EARNINGS RELEASE 4Q19

Conference Call
February 18, 2020
(In Portuguese with simultaneous translation into English)
11 a.m. (Brasília time)
9 a.m. (NY time - EDT
3 p.m. (London time)
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São Paulo, February 17, 2020: Companhia Energética de São Paulo ("CESP"), (B3: CESP3, CESP5 and CESP6) discloses its earnings for the fourth quarter of 2019 and for the year 2019. This information was prepared in accordance with the International Financial Reporting Standards ("IFRS") and the accounting practices adopted in Brazil, and was compared with the same period of the year 2018, except when indicated otherwise.

4Q19 AND 2019 EARNINGS RELEASE

NET INCOME OF BRL1.2 BILLION AND DECREASE OF BRL1.5 BILLION(1) IN TOTAL CONTINGENT LIABILITIES IN 2019

BOARD OF DIRECTORS APPROVES THE PROPOSAL OF PAYMENT OF BRL606 MILLION IN DIVIDENDS TO SHAREHOLDERS IN 2020

Operating and financial highlights BRL thousands	**4Q19**	**4Q18**	**Var. (%)**	**2019**	**2018**	**Var. (%)**
Gross operating revenues	497,086	502,647	-1%	1,830,499	1,927,319	-5%
Net operating revenues	432,835	408,098	6%	1,571,296	1,634,110	-4%
Gross operating result	160,771	46,510	n.m.	479,281	401,831	19%
Costs and expenses	(73,559)	(250,749)	-71%	(1,087,890)	(974,957)	12%
EBITDA	471,523	236,284	100%	863,073	975,498	-12%
Adjusted EBITDA(2)	257,031	64,352	n.m.	751,839	502,660	50%
Adjusted EBITDA margin(2)	59%	16%	44 p.p.	48%	31%	17 p.p.
Net income	1,333,115	59,253	n.m.	1,163,014	294,433	n.m.
Net debt(3)	1,010,012	(195,250)	n.m.	1,010,012	(195,250)	n.m.
Net debt(3)/EBITDA LTM	1.2x	-0.2x	-	1.2x	-0.2x	-
Net debt(3)/ Adjusted EBITDA(2) LTM	1.3x	-0.4x	-	1.3x	-0.4x	-

HIGHLIGHTS

- Adjusted costs and expenses(4) down 47% in 4Q19 and 27% compared to 2018 reflecting the many initiatives implemented in 2019.
- Adjusted EBITDA of BRL257 million with a margin of 59% in 4Q19, up by BRL193 million against 4Q18. In 2019 Adjusted EBITDA totaled BRL752 million, up by BRL249 million against 2018.
- Decrease in total contingent liabilities, before monetary correction, of BRL794 million in 4Q19 and BRL1.5 billion in 2019, with BRL614 million considered as probable.
- Net income of BRL1.3 billion in 4Q19, BRL1.3 billion more than in 4Q18. Net income for 2019 was BRL1.2 billion, an increase of BRL869 million over 2018.
- Approval by the Board of Directors the proposed payment of dividends in the total amount of BRL606 million with a payout of 52% on net income and dividend yield of ~6% with payment in the months of April and October, 2020.
- CESP trading company incorporated, with operations starting in January 2020.

(1) Before monetary correction / (2) Adjusted EBITDA excludes provision for litigation, VDP, Adjustment for Jupiá and Ilha Solteira and reversal of impairment / (3) Considers the value of the contribution to CESP trading, loans and financing, lease, cash and cash equivalents, derivative financial instruments / (4) Excludes litigation provision, non-cash and non-recurring items. More details in operational costs and expenses on page 15.

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MESSAGE FROM THE MANAGEMENT

2019 was a year of transformation for CESP. After the new management team took over, in December 2018, we went through a period of significant progress in operational management, processes, energy balance management systems, litigation, costs, expenses and personnel.

We moved into our new headquarters building and broke down walls to create a space where people can communicate and cooperate, in a transparent and accessible environment, with rapid decision-making and better quality of life for the staff, reaching a new level of teamwork.

A total of 351 employees, or 67% of those eligible, signed up for voluntary Dismissal programs (VDP) during 2019, at a cost of BRL111 million. We ended the year with a staff of 248 people, taking into account the appointment of market professionals to a number of positions, to add protagonism, opinions and a diversity of ideas and initiatives. This major change in the professional profile has been accompanied by a performance appraisal system, with targets and compensation linked to the Company's results and objectives. To supplement the system of fixed and variable compensation, our board has approved a long-term incentive plan, with senior management compensation linked to performance, results and value creation.

In 2019 we were awarded the Great Place to Work (GPTW) label in the first year of CESP's new management, and we are very proud of this achievement. Constructing a healthy and productive work environment is part of our people management plan aiming at high performance, results and value creation.

In Governance it was also a year of progress. We restructured the areas of Governance, Risk, Internal Controls and Compliance and introduced new management policies, such as the new CESP Code of Conduct. We also introduced the new "CESP Ethics Line" – an open channel of communication for answering queries related to the Code of Conduct, and for whistleblowers to report unethical, improper or illegal conduct in their departments or areas of business.

We redefined the Board of Directors, Fiscal Council and Statutory Audit Committee. A shareholders' meeting held in April 2019 elected three new board members to replace those completing their terms of office, giving a total of 8 members. Our Fiscal Council and Statutory Audit Committee have been renewed, and are now functioning with three members each.

We also set up the CESP Electricity Sales Commission and Legal Commission, in line with best corporate governance practices and to establish a sound environment and effective team for our operations.

We installed the SAP, an important step for the reliability, speed and quality of our information, and we transferred part of our recurrent operations to a Shared Services Center (SSC). These initiatives, allied with a constant and intense effort to revise the structure, processes and systems, have given CESP significant gains in productivity and cost cutting.

In 2019 we launched CESP *Mais Valor*, a program of initiatives to value our staff and take advantage of new ideas and projects, and improvements in processes. Since the program was launched in October, 177 new ideas have been submitted, continuously creating value with the participation of the whole Company.

We received authorization from the National Electrical Energy Agency ("ANEEL") and the Electrical Energy Trading Chamber ("CCEE") to incorporate CESP Trading Company. The objective is to improve the management of our energy balance and of hydrological and market risks, and to enhance our commercial strategy.

In terms of the contingent liability and asset, we have introduced an in-house system of analysis, strategic definition and management. We have identified the cases which need individual attention and have engaged consultants to assist our own staff; and we have restructured our legal department to improve our capabilities in this area, defining priorities. We ended 2019 with a decrease, before monetary adjustment, of BRL1.5 billion in total contingent liabilities on the December 2018 balance. We achieved this through a combination of: (i) favorable court decisions; (ii) judicial accords; and (iii) a careful review of the balances of strategic cases, partially offset by the inclusion of new cases in the total. These results are in line with our increasingly assertive and careful approach to reducing this risk.

The Company introduced a number of measures to gain operating efficiency and rationalize costs and expenses. In 2019, compared with 2018, we cut purchase energy costs by 28%, staff and administration costs by 21% (excluding VDP costs) and third party services, materials and leases by 23%.

Adjusted EBITDA, amounting to BRL752 million for 2019, represents a rise of BRL249 million against the previous year. The adjusted EBITDA margin was 48%. This result is due to a combination of factors, principally management of the energy balance for 2019 and success in cutting costs.

CESP's strong cash-generating capacity gives us a particular advantage. Operating cash generated in 2019 was BRL492 million after debt service, a cash conversion ratio[1] of 65%, and we generated BRL330million of free cash flow.

Operational results in 2019, plus non-operating factors such as reversal of provisions for litigation and reversal of impairment, and the deferral of income and social contribution taxes (IR/CSLL), enabled CESP to record net income of BRL1.2 billion in 2019, a year-on-year increase of BRL869 million.

The combination of strong cash generation with net income for the year allows the proposal of dividends to be distributed to shareholders for a total of BRL606 million, a 52% payout and dividend yield of ~6% for every class of share (registered common shares and registered preferred shares A and B), for payment in the months of April and October 2020.

(1) Cash conversion ratio = Operating cash flow after debt service/Adjusted EBIDTA

After a year of intense transformation and positive results, we would like to express our gratitude to all of you who have accompanied us on this journey. To our staff, for their engagement and focus on delivering results, and to our investors, customers, suppliers and partners, for their confidence and for believing in CESP's potential.

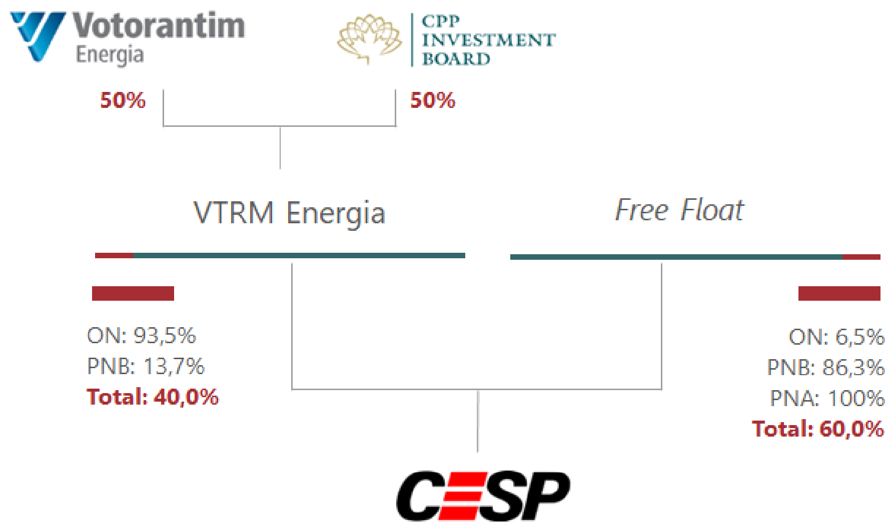
In 2020 we shall be concentrating on our occupational health and safety practices, on consolidating a high-performance culture, on monetizing non-operational properties, and on continuing to review and improve processes and systems. This includes ambitious initiatives in information technology, automation and artificial intelligence in several of our activities; and we shall continue with the de-risking of CESP, pursuing our careful management of the contingencies and seeking consistent results by selling energy through CESP Trading Company.

CESP, a power company!

Mario Bertoncini	**Marcelo de Jesus**
Chief Executive Officer and Investor Relations Officer	Chief Financial Officer

COMPANY PROFILE

CESP was incorporated in 1966 by the São Paulo State Government and in December 2018 shareholding control passed to VTRM Energia Participações S.A. ("VTRM"), with the sale at auction of the state government's common shares ("ON").



GENERATING COMPLEX

CESP holds the concession for three hydroelectric power plants (HPPs) operating on a price regime, with a total of 18 generating units, capacity of 1,655 MW and physical guarantee of 948 average MW.

These plants are located in the basins of the Paraná river, in the west of the state of São Paulo, and of the Paraíba do Sul river, in the east of the state. They make up the following generation complex:

Operating assets

Porto Primavera

Capacity: 1,540 MW

Physical guarantee: 887 average MW

Concession to Apr/49 (Contract renewed in April 2019)

Location: Rosana (SP)

Reservoir area: 2,040 km^2

Extension of dam: 10.2 km

Generating units: 14

Start-up of operations: 1999

Paraibuna

Capacity: 87 MW

Physical guarantee: 48 average MW

Concession to Mar/21

Location: Paraibuna (SP)

Reservoir area: 177 km^2

Extension of dam: 0.5 km

Generating units: 2

Start-up of operations: 1978

Jaguari

Capacity: 28 MW

Physical guarantee: 13 average MW

Concession to May/20

Location: São José dos Campos (SP)

Reservoir area: 56 km^2

Extension the dam: 1 km

Generating units: 2

Start-up of operations: 1972

On June 28, 2019, the Company's board of directors resolved that it was not of interest to renew the HPP Jaguari concession, which accounts for less than 1% of the energy produced by CESP, in line with the expression of intent by the state of São Paulo to apply to the federal government for permission to exploit said HPP after the current concession expires.

ELECTRIC ENERGY PRODUCTION

Generation (average MW)

Hydroelectric power plants	4Q19	4Q18	Var. (%)	2019	2018	Var. (%)
Porto Primavera	1,020	1,068	-4%	987	1,015	-3%
Paraibuna	50	31	62%	36	39	-7%
Jaguari	4	2	106%	6	6	-
Total	**1,074**	**1,101**	**-2%**	**1,029**	**1,060**	**-3%**

Electricity production at the plants operated by CESP reached an average of 1,074 MW in 4Q19, 2% lower than in 4Q18. The fall is due to systemic factors related to the dispatch policy practiced by the National System Operator ("ONS") for the National Grid.

In 4Q19 there was a decrease in the offtake from the basins in the southeastern region, which left the main reservoirs at lower levels than in the previous year. Accordingly, the ONS introduced a policy of lower dispatch for HPP Porto Primavera in order to preserve the storage volumes of the upriver plants.

Electricity production by CESP in 2019 was 3% less than in 2018. This was because of reduced offtake in the southeastern region, which led the ONS to reduce the generation level at the Porto Primavera plant for most of the dry season, to preserve the storage volumes in the reservoirs in the Paranaíba and Grande river basins.

Generation by UHE Paraibuna and UHE Jaguari is a function of the control of the outflow in the Paraíba do Sul river basin by the ONS, to comply with the water restrictions downstream from the rest of the basin.

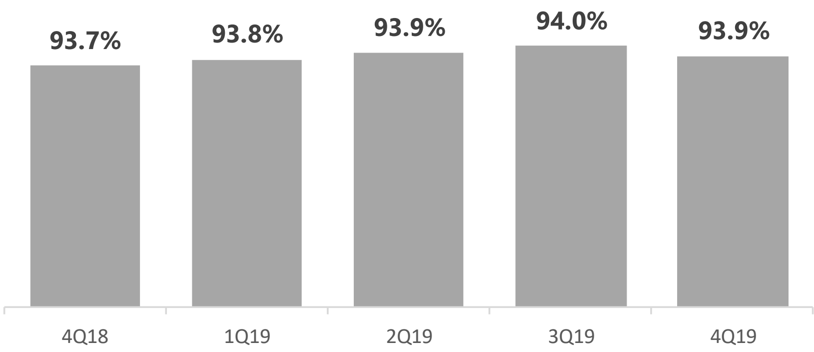
AVAILABILITY

In 4Q19 and 2019 the plants operated by CESP attained an average availability index of 93.9%, more than in 4Q18 and 2018 period, when the level was 93.7%, due to continued good maintenance management and, as a result, more efficiency in managing plant availability in 2019.

According to ANEEL Resolution 614/2014, if the availability index of a hydroelectric power plant participating in the Energy Reallocation Mechanism ("MRE") is below the reference index used for calculating its physical guarantee level, the plant will be subject to the application of an physical guarantee reduction mechanism. With these premises, this indicator becomes the key marker for assessing the performance of hydroelectric power plants and the principal tool for monitoring risk mitigation for operating impact on commercial commitments.

The availability index of the CESP plants is consistently higher than the reference values defined by ANEEL due to their efficient operation and maintenance standards.

Avalability Index[1]
Moving Average of 60 months (%)



(1) Availability index is calculated using the Equivalent Rate for Forced Non-availability Calculated ("TEIFa") and the Equivalent Rate for Scheduled Non-availability ("TEIP"), defined by ANEEL.

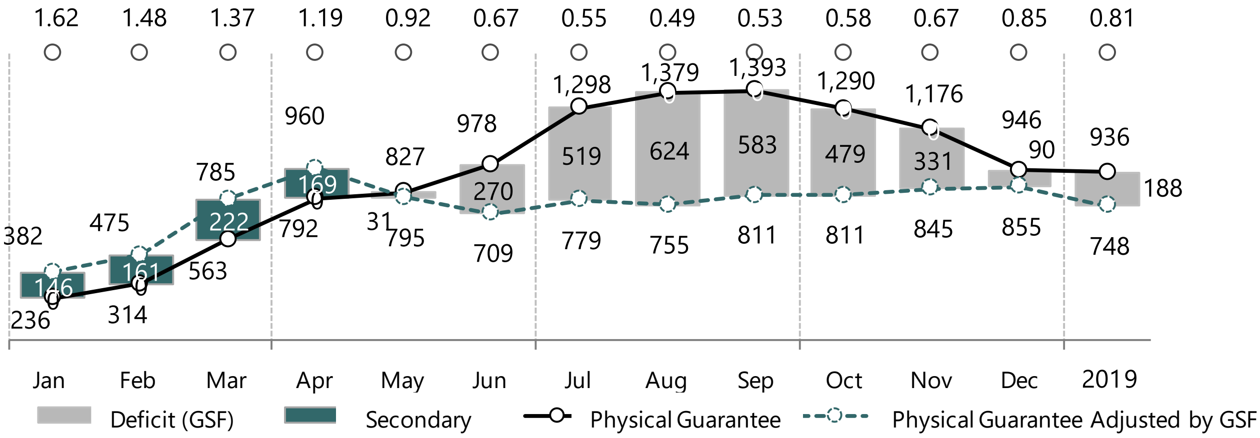
COMMERCIAL STRATEGY

The Company's energy trading strategy is based on meticulous planning and proactive management of electricity sales and the energy balance, in order to create value and minimize the hydrological risk.

In 2019 CESP's seasonality strategy has been changed, and now it seeks to optimize results by analyzing expected inflows and prices for each period of the year.

In the chart below we show our seasonality curve for assured deliveries in 2019 and the same curve adjusted for the Generation Scaling Factor ("GSF").

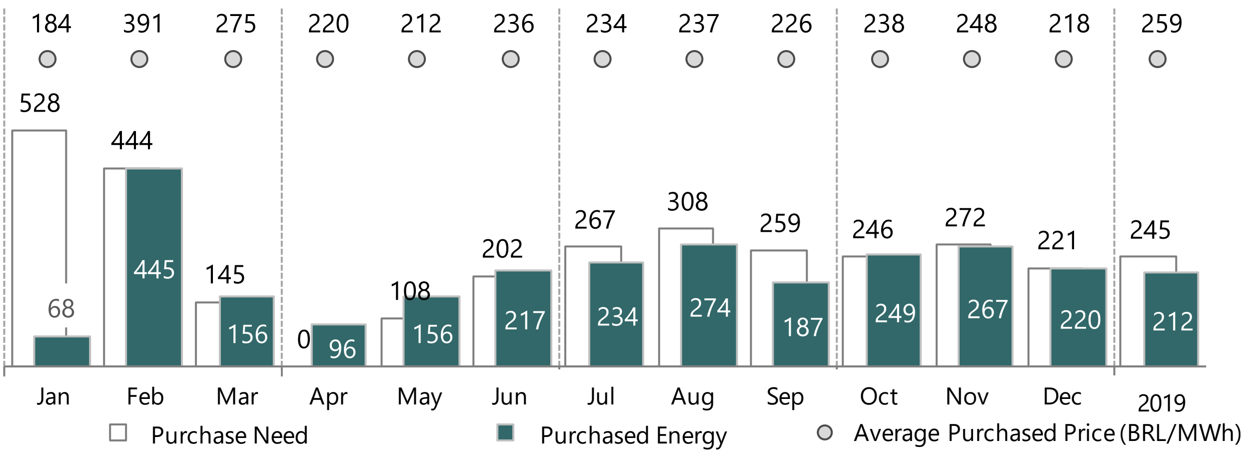
Gross Physical Guarantee and Adjusted Physical Guarantee (average MW)



In view of the revisions of assured deliveries and the effects of the GSF, CESP was showing an energy balance in deficit for the year 2019. This being the case, since December 11, 2018, when the new management took over the Company, it has implemented a strategy for optimizing results and reducing exposure to hydrological risk.

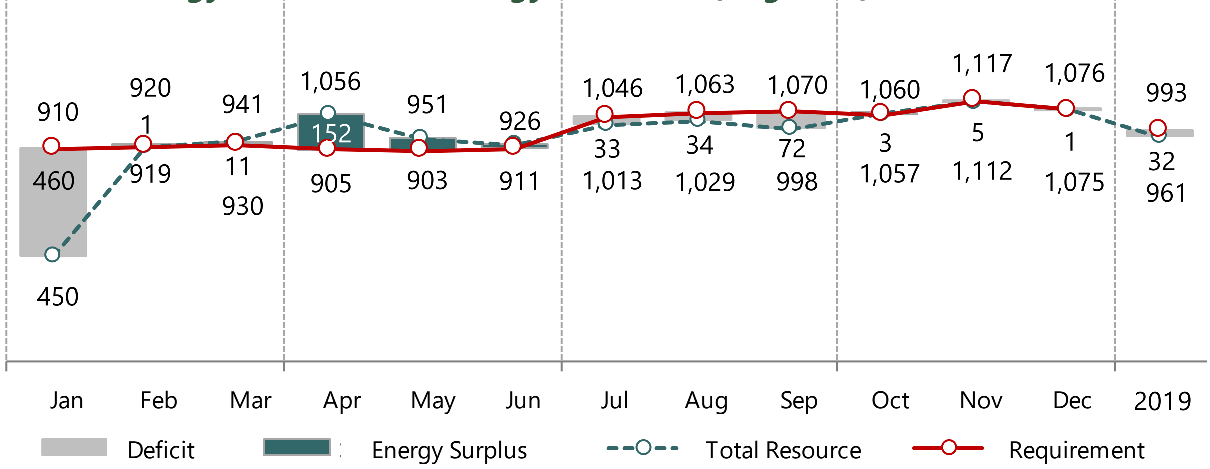
In 2019, an average of 212 MW of electricity was purchased at an average price of BRL259/MWh, compared with a purchase of an average of 240 MW at an average price of BRL357/MWh for the year 2018.

Energy Deficit versus Energy Purchases (Avg. MW)



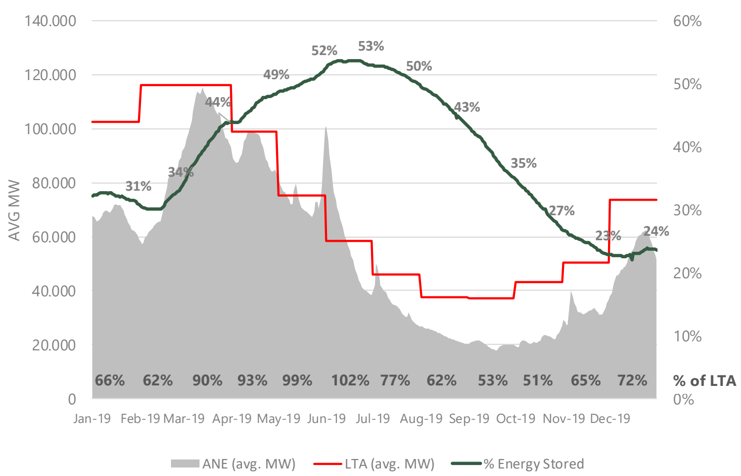
The strategy for optimizing the energy balance takes into account market opportunities for bilateral agreements, so as to minimize price risk (differences settlement price - PLD) and avoid exposure in the CCEE due to systemic default. In 1Q19, as a way of monetizing receivables, we offset the balance due to us in the CCEE against the deficit generated in January 2019, for a total energy purchase of BRL75 million in the period. CESP's energy balance for 2019, resulting from the new management strategy, is illustrated below, and shows that the deficit for 2019 has been corrected.

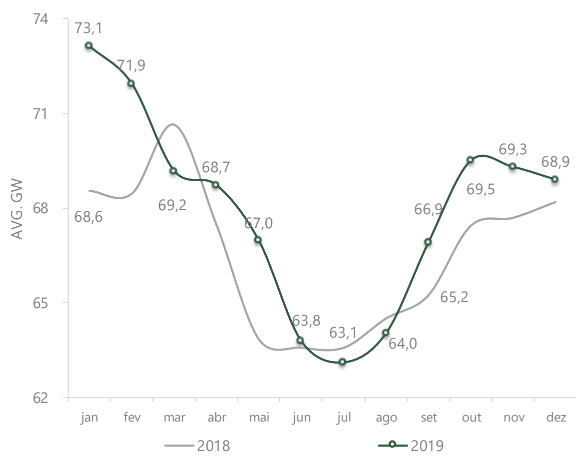
2019 Energy Balance After Energy Purchases (Avg. MW)



During 2019 we worked to mitigate the risk for the period 2020 to 2022 as windows of opportunity presented. More than 80% of the energy exposure for 2020 has now been covered.

We should mention that the performance of the Affluent Natural Energy ("ANE"), below the long-term average ("MLT"), affected the GSF levels in 2019.



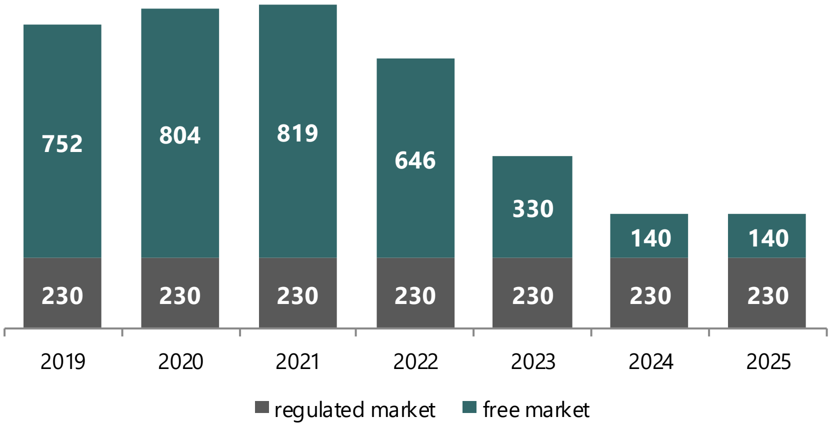


(1) Source: CCEE | LTA: Long term average; EAR: Stored energy; SIN: National Grid

CUSTOMERS

CESP's sales contracts in the free market were mainly executed between 2003 and 2015 and are corrected for inflation (~70%) and the US dollar exchange rate (~30%).

Customers Profile (average MW)



It is important to mention that the Company has introduced a hedging strategy in order to minimize currency exposure on revenues from sales contracts indexed to the USD, using Non-Deliverable Forwards ("NDFs"). More details on this strategy can be found on page 16 of this document.

Contracts in the regulated market began in 2009 and 2010 and mature in 2038 and 2039 with a volume of 230 average MW. In 2019 the average adjusted price of contracts in the regulated market was BRL239/MWh.

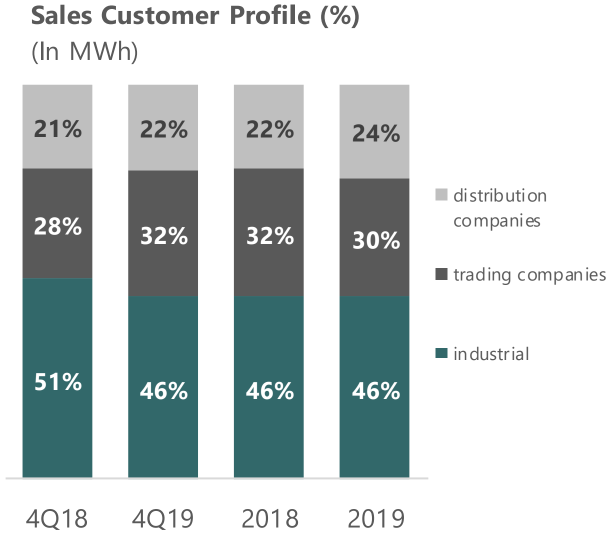
Average Prices in the Regulated Market

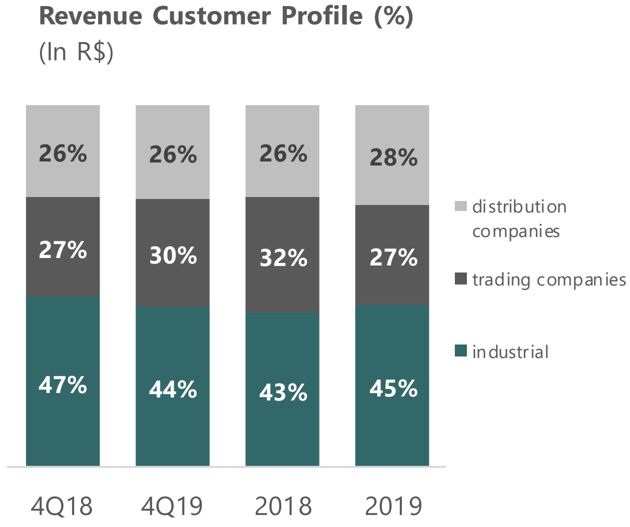
Start date	End date	Volume (average MW)	Starting gross price (BRL/MWh)	Gross price 2019 (BRL/MWh) (1)
01/01/2009	12/31/2038	82	125 (2)	248
01/01/2010	12/31/2039	148	116 (3)	234
Total		**230**	**119**	**239**

(1) Prices adjusted by the IPCA inflation index. | (2) Base date for start June 29, 2006 | (3) Base date for start December 16, 2005

In order to mitigate its exposure to hydrological risk in 2016, CESP renegotiated the total of 230 average MW contracted up to 2028 in the regulated market. Thus, this portion of physical guarantee is fully protected against fluctuations in the GSF.

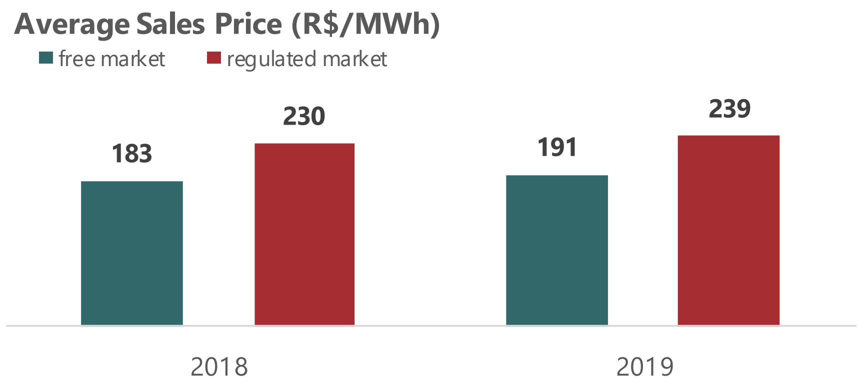
Free customers (manufacturers and traders) represented 78% of the volume of sales in 4Q19 and 76% in 2019 reduction due to the lower sales volume to trading companies in line with the company energy balance strategy.





[1]*Excludes results from CCEE trading.*

The adjusted average price of free market contracts (manufacturers and traders) was BRL191/MWh, 4% more than in 2018, due to contractual adjustments and monetary correction, partially offset by a higher proportion of customers with lower contracted prices and contractual terms permitting flexibility in energy allocation. The average price in the regulated market (distributors) in 2019 was BRL239/MWh, a rise of 4% against 2018 mainly due to price increases in line with inflation (IPCA). As from 2023 the volume of energy sold is substantially lower, and as from 2026 the Company has no free market sales.



OPERATING REVENUES

Net operating revenues in 4Q19 totaled BRL433 million, BRL25 million (+6%) higher than in 4Q18, mainly due to:

- **Deductions and other revenues:** Reduction of BRL31 million due to change in classification of the Porto Primavera plant to Independent Energy Producer, which makes it subject to UBP instead of RGR. In addition, in 4Q18 the sum of BRL20 million was registered for management expectations of adjustments in RGR for 2018 (for more details see note 1.2 of the financial statements).

- **Trading companies:** Increase of BRL12 million due to new strategy of seasonality curve of the Company's energy balance and the readjustment agreements USD-indexed.
- **Distributors:** increase of BRL4 million due to contractual agreements clause readjustment.

These effects were partially offset by:

- **Short-term energy:** Decrease of BRL14 million due to the new strategy for equalizing the Company's energy balance, combined with optimum management of CCEE receivables in view of systemic default.
- **Industrial:** Drop of BRL9 million in sales volume due to contractual conditions previously agreed with counterparties (flexibility).

Net Operating Revenues 4Q18 vs. 4Q19 (BRL million)

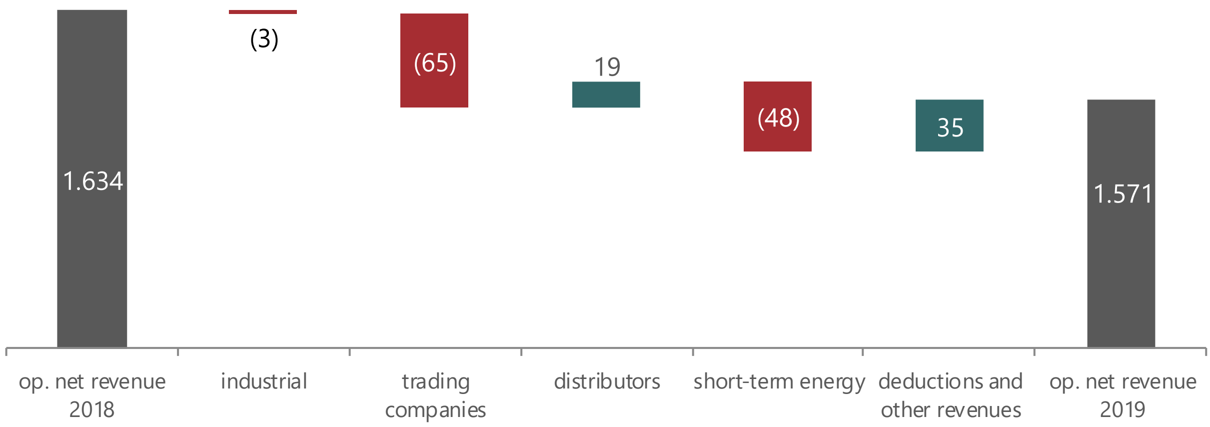
Net operating revenues in 2019 totaled BRL1.6 billion, BRL63 million (-4%) lower than 2018, mainly due to:

- **Trading companies:** Drop of BRL65 million due to due to the end and reduction of existing contracts in order to settle the Company's energy balance.
- **Short-term energy:** Decrease of BRL48 million due to the new strategy for equalizing the Company's energy balance, combined with optimum management of CCEE receivables in view of systemic default.

These effects were partially offset by:

- **Distributors:** Increase of BRL19 million due to contractual agreements clause readjustment.
- **Deductions and other revenues:** Reduction of BRL35 million due to change in classification of the Porto Primavera plant to Independent Energy Producer, which makes it subject to UBP instead of RGR.

Net Operating Revenues 2018 vs. 2019 (BRL million)



Derivative Financial Instruments

CESP has USD-indexed energy sales contracts accounting for about 30% of total revenues. In order to minimize the currency risk from these contracts, we have introduced a hedging strategy using Non-Deliverable Forward ("NDFs"), shown in the books as hedge accounting. The aim is to hedge approximately 95% of the currency exposure during the period of September 2019 to December 2021.

The following table reflects the position of derivative instruments as of December 31, 2019:

NDFs	Notional (USD thousands)	Average forward exchange rate (BRL)	Fair value (BRL thousands)
2019	9,000	4.18	1,305
2020	111,000	4.25	19,544
2021	111,000	4.37	19,094
Total	**231,000**		**39,943**

The fair value of the hedging instruments will be recognized in shareholders' equity until the proposed transaction takes place or is liquidated. After this gains or losses will be recognized in income. For more details see note 29 to the 2019 accounts.

OPERATING COSTS AND EXPENSES

Operating costs and expenses totaled BRL74 million in 4Q19 against BRL251 million in 4Q18.

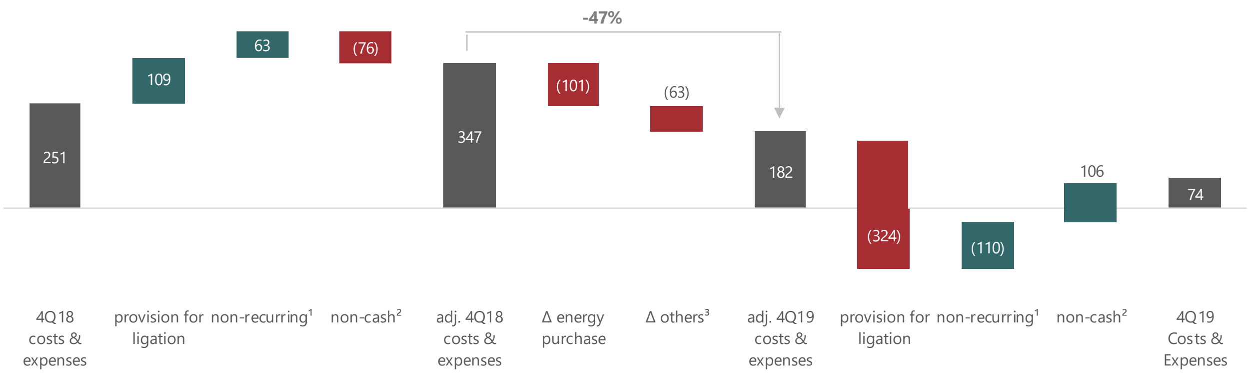
In both quarters there were non-recurring or non-cash events, as follows:

- **Reversal of provision for litigation:** There was a reversal of provision in 4Q19 of BRL324 million in line with our strategy to continuously review risk forecasts for court cases and amounts under discussion, to supplement the procedural strategy for reducing contingent liabilities. The sum reversed in 4Q18 was BRL109 million.

- **Non-recurring effects:** Includes the reversal of impairment of fixed assets for BRL120 million in 4Q19, against BRL63 million in 4Q18. Through impairment testing, we found that the book value of HPP Jaguari was higher than its fair value, and a loss was recognized, while HPP Porto Primavera has recovered value since the provision set up in 2018 (more details in Note 14.5 to the financial statements). The reversal of impairment (+BRL120 million) was offset by an adjustment of contingent assets of Ilha Solteira and Jupiá for BRL230 million on recognition in the Company's balance sheet of amounts to be reimbursed according to MME Ordinance 458/2015.
- **Non-cash effects:** Include depreciation, amortization, inventory provisions and provision of PIS/COFINS for update of judicial deposits. The total in 4Q19 was BRL106 million and in 4Q18 it was BRL76 million. Most of the cost of depreciation and amortization comes from the change in useful life of the assets of the Porto Primavera concession.

Excluding non-recurring and non-cash items, operating costs and expenses in 4Q19 totaled BRL182 million, 47% less than in 4Q18 when the figure reported was BRL347 million.

Costs and Expenses 4Q18 vs. 4Q19 (BRL million)



(1) Includes impairment, adjustment of contingent assets for Ilha Solteira and Jupiá and VDP expenses (2) Includes depreciation/amortization and provisions for inventory and provision of PIS/COFINS for monetary correction of judicial deposits. | (3) Excludes costs and expenses for: energy purchases, VDP, depreciation/amortization, provisions, PDD

It should be noted that the Company took various different measures to gain operating efficiency and rationalize costs and expenses.

- **Energy purchases:** 52% less than in 4Q18, in line with the new seasonality and trading strategies adopted by the Company.
- **Personnel and management**: Reduction of 38%, due to fall of approximately 50% in staff numbers and changes in professional profile, accompanied by reformulation of targets, performance appraisal, development and professional training - management recognized by the Great Place to Work (GPTW) label.
- **Third party services, rents and material:** Fall of 32% through renegotiation of contracts and review of procedures, achieving savings in costs and operations.

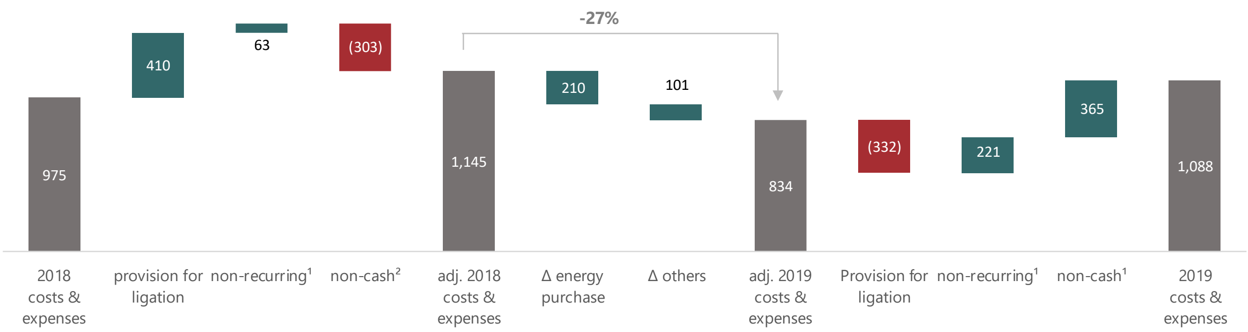
Operating costs and expenses totaled BRL1,088 million in 2019 against BRL975 million in 2018.

In both years there were non-recurring or non-cash events, as follows:

- **Provision for litigation:** There was a reversal of provision in 2019 of BRL332 million in line with our strategy to continuously review risk forecasts for court cases and amounts under discussion, in addition to the strategy to reduce contingent liabilities. The sum reversed in 2018 was BRL410 million.
- **Non-recurring effects:** Includes an adjustment of contingent assets for Ilha Solteira and Jupiá of BRL230 million in 2019, after recognition in the Company balance sheet of sums to be reimbursed, under MME Ordinance 458/2015, and VDP costs of BRL111 million, partly offset by the reversal of impairment of fixed assets totaling BRL120 million for 2019, against a reversal of BRL63 million in 2018.
- **Non-cash effects:** Include depreciation, amortization, inventory provisions and provision of PIS/COFINS for monetary correction of judicial deposits. The total in 2019 was BRL366 million and in 2018 it was BRL303 million.

Excluding non-recurring and non-cash effects, operating costs and expenses for 2019 totaled BRL834 million, 27% less than in 2018, when the figure was BRL1,145 million, thanks to a 28% fall in the cost of energy purchases, 21% in personnel and management and 23% in third party services, materials and rents. The reductions for the year are caused by the same factors as the reductions for the quarter.

Costs and Expenses 2018 vs. 2019 (BRL million)



(1)Includes impairment, adjustment of contingent assets for Ilha Solteira and Jupiá and VDP expenses (2) Includes depreciation/amortization and provision of PIS/COFINS monetary correction judicial deposits. | (3) Excludes costs and expenses for: energy purchases, VDP, depreciation/amortization

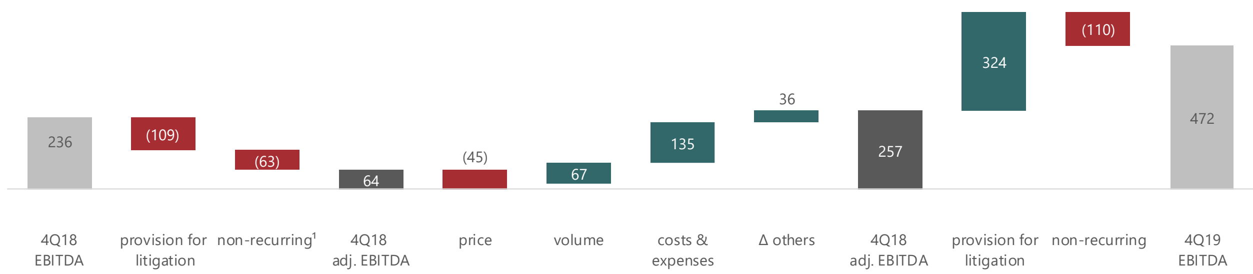
EBITDA

EBIT / EBITDA - BRL thousands	4Q19	4Q18	Var. (%)	2019	2018	Var. (%)
Net income	**1,333,115**	**59,253**	**n.m.**	**1,163,014**	**294,433**	**n.m.**
Net IR/CSLL	(1,033,232)	64,425	n.m.	(1,026,560)	(10,147)	n.m.
Financial result	59,495	33,671	77%	347,054	374,867	-7%
= EBIT	**359,378**	**157,349**	**128%**	**483,508**	**659,153**	**-27%**
Depreciation / amortization	112,145	78,935	42%	379,565	316,345	20%
EBITDA	**471,523**	**236,284**	**100%**	**863,073**	**975,498**	**-12%**
VDP – Voluntary dismissal program	336	-	n.m.	111,082	-	n.m.
Provision for litigation	(324,464)	(109,280)	197%	(331,952)	(410,186)	-19%
Adjustment Jupiá and Ilha Solteira	230,040	-	n.m.	230,040	-	n.m.
Reversal of impairment	(120,404)	(62,652)	92%	(120,404)	(62,652)	92%
Adjusted EBITDA	**257,031**	**64,352**	**n.m.**	**751,839**	**502,660**	**50%**
Adjusted EBITDA margin	59%	16%	44 p.p.	48%	31%	17 p.p.

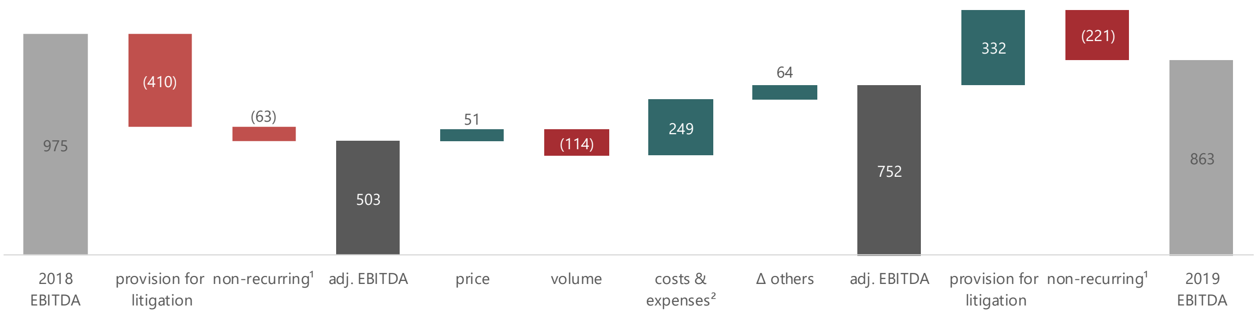
Adjusted EBITDA totaled BRL257 million in 4Q19 with a margin of 59%, up by BRL193 million over the same period of 2018. In 2019, adjusted EBITDA was BRL752 million with a margin of 48%, BRL249 million higher than for 2018.

The increase in Adjusted EBITDA for the year and the quarter is mainly explained by the drop in costs and expenses, most of which came from the lower cost of energy purchases and other manageable items, partly offset by the fall in revenues from our new energy balance strategy.

EBITDA 4Q18 vs. 4Q19 (BRL million)



EBITDA 2018 vs. 2019 (BRL million)



(1)Includes impairment, adjustment for Jupiá e Ilha Solteira and VDP expenses / (2) Excludes provision for litigation and non-recurring items

FINANCIAL RESULT

Financial Results – BRL thousand	4Q19	4Q18	Chg. (%)	2019	2018	Chg. (%)
Financial revenues	**11,086**	**24,370**	**-55%**	**74,259**	**75,704**	**-2%**
Financial expenses	**(70,581)**	**(58,041)**	**22%**	**(421,313)**	**(450,571)**	**-6%**
Debt charges	(30,627)	(4,653)	n.m.	(142,715)	(23,784)	n.m.
Provision for litigation	(46,535)	(62,951)	-26%	(272,245)	(361,782)	-25%
Monetary variation	319	51,802	-99%	(2,809)	(12,641)	-78%
Other finance costs	6,262	(42,239)	n.m.	(3,544)	(52,364)	-93%
Financial Results	**(59,495)**	**(33,671)**	**77%**	**(347,054)**	**(374,867)**	**-7%**

The net financial result for 4Q19 was an expense of BRL59 million compared to an expense of BRL34 million in 4Q18. The change is due mainly to:

- **Debt charges:** Increase of BRL26 million mainly as a result of the recognition of liabilities for the 11th issue of Debentures amounting to BRL1.8 billion, disbursed in January 2019.

Partially offset by:

- **Provision for litigation:** Reduction of BRL16 million, due to a smaller adjustment in the balance of the provision for litigation.
- **Financial revenues:** BRL13 million down due to the lower interbank deposit (CDI) rate during the period.
- **Monetary variation:** Decrease of BRL12 million in currency differences due to payment of principal and interest to BNDES indexed to currency variations (basket of currencies) in the normal course of debt repayment, which was completed at the end of October 2019.

The net financial result for 2019 was an expense of BRL347 million compared to an expense of BRL375 million in 2018. The change is due mainly to:

- **Debt charges:** Increase mainly as a result of the recognition of liabilities for the 11th issue of Debentures amounting to BRL1.8 billion, disbursed in January 2019.
- **Provision for litigation:** Reduction of BRL90 million, due to a smaller adjustment in the balance of the provision for litigation.
- **Monetary variation:** Decrease of BRL49 million in currency differences due to payment of principal and interest to BNDES indexed to currency variations during 2019.

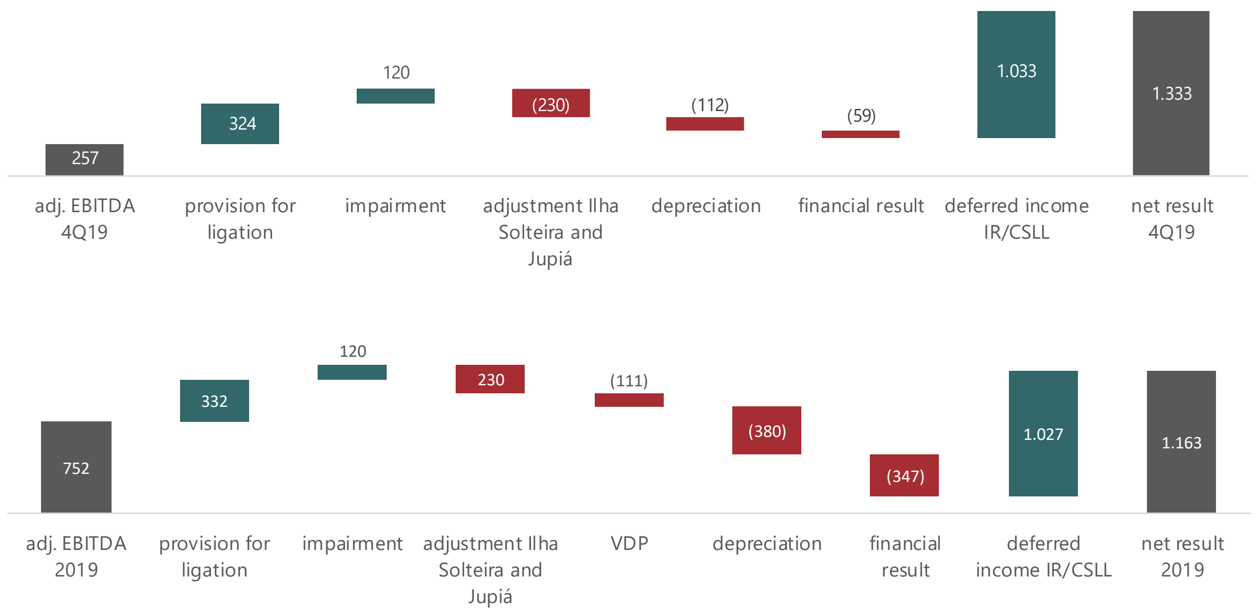
NET RESULT

Net income for 4Q19 rose to BRL1.3 billion, against BRL59 million in 4Q18. For 2019 net income was BRL1.2 billion, BRL869 million more than in 2018. This increase is mainly due to:

- **Provision for litigation:** in 4Q19, provision for litigation was reversed in the amount of BRL324 million, compared to a reversal in 4Q18 of BRL109 million, in line with our strategy to steadily reduce contingent liabilities. On the other hand, for the year 2019 the reversal was BRL332 million, against BRL410 million in 2018, mainly due to an out-of-court settlement with the Public Prosecutor's Office and Municipal Councils of Mato Grosso do Sul for BRL405 million, booked in 2Q18.

- **Impairment:** Reversal of impairment of fixed assets for BRL120 million in 4Q19/2019 (vs. BRL63 million in 4Q18/2018). Through impairment testing, we found that the book value of HPP Jaguari was higher than its fair value, and a loss was recognized, while HPP Porto Primavera has recovered value since the provision last adjusted in 2018.
- **Adjustment of contingent assets:** Reduction of contingent assets of Ilha Solteira and Jupiá for BRL230 million on recognition in the Company's balance sheet of amounts to be reimbursed according to MME Ordinance 458/2015:
- **Deferred IR and CSLL:** deferral of IR and CSLL amounting to BRL1 billion due to expectation of realization of taxable income over the next years, according to Company forecasts. The deferral relates principally to the following temporary differences: (i) provision for litigation; (ii) provision for impairment; (iii) provision for contingent assets, Três Irmãos, Ilha Solteira and Jupiá.

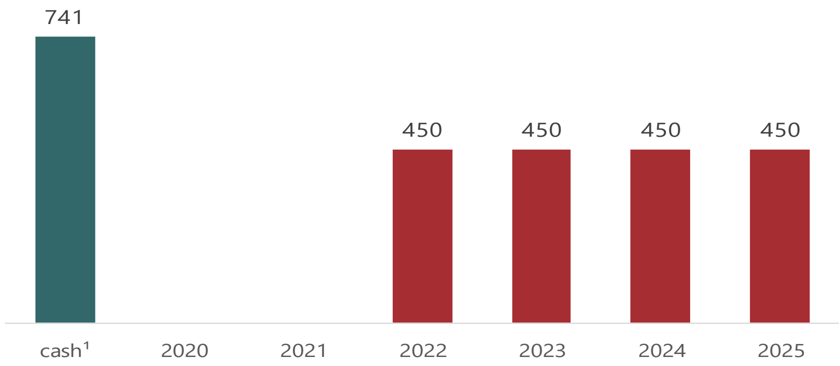
The following chart show the key factors that influenced net income in 4Q19 and 2019, based on adjusted EBITDA for the same period (BRL million):



DEBT

Gross debt as at December 31, 2019 was BRL1,791 million against BRL216 million at the end of 2018. The increase in debt derives from the 11th issue of Company debentures, in order to pay for the renovation of the HPP Porto Primavera concession, with a coupon of 100% of the daily average of the interbank overnight deposit rate (DI) plus a margin of 1.64% p.a., payable semiannually. The principal final maturity is in 2025. On December 31, 2019, the average maturity of the debt was 4.4 years. Gross debt is in local currency and indexed to the CDI rate.

Repayment Schedule (BRL million)



The position of cash and cash equivalents at the end of 2019 was BRL741 million against BRL411 million in December 2018. The net debt[2] in December 31st, 2019 figures BRL1,010 million.

(1) Considers the value of the contribution to CESP trading company / (2) Considers the value of contribution to CESP trading company loans and financing, lease, cash and cash equivalents and derivative financial instruments

RATING

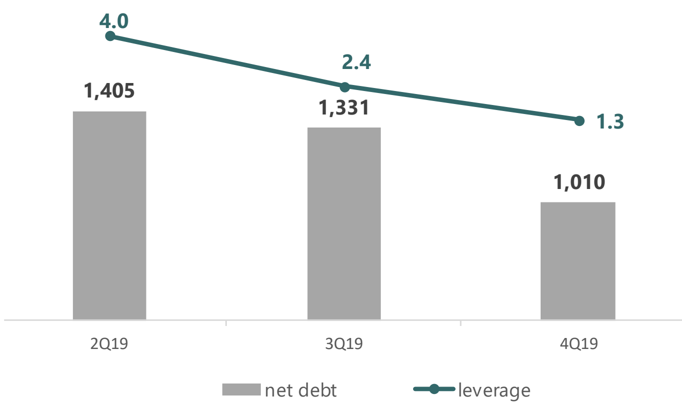
In December 2019 Standard & Poor's ("S&P") reviewed and confirmed CESP's global and local ratings, as shown below:

	Rating	Outlook	Revised
STANDARD & POOR'S	BB- | br.AAA	Positive	Dec/2019

LEVERAGE

CESP's leverage, measured as net debt/adjusted EBITDA, which reached a peak of 4.0x in the second quarter of the year, was down to 1.3x at the end of 2019.

Net debt(1) (BRL million) and Leverage (2) (x)



(1) Considers the value of contribution to CESP trading company loans and financing, lease, cash and cash equivalents and derivative financial instruments / (2) Leverage measured by the ratio Net debt/ Adjusted EBITDA LTM

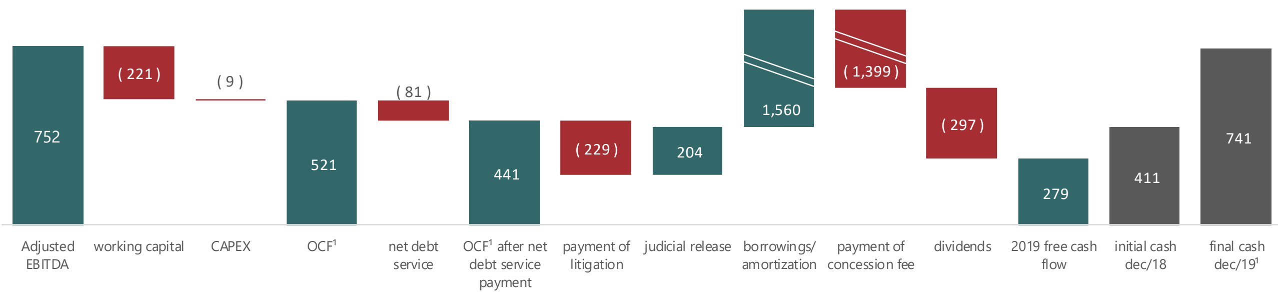
FREE CASH FLOW

Cash flow - BRL thousand	4Q19	4Q18	Chg. (%)	2019	2018	Chg. (%)
Adjusted EBITDA	257,031	64,352	n.m.	751,839	502,660	50%
Working Capital	(43,965)	7,813	n.m.	(170,371)	(10,547)	n.m.
CAPEX	(4,544)	(7,071)	-36%	(9,088)	(16,089)	-44%
Operating Cash Flow	**208,522**	**65,094**	**n.m.**	**572,380**	**476,024**	**20%**
Net Debt service	(60,988)	(1,152)	n.m.	(80,839)	1,675	n.m.
Operating cash flow after debt service	**147,534**	**63,942**	**131%**	**491,541**	**477,699**	**3%**
Payment of litigation	(107,707)	(48,495)	122%	(229,231)	(144,826)	58%
Judicial Release	207,013	2,081	n.m.	203,701	18,644	n.m.
Funding	-	-	n.m.	1,777,982	-	n.m.
Amortization	(46,428)	(80,209)	-42%	(217,736)	(225,594)	-3%
Payment of concession fee	-	-	n.m.	(1,398,703)	-	n.m.
Dividends	-	-	n.m.	(297,164)	(25,573)	n.m.
Free cash flow	**200,411**	**(62,681)**	**n.m.**	**330,390**	**100,350**	**n.m.**
Initial cash balance	540,865	473,567	14%	410,886	310,536	32%
Final cash balance	741,276	410,886	80%	741,276	410,886	80%

(1) Considers the value of contribution to CESP trading company

Free cash flow in 2019 was BRL330 million, BRL230 million higher than 2018, mainly because of the release of judicial deposits as cases were settled during 4Q19, and partly offset by: (i) lower working capital due to the VDP; (ii) higher debt service after raising BRL1.8 billion in debentures; (iii) settlement of litigation cases; (iv) payment for the Porto Primavera grant and (v) dividends paid.

Cash Flow (BRL million)



(1) Considers the value of contribution to CESP trading company / (2) FCO=Operating cash flow.

CAPEX

In capex in 4Q19 was BRL5 million and BRL9 million in 2019, for use mainly to maintain our hydroelectric plants.

DIVIDENDS

The Company Bylaws provide for the distribution of net income for the year, after legal deductions, as follows:

- A sum will be used to pay the 10% priority annual dividend on the A preferred shares, out of the capital stock of this class;
- The balance will be used to pay the mandatory annual dividend on the common shares (CESP3) and B preferred shares (CESP6) corresponding to the 10% of capital stock represented by these shares; and the balance for distribution will be allocated between the two classes of share;
- The remaining balance will be allocated as resolved by the Shareholders' Meeting, subject to the retentions permitted by law, and if it is allocated to the common shares and the A and B preferred shares, this will be on the same terms for each.

The board of directors, at a meeting on February 17th, 2020, approved the proposal of distribution of dividends to shareholders in an amount of BRL606 million, a 52% payout on net income for 2019 and a dividend yield of ~6% for the three classes of (ON, PNA and PNB).

Payment in cash of BRL409 million will be made on April 22th, 2020 and of BRL196 million on October 22th, 2020. The ex-dividend date is on abril 3rd, 2020, as shown below:

	Total Payment		Payment on Apr/22/2020		Payment on Oct/22/2020	
	BRL per share	BRL million	BRL per share	BRL million	BRL per share	BRL million
ON (CESP3)	1.85	202.0	1.25	136.5	0.60	65.5
PNA (CESP5)	1.85	13.6	1.25	9.2	0.60	4.4
PNB (CESP6)	1.85	390.3	1.25	263.7	0.60	126.6
TOTAL		**605.9**		**409.4**		**196.5**

CONTINGENCIES

Proceedings and Judicial Liabilities

Currently the Company is a party to legal proceedings representing total contingent liabilities of around BRL11.4 billion. It is important to note that we have continued and intensified our in-depth analysis of contingent liabilities, engaging legal and financial advisors to supplement the work of our own team.

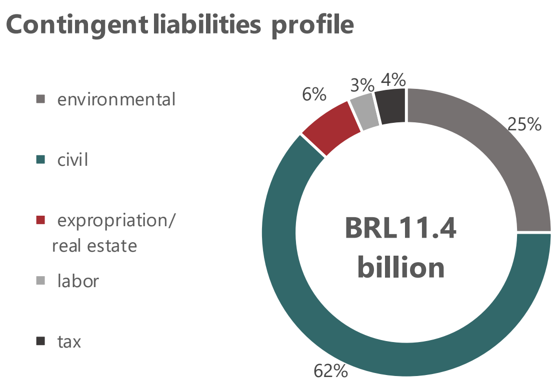
Accordingly, given the amount of our current contingent liabilities, we not only constantly review the amounts under discussion in court, but also the probabilities of loss on each case. We are always seeking to improve management and reduce contingent liabilities, and the cases the Company regards as "strategic" are specially monitored and are handled by first-class external counsel. Equally careful attention is given to the rest of the litigation portfolio.

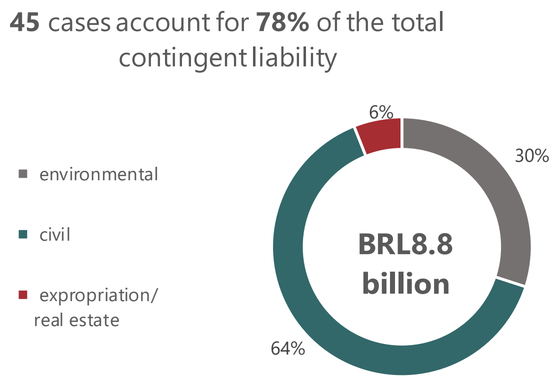
We wish to make it clear that the balance of contingent liabilities is constantly changing, because it depends on progress in the court cases. Accordingly it is our policy to reflect in the balance sheet, with as short a lapse of time as possible, the actual status of our portfolio of liabilities (and this is the reason why the balances change every quarter).

As to contingencies for cases where the possibility of loss is remote, we are continuing the Company's past practice of disclosing the total amount. However, although we believe that disclosing these amounts shows consistency, we would repeat that, among the various cases where the possibility of loss is remote, there are some where the amount claimed is out of all proportion to the sum that the Company would have to pay in the event of losing.

Lastly, and without prejudice to our constant efforts to reduce our contingent liabilities, we wish to be transparent and to call attention to the fact that we may have difficulty in doing so in the event that new claims are brought against the Company, or if the amounts involved in existing cases should increase. Thus, in addition to our technical and procedural efforts to reduce these contingencies, the process has also taken on a preventive role, in order to reduce the volume of new claims that may be lodged against us.

Currently, the group of strategic cases consists of 45 proceedings, representing approximately 78% of the Company's contingent liabilities. Details are given below:

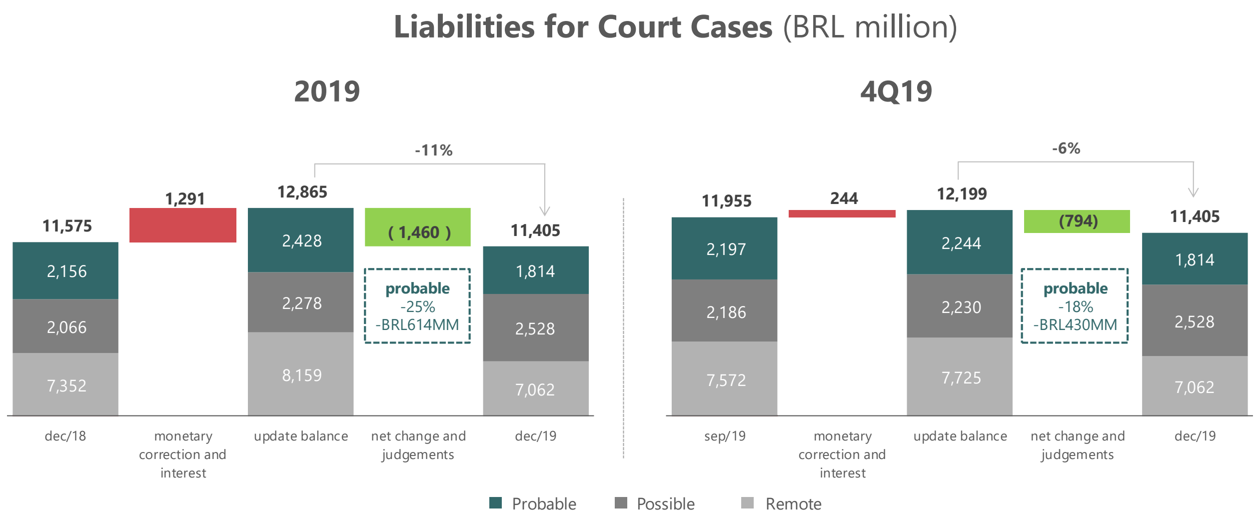




In 4Q19, we made progress in dealing with the strategic cases, with the help of our external advisers, and taking all the cases together we were able to reduce total contingencies by about BRL794 million, compared with the balance in September 2019, before monetary adjustment. When compared with the balance for December 2018, the decrease in total contingencies (also before monetary adjustment) was BRL1,460 million.

The fall in contingent liabilities during 2019 was due to a combination of: (i) definitive rulings favorable to CESP, such as the significant "Aeroceânica Case", where the sum claimed was about BRL1.7 billion; (ii) judicial settlements; (iii) careful reviews of the contingency values applied to all strategic cases (adjustments can be up or down); and (iv) new claims received by the Company, offsetting in part the reductions achieved during the period.

More details about the key cases are available in item 4.3 of the CESP Reference Form.

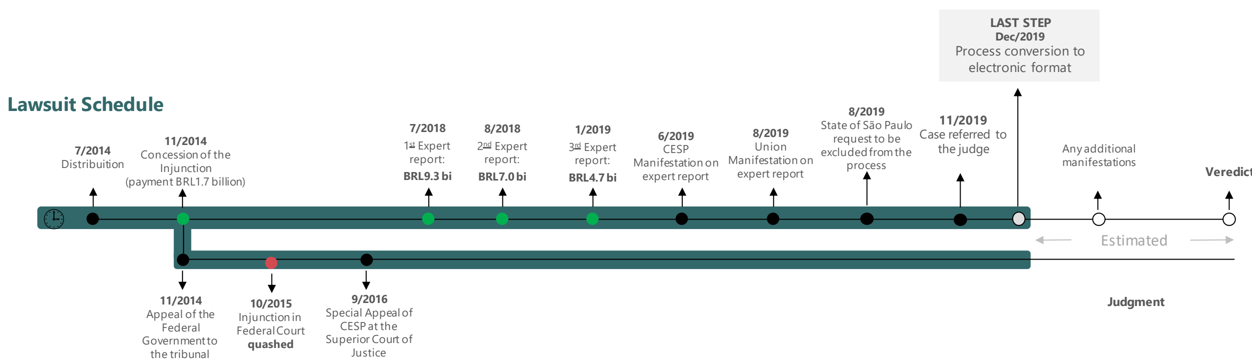


Court settlements and our efforts to replace court deposits with other types of security resulted in the release of approximately BRL192 million, which means a decrease of 56% in the balance since December 2018.

Três Irmãos lawsuite

The indemnity proceeding for Três Irmãos (case No. 45939-32.2014.4.01.3400) is at the investigation stage, with discussions about the report of the legal expert who valued the reversible assets at BRL4.7 billion (June/12 values). The valuation consists of: Plant: BRL1.9 billion; Floodgates and Canal: BRL1 billion | Land: BRL1.8 billion.

In parallel with the hearing of the case by the lower court, there is an appeal pending judgment (Special Appeal No. 1.643.760/SP) at the Superior Court of Justice (STJ), filed by CESP in December 2016, calling for immediate payment by the federal government of the uncontested figure of BRL1.7 billion (at June/12 values). We are currently waiting for this appeal to be put on the agenda for trial by the STJ.



Jupiá and Ilha Solteira lawsuite

In the case involving the reversibility of the Ilha Solteira and Jupiá assets, the lower court upheld the claim in part and ordered the federal government to pay the indemnity, published in MME Ordinance 458/2015, amounting to BRL2 million for the Ilha Solteira plant (taking into account depreciation and amortization accumulated since June 2015). For the Jupiá plant, the government considers that there is no indemnity due. Since our application to increase the amount of indemnity fixed by the government was not upheld by the court, and given the uncertainty of obtaining indemnity through the administrative proceeding filed with ANEEL, we have revalued our assets in line with the amounts shown in the ordinance.

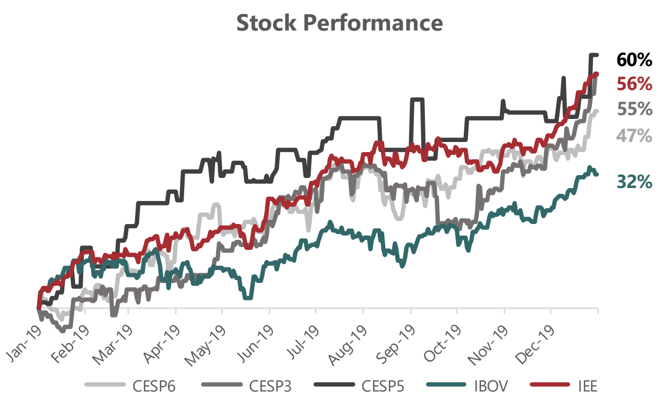
CAPITAL MARKET

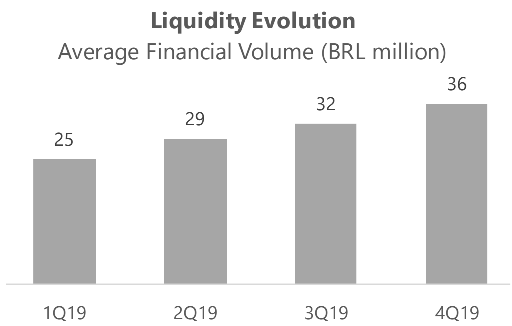
CESP's common shares ("CESP3") and class A and B preferred shares ("CESP5" and "CESP6", respectively) are listed and traded on the São Paulo Stock Exchange ("B3") on Level 1 of Corporate Governance, with ethics and transparency being upheld in relations with shareholders and other Company stakeholders. The Company shares are included in several indexes, including the Corporate Governance Index which includes companies with high standards of corporate governance, and the Brazil 100 Index, which consists of the most actively traded shares on B3.

On December 31, 2019, the Class B Preferred Shares (CESP6), which represent 64.4% of the Company's total capital, were quoted at BRL31.94. The average daily turnover in these shares was BRL36 million in 4Q19 and BRL31 million for 2019 (*vs*. BRL27 million for 2018).

The common shares (CESP3), which represent 33.3% of the capital, were quoted at BRL32.50. The Class A Preferred Shares (CESP5), representing 2.3% of the capital, were quoted at BRL32.00 both at December 31, 2019.

CESP's market capitalization as of December 31, 2019, was BRL10.5 billion compared to BRL7 billion on December 31, 2018.





EXHIBITS – (BRL thousands)

Income Statement (Detailed) BRL thousand	4Q19	4Q18	Chg. (%)	2019	2018	Chg. (%)
Operating income	**497,086**	**502,647**	**-1%**	**1,830,499**	**1,927,319**	**-5%**
Free market - Industrial	213,871	222,641	-4%	785,746	788,540	0%
Trading companies	142,908	130,463	10%	487,660	552,474	-12%
Energy auctions - Distributors	126,203	122,155	3%	481,588	463,076	4%
Short-term energy	12,767	26,760	-52%	72,235	120,648	-40%
Other income	1,337	628	113%	3,270	2,581	27%
Deductions from operating revenues	**(64,251)**	**(94,549)**	**-32%**	**(259,203)**	**(293,209)**	**-12%**
Quota for the reversal of global reserves - RGR	(844)	(32,261)	-97%	(26,304)	(54,714)	-52%
Research and development	(4,238)	(4,075)	4%	(15,631)	(16,319)	-4%
Taxes on services - ISS	(19)	(35)	-46%	(120)	(132)	-9%
COFINS on operating revenues	(37,046)	(36,815)	1%	(135,032)	(140,460)	-4%
PIS on operating revenues	(8,043)	(7,991)	1%	(29,316)	(30,493)	-4%
Financial compensation for use of water resources	(12,845)	(12,588)	2%	(48,801)	(48,063)	2%
Inspection fee of electricity services - TFSE	(1,216)	(784)	55%	(3,999)	(3,028)	32%
Net operating revenue	**432,835**	**408,098**	**6%**	**1,571,296**	**1,634,110**	**-4%**
Cost of energy service	**(272,064)**	**(361,588)**	**-25%**	**(1,092,015)**	**(1,232,279)**	**-11%**
Gross operating profit	**160,771**	**46,510**	**n.m.**	**479,281**	**401,831**	**19%**
Operating expenses	**198,505**	**110,839**	**79%**	**4,125**	**257,322**	**-98%**
General and administrative expenses	(41,814)	(51,791)	-19%	(263,157)	(182,194)	44%
Other operating expenses	240,319	162,630	48%	267,282	439,516	-39%
Equity	102	-	n.m.	102	-	n.m.
Income (loss) operational before financial result	**359,378**	**157,349**	**128%**	**483,508**	**659,153**	**-27%**
Financial income	11,086	24,370	-55%	74,259	75,704	-2%
Financial expenses	(70,900)	(70,120)	1%	(418,504)	(398,207)	5%
Exchange variation	319	12,079		(2,809)	(52,364)	-95%
Financial result	**(59,495)**	**(33,671)**	**77%**	**(347,054)**	**(374,867)**	**-7%**
Income (loss) before tax and social contribution	**299,883**	**123,678**	**142%**	**136,454**	**284,286**	**-52%**
Deferred Income tax and social contribution	1,033,232	(64,425)	n.m.	1,026,560	10,147	n.m.
Total income tax and social contribution	**1,033,232**	**(64,425)**	**n.m.**	**1,026,560**	**10,147**	**n.m.**
Net income for the period	**1,333,115**	**59,253**	**n.m.**	**1,163,014**	**294,433**	**n.m.**

Asset	12/31/2019	12/31/2018
Current	**1,018,007**	**854,999**
Cash and cash equivalents	690,276	410,886
Derivative Financial Instruments	18,718	-
Receivables	198,930	240,802
Taxes and contributions for offset	8,357	79,203
Prepaid expenses	11,186	15,580
Other credits	90,540	108,528
Non-current	**11,909,068**	**9,471,501**
Derivative Financial Instruments	21,225	-
Prepaid expenses	-	7,511
Pledges and restricted deposits	343,979	536,254
Deferred taxes and social contribution	1,877,412	579,226
Warehouse	7,611	4,302
Assets available for reversal	1,719,390	1,949,430
Other credits	-	1,361
Investments	51,102	-
Intangible	1,575,300	36,800
Immobilized	6,305,943	6,356,617
Right of use over lease agreements	7,106	-
Fixed assets	**12,927,075**	**10,326,500**

Liabilities and Shareholders 'Equity	12/31/2019	12/31/2018
Current	**954,179**	**884,398**
Suppliers	8,824	7,595
Purchase energy for sale	35,755	167,822
Loans, financing and debentures	3,002	214,556
Lease	1,584	-
Estimated liabilities and payroll	21,497	25,211
Taxes and social contributions	23,494	19,061
Regulatory charges	115,673	141,742
Dividends and interest on capital	606,176	298,750
Use of public asset tax	29,275	-
Social and environmental obligations	23,474	-
Other obligations	85,425	9,661
Non-current	**4,827,991**	**2,340,036**
Loans, financing and debentures	1,781,123	1,080
Lease	5,624	-
Regulatory charges	12,014	35,852
Use of public asset tax	158,355	-
Provision for litigation	1,814,375	2,156,162
Social and environmental obligations	164,536	72,915
Employees pension	836,995	-
Other obligations	54,969	74,027
Shareholders' Equity	**7,144,905**	**7,102,066**
Capital stock	5,975,433	5,975,433
Capital reserves	1,929,098	1,929,098
Profit reserves	1,084,883	554,588
Equity valuation adjustments	(948,623)	(976,752)
Other comprehensive income	(895,886)	(380,301)
Total Liabilities and Shareholders 'Equity	**12,927,075**	**10,326,500**

Costs & Expenses	4Q19 Costs	4Q19 Expenses	4Q19 Total	4Q18 Costs	4Q18 Expenses	4Q18 Total	Var. (%)
Purchased energy	(92,815)	-	(92,815)	(194,147)	-	(194,147)	-52%
Regulatory charges	(26,931)	-	(26,931)	(20,352)	-	(20,352)	32%
COFINS / PIS credits w/o transmission charges	(37,257)	-	(37,257)	(54,506)	-	(54,506)	-32%
Personnel	(5,824)	(14,253)	(20,077)	(6,977)	(33,859)	(40,836)	-51%
VDP - voluntary dismissal program	-	(336)	(336)	-	-	-	n.m.
Administrators	-	(5,723)	(5,723)	-	(796)	(796)	n.m.
Social security entity	-	(3,372)	(3,372)	-	(2,582)	(2,582)	31%
Material	(664)	(206)	(870)	(1,037)	(450)	(1,487)	-41%
Third-party services	(1,438)	(10,258)	(11,696)	(6,195)	(10,058)	(16,253)	-28%
Depreciation/amortization	(109,490)	(2,655)	(112,145)	(77,046)	(1,889)	(78,935)	42%
Other expenses - ONS/CCEE	-	(338)	(338)	-	(143)	(143)	136%
Rents	(28)	1	(27)	-	(1,337)	(1,337)	-98%
Reversal of quota difference RGR 2018 / 2017	-	-	-	-	-	-	n.m.
Execução Acordo MP-MS	-	-	-	-	-	-	n.m.
Provision for reduction of warehouse	-	264	264	-	3,115	3,115	-92%
Ad exitum fees	-	-	-	-	(532)	(532)	n.m.
Provision of ad exitum fees	-	-	-	-	(8,973)	(8,973)	n.m.
Reversal of impairment	-	120,405	120,405	-	62,652	62,652	92%
Adjustment for Jupiá and Ilha Solteira	-	(230,040)	(230,040)	-	-	-	n.m.
Provision for litigation	-	324,463	324,463	-	109,280	109,280	197%
Provision of PIS/COFINS for update of judicial deposits	-	6,170	6,170	-	91	91	n.m.
Estimated loss of credits	-	2,804	2,804	-	1,414	1,414	98%
Provision for social and environmental commitments	-	14,835	14,835	-	1,768	1,768	n.m.
Late costs	-	-	-	-	(852)	(852)	n.m.
Other expenses	2,383	(3,247)	(864)	(1,328)	(6,010)	(7,338)	-88%
Total	**(272,064)**	**198,505**	**(73,559)**	**(361,588)**	**110,839**	**(250,749)**	**-71%**

Costs & Expenses	2019 Costs	2019 Expenses	2019 Total	2018 Costs	2018 Expenses	2018 Total	Var. (%)
Purchased energy	(541,111)	-	(541,111)	(751,603)	-	(751,603)	-28%
Regulatory charges	(126,606)	-	(126,606)	(114,509)	-	(114,509)	11%
COFINS / PIS credits w/o transmission charges	-	-	-	-	-	-	n.m.
Personnel	(21,580)	(84,745)	(106,325)	(24,570)	(116,324)	(140,894)	-25%
VDP - voluntary dismissal program	(9,883)	(101,199)	(111,082)	-	-	-	n.m.
Administrators	-	(6,900)	(6,900)	-	(2,238)	(2,238)	n.m.
Social security entity	-	(13,488)	(13,488)	-	(10,330)	(10,330)	31%
Material	(2,985)	(1,586)	(4,571)	(2,839)	(1,789)	(4,628)	-1%
Third-party services	(13,245)	(33,184)	(46,429)	(23,330)	(35,916)	(59,246)	-22%
Depreciation/amortization	(371,319)	(8,246)	(379,565)	(308,993)	(7,352)	(316,345)	20%
Other expenses - ONS/CCEE	-	(2,122)	(2,122)	-	(865)	(865)	145%
Rents	(46)	(1,540)	(1,586)	-	(4,640)	(4,640)	-66%
Reversal of quota difference RGR 2018 / 2017	-	23,152	23,152	-	-	-	n.m.
Execução Acordo MP-MS	-	-	-	-	(52,000)	(52,000)	n.m.
Provision for reduction of warehouse	-	8,053	8,053	-	3,370	3,370	139%
Ad exitum fees	-	-	-	-	(532)	(532)	n.m.
Provision of ad exitum fees	-	-	-	-	(8,973)	(8,973)	n.m.
Reversal of impairment	-	120,405	120,405	-	62,652	62,652	92%
Adjustment for Jupiá and Ilha Solteira	-	(230,040)	(230,040)	-	-	-	n.m.
Provision for litigation	-	331,951	331,951	-	410,186	410,186	-19%
Provision of PIS/COFINS for update of judicial deposits	-	6,048	6,048	-	9,873	9,873	-39%
Estimated loss of credits	-	2,440	2,440	-	367	367	n.m.
Provision for social and environmental commitments	-	14,835	14,835	-	29,353	29,353	-49%
Late costs	-	(2,099)	(2,099)	-	(2,927)	(2,927)	-28%
Other expenses	(5,240)	(17,610)	(22,850)	(6,435)	(14,593)	(21,028)	9%
Total	**(1,092,015)**	**4,125**	**(1,087,890)**	**(1,232,279)**	**257,322**	**(974,957)**	**12%**