

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

Related to the Three-month and Six-month Periods ended on
June 30, 2016, and
Report on the Review of Quarterly
Information

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

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, 2016, which comprises the balance sheet as at June 30, 2016, 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 2.11 and 3.1.2 to the annual 2015 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, 2016, 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, 2016

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Iara Pasian
Engagement Partner

**COMMENTS ON THE ECONOMIC AND FINANCIAL PERFORMANCE
 PERIODS FROM APRIL 1 TO JUNE 30, 2016 AND 2015**
 (In thousands of reais, except when designated otherwise)

As from the second quarter of 2015, the financial statements were presented on a consolidated and individual form, thus contemplating the effect of income from controlled company Duke Energy International Geração Sapucaí-Mirim Ltda. (formerly named DEB Pequenas Centrais Hidrelétricas Ltda. – see note 1) , as from May 7. The transaction of corporate control transfer to the Company was made on May 6, 2015.

Main indicators (in thousands of Reais)

	Consolidated		% Variance
	2Q2015	2Q2016	
Economic indicators			
Gross operating revenue	341,262	377,652	10.7
(-) Deductions to operating revenue	(45,622)	(39,986)	-12.4
Net operating revenue	295,640	337,666	14.2
(-) Operating expenses	(225,588)	(173,940)	-22.9
Income from service provided	70,052	163,726	133.7
Ebitda	123,751	220,005	77.8
<i>Ebitda margin - %</i>	41.9%	65.2%	
Financial income	(44,814)	(40,736)	-9.1
Operating income	25,238	122,990	387.3
Net income for the period	17,408	82,358	373.1
<i>Net margin - %</i>	5.9%	24.4%	
Shares			
Outstanding shares (in thousands of shares)	94,433	94,433	
Net income per thousands of shares (in reais)	184.33	872.13	373.1

From the consolidated amounts mentioned above, the controlled company represents 2.5% of the net operating revenue (BRL 8.6 million), 3.2% of the operating expenses (BRL 5.6 million) and 4.8% of the net income of the period (BRL 4.0 million).

	Consolidated		% Variance
	06/30/2015	06/30/2016	
Financial indicators			
Total assets	3,938,625	4,136,312	5.0
Debts in national currency	1,416,109	1,422,269	0.4
Shareholders' Equity	1,916,751	1,979,146	3.3

Operating Expenses (in thousands of Reais)

	Consolidated		% Variance
	2Q2015	2Q2016	
Personnel	(20,470)	(21,487)	5.0
Material	(1,130)	(1,200)	6.2
Third Party Services	(10,428)	(13,828)	32.6
Electrical Power Service Inspection Fee - TFSEE	(1,268)	(1,416)	11.7
Electric power purchased for resale	(95,016)	(25,755)	-72.9
Charges for the use of electric grid	(22,282)	(25,925)	16.3
Financial offset from the use of water resources	(13,505)	(22,390)	65.8
Depreciation and amortization	(53,699)	(56,279)	4.8
Provisions for tax, labor and environmental risks	(4,560)	678	-114.9
Reversal/(constitution) estimate for doubtful accounts	(23)	2,245	-9,860.9
Rentals	(904)	(1,119)	23.8
Insurances	(1,387)	(2,494)	79.8
Others	(916)	(4,970)	442.6
	(225,588)	(173,940)	-22.9

The operating expenses amounted to BRL 173.9 million in the 2nd quarter of 2016, a decrease of 22.9% in comparison to the same period in the previous year (BRL 225.6 million).

The Controlled Company contributed BRL 5.6 million in the total of consolidated operating expenses for the 2nd quarter of 2016.

The main factors that impacted the operating expenses were:

- Electric power purchased for resale: in the second quarter of 2016, there was a decrease of BRL 69.3 million or 72.9% in relation to the same period of the previous year. The electric power purchase volume in the short-term market decreased due to the preliminary injunction which mitigated the exposure of the Company and its Controlled Company, in addition to the lower average price in the short-term market (Differences Settlement Price - PLD) as a consequence of the hydrological scenario recovery;
- Charges for the use of electric power grid: increase of BRL 3,643 million or 16.3% in the quarter is due to adjustments on these charges during 2016;
- Financial offset from the use of water resources: increase of BRL 8.9 million, or 65.8% in comparison to the same period of the previous year, and the variation is mainly due to the readjustment of 9.5% in the Restated Reference Rate (TAR), which increased from BRL 85.26/MWh to BRL 93.35/MWh as from January 1st, 2016, and also the increase of 49.6% in the volume generated in the quarter (3,553,318.29 MWh in the 2nd quarter of 2016 and 2,346,532.93 MWh in the 2nd quarter of 2015);
- Reversion of doubtful accounts estimate: reversion of BRL 2.3 million in comparison to the same period of the previous year, this variation is mainly due to effects of short-term market liquidation.
- Increase in Other Expenses in the amount of BRL 4 million in the Second Quarter of 2016 in comparison to the same period of 2015, represented, mainly, by assets write offs related to the modernizations and reconstructions of Chavantes hydroelectric power plant.

Ebitda and Ebitda margin (in thousands of Reais)

	Consolidated		% Variance
	2Q2015	2Q2016	
Net income for the period	17,408	82,358	373.1
Income tax and social contribution	7,830	40,632	418.9
Finance income (net)	44,814	40,736	-9.1
Depreciation and amortization	53,699	56,279	4.8
Ebitda	123,751	220,005	77.8

Ebitda (Lajida - income before interest, income tax including social contribution on net income, depreciation and amortization) is calculated with the net income added to the net financial income, income tax and social contribution, depreciation and amortization. Ebitda is a non-accounting measurement, calculated taking as basis the provisions of CVM Instruction No. 527/2012. Ebitda should not be considered as an alternative to cash flow as liquidity indicator.

Company's Management believes that Ebitda provides an useful measure of performance, which is widely used by investors and analysts to evaluate performance and to compare companies.

Ebitda increased 77.8% in comparison to the same period of the previous year, mainly as a consequence of the decrease in the purchased power volume in face of the preliminary injunction obtained to mitigate the exposition in the short-term market.

Finance income (in thousands of Reais)

	Consolidated		% Variance
	2Q2015	2Q2016	
Revenues	7,616	19,581	157.1
Expenses	(52,430)	(60,317)	15.0
Net finance income	(44,814)	(40,736)	-9.1

The net financial income presented in the 2nd quarter of 2016 was negative in BRL 40.7 million, which represents a negative impact of 9.1% in comparison with the same period of the previous year. This variance resulted from the increase in the financial revenues mainly due to the higher average volume invested in the period.

Debentures (in thousands of Reais)

Series	Remuneration	Maturity	Consolidated	
			06/30/2015	06/30/2016
Single	Variance CDI + 1.15% p.y.	10/01/2017	158,926	80,119
1	CDI Variance + 0.65% p.y.	16/07/2018	263,811	265,724
2	IPCA Variance + 6.07 % p.y.	16/07/2023	304,801	333,330
1	CDI Variance + 0.89% p.y.	20/05/2019	241,044	241,608
2	IPCA Variance + 7.01% p.y.	20/05/2021	262,402	287,482
			1,230,984	1,208,263

The balance of debentures of the Controlling Company in the 2nd quarter of 2016, amounts to BRL 1,208.3 million, 1.9% less in comparison to BRL 1,231.0 million in the same period of the previous year.

This variance was mainly due to the payment of the first installment of the principal of the 3rd Issuance, in January 2016.

Loans (in thousands of Reais)

	Remuneration	Maturity	Consolidated	
			06/30/2015	06/30/2016
Bank Credit Note (CCB)	CDI Variance + 1.4% p.y.	05/05/2017	185,125	214,006

In May 2015, the Controlling Company raised loan with Citibank, in the amount of BRL 181 million, being the same updated at 100% of CDI accumulated variance, plus interest of 1.4% per year. The maturity term of this loan is of two years, being possible a prepayment after the first year of the agreement effectiveness. There are no assets given as guarantee to obtain this financial transaction and there are no covenants.

Net financial debt (in thousands of Reais)

	Consolidated		% Variance
	06/30/2015	06/30/2016	
Loan	185,125	214,006	15.6
Debentures	1,230,984	1,208,263	-1.8
Short-term	119,711	282,383	135.9
Long-term	1,111,273	925,880	-16.7
Cash	(168,913)	(542,010)	220.9
Net Debt	1,247,196	880,259	-29.4

The consolidated net debt, which is made up by the indebtedness, less cash and cash proceeds. In comparison to the same period in 2015, it decreased 29.4% mainly due to the increase in the balance of cash and cash equivalents derived from the normal operation of the Company and its Controlled Company.

Net income for the period

As a result of the abovementioned items, the Company recorded in the second quarter of 2016 a net income of BRL 82,4 million, BRL 64,9 million or 373,1% higher than the results recorded in the same period of the previous year.

The Controlled Company recorded as an equity accounting valuation, as effect of the result assessed from its controlled company, the amount of BRL 4.0 million.

BALANCE SHEETS AS OF JUNE 30, 2016 AND DECEMBER 31, 2015
 (In thousands of reais)

ASSETS	Note	Controlling Company		Consolidated	
		06/30/2016	12/31/2015	06/30/2016	12/31/2015
Current					
Cash and cash equivalents	6	499,163	416,964	542,010	464,069
Trade receivables	7	130,027	164,394	132,989	169,832
Recoverable taxes	8	5,685	4,196	6,384	5,147
Services in progress		13,958	17,995	13,958	17,995
Prepaid expenses		5,503	346	5,664	346
Sundry debtors		2,356	1,505	2,743	1,868
Related parties	15.1	158	234	158	234
Other assets		126	129	126	129
Total current assets		656,976	605,763	704,032	659,620
Non-current assets					
Trade receivables	7	68	366	68	366
Recoverable taxes	8	960	960	2,174	2,128
Escrow deposits	9	45,401	43,230	45,401	43,230
Restricted funds		81	51	81	51
Prepaid expenses		3,206	3,337	3,206	3,337
Investments		192,353	186,974	26	26
Controlled Companies	10	192,327	186,948	-	-
Other		26	26	26	26
Property, Plant and Equipment	11	3,203,823	3,290,790	3,351,978	3,443,199
Intangible assets	12	29,107	30,386	29,346	30,631
Total non-current assets		3,474,999	3,556,094	3,432,280	3,522,968
Total assets		4,131,975	4,161,857	4,136,312	4,182,588

The Management notes are an integral part of the financial statements.

BALANCE SHEETS AS OF JUNE 30, 2016 AND DECEMBER 31, 2015
(In thousands of reais)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Controlling Company		Consolidated	
		06/30/2016	12/31/2015	06/30/2016	12/31/2015
Current					
Trade payables	13	256,581	171,961	258,720	175,719
Arbitration	14	-	-	-	15,081
Salaries and regulatory charges		8,422	12,513	8,582	12,706
Loans	17	214,006	-	214,006	-
Debentures	16	282,383	207,974	282,383	207,974
Taxes payable	8	95,694	138,061	96,554	138,883
Dividends and interest on capital	23.4	1,636	161,904	1,636	161,904
Estimated obligations		8,875	7,376	9,070	7,535
Cibacap	18	1,000	-	1,000	-
Regulatory charges	22	28,477	36,814	28,484	36,822
Other liabilities		862	344	888	445
Total current liabilities		897,936	736,947	901,323	757,069
Non-current liabilities					
Loans	17	-	199,125	-	199,125
Debentures	16	925,880	1,051,684	925,880	1,051,684
Deferred revenues		19,805	27,437	20,392	27,813
Special obligations	21	2,815	2,658	2,815	2,658
Provisions for tax, labor and environmental risks	20	27,684	26,467	28,047	26,700
Cibacap	18	9,703	10,135	9,703	10,135
Deferred income tax and social contribution	8	242,636	272,561	242,636	272,561
Tariff for the use of distribution system (TUSDg)	13	11,716	9,802	11,716	9,802
Regulatory charges	22	8,928	5,462	8,928	5,462
Other liabilities		5,726	5,696	5,726	5,696
Total non-current liabilities		1,254,893	1,611,027	1,255,843	1,611,636
Shareholders' Equity					
Capital	23.1	839,138	839,138	839,138	839,138
Capital reserves	23.2	116,804	105,468	116,804	105,468
Earnings reserves	23.3	137,453	137,134	137,453	137,134
Retained earnings	23.4	190,429	-	190,429	-
Valuation adjustments to equity	23.5	695,322	732,143	695,322	732,143
Total shareholders' equity		1,979,146	1,813,883	1,979,146	1,813,883
Total liabilities and shareholders' equity		4,131,975	4,161,857	4,136,312	4,182,588

The Management notes are an integral part of the financial statements.

INCOME STATEMENTS CONTROLLING COMPANY
RELATED TO THE SIX-MONTH PERIODS ENDED ON JUNE 30, 2016
(In thousands of reais, except when designated otherwise)

	Note	Controlling Company			
		04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Net operating revenue	24	329,073	642,393	289,826	581,847
Operating revenues / (expenses)	25				
Personnel		(20,940)	(43,081)	(20,259)	(42,740)
Material		(1,075)	(2,013)	(1,079)	(2,229)
Third-party services		(11,532)	(20,190)	(9,504)	(17,521)
Electric Power Service Inspection Fee (TFSEE)		(1,396)	(2,791)	(1,253)	(2,505)
Electric power purchased for resale	26.2	(24,936)	(32,172)	(92,890)	(176,869)
Charges for the use of electric power grid	26.3	(25,810)	(52,079)	(22,213)	(44,251)
Financial offset from the use of water resources		(22,390)	(45,782)	(13,505)	(27,801)
Depreciation and amortization	11.b and 12.b	(53,951)	(107,923)	(54,214)	(108,401)
Provisions for tax, labor and environmental risks		565	(466)	(4,127)	(5,157)
Reversal/(constitution) estimate for doubtful accounts		1,560	(1,490)	-	220
Rentals		(1,052)	(1,957)	(876)	(1,769)
Insurances		(2,419)	(4,787)	(1,362)	(2,720)
Others		(4,937)	(6,914)	(915)	(2,088)
		(168,313)	(321,645)	(222,197)	(433,831)
Income from equity interest					
Equity accounting		3,977	5,379	2,423	2,423
Operating income		164,737	326,127	70,052	150,439
Finance income	27				
Revenues		18,262	33,532	6,854	12,837
Expenses		(60,733)	(129,868)	(52,108)	(102,666)
		(42,471)	(96,336)	(45,254)	(89,829)
Profit before income tax and social contribution		122,266	229,791	24,798	60,610
Income tax and social contribution	8.2				
Current		(51,895)	(112,093)	(16,561)	(38,353)
Deferred		11,987	35,910	9,171	18,540
		(39,908)	(76,183)	(7,390)	(19,813)
Net income for the period		82,358	153,608	17,408	40,797
Earnings per share from continuing operations (in BRL per share)					
Basic and diluted earnings per preferred share	28	0.87213	1.62663	0.18433	0.43202
Basic and diluted earnings per common share	28	0.87213	1.62663	0.18433	0.43202

The Management notes are an integral part of the financial statements.

INCOME STATEMENTS CONSOLIDATED
RELATED TO THE SIX-MONTH PERIODS ENDED ON JUNE 30, 2016
(In thousands of reais, except when designated otherwise)

	Note	Consolidated			
		04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Net operating revenue	24	337,666	659,277	295,640	587,661
Operating revenues / (expenses)	25				
Personnel		(21,487)	(44,151)	(20,470)	(42,951)
Material		(1,200)	(2,260)	(1,130)	(2,280)
Third-party services		(13,828)	(23,607)	(10,428)	(18,445)
Electric Power Service Inspection Fee (TFSEE)		(1,416)	(2,833)	(1,268)	(2,520)
Electric power purchased for resale	26.2	(25,755)	(33,193)	(95,016)	(178,995)
Charges for the use of electric power grid	26.3	(25,925)	(52,313)	(22,282)	(44,320)
Financial offset from the use of water resources		(22,390)	(45,782)	(13,505)	(27,801)
Depreciation and amortization	11.b and 12.b	(56,279)	(112,573)	(53,699)	(107,886)
Provisions for tax, labor and environmental risks		678	(719)	(4,560)	(5,590)
Reversal/(constitution) estimate for doubtful accounts		2,245	(1,846)	(23)	197
Rentals		(1,119)	(2,052)	(904)	(1,797)
Insurances		(2,494)	(4,936)	(1,387)	(2,745)
Others		(4,970)	(7,050)	(916)	(2,089)
		(173,940)	(333,315)	(225,588)	(437,222)
Finance income	27				
Revenues		19,581	36,243	7,616	13,599
Expenses		(60,317)	(130,936)	(52,430)	(102,988)
		(40,736)	(94,693)	(44,814)	(89,389)
Profit before income tax and social contribution		122,990	231,269	25,238	61,050
Income tax and social contribution	8.2				
Current		(52,619)	(113,571)	(17,001)	(38,793)
Deferred		11,987	35,910	9,171	18,540
		(40,632)	(77,661)	(7,830)	(20,253)
Net income for the period		82,358	153,608	17,408	40,797
Earnings per share from continuing operations (in BRL per share)					
Basic and diluted earnings per preferred share	28	0.87213	1.62663	0.18433	0.43202
Basic and diluted earnings per common share	28	0.87213	1.62663	0.18433	0.43202

The Management notes are an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
RELATED TO THE SIX-MONTH PERIODS ENDED ON JUNE 30, 2016 AND 2015
 (In thousands of reais, except when designated otherwise)

	Controlling Company and Consolidated		Controlling Company and Consolidated	
	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Net income for the period	82,358	153,608	17,408	40,797
Actuarial gains on defined benefit pension plan	245	483	343	692
Deferred income tax and social contribution on actuarial gains	(83)	(164)	(116)	(235)
	162	319	227	457
Comprehensive income for the period	82,520	153,927	17,635	41,254

The Management notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
PERIODS ENDED ON JUNE 30, 2016 AND 2015
(In thousands of reais)

	Capital	Reserves		Retained earnings	Valuation adjustments to equity (see Note 23.5)	Shareholders' equity of the Controlling Company and Consolidated
		Capital	Profits			
Balances on December 31, 2015	839,138	105,468	137,134	-	732,143	1,813,883
Comprehensive income for the period	-	-	-	153,608	-	153,608
Net income for the period	-	-	-	-	483	483
Actuarial gains on defined benefit pension plan	-	-	-	-	(164)	(164)
Deferred income tax and social contribution on actuarial gains	-	-	319	-	(319)	-
Reclassifications of net actuarial gains - CPC 33 (R1)	-	11,299	-	-	-	11,299
Capital reserve from the reimbursement of Brasil to Paranapanema related to the payment of arbitration of the controlled company	-	11,299	319	153,608	-	165,226
Contributions and distributions to shareholders	-	-	-	-	-	-
Share-based payment	-	37	-	-	-	37
Realization of valuation adjustments to equity (see Note 23.5)	-	-	-	55,790	(55,790)	-
Deferred tax on valuation adjustments to equity	-	-	-	(18,969)	18,969	-
	-	37	-	36,821	(36,821)	37
Balances on June 30, 2016	839,138	116,804	137,453	190,429	695,322	1,979,146

	Capital	Reserves		Retained earnings	Valuation adjustments to equity	Shareholders' equity of the Controlling Company
		Capital	Profits			
Balances on December 31, 2014	839,138	99,537	127,176	-	803,715	1,869,566
Comprehensive income for the period	-	-	-	40,797	-	40,797
Net income for the period	-	-	-	-	692	692
Actuarial gains on defined benefit pension plan	-	-	-	-	(235)	(235)
Deferred income tax and social contribution on actuarial gains	-	-	457	-	(457)	-
Reclassifications of net actuarial gains - CPC 33 (R1)	-	5,897	-	-	-	5,897
Capital reserve - acquisition of Duke Energy International Geração Sapucaí - Mirim Ltda. (formerly named DEB Pequenas Centrais Hidrelétricas Ltda.)	-	5,897	457	40,797	-	47,151
Contributions and distributions to shareholders	-	-	-	-	-	-
Share-based payment	-	34	-	-	-	34
Realization of valuation adjustments to equity	-	-	-	52,944	(52,944)	-
Deferred tax on valuation adjustments to equity	-	-	-	(18,001)	18,001	-
	-	34	-	34,943	(34,943)	34
Balances on June 30, 2015	839,138	105,468	127,633	75,740	768,772	1,916,751

The Management notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
RELATED TO THE SIX-MONTH PERIODS ENDED ON JUNE 30, 2016
(In thousands of reais)

	Controlling Company		Consolidated	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Cash flows from operating activities				
Net income for the period	153,608	40,797	153,608	40,797
Adjustments to:				
Depreciation and amortization	107,923	108,401	112,573	107,886
Losses/(gains) for property, plant and equipment/intangible assets write-off	4,305	(282)	4,314	(282)
Deferred income tax and social contribution	(35,910)	(18,540)	(35,910)	(18,540)
Reversal/(constitution) estimate for doubtful accounts	1,490	(220)	1,846	(197)
Interest on CCB loans	14,881	4,125	14,881	4,125
Interest on debentures	61,459	59,674	61,459	59,674
Monetary variance on debentures	28,395	32,363	28,395	32,363
Provision / (reversion) for tax, labor and environment risks	1,198	5,158	719	5,590
Monetary variance on provision for tax, labor and environmental risks	(732)	348	1,234	348
Monetary variance on escrow deposits	(2,171)	(1,930)	(2,171)	(1,930)
Financial updating by arbitral proceeding	-	-	871	351
Equity accounting valuation	(5,379)	(2,423)	-	-
Share-based payment	37	34	37	34
Variation in assets and liabilities				
Trade receivables	33,175	7,018	35,295	7,753
Sundry debtors	(851)	(563)	(875)	(597)
Related parties	76	167	76	(15)
Escrow deposits	-	(21)	-	(21)
Services in progress	(3,104)	1,284	(3,104)	1,284
Restricted funds	(30)	(20)	(30)	(20)
Prepaid expenses	(5,026)	(2,669)	(5,187)	(2,759)
Trade payables	86,534	3,733	84,915	3,620
Salaries and regulatory charges	(4,091)	(4,804)	(4,124)	(4,992)
Taxes, fees and contributions	98,643	36,386	98,887	36,659
Estimated obligations	1,499	1,352	1,535	1,523
Deferred revenues	(7,632)	7,191	(7,421)	7,198
Cibacap	568	376	568	376
Provisions / (reversions) for tax, labor and environmental risks	997	(2,837)	(606)	(2,840)
Other active and passive variations	3,059	(5,453)	3,229	(5,170)
Cash generated in operations	532,921	268,645	545,014	272,218
Interest and monetary variance paid on debentures	(66,249)	(56,990)	(66,249)	(56,990)
Income tax and social contribution - paid	(142,499)	(87,560)	(142,499)	(87,560)
Payment related to arbitration proceeding (se Note 14)	-	-	(15,952)	-
Net cash from operating activities	324,173	124,095	320,314	127,668
Cash flows from investment activities				
Investment in controlled companies - Duke Energy International Geração Sapucaí-Mirim Ltda.	-	(191,433)	-	(191,433)
Capital reserve related to the reimbursement of Brasil to Paranapanema for the payment of arbitration of the controlled company	17,119	-	17,119	-
Cash from the acquisition - Duke Energy International Geração Sapucaí-Mirim Ltda.	-	-	-	36,826
Income from property, plant and equipment sale	261	2,880	261	2,880
Additions to property, plant and equipment	(23,836)	(14,949)	(24,234)	(15,200)
Additions to intangible assets	(250)	(521)	(251)	(521)
Net cash generated by (used in) investment activities	(6,706)	(204,023)	(7,105)	(167,448)
Cash flows from financing activities				
Fund raising	-	181,000	-	181,000
Payment of debentures	(75,000)	-	(75,000)	-
Dividends and interest on equity - paid	(160,268)	(113,698)	(160,268)	(113,698)
Capital decrease	-	-	-	-
Net cash used in financing activities	(235,268)	67,302	(235,268)	67,302
Net increase/ (decrease) in cash and cash equivalents	82,199	(12,626)	77,941	27,522
Cash and cash equivalents in the beginning of the period	416,964	141,391	464,069	141,391
Cash and cash equivalents at the end of the period	499,163	128,765	542,010	168,913

The Management notes are an integral part of the financial statements.

STATEMENTS OF VALUE ADDED
RELATED TO THE SIX-MONTH PERIODS ENDED ON JUNE 30, 2016
(In thousands of reais)

	Controlling Company		Consolidated	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Revenues				
Electric power sales	723,429	673,158	740,987	679,174
Revenues related to the construction of own assets	24,261	14,950	24,660	15,151
Constitution / (Reversal) of estimate for doubtful accounts	(1,490)	220	(1,846)	196
	746,200	688,328	763,801	694,521
Inputs acquired from third-parties				
Electric power purchased and charges from network use	(84,251)	(221,120)	(85,506)	(223,315)
Materials and services from third parties	(46,464)	(34,700)	(50,527)	(35,876)
Other operating costs	(11,331)	(9,184)	(11,772)	(9,644)
	(142,046)	(265,004)	(147,805)	(268,835)
Gross value added	604,154	423,324	615,996	425,686
Depreciation and amortization	(107,923)	(108,401)	(112,573)	(107,886)
Net value added produced	496,231	314,923	503,423	317,800
Rentals	183	159	183	159
Equity accounting income	5,379	2,423	-	-
Financial revenues	33,532	12,837	36,243	13,599
Value added received in a transfer	39,094	15,419	36,426	13,758
Value added to be distributed	535,325	330,342	539,849	331,558
Distributed value added				
Personnel				
Direct compensation	23,870	22,899	24,431	22,978
Benefits	4,775	4,021	5,003	4,079
FGTS (Government Severance Indemnity Fund for Employees)	3,151	3,853	3,196	3,865
Provision for gratuities (bonuses)	3,274	3,440	3,312	3,450
Profit sharing	1,714	2,231	1,767	2,245
Social charges (except for INSS)	1,581	1,589	1,618	1,599
	38,365	38,033	39,327	38,216
Taxes, fees and contributions				
Federal	201,605	120,317	204,003	121,000
State	9,823	26,673	9,825	26,672
Municipal	98	87	98	87
	211,526	147,077	213,926	147,759
Remuneration from third party's capital				
Rentals	1,957	1,769	2,052	1,797
Interest on debentures	61,459	59,674	61,459	59,674
Interest on loans	14,881	4,125	14,881	4,125
Monetary variance on debentures	28,395	32,363	28,395	32,363
Other financial expenses	25,134	6,504	26,201	6,827
	131,826	104,435	132,988	104,786
Remuneration of own capital				
Retained earnings	190,429	75,740	190,429	75,740
Realization of deemed cost of property, plant and equipment	(36,821)	(34,943)	(36,821)	(34,943)
	153,608	40,797	153,608	40,797
Distributed value added	535,325	330,342	539,849	331,558

The Management notes are an integral part of the financial statements.

MANAGEMENT NOTES
TO THE THREE-MONTH INFORMATION - ITR - JUNE 30, 2016
(Amounts expressed in thousands of reais, unless when otherwise indicated)

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 office in São Paulo, 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 São Paulo: UHE (Hydroelectric power plant) Capivara, UHE Chavantes, UHE Jurumirim, UHE Salto Grande, UHE Taquaruçu, UHE Rosana and 49.7% of the Canoas Complex consisting of the UHEs Canoas I and II.

As mentioned in Note 10, on May 6, 2015, the Company acquired a 99.99% equity interest in DEB - Pequenas Centrais Hidrelétricas Ltda (“DEB”), based on the agreements executed by and between Duke Energy International, Brasil Ltda. (“Duke Brasil”) and the Company.

On November 2015, the corporate name of DEB – Pequenas Centrais Hidrelétricas Ltda. was changed to Duke Energy International Geração Sapucaí – Mirim Ltda. (“Controlled Company”). The other data remain unaltered.

The installed capacity of controlled company Duke Energy International Geração Sapucaí-Mirim Ltda., is 32.5 MW, consisting of the PCH Retiro and PCH Palmeiras plants, located on Sapucaí River, in the municipalities of Guará and São Joaquim da Barra, both in the State of São Paulo.

On June, 30, 2016, the Company's negative net working capital was BRL 240,960 in the Controlling Company and BRL 197,291 in Consolidated (BRL 131,184 and BRL 97,449, respectively, on December 31, 2015), mainly due to the transfer of the 1st installment of the 4th issuance of the loan balance and the 1st installment of the 5th issuance of debentures, series 1, to the current liabilities, which will be settled in May 2017. In order to balance this scenario, the Company counts on the recurring cash generation derived from its operating activities and, further, it shall do the sixth issuance of debentures, with which it expects to fund around BRL 160 million, as described in the Note 33.2.

Brazil underwent a severe hydric crisis in the last two years, thus reducing the reservoirs and elevating to the maximum extent the disposal level of thermoelectric power plants. The Differences Settlement Price (“PLD”) reached its cap, which elevated the exposure of electric power generators in Short-Term Market (MCP) due to GSF – Generation Scaling Factor.

The Associação Brasileira dos Produtores Independentes de Energia Elétrica (“APINE”) filed an injunction to mitigate the exposure of its generators to this level of GSF until the appropriate allocation of disposal costs out of merit order.

On July 2, 2015, this preliminary injunction was granted in favor to APINE, limiting the Company's exposure and other generators to GSF, until the moment of the judgment of the merits of the claim. The APINE decision is subject to acceptance of appeal, and the decision is uncertain. Thus, it is not possible to foresee the impact on the Company and its controlled company.

On December 8, 2015, the Federal government enacted Law 13203/2015 which presented guidelines for the renegotiation proposal of hydrologic risk of Electric Power Reallocation

Mechanism (“MRE”), both in the Deregulated Contracting Framework (“ACL”) and in the Regulated Contracting Framework (“ACR”), establishing a new legal provision for renegotiating hydrologic risk of MRE participants for a determined period of time.

In general, ACL’s proposal offered economic benefit for the purchase of electric power in 2015, by means of relief with the creation of an intangible asset from part of this amount.

In addition to that, the renegotiation agreement provided an extension to the concession period, equivalent to the amount of the intangible asset and the acquisition of insurance in the form of electric power reserve for the period 2016 to 2018.

Finally, the agreement required the acquisition of an additional insurance, as incremental electric power reserve for the period of 2019 until the end of concession. The acquisition result of this incremental insurance and its use, if negative, would also be object of extension of concession arrangement.

As counterparty, the agents that would adhere to the renegotiation of hydrologic risk, in ACR or ACL, would have to waive any and all lawsuit related to hydrologic risk within MRE scope.

After analysis related to the amount from this option and considering uncertainties from the variables involved, the Company and its controlled company decided to not renegotiate.

The issuance of these financial statements was approved by the Company's Board of Directors on August 11, 2016.

2. SUMMARY OF MAIN ACCOUNTING POLICIES AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Basis for preparation

Individual and consolidated financial statements

The interim financial statements were prepared according to the Technical Pronouncement CPC 21 (R1) – Interim Statement and with international accounting standards IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and presented in a form that is compliant with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR).

Consequently, as described in Circular Letter CVM/SNC/SEP 03/2011, the Company opted to present the notes to this interim financial information in a summarized manner in those cases of redundancy 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 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 for preparation and the accounting policies are the same used in the annual financial statements of 2015. The related information is disclosed in notes 2.1 to 2.21 to the financial statements mentioned.

The Controlling Company analyzed the new CPC/IFRS pronouncements and interpretations effective beginning January 1, 2016 and concluded that they do not have significant impact on the financial statements.

2.2. Consolidation

Consolidated financial statements

The following are the accounting practices adopted in the preparation of 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 ceases.

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 transferred asset. The Controlled Company's accounting policies are changed as needed to assure consistency with the policies adopted by the Company.

On June 30, 2016 the Company holds control on Duke Energy International Geração Sapucaí-Mirim Ltda., as described in note 10.

2.3. Concession agreements

After the conclusion of the modernization of the Generating Unit 3 of UHE Chavantes, ANEEL published on April 5, 2016 the order No. 848/2016 that authorized the increase of 1.1 average MW as the plant physical guarantee.

Thus, Company's total power physical guarantee increased from 1,108.9 average MW to 1,110.0 average MW.

Controlling Company

ANEEL Concession Arrangements	Plant	Type	State	River	Installed Capacity (MW)	Assured Energy (average MW)	Initial term of the Concession	Maturity Concession
76/1999	Jurumirim	UHE - Hydroelectric	SP	Paranapanema	101.0	47.0	9/22/1999	9/21/2029
76/1999	Chavantes	UHE - Hydroelectric	SP	Paranapanema	414.0	177.2	9/22/1999	9/21/2029
76/1999	Salto Grande	UHE - Hydroelectric	SP	Paranapanema	73.8	55.0	9/22/1999	9/21/2029
76/1999	Capivara	UHE - Hydroelectric	SP	Paranapanema	619.0	337.5	9/22/1999	9/21/2029
76/1999	Taquaruçu	UHE - Hydroelectric	SP	Paranapanema	525.0	205.6	9/22/1999	9/21/2029
76/1999	Rosana	UHE - Hydroelectric	SP	Paranapanema	354.0	182.7	9/22/1999	9/21/2029
183/1998	Canoas I	UHE - Hydroelectric	SP	Paranapanema	82.5	57.0	7/30/1998	7/29/2033
183/1998	Canoas II	UHE - Hydroelectric	SP	Paranapanema	72.0	48.0	7/30/1998	7/29/2033
					2,241.3	1,110.0		

2.4. Authorizing Resolutions

Controlled Company

ANEEL Authorization Resolution	Plant	Type	State	River	Installed Capacity (MW)	Assured Energy (average MW)	Start of Authorization	Maturity Authorization
549/2002	Retiro	PCH - Hydroelectric	SP	Sapucaí	16.0	8.1	10/10/2002	10/9/2032
706/2002	Palmeiras	PCH - Hydroelectric	SP	Sapucaí	16.5	8.1	12/18/2002	12/17/2032
					32.5	16.2		

The information related to authorizing resolutions is the same described in note 2.11.2 of the annual financial statements of 2015.

2.5. Impairment of non-financial assets

The Company declares that the information on impairment of non-financial assets described in the annual financial statements of 2015 is the same as that included in this interim financial information (ITR), as presented in note 2.12 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 2015 annual financial statements are applicable to this ITR, as presented in note 3 of those financial statements.

4. BUSINESS RISK MANAGEMENT

The information on the financial risk factors described in the 2015 annual financial statements are applicable to this ITR, as presented in note 4 to those financial statements, except for the sensitivity analysis and capital management, as described below:

4.1. Sensitivity analysis

The Company and its controlled company, in accordance with item 40 of CPC 40 (R1) - Financial Instruments: For evidences, disclose the statement of sensitivity analysis for each type of market risk considered as relevant by Management, arising from financial instruments comprised of debentures, loans and cash and cash equivalents, to which the Company and its controlled company are exposed at the end of the fiscal year.

The sensitivity for the probable scenario was calculated taking into consideration the variance in the rates and indexes for the last 12 months and 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 Consolidated in the five scenarios estimated for the next 12 months:

Debt			Controlling Company					
			06/30/2016	Scenario - Δ 50%	Scenario - Δ 25%	Probable Scenario	Scenario + Δ 25%	Scenario + Δ 50%
Debentures	Issuance	Indexer						
	3rd	CDI + 1.15% per year	(80,119)	(6,565)	(9,388)	(12,210)	(15,032)	(17,855)
	4th S1	CDI + 0.65% per year	(265,725)	(20,448)	(29,808)	(39,168)	(48,528)	(57,888)
	4th S2	IPCA + 6.07% per year	(333,330)	(34,967)	(42,334)	(49,700)	(57,066)	(64,433)
	5th S1	CDI + 0.89% per year	(241,608)	(19,172)	(27,682)	(36,193)	(44,704)	(53,214)
	5th S2	IPCA + 7.01% per year	(287,481)	(32,860)	(39,213)	(45,566)	(51,919)	(58,272)
Loan		CDI + 1.4% per year	(214,006)	(18,074)	(25,612)	(33,150)	(40,688)	(48,226)
			(1,422,269)	(132,086)	(174,037)	(215,987)	(257,937)	(299,888)
Cash and cash equivalents		CDI	499,163	35,166	52,749	70,332	87,915	105,498
Total net exposure			(923,106)	(96,920)	(121,288)	(145,655)	(170,022)	(194,390)

Debt			Consolidated						
			06/30/2016	Scenario - Δ 50%	Scenario - Δ 25%	Probable Scenario	Scenario + Δ 25%	Scenario + Δ 50%	
Debentures	Issuance	Indexer							
	3rd	CDI + 1.15% per year	(80,119)	(6,565)	(9,388)	(12,210)	(15,032)	(17,855)	
	4th S1	CDI + 0.65% per year	(265,725)	(20,448)	(29,808)	(39,168)	(48,528)	(57,888)	
	4th S2	IPCA + 6.07% per year	(333,330)	(34,967)	(42,334)	(49,700)	(57,066)	(64,433)	
	5th S1	CDI + 0.89% per year	(241,608)	(19,172)	(27,682)	(36,193)	(44,704)	(53,214)	
	5th S2	IPCA + 7.01% per year	(287,481)	(32,860)	(39,213)	(45,566)	(51,919)	(58,272)	
Loan		CDI + 1.4% per year	(214,006)	(18,074)	(25,612)	(33,150)	(40,688)	(48,226)	
			(1,422,269)	(132,086)	(174,037)	(215,987)	(257,937)	(299,888)	
Cash and cash equivalents			CDI	542,010	38,184	57,277	76,369	95,461	114,554
Total net exposure				(880,259)	(93,902)	(116,760)	(139,618)	(162,476)	(185,334)

Indexes Variance	Scenario - Δ 50%	Scenario - Δ 25%	Probable Scenario	Scenario + Δ 25%	Scenario + Δ 50%
IPCA	4.42%	6.63%	8.84%	11.05%	13.26%
CDI	7.05%	10.57%	14.09%	17.61%	21.14%

4.2. Capital management

	Controlling Company		Consolidated	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Loans (see Note 17)	214,006	199,125	214,006	199,125
Debentures (see Note 16)	1,208,263	1,259,658	1,208,263	1,259,658
Cash and cash equivalents (see Note 6)	(499,163)	(416,964)	(542,010)	(464,069)
Net debt	923,106	1,041,819	880,259	994,714
Shareholders' equity	1,979,146	1,813,883	1,979,146	1,813,883
Total capital	2,902,252	2,855,702	2,859,405	2,808,597
Financial leverage ratio (%)*	31.8	36.5	30.8	35.4

* Net debt/ total capital

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

4.3. Estimate of fair value

The Company declares that the information on the fair value estimate described in the 2015 annual financial statements is applicable to this ITR, as presented in note 4.3 to those 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 5):

Standard & Poor's	Moody's	Cash and cash equivalents			
		Controlling Company		Consolidated	
		06/30/2016	12/31/2015	06/30/2016	12/31/2015
A-3	BR-1	-	6	-	6
B	BR-1	342,995	289,929	378,278	336,637
B	-	156,165	127,026	163,729	127,423
*	*	3	3	3	3
		499,163	416,964	542,010	464,069

* As at June 30, 2016, the balance of BRL 3 (BRL 3 as at December 31, 2015) refers to cash fund and, therefore, it does not have a risk rating.

6. CASH AND CASH EQUIVALENTS

	Controlling Company		Consolidated	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Cash and Banks	283	1,885	515	2,301
Financial investments				
Bank deposit certificate (CDB)	498,791	397,063	541,251	443,605
Fixed income fund	89	18,016	244	18,163
	499,163	416,964	542,010	464,069

Financial investments correspond to transactions involving bank certificates of deposits 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 2015 annual financial statements.

7. TRADE RECEIVABLES

	Controlling Company			
	06/30/2016		12/31/2015	
	Current	Non-current	Current	Non-current
Receivables from bilateral agreements	111,091	196	108,414	651
Receivables from bid agreements	9,020	157	-	-
Short-term electric power (MRE/MCP)	11,406	-	55,980	-
	131,517	353	164,394	651
Estimate for doubtful accounts	(1,490)	(285)	-	(285)
	130,027	68	164,394	366

	Consolidated			
	06/30/2016		12/31/2015	
	Current	Non-current	Current	Non-current
Receivables from bilateral agreements	114,032	196	111,537	779
Receivables from bid agreements	9,020	157	-	-
Short-term electric power (MRE/MCP)	11,855	-	58,367	-
	134,907	353	169,904	779
Estimate for doubtful accounts	(1,918)	(285)	(72)	(413)
	132,989	68	169,832	366

Activity of estimate for doubtful accounts ("ECLD"):		
	Controlling Company	Consolidated
Balance on December 31, 2015	(285)	(485)
Constitution	(1,490)	(1,846)
Balance on June 30, 2016	(1,775)	(2,331)

The variance in the balance of "Estimate for doubtful accounts" derives from the amounts related to the supply of power related to the bid agreements from 2016.

The other variances 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 2015 annual financial statements.

8. RECOVERABLE/PAYABLE TAXES

	Controlling Company				Consolidated			
	06/30/2016		12/31/2015		06/30/2016		12/31/2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
Assets								
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income)	4,668	819	2,922	819	5,367	819	3,873	819
PIS (Employees' Profit Participation Program) and COFINS (Social Contribution on Billings)	1,017	141	1,274	141	1,017	141	1,274	141
INSS (National Institute of Social Security)	-	-	-	-	-	1,214	-	1,168
	5,685	960	4,196	960	6,384	2,174	5,147	2,128
Liabilities								
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income)	83,069	-	117,587	-	83,793	-	118,246	-
PIS (Employees' Profit Participation Program) and COFINS (Social Contribution on Billings)	10,701	-	10,376	-	10,816	-	10,510	-
ICMS (Value-added tax on sales and services)	1,555	-	1,511	-	1,555	-	1,511	-
IRRF (Withholding Income Tax) on JSCP (Interest on Capital)	-	-	8,176	-	-	-	8,176	-
Others	369	-	411	-	390	-	440	-
	95,694	-	138,061	-	96,554	-	138,883	-
Assets from deferred taxes								
Temporary differences	-	(93,775)	-	(72,544)	-	(93,775)	-	(72,544)
Tax benefit	-	(26,335)	-	(28,183)	-	(26,335)	-	(28,183)
Deferred revenues	-	(6,896)	-	(9,338)	-	(6,896)	-	(9,338)
Deferred tax liability								
Valuation adjustments to equity	-	358,196	-	377,165	-	358,196	-	377,165
Actuarial adjustment - pension plan	-	2,588	-	2,424	-	2,588	-	2,424
Surplus - Investment in controlled company	-	8,858	-	3,037	-	8,858	-	3,037
Deferred tax liability (net)	-	242,636	-	272,561	-	242,636	-	272,561

The Controlled Company has opted for the deemed profit tax regime.

Variances in the balance of Recoverable/Payable Taxes arise from normal changes in this period, and the complete information thereon is disclosed in notes 8 and 8.1 to the 2015 annual financial statements.

8.1. Tax benefit - Merged goodwill

The Company recognized a provision to keep the integrity of equity, whose reversion 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			
	06/30/2016		12/31/2015	
	Goodwill	Provision	Net Value	Net Value
Balances from incorporation (see Note 23.2)	305,406	(201,568)	103,838	103,838
Realization	(227,936)	150,433	(77,503)	(75,655)
Balance at the end of the fiscal year	77,470	(51,135)	26,335	28,183

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

	Controlling Company and Consolidated	
	06/30/2016	06/30/2015
Amortization of goodwill	(5,434)	(5,885)
Reversal provision	3,586	3,884
Tax benefit	1,848	2,001
Net effect for the period	-	-

Realization of the tax benefit related to the merged goodwill of Duke Sudeste.

	Controlling Company and Consolidated							
	2016	2017	2018	2019	2020	2021 - 2024	2025 and after	Total
Estimated realization	1,848	3,299	2,946	2,630	2,348	7,132	6,132	26,335

Variances in the balance of Tax Benefit - Merged Goodwill arise from the normal changes in the current period, and complete information thereon is disclosed in note 8.2 to the 2015 annual financial statements.

8.2. Statements of income tax and social contribution calculation

Reconciliation of expense of income tax and social contribution at nominal and effective rate is presented below:

	Controlling Company					
	06/302016			06/302015		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Accounting profit before IRPJ and CSLL	229,791			60,610		
Nominal rate of IRPJ and CSLL	25%	9%	34%	25%	9%	34%
IRPJ and CSLL to rates provided by law	57,448	20,681	78,129	15,153	5,455	20,608
Adjustments for the calculation of the effective rate						
Amortization – charge, inflation creditor	(1,130)	18	(1,112)	(1,094)	37	(1,057)
Non-deductible expenses	792	70	862	812	156	968
Equity accounting from controlled companies	(1,345)	(484)	(1,829)	(605)	(218)	(823)
Others	60	-	60	81	37	118
IRPJ and CSLL with effect in income	55,825	20,285	76,110	14,347	5,467	19,814
Current IRPJ and CSLL	82,225	29,868	112,093	27,978	10,375	38,353
Deferred IRPJ and CSLL	(26,404)	(9,506)	(35,910)	(13,632)	(4,908)	(18,540)
Total IRPJ and CSLL with effect in income	55,821	20,362	76,183	14,346	5,467	19,813
Effective tax rate	24.3%	8.8%	33.1%	23.7%	9.0%	32.7%

	Consolidated					
	06/302016			06/302015		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Accounting profit before IRPJ and CSLL	231,269			61,050		
Nominal rate of IRPJ and CSLL	25%	9%	34%	25%	9%	34%
IRPJ and CSLL to rates provided by law	57,817	20,814	78,631	15,264	5,495	20,759
Adjustments for the calculation of the effective rate						
Amortization – charge, inflation creditor	(1,130)	18	(1,112)	(1,094)	37	(1,057)
Non-deductible expenses	792	70	862	812	156	968
Difference per taxation of deemed income in controlled companies	(11)	32	21	(410)	(125)	(535)
Others	60	-	60	80	37	117
IRPJ and CSLL with effect in income	57,528	20,934	78,462	14,652	5,600	20,253
Current IRPJ and CSLL	83,260	30,311	113,571	28,284	10,508	38,793
Deferred IRPJ and CSLL	(26,404)	(9,506)	(35,910)	(13,632)	(4,908)	(18,540)
Total IRPJ and CSLL with effect in income	56,856	20,805	77,661	14,652	5,600	20,253
Effective tax rate	24.9%	9.0%	33.9%	24.0%	9.2%	33.2%

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

The variances 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 2015 annual financial statements.

9. ESCROW DEPOSITS

a) Breakdown

	Controlling Company		Consolidated	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Environmental	5,640	5,404	5,640	5,404
Tax:	9,631	9,214	9,631	9,214
IPTU (Municipality of <i>Primeiro de Maio</i>)	1,414	1,356	1,414	1,356
Debits under claim on IRRF, IRPJ and CSLL	123	119	123	119
Debits under claim related to PIS, COFINS, IRPJ, CSLL and IOF	8,094	7,739	8,094	7,739
Tusd-g	30,130	28,612	30,130	28,612
	45,401	43,230	45,401	43,230

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 2015 annual financial statements.

10. INVESTMENT

On April 22, 2015, Authorization Resolution 5.182/2015 was published, through which ANEEL approved the transfer of the direct controlling interest in Duke Energy International Geração Sapucaí – Mirim Ltda. (formerly DEB - Pequenas Centrais Hidrelétricas Ltda.) to 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 the controlled company, with the initial balances of this one, as at May 6, 2015, being as follows:

	Controlled Company
Balance on May 6, 2015	
Shareholders' equity on the acquisition date	200,368
Total assets	217,061
Net revenue	14,223

Consideration to acquire controlling interest 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 assessed between the consideration paid and the equity value of the controlled company on the date of the acquisition, in the amount of BRL 5,897 million (see Note 23.2), net of taxes, was recorded as the Controlling Company shareholders' equity, since this is an operation between entities under common control.

a) Controlled Company

Controlled company	Number of quotas	Direct Interest (%)	06/30/2016	12/31/2015
			Equity Value	Equity Value
Duke Energy International Geração Sapucaí-Mirim Ltda.	398,617,358	99.99%	192,327	186,948

b) Activity of Controlling Company's investments

	Controlled Company
Balance on December 31, 2015	186,948
Equity accounting	5,379
Balance on June 30, 2016	192,327

c) Financial information of the Controlled Company

	Controlled Company	
	06/30/2016	12/31/2015
Shareholders' Equity	192,327	186,948
Net profit (loss) for the period	5,379	(13,420)
Total assets	196,664	207,679
Net revenues for the period	16,884	25,237

11. PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	Controlling Company			
	06/30/2016			12/31/2015
	Cost	Accumulated depreciation	Net value	Net value
In service				
Land	210,982	-	210,982	210,982
Reservoirs, dams and water mains	3,407,790	(1,140,756)	2,267,034	2,343,008
Buildings, civil construction and improvements	454,553	(163,577)	290,976	298,269
Machinery and equipment	872,559	(320,668)	551,891	542,125
Vehicles	7,372	(2,248)	5,124	4,238
Furniture and fixtures	1,847	(1,441)	406	465
(-) Reserve - Canoas I and II plants	(200,675)	-	(200,675)	(200,675)
	4,754,428	(1,628,690)	3,125,738	3,198,412
In progress				
Land	4,248	-	4,248	4,248
Reservoirs, dams and water mains	2,868	-	2,868	2,124
Buildings, civil construction and improvements	88	-	88	207
Machinery and equipment	69,397	-	69,397	83,149
Vehicles	1	-	1	1,104
Furniture and fixtures	1,483	-	1,483	1,546
	78,085	-	78,085	92,378
	4,832,513	(1,628,690)	3,203,823	3,290,790
(-) Special obligations (see Note 21)	(2,442)	549	(1,893)	(1,515)
	4,830,071	(1,628,141)	3,201,930	3,289,275

	Consolidated				Depreciation annual average rate
	06/30/2016			12/31/2015	
	Cost	Accumulated depreciation	Net value	Net value	
In service					
Land	220,387	-	220,387	220,387	
Reservoirs, dams and water mains	3,642,623	(1,155,439)	2,487,184	2,565,279	4.3%
Buildings, civil construction and improvements	492,115	(166,129)	325,986	333,684	3.2%
Machinery and equipment	992,567	(331,413)	661,154	651,594	5.0%
Vehicles	7,432	(2,278)	5,154	4,272	14.3%
Furniture and fixtures	1,980	(1,461)	519	568	4.0%
(-) Reserve - Canoas I and II plants	(200,675)	-	(200,675)	(200,675)	
	5,156,429	(1,656,720)	3,499,709	3,575,109	
In progress					
Land	14,069	-	14,069	14,015	
Reservoirs, dams and water mains	2,868	-	2,868	2,387	
Buildings, civil construction and improvements	213	-	213	333	
Machinery and equipment	70,965	-	70,965	86,055	
Vehicles	1	-	1	1,104	
Furniture and fixtures	1,483	-	1,483	1,546	
	89,599	-	89,599	105,440	
Reversion/(loss) from the non-recoverability of assets (CPC 01 - see Note 2.12)	(237,330)	-	(237,330)	(237,350)	
	5,008,698	(1,656,720)	3,351,978	3,443,199	
(-) Special obligations (see Note 21)	(2,442)	549	(1,893)	(1,515)	
	5,006,256	(1,656,171)	3,350,085	3,441,684	

b) Activities of property, plant and equipment

	Controlling Company					
	Net value on 12/31/2015	Additions	Depreciation	Write-offs	Reclassification and transfer	Net value on 06/30/2016
Land	215,230	-	-	-	-	215,230
Reservoirs, dams and water mains	2,345,132	744	(76,401)	-	427	2,269,902
Buildings, civil construction and improvements	298,476	166	(7,426)	(152)	-	291,064
Machinery and equipment	625,274	22,860	(22,348)	(4,196)	(302)	621,288
Vehicles	5,342	429	(449)	(197)	-	5,125
Furniture and fixtures	2,011	62	(38)	(21)	(125)	1,889
(-) Reserve - Canoas I and II plants	(200,675)	-	-	-	-	(200,675)
	3,290,790	24,261	(106,662)	(4,566)	-	3,203,823
(-) Special obligations (see Note 21)	(1,515)	(425)	47	-	-	(1,893)
	3,289,275	23,836	(106,615)	(4,566)	-	3,201,930

	Consolidated					
	Net value on 12/31/2015	Additions	Depreciation	Write-offs	Reclassification and transfer	Net value on 06/30/2016
Land	234,402	54	-	-	-	234,456
Reservoirs, dams and water mains	2,567,666	742	(78,807)	(27)	478	2,490,052
Buildings, civil construction and improvements	334,017	166	(7,832)	(152)	-	326,199
Machinery and equipment	737,649	23,207	(24,171)	(4,198)	(368)	732,119
Vehicles	5,376	429	(453)	(197)	-	5,155
Furniture and fixtures	2,114	61	(42)	(21)	(110)	2,002
(-) Reserve - Canoas I and II plants	(200,675)	-	-	-	-	(200,675)
	3,680,549	24,659	(111,305)	(4,595)	-	3,589,308
Reversion/(loss) from the non-recoverability of assets (CPC 01 - see Note 2.12)	(237,350)	-	-	20	-	(237,330)
	3,443,199	24,659	(111,305)	(4,575)	-	3,351,978
(-) Special obligations (see Note 21)	(1,515)	(425)	47	-	-	(1,893)
	3,441,684	24,234	(111,258)	(4,575)	-	3,350,085

The additional depreciation expense, calculated on the adjustments to the attributed cost in the periods ended June 30, 2016 and 2015 amounted to BRL 52,339 and BRL 52,139, respectively.

The other information on attributed cost of property, plant and equipment is described in note 11.1 of the 2015 annual financial statements.

The main addition in property, plant and equipment is related to reformation, modernization and repowering of generating units of Capivara Hydroelectric Power Plants, amounting to BRL 14.1 million and Chavantes Hydroelectric Power Plants, in the amount of BRL 4.1 million, totaling BRL 18.2 million.

The variances in the balance of property, plant and equipment arise from normal changes in this period. All information on property, plant and equipment is described in note 11 to the 2015 annual financial statements.

12. INTANGIBLE ASSETS

The balance of intangible assets as at June 30, 2016 consist of software licenses, right of way and the Use of Public Assets (UBP).

a) Breakdown

	Controlling Company			
	06/30/2016			12/31/2015
	Cost	Accumulated amortization	Net value	Net value
In service				
UBP	53,494	(28,512)	24,982	25,907
Software	25,000	(21,606)	3,394	3,646
Right of way	75	-	75	75
	78,569	(50,118)	28,451	29,628
In progress				
Software	656	-	656	758
Right of way	-	-	-	-
	656	-	656	758
	79,225	(50,118)	29,107	30,386
(-) Special obligations (see Note 21)	(2,207)	1,285	(922)	(1,143)
	77,018	(48,833)	28,185	29,243

	Consolidated				Amortization annual average rate
	06/30/2016			12/31/2015	
	Cost	Accumulated amortization	Net value	Net value	
In service					
UBP	53,494	(28,512)	24,982	25,907	3.5%
Software	25,066	(21,637)	3,429	3,687	4.9%
Right of way	262	-	262	262	
	78,822	(50,149)	28,673	29,856	
In progress					
Software	656	-	656	758	
Right of way	17	-	17	17	
	673	-	673	775	
	79,495	(50,149)	29,346	30,631	
(-) Special obligations (see Note 21)	(2,207)	1,285	(922)	(1,143)	
	77,288	(48,864)	28,424	29,488	

b) Activity of intangible assets

	Controlling Company			
	Net value on 12/31/2015	Additions	Amortization	Net value on 06/30/2016
UBP	25,907	-	(925)	24,982
Software	4,404	250	(604)	4,050
Right of way	75	-	-	75
	30,386	250	(1,529)	29,107
(-) Special obligations (see Note 21)	(1,143)	-	221	(922)
	29,243	250	(1,308)	28,185

	Consolidated			
	Net value on 12/31/2015	Additions	Amortization	Net value on 06/30/2016
UBP	25,907	-	(925)	24,982
Software	4,445	251	(611)	4,085
Right of way	279	-	-	279
	30,631	251	(1,536)	29,346
(-) Special obligations (see Note 21)	(1,143)	-	221	(922)
	29,488	251	(1,315)	28,424

13. TRADE PAYABLES

	Controlling Company				Consolidated			
	06/30/2016		12/31/2015		06/30/2016		12/31/2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
Electric power supply	238,762	-	152,376	-	240,448	-	155,819	-
Contracted services and materials	6,555	-	8,073	-	6,969	-	8,350	-
Charges for the use of electric power	11,264	11,716	11,512	9,802	11,303	11,716	11,550	9,802
Tust	10,174	-	10,455	-	10,174	-	10,455	-
Tusd-g	1,063	11,716	1,030	9,802	1,102	11,716	1,068	9,802
Connection charges	27	-	27	-	27	-	27	-
	256,581	11,716	171,961	9,802	258,720	11,716	175,719	9,802

In the line item electric power supply, we have the effect of BRL 161,813 on the Controlling Company and BRL 162,973 on the Consolidated (BRL 97,300 and BRL 99,013, respectively, on December 31, 2015), related to the receipt from the Electric Power Commercialization Chamber (CCEE) related to the preliminary injunction on GSF granted to APINE, according to the description of note 1. This amount is adjusted based on the IGPM variance (see Note 27). The remaining amount is related to the normal transaction of power purchase. Such amounts are being updated based on the IGPM of the month.

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 non-current liabilities. All information on trade payables is described in note 13 to the 2015 annual financial statements.

14. ARBITRATION

The out-of-pocket costs incurred during the construction of PCH Retiro were subject to judicial proceeding, filed between the controlled company and the contracted company for the construction of the undertaking. In 2012, a ruling was given (arbitration 45/2009, from which it was defined the responsibility of each party for such additional costs, remaining solely the final

calculation of the correspondent amounts. The controlled company considered the total cost of the project, amounts related to any final settlements resulting from this liquidation phase, which updated balance on December 31, 2015 amounts to BRL 15,081.

As of January 29, 2016, the Final Arbitration Ruling was rendered, which settled for the payment, by the controlled company, of the amount of BRL 12,503 (base date of December, 2014), bearing interest of 1% (one percent) and monetary adjustment, based on IPCA/IBGE variance, calculated from January 2015, in the total amount BRL 15,952.

According to share purchase agreement of controlled company, entered into between Duke Paranapanema and Duke Energy International, Brasil Ltda (“Duke Brasil”), the latter committed to hold the former harmless with relation to any and all additional amounts from the Arbitration, reason why the amount of the decision was paid by Duke Brasil to the Controlling Company

During the second quarter of 2016, additional payments were made to the arbitration proceeding, recorded as capital reserve in the amount of BRL 770, net of tax effects.

15. RELATED PARTIES

15.1. Transactions and balances

The Company has expense sharing agreements with the associate company Duke Brasil. The receivables from related parties under these agreements as of June 30, 2016 is BRL 158 (BRL 234 as of December 31, 2015).

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, 2016 is BRL 161,482 and BRL 1,687, respectively, (BRL 189,394 and BRL 1,687 as of December 31, 2015). Other significant transactions with related parties refer to the distribution of dividends.

15.2. Compensation of key Management personnel

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

	Controlling Company and Consolidated			
	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Short-term benefits for employees and managers	1,959	3,969	1,398	3,989
Post-employment benefits	67	134	49	100
Supervisory board	253	491	239	477
	2,279	4,594	1,686	4,566
Share-based compensation (Note 23.2)	37	37	34	34
	2,316	4,631	1,720	4,600

The Company declares that the information on related parties described in note 15.3 of 2015 annual financial statements are valid for this ITR.

16. DEBENTURES

16.1. Breakdown and maturity

a) Breakdown

Issuance	Series	Remuneration	Maturity	Controlling Company and Consolidated					
				06/30/2016					
				Current			Non-current		
Principal	Interest, Monetary Variance and (Transaction Costs)	Total	Principal	Interest, Monetary Variance and (Transaction Costs)	Total				
3rd	Single	CDI variance + 1.15% per year	1/10/2017	75,000	5,119	80,119	-	-	-
4th	1	CDI variance + 0.65% per year	7/16/2018	83,325	15,880	99,205	166,675	(156)	166,519
4th	2	IPCA variance + 6.07% per year	7/16/2023	-	18,144	18,144	250,000	65,186	315,186
5th	1	CDI variance + 0.89% per year	5/20/2019	79,659	3,375	83,034	159,341	(767)	158,574
5th	2	IPCA variance + 7.01% per year	5/20/2021	-	1,881	1,881	240,000	45,601	285,601
				237,984	44,399	282,383	816,016	109,864	925,880

Issuance	Series	Remuneration	Maturity	Controlling Company and Consolidated					
				12/31/2015					
				Current			Non-current		
Principal	Interest, Monetary Variance and (Transaction Costs)	Total	Principal	Interest, Monetary Variance and (Transaction Costs)	Total				
3rd	Single	CDI variance + 1.15% per year	1/10/2017	75,000	10,386	85,386	75,000	-	75,000
4th	1	CDI variance + 0.65% per year	7/16/2018	83,325	16,279	99,604	166,675	(234)	166,441
4th	2	IPCA variance + 6.07% per year	7/16/2023	-	8,195	8,195	250,000	50,348	300,348
5th	1	CDI variance + 0.89% per year	5/20/2019	-	3,377	3,377	239,000	(967)	238,033
5th	2	IPCA variance + 7.01% per year	5/20/2021	-	11,412	11,412	240,000	31,862	271,862
				158,325	49,649	207,974	970,675	81,009	1,051,684

b) Maturity

Long term maturity	2017	2018	2019	2020	2021	2022	2023	Total
Debentures	82,865	162,167	174,724	95,208	200,370	104,913	105,633	925,880

16.2. Activity

	3rd Issuance	4th Issuance		5th Issuance		Total
	Single Series	Series 1	Series 2	Series 1	Series 2	
Balance on December 31, 2015	160,386	266,045	308,543	241,410	283,274	1,259,658
Activity in debentures						
Transaction costs	97	78	39	200	143	557
Payment of principal	(75,000)	-	-	-	-	(75,000)
Interest appropriation	5,767	17,655	9,949	17,176	10,355	60,902
Appropriation of monetary variance	-	-	14,799	-	13,596	28,395
Payment of interest	(11,131)	(18,054)	-	(17,178)	(19,886)	(66,249)
	(80,267)	(321)	24,787	198	4,208	(51,395)
Balance on June 30, 2016	80,119	265,724	333,330	241,608	287,482	1,208,263

Variances in Debentures balance, except from the payment of principal on the 3rd issuance and interest on 3rd and 4th issuances, in January, 2016 derive from the normal activity in the period, and the full information is described in note 16 of 2015 annual financial statements.

16.3. Financial Covenants

The Controlling Company has met all covenants set forth in the debenture indenture. These clauses are described in note 16 to the 2015 annual financial statements.

17. LOAN

17.1. Breakdown and maturity

a) Breakdown

Remuneration	Maturity	Controlling Company and Consolidated 06/30/2016			Controlling Company and Consolidated 12/31/2015		
		Current			Non-current		
		Principal	Interest	Total	Principal	Interest	Total
CDI variance + 1.4% per year	05/05/2017	181,000	33,006	214,006	181,000	18,125	199,125

b) Maturity

Short term maturity	2017
Loan	214,006

c) Activity

	06/30/2016
Balance on December 31, 2015	199,125
Interest appropriation	14,881
Balance on June 30, 2016	214,006

The changes in the balance of Loans arise from normal changes in this period, and the complete information is described in note 17 to 2015 annual financial statements.

18. CIBACAP - CAPIVARA BASIN INTERCITY CONSORTIUM

	Controlling Company and Consolidated	
	06/30/2016	12/31/2015
Current	1,000	-
Non-current	9,703	10,135
	10,703	10,135

The variances in the balance of Cibacap arise from normal changes in this period, and the complete information of Cibacap is described in note 18 to the 2015 annual financial statements.

19. PENSION AND RETIREMENT PLAN

In the period ended on June 30, 2016, 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/(revenue) for the period recognized in the income of the quarter

	Controlling Company and Consolidated			
	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Current service cost	461	913	533	1,089
Interest on actuarial obligation	5,846	11,692	5,348	10,704
Expected earnings from the plan's assets	(7,177)	(14,148)	(6,391)	(12,894)
Interest on assets restriction	1,300	2,398	1,016	2,138
	430	855	506	1,037

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 19 to 2015 annual financial statements.

20. PROVISIONS FOR TAX, LABOR AND ENVIRONMENTAL RISKS

The Company declares that the information on estimates involving the risk of loss classified by our outside legal counsel as probable and possible, as described in 2015 annual financial statements, is applicable to this interim financial information, and the complete information is described in note 20 to those annual financial statements.

20.1. Provisions for tax, labor and environmental risks

a) Breakdown

	Controlling Company			
	Provision	Escrow deposits	06/30/2016	12/31/2015
			Net provisions	Net provisions
Labor	12,131	(2,541)	9,590	8,883
Tax	13,281	(728)	12,553	12,428
Environmental	8,870	(3,329)	5,541	5,156
	34,282	(6,598)	27,684	26,467

	Consolidated			
	Provision	Escrow deposits	06/30/2016	12/31/2015
			Net provisions	Net provisions
Labor	12,514	(2,561)	9,953	9,116
Tax	13,281	(728)	12,553	12,428
Environmental	8,870	(3,329)	5,541	5,156
	34,665	(6,618)	28,047	26,700

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

	Controlling Company			
	Labor	Tax	Environmental	Total
Balance on December 31, 2015	8,883	12,428	5,156	26,467
Contingencies				
Provisions for the period	1,198	-	-	1,198
Reversions for the period	(732)	-	-	(732)
Monetary variation on contingencies	732	147	513	1,392
Agreements / payments for the period	(254)	-	-	(254)
	944	147	513	1,604
Escrow deposits				
Monetary adjustments	(103)	(22)	(128)	(253)
(Additions)	(142)	-	-	(142)
Write-offs	8	-	-	8
	(237)	(22)	(128)	(387)
Balance on June 30, 2016	9,590	12,553	5,541	27,684

	Consolidated			
	Labor	Tax	Environmental	Total
Balance on December 31, 2015	9,116	12,428	5,156	26,700
Contingencies				
Provisions for the period	1,564	-	-	1,564
Reversions for the period	(845)	-	-	(845)
Monetary variance	828	147	513	1,488
Agreements / payments for the period	(464)	-	-	(464)
	1,083	147	513	1,743
Escrow deposits				
Monetary variance	(104)	(22)	(128)	(254)
(Additions)	(360)	-	-	(360)
Write-offs	218	-	-	218
	(246)	(22)	(128)	(396)
Balance on June 30, 2016	9,953	12,553	5,541	28,047

20.2. Possible contingencies

	Controlling Company		Consolidated	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Labor	8,164	8,848	8,576	9,428
Tax	124,174	126,155	124,174	126,155
Environmental	22,959	20,191	22,959	20,191
Regulatory	81,147	76,503	81,147	76,503
Civil	758	711	758	711
	237,202	232,408	237,614	232,988

Other variances in Possible Contingencies arise from normal changes in this period, and the complete information on these possible contingencies is described in note 20.2 to 2015 annual financial statements.

21. SPECIAL OBLIGATIONS(*)

	Controlling Company and Consolidated	
	06/30/2016	12/31/2015
From property, plant and equipment (see note 11)		
Equipment donations (ONS)	1,371	1,400
Research and development - R&D	522	115
	1,893	1,515
From intangible assets (See note 12)		
Research and development (R&D) - Software	922	1,143
	2,815	2,658

(*) Concession-related obligations

See additional comments in note 21 to 2015 annual financial statements.

22. REGULATORY CHARGES

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

	Controlling Company				Consolidated			
	06/30/2016		12/31/2015		06/30/2016		12/31/2015	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Financial offset from the use of water resources (CFURH)	14,554	-	15,134	-	14,554	-	15,134	-
Electric Power Service Inspection Fee (TFSEE)	473	-	417	-	480	-	425	-
Research and development - R&D	13,450	8,928	21,263	5,462	13,450	8,928	21,263	5,462
	28,477	8,928	36,814	5,462	28,484	8,928	36,822	5,462

See additional comments in note 22 to 2015 annual financial statements.

23. SHAREHOLDERS' EQUITY

23.1. Capital

As of June 30, 2016, the authorized capital of the Controlling Company amounted to BRL 2,355,580, BRL 785,193 of which is comprised of common shares and BRL 1,570,387 of which is formed by preferred shares, all registered, book-entry and without par value.

The subscribed and paid-in capital is BRL 839,138 (BRL 839,138 as of December 31, 2015) 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.

Shareholders	Equity position on June 30, 2016 (In thousands of shares)					
	Common	%	Preferred	%	Total	%
Duke Energy International Brasil Ltda.	31,181	99.06	57,850	91.89	89,031	94.28
Duke Energy International Brazil Holdings Ltd.	-	-	735	1.17	735	0.78
Cia Metropolitana de São Paulo	-	-	1,070	1.70	1,070	1.13
Vinci Gas Dividendos Fundo de Investimento em ações	3	0.01	1,006	1.60	1,009	1.07
Other individuals and legal entities	294	0.93	2,294	3.65	2,588	2.74
	31,478	100.00	62,955	100.00	94,433	100.00

See additional comments in note 23.1 to 2015 annual financial statements.

23.2. Capital Reserves

	06/30/2016	12/31/2015
Premium on issuance of shares	468	468
Spin-off account	(6,418)	(6,418)
Premium on downstream merger of controlling company (see Note 8.1)	103,838	103,838
Share-based payment	1,720	1,683
Special reserve - Corporate reorganization - Acquisition of Duke Energy Int. Geração Sapucaí-Mirim Ltda.	17,196	5,897
	116,804	105,468

In the second quarter of 2016, the breakdown of capital reserve was made, due to payment related to arbitration proceeding (see note 14).

See additional comments in note 23.2 to 2015 annual financial statements.

23.3. Earnings Reserves

	06/30/2016	12/31/2015
Legal reserve	132,419	132,419
Pension plan	5,034	4,715
	137,453	137,134

23.4. Retained earnings

a) Breakdown of retained earnings

	06/30/2016
Net income for the period	153,608
Depreciation (deemed cost)	52,339
Write-offs (deemed cost)	3,451
Deferred IRPJ/CSLL (deemed cost)	(18,969)
	190,429

b) Breakdown of dividends and interest on capital payable

	06/30/2016	12/31/2015
Proposed dividends		115,999
Interest on equity, payable	107	44,329
Dividends and interest on equity and decrease on capital held in custody	1,529	1,576
	1,636	161,904

23.5. Valuation adjustments to equity

	Deemed cost	Pension plan	Total
Balance on December 31, 2015	732,143	-	732,143
Realization of valuation adjustments to equity			
Depreciation	(52,339)	-	(52,339)
Write-off	(3,451)	-	(3,451)
Deferred IRPJ/CSLL	18,969	-	18,969
	(36,821)	-	(36,821)
Comprehensive income			
Actuarial gains on defined benefit pension plan	-	483	483
Deferred income tax and social contribution on actuarial gains	-	(164)	(164)
	-	319	319
Reclassifications of net actuarial gains - CPC 33 (R1)	-	(319)	(319)
Balance on June 30, 2016	695,322	-	695,322

See additional comments in note 23.6 to 2015 annual financial statements.

24. NET OPERATING REVENUE

	Controlling Company			
	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Electric power supply				
Receivables from bilateral agreements	328,718	646,082	329,659	661,337
Receivables from bid agreements	21,516	44,393	-	-
Short-term market - MCP	1,193	(3,595)	-	15
Power Reallocation Mechanism (MRE)	17,158	36,549	5,527	11,806
	368,585	723,429	335,186	673,158
Other revenues	139	183	60	159
	368,724	723,612	335,246	673,317
Deductions to operating revenue				
PIS (Employees' Profit Participation Program) and COFINS (Social Contribution on Billings)	(31,974)	(65,698)	(29,612)	(59,399)
ICMS (Value-added tax on sales and services)	(4,697)	(9,655)	(13,023)	(26,484)
R&D	(2,980)	(5,866)	(2,785)	(5,587)
	(39,651)	(81,219)	(45,420)	(91,470)
Net operating revenue	329,073	642,393	289,826	581,847

	Consolidated			
	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Electric power supply				
Receivables from bilateral agreements	337,493	663,322	335,424	667,102
Receivables from bid agreements	21,516	44,393	-	-
Short-term market - MCP	1,307	(3,570)	255	270
Power Reallocation Mechanism (MRE)	17,197	36,842	5,523	11,802
	377,513	740,987	341,202	679,174
Other revenues	139	183	60	159
	377,652	741,170	341,262	679,333
Deductions to operating revenue				
PIS (Employees' Profit Participation Program) and COFINS (Social Contribution on Billings)	(32,309)	(66,372)	(29,815)	(59,602)
ICMS (Value-added tax on sales and services)	(4,697)	(9,655)	(13,023)	(26,484)
R&D	(2,980)	(5,866)	(2,784)	(5,586)
	(39,986)	(81,893)	(45,622)	(91,672)
Net operating revenue	337,666	659,277	295,640	587,661

25. OPERATING COSTS AND EXPENSES

Breakdown of operating costs and expenses by nature:

	Controlling Company			
	04/01/2016 a 06/30/2016			04/01/2015 a 06/30/2015
	Cost of electric power sold	General and administrative expenses	Total	Total
Personnel	11,133	9,807	20,940	20,259
Material	1,039	36	1,075	1,079
Third-party services	7,829	3,703	11,532	9,504
Electric Power Service Inspection Fee (TFSEE)	1,396	-	1,396	1,253
Electric power purchased for resale	24,936	-	24,936	92,890
Charges for the use of electric power grid	25,810	-	25,810	22,213
Financial offset from the use of water resources	22,390	-	22,390	13,505
Depreciation and amortization	53,521	430	53,951	54,214
Provisions for tax, labor and environmental risks	(373)	(192)	(565)	4,127
Reversal/(constitution) estimate for doubtful accounts	-	(1,560)	(1,560)	-
Rentals	37	1,015	1,052	876
Insurances	2,419	-	2,419	1,362
Others	260	4,677	4,937	915
	150,397	17,916	168,313	222,197

	Controlling Company			
	01/01/2016 a 06/30/2016			01/01/2015 a 06/30/2015
	Cost of electric power sold	General and administrative expenses	Total	Total
Personnel	23,986	19,095	43,081	42,740
Material	1,947	66	2,013	2,229
Third-party services	13,436	6,754	20,190	17,521
Electric Power Service Inspection Fee (TFSEE)	2,791	-	2,791	2,505
Electric power purchased for resale	32,172	-	32,172	176,869
Charges for the use of electric power grid	52,079	-	52,079	44,251
Financial offset from the use of water resources	45,782	-	45,782	27,801
Depreciation and amortization	107,071	852	107,923	108,401
Provisions for tax, labor and environmental risks	417	49	466	5,157
Reversal/(constitution) estimate for doubtful accounts	-	1,490	1,490	(220)
Rentals	74	1,883	1,957	1,769
Insurances	4,787	-	4,787	2,720
Others	620	6,294	6,913	2,088
	285,162	36,483	321,644	433,831

	Consolidated			
	04/01/2016 a 06/30/2016			04/01/2015 a 06/30/2015
	Cost of electric power sold	General and administrative expenses	Total	Total
Personnel	11,681	9,806	21,487	20,470
Material	1,162	38	1,200	1,130
Third-party services	8,807	5,021	13,828	10,428
Electric Power Service Inspection Fee (TFSEE)	1,416	-	1,416	1,268
Electric power purchased for resale	25,755	-	25,755	95,016
Charges for the use of electric power grid	25,925	-	25,925	22,282
Financial offset from the use of water resources	22,390	-	22,390	13,505
Depreciation and amortization	55,843	436	56,279	53,699
Provisions for tax, labor and environmental risks	(486)	(192)	(678)	4,560
Reversal/(constitution) estimate for doubtful accounts	-	(2,245)	(2,245)	23
Rentals	39	1,080	1,119	904
Insurances	2,494	-	2,494	1,387
Others	264	4,706	4,970	916
	155,290	18,650	173,940	225,588

	Consolidated			
	01/01/2016 a 06/30/2016			01/01/2015 a 06/30/2015
	Cost of electric power sold	General and administrative expenses	Total	Total
Personnel	25,059	19,092	44,151	42,951
Material	2,192	68	2,260	2,280
Third-party services	15,382	8,225	23,607	18,445
Electric Power Service Inspection Fee (TFSEE)	2,833	-	2,833	2,520
Electric power purchased for resale	33,193	-	33,193	178,995
Charges for the use of electric power grid	52,313	-	52,313	44,320
Financial offset from the use of water resources	45,782	-	45,782	27,801
Depreciation and amortization	111,709	864	112,573	107,886
Provisions for tax, labor and environmental risks	670	49	719	5,590
Reversal/(constitution) estimate for doubtful accounts	-	1,846	1,846	(197)
Rentals	76	1,976	2,052	1,797
Insurances	4,936	-	4,936	2,745
Others	660	6,390	7,050	2,089
	294,805	38,510	333,315	437,222

26. ELECTRIC POWER SOLD AND PURCHASED AND POWER GRID CHARGES

26.1. Electric power sold

	Controlling Company				Consolidated			
	04/01/2016 to 06/30/2016		04/01/2015 to 06/30/2015		04/01/2016 to 06/30/2016		04/01/2015 to 06/30/2015	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Receivables from bilateral agreements	1,958,569	328,718	2,016,253	329,659	1,997,227	337,493	2,037,390	335,422
Receivables from bid agreements	144,900	21,516	-	-	144,900	21,516	-	-
Short-term market - MCP	(37,761)	1,193	-	-	(37,761)	1,307	22,264	252
Electric Power Reallocation Mechanism (MRE)	1,406,046	17,158	514,597	5,527	1,410,129	17,197	514,597	5,528
	3,471,754	368,585	2,530,850	335,186	3,514,495	377,513	2,574,251	341,202

	Controlling Company				Consolidated			
	01/01/2016 to 06/30/2016		01/01/2015 to 06/30/2015		01/01/2016 to 06/30/2016		01/01/2015 to 06/30/2015	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Receivables from bilateral agreements	3,927,133	646,082	4,048,448	661,337	4,004,439	663,322	4,069,585	667,100
Receivables from bid agreements	298,966	44,393	-	-	298,966	44,393	-	-
Short-term market - MCP	(31,675)	(3,595)	-	14	(32,269)	(3,570)	22,264	266
Electric Power Reallocation Mechanism (MRE)	2,996,720	36,549	1,082,747	11,807	3,021,408	36,842	1,082,747	11,808
	7,191,144	723,429	5,131,195	673,158	7,292,545	740,987	5,174,596	679,174

(*) Not reviewed by independent auditors.

The table below summarizes the volumes in MWm of assured energy contracted, expected from completion of contracts by the Company in the Deregulated Contracting Framework (ACL) and the Regulated Contracting Framework (ACR) as of June 30, 2016:

	Controlling Company		Controlled Company	
	MWm (*)		MWm (*)	
	2016	2015	2016	2015
Electric power available for sale	1,029	1,019	16	16
ACR	69	-	-	-
2016 (3 years)	69	-	-	-
ACL	880	919	16	12
Bilateral agreements for sale of electric power	880	919	16	16
Bilateral agreements for purchase of electric power	-	-	-	(4)
Free electric power for contracting	80	100	0	4
Percentage of electric power contracted	92.3%	90.2%	100%	75.4%

(*) Not reviewed by independent auditors.

26.2. Electric power purchased for resale

	Controlling Company				Consolidated			
	04/01/2016 to 06/30/2016		04/01/2015 to 06/30/2015		04/01/2016 to 06/30/2016		04/01/2015 to 06/30/2015	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Bilateral	-	-	-	-	-	-	4,132	(2,091)
Short-term market - MCP	123,416	24,936	257,557	(92,890)	131,028	25,755	257,557	(92,890)
Electric Power Reallocation Mechanism (MRE)	-	-	-	-	-	-	2,027	(35)
	123,416	24,936	257,557	(92,890)	131,028	25,755	263,716	(95,016)

	Controlling Company				Consolidated			
	01/01/2016 to 06/30/2016		01/01/2015 to 06/30/2015		01/01/2016 to 06/30/2016		01/01/2015 to 06/30/2015	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Bilateral	-	-	-	-	-	-	4,132	(2,091)
Short-term market - MCP	139,454	32,172	476,316	(176,869)	152,536	33,244	476,316	(176,869)
Electric Power Reallocation Mechanism (MRE)	-	-	-	-	(4,209)	(51)	2,027	(35)
	139,454	32,172	476,316	(176,869)	148,327	33,193	482,475	(178,995)

(*) Not reviewed by independent auditors.

The balance of purchased power for resales decreased due to due to the recovery of the hydrological scenario besides the lower average price in the short-term market (Differences Settlement Price).

26.3. Charges for the use of electric power grid

	Controlling Company				Consolidated			
	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Tust	23,161	46,769	19,825	39,856	23,161	46,769	19,825	39,856
Tusd-g	2,587	5,186	2,339	4,297	2,702	5,420	2,408	4,366
Connection charges	62	124	49	98	62	124	49	98
	25,810	52,079	22,213	44,251	25,925	52,313	22,282	44,320

See additional comments in note 26.3 to 2015 annual financial statements.

27. FINANCE INCOME

	Controlling Company			
	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Revenues				
Financial investments	15,461	27,427	4,307	7,969
Monetary variances	2,624	5,159	2,358	4,465
Escrow deposits	2,623	5,158	2,357	4,463
Others	1	1	1	2
Interest and discounts obtained	177	946	189	403
	18,262	33,532	6,854	12,837
Expenses				
Interest - Debentures	(31,165)	(61,459)	(30,728)	(59,674)
Interest - Loans	(7,682)	(14,881)	(4,125)	(4,125)
Monetary variances	(20,308)	(50,412)	(16,395)	(37,408)
Debentures	(10,616)	(28,395)	(13,692)	(32,363)
Tusd-g	(2,399)	(4,648)	(1,933)	(3,699)
Provision for tax, labor and environmental risks	(632)	(1,392)	(333)	(509)
Financial updating by arbitral proceeding	-	-	-	-
Monetary adjustment due to be granted with GSF preliminary injunction	(6,164)	(14,976)	-	-
Others	(497)	(1,001)	(437)	(837)
Pension plan expenses (see Note 19)	(430)	(855)	(506)	(1,037)
Other financial expenses	(1,148)	(2,261)	(354)	(422)
	(60,733)	(129,868)	(52,108)	(102,666)
	(42,471)	(96,336)	(45,254)	(89,829)

	Consolidated			
	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Revenues				
Financial investments	16,692	29,954	5,007	8,669
Monetary variances	2,672	5,278	2,406	4,513
Escrow deposits	2,671	5,277	2,405	4,511
Others	1	1	1	2
Interest and discounts obtained	217	1,011	203	417
	19,581	36,243	7,616	13,599
Expenses				
Interest - Debentures	(31,165)	(61,459)	(30,728)	(59,674)
Interest - Loans	(7,682)	(14,881)	(4,125)	(4,125)
Monetary variances	(19,899)	(51,475)	(16,712)	(37,725)
Debentures	(10,616)	(28,395)	(13,692)	(32,363)
Tusd-g	(1,943)	(5,501)	(1,933)	(3,699)
Provision for tax, labor and environmental risks	(679)	(1,602)	(333)	(509)
Financial updating by arbitral proceeding	-	-	(317)	(317)
Monetary adjustment due to be granted with GSF preliminary injunction	(6,164)	(14,976)	-	-
Others	(497)	(1,001)	(437)	(837)
Pension plan expenses (see Note 19)	(430)	(855)	(506)	(1,037)
Other financial expenses	(1,141)	(2,266)	(359)	(427)
	(60,317)	(130,936)	(52,430)	(102,988)
	(40,736)	(94,693)	(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 presents information on the income and shares used to calculate basic and diluted earnings per share:

	04/01/2016 to 06/30/2016	01/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
Numerator				
Net income for the period attributed to shareholders of the Company				
Preferred	54,905	102,405	11,606	27,198
Common	27,453	51,203	5,802	13,599
	82,358	153,608	17,408	40,797
Denominator (weighted average of 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	0.87213	1.62663	0.18433	0.43202
Common	0.87213	1.62663	0.18433	0.43202

29. FINANCIAL INSTRUMENTS

The Company declares that the information on financial instruments described in 2015 annual financial statements is the same as that included in this interim financial information (ITR), as presented in note 29 to those financial statements.

Financial instruments in the balance sheet:

a) Cash and cash equivalents (see note 6)

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 and loans (see note 16)

	06/30/2016		12/31/2015	
	Book value	Market Value	Book value	Market Value
Debentures	1,208,263	1,482,604	1,259,658	1,504,645
Loans	214,006	175,798	199,125	167,020
	1,422,269	1,658,402	1,458,783	1,671,665

The Company did not carry out derivative transactions in the fiscal year of 2015 and in the three-month period ended on June 30, 2016. There is also no exposure to currency fluctuations and in foreign currency since the Company does not carry out such transactions.

30. INSURANCES

Duke Brasil holds insurance contracts taking into account the nature and degree of risk to cover significant losses on its assets and/or liabilities on its part and on the part of its controlling companies. The main coverage, according to insurance policies, is as follows:

	Maximum indemnification limit in thousands of BRL	
	Term of Effectiveness 01/01/2016 to 12/31/2016	Term of Effectiveness 01/01/2015 to 12/31/2015
Operating risk	1,955,000	1,300,000
Civil liability	19,550	13,000
Loss of profits	1,730,865	1,270,179

31. NON-CASH TRANSACTIONS

	Controlling Company and Consolidated	
	06/30/2016	12/31/2015
Proposed dividends and interest on equity	-	245,087
Realization of valuation adjustments to equity	36,821	71,572
Reclassification of net actuarial gains	319	826
Deferred income tax on pension plan	164	425

32. COMMITMENTS

32.1. Electric power purchase and sale agreements

The Controlling Company and its controlled company have bilateral agreements for the sale of power negotiated until the year 2027; and for the bid agreements until the year 2018.

32.2. Commitment of environmental recovery

The controlled company has a commitment with Companhia Ambiental do Estado de São Paulo – CETESB, related to reforestation of 580 hectare, with a cost estimated in BRL 4,199, to be concluded until the year 2019.

33. SUBSEQUENT EVENTS

33.1. Financial settlement - CCEE

From the settlements that took place in July 2016, in the amount of BRL 8,488, BRL 5,917 is related to normal transaction of power sale in the short-term market (MRE/MCP) and BRL 2,571 is related to the injunction granted to APINE.

33.2. Sixth Issuance of Debentures

According to the relevant fact published on June 27, 2016, the Company shall issue one hundred and sixty million reais (BRL 160,000) in the market in the form of indebtedness, by means the 6th public issuance of simple debentures distribution, in single series, not convertible

into shares, registered, book-entry, unsecured, designated to the local market, which have been distributed with restricted efforts, according to CVM Instruction No. 476, aimed exclusively to professional investors.

The offer shall be issued based on the following resolutions, which were favorable to the raise of funds through the sixth issuance of debentures: (i) from the Supervisory Board meeting held on June 17, 2016, (ii) from the Company's Board of Directors meeting held on June 17, 2016, and (iii) from Company's Special General Meeting held on July 15, 2016.

The covenants provided for in the indenture of the sixth issuance of debentures are similar to the ones in the indentures of the third, fourth and fifth issuances.

The net proceeds raised by the Company with the Issuance shall be used in full to refinance the payments of (i) the principal of the first amortization installment of Company's third debentures issuance. and (ii) the principal of the first amortization installment of the first series from Company's fourth issuance.

With the issuance, the Company intends to raise funds with better maturity terms as the ones currently used in the financial market, in order to extend the profile of its indebtedness.

The maturity term of the Debentures, single series, shall be of two (2) years from the Issuance Date, to become overdue on August 10, 2018, without considering the possibility of advanced maturity, special amortization and/or advanced redemption of the Debentures, according to the terms provided for in the Indenture of Issuance."

MANAGEMENT MEMBERS

Board of Directors

Armando de Azevedo Henriques
Chairman

Martin Lythgoe
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

François Moreau
Advisor

Marcelo Curti
Advisor

Ary Waddington
Alternate Advisor

Edmundo Falcão Koblitz
Alternate Advisor

Murici dos Santos
Alternate Advisor

Executive Board

Armando de Azevedo Henriques
Chief Executive Officer

Angela Aparecida Seixas
Chief Financial Officer, Chief Internal Controls Officer and Chief Information Officer, and
Director of Relations with Investors

Carlos Alberto Dias Costa
Chief Operating Officer and Chief Environmental Officer

Jairo de Campos
Executive Director of Human Resources,
Administration and Health and Safety

João Luis Campos da Rocha Calisto
Executive Director of Regulatory Matters and Energetic Planning

Plautius Soares André Filho
Chief Commercial Officer

Antonio Patricio Franco Martins
General Controllershship Manager

Narciso Meschiatti Filho
Accountant - 1SP-101290/O-0