Contents

Company information

Capital Composition 1

Dividends in Cash 2

Individual financial statements

Balance Sheet - Assets 3

Balance Sheet - Liabilities 4

Statement of Income 6

Statement of Comprehensive Income 8

Statement of Cash Flow 9

Statement of changes in shareholders' equity

Statement of Changes in Shareholders' Equity (DMPL) – 1.01.2012 to 6.30.2012 10

Statement of Changes in Shareholders' Equity (DMPL) – 1.01.2011 to 6.30.2011 11

Statement of Added-value 12

Consolidated financial statements

Balance Sheet - Assets 13

Balance Sheet - Liabilities 14

Statement of Income 16

Statement of Comprehensive Income 18

Statement of Cash Flow 19

Statement of changes in shareholders' equity

Statement of Changes in Shareholders' Equity (DMPL) – 1.01.2012 to 6.30.2012 20

Statement of Changes in Shareholders' Equity (DMPL) – 1.01.2011 to 6.30.2011 21

Statement of Added-value 22

Performance Comment 23

Notes to the Financial Statements 31

Comments on the Behavior of the Business Projections 83

Other Information the Company deems to be relevant 85

Opinions and Statements

Special Review Report - Unqualified 86

Statement of the Executive Officers on the Financial Statements 88

Statement of the Executive Officers on the Independent Auditors' Report 89

Company information / Capital composition

Quantity of shares (Units)	Current quarter 6/30/2012
Paid-in capital	
Common	652,742,192
Preferred	0
Total	652,742,192
Treasury shares	
Common	0
Preferred	0
Total	0

Company information / Dividends in cash

Event	Approval	Dividend	Start Payment	Nature of Share	Type of Share	Dividend per share (Reais / Shares)
Board of Directors' Meeting	7/26/2012	Dividends		Common shares		1.06284
Annual General Meeting	3/21/2012	Dividends	5/15/2012	Common shares		0.79256

Individual Financial Statements / Balance Sheet – Assets

(In thousands of Reais)

Code of Account	Account Description	Current Quarter 6/30/2012	Prior Year 12/31/2011
1	Total assets	8,601,498	8,971,519
1.01	Current assets	736,568	1,110,743
1.01.01	Cash and cash equivalents	234,705	567,119
1.01.03	Accounts receivable	397,757	418,849
1.01.03.01	Trade accounts receivable	374,536	410,903
1.01.03.02	Other accounts receivable	23,221	7,946
1.01.03.02.01	Dividends from subsidiaries	23,221	7,946
1.01.04	Inventories	44,312	38,883
1.01.06	Recoverable taxes	0	1,987
1.01.06.01	Current taxes recoverable	0	1,987
1.01.08	Other current assets	59,794	83,905
1.01.08.03	Others	59,794	83,905
1.01.08.03.01	Pledges and restricted deposits	0	32,159
1.01.08.03.02	Others	59,794	51,746
1.02	Non-current assets	7,864,930	7,860,776
1.02.01	Long term assets	250,744	245,630
1.02.01.03	Accounts receivable	86,886	86,886
1.02.01.03.02	Other accounts receivable	86,886	86,886
1.02.01.08	Related party credits	7,299	6,981
1.02.01.08.02	Receivables with subsidiary companies	7,299	6,981
1.02.01.09	Other non-current assets	156,559	151,763
1.02.01.09.03	Recoverable taxes	16,571	16,099
1.02.01.09.04	Judicial deposits	108,382	104,059
1.02.01.09.05	Others	31,606	31,605
1.02.02	Investments	2,690,149	2,551,112
1.02.02.01	Equity interest	2,690,149	2,551,112
1.02.02.01.02	Subsidiaries	2,363,168	2,239,831
1.02.02.01.03	Joint ownership	326,981	311,281
1.02.03	Property, plant and equipment	4,911,104	5,048,182
1.02.03.01	Fixed assets in operation	4,827,965	4,966,297
1.02.03.03	Constructions in progress	83,139	81,885
1.02.04	Intangible assets	12,933	15,852
1.02.04.01	Intangible assets	12,933	15,852

Individual Financial Statements/ Balance Sheet – Liabilities

(In thousands of Reais)

Code of Account	Account Description	Current Quarter 6/30/2012	Prior Year 12/31/2011
2	Total Liabilities	8,601,498	8,971,519
2.01	Current liabilities	660,406	1,130,811
2.01.01	Social and labor obligations	43,995	53,031
2.01.01.02	Labor obligations	43,995	53,031
2.01.02	Suppliers	183,284	219,640
2.01.02.01	Domestic suppliers	183,284	219,640
2.01.03	Tax liabilities	112,961	304,483
2.01.03.01	Federal tax liabilities	109,283	303,919
2.01.03.01.01	Income and social contribution tax payable	196,994	357,804
2.01.03.01.02	PIS and COFINS payable	13,641	19,142
2.01.03.01.03	Others	4,697	5,052
2.01.03.01.04	(-) Federal taxes recoverable	-106,049	-78,079
2.01.03.02	State tax liabilities	3,051	93
2.01.03.02.01	ICMS payable	9,441	7,443
2.01.03.02.02	(-) ICMS recoverable	-6,390	-7,350
2.01.03.03	Municipal tax liabilities	627	471
2.01.03.03.01	ISS tax payable	627	471
2.01.04	Loans and financing	208,185	224,904
2.01.04.01	Loans and financing	35,794	41,364
2.01.04.01.01	In local currency	19,174	23,851
2.01.04.01.02	In foreign currency	16,620	17,513
2.01.04.02	Debentures	172,391	183,540
2.01.05	Other liabilities	67,088	285,068
2.01.05.02	Others	67,088	285,068
2.01.05.02.01	Dividends and interest on own capital	7,228	220,767
2.01.05.02.04	Obligations Research and development	16,674	15,626
2.01.05.02.05	Concessions payable	3,047	2,643
2.01.05.02.06	Other liabilities	40,139	46,032
2.01.06	Provisions	44,893	43,685
2.01.06.01	Tax, social security, labor and civil provisions	8,848	7,640
2.01.06.01.02	Social security and labor provisions	4,208	3,000
2.01.06.01.04	Civil provisions	4,640	4,640
2.01.06.02	Other provisions	36,045	36,045
2.01.06.02.04	Post-employment benefits	36,045	36,045
2.02	Non-current liabilities	2,336,848	2,392,727
2.02.01	Loans and financing	786,761	937,535
2.02.01.01	Loans and financing	632,388	629,681
2.02.01.01.01	In local currency	430,000	434,988
2.02.01.01.02	In foreign currency	202,388	194,693
2.02.01.02	Debentures	154,373	307,854
2.02.02	Other liabilities	923,370	864,623
2.02.02.02	Others	923,370	864,623
2.02.02.02.03	Obligations Research and development	38,944	36,649
2.02.02.02.04	Concessions payable	884,365	825,730
2.02.02.02.05	Other liabilities	61	2,244
2.02.03	Deferred taxes	206,140	165,482

Individual Financial Statements/ Balance Sheet – Liabilities

(In thousands of Reais)

Code of Account	Account Description	Current Quarter 6/30/2012	Prior Year 12/31/2011
2.02.03.01	Deferred income and social contribution taxes	206,140	165,482
2.02.04	Provisions	420,577	425,087
2.02.04.01	Tax, social security, labor and civil provisions	137,571	124,123
2.02.04.01.01	Tax provisions	18,271	17,869
2.02.04.01.02	Social security and labor provisions	6,200	7,996
2.02.04.01.04	Civil provisions	113,100	98,258
2.02.04.02	Other provisions	283,006	300,964
2.02.04.02.04	Post-employment benefits	283,006	300,964
2.03	Shareholders' equity	5,604,244	5,447,981
2.03.01	Realized capital stock	2,445,766	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	1,753,726	2,262,157
2.03.04.01	Legal reserve	489,153	489,153
2.03.04.05	Profit retention reserve	1,229,380	1,229,380
2.03.04.07	Fiscal incentive reserve	35,193	26,282
2.03.04.08	Additional dividend proposed	0	517,342
2.03.05	Retained Earnings/Losses	693,759	0
2.03.06	Adjustments to asset valuation	619,298	648,363

Individual Financial Statements / Statement of Income

(In thousands of Reais)

Code of Account	Account Description	Current Quarter from 4/01/2012 to 6/30/2012	Accumulated of the Current Year from 1/01/2012 to 6/30/2012	Same Quarter of the Prior Year from 4/01/2011 to 6/30/2011	Accumulated of the Prior Year from 1/01/2011 to 6/30/2011
3.01	Income from sales of goods and/or services	819,945	1,653,635	870,071	1,701,133
3.02	Cost of goods and/or services sold	-314,760	-642,182	-352,402	-664,054
3.02.01	Electricity purchased for resale	-55,138	-109,441	-68,100	-120,813
3.02.02	Transactions channeled through the Energy Trading Board (CCEE)	-1,777	-19,478	-6,276	-20,230
3.02.03	Electric power network use charges and connection	-62,753	-132,043	-57,029	-115,016
3.02.04	Cost of electric power service	-188,667	-368,727	-215,206	-397,198
3.02.05	Cost of services rendered	-6,425	-12,493	-5,791	-10,797
3.03	Gross income	505,185	1,011,453	517,669	1,037,079
3.04	Operating expenses/income	45,041	50,568	29,835	32,489
3.04.01	Sales expenses	-3,153	-6,438	-3,533	-6,434
3.04.02	General and administrative expenses	-39,430	-75,930	-41,095	-76,453
3.04.04	Other operating income	3,978	2,656	39,487	50,374
3.04.04.01	Reversal of operational provisions, net	2,143	329	28,718	39,174
3.04.04.02	Others	1,835	2,327	10,769	11,200
3.04.06	Equity income (loss)	83,646	130,280	34,976	65,002
3.04.06.01	Equity in net income	84,547	131,942	35,360	65,703
3.04.06.02	Goodwill amortization; Right of concession	-901	-1,662	-384	-701
3.05	Income (loss) before financial income (loss) and taxes	550,226	1,062,021	547,504	1,069,568
3.06	Financial income (loss)	-78,741	-119,077	-43,904	-117,218
3.06.01	Financial income	15,993	30,535	15,640	48,243
3.06.02	Financial expenses	-94,734	-149,612	-59,544	-165,461
3.07	Income (loss) before income tax	471,485	942,944	503,600	952,350
3.08	Income and social contribution taxes	-127,259	-269,339	-144,826	-286,622
3.08.01	Current	-78,440	-228,681	-146,641	-290,266
3.08.02	Deferred assets	-48,819	-40,658	1,815	3,644
3.09	Net income (loss) of continued operations	344,226	673,605	358,774	665,728
3.11	Net Income (loss) for the period	344,226	673,605	358,774	665,728
3.99	Earning per share - (Reais / Shares)				

Individual Financial Statements / Statement of income

(In thousands of Reais)

Code of Account	Account Description	Current Quarter from 4/01/2012 to 6/30/2012	Accumulated of the Current Year from 1/01/2012 to 6/30/2012	Same Quarter of the Prior Year from 4/01/2011 to 6/30/2011	Accumulated of the Prior Year from 1/01/2011 to 6/30/2011
3.99.01	Basic earnings per share				
3.99.01.01	ON	0.52735	1.03196	0.54964	1.01989
3.99.02	Diluted earning per share				
3.99.02.01	ON	0.52735	1.03196	0.54964	1.01989

Individual Financial Statements / Statement of Comprehensive Income

Reasons for no fulfilling the chart:

The Company do not has comprehensive income.

Individual Financial Statements / Statement of Cash Flow - Indirect Method

(In thousands of Reais)

Code of Account	Account Description	Accumulated of the Current Year from 1/01/2012 to 6/30/2012	Accumulated of the Prior Year from 1/01/2011 to 6/30/2011
6.01	Net cash from operational activities	646,289	708,978
6.01.01	Cash generated in operations	1,134,629	1,164,149
6.01.01.01	Income before income taxes	942,944	952,350
6.01.01.02	Depreciation and amortization	186,499	182,063
6.01.01.03	Equity interest income (loss)	-130,280	-65,002
6.01.01.04	Monetary and exchange variance	47,531	40,252
6.01.01.05	Interest	87,009	102,388
6.01.01.06	Formation (reversal) of operating provision, net	546	-36,705
6.01.01.07	Others	380	-11,197
6.01.02	Changes in assets and liabilities	-488,340	-455,171
6.01.02.01	Trade accounts receivable	36,617	52,774
6.01.02.02	Reimbursement for fuel purchase	3,728	-46,609
6.01.02.03	Recoverable taxes	-22,487	-2,034
6.01.02.04	Inventories	-5,429	3,594
6.01.02.05	Pledges and restricted, judicial deposits	33,378	98,015
6.01.02.06	Suppliers	-40,354	27,160
6.01.02.07	Income and social contribution taxes paid	-420,787	-457,044
6.01.02.08	Interest on loans, financing, debentures paid	-59,503	-113,175
6.01.02.09	Post-employment benefits	-14,662	-20,284
6.01.02.10	Obligations Research and development	3,343	-3,529
6.01.02.11	Others	-2,184	5,961
6.02	Net cash used in investment activities	-70,544	-33,128
6.02.01	Increase of Investments	-95,661	-22,811
6.02.02	Investment in property, plant and equipment	-45,669	-52,290
6.02.03	Investment in intangible assets	-843	-2,895
6.02.04	Dividends received from subsidiaries	71,629	20,321
6.02.05	Capital decrease in subsidiary	0	24,547
6.03	Net cash generated/(consumed) in financing activities	-908,159	-1,135,713
6.03.01	Payments of loans, financing and debentures	-175,938	-789,125
6.03.02	Concession payment payable	-1,341	-1,241
6.03.03	Payment of dividends and interest on own capital	-730,880	-345,965
6.03.04	Related party credits	0	618
6.05	Increase (decrease) in cash and cash equivalents	-332,414	-459,863
6.05.01	Opening balance of cash and cash equivalents	567,119	796,117
6.05.02	Closing balance of cash and cash equivalents	234,705	336,254

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/01/2012 to 6/30/2012

(In thousands of Reais)

Code of Account	Account Description	Paid-up 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	2,262,157	0	648,363	5,447,981
5.03	Adjusted opening balances	2,445,766	91,695	2,262,157	0	648,363	5,447,981
5.04	Capital transactions with partners	0	0	-517,342	0	0	-517,342
5.04.06	Dividends	0	0	-517,342	0	0	0
5.05	Total comprehensive income	0	0	0	673,605	0	673,605
5.05.01	Net income for the period	0	0	0	673,605	0	673,605
5.06	Internal changes in shareholders' equity	0	0	8,911	20,154	-29,065	0
5.06.04	Fiscal incentive reserve	0	0	8,911	-8,911	0	0
5.06.05	Property, plant and equipment adjustment to fair value	0	0	0	29,065	-29,065	0
5.07	Closing balances	2,445,766	91,695	1,753,726	693,759	619,298	5,604,244

Individual Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/01/2011 to 6/30/2011
(In thousands of Reais)

Code of Account	Account Description	Paid-up 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	1,827,033	0	708,190	5,072,684
5.03	Adjusted opening balances	2,445,766	91,695	1,827,033	0	708,190	5,072,684
5.04	Capital transactions with partners	0	0	-158,270	0	0	-158,270
5.04.06	Dividends	0	0	-158,270	0	0	-158,270
5.05	Total comprehensive income	0	0	0	665,728	0	665,728
5.05.01	Net income for the period	0	0	0	665,728	0	665,728
5.06	Internal changes in shareholders' equity	0	0	2,865	25,573	-28,438	0
5.06.04	Fiscal incentive reserve	0	0	2,865	-2,865	0	0
5.06.05	Property, plant and equipment adjustment to fair value	0	0	0	28,438	-28,438	0
5.07	Closing balances	2,445,766	91,695	1,671,628	691,301	679,752	5,580,142

Individual Financial Statements / Statement of Added Value

(In thousands of Reais)

Code of Account	Account Description	Accumulated of the Current Year from 1/01/2012 to 6/30/2012	Accumulated of the Prior Year from 1/01/2011 to 6/30/2011
7.01	Revenues	1,834,483	1,891,709
7.01.01	Sale of merchandise, products and services	1,832,156	1,886,552
7.01.02	Other income	2,327	11,200
7.01.04	Formation/reversal of allowance for doubtful accounts	0	-6,043
7.02	Inputs acquired from third parties	-375,562	-341,621
7.02.01	Cost of goods, merchandise and services sold	-150,939	-185,159
7.02.02	Materials, Energy, Third-party services and other	-78,312	-72,987
7.02.04	Others	-146,311	-83,475
7.02.04.01	Reversal of operational provisions, net	329	45,217
7.02.04.02	Electric power network use charges and connection	-132,043	-115,016
7.02.04.03	Others	-14,597	-13,676
7.03	Gross added value	1,458,921	1,550,088
7.04	Retentions	-186,499	-182,063
7.04.01	Depreciation, amortization and depletion	-186,499	-182,063
7.05	Net added value produced	1,272,422	1,368,025
7.06	Added value received as transfer	160,815	113,245
7.06.01	Equity income (loss)	130,280	65,002
7.06.02	Financial income	30,535	48,243
7.07	Total added value payable	1,433,237	1,481,270
7.08	Distribution of added value	1,433,237	1,481,270
7.08.01	Personnel	100,134	87,656
7.08.01.01	Direct remuneration	63,650	55,909
7.08.01.02	Benefits	21,313	17,658
7.08.01.03	F.G.T.S.	4,813	4,446
7.08.01.04	Others	10,358	9,643
7.08.02	Taxes, duties and contributions	450,446	472,488
7.08.02.01	Federal	437,937	448,662
7.08.02.02	State	11,508	22,751
7.08.02.03	Municipal	1,001	1,075
7.08.03	Third-party capital remuneration	94,064	113,022
7.08.03.01	Interest	73,953	99,098
7.08.03.02	Rents	5,678	6,756
7.08.03.03	Others	14,433	7,168
7.08.04	Remuneration of own capital	673,605	665,728
7.08.04.03	Retained earnings / Loss for the period	673,605	665,728
7.08.05	Others	114,988	142,376
7.08.05.01	Sectorial charges	54,608	83,759
7.08.05.02	Charges over concessions payale	60,380	58,617

Consolidated Financial Statements / Balance Sheet – Assets

(In thousands of Reais)

Code of Account	Account Description	Current Quarter 6/30/2012	Prior Year 12/31/2011
1	Total assets	11,658,794	12,028,563
1.01	Current assets	1,232,514	1,526,208
1.01.01	Cash and cash equivalents	482,943	781,808
1.01.03	Accounts receivable	565,321	542,149
1.01.03.01	Trade accounts receivable	565,321	542,149
1.01.04	Inventories	46,910	42,837
1.01.06	Recoverable taxes	66,525	64,294
1.01.06.01	Current taxes recoverable	66,525	64,294
1.01.08	Other current assets	70,815	95,120
1.01.08.03	Others	70,815	95,120
1.01.08.03.01	Pledges and restricted deposits	5,027	38,923
1.01.08.03.02	Others	65,788	56,197
1.02	Non-current assets	10,426,280	10,502,355
1.02.01	Long term assets	516,907	520,655
1.02.01.03	Accounts receivable	86,886	86,886
1.02.01.03.02	Other accounts receivable	86,886	86,886
1.02.01.06	Deferred taxes	19,501	23,930
1.02.01.06.01	Deferred income and social contribution taxes	19,501	23,930
1.02.01.09	Other non-current assets	410,520	409,839
1.02.01.09.03	Recoverable taxes	140,694	162,007
1.02.01.09.04	Pledges and restricted deposits	101,401	90,567
1.02.01.09.05	Judicial deposits	118,159	105,832
1.02.01.09.06	Others	50,266	51,433
1.02.03	Property, plant and equipment	9,814,715	9,885,151
1.02.03.01	Fixed assets in operation	9,153,478	9,255,048
1.02.03.03	Constructions in progress	661,237	630,103
1.02.04	Intangible assets	94,658	96,549
1.02.04.01	Intangible assets	94,658	96,549

Consolidated Financial Statements / Balance Sheet – Liabilities

(In thousands of Reais)

Code of Account	Account Description	Current Quarter 6/30/2012	Prior Year 12/31/2011
2	Total Liabilities	11,658,794	12,028,563
2.01	Current liabilities	1,056,531	1,472,698
2.01.01	Social and labor obligations	44,769	53,710
2.01.01.02	Labor obligations	44,769	53,710
2.01.02	Suppliers	259,393	234,336
2.01.02.01	Domestic suppliers	259,393	234,336
2.01.03	Tax liabilities	155,380	352,009
2.01.03.01	Federal tax liabilities	130,165	332,237
2.01.03.01.01	Income and social contribution tax payable	214,996	383,212
2.01.03.01.02	PIS and COFINS payable	16,981	22,192
2.01.03.01.03	Others	5,216	5,665
2.01.03.01.04	(-) Federal taxes recoverable	-107,028	-78,832
2.01.03.02	State tax liabilities	24,073	18,918
2.01.03.02.01	ICMS payable	30,481	26,584
2.01.03.02.02	(-) ICMS recoverable	-6,408	-7,666
2.01.03.03	Municipal tax liabilities	1,142	854
2.01.03.03.01	ISS tax payable	1,142	854
2.01.04	Loans and financing	406,499	417,464
2.01.04.01	Loans and financing	234,108	233,924
2.01.04.01.01	In local currency	217,488	216,411
2.01.04.01.02	In foreign currency	16,620	17,513
2.01.04.02	Debentures	172,391	183,540
2.01.05	Other liabilities	144,622	370,519
2.01.05.02	Others	144,622	370,519
2.01.05.02.01	Dividends and interest on own capital	7,486	221,025
2.01.05.02.04	Obligations Research and development	20,593	19,390
2.01.05.02.05	Concessions payable	48,178	45,688
2.01.05.02.06	Other liabilities	68,365	84,416
2.01.06	Provisions	45,868	44,660
2.01.06.01	Tax, social security, labor and civil provisions	9,823	8,615
2.01.06.01.02	Social security and labor provisions	4,208	3,000
2.01.06.01.04	Civil provisions	5,615	5,615
2.01.06.02	Other provisions	36,045	36,045
2.01.06.02.04	Post-employment benefits	36,045	36,045
2.02	Non-current liabilities	4,995,473	5,105,607
2.02.01	Loans and financing	3,013,998	3,231,736
2.02.01.01	Loans and financing	2,859,625	2,923,882
2.02.01.01.01	In local currency	2,657,237	2,729,189
2.02.01.01.02	In foreign currency	202,388	194,693
2.02.01.02	Debentures	154,373	307,854
2.02.02	Other liabilities	1,339,046	1,273,777
2.02.02.02	Others	1,339,046	1,273,777
2.02.02.02.03	Obligations with research and development program	42,299	38,959
2.02.02.02.04	Concessions payable	1,288,894	1,220,264
2.02.02.02.05	Other liabilities	7,853	14,554
2.02.03	Deferred taxes	212,693	166,539

Consolidated Financial Statements / Balance Sheet – Liabilities

(In thousands of Reais)

Code of Account	Account Description	Current Quarter 6/30/2012	Prior Year 12/31/2011
2.02.03.01	Deferred income and social contribution taxes	212,693	166,539
2.02.04	Provisions	429,736	433,555
2.02.04.01	Tax, social security, labor and civil provisions	146,730	132,591
2.02.04.01.01	Tax provisions	18,271	17,869
2.02.04.01.02	Social security and labor provisions	6,200	7,996
2.02.04.01.04	Civil provisions	122,259	106,726
2.02.04.02	Other provisions	283,006	300,964
2.02.04.02.04	Post-employment benefits	283,006	300,964
2.03	Consolidated shareholders' equity	5,606,790	5,450,258
2.03.01	Realized capital stock	2,445,766	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	1,753,726	2,262,157
2.03.04.01	Legal reserve	489,153	489,153
2.03.04.05	Profit retention reserve	1,229,380	1,229,380
2.03.04.07	Fiscal incentive reserve	35,193	26,282
2.03.04.08	Additional dividend proposed	0	517,342
2.03.05	Retained Earnings/Losses	693,759	0
2.03.06	Adjustments to asset valuation	619,298	648,363
2.03.09	Interest of non-controlling shareholders	2,546	2,277

Consolidated Financial Statements / Statement of Income

(In thousands of Reais)

Code of Account	Account Description	Current Quarter from 4/01/2012 to 6/30/2012	Accumulated of the Current Year from 1/01/2012 to 6/30/2012	Same Quarter of the Prior Year from 4/01/2011 to 6/30/2011	Accumulated of the Prior Year from 1/01/2011 to 6/30/2011
3.01	Income from sales of goods and/or services	1,194,372	2,347,839	1,057,843	2,079,972
3.02	Cost of goods and/or services sold	-508,254	-1,037,233	-448,884	-863,242
3.02.01	Electricity purchased for resale	-166,164	-338,600	-110,590	-215,816
3.02.02	Transactions channeled through the Energy Trading Board (CCEE)	-1,724	-19,824	-6,770	-20,952
3.02.03	Electric power network use charges and connection	-78,428	-162,901	-66,922	-133,208
3.02.04	Cost of electric power service	-255,513	-503,415	-258,811	-482,469
3.02.05	Cost of services rendered	-6,425	-12,493	-5,791	-10,797
3.03	Gross income (loss)	686,118	1,310,606	608,959	1,216,730
3.04	Operating expenses/income	-45,340	-89,555	-4,117	-38,027
3.04.01	Sales expenses	-4,710	-8,613	-3,748	-8,604
3.04.02	General and administrative expenses	-41,252	-79,582	-44,603	-82,906
3.04.04	Other operating income	1,770	0	44,234	53,483
3.04.04.01	Reversal of operating provision, net	1,770	0	28,745	38,743
3.04.04.02	Others	0	0	15,489	14,740
3.04.05	Other operating expenses	-1,148	-1,360	0	0
3.04.05.01	Formation of operating provision, net	0	-693	0	0
3.04.05.02	Other operating expenses	-1,148	-667	0	0
3.05	Income (loss) before financial income (loss) and taxes	640,778	1,221,051	604,842	1,178,703
3.06	Financial income (loss)	-127,095	-212,860	-79,376	-187,788
3.06.01	Financial income	24,068	47,371	22,561	62,246
3.06.02	Financial expenses	-151,163	-260,231	-101,937	-250,034
3.07	Income (loss) before income tax	513,683	1,008,191	525,466	990,915
3.08	Income and social contribution taxes	-169,331	-334,317	-166,692	-325,187
3.08.01	Current	-115,120	-283,735	-166,573	-329,238
3.08.02	Deferred assets	-54,211	-50,582	-119	4,051
3.09	Net income (loss) of continued operations	344,352	673,874	358,774	665,728
3.11	Income/loss for the period	344,352	673,874	358,774	665,728
3.11.01	Attributed to the Parent company's partners	344,226	673,605	358,774	665,728

Consolidated Financial Statements / Statement of Income

(In thousands of Reais)

Code of Account	Account Description	Current Quarter from 4/01/2012 to 6/30/2012	Accumulated of the Current Year from 1/01/2012 to 6/30/2012	Same Quarter of the Prior Year from 4/01/2011 to 6/30/2011	Accumulated of the Prior Year from 1/01/2011 to 6/30/2011
3.11.02	Attributed to non-controlling partners	126	269	0	0
3.99	Earning per share - (Reais / Shares)				
3.99.01	Basic earnings per share				
3.99.01.01	ON	0.52755	1.03237	0.54964	1.01989
3.99.02	Diluted earning per share				
3.99.02.01	ON	0.52755	1.03237	0.54964	1.01989

Consolidated financial statements / Statement of comprehensive income

Reasons for no fulfilling the chart:

The Company do not has comprehensive income.

Consolidated Financial Statements / Statement of Cash Flow - Indirect Method

(In thousands of Reais)

Code of Account	Account Description	Accumulated of the Current Year from 1/01/2012 to 6/30/2012	Accumulated of the Prior Year from 1/01/2011 to 6/30/2011
6.01	Net cash from operational activities	887,854	812,305
6.01.01	Cash generated in operations	1,520,439	1,417,537
6.01.01.01	Income before income taxes	1,008,191	990,915
6.01.01.02	Depreciation and amortization	273,189	239,311
6.01.01.03	Monetary and exchange variance	56,925	54,674
6.01.01.04	Interest	180,292	168,218
6.01.01.05	Formation (reversal) of operating provision, net	1,411	-36,281
6.01.01.06	Others	431	700
6.01.02	Changes in assets and liabilities	-632,585	-605,232
6.01.02.01	Trade accounts receivable	-22,157	7,366
6.01.02.02	Reimbursement for fuel purchase	3,728	-46,609
6.01.02.03	Recoverable taxes	222	1,158
6.01.02.04	Inventories	-4,073	2,786
6.01.02.05	Pledges and restricted, judicial deposits	29,314	109,091
6.01.02.06	Non-current assets for sale	0	23,057
6.01.02.07	Suppliers	18,720	1,880
6.01.02.08	Income and social contribution taxes paid	-480,633	-488,649
6.01.02.09	Interest on loans, financing, debentures paid	-150,577	-158,932
6.01.02.10	Post-employment benefits	-14,662	-20,284
6.01.02.11	Obligations Research and development	4,543	-2,713
6.01.02.12	Advances from clients	-14,473	-24,219
6.01.02.13	Others	-2,537	-9,164
6.02	Net cash used in investment activities	-175,938	-185,750
6.02.01	Investment in property, plant and equipment	-173,961	-182,669
6.02.02	Investment in intangible assets	-1,977	-3,081
6.03	Net cash generated/(consumed) in financing activities	-1,010,781	-1,166,641
6.03.01	Loans and financing	17,442	54,007
6.03.02	Payment of and financing and debentures	-264,726	-857,976
6.03.03	Payment of dividends and interest on own capital	-730,880	-345,965
6.03.04	Payment of concessions payable	-23,815	-20,948
6.03.05	Pledges and restricted deposits	-8,802	4,241
6.05	Increase (decrease) in cash and cash equivalents	-298,865	-540,086
6.05.01	Opening balance of cash and cash equivalents	781,808	1,082,580
6.05.02	Closing balance of cash and cash equivalents	482,943	542,494

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/01/2012 to 6/30/2012

(In thousands of Reais)

Code of Account	Account Description	Paid-up 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	2,262,157	0	648,363	5,447,981	2,277	5,450,258
5.03	Adjusted opening balances	2,445,766	91,695	2,262,157	0	648,363	5,447,981	2,277	5,450,258
5.04	Capital transactions with partners	0	0	-517,342	0	0	-517,342	0	-517,342
5.04.06	Dividends	0	0	-517,342	0	0	-517,342	0	-517,342
5.05	Total comprehensive income	0	0	0	673,605	0	673,605	269	673,874
5.05.01	Net income for the period	0	0	0	673,605	0	673,605	269	673,874
5.06	Internal changes in shareholders' equity	0	0	8,911	20,154	-29,065	0	0	0
5.06.04	Fiscal incentive reserve	0	0	8,911	-8,911	0	0	0	0
5.06.05	Property, plant and equipment adjustment to fair value	0	0	0	29,065	-29,065	0	0	0
5.07	Closing balances	2,445,766	91,695	1,753,726	693,759	619,298	5,604,244	2,546	5,606,790

Consolidated Financial Statements / Statement of Changes in Shareholders' Equity / DMPL - 1/01/2011 to 6/30/2011

(In thousands of Reais)

Code of Account	Account Description	Paid-up 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	1,827,033	0	708,190	5,072,684	0	5,072,684
5.03	Adjusted opening balances	2,445,766	91,695	1,827,033	0	708,190	5,072,684	0	5,072,684
5.04	Capital transactions with partners	0	0	-158,270	0	0	-158,270	0	-158,270
5.04.06	Dividends	0	0	-158,270	0	0	-158,270	0	-158,270
5.05	Total comprehensive income	0	0	0	665,728	0	665,728	0	665,728
5.05.01	Net income for the period	0	0	0	665,728	0	665,728	0	665,728
5.06	Internal changes in shareholders' equity	0	0	2,865	25,573	-28,438	0	0	0
5.06.04	Property, plant and equipment adjustment to fair value	0	0	0	28,438	-28,438	0	0	0
5.06.05	Fiscal incentive reserve	0	0	2,865	-2,865	0	0	0	0
5.07	Closing balances	2,445,766	91,695	1,671,628	691,301	679,752	5,580,142	0	5,580,142

Consolidated Financial Statements / Statement of Added Value

(In thousands of Reais)

Code of Account	Account Description	Accumulated of the Current Year from 1/01/2012 to 6/30/2012	Accumulated of the Prior Year from 1/01/2011 to 6/30/2011
7.01	Revenues	2,791,125	2,562,480
7.01.01	Sale of merchandise, products and services	2,630,477	2,334,189
7.01.02	Other income	-667	14,740
7.01.03	Income from construction of own assets	161,587	219,731
7.01.04	Formation/reversal of allowance for doubtful accounts	-272	-6,180
7.02	Inputs acquired from third parties	-811,133	-640,197
7.02.01	Cost of goods, merchandise and services sold	-387,554	-286,526
7.02.02	Materials, Energy, Third-party services and other	-99,740	-88,322
7.02.04	Others	-323,839	-265,349
7.02.04.01	Expenditures for the construction of Plants	-137,331	-163,232
7.02.04.02	Reversal of operational provisions, net	-421	44,923
7.02.04.03	Electric power network use charges and connection	-162,901	-133,208
7.02.04.04	Others	-23,186	-13,832
7.03	Gross added value	1,979,992	1,922,283
7.04	Retentions	-273,189	-239,311
7.04.01	Depreciation, amortization and depletion	-273,189	-239,311
7.05	Net added value produced	1,706,803	1,682,972
7.06	Added value received as transfer	47,371	62,246
7.06.02	Financial income	47,371	62,246
7.07	Total added value payable	1,754,174	1,745,218
7.08	Distribution of added value	1,754,174	1,745,218
7.08.01	Personnel	102,718	89,502
7.08.01.01	Direct remuneration	65,780	57,463
7.08.01.02	Benefits	21,540	17,834
7.08.01.03	F.G.T.S.	5,040	4,562
7.08.01.04	Others	10,358	9,643
7.08.02	Taxes, duties and contributions	618,313	579,488
7.08.02.01	Federal	574,655	526,672
7.08.02.02	State	42,477	51,543
7.08.02.03	Municipal	1,181	1,273
7.08.03	Third-party capital remuneration	198,056	222,411
7.08.03.01	Interest	151,886	149,384
7.08.03.02	Rents	7,070	8,082
7.08.03.03	Others	39,100	64,945
7.08.03.03.01	Capitalized financial interest	23,265	56,499
7.08.03.03.02	Others	15,835	8,446
7.08.04	Remuneration of own capital	673,874	665,728
7.08.04.03	Retained earnings / Loss for the period	673,605	665,728
7.08.04.04	Part. Interest of non-controlling shareholders in retained earnings	269	0
7.08.05	Others	161,213	188,089
7.08.05.01	Sectoral charges	69,793	96,827
7.08.05.02	Charges over concessions payale	90,429	91,262
7.08.05.03	Charges over concessions - capitalized	991	0

Net sales

In 2Q12, net sales showed a growth of 12.9%, or R$136.5 million, compared to net sales reported in the same period last year, from R$1,057.8 million to R$1,194.3 million. The main factors that contributed to this variation were as follow: (i) R$100.2 million - income deriving from transactions conducted in the ambit of the Electric Power Trade Chamber (CCEE); (ii) R$77.1 million - growth of the average net sales price; (iii) R$14.8 million - rise in power sale volume; and (iv) R$56.3 million- decrease in revenue because the Company has not been demanded by ONS (Operador Nacional do Sistema Elétrico, or National Electric System Operator) to export energy in this quarter.

The increase in revenue in virtue of the entry into commercial operation, by the end of the quarter, of five more generating units of the UHE Estreito, in the amount of R$73.7 million, including R$6.9 million in income from operations performed in CCEE, is included in the respective items described above.

- **Net average selling price**

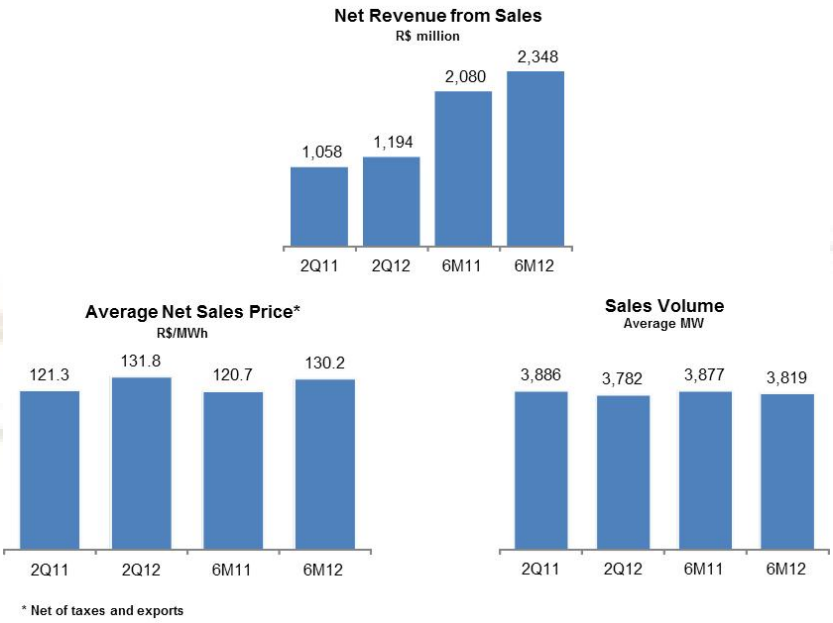
The electric power average sale price, less taxes, contributions and not considering the export was R$131.78/MWh in the 2Q12, 8.6% higher than the price verified in the same quarter of 2011, whose value was R$121.30/MWh.

- **Sales Volume**

Disregarding-the exportation of 303 GWh of energy (138 average MW) in the second quarter of 2011, the quantity of energy sold increased from 8,185 GWh (3,747 average MW) in 2Q11 to 8,260 GWh (3,782 average MW) in 2Q12, an increase of 0.9%, or 74 GWh (34 average MW), between the periods under review. This variation occurred due to the association of the following factors: (i) evolution of 245 GWh (112 average MW) in the supply of power to distributors; (ii) decrease of 98 GWh (45 average MW) in sales to trading companies; and (iii) fall of 73 GWh (33 average MW) in electricity sold to the free consumers. In the quarter under review, some sale contracts to "free customers" were transferred to trading companies of the same economic group as the customer.

Considering the exports realized in 2Q11, there was a 2.7% reduction in sale of energy, or 228 GWh (104 average GW), between the compared quarters.

Due to the start of commercial operation of five more generating units of the UHE Estreito, the sale of energy generated by the plant increased from 75 GWh (34 average MW) in 2Q11 to 544 GWh (249 average MW) in 2Q12, i.e., an increase of 469 GWh (215 average MW).



Comments on net sales variations, per account nature

a) Wholesale market for electric power

Revenue from the wholesale supply of energy, -namely energy sales to distributors and trading companies- reached R$807.5 million in 2Q12 against the R$717.5 million reported for the same quarter in 2011, that is, an increase of 12.5% between the periods compared. The following factors that contributed to this increase: (i) R$47.4 million - increase by 7.7% in the average net sales price to distributors; (ii) R$19.6 million - increase by 17.3% in the net energy sales price to the trading companies; (iii) R$33.8 million - increase by 245 GWh (112 average MW) in the quantity of power sold to distributors; and (iv) R$10.8 million - decrease by 98 GWh (45 average MW) in the amount of electricity sold to trading companies. The growth of sales to distributors as a result of the start of commercial operation of the UHE Estreito, in the amount of R$66.8 million, equivalent to 469 GWh (215 average MW), is included in the respective items mentioned above.

b) Retail Market for electric power

Revenue from energy supply - the one deriving from sales to free consumers - increased by 0.7% on a quarter-on-quarter analysis, from R$279.0 million in the 2Q11 to R$280.9 million in the same period in 2012. This change was driven by the combination of the following events: (i) R$10.0 million - increase by 3.7% in the average net sales price; and (ii) R$8.1 million - a decrease of 73 GWh (33 average MW) in the quantity of power sold.

c) Transactions channeled through the Energy Trading Board (CCEE)

In the 2Q12, revenue received in the CCEE was R$101.6 million while in the same quarter of the previous year it was R$1.4 million, which corresponds to an increase of R$100.2 million. More detailed explanations on these operations and related variation can be found ahead under the item "Details of CCEE operations".

d) Export of electric power

The Company was not demanded by the ONS to export energy in 2Q12, while in the same period last year, exports amounted to R$56.3 million. It is noteworthy that the volume of exported energy from each plant in the Brazilian Electric System is defined by the ONS based on availability of plants and taking -into account the lower reported costs thereof.

Energy sales and services costs

Energy sales and services costs grew by 13.2%, or R$59.4 million, from R$448.9 million in 2Q11 to R$508.3 million in the analyzed quarter. The increase basically reflects the trend in the following components:

a) Electricity purchased for resale: increase from R$55.6 million, equivalent to 382 GWh (175 average MW) in 2Q12 compared to the same quarter in 2011, driven by the Company's plan to purchase short- to medium-term energy to create new products for supply in the period of three, four and five years, and to a lesser extent, by the annual adjustment of prices of existing contracts.

b) Transactions channeled through the Energy Trading Board (CCEE): between the quarters analyzed, there was a R$5.0 million decrease in these costs. Greater details are given ahead under a specific item.

c) Fuels for the production of electricity: the decrease of R$19.7 million mainly derived from the combination of the following events: (i) R$29.8 million - reduction in the consumption of non-necessary company-owned coal in the quarter under review, since there was no demand for export of energy; and (ii) R$7.5 million - increase in natural gas consumption due to the dispatch of the William Arjona Thermal Power Plant, in April 2012 for energy security of the system.

d) Charges from the use of electricity network and connection: increase of R$11.5 million in the quarter under analysis against the 2Q11, mainly reflecting: (i) the annual increase in the Charge for using the transmission system (TUST); and (ii) charge by TUST in consequence of entry into the commercial operation of new generating units of the UHE Estreito.

e) Financial offset for the use of water resources (royalties): the decrease by R$15.8 million between the quarters compared, driven by the combination of the following events: (i) the lower generation of hydroelectric power due to the drought which hit Souhtern Brazil, where a part of the Company's power station is installed; (ii) the annual tariff review; and (iii) charge of royalties due to start of operations of the new units of the UHE Estreito.

f) Personnel: a R$3.4 million increase in the 2Q12 against the same quarter in 2011 mainly due to the combination of the following: (i) the expansion of staff in compliance with the growth of the Company's business; and (ii) annual collective bargaining agreement on compensation for employees.

g) Third-party materials and services: an increment by R$7.7 million between the quarters analyzed chiefly due to the greater demand for maintenance and conservation services at the Company's generation units and, to a lower extent, for environmental consulting services and engineering services.

h) Depreciation and amortization: increase of R$19.2 million in the quarter under review compared to 2Q11, due especially to the entry into operation of new units of the UHE Estreito.

Details of CCEE operations

The various debit or credit entries carried out monthly in the account of an agent of CCEE are summarized in a single invoice, receivable or payable, thus requiring the same to be recorded under the category of income or expense. 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 speaking, these elements are income or expense items arising for example from: (i) the application of the Energy Reallocation Mechanism (MRE); (ii) the so-called "sub-market risk"; (iii) dispatch triggered by the Risk Aversion Curve (CAR); (iv) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (v), naturally, exposure (a short or long position in the monthly accounting) which will be settled at the difference settlement price (PLD).

In the 2Q12, the Company had a positive net income - the difference between income and expenses, deducted from taxes and contributions incurring on them - arising from the CCEE transactions in the amount of R$99.9 million versus the negative net income of R$5.4 million assessed in the 2Q11, i.e., a R$105.3 million increase between the periods compared.

This improvement in P/L, going from expense to revenue in the quarters under review, was due in particular to the combination of the following factors: (i) increase in the short position at CCEE; (ii) increase of the effects of thermo-electric exposure, even though the volume was lower than in 2Q11; (iii) increase in revenue derived from the secondary energy (energy that is earned when the hydro-electric generation of the system is higher than its assured energy), despite there having been a reduction of quantity thereof in relation to 2Q11; and (iv) negative impact on the MRE in consequence of the lower volume of hydroelectric generation caused by drought in the South Region

It is noteworthy that the significant increase in the average spot market price (PLD) of the South and Southeast/Central -West submarkets, from R$20.45/MWh in 2Q11 to R$164.55/MWh in 2Q12, contributed to the increase of the positive effects of the short position at CCEE and secondary energy, and to a lesser extent, the negative effects of thermo-electric exposure.

General and administrative expenses

General and administrative expenses decreased by R$3.3 million or 7.5%, among the periods compared, from R$44.6 million in 2Q11 to R$41.3 million in the analyzed quarter. This variation was due mainly to reductions that occurred (i)in the contributions to the supplementary pension plan sponsored by the Company; (ii) in rent expenses; and (iii) in the donations made with incentives.

Formations and reversals of operating provisions, net

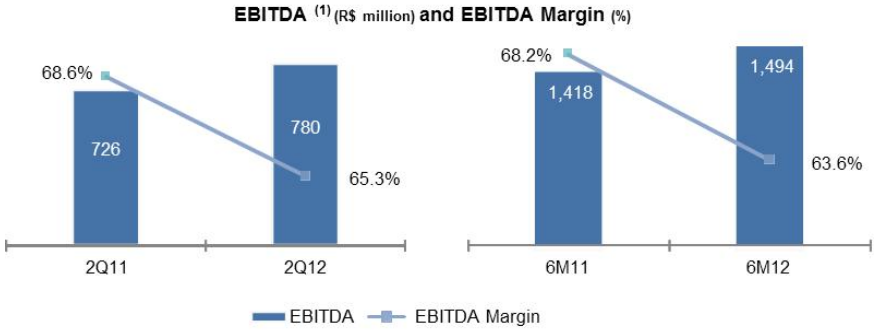
In the quarter under review, reversals exceeded provisions, falling from R$28.7 million to R$1.8 million. The main reasons of this variation were as follow:

(i) decrease of R$19.9 million in the reversal of the provision for payment of post-employment benefits, due to lower actuarial gain recognized in 2Q12; and

(ii) decrease of R$6.4 million in the reversal of certain reserves for civil contingencies.

EBITDA and EBITDA margin

As a reflection of the foregoing effects, EBITDA in the 2Q12 totaled R$779.9 million, 7.5% higher than the 2Q11 EBITDA of R$725.5 million. The EBITDA margin was 65.3%, against the 68.6% reported in the same period in the preceding year. The fall in margin was mainly driven by the expansion of energy sales and purchase transactions, whose margins are narrower than those practiced in energy sales generated by the Company in medium and long-term transactions.



(1) EBITDA represents: operating profit + financial result + depreciation and amortization.

To allow the reconciliation of the operating income with EBITDA, we show the following table:

(in thousand R$)	2Q12	2Q11	Chg. %	6M12	6M11	Chg. %
Operating income	513,683	525,466	-2.2	1,008,191	990,915	1.7
(+/-) Financial Result	127,095	79,376	60.1	212,860	187,788	13.4
(+) Depreciation and Amortization	139,101	120,680	15.3	273,189	239,311	14.2
EBITDA	**779,879**	**725,522**	**7.5**	**1,494,240**	**1,418,014**	**5.4**

Financial result

Financial income: in 2Q12, income was R$24.1 million, R$1.5 million or 6.7% above R$22.6 million for the same quarter in 2011. This increase resulted primarily from the updating (inflation adjustment) of the Company's tax credits.

Financial expenses: capital increase of R$49.2 million between comparable quarters from R$101.9 million in 2Q11 to R$151.1 million in 2Q12. This change was due to combination of the following factors: (i) R$25.7 million - negative effect of exchange rate variations due to the depreciation of the Brazilian Real against the U.S. Dollar and the Euro; (ii) R$10.8 million - increase in the monetary variation as a result of higher variation of the market price index (IGP-M); (iii) R$10.7 million - increase of interest on loans, funding and debentures, due mainly to the rise in interest rates on the financing of the UHE Estreito - which are no longer capitalized and are now being recognized in financial expenses as the generating units start up commercial operation - combined with the reduction of interest in virtue of debt amortization between the compared quarters; and (iv) R$3.6 million - increase in interest on the concessions payable.

Income Tax and Social Contribution

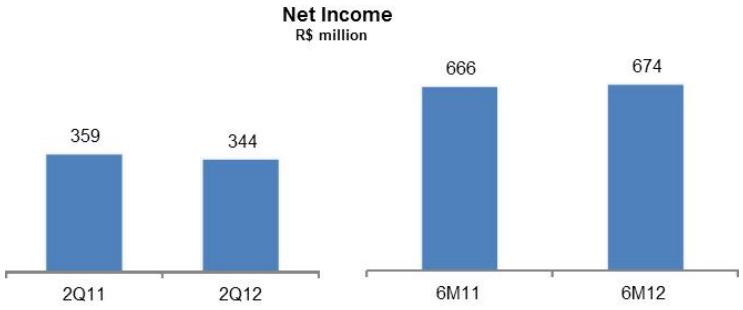
Income Tax and Social Contribution expenses in 2Q12 were R$169.3 million, R$2.6 million higher than 2Q11, which was R$166.7 million. These expenses account for 32.9% and 31.7%, respectively, related to the income (loss) before taxes in the 2Q12 and the 2Q11.

Service result (Income before financial income and income tax)

Translating the aforementioned impacts, the result of the service went from R$604.8 million in 2Q11 to R$640.8 million in the quarter under review, an increase of R$36.0 million, or 5.9% between the compared periods. This increase resulted primarily from the combination of the following aspects already considered throughout this report: (i) increase in average net sales prices; (ii) result of the start-up of commercial operation of new generating units of the UHE Estreito; (iii) increase in the positive income obtained in the transactions conducted within the scope of the CCEE; (iv) increase in volume of electricity purchase transactions for resale; and (v) lower positive impact on the result of reversals of operational provisions in the analyzed quarters.

Net income

As a reflection of the foregoing effects, the net income in the 2Q12 totaled R$344.4 million, 4.0%, or R$14.4 million lower than R$358.8 million posted in same quarter of the prior year. The change in net income basically resulted from a combination of factors mentioned above in item "Service income," with the increase in financial expenses, resulting from the depreciation of the Real against the U.S. Dollar and the Euro, and the increased inflation indexes applicable to the Company's debts.



TRACTEBEL ENERGIA S.A.

CNPJ Nº 02.474.103/0001-19 | NIRE Nº 42 3 0002438-4

NOTES TO THE QUARTERLY FINANCIAL STATEMENT AS OF 06.30.2012
(In thousands of reais or other currencies, unless otherwise indicated)

1. - OPERATIONS

Tractebel Energia S.A. (Company or Tractebel) is a publicly-held corporation listed on the BM&FBOVESPA's Novo Mercado, an independent utility concessionaire with its registered headquarters in the Municipality of Florianópolis, Santa Catarina State. The Company is engaged in the generation and sale of power, regulated by the Brazilian Electricity Regulatory Agency (Aneel), which is linked to the Ministry of Mines and Energy (MME).

The Company is controlled by GDF SUEZ Energy Latin America Participações Ltda. (GSELA), a company established in Brazil under the control of International Power S.A. (current corporate name of SUEZ-Tractebel S.A.), headquartered in Brussels, Belgium. International Power S.A. became a company under the control of International Power PLC (IPR), headquartered in United Kingdom, integrating the GDF SUEZ group, headquartered in France.

The Company is the largest private company in power generation in Brazil, responsible for about 6% [1] of the country's installed capacity. The Company's installed capacity on 6.30.2012, including its stakes in consortiums, and after six of eight generating units in Estreito Hydroelectric Power Plant (UHE Estreito) started their commercial operations is 6,798.7 MW. Out of this total, 80.2% is derived from hydroelectric power plants, 17.4% from thermoelectric power plants and 2.4% from alternative energy: Small Hydroelectric Power Plants - SHPP, wind farms and biomass-fired plants. Assured power for commercialization of the Company's plants as of 6.30.2012, after the start-up of UHE Estreito is 3,791.4 average MW.

The Company's generator complex comprises the following power generating sources: 9 (nine) hydroelectric power plants, 6 (six) thermoelectric [2], 3 (three) small hydroelectric power plants, 2 (two) wind farms and 2 (two) biomass-fired power plants.

Subsidiaries in operation and under construction, whether under direct or common control, are listed in Note 9 - Investments.

The Company's quarterly information is presented taking into account only one operating segment composed of the generation and sale of power generated or acquired through near and long-term agreements. This segment concentrates about 99.7% of the Company's net sales for the periods ended 6.30.2012 and 6.30.2011. The Company manages such activities as a single business segment.

The main events related to the Company's operating activity carried out in the second quarter of 2012 are summarized as follows:

[1] Non-financial information provided herein, such as MW, average MW, installed capacity, among others, is not examined by the independent auditors.
[2] The Jorge Lacerda Thermoelectric complex is composed of 3 plants.

Commercial start-up of the 6th generator unit at the Estreito Hydroelectric Power Plant

The sixth generator unit at UHE Estreito had its commercial start-up on 5.29.2012. This unit has a total installed capacity of 135.87 MW and assured power for selling 46.17 average MW, in which the Company has a share of 54.44 MW and 18.50 average MW, respectively, corresponding to its 40.07% share in the Estreito Energia Consortium (Ceste). Thus, the Estreito hydroelectric power plant reached 815.27 MW, or 75%, of its installed capacity and 592.40 average MW, or 92.4%, of its total assured power.

The installation of the two last remaining generator units should occur in the 2nd semester of 2012.

a) Contractual commitment (covenant) of the 2nd issue of debentures of Tractebel Energia

On 5.10.2012 the General Meeting of 2nd issue debenture holders approved the elevation of the covenant from 2.5 times to 3.5 times on the ratio: gross debt to EBITDA, through payment of a R$1,076 premium. Further information on the change is contained in Note 15 - Debentures.

b) Purchase of shares of International Power PLC by GDF SUEZ S.A.

On 3.29.2012 GDF SUEZ had issued a release to the market containing an indicative proposal to purchase shares of International Power PLC at a cost of 390 pence per share, a figure that was revised on 4.16.2012 to 418 pence per share and approved unanimously by the board of directors of International Power PLC.

The transaction followed the Scheme of Arrangement under the United Kingdom regulatory framework, and in June the general meeting of shareholders of International Power PLC approved the acquisition by GDF SUEZ of the minority interest of 30% of the Company. This approval was supported by 99% of the minority shareholders of International Power PLC.

On 6.29.2012, the transaction was approved by the British authorities, allowing GDF SUEZ to hold 99.99% of the shares of stock of International Power PLC. This operation was not a disposal of control in relation to Tractebel Energia, which remains an indirect subsidiary of GDF SUEZ.

c) Payment of complementary dividends

The supplementary dividends relating to fiscal year 2011, adopted at the Annual General Meeting of 3.21.2012, totaling R$517,342 (corresponding to R$0.7925669420) per share, were paid in two equal installments, as of 5.15.2012 and 6.29.2012, respectively.

2. - PRESENTATION OF FINANCIAL STATEMENTS

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

The individual quarterly information of Tractebel Energia, identified as "Parent company", was prepared according to accounting practices adopted in Brazil. Those practices differ from the international accounting standards applicable to Tractebel Energia only as to what regards the valuation of investments under the equity method, since, under IFRS, the investments must be measured and presented at acquisition cost or fair value.

Said quarterly information was prepared according to the rules of the Brazilian Securities and Exchange Commission (CVM) applicable to the elaboration of the Quarterly Information (ITR), using the historic cost as a base value, except for the evaluation at fair value of certain financial instruments, when required by applicable rules.

To create quarterly information is necessary the Management of the Company and its subsidiaries make estimates for the recording of certain transactions affecting their assets and liabilities, income and expenses.

Except as mentioned in the two following paragraphs, accounting policies and calculation methods adopted in the preparation of quarterly financial statements, 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 12.31.2011.

In the present quarter, the Company began to present current tax liabilities and net deferred tax liabilities, when such taxes correspond to the same tax entities and there is the intention of the Company administration to liquidate them at net value. In order to maintain comparison between the balance sheets presented, the amount of R$85,429 (R$86,498 on a consolidated basis) and R$238,935 (R$240,607 consolidated), originally recorded on the balance sheet of 12.31.2011, in the accounts of tax credits and deferred tax assets, respectively, were reclassified to the accounts of tax liabilities and deferred tax liabilities.

Also this quarter, the Company began to calculate its depreciation according to the new rates established by ANEEL, recognizing the effects retroactively to 01.01.2012 as required by the Aneel Resolution. The adoption of these rates will result in a reduction of annual depreciation on the Company's assets of roughly R$2,460.

The content and values of certain explanatory notes presented in the financial statements for the year ending 12.31.2011 and quarterly statements of 06.30.2011, which did not require significant updates, have not been repeated on the notes selected for the quarterly statements of 6.30.2012. Therefore, these two financial statements should be read together.

It is worth noting that the table "Statement of Changes in Shareholders' Equity" of the CVM's "EmpresasNet" System, the adjustment of equity assessments, although it does not correspond to "Other Comprehensive Income," is presented in the column as such as there is no more appropriate option in the standard CVM statement for the presentation of said transaction.

The quarterly information previously mentioned was approved by the Board of Directors in a meeting held on 7.26.2012.

New standards, and changes or interpretation of IFRS issued by IASB

Accounting pronouncements and technical interpretations reviewed or issued up to 12.31.2011 are mentioned in the financial statements for the year then ended and were not repeated in these quarterly financial statements since they had no changes. The main revisions and/or changes in the first half are highlighted below.

IFRS 1 - Governmental Loans

In March 2012, the IASB issued a review of the IFRS 1, by which it adds an exception to the retrospective application of the international standards, which requires the application of the requirements of the IFRS 9 - Financial Instruments and IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance be prospective for government loans existing on the date of transaction to the international standards. Changes to the IFRS will be effective for annual periods that begin on/after 1.01.2013. The revision of said interpretation does not apply to the Company.

Annual review - Cycle 2009-2011

In March 2012, the IASB issued a review of the following standards: IFRS 1 – First-time Adoption of International Financial Reporting Standards, IAS 1 – Presentation of Financial Statements, IAS 16 – Property, Plant and Equipment, IAS 32 – Financial Instruments: Presentation and IAS 34 – Interim Financial Reporting. The annual review process is a vehicle used to make changes that are non-urgent, but necessary for the pronouncements issued. The modifications should be applied retrospectively to the annual periods that begin on/ after 1.01.2013. The company believes that the rule changes represent minor text revisions and clarifications, without substantially altering the statements, and do not impact its consolidated financial statements.

Consolidated Financial Statements, Agreements with shared control and Disclosure of interests in other entities (Transition Guide to standards IFRS 10, 11 and 12)

In June 2012, the IASB issued a revision of IFRS 10 - Consolidated Financial Statements, clarifying the intention of the IASB in the first issue of the transition guide for IFRS 10. In this revision, the IASB explains that the start date of application of IFRS 10 means "the beginning of the period of annual reporting in which IFRS 10 is applicable for the first time." The revision also clarifies how the entity should adjust the comparative period retrospectively, if the date of obtaining control under IFRS 10 is subsequent to the application of IAS 27.

The IASB also revised IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities, in order to waive presentation or adjust the comparative information for periods prior to the immediately preceding period. IFRS 12 was also revised, eliminating the requirement for presentation of comparative information for the disclosures related to unconsolidated entities in any period prior to the first annual period in which the IFRS 12 is applicable. The alterations to IFRS standards are effective for annual periods beginning on/after 1.01.2013. The Company is evaluating the possible effects from the implementation of the aforementioned revision.

3. – CASH AND CASH EQUIVALENTS

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	12.31.2011	6.30.2012	12.31.2011
Cash and cash bank deposits	**1,246**	**960**	**4,530**	**5,274**
Interest earnings bank deposits				
Citibank - Exclusive investment fund				
Repurchase transactions with federal public bonds[3]				
National Treasury Note (NTN - B)	21,334	563,011	40,266	735,639
National Treasury Bill (LTN)	209,177	-	394,789	-
	230,511	**563,011**	**435,055**	**735,639**
Financial Institutions [4]				
Certificates of Bank Deposit (CDB)	2,948	3,148	6,930	18,559
Repurchase transactions with debentures	-	-	36,428	22,336
	2,948	**3,148**	**43,358**	**40,895**
Total of Interest earning bank deposits	**233,459**	**566,159**	**478,413**	**776,534**
	234,705	**567,119**	**482,943**	**781,808**

The Company structured its investments to concentrate funds in an Exclusive Investment Fund in Fixed Income, the units of which can be redeemed at any time without prejudice to gains.

[3] These are sales of marketable securities with a repurchase commitment by the seller concomitant with the commitment of reselling by buyer. These transactions have immediate liquidity and are remunerated by the Selic rate and are backed by federal government bonds.

[4] Banks: Safra, Itaú Unibanco, Itaú BBA, Banco do Brasil, Votorantim and Bradesco.

4. – TRADE ACCOUNTS RECEIVABLE

a) Breakdown:

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	**12.31.2011**	**6.30.2012**	**12.31.2011**
Concessionaries	236,980	247,788	338,304	319,930
Trading companies	114,277	124,038	59,372	51,395
Free consumers	20,513	21,836	158,942	151,841
Exports	740	740	740	740
Transactions channeled through the Energy Trading Board (CCEE)				
- Current	5,404	19,879	11,750	21,758
- Extraordinary Tariff Recovery	2,665	2,665	2,665	2,665
- Agents with lawsuits or in default	122,574	122,574	122,574	122,574
	503,153	**539,520**	**694,347**	**670,903**
Allowance for doubtful accounts	(128,617)	(128,617)	(129,026)	(128,754)
	374,536	**410,903**	**565,321**	**542,149**

The average term for receiving amounts relative to power sale invoices is 25 days as of the first day of month subsequent to the supply.

b) Composition of accounts receivable by maturity

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	**12.31.2011**	**6.30.2012**	**12.31.2011**
Up to 30 days	169	9,397	4,808	10,475
From 61 to 90 days	455	-	1,151	-
Over 91 days	153,086	132,022	137,171	132,442
	153,710	**141,419**	**143,130**	**142,917**

The Company has receivables from its subsidiary Companhia Energética Estreito (CEE), in the amount of R$18,960 already due for 90 days. These amounts are expected to be liquidated during the second semester of 2012.

c) Allowance for doubtful accounts

Breakdown:

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	**12.31.2011**	**6.30.2012**	**12.31.2011**
Trading company	6,043	6,043	6,452	6,180
Agents with lawsuits or in default	122,574	122,574	122,574	122,574
	128,617	**128,617**	**129,026**	**128,754**

In February 2012, certain distribution company, member of the National Interconnected System, filed a request for court recovery. The amounts receivable allocated to the Company in that process were R$7,560. The process administrator was appointed and the recovery plan is being prepared for decision by the General Creditors Meeting. The Company's expectation is that power supply creditors should not be significantly affected; however, it is awaiting the plan completion and approval to evaluate a possible need to set up a provision for loss in that receivable recovery.

5. – RECOVERABLE TAXES

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	12.31.2011	6.30.2012	12.31.2011
Current				
PIS [5] and Cofins [6]	-	-	61,218	60,698
ICMS [7]	-	-	205	146
Income and social contribution taxes	-	-	5,102	1,463
INSS [8]	-	1,987	-	1,987
	-	**1,987**	**66,525**	**64,294**
Non-current				
PIS and Cofins	2,649	4,639	116,975	137,832
ICMS	13,922	11,460	16,841	14,413
Income and social contribution taxes	-	-	6,872	9,756
INSS	-	-	6	6
	16,571	**16,099**	**140,694**	**162,007**

The balances of PIS and COFINS in the consolidated, refer substantially to credits arising from the acquisition of construction machinery and equipment for implementing power generation projects.

6. – PLEDGES AND RESTRICTED DEPOSITS

	Parent company (BRGAAP)	Consolidated (BRGAAP and IFRS)	
	12.31.2011	6.30.2012	12.31.2011
Current			
Reserve account - CCEE transactions	32,159	2,923	38,923
Reserve account - Debt services	-	2,104	-
	32,159	**5,027**	**38,923**
Non-current			
Reserve account - debt services	**-**	**101,401**	**90,567**

[5] Social Integration Program
[6] Contribution for social security funding
[7] Tax on the Circulation ok Goods and Services of Interstate Communication and Transportation
[8] National Institute for Social Security

The balance of the "Electric Power Trading Chamber transaction reserve account" takes into account the level of exposure of the Company and its subsidiaries in transactions within the Electric Power Trading Chamber. That exposure is used as a basis to define the amount of the financial reserve used to guarantee those transactions. Conversely, the balance of the "Debt service reserve account" aims at ensuring payment of the debt service to financing banks. The resources of the reserve accounts are applied in investment funds or CDB.

7. - OTHER ACCOUNTS RECEIVABLE

In this item are recorded the receivables to Jacuí Elétrica S.A. (Eleja) relating to the sale of the Jacuí thermoelectric enterprise. The balance of R$86,866 corresponds to the present value of the installments that the Company had as receivables in July 2009, the month that the Company started a process of foreclosure of the contract, due to the fact that Eleja had suspended payment of installments due, starting in February 2009.

The action of execution filed against Eleja allowed the Company to seize assets of the Jacuí project, which had been provided as guarantee. The seizure has been converted into a pledge and the assets in guarantee were appraised by a court expert for a future transfer. The cost of the appraisal of the pledged goods was R$116,492.

The Company still awaits a court approval for its request for transferring the ownership of the pledged assets already appraised in order to determine which ones will be sold and which ones will remain in the Company.

As of 6.30.2012, the nominal value of the unsettled contractual installments, restated by the contractual index, the General Price Index for Domestic Availability (IGP-DI) amounts to R$120,653 (R$116,172 as of 12.31.2011). The total amount of the debt, including contractual fines and charges, exceeds the amount of the expert's appraisal, which prompted the Company to request a pledge reinforcement in the first quarter, which is awaiting for judicial decision.

The Company is awaiting the outcome of proceedings in court to assess the need for adjustment of receivables recorded.

8. - JUDICIAL DEPOSITS

a) Breakdown

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	**12.31.2011**	**6.30.2012**	**12.31.2011**
Tax	90,154	91,202	90,612	91,652
Civil	14,438	9,727	23,435	10,725
Labor	3,790	3,130	4,112	3,455
	108,382	**104,059**	**118,159**	**105,832**

The amounts deposited are linked to lawsuits being processed in court and in administrative levels. From the amount deposited on 6.30.2012, in the parent company and consolidated, R$45,286 (R$40,627 on 12.31.2011) is directly related to potential risk provisions described in Note 17 – Provisions for tax, civil and labor risks.

As mentioned in Note 31 - Subsequent events, on 7.12.2012 the Company received the granting of the request for waiver of the judicial deposits, in the amount of R$42,782, on 6.30.2012, relating to the proceeding of PIS and Cofins on predetermined price within the scope of Normative Instruction (IN) 658/06 of the Internal Revenue Service of Brazil.

9. - INVESTMENTS

a) Breakdown

	Parent company (BRGAAP)	
	6.30.2012	12.31.2011
Investments in subsidiaries:		
Assessed by the equity method		
Equity in net income	2,573,837	2,433,138
Goodwill/Concession right	116,312	117,974
	2,690,149	**2,551,112**

b) Assessed by the equity method

b.1) Financial information of the subsidiaries

	Itasa [9]	CEE[10]	CESS[11]	Lages[12]	TBLC[13]	TBLP[14]
Interest (%)	**48.75%**	**99.99%**	**99.99%**	**99.99%**	**99.99%**	**99.99%**
12.31.2011						
Total assets	801,335	2,554,938	1,363,537	66,754	350,800	959,951
Shareholders' equity	638,523	915,408	360,775	59,198	168,254	618,221
6.30.2012						
Total assets	818,931	2,633,512	1,343,121	64,559	354,827	1,016,878
Shareholders' equity	670,728	963,495	372,542	60,710	163,014	687,094
2nd quarter of 2012						
Net revenue	63,762	84,311	53,807	9,847	494,866	28,498
Net income	23,210	11,366	6,285	904	51,038	3,639
1st semester of 2012						
Net revenue	127,178	165,480	108,257	19,716	928,282	55,037
Net income	45,245	23,634	11,767	1,512	64,760	8,212

[9] Itá Energética S.A.
[10] Companhia Energética Estreito
[11] Companhia Energética São Salvador
[12] Lages Bioenergética Ltda.
[13] Tractebel Energia Comercializadora Ltda.
[14] Tractebel Energias Complementares Participações Ltda.

Tractebel Energia
GDF SUEZ

b.2) Movement of investments

	Itasa	CEE	CESS	Lages	TBLC	TBLP	Others	Total
Balance as at 12.31.2011	**311,281**	**915,408**	**360,775**	**59,198**	**168,254**	**618,221**	**1**	**2,433,138**
AFAC[15]	-	22,000	-	-	-	31,722	-	**53,722**
Equity pick-up	10,742	12,268	5,482	608	13,722	4,573	-	**47,395**
Dividends	-	(10,547)	-	-	(40,000)	-	-	**(50,547)**
Balance as at 3.31.2012	**322,023**	**939,129**	**366,257**	**59,806**	**141,976**	**654,516**	**1**	**2,483,708**
AFAC	-	13,000	-	-	-	28,939	-	**41,939**
Equity pick-up	11,315	11,366	6,285	904	51,038	3,639	-	**84,547**
Dividends	(6,357)	-	-	-	(30,000)	-	-	**(36,357)**
Balance as at 6.30.2012	**326,981**	**963,495**	**372,542**	**60,710**	**163,014**	**687,094**	**1**	**2,573,837**

Wind power generation projects under implementation

The Company is building four wind farms, located in the state of Ceará (Mundaú, Guajiru, Fleixeiras I and Trairi), with generation capacity for the marketing of 58.22 average MW and estimated investments of R$476,060. For the construction of the farms the Company has a financing agreement from BNDES in the amount of R$358,000, as mentioned in Note 14 - Loans and Financings. The Company is selling the power to be generated by these plants in the Free Trading Environment (ACL). The Company expects to finish the construction of the venture in the first quarter of 2013.

c) Goodwill/Concession right – Parent company

Subsidiaries	CEE	CESS	Total
Balance as at 12.31.2011	**85,872**	**32,102**	**117,974**
Amortization	(445)	(316)	(761)
Balance as at 3.31.2012	**85,427**	**31,786**	**117,213**
Amortization	(585)	(316)	(901)
Balance as at 6.30.2012	**84,842**	**31,470**	**116,312**

The goodwill/concession right paid in the acquisitions of the subsidiaries was defined with a basis on the present value of the cash flow projections obtained through economic and financial evaluations and resulted from the acquisition of the concession granted by Aneel for use of public property in the generation of electric power. These amounts are being amortized over the period of the concession contract, according to its defined useful life, since the economic benefits arising from the acquisitions of these investments will occur over the course of the concession period.

[15] Advance for future capital increase.

Tractebel Energia
GDF SUEZ

10. - PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

	Parent company (BRGAAP)				
		6.30.2012			12.31.2011
	Average rate of depreciation %	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.7	4,404,463	(2,183,817)	2,220,646	2,283,077
Buildings and improvements	3.2	1,278,861	(716,908)	561,953	580,294
Machinery and equipment	4.1	5,535,370	(3,481,687)	2,053,683	2,111,418
Vehicles	14.2	1,735	(1,228)	507	496
Furniture and fixtures	6.2	8,280	(3,666)	4,614	4,547
		11,228,709	**(6,387,306)**	**4,841,403**	**4,979,832**
Special obligations		(13,438)	-	(13,438)	(13,535)
		11,215,271	**(6,387,306)**	**4,827,965**	**4,966,297**
In progress					
Buildings and improvements		11,323	-	11,323	12,625
Machinery and equipment		69,785	-	69,785	63,210
Acquisitions to pay out		2,031	-	2,031	6,050
		83,139	**-**	**83,139**	**81,885**
		11,298,410	**(6,387,306)**	**4,911,104**	**5,048,182**

	Consolidated (BRGAAP and IFRS)				
		6.30.2012			12.31.2011
	Average rate of depreciation %	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.9	6,813,984	(2,358,641)	4,455,343	4,550,425
Buildings and improvements	3.4	1,746,901	(780,986)	965,915	991,768
Machinery and equipment	4.1	7,483,084	(3,743,606)	3,739,478	3,720,407
Vehicles	14.2	2,092	(1,528)	564	524
Furniture and fixtures	6.2	9,769	(4,028)	5,741	5,584
		16,055,830	**(6,888,789)**	**9,167,041**	**9,268,708**
Special obligations		(13,563)	-	(13,563)	(13,660)
		16,042,267	**(6,888,789)**	**9,153,478**	**9,255,048**
In progress					
Reservoirs, dams and ducts		13,277	-	13,277	10,892
Buildings and improvements		26,783	-	26,783	12,836
Machinery and equipment		141,918	-	141,918	182,187
Advances to suppliers		125,310	-	125,310	106,980
Acquisitions to pay out		353,949	-	353,949	317,208
		661,237	**-**	**661,237**	**630,103**
		16,703,504	**(6,888,789)**	**9,814,715**	**9,885,151**

b) Changes in property, plant and equipment

	Parent company (BRGAAP)						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Others	Constructions in progress	Special obligations	Total
Balance as at 12.31.2011	**2,283,077**	**580,294**	**2,111,418**	**5,043**	**81,885**	**(13,535)**	**5,048,182**
Additions	-	-	-	-	27,540	47	27,587
Transfers	(2,512)	121	3,910	498	(2,017)	-	-
Write-offs	-	-	(100)	(8)	-	-	(108)
Depreciation	(29,232)	(9,485)	(51,730)	(398)	-	-	(90,845)
Balance as at 3.31.2012	**2,251,333**	**570,930**	**2,063,498**	**5,135**	**107,408**	**(13,488)**	**4,984,816**
Additions	-	-	-	-	18,402	50	18,452
Transfers	(1,051)	(732)	44,590	(136)	(42,671)	-	-
Write-offs	(235)	-	(33)	(4)	-	-	(272)
Depreciation	(29,401)	(8,245)	(54,372)	126	-	-	(91,892)
Balance as at 6.30.2012	**2,220,646**	**561,953**	**2,053,683**	**5,121**	**83,139**	**(13,438)**	**4,911,104**

	Consolidated (BRGAAP e IFRS)						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Others	Constructions in progress	Special obligations	Total
Balance as at 12.31.2011	**4,550,425**	**991,768**	**3,720,407**	**6,108**	**630,103**	**(13,660)**	**9,885,151**
Additions	-	-	-	-	107,750	47	107,797
Transfers	(3,468)	612	54,773	577	(52,494)	-	-
Write-offs	-	-	(125)	(8)	-	-	(133)
Depreciation	(48,179)	(13,910)	(69,646)	(423)	-	-	(132,158)
Balance as at 3.31.2012	**4,498,778**	**978,470**	**3,705,409**	**6,254**	**685,359**	**(13,613)**	**9,860,657**
Additions	-	-	-	-	91,469	50	91,519
Transfers	7,821	90	107,740	(60)	(115,591)	-	-
Write-offs	(235)	-	(60)	(3)	-	-	(298)
Depreciation	(51,021)	(12,645)	(73,611)	114	-	-	(137,163)
Balance as at 6.30.2012	**4,455,343**	**965,915**	**3,739,478**	**6,305**	**661,237**	**(13,563)**	**9,814,715**

c) Rates of depreciation

Aneel issued a Normative Resolution establishing new annual depreciation rates for certain assets linked to the concession and authorization for the generation of electric power. The Company, in the present quarter, started to calculate its depreciation according to the new rates and recognized its effects retroactive to 1.01.2012, as required by the aforesaid resolution. The adoption of these rates will result in a reduction of annual depreciation on the Company's assets of roughly R$2,460.

d) Adjustments to fair value of property, plant and equipment

Pursuant to CPC 27 - Property, Plant and Equipment and ICPC 10 - Clarifications on CPC 27 and CPC 28 guidance, on 1.01.2009, the Company adopted the fair value as the deemed cost of property, plant and equipment of its plants that had a book value substantially different than its fair value.

Balances of property, plant and equipment on 6.30.2012 and 12.31.2011 account for the fair value, net of depreciation, of R$938,289 and R$982,326, respectively. Depreciation on the adjustment to fair value of years ended on 6.30.2012 and 6.30.2011 was R$44,037 and R$43,082, respectively.

e) Record of the onerous concession contracted or acquired in a business combination

The Company, for the purpose of preparing the consolidated information, took as a reference for recording onerous concessions and authorizations granted by the Federal Government for use of public assets for hydroelectric power generation, either contracted or acquired in a business combination, the Guide for Application of the IFRS 3 - Business Combination, which allows the recognizing of the fair value of the concession and of the fixed assets as the sole asset in financial statements when the assets cannot be separately sold or transferred.

In accordance with this pronouncement, the Company recognized the onerous concession and the authorizations contracted or acquired in a business combination as a single asset in the property, plant and equipment group, broken-down by the nature of the assets proportionally to their cost of acquisition.

f) Depreciation of assets comprising the Plants' Original Project

The Company, based solely on the interpretation of Law 8,987/95 and Decree 2,003/96, considers there is no indemnification obligations undertaken by the Government by the end of the concession and authorization terms for the hydroelectric developments, regarding the residual value of assets that integrate the Original Project. Therefore, the Company, as of 1.01.2007, has depreciated said assets at the rates determined by Aneel, which are limited to the concession term, even though the agreements and the law provide for the possibility that the concession be renewed. We should mention that fixed asset items purchased on or before 1.01.2007 required adoption of the deemed cost with basis on their appraised fair value as of 1.01.2009, the date of transition into IFRS and the new accounting pronouncements.

g) Allocation of financial charges

Financial charges of financings and concession payable are capitalized in property, plant and equipment assets in progress during the construction of the power plants. Capitalized charges in the consolidated PP&E in the second quarter of 2012 and 2011 amounted to R$9,586 and R$28,275, respectively.

h) Asset impairment

The Company periodically evaluates the property, plant and equipment and intangible assets aiming to identify evidence of impairment of these assets, or when events or significant changes indicate that the book value may not be recoverable. If the book value exceeds the recoverable value, this loss is recognized in the income. So far, there is no evidence of impairment in the Company's assets.

11. – INTANGIBLE

a) Breakdown

	Parent company (BRGAAP)					
	6.30.2012			12.31.2011		
	Adjusted cost	Accumulated amortization	Total	Adjusted cost	Accumulated amortization	Total
Right to use	26,461	(16,401)	**10,060**	25,618	(14,794)	**10,824**
Goodwill merged from CEM [16]	44,578	(41,705)	**2,873**	44,578	(39,550)	**5,028**
	71,039	**(58,106)**	**12,933**	**70,196**	**(54,344)**	**15,852**

	Consolidated (BRGAAP and IFRS)					
	6.30.2012			12.31.2011		
	Adjusted cost	Accumulated amortization	Total	Adjusted cost	Accumulated amortization	Total
Right to use	31,965	(17,409)	**14,556**	29,988	(15,696)	**14,292**
Power purchase right	64,561	-	**64,561**	64,561	-	**64,561**
Rights of Trairí Project	12,668	-	**12,668**	12,668	-	**12,668**
Goodwill merged from CEM	44,578	(41,705)	**2,873**	44,578	(39,550)	**5,028**
	153,772	**(59,114)**	**94,658**	**151,795**	**(55,246)**	**96,549**

12. - SUPPLIERS

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	12.31.2011	6.30.2012	12.31.2011
Charges on the use of power grid	99,044	93,500	106,475	98,979
Purchased electricity	55,651	98,408	101,800	87,970
Transactions channeled through the Energy Trading Board (CCEE)	1,174	371	1,174	689
Materials and services	24,186	24,424	33,141	32,494
Fossil fuels and biomass	959	1,037	961	873
Property, plant and equipament suppliers	2,270	1,900	15,842	13,331
	183,284	**219,640**	**259,393**	**234,336**

[16] Company Energny En Meridional, a wholly-owned subsidiary incorporated by the Company in 2008.

13. – TAX LIABILITIES

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	12.31.2011	6.30.2012	30.12.2011
Federal				
Deferred income tax and social contribution	196,994	357,804	214,996	383,212
PIS and Cofins	13,641	19,142	16,981	22,192
INSS	3,776	3,663	4,214	4,228
Others	921	1,389	1,002	1,437
	215,332	**381,998**	**237,193**	**411,069**
(-) Federal taxes recoverable	(106,049)	(78,079)	(107,028)	(78,832)
	109,283	**303,919**	**130,165**	**332,237**
State				
ICMS payable	9,441	7,443	30,481	26,584
(-) ICMS recoverable	(6,390)	(7,350)	(6,408)	(7,666)
	3,051	**93**	**24,073**	**18,918**
Municipal				
ISS tax payable	627	471	1,142	854
Total	**112,961**	**304,483**	**155,380**	**352,009**

In the present quarter the Company has started to submit the current tax liabilities net of assets, when the aforesaid taxes correspond to the same tax entities and Company management intends to settle them in the net amount. In order to maintain the comparison between the balance sheets submitted, the amounts of taxes recoverable of 12.31.2011 presented above were reclassified from the "Taxes recoverable" account to the "Tax liabilities" column.

The balances of federal taxes recoverable correspond, substantially, to income tax, social contribution, PIS and Cofins on the following operations:

Deferred income tax and social contribution

In the present quarter, the Company recognized the amount of R$24,559, in the parent company and consolidated, relating to the income tax and social contribution paid on the gains on swap operation, in the period from July to December 2011, whose taxation should have been deferred up to the settlement of the transaction.

PIS and Cofins

Refers substantially to the amounts paid as a result of the application of Normative Instruction 468/2004, whose updated amount on 6.30.2012 is R$67,962, in the parent company and consolidated, which have not yet been offset as the Company is awaiting the proof of such claims with the Internal Revenue Service of Brazil (RFB).

14. - LOANS AND FINANCING

a) Breakdown

	Parent company (BRGAAP)					
	6.30.2012			12.31.2011		
	Current	Non-current	Total	Current	Non-current	Total
Local currency						
Bank of America Merrill Lynch	-	430,000	430,000	-	430,000	430,000
BNDES	12,470	-	12,470	14,965	4,988	19,953
Charges	6,704	-	6,704	8,886	-	8,886
	19,174	**430,000**	**449,174**	**23,851**	**434,988**	**458,839**
Foreign currency						
STN [17]	8,792	100,017	108,809	12,374	97,605	109,979
BNP Paribas (Floating Rate Note)	-	102,371	102,371	-	97,088	97,088
Charges	7,828	-	7,828	5,139	-	5,139
	16,620	**202,388**	**219,008**	**17,513**	**194,693**	**212,206**
	35,794	**632,388**	**668,182**	**41,364**	**629,681**	**671,045**

	Consolidated (BRGAAP and IFRS)					
	6.30.2012			12.31.2011		
	Current	Non-current	Total	Current	Non-current	Total
Local currency						
Bank of America Merrill Lynch	-	430,000	430,000	-	430,000	430,000
BNDES	114,297	1,286,205	1,400,502	106,829	1,319,263	1,426,092
Banks (Transfer BNDES)	82,921	923,846	1,006,767	82,910	960,757	1,043,667
Banco do Brasil	3,966	17,186	21,152	3,966	19,169	23,135
BRDE	1,139	-	1,139	4,556	-	4,556
Charges	15,165	-	15,165	18,150	-	18,150
	217,488	**2,657,237**	**2,874,725**	**216,411**	**2,729,189**	**2,945,600**
Foreign currency						
STN	8,792	100,017	108,809	12,374	97,605	109,979
BNP Paribas (Floating Rate Note)	-	102,371	102,371	-	97,088	97,088
Charges	7,828	-	7,828	5,139	-	5,139
	16,620	**202,388**	**219,008**	**17,513**	**194,693**	**212,206**
	234,108	**2,859,625**	**3,093,733**	**233,924**	**2,923,882**	**3,157,806**

[17] National Treasury department, not of deposited guarantees

Tractebel Energia
GDF SUEZ

b) Changes in loans and financing

	Parent company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non-current	Total	Current	Non-current	Total
Balance as at 12.31.2011	**41,364**	**629,681**	**671,045**	**233,924**	**2,923,882**	**3,157,806**
Transfers	3,872	(3,872)	-	51,521	(51,521)	-
Interests generated	13,942	(1,101)	12,841	59,522	18,537	78,059
Compound interest	-	-	-	-	(14,243)	(14,243)
Exchange variance	(244)	(2,801)	(3,045)	(244)	(2,801)	(3,045)
Amortization of principal	(4,852)	-	(4,852)	(49,219)	-	(49,219)
Amortization of interests	(10,880)	-	(10,880)	(56,612)	-	(56,612)
Balance as at 3.31.2012	**43,202**	**621,907**	**665,109**	**238,892**	**2,873,854**	**3,112,746**
Additions	-	-	-	-	17,442	17,442
Transfers	5,111	(5,111)	-	52,826	(52,826)	-
Interests generated	12,558	(1,233)	11,325	57,230	13,352	70,582
Compound interest	-	-	-	-	(9,022)	(9,022)
Exchange variance	1,292	16,825	18,117	1,292	16,825	18,117
Amortization of principal	(10,954)	-	(10,954)	(55,375)	-	(55,375)
Amortization of interests	(15,415)	-	(15,415)	(60,757)	-	(60,757)
Balance as at 6.30.2012	**35,794**	**632,388**	**668,182**	**234,108**	**2,859,625**	**3,093,733**

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

	Parent company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
July to December 2013	143,333	4,419	147,752	232,473	4,419	236,892
2014	286,667	4,271	290,938	451,732	4,271	456,003
2015	-	102,371	102,371	166,396	102,371	268,767
2016	-	-	-	167,313	-	167,313
2017	-	-	-	167,669	-	167,669
2018 to 2022	-	-	-	808,085	-	808,085
2023 to 2027	-	-	-	509,201	-	509,201
2028 to 2029	-	91,327	91,327	154,368	91,327	245,695
	430,000	**202,388**	**632,388**	**2,657,237**	**202,388**	**2,859,625**

Tractebel Energia
GDF SUEZ

d) Contractual conditions

	Interest	Payment Conditions		Balance
		Maturity	Principal and interests	
Local currency				
Parent company				
Bank of America Merrill Lynch	98% of CDI	07.2014	Principal: 07.2013, 01.2014 and 07.2014 Interest rates: quarterly	436,654
BNDES	TJLP + 4% p.a. (a)	04.2013	Monthly	12,520
Subsidiaries				
BNDES	TJLP + (1.89% at 4.0% p.a.) (a)	09.2013 to 06.2029	Monthly	1,343,403
Banks (Transfer BNDES) (c)	TJLP + (2.95% to 3.85% p.a.) (a)	09.2013	Monthly	1,010,297
BNDES - Subcredit B (b)	4.5% p.a.	01.2020	Monthly	31,970
BNDES - Social Credit (d)	TJLP	06.2018	Monthly, after 07.2012 (e)	17,430
BRDE	TJLP + 2.25% p.a. (a)	08.2012	Monthly	1,143
Banco do Brasil	8.08% p.a. (f)	10.2017	Monthly	21,308
Foreign currency				
Parent company				
STN	Libor + 1.075% p.a.	04.2024	Semi-annual	110,620
BNP Paribas	Euribor + 2.75%	11.2015	Annual	108,388

(a) The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into the financing's principal.

(b) Loan for financing Ibitiúva power plant machinery and equipment. The balance as of 6.30.2012 is R$31,970.

(c) The Banks are: Itaú Unibanco, Bradesco, Santander and Votorantim.

(d) Loan for financing social and environmental projects of the Estreito project. The balance as of 6.30.2012 is R$17,430.

(e) Interest are paid quarterly in the period from 11.2010 and 6.2012, monthly after this period.

(f) Fixed rate includes a bonus of 15% for payments made up to the maturity date.

e) Covenants

The financial commitments established in the loan and financing agreements are being fulfilled by the Company, except as concerns certain indicators of the indirect subsidiary Hidropower, which are backed by a waiver of their fulfillment up to the total settlement of the loan.

Tractebel Energia
GDF SUEZ

f) Concession of funding for the wind farms

On 5.10.2012 the senior management of BNDES approved a credit facility in the amount of R$358,000, intended for the implementation of the wind farms Mundaú, Fleixeiras I, Trairí and Guajiru, all located in the municipality of Trairi, state of Ceará. This credit facility has an amortization period of 16 years and will be restated by TJLP + 2.51% p.a. The respective financing agreements were signed by the parties and the release of the funds depends on the fulfillment of conditions precedent established in the agreements.

15. – DEBENTURES

a) Breakdown

	Parent company and Consolidated (BRGAAP and IFRS)					
	6.30.2012			12.31.2011		
	Current	Non-current	Total	Current	Non-current	Total
2nd Issuance – single series	152,874	154,373	307,247	149,046	299,328	448,374
Cana Brava – single series	16,655	-	16,655	15,880	8,526	24,406
Interest	2,862	-	2,862	18,614	-	18,614
	172,391	**154,373**	**326,764**	**183,540**	**307,854**	**491,394**

b) Changes in debentures

	Parent company and Consolidated (BRGAAP and IFRS)		
	Current	Non-current	Total
Balance as at 12.31.2011	**183,540**	**307,854**	**491,394**
Interests generated	8,669	43	8,712
Monetary variations	2,129	4,591	6,720
Balance as at 3.31.2012	**194,338**	**312,488**	**506,826**
Transfers	160,909	(160,909)	-
Interests generated	8,828	43	8,871
Monetary variations	1,656	2,751	4,407
Amortization of principal	(160,132)	-	(160,132)
Amortization of interests	(33,208)	-	(33,208)
Balance as at 6.30.2012	**172,391**	**154,373**	**326,764**

Alteration of the financial covenant of the 2nd debenture issue of Tractebel Energia and payment of the first installment of the debentures

On 5.10.2012 the General Meeting of Debenture Holders (AGD) approved the increase of its financial covenant, arising from its 2nd issue, from 2.5 times to 3.5 times on the following ratio: Gross Debt on EBITDA. This alteration resulted in the payment of a premium of R$1,076, equivalent to 0.22% of the nominal value of the debentures.

On 5.15.2012 there was the payment of the first installment of debentures in the amount of R$184,385, with R$152,382 relating to the amortization of principal and R$32,003 to the payment of interest.

c) Conditions contracted

			Payment Conditions		
	Quantity	Remuneration	Interest/monetary change	Principal	Guarantee
2nd Issuance - single series	35,000	IPCA [18] + 7% p.a.	Annually on 5.15	3 installments on 05.2012/13/14	Without guarantee
Cana Brava – single series	7,773	TJLP + 4% p.a. [19]	On a semiannual basis, on the 4.01 and 10.01, up to 4.01.2013.	On a semiannual basis, on the 4.01 and 10.01, up to 4.01.2013.	Receivables from energy sales

d) Maturities of debentures stated in non-current liabilities

The maturity of the debentures presented in non-current liabilities, in the amount of R$154,373, will be in May 2014.

e) Contractual commitments (covenants)

The Company has been fully complying with the financial covenants provided for in the debentures contracts.

[18] National Amplified Consumer Price Index (IPCA)

[19] The amount corresponding to the TJLP installment that exceeds 6% p.a. is capitalized and merged into the nominal value of debentures

16. - CONCESSIONS PAYABLE

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	12.31.2011	6.30.2012	12.31.2011
Cana Brava Hydroelectric Power Plant	464,990	432,721	464,990	432,721
Ponte de Pedra Hydroelectric Power Plant	422,422	395,652	422,422	395,652
São Salvador Hydroelectric Power Plant	-	-	408,990	401,132
Estreito Hydroelectric Power Plant	-	-	40,670	36,447
	887,412	**828,373**	**1,337,072**	**1,265,952**
Classifying in the balance sheet				
Current liabilities	3,047	2,643	48,178	45,688
Non-current liabilities	884,365	825,730	1,288,894	1,220,264
	887,412	**828,373**	**1,337,072**	**1,265,952**

The Company has onerous concession agreements with the Federal Government to use the public asset to generate electrical energy at the Cana Brava, Ponte de Pedra, São Salvador and Estreito power plants. The features of the businesses and the agreements show the condition and the intention of the parties to execute them in full.

In order to accurately reflect in shareholders' equity the granted onerous concession and the related obligation to the Federal Government, amounts corresponding to concessions were recorded in property, plant and equipment against liabilities. Additional information on the asset record is shown in Note 10 - Fixed assets.

Considering that contractual amounts are stated at future prices, the Company adjusted them to present value based on reference discount rates on the date the obligation assumed. The discount rate to be used by concessions to pay Cana Brava plant, São Salvador and Estreito was 10% p.a. and 8.28% p.a. to Ponte de Pedra.

During the construction of the power plants, the adjustment of liabilities based on the discount rate and monetary variation was capitalized in fixed assets and, as of the start-up date, recognized directly in the statement of income.

Contract for Concession of Use of the Public Property (UBP) of UHE Estreito

In response to the Company's request, Aneel approved the alteration of the monetary correction index of the contract from IGP-M to IPCA with the objective of equalizing the obligation with the monetary correction index of the electricity prices performed in the Regulated Contracting Environment (ACR).

Moreover, due to the increase in the plant's guaranteed power output from 584.9 average MW to 641.08 MW, the annual installment of UBP (rate for use of public property) to be paid by the subsidiary Companhia Energética Estreito (CEE) rose from R$3,819 to R$4,186. The retroactive application of this change resulted in an additional payment of R$436 by CEE.

Tractebel Energia
GDF SUEZ

a) Changes

	Parent company (BRGAAP)			Consolidated (BRGAAP and IFRS)		
	Current	Non-current	Total	Current	Non-current	Total
Balance as at 12.31.2011	**2,643**	**825,730**	**828,373**	**45,688**	**1,220,264**	**1,265,952**
Transfers	981	(981)	-	12,801	(12,801)	-
Interests generated	-	18,275	18,275	-	29,273	29,273
Compound interest	-	-	-	-	(427)	(427)
Monetary variations	-	2,093	2,093	-	7,506	7,506
Amortizations	(671)	-	(671)	(11,901)	-	(11,901)
Balance as at 3.31.2012	**2,953**	**845,117**	**848,070**	**46,588**	**1,243,815**	**1,290,403**
Supplement of the concession payable of UHE Estreito	-	-	-	-	3,515	3,515
Transfers	764	(764)	-	13,504	(13,504)	-
Interest generated	-	19,055	19,055	-	30,746	30,746
Compound interest	-	-	-	-	(564)	(564)
Monetary variations	-	20,957	20,957	-	24,886	24,886
Amortizations	(670)	-	(670)	(11,914)	-	(11,914)
Balance as at 6.30.2012	**3,047**	**884,365**	**887,412**	**48,178**	**1,288,894**	**1,337,072**

b) Variation of inflation rates:

	2nd quarter of 2012	2nd quarter of 2011	1st semester of 2012	1st semester of 2011
IGP-M	2.56%	0.70%	3.19%	3.15%
IPCA	1.08%	1.40%	2.32%	3.87%

c) Maturities of concessions stated in non-current liabilities

	Parent company (BRGAAP)	Consolidated (BRGAAP and IFRS)
July to December 2013	1,250	22,217
2014	2,335	41,390
2015	2,129	37,634
2016	1,942	34,212
2017	1,772	31,107
2018 to 2022	127,292	238,479
2023 to 2027	412,727	481,743
2028 to 2032	290,049	332,889
2033 to 2037	44,869	69,223
	884,365	**1,288,894**

17. – PROVISIONS FOR TAX, CIVIL AND LABOR RISK

Tax, civil and labor-related suits and claims which, according to the Company's legal counsel and management, are subject to losses in the form of expenses, are accrued in amounts considered sufficient to cover future disbursement to settle the respective liabilities.

a) Breakdown

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
Potential risks:	**6.30.2012**	**12.31.2011**	**6.30.2012**	**12.31.2011**
Tax risks				
INSS	15,852	15,451	15,852	15,451
Others	2,419	2,418	2,419	2,418
	18,271	**17,869**	**18,271**	**17,869**
Civil risks				
Charge for using the transmission system	57,321	49,603	57,321	49,603
Contracts entered into with suppliers	25,385	23,815	31,535	29,619
Benefits retirement	10,316	9,787	10,316	9,787
Environmental	7,454	7,069	7,454	7,069
Occupational disease and labor accident	4,611	4,407	4,611	4,407
Expropriations	7,827	3,620	7,827	3,620
Sundry actions	4,826	4,597	8,810	8,236
	117,740	**102,898**	**127,874**	**112,341**
Labor risks	**10,408**	**10,996**	**10,408**	**10,996**
Total	**146,419**	**131,763**	**156,553**	**141,206**
Classifying in the balance sheet				
Current liabilities	8,848	7,640	9,823	8,615
Non-current liabilities	137,571	124,123	146,730	132,591
	146,419	**131,763**	**156,553**	**141,206**

More recent information about the provisions evaluated as probable:

a.1) Tax risks

Social Security Charges (INSS)

The notification arises from the supposed lack of payment of social security charges on compensation amounts paid to employees. The process is still presently held by the reporting judge for judging the appeal filed by the government.

a.2) Civil risks

Charge for using the transmission system

The action's objective is adjusting the Transmission System Use Tariff paid by the Ponte de Pedra Hydroelectric Power Plant up to the amount charged from another power plant with similar features. In the quarter there was no change in the action's progress.

Contracts entered into with suppliers

- **Companhia de Interconexão Energética (Cien):** refers to the ordinary action for indemnity filed by Cien to obtain the right to receive the difference related to the application of a foreign exchange adjustment foreseen in the energy sale agreement, and its termination due to a supposed breach of a contractual clause. In March 2011 it was decided that the lawsuit should return to regular courts, but the Company filed a special appeal against that decision, and its appeal was accepted for judgment and the lawsuit is to be sent to the Superior Court of Justice for allocation to a court.

- **Power supplier:** that lawsuit claims the collection of amounts calculated in the Energy Wholesale Market (currently Electric Power Trading Chamber) during the power rationing period from September 2000 to December 2002. The Preliminary Injunction brought by the subsidiary before the Superior Court of Justice (STJ) was judged and dismissed in the first quarter. In May 2012 the subsidiary Itasa was notified to deposit the amount of the debt, and subsequently, thus canceling the letter of guarantee issued previously. It should be taken into account that Itasa is the target of another lawsuit claiming a payment of a similar nature, by the same plaintiff, and requested offset of the amounts against a debit, but that request was not granted.

- **Expropriations:** the growth of the accrued amount resulted substantially from the inflow of lawsuits filed by individuals and legal entities whose subject matter refers to expropriations of the areas affected by the reservoir of Usina Hidrelétrica Ponte de Pedra.

b) Possible and remote risks

The Company is also a party to other lawsuits that, in the opinion of the legal advisors, do not represent a probable risk of future disbursement. The amounts related to those lawsuits, mentioned below, are not accrued, and are only mentioned in the Notes.

	Parent company (BRGAAP)					
	6.30.2012			12.31.2011		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	113,302	540,511	653,813	461,053	530,830	991,883
Civil	8,551	390	8,941	9,631	371	10,002
Labor	9,583	16,989	26,572	10,940	15,407	26,347
	131,436	**557,890**	**689,326**	**481,624**	**546,608**	**1,028,232**

	Consolidated (BRGAAP and IFRS)					
	6.30.2012			12.31.2011		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Tax	166,024	540,511	706,535	499,551	530,830	1,030,381
Civil	28,897	390	29,287	12,237	1,351	13,588
Labor	15,031	16,989	32,020	10,940	15,407	26,347
	209,952	**557,890**	**767,842**	**522,728**	**547,588**	**1,070,316**

b.1) Possible tax risks

The main tax-related risks evaluated by the Company and its legal counsel as having a possible risk are as follows:

Voluntary confession

The Brazilian National Tax Code contains a provision that allows the payment of overdue taxes without the application of a late payment penalty, through "voluntary revelation", providing it is made before any administrative proceeding or control measure. It so happens that the Internal Revenue Service of Brazil (RFB) has not been accepting payments after the deadline without the corresponding late payment penalty.

To guarantee its entitlement in this situation, the Company presents administrative, and when necessary, legal challenges. On 5.18.2012, RFB notified the Company of a Final Court Decision rendered by the Administrative Council of Tax Appeals (CARF), conferring a favorable decision for the Company, by unanimous vote.

The litigation involved the amount of R$495. Although the amount is not particularly significant, the decision is important as a new administrative precedent, which could waive the Judiciary's quest for assurance of the Company's legal entitlement in the new proceedings.

The amount of the notices restated on 6.30.2012 is R$54,331 (R$52,809 on 12.31.2011).

Value-added tax on sales and services for Communication and Transport (ICMS)

The Company and its subsidiary Tractebel Energia Comercializadora Ltda. (TBLC) were notified by the São Paulo State Revenue Office, claiming that the invoices of power sold to free consumers are issued in the month following the taxable event. The tax authority understands that this practice postpones for one month the collection of the tax due to the state.

The measurement of the power used by the client is carried out by the distribution company to which the client is connected. After, the distribution company then sends this information to the CCEE, an entity responsible for adjusting said measurements, allowing for the recording of the power sold by the agent

The measurement is completed by the eighth day of the month following the supply. Therefore, only after this date is the power consumed by the billed client.

Regarding the proceedings related to subsidiary TBLC, the Court of Taxes and Rates (CTR) reduced the amount and fine in one of the notices, and maintained the amounts in the other.

There are two lawsuits against Tractebel Energia, and in one of them the amount and fine were reduced, but the State of São Paulo Finance Department appealed against the reduction and the other lawsuit is still awaiting trial, considered to have grounds, Company filed an ordinary appeal.

Despite the partial success of the Company's defenses, the Company's Management and its legal advisors understand that the total amounts are subject to appraisal mistakes and legal grounds, where the chance of success for these disputes is higher than the risk of losses.

The aforementioned assessment notices are being contested by the Company and its lawyers. The updated amount of the proceedings on 6.30.2012 is R$14,800 (R$13,628 on 12.31.2011), in the parent company, and R$57,402 (R$51,694 on 12.31.2011), consolidated.

Even if the tax assessment notices are upheld, the Company's management and legal counsel understand that the amount actually due would be less than 10% of that charged by the tax authorities, who adopted calculation criteria not supported by law, and therefore the aforementioned amount would be substantially reduced.

Offset of negative basis in the succession and waiver of fines in voluntary confession

In June 2008, the Company obtained a favorable decision of the Judgment Office of Florianópolis, Santa Catarina State, regarding the tax assessment notice issued by the Brazilian Federal Revenue Service, due to the use of the negative basis of social contribution in the calendar year 2003, originated from merger operations. In the notice, tax authorities demanded the payment of taxes settled in arrears by the Company, with no fine levied, by offsetting existing tax credit payment as provided for in the charter of voluntary confession set forth in Article 138 of the National Tax Code (CTN).

Amounts related to the negative basis of social contribution derive from the merger of a company held on 4.29.1998, which were used after the amendment to the tax legislation introduced by Provisional Measure (MP) 2,158-35, of 2001, prohibiting the use of negative basis from mergers, combinations or spin-offs of companies.

As the merger took place before said MP prohibited the use of taxes, when it was still possible to use the negative basis of social contribution from the former company, the Company understands that the new rule does not encompass the merger brought in effect. The amounts were added to its equity, as successor company, ensuring the right to use said amounts. Such arguments were accepted by the Florianópolis Judgment Office.

Regarding the settlement of overdue taxes, without levy of fine and with the use of tax credits, before any administrative procedure or enforcement measure, the Company understands that said situation complies with the charter of voluntary confession set forth in Article 138 of CTN. However, said understanding was not accepted by the Judgment Office of Florianópolis.

The lawsuit is pending decision of the First Panel of the 7th Chamber with mandatory appeal to Fiscal Resources Managerial Council (CARF), issued by the Brazilian Federal Revenue Service, and with voluntary appeal from the Company exclusively focusing on the non-levy of the delinquency charge. The restated amount of this proceeding on 6.30.2012 is R$29,182 (R$28,524 in 12.31.2011).

b.2) Remote tax risks

The main tax-related risks evaluated by the Company and its legal counsel as remote are as follows:

Interest on property, plant and equipment in progress (RIC)

On 12.30.2010 the Brazilian Federal Revenue Service issued a tax assessment notice, arguing that in the calendar years of 2005, 2006 and 2007 the Company made unauthorized exclusions in the calculation of income tax and social contribution relating to RIC amounts.

Decree-law 1,506/1976 of 12.23.1976, set forth important tax benefits to the Brazilian Power Sector, exempting the RIC from income tax levied.

Therefore, property, plant and equipment in progress carried out with own capital or through loans bear interest rates of 10% p.a., plus the deferred charges pegged to the respective construction in progress, the counter entry of which was recorded in the income for the period, creating income exempt from income tax.

On 12.12.1985 the National Department of Water and Power (DNAEE) issued Ordinance nº. 250/1985, changing the accounting criteria used as of then and the interest on property, plant and equipment in progress (interest of up to 10% p.a.), purpose of the benefit that exempts the income tax, until then recoreded in income, and due to Decree-law nº 1,506/1976, now has two distinct accounting classifications: a) the portion of the construction executed with own capital is now recorded in shareholders' equity and, therefore, with no effect in the income for the period; and b) the portion of the constructions executed using loans is now credited into deferred charges, which will then be amortized, jointly with the contract prices debited in deferred charges. With that procedure, the amount of revenue that is tax exempt, arising from loan-based constructions, which was previously recorded in income upon calculation, started being recognized in income, with exclusion for determining taxable income, but only when: i) the asset under construction originating the income becomes operational or (ii) is written off.

That new accounting procedure continued in effect up to 12.31.1995, and was amended by Administrative Rule No. 526 of 11.22.1995, issued by the National Department of Water and Energy, which, among other decisions, determined the transfer of balances existing in deferred charges regarding remuneration of fixed assets in progress, to fixed assets, and eliminated the calculation and recording of the remuneration of fixed assets in progress corresponding to the portion of the works made with borrowed capital and keeping the remuneration only on the portion of the works made with own capital.

The exemption guaranteed by said Decree-Law was revoked by Law 9,718, of 11.27.1998, which led to the Company suspending the respective calculation and recording as of 1.01.1999.

Accordingly, amounts of remuneration of fixed assets in progress that are being disallowed by tax authorities refer to previously deferred revenues, calculated under said decree-law, and, therefore, benefited by income tax exemption, which are being recognized in income during the operation of the power plants that originated them.

On 2.24.2012, the Company became aware of the court decision by the Federal Revenue Trial Office in Florianópolis, where the issue had its merits analyzed and the contestation was upheld. That decision can only be considered as definitive after confirmation by a higher administrative level, namely, the Administrative Council of Tax Appeals. In view of that decision, the Company started classifying the risk of an unfavorable outcome of the action as remote.

The Company's Management and its legal advisors understand that the arguments used to challenge the tax credit entry provide an optimistic expectation of a favorable outcome for the claim. The restated amount of this proceeding on 6.30.2012 is R$364,014 (R$350,919 on 12.31.2011).

PIS and Cofins – Regulatory Instruction of the Brazilian Federal Revenue Office (IN 658/2006)

In July 2005, the Company petitioned for a Writ of Mandamus against the requirements provided in Internal Revenue Service Normative Instruction nº. 468/2004 (IN 468/2004), for the revenues arising from the contracts signed until 10.31.2003 to be submitted to non-cumulative taxation of PIS and Cofins as of the first price alteration, thus destroying the concept of "predetermined price", provided in article 10 of Law no. 10,833/2003.

IN 468/2004 was revoked on 7.4.2006 by IN 658/2006, in light of the advent of article 109 of Law nº. 11,196/2005, which established that the predetermined price would not be altered if the price readjustment were to occur in keeping with the production cost or the variation of the index that would reflect the weighted variation of the costs of the inputs used. However, in spite of the proviso incorporated into IN 658/2006 resulting from the aforesaid law, the requirements challenged for the Company were maintained.

In October 2006 the Regional Federal Court (TRF) of the 4th Region, assured the Company of the right to pay PIS and Cofins contributions according to the cumulative taxation regime, as provided by article 10, XI, b of Law nº. 10,833/2003, and without the illegal and unconstitutional restrictions of IN 468/2004, enabling the Company to suspend the judicial deposits started in June 2005. However, the decision of TRF did not include IN 658/2006, prompting the Company to submit a special appeal to the Superior Court of Justice (STJ).

The Federal Government, in turn, lodged a special appeal vis-a-vis the decision of the Regional Federal Court, which was not accepted, leading to the formal certification in April 2010 of the handing down of the final court decision rendered by TRF in relation to IN 468/2004.

For this reason, the request for issuance of a court order for waiver of the judicial deposits made in the period from June 2005 to June 2006 was granted in July 2010, with the undue payment of the amounts deposited prior to June 2005 and the deposits made in the period from July 2006 - month of publication of IN 658/2006 - to October 2006 - month of the decision of TRF, pending clearance. The restrictions on the repetition of undue payments and on the redemption of the judicial deposits were imposed by the Internal Revenue Service of Brazil on the grounds that the Writ of Mandamus in question had not become final.

Considering that the Special Appeal lodged by the Company was not known by STJ, on account of the absence of appellate interest, since TRF fully accepted the Company's request to continue in the cumulative tax system, such a proceeding became final in the month of June 2012, with no further claims involving the aforesaid Normative Instructions (468/2004 and 658/2006).

Accordingly, the Company is in the process of proving the claim relating to the undue payment of the amounts deposited prior to June 2005, in the restated amount, on 6.30.2012, of R$67,962 (R$66,009 on 12.31.2011).

In relation to the deposits of July to October 2006, on 7.12.2012 there was the publication of the granting of the Company's request for waiver authorizing the issuance of a court order for release of the judicial deposits made in the records, in the restated amount on 6.30.2012 of R$42,782 (R$41,496 on 12.31.2011), since STJ has concluded that the concession of the order by TRF of the 4th Region, also encompasses the period ruled by IN 658/2006.

Since there are no further claims concerning the aforesaid INs, in June the Company performed the write-off of R$373,457, an amount that was considered a proceeding of remote risk.

Recovery of PIS and COFINS

In 1998, Law 9,718/98 was published, extending the PIS and Cofins calculation basis that, so far, only levied on the companies' gross revenues.

The Company challenged in court the constitutionality of said Law, obtaining a favorable decision, which enabled its settling the contributions calculated on several revenues resulting from the gross revenues for the period assessed from February of 1999 to November of 2002, for PIS, and February of 1999 to January of 2004, for Cofins.

The main revenue calculated in the amount to offset regards the accounting caption named "Fuel Consumption Account (CCC) subsidy revenue" ("CCC subsidy").

In 2009, the Brazilian Federal Revenue Service notified the Company to collect the amount of R$135,982 referred to the period from April of 2004 to January of 2007, interest and fines already included, pleading that the "CCC subsidy" represents a billing and, therefore, it should be included in the calculation basis of PIS and Cofins for the mentioned period.

In the evaluation of the Company's legal advisors, the arguments of the Federal Revenue Service do not proceed and can be easily contested, considering the concept attributed to the treatment of the "CCC Subsidy", with the purpose of accounting fossil fuel consumed by those generating electrical energy, it mismatched the legal nature of the revenue. Thus, the Company is filing a motion to deny the notification at the administrative level and, if necessary, will do so in court. Even if the "CCC Subsidy" had the revenue nature, which it does not, it would not represent a "gross revenue" that was the only revenue subject to taxation by PIS and Cofins.

In fact, up to 2005, the fuel acquired with "CCC Subsidy" and Energy Development Account (CDE) funds were recorded due to its consumption in the plants as "operational cost" in contra account to a "Subsidy" revenue.

Aneel made amendments to the Accounting Manual of the Public Electric Power Service in order to change the concept that had been used improperly and, as of 2006, the accounting entry was determined as "operational cost" in contra account to an adjustment account to neutralize the result. Such amendment is strongly based on Technical Notes issued by said Agency.

In view of the aforementioned summary, the Management understands that the risk of loss in the process is remote. The lawsuit is pending judgment at the Brazilian Federal Revenue Service of Florianópolis, 4th Panel. The current amount on 6.30.2012 is R$169,036 (R$163,273 on 12.31.2011).

18. - POST-EMPLOYMENT BENEFITS

The Company, through PREVIG - Sociedade de Previdência Complementar, provides supplementary pension plans for its employees. PREVIG is a non-profit closed pension entity, sponsored by the Company, as its Founder, and by other International Power/GDF-SUEZ Group companies in Brazil. The benefit plans managed by PREVIG are: Defined Contribution (CD) and Defined Benefit (BD), the latter closed for new adhesions.

The Company also sponsors the BD plan of Fundação Eletrosul de Previdência e Assistência Social (ELOS), also closed for new adhesions.

Tractebel Energia
GDF SUEZ

a) Defined benefit plan (BD)

The breakdown of the Company's post-employment benefits is presented in the table below:

	Parent company and Consolidated (BRGAAP and IFRS)					
	6.30.2012			12.31.2011		
	Current	Non-current	Total	Current	Non-current	Total
Obligations contracted						
Contract for the acknowledgment of past debts	19,655	105,183	124,838	18,646	111,870	130,516
Deficit not contracted						
Current contributions and coverage of costs	1,400	975	2,375	3,575	1,642	5,217
Deficit not contracted and GC	14,990	15,193	30,183	13,824	21,823	35,647
Actuarial Evaluation	**36,045**	**121,351**	**157,396**	**36,045**	**135,335**	**171,380**
Deferred actuarial gains	-	161,655	161,655	-	165,629	165,629
Recorded actuarial liability	**36,045**	**283,006**	**319,051**	**36,045**	**300,964**	**337,009**

Actuarial liability recognized in the balance sheet is partially covered by contracted obligations and/or obligations acknowledged through an instrument for the acknowledgment of debt and agreement entered into by the Company with respective Foundations.

Contracted debts are adjusted at the National Consumer Price Index (INPC) of the Brazilian Institute of Geography and Statistics (IBGE), and the same interest of 6% p.a. is levied on them. Contracted amounts presented in non-current liabilities are expected to be realized as follows:

	ELOS	PREVIG	Total
July to December	8,885	1,259	10,144
2014	18,721	1,948	20,669
2015	3,521	1,758	5,279
2016	3,723	1,863	5,586
2017	3,938	1,975	5,913
2018 to 2023	28,926	11,725	40,651
2024 to 2027	13,031	162	13,193
2028 to 2029	3,748	-	3,748
	84,493	**20,690**	**105,183**

The movement of post-employment benefits per plan is summarized as follows:

	BD Plan	BSPS Plan	GC	Total
Liabilities recorded on 12.31.2011	**312,898**	**22,617**	**1,494**	**337,009**
Effects in the income of the 1st quarter of 2012:				
Cost of current service	(1,359)	-	877	(482)
Cost of interest	31,837	848	47	32,732
Earnings expected from assets	(29,164)	(990)	-	(30,154)
Amortization of actuarial gains	(1,128)	(870)	11	(1,987)
Net gain	**186**	**(1,012)**	**935**	**109**
Contributions	(3,248)	-	-	(3,248)
Benefits paid	-	-	(37)	(37)
Payment of contracted obligations	(6,553)	(85)	-	(6,638)
Liabilities recorded on 3.31.2012	**303,283**	**21,520**	**2,392**	**327,195**
Effects in the income of the 2nd quarter of 2012:				
Cost of current service	291	-	16	307
Cost of interest	31,837	848	47	32,732
Earnings expected from assets	(29,164)	(990)	-	(30,154)
Amortization of actuarial gains	(1,128)	(870)	11	(1,987)
Net gain	**1,836**	**(1,012)**	**74**	**898**
Contributions	(2,649)	-	-	(2,649)
Benefits paid	-	-	(30)	(30)
Payment of contracted obligations	(6,276)	(87)	-	(6,363)
Liabilities recorded on 6.30.2012	**296,194**	**20,421**	**2,436**	**319,051**

Breakdown of net expenses to be recognized in the income from July to December 2012, related to the defined benefit plan and to the confidentiality bonus is as follows:

	BD Plan	BSPS Plan	GC	Total
Cost of current service	(24)	-	(30)	(54)
Cost of interest	(63,672)	(1,692)	(96)	(65,460)
Expected return of the plan assets	58,326	1,980	-	60,306
Amortization of actuarial gains	2,256	1,740	(24)	3,972
Net expense	**(3,114)**	**2,028**	**(150)**	**(1,236)**

Due to the current Brazilian economic scenario of declining interest rates, Company management understands that the reduction in the discount rate and the assessment of the market value of the assets, which could be considered for the calculation of restatement of the present value of its actuarial liabilities, net, would not result in significant impacts on the balance of "Post-employment benefits" or on the Company's results for 2012.

b) Defined contribution plan (CD)

In addition to the defined benefit plan, PREVIG administers the defined contribution plan whose benefits are supported by contributions of participants and the sponsoring entity. The Company's basic contribution corresponds to the same amount of its employees' basic contribution.

Administrative expenses that are the Company's responsibility in the second quarter of 2012 amounted to R$1,168 (R$1,102 in the second quarter of 2011).

19. – DEFERRED TAXES

The net balances that compose net deferred income and social contribution tax liability are presented below:

Description of credits	Parent company (BRGAAP)				
	6.30.2012				12.31.2011
	Calculation basis	Income tax	Social contribution	Total	Total
Liabilities:					
Property, Plant and Equipament the fixed asset	986,440	246,609	88,780	335,389	350,826
Gain in swap transaction	159,091	39,773	14,318	54,091	-
Provision for Sale of energy	107,456	26,864	9,671	36,535	36,535
Fair value of concession payable	49,064	12,266	4,416	16,682	17,056
Subtotal		**325,512**	**117,185**	**442,697**	**404,417**
Assets:					
RIC [20]	145,542	(36,385)	-	(36,385)	(38,205)
Post-employment benefits	194,063	(48,516)	(17,466)	(65,982)	(69,591)
Allowance for doubtful accounts	128,617	(32,154)	(11,575)	(43,729)	(43,729)
Provision for tax, civil and labor risks	144,103	(36,026)	(12,969)	(48,995)	(44,012)
Fair value adjustment with business combination.	80,624	(20,156)	(7,256)	(27,412)	(26,511)
Adjustment to present value of accounts receivable	13,875	(3,469)	(1,249)	(4,718)	(4,718)
Accelerated depreciation	10,156	(2,539)	(914)	(3,453)	(4,021)
Others	17,300	(4,325)	(1,558)	(5,883)	(8,148)
Subtotal		**(183,570)**	**(52,987)**	**(236,557)**	**(238,935)**
Net total		**141,942**	**64,198**	**206,140**	**165,482**

[20] Interest on property, plant and equipment in progress

Description of credits	Consolidated (BRGAAP and IFRS)				
	6.30.2012				12.31.2011
	Calculation basis	Income tax	Social contribution	Total	Total
Liabilities:					
Property, Plant and Equipament the fixed asset	986,440	246,609	88,780	335,389	350,826
Gain in swap transaction	159,091	39,773	14,318	54,091	-
Sale of energy	107,456	26,864	9,671	36,535	36,535
Fair value of concession payable	49,064	12,266	4,416	16,682	17,056
Incentivized accelerated depreciation	80,578	20,145	7,252	27,397	2,729
Subtotal		**345,657**	**124,437**	**470,094**	**407,146**
Assets:					
RIC	145,542	(36,385)	-	(36,385)	(38,205)
Post-employment benefits	194,063	(48,516)	(17,466)	(65,982)	(69,591)
Allowance for doubtful accounts	128,754	(32,188)	(11,587)	(43,775)	(43,729)
Provision for tax, civil and labor risks	144,103	(36,026)	(12,969)	(48,995)	(44,013)
Fair value adjustment with business combination.	80,624	(20,156)	(7,256)	(27,412)	(26,511)
Tax loss and negative social contribution basis	56,825	(14,206)	(5,115)	(19,321)	-
Adjustment to present value of accounts receivable	13,875	(3,469)	(1,249)	(4,718)	(4,718)
Accelerated depreciation	10,156	(2,539)	(914)	(3,453)	(4,021)
Others	21,646	(5,412)	(1,948)	(7,360)	(9,819)
Subtotal		**(198,897)**	**(58,504)**	**(257,401)**	**(240,607)**
Net total		**146,760**	**65,933**	**212,693**	**166,539**

The horizon of realization of assets and of payment deadlines of liabilities was estimated as follows:

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	Assets	Liabilities	Assets	Liabilities
July to December 2012	9,674	16,736	13,419	16,736
2013	20,970	47,001	27,038	47,001
2014	13,890	58,804	22,592	58,804
2015	79,803	21,038	81,966	21,038
2016	24,905	20,013	25,025	20,013
2017 to 2018	24,694	74,991	24,741	74,991
2019 to 2020	22,238	44,953	22,238	45,949
2021 onwards	40,383	159,161	40,382	185,562
	236,557	**442,697**	**257,401**	**470,094**

Presentation of deferred taxes

In the present quarter the Company began to present the deferred tax liabilities net of assets, when the aforesaid taxes correspond to the same tax entities and there is the enforceable right and the intention of Company management to settle these at their net value. In order to maintain the comparison between the balance sheets submitted, the amounts of deferred income tax and social contribution assets of 12.31.2011 presented above, were reclassified from the "Deferred tax assets" account to the "Deferred tax liabilities" column.

20. – SHAREHOLDERS' EQUITY

a) Subscribed and paid-up capital

As of 6.30.2012 and 12.31.2011, the Company's fully subscribed and paid-up capital is R$2,445,766, represented by 652,742,192 registered common shares without par value. The book value of the share in Reais, on 6.30.2012, is R$8.59 (R$8.35 for each share on 12.31.2011).

The breakdown of the Company's shareholding structure on 6.30.2012 and 12.31.2011 is as follows:

Shareholders	% of the capital
GDF SUEZ Energy Latin America Participações Ltda.	68.71
Banco Clássico S.A.	10.00
Other shareholders	21.29
	100.00

As of 6.30.2012, the Company had 204,229,568 outstanding shares. On the same date, the Company's management had 222,190 shares.

b) Payment of additional dividends credited in the fiscal year 2011

The payments of the 1st and 2nd installment of the additional dividends proposed on the net income for the year 2011, approved at an Ordinary General Meeting, were made as of 5.15.2012 and 6.29.2012, respectively. The total value of these dividends was R$517,342, corresponding to R$0.792566942 per share.

21. - BREAKDOWN OF OPERATING COST BY NATURE

Costs of electric power production and services provided:

	Parent company (BRGAAP)							
	2nd quarter				Accumulated in 6 months			
	2012		2011		2012		20111	
	Energy sold	Services rendered	Energy sold	Services rendered	Energy sold	Services rendered	Energy sold	Services rendered
Personnel	35,899	4,533	33,555	3,896	68,667	8,915	61,464	6,969
Material	6,911	214	5,527	174	12,300	407	9,228	370
Third party services	22,176	1,290	20,205	1,333	42,802	2,427	40,496	2,800
Fuel for generation	11,554	-	32,484	-	14,472	-	34,927	-
Royalties [21]	12,374	-	27,796	-	32,257	-	60,690	-
Depreciation and amortization	91,080	-	88,958	-	181,002	-	177,882	-
Insurance	2,374	148	1,725	133	4,088	222	3,585	243
Inspection fee	2,791	-	2,574	-	5,583	-	5,148	-
Rents	1,839	206	1,936	231	3,589	477	3,494	369
Others	1,669	34	446	24	3,967	45	284	46
	188,667	**6,425**	**215,206**	**5,791**	**368,727**	**12,493**	**397,198**	**10,797**

	Consolidated (BRGAAP and IFRS)							
	2nd quarter of 2012				Accumulated in 6 months			
	2012		2011		2012		2011	
	Energy sold	Services rendered	Energy sold	Services rendered	Energy sold	Services rendered	Energy sold	Services rendered
Personnel	36,847	4,533	34,075	3,896	70,315	8,915	62,472	6,969
Material	7,733	214	6,369	174	13,722	407	10,647	370
Third party services	31,995	1,290	25,639	1,333	59,814	2,427	50,957	2,800
Fuel for generation	15,083	-	34,806	-	20,369	-	39,747	-
Royalties	16,642	-	32,487	-	42,115	-	70,695	-
Depreciation and amortization	136,397	-	117,232	-	267,678	-	232,567	-
Insurance	2,957	148	2,056	133	5,189	222	4,255	243
Inspection fee	3,381	-	2,997	-	6,762	-	5,974	-
Rents	2,443	206	2,411	231	4,673	477	4,433	369
Others	2,035	34	739	24	12,778	45	722	46
	255,513	**6,425**	**258,811**	**5,791**	**503,415**	**12,493**	**482,469**	**10,797**

[21] Offsetting for the use of water resources (Royalties)

General and administrative expenses:

	Parent company (BRGAAP)			
	2nd quarter of 2012		Accumulated in 6 months	
	2012	2011	2012	2011
	General and administrative	General and administrative	General and administrative	General and administrative
Personnel	12,718	11,964	24,958	21,873
Management	4,017	3,358	7,960	7,043
Material	423	611	841	1,157
Third party services	9,453	9,596	18,658	17,205
Depreciation and amortization	2,697	2,167	5,497	4,181
Insurance	127	130	201	220
Contributions and donations	1,758	3,197	2,759	4,682
Segment contributions	1,040	1,104	1,962	2,179
Rents	748	1,467	1,497	2,791
PREVIG Contribution	2,544	3,262	4,088	4,752
Others	3,905	4,239	7,509	10,370
	39,430	**41,095**	**75,930**	**76,453**

	Consolidated (BRGAAP and IFRS)			
	2nd quarter of 2012		Accumulated in 6 months	
	2012	2011	2012	2011
	General and administrative	General and administrative	General and administrative	General and administrative
Personnel	13,222	12,482	26,092	22,796
Management	4,214	3,568	8,336	7,452
Material	424	626	845	1,194
Third party services	10,243	10,665	20,125	18,931
Depreciation and amortization	2,704	3,448	5,511	6,744
Insurance	156	130	230	220
Contributions and donations	1,758	3,197	2,759	4,684
Segment contributions	1,166	1,198	2,190	2,370
Rents	876	1,700	1,793	3,156
PREVIG Contribution	2,544	3,262	4,088	4,752
Others	3,945	4,327	7,613	10,607
	41,252	**44,603**	**79,582**	**82,906**

22. – REVERSAL (CONSTITUTION) OF OPERATING PROVISIONS

	Parent company (BRGAAP)			
	2nd quarter of 2012		Accumulated in 6 months	
	2012	2011	2012	2011
Post-employment benefits	4,362	23,914	8,451	46,633
Tax, civil and labor risks	(2,219)	4,804	(8,122)	(1,416)
Doubtful accounts	-	-	-	(6,043)
	2,143	**28,718**	**329**	**39,174**

	Consolidated (BRGAAP and IFRS)			
	2nd quarter of 2012		Accumulated in 6 months	
	2012	2011	2012	2011
Post-employment benefits	4,362	23,914	8,451	46,633
Tax, civil and labor risks	(2,581)	4,768	(8,704)	(1,710)
Doubtful accounts	-	-	(272)	(6,180)
Others	(11)	63	(168)	-
	1,770	**28,745**	**(693)**	**38,743**

Reversal presented in caption "Post-employment benefits" in the second quarter of 2011 corresponds, substantially, to the recognition of the amortization of deferred actuarial gains that exceeded permitted limit of 10% ("corridor"), as defined in accounting rules.

23. – FINANCIAL RESULT

	Parent company (BRGAAP)			
	2nd quarter of 2012		Accumulated in 6 months	
	2012	2011	2012	2011
Financial income				
Income from interest earning bank deposits	8,563	9,663	18,914	31,720
Interest on amounts receivable	4,467	618	6,146	6,054
Monetary variation on judicial deposits	2,067	2,486	4,449	4,724
Others	896	2,873	1,026	5,745
	15,993	**15,640**	**30,535**	**48,243**
Financial expenses				
Interest on debts	20,196	24,825	41,749	70,984
Interest over concessions payable	19,055	16,106	37,330	31,687
Interest on net actuarial liabilities	2,578	4,541	5,156	9,083
Monetary variation over debts	4,407	9,173	11,127	24,033
Monetary variation over concessions payable	20,957	8,644	23,050	26,930
Exchange variation over debts	18,117	(7,601)	15,072	(5,987)
Other financial expenses	9,424	3,856	16,128	8,731
	94,734	**59,544**	**149,612**	**165,461**
Financial expenses, net	**78,741**	**43,904**	**119,077**	**117,218**

	Consolidated (BRGAAP and IFRS)			
	2nd quarter of 2012		Accumulated in 6 months	
	2012	2011	2012	2011
Financial income				
Income from interest earning bank deposits	15,797	15,972	33,999	44,385
Interest on amounts receivable	5,288	675	7,742	6,720
Monetary variation on judicial deposits	2,071	2,486	4,457	4,724
Others	912	3,428	1,173	6,417
	24,068	**22,561**	**47,371**	**62,246**
Financial expenses				
Interest on debts	61,409	50,665	119,694	120,493
Interest over concessions payable	29,618	26,051	58,037	50,740
Interest on net actuarial liabilities	2,578	4,542	5,156	9,083
Monetary variation over debts	4,407	9,385	11,127	24,863
Monetary variation over concessions payable	24,886	14,116	32,392	40,522
Exchange variation over debts	18,117	(7,601)	15,072	(5,987)
Other financial expenses	10,148	4,779	18,753	10,320
	151,163	**101,937**	**260,231**	**250,034**
Financial expenses, net	**127,095**	**79,376**	**212,860**	**187,788**

24. – TAX RECONCILIATION

	Parent company (BRGAAP)							
	2nd quarter of 2012				Accumulated in 6 months			
	2012		2011		2012		2011	
	IR	CS	IR	CS	IR	CS	IR	CS
Income before taxes	**471,485**	**471,485**	**503,600**	**503,600**	**942,944**	**942,944**	**952,350**	**952,350**
Equity in net income	(87,501)	(87,501)	(35,360)	(35,360)	(134,896)	(134,896)	(65,703)	(65,703)
Permanent differences	5,643	5,152	(8,213)	(6,092)	7,152	5,616	(3,655)	(3,614)
Calculation basis	**389,627**	**389,136**	**460,027**	**462,148**	**815,200**	**813,664**	**882,992**	**883,033**
Rates	25%	9%	25%	9%	25%	9%	25%	9%
Deferred income tax and social contribution	**(97,407)**	**(35,022)**	**(115,007)**	**(41,593)**	**(203,800)**	**(73,230)**	**(220,748)**	**(79,473)**
Tax incentives	5,651	-	4,708	-	8,911	-	6,119	-
Others	(493)	12	6,909	157	(1,232)	12	7,166	314
Total income	**(92,249)**	**(35,010)**	**(103,390)**	**(41,436)**	**(196,121)**	**(73,218)**	**(207,463)**	**(79,159)**
Breakdown of taxes on income:								
Current	(56,112)	(22,328)	(106,306)	(40,335)	(165,744)	(62,937)	(211,320)	(78,946)
Deferred	(36,137)	(12,682)	2,916	(1,101)	(30,377)	(10,281)	3,857	(213)
	(92,249)	**(35,010)**	**(103,390)**	**(41,436)**	**(196,121)**	**(73,218)**	**(207,463)**	**(79,159)**

	Consolidated (BRGAAP and IFRS)							
	2nd quarter of 2012				Accumulated in 6 months			
	2012		2011		2012		2011	
	IR	CS	IR	CS	IR	CS	IR	CS
Income before taxes	**513,683**	**513,683**	**525,466**	**525,466**	**1,008,191**	**1,008,191**	**990,915**	**990,915**
Adjustment in subsidiaries taxed by the presumed profit	(7,286)	(5,859)	(6,940)	(5,842)	(11,281)	(9,221)	(5,033)	(3,036)
Permanent differences	6,799	5,926	(5,036)	(2,919)	9,186	7,471	3,047	3,085
Calculation basis	**513,196**	**513,750**	**513,490**	**516,705**	**1,006,096**	**1,006,441**	**988,929**	**990,964**
Rates	25%	9%	25%	9%	25%	9%	25%	9%
Deferred income tax and social contribution	**(128,299)**	**(46,238)**	**(128,373)**	**(46,503)**	**(251,524)**	**(90,580)**	**(247,232)**	**(89,187)**
Tax incentives	5,651	-	4,708	-	8,911	-	6,119	-
Others	(457)	12	4,285	(809)	(1,136)	12	5,874	(761)
Total income	**(123,105)**	**(46,226)**	**(119,380)**	**(47,312)**	**(243,749)**	**(90,568)**	**(235,239)**	**(89,948)**
Breakdown of taxes on income:								
Current	(83,003)	(32,117)	(120,875)	(45,698)	(206,075)	(77,660)	(239,819)	(89,419)
Deferred	(40,102)	(14,109)	1,495	(1,614)	(37,674)	(12,908)	4,580	(529)
	(123,105)	**(46,226)**	**(119,380)**	**(47,312)**	**(243,749)**	**(90,568)**	**(235,239)**	**(89,948)**

Tax incentive corresponds to the 75% reduction of income tax calculated on income from Usina Hidrelétrica Ponte de Pedra operation. Benefit was granted because the Plant is installed in the Amazon Development Superintendence area and it is valid for 10 years, counted beginning as of 2006.

25. – FINANCIAL INSTRUMENTS

a) Financial instruments category

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	12.31.2011	6.30.2012	12.31.2011
Financial assets				
Stated at fair value through profit or loss				
Interest earnings bank deposits	233,459	566,159	478,413	776,534
Held to maturity				
Pledges and restricted deposits	-	32,159	106,428	129,490
Receivables and loans				
Cash and cash bank deposits	1,246	960	4,530	5,274
Trade accounts receivable	374,536	410,903	565,321	542,149
Sale of assets	86,886	86,886	86,886	86,886
Judicial deposits	108,382	104,059	118,159	105,832
Receivables with subsidiary companies	7,299	14,927	-	-
	811,808	**1,216,053**	**1,359,737**	**1,646,165**
Financial liabilities				
Financial liabilities evaluated at amortized cost:				
Suppliers	183,284	219,640	259,393	234,336
Loans and financing	668,182	671,045	3,093,733	3,157,806
Debentures	326,764	491,394	326,764	491,394
Concessions payable	887,412	828,373	1,337,072	1,265,952
	2,065,642	**2,210,452**	**5,016,962**	**5,149,488**

b) Fair value of financial instruments

Fair values of financial instruments were determined based on future cash flows discounted to present value at market interest rates considered as adequate for operations with characteristics similar to those existing in the Company.

Differences between amounts presented in the balance sheet and its fair values were identified only in loans and financing, debentures and grants payable. These differences occurred mainly because these instruments present long-term settlements and different costs in relation to interest rates currently used for similar contracts.

Accounting and fair values of said financial instruments are as follows:

	Parent company (BRGAAP)			
	6.30.2012		12.31.2011	
	Book	Market	Book	Market
Loans and financing				
- In local currency	449,174	448,203	458,839	457,188
- In foreign currency	219,008	242,145	212,206	239,702
Debentures	326,764	337,200	491,394	493,908
Concessions payable	887,412	1,477,082	828,373	1,227,435
	1,882,358	**2,504,630**	**1,990,812**	**2,418,233**

	Consolidated (BRGAAP and IFRS)			
	6.30.2012		12.31.2011	
	Book	Market	Book	Market
Loans and financing				
- In local currency	2,874,725	2,876,748	2,945,600	2,947,085
- In foreign currency	219,008	242,145	212,206	239,702
Debentures	326,764	337,200	491,394	493,908
Concessions payable	1,337,072	2,068,107	1,265,952	1,811,391
	4,757,569	**5,524,200**	**4,915,152**	**5,492,086**

Measurement of fair value

The accounting practices define the fair value as the amount whereby an asset could be exchanged, or a liability settled, between parties with knowledge of the business and interest in this activity, in a transaction in which there are no favored parties. For the calculation of the fair value of its financial instruments, the Company used assets quotations or interest rate quotations to calculate the present value in the active market, which, according to accounting practices, is defined as Level I evaluation.

c) Risk management

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.

c.1) Market risk

The Company has a committee that manages this risk, whereas the use of financial instruments, by the Company and its subsidiaries, is geared towards the protection of its assets and liabilities, minimizing exposure to market risks, especially as regards the fluctuations of interest rates, price indices and currencies. 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.

The swap operation contracted by the Company to obtain full protection against the foreign exchange and cash flow risks of a loan taken out in US dollars, in the year 2011, was considered and is being presented as a single synthetic financial instrument.

There were no changes in the Company's exposure to market risks or in the management and measurement of these risks in this quarter.

Tractebel Energia
GDF SUEZ

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

The Company for reference purposes and in compliance with CVM Instruction 475/08, prepared a sensitivity analysis on loans and financing, debentures and concessions payables exposed to risks of changes in interest rates and floating ratios and changes in the price for foreign currency.

Probable basic scenario as of 6.30.2013 (12-month period) was defined using assumptions available in the market (source: Brazilian Central Bank Focus), and sensitivity calculation considered the variation between rates and indices of the scenario foreseen for 6.30.2013 and those prevailing on 6.30.2012. The sensitivity analysis also considered variations of 25% and 50% on interest rates, floating rates and foreign exchange variations considered in the estimated scenario.

Impacts on the Company's financial results, estimated for the following 12 months and arising from these variations are as follows.

Risk of interest variation and floating ratios:	Balance 6.30.2012	Probable scenario	Scenario Δ 25%	Scenario Δ 50%
Loans and financing				
- TJLP	2,384,794	(10,366)	30,159	61,706
- CDI	436,654	(9,959)	8,165	16,254
- US dollar	110,620	(5,544)	20,725	46,994
- Euro	108,388	(5,432)	20,307	46,046
		(31,301)	**79,356**	**171,000**
Debentures				
- TJLP	17,052	(41)	116	237
- IPCA	309,712	898	2,127	4,250
		857	**2,243**	**4,487**
Concessions payable				
- IGP-M	887,412	266	11,926	23,852
- IPCA	449,660	2,581	8,579	14,801
		2,847	**20,505**	**38,653**

	Annual variation 6.30.2012	Probable scenario	Scenario Δ 25%	Scenario Δ 50%
Variation of ratios				
- TJLP	6.00%	5.50%	1.38 p.p.	2.75 p.p.
- CDI	10.61%	8.13%	2.03 p.p.	4.07 p.p.
- IPCA	4.92%	5.50%	1.38 p.p.	2.75 p.p.
- IGP-M	5.14%	5.17%	1.29 p.p.	2.59 p.p.
Foreign exchange quotation variations:				
- US dollar	2.02	1.92	2.40	2.88
- Euro	2.56	2.43	3.04	3.65

Changes in floating rates 6-month Libor and Euribor, for the 6-month period ended in June 2012 stood at 0,73 p.p. and 1,19 p.p., respectively, and the balances of the loans connected to this interest rate for the same date are R$70,392 (R$37,962 net of the guarantees pegged to the Libor) and R$108,388, respectively. Possible variations in these rates would not result in significant impacts on the Company's financial results; accordingly, its effects were not presented in the sensitivity analysis above.

c.2) 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.3) Credit risk

In long-term power sale contracts entered into with distributors, including Contracts for the Trading of Power in the Regulated Environment (CCEAR), the Company minimizes its credit risk through a mechanism for the establishment of guarantees involving customers' receivables.

To minimize credit risk in the agreements to sell power to free consumers, sellers and generating companies, as well as in former bilateral agreements with the distribution companies, the Company requires bank guarantee and secured CDB. For counterparties that wish to present another type of guarantee, the Company, through its credit area, analyzes and establishes, in accordance with its Credit Analysis Policy, guarantees that should be required from these counterparties. In addition, the Company annually reviews credit analyses on all its customers and periodically evaluates its exposure to several economy factors, trying to diversify its portfolio and decrease this exposure to the specific sector risk.

In financial market investment transactions, the Company prioritizes investments in government bonds, and it also has a policy for determining credit limits to financial institutions, which is periodically reviewed by the Financial Committee based on internal criteria and on ratings disclosed by risk rating agencies.

The Company is guarantor in several agreements with its subsidiaries to guarantee financing and does not have any type of guarantee, for protection against these risks.

c.4) Liquidity risk

The management of the Company's liquidity risk is the responsibility of the Financial Committee, which administers fund raising requirements and short-, medium- and long-term liquidity by permanently monitoring estimated and realized 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 Committee meetings. The Company’s cash generation feature and the low volatility for receivables and long-term obligations within the year, ensure stable flows, thus reducing its liquidity risk.

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 their liquidity risk.

26. – RELATED PARTY TRANSACTIONS

a) Amounts recognized in balance sheet accounts and statement of income accounts:

a.1) Equity

	Assets				Liabilities			
6.30.2012	Accounts receivable	Dividends	Loans	Total	Suppliers	Dividends and interest on own capital	Others	Total
Itasa	2,310	12,674	-	14,984	6,062	-	177	6,239
CEE	18,960	10,547	-	29,507	-	-	-	-
Lages	1,662	-	-	1,662	-	-	-	-
TBLC	85,505	-	-	85,505	-	-	-	-
CESS	680	-	-	680	-	-	-	-
Ceste	2,349	-	-	2,349	-	-	-	-
Ibitiúva	108	-	7,299	7,407	-	-	-	-
Others	593	-	-	593	374	-	188	562
TOTAL	**112,167**	**23,221**	**7,299**	**142,687**	**6,436**	**-**	**365**	**6,801**
12.31.2011	**116,341**	**7,946**	**6,981**	**131,268**	**49,524**	**148,344**	**132**	**198,000**

a.2) Income

	Income (loss)							
	Operating income				Income (loss)	Cost	Expenses	
		Revenue from services						
2nd quarter of 2012	Supply of energy	Operation and maintenance	Administration	Total	Financial	Purchase of energy and fuel	General and administrative expenses	Equity in the earnings of subsidiaries and associated companies
Itasa	-	3,501	-	3,501	-	35,134	-	11,315
CEE	-	-	-	-	-	-	-	11,366
Lages	2,736	502	52	3,290	-	-	-	904
TBLC	307,528	-	102	307,630	-	-	-	51,038
CESS	1,854	353	57	2,264	-	-	-	6,285
Ceste	-	4,707	-	4,707	-	-	-	-
TBLP	-	-	-	-	-	-	-	3,639
Others	-	-	250	250	148	-	289	-
TOTAL	**312,118**	**9,063**	**461**	**321,642**	**148**	**35,134**	**289**	**84,547**
2nd quarter of 2011	**278,684**	**7,719**	**394**	**286,797**	**-**	**48,570**	**1,166**	**49,736**

The related party transactions performed by the Company are basically: (i) power purchase and sale agreements; (ii) operation services and ` of power generation plants; (iii) rendering of administrative services; and (iv) Guarantees granted to third parties, In consolidated balance, said transactions are eliminated to the extent of the Company's shareholding interest in the capital of each subsidiary. Details of most relevant transactions and future period commitments, which, therefore, are not recognized in the balance sheet, are as follows:

b) Purchase and sale of electric power

Subsidiary	Average MW	Maturity	Annual adjustment rate	Future commitment (base date 6.30.2012)
Purchase:				
Itasa	167	10.16.2030	IGP-M	2,283,737
Itasa	61	10.16.2030	Dollar variation + USA Inflation	485,805
Sale:				
TBLC	150	12.31.2015	IPCA	375,632
TBLC	190	12.31.2016	IPCA	611,820
TBLC	895	12.31.2012	IGPM	454,000
Lages	16	3.31.2017	Annual price review	79,490
CESS	5	4.22.2037	IPCA	161,052

In accordance with the Company's commercial policy, sales to free consumers are conducted mainly through subsidiary TBLC, which buys power from the Company to comply with its contract commitments.

c) Operation and maintenance

Related party	Maturity	Annual adjustment rate	Future commitment (base date 6.30.2012)
Itasa	10.16.2030	IGP-M	210,512
Ceste	5.01.2025	INPC (80%) and IPCA (20%)	204,036
CESS	10.15.2023	IGP-M	12,031
Lages	3.31.2015	Salary adjustment	5,518

The Company uses the strategy of concentrating in Tractebel Energia the operation and maintenance of its subsidiaries' plants whenever they do not outsource these services. Practiced prices are based on Tractebel Energia costs with personnel directly involved in the execution of these activities.

d) Administrative services

Tractebel Energia provides those services necessary to the administrative activities of the direct and indirect subsidiaries. Contracts are valid for an indefinite period and contracted amounts are annually adjusted at INPC, Contracted amounts are based on a percentage on actual revenue or estimated revenue, in case of companies in the pre-operating stage. The amount annually contracted from its subsidiaries is R$1,904.

e) Guarantees

The Company intermediates financial contracts entered into by its direct and indirect subsidiaries with BNDES, Banks (transferred from BNDES) and other financial agents. The main warrantees are shown as follow:

Bank	Type of guarantee	Amount of the debt on 6.30.2012
BNDES and Banks (BNDES Onlendings)	Guarantee of total shares issued by the following direct and indirect subsidiaries: Itasa, CESS, CEE, Beberibe, Pedra do Sal, Areia Branca and Ibitiúva	2,403,100
Banco do Brasil	Guarantee of total shares issued by indirect subsidiary Hidropower, owned by its wholly-owned subsidiary TBLP.	21,308
BRDE	Guarantee of shares in subsidiary Lages	1,143

f) Sureties and guarantees

The Company is the guarantor of certain subsidiaries in power purchase transactions amounting to R$14,277 and R$63,899, respectively. The maturities are scheduled as follow: R$67,035 in 2012, R$9,628 in 2013 and R$1,513 in 2015.

g) Loans - Receivables with subsidiaries

The Company has an outstanding loan with indirect subsidiary Ibitiúva granted to be invested in the construction of UTE Ibitiúva Bioenergética in the period in which this subsidiary was awaiting the release of BNDES funds. Loan is remunerated at 100% of Selic rate. On 6.30.2012, the residual balance is R$7,299 (R$6,981 on 12.31.2011).

h) Remuneration of management's key personnel

The compensation, charges and benefits related to the Management's key personnel are presented as follows. The only long-term benefit granted by the Company is the pension (post-employment). The management's compensation is not based on shares of Tractebel Energia.

	Parent company (BRGAAP)		Consolidated (BRGAAP and IFRS)	
	6.30.2012	6.30.2011	6.30.2012	6.30.2011
Short term directors' fees	4,448	3,854	4,761	4,195
Bonus from management and charges	2,061	1,922	2,061	1,922
Post-employment benefits	319	301	319	301
Social charges	1,132	966	1,195	1,034
	7,960	**7,043**	**8,336**	**7,452**

27. – INSURANCE

As of 6.30.2012, the Company has comprehensive insurance policies[22] for operating risks with stated amount for material damage of R$10,776,453 in the parent company and R$15,320,508 in the consolidated, and for loss of profits amounting to R$994,768 in the subsidiary and R$1,181,644 in consolidated. The maximum combined limit of indemnification for material damages and lost profits in the parent company is R$714,035 per event.

In addition to these insures, the Company has civil liability insurance policies with coverage of R$90,000.

Estreito consortium currently has engineering risk insurance for units which are still not under commercial operation for material damages of R$2,404,630 and expected loss of profit of R$612,233. The Company's participation in this coverage corresponds to R$963,535 and R$245,322, respectively, equivalent to its participation in the Consortium.

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.

28. – LONG-TERM AGREEMENTS

The Company has the following long-term agreement, and their information is disclosed in more detail on the financial statements of 12.31.2011.

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

- Bilateral contracts for purchasing and sale of electric power
- Contract for the sale of carbon credits - Certified Emission Reductions (CER);
- Power grid connection agreements;
- Transmission and Distribution Network Usage Agreements (CUST and CUSD);
- Purchase of natural gas;
- Leasing operations; and
- Construction agreements in progress.

There was no significant change in the long-term commitments in the present quarter, with the exception of the supply of natural gas to Usina Termelétrica William Arjona, where Petrobras obtained an injunction allowing it to suspend the supply of gas.

Also in relation to this matter, there was a subsequent decision made by STJ, considering Petrobras' Special Appeal "untimely" or submitted beyond the legal deadline, Petrobras lodged an appeal against the decision at STJ itself, Accordingly, the Company is awaiting the judgment of this appeal.

[22] The adopted risk assumptions, in view of their nature, are not part of the scope of an audit of financial statements, and, therefore, were not analyzed by our independent auditors,

29. – CONCILIATION OF THE NET REVENUE FROM SALES

In compliance with requirements of CPC 30 - Revenues, reconciliation between gross operating income and net sales is as follows:

	Parent company (BRGAAP)			
	2nd quarter of 2012		Accumulated in 6 months	
	2012	2011	2012	2011
GROSS OPERATING INCOME				
Supply of electric power	849,060	829,134	1.684.537	1.657.938
Supply of electric power	51,191	66,000	98,585	137,807
Transactions with CCEE	756	1,396	30,645	16,723
Export of electric power	-	56,304	-	57,370
Other income	10,277	9,187	18,389	16,714
	911,284	**962,021**	**1.832.156**	**1.886.552**
DEDUCTIONS FROM OPERATING REVENUE				
PIS and Cofins	(77,414)	(72,764)	(152,157)	(146,982)
ICMS	(6,061)	(10,877)	(10,844)	(22,033)
ISS	(407)	(302)	(714)	(662)
Research and development	(7,457)	(8,007)	(14,806)	(15,742)
	(91,339)	**(91,950)**	**(178,521)**	**(185,419)**
NET SALES	**819,945**	**870,071**	**1.653.635**	**1.701.133**

	Consolidated (BRGAAP and IFRS)			
	2nd quarter of 2012		Accumulated in 6 months	
	2012	2011	2012	2011
GROSS OPERATING INCOME				
Supply of electric power	884,083	783,976	1.775.756	1.572.602
Supply of electric power	337,749	336,908	667,876	675,109
Transactions whith CCEE	112,145	1,611	176,016	19,463
Export of electric power	-	56,304	-	57,370
Other income	6,014	5,515	10,829	9,645
	1.339.991	**1.184.314**	**2.630.477**	**2.334.189**
DEDUCTIONS FROM OPERATING REVENUE				
PIS and Cofins	(113,365)	(91,190)	(221,961)	(185,431)
ICMS	(22,699)	(26,157)	(41,800)	(50,788)
ISS	(407)	(302)	(714)	(662)
Research and development	(9,148)	(8,822)	(18,163)	(17,336)
	(145,619)	**(126,471)**	**(282,638)**	**(254,217)**
NET SALES	**1.194.372**	**1.057.843**	**2.347.839**	**2.079.972**

30. – ADDITIONAL INFORMATION TO THE CASH FLOW

During periods ended 6.30.2012 and 6.30.2011, the following transactions that did not involve cash and cash equivalents were carried out:

	Parent company (BRGAAP)	Consolidated (BRGAAP and IFRS)	
	6.30.2012	6.30.2012	6.30.2011
Offsetting of income and social contribution taxes	-	1,145	912
Suppliers of fixed assets	2,270	15,842	26,179
Interest on financing and concessions - capitalized	-	24,256	58,536
Supplement of the concession payable of UHE Estreito	-	3,515	-
Dividends receivable from subsidiaries	23,221	-	-

31. – SUBSEQUENT EVENTS

Interim dividends

The Board of Directors, in a meeting held on 7.26.2012, approved the distribution on interim dividends, based on the financial statements drafted on 6.30.2012, in the amount of R$693,759, corresponding to R$1.0628376925 per share, or to 100% of the adjusted net income of the first half of 2012.

The Company's shares started being traded as ex-interim dividend units beginning 8.13.2012.

The payment of the dividends will start on a date to be defined subsequently by the Company's Board of Executive Officers, and with a basis on the registration data existing at Itaú Unibanco. The aforementioned dividends will be accounted for in the month of July 2012.

Release of the judicial deposits made within the scope of Normative Instruction (IN) 658/2006 of the Internal Revenue Service of Brazil

On 7.12.2012 the Superior Court granted the Company's request referring to the release of the amounts deposited judicially under the aegis of IN 658/2006. The granting of the request took into account STJ's conclusion that the concession of the order by TRF of the 4th Region relating to the matter involving IN 468/2004 also covered the period ruled by IN 658/2006. The balance of the deposits made by the Company on 6.30.2012 was R$42,782.

Beginning of operation under test of the 7th generator unit at UHE Estreito

Aneel released the startup of operations on a trial basis of the 7th generation unit of UHE Estreito on 7.19.2012. This unit has a total installed capacity of 135.87 MW and assured power for selling 31.21 average MW, in which the Company has a share of 54.44 MW and 12.51 average MW, respectively, corresponding to its 40.07% share in the Estreito Energia Consortium (Ceste). In this manner, after the commercial go-live of this unit, UHE Estreito will reach 951,14 MW, or 87.5%, of its installed capacity and 623.61 average MW, or 97.3%, of its total assured energy.

Tractebel Energia
GDF SUEZ

BOARD OF DIRECTORS

Maurício Stolle Bähr
CEO

Jan Franciscus María Flachet
Vice-CEO

Manoel Arlindo Zaroni Torres
Board Member

Philip Gotsall Cox
Board Member

Dirk Achiel Marc Beeuwsaert
Board Member

Guy Marie Numa Joseph Ghislain Richelle
Board Member

Luiz Antônio Barbosa
Board Member

José Pais Rangel
Board Member

Luiz Leonardo Cantidiano Varnieri Ribeiro
Board Member

EXECUTIVE BOAR

Manoel Arlindo Zaroni Torres
CEO

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

José Luiz Jansson Laydner
Project and Development Implementation Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Edson Luiz da Silva
Planning and Control Officer

Luciano Flávio Andriani
Administrative Officer

ACCOUNTING DEPARTMENT

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

Tractebel Energia
GDF SUEZ

Identification of prospects

a. Purpose of prospect

Investments in the maintenance, revitalization and expansion of the power station.

The statements of the Company's investment amounts segregates values in two groups:

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

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

The prospects made are merely estimates that usually depend on future events, thus cannot be regarded as a promise to perform by the company and its administrators.

b. Period prospected and prospect term

Tractebel Energia quarterly discloses to the market its investment prospects for the current year and the two subsequent years, valid until its realization or another prospect in replacement.

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

The Company's prospects for investment are chiefly based on the following assumptions:

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

The amounts informed, prospected and realized do not consider interest on construction.

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 prospects can be reviewed.

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

Standardized Financial Statements (DFP) as of 12.31.2011 the Company disclosed the following prospects for the years 2012, 2013 and 2014:

Amounts in R$ million	**Estimate for the next three years: disclosed during the 4Q11 in the DFP**		
Description / Forecast period	**2012**	**2013**	**2014**
Financed with debt	369	-	-
Financed with own capital	486	605	186
Total	**855**	**605**	**186**

In the first quarter of 2012 the projections were reviewed and henceforth present the following breakdown. There was no change in the projections in the second quarter.

Amounts in R$ million	Estimate for the next three years: disclosed during the 1st quarter and maintained during the 2nd quarter of 2012		
Description / Forecast period	**2012**	**2013**	**2014**
Financed with debt	299	225	-
Financed with own capital	360	651	206
Total	**659**	**876**	**206**

Note: The projections above do not consider the effects of interest on third-party capital incurred on construction works.

The changes in the prospects previously disclosed in the DFP of 12.31.2011 were mainly due to the following factors: (i) the postponement until 2013 of part of the investments foreseen for the construction of new wind stations in the Northeastern Region (the Delta Port and the Trairí Project); (ii) the changes in the allocation of investments in the program for the long-term maintenance of the existing plants; and (iii) the increase in the prospect for obtaining funds from loans for the construction of the wind stations in the Trairí Project.

Investments made until the second quarter ok 2012:

Until the second quarter of 2012 R$79 million were invested, of which R$64 million were used for the construction of new plants (the Estreito Hydroeletric Power Plants and the Wind Stations) and R$15 million were allocated to the program for the long-term maintenance of the existing plants. Of this amount, R$62 million were financed with own capital and R$17 million with third-party capital.

The investment accumulated in the six-month period comes to R$179 million, with R$128 million invested in the construction of the new plants, mentioned above, and R$51 million in the long-term maintenance program of existing plants. Of this amount, R$162 million correspond to the portion financed with own capital and R$17 million resulting from third-party capital.

Other Company information considered relevant

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

Report on the review of quarterly information - ITR

To the Board Members, Directors and Shareholders of
Tractebel Energia S,A,
Florianópolis – SC

Introduction

We have reviewed the interim, individual and consolidated accounting information of Tractebel Energia S,A, contained in the Quarterly Information - ITR Form for the quarter ended June 30, 2012, which comprise the balance sheet as of June 30, 2012 and the related statements of income for the 3 and 6-month period then ended, of changes in shareholders' equity and of cash flows for the 6-month period then ended, including the summary of the main accounting policies and other explanatory notes.

Management is responsible for the preparation of the individual interim accounting information in accordance with Technical Pronouncement CPC 21 - Interim Statement and of the consolidated interim accounting information in accordance with CPC 21 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 information based on our review.

Scope of the review

Our review was carried out 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, Therefore, we do not express an opinion on the information disclosed.

Conclusion on the individual interim information

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

Conclusion on the consolidated interim information

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 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 issues

Statements of added value

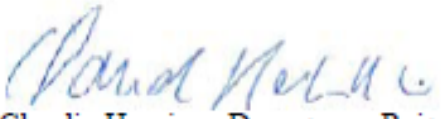
We also reviewed the individual and consolidated value-added statements for the six-month period ended on June 30, 2012, prepared by the Company's management, whose presentation in the interim information is required according to the standards issued by the CVM - Securities and Exchange Commission, applicable 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, in accordance with the individual and consolidated interim accounting information taken as a whole.

Comparative accounting information

The information and the amounts corresponding to the three and six-month periods ended June 30, 2011, presented for comparative purposes, were previously reviewed by other independent auditors, who issued a report dated July 29, 2011, which did not contain any modification. Amounts corresponding to the year ended December 31, 2011 presented for comparison purposes were previously audited by other independent auditors that issued a report dated February 7, 2012 which has not been changed.

Florianópolis, July 26, 2012

KPMG Auditores Independentes
CRC SC-000071 /F-80



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

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

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Financial Statements (individual and consolidated) and 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.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

José Luiz Jansson Laydner
Project of Development and Implementation Officer

Edson Luiz da Silva
Planning and Control Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Luciano Flávio Andriani
Administrative Officer

Opinions and Statements / Statement of the Executive Officers on the Independent auditors' report

The Company’s management declares that it has examined, discussed and reviewed all information contained in the Company’s Financial Statements (individual and consolidated) and 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.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Eduardo Antonio Gori Sattamini
Chief Financial and Investor Relations Officer

José Luiz Jansson Laydner
Project of Development and Implementation Officer

Edson Luiz da Silva
Planning and Control Officer

José Carlos Cauduro Minuzzo
Energy Production Officer

Marco Antônio Amaral Sureck
Energy Commercialization Officer

Luciano Flávio Andriani
Administrative Officer