Canada Pension Plan Investment Board and Votorantim Energia Sign Agreements to Form Joint Venture to Invest in Brazilian Power Generation Sector

Joint Venture Initially Invests in Two Wind Parks in Northeast Brazil: Ventos do Piauí I and Ventos do Araripe III With Combined Generation Capacity of 565 MW

Key Highlights:

- Canada Pension Plan Investment Board and Votorantim Energia announce that they have signed agreements to form a new joint venture that will focus on investments in Brazil's power generation sector.
- The joint venture is initially acquiring two operational wind parks in Northeastern Brazil with a combined generation capacity of 565 megawatts.

Toronto, Canada/São Paulo, Brazil (December 15, 2017) – Canada Pension Plan Investment Board (CPPIB), a professional investment management organization, and Votorantim Energia, the energy subsidiary of Brazil's Votorantim Group, today announced that they have signed agreements to form a new joint venture focusing on investments and developments in the Brazilian power generation sector. The joint venture is initially acquiring two operational wind parks in Northeastern Brazil: Ventos do Araripe III (Ventos III) from Brazilian project developer Casa dos Ventos, and Ventos do Piauí I (Piauí I), contributed by Votorantim Energia into the joint venture. As part of the transaction, CPPIB is initially contributing approximately R$ 690 million (C$272 million) in equity. Over time, the joint venture expects to invest more than R$ 3 billion in operational and development assets in this sector in Brazil.

Ventos do Piauí I is located in the state of Piauí, and has a generating capacity of approximately 206 megawatts of power with committed investments of R$ 1.2 billion. Ventos III, located in the state of Piauí and Pernambuco, has an installed capacity of approximately 359 megawatts with committed investments of R$ 1.8 billion. Together, the wind parks will have 565 megawatts of installed capacity, with almost all of their entire production contracted in the regulated market. The acquisitions are subject to customary closing conditions and regulatory approvals.

"This transaction enables CPPIB to establish a footprint in the attractive Brazilian power generation market, which fits well with our overall power and renewables strategy and further diversifies the CPP Fund," said Bruce Hogg, Managing Director, Head of Power and Renewables, CPPIB. "Brazil is considered among the top renewable energy markets in the world, and as demand in the country grows, wind energy is expected to be one of the largest contributors to this new supply. We look forward to building a long-term partnership with Votorantim, a best-in-class local operator, to expand our joint venture. As power demand grows worldwide and with a focus on accelerating the energy transition, CPPIB will continue to seek opportunities to expand our power and renewables portfolio globally."

"We are very enthusiastic to partner with CPPIB, a reputable investor that shares our long-term vision for the sector and the prospects for the joint venture. This reinforces our commitment to the power sector in Brazil, where we have been investors for almost 100 years," said João Miranda, CEO of Votorantim.

"The renewable energy sector is an attractive, expanding market that will require major investments from the private sector now and in the coming decades. By joining with a strong partner such as CPPIB, we have expanded our capacity and accelerated our growth plan in this segment with an investor that shares our vision for the business," said Fabio Zanfelice, president of Votorantim Energia.

The joint venture will actively pursue power generation investments and acquisitions across Brazil.

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 September 30, 2017, the CPP Fund totalled C$328.2 billion. For more information about CPPIB, please visit www.cppib.com or follow us on LinkedIn, Facebook or Twitter.

About Votorantim
Votorantim is a family owned long-term investor in various industries. Votorantim investee companies operate in 23 countries and employs over 44,000 people, in core industry sectors such as cement, mining, pulp and in the financial segment. In 2016, Votorantim's net revenues totaled R$ 26.7 billion (US$8.2 billion) and adjusted EBITDA amounted to R$ 4.3 billion (US$1.3 billion). Votorantim will celebrate its 100th-year anniversary in 2018. Votorantim Energia, wholly owned by Votorantim, is the second-largest energy trading company in Brazil and operates 23 hydro power plants, 7 wind farms, and has partnerships in 9 consortiums, with total installed capacity of 2.2 GW.

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