

**Rating Action: Moody's changes outlook to stable on Brazilian Infrastructure Issuers**

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Global Credit Research - 17 Mar 2017

Sao Paulo, March 17, 2017 -- Moody's América Latina Ltda., ("Moody's") has affirmed the ratings and changed the outlook for several infrastructure companies operating in Brazil to stable from negative. The rating action follows Moody's rating action to stabilize the outlook on the government of Brazil. For more information, please see the press release: Moody's changes outlook on Brazil's Ba2 issuer rating to stable from negative [https://www.moody's.com/research/Moodys-changes-outlook-on-Brazils-Ba2-issuer-rating-to-stable--PR\\_362466](https://www.moody's.com/research/Moodys-changes-outlook-on-Brazils-Ba2-issuer-rating-to-stable--PR_362466)

At the same time, Moody's assigned Corporate Family Ratings (CFR) and withdrew the issuer ratings of some infrastructure companies. Moody's has also upgraded Brennand Investimentos S.A. and Brennand Energia S.A. national scale CFRs to A1.br and A2.br, respectively, from A3.br. And, Moody's upgraded EDP-Energias do Brasil CFR to Ba2 from Ba3 (global scale) and to Aa2.br from A1.br (national scale).

**ISSUERS AND RATINGS AFFECTED**

Please click on this link [http://www.moody's.com/viewresearchdoc.aspx?docid=PBC\\_194868](http://www.moody's.com/viewresearchdoc.aspx?docid=PBC_194868) for the list of affected credit ratings. This list is an integral part of this press release and identifies each affected issuer.

**RATINGS RATIONALE**

The rating outlook change follows Moody's March 15 action to stabilize the outlook on Brazil's government issuer rating (Ba2, stable, please see press release for more information).

At the same time, Moody's withdrew the issuer ratings and assigned Corporate Family Ratings (CFRs) for some companies affected by the outlook change, more accurately reflecting the enterprise risks.

The upgrade of the CFRs of Brennand Investimentos S.A., Brennand Energia S.A. and EDP- Energias do Brasil reflect the resilient operating performance of those companies and Moody's expectation that their credit metrics will remain strong for the rating category.

Please see [www.moody's.com.br](http://www.moody's.com.br) for further details on the recent outlook change in Brazil's issuer rating

**RATING OUTLOOK**

The stable outlook for all these companies mainly reflects Moody's stable outlook for Brazil's government bond rating and Moody's view that the creditworthiness of these companies continues to be highly dependent on the credit quality of the sovereign.

**WHAT COULD CHANGE THE RATINGS UP/DOWN**

A rating or outlook change of the sovereign could result in subsequent rating actions for these companies. A rating or outlook change could also be triggered if Moody's perceives a material change in the regulatory frameworks under which these companies operate, or disruptive political interference in the normal course of their businesses. Sustained deterioration or improvement in the relevant credit metrics or the liquidity profile is also a trigger for a rating change for those issuers.

**METHODOLOGIES USED**

The principal methodology used in rating Autovias S.A., CCR S.A., Conc da Rodovia dos Lagos S.A. (ViaLagos), Conc Sist Anhang-Bandeirant S.A. Autoban, Concessionaria Bahia Norte S.A. -- CBN, Concessionaria de Rod Int do Oest SA (SPVias), Concessionaria de Rodovias Interior Paulista, Concessionaria do Rodoanel Oeste S.A., Concessionaria Rod.Oeste SP Viaoeste S.A., Concessionaria Rodovia Pres. Dutra S.A., Ecorodovias Concessoes e Servicos S.A., and Rota das Bandeiras S.A. was Privately Managed Toll Roads published in May 2014. The principal methodology used in rating EATE - Emp. Amazonense Trans. Energ. S.A., ECTE - Emp. Catarinense Trans. Energ. S.A., ENTE - Emp. Norte de Trans.

de Energ. S.A, ETEP - Emp. Paraense Trans. Energ. S.A., and Transmissora Alianca de Energia Eletrica was Regulated Electric and Gas Networks published in March 2017. The principal methodology used in rating Bandeirante Energia S.A., Cia de Gas de Sao Paulo -- COMGAS, EDP - Energias do Brasil S.A., Eletropaulo Met. Elet. de Sao Paulo, Energisa S.A., and Espirito Santo Centrais Eletricas -- ESCELSA was Regulated Electric and Gas Utilities published in December 2013. The principal methodology used in rating AES Tiete Energia S.A., Brennand Energia S.A., Brennand Investimentos S.A., CPFL Energias Renovaveis S.A., Rio Parapanema Energia S.A., Energest S.A., Lajeado Energia S.A. and Statkraft Energias Renovaveis S.A. was Unregulated Utilities and Unregulated Power Companies published in October 2014. The methodologies used in rating Companhia de San Bas do Estado de Sao Paulo, Companhia de Saneamento do Parana -- SANEPAR and Empresa Baiana de Aguas e Saneamento S.A. were Regulated Water Utilities published in December 2015, and Government-Related Issuers published in October 2014. The principal methodology used in rating Cea I - Centrais Eolicas Assurua I Spe S/A was Power Generation Projects published December 2012. Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of these methodologies.

Moody's National Scale Credit Ratings (NSRs) are intended as relative measures of creditworthiness among debt issues and issuers within a country, enabling market participants to better differentiate relative risks. NSRs differ from Moody's global scale credit ratings in that they are not globally comparable with the full universe of Moody's rated entities, but only with NSRs for other rated debt issues and issuers within the same country. NSRs are designated by a ".nn" country modifier signifying the relevant country, as in ".za" for South Africa. For further information on Moody's approach to national scale credit ratings, please refer to Moody's Credit rating Methodology published in May 2016 entitled "Mapping National Scale Ratings from Global Scale Ratings". While NSRs have no inherent absolute meaning in terms of default risk or expected loss, a historical probability of default consistent with a given NSR can be inferred from the GSR to which it maps back at that particular point in time. For information on the historical default rates associated with different global scale rating categories over different investment horizons, please see [https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC\\_1060333](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1060333).

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- Lead Analyst
- Releasing Office
- Person Approving the Credit Rating

Information sources used to prepare the rating are the following: parties involved in the ratings, and public information.

Information types used to prepare the rating are the following: financial data, economic and demographic data, operating data, and historical performance data.

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The rated entities CCR S.A., Conc da Rodovia dos Lagos S.A. (ViaLagos), Conc Sist Anhang-Bandeirant S.A. Autoban, Concessionaria de Rod Int do Oest SA (SPVias), Concessionaria do Rodoanel Oeste S.A., Concessionaria Rod.Oeste SP Viaoeste S.A., and Concessionaria Rodovia Pres. Dutra S.A. are part of the CCR Group which accounted for 5% or more of the annual revenue of Moody's America Latina Ltda. during the preceding calendar year.

The date of the last Credit Rating Action for Autovias S.A. was 24/2/2017

The date of the last Credit Rating Action for CCR S.A. was 25/2/2016

The date of the last Credit Rating Action for Conc da Rodovia dos Lagos S.A. (ViaLagos) was 7/4/2016

The date of the last Credit Rating Action for Conc Sist Anhang-Bandeirant S.A. Autoban was 23/12/2016

The date of the last Credit Rating Action for Concessionaria Bahia Norte S.A. - CBN was 9/5/2016

The date of the last Credit Rating Action for Concessionaria de Rod Int do Oest SA (SPVias) was 23/5/2016

The date of the last Credit Rating Action for Concessionaria de Rodovias Interior Paulista was 24/2/2017

The date of the last Credit Rating Action for Concessionaria do Rodoanel Oeste S.A. was 5/5/2016

The date of the last Credit Rating Action for Concessionaria Rod.Oeste SP Viaoeste S.A. was 8/11/2016

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The date of the last Credit Rating Action for Bandeirante Energia S.A. was 6/3/2017

The date of the last Credit Rating Action for Brennand Energia S.A. was 25/2/2016

The date of the last Credit Rating Action for CPFL Energias Renovaveis S.A. was 25/2/2016

The date of the last Credit Rating Action for AES Tiete Energia S.A. was 8/11/2016

The date of the last Credit Rating Action for Brennand Investimentos S.A. was 25/2/2016

The date of the last Credit Rating Action for Cia de Gas de Sao Paulo - COMGAS was 9/5/2016

The date of the last Credit Rating Action for Rio Paranapanema Energia S.A. was 18/7/2016

The date of the last Credit Rating Action for EATE - Emp. Amazonense Trans. Energ. S.A. was 9/5/2016

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The date of the last Credit Rating Action for EDP - Energias do Brasil S.A. was 9/5/2016

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The date of the last Credit Rating Action for ETEP - Emp. Paraense Trans. Energ. S.A. was 25/2/2016

The date of the last Credit Rating Action for Energest S.A. was 19/4/2016

The date of the last Credit Rating Action for Energisa S.A. was 25/2/2016

The date of the last Credit Rating Action for Eletropaulo Met. Elet. de Sao Paulo was 9/5/2016

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The date of the last Credit Rating Action for Statkraft Energias Renovaveis S.A. was 10/6/2016

The date of the last Credit Rating Action for Transmissora Alianca de Energia Eletrica was 25/2/2016

The date of the last Credit Rating Action for Cea I - Centrais Eolicas Assurua I Spe S/A was 3/10/2016

The date of the last Credit Rating Action for Companhia de San Bas do Estado de Sao Paulo was 25/2/2016

The date of the last Credit Rating Action for Companhia de Saneamento do Parana - SANEPAR was 5/7/2016

The date of the last Credit Rating Action for Empresa Baiana de Aguas e Saneamento S.A was 22/8/2016

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