

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

For the Three-month Period ended
March 31, 2016 and

Report on the Review of Quarterly Information

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REPORT ON THE REVIEW OF QUARTERLY 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 March 31, 2016, which comprises the balance sheet as at March 31, 2016, and the related income statement and statement of comprehensive income for the quarter then ended, and the statement of changes in equity and statement of cash flows for the quarter 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 3.12 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 quarter ended March 31, 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, May 12, 2016

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Iara Pasian
Engagement Partner

**COMMENTS ON THE ECONOMIC AND FINANCIAL PERFORMANCE
 PERIOD OF JANUARY 1 TO MARCH 31, 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)

	Controlling Company	Consolidated	% Variance
	1Q2015	1Q2016	
Economic indicators			
Gross operating revenue	338,071	363,518	7.5
(-) Deductions to operating revenue	(46,050)	(41,907)	-9.0
Net operating revenue	292,021	321,611	10.1
(-) Operating expenses	(211,634)	(159,375)	-24.7
Income from service provided	80,387	162,236	101.8
Ebitda	134,574	218,529	62.4
<i>Ebitda margin - %</i>	46.1%	67.9%	
Finance income	(44,575)	(53,957)	21.0
Operating income	35,812	108,279	202.4
Net income for the period	23,389	71,250	204.6
<i>Net margin - %</i>	8.0%	22.2%	
Shares			
Outstanding shares (in thousands of shares)	94,433	94,433	
Net income per thousands of shares (in reais)	247.68	754.50	204.6

From the consolidated amounts mentioned above, the controlled company represents 2.6% of the net operating revenue (BRL 8.3 million), 3.8% of the operating expenses (BRL 6.0 million) and 2.0% of the net income of the period (BRL 1.4 million).

	Controlling Company	Consolidated	% Variance
	03/31/2015	03/31/2016	
Financial indicators			
Total assets	3,754,013	4,109,124	9.5
Debts in national currency	(1,219,551)	(1,409,872)	15.6
Shareholders' Equity	(1,893,185)	(1,901,242)	0.4

Operating Expenses (in thousands of Reais)

	Controlling Company	Consolidated	% Variance
	1Q 2015	1Q 2016	
Personnel	(22,481)	(22,664)	0.8
Material	(1,150)	(1,060)	-7.8
Third-party services	(8,017)	(9,779)	22.0
Electric Power Service Inspection Fee (TFSEE)	(1,252)	(1,416)	13.1
Electric power purchased for resale	(83,979)	(7,439)	-91.1
Charges for the use of electric power grid	(22,038)	(26,388)	19.7
Financial offset from the use of water resources	(14,296)	(23,392)	63.6
Depreciation and amortization	(54,187)	(56,293)	3.9
Provisions for tax, labor and environmental risks	(1,030)	(1,397)	35.6
Reversion / (constitution) estimate for doubtful accounts	220	(4,091)	-1,959.5
Rentals	(893)	(933)	4.5
Insurances	(1,358)	(2,442)	79.8
Others	(1,173)	(2,081)	77.4
	(211,634)	(159,375)	-24.7

The operating expenses amounted to BRL 159.4 million in the 1st quarter of 2016, a decrease of 24.7% in comparison to the same period in the previous year (BRL 211.6 million).

The Controlled Company contributed BRL 6.0 million in the total of consolidated operating expenses for the 1st quarter of 2016.

The main factors that impacted the operating expenses were:

- Electric power purchased for resale: decrease of BRL 76.5 million, or 91.1%, due to lower price on short-term market (PLD – Differences Settlement Price), due to slight recovery of hydrological scenario;
- Charges for the use of electric power grid: increase of BRL 4,350 or 19.7% in the quarter is due to adjustments on these charges during 2016;
- Financial offset from the use of water resources: increase of BRL 9.1 million, or 63.6% 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 (3,712,351.84 MWh in the 1st quarter of 2016 and 2,480,848.93 MWh in 1st quarter of 2015);
- Reversion / (constitution) estimative for doubtful accounts: increase of BRL 4.3 million, of 1,959.5% in comparison to the same period of the previous year, this variation is mainly due to effects if short-term market liquidation.

Ebitda and Ebitda margin (in thousands of Reais)

	Controlling Company	Consolidated	% Variance
	1Q2015	1Q2016	
Net income for the period	23,389	71,250	204.6%
Income tax and social contribution	12,423	37,029	198.1%
Finance income (net)	44,575	53,957	21.0%
Depreciation and amortization	54,187	56,293	3.9%
EBITDA	134,574	218,529	62.4%
<i>Ebitda margin</i>	46.1%	67.9%	

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 a useful measure of performance, which is widely used by investors and analysts to evaluate performance and to compare companies.

Ebitda increased 62.4% in comparison to the same period of the previous year, mainly as a result of the decrease in the volume of purchased electric power for resale, partially compensated by the growth of financial expense derived from the increase in the inflation rates and by the decrease of the cash average volume applied in the period.

Finance income (in thousands of Reais)

	Controlling Company	Consolidated	% Variance
	1Q2015	1Q2016	
Revenues	5,983	16,662	178.5
Expenses	(50,558)	(70,619)	39.7
Net finance income	(44,575)	(53,957)	21.0

The net financial income in the 1st quarter of 2016 was negative in BRL 54.0 million, which represents a negative impact of 21.0% in comparison with the same period of the previous year. This variation was due to the decrease in finance revenues resulted mainly from the lower average volume invested in the period and also from the increase in financial expenses due to the growth in inflation rates.

Debentures (in thousands of Reais)

Issuance	Series	Compensation	Maturity	Controlling Company	Controlling Company and Consolidated
				03/31/2015	03/31/2016
3rd	Single	CDI variance + 1.15% per year	1/10/2017	153,777	77,242
4th	1	CDI variance + 0.65% per year	7/16/2018	255,613	256,622
4th	2	IPCA variance + 6.07% per year	7/16/2023	293,065	322,688
5th	1	CDI variance + 0.89% per year	5/20/2019	247,785	249,942
5th	2	IPCA variance + 7.01% per year	5/20/2021	269,311	297,054
				1,219,551	1,203,548

The balance of debentures of the Controlling Company in the 1st quarter of 2016, amounts to BRL 1,203.5, 1.3% less in comparison to BRL 1,219.5 million in the same period of the previous year.

This variation is mainly due to appropriation of interest and monetary adjustment in the period, partially compensated by the payment of interest in the 3rd issuance in January 2016 and by the payment of interest of the 3rd, 4th and 5th issuances in May, July and November 2015 and January 2016.

Loans (in thousands of Reais)

	Compensation	Maturity	Controlling Company	Controlling Company and Consolidated
			03/31/2015	03/31/2016
Bank Credit Note (CCB)	CDI variance + 1.4% per year	05/05/2017	-	206,324

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)

	Controlling Company	Consolidated	% Variance
	03/31/2015	03/31/2016	
Loan	-	206,324	100.0
Debentures	1,219,551	1,203,548	-1.3
Short-term	122,249	208,855	70.8
Long-term	1,097,302	994,693	-9.4
Cash	(118,502)	(451,236)	280.8
Net debt	1,101,049	958,636	-12.9

The consolidated net debt, which is made up by the indebtedness, less cash and cash equivalents proceeds, decreased 12.9% in comparison to the same period in 2015. This variance is mainly due to increase in balance of cash and cash equivalents, negatively affected in the 1st quarter of 2015, due to capital decrease made at the end of 2014, compensated by fund raising in May 2015.

Net income for the period

As a result of the abovementioned items, the Company recorded in the first quarter of 2016 a net income of BRL 71.3 million, BRL 47.9 million or 204.6% higher than the results recorded in the same period of the previous year.

The Controlling Company recorded as an equity accounting valuation, as effect of the result assessed from its controlled company, the amount of BRL 1.4 million.

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

ASSETS	Note	Controlling Company		Consolidated	
		03/31/2016	12/31/2015	03/31/2016	12/31/2015
Current assets					
Cash and cash equivalents	6	415,150	416,964	451,236	464,069
Trade receivables	7	145,777	164,394	149,004	169,832
Recoverable taxes	8	4,626	4,196	5,782	5,147
Services in progress		15,263	17,995	15,263	17,995
Prepaid expenses		8,148	346	8,389	346
Sundry debtors		1,707	1,505	2,076	1,868
Related parties	15.1	158	234	158	234
Other assets		117	129	119	129
Total current assets		590,946	605,763	632,027	659,620
Non-current assets					
Trade receivables	7	217	366	217	366
Recoverable taxes	8	960	960	2,151	2,128
Escrow deposits	9	44,301	43,230	44,301	43,230
Restricted funds		51	51	51	51
Prepaid expenses		3,272	3,337	3,272	3,337
Investments		188,376	186,974	26	26
Controlled Companies	10	188,350	186,948	-	-
Others		26	26	26	26
Property, Plant and Equipment	11	3,246,713	3,290,790	3,397,114	3,443,199
Intangible assets	12	29,722	30,386	29,965	30,631
Total non-current assets		3,513,612	3,556,094	3,477,097	3,522,968
Total assets		4,104,558	4,161,857	4,109,124	4,182,588

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

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

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Controlling Company		Consolidated	
		03/31/2016	12/31/2015	03/31/2016	12/31/2015
Current liabilities					
Trade payables	13	221,869	171,961	223,928	175,719
Arbitration	14	-	-	-	15,081
Salaries and regulatory charges		9,924	12,513	10,107	12,706
Debentures	16	208,855	207,974	208,855	207,974
Taxes payable	8	61,839	138,061	62,727	138,883
Dividends and interest on capital	23.4	117,557	161,904	117,557	161,904
Estimated obligations		7,635	7,376	7,824	7,535
Cibacap	18	1,000	-	1,000	-
Regulatory charges	22	32,992	36,814	32,999	36,822
Other liabilities		1,917	344	2,005	445
Total current liabilities		663,588	736,947	667,002	757,069
Non-current liabilities					
Loans	17	206,324	199,125	206,324	199,125
Debentures	16	994,693	1,051,684	994,693	1,051,684
Deferred Revenues		26,404	27,437	26,883	27,813
Special obligations	21	2,567	2,658	2,567	2,658
Provisions for tax, labor and environmental risks	20	27,936	26,467	28,609	26,700
Cibacap	18	9,420	10,135	9,420	10,135
Deferred income tax and social contribution	8	248,719	272,561	248,719	272,561
Tariff for the use of distribution system (TUSDg)	13	10,707	9,802	10,707	9,802
Regulatory charges	22	7,262	5,462	7,262	5,462
Other liabilities		5,696	5,696	5,696	5,696
Total non-current liabilities		1,539,728	1,611,027	1,540,880	1,611,636
Shareholders' Equity					
Capital	23.1	839,138	839,138	839,138	839,138
Capital reserves	23.2	121,420	105,468	121,420	105,468
Earnings reserves	23.3	137,291	137,134	137,291	137,134
Retained earnings	23.4	88,779	-	88,779	-
Valuation adjustments to equity	23.5	714,614	732,143	714,614	732,143
Total shareholders' equity		1,901,242	1,813,883	1,901,242	1,813,883
Total liabilities and shareholders' equity		4,104,558	4,161,857	4,109,124	4,182,588

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

INCOME STATEMENTS
THREE-MONTH PERIODS ENDED ON MARCH 31, 2016 AND 2015
(In thousands of reais, except when designated otherwise)

	Note	Controlling Company		Consolidated
		03/31/2016	03/31/2015	03/31/2016
Net operating revenue	24	313,321	292,021	321,611
Operating revenues / (expenses)	25			
Personnel		(22,141)	(22,481)	(22,664)
Material		(939)	(1,150)	(1,060)
Third-party services		(8,658)	(8,017)	(9,779)
Electric Power Service Inspection Fee (TFSEE)		(1,396)	(1,252)	(1,416)
Electric power purchased for resale	26.2	(7,236)	(83,979)	(7,439)
Charges for the use of electric power grid	26.3	(26,269)	(22,038)	(26,388)
Financial offset from the use of water resources		(23,392)	(14,296)	(23,392)
Depreciation and amortization	11.b and 12.b	(53,971)	(54,187)	(56,293)
Provisions for tax, labor and environmental risks		(1,031)	(1,030)	(1,397)
Estimate reversion / (provision) for doubtful accounts		(3,051)	220	(4,091)
Rentals		(905)	(893)	(933)
Insurances		(2,367)	(1,358)	(2,442)
Others		(1,977)	(1,173)	(2,081)
		(153,333)	(211,634)	(159,375)
Income from equity interest				
Equity accounting valuation	10	1,402	-	-
Operating income		161,390	80,387	162,236
Finance income	27			
Revenues		15,271	5,983	16,662
Expenses		(69,136)	(50,558)	(70,619)
		(53,865)	(44,575)	(53,957)
Income / (loss) before income tax and social contribution		107,525	35,812	108,279
Income tax and social contribution	8.2			
Current		(60,198)	(21,792)	(60,952)
Deferred		23,923	9,369	23,923
		(36,275)	(12,423)	(37,029)
Net profit (loss) for the period		71,250	23,389	71,250
Earnings per share from continuing operations (in BRL per share)				
Basic and diluted earnings per preferred share	28	0.75450	0.24768	0.75450
Basic and diluted earnings per common share	28	0.75450	0.24768	0.75450

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

STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED ON MARCH 31, 2016 AND 2015
 (In thousands of reais, except when designated otherwise)

	Controlling Company and Consolidated	Controlling Company
	03/31/2016	03/31/2015
Net income for the period	71,250	23,389
Actuarial gains on defined benefit pension plan	238	349
Deferred income tax and social contribution on actuarial gains	(81)	(119)
	157	230
Comprehensive income for the period	71,407	23,619

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

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
PERIODS ENDED ON MARCH 31, 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	-	-	-	71,250	-	71,250
Net income for the period	-	-	-	-	238	238
Actuarial gains on defined benefit pension plan	-	-	-	-	(81)	(81)
Deferred income tax and social contribution on actuarial gains	-	-	157	-	(157)	-
Reclassifications of net actuarial gains - CPC 33 (R1)	-	15,952	-	-	-	15,952
Capital reserve from the reimbursement of Brasil to Paranapanema related to the payment of arbitration of the controlled company	-	15,952	-	-	-	15,952
	-	15,952	157	71,250	-	87,359
Contributions and distributions to shareholders	-	-	-	26,560	(26,560)	-
Realization of valuation adjustments to equity (see Note 23.5)	-	-	-	(9,031)	9,031	-
Deferred tax on valuation adjustments to equity	-	-	-	17,529	(17,529)	-
	-	-	-	-	-	-
Balances on March 31, 2016	839,138	121,420	137,291	88,779	714,614	1,901,242

	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	-	-	-	23,389	-	23,389
Net income for the period	-	-	-	-	349	349
Actuarial gains on defined benefit pension plan	-	-	-	-	(119)	(119)
Deferred income tax and social contribution on actuarial gains	-	-	230	-	(230)	-
Reclassifications of net actuarial gains - CPC 33 (R1)	-	-	230	-	-	23,619
	-	-	230	23,389	-	23,619
Contributions and distributions to shareholders	-	-	-	26,801	(26,801)	-
Realization of valuation adjustments to equity	-	-	-	(9,112)	9,112	-
Deferred tax on valuation adjustments to equity	-	-	-	17,689	(17,689)	-
	-	-	-	-	-	-
Balances on March 31, 2015	839,138	99,537	127,406	41,078	786,026	1,893,185

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

STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED ON MARCH 31, 2016 AND 2015
(In thousands of reais)

	Controlling Company		Consolidated
	03/31/2016	03/31/2015	03/31/2016
Cash flows from operating activities			
Net income for the period	71,250	23,389	71,250
Adjustments to:			
Depreciation and amortization	53,971	54,187	56,293
Losses on property, plant and equipment/intangible assets write-off	615	(292)	645
Loss from the non-recoverability of the assets	-	-	(20)
Deferred income tax and social contribution	(23,923)	(9,369)	(23,923)
Estimate provision / (reversion) for doubtful accounts	3,051	(220)	4,091
Interest on CCB loans	7,199	-	7,199
Interest on debentures	30,295	28,945	30,295
Monetary variance on debentures	17,780	18,671	17,780
Provision / (reversion) for tax, labor and environment risks	1,031	1,035	1,396
	641	136	723
Monetary variance on provision for tax, labor and environmental risks	-	-	-
Monetary variance on escrow deposits	(1,071)	(937)	(1,071)
Financial updating by arbitral proceeding	-	-	871
Equity accounting valuation	(1,402)	-	-
Variation in assets and liabilities			
Trade receivables	15,715	4,486	16,886
Sundry debtors	(202)	302	(208)
Related parties	76	(8)	76
Services in progress	(1,361)	3,007	(1,361)
Restricted funds	-	(3)	-
Prepaid expenses	(7,737)	(4,240)	(7,978)
Trade payables	50,813	667	49,114
Salaries and regulatory charges	(2,589)	(1,481)	(2,599)
Taxes, fees and contributions	50,718	30,693	50,556
Estimated obligations	259	(252)	289
Deferred revenues	(1,033)	3,698	(930)
Cibacap	285	175	285
	(203)	(2,820)	(210)
Provisions / (reversions) for tax, labor and environmental risks	-	-	-
Other active and passive variations	3,894	(6,499)	3,878
Cash generated in operations	268,072	143,270	273,327
Interest and monetary variance paid on debentures	(29,185)	(24,002)	(29,185)
Income tax and social contribution - paid	(127,370)	(75,923)	(127,370)
Payment related to arbitration proceeding (se Note 14)	-	-	(15,952)
Net cash from operating activities	111,517	43,345	100,820
Cash flows from investment activities			
Capital reserve related to the reimbursement of Brasil to Paranapanema for the payment of arbitration of the controlled company	15,952	-	15,952
Income from property, plant and equipment sale	181	2,880	181
Additions to property, plant and equipment	(10,025)	(6,005)	(10,347)
Additions to intangible assets	(92)	(385)	(92)
Net cash generated by (used in) investment activities	6,016	(3,510)	5,694
Cash flows from financing activities			
Payment of debentures	(75,000)	-	(75,000)
Dividends and interest on capital - paid	(44,347)	(62,724)	(44,347)
Net cash used in financing activities	(119,347)	(62,724)	(119,347)
Net (decrease) in cash and cash equivalents	(1,814)	(22,889)	(12,833)
Cash and cash equivalents in the beginning of the period	416,964	141,391	464,069
Cash and cash equivalents at the end of the period	415,150	118,502	451,236

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

STATEMENTS OF VALUE ADDED
THREE-MONTH PERIODS ENDED ON MARCH 31, 2016 AND 2015
(In thousands of reais)

	Controlling Company		Consolidated
	03/31/2016	03/31/2015	03/31/2016
Revenues			
Electric power sales	354,845	337,972	363,474
Revenues related to the construction of own assets	10,065	6,005	10,387
Estimate reversion for doubtful accounts	(3,051)	220	(4,091)
	361,859	344,197	369,770
Inputs acquired from third-parties			
Electric power purchased and charges from network use	(33,505)	(106,017)	(33,827)
Materials and services from third parties	(19,662)	(15,172)	(21,224)
Other operating costs	(4,833)	(3,058)	(5,287)
	(58,000)	(124,247)	(60,338)
Gross value added	303,859	219,950	309,432
Depreciation and amortization	(53,971)	(54,187)	(56,293)
Net value added produced	249,888	165,763	253,139
Rentals	43	99	43
Equity accounting income	1,402	-	-
Financial revenues	15,271	5,983	16,662
Value added received in a transfer	16,716	6,082	16,705
Value added to be distributed	266,604	171,845	269,844
Distributed value added			
Personnel			
Direct compensation	12,045	11,825	12,319
Benefits	2,689	1,972	2,802
FGTS (Government Severance Indemnity Fund for Employees)	2,137	2,826	2,159
Provision for gratuities (bonuses)	1,387	1,442	1,406
Profit sharing	702	1,118	724
Social charges (except for INSS)	826	885	844
	19,786	20,068	20,254
Taxes, fees and contributions			
Federal	100,352	63,243	101,611
State	5,126	13,651	5,128
Municipal	49	43	49
	105,527	76,937	106,788
Remuneration from third party's capital			
Rentals	905	893	933
Interest on debentures	30,295	28,945	30,295
Interest on loans	7,199	-	7,199
Monetary variance on debentures	17,780	18,671	17,780
Other financial expenses	13,862	2,942	15,345
	70,041	51,451	71,552
Others			
Retained earnings	88,779	41,078	88,779
Realization of deemed cost of property, plant and equipment	(17,529)	(17,689)	(17,529)
	71,250	23,389	71,250
Distributed value added	266,604	171,845	269,844

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

MANAGEMENT NOTES
TO THE THREE-MONTH INFORMATION - ITR - MARCH 31, 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 March, 31, 2016, the Company's negative net working capital was BRL 72,642 in the Controlling Company and BRL 34,975 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 debentures, series 1, to the current liabilities, which will be settled in July 2016. Provisioning of payable dividends also occurred. The Company cash generation, from its operating activities, will be sufficient to balance this scenario.

On December, 31, 2015, the Company's negative net working capital was BRL 131,184 (BRL 97,449 in the Consolidated), mainly due to the transfer of the 1st installment of the 4th issuance of debentures, series 1, to the current liabilities, which will be settled in July 2016, the provision dividends and interest on capital payable, increase in provision for taxes payable and the high amount of the electric power purchase in the period. The Company cash generation, from its operating activities, will be sufficient to balance this scenario.

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 agreement.

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 May 12, 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 March 31, 2016 the Company holds control on Duke Energy International Geração Sapucaí–Mirim Ltda., as described in note 10.

2.3. Concession agreements

Controlling Company

ANEEL Concession Arrangements	Plant	Type	State	River	Installed Capacity (MW)	Assured energy (average MW)	Initial term of the Concession	Concession Maturity
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	176.1	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	1,108.9		

The information related to concession agreements is the same described in note 2.11.1 of the annual financial statements of 2015.

2.4. Authorizing Resolutions

Controlled Company

ANEEL Authorization Resolution	Plant	Type	State	River	Installed Capacity (MW)	Assured energy (average MW)	Start of Authorization	Authorization Expiration
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:

			Controlling Company					
Debt			03/31/2016	Scenario - Δ 50%	Scenario - Δ 25%	Probable Scenario	Scenario + Δ 25%	Scenario + Δ 50%
Debentures	Issuance	Indexer						
	3rd	CDI	(77,242)	(6,191)	(8,842)	(11,494)	(14,145)	(16,796)
	4th S1	CDI	(256,622)	(19,285)	(28,094)	(36,902)	(45,711)	(54,519)
	4th S2	IPCA	(322,688)	(34,737)	(42,312)	(49,888)	(57,463)	(65,038)
	5th S1	CDI	(249,942)	(19,383)	(27,962)	(36,542)	(45,121)	(53,700)
	5th S2	IPCA	(297,054)	(34,770)	(41,744)	(48,717)	(55,690)	(62,664)
Loan		CDI	(206,324)	(17,053)	(24,135)	(31,217)	(38,299)	(45,381)
			(1,409,872)	(131,419)	(173,089)	(214,760)	(256,429)	(298,098)
Cash and cash equivalents		CDI	415,150	28,500	42,750	57,000	71,250	85,500
Total net exposure			(994,722)	(102,919)	(130,339)	(157,760)	(185,179)	(212,598)

6. CASH AND CASH EQUIVALENTS

	Controlling Company		Consolidated	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Cash and Banks	234	1,885	500	2,301
Financial investments				
Bank deposit certificate (CDB)	396,404	397,063	432,073	443,605
Fixed income fund	18,512	18,016	18,663	18,163
	415,150	416,964	451,236	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			
	03/31/2016		12/31/2015	
	Current	Non-current assets	Current	Non-current assets
Receivables from bilateral agreements	126,703	502	108,414	651
Short-term electric power (MRE/MCP)	22,125	-	55,980	-
	148,828	502	164,394	651
Estimate for doubtful accounts	(3,051)	(285)	-	(285)
	145,777	217	164,394	366

	Consolidated			
	03/31/2016		12/31/2015	
	Current	Non-current assets	Current	Non-current assets
Receivables from bilateral agreements	129,679	630	111,537	779
Short-term electric power (MRE/MCP)	23,488	-	58,367	-
	153,167	630	169,904	779
Estimate for doubtful accounts	(4,163)	(413)	(72)	(413)
	149,004	217	169,832	366

Activity of estimate for doubtful accounts ("ECLD"):		
	Controlling Company	Consolidated
Balance on December 31, 2015	(285)	(485)
Constitution	(3,051)	(4,091)
Balances on March 31, 2016	(3,336)	(4,576)

Variance in "Provision for doubtful accounts" is mainly due to the effects of short-term market liquidation in the 1st quarter of 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			
	03/31/2016		12/31/2015		03/31/2016		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)	3,595	819	2,922	819	4,751	819	3,873	819
PIS and COFINS	1,031	141	1,274	141	1,031	141	1,274	141
INSS (National Institute of Social Security)	-	-	-	-	-	1,191	-	1,168
	4,626	960	4,196	960	5,782	2,151	5,147	2,128
Liabilities								
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income)	48,624	-	117,587	-	49,378	-	118,246	-
PIS and COFINS	11,097	-	10,376	-	11,213	-	10,510	-
ICMS	1,848	-	1,511	-	1,848	-	1,511	-
IRRF (Withholding Income Tax) on JSCP (Interest on Capital)	-	-	8,176	-	-	-	8,176	-
Others	270	-	411	-	288	-	440	-
	61,839	-	138,061	-	62,727	-	138,883	-
Assets from deferred taxes								
Temporary differences	-	(88,338)	-	(72,544)	-	(88,338)	-	(72,544)
Tax benefit	-	(27,259)	-	(28,183)	-	(27,259)	-	(28,183)
Deferred revenues	-	(9,360)	-	(9,338)	-	(9,360)	-	(9,338)
Deferred tax liability								
Valuation adjustments to equity	-	368,134	-	377,165	-	368,134	-	377,165
Actuarial adjustment - pension plan	-	2,505	-	2,424	-	2,505	-	2,424
Surplus - Investment in controlled company	-	3,037	-	3,037	-	3,037	-	3,037
Deferred tax liability (net)	-	248,719	-	272,561	-	248,719	-	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			
	03/31/2015		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	(225,219)	148,640	(76,579)	(75,655)
Balance at the end of the fiscal year	80,187	(52,928)	27,259	28,183

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

	Controlling Company and Consolidated	Controlling Company
	03/31/2016	03/31/2015
Amortization of goodwill	(2,717)	(2,943)
Provision for reversion	1,793	1,942
Tax benefit	924	1,001
Net effect for the period	-	-

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

	Controlling Company and Consolidated							Total
	2016	2017	2018	2019	2020	2021 - 2024	2025 and after	
Estimated realization	2,771	3,299	2,946	2,630	2,097	7,383	6,133	27,259

Variations 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					
	03/31/2016			03/31/2015		
	IRPJ	CSLL	Total	IRPJ	CSLL	Total
Accounting profit before IRPJ and CSLL	107,525			35,812		
Nominal rate of IRPJ and CSLL	25%	9%	34%	25%	9%	34%
IRPJ and CSLL to rates provided by law	26,881	9,677	36,558	8,953	3,223	12,176
Adjustments for the calculation of the effective rate						
Amortization – charge, inflation creditor	(565)	18	(547)	(546)	18	(528)
Non-deductible expenses	610	70	680	666	122	788
Equity accounting from controlled companies	(350)	(126)	(476)	-	-	-
Others	60	-	60	(14)	1	(13)
IRPJ and CSLL with effect in income	26,636	9,639	36,275	9,059	3,364	12,423
Current IRPJ and CSLL	44,226	15,972	60,198	15,948	5,844	21,792
Deferred IRPJ and CSLL	(17,590)	(6,333)	(23,923)	(6,889)	(2,480)	(9,369)
Total IRPJ and CSLL with effect in income	26,636	9,639	36,275	9,059	3,364	12,423
Effective tax rate	24.8%	9.0%	33.8%	25.3%	9.4%	34.7%

	Consolidated		
	03/31/2016		
	IRPJ	CSLL	Total
Accounting profit before IRPJ and CSLL	108,279		
Nominal rate of IRPJ and CSLL	25%	9%	34%
IRPJ and CSLL to rates provided by law	27,070	9,745	36,815
Adjustments for the calculation of the effective rate			
Amortization – charge, inflation creditor	(565)	18	(547)
Non-deductible expenses	610	70	680
Difference per taxation of deemed income in controlled companies	(11)	32	21
Others	60	-	60
IRPJ and CSLL with effect in income	27,164	9,865	37,029
Current IRPJ and CSLL	44,754	16,198	60,952
Deferred IRPJ and CSLL	(17,590)	(6,333)	(23,923)
Total IRPJ and CSLL with effect in income	27,164	9,865	37,029
Effective tax rate	25.1%	9.1%	34.2%

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	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Environmental	5,523	5,404	5,523	5,404
Tax:	9,420	9,214	9,420	9,214
IPTU (Municipality of <i>Primeiro de Maio</i>)	1,384	1,356	1,384	1,356
Debits under claim on IRRF, IRPJ and CSLL	122	119	122	119
Debits under claim related to PIS, COFINS, IRPJ, CSLL and IOF	7,914	7,739	7,914	7,739
Tusd-g	29,358	28,612	29,358	28,612
	44,301	43,230	44,301	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 (%)	03/31/2016	12/31/2015
			Equity Value	Equity Value
Duke Energy International Geração Sapucaí-Mirim Ltda.	398,617,358	99.99%	188,350	186,948

b) **Activity of Controlling Company's investments**

	Controlled Company
Balance on December 31, 2015	186,948
Equity accounting valuation	1,402
Balances on March 31, 2016	188,350

c) **Financial information of the Controlled Company**

	Controlled Company	
	03/31/2016	12/31/2015
Shareholders' Equity	188,350	186,948
Net profit (loss) for the period	1,402	(13,420)
Total assets	192,915	207,679
Net revenues for the period	8,291	25,237

11. **PROPERTY, PLANT AND EQUIPMENT**

a) **Breakdown**

	Controlling Company			
	Cost	Accumulated depreciation	03/31/2016	12/31/2015
			Net value	Net value
In service				
Land	210,982	-	210,982	210,982
Reservoirs, dams and water mains	3,407,815	(1,103,016)	2,304,799	2,343,008
Buildings, civil construction and improvements	454,269	(159,864)	294,405	298,269
Machinery and equipment	852,656	(317,111)	535,545	542,125
Vehicles	6,588	(2,130)	4,458	4,238
Furniture and fixtures	1,857	(1,429)	428	465
(-) Reserve - Canoas I and II plants	(200,675)	-	(200,675)	(200,675)
	4,733,492	(1,583,550)	3,149,942	3,198,412
In progress				
Land	4,248	-	4,248	4,248
Reservoirs, dams and water mains	2,427	-	2,427	2,124
Buildings, civil construction and improvements	284	-	284	207
Machinery and equipment	87,430	-	87,430	83,149
Vehicles	849	-	849	1,104
Furniture and fixtures	1,533	-	1,533	1,546
	96,771	-	96,771	92,378
	4,830,263	(1,583,550)	3,246,713	3,290,790
(-) Special obligations (see Note 21)	(2,058)	524	(1,534)	(1,515)
	4,828,205	(1,583,026)	3,245,179	3,289,275

	Consolidated				Depreciation annual average rate
	03/31/2016			12/31/2015	
	Cost	Accumulated depreciation	Net value	Net value	
In service					
Land	220,387	-	220,387	220,387	
Reservoirs, dams and water mains	3,642,648	(1,116,495)	2,526,153	2,565,279	4.3%
Buildings, civil construction and improvements	491,831	(162,213)	329,618	333,684	3.2%
Machinery and equipment	972,644	(326,942)	645,702	651,594	5.1%
Vehicles	6,648	(2,158)	4,490	4,272	13.7%
Furniture and fixtures	1,975	(1,447)	528	568	4.6%
(-) Reserve - Canoas I and II plants	(200,675)	-	(200,675)	(200,675)	
	5,135,458	(1,609,255)	3,526,203	3,575,109	
In progress					
Land	14,086	-	14,086	14,015	
Reservoirs, dams and water mains	2,427	-	2,427	2,387	
Buildings, civil construction and improvements	410	-	410	333	
Machinery and equipment	88,936	-	88,936	86,055	
Vehicles	849	-	849	1,104	
Furniture and fixtures	1,533	-	1,533	1,546	
	108,241	-	108,241	105,440	
Reversion / (loss) from the non-recoverability of the assets	(237,330)	-	(237,330)	(237,350)	
	5,006,369	(1,609,255)	3,397,114	3,443,199	
(-) Special obligations (see Note 21)	(2,058)	524	(1,534)	(1,515)	
	5,004,311	(1,608,731)	3,395,580	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 03/31/2016
Land	215,230	-	-	-	-	215,230
Reservoirs, dams and water mains	2,345,132	304	(38,210)	-	-	2,307,226
Buildings, civil construction and improvements	298,476	78	(3,713)	(152)	-	294,689
Machinery and equipment	625,274	9,365	(11,190)	(544)	70	622,975
Vehicles	5,342	262	(214)	(83)	-	5,307
Furniture and fixtures	2,011	56	(19)	(17)	(70)	1,961
(-) Reserve - Canoas I and II plants	(200,675)	-	-	-	-	(200,675)
	3,290,790	10,065	(53,346)	(796)	-	3,246,713
(-) Special obligations (see Note 21)	(1,515)	(40)	21	-	-	(1,534)
	3,289,275	10,025	(53,325)	(796)	-	3,245,179

	Consolidated					
	Net value on 12/31/2015	Additions	Depreciation	Write-offs	Reclassification and transfer	Net value on 03/31/2016
Land	234,402	71	-	-	-	234,473
Reservoirs, dams and water mains	2,567,666	303	(39,414)	(28)	53	2,528,580
Buildings, civil construction and improvements	334,017	79	(3,916)	(152)	-	330,028
Machinery and equipment	737,649	9,614	(12,099)	(545)	19	734,638
Vehicles	5,376	263	(216)	(84)	-	5,339
Furniture and fixtures	2,114	57	(21)	(17)	(72)	2,061
(-) Reserve - Canoas I and II plants	(200,675)	-	-	-	-	(200,675)
	3,680,549	10,387	(55,666)	(826)	-	3,634,444
Reversion / (loss) from the non-recoverability of the assets	(237,350)	-	-	20	-	(237,330)
	3,443,199	10,387	(55,666)	(806)	-	3,397,114
(-) Special obligations (see Note 21)	(1,515)	(40)	21	-	-	(1,534)
	3,441,684	10,347	(55,645)	(806)	-	3,395,580

The additional depreciation expense, calculated on the adjustments to the attributed cost in the periods ended March 31, 2016 amounted to BRL 26,177 and BRL 25,988, 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 and Chavantes Hydroelectric Power Plants, amounting to BRL 7.3 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 March 31, 2016 consist of software licenses, right of way and the Use of Public Assets (UBP).

a) Breakdown

	Controlling Company			
	03/31/2016			12/31/2015
	Cost	Accumulated amortization	Net value	Net value
In service				
UBP	53,494	(28,050)	25,444	25,907
Software	24,648	(21,295)	3,353	3,646
Right of way	75	-	75	75
	78,217	(49,345)	28,872	29,628
In progress				
Software	850	-	850	758
Right of way	-	-	-	-
	850	-	850	758
	79,067	(49,345)	29,722	30,386
(-) Special obligations (see Note 21)	(2,207)	1,174	(1,033)	(1,143)
	76,860	(48,171)	28,689	29,243

	Consolidated				Amortization annual average rate
	03/31/2016			12/31/2015	
	Cost	Accumulated amortization	Net value	Net value	
In service					
UBP	53,494	(28,050)	25,444	25,907	3.5%
Software	24,713	(21,321)	3,392	3,687	5.1%
Right of way	262	-	262	262	
	78,469	(49,371)	29,098	29,856	
In progress					
Software	850	-	850	758	
Right of way	17	-	17	17	
	867	-	867	775	
	79,336	(49,371)	29,965	30,631	
(-) Special obligations (see Note 21)	(2,207)	1,174	(1,033)	(1,143)	
	77,129	(48,197)	28,932	29,488	

b) Activity of intangible assets

	Controlling Company			
	Net value on 12/31/2015	Additions	Amortization	Net value on 03/31/2016
UBP	25,907	-	(463)	25,444
Software	4,404	92	(293)	4,203
Right of way	75	-	-	75
	30,386	92	(756)	29,722
(-) Special obligations (see Note 21)	(1,143)	-	110	(1,033)
	29,243	92	(646)	28,689

	Consolidated			
	Net value on 12/31/2015	Additions	Amortization	Net value on 03/31/2016
UBP	25,907	-	(463)	25,444
Software	4,445	92	(295)	4,242
Right of way	279	-	-	279
	30,631	92	(758)	29,965
(-) Special obligations (see Note 21)	(1,143)	-	110	(1,033)
	29,488	92	(648)	28,932

13. TRADE PAYABLES

	Controlling Company				Consolidated			
	03/31/2016		12/31/2015		03/31/2016		12/31/2015	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Electric power supply	203,925	-	152,376	-	205,617	-	155,819	-
Contracted services and materials	6,614	-	8,073	-	6,942	-	8,350	-
Charges for the use of electric power grid	11,330	10,707	11,512	9,802	11,369	10,707	11,550	9,802
Tust	10,279	-	10,455	-	10,279	-	10,455	-
Tusd-g	1,024	10,707	1,030	9,802	1,063	10,707	1,068	9,802
Connection charges	27	-	27	-	27	-	27	-
	221,869	10,707	171,961	9,802	223,928	10,707	175,719	9,802

In the line item electric power supply, we have the effect of BRL 136,592 on the Controlling Company and BRL 138,014 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 injunction on GSF granted to APINE, according to the description of note 1. The remaining amount is related to the normal transaction of power purchase.

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 and monetary adjustment of one percent (1%), based on IPCA/IBGE variance, calculated from January 2015, in the total amount BRL 15,952. Controlled Company effected payment of this decision on February 12, 2016.

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.

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 March 31, 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 March 31, 2016 is BRL 148,567 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	Controlling Company
	03/31/2016	03/31/2015
Short-term benefits for employees and managers	2,010	2,591
Post-employment benefits	67	51
Supervisory board	238	239
	2,315	2,881

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	Compensation	Maturity	Controlling Company and Consolidated					
				03/31/2016			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	2,242	77,242	-	-	-
4th	1	CDI variance + 0.65% per year	7/16/2018	83,325	6,817	90,142	166,675	(195)	166,480
4th	2	IPCA variance + 6.07% per year	7/16/2023	-	13,029	13,029	250,000	59,659	309,659
5th	1	CDI variance + 0.89% per year	5/20/2019	-	11,809	11,809	239,000	(867)	238,133
5th	2	IPCA variance + 7.01% per year	5/20/2021	-	16,633	16,633	240,000	40,421	280,421
				158,325	50,530	208,855	895,675	99,018	994,693

Issuance	Series	Compensation	Maturity	Controlling Company and Consolidated					
				12/31/2015			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	162,294	162,167	173,021	93,505	196,849	103,095	103,762	994,693

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	49	39	19	100	72	279
Payment of principal	(75,000)	-	-	-	-	(75,000)
Interest appropriation	2,939	8,591	4,834	8,432	5,220	30,016
Appropriation of monetary variance	-	-	9,292	-	8,488	17,780
Payment of interest	(11,132)	(18,053)	-	-	-	(29,185)
	(83,144)	(9,423)	14,145	8,532	13,780	(56,110)
Balances on March 31, 2016	77,242	256,622	322,688	249,942	297,054	1,203,548

Variances in Debentures balance, except from the payment of principal on the 3rd issuance and interest on 4th and 5th issuance, 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

Compensation	Maturity	Controlling Company and Consolidated			Controlling Company and Consolidated		
		03/31/2016			12/31/2015		
		Non-current			Non-current		
		Principal	Interest	Total	Principal	Interest	Total
CDI variance + 1.4% per year	05/05/2017	181,000	25,324	206,324	181,000	18,125	199,125

b) Maturity

Long term maturity	03/31/2016
	Non-current
2017	206,324
	206,324

c) Activity

	03/31/2016
Balance on December 31, 2015	199,125
Interest appropriation	7,199
Balances on March 31, 2016	206,324

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 17 to the 2015 annual financial statements.

18. CIBACAP - CAPIVARA BASIN INTERCITY CONSORTIUM

	Controlling Company		Consolidation	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Current	1,000	-	1,000	-
Non-current	9,420	10,135	9,420	10,135
	10,420	10,135	10,420	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 March 31, 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	Controlling Company
	03/31/2016	03/31/2015
Current service cost	453	556
Interest on actuarial obligation	5,846	5,356
Expected earnings from the plan's assets	(6,971)	(6,503)
Interest on assets restriction	1,098	1,122
	426	531

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			
	03/31/2016			12/31/2015
	Provision	Escrow deposits	Net provisions	Net provisions
Labor	12,419	(2,349)	10,070	8,883
Tax	13,189	(717)	12,472	12,428
Environmental	8,658	(3,264)	5,394	5,156
	34,266	(6,330)	27,936	26,467

	Consolidated			
	03/31/2016			12/31/2015
	Provision	Escrow deposits	Net provisions	Net provisions
Labor	13,111	(2,369)	10,742	9,116
Tax	13,189	(717)	12,472	12,428
Environmental	8,658	(3,263)	5,395	5,156
	34,958	(6,349)	28,609	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	(167)	-	-	(167)
Contingencies adjustments	405	54	301	760
Agreements / payments for the period	(203)	-	-	(203)
	1,233	54	301	1,588
Escrow deposits				
Monetary adjustments	(46)	(10)	(63)	(119)
	(46)	(10)	(63)	(119)
Balances on March 31, 2016	10,070	12,472	5,394	27,936

	Consolidated			
	Labor	Tax	Environmental	Total
Balance on December 31, 2015	9,116	12,428	5,156	26,700
Contingencies				
Provisions for the period	1,563	-	-	1,563
Reversions for the period	(167)	-	-	(167)
Contingencies adjustments	486	54	301	841
Agreements / payments for the period	(202)	-	-	(202)
	1,680	54	301	2,035
Escrow deposits				
Monetary adjustments	(46)	(10)	(62)	(118)
(Additions)	(8)	-	-	(8)
	(54)	(10)	(62)	(126)
Balances on March 31, 2016	10,742	12,472	5,395	28,609

20.2. Possible contingencies

	Controlling Company		Consolidated	
	03/31/2016	12/31/2015	03/31/2016	12/31/2015
Labor	7,670	8,848	8,066	9,428
Tax	128,337	126,155	128,337	126,155
Environmental	20,719	20,191	20,719	20,191
Regulatory	78,747	76,503	78,747	76,503
Civil	727	711	727	711
	236,200	232,408	236,596	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	
	03/31/2016	12/31/2015
From property, plant and equipment (see note 11)		
Equipment donations (ONS)	1,385	1,400
Research and development (R&D)	149	115
	1,534	1,515
From intangible assets (See note 12)		
Research and development (R&D) - Software	1,033	1,143
	2,567	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			
	03/31/2016		12/31/2015		03/31/2016		12/31/2015	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Financial offset from the use of water resources (CFURH)	15,793	-	15,134	-	15,793	-	15,134	-
Electric Power Service Inspection Fee (TFSEE)	465	-	417	-	472	-	425	-
Research and development (R&D)	16,734	7,262	21,263	5,462	16,734	7,262	21,263	5,462
	32,992	7,262	36,814	5,462	32,999	7,262	36,822	5,462

See additional comments in note 22 to 2015 annual financial statements

23. SHAREHOLDERS' EQUITY

23.1. Capital

As of March 31, 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.

	Equity position on March 31, 2016 (In thousands of shares)					
	Common	%	Preferred	%	Total	%
Shareholders						
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	1,003	1.59	1,006	1.07
Other individuals and legal entities	294	0.93	2,297	3.65	2,591	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

	03/31/2016	12/31/2015
Premium on issuance of shares	468	468
Spin-off account	(6,418)	(6,418)
Premium on downstream merger (see Note 8.1)	103,838	103,838
Share-based payment	1,683	1,683
Special reserve - Corporate reorganization - Acquisition of Duke Energy Int. Geração Sapucaí-Mirim Ltda	21,849	5,897
	121,420	105,468

On March 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

	03/31/2016	12/31/2015
Legal reserve	132,419	132,419
Pension plan	4,872	4,715
	137,291	137,134

23.4. Retained earnings

a) Breakdown of retained earnings

	03/31/2016
Net income for the period	71,250
Depreciation (deemed cost)	26,177
Write-offs (deemed cost)	383
Deferred IRPJ/CSLL (deemed cost)	(9,031)
	88,779

b) Breakdown of dividends and interest on capital payable

	03/31/2016	12/31/2015
Proposed dividends	115,999	115,999
Interest on equity, payable	107	44,329
Dividends and interest on equity and decrease on capital held in custody	1,451	1,576
	117,557	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	(26,177)	-	(26,177)
Write-off	(383)	-	(383)
Deferred IRPJ/CSLL	9,031	-	9,031
	(17,529)	-	(17,529)
Comprehensive income			
Actuarial gains on defined benefit pension plan	-	238	238
Deferred income tax and social contribution on actuarial gains	-	(81)	(81)
	-	157	157
Reclassifications of net actuarial gains - CPC 33 (R1)	-	(157)	(157)
Balances on March 31, 2016	714,614	-	714,614

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

24. NET OPERATING REVENUE

	Controlling Company		Consolidated
	03/31/2016	03/31/2015	03/31/2016
Electric power supply			
Receivables from bilateral agreements	317,364	331,678	325,829
Receivables from bid agreements	22,877	-	22,876
Short-term market (MCP)	(4,788)	15	(4,877)
Power Reallocation Mechanism (MRE)	19,392	6,279	19,647
	354,845	337,972	363,475
Other revenues	43	99	43
	354,888	338,071	363,518
Deductions to operating revenue			
PIS and COFINS	(33,723)	(29,786)	(34,063)
ICMS	(4,958)	(13,462)	(4,958)
R&D	(2,886)	(2,802)	(2,886)
	(41,567)	(46,050)	(41,907)
Net operating revenue	313,321	292,021	321,611

25. OPERATING COSTS AND EXPENSES

Breakdown of operating costs and expenses by nature:

	Controlling Company			
	Cost of electric power sold	General and administrative expenses	03/31/2016	03/31/2015
			Total	Total
Personnel	12,852	9,289	22,141	22,481
Material	908	31	939	1,150
Third-party services	5,607	3,051	8,658	8,017
Electric Power Service Inspection Fee (TFSEE)	1,396	-	1,396	1,252
Electric power purchased for resale	7,236	-	7,236	83,979
Charges for the use of electric power grid	26,269	-	26,269	22,038
Financial offset from the use of water resources	23,392	-	23,392	14,296
Depreciation and amortization	53,550	421	53,971	54,187
Provisions for tax, labor and environmental risks	790	241	1,031	1,030
Constitution / (Reversion) of provision for doubtful accounts	-	3,051	3,051	(220)
Rentals	37	868	905	893
Insurances	2,367	-	2,367	1,358
Others	360	1,617	1,977	1,173
	134,764	18,569	153,333	211,634

	Consolidated		
	03/31/2016		
	Cost of electric power sold	General and administrative expenses	Total
Personnel	13,375	9,289	22,664
Material	1,029	31	1,060
Third-party services	6,576	3,203	9,779
Electric Power Service Inspection Fee (TFSEE)	1,416	-	1,416
Electric power purchased for resale	7,439	-	7,439
Charges for the use of electric power grid	26,388	-	26,388
Financial offset from the use of water resources	23,392	-	23,392
Depreciation and amortization	55,866	427	56,293
Provisions for tax, labor and environmental risks	1,156	241	1,397
Estimate constitution for doubtful accounts	-	4,091	4,091
Rentals	37	896	933
Insurances	2,442	-	2,442
Others	405	1,676	2,081
	139,521	19,854	159,375

26. ELECTRIC POWER SOLD AND PURCHASED AND POWER GRID CHARGES

26.1. Electric power sold

	Controlling Company				Consolidated	
	03/31/2016		03/31/2015		03/31/2016	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Receivables from bilateral agreements	1,968,564	317,364	2,032,195	331,678	2,007,212	325,829
Receivables from bid agreements	154,066	22,877	-	-	154,066	22,876
Short-term market (MCP)	6,086	(4,788)	-	14	5,492	(4,877)
Power Reallocation Mechanism (MRE)	1,590,674	19,392	568,150	6,280	1,611,280	19,647
	3,719,390	354,845	2,600,345	337,972	3,778,050	363,475

(*) 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 March 31, 2016:

	Controlling Company		Controlled Company	
	MWm (*)		MWm (*)	
	2016	2015	2016	2015
Electric power available for sale	1,029	1,019	16	16
ACR	70	-	-	-
2016 (3 years)	70	-	-	-
ACL	865	903	16	12
Bilateral agreements for sale of electric power	865	906	16	16
Bilateral agreements for purchase of electric power	-	(3)	-	(4)
Free electric power for contracting	94	116	0	4
Percentage of electric power contracted	90.9%	88.6%	99.8%	75.0%

(*) Not reviewed by independent auditors.

26.2. Electric power purchased for resale

	Controlling Company				Consolidated	
	03/31/2016		03/31/2015		03/31/2016	
	MWh (*)	BRL	MWh (*)	BRL	MWh (*)	BRL
Short-term market (MCP)	16,037	7,236	218,759	83,979	21,508	7,490
Power Reallocation Mechanism (MRE)	-	-	-	-	(4,209)	(51)
	16,037	7,236	218,759	83,979	17,299	7,439

(*) Not reviewed by independent auditors.

The variances in the balance of electric power purchased for resale decreased due to partial recovery in national hydrological scenario.

26.3. Charges for the use of electric power grid

	Controlling Company		Consolidated
	03/31/2016	03/31/2015	03/31/2016
Tust	23,608	20,031	23,608
Tusd-g	2,599	1,958	2,718
Connection charges	62	49	62
	26,269	22,038	26,388

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

27. FINANCE INCOME

	Controlling Company		Consolidated
	03/31/2016	03/31/2015	03/31/2016
Revenues			
Financial investments	11,967	3,662	13,262
Monetary variances	2,535	2,107	2,606
Escrow deposits	2,535	2,106	2,606
Others	-	1	-
Interest and discounts obtained	769	214	794
	15,271	5,983	16,662
Expenses			
Interest - Debentures	(30,295)	(28,945)	(30,295)
Interest - Loans	(7,199)	-	(7,199)
Monetary variances	(30,104)	(21,013)	(31,576)
Debentures	(17,780)	(18,671)	(17,780)
Tusd-g	(2,249)	(1,766)	(2,249)
Provisions for tax, labor and environmental risks	(760)	-	(841)
Financial updating by arbitral proceeding		-	(871)
Others	(9,315)	(576)	(9,835)
Pension plan expenses (see Note 19)	(426)	(531)	(426)
Other financial expenses	(1,112)	(69)	(1,123)
	(69,136)	(50,558)	(70,619)
	(53,865)	(44,575)	(53,957)

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:

	03/31/2016	03/31/2015
Numerator		
Net income for the period attributed to shareholders of the Company		
Preferred	47,500	15,593
Common	23,750	7,796
	71,250	23,389
Denominator (weighted average of number of shares)		
Preferred	62,955	62,955
Common	31,478	31,478
	94,433	94,433
Basic and diluted earnings per share		
Preferred	0.75450	0.24768
Common	0.75450	0.24768

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) 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)

	03/31/2016		12/31/2015	
	Carrying Amount	Market Value	Carrying Amount	Market Value
Debentures	1,203,548	1,530,961	1,259,658	1,504,645
Loan	206,324	166,581	199,125	167,020
	1,409,872	1,697,542	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 March 31, 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	
	03/31/2016	12/31/2015
Dividends and Interest on Equity (JSCP) proposed	-	245,087
Realization of equity accounting adjustment	17,529	71,572
Reclassification of net actuarial gains	157	826
Deferred income tax on pension plan	81	425

32. COMMITMENTS

32.1. Electric power purchase and sale agreement

The Controlling Company and its controlled company have bilateral agreements for the sale of power negotiated until the year 2020; 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 2016, in the amount of BRL 22,644, BRL 10,539 is related to normal transaction of power sale in the short-term market (MRE/MCP) and BRL 12,105 is related to the injunction granted to APINE.

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