



**INVITATION TO BID
NEW BUSINESS OPPORTUNITY
PROCEDURE TO SELECT PRIVATE COMPANIES, VENTURE COMPANIES AND INVESTING
COMPANIES TO ORGANIZE PARTNERSHIPS**

1 OBJECTIVE

The Objective of this Invitation To Bid is to select potential private partners with capital, rights, projects, and/or business opportunities in the energy industry, and which may consider FURNAS as strategic partner, and which may be aligned with FURNAS' mission and corporate vision, in order to put together a projects portfolio for future participation in the Regulated Procurement Environment – ACR (Ambiente de Contratação Regulada), the Free Procurement Environment – ACL (Ambiente de Contratação Livre), and the Transmission Utility Procurement, as well as Generation or Transmission Assets Share Purchase.

2 PARTICIPATION ASSUMPTIONS

This Invitation To Bid is open to Venture Companies (with projects and/or business opportunities) and/or Investing Companies, Financial Institutions, and FIPs, either severally or in consortium, as follows:

- Any company selected through this ITB may be invited by FURNAS to organize partnerships in order to participate in the Regulated Procurement Environment – ACR (Ambiente de Contratação Regulada), the Free Procurement Environment – ACL (Ambiente de Contratação Livre), and the Transmission Utility Procurement, as well as Generation or Transmission Assets Share Purchase, according to legal, technical, and financial requirements provided in this ITB;
- Regarding the Regulated Procurement Environment – ACR and Transmission Utility Procurement, any company selected through this ITB shall also comply with ANEEL's ITB;
- FURNAS or its affiliates shall be exclusive partner in participations in any Auction promoted by ANEEL;
- Only Participation Investment Funds - FIP (Fundos de Investimento em Participações) already organized and registered with CVM (Brazilian SEC) will be accepted;

NOTE: This ITB is not applicable ANEEL's Auction 02/2012.

2.1 VENTURE COMPANIES

Venture Companies shall have projects and/or business opportunities as follows:

2.1.1. Generation Projects to be implemented.

2.1.2. Shared Use Assets within FURNAS' facilities, and other Generation or Transmission Assets with awarded or authorized Concession.

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- a) Companies that own projects, either directly or indirectly, shall deliver a technical description of project, together with respective economic and financial assessment, upon FURNAS' request;
- b) Any company that owns projects, either directly or indirectly, to be used as grounds for qualification in any Auction that ANEEL promotes shall take part as Venture Company;
- c) FURNAS reserves the right to establish partnerships with Venture Companies as deems convenient;
- d) Net worth of companies, either severally or in consortium, that intend to remain in partnership after the Authorization is granted to implement and explore the venture shall not be less than 10% of the total investment according to respective share in partnership, and companies' financial capacity shall meet any obligation arising out of the participation, mainly in what regards the delivery of warranties required for project development;
- e) Projects involving real estate subject to judicial liens shall not be accepted;
- f) Only Natural Gas Thermal Power Plants with Initial Environmental License already issued by respective environmental authority and fuel supply agreement already executed shall be accepted;
- g) Only Generation or Transmission Assets with respective Concession or Award Agreement shall be accepted;
- h) Payments for project study development shall be made by Specific Purpose Company to be organized, in the event of success in selling the respective power generated.

2.2 INVESTING COMPANIES, FINANCIAL INSTITUTIONS, AND FIPs:

Investing Companies and/or FIPs may, either severally or in consortium, take part in business opportunities involving the below listed segments.

2.2.1 Generation and Transmission Projects to be implemented.

2.2.2. Generation or Transmission Assets Share Purchase with concession or authorization granted.

- a) FURNAS reserves the right to establish partnerships with Venture Companies as deems convenient, without prejudice to provisions of this Invitation To Bid;
- b) Investing Companies, Financial Institutions and/or FIPs shall, either severally or in consortium, meet the conditions established by ANEEL to execute the Concession or Award Agreement, including what regards the participation and warranty and this ITB;
- c) Investing Companies, Financial Institutions and/or FIPs shall, either severally or in consortium, meet the conditions established by Financing Banks;
- d) Investing Companies, Financial Institutions and/or FIPs shall, either severally or in consortium, have financial capacity to assume at least 51% of rights and obligations of any future partnership;
- e) Net worth (NW) of Investing Companies, Financial Institutions and/or FIPs shall, either severally or in consortium, be equivalent to at least 5.1% of the total investment to be made;
- f) Investing Companies, Financial Institutions and/or FIPs shall, either severally or in consortium, inform the maximum value of investment of their participations and the type of Project to be implemented, or Generation or Transmission Assets to be included in the REGISTRATION FORM;



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- g) The Generation or Transmission Assets Share Purchase, as well as the Purchase of projects to be implemented, shall be decided jointly by Furnas and the Investing Company, so that an improved reliability of Furnas System and/or a maximized Business return may be achieved;

NOTE: As to Participation Investment Funds - FIP (Fundos de Investimento em Participações), the weighted average of relevant net worth (NW) shareholders shall be considered for NW assessment.

3 PROCEDURE

The process related to this ITB shall be developed in stages, as follows:

No	STAGES	RESPONSIBILITY
I	Registration of interested companies	Interested companies
II	Request of additional information	FURNAS
III	Pre-selection of Interested Companies	FURNAS
IV	Definition of Partnerships	FURNAS

Clarification on stages:

STAGE I: REGISTRATION OF INTERESTED COMPANIES

The interested party shall enter its registration by completing the on-line REGISTRATION FORM at www.furnas.com.br. Anyone interested in organizing a partnership with FURNAS shall file a fully completed REGISTRATION FORM.

- a) Any company interested in taking part in **ANEEL's Auction A-5/2012**, estimated for April 26, 2012, FURNAS shall disclose, at least 5 business days in advance, the **deadline** to have the REGISTRATION FORM complete.
- b) As to other auctions that ANEEL may promote, FURNAS shall disclose, at least 5 business days in advance, the **deadline** to have the REGISTRATION FORM complete.
- c) Any company interested in taking part in any other modality of business, FURNAS shall disclose, at least 5 business days in advance, the **deadline** to have the REGISTRATION FORM complete.
- d) The REGISTRATION FORM shall be fully completed.

Note: In the event of any change in ANEEL's schedule for Generation and Transmission Auctions, the registration dates may be revised, at FURNAS' discretion, and will be properly disclosed.



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**STAGE II: REQUEST FOR ADDITIONAL INFORMATION AND DOCUMENTATION FROM
ADDRESSED TO VENTURE COMPANIES, INVESTING COMPANIES, FINANCIAL
INSTITUTIONS OR REGISTERED FIPs**

Within maximum 5 (five) business days after the final date of registration with the ITB, FURNAS shall send to interested companies and companies that meet the "Participation Assumptions" and the "Declaration of Compliance" (in the Registration Form) the objective selection criteria (technical, commercial, legal, and strategic criteria) and the request for "ADDITIONAL INFORMATION AND DOCUMENTATION" by e-mail.

Any interested company shall have 5 (five) business days as of the date of request of "ADDITIONAL INFORMATION AND DOCUMENTATION" (including) to send the information to FURNAS by e-mail chamadaoportunidades@furnas.com.br, in digital document (non editable).

Venture companies, investing companies, or FIP registered and pre-selected in this ITB that have already met the request for information and documentation of ITB related to Auction A -3 – 2012, published by FURNAS on January 17, 2012, may use, at this Concessionaire's discretion, the documents previous presented, provided that they fully meet the established selection criteria.

STAGE III: PRE-SELECTION OF INTERESTED COMPANIES

Once having the documentation presented and the additional information received from interested companies according to STAGE II, FURNAS shall pre-select and classify companies able to enter into new businesses and, if required, will request new information or call for conversation in order to complement any information already delivered.

STAGE IV: DEFINITION OF PARTNERSHIPS

After the pre-selection of potential partners according to participation assumptions, document analysis, and classification criteria established in previous stages, meetings will be held with the pre-selected companies, in order to discuss strategy and governance aspects of a future SPE to be organized.

FURNAS, if its capital share is 49%, shall nominate half of the members of the Board of Directors, and the chair of the board shall be one of the Directors that FURNAS indicates until 01 (one) year after the initial commercial operation of the Venture, or equivalent term for SPEs already organized.

If Furnas' capital share is less than 49%, the nomination of members of the Board of Directors and respective chair shall be negotiated case by base, provided that it reflects Furnas share.

The headquarters of any potential SPE shall be in Rio de Janeiro, provided that there will be no obstacle to obtain financing and tax benefits.

Relevant matters on technical, financial, and operational subjects shall be approved in the scope of Shareholders Meetings and the Board of Directors, according by qualified majority.

If FURNAS and the pre-selected companies reach an agreement, then FURNAS shall define the final format of the partnership.

Any partnership shall be consolidated through the execution of a LETTER OF COMMITMENT,



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which shall provide for principles and basic conditions that shall guide the partnership in the event of auctions promoted by ANEEL, until the Auction, as well as future SPE' of the Projects are implemented.

In the event of Generation or Transmission Assets Share Purchase, any partnership shall be consolidated through the execution of a LETTER OF COMMITMENT, which shall provide for principles and basic conditions that shall guide the partnership until Furnas joins the SPE.

Once the consortium for participation including FURNAS and Investing Companies, Financial Institutions, and/or FIP only is organized, the purchase option of selected generation and transmission projects shall be executed, and shall be exercised by the SPE in the event of success in Auction.

4 FINAL PROVISIONS

Any data and/or information generated in process, considering the strategic importance for the company's participation in the Regulated Procurement Environment – ACR, the Free Procurement Environment – ACL, the Transmission Utility Procurement, and the Generation or Transmission Assets Purchase (or Participation) shall be treated as confidential by the parties involved.

Venture companies, investing companies, financing companies and FIPS involved with this selection process shall be aware of the fact that their participation shall not imply bond with or obligation from FURNAS related to organizing a future partnership in relevant auctions.

FURNAS reserves the right to carry out audits, including compliance audits, in venture companies, investing companies, financial institutions, and FIPs interested in this Invitation To Bid, and FURNAS shall have to right to access companies' facilities and information as required.

The selection of a partner among those companies that meet the technical and financial qualifications shall be guided by conditions of achieving the best results for business, and said conditions shall be assessed according to objective criteria.

Any additional information on this Invitation To Bid may be requested by e-mail to: chamadaoportunidades@furnas.com.br.

Rio de Janeiro, RJ, February 02, 2012

SENIOR MANAGEMENT