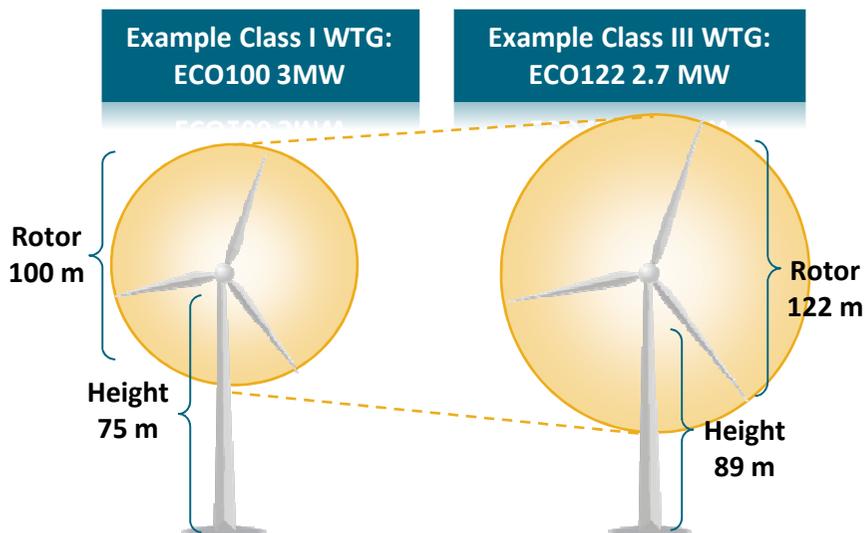
Large rotor for fast winds, because lack of turbulence and Wind gusts

WTG's Classes According to IEC 61400-1 (2005)

(GW)



Low Turbulence and Gusts: Larger Rotor



$$\text{Energy} = \text{Air density} * (\text{Rotor Diameter})^2 * (\text{Wind Speed})^3$$

Energy is directly related to speed and rotor diameter

Capacity factor by class of turbines

Wind Speed	Class I	Class III
9,4 m/s	44%	59%

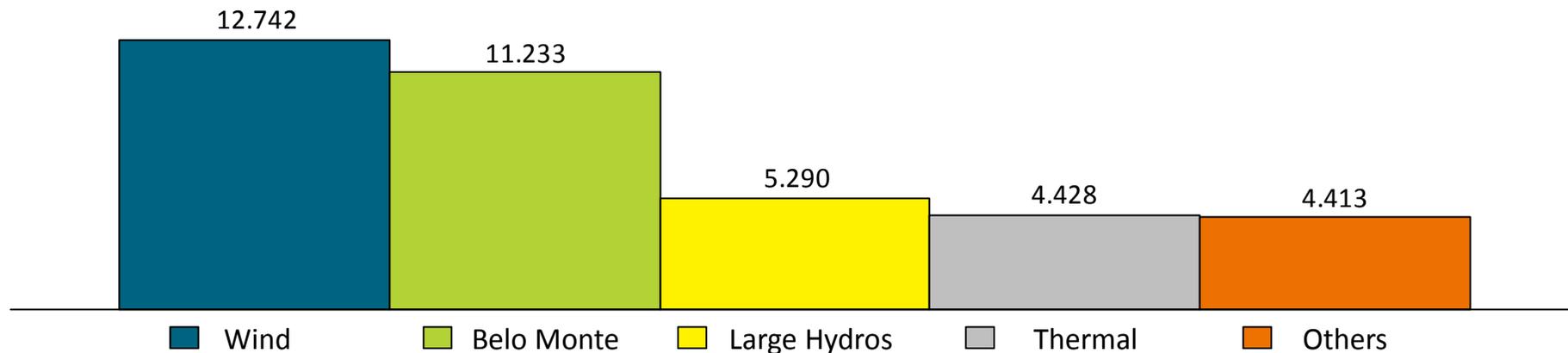
Wind became the most negotiated source by the government between years 2009-2014.

Total installed capacity auctioned by government

Installed Capacity (MW)

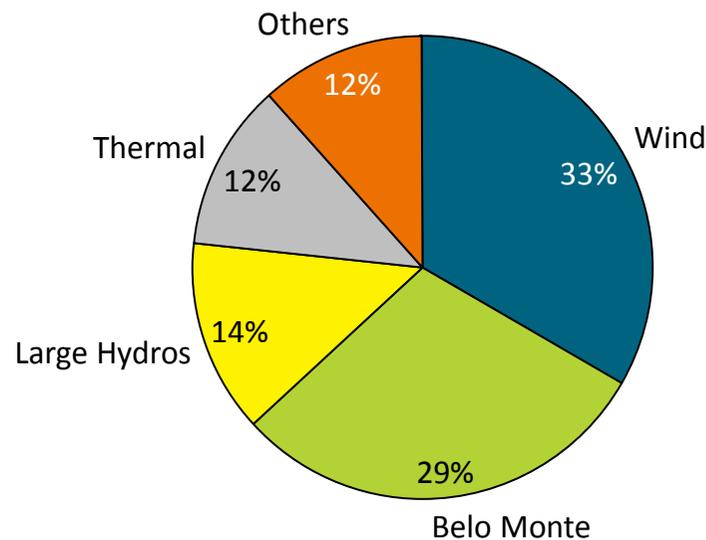
2009 - 2014

Source: CCEE- Camara Comercialização Energia Elétrica



Installed capacity auctioned share by source

Installed Capacity (%)



Wind is clearly seen as a source with great potential and competitive in auctions.

Source: CCEE- Camara Comercialização Energia Elétrica



Best Positioned Company to Grow

Best Positioned Company to Grow

Renova Meets All the Requirements to Lead the Renewables Sector

Strong Fundamentals Sustaining the Best Performing Company in the Sector



Highly Competitive Pipeline



- Assets located in the best regions for wind in Brazil
- Taylor made projects for Renova's wind farms
- Unmatched project development capabilities

Execution track record



- Projects delivered on time and on budget
- 680 MW of wind projects build – in operation the biggest latam wind farm
- Proprietary engineering and own staff

Integrated Business Model and Scale Sustaining High Performance



- Strategic partnerships with key suppliers providing significant bargaining power from scale: (70% of capex) produced in factory lines
- Operations in clusters allow increased O&M efficiency

Financial Strength to Execute Business Plan



- Renova's ability to fund its equity requirements provides a competitive advantage
- Strong balance sheet is key to support leveraged business model
- Strong sponsors

Renova's track record

High quality and diversified portfolio



Regulated Market	Installed capacity (MW)	Energy Sold (MW avg)	Avg Price (R\$/MWh)	Source	Assets	COD	Contracts duration ¹ (y)
Alto Sertão I	294.4	127.0	191.3	Wind	14	Jul-12	17.5
Alto Sertão II	386.1	181.6	134.9	Wind	15	Oct-14 / Feb-14	19.0
LEN A-5 2012	18.9	10.2	95.4	Wind	1	Jan-17	20.0
LER 2013	159.0	73.7	106.0	Wind	9	Sep-15	20.0
LEN A-5 2013	355.5	178	120.7	Wind	17	May-18	19.7
LER 2014	43.5	20.9	138.9	Wind	3	Oct-17	20.0
LER 2014	53.5	21.8	220.3	Solar	4	Oct-17	20.0
LEN A-5 2014	108.0	49.4	136.4	Wind	5	Jan-19	20.0
ESPRA	41.8	18.75	217.7	SHP	3	2008/2009	14.5
Brasil PCH	148.4	95.83	217.7	SHP	13	2008/2009	14.5
Total - Regulated	1609.10	640.8	-		84	-	-

Free market

Light	403.5	200.4	143.3	Wind	24	Sep-15 / Sep16	20.0
Free Market I	21.6	11	112.0	Wind	1	Jan-16	6.2 ²
Free Market II	101.4	50	112.0	Wind	8	Jan-17	6.2 ²
Free Market III	32.4	15	112.0	Wind	1	Sep-15	6.2 ²
Cemig	338.1	147.5	141.3	Wind	26	Sep-18	15.0
Solar Hybrid Project	4.8	1.0	143.3	Solar	1	-	-
Total – Free	901.8	423.9	-		60	-	-

TOTAL	2,510.9	1,179.3	-		144	-	-
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✓ LEN: 'New-build' auction: Auction to contract energy supply to be provided by facilities yet to be built (Leilão de Energia Nova – 'New Electricity Auction'), A-3 or A-5 Auctions - to contract supply starting respectively 3 and 5 years ahead.

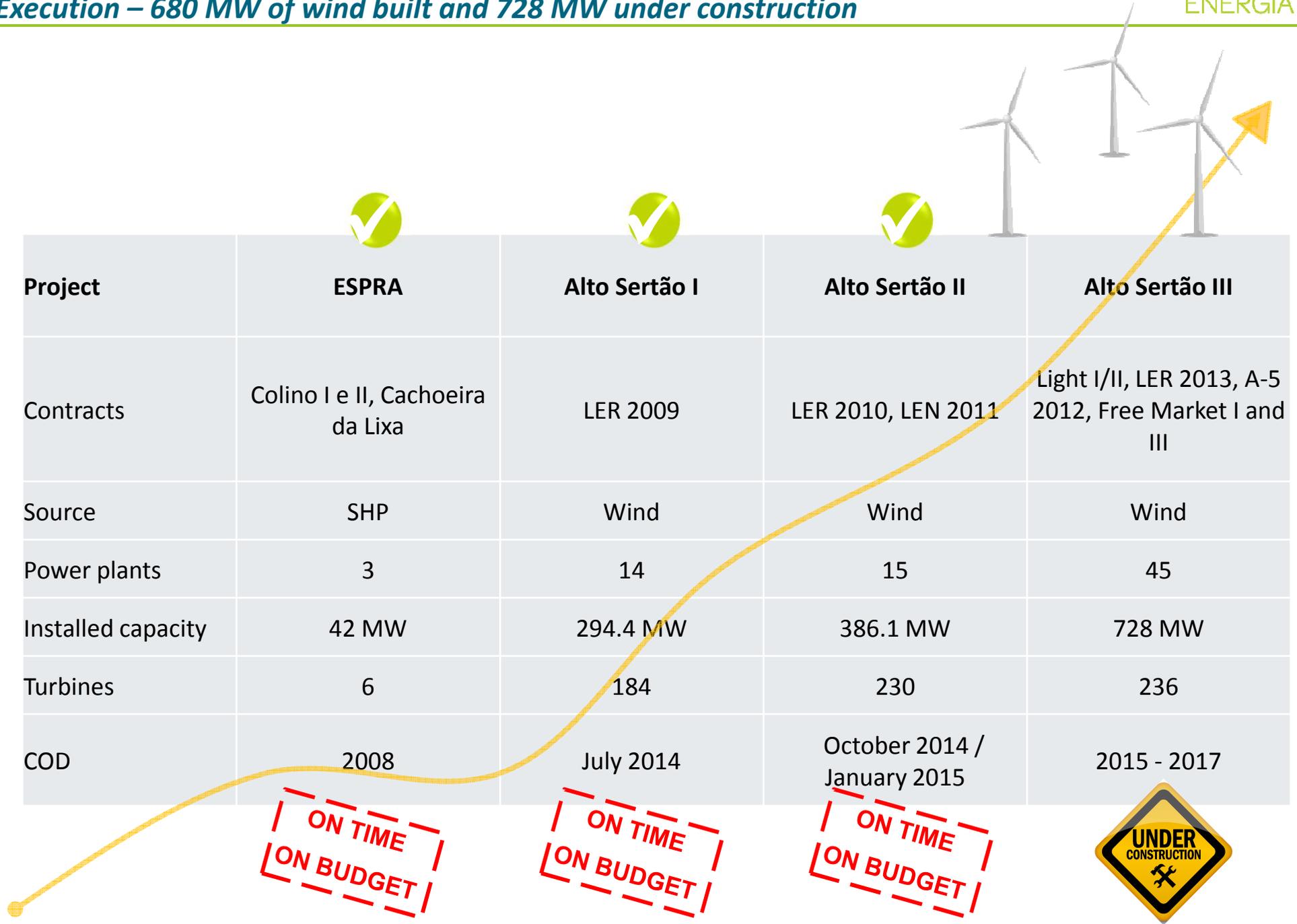
✓ LER: A "Reserve Capacity" auction (Leilão de Energia de Reserva – Reserve Energy Auction)

1 – Remaining years

2 – Average term considering the 3 Free Market commercialization

Greenfield track record

Execution – 680 MW of wind built and 728 MW under construction

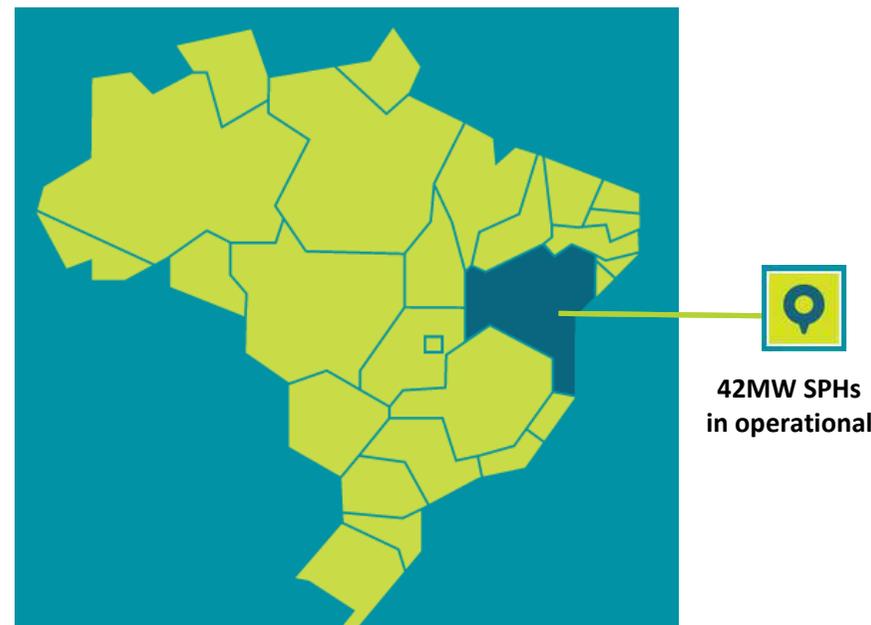


Best Positioned Renewable Player to Grow

SHPs in operation – 190 MW

ESPRA:

-  3 Small Hydroelectric Plants (SHPs), with aggregate installed capacity of 42 MW;
-  Assured energy of 24,8 MW avg
-  In operation since 2008;
-  20 years long-term contracts for energy sale under PROINFA*



Brasil PCH:

-  Acquisition of 51% of Brasil PCH in 2013;
-  13 SHPs with aggregate installed capacity of 291 MW,
-  Assured energy of 194 MW avg;
-  In operation since 2008;
-  20 years long-term contracts for energy sale under PROINFA*

*Program of Incentives for Alternative Electricity Sources

Strategic alliances´ track record

Differentiated Long Term Alliance With Key Suppliers

Renova has always pursued and conquered the best partnerships with suppliers to achieve growth and scale



Scale Gains

■ Turbines assembled: 414 / 680 MW

Scale Gains

■ Turbines contracted: 570 / 1.300 MW

Alliance Enabled:

- ✓ Special class of turbines
- ✓ Distribution center in loco
- ✓ Own crane (saves up to 2 weeks)
- ✓ Optimization of O&M costs

Alliance Enabled:

- ✓ Best price guarantee
- ✓ Price fixed in R\$
- ✓ Distribution center in loco
- ✓ Optimization of O&M costs
- ✓ Factories close to Renova´s projects
- ✓ Priority access to new technologies
- ✓ Co-development of technologies
- ✓ Specification of each turbine for every location

By anticipating market trends, Renova has actively seek to shape competitive landscape to deliver premium returns

Experienced Management Team

Executive Management Team	Position	RENOVA ENERGIA	Background
	Carlos Mathias Becker Neto	CEO	3 years
	Pedro Villas Boas Pileggi	CFO, IRO and Commercialization	4 years
	Ney Maron de Freitas	Environment Director	7 years
	Ricardo de Lima Assaf	Institutional Relations	1 year
	Álvaro de Freitas	Engineering and Construction Director	1 year



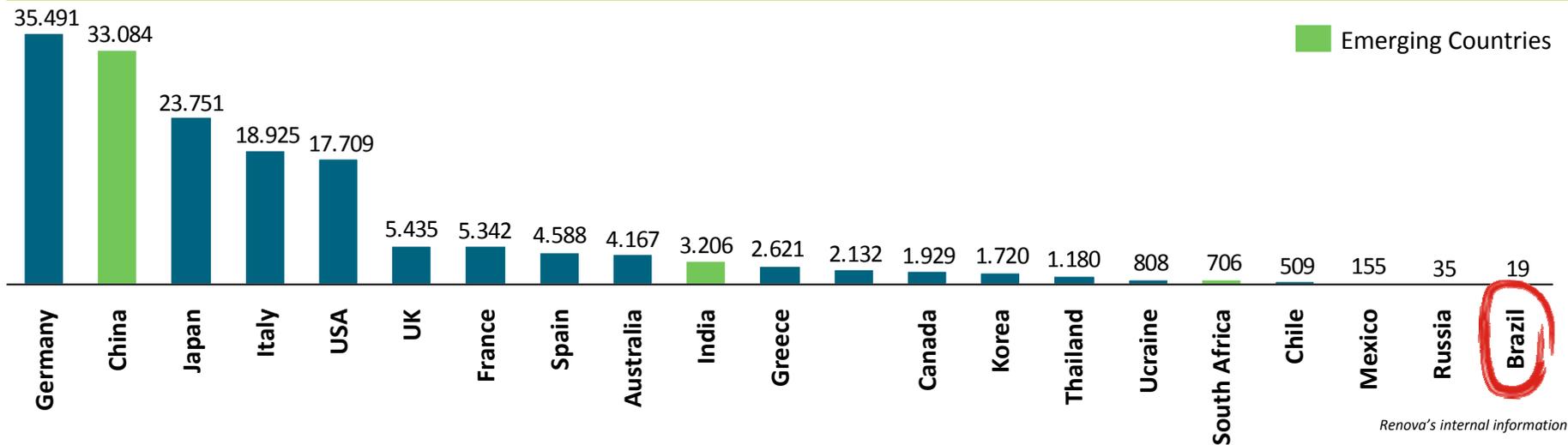
Renova in Solar Energy

RENOVA
ENERGIA



Despite having an abundant resource, Brazil has just begun developing its solar potential

Installed Capacity (MW)



✓ Great solar potential across the country



Load factor of ~27% with trackers.

✓ EPE 10 year plan of 2014 included solar for the first time



Plus 3,5 GWp forecast for the next 3 years.

✓ First dedicated solar auction in 2014: 1 GW of installed capacity



Solar project auctioned in 2014 at same price as thermal, thus not expensive anymore.

✓ Solar components factories are already being installed in Brazil.



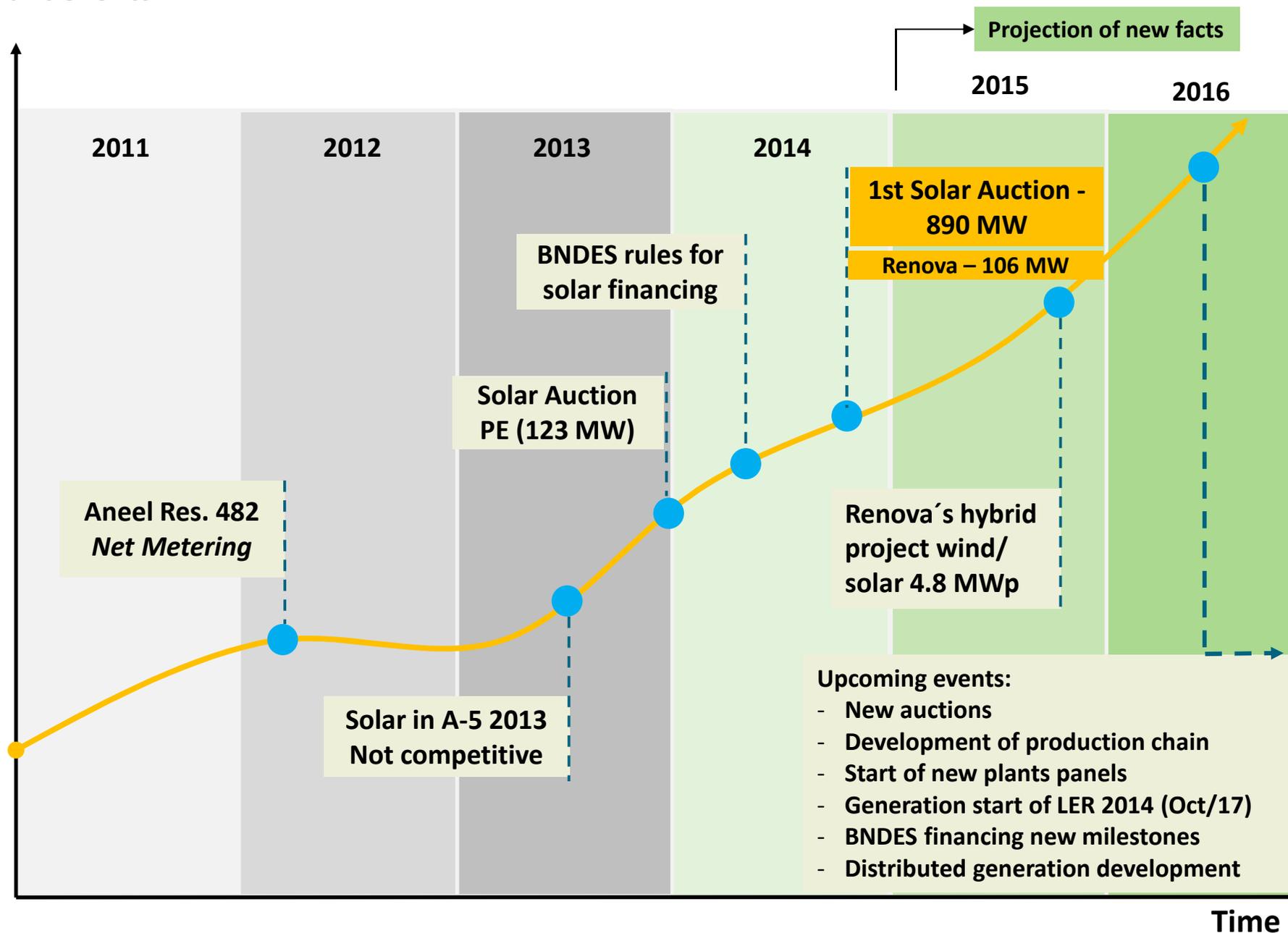
First auction was the trigger for supply chain development → SunEdison, Ingeteam, among others.

✓ Two solar auctions already scheduled for 2015



More than 10 GW registered at LER 2014, with good capacity factor.

Relevant events



Strategic alliance in solar

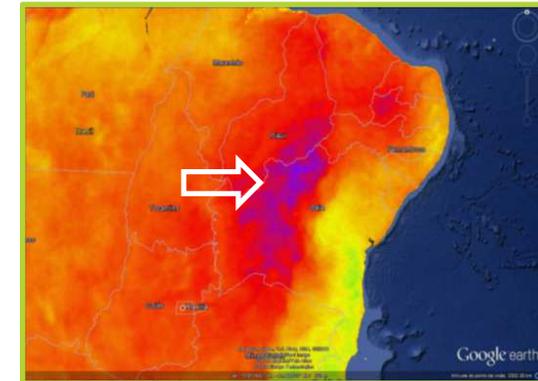
Renova adapted its strategy to deal with different challenges in solar

Some attributes continued to be important...



High quality projects / Synergy with wind projects

- Located at the “Gold Mine” (top 3% solar location in Brazil)
- Net load factor of 27%



And others needed to be achieved, with reduced learning curve, to guarantee returns...

- No single factor determines competition
- Need to create advantages in every component
- Solar industry is already huge and advanced outside Brazil
- Investment necessary for local content
- Competitors with foreign cost of capital



Partnership with a world leader - SunEdison

- Expertise in operation and construction
- Competitive CAPEX
- EPC



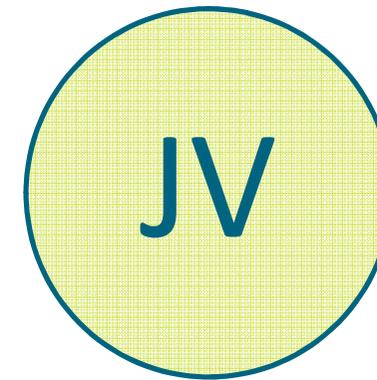
Optimized financial structure and risk reduction

- Finame (BNDES)
- Costs fixed in R\$



LER 2014 Auction - Solar

- 21.8 MW average
- 106.9 MWp of capacity
- Average price of R\$ 220.30
- Only local player to win



Renewable leader in Brazil

Local Expertise in the areas:

- ✓ Environmental
- ✓ Regulatory
- ✓ Transmission
- ✓ Financing structure

Value:

- ✓ Best energy potential
- ✓ Execution
- ✓ Development of technological partnership

Strong local shareholders

One of the world's solar leaders

Technological Expertise:

- ✓ Solar construction and operation
- ✓ Semiconductors
- ✓ Solar panels
- ✓ Trackers

Value:

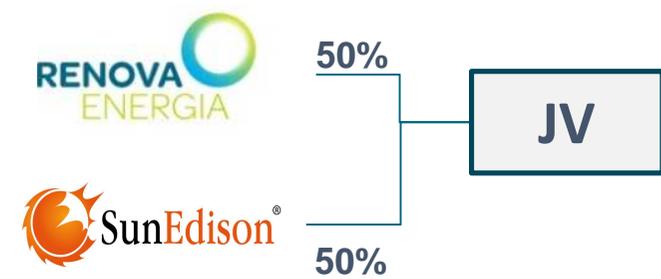
- ✓ Leadership in technological dev.
- ✓ Choice of local partners

Experienced group, diversified, solid

HIGH COMPETITIVENESS

MAXIMUM VALUE CREATION

LER 2014



Exclusivity

JV is the exclusive investment vehicle for regulated market

Goal= 1,000 MWp

IR Contact



Flávia Carvalho

IR Manager

fcarvalho@renovaenergia.com.br

+ 55 11 3509 1174

+ 55 11 9572 9986



Thatiana Zago

IR Analyst

tzago@renovaenergia.com.br

+ 55 11 3509 1174

