

Duke Energy International,
Geração Paranapanema S.A. and
Controlled Company
Individual and Consolidated Interim
Financial Information

For the Three- and Six-Month Periods Ending
on June 30, 2015 and
Report on Review of Interim
Information

Contents

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION.....	4
COMMENTS ON ECONOMIC AND FINANCIAL PERFORMANCE	6
BALANCE SHEETS AS AT JUNE 30, 2015 AND DECEMBER 31, 2014	11
INCOME STATEMENTS.....	13
INCOME STATEMENTS.....	14
STATEMENTS OF COMPREHENSIVE INCOME.....	15
STATEMENTS OF CHANGES IN EQUITY	16
STATEMENTS OF CASH FLOWS.....	17
STATEMENTS OF VALUE ADDED	18
NOTES TO THE INTERIM FINANCIAL INFORMATION (ITR).....	19
1. GENERAL INFORMATION	19
2. SUMMARY OF CRITICAL ACCOUNTING POLICIES AND PRESENTATION OF FINANCIAL STATEMENTS.....	19
2.1. Basis of preparation	19
2.2. Consolidation	20
2.3. Authorization agreements.....	20
2.4. Impairment of non-financial assets.....	21
3. KEY ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS	21
4. BUSINESS RISK MANAGEMENT	21
4.1. Financial risk factors	21
4.2. Capital management	23
4.3. Fair value estimate	23
5. CREDIT QUALITY OF FINANCIAL ASSETS	23
6. CASH AND CASH EQUIVALENTS	24
7. TRADE RECEIVABLES	24
8. RECOVERABLE TAXES / TAXES PAYABLE	25
8.1. Tax benefit - Merged goodwill.....	25
8.2. Statements of income tax and social contribution calculation.....	26
9. ESCROW DEPOSITS.....	27
10. INVESTMENT	27
11. PROPERTY, PLANT AND EQUIPMENT	28
11.1. Deemed cost of property, plant and equipment	29
11.2. Depreciation rates.....	29
11.3. Concession-related assets.....	30
11.4. Concession Arrangements	30
11.5. 15% growth	30
11.6. Sale of Assets – Pousada Jurumirim.....	30
12. INTANGIBLE ASSETS.....	30
13. TRADE PAYABLES	31
14. ARBITRATION	32
15. RELATED PARTIES.....	32
15.1. Transactions and balances	32
15.2. Compensation of key Management personnel	32
16. DEBENTURES	33
16.1. Breakdown and maturity	33
16.2. Changes	33
16.3. Financial Covenants	33
17. LOAN	34
17.1. Breakdown and maturity	34
18. CIBACAP – CAPIVARA BASIN INTERCITY CONSORTIUM.....	35
19. PENSION AND RETIREMENT PLAN.....	35
20. PROVISIONS FOR TAX, LABOR AND ENVIRONMENTAL RISKS.....	35
20.1. Provisions for tax, labor and environmental risks	36
20.2. Possible contingencies	37
21. SPECIAL OBLIGATIONS (*).....	37
22. REGULATORY CHARGES	38

23.	EQUITY	38
23.1.	Capital	38
23.2.	Capital reserves	39
23.3.	Earnings reserves	39
23.4.	Retained earnings	39
23.5.	Valuation adjustments to equity.....	40
24.	NET OPERATING REVENUE	40
25.	OPERATING COSTS AND EXPENSES	41
26.	ELECTRIC POWER SOLD AND PURCHASED AND POWER GRID CHARGES	42
26.1.	Electric power sold	42
26.2.	Electric power purchased for resale	43
26.3.	Power grid charges	43
27.	FINANCE INCOME	44
28.	EARNINGS PER SHARE	44
29.	FINANCIAL INSTRUMENTS.....	45
30.	INSURANCE	45
31.	SUBSEQUENT EVENT	45
31.1.	Preliminary Injunction on Generation Scaling Factor (GSF)	45
	MANAGEMENT MEMBERS.....	46

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the individual and consolidated interim financial information of Duke Energy International, Geração Paranapanema S.A. (“Company”), included in the Quarterly Financial Information Form (ITR) for the quarter ended June 30, 2015, which comprises the balance sheet as at June 30, 2015, and the related income statement and statement of comprehensive income for the three- and six-month periods 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 individual and consolidated 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, 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 individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities Commission.

Emphasis of matter

As described in Notes 2.10 and 3.12 to the annual 2014 financial statements and applicable for this Interim Financial Information (ITR), the property, plant and equipment items 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 such explanatory notes. As new information or decisions from the regulatory agency or the concession grantor become known, the current depreciation term for such assets may or may not be changed. Our conclusion is not modified with respect to this matter.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added (DVA) for the six-month period ended June 30, 2015, prepared under the responsibility of the Company's management, the presentation of which is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR), and considered supplemental information by IFRS, which does not require the presentation of a DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

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

São Paulo, August 11, 2015

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Iara Pasian
Engagement Partner

**COMMENTS ON ECONOMIC AND FINANCIAL PERFORMANCE
PERIODS FROM APRIL 1 TO JUNE 30, 2015 AND 2014**

(In thousands of Brazilian reais - BRL, unless otherwise stated)

Transfer of corporate control of DEB – Pequenas Centrais Hidrelétricas Ltda to the Company occurred in the second quarter of 2015.

The operation was executed on May 6, following publication of Authorization Resolution no. 5.182/2015, through which the National Electric Energy Agency (ANEEL) approved transfer of corporate control.

Consolidated and individual financial statements are shown and, as of May 7, the effects of finance income for the DEB controlled company are reflected in Duke Paranapanema.

	Controlling Company	Consolidated	% variance
	2Q2014	2Q2015	
Economic indicators			
Gross operating revenue	318,422	341,262	7.2
(-) Deductions from operating revenue	(33,760)	(45,622)	35.1
Net operating revenue	284,662	295,640	3.9
(-) Operating expenses	(158,292)	(225,588)	42.5
Operating profit	126,370	70,052	-44.6
Ebitda	180,668	123,751	-31.5
<i>Ebitda margin - %</i>	63.5%	41.9%	
Finance income (costs)	(19,562)	(44,814)	129.1
Profit before income tax and social contribution	106,808	25,238	-76.4
Profit for the period	70,718	17,408	-75.4
<i>Net margin - %</i>	24.8%	5.9%	
Shares			
Outstanding shares (thousands of shares)	94,433	94,433	
Earnings per thousand of shares (in Brazilian reais – BRL)	748.87	184.33	-75.4

Of the Consolidated amounts shown above, the DEB controlled company accounts for 2.0% of net operating revenue (BRL 5.8 million), 1.5% of the operating expenses (BRL 3.4 million) and 13.9% of the profit for the period (BRL 2.4 million).

	Controlling Company	Consolidated	% variance
	06/30/2014	06/30/2015	
Financial indicators			
Total assets	4,897,119	3,938,625	-19.6
Debts in local currency	1,646,409	1,416,109	-14.0
Equity	2,615,714	1,916,751	-26.7

Operating Expenses

	Controlling Company	Consolidated	% variance
	2Q2014	2Q2015	
Electric power purchased for resale	(36,293)	(95,016)	161.8
Depreciation and amortization	(54,298)	(53,699)	-1.1
Power grid charges	(20,480)	(22,282)	8.8
Personnel	(19,396)	(20,470)	5.5
Financial compensation due to the use of water resources	(12,093)	(13,505)	11.7
Outside services	(10,089)	(10,428)	3.4
Provisions for tax, labor and environmental risks	(317)	(4,560)	1,338.5
Insurance	(1,207)	(1,387)	14.9
Electric power service inspection fee (TFSEE)	(1,018)	(1,268)	24.6
Material	(911)	(1,130)	24.0
Other	(2,220)	(916)	-58.7
Rent	(977)	(904)	-7.5
Reversal / (recognition) of estimated doubtful debts	1,007	(23)	-102.3
	(158,292)	(225,588)	42.5

Operating expenses totaled BRL 225.6 million in the 2nd quarter of 2015, 42.5% higher than the BRL 158.3 million recorded for the same period of the prior year.

Below are the main factors that affected operating expenses:

- Electric power purchased for resale: the increase of BRL 58.7 million or 161.8% is related to the unfavorable hydrological scenario represented by the reduction in the levels of the Generation Scaling Factor (GSF).
- Financial compensation for use of water resources: increase of BRL 1.4 million, or 11.7% compared to the same period in the previous year, due to a 6.7% readjustment in the Updated Benchmark Tariff (TAR), which went from BRL 79.87/MWh to BRL 85.26/MWh as of January 1, 2015, by the increased volume generated in the quarter of 4.61% (2,346,532.93 MWh in June/2015 and 2,243,084.84 MWh in June/2014).
- Provisions for tax, labor and environmental risks: increase of BRL 4.2 million or 1,338.5% in the period, based on reevaluation of the provision for labor and environmental contingencies, due to unfavorable judgments during the period, as described in note 20.1;
- Reversal/Allowance for doubtful accounts: In 2014, the amounts recognized were reversed due to the decrease of the Company's share in the apportionment of default upon settlement of the Electric Power Commercialization Chamber (CCEE).

EBITDA and EBITDA Margin

	Controlling Company	Consolidated	% Variance
	2Q2014	2Q2015	
Profit for the period	70,718	17,408	-75.4
Income tax and social contribution	36,090	7,830	-78.3
Finance income (net)	19,562	44,814	129.1
Depreciation and amortization	54,298	53,699	-1.1
Ebitda	180,668	123,751	-31.5%
<i>Ebitda margin</i>	63.5%	41.9%	

EBITDA (earnings before interest, income tax and social contribution, 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 calculated based on CVM Instruction 527/2012. EBITDA should not be considered as an alternative to cash flow as an indicator of liquidity.

The Company's Management believes that EBITDA provides a useful measurement of its performance, extensively used by investors and analysts to evaluate performance and compare companies.

The Company's EBITDA dropped by 31.5% compared to the same period of the prior year, primarily due to the higher amount of electric power purchased for resale and the lower average volume of cash applied in the period.

Finance income (costs)

	Controlling Company	Consolidated	% Variance
	2Q2014	2Q2015	
Finance income	22,206	7,616	-65.7
Finance costs	(41,768)	(52,430)	25.5
Finance income (net)	(19,562)	(44,814)	129.1

Net finance income for the 2nd quarter of 2015 was negative by BRL 44.8 million, a 129.1% drop compared to the same period the year before. Lower financial revenues are mostly a result of a lower average volume invested in the period and higher financial expenses are due to a rise in rates of inflation.

Debentures

Issuance	Series	Yield	Maturity	Controlling Company	Consolidated
				06/30/2014	06/30/2015
2nd	Single	IGP-M fluctuation + 8.59% p.y.	07/16/2015	465,697	-
3rd	Single	CDI fluctuation + 1.15% p.y.	01/10/2017	157,382	158,926
4th	1	CDI fluctuation + 0.65% p.y.	07/16/2018	261,484	263,811
4th	2	IPCA fluctuation + 6.07% p.y.	07/16/2023	280,410	304,801
5th	1	CDI fluctuation + 0.89% p.y.	05/20/2019	240,089	241,044
5th	2	IPCA fluctuation + 7.01% p.y.	05/20/2021	241,347	262,402
				1,646,409	1,230,984

The Company's debentures in the 2nd quarter of 2015 amount to BRL 1.231 million, 25.2% lower compared to the amount of BRL 1.646 million for the same period the previous year. This variance is mainly due to the interest payment on the 3rd issue in July 2014 and January 2015, interest payment of the 4th issue, also made in January 2015, and interest payment of the 5th issue in May 2015; in addition, there was settlement of the full balance of the 2nd issue in August 2014.

Loan

	Yield	Maturity	Controlling Company	Consolidated
			06/30/2014	06/30/2015
Loan	CDI fluctuation + 1.4% p.y.	05/05/2017	-	185,125

In May 2015, the Controlling Company raised funding through a loan from Citibank bank in the amount of BRL 181 million, with said loan being restated at 100% of the YTD variation in the CDI, plus annual interest of 1.4%. This loan has a two year term and pre-payment may take place after the first effective year of the contract. No assets were given as guarantee to obtain this financing and there are no covenants.

Net financial debt

	Controlling Company	Consolidated	% Variance
	06/30/2014	06/30/2015	
Loan	-	185,125	100.0
Debentures	1,646,409	1,230,984	-25.2
Short-term	288,845	119,711	-58.6
Long-term	1,357,564	1,111,273	-18.1
Cash	(1,123,361)	(168,913)	-85.0
Net debt	523,048	1,247,196	138.4

The Consolidated net debt, made up of indebtedness, deducting funds from cash and cash equivalents, was 138.4% higher compared to the same period in 2014. This variation is chiefly the result of lower cash and cash equivalent amounts.

Profit for the period

Based on the items above, in the second quarter of 2015, the Company had a net profit of BRL 17.4 million, which is BRL 53.3 million or 75.4% less than the same period of the year prior.

Through equity accounting, the Controlling Company obtained a result for its controlled company, DEB, of BRL 2.4 million.

BALANCE SHEETS AS AT JUNE 30, 2015 AND DECEMBER 31, 2014
 (In thousands of Brazilian reais – BRL)

ASSETS	Note	Controlling Company		Consolidated
		06/30/2015	12/31/2014	06/30/2015
Current assets				
Cash and cash equivalents	6	128,765	141,391	168,913
Trade receivables	7	123,012	129,513	126,604
Recoverable taxes	8	1,655	15,909	2,334
Services in progress		15,506	16,790	15,506
Prepaid expenses		3,201	401	3,291
Sundry debtors		2,116	1,553	2,150
Related parties	15.1	242	409	242
Other assets		108	110	108
Total current assets		274,605	306,076	319,148
Noncurrent assets				
Trade receivables	7	663	960	663
Recoverable taxes	8	960	960	2,082
Escrow deposits	9	41,044	39,093	41,044
Restricted funds		32	12	32
Prepaid expenses		3,468	3,599	3,468
Investments		202,817	26	26
Controlled companies	10	202,791	-	-
Others		26	26	26
Property, plant and equipment	11	3,366,190	3,460,966	3,540,773
Intangible assets	12	31,137	32,151	31,389
Total noncurrent assets		3,646,311	3,537,767	3,619,477
Total assets		3,920,916	3,843,843	3,938,625

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

BALANCE SHEETS AS AT JUNE 30, 2015 AND DECEMBER 31, 2014
(In thousands of Brazilian reais – BRL)

LIABILITIES AND EQUITY	Note	Controlling Company		Consolidated
		06/30/2015	12/31/2014	06/30/2015
Current liabilities				
Trade payables	13	81,526	79,113	83,055
Arbitration	14	-	-	14,033
Payroll and related taxes		8,889	13,693	9,012
Debentures	16	119,711	42,584	119,711
Taxes payable	8	31,450	96,878	32,326
Dividends and interest on capital	23.4	1,665	115,363	1,665
Accrued payables		8,532	7,180	8,703
Cibacap	18	3,679	2,283	3,679
Regulatory charges	22	26,011	27,721	26,019
Other liabilities		446	3,695	615
Total current liabilities		281,909	388,510	298,818
Noncurrent liabilities				
Loans	17	185,125	-	185,125
Debentures	16	1,111,273	1,153,353	1,111,273
Deferred revenue		20,217	13,026	20,571
Special obligations	21	2,919	3,180	2,919
Provisions for tax, labor and environmental risks	20	22,195	19,526	22,641
Cibacap	18	5,915	6,935	5,915
Deferred income tax and social contribution	8	353,163	368,430	353,163
Distribution system use tariff (TUSDg)	13	8,181	6,861	8,181
Regulatory charges	22	7,995	9,184	7,995
Other liabilities		5,273	5,272	5,273
Total noncurrent liabilities		1,722,256	1,585,767	1,723,056
Equity				
Capital	23.1	839,138	839,138	839,138
Capital reserves	23.2	105,468	99,537	105,468
Earnings reserve	23.3	127,633	127,176	127,633
Retained earnings	23.4	75,740	-	75,740
Valuation adjustments to equity	23.5	768,772	803,715	768,772
Total equity		1,916,751	1,869,566	1,916,751
Total liabilities and equity		3,920,916	3,843,843	3,938,625

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

INCOME STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(In thousands of Brazilian reais - BRL, unless otherwise stated)

	Note	Controlling Company			
		04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014
Net operating revenue	24	289,826	581,847	284,662	638,907
Operating income (expenses)	25				
Personnel		(20,259)	(42,740)	(19,396)	(37,859)
Material		(1,079)	(2,229)	(911)	(1,653)
Outside services		(9,504)	(17,521)	(10,089)	(19,036)
Electric power service inspection fee (TFSEE)		(1,253)	(2,505)	(1,018)	(2,036)
Electric power purchased for resale	26.2	(92,890)	(176,869)	(36,293)	(56,569)
Power grid charges	26.3	(22,213)	(44,251)	(20,480)	(40,734)
Financial compensation due to the use of water resources		(13,505)	(27,801)	(12,093)	(29,123)
Depreciation and amortization	11.b and 12.b	(54,214)	(108,401)	(54,298)	(108,596)
Provisions for tax, labor and environmental risks		(4,127)	(5,157)	(317)	(418)
Reversal / (recognition) of estimated doubtful debts		-	220	1,007	1,427
Rents		(876)	(1,769)	(977)	(1,969)
Insurance		(1,362)	(2,720)	(1,207)	(2,393)
Other		(915)	(2,088)	(2,220)	(3,745)
		(222,197)	(433,831)	(158,292)	(302,704)
Income from ownership interests					
Equity accounting	10	2,423	2,423	-	-
Operating profit		70,052	150,439	126,370	336,203
Finance income (costs)	27				
Finance income		6,854	12,837	22,206	38,752
Finance costs		(52,108)	(102,666)	(41,768)	(84,061)
		(45,254)	(89,829)	(19,562)	(45,309)
Profit before income tax and social contribution		24,798	60,610	106,808	290,894
Income tax and social contribution	8.2				
Current		(16,561)	(38,353)	(43,533)	(112,817)
Deferred		9,171	18,540	7,443	14,157
		(7,390)	(19,813)	(36,090)	(98,660)
Profit for the period		17,408	40,797	70,718	192,234
Earnings per share from continuing activities (in BRL per share)					
Basic and diluted earnings per PN share	28	0.18433	0.43202	0.74887	2.03567
Basic and diluted earnings per ON share	28	0.18433	0.43202	0.74887	2.03567

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

INCOME STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(In thousands of Brazilian reais - BRL, unless otherwise stated)

	Note	Consolidated	
		04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Net operating revenue	24	295,640	587,661
Operating income (expenses)	25		
Personnel		(20,470)	(42,951)
Material		(1,130)	(2,280)
Outside services		(10,428)	(18,445)
Electric power service inspection fee (TFSEE)		(1,268)	(2,520)
Electric power purchased for resale	26.2	(95,016)	(178,995)
Power grid charges	26.3	(22,282)	(44,320)
Financial compensation due to the use of water resources		(13,505)	(27,801)
Depreciation and amortization	11.b and 12.b	(53,699)	(107,886)
Provisions for tax, labor and environmental risks		(4,560)	(5,590)
(Reversal)/recognition of estimated doubtful debts		(23)	197
Rents		(904)	(1,797)
Insurance		(1,387)	(2,745)
Other		(916)	(2,089)
		(225,588)	(437,222)
Operating profit		70,052	150,439
Finance income (costs)	27		
Revenues		7,616	13,599
Finance costs		(52,430)	(102,988)
		(44,814)	(89,389)
Profit before income tax and social contribution		25,238	61,050
Income tax and social contribution	8.2		
Current		(17,001)	(38,793)
Deferred		9,171	18,540
		(7,830)	(20,253)
Profit for the period		17,408	40,797
Attributable to			
Controlling members		17,408	40,797
Non-Controlling members		-	-

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
 (In thousands of Brazilian reais - BRL, unless otherwise stated)

	Controlling Company and Consolidated		Controlling Company	
	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014
Profit for the period	17,408	40,797	70,718	192,234
Actuarial gains on defined benefit pension plan	343	692	133	284
Deferred income tax and social contribution on actuarial gains	(116)	(235)	(48)	(99)
	227	457	85	185
Comprehensive income for the period	17,635	41,254	70,803	192,419

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

**STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2015 AND 2014**
(In thousands of Brazilian reais – BRL)

	Capital	Reserves		Retained earnings	Valuation adjustments to equity (Note 20.6)	Net equity of Controlling Company and Consolidated
		Capital	Earnings			
Balances as at December 31, 2014	839,138	99,537	127,176	-	803,715	1,869,566
Comprehensive income for the period	-	-	-	-	-	-
Profit for the period	-	-	-	40,797	-	40,797
Actuarial gains on defined benefit pension plan	-	-	-	-	692	692
Deferred income tax and social contribution on actuarial gains	-	-	-	-	(235)	(235)
Reclassification of net actuarial gains – CPC 33 (R1)	-	-	457	-	(457)	-
Capital reserve – acquisition of DEB – Pequenas Centrais Hidrelétricas	-	5,897	-	-	-	5,897
	-	5,897	457	40,797	-	47,151
Contributions and distributions to shareholders	-	-	-	-	-	-
Share-based payment	-	34	-	-	-	34
Valuation adjustments to equity (Note 23.5)	-	-	-	52,944	(52,944)	-
Deferred tax on valuation adjustments to equity	-	-	-	(18,001)	18,001	-
	-	34	-	34,943	(34,943)	34
Balances as at June 30, 2015	839,138	105,468	127,633	75,740	768,772	1,916,751

	Capital	Reserves		Retained earnings	Valuation adjustments to equity (Note 20.6)	Controlling Company equity
		Capital	Earnings			
Balances as at December 31, 2013	1,339,138	99,512	112,586	-	872,034	2,423,270
Comprehensive income for the period	-	-	-	-	-	-
Profit for the period	-	-	-	192,234	-	192,234
Actuarial gains on defined benefit pension plan	-	-	-	-	284	284
Deferred income tax and social contribution on actuarial gains	-	-	-	-	(99)	(99)
Reclassification of net actuarial gains – CPC 33 (R1)	-	-	185	-	(185)	-
	-	-	185	192,234	-	192,419
Contributions and distributions to shareholders	-	-	-	-	-	-
Share-based payment	-	25	-	-	-	25
Valuation adjustments to equity	-	-	-	51,338	(51,338)	-
Deferred tax on valuation adjustments to equity	-	-	-	(17,457)	17,457	-
	-	25	-	33,881	(33,881)	25
Balances as at June 30, 2014	1,339,138	99,537	112,771	226,115	838,153	2,615,714

The Management's notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(In thousands of Brazilian reais – BRL)

	Controlling Company		Consolidated 30/06/2015
	30/06/2015	30/06/2014	
Cash flows from operating activities			
Profit for the period	40,797	192,234	40,797
Adjustments to:			
Depreciation and amortization	108,401	108,596	107,886
(Profits) Write-offs of property, plant and equipment/intangible assets	(282)	369	(282)
Deferred income tax and social contribution	(18,540)	(14,157)	(18,540)
Reversal of estimated doubtful debts	(220)	(1,427)	(197)
Interest on CCB loans	4,125	-	4,125
Interest on debentures	59,674	54,340	59,674
Inflation adjustment on debentures	32,363	25,610	32,363
Provisions for tax, labor and environmental risks	5,158	69	5,590
Inflation adjustment on provision for tax, labor and environmental risks	348	297	348
Inflation adjustment on escrow deposits	(1,930)	(1,835)	(1,930)
Restatement due to arbitration process	-	-	351
Equity Accounting	(2,423)	-	-
Share-based payment	34	25	34
Changes in assets and liabilities			
Trade receivables	7,018	47,028	7,753
Sundry debtors	(563)	(987)	(597)
Related parties	167	(351)	(15)
Escrow deposits	(21)	(9)	(21)
Services in progress	1,284	(1,969)	1,284
Restricted funds	(20)	524	(20)
Prepaid expenses	(2,669)	(2,435)	(2,759)
Trade payables	3,733	32,849	3,620
Payroll and related taxes	(4,804)	(4,996)	(4,992)
Taxes, fees and contributions	36,386	95,031	36,659
Estimated payables	1,352	1,986	1,523
Deferred revenue	7,191	2,532	7,198
Cibacap	376	74	376
Reversal/(recognition) of provisions for tax, labor and environmental risks	(2,837)	216	(2,840)
Other changes in assets and liabilities	(5,453)	(1,628)	(5,170)
Cash provided by operating activities	268,645	531,986	272,218
Interest and inflation adjustment paid on debentures	(56,990)	(19,832)	(56,990)
Income tax and social contribution paid	(87,560)	(188,056)	(87,560)
Net cash provided by operating activities	124,095	324,098	127,668
Cash flows from investing activities			
Investments in controlled companies – DEB – Pequenas Centrais Hidrelétricas Ltda	(191,433)	-	(191,433)
Cash acquired through acquisition – DEB – Pequenas Centrais Hidrelétricas Ltda.	-	-	36,826
Receipt on sale of fixed assets	2,880	-	2,880
Additions to property, plant and equipment	(14,949)	(19,713)	(15,200)
Additions to intangible assets	(521)	(131)	(521)
Net cash used in investing activities	(204,023)	(19,844)	(167,448)
Cash flows from financing activities			
Raised funding through loan	181,000	-	181,000
Amount received from issuance of debentures	-	479,000	-
Transaction costs on the issuance of debentures	-	(3,842)	-
Dividends and interest on capital paid	(113,698)	(267,721)	(113,698)
Net cash provided by financing activities	67,302	207,437	67,302
Net (Decrease)/Increase in cash and cash equivalents	(12,626)	511,691	27,522
Cash and cash equivalents at the beginning of the period	141,391	611,670	141,391
Cash and cash equivalents at the end of the period	128,765	1,123,361	168,913

The Management's notes are an integral part of these financial statements

STATEMENTS OF VALUE ADDED
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2015 AND 2014
(In thousands of Brazilian reais – BRL)

	Controlling Company		Consolidated
	06/30/2015	06/30/2014	06/30/2015
Revenues			
Sale of electric power	673,158	709,063	679,174
Revenues relating to the construction of own assets	14,950	19,713	15,151
Reversal of estimated doubtful debts	220	1,427	196
	688,328	730,203	694,521
Inputs acquired from third parties			
Electric power purchased and power grid charges	(221,120)	(97,303)	(223,315)
Materials and outside services	(34,700)	(40,402)	(35,876)
Other operating costs	(9,184)	(5,810)	(9,644)
	(265,004)	(143,515)	(268,835)
Gross added value	423,324	586,688	425,686
Depreciation and amortization	(108,401)	(108,596)	(107,886)
Net value added	314,923	478,092	317,800
Rents	159	20	159
Result of equity accounting	2,423	-	-
Financial income	12,837	38,752	13,599
Other	-	2,733	-
Total value added received	15,419	41,505	13,758
Total value added for distribution	330,342	519,597	331,558
Distribution of value added			
Personnel			
Salaries and wages	22,899	19,974	22,978
Benefits	4,021	4,107	4,079
FGTS	3,853	1,881	3,865
Accrued bonus	3,440	3,815	3,450
Profit sharing	2,231	2,351	2,245
Social security charges (except INSS)	1,589	1,413	1,599
	38,033	33,541	38,216
Taxes, fees and contributions			
Federal	120,317	198,402	121,000
State	26,673	9,316	26,672
Municipal	87	75	87
	147,077	207,793	147,759
Lenders and lessors			
Rents	1,769	1,969	1,797
Interest on debentures	59,674	54,340	59,674
Inflation adjustment on debentures	32,363	25,610	32,363
Recovery of interest and inflation adjustment of debentures	-	(3,431)	-
Other finance costs	10,629	7,541	10,952
	104,435	86,029	104,786
Other			
Retained earnings	75,740	226,115	75,740
Realization of cost attributed to fixed assets	(34,943)	(33,881)	(34,943)
	40,797	192,234	40,797
Non-controlling interest in retained earnings	-	-	-
Total value added distributed	330,342	519,597	331,558

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

**NOTES TO THE INTERIM FINANCIAL INFORMATION (ITR)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015**

(Amounts in thousands of Brazilian reais – BRL, unless otherwise stated)

1. GENERAL INFORMATION

Duke Energy International, Geração Paranapanema S.A. (“Controlling Company” or “Company”) is a publicly-held corporation and a public utility concessionaire, operating as independent generator, with registered head office in the São Paulo, state of São Paulo (SP) which 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 2,241.3 MW, consisting of the following generation plants in operation in the state of Sao 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% of the Canoas Complex consisting of the Canoas I and II hydroelectric power plants.

As mentioned in note 10, on May 6, 2015, the Company acquired a 99.99% participation in DEB – Pequenas Centrais Hidrelétricas Ltda (“Controlled Company” or “DEB”), based on the contractual agreements executed by and between Duke Energy International, Brasil Ltda. (“Duke Brasil”) and the Company.

The installed capacity of DEB controlled company is 32.5 MW, consisting of the PCH Retiro and PCH Palmeiras plants, located on the Sapucaí River, in the municipalities of Guará and São Joaquim da Barra, both in the state of São Paulo.

On June 30, 2015, the Company's net negative current capital was BRL 7,304, based on the large purchase volume of electric power, throughout the period ending on this date. The Management, through Associação Brasileira dos Produtores Independentes de Energia Elétrica (“Apine”), filed for a preliminary injunction to suspend charges by the Chamber of Electric Power Sales (CCEE) for adjustment of the Power Reallocation Mechanism (MRE) if total MRE generation, as determined by the National Electric Power System Operator (ONS), were lower than the physical guarantee established by the concession authority, therefore preventing electric power purchases. See note 31.1.

These financial statements were approved by the Company's Board of Directors and authorized for issue on August 11, 2015.

2. SUMMARY OF CRITICAL ACCOUNTING POLICIES AND PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of preparation

Individual and consolidated financial information

The interim financial information contained herein has been prepared in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim Financial Information (ITR).

Consequently, as described in Circular Letter CVM/SNC/SEP 03/2011, 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 the individual and consolidated performance of the Company and its controlled company 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 2014 annual financial statements, with the exception of income tax and social contribution obtained for its controlled company, which has chosen the presumptive profit tax regime. The related information is disclosed in notes 2.1 to 2.20 to those financial statements.

The Controlling Company analyzed the new CPC/IFRS pronouncements and interpretations effective beginning January 1, 2015 and concluded that they do not have significant impact on these financial statements.

2.2. Consolidation

Consolidated financial statements

The following accounting policies are applied in drafting the consolidated financial statements.

a) Controlled Company

Controlled Company is an entity over which the Controlling Company has the power to determine financial and operating policies, while also holding more than half of the voting rights thereof (voting capital). The Controlled Company is consolidated as of the date when control is transferred to the Controlling Company. Consolidation is interrupted as of the date that control is terminated.

Transactions between the companies, balances and gains not realized in transactions between the companies are eliminated. Unrealized losses are also eliminated, unless the operation provides evidence of impairment of the asset transferred. The Controlled Company's accounting policies are changed as needed to assure consistency with the policies adopted.

On June 30, 2015, the Company maintained control of DEB, as described in note 10.

2.3. Authorization agreements

Controlled Company

ANEEL authorized exploration of the hydroelectric potential of the Retiro and Palmeiras Small Hydroelectric Plants (PCHs) through, respectively, Resolution 549, dated October 8, 2002, and Resolution 706, dated December 17, 2002, on behalf of Sociedade de Energia Bandeirantes - SEBAND – Ltda. ("SEBAND").

In February 2007, Duke Energy International, Brasil Ltda. ("Duke Brasil") and SEBAND executed an Agreement to Assign and Transfer Ownership Interest and Other Covenants, covering transfer of assets and rights related to the exploration of the hydroelectric potential of the Retiro PCH and Palmeiras PCH to DEB, in conjunction with the full transfer of ownership interest in DEB to Duke Brasil.

Through Resolution 944, dated June 5, 2007, ANEEL authorized the transfer from SEBAND to DEB of permissions to implement and explore the Retiro PCH and Palmeiras PCH.

ANEEL Authorization Resolution	Plant	Type	STATE	Rio	Installed Power (MW)	Assured Energy (average MW)	Start of Authorization	Authorization Expiration
549/2002	Retiro	PCH - Hydroelectric	SP	Sapucaí	16.0	8.1	18/12/2002	17/02/2032
706/2002	Palmeiras	PCH - Hydroelectric	SP	Sapucaí	16.5	8.1	10/10/2002	09/10/2032
					<u>32.5</u>	<u>16.2</u>		

2.4. Impairment of non-financial assets

To calculate the recoverable value of assets, the methodology used on December 31, 2014 by the Controlled Company was the projected future cash generated by the end of the authorization, with projected income and expenses, in accordance with sale price expectations, based on the projected budget. The discounted cash flow used a discount rate (weighted average cost of capital - wacc) of 12.0%, with the balance totaling BRL 235,982. Changes to the balance in 2015 are shown below:

Balance as at December 31, 2014	(235,982)
Amortization	15,558
Balance as at April 30, 2015	(220,424)
Amortization	2,178
Balance as at June 30, 2015	(218,246)

Impairment is amortized and it is accounted for in the fixed asset group, with the end of its useful life being the final term of the concession.

Duke Paranapanema declares that the information on impairment of non-financial assets described in the 2014 annual financial statements is the same as that included in this interim financial information (ITR), as presented in note 2.11 to those financial statements.

3. KEY ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS

The Company hereby declares that the key estimates and critical accounting judgments described in the 2014 annual financial statements are applicable to this interim financial information, as presented in note 3 of those financial statements.

The Controlled Company calculates estimates in relation to the future based on assumptions. By definition, the resulting accounting estimates are rarely equal to the respective actual results. Those estimates and assumptions that pose a significant risk, with the likelihood of causing a substantial adjustment to accounting values for assets and liabilities in the next fiscal year, are shown below:

- Useful life of long-term assets;
- Conditions for compensation of assets to be reversed at the end of the Authorization;
- Provision for non-recoverable assets (impairment).

4. BUSINESS RISK MANAGEMENT

4.1. Financial risk factors

The Company hereby declares that the information on financial risk factors described in the 2014 annual financial statements are applicable to this interim financial information, as presented in notes 4.1 to 4.4 to the financial statements, except for the sensitivity analysis and capital management, as described below:

0.0.1. Sensitivity analysis

In accordance to item 40 of CPC 40 (R1) - Financial Instruments the Company and its controlled company disclose the sensitivity analysis for each type of market risk considered as relevant by Management, arising from financial instruments comprised of debentures and cash and cash equivalents, to which the Company and its controlled company are exposed at the end of the period.

The sensitivity for the probable scenario was calculated taking into consideration the changes in the rates and indexes on June 30, 2015 and the assumptions available in the market for the next 12 months (source: Focus of Brazilian Central Bank). The sensitivity analysis also took into consideration four other scenarios, with favorable and unfavorable stress of 25% and 50% on interest rates and floating indexes compared to the probable scenario.

The following table shows the impacts on the finance income for the Controlling Company and the Controlled Company in the five scenarios estimated for the next 12 months:

Debt			Controlling Company					
Debtures	Issuance	Index	06/30/2015	Scenario - Δ 50%	Scenario - Δ 25%	Probable Scenario	Scenario + Δ 25%	Scenario + Δ 50%
	3rd	CDI	(158,926)	(11,220)	(15,916)	(20,613)	(25,309)	(30,005)
	4th S1	CDI	(263,811)	(17,306)	(25,102)	(32,897)	(40,693)	(48,488)
	4th S2	IPCA	(304,801)	(32,050)	(38,824)	(45,598)	(52,372)	(59,147)
	5th S1	CDI	(241,044)	(16,391)	(23,514)	(30,637)	(37,760)	(44,882)
	5th S2	IPCA	(262,402)	(30,058)	(35,890)	(41,722)	(47,554)	(53,386)
Loan		CDI	(185,125)	(13,533)	(16,411)	(21,882)	(27,352)	(32,823)
			(1,416,109)	(120,558)	(155,657)	(193,349)	(231,040)	(268,731)
Cash and cash equivalents		CDI	128,765	7,610	11,415	15,220	19,025	22,830
Total net exposure			(1,287,344)	(112,948)	(144,242)	(178,129)	(212,015)	(245,901)
		Changes in index		Scenario - Δ 50%	Scenario - Δ 25%	Probable Scenario	Scenario + Δ 25%	Scenario + Δ 50%
		IPCA		4.45%	6.67%	8.89%	11.11%	13.34%
		CDI		5.91%	8.87%	11.82%	14.78%	17.73%

Debt			Consolidated					
Debtures	Issuance	Index	06/30/2015	Scenario - Δ 50%	Scenario - Δ 25%	Probable Scenario	Scenario + Δ 25%	Scenario + Δ 50%
	3rd	CDI	(158,926)	(11,220)	(15,916)	(20,613)	(25,309)	(30,005)
	4th S1	CDI	(263,811)	(17,306)	(25,102)	(32,897)	(40,693)	(48,488)
	4th S2	IPCA	(304,801)	(32,050)	(38,824)	(45,598)	(52,372)	(59,147)
	5th S1	CDI	(241,044)	(16,391)	(23,514)	(30,637)	(37,760)	(44,882)
	5th S2	IPCA	(262,402)	(30,058)	(35,890)	(41,722)	(47,554)	(53,386)
Loan		CDI	(185,125)	(13,533)	(16,411)	(21,882)	(27,352)	(32,823)
			(1,416,109)	(120,558)	(155,657)	(193,349)	(231,040)	(268,731)
Cash and cash equivalents		CDI	168,913	9,983	14,975	19,966	24,958	29,949
Total net exposure			(1,247,196)	(110,575)	(140,682)	(173,383)	(206,082)	(238,782)
		Changes in index		Scenario - Δ 50%	Scenario - Δ 25%	Probable Scenario	Scenario + Δ 25%	Scenario + Δ 50%
		IPCA		4.45%	6.67%	8.89%	11.11%	13.34%
		CDI		5.91%	8.87%	11.82%	14.78%	17.73%

4.2. Capital management

	Controlling Company		Consolidated
	06/30/2015	12/31/2014	06/30/2015
Loans (note 17)	185,125	-	185,125
Debentures	1,230,984	1,195,937	1,230,984
Cash and cash equivalents	(128,765)	(141,391)	(168,913)
Net debt	1,287,344	1,054,546	1,247,196
Equity	1,916,751	1,869,566	1,916,751
Total capital	3,204,095	2,924,112	3,163,947
Financial leverage ratio (%)*	40.2	36.1	39.4

*Net debt / total capital

The changes in the Capital Management balance are the result of regular changes in the period.

4.3. Fair value estimate

The Company hereby declares that the information on the fair value estimate described in the 2014 annual financial statements are applicable to this interim financial information, as presented in note 4.3 to the financial statements.

5. CREDIT QUALITY OF FINANCIAL ASSETS

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

		Cash and cash equivalents						
		Controlling Company				Consolidated		
Standard & Poor's	Moodys	06/30/2015	Standard & Poor's	Moodys	12/31/2014	Standard & Poor's	Moodys	06/30/2015
A-3	BR-1	52,855	A-3	BR-1	125,051	A-3	BR-1	92,165
A-2	BR-1	6	A-2	BR-1	7	A-2	BR-1	6
A-3	-	75,901	A-3	-	16,330	A-3	-	76,739
*	*	3	*	*	3	*	*	3
		128,765			141,391			168,913

* As at June 30, 2015, the balance of BRL 3 (BRL 3 as at December 31, 2014) refers to cash fund and, therefore, it does not have a risk rating.

6. CASH AND CASH EQUIVALENTS

	Controlling Company		Consolidated
	06/30/2015	12/31/2014	06/30/2015
Cash and banks	289	3,105	497
Short-term investments			
Bank certificate of deposit (CDB)	94,659	135,462	134,460
Fixed-income fund	33,817	2,824	33,956
	128,765	141,391	168,913

Short-term investments correspond to transactions involving bank certificates of deposit and fixed-income investment funds, which are carried out with institutions operating in the domestic financial market and are contracted under regular market terms and conditions and rates, which are highly liquid, pose low credit risk and yield interest based on market practices.

The characteristics of the balances are the same as described in note 6 to the 2014 annual financial statements.

7. TRADE RECEIVABLES

	Controlling Company				Consolidated	
	06/30/2015		12/31/2014		06/30/2015	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Receivables from bilateral agreements	120,135	-	96,411	-	123,293	128
Receivables from auction agreements	-	948	27,000	1,245	-	948
Short-term power market (MRE/MCP)	2,877	-	6,322	-	3,342	-
	123,012	948	129,733	1,245	126,635	1,076
Estimated doubtful debts	-	(285)	(220)	(285)	(31)	(413)
	123,012	663	129,513	960	126,604	663

Changes in allowance for doubtful accounts ("AFDA"):

	Controlling Company	Consolidated
Balance as at December 31, 2014	(505)	(505)
ECLD – DEB – Pequenas Centrais Hidrelétricas Ltda., as at May 6, 2015	-	(136)
Recognition	-	(29)
Reversal	220	226
Balance as at June 30, 2015	(285)	(444)

The changes in the balance of Trade Receivables arise from normal changes in this period; all information on trade receivables is described in note 7 to the 2014 annual financial statements.

8. RECOVERABLE TAXES / TAXES PAYABLE

	Controlling Company				Consolidated	
	06/30/2015		12/31/2014		06/30/2015	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Assets						
IRPJ and CSLL	808	819	8,584	819	1,486	819
PIS and COFINS	847	141	7,265	141	848	141
ISS	-	-	21	-	-	-
INSS	-	-	39	-	-	1,122
	1,655	960	15,909	960	2,334	2,082
Liabilities						
IRPJ and CSLL	16,759	-	75,475	-	17,480	-
PIS and COFINS	9,935	-	10,145	-	10,060	-
ICMS	4,510	-	1,468	-	4,510	-
IRRF on interest on capital equity	-	-	9,454	-	-	-
Other	246	-	336	-	276	-
	31,450	-	96,878	-	32,326	-
Deferred tax asset						
Temporary differences	-	(11,068)	-	(10,971)	-	(11,068)
Tax benefit	-	(30,184)	-	(32,185)	-	(30,184)
Deferred revenue	-	(6,889)	-	(4,448)	-	(6,889)
Deferred tax liability						
Valuation adjustments to equity	-	396,033	-	414,036	-	396,033
Pension plan actuarial adjustment	-	2,233	-	1,998	-	2,233
Added value investment acquisition	-	3,038	-	-	-	3,038
Deferred tax liability (net)	-	353,163	-	368,430	-	353,163

The Controlled Company has chosen the presumptive profit tax regime.

The changes in the balance of Recoverable Taxes/Taxes Payable arise from normal changes in this period, and the complete information thereon is disclosed in notes 8 and 8.1 to the 2014 annual financial statements.

8.1. Tax benefit - Merged goodwill

The Company recognized a provision to keep the integrity of equity, whose reversal will neutralize the effect arising from the amortization of goodwill on the balance sheet. The composition of the balance is as follows:

	Controlling Company and Consolidated			Controlling Company
	06/30/2015			12/31/2014
	Goodwill	Provision	Net Amount	Net Amount
Balances arising from the merger (note 23.2)	305,406	(201,568)	103,838	103,838
Realization	(216,617)	142,963	(73,654)	(71,653)
Balances at the end of the period	88,789	(58,605)	30,184	32,185

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

	Controlling Company and Consolidated	Controlling Company
	06/30/2015	06/30/2014
Goodwill amortization	(5,885)	(6,373)
Reversal of provision	3,884	4,207
Tax benefit	2,001	2,166
Net effect in the period	-	-

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

	Controlling Company and Consolidated								
	2015	2016	2017	2018	2019	2020 - 2021	2022 - 2024	2025 onwards	Total
Estimated realization	2,001	3,695	3,299	2,946	2,630	4,445	5,035	6,133	30,184

The changes in the tax benefits balance arise from the normal changes in the current quarter, and complete information thereon is disclosed in note 8.2 to the 2014 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:

	Controlling Company					
	06/30/2015			06/30/2014		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Profit before IRPJ and CSLL	60,610			290,894		
Statutory IRPJ and CSLL rate	25%	9%	34%	25%	9%	34%
IRPJ and CSLL at statutory rates	15,153	5,455	20,608	72,724	26,181	98,905
Adjustments for calculation at effective rate						
Amortization of inflation creditor charge	(1,094)	37	(1,057)	(1,104)	37	(1,067)
Non-deductible expenses	812	156	968	723	119	842
Equity accounting of controlled companies	(605)	(218)	(823)	-	-	-
Other	80	37	117	(22)	2	(20)
IRPJ and CSLL affecting profit or loss	14,346	5,467	19,813	72,321	26,339	98,660
Current IRPJ and CSLL	27,978	10,375	38,353	82,731	30,086	112,817
Deferred IRPJ and CSLL	(13,632)	(4,908)	(18,540)	(10,410)	(3,747)	(14,157)
Total IRPJ and CSLL affecting profit or loss	14,346	5,467	19,813	72,321	26,339	98,660
Effective tax rate	23.7%	9.0%	32.7%	24.9%	9.1%	33.9%

	Consolidated		
	06/30/2015		
	IRPJ	CSLL	Total
Profit before IRPJ and CSLL	61,050		
Statutory IRPJ and CSLL rate	25%	9%	34%
IRPJ and CSLL at statutory rates	15,264	5,495	20,759
Adjustments for calculation at effective rate			
Amortization of inflation creditor charge	(1,094)	37	(1,057)
Non-deductible expenses	812	156	968
Presumptive income adjustment controlled	(410)	(125)	(535)
Other	80	37	117
IRPJ and CSLL affecting profit or loss	14,652	5,600	20,253
Current IRPJ and CSLL	28,284	10,508	38,793
Deferred IRPJ and CSLL	(13,632)	(4,908)	(18,540)
Total IRPJ and CSLL affecting profit or loss	14,652	5,600	20,253
Effective tax rate	24.0%	9.2%	33.2%

The Controlled Company has chosen the presumptive profit tax regime and does not have a provision for Deferred Income Tax and Social Contribution.

The changes in the balances of Current and Deferred Income Tax and Social Contribution arise from normal changes in this period, and the complete information thereon is disclosed in note 8.3 to the 2014 annual financial statements.

9. ESCROW DEPOSITS

a) Breakdown

	Controlling Company and Consolidated	Consolidated
	06/30/2015	12/31/2014
Environmental	5,175	4,977
Tax:	8,795	8,362
IPTU (Municipality of Primeiro de Maio)	1,303	1,236
Late payment fine on IRRF, IRPJ and CSLL	114	111
Late payment fine on PIS, COFINS, IRPJ, CSLL and IOF	7,378	7,015
Tusd-g	27,074	25,754
	41,044	39,093

This line item only includes the escrow deposits made for appeals, or not, not related to provisions for the probable risks, and are adjusted for inflation (see note 20).

The characteristics of the balances are the same as described in note 9 to the 2014 annual financial statements.

10. INVESTMENT

On April 22, 2015, Authorization Resolution 5.182/2015 was published, through which ANEEL approved transfer of the direct controlling interest in DEB – Pequenas Centrais Hidrelétricas Ltda. to the Duke Energy International – Geração Paranapanema S.A., which was concluded on May 6, 2015.

As of this date, the Controlling Company began to use equity accounting to obtain financial results for DEB, with the initial balances for DEB, as at May 6, 2015, being as follows:

	DEB
Balance as at May 6, 2015	
Equity	200,368
Net earnings	6,610
Total assets	217,061
Net revenue	14,223

Consideration to acquire shareholder control was BRL 191,433, with payment of this amount being made on the same date as conclusion of the corporate control transfer process. The difference found between the consideration paid and the asset value of DEB on the date of the acquisition, in the amount of BRL 5.897 million, net of taxes, was entered as a capital reserve in the Controlling Company's equity, since this is an operation between entities under common control.

a) Controlled Company

Controlled company	06/30/2015		
	Number of ownership shares	Direct interest (%)	Equity
DEB - Pequenas Centrais Hidrelétricas Ltda.	398,617,358	99.99%	202,791

b) Changes in controlling company investments

	DEB
Balance as at December 31, 2014	-
Acquisition DEB - Pequenas Centrais Hidrelétricas Ltda	200,368
Equity accounting	2,423
Balance as at June 30, 2015	202,791

c) Controlled company financial information

	DEB
Balance as at June 30, 2015	
Equity	202,791
Profit for the period	2,423
Total assets	220,500
Net revenue for the period	5,814

11. PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	Controlling Company				Consolidated			Average annual depreciation rate
	Cost	Accumulated depreciation	06/30/2015 Net amount	12/31/2014 Net amount	Cost	Accumulated depreciation	06/30/2015 Net amount	
In service								
Land	210,982	-	210,982	210,989	220,387	-	220,387	
Reservoirs, dams and water mains	3,409,747	(991,896)	2,417,851	2,493,441	3,643,908	(1,001,773)	2,642,135	4.3%
Buildings, civil construction and improvements	453,953	(148,877)	305,076	312,605	491,515	(150,618)	340,897	3.2%
Machinery and equipment	831,800	(293,745)	538,055	557,533	948,854	(300,885)	647,969	5.1%
Vehicles	6,686	(1,780)	4,906	4,426	6,746	(1,802)	4,944	13.5%
Furniture and fixtures	1,806	(1,474)	332	373	1,924	(1,486)	438	4.7%
(-) Reserve - Canoas I and II plants	(200,675)	-	(200,675)	(200,675)	(200,675)	-	(200,675)	
	4,714,299	(1,437,772)	3,276,527	3,378,692	5,112,659	(1,456,564)	3,656,095	
In progress								
Land	4,248	-	4,248	4,248	13,858	-	13,858	
Reservoirs, dams and water mains	2,093	-	2,093	1,898	2,842	-	2,842	
Buildings, civil construction and improvements	783	-	783	1,529	916	-	916	
Machinery and equipment	80,709	-	80,709	71,991	83,478	-	83,478	
Vehicles	4	-	4	1,453	4	-	4	
Furniture and fixtures	1,826	-	1,826	1,155	1,826	-	1,826	
	89,663	-	89,663	82,274	102,924	-	102,924	
Reversal /(loss) due to non-recoverability of assets (CPC 01 - Note 2.4)	-	-	-	-	(235,982)	17,736	(218,246)	
	4,803,962	(1,437,772)	3,366,190	3,460,966	4,979,601	(1,438,828)	3,540,773	
(-) Special obligations (note 21)	(2,017)	462	(1,555)	(1,595)	(2,017)	462	(1,555)	
	4,801,945	(1,437,310)	3,364,635	3,459,371	4,977,584	(1,438,366)	3,539,218	

b) Changes in property, plant and equipment

	Controlling Company					
	Net amount as at 12/31/2014	Additions	Depreciation	Write-offs	Reclassification and transfers	Net amount as at 06/30/2015
Land	215,237	-	-	(7)	-	215,230
Reservoirs, dams and water mains	2,495,339	1,532	(76,609)	-	(318)	2,419,944
Buildings, civil construction and improvements	314,134	353	(7,469)	(1,159)	-	305,859
Machinery and equipment	629,524	12,236	(22,598)	(895)	497	618,764
Vehicles	5,879	74	(411)	(537)	(95)	4,910
Furniture and fixtures	1,528	754	(40)	-	(84)	2,158
(-) Reserve - Canoas I and II plants	(200,675)	-	-	-	-	(200,675)
	3,460,966	14,949	(107,127)	(2,598)	-	3,366,190
(-) Special obligations (note 21)	(1,595)	-	40	-	-	(1,555)
	3,459,371	14,949	(107,087)	(2,598)	-	3,364,635

	Consolidated						
	Net amount as at 12/31/2014	Acquisition DEB - Pequenas Centrais Hidrelétricas Ltda	Additions	Depreciation	Write-offs	Reclassification and transfers	Net amount as at 06/30/2015
Land	215,237	18,950	65	-	(7)	-	234,245
Reservoirs, dams and water mains	2,495,339	225,913	1,532	(77,489)	-	(318)	2,644,977
Buildings, civil construction and improvements	314,134	36,103	353	(7,617)	(1,160)	-	341,813
Machinery and equipment	629,524	113,128	12,422	(23,228)	(896)	497	731,447
Vehicles	5,879	40	74	(413)	(537)	(95)	4,948
Furniture and fixtures	1,528	107	754	(41)	-	(84)	2,264
(-) Reserve - Canoas I and II plants	(200,675)	-	-	-	-	-	(200,675)
	3,460,966	394,241	15,200	(108,788)	(2,600)	-	3,759,019
Reversal /(loss) due to non-recoverability of assets (CPC 01 - Note 2.4)	-	(220,424)	-	2,178	-	-	(218,246)
	3,460,966	173,817	15,200	(106,610)	-	-	3,540,773
(-) Special obligations (note 21)	(1,595)	-	-	40	-	-	(1,555)
	3,459,371	173,817	15,200	(106,570)	-	-	3,539,218

11.1. 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.

On January 1, 2009 (first-time adoption of the IFRS), property, plant and equipment were increased by BRL 2,083,565 due to the adoption of the deemed cost as a counterpart to the valuation adjustment to equity in "equity." Within the context of fair value calculation, the Company took into consideration the reimbursable concession residual values and the increase in fair value was limited to the indemnity amount. Accordingly, the Company recognized a reserve of BRL 200,675, relating to the residual balance at the end of the concession term of Canoas I and II plants.

The additional depreciation expense, calculated on the adjustments to the deemed cost in the periods ended June 30, 2015 and June 30, 2014, amounted to BRL 52,139 and BRL 51,186, respectively.

Land was stated at historical cost.

11.2. Depreciation rates

The Company and its controlled company record 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.

11.3. Concession-related assets

In accordance with concession contracts 76/1999 and 183/1998, and Authorization Resolutions 549 and 706/2002, the Company is not allowed to sell or assign for any purpose the assets and installations considered usable by the concession/authorization, 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 public hearing 39/2010 is under discussion by ANEEL, which deals with the review of this resolution.

11.4. Concession Arrangements

On May 13, 2015, MME Ordinance 156/2015 was published, and provides for the raise of the power physical guarantee for the Capivara Hydroelectric Power Plant, Rosana Hydroelectric Power Plant, and Taquaruçu Hydroelectric Power Plant under the Company's concession.

This amendment is in force from May 14, 2015 and through the authorization granted by the MME Ordinance the Company's total power physical guarantee increases from 1,085.6 average MW to 1,104.8 average MW.

11.5. 15% growth

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.

11.6. Sale of Assets – Pousada Jurumirim

On December 13, 2014, the "Pousada Jurumirim" was sold through public auction. The winning bid was in the amount of BRL 2,880, with a 25% payment made by way of downpayment and the remaining 75% paid on January 13, 2015, according to the agreement between the parties.

The sale cost of the asset was BRL 777, corresponding to its residual value on the date of the transaction. The result obtained in the transaction is recorded in "Other Operating Income" in the income statement.

12. INTANGIBLE ASSETS

Intangible assets as at June 30, 2015 consist of software licenses, right of way and the Use of Public Assets (UBP).

a) Breakdown

	Controlling Company				Consolidated			Average annual depreciation rate
	Cost	Accumulated amortization	06/30/2015 Net amount	12/31/2014 Net amount	Cost	Accumulated amortization	06/30/2015 Net amount	
In service								
UBP	53,494	(26,661)	26,833	27,759	53,494	(26,661)	26,833	3.5%
Software	24,393	(20,425)	3,968	2,337	24,458	(20,442)	4,016	5.2%
Right of way	75	-	75	75	262	-	262	
	77,962	(47,086)	30,876	30,171	78,214	(47,103)	31,111	
In progress								
Software	261	-	261	1,980	261	-	261	
Right of way	-	-	-	-	17	-	17	
	261	-	261	1,980	278	-	278	
	78,223	(47,086)	31,137	32,151	78,492	(47,103)	31,389	
(-) Special obligations (note 21)	(2,207)	843	(1,364)	(1,585)	(2,207)	843	(1,364)	
	76,016	(46,243)	29,773	30,566	76,285	(46,260)	30,025	

b) Changes in intangible assets

	Controlling Company			
	Net amount as at 12/31/2014	Additions	Amortization	Net amount as at 06/30/2015
UBP	27,759	-	(926)	26,833
Software	4,317	521	(609)	4,229
Right of way	75	-	-	75
	32,151	521	(1,535)	31,137
(-) Special obligations (note 21)	(1,585)	-	221	(1,364)
	30,566	521	(1,314)	29,773

	Consolidated				
	Net amount as at 12/31/2014	Acquisition DEB Pequenas Centrais Hidrelétricas Ltda	Additions	Amortization	Net amount as at 06/30/2015
UBP	27,759	-	-	(926)	26,833
Software	4,317	50	521	(611)	4,277
Right of way	75	204	-	-	279
	32,151	254	521	(1,537)	31,389
(-) Special obligations (note 21)	(1,585)	-	-	221	(1,364)
	30,566	254	521	(1,316)	30,025

13. TRADE PAYABLES

	Controlling Company				Consolidated	
	06/30/2015		12/31/2014		06/30/2015	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Electric power supply	65,063	-	59,111	-	66,246	-
Contracted services and materials	6,007	-	9,398	-	6,316	-
Power grid charges	10,456	8,181	10,604	6,861	10,493	8,181
Tust	9,551	-	9,698	-	9,551	-
Tusd-g	883	8,181	884	6,861	920	8,181
Connection charges	22	-	22	-	22	-
	81,526	8,181	79,113	6,861	83,055	8,181

Supply of power refers to the purchase of power in the short-term market, within the scope of CCEE.

There were no new events related to the legal discussion on the review of the amounts to be paid due to Tusd-g, which are stated net of escrow deposits, in noncurrent liabilities.

The complete information on trade payables is described in note 12 to the 2014 annual financial statements.

14. ARBITRATION

The Controlled Company signed temporary financing contracts for additional project costs with the third-party company responsible for construction of the Retiro PCH. These contracts were signed in an effort to continue construction. Both companies began dispute proceedings before an arbitration panel aimed at allocating responsibility for additional amounts expended. In 2013, a ruling was given in the arbitration proceedings (arbitration 45/2009). The procedure is currently in the liquidation of damages phase. In its total project cost estimate, the Controlled Company considers the amounts related to any final settlements resulting from this liquidation phase, which are also estimated according to available information. The restated balance as at June 30, 2015, is BRL 14,033.

As established in the contract for purchase and sale of ownership interest executed by and between the Company and Duke Brasil, any changes to this liability, upon its realization or re-measurement, in the event that new information becomes available, is the responsibility of Duke Brasil and therefore will not affect the Company's fiscal year results.

15. RELATED PARTIES

15.1. Transactions and balances

The Company has expense sharing agreements with associate company Duke Brasil. Due from related parties under these agreements as at June 30, 2015 is BRL 242 (BRL 409 as at December 31, 2014).

To the extent that the Company's and its controlled company's customers require guarantees in commercial transactions, Duke Brasil offers such guarantees on behalf of the Company, whose amount as at June 30, 2015 is BRL 160,187 and BRL 1,057, respectively, (BRL 196,759 as at December 31, 2014). Other significant transactions with related parties refer to the distribution of results.

15.2. Compensation of key Management personnel

The table below shows the breakdown of compensation of key Management personnel:

	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014
Short-term benefits to employees and management	1,398	3,989	1,472	2,965
Post-employment benefits	49	100	49	97
	1,447	4,089	1,521	3,062
Share-based compensation (note 23.2)	34	34	25	25
	1,481	4,123	1,546	3,087

Costs corresponding to the Supervisory Board for this period were BRL 477 (BRL 472 on June 30, 2014).

16. DEBENTURES

16.1. Breakdown and maturity

a) Breakdown

Issuance	Series	Yield	Maturity	Controlling Company and Consolidated		Controlling Company	
				Principal + Charges as at		Principal + Charges as at	
				06/30/2015		12/31/2014	
				Current	Noncurrent	Current	Noncurrent
3rd	Single	CDI fluctuation + 1.15% p.y.	01/10/2017	84,023	74,903	8,515	149,805
4th	1	CDI fluctuation + 0.65% p.y.	07/16/2018	14,123	249,688	13,265	249,611
4th	2	IPCA fluctuation + 6.07% p.y.	07/16/2023	16,659	288,142	7,589	271,099
5th	1	CDI fluctuation + 0.89% p.y.	05/20/2019	3,211	237,833	2,724	237,633
5th	2	IPCA fluctuation + 7.01% p.y.	05/20/2021	1,695	260,707	10,491	245,205
				119,711	1,111,273	42,584	1,153,353

Long-term maturity	06/30/2015
	Noncurrent
2016	82,768
2017	237,064
2018	162,167
2019	166,522
2020	87,006
2021	183,267
2022	96,014
2023	96,465
	1,111,273

16.2. Changes

	3rd Issuance	4th Issuance		5th Issuance		Total
	Single Series	Series 1	Series 2	Series 1	Series 2	
Balance as at December 31, 2014	158,320	262,876	278,688	240,357	255,696	1,195,937
Changes in debentures						
Transaction costs	97	78	39	200	143	557
Recognition of interest	9,753	15,615	9,070	15,202	9,477	59,117
Recognition of inflation adjustment	-	-	17,004	-	15,359	32,363
Payment of interest	(9,244)	(14,758)	-	(14,715)	(18,273)	(56,990)
	606	935	26,113	687	6,706	35,047
Balance as at June 30, 2015	158,926	263,811	304,801	241,044	262,402	1,230,984

16.3. Financial Covenants

The covenants contained in the Company's Private Instrument of Indenture of the Third, Fourth and Fifth Issuance of Debentures Not Convertible into Shares are:

1. Ratio of Net Debt to Ebitda cannot be over 3.20;
2. Ratio of Ebitda to Finance Income may not be equal to or lower than 2.0.

The changes in the balance of Debentures, except for interest payments on the 3rd, 4th and 5th issues, which took place in January and May 2015, arise from normal changes in this period, and the complete information of debentures is described in note 14 to the 2014 annual financial statements.

The Controlling Company has met all covenants set forth in the debenture indenture. Those covenants are described in note 14 to the 2014 annual financial statements.

17. LOAN

On May 5, 2015, the Controlling Company raised funding through a loan from Citibank bank, in the amount of BRL 181.000 million, with said loan being restated at 100% of the YTD variation in the CDI, plus annual interest of 1.4%. This loan has a two year term and pre-payment may take place after the first effective year of the contract. No assets were given as guarantee to obtain this financing and there are no restrictive clauses.

17.1. Breakdown and maturity

a) Breakdown

Yield	Maturity	Controlling Company and Consolidated	
		06/30/2015	
		Current	Noncurrent
CDI fluctuation + 1.4% p.y.	05/05/2017	-	185,125

Long-term maturity	06/30/2015
	Noncurrent
2017	185,125
	185,125

b) Changes

	06/30/2015
Balance as at December 31, 2014	-
Loan changes	
Raised funding	181,000
Recognition of interest	4,125
Balance as at June 30, 2015	185,125

18. CIBACAP – CAPIVARA BASIN INTERCITY CONSORTIUM

	Controlling Company and Consolidated	Controlling Company
	06/30/2015	12/31/2014
Current	3,679	2,283
Noncurrent	5,915	6,935
	9,594	9,218

The changes in the balance of Cibacap arise from normal changes in this period, and the complete information of Cibacap is described in note 15 to the 2014 annual financial statements.

19. PENSION AND RETIREMENT PLAN

In the period ended June 30, 2015, there were no changes in the assumptions used in actuarial valuations.

The table below shows the determined and recognized expenses for the period (see note 27):

Expense/(income) for the period recognized in profit or loss for the quarter

	Controlling Company and Consolidated		Controlling Company	
	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014
Cost of current service	533	1,089	336	676
Interest on actuarial obligation	5,348	10,704	5,204	10,408
Expected return on the plan asset	(6,391)	(12,894)	(6,793)	(13,564)
Interest on asset restriction	1,016	2,138	1,563	3,107
	506	1,037	310	627

The changes in the balance of Pension and Retirement Plan arise from normal changes in this period, and the complete information of pension and retirement plan is described in note 16 to the 2014 annual financial statements.

20. PROVISIONS FOR TAX, LABOR AND ENVIRONMENTAL RISKS

The Company hereby declares that the information on estimates involving the likelihood of classified by loss our outside legal counsel as probable and possible, as described in the 2014 annual financial statements, is applicable to this interim financial information, and the complete information is described in note 17 to those annual financial statements.

20.1. Provisions for tax, labor and environmental risks

a) Breakdown

	Controlling Company				Consolidated		
	06/30/2015		12/31/2014		06/30/2015		
	Provision	Escrow deposit	Net provisions	Net provisions	Provision	Escrow deposit	Net provisions
Labor	7,204	(2,195)	5,009	1,921	7,652	(2,197)	5,455
Tax	12,978	(685)	12,293	12,166	12,978	(685)	12,293
Environmental	7,972	(3,079)	4,893	5,439	7,972	(3,079)	4,893
	28,154	(5,959)	22,195	19,526	28,602	(5,961)	22,641

b) Changes in the provision for tax, labor and environmental risks

	Controlling company			
	Labor	Tax	Environmental	Total
Balance as at December 31, 2014	1,921	12,166	5,439	19,526
Contingencies				
Provisions in the period	3,325	-	2,169	5,494
Reversals in the period	(336)	-	-	(336)
Adjustment of contingencies	-	144	363	507
Agreements/payments in period	(12)	-	-	(12)
	2,977	144	2,532	5,653
Escrow deposits				
Inflation adjustments	(69)	(18)	(72)	(159)
(Additions)	(17)	-	(3,006)	(3,023)
Write-offs	198	-	-	198
	112	(18)	(3,078)	(2,984)
Balance as at June 30, 2015	5,010	12,292	4,893	22,195

	Consolidated			
	Labor	Tax	Environmental	Total
Balance as at December 31, 2014	1,921	12,166	5,439	19,526
Contingencies				
Corporate reorganization – DEB acquisition	17	-	-	17
Provisions in the period	3,773	-	2,169	5,942
Reversals in the period	(352)	-	-	(352)
Adjustment of contingencies	-	144	363	507
Agreements/payments in period	(12)	-	-	(12)
	3,426	144	2,532	6,102
Escrow deposits				
Inflation adjustments	(69)	(18)	(72)	(159)
(Additions)	(20)	-	(3,006)	(3,026)
Write-offs	198	-	-	198
	109	(18)	(3,078)	(2,987)
Balance as at June 30, 2015	5,456	12,292	4,893	22,641

On June 30, 2015, net labor contingencies totaled BRL 5,456 (BRL 1,921 on December 31, 2014). Recognitions regard new actions and reassessments on the part of the Company's legal advisers, as a result of unfavorable judgments in the period. The write-offs for the period are in relation to finalization of actions in the normal course of processes and through execution of settlement agreements.

20.2. Possible contingencies

	Controlling Company		Consolidated
	06/30/2015	12/31/2014	06/30/2015
Labor	9,693	18,162	9,753
Tax	84,974	73,326	84,974
Environmental	19,174	34,718	19,174
Regulatory	73,642	70,071	73,642
	187,483	196,277	187,543

The changes in the labor contingencies line item are a result of reassessments of certain claims made by the Company's legal advisers, resulting in establishment of the provision, as described in note 20.1b.

The changes in the possible tax contingencies line item are chiefly the result of inclusion of the following tax assessments:

- IRPJ/CSLL on amounts considered as deductible expenses by the Company and disallowed by the tax authorities based on their accounting classification as "provisions" in the 2010 fiscal year (BRL 7,425) and;
- PIS/COFINS based on exclusion of the amounts collected as ICMS/ST from the basis used to calculate contributions during fiscal year 2010 (BRL 3,681).

Change in the environmental contingencies line item regards a ruling in favor of the Company in relation to the Tax Assessment on record with Instituto Ambiental do Paraná – IAP, for supposed environmental violations, in the amount of BRL 15,646.

Other changes in Possible Contingencies arise from normal changes in this period, and the complete information on these possible contingencies is described in note 17.2 to the 2014 annual financial statements.

21. SPECIAL OBLIGATIONS (*)

	Controlling Company and Consolidated	Controlling Company
	06/30/2015	12/31/2014
Arising from property, plant and equipment (note 11)		
Equipment donations - ONS	1,429	1,458
Research and development (R&D)	126	137
	1,555	1,595
Arising from intangible assets (note 12)		
Research and development (R&D) - Software	1,364	1,585
	2,919	3,180

(*) Concession-related obligations

See additional comments in note 18 to the 2014 annual financial statements.

22. REGULATORY CHARGES

The payables arising from charges set out by power sector law are as follows:

	Controlling Company				Consolidated	
	06/30/2015		12/31/2014		06/30/2015	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Financial compensation due to the use of water resources (CFURH)	8,648	-	9,689	-	8,648	-
Electric power service inspection fee (TFSEE)	417	-	339	-	425	-
Research and development (R&D)	16,946	7,995	17,693	9,184	16,946	7,995
	26,011	7,995	27,721	9,184	26,019	7,995

See additional comments in note 19 to the 2014 annual financial statements.

23. EQUITY

23.1. Capital

As at June 30, 2015, the Controlling Company's authorized capital is BRL 2,355,580, BRL 785,193 of which is comprised of common shares and BRL 1,570,387 of which is preferred shares, all registered, book-entry and without par value.

Subscribed and paid-in capital is BRL 839,138 (BRL 839,138 as at December 31, 2014) represented by 94,433,283 (ninety four million, four hundred and thirty three thousand, two hundred and eighty three) shares, 31,477,761 (thirty one million, four hundred and seventy seven thousand, seven hundred and sixty one) of which are common shares and 62,955,522 (sixty two million, nine hundred and fifty five thousand, five hundred and twenty two) of which are preferred shares, all registered, book-entry and without par value.

	Shareholding position as at 06/30/2015 (in thousands of shares)					
	Common	%	Preferred	%	Total	%
Shareholders						
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 Metropolitan de São Paulo	-	-	1,324	2.10	1,324	1.40
Other natural and legal persons	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 2014 annual financial statements.

23.2. Capital reserves

	06/30/2015	12/31/2014
Goodwill on share subscription	468	468
Spin-off account	(6,418)	(6,418)
Goodwill on downstream merger	103,838	103,838
Share-based payment	1,683	1,649
Special reserve - Acquisition DEB - Pequenas Centrais Hidrelétricas Ltda	5,897	-
	105,468	99,537

See additional comments in note 20.2 to the 2014 annual financial statements.

23.3. Earnings reserves

	06/30/2015	12/31/2014
Legal reserve	123,287	123,287
Pension plan	4,346	3,889
	127,633	127,176

23.4. Retained earnings

a) Breakdown of retained earnings

	06/30/2015
Profit for the period	40,797
Depreciation (deemed cost)	52,139
Write-offs (deemed cost)	805
Deferred IRPJ/CSLL	(18,001)
	75,740

b) Breakdown of dividends and interest on capital payable

	06/30/2015	12/31/2014
Proposed dividends	-	60,410
Interest on capital	125	53,394
Dividends, interest on capital and decrease of capital held in custody	1,540	1,559
	1,665	115,363

23.5. Valuation adjustments to equity

	Deemed cost	Pension plan	Total
Balance as at December 31, 2014	803,715	-	803,715
Valuation adjustments to equity			
Depreciation	(52,139)	-	(52,139)
Write-off	(805)	-	(805)
Deferred IRPJ/CSLL	18,001	-	18,001
	(34,943)	-	(34,943)
Comprehensive income			
Actuarial gains on defined benefit pension plan	-	692	692
Deferred income tax and social contribution on actuarial gains	-	(235)	(235)
	-	457	457
Reclassification of net actuarial gains – CPC 33 (R1)	-	(457)	(457)
Balance as at June 30, 2015	768,772	-	768,772

See additional comments in note 20.6 to the 2014 annual financial statements.

24. NET OPERATING REVENUE

	Controlling Company				Consolidated	
	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Supply of electric power						
Bilateral agreements	329,659	661,337	258,459	530,171	335,424	667,102
Auction agreements	-	-	52,653	108,248	-	-
Short-term market (MCP)	-	15	3,014	58,846	255	270
Power reallocation mechanism (MRE)	5,527	11,806	3,114	11,798	5,523	11,802
	335,186	673,158	317,240	709,063	341,202	679,174
Other revenues	60	159	1,182	2,753	60	159
	335,246	673,317	318,422	711,816	341,262	679,333
Deductions from operating revenue						
PIS and COFINS	(29,612)	(59,399)	(26,535)	(57,327)	(29,815)	(59,602)
ICMS	(13,023)	(26,484)	(4,365)	(9,166)	(13,023)	(26,484)
R&D	(2,785)	(5,587)	(2,860)	(6,416)	(2,784)	(5,586)
	(45,420)	(91,470)	(33,760)	(72,909)	(45,622)	(91,672)
Net operating revenue	289,826	581,847	284,662	638,907	295,640	587,661

25. OPERATING COSTS AND EXPENSES

Breakdown of operating costs and expenses by nature:

	Controlling Company			
	04/01/2015 to 06/30/2015			04/01/2014 to 06/30/2014
	Cost of electric power sold	General and administrative expenses	Total	Total
Personnel	11,078	9,181	20,259	19,396
Material	1,047	32	1,079	911
Outside services	5,718	3,786	9,504	10,089
Electric power service inspection fee (TFSEE)	1,253	-	1,253	1,018
Electric power purchased for resale	92,890	-	92,890	36,293
Power grid charges	22,213	-	22,213	20,480
Financial compensation due to the use of water resources	13,505	-	13,505	12,093
Depreciation and amortization	53,792	422	54,214	54,298
Provisions for tax, labor and environmental risks	3,017	1,110	4,127	317
Reversal of estimated doubtful debts	-	-	-	(1,007)
Rents	4	872	876	977
Insurance	1,362	-	1,362	1,207
Other	214	701	915	2,220
	206,093	16,104	222,197	158,292

	Controlling Company			
	01/01/2015 to 06/30/2015			01/01/2014 to 06/30/2014
	Cost of electric power sold	General and administrative	Total	Total
Personnel	23,469	19,271	42,740	37,859
Material	2,171	58	2,229	1,653
Outside services	10,525	6,996	17,521	19,036
Electric power service inspection fee (TFSEE)	2,505	-	2,505	2,036
Electric power purchased for resale	176,869	-	176,869	56,569
Power grid charges	44,251	-	44,251	40,734
Financial compensation due to the use of water resources	27,801	-	27,801	29,123
Depreciation and amortization	107,568	833	108,401	108,596
Provisions for tax, labor and environmental risks	4,141	1,016	5,157	418
Reversal of estimated doubtful debts	-	(220)	(220)	(1,427)
Rents	5	1,764	1,769	1,969
Insurance	2,720	-	2,720	2,393
Other	574	1,514	2,088	3,745
	402,599	31,232	433,831	302,704

	Consolidated					
	04/01/2015 to 06/30/2015			01/01/2015 to 06/30/2015		
	Cost of electric power sold	General and administrative	Total	Cost of electric power sold	General and administrative	Total
Personnel	11,246	9,224	20,470	23,637	19,314	42,951
Material	1,098	32	1,130	2,222	58	2,280
Outside services	6,480	3,948	10,428	11,287	7,158	18,445
Electric power service inspection fee (TFSEE)	1,268	-	1,268	2,520	-	2,520
Electric power purchased for resale	95,016	-	95,016	178,995	-	178,995
Power grid charges	22,282	-	22,282	44,320	-	44,320
Financial compensation due to the use of water resources	13,505	-	13,505	27,801	-	27,801
Depreciation and amortization	53,273	426	53,699	107,049	837	107,886
Provisions for tax, labor and environmental risks	3,019	1,541	4,560	4,143	1,447	5,590
Reversal of estimated doubtful debts	-	23	23	-	(197)	(197)
Rents	4	900	904	5	1,792	1,797
Insurance	1,387	-	1,387	2,745	-	2,745
Other	214	702	916	574	1,515	2,089
	208,792	16,796	225,588	405,298	31,924	437,222

26. ELECTRIC POWER SOLD AND PURCHASED AND POWER GRID CHARGES

26.1. Electric power sold

	Controlling Company				Consolidated	
	04/01/2015 to 06/30/2015		04/01/2014 to 06/30/2014		04/01/2015 to 06/30/2015	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Bilateral agreements	2,016,253	329,659	1,564,389	258,459	2,037,390	335,422
Auction agreements	-	-	441,971	52,653	-	-
Short-term market (MCP)	-	-	57,340	3,014	22,264	252
Power reallocation mechanism (MRE)	514,597	5,527	317,228	3,114	514,597	5,528
	2,530,850	335,186	2,380,928	317,240	2,574,251	341,202

	Controlling Company				Consolidated	
	01/01/2015 to 06/30/2015		01/01/2014 to 06/30/2014		01/01/2015 to 06/30/2015	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Bilateral agreements	4,048,448	661,337	3,225,814	530,171	4,069,585	667,100
Auction agreements	-	-	914,796	108,248	-	-
Short-term market (MCP)	-	14	203,399	58,846	22,264	266
Power reallocation mechanism (MRE)	1,082,747	11,807	1,151,458	11,798	1,082,747	11,808
	5,131,195	673,158	5,495,467	709,063	5,174,596	679,174

(*) Not reviewed by independent auditors.

The table below summarizes the volumes in MWm of Guaranteed Energy contracted/expected from completion of contracts by the Company in the Deregulated Contracting Framework (ACL) and the Regulated Contracting Framework (ACR) as at June 30, 2015:

	Controlling Company		Consolidated
	MWm (*)		MWm (*)
	2015	2014	2015
Electric power available for sale	1,019	1,009	16
Regulated Contracting Framework (ACR)	-	211	-
2007 (8 years)	-	211	-
Deregulated Contracting Framework (ACL)	919	720	12
Bilateral agreements entered into with deregulated consumers	919	720	16
Bilateral agreements for purchase of electric power	-	-	(4)
Free energy for hiring	100	78	4
Percentage of contracted power	90.2%	92.3%	75.4%

(*) Not reviewed by independent auditors.

26.2. Electric power purchased for resale

	Controlling Company				Consolidated	
	04/01/2015 to 06/30/2015		04/01/2014 to 06/30/2014		04/01/2015 to 06/30/2015	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Bilateral	-	-	13,392	(10,717)	4,132	(2,091)
Short-term market (MCP)	257,557	(92,890)	39,920	(24,145)	257,557	(92,890)
Power reallocation mechanism (MRE)	-	-	98,051	(1,431)	2,027	(35)
	257,557	(92,890)	151,363	(36,293)	263,716	(95,016)

	Controlling Company				Consolidated	
	01/01/2015 to 06/30/2015		01/01/2014 to 06/30/2014		01/01/2015 to 06/30/2015	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Bilateral	-	-	13,392	(10,717)	4,132	(2,091)
Short-term market (MCP)	476,316	(176,869)	64,558	(44,421)	476,316	(176,869)
Power reallocation mechanism (MRE)	-	-	98,051	(1,431)	2,027	(35)
	476,316	(176,869)	176,001	(56,569)	482,475	(178,995)

(*) Not reviewed by independent auditors.

The changes in the balance of electric power purchased for resale primarily arise from the unfavorable hydrological scenario represented by the reduction in the levels of the Generation Scaling Factor (GSF), which intensified during the first half of 2015.

26.3. Power grid charges

	Controlling Company				Consolidated	
	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Tust	19,825	39,856	18,226	36,348	19,825	39,856
Tusd-g	2,339	4,297	2,207	4,293	2,408	4,366
Connection charges	49	98	47	93	49	98
	22,213	44,251	20,480	40,734	22,282	44,320

See additional comments in note 23.3 to the 2014 annual financial statements.

27. FINANCE INCOME

	Controlling Company				Consolidated	
	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Income						
Short-term investments	4,307	7,969	18,727	32,776	5,007	8,669
Inflation adjustments	2,358	4,465	1,919	4,096	2,406	4,513
Escrow deposits	2,357	4,463	1,785	3,950	2,405	4,511
Other	1	2	134	146	1	2
Interest and discounts obtained	189	403	1,560	1,880	203	417
	6,854	12,837	22,206	38,752	7,616	13,599
Expenses						
Interest on debentures	(30,728)	(59,674)	(30,167)	(54,340)	(30,728)	(59,674)
Loan interest	(4,125)	(4,125)	-	-	(4,125)	(4,125)
Inflation adjustments	(16,395)	(37,408)	(13,763)	(29,477)	(16,712)	(37,725)
Debentures	(13,692)	(32,363)	(11,775)	(25,610)	(13,692)	(32,363)
Tusd-g	(1,933)	(3,699)	(1,427)	(2,760)	(1,933)	(3,699)
Provisions for tax, labor and environmental risks	(333)	(509)	(254)	(370)	(333)	(509)
Restatement due to arbitration process	-	-	-	-	(317)	(317)
Other	(437)	(837)	(307)	(737)	(437)	(837)
Recovery of interest and inflation adjustment of debentures	-	-	3,431	3,431	-	-
Expenses on pension plan (Note 19)	(506)	(1,037)	(310)	(627)	(506)	(1,037)
Other finance costs	(354)	(422)	(959)	(3,048)	(359)	(427)
	(52,108)	(102,666)	(41,768)	(84,061)	(52,430)	(102,988)
	(45,254)	(89,829)	(19,562)	(45,309)	(44,814)	(89,389)

28. EARNINGS PER SHARE

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

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

	Controlling Company			
	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015	04/01/2014 to 06/30/2014	01/01/2014 to 06/30/2014
Numerator				
Profit for the period attributable to the Company's shareholders				
Preferred	11,606	27,198	47,145	128,156
Common	5,802	13,599	23,573	64,078
	17,408	40,797	70,718	192,234
Denominator (Weighted average number of shares)				
Preferred	62,955	62,955	62,955	62,955
Common	31,478	31,478	31,478	31,478
	94,433	94,433	94,433	94,433
Basic and diluted earnings per share				
Preferred	0.18433	0.43202	0.74887	2.03567
Common	0.18433	0.43202	0.74887	2.03567

29. FINANCIAL INSTRUMENTS

The Company hereby declares that the information on financial instruments described in the 2014 annual financial statements is the same as that included in this interim financial information (ITR), as presented in note 26 to those financial statements.

Financial instruments in the balance sheet:

a) Cash and cash equivalents (note 6)

Short-term investments in the open market in fixed-income securities, plus income earned through the balance sheet date, realizable within less than 90 days and accounted for at market yield amounts.

b) Debentures (note 16)

	06/30/2015		12/31/2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Debentures	1,230,984	1,345,672	1,195,937	1,266,056
Loan	185,125	180,717	-	-
	1,416,109	1,526,389	1,195,937	1,266,056

The Company did not carry out derivative transactions in 2014 and in the six-month period ended June 30, 2015. There is also no exposure to currency fluctuations and in foreign currency since the Company does not carry out such transactions.

30. INSURANCE

The Group has insurance contracts taking into account the nature and degree of risk, in amounts considered sufficient to cover significant losses on its assets and/or liabilities. The main coverage, according to insurance policies, is as follows:

	Indemnity Ceiling in thousands of BRL	
	Effective 01/01/2015 to 12/31/2015	Effective 01/01/2014 to 12/31/2014
Operating risk	1,300,000	1,103,982
Civil liability	13,000	11,040
Lost profits	1,270	-

31. SUBSEQUENT EVENT

31.1. Preliminary Injunction on Generation Scaling Factor (GSF)

In July 2015, in a lower court decision, a preliminary injunction was granted on behalf of Associação Brasileira dos Produtores Independentes de Energia Elétrica ("Apine"), an entity in which Duke Paranapanema and DEB are members, ordering CCEE to suspend charges for adjustment of the Power Reallocation Mechanism (MRE), in force from May, 2015, if total MRE generation, as determined by the National Electric Power System Operator (ONS), were lower than the physical guarantee established by the concession authority.

On August, 6th 2015, CCEE performed the financial liquidation for May and June, 2015.

MANAGEMENT MEMBERS

Board of Directors

Armando de Azevedo Henriques
Chairman

Andrea Elizabeth Bertone
Effective Member

Elizabeth Christina DeLaRosa
Effective Member

Oswaldo Esteban Clari Redes
Effective Member

Eliseu Nogueira de Andrade
Effective Member

Narciso Meschiatti Filho
Alternate Member

Supervisory Board

Jarbas Tadeu Barsanti Ribeiro
Chairman

Marcelo Curti
Effective Member

François Moreau
Effective Member

Ary Waddington
Alternate Member

Edmundo Falcão Koblitz
Alternate Member

Murici dos Santos
Alternate Member

Executive Board

Armando de Azevedo Henriques
Chief Executive Officer

Angela Aparecida Seixas
Chief Financial and Internal Controls Officer,
Chief Information Officer and
Chief Investor Relations Officer

Carlos Alberto Dias Costa
Chief Operating Officer and
Chief Environmental Officer

Jairo de Campos
Chief Human Resources, Management and,
Health and Security Officer

Antonio Patricio Franco Martins
General Controllershship Manager

Renata Mingorance Prando
Accountant - SP-256166/O-2