



**EDP - ENERGIAS DO BRASIL S.A.**

Publicly Company  
NIRE 35.300.179.731  
CNPJ/MF nº 03.983.431/0001-03

**EDP SÃO PAULO  
DISTRIBUIÇÃO DE ENERGIA S.A.**

Publicly Company  
NIRE 35.300.153.235  
CNPJ/MF nº 02.302.100/0001-06

**EDP ESPÍRITO SANTO  
DISTRIBUIÇÃO DE ENERGIA S.A.**

Publicly Company  
NIRE 32.300.002.471  
CNPJ/MF nº 28.152.650/0001-71

**NOTICE TO THE SHAREHOLDERS**

**PAYMENT OF INTEREST ON NET EQUITY**

1. **EDP - ENERGIAS DO BRASIL S.A.** informs to its Shareholders that the Board of Director's, in a meeting held in December 21, 2017, approved interest on net equity in the total amount of **R\$72,709,000.00** related to the fiscal year of 2017, which will be distributed as follows:

<b>Nature of payment</b>	<b>Amount per share</b>
Interest on net equity	R\$0.119949205

Payment of the above-mentioned sum shall be subject to the following conditions:

- a) Retention of 15% income tax, except for immune or exempt shareholders who prove this condition until the date of December 30, 2017;
- b) Interest on equity paid shall be added to the mandatory minimum dividend, to be paid by the Company for the fiscal year of 2017, integrating these values with amount of dividends distributed by the Company for all purposes of the corporate law;
- c) It shall have rights over the interest on equity all shares of the Company outstanding on the base date of December 26, 2017;
- d) The corresponding credits will be accounted in the accounting records of the Company on the date of December 30, 2017;
- e) The shares will be traded as "ex-interest on capital" at "B3" stock exchange from December 27, 2017, inclusive;
- f) The date of payment of interest on equity will be decided later, on the occasion of the resolution on the payment of dividends for the year ending in December 31, 2017, without any monetary or other compensation;



g) Those shareholders resident or domiciled in a country that does not tax income or that taxes income at a maximum rate below 20% (twenty percent), referred to article 24, Law no. 9430/96, shall be subject to withholding income tax at the rate of 25% (twenty-five percent) on the sum reported as interest on equity.

2. Still, **EDP - ENERGIAS DO BRASIL S.A.** announced that its subsidiaries EDP São Paulo Distribuição de Energia S.A. (“EDP São Paulo”) and EDP Espírito Santo Distribuição de Energia S.A. (“EDP Espírito Santo”) decided in December 21, 2017, pursuant to its Bylaws, payment to EDP – ENERGIAS DO BRASIL S.A, as the only shareholder of the said subsidiaries interest on capital for the fiscal year of 2017, totaling **R\$145,247,000.00**, as follows:

<b>Company</b>	<b>Interest on equity (gross amount)</b>	<b>Gross amount/share</b>
EDP São Paulo	R\$65,624,000.00	R\$0.001678718
EDP Espírito Santo	R\$79,623,000.00	R\$13.550516915

The date of payment of interest on capital will be decided later by those subsidiaries, during the deliberation on the payment of dividends for the year ending on December 31, de 2017.

The corresponding credits will be accounted in the accounting records of EDP São Paulo and EDP Espírito Santo in December 31, 2017, on behalf of EDP - Energias do Brasil S.A.

Additional information may be obtained at the Investor Relations Department located at Rua Gomes de Carvalho, 1996 - 8º floor, São Paulo, Phone: +55 (11) 2185-5907, and Fax: +55 (11) 2185-5904.

São Paulo, December 21, 2017.

**EDP – ENERGIAS DO BRASIL S.A.**

Miguel Nuno Simões Nunes Ferreira Setas  
CEO and Investor Relations Officer

**EDP São Paulo Distribuição de Energia S.A.  
EDP Espírito Santo Distribuição de Energia S.A.**

Dyogenes Rosi  
Financial and Investor Relations Officer