



CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA

A Publicly Held Company

CNPJ/MF nº. 02.998.611/0001- 04

NIRE 35300170571

MATERIAL FACT

CTEEP – COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA (“Company” or “ISA CTEEP”), a joint stock company with registration as a publicly held company with the Brazilian Securities and Exchange Commission (“CVM”), pursuant to the provision in CVM Instruction 358 of January 3, 2002, and in Paragraph 4, Article 157 of Law 6.404/76 and respective amendments, wishes to publicly announce that according to manifestations and acceptance received from Isolux Energia e Participações S.A. (“ISOLUX”), a corporation with head offices in the city and state of Rio de Janeiro, enrolled in the corporate tax register (CNPJ/MF) under number 04.726.861/0001-02 and Cymi Construções e Participações S.A (“CYMI”), a corporation with head offices in the city and state of Rio de Janeiro, enrolled in the CNPJ/MF under the number 07.003.107/0001-32, the Company (A) has exercised its preemptive rights to acquire the entire shareholding that ISOLUX holds in Interligação Elétrica Norte e Nordeste S.A. (“IENNE”), a corporation with head offices in the city and state of São Paulo, enrolled in the corporate tax register (CNPJ/MF) under number 09.276.712/0001-02, represented by 163,642,000 (one hundred and sixty-three million, six hundred and forty-two thousand) common, nominative shares with no par value, equivalent to 50% (fifty percent) of the capital stock of IENNE; and (B) will also acquire the total shareholding stake that CYMI holds in IENNE, represented by 81,821,000 (eighty-one million, eight-hundred and twenty-one thousand) common, nominative shares with no par value, equivalent to 25% (twenty-five percent) of the capital stock of IENNE, joint selling rights of CYMI having been exercised; pursuant to the IENNE shareholders agreement signed between ISA CTEEP, ISOLUX and CYMI with the intervention of IENNE; and pursuant to the terms of the intent to purchase proposal submitted by ISOLUX to the Company.

The acquisition of all the said shares shall be the equivalent of the aggregate amount of R\$ 96,750,000.00 (ninety-six million, seven hundred and fifty thousand reais), which may be adjusted on the occasion of the closing of the operation.

The conclusion of the operation and effective acquisition shall be subject to certain conditions applicable to the purchase agreement, such as the approval of the National Electric Energy Agency - ANEEL for the transfer of shares and the agreement of certain third parties. In addition, the acquisition shall be submitted for analysis by CADE, the Brazilian Anti-Trust Authority (Conselho Administrativo de Defesa Econômica). ISA CTEEP shall take all necessary steps for the effective conclusion of the operation.

As a consequence of the operation, the Company will become the holder of 327,284,000 (three hundred and twenty-seven million, two hundred and eighty-four thousand) common, nominative shares, with no par value, equivalent to 100% (one hundred percent) of IENNE’s capital stock.



Further information may be obtained directly from the Company, pursuant to the applicable regulations and in accordance with the standards of conduct therein.

São Paulo, May 4, 2017.

Rinaldo Pecchio Jr.

Chief Financial and Investor Relations Officer