Rio de Janeiro, August 15, 2019.

Light's Adjusted EBITDA increases by 4.5% in 1H19, driven by the performance of the Generation and Trading Companies

The completion of the Follow-on transaction will allow Light to focus on its operating turnaround and creation of value

Operating and Financial Highlights

Financial Highlights (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Net Revenue*	2.632	2.778	-5,3%	5.811	5.621	3,4%
CVM EBITDA[1]	286	407	-29,7%	866	849	2,0%
EBITDA for Covenants (12 months)[2]	2.167	2.392	-9,4%	2.167	2.392	-9,4%
Adjusted EBITDA[3]	385	446	-13,8%	959	918	4,5%
EBITDA Margin**	14,6%	16,1%	-1,4 p.p.	16,5%	16,3%	0,2 p.p.
Net Income	11	(25)	-	175	67	160,1%
Net Debt***	7.989	7.935	0,7%	7.989	7.935	0,7%
Net Debt/EBITDA - covenants (x)	3,69	3,32	11,1%	3,69	3,32	11,1%
EBITDA/Interest - covenants (x)	2,99	4,14	-27,9%	2,99	4,14	-27,9%
PECLD/ROB	1,8%	2,0%	0,2 p.p.	1,8%	2,0%	-0,2 p.p.
CAPEX Light	203	168	20,7%	366	307	19,2%
Transfers to Subsidiaries	10	29	-65,4%	27	64	-58,3%

* Does not consider construction revenue.
** Considers Adjusted EBITDA
*** For covenants purposes

Operational Highlights	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Grid Load* (GWh)	9.195	8.762	4,9%	20.036	19.086	5,0%
Energy Consumption (GWh)	6.961	7.160	-2,8%	14.604	14.618	-0,1%
Captive Market (GWh)	4.459	4.700	-5,1%	9.706	9.798	-0,9%
Transported Energy - TUSD (GWh)	1.882	1.800	4,5%	3.662	3.517	4,1%
Sold Energy - Generation (MWm)	496	550	-9,7%	536	539	-0,6%
Commercialized Energy - Com (MWm)	643	762	-15,7%	642	754	-14,8%
Total Losses/Grid Load (12 months)	25,76%	22,98%	2,78 p.p.	25,76%	22,98%	2,78 p.p.
DEC - Hours (12 Months)	8,36	7,83	6,8%	8,36	7,83	6,8%
FEC - Times (12 Months)	4,38	4,71	-7,0%	4,38	4,71	-7,0%

* Own Load + Use of Network

- **In 2Q19, consolidated result was a net income of R$11 million.** The improvement of R$36 million compared to a net loss of R$25 million in 2Q18 was due to a better financial result.
- **Consolidated adjusted EBITDA totaled R$385 million** in 2Q19. The decrease of R$61 million compared to 2Q18 is due to the increase in energy losses of the Distribution Company, partially offset by an increase in EBITDA of the Generation Company.
- **In 2Q19, PECLD totaled R$71 million (compared to R$125 million in 2Q18), accounting for 1.8% of gross revenue (12 months). PECLD decreased by 0.3 p.p. compared to March 2019 (2.1%),** due to decreased volume of REN in 2Q19.
- **In June 2019, total losses on grid load (12 months) totaled 25.76%.** This deterioration compared to 1Q19 (24.49%) is primarily due to an increase in average temperatures in 2Q19 compared to 2Q18 and decreased volume of REN.
- **DEC (12 months) totaled 8.36 hours in 2Q19**, representing a 3.3% increase compared to 1Q19, due to higher number of climate events during 2Q19. DEC is currently 1.6% above the level agreed with ANEEL for the end of 2019 (8.23 hours). **FEC (12 months) was 4.38x in 2Q19**, representing a 0.5% increase compared to 1Q19, but still 23.4% below the limit agreed with ANEEL for 2019 (5.72x).
- **At the end of 2Q19, the Net Debt/EBITDA ratio was 3.69x,** below the covenant limit of 3.75x set forth in most debt agreements.
- As a subsequent event, in July 2019, **the Follow-on transaction was completed, with the issuance of 100 million new shares** under the primary offering and the **sale, by Cemig, of 33.3 million common shares** under the secondary offering. The price per share was **R$18.75** and the capital increase totaled **R$1.9 billion.**
- Also as a subsequent event, in August 2019, the court rendered a **final and unappealable decision in favor of Light SESA,** recognizing its right to exclude ICMS from the calculation basis of PIS and COFINS, retroactive to January 2002.

1- EBITDA is a non-BRGAAP and non-IFRS financial measure used by the Company as an additional measure of operating performance. It should not be considered in isolation or as an alternative to net income or operating income or as a measure of operating performance or liquidity. CVM EBITDA is calculated in accordance with CVM Instruction 527/2012 and represents net income before income tax and social contribution, net financial expense, depreciation and amortization. A reconciliation is provided in Appendix VII.
2- EBITDA for covenant purposes is CVM EBITDA *less* equity income, provisions and other operating income (expenses).
3- Adjusted EBITDA is CVM EBITDA less equity income and other operating income (expenses). Adjusted EBITDA has been used for the analyses included in this release.

B3: LIGT3 **OTC**: LGSXY **Total shares:** 303,934,060 shares **Market Cap** (7/15/19): R$6.0 billion	**Conference Call:** **Date:** 8/16/2019 **Time:** 2 pm Brazil (in Portuguese) and 3 pm Brazil (in English) **Phones:** +55 (11) 2188 0155 / +1 (646) 843 6054 **Webcast:** ri.light.com.br	**Ana Marta Horta Veloso (CEO and Investor Relations Officer)** **Rodrigo Vilela (IR Superintendent)**: +55 (21) 2211-7032 **Lilian Kaufman (IR Specialist)**: +55 (21) 2211-2828 **Camilla Gonzaga (IR Analyst)**: +55 (21) 2211-2728 **Regiane Abreu (Sustainability Specialist)**: +55 (21) 2211-2732

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1. Light S.A. – Consolidated

1.1. Consolidated Financial Performance

Income Statement (R$ MN)	2Q19	2Q18	Var. %	1H19	1H18	Var. %
Gross Operating Revenue	**4.638**	**4.761**	**-2,6%**	**10.053**	**9.660**	**4,1%**
Deductions	(2.006)	(1.983)	1,2%	(4.242)	(4.039)	5,0%
Net Operating Revenue	**2.632**	**2.778**	**-5,3%**	**5.811**	**5.621**	**3,4%**
Operating Expense	**(2.394)**	**(2.466)**	**-2,9%**	**(5.144)**	**(4.970)**	**3,5%**
PMSO	(237)	(248)	-4,5%	(463)	(479)	-3,4%
Personnel	(118)	(100)	17,6%	(223)	(196)	14,1%
Material	(6)	(22)	-71,4%	(12)	(33)	-62,3%
Outsourced Services	(133)	(132)	0,5%	(266)	(258)	3,2%
Others	19	6	244,9%	39	7	436,2%
Purchased Energy	(1.851)	(1.895)	-2,3%	(4.081)	(3.839)	6,3%
Depreciation	(147)	(134)	9,4%	(293)	(268)	9,4%
Provisions	(159)	(189)	-16,0%	(308)	(385)	-20,1%
Adjusted EBITDA*	**385**	**446**	**-13,8%**	**959**	**918**	**4,5%**
Financial Result	(71)	(298)	-76,2%	(262)	(451)	-42,0%
Non Operating Result	(7)	(17)	-56,5%	(12)	(30)	-60,7%
Result Before Taxes and Interest	160	(3)	-	393	170	131,9%
Social Contributions and Income Tax	(48)	5	-	(137)	(51)	168,0%
Deferred Income Tax	(10)	(6)	71,7%	0	(12)	-
Equity Pickup	(91)	(22)	313,4%	(81)	(39)	110,4%
Net Income	**11**	**(25)**	**-**	**175**	**67**	**160,1%**

Obs: Does not consider Construction Revenue/Cost

* Adjusted EBITDA is calculated based on net income before income tax and social contribution, equity income, other operating income / expenses, net financial expenses, depreciation and amortization.

Note: excludes Construction Revenue/Expenses

** Adjusted EBITDA is calculated as net income before income tax and social contribution, equity income, other operating income (expenses), financial result, depreciation and amortization.*

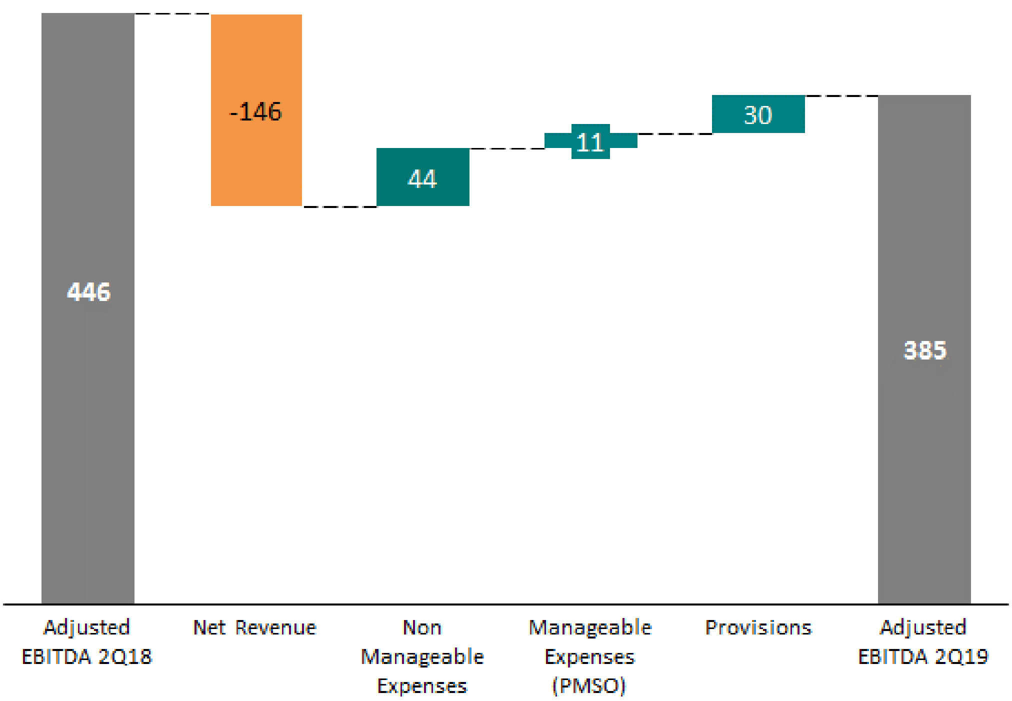
1.2. Consolidated Adjusted EBITDA[4]

Consolidated EBITDA by Segment (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Distribution	216	328	-34,2%	511	610	-16,3%
Generation	148	103	43,3%	379	276	36,9%
Trading	25	21	18,7%	77	41	86,7%
Services	-	3	-	-	3	-
Others and eliminations	(4)	(9)	-53,4%	(6)	(12)	-45,9%
Total	**385**	**446**	**-13,8%**	**959**	**918**	**4,5%**
EBITDA Margin (%)	14,6%	16,1%	-1,44 p.p.	16,5%	16,3%	0,17 p.p.

In 1H19, EBITDA increased by 4.5% compared to 1H18. In the quarterly comparison, EBITDA decreased by 13.8% due to EBITDA of the Distribution Company, which was affected by the increase in losses, as described in section 2.1.3.

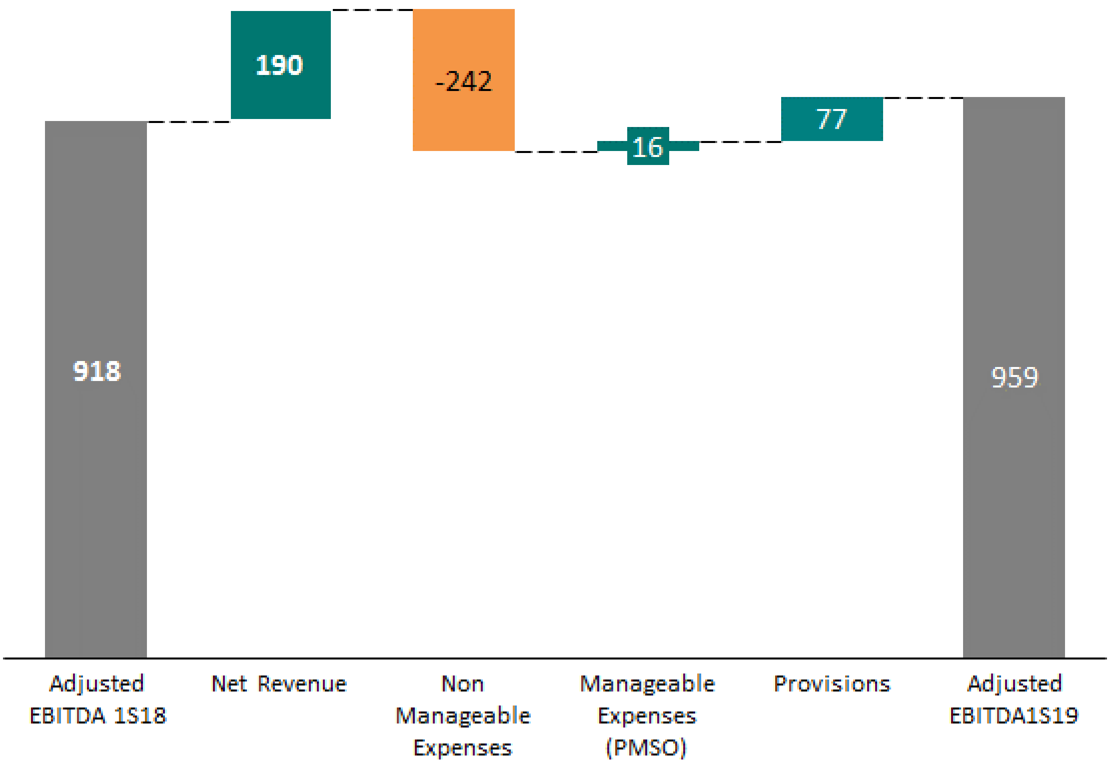
In the Generation segment, in 2Q19, average GSF slightly increased compared to 2Q18 (93% compared to 85%, as simple average). Notwithstanding a GSF below 1, in 2Q19, average PLD (R$131.40/MWh) was significantly lower compared to 2Q18 (R$302.70/MWh), generating a 42% decrease in operating expenses in 2019 compared to 2018 and allowing the EBITDA of the Generation company to reach R$148 million in 2Q19, representing a 43% increase compared to 2Q18.

Consolidated Adjusted EBITDA
2Q18 / 2Q19 - R$ Million



[4] Adjusted EBITDA is calculated as net income (loss) before income tax and social contribution, equity income, other operating income (expenses), net financial result, depreciation and amortization.

Consolidated Adjusted EBITDA
1H18 / 1H19 – R$ Million

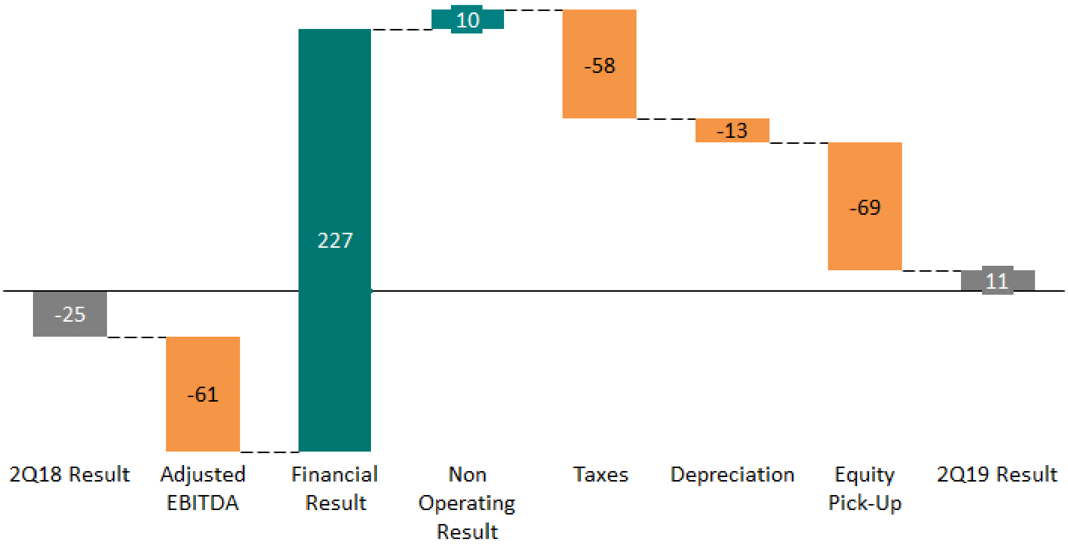


1.3. Consolidated Net Income (Loss)

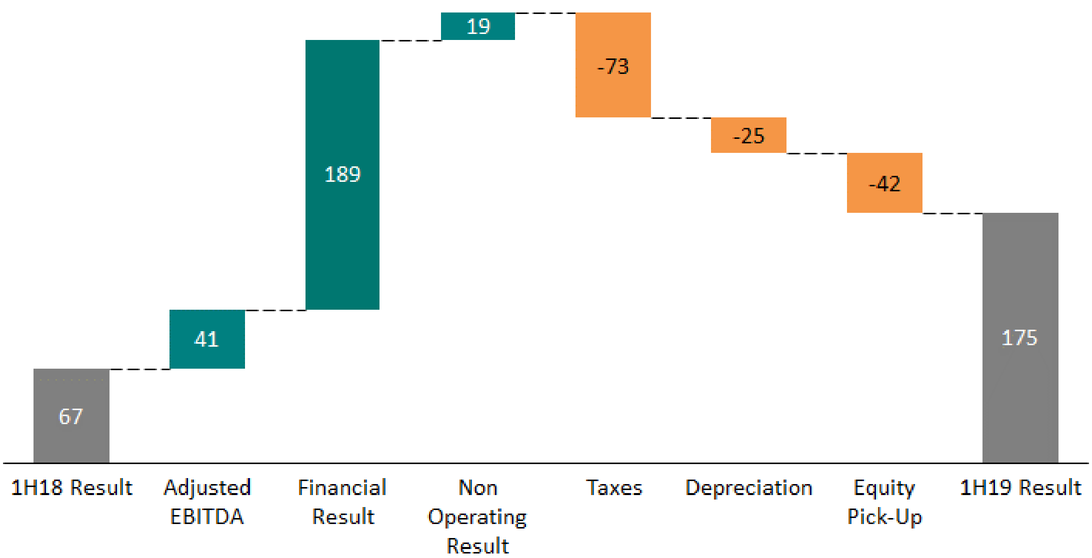
Consolidated Net Income/Loss by Segment (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Distribution	(10)	(14)	-28,3%	(35)	4	-
Generation	(2)	(11)	-85,1%	150	54	176,7%
Trading	26	14	86,8%	64	28	129,4%
Services	-	(9)	-	-	(12)	-
Others and eliminations	(4)	(6)	-29,3%	(4)	(7)	-44,2%
Total	**11**	**(25)**	-	**175**	**67**	**160,1%**
Net Margin (%)	0,4%	-0,9%	1,33 p.p.	3,0%	1,2%	1,81 p.p.

In 2Q19, consolidated net income was R$11 million compared to a net loss of R$25 million in 2Q18. This positive variation is due to a better financial result in 2Q19, although partially offset by negative equity income from Renova, in the amount of R$92 million (compared to a negative equity income of R$23 million in 2Q18 (see Section 3.2.4).

Consolidated Net Income (Loss)
2Q18 / 2Q19 – R$ Million



Consolidated Net Income (Loss)
1H18 / 1H19 – R$ Million



2. Light SESA – Distribution

2.1. Operating Performance

Operating Highlights	2Q19	2Q18	% Change 2Q19/2Q18
Nº of Consumers (thousand)	4.449	4.405	1,0%
Nº of Employees	4.632	4.008	15,6%
Average provision tariff* - R$/MWh	828	806	2,7%
Average provision tariff* - R$/MWh (w/out taxes)	569	545	4,4%
Average bilateral contracts cost** - R$/MWh	211,7	202,0	4,8%
Average energy purchase cost with Spot*** - R$/MWh	226,2	231,1	-2,1%

[1] Considers the number of active contracts

[2] Increase due to the insourcing

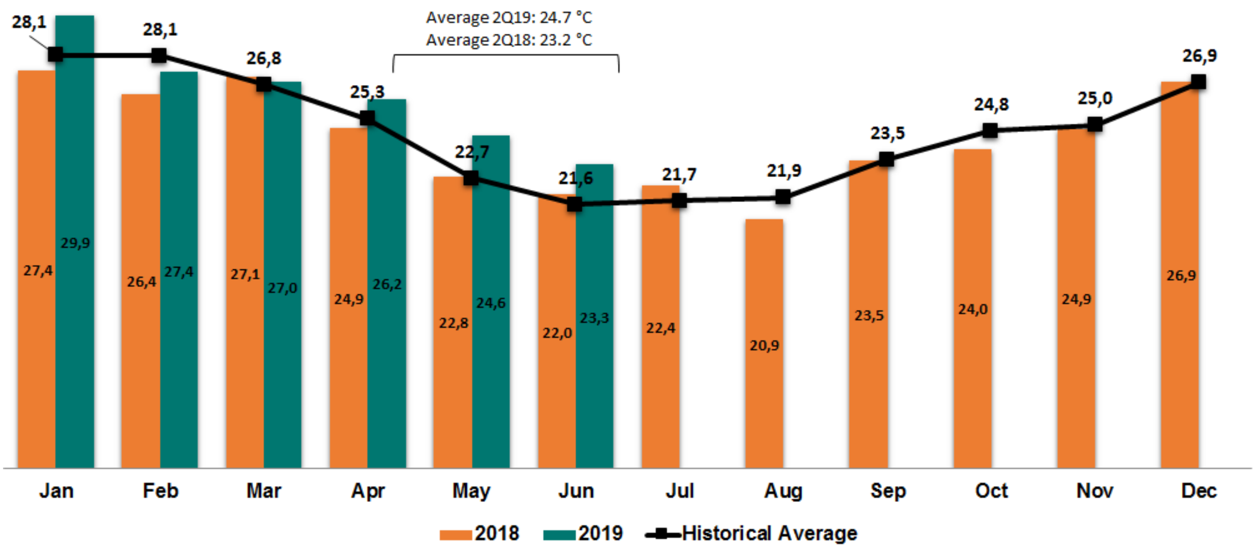
[3] Captive market

* Does not include purchase in the spot market and hydrological risk

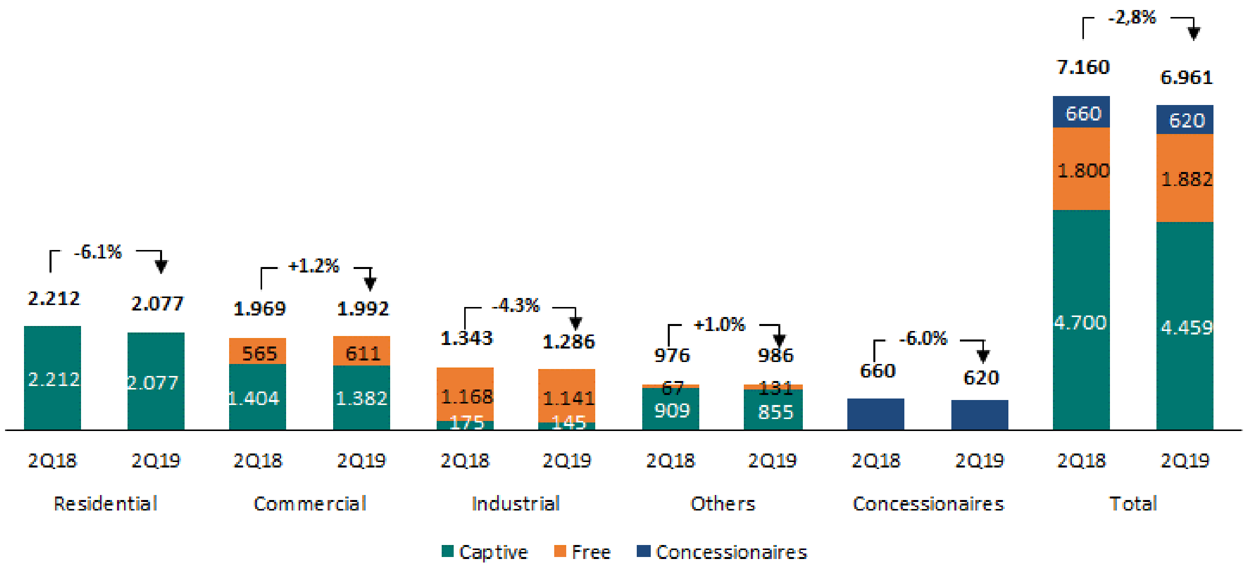
**Does not include hydrological risk

2.1.1. Market

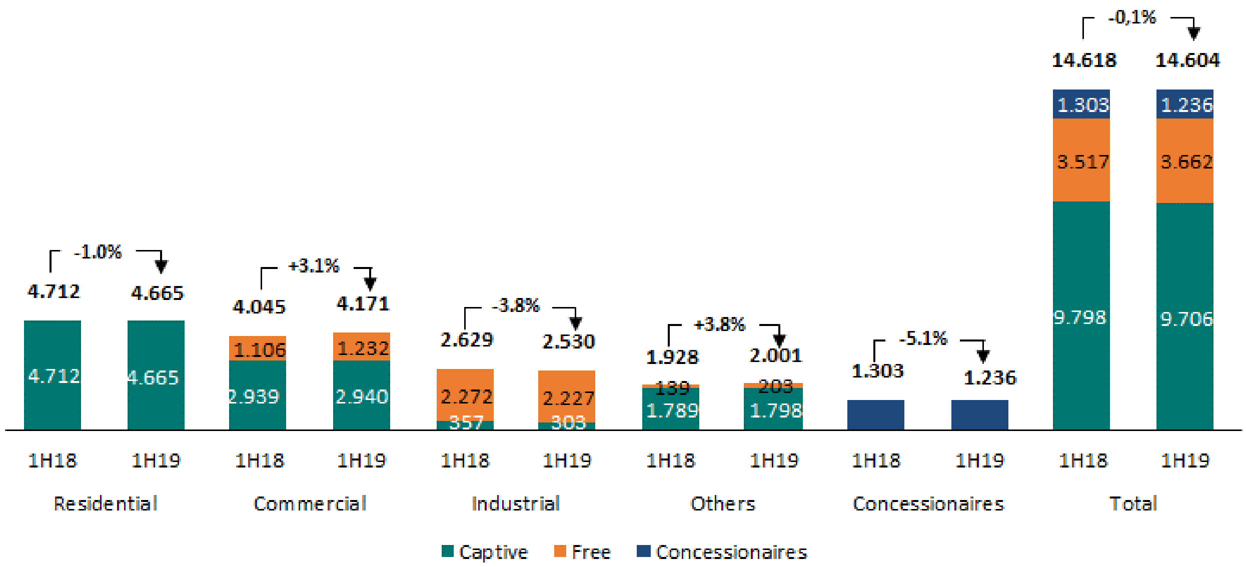
Temperature (Celsius degrees)



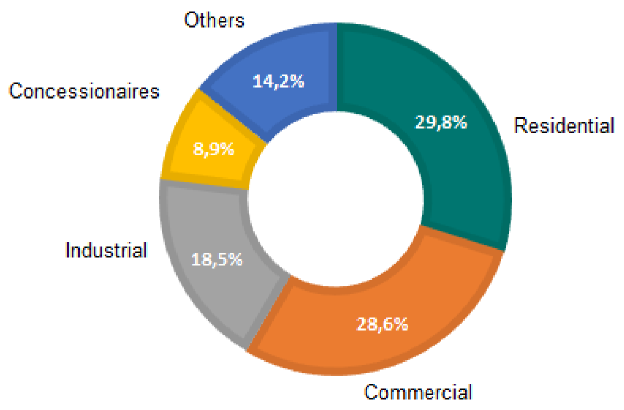
Total Billed Market (GWh)
2Q19



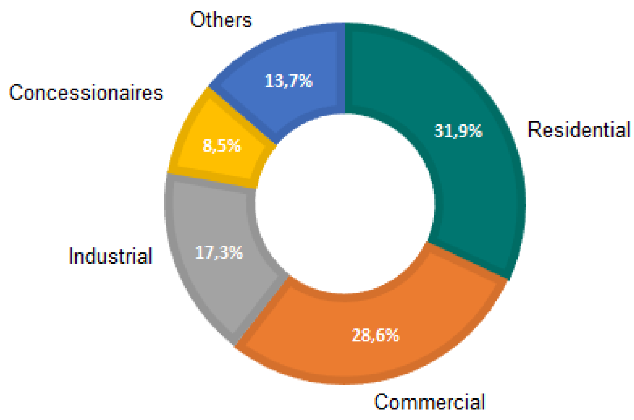
Total Billed Market (GWh)
1H19



Energy Market
2Q19



Energy Market
1H19



In 2Q19, the total energy market amounted to 6,961 GWh, representing a 2.8% decrease compared to 2Q18. Excluding the effect of REN, no market variation occurred between the periods, as REN totaled 45 GWh in 2Q19 compared to 234 GWh in 2Q18 (representing an 80.8% decrease). In 1H19, the accumulated volume was virtually in line with that of 1H18; Excluding the effect of REN, the billed market increased by 2,3% compared to 2Q18.

The consumption of the residential segment, which totaled 2,077 GWh in 2Q19 (representing a 6.1% decrease compared to 2Q18), was affected by the 80.8% decrease in REN, as described above. Excluding the effect of REN, the residential segment increased by 0.3% in 2Q19 and 5.0% in 1H19.

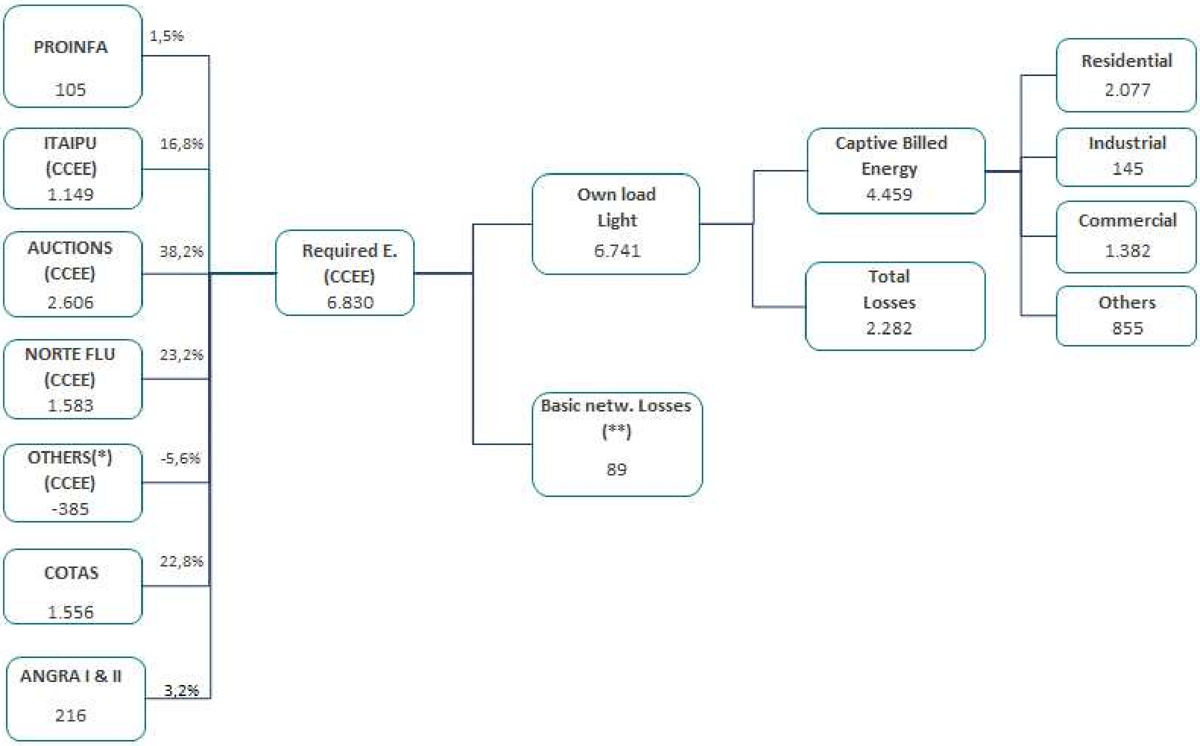
In 2Q19, the consumption of the commercial segment increased by 1.2% compared to 2Q18. The consumption of free customers increased by 8.1% in 2Q19 compared to 2Q18. The retail and wholesale sectors and condominiums contributed the most to this positive performance and, together, account for 44% of the total consumption in the free market.

In 2Q19, the consumption of the industrial segment decreased by 4.2% compared to 2Q18, primarily due to the decrease in consumption of the steel sector, which accounts for 60% of this segment.

At the end of 2Q19, the free market accounted for 27.0% of the total market of the Distribution Company. The migration of customers from the captive market to the free market does not affect margin, as energy continues to be transported by the Company, which receives TUSD.

2.1.2. Energy Balance

Energy Distribution Balance (GWh)
2Q19

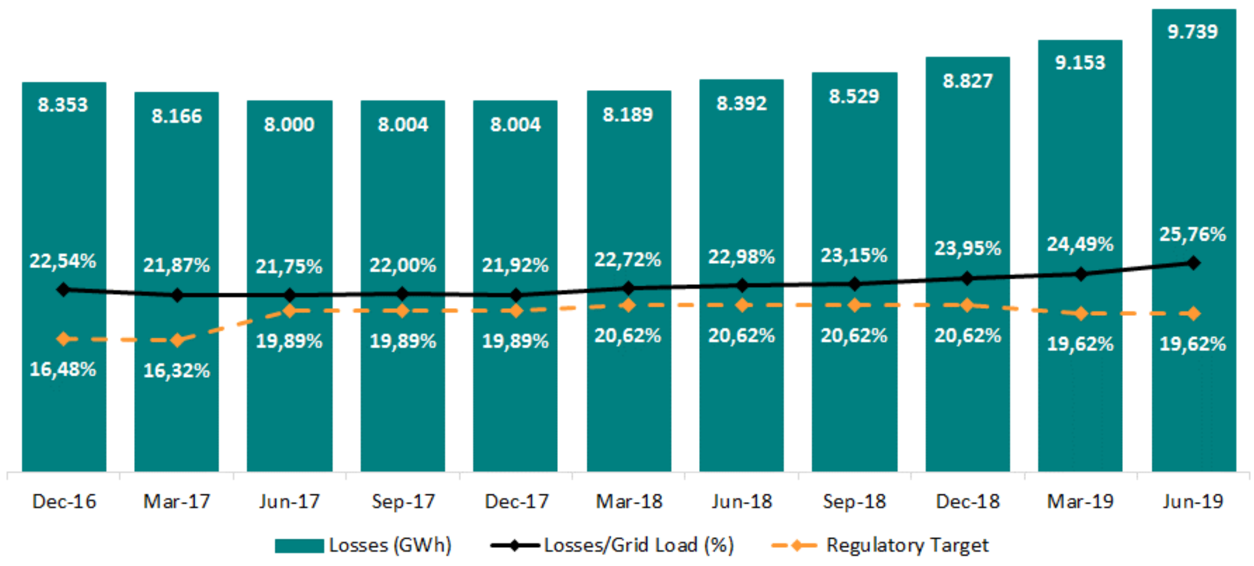


(*) Others = Purchases in Spot - Sales in Spot.

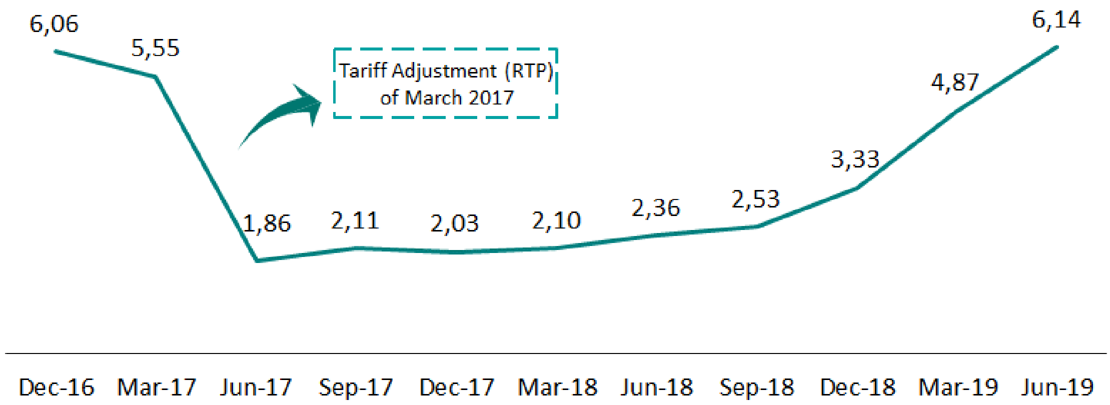
Energy Balance (GWh)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
= Grid Load	9.195	8.762	4,9%	20.036	19.086	5,0%
- Energy transported to utilities	620	660	-6,0%	1.236	1.303	-5,1%
- Energy transported to free customers	1.833	1.706	7,5%	3.679	3.482	5,6%
= Own Load	6.741	6.396	5,4%	15.121	14.301	5,7%
- Billed Energy (Captive Market)	4.459	4.700	-5,1%	9.706	9.798	-0,9%
Low Voltage Market	3.371	3.507	-3,9%	7.368	7.361	0,1%
Medium and High Voltage Market	1.089	1.192	-8,7%	2.337	2.437	-4,1%
= Total Losses	2.282	1.696	34,5%	5.416	4.503	20,3%

2.1.3. Energy Losses

Changes in Total Losses
12 Months



Profile of the difference between
Actual Losses and Regulatory Losses
(p.p.)



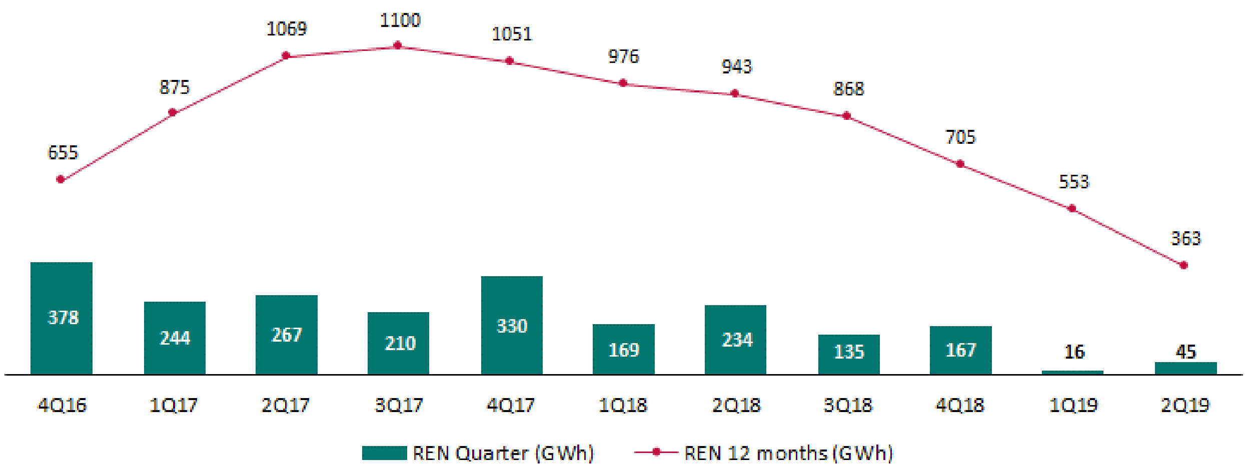
The Commercial area of the Company underwent a restructuring process in the last months, and a new officer was elected on June 28. The objective is to increase the efficiency of commercial processes and improve management, improving the results of commercial losses, customer service and collection.

Also as a result of the restructuring process in the commercial area, field activities related to the combat of non-technical losses are being gradually resumed as of August. Accordingly, the volume of REN decreased by 80.8% in the quarterly comparison (45 GWh in 2Q19 compared to 234 GWh in 2Q18). As a result of this fact, together with the increase in average temperatures in 2Q19 compared to 2Q18, the indicator of losses on grid load increased to 25.76% in the last 12 months ended June 2019.

The Company is 6.14 p.p. above the percentage of regulatory transfer to tariffs, of 19.62%[5], pursuant to the parameters established by Aneel in the Periodic Tariff Adjustment (RTP) of March 2017, already adjusted by the reference market for the next 12 months and ratified by Aneel at the time of the tariff adjustment (IRT) in March 2019. The 1 p.p. difference in the regulatory level in 2018 compared to 2019 is due to the increase in the grid load and decrease in the low voltage market in the 2019 tariff adjustment (IRT).

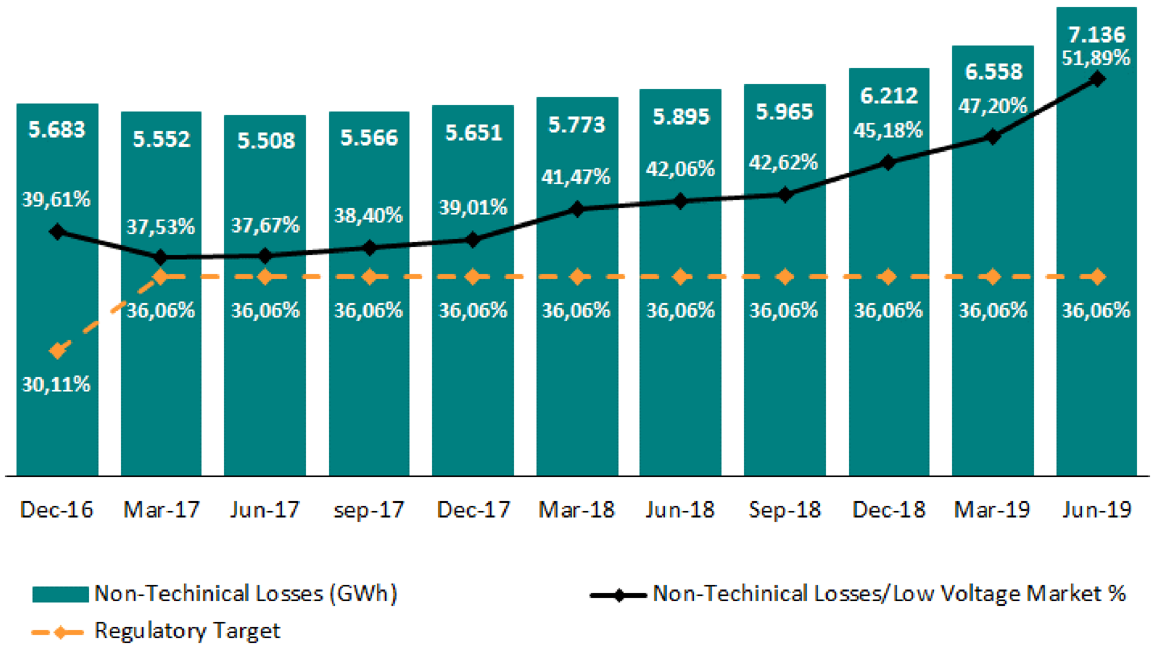
In 2Q19, in the risk areas, non-technical losses (12 months) totaled 3,748 GWh (53%). In 2Q19, in the possible areas, non-technical losses (12 months) totaled 3,388 GWh (47%), representing a 14.3% increase compared to 1Q19. This increase is due to a decreased volume of REN (-189 GWh) already mentioned above, allied to the decrease in inventory of unbilled energy in June 2019 compared to June 2018 (-81 GWh) and the increase in average temperatures.

Changes in REN in the Quarter and in the Last 12 Months (GWh)

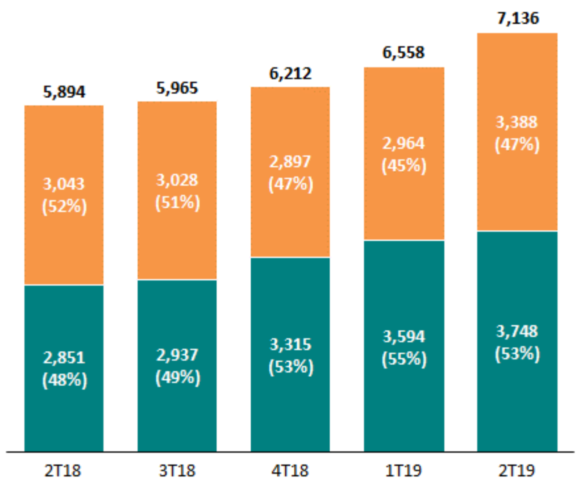


[5] Calculated based on loss pass-through levels established by ANEEL in the 4th Periodic Tariff Revision (4th RTP), ratified on March 15, 2017 for the 2017-2022 period, as follows: 6.34% for technical losses on the grid load and 36.06% for non-technical losses on the low voltage market. These percentages may vary during the cycle due to the performance of the low voltage market and the grid load.

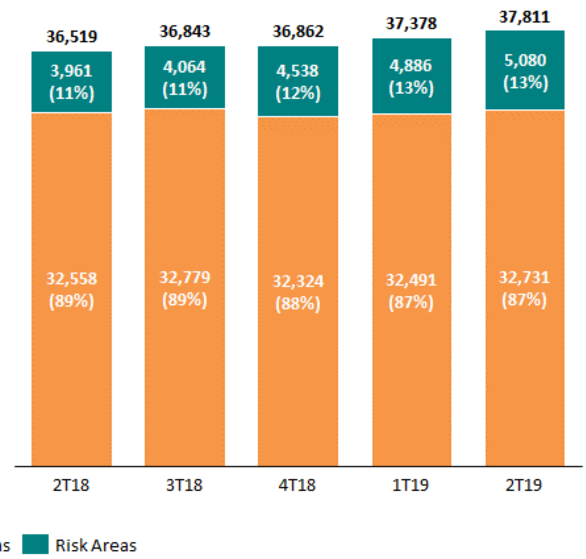
Changes in Non-Technical Losses/Low Voltage Market
12 Months



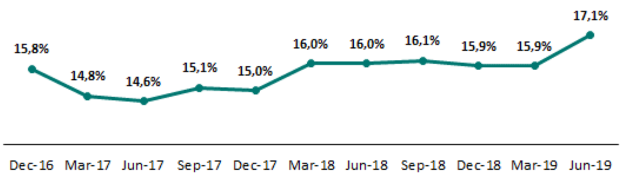
Non Technical Losses (GWh)
12 monhts



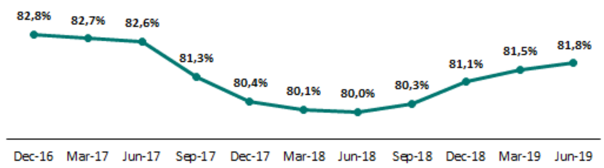
Grid Load (GWh)
12 months



Total Losses / Grid Load – Possible Areas 12 Months

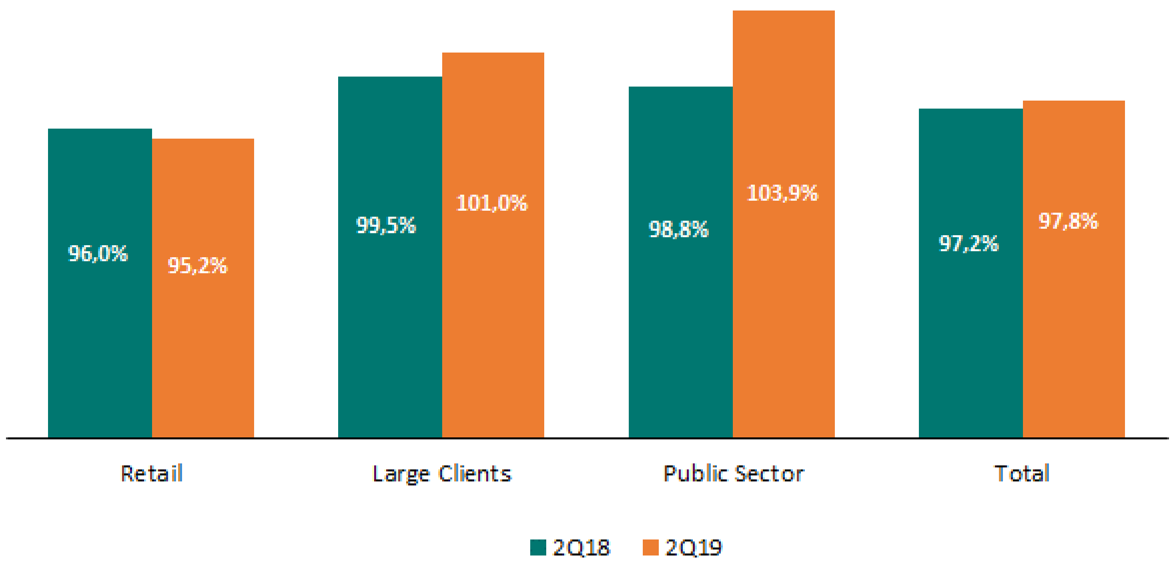


Total Losses / Grid Load – Risk Areas 12 Months

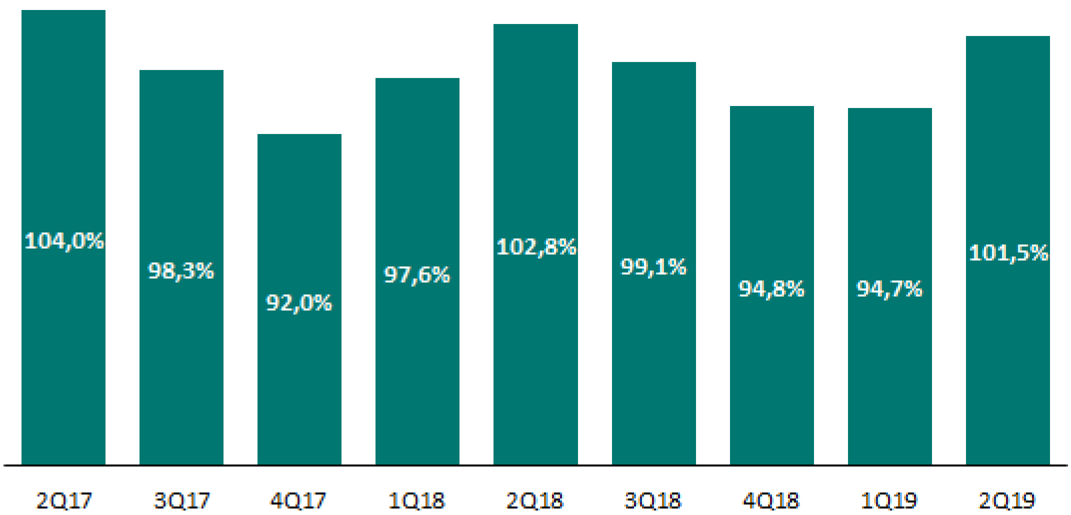


2.1.4. Collection

Collection Rate by Segment –12 months
(Considering REN overdue bills)



Historical Total Collection Rate
(Considering REN overdue bills)



In the 12 months ended June 30, 2019, the total moving average collection rate was 97.8%, representing a 0.6 p.p. increase compared to 97.2% in 2Q18.

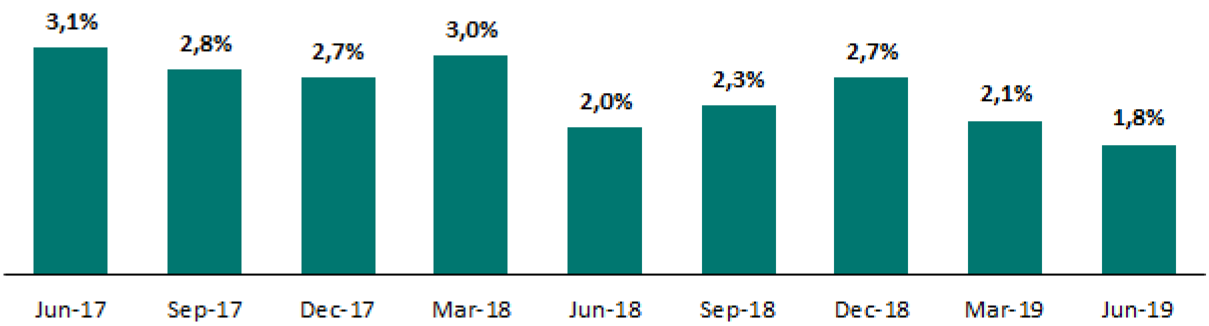
In the 12 months ended June 30, 2019, the accumulated collection rate regarding the Public Sector increased by 5.1 p.p. compared to the same period in the previous year, due to: (i) the collection of R$110 million from the Rio de Janeiro State Government in November and December 2018 by means of compensations against ICMS due; and (ii) an agreement entered into with the Rio de Janeiro Municipal Government in October 2018, pursuant to which amounts will be paid in 22 installments, beginning in March 2019 (the amount adjusted for inflation is R$75 million).

In July 2018, Light entered into an installment agreement with a large customer, pursuant to which the amount receivable was R$163 million. In June 2019, Light executed an amendment to this agreement, pursuant to which the amount of R$48 million was included in the debt installment amount. Of these amounts, the Company received R$46 million, which explains the 1.5 p.p. increase in the collection rate of the Large Customers segment in the quarterly comparison for the last 12 months.

In the 12 months ended June 30, 2019, the PECLD/Gross Revenue ratio was 1.8%, representing a 0.3 p.p. improvement compared to the 12 months ended in 1Q19 and a 0.2 p.p. decrease compared to 2Q18.

The improvement in the indicator mentioned above is due to a lower PECLD in 2Q19, in the amount of R$71 million, as a result of the decrease in REN.

PECLD/Gross Revenue[6]
(Supply – 12 Months)



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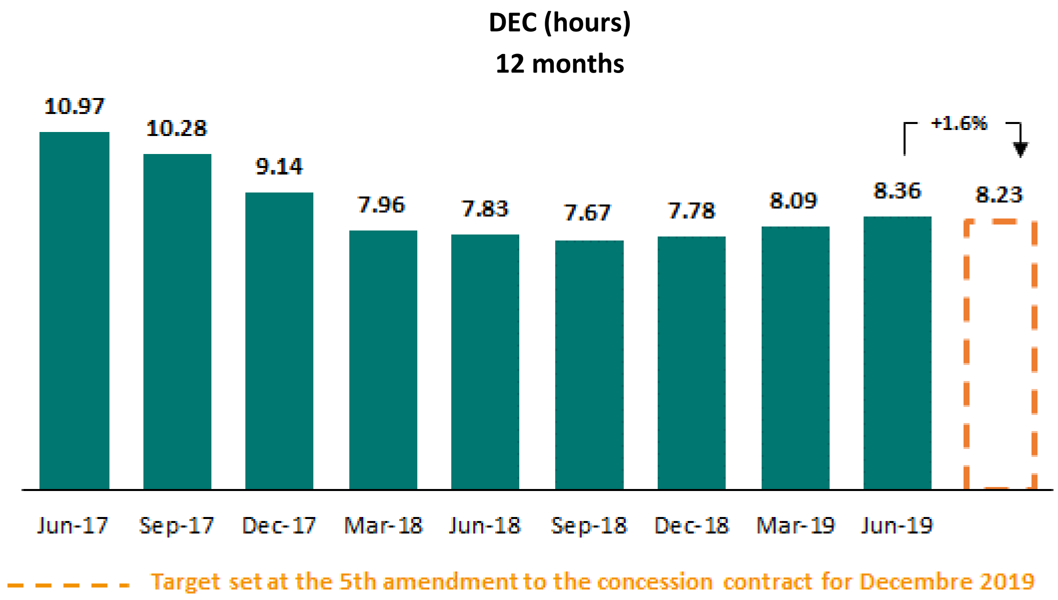
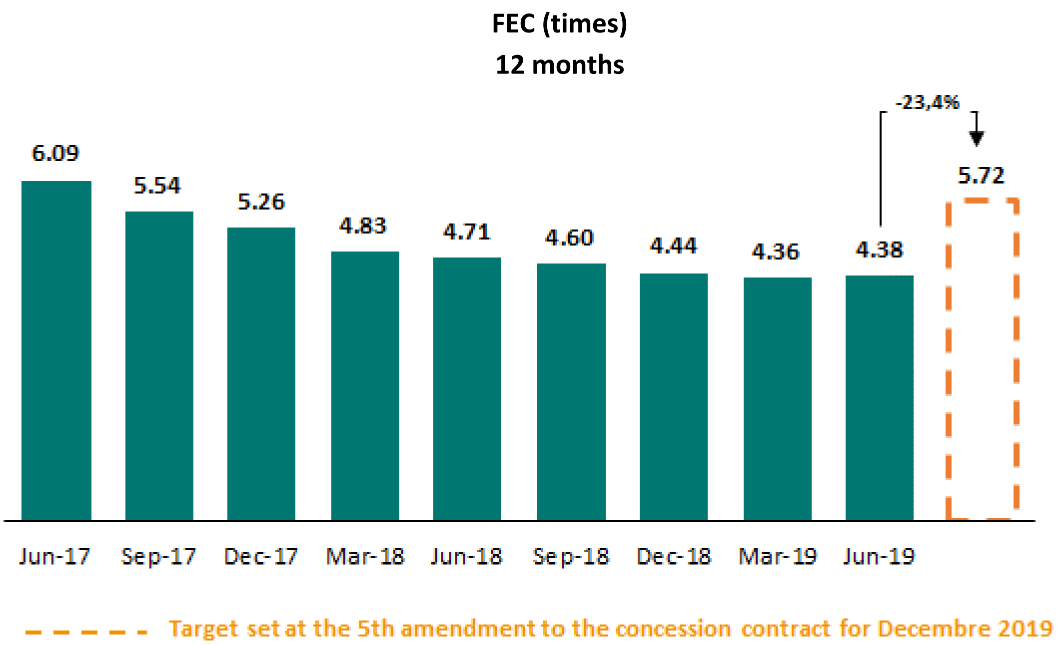
[6] Gross Revenue from the Captive Market + Free Market.

2.1.5. Quality Indicators





In June 2019, DEC (12 months) was 8.36 hours, representing a 3.3% increase compared to March 2019, due to a higher number of climate events occurred in 2Q19. DEC is currently 1.6% above the limit established by ANEEL, of 8.23 hours. However, DEC is assessed annually and will only be measured at the end of 2019.

In June 2019, FEC (12 months) was 4.38x, representing a 0.5% increase compared to March 2019 and a 7.0% decrease compared to June 2018. FEC was 23.4% below the regulatory target for 2019, of 5.72x.

Income Statement (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Net Operating Revenue	**2.337**	**2.453**	**-4,8%**	**5.117**	**4.946**	**3,5%**
Operating Expense	(2.258)	(2.245)	0,6%	(4.880)	(4.586)	6,4%
Adjusted EBITDA	**216**	**328**	**-34,2%**	**511**	**610**	**-16,3%**
Financial Result	(87)	(229)	-62,1%	(281)	(351)	-20,0%
Non Operating Result	(5)	(1)	905,7%	(10)	(12)	-18,3%
Result before taxes and interest	(8)	(20)	-57,6%	(44)	9	-
Income Tax/Social Contribution	(2)	6	-	10	(4)	-
Net Income/Loss	**(10)**	**(14)**	**-28,3%**	**(35)**	**4**	**-**
EBITDA Margin*	9,2%	13,4%	-4,14 p.p.	10,0%	12,3%	-2,35 p.p.

* Does not consider construction revenue

2.2. Financial Performance

2.2.1. Net Revenue[7]

Net Revenue (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Captive Customers and Network Use (TUSD)	2.375	2.312	2,7%	4.990	4.586	8,8%
Non billed Energy	(96)	(101)	-5,2%	(23)	(31)	-26,1%
CCRBT Account	15	0	6927,9%	13	(25)	-
CVA	6	159	-96,0%	32	289	-89,0%
Others	37	84	-56,0%	104	127	-17,7%
Concession Right of Use	35	64	-46,1%	96	88	9,2%
Others Revenues	2	19	-89,5%	8	39	-78,8%
Subtotal	**2.337**	**2.453**	-4,8%	**5.117**	**4.946**	3,5%
Construction Revenue*	188	146	28,4%	347	283	22,5%
Total	**2.524**	**2.600**	**-2,9%**	**5.464**	**5.229**	**4,5%**

* The subsidiary Light SESA book revenues and costs, with zero margin, related to services of construction or improvement in infrastructure used in providing electricity distribution services.

In 1H19, net revenue, excluding construction revenue, increased by 3.5% (R$171 million) compared to 1H18. In 2Q19, net revenue decreased by 4.8% (R$116 million) compared to 2Q18, including the following highlights:

- an increase of R$63 million in the Captive and Free Customers segment, due to the tariff increase in March 2019.
- a decrease of R$153 million in CVA in 2Q19 compared to 2Q18, primarily due to the amortization of CVA in 2Q19 (-R$100 million) and the decrease in formation of CVA regarding Energy Purchase (-R$169

[7] On December 10, 2014, the Company entered into the fourth amendment to its distribution concession agreement, pursuant to which the remaining balances of any tariff under-collected amounts or reimbursements at the end of the concession will be added to or deducted from the indemnification amount, allowing the recognition of the balances of these regulatory assets and liabilities.

million), offset by an increase in formation of CVA regarding the Energy Development Account (+R$104 million).

- a decrease of R$29 million in the fair value of the concession indemnifiable asset (VNR), due to the lower variation of IPCA in 2Q19 compared to 2Q18.

2.2.2. Costs and Expenses

Costs and Expenses (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Non-Manageable Costs and Expenses	**(1.742)**	**(1.720)**	**1.3%**	**(3.871)**	**(3.533)**	**9.6%**
Energy Purchase Costs	(1.891)	(1.614)	17.1%	(4.188)	(3.330)	25.8%
Costs with Charges and Transmission	(217)	(257)	-15.5%	(428)	(509)	-15.8%
PIS/COFINS Credit on purchase	179	152	17.7%	357	307	16.3%
Crédito ICMS sobre compra de Energia	187	-	-	389	-	-
Manageable Costs and Expenses	**(516)**	**(525)**	**-1.7%**	**(1.009)**	**(1.054)**	**-4.2%**
PMSO	(220)	(216)	1.6%	(428)	(420)	1.8%
Personnel	(107)	(90)	18.8%	(204)	(176)	15.4%
Material	(6)	(5)	10.9%	(12)	(10)	18.9%
Outsourced Services	(127)	(130)	-2.0%	(256)	(255)	0.3%
Others	21	9	123.8%	43	21	104.8%
Provisions - Contingencies	(88)	(64)	37.2%	(164)	(107)	52.9%
Provisions - PECLD	(71)	(125)	-43.6%	(144)	(277)	-48.2%
Depreciation and Amortization	(132)	(119)	11.2%	(264)	(238)	11.3%
Non Operating Result	(5)	(1)	905.7%	(10)	(12)	-18.3%
Total costs without Construction Revenue	**(2.258)**	**(2.245)**	**0.6%**	**(4.880)**	**(4.586)**	**6.4%**
Construction Revenue	(188)	(146)	28.4%	(347)	(283)	22.5%
Total Costs	**(2.446)**	**(2.391)**	**2.3%**	**(5.227)**	**(4.869)**	**7.4%**

2.2.2.1. Non-Manageable Costs and Expenses

Non-Manageable Costs and Expenses (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Use of Basic Network and ONS Charges	**(197)**	**(241)**	**-18,3%**	**(393)**	**(487)**	**-19,2%**
Connection Charges - Transmission	**(21)**	**(16)**	**26,0%**	**(35)**	**(22)**	**60,1%**
Itaipu	**(294)**	**(279)**	**5,2%**	**(565)**	**(513)**	**10,3%**
Transported Energy - Itaipu	**(29)**	**(27)**	**6,7%**	**(57)**	**(53)**	**6,8%**
TPP Norte Fluminense	**(602)**	**(361)**	**66,5%**	**(1.213)**	**(719)**	**68,7%**
PROINFA	**(45)**	**(38)**	**20,4%**	**(89)**	**(84)**	**6,6%**
Assured energy Quotas	**(151)**	**(128)**	**17,7%**	**(311)**	**(279)**	**11,5%**
Nuclear Quotas	**(55)**	**(54)**	**1,5%**	**(110)**	**(108)**	**1,9%**
Energy auction	**(503)**	**(477)**	**5,5%**	**(1.031)**	**(1.040)**	**-0,8%**
Contracts by Availabilities	(292)	(311)	-6,0%	(615)	(682)	-9,8%
Contracts by Quantity	(211)	(166)	27,0%	(415)	(358)	16,2%
Costs with Charges and Transmission	**(211)**	**(249)**	**-15,1%**	**(812)**	**(535)**	**51,9%**
Sale/ Purchase (Spot)	(172)	196	-	(484)	83	-
Submarket Exposure	138	4	3354,4%	35	(21)	-
Hydrological Risk	(66)	(301)	-78,0%	(116)	(329)	-64,9%
Effects of Contracts by Availabilities	(58)	(117)	-50,6%	(176)	(215)	-18,0%
ESS	(3)	19	-	(17)	(17)	-2,0%
Reserve Power	(39)	(30)	28,5%	(39)	(77)	-49,9%
Other	(12)	(20)	-39,7%	(16)	42	-
PIS / COFINS Credit on Purchase	179	152	17,7%	357	307	16,3%
ICMS Credit on Purchase	187	-	-	389	-	-
Total	**(1.742)**	**(1.720)**	**1,3%**	**(3.871)**	**(3.532)**	**9,6%**

In 2Q19, non-manageable costs and expenses remained virtually in line compared to 2Q18, having slightly increased by 1.3%, primarily due to:

- the adjustment of tariffs of Norte Flu due to the increase in tariff (price of gas) and the inclusion of ICMS. It is important to highlight that we recorded this ICMS credit as described in "ICMS credit on energy purchase";

- the increase in Physical Guarantee Quotas due to the annual adjustment of quotaholder plants, driven by the review of the annual generation revenue (*receita anual de geração* – RAG) in July 2018;

- the increase of R$45 million in the line item "agreements by availability" due to the recording of new agreements and occurrence of new thermal power plants auctions;

- the decrease in sales in the spot market due to the increase in load and the decrease in PLD in 2Q19 (average PLD in the Southeast region of R$131.4/MWh) compared to 2Q18 (average PLD in the Southeast region of R$302.7/MWh);

- the decrease in payments of Hydrological Risk due to the improvement in the system's energy conditions (higher GSF and lower PLD);

Additionally, in the end of 2Q19, the volume of contracted energy was virtually in line with that of 2Q18, as the decreases in contracted energy from Itaipu, Physical Guarantee Quotas and Agreements for the Purchase of Energy in the Regulated Market (*Contratos de Compra de Energia no Ambiente Regulado*) ("CCEARs") that expired in 2018 were offset by new agreements executed in ACR Auctions.

2.2.2.2. Manageable Costs and Expenses

In 2Q19, Manageable Costs and Expenses, which include PMSO (Personnel, Materials, Outsourced Services and Others), Provisions, Depreciation and Other Operating Income (Expenses), totaled R$516 million, representing a decrease of R$9 million compared to 2Q18.

PMSO increased by only R$4 million compared to 2Q18, a percentage increase below inflation, due to the increase in Personnel expenses as a result of the annual collective bargaining agreement. The insourcing occurred after 2Q18 represented a decrease in PMSO (an increase in personnel expenses and a decrease in services expenses), with positive impacts due to productivity and operating efficiency through the establishment of multiskilled teams in the Engineering area.

Additionally, in “Others,” we highlight: (i) increased revenue from fines for late payment of energy bills (2Q19: R$32.7 million compared to R$27.7 million in 2Q18); and (ii) the credit in the amount of R$4.7 million as a result of the application of a new standard, IFRS 16, which took effect in January/19.

In 2Q19, PECLD totaled R$71 million, representing a decrease compared to R$125 million in 2Q18, basically due to the decrease in revenue from REN.

In 2Q19, provisions for contingencies increased by R$24 million compared to 2Q18, due to a higher number of civil and special civil judicial proceedings, primarily related to commercial lawsuits.

2.2.3. “A Component” Variation Offset Account – CVA

Net Regulatory Assets/ Liabilities (R$ MN)	2Q19	1Q19	4Q18	3Q18	2Q18
Regulatory Assets	1.486	1.728	2.028	2.157	1.693
Regulatory Liabilities	(754)	(1.002)	(1.318)	(1.423)	(1.337)
Net Regulatory Assets/ Liabilities	**732**	**725**	**710**	**734**	**356**

In the end of 2Q19, the “A Component” Variation Offset Account – CVA totaled R$732 million, encompassing: (i) the remaining balance of CVA and financial items ratified by Aneel and transferred to tariffs in the tariff adjustment of March 15, 2019, which will be invoiced and amortized in subsequent months; and (ii) the formation of CVA not yet transferred to tariffs, primarily comprised of amounts regarding the period from January to June 2019, which Aneel will take into account in the tariff process of March 2020.

2.2.4. Financial Result

Financial Result (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Financial Revenues	**66**	**236**	**-72.2%**	**90**	**259**	**-65.3%**
Income from Financial Investments	4	7	-48.6%	13	9	43.6%
Swap Operations	38	175	-78.4%	38	149	-74.6%
Interest on energy accounts and debt installments	21	36	-41.6%	43	46	-5.7%
Restatement of Sector's Assets and Liabilities	0	12	-99.2%	(11)	48	-
Others Financial Revenues	3	5	-47.9%	6	7	-19.0%
Financial Expenses	**(152)**	**(465)**	**-67.2%**	**(371)**	**(611)**	**-39.2%**
Debt Expenses (Local Currency)	(110)	(81)	36.2%	(226)	(223)	1.5%
Debt Expenses (Foreign Currency)	(40)	(32)	25.9%	(80)	(17)	378.1%
Monetary Variation	(34)	(11)	222.3%	(65)	(24)	168.0%
Exchange Rate Variation	47	(271)	-	37	(282)	-
Swap Operations	-	-	-	(1)	-	-
Itaipu Exchange Rate Variation	8	(29)	-	8	(26)	-
Restatement of provision for contingencies	(2)	(2)	10.0%	(6)	(6)	9.4%
Restatement of R&D/PEE/FNDCT	(3)	(3)	9.3%	(7)	(6)	9.0%
Interest and Fines on Taxes	(2)	(5)	-72.2%	(4)	(8)	-52.8%
Installment Payment - Fines and Interest Rates Law 11	(1)	(1)	-18.3%	(2)	(3)	-19.6%
Other Financial Expenses (Includes IOF)	(16)	(29)	-46.8%	(25)	(15)	65.6%
Braslight (Private Pension Fund)	-	(1)	-	-	(2)	-
Total	**(87)**	**(229)**	**-62.1%**	**(281)**	**(351)**	**-20.0%**

In 2Q19, financial result improved by 62.1%, totaling net financial revenues of R$87 million compared to net financial expenses of R$229 million in 2Q18. This improvement is due to: (i) the depreciation of the U.S. dollar in the period, which positively affected the exchange rate variation line item of Itaipu by R$37 million; and (ii) gains from mark-to-market swap transactions related to the Bonds agreements, in the amount of R$85 million, as a result of the rate reduction in the future curve of the CDI rate in the period. It is worth noting that the Bonds are fully hedged by a swap agreement, including principal and interest, until expiration of the agreement. Accordingly, the debt is hedged against foreign exchange variation.

3. Light Energia – Generation

Operating Highlights	2Q19	2Q18	% Change 2Q19/2Q18
Nº of Employees	219	219	0,0%
Installed capacity (MW)	1.154	1.043	10,6%
Light Energia	872	855	1,9%
Participation*	282	188	50,1%
Assured energy (Average MW)	714	764	-6,5%
Light Energia	561	620	-9,5%
Participation*	153	144	6,4%
Pumping and internal losses (Average MW)	91	99	-8,1%
Available energy Light Energia (Average MW)*	470	521	-9,7%

[1] Includes The Installed Capacity of Lajes

* Proportional stake in associates: Renova, Belo Monte, Guanhães and PCH Paracambi.

The installed capacity of stakes increased by 50.1% in 2Q19 compared to 2Q18, due to the commencement of operations of the power plants of the Belo Monte Complex and three out of four Guanhães PCHs.

The Assured Energy of Light Energia decreased by 59 MWm in the quarterly comparison due to the seasonality policy adopted by the Company.

3.1. Operating Performance

3.1.1. Energy Sales

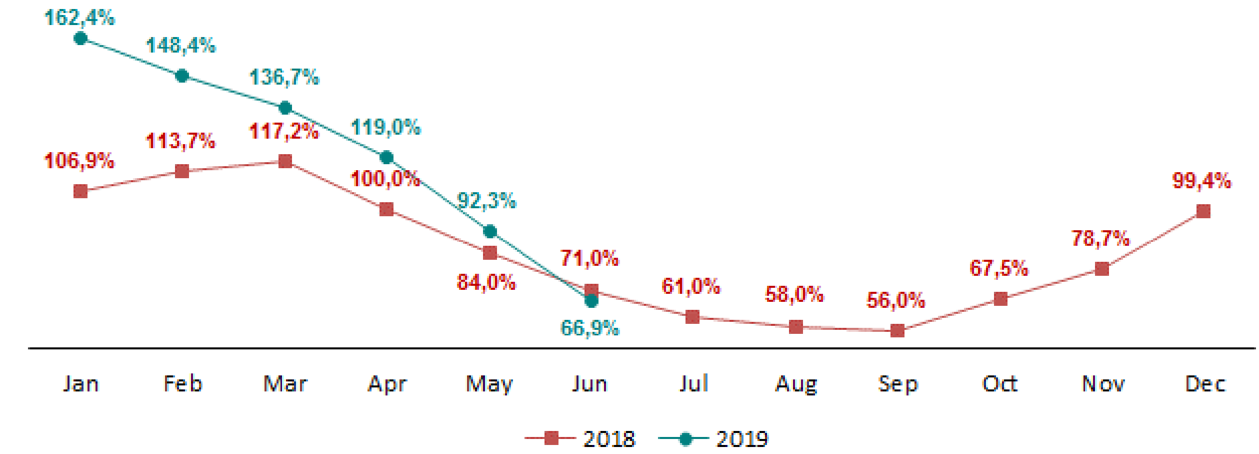
Energy Sale (MWm)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Free Contracting Environment Sales	496	550	-9,7%	536	539	-0,6%
Spot Sales (CCEE)	49	3	1543,3%	91	54	70,3%

In 2Q19, energy sales in the ACL decreased compared to 2Q18, primarily due to the seasonality policy set forth in existing agreements. In 2Q19, energy sales in the spot market increased due to higher GSF amounts.

Pursuant to a court decision, Light Energia does not have to make payments relating to any exposure in monthly CCEE settlements, exempting it from making payments in the spot market and protecting its cash flows, even though this cost and revenue are regularly fully recognized in its result. As of June 2019, the outstanding balance of the liabilities for the period between May 2015 and June 2019 totaled approximately R$984 million under trading in the short-term market. On the other hand, the balance of receivables of the Generation Company totaled R$391 million, resulting in net liabilities of R$593 million as of June 2019.

The completion of discussions on Bill 10,985/18 must be taken into account. This bill was already approved in June 2019 by the Brazilian Congress, including an amendment about another matter that does not concern renegotiation (distribution of funds from the sale of oil, natural gas and other hydrocarbons). The Bill will return to the Brazilian Senate solely as a result of this amendment. The Senate cannot present new amendments, it can only accept or reject the changes proposed by Congress before submitting the Bill to the Brazilian President for approval. The Bill sets forth that Aneel must regulate the matter within 90 days from the date of publication of the Law.

GSF – Generation Scaling Factor



Average Monthly PLD Southeast/Midwest (R$/MWh)

3.2. Financial Performance

Income Statement (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Net Operating Revenue	**210**	**226**	**-6,8%**	**495**	**466**	**6,0%**
Operating Expense	(79)	(136)	-42,2%	(145)	(219)	-33,9%
Adjusted EBITDA	**148**	**103**	**43,3%**	**379**	**276**	**36,9%**
Financial Result	(0)	(72)	-99,7%	(3)	(102)	-96,8%
Non Operating Result	(2)	0	-	(1)	(2)	-60,1%
Result before taxes and Equity Pickup	130	18	640,7%	345	143	141,0%
Income Tax/Social Contribution	(43)	(4)	1015,7%	(114)	(47)	144,4%
Equity Pickup	(90)	(24)	276,0%	(83)	(45)	85,4%
Net Income/Loss	**(2)**	**(11)**	-85,1%	**150**	**54**	**176,7%**
EBITDA Margin	70,3%	45,7%	24,58 p.p.	76,5%	59,3%	17,26 p.p.

3.2.1. Net Revenue

Net Revenue (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Generation Sale (ACL)	178	184	-3,4%	407	369	10,4%
Short-Term	30	40	-23,6%	83	93	-11,5%
Others	2	2	14,5%	5	4	13,8%
Total	**210**	**226**	**-6,8%**	**495**	**466**	**6,0%**

In 1H19, net revenue increased by 6.0% compared to the same period in the previous year. However, in 2Q19, net revenue decreased by 6.8%, or R$16 million, compared to 2Q18. This decrease is due to the seasonality policy of existing agreements in the ACL. In relation to sales in the spot market, notwithstanding increased sales in the period, net revenue decreased by R$10 million in the quarterly comparison due to a lower average PLD in the Southeast and Midwest regions (R$131.40/MWh in 2Q19 compared to R$302.70/MWh in 2Q18).

3.2.2. Costs and Expenses

Operating Costs and Expenses (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Personnel	(6)	(6)	0,2%	(12)	(12)	1,0%
Material and Outsourced Services	(4)	(4)	7,7%	(8)	(8)	8,6%
Purchased Energy / CUSD / CUST	(51)	(110)	-53,7%	(92)	(166)	-44,6%
Depreciation	(14)	(14)	4,9%	(28)	(27)	3,3%
Non Operating Result	(2)	0	-	(1)	(2)	-60,1%
Others (includes provisions)	(1)	(2)	-43,1%	(4)	(4)	-17,6%
Total	**(79)**	**(136)**	**-42,2%**	**(145)**	**(219)**	**-33,9%**

In 2Q19, costs and expenses decreased by R$57 million compared to 2Q18, primarily due to lower energy purchase expenses, as a result of lower market prices.

3.2.3. Financial Result

Financial Result (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Financial Revenues	**37,4**	**57,2**	**-34,7%**	**59,0**	**57,3**	**3,0%**
Income from Financial Investments	8,6	8,0	7,8%	17,2	8,4	104,9%
Swap Operations	28,5	48,2	-40,7%	41,5	45,4	-8,4%
Restatement of Parcel A and other Financial Items	-	1,0	-	-	3,4	-
Financial Expenses	**(37,6)**	**(129,5)**	**-71,0%**	**(62,6)**	**(161,7)**	**-61,3%**
Debt Expenses (Local Currency)	(4,1)	(15,6)	-73,5%	(11,7)	(36,3)	-67,7%
Debt Expenses (Foreign Currency)	(15,5)	(10,3)	50,3%	(30,9)	(12,4)	149,0%
Exchange Rate Variation	13,5	(88,3)	-	11,2	(87,4)	-
Restatement of provision for contingencies	(0,0)	(0,0)	185,7%	(0,0)	(0,0)	54,8%
Restatement of R&D/PEE/FNDCT	(0,2)	(0,2)	20,0%	(0,3)	(0,3)	16,8%
Interest and Fines on Taxes	(0,0)	(0,0)	-58,3%	(0,0)	(0,6)	-99,1%
Restatement of GSF	(25,2)	(14,6)	72,1%	(23,3)	(24,0)	-2,9%
Other Financial Expenses (Includes IOF)	(6,2)	(0,5)	1139,6%	(7,5)	(0,6)	1115,9%
Total	**(0,2)**	**(72,3)**	**-99,7%**	**(3,6)**	**(101,6)**	**-96,5%**

In 2Q19, net financial expenses totaled R$0.2 million, representing an improvement of R$72.1 million, primarily due to gains from mark-to-market swap transactions related to debt in foreign currency, as a result of the rate reduction in the future curve of the CDI rate in the period.

3.2.4. Net Income (Loss)

Net Income/Loss (R$MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Light Energia (without Stakes)	**89**	**13**	**559,7%**	**233**	**99**	**135,4%**
Guanhães - Equity Income	2	(1)	-	9	(1)	-
Renova Energia -Equity Income	(92)	(23)	300,4%	(92)	(44)	111,0%
Net Result	**(2)**	**(11)**	**-85,1%**	**150**	**54**	**176,7%**

In 2Q19, Light Energia’s net income, excluding equity income, totaled R$89 million, representing a R$76 million improvement compared to 2Q18. Light Energia’s net loss, including the effect of equity income, totaled R$2 million in 2Q19, compared to a net loss of R$11 million in 2Q18.

4. Light Com – Trading

4.1. Operating Performance

Operating Highlights	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Volume Sold - MWm	643	762	-15,7%	642	754	-14,8%
Average Selling Price (Net of Taxes) - R$/MWh	185,0	181,1	2,2%	184,5	180,5	2,2%

In 2Q19, sales volume decreased by 15.7% compared to 2Q18, primarily due to the expiration of certain long-term agreements entered into with end consumers.

In 2Q19, average sales price increased by 2.2% compared to 2Q18, due to the annual adjustment of existing agreements and the completion of new sales.

4.2. Financial Performance

Income Statement (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Net Operating Revenue	**260**	**301**	**-13,8%**	**537**	**591**	**-9,2%**
Energy Supply	260	301	-13,9%	514	590	-12,9%
Others	0	0	0,5%	22	0	5916,5%
Operating Expenses	(235)	(280)	-16,3%	(460)	(550)	-16,3%
Personnel	(1)	(1)	-14,1%	(2)	(2)	-7,7%
Material and Outsourced Services	(0)	(0)	105,3%	(0)	(0)	50,5%
Others	(0)	(0)	13,7%	(1)	(1)	22,6%
Purchased Energy	(233)	(279)	-16,4%	(457)	(547)	-16,4%
Adjusted EBITDA	**25**	**21**	**18,7%**	**77**	**41**	**86,7%**
EBITDA Margin	9,6%	7,0%	2,65 p.p.	14,3%	7,0%	7,34 p.p.
Financial Result	15	0	3924,3%	20	1	2009,3%
Financial Revenue	16	1	2202,0%	21	1	1318,5%
Financial Expense	(1)	(0)	182,8%	(1)	(1)	110,3%
Result Before Taxes and Interests	40	21	86,8%	96	42	129,5%
Net Income/Loss	**26**	**14**	**86,8%**	**64**	**28**	**129,4%**

In 2Q19, EBITDA of the Trading Company totaled R$25 million, representing a R$4 million increase compared to 2Q18, due to lower energy purchase expenses.

Additionally, Light Com's net income improved by R$12 million in 2Q19 compared to 2Q18, primarily due to the financial revenue recorded in the period, as a result of the adjustment of Renova's indemnification.

5. Indebtedness

5.1. Light S.A.

R$ Million	Current	%	Non Current	%	Total	%
Light SESA	**1.455**	**100,0%**	**6.978**	**100,0%**	**8.433**	**100,0%**
Domestic Currency	**1.384**	**95,1%**	**4.823**	**69,1%**	**6.207**	**73,6%**
Debentures 8th Issuance	39	2,7%	235	3,4%	274	3,3%
Debentures 9th Issuance - Serie A	250	17,2%	250	3,6%	500	5,9%
Debentures 9th Issuance - Serie B	211	14,5%	633	9,1%	844	10,0%
Debentures 10th Issuance	250	17,2%	-	0,0%	250	3,0%
Debêntures 12ª Issuance 3	-	0,0%	58	0,8%	58	0,7%
Debêntures 13ª Issuance	-	0,0%	491	7,0%	491	5,8%
Debêntures 14ª Issuance	196	13,5%	163	2,3%	360	4,3%
Debêntures 15ª Issuance 1	-	0,0%	554	7,9%	554	6,6%
Debêntures 15ª Issuance 2	-	0,0%	160	2,3%	160	1,9%
Debêntures 16ª Issuance 1	-	0,0%	133	1,9%	133	1,6%
Debêntures 16ª Issuance 2	-	0,0%	423	6,1%	423	5,0%
Debêntures 16ª Issuance 3	-	0,0%	63	0,9%	63	0,7%
Eletrobras	0	0,0%	-	0,0%	0	0,0%
CCB Bradesco	30	2,1%	-	0,0%	30	0,4%
CCB IBM	19	1,3%	-	0,0%	19	0,2%
CCB IBM 2019	1	0,1%	1	0,0%	2	0,0%
Leasing IBM	1	0,1%	-	0,0%	1	0,0%
BNDES (CAPEX)	189	13,0%	508	7,3%	696	8,3%
BNDES Olimpíadas	20	1,4%	22	0,3%	42	0,5%
FINEP - Inovação e Pesquisa	23	1,6%	44	0,6%	68	0,8%
FIDC 2018 Série A	165	11,3%	835	12,0%	1.000	11,9%
FIDC 2018 Série B	84	5,8%	335	4,8%	419	5,0%
Others	(94)	-6,5%	(84)	-1,2%	(178)	-2,1%
Foreign Currency	**71**	**4,9%**	**2.155**	**30,9%**	**2.226**	**26,4%**
Tesouro Nacional	-	0,0%	25	0,4%	25	0,3%
Citibank	77	5,3%	613	8,8%	690	8,2%
Notes Units	-	0,0%	1.533	22,0%	1.533	18,2%
Others	(6)	-0,4%	(16)	-0,2%	(22)	-0,3%
Light Energia	**181**	**100,0%**	**795**	**100,0%**	**976**	**100,0%**
Domestic Currency	**146**	**80,4%**	**36**	**4,6%**	**182**	**18,7%**
Debentures 2nd Issuance	106	58,7%	-	0,0%	106	10,9%
Debentures 3rd Issuance	3	1,4%	15	1,9%	18	1,8%
Debentures 6th Issuance	33	18,4%	-	0,0%	33	3,4%
BNDES (CAPEX)	0	0,1%	-	0,0%	0	0,0%
BNDES Lajes	4	2,1%	22	2,7%	25	2,6%
Others	(1)	-0,3%	(0)	0,0%	(1)	-0,1%
Foreign Currency	**36**	**19,6%**	**758**	**95,4%**	**794**	**81,3%**
Citibank	38	21,2%	-	0,0%	38	3,9%
Notes Units	-	0,0%	766	96,5%	766	78,5%
Others	(3)	-1,6%	(8)	-1,0%	(11)	-1,1%
Light Itaocara	**1**	**100,0%**	**1**	**100,0%**	**2**	**100,0%**
BNDES - Conecta (Domestic Currency)	1	100,0%	1	100,0%	2	100,0%
Total	**1.638**	**0,0%**	**7.773**	**0,0%**	**9.411**	**0,0%**

R$ MM	Light SESA	Light Energia	Conecta	Others Light S.A.	Light S.A. 2Q19	Light S.A. 1Q19	Δ %
Domestic Currency	6.207	182	2	-	6.391	6.426	-0,5%
Foreign Currency	2.226	794	-	-	3.019	3.078	-1,9%
Loans and Financing	4.399	819	2	-	5.220	5.367	-2,7%
Debentures	4.034	156	-	-	4.191	4.137	1,3%
Interest	**86**	**12**	-	-	**98**	**188**	**-47,8%**
Swap Operations	-216	-153	-	-	-369	(260)	41,6%
Gross Debt	**8.303**	**835**	**2**	-	**9.140**	**9.431**	**-3,1%**
Cash and Cash Equivalents	367	708	6	70	1.151	1.187	-3,1%
Net Debt	**7.936**	**127**	**-4**	**-70**	**7.989**	**8.244**	**-3,1%**

At the end of 2Q19, the Company's net debt totaled R$7,989 million, representing a 3.1% decrease compared to 1Q19. This decrease is due to gains from mark-to-market swap transactions related to the Bonds agreements in the period.

As of the date hereof, the main transactions in 2019 were:

February 2019:

- Extension of debt maturity of the transaction under Resolution 4131, entered into between Light SESA and Citibank, in the amount of US$180 million. The transaction provides for a grace period of one year for repayment of principal, semi-annual repayments, quarterly payments of interest and maturity in August 2022. A swap agreement was entered into to fully hedge principal, interest and taxes, accruing interest at the CDI rate + 2.20% p.a.

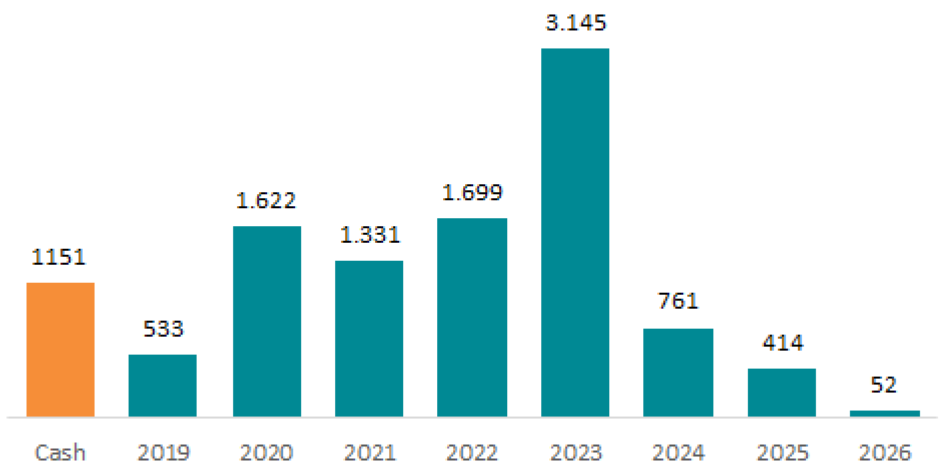
- Light SESA received the first disbursement of funds under the 2017-2018 Capex financing agreement entered into with BNDES, in the amount of R$200 million. The transaction accrues interest at TLP + 3.16% p.a., maturing within seven years and providing for monthly repayments.

May 2019:

- On May 7, 2019, Light SESA completed its 16th Issuance of Debentures, in the amount of R$617,950 thousand, in three series. The table below sets forth the amounts and conditions of each series:

Series	Amount in R$ Thousand	Interest Rate p.a.	Maturity Date
1st Series	132,500	CDI + 0.90%	April 15, 2022
2nd Series	422,950	CDI + 1.25%	April 15, 2024
3rd Series	62,500	CDI + 1.35%	April 15, 2025

Amortization of Loans and Financing and Debentures (R$ MM)
Average Maturity: 3.0 years



At the end of 2Q19, the Net Debt/EBITDA ratio was 3.69x, a slight improvement compared to 1Q19 (3.70x), but below the contractual maximum covenant limit of 3.75x, except for the 8th issuance of debentures of Light Sesa and the 3rd issuance of debentures of Light Energia, whose net debt/EBITDA ratio of 3.75x decreased to 3.50x as of the quarter ended March 2019. The Company obtained the waiver with the sole debenture holder (FI-FGTS) for 1H19.

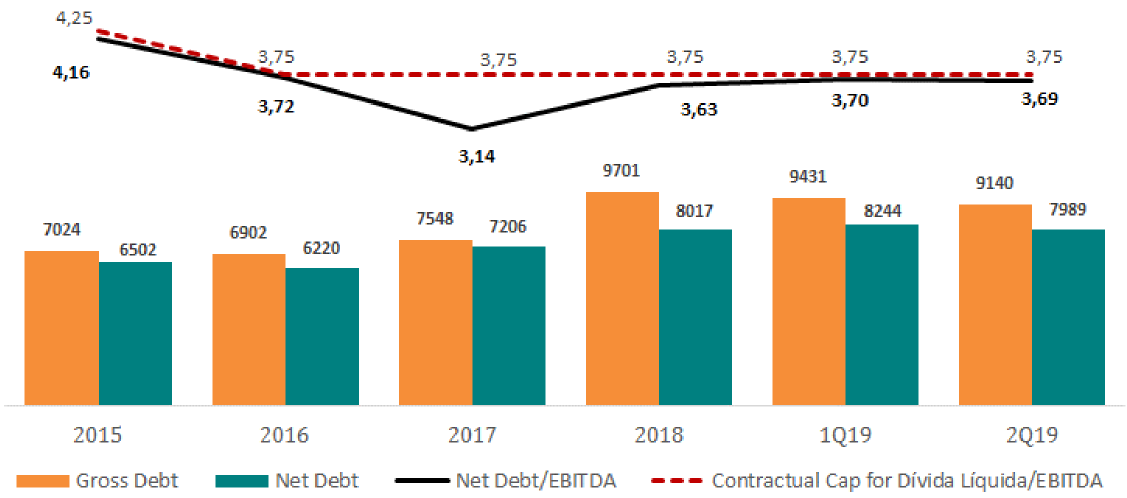
It is important to highlight that, pursuant to the relevant agreements, the maturity of debt is only accelerated upon failure to comply with at least one financial covenant in two consecutive quarters or four alternate quarters.

The bonds set forth restrictions on the incurrence of debt and, in 2Q19, the Company exceeded the Net Debt/EBITDA ratio limit of 3.50x and was required to follow the franchise limits for additional debt until it complies with this ratio limit again.

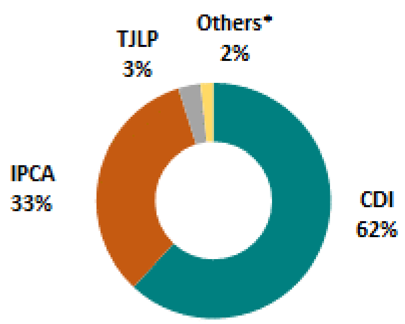
At the end of 2Q19, EBITDA/Interest ratio was 2.99x, above the minimum contractual limit of 2.0x.

Light intends to use the proceeds from the Primary Offering completed on July 16 to strengthen and optimize its capital structure, thus reducing its indebtedness, increasing its shareholders' equity and improving its cash position.

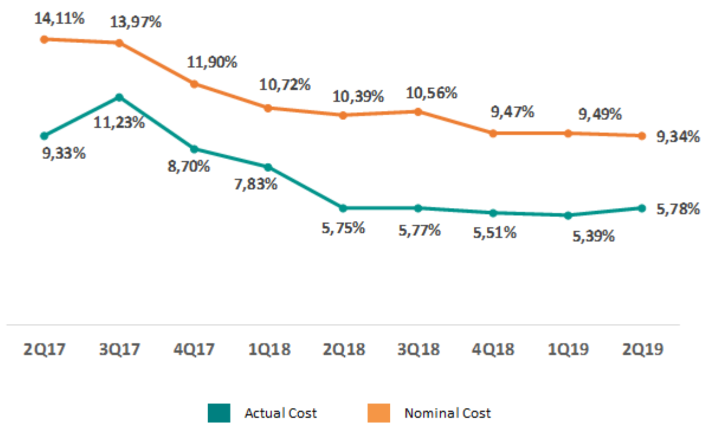
Consolidated Gross and Net Debt (R$ MM)



Debt Indices¹



Debt Service Costs



¹Considering Hedge
*Equivalent to the sum of fixed cost, Libor and U.S. dollar exchange rate variation.

Covenants Multiple - R$ MN		jun/19	mar/19	dec/18	sep/18	jun/18
Loans and Financing	+	5.293	5.367	5.561	5.876	5.951
Loans and Financing Cost	-	(72)	-	-	-	-
Interest related to Loans and Financing	+	39	88	62	109	58
Debentures	+	4.265	4.137	4.356	3.766	3.756
Debentures Cost	-	(74)	-	-	-	-
Interest related to Debentures	+	59	99	49	106	276
Swap Operations	+	(369)	(260)	(328)	(312)	(155)
Gross Debt	=	**9.140**	**9.431**	**9.701**	**9.545**	**9.886**
Cash	-	1.151	1.187	1.684	1.406	1.951
Net Debt (a)	=	**7.989**	**8.244**	**8.017**	**8.139**	**7.935**
EBITDA CVM (12 months)		**1.524**	**1.645**	**1.507**	**1.707**	**1.882**
Equity Pickup (12 months)	-	(128)	(59)	(85)	(254)	(271)
Provision (12 months)	-	(597)	(627)	(674)	(594)	(513)
Other Operational Revenues/Expenses (12 months	-	(73)	(82)	(91)	(63)	(39)
Regulatory Assets and Liabilities (12 months)	+	(155)	(185)	(147)	(341)	(313)
EBITDA for Covenants (12 months) (b)	=	**2.167**	**2.229**	**2.211**	**2.277**	**2.392**
Interests (c)		**726**	**718**	**697**	**629**	**577**
Net Debt/EBITDA for Covenants (a/b)		**3,69**	**3,70**	**3,63**	**3,57**	**3,32**
Contractual Cap for Dívida Líquida/EBITDA		3,75	3,75	3,75	3,75	3,75
EBITDA for Covenants/Interest (b/c)		**2,99**	**3,10**	**3,17**	**3,62**	**4,14**
Contractual Lower Limit for EBITDA/Juros		2,00	2,00	2,00	2,00	2,00

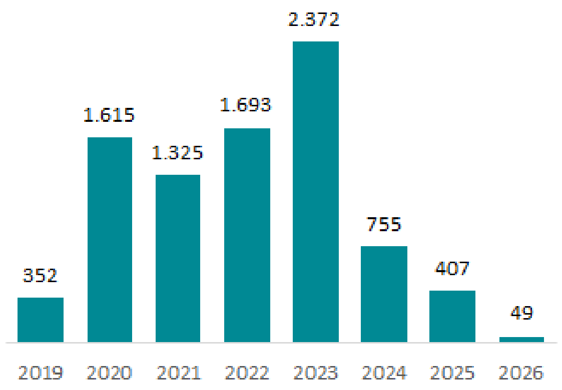
Ratings	Grade - jun/19		Date	Grade - jun/18		Date
	National	Foreign		National	Foreign	
Fitch	A+	BB-	07/16/2019	A+	BB-	04/19/2018
Standard & Poors	AA+	-	07/15/2019	AA+	-	07/11/2018
Moody's	A3.br	Ba3	09/04/2018	Baa1.br	B1	04/16/2018

In 2Q19, the Company's credit ratings did not change compared to 1Q19. However, on July 16, Fitch reaffirmed Light's credit rating as A+, on the national scale, and BB-, on the international scale, changing its outlook from negative to stable, due to the improvement in Light's financial profile, as a result of the cash received from the primary offering of common shares. Additionally, on July 15, Standard & Poor's reaffirmed Light's credit rating (AA+) and maintained its stable outlook.

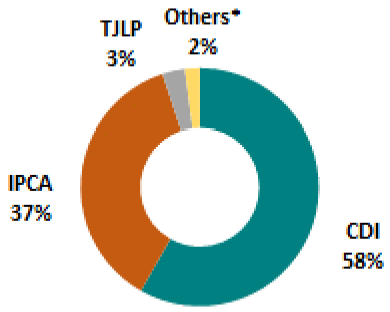
5.2. Debt Breakdown

Light SESA

Amortization¹ (R$ MM)
Average Maturity : 3.0 years

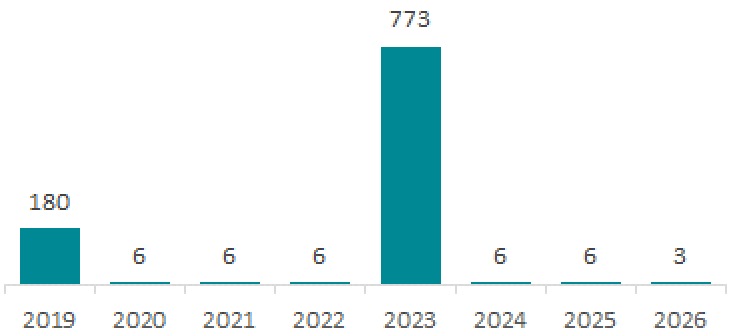


Debt Indices²



Light Energia

Amortization¹ (R$ MM)
Average Maturity: 3.2 years



Debt Indices²

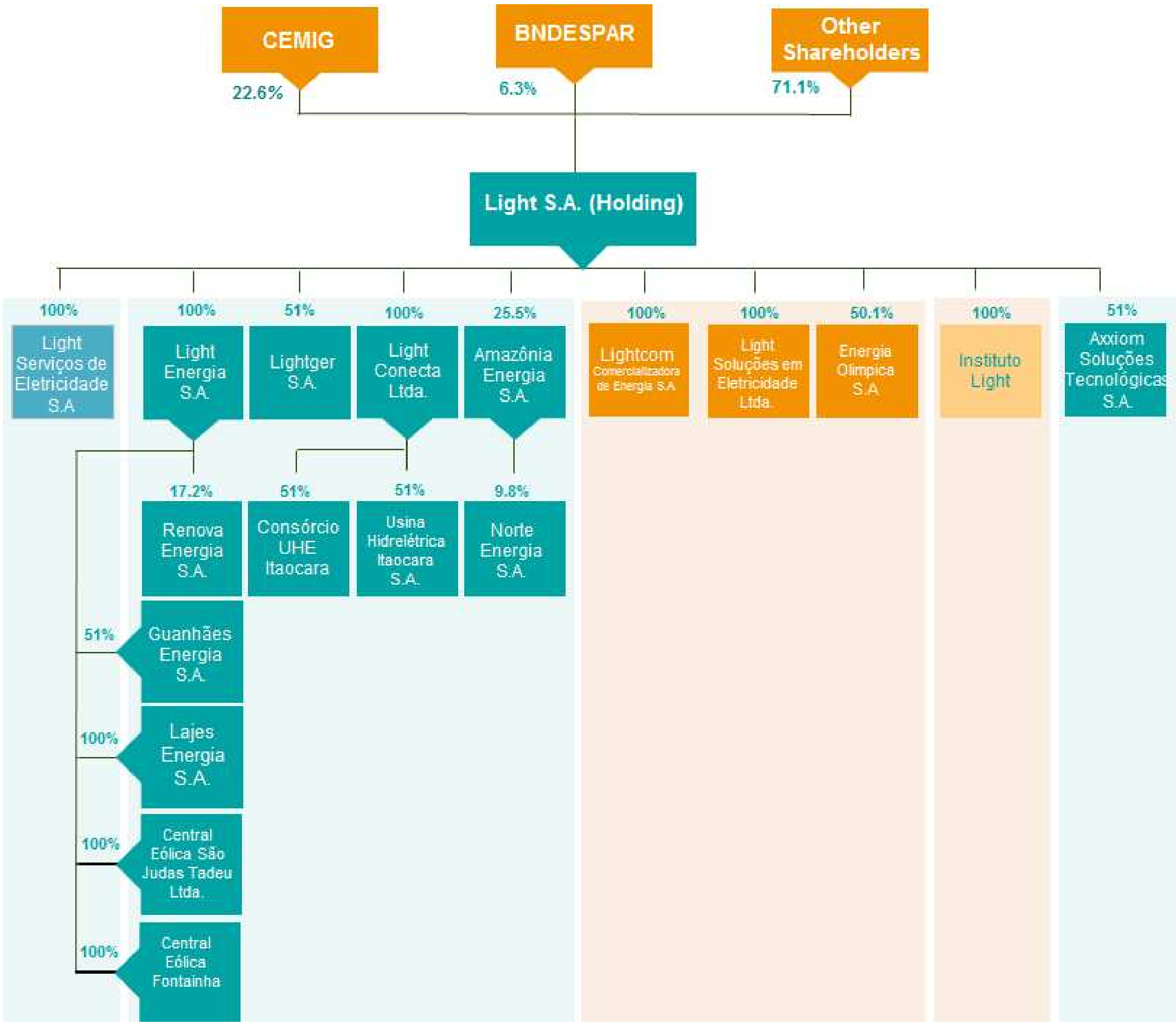
¹ Principal of loans and financing and debentures.
² Considering Hedge
*Equivalent to the sum of fixed cost, Libor and the U.S. dollar exchange rate variation.

6. Consolidated Capital Expenditure

Capex (R$ MM)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Distribution	176	146	20,7%	321	271	18,4%
Engineering	129	101	27,7%	234	179	31,0%
Commercial	48	45	5,2%	86	92	-6,2%
Non-electrical Assets	16	15	8,0%	27	24	15,1%
Generation	11	7	45,7%	18	13	44,5%
Total	**203**	**168**	**20,7%**	**366**	**307**	**19,2%**
Transfers to subsidiaries	**10**	**29**	**-65,4%**	**27**	**64**	**-58,3%**
Belo Monte	0	11	-99,8%	0	24	-99,9%
Itaocara	-	1	-	-	4	-
Guanhães	4	18	-77,5%	21	36	-43,3%
Axxiom	6	-	-	6	-	-
Total Capex (includes transfers to subsidiaries)	**213**	**197**	**8,0%**	**393**	**371**	**5,9%**

The Company's consolidated capital expenditure, excluding contributions, increased by 20.7% in 2Q19 compared to 2Q18, primarily due to the fact that 2019 started with a higher mobilization of Engineering teams in projects for quality improvement and preventive maintenance of the network, and the increase in capacity of substations (seasonal effect), in addition to more cases of corrective maintenance due to a higher number of weather events compared to 2018. Contributions decreased by 65.4%, or R$19 million, in the quarterly comparison.

7. Ownership and Corporate Structure and Capital Market[8]



Light S.A.'s shares (LIGT3) were priced at R$19.38 at the end of June 2019. At the end of 2Q19, the Company's market value was R$4.0 billion.

As of July 15, 2019, the initial date of trading of the shares after the follow-on transaction, the Company's shares were priced at R$19.78 and the Company's market value was R$6.0 billion.

Market Information	2Q19	2Q18
Volume Average - LIGT3 (R$ Million)	23,7	21,3
Shares Average - LIGT3 (R$ / share)	20,0	14,1
Price Change - LIGT3	-11,0%	-16,3%
Price Change - IEE	10,1%	-7,0%
Price Change - IBOV	5,1%	-14,8%

[8] On July 16, 2019, the public offering for primary and secondary distributions of shares was closed.

8. Subsequent Events

8.1. Public Offering for Distribution of Common Shares

On July 1, 2019, Light's Board of Directors approved the public offering for the primary and secondary distributions of, initially, 111,111,111 registered common shares, in book-entry form, without par value, issued by the Company, all free and clear of any encumbrances or liens, comprising: (i) the primary distribution of 100,000,000 new common shares to be issued by the Company ("Primary Offering"); and (ii) the secondary distribution of, initially, 11,111,111 common shares issued by the Company and held by Companhia Energética de Minas Gerais; the number of Shares initially offered may be increased in view of the placement of Additional Shares, with restricted placement efforts, pursuant to CVM Instruction 476 ("Restricted Offering").

The Board of Directors of the Company approved, at the meeting held on July 11, 2019, a price per Share of R$18.75, the effective capital increase of the Company in the total amount of R$1,875 million, equivalent to the issuance of 100,000,000 new shares of the Company, as well as its homologation, under the public offering for the primary and secondary distributions of 133,333,333 registered common shares, in book-entry form, without par value, issued by the Company, all free and clear of any encumbrances or liens, with restricted placement efforts, pursuant to CVM Instruction 476. As a result of the capital increase of the Company under the Restricted Offering, the capital stock of the Company currently totals R$4,100 million, divided into 303,934,060 registered common shares, in book-entry form and without par value. The Shares under the Restricted Offering started to be traded at B3 S.A. – Brasil, Bolsa, Balcão on July 15, 2019 and the delivery and settlement of the shares occurred on July 16, 2019.

8.2. Capital Contribution in Subsidiary Light SESA

On July 17, 2019, Light S.A. made a contribution in the amount of R$1,832 million in subsidiary Light SESA through the subscription and payment of 169,201,768,491 common shares, in book-entry form, without par value.

8.3. Stock Option Plan

The Company's Extraordinary Shareholders Meeting held on July 4, 2019 approved the stock option plan regarding the common shares issued by the Company, to be offered to members of management and employees of the Company and its subsidiaries. The total number of shares that may be purchased or subscribed for under the Stock Option Plan must not exceed 2.1% of the shares representing the total capital stock of the Company (including the shares to be issued as a result of the exercise of the options under the Stock Option Plan), on the date of approval of the Stock Option Plan. The Stock Option Plan will be managed by the Board of Directors of the Company or, at its choice, a committee to be established for this purpose.

8.4. Composition of the Board of Executive Officers

Considering the amendment to the bylaws approved at the Extraordinary Shareholders' Meeting held on July 4, 2019, the Board of Executive Officers of the Company currently comprises:

Board of Executive Officers	
Ana Marta Horta Veloso	Chief Executive Officer and Investor Relations Officer
Roberto Caixeta Barroso	Chief Financial and Business Development Officer

Claudio Bernardo Guimarães de Moraes	Chief Corporate Management Officer
Dalmer Alves de Souza	Chief Commercial Officer
Alessandra Genu Dutra Amaral	Chief Energy and Trading Officer
Marcus Auguste Pimenta	Chief Engineering Officer

8.5. Favorable Decision in Judicial Proceeding – Exclusion of ICMS from the calculation basis of PIS/COFINS

On August 7, 2019, the Federal Regional Court of the Second Region (*Tribunal Regional Federal da Segunda Região*) rendered a final and unappealable decision regarding the lawsuit filed by Light SESA, a subsidiary of the Company, that was favorable to Light SESA, recognizing its right to exclude ICMS from the calculation basis of PIS and COFINS, retroactive to January 2002.

Since the publication of the decision, Light SESA has been conducting the relevant legal and tax analyses of the impacts of retroactive effects, including the measurement of tax credits, the form of recovery of credits and related regulatory issues, among others. These effects will be recorded in the Quarterly Financial Information for the period ended September 30, 2019, which is expected to be disclosed in November 2019, in accordance with the annual calendar of the Company filed at CVM's website.

8.6. Funding with BNDES

On July 30, 2019, subsidiary Light SESA received the last disbursement of funds under the 2017/2018 Capex Financing agreement entered into with BNDES, in the amount of R$89 million.

8.7. Early redemption of the 14th issuance of debentures of subsidiary Light SESA

On August 9, 2019, the 14th issuance of debentures of subsidiary Light SESA was fully early redeemed, with Banco do Brasil, in the amount of R$328 million. The transaction accrued interest at CDI+3.50% p.a., maturing in March 2021.

8.8. Prepayment of the swap operation rate

On August 14, 2019, the prepayment of the swap operation rate (CDI x IPCA) of subsidiary Light SESA with Banco BMG has been made. The swap transaction changed the cost of CDI + 1.15% p.a. for IPCA + 7.82% p.a. of a debt of R$ 400 million of principal and maturing in May 2021. The prepayment amount was R$ 80,5 million, referring to the swap balance at market value on this date

8.9. Renova: Term Extension of the BNDES Bridge Loan

On July 15, 2019, Renova, a company in which Light Energia, a wholly-owned subsidiary of Light, is part of the control block, disclosed a notice to the market informing that the bridge loan entered into with BNDES, providing for funds intended for the performance of the works of the Alto Sertão III Wind Farm, in the amount of R$988 million (base date June 30, 2019), maturing on July 15, 2019, had its maturity date extended for 30 days, and the new maturity date is August 15, 2019.

On August 15, 2019, BNDES further extended this term to October 15, 2019.

9. Reporting Schedule

Schedule
Teleconference
08/16/2019, Friday, at 2 p.m. (Brazilian Time) - in portuguese
At 3 p.m. in english
Access conditions
Webcast: link on www.light.com.br/ri (Portuguese and English)
Conference Call - Dial in:
Brazil: + 55 11 2188-0155
Other Countries: + 1 646 843-6054
Access code: Light

Disclaimer

Operating information and information relating to Management's expectations on the future performance of the Company have not been reviewed by the independent auditors. Forward-looking statements are subject to risks and uncertainties. These statements are based on Management's judgment and assumptions and information currently available to the Company. Forward-looking statements include information about our current plans, opinions or expectations, as well as the plans, opinions or expectations of the members of the Board of Directors and Board of Executive Officers of the Company. Forward-looking statements and information also include information about potential or assumed results of operations, as well as statements that are preceded or followed by, or include the terms "believe," "may," "will," "continue," "expect," "predict," "intend," "estimate" or similar words. Forward-looking statements and information are not an assurance of future performance. They involve risks, uncertainties, and assumptions as they relate to future events and therefore are contingent on circumstances which may or may not occur. Future results and the creation of shareholder value may differ significantly from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and amounts are beyond the control of or cannot be predicted by LIGHT S.A.

ANNEX I

Generation Projects

Current Generation Park					
Existing Power Plants	**Installed Capacity (MW)[1]**	**Assured Energy (MWm)[2]**	**Operation Start**	**Concession / Authorization Expiration Date**	**Light's stake**
Fontes Nova	132	99	1940	2026	100%
Nilo Peçanha	380	334	1953	2026	100%
Pereira Passos	100	49	1962	2026	100%
Ilha dos Pombos	187	109	1924	2026	100%
Santa Branca	56	30	1999	2026	100%
Elevatórias	-	(101)	-	-	-
SHPP Lajes	17	15	2018	2026	100%
SHPP Paracambi	13	10	2012	2031	51%
Renova	33	20	2008	2033	17%
Belo Monte	219	114	2016	2045	2%
Guanhães	18	9	2018	2047	51%
Total	**1154**	**688**	-	-	-

Generation Capacity Expansion Projects					
New Projects	**Installed Capacity (MW)[1]**	**Assured Energy (MWm)[12]**	**Operation Start**	**Concession / Authorization Expiration Date**	**Light's stake**
Belo Monte4	61	0	2016	2045	2%
Itaocara	77	48	jan-20	2050	51%
Guanhães[1]	5	3	2019	2047	51%
Renova[2]	75	65			17%
LER 2013	27	13	2019	2049	-
PPA	40	19	2019	2051	-
Free Market I	0	30	2019	2051	-
LER 2014 (Wind Power)	7	4	2019	2050	-
HYBRID-SOLAR	1	0	2019	2050	-
Total	**217**	**116**	-	-	-

[1]Light's proportional stake

[2]Assured Energy as of Jan 1st, 2018 (MWm)

ANNEX II

CVM EBITDA Reconciliation

CVM EBITDA (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Net Operating Revenue (A)	**11**	**(25)**	**-**	**175**	**67**	**160,1%**
Social Contributions & Income Tax (B)	(48)	5	-	(137)	(51)	168,0%
Deferred Income Tax (C)	(10)	(6)	71,7%	0	(12)	-
EBT (A - (B + C))	**69**	**(25)**	-	**312**	**131**	**138,2%**
Depreciation (D)	(147)	(134)	9,4%	(293)	(268)	9,4%
Financial Expenses Revenue (E)	(71)	(298)	-76,2%	(262)	(451)	-42,0%
CVM EBITDA ((A) - (B) - (C) - (D) - (E))	**286**	**407**	**-29,7%**	**866**	**849**	**2,0%**

ANNEX III

Income Statement – Light SESA

Income Statement (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Operating Revenues	**4.488**	**4.533**	**-1,0%**	**9.611**	**9.167**	**4,8%**
Electricity Sales	3.676	3.677	0,0%	**8.010**	7.568	5,8%
CVA	6	159	-96,0%	32	289	-89,0%
Construction Revenues	188	146	28,4%	347	283	22,5%
Other Revenues	619	551	12,3%	1.222	1.027	19,0%
Deductions From Operating Revenues	(1.964)	(1.934)	1,6%	(4.148)	(3.938)	5,3%
Net Operating Revenues	**2.524**	**2.600**	**-2,9%**	**5.464**	**5.229**	**4,5%**
Electricity Costs	(1.930)	(1.866)	3,5%	(4.218)	(3.815)	10,6%
Operating Expenses	(378)	(406)	-6,7%	(735)	(804)	-8,6%
Personnel	(107)	(90)	18,8%	(204)	(176)	15,4%
Material	(6)	(5)	10,9%	(12)	(10)	18,9%
Third party services	(127)	(130)	-2,0%	(256)	(255)	0,3%
Provisions	(159)	(189)	-16,2%	(307)	(384)	-20,0%
Others	21	9	123,8%	43	21	104,8%
Adjusted EBITDA	**216**	**328**	**-34,2%**	**511**	**610**	**-16,3%**
Depreciation and amortization	(132)	(119)	11,2%	(264)	(238)	11,3%
Other operating revenues/expenses	(5)	(1)	905,7%	(10)	(12)	-18,3%
Operating Income	78	209	-62,5%	237	360	-34,3%
Net Financial Result	(87)	(229)	-62,1%	(281)	(351)	-20,0%
Financial Revenues	66	236	-72,2%	90	259	-65,3%
Financial Expenses	(152)	(465)	-67,2%	(371)	(611)	-39,2%
Income before tax	(8)	(20)	-57,6%	(44)	9	-
Income Tax / Social Contribution	-	2	-	-	-	-
Deferred Taxes	(2)	4	-	10	(4)	-
Net Income	**(10)**	**(14)**	**-28,3%**	**(35)**	**4**	-

Income Statement – Light Energia

Income Statement (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Operating Revenues	**241**	**257**	**-6,0%**	**563**	**530**	**6,1%**
Energy supply - Energy sales	204	209	**-2,7%**	463	420	**10,5%**
Energy supply - Spot	35	45	**-22,5%**	94	106	**-11,5%**
Others - TUSD	3	2	**42,8%**	5	4	**33,1%**
Others	0	1	**-67,4%**	1	1	**-43,2%**
Deductions from Operating Revenues	(31)	(31)	-0,7%	(68)	(64)	6,8%
Net Operating Revenues	**210**	**226**	**-6,8%**	**495**	**466**	**6,0%**
Electricity Costs	(51)	(110)	-53,7%	(92)	(166)	-44,6%
Operating Expenses	(11)	(12)	-5,9%	(24)	(24)	0,0%
Personnel	(6)	(6)	0,2%	(12)	(12)	1,0%
Material	(0)	(0)	0,9%	(0)	(0)	28,3%
Third party services	(4)	(4)	8,1%	(8)	(7)	7,6%
Provisions	(0)	(0)	7650,0%	(0)	(1)	-52,5%
Others	(1)	(2)	-56,0%	(3)	(4)	-12,2%
Adjusted EBITDA	**148**	**103**	**43,3%**	**379**	**276**	**36,9%**
Depreciation and amortization	(14)	(14)	4,9%	(28)	(27)	3,3%
Other operating revenues/expenses	(2)	0	-	(1)	(2)	-60,1%
Operating income	132	90	46,9%	350	247	41,5%
Equity Pickup	(90)	(24)	276,0%	(83)	(45)	85,4%
Net Financial Result	(0)	(72)	-99,7%	(3)	(102)	-96,8%
Financial Revenues	37	57	-34,7%	59	57	3,0%
Financial Expenses	(38)	(130)	-71,0%	(62)	(162)	-61,4%
Income before Tax	42	(7)	-	264	101	161,8%
Income Tax / Social Contribution	(35)	10	-	(104)	(35)	194,9%
Deferred Taxes	(8)	(14)	-39,2%	(10)	(11)	-13,0%
Net Income	**(2)**	**(11)**	**-85,1%**	**150**	**54**	**176,7%**

ANNEX IV

Statement of Financial Result – Light S.A.

Financial Result (R$ MN)	2Q19	2Q18	% Change 2Q19/2Q18	1H19	1H18	% Change 1H19/1H18
Financial Revenues	**120**	**296**	**-59,4%**	**173**	**321**	**-46,1%**
Income from Financial Investments	13	16	-15,7%	32	18	74,7%
Swap Operations	66	223	-70,3%	79	195	-59,6%
Moratory Increase / Debts Penalty	21	36	-41,6%	43	46	-5,7%
Restatement of Sector's Assets and Liabilities	0	12	-99,2%	(10)	47	-
Others Financial Revenues	19	8	126,6%	28	14	105,5%
Financial Expenses	**(191)**	**(594)**	**67,9%**	**(435)**	**(772)**	**-43,7%**
Debt Expenses (Local Currency)	(114)	(99)	14,9%	(238)	(257)	-7,3%
Debt Expenses (Foreign Currency)	(56)	(42)	31,9%	(111)	(29)	280,1%
Monetary Variation	(34)	(11)	220,1%	(65)	(24)	166,4%
Exchange Rate Variation	61	(360)	-	48	(369)	-
Itaipu Exchange Rate Variation	8	(29)	-	8	(26)	-
Restatement of provision for contingencies	(2)	(2)	10,7%	(6)	(6)	9,6%
Restatement of R&D/PEE/FNDCT	(4)	(3)	9,8%	(7)	(6)	9,3%
Interest and Fines on Taxes	(2)	(6)	-71,7%	(4)	(9)	-57,0%
Installment Payment - Fines and Interest Rates Law 11	(1)	(1)	-18,3%	(2)	(3)	-19,6%
Restatement of GSF	(25)	(15)	72,1%	(23)	(24)	-2,9%
Other Financial Expenses (Includes IOF)	(23)	(27)	-14,6%	(34)	(17)	97,9%
Braslight (Private Pension Fund)	-	(1)	-	-	(2)	-
Total	**(71)**	**(298)**	**-76,2%**	**(262)**	**(451)**	**-42,0%**

ANNEX V

Statement of Financial Position – Light S.A. (R$ million)

ASSETS	06/30/2019	12/31/2018
Current	**4.698**	**5.635**
Cash & cash equivalents	338	707
Marketable securities	813	977
Receivable accounts	2.521	2.855
Inventories	40	38
Taxes and contributions	142	75
Income tax and social contribution	58	30
Sector's financial assets	424	564
Prepaid expenses	26	30
Dividends receivable	3	0
Receivables from services rendered	89	90
Swap derivative financial instruments	7	15
Other current assets	239	254
Non-current	**13.166**	**12.228**
Receivable accounts	1.267	1.013
Taxes and contributions	54	52
Deferred taxes	415	405
Sector's financial assets	308	148
Concession financial asset	4.449	4.272
Deposits related to litigation	278	295
Swap derivative financial instruments	455	424
Other current assets	264	84
Contractual asset	536	330
Right of use asset	93	0
Investments	580	547
Fixed assets	1.548	1.560
Intangible	2.919	3.096
Total Assets	**17.864**	**17.864**

LIABILITIES	06/30/2019	12/31/2018
Current	**5.311**	**5.278**
Suppliers	2.341	2.120
Taxes and contributions	346	339
Income tax and social contribution	88	14
Loans and financing	610	1.041
Debentures	1.125	955
Financial liabilities of the sector	0	3
Dividends payable	39	39
Labor obligations	84	77
Leasing	31	0
Other obligations	646	691
Non-current	**8.989**	**9.196**
Loans and financing	4.649	4.582
Debentures	3.124	3.451
Swap derivative financial instruments	94	112
Taxes and contributions	276	305
Deferred taxes	218	208
Provisions for tax, civil, labor and regulatory risks	505	476
Leasing	64	0
Other obligations	58	62
Shareholders' Equity	**3.565**	**3.389**
Capital Stock	2.226	2.226
Profit reserves	929	929
Asset valuation adjustments	328	336
Other comprehensive income	-101	-101
Retained Earnings	183	0
Total Liabilities	**17.864**	**17.864**

Statement of Financial Position – Light SESA (R$ million)

ASSETS	06/30/2019	12/31/2018
Current	**3.360**	**4.357**
Cash & cash equivalents	256	491
Marketable securities	111	493
Receivable accounts	1.998	2.335
Inventories	35	34
Taxes and contributions	135	67
Income tax and social contribution	57	29
Sector's financial assets	424	564
Prepaid expenses	25	28
Receivables from services rendered	88	90
Swap derivative financial instruments	1	1
Other current assets	230	226
Non-current	**10.826**	**10.046**
Receivable accounts	1.224	875
Taxes and contributions	54	52
Deferred taxes	412	402
Sector's financial assets	308	148
Concession financial asset	4.449	4.272
Deposits related to litigation	274	292
Swap derivative financial instruments	309	324
Contractual asset	536	330
Right of use asset	89	0
Investments	29	30
Fixed assets	228	230
Intangible	2.914	3.091
Total Assets	**14.187**	**14.402**

LIABILITIES	06/30/2019	12/31/2018
Current	**3.817**	**3.791**
Suppliers	1.302	1.133
Taxes and contributions	340	329
Income tax and social contribution	1	1
Loans and financing	560	814
Debentures	980	777
Financial liabilities of the sector	0	3
Dividends payable	18	18
Labor obligations	75	68
Leasing	30	0
Other obligations	510	648
Non-current	**7.958**	**8.165**
Loans and financing	3.869	3.792
Debentures	3.109	3.433
Swap derivative financial instruments	94	112
Taxes and contributions	276	305
Provisions for tax, civil, labor and regulatory risks	500	471
Leasing	61	0
Other obligations	49	53
Shareholders' Equity	**2.412**	**2.446**
Capital Stock	2.314	2.314
Capital reserves	7	7
Profit reserves	222	222
Other comprehensive income	-97	-97
Accumulated losses	-35	0
Total Liabilities	**14.186**	**14.402**

Statement of Financial Position – Light Energia (R$ million)

ASSETS	06/30/2019	12/31/2018
Current	**1.315**	**1.265**
Cash & cash equivalents	38	90
Marketable securities	670	483
Receivable accounts	584	663
Taxes and contributions	5	6
Swap derivative financial instruments	7	14
Inventories	4	4
Prepaid expenses	1	2
Other current assets	5	4
Non-current	**1.576**	**1.507**
Swap derivative financial instruments	146	101
Contingency deposits	3	3
Investments	141	111
Fixed assets	1.279	1.289
Intangible	3	3
Right of use asset	4	0
Total Assets	**2.890**	**2.772**

LIABILITIES	06/30/2019	12/31/2018
Current	**1.435**	**1.466**
Suppliers	1.019	1.013
Taxes and contributions	3	3
Income tax and social contribution	78	1
Loans and financing	49	224
Debentures	145	178
Labor obligations	7	6
Leasing obligations	1	0
Other obligations	133	40
Non-current	**1.030**	**1.030**
Loans and financing	780	789
Debentures	15	17
Deferred taxes	218	208
Provisions for tax, civil, labor and regulatory risks	6	5
Other obligations	9	10
Leasing obligations	2	0
Shareholders' Equity	**426**	**276**
Capital Stock	77	77
Profit reserves	25	25
Asset valuation adjustments	328	336
Other comprehensive income	-4	-4
Accumulated losses	-1	-159
Total Liabilities	**2.890**	**2.772**

ANNEX VI

Statement of Cash Flows – Light S.A.

R$ MN	1H19	1H18
Net cash generated by operating activities	**400**	**-152**
Cash generated by (used in) operations	**1.073**	**988**
Net income (loss) before income tax and social contribution	312	131
Allowance for doubtful accounts	144	277
Depreciation and amortization	293	268
Loss from the sale or write-off of intangible assets/property, plant and equipment/investment	18	6
Exchange and inflation adjustment losses from financial activities	17	394
Financial provisions and update for tax, civil, labor and regulatory risks and financial update of deposits related to litigation	167	109
Adjustment to present value and prepayment of receivables	-1	-8
Interest expense on loans, borrowings and debentures	349	284
Charges and inflation adjustment of post-employment obligations	0	2
Interest over lease obligations	4	0
Swap variation	-79	-195
Equity in the earnings of subsidiaries	81	39
Provisions for investment losses	0	4
Gain (loss) on investments valued at cost	1	0
Fair value of the concession's indemnifiable assets	-96	-88
Recognition and restatement of financial assets and liabilities of the sector	-136	-233
Changes in assets and liabilities	**-673**	**-1.141**
Marketable securities	-8	-15
Consumers, concessionaires and permissionaires	-62	-402
Dividends received	0	2
Taxes, fees and contributions to offset	-98	-23
Financial assets and liabilities of the sector	115	-21
Inventories	-2	-4
Receivables from services rendered	2	-12
Prepaid expenses	4	4
Deposits related to litigation	-1	-24
Other assets	-124	-149
Suppliers	211	-358
Labor obligations	8	2
Taxes, fees and contributions payable	-25	115
Payment of provisions for tax, civil, labor and regulatory risks	-121	-71
Post-employment benefits	0	0
Other liabilities	-159	147
Interest paid	-354	-240
Income tax and social contribution paid	-60	-90
Net cash used in investing activities	**-207**	**-1.673**
Receivables from sale of equity stakes	14	0
Acquisition of property, plant and equipment	-20	-16
Acquisition of intangible and contractual assets	-346	-275
Capital Increase	-27	-60
Redemption of financial investments	982	236
Financial investments	-810	-1.557
Net cash generated by (used in) financing activities	**-562**	**2.097**
Dividends Paid	0	-30
Payment of lease obligations	-18	0
Loans, borrowings and debentures	790	4.902
Amortization of loans, borrowings and debentures	-1.334	-2.720
Amortization of pension plan contractual debt	0	-54
Net increase (decrease) in cash and cash equivalents	**-369**	**272**
Cash and cash equivalents at the beginning of the year	707	270
Cash and cash equivalents at the end of the year	338	542

Statement of Cash Flows – Light SESA

R$ MN	1H19	1H18
Net cash generated by operating activities	**103**	**-294**
Cash generated by (used in) operations	**615**	**702**
Net income (loss) before income tax and social contribution	-45	9
Allowance for doubtful accounts	144	277
Depreciation and amortization	264	238
Loss from the sale or write-off of intangible assets/property, plant and equipment	16	3
Exchange and inflation adjustment losses from financial activities	28	306
Provisions for tax, civil, labor and regulatory risks and judicial deposits	167	108
Adjustment to present value and prepayment of receivables	-1	-8
Interest expense on loans, borrowings and debentures	306	238
Fair value of the concession's indemnifiable assets	-96	2
Interest over lease obligations	4	0
Swap variation	-37	-149
Recognition and restatement of financial assets and liabilities of the sector	-136	-88
Gain (loss) on investments valued at cost	1	-233
Changes in assets and liabilities	**-511**	**-996**
Marketable securities	10	-17
Consumers, concessionaires and permissionaires	-155	-402
Taxes, fees and contributions to offset	-98	-22
Financial assets and liabilities of the sector	115	-21
Inventories	-1	-5
Receivables from services rendered	2	-10
Prepaid expenses	3	3
Deposits related to litigation	0	-24
Other assets	48	-94
Suppliers	159	-329
Labor obligations	7	2
Taxes, fees and contributions payable	-18	137
Provisions for tax, civil, labor and regulatory risks	-120	-71
Other liabilities	-159	97
Interest paid	-302	-239
Net cash used in investing activities	**22**	**-1.028**
Acquisition of property, plant and equipment	-4	-3
Acquisition of intangible and contractual assets	-346	-275
Redemption of financial investments	666	156
Financial investments	-294	-906
Net cash generated by (used in) financing activities	**-360**	**1.392**
Dividends Paid	0	-22
Payment of lease obligations	-18	0
Loans, borrowings and debentures	790	4.024
Amortization of loans, borrowings and debentures	-1.133	-2.468
Amortization of pension plan debt	0	-52
Amortization of loans - related parties	0	-90
Net increase (decrease) in cash and cash equivalents	**-235**	**69**
Cash and cash equivalents at the beginning of the year	491	160
Cash and cash equivalents at the end of the year	256	229

Statement of Cash Flows – Light Energia

R$ MN	1H19	1H18
Net cash generated by operating activities	**356**	**213**
Cash generated by (used in) operations	**365**	**263**
Net income before income tax and social contribution	263	101
Depreciation and amortization	28	27
Loss from the sale of intangible assets/property, plant and equipment	0	3
Exchange rate and monetary losses (gains) from financial activities	-11	87
Provision for contingencies and restatement	0	1
Interest expense on loans, borrowings and debentures	43	45
Swap variation	-42	-46
Equity in the earnings of subsidiaries	83	45
Changes in assets and liabilities	**-9**	**-51**
Marketable securities	-17	-5
Concessionaires and licensees	79	-110
Taxes, fees and contributions	1	-1
Receivables from services rendered	0	-2
Inventories	-1	0
Prepaid expenses	1	1
Other assets	1	21
Suppliers	6	100
Estimated liabilities	0	1
Taxes, fees and contributions payable	-3	-2
Other liabilities	0	26
Interest paid	-52	-27
Income tax and social contribution paid	-24	-53
Net cash used in investing activities	**-207**	**-621**
Acquisition of property, plant and equipment	-16	-13
Redemption of financial investments	316	25
Financial investments	-486	-596
Investments/Acquisition of invenstments	-21	-36
Net cash generated by (used in) financing activities	**-201**	**630**
Obligation payment of finance lease	-1	0
Loans, borrowings and debentures	0	878
Amortization of loans, borrowings and debentures	-200	-335
Received loans - Related parties	0	90
Amortization of pension plan contractual debt	0	-3
Net increase (decrease) in cash and cash equivalents	**-52**	**222**
Cash and cash equivalents at the beginning of the year	90	53
Cash and cash equivalents at the end of the year	38	275

List of Abbreviations and Acronyms

- **ACL –** Free Contracting Environment
- **ANEEL –** National Electric Energy Agency
- **BNDES –** Brazilian Development Bank
- **CCEE –** Brazilian Electricity Trading Chamber
- **CCRBT –** Rate Tier Fund Account
- **CDE –** Energy Development Account
- **ACR Account –** Regulated Market Account
- **CUSD –** Distribution System Utilization Agreement
- **CUST –** Transmission System Utilization Agreement
- **CVA –** "A Component" Variation Offset Account
- **CVM –** Brazilian Securities Commission
- **DDSD –** Delegated Services Defense Office
- **DEC –** Equivalent Outage Duration
- **DIC –** Individual Outage Duration per Consumer Unit
- **DIT –** Other Distribution Facilities
- **ESS –** System Service Charges
- **FEC –** Equivalent Outage Frequency
- **FIC –** Individual Outage Frequency per Consumer Unit
- **GSF –** Generation Scaling Factor
- **IRT –** Annual Tariff Adjustment Index
- **O&M –** Operation and Maintenance
- **PCH –** Small Hydro Plant
- **PECLD –** Estimated Allowance for Doubtful Accounts
- **PLD –** Difference Settlement Price
- **PMSO –** Personnel, Materials, Services and Others
- **REN –** Energy Recovery
- **TOI –** Inspection Report
- **TUSD –** Distribution System Usage Charge
- **TUST –** Transmission System Usage Charge
- **UHE –** Hydropower Plant
- **UTE –** Thermal Power Plant
- **VNR –** New Replacement Value

NOTES TO THE PARENT COMPANY AND CONSOLIDATED QUARTERLY FINANCIAL REPORT

FOR THE QUARTER ENDED ON JUNE 30, 2019

LIGHT S.A.

STATEMENTS OF FINANCIAL POSITION

ON JUNE 30, 2019 AND DECEMBER 31, 2018

(In thousands of reais)

ASSETS	Notes	Parent Company June 30, 2019	Parent Company December 31, 2018	Consolidated June 30, 2019	Consolidated December 31, 2018
Cash and cash equivalents	4	26,343	73,026	337,780	707,042
Marketable securities	5	30,158	2	812,896	976,798
Consumers, concessionaires, permissionaires and clients	6	-	-	2,520,622	2,855,348
Inventories		-	-	39,629	38,046
Taxes and contributions to be recovered	7	17	39	142,475	75,089
Recoverable income tax and social contribution	7	740	861	58,004	29,786
Financial assets of the sector	9	-	-	423,697	564,186
Prepaid expenses		10	70	25,729	29,707
Dividends receivable	13	114,988	18,717	3,113	-
Services rendered receivable		178	259	88,503	90,439
Derivative financial instruments - swap	33	-	-	7,226	14,935
Other receivables	11	3,020	18,676	238,583	253,994
TOTAL CURRENT ASSETS		**175,454**	**111,650**	**4,698,257**	**5,635,370**
Consumers, concessionaires, permissionaires and clients	6	-	-	1,266,709	1,013,206
Taxes and contributions to be recovered	7	-	-	54,451	52,404
Deferred taxes	8	-	-	414,984	404,867
Prepaid expenses		-	-	125	125
Financial assets of the sector	9	-	-	308,155	148,469
Concession's financial assets	10	-	-	4,448,616	4,271,861
Deposits related to litigation	20	627	601	277,910	294,906
Derivative financial instruments - swap	33	-	-	455,208	424,424
Other receivables	11	-	-	264,015	84,260
Contract asset	12	-	-	535,615	330,240
Right-of-use assets	23	-	-	93,244	-
Investments	13	3,430,093	3,324,434	579,706	546,622
Property, plant and equipment	14	-	-	1,548,055	1,560,481
Intangible assets	15	-	-	2,919,391	3,096,468
TOTAL NON-CURRENT ASSETS		**3,430,720**	**3,325,035**	**13,166,184**	**12,228,333**
TOTAL ASSETS		**3,606,174**	**3,436,685**	**17,864,441**	**17,863,703**

The accompanying notes are an integral part of the quarterly financial report.

LIGHT S.A.

STATEMENTS OF FINANCIAL POSITION

ON JUNE 30, 2019 AND DECEMBER 31, 2018

(In thousands of reais)

		Parent Company		Consolidated	
LIABILITIES	**Notes**	**June 30, 2019**	**December 31, 2018**	**June 30, 2019**	**December 31, 2018**
Suppliers	16	599	3,840	2,341,211	2,119,660
Taxes and contributions payable	17	16	2,070	346,002	338,911
Income tax and social contribution payable	17	-	56	87,771	13,937
Loans and financing	18	-	-	610,474	1,041,084
Debentures	19	-	-	1,125,191	954,952
Financial liabilities of the sector	9	-	-	-	2,619
Dividends payable	13	39,373	39,373	39,373	39,373
Labor liabilities		1,047	1,379	84,121	76,606
Liabilities due to lease	23	-	-	31,021	-
Other payables	24	618	475	646,057	691,267
TOTAL CURRENT LIABILITIES		**41,653**	**47,193**	**5,311,221**	**5,278,409**
Loans and financing	18	-	-	4,649,174	4,581,886
Debentures	19	-	-	3,124,020	3,450,539
Derivative financial instruments - swap	33	-	-	93,673	111,664
Taxes and contributions payable	17	-	-	276,345	304,553
Deferred taxes	8	-	-	218,324	208,488
Provisions for tax, civil, labor and regulatory contingencies	20	-	-	505,379	476,244
Liabilities due to lease	23	-	-	63,506	-
Other payables	24	-	-	58,278	62,428
TOTAL NON-CURRENT LIABILITIES		**-**	**-**	**8,988,699**	**9,195,802**
SHAREHOLDERS' EQUITY					
Capital stock	26	2,225,822	2,225,822	2,225,822	2,225,822
Profit reserves		929,056	929,056	929,056	929,056
Equity valuation adjustments		328,057	336,107	328,057	336,107
Other comprehensive income		(101,493)	(101,493)	(101,493)	(101,493)
Retained earnings		183,079	-	183,079	-
TOTAL SHAREHOLDERS' EQUITY		**3,564,521**	**3,389,492**	**3,564,521**	**3,389,492**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,606,174**	**3,436,685**	**17,864,441**	**17,863,703**

The accompanying notes are an integral part of the quarterly financial report.

LIGHT S.A.

STATEMENTS OF INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2019

(In thousands of reais, except earnings per share)

		Parent Company				Consolidated			
	Notes	April 1, 2019 to June 30, 2019	January 1, 2019 to June 30, 2019	April 1, 2018 to June 30, 2018	January 1, 2018 to June 30, 2018	April 1, 2019 to June 30, 2019	January 1, 2019 to June 30, 2019	April 1, 2018 to June 30, 2018	January 1, 2018 to June 30, 2018
NET REVENUE	27	**-**	**-**	**-**	**-**	**2,819,670**	**6,158,141**	**2,924,572**	**5,904,337**
OPERATING COSTS	29	**-**	**-**	**-**	**-**	**(2,314,624)**	**(4,968,434)**	**(2,307,016)**	**(4,648,481)**
Electric power purchased for resale	30	-	-	-	-	(1,851,134)	(4,081,276)	(1,894,688)	(3,838,790)
Personnel and management		-	-	-	-	(83,245)	(159,929)	(60,642)	(120,263)
Material		-	-	-	-	(4,752)	(10,637)	(21,180)	(32,127)
Outsourced services		-	-	-	-	(82,132)	(164,838)	(86,712)	(168,599)
Depreciation and amortization		-	-	-	-	(140,576)	(279,876)	(130,846)	(261,093)
Cost of construction		-	-	-	-	(187,638)	(347,243)	(146,170)	(283,493)
Other revenues, net		-	-	-	-	34,853	75,365	33,222	55,884
GROSS PROFIT		**-**	**-**	**-**	**-**	**505,046**	**1,189,707**	**617,556**	**1,255,856**
OPERATING EXPENSES		**(3,659)**	**(7,376)**	**(7,906)**	**(10,375)**	**(274,291)**	**(534,856)**	**(322,117)**	**(635,392)**
General and administrative expenses	29	(3,682)	(5,968)	(3,553)	(6,022)	(267,018)	(522,964)	(305,408)	(605,153)
Other revenues		23	23	-	-	10,146	11,983	7,378	7,413
Other expenses		-	(1,431)	(4,353)	(4,353)	(17,419)	(23,875)	(24,087)	(37,652)
EQUITY IN THE EARNINGS (LOSSES) OF SUBSIDIARIES	13	**13,774**	**180,905**	**(17,657)**	**77,775**	**(90,834)**	**(81,386)**	**(21,970)**	**(38,680)**
EARNINGS (LOSS) BEFORE THE FINANCIAL RESULT AND TAXES		**10,115**	**173,529**	**(25,563)**	**67,400**	**139,921**	**573,465**	**273,469**	**581,784**
FINANCIAL RESULT	31	**691**	**1,500**	**112**	**(100)**	**(71,032)**	**(261,752)**	**(298,360)**	**(450,931)**
Revenue		725	1,574	249	530	120,044	172,824	295,964	320,593
Expense		(34)	(74)	(137)	(630)	(191,076)	(434,576)	(594,324)	(771,524)
INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		**10,806**	**175,029**	**(25,451)**	**67,300**	**68,889**	**311,713**	**(24,891)**	**130,853**
Current income tax and social contribution	32	-	-	-	-	(48,047)	(136,965)	5,288	(51,106)
Deferred income tax and social contribution	32	-	-	-	-	(10,036)	281	(5,848)	(12,447)
NET INCOME (LOSS) FOR THE PERIOD		**10,806**	**175,029**	**(25,451)**	**67,300**	**10,806**	**175,029**	**(25,451)**	**67,300**
Attributed to the controlling shareholders		**10,806**	**175,029**	**(25,451)**	**67,300**	**10,806**	**175,029**	**(25,451)**	**67,300**
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE (R$ / Share)	26	**0.05**	**0.86**	**(0.12)**	**0.33**	**0.05**	**0.86**	**(0.12)**	**0.33**

The accompanying notes are an integral part of the quarterly financial report.

LIGHT S.A.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2019

(In thousands of reais)

		Parent Company				Consolidated			
	Note	April 1, 2019 to June 30, 2019	January 1, 2019 to June 30, 2019	April 1, 2018 to June 30, 2018	January 1, 2018 to June 30, 2018	April 1, 2019 to June 30, 2019	January 1, 2019 to June 30, 2019	April 1, 2018 to June 30, 2018	January 1, 2018 to June 30, 2018
Net Income (loss) for the period	26	10,806	175,029	(25,451)	67,300	10,806	175,029	(25,451)	67,300
TOTAL COMPREHENSIVE INCOME		**10,806**	**175,029**	**(25,451)**	**67,300**	**10,806**	**175,029**	**(25,451)**	**67,300**
Attributed to the controlling shareholders		**10,806**	**175,029**	**(25,451)**	**67,300**	**10,806**	**175,029**	**(25,451)**	**67,300**

The accompanying notes are an integral part of the quarterly financial report.

LIGHT S.A.

STATEMENTS OF CHANGES IN EQUITY - PARENT COMPANY AND CONSOLIDATED

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2019

(In thousands of reais)

	Note	CAPITAL STOCK	PROFIT RESERVES - LEGAL RESERVE	PROFIT RESERVES - RETAINED EARNINGS	EQUITY VALUATION ADJUSTMENTS	OTHER COMPREHENSIVE INCOME	RETAINED EARNINGS	TOTAL
BALANCES ON DECEMBER 31, 2018		**2,225,822**	**276,136**	**652,920**	**336,107**	**(101,493)**	**-**	**3,389,492**
Total comprehensive income:								
Net Income of the Period	26	-	-	-	-	-	175,029	175,029
Realization of equity valuation adjustment, net of taxes		-	-	-	(8,050)	-	8,050	-
BALANCES ON JUNE 30, 2019		**2,225,822**	**276,136**	**652,920**	**328,057**	**(101,493)**	**183,079**	**3,564,521**

	Note	CAPITAL STOCK	PROFIT RESERVES - LEGAL RESERVE	PROFIT RESERVES - RETAINED EARNINGS	EQUITY VALUATION ADJUSTMENTS	OTHER COMPREHENSIVE INCOME	RETAINED EARNINGS	TOTAL
BALANCES ON JANUARY 1, 2018		**2,225,822**	**267,847**	**687,626**	**352,671**	**(101,493)**	**-**	**3,432,473**
Initial application of IFRS 9 (CPC 48), net of taxes		-	-	-	-	-	(169,341)	(169,341)
Total comprehensive income:								
Net Income of the Period	26	-	-	-	-	-	67,300	67,300
Realization of equity valuation adjustment, net of taxes		-	-	-	(8,356)	-	8,307	(49)
BALANCE ON JUNE 30, 2018		**2,225,822**	**267,847**	**687,626**	**344,315**	**(101,493)**	**(93,734)**	**3,330,383**

The accompanying notes are an integral part of the quarterly financial report.

LIGHT S.A.

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2019

(In thousands of reais)

	Notes	Parent Company		Consolidated	
		January 1, 2019 to June 30, 2019	January 1, 2018 to June 30, 2018	January 1, 2019 to June 30, 2019	January 1, 2018 to June 30, 2018
Net cash (used in) generated by operating activities		**(9,828)**	**52,437**	**399,676**	**(152,448)**
Cash generated by (used in) operations		**(4,445)**	**(6,122)**	**1,072,923**	**988,480**
Profit before income tax and social contribution		175,029	67,300	311,713	130,853
Allowance for expected doubtful accounts	29	-	-	143,512	277,025
Depreciation and amortization	29	-	-	292,726	267,627
Loss from the sale or write-off of intangible asset /property, plant and equipment /investment and lease		1,431	-	18,138	5,793
Exchange and inflation adjustment losses from financial activities	31	-	-	16,838	393,722
Provision for and restatement of tax, civil, labor and regulatory contingencies, and write- offs and restatements of deposits related to litigation		-	-	167,284	108,656
Adjustment to present value and factoring		-	-	(650)	(7,684)
Interest expense on loans, financing and debentures	18/19	-	-	348,625	283,665
Charges and inflation adjustment of post-employment obligations	22	-	-	-	2,065
Interest on lease liabilities	23	-	-	3,885	-
Swap Change	33	-	-	(78,775)	(194,886)
Equity in the earnings (losses) of subsidiaries	13	(180,905)	(77,775)	81,386	38,680
Provision for investment losses	13	-	4,353	-	4,353
Loss on investments measured at cost		-	-	783	-
Remuneration of concession's financial assets	27	-	-	(96,172)	(88,088)
Recognition and restatement of financial assets and liabilities of the sector	9	-	-	(136,370)	(233,301)
Changes in assets and liabilities		**(5,383)**	**58,559**	**(673,247)**	**(1,140,928)**
Marketable securities		(156)	3	(7,608)	(15,324)
Consumers, concessionaires and permissionaires		-	-	(61,639)	(402,406)
Dividends received	13	-	60,434	-	1,852
Taxes, fees and contributions to recover		143	79	(97,651)	(22,847)
Financial assets and liabilities of the sector		-	-	114,554	(21,132)
Inventories		-	-	(1,583)	(4,378)
Services rendered receivable		81	(212)	1,936	(11,804)
Prepaid expenses		60	(1)	3,978	3,768
Deposits related to litigation		(26)	(97)	(622)	(24,382)
Other assets		55	(568)	(124,250)	(149,051)
Suppliers		(3,241)	(695)	210,607	(358,298)
Labor liabilities		(332)	(328)	7,515	2,465
Taxes, fees and contributions payable		(2,110)	(71)	(24,550)	115,236
Payment of provisions for tax, civil, labor and regulatory contingencies		-	-	(120,531)	(71,785)
Post-employment benefits		-	-	-	30
Other liabilities		143	15	(159,444)	146,705
Interest paid	18/19	-	-	(354,261)	(239,760)
Income tax and social contributions paid		-	-	(59,698)	(90,417)
Net cash used in investing activities		**(36,855)**	**(27,601)**	**(206,572)**	**(1,672,937)**
Receivables for sale of interest		14,171	-	14,171	-
Acquisition of property, plant and equipment		-	-	(20,056)	(16,444)
Acquisition of intangible and contractual assets		-	-	(345,599)	(275,285)
Capital increase	13	(21,026)	(27,601)	(26,598)	(59,776)
Redemption of financial investments		-	-	981,764	235,570
Financial investments		(30,000)	-	(810,254)	(1,557,002)
Net cash generated by (used in) financing activities		**-**	**(29,503)**	**(562,366)**	**2,097,433**
Payment of lease liabilities	23	-	-	(18,481)	-
Dividends paid		-	(29,503)	-	(29,503)
Loans, financing and debentures	18/19	-	-	790,397	4,901,897
Amortization of loans, financing and debentures	18/19	-	-	(1,334,282)	(2,720,462)
Amortization of pension plan contractual debt	22	-	-	-	(54,499)
Increase (decrease) in cash and cash equivalents		**(46,683)**	**(4,667)**	**(369,262)**	**272,048**
Cash and cash equivalents at the beginning of the period		73,026	6,955	707,042	269,928
Cash and cash equivalents at the end of the period		26,343	2,288	337,780	541,976

The accompanying notes are an integral part of the quarterly financial report.

LIGHT S.A.

STATEMENTS OF VALUE ADDED

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2018 AND 2019

(In thousands of reais)

	Notes	Parent Company		Consolidated	
		January 1, 2019 to June 30, 2019	January 1, 2018 to June 30, 2018	January 1, 2019 to June 30, 2019	January 1, 2018 to June 30, 2018
Revenues		**-**	**-**	**10,273,530**	**9,681,488**
Sale of goods, products and services		-	-	10,052,617	9,659,579
Revenue related to the construction of own assets		-	-	364,425	298,934
Allowance for expected doubtful accounts	29	-	-	(143,512)	(277,025)
Inputs acquired from third parties		**(3,006)**	**(6,296)**	**(4,772,075)**	**(4,487,838)**
Cost of products, goods and services sold	30	-	-	(4,081,276)	(3,838,790)
Materials, energy, outsourced services and others		(3,006)	(6,296)	(690,799)	(649,048)
Gross value added		**(3,006)**	**(6,296)**	**5,501,455**	**5,193,650**
Retentions		**-**	**-**	**(292,726)**	**(267,627)**
Depreciation and amortization	29	-	-	(292,726)	(267,627)
Net value added produced		**(3,006)**	**(6,296)**	**5,208,729**	**4,926,023**
Value added received through transfer		**182,479**	**78,305**	**91,438**	**281,913**
Equity in the earnings (losses) of subsidiaries	13	180,905	77,775	(81,386)	(38,680)
Financial revenues	31	1,574	530	172,824	320,593
Total value added to distribute		**179,473**	**72,009**	**5,300,167**	**5,207,936**
Distribution of value added		**179,473**	**72,009**	**5,300,167**	**5,207,936**
Personnel		**3,892**	**3,485**	**217,036**	**186,431**
Direct compensation		2,966	3,148	156,519	133,896
Benefits		178	213	45,916	38,454
Government Severance Fund for Employees (FGTS)		76	124	13,165	12,989
Other		672	-	1,436	1,092
Taxes, fees and contributions		**357**	**436**	**4,430,908**	**4,152,805**
Federal		356	435	2,007,203	1,890,896
State		-	-	2,413,327	2,253,061
Municipal		1	1	10,378	8,848
Value distributed to providers of capital		**195**	**788**	**477,194**	**801,400**
Interest		(1)	608	443,461	774,030
Rental		196	180	33,733	27,370
Value distributed to shareholders		**175,029**	**67,300**	**175,029**	**67,300**
Net Income of the Period	26	175,029	67,300	175,029	67,300

The accompanying notes are an integral part of the quarterly financial report.

LIGHT S.A.
NOTES ON THE QUARTERLY FINANCIAL REPORT
For the period ended June 30, 2019
(In thousands of Brazilian reais – R$, unless stated otherwise)

1. OPERATIONS

Light S.A. (“Light” or “parent company”) is a publicly held company headquartered in the City of Rio de Janeiro/RJ - Brazil. The corporate purpose of Light is to hold equity interests in other companies, as partner or shareholder, and the direct or indirect exploration, as applicable, of electric power services, including electric power generation, transmission, sale and distribution systems, as well as other related services.

Light Group (“Company” of “Group”) comprises Light’s subsidiaries, Jointly controlled subsidiaries and associates, described in Note 2.

The Company is listed in the New Market (Novo Mercado) segment of the Brazil, Stock Exchange and Over-the-Counter Market (B3), under the ticker LIGT3, and in the U.S. over the counter (OTC) market, under the ticker LGSXY.

On June 30, 2019, the Company had consolidated negative working capital of R$612,964 (positive R$356,961 on December 31, 2018). On July 16, 2019, as described in Note 37, the Company concluded the Company's capital increase, totaling R$1,875,000. Net proceeds from the capital increase will be used to strengthen and optimize the capital structure, thereby reducing the debt level and improving the cash position. The Management understands that the success in this operation has reversed the current negative scenario of the net working capital.

2. GROUP’S ENTITIES

2.1 Direct Subsidiaries

Light Serviços de Eletricidade S.A. (Light SESA – 100%) – a publicly-held corporation, headquartered in the city and state of Rio de Janeiro, engaged in the distribution of electric power, with a concession area comprising 31 cities in the state of Rio de Janeiro, including the state capital.

Light Energia S.A. (Light Energia – 100%) – a publicly-held corporation, headquartered in the city and state of Rio de Janeiro, whose main activities are to (a) study, plan, construct, operate and explore systems of electric power generation, transmission, sales, and related services that have been legally granted or that may be granted or authorized to it or to companies in which it holds or may come to hold a controlling interest; (b) to hold interests in other companies as a partner, shareholder or quotaholder. It comprises the Pereira Passos, Nilo Peçanha, Ilha dos Pombos, Santa Branca and Fontes Novas plants, with a total installed capacity of 855 MW. Light Energia holds interest in the following subsidiaries and Jointly controlled entities:

- Lajes Energia S.A. (“Lajes Energia” – 100%) – a privately-held corporation headquartered in the city of Piraí, in the state of Rio de Janeiro, engaged in the analysis of the technical and economic feasibility, project design, implementation, operation, maintenance and commercial exploration of PCH Lajes, with a nominal capacity of 17 MW. On July 8, 2014, the Authorizing Resolution 4734/14 was published, transferring the concession of PCH Lajes from Light Energia to Lajes Energia. The construction works of PCH Lajes began in September 2014 and commercial start-up was on July 21, 2018.

- Renova Energia S.A. (“Renova Energia” – 17.2%, Jointly controlled entity) - a corporation whose main activity is the generation of electric power through renewable alternative sources, such as small hydroelectric power plants (PCHs), and wind and solar power plants. On June 30, 2019, Renova Energia holds direct or indirect interests in these sources, totaling 628 MW contracted, 190 MW of which in operation or able to operate. Renova Energia is Jointly-controlled by Light Energia (17.2%), CGI - Casa de Gestão (formerly RR Participações) (13.8% interest in the controlling interest), which is not a related party, and Cemig Geração e Transmissão S.A. – Cemig GT (36.2%). The companies in which Renova Energia holds interests are listed below:

Interest - RENOVA ENERGIA								
Enerbras Centrais Elétricas S.A. (Holding)	(a)	100.00%	Centrais Eólicas Angelim S.A.	(b)	99.99%	Alto Sertão Participações S.A. (Holding)	(a)	99.99%
Energética Serra da Prata S.A.	(b)	99.99%	Bahia Holding S.A.	(a)	99.99%	Diamantina Eólica Participações S.A. (Holding)	(b)	99.99%
Renova PCH Ltda.	(a)	99.99%	Centrais Eólicas Imburana Macho S.A.	(b)	99.99%	Centrais Eólicas Putumuju S.A.	(a)	99.99%
Chipley SP Participações S.A. (Holding)	(a)	99.99%	Centrais Eólicas Amescla S.A.	(b)	99.99%	Centrais Eólicas São Salvador S.A.	(b)	99.99%
Centrais Eólicas Abil S.A.	(b)	99.99%	Centrais Eólicas Umbuzeiro S.A.	(b)	99.99%	Centrais Eólicas Botuquara S.A.	(a)	99.99%
Centrais Eólicas Acácia S.A.	(b)	99.99%	Centrais Eólicas Pau d'Água S.A.	(b)	99.99%	Centrais Eólicas Cedro S.A.	(b)	99.99%
Centrais Eólicas Angico S.A.	(b)	99.99%	Centrais Eólicas Manineiro S.A.	(b)	99.99%	Centrais Eólicas Bela Vista XIV S.A.	(a)	99.99%
Centrais Eólicas Folha da Serra S.A.	(b)	99.99%	Centrais Eólicas Anisío Teixeira S.A.	(a)	99.99%	Centrais Eólicas Itapuã IV LTDA.	(a)	99.99%
Centrais Eólicas Jabuticaba S.A.	(b)	99.99%	Centrais Eólicas Cabeça de Frade S.A.	(a)	99.99%	Centrais Eólicas Itapuã V LTDA.	(a)	99.99%
Centrais Eólicas Jacarandá do Serrado S.A.	(b)	99.99%	Centrais Eólicas Canjoão S.A.	(a)	99.99%	Centrais Eólicas Itapuã VII LTDA.	(a)	99.99%
Centrais Eólicas Taboquinha S.A.	(b)	99.99%	Centrais Eólicas Carrancudo S.A.	(a)	99.99%	Centrais Eólicas Itapuã XV LTDA.	(a)	99.99%
Centrais Eólicas Tabua S.A.	(b)	99.99%	Centrais Eólicas Ipê Amarelo S.A.	(a)	99.99%	Centrais Eólicas Itapuã XX LTDA.	(a)	99.99%
Centrais Eólicas Vaqueta S.A.	(b)	99.99%	Centrais Eólicas Jequitiba S.A.	(a)	99.99%	Centrais Eólicas Facheio S.A.	(b)	99.99%
Centrais Eólicas Unha d'Anta S.A.	(b)	99.99%	Centrais Eólicas Macambira S.A.	(a)	99.99%	Centrais Elétricas Sabiu S.A.	(b)	99.99%
Centrais Eólicas Vellozia S.A.	(b)	99.99%	Centrais Eólicas Tamboril S.A.	(a)	99.99%	Centrais Eólicas Barbatimão S.A.	(b)	99.99%
Espra Holding S.A.	(a)	99.99%	Centrais Eólicas Tingui S.A.	(a)	99.99%	Centrais Eólicas Juazeiro S.A.	(b)	99.99%
CMNPAR Fifty-Four Participações S.A.	(a)	99.99%	Centrais Eólicas Alcacuz S.A.	(a)	99.99%	Centrais Elétricas Itaparica S.A.	(a)	99.99%
Centrais Eólicas Embiruçu S.A.	(a)	99.99%	Centrais Eólicas Caliandra S.A.	(a)	99.99%	Renova Comercializadora de Energia S.A.	(a)	100.00%
Centrais Eólicas Ico S.A.	(a)	99.99%	Centrais Eólicas Cansação S.A.	(a)	99.99%	Brasil PCH S.A.	(c)	51.00%
Centrais Eólicas Imburana de Cabão S.A.	(a)	99.99%	Ventos de São Cristóvão Energias Renováveis S.A.	(b)	99.99%	Centrais Eólicas Coxilha Alta S.A.	(a)	99.99%
Centrais Eólicas Jataí S.A.	(b)	99.99%	Parque Eólico Iansã LTDA	(a)	99.99%	Centrais Eólicas Lençóis S.A.	(a)	99.99%
Renovapar S.A.	(a)	100.00%	Centrais Eólicas Conquista S.A.	(a)	99.99%			

(a) Direct subsidiary of Renova
(b) Indirect subsidiary of Renova
(c) Renova’s Jointly controlled entities

- Guanhães Energia S.A. (“Guanhães Energia” - 51%, jointly-controlled entity) – a privately-held corporation, headquartered in the city of Ipatinga – MG, was created with the purpose of implementing and exploring four small hydroelectric power plants (PCHs) in the state of Minas Gerais, with total installed capacity of 44 MW. The company is a Jointly controlled entity of Light Energia (51%) and Cemig Geração e Transmissão S.A. – Cemig GT (49%). The project was affected by geological and environmental issues, postponing the estimated date for the PCHs start-up. On August 21, 2015, the PCHs won the Auction A-3, which sold power for a 30-year term for R$205.50/MWh, as of January 2018. On December 15, 2015, the Building Consortium agreement for the PCHs was terminated, but the works were resumed in November 2017. SHPs Senhora do Porto, Dores de Guanhães and Fortuna II have been fully operational since July 2018, November 2018 and June 2019, respectively. The implementation schedules of the Jacaré SHPs consider full operation until the third quarter of 2019 (1).

- Central Eólica São Judas Tadeu Ltda. (“São Judas Tadeu” – 100%) - a company at the pre-operational stage whose main activity is the generation and sale of electric power through a wind power plant located in the state of Ceará, with 18 MW nominal power. On December 31, 2016, Management provisioned 100% of this investment because it did not expect future recoverability, considering the Company’s new strategic planning.

- Central Eólica Fontainha Ltda. (“Fontainha” – 100%) – a company at the pre-operational stage whose main activity is the generation and sale of electric power through a wind power plant located in the state of Ceará, with 16 MW nominal power. On December 31, 2016, Management provisioned 100% of this investment because it did not expect future recoverability, considering the Company’s new strategic planning.

Light Conecta Ltda. (“Light Conecta” - 100% - new trade name of Itaocara Energia Ltda.) - a privately held corporation headquartered in the city and state of Rio de Janeiro, whose activities are: design, construction, installation, operation and exploration of electric power generation plants, in addition to the purchase, sale, import, export of electric power, thermal power, gas and industrial utilities, provision of advisory services in the energy sector, rental of real and personal property, as well as the acquisition and sale of goods related to the study, design, implementation, operation and maintenance of construction works and facilities of any nature. Light Conecta holds interest in the UHE Itaocara Consortium for the exploration of the Itaocara Hydroelectric Power Plant (51%). Cemig GT has a 49% interest. On April 30, 2015, the UHE Itaocara Consortium won the Auction A-5 conducted by the Brazilian Electricity Regulatory Agency (ANEEL) for the concession of Itaocara I Hydroelectric Power Plant. The project will be constructed at Paraíba do Sul River and will have installed capacity of 150 MW. On October 23, 2015, the concession agreement was signed by UHE Itaocara Consortium. On April 26, 2016, the concession was transferred to Usina Hidrelétrica Itaocara S.A. Light Conecta holds interest in the following Jointly controlled entity:

(1) Information on the start-up forecast was not reviewed by independent auditors.

- Usina Hidrelétrica Itaocara S.A. ("Hidrelétrica Itaocara" – 51%, Jointly controlled entity) – a privately held corporation at the pre-operational stage, headquartered in the city of Rio de Janeiro – RJ. Jointly controlled by Light Conecta (51%) and Cemig GT (49%), the Company was created to build the Itaocara Hydroelectric Power Plant and its purpose is the concession to use public assets to explore the Itaocara I Hydroelectric Power Plant, pursuant to the Concession Agreement 01/2015 made with the Brazilian Federal Government.

Lightcom Comercializadora de Energia S.A. ("Lightcom" – 100%) – a privately-held corporation, headquartered in the city and state of São Paulo, engaged in the purchase, sale, import, export and provision of advisory services in the energy sector.

Light Soluções em Eletricidade Ltda. ("Light Soluções" - 100%) – a limited liability company whose main activity is to provide services to low voltage clients, including the assembly, remodeling and maintenance of facilities in general.

Instituto Light para o Desenvolvimento Urbano e Social ("Instituto Light" - 100%) - a non-profit private company, engaged in participating in social and cultural projects, focused on the cities' social and economic development, affirming the Company's ability to be socially responsible.

2.2 Jointly controlled entities

Lightger S.A. ("Lightger") – a privately-held corporation whose purpose is to participate in auctions for concessions, authorizations and permissions for new electric power plants. Lightger constructed and operates PCH Paracambi. It is Jointly-controlled by Light S.A. (51%) and by Cemig GT (49%). Lightger has an installed capacity of 25.7 MW and assured energy of 19.5 MW

Axxiom Soluções Tecnológicas S.A. ("Axxiom") – a privately held corporation, headquartered in the city of Belo Horizonte, state of Minas Gerais, whose purpose is to offer technology solutions and systems for the operational management of public utility concessionaires, including electric power, gas, water and sewage companies. It is Jointly-controlled by Light S.A. (51%) and by Companhia Energética de Minas Gerais - CEMIG (49%).

Energia Olímpica S.A. ("Energia Olímpica") – a privately held corporation, headquartered in the city and state of Rio de Janeiro, whose main activity is to implement the Vila Olímpica substation and two 138 kV underground lines which are connected to the substation. It is Jointly-controlled by Light S.A. (50.1%) and by Furnas Centrais Elétricas S.A. - Furnas (49.9%). The constructions of the Vila Olímpica substation and of the two underground lines were concluded. The Company does not expect any material effects from the Energia Olímpica's settlement that will be concluded until December 2019 [1]

[1] Information on the start-up forecast was not reviewed by independent auditors.

Amazônia Energia Participações S.A. (“Amazônia Energia”) – a privately held corporation whose purpose is to hold an interest, as a shareholder, in Norte Energia S.A. (“NESA”), which holds the concession for the use of public assets to explore the Belo Monte Hydroelectric Power plant, on Xingu River, in the state of Pará. It is Jointly-controlled by Light S.A. (25.5%) and by Cemig GT (74.5%), Amazônia Energia holds a 9.8% interest in NESA, with significant influence on management, but without joint control. On August 26, 2010, NESA signed the Concession Agreement No. 001/10 with the federal government through the Ministry of Mines and Energy (MME) to explore electric power generation services, with a 35-year term as of the referred agreement’s date of signature. Still according to referred agreement, 70% of the power plant’s assured energy will be destined to the regulated market, 10% to self-producers and 20% to the free market (ACL). The progress of the construction works, and assembly services enabled the tests in the generating units of Pimental and Belo Monte, which were already synchronized with the National Interconnected System. As a result, the commercial start-up of Belo Monte’s units 01, 02 and 03, and Pimental’s units 01, 02, 03 and 04 took place in 2016. In 2017, we had the commercial start-up of Belo Monte’s units 04, 05, 06 and 07 and Pimental’s units 05 and 06. In 2018, we had the commercial start-up of Belo Monte’s units 08, 09, 10, 11 and 12. In 2019, we had the commercial start-up of units 13 and 14. The other generation units are expected to begin operations by December 2019[(1)], totaling 20 UGs. All Pimental UGs are now concluded.

2.3 Light Group Consolidation

The consolidated quarterly financial report was prepared based on the practices established by CPC 21 (R1) - Interim Financial Statements and in accordance with Interim Financial Reporting (IAS 34), issued by the International Accounting Standards Board (IASB) and includes the quarterly financial information of the Company and entities directly or indirectly controlled by it through its subsidiaries.

Control is obtained when the Company has: (i) power over the investee; (ii) exposure to, or rights over, variable returns resulting from its involvement with the investee; and (iii) capacity to use this power to affect its returns.

The Company reassesses whether or not to maintain control over an investee if there are facts indicating changes in one or more of the three elements of control mentioned above.

If the Company loses control over a subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interest and other equity components are written-off, while any gain or loss is recorded in profit or loss. Any investment retained is recognized at fair value.

Associates are those entities over which the Group has significant influence but not control, usually by holding 20% to 50% of voting shares. Shareholding agreements in which two or more parties have joint control are classified as joint ventures, pursuant to the rights and obligations of the parties. These investments are accounted for by the equity method.

The consolidated quarterly financial report the quarterly financial information of the Group and its subsidiaries on June 30, 2019. They are fully consolidated as follows:

Subsidiaries	Activity	June 30, 2019		December 31, 2018	
		Direct interest (%)	Indirect interest (%)	Direct interest (%)	Indirect interest (%)
Light SESA	Distribution	100.0	-	100.0	-
Light Energia	Hydropower generation	100.0	-	100.0	-
Fontainha	Wind power generation	-	100.0	-	100.0
São Judas Tadeu	Wind power generation	-	100.0	-	100.0
Lajes	Hydropower generation	-	100.0	-	100.0
Lightcom	Trading	100.0	-	100.0	-
Light Soluções	Services	100.0	-	100.0	-
Instituto Light	Other	100.0	-	100.0	-
Light Conecta	Services	100.0	-	100.0	-

2.3.1 Light Group's concessions and authorizations

The chart below summarizes the Light Group's concessions and authorizations effective on June 30, 2019:

Concessions/ Authorizations	Authorization/concession agreement	Date of Due date
Light SESA (concession)	June 1996	June 2026
Light Energia (concession)	June 1996	June 2026
PCH Lajes - Lajes Energia (authorization)	July 2014	May 2026

3. BASIS OF PREPARATION

3.1 Compliance Statement

The Company's individual and consolidated quarterly financial report for the second quarter of 2019 were was prepared and is presented based on the Technical Pronouncement CPC 21 (R1) - Interim Financial Statements and IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board (IASB), as well as the standards issued by the Brazilian Securities and Exchange Commission ("CVM"), applicable to the preparation of the quarterly financial report.

The Company also considered the guidelines issued by the Technical Guidance OCPC 07 on November 2014 in the preparation of its quarterly financial report. Therefore, all relevant information from the quarterly financial report is being highlighted, and it corresponds to the information used by Management.

This individual and consolidated quarterly financial information does not include all information and disclosures required in the individual and consolidated annual financial statements and, therefore, should be read with the individual and consolidated financial statements prepared in accordance with the accounting practices adopted in Brazil and IFRS, for the year ended on December 31, 2018, approved on March 28, 2019. The accounting practices adopted for this quarterly financial report comply with those presented in the Company's financial statements for the year ended December 31, 2018.

The Company's Management granted authorization to issue the quarterly financial report on August 15, 2019.

3.2 Measurement basis

The Company's parent company and consolidated quarterly financial report have been prepared based on historical cost, except for certain financial instruments measured at fair value through profit or loss, when required by the rules. Measurement of fair values and classification into categories 1, 2 or 3 (depending on the level of compliance to the variables used) is detailed in Note 33.

3.3 Functional and presentation currency

The parent company and consolidated quarterly financial information are presented in Brazilian Real, which is the functional currency of the Company. All quarterly financial information presented in Real was rounded up thousands, except when indicated otherwise.

3.4 Significant changes in accounting policies resulting from the used of new and revised standards, effective as of January 1, 2019

3.4.1 IFRS 16 (CPC 06 (R2)) - Leases

As of January 1, 2019, the Company adopted CPC 06 (R2) - Leases, issued by the CPC and equivalent to the international IFRS 16 – Leases standard, released in January 2016 to replace the previous version of the former CPC 06 rule (R1), equivalent to the international IAS 17 standard. Aimed at unifying the lease accounting model, requiring lessees to recognize liabilities against the assets corresponding to their right-of-use for all leases, unless they fall into one of these exemptions to the standard: (i) short-term leases (lease term of 12 months or less); and (ii) leases where the underlying asset has a low value or which have variable lease payments.

The Company initially applied IFRS 16 (CPC 06 (R2)) on January 1, 2019 using the modified prospective approach. Under this approach, comparative information is not required and the right to use the asset is measured through the same amount as the lease liability. The Company reviewed its operating lease agreements to identify if they are or not a lease, in accordance with IFRS 16. The standard establishes that a contract is or has a lease if conveying the right to control the use of an identified asset for a period of time in exchange for a consideration. In compliance with the standard, the Company also chose to adopt recognition exemptions for short-term leases without expected purchase or renewal options, and for items of low value.

The most significant impact identified by the adoption of IFRS 16 (CPC 06 (R2)) in the Company's assets and liabilities was the operating lease with vehicles leased.

The impacts of the initial adoption of IFRS 16 (CPC 06 (R2)) on January 1, 2019 were directly recognized in the financial statement; therefore they were not recorded in profit or loss for the fiscal year, as follows:

Consolidated	**January 1, 2019**
Right-of-use assets	76,627
Liabilities due to leases	76,627

3.5 Application of the new and revised standards, as of January 1, 2019, that had no effect or had no material effect on the amounts disclosed in the current period and in previous periods.

3.5.1 IFRIC 23 (ICPC 22) – Uncertainty over Income Tax Treatments

This Standard clarifies how to apply the measurement and recognition requirements of CPC 32 when there is uncertainty over income tax treatments. In this circumstance, the entity must recognize and measure its current or deferred tax asset or liability, applying the requirements of CPC 32 based on taxable income (tax loss), tax bases, unused tax losses and credits, and defined tax rates, applying this interpretation.

The Company's Management evaluated the tax treatment that might generate uncertainties in the calculation of income taxes, as well as measured them and reassessed those that could potentially expose the Company to materially probable risks of loss. At the conclusion of these studies, the Company's Management evaluated that none of the relevant positions adopted by the Company changed due to the probability of losses generated by possible inquiries by the tax authorities.

4. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Money available	203	71,855	10,006	108,189
Short-term financial investments				
Bank deposit certificate (CDB)	26,140	1,171	327,774	598,853
TOTAL	**26,343**	**73,026**	**337,780**	**707,042**

The short-term investments are highly liquid and convertible into know amounts cash and are subject to a floating rate represented by transactions purchased from financial institutions trading in the domestic financial market. These short-term investments have a daily repurchase commitment by the counterparty financial institution (the repurchase rate is previously agreed upon by the parties) and yield mostly according to the variation of the interbank deposit rate (CDI), with immaterial loss of income in case of early redemption.

The average yield of the investments in the consolidated is 82.0% of the CDI on June 30, 2019 (82.6% of the CDI on December 31, 2018).

The Company's exposure to interest rate risks and a sensitivity analysis of financial assets and liabilities are reported in Note 33.

5. MARKETABLE SECURITIES

	Parent Company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Bank deposit certificate (CDB)	30,158	2	251,325	261,804
Investment fund	-	-	561,571	714,994
TOTAL	**30,158**	**2**	**812,896**	**976,798**

They are represented by: (i) surety bonds pledged in power auctions, (ii) proceeds from the sale of assets that were held for reinvestment in the electric grid system, (iii) investment funds, and (iv) investments to mature within three months or longer of the investment date, with loss of value in case of early redemption. The average yield of these investments is 100.3% of the CDI in June 30, 2019 (102.0% of the CDI on December 31, 2018).

6. CONSUMERS, CONCESSIONAIRES, PERMISSIONAIRES AND CLIENTS

	Consolidated					
	June 30, 2019			December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
Billed sales	2,324,542	-	2,324,542	2,312,803	-	2,312,803
Unbilled sales	456,326	-	456,326	483,009	-	483,009
Debt payment by installments	595,195	1,223,582	1,818,777	880,546	874,832	1,755,378
Energy trading	514,527	-	514,527	521,427	82,992	604,419
Supply and charges on use of electric energy grid	22,554	-	22,554	24,391	-	24,391
Other receivables	10,320	43,127	53,447	6	55,382	55,388
	3,923,464	**1,266,709**	**5,190,173**	**4,222,182**	**1,013,206**	**5,235,388**
(-) Allowance for expected doubtful accounts	(1,402,842)	-	(1,402,842)	(1,366,834)	-	(1,366,834)
TOTAL	**2,520,622**	**1,266,709**	**3,787,331**	**2,855,348**	**1,013,206**	**3,868,554**

They include billed and unbilled electric power supply, energy trading, default charges, interest on late payment and electricity traded with other concessionaries for electricity supply, according to the amounts available in the Electric Energy Commercialization Chamber (CCEE).

The Company classifies the balances of consumers, concessionaires, permissionaires and clients as financial instrument measured at amortized cost, given that the purpose of its business model is to collect principal and interest cash flows, not considering significant financing components.

The balances related to consumers, concessionaires, permissionaires and clients are subject to analysis of expected credit losses, pursuant to IFRS 9 (CPC 48). The Company used a simplified approach considering the maturity of accounts receivable, whose default percentage was calculated based on average history of non-collection over the total billed amount for each month. The Company used a three-year base period, distributed by consumer class, and Management considers it sufficient to cover any losses in the realization of credits.

Receivables are written-off as losses pursuant to Law 9430/1997 and Law 13097/2015. In the first semester of 2019, write-offs totaled R$107,504 (R$164,180 in the first semester of 2018). The write-offs were realized against allowance for expected doubtful accounts already recorded, thus, not impacting the net income for the period.

On June 30, 2019, the subsidiary Light Energia had an balance receivable of R$390,312 (R$435,505 on December 31, 2018) under the Energy trading line, referring to default in the settlement of the Electric Power Trading Chamber (CCEE) arising from the Energy Reallocation Mechanism (MRE) adjustment caused by a GSF lower than 1.

The overdue and falling due balances are distributed as follows:

	Falling due	Overdue				Total	Allowance for expected doubtful accounts	June 30, 2019
		Up to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days			
Residential	296,022	277,791	98,959	126,494	299,044	1,098,310	(442,770)	655,540
Industrial	25,993	16,767	3,132	6,072	69,331	121,295	(68,945)	52,350
Commercial	258,004	95,307	19,871	34,666	288,415	696,263	(280,966)	415,297
Rural	1,446	1,121	209	200	1,801	4,777	(1,972)	2,805
Public sector	52,602	64,719	29,735	22,117	55,868	225,041	(84,869)	140,172
Public lighting	41,045	13,411	28,147	17,348	16,409	116,360	(17,642)	98,718
Public utility	48,276	623	585	428	12,584	62,496	(6,647)	55,849
Unbilled sales	370,023	-	-	-	-	370,023	(5,381)	364,642
SUBTOTAL - CONSUMERS	**1,093,411**	**469,739**	**180,638**	**207,325**	**743,452**	**2,694,565**	**(909,192)**	**1,785,373**
Energy trading	514,527	-	-	-	-	514,527	(784)	513,743
Supply and charges on use of electric energy grid	22,554	-	-	-	-	22,554	-	22,554
Charges on use of electric energy grid - unbilled	86,303	-	-	-	-	86,303	(460)	85,843
Other receivables	53,447	-	-	-	-	53,447	-	53,447
	676,831	**-**	**-**	**-**	**-**	**676,831**	**(1,244)**	**675,587**
TOTAL	**1,770,242**	**469,739**	**180,638**	**207,325**	**743,452**	**3,371,396**	**(910,436)**	**2,460,960**

	Falling due	Overdue				Total	Allowance for expected doubtful accounts	December 31, 2018
		Up to 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days			
Residential	340,215	250,509	78,644	138,198	237,736	1,045,302	(447,184)	598,118
Industrial	27,424	15,474	3,444	5,162	65,258	116,762	(68,705)	48,057
Commercial	276,900	93,054	18,963	30,296	278,009	697,222	(285,169)	412,053
Rural	1,668	990	165	195	1,878	4,896	(1,982)	2,914
Public sector	103,762	78,827	9,281	3,497	52,406	247,773	(52,877)	194,896
Public lighting	56,821	11,618	30,589	8,838	12,274	120,140	(12,520)	107,620
Public utility	32,600	35,404	99	156	12,449	80,708	(4,915)	75,793
Unbilled sales	406,765	-	-	-	-	406,765	(6,332)	400,433
SUBTOTAL - CONSUMERS	**1,246,155**	**485,876**	**141,185**	**186,342**	**660,010**	**2,719,568**	**(879,684)**	**1,839,884**
Energy trading	521,427	-	-	-	82,992	604,419	(784)	603,635
Supply and charges on use of electric energy grid	24,391	-	-	-	-	24,391	-	24,391
Charges on use of electric energy grid - unbilled	76,244	-	-	-	-	76,244	(435)	75,809
Other receivables	55,388	-	-	-	-	55,388	-	55,388
	677,450	**-**	**-**	**-**	**82,992**	**760,442**	**(1,219)**	**759,223**
TOTAL	**1,923,605**	**485,876**	**141,185**	**186,342**	**743,002**	**3,480,010**	**(880,903)**	**2,599,107**

6.1 Debt payment by installments

The Company has balances of concessionaires, permissionaires and clients in installments arising from the negotiation programs carried out.

Consumer class	June 30, 2019			December 31, 2018		
	Total	Allowance for expected doubtful accounts	Net total	Total	Allowance for expected doubtful accounts	Net total
Residential	1,339,021	(464,606)	874,415	1,324,190	(434,579)	889,611
Industrial	13,640	(909)	12,731	13,667	(811)	12,856
Commercial	128,537	(16,444)	112,093	122,660	(15,054)	107,606
Rural	1,392	(372)	1,020	1,071	(315)	756
Public sector	151,459	(8,774)	142,685	148,077	(31,505)	116,572
Public lighting	20,295	(135)	20,160	11,774	(2,770)	9,004
Public utility	164,433	(1,166)	163,267	133,939	(897)	133,042
TOTAL	**1,818,777**	**(492,406)**	**1,326,371**	**1,755,378**	**(485,931)**	**1,269,447**

On July 7, 2018, the Company signed an installment agreement with a large customer of the public services segment in which the amount to be received was R$163,212. On June 25, 2019, the Company signed an amendment to this agreement, which included the amount of R$48,149 in the debt installment balance. The updated amount is of R$170,762, is classified in the debit installment balance.

On October 16, 2018, an agreement of admission of debt was signed with the municipal government of Rio de Janeiro, totaling R$78,551. The amount will be received in 22 installments and the first receipt occurred in March 2019. The updated amount is of R$75,327, is classified in the debit installment balance.

6.2 Allowance for expected doubtful accounts

Below is the breakdown of allowance for expected doubtful accounts in the first semester of 2019 and 2018:

BALANCE ON DECEMBER 31, 2018	**(1,366,834)**
Additions (Note 29)	(143,512)
Write-offs	107,504
BALANCE ON JUNE 30, 2019	**(1,402,842)**

BALANCE ON JANUARY 1, 2018	**(737,085)**
Initial application of IFRS 9 (CPC 48)	(256,577)
Additions (Note 29)	(277,025)
Write-offs	164,180
BALANCE ON JUNE 30, 2018	**(1,106,507)**

The Company's exposure to credit risks related to consumers, concessionaires, permissionaires and clients is reported in Note 33.

7. TAXES AND CONTRIBUTIONS TO BE RECOVERED

	Consolidated					
	June 30, 2019			December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
TAXES AND CONTRIBUTIONS TO BE RECOVERED	**142,475**	**54,451**	**196,926**	**75,089**	**52,404**	**127,493**
ICMS to offset [(a)]	117,908	54,451	172,359	49,726	52,404	102,130
PIS and COFINS to offset	4,497	-	4,497	5,425	-	5,425
INSS	650	-	650	576	-	576
Other	19,420	-	19,420	19,362	-	19,362
RECOVERABLE INCOME TAX AND SOCIAL CONTRIBUTION	**58,004**	**-**	**58,004**	**29,786**	**-**	**29,786**
Withholding income tax	57,849	-	57,849	29,284	-	29,284
Recoverable income tax and social contribution	155	-	155	502	-	502
TOTAL	**200,479**	**54,451**	**254,930**	**104,875**	**52,404**	**157,279**

[(a)] Substantially refer to ICMS credits arising from acquisitions of property, plant and equipment, which can be offset in up to 48 months.

8. DEFERRED TAXES

	Consolidated					
	June 30, 2019			December 31, 2018		
	Deferred assets	Deferred liabilities	Deferred net	Deferred assets	Deferred liabilities	Deferred net
Allowance for expected doubtful accounts (Note 6)	476,966	-	476,966	464,724	-	464,724
Provision for profit sharing	5,108	-	5,108	10,279	-	10,279
Provisions for tax, civil, labor and regulatory contingencies (Note 20)	171,829	-	171,829	161,923	-	161,923
Other	14,580	-	14,580	18,857	-	18,857
Tax losses	216,019	-	216,019	193,891	-	193,891
Social contribution tax loss carryforwards	80,794	-	80,794	72,827	-	72,827
Derivative financial instruments - swap (Note 33)	31,849	(157,228)	(125,379)	37,966	(149,382)	(111,416)
Remuneration of concession's financial assets	-	(474,258)	(474,258)	-	(441,560)	(441,560)
Deemed cost - Light Energia	-	(168,999)	(168,999)	-	(173,146)	(173,146)
GROSS DEFERRED TAX ASSETS/(LIABILITIES)	**997,145**	**(800,485)**	**196,660**	**960,467**	**(764,088)**	**196,379**
Net amount	(582,161)	582,161	-	(555,600)	555,600	-
NET DEFERRED TAX ASSETS/(LIABILITIES)	**414,984**	**(218,324)**	**196,660**	**404,867**	**(208,488)**	**196,379**

In order to support the deferred tax credits recorded, the Company updated the technical feasibility study of tax realization including the amounts realized until June 30, 2019. The study shows the recovery of deferred tax credits recorded on June 30, 2019 in up to five years, in accordance with the following annual realization schedule:

2019	167,108
2020	240,797
2021	249,533
2022	243,433
2023	96,274
Total tax credits	**997,145**

The Company estimates that the use of deferred tax credits throughout 2019 will be concentrated in estimated allowance for doubtful accounts and derivative financial instruments, among others.

On June 30, 2019, the Company had an unrecognized credit balance on accumulated tax losses and social contribution tax loss carryforwards amounting to R$131,928 (R$127,915 on December 31, 2018) related to the Parent Company, in view of uncertainties regarding its realization.

9. FINANCIAL ASSETS AND LIABILITIES OF THE SECTOR

This item represents balances receivable and/or payable related to financial assets and liabilities incurred of the sector and not yet realized by the energy distribution company's tariff (Light SESA).

The chart below shows a breakdown of the balance of financial assets and liabilities of the sector on June 30, 2019 and December 31, 2018:

	Consolidated							
	June 30, 2019							
	Current				Non-current		Total	
	Approved amounts		Next adjustments		Next adjustments			
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Portion A items	**906,501**	**(233,718)**	**22,062**	**(32,081)**	**53,579**	**(77,910)**	**982,142**	**(343,709)**
Energy Development Account - CDE	70,791	-	19,871	-	48,259	-	138,921	-
Power acquisition cost	818,375	-	-	(14,227)	-	(34,550)	818,375	(48,777)
System Service Charges - ESS	-	(229,392)	-	(17,854)	-	(43,360)	-	(290,606)
PROINFA	3,904	-	-	-	-	-	3,904	-
Electric power transportation - Itaipu	13,431	-	1,950	-	4,736	-	20,117	-
Electric power transportation through basic network	-	(4,326)	241	-	584	-	825	(4,326)
Financial items	**-**	**(375,974)**	**147,027**	**(10,120)**	**357,063**	**(24,577)**	**504,090**	**(410,671)**
Other financial items	-	(359,390)	28,220	-	68,534	-	96,754	(359,390)
Energy overcontracting and involuntary exposure	-	-	118,807	-	288,529	-	407,336	-
Portion A neutrality	-	-	-	(7,570)	-	(18,385)	-	(25,955)
Tariff returns	-	(16,584)	-	(2,550)	-	(6,192)	-	(25,326)
Gross financial ASSETS / (LIABILITIES) of the sector	**906,501**	**(609,692)**	**169,089**	**(42,201)**	**410,642**	**(102,487)**	**1,486,232**	**(754,380)**
Net amount	(609,692)	609,692	(42,201)	42,201	(102,487)	102,487	(754,380)	754,380
Net financial ASSETS / (LIABILITIES) of the sector	**296,809**	**-**	**126,888**	**-**	**308,155**	**-**	**731,852**	**-**

	Consolidated							
	December 31, 2018							
	Current				Non-current		Total	
	Approved amounts		Next adjustments		Next adjustments			
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Portion A items	**421,443**	**(237,110)**	**938,210**	**(144,372)**	**246,896**	**(37,993)**	**1,606,549**	**(419,475)**
Energy Development Account - CDE	-	(41,309)	76,208	-	20,054	-	96,262	(41,309)
Power acquisition cost	420,963	-	847,497	-	223,026	-	1,491,486	-
System Service Charges - ESS	-	(183,716)	-	(140,458)	-	(36,963)	-	(361,137)
PROINFA	480	-	379	-	99	-	958	-
Electric power transportation - Itaipu	-	(679)	14,126	-	3,717	-	17,843	(679)
Electric power transportation through basic network	-	(11,406)	-	(3,914)	-	(1,030)	-	(16,350)
Financial items	**-**	**(186,952)**	**176,738**	**(406,390)**	**46,511**	**(106,945)**	**223,249**	**(700,287)**
Other financial items	-	(178,211)	101,420	(14,017)	26,690	(3,689)	128,110	(195,917)
Energy overcontracting and involuntary exposure	-	-	-	(355,090)	-	(93,445)	-	(448,535)
Portion A neutrality	-	-	75,318	-	19,821	-	95,139	-
Tariff returns	-	(8,741)	-	(37,283)	-	(9,811)	-	(55,835)
Gross financial ASSETS / (LIABILITIES) of the sector	**421,443**	**(424,062)**	**1,114,948**	**(550,762)**	**293,407**	**(144,938)**	**1,829,798**	**(1,119,762)**
Net amount	(421,443)	421,443	(550,762)	550,762	(144,938)	144,938	(1,117,143)	1,117,143
Net financial ASSETS / (LIABILITIES) of the sector	**-**	**(2,619)**	**564,186**	**-**	**148,469**	**-**	**712,655**	**(2,619)**

The chart below shows the changes in the balance of financial assets and liabilities of the sector in the first semester of 2019 and 2018:

BALANCE ON DECEMBER 31, 2018	**710,036**
Recognition [a]	146,317
Amortization [a]	(101,426)
Funds received from the CCRBT [a]	(13,128)
Restatement - Selic (Note 31)	(9,947)
BALANCE ON JUNE 30, 2019	**731,852**

BALANCE ON JANUARY 1, 2018	**101,482**
Recognition [a]	185,874
Amortization [a]	77,611
Funds received from the CCRBT account [a]	25,280
R&D refunded by the National Treasury	(81,759)
Restatement - Selic (Note 31)	47,427
BALANCE ON JUNE 30, 2018	**355,915**

[a] Balances recognized in the statement of income, under net revenue, "financial assets and liabilities of the sector" (see Note 27), which included funds from the Centralizing Account of Tariff Levels Resources (CCRBT).

The chart below shows the changes in the balance of financial assets and liabilities by tariff cycle:

	Ratified by Aneel in adjustment of March 15, 2019	Next Tariff Adjustments	Total
Balance ratified by ANEEL in adjustment of March 15, 2019	435,996	-	435,996
Financial assets and liabilities of the sector (Amortization/Recognition)	(122,603)	443,785	321,182
Tariff returns [a]	(16,584)	(8,742)	(25,326)
BALANCE ON JUNE 30, 2019	**296,809**	**435,043**	**731,852**

[a] Refers to excess of demand and excessive reactive power to be billed to consumers through the tariff directly by means of Portion B.

9.1 Tariff adjustment and extraordinary rate adjustment

On March 12, 2019, through regulatory resolution 2520/2019, ANEEL approved the tariff adjustment process conducted by the subsidiary Light SESA. The approved result represents an average tariff adjustment of 11.12%, and encompasses all the consumer classes (residential, industrial, commercial, rural and others). The adjustment index is comprised of two components: (i) structural, which is now part of the tariff, of 6.07%, composed of non-manageable costs (Portion A) and manageable costs (Portion B); and (ii) financial, applied exclusively to the following 12 months, and derived from the previous process' financial bubble, amounting to 5.06%. The new tariffs have been applied as of March 15, 2019.

In a public meeting held on March 26, 2019, ANEEL approved an extraordinary rate adjustment for the subsidiary Light SESA, considering only the incorporation of a negative financial item to reflect the anticipated amortization of credit operations contracted by the Brazilian Electricity Trading Chamber - CCEE on the Regulated Market Account (ACR Account), pursuant to Regulatory Resolution no. 612 of 2014. The average effect to consumers will be -2.30%, effective as of April 1, 2019.

10. CONCESSION'S FINANCIAL ASSETS

These represent the amounts receivable at the end of concession from the granting authority, or any of its agents, by way of compensation for investments made and not recovered through services rendered related to subsidiary Light SESA's concession.

For indemnification purposes, the amount of investments related to returnable assets not yet amortized or depreciated is recorded using the New Replacement Value ("VNR").

Below, the changes in the balances related to indemnifiable assets at the end of concession, in the first semester of 2019 and 2018:

	Consolidated		
	Gross financial assets	Special obligations	Net financial assets
BALANCE ON DECEMBER 31, 2018	**5,311,351**	**(1,039,490)**	**4,271,861**
Additions [a]	93,151	(5,704)	87,447
Fair value – adjustment to VNR (Note 27)	122,419	(26,247)	96,172
Write-offs	(6,864)	-	(6,864)
Transfers	81,366	(81,366)	-
BALANCE ON JUNE 30, 2019	**5,601,423**	**(1,152,807)**	**4,448,616**

	Consolidated		
	Gross financial assets	Special obligations	Net financial assets
BALANCE ON JANUARY 1, 2018	**4,719,547**	**(955,352)**	**3,764,195**
Additions [a]	102,370	(26,853)	75,517
Fair value – adjustment to VNR (Note 27)	106,284	(18,196)	88,088
Write-offs	(1,623)	-	(1,623)
BALANCE ON JUNE 30, 2018	**4,926,578**	**(1,000,401)**	**3,926,177**

[a] Transfer resulting from the bifurcation of assets after start-up, pursuant to IFRIC 12 (ICPC 01) (see Notes 12 and 15).

11. OTHER RECEIVABLES

Current	Consolidated					
	June 30, 2019			December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
Advances to suppliers [b]	10,739	-	10,739	4,580	84,260	88,840
Public lighting fee	84,003	-	84,003	91,453	-	91,453
Expenditures to refund	22,567	-	22,567	16,727	-	16,727
Ongoing deactivations and sales	52,194	-	52,194	46,681	-	46,681
Subsidy to low-income segment	12,034	-	12,034	17,196	-	17,196
CDE subsidy [c]	51,875	-	51,875	50,533	-	50,533
Sale of interest (Light Esco)	2,642	-	2,642	18,243	-	18,243
Accounts receivable - Renova Energia [a]	-	264,015	264,015	-	-	-
Other	2,529	-	2,529	8,581	-	8,581
TOTAL	**238,583**	**264,015**	**502,598**	**253,994**	**84,260**	**338,254**

[a] The amount of R$264,015 refers to balances between Lightcom and Renova arising from prepayments made on energy bills and operational indemnification due to changes in the commercial conditions, as explained in Note 25.
[b] On December 31, 2018, it includes R$84,260 referring to advance payments between Lightcom and Renova Energia, as per Note 25.
[c] Includes subsidy resulting from Decrees 7945/13 and 8221/14.

12. CONTRACT ASSET

The contractual asset is a right in exchange for goods or services provided to the client. As determined by IFRS 15 (CPC 47), assets related to the concession under construction, registered under the scope of ICPC 01 (R1) - Concession Contracts, should be classified as a contractual asset because the Company will have the right to (i) charge for the services provided to users of public services (ii) receive cash or other financial assets, for the reversion of the public service infrastructure, only after transferring the assets under construction (contractual assets) to the concession's intangible assets.

Contractual assets are initially recognized by their fair value on the acquisition or construction date and includes loan costs.

The Company sums up, on a monthly basis, all interests incurred on loans and financing at the cost of construction of the infrastructure recorded in the contractual assets, considering the following criteria for capitalizations: (a) interest is capitalized during the construction phase of the infrastructure; (b) interest is capitalized considering the weighted average rate of the outstanding loans on the capitalization date; and (c) total monthly capitalized interest does not exceed the total monthly interest expense.

In the first semester of 2019, the amount of R$11,874 was included in the contract asset, as interest capitalization, with an average capitalization rate of 8.5% per year.

Consolidated	BALANCE ON DECEMBER 31, 2018	Additions	Transfers to intangible assets	Balances on June 30, 2019
Concession right of use	401,679	352,100	(148,179)	605,600
Special liabilities - concession right of use	(71,439)	(6,425)	7,879	(69,985)
Total	**330,240**	**345,675**	**(140,300)**	**535,615**

13. INVESTMENTS

	Parent Company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Measured by the equity method: *				
Light SESA	2,411,589	2,446,130	-	-
Light Energia	425,832	276,294	-	-
Renova Energia [(b)]	-	-	-	-
Guanhães Energia [(b)]	-	-	141,124	111,188
Lightcom	84,052	98,559	-	-
Light Soluções	1,286	1,286	-	-
Lightger (b)	47,076	43,913	47,076	43,913
Light Conecta	102,385	101,803	-	-
UHE Itaocara [(a)]	-	-	5,009	5,340
Axxiom [(b)]	11,339	8,641	11,339	8,641
Amazônia Energia [(b)]	345,333	346,607	345,333	346,607
Energia Olímpica [(b)]	1,201	1,201	1,201	1,201
SUBTOTAL	**3,430,093**	**3,324,434**	**551,082**	**516,890**
Other permanent investments [(c)]	-	-	28,624	29,732
SUBTOTAL	**-**	**-**	**28,624**	**29,732**
TOTAL INVESTMENTS	**3,430,093**	**3,324,434**	**579,706**	**546,622**

[(a)] Company at pre-operational stage

[(b)] Refers to investments calculated based on the shareholders' equity for the purposes of equity in the earnings (losses) of subsidiaries. On December 31, 2018 and June 30, 2019, due to the negative shareholders' equity (liabilities at risk) of the investee Renova Energia, the Company reduced the accounting balance of its interest to zero, in accordance with the shareholders' agreement, which does not provide a legal or constructive liability to the investee.

[(c)] Includes investments related to interest held by the subsidiary Light SESA in other companies, assessed at market value.

* Light Institute has a balance of less than R$1 for the years presented.

Information on subsidiaries (consolidated) and Jointly controlled entities (equity income and proportional balances) is as follows:

Parent Company										
Subsidiaries and Jointly controlled entities - Interest		Shareholders' equity		Dividends receivable		Dividends received		Income (loss) for the period		
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Light SESA	100.0%	2,411,589	2,446,130	(18,219)	(18,219)	-	(22,101)	(34,542)	4,525
Light Energia	100.0%	425,832	276,294	-	-	-	-	149,538	54,188
Light Esco [(a)]	-	-	-	-	-	-	-	-	(11,864)
Lightcom	100.0%	84,052	98,559	(93,158)	-	-	(36,481)	63,652	27,747
Light Soluções	100.0%	1,286	1,286	(498)	(498)	-	-	-	(419)
Lightger	51.0%	47,076	43,913	(3,113)	-	-	(1,852)	6,265	2,403
Light Conecta	100.0%	102,385	101,803	-	-	-	-	582	-
Axxiom	51.0%	11,339	8,641	-	-	-	-	(3,302)	(4,314)
Amazônia Energia	25.5%	345,333	346,607	-	-	-	-	(1,300)	9,704
Energia Olímpica	50.1%	1,201	1,201	-	-	-	-	-	-
		3,430,093	**3,324,434**	**(114,988)**	**(18,717)**	**-**	**(60,434)**	**180,893**	**81,970**

[(a)] On October 4, 2018, the Company concluded the sale of all shares held in the capital stock of Light Esco - Prestação de Serviços S.A., its wholly owned subsidiary, to Ecogen Brasil Soluções Energéticas S.A. ("Ecogen"). Some of Light Esco's assets were not included in the transaction and were transferred to Light Conecta.

Consolidated							
Jointly controlled entities - Interest		Shareholders' equity		Dividends receivable		Income (loss) for the period	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	June 30, 2018
Light Energia							
Renova Energia	17.2%	-	-	-	-	-	(42,223)
Guanhães Energia	51.0%	141,124	111,188	-	-	4,030	(1,332)
Lightger	51.0%	47,076	43,913	(3,113)	-	6,265	2,403
Axxiom	51.0%	11,339	8,641	-	-	(3,302)	(4,314)
Amazônia Energia	25.5%	345,333	346,607	-	-	(1,300)	9,704
Energia Olímpica	50.1%	1,201	1,201	-	-	-	-
Light Conecta							
UHE Itaocara	51.0%	5,009	5,340	-	-	(331)	-
		551,082	**516,890**	**(3,113)**	**-**	**5,362**	**(35,762)**

Other information:

Parent Company				
Subsidiaries and Jointly controlled entities	Paid-up capital		Total assets	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Light SESA	2,314,365	2,314,365	14,186,500	14,402,483
Light Energia	77,422	77,422	2,890,341	2,772,055
Lightcom	19,500	4,500	380,373	361,548
Light Soluções	3,850	3,850	1,906	1,988
Lightger	40,408	40,408	106,927	102,769
Light Conecta	116,233	116,233	108,580	109,451
Axxiom	29,766	23,766	32,042	27,995
Amazônia Energia	337,245	337,219	345,470	346,744
Energia Olímpica [(a)]	-	-	2,781	2,781

[(a)] Energia Olímpica has a balance of paid-up capital of less than R$1 in the periods presented.

Jointly controlled entities	Paid-up capital		Total assets	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Light Energia				
Renova Energia	508,365	508,365	407,755	451,294
Guanhães Energia	279,799	259,224	223,665	198,877
Lightger	40,408	40,408	106,927	102,769
Axxiom	29,766	23,766	32,042	27,995
Amazônia Energia	337,245	337,219	345,470	346,744
Energia Olímpica [a]	-	-	2,781	2,781
Light Conecta				
UHE Itaocara	11,304	11,304	9,841	9,862

Consolidated

[a] Energia Olímpica has a balance of paid-up capital of less than R$1 in the periods presented.

Changes in subsidiaries (consolidated) and Jointly controlled entities (equity income) in the first semester of 2019 and 2018:

	Parent Company					
	December 31, 2018	Capital increase	Dividends	Equity income		June 30, 2019
				Other	Profit & Loss	
Light SESA	2,446,130	-	-	1	(34,542)	2,411,589
Light Energia	276,294	-	-	-	149,538	425,832
Lightcom	98,559	15,000	(93,158)	(1)	63,652	84,052
Light Soluções	1,286	-	-	-	-	1,286
Lightger	43,913	-	(3,113)	11	6,265	47,076
Light Conecta	101,803	-	-	-	582	102,385
Axxiom	8,641	6,000	-	-	(3,302)	11,339
Amazônia Energia	346,607	26	-	-	(1,300)	345,333
Energia Olímpica	1,201	-	-	-	-	1,201
TOTAL	**3,324,434**	**21,026**	**(96,271)**	**11**	**180,893**	**3,430,093**

	January 1, 2018	Capital increase	Dividends	Write-off of attributed cost	Transfer to assets held for sale	Adoption of IFRS 9 (CPC 48)	Provision for loss	Equity income		June 30, 2018
								Other	Profit & Loss	
Light SESA	2,556,980	-	-	-	-	(169,341)	-	1	4,525	2,392,165
Light Energia	240,342	-	-	(49)	-	-	-	-	54,188	294,481
Light Esco (a)	152,333	-	-	-	(60,906)	-	(4,353)	(2,344)	(11,864)	72,866
Lightcom	91,326	-	(36,481)	-	-	-	-	(1)	27,747	82,591
Light Soluções	542	600	-	-	-	-	-	-	(419)	723
Lightger	42,499	-	(1,852)	-	-	-	-	(1)	2,403	43,049
Light Conecta	37,495	3,537	-	-	-	-	-	(1)	-	41,031
Axxiom	12,350	-	-	-	-	-	-	-	(4,314)	8,036
Amazônia Energia	289,274	23,464	-	-	-	-	-	(1,850)	9,704	320,592
Energia Olímpica	1,760	-	-	-	-	-	-	-	-	1,760
TOTAL	**3,424,901**	**27,601**	**(38,333)**	**(49)**	**(60,906)**	**(169,341)**	**(4,353)**	**(4,196)**	**81,970**	**3,257,294**

[a] On October 4, 2018, the Company concluded the sale of all shares held in the capital stock of Light Esco - Prestação de Serviços S.A., its wholly owned subsidiary, to Ecogen Brasil Soluções Energéticas S.A. ("Ecogen"). Some of Light Esco's assets were not included in the transaction and were transferred to Light Conecta.

	Consolidated					
	December 31, 2018	Capital increase	Dividends	Equity income		June 30, 2019
				Other	Profit & Loss	
Light Energia						
Guanhães Energia	111,188	20,572	-	5,334	4,030	141,124
Lightger	43,913	-	(3,113)	11	6,265	47,076
Axxiom	8,641	6,000	-	-	(3,302)	11,339
Amazônia Energia	346,607	26	-	-	(1,300)	345,333
Energia Olímpica	1,201	-	-	-	-	1,201
Light Conecta						
UHE Itaocara	5,340	-	-	-	(331)	5,009
TOTAL	**516,890**	**26,598**	**(3,113)**	**5,345**	**5,362**	**551,082**

	Consolidated					
	January 1, 2018	Capital increase	Dividends	Equity income		June 30, 2018
				Other	Profit & Loss	
Light Energia						
Renova Energia	134,958	-	-	(1,065)	(42,223)	91,670
Guanhães Energia	26,039	36,312	-	1	(1,332)	61,020
Lightger	42,499	-	(1,852)	(1)	2,403	43,049
Axxiom	12,350	-	-	-	(4,314)	8,036
Amazônia Energia	289,274	23,464	-	(1,850)	9,704	320,592
Energia Olímpica	1,760	-	-	-	-	1,760
TOTAL	**506,880**	**59,776**	**(1,852)**	**(2,915)**	**(35,762)**	**526,127**

Below, the full balances on June 30, 2019 and December 31, 2018, and the results for the first semester of 2019 and 2018 of the main Jointly controlled entities, which were recorded under the equity method:

June 30, 2019	Axxiom	Amazônia	Lightger	Renova	Guanhães	Energia Olímpica	UHE Itaocara
ASSETS							
Current	36,895	93	80,329	1,468,707	17,607	2,262	2,594
Cash and Cash Equivalents	9,948	79	66,353	13,431	8,334	2,183	2,463
Other	26,947	14	13,976	1,455,276	9,273	79	131
Non-current	25,933	1,354,690	129,332	906,103	420,951	3,289	16,702
TOTAL ASSETS	**62,828**	**1,354,783**	**209,661**	**2,374,810**	**438,558**	**5,551**	**19,296**
LIABILITIES							
Current	34,325	538	50,140	2,409,635	16,816	3,154	158
Loans, financing and debentures	10,347	-	8,612	208,929	6,842	-	-
Other	23,978	538	41,528	2,200,706	9,974	3,154	158
Non-current	6,269	-	67,215	650,489	145,027	-	9,317
Loans, financing and debentures	1,304	-	67,215	216,648	130,015	-	-
Other	4,965	-	-	433,841	15,012	-	9,317
Shareholders' Equity	22,234	1,354,245	92,306	(685,314)	276,715	2,397	9,821
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**62,828**	**1,354,783**	**209,661**	**2,374,810**	**438,558**	**5,551**	**19,296**

1st semester of 2019	Axxiom	Amazônia	Lightger	Renova	Guanhães	UHE Itaocara
STATEMENT OF INCOME						
Net revenue from sales	22,661	-	24,030	76,607	27,432	-
Cost of sales	(24,645)	-	-	(56,639)	-	-
GROSS INCOME (LOSS)	**(1,984)**	**-**	**24,030**	**19,968**	**27,432**	**-**
General and administrative expenses	(3,808)	(118)	(8,269)	(114,282)	(14,974)	(753)
Equity income	-	-	-	31,499	-	-
Impairment of property, plant and equipment	-	-	-	(259,403)	-	-
Other expenses	-	-	-	(96,954)	(118)	-
Net financial result	(683)	(4,979)	(2,028)	(185,620)	(3,523)	104
INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**(6,475)**	**(5,097)**	**13,733**	**(604,792)**	**8,817**	**(649)**
Income tax and social contribution	1	-	(1,449)	(4,033)	(915)	-
INCOME (LOSS) FOR THE PERIOD	**(6,474)**	**(5,097)**	**12,284**	**(608,825)**	**7,902**	**(649)**

December 31, 2018	Axxiom	Amazônia	Lightger	Renova	Guanhães	Energia Olímpica	UHE Itaocara
ASSETS							
Current	**28,345**	**110**	**69,867**	**1,737,707**	**5,420**	**2,262**	**4,803**
Cash and cash equivalents	6,952	97	58,418	28,707	4,578	2,183	4,693
Other	21,393	13	11,449	1,709,000	842	79	110
Non-current	26,546	1,359,670	131,640	890,678	384,535	3,289	14,534
TOTAL ASSETS	**54,891**	**1,359,780**	**201,507**	**2,628,385**	**389,955**	**5,551**	**19,337**
LIABILITIES							
Current	**33,268**	**538**	**44,204**	**2,195,371**	**27,449**	**3,154**	**204**
Loans, financing and debentures	8,888	-	8,614	348,669	12,866	-	-
Other	24,380	538	35,590	1,846,702	14,583	3,154	204
Non-current	**4,680**	**-**	**71,198**	**509,503**	**144,490**	**-**	**8,663**
Loans, financing and debentures	1,304	-	71,198	63,587	139,170	-	-
Other	3,376	-	-	445,916	5,320	-	8,663
Shareholders' Equity	16,943	1,359,242	86,105	(76,489)	218,016	2,397	10,470
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**54,891**	**1,359,780**	**201,507**	**2,628,385**	**389,955**	**5,551**	**19,337**

1st semester of 2018	Axxiom	Amazônia	Lightger	Renova	Guanhães
STATEMENT OF INCOME					
Net revenue from sales	22,451	-	20,972	379,271	3,441
Cost of sales	(26,309)	-	-	(453,804)	-
GROSS INCOME (LOSS)	**(3,858)**	**-**	**20,972**	**(74,533)**	**3,441**
General and administrative expenses	(3,770)	(313)	(11,364)	(49,571)	(6,272)
Equity income	-	40,411	-	26,704	-
Other revenues (expenses)	-	-	-	(15,012)	-
Net financial result	(522)	(2,043)	(3,558)	(130,754)	219
INCOME (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	**(8,150)**	**38,055**	**6,050**	**(243,166)**	**(2,612)**
Income tax and social contribution	(310)	-	(1,339)	(2,748)	-
INCOME (LOSS) FOR THE PERIOD	**(8,460)**	**38,055**	**4,711**	**(245,914)**	**(2,612)**

13.1 Renova Energia

13.1.1 Indirect Jointly controlled entity Renova Energia's ability to continue as going

On June 30, 2019, Renova Energia recorded losses of R$608,825 and accumulated losses of R$3,659,712, as well as current liabilities higher than current assets, totaling R$940,928, negative shareholders' equity (liabilities at risk) of R$685,313, and needs to obtain capital to meet its operational commitments and its commitments for the construction of wind farms and solar parks. Within this scenario, Renova Energia has been carrying out measures to rebalance its cash generation and liquidity structure, including the suspension of subsidized supply of wind power and shareholder advances.

In addition, on March 21, 2019, the Board of Directors approved a financial structuring plan which, among other actions, includes debt settlement and extension and the sale of the AS III Wind Farm Complex, as follows:

(i) Debt renegotiation and extension with BTG Pactual and CitiBank according to additive and CCB signed by the parties in May and July 2019;

(ii) Reprofile of amounts due to related parties Cemig GT and Lightcom, which will be formalized by the end of the second semester of 2019, through two tranches of their debt balance:

a) Company's debt securities estimated for October 2019, in the amount of up to R$298,000, with a 6-year term, 1-year grace period, 155% of CDI and collateral.

b) Company's debt securities estimated for October 2019, in the amount of approximately R$723,000, with a 6-year term for a bullet payment and interest of 155% of CDI, with collateral.

(iii) Negotiation for the sale of the Alto Sertão III wind farm, where the parties are committed to adjust and comply with all suspensive conditions for the closing of the operation to occur until October 2019.

Additionally, still in the restructuring process, it is expected to conclude an investment agreement with Cemig GT, which provides capital contributions to be undertaken in Renova, which will be used by the jointly controlled in the development and Maintenance of its operational activities, as well as the possibility of ceasing the obligations of the contract of purchase and sale between Cemig GT and Light Energia.

Based on the facts and circumstances existing on this date, Renova Energia's Management and the Company's Management understand that, with the success of the approved measures, it will be possible to resume the economic, financial and liquidity balance to continue its business in the future. However, a further deterioration of Renova's financial condition may lead to the early maturity clauses in the Company's debt instruments, requiring additional capital contributions by shareholders, the provision of debt collateral by Renova and the assumption of obligations by law or contract.

13.1.2 Investigation conducted by public authorities in the indirect Jointly controlled entity Renova Energia regarding certain expenses and related allocation

On January 19, 2018, Renova Energia defended an official letter of the Minas Gerais Civil Police received in November 2017, related to an investigation conducted by said authority regarding certain contributions by the controlling shareholders to Renova Energia and contributions by Renova Energia to certain projects in progress in 2014. In December 2017, Light defended an official letter, also send by the Minas Gerais Civil Police, presenting documents related to the investments of its subsidiary Light Energia in Renova. Due to the said investigation, Renova Energia's governance bodies requested the opening of an internal investigation related to this matter, which is being conducted by an independent company. In addition, a monitoring committee has been established to monitor the internal investigation of Renova Energia, composed of one independent director, the chairpersons of the supervisory board and of the board of Directors, and the audit committee, who are monitoring the internal investigation.

In this context, the scope of the independent internal investigation includes evaluating possible irregularities, including on the Brazilian law concerning acts of corruption and money laundering, Renova's Code of Ethics and Integrity Policies. The internal investigation in Renova Energia is still in progress and, at this moment, it is not possible to measure any effects of said investigation. The investments that originated this inquiry, assessed by the equity method, were written-off by Renova Energia in December 2017, reducing Light Energia's result by R$11,052.

On April 11, 2019, the Federal Police, the Federal Revenue Service and the Federal Public Prosecutor's Office carried out an operation that resulted in a search and seizure warrant at the headquarters of Renova Energia to establish possible overpriced contracts and contracts without the proper provision of services. On July 25, 2019, the Federal Police launched the second phase of this operation, which did not result in direct actions against Renova. Investigations of this operation have not yet been concluded.

On April 25, 2019, the governing bodies of Renova Energia requested that the internal investigation carried out by an independent company also include new information on this ongoing investigation. The internal investigation has not yet been concluded, which is why it's not possible to measure any of its effects, as well as any impacts on the individual and consolidated financial information of the Company for the period ended June 30, 2019 and prior periods.

13.1.3 Maturity postponement and debt reprofiling with creditors

On May 3, 2019, the subsidiary Renova Energia signed the 2nd and 1st amendments to the agreement with Banco BTG Pactual S.A., establishing the following payment conditions: the debt will be paid in 20 equal, consecutive and quarterly installments, after the grace period of 1 year as of May 3, 2019.

On July 23, 2019, the subsidiary Renova Energia entered into a Bank Credit Note with Citibank in the amount of R$185,614 for the reprofiling of the overdue debt, with a total maturity of 6 years, payment of quarterly interest and a one-year grace period to start paying the principal.

The subsidiary Renova Energia has a loan with BNDES, with funds allocated for the construction works of the Alto Sertão III Wind Farm Complex and, on July 15, 2019, BNDES postponed the grace period and amortization maturity of the loan agreement signed on July 15, 2019 and August 15, 2019, respectively. On August 15, 2019, BNDES made a further extension of the said deadline to October 15, 2019.

13.1.4 Approval and conclusion of a contract for the acquisition of interest in the Jointly controlled Renova Energia and subsequent public offering ("OPA")

On March 21, 2019, the share purchase and sale agreement was signed for to the acquisition, by the subsidiary company Light Energia and Cemig Geração e Transmissão SA ("Cemig GT"), of up to 7,282,036 shares issued by Renova Energia, all owned by CG I Fundo de Investimento em Participações ("CG I") and certain related parties.

The agreement provided that the acquisition of shares in the proportion of 32.15% by the subsidiary Light Energia and 67.85% by Cemig GT and through debt securities held by Light Energia and Cemig GT to the nominal value of R$14.68 per share, issued by the Jointly controlled entity Renova Energia.

13.1.5 Conclusion of the purchase and sale of shares of Alto Sertão III wind farm by the indirectly and Jointly controlled entity Renova Energia to AES Tietê S.A.

On April 9, 2019, the indirectly and Jointly controlled entity Renova Energia signed a purchase and sale agreement (“CCVA”) for the sale of the Alto Sertão III wind farm and certain wind projects under development to AES Tietê Energia S.A. Upon implementation of the operation’s precedent conditions, Renova’s Management made a provision for impairment of the asset.

Additionally, in view of the events occurring in the 2nd quarter of 2019 in Renova notably: (i) cassation by ANEEL, on June 04, 2019, of the authorization of the AS3 phase B projects, due to the delay in the schedule; (ii) on the same date, ANEEL has demonstrated intention to cancel the regulated energy contract READ 2013 ("PPA AS3 phase A"), for delays in the entry into operation of the parks and on the claim that the energy prices are now much higher than the last auctions of the regulated market and, (iii) on June 19, 2019, AES demonstrated the impossibility of following with the purchase, according to the bases of the contract, due to the frustrated negotiation with the supplier of the aerogenerated. Thus, the commercial bases for the sale of the Alto Sertão III were changed in relation to the proposal previously signed, resulting in a devaluation of the asset, for which was constituted in Renova a supplementary provision of impairment in the amount of R $ 259,421, in the quarter ended June 30, 2019.

In view of this scenario, the subsidiary Renova Energia together with its shareholders, including Light Energia, maintains a corporate and financial restructuring plan in progress in order to rebalance the liquidity and cash generation structure, to equate the capital structure and honor its commitments.

13.2 Amazônia Energia

13.2.1 Risks related to laws and regulations in the indirect investee Norte Energia S.A.

Since 2014, the Federal Prosecution Office has been investigating irregularities involving contractors, suppliers and state-owned companies, and discovered an extensive scheme of illegal payments. In this context, the Federal Prosecution Office began investigations on irregularities involving some contractors and suppliers of Eletrobras, as well as contractors and suppliers of certain Eletrobras' investments involved in the construction of generation plants, including Norte Energia, responsible for the construction of the Belo Monte Hydroelectric Power Plant.

The Eletrobras Group, which holds 49.98% of Norte Energia's capital stock, hired a law firm specialized in corporate investigation to ascertain possible irregularities in projects in which the Eletrobras Group's companies corporately participate or hold minority interests.

The final reports of the independent internal investigation include certain findings with estimated impacts on the financial statements of Norte Energia. It was concluded that the amount attributed to possible overbilling arising from bribes and/or fraudulent bids and activities considered of illicit nature was R$183,000 in Norte Energia, generating an effect of R$4,559 on the Company. The impact was fully recognized in the results for the year ended December 31, 2015.

13.3 Guanhães Energia

13.3.1 Investigation conducted by public authorities of acquisition in the indirect Jointly controlled entity Guanhães Energia

On September 4, 2018 and October 23, 2018, the Company received official letters of the Minas Gerais Civil Police requesting information about the acquisition, in 2012, of a 51% interest in the Jointly controlled entity Guanhães Energia, previously held by Investminas Participações S.A. ("Investminas"). The information requested includes rate of return, investments carried out and payment receipts. According to the Notice to the Market released on October 20, 2015, the Company stated that it is not aware of payments made to intermediaries, as mentioned in a news article regarding its acquisition of interest in Guanhães Energia, confirming it interacted directly with Investminas Participações S.A. ("Investminas") and Cemig GT, and only recognizing the payment made to Investminas as seller of the 51% interest in Guanhães Energia. The Company timely defended said official letters and reiterates that it is unaware of any irregularity involving the acquisition of interest in Guanhães Energia.

14. PROPERTY, PLANT AND EQUIPMENT

	Consolidated				
	June 30, 2019				December 31, 2018
	Average Annual Rate (%)	Historical cost	Accumulated Depreciation	Net Amount	Net Amount
Generation	3.32	2,951,632	(1,856,909)	1,094,723	1,018,561
Transmission	3.91	51,753	(36,888)	14,865	15,258
Distribution	4.69	22,008	(21,271)	737	732
Management	7.96	457,307	(282,079)	175,228	182,549
Trading	7.96	19,156	(10,561)	8,595	8,911
IN SERVICE		**3,501,856**	**(2,207,708)**	**1,294,148**	**1,226,011**
Generation		199,566	-	199,566	285,304
Management		54,341	-	54,341	49,166
IN PROGRESS		**253,907**	**-**	**253,907**	**334,470**
TOTAL		**3,755,763**	**(2,207,708)**	**1,548,055**	**1,560,481**

The statement below summarizes the changes in property, plant and equipment in the first semester of 2019 and 2018:

	Consolidated				
	Balances on December 31, 2018	Additions	Write-offs	Transfers to Service	Balances on June 30, 2019
PROPERTY, PLANT AND EQUIPMENT IN SERVICE					
Cost					
Land	104,954	-	-	-	104,954
Reservoir, dams and water mains	1,311,338	-	-	29,391	1,340,729
Buildings, works and improvements	300,865	-	(46)	2,928	303,747
Machinery and equipment	1,567,702	-	-	76,184	1,643,886
Vehicles	14,263	-	-	16	14,279
Furniture and fixtures	97,281	-	-	76	97,357
Special obligations	(3,096)	-	-	-	(3,096)
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE - COST	**3,393,307**	**-**	**(46)**	**108,595**	**3,501,856**
(-) Depreciation					
Reservoir, dams and water mains	(908,876)	(8,968)	-	-	(917,844)
Buildings, works and improvements	(192,261)	(3,034)	46	-	(195,249)
Machinery and equipment	(968,450)	(27,566)	-	-	(996,016)
Vehicles	(12,978)	(254)	-	-	(13,232)
Furniture and fixtures	(84,977)	(681)	-	-	(85,658)
Special obligations	246	45	-	-	291
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE - DEPRECIATION	**(2,167,296)**	**(40,458)**	**46**	**-**	**(2,207,708)**
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE	**1,226,011**	**(40,458)**	**-**	**108,595**	**1,294,148**
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS					
Land	452	-	-	-	452
Reservoir, dams and water mains	29,114	1,108	-	(17,764)	12,458
Buildings, works and improvements	39,831	872	(328)	(2,132)	38,243
Machinery and equipment	207,985	26,325	-	(88,683)	145,627
Vehicles	36	-	-	(16)	20
Furniture and fixtures	406	20	(5)	-	421
Studies and projects	56,646	40	-	-	56,686
TOTAL PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	**334,470**	**28,365**	**(333)**	**(108,595)**	**253,907**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,560,481**	**(12,093)**	**(333)**	**-**	**1,548,055**

	Consolidated				
	Balances on January 1, 2018	Additions	Write-offs	Transfers to Service	Balances on June 30, 2018
PROPERTY, PLANT AND EQUIPMENT IN SERVICE					
Cost					
Land	104,954	-	-	-	104,954
Reservoir, dams and water mains	1,309,087	-	-	2,090	1,311,177
Buildings, works and improvements	300,623	-	(89)	-	300,534
Machinery and equipment	1,639,222	-	(897)	6,807	1,645,132
Vehicles	14,308	-	(93)	-	14,215
Furniture and fixtures	97,274	-	-	-	97,274
Special obligations	(3,096)	-	-	-	(3,096)
Transfer of assets held for sale	-	-	-	-	(82,412)
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE - COST	**3,462,372**	**-**	**(1,079)**	**8,897**	**3,387,778**
(-) Depreciation					
Reservoir, dams and water mains	(891,464)	(8,699)	-	-	(900,163)
Buildings, works and improvements	(186,027)	(3,170)	89	-	(189,108)
Machinery and equipment	(932,844)	(30,281)	203	-	(962,922)
Vehicles	(12,750)	(272)	92	-	(12,930)
Furniture and fixtures	(83,580)	(706)	-	-	(84,286)
Special obligations	158	44	-	-	202
Transfer of assets held for sale	-	-	-	-	21,880
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE - DEPRECIATION	**(2,106,507)**	**(43,084)**	**384**	**-**	**(2,127,327)**
TOTAL PROPERTY, PLANT AND EQUIPMENT IN SERVICE	**1,355,865**	**(43,084)**	**(695)**	**8,897**	**1,260,451**
PROPERTY, PLANT AND EQUIPMENT IN PROGRESS					
Land	487	-	-	-	487
Reservoir, dams and water mains	24,730	2,939	(97)	(128)	27,444
Buildings, works and improvements	29,972	2,454	(212)	(60)	32,154
Machinery and equipment	145,146	13,578	(1,181)	(8,709)	148,834
Vehicles	166	102	-	-	268
Furniture and fixtures	401	-	-	-	401
Studies and projects	56,632	108	(650)	-	56,090
Transfer of assets held for sale	-	-	-	-	(53)
TOTAL PROPERTY, PLANT AND EQUIPMENT IN PROGRESS	**257,534**	**19,181**	**(2,140)**	**(8,897)**	**265,625**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**1,613,399**	**(23,903)**	**(2,835)**	**-**	**1,526,076**

In the first semester of 2019, R$1,207 (R$2,737 in the first semester of 2018) was included in property, plant and equipment, as interest capitalization, with an average capitalization rate of 8.5% per year.

14.1 Annual depreciation rates:

The schedule below summarizes significant annual depreciation rates, based on the assets' estimated useful lives:

GENERATION	%	TRADING	%	MANAGEMENT	%	TRANSMISSION	%
Dams	2.50	Buildings	3.33	Buildings	3.33	System conductor	2.70
Circuit breaker	3.03	General equipment	6.25	General equipment	6.25	General equipment	6.25
Buildings	2.00	Vehicles	14.29	Vehicles	14.29	System structure	3.13
Water intake equipment	3.70					Recloser	4.00
Water intake structure	2.86						
Generator	3.33						
Motor group - generator	5.88						
Reservoir, dams and water mains	2.00						
Local communication system	6.67						
Water turbine	2.50						

The Company did not identify signs of impairment of its property, plant and equipment on June 30, 2019 and December 31, 2018. The concession agreements of the hydroelectric power plants of subsidiary Light Energia establish that at the end of each concession's term, the granting authority will determine the amount to be indemnified, so that Management understands that the value of property, plant and equipment not depreciated at the end of concession will be reimbursed by the granting authority.

For property, plant and equipment items without indemnity guarantee, the items are depreciated under the straight-line method considering the asset's useful life.

15. INTANGIBLE ASSETS

	Consolidated			
	June 30, 2019			December 31, 2018
	Historical cost	Accumulated Amortization	Net Amount	Net Amount
Concession right of use	7,736,285	(5,063,291)	2,672,994	2,832,026
Other [(a)]	897,574	(766,262)	131,312	172,019
IN SERVICE	**8,633,859**	**(5,829,553)**	**2,804,306**	**3,004,045**
Other [(a)]	115,085	-	115,085	92,423
IN PROGRESS	**115,085**	**-**	**115,085**	**92,423**
TOTAL INTANGIBLE ASSETS	**8,748,944**	**(5,829,553)**	**2,919,391**	**3,096,468**

[(a)] Includes basically software and licenses

As set forth by IFRS 15 (CPC 47), assets related to the concession under construction and registered under the scope of ICPC 01 (R1) - Concession Agreements must be classified as contractual assets. When they are finalized, the investments are divided into two parts (bifurcated), the first of which is recorded in intangible assets in service, related to the amount that will be amortized during the concession term, and the other is recorded as the concession's financial assets and will be received by the granting authority as indemnification at the end of the concession. Both amounts recorded are net of special obligations.

Special obligations are contributions made by the federal government, states, municipalities and consumers, any unqualified donations (i.e. not subject to any consideration to the benefit of donor), and subsidy intended as investments to be made toward concession of the electric power distribution utility.

The infrastructure used by subsidiary Light SESA is associated with the distribution service, and therefore cannot be removed, disposed of, assigned, conveyed, or encumbered as mortgage collateral without the prior written authorization of the granting authority, which authorization, if given, is regulated by ANEEL Resolution No. 20/99.

The statement below summarizes the changes in intangible assets in the first semester of 2019 and 2018:

	Consolidated					
	Balances on December 31, 2018	Additions	Write-offs	Inter-account transfers [a]	Transfer of contract asset	Balances on June 30, 2019
IN SERVICE						
Concession right of use	8,383,402	-	(59,646)	(93,241)	148,179	8,378,694
Special liabilities - concession right of use	(640,234)	-	-	5,704	(7,879)	(642,409)
	7,743,168	-	(59,646)	(87,537)	140,300	7,736,285
Other	979,902	-	-	158	-	980,060
Special liabilities - others	(82,486)	-	-	-	-	(82,486)
	897,416	-	-	158	-	897,574
TOTAL INTANGIBLE ASSETS IN SERVICE - COST	**8,640,584**	**-**	**(59,646)**	**(87,379)**	**140,300**	**8,633,859**
(-) Amortization						
Concession right of use	(5,111,873)	(231,207)	49,699	-	-	(5,293,381)
Special liabilities - concession right of use	200,731	29,359	-	-	-	230,090
	(4,911,142)	(201,848)	49,699	-	-	(5,063,291)
Other	(739,434)	(42,449)	-	-	-	(781,883)
Special liabilities - others	14,037	1,584	-	-	-	15,621
	(725,397)	(40,865)	-	-	-	(766,262)
TOTAL INTANGIBLE ASSETS IN SERVICE - AMORTIZATION	**(5,636,539)**	**(242,713)**	**49,699**	**-**	**-**	**(5,829,553)**
TOTAL INTANGIBLE ASSETS IN SERVICE	**3,004,045**	**(242,713)**	**(9,947)**	**(87,379)**	**140,300**	**2,804,306**
Other	92,423	22,742	(12)	(68)	-	115,085
	92,423	22,742	(12)	(68)	-	115,085
TOTAL INTANGIBLE ASSETS IN PROGRESS	**92,423**	**22,742**	**(12)**	**(68)**	**-**	**115,085**
TOTAL INTANGIBLE ASSETS	**3,096,468**	**(219,971)**	**(9,959)**	**(87,447)**	**140,300**	**2,919,391**

[a] Transfer to concessions' financial asset, as a result of the split of assets upon start-up, pursuant to IFRIC 12 / ICPC 01, and transfer from concessions' financial asset referring to special obligations (see Note 10).

	Consolidated				
	Balances on January 1, 2018	Additions	Write-offs	Inter-account transfers (a)	Balances on June 30, 2018
IN SERVICE					
Concession right of use	8,151,823	-	(47,919)	59,327	8,163,231
Special liabilities - concession right of use	(622,531)	-	-	(11,478)	(634,009)
	7,529,292	-	(47,919)	47,849	7,529,222
Other	860,687	-	-	24,168	884,855
Special liabilities - others	(82,486)	-	-	-	(82,486)
	778,201	-	-	24,168	802,369
TOTAL INTANGIBLE ASSETS IN SERVICE - COST	**8,307,493**	**-**	**(47,919)**	**72,017**	**8,331,591**
(-) Amortization					
Concession right of use	(4,709,917)	(218,793)	44,912	-	(4,883,798)
Special liabilities - concession right of use	143,304	28,397	-	-	171,701
	(4,566,613)	(190,396)	44,912	-	(4,712,097)
Other	(661,665)	(35,730)	-	-	(697,395)
Special liabilities - others	10,870	1,583	-	-	12,453
	(650,795)	(34,147)	-	-	(684,942)
TOTAL INTANGIBLE ASSETS IN SERVICE - AMORTIZATION	**(5,217,408)**	**(224,543)**	**44,912**	**-**	**(5,397,039)**
TOTAL INTANGIBLE ASSETS IN SERVICE	**3,090,085**	**(224,543)**	**(3,007)**	**72,017**	**2,934,552**
IN PROGRESS					
Concession right of use	313,518	292,985	-	(167,580)	438,923
Special liabilities - concession right of use	(95,321)	(30,017)	-	38,331	(87,007)
	218,197	262,968	-	(129,249)	351,916
Other	265,285	17,403	-	(18,285)	264,403
	265,285	17,403	-	(18,285)	264,403
TOTAL INTANGIBLE ASSETS IN PROGRESS	**483,482**	**280,371**	**-**	**(147,534)**	**616,319**
TOTAL INTANGIBLE ASSETS	**3,573,567**	**55,828**	**(3,007)**	**(75,517)**	**3,550,871**

(a) Transfer to concessions' financial assets, as a result of the split of assets upon start-up, pursuant to IFRIC 12 / ICPC 01 (see Note 10).

The amortization of intangible assets must reflect the manner in which the Company expects to allocate the future benefits related to the use of assets, or the end of the concession, whichever occurs first. The consumption pattern of these assets is related to the estimated useful life of each asset that is part of tangible assets contained in the distribution infrastructure. As a result of the use of this amortization criteria, the total intangible assets will always be amortized in a non-linear manner given that the regulator uses these estimated useful lives as a basis to determine the tariff to be charged for the services rendered in the concessions, as per concession agreements.

16. TRADE ACCOUNTS PAYABLE

	Consolidated	
	June 30, 2019	December 31, 2018
Sales in the short-term market	1,096,496	1,059,624
Charges on use of electric energy grid	76,222	79,983
Free energy – refund to generation companies(a)	108,034	104,811
Electric power auctions	332,777	280,577
Itaipu binacional	359,509	228,107
UTE Norte Fluminense	138,437	142,970
Supplies and services	229,736	223,588
TOTAL	**2,341,211**	**2,119,660**

[a] Free energy refers to amounts payable to electric power generators referring to losses during the power rationing period between June 2001 and February 2002. The Company has Writs of Mandamus against Decisions SFF/ANEEL no. 2.517/2010 and SFF/ANEEL no. 1.068/2010, and their amount is monthly restated by the SELIC interest rate.

On June 30, 2019, the subsidiary Light Energia had an outstanding balance of R$983,753 (R$950,877 on December 31, 2018) under the Sales in the short-term market line, referring to the settlement of the Electric Power Trading Chamber (CCEE) arising from the Energy Reallocation Mechanism (MRE) adjustment caused by a GSF lower than 1 (see Note 33). As mentioned in Note 06, the Company has a balance receivable of R$390,312 (R$435,505 on December 31, 2018), resulting from net liabilities of R$593,441 on June 30, 2019 (net liabilities of R$515,372, on December 31, 2018).

17. TAXES AND CONTRIBUTIONS PAYABLE

	Consolidated					
	June 30, 2019			December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
TAXES AND CONTRIBUTIONS PAYABLE	**346,002**	**276,345**	**622,347**	**338,911**	**304,553**	**643,464**
ICMS payable	189,795	161,819	351,614	213,558	179,266	392,824
Payment in installments - Law 11,941/09	23,922	114,526	138,448	23,855	125,287	149,142
PIS and COFINS payable	121,956	-	121,956	84,650	-	84,650
INSS	2,017	-	2,017	3,735	-	3,735
Other	8,312	-	8,312	13,113	-	13,113
INCOME TAX AND SOCIAL CONTRIBUTION PAYABLE	**87,771**	**-**	**87,771**	**13,937**	**-**	**13,937**
Withholding income tax payable	864	-	864	1,204	-	1,204
Provision for income tax and social contribution	86,907	-	86,907	12,733	-	12,733
TOTAL	**433,773**	**276,345**	**710,118**	**352,848**	**304,553**	**657,401**

[a] ICMS payable, recorded under non-current liabilities, arises from installment payment of bills.

18. LOANS AND FINANCING

Consolidated								
Financing entity	Subsidiary	Current			Non-current		Total	Total
		Principal	Charges	Total	Principal	Total	June 30, 2019	December 31, 2018
TN - Par Bond	Light SESA	-	1,926	1,926	149,147	149,147	151,073	152,753
TN - Surety - Par Bond	Light SESA	-	-	-	(134,379)	(134,379)	(134,379)	(130,225)
TN - Discount Bond	Light SESA	-	813	813	104,070	104,070	104,883	106,018
TN - Surety - Discount Bond	Light SESA	-	-	-	(93,752)	(93,752)	(93,752)	(90,999)
4131 Citibank 2018	Light SESA	-	-	-	-	-	-	741,319
4131 Citibank 2019	Light SESA	76,644	4,212	80,856	613,152	613,152	694,008	-
Bonds	Light SESA	-	17,596	17,596	1,532,880	1,532,880	1,550,476	1,567,712
4131 Citibank 2018	Light Energia	38,322	272	38,594	-	-	38,594	78,050
Bonds	Light Energia	-	8,644	8,644	766,440	766,440	775,084	783,700
Subtotal - Foreign currency		**114,966**	**33,463**	**148,429**	**2,937,558**	**2,937,558**	**3,085,987**	**3,208,328**
Funding cost		(8,408)	-	(8,408)	(24,522)	(24,522)	(32,930)	(37,134)
Covenant Fee Cost		(181)	-	(181)	-	-	(181)	(398)
Cost - Foreign currency		**(8,589)**	**-**	**(8,589)**	**(24,522)**	**(24,522)**	**(33,111)**	**(37,532)**
TOTAL FOREIGN CURRENCY		**106,377**	**33,463**	**139,840**	**2,913,036**	**2,913,036**	**3,052,876**	**3,170,796**
Eletrobras - Reluz	Light SESA	294	2	296	-	-	296	787
CCB Banco do Brasil 2017	Light SESA	-	-	-	-	-	-	15,021
CCB Bradesco 2016	Light SESA	29,959	439	30,398	-	-	30,398	60,773
CCB - IBM 2017	Light SESA	18,884	232	19,116	-	-	19,116	40,500
CCB - IBM 2019	Light SESA	941	-	941	862	862	1,803	-
Leasing IBM	Light SESA	902	-	902	-	-	902	1,598
BNDES - Capex 2009/10 Sub C	Light SESA	3,108	5	3,113	-	-	3,113	9,311
BNDES - Capex 2011/12 Sub 1	Light SESA	-	-	-	-	-	-	308
BNDES - Capex 2011/12 Sub 2	Light SESA	-	-	-	-	-	-	9,090
BNDES - Capex 2011/12 Sub 3	Light SESA	-	-	-	-	-	-	10,931
BNDES - Capex 2011/12 Sub 4	Light SESA	-	-	-	-	-	-	10,934
BNDES - Capex 2011/12 Sub 17	Light SESA	-	-	-	-	-	-	1
BNDES - Capex 2011/12 Sub 18	Light SESA	-	-	-	-	-	-	1
BNDES - Capex 2013/14 Sub A	Light SESA	33,234	177	33,411	24,926	24,926	58,337	74,793
BNDES - Capex 2013/14 Sub B	Light SESA	21,430	33	21,463	16,073	16,073	37,536	46,825
BNDES - Capex 2013/14 Sub C	Light SESA	13,936	150	14,086	58,067	58,067	72,153	79,148
BNDES - Capex 2013/14 Sub D	Light SESA	680	4	684	510	510	1,194	1,530
BNDES - Capex 2013/14 Sub E	Light SESA	439	1	440	329	329	769	960
BNDES - CAPEX 2015/16 Sub A	Light SESA	33,605	418	34,023	92,415	92,415	126,438	142,904
BNDES - CAPEX 2015/16 Sub B	Light SESA	39,146	186	39,332	107,651	107,651	146,983	161,638
BNDES - CAPEX 2015/16 Sub C	Light SESA	14,206	177	14,383	39,068	39,068	53,451	60,412
BNDES - CAPEX 2017/18	Light SESA	28,916	727	29,643	168,675	168,675	198,318	-
BNDES - 2013/16 Olympics Sub A	Light SESA	4,149	19	4,168	2,075	2,075	6,243	8,302
BNDES - 2013/16 Olympics Sub B	Light SESA	4,149	20	4,169	2,075	2,075	6,244	8,302
BNDES - 2013/16 Olympics Sub C	Light SESA	3,195	14	3,209	1,597	1,597	4,806	6,411
BNDES - 2013/16 Olympics Sub D	Light SESA	2,419	18	2,437	3,629	3,629	6,066	7,259
BNDES - 2013/16 Olympics Sub E	Light SESA	2,432	20	2,452	3,648	3,648	6,100	7,300
BNDES - 2013/16 Olympics Sub F	Light SESA	1,874	13	1,887	2,812	2,812	4,699	5,641
BNDES - 2013/16 Olympics Sub G	Light SESA	1,607	9	1,616	5,625	5,625	7,241	8,046
BNDES - 2013/16 Olympics Sub H	Light SESA	447	2	449	671	671	1,120	1,339
FINEP - Research and Innovation	Light SESA	23,193	111	23,304	44,452	44,452	67,756	79,380
Promissory Note - 4th NP	Light SESA	-	-	-	-	-	-	95,237
FIDC 2018 Series A	Light SESA	164,975	2,351	167,326	835,025	835,025	1,002,351	1,002,645
FIDC 2018 Series B	Light SESA	83,864	745	84,609	335,454	335,454	420,063	410,422
BNDES - Capex 2009/10 Sub C	Light Energia	193	-	193	-	-	193	579
BNDES - Lajes Project - SUB A	Light Energia	1,879	38	1,917	10,492	10,492	12,409	13,314
BNDES - Lajes Project - SUB B	Light Energia	1,985	41	2,026	11,084	11,084	13,110	14,066
Promissory Note - 3rd NP	Light Energia	-	-	-	-	-	-	28,632
Promissory Note - 4th NP	Light Energia	-	-	-	-	-	-	107,537
BNDES Conecta	Light Conecta	1,469	5	1,474	707	707	2,181	3,657
Sundry bank guarantee		-	20	20	-	-	20	55
FIDC Subordinated Shares	Light SESA	(35,104)	-	(35,104)	-	-	(35,104)	(35,104)
FIDC Retention	Light SESA	(30,151)	-	(30,151)	-	-	(30,151)	(9,193)
Subtotal - Domestic currency		**472,255**	**5,977**	**478,232**	**1,767,922**	**1,767,922**	**2,246,154**	**2,491,292**
Funding cost		(7,598)	-	(7,598)	(31,784)	(31,784)	(39,382)	(38,943)
Covenant Fee Cost		-	-	-	-	-	-	(175)
Cost - Domestic currency		**(7,598)**	**-**	**(7,598)**	**(31,784)**	**(31,784)**	**(39,382)**	**(39,118)**
TOTAL DOMESTIC CURRENCY		**464,657**	**5,977**	**470,634**	**1,736,138**	**1,736,138**	**2,206,772**	**2,452,174**
TOTAL		**571,034**	**39,440**	**610,474**	**4,649,174**	**4,649,174**	**5,259,648**	**5,622,970**

The table below summarizes the contractual terms and conditions applicable to existing loans and financing as of December 31, 2019:

Financing entity	Subsidiary	Date of signature	Currency	Interest rate p.a. [(a)]	Effective rate [(a)]	Principal Amortization: Beginning	Principal Amortization: Beginning Payment	Principal Amortization: End
TN - Par Bond	Light SESA	April 29, 1996	US$	64.05% of CDI	4.05%	April/2024	Lump sum	April/2024
TN - Surety - Par Bond	Light SESA	April 29, 1996	US$	U$ Treasury	-	April/2024	Lump sum	April/2024
TN - Discount Bond	Light SESA	April 29, 1996	US$	64.05% of CDI	4.05%	April/2024	Lump sum	April/2024
TN - Surety - Discount Bond	Light SESA	April 29, 1996	US$	U$ Treasury	-	April/2024	Lump sum	April/2024
4131 Citibank 2018	Light SESA	February 1, 2018	US$	CDI + 3.50%	N/A	May/2018	Half-yearly	August/2021
4131 Citibank 2019	Light SESA	February 1, 2019	US$	CDI + 2.20%	8.66%	February/2020	Half-yearly	August/2022
Bonds	Light SESA	May 3, 2018	US$	142.79% of CDI	9.02%	May/2023	Lump sum	May/2023
4131 Citibank 2018	Light Energia	February 1, 2018	US$	CDI + 3.50%	10.04%	March/2018	Half-yearly	August/2019
Bonds	Light Energia	May 3, 2018	US$	143.01% of CDI	9.04%	May/2023	Lump sum	May/2023
Eletrobras - Reluz	Light SESA	March 22, 2010	R$	5.00%	5.00%	September/2014	Monthly	August/2019
CCB Banco do Brasil 2017	Light SESA	February 21, 2017	R$	140% of CDI	N/A	August/2017	Every two months	February/2019
CCB Bradesco 2016	Light SESA	November 16, 2016	R$	CDI + 3.50%	10.04%	February/2017	Quarterly	November/2019
CCB - IBM 2017 [(b)]	Light SESA	January 10, 2017	R$	CDI + 3.84%	10.40%	January/2017	Quarterly	May/2020
CCB - IBM 2019	Light SESA	May 9, 2019	R$	CDI	6.32%	May/2019	Monthly	May/2021
Leasing IBM	Light SESA	November 10, 2016	R$	CDI	6.32%	February/2017	Monthly	February/2020
BNDES - Capex 2009/10 Sub C	Light SESA	November 30, 2009	R$	4.50%	4.50%	May/2011	Monthly	September /2019
BNDES - Capex 2011/12 Sub 1	Light SESA	December 6, 2011	R$	TJLP	N/A	April/2013	Monthly	March/2019
BNDES - Capex 2011/12 Sub 2	Light SESA	December 6, 2011	R$	TJLP + 1.81%	N/A	April/2013	Monthly	March/2019
BNDES - Capex 2011/12 Sub 3	Light SESA	December 6, 2011	R$	TJLP + 2.21%	N/A	April/2013	Monthly	March/2019
BNDES - Capex 2011/12 Sub 4	Light SESA	December 6, 2011	R$	TJLP + 3.21%	N/A	April/2013	Monthly	March/2019
BNDES - Capex 2011/12 Sub 17	Light SESA	December 6, 2011	R$	TJLP + 2.21%	N/A	April/2013	Monthly	March/2019
BNDES - Capex 2011/12 Sub 18	Light SESA	December 6, 2011	R$	TJLP + 3.21%	N/A	April/2013	Monthly	March/2019
BNDES - Capex 2013/14 Sub A	Light SESA	November 28, 2014	R$	TJLP + 2.78%	9.04%	April/2015	Monthly	March/2021
BNDES - Capex 2013/14 Sub B	Light SESA	November 28, 2014	R$	SELIC + 2.78%	9.28%	March/2015	Monthly	March/2021
BNDES - Capex 2013/14 Sub C	Light SESA	November 28, 2014	R$	6.00%	6.00%	April/2015	Monthly	August/2024
BNDES - Capex 2013/14 Sub D	Light SESA	November 28, 2014	R$	TJLP + 2.78%	9.04%	April/2015	Monthly	March/2021
BNDES - Capex 2013/14 Sub E	Light SESA	November 28, 2014	R$	SELIC + 2.78%	9.28%	April/2015	Monthly	March/2021
BNDES - CAPEX 2015/16 Sub A	Light SESA	December 26, 2016	R$	TJLP + 3.74%	10.00%	April/2017	Monthly	March/2023
BNDES - CAPEX 2015/16 Sub B	Light SESA	December 26, 2016	R$	SELIC + 4.08%	10.66%	April/2017	Monthly	March/2023
BNDES - CAPEX 2015/16 Sub C	Light SESA	December 26, 2016	R$	TJLP + 3.74%	10.00%	April/2017	Monthly	March/2023
BNDES - CAPEX 2017/18	Light SESA	December 28, 2018	R$	IPCA + 6.14%	9.72%	June/2019	Monthly	April/2026
BNDES - 2013/16 Olympics Sub A	Light SESA	December 16, 2013	R$	TJLP + 2.58%	8.84%	January/2015	Monthly	December/2020
BNDES - 2013/16 Olympics Sub B	Light SESA	December 16, 2013	R$	TJLP + 3.58%	9.84%	January/2015	Monthly	December/2020
BNDES - 2013/16 Olympics Sub C	Light SESA	December 16, 2013	R$	SELIC + 2.58%	9.06%	January/2015	Monthly	December/2020
BNDES - 2013/16 Olympics Sub D	Light SESA	December 16, 2013	R$	TJLP + 2.58%	8.84%	January /2016	Monthly	December/2021
BNDES - 2013/16 Olympics Sub E	Light SESA	December 16, 2013	R$	TJLP + 3.58%	9.84%	January/2016	Monthly	December/2021
BNDES - 2013/16 Olympics Sub F	Light SESA	December 16, 2013	R$	SELIC + 2.58%	9.06%	January/2016	Monthly	December/2021
BNDES - 2013/16 Olympics Sub G	Light SESA	December 16, 2013	R$	3.50%	3.50%	January/2016	Monthly	December/2023
BNDES - 2013/16 Olympics Sub H	Light SESA	December 16, 2013	R$	TJLP	6.26%	January/2019	Monthly	December/2021
FINEP - Research and Innovation	Light SESA	April 16, 2014	R$	4.00%	4.00%	May/2016	Monthly	May/2022
Promissory Note - 4th NP	Light SESA	December 21, 2017	R$	CDI + 3.50%	N/A	January/2019	Lump sum	January/2019
FIDC 2018 Series A	Light SESA	April 4, 2018	R$	CDI + 1.20%	7.60%	July/2019	Monthly	June/2024
FIDC 2018 Series B	Light SESA	April 4, 2018	R$	IPCA + 5.75%	9.31%	July/2019	Monthly	June/2024
BNDES - Capex 2009/10 Sub C	Light Energia	November 30, 2009	R$	4.50%	4.50%	May/2011	Monthly	September/2019
BNDES - Lajes Project - SUB A	Light Energia	September 28, 2016	R$	TJLP + 2.95%	9.21%	February/2017	Monthly	January/2026
BNDES - Lajes Project - SUB B	Light Energia	September 28, 2016	R$	TJLP + 2.95%	9.21%	April/2017	Monthly	January/2026
Promissory Note - 3rd NP	Light Energia	August 17, 2017	R$	CDI + 3.50%	N/A	May/2018	Quarterly	February/2019
Promissory Note - 4th NP	Light Energia	March 23, 2018	R$	CDI + 3.50%	N/A	March/2019	Lump sum	March/2019
BNDES Conecta [(b)]	Light Conecta	October 10, 2018	R$	TJLP + 0.53%	6.79%	October/2018	Monthly	October/2023

[(a)] For foreign currency debt, we considered the costs in reais, as per the related swap agreements.
[(b)] For these debts, we considered the average cost of the tranches of each operation.

Below are the main financial operations in the first semester of 2019:

- On January 22, 2019, the subsidiary Light SESA paid the 4th Promissory Note, totaling R$95,392.

- On February 1, 2019, the rollover of the Resolution 4131 debt between the subsidiary company Light SESA and Citibank was carried out in the amount of R$ 657,342. The transaction has a one-year grace period on principal, semi-annual amortizations, quarterly interest payments and matures in August 2022. A swap transaction was contracted to fully protect principal, interest and taxes at a cost of CDI + 2.20% p.a.

- On February 8, 2019, the subsidiary Light Energia paid the 3rd Promissory Note, totaling R$28,941.

- On February 22, 2019, the subsidiary Light SESA paid in full the Commercial Credit Note with Banco do Brasil, totaling R$15,119.

- On February 26, 2019, the subsidiary company Light SESA received the first release of funds related to the 2017-2018 capex financing agreement with BNDES, in the amount of R$200,000. The transaction has costs of TLP + 3.16% p.a., with a seven-year term and monthly amortizations.

- On March 28, 2019, the subsidiary Light Energia paid the 4th Promissory Note, totaling R$110,034.

In addition to the warranties, the loans are backed by guarantees of (i) Light S.A.; and (ii) receivables of the subsidiaries Light SESA and Light Energia, in the amount of R$625,131 (R$503,315 on December 31, 2018), given as a guarantee for the operations with the BNDES. Also, current and future receivables of the subsidiary Light SESA were transferred, and the maximum amount of R$796,320 is made available every year for the constitution of the FIDC.

On June 30, 2019, Light S.A. had guarantees, sureties or corporate guarantees issued in favor of its subsidiaries or Jointly controlled entities totaling R$9,236,975 (R$9,620,276 on December 31, 2018).

The portions related to the principal of consolidated loans and financing, classified in non-current liabilities, and excluding costs of funding and covenant fees (waivers), have the following maturities on June 30, 2019:

	Consolidated		
	Domestic currency	Foreign currency	Total
2020	247,536	76,644	324,180
2021	453,384	229,932	683,316
2022	436,602	306,576	743,178
2023	381,716	2,299,320	2,681,036
2024	205,942	25,086	231,028
2024 onwards	42,742	-	42,742
TOTAL	**1,767,922**	**2,937,558**	**4,705,480**

Below is the breakdown of consolidated loans and financing in the first semester of 2019 and 2018:

	Consolidated		
	Principal	Charges	Total
BALANCE ON DECEMBER 31, 2018	**5,560,790**	**62,180**	**5,622,970**
Fundraising	203,744	-	203,744
Exchange variation and inflation adjustment	(31,168)	-	(31,168)
Financial charges accrued	-	187,667	187,667
Financial charges paid	-	(215,097)	(215,097)
Financing amortization	(496,357)	-	(496,357)
Funding cost	(5,435)	-	(5,435)
Funding cost amortization	9,592	-	9,592
Subordinated Shares and Retention - FIDC	(20,958)	-	(20,958)
Charges capitalized in contract assets and property, plant & equipment	-	4,690	4,690
BALANCE ON JUNE 30, 2019	**5,220,208**	**39,440**	**5,259,648**

	Consolidated		
	Principal	Charges	Total
BALANCE ON JANUARY 1, 2018	**3,093,656**	**21,999**	**3,115,655**
Fundraising	4,612,566	-	4,612,566
Exchange variation and inflation adjustment	378,913	-	378,913
Financial charges accrued	-	108,392	108,392
Financial charges paid	-	(80,723)	(80,723)
Financing amortization	(2,010,688)	-	(2,010,688)
Funding cost	(82,670)	-	(82,670)
Funding cost amortization	6,787	-	6,787
Subordinated Shares and Retention - FIDC	(47,373)	-	(47,373)
Capitalized charges on intangible assets and property, plant & equipment	-	8,812	8,812
Transfer to liabilities directly associated with assets held for sale	(29,604)	(70)	(29,674)
BALANCE ON JUNE 30, 2018	**5,921,587**	**58,410**	**5,979,997**

The Company's exposure to interest rate, foreign currency and liquidity risks related to loans and borrowings is reported in Note 33.

Covenants

The Company has clauses that may cause the early maturity of debt in certain loan and financing agreements, including cross default. The early maturity only occurs when one of the ratios has not been complied with in two consecutive quarters or four intercalate quarters, and when certain non-financial covenants have not been complied with. The bank credit certificates of Bradesco, as well as loans with Citibank, the BNDES and FIDC require that the Company maintains certain net debt/EBITDA ratios and covenants. On June 30, 2019, the Company was in conformity with the required debt covenants, except for the Bonds.

The Bonds have restrictive debt covenants, and, on June 30, 2019, the Company exceeded the limit of 3.50 times net debt/EBITDA ratio, thus being obliged to respect the limits for contracting new debts until it resumes compliance with the established covenants.

19. DEBENTURES

Consolidated									
Issuance	Subsidiary	Current			Non-current		Total	Total
		Principal	Charges	Total	Principal	Total	June 30, 2019	December 31, 2018
Debentures 8th Issuance	Light SESA	39,198	1,368	40,566	235,000	235,000	275,566	315,004
Debentures 9th Issuance Series A	Light SESA	250,000	4,985	254,985	250,000	250,000	504,985	757,131
Debentures 9th Issuance Series B	Light SESA	210,878	5,811	216,689	632,636	632,636	849,325	828,187
Debentures 10th Issuance	Light SESA	250,050	2,490	252,540	-	-	252,540	504,861
Debentures 12th Issuance Series 1	Light SESA	-	-	-	-	-	-	50,744
Debentures 12th Issuance Series 2	Light SESA	-	-	-	-	-	-	155,015
Debentures 12th Issuance Series 3	Light SESA	-	2,346	2,346	57,537	57,537	59,883	58,446
Debentures 13th Issuance	Light SESA	-	25,358	25,358	491,056	491,056	516,414	486,290
Debentures 14th Issuance	Light SESA	196,154	2,902	199,056	163,462	163,462	362,518	425,000
Debentures 15th Issuance Series 1	Light SESA	-	7,450	7,450	553,639	553,639	561,089	546,386
Debentures 15th Issuance Series 2	Light SESA	-	2,737	2,737	160,000	160,000	162,737	162,412
Debentures 16th Issuance Series 1	Light SESA	-	-	-	132,500	132,500	132,500	-
Debentures 16th Issuance Series 2	Light SESA	-	-	-	422,950	422,950	422,950	-
Debentures 16th Issuance Series 3	Light SESA	-	-	-	62,500	62,500	62,500	-
Debentures 2nd Issuance	Light Energia	106,250	2,773	109,023	-	-	109,023	109,085
Debentures 3rd Issuance	Light Energia	2,502	87	2,589	15,000	15,000	17,589	20,107
Debentures 6th Issuance	Light Energia	33,334	308	33,642	-	-	33,642	67,337
Subtotal - Debentures		**1,088,366**	**58,615**	**1,146,981**	**3,176,280**	**3,176,280**	**4,323,261**	**4,486,005**
Funding cost		(15,747)	-	(15,747)	(44,074)	(44,074)	(59,821)	(63,681)
Covenant Fee Cost		(6,043)	-	(6,043)	(8,186)	(8,186)	(14,229)	(16,833)
Costs - Debentures		**(21,790)**	**-**	**(21,790)**	**(52,260)**	**(52,260)**	**(74,050)**	**(80,514)**
TOTAL		**1,066,576**	**58,615**	**1,125,191**	**3,124,020**	**3,124,020**	**4,249,211**	**4,405,491**

Below, contractual conditions of existing debentures on a consolidated basis in 2019:

Issuance	Subsidiary	Date of signature	Currency	Interest Rate p.a.	Effective	Beginning	Beginning Payment	End
Debentures 8th Issuance	Light SESA	August 24, 2012	R$	CDI + 1.18%	7.57%	June/2015	Annually	June/2026
Debentures 9th Issuance Series A	Light SESA	June 15, 2013	R$	CDI + 1.15%	7.54%	March/2018	Annually	May/2021
Debentures 9th Issuance Series B	Light SESA	June 15, 2013	R$	IPCA + 5.74%	9.30%	May/2020	Annually	May/2023
Debentures 10th Issuance	Light SESA	April 30, 2014	R$	115% of CDI	7.27%	May/2018	Annually	May/2020
Debentures 12th Issuance Series 1	Light SESA	July 7, 2017	R$	CDI + 4.00%	N/A	April/2018	Quarterly	January/2019
Debentures 12th Issuance Series 2	Light SESA	July 7, 2017	R$	CDI + 4.20%	N/A	July/2020	Lump sum	July/2020
Debentures 12th Issuance Series 3	Light SESA	July 7, 2017	R$	IPCA + 9.09%	12.77%	July/2020	Lump sum	July/2020
Debentures 13th Issuance	Light SESA	November 1, 2017	R$	IPCA + 7.44%	11.06%	October/2022	Lump sum	October/2022
Debentures 14th Issuance	Light SESA	March 26, 2018	R$	CDI + 3.50%	10.04%	March/2019	Every two months	March/2021
Debentures 15th Issuance Series 1	Light SESA	September 12, 2018	R$	IPCA + 6.83%	10.43%	October/2024	Annually	October/2025
Debentures 15th Issuance Series 2	Light SESA	September 12, 2018	R$	CDI + 2.20%	8.66%	October/2021	Annually	October/2022
Debentures 16th Issuance Series 1	Light SESA	April 26, 2019	R$	CDI + 0.90%	7.28%	April/2022	Lump sum	April/2022
Debentures 16th Issuance Series 2	Light SESA	April 26, 2019	R$	CDI + 1.25%	7.65%	April/2023	Annually	April/2024
Debentures 16th Issuance Series 3	Light SESA	April 26, 2019	R$	CDI + 1.35%	7.76%	April/2025	Lump sum	April/2025
Debentures 2nd Issuance	Light Energia	December 29, 2011	R$	CDI + 1.18%	7.57%	August/2016	Annually	August/2019
Debentures 3rd Issuance	Light Energia	August 24, 2012	R$	CDI + 1.18%	7.57%	June/2015	Annually	June/2026
Debentures 6th Issuance	Light Energia	November 30, 2017	R$	CDI + 3.50%	10.04%	August/2018	Quarterly	November/2019

Below are the main financial operations in the first semester of 2019:

- On January 15, 2019, the subsidiary Light SESA paid off the debt related to the 1st series of the 12th issuance of debentures, totaling R$50,948.
- On February 11, 2019, the subsidiary Light SESA made the full early redemption of the debt related to the 2nd series of the 12th issuance of debentures, totaling R$149,143.
- On May 07, 2019, the subsidiary Light SESA carried out its 16th Debenture Issuance, totaling R$617,950, in three series. The amounts and conditions of the series can be found below:

Series	Amount	Interest Rate p.a.	Due date
1st Series	132,500	CDI + 0.90%	April 15, 2022
2nd Series	422,950	CDI + 1.25%	April 15, 2024
3rd Series	62,500	CDI + 1.35%	April 15, 2025

The portions related to the principal of consolidated debentures, classified in non-current liabilities, and excluding funding costs and covenant fee costs (waivers), have the following maturities on June 30, 2019:

	Total
2020	155,614
2021	647,914
2022	956,085
2023	464,054
2024	529,944
2024 onwards	422,669
TOTAL	**3,176,280**

Below is the breakdown of consolidated debentures in the first semester of 2019 and 2018:

	Consolidated		
	Principal	Charges	Total
BALANCE ON DECEMBER 31, 2018	**4,356,101**	**49,390**	**4,405,491**
Debentures issued	617,950	-	617,950
Inflation adjustment	48,006	-	48,006
Financial charges accrued	-	139,998	139,998
Financial charges paid	-	(139,164)	(139,164)
Amortization of debentures	(837,925)	-	(837,925)
Issue cost	(4,904)	-	(4,904)
Amortization of issue cost	11,368	-	11,368
Charges capitalized in contract assets and property, plant & equipment	-	8,391	8,391
BALANCE ON JUNE 30, 2019	**4,190,596**	**58,615**	**4,249,211**

	Consolidated		
	Principal	Charges	Total
BALANCE ON JANUARY 1, 2018	**4,037,292**	**257,622**	**4,294,914**
Debentures issued	425,000	-	425,000
Inflation adjustment	-	14,809	14,809
Financial charges accrued	-	159,301	159,301
Financial charges paid	-	(159,037)	(159,037)
Amortization of debentures	(709,774)	-	(709,774)
Issue cost	(5,626)	-	(5,626)
Amortization of issue cost	9,185	-	9,185
Capitalized charges on intangible assets and property, plant & equipment	-	3,093	3,093
BALANCE ON JUNE 30, 2018	**3,756,077**	**275,788**	**4,031,865**

The Company’s debentures are not subject to scheduled renegotiation. The Company’s exposure to interest rate and liquidity risks related to debentures is reported in Note 33.

Covenants

The Company has clauses that may anticipate the maturity of debts in certain debentures agreements, including the cross default. The early maturity only occurs when one of the ratios has not been complied with in two consecutive quarters or four intercalate quarters, and when certain non-financial covenants have not been complied with. All issuance of debentures require the maintenance of net debt/EBITDA ratios and covenants.

On June 30, 2019, the Company complied with the required indicators in accordance with the terms of the debentures’ deeds, except for Light SESA’s 8th issuance of debentures and Light Energia’s 3rd issuance of debentures, whose limit of 3.75 times the net debt/EBITDA ratio reduced to 3.50 times from the as of the quarter ended March 2019. However, the Company fully complied with the agreement, as it obtained the waiver (prior consent) from the only debenture holder (FI-FGTS) for the first and second quarters of 2019.

20. PROVISIONS FOR TAX, CIVIL, LABOR AND REGULATORY CONTINGENCIES

The Company and its subsidiaries are parties in tax, labor, civil lawsuits and regulatory proceedings in several courts. Management periodically assesses the risks of contingencies related to these proceedings and based on the legal counsel's opinion it records a provision when unfavorable decisions are probable and whose amounts are quantifiable.

Below, the balance of provisions, including provisions for risks and provisions for success fees:

TOTAL PROVISIONS	June 30, 2019			December 31, 2018		
	Provision	Success fees	Total	Provision	Success fees	Total
Labor	142,183	678	142,861	143,789	574	144,363
Civil	190,808	75,459	266,267	165,360	74,766	240,126
Tax	53,443	29,578	83,021	53,411	29,387	82,798
Regulatory	13,230	-	13,230	8,957	-	8,957
TOTAL	**399,664**	**105,715**	**505,379**	**371,517**	**104,727**	**476,244**

20.1 Provision for risks

Below are the provisions for risks and changes for the first semester of 2019 and 2018:

PROVISIONS FOR PROBABLE LOSSES	Labor	Civil	Tax	Regulatory	Total
BALANCE ON DECEMBER 31, 2018	**143,789**	**165,360**	**53,411**	**8,957**	**371,517**
Additions	4,813	129,078	-	3,939	137,830
Adjustments	-	4,421	32	334	4,787
Write-offs/payments	(2,672)	(100,871)	-	-	(103,543)
Write-offs/reversals	(3,747)	(7,180)	-	-	(10,927)
BALANCE ON JUNE 30, 2019	**142,183**	**190,808**	**53,443**	**13,230**	**399,664**
Judicial deposits on June 30, 2019	**23,900**	**4,503**	**5,111**	**-**	**33,514**

PROVISIONS FOR PROBABLE LOSSES	Labor	Civil	Tax	Regulatory	Total
BALANCE ON JANUARY 1, 2018	**123,712**	**167,783**	**53,056**	**9,404**	**353,955**
Additions	7,639	75,088	-	-	82,727
Adjustments	-	3,898	28	(79)	3,847
Write-offs/payments	(3,973)	(58,127)	-	-	(62,100)
Write-offs/reversals	(4,012)	(730)	-	(643)	(5,385)
BALANCE ON JUNE 30, 2018	**123,366**	**187,912**	**53,084**	**8,682**	**373,044**
Judicial deposits on June 30, 2018	**27,513**	**7,503**	**5,609**	**-**	**40,625**

The total amount of R$277,910 is recorded under escrow deposits on June 30, 2019 (R$294,906 on December 31, 2018), of which R$33,514 (R$35,956 on December 31, 2018) refer to claims with recorded provision. Other deposits refer to lawsuits whose likelihood of loss is possible or remote. Below, the balance of judicial deposits:

Consolidated	June 30, 2019	December 31, 2018
Labor	63,939	63,395
Civil	126,347	130,744
Tax	87,624	100,767
TOTAL	**277,910**	**294,906**

There follows a breakdown of provisions for risks:

20.2 Provisions for labor proceedings:

	Provisioned amount (probable loss)	
Consolidated	June 30, 2019	December 31, 2018
Own employees	57,534	60,541
Outsourced employees	84,649	83,248
TOTAL	**142,183**	**143,789**

The provision for labor risks is based on the assessment of the respective attorneys, which assess the loss risk in the process. The provision amount regarding own employees fluctuates because of the direct relationship with the Company and the consequent rights. As for the outsourced employees, the risk involves mostly the subsidiary responsibility, which means that the Company will bear the payment only in case the absence of this by the real employer, the outsourced company.

20.3 Provision for civil proceedings:

	Provisioned amount (probable loss)	
Consolidated	June 30, 2019	December 31, 2018
Civil proceedings [a]	131,331	110,120
Special civil court [b]	35,352	27,007
“Cruzado" Plan (c)	24,125	28,233
TOTAL	**190,808**	**165,360**

[a] The provision for civil proceedings comprises lawsuits in which the Company and its subsidiaries are defendants and it is probable the claim will result in a loss in the opinion of the respective attorneys. The claims mainly involve alleged moral and property damage due to the Company’s ostensive behavior fighting irregularities in the network, as well as consumers challenging the amounts paid.

(b) Lawsuits in the Special Civil Court are mostly related to matters regarding consumer relations, such as improper collection, undue power cut, power cut due to delinquency, network problems, various irregularities, bill complaints, meter complaints and problems with ownership transfer. There is a limit of 40 minimum monthly wages for claims under procedural progress at the Special Civil Court. Accruals are based on the separation of the seven main reasons for complaints for the Company – which represent approximately 89.1% of the lawsuits; and a block for other reasons. For the six main offenders and other reasons block, an adjusted average is used – considering 95% of the sample, i.e. excluding the 2.5% highest and lowest amounts – the average of the last 12 months of condemnation amount. In the case of the accident block, the average of the last 12 months of condemnation amount is considered.

(c) These are lawsuits filed against the subsidiary Light SESA referring to increase in electricity tariffs approved by Ordinances No. 38 of February 27, 1986 and No. 45 of March 4, 1986, published by the extinguished DNAEE – National Department of Water and Electricity, which contradicted the Decree Law No. 2.283/86 ("Cruzado" Plan decree), which established that all prices would be "frozen". The plaintiffs of these lawsuits plead the refund of amounts supposedly overpaid in the electricity bills when Light SESA's tariffs increased in the period that prices were "frozen".

20.4 Provision for tax proceedings:

Consolidated	Provisioned amount (probable loss) June 30, 2019	Provisioned amount (probable loss) December 31, 2018
ICMS – Credits approved [(a)]	46,232	46,232
Other	7,211	7,179
TOTAL	**53,443**	**53,411**

(a) The Light SESA subsidiary provisioned R$46,232, regarding part of the amount fined in the process through which the State of Rio de Janeiro intends to charge ICMS from the alleged improper use of tax credits, acquired by Light SESA from third parties, and which had previously been ratified by the State Finance Department. The debt currently amounts to R$605,036. After the revaluation, the internal and external legal advisors classified the amount of R$42,029 of the principal (tax), as well as the proportional amount, concerning legal fees of the Prosecutor, in the amount of R$4,203, as probable loss, and all the remaining amount fined, regarding interests, monetary corrections and proportionate legal fees, as remote loss. The administrative proceeding was concluded in June 2015, with unfavorable decision to the Company, which, in turn, filed a writ of mandamus to remove part of debt to be registered as overdue state liabilities related to interest rates and monetary restatement. The injunction was granted, but subsequently reversed by a decision rendered in an interlocutory appeal filed by the State of Rio de Janeiro. The Tax Foreclosure was filed, with Light SESA presenting the insurance policy as a guarantee and, as a result, filed Motions to Stay the Tax Foreclosure. A judgment was rendered regarding the Tax Foreclosure filed, acknowledging the exemption of the default charges (monetary restatement and interest for late payment) of the Release Note filed against the Company. Both parties lodged appeals, which are pending judgment.

20.5 Regulatory provisions:

In this topic, the Company describes the main regulatory contingencies arising from administrative issues with ANEEL:

- Deficiency Notice No. 061/2017-SFE/ANEEL - The Deficiency Notice was received by the subsidiary Light SESA on October 30, 2017. SFE/ANEL conducted an inspection between November 21, 2016 and November 25, 2016 in order to check up on the provision of services by the subsidiary Light SESA and thus determine if it fulfills the requirements of regularity, continuity and efficiency, safety, as well as if its techniques, equipment and facilities are up-to-date and well kept, imposing a fine penalty in the amount of R$36,311 for five non-compliances identified. The appeal was filed by the Company at ANEEL on November 09, 2017. SFE/ANEEL, when exercising the judgment of reconsideration, did not accept the arguments presented. The Federal Attorney's Office subsequently drafted the Expert Opinion 267/2019, opting for the partial dismissal of the appeal, disregarding only the condition "damage to the service and/or users" from the dosimetry of the penalties of "non-compliances" N.2, N.3, N.4 and N. 5. At the moment, the Company is awaiting evaluation by ANEEL's Executive Board. The amount currently provided by the Company is of R$4,720 (R$4,580 as of December 31, 2018).

- Deficiency Notice No. 01/2019-SFE/ANEEL - The Deficiency Notice was received by the subsidiary Light SESA on January 24, 2019. SFE/ANEEL carried out an inspection from September 18 to 22, 2017 with the purpose of verifying the due provision of services regarding the quality of commercial service, specifically on issues related to the request for change to the ownership, collection with irregular procedure in the measurement and debt in installments, provided by the subsidiary Light SESA, based on the provisions of Regulatory Resolution 414 of 2010, which establishes the provisions regarding the general conditions of electricity supply, applying a fine of R$52,113, for thirteen non-compliances identified. The Company filed an appeal with ANEEL on February 4, 2019 and awaits its evaluation and, thereafter, the final decision of the Board. The amount currently provisioned by the Company is of R$3,998.

- Deficiency Notice No. 13/2017-SFE/ANEEL - The Deficiency Notice was received by the subsidiary Light SESA on April 24, 2017. SFE/ANEEL carried out an inspection from May 04 to 08, 2015, to verify the procedures for collecting, calculating, recording and storing the indicators for the continuity of the electricity distribution service, as well as verify the calculation of compensations due to the violation of the individual continuity limits, consumer information and actual payment within the regulatory deadlines for 2014, based on PRODIST's provisions, applying a fine of R$12,483, for six non-compliances identified. The appeal was filed by the Company at ANEEL on May 4, 2017. SFE/ANEEL, in a reconsideration court, by Order 629/2018, reduced the fine to R$10,761. Therefore, we are awaiting the final decision of the Board. The amount currently provisioned by the Company is of R$3,113.

20.6 Provisions for success fees:

Management periodically reassesses lawsuits with success fees for legal advisors and, based on the opinion of its legal counsels, records provisions for lawsuits whose likelihood of loss was considered possible, remote and, exceptionally, probable.

Below, a chart with the position and changes in the first semester of 2019 and 2018:

PROVISIONS FOR SUCCESS FEES:	Labor	Civil	Tax	Total
BALANCE ON DECEMBER 31, 2018	**574**	**74,766**	**29,387**	**104,727**
Additions	126	22,350	1,472	23,948
Adjustments	-	916	610	1,526
Write-offs/payments	(21)	(16,086)	(881)	(16,988)
Write-offs/reversals	(1)	(6,487)	(1,010)	(7,498)
BALANCE ON JUNE 30, 2019	**678**	**75,459**	**29,578**	**105,715**

PROVISIONS FOR SUCCESS FEES:	Labor	Civil	Tax	Total
BALANCE ON JANUARY 1, 2018	**561**	**69,236**	**26,578**	**96,375**
Additions	9	13,644	1,098	14,751
Adjustments	-	885	1,025	1,910
Write-offs/payments	-	(6,885)	(2,200)	(9,085)
Write-offs/reversals	(2)	(15)	-	(17)
BALANCE ON JUNE 30, 2018	**568**	**76,865**	**26,501**	**103,934**

21. CONTINGENCIES

The Company is a party to lawsuits whose risk of loss Management believes is less than probable, based on the opinion of its legal counsels. Therefore, no provision was established. The main contingencies with possible loss are broken down as follows:

	Consolidated			
	June 30, 2019		December 31, 2018	
	Balance	Number of Proceedings [(a)]	Balance	Number of Proceedings [(a)]
Civil	733,596	52,199	908,689	47,420
Labor	341,224	788	319,641	921
Tax	4,942,908	672	4,467,419	738
TOTAL	**6,017,728**	**53,659**	**5,695,749**	**49,079**

[(a)] Not reviewed by independent auditors

The main reasons for litigations are listed below:

21.1 Civil

- Irregularities – The subsidiary Light SESA has several lawsuits where irregularities are discussed, arising from non-technical commercial losses due to meters alteration, equipment theft, irregular connections and clandestine connections. Most of the litigations are based on the evidence of irregularity and amounts charged by the concessionaire in view of such evidence. The amount currently assessed represented by these claims is R$222,185 (R$242,002 on December 31, 2018).

- Amounts charged and bills – Many litigations are currently in progress and discuss amounts charged by the subsidiary Light SESA for services provided, such as demand amounts, consumption amounts, financial charges, rates, insurances, among others. The amount currently assessed represented by these claims is R$93,334 (R$104,488 on December 31, 2018).

- Accidents – The subsidiary Light SESA is defendant in lawsuits filed by victims and/or their successors, regarding accidents with Light's electric power grid and/or service provision for several causes. The amount currently assessed represented by these claims is R$28,692 (R$29,529 on December 31, 2018).

- Discontinuance and suspension – The subsidiary Light SESA is defendant in civil proceedings discussing service discontinuance, whether by fortuitous cases or events of force majeure, or for purposes of intervention in the electrical system, among other reasons, and also service suspension, whether for indebtedness, denied access or meters replacement, among other facts for suspension. The amount currently assessed represented by these claims is R$36,818 (R$40,391 on December 31, 2018).

- Equipment and network – The subsidiary Light SESA has litigations due to electronic meters used to measure energy consumption. Litigations address several themes, such as meter functionality, approval by metrological agency, among others, and also litigations about its network, due to its extension, removal or even financial contribution of the client to install the network. The amount currently assessed represented by these claims is R$9,570 (R$10,212 on December 31, 2018).

- Regarding civil discussions, we highlight the initiatives proposed by the Companhia Siderúrgica Nacional (CSN): in the last quarter of 2011, CSN filed a suit claiming approximately R$100,000 as indemnity for service interruption occurred at its Consumer Unit of Volta Redonda. We point out that out of amount claimed, R$88,700 only refer to the service interruption occurred on November 10, 2009, affecting 40% of Brazilian territory and over 90% of Paraguay, which only evidences that causes go beyond Light SESA's scope of operation, as electric power distribution company. Moreover, the ONS report concluded that the origin and causes of this service interruption was Furnas' responsibility. Thus, the Company's exposure to risk is R$75,984 (R$68,959 on December 31, 2018).

- The subsidiary Light SESA is also in litigation against Companhia Siderúrgica Nacional in a motion to set aside judgment filed by CSN through which CSN aims to vacate the sentence in the action for refund of undue payment number 1995.001.073862-2, which discussed the legality of Ordinances 38 of February 27, 1986 and 45 of March 4, 1986, published by the National Department of Water and Electricity - DNAEE, which increased the electricity tariffs of a certain class of consumers and which the Company won. The Company's exposure to risk is R$224,477 (R$204,666 on December 31, 2018).

- The subsidiary Light SESA is in litigation against Valesul S.A. in a declaratory judgment action filed by Valesul, arising from the power transmission agreement made in 1991, whose purpose is the payment for the use of the power transmission system from the plaintiff's small hydroelectric power plants (SHPPs) in the state of Minas Gerais to the plant located in the state of Rio de Janeiro. The first and second instance decisions were favorable to the Company. Valesul's Special Appeal had been denied, but Valesul reversed the denial in an interlocutory appeal. The Extraordinary Appeal was dismissed and is also object of an interlocutory appeal by Valesul. In 2014, under provisional execution, after the Company presented a Surety Bond, which was replaced by Guarantee Insurance, we collected the amounts that were in a judicial deposit totaling R$84,350. Valesul's appeal was dismissed and the final court decision in favor to subsidiary Light SESA became final on April 16, 2019. At this time, there is no risk exposure of the Company (R$162,959 on December 31, 2018).

- Two civil proceedings involving the Energy Reallocation Mechanism (MRE) caused by the Generation Scaling Factor (GSF). The objective of lawsuit No. 38848-51.2015.4.013400, filed by the subsidiary Light Energia, Lightger and Aliança Geração de Energia S.A., is to challenge the financial exposure due to the Energy Reallocation Mechanism (MRE) adjustment caused by a GSF lower than 1. An interlocutory relief was granted, sentencing the Agency, until the final decision is rendered, to abstain from applying the adjustment referring to the MRE, if MRE's total generation is lower than the assured energy. A favorable judgment was rendered in the GSF lawsuit, limiting the hydrological risk to 95%; ANEEL appealed against said ruling. The GSF amount related to Light Energia and Lightger has been duly provisioned under trade accounts payable, against the income statement, even though payments have not been made due to the effects of the above-mentioned injunction.

Despite the above decision, the filing of Writ of Mandamus No. 1005338-30.2015.4.01.3400 was also necessary in order to protect Light Energia and Lightger from the effects of court rulings restricting the other agents' GSF. In this case, an injunction was granted so that Light Energia and Lightger would not need to be included in the apportionment of the other agents' GSF.

The Writ of Mandamus was dismissed without prejudice, as the judge understood that ANEEL could not be the enforcement authority. In light of this decision, the Company filed a new lawsuit, No. 0032638-47.2016.4.01.3400, to request an interlocutory relief in order to protect itself from the other agents' injunctions. The interlocutory relief was granted and therefore Light will not be liable to financial charges as a result any court rulings obtained by other agents, including those that have already been issued and those that may be issued during the course of the lawsuit, regardless of the jurisdiction to which they refer, related to the effects of current GSF values on hydroelectric generators. In the above-mentioned case, a court decision was rendered, dismissing the claims, and the Company filed an appeal. It should be noted that there is an order from ANEEL that, in practice, brings the effect of the decision sought in this proceeding. ANEEL's Order 2982/2016 administratively granted the "precautionary measure to agents without judicial protection, to suspend the financial effects of costs related to hydrological risks of third parties until the lawsuits on this matter are resolved". These proceedings have a possible chance of loss.

The expectation of approval of Bill 10985/2018 must be considered (which establishes new conditions for the renegotiation of hydrological risk of electric power generation, considering the elimination of costs considered as "non-hydrological risk" and, as a counterpart to the payment of debts, the extension of hydroelectric concession agreements). The bill was approved at the Plenary of the House of Representatives on June 26, 2019, with an amendment on another issue that has nothing to do with the renegotiation (division of resources from the trade of oil, natural gas and other hydrocarbons) and only due to such an amendment the matter will return to the Senate, which will not be able to make any new changes to the text, but only accept or reject the changes made by the House of Representatives, before sent to the Presidency for sanction. The text provides that ANEEL will regulate the issue within 90 days of the publication of the Law.

21.2 Tax

- ICMS Commercial Losses - Tax Deficiency Notices related to ICMS, FECP and fine due to failure to collect said tax in operations preceding electric power distribution, as a result of commercial losses in the subsidiary Light SESA.

i) Administrative Proceedings E-04/054.752/2011 (AI 03.326780-8) and E04/054.751/2011 (AI 04.011949-7): The tax inspection authority acknowledged that the losses have been fully incorporated in the tariff during the period of the notice, thus remaining 15.73% only. Mandatory reviews are pending judgment by the Board of Tax Appeals. The tax inspection authority acknowledged the losses incorporated in the tariff. The Company is awaiting a decision on the Appeals regarding the remaining amounts. On October 25, 2017, the 2nd Chamber of the Board of Tax Appeals of SEFAZ-RJ decided on the denial of the Mandatory reviews filed (51.725 and 51.490). AI 03.326780-8 has been permanently canceled. We are awaiting a notice from the Company regarding the definitive cancellation of AI 04.011949-7.

ii) Administrative Proceedings E-04/055.040/2011 (AI 03.326784-0) and E04/055.039/2011 (AI 04.028752-6): The Inspection recognized that the losses included in the tariff should be excluded from the fine. Light SESA's voluntary appeal was partially granted, recognizing that the losses incorporated into the tariff should be excluded from the calculation base object of the tax deficiency notice. As a result, these assessments have already been definitively reduced. The amount of debt involved went from R$1,507,960 to R$290,498. Light SESA appealed to the Plenary, challenging the remaining amount. The administrative proceedings have been concluded.

Action for Annulment no. 0244617-63.2017.8.19.0001: On September 21, 2018, an injunction was granted to suspend the eligibility of ICMS tax credits and related FECP, supported by Tax Deficiency Notices no. 03.326784-0 and no. 04.028752-6.

iii) Administrative Proceeding E-04/036.119/2014 (AI 03.380329-7): The administrative proceedings have been concluded. Annulment Action 0101484-89.2019.8.19.0001 was filed.

Annulment Action Nr. 0101484-89.2019.8.19.0001 (AI 03.380329-7): Awaiting consideration of the request for interim grant to suspend the enforceability of the debt.

iv) Tax Foreclosure no. 0030827-59.2018.8.19.0001 (E-04/036.120/2014 - AI 03.380330-5): The Company filed a motion to dismiss the execution of this lawsuit, which is still pending judgment.

Writ of Mandamus no. 0020864-27.2018.8.19.0001 (E-04/036.120/2014 - AI 03.380330-5): The injunction was granted and remains in force even after the appeals lodged.

v) Administrative Proceeding E-04-211001672/2019 (AI 03.527501-5) - The Motion presented by the Company is awaiting the appraisal.

The amount currently assessed represented by these tax deficiency notices totaled R$722,166 (R$528,000 on December 31, 2018).

- LIR/LOI - IRPJ/CSLL – (Proceedings 16682.720216/2010-83, 15374-001.757/2008-13 and 16682.720203/2014-38) – the subsidiary Light SESA filed a writ of mandamus mainly discussing the taxation of profit of the subsidiaries LIR and LOI abroad, more specifically, it advocated that income tax and social contribution should be levied on profit only, not on equity in the earnings of subsidiaries (a broader concept that includes exchange variations as provided for by IN 213/02). In order to take advantage on the benefits of REFIS Program, the Company fully waived the writ of mandamus, thus, a final court decision was unfavorably rendered to the Company. Accordingly, the procedure has been changed to assess results by the equity method, in accordance with the decision of the writ of mandamus. Tax authorities disagreed with this procedure and issued a deficiency notice to the Company for the fiscal years 2004 to 2008, requiring taxation on profit only. For 2004, a Tax Appeal was filed, in which we presented the insurance policy to guarantee the judgment and oppose the Motion to Stay the Execution, which is pending judgment. For 2005, the administrative sphere was closed unfavorably to the Company. We filed a writ of mandamus seeking to annul the judgment handed down by CARF and obtained an injunction to suspend the enforceability of the debt. Already for 2006 to 2008, the Company's Voluntary Appeal was approved. The Treasury filed a Special Appeal which was denied (favorable closure for the defendant). In April 2014, the Company was notified in relation to 2009 and filed objection, which was deemed groundless. A Voluntary Appeal was filed. By a majority vote, an appellate decision was issued, partially granting the voluntary appeal to exclude the penalty and interest for late payment. The Special Appeal filed by the Company is pending judgment. According to the legal counsels, the claim may possibly result in a loss involving the amount of R$404,560 (R$400,500 on December 31, 2018).

- Normative Instruction (NI) No. 86 (Proceeding 10707000751/2007-15 - (2003 through 2005) - This deficiency notice was issued to assess a fine on the Company for alleged failure to make electronic filings as required by NI No. 86/2001, for calendar years 2003 through 2005. The administrative proceeding was concluded in July 2015, with unfavorable decision to the subsidiary Light SESA, which filed a writ of mandamus aiming at removing the registration as overdue federal liability, subject matter of such collection. The Company plea was granted. The Union lodged an appeal, which is pending judgment. The amount currently assessed represented by this claim is R$414,600 (R$406,000 on December 31, 2018).

- ICMS on subsidies of the “Baixa Renda” (Low-income) federal program

  i) Action for Annulment no. 0354511-42.2015.8.19.0001 (AI 03.326783-2): Interlocutory relief was granted for the suspension of eligibility of this credit. An unfavorable judgment was rendered regarding the Actions for Annulment, which led Light SESA to file an appeal, which had an unfavorable judgment. Presented embargoes, still pending consideration.

Tax Foreclosure no. 0057266-78.2016.8.19.0001 (AI 03.326783-2): Filed to charge for the debt object of Action for Annulment 0354511- 42.2015.8.19.0001. A motion to dismiss the execution of the Tax Foreclosure was filed, given that said debt had its eligibility suspended by the interlocutory relief granted in the Action for Annulment and, therefore, the Tax Foreclosure could not have been lodged. A judgment was rendered to dismiss the tax foreclosure after the Government Attorney's Office found for the cancellation of the debt. Pending filing of the appeal.

Tax Foreclosure no. 0030842-28.2018.8.19.0001 (AI 03.326783-2): A motion to dismiss the execution of the Tax Foreclosure was filed, which was rejected by the Court of the 11th Public Finance Court.

ii) Action for Annulment no. 0342346-60.2015.8.19.0001 (AI 03.170374-7): Interlocutory relief was granted for the suspension of eligibility of this credit. Pending entry of the judgment. An unfavorable judgment was rendered, against which the Company filed an appeal that is still pending distribution.

iii) Action for Annulment no. 0031148-65.2016.8.19.0001 (AI 03.380332-1 and 03.380331-3): Interlocutory relief was denied. Guarantee insurance was presented, in the updated amount of R$28,039, which was accepted. An unfavorable judgment was rendered, against which the Company filed an appeal that is still pending judgment.

Tax Foreclosure no. 0030787-77.2018.8.19.0001 (AI 03.380332-1): Filed to charge for the debt object of Action 0031148-65.2016.8.19.0001. Waiting for the Company to be summoned.

Tax Foreclosure no. 0030786-92.2018.8.19.0001 (AI 03.380331-3): Filed to charge for the debt object of Action 0031148-65.2016.8.19.0001. Waiting for the Company to be summoned.

iv) E-04/036.33/2018 (Tax Deficiency Notice no. 03.536116-1): Unfavorable decision in the lower court. Pending judgment of Voluntary Appeal filed by the Company.

The amount currently calculated for these proceedings is R$292,252 (R$280,000 as at December 31, 2018).

- Decisions (57 proceedings) rendered by the Internal Revenue Service to deny approval to several petitions for indemnification filed by subsidiary Light SESA, for utilization of PIS, COFINS, income tax and social contribution credits, alleging that these credits would be undue or insufficient to comprise the debts against which these were opposed. The subsidiary Light SESA filed a Motion to Disagree against referred decisions. In few cases, final court decisions were favorably rendered to Light SESA and in other cases, unfavorable decisions, against which we appealed. The amount currently assessed represented by this claim is R$372,749 (R$331,290 on December 31, 2018).

- Non-approval of compensations - Tax Foreclosure filed for the collection of alleged PIS and COFINS debts from in the disallowance of credits of the same nature carried out by RFB in twenty-two administrative proceedings arising from compensations promoted by the Company for the periods of March and April 2005, January, February, March, May, June, July, August and September 2006 and January and February 2007. We are awaiting the trial on the Motions to Stay presented by the Company. The amount currently assessed and represented by this claim is R$57,452.

- TFGE – Tariff of Control, Monitoring and Environmental Inspection of the Activities of Generation, Transmission and Distribution of Electric Power from Hydraulic, Thermal and Nuclear Sources. This tariff was introduced by Law 7,184/15 of State of Rio de Janeiro. As a result, the subsidiary Light SESA filed a preventive writ of mandamus requesting a preliminary injunction to prevent it from being obliged to collect said tariff. Injunction deferred. A favorable judgment was rendered. The amount currently assessed represented by this claim is R$51,200 (R$42,600 on December 31, 2018).

- Non-recognition of compensation - CVA - (30 Administrative Proceedings) - Non-recognition of compensation by the Federal Revenue for compensations carried out by Light SESA due to credits arising from undue payment, or PIS and COFINS, whichever is greater, are mainly due to the change in timing for the PIS and COFINS to be charged over the Variation Compensation Account of "Portion A" Items – CVA. The Company filed Motions to Disagree that are still pending judgment. The amount currently assessed represented by this claim is R$260,200 (R$254,100 on December 31, 2018).

- IRPJ, CSLL, PIS and COFINS - Non-Technical Losses - two violations that received an administrative proceeding against subsidiary Light SESA, based on the understanding that PIS and COFINS credits referring to non-technical losses in 2014 should be reversed, pursuant to Article 3, Paragraph 13, of Law 10.833/03 and Consultation Solution COSIT No. 3/2017 ("SC 3/2017"), and two violations that received an administrative proceeding based on the understanding that non-technical loss amounts for the 2013 and 2014 periods should have been added to the income statement for purposes of calculating the taxable income and IRPJ and CSLL taxes. The IRPJ and CSLL Appeal was partially dismissed so that the tax losses and negative tax bases of previous years are offset up to the legal limit, thus reducing the amount required (around R$400,000 of CSLL's negative tax base). The PIS and COFINS appeal was dismissed. The voluntary appeal is pending judgment in both cases. The amount currently assessed represented by this claim is R$1,759,809 (R$1,716,666 on December 31, 2018).

- E-04-211001761/2019 (AI 03.487402-4) This is a Deficiency Notice issued by the State Inspection regarding the absence of payment to the State Fund of Tax Balance of the State of Rio de Janeiro ("EFSF"), ICMS corresponding to 10% (ten percent) of the tax benefits for third parties, for the period from December 2016 to June 2017. The Motion presented by the Company is awaiting appraisal. The amount currently assessed and represented by this claim is of R$44,090.

21.3 Labor

The main labor claims involve equal pay and related accretions, overtime and related accretions, occupational accident, hazardous work wage premium and pain and suffering.

Each claim is detailed below:

- Equal pay and related accretions – the claimants intend to receive wage differences alleging that they exercise or exercised activities identical to other employees' or former employees' activities, with the same productivity and technical perfection, but they received different wages. The amount currently assessed represented by these claims is R$7,102 (R$11,037 on December 31, 2018).

- Overtime and related accretions – the claimants intend to receive overtime pay, alleging that they performed their activities beyond standard working hours and overtime has not been paid or offset. The amount currently assessed represented by these claims is R$74,058 (R$85,900 on December 31, 2018).

- Occupational accident – employees, former employees or service providers involved in occupational accidents attribute responsibility to Light, claiming indemnifications and life annuity. The amount currently assessed represented by these claims is R$30,343 (R$30,196 on December 31, 2018).

- Difference of additional dangerousness – in the past, the Company used to pay a 30% difference of base salary up to April 2012, as per 2011/2012 Collective Bargaining Agreement. The amount currently assessed represented by these claims is R$15,104 (R$15,880 on December 31, 2018).

- Moral damage – claim based on several grounds: persecution, moral harassment, lack of security (operations in risk area) and others. The amount currently assessed represented by these claims is R$128,632 (R$80,265 on December 31, 2018).

The Superior Labor Court (TST), considering the position adopted by the Federal Supreme Court (STF) in two direct actions for the declaration of unconstitutionality regarding the index to adjust registered warrants for inflation, decided that, on August 4, 2015, labor credits must be adjusted based on the Special Extended Consumer Price Index (IPCA-E), replacing the Reference Rate (TR), for labor lawsuits claiming debts before June 30, 2009 in the outstanding proceedings. On October 16, 2015, a preliminary injunction was granted by the STF which suspends the effects from TST decision, since it understands that only STF is able to analyze the general repercussion of the constitutional issue.

Despite the revocation of the preliminary order, due to the judgment of the aforementioned lawsuit, Law 13467/2017 included a provision in the CLT (labor law) reaffirming the use of the Referential Rate (TR) for monetary restatement purposes.

The estimated amount of the difference between inflation adjustment indices for labor lawsuits is R$9,833 (R$8,600 on December 31, 2018), and no additional provision was recorded, because the Company, based on the analysis of its counsel, considered that the probability of loss is possible, considering the STF's decision, the jurisprudence on the matter and the lack of consolidated and binding court precedents.

21.4 Below, we point out lawsuits in progress, whose chances of losses are remote, with relevant amounts under dispute, which, in case of unfavorable decision, may impact the Company, its subsidiaries and Jointly controlled entities:

- PASEP/PIS (Proceeding 15374002130/2006-18) – It refers to the Offset Disallowance made by the subsidiary Light SESA of PASEP credits with PIS debts. The Company's objection was deemed groundless. A Voluntary Appeal was filed. CARF rendered decision sentencing the case should remand to the lower court to determine the credit in dispute. The voluntary appeal is pending judgment. The amount currently assessed represented by this claim is R$334,592 (R$330,400 on December 31, 2018).

- IRRF - Disallowance of tax offset - LIR/LOI (Proceeding 10768.002.435/2004-11) - There is no confirmation from Brazilian Tax Authority regarding the tax offsets related to withholding income tax credits on financial investments and withholding income tax credits on the payment of energy accounts by government bodies, offset due to outstanding balance of Corporate Income Tax in the reference year of 2002. The motion to disagree filed by Light SESA subsidiary was deemed groundless. The voluntary appeal lodged by Light SESA is pending judgment. In view of the favorable decision received in August 2012 referring to the proceeding 18471002113/2004-09, which directly impacts this case, the legal counsels changed the chances of losses to remote. The amount currently assessed represented by this claim is R$259,400 (R$256,800 on December 31, 2018).

21.5 Active Contingencies

- Exclusion of the ICMS from the PIS/COFINS calculation basis - The court decision in the Writ of Mandamus Nr. 0012490-07.2008.4.02.5101 was in favor of Light SESA's interest, recognizing its right to exclude the ICMS from the calculation base of PIS/COFINS. The National Treasury filed an appeal and, later, embargoes of the declaration, which were denied by the 4th Specialized Panel of the Federal Regional Court (TRF). Subsequently, the National Treasury filed an extraordinary appeal, which was denied based on the leading case of RE 574706, that is, it is not appropriate to appeal again to the Supreme Court. The only possible appeal in the case is the internal appeal to TRF's Special Body of the 2nd Region. On August 7, 2019, the lawsuit filed by the subsidiary Light SESA became final, in favor of the plaintiff, as described in Note 37.

22. POST-EMPLOYMENT BENEFITS

Light Group's companies sponsor Fundação de Seguridade Social Braslight (Braslight), a nonprofit closed pension entity, whose purpose is to provide retirement benefits to the Company's employees and pension benefits to their dependents.

Braslight was incorporated in April 1974 and has four plans - A, B, C and D – established in 1975, 1984, 1998 and 2010, respectively, and plan C received migration from about 96% of the active participants of plans A and B.

Current plans in effect include defined-benefit- (Plans A and B), mixed-benefit- (Plan C), and defined-contribution plans (Plan D).

On June 30, 2019 and December 31, 2018, there were no liabilities from pension plan benefits recorded in the Company's Balance Sheet:

There was no change in contractual liabilities in the first semester of 2019. The changes in contractual liabilities in the first semester of 2018 are shown below:

Non-current	Consolidated
BALANCE ON JANUARY 1, 2018	**52,434**
Allocation of profit for the period	2,065
Amortization in the period	(54,499)
BALANCE ON JUNE 30, 2018	**-**

23. LIABILITIES DUE TO LEASE AND ASSETS OF RIGHT OF USE

As detailed in Note 3.4, the Company adopted CPC 06 (R2) - leasing operations, with cumulative effect as of January 1, 2019.

For all lease agreements, the Company recognized assets representing the right of use (leased assets) and lease liabilities. Contracts with a term of less than twelve months or with a non-significant value of the leased asset were not analyzed within the scope of IFRS 16 (CPC 06 (R2)).

The rights to use assets are depreciated over the useful life of the asset or the term of the agreement, whichever is less.

Financial lease balances on June 30, 2019 totaled R$93,244 in assets and R$94,527 in liabilities, respectively, pursuant to the IFRS 16 (CPC 06 (R2)) adopted.

23.1 On June 30, 2019, the balances of the lease liabilities were as follows:

CONSOLIDATED			
LIABILITIES DUE TO LEASE	Current	Non-current	Total
Land and real estate	1,394	2,423	3,817
Machinery and equipment	991	760	1,751
Vehicles	28,636	60,323	88,959
TOTAL	**31,021**	**63,506**	**94,527**

23.2 Breakdown of liabilities due to lease and assets of right of use

CONSOLIDATED						
RIGHT-OF-USE ASSETS	Initial Adoption IFRS 16 CPC 06 (R2)	Lease additions	Inflation adjustment	Amortization	Lease write-off	Balance on June 30, 2019
Land and real estate	2,601	1,797	38	(676)	-	3,760
Machinery and equipment	2,215	-	-	(501)	-	1,714
Vehicles	71,811	97,004	-	(15,151)	(65,894)	87,770
TOTAL	**76,627**	**98,801**	**38**	**(16,328)**	**(65,894)**	**93,244**

CONSOLIDATED							
LIABILITIES DUE TO LEASE	Initial Adoption IFRS 16 CPC 06 (R2)	Lease additions	Inflation adjustment	Payment of installment	Interest expense	Lease write-off	Balance on June 30, 2019
Land and real estate	2,601	1,797	38	(755)	136	-	3,817
Machinery and equipment	2,215	-	-	(552)	88	-	1,751
Vehicles	71,811	97,004	-	(17,174)	3,661	(66,343)	88,959
TOTAL	**76,627**	**98,801**	**38**	**(18,481)**	**3,885**	**(66,343)**	**94,527**

24. OTHER PAYABLES

	Consolidated					
	June 30, 2019			December 31, 2018		
	Current	Non-current	Total	Current	Non-current	Total
Regulatory charges	**313,775**	**-**	**313,775**	**465,665**	**-**	**465,665**
Energy Research Company – EPE	1,973	-	1,973	2,310	-	2,310
National Scientific and Technological Development Fund – FNDCT	3,917	-	3,917	3,745	-	3,745
Energy Efficiency Program – PEE	175,530	-	175,530	165,443	-	165,443
Research and Development Program – R&D	83,107	-	83,107	82,127	-	82,127
Energy development account quota – CDE	48,126	-	48,126	200,460	-	200,460
Global reversal reserve quota – RGR	1,122	-	1,122	1,122	-	1,122
Centralizing Account of Tariff Levels Resources (CCRBT)	-	-	-	10,458	-	10,458
Other	**332,282**	**58,278**	**390,560**	**225,602**	**62,428**	**288,030**
Advances from clients	60,921	-	60,921	59,458	-	59,458
Compensation for use of water resources	3,193	-	3,193	2,987	-	2,987
Public lighting fee	106,241	-	106,241	122,185	-	122,185
Reserve for reversal	-	58,278	58,278	-	62,163	62,163
Refunds to consumers	57,299	-	57,299	30,412	-	30,412
Other	104,628	-	104,628	10,560	265	10,825
TOTAL	**646,057**	**58,278**	**704,335**	**691,267**	**62,428**	**753,695**

25. RELATED-PARTY TRANSACTIONS

On June 30, 2019, Light S.A. pertained to the controlling shareholder Companhia Energética de Minas Gerais – CEMIG ("CEMIG").

Interest in subsidiaries and Jointly controlled entities is outlined in the Note 2.

The following is a summary of transactions with related parties in the first semester of 2019 and 2018:

25.1 Assets and revenues

PARENT COMPANY						Assets		Revenue	
Agreements with the same group (Balance sheet group, characteristics of the agreement and relationship)	Original value	Remaining balance	Effectiveness period	Contractual conditions	Conditions for cancellation or termination	June 30, 2019	December 31, 2018	January 1, 2019 to June 30, 2019	January 1, 2018 to June 30, 2018
Other credits - Referred to a loan agreement between Light S.A and Lajes Energia - Parent Company	9,000	-	Dec 2017 to Jan 2019	CDI + 3.50 p.a	N/A	-	-	-	446

CONSOLIDATED						Assets		Revenue	
Agreements with the same group (Balance sheet group, characteristics of the agreement and relationship)	Original value	Remaining balance	Effectiveness period	Contractual conditions	Conditions for cancellation or termination	June 30, 2019	December 31, 2018	January 1, 2019 to June 30, 2019	January 1, 2018 to June 30, 2018
Client - Collection of charge for the use of distribution system between Light SESA and CEMIG - Shareholder	N/A [(a)]	83	As of Nov/2003. Indefinite maturity	Price practiced in the regulated market	N/A	83	80	495	449
Client - Collection of charge for the use of basic network between Light SESA and Lightger - under joint control	N/A [(a)]	32	As of Dec/2010. Indefinite maturity	Price practiced in the regulated market	N/A	32	28	183	170
Client - Collection of charge for the use of basic network between Light Energia and CEMIG - Shareholder	N/A [(a)]	21	As of Dec/2002	Price practiced in the regulated market	N/A	21	16	98	75
Client - Collection referring to services rendered by Light Energia to Lightger - under joint control	4,325	-	Dec/2012 to Apr/2019	Terms and conditions agreed between the parties	N/A	-	79	463	281
Client - Lightcom Energy Purchase Agreement with Renova - under joint control	N/A	-	Oct/2014 to Dec/2019	Price practiced in the regulated market	N/A	-	-	-	7,852
Client - Operating indemnification due to changes to commercial conditions between Lightcom and Renova - under joint control	71,100	-	N/A	Terms and conditions agreed between the parties	N/A	-	82,992	-	-
Other credits - Prepayments to suppliers of energy bills and operational indemnification due to changes in Lightcom's trading conditions with Renova - Under joint control	N/A	264,015	N/A	Terms and conditions agreed between the parties	N/A	264,015	90,506	52,730	-
Client - Assignment of rights and obligations between Lightcom and CEMIG, Tard's Renova Energia - Shareholder	N/A	765	Mar/2019 to Dec/2019	Terms and conditions agreed between the parties	N/A	765	-	3,131	-

[(a)] The agreements related to charges for the use of the distribution system and the basic network are billed in accordance with the network's energy demand.

25.2 Liabilities and expenses

CONSOLIDATED									
Agreements with the same group (Balance sheet group, characteristics of the agreement and relationship)	Original value	Remaining balance	Effectiveness period	Contractual conditions	Conditions for cancellation or termination	Liabilities		Expense	
						June 30, 2019	December 31, 2018	January 1, 2019 to June 30, 2019	January 1, 2018 to June 30, 2018
Supplier - power purchase commitment between Light SESA and CEMIG - Shareholder	275,238	4,299	Jan/2010 to Dec/2039	Price practiced in the regulated market	30% of the remaining balance	4,299	4,851	(24,155)	(37,739)
Supplier - Commitment with charges for the use of basic network between Light SESA and CEMIG - Shareholder	N/A [(a)]	1,261	As of Dec/2002. Indefinite maturity	Price practiced in the regulated market	N/A	1,261	1,398	(7,904)	(13,808)
Supplier - power purchase commitment between Light Energia and Lightger - - under joint control	217,213	1,604	Dec/2010 to Jun/2028	Terms and conditions agreed between the parties	N/A	1,604	1,937	(11,039)	(10,736)
Supplier - Commitment for the Sale of Energy between Lightcom and Renova - under joint control	181,227	-	Sep/2017 to Dec/2018	Price practiced in the regulated market	N/A	-	-	-	(67,417)
Other debts - Commitment with advisory services between Light SESA and Axxiom - under joint control	N/A [(2)]	1,461	As of Dec/2010. Indefinite maturity	IGP-M	N/A	1,461	8	(6,077)	(9,013)
Pension plan - Commitment between Light S.A, Light SESA, Light Energia, Light Esco and Lightcom and Fundação de Seguridade Social Braslight - the foundation's sponsor	42,726	-	Dec/2013 to Jun/2026	IPCA + 5.58% p.a.	N/A	-	-	-	(2,065)
Supplier - Lightcom's Energy Sale Agreement with Renova - under the same group	807,216	-	Jul/2015 to Aug/2036	Price practiced in the regulated market	N/A	-	-	-	(108,807)
Supplier - Assignment of rights and obligations between Lightcom and CEMIG, Tard's Renova Energia - Shareholder	N/A	7,470	Mar/2019 to Dec/2019	Terms and conditions agreed between the parties	N/A	7,470	-	30,379	-

[(a)] The agreements related to charges for the use of the distribution system and the basic network are billed in accordance with the network's energy demand.

[(b)] The service agreement is billed in accordance with the number of hours spent in the contracted service.

Related-party transactions have been executed in accordance with the agreements between the parties.

25.3 Management Compensation

The amounts below refer to the compensation of the Board of Directors, Executive Board and Fiscal Council, recognized under the accrual method, related to the first semester of 2019 and of 2018:

	Accumulated 6 months			
	Parent Company		Consolidated	
	2019	2018	2019	2018
Officers' compensation	911	1,035	5,721	5,306
Bonus	298	415	2,984	4,526
Social charges	279	236	2,114	1,360
Post-employment benefits	28	28	293	284
Social welfare benefits	28	38	491	494
Benefits due to position termination	245	-	2,453	-
TOTAL	**1,789**	**1,752**	**14,056**	**11,970**

26. SHAREHOLDERS' EQUITY

26.1 Capital stock

On June 30, 2019 and December 31, 2018, Light S.A. has two hundred and three million, nine hundred thirty-four thousand and sixty (203,934,060) non-par, book-entry, registered, common shares, recorded as capital stock in the total amount of R$2,225,822 as follows:

SHAREHOLDERS	June 30, 2019 Number of shares (units)	June 30, 2019 % Interest	December 31, 2018 Number of shares (units)	December 31, 2018 % Interest
RME Rio Minas Energia Participações S.A.	-	-	22,226,150	10.90
Companhia Energética de Minas Gerais	101,954,597	49.99	53,152,298	26.06
Luce Empreendimentos e Participações S.A.	-	-	26,576,149	13.03
BNDES Participações S.A. - BNDESPAR	19,140,808	9.39	19,140,808	9.39
Market	82,838,655	40.62	82,838,655	40.62
OVERALL TOTAL	**203,934,060**	**100.00**	**203,934,060**	**100.00**

Light S.A. is authorized to increase its capital up to the limit of 323,934,060 non-par, book-entry, registered, common shares through resolution of the Board of Directors, regardless of amendments to the bylaws.

26.1.1 Conclusion of the incorporation of RME and LEPSA by Cemig

On April 24, 2019, the incorporation processes of its wholly owned subsidiaries LEPSA and RME were concluded by Cemig. The extinction of RME and LEPSA leads to the immediate and automatic loss of the object and the extinction of the liabilities of the shareholders' agreement of Light SA, signed on December 30, 2009 and amended on November 13, 2018. Cemig approved the incorporation of RME and LEPSA at the Extraordinary Shareholders' Meeting held on March 25, 2019. Since this is the incorporation of a wholly owned subsidiary, there will be no capital increase and the Company will not issue new shares. We emphasize that such incorporation does not change the interest of Cemig already held in the Company's capital.

26.2 Earnings per share

The table below reconciles the net income for the three-month and six-month periods ended June 30, 2019 and 2018 with the amounts used to calculate the basic and diluted earnings (losses) per share.

	2nd Quarter		Accumulated 6 months	
	2019	2018	2019	2018
NUMERATOR				
Net Income (loss) for the period	10,806	(25,451)	175,029	67,300
DENOMINATOR				
Weighted average number of common shares	203,934,060	203,934,060	203,934,060	203,934,060
BASIC AND DILUTED PROFIT PER COMMON SHARE IN R$	**0.05**	**(0.12)**	**0.86**	**0.33**

In the three-month and six-month periods ended June 30, 2019 and 2018, there were no differences between basic and diluted earnings (losses) per share, considering that the Company did not have any potentially dilutive instruments.

27. NET REVENUE

	Consolidated			
	2nd Quarter		Accumulated 6 months	
	2019	2018	2019	2018
Supply/Revenue from network usage (Note 28)	4,515,029	4,457,671	9,719,404	9,113,677
(-) Fine due to non-compliance with continuity indicator standard	(16,771)	(11,346)	(29,511)	(20,850)
Leases, rents and other	20,179	19,520	40,499	39,023
Construction revenues	187,638	146,170	347,243	283,493
Revenue from services rendered	2,086	16,518	29,410	32,456
CDE subsidy	60,470	53,915	148,704	141,098
Taxed service fee	1,551	1,304	3,048	2,602
Fair value of concessions' financial assets (Note 10)	34,708	64,352	96,172	88,088
Unbilled revenue - Contributions from CCRBT account (Note 9)	14,618	208	13,128	(25,280)
Financial assets and liabilities of the sector (Note 9)	6,284	159,041	31,763	288,765
GROSS REVENUE	**4,825,792**	**4,907,353**	**10,399,860**	**9,943,072**
ICMS (State VAT)	(1,094,894)	(1,097,889)	(2,413,282)	(2,253,022)
PIS and COFINS	(437,261)	(428,068)	(901,190)	(874,663)
Other	(1,054)	(1,852)	(2,271)	(3,644)
REVENUE TAXES	**(1,533,209)**	**(1,527,809)**	**(3,316,743)**	**(3,131,329)**
Energy Development Account - CDE	(427,380)	(408,365)	(827,088)	(799,770)
Global reversal reserve - RGR	(3,366)	(2,973)	(6,732)	(5,946)
Energy Research Company – EPE	(2,713)	(2,798)	(5,983)	(5,856)
National Scientific and Technological Development Fund – FNDCT	(5,426)	(5,595)	(11,965)	(11,709)
Energy Efficiency Program – PEE	(11,497)	(11,839)	(25,056)	(24,791)
Research and Development Program – R&D	(5,426)	(5,595)	(11,965)	(11,709)
Special obligations	-	-	-	(19,086)
Other charges - PROINFA	(9,277)	(10,575)	(20,360)	(13,072)
Other charges	(7,828)	(7,232)	(15,827)	(15,467)
CONSUMER CHARGES	**(472,913)**	**(454,972)**	**(924,976)**	**(907,406)**
TOTAL DEDUCTIONS	**(2,006,122)**	**(1,982,781)**	**(4,241,719)**	**(4,038,735)**
NET REVENUE	**2,819,670**	**2,924,572**	**6,158,141**	**5,904,337**

Pursuant to IFRS 15 (CPC 47), revenue must be recognized net of variable consideration. The standard classifies any discounts, rebates, refunds, credits, price concessions, incentives, performance bonus, fines or other similar items as variable consideration.

Light SESA's revenue comprises over 4.4 million consumers, being largely diluted and not concentrated on a few consumers. The tariffs are established by ANEEL and applied to each consumer class. The revenue has a certain level of seasonality due to temperature variation in its concession area. Revenue increases in the periods recording highest temperatures.

28. SUPPLY OF ELECTRIC POWER AND REVENUE FROM NETWORK USAGE

	Consolidated					
	2nd Quarter					
	Number of billed sales [(a) (b) (c)]		GWh [(a)]		R$	
	2019	2018	2019	2018	2019	2018
Residential	4,081,501	4,043,669	2,077	2,212	1,409,780	1,429,096
Industrial	10,112	10,217	145	175	101,443	152,607
Commerce, services and other	328,719	323,334	1,382	1,404	924,984	864,588
Rural	12,370	12,250	13	16	2,366	2,996
Public sector	12,341	12,224	382	360	234,991	205,227
Public lighting	764	767	189	203	71,814	77,433
Public utility	1,717	1,681	242	302	92,250	122,928
Own consumption	455	457	29	29	-	-
Revenue from network usage	844	709	2,502	2,460	350,181	246,231
BILLED SALES	**4,448,823**	**4,405,308**	**6,961**	**7,161**	**3,187,809**	**3,101,106**
ICMS (State VAT)	-	-	-	-	1,092,340	1,091,423
Unbilled sales (net of ICMS)	-	-	-	-	(105,684)	(111,756)
TOTAL SUPPLY	**4,448,823**	**4,405,308**	**6,961**	**7,161**	**4,174,465**	**4,080,773**
Energy trading/other	-	-	1,196	1,141	303,224	325,521
ICMS (State VAT)	-	-	-	-	2,554	6,466
Short-term energy	-	-	462	226	34,786	44,911
TOTAL SUPPLY	**-**	**-**	**1,658**	**1,367**	**340,564**	**376,898**
TOTAL	**4,448,823**	**4,405,308**	**8,619**	**8,528**	**4,515,029**	**4,457,671**

[(a)] Not reviewed by independent auditors
[(b)] Number of invoiced bills in June, with and without consumption
[(c)] Light SESA

	Consolidated					
	Accumulated 6 months					
	Number of billed sales [a] [b] [c]		GWh [a]		R$	
	2019	2018	2019	2018	2019	2018
Residential	4,081,501	4,043,669	4,664	4,713	3,017,981	2,885,499
Industrial	10,112	10,217	303	357	202,549	92,961
Commerce, services and other	328,719	323,334	2,940	2,939	1,897,229	1,656,229
Rural	12,370	12,250	29	33	4,426	6,016
Public sector	12,341	12,224	793	719	465,626	399,911
Public lighting	764	767	376	383	136,367	135,730
Public utility	1,717	1,681	542	596	220,406	231,120
Own consumption	455	457	59	58	-	-
Revenue from network usage	844	709	4,898	4,820	624,335	494,806
BILLED SALES	**4,448,823**	**4,405,308**	**14,604**	**14,618**	**6,568,919**	**6,127,483**
ICMS (State VAT)	-	-	-	-	2,408,386	2,239,617
Unbilled sales (net of ICMS)	-	-	-	-	(26,682)	(34,042)
TOTAL SUPPLY	**4,448,823**	**4,405,308**	**14,604**	**14,618**	**8,950,623**	**8,333,058**
Energy trading/other	-	-	2,328	2,342	670,096	661,631
ICMS (State VAT)	-	-	-	-	4,896	13,045
Short-term energy	-	-	1,501	782	93,789	105,943
TOTAL SUPPLY	**-**	**-**	**3,829**	**3,124**	**768,781**	**780,619**
TOTAL	**4,448,823**	**4,405,308**	**18,433**	**17,742**	**9,719,404**	**9,113,677**

[a] Not reviewed by independent auditors
[b] Number of invoiced bills in June, with and without consumption
[c] Light SESA

29. OPERATING COSTS AND EXPENSES

	Consolidated							
	2nd Quarter				Accumulated 6 months			
	Electric power costs		Operation costs		Electric power costs		Operation costs	
COSTS	2019	2018	2019	2018	2019	2018	2019	2018
Personnel and management	-	-	(83,245)	(60,642)	-	-	(159,929)	(120,263)
Material	-	-	(4,752)	(21,180)	-	-	(10,637)	(32,127)
Outsourced services	-	-	(82,132)	(86,712)	-	-	(164,838)	(168,599)
Electric power purchased for resale (Note 30)	(1,851,134)	(1,894,688)	-	-	(4,081,276)	(3,838,790)	-	-
Depreciation and amortization	-	-	(140,576)	(130,846)	-	-	(279,876)	(261,093)
Cost of construction	-	-	(187,638)	(146,170)	-	-	(347,243)	(283,493)
Fines from clients and suppliers	-	-	32,668	27,674	-	-	74,233	54,721
Other costs and expenses	-	-	2,185	5,548	-	-	1,132	1,163
TOTAL	**(1,851,134)**	**(1,894,688)**	**(463,490)**	**(412,328)**	**(4,081,276)**	**(3,838,790)**	**(887,158)**	**(809,691)**

	Consolidated			
	General and administrative expenses			
	2nd Quarter		Accumulated 6 months	
EXPENSES	2019	2018	2019	2018
Personnel and management	(34,375)	(39,414)	(63,406)	(75,507)
Material	(1,432)	(422)	(1,688)	(593)
Outsourced services	(50,880)	(45,694)	(101,144)	(89,166)
Depreciation and amortization	(5,965)	(3,057)	(12,850)	(6,534)
Allowance for expected doubtful accounts	(70,530)	(124,983)	(143,512)	(277,025)
Provision for tax, civil, labor and regulatory contingencies and judicial deposits.	(88,459)	(64,264)	(164,100)	(107,737)
Other costs and expenses	(15,377)	(27,574)	(36,264)	(48,591)
TOTAL	**(267,018)**	**(305,408)**	**(522,964)**	**(605,153)**

30. ELECTRIC POWER PURCHASED FOR RESALE

	Consolidated							
	2nd Quarter				Accumulated 6 months			
	GWh [a]		R$		GWh [a]		R$	
	2019	2018	2019	2018	2019	2018	2019	2018
Electric power purchased for resale								
Spot market energy- CCEE	(385)	616	(223,876)	(287,701)	652	1,317	(820,063)	(587,034)
Itaipu binacional	1,149	1,158	(294,040)	(279,422)	2,283	2,307	(565,384)	(512,755)
UTE Norte Fluminense	1,583	1,583	(601,880)	(361,395)	3,150	3,150	(1,213,126)	(719,109)
Electric power auction	3,059	2,506	(627,549)	(648,946)	5,806	5,156	(1,289,594)	(1,360,453)
Assured energy quotas	1,556	1,614	(151,130)	(128,360)	3,326	3,468	(311,034)	(279,077)
Nuclear energy quota	216	216	(54,808)	(53,984)	429	430	(109,617)	(107,594)
Charges for the use of transmission and distribution system								
Charges for the use of basic network and National Electric System Operator (ONS)	-	-	(196,048)	(240,734)	-	-	(391,540)	(485,718)
Transmission - Connection charges	-	-	(19,709)	(15,548)	-	-	(33,408)	(20,352)
Charges for the use of Distribution Network - CUSD	-	-	(597)	(657)	-	-	(1,318)	(1,544)
Energy Transportation - Itaipu	-	-	(29,187)	(27,356)	-	-	(56,945)	(53,344)
PROINFA	105	119	(45,471)	(37,752)	212	234	(89,134)	(83,582)
PIS/COFINS credits on purchase	-	-	206,056	187,167	-	-	411,041	371,772
ICMS on purchase[b]	-	-	187,105	-	-	-	388,846	-
TOTAL	**7,283**	**7,812**	**(1,851,134)**	**(1,894,688)**	**15,858**	**16,062**	**(4,081,276)**	**(3,838,790)**

[a] Not reviewed by independent auditors

[b] Credit arising from Decree no. 46207, in which the state of Rio de Janeiro revoked the deferral of ICMS on purchase of machinery, equipment, materials and natural gas.

31. FINANCIAL RESULT

	Consolidated			
	2nd Quarter		Accumulated 6 months	
	2019	2018	2019	2018
REVENUE				
Interest on late payment of energy sales	21,255	36,416	43,372	46,012
Income from cash equivalents and marketable securities	13,458	15,964	32,222	18,448
Swap operations	66,450	223,421	78,775	194,886
Restatement of judicial deposits	1,885	3,646	4,216	5,262
Adjustments to financial assets and liabilities of the sector (Note 9)	94	11,874	(9,947)	47,427
Other financial revenue	16,902	4,643	24,186	8,558
TOTAL FINANCIAL REVENUE	**120,044**	**295,964**	**172,824**	**320,593**
EXPENSE				
Inflation adjustment of provisions for tax, civil, labor and regulatory contingencies	(2,078)	(1,875)	(6,313)	(5,757)
Expenses with tax liabilities	(2,688)	(7,000)	(5,987)	(11,532)
Charges of loans, financing, debentures and Braslight	(169,478)	(141,440)	(348,625)	(285,730)
Exchange variation and inflation adjustment	26,714	(370,223)	(16,838)	(393,722)
Exchange variation on power bills	7,940	(28,547)	7,526	(25,505)
Inflation adjustment on GSF	(25,174)	(14,629)	(23,277)	(23,980)
PIS and COFINS on financial revenue	(2,534)	(2,821)	(3,959)	(3,709)
Other financial expenses	(23,778)	(27,789)	(37,103)	(21,589)
TOTAL FINANCIAL EXPENSES	**(191,076)**	**(594,324)**	**(434,576)**	**(771,524)**
FINANCIAL RESULT	**(71,032)**	**(298,360)**	**(261,752)**	**(450,931)**

32. RECONCILIATION OF TAXES IN PROFIT OR LOSS

Reconciliation of effective and nominal rates in the provision for income tax and social contribution:

	2nd Quarter				Accumulated 6 months			
	Parent Company		Consolidated		Parent Company		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018
Earnings before income tax and social contribution	10,806	(25,451)	68,889	(24,891)	175,029	67,300	311,713	130,853
Nominal income tax and social contribution rate	34%	34%	34%	34%	34%	34%	34%	34%
INCOME TAX AND SOCIAL CONTRIBUTION AT THE RATES ESTABLISHED BY THE CURRENT LEGISLATION	**(3,674)**	**8,653**	**(23,422)**	**8,463**	**(59,510)**	**(22,882)**	**(105,982)**	**(44,490)**
Equity income	4,684	(6,003)	(30,884)	(7,470)	61,508	26,444	(27,671)	(13,151)
Unrecognized deferred tax credits CVM No. 371/02 - Light S.A	(959)	(1,155)	(959)	(1,155)	(1,364)	(1,967)	(1,364)	(1,967)
Tax incentives [a)]	-	-	75	670	-	-	148	736
Other effects from income tax and social contribution on permanent additions and exclusions	(51)	(1,495)	(2,893)	(1,068)	(634)	(1,595)	(1,815)	(4,681)
INCOME TAX AND SOCIAL CONTRIBUTION IN THE RESULT	**-**	**-**	**(58,083)**	**(560)**	**-**	**-**	**(136,684)**	**(63,553)**
Current income tax and social contribution	-	-	(48,047)	5,288	-	-	(136,965)	(51,106)
Deferred income tax and social contribution	-	-	(10,036)	(5,848)	-	-	281	(12,447)

[(a)] Refers to the Federal Law for the Promotion of Culture (Law 8,313/91), which allows the use of up to 4% of due income tax for cultural activities.

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33.1 Fair value and classification of financial instruments

There are three types of classification levels for the fair value of financial instruments. This hierarchy prioritizes unadjusted prices quoted in an active market for financial assets or liabilities. The classification of hierarchical levels can be presented as follows:

- Level 1 - Data originating from an active market (unadjusted quoted price) that can be accessed on a daily basis, including on the date of fair value measurement.

- Level 2 - Different data originating from the active market (unadjusted quoted price) included in Level 1, extracted from a pricing model based on data observable in the market.

- Level 3 - Inputs extracted from a pricing model based on unobservable market data.

The chart below presents the carrying amounts and fair values of the Company's main assets and liabilities, together with their measurement levels, on June 30, 2019 and December 31, 2018:

		Parent Company			
		June 30, 2019		December 31, 2018	
	Levels	Book value	Fair value	Book value	Fair value
FINANCIAL ASSETS (CURRENT/NON-CURRENT)					
MEASURED AT AMORTIZED COST					
Cash equivalents (Note 4)	2	26,140	26,140	1,171	1,171
Marketable securities	2	30,158	30,158	2	2
Services rendered receivable	2	178	178	259	259
Other receivables	2	3,020	3,020	18,676	18,676
TOTAL		**59,496**	**59,946**	**20,108**	**20,108**
FINANCIAL LIABILITIES (CURRENT/NON-CURRENT)					
MEASURED AT AMORTIZED COST					
Suppliers	2	599	599	3,840	3,840
Other payables	2	618	618	475	475
TOTAL		**1,217**	**1,217**	**4,315**	**4,315**

		Consolidated			
		June 30, 2019		December 31, 2018	
	Levels	Book value	Fair value	Book value	Fair value
FINANCIAL ASSETS (CURRENT/NON-CURRENT)					
MEASURED AT AMORTIZED COST					
Cash equivalents (Note 4)	2	327,774	327,774	598,853	598,853
Marketable securities- CDB (Note 5)	2	251,325	251,325	261,804	261,804
Consumers, concessionaires, permissionaires and clients (Note 6)	2	3,787,331	3,787,331	3,868,554	3,868,554
Services rendered receivable	2	88,503	88,503	90,439	90,439
Financial assets of the sector (Note 9)	3	731,852	731,852	712,655	712,655
Other receivables (Note 11)	2	502,598	502,598	338,254	338,254
Contract asset (note 12)		535,615	535,615	330,240	330,240
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS					
Marketable securities - investment funds (Note 5)	2	561,571	561,571	714,994	714,994
Concessions' financial assets (Note 10)	3	4,448,616	4,448,616	4,271,861	4,271,861
Derivative financial instruments - swaps	2	462,434	462,434	439,359	439,359
TOTAL		**11,697,619**	**11,697,619**	**11,627,013**	**11,627,013**
FINANCIAL LIABILITIES (CURRENT/NON-CURRENT)					
MEASURED AT AMORTIZED COST					
Trade accounts payable (Note 16)	2	2,341,211	2,341,211	2,119,660	2,119,660
Loans and financing (Note 18)	2	5,259,648	5,071,832	5,622,970	5,628,568
Debentures (Note 19)	2	4,249,211	4,325,006	4,405,491	4,476,263
Financial liabilities of the sector (Note 9)	3	-	-	2,619	2,619
Other payables (Note 24)	2	704,335	704,335	753,695	753,695
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS					
Derivative financial instruments - swaps	2	93,673	93,673	111,664	111,664
TOTAL		**12,648,078**	**12,536,057**	**13,016,099**	**13,092,469**

Valuation techniques and methods

It is worth mentioning that estimated fair value of financial assets and liabilities was determined by means of information available on the market and appropriate valuation methodologies. Nevertheless, meaningful judgment was required from Management when interpreting market data to produce the most appropriate fair value estimate.

As most of the trade accounts receivable and payable mature in the short term, the Company believes their fair value is already reflected in their book value. The same applies to marketable securities classified as held-to-maturity. In this case, the Company believes their fair value is similar to their book value as these securities bear interest rates that are pegged to the DI (Interbank Deposit) curve, thus reflecting changes in market conditions.

Regarding the concession's financial assets, classified as fair value through profit or loss, the inclusion in level 3 was due to the fact that the relevant factors for the valuation at fair value were not publicly observable. The changes between the semesters and the respective gains and losses in the income statement for the period are described in Note 10.

Policy concerning derivative instruments

The Company has a policy of using derivative instruments, which has been approved by its Board of Directors. According to this policy, the debt service (principal plus interest and charges) denominated in foreign currency maturing within 24 months is to be hedged, except no speculative transaction is allowed, whether using derivatives or any other risky assets.

In line with the policy standards, the Company does not have any options, swaps, callable swaps, flexible options, derivatives embedded in other products, derivative-structured transactions and so-called "exotic derivatives". Furthermore, the statement below denotes that the Company use cashless exchange rate swaps (US$ vs. CDI), of which the Notional Contract Value is equal to the amount of the debt service denominated in foreign currency maturing in 24 months.

33.2 Risk management and goals achieved

Management of derivative instruments is achieved through operating strategies with a view to liquidity, profitability and safety. Our control policy consists of ongoing enforcement of policy standards concerning the use of derivative instruments, as well as continued monitoring of agreed upon rates versus market rates.

33.3 Market Risk

During the normal course of its businesses, the Company and its subsidiaries are exposed to the market risks related to currency variations and interest rates, as evidenced in the chart below:
There follows a breakdown of debt by currency and index (it does not include financial charges):

	Consolidated			
	June 30, 2019		December 31, 2018	
	R$	%	R$	%
USD	3,019,413	32.1	3,135,865	31.6
TOTAL - FOREIGN CURRENCY	**3,019,413**	**32.1**	**3,135,865**	**31.6**
CDI	3,386,307	36.0	3,923,614	39.5
IPCA	2,562,654	27.2	2,307,342	23.3
TJLP	292,148	3.1	373,742	3.8
Other	150,282	1.6	176,328	1.8
TOTAL - DOMESTIC CURRENCY	**6,391,391**	**67.9**	**6,781,026**	**68.4**
TOTAL	**9,410,804**	**100.0**	**9,916,891**	**100.0**

Derivative financial instruments in the form of swaps were contracted for the portion of debt denominated in foreign currency, in accordance with the policy for utilization of derivative instruments approved by the Board of Directors. Thus, including the swaps, the Company's foreign exchange exposure related to debt represents 0.30% of total debt denominated in foreign currency on June 30, 2019 (0.39% on December 31, 2018).

Below, we provide a few considerations and analyses on risk factors impacting on business of Light Group's companies:

33.4 Currency risk

For a portion of loans and borrowings denominated in foreign currency, the Company uses derivative financial instruments (swap operations) to hedge against service associated with these debts (principal plus interest and commissions) to expire within 24 months. Funds raised as per BACEN Resolution 4131 from Citibank and the issue of Bonds abroad were already contracted with swap for the entire duration of the debt, previously approved by the Board of Directors.

Listed below is the chart with the breakdown of derivative transactions on June 30, 2019 and December 31, 2018:

Institution	Subsidiary	Currency	Light's Receivable	Light's Payable	Starting Date	Maturity date	Notional Value (R$) June 30, 2019	Notional Value (US$) June 30, 2019	Swap (accrual) (R$) June 30, 2019	Fair value swap (accounting) (R$) June 30, 2019	Fair Value x Accrual June 30, 2019
Citibank	Light SESA	US$	US$ + Libor3M + 1.62%	CDI + 3.50%	February 1, 2019	August 2, 2022	766,440	200,000	(28,046)	(15,568)	12,478
BMG	Light SESA	US$	US$	64.05% CDI	December 26, 2017	October 15, 2019	21,950	5,728	(682)	(675)	7
Citi (Bond)	Light SESA	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	383,220	100,000	(34,848)	(69,174)	(34,326)
Bradesco (Bond)	Light SESA	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	383,220	100,000	(34,694)	(69,174)	(34,480)
Bradesco (Bond)	Light SESA	US$	US$ + 7.25% p.a.	142.48% CDI	May 3, 2018	May 3, 2023	766,440	200,000	(69,429)	(139,377)	(69,948)
Santander (Bond)	Light SESA	US$	US$ + 1.27940% p.a.	18.62% CDI	May 3, 2018	May 3, 2023	98,058	25,588	(668)	(15,614)	(14,946)
Citibank	Light Energia	US$	US$ + Libor3M + 1.75%	CDI + 3.50%	February 1, 2018	August 1, 2019	25,545	6,666	(2,169)	(2,162)	7
Citibank	Light Energia	US$	US$ + Libor3M + 1.75%	CDI + 3.50%	February 1, 2018	August 1, 2019	25,545	6,666	(2,169)	(2,162)	7
Citibank	Light Energia	US$	US$ + Libor3M + 1.75%	CDI + 3.50%	February 1, 2018	August 1, 2019	25,545	6,666	(2,169)	(2,227)	(58)
Itaú (Bond)	Light Energia	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	574,830	150,000	(52,041)	(103,762)	(51,721)
BBM (Bond)	Light Energia	US$	US$ + 7.25% p.a.	142.75% CDI	May 3, 2018	May 3, 2023	191,610	50,000	(17,353)	(34,732)	(17,379)
Santander (Bond)	Light Energia	US$	US$ + 1.27940% p.a.	18.62% CDI	May 3, 2018	May 3, 2023	49,029	12,794	(334)	(7,807)	(7,473)
						TOTAL	**3,311,432**	**864,108**	**(244,602)**	**(462,434)**	**(217,832)**

Institution	Subsidiary	Currency	Light's Receivable	Light's Payable	Starting Date	Maturity date	Notional Value (R$) December 31, 2018	Notional Value (US$) December 31, 2018	Swap (accrual) (R$) December 31, 2018	Fair value swap (accounting) (R$) December 31, 2018	Fair Value x Accrual December 31, 2018
Citibank	Light SESA	US$	US$ + Libor3M + 1.62%	CDI + 3.50%	February 1, 2018	August 2, 2021	129,159	33,333	(21,403)	(19,915)	1,488
Citibank	Light SESA	US$	US$ + Libor3M + 1.62%	CDI + 3.50%	February 1, 2018	August 2, 2021	129,159	33,333	(21,403)	(19,915)	1,488
Citibank	Light SESA	US$	US$ + Libor3M + 1.62%	CDI + 3.50%	February 1, 2018	August 2, 2021	129,159	33,333	(21,403)	(19,915)	1,488
Citibank	Light SESA	US$	US$ + Libor3M + 1.62%	CDI + 3.50%	February 1, 2018	August 2, 2021	387,480	100,000	(67,680)	(60,951)	6,729
BMG	Light SESA	US$	US$	64.05% CDI	December 26, 2017	October 15, 2019	22,194	5,728	(1,483)	(1,335)	148
Citi (Bond)	Light SESA	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	387,480	100,000	(38,971)	(49,648)	(10,677)
Bradesco (Bond)	Light SESA	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	387,480	100,000	(39,127)	(49,648)	(10,521)
Bradesco (Bond)	Light SESA	US$	US$ + 7.25% p.a.	142.48% CDI	May 3, 2018	May 3, 2023	774,960	200,000	(78,295)	(100,689)	(22,394)
Santander (Bond)	Light SESA	US$	US$ + 1.27940% p.a.	18.62% CDI	May 3, 2018	May 3, 2023	99,148	25,588	(767)	(2,833)	(2,066)
Citibank	Light Energia	US$	US$ + Libor3M + 1.75%	CDI + 3.50%	February 1, 2018	August 1, 2019	25,829	6,666	(4,633)	(4,488)	145
Citibank	Light Energia	US$	US$ + Libor3M + 1.75%	CDI + 3.50%	February 1, 2018	August 1, 2019	25,829	6,666	(4,633)	(4,488)	145
Citibank	Light Energia	US$	US$ + Libor3M + 1.75%	CDI + 3.50%	February 1, 2018	August 1, 2019	25,829	6,666	(4,633)	(4,624)	9
Itaú (Bond)	Light Energia	US$	US$ + 7.25% p.a.	143.10% CDI	May 3, 2018	May 3, 2023	581,220	150,000	(58,456)	(74,472)	(16,016)
BBM (Bond)	Light Energia	US$	US$ + 7.25% p.a.	142.75% CDI	May 3, 2018	May 3, 2023	193,740	50,000	(19,569)	(25,022)	(5,453)
Santander (Bond)	Light Energia	US$	US$ + 1.27940% p.a.	18.62% CDI	May 3, 2018	May 3, 2023	49,574	12,794	(384)	(1,416)	(1,032)
						TOTAL	**3,348,240**	**864,107**	**(382,840)**	**(439,359)**	**(56,519)**

The amount recorded was measured by its fair value on June 30, 2019 and December 31, 2018. All operations with derivative financial instruments are registered in clearing houses for the custody and financial settlement of securities and there is no margin deposited in guarantee. Operations have no initial cost.

The difference between the curve (accrual) and market values was the result of the unique calculation methodology, because while the curve swap balance corresponds to the principal plus interest and restated by the exchange rate until June 30, 2019, the market swap balance is calculated considering the future curve of the indexes discounted by the exchange coupon.

Pursuant to the Brazilian accounting practices and IFRS, the number of derivative instruments is recorded at fair value, which approximates market value.

Below, the sensitivity analysis for foreign exchange rates fluctuations, showing eventual impacts on the Company's financial result. These sensitivity analyses were prepared assuming that the equity balances were outstanding during the period.

The methodology used in the "Probable Scenario" considered the best estimate for the foreign exchange rate on June 30, 2020. It is worth highlighting that, as this refers to a sensitivity analysis of the impact on the financial result of the next 12 months, debt balances on June 30, 2019 were considered. It is worth mentioning that the balance of temporary cash investments will fluctuate according to the need or available funds of the Company, as well as the behavior of debt and derivatives balances will observe their respective contracts.

Exchange Rate Sensitivity Analysis, with the presentation of effects on the income statement before taxes, based on rates and projections of the following sources: B3 (former BM&FBOVESPA, on June 30, 2019) and BNDES (on June 30, 2019).

				R$		
OPERATION	**Subsidiary**	**Risk**	**Debt - US$ Thousand**	**Scenario (I) - Probable**	**Scenario (II) - 25%**	**Scenario (III)+ 50%**
FINANCIAL LIABILITIES				**(103,754)**	**(901,191)**	**(1,698,625)**
TN - Par Bond	Light SESA	US$	39,422	(5,079)	(44,118)	(83,156)
TN - Surety - Par Bond	Light SESA	US$	(35,066)	4,518	39,242	73,967
TN - Discount Bond	Light SESA	US$	27,369	(3,526)	(30,629)	(57,731)
TN - Surety - Discount Bond	Light SESA	US$	(24,464)	3,152	27,378	51,604
4131 Citibank 2019	Light SESA	US$	181,099	(23,333)	(202,669)	(382,004)
Bonds	Light SESA	US$	404,592	(52,129)	(452,780)	(853,431)
4131 Citibank 2018	Light Energia	US$	10,071	(1,298)	(11,270)	(21,243)
Bonds	Light Energia	US$	202,256	(26,059)	(226,345)	(426,631)
DERIVATIVES				**102,819**	**893,064**	**1,683,309**
Currency swaps (long position)	Light SESA	US$	(585,778)	75,462	655,449	1,235,435
Currency swaps (long position)	Light Energia	US$	(212,367)	27,357	237,615	447,874
TOTAL LOSS				**(935)**	**(8,127)**	**(15,316)**
Reference for Financial Assets and Liabilities					+25%	+50%
R$/US$ exchange rate (on June 30, 2020)				3.96	4.95	5.94

In the chart above, it is possible to identify hedge against all foreign currency debt, with the only exception of National Treasury contracts, i.e. Par Bonds, Discount Bonds and Sureties. It is worth noting that although the National Treasury principal balance is not hedged against the exchange variation, these contracts' interest payments are hedged against exchange variation for 24 months.

33.5 Interest rate risk

This risk derives from impact of interest rates fluctuation not only over financial expense associated with loans, borrowings and debentures of the Company, but also over financial revenues deriving from temporary cash investments. The policy for utilization of derivatives approved by the Board of Directors does not comprise the contracting of instruments against such risk. Nevertheless, the Company continuously monitors interest rates so that to evaluate eventual need of contracting derivatives to hedge against interest rates volatility risk. In these cases, prior approval of the Board of Directors is requested.

The chart below shows the position of the interest rate swap transactions on June 30, 2019 and December 31, 2018:

						R$			
Institution	Subsidiary	Light's Receivable	Light's Payable	Starting Date	Maturity date	Notional Value June 30, 2019	Swap (accrual) June 30, 2019	Fair value swap (accounting) June 30, 2019	Fair Value x Accrual June 30, 2019
BMG	Light SESA	CDI + 1.15%	IPCA + 7.82%	May 20, 2016	May 17, 2021	400,000	50,105	74,938	24,833
PLURAL	Light SESA	CDI + 1.15%	IPCA + 7.82%	May 20, 2016	May 17, 2021	100,000	12,526	18,735	6,209
					TOTAL	**500,000**	**62,631**	**93,673**	**31,042**

						R$			
Institution	Subsidiary	Light's Receivable	Light's Payable	Starting Date	Maturity date	Notional Value December 31, 2018	Swap (accrual) December 31, 2018	Fair value swap (accounting) December 31, 2018	Fair Value x Accrual December 31, 2018
BMG	Light SESA	CDI + 1.15%	IPCA + 7.82%	May 20, 2016	May 17, 2021	600,000	54,293	89,331	35,038
PLURAL	Light SESA	CDI + 1.15%	IPCA + 7.82%	May 20, 2016	May 17, 2021	150,000	14,842	22,333	7,491
					TOTAL	**750,000**	**69,135**	**111,664**	**42,529**

The swap transactions with BMG and Plural bank are associated with the 9th debenture issuance of the subsidiary Light SESA with Banco do Brasil. The purpose of the transaction was: (i) to hedge with revenue because part of the tariff adjustments is restated by the IPCA; (ii) to reinforce working capital because, during the grace period of the debentures, the Company will receive funds to amortize the interest pegged to the CDI; and (iii) reduction in the percentage of debt pegged to the CDI.

Below, the sensitivity analysis for interest rates fluctuations, showing possible impacts on the result before taxes. These sensitivity analyses were prepared assuming that the equity balances were outstanding during the period.

The methodology used in the "Probable Scenario" considered the best estimate for the interest rate on June 30, 2020. It is worth highlighting that, as this refers to a sensitivity analysis of the impact on the financial result of the next twelve months, considers debt and investment balances on June 30, 2019 were considered. It is worth mentioning that the behavior of debt and derivatives balances will observe their respective contracts, and the balance of temporary cash investments will fluctuate according to the need or available funds of the Company.

Below is the interest rate sensitivity analysis, showing the effects on income statement before taxes, based on rates and projections of the following sources: B3 (former BM&FBOVESPA, on June 30, 2019) and BNDES (on June 30, 2019).

OPERATION	Subsidiary	Risk	R$ Scenario (I) - Probable	R$ Scenario (II) - 25%	R$ Scenario (III)+ 50%
FINANCIAL ASSETS			**711**	**(11,120)**	**(22,951)**
Cash equivalents and marketable securities [a]		CDI	711	(11,120)	(22,951)
FINANCIAL LIABILITIES			**41,378**	**(40,578)**	**(122,528)**
TN - Discount Bond	Light SESA	Libor6M	130	(414)	(958)
4131 Citibank 2019	Light SESA	Libor3M	1,283	(2,422)	(6,126)
CCB Bradesco 2016	Light SESA	CDI	164	(293)	(749)
CCB - IBM 2017	Light SESA	CDI	103	(185)	(473)
CCB - IBM 2019	Light SESA	CDI	9	(17)	(43)
Leasing IBM	Light SESA	CDI	5	(8)	(21)
Debentures 8th Issuance	Light SESA	CDI	1,450	(2,593)	(6,636)
Debentures 9th Issuance Series A	Light SESA	CDI	2,665	(4,767)	(12,199)
Debentures 10th Issuance	Light SESA	CDI	1,510	(2,701)	(6,912)
Debentures 14th Issuance	Light SESA	CDI	1,951	(3,489)	(8,930)
Debentures 15th Issuance - 2nd Series	Light SESA	CDI	865	(1,547)	(3,958)
FIDC 2018 Series A	Light SESA	CDI	5,275	(9,434)	(24,142)
Debentures 16th Issuance Series 1	Light SESA	CDI	695	(1,243)	(3,182)
Debentures 16th Issuance Series 2	Light SESA	CDI	2,227	(3,983)	(10,192)
Debentures 16th Issuance Series 3	Light SESA	CDI	329	(589)	(1,508)
Debentures 9th Issuance Series B	Light SESA	IPCA	6,736	853	(5,029)
Debentures 12th Issuance - 3rd Series	Light SESA	IPCA	490	62	(366)
Debentures 13th Issuance	Light SESA	IPCA	4,161	527	(3,107)
FIDC 2018 Series B	Light SESA	IPCA	3,332	422	(2,488)
Debentures 15th Issuance - 1st Series	Light SESA	IPCA	4,495	569	(3,357)
BNDES - Capex 2013/14 Sub A	Light SESA	TJLP	181	(687)	(1,555)
BNDES - Capex 2013/14 Sub D	Light SESA	TJLP	4	(14)	(32)
BNDES - CAPEX 2015/16 SUB A	Light SESA	TJLP	392	(1,489)	(3,370)
BNDES - CAPEX 2015/16 SUB C	Light SESA	TJLP	166	(629)	(1,424)
BNDES - 2013/16 Olympics Sub A	Light SESA	TJLP	615	(2,335)	(5,285)
BNDES - 2013/16 Olympics Sub B	Light SESA	TJLP	19	(74)	(166)
BNDES - 2013/16 Olympics Sub D	Light SESA	TJLP	15	(57)	(128)
BNDES - 2013/16 Olympics Sub E	Light SESA	TJLP	19	(71)	(162)
BNDES - 2013/16 Olympics Sub H	Light SESA	TJLP	22	(85)	(193)
BNDES - Capex 2013/14 Sub B	Light SESA	SELIC	201	(359)	(918)
BNDES - Capex 2013/14 Sub E	Light SESA	SELIC	4	(7)	(19)
BNDES - CAPEX 2015/16 SUB B	Light SESA	SELIC	795	(1,423)	(3,641)
BNDES - 2013/16 Olympics Sub C	Light SESA	SELIC	33	(60)	(152)
BNDES - 2013/16 Olympics Sub F	Light SESA	SELIC	33	(58)	(149)
BNDES - Lajes Project - SUB A	Light Energia	TJLP	38	(146)	(331)
BNDES - Lajes Project - SUB B	Light Energia	TJLP	41	(154)	(349)
Debentures 2nd Issuance	Light Energia	CDI	574	(1,026)	(2,625)
Debentures 3rd Issuance	Light Energia	CDI	93	(166)	(424)
Debentures 6th Issuance	Light Energia	CDI	181	(324)	(829)
4131 Citibank 2018	Light Energia	Libor 3M	70	(136)	(342)
BNDES Conecta	Light Conecta	TJLP	7	(26)	(58)
DERIVATIVES			**20,076**	**(26,984)**	**(74,046)**
Currency swaps (short position) [a]		CDI	19,508	(34,890)	(89,288)
Interest rate swaps (long position) [a]		Libor3M	(1,353)	2,558	6,468
Interest rate swaps (long position) [a]		CDI	(2,665)	4,767	12,199
Interest rate swaps (short position) [a]		IPCA	4,586	581	(3,425)
TOTAL GAIN (LOSS)			**62,165**	**(78,682)**	**(219,525)**
Reference for FINANCIAL ASSETS				-25%	-50%
CDI (% on June 30, 2020)			5.80%	4.35%	2.90%
Reference for FINANCIAL LIABILITIES				+25%	+50%
CDI (% on June 30, 2020)			5.80%	7.25%	8.70%
TJLP (% on June 30, 2020)			5.95%	7.44%	8.93%
IPCA (% on June 30, 2020)			2.62%	3.28%	3.93%
Selic (% on June 30, 2020)			5.80%	7.25%	8.70%
Libor3M (% on June 30, 2020)			2.10%	2.63%	3.15%
Libor6M (% on June 30, 2020)			2.06%	2.58%	3.09%

[a] Includes Light Group's subsidiaries.

33.6 Credit risk

It refers to the Company eventually suffering losses deriving from default of counterparties or depository financial institutions of funds or temporary cash investments. To mitigate these risks, the Company uses all collection tools allowed by the regulatory body, such as disconnection for delinquency, debit losses and permanent monitoring and negotiation of outstanding positions. Credit risk of receivables is diluted due to the Company's client base.

Concerning financial institutions, the Company only carries out low-risk operations, classified by rating agencies. The Company has a policy of not concentrating its portfolio in certain financial institution. Therefore, the policy's principle is to control the portfolio concentration through limits imposed to the Groups and monitor financial institutions through their shareholders' equity and ratings.

Through its policy, the Company will be able to invest in fixed income products and Interbank Deposit Rate (CDI)-indexed post-fixed income and post-fixed government bonds.

33.7 Liquidity risk

Liquidity risk relates to the Company's ability to settle its liabilities. In order to determine the ability to meet satisfactorily its financial liabilities, the streams of maturities for funds raised and other liabilities are reported with the Company's statements. Further information on the funds raised can be found in detail in Notes 18 and 19.

The Company has raised funds through its operations, from financial market transactions and from affiliate companies, primarily allocated to its investment plan and the management of its cash for working capital and financial commitments.

The Company manages the liquidity risk by continuously monitoring expected and real cash flows and combining the maturity profiles of its financial liabilities and its financial indicator limits and covenants.

The ratings assigned to the Company by the credit rating agencies are as follows:

Ratings	National	International	Date of publication
Fitch	A+	BB-	July 16, 2019
S&P	AA+	-	July 15, 2019
Moody's	A3.br	Ba3	September 4, 2018

The energy sold by the Company is mostly produced by hydroelectric power plants. A rainfall shortage lengthy period may result in reduced water volume in power plants reservoirs and result in losses due to higher energy acquisition costs or decreased revenues with the implementation of comprehensive electric power conservation programs. The lengthening of energy generation through the thermal power plants may pressure higher costs for energy distribution companies, causing higher cash needs in the short term, which are recoverable within current regulatory framework, and may result in future tariff increases. The tariff flag enables the Company to partially reduce an increased exposure to energy purchase cost variations, thus reducing the liquidity risk.

In the regular process of energy purchase and agreements for the use of transmission system, subsidiary Light SESA's future receivables were offered as warranty, especially in energy auctions, in the regulated trading environment (ACR), totaling R$355,327 on June 30, 2019 (R$395,425 on December 31, 2018).

The realization flow concerning future liabilities as per the relevant terms and conditions, which include future interest up to the contractual maturity dates, is summarized in the statement below:

Consolidated					
Interest rate instruments:	Up to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Floating					
Loans, financing and debentures	(422,033)	(1,921,742)	(8,765,916)	(272,436)	(11,382,127)
Fixed rate					
Loans, financing and debentures	(15,059)	(46,780)	(195,186)	-	(257,025)
Suppliers	(2,341,211)	-	-	-	(2,341,211)
Swap	4,869	14,608	(388,238)	-	(368,761)
TOTAL	**(2,773,434)**	**(1,953,914)**	**(9,349,340)**	**(272,436)**	**(14,349,124)**

33.8 Energy contracting risk

The portfolio of energy contracts comprises Itaipu contracts, PROINFA, assured energy quotas (CCGF), Angra 1 and 2 quotas and energy trading contracts in the regulated environment (CCEARs).

Pursuant to MME Decree No. 5,163/2004, energy must be contracted by distribution agents through auction bids and the duration of these contracts (CCEARs) is established by the Ministry of Mines and Energy (MME).

Costs related to the acquisition of energy are composed of non-manageable items. The current legislation establishes that distribution companies must guarantee service to all their energy markets and stipulates that ANEEL must consider, in the transfer of energy acquisition costs, up to 105% of the total amount of contracted energy in relation to the distribution company's annual supply volume.

The Company’s energy contracting strategy seeks to ensure that the contracting level remains between 100% and 105%, minimizing costs with the acquisition of energy to supply the captive market. As a result, the Company adopted a risk management approach to energy acquisition focused on the identification and measurement of volume, prices and period of supply, in addition to the use of optimization tools to support the decision to contract energy.

The uncertainties in the macroeconomic and meteorological scenarios have a significant impact on the projected volumes to be acquired. However, the models used guide energy contracting with acceptable risk levels and, over time, the projections need to be adjusted.

The main factors for uncertainty in energy acquisition are related to future price estimates and the projection of energy acquisition needs between three and five years before the beginning of the acquired energy supply. If the Company fails to serve 100% of the market, it may be subject to penalties due to under-contracting and will not be able to pass through the full cost of energy acquisition in the spot market to the tariffs. The penalties from not fully serving the distribution agents’ energy market are not applicable in the event of an involuntary contractual exposure recognized by ANEEL.

In addition, ANEEL will not pass through energy acquisition costs to the end consumers’ tariffs if the contracting level is higher than one hundred and five percent (105%) of the total amount of energy acquired in relation to the distribution agent’s annual supply volume.

In order to mitigate over- and under-contracting (exposure), the regulation establishes certain instruments, such as (i) adjustment auctions, (ii) Surplus and Deficit Compensation Mechanism (MCSD) of new and existing energy, (iii) bilateral reduction agreements, (iv) temporary energy sales, (v) option to reduce existing energy CCEARs due to the migration of customers to the free market, increases in the acquisition of energy from contracts executed before the enactment of Law No. 10,848/2004 and other market variations, and (vi) the recognition of involuntary exposure or over contracting.

Pursuant to ANEEL’s Regulatory Resolution No. 453, of October 18, 2011, any involuntary exposure or over contracting to which the distribution companies may be subject, as a result of facts outside their control, may be passed through to the respective tariffs. This pass-through will be granted as long as the distribution agents use all the mechanisms set forth in the regulation to meet the obligation to contract energy for their entire market.

The difference not passed through to consumer tariffs will be absorbed by the concessionaire, and may result in risk or opportunity, depending on the energy price scenario throughout the year.

The Company ended 2016 with a contracting level of 106.2%. According to the current regulations, the amount of energy that exceeds the regulatory limit of 105% and which is not characterized as involuntary is settled in the Short-Term market (SPOT market) and the differences in relation to the average price of the contracts affect the economic result of the distributor. Therefore, notwithstanding the fact that there is a case in ANEEL for the full characterization of LIGHT's over-contracting on December 31, 2016 as involuntary, the Company did not recognize the amount of R$29,500 thousand related to this possible pass-through to the tariff as a sectorial financial asset The restated amount totaled R$35,614 thousand on June 30, 2019.

On December 31, 2017 and December 31, 2018, the subsidiary Light SESA also ended the year over contracted, reaching the percentage of 106.3% and 105.2%, respectively. However, as the 2017 and 2018 SPOT price was higher than the average price of the subsidiary Light SESA contracts, there was no economic loss.

ANEEL has not yet decided on the contracting level and the respective tariff pass-through for 2016, 2017 and 2018.

33.9 Social-environmental risks

Social-environmental risks are related to environmental issues, population and employee safety, employee-related issues, social impacts and supplier management.

To mitigate the risk of fines, embargoes, accidents, lawsuits and damage to the Company's reputation, in 2001, the Company implemented the Environment Management System (EMS), based on ISO 14001, which assesses and monitors the aspects and impacts of its operational complex in order to enforce compliance with current legislation and environmental quality standards. In addition to ISO 14001, the Company's hydroelectric power plants hold OHSAS 18001 Occupational Health and Safety and ISO 9001 quality certifications, forming an Integrated Management System (IMS).

With respect to the risk of accidents involving the population and employees related to the operation and maintenance of energy distribution networks and generation units, the Company continues to invest primarily in health promotion and accident prevention through the "Programa Vida!" (Life Program), as well as communication campaigns related to the risk of the electric grid for the population.

Regarding the benefits the Company offers to its employees, in addition to private pension plans, managed by Braslight, the benefit package chiefly comprises health and dental care plans, which are extensive to dependents, as well as food vouchers, Christmas food vouchers, day care assistance, sickness allowance, social and psychological assistance, life insurance and scholarships to Colégio 1º de Maio.

In light of the upsurge in violence-related issues in the city of Rio de Janeiro, the Company is not able to serve several communities, which has a direct impact on the quality of energy supply. To mitigate this problem, the Energy Efficiency Program actions were intensified for customers living in slums, focusing on recovering energy and strengthening the Company's image. In addition to the energy efficiency and sustainability actions, the Company provided guidance on conscious consumption and social tariff, regularization and improvements in the electric grid.

To ensure that the Company's suppliers are aligned with its guidelines on human rights, labor practices and social and environmental impact reduction, Light establishes criteria for the selection and management of suppliers, which include compliance with the Company's Social Responsibility Agreement and Code of Ethics and Business Conduct.

33.10 Concession Continuity Risks

The Company and its subsidiaries carry out their electricity transmission, generation and distribution activities in accordance with concession agreements and electric power industry legislation, including all resolutions issued by ANEEL.

The fifth amendment to the concession agreement of subsidiary Light SESA, signed in March 2017, has clauses that condition the continuation of the concession to subsidiary Light SESA complying with the new efficiency criteria for quality of the service provision and economic and financial sustainability of the company.

The efficiency criteria regarding (i) the quality of the service are measured by indicators that consider the frequency and average length of power outages, and the annual global limits set out in the amendment; and (ii) the economic and financial management are measured by indicators that consider the company's indebtedness level and limits defined in the said amendment.

Non-compliance with the criteria of quality of the service will be verified in cases of non-compliance of the indicators for:

(a) two consecutive years between 2018 and 2021, or;
(b) specifically in 2022;
(c) for three consecutive years as of 2023.

The non-compliance with items (a) and (b) above leads to administrative proceedings to terminate the concession. The non-compliance with item (c) leads to forfeiture proceedings, with the evaluation of the concessionaire's non-compliance.

For the fiscal year ended December 31, 2018, Light SESA complied with the indicators of quality of service.

In turn, the non-compliance with the criteria of economic and financial sustainability is due to the non-compliance of the indicator for two consecutive years, specifically in 2020.

The non-compliance with these indicators may lead to an administrative proceeding to terminate the concession.

The subsidiary Light SESA has not complied with the economic and financial indicators for the fiscal year ended December 31, 2018, as notified by ANEEL on June 25, 2019. The Company is debating with ANEEL on the eventual compliance with the indicator due to the capital increase of subsidiary Light SESA on July 17, 2019.

33.11 Capital Management

The Company manages its capital with the purpose of safeguarding its capacity to offer continuously return to shareholders and benefits to other stakeholders, in addition to maintaining the ideal capital structure to reduce costs.

In order to maintain or adjust its capital structure, the Company either reviews the dividend payment policy, returns capital to shareholders, issues new shares or sells assets to reduce the indebtedness level.

	Consolidated	
	June 30, 2019	December 31, 2018
Debt from loans, financing and debentures	9,508,859	10,028,461
Liabilities due to lease [1]	94,527	-
Derivative financial instruments - swap	(368,761)	(327,695)
Gross Debt	**9,234,625**	**9,700,766**
(-) Cash and cash equivalents and TVM	1,150,676	1,683,840
Net debt (A)	**8,083,949**	**8,016,926**
Shareholders' equity (B)	3,564,521	3,389,492
Percentage of third-party capital - % (A÷ (B+A))	**69%**	**70%**

[1] Lease obligations are not part of total net debt when calculating the financial indicators that must comply with the covenants.

34. INSURANCE

On June 30, 2019, the Light group had insurances covering its main assets, including:

Operational Risk Insurance - it covers damages caused to hydroelectric and thermoelectric power plants, including, but not limited to its machinery, steam turbines, gas turbines, generators, boilers, transformers, channels, tunnels, dams, spillway, civil works, offices and warehouses. All assets are insured under the Operational Risks modality, with an “All Risks” coverage, including the transmission and distribution lines up to 1,000 feet from generation site.

Directors and Officers Liability Insurance (D&O) - It has the purpose of protecting Executives from losses and damages resulting from the performance of their activities inherent to the position as Directors, Officers and Managers of the Company.

General and Civil Liability Insurance - focuses on the payment of indemnity if the Company is deemed civilly liable by a final and irrevocable court decision or deal authorized by the insurance company, in relation to remedies for property damage and involuntary personal injury caused to third parties and also those related to pollution, contamination, sudden and/or accidental leakage.

Financial Guarantee Insurance – Energy Trading and Judicial - Property Insurance – Comprehensive Business (Leased Properties). International Transport Insurance – Imports, Corporate Travel Insurance and Personal Insurance.

Below, a summarized breakdown of main insurance policies considered by Management:

RISKS	Term		Amount Insured	Net Premium
	From	To		
Directors & Officers (D&O)	August 10, 2019	August 10, 2020	40,350	241
Civil and general liabilities	October 31, 2018	October 31, 2019	20,000	967
Operating risks [a]	October 31, 2018	October 31, 2019	7,627,022	3,900

[a] Maximum limit of liability (LMR) is R$300,000 - Indemnity
[a] Total Value in Risk of R$7,627,022

The Company’s insurances are not part of the independent auditor’s scope of review.

35. SEGMENT REPORTING

Segment reporting is presented in relation to the business of the Company, identified based on its management structure and internal management information.

The Company's Management considers the following segments: power distribution, power generation, power trading and others (including the holding company). The eliminations comprise intersegment balances and transactions. The Company is segmented according to its operation, which has different risks and compensation. No client accounts for more than 10% of the Company’s revenue or receivables, and the Company operates only in Brazil.

Information by segment for the first semester of 2019 and 2018 and equity positions on June 30, 2019 and December 31, 2018 are as follows:

	Distribution	Generation	Trading	Other	Eliminations	Consolidated June 30, 2019
Assets:						
Current assets	3,360,063	1,314,734	112,526	194,922	(283,988)	4,698,257
Other non-current assets	7,655,428	152,829	266,797	43,978	-	8,119,032
Investments	28,625	141,124	-	3,435,101	(3,025,144)	579,706
Property, plant and equipment	227,982	1,278,830	396	40,847	-	1,548,055
Intangible assets	2,914,402	2,824	654	1,511	-	2,919,391
TOTAL ASSETS	**14,186,500**	**2,890,341**	**380,373**	**3,716,359**	**(3,309,132)**	**17,864,441**
Liabilities and shareholders' equity:						
Current liabilities	3,816,994	1,434,530	296,285	47,400	(283,988)	5,311,221
Non-current liabilities	7,957,917	1,029,979	36	767	-	8,988,699
Shareholders’ Equity	2,411,589	425,832	84,052	3,668,192	(3,025,144)	3,564,521
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**14,186,500**	**2,890,341**	**380,373**	**3,716,359**	**(3,309,132)**	**17,864,441**

	Distribution	Generation	Trading	Other	Eliminations	Consolidated December 31, 2018
Assets:						
Current assets	4,356,768	1,264,930	190,509	119,515	(296,352)	5,635,370
Other non-current assets	6,695,042	103,608	170,004	56,108	-	7,024,762
Investments	29,734	111,188	-	3,329,773	(2,924,073)	546,622
Property, plant and equipment	230,113	1,288,924	381	41,063	-	1,560,481
Intangible assets	3,090,826	3,405	654	1,583	-	3,096,468
TOTAL ASSETS	**14,402,483**	**2,772,055**	**361,548**	**3,548,042**	**(3,220,425)**	**17,863,703**
Liabilities and shareholders' equity:						
Current liabilities	3,791,317	1,466,062	262,989	54,393	(296,352)	5,278,409
Non-current liabilities	8,165,036	1,029,698	-	1,068	-	9,195,802
Shareholders' Equity	2,446,130	276,295	98,559	3,492,581	(2,924,073)	3,389,492
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**14,402,483**	**2,772,055**	**361,548**	**3,548,042**	**(3,220,425)**	**17,863,703**

Income segment reporting:

1st semester of 2019	Distribution	Generation	Trading	Other	Eliminations	Consolidated 2019
NET REVENUE	**5,463,877**	**494,587**	**536,566**	**3,632**	**(340,521)**	**6,158,141**
OPERATING COSTS AND EXPENSES	**(5,227,239)**	**(144,952)**	**(459,854)**	**(11,766)**	**340,521**	**(5,503,290)**
Equity income	**-**	**(82,730)**	**-**	**274,342**	**(272,998)**	**(81,386)**
FINANCIAL RESULT	**(281,323)**	**(3,578)**	**19,701**	**3,448**	**-**	**(261,752)**
Financial income	89,192	59,041	20,824	3,767	-	172,824
Financial expense	(370,515)	(62,619)	(1,123)	(319)	-	(434,576)
EARNINGS BEFORE TAXES	**(44,685)**	**263,327**	**96,413**	**269,656**	**(272,998)**	**311,713**
Social contribution	2,686	(30,202)	(8,678)	(78)	-	(36,272)
Income tax	7,457	(83,587)	(24,083)	(199)	-	(100,412)
NET RESULT	**(34,542)**	**149,538**	**63,652**	**269,379**	**(272,998)**	**175,029**

1st semester of 2018	Distribution	Generation	Services	Trading	Other	Eliminations	Consolidated 2018
NET REVENUE	**5,229,174**	**466,428**	**26,427**	**590,722**	**-**	**(408,414)**	**5,904,337**
OPERATING COSTS AND EXPENSES	**(4,868,829)**	**(219,283)**	**(43,766)**	**(549,646)**	**(10,763)**	**408,414**	**(5,283,873)**
Equity income	**-**	**(44,621)**	**-**	**-**	**83,717**	**(77,776)**	**(38,680)**
FINANCIAL RESULT	**(351,459)**	**(101,769)**	**3,838**	**934**	**(132)**	**(2,343)**	**(450,931)**
Financial income	259,340	57,455	5,681	1,468	533	(3,884)	320,593
Financial expense	(610,799)	(159,224)	(1,843)	(534)	(665)	1,541	(771,524)
EARNINGS BEFORE TAXES	**8,886**	**100,755**	**(13,501)**	**42,010**	**72,822**	**(80,119)**	**130,853**
Social contribution	(1,155)	(12,575)	429	(3,779)	-	-	(17,080)
Income tax	(3,205)	(33,992)	1,208	(10,484)	-	-	(46,473)
NET RESULT	**4,526**	**54,188**	**(11,864)**	**27,747**	**72,822**	**(80,119)**	**67,300**

36. NON-CASH TRANSACTIONS

During the first semester of 2019 and 2018, the Company carried out the following non-cash investment and financing activities. Therefore, these transactions are not reflected in the cash flow statements:

	Consolidated	
	1st Semester	
	2019	2018
Acquisition of intangible assets against suppliers	43,073	36,122
Revenue relating to the construction of own assets (DVA)	364,425	298,934

37. EVENTS AFTER THE REPORTING PERIOD

37.1 Public offer of primary and secondary distribution of common shares

On July 17, 2019, the public offer of primary and secondary distribution of common shares, nominative, scriptural and without nominal value os the Company's issuance, all free and cleared of any encumbrances or charges ("Shares"), held in accordance with the procedures of the Instruction of the Brazilian Securities and Exchange Commission.

Within the scope of the Public Offer, the following shares were placed: (i) one hundred million (100,000,000) new shares issued by the Company ("Primary Offer"), with the due increase of the Company's share capital totaling R$1,875,000, and (ii) thirty-three million, three hundred and thirty-three thousand, three hundred and thirty-three (33,333,333) shares issued by the Company and held by Companhia Energética de Minas Gerais ("CEMIG" and "Secondary Offer"), at the price of R$18.75 per share.

Due to the Company's capital increase under the restricted offer, the Company's new capital will be of R$4,100,822, divided into three hundred and three million and nine hundred and thirty-four thousand and sixty (303,934,060) common shares, all nominative, scriptural and without nominal value.

With the conclusion of the public offer, the Company's shareholding position will be:

SHAREHOLDERS	% Interest
Companhia Energética de Minas Gerais (CEMIG)	22.6
BNDES Participações S.A. - BNDESPAR	6.3
Other	71.1
OVERALL TOTAL	**100.0**

37.2 Capital Allocation in the subsidiary Light SESA

On July 17, 2019, Light S.A allocated the amount of R$1,832,000 in the subsidiary Light SESA through the subscription and payment of 169,201,768,490,973 book-entry common shares, with no par value.

37.3 Plan to Grant the Option to Buy Shares

On July 4, 2019, the Extraordinary Shareholders' Meeting approved the Company's Stock Option Plan for certain executives. The total number of shares to be acquired or subscribed under the plan may not exceed 2.1% of the shares representing Light S.A. on the date of its approval.

37.4 Fundraising from BNDES

On July 30, 2019, there was the last fundraising of subsidiary Light SESA from BNDES, totaling R$89,015, referring to the 2017/2018 capex financing agreement.

37.5 Exclusion of ICMS from the PIS/COFINS Calculation Base

On August 7, 2019, the Federal Regional Court of the Second Region reached a decision on the lawsuit filed by subsidiary Light SESA, deciding in favor of the plaintiff, recognizing the right to exclude ICMS from the PIS and COFINS tax calculation base, with retroactive effect to January 2002.

Since the decision was issued, Light has been carrying out the due legal and tax analysis of the impacts of retroactive effects, which involves, among others, the calculation of tax credits, credit recovery and regulatory issues. These effects will be recorded in the Earnings Release of the quarter ended September 30, 2019, which should be disclosed in November 2019.

37.6 Full Early Redemption of the 14th Issuance of Debentures of the Subsidiary Light SESA

On August 9, 2019, the full early redemption of the 14^{th} debenture issuance of the subsidiary Light SESA with Banco do Brasil, totaling R$332,935, was carried out. The transaction had a cost of CDI + 3.50% p.a., due in March 2021.

37.7 Extension of the Loan between BNDES and the Indirectly and Jointly controlled entity Renova Energia

On July 15, 2019, Renova Energia announced in a notice to the market that the loan with BNDES, with funds allocated for the construction works of the Alto Sertão III Wind Farm Complex, was postponed to August 15, 2019.

On August 15, 2019, BNDES made a further extension of the said deadline to October 15, 2019.

37.8 Prepayment of Rate Swap Transaction of the subsidiary Light SESA with Banco BMG

On August 14, 2019, rate swap transaction (CDI x IPCA) of subsidiary Light SESA with Banco BMG was prepaid. The swap transaction changed the cost of CDI + 1.15% p.a. for IPCA + 7.82% p.a. of a principal debt of R$400,000 maturing in May 2021. The prepayment was of R$80,500, referring to the swap balance at market value on this date.

BOARD OF DIRECTORS

David Zylbersztajn
Ricardo Reisen de Pinho
Cledorvino Belini
Antonio Rodrigues dos Santos
Maurício Fernandes Leonardo Júnior
Raphael Manhães Martins
Afonso Henriques Moreira Santos
Carlos Alberto Cruz
Doris Beatriz França Wilhelm

FISCAL COUNCIL

SITTING MEMBERS	ALTERNATE MEMBERS
Julia Figueiredo Goytacaz Sant'Anna	João Alan Haddad
Michele da Silva Gonsales	Vacant
Domenica Eisentein Noronha	Maurício Rocha Alves de Carvalho

BOARD OF EXECUTIVE OFFICERS

Ana Marta Horta Veloso
Chief Executive Officer and Investor Relations Officer

Roberto Caixeta Barroso
CFO and Holdings Officer

Claudio Bernardo Guimarães de Moraes
Business Management Officer

Dalmer Alves de Souza
Chief Commercial Officer

Alessandra Genu Dutra Amaral
Electric Power and Trading Officer

Marcus Auguste Pimenta
Chief Engineering Officer

CONTROLLERSHIP SUPERINTENDENCE

Eduardo Righi Reis
Controllership Superintendent
Individual Taxpayer's Id 044.566.946-29

Simone da Silva Cerutti de Azevedo
Accountant - Accounting Manager
Individual Taxpayer's Id 094.894.347-52
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Independent Auditor's Review Report on quarterly information

The Shareholders, Board of Directors and Officers
Light S.A.
Rio de Janeiro – RJ

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Light S.A. ("Company") for the quarter ended June 30, 2019, comprising the statement of financial position as at June 30, 2019, and the related statements of profit or loss, of comprehensive income for the three- and six- month periods then ended, of changes in equity and of cash flows for the six- month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM,) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis of matter

Risks related to compliance with laws and regulations

As mentioned in Note 13 to the individual and consolidated interim financial information, the Company has investments in Norte Energia S.A. and Renova Energia S.A. (collectively referred to as "investees"), which are valued under the equity method. There are investigations and other legal actions in place, conducted by public authorities on these non-subsidiary investees on certain expenditures and their allocations, which involve and include some of their shareholders and certain executives of these shareholders. Governance bodies of investee Renova Energia S.A. authorized the engagement of a specialized company to analyze the internal procedures related to these expenditures and check those allegations. At the moment, it is not possible to anticipate the future developments resulting from these internal investigation procedures conducted by public authorities, nor their possible effects on the Company's individual and consolidated interim financial information. Our conclusion is not qualified in respect of this matter.

Going-concern risk of non-subsidiary investee Renova Energia S.A.

As disclosed in Note 13 to the individual and consolidated interim financial information, non-subsidiary investee Renova Energia S.A. has been incurring recurring losses and, at June 30, 2019, recorded negative working capital. In addition, the investee depends on obtaining funds to comply with the commitments to build wind and solar farms, as well as to settle its short-term liabilities. These events or conditions point to the existence of material uncertainties which may raise significant doubt about the Company's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statement of value added (SVA) for the six-month period ended June 30, 2019, prepared under management's responsibility, whose presentation in the interim financial information is required by rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of the Quarterly Information Form (ITR), and as supplementary information by the International Financial Reporting Standards (IFRS), which do not require SVA presentation. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, August 15, 2019

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Gláucio Dutra da Silva
Accountant CRC-1RJ090174/O-4