



Institutional Presentation

About Renova

Shareholders' Structure with solid Corporate Governance

Controlling Shareholders



17.5% ON
0.0% PN
13.0% Total

21.3% ON
0.0% PN
15.9% Total

36.8% ON
0.0% PN
27.3% Total



3.9% ON
22.8% PN
8.8% Total



7.2% ON
41.9% PN
16.0% Total



9.3% ON
35.3% PN
16.0% Total

Decisions unanimously

Board & Committees Composition

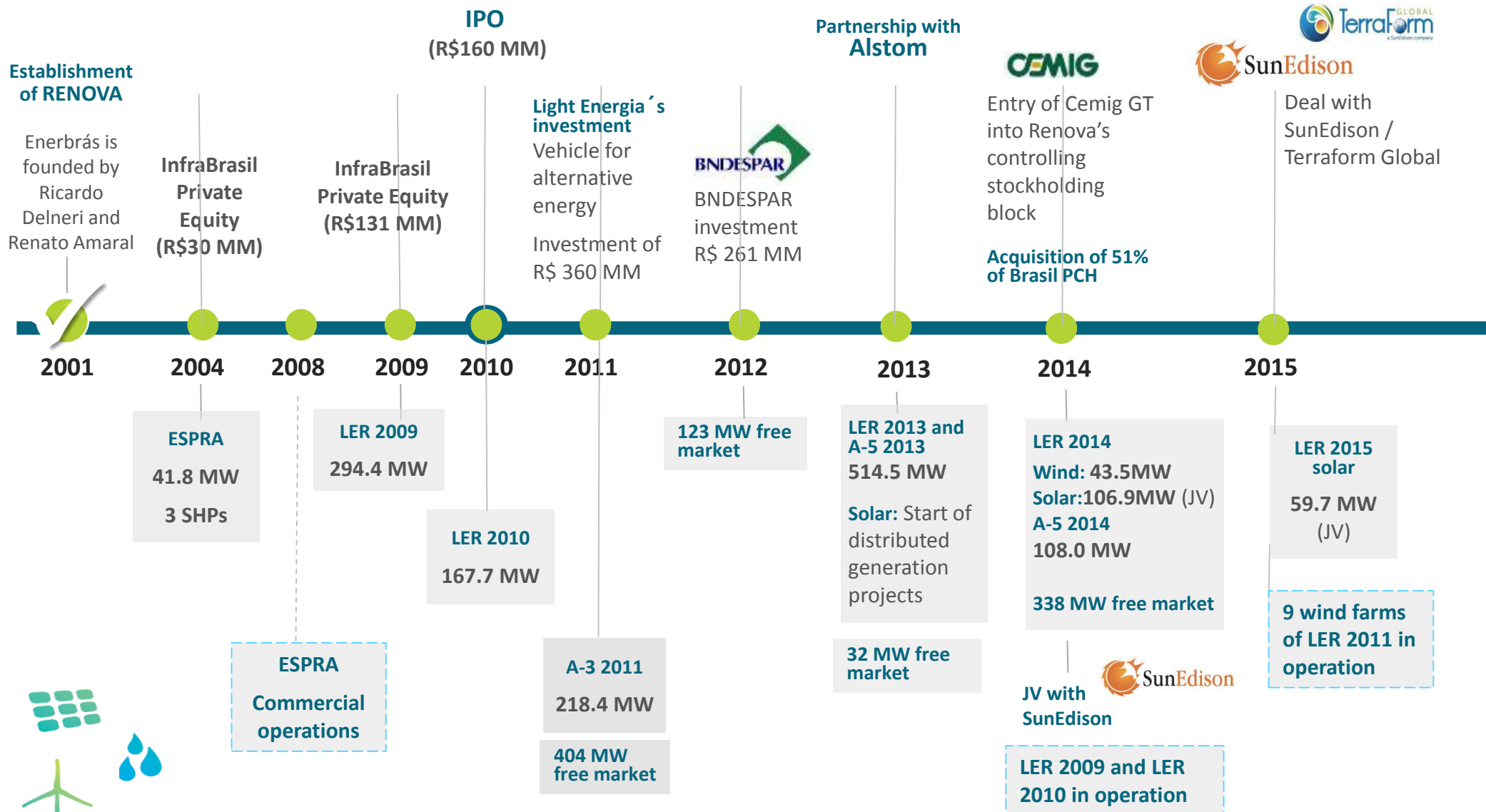
| | RR | Light | Cemig |
|-----------------------------|----|-------|-------|
| BOARD ⁽³⁾ | 2 | 2 | 2 |
| <u>Committees</u> | | | |
| Management | 2 | 2 | 2 |
| Audit e Compliance | 2 | 2 | 2 |
| Finance | 2 | 2 | 2 |
| Talent & Compensation | 2 | 2 | 2 |
| Pipeline Development | 2 | 2 | 2 |
| Engineering & Operations | 2 | 2 | 2 |

Unmatched Shareholders' Base

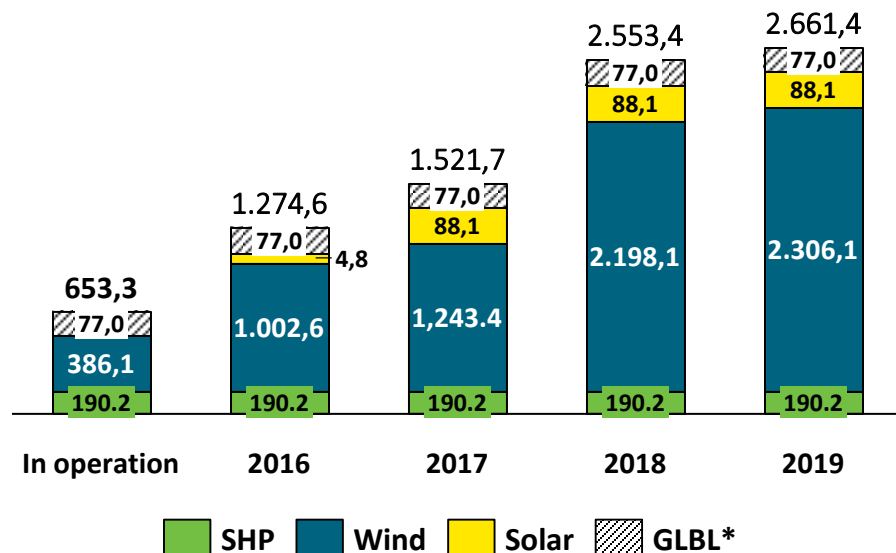


* The Board of Directors have a total of 9 members, of which 2 are independent.

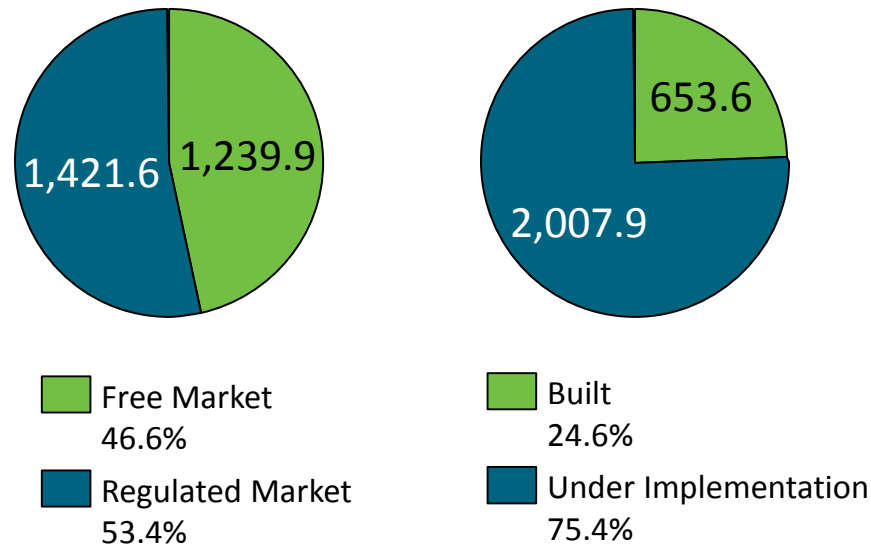
Successful track record of project sourcing, structuring, implementation and operation of renewable energy projects



Installed Capacity (MW)

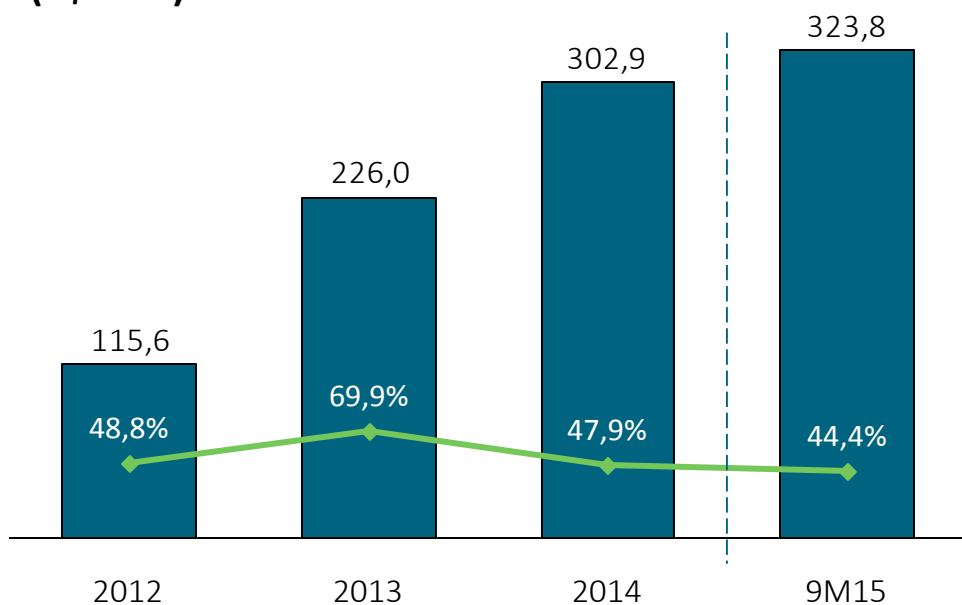


Installed Capacity (MW) – Operational Status and Market

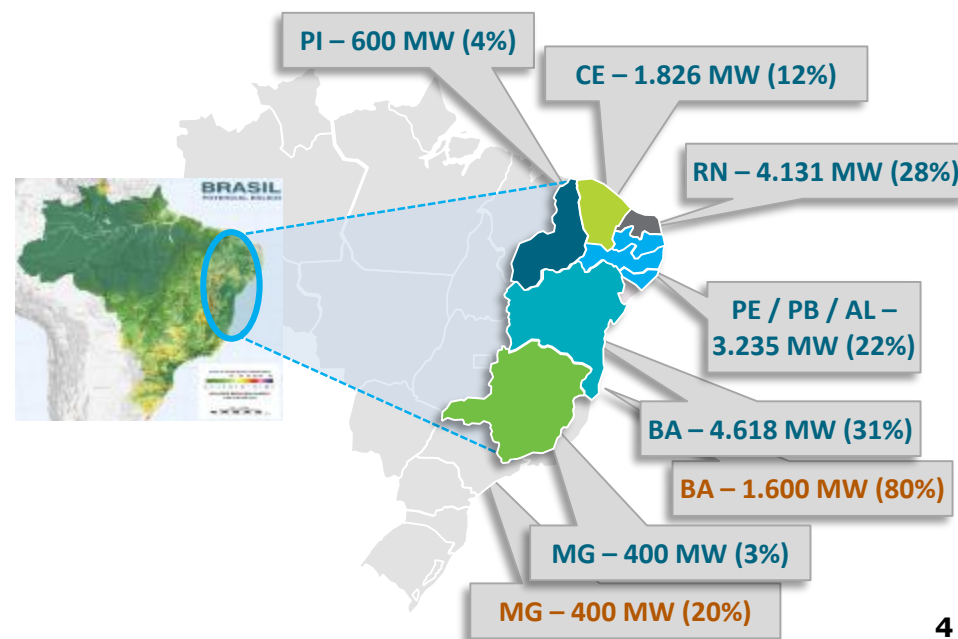


Net Revenues and EBITDA Margin

(R\$ MM)



Additional pipeline of 16,8 GW (wind and solar)





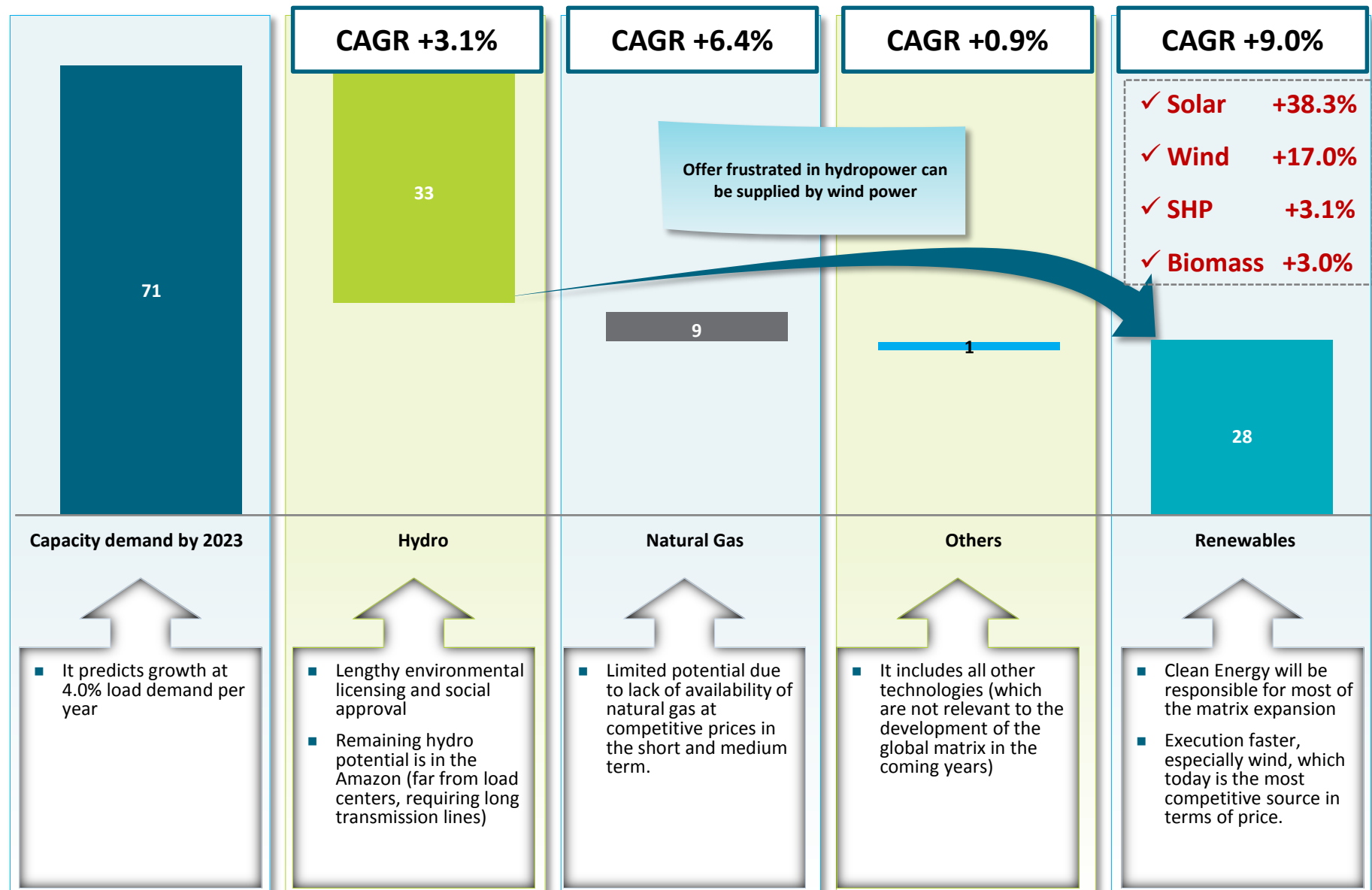
Sector Overview

Sector Overview

Strong Demand to be Covered by Renewables

New Energy demand in Brazil (GW)

Assumptions → PIB do Brasil CAGR +3,8%.



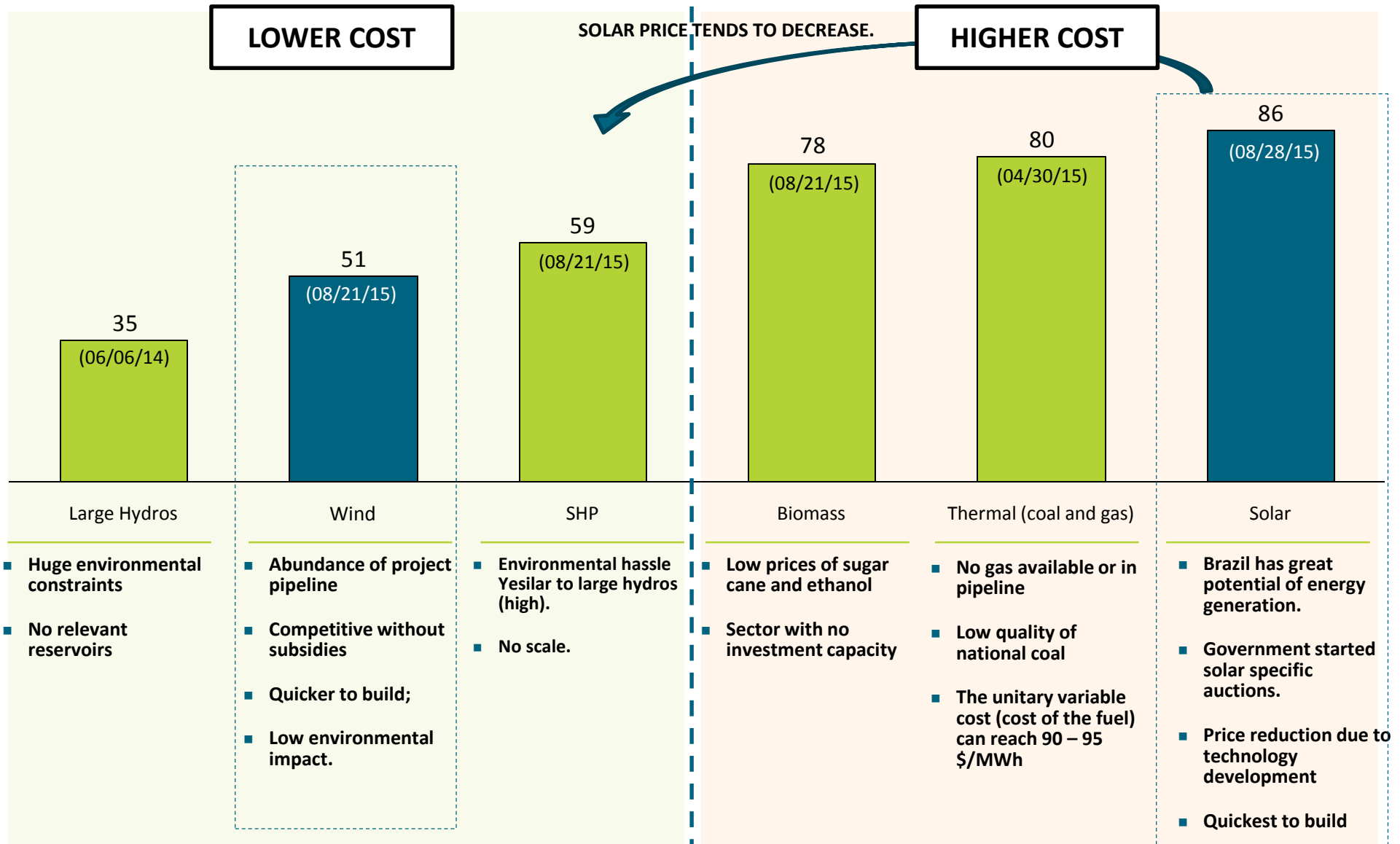
Sector Overview

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.

2014 Action's Average Price

USD / MWh Exchange Real-Dolar = R\$ 3,50



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

Sector Overview

Wind Comparison Brazil vs. World

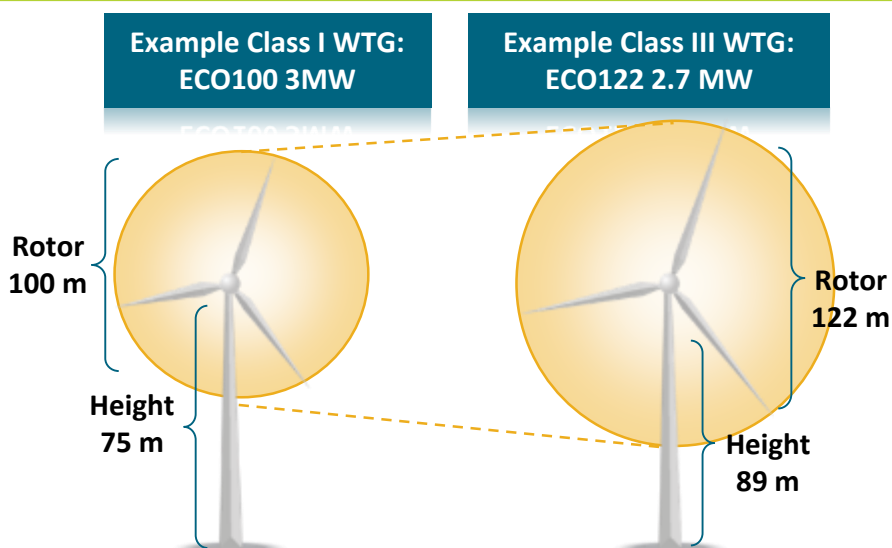
Large rotor for fast winds, because lack of turbulence and Wind gusts

WTG's Classes According to IEC 614000-1 (2005)

(GW)

| | Renova | | | |
|--|-----------|----------|---------|------|
| | Class III | Class II | Class I | |
| Average Speed (m/s) Determines energy production | 7,5 | 8,5 | 9 | 10 |
| Wind Gusts Determines turbine model, height and diameter of rotors | >36,4 | 37,5 | 42,5 | 50 |
| Turbulence Determines turbine model, height and diameter of rotors | <0,10 | 0,12 | 0,14 | 0,18 |

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% |

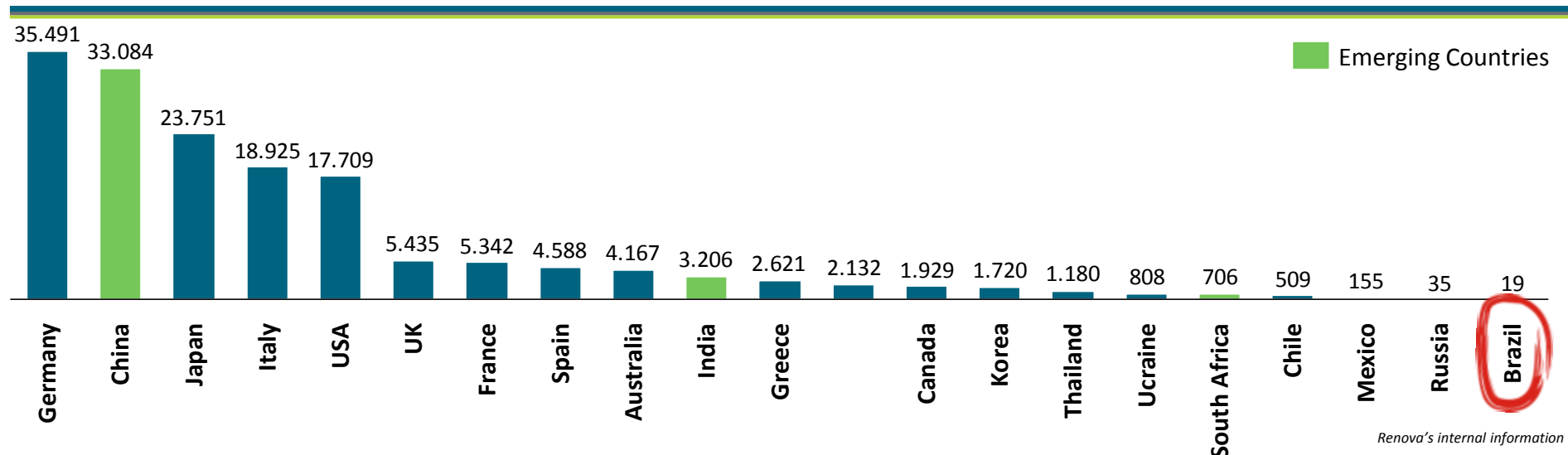
Solar Market Overview

High potential to grow in Brazil



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.

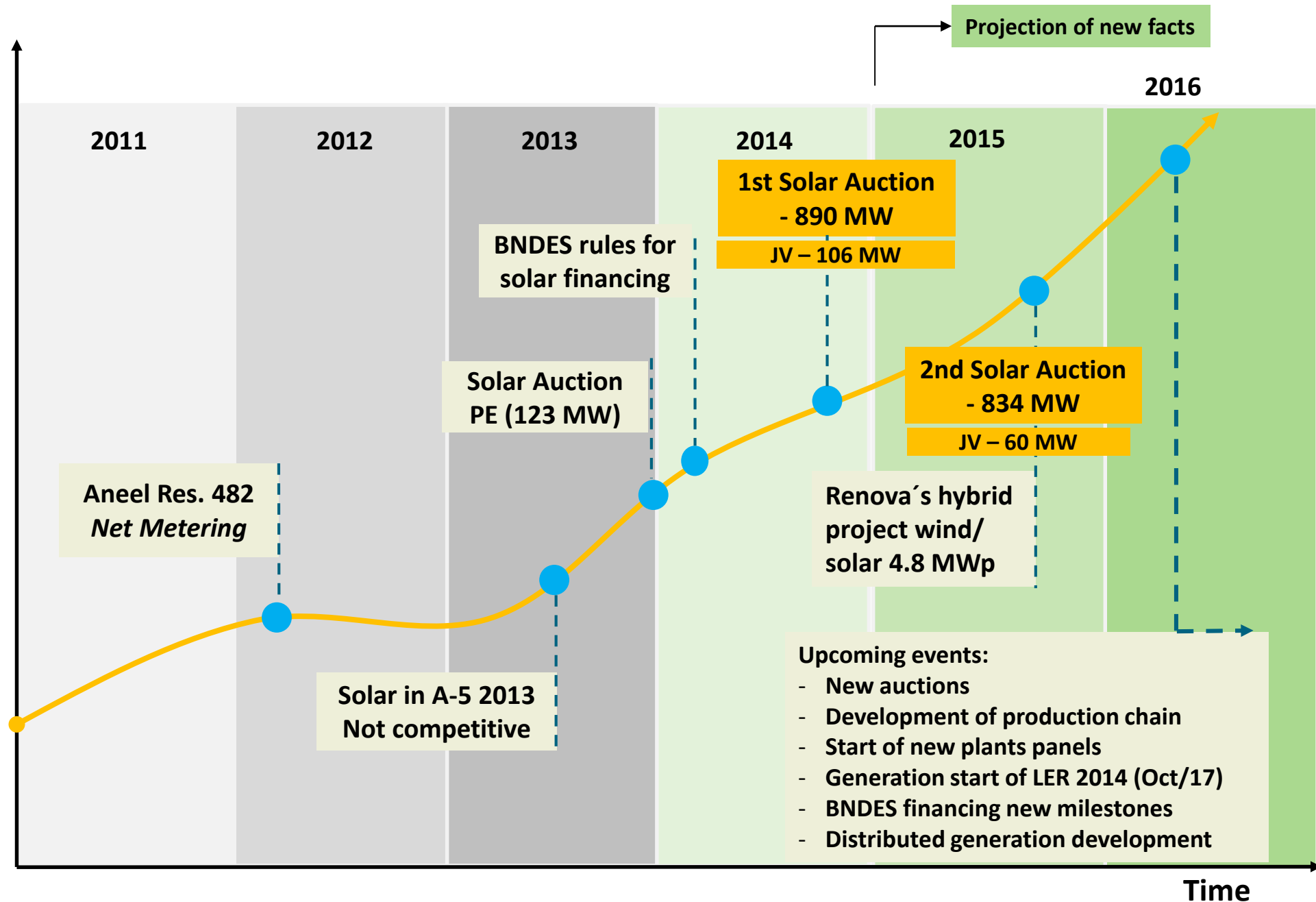
✓ Forecast for solar auctions to occur periodically



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

Recent evolution of solar energy in Brazil

Relevant events

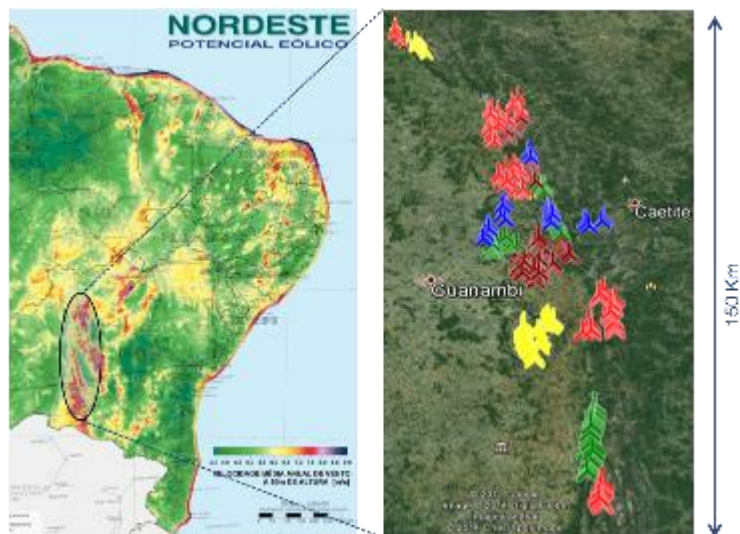




Competitive Advantages

Competitive advantages: Renova is a full cycle developer by choice what allows the Company to built a huge wind and solar portfolio

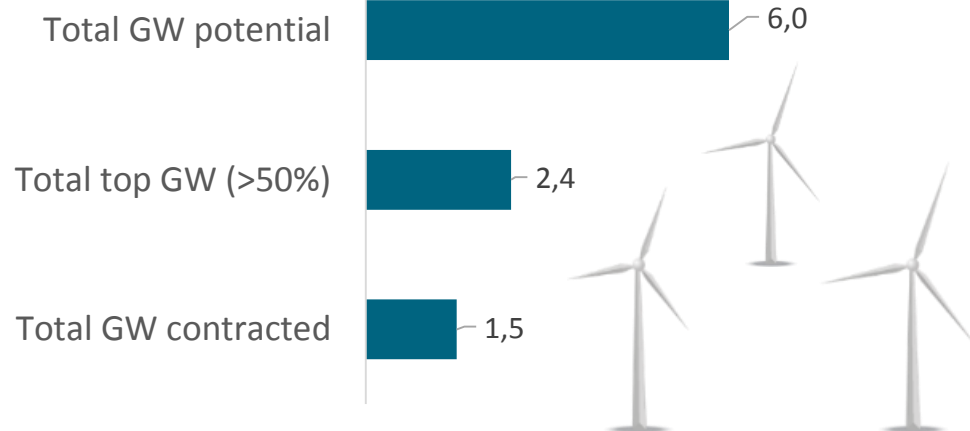
The Gold Mine



Unique site

Scale
+
Quality

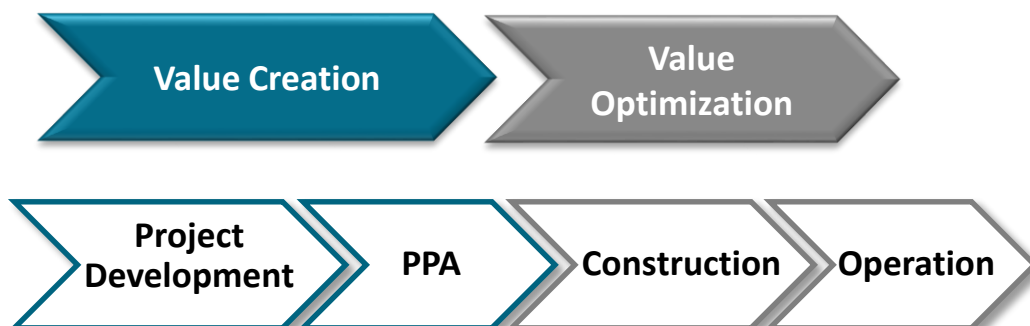
Gold Mine GW Potential



Total Assets Under Development: 17.4 GW

| Fonte | Capacidade | % do Total |
|--------------|---------------|-------------|
| Wind | 14,810 | 85% |
| SHP | 580 | 3% |
| Solar | 2,000 | 12% |
| Total | 17,390 | 100% |

Full Cycle Developer Maximizes Value Creation

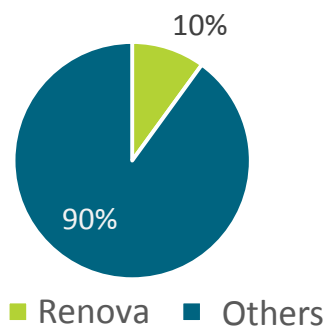


Commercialization – Market Share

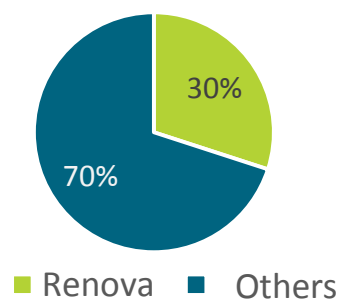
Renova is the leader company in contracted installed capacity in renewable sector in Brazil

And has consistently commercialized energy in both regulated and free Market, even in a huge and fragmented Market

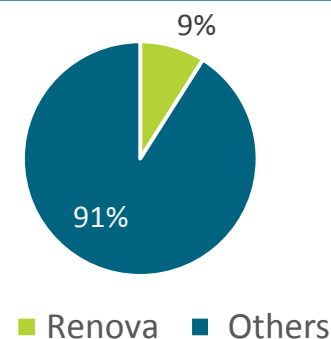
Wind – regulated market



Wind – free market



Solar – regulated market



Execution

Owners Engineering

| ESPRA | Alto Sertão I | Alto Sertão II | Alto Sertão III |
|-----------------------------|-------------------------------|------------------------------|------------------------------|
| 3 SHPs | 14 Wind farms | 15 Wind farms | 45 Wind farms |
| 42 MW of installed capacity | 294 MW of installed capacity | 386 MW of installed capacity | 728 MW of installed capacity |
| COD - 2008 | COD – 2012 ¹ /2014 | COD – 2014/2015 | COD – 2015-2017 |



¹ Ready to operate

Strategic alliances´ track record in wind

Differentiated Long Term Alliance With Key Suppliers

Renova sempre perseguiu e conquistou as melhores parcerias com fornecedores para alcançar crescimento e escala



- ✓ Wind turbine supplier for the LER 2009, LER 2010 and LEN A-3 2011 projects
- ✓ 414 Wind turbine already constructed
- ✓ Special class of turbines
- ✓ Distribution center in loco
- ✓ Own crane (saves up to 2 weeks)
- ✓ Optimization of O&M costs



- ✓ Wind turbine supplier for other projects under construction / pipeline
- ✓ Frame Agreement: 550 turbines contracted - ~ 1.56 GW
- ✓ 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



- ✓ Joint Venture for investments in solar energy
- ✓ Target of ~1GW
- ✓ Price fixed in R\$
- ✓ Financial structuring with FINAME (BNDES)
- ✓ SunEdison é líder mundial
- ✓ Experience in the implementation and operation
- ✓ Supplier of equipment for the first auction and JV has no obligation to contract equipment with SunEdison



Carlos Henrique Waack

CEO



Cristiano Corrêa de Barros

CFO, IRO and
Business Development



Ney Maron de Freitas

Chief Environment
and
Sustainability Officer



Ricardo de Lima Assaf

Chief Counsel; Chief
Officer for
Regulation and
Institutional Relations



Fernando Chein

Chief Engineering
and Construction
Officer





Current situation

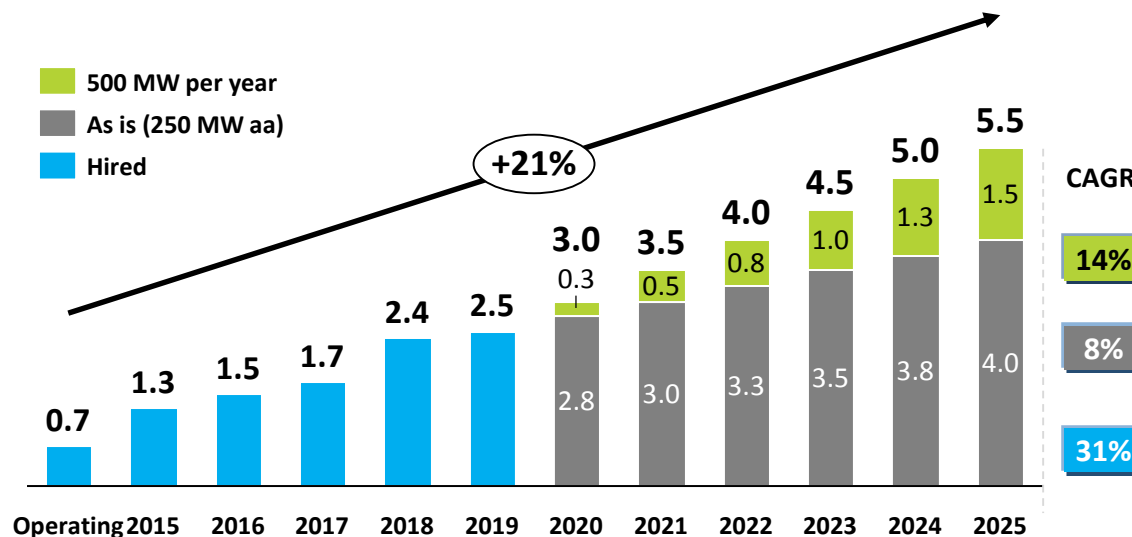
With the favorable market situation, Renova prepared for an aggressive growth plan

Renewable
expected
growth 1.5 to
2.5 GW/year
(2015-2020)

Traditional
competitors
with cash
difficulties

Equity need for
growth
addressed via
recycling capital

Growth scenarios in capacity – Renova (GW)



| Source | Estimated market growth [GW] (2015-2020) | Market-share Renova (actual) | Renova dedired growth (MW/aa) | Market-share required (2020) |
|------------------------|--|------------------------------|-------------------------------|------------------------------|
| Wind (RM) | 3.8 to 5.3 | 10% | 240 to 310 | 25% to 15% |
| Wind (FM) | 1.3 to 1.8 | 30% | 110 | 35% to 30% |
| UFV | 2.5 to 4.8 | 11% | 160 to 180 | 25% to 15% |
| Total growth of Renova | | | 500 MW/per year | |

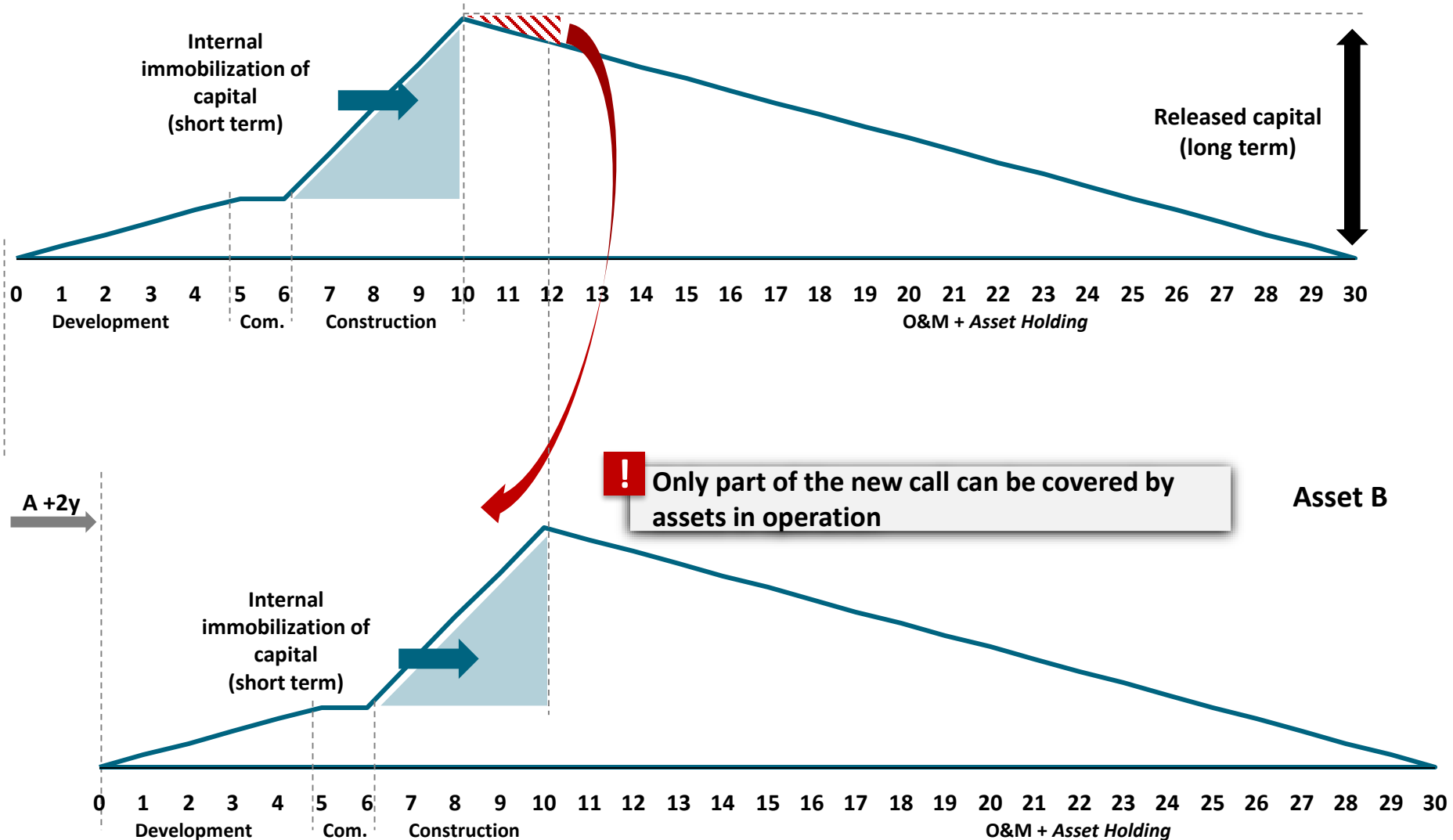
Renova plan for
new business
model and
accelerated
growth phase:

- Staff recruitment
- Structuring business processes
- Implementation /customization systems



The capital recycling strategy was the solution to the capital-intensive business and rapid growth

Need for traditional equity



To enable accelerated growth based on assets that are still maturing taking advantage of short-term opportunity is required new equity injections

Deal with Renova and SunEdison: two phases including contribution of assets and stake in Controlling Block

Deal with Terraform Global / SunEdison



Contribution of assets in
operation



1ª Phase

2ª Phase

CANCELLED

| Assets | Payment | Drop Down | Value |
|-----------------------|---------|-----------|------------------|
| Salvador | Shares | 2015 | 1.026.000 |
| Bahia | Cash | 2015 | 451.000 |
| ESPRA | Cash | 2015 | 136.000 |
| Total 1ª phase | | | 1.613.000 |

1

| Assets | Payment | Drop Down | Enterprise Value |
|-----------------------|---------------|-----------|-------------------|
| LIGHT1 | To be defined | 2017 | 1.192.000 |
| LIGHT2 | To be defined | 2017 | 1.286.000 |
| A-5 2012 | To be defined | 2017 | 86.000 |
| LER 2010 | To be defined | 2018 | 1.170.000 |
| A-3 2011 | To be defined | 2018 | 974.000 |
| LER 2014 EOL | To be defined | 2018 | 278.000 |
| LER 2014 UFV | To be defined | 2018 | 261.000 |
| LER 2013 | To be defined | 2019 | 772.000 |
| Zeus (100%) | To be defined | 2019 | 4.613.000 |
| A-5 2013 | To be defined | 2020 | 2.092.000 |
| A-5 2014 | To be defined | 2020 | 679.000 |
| Total 2ª phase | | | 13.403.000 |

2

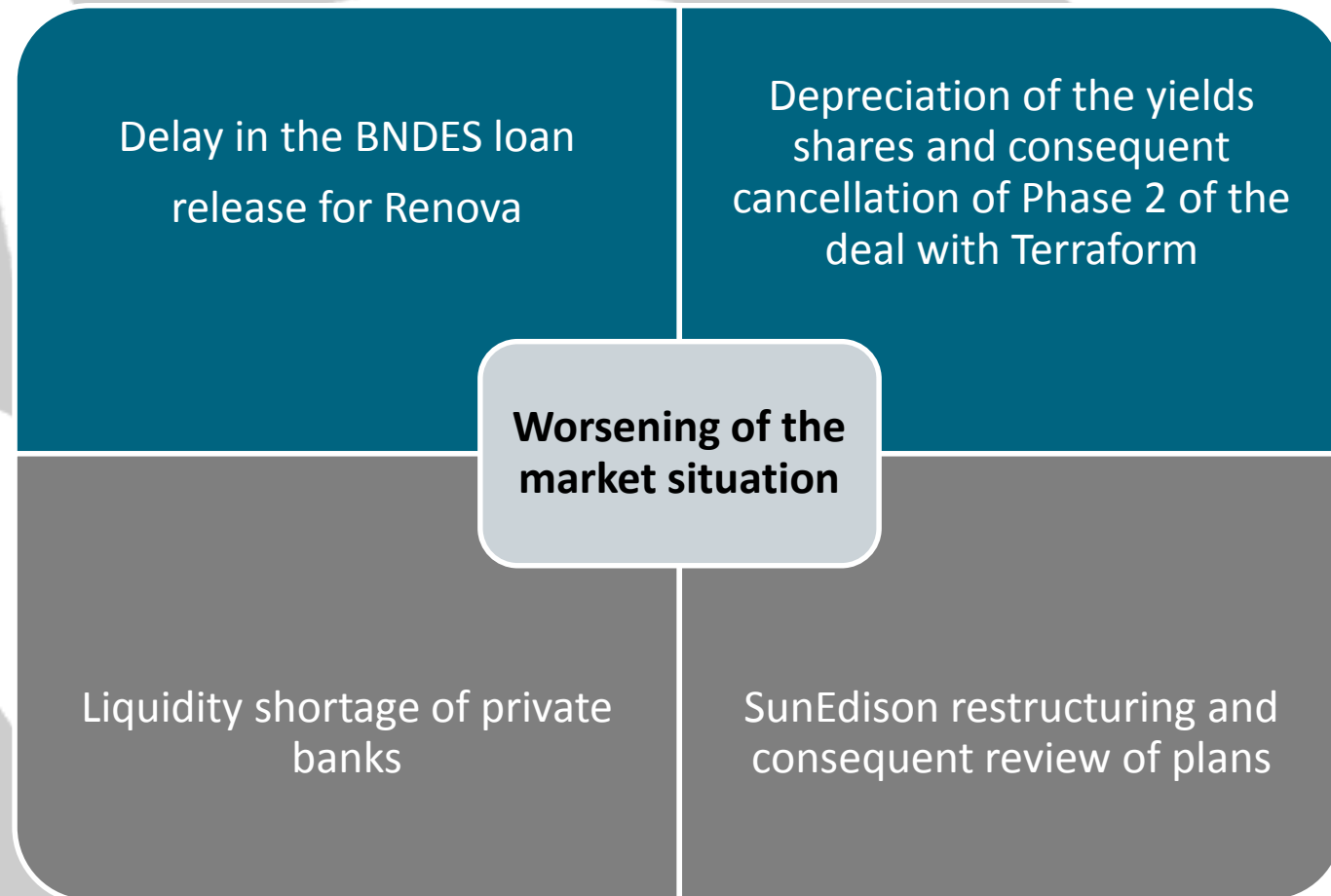
Actual
Controlling
Block



New
Controlling
Block



However, the capital market situation has deteriorated, preventing recycling strategy



First actions have started to be taken in order to preserve and strengthen the cash flow



Supported by key stakeholders

CEMIG

- ✓ Advance purchase and sale of energy at \$ 60 million, with the possibility of using the values in the issue of new common shares;
- ✓ Authorizes resources operation with Renova - R \$ 240 million, maintaining a private company and using it as a growth vehicle in the renewable sector;
- ✓ Starts effective participation in the company's management, establishing a long-term vision, reviewing processes, systems and optimizing the Holding
- ✓ Inicia participação efetiva na gestão da companhia, estabelecendo uma visão de operadora de longo prazo, revendo processos, sistemas e otimizando a Holding;
- ✓ Negotiation for canceling energy sales contracts in the free market, which enables Renova to postpone projects and eliminate liquidity pressure in the short and medium term.

BNDES

- ✓ Release of the remaining bridge loan to Alto Sertão III (AS III) in the amount of US\$160 million by changing the bank guarantees for corporate guarantee and establishment of project guarantees;
- ✓ Review ASIII project leveraging, enabling an additional amount of resources.

Banco do Brasil

- ✓ Allows interest incorporation on the debentures matured in Dec/2015 to the balance;
- ✓ Analyzes the guarantees replacement of the Debentures;
- ✓ Analyzes the transfer of long-term loan from BNDES to AS III;
- ✓ Analyzes be one of the coordinators of the issuance of AS III incentive debentures

Capital Increase

Up to R\$ 731,247,640.38, with Cemig GT subscribing up to R\$240 millions

Case (i) – Capital increase subscribed only by Cemig GT (R\$200,0 millions)

| RENOVA ENERGIA | ON shares | | PN shares | | Total | |
|---------------------------|--------------------|---------------|-------------------|---------------|--------------------|---------------|
| Controlling block | 209,239,659 | 78.4% | - | 0.0% | 209,239,659 | 60.0% |
| RR Participações | 41,461,797 | 15.5% | - | 0.0% | 41,461,797 | 11.9% |
| Light Energia | 50,561,797 | 18.9% | - | 0.0% | 50,561,797 | 14.5% |
| Cemig GT | 117,216,065 | 43.9% | - | 0.0% | 117,216,065 | 33.6% |
| Other stockholders | 57,664,402 | 21.6% | 81,898,898 | 100.0% | 139,563,300 | 40.0% |
| RR Participações* | 9,745,682 | 3.7% | 313,600 | 0.4% | 10,059,282 | 2.9% |
| RR Casa de Invest e Part | 7,557,075 | 2.8% | 900,000 | 1.1% | 8,457,075 | 2.4% |
| BNDESPAR | 9,311,425 | 3.5% | 18,622,850 | 22.7% | 27,934,275 | 8.0% |
| InfraBrasil | 11,651,467 | 4.4% | 23,302,933 | 28.5% | 34,954,400 | 10.0% |
| FIP Caixa Ambiental | 5,470,293 | 2.0% | 10,940,586 | 13.4% | 16,410,879 | 4.7% |
| Others | 13,928,460 | 5.2% | 27,818,929 | 34.0% | 41,747,389 | 12.0% |
| Total | 266,904,061 | 100.0% | 81,898,898 | 100.0% | 348,802,959 | 100.0% |

Case (ii) – Capital increase subscribed by Cemig GT (or SPC) and by all the other stockholders

| RENOVA ENERGIA | ON shares | | PN shares | | Total | |
|---------------------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| Controlling block | 240,935,918 | 75.7% | - | 0.0% | 240,935,918 | 56.2% |
| RR Participações | 55,742,742 | 17.5% | - | 0.0% | 55,742,742 | 13.0% |
| Light Energia | 67,977,112 | 21.3% | - | 0.0% | 67,977,112 | 15.9% |
| Cemig GT | 117,216,064 | 36.8% | - | 0.0% | 117,216,064 | 27.4% |
| Other stockholders | 77,526,110 | 24.3% | 110,107,844 | 100.0% | 187,633,954 | 43.8% |
| RR Participações* | 13,102,448 | 4.1% | 421,615 | 0.4% | 13,524,063 | 3.2% |
| RR Casa de Invest e Part | 10,160,005 | 3.2% | 1,209,992 | 1.1% | 11,369,997 | 2.7% |
| BNDESPAR | 12,518,617 | 3.9% | 25,037,234 | 22.7% | 37,555,851 | 8.8% |
| InfraBrasil | 15,664,654 | 4.9% | 31,329,307 | 28.5% | 46,993,961 | 11.0% |
| FIP Caixa Ambiental | 7,354,460 | 2.3% | 14,708,920 | 13.4% | 22,063,380 | 5.1% |
| Others | 18,725,926 | 5.9% | 37,400,776 | 34.0% | 56,126,702 | 13.1% |
| Total | 318,462,028 | 100.0% | 110,107,844 | 100.0% | 428,569,872 | 100.0% |

1

Corporate Governance

- Well-balanced Board of Directors: decisions are always unanimously
- Top Management aligned and fully committed to the Company's strategy;

2

Operational efficiency

- Operate the Alto Sertão II wind farms – **386MW**
- Closing the sale of ESPRA (3 SHPs – 42MW)
- Long Term vision as operator

3

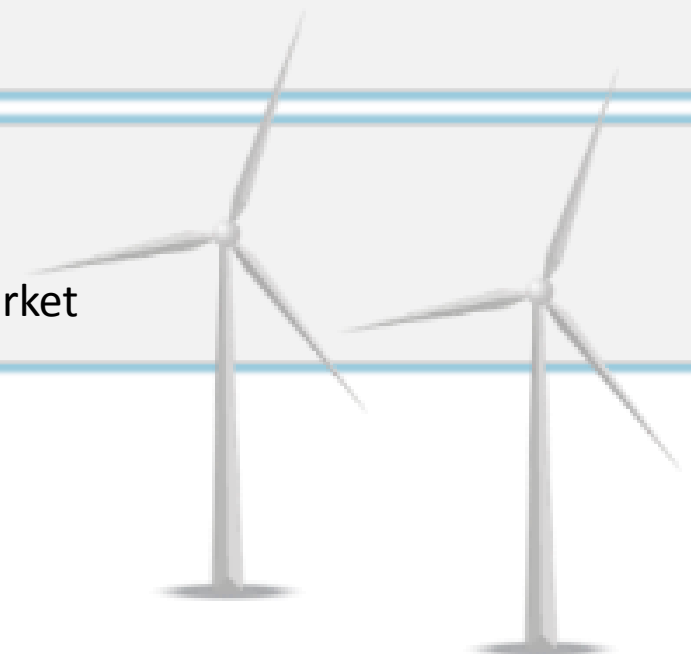
Commitments to execution

- Termination of costruction of Alto Sertão III wind farm Phase A - **411MW**

4

Mitigation of Risk

- Equalize cash needs
- Strategy with BNDES, shareholders and capital market



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Renova's track record

High quality and diversified portfolio

| Parks | Source | Complex | Installed Capacity (MW) | Energy Sold (avg MW) | Number of wind farms | Start of the contract |
|-------------------------------|------------|--------------------------|-------------------------|----------------------|----------------------|-----------------------|
| TerraForm Global ¹ | Wind/Solar | | 77,0 | | | |
| LER 2010 | Wind | Alto Sertão II | 167,7 | 78,0 | 6 | Oct-14 |
| LEN A-3 2011 | Wind | Alto Sertão II | 218,4 | 103,6 | 9 | Mar/Sep-15 |
| LEN A-5 2012 | Wind | Alto Sertão III - Fase A | 18,9 | 10,2 | 1 | Jan-17 |
| LER 2013 | Wind | Alto Sertão III - Fase A | 159,0 | 73,7 | 9 | Sep-2015 |
| LEN A-5 2013 | Wind | Umburanas | 355,5 | 178,0 | 17 | May-18 |
| LEN A-5 2014 | Wind | Umburanas | 108,0 | 49,4 | 5 | Jan-19 |
| LER 2014 | Wind | Alto Sertão | 43,5 | 20,9 | 3 | Oct-17 |
| LER 2014 ³ | Solar | Alto Sertão | 53,5 | 10,9 | 4 | Oct-17 |
| LER 20153 | Solar | Alto Sertão | 29,9 | 7,5 | 2 | Aug-17 |
| ESPRA | SHP | - | 41,8 | 18,7 | 3 | 2008 |
| Brasil PCH | SHP | - | 148,4 | 95,8 | 13 | 2008/2009 |
| REGULATED MARKET | - | - | 1.421,6 | 646,8 | 72 | - |
| Light I | Wind | Alto Sertão III - Fase A | 200,7 | 100,2 | 12 | Sep-15/Jan-16 |
| Light II | Wind | Alto Sertão III - Fase B | 202,8 | 100,2 | 12 | Sep-16 |
| Mercado Livre I | Wind | Alto Sertão III - Fase B | 21,6 | 11,0 | 2 | Jan-16 |
| Mercado Livre II | Wind | Alto Sertão III - Fase B | 101,4 | 50,0 | 8 | Jan-17 |
| Mercado Livre III | Wind | Alto Sertão III - Fase A | 32,4 | 15,0 | 2 | Sep-2015 |
| PPA Cemig | Wind | Jacobina | 676,2 | 354,0 | TBD | Sep-18 |
| Híbrido | Solar | Alto Sertão | 4,8 | 1,0 | 1 | 2016 |
| FREE MARKET | - | - | 1.239,9 | 631,4 | 37 | - |
| TOTAL | - | - | 2.661,5 | 1.278,2 | 109 | - |

1 – Considers 11.37% of Renova's stake in TerraForm Global based on its operational installed capacity on September 30, 2015