Duke Energy International, Geração Paranapanema S.A.

Interim Financial Information for the
Three and Six-Month Period and Period Ended
at June 30, 2013 and
Report on Review of Interim Financial
Information

Summary

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors and Shareholders of
Duke Energy International, Geração Paranapanema S.A.
São Paulo, SP

Introduction

We have reviewed the accompanying interim financial information of Duke Energy International, Geração Paranapanema S.A. (the "Company"), included in the Interim Financial Information Form (ITR), for the three and six-month period ended June 30, 2013, which comprises the balance sheet as at June 30, 2013, and the related income statement and statement of comprehensive income for the three and six-month period then ended, and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the interim financial information in accordance with CPC 21(R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (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 of interim financial information (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 the standards on auditing 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 Interim Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21(R1) applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM).

Emphasis of matter

As described in Note 2.10 and 3.1.2 in the 2012 annual financial statements and valid for this quarterly information, those fixed assets intended for generation of electric power under an independent production regime are depreciated over their estimated useful lives, considering the facts and circumstances mentioned in that Note. As the regulatory agency or the concession grantor issue new information or decisions, the current depreciation term for such assets may be changed. Our opinion regarding this matter is unqualified.

Other Matters

Statements of Value Added

We have also reviewed the interim statements of value added ("DVA"), for the three and six-month period ended June 30, 2013, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and is considered as supplemental information for IFRS that does not require the presentation of a DVA. This statement was subject to the same review procedures described above and, based on our review, we are not aware fact that causes us to believe that this information was not prepared, in all material respects, consistently with the interim financial statements taken as a whole.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

August 5, 2013

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Iara Pasian
Engagement Partner

COMMENTS ON ECONOMIC AND FINANCIAL PERFORMANCE
PERIODS FROM APRIL 1st TO JUNE 30, 2013 AND 2012
(Amounts in thousands of Brazilian reais - R$, unless otherwise stated)

Main Indicators (in thousand reais)

	2Q2012	2Q2013	% Change
Economic indictors			
Gross operating revenue	306,298	319,883	4.4
(-) Deductions from operating revenue	(28,658)	(33,264)	16.1
Net operating revenue	277,640	286,619	3.2
(-) Operating expenses	(120,327)	(128,548)	6.8
Operating profit	157,313	158,071	0.5
EBITDA	213,088	212,468	-0.3
EBITDA Margin - %	*76.7%*	*74.1%*	-3.4
Finance income (costs)	(27,473)	(23,332)	-15.1
Income before income tax and social contribution	129,840	134,739	3.8
Profit for the period	86,106	89,594	4.1
Net margin - %	*31.0%*	*31.3%*	0.8
Financial indicators			
Total assets	4,596,299	4,258,717	-7.3
Debts in local currency	1,016,630	998,387	-1.8
Equity	3,004,526	2,629,506	-12.5
Shares			
Outstanding shares (in thousands of shares)	94,433	94,433	0.0
Earnings per thousand shares (in R$)	911.82	948.76	4.1

Gross Operating Revenue

Gross operating revenue increased R$13,585 or 4.4 percent in the quarter as compared to the same period last year, this performance reflects the best prices negotiated in the period as compared to the same period last year.

Deductions from Operating Revenue

Deductions from operating revenue increased R$4,606 or 16.1 percent as compared to the same period last year due to the increase in power sales outside the State of São Paulo, which are subject to a higher ICMS tax rate.

Net Operating Revenue

Due to the factors described above, the net operating revenue totaled R$286,619 for the quarter, 3.2 percent higher than in the same period last year.

Operating Expenses

	2Q2012	2Q2013	% Change
Depreciation and amortization	(55,775)	(54,397)	-2.5
Power grid charges	(20,540)	(18,266)	-11.1
Personnel	(15,650)	(17,767)	13.5
Compensation for the use water resources	(13,315)	(14,202)	6.7
Outside services	(12,040)	(9,631)	-20.0
Power purchased for resale	(3,978)	(7,004)	76.1
Other	(2,322)	(2,122)	-8.6
Insurance	(933)	(1,109)	18.9
Supplies	(836)	(1,050)	25.6
ANEEL inspection fee	(1,119)	(1,047)	-6.4
Lease and rents	(887)	(911)	2.7
(Allowance)/write off for tax, labor and environmental contingencies	134	(687)	-612.7
(Allowance)/Write off for doubtful accounts	6,934	(355)	-105.1
	(120,327)	**(128,548)**	**6.8**

Operating expenses totaled R$128,548 for the quarter, 6.8 percent higher than the R$120,327 recorded for the same period last year.

We list below the main factors that impacted the operating expenses:

- Power grid charges - the R$2,274 or 11.1 percent increase as a result of the tariff review prescribed by Provisional Act 579, subsequently passed into Law 12783;

- Personnel – a period-on-period increase of R$2,117 or 13.5 percent, mainly due to the increase in the number of employees and the salary rise;

- Compensation for the use of water resources - increse of R$887 or 6.7 percent as compared the same period last year, due to the Updated Benchmark Tariff (TAR) increased by 3.5 percent , from R$72.87/MWh to R$75,45/MWh, starting January 1, 2013 and the higher volume generated in the quarter, which totaled 2,787,037.74 MWh, or 0.03 percent higher than the 2,707,043.29 MWh generated in the same period in 2012;

- Outside services - The R$2,409 or 20.0 percent decreased is mainly due to expenses incurred on financial advisory and small reforms in the São Paulo office carried out in the same period last year, not necessary in current year;

- Power purchased for resale - Increase of R$3,026 or 76.1 percent in the period relates mainly to the apportionment of charges due to the use of thermal power plants;

- Provisions for tax, labor, and environmental contingencies - The R$821 or 612.7 percent change compared to the same period last year is mainly due to the reversal of a provision in the second quarter of 2012 amounting to R$545 related to a labor contingency, and

- Allowance for doubtful debts - The R$7,289 or 105.1 percent change compared to the same period last year is mainly due to the reversal of an allowance in the second quarter of 2012 as a result of the negotiation and partial recovery of past-due billed amounts.

EBITDA and EBITDA margin

	2Q2012	2Q2013	% Change
Profit for the period	86,106	89,594	4.1
Income tax and social contribution	43,734	45,145	3.2
Finance income (costs), net	27,473	23,332	-15.1
Depreciation and amortization	55,775	54,397	-2.5
EBITDA	**213,088**	**212,468**	**-0.3**
Net margin	*76.7%*	*74.1%*	

EBITDA (earnings before interest, taxes on income, including social contribution on net income, depreciation and amortization) is calculated as profit plus net finance income and costs, income tax and social contribution, depreciation and amortization. EBITDA is not an accounting measure and calculated based on Brazilian Securities and Exchange Commission (CVM) Instruction 527/2012. EBITDA should not be considered as an alternative to cash flows as a liquidity indicator. Our management believes that EBITDA provides a useful measurement of our performance, widely used by investors and analysts to evaluate performance and compare companies. By making these comparisons, however, you should bear in mind that EBITDA is not a measurement recognized by the accounting practices adopted in Brazil and it may be calculated differently by different companies.

Our EBITDA decreased 0.3 percent as compared to the same period last year, mainly, due to the reduction in net operating revenues and higher operating expenses in amounts in items such as purchased power.

Finance Income (Costs)

	2Q2012	2Q2013	% Change
Finance income	13,166	6,500	-50.6
Finance costs	(40,639)	(29,832)	-26.6
Finance costs, net	**(27,473)**	**(23,332)**	**-15.1**

Net finance costs decreased R$4,141, or 15.1 percent as compared to the same quarter last year. There was a 50.6 percent decrease in finance income primarily due to the lower volume invested in the period and finance costs decreased 26.6 percent, mainly due to the impact of the 0.63 percent increase in the General Market Price Index (IGP-M) for the quarter over 2.45 percent for the same period last year. Approximately 64.6 percent of the Company's debt is indexed to the IGP-M.

Debentures

Debt profile		Series	Currency	Yield:	Maturity	2Q2012	2Q2013
Debentures	1st issue	1st series	Reais	CDI fluctuation + 2.15% p.y.	09/15/2013	128,032	63,978
Debentures	1st issue	2nd series	Reais	IPCA fluctuation + 11.6% p.y.	09/15/2015	120,821	128,673
Debentures	2nd issue	Single series	Reais	IGP-M fluctuation + 8.59% p.y.	07/16/2015	612,057	650,693
Debentures	3rd issue	Single series	Reais	CDI fluctuation + 1.15% p.y.	01/10/2017	155,720	155,043
						1,016,630	998,387

Our debentures for the quarter is R$998,387, or a 1.8 percent below as compared to the R$1,016,630 for the same period last year, due to payments.

Net financial debt

Net financial debt, consisting of debentures less cash and cash equivalents, totaled R$646,251, a 27.2 percent increase as compared to the R$508,097 for the same period last year, mainly due to the R$300,000 capital reduction in August 10, 2012.

	2Q2012	2Q2013	% Change
Debentures	1,016,630	998,387	-1.8
Cash	(508,533)	(352,136)	-30,8
Net debt	508,097	646,251	27.2

Profit for the Period

Due to the effects referred to above, our profit for the second quarter of 2013 was R$89,594, a 4.1 percent higher as compared to the R$86,106, recorded for the same period last year.

BALANCE SHEETS AS AT JUNE 30, 2013 AND DECEMBER 31, 2012
(Amounts in thousands of Brazilian reais - R$)

ASSETS	Note	06/30/2013	12/31/2012
Current assets			
Cash and cash equivalents	6	352,136	169,552
Trade receivables	7	120,467	116,369
Recoverable taxes	8	3,819	22,735
Services in progress		11,566	8,414
Prepaid expenses		2,629	363
Sundry debtors		1,468	64
Due from related parties	13	-	391
Other assets		1,507	97
		493,592	**317,985**
Noncurrent assets			
Long-term receivables			
Trade receivables	7	1,852	-
Recoverable taxes	8	318	318
Escrow deposits	9	12,902	11,998
Restricted funds		505	475
Prepaid expenses		4,120	4,123
		19,697	**16,914**
Investments		26	26
Property, plant and equipment	10	3,711,754	4,804,779
Intangible assets	11	33,648	34,667
		3,765,125	**3,856,386**
Total assets		**4,258,717**	**4,174,371**

The accompanying notes are an integral part of these financial statements.

BALANCE SHEETS AS AT JUNE 30, 2013 AND DECEMBER 31, 2012
(Amounts in thousands of Brazilian reais - R$)

LIABILITIES AND EQUITY	Note	06/30/2013	12/31/2012
Current liabilities			
Trade payables	12	28,372	49,796
Payroll and related taxes		7,102	13,638
Debentures	14	386,769	346,139
Taxes, fees and contributions	8	86,620	22,200
Dividends and interest on capital	20.4	1,191	158,926
Accrued liabilities		7,947	5,901
Cibacap	15	1,610	2,278
Regulatory charges	19	24,395	24,209
Other liabilities		365	298
		544,371	**623,385**
Noncurrent liabilities			
Debentures	14	611,618	604,024
Deferred revenues		7,276	5,310
Special obligations	18	6,844	6,915
Provision for tax, labor and environmental contingencies	17	20,396	17,804
Cibacap	15	7,496	7,368
Deferred income tax and social contribution	8	418,120	431,762
Distribution system tariff (Tusd-g)	12	3,917	3,469
Regulatory charges	19	8,847	6,455
Other liabilities		325	325
		1,084,839	**1,083,432**
Equity			
Share capital	20.1	1,339,138	1,339,138
Capital reserves	20.2	99,512	99,432
Earnings reserve	20.3	90,971	90,211
Retained earnings	20.4	194,369	-
Valuation adjustments to equity	20.5	905,517	938,773
		2,629,507	**2,467,554**
Total liabilities and equity		**4,258,717**	**4,174,371**

The accompanying notes are an integral part of these financial statements.

INCOME STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013 AND 2012
(In thousands of Brazilian reais - R$, unless otherwise stated)

	Note	04/01/2013 to 06/30/2013	01/01/2013 to 06/30/2013	04/01/2012 to 06/30/2012	01/01/2012 to 06/30/2012
Net sales revenue	21	**286,619**	**561,972**	**277,640**	**563,041**
Operating income (expenses)					
Personnel		-17,767	-33,403	-15,650	-30,444
Materials		-1,050	-1,865	-836	-1,713
Outside services		-9,631	-17,964	-12,040	-18,853
Aneel inspection fee		-1,047	-2,095	-1,119	-2,238
Energy acquired for resale	23.2	-7,004	-31,413	-3,978	-8,199
Power grid charges	23.3	-18,266	-36,778	-20,540	-41,075
Regulatory charges – Financial compensation due to the use of water resources		-14,202	-27,228	-13,315	-28,1
Depreciation and amortization	10 and 11	-54,397	-108,804	-55,775	-111,56
(Allowance)/write off for tax, labor and environmental contingencies	17	-687	-3,261	134	64
(Allowance)/Write off for doubtful accounts		-355	2,389	6,934	4,61
Leases and rents		-911	-1,776	-887	-1,744
Insurance		-1,109	-2,191	-933	-1,833
Other		-2,122	-3,569	-2,322	-3,887
	22	**-128,548**	**-267,958**	**-120,327**	**-244,972**
Operating profit		**158,071**	**294,014**	**157,313**	**318,069**
Finance income (costs)					
Income		6,500	10,658	13,166	25,731
Costs		-29,832	-61,653	-40,639	-69,633
	24	**-23,332**	**-50,995**	**-27,473**	**-43,902**
Profit before income tax and social contribution		**134,739**	**243,019**	**129,840**	**274,167**
Income tax and social contribution					
Current		-52,975	-95,938	-49,057	-105,183
Deferred		7,830	14,032	5,323	12,640
	8.2	**-45,145**	**-81,906**	**-43,734**	**-92,543**
Profit for the period		**89,594**	**161,113**	**86,106**	**181,624**
Earnings per share from continuing operations (R$ per share)					
Basic/diluted earnings per share (PN)	25	0.9488	17.061	0.9118	19.233
Basic/diluted earnings per share (ON)	25	0.9488	17.061	0.9118	19.233

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2013 AND 2012
(In thousands of Brazilian reais - R$, unless otherwise stated)

	06/30/2013	06/30/2012
Profit for the period	**161,113**	**181,624**
Actuarial Gains (losses) on defined-benefit pension plan	1,151	(3,734)
Deferred income tax and social contribution on actuarial losses	(391)	1,270
	760	**(2,464)**
Comprehensive income for the period	**161,873**	**179,160**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013 AND 2012

(Amounts in thousands of Brazilian reais - R$)

	Share capital	Reserves – Capital	Reserves – Earnings	Retained earnings	Valuation adjustments to equity (see Note 20.5)	Total
Balances as at January 1st, 2013	**1,339,138**	**99,432**	**90,211**	**-**	**938,773**	**2,467,554**
Comprehensive income for the period						
Profit for the period	-	-	-	161,113	-	161,113
Pension and retirement plans	-	-	-	-	1,151	1,151
Deferred tax on pension plan	-	-	-	-	(391)	(391)
Reclassification of actuarial gains – CPC 33 (R1)	-	-	760	-	(760)	-
	-	**-**	**760**	**161,113**	**-**	**161,873**
Contributions from and distributions to shareholders						
Share-based payment	-	80	-	-	-	80
Valuation adjustments realization (see note 20.5)	-	-	-	50,388	(50,388)	-
Deferred tax on valuation adjustments to equity	-	-	-	(17,132)	17,132	-
	-	**80**	**-**	**33,256**	**(33,256)**	**80**
Balances as at June 30, 2013	**1,339,138**	**99,512**	**90,971**	**194,369**	**905,517**	**2,629,507**

	Share capital	Reserves – Capital	Reserves – Earnings	Retained earnings	Valuation adjustments to equity	Total
Balances as at January 1st, 2012	**1,639,138**	**99,330**	**71,863**	**-**	**1,014,934**	**2,825,265**
Comprehensive income for the period						
Profit for the period	-	-	-	181,624	-	181,624
Pension and retirement plans	-	-	-	-	(3,734)	(3,734)
Deferred tax on pension plan	-	-	-	-	1,270	1,270
Reclassification of actuarial losses – CPC 33 (R1)	-	-	(2,464)	-	2,464	-
	-	**-**	**(2,464)**	**181,624**	**-**	**179,160**
Contributions from and distributions to shareholders						
Share-based payment	-	102	-	-	-	101
Valuation adjustments realization	-	-	-	51,926	(51,926)	-
Deferred tax on valuation adjustments to equity	-	-	-	(17,655)	17,655	-
	-	**102**	**-**	**34,271**	**(34,271)**	**101**
Balances as at June 30, 2012	**1,639,138**	**99,432**	**69,399**	**215,895**	**980,663**	**3,004,526**

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013 AND 2012
(Amounts in thousands of Brazilian reais - R$)

	06/30/2013	06/30/2012
Cash flows from operating activities		
Profit for the period	161,113	181,624
Adjustments:		
Depreciation and amortization	108,804	111,560
Write-offs of property, plant and equipment	281	461
Deferred income tax and social contribution	(14,032)	12,640
Write off for doubtful debts	(2,389)	(4,610)
Accrued interest on debentures	43,138	47,333
Inflation adjustment on debentures	14,146	18,131
Provision/(write off) for tax, labor and environmental contingencies	3,261	(64)
Inflation adjustment to provisions for tax, labor and environmental contingencies	176	411
Inflation adjustment to escrow deposit	(378)	(422)
Share-based payment	80	101
Changes in assets and liabilities		
Trade receivables	(3,561)	(2,213)
Sundry debtors	(1,404)	(1,024)
Related parties	391	497
Escrow deposits	(526)	-
Services in progress	(3,152)	(1,590)
Restricted funds	(30)	(27)
Prepaid expenses	(2,263)	(1,743)
Trade payables	(20,976)	(4,037)
Payroll and related taxes	(6,536)	(2,904)
Taxes, fees and contributions	111,454	77,879
Estimated payables	2,046	1,766
Deferred revenues	1,966	3,110
Cibacap	(540)	(1,163)
Provision for tax, labor and environmental contingencies	(845)	(1,029)
Other variation on assets and liabilities	1,995	(2,262)
Cash provided by operations	**392,229**	**432,425**
Interest on debentures	(9,060)	(10,084)
Income tax and social contribution	(14,849)	(71,598)
Net cash provided by operating activities	**368,310**	**350,743**
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,642)	(5,122)
Purchase of intangible	(470)	(603)
Net cash used in investing activities	**(15,112)**	**(5,725)**
Cash flows from financing activities		
Amount received for the issuance of debentures	-	150,000
Dividends and interest on capital	(170,614)	(196,856)
Net cash used in financing activities	**(170,614)**	**(46,856)**
Increase in cash and cash equivalents	**182,584**	**296,162**
Cash and cash equivalents at the beginning of period	169,552	210,371
Cash and cash equivalents at the end of period	352,136	508,533

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF VALUE ADDED
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2013 AND 2012
(Amounts in thousands of Brazilian reais - R$)

	06/30/2013	06/30/2012
Revenue		
Sales revenue	618,854	620,412
Revenue relating to property construction	14,642	5,122
(Allowance)/Write off for doubtful accounts	2,389	4,610
	635,885	**630,144**
Inputs acquired from third parties		
Energy purchased and power grid charges	(68,191)	(49,274)
Materials and outside services	(19,829)	(20,566)
Property construction	(14,642)	(5,122)
Other operating costs	(8,153)	(4,963)
	(110,815)	**(79,925)**
Gross value added	**525,070**	**550,219**
Depreciation and amortization	(108,804)	(111,560)
Net value added	**416,266**	**438,659**
Rents	33	28
Finance income	10,658	25,731
Other	9,517	-
Wealth received in transfer	**20,208**	**25,759**
Total value added for distribution	**436,474**	**464,418**
Distribution of value added Personnel		
Salaries and wages	16,681	15,353
Benefits	3,720	3,477
FGTS	1,783	1,550
Accrued bonuses	3,651	3,479
Profit sharing	1,953	1,607
Payroll taxes (except INSS)	1,563	1,387
	29,351	**26,853**
Taxes, fees and contributions		
Federal	174,342	182,088
State	8,170	2,410
Municipal	69	66
	182,581	**184,564**
Lenders and lessors		
Rents	1,776	1,744
Interest on debentures	43,138	47,333
Inflation adjustment on debentures	14,146	18,131
Other finance costs	4,369	4,169
	63,429	**71,377**
Other		
Retained earnings	161,113	181,624
	161,113	**181,624**
Total value added distributed	**436,474**	**464,418**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE INTERIM FINANCIAL INFORMATION (ITR)
FOR THE QUARTER ENDED JUNE 30, 2013
(Amounts in thousands of Brazilian reais - R$, unless otherwise stated)

1. GENERAL INFORMATION

Duke Energy International, Geração Paranapanema S.A. (“Company”) is a share-based corporation and a public utility concessionaire, operating as independent generator, with registered head office in the São Paulo, State of São Paulo (SP), and is mainly engaged in the generation and sale of electric power, operations that are regulated and supervised by the National Electric Energy Agency (ANEEL), which reports to the Ministry of Mines and Energy (MME).

The Company's installed capacity is 2,241 MW, consisting of the following generation plants in operation in the State of São Paulo: Capivara hydroelectric power plant, Chavantes hydroelectric power plant, Jurumirim hydroelectric power plant, Salto Grande hydroelectric power plant, Taquaruçu Hydroelectric Power Plant, Rosana hydroelectric power plant, and 49.7 percent of the Canoas Complex consisting of the Canoas I and II hydroelectric power plants.

As at June 30, 2013 the Company shows negative working capital amounting to R$50,779 arising from the classification in current liabilities of two debenture installments maturing in July and September 2013. Management plans to settle the debt with the cash generated by the Company’s operating activities in the year and the debenture refinancing.

These financial statements were approved by the board of directors and authorized for issue on August 05, 2013.

1.1. Provisional Act 579/2012 and Law 12783/2013

On September 11, 2012, the Brazilian government has enacted Provisional Act 579, converted into Law 12783 of January 11, 2013, which provides for power generation, transmission and distribution concessions, reduction of sector charges and tariff moderation, granting companies with concessions expiring between 2015 and 2017 the possibility of anticipating the renewal of agreement based on specific conditions.

Concessions under art. 1 of Provisional Act 579, subsequently converted into Law 12783, correspond to public service concessions granted prior to February 14, 1995. The Company’s concessions are of Utilization of Public Assets (UBP), granted after February 14, 1995, and are, therefore, outside the scope of the aforesaid law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRESENTATION OF INTERIM FINANCIAL INFORMATION (ITR)

The interim financial statements contained in this quarterly information have been prepared in accordance with the Brazilian accounting pronouncement CPC 21(R1) *Interim Financial Reporting* and International Accounting Standard IAS 34 – *Interim Financial Reporting*, Issued by the International Accounting Standards Board – IASB, and are presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission applicable to the preparation of the Interim Financial information (ITR).

As described in the Circular Letter CVM/SNC/SEP 03/2011, therefore, the Company elected to present the notes to this interim financial information in a summarized manner in those cases of replication of the information presented in the annual financial statements. In these cases, we have included a reference to the complete note to the annual financial statements to avoid any misunderstanding of the Company's financial position and performance for the interim period.

The Company states that the basis of preparation and the accounting policies used are the same as those applied in the 2012 annual financial statements. Consequently, the related information is disclosed in notes 2.1 to 2.18 to those financial statements.

The Company evaluated the new pronouncements and interpretation of CPC/IFRS with effect from January 1st, 2013 and concluded that they do not have significant impact in these financial statements.

3. KEY ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS

The Company hereby declares that the key estimates and critical accounting judgments disclosed in the 2012 annual financial statements are applicable to this interim financial information, as presented in note 3 of the 2012 financial statements.

4. FINANCIAL RISK MANAGEMENT

4.1. Financial risk factors

The Company hereby declares that the information on the financial risk factors described in the 2012 annual financial statements is applicable to this interim financial information, as presented in notes 4.1.1 to 4.1.7 thereto, except for the sensitivity analysis described below:

4.1.1. Sensitivity analysis

In complement to item 40 of CPC 40 (R1) - Financial Instruments the Company discloses below the sensitivity analysis for each type of market risk considered as relevant by management, arising from financial instruments comprised of debentures, cash and cash equivalents, to which the Company is exposed at the end of the year.

The sensitivity for the probable scenario was calculated taking into consideration the variations between the rates and indexes as of June 30, 2013 and the estimates available in the market for 2013 (Source: Focus of Brazilian Central Bank). The sensitivity analysis also considered other two scenarios, with 25 percent and 50 percent variations on the interest rates and floating indexes in relation to the probable scenario.

We show below the impacts on the Company's financial results for the five scenarios estimated for the next 12 months:

Risk of change in floating index			Balance at 06/30/2013	Net effect on income Scenario - Δ 50%	Scenario - Δ 25%	Scenario Probable	Scenario + Δ 25%	Scenario + Δ 50%
(+) Debenture	**Issue**							
IGP-M	2nd	IGP-M	(650,693)	(74,263)	(83,447)	(92,631)	(101,815)	(110,999)
IPCA	1st S2	IPCA	(128,673)	(18,551)	(20,331)	(22,111)	(23,891)	(25,671)
CDI	1st S1	CDI	(63,978)	(1,064)	(1,424)	(1,783)	(2,143)	(2,503)
CDI	3rd		(155,043)	(8,760)	(12,248)	(15,737)	(19,225)	(22,714)
			(998,387)	**(102,638)**	**(117,450)**	**(132,262)**	**(147,074)**	**(161,887)**
(-) Cash and cash equivalents		CDI	352,136	15,846	23,769	31,692	39,615	47,538
			(646,251)	**(86,792)**	**(93,681)**	**(100,570)**	**(107,459)**	**(114,348)**

Change in index	Scenario - Δ 25%	Scenario - Δ 50%	Scenario Probable	Scenario + Δ 25%	Scenario + Δ 50%
IGPM	2.82%	4.23%	5.65%	7.06%	8.47%
IPCA	2.77%	4.15%	5.53%	6.92%	8.30%
CDI	4.50%	6.75%	9.00%	11.25%	13.50%

4.2. Capital management

	06/30/2013	12/31/2012
Total debentures	**998,387**	**950,163**
Cash and cash equivalents	(352,136)	(169,552)
Net debt	**646,251**	**780,611**
Total equity	2,629,507	2,467,554
Total capital	**3,275,758**	**3,248,165**
Financial leverage ratio (%)*	19.7	24.0

*Net debt/total capital

The changes in the Capital Management balance arise from the normal changes in the current quarter, and the complete information thereon is disclosed in note 4.2 to the 2012 annual financial statements.

4.3. Fair value estimate

The Company hereby declares that the fair value estimates disclosed in the 2012 annual financial statements are applicable to this interim financial information, as presented in note 4.3 thereto.

5. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are not past due or impaired may be evaluated by reference to external credit ratings (if any) or historical information on default rates for counterparties (see notes 6 and 7):

Cash and cash equivalents	Moody's	06/30/2013	12/31/2012
Standard & Poor's			
A-3	BR-1	207,690	126,977
A-2	BR-1	140,512	39,202
A-2	-	3,927	3,365
-	BR-1	4	5
*	*	3	3
		352,136	**169,552**

* The R$3 balance as at June 30, 2013 (R$3 at December 31, 2012) refers to the imprest fund and, therefore, it does not have a risk classification.

6. CASH AND CASH EQUIVALENTS

	06/30/2013	12/31/2012
Cash and banks	998	493
Short-term investments		
Bank certificates of deposit (CDB)	327,413	164,939
Fixed-income fund	23,725	4,120
	352,136	**169,552**

The changes in the cash and cash equivalents balance arise from the normal changes in the current quarter and the complete information thereon is disclosed in note 6 to the 2012 annual financial statements.

7. TRADE RECEIVABLES

Current assets	06/30/2013		12/31/2012	
	Current	Noncurrent	Current	Noncurrent
Receivables under bilateral contracts	83,980	-	67,118	-
Receivables under auction contracts	27,353	1,852	48,544	-
Spot-market energy (MRE/spot)	9,681	-	3,643	-
	121,014	**1,852**	**119,305**	**-**
Allowance for doubtful debts	(547)	-	(2,936)	-
	120,467	**1,852**	**116,369**	**-**

Changes in the allowance for doubtful debts:

Balance at December 31st, 2012	**(2,936)**
Reversals in the period	2,744
Allowances in the period	(355)
Balance at June 30, 2013	**(547)**

In February 2013 the Company reversed the allowance for doubtful debts amounting to R$2,744 due to the collection of the first of the 60 installments due, under the court recovery plan filed by the customer and approved at the creditors' general meeting in September 2012.

Aging list of trade receivables:

	06/30/2013	12/31/2012
Current – short term	120,822	116,369
Current – long term	1,852	-
Over 90 days past-due	192	2,936
	122,866	**119,305**

The changes in the Trade receivables balance arise from the normal changes in the current quarter, and the complete information thereon is disclosed in note 7 to the 2012 annual financial statements.

8. TAXES AND FEES

	06/30/2013		12/31/2012	
Assets	**Current**	**Noncurrent**	**Current**	**Noncurrent**
Recoverable income tax and social contribution	3,568	-	22,404	-
Recoverable taxes on revenue (PIS and COFINS)	191	-	254	-
Recoverable State VAT (ICMS)	-	318	17	318
Service tax (ISS)	21	-	21	-
Social security tax (INSS)	39	-	39	-
	3,819	**318**	**22,735**	**318**
Liabilities				
Income tax and social contribution	76,924	-	-	-
PIS and COFINS	8,253	-	8,351	-
ICMS	1,242	-	741	-
Withholding income tax (IRRF) on interest on capital	-	-	12,879	-
Other	201	-	229	-
	86,620	**-**	**22,200**	**-**
Deferred tax assets				
Temporary differences	-	(8,510)	-	(9,939)
Tax benefit	-	(38,856)	-	(41,194)
Deferred tax liabilities				
Equity valuation adjustments	-	465,486	-	482,895
Deferred tax liabilities (net)	**-**	**418,120**	**-**	**431,762**

The changes in the Recoverable taxes/Taxes payable balance arise from the normal changes in the current quarter, and the complete information thereon is disclosed in notes 8 and 8.1 to the 2012 annual financial statements.

8.1. Tax benefits - merged goodwill

The Company constituted a provision to maintain the integrity of net equity, the reversal of which will neutralize the effect of goodwill amortization. The composition of the balances is as follows:

			06/30/2013	12/31/2012
	Goodwill	**Allowance**	**Net**	**Net**
Balance arising on merger	305,406	(201,568)	103,838	103,838
Realization	(191,111)	126,129	(64,982)	(62,644)
Closing balance	**114,295**	**(75,439)**	**38,856**	**41,194**

Net amount corresponding to the tax benefit – income tax and social contribution

	06/30/2013	06/30/2012
Goodwill amortization	(6,876)	(7,245)
Reversal of allowance	4,538	4,782
Tax benefit	2,338	2,463
Net effect for the period	**-**	**-**

The following is the realization of the tax related to the Duke Sudeste merged goodwill.

	2013	2014	2015	2016	2017	2018 - 2019	2020 - 2023	2023 and thereafter	Total
Estimated realization	2,338	4,334	4,002	3,695	3,299	5,576	6,317	9,295	38,856

The changes in the Tax benefits balance arise from the normal changes in the current quarter, and the complete information thereon is disclosed in note 8.2 to the 2012 annual financial statements.

8.2. Statements of income tax and social contribution calculation

The reconciliation between income tax and social contribution expenses at their statutory rates and at their actual tax rates is as follows:

	06/30/2013		06/30/2012	
	Income tax	Social contribution	Income tax	Social contribution
Income before income tax and social contribution	**243,019**	**243,019**	**274,167**	**274,167**
Income tax and social contribution statutory rate	25%	9%	25%	9%
Income tax and social contribution at statutory rates	**60,755**	**21,872**	**68,542**	**24,675**
Amortization Inflationary credit charge	(1,106)	37	(1,125)	38
Allowance/(reversal) of allowance for doubtful debts	(597)	(215)	(1,794)	(646)
Tax benefits - merged goodwill (Aneel Res. 02/2002)	(1,152)	(408)	(1,811)	(652)
Nondeductible expenses	713	117	797	213
Rouanet law	(480)	-	(600)	-
Adjustments under the RTT	13,109	4,719	13,783	4,962
Temporary differences in profit or loss	(10,318)	(3,714)	(9,294)	(3,346)
Others	(1,051)	(374)	(889)	(311)
Total current income tax and social contribution affecting profit or loss	**59,872**	**22,034**	**67,609**	**24,934**
Income tax and social contribution	70,190	25,748	76,903	28,280
Deferred income tax and social contribution	(10,318)	(3,714)	(9,294)	(3,346)
	59,872	**22,034**	**67,609**	**24,934**
Applicable tax rate	**24.64%**	**9.07%**	**24.66%**	**9.09%**

The changes in the Current and deferred income tax and social contribution balances arise from the normal changes in the current quarter, and the complete information thereon is disclosed in note 8.3 to the 2012 annual financial statements.

9. ESCROW DEPOSITS

	06/30/2013	12/31/2012
Environmental	4,506	3,846
Tax:		
Real Estate Tax (IPTU) (Primeiro de Maio Municipality)	1,242	1,206
Late payment fine on IRRF, IRPJ and CSLL	874	851
Late payment fine on PIS, COFINS, IRPJ, CSLL, and IOF	6,280	6,095
	8,396	**8,152**
	12,902	**11,998**

This line item includes the escrow deposits made for appeals not related to provision for the probable risks and are adjusted for inflation (see Note 17).

The Company hereby declares that the information on the escrow deposits disclosed in the 2012 annual financial statements is applicable to this interim financial information, as presented in note 9 thereto.

10. PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	06/30/2013			12/31/2012	
	Cost	**Accumulated depreciation**	**Net**	**Net**	Annual depreciation/ amortization rate
In service					
Land	210,997	-	210,997	210,997	-
Reservoirs, dams and water mains	3,445,864	(694,236)	2,751,628	2,827,376	4.5%
Buildings, constructions and improvements	466,467	(133,957)	332,510	339,977	3.2%
Machinery and equipment	777,393	(196,836)	580,557	600,719	5.7%
Vehicles	5,054	(2,537)	2,517	2,936	16.1%
Furniture and fixtures	1,748	(1,274)	474	580	14.7%
(-) Canoas I and II plant reserves	(200,675)	-	(200,675)	(200,675)	-
	4,706,848	**(1,028,840)**	**3,678,008**	**3,781,910**	
in progress					
Reservoirs, dams and water mains	761	-	761	506	
Buildings, constructions and improvements	-	-	-	331	
Machinery and equipment	27,643	-	27,643	17,143	
Furniture and fixtures	556	-	556	549	
	28,960	**-**	**28,960**	**18,529**	
Land	4,249	-	4,249	4,249	
Vehicles	537	-	537	91	
	4,740,594	**(1,028,840)**	**3,711,754**	**3,804,779**	
(-) Concession-related obligations (see note 18)	(6,942)	301	(6,641)	(6,680)	
	4,733,652	**(1,208,539)**	**(3,705,113)**	**3,798,099**	

b) Changes in property, plant and equipment

	Net amount at 12/31/2012	Additions	Depreciation	Write-offs	Reclassifications and transfers	Net amount at 06/30/2013
Land	215,246	-	-	-	-	215,246
Reservoirs, dams and water mains	2,827,882	255	(77,399)	-	1,651	2,752,389
Buildings, constructions and improvements	340,308	220	(7,467)	-	(551)	332,510
Machinery and equipment	617,862	13,496	(21,973)	(184)	(1,001)	608,200
Vehicles	3,027	565	(419)	(91)	(28)	3,054
Furniture and fixtures	1,129	106	(128)	(6)	(71)	1,030
(-) Canoas I and II plant reserves	(200,675)	-	-	-	-	(200,675)
	3,804,779	**14,642**	**(107,386)**	**(281)**	**-**	**3,711,754**
(-) Concession-related obligations	(6,680)	-	39	-	-	(6,641)
	3,798,099	**14,642**	**(107,347)**	**(281)**	**-**	**3,705,113**

10.1 Deemed cost of property, plant and equipment

The Company applied the deemed cost at first-time adoption of IFRS in accordance with CPC 27 ("Property, Plant and Equipment") and engaged advisors from an external consultant to prepare the appraisal of its property, plant and equipment. The appraisal was carried out in accordance with the standards and procedures of the Brazilian Association of Technical Standards (ABNT) and the Ross-Heidecke depreciation method which considers the state of conservation and elapsed life of the asset to obtain its deemed cost, in addition to other requirements of the applicable legislation.

At January 1, 2009, date of the first-time adoption of IFRS, property, plant and equipment were increased by R$ 2,083,565 through the application of the deemed cost with a corresponding entry to "Carrying value adjustments" in equity. In the fair value calculation, the Company considered as reimbursable the residual values related to concessions and the increase in fair value was limited to the indemnity amount. Accordingly, the Company established a provision of R$ 200,675, relating to the residual value at the end of the concession period of the Canoas I and II plants.

The additional depreciation expense calculated on the adjustments to deemed cost in the periods ended June 30, 2013 and 2012 was R$ 50,297 and R$ 51,574 respectively.

For the appraisal of movable assets, the Company used mainly the cost quantification method. As regards the direct comparison with market data, this method depends on the nature of the asset, the availability of relevant market data, as well as information on the fixed assets themselves.

The method of directly comparing market data is based on market conditions and transactions. Under this method, deemed cost is determined through a comparison with recent transactions and offers of items which are similar to the assets that are being appraised, when available. Under this method, physical depreciation and other obsolescence factors are measured at market rates, since the assets are quoted in their current condition (used).

In the case of assets for which there is not enough market information, the cost quantification method was used. In the analysis of the appraisers, the Replacement Cost New (RCN) was calculated both in the direct and indirect manner for each asset. Under the direct method, the Replacement Cost New estimated for the assets was calculated by using the Greenfield principles which, in this context, indicates that the estimated RCN considers the replacement of the asset in a new location, taking into account all the costs related to its installation and operation.

The Company used the indirect method for all the other assets to which the direct cost method was not applied. Under this method, the RCN of each asset or group of assets was determined by updating the original book cost taking into account the age and type of each asset. These costs generally include the base cost of the asset and any additional costs related to its installation.

Since the assets have been in use for some time, it is reasonable to assume that the deemed cost is lower than the RCN. Therefore, physical and functional obsolescence should be considered, as well as various economic factors that can affect their use and value.

In addition, residual factors were considered for the assets. based on the assumption that, if an asset is in use, it has value for the Company, regardless of its elapsed life. For the captions "Dam", "Machinery" and "Furniture", a 5% residual factor was applied to their replacement value. For the "Vehicles" caption, the residual factor applied was 10%. It is important to note that, in the case of vehicles valued at market value, there is no need to use a residual factor.

Land was maintained at historical cost.

10.2 Depreciation rates

The Company records its depreciation in accordance with the estimated useful life determined by the appraisers, which takes into consideration the useful lives estimated by the regulatory agencies that have been accepted by the market as appropriate, unless there is strong evidence that another useful life is more adequate. Land is not depreciated.

10.3 Assets linked to the concession

In accordance concession contracts, the Company 76/1999 and 183/1998 is not allowed to sell or assign for any purpose the assets and installations considered usable by the concession, without the previous and express authorization of ANEEL. ANEEL Resolution 20/1999 regulates the release of assets from the concessions of the Public Electric Energy Service, granting prior authorization to release the assets not usable by the concession when they are destined for sale. The definition on the public hearing 39/2010 is pending decision by Aneel, which deals with the review of this resolution.

10.4 Concession agreements

On September 22, 1999, the Company and ANEEL signed the Generation Concession Agreement 76/1999, which regulates the concessions for use of public assets in electric power generation held by the Jurumirim, Chavantes, Salto Grande, Capivara, Taquaruqu and Rosana power plants, granted by an unnumbered Decree dated September 20, 1999. The agreement grants the Company the right to generate and sell electric power as an independent producer, no longer paying, as of that date, the Global Reversion Reserve (RGR), but instead a Charge for Use of Public Assets, for a five-year period. The concession and contractual term is 30 years counted from the execution date of the agreement, and can be renewed for an additional period, at the discretion of Aneel, in conformity with the concession arrangement.

On January 14, 2000, ANEEL, through Resolution 14/2000, approved the 6th amendment to the contract for the constitution of the Canoas Consortium, which is formed by the Company, as an independent producer of electric energy, and Companhia Brasileira de Aluminio (CBA). This agreement establishes that 50.3% of the energy generated will be made available to CBA and the remaining 49.7% will belong to the Company. Any surpluses of energy not used by CBA must be absorbed, without onus, by the Company. Reciprocally, in the normal course of operations, when generation is lower than that established in the contract, the difference will be supplemented, without onus, by the Company. The concession agreement is effective for 35 years, as from the date of signature, and may be renewed at the discretion of Aneel, in conformity with the concession arrangement.

10.5. Concession Agreement

ANEEL Concession Agreement	Plant	Type	State	River	Installed power (MW)	Guaranteed power (avg. MW)	Start of concession	End of concession
							Concessions at 06/30/2013	
76/1999	Jurumirim	Hydroelectric plant	SP	Paranapanema	101.0	47.0	9/22/1999	9/21/2029
76/1999	Chavantes	Hydroelectric plant	SP	Paranapanema	414.0	172.0	9/22/1999	9/21/2029
76/1999	Salto Grande	Hydroelectric plant	SP	Paranapanema	73.8	55.0	9/22/1999	9/21/2029
76/1999	Capivara	Hydroelectric plant	SP	Paranapanema	619.0	330.0	9/22/1999	9/21/2029
76/1999	Taquaruçu	Hydroelectric plant	SP	Paranapanema	525.0	200.6	9/22/1999	9/21/2029
76/1999	Rosana	Hydroelectric plant	SP	Paranapanema	354.0	176.0	9/22/1999	9/21/2029
183/1998	Canoas I	Hydroelectric plant	SP	Paranapanema	82.5	57.0	7/30/1998	7/29/2033
183/1998	Canoas II	Hydroelectric plant	SP	Paranapanema	72.0	48.0	7/30/1998	7/29/2033
					2,241.3	**1,085.6**		

On December 27, 2012 MME Ordinance 184/2012 was published, and provides for the reduction of 1.4 (average MW) in the Company's total physical guarantee, changing the amount relating to UHE – Taquaruçu from 201 average MW to 200.6 average MW and relating to UHE - Rosana from 177 average MW to 176 average MW. These reductions were caused by a physical guarantee extraordinary review process, set forth in MME Ordinance 861/2010, and are being discussed at administrative level for purposes of reversal.

The complete information on the concession agreements is described in note 10.4 to the 2012 annual financial statements.

10.6. 15% expansion

The Company reports that the Performance Commitment Action filed by the State of São Paulo related to the 15% expansion of its installed capacity is in secrecy.

11. INTANGIBLE ASSETS

Intangible assets as at June 30, 2013 consist of software licenses and rights of way and to the Use of Public Assets (UBP).

a) Breakdown

			06/30/2013	12/31/2012	
	Cost	Accumulated amortization	Net	Net	Annual amortization rates
In service					
UBP	53,494	(22,966)	30,528	31,447	3%
Software	21,838	(19,863)	1,975	1,729	5%
Rights of way	75	-	75	75	
	75,407	**(42,829)**	**32,578**	**33,251**	
In progress					
Software	1,070	-	1,070	1,416	
	76,477	**(42,829)**	**33,648**	**34,667**	
(-) Concession-related obligations (see note 18)	(320)	117	(203)	(235)	
	76,157	**(42,712)**	**33,445**	**34,432**	

b) Changes in intangible assets

	Net amount at 12/31/2012	Additions	Amortization	Net amount at 06/30/2013
UBP	31,447	-	(919)	30,528
Software	3,145	470	(570)	3,045
Rights of way	75	-	-	75
	34,667	**470**	**(1,489)**	**33,648**
(-) Concession-related obligations (see note18)	(235)	-	32	(203)
	34,432	**470**	**(1,457)**	**33,445**

12. TRADE PAYABLES

	06/30/2013		12/31/2012	
	Current	Noncurrent	Current	Noncurrent
Electricity supply	16,307	-	36,236	-
Materials and services	4,382	-	4,609	-
TUSD-G	810	3,917	1,321	3,469
Grid usage charges				
TUST	6,857	-	7,614	-
Connection charges	16	-	16	-
	28,372	**3,917**	**49,796**	**3,469**

The electricity supply line item refers to the power purchased in the spot market (PLD), at the CCEE.

There were no new events as regards the legal lawsuit claiming the revision of the amounts payable as Distribution Grid Use Charge (Tusd-g), and is presented net of the related escrow deposits in noncurrent liabilities.

The changes in the Trade payables balance arise from the normal changes in the current quarter, and the complete information thereon is disclosed in note 12 to the 2012 annual financial statements.

13. RELATED PARTIES

13.1. Balances and transactions

The Company has expense sharing agreements with associates DEB – Pequenas Centrais Hidrelétricas Ltda. (“DEB”) and Duke Energy International, Brasil Ltda. (“Duke Brasil”). The estimated amount of these agreements for 2013 are R$3,240 and R$886 respectively. The amount receivable from related parties at June 30, 2013 is R$0 (R$391 at December 31, 2012), of which R$0 (R$73 at December 31, 2012) refer to out-of-pocket expenses to be reimbursed by Duke Brasil.

In those cases where the Company’s customers require guarantees in business transactions, Duke Brasil provides such guarantees on behalf of the Company. As at June 30, 2013 these guarantees amount to R$161,719 (R$115,489 at December 31, 2012). The other material transactions with related parties refer to the distribution of dividends.

13.2. Project development agreement

On December 21, 2012, the Extraordinary General Meeting (AGE) approved the execution of the Project Development Agreement (“Agreement”), whose counterparty is a company of the Company’s economic group, called Duke Energy International, Brasil Ltda. (“Duke Brasil”), the Company’s controlling shareholder, whose purpose is the participation in bids and/or auctions conducted in the scope of the power, by obtaining the related concessions, permits or authorizations. The purpose of the Agreement is to set: (a) the overall guidelines and method of implementation of cooperation between Duke Brasil and the Company for development of the projects, as supported by the Company.

The signature of this instrument by the Company and Duke Commercial is in accordance with the dispositions of ANEEL's Normative Resolution 334/2008 and the Company's Internal Policies.

The complete information on the Project Development Agreement is described in note 13.3 to the 2012 annual financial statements.

13.3. Compensation of key management personnel

The table below is a breakdown of compensation of key management personnel:

	04/01/2013 to 06/30/2013	01/01/2013 to 06/30/2013	04/01/2012 to 06/30/2012	01/01/2012 to 06/30/2012
Employee and management short-term benefits	1,385	2,712	1,477	2,974
Postemployment benefits	40	79	44	87
	1,425	**2,791**	**1,521**	**3,061**
Share-based payments	80	80	101	101
	1,505	**2,871**	**1,622**	**3,162**

The changes in the Compensation of key management personnel balance arise from the normal changes in the current quarter, and the complete information thereon is disclosed in note 13.4 to the 2012 annual financial statements.

14. DEBENTURES

14.1. Breakdown and maturity of debentures

a) Breakdown

		Principal + charges at			
		06/30/2013		12/31/2012	
Issuance	Series	Current	Noncurrent	Current	Noncurrent
1st issue	1st series	63,978	-	63,569	-
1st issue	2nd series	68,163	60,510	57,212	60,410
2nd issue	Single	249,098	401,595	219,592	394,198
3rd issue	Single	5,530	149,513	5,766	149,416
		386,769	**611,618**	**346,139**	**604,024**

b) Long term maturity

	2014	2015	2016	2017	Total
Noncurrent	248,461	213,352	74,805	75,000	**611,618**

14.2. Changes in Debentures

	1st issue		2nd issue	3rd issue	
	1st series	2nd series	Single	Single	Total
Net amount at 12/31/2012	**63,569**	**117,623**	**613,790**	**155,181**	**950,163**
Changes in Debentures					
Principal amortization					
Interest accrual	2,813	6,863	26,154	6,064	41,894
Inflation adjustment accrual	-	4,088	10,058	-	14,146
Costs amortization	356	99	691	98	1,244
Interest payments	(2,760)	-	-	(6,300)	(9,060)
	409	**11,050**	**36,903**	**(138)**	**48,224**
Net amount at 06/30/2013	**63,978**	**128,673**	**650,693**	**155,043**	**998,387**

The changes in the Debentures balance arise from the normal changes in the current quarter, and the complete information there on is disclosed in note 14 to the 2012 annual financial statements.

15. CIBACAP – CAPIVARA BASIN INTERCITY CONSORTIUM

	06/30/2013	12/31/2012
Current	1,610	2,278
Noncurrent	7,496	7,368
	9,106	**9,646**

See additional comments in note 15 to the 2012 annual financial statements.

16. PENSION PLAN

In the quarter ended June 30, 2013 there were no changes in the assumptions used for the actuarial valuations.

In the table below, is demonstrated the expense recognized during the period (see note 24):

	04/01/2013 to 06/30/2013	01/01/2013 to 06/30/2013	04/01/2012 to 06/30/2012	01/01/2012 to 06/30/2012
Cost of current service	675	1,350	545	1,089
Interest on actuarial obligation	4,397	8,794	3,825	7,650
Expected return on plan assets	(4,745)	(9,490)	(5,930)	(11,860)
Employees' contributions	405	810	(171)	(341)
	732	**1,464**	**(1,731)**	**(3,462)**

Due to the variation in interest rates in the second quarter of 2013, management prepared a sensitivity analysis to assess the need to record additional adjustment in the actuarial valuation of December 31, 2012, which resulted in the disclosure of actuarial assets not recognized. As a result of this analysis, management did not identify any adjustments that might be necessary in liabilities on June 30, 2013, remaining the assessment of assets not recognized.

17. PROVISION FOR TAX, LABOR AND ENVIRONMENTAL CONTINGENCIES

The Company hereby declares that the information on estimates involving the risks of an unfavorable outcome classified by our legal counsel as probable and possible disclosed in the 2012 annual financial statements are applicable to this interim financial information, as presented in note 17 thereto.

17.1. Provision for tax, labor and environmental contingencies

Breakdown

Proceedings	Adjusted amount	Provision	Escrow deposit	06/30/2013 Provision for tax, labor and environmental contingencies	12/31/2012 Provision for tax, labor and environmental contingencies
Labor	5,151	5,151	(2,003)	3,148	3,250
Tax	13,296	13,296	(620)	12,676	11,692
Environmental	4,572	4,572	-	4,572	2,862
	23,019	**23,019**	**(2,623)**	**20,396**	**17,804**

Changes in the provision for tax, labor and environmental contingencies

	Labor	Tax	Environmental	Total
Balance as at January 1st, 2013	**3,250**	**11,692**	**2,862**	**17,804**
Contingencies				
Provisions in the period	850	903	1,589	3,342
Write offs in the period	(81)	-	-	(81)
Inflation adjust in the period	-	92	139	231
Disbursements/agreements in the period	(284)	-	(18)	(302)
	485	**995**	**1,710**	**3,190**
Escrow deposits				
Inflation adjust in the period	(44)	(11)	-	(55)
(Additions)	(831)	-	-	(831)
Write offs	288	-	-	288
	(587)	**(11)**	**-**	**(598)**
Total changes in the period	**(102)**	**984**	**1,710**	**2,592**
Balance as at June 30, 2013	**3,148**	**12,676**	**4,572**	**20,396**

The changes in the Provision for tax, labor and environmental contingencies balance arise from the normal changes in the current quarter, and the main new lawsuits are described below:

a) Tax

The addition to the provision for tax contingencies with a probable likelihood of an unfavorable outcome, made in the quarter ended June 30, 2013, refers to:

i. Administrative proceeding No. 16349.720176/2012-22, which refers to PIS and COFINS offset requests made using electronic tax offset applications (PER/DCOMP) not approved beginning FY 2008.

b) Environmental

The addition to the provision for environmental contingencies with a probable likelihood of an unfavorable outcome, made in the quarter ended June 30, 2013, refers to:

i. Revaluation of the lawsuits filed by fishermen for alleged environmental damages based on the State of Paraná Court of Justice decision, amounting to R$1,550 in January 2013 (R$ 395 at December 31, 2012).

17.2. Possible contingencies

	06/30/2013	12/31/2012
Labor	10,484	9,892
Tax	54,670	48,553
Environmental	31,914	30,679
Regulatory	42,838	42,225
	139,906	**131,349**

The changes in the Possible contingencies balance arise from the normal changes in the current quarter, and the complete information thereon is disclosed in note 17.2 to the 2012 annual financial statements.

18. SPECIAL OBLIGATIONS

	06/30/2013	12/31/2012
Arising from PP&E (see note 10)		
General reversion reserve (RGR) charge	4,947	4,947
Equipment donations (ONS)	1,545	1,574
Research and development (R&D)	149	159
	6,641	**6,680**
Arising from intangibles (see note 11)		
R&D - software	203	235
	6,844	**6,915**

See additional comments in note 18 to the 2012 annual financial statements.

19. REGULATORY CHARGES

The payables arising from charges set out by electricity industry legislation are as follows:

	06/30/2013		12/31/2012	
	Current	Noncurrent	Current	Noncurrent
Compensation for the use water resources (CFURH)	9,829	-	9,053	-
ANEEL inspection fee	349	-	373	-
Research and development (R&D)	14,217	8,847	14,783	6,455
	24,395	**8,847**	**24,209**	**6,455**

See additional comments in note 19 to the 2012 annual financial statements.

20. EQUITY

20.1. Share capital

The Company's authorized capital on June 2013 is R$2,355,580, of which R$785,193 in common shares and R$1,570,387 in preferred shares, all registered and without par value.

Subscribed and paid-in capital is R$1,339,138 (R$1,339,138 at December 31, 2012) represented by 94,433,283 shares, of which 31,477,761 are common shares and 62,955,522 are preferred shares, all registered and without par value.

	Share position at 06/30/2013 in thousands of shares					
Shareholders	Common	%	Preferred	%	Total	%
Duke Energy Internat. Brasil Ltda.	31,181	99.06	57,850	91.89	89,031	94.28
Duke Energy Internat. Brazil Holdings Ltd.	-	-	735	1.17	735	0.78
Cia Metropolitano de São Paulo	-	-	1,324	2.10	1,324	1.40
Other individuals and legal entities	297	0.94	3,046	4.84	3,343	3.54
	31,478	**100.00**	**62,955**	**100.00**	**94,433**	**100.00**

See additional comments in note 20.1 to the 2012 annual financial statements.

20.2. Capital reserves

	06/30/2013	12/31/2012
Share subscription premium	468	468
Spin-off account	(6,418)	(6,418)
Goodwill on downstream merger	103,838	103,838
Share-based payments	1,624	1,544
	99,512	**99,432**

See additional comments in note 20.2 to the 2012 annual financial statements.

20.3. Earnings reserves

	06/30/2013	12/31/2012
Earning reserves	88,095	88,094
Pension plan	2,876	2,117
	90,971	**90,211**

20.4. Retained earnings

a) Composition of retained earnings

	06/30/2013	06/30/2012
Profit for the period	161,113	181,624
Depreciation (deemed cost)	50,300	51,575
Disposals (deemed cost)	88	351
Deferred income tax and social contribution	(17,132)	(17,655)
	194,369	**215,895**

b) Composition of dividends and interest on capital payable

	06/30/2013	12/31/2012
Dividends approved	-	83,969
Interest on capital payable	119	73,879
Dividends, interest on capital and capital reduction in custody	1,072	1,078
	1,191	**158,926**

20.5. Equity valuation adjustments

	Deemed cost	Pension plan	Total
Balance at 12/31/2012	**938,773**	**-**	**938,773**
Depreciation	(50,300)	-	(50,300)
Write-offs	(88)	-	(88)
Deferred income tax and social contribution	17,132	-	17,132
	(33,256)	**-**	**(33,256)**
Comprehensive income			
Pension plan	-	1,151	1,151
Deferred income tax and social contribution	-	(391)	(391)
	-	**760**	**760**
Reclassification to earnings reserve	**-**	(760)	(760)
Balance at 06/30/2013	**905,517**	**-**	**905,517**

See additional comments in note 20.6 to the 2012 annual financial statements.

21. NET REVENUE

	04/01/2013 to 06/30/2013	01/01/2013 to 06/30/2013	04/01/2012 to 06/30/2012	01/01/2012 to 06/30/2012
Electric power supply				
Bilateral contracts	236,513	471,793	178,417	353,156
Auction contracts	62,099	125,165	92,884	190,607
Spot market	11,599	11,751	32,251	72,774
MRE	5,584	10,145	2,731	3,875
	315,795	**618,854**	**306,283**	**620,412**
Other income	4,088	9,550	15	28
	319,883	**628,404**	**306,298**	**620,440**
Deductions from operating revenue				
PIS and COFINS	(26,431)	(52,686)	(24,564)	(49,327)
ICMS	(3,817)	(8,021)	(1,286)	(2,410)
R&D	(3,016)	(5,725)	(2,808)	(5,662)
	(33,264)	**(66,432)**	**(28,658)**	**(57,399)**
Net operating revenue	**286,619**	**561,972**	**277,640**	**563,041**

22. OPERATING COSTS AND EXPENSES

Breakdown of operating costs and expenses by nature:

	04/01/2013 to 06/30/2013			04/01/2012 to 06/30/2012
Operating expenses/(income)	**Cost of power sold**	**General and administrative expenses**	**Total**	**Total**
Personnel	9,529	8,238	17,767	15,650
Supplies	1,000	50	1,050	836
Outside services	5,611	4,020	9,631	12,040
ANEEL inspection fee	1,047	-	1,047	1,119
Power purchased for resale and system use charges	7,004	-	7,004	3,978
Power grid charges	18,266	-	18,266	20,540
Compensation for the use water resources	14,202	-	14,202	13,315
Depreciation and amortization	53,904	493	54,397	55,775
Provision/(wirte off) for tax, labor and environmental contingencies	467	220	687	(134)
Allowance/(write off) for doubtful debts	-	355	355	(6,934)
Leases and rents	(1)	912	911	887
Insurance	1,109	-	1,109	933
Other	227	1,895	2,122	2,322
	112,365	**16,183**	**128,548**	**120,327**

	01/01/2013 to 06/30/2013			01/01/2012 to 06/30/2012
Operating expenses/(income)	**Cost of power sold**	**General and administrative expenses**	**Total**	**Total**
Personnel	17,781	15,622	33,403	30,444
Supplies	1,792	73	1,865	1,713
Outside services	10,113	7,851	17,964	18,853
ANEEL inspection fee	2,095	-	2,095	2,238
Power purchased for resale and system use charges	31,413	-	31,413	8,199
Power grid charges	36,778	-	36,778	41,075
Compensation for the use water resources	27,228	-	27,228	28,100
Depreciation and amortization	107,814	990	108,804	111,560
Provision/(wirte off) for tax, labor and environmental contingencies	2,098	1,163	3,261	(64)
Write off for doubtful debts	-	(2,389)	(2,389)	(4,610)
Leases and rents	(2)	1,778	1,776	1,744
Insurance	2,191	-	2,191	1,833
Other	545	3,024	3,569	3,887
	239,846	**28,122**	**267,958**	**244,972**

23. ELECTRIC POWER SOLD AND PURCHASED AND GRID USAGE CHARGES

23.1. Electric power sold

	04/01/2013 to 06/30/2013		04/01/2012 to 06/30/2012	
Supply	**MWh (*)**	**R$**	**MWh (*)**	**R$**
Bilateral contracts	1,544,381	236,513	1,229,954	178,417
Auction contracts	562,465	62,099	967,228	92,884
Spot market	41,854	11,598	195,681	32,251
MRE	573,525	5,585	285,702	2,731
	2,722,225	**315,795**	**2,678,565**	**306,283**

	01/01/2013 to 06/30/2013		01/01/2012 to 06/30/2012	
Supply	**MWh (*)**	**R$**	**MWh (*)**	**R$**
Bilateral contracts	3,117,818	471,793	2,446,912	353,156
Auction contracts	1,141,906	125,165	1,999,597	190,607
Spot market	41,854	11,751	781,248	72,774
MRE	1,034,160	10,145	406,391	3,875
	5,335,738	**618,854**	**5,634,148**	**620,412**

(*) Not reviewed by independent auditors.

The table below summarizes the volumes in MW of Guaranteed Energy contracted/expected completion of contracts by the Company in the Deregulated Contracting Framework (ACL) and the Regulated Contracting Framework (ACR) at June 30, 2013.

			MW (*)
	2013	**2014**	**2015**
Power available for sale	1,008	1,004	1,004
ACR	**264**	**211**	**-**
2005 (8 years)	-	-	-
2006 (8 years)	53	-	-
2007 (8 years)	211	211	-
ACL	**711**	**689**	**842**
Bilateral Contracts with free consumers	711	689	842
Subtotal	**975**	**900**	**842**
Deregulated Power Supply	33	104	162
Percentage power contracted	96.7%	89.6%	83.9%

(*) Not reviewed by independent auditors.

23.2. Power purchased for resale

	04/01/2013 to 06/30/2013		01/04/2012 to 06/30/2012	
	MWh (*)	**R$**	**MWh (*)**	**R$**
Purchased power - bilateral	-	-	43,680	3,977
Purchased power - spot market	23,981	(1,230)	-	1
Purchased power – MRE	-	-	-	-
System services charge (ESS)	-	8,234	-	-
	23,981	**7,004**	**43,680**	**3,978**

	01/01/2013 to 30/06/2013		01/01/2012 to 30/06/2012	
	MWh (*)	**R$**	**MWh (*)**	**R$**
Purchased power - bilateral	-	-	87,380	7,957
Purchased power - spot market	129,809	21,474	-	206
Purchased power – MRE	-	-	3,137	36
System services charge (ESS)	-	9,939	-	-
	129,809	**31,413**	**90,517**	**8,199**

(*) Not reviewed by independent auditors.

In 2013 the company recognized R$9,939 (without an equivalent amount for the prior period) related to the collection of the system services charge (ESS), under a supplementary ruling applicable to thermal power plants for power supply reasons. These amounts do not present a corresponding power volume and are used exclusively to reimburse the thermal power companies for the costs incurred on maintaining the reliability and stability of the national interconnected system.

The changes in the Power purchased for resale balance arise from the normal changes in the current quarter, and the complete information thereon is disclosed in note 23.2 to the 2012 annual financial statements.

23.3. Grid usage charges

	04/01/2013 to 06/30/2013	**01/01/2013 to 06/30/2013**	**04/01/2012 to 06/30/2012**	**01/01/2012 to 06/30/2012**
TUST	16,037	32,080	17,177	34,415
TUSD-G	2,180	4,609	3,326	6,588
Connection charges	49	89	37	72
	18,266	**36,778**	**20,540**	**41,075**

See additional comments in note 23.3 to the 2012 annual financial statements.

24. FINANCE INCOME (COSTS)

	04/01/2013 to 06/30/2013	01/01/2013 to 06/30/2013	04/01/2012 to 06/30/2012	01/01/2012 to 06/30/2012
Income				
Short-term investments	5,556	8,505	10,199	19,109
Pension plan income (see note 16)	-	-	1,731	3,462
Inflation adjustments				
Escrow deposits – Tusd-g	596	1,152	774	1,346
Escrow deposits – other	208	433	248	496
Other inflation adjustments	60	60	90	95
Interest on RTE	-	-	-	261
Interest and discounts obtained	80	508	124	961
	6,500	**10,658**	**13,166**	**25,731**
Costs				
Costs on pension plan (see note 16)	(732)	(1,464)	-	-
Interest on debentures	(22,364)	(43,138)	(23,973)	(47,333)
Losses on inflation adjustments				
Debentures	(5,080)	(14,146)	(14,643)	(18,131)
TUSD-G	(944)	(1,600)	(1,015)	(2,194)
Provisions for tax, labor and environmental contingencies	(97)	(198)	(211)	(431)
Other	(249)	(488)	(506)	(876)
Finance costs CCEE	(26)	(26)	-	-
Other finance costs	(340)	(593)	(291)	(668)
	(29,832)	**(61,653)**	**(40,639)**	**(69,633)**
	(23,332)	**(50,995)**	**(27,473)**	**(43,902)**

25. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the year attributable to the holders of Company common and preferred shares by the weighted average number of common and preferred shares outstanding in the year.

The table below shows the profit and share data used to calculate basic and diluted earnings per share:

	04/01/2013 to 06/30/2013	01/01/2013 to 06/30/2013	04/01/2012 to 06/30/2012	01/01/2013 to 06/30/2013
Numerator				
Profit for the period attributable to the Company shareholders				
Profit attributable to preferred shareholders	59,729	107,409	57,404	121,083
Profit attributable to common shareholders	29,865	53,704	28,702	60,541
	89,594	**161,113**	**86,106**	**181,624**
Denominator				
Weighted average number of preferred shares	62,955	62,955	62,955	62,955
Weighted average number of common shares	31,478	31,478	31,478	31,478
	94,433	**94,433**	**94,433**	**94,433**
Basic and diluted earnings per share				
Preferred share	**0.94875**	**1.70611**	**0.91181**	**1.92330**
Common share	**0.94875**	**1.70611**	**0.91181**	**1.92330**

26. FINANCIAL INSTRUMENTS

The Company hereby declares that the information on financial instruments disclosed in the 2012 annual financial statements are applicable to this interim financial information, as presented in note 26 thereto.

Financial instruments in the balance sheet:

a) Cash and cash equivalents (see note 6)

Financial investments in fixed-income instruments, plus income earned through the end of the reporting period, realizable in less than 90 days and recognized in accounting at market yield amounts.

b) Debentures (see note 14).

	06/30/2013		12/31/2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Debentures	998,387	948,909	950,163	1,049,724

The Company did not carry out derivative transactions during the reporting period and does not have any outstanding derivative transactions at the end of the reporting period. There is no foreign exchange exposure either since the Company does not any material amounts denominated in foreign currencies at the end of the reporting period.

27. INSURANCE

The Company has insurance contracts that take into consideration the nature and the level of risk to which it is exposed. The main coverage, according to insurance policies, is as follows:

	Coverage in thousand reais	
Line	**06/30/2013**	**12/31/2012**
Property damages and loss of profits	983,062	914,200
Civil liability (concessionaire)	10,168	9,142

28. SUBSEQUENT EVENT

28.1. Fourth issuance of debentures

As disclosed in the material fact notice published on May 20, 2013, on July 16, 2013 the Company issued R$500,000 in the market as debt, through the fourth public distribution of simple, registered, book-entry, unsecured, nonconvertible debentures, in two series, in the local market, distributed under restricted efforts, pursuant to CVM Instruction 476/2009, exclusively offered to qualified investors.

The offer was issued based on the decisions of: (i) the Company's Extraordinary Shareholders' Meeting held on June 13, 2013; (ii) the Supervisory Board's meeting held on May 17, 2013, which issued an opinion favorable to funding through the fourth issuance of debentures; (iii) the Board of Directors' meeting held on May 17, 2013.

The covenants contained in the fourth issuance debentures indenture are similar to the covenants contained in the first, second and third issuance debentures indenture.

The net proceeds obtained by the Company with this issuance will be fully used to (i) pay the principal, interest, and inflation adjustment charged on the first and second series of the issuance of Company debentures; (ii) pay the principal, interest, and inflation adjustment charged on the first amortization of the second issuance of Company debentures, (iii) pay the interest charged on the third issuance of Company debentures; and (iv) renovate Generating Unit ("UG") 1, UG 2, and UG 3 of the Chavantes Plant, under Company concession.

The Company raised, through this issuance, funds at lower costs and better maturities than those currently used aimed at elongating the maturity profile of its debt and seize better market terms.
The maturity of first series debentures will be five (5) years from the Issue Date, thus maturing on July 16, 2018, and the maturity of the second series debentures will be ten (10) years from the Issue Date, thus maturing on July 16, 2023, except in the case of the accelerated maturity of debentures, as provided for in the Issue Indenture.

MANAGEMENT MEMBERS

Board of Directors

Jairo de Campos
Chairman

Andréa Elizabeth Bertone
Member

Elizabeth Christina DeLaRosa
Member

Maurício Lotufo Maudonnet
Member

Gláucio João Agostinho
Member

Paulo Nicácio Júnior
Alternate Member

Executive Committee

Armando de Azevedo Henriques
Chief Executive Officer

Angela Aparecida Seixas
Chief Financial and Internal Control Officer and Investor Relations Officer

Carlos Alberto Dias Costa
Chief Operating Officer

César Teodoro
Environment, Health and Safety Officer

Jairo de Campos
Human Resources, Administration, Procurement and IT Officer

Supervisory Board

Jarbas Tadeu Barsanti Ribeiro
Chairman of the Supervisory Board

Marcelo Curti
Member

François Moreau
Member

Ary Waddington
Alternate Member

Edmundo Falcão Koblitz
Alternate Member

Bernardo Almeida Brito Garcia
Alternate Member