

# Message from the CEO



# MESSAGE FROM THE CEO OF AES BRASIL

The energy sector is undergoing transformation and, in the coming years, it should become radically different from the model defined more than one century ago. The new model will be shaped by new sources and new energy generation and storage technologies, in addition to more empowered and connected consumers who will also generate and offer energy. We believe we will continue to be relevant and competitive if we innovate in the way we serve our main customers and contribute to building a new industry model, with minimal environmental impact and greater benefits to society.

Aware of this context and in line with AES global guidelines, we revised our Sustainable Strategic Planning, containing long-term objectives and goals to be achieved by 2021. The new vision of AES in Brazil is to be recognized by our customers and shareholders as the preferred partner for safe, innovative, reliable and affordable energy solutions.

For the companies in the group, the year 2016 was highlighted by major investments and restructuring in our companies in order to increase customer satisfaction and create value for all our stakeholders.

At AES Eletropaulo, we are focused on quality supply of safe energy to one of the country's most economically important regions. In 2016, our investments totaled BRL 791.5 million – most of this total was geared toward the company's Quality Recovery Plan. In customer relations, we are challenged to keep improving and offer timely service in a more agile and digital way. We are also dedicated to restructuring the company's governance in order to enable better results for our operation.

Through AES Tietê, we are dedicated to developing new products by applying innovative technologies and prioritizing clean and renewable sources of energy – such as wind and solar. The year 2016 was highlighted by the expansion of our portfolio and the first distributed generation projects, battery-based energy storage, and other sustainable solutions that place our customers at the center of the planning of our activities. For the next few years, we will grow by expanding our installed capacity and marketing customized solutions.

In addition to responding to our customers' energy demands, we created AES Ergos, a company with a comprehensive portfolio of products and services for corporate and government customers, mainly in energy efficiency.

At AES Uruguiana, we worked to make it a bi-national generating plant. We entered into an agreement to resume supply of gas, which enables the return of the trading operation and the exporting of energy to Argentina.

Innovation is one of the levers that will drive us to reach our strategic goals, and for this reason, last year we launched the AES Innovation platform. Through this platform, we can participate in the creation of a new business model for the electricity sector, developing solutions together with universities, research centers, and partner companies.

I would also like to highlight the AES Institute, created to strengthen sustainable development initiatives in the communities where we operate, based on social innovation and income generation. Operating as a network, we drive the positive transformation of society.

I would like to thank all the employees at AES Brasil companies who were involved in the various projects we conducted in 2016. We have major challenges on all fronts, from generation to distribution, but we are prepared to be leaders and main players in the transformation of the electricity sector, by expanding and becoming increasingly more efficient in our business.

**Julian Nebreda**  
CEO of AES Brasil