



ENGIE Brasil Energia S.A. Quarterly Information 2Q16

CNPJ No. 02.474.103/0001-19 / NIRE Nº 42 3 0002438-4
Address: Rua Paschoal Apóstolo Pítsica, 5064
Agrônômica – Florianópolis – SC – CEP 88025-255



Index

Company Information

Capital Composition	1
Profit Distribution in Cash	2

Parent company Financial Statements

Balance Sheet - Assets	3
Balance Sheet - Liabilities	4
Income Statement	6
Comprehensive Income Statement	7
Cash Flow Statement	8

Changes in Shareholders' Equity Statement

Changes in Shareholders' Equity Statement - from 1/1/2016 to 6/30/2016	9
Changes in Shareholders' Equity Statement - from 1/1/2015 to 6/30/2015	10
Value Added Statement	11

Consolidated Financial Statements

Balance Sheet - Assets	12
Balance Sheet - Liabilities	13
Income Statement	15
Comprehensive Income Statement	16
Cash Flow Statement	17

Changes in Shareholders' Equity Statement

Changes in Shareholders' Equity Statement - from 1/1/2016 to 6/30/2016	18
Changes in Shareholders' Equity Statement - from 1/1/2015 to 6/30/2015	19
Value Added Statement	20
Economic-Financial Performance	21
Notes	27
Comments on Business Projections	63
Other Relevant Information	66

Opinions and Statements

Special Review Report - Unqualified	67
Statement of the Executive Officers on the Financial Statements	69
Statement of the Executive Officers on the Independent Auditors' Report	70

Company Information / Capital Composition

Number of shares (Units)	Current quarter 6/30/2016
Paid-in capital	
Common	652,742,192
Preferred	0
Total	652,742,192
Treasury shares	
Common	0
Preferred	0
Total	0

Company Information / Profit Distribution in Cash

Event	Approval	Profit Distribution	Commencement of Payment	Type of Share	Class of Share	Profit Distribution per Share (Reais / Share)
Board of Directors' Meeting	11/6/2015	Interest on equity	2/24/2016	Common shares		0.48105
Annual Shareholders' Meeting	4/14/2016	Dividends	5/25/2016	Common shares		0.32095
Board of Directors' Meeting	7/28/2016	Dividends	10/6/2016	Common shares		0.98844

Parent company Financial Statements / Balance Sheet - Assets**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 6/30/2016	Prior Year 12/31/2015
1	Total Assets	12,223,571	12,832,143
1.01	Current Assets	2,859,927	3,281,282
1.01.01	Cash and Cash Equivalents	1,493,394	1,739,008
1.01.03	Accounts Receivable	883,073	794,614
1.01.03.01	Trade Accounts Receivable	506,445	441,588
1.01.03.02	Other Accounts Receivable	376,628	353,026
1.01.03.02.01	Dividends receivable from subsidiaries	253,865	208,777
1.01.03.02.02	Fuel reimbursable	122,763	144,249
1.01.04	Inventories	101,460	86,100
1.01.06	Recoverable Taxes	9,867	6,095
1.01.06.01	Current Taxes Recoverable	9,867	6,095
1.01.06.01.02	Tax credits recoverable	9,867	6,095
1.01.08	Other Current Assets	372,133	655,465
1.01.08.03	Other	372,133	655,465
1.01.08.03.01	Restricted deposits	2,482	2,293
1.01.08.03.02	Unrealized hedge gains	166,456	488,802
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	23,991	23,991
1.01.08.03.04	Other current assets	92,318	53,493
1.01.08.03.05	Non-current asset held for sale	86,886	86,886
1.02	Non-current Assets	9,363,644	9,550,861
1.02.01	Long Term Assets	348,567	350,200
1.02.01.09	Other Non-current Assets	348,567	350,200
1.02.01.09.03	Tax credits recoverable	35,709	34,457
1.02.01.09.04	Restricted deposits	12,049	10,160
1.02.01.09.05	Judicial deposits	137,099	130,020
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	151,394	163,388
1.02.01.09.08	Other non-current assets	12,316	12,175
1.02.02	Investments	3,629,092	3,719,135
1.02.02.01	Equity Interest	3,629,092	3,719,135
1.02.02.01.02	Interest on Subsidiaries	3,371,824	3,433,650
1.02.02.01.03	Interest in Joint Ventures	257,268	285,485
1.02.03	Property, Plant and Equipment	5,367,613	5,464,264
1.02.03.01	Property, Plant and Equipment in Operation	5,098,010	5,219,353
1.02.03.03	Construction in Progress	269,603	244,911
1.02.04	Intangible Assets	18,372	17,262
1.02.04.01	Intangible Assets	18,372	17,262

Parent Company Financial Statements / Balance Sheet - Liabilities**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 6/30/2016	Prior Year 12/31/2015
2	Total Liabilities	12,223,571	12,832,143
2.01	Current Liabilities	1,613,669	2,504,892
2.01.01	Social and Labor Obligations	81,979	102,343
2.01.01.02	Labor Obligations	81,979	102,343
2.01.01.02.01	Provision for payroll and charges	81,979	102,343
2.01.02	Suppliers	196,717	372,502
2.01.02.01	Domestic Suppliers	196,717	372,502
2.01.03	Tax Liabilities	58,457	1,570
2.01.03.01	Federal Tax Liabilities	58,457	1,570
2.01.03.01.01	Income and Social Contribution Taxes Payable	58,457	1,570
2.01.04	Loans and Financing	1,036,966	1,553,493
2.01.04.01	Loans and Financing	1,030,570	1,553,004
2.01.04.01.01	In Local Currency	131,273	100,828
2.01.04.01.02	In Foreign Currency	899,297	1,452,176
2.01.04.02	Debentures	6,396	489
2.01.05	Other Liabilities	191,716	428,034
2.01.05.02	Other	191,716	428,034
2.01.05.02.01	Dividends and Interest on Equity Payable	4,054	269,470
2.01.05.02.04	Concessions payable	58,454	55,388
2.01.05.02.05	Other tax and regulatory liabilities	55,671	67,996
2.01.05.02.06	Other current liabilities	73,537	35,180
2.01.06	Provisions	47,834	46,950
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	25,645	24,761
2.01.06.01.02	Social Security and Labor Provisions	3,500	2,500
2.01.06.01.04	Civil Provisions	22,145	22,261
2.01.06.02	Other Provisions	22,189	22,189
2.01.06.02.04	Retirement benefits obligations	22,189	22,189
2.02	Non-current liabilities	3,763,164	3,687,379
2.02.01	Loans and Financing	818,730	845,469
2.02.01.01	Loans and Financing	628,665	664,522
2.02.01.01.01	In Local Currency	628,665	664,522
2.02.01.02	Debentures	190,065	180,947
2.02.02	Other Liabilities	2,148,260	1,973,734
2.02.02.02	Other	2,148,260	1,973,734
2.02.02.02.03	Concessions payable	2,129,619	1,965,193
2.02.02.02.04	Other Non-Current Liabilities	18,641	8,541
2.02.03	Deferred Taxes	266,495	369,210
2.02.03.01	Deferred Income and Social Contribution Taxes	266,495	369,210
2.02.04	Provisions	529,679	498,966
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	262,657	243,414
2.02.04.01.01	Tax Provisions	5,321	4,847
2.02.04.01.02	Social Security and Labor Provisions	6,746	6,889
2.02.04.01.04	Civil Provisions	250,590	231,678
2.02.04.02	Other Provisions	267,022	255,552

Parent Company Financial Statements / Balance Sheet - Liabilities**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 6/30/2016	Prior Year 12/31/2015
2.02.04.02.04	Retirement benefits obligations	267,022	255,552
2.03	Shareholders' equity	6,846,738	6,639,872
2.03.01	Paid-in Capital Stock	2,737,361	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.02.07	Capital Reserves	91,695	91,695
2.03.04	Profit Reserves	2,845,637	3,333,102
2.03.04.01	Legal Reserve	489,153	489,153
2.03.04.05	Retained Earnings Reserve	2,247,099	2,247,099
2.03.04.07	Tax Incentive Reserve	109,385	96,864
2.03.04.10	Capital Increase and Additional Dividends Proposed	0	499,986
2.03.05	Retained Earnings/Losses	678,966	0
2.03.06	Assets Valuation Adjustments	493,079	769,309

Parent Company Financial Statements / Income Statement**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 4/1/2016 to 6/30/2016	YTD Current Year 1/1/2016 to 6/30/2016	Same Quarter Previous Year 4/1/2015 to 6/30/2015	YTD Previous Year 1/1/2015 to 6/30/2015
3.01	Revenue from Sales of Goods and/or Services	1,049,554	2,143,441	1,012,172	2,099,901
3.02	Cost of Products and/or Services Sold	-518,597	-1,055,018	-660,777	-1,171,565
3.02.01	Electrical energy purchased for resale	-113,745	-230,334	-104,744	-206,799
3.02.02	Transactions in the short-term energy market	-41,107	-101,625	-217,075	-197,315
3.02.03	Charges for the use of and connection to the power grid	-78,021	-155,878	-71,737	-142,670
3.02.04	Cost of electrical energy production	-278,110	-552,577	-260,394	-611,703
3.02.05	Cost of services rendered	-7,614	-14,604	-6,827	-13,078
3.03	Gross Income	530,957	1,088,423	351,395	928,336
3.04	Operating Expenses/Income	30,133	70,218	29,367	47,513
3.04.01	Sales Expenses	-2,801	-5,358	-2,587	-5,185
3.04.02	General and Administrative Expenses	-48,991	-92,194	-43,695	-84,544
3.04.04	Other Operating Income	2,464	3,134	539	2,887
3.04.05	Other Operating Expenses	-14	-17	-1,170	-1,188
3.04.06	Equity Income	79,475	164,653	76,280	135,543
3.04.06.01	Equity	80,311	166,324	77,117	137,214
3.04.06.02	Goodwill amortization	-836	-1,671	-837	-1,671
3.05	Income Before Financial Result and Taxes	561,090	1,158,641	380,762	975,849
3.06	Financial Result	-116,259	-239,822	-105,865	-214,153
3.06.01	Financial Income	66,337	164,015	46,439	88,398
3.06.02	Financial Expenses	-182,596	-403,837	-152,304	-302,551
3.07	Income Before Income Taxes	444,831	918,819	274,897	761,696
3.08	Income and Social Contribution Taxes	-116,333	-243,429	-65,782	-208,073
3.08.01	Current	-138,212	-346,144	-67,013	-133,376
3.08.02	Deferred	21,879	102,715	1,231	-74,697
3.09	Net Income from Continuing Operations	328,498	675,390	209,115	553,623
3.11	Net Income for the Period	328,498	675,390	209,115	553,623
3.99	Earnings per share (R\$ /share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.50326	1.03470	0.32036	0.84815
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.50326	1.03470	0.32036	0.84815

Parent Company Financial Statements / Comprehensive Income Statement**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 4/1/2016 to 6/30/2016	YTD Current Year 1/1/2016 to 6/30/2016	Same Quarter Previous Year 4/1/2015 to 6/30/2015	YTD Previous Year 1/1/2015 to 6/30/2015
4.01	Net Income for the Period	328,498	675,390	209,115	553,623
4.02	Other comprehensive income (loss)	-136,340	-259,025	-30,047	84,850
4.02.01	Equity in the (losses)/gains of subsidiaries, net of deferred taxes	-136,340	-259,025	-30,047	84,850
4.03	Comprehensive Income for the Period	192,158	416,365	179,068	638,473

Parent Company Financial Statements / Cash Flow Statement – Indirect Method**(In thousands of Reais)**

Account Code	Account Description	YTD Current Year 1/1/2016 to 6/30/2016	YTD Prior Year 1/1/2015 to 6/30/2015
6.01	Net Cash from Operating Activities	717,241	746,315
6.01.01	Cash Generated from Operations	1,296,014	1,165,591
6.01.01.01	Income before income taxes	918,819	761,696
6.01.01.02	Equity Interest income	-164,653	-135,543
6.01.01.03	Depreciation and amortization	207,334	193,355
6.01.01.04	Monetary variation	93,921	113,045
6.01.01.05	Interest	239,367	170,132
6.01.01.06	(Reversal) Recognition of operating provisions	-628	61,965
6.01.01.07	Other	1,854	941
6.01.02	Changes in Assets and Liabilities	-578,773	-419,276
6.01.02.01	Trade accounts receivable	-45,205	14,124
6.01.02.02	Fuel reimbursable	21,486	-69,223
6.01.02.03	Insurance damages receivable	0	121,415
6.01.02.04	Inventories	-15,360	-19,602
6.01.02.05	Tax credits recoverable	-33,847	-4,524
6.01.02.06	Restricted and judicial deposits	6,056	13,333
6.01.02.07	Other assets	-933	-282
6.01.02.08	Suppliers	-230,621	-107,195
6.01.02.09	Payment of income and social contribution taxes	-197,379	-240,835
6.01.02.10	Payment of interest on debt	-81,514	-89,089
6.01.02.11	Other tax and regulatory obligations	-20,655	-4,625
6.01.02.12	Retirement benefits obligations	-6,633	-5,795
6.01.02.13	Other liabilities	25,832	-26,978
6.02	Net Cash from Investment Activities	-163,028	-311,352
6.02.01	Capital increase in subsidiaries	-271,355	-275,532
6.02.03	Acquisition of property, plant and equipment	-110,104	-83,362
6.02.04	Acquisition of intangible assets	-3,506	-2,458
6.02.05	Dividends received from subsidiaries	221,937	50,000
6.03	Net Cash from Financing Activities	-799,827	-377,096
6.03.01	Loans and financing obtained	20,195	70,276
6.03.02	Loans and financing paid	-268,770	-24,760
6.03.03	Concession installments paid	-28,578	-26,120
6.03.04	Dividends and interest on equity paid	-521,039	-393,218
6.03.05	Deposits related to debt service	-1,635	-3,274
6.05	Increase (Decrease) in Cash and Cash Equivalents	-245,614	57,867
6.05.01	Opening Balance of Cash and Cash Equivalents	1,739,008	1,287,464
6.05.02	Closing Balance of Cash and Cash Equivalents	1,493,394	1,345,331

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2016 to 6/30/2016**(In thousands of Reais)**

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872
5.03	Adjusted Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872
5.04	Capital Transactions with Partners	0	0	-209,499	0	0	-209,499
5.04.08	Additional Dividends for 2015 paid	0	0	-209,499	0	0	-209,499
5.05	Total Comprehensive Income	0	0	0	675,390	-259,025	416,365
5.05.01	Net Income for the Period	0	0	0	675,390	0	675,390
5.05.02	Other Comprehensive Income	0	0	0	0	-259,025	-259,025
5.05.02.06	Cash Flow Hedge Operations in Subsidiaries	0	0	0	0	-259,025	-259,025
5.06	Internal Changes in Shareholders' Equity	291,595	0	-277,966	3,576	-17,205	0
5.06.04	Capital Increase	291,595	0	-291,595	0	0	0
5.06.05	Tax Incentive Reserve	0	0	13,629	-13,629	0	0
5.06.06	Realization of Deemed Cost	0	0	0	17,205	-17,205	0
5.07	Closing Balances	2,737,361	91,695	2,845,637	678,966	493,079	6,846,738

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2015 to 6/30/2015**(In thousands of Reais)**

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,589,794	0	523,790	5,651,045
5.03	Adjusted Opening Balances	2,445,766	91,695	2,589,794	0	523,790	5,651,045
5.04	Capital Transactions with Partners	0	0	-172,081	0	0	-172,081
5.04.08	Additional Dividends for 2015 paid	0	0	-172,081	0	0	-172,081
5.05	Total Comprehensive Income	0	0	0	553,623	84,850	638,473
5.05.01	Net Income for the Period	0	0	0	553,623	0	553,623
5.05.02	Other Comprehensive Income	0	0	0	0	84,850	84,850
5.05.02.06	Cash Flow Hedge Operations in Subsidiaries	0	0	0	0	84,850	84,850
5.06	Internal Changes in Shareholders' Equity	0	0	5,849	12,336	-18,185	0
5.06.04	Tax incentive Reserve	0	0	5,849	-5,849	0	0
5.06.05	Realization of Deemed Cost	0	0	0	18,185	-18,185	0
5.07	Closing Balances	2,445,766	91,695	2,423,562	565,959	590,455	6,117,437

Parent Company Financial Statements / Value Added Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2016 to 6/30/2016	YTD Prior Year 1/1/2015 to 6/30/2015
7.01	Revenues	2,403,390	2,366,981
7.01.01	Sale of Products and Services	2,389,332	2,344,259
7.01.02	Other Income	14,058	22,722
7.02	Raw material Acquired from Third Parties	-676,332	-834,191
7.02.01	Cost of Products and Services Sold	-427,787	-516,281
7.02.02	Materials, Energy, Third Parties Services and Other	-76,315	-85,898
7.02.04	Other	-172,230	-232,012
7.02.04.01	Charges for the use of and connection to the power grid	-155,878	-142,670
7.02.04.02	Reversal (Recognition) of operating provisions	628	-61,965
7.02.04.03	Other	-16,980	-27,377
7.03	Gross Added Value	1,727,058	1,532,790
7.04	Retentions	-207,334	-193,355
7.04.01	Depreciation, Amortization and Depletion	-207,334	-193,355
7.05	Net Added Value Generated	1,519,724	1,339,435
7.06	Added Value Received in Transfer	328,668	223,941
7.06.01	Equity income	164,653	135,543
7.06.02	Financial Income	164,015	88,398
7.07	Total Added Value to Distribute	1,848,392	1,563,376
7.08	Distribution of Added Value	1,848,392	1,563,376
7.08.01	Labor	144,677	135,891
7.08.01.01	Direct Remuneration	93,069	87,696
7.08.01.02	Benefits	30,317	28,246
7.08.01.03	F.G.T.S.	6,946	6,223
7.08.01.04	Other	14,345	13,726
7.08.01.04.01	Profit sharing	14,345	13,726
7.08.02	Taxes, Duties and Contributions	502,929	458,585
7.08.02.01	Federal	493,621	440,918
7.08.02.02	State	7,728	16,280
7.08.02.03	Municipal	1,580	1,387
7.08.03	Third Parties Capital Remuneration	223,131	169,275
7.08.03.01	Interest	202,848	138,557
7.08.03.02	Rentals	4,724	4,577
7.08.03.03	Other	15,559	26,141
7.08.03.03.01	Capitalized interest	10,941	21,023
7.08.03.03.02	Other financial expenses	4,618	5,118
7.08.04	Remuneration of Own Capital	678,966	565,959
7.08.04.03	Retained Earnings / Loss for the Period	678,966	565,959
7.08.05	Other	298,689	233,666
7.08.05.01	Sectorial charges	106,195	87,152
7.08.05.02	Charges on concessions payable	196,070	158,850
7.08.05.03	Tax incentive reserve	13,629	5,849
7.08.05.04	Realization of deemed cost	-17,205	-18,185

Consolidated Financial Statements / Balance Sheet - Assets**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 6/30/2016	Prior Year 12/31/2015
1	Total Assets	14,499,717	15,289,386
1.01	Current Assets	3,607,107	4,431,818
1.01.01	Cash and Cash Equivalents	2,104,723	2,396,854
1.01.03	Accounts Receivable	867,836	917,851
1.01.03.01	Trade Accounts Receivable	745,073	773,602
1.01.03.02	Other Accounts Receivable	122,763	144,249
1.01.03.02.01	Fuel reimbursable	122,763	144,249
1.01.04	Inventories	104,330	88,888
1.01.06	Recoverable Taxes	33,667	46,385
1.01.06.01	Current Taxes Recoverable	33,667	46,385
1.01.06.01.02	Tax credits recoverable	33,667	46,385
1.01.08	Other Current Assets	496,551	981,840
1.01.08.03	Other	496,551	981,840
1.01.08.03.01	Restricted deposits	18,289	8,426
1.01.08.03.02	Unrealized hedge gains	222,745	778,227
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	26,064	26,064
1.01.08.03.04	Other current assets	142,567	82,237
1.01.08.03.05	Non-current asset held for sale	86,886	86,886
1.02	Non-current Assets	10,892,610	10,857,568
1.02.01	Long Term Assets	618,632	716,695
1.02.01.09	Other Non-current Assets	618,632	716,695
1.02.01.09.03	Tax credits recoverable	48,516	46,763
1.02.01.09.04	Restricted deposits	178,787	158,139
1.02.01.09.05	Judicial deposits	140,083	132,480
1.02.01.09.06	Unrealized hedge gains	8,502	130,240
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	184,047	197,079
1.02.01.09.08	Other non-current assets	58,697	51,994
1.02.02	Investments	4,526	0
1.02.02.01	Equity interest	4,526	0
1.02.02.01.04	Other equity interest	4,526	0
1.02.03	Property, Plant and Equipment	10,014,844	9,897,550
1.02.03.01	Property, Plant and Equipment in Operation	8,934,485	9,154,772
1.02.03.03	Construction in Progress	1,080,359	742,778
1.02.04	Intangible Assets	254,608	243,323
1.02.04.01	Intangible Assets	254,608	243,323

Consolidated Financial Statements / Balance sheet - Liabilities**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 6/30/2016	Prior Year 12/31/2015
2	Total Liabilities	14,499,717	15,289,386
2.01	Current Liabilities	2,074,568	2,977,377
2.01.01	Social and Labor Obligations	83,158	102,992
2.01.01.02	Labor Obligations	83,158	102,992
2.01.01.02.01	Provision for payroll and charges	83,158	102,992
2.01.02	Suppliers	366,098	573,573
2.01.02.01	Domestic Suppliers	366,098	573,573
2.01.03	Tax Liabilities	66,018	17,799
2.01.03.01	Federal Tax Liabilities	66,018	17,799
2.01.03.01.01	Income and Social Contribution Taxes Payable	66,018	17,799
2.01.04	Loans and Financing	1,199,461	1,712,979
2.01.04.01	Loans and Financing	1,193,065	1,712,490
2.01.04.01.01	In Local Currency	293,768	260,314
2.01.04.01.02	In Foreign Currency	899,297	1,452,176
2.01.04.02	Debentures	6,396	489
2.01.05	Other Liabilities	311,019	522,118
2.01.05.02	Other	311,019	522,118
2.01.05.02.01	Dividends and Interest on Equity Payable	4,521	271,021
2.01.05.02.04	Concessions payable	63,932	60,572
2.01.05.02.05	Other tax and regulatory liabilities	82,028	97,665
2.01.05.02.06	Other current liabilities	160,538	92,860
2.01.06	Provisions	48,814	47,916
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	26,625	25,727
2.01.06.01.01	Tax Provisions	177	177
2.01.06.01.02	Social Security and Labor Provisions	3,500	2,500
2.01.06.01.04	Civil Provisions	22,948	23,050
2.01.06.02	Other Provisions	22,189	22,189
2.01.06.02.04	Retirement benefits obligations	22,189	22,189
2.02	Non-current liabilities	5,575,677	5,669,873
2.02.01	Loans and Financing	2,441,280	2,534,215
2.02.01.01	Loans and Financing	2,251,215	2,353,268
2.02.01.01.01	In Local Currency	2,251,215	2,353,268
2.02.01.02	Debentures	190,065	180,947
2.02.02	Other Liabilities	2,252,865	2,074,407
2.02.02.02	Other	2,252,865	2,074,407
2.02.02.02.03	Concessions payable	2,176,024	2,009,980
2.02.02.02.04	Other Non-Current Liabilities	76,841	64,427
2.02.03	Deferred Taxes	347,251	558,826
2.02.03.01	Deferred Income and Social Contribution Taxes	347,251	558,826
2.02.04	Provisions	534,281	502,425
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	267,259	246,873
2.02.04.01.01	Tax Provisions	5,482	4,965
2.02.04.01.02	Social Security and Labor Provisions	7,163	7,508
2.02.04.01.04	Civil Provisions	254,614	234,400
2.02.04.02	Other Provisions	267,022	255,552

Consolidated Financial Statements / Balance Sheet - Liabilities**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 6/30/2016	Prior Year 12/31/2015
2.02.04.02.04	Retirement benefits obligations	267,022	255,552
2.03	Consolidated Shareholders' equity	6,849,472	6,642,136
2.03.01	Paid-in Capital Stock	2,737,361	2,445,766
2.03.02	Capital Reserves	91,695	91,695
2.03.02.07	Capital Reserves	91,695	91,695
2.03.04	Profit Reserves	2,845,637	3,333,102
2.03.04.01	Legal Reserve	489,153	489,153
2.03.04.05	Retained Earnings Reserve	2,247,099	2,247,099
2.03.04.07	Tax Incentive Reserve	109,385	96,864
2.03.04.10	Additional Dividend Proposed	0	499,986
2.03.05	Retained Earnings/Losses	678,966	0
2.03.06	Assets Valuation Adjustments	493,079	769,309
2.03.09	Non-Controlling Interest	2,734	2,264

Consolidated Financial Statements / Income Statement**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 4/1/2016 to 6/30/2016	YTD Current Year 1/1/2016 to 6/30/2016	Same Quarter Previous Year 4/1/2015 to 6/30/2015	YTD Previous Year 1/1/2015 to 6/30/2015
3.01	Revenue from Sales of Goods and/or Services	1,570,687	3,173,342	1,544,857	3,162,826
3.02	Cost of Products and/or Services Sold	-924,247	-1,840,529	-1,057,577	-1,988,171
3.02.01	Electrical energy purchased for resale	-405,247	-794,570	-374,992	-769,563
3.02.02	Transactions in the short-term energy market	-59,782	-131,750	-246,780	-259,165
3.02.03	Charges for the use of and connection to the power grid	-95,007	-189,351	-87,623	-174,321
3.02.04	Cost of electrical energy production	-356,587	-710,243	-341,354	-772,040
3.02.05	Cost of services rendered	-7,624	-14,615	-6,828	-13,082
3.03	Gross Income	646,440	1,332,813	487,280	1,174,655
3.04	Operating Expenses/Income	-52,663	-100,436	-50,273	-94,593
3.04.01	Sales Expenses	-4,635	-9,282	-4,371	-9,385
3.04.02	General and Administrative Expenses	-50,235	-94,110	-45,421	-87,053
3.04.04	Other Operating Income	2,467	3,219	693	3,041
3.04.05	Other Operating Expenses	-16	-19	-1,174	-1,196
3.04.06	Equity income (loss)	-244	-244	0	0
3.05	Income Before Financial Result and Taxes	593,777	1,232,377	437,007	1,080,062
3.06	Financial Result	-116,855	-245,008	-132,111	-266,878
3.06.01	Financial Income	93,997	218,963	62,199	119,497
3.06.02	Financial Expenses	-210,852	-463,971	-194,310	-386,375
3.07	Income Before Income Taxes	476,922	987,369	304,896	813,184
3.08	Income and Social Contribution Taxes	-148,169	-311,509	-95,638	-259,176
3.08.01	Current	-162,861	-398,577	-99,802	-197,259
3.08.02	Deferred	14,692	87,068	4,164	-61,917
3.09	Net Income from Continuing Operations	328,753	675,860	209,258	554,008
3.11	Consolidated Net Income for the Period	328,753	675,860	209,258	554,008
3.11.01	Attributable to the Partners of the Parent Company	328,498	675,390	209,115	553,623
3.11.02	Attributable to Non-Controlling Partners	255	470	143	385
3.99	Earnings per share (R\$ /share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.50365	1.03542	0.32058	0.84874
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.50365	1.03542	0.32058	0.84874

Consolidated Financial Statements / Comprehensive Income Statement**(In thousands of Reais)**

Account Code	Account Description	Current Quarter 4/1/2016 to 6/30/2016	YTD Current Year 1/1/2016 to 6/30/2016	Same Quarter Previous Year 4/1/2015 to 6/30/2015	YTD Previous Year 1/1/2015 to 6/30/2015
4.01	Consolidated Net Income for the Period	328,753	675,860	209,258	554,008
4.02	Other comprehensive income	-136,340	-259,025	-30,047	84,850
4.02.01	Unrealized (losses)/gains from cash flow hedge operations	-191,146	-383,175	-45,526	128,560
4.02.02	Deferred income and social contribution taxes	64,989	130,280	15,479	-43,710
4.02.03	Realized gains from cash flow hedge operations in the period	-10,183	-6,130	0	0
4.03	Consolidated Comprehensive Income for the Period	192,413	416,835	179,211	638,858
4.03.01	Attributed to the Parent Company's Shareholders	192,158	416,365	179,068	638,473
4.03.02	Attributed to Non-controlling Shareholders	255	470	143	385

Consolidated Financial Statements / Cash Flow Statement - Indirect Method**(In thousands of Reais)**

Account Code	Account Description	YTD Current Year 1/1/2016 to 6/30/2016	YTD Prior Year 1/1/2015 to 6/30/2015
6.01	Net Cash from Operating Activities	1,016,856	956,019
6.01.01	Cash Generated from Operations	1,682,472	1,528,511
6.01.01.01	Income before income taxes	987,369	813,184
6.01.01.02	Depreciation and amortization	311,813	295,767
6.01.01.03	Monetary variation	110,479	116,874
6.01.01.04	Interest	270,443	240,181
6.01.01.05	Recognition of operating provisions	260	61,557
6.01.01.06	Other	2,108	948
6.01.02	Changes in Assets and Liabilities	-665,616	-572,492
6.01.02.01	Trade accounts receivable	46,652	17,459
6.01.02.02	Fuel reimbursable	21,486	-69,223
6.01.02.03	Insurance damages receivable	0	121,415
6.01.02.04	Inventories	-15,442	-19,416
6.01.02.05	Tax credits recoverable	-26,631	1,549
6.01.02.06	Restricted and judicial deposits	-7,860	-988
6.01.02.07	Other assets	-22,747	-6,820
6.01.02.08	Suppliers	-256,744	-99,142
6.01.02.09	Payment of income and social contribution taxes	-244,516	-314,787
6.01.02.10	Payment of interest on debt	-154,945	-163,702
6.01.02.11	Other tax and regulatory obligations	-26,067	-378
6.01.02.12	Retirement benefits obligations	-6,633	-5,795
6.01.02.13	Other liabilities	27,831	-32,664
6.02	Net Cash from Investment Activities	-414,396	-355,354
6.02.01	Acquisition of investment, net of cash and cash equivalent of acquired companies	-12,636	-16,646
6.02.02	Acquisition of property, plant and equipment	-397,599	-336,258
6.02.03	Acquisition of intangible assets	-4,161	-2,450
6.03	Net Cash from Financing Activities	-894,591	-460,938
6.03.01	Loans and financing obtained	20,195	71,525
6.03.02	Loans and financing paid	-344,979	-99,853
6.03.03	Concession installments paid	-31,368	-28,596
6.03.04	Dividends and interest on equity paid	-522,123	-393,218
6.03.05	Deposits related to debt service	-10,967	-12,299
6.03.06	Other	-5,349	1,503
6.05	Increase (Decrease) in Cash and Cash Equivalents	-292,131	139,727
6.05.01	Opening Balance of Cash and Cash Equivalents	2,396,854	1,604,731
6.05.02	Closing Balance of Cash and Cash Equivalents	2,104,723	1,744,458

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2016 to 6/30/2016**(In thousands of Reais)**

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872	2,264	6,642,136
5.03	Adjusted Opening Balances	2,445,766	91,695	3,333,102	0	769,309	6,639,872	2,264	6,642,136
5.04	Capital Transactions with Partners	0	0	-209,499	0	0	-209,499	0	-209,499
5.04.08	Additional Dividends for 2015 paid	0	0	-209,499	0	0	-209,499	0	-209,499
5.05	Total Comprehensive Income	0	0	0	675,390	-259,025	416,365	470	416,835
5.05.01	Net Income for the Period	0	0	0	675,390	0	675,390	470	675,860
5.05.02	Other Comprehensive Income	0	0	0	0	-259,025	-259,025	0	-259,025
5.05.02.06	Cash flow Hedge	0	0	0	0	-259,025	-259,025	0	-259,025
5.06	Internal Changes in Shareholders' Equity	291,595	0	-277,966	3,576	-17,205	0	0	0
5.06.04	Capital Increase	291,595	0	-291,595	0	0	0	0	0
5.06.05	Tax Incentive Reserve	0	0	13,629	-13,629	0	0	0	0
5.06.06	Realization of Deemed Cost	0	0	0	17,205	-17,205	0	0	0
5.07	Closing Balances	2,737,361	91,695	2,845,637	678,966	493,079	6,846,738	2,734	6,849,472

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2015 to 6/30/2015**(In thousands of Reais)**

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,445,766	91,695	2,589,794	0	523,790	5,651,045	3,904	5,654,949
5.03	Adjusted Opening Balances	2,445,766	91,695	2,589,794	0	523,790	5,651,045	3,904	5,654,949
5.04	Capital Transactions with Partners	0	0	-172,081	0	0	-172,081	0	-172,081
5.04.08	Additional Dividends for 2015 paid	0	0	-172,081	0	0	-172,081	0	-172,081
5.05	Total Comprehensive Income	0	0	0	553,623	84,850	638,473	385	638,858
5.05.01	Net Income for the Period	0	0	0	553,623	0	553,623	385	554,008
5.05.02	Other Comprehensive Income	0	0	0	0	84,850	84,850	0	84,850
5.05.02.06	Cash Flow Hedge	0	0	0	0	84,850	84,850	0	84,850
5.06	Internal Changes in Shareholders' Equity	0	0	5,849	12,336	-18,185	0	0	0
5.06.04	Tax incentive reserve	0	0	5,849	-5,849	0	0	0	0
5.06.05	Realization of deemed cost	0	0	0	18,185	-18,185	0	0	0
5.07	Closing Balances	2,445,766	91,695	2,423,562	565,959	590,455	6,117,437	4,289	6,121,726

Consolidated Financial Statements / Value Added Statement

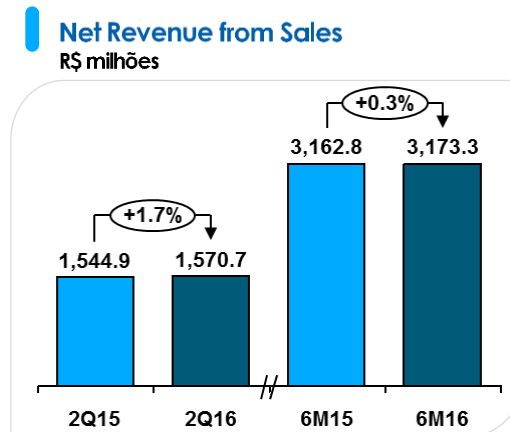
(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2016 to 6/30/2016	YTD Prior Year 1/1/2015 to 6/30/2015
7.01	Revenues	3,861,205	3,817,084
7.01.01	Sale of Products and Services	3,514,047	3,513,168
7.01.02	Other Income	14,141	22,868
7.01.03	Income related to the Construction of Own Assets	333,017	281,048
7.02	Raw material Acquired from Third Parties	-1,634,778	-1,813,699
7.02.01	Cost of Products and Services Sold	-1,029,970	-1,154,103
7.02.02	Materials, Energy, Third Parties Services and Other	-103,960	-114,657
7.02.04	Other	-500,848	-544,939
7.02.04.01	Charges for the use of and connection to the power grid	-189,351	-174,321
7.02.04.02	(Recognition) of operating provisions	-260	-61,557
7.02.04.03	Expenses with construction of plants	-292,871	-280,062
7.02.04.04	Other	-18,366	-28,999
7.03	Gross Added Value	2,226,427	2,003,385
7.04	Retentions	-311,813	-295,767
7.04.01	Depreciation, Amortization and Depletion	-311,813	-295,767
7.05	Net Added Value Generated	1,914,614	1,707,618
7.06	Added Value Received in Transfer	218,719	119,497
7.06.01	Equity income (loss)	-244	0
7.06.02	Financial Income	218,963	119,497
7.07	Total Added Value to Distribute	2,133,333	1,827,115
7.08	Distribution of Added Value	2,133,333	1,827,115
7.08.01	Labor	147,242	138,813
7.08.01.01	Direct Remuneration	95,078	89,761
7.08.01.02	Benefits	30,635	28,635
7.08.01.03	F.G.T.S.	7,087	6,586
7.08.01.04	Other	14,442	13,831
7.08.01.04.01	Profit sharing	14,442	13,831
7.08.02	Taxes, Duties and Contributions	665,225	615,019
7.08.02.01	Federal	655,672	597,201
7.08.02.02	State	7,781	16,390
7.08.02.03	Municipal	1,772	1,428
7.08.03	Third Parties Capital Remuneration	320,971	251,969
7.08.03.01	Interest	254,429	212,755
7.08.03.02	Rentals	7,054	7,369
7.08.03.03	Other	59,488	31,845
7.08.03.03.01	Capitalized interest	51,087	22,009
7.08.03.03.02	Other financial expenses	8,401	9,836
7.08.04	Remuneration of Own Capital	678,966	565,959
7.08.04.03	Retained Earnings / Loss for the Period	678,966	565,959
7.08.05	Other	320,929	255,355
7.08.05.01	Sectorial charges	123,263	103,563
7.08.05.02	Charges on concessions payable	200,772	163,743
7.08.05.03	Non-controlling shareholder	470	385
7.08.05.04	Tax incentive reserve	13,629	5,849
7.08.05.05	Realization of deemed cost	-17,205	-18,185

Economic-Financial Performance

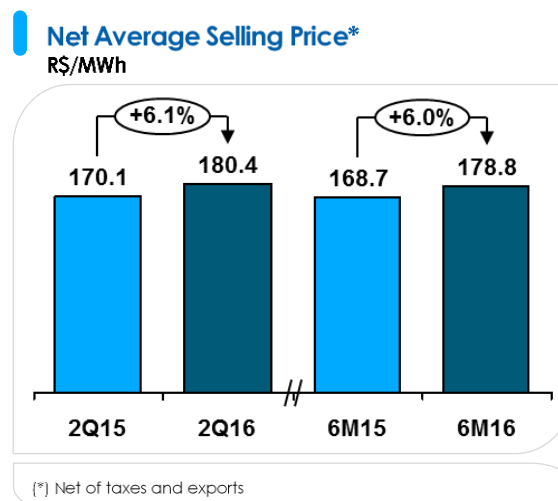
Net revenue from sales

In 2Q16, net revenue from sales reported an increase of 1.7%, (R\$ 25.8 million), when compared with 2Q15, rising from R\$ 1,544.9 million to R\$ 1,570.7 million. The principal factors contributing to this variation were: (i) R\$ 94.4 million — an increase in the net average selling price; (ii) R\$ 80.4 million — a reduction in volumes of energy sold; and (iii) R\$ 14.3 million — an increase in revenue from transactions in the short-term market including those within the scope of the Electric Energy Trade Board (CCEE).



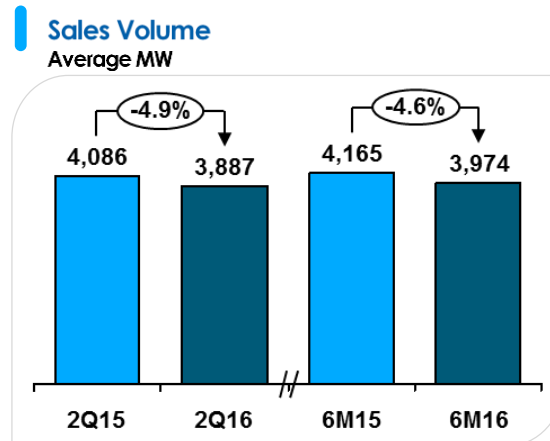
- Net average selling price**

The average selling price of energy, net of income tax, reached R\$ 180.4/MWh in 2Q16, 6.1% higher than recorded in 2Q15, when average prices were R\$ 170.1/MWh. Higher prices were largely due to monetary restatement of existing agreements, partially offset by lower prices practiced for new agreements with trading companies.



• Sales volume

Energy sales volume declined from 8,925 GWh (4,086 aMW) in 2Q15 to 8,490 GWh (3,887 aMW) in 2Q16, a reduction of 435 GWh (199 aMW) between compared periods. These variations were largely due to the expiry of bilateral agreements, renegotiation of existing agreements and reduction in demand. The relative energy volumes in question were settled on the short-term market.



Comments on variation in net revenue from sales by client class

Distributors

Net sales revenue from distributors reached R\$ 749.3 million in 2Q16, 2.0% higher than the R\$ 734.6 million reported in 2Q15. This variation was the result of a combination of the following factors: (i) R\$ 86.1 million — an increase of 12.3% in net average selling price; and (ii) R\$ 71.4 million — a reduction of 387 GWh (177 aMW) in sales volume from 4,223 GWh (1,933 aMW) in 2Q15 to 3,836 GWh (1,756 aMW) in 2Q16 due principally to the expiry at the end of 2015 of a purchase and sale agreement originating from an Existing Energy Auction.

Trading Companies

Net sales revenue from trading companies in the quarter was R\$ 79.3 million, 54.9% greater than the revenue posted in 2Q15 of R\$ 51.2 million. This increase was a reflection of the following factors: (i) R\$ 38.3 million — an increase of 233 GWh (107 aMW) in energy volumes sold, increasing from 290 GWh (133 aMW) in 2Q15 to 523 GWh (240 aMW) in 2Q16; and (ii) R\$ 10.2 million — a decrease of 14.3% in the net average selling price.

Free Consumers

Net sales revenue from free consumers fell by 3.9% from R\$ 732.3 million in 2Q15 to R\$ 703.5 million in 2Q16. The following events contributed to this variation: (i) R\$ 47.3 million — representing a reduction of 281 GWh (129 aMW) in energy sales volume from 4,412 GWh (2,020 aMW) in 2Q15 to 4,131 GWh (1,891 aMW) in 2Q16, due to a reduction in consumption and the renegotiation of existing agreements; and (ii) R\$ 18.5 million — an increase of 2.6% in the net average selling price of energy.

Transactions in the short term market including those conducted through the CCEE

In 2Q16, revenue from short-term market business, including transactions through the CCEE, was R\$ 30.7 million, against R\$ 16.4 million in 2Q15, representing an increase of R\$ 14.3 million, between the quarters under comparison. A more detailed explanation of these variations is to be found in the item below “Details of Short-term Operations Conducted Through the CCEE”.

Costs of electric energy and services

The costs of the sale of energy and services fell by R\$ 133.3 million (12.6%), from R\$ 1,057.6 million in 2Q15 to R\$ 924.3 million in 2Q16. These variations largely reflect tendencies in the following components:

- a) Electric energy purchased for resale:** an increase of R\$ 30.3 million (8.1%) in 2Q16 compared to 2Q15, reflecting, principally the increase in medium- and long-term purchases of 206 GWh (95 aMW) in 2Q16, attenuated by lower prices for these same new medium- and long-term agreements.
- b) Transactions in the short-term market including those conducted through the CCEE:** the costs of these transactions declined 75.8% year-on-year by R\$ 187.0 million. A more detailed explanation of these variations is to be found in the specific item below.
- c) Charges for the use of and connection to the electricity grid:** a year-on-year increase of R\$ 7.4 million (8.4%), due principally to the annual readjustment in transmission tariffs.
- d) Fuels for production of electric energy:** a reduction of R\$ 26.2 million (41.6%) compared with 2Q15, due to a combination of the following: (i) a decline in the consumption of natural gas at the William Arjona Thermoelectric Power Plant (UTWA) in 2Q16 in the light of zero dispatch from this plant by the National Electrical System Operator (ONS); and (ii) recognition in 2Q16 of the cost of domestic mineral coal following changes to the legislation which saw reduced reimbursements from the Energy Development Account (CDE) for coal used by the thermal plants at Jorge Lacerda and Charqueadas.
- e) Financial compensation for the use of water resources (royalties):** an increase of R\$ 16.9 million (58.6%) compared with the same period in 2015 due to the annual readjustment in prices and higher output from the Company’s hydro plants.
- f) Personnel:** an increase of R\$ 5.6 million (10.4%) in relation to 2Q15, mainly due to the annual adjustment to employee compensation.
- g) Materials and third party services:** increase of R\$ 2.0 million (4.3%) between the quarters under analysis. These costs essentially reflect services related to maintenance and conservation of the Company’s generating units.
- h) Depreciation and amortization:** a year-on-year increase of R\$ 8.8 million (6.0%), resulting above all from the conclusion of major maintenance work at the Jorge Lacerda Thermoelectric Complex at the end of 2Q15.
- i) Net operational provisions:** a year-on-year negative effect of R\$ 6.9 million. The variation is a reflection largely of the result of a review in 2Q15 of the outlook for future disbursements in relation to a legal dispute with a supplier surrounding the price of raw materials used by the Company.

Details of short term operations, including transactions on the Electric Energy Trade Board (CCEE)

Short-term operations are classified as energy purchase or sale operations not exceeding six months and having the optimization of ENGIE Brasil Energia's exposure to the CCEE as their prime objective. Consequently, the price of these operations is characterized by the linkage with Price for Settlement of Differences (PLD) or spot price. This item also includes the transactions conducted through the CCEE, given the volatile and seasonal nature - and, therefore, short-term transactions - of the results originated from accounting in CCEE. Additionally, the long and short positions are settled at the spot price, thus, similar to the short-term operations described above.

As to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of an agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expenses account. In this context, it is worth pointing out that due to adaptations to the Company's portfolio management strategy, changes have been taking place in the billing profile in the past few years. Such fluctuations complicate the direct comparison of the elements comprising each billing in the two years - the reason for including this specific topic - allowing us to analyze the oscillations of the principal elements involved in spite of allocation being either to income or expenses according to the credit or debit nature of the billing to which they relate.

Generically, these elements are revenues or expenses arising, for example, (i) from the application of the Energy Reallocation Mechanism (MRE); (ii) from the Generation Scaling Factor, triggered when generation of plants, part of the MRE, is greater or smaller (Secondary Energy) than the allocated energy; (iii) from the so-called "sub-market risk"; (iv) from dispatch triggered by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) and settled at the PLD.

In 2Q16 and in 2Q15, the net results (difference between revenues and costs — net of revenue and costs taxes) due to short-term transactions including those conducted through the CCEE, were a negative R\$ 29.1 million and R\$ 230.4 million, respectively, a year-on-year positive variation of R\$ 201.3 million.

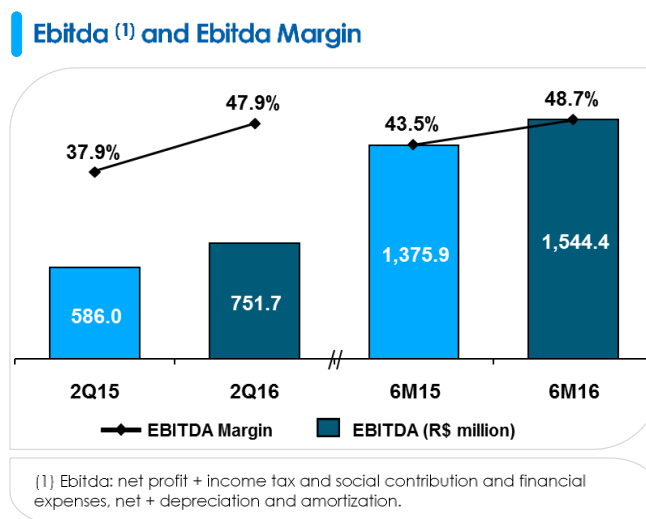
This variation is largely a combination of the following factors: (i) a significant reduction in the negative effect arising from the adjustment of physical guarantees in relation to the application of the GSF, in turn a reflection of a smaller deficit in hydroelectric generation in 2Q16 compared with 2Q15; (ii) a notable decrease in the Company's long position on the CCEE in 2Q16, the result of the strategy adopted for the monthly allocation of energy; (iii) higher exposure of thermal electricity sources in 2Q16 with the reduction of dispatch from the thermoelectric plants; (iv) an increase in revenue in the MRE due to greater hydroelectric generation in the quarter under review; and (v) the negative impact in 2Q16 from residual exposure in the MRE and from exposure to the Northeast submarket where the prevailing average PLD exceeded prices in the South-Southeast/Center-West submarkets. The positive effects of items (i) and (iv) were partially offset by the negative impact of the remaining items.

It is worth mentioning that the significant reduction in average PLD between quarters made a significant contribution to mitigating the negative effects on results from the application of the GSF and the Company's thermoelectric exposure although conversely, to a reduction in the positive effects of energy surpluses settled across the CCEE.

In December 2015, Aneel set maximum and minimum PLD limits for the year 2016 at R\$ 422.56/MWh and R\$ 30.25/MWh, respectively. When comparing quarters, the average PLD for the South and Southeast/Center-West submarkets - the Company's leading areas of operation - fell 84.0% from R\$ 382.82/MWh in 2Q15 to R\$ 61.19/MWh in 2Q16.

Ebitda and Ebitda Margin

Reflecting the aforementioned effects, Ebitda for 2Q16 was R\$ 751.7 million, R\$ 165.7 million (28.3%) above the R\$ 586.0 million posted in 2Q15. The Ebitda margin was 47.9% in 2Q16, representing an increase of 10.0 p.p. compared with 2Q15. The above increases are largely the reflection of the following combination of factors: (i) the positive effect of R\$ 201.3 million in transactions conducted through the short-term market, including those operated through the CCEE; (ii) an increase of R\$ 16.9 million in financial compensation costs for use of water resources (royalties); (iii) an increase of R\$ 13.8 million in net revenue from sale of contracted energy; (iv) a growth of R\$ 7.7 million in operational payroll costs and expenses; (v) an increase of R\$ 7.4 million in charges for the use of the electricity and connection network; and (vi) growth of R\$ 17.4 million in other costs and operational expenses.



To allow the reconciliation of the net income with Ebitda, we show the following table:

(In millions of R\$)	2Q16	2Q15	Chg. %	6M16	6M15	Chg. %
Net income	328.8	209.3	57.1	675.9	554.0	22.0
(+) Income tax and social contribution	148.2	95.6	55.0	311.5	259.2	20.2
(+) Financial expenses, net	116.8	132.1	-11.6	245.0	266.9	-8.2
(+) Depreciation and amortization	157.7	149.0	5.8	311.8	295.8	5.4
Ebitda	751.5	586.0	28.2	1,544.2	1,375.9	12.2
(+) Equity loss	0.2	0.0	0.0	0.2	0.0	0.0
Adjusted Ebitda	751.7	586.0	28.3	1,544.4	1,375.9	12.2

Financial result

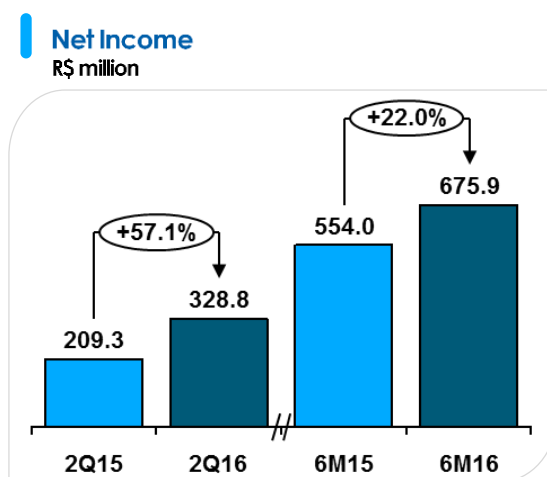
- **Financial income:** in 2Q16, financial income amounted to R\$ 94.0 million, or R\$ 31.8 million (51.1%) higher than the R\$ 62.2 million reported in 2Q15, largely due to: (i) the increase of R\$ 15.2 million in interest and monetary restatement on accounts receivable from the CCEE; and (ii) an increase of R\$ 14.5 million in revenue from financial investments.
- **Financial expenses:** financial expenses in 2Q16 were R\$ 210.8 million, or R\$ 16.5 million (8.5%) above the R\$ 194.3 million reported in 2Q15. The principal variations were due to: (i) recognition in 2Q16 of R\$ 26.3 million in interest and monetary restatement on GSF related payables owed to the CCEE, payment of which had been pending due to a court injunction; (ii) reduction of R\$ 20.9 million in interest and monetary restatement on debt; (iii) increase of R\$ 14.2 million in interest and monetary restatement on concession fees payable; and (iv) slight decrease of R\$ 3.4 million in interest and monetary restatement on provisions and interest due on actuarial liabilities.

Income tax and social contribution on Net Income

Income Tax and Social Contribution overheads in 2Q16 were R\$ 148.2 million, R\$ 52.5 million up (54.9%) on the R\$ 95.6 million for the same quarter in 2015, principally due to the increase in pre-tax profits.

Net Income

Net income for 2Q16 was R\$ 328.8 million, R\$ 119.5 million (57.1%), higher than the R\$ 209.3 million reported in 2Q15. This increase is largely due to the following factors: (i) growth of R\$ 165.7 million in Ebitda; (ii) a reduction of R\$ 15.3 million in net financial expenses; (iii) an increase of R\$ 8.7 million in depreciation and amortization; and (iv) an increase of R\$ 52.5 million in income tax and social contribution.



ENGIE BRASIL ENERGIA S.A.**CNPJ Nº 02.474.103/0001-19 | NIRE Nº 42 3 0002438-4****NOTES TO THE QUARTERLY FINANCIAL STATEMENT AS OF 6.30.2016****(In thousands of Reais or other currencies, unless otherwise indicated)****1 - OPERATIONS**

ENGIE Brasil Energia S.A. (“Company” or “ENGIE Brasil Energia”), current name of Tractebel Energia S.A., is an independent utility concessionaire and a publicly held corporation with its registered headquarters in the municipality of Florianópolis, Santa Catarina State, Brazil. The core business and main operating activity of the Company and its subsidiaries is the generation and sale of electrical energy, regulated by the Brazilian Electricity Regulatory Agency (Aneel), which is linked to the Ministry of Mines and Energy (MME).

The shares of the Company are listed in the New Market segment of BM&FBOVESPA under the ticker EGIE3. ENGIE Brasil Energia also trades Level 1 American Depositary Receipts (ADR) in the U.S. Over-the-Counter market under the ticker EGIEY, in the proportion of one ADR for each common share.

The Company is controlled by ENGIE Brasil Participações Ltda. (“ENGIE Participações”), current name of GDF SUEZ Energy Latin America Ltda., a company established in Brazil and controlled by International Power S.A., headquartered in Belgium. International Power is a subsidiary of International Power Ltd., a company headquartered in the United Kingdom, which is part of the economic group ENGIE group, headquartered in France.

ENGIE Brasil Energia is the largest private company in electrical energy generation in Brazil, responsible for approximately 5.4%¹ of the country’s installed capacity. At 6.30.2016, its installed capacity, including its stakes in energy generation consortiums, is 7,008.3² MW. Out of this total, 79.3% arises from hydroelectric power plants, 15.5% from thermoelectric power plants and 5.2% from complementary energy (Small Hydroelectric Power Plants – SHPP, wind farms, biomass and solar power plants). At 6.30.2016, assured energy for sale averaged 3,873.1 MW.

The Company’s generation facilities in operation consist of twenty-eight plants, of which nine hydroelectric power plants, eight thermoelectric power plants (four coal, three biomass and one natural gas), three SHPP, seven wind farms and one photovoltaic solar power plant.

The main corporate and operational events occurred in the second quarter of 2016 are summarized as follows:

a) Acquisition of interest in joint venture

On 4.19.2016, the Company concluded the acquisition of 50% of the capital of ENGIE Geração Solar Distribuída S.A. (“ENGIE Solar”) by subscribing to its capital. ENGIE Solar operates in the distributed solar power generation market, which involves the decentralized generation of solar power by households and buildings. For more information see Note 7 – Investments.

¹ Information based on data as of 12.31.2015.

² The non-financial information herein, such as MW, average MW, installed power and others has not been audited by the independent auditors.

b) Payment of additional dividends for fiscal year 2015

On 5.25.2016, the Company paid additional dividends for fiscal year 2015 in the amount of R\$ 209,499, corresponding to R\$ 0.309526559 per share.

c) Issue of Preliminary License for the Santo Agostinho Wind Power Complex

The Institute for Sustainable Development and the Environment (DEMA) of the State of Rio Grande do Norte issued on 6.6.2016 the Preliminary License (LP) for the Santo Agostinho Wind Power Complex, declaring it an environmentally viable project. The approved project includes twenty-four wind farms with total installed capacity of 720 MW.

d) Change of Company name

The Extraordinary Shareholders Meeting held on 7.14.2016 approved the change of the Company's name to ENGIE Brasil Energia S.A. This change is aimed at adopting the same name of the Company's controlling group in Europe, the ENGIE business group.

Due to this change, as of the trading session on 7.21.2016, the Company's shares will be traded on BM&FBOVESPA under the new trading name ENGIE BRASIL and the ticker EGIE3, replacing the previous ticker TBLE3. In the U.S. Over-the-Counter market, the ticker will be EGIEY.

2 - PRESENTATION OF QUARTERLY FINANCIAL INFORMATION

The Parent Company and Consolidated quarterly information was prepared in accordance with the Accounting Pronouncement Committee (CPC) Pronouncement 21 – Interim Statements and the International Accounting Standards (IAS) 34 – Interim Financial Reporting, which are in line with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), respectively.

The quarterly information was prepared in compliance with the accounting practices adopted in Brazil (BRGAAP), as issued by the Accounting Pronouncements Committee (CPC), which are convergent with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

The preparation of the quarterly information requires the Company's management to rely on estimates when recording certain transactions that affect its assets and liabilities, revenues and expenses.

The content and values of certain explanatory notes presented in the financial statements for the year ended on 12.31.2015, which did not require significant updates, have not been repeated in the notes selected for the quarterly information of 6.30.2016. Therefore, these financial statements should be read together.

The accounting practices and calculation methods adopted in the preparation of quarterly information of 6.30.2016, as well as the main judgments and uncertainties in the estimates used in applying accounting practices are the same as those used in the preparation of the financial statements for the year ended on 12.31.2015.

a) EmpresasNet System

It is worth noting that the table “Statement of Changes in Shareholders’ Equity” of CVM’s “EmpresasNet” System, the Adjustment to fair value of property, plant and equipment mentioned in “Other Comprehensive Income”, is presented in the column as such, since there is no more appropriate option in the standard CVM statement for the presentation of said transactions.

b) Approval of quarterly information

The quarterly information previously mentioned was approved by the Board of Directors in a meeting held on 7.28.2016.

3 - CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Cash and bank deposits	4,489	3,664	19,821	11,691
Marketable securities				
Exclusive investment fund – Citibank				
Repurchase transactions backed by federal bonds	1,488,748	1,735,137	2,080,311	2,365,959
Other marketable securities	157	207	4,591	19,204
	1,488,905	1,735,344	2,084,902	2,385,163
	<u>1,493,394</u>	<u>1,739,008</u>	<u>2,104,723</u>	<u>2,396,854</u>

4 - TRADE ACCOUNTS RECEIVABLE**a) Breakdown**

	Parent company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Distributors	298,641	297,273	355,887	385,568
Traders	153,796	121,815	34,730	34,483
Free Consumers	28,115	22,500	322,549	330,222
Transactions within the CCEE ³	32,073	6,180	38,376	29,798
Allowance for doubtful accounts	(6,180)	(6,180)	(6,469)	(6,469)
	<u>506,445</u>	<u>441,588</u>	<u>745,073</u>	<u>773,602</u>

The average term for receiving amounts relative to electrical energy sale invoices is approximately 30 days, as from the first day of month subsequent to the sale.

³ Electric Energy Commercialization Chamber

The breakdown of overdue accounts receivable recorded under current assets is as follows:

	Parent company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Overdue up to 30 days	4,043	1,429	5,621	3,009
Overdue more than 30 days	12,421	7,411	15,651	8,886
	16,464	8,840	21,272	11,895

The Company accrued allowance for doubtful accounts on overdue accounts receivable, for which the risk of recovery is deemed as probable.

In addition to the provisions mentioned above, the Company has amounts receivable from transactions conducted in the Wholesale Electricity Market (MAE), currently CCEE, between 2000 and 2002, for which it maintains full allowance for doubtful accounts. The nature and amounts of these transactions are:

- (i) R\$ 110,598 – corresponds to credits from transactions made within the MAE between September 2000 and September 2002, which were not received due to certain debtor agents having taken Court action, disagreeing with the interpretation given by that organization, in relation to the provisions of the General Agreement of the Electrical Segment. The provision was established due to doubts in relation to the receipt of the values regarding the aforementioned transactions; and
- (ii) R\$ 12,388 – refers, substantially, to debts by defaulting agents in the first financial settlement made by MAE, on 12.30.2002, regarding the transactions made within the scope of that market. Such amounts are being the objects of bilateral negotiations for a long time. However, due to uncertainties regarding payment, the Company has set some cash aside as allowance for doubtful accounts, regardless of any legal action applicable to the case.

5 - RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Financing guarantees	5,128	3,546	166,852	146,766
Guarantees for debtor position at CCEE	62	210	9,966	287
Contractual commitments guarantees	-	-	5,903	6,056
Deposits for complying with environmental requirements	6,921	6,614	6,921	6,614
Reinvestment deposits	2,420	2,083	2,420	2,083
Other	-	-	5,014	4,759
	14,531	12,453	197,076	166,565
Classification in the balance sheet				
Current assets	2,482	2,293	18,289	8,426
Non-current assets	12,049	10,160	178,787	158,139
	14,531	12,453	197,076	166,565

6 - JUDICIAL DEPOSITS

	Parent Company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Tax and social security	115,945	110,740	116,697	111,393
Civil	16,190	13,819	18,283	15,485
Labor	4,964	5,461	5,103	5,602
	137,099	130,020	140,083	132,480

7 - INVESTMENTS

a) Breakdown

	Parent company	
	6.30.2016	12.31.2015
Interest on subsidiaries:		
Measured at the equity method		
Equity in earnings of subsidiaries	3,554,867	3,645,624
“Goodwill” (Concession right)	71,840	73,511
Other	2,385	-
	3,629,092	3,719,135

b) Changes in investments evaluated through the equity method

	Balance at 12.31.2015	Capital increase	Equity in earnings of subsidiaries	Dividends	Other comprehensive income (loss)	Balance at 6.30.2016
Itasa ⁴	285,485	-	4,639	(37,382)	-	252,742
CEE ⁵	1,041,035	-	18,380	-	-	1,059,415
Lages ⁶	43,796	-	4,454	-	-	48,250
ENGIEC ⁷	233,844	-	60,925	(229,644)	-	65,125
ENGIEP ⁸	1,679,074	71,793	67,442	-	(91,774)	1,726,535
Pampa ⁹	362,389	191,204	10,728	-	(167,251)	397,070
Norte Catarinense ¹⁰	1	3,588	-	-	-	3,589
ENGIE Solar ¹¹	-	2,385	(244)	-	-	2,141
	3,645,624	268,970	166,324	(267,026)	(259,025)	3,554,867

⁴ Itá Energética S.A., joint operation.

⁵ Companhia Energética Estreito.

⁶ Lages Bioenergética Ltda.

⁷ ENGIE Brasil Energia Comercializadora Ltda., current name of Tractebel Energia Comercializadora Ltda.

⁸ ENGIE Brasil Energias Complementares Participações Ltda., current name of Tractebel Energias Complementares Participações Ltda.

⁹ Usina Termelétrica Pampa Sul S.A.

¹⁰ Usina Termelétrica Norte Catarinense Ltda.

¹¹ ENGIE Geração Solar Distribuída S.A.

a.1) Information on significant direct subsidiaries

	Itasa	CEE	Lages	ENGIEC	ENGIEP	Pampa
Interest (%)	48,75	99,99	99,99	99,99	99,99	99,99
12.31.2015						
Assets	621,233	2,526,871	65,180	702,088	2,421,417	457,660
Shareholders' equity	585,610	1,041,035	43,796	233,844	1,666,289	355,826
6.30.2016						
Assets	587,579	2,523,265	70,591	547,578	2,410,331	395,450
Shareholders' equity	518,445	1,059,415	48,250	65,125	1,698,598	379,633
Capitalized interest	-	-	-	-	30,671	17,437
Second quarter of 2016						
Net revenue	43,292	101,208	12,452	791,601	72,659	-
Net income (loss)	4,821	6,367	2,422	28,184	28,095	(72)
Capitalized interest	-	-	-	-	8,399	5,065
Other comprehensive income (loss)	-	-	-	-	(50,158)	(86,182)
First six months of 2016						
Net revenue	85,758	204,890	24,932	1,602,770	139,013	-
Net income (loss)	9,516	18,380	4,454	60,925	52,290	(146)
Capitalized interest	-	-	-	-	15,622	10,874
Other comprehensive income (loss)	-	-	-	-	(91,774)	(167,251)

The non-controlling interest of Ibitiúva in the shareholders' equity and the net income of ENGIEP presented above is R\$ 2,734 and R\$ 470, respectively.

ENGIE Brasil Energia took out loans to finance the construction of Thermal Power Plant Pampa Sul and the Campo Largo and Santa Mônica Wind Power Complexes. Interest on loans taken for investment in the construction of these subsidiaries' plants was capitalized in the consolidated financial statements and recognized in the equity income of the subsidiaries ENGIEP and Pampa Sul. Capitalized amounts up to 6.30.2016 amounted to R\$ 30,671 and R\$ 17,437 in the subsidiaries ENGIEP and Pampa Sul, respectively. In the first six months of 2016, the amounts of R\$ 15,622 and R\$ 10,874 were capitalized in the subsidiaries ENGIEP and Pampa Sul, respectively.

c) Acquisition of interest – ENGIE Solar

On 4.19.2016, the Company concluded the acquisition of 50% of the capital of ENGIE Geração Solar Distribuída S.A. ("ENGIE Solar") by subscribing to its capital.

ENGIE Solar operates in the distributed solar power generation market, which involves the decentralized generation of solar power by households and buildings. The investment may reach up to R\$ 24,276. This amount will be invested in up to 48 months.

In the consolidated results, the Company classifies this investment in the Investments line as it is a joint venture.

8 - PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	Average rate of depreciation	Parent Company			
		6.30.2016		12.31.2015	
		Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.8%	5,076,288	(2,813,608)	2,262,680	2,331,964
Buildings and improvements	3.0%	1,466,227	(880,784)	585,443	606,830
Machinery and equipment	3.9%	6,335,690	(4,078,989)	2,256,701	2,287,231
Furniture and fixtures	6.3%	9,737	(5,222)	4,515	4,691
Vehicles	14.3%	2,984	(1,984)	1,000	1,057
Special obligations		(12,329)	-	(12,329)	(12,420)
		12,878,597	(7,780,587)	5,098,010	5,219,353
In progress					
Reservoirs, dams and ducts		1,267	-	1,267	1,347
Buildings and improvements		5,459	-	5,459	2,811
Machinery and equipment		191,415	-	191,415	184,333
Advances to suppliers		29,710	-	29,710	27,890
Acquisitions to be apportioned		41,752	-	41,752	28,530
		269,603	-	269,603	244,911
		13,148,200	(7,780,587)	5,367,613	5,464,264

		Consolidated			
		6.30.2016			12.31.2015
	Average rate of depreciation	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	3.1%	7,114,808	(3,238,131)	3,876,677	3,983,941
Buildings and improvements	3.1%	1,781,459	(976,677)	804,782	832,520
Machinery and equipment	3.9%	8,950,626	(4,691,879)	4,258,747	4,344,016
Furniture and fixtures	6.3%	10,535	(5,541)	4,994	5,133
Vehicles	14.3%	4,486	(2,748)	1,738	1,707
Special obligations		(12,453)	-	(12,453)	(12,545)
		17,849,461	(8,914,976)	8,934,485	9,154,772
In progress					
Reservoirs, dams and ducts		53,643	-	53,643	15,800
Buildings and improvements		38,149	-	38,149	22,277
Machinery and equipment		348,456	-	348,456	198,094
Advances to suppliers		458,427	-	458,427	399,818
Acquisitions to be apportioned		181,684	-	181,684	106,789
		1,080,359	-	1,080,359	742,778
		18,929,820	(8,914,976)	10,014,84	9,897,550

b) Changes in property, plant and equipment

	Parent company						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2015	2,331,964	606,830	2,287,231	5,748	244,911	(12,420)	5,464,264
Additions	-	-	-	-	97,363	-	97,363
Capitalized interest and monetary variation	-	-	-	-	10,941	-	10,941
Transfers	(1,461)	(501)	85,373	110	(83,612)	91	-
Write-offs	-	-	(16)	(1)	-	-	(17)
Depreciation	(67,823)	(20,886)	(115,887)	(342)	-	-	(204,938)
Balance at 6.30.2016	2,262,680	585,443	2,256,701	5,515	269,603	(12,329)	5,367,613

	Consolidated						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2015	3,983,941	832,520	4,344,016	6,840	742,778	(12,545)	9,897,550
Additions	-	-	-	-	372,279	-	372,279
Capitalized interest and monetary variation	-	-	-	-	51,087	-	51,087
Transfers	(20)	(667)	86,045	335	(85,785)	92	-
Write-offs	-	-	(18)	(1)	-	-	(19)
Depreciation	(107,244)	(27,071)	(171,296)	(442)	-	-	(306,053)
Balance at 6.30.2016	3,876,677	804,782	4,258,747	6,732	1,080,359	(12,453)	10,014,844

c) Impairment of assets

The Company periodically evaluates the property, plant and equipment aiming to identify evidence of impairment, or when events or significant changes can indicate eventual impairment of their book value. If the book value exceeds the recoverable value, this loss is recognized in the income statement. In the first six months of 2016, There is no evidence identified that indicate impairment in the assets of the Company.

9 - INTANGIBLE ASSETS**a) Breakdown**

	Amortization period	Parent company			
		6.30.2016		12.31.2015	
		Adjusted cost	Accumulated amortization	Total	Total
Right to use	Until 2034	53,486	(35,114)	18,372	17,262

	Amortization period	Consolidated			
		6.30.2016		12.31.2015	
		Adjusted cost	Accumulated amortization	Total	Total
Energy purchase right	Until 2023	64,561	(21,082)	43,479	46,486
Right to use assets	Until 2037	73,341	(36,821)	36,520	34,962
Rights over Trairí Project	Until 2041	12,668	(1,437)	11,231	11,524
Rights over Campo Largo Project	-	81,392	-	81,392	81,392
Rights over Santo Agostinho Project	-	58,899	-	58,899	45,872
Rights over Assú Project	-	16,522	-	16,522	16,522
Rights over Santa Mônica Project	-	6,565	-	6,565	6,565
		313,948	(59,340)	254,608	243,323

Rights over the abovementioned projects arise from the fair value of the basic environmental projects, the certification of power generation, wind measurements, preliminary environmental licenses and leasing agreements acquired jointly with the companies. The amortization of these rights will start after the wind farms start to operate commercially and will be recognized through the straight-line method over the term of the authorization for use of the assets.

b) Changes

	Parent company	Consolidated
Balance at 12.31.2015	17,262	243,323
Addition	3,506	4,161
Fair value of acquired rights	-	13,027
Transfer to property, plant and equipment	-	(143)
Amortization	(2,396)	(5,760)
Balance at 6.30.2016	18,372	254,608

10 - SUPPLIERS

	Parent company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Electrical energy purchased	43,405	43,297	146,954	178,827
Transactions in the short-term market	-	120,918	10,078	121,189
Fossil fuels and biomass	58,175	101,478	59,050	102,834
Charges for the use of the power grid	31,582	30,940	38,580	37,692
Suppliers of materials and services	39,901	39,474	53,515	52,049
Suppliers of property, plant and equipment	23,654	36,395	57,921	80,982
	196,717	372,502	366,098	573,573

11 - TAX LIABILITIES

	Parent company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Income tax	93,791	46,465	99,028	57,600
Social contribution	30,898	1,617	34,489	7,385
	124,689	48,082	133,517	64,985
(-) Taxes recoverable	(66,232)	(46,512)	(67,499)	(47,186)
	58,457	1,570	66,018	17,799

12 - LOANS AND FINANCING**a) Breakdown**

	Parent Company					
	6.30.2016			12.31.2015		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	64,381	263,709	328,090	35,712	277,763	313,475
BNDES onlending (Banks)	35,220	223,922	259,142	34,671	239,996	274,667
Nordic Investment Bank (NIB)	25,639	141,034	166,673	24,458	146,763	171,221
Financial charges	6,033	-	6,033	5,987	-	5,987
	131,273	628,665	759,938	100,828	664,522	765,350
Measured at fair value						
Foreign currency with hedge						
HSBC USA	450,081	-	450,081	920,668	-	920,668
Mizuho Bank	288,421	-	288,421	341,182	-	341,182
Bank of Tokyo	159,309	-	159,309	188,199	-	188,199
Financial charges	1,486	-	1,486	2,127	-	2,127
	899,297	-	899,297	1,452,176	-	1,452,176
Loans and financing	1,030,570	628,665	1,659,235	1,553,004	664,522	2,217,526

The balances of loans and financing in the parent company, net of hedge effects, are as follows:

	Parent Company					
	6.30.2016			12.31.2015		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	1,030,570	628,665	1,659,235	1,553,004	664,522	2,217,526
Effects of Hedge (swap) in the balance sheet						
Long position ¹²	(166,456)	-	(166,456)	(488,802)	-	(488,802)
Loans and financing, net of hedge effects	864,114	628,665	1,492,779	1,064,202	664,522	1,728,724

	Consolidated					
	6.30.2016			12.31.2015		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	175,443	1,389,012	1,564,455	145,533	1,450,429	1,595,962
BNDES onlending (Banks)	76,086	719,847	795,933	73,918	752,771	826,689
Nordic Investment Bank	25,639	141,034	166,673	24,458	146,763	171,221
Banco do Brasil	3,966	1,322	5,288	3,966	3,305	7,271
Financial charges	12,634	-	12,634	12,439	-	12,439
	293,768	2,251,215	2,544,983	260,314	2,353,268	2,613,582
Measured at fair value						
Foreign currency with hedge						
HSBC USA	450,081	-	450,081	920,668	-	920,668
Mizuho Bank	288,421	-	288,421	341,182	-	341,182
Bank of Tokyo	159,309	-	159,309	188,199	-	188,199
Financial charges	1,486	-	1,486	2,127	-	2,127
	899,297	-	899,297	1,452,176	-	1,452,176
Loans and financing	1,193,065	2,251,215	3,444,280	1,712,490	2,353,268	4,065,758

The balances of loans and financing in the consolidated, net of hedge effects, are as follows:

	Consolidated					
	6.30.2016			12.31.2015		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	1,193,065	2,251,215	3,444,280	1,712,490	2,353,268	4,065,758
Effects of Hedge (swap) in the balance sheet						
Long position	(166,456)	-	(166,456)	(488,802)	-	(488,802)
Loans and financing, net of hedge effects	1,026,609	2,251,215	3,277,824	1,223,688	2,353,268	3,576,956

¹² The long position of the hedge is presented as part of the item "Unrealized gain from hedge operations"

b) Changes in loans and financings

	Parent company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2015	1,553,004	664,522	2,217,526	1,712,490	2,353,268	4,065,758
Additions	-	20,195	20,195	-	20,195	20,195
Interest income (expenses)	34,338	-	34,338	67,889	-	67,889
Monetary variation	1,789	10,223	12,012	2,874	21,894	24,768
Capitalized interest and monetary variation	3,428	-	3,428	43,574	-	43,574
Exchange variation	(212,924)	-	(212,924)	(212,924)	-	(212,924)
Adjustment to fair value	38,040	-	38,040	38,040	-	38,040
Transfers	66,275	(66,275)	-	144,142	(144,142)	-
Amortization of principal	(415,959)	-	(415,959)	(492,168)	-	(492,168)
Interest payment	(37,421)	-	(37,421)	(110,852)	-	(110,852)
Balance at 6.30.2016	1,030,570	628,665	1,659,235	1,193,065	2,251,215	3,444,280

c) Maturity of loans and financing under non-current liabilities

	Parent Company	Consolidated
July to December 2017	64,587	142,385
2018	129,606	280,635
2019	129,606	279,080
2020	107,785	254,739
2021	77,234	218,903
2022 to 2026	119,847	752,163
2027 to 2032	-	323,310
Loans and financing	628,665	2,251,215

d) Financial contractual commitments (covenants)

Debt	Covenants
Parent company	
Nordic Investment Bank	Parent company: Total debt / EBITDA ≤ 3.5 Consolidated: Total debt / EBITDA ≤ 4.5 Parent company and Consolidated: EBITDA / financial expenses ≥ 2.0
BNDES – Modernization	Net Debt/EBITDA ≤ 3.5
BNDES and Banks (BNDES onlending) – Usina São Salvador	Consolidated gross debt/EBITDA ≤ 4.5
HSBC USA, Mizuho Bank and Bank of Tokyo	EBITDA/consolidated financial expenses ≥ 2.0 Consolidated gross debt/EBITDA ≤ 4.5
Subsidiaries	
BNDES and Banks (BNDES onlending)	Debt service coverage ratio ¹³ ≥ 1.2 or 1.3 , depending on the subsidiary
BNDES – Expansion	Net Debt/EBITDA ≤ 3.5
BNDES - Ibitiúva	Total debt ratio ≤ 0.80 Debt service coverage ratio ≥ 1.3

The financial commitments established in the loan and financing agreements are being fulfilled by the Company.

13 - DEBENTURES

a) Changes in debentures

	Parent company and Consolidated		
	Current	Non-Current	Total
Balance at 12.31.2015	489	180,947	181,436
Accrued interest	2,935	-	2,935
Monetary variation in profit or loss	147	4,430	4,577
Capitalized interest and monetary variation	2,953	4,560	7,513
Transfers	(128)	128	-
Balance at 6.30.2016	6,396	190,065	196,461

b) Contractual covenants

Debt	Covenants
5 th Issuance - single series	EBITDA/consolidated financial expenses ≥ 2.0 Consolidated gross debt/EBITDA ≤ 4.5

¹³Debt service coverage rate: Activity cash generation/ Debt service

The covenants are being fully complied with by the Company.

14 - CONCESSIONS PAYABLE

a) Breakdown

	Parent Company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Cana Brava hydroelectric power plant	893,160	810,919	893,160	810,919
Ponte de Pedra hydroelectric power plant	770,784	704,492	770,784	704,492
São Salvador hydroelectric power plant	524,129	505,170	524,129	505,170
Estreito hydroelectric power plant	-	-	51,883	49,971
	2,188,073	2,020,581	2,239,956	2,070,552
Classification in the balance sheet				
Current liabilities	58,454	55,388	63,932	60,572
Non-current liabilities	2,129,619	1,965,193	2,176,024	2,009,980
	2,188,073	2,020,581	2,239,956	2,070,552

b) Changes

	Parent company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2015	55,388	1,965,193	2,020,581	60,572	2,009,980	2,070,552
Accrued interest	-	94,693	94,693	-	97,139	97,139
Monetary variations	-	101,377	101,377	-	103,633	103,633
Transfers	31,644	(31,644)	-	34,728	(34,728)	-
Amortizations	(28,578)	-	(28,578)	(31,368)	-	(31,368)
Balance at 6.30.2016	58,454	2,129,619	2,188,073	63,932	2,176,024	2,239,956

c) Maturities of concessions payable disclosed in non-current liabilities

	Parent Company	Consolidated
July to December 2017	27,381	29,895
2018	51,009	55,691
2019	58,177	62,434
2020	97,214	101,083
2021	118,447	121,964
2022 to 2026	855,437	868,767
2027 to 2031	690,112	698,387
2032 to 2037	231,842	237,803
	2,129,619	2,176,024

15 - CIVIL, TAX, SOCIAL SECURITY AND LABOR PROVISIONS

Suits and claims filed against the Company, assessed by legal counsels and management as probable risks of future disbursement, are provisioned in amounts considered sufficient to settle the respective liabilities.

a) Breakdown

	Parent Company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Civil				
Fuel purchase	200,775	184,956	200,775	184,956
Expropriations and administrative services	30,422	27,794	30,422	27,794
Retirement benefits	16,781	15,573	16,781	15,573
Environmental	9,789	11,448	9,789	11,448
Sundry lawsuits	14,968	14,168	19,795	17,679
	272,735	253,939	277,562	257,450
Tax	5,321	4,847	5,659	5,142
Labor	10,246	9,389	10,663	10,008
	288,302	268,175	293,884	272,600
Classification in the balance sheet				
Current liabilities	25,645	24,761	26,625	25,727
Non-current liabilities	262,657	243,414	267,259	246,873
	288,302	268,175	293,884	272,600

b) Possible and remote risks

The Company is also a party to lawsuits that, in the opinion of the legal advisors and its Management, do not represent a probable risk of future disbursement, for which reason the amounts related to those lawsuits, are not provisioned for.

	6.30.2016			12.31.2015		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Parent Company						
Tax	239,047	143,511	382,558	239,648	111,891	351,539
Civil	94,921	122,811	217,732	70,060	113,764	183,824
Labor	3,619	83,501	87,120	3,789	63,780	67,569
	337,587	349,823	687,410	313,497	289,435	602,932
Consolidated						
Tax	309,480	162,980	472,460	310,195	130,461	440,656
Civil	117,289	124,283	241,572	92,047	115,122	207,169
Labor	6,269	84,519	90,788	6,023	64,795	70,818
	433,038	371,782	804,820	408,265	310,378	718,643

Updated information on the provisions assessed as possible risk of loss

In 1Q16, the Company Management and its legal counsels reassessed the amount and the risk of loss from probable to possible for eleven environmental public-interest civil actions. These lawsuits are divided as follows: (i) three lawsuits requiring the installation of a lock, fish ladder and “lair out”; and (ii) eight lawsuits requiring reforestation and the establishment of a Permanent Conservation Area (APP) of one hundred meters around the reservoirs of two hydroelectric power plants.

The change in tax contingencies, assessed as remote risk, largely refers to litigations due to the non-ratification of the Statement of Compensation of Corporate Income Tax occurred in 2Q16.

16 - RETIREMENT BENEFITS OBLIGATIONS

a) Breakdown

	Parent Company and Consolidated					
	6.30.2016			12.31.2015		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	7,948	86,328	94,276	7,423	85,491	92,914
Current contributions and service costs	155	131	286	220	130	350
Uncontracted deficit	14,086	180,563	194,649	14,546	169,931	184,477
Recorded actuarial liability	22,189	267,022	289,211	22,189	255,552	277,741

b) Changes

	Plans				Total
	ELOS BD	PREVIG BD	PREVIG BSPS	GC	
Liabilities recorded on 12.31.2015	255,001	18,516	1,520	2,704	277,741
Current service costs	-	-	-	45	45
Contributions/payments	-	(157)	-	(219)	(376)
Interest on actuarial liabilities/assets, net	17,017	984	83	132	18,216
Payment of obligations contracted	(4,717)	(1,548)	(150)	-	(6,415)
Liabilities recorded on 6.30.2016	267,301	17,795	1,453	2,662	289,211

c) Expected settlement of contracted amounts presented in non-current liabilities:

	ELOS	PREVIG	Total
July to December 2017	2,494	1,430	3,924
2018	5,456	2,837	8,293
2019	5,784	3,007	8,791
2020	6,131	3,188	9,319
2021	6,498	3,379	9,877
2022 to 2026	26,489	3,696	30,185
2027 to 2032	15,939	-	15,939
	68,791	17,537	86,328

17 - DEFERRED INCOME AND SOCIAL CONTRIBUTION TAXES

Deferred income and social contribution tax assets and liabilities, are presented net, as follows:

a) Breakdown

Description of credits	Parent Company				
	6.30.2016				12.31.2015
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Property, plant and equipment deemed cost (fair value)	692,690	173,173	62,342	235,515	244,978
Accelerated depreciation	581,188	145,297	52,307	197,604	167,651
Unrealized hedge gains	168,009	42,002	15,121	57,123	179,655
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Capitalized financial charges	61,136	15,284	5,502	20,786	17,219
Adjustment to fair value in business combination	40,232	10,058	3,621	13,679	14,054
Other	2,914	729	262	991	786
		413,407	148,826	562,233	660,878
Assets:					
Civil, tax and labor provisions	280,401	70,100	25,236	95,336	88,493
Retirement benefits obligations	194,901	48,725	17,541	66,266	62,830
Allowance for doubtful accounts	129,192	32,298	11,627	43,925	43,925
Fair value adjustment in business combinations	107,125	26,781	9,641	36,422	34,887
Interest on property, plant and equipment in progress (RIC)	84,264	21,066	-	21,066	22,885
Provision for impairment losses	54,951	13,738	4,946	18,684	20,426
Other	41,290	10,323	3,716	14,039	18,222
		223,031	72,707	295,738	291,668
Net amount		190,376	76,119	266,495	369,210

Description of credits	Consolidated				
	6.30.2016				12.31.2015
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Property, plant and equipment deemed cost (fair value)	692,690	173,173	62,342	235,515	244,978
Accelerated depreciation	721,550	180,388	64,940	245,328	209,443
Unrealized hedge gains	222,029	55,507	19,983	75,490	322,344
Capitalized financial charges	134,027	33,507	12,062	45,569	28,352
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Adjustment to fair value in business combination	40,232	10,058	3,621	13,679	14,054
Other	2,914	729	262	991	784
		480,226	172,881	653,107	856,490
Assets:					
Civil, tax and labor provisions	284,009	71,002	25,561	96,563	89,378
Retirement benefits obligations	194,901	48,725	17,541	66,266	62,830
Allowance for doubtful accounts	131,330	32,833	11,820	44,653	44,651
Fair value adjustment in business combinations	107,125	26,781	9,641	36,422	34,887
Interest on property, plant and equipment in progress (RIC)	84,264	21,066	-	21,066	22,885
Provision for impairment losses	54,951	13,738	4,946	18,684	20,426
Fair value adjustment of property, plant and equipment	37,216	9,304	3,349	12,653	13,117
Other	89,353	22,338	8,042	30,380	24,548
		245,787	80,900	326,687	312,722
Net amount		234,439	91,981	326,420	543,768
Classification in the balance sheet					
Liabilities		249,765	97,486	347,251	558,826
Assets ¹⁴		(15,326)	(5,505)	(20,831)	(15,058)
Total		234,439	91,981	326,420	543,768

b) Change in deferred income and social contribution taxes, net

	Parent company	Consolidated
Balance at 12.31.2015	369,210	543,768
Taxes deferred in profit or loss	(102,715)	(87,068)
Taxes deferred in other comprehensive income	-	(130,280)
Balance at 6.30.2016	266,495	326,420

¹⁴ Amount presented under "Other non-current liabilities"

c) Expected realization and required payments

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
July to December 2016	20,538	67,188	27,918	76,573
2017	100,006	19,965	101,833	28,471
2018	61,598	55,288	62,743	57,216
2019	17,702	22,539	19,463	23,778
2020	13,787	23,009	15,143	24,248
2021	12,198	26,618	13,522	27,857
2022 to 2026	29,617	150,731	36,108	171,842
2027 to 2031	14,216	101,778	18,584	122,889
2032 onwards	26,076	95,117	31,373	120,233
	295,738	562,233	326,687	653,107

18 - SHAREHOLDERS' EQUITY**a) Authorized capital stock**

The Company is authorized to increase its capital stock up to the limit of R\$ 5,000,000, by resolution of Board of Directors, regardless of any amendment to its bylaws. Under the BM&FBOVESPA's New Market listing regulations, the Company cannot issue preferred shares or founder shares.

The Company has no treasury shares and did not perform any purchase and sale transactions involving shares of its own issuance in the period ending on 6.30.2016 and 12.31.2015.

b) Subscribed and paid-in capital

In the meeting held on 2.23.2016, the Board of Directors approved the allocation of a portion of the net income for the year ended 2015 to the capital increase in a total amount of R\$ 290,487, corresponding to R\$ 0.4450258658 per share, without issue of new shares. Furthermore, on 5.5.2016, the Board of Directors approved the capital increase of R\$1,108, corresponding to R\$ 0.0016968731 per share, relating to capitalization of a part of the tax incentive reserve, related to the deposit for reinvestment in the Ponte de Pedra Hydroelectric Plant. Thus, as at 6.30.2016, the Company's fully subscribed and paid-in capital is R\$2,737,361 (R\$ 2,445,766 at 12.31.2015), represented by 652,742,192 registered common shares without par value.

The book value of the share in Reais, at 6.30.2016, is R\$ 10.49 (R\$ 10.18 for each share at 12.31.2015).

At 6.30.2016 and 12.31.2015 the Company's ownership structure was as follows:

Shareholders	% of capital
ENGIE Brasil Participações Ltda. ("ENGIE Participações")	68.71%
Banco Clássico S.A.	10.00%
Other shareholders	21.29%
	100.00%

At 6.30.2016 and 12.31.2015, the management of the Company held 380,852 and 381,132 shares, respectively.

c) Other comprehensive income

The account records the following variations of the fair value, net of deferred income tax and social contribution: (i) obligations with the retirement benefits of defined benefit plans sponsored by the Company; and (ii) cash flow hedges of future commitments in foreign currency signed by the Company.

19 - RECONCILIATION OF NET REVENUE

	Parent Company			
	2 nd Quarter		First six months	
	2016	2015	2016	2015
GROSS OPERATING INCOME				
Electrical energy distributors	597,236	557,673	1,125,500	1,132,530
Electrical energy traders	454,598	469,700	1,045,049	951,013
Free consumers	70,624	70,888	140,248	138,959
Transactions in the short-term market	23,962	13,617	44,497	87,745
Other revenues	17,234	18,345	34,038	34,012
	1,163,654	1,130,223	2,389,332	2,344,259
DEDUCTIONS FROM OPERATING INCOME				
PIS and Cofins	(104,504)	(102,000)	(224,241)	(211,789)
ICMS	(2,563)	(7,641)	(4,767)	(14,666)
ISS	(431)	(386)	(831)	(748)
Research and development	(6,602)	(8,024)	(16,052)	(17,155)
	(114,100)	(118,051)	(245,891)	(244,358)
NET REVENUE	1,049,554	1,012,172	2,143,441	2,099,901
	Consolidated			
	2 nd Quarter		First six months	
	2016	2015	2016	2015
GROSS OPERATING INCOME				
Electrical energy distributors	823,501	810,476	1,674,379	1,649,795
Electrical energy traders	90,080	58,998	185,442	116,845
Free consumers	777,785	815,148	1,573,241	1,621,211
Transactions in the short-term market	33,901	17,909	58,368	101,348
Other revenues	11,283	13,213	22,617	23,969
	1,736,550	1,715,744	3,514,047	3,513,168
DEDUCTIONS FROM OPERATING INCOME				
PIS and Cofins	(155,706)	(154,084)	(317,552)	(316,290)
ICMS	(2,563)	(7,694)	(4,767)	(14,719)
ISS	(431)	(386)	(831)	(748)
Research and development	(7,163)	(8,723)	(17,555)	(18,585)
	(165,863)	(170,887)	(340,705)	(350,342)
NET REVENUE	1,570,687	1,544,857	3,173,342	3,162,826

20 - DETAIL OF OPERATING EXPENSES BY NATURE

a) Costs of electrical energy production and services rendered:

	Parent Company			
	2 nd Quarter		First six months	
	2016	2015	2016	2015
Depreciation and amortization	103,458	95,462	203,212	189,216
Personnel	58,154	52,747	112,991	103,503
Fuel	34,441	57,297	84,947	104,415
Royalties	39,748	22,997	83,020	63,604
Material and third party services	34,405	31,185	54,024	68,801
Recognition (Reversal) of operating provisions	168	(5,919)	(832)	63,889
Other	15,350	13,452	29,819	31,353
	285,724	267,221	567,181	624,781
Classification in the income statement				
Power production cost	278,110	260,394	552,577	611,703
Cost of services rendered	7,614	6,827	14,604	13,078
	285,724	267,221	567,181	624,781

	Consolidated			
	2 nd Quarter		First six months	
	2016	2015	2016	2015
Depreciation and amortization	155,696	146,874	307,676	291,613
Personnel	59,695	54,060	115,581	106,086
Royalties	45,690	28,807	96,996	77,194
Fuel	36,868	63,109	89,592	115,238
Material and third party services	47,407	45,455	79,207	94,522
Recognition (Reversal) of operating provisions	545	(6,345)	57	63,513
Other	18,310	16,222	35,749	36,956
	364,211	348,182	724,858	785,122
Classification in the income statement				
Power production cost	356,587	341,354	710,243	772,040
Cost of services rendered	7,624	6,828	14,615	13,082
	364,211	348,182	724,858	785,122

b) Selling, general and administrative expenses

	Parent Company			
	2 nd Quarter		First six months	
	2016	2015	2016	2015
Personnel	21,817	18,994	41,831	40,085
Material and third party services	12,624	9,530	22,291	17,097
Management	6,859	7,380	12,604	12,772
Contributions and donations	2,973	1,990	5,902	4,171
Depreciation and amortization	1,992	2,139	4,122	4,139
Rentals	1,575	1,414	3,164	2,913
Recognition (Reversal) of operating provisions	555	(209)	204	(1,924)
Other	3,397	5,044	7,434	10,476
	51,792	46,282	97,552	89,729
Classification in the income statement				
Selling expenses	2,801	2,587	5,358	5,185
General and administrative expenses	48,991	43,695	92,194	84,544
	51,792	46,282	97,552	89,729

	Consolidated			
	2 nd Quarter		First six months	
	2016	2015	2016	2015
Personnel	22,050	19,211	42,195	40,408
Material and third party services	13,980	10,965	24,753	20,135
Management	6,910	7,686	12,675	13,332
Contributions and donations	3,789	2,809	7,416	5,696
Depreciation and amortization	1,999	2,146	4,137	4,154
Rentals	1,875	1,835	3,688	3,412
Recognition (Reversal) of operating provisions	555	(158)	203	(1,956)
Other	3,712	5,298	8,325	11,257
	54,870	49,792	103,392	96,438
Classification in the income statement				
Selling expenses	4,635	4,371	9,282	9,385
General and administrative expenses	50,235	45,421	94,110	87,053
	54,870	49,792	103,392	96,438

21 - FINANCIAL RESULT

	Parent Company			
	2 nd Quarter		First six months	
	2016	2015	2016	2015
Financial income				
Income from marketable securities	42,589	37,050	93,940	69,962
Interest and monetary variation on receivables from energy sales – gain in lawsuit	-	-	37,172	-
Income from restricted deposits	676	2,560	837	5,223
Interest on receivables	16,183	2,575	19,076	4,620
Monetary variation on judicial deposits	4,466	3,582	8,847	6,879
Other financial income	2,423	672	4,143	1,714
	66,337	46,439	164,015	88,398
Financial expenses				
Interest and monetary variation				
Concessions payable	93,724	79,591	196,070	158,850
Operations – Electric Energy Trade Board (CCEE)	24,674	-	67,577	-
Loans and financing	21,376	13,424	46,350	26,582
Fair value hedge on loans	19,571	28,839	42,548	55,584
Provisions	9,446	14,766	20,645	25,804
Retirement benefit obligations	9,108	7,385	18,216	14,769
Debentures	3,238	7,128	7,512	15,818
Other	47	86	302	2,492
Exchange variation				
Loans	(98,018)	(49,588)	(212,924)	209,980
Fair value hedge on loans	98,018	49,588	212,924	(209,980)
Fair value adjustment	62	(90)	1,818	(248)
Other financial expenses	1,350	1,175	2,799	2,900
	182,596	152,304	403,837	302,551
Financial expenses, net	116,259	105,865	239,822	214,153

	Consolidated			
	2 nd Quarter		First six months	
	2016	2015	2016	2015
Financial income				
Income from marketable securities	64,991	49,717	138,568	94,509
Interest and monetary variation on receivables from energy sales – gain in lawsuit	-	-	37,172	-
Income from restricted deposits	5,780	6,530	10,400	12,736
Interest on receivables	16,216	1,545	19,598	3,382
Monetary variation on judicial deposits	4,556	3,654	9,040	7,016
Other financial income	2,454	753	4,185	1,854
	93,997	62,199	218,963	119,497
Financial expenses				
Interest and monetary variation				
Concessions payable	95,907	81,633	200,772	163,743
Loans and financing	43,831	51,558	92,657	100,535
Operations – Electric Energy Trade Board (CCEE)	26,290	-	72,581	-
Fair value hedge on loans	19,571	28,839	42,548	55,584
Provisions	9,572	14,714	20,914	26,049
Retirement benefit obligations	9,108	7,385	18,216	14,769
Debentures	3,238	7,128	7,512	15,818
Other	651	263	1,932	3,691
Exchange variation				
Loans	(98,018)	(49,588)	(212,924)	209,980
Fair value hedge on loans	98,018	49,588	212,924	(209,980)
Fair value adjustment	62	(90)	1,818	(248)
Other financial expenses	2,622	2,880	5,021	6,434
	210,852	194,310	463,971	386,375
Financial expenses, net	116,855	132,111	245,008	266,878

22 - INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent Company							
	2 nd Quarter				First six months			
	2016		2015		2016		2015	
	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	444,831	444,831	274,897	274,897	918,819	918,819	761,696	761,696
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	(111,208)	(40,035)	(68,724)	(24,741)	(229,705)	(82,694)	(190,424)	(68,553)
Permanent differences:								
Equity in net income of subsidiaries	20,078	7,228	19,279	6,941	41,581	14,969	34,304	12,349
Tax incentives	9,055	-	2,536	-	14,799	-	7,016	-
Other	(1,217)	(234)	(951)	(122)	(2,040)	(339)	(2,526)	(239)
	(83,292)	(33,041)	(47,860)	(17,922)	(175,365)	(68,064)	(151,630)	(56,443)
Breakdown of taxes in the income statement								
Current	(99,139)	(39,073)	(48,524)	(18,489)	(250,409)	(95,735)	(96,224)	(37,152)
Deferred	15,847	6,032	664	567	75,044	27,671	(55,406)	(19,291)
	(83,292)	(33,041)	(47,860)	(17,922)	(175,365)	(68,064)	(151,630)	(56,443)
Effective rate	18.7%	7.4%	17.4%	6.5%	19.1%	7.4%	19.9%	7.4%
	Consolidated							
	2 nd Quarter				First six months			
	2016		2015		2016		2015	
	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	476,922	476,922	304,896	304,896	987,369	987,369	813,184	813,184
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	(119,231)	(42,923)	(76,224)	(27,441)	(246,842)	(88,863)	(203,296)	(73,187)
Permanent differences:								
Differences between tax calculation base and presumed profit	2,155	497	3,699	1,171	6,491	1,801	7,538	2,405
Tax incentives	9,056	-	2,536	-	14,800	-	7,016	-
Other	1,534	743	327	294	545	559	(177)	525
	(106,486)	(41,683)	(69,662)	(25,976)	(225,006)	(86,503)	(188,919)	(70,257)
Breakdown of taxes in the income statement								
Current	(117,047)	(45,814)	(72,478)	(27,324)	(288,573)	(110,004)	(142,901)	(54,358)
Deferred	10,561	4,131	2,816	1,348	63,567	23,501	(46,018)	(15,899)
	(106,486)	(41,683)	(69,662)	(25,976)	(225,006)	(86,503)	(188,919)	(70,257)
Effective rate	22.3%	8.7%	22.8%	8.5%	22.8%	8.8%	23.2%	8.6%

23 - RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

In order to conduct more efficiently risk evaluation and monitoring process in its business, the Company has the Risk Management Committee, which is responsible for: (i) internally promote the awareness on risk treatment; (ii) define goals and guidelines for its management; (iii) promote and suggest improvements in its evaluation processes; and (iv) classify and define control procedures.

The Company's business, the financial conditions and the results of operations may be adversely affected by any of the risk factors described below.

a) Market risk

The Company and its subsidiaries use financial instruments with the objective of hedging assets and liabilities, minimizing exposure to market risks, mainly in connection with interest rate, price indexes and currency fluctuations.

These risks are monitored by the Financial Committee that periodically evaluates the Company's exposure and propose operating strategies, control system and position and credit limits with other market partners. The Company does not perform financial operations in derivatives or any other instruments on a speculative basis.

In the first six months of 2016, there were no changes in the Company's exposure to market risks or in the management and measurement of these risks.

The main market risks to which the Company is exposed are as follows:

a.1) Risk related to debts with floating interest rates

This risk is related to the possibility of the Company incurring losses as a result of fluctuations in interest rates applied to its liabilities, affecting its financial expenses. The Company and its subsidiaries are exposed to floating interest rates linked to TJLP, DI rate, Euribor, IGP-M and IPCA variations.

With respect to the risk of inflation acceleration, all prevailing electrical energy sale contracts have an inflation adjustment clause for the application of IGP-M or IPCA, which represents a natural long-term hedge for debts and obligations indexed at inflation rates and/or linked to inflation acceleration, which is the case of debts linked to CDI.

Regarding the risk of floating interest rates, the majority of the Company's debt is linked to the Brazilian long-term interest rate (TJLP), which is expected to increase in the short and medium terms. Since the increase usually follows raises in the basic interest rate and inflationary trends, it tends to be protected by the aforementioned adjustments to energy contracts. Note that any amount corresponding to the portion of TJLP that exceeds 6% p.a. is added to the principal of the debt.

a.2) Risk related to liabilities denominated in foreign currency

The exchange rate risk is associated with the possibility of variation in foreign exchange rates, which affects the financial result and the balance of liabilities denominated in foreign currencies. The Company's policy to hedge against exchange rate variation risks seeks to achieve a low level of exposure for its liabilities and obligations denominated in foreign currency, which are permanently monitored by the Company's Financial Committee.

At 6.30.2016, the Company held no debt denominated in foreign currencies whose exchange variation was not fully hedged against.

Unrealized gains in hedge operations are as follows:

	Parent Company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Long position				
Fair value hedge operations on loans	166,456	488,802	166,456	488,802
Cash flow hedge operations on obligations	-	-	64,791	419,665
	166,456	488,802	231,247	908,467
Short position				
Cash flow hedge operations on obligations	-	-	(28,866)	(562)
Net position	166,456	488,802	202,381	907,905
Classification in the balance sheet				
Current assets	166,456	488,802	222,745	778,227
Non-current assets	-	-	8,502	130,240
Current liabilities ¹⁵	-	-	(28,866)	-
Non-current liabilities ¹⁶	-	-	-	(562)
	166,456	488,802	202,381	907,905

a.2.1) Fair value hedge operations on loans

The Company contracted swap operations with the Brazilian subsidiaries of the same lending financial institutions, in order to hedge future payment flows of principal and interest, including any income tax levied thereon, against foreign exchange fluctuation.

Due to the characteristics of said financial instruments, the Company applied the rules of fair value hedge accounting to record them. As a result, both the underlying loan object of the hedge operation and the hedge instrument itself (swap) are measured at fair value through profit or loss, thus fully protecting the Company from the financial effects, as well as impacts from exchange variation in its results.

¹⁵ Presented partially under "Other current liabilities."

¹⁶ Presented partially under "Other non-current liabilities."

At 6.30.2016, the values of the loans and their swaps assessed at their amortized costs (“at the curve”) and fair values were as follows:

Financial instrument	Notional value	Maturity	Interest payment	Interest	Amortized cost	Adjustment to fair value	Book balance
HSBC USA III Swap	US\$ 80,266 R\$ 200,000	10.2016 10.2016	Quarterly Quarterly	1.7871% p.a. 99.0% of CDI	258,624 (205,580)	(270) 19	258,354 (205,561)
HSBC USA IV Swap	US\$ 50,000 R\$ 128,320	12.2016 12.2016	Quarterly Quarterly	1.8104 % p.a. 98.6% of CDI	160,603 (133,478)	47 17	160,650 (133,461)
HSBC USA V Swap	US\$ 10,000 R\$ 26,558	12.2016 12.2016	Quarterly Quarterly	1.8471 % p.a. 97% of CDI	32,121 (27,161)	77 5	32,198 (27,156)
Mizuho Bank Swap	US\$ 90,000 R\$ 233,910	12.2016 12.2016	Quarterly Quarterly	1.7260% p.a. 96.02% of CDI	289,119 (235,446)	(696) 335	288,423 (235,111)
Bank of Tokyo Swap	US\$ 50,000 R\$ 130,500	12.2016 12.2016	Quarterly Quarterly	114.2857% Libor + 0.5486% p.a. 98.0% of CDI	160,618 (131,579)	(946) 27	159,672 (131,552)
Swap result					167.841	(1,385)	166,456

Changes in fair value hedge operations on loans

	Parent Company and Consolidated
	Current
Assets at 12.31.2015	488,802
Interest expense	(42,548)
Exchange variation	(212,924)
Fair value adjustment	36,222
Principal amortization	(147,189)
Interest amortization	44,093
Assets at 6.30.2016	166,456

a.2.2) Cash flow hedge operations

As at 6.30.2016, the Company maintains a Non-Deliverable Forward (NDF) operation to hedge all of its future foreign-denominated payments arising from contractual commitments related to the construction of the coal-fired thermal power plant UTE Pampa Sul and of the wind farms comprising the Campo Largo Complex and of the Assú V Photovoltaic Solar Power Plant. The NDFs used to hedge the commitments assumed by Campo Largo Wind Power Complex and Assú V Photovoltaic Solar Power Plant were contracted by ENGIE Brasil Energia – the indirect parent company – and fully transferred to the subsidiaries.

These NDF operations were contracted 84.5% from HSBC and 15.5% from Santander, and mature up to July 2018.

At 6.30.2016, unrealized gains with NDF totaled an asset of R\$ 64,791 (R\$ 419,665 at 12.31.2015) and a liability of R\$ 28,866 (R\$ 562 at 12.31.2015). The corresponding entry is recognized directly to shareholders' equity under "Other comprehensive income (loss)", net of deferred income and social contribution taxes, in the amount of R\$ 23,711. In addition, an amount of R\$ 7,518 was recognized under "Other comprehensive income," relating to the gains realized from NDF contracted again due to the revision of the supplier payment flow. Unrealized losses, net of impacts from deferred income and social contribution taxes, in the three-month period ended 6.30.2016, were R\$ 252,896 and are recorded in the "Statement of comprehensive income."

a.3) Sensitivity analysis of the exposure to risks related to interest rates, floating rates and foreign currency quotation variation

In compliance with CVM Instruction no. 475/08 and for reference purposes, the Company prepared a sensitivity analysis on its loans, financing, debentures and concessions payable exposed to interest rate variation risks and floating rate risks, and foreign currency variation risks.

The probable basic scenario for 6.30.2016 was defined using the following assumptions available in the market (Source: Central Bank of Brazil Market Readout).

Variation of interest rates and indices:	Change 6.30.2016	Probable Scenario 6.30.2017	Sensitivity		
			Probable	Δ + 25% (*)	Δ + 50% (*)
TJLP	7.1%	7.5%	+ 0.4 p.p.	1.9 p.p.	3.8 p.p.
CDI	14.1%	11.0%	- 3.1 p.p.	2.8 p.p.	5.9 p.p.
IPCA	8.8%	6.0%	- 2.8 p.p.	1.5 p.p.	3.0 p.p.
IGP-M	12.2%	6.1%	- 6.1 p.p.	1.5 p.p.	3.1 p.p.

(*) Variations on probable scenario for 2017.

The probable sensitivity was calculated based on the variation of indices for the last 12 months ended 6.30.2016 and those expected in the probable scenario for the 12 months ending 6.30.2017. The other sensitivities shown were calculated based on the variation of 25% and 50% on the probable scenario for the 12 months ending 6.30.2017. The variations that could be caused on the consolidated financial result of the Company in the next 12 months compared to the last 12 months if the scenarios materialize are the following:

	Balance at	Sensitivity		
	6.30.2016	Probable	Δ + 25%	Δ + 50%
Loans and financing				
TJLP	2,337,033	(8,368)	(42,237)	(85,165)
CDI (Loans with swap to CDI rate)	899,297	7,591	(7,203)	(14,452)
IPCA	167,813	4,424	(2,313)	(4,625)
		3,647	(51,753)	(104,242)
Debentures				
IPCA	196,461	5,832	(3,049)	(6,097)
Concessions payable				
IGP-M	1,663,944	105,887	(26,405)	(52,809)
IPCA	576,012	16,286	(8,510)	(17,020)
		122,173	(34,915)	(69,829)
Total		131,652	(89,717)	(180,168)

b) Capital management risk

The Company manages its capital so as to maximize return to investors by optimizing the debt and equity balances, seeking to structure capital and maintaining indebtedness and debt coverage ratios that provide the return to investors.

c) Credit risk

The transactions that are relevant to the Company's business in which there exists credit risk are energy sales, financial investments and hedge operations. The Company's history of losses resulting from difficulties of banks and customers to honor their commitments is practically zero. The Company is the guarantor of certain financing agreements for its subsidiaries to guarantee compliance with the commitments assumed.

The "Investment and Derivatives Policy" imposes strong restrictions to the realization of derivative transactions and determines that exposures be continuously monitored in case this type of transaction is contracted.

As mentioned earlier, the only hedge operations contracted by the Company were (i) swaps to hedge payments of principal and interest related to loans denominated in U.S. dollars; and (ii) NDF to hedge future payment flows in foreign currencies related to contracts for purchase of equipment and services for the construction of plants.

d) Liquidity risk

The management of the Company's liquidity risk is under the responsibility of the Financial Committee, which manages fund raising requirements and short-, medium- and long-term liquidity by permanently monitoring forecasted and actual cash flows.

The Company, in order to ensure the capacity to pay its obligations, uses a minimum cash policy that is annually reviewed based on cash projections and monthly monitored in the Financial Committee meetings. The management of marketable securities focuses on short-term instruments, especially with daily maturities, in order to provide maximum liquidity and to cover disbursements.

The Company's cash generating feature and the low volatility in receipts and payment obligations throughout the months guarantee to the company the stability of its flows, reducing its liquidity risk.

e) Category and fair value of financial instruments

	Parent company		Consolidated	
	6.30.2016	12.31.2015	6.30.2016	12.31.2015
Financial assets				
Measured at fair value through profit or loss				
Marketable securities	1,488,905	1,735,344	2,084,902	2,385,163
Restricted deposits	14,531	12,453	197,076	166,565
Receivables and loans				
Cash and bank deposits	4,489	3,664	19,821	11,691
Trade accounts receivable	506,445	441,588	745,073	773,602
Dividends receivable from subsidiaries	253,865	208,777	-	-
Fuel reimbursable	122,763	144,249	122,763	144,249
Hedge operations				
Fair value hedge on loans	166,456	488,802	166,456	488,802
Cash flow hedge on obligations	-	-	64,791	419,665
	2,557,454	3,034,877	3,400,882	4,389,737
Financial liabilities				
Financial liabilities assessed at amortized cost:				
Suppliers	196,717	372,502	366,098	573,573
Loans and financing	759,938	765,350	2,544,983	2,613,582
Debentures	196,461	181,436	196,461	181,436
Concessions payable	2,188,073	2,020,581	2,239,956	2,070,552
Liabilities linked to investment acquisition ¹⁷	-	-	53,996	47,516
Measured at fair value				
Loans and financing	899,297	1,452,176	899,297	1,452,176
Hedge operations				
Cash flow hedge operations on obligations	-	-	28,866	562
	4,240,486	4,792,045	6,329,657	6,939,397

Financial assets and liabilities measured at fair value through profit or loss are assessed based on the market prices in active markets (Level 1), excluding Loans and Financing and hedge operations, which are assessed based on observable data (Level 2).

f) Market value of financial instruments

In operations involving financial instruments, differences were identified only between amounts presented in the balance sheet and their market values, in loans and financing, debentures and concessions payable. These differences occurred mainly because these instruments have long-term settlements and different costs in relation to interest rates currently used for similar contracts. The market values were determined based on future cash flows discounted to present value at rates considered as adequate for operations with similar characteristics. Loans in foreign currency, net of hedge impacts, have the same market value and book value, as there are recognized at fair value.

¹⁷ Presented under "Other current liabilities" and "Other non-current liabilities"

	Parent Company			
	6.30.2016		12.31.2015	
	Book	Market	Book	Market
Loans and financing in local currency	759,938	757,141	765,350	773,945
Debentures	196,461	204,762	181,436	176,729
Concessions payable	2,188,073	2,953,417	2,020,581	2,240,528
	3,144,472	3,915,320	2,967,367	3,191,202
Consolidated				
	6.30.2016		12.31.2015	
	Book	Market	Book	Market
Loans and financing in local currency	2,544,983	2,545,129	2,613,582	2,802,011
Debentures	196,461	204,762	181,436	176,729
Concessions payable	2,239,956	3,022,025	2,070,552	2,296,789
	4,981,400	5,771,916	4,865,570	5,275,529

24 - TRANSACTIONS WITH RELATED PARTIES

a) Amounts recognized in balance sheet accounts

	ASSETS			LIABILITIES	
	Accounts receivable		Dividends	Energy Supplier	IOE ¹⁸ dividends
	Energy	Services			
6.30.2016					
ENGIEC	153,797	-	181,417	2,498	-
CEE	44,790	-	37,542	-	-
Lages	2,399	187	17,844	-	-
Itasa	-	1,371	17,062	10,079	-
Ceste	-	1,717	-	-	-
ENGIEP subsidiaries	-	156	-	-	-
ENGIE Participações	-	212	-	-	-
	200,986	3,643	253,865	12,577	-
12.31.2015	162,998	3,524	208,777	41,365	183,393

¹⁸Interest on equity

b) Amounts recognized in the income statement:

	Revenue			Cost	Expense	Financial income
	Supply of energy	O&M Services	Administrative services	Energy purchase	Third party services	
2nd Quarter of 2016						
ENGIEC	362,131	-	91	5,158	-	-
CEE	-	-	91	-	-	2,021
Lages	5,133	629	53	-	-	-
Itasa	-	4,783	-	27,874	-	-
ENGIEP subsidiaries	-	-	599	-	-	-
Ceste	-	5,159	-	-	-	-
Other	-	-	91	-	1,703	-
	367,264	10,571	925	33,032	1,703	2,021
2nd Quarter of 2015	470,990	9,505	628	22,679	1,577	1,916

	Revenue			Cost	Expense	Financial income
	Supply of energy	O&M Services	Administrative services	Energy purchase	Third party services	
First six months of 2016						
ENGIEC	952,595	-	182	5,158	-	-
CEE	-	-	182	-	-	4,466
Lages	10,633	1,199	106	-	-	-
Itasa	-	8,927	-	55,732	-	-
ENGIEP subsidiaries	-	-	1,199	-	-	-
Ceste	-	10,004	-	-	-	-
Other	-	-	182	-	1,965	-
	963,228	20,130	1,851	60,890	1,965	4,466
First six months of 2015	954,712	18,528	1,260	45,099	2,238	3,437

c) Other transactions with related parties

The Company has other related-party transactions that are described in more details in the financial statements as at 12.31.2015.

The main transactions are the following:

- Purchase and sale of electrical energy;
- Operation and maintenance;
- Administrative services;
- Guarantees;
- Sureties and guarantees;
- Loan between Ibitiúva and Andrade Açúcar e Alcool (Andrade); and
- Remuneration of key management personnel.

There were no significant changes in other related-party transactions in the first six months of 2016.

25 - INSURANCE

a) Operating and lost profit risks

The Company is covered by the international insurance policy for Property Damage and Business Interruption (PDBI) of the insurance program of its parent company ENGIE. The insurance is valid until 5.31.2017 and the coverage amount is R\$ 11,857,523 in the parent company and R\$ 15,217,728 in the consolidated statements, as shown below.

Type of plant	Parent company		Consolidated	
	Material damages	Loss of profit	Material damages	Loss of profit
Hydroelectric power plants	8,099,302	489,026	9,779,785	489,025
Thermoelectric power plants	2,521,297	706,445	2,521,297	706,446
Complementary plants (wind, biomass and SHPP)	40,977	476	1,412,702	308,473
	10,661,576	1,195,947	13,713,784	1,503,944

The maximum combined limit of indemnification for material damages and loss of profits is R\$ 1,789,020 per event.

b) Engineering risks

The project for construction of the Santa Mônica Wind Power Complex has an engineering risk and civil liability with coverage of R\$ 450,430 and R\$ 20,000, respectively for the entire duration of construction works.

The project for construction of UTE Pampa Sul has insurance coverage for engineering risks and civil liability of R\$ 1,830,000 and R\$ 190,000, respectively.

c) Other coverages

The Company also has insurance to cover national and international transportation risks, civil liability of the directors, officers and management, extended to its subsidiaries, as well as group life insurance for its officers and employees.

26 - LONG-TERM COMMITMENTS

The Company has long-term agreements, and further information can be obtained in the financial statements of 12.31.2015.

The Company's main long-term commitments are as follows:

- Power grid connection agreements;
- Transmission and Distribution Network Usage Agreements (CUST and CUSD);
- Bilateral contracts for purchase and sale of electrical energy;
- Purchase of natural gas;
- Lease agreements;
- Contracts for modernization and expansion of power plants;
- Construction agreements; and

- Lease agreement of registered office.

There were no major changes in long-term commitments in the first six months of 2016.

27 - ADDITIONAL CASH FLOW INFORMATION

The following main transactions that did not involve cash and cash equivalents were carried out:

	Parent company		Consolidated	
	6.30.2016	6.30.2015	6.30.2016	6.30.2015
Compensation of income and social contribution taxes	29,476	13,537	41,601	18,733
Suppliers of property, plant and equipment and intangible assets	(12,741)	73,589	(23,061)	104,010
Capitalized interest and monetary variation for property, plant and equipment	10,941	21,023	51,087	22,009
Amounts payable from investment acquisition	-	-	13,027	14,093
Dividends receivable from subsidiaries	267,026	-	-	-

28 - SUBSEQUENT EVENTS

a) Interim dividends

At the meeting held on 7.28.2016, the Board of Directors approved the distribution of interim dividends based on the financial statements as of 6.30.2016, in the amount of R\$ 645,197, corresponding to R\$ 0.9884403986 per share, equivalent to 100% of the adjusted net income for the first half of 2016. The Company's shares will be traded ex-interim dividends as of 8.9.2016 and payment will begin on 10.6.2016.

b) Issue of debentures

On 7.15.2016, the Company issued 600,000 simple, unsecured, non-convertible debentures in two series, at the nominal unit value of R\$ 1, totaling R\$ 600,000. The proceeds will be used to build the UTE Pampa Sul. The main conditions of the issue were:

	Number	Remuneration	Payment Conditions		Collateral
			Charges	Principal	
6 th Issue - Series 1	246,600	IPCA + 6.2621% p.a.	Annually in July	3 annual installments as of July 2021	No collateral
6 th Issue - Series 2	353,400	IPCA + 6.2515% p.a.	Annually in July	3 annual installments as of July 2024	No collateral

The following covenants shall be complied with:

- EBITDA/consolidated financial expenses ≥ 2.0
- Consolidated gross debt /EBITDA ≤ 4.5

BOARD OF DIRECTORS

Maurício Stolle Bähr
Chairman

Manoel Arlindo Zaroni Torres
Vice-Chairman

Pierre Jean Bernard Guiollot
Board Member

Paulo Jorge Tavares Almirante
Board Member

Dirk Achiel Marc Beeuwsaert
Board Member

Willem Frans Alfons Van Twembeke
Board Member

Roberto Henrique Tejada Vencato
Board Member

José Pais Rangel
Board Member

Luiz Leonardo Cantidiano Varnieri Ribeiro
Board Member

BOARD OF EXECUTIVE OFFICERS

Eduardo Antonio Gori Sattamini
Chief Executive Officer, CFO and Investor
Relations Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Gustavo Henrique Labanca Novo
Business Development Officer

Luiz Jansson Laydner
Generation Officer

Edson Luiz da Silva
Planning and Control Officer

Júlio César Lunardi
Administrative Officer

ACCOUNTING DEPARTMENT

Marcelo Cardoso Malta
Accounting Department Manager
Accountant - CRC RJ 072259/O-5 T-SC

Comments on Business Projections

Identification of projections

a. Purpose of projection

Investments in the maintenance, revitalization and expansion of the generation facilities.

The Company's investment statements segregate values in two groups:

- Investments financed with own capital, including acquisitions, and
- Investments financed with debts, including debts assumed in the acquisitions.

Both projection models are included in item "d" below.

The projections made are mere reasonable estimates that usually depend on future events, thus cannot be regarded as a promise to perform by the Company and its managers.

b. Period projected and projection term

ENGIE Brasil Energia quarterly discloses to the market its investment projections for the current year and the two subsequent years, valid until its realization or replacement by another projection.

c. Prospect assumptions, indicating which ones can be influenced by the Company's management

The Company's projections for investment are mainly based on the following assumptions:

- Schedule for maintenance of the generating units;
- Diagnosis of equipment;
- Regulatory obligations; and
- Strategic initiatives.

The amounts informed, projected and actual, do not consider interest on construction (interest on equity capital and loan capital).

The Management can influence all assumptions, except for the regulatory obligations that are beyond its control.

In case of a significant change in the foregoing assumptions, the projections can be reviewed.

d. Value of the indicators that are the subject matter of the projection

The estimated and actual amounts for the quarter ended 6.30.2016 are shown in the tables below. These amounts are expressed in millions of Brazilian real and do not include interest on financing that were capitalized during the construction of the plants.

Estimate for the years 2016, 2017 and 2018 disclosed in the fourth quarter of 2015:

Description / projection period	2016	2017	2018
Financed with debt	1,882	567	1,034
Financed with own capital	469	1,033	879
Total	2,351	1,600	1,913

Estimate for the years 2016, 2017 and 2018 disclosed in the first quarter of 2016:

Description / projection period	2016	2017	2018
Financed with debt	1,040	1,452	924
Financed with own capital	1,089	211	1,112
Total	2,129	1,663	2,036

Estimate for the years 2016, 2017 and 2018 valid for the second quarter of 2016:

Description / projection period	2016	2017	2018
Financed with debt	1,040	1,452	924
Financed with own capital	1,173	463	1,175
Total	2,213	1,915	2,099

Changes between the estimate for the years 2016, 2017 and 2018 disclosed in the first quarter of 2016 and the current position in the second quarter of 2016:

Description / projection period	2016	2017	2018
Financed with debt	-	-	-
Financed with own capital	84	252	63
Total	84	252	63

Analysis of material variations in the second quarter of 2016:

The change in relation to the initial estimates for 2016 (announced at the end of the first quarter of 2016) mainly refer to increase in the amount for construction of the Campo Largo Wind Park, UTE Pampa Sul and the Santa Mônica Wind Power Plant.

With regard to the initial estimates for 2017 (announced at the end of the first quarter of 2016), the increase is mainly due to the revision of amounts for the construction of UTE Pampa Sul.

The change in the estimates for 2018 (announced at the end of the first quarter of 2016) basically refers to expenses with UTE Pampa Sul.

Investments made through the Second Quarter of 2016:

Description / projection period	Projected 2016	Actual 6M16	Estimated 6M16
Financed with debt	1,040	-	1,040
Financed with own capital	1,173	400	773
Total	2,213	400	1,813

In the second quarter of 2016, the Company invested R\$ 227 million, of which R\$ 53 million in the maintenance and modernization of its Power Plants, R\$ 14 million in the modernization of the Salto Santiago and Passo Fundo plants and R\$ 160 million in the plants UTE Pampa Sul (R\$ 108 million), Santa Mônica Wind Power Project (R\$ 48 million) and other plants (R\$ 4 million).

In the first six months of 2016, the Company's investments totaled R\$ 400 million, as follows: (i) R\$ 69 million – allocated to maintenance and renovation projects of the generation facilities; (ii) R\$ 48 million – allocated to modernization of Salto Santiago and Passo Fundo; and (iii) R\$ 283 million – used in plants: UTE Pampa Sul (R\$ 175 million), Santa Mônica Wind Power Project (R\$ 93 million) and other plants (R\$ 15 million).

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

To the Board Members, Directors and Shareholders of
Engie Brasil Energia S.A. (current name of Tractebel Energia S.A.)
Florianópolis - SC

Introduction

We have reviewed the interim, parent company and consolidated accounting information of Engie Brasil Energia S.A. (current name of Tractebel Energia S.A.) ("Company"), contained in the Quarterly Information – ITR Form for the quarter ended June 30, 2016, which comprise the balance sheet as of June 30, 2016 and the related statements of income, of comprehensive income for the three-month and six-month periods then ended, and of changes in shareholders' equity and of cash flows for the six-month period then ended, including the summary of the main accounting policies and other explanatory notes.

The management of the Company is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with CPC 21 (R1) - Technical Pronouncement and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly 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 the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, we are not aware of any facts that would lead us to believe that the parent company and consolidated interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other matters

Value added statement

We also reviewed the parent company and consolidated value-added statements (SVA) for the six-month period ended on June 30, 2016, prepared by the Company's management, whose presentation in the interim information is required according to the standards issued by the CVM - Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the IFRS, which do not require the presentation of the SVA. These statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, consistent with the parent company and consolidated interim accounting information taken as a whole.

Florianópolis, July 28, 2016

KPMG Auditores Independentes
CRC SC-000071/F-8

Claudio Henrique Damasceno Reis
Accountant CRC SC-024494/O-1

Opinions and Statements/Statement of the Executive Officers on the Financial Statements

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Financial Statements (parent company and consolidated) and also, agrees with the opinion of the independent auditors of the Company, KPMG Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Eduardo Antonio Gori Sattamini
Chief Executive Officer, CFO and Investor Relations Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Gustavo Henrique Labanca Novo
Business Development Officer

José Luiz Jansson Laydner
Generation Officer

Edson Luiz da Silva
Planning and Control Officer

Júlio César Lunardi
Administrative Officer

Florianópolis, July 28, 2016

Opinions and Statements / Statement of the Executive Officers on the Independent Auditors' Report

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Financial Statements (parent company and consolidated) and also, agrees with the opinion of the independent auditors of the Company, KPMG Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Eduardo Antonio Gori Sattamini
Chief Executive Officer, CFO and Investor Relations Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Gustavo Henrique Labanca Novo
Business Development Officer

José Luiz Jansson Laydner
Generation Officer

Edson Luiz da Silva
Planning and Control Officer

Júlio César Lunardi
Administrative Officer

Florianópolis, July 28, 2016