Earnings Release | 1Q19

ENGIE Brasil Energia marks its debut in the Brazilian natural gas segment by acquiring a stake in Transportadora Associada de Gás S.A. (TAG)

Umburanas Wind Complex goes into full commercial operations.

Ebitda and net income report growth of 15.9% and 15.6%, respectively.

Highlights

- ENGIE Brasil Energia (EBE) reported net operating revenue of R$ 2,338.8 million in 1Q19, 25.1% (R$ 469.9 million) greater than in 1Q18.
- Ebitda[1] reached R$ 1,212.8 million in 1Q19, an increase of 15.9% (R$ 166.2 million) compared to 1Q18. The Ebitda margin was 51.9% in 1Q19, a 4.1 p.p. reduction compared to 1Q18.
- 1Q19 net income was R$ 565.5 million (R$ 0.6927/share), 15.6% (R$ 76.2 million) more than 1Q18.
- The average price for energy sales agreements, net of exports, revenue taxes and trading operations was R$ 188.07/MWh in 1Q19, 6.0% up on 1Q18.
- The amount of energy sold in 1Q19, excluding trading operations, was 9,050 GWh (4,190 average MW), a volume 2.6% higher than sold in 1Q18.
- In March, Fitch Ratings reiterated its Long Term National Rating at 'AAA(bra)' with a stable outlook and 'BB' on the global scale with stable outlook, and thus one notch above sovereign rating. In addition, Fitch also reiterated the 'AAA(bra)' rating with a stable outlook, for the Company's sixth and seventh unsecured debenture issues.

Subsequent Events

- On April 5, the Company, together with a subsidiary of ENGIE S.A. and the Canadian investment fund, Caisse de Dépôt et Placement du Québec (CDPQ), was declared the winner for the acquisition of a participation in Transportadora Associada de Gás S.A. (TAG), the largest gas carrier in Brazil.
- On April 10, Fitch Ratings reiterated the Company's ratings following the acquisition of the stake in TAG.
- In April, the total installed proprietary capacity of EBE's generating complex reached 8,365.5 MW, with the additional 360 MW following the startup in commercial operations of the final four wind farms in the Umburanas Wind Complex – Phase I.
- The Board of Directors Meeting of April 17th approved the 8th simple debentures issue for R$ 2.5 billion, providing working capital to finance the implementation of the Company's business plan.
- The Annual General Meeting of April 26th approved the distribution of complementary dividends for the fiscal year ending December 31, 2018 in the amount of R$ 76.7 million (R$ 0.0940/share), whose distribution reached 100% of net adjusted distributable income. The shares will be traded ex-dividend as from May 7, 2019 and the payment date will be defined by the executive board.

Summary of Financial and Operational Indicators

ENGIE Brasil Energia - Consolidated

(In millions of R$)	1Q19	1Q18	Chg.
Net Operating Revenue (NOR)	2,338.8	1,868.9	25.1%
Results from Operations (EBIT)	1,016.6	875.6	16.1%
Ebitda (1)	1,212.8	1,046.6	15.9%
Ebitda / NOR - (%)(1)	51.9	56.0	-4.1 p.p.
Net Income	565.5	489.3	15.6%
Return On Equity (ROE) (2)	34.7	27.9	6.8 p.p.
Return On Invested Capital (ROIC) (3)	21.0	21.1	-0.1 p.p.
Net Debt (4)	8,322.0	5,800.3	43.5%
Gross Power Production (avg MW) (5)	5,277	4,630	14.0%
Energy Sold (avg MW) (6)	4,190	4,085	2.6%
Average Net Sales Price (R$/MWh) (7)	188.07	177.41	6.0%
Number of Employees - Total	1,411	1,166	21.0%
EBE Employees	1,290	1,117	15.5%
Employees on Under Construction Plants	121	49	146.9%

(1) Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization.
(2) ROE: net average equity for the past 4 quarters /shareholders' equity.
(3) ROIC: effective tax rate x EBIT / invested capital (invested capital: debt - cash and cash equivalents - deposits earmarked for debt servicing + SE).
(4) Adjusted amount, net of gains from hedge operations.
(5) Total gross electricity output from the plants operated by ENGIE Brasil Energia.
(6) Disregarding sales for quota regime (Jaguara and Miranda HPPs).
(7) Net of taxes, exports and trading operations.

Florianópolis, Brazil, May 8, 2019. ENGIE Brasil Energia S.A. ("ENGIE Brasil Energia", "EBE" or "Company") – B3: EGIE3, ADR: EGIEY - announces earnings for the First Quarter of 2019 (1Q19). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. The values are expressed in Brazilian Reais (R$), except where otherwise indicated.

For Immediate Release

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Conference call and webcast:
On 5/9/2019 at 10:00 a.m. (EDT): in Portuguese (simultaneous translation into English).

Further details on Upcoming Events section, available on page 24.

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MESSAGE FROM THE MANAGEMENT

We closed the first quarter of the year with the same consistency which has characterized the results and the performance of ENGIE Brasil Energia over recent periods. The determined pursuit of our objectives, supported by our convictions and the level of deliveries of our team, have kept us on track for realizing the Company's strategy of becoming a key player in Brazilian infrastructure and thus maximizing value creation.

It is with the greatest satisfaction that we can report once more solid and significant growth for all the Company's key financial and operational indicators. Our Net Operating Revenue was R$ 2.3 billion, growing 25.1% compared with 1Q18, while Ebitda reached R$ 1.2 billion, 15.9% higher than reported for the same period in 2018. Net Income amounted to R$ 565.5 million, 15.6% higher than reported in 1Q18. The Company's results continue to reflect positive evolution with increases, both in average price together with sales volume, the improvement in the results of operations conducted across the short term market as well as trading operations and the reduction in energy purchases for the management of the Company's portfolio, among other factors.

> The soundness of our generation operations combined with our debut in the transmission market and more recently in gas transportation, in practice consolidate the plans for offering the investor a single investment vehicle, positioned to capture the best opportunities in the development of the country's energy infrastructure.

In spite of some difficulties, the first synchronization at Pampa Sul TPP is expected to take place in May and the plant to go into commercial operations in late June with an installed capacity of 345 MW. We will continue to guide our actions with a view to delivering the planned and announced steps and we make a point of reinforcing the commitment by adopting a 'walk the talk' posture, that is, through fully satisfying our commitments as we can see in the following highlights:

Umburanas Wind Complex – 100% operational

- During 1Q19 and April, the assembly of the medium voltage networks of all the wind farms in the Umburanas Wind Complex – Phase 1 was concluded, the state environmental protection agency (Inema) issuing the Operational License and Aneel, the authorization for entry into commercial operations of the wind farms in the Complex. Consequently, Umburanas has been in full commercial operation since April 24, which represents the addition of a further 360 MW to the EBE generating complex's total installed capacity.

Acquisition of Transportadora Associada de Gás (TAG)

- With the necessary authorizations from the Board of Directors and the Related Parties Committee in 1Q19 and following more than a year of negotiations, in early April we received confirmation that EBE, in conjunction with a subsidiary of ENGIE S.A. and the Canadian investment fund, Caisse de Dépôt et Placement du Québec (CDPQ), had been successful in its bid to acquire the largest natural gas carrier in the country for US$ 8.6 billion. TAG has approximately 4.5 thousand km of high pressure gas pipelines crossing 10 states in the North, Northeast and Southeast regions of Brazil with a firm contracted capacity to carry more than 70 million m^3 of gas per day. Petrobras will maintain its minority stake of 10% in TAG and also the long term agreements for use of the pipeline already in force.
- In addition to being a operation which will bring immediate added value to ENGIE Brasil Energia, the acquisition is closely aligned to our strategic principles. Our objective of spearheading the energy transition matrix includes necessarily incorporating efficient security in the system with competitive cost. The current renewable sources of power are of a characteristically intermittent nature and it is natural gas-fired thermal electricity which fulfills the essential backup function thus allowing for the improved harnessing and management of renewable generation overall.

The debut in this new market with the acquisition of TAG is reminiscent of our early years when we saw major opportunities for the development energy generation in Brazil more than two decades ago. Likewise, today we see the same scenario with our objective of leading the growth which the gas value chain is expected to experience in the country.

The soundness of our generation operations, combined with our debut in the transmission market and more recently in that of gas transportation, in practice consolidate the plans for offering the investor a single investment vehicle, positioned to capture the best opportunities in the development and growth of the country's energy infrastructure.

We continue convinced of our propositions and convictions, each new conquest reinforcing our belief of being on the right track for delivering an excellent level of shareholder value, at the same time contributing to the strengthening of energy infrastructure in Brazil but without losing the focus of the sustainability of our operations, both from the financial and also the socio-environmental point of view.



Eduardo Antonio Gori Sattamini
Chief Executive Officer, Chief Financial and Investor Relations Officer

OPERATING PERFORMANCE

Generating Complex

ENGIE Brasil Energia is part of the largest independent power producer group in the country and, with the startup in commercial operations of 14 from a total of 18 wind farms from the Umburanas Wind Complex, at the end of the 1Q19 had 8,275.5 MW of installed capacity and operates a generating complex with 9,996.2 MW, comprised of 55 plants (11 hydro, three thermal and 41 complementary energy source plants — biomass, SHP, wind powered and solar), 51 of which are wholly-owned by the Company and four (the Itá, Machadinho and Estreito Hydro Power Plants and the biomass-fired Ibitiúva Bioenergética co-generation plant) jointly-owned through consortia with other companies.

ENGIE Brasil Energia's Generating Complex – in March 31, 2019

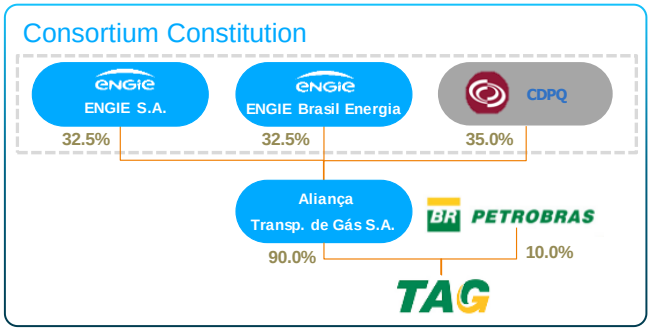
Power Plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	Company's Share		
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	Oct/30	564.7
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Sep/28	733.3
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9	Jul/32	165.3
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6	Nov/37	256.9
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0	Sep/28	502.6
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	Aug/33	260.8
Jaguara	Hydro	Grande River (MG)	424.0	424.0	Dec/47	341.0
Miranda	Hydro	Araguari River (MG)	408.0	408.0	Dec/47	198.2
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	Apr/37	148.2
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	Sep/28	113.1
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	Sep/34	133.6
Total - Hydro			**8,102.3**	**6,391.7**		**3,417.7**
Jorge Lacerda Complex[1]	Thermal	Capivari de Baixo (SC)	857.0	857.0	Sep/28	649.9
Total - Thermal			**857.0**	**857.0**		**649.9**
Umburanas Complex[2]	Wind Farm	Umburanas (BA)	270.0	270.0	Aug/49	158.1
Campo Largo Complex[3]	Wind Farm	Umburanas (BA)	326.7	326.7	Jul/50	169.6
Trairi Complex[4]	Wind Farm	Trairi (CE)	212.6	212.6	Sep/41	102.3
Ferrari	Biomass	Pirassununga (SP)	80.5	80.5	Jun/42	35.6
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	Apr/30	13.9
Assú V	Solar	Assú (RN)	30.0	30.0	Jun/51	9.2
Lages	Biomass	Lages (SC)	28.0	28.0	Oct/32	14.6
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6	Dec/32	14.0
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	24.4	24.4	Dec/32	11.9
Nova Aurora	Solar	Tubarão (SC)	3.0	3.0	not applicable[5]	0.0
Tubarão	Wind Farm	Tubarão (SC)	2.1	2.1	not applicable[5]	0.0
Total - Complementary			**1,036.9**	**1,026.8**		**529.2**
Total			**9,996.2**	**8,275.5**		**4,596.8**

[1] Complex comprised of three power plants.
[2] Complex comprised of 14 power plants under operation.
[3] Complex comprised of 11 power plants.
[4] Complex comprised of 8 power plants.
[5] For generating plants with installed capacity lower than or equal to 5 MW the legal instrument applicable is the record.

Transportadora Associada de Gás (TAG)

Jointly with a subsidiary of the ENGIE Group and the Canadian investment fund Caisse de Dépôt et Placement du Québec (CDPQ), EBE was successful in the bid organized by Petróleo Brasileiro S.A. – Petrobras for the acquisition of a 90% shareholding stake in Transportadora Associada de Gás S.A. (TAG). The total value of the offer represents an enterprise value of R$ 35.1 billion for 100% of TAG, at the baseline date of December 31, 2017.

Consortium Constitution



TAG is the largest natural gas carrier in Brazil with a gas pipeline infrastructure of approximately 4,500 km, which extends the entire length of the coastline of the Southeast and Northeast plus an additional section between Urucu and Manaus in the Amazon region. The network serves eight gas distributors, two refinaries, two fertlizer plants and eight thermoelectric plants.

This acquisition represents ENGIE's debut in the natural gas segment in Brazil and is aligned to the Group's global strategy to be a leader in the energy transition, requiring sophisticated, large scale infrastructure such as the TAG gas pipelines and contributing to the diversification and decarbonization of the Brazilian energy mix.

The gas **carrier is significantly contracted** (~98%) over the medium and long terms through long-term agreements with Petrobras.

Contracts Breakdown

Gas Pipelines	Size (km)	Contract Maturity	Authorization Term Expiration Date	Volumes Contracted (MM m³/day)	%Projected of Net Operating Revenue*
Gasene	1,401.0	Nov/33	Mar/39	30.3	36.9%
Malha NE	2,002.0	Dec/25	Mar/39	21.6	24.0%
Pilar-Ipojuca	189.0	Nov/31	Nov/41	15.0	6.6%
Urucu-Coari-Manaus	802.0	Nov/30	Nov/40	6.3	32.5%
Lagoa Parda-Vitoria	81.0	Under negotiation	Mar/39	0.7	0.0%
Total	**4,475.0**			**73.9**	**100.0%**

* Variations in revenue representativeness between GTAs could be occur.

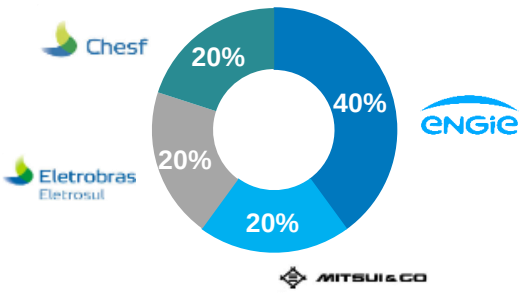
Petrobras' Board of Directors approved the operation and signed the purchase and sale agreement on April 24 and 25, respectively. Financial closing is expected in late May.

Expansion

Jirau. Energia Sustentável do Brasil (ESBR), is responsible for the maintenance, operation and sale of energy generated by the Jirau Hydroelectric Power Plant, located in the Madeira River, in the city of Porto Velho, state of Rondônia.

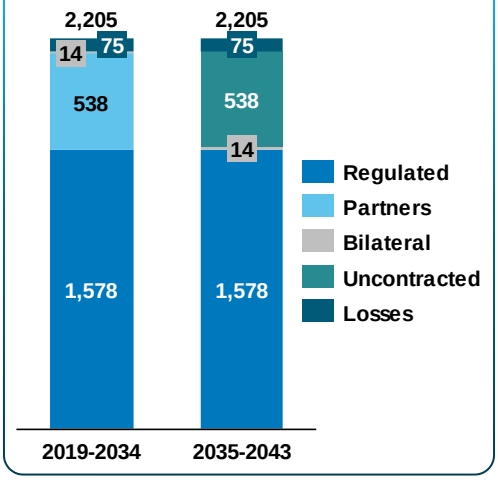
Since November 2016, Jirau HPP has 50 generating units in operation, representing a total installed capacity of 3,750 MW. The plant was unveiled on December 16, 2016.

ESBR – Corporate Structure



ESBR PPA's Portfolio

Average MW



In May 2017, ENGIE Brasil Participações (EBP) announced the engagement of Banco Itaú BBA S.A. to provide financial advisory services for an economic-financial study for the preparation of a proposal for the eventual transfer to ENGIE Brasil Energia (EBE) of EBP's stakes of 40% in ESBR Participações S.A. (ESBRpar) – holder of 100% of the capital stock of ESBR – and the 100% participation in Geramamoré Participações e Comercializadora de Energia Ltda. The transfer assessment has put on hold, awaiting more favorable conditions for the discussions to resume.

In 1Q19, the plant generated 2,722.4 average MW, 4.9% lower than the 2,861.9 average MW for 1Q18, while the National Electrical System Operator Uptime Ratio (FID) was 99.4% (data subject to final Electric Energy Trade Board (CCEE) booking).

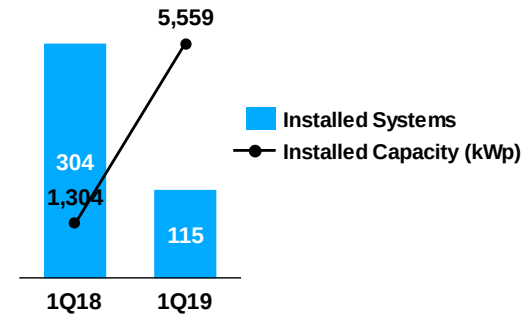
ENGIE Geração Solar Distribuída. The Company has operated in the distributed generation market since 2016 through ENGIE Geração Solar Distribuida S.A. (EGSD), the acquisition of the total capital stock of which being concluded in August 2018. The increased investment in the distributed solar energy segment is one of the ways the Company reaffirms its commitment to operations in the segment and contributes to a more dynamic energy matrix, one closer to the end consumer.



Solar systems installed by EGSD

An initiative of the Industries Federation of the State of Santa Catarina (Fiesc) and executed by ENGIE Geração Solar Distribuída and WEG S.A., in 1Q19 the Solar Industry Program reached 2,327 registrations in the household profile and 747 in the industrial profile in the state of Santa Catarina. The same Program was extended to the states of Mato Grosso – with 267 household consumers and 115 industrial applicants – Rio Grande do Sul, with 276 registrations in the household and a further 139 in the industrial segments.

Number of units and installed capacity



Demand from agribusiness continues vigorous and represents about 40% of the sales potential in the quarter. Finance lines available in the market for the sector continue attractive. EGSD has confirmed its participation in the largest agribusiness show in the country, Agrishow, to be held in São Paulo at the end of April.

In 1Q19, 115 systems were installed with a capacity of 5,558.9 kWp, an increase of 326.1% compared with 1Q18, when installed capacity was 1,304.5 kWp corresponding to 304 systems. Since the outset of its operations, ENGIE Geração Solar Distribuída has installed 2,069 systems with an installed capacity of 21,479.5 kWp across 13 states of the country.

Gralha Azul Transmission System. On December 15, 2017, the Company made a successful bid for Lot 1 of Aneel Transmission Auction 02 for a stretch of about 1,000 kilometers in the State of Paraná (PR), marking EBE's debut into the energy transmission sector in Brazil. The project also includes the installation of five new substations and expansion of another five existing ones. The concession term for the public utility transmission service, including the licensing, the construction, assembly and the operation and maintenance of the transmission line installations will be 30 years as from signature date of the concession agreement.

The expiry date by which time the transmission line must be operational is March 9, 2023. However, EBE will reduce this lead time for installing the operation by at least 12 months. In addition, its plan is to reduce the Aneel investment forecast by about 15%.

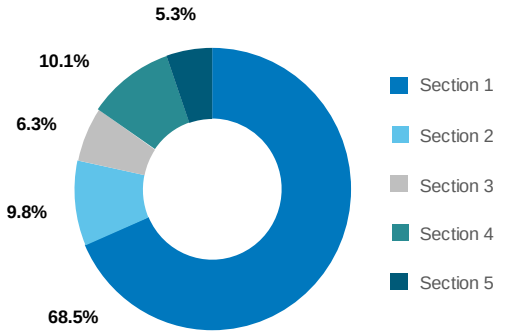
Lot	Location	Contracted RAP (R$ million)	Estimated Capex (R$ million)*
1	Paraná (PR)	231.7	1,700.0
Total		**231.7**	**1,700.0**

* Value as of December 2017.



Transmission lines and substation location

Part of the Annual Allowed Revenue (RAP) (%)



Activities for execution of the executive project, topography and geological surveys are currently in progress, while the principal subcontractors have already been selected with the hiring phase underway.

The environmental teams continue to conduct field studies, the five groups called for in the Simplified Environmental Reports having already conducted technical meetings of an informational nature, details of which have been filed with the environmental agency for the state of Paraná, with the inspection date of the first group already arranged. Work on archeological studies continues and in the land ownership area, activities are already at the stage of negotiating with land owners.

Projects under Construction

Power plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	Company's Share		
Umburanas Complex - Phase I	Wind Farm	Umburanas (BA)	90.0	90.0	From Aug/49 to Aug/50	55.2
Campo Largo Complex - Phase II	Wind Farm	Umburanas and Sento Sé (BA)	361.2	361.2	-	200.0
Pampa Sul	Thermal	Candiota (RS)	345.0	345.0	Mar/50	323.5
Total			**796.2**	**796.2**		**578.7**

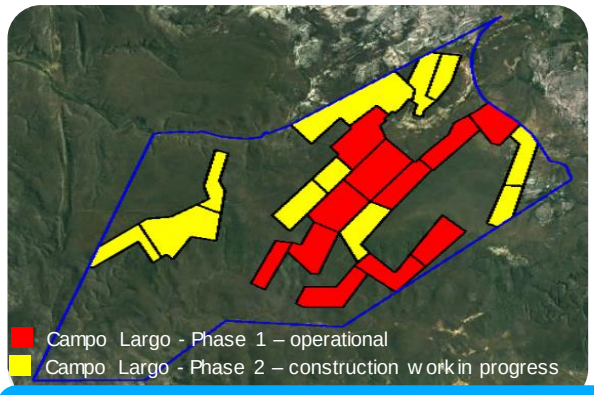
Umburanas Wind Complex – Bahia (Phase I). Located in the municipality of Umburanas (BA), the Complex has a **total installed capacity of 660 MW** to be harnessed in two phases. The installed capacity under Phase I is 360.0 MW, of which 257.5 MW will be sold on the free market while 102.5 MW has been commercialized via the A-5/2014 Energy Auction at the average **price of R$ 175.3/MWh, restated up to March 31, 2019**. The first phase of the Complex will involve an investment of about R$ 1.8 billion (as of September 2017) for 18 wind farms. The remaining 300 MW will be harnessed during Phase II. The project is being developed adjacent to the Campo Largo Wind Complex, thereby capturing synergies both during installation as well as subsequently when commercial operations begin.



Umburanas - Wind Farm 19

In 1Q19, the assembly of the medium voltage networks was concluded for all the wind farms in the Complex. The state environmental protection agency (Inema) issued the Operational Licenses for the Complex and Aneel, the authorization for the startup of commercial operations of the component wind farms, with the exception of Umburanas Wind Farms 1, 2, 3 and 15, which represented a total of 14 wind farms going into commercial operations by the end of the first quarter 2019. The remaining wind farms were under operation in the end of April 2019.

Campo Largo Wind Complex – Bahia (Phase II). Approval was given for a start on the installation of the Campo Largo Wind Complex – Phase II, located in the muncipalities of Umburanas and Sento Sé, approximately 420 km distant from the state capital, Salvador. **Phase II represents 361.2 MW of installed capacity** and 200.0 average MW of assured energy with investments of about R$ 1.6 billion. Operations are scheduled to complete early in 2021.



Ilustrative image from do Campo Largo Wind Complex

The Project will enjoy the benefits of the synergies with existing structures such as the substation and transmission line, installed by the Company to support both the Campo Largo – Phase I and Umburanas – Phase I wind complexes with a total of 686.7 MW of installed capacity. With the installation of the second phase of Campo Largo, EBE's total installed wind capacity will surpass the mark of 1 gigawatt (GW) in the region. Power output from Campo Largo – Phase II will be sold entirely in the Free Contracting Environment (ACL).

In the first quarter of 2019, EBE signed a wind turbine supply agreement for the project with the Danish company, Vestas for 86 wind turbines, model V150 with 4.2 MW of nominal capacity, 120 meters in height and 150 meters in diameter. In addition the Company is in the final stages of negotiations for procurement of the civil engineering and electro-mechanical services.

Pampa Sul Thermoelectric Power Plant – Rio Grande do Sul. The Pampa Sul TPP is to be sited in the Municipality of Candiota, State of Rio Grande do Sul with an installed capacity of 345 MW. The plant will use thermal coal as fuel from a seam also located in Candiota and will be linked to the SIN through a 525 kv transmission line - built by the Company - to the Candiota II substation.



Pampa Sul TPP - general view

The plant's 294.5 average MW of commercial capacity was sold for a 25-year term at the A-5 Auction held on November 28, 2014 at a **price of R$ 245.9/MWh, restated up to March 31, 2019**. The investment approved for the construction of the Plant was approximately R$ 1.8 billion (as of November 2014). Also in November 2014, the Company protected the investment portion in foreign currencies against the exchange rate variation effects through hedging operations.

In 1Q19, among activities warranting mention are: (i) successful completion of the boiler steam blowing process, a key event in the testing and commissioning phase of a thermoelectric plant for detecting any faults in the water, steam and coal circuits and to ensure the quality of the steam reaching the turbine; (ii) commissioning of the electrostatic precipitators; (iii) operation of the coal handling and storage system. Work in the principal plant is now 98.14% complete.

In the occupational health and safety area, worthy of note is the more than 21 million man hours worked without fatal accidents.

The plant is scheduled to go into commercial operations in the second quarter of 2019.

Projects under Development

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Company's Share
Santo Agostinho Complex	Wind Farm	Lajes and Pedro Avelino (RN)	800.0	800.0
Norte Catarinense	Thermal	Garuva (SC)	600.0	600.0
Umburanas Complex - Phase II	Wind Farm	Umburanas (BA)	300.0	300.0
Campo Largo Complex - Phase III	Wind Farm	Umburanas e Sento Sé (BA)	250.0	250.0
Assú - Plants I, II, III e IV	Solar	Assú (RN)	146.8	146.8
Alvorada	Solar	Bom Jesus da Lapa (BA)	90.0	90.0
Total			**2,186.8**	**2,186.8**

Santo Agostinho Wind Complex – Rio Grande do Norte. The Complex is made up of 24 Specific Purpose Companies (SPEs), each one responsible for the development of a wind generation project. All the projects will be located in the municipalities of Lajes and Pedro Avelino, about 120 km from the city of Natal, the capital of the State of Rio Grande do Norte. In June 2016, the State of Rio Grande do Norte's environmental protection agency, the Environmental and Sustainable Development Institute (Idema), declared the project to be environmentally viable. The project now has all the documentation necessary to participate in the energy auctions, including the A-4 and A-6 auctions to be held this year. The increase of the nominal capacity of the wind turbines allowed the revision of its **total installed capacity to 800 MW**.

Norte Catarinense Thermoelectric Power Plant – Santa Catarina. The Company is developing a project for the construction of a natural gas-fired combined cycle thermoelectric power plant in the city of Garuva, in the north of the State of Santa Catarina. **The Norte Catarinense TPP will have an installed capacity of approximately 600 MW**. The project has a Preliminary Environmental License and the Company is evaluating alternatives for the secure supply of natural gas for eventual participation future electric energy auctions.



3D images from the Norte Catarinense TPP project

Umburanas Wind Complex – Bahia (Phase II). The environmental licensing for the Second Phase has been issued with energy under this second phase to be harnessed by EBE in due course alongside the Campo Largo Wind Complex, thus maximizing synergies during implementation and subsequent commercial operations. The project now has all the documentation necessary to participate in the energy auctions, including the A-4 and A-6 auctions to be held this year. Like the Santo Agostinho Complex, Umburanas II also had the nominal capacity of the wind turbines revised, passing its **total installed capacity to 300 MW**.

Campo Largo Wind Complex – Bahia (Phase III). The Company intends to add about **250 MW of installed capacity** to the Campo Largo Wind Complex with the development of its third phase. The project is in the environmental licensing process, regularizing land aspects and will be further developed by EBE next to Phases 1 and 2 of Campo Largo Wind Complex, capturing synergies especially during the commercial operation.

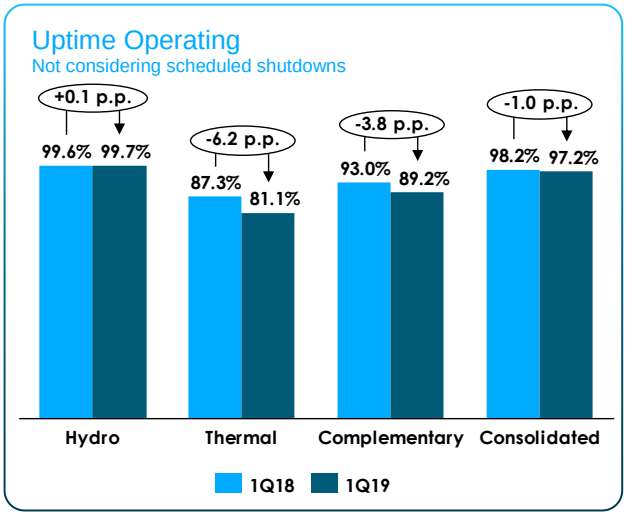
Assú Photovoltaic Complex. Located in the Municipality of Assú, State of Rio Grande do Norte, the Complex will have a total **installed capacity of approximately 183 MWp**, consisting of five projects, among them Assú V. Assú V went into commercial operations in December 2017. The remaining projects are at the stage of evaluating solar radiation, with Preliminary License already issued, and qualified to take part in future new energy auctions.

Besides the abovementioned projects, the Company is also examining the potential for photovoltaic solar energy generation in areas where it is installing its wind farms. In addition, it is also analyzing partnerships which could accelerate the development of this energy source in line with the process of energy transition which is taking place at world level.

Alvorada Photovoltaic Complex. ENGIE Brasil Energia has acquired a site in the State of Bahia, - a region with potential for generating solar energy - for the development of three projects comprising the **Alvorada Photovoltaic Complex**. The projects, which **will have a total installed capacity of 90 MWp.** All projects are at the stage of raising solar irradiance data and received their Preliminary License in August 2016, qualifying them to take part in new energy auctions.

Uptime Operating

The plants operated by ENGIE Brasil Energia reported uptime working of **97.2% in 1Q19, ignoring scheduled stoppages**: 99.7% for the hydroelectric plants, 81.1% for the thermoelectric plants and 89.2% with respect to the plants fired from complementary energy sources, namely SHPs, biomass, wind and photovoltaics.



If all scheduled shutdowns are taken into account, the aggregate uptime in the 1Q19 was 92.9%: 97.8% for the hydroelectric plants, 63.7% for the thermoelectric and 76.4% for plants operating with complementary energy sources.

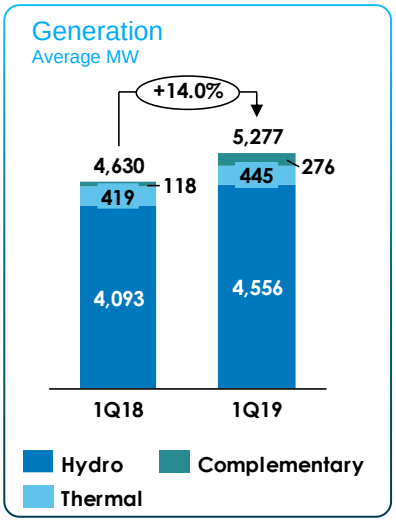
Hydroelectric plant uptime operations in the quarter remained practically unchanged despite modernization work on the Salto Osório Hydroelectric Power Plant and corrective maintenance at the Jaguara Hydroelectric Power Plant.

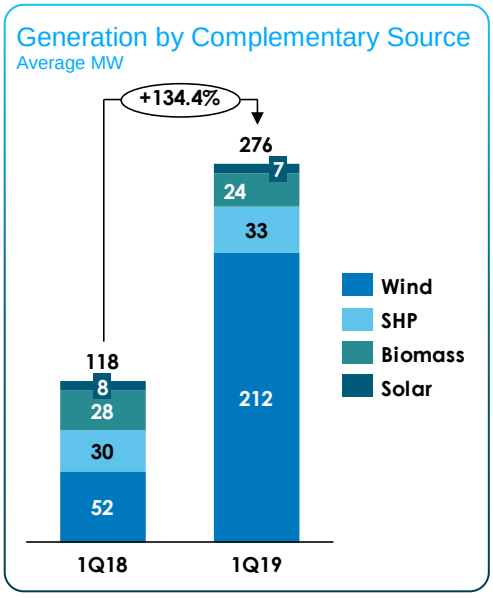
In relation to the thermal plants, uptime working was affected by scheduled preventive maintenance at the Number 5 Generator Unit and corrective maintenance on the Number 1 Generator Unit, both at the Jorge Lacerda Thermoelectric Complex.

At the complementary plants, there was a 3.8 p.p decline in plant uptime due principally to startup in commercial operations of the Campo Largo – Phase I and Umburanas – Phase I Wind Complexes, where there were unscheduled stoppages characteristic of the early stages of ramping up an operation.

Production

Electricity output from plants operated by ENGIE Brasil Energia was 11,399 GWh (5,277 average MW) in 1Q19. This result is **14.0% higher** than production for 1Q18. Total output breaks down as follows: hydroelectric plants, 9,840 GWh (4,556 average MW), thermoelectric plants 961 GWh (445 average MW) and the complementary sourced units 597 GWh (276 average MW). Results point to, respectively, increases of 11.3%, 6.2% and 134.4% on the hydro, termoelectric and complementary energy sources in relation to 1Q18.





The increase in total generation from the Company`s hydroelectric plants on a 1Q19 x 1Q18 comparative basis is principally due to the more favorable hydrological conditions in 1Q19 in the hydrographic basins in which the EBE`s plants are located. In addition, worthy of note was the effect of the 3.5% year-on-year growth in the global load of the National Interconnected System (SIN).

Increased thermoelectric generation is principally due to greater output relative to 1Q18 from the Jorge Lacerda Thermoelectric Complex, energy from its units being dispatched on cost merit basis.

The substantial increase in generation from the complementary plants is due to the start of commercial operations of the Campo Largo Wind Complex – Phase I and part of the Umburanas Wind Complex – Phase I.

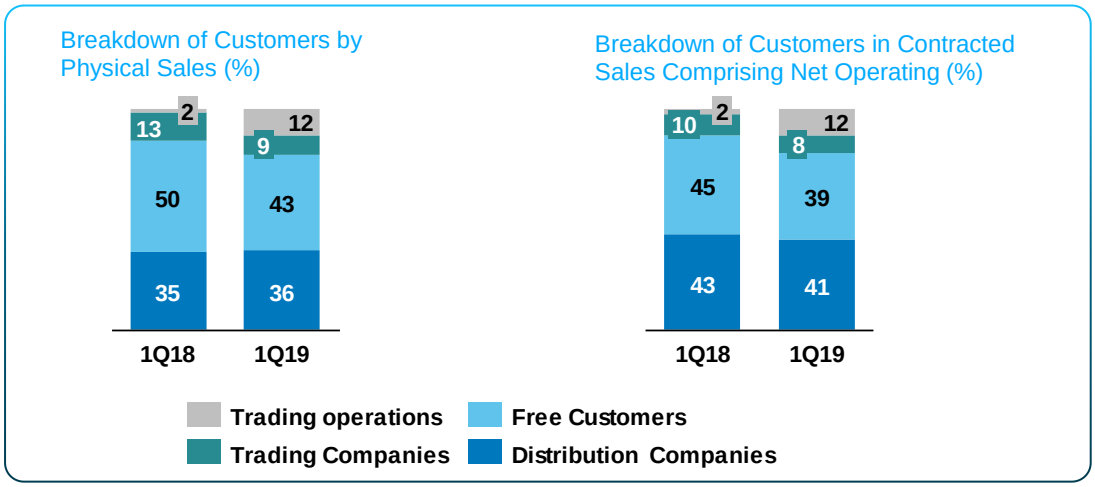
In this context, it is worth pointing out that an increase in the Company's hydroelectric generation does not necessarily reflect an improvement in economic-financial performance. Conversely, a reduction in this type of generation does not inevitably imply a deterioration in economic-financial performance due to the adoption of the Energy Reallocation Mechanism (MRE), which defrays the risks of hydro generation among its participants.

As to the Company's thermal generation, its increase might reduce (as a function of the Company's level of contracting) exposure to the Price for the Settlement of Differences (PLD), the opposite being the case when there is a decrease, all other variables being equal.

Clients

In 1Q19, the free consumer share of the Company's portfolio was 43.4% of total physical sales and 38.9% of the total net operating revenue (except CCEE and other revenues), decreases of 13.0 p.p. and 13.4 p.p., respectively in relation to the same quarter in 2018.

The reduction in the participation of free consumers is largely explained by the reduction in consumption of industrial clients.



Commercial Strategy

The Company pursues a commercial strategy of gradual sales of future energy availability for any given year as a means of mitigating the risk of exposure to spot prices (Price for Settlement of Differences - PLD) for that particular year. Electric energy sales are made during windows of opportunity that open when the market shows a greater buying propensity. ENGIE Brasil Energia's energy balance based on proprietary commercial capacity and power purchasing agreements outstanding as at **March 31, 2019** is as follows:

Energy Balance
(Average MW)

	2019	2020	2021	2022	2023	2024	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted (R$/MWh)	**Net** Price of PIS/COFINS/P&D (R$/MWh)
Own Resources	4,533	4,703	4,877	4,927	4,925	4,926				
+ Purchases for Resale	1,399	829	483	426	353	174				
= Total Resources (A)	**5,932**	**5,532**	**5,360**	**5,353**	**5,278**	**5,100**				
Government Auction Sales[1]	1,992	2,013	2,013	2,013	2,013	2,008				
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	227.8	204.7
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	250.1	224.7
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	261.2	234.7
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	235.0	211.1
2014-EE-2014-06	98	-	-	-	-	-	270.7	May-14	342.2	307.5
Proinfa	19	19	19	19	19	19	147.8	Jun-04	266.3	256.6
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	284.7	274.3
Auction Mix (New Energy / Reserve / DG)	17	14	14	14	14	9	-	-	258.4	249.0
2014-NE-2019-25	173	295	295	295	295	295	183.5	Mar-14	245.9	220.9
2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	266.3	256.6
2014-NE-2019-20	83	83	83	83	83	83	139.3	Nov-14	179.9	163.3
2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	223.5	202.8
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	347.5	315.3
2014-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	175.3	159.1
Government Auction - Quotas regime										
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	138.5	132.1
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	158.8	151.5
+ Bilateral Sales	3,325	3,153	2,793	2,449	1,755	1,028				
= Total Sales (B)	**5,317**	**5,166**	**4,806**	**4,462**	**3,768**	**3,036**				
Balance (A - B)	**615**	**366**	**554**	**891**	**1,510**	**2,064**				
Sales average **net** price (R$/MWh) [2, 3]:	187.8	184.7	184.9							
Purchases average **net** price (R$/MWh) [4]:	181.7	173.1	174.6							

[1] XXXX-YY-WWW-ZZ, where:
XXXX ➔ year of auction
YY ➔ EE = existing energy or NE = new energy
WWWW ➔ year of delivery start
ZZ ➔ supply contract duration (in years)
[2] Sales price, including trading operations, is net of ICMS and taxes over revenue (PIS/Cofins, R&D), i.e. future inflation is not considered.
[3] Desconsidering sales for quota regime (Jaguara and Miranda HPPs).
[4] Purchase net price, considering trading operations and benefits from PIS/Cofins credits, i.e. future inflation is not considered.

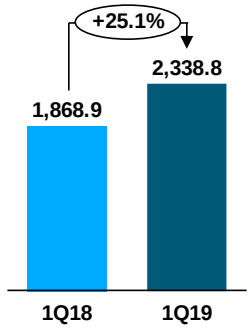
Notes:
- The balance refers to the settlement point (net of losses of internal consumption of the plant).
- The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.
- Aneel agreed to the renegotiation of the hydrological risk with respect to the Company's agreements negotiated through the Regulated Contracting Environment (ACR). Additional information can be found in the financial statements of 2015.

ECONOMIC-FINANCIAL PERFORMANCE

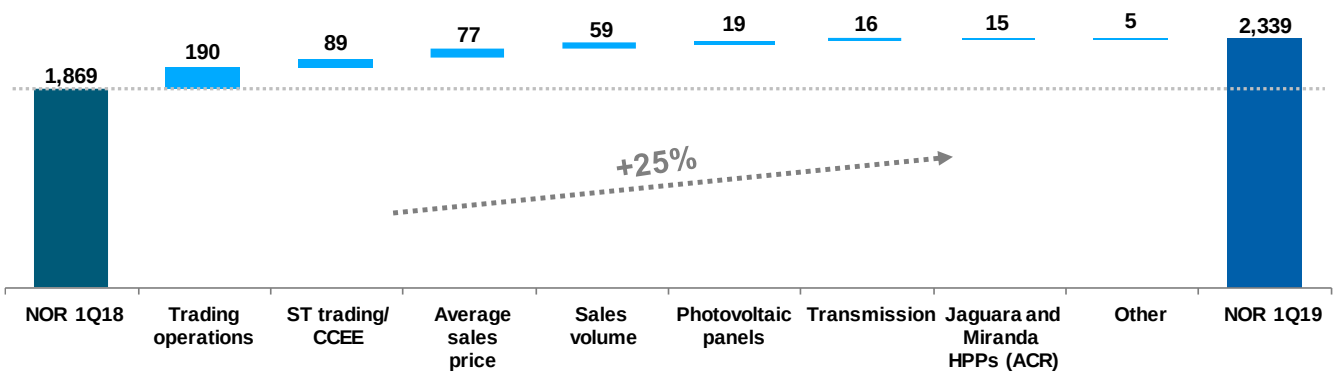
Net Operating Revenue

In 1Q19, net operating revenue reported an increase of 25.1% (R$ 469.9 million) compared to 1Q18 from R$ 1,868,9 million to R$ 2,338.8 million. This variation reflects principally the following factors: (i) R$ 243.4 million (13.3%) increase in the electric energy generation and commercialization of which (i.i) R$ 89.4 million increase in revenue, the result of transactions in the short term market; (i.ii) R$ 77.3 million, corresponding to the increase in net average selling price; (i.iii) R$ 59.2 million, due to greater volumes of energy sold; (i.iv) R$ 15.4 million increase in the remuneration of financial assets relative to the payment for the grant of Jaguara and Miranda Hydroelectric Power Plants concessions; and (i.v) R$ 2.1 million, due to growth in other operating revenues; (ii) R$ 189.9 million increase due to energy trading operations; (iii) R$ 19.0 million from the recognition of revenues from photovoltaic solar panel sales through ENGIE Geração Solar Distribuída (ENGIE Solar), control of which was acquired in August 2018, when the subsidiary was consolidated by the Company; and (iv) R$ 15.7 million related to infrastructure construction revenue from the Gralha Azul transmission line.

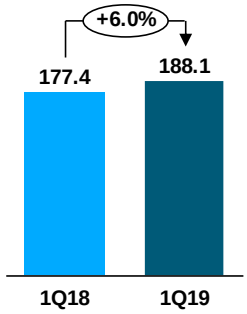
Net Operational Revenue
R$ million



Net Operating Revenue Change
R$ million



Net Average Selling Price*
R$/MWh

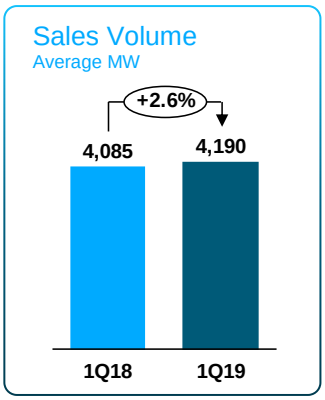


* Net of taxes, exports and trading operations.

» Net Average Selling Price

The average energy selling price, net of charges on revenue, reached R$ 188.07/MWh in 1Q19, **6.0% greater than the same quarter in 2018**, the value of which was R$ 177.41/MWh. These prices exclude the trading operations which the Company began to transact in January 2018.

The increase in price is largely due to monetary restatement of current agreements and new energy sales agreements with trading companies and free consumers at higher prices than the average for existing or expired agreements.



» Sales Volume

The amount of contracted energy sold increased from 8,824 GWh (4,085 average MW) in 1Q18 to 9,050 GWh (4,190 average MW) in **1Q19, a rise of 2.6% or 227 GWh** (105 average MW), between compared periods. These volumes exclude energy trading operations, details of which are shown under a specific heading.

The increase in sales volume is mainly due to stronger sales to distribution companies following the start in 1Q19 of the supply of energy successfully bid in the new energy auctions, partially attenuated by the reduction in the trading company segment due lower demand for electricity nationwide.

Comments on Variation in Net Operating Revenue

» Revenue from Sale of Electric Energy

Distribution Companies:

Revenue from sales to distributors was R$ 789.9 million in 1Q19, **14.9% higher** than the R$ 687.3 million reported in 1Q18. This variation reflects the following factors: (i) R$ 111.7 million – an increase of 522 GWh (242 average MW) in sales volume; and (ii) R$ 9.1 million – a reduction of 1.3% in net average selling price.

The increase in sales volume is due largely to supplies under the new energy auctions by Ferrari Thermoelectric Power Plant and the wind farms in the Campo Largo – Phase I, Umburanas – Phase I and Trairí Wind Complexes, which began delivering their energy to the regulated market from 1Q19. In addition, the average price for the supply of energy under these auctions is lower than previously, thus justifying the decrease in the overall average price.

Trading Companies:

In 1Q19, revenue from sales to trading companies was R$ 159.6 million, **0.2% higher** than revenue reported in 1Q18, which was R$ 159.3 million. This expansion is the combination of the following aspects: (i) R$ 47.2 million – growth of 29.7% in the net average selling price; and (ii) R$ 46.9 million – a reduction of 262 GWh (122 average MW) in volume of energy sold.

Price rises are large a reflection of new agreements at higher average prices than for prevailing or expired agreements. Decreased year-on-year volumes is due largely to the reduction in the consumption of those industrial clients which acquire energy from trading companies.

Free Consumers:

Revenue from sales to free consumers increased 4.7% between quarters under analysis, rising from R$ 718.8 million in 1Q18 to R$ 752.4 million in 1Q19. The following events contributed to this variation: (i) R$ 39.2 million – growth of 5.4% in net average energy selling prices; and (ii) R$ 5.6 million – a reduction of 33 GWh (15 average MW) in the volume of energy sold.

The increase in price is basically due to monetary restatement of prevailing agreements and due to new agreements at higher prices than the average for existing and expiring agreements. The reduction in the amount of energy sold basically reflects the decline in the consumption of industrial clients.

» Transactions in the Short-term Energy Market

In 1Q19, revenue generated in the short-term market – more especially revenue realized within the scope of the CCEE – was **R$ 231.7 million**, while in the same period in 2018, revenue was R$ 142.3 million, therefore an increase of R$ 89.4 million year-on-year**.** A more detailed explanation of these variations is to be found in the item below “Details of Short-Term Operations – Especially Transactions in the CCEE”.

» Remuneration of Concession Financial Assets

The concessions’ financial assets represent the present value of the future cash flows of the portion of energy from the Jaguara and Miranda Hydroelectric Power Plants, transacted through the Regulatory Contracting Environment and equivalent to 70% of the plants’ physical guarantee. These assets are remunerated at the internal rate of return and restated according to the variation in the Amplified Consumer Price Index (IPCA).

The remuneration of the concessions’ financial assets increased from R$ 84.8 million in 1Q18 to R$ 100.2 million in 1Q19. This increase reflects largely the variation in the IPCA and the higher average balance in the account in 1Q19 compared with 1Q18.

» Energy Trading Operations

In January 2018, the Company entered the energy trading market with the aim of taking positions in the light of variations in electric power prices, this activity is governed by the availability of limits of risk and pre-established counterparty risk.

Energy trading operations are transacted in an active market and for accounting purposes, are defined as financial instruments on the basis of fair value. This is due principally to the fact that there is no commitment to match buying and selling operations there being the flexibility of managing the contracts to obtain results from price variations in the market.

Revenue from trading, resulting from energy sales recorded between the comparable quarters, increased R$ 189.9 million, from R$ 41.7 million in 1Q18 to R$ 231.6 million in 1Q19. The following events contributed to this variation: (i) R$ 195.5 million – increase of 1,037 GWh (480 average MW) in energy volume sold; (ii) R$ 4.6 million – recognition of the positive result from transactions executed across the short-term market in 1Q18; and (iii) R$ 1.0 million – reduction of 2.8% in the net average energy selling price, which reached R$ 188.44/MWh in 1Q19, against R$ 193.80/MWh in 1Q18.

Further explanations on item (ii) can be found under “Details of short term operations”.

» Revenue from the Implementation of Transmission Infrastructure

The Company has primary responsibility for the construction and installation of infrastructure related to the Gralha Azul transmission concession, the implementation of which began in the second half of 2018, and to which the Company is exposed in terms of the concession’s risks and benefits. Consequently, based on prevailing accounting practices, the Company has been recognizing revenues from the implementation of transmission line infrastructure over the period of installation, corresponding to construction costs plus a gross residual margin for covering construction management costs. These construction expenditures are recognized in the cost as mentioned below.

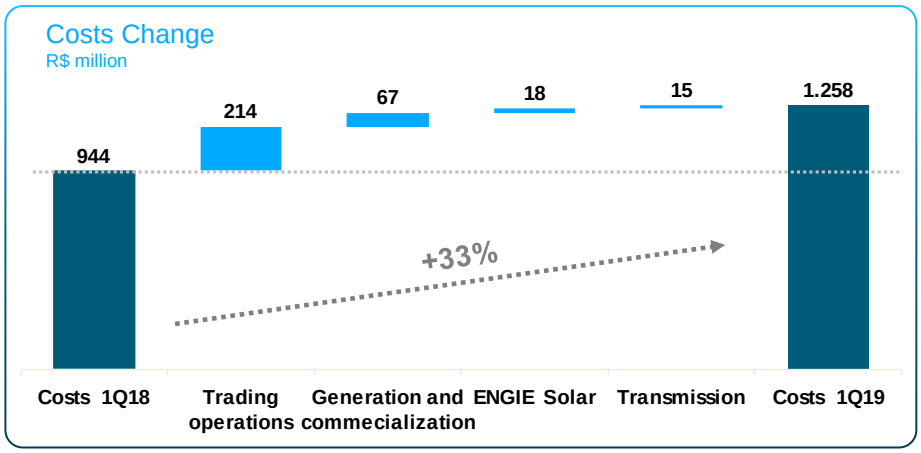
Revenue from the implementation of transmission infrastructure and **recognized in 2019** was **R$ 15.7 million**.

» Revenue from the Sale of Solar Panels

In 1Q19, the Company recognized R$ 19.0 million of revenue from the sale of photovoltaic solar panels, through ENGIE Geração Solar Distribuída (ENGIE Solar), control of which was acquired in August 2018 when the subsidiary was consolidated by the Company.

Operational Costs

Operational costs increased by R$ 314.4 million (33.3%), between comparable quarters rising from R$ 943.6 million in 1Q18 to R$ 1,258.0 million in 1Q19. This variation reflected mainly the following factors: (i) R$ 214.0 million – increase in the costs of trading operations; (ii) R$ 67.0 million (7.4% in relation to 1Q18) – increase in the generation and commercialization segment; (iii) R$ 18.1 million of costs incurred by ENGIE Solar; and (iv) R$ 15.3 million of costs in the transmission segment.



These variations basically reflect the following key components:

» **Energy purchases:** increase in energy trading operations of (i) R$ 207.3 million in 1Q19 when compared to the same quarter of 2018, above all reflecting the following: (i.i) R$ 183.0 million – growth of 974 GWh (451 average MW) in purchases for trading operations; (i.ii) R$ 26.6 million – recognition in 1Q19 unrealized losses due to marking to market – difference between contracted prices and those of the market – of contracted net operations outstanding on March 31, 2019; (i.iii) R$ 2.3 million – a reduction of 5.4% in net average purchases in the trading operations; and (ii) R$ 55.0 million – a reduction in energy portfolio management operations in the light of the following: (ii.i) R$ 73.4 million – decrease of 315 GWh (146 average MW), in purchases for the management of the Company’s portfolio; and (ii.ii) R$ 18.4 million – growth of 4.8% in net purchase price for operations executed for the portfolio.

The growth in net average purchase price between the two quarters was mainly due to new agreements at higher than the prevailing average prices and monetary restatement in the period.

» **Transactions in the short-term energy market:** between the two quarters in review, costs of these transactions were R$ 74.6 million (127.2%) higher, R$ 6.7 million relating to energy trading transactions settled in the short term energy market. More details are described in the specific item below.

» **Charges for use of and connection to the electricity grid:** an increase of R$ 12.4 million (11.1%), between quarters under analysis, above all due to the startup of commercial operations of 11 wind farms in the Campo Largo Wind Complex – Phase I in the second half of 2018 and 14 wind farms in the Umburanas Wind Complex – Phase I in the first quarter of 2019. Additionally, charges incurred by the Pampa Sul Thermoelectric Power Plant were recognized in 1Q19 together with those of further four wind farms in the Umburanas Wind Complex – Phase I, startup in commercial operations of which took place in April 2019. In contrast to this increase, in 1Q19, there were no costs with charges for use of the electricity network in the case of the William Arjona Thermoelectric Power Plant, the operational authorization for which was revoked in 1Q18, the cost in this same quarter being R$ 2.2 million.

Excluding the above effects, there was an increase of R$ 2.5 million (2.2%) in 1Q19 compared with the same period of 2018, principally reflecting the annual readjustment in transmission and distribution tariffs in June 2018.

» **Fuels for the generation of electricity:** decrease of R$ 2.1 million (9.2%), comparing 1Q19 with the same quarter in 2018, due basically to the extraordinary recognition of fuel costs in 1Q18, partially attenuated by the increase in thermoelectric generation year-on-year and by the annual readjustment in cost of fuels.

» **Financial compensation for use of water resources (Royalties):** growth of R$ 3.7 million (10.6%), between comparable quarters, reflecting, principally, increased generation from the hydroelectric plants in the periods analyzed and a readjustment of 4.5% in the Restated Reference Tariff (Tarifa Atualizada de Referência – TAR) in 2019.

» **Personnel:** increase of R$ 8.2 million (16.4%) in 1Q19 against the same quarter for 2018, largely due to the annual readjustment in employee compensation and new hiring, due to the expansion of the Company's generating complex, as well as absorbing ENGIE Solar's payroll, acquired in full in August 2018, cost of which in 1Q19 was R$ 2.3 million.

Excluding the impact of ENGIE Solar, personnel overheads rose R$ 5.9 million (11.7%) in 1Q19, compared with the 1Q18.

» **Material and third party services:** an increase of R$ 7.6 million (15.4%) in 1Q19, in relation to the same quarter 2018, resulting largely from the (i) growth of R$ 3.2 million in materials for replacement and consumption at the Jorge Lacerda Thermoelectric Complex; (ii) growth of R$ 2.9 million at ENGIE Solar; and (iii) growth driven by the annual readjustment of recurring services due to the increased volume of operations undertaken by the Company.

Excluding the impact of ENGIE Solar, the increase would have been R$ 4.7 million (9.6%) in 1Q19, compared with the 1Q18.

» **Depreciation and amortization:** increase of R$ 20.5 million (12.3%) between quarters due above all to startup in operations of the Campo Largo Wind Complex – Phase I, in the second half of 2018, and the Umburanas Wind Complex – Phase I, in 1Q19.

» **Insurance:** increase of R$ 6.6 million (92.4%) in comparable quarters due to the renewal of the Operational Risks policy in June 2018, with an increase of premium due to claims made in 2017 at the Jorge Lacerda Thermoelectric Power Plant and in 2018 at the Jaguara Hydroelectric Power Plant.

» **Cost of implementation of transmission infrastructure:** recognition of R$ 15.3 million in 2019 related to the Gralha Azul transmission line infrastructure construction costs offset by revenue on the implementation of infrastructure based on costs incurred as well as the gross margin to cover construction management costs.

» **Cost of sale of photovoltaic solar panels:** recognition of R$ 15.0 million in 1Q19 with respect to the costs related to the sale of photovoltaic solar panels through the ENGIE Solar subsidiary, control of which was acquired in August 2018.

Details of Short Term Operations

Short-term operations are classified as energy purchase or sale operations, the principal objective being the management of exposure on the CCEE. Consequently, the price of these operations is characterized by the linkage with the Price for Settlement of Differences (PLD). This item also includes the transactions conducted through the CCEE, given their volatile and seasonal nature, therefore, short-term, of the results originating from accounting movement in the CCEE. Additionally, the long and short positions are settled at the PLD, thus, similar to the short-term operations described above.

In relation to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of a Board agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expense item. In this context, it is worth pointing out that due to adjustments in the Company's portfolio management strategy, changes have been taking place in the profile of the mentioned billings. Such fluctuations complicate the direct comparison of the elements comprising each billing for the periods being analyzed - the reason for including this specific topic. The strategy allows us to analyze the fluctuations of the principal elements involved in spite of allocation being either to an income or expenses account according to the credit or debit nature of the billing to which they relate.

Generically, these elements are revenues or expenses arising, for example, (i) from the application of the Energy Reallocation Mechanism (MRE); (ii) from the Generation Scaling Factor, triggered when generation of plants, part of the MRE, is greater or smaller (Secondary Energy) than the allocated energy; (iii) from the so-called "submarket risk"; (iv) dispatch driven by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) and settled at the PLD.

In 1Q19 and 1Q18, net results (the difference between revenues and costs – less taxes) due to short term transactions – more particularly those transacted across the CCEE, **were positive at R$ 98.4 million** and R$ 88.2 million, respectively, an increase of R$ 10.2 million between compared periods and a positive effect of R$ 21.5 million in the result of transactions in the generation and commercialization segment and a negative effect of R$ 11.3 million in the result for trading transactions.

This variation is a consequence, fundamentally of the combination of the following factors: (i) the greater impact of secondary energy due to the surplus allocation of energy in the system; (ii) greater thermoelectric generation between the analyzed periods; (iii) expansion of the short position with the CCEE due to the strategy of allocating hydric resources allied to the active management of the portfolio; (iv) the increase in MRE revenue; and (v) the positive effect arising from the difference in prices between the North/Northeast and Southeast submarkets in the quarters under review.

In December 2018, Aneel set maximum and minimum limits for the PLD for 2019 at R$ 513.89/MWh and R$ 42.35/MWh, respectively. On a quarterly comparison basis, the average PLD for the South and Southeast/Center-West submarkets increased 48.3%, from R$ 195.61/MWh in 1Q18 to R$ 290.09/MWh in 1Q19.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased R$ 11.5 million (23.8%) in the quarters in analysis due substantially to (i) growth of R$ 7.4 million in payroll expenses due to the annual readjustment in employee compensation and new hires; (ii) growth of R$ 1.4 million in expenses with material and third parties; and (iii) R$ 2.2 million at ENGIE Solar.

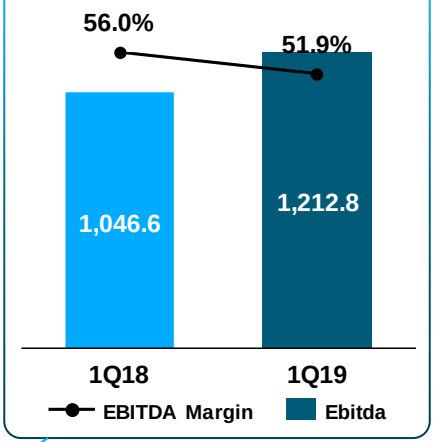
Ignoring the effect of ENGIE Solar, there was an increase of R$ 9.3 million (19.5%) in 1Q19, compared with the 1Q18.

Ebitda and Ebitda Margin

Set against a background of factors already mentioned, **Ebitda for 1Q19 was R$ 1,212.8 million**, 15.9% or R$ 166.2 million greater than that reported for 1Q18 at R$ 1,046.6 million. The improvement is a reflection of the following **positive effects**: (i) R$ 77.3 million, due to the increase in net average selling price, ignoring trading operations; (ii) R$ 59.2 million, due to the increase in contracted energy volume and excluding the trading operations; (iii) a reduction of R$ 55.0 million with respect to energy purchases for the management of the Company's portfolio; (iv) an increase of R$ 21.5 million in the result for transactions in the short-term market in the generation and commercialization segment; (v) increase in revenue from remuneration and monetary restatement on assets of the Jaguara and Miranda Hydroelectric Power Plants, of R$ 15.4 million; (vi) an increase of R$ 2.5 million in the result from trading operations; and (vii) a reduction of R$ 0.6 million in other costs and operational expenses.

The above-mentioned positive effects were counterbalanced by the following **negative effects**: (i) net negative result on the marking to market of unrealized losses on trading operations of R$ 26.6 million; (ii) increase of R$ 12.4 million in costs with charges for the use of the electricity network and connection; (iii) increase of R$ 11.5 million in expenses with sales, general and administrative expenses; (iv) growth of R$ 8.2 million in personnel costs; and (v) an increase of R$ 6.6 million of insurance costs.

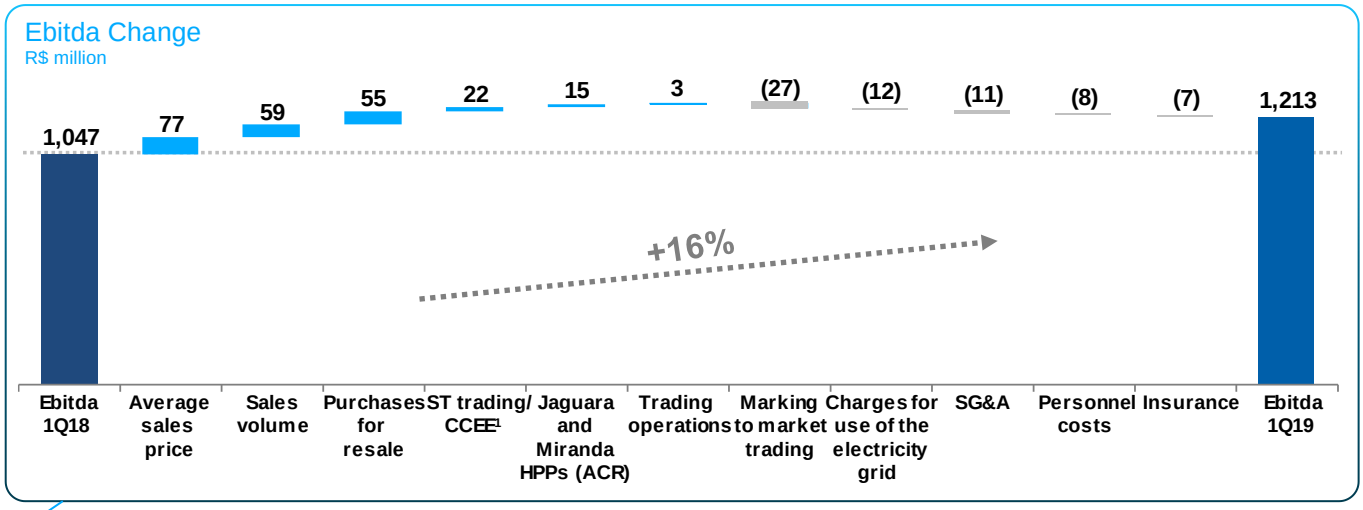
Ebitda[(1)] and Ebitda Margin



1 Ebitda: net income + income tax and social contribution and financial expenses, net + depreciation and amortization.

Ebitda margin was 51.9% in 1Q19, a decrease of 4.1 p.p. in relation to the same period of 2018. This reduction is a consequence principally of the impacts in 1Q19 and in 1Q18, of the energy trading operations, recognition of revenue and costs relative to the construction of the transmission line and operations realized by the ENGIE Solar subsidiary which was acquired in August 2018, margins on all of which are lower than those for other operations conducted by the Company.

If the latter effects are ignored, **the Ebitda margin for 1Q19 would be 59.7%** against 1Q18 of 57.4%, representing an increase of 2.3 p.p. between the quarters analyzed.



1 Considers the combined effect of changes in revenue and expenses.

The following table reconciles net income with Ebitda:

(In millions of R$)	1Q19	1Q18	Chg. %
Net income	565.5	489.3	15.6
(+) Income tax and social contribution	237.0	229.4	3.3
(+) Net financial result	214.1	156.9	36.5
(+) Depreciation and amortization	191.3	169.1	13.1
Ebitda	**1,207.9**	**1,044.7**	**15.6**
(+) Impairment	4.9	0.0	100.0
(+) Equity loss	0.0	1.9	-100.0
Adjusted Ebitda	**1,212.8**	**1,046.6**	**15.9**

Provision for Reduction in Impairment

In 2019, the Company complemented the provision for asset impairment in the amount of R$ 4.9 million, corresponding to the generation assets at the William Arjona plant, the conclusion to the sale of which depends only on the completion of conditions precedent in the sale agreement. In the first quarter 2018, no impairment was recognized.

Financial Result

Financial income: in 1Q19, financial revenues reached **R$ 27.1 million**, that is, R$ 2.3 million or **9.1% above** R$ 24.8 million recorded for the same quarter 2018, largely due to the combination of the following factors: (i) an increase of R$ 3.9 million in revenues from financial investments, due to an increase in the average balance of cash and cash equivalents in the period; and (ii) a reduction of interest on receivables from third parties and of income tax and social contribution to be compensated relative to previous fiscal years and amounting to R$ 1.6 million.

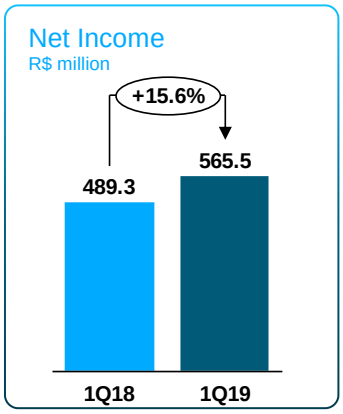
Financial expenses: expenses in **1Q19 were R$ 241.2 million**, that is, R$ 59.5 million **(32.7%) above** those reported in 1Q18, which were R$ 181.7 million. The principal variations observed were: (i) an increase of R$ 38.1 million in interest and monetary restatement on debt, largely the result of the issue of debentures by the Companhia Energética Jaguara and Companhia Energética Miranda subsidiaries in June 2018 as well as by the Company in July, 2018 and the contracting of loans and financing throughout 2018; and (ii) an increase of R$ 17.1 million in interest and monetary restatement on concessions payable due to the increase in IPCA and IGPM inflation indices between 1Q19 and 1Q18.

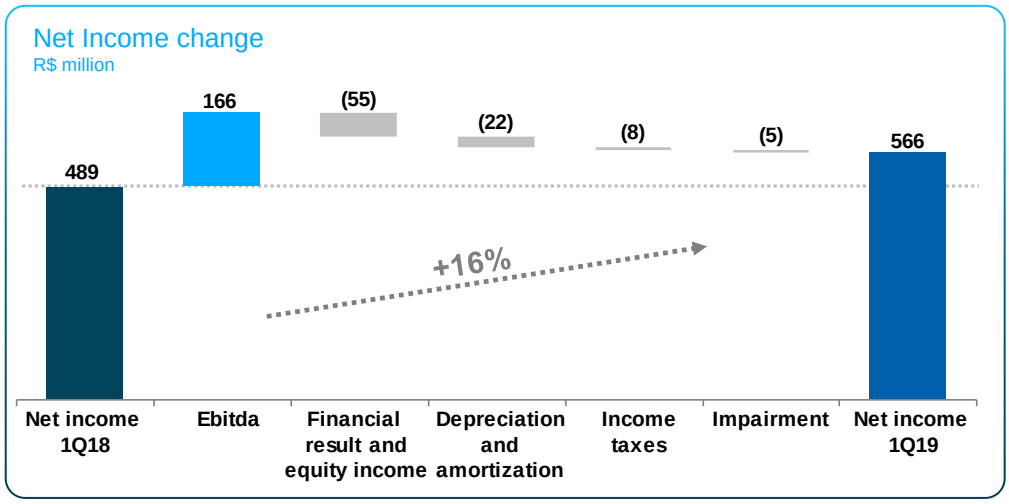
Income Tax and Social Contribution on Net Income

Expenses with Income Tax and Social Contribution **in 1Q19 were R$ 237.0 million**, R$ 7.6 million (3.3%) higher than IT and CSLL expenses reported for the same quarter in 2018 at R$ 229.4 million due principally to the growth in pre-tax profit of companies which adopt the real profit tax regime, partially attenuated by those companies which calculate their tax payments on the presumed profit basis, as well as the increase in tax breaks between quarters. The effective IT and CSLL rate in 1Q19 was 29.5% against 31.9% in 1Q18.

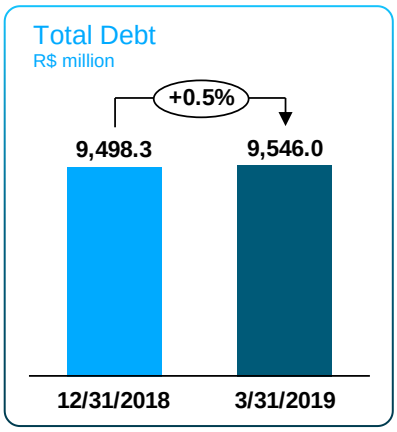
Net Income

Net income for 1Q19 was R$ 565.5 million, R$ 76.2 million or **15.6% higher** than the R$ 489.3 million posted in the same quarter of 2018. This improvement is a consequence of the following effects: (i) an increase of R$ 166.2 million in Ebitda; (ii) an increase of R$ 57.2 million in net financial expenses; (iii) growth of R$ 22.2 million in depreciation and amortization; (iv) growth of R$ 7.6 million in income tax and social contribution; (v) recognition in 1Q19 of asset impairments totaling R$ 4.9 million; and (vi) the positive impact of R$ 1.9 million with respect to the negative result for equity income for 1Q18, given that the control of ENGIE Solar was acquired in the second half of 2018.





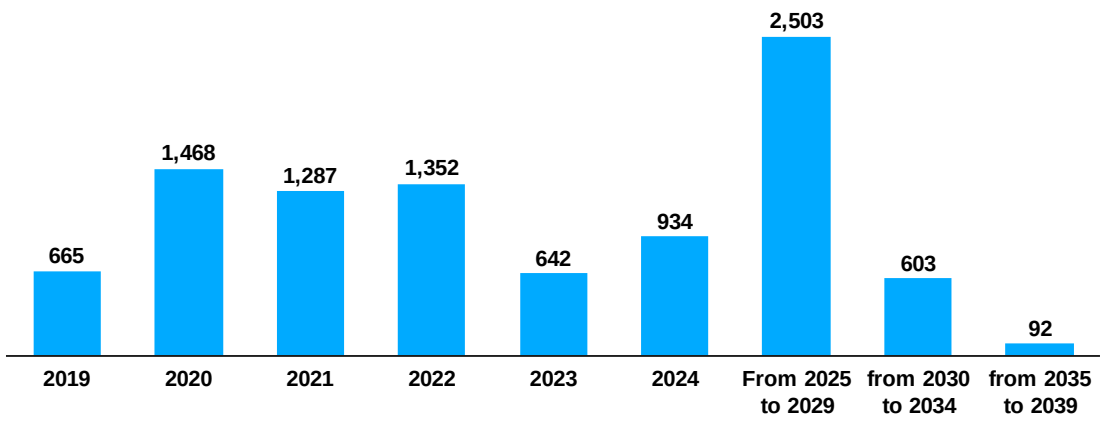
Debt



The Company's **total gross consolidated debt** as at March 31, 2019, represented mainly by loans, financing and debentures, net of the effects of hedge operations, **totaled R$ 9,546.0 million, an increase of 0.5%** (R$ 47.7 million) compared to the position as at December 31, 2018.

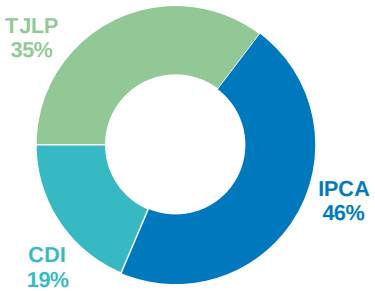
The variation in Company debt is largely related to a combination of the following factors occurring in 1Q19: (i) drawdown from the BNDES in the amount of R$ 58.7 million for the construction of the Campo Largo Wind Complex; (ii) generation of R$ 207.8 million in charges incurred to be paid and monetary restatement; and (iii) R$ 221.4 million in the settlement of loans and financing.

Maturity Term Loans
R$ million



The **average weighted nominal cost of debt** at the end of the 1Q19 was **9.1%** (7.9% at the end of the 1Q18).

Debt Breakdown



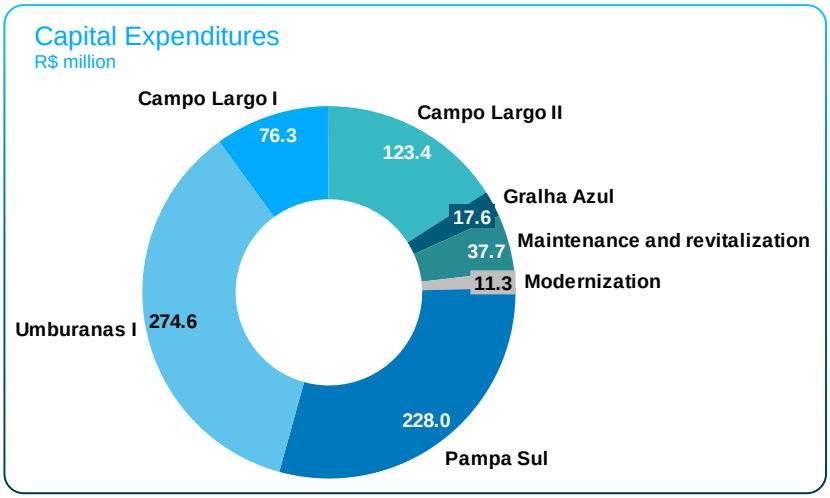
On March 31, 2019, the Company's **net debt** (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 8,322.0 million**, **an increase of 21.4%** compared with the end of 2018.

Net Debt
R$ million

	03/31/2019	12/31/2018	Chg. %
Gross debt	9,773.5	9,720.2	0.5
Result of derivatives operations	(227.5)	(221.9)	2.5
Deposits earmarked for the payment of debt	(273.7)	(226.2)	21.0
Cash and cash equivalents	(950.3)	(2,415.8)	-60.7
Total net debt	**8,322.0**	**6,856.3**	**21.4**

Capital Expenditures

ENGIE Brasil Energia's **total investments in 1Q19 were R$ 768.9 million**, of which: (i) R$ 719.9 million was invested in construction of new projects: R$ 76.3 million concentrated in the Campo Largo Wind Complex – Phase I, R$ 123.4 million apllied in the Campo Largo Wind Complex – Phase II, R$ 228.0 million on Pampa Sul TPP, R$ 274.6 million in the Umburanas Wind Complex – Phase I and R$ 17.6 million in the Gralha Azul Transmission System; (ii) R$ 37.7 million was allocated to maintenance and revitalization projects for the generating complex; and (iii) R$ 11.3 million was dedicated to modernization in the Salto Santiago and Salto Osório Hydroelectric Power Plants.



COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainable Management

All plants under the Company's responsibility adhere to ENGIE Brasil Energia Sustainable Management Policy, which covers the areas of Quality, Energy Management, Environment, Climate Change, Occupational Health and Safety, Social Responsibility and Engagement of Related Parties. On March 31, 2019, out of the 55 plants installed in 13 states of Brazil's five regions, 12 are certified in accordance with NBR ISO 9001 (for Quality), NBR ISO 14001 (for the Environment) and NBR OHSAS 18001 (for Occupational Health and Safety) standards, with an aggregate capacity of 81.3% of the total operated by the Company. In the area of Social Responsibility, the Company endeavors to adhere to the directives in the NBR ISO 26000 guide (which is not susceptible to certification); and the Jorge Lacerda Thermoelectric Complex, the three plants of which, are among the 12 which are certified according to the NBR ISO 50001 standard for Energy Efficiency.

In addition to the mentioned Sustainable Management Policy, other standards related to the Company's commitment to sustainable development are included in the corporate website on such themes as Human Rights and Ethics as well as the Sustainability Committee's Internal Charter. The Sustainability Reports are published annually based on Global Reporting Initiative (GRI) recommendations and since 2014 also making use of the International Integrated Reporting Council (IIRC) framework.

Sustainability Committee

ENGIE Brasil Energia Sustainability Committee was set up in 2007 and is currently made up of 12 members drawn from different areas, more especially those related most closely to stakeholders, such as shareholders, clients, suppliers, employees, the media and communities. Coordination is the responsibility of the Administrative Director's Office while one of the Committee members is the Board employee representative. Among others, the Committee has as its objectives to:

- Contribute towards maintaining the balance of interests of the different stakeholders in relation to the Company;
- Develop awareness programs to propagate concepts and practices of sustainability among both internal and external audiences;
- Contribute to the use of best corporate governance practices; and
- Propose, obtain approval from the Management Board and work on a coordinated basis with the organizational units to achieve the annual corporate sustainability goals ("ENGIE Brasil Energia Sustainability Goals"). These goals are based on four Programs — Cultural Development, Environmental Improvement, Social Inclusion and Education for Sustainability —, with initiatives linked to indicators and weightings so permitting an evaluation at the end of each year.

Highlights of the Quarter

- The results of the perception survey 2018 among employees were released – ENGIE&Me Survey, with a considerable improvement in the majority of indicators, thanks to action plans drawn up on the basis of previous surveys.
- The 181st Meeting of the Board of Directors of February 19 approved the constitution of the Dam Safety Committee, an advisory body to the Management Board, responsible for the strategic management of matters relating to dam safety, the objective being prevention of risk and adoption of best practices in line with company commitments.
- The 6th ENGIE Brasil Energia Generation Seminar was held on March 19 and 20 for sharing experiences and increasing team engagement and training for both current and future energy challenges. The event was held at the Head Offices of the Company with online transmission for all employees.
- The month of March was entirely given over to reflections and debates on the importance of diversity and equality with the special focus on gender through the inhouse campaign "Competence has no gender", with the promotion of onsite and online events open to all employees.
- In March also, the Company held five Public Technical Information Meetings for the Gralha Azul Transmission Project in the municipalities of: Castro, Teixeira Soares, Imbituva, Guarapuava and União da Vitória, all in the state of Paraná. The meetings are part of the ritual for environmental licensing and involve representatives from local communities, authorities, affected property owners, among others interested in obtaining information on the project.

Sustainability Indices

Since 2012, it has been standard practice of the Company to include the principal sustainability indicators for each period in its quarterly and annually results presentations. The following table shows the indicators for 1Q19 and 1Q18, associating each indicator with GRI Standard recommendations.

Sustainability Indices[1]

Item	Dimension[2]	Index[3]	Material themes	GRI disclosure[4]	1Q19	1Q18	Change
1	Quality	Operating plants	- Energy Transition for a low carbon economy	102-7, EU1	55	30	25
2		Installed capacity		102-7, EU1	9,996	9,399	6.3%
3		Proprietary capacity		102-7, EU1	8,275	7,678	7.8%
4		Number of certified plants		102-16, EU6	12	12	0
5		Certified installed capacity (MW)		102-16, EU6	8,127	8,127	0.0%
6		Certified installed capacity in relation to the total		102-16, EU6	81.3%	86.5%	-5.2 p.p.
7		Installed capacity from renewable sources		102-7, EU1	9,139	8,542	7.0%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	91.4%	90.9%	0.5 p.p.
9		Energy generation (GWh)		EU2	11,399	10,001	14.0%
10		Certified energy generation		102-16, EU6	9,842	9,056	8.7%
11		Certified energy generation in relation to the total		102-16, EU6	86.3%	90.6%	-4.2 p.p.
12		Energy generation from renewable sources (GWh)		EU2	10,437	9,097	14.7%
13		Energy generation from renewable sources in relation to the total		EU2	91.6%	91.0%	0.6 p.p.
14		Uptime ratio, excluding scheduled stoppages		EU30	97.2%	98.2%	-1.1 p.p.
15		Uptime ratio, including scheduled stoppages		EU30	92.9%	94.0%	-1.1 p.p.
16	Environ-ment and climate change	Saplings donated and planted (sum-total of planted and donated saplings)	- Energy Transition for a low carbon economy - Engajament with local comunities and stakeholders - Environment management	304-2, 413-1	122,972	153,723	-20.0%
17		Number of visitors at the plants		413-1	8,925	2,177	310.0%
18		CO2 Emissions (fossil fuel plants) (t/MWh)		D305-1, D305-2, D305-3	0.945	0.937	0.8%
19		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)		D305-1, D305-2, D305-3	0.080	0.085	-5.8%
20	Occupatio-nal Heath and Safety (OH&S)	Frequency Rate ("Taxa de Frequência" - TF) own employees[5]	- Development, equality and health and safety - Management of impacts in the productive chain	403-2	0.000	0.000	-
21		Severity Rate ("Taxa de Gravidade" - TG) own employees[6]		403-2	0.000	0.000	-
22		Frequency Rate ("Taxa de Frequência" - TF) own employees + long term service providers[5]		403-2	0.920	0.000	↑
23		Frequency Rate ("Taxa de Frequência" - TF) short term service providers + ongoing constructions[5]		403-2	0.410	3.100	↓
24	Social Responsibi-lity[7]	Non-incentivized investments	- Engajament with local comunities and stakeholderss	203-2, 413-1	581.7	649.4	-10.4%
25		Investments through the Infancy and Adolescence Fund (FIA)		203-2, 413-1	1,298.6	383.9	238.3%
26		Investments through the Culture Incentive Law (Rouanet)		203-2, 413-1	3,868.7	3,385.8	14.3%
27		Investments through the Sport Incentive Law		203-2, 413-1	340.0	320.0	6.3%
28		Investments through National Program of Support to Oncology Care (Pronon)		203-2, 413-1	0.0	0.0	-
29		Investments through the National Care Support Program for People with Special Needs (Pronas/PCD)		203-2, 413-1	0.0	0.0	-
30		Investments through the Municipal Fund for the Elderly		203-2, 413-1	209.0	492.4	-57.6%

Notas:
1) Additional information regarding the sustainability at the Company are avaliable at Sustainability Report (www.engie.com.br/en/investors/financial-information).
2) Reference: ENGIE Sustainable Management Policy.
3) Figures at 03/31/2019.
4) GRI: Global Reporting Initiative, Standars version and sector supplement version G4.
5) TF = number of occupational accidents for every million hours of exposure to hazards.
6) TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards.
7) Amounts in thousands of reais.

CORPORATE GOVERNANCE

The Company seeks to regularly improve its management mechanisms, with optimization of control procedures, compliance and transparency. It is a component of the Novo Mercado, the listing segment for companies with the highest level of corporate governance trading their shares on the Stock Exchange. This segment was subject to a revision in 2017 to increase the general requirements of the segment's regulations. Since then, the Company has endeavored to use our best efforts to implement the changes as soon as possible. A multidisciplinary working party was constituted to address the theme and in the light of the first results, the Annual General Meeting in April this year approved the new Corporate Bylaws, the principal initiative being the establishment of the Audit Committee with the participation of at least one Independent Councilor. On another related front, the management of corporate compliance procedures was improved, implementing three policies to give greater transparency to the activities and procedures of senior management: Nomination, Remuneration and Evaluation.

Additionally, the Company is a component of the Stock Exchange Sustainability Index (ISE). ENGIE Brasil Energia's Board of Directors comprises nine effective members, one representing the employees while two are independent directors. None of the Board members hold executive positions in the Company and consequently the Chairman of the Board does not occupy the position of Chief Executive Officer. With the exception of the member chosen by the employees, all are elected by the shareholders at the Annual General Meeting.

A Code of Ethics provides the basis of conduct at the Company: a public document available from its website. The Company also has an Ethics Committee responsible for constantly updating the Code and for evaluating ethical issues. **In 2013, ENGIE Brasil Energia signed up to the Brazilian Business Pact for Integrity and against Corruption:** an initative of the Ethos Institute, in association with the United Nations Global Compact, of which ENGIE Brasil Energia has been a signatory since launch.

ENGIE Brasil Energia's dividend policy establishes a minimum mandatory dividend of 30% of net income for the fiscal year, adjusted pursuant to Law 6,404/76. In addition, the Company policy determines the intention of paying in each calendar year dividends and/or interest on shareholders' equity for a value of not less than 55% of adjusted net income in the form of semi-annual payouts.

With respect to the asset transfer model and other transactions with related parties, ENGIE Brasil Energia and its controlling shareholder understand that its existing corporate governance standards should be raised even further. Among the initiatives implemented stands out the creation, by means of adaptation to the Company's Bylaw, of the Special Independent **Committee for Valuation of Transactions with Related Parties**, a non-permanent body, which, when called, will be composed in its majority by independent directors of the ENGIE Brasil Energia's Board This Committee was instrumental in the acquisition of the stake in Transportadora Associada de Gás (TAG).

CAPITAL MARKETS

Since its listing on B3's Novo Mercado, ENGIE Brasil Energia has become a component of the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG), incorporating those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake. The Company's shares are also included in the Corporate Sustainability Stock Index (ISE), comprising companies with a recognized commitment to social and corporate responsibility, as well as the Electric Energy Stock Index (IEE), which is a sector index made up of the more significant listed companies in the industry. The Company' shares are also traded on B3's leading stock index – the Bovespa and on Euronext-Vigeo EM 70 — a stock index made up of companies with a premium performance in corporate responsibility in developing countries. Vigeo is the leading constituent agent for ratings of corporate social responsibility and analyzes approximately 330 indicators.

ENGIE Brasil Energia's shares are traded on the B3 under the **EGIE3** symbol. On the United States Over-The-Counter (OTC) market, the Company's Level 1 American Depositary Receipts (ADR) are traded under the **EGIEY Code**, one ADR being equivalent to one common share.

In December 2018, the 32nd Extraordinary General Meeting of the Company approved the capital increase with the issue of 163,185,548 new common, book entry shares with no par value, distributed to its shareholders in the form of a bonus issue in the proportion of 1 new share for every 4 common shares already held. The benefits of the bonus was extended to the ADRs in the same proportion.

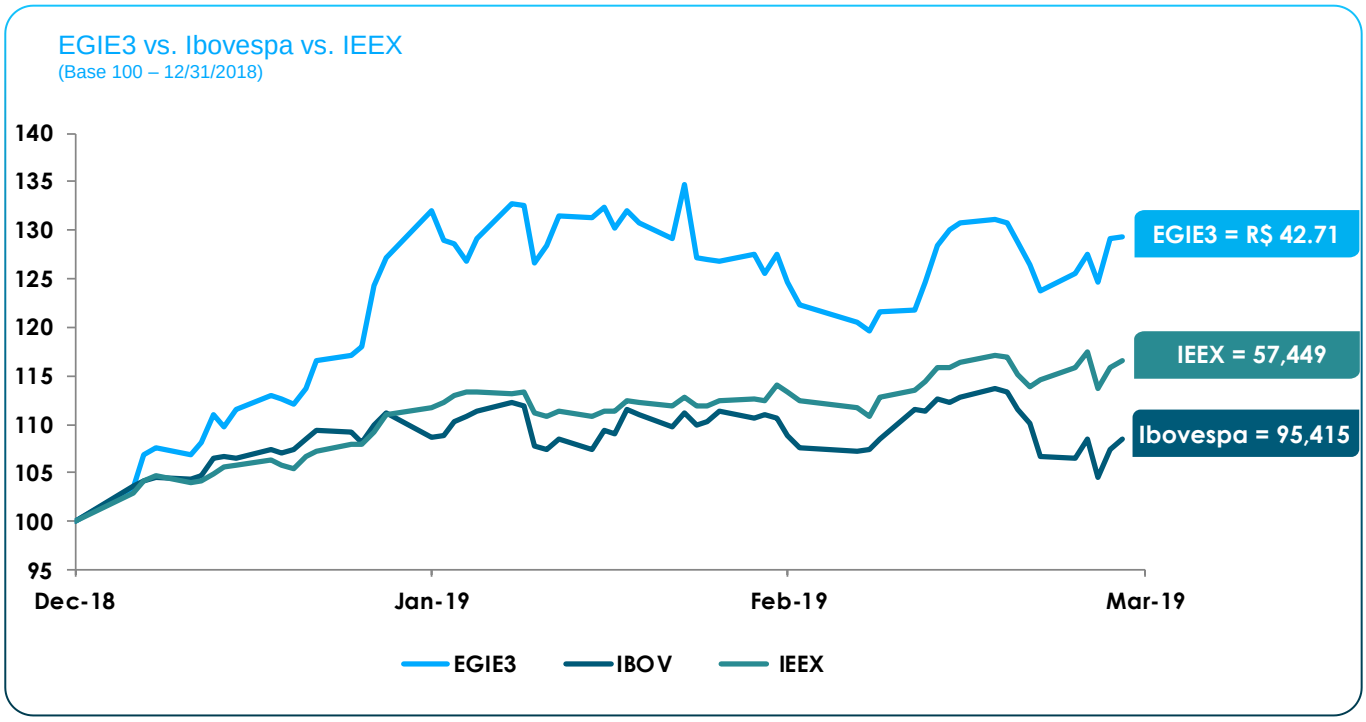
Share Performance – EGIE3

The optimism surrounding the new government and the proposal for implementing a new economic plan had positive repercussions at the beginning of the first quarter, with the Ibovespa, B3's principal stock index, turning in a good performance. However, increasing tension surrounding social security reform in Brazil saw the index lose steam at the end of the quarter, albeit still presenting an appreciation of 8.6% and rising to more than 95 thousand points.

ENGIE Brasil Energia's equities reported an **increase of 29.4%** in the first quarter of 2019, considerably outpacing the performance of both the Ibovespa and the Electric Energy Stock Index (IEEX), which rose 16.6% in 1Q19.

Average daily trading volume of EGIE3 was R$ 61.1 million in 1Q19, 68.6% more than recorded in 1Q18, when average volumes were R$ 36.2 million.

EBE's closed the last trading day of March priced at R$ 42.71/share**, translating into a market capitalization of R$ 34.8 billion.**



Upcoming Event

ENGIE Brasil Energia will be holding the following events to discuss the earnings results:

Conference call with Webcast
(In Portuguese — simultaneous translation into English)

Date: May 9, 2019
Time: 10:00 a.m. (EDT) / 11:00 a.m. (BRT)

Connection numbers:
Participants in the USA: +1 (516) 300-1066 / 1-866-866-2673 (Toll Free)
Participants in the UK: + 44 (20) 3478-5282
Participants in Brazil: +55 (11) 3127-4971 / (11) 3728-5971
Access code: ENGIE

Webcast

The access links will be found at the company's website (www.engie.com.br), at the Investors section.

A replay will be available from May 9th to 15, 2019. Access by dialing: +55 (11) 3127-4999, code: 97649301 (Portuguese) and 59744438 (English).

Important

This release contains information and opinions on future events subject to risks and uncertainties, which are based on current forecasts, projections and tendencies in relation to the Company´s businesses. Innumerous factors can affect the estimates and assumptions on which these opinions are based. For this reason, the estimates and forward looking statements in this release may not become a reality. In the light of these restrictions, shareholders and investors should not adopt any decisions based on estimates, projections and forward looking statements contained in this release.

ATTACHMENT I
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET — ASSETS

(In thousands of R$)	3/31/2019	12/31/2018
Current Assets	**3,489,298**	**4,556,677**
Cash and cash equivalents	950,274	2,415,792
Accounts receivables from clients	1,357,040	1,181,379
Credit of income tax and social contribution	100,502	98,978
Insurance claim receivable	-	74,780
Inventory	192,611	125,681
Unrealized gains on hedging transactions	2,953	3,135
Unrealized gains on trading transactions	333,010	116,202
Restricted deposits	37,360	8,956
Renegotiation of hydrological risk to appropriate	15,089	15,089
Concession financial assets	284,973	277,502
Non current asset held for sale	8,829	13,728
Other current assets	206,657	225,455
Non Current Assets	**19,936,000**	**19,178,868**
Long Term Assets	**3,495,528**	**3,230,556**
Unrealized gains on hedging transactions	281,228	256,464
Unrealized gains on trading transactions	96,252	44,429
Restricted deposits	279,988	232,450
Deposits in court	98,748	97,721
Renegotiation of hydrological risk to appropriate	127,004	130,776
Concession financial assets	2,344,007	2,317,608
Right of use	117,856	-
Other non current assets	150,445	151,108
Property, Plant and Equipment	**15,138,036**	**14,635,467**
Intangible	**1,302,436**	**1,312,845**
Total	**23,425,298**	**23,735,545**

ATTACHMENT II
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET — LIABILITIES

(In thousands of R$)	3/31/2019	12/31/2018
Current Liabilities	**2,975,353**	**4,170,261**
Suppliers	525,258	588,471
Dividends and interest on shareholder´s equity	661,981	2,137,039
Loans and financing	399,787	454,513
Debentures	251,963	210,369
Lease liabilities	14,240	-
Tax and social contribution obligations payable	117,438	102,033
Other fiscal and regulatory obligations	98,065	104,410
Labor obligations	112,957	99,572
Unrealized gains on trading transactions	332,322	98,047
Concessions payable	102,360	84,931
Provision	8,880	8,883
Obligations related to retirement benefits	35,369	35,369
Other current liabilities	314,733	246,624
Non Current Liabilities	**13,561,620**	**13,244,707**
Loans and financing	5,889,059	5,854,915
Debentures	3,232,715	3,200,437
Lease liabilities	74,158	-
Unrealized gains on trading transactions	80,367	19,395
Concessions payable	2,838,635	2,765,538
Provision	90,058	88,977
Obligations related to retirement benefits	283,857	283,765
Deferred income taxes and social contribution	803,033	768,814
Other non current liabilities	269,738	262,866
Shareholders' Equity	**6,888,325**	**6,320,577**
Share capital	4,902,648	4,902,648
Net income reserves	1,117,540	1,106,277
Adjustment on fixed asset	304,567	307,261
Retained earnings	560,119	-
Non controlling interests	3,451	4,391
Total	**23,425,298**	**23,735,545**

ATTACHMENT III
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(In thousands of R$)	1Q19	1Q18	Chg. %
Net Operational Revenue	**2,338,759**	**1,868,853**	**25.1**
Costs of Energy Sold and Services Provided	**(1,257,967)**	**(943,581)**	**33.3**
Electric power purchases	(582,018)	(429,682)	35.5
Transactions in the short term energy market	(133,312)	(58,683)	127.2
Charges for the use of and connection to the electricity grid	(124,097)	(111,650)	11.1
Fuel expenses	(20,266)	(22,320)	-9.2
Financial compensation for use of water resources (Royalties)	(38,032)	(34,379)	10.6
Personnel	(58,531)	(50,302)	16.4
Materials and third party services	(57,326)	(49,690)	15.4
Depreciation and amortization	(187,192)	(166,720)	12.3
Insurance	(13,698)	(7,119)	92.4
Cost of implementing transmission infrastructure	(15,251)	-	100.0
Cost of selling photovoltaic solar panels	(14,956)	-	100.0
Others	(13,288)	(13,036)	1.9
Gross Income	**1,080,792**	**925,272**	**16.8**
Operating Income (Expenses)	**(64,151)**	**(47,763)**	**34.3**
Selling, general and administrative expenses	(59,115)	(47,734)	23.8
Impairment	(4,900)	-	100.0
Other operating (expenses) revenues, net	(136)	(29)	369.0
Result of corporate participations	**-**	**(1,933)**	**-100.0**
Equity income/(loss)	-	(1,933)	-100.0
Income Before Financial Result and Taxes	**1,016,641**	**875,576**	**16.1**
Net Financial Result	**(214,123)**	**(156,902)**	**36.5**
Financial income	27,110	24,848	9.1
Financial expenses	(241,233)	(181,750)	32.7
Income Before Taxes	**802,518**	**718,674**	**11.7**
Income tax	(169,372)	(165,242)	2.5
Social contribution	(67,656)	(64,097)	5.6
Net Income for the Period	**565,490**	**489,335**	**15.6**
Income allocated to:			
ENGIE Brasil Energia's shareholders	565,184	489,038	15.6
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	306	297	3.0
Number of Ordinary Shares	**815,927,740**	**815,927,740**	
Net Income per Share	**0.6927**	**0.5994**	**15.6**

ATTACHMENT IV
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOW

(In thousands of R$)	1Q19	1Q18
Cash Flow from Operating Activities		
Income before taxes on income	802,518	718,674
Reconciliation of net income with operating cash flow:		
Depreciation and amortization	191,227	169,061
Provision for impairment of assets	4,900	-
Monetary variation	71,655	41,261
Interests	155,097	130,433
Remuneration of concession financial assets	(100,154)	(84,814)
Unrealized losses on trading operations	26,617	-
Others	2,951	6,787
Adjusted Net Income	**1,154,811**	**981,402**
Increase (reduction) in assets		
Accounts receivables from clients	(171,697)	(86,609)
Tax credits recoverable	(1,276)	216
Inventory	(66,929)	(50,431)
Deposits in court and restricted deposits	(28,373)	5,858
Renegotiation of hydrological risk to appropriate	3,772	6,515
Financial and concessions assets	64,367	95,348
Insurance claim receivable	74,780	-
Other assets	24,750	(67,781)
Increase (reduction) in liabilities		
Suppliers	24,083	(113,861)
Other fiscal and regulatory obligations	(7,395)	7,932
Obligations related to retirement benefits	(7,123)	(6,899)
Fuel to pay to the CDE	(5,046)	131,059
Other liabilities	61,185	16,358
Cash Generated from Operating Activities	**1,119,909**	**919,107**
Payment of interests on debt, net of hedge	(36,570)	(50,889)
Payment of income tax and social contribution	(131,862)	(167,361)
Net Cash from Operating Activities	**951,477**	**700,857**
Investments Activities	**(658,499)**	**(460,555)**
Capital increase at joint ventures	-	(267)
Acquisitions of investments	-	(267)
Used in fixed assets and intangibles	(658,499)	(460,021)
Financing Activities	**(1,758,496)**	**(1,454,228)**
Loans, financing and debentures contracted	58,653	-
Payment of loans and financing, net of hedge	(184,809)	(67,347)
Payments of concessions payable	(18,247)	(17,452)
Payments of dividends and interest on shareholders' equity	(1,535,144)	(1,356,539)
Payments of leases	(34,236)	-
Others	(44,713)	(12,890)
Increase (Decrease) in Cash and Cash Equivalents	**(1,465,518)**	**(1,213,926)**
Reconciliation of Cash and Cash Equivalents		
Opening balance	2,415,792	1,930,070
Closing balance	950,274	716,144
Increase (Decrease) in Cash and Cash Equivalents	**(1,465,518)**	**(1,213,926)**
Transactions that do Not Affect Cash and Cash Equivalents		
Offsetting of income tax and social contribution	4,086	4,860
Capitalized interest and monetary variation	95,637	57,200
Supplier's of fixed assets and intangibles	(87,221)	44,305
Input of non current assets held for sale	-	(48,038)