

## **Votorantim Energia and CPPIB expand joint venture with acquisition of the controlling stake in Brazilian hydro generation company CESP**

**São Paulo, Brazil/Toronto, Canada (October 19, 2018):** Votorantim Energia and Canada Pension Plan Investment Board (CPPIB) announced today that a consortium formed by their joint venture has acquired the controlling stake in Brazilian hydro generation company Companhia Energética de São Paulo (CESP), acquiring 80.2% of its common shares and 13.7% of its class B preferred shares. This investment is the result of an auction held today by the State of São Paulo at the Brazilian Stock Exchange.

The consortium offered R\$14.60 per common and class B preferred share for a 35.6% stake in the company's total share capital, representing a R\$1.7 billion investment by the joint venture partners.

Following the completion of the transaction, and as described in the auction bidding documents, CESP will be granted a new concession for the Porto Primavera Hydroelectric Power Plant for 30 years in exchange for a payment of R\$1.4 billion. Following the change of control, the consortium will launch a Mandatory Tender Offer for the remaining common and class B preferred shares of CESP, compliant with the terms outlined in the auction bidding documents, the company's bylaws and the applicable regulation of the Brazilian Securities Exchange Commission, Comissão de Valores Mobiliários.

This transaction aligns with the growth objectives of the joint venture between Votorantim Energia and CPPIB in renewable energy in Brazil, adding to its current portfolio of 564MW of installed capacity. The joint venture was first announced in December 2017 with a target to invest in Brazil's power generation sector.

The closing of the transaction, and subsequent transfer of control of CESP, is subject to customary regulatory approvals, including Agência Nacional de Energia Elétrica (ANEEL) and Conselho Administrativo de Defesa Econômica (CADE).

### **About Votorantim Energia**

Votorantim Energia is a company that invests in and operates generation assets in Brazil, is one of the top 5 largest power trading players in the country, and operates hydroelectric plants belonging to Votorantim S.A.'s invested companies with a total installed capacity of 2.2 GW. Votorantim Energia is a portfolio company of Votorantim S.A., a family-owned holding company which celebrated its 100-year anniversary in 2018 and operates across a diverse set of sectors including cement, metals and mining, pulp and paper, and finance.

## About CPPIB

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At June 30, 2018, the CPP Fund totalled C\$366.6 billion. For more information about CPPIB, please visit [www.cppib.com](http://www.cppib.com) or follow us on [LinkedIn](#), [Facebook](#) or [Twitter](#).

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