

MARKET ANNOUNCEMENT
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) as already reported in Explanatory Note 4.1.1 - Risks related to the Company, item b, of the Quarterly Financial Information for the period ended on June 30, 2019, it clarifies to its shareholders and the general market the following about the effects non-conversion of Provisional Measure 879/2019.

1. Amazonas Distribuidora de Energia S.A ("Amazonas Energia") assigned to Eletrobras, in the privatization process, credits in the net amount of approximately R\$ 4.1 billion, in the base date of June 2017. However, as reported in 170th Extraordinary General Meeting, the realization of these credits depended on inspection by the Agência Nacional de Energia Elétrica - Aneel;
2. Similarly, Boa Vista Energia S.A ("Boa Vista Energia") assigned to Eletrobras, in the privatization process, credits in the net amount of about R\$ 0.3 billion, in the base date of June 2017. Realization of these credits also depended on supervision by the Agência Nacional de Energia Elétrica - Aneel;
3. The other distributors Centrais Elétricas de Rondônia S.A ("Ceron") and Companhia de Eletricidade do Acre ("Eletroacre"), also assigned credits to Eletrobras, in the amounts of R\$ 3.8 billion and R\$ 0.3 billion, respectively, whereas they are also under scrutiny, but have no relation to PM 879;
4. In the Quarterly Financial Information for the period ended on June 30, 2019, Eletrobras registered the balance of the above-mentioned credit (items 1 and 2), assigned by Amazonas Energia and Boa Vista, after deducting provisions made in accordance with the Company's best assessment, as follows:

	Amazonas	Boa Vista
Note 12 – Reimbursement Rights	2,629	206
Note 9 – Financing and Loans	443	-
Total	3,072	206

5. Pursuant to Explanatory Note 4.1.1 - Risks related to the Company, of the Quarterly Financial Information, item b, for the period ended on June 30, 2019, Eletrobras informed that: "In case PM 879 is not converted into law or if no other legal instrument is created to guarantee the realization of such assets, the Company may have to assess the need to make additional provision for loss of part of such assets."
6. According to the aforementioned Explanatory Note, the amount at risk is about R\$ 3.1 billion, related to credits accounted for as Reimbursement Rights.
7. However, Eletrobras reaffirms that it will evaluate other measures aimed at guaranteeing the realization of credits assigned under items 1 and 2 above.

8. Related specifically to the expected portion of reimbursements for proven fuel purchase expenses incurred up to April 30, 2016, by the concessionaires holding the concessions referred to in art. 4-A of Law 12,111, of December 9, 2009, which have been proven but not reimbursed by virtue of the economic and energy efficiency requirements referred to in § 12 of art. 3 of Law 12,111, Eletrobras understands that the right to credits, regardless of PM 879, is preserved by the provisions of article 3 of Law 13,299 of June 21, 2016, which amended the wording of article 13, IX of Law 10,438/2002.

The Company will keep the market informed about the subject matter of this market announcement.

Rio de Janeiro, August 21, 2019

Elvira Cavalcanti Presta
CFO and Investor Relations Officer