INVESTOR RELATIONS
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Light presents first-half results to investors and market analysts

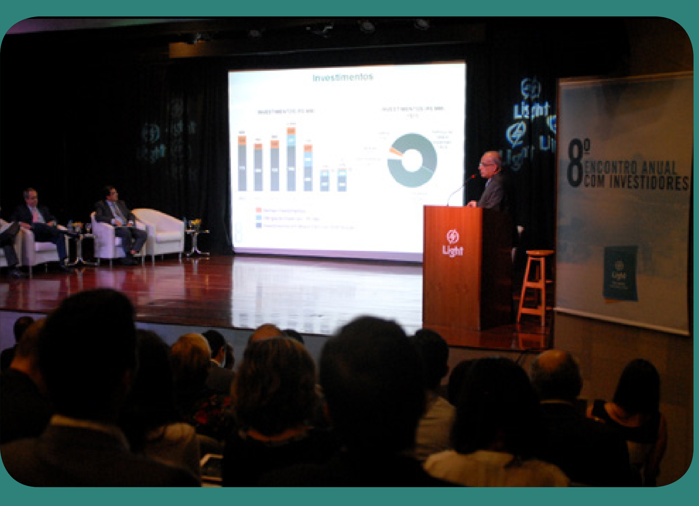
Light held its 8th Annual Meeting with Investors on August 24, at Centro Cultural Light. During the event, the Executive Board and company executives presented the results for the first half of 2015 to shareholders and investors, as well as the performance projections until 2018. In addition, they launched Conexão, the magazine version of the 2014 Sustainability Report.

The company's CEO, Paulo Roberto Pinto, opened the event by highlighting the industry scenario during the first half of the year. He spoke about the investments to ensure service during the Olympics and the work to combat losses and delinquency, citing the effective actions that Light has carried out with potential defaulters, who are called in to renegotiate their debts. "Our delinquency rate in June 2015 was only 1% of billing and we had a relative success in collections, which kept our cash flow from being harmed," he said. His speech ended on an optimistic note for the country, citing the arrival of the rainy season.

Next, the Executive Board presented the results for the first half of 2015. Chief Financial Officer Cláudio Bernardo de Moraes commented on the results relative to the company's debt, detailing how the issue of covenants will be addressed, given that they exceeded the 3.75 limit and have reached 4.54. According to the CFO, Light has already reached out to all of its financial agents to negotiate and build a joint solution aimed at fulfilling its commitments.

The announcement of the sale of Light's stake in Renova Energia to SunEdison for US$250 million in exchange for SunEdison shares was also on the meeting agenda. After questions from one analyst, Business Development and Investor Relations Officer João Batista Zolini, explained that the company is not running any risks due to the recent drop in the shares of SunEdison, given that it has hired a financial institution to protect Light from the volatility of the stock price. Zolini concluded by stating that the transaction will add more than R$700 million to Light's cash flow, helping to reduce its debt ratio.

Energy Officer Luis Fernando Guimarães presented the generation numbers and the projections for the Generating Scaling Factor (GSF) and the Difference Settlement Price (PLD) for the upcoming years.



João Zolini, Business Development and Investor Relations Officer, presenting the Company's guidance

Paulo Roberto Pinto, Light's CEO, opens the meeting talking about the first semestre | Photos: Marcelo Vian

Next, the challenges facing Light SESA were presented. According to Distribution Officer Ricardo Rocha, the biggest challenge is still combatting losses. On the other hand, the company is already prepared to provide energy services with security and quality to the Olympic Games in 2016. In recent years, approximately R$400 million have been invested in projects and network improvements.

Commercial Superintendent Ivson Vasconcellos detailed the company's actions to combat delinquency.

Shortly before the end of the meeting, Regulation Superintendent Ângela Magalhães reported in detail the new methodology to be applied by the Brazilian Electricity Regulatory Agency (ANEEL) for the fourth tariff cycle, highlighting the work carried out by Light, which met several times with the agency to address issues specific to the company's concession area.

At the end of the meeting, the IR Officer presented the forecast for Light for the year 2018, with market data, OPEX, Provision for Past Due Accounts (PCLD), EBITDA, investments and indebtedness.

To ensure bill payments, Light is going to expand the Light Legal program, increasing the number of installed electricity meters and intensifying collections, aiming to reduce its PCLD from 1.3% to 0.9% by 2018.

The EBITDA growth forecast is 5.1% per year, reaching a total of R$ 2.206 billion in the same period.

Between 2015 and 2018, Light expects to invest R$3.5 billion. Finally, the company estimates a payout of 50% for shareholders in the period 2015-2018.

To Zolini, the full auditorium and the significant presence of investors and market analysts showed that the event was a success. "The presentations covered topics that are very important for determining the company's value. In addition, I think that we were able to address all of the questions in the best manner possible. I would also like to take this opportunity to thank Apimec for its Assiduousness Seal, awarded once again to Light for this traditional event. It's one more for our collection," he said at the end of the meeting.

According to Chief Financial Officer Cláudio Bernardo, the 8th meeting was an important opportunity to answer questions from analysts, especially at a time when the electricity sector has been experiencing so many problems. "The more transparency we show to our analysts and investors, the more security the company transmits to the capital markets," he said.

Complete information on the results for the first half of 2015 are available via the website: **http://ri.light.com.br/**. This report also features a summary of the results for the second quarter.

Changes to the Company's Bylaws

On June 25, 2015, Light's Extraordinary Shareholders' Meeting approved an amendment to the company's Bylaws, providing, among other proposals, a change in the composition of the Executive Boards of Light S.A., Light S.E.S.A. and Light Energia S.A. As a result, João Batista Zolini Carneiro, former Chief Financial and Investor Relations Officer, has become the Business Development and Investor Relations Officer; and Cláudio Bernardo Guimarães de Moraes, former Business Development Officer, became the Chief Financial Officer.

Technical losses: What they are and how Light works to reduce them

Historically, between May and September, the period in which the temperatures are lower, Light registers the lowest rates of technical losses in its electricity system, unlike during the summer months, when losses reach their highest levels, given the high temperatures and the resulting increase in electricity consumption.

According to High Voltage Technical Superintendent Márcio Ridolfi, technical losses are impacted by changes in energy consumption and the resulting current flow in the electrical system. Given that each of the system's conductors has its own electrical resistance (r), the circulation of the electrical currents (i) dissipates energy in the form of heat, calculated as $r \times i^2$, which is known as a technical loss. Thus, high consumption levels lead to higher current, and, consequently, even higher technical losses, which grow proportionally to the square of the current , that is, exponentially. This physical phenomenon of energy dissipated in form of heat, referred to as a technical loss, is known as Joule Effect, a phenomenon inherent in the system's operation because of its physical characteristics, such as the number of conductors, the types of cable materials, lengths and gauges, and the provision of loads, among others.

Photo: Shutterstock

"Technically, this type of loss is the difference between the magnitude of the incoming electrical current and the magnitude of the outgoing electrical current in each piece of equipment and each conductor in an electrical system," said Ridolfi. The sum of the electricity lost through each of these components results in total technical loss for the electricity system. "And the measurement is given in watt hours (Wh) and may also be presented as percentage, calculated relative to the total energy delivered to the grid over a given period of time," Ridolfi explains.

Each month, Light reports the technical losses in its electricity system. In the high voltage segment (138 kV), they are determined by measuring the difference between the energy that is delivered to this system and the energy that comes out of it to large customers, to distribution substations and other distribution companies connected to Light, such as Ampla and Energisa. In the medium and low voltage segment, the company uses a specific methodology to estimate the amount of dissipated energy. These calculations are based on the amounts of transmitted energy and characteristics of the installed conductors and equipment in the medium and low voltage network.

"While some actions and investments by Light mitigate technical losses, they are not reduced in the same proportion, due to increased electricity consumption by the population," says Ridolfi. The measures that have been implemented include the expansion and construction of new substations; and the replacement and installation of new circuits and transformers in the network, which allows for the improved distribution of current levels at these facilities.

Light's performance in the second quarter of 2015

Consolidated results

- The company's consolidated net revenue in 2Q15, excluding construction revenue, was R$2.2327 billion, an increase of 39.4% over 2Q14.
- Consolidated EBITDA was R$132.1 million in 2Q15, down 44.8% and 63.3% from the reported EBITDA and adjusted EBITDA in 2Q14, respectively, given that all segments experienced a decrease in EBITDA this quarter.
- The net loss in 2Q15 was R$57.3 million, against a profit of R$15.3 million in 2Q14, mainly explained by the decrease in EBITDA for the quarter.
- The company ended June 2015 with net debt totaling R$6.8793 billion, 9.2% higher than the net debt in March the same year. The leverage ratio calculated as the net debt/EBITDA ratio was 4.54x for covenant purposes.
- The company has covenants at 3.75x for the Net Debt/EBITDA indicator and 2.5x for the EBITDA/Interest Expense indicator. However, noncompliance with the covenant only occurs when the indicator limits have been exceeded for two consecutive quarters or four interspersed quarters.

Distribution results

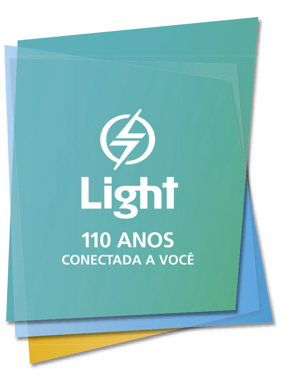
- Total energy consumption fell 0.8% quarter-on-quarter, reaching 6,448 GWh. This result was influenced by the 4.6% decrease in the residential segment and the 1.3% decrease in the industrial segment, partially offset by a 2.8% increase in the commercial segment.
- Light SESA's net revenue in 2Q15, excluding construction revenue, was R$2.0292 billion, a 41.1% increase compared to 2Q14, mainly due to the tariff recognition of power purchase costs, which in 2Q14 were reduced from non-manageable expenses through ACR Account contributions.
- EBITDA totaled R$116.3 million, 12.1% and 54% below the reported EBITDA and adjusted EBITDA in 2Q14, respectively, due to the R$41.9 million reversal of tax and labor provisions in 2Q14.
- The net loss for 2Q15 was R$34.7 million, 6.4% higher than in 2Q14, due to the reduction in EBITDA, partially offset by improved financial results in 2Q15.
- Non-technical losses for the last 12 months, calculated based on the billed low voltage market, fell by 0.25 pp when compared to 1Q15, reaching 39.63% in June this year.
- The DEC (equivalent length of interruption) and FEC (equivalent frequency of interruption) operational quality indicators amounted to 13.59 hours and 6.65 times respectively, for the last 12 months, an improvement of 3.5% and 6.6 % compared to the same period last year.
- The collection rate was 97.8% of the total billed market in 2Q15, 5.7 p.p. below 2Q14, mainly due to the 17 p.p. decrease in collections from the public sector segment. The provisions for past due accounts (PCLD) represented 1% of the distributor's gross energy revenue in 2Q15, 0.5 p.p. less than in the same period last year.
- Light SESA ended June with net debt of R$6.0348 billion, 12.1% higher than March 2015.

Generation results

- Total sales, net of the purchasing of power, was equivalent to 868.1 GWh for the second quarter of 2015, a decrease of 20.7% compared to 2Q14.
- Light Energia's net revenue in 2Q15 was R$123.8 million, 7.2% lower than 2Q14, mainly due to lower sales volume on the spot market.
- EBITDA totaled a negative R$0.8 million, versus R$88.0 million in 2Q14, due to the 12.7 p.p. drop in the average Generation Scaling Factor (GSF) in 2Q15 compared to 2Q14, caused by the worsening hydrological conditions of the national system.
- The net loss in 2Q15 was R$33.9 million, against a profit of R$35.9 million in 2Q14, due to the decrease in EBITDA.
- Light Energia ended June with net debt of R$859.6 million, 6.7% lower than the net debt in March 2015.

Sales and services results

- The direct sale of electricity by Light Com and Light Esco from conventional and incentivized sources totaled 1,261 GWh, a 4% decrease compared to the 1,314 GWh sold in the same period last year.
- Net revenue in 2Q15 totaled R$212.5 million, 1.1% lower than in 2Q14.
- EBITDA in 2Q15 totaled R$19.5 million, 18.4% lower than in 2Q14.
- Net income in 2Q15 totaled R$14.2 million, 15% lower than in 2Q14.



110 years of Light in the life of Rio

For over a century, Light's history has been intertwined with that of Rio de Janeiro. The year 2015 is particularly special, given that the company is commemorating its 110th year in the Marvelous City. We selected some important moments from this shared journey. After all, Light and Rio have a lot to celebrate.

1899 e 1901
Construction of the Parnaíba Hydroelectric Plant along the Tietê River in Sao Paulo,Light Group's first venture in Brazil.

1904
Acquisition of control over the gas and illumination concessionaire, the Belgian company Société Anonyme du Gaz de Rio de Janeiro, a service that was controlled by Light until 1969.

1905
Inauguration of Avenida Central, now known as Avenida Rio Branco, with Light's ornamental posts.

1906
Light began operating the Corcovado Railroad, in Cosme Velho, which to this day takes tourists from around the globe to one of the New Seven Wonders of the World: Christ the Redeemer. The company operated this railroad until 1970.

1907
Inauguration of a stable and secure electricity service in Rio de Janeiro.

1907 a 1909
Construction of the Frei Caneca Substation, known as the Terminal Station, which is the oldest of all and is still in operation.

1911
Acquisition and unification of various urban rail companies. Light replaced animal traction with electric traction.

1912
Occupation of its current headquarters at Avenida Marechal Floriano, premises considered a historical heritage, with American Renaissance traces, which is also home to some of the city's history, at Centro Cultural Light.

1929
Telephone service automation, provided by the former Companhia Telefônica Brasileira (CTB), held by the Light Group, which operated the service between 1907 and 1966, when the CTB became property of the federal government.

1938
The tram service offered by Light reached its peak, with 980 trams carrying one million passengers per day.

1959
Inclusion of the Brazilian Development Bank (BNDES) as a Light Group shareholder, through financing provided by the financial institution.

1967
Approval by the Federal Government of the merger of Light Group's electricity companies, which also enabled the unification of the Rio-São Paulo region tariffs, leading to the foundation of Light Serviços de Eletricidade S.A., based in Sao Paulo.

1979
Eletrobrás (Centrais Elétricas Brasileiras S.A.) acquired a controlling stake in Light Serviços de Eletricidade S.A., with the country's electricity sector becoming fully nationalized.

1996
Privatization of Light, through an auction held on the Rio de Janeiro Stock Exchange, where it was auctioned off to three multinationals and one domestic firm: Électricité de France (EDF), AES Corporation, Reliant Energy and Companhia Siderúrgica Nacional (CSN).

2005
Deverticalization of Light, creating the holding company Light S.A., the parent company of three operational companies: Light Energia S.A., responsible for generation/transmission; Light Serviços de Eletricidade S.A., responsible for distribution; and Light Esco Ltda, a trading company, which together constitute the Light Group.

2005
The company is listed on the Novo Mercado segment of the BM&Bovespa, adopting the best practices of corporate governance.

2007
Inclusion among the group of companies listed on the Corporate Sustainability Index portfolio of the BM&FBovespa (ISE Bovespa).

2014
First place in the ranking of "The Best Companies for Shareholders," by the magazine Capital Aberto; inclusion in the ranking of most sustainable companies in Brazil, in the Exame Sustainability Guide; and nomination, for the eighth consecutive year, for inclusion in the ISE Bovespa.

2015
Comprised of the companies Light S.A. (holding company), Light Serviços de Eletricidade S.A. (distribuitor), Light Esco Ltda. (trading company) and Light Energia S.A. (generation and transmission), the Group is present in 31 municipalities in the state of Rio de Janeiro.

This electronic newsletter is destined to Light's investors. Creation and text: Quadratta Comunicação e Design.
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