



## NOTICE TO SHAREHOLDERS

**CENTRAIS ELÉTRICAS BRASILEIRAS S/A**  
 CNPJ: 00.001.180/0001-26 | NIRE: 533.0000085-9  
 PUBLIC COMPANY

**Centrais Elétricas Brasileiras S/A** (“Company” or “Eletrobras”) (B3: ELET3, ELET5 & ELET6; NYSE: EBR & EBR.B; LATIBEX: XELT.O & XELT.B) in compliance with article 202, paragraph 4, of Law 6404/76, hereby informs its shareholders that, under the terms approved by the 59th Ordinary Shareholders' Meeting held on April 29, 2019 (“General Meeting”), it will retain the installment of the mandatory dividends, in the amount of R\$ 2,291,889 thousand, in respect of which a special dividend reserve was established, pursuant to paragraph 5 of article 202 of Law 6,404/76.

The sum of the mandatory dividends for the year ended December 31, 2018, added to the realized profits recorded in the unrealized profits reserve, totaled R\$ 3,541,889 thousand as of December 31, 2018.

Meanwhile, the Company's Management reported on its financial situation, through Annex 9 of the Management Proposal related to the 59th Ordinary Shareholders' Meeting, clarifying the reasons for the incompatibility of paying full dividends. (“Management Proposal”).

Among the justifications presented, the following were highlighted:

- The Company, in accordance with the resolution of the 170th Extraordinary General Meeting, assumed debt of the distributors privatized by Eletrobras, increasing its gross debt from R\$ 45.6 billion on December 31, 2017 to R\$ 54.8 billion, on December 31, 2018;
- The Company has financial obligations with financial institutions and maturity of bonds issued abroad, the latter in the amounts of US\$ 1 billion in 2019 and US\$ 1.75 billion in 2021.

Below is an estimate of the Company's principal financial obligations in the coming years:

### Financing and Loans

<i>in BRL thousand</i>	Amortization Flow		VA %
	12/31/2018		
Short Term		Balance	
	2019	12,566,912	22,90%
Long Term			
	2020	7,194,532	13,11%
	2021	12,719,101	23,18%
	2022	5,089,167	9,27%
	2023	4,196,138	7,65%
	2024	2,819,928	5,14%
	After 2024	10,287,020	18,75
Total		54,872,798	100,00%

On the other hand, the result for the year ended on December 31, 2018 was strongly influenced by reversals of accounting provisions, which are economic and non-financial results, which did not generate immediate cash for the Company. The result was, among others, the positive effect of the reversal of the net equity of the distributors Ceron - Centrais Elétricas de Rondônia, Cepisa - Companhia Energética do Piauí, Eletroacre - Companhia de Eletricidade do Acre and Boa Vista - Boa Vista Energia SA, about R\$ 2.9 billion, as well as a partial reversal of Angra 3 Nuclear Power Plant, in the amount of R\$ 7.2 billion operating provisions, thus being an economic result, for corporate purposes, but not a cash generator.

Therefore, the full distribution of the mandatory dividend would generate a cash imbalance in the Company, and could jeopardize the payment of the other obligations already assumed by the Company. Due to this reason, the payment of the entire amount of the mandatory dividends is incompatible with its financial situation of the Company.

On the occasion of the management proposal of the 59th Ordinary General Meeting, the Company's Fiscal Council issued an opinion confirming the Company's incapacity to make full payment of the mandatory dividends, according to a document filed in the Empresa.net System.

However, pursuant to paragraph 5 of article 202 of Law 6,404/76, the Company notes that the amounts recorded in said special reserve, which are not absorbed by losses in subsequent years, should be declared and paid as dividends as soon as the the Company's financial situation so permits.

Finally, considering that the retention of mandatory dividends was partial, and that there was a declaration of a dividend payment related to the year ended on December 31, 2018, the Company will proceed, pursuant to Notice to Shareholders disclosed on April 29, 2019, to the payment of dividends to the Company's holders of class "A" and "B" preferred shares and common shares, up to December 31, 2019, in the amount of approximately (i) R\$ 368,868 thousand for the holders of preferred shares, equivalent to R\$ 1.85151809872 per class "A" preferred share and R\$ 1.38863857404 per class "B" preferred share, as of December 31, 2018; and (ii) R\$ 881,132 thousand, equivalent to R\$ 0.81057158320 per common share, on the base date of December 31, 2018. Such declared dividend amounts will be updated based on the positive variation of the SELIC rate, *pro rata temporis*, from January 1, 2019 until the effective payment date, which will occur in due time until December 31, 2019, as resolved by the shareholders meeting at the General Meeting, in compliance with paragraph 3 of article 205 of Law 6,404/76.

Rio de Janeiro, May 02, 2019.

Elvira Cavalcanti Presta  
**CFO and Investor Relations Officer**

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annual report and other documents filed with CVM and SEC. Estimates and forecasts refer only to the date they were expressed and we assume no obligation to update any of these estimates or forecasts due to the occurrence of new information or future events. Future results of the Company's operations and initiatives may differ from current expectations and the investor should not rely solely on the information contained herein. This material contains calculations that may not reflect accurate results due to rounding.

You are receiving this email because you are registered to receive Eletrobras' investor relations information. To ensure you receive this newsletter in the future, please add [noreply@mziq.com](mailto:noreply@mziq.com) to your list of approved senders.

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