



Divestment on Generation Assets in the state of Espírito Santo

São Paulo, October 25th, 2018 - EDP - Energias do Brasil S.A. (“EDP” or “Company”) (B3: ENBR3) hereby announces to its shareholders and the Market in general that, on this date, was signed a Share Purchase and Sale’s agreement with Statkraft Renováveis S.A. to sell 100% of the total capital of EDP Pequenas Centrais Hidroelétricas S.A. (“EDP PCH”), consisting of seven hydropower plants, and Santa Fé Energia S.A. (“Santa Fé”), amounting an installed capacity of 131.9 MW and a physical guarantee of 68.8 MW, with final concession maturity between 2025 and 2031.

The total amount of the transaction is R\$ 704 million, including the estimated net debt of R\$ 113 million. Therefore, the total amount to be received will be R\$ 591 million, which is subject to adjusts between the signing and closing dates, common to this type of transaction.

The conclusion of this transaction is subject to prior approval of precedent conditions, which includes: i) the Brazilian Antitrust Authority (CADE); and (ii) the Brazilian Electricity Regulatory Agency (ANEEL).

Within this transaction, the Company concludes the process of capital recycling on small hydropower plants, started with the sale of Pantanal Energética Ltda in 2016, in line with the priority strategy of divesting in non-core assets. In the generation segment, the Company portfolio has been focused in medium plants, currently with six hydropower plants and one thermal power plant, with installed capacity between 100 and 1.000 MW.

The Company will inform its shareholders and the market in general regarding the transaction.

Miguel Nuno Simões Nunes Ferreira Setas
Diretor Presidente e de Relações com Investidores
