



# Conference Call

1st Quarter 2015

# Highlights

## OPERATING

- ▶ Consumption of the distributor's energy increased by 0.6% between 1Q14 and 1Q15;
- ▶ Non-technical losses (12 months) of 39.88%, 1.0 p.p. down on December 2014 and 2.5 p.p. less than in March 2014;
- ▶ Collection rate of 90.0% in 1Q15;
- ▶ Provision for past due accounts (PCLD) of 1.2% of gross billed energy in 1Q15, versus 1.7% in 1Q14;
- ▶ DEC and FEC (12 months) improved by 15% and 12%, respectively, over March 2014;

## FINANCIAL

- ▶ Net revenue, excluding construction revenue, increased by 40.3% over 1Q14 to R\$2,972.7 million; net revenue excluding construction revenue and the CVA came to R\$2,644.6 million, 15.9% up year-on-year
- ▶ Consolidated EBITDA came to R\$494.4 million, 9.2% and 13.7% more than reported EBITDA and adjusted EBITDA in 1Q14, respectively;
- ▶ Net income of R\$128.5 million in 1Q15, 28.8% less than in 1Q14;
- ▶ Consolidated net debt of R\$6,298.8 million, 3.7% up on the previous quarter;

## ACCOUNTING

- ▶ ACR Account (settlements of November and December 2014): R\$545.0 million;
- ▶ Tariff Flag Proceeds Centralization Account – CCRBT (January and February 2014): R\$88.4 million;

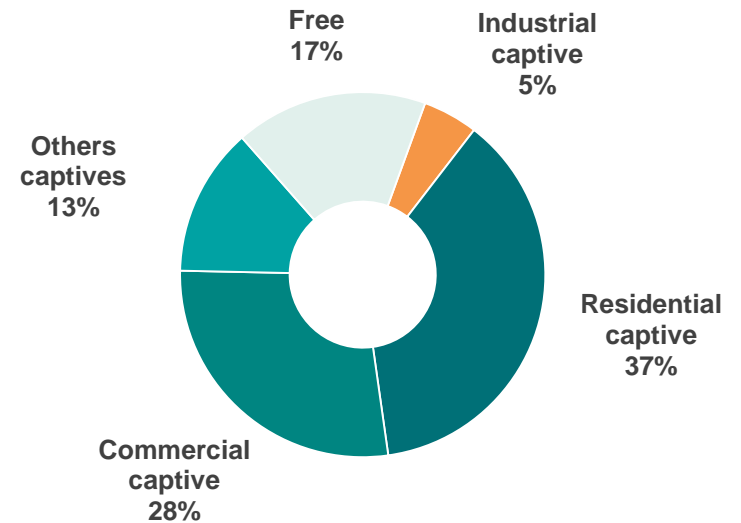
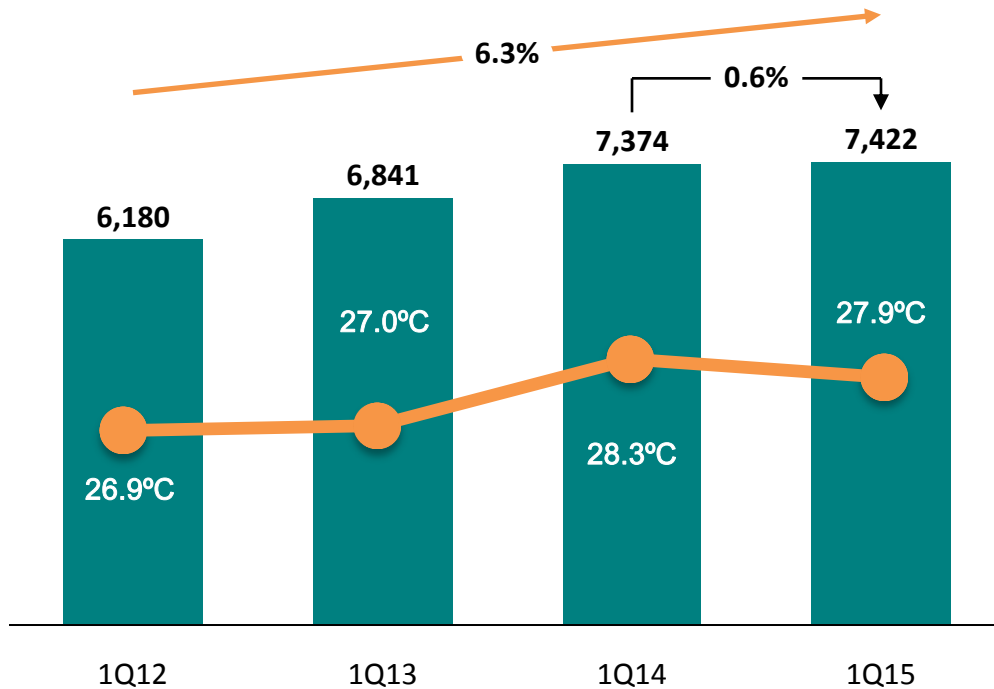
## GENERATION

- ▶ Participation in the A-5 Auction: consortium Light (51%) and Cemig (49%) won the concession for the 150 MW Itaocara I hydroelectric plant, at the price of R\$154.99/MWh.
- ▶ Renova's Assets Contribution Agreement (336.2 MW).

# Energy Consumption

## Distribution – Quarter

TOTAL MARKET (GWh) <sup>1</sup>

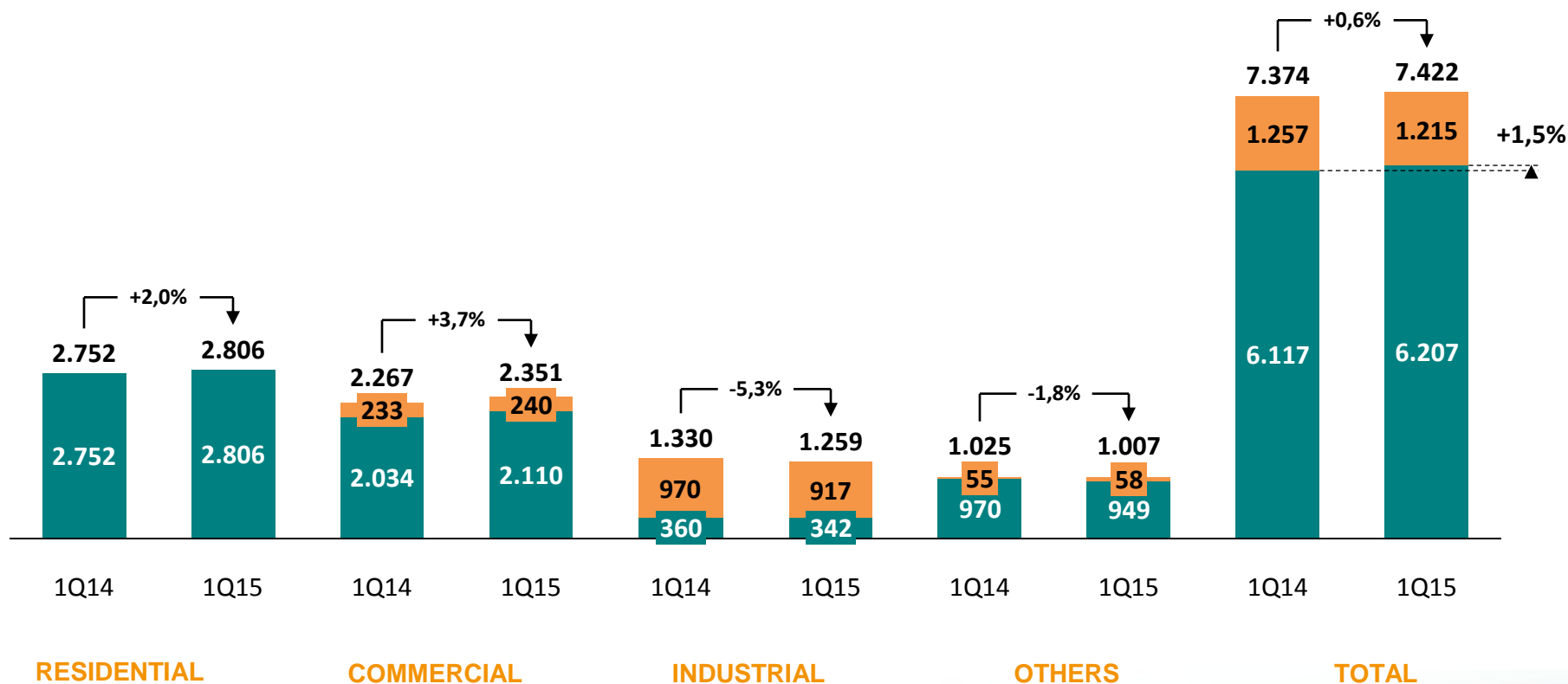


<sup>1</sup>Note: To preserve comparability in the market approved by Aneel in the tariff adjustment process, the billed energy of the free customer CSN has been considered back.

# TOTAL MARKET

Electricity consumption (GWh)

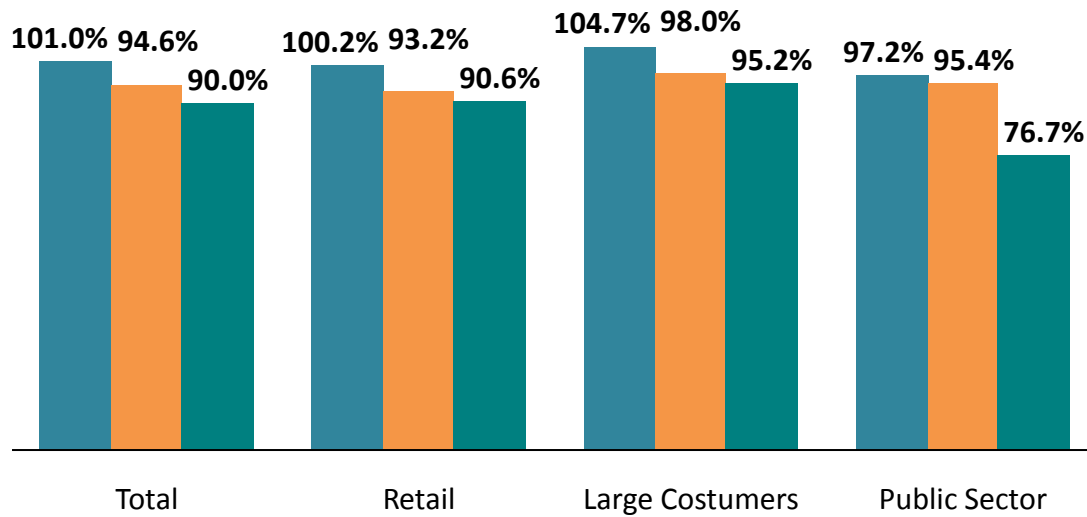
Total market – Quarter



Free Captive

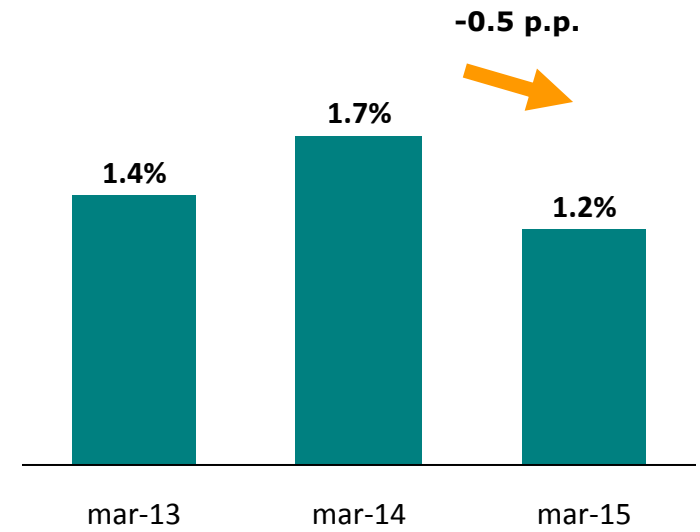
# Collection

COLLECTION RATE BY SEGMENT  
Quarter



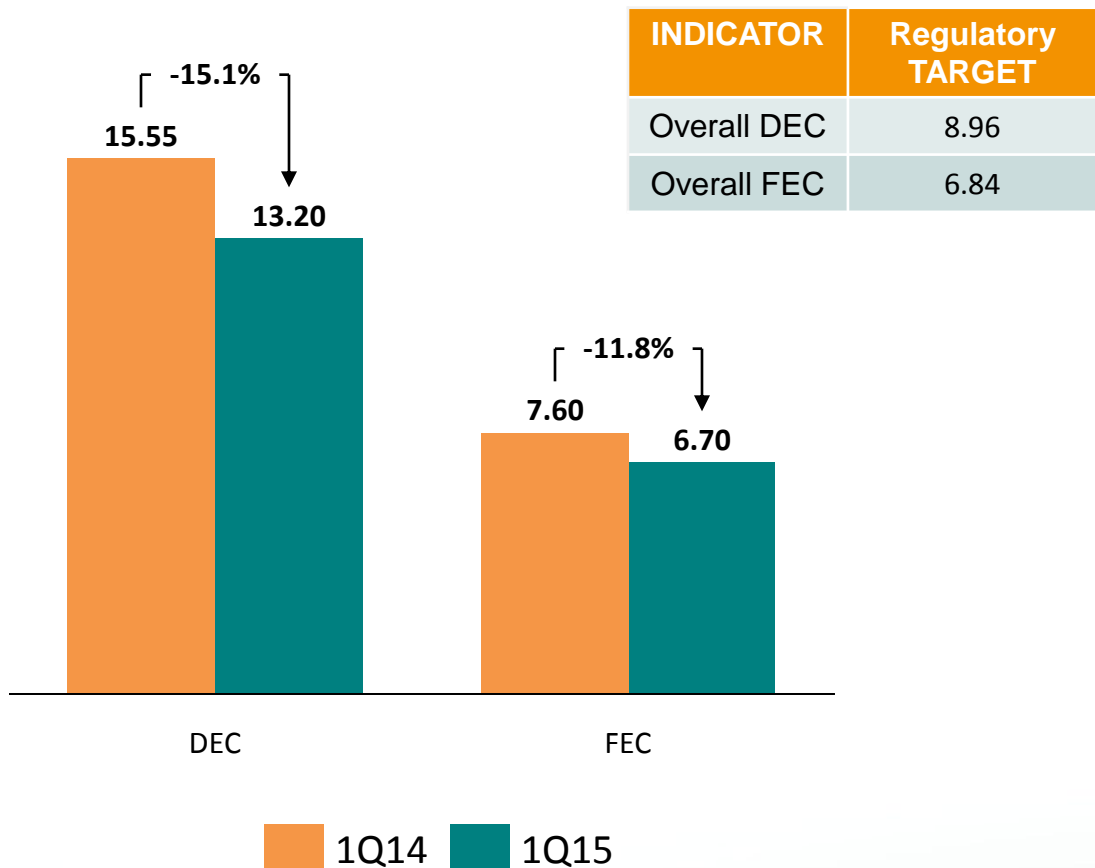
1Q13 1Q14 1Q15

PCLD/Gross Revenue  
(Billed Sales) - Quarter

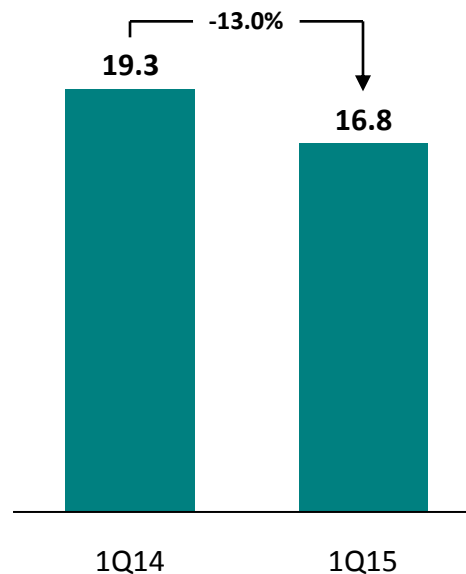


# Operating Quality Indicators

DEC e FEC - 12 MONTHS



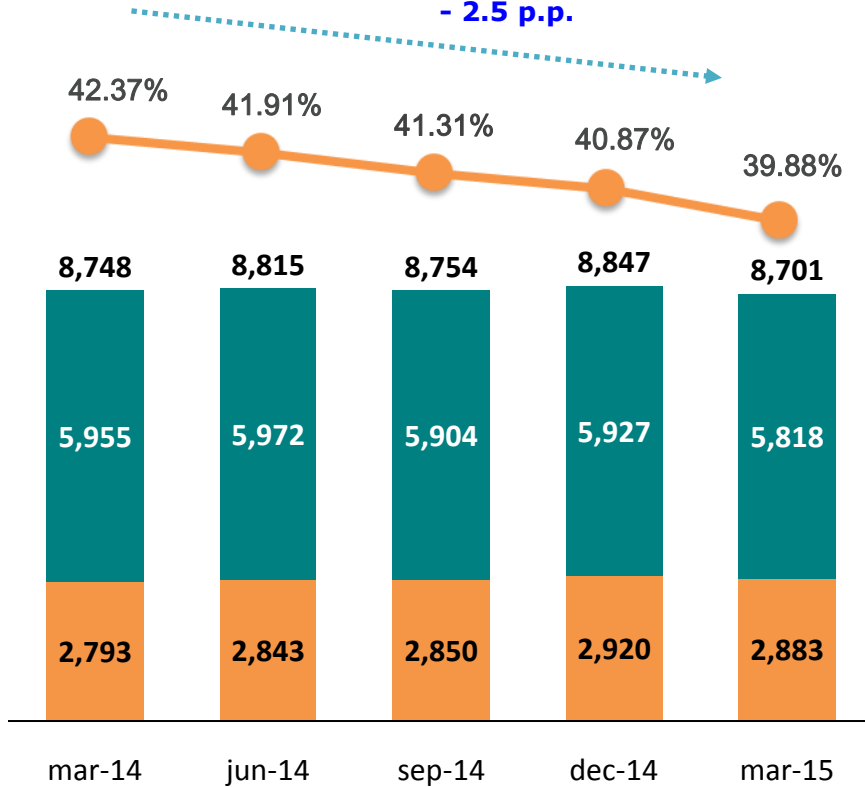
Dic/Fic Compensation



# Loss Prevention

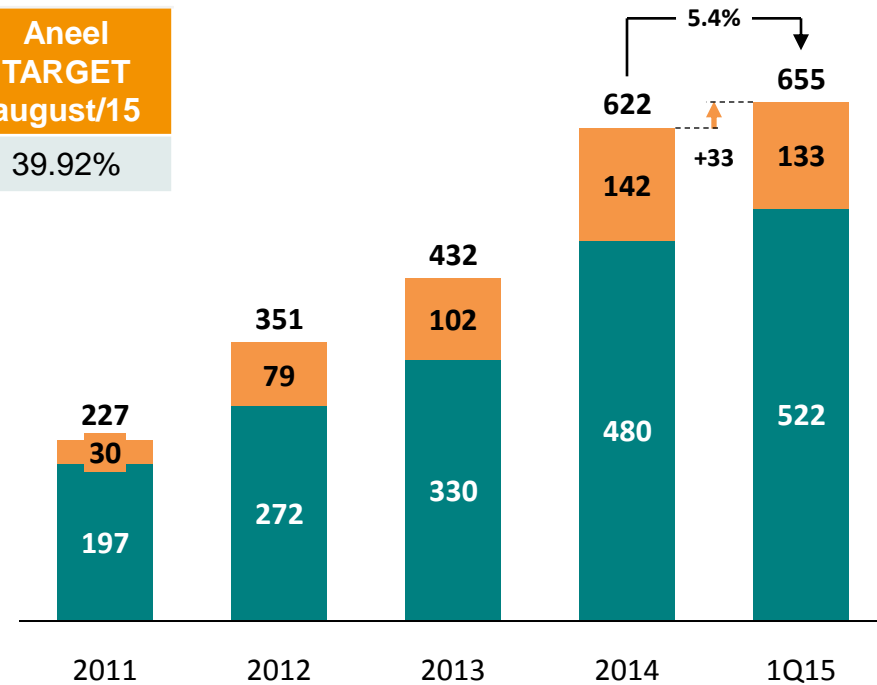
LOSS (12 MONTHS)

- 2.5 p.p.



**Aneel TARGET august/15**  
39.92%

INSTALLED METERS (Thousand Units)



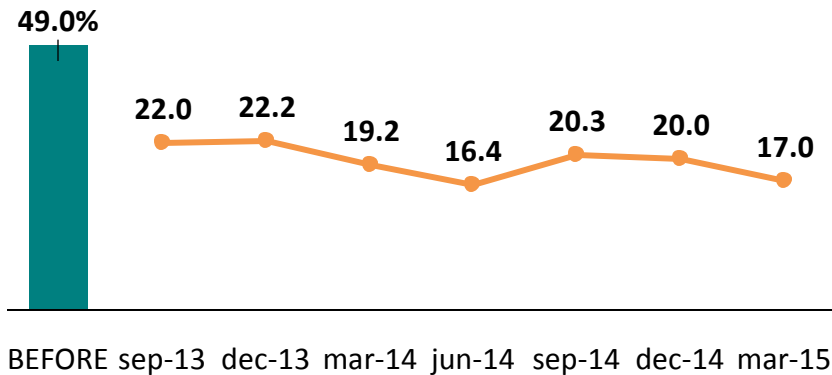
■ Comercial Losses GWh 
 ■ Tec. Losses GWh  
● % Non-technical losses/ LV Market

■ Communities  
■ Out of Communities

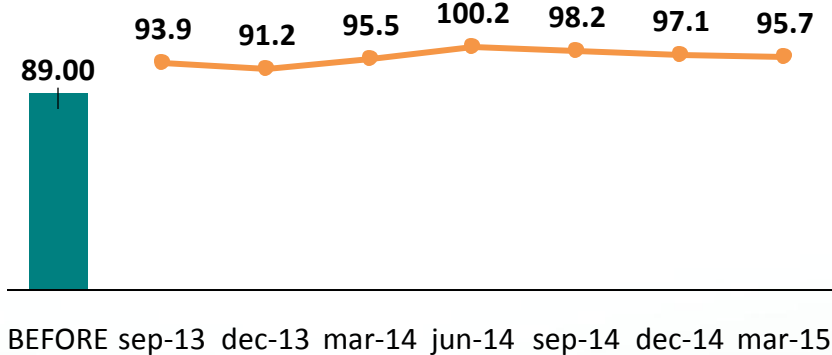
# Losses Combat Actions - APZ Results

Until December, the program covered 661 thousand customers in 37 APZs, of which 27 had the results calculated:

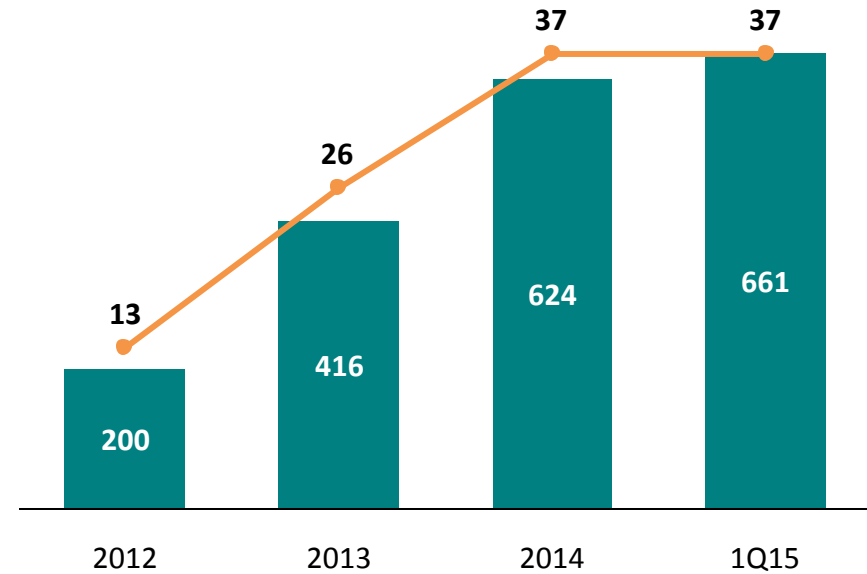
APZ LOSSES





APZ COLLECTION



APZ EVOLUTION



 Number of APZs  
 Number of Clients (Thousand Units)



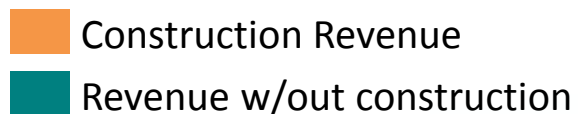
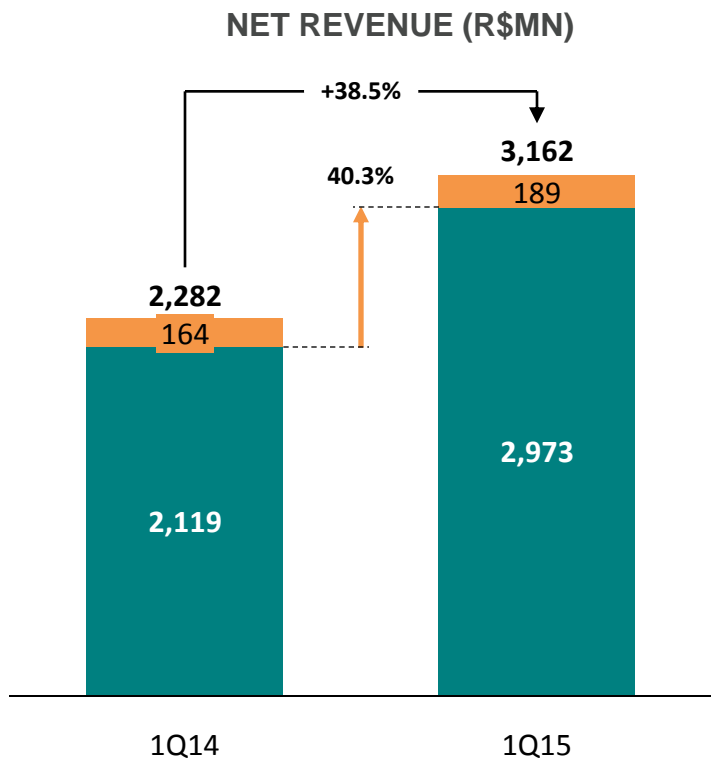
# Losses Combat Actions - APZ Results

Neighborhood	Implementation Year	Number of clients	Non-Technical Losses / Grid Load*		Collection Rate		UPP Area
			Before	Current	Before	Current	
Curíca	2010	13,534	38%	9%	95%	96%	N
Realengo/Batan	<b>2010/2013</b>	28,002	38%	10%	94%	97%	N/Y
Cosmos 1	2012	22,328	49%	9%	92%	96%	N
Cosmos 2	2012	20,470	46%	9%	92%	101%	N
Sepetiba	2012	21,253	57%	31%	88%	95%	N
Caxias 1 e 2	2012	14,702	59%	37%	83%	93%	N
Belford Roxo 1 e 2	2013	22,213	63%	24%	88%	96%	N
Vigário Geral	2012	18,211	35%	9%	94%	95%	N
Caxias 3	2013	17,812	43%	13%	96%	95%	N
Nova Iguaçu 1	2013	20,472	49%	24%	90%	97%	N
Nova Iguaçu 2	2013	22,510	46%	15%	88%	96%	N
Nilópolis	2013	11,340	42%	20%	90%	95%	N
Mesquita + Nilópolis Convencional	2010	20,129	51%	15%	84%	97%	N
Ricardo de Albuquerque	2013	26,386	35%	7%	94%	95%	N
Cabritos/Tabajaras/Chapéu	2012	8,833	51%	31%	62%	96%	Y
Mangueira/Babilônia/Santa Marta							
Coelho da Rocha	2013	19,851	68%	11%	92%	97%	N
Caxias 4	2013	20,245	41%	13%	90%	97%	N
Cidade de Deus	2011	20,596	52%	29%	84%	91%	Y
Tomazinho	2013	12,789	43%	11%	87%	97%	N
Formiga/Borel/Macaco/Salgueiro/Andaraí	2012	18,449	51%	17%	50%	92%	Y
Monte Líbano	2014	11,509	36%	8%	92%	97%	N
Caxias 5	2014	22,833	49%	18%	94%	94%	N
Cordovil	2014	12,762	28%	12%	93%	94%	N
Éden	2014	18,034	55%	12%	86%	95%	N
Alemão	2014	13,329	63%	25%	91%	92%	Y
Rio das Pedras	2014	16,569	83%	54%	75%	89%	N
<b>Total</b>		<b>475,161</b>	<b>49%</b>	<b>17%</b>	<b>89%</b>	<b>96%</b>	

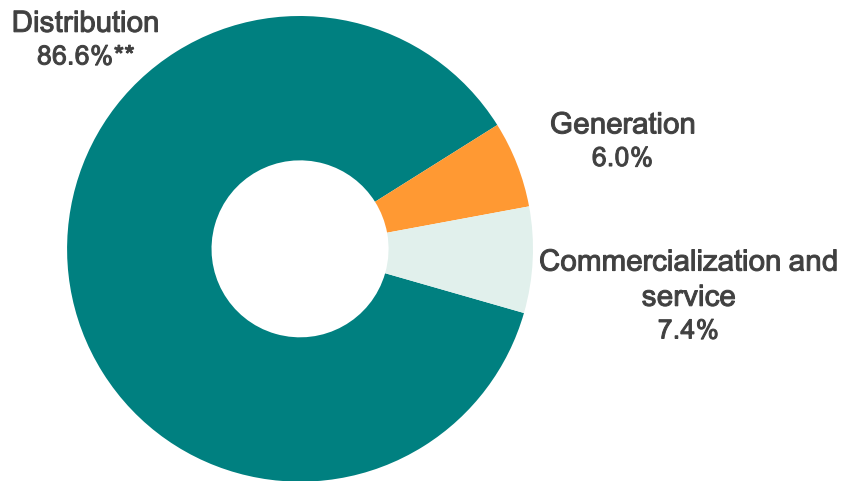
\* Reflects the accumulated results since the beginning of the implementation of each APZ  
 Subtitle: N = No / Y = Yes

- 10 APZ's under phase of implementation and still without recorded results, totaling 155,000 customers.

# Net Revenue



**NET REVENUE BY SEGMENT 1Q15\***  
R\$ MN

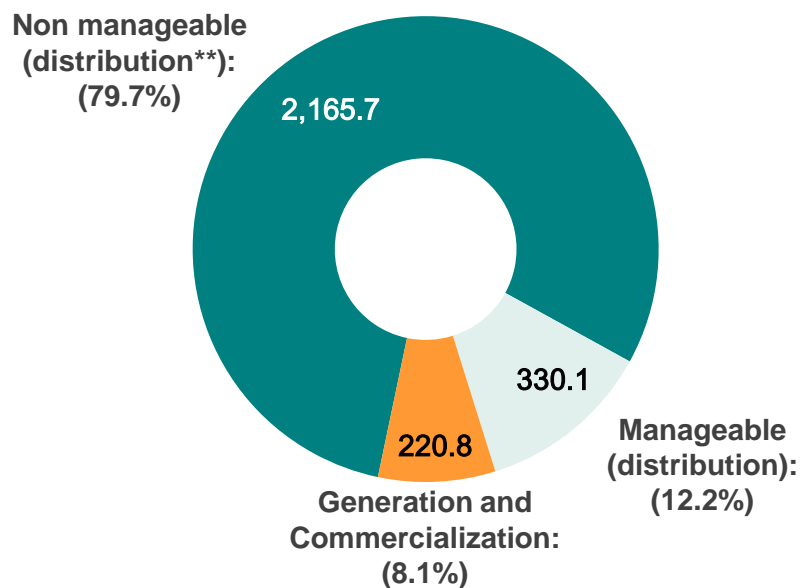


\* Eliminations not considered

\*\* Construction revenue not considered

# Operating Costs and Expenses

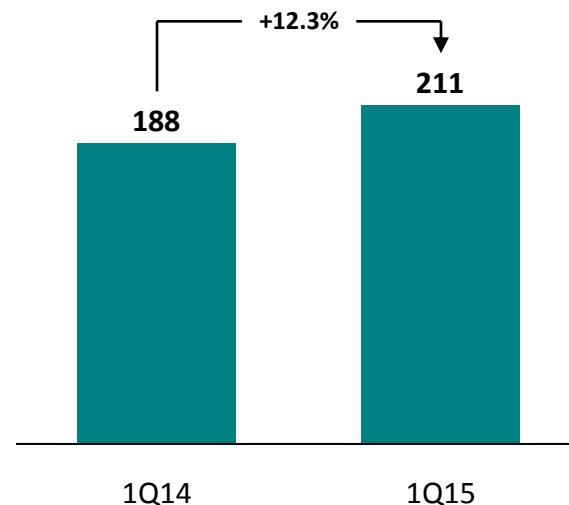
**COSTS (R\$MN)\***  
1Q15



\* Eliminations not considered

\*\* Construction revenue not considered

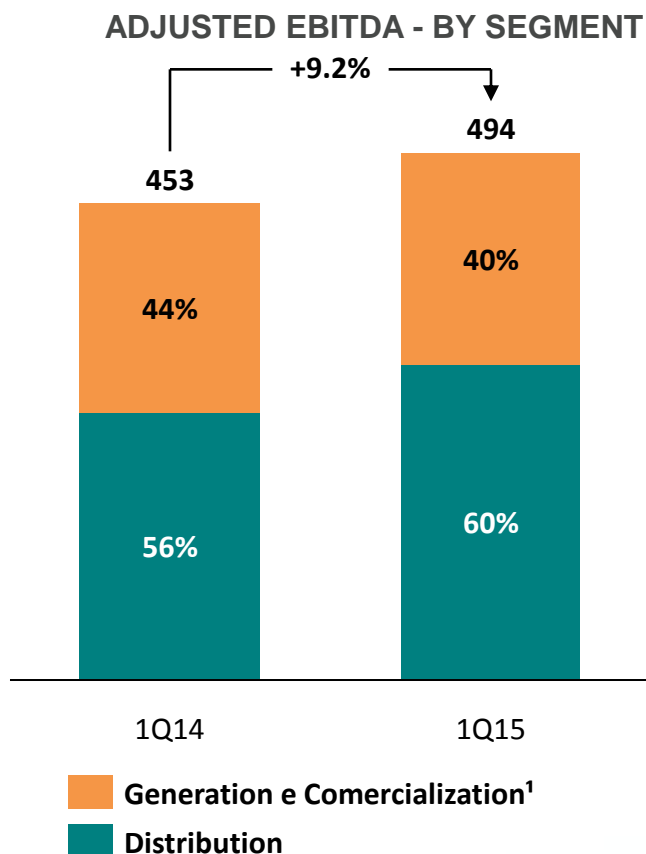
**DISTRIBUTION PMSO COSTS (R\$MN)**



R\$ MN	1Q14	1Q15	Var.
PMSO	(187.8)	(210.9)	12.3%
Provisions	(65.3)	(10.3)	-84.2%
PCLD	(25.3)	(24.2)	-4.3%
Contingencies	(40.0)	13.9	-
Depreciation	(85.4)	(97.2)	13.8%
Other operational/ revenues expenses	(12.1)	(11.7)	-3.3%
<b>Total</b>	<b>(350.6)</b>	<b>(330.1)</b>	<b>-5.8%</b>

# EBITDA

## EBITDA BY SEGMENT (R\$ MN)

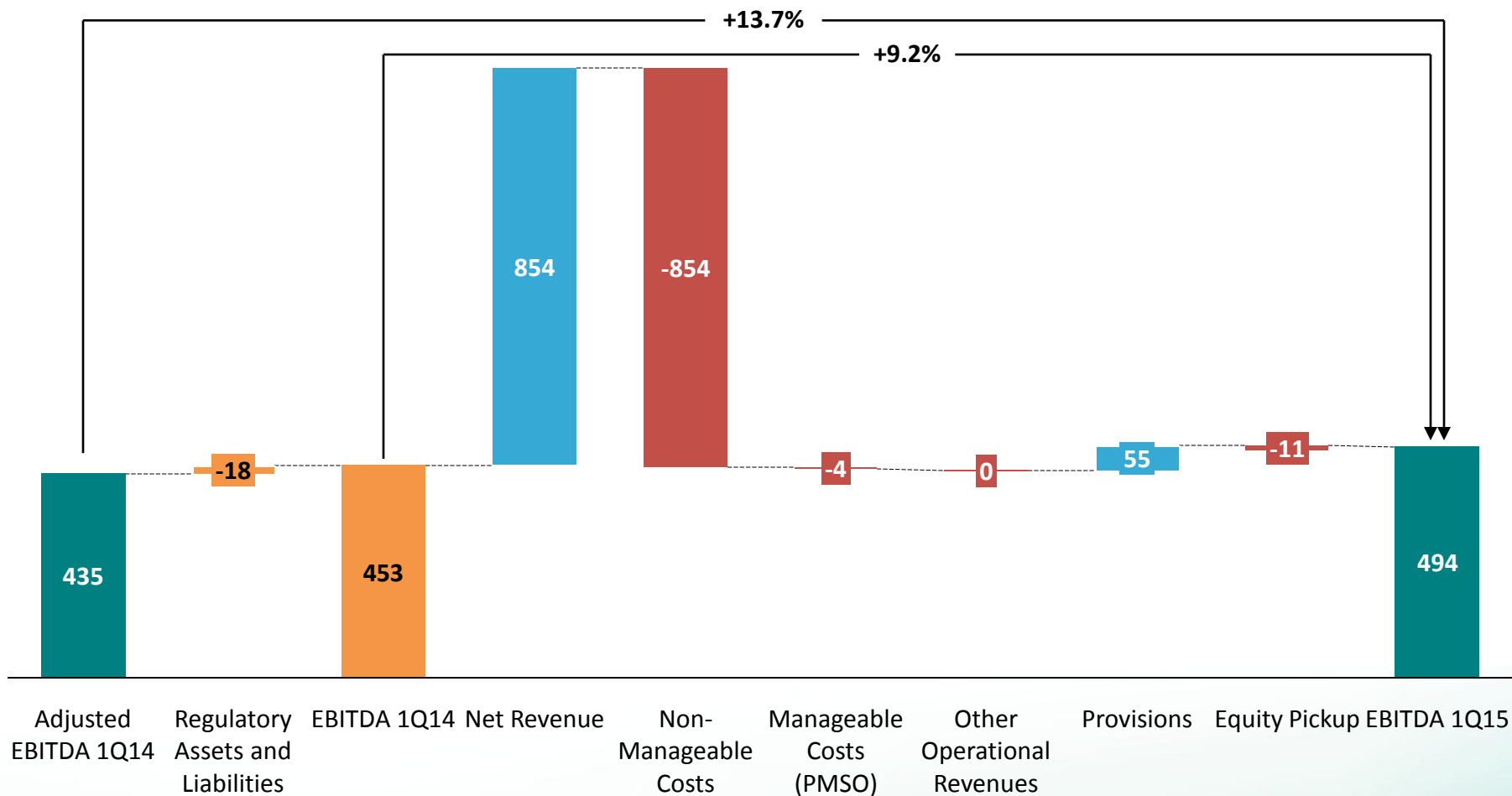


EBITDA Consolidado (R\$ MM)	1Q14	1Q15
Distribution	254.8	300.2
<i>EBITDA Margin (%)</i>	14.6%	11.1%
Generation	182.8	162.2
<i>EBITDA Margin (%)</i>	86.5%	86.7%
Commercialization	17.5	40.2
<i>EBITDA Margin (%)</i>	6.0%	17.5%
Others and eliminations	(2.2)	(8.2)
<b>Total</b>	<b>452.9</b>	<b>494.4</b>
<b>EBITDA Margins (%)</b>	<b>21.4%</b>	<b>16.6%</b>

<sup>1</sup>Percentages does not consider eliminations.

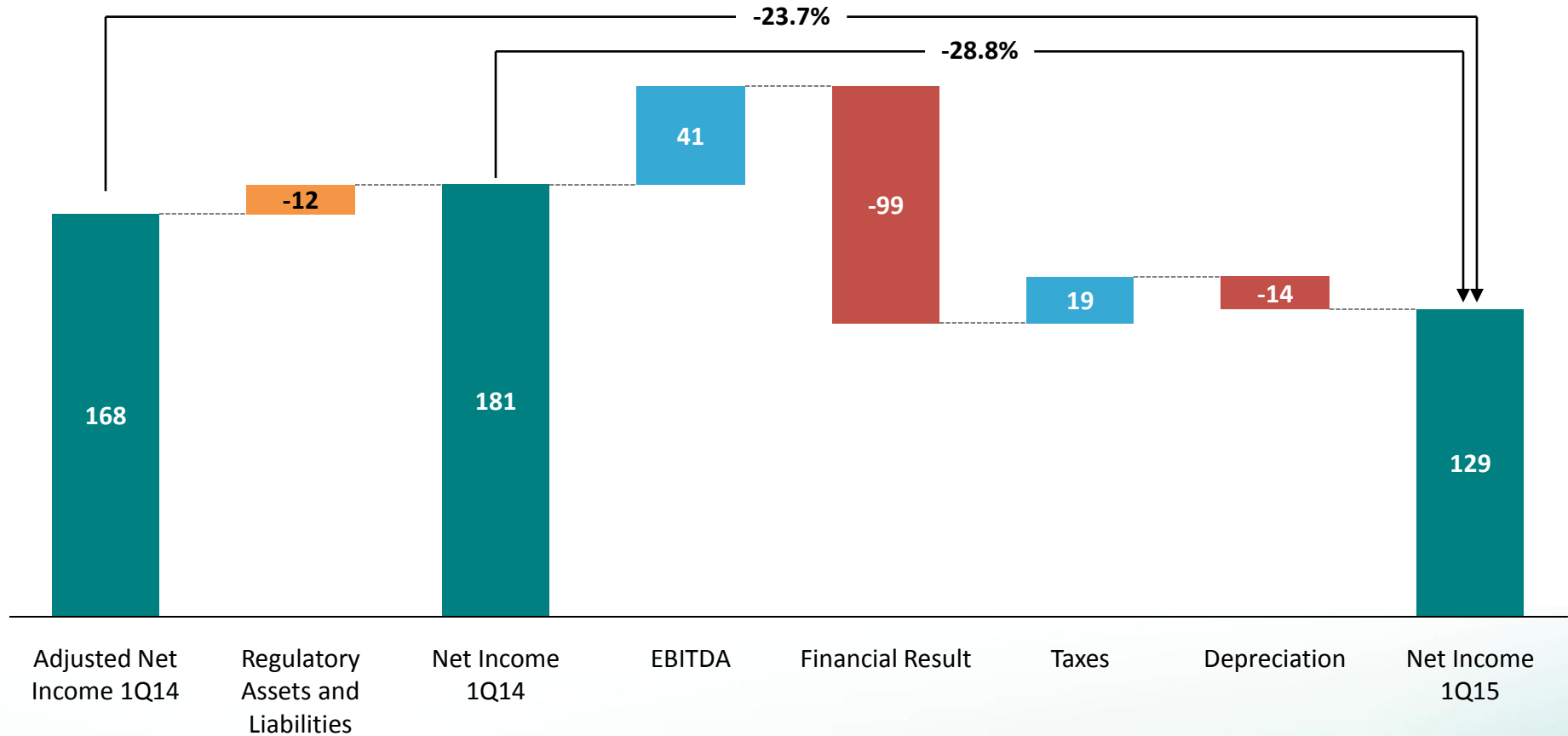
# EBITDA

EBITDA e Adjusted EBITDA  
1Q14 / 1Q15 – (R\$ MN)

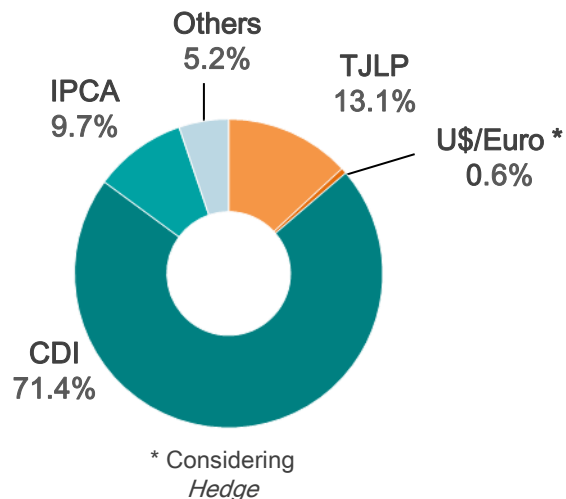


# Net Income Quarter

ADJUSTED NET INCOME  
1Q14 / 1Q15 (R\$ MN)

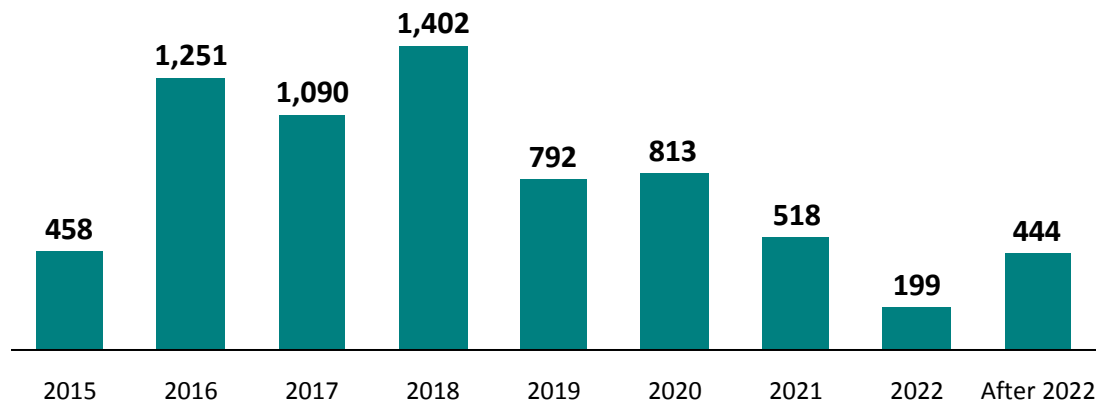


# Indebtedness



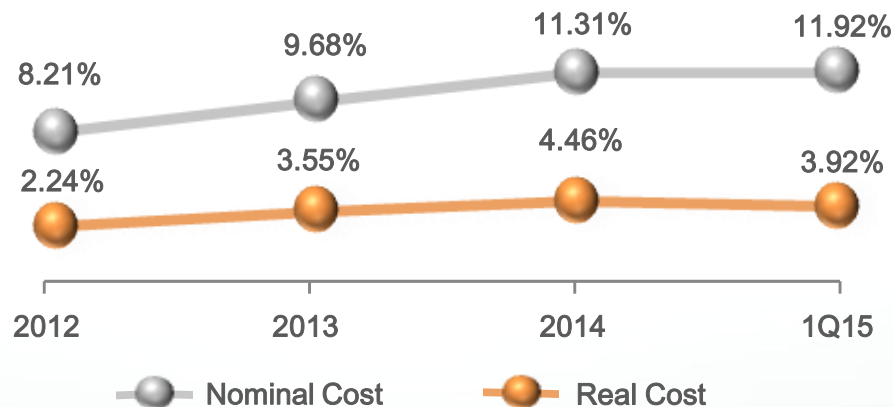
AMORTIZATION SCHEDULE\* (R\$ MN)

Average Term: 4.4 years

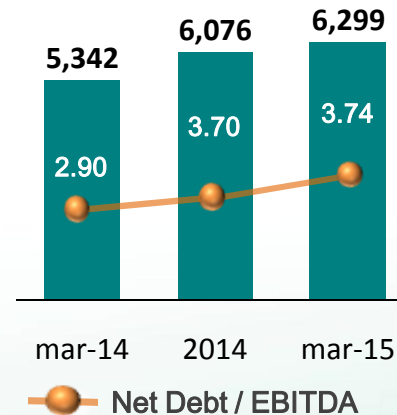


\* Just principal

COST OF DEBT

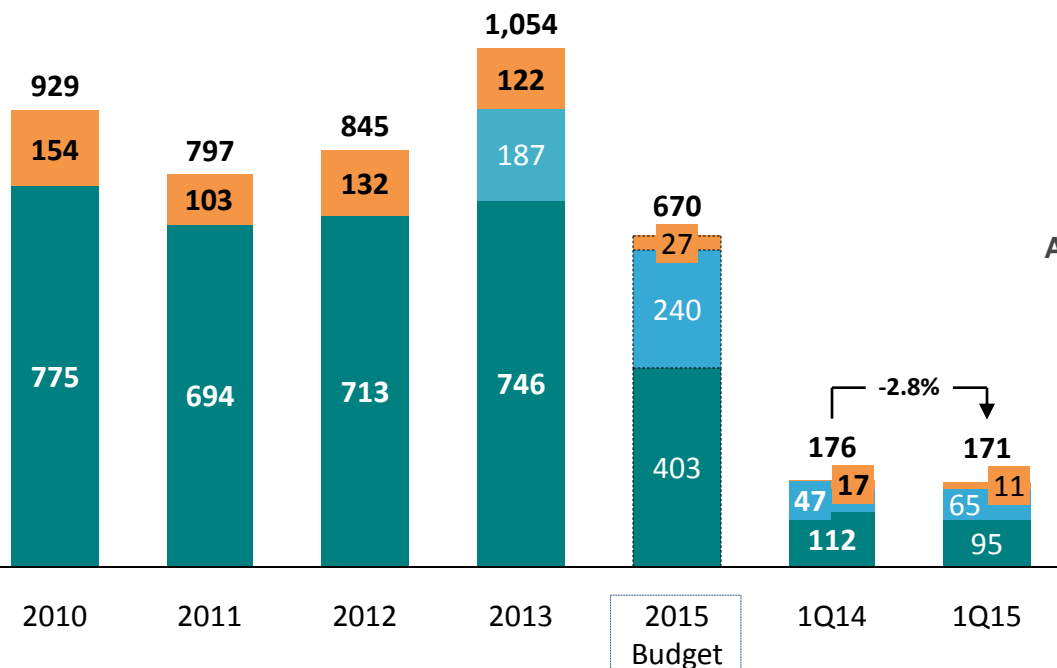


NET DEBT

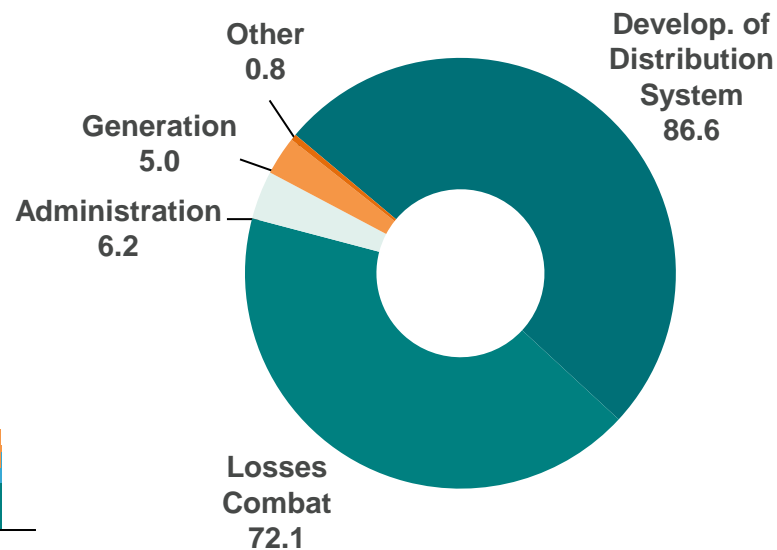


# Investments

CAPEX (R\$ MN)



CAPEX BREAKDOWN (R\$ MN)  
1Q15



- Others Investments
- Special Obligations - Losses
- Investments in Electric Assets (Distribution)



# Auction A-5: HPP Itaocara

Consortium Light (51%) & Cemig (49%) recovers the project's concession

## Project's features:

- ✓ Location: Paraíba do Sul River
- ✓ Installed Capacity: 150 MW
- ✓ Assured Energy: 93.4 MW Average
- ✓ Environmental licensing already issued
- ✓ Investment: R\$ 1 billion (100%)
- ✓ Capital structure:
  - Equity: 30%
  - Debt: BNDES 40% / Debentures 30%
- ✓ Beginning of operation: 2Q2018
  - Energy to be sold in advance
- ✓ Project is not consolidated in BS (no *covenants* impact)

## Auction A-5:

- ✓ Energy sold: 89.20 MW average
- ✓ Retail price on ACR: R\$ 154.99/MWh
- ✓ Start of power purchase agreements in the the Regulated Environment (CCEAR):
  - ✓ jan/2020
  - ✓ Supply period: 30 years



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