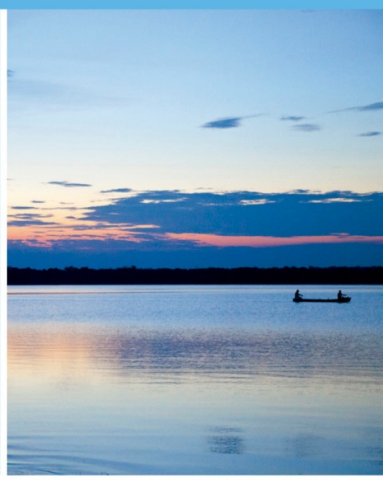
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Quarterly Information
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ANEFAC 2016

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Company Information / Capital Composition

Number of shares (Units)	Current quarter 6/30/2017
Paid-in capital	
Common	652,742,192
Preferred	0
Total	652,742,192
Treasury shares	
Common	0
Preferred	0
Total	0

Company Information / Profit Distribution in Cash

Event	Approval	Profit Distribution	Commencement of Payment	Type of Share	Class of Share	Profit Distribution per Share (Reais / Share)
Board of Directors' Meeting	10/27/2016	Interest on equity	2/1/2017	Common shares		0.66259
Annual Shareholders' Meeting	4/17/2017	Dividends	6/21/2017	Common shares		0.62757
Board of Directors' Meeting	7/27/2017	Dividends		Common shares		1.43842

Parent company Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 6/30/2017	Prior Year 12/31/2016
1	Total Assets	12,419,592	12,188,695
1.01	Current Assets	1,421,008	2,104,755
1.01.01	Cash and Cash Equivalents	554,659	1,175,259
1.01.03	Accounts Receivable	639,495	722,022
1.01.03.01	Trade Accounts Receivable	421,009	505,348
1.01.03.02	Other Accounts Receivable	218,486	216,674
1.01.03.02.01	Dividends receivable from subsidiaries	164,187	167,202
1.01.03.02.02	Fuel reimbursable	54,299	49,472
1.01.04	Inventories	101,394	102,085
1.01.06	Recoverable Taxes	45,564	10,457
1.01.06.01	Current Taxes Recoverable	45,564	10,457
1.01.06.01.02	Tax credits recoverable	45,564	10,457
1.01.08	Other Current Assets	79,896	94,932
1.01.08.03	Other	79,896	94,932
1.01.08.03.01	Restricted deposits	9,723	2,485
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	23,991	23,991
1.01.08.03.04	Other current assets	37,081	57,534
1.01.08.03.05	Non-current assets held for sale	9,101	10,922
1.02	Non-current Assets	10,998,584	10,083,940
1.02.01	Long Term Assets	327,718	344,390
1.02.01.09	Other Non-current Assets	327,718	344,390
1.02.01.09.03	Tax credits recoverable	25,820	35,894
1.02.01.09.04	Restricted deposits	9,149	8,500
1.02.01.09.05	Judicial deposits	152,392	148,390
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	127,403	139,398
1.02.01.09.08	Other non-current assets	12,954	12,208
1.02.02	Investments	5,481,105	4,442,140
1.02.02.01	Equity Interest	5,481,105	4,442,140
1.02.02.01.02	Interest on Subsidiaries	5,219,085	4,182,599
1.02.02.01.03	Interest in Joint Ventures	262,020	259,541
1.02.03	Property, Plant and Equipment	5,167,631	5,276,572
1.02.03.01	Property, Plant and Equipment in Operation	5,009,425	4,966,307
1.02.03.03	Construction in Progress	158,206	310,265
1.02.04	Intangible Assets	22,130	20,838
1.02.04.01	Intangible Assets	22,130	20,838

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 6/30/2017	Prior Year 12/31/2016
2	Total Liabilities	12,419,592	12,188,695
2.01	Current Liabilities	976,498	1,182,482
2.01.01	Social and Labor Obligations	72,518	90,655
2.01.01.02	Labor Obligations	72,518	90,655
2.01.02	Suppliers	298,456	211,777
2.01.02.01	Domestic Suppliers	298,456	211,777
2.01.03	Tax Liabilities	73,940	54,210
2.01.03.01	Federal Tax Liabilities	73,940	54,210
2.01.03.01.01	Income Tax and Social Contribution Payable	73,940	54,210
2.01.04	Loans and Financing	180,325	154,306
2.01.04.01	Loans and Financing	138,145	137,759
2.01.04.01.01	In Local Currency	138,145	137,759
2.01.04.02	Debentures	42,180	16,547
2.01.05	Other Liabilities	289,059	610,295
2.01.05.02	Other	289,059	610,295
2.01.05.02.01	Dividends and Interest on Equity Payable	7,328	371,478
2.01.05.02.04	Concessions payable	60,777	59,907
2.01.05.02.05	Other tax and regulatory liabilities	45,773	61,370
2.01.05.02.06	Other current liabilities	175,181	117,540
2.01.06	Provisions	62,200	61,239
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	25,816	24,641
2.01.06.01.02	Social Security and Labor Provisions	3,505	3,500
2.01.06.01.04	Civil Provisions	22,311	21,141
2.01.06.02	Other Provisions	36,384	36,598
2.01.06.02.04	Retirement benefits obligations	27,219	27,219
2.01.06.02.05	Provision for sale of fixed assets	9,165	9,379
2.02	Non-current liabilities	4,295,350	4,394,986
2.02.01	Loans and Financing	1,318,850	1,366,142
2.02.01.01	Loans and Financing	515,673	578,234
2.02.01.01.01	In Local Currency	515,673	578,234
2.02.01.02	Debentures	803,177	787,908
2.02.02	Other Liabilities	2,310,737	2,255,102
2.02.02.02	Other	2,310,737	2,255,102
2.02.02.02.03	Concessions payable	2,284,833	2,235,059
2.02.02.02.04	Other Non-Current Liabilities	25,904	20,043
2.02.03	Deferred Taxes	315,115	214,112
2.02.03.01	Deferred Income tax and Social Contribution	315,115	214,112
2.02.04	Provisions	350,648	559,630
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	68,221	277,382
2.02.04.01.01	Tax Provisions	6,603	6,929
2.02.04.01.02	Social Security and Labor Provisions	7,288	7,306
2.02.04.01.04	Civil Provisions	54,330	263,147
2.02.04.02	Other Provisions	282,427	282,248
2.02.04.02.04	Retirement benefits obligations	274,927	272,248
2.02.04.02.05	Provision for sale of fixed assets	7,500	10,000
2.03	Shareholders' equity	7,147,744	6,611,227

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 6/30/2017	Prior Year 12/31/2016
2.03.01	Paid-in Capital Stock	2,829,056	2,829,056
2.03.04	Profit Reserves	2,945,923	3,336,013
2.03.04.01	Legal Reserve	565,811	565,811
2.03.04.05	Retained Earnings Reserve	2,247,099	2,247,099
2.03.04.07	Tax Incentive Reserve	133,013	113,459
2.03.04.10	Dividends	0	409,644
2.03.05	Retained Earnings/Losses	938,919	0
2.03.06	Assets Valuation Adjustments	396,793	413,987
2.03.08	Other Comprehensive Income	37,053	32,171

Parent Company Financial Statements / Income Statement

(In thousands of Reais)

Account Code	Account Description	Current Quarter 4/1/2017 to 6/30/2017	YTD Current Year 1/1/2017 to 6/30/2017	YTD Year-ago Quarter 4/1/2016 to 6/30/2016	YTD Previous Year 1/1/2016 to 6/30/2016
3.01	Revenue from Sales of Goods and/or Services	1,047,734	2,106,793	1,049,554	2,143,441
3.02	Cost of Products and/or Services Sold	(493,260)	(950,873)	(518,597)	(1,055,018)
3.02.01	Electrical energy purchased for resale	(104,220)	(218,138)	(113,745)	(230,334)
3.02.02	Transactions in the short-term energy market	(70,840)	(86,234)	(41,107)	(101,625)
3.02.03	Charges for the use of and connection to the power grid	(85,154)	(170,360)	(78,021)	(155,878)
3.02.04	Cost of electrical energy production	(225,597)	(461,524)	(278,110)	(552,577)
3.02.05	Cost of services rendered	(7,449)	(14,617)	(7,614)	(14,604)
3.03	Gross profit	554,474	1,155,920	530,957	1,088,423
3.04	Operating Expenses/Income	114,940	208,989	30,133	70,218
3.04.01	Sales Expenses	(3,295)	(5,634)	(2,801)	(5,358)
3.04.02	General and Administrative Expenses	(44,180)	(83,670)	(48,991)	(92,194)
3.04.04	Other Operating Income	949	1,690	2,450	3,117
3.04.06	Equity income	161,466	296,603	79,475	164,653
3.04.06.01	Equity	162,302	298,274	80,311	166,324
3.04.06.02	Goodwill amortization	(836)	(1,671)	(836)	(1,671)
3.05	Income Before Financial Result and Taxes	669,414	1,364,909	561,090	1,158,641
3.06	Financial Result	(29,103)	(121,957)	(116,259)	(239,822)
3.06.01	Financial Income	28,185	61,580	66,337	164,015
3.06.02	Financial Expenses	(57,288)	(183,537)	(182,596)	(403,837)
3.07	Income Before Income Taxes	640,311	1,242,952	444,831	918,819
3.08	Income Tax and Social Contribution	(149,445)	(301,673)	(116,333)	(243,429)
3.08.01	Current	(55,251)	(200,670)	(138,212)	(346,144)
3.08.02	Deferred	(94,194)	(101,003)	21,879	102,715
3.09	Net Income from Continuing Operations	490,866	941,279	328,498	675,390
3.11	Net Income for the Period	490,866	941,279	328,498	675,390
3.99	Earnings per share (Brasilian Reais /share)				

3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.75201	1.44204	0.50326	1.03470
3.99.02	Diluted earnings per Share				
3.99.02.01	ON	0.75201	1.44204	0.50326	1.03470

Parent Company Financial Statements / Comprehensive Income Statement

(In thousands of Reais)

Account Code	Account Description	Current Quarter 4/1/2017 to 6/30/2017	YTD Current Year 1/1/2017 to 6/30/2017	YTD Year-ago Quarter 4/1/2016 to 6/30/2016	YTD Previous Year 1/1/2016 to 6/30/2016
4.01	Net Income for the Period	490,866	941,279	328,498	675,390
4.02	Other comprehensive income (loss)	11,042	4,882	(136,340)	(259,025)
4.02.01	Equity in the gains / (losses) of subsidiaries, net of deferred taxes	11,042	4,882	(136,340)	(259,025)
4.03	Comprehensive Income for the Period	501,908	946,161	192,158	416,365

Parent Company Financial Statements / Cash Flow Statement – Indirect Method

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 6/30/2017	YTD Prior Year 1/1/2016 to 6/30/2016
6.01	Net Cash from Operating Activities	1,112,227	717,241
6.01.01	Cash Generated from Operations	1,098,761	1,296,014
6.01.01.01	Income before income taxes	1,242,952	918,819
6.01.01.02	Equity Interest income	(296,603)	(164,653)
6.01.01.03	Depreciation and amortization	203,245	207,334
6.01.01.04	Monetary variation	(1,894)	93,921
6.01.01.05	Interest	173,540	239,367
6.01.01.06	Reversal of operating provisions, net	(224,390)	(628)
6.01.01.07	Other	1,911	1,854
6.01.02	Changes in Assets and Liabilities	13,466	(578,773)
6.01.02.01	Trade accounts receivable	88,715	(45,205)
6.01.02.02	Fuel reimbursable	(4,827)	21,486
6.01.02.04	Inventories	1,699	(15,360)
6.01.02.05	Tax credits recoverable	(37,185)	(33,847)
6.01.02.06	Restricted and judicial deposits	(6,659)	6,056
6.01.02.07	Renegotiation of hydrological risk to recognize	11,995	11,995
6.01.02.08	Other assets	14,375	(12,928)
6.01.02.09	Suppliers	89,802	(230,621)
6.01.02.10	Payment of income tax and social contribution	(101,756)	(197,379)
6.01.02.11	Payment of interest on debt	(25,283)	(81,514)
6.01.02.12	Other tax and regulatory obligations	(12,720)	(20,655)
6.01.02.13	Retirement benefits obligations	(12,932)	(6,633)
6.01.02.14	Other liabilities	8,242	25,832
6.02	Net Cash from Investment Activities	(795,914)	(163,028)
6.02.01	Capital increase in subsidiaries and joint ventures	(743,352)	(266,589)
6.02.02	Acquisition of property, plant and equipment and intangible assets	(61,449)	(113,610)
6.02.04	Dividends received from subsidiaries	13,649	221,937
6.02.04	Other	(4,762)	(4,766)
6.03	Net Cash from Financing Activities	(936,913)	(799,827)
6.03.01	Loans and financing obtained	0	20,195
6.03.02	Loans and financing paid	(67,706)	(268,770)
6.03.03	Concession installments paid	(31,124)	(28,578)
6.03.04	Dividends and interest on equity paid	(838,134)	(521,039)
6.03.05	Deposits related to debt service	51	(1,635)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(620,600)	(245,614)
6.05.01	Opening Balance of Cash and Cash Equivalents	1,175,259	1,739,008
6.05.02	Closing Balance of Cash and Cash Equivalents	554,659	1,493,394

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2017 to 6/30/2017

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,829,056	0	3,336,013	0	446,158	6,611,227
5.03	Adjusted Opening Balances	2,829,056	0	3,336,013	0	446,158	6,611,227
5.04	Capital Transactions with Partners	0	0	(409,644)	0	0	(409,644)
5.04.08	Additional 2016 dividends paid	0	0	(409,644)	0	0	(409,644)
5.05	Total Comprehensive Income	0	0	0	941,279	4,882	946,161
5.05.01	Net Income for the Period	0	0	0	941,279	0	941,279
5.05.02	Other Comprehensive Income	0	0	0	0	4,882	4,882
5.05.02.06	Cash Flow Hedge Operations in Subsidiaries	0	0	0	0	4,882	4,882
5.06	Internal Changes in Shareholders' Equity	0	0	19,554	(2,360)	(17,194)	0
5.06.05	Tax Incentive Reserve	0	0	19,554	(19,554)	0	0
5.06.06	Realization of Deemed Cost	0	0	0	17,194	(17,194)	0
5.07	Closing Balances	2,829,056	0	2,945,923	938,919	433,846	7,147,744

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2016 to 6/30/2016

(In thousands of Reais)

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

Parent Company Financial Statements / Value Added Statement

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 6/30/2017	YTD Prior Year 1/1/2016 to 6/30/2016
7.01	Revenues	2,342,650	2,403,390
7.01.01	Sale of Products and Services	2,338,771	2,389,332
7.01.02	Other Income	3,879	14,058
7.02	Raw material Acquired from Third Parties	(622,607)	(676,332)
7.02.01	Cost of Products and Services Sold	(580,147)	(427,787)
7.02.02	Materials, Energy, Third Parties Services and Other	(79,935)	(76,315)
7.02.04	Other	37,475	(172,230)
7.02.04.02	Reversal of operating provisions	224,390	628
7.02.04.03	Charges for the use of and connection to the power grid	(170,360)	(155,878)
7.02.04.05	Other	(16,555)	(16,980)
7.03	Gross Added Value	1,720,043	1,727,058
7.04	Retentions	(203,245)	(207,334)
7.04.01	Depreciation, Amortization and Depletion	(203,245)	(207,334)
7.05	Net Added Value Generated	1,516,798	1,519,724
7.06	Added Value Received in Transfer	358,183	328,668
7.06.01	Equity income	296,603	164,653
7.06.02	Financial Income	61,580	164,015
7.07	Total Added Value to Distribute	1,874,981	1,848,392
7.08	Distribution of Added Value	1,874,981	1,848,392
7.08.01	Labor	126,233	144,677
7.08.01.01	Direct Remuneration	74,814	93,069
7.08.01.02	Benefits	31,707	30,317
7.08.01.03	F.G.T.S. - workers' severance fund	6,395	6,946
7.08.01.04	Other	13,317	14,345
7.08.01.04.01	Profit sharing	13,317	14,345
7.08.02	Taxes, Duties and Contributions	546,748	502,929
7.08.02.01	Federal	536,847	493,621
7.08.02.02	State	8,652	7,728
7.08.02.03	Municipal	1,249	1,580
7.08.03	Third Parties Capital Remuneration	108,503	223,131
7.08.03.01	Interest	99,109	202,848
7.08.03.02	Rentals	4,607	4,724
7.08.03.03	Other	4,787	15,559
7.08.03.03.01	Capitalized interest and monetary variation	2,189	10,941
7.08.03.03.02	Other financial expenses	2,598	4,618
7.08.04	Remuneration of Own Capital	938,919	678,966
7.08.04.03	Retained Earnings / Loss for the Period	938,919	678,966
7.08.05	Other	154,578	298,689
7.08.05.01	Sectorial charges	70,450	106,195
7.08.05.02	Charges on concessions payable	81,768	196,070
7.08.05.03	Tax incentive reserve	19,554	13,629
7.08.05.04	Realization of deemed cost	(17,194)	(17,205)

Consolidated Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

Account Code	Account Description	Current Quarter 6/30/2017	Prior Year 12/31/2016
1	Total Assets	14,813,559	14,419,691
1.01	Current Assets	3,009,796	3,355,091
1.01.01	Cash and Cash Equivalents	1,505,457	1,815,340
1.01.03	Accounts Receivable	780,858	873,551
1.01.03.01	Trade Accounts Receivable	726,559	824,079
1.01.03.02	Other Accounts Receivable	54,299	49,472
1.01.03.02.02	Fuel reimbursable	54,299	49,472
1.01.04	Inventories	105,817	105,541
1.01.06	Recoverable Taxes	52,563	14,589
1.01.06.01	Current recoverable Taxes	52,563	14,589
1.01.06.01.02	Tax credits recoverable	52,563	14,589
1.01.08	Other Current Assets	565,101	546,070
1.01.08.03	Other	565,101	546,070
1.01.08.03.01	Restricted deposits	16,317	8,760
1.01.08.03.02	Unrealized hedge gains	3,909	1,490
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	26,064	26,064
1.01.08.03.04	Other current assets	105,046	90,153
1.01.08.03.05	Non-current assets held for sale	413,765	419,603
1.02	Non-current Assets	11,803,763	11,064,600
1.02.01	Long Term Assets	609,421	612,302
1.02.01.09	Other Non-current Assets	609,421	612,302
1.02.01.09.03	Tax credits recoverable	29,404	37,991
1.02.01.09.04	Restricted deposits	209,815	185,768
1.02.01.09.05	Judicial deposits	153,812	149,730
1.02.01.09.06	Unrealized hedge gains	0	1,965
1.02.01.09.07	Renegotiation of hydrological risk to appropriate	157,983	171,015
1.02.01.09.08	Other non-current assets	58,407	65,833
1.02.02	Investments	12,711	4,886
1.02.02.01	Equity interest	12,711	4,886
1.02.02.01.04	Other equity interest	12,711	4,886
1.02.03	Property, Plant and Equipment	10,924,781	10,194,898
1.02.03.01	Property, Plant and Equipment in Operation	8,898,332	8,548,313
1.02.03.03	Construction in Progress	2,026,449	1,646,585
1.02.04	Intangible Assets	256,850	252,514
1.02.04.01	Intangible Assets	256,850	252,514

Consolidated Financial Statements / Balance sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 6/30/2017	Prior Year 12/31/2016
2	Total Liabilities	14,813,559	14,419,691
2.01	Current Liabilities	1,588,699	1,800,794
2.01.01	Social and Labor Obligations	74,371	94,753
2.01.01.02	Labor Obligations	74,371	94,753
2.01.02	Suppliers	472,403	371,149
2.01.02.01	Domestic Suppliers	472,403	371,149
2.01.03	Tax Liabilities	84,018	81,023
2.01.03.01	Federal Tax Liabilities	84,018	81,023
2.01.03.01.01	Income Tax and Social Contribution Payable	84,018	81,023
2.01.04	Loans and Financing	336,550	299,743
2.01.04.01	Loans and Financing	294,370	283,196
2.01.04.01.01	In Local Currency	294,370	283,196
2.01.04.02	Debentures	42,180	16,547
2.01.05	Other Liabilities	405,982	732,410
2.01.05.02	Other	405,982	732,410
2.01.05.02.01	Dividends and Interest on Equity Payable	7,423	372,040
2.01.05.02.04	Concessions payable	66,492	65,408
2.01.05.02.05	Other tax and regulatory liabilities	88,437	88,632
2.01.05.02.06	Other current liabilities	243,630	206,330
2.01.06	Provisions	63,181	62,220
2.01.06.01	Tax, Social Security, Labor and Civil Provisions	26,797	25,622
2.01.06.01.01	Tax Provisions	177	177
2.01.06.01.02	Social Security and Labor Provisions	3,505	3,500
2.01.06.01.04	Civil Provisions	23,115	21,945
2.01.06.02	Other Provisions	36,384	36,598
2.01.06.02.04	Retirement benefits obligations	27,219	27,219
2.01.06.02.05	Provision for sale of fixed assets	9,165	9,379
2.01.07	Liabilities on Non-current assets held for sale and discontinued	152,194	159,496
2.01.07.01	Liabilities on Non-current assets held for sale	152,194	159,496
2.02	Non-current liabilities	6,073,386	6,004,503
2.02.01	Loans and Financing	2,883,122	2,788,989
2.02.01.01	Loans and Financing	2,079,945	2,001,081
2.02.01.01.01	In Local Currency	2,079,945	2,001,081
2.02.01.02	Debentures	803,177	787,908
2.02.02	Other Liabilities	2,392,321	2,339,829
2.02.02.02	Other	2,392,321	2,339,829
2.02.02.02.03	Concessions payable	2,331,859	2,281,968
2.02.02.02.04	Other Non-Current Liabilities	60,462	57,861
2.02.03	Deferred Taxes	441,265	311,331
2.02.03.01	Deferred Income tax and Social Contribution	441,265	311,331
2.02.04	Provisions	356,678	564,354
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	74,251	282,106
2.02.04.01.01	Tax Provisions	6,656	7,093
2.02.04.01.02	Social Security and Labor Provisions	7,343	7,448
2.02.04.01.04	Civil Provisions	60,252	267,565

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

Account Code	Account Description	Current Quarter 6/30/2017	Prior Year 12/31/2016
2.02.04.02	Other Provisions	282,427	282,248
2.02.04.02.04	Retirement benefits obligations	274,927	272,248
2.02.04.02.05	Provision for sale of fixed assets	7,500	10,000
2.03	Consolidated Shareholders' equity	7,151,474	6,614,394
2.03.01	Paid-in Capital Stock	2,829,056	2,829,056
2.03.04	Profit Reserves	2,945,923	3,336,013
2.03.04.01	Legal Reserve	565,811	565,811
2.03.04.05	Retained Earnings Reserve	2,247,099	2,247,099
2.03.04.07	Tax Incentive Reserve	133,013	113,459
2.03.04.10	Additional Dividend Proposed	0	409,644
2.03.05	Retained Earnings/Losses	938,919	0
2.03.06	Assets Valuation Adjustments	396,793	413,987
2.03.08	Other Comprehensive Income	37,053	32,171
2.03.09	Non-Controlling Interest	3,730	3,167

Consolidated Financial Statements / Income Statement

(In thousands of Reais)

Account Code	Account Description	Current quarter 4/1/2017 to 6/30/2017	YTD Current Year 1/1/2017 to 6/30/2017	Year-ago quarter 4/1/2016 to 6/30/2016	YTD Previous Year 1/1/2016 to 6/30/2016
3.01	Revenue from Sales of Goods and/or Services	1,681,943	3,287,855	1,570,687	3,173,342
3.02	Cost of Products and/or Services Sold	(946,971)	(1,773,323)	(924,247)	(1,840,529)
3.02.01	Electrical energy purchased for resale	(398,124)	(776,783)	(405,247)	(794,570)
3.02.02	Transactions in the short-term energy market	(117,190)	(143,806)	(59,782)	(131,750)
3.02.03	Charges for the use of and connection to the power grid	(104,796)	(208,084)	(95,007)	(189,351)
3.02.04	Cost of electrical energy production	(319,403)	(630,020)	(356,587)	(710,243)
3.02.05	Cost of services rendered	(7,458)	(14,630)	(7,624)	(14,615)
3.03	Gross profit	734,972	1,514,532	646,440	1,332,813
3.04	Operating Expenses/Income	(46,593)	(91,488)	(52,663)	(100,436)
3.04.01	Sales Expenses	(4,921)	(8,801)	(4,635)	(9,282)
3.04.02	General and Administrative Expenses	(42,019)	(82,695)	(50,235)	(94,110)
3.04.04	Other Operating Income	948	1,707	2,451	3,200
3.04.06	Equity income (loss)	(601)	(1,699)	(244)	(244)
3.05	Income Before Financial Result and Taxes	688,379	1,423,044	593,777	1,232,377
3.06	Financial Result	(6,842)	(78,470)	(116,855)	(245,008)
3.06.01	Financial Income	62,639	125,633	93,997	218,963
3.06.02	Financial Expenses	(69,481)	(204,103)	(210,852)	(463,971)
3.07	Income Before Income Taxes	681,537	1,344,574	476,922	987,369
3.08	Income Tax and Social Contribution	(190,390)	(402,732)	(148,169)	(311,509)
3.08.01	Current	(80,492)	(272,397)	(162,861)	(398,577)
3.08.02	Deferred	(109,898)	(130,335)	14,692	87,068
3.09	Net Income from Continuing Operations	491,147	941,842	328,753	675,860
3.11	Consolidated Net Income for the Period	491,147	941,842	328,753	675,860
3.11.01	Attributable to the Partners of the Parent Company	490,866	941,279	328,498	675,390
3.11.02	Attributable to Non-Controlling Partners	281	563	255	470
3.99	Earnings per share (R$ /share)				
3.99.01	Basic earnings per Share				
3.99.01.01	ON	0.75244	1.44290	0.50365	1.03542

Consolidated Financial Statements / Income Statement

(In thousands of Reais)

Account Code	Account Description	Current quarter 4/1/2017 to 6/30/2017	YTD Current Year 1/1/2017 to 6/30/2017	Year-ago quarter 4/1/2016 to 6/30/2016	YTD Previous Year 1/1/2016 to 6/30/2016
3.99.02	Diluted earnings per share				
3.02	ON	0.75244	1.44290	0.50365	1.03542

Consolidated Financial Statements / Comprehensive Income Statement

(In thousands of Reais)

Account Code	Account Description	Current quarter 4/1/2017 to 6/30/2017	YTD Current Year 1/1/2017 to 6/30/2017	Year-ago quarter 4/1/2016 to 6/30/2016	YTD Previous Year 1/1/2016 to 6/30/2016
4.01	Consolidated Net Income for the Period	491,147	941,842	328,753	675,860
4.02	Other comprehensive income	11,042	4,882	(136,340)	(259,025)
4.02.01	Unrealized gains (losses) from cash flow hedge operations	15,434	20,992	(191,146)	(383,175)
4.02.02	Deferred income tax and social contribution	(5,247)	(7,137)	64,989	130,280
4.02.03	Realized gains (losses) from cash flow hedge operations	855	(8,973)	(10,183)	(6,130)
4.03	Consolidated Comprehensive Income for the Period	502,189	946,724	192,413	416,835
4.03.01	Attributed to the Parent Company's Shareholders	501,908	946,161	192,158	416,365
4.03.02	Attributed to Non-controlling Shareholders	281	563	255	470

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of Reais)

Account Code	Account Description	YTD Current Year 1/1/2017 to 6/30/2017	YTD Prior Year 1/1/2016 to 6/30/2016
6.01	Net Cash from Operating Activities	1,450,603	1,016,856
6.01.01	Cash Generated from Operations	1,618,869	1,682,472
6.01.01.01	Income before income taxes	1,344,574	987,369
6.01.01.02	Equity income (loss)	1,699	244
6.01.01.03	Depreciation and amortization	316,304	311,813
6.01.01.04	Monetary variation	(1,348)	110,479
6.01.01.05	Interest	178,967	270,443
6.01.01.06	(Reversal) Constitution of operating provisions, net	(223,246)	260
6.01.01.07	Other	1,919	1,864
6.01.02	Changes in Assets and Liabilities	(168,266)	(665,616)
6.01.02.01	Trade accounts receivable	107,535	46,652
6.01.02.02	Fuel reimbursable	(4,827)	21,486
6.01.02.04	Inventories	732	(15,442)
6.01.02.05	Tax credits recoverable	(50,651)	(26,631)
6.01.02.06	Restricted and judicial deposits	(6,664)	(7,860)
6.01.02.07	Renegotiation of hydrological risk to recognize	13,032	13,032
6.01.02.08	Other assets	(20,398)	(35,779)
6.01.02.09	Suppliers	75,246	(256,744)
6.01.02.10	Payment of income tax and social contribution	(176,060)	(244,516)
6.01.02.11	Payment of interest on debt, net of hedge	(95,739)	(154,945)
6.01.02.12	Other tax and regulatory obligations	2,252	(26,067)
6.01.02.13	Retirement benefits obligations	(12,932)	(6,633)
6.01.02.14	Other liabilities	208	27,831
6.02	Net Cash from Investment Activities	(928,330)	(414,396
6.02.01	Acquisition of investment, net of cash and cash equivalents from acquired companies	0	(7,866)
6.02.02	Acquisition of property, plant and equipment and intangible assets	(909,301)	(401,760)
6.02.03	Capital increase in joint ventures	(4,762)	(2,385)
6.02.04	Cash and cash equivalents from subsidiaries transferred to assets held for sale	(9,505)	0
6.02.05	Other	(4,762)	(2,385)
6.03	Net Cash from Financing Activities	(832,156)	(894,591)
6.03.01	Loans and financing obtained	211,471	20,195
6.03.02	Loans and financing paid	(149,318)	(344,979)
6.03.03	Concession installments paid	(34,059)	(31,368)
6.03.04	Dividends and interest on equity paid	(838,601)	(522,123)
6.03.05	Deposits related to debt service	(13,554)	(10,967)
6.03.06	Other	(8,095)	(5,349)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(309,883)	(292,131)
6.05.01	Opening Balance of Cash and Cash Equivalents	1,815,340	2,396,854
6.05.02	Closing Balance of Cash and Cash Equivalents	1,505,457	2,104,723

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2017 to 6/30/2017

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	2,829,056	0	3,336,013	0	446,158	6,611,227	3,167	6,614,394
5.03	Adjusted Opening Balances	2,829,056	0	3,336,013	0	446,158	6,611,227	3,167	6,614,394
5.04	Capital Transactions with Partners	0	0	(409,644)	0	0	(409,644)	0	(409,644)
5.04.08	Additional 2016 dividends paid	0	0	(409,644)	0	0	(409,644)	0	(409,644)
5.05	Total Comprehensive Income	0	0	0	941,279	4,882	946,161	563	946,724
5.05.01	Net Income for the Period	0	0	0	941,279	0	941,279	563	941,842
5.05.02	Other Comprehensive Income	0	0	0	0	4,882	4,882	0	4,882
5.05.02.06	Cash flow hedge	0	0	0	0	4,882	4,882	0	4,882
5.06	Internal Changes in Shareholders' Equity	0	0	19,554	(2,360)	(17,194)	0	0	0
5.06.05	Tax Incentive Reserve	0	0	19,554	(19,554)	0	0	0	0
5.06.06	Realization of Deemed Cost	0	0	0	17,194	(17,194)	0	0	0
5.07	Closing Balances	2,829,056	0	2,945,923	938,919	433,846	7,147,744	3,730	7,151,474

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2016 to 6/30/2016

(In thousands of Reais)

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

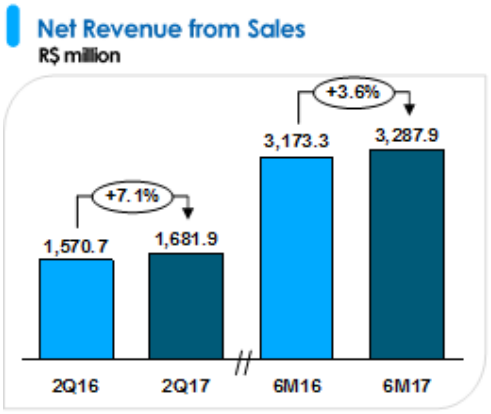
Consolidated Financial Statements / Value Added Statement

(In thousands of Reais)

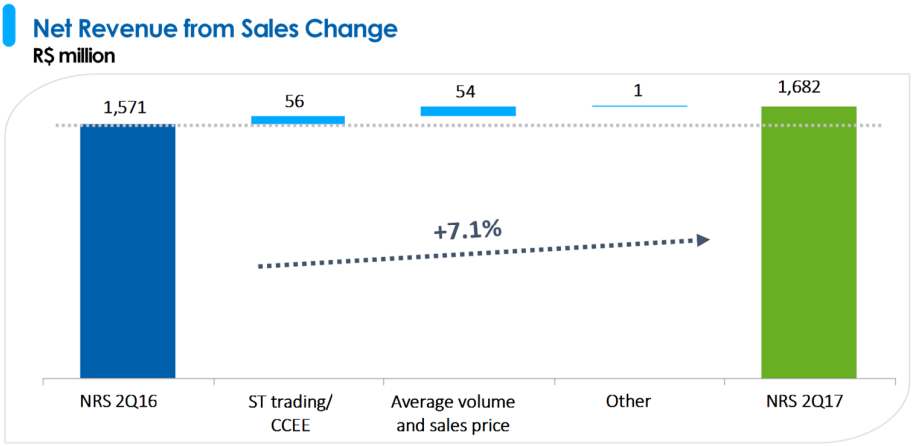
Account Code	Account Description	YTD Current Year 1/1/2017 to 6/30/2017	YTD Prior Year 1/1/2016 to 6/30/2016
7.01	Revenues	4,502,681	3,861,205
7.01.01	Sale of Products and Services	3,637,954	3,514,047
7.01.02	Other Income	3,896	14,141
7.01.03	Income related to the Construction of Own Assets	860,831	333,017
7.02	Raw material Acquired from Third Parties	(2,108,166)	(1,634,778)
7.02.01	Cost of Products and Services Sold	(1,205,106)	(1,029,970)
7.02.02	Materials, Energy, Third Parties Services and Other	(110,963)	(103,960)
7.02.04	Other	(792,097)	(500,848)
7.02.04.01	Expenses with construction of plants	(790,932)	(292,871)
7.02.04.02	Reversal (recognition) of operating provisions	223,246	(260)
7.02.04.03	Charges for the use of and connection to the power grid	(208,084)	(189,351)
7.02.04.06	Other	(16,327)	(18,366)
7.03	Gross Added Value	2,394,515	2,226,427
7.04	Retentions	(316,304)	(311,813)
7.04.01	Depreciation, Amortization and Depletion	(316,304)	(311,813)
7.05	Net Added Value Generated	2,078,211	1,914,614
7.06	Added Value Received in Transfer	123,934	218,719
7.06.01	Equity income (loss)	(1,699)	(244)
7.06.02	Financial Income	125,633	218,963
7.07	Total Added Value to Distribute	2,202,145	2,133,333
7.08	Distribution of Added Value	2,202,145	2,133,333
7.08.01	Labor	128,989	147,242
7.08.01.01	Direct Remuneration	77,001	95,078
7.08.01.02	Benefits	32,004	30,635
7.08.01.03	F.G.T.S. - workers' severance fund	6,569	7,087
7.08.01.04	Other	13,415	14,442
7.08.01.04.01	Profit sharing	13,415	14,442
7.08.02	Taxes, Duties and Contributions	765,090	665,225
7.08.02.01	Federal	755,119	655,672
7.08.02.02	State	8,710	7,781
7.08.02.03	Municipal	1,261	1,772
7.08.03	Third Parties Capital Remuneration	198,064	320,971
7.08.03.01	Interest	114,567	254,429
7.08.03.02	Rentals	6,993	7,054
7.08.03.03	Other	76,504	59,488
7.08.03.03.01	Capitalized interest and monetary variation	72,088	51,087
7.08.03.03.02	Other financial expenses	4,416	8,401
7.08.04	Remuneration of Own Capital	938,919	678,966
7.08.04.03	Retained Earnings / Loss for the Period	938,919	678,966
7.08.05	Other	171,083	320,929
7.08.05.01	Sectorial charges	83,126	123,263
7.08.05.02	Charges on concessions payable	85,034	200,772
7.08.05.03	Non-controlling shareholder	563	470
7.08.05.04	Tax incentive reserve	19,554	13,629
7.08.05.05	Realization of deemed cost	(17,194)	(17,205)

Economic-Financial Performance

In 2Q17, **net revenue from sales increased by 7.1%**, (R$ 111.2 million) compared with 2Q16, rising from R$ 1,570.7 million to R$ 1,681.9 million.

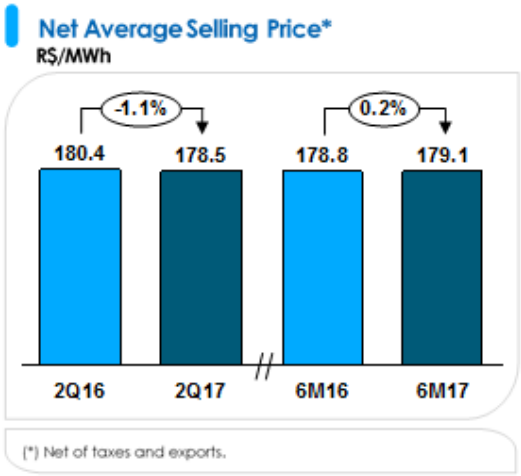


The principal factors underlying this variation were: (i) R$ 56.3 million — increase in revenue from transactions conducted on the short-term market, particularly those transacted through the Electric Energy Trade Board (CCEE); and (ii) R$ 53.9 million — an increase due to the combination of greater energy volume sold and a lower net average selling price.



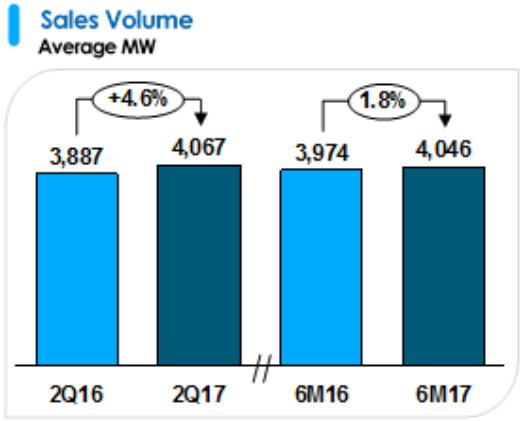
- **Net Average Selling Price**

The average energy selling price, net of taxes on revenue, was R$ 178.5/MWh in 2Q17, **1.1% less** than posted in 2Q16, when the average price stood at R$ 180.4/MWh. The decline in price is essentially due to the maturing of sales agreements with free consumers and trading companies where prices were higher than existing and new contracts - due to high prices for 2016 sales and reflecting pressures in the short-term market during the course of 2015.



- **Sales Volume**

Energy sales volume increased from 8,490 GWh (3,887 average MW) in 2Q16 to 8,883 GWh (4,067 average MW) in 2Q17, **an increase of 393 GWh** (180 average MW) between the comparable periods. These variations reflect in large part, the combination of growth in conventional energy sales to trading companies and the sale of incentivized energy to free consumers - including energy resulting from initial commercial operations at the Santa Mônica Complex -, together with the expiry of existing sales agreements, particularly those with distributors.



Comments on Variation in Net Revenue from Sales - by Client Class

Distribution Companies

Revenue from sales to distribution companies were R$ 662.0 million in 2Q17, **11.7% lower** than the R$ 749.3 million reported in 2Q16. This variation is a combination of the following factors: (i) R$ 177.1 million — reduction of 810 GWh (370 average MW) in sales volume from 3,836 GWh (1,756 average MW) in 2Q16 to 3,026 GWh (1,386 average MW) in 2Q17; and (ii) R$ 89.8 million — an increase of 12.0% in the average net selling price. The decrease in sales volume between the periods under review is largely due to expiry of the Existing Energy Auction agreement at the end of 2016 (343 average MW), combined with the reductions arising from the Surplus and Deficits Compensation Mechanism (MCSD). In addition, the variation in average selling price in excess of inflation was due to the expiry of the agreement under the aforementioned auction, the price of which was lower than the average practiced for prevailing agreements in the market.

Trading Companies

In the quarter under review, **net revenue from sales to trading companies** was R$ 135.7 million, **71.1% higher** than the revenue reported in 2Q16 (R$ 79.3 million). This improvement reflects the following aspects: (i) R$ 69.5 million — an increase of 551 GWh (252 average MW) in energy sales volume increasing from 523 GWh (240 average MW) in 2Q16 to 1,074 GWh (492 average MW) in 2Q17; and (ii) R$ 13.1 million — a decrease of 16.6% in net average selling prices. The variation in volume during the quarter under review was due principally to the sale of conventional energy, concomitantly with the purchase of incentivized energy from trading companies for resale to free consumers, which had migrated from the Regulated Contracting Environment (ACR) to the Free Contracting Environment (ACL). The price reduction is largely due to the expiry of agreements with prices higher than the average practiced in existing agreements and for new operations.

Free Consumers

Revenues from sales to free consumers increased 12.1% from R$ 703.5 million in 2Q16 to R$ 788.3 million in 2Q17. The following events contributed to this variation: (i) R$ 107.5 million — elevation of 652 GWh (298 average MW) in energy volume sold from 4,131 GWh (1.891 average MW) in 2Q16 to 4,783 GWh (2,189 average MW) in 2Q17 due basically to sales of a greater volume of incentivized energy to clients migrating from ACR to ACL as well as energy generated from the newly operational Santa Mônica Complex, these positive factors partially attenuated by the decline in consumption of industrial clients; and (ii) R$ 22.7 million — a reduction of 3.2% in the net average selling price of energy. The reduction is largely due to the expiry of agreements with prices higher than the average practiced in existing agreements and for new operations.

Transactions in the short term market - especially those conducted through the CCEE

In 2Q17, **revenue generated from short-term market operations** - especially within the scope of the CCEE - was R$ 87.0 million compared with R$ 30.7 million in 2Q16, representing **a year-on-year increase of R$ 56.3 million**. A more detailed explanation of these variations is to be found in the item below "Details of short-term operations conducted through the CCEE".

Costs of Electric Energy and Services

The **cost of energy and services sales increased by R$ 22.7 million (2.5%)** from R$ 924.3 million in 2Q16 to R$ 947.0 million in 2Q17. These variations reflect largely tendencies in the following components:

a) **Electric energy purchased for resale:** reduction of R$ 7.1 million (1.8%) in 2Q17 compared with 2Q16, reflecting above all the following combination of factors: (i) R$ 88.8 million – the decline due to the termination of energy purchase agreements at higher average prices than the average for existing and new agreements; and (ii) R$ 81.7 million - an increase of 512 GWh (234 average MW) of purchases, mitigating the effects of exposure on the CCEE, as well as incentivized energy purchases for resale to free consumers.

b) **Transactions in the short-term market - especially those within the scope of the CCEE:** costs of these transactions increased by R$ 57.3 million (96.0%) compared to 2Q16. Details are described below in a specific item.

c) **Charges for use of and connection to the electricity grid:** an increase of R$ 9.8 million (10.3%), between quarters due principally to the annual readjustment in transmission tariffs.

d) **Fuels for the generation of electricity:** an increase of R$ 204.6 million in relation to 2Q16 in the light of the following factors: (i) recognition of R$ 216.6 million due to a court agreement with a natural gas supplier in an action involving a price dispute over the fuel supplied between September 2014 and June 2017. The Company maintained the provision of R$ 219.2 million to cover the probable loss on the outcome of the legal process but since reversed concomitantly with recognition of the cost of gas, eliminating the additional effects of this cost on the Company's operating result; and (ii) a reduction of R$ 12.0 million following revision of the energy efficiency percentage at the Jorge Lacerda Thermal Power Complex between the quarters under review, resulting in an increase in the amount of the fuel reimbursement from the Energy Development Account (CDE).

e) **Financial compensation for use of water resources (royalties):** a decrease of R$ 24.1 million (52.8%) between compared quarters, reflecting reduced generation from the hydro plants in 2Q17 as well as a reduction in the Restated Reference Tariff (TAR) of 22.7% in 2017.

f) **Personnel:** a reduction of R$ 4.7 million (7.9%) in 2Q17 compared with 2Q16 due mainly to readjustments in headcount and a reduction in costs arising from the Voluntary Severance Plan (PDV), the latter having been concluded in November 2016.

g) **Depreciation and appreciation:** an increase of R$ 8.7 million (5.6%) between the quarters under review, the result primarily of the following factors: (i) entry into commercial operations at year-end 2016 and 1Q17 of wind generation assets at the Santa Mônica Complex in the state of Ceará; (ii) conclusion of modernization work on the Salto Santiago Hydroelectric Plant (UHSS); and (iii) capitalization of major maintenance work on the Jorge Lacerda Thermal Power Complex in 2Q17. This increase was partially offset by lower depreciation costs from additional impairment of the Company's thermoelectric generation assets.

h) **Reversal of net operating provisions:** positive year-on-year effect of R$ 221.9 million, of which R$ 219.2 million, relates to the signature and legal ratification of an agreement between the Company and supplier on the price of natural gas for electricity generation, resulting in the reversal of the amount earmarked to provisions for contingencies at the end of 2Q17.

Details of Short Term Operations - especially Transactions on the Electric Energy Trade Board (CCEE)

Short-term operations are classified as energy purchase or sale operations, the principal objective being the management of exposure on the CCEE. Consequently, the price of these operations is characterized by the linkage with the Price for Settlement of Differences (PLD). This item also includes the transactions conducted through the CCEE, given their volatile and seasonal nature - and, therefore, short-term - of the results originating from accounting movement in the CCEE. Additionally, the long and short positions are settled at the PLD, thus, similar to the short-term operations described above.

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

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

In 2Q17 and 2Q16, the net results (difference between revenues and costs — less tax on revenues and costs) from short-term transactions – more especially transactions within the scope of the CCEE, were negative at R$ 30.1 million and R$ 29.1 million, respectively.

This variation is essentially a consequence of the negative variation arising from the increase in the impact of the Generation Scaling Factor - GSF, net of positive effects of the GSF agreement, resulting from increases in the hydroelectric generation deficit and in MRE expenses in 2Q17, a reflection of reduced hydroelectric generation in relation to 2Q16. These effects were offset in large part by a more robust long position on the CCEE in 2Q17.

Worthy of consideration is the sharp increase in average PLD between the quarters (as shown below). This contributed negatively in relation to the results arising from the application of the GSF and conversely, had a positive effect on revenue relative to the long position on the CCEE. Comparing the two quarters under review, average PLD for the South and Southeast/Center-West submarkets saw an increase of 378.4% from R$ 61.19/MWh in 2Q16 to R$ 292.76/MWh in 2Q17.

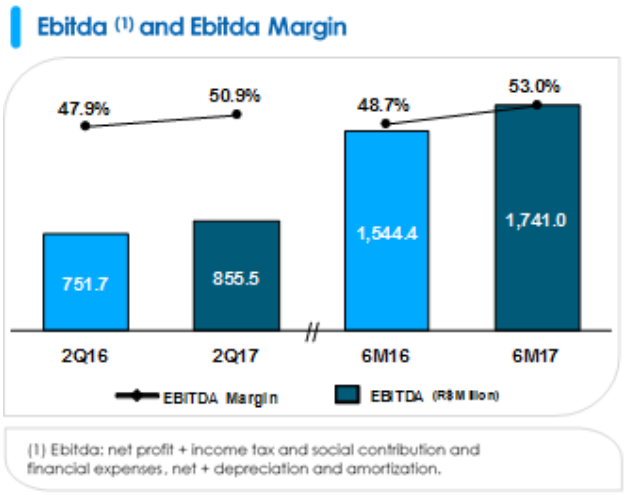
In December 2016, Aneel set maximum and minimum PLD limits for 2017 at R$ 533.82/MWh and R$ 33.68/MWh, respectively.

General and Administrative Expenses

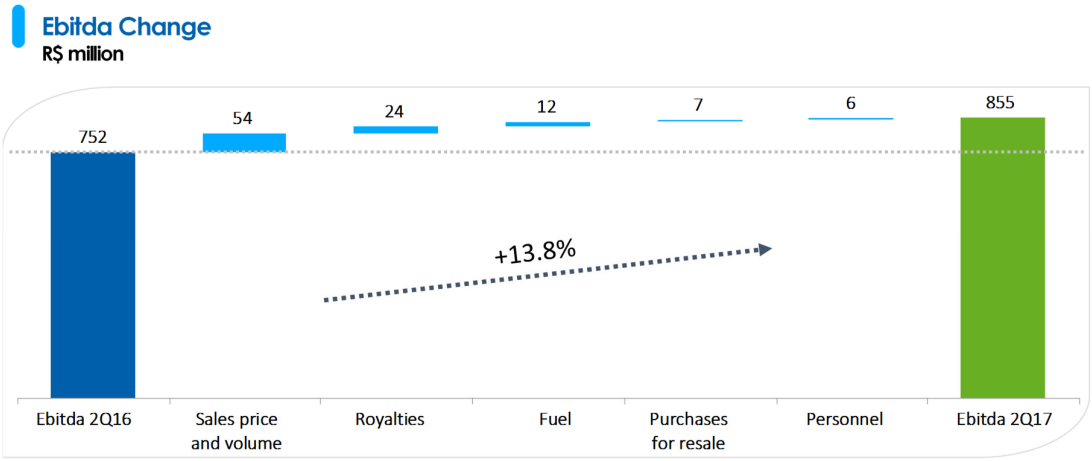
General and administrative expenses between the quarters under analysis fell R$ 8.2 million (16.4%) mainly by virtue of the following factors: (i) R$ 3.5 million - renegotiation of rental and services contracts with third parties; (ii) R$ 2.2 million - readjustment of headcount and a reduction in expenses with the Voluntary Severance Plan (PDV), the latter ceasing in 2016; and (iii) R$ 2.5 million - reduction of expenses with contributions, sponsorships, donations, among others in 2Q17.

Ebitda and Ebitda Margin

In the light of the aforementioned factors, the Company reported an **Ebitda** for 2Q17 of R$ 855.5 million, **R$ 103.8 million (13.8%) more** than registered in 2Q16, which was R$ 751.7 million. The Ebitda margin was 50.9% in 2Q17, a growth of 3.0 p.p. relative to 2Q16.



The increases mentioned above are in turn a combination of the following factors: (i) an increase of R$ 53.9 million net revenue from contracted energy sales; (ii) a fall of R$ 24.1 million financial compensation for use of water resources (royalties); (iii) a decrease of R$ 12.0 million in fuel costs; (iv) reduction of R$ 7.1 million in energy purchases for resale; (v) reduction of R$ 6.1 million in presonnel expenses; and (vii) reduction of R$ 0.6 million of other costs and operational expenses.



The following table reconciles net income with Ebitda:

(In millions of R$)	2Q17	2Q16	Chg. %	6M17	6M16	Chg. %
Net income	491.1	328.8	49.4	941.8	675.9	39.4
(+) Income tax and social contribution	190.4	148.2	28.5	402.7	311.5	29.3
(+) Net financial result	6.8	116.8	-94.2	78.5	245.0	-68.0
(+) Depreciation and amortization	166.6	157.7	5.6	316.3	311.8	1.4
Ebitda	**854.9**	**751.5**	**13.8**	**1,739.3**	**1,544.2**	**12.6**
(+) Equity loss	0.6	0.2	0.0	1.7	0.2	0.0
Adjusted Ebitda	**855.5**	**751.7**	**13.8**	**1,741.0**	**1,544.4**	**12.7**

Financial Result

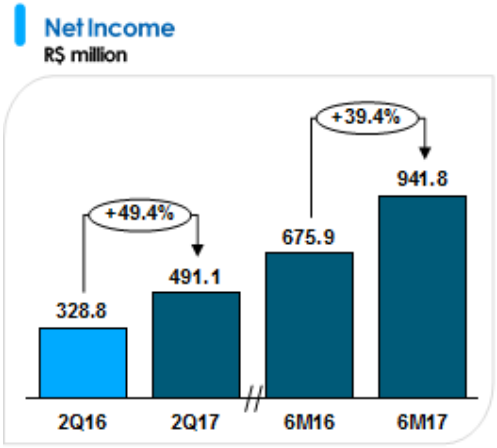
- **Financial income:** in 2Q17, financial revenue was R$ 62.6 million or **R$ 31.4 million (33.4%) lower** than the R$ 94.0 million recorded in 2Q16, the main reasons being: (i) reduction of R$ 14.7 million in income from financial investments due to the lower volumes of invested resources and the decline in interest rates; (ii) the decrease of R$ 12.8 million in interest on accounts receivable at the CCEE; and (iii) the decline of R$ 1.8 million in monetary restatement on court escrow deposits.
- **Financial expenses:** financial expenses in 2Q17 were R$ 69.4 million or **R$ 141.4 million (67.1%) lower** than reported in 2Q16 (R$ 210.8 million). The principal variations were: (i) a decrease of R$ 91.3 million in monetary variation on concessions payable, a reflection of a decline in inflation rates; (ii) recognition in 2Q16 of R$ 26.3 million in interest and monetary restatement on amounts payable on the CCEE and pending due to the injunction against CCEE's application of the GSF; and (iii) a reduction of R$ 24.0 million in interest and monetary restatement on debts by virtue of payment of debt liabilities and a decline in inflation.

Income Tax and Social Contribution on Net Income

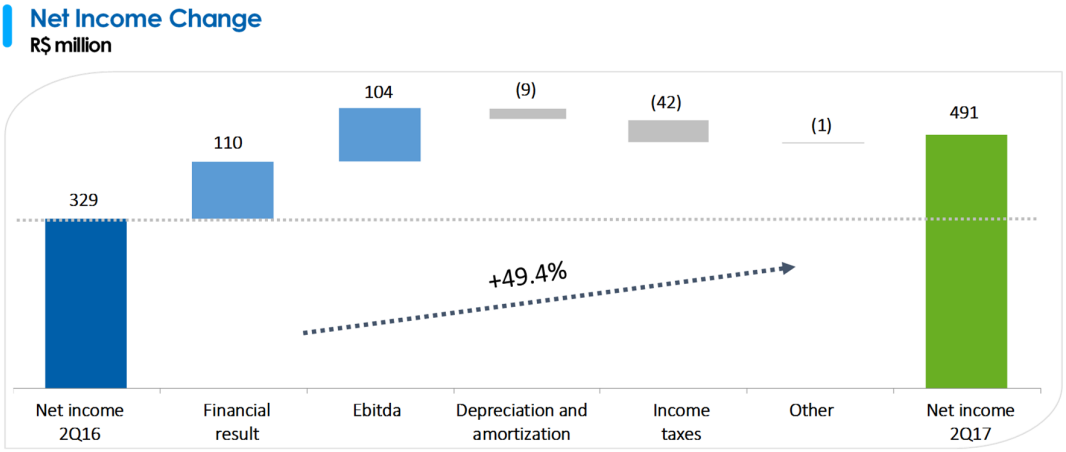
In 2Q17, income tax and social contribution amounted to R$ 190.4 million, an increase of R$ 42.2 million (28.5%) over the R$ 148.2 million in 2Q16 due principally to the increase in pre-tax profits, partially attenuated by the beginning of Amazon Development Authority (Sudam) tax breaks for the Ponte de Pedra and the Estreito hydroelectric power plants granted in 2017, recognized in 2Q17 and retroactive to January 2017. The effective tax rates on profits in 2Q16 and 2Q17 were 31.1% and 27.9%, respectively, while for accumulated 6M16 was 31.5% and in 6M17, 30.0%.

Net Income

Net income in 2Q17 was R$ 491.1 million, **R$ 162.3 million (49.4%) higher** than the R$ 328.8 million registered in 2Q16.



This increase was driven by: (i) a growth of R$ 103.8 million in Ebitda; (ii) a reduction of R$ 110.0 million in net financial expenses; (iii) an increase of R$ 42.2 million in income tax and social contribution; (iv) an increase of R$ 8.9 million in depreciation and amortization, and (v) a negative equity income of R$ 0.4 million.



ENGIE BRASIL ENERGIA S.A.
CNPJ Nº 02.474.103/0001-19 | NIRE Nº 42 3 0002438-4
NOTES TO THE QUARTERLY INFORMATION
AS OF JUNE 30, 2017
(In thousands of Reais or other currencies, unless otherwise indicated)

NOTE 1 – OPERATIONS

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

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

The Company is controlled by ENGIE Brasil Participações Ltda. ("ENGIE Participações"), a company established in Brazil and controlled by International Power S.A., headquartered in Belgium. International Power is a subsidiary of International Power Ltd., a company headquartered in the United Kingdom, which is part of the economic group ENGIE group, headquartered in France.

The ENGIE group is the largest private energy generator in Brazil's electric power industry, accounting for approximately 6.2%[1] [2] of the country's installed capacity. At 6.30.2017, its installed capacity, including its stakes in energy generation consortiums, is 7,069.5 MW. Out of this total, 78.6% arises from hydroelectric power plants, 14.8% from thermoelectric power plants and 6.6% from complementary energy (Small Hydroelectric Power Plants – SHPP, wind farms, biomass and solar power plants). At 6.30.2017, assured energy for sale averaged 3,903.6 MW.

The Company's generation facilities in operation consist of thirty one plants, of which nine hydroelectric power plants, seven thermoelectric power plants (three coal, three biomass and one natural gas plant), three SHPP, eleven wind farms and one photovoltaic solar power plant[3].

The main corporate and operational events occurred in the first half of 2017 are summarized as follows:

[1] Information based on data verified on reference date 12.31.2016.
[2] The non-financial information contained in this Quarterly Information, such as MW, average MW, installed capacity and others, are not reviewed by the independent auditors.
[3] On 12.23.2016, the Company's Board of Directors approved the sale of shareholding interest held by the Company and its direct subsidiary ENGIE Brasil Energias Complementares Participações Ltda. ("ECP") in wind power plants Beberibe and Pedra do Sal and in SHPP Areia Branca, which account for 63.4 MW of the installed capacity and 23.9 MWa of the Company's commercial capacity. Conclusion of the operation is subject to compliance with prior conditions established in the share purchase and sale agreement.

a) Commercial start-up of the wind farms Cacimbas, Estrela and Ouro Verde

In the first half of 2017, Aneel authorized the commercial startup of the wind farms Cacimbas, Estrela and Ouro Verde, which belong to the Santa Mônica Wind Complex ("CESM"), located in the city of Trairi, state of Ceará, increasing the Company's installed capacity by 70.2 MW and its commercial capacity by 33.0 MW average. With that, all wind farms comprising CESM have completed their commercial startup.

b) Payment of interest on equity for fiscal year 2016

Interest on equity for fiscal year 2016 was paid on 2.01.2017. The gross amount credited was R$432,500, corresponding to R$0.6625893121 per share.

c) Prospecting potential buyers for coal-based energy generation assets

On 2.15.2017, the Company announced to its shareholders and the market that it engaged Banco Morgan Stanley S.A. to provide non-binding financial advisory services in a market study to identify possible buyers for its coal-based energy generation assets: (i) Jorge Lacerda Thermal Power Complex – with installed capacity of 857 MW; and (ii) Pampa Sul Thermal Power Plant – plant under construction, which will have installed capacity of 345 MW and whose commercial startup is scheduled for end-2018.

The potential operation is in line with ENGIE's decarbonization strategy around the world, focused on low carbon emission activities, such as generation of renewable energy, natural gas and infrastructure.

d) Conclusion of modernization works at the Salto Santiago Hydroelectric Power Plant

On 03.25.2017, modernization works at the Salto Santiago Hydroelectric Power Plant, which were begun in late 2012, were concluded, increasing the Plant's commercial capacity by 24.2 MW average. Investments made as a result of the modernization project, which focused on improving output by installing new turbine rotors in the generation units, came to approximately R$400 million.

e) Contracting of advisory services for the preparation of an economic and financial study

On 5.25.2017, the Company was informed by its parent company, ENGIE Participações, of the contracting of Banco Itaú BBA S.A. to provide financial advisory services for conducting an economic and financial study to draft the proposal for the transfer to the Company of 40% interest in ESBR Participações S.A. ("ESBRPar") and 100% in Geramamoré Participações e Comercializadora de Energia Ltda. ("Geramamoré"). ESBRPar owns 100% of the capital stock of Energia Sustentável do Brasil S.A. ("ESBR"), which is responsible for the construction, maintenance, operation and sale of energy generated by the Jirau Hydroelectric Power Plant ("Jirau HPP")

The proposal to transfer the parent company's interest in ESBRPar and Geramamoré to the Company will be submitted to the Board of Directors in a timely manner, which will then call an Independent Special Committee for Transactions with Related Parties. This committee will negotiate the terms and conditions of the transfer proposal, determining the structure and other business conditions to be submitted to the Company's Board of Directors and/or Shareholders Meeting, as envisaged in the Committee's Regulations.

f) Agreement for natural gas supply

On 05.24.2017, the Company and its fuel supplier signed a judicial agreement, which was homologated on 6.20.2017, ending the legal dispute regarding divergence in the definition of fuel prices. For more information see Note 16 – Provisions.

g) Payment of additional dividends for fiscal year 2016

On 6.21.2017, the Company paid additional dividends for fiscal year 2016 in the amount of R$409,644, corresponding to R$0.6275749291 per share.

NOTE 2 – PRESENTATION OF QUARTERLY FINANCIAL INFORMATION

The Company's quarterly information was prepared in compliance with Accounting Pronouncement CPC 21 – Interim Statements and with the Consolidated quarterly information presented simultaneously, in accordance with the international standard IAS 34 – Interim Financial Reporting and with CPC 21.

The Brazilian accounting standards are convergent with the international standards (IFRS), except for the recording, in the parent company's balance sheet, of the controlling interest in the joint venture in Itá Energética S.A. which, under Brazilian rules, is recognized by the equity method, while according to IFRS, by the rules applicable to joint ventures, it is stipulated that assets, liabilities and profit or loss be recognized in proportion to its share in the joint venture.

There is no difference between shareholders' equity and parent company and consolidated results included, respectively, in the individual and consolidated quarterly information. There is also no difference between net earnings per share – basic and diluted – due to the fact that no shares with diluting effects were issued in the presentation periods.

The quarterly information was also prepared in accordance with the rules established by the Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of Quarterly Information (ITR), using amortized historical cost as base value, excluding fair value assessment of certain financial instruments, when required by the rules.

In the quarterly information elaboration it is necessary that the Company´s management rely on estimates when recording certain transactions that affect its assets and liabilities, revenues and expenses.

The content and values of certain explanatory notes presented in the financial statements for the year ended on 12.31.2016, which did not require significant updates, have not been repeated in the notes selected for the quarterly information of 6.30.2017. Therefore, these financial statements should be read together.

The accounting practices and calculation methods adopted in the preparation of quarterly information of 6.30.2017, as well as the main judgments and uncertainties in the estimates used in applying accounting practices are the same as those used in the preparation of the financial statements for the year ended on 12.31.2016.

a) EmpresasNet System

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

b) Approval of the quarterly information

The quarterly information as herein presented has been approved by the Board of Directors in a meeting held on 7.27.2017.

NOTE 3 – CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	6.30.2017	12.31.2016	6.30.2017	12.31.2016
Cash and bank deposits	**1,682**	**1,418**	**33,608**	**12,007**
Marketable securities:				
Exclusive investment fund – Citibank				
Repurchase transactions backed by federal bonds	552,910	1,173,841	1,463,268	1,793,540
Other marketable securities	67	-	8,581	9,793
	552,977	**1,173,841**	**1,471,849**	**1,803,333**
	554,659	**1,175,259**	**1,505,457**	**1,815,340**

NOTE 4 – TRADE ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	6.30.2017	12.31.2016	6.30.2017	12.31.2016
Distributors	224,596	286,312	275,324	386,139
Traders	155,913	153,436	52,729	21,384
Free Consumers	23,046	24,802	357,084	329,956
Transactions within the CCEE[4]	23,634	46,978	47,891	93,069
Estimated losses with doubtful accounts	(6,180)	(6,180)	(6,469)	(6,469)
	421,009	**505,348**	**726,559**	**824,079**

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

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

	Parent Company		Consolidated	
	6.30.2017	12.31.2016	6.30.2017	12.31.2016
Overdue up to 30 days	312	431	1,598	1,153
Overdue more than 30 days	6,188	10,047	7,546	12,332
	6,500	**10,478**	**9,144**	**13,485**

[4] Electric Energy Commercialization Chamber

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

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

(i) R$110,598 – corresponds to credits from transactions made within the MAE between September 2000 and September 2002, which were not received due to certain debtor agents having taken Court action, disagreeing with the interpretation given by that organization, in relation to the provisions of the General Agreement of the Electrical Segment. The provision was established due to doubts in relation to the receipt of the values regarding the aforementioned transactions.

(ii) R$12,388 – refers, substantially, to debts by defaulting agents in the first financial settlement made by MAE, on 12.30.2002, regarding the transactions made within the scope of that market. Such amounts are being the objects of bilateral negotiations for a long time. However, due to uncertainties regarding payment, the Company has set some cash aside as allowance for doubtful accounts, regardless of any legal action applicable to the case.

NOTE 5 – FUEL REIMBURSABLE

This item records amounts receivable related to the reimbursement of fuel purchased for consumption by the Company's thermal power plants. These purchases are partially paid using funds from the Energy Development Account (CDE), whose aim, among other things, is to ensure competitiveness of the energy produced from domestic charcoal. Reimbursement usually takes place after the presentation of the proof of payments to fuel suppliers. At 6.30.2017, the amount to be reimbursed was R$54,299 related to June 2017 (R$49,472 on 12.31.2016 related to December 2016).

In accordance with Aneel's new resolution, applicable since 2016, the percentage of reimbursement of mineral coal purchased using funds from the Energy Development Account (CDE) is now linked to the energy efficiency of the generating unit. As such, part of the coal purchased to generate energy at the Jorge Lacerda Thermal Power Complex will no longer be reimbursed by the CDE. Consequently, it is possible that the Company will be obligated to return an amount of up to R$109,707 (R$87,364 at 12.31.2016), recorded under "Other current liabilities." The Company expects to settle this during the course of 2017.

NOTE 6 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	6.30.2017	12.31.2016	6.30.2017	12.31.2016
Financing guarantees	8,803	8,406	204,025	180,183
Reinvestment deposits	9,723	2,420	9,723	2,420
Contractual commitments guarantees	-	-	6,583	6,264
Other	346	159	5,801	5,661
	18,872	**10,985**	**226,132**	**194,528**
Classification in the balance sheet				
Current assets	9,723	2,485	16,317	8,760
Non-current assets	9,149	8,500	209,815	185,768
	18,872	**10,985**	**226,132**	**194,528**

Guarantees for loans are aimed at ensuring the payment of debt with BNDES and onlending banks and are mostly constituted for the amount equivalent to three months of debt service and contractual operating and maintenance expenses for plants that hire third-party services to perform these activities.

NOTE 7 – NON-CURRENT ASSETS HELD FOR SALE

The main categories of assets and liabilities held for sale are detailed below:

	Parent Company		Consolidated	
	6.30.2017	12.31.2016	6.30.2017	12.31.2016
Property, plant and equipment	**9,101**	**10,922**	**9,101**	**10,922**
Investments				
Assets	-	-	404,664	408,681
Related liabilities	-	-	(152,194)	(159,496)
Net assets	**-**	**-**	**252,470**	**249,185**
	9,101	**10,922**	**261,571**	**260,107**
Classification in the balance sheet				
Assets	9,101	10,922	413,765	419,603
Liabilities[5]	-	-	(152,194)	(159,496)
	9,101	**10,922**	**261,571**	**260,107**

a) Held-for-sale investments

Refers to investments in the special purpose entities (SPE) Beberibe, Pedra do Sal and Areia Branca, the sale of which was approved by the Company's Board of Directors in a meeting held on 12.23.2016. The conclusion of said sale is subject to meeting certain conditions precedent provided for in the sale agreement, including prior approval from Brazilian antitrust authority (CADE), BNDES and Aneel. The Company Management expects the sale to be concluded by the end of September 2017.

[5] Shown in "Liabilities on non-current assets for sale".

The value of SPEs, before possible and usual price adjustments, was established at R$391,768, of which R$85,418 refer to its estimated net debt. Held-for-sale assets, net of related liabilities, are measured at book value, below the fair value of sale, net of estimated sale expenses.

NOTE 8 – INVESTMENTS

a) Breakdown

	Parent Company	
	6.30.2017	12.31.2016
Interest on subsidiaries:		
Measured at the equity method		
Equity in earnings of subsidiaries	5,403,985	4,368,111
Surplus value in the acquisition of investments	69,361	70,556
Goodwill on expected future profitability	7,759	3,473
	5,481,105	**4,442,140**

b) Changes in investments evaluated through the equity method

	Balance at 12.31.2016	Capital increase	Equity in earnings of subsidiaries	Dividends	Other comprehensive income	Balance at 6.30.2017
Itasa[6]	**254,655**	-	5,288	(10,634)	-	**249,309**
CEE[7]	**1,100,780**	-	60,428	-	-	**1,161,208**
Lages[8]	**42,985**	-	10,011	-	-	**52,996**
EBC[9]	**136,806**	-	89,958	-	-	**226,764**
ECP[10]	**1,989,942**	379,640	101,504	-	14,529	**2,485,615**
Pampa[11]	**833,924**	358,950	32,619	-	(9,647)	**1,215,846**
ECV[12]	**4,403**	-	165	-	-	**4,568**
ENGIE Solar[13]	**1,027**	4,762	(1,699)	-	-	**4,090**
Norte Catarinense[14]	**3,589**	-	-	-	-	**3,589**
	4,368,111	**743,352**	**298,274**	**(10,634)**	**4,882**	**5,403,985**

[6] Itá Energética S.A., jointly-controlled operation.
[7] Companhia Energética Estreito.
[8] Lages Bioenergética S.A.
[9] ENGIE Brasil Energia Comercializadora Ltda.
[10] ENGIE Brasil Energias Complementares Participações Ltda.
[11] Usina Termelétrica Pampa Sul S.A.
[12] ENGIE Comercializadora Varejista de Energia Ltda.
[13] ENGIE Geração Solar Distribuída S.A., joint venture.
[14] Usina Termelétrica Norte Catarinense Ltda.

b.1) Information on the main subsidiaries

	Itasa	CEE	Lages	EBC	ECP	Pampa
Interest (%)	**48.75**	**99.99**	**99.99**	**99.99**	**99.99**	**99.99**
12.31.2016						
Assets	579,169	2,508,064	65,444	519,115	2,612,701	821,633
Adjusted shareholders' Equity	522,369	1,100,780	42,985	136,806	1,993,109	833,924
6.30.2017						
Assets	564,905	2,514,870	72,600	619,943	3,272,539	1,184,387
Adjusted shareholders' Equity	511,403	1,161,208	52,996	226,764	2,489,345	1,215,846
2Q17						
Net revenue	42,601	124,855	10,629	906,523	129,134	-
Adjusted net income	6,164	33,051	5,038	37,339	68,034	16,640
6M17						
Net revenue	83,479	239,815	24,402	1,764,658	197,993	-
Adjusted net income	10,847	60,428	10,011	89,958	102,067	32,619

Non-controlling interest

The non-controlling interest of Ibitiúva in the shareholders' equity and the net income of ECP presented above is R$3,730 and R$563, respectively.

Capitalized interests

ENGIE Brasil Energia took out loans and issued debentures to finance the construction of the Pampa Sul Thermal Power Plant, the Campo Largo and Santa Mônica Wind Power Complexes and the Assú V Photovoltaic Power Plant. Interest on this debt was capitalized as construction assets in the consolidated financial statements and recognized using the equity method in the parent company's financial statements. The total amount capitalized in subsidiaries ECP and Pampa by 6.30.2017 was R$62,790 and R$67,990, respectively. In the second quarter of 2017, the amount capitalized in the same subsidiaries were R$7,328 and R$16,741 (R$12,741 and R$32,645 in 6M17), respectively.

In the table above, "Adjusted shareholders' equity" and "Adjusted net income for the period" include the items described above.

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent Company			
		6.30.2017			12.31.2016
	Average rate of depreciation	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	2.8%	5,086,548	(2,952,417)	2,134,131	2,203,596
Buildings and improvements	3.1%	1,474,066	(924,179)	549,887	564,765
Machinery and equipment	4.3%	6,637,928	(4,268,789)	2,369,139	2,204,840
Furniture and fixtures	6.3%	9,847	(5,663)	4,184	4,351
Vehicles	14.3%	3,069	(2,188)	881	993
Special obligations		(48,797)	-	(48,797)	(12,238)
		13,162,661	**(8,153,236)**	**5,009,425**	**4,966,307**
In progress					
Reservoirs, dams and ducts		2,006	-	2,006	1,380
Buildings and improvements		9,701	-	9,701	7,991
Machinery and equipment		140,795	-	140,795	248,420
Advances to suppliers		2,156	-	2,156	24,192
Acquisitions to be apportioned		3,548	-	3,548	28,282
		158,206	**-**	**158,206**	**310,265**
		13,320,867	**(8,153,236)**	**5,167,631**	**5,276,572**

		Consolidated			
		6.30.2017			12.31.2016
	Average rate of depreciation	Adjusted cost	Accumulated depreciation	Net amount	Net amount
In service					
Reservoirs, dams and ducts	3.1%	7,069,633	(3,432,520)	3,637,113	3,741,964
Buildings and improvements	3.2%	1,786,151	(1,026,648)	759,503	768,052
Machinery and equipment	4.4%	9,408,867	(4,864,219)	4,544,648	4,044,356
Furniture and fixtures	6.3%	10,582	(5,941)	4,641	4,786
Vehicles	14.3%	4,417	(3,068)	1,349	1,517
Special obligations		(48,922)	-	(48,922)	(12,362)
		18,230,728	**(9,332,396)**	**8,898,332**	**8,548,313**
In progress					
Reservoirs, dams and ducts		105,597	-	105,597	74,415
Buildings and improvements		184,199	-	184,199	90,673
Machinery and equipment		610,649	-	610,649	469,269
Advances to suppliers		763,807	-	763,807	743,344
Acquisitions to be apportioned		362,197	-	362,197	268,884
		2,026,449	**-**	**2,026,449**	**1,646,585**
		20,257,177	**(9,332,396)**	**10,924,781**	**10,194,898**

b) Changes in property, plant and equipment

	Parent Company						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2016	**2,203,596**	**564,765**	**2,204,840**	**5,344**	**310,265**	**(12,238)**	**5,276,572**
Additions	-	-	-	-	127,113	(37,374)	89,739
Capitalized interest and monetary variation	-	-	-	-	2,189	-	2,189
Transfers	(991)	5,871	275,609	57	(281,361)	815	-
Write-offs	-	-	(89)	(1)	-	-	(90)
Depreciation	(68,474)	(20,749)	(111,221)	(335)	-	-	(200,779)
Balance at 6.30.2017	**2,134,131**	**549,887**	**2,369,139**	**5,065**	**158,206**	**(48,797)**	**5,167,631**

	Consolidated						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2016	**3,741,964**	**768,052**	**4,044,356**	**6,303**	**1,646,585**	**(12,362)**	**10,194,898**
Additions	-	-	-	-	1,006,663	(37,375)	969,288
Capitalized interest and monetary variation	-	-	-	-	72,088	-	72,088
Reclassification to assets held for sale	1,519	431	7,861	6	175	-	9,992
Transfers	1,611	17,973	678,535	128	(699,062)	815	-
Write-offs	-	-	(11,096)	(2)	-	-	(11,098)
Depreciation	(107,981)	(26,953)	(175,008)	(445)	-	-	(310,387)
Balance at 6.30.2017	**3,637,113**	**759,503**	**4,544,648**	**5,990**	**2,026,449**	**(48,922)**	**10,924,781**

NOTE 10 – INTANGIBLE ASSETS

a) Breakdown

		Parent Company			
		6.30.2017			12.31.2016
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Right to use	Until 2034	62,014	(39,884)	**22,130**	**20,838**

		Consolidated			
		6.30.2017			12.31.2016
	Amortization period	Adjusted cost	Accumulated amortization	Total	Total
Energy purchase right	Until 2023	64,561	(27,098)	37,463	40,471
Right to use assets	Until 2037	88,438	(41,748)	46,690	39,054
Rights over Trairí Project	Until 2041	12,668	(1,922)	10,746	10,939
Rights over Santa Mônica Project	Until 2045	6,565	(99)	6,466	6,565
Rights over Campo Largo Project	-	81,392	-	81,392	81,392
Rights over Santo Agostinho Project	-	58,899	-	58,899	58,899
Rights over Assú Project	-	15,194	-	15,194	15,194
		327,717	**(70,867)**	**256,850**	**252,514**

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

b) Changes in intangible assets

	Parent Company	Consolidated
Balance at 12.31.2016	**20,838**	**252,514**
Addition	3,758	10,253
Amortization	(2,466)	(5,917)
Balance at 6.30.2017	**22,130**	**256,850**

NOTE 11 – SUPPLIERS

	Parent Company		Consolidated	
	6.30.2017	12.31.2016	6.30.2017	12.31.2016
Fossil fuels and biomass	178,802	48,371	179,502	49,545
Electrical energy purchased	39,012	47,514	136,613	146,998
Transactions in the short-term market	18,947	23,360	78,226	53,947
Charges for the use of the power grid	34,045	34,624	41,295	41,966
Suppliers of materials and services	27,650	46,837	36,355	61,107
Transactions in the spot market	-	11,071	412	17,586
	298,456	**211,777**	**472,403**	**371,149**

The balance in the "Fossil fuel and biomass" account includes the amount payable of R$123,321 related to the consent order signed with the gas supplier (see more detail in Note 16 – Provisions).

NOTE 12 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	6.30.2017			12.31.2016		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	73,252	205,871	279,123	73,033	240,842	313,875
Banks (BNDES onlending)	35,850	190,800	226,650	35,655	207,585	243,240
Nordic Investment Bank (NIB)	26,441	119,002	145,443	25,958	129,807	155,765
Financial charges	2,602	-	2,602	3,113	-	3,113
Loans and financing	**138,145**	**515,673**	**653,818**	**137,759**	**578,234**	**715,993**

	Consolidated					
	6.30.2017			12.31.2016		
	Current	Non-current	Total	Current	Non-current	Total
Measured at the amortized cost						
Local currency						
BNDES	185,311	1,348,867	1,534,178	168,221	1,184,886	1,353,107
Banks (BNDES onlending)	74,678	612,076	686,754	77,045	686,388	763,433
Nordic Investment Bank (NIB)	26,441	119,002	145,443	25,958	129,807	155,765
Banco do Brasil	-	-	-	3,305	-	3,305
Financial charges	7,940	-	7,940	8,667	-	8,667
	294,370	**2,079,945**	**2,374,315**	**283,196**	**2,001,081**	**2,284,277**

b) Changes in loans and financings

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2016	**137,759**	**578,234**	**715,993**	**283,196**	**2,001,081**	**2,284,277**
Additions	-	-	-	10,196	201,275	211,471
Interest income (expense)	24,141	-	24,141	59,832	-	59,832
Monetary variation gain (loss)	1,115	4,686	5,801	2,101	14,484	16,585
Capitalized interest and monetary variation	872	-	872	39,561	-	39,561
Transfers	67,247	(67,247)	-	145,155	(145,155)	-
Reclassification to liabilities related to non-current assets held for sale	-	-	-	(614)	8,260	7,646
Principal amortization	(67,706)	-	(67,706)	(149,318)	-	(149,318)
Interest payment	(25,283)	-	(25,283)	(95,739)	-	(95,739)
Balance at 6.30.2017	**138,145**	**515,673**	**653,818**	**294,370**	**2,079,945**	**2,374,315**

The Company signed a contract with BNDES for R$353,515 to finance the construction of the Santa Mônica Wind Power Complex. Of the total amount, R$351,715 will carry interest equivalent to TJLP + 2.18% p.a. and monthly amortizations from June 2017 to May 2033; and R$1,800 will carry interest equivalent to TJLP and monthly amortizations from January 2018 to May 2033. On 2.22.2017, BNDES released a part of the funds amounting to R$211,471. The covenant established in this agreement is the debt service coverage ratio (cash generated from the activity / debt service) ≥ 1.2.

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

	Parent Company	Consolidated
July to December 2018	67,772	140,407
2019	135,543	280,814
2020	111,850	253,273
2021	78,680	213,286
2022	78,697	209,897
2023 to 2027	43,131	699,128
2028 to 2033	-	283,140
Loans and financing	**515,673**	**2,079,945**

d) Contract commitments (covenants)

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

NOTE 13 – DEBENTURES

a) Changes in debentures

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2016	**16,547**	**787,908**	**804,455**	**16,547**	**787,908**	**804,455**
Interest income (expense)	25,341	-	25,341	5,398	-	5,398
Monetary variation gain (loss)	494	13,750	14,244	494	2,483	2,977
Capitalized interest and monetary variation	762	555	1,317	20,705	11,822	32,527
Transfers	(964)	964	-	(964)	964	-
Balance at 6.30.2017	**42,180**	**803,177**	**845,357**	**42,180**	**803,177**	**845,357**

b) Maturities of debentures recorded as non-current liabilities

	Parent Company and Consolidated
2021	82,890
2022	149,114
2023 to 2027	571,173
Debentures	**803,177**

c) Contractual covenants

The covenants established by the debentures are being fully complied with by the Company.

NOTE 14 – CONCESSIONS PAYABLE

a) Breakdown

	Parent Company		Consolidated	
	6.30.2017	12.31.2016	6.30.2017	12.31.2016
Cana Brava Hydroelectric Power Plant	979,617	950,283	979,617	950,283
Ponte de Pedra Hydroelectric Power Plant	833,976	814,472	833,976	814,472
São Salvador Hydroelectric Power Plant	532,017	530,211	532,017	530,211
Estreito Hydroelectric Power Plant	-	-	52,741	52,410
	2,345,610	**2,294,966**	**2,398,351**	**2,347,376**
Classification in the balance sheet				
Current liabilities	60,777	59,907	66,492	65,408
Non-current liabilities	2,284,833	2,235,059	2,331,859	2,281,968
	2,345,610	**2,294,966**	**2,398,351**	**2,347,376**

b) Changes in concessions payable

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balance at 12.31.2016	**59,907**	**2,235,059**	**2,294,966**	**65,408**	**2,281,968**	**2,347,376**
Interest	-	104,178	104,178	-	106,680	106,680
Monetary variations	-	(22,410)	(22,410)	-	(21,646)	(21,646)
Transfers	31,994	(31,994)	-	35,143	(35,143)	-
Amortizations	(31,124)	-	(31,124)	(34,059)	-	(34,059)
Balance at 6.30.2017	**60,777**	**2,284,833**	**2,345,610**	**66,492**	**2,331,859**	**2,398,351**

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

	Parent Company	Consolidated
July to December 2018	28,162	30,752
2019	65,242	70,066
2020	107,313	111,698
2021	130,121	134,107
2022	119,553	123,176
2023 to 2027	1,000,946	1,014,680
2028 to 2032	692,719	701,243
2033 to 2037	140,777	146,137
	2,284,833	**2,331,859**

NOTE 15 – RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

In 2017, there were no changes in risks the Company is exposed to or in the management and measurement of these risks, when compared to those reported in Note 20 of the financial statements for 12.31.2016.

a) Cash flow hedge

As at 6.30.2017, the Company maintains a Non-Deliverable Forward (NDF) operation to hedge all of its future foreign-denominated payments arising from contractual commitments related to the construction of the coal-fired Pampa Sul Thermal Power Plant and of the Assú Photovoltaic Power Plant. The NDFs used to hedge the commitments assumed by the Assú V Photovoltaic Solar Power Plant were contracted by ENGIE Brasil Energia – the indirect parent company – and fully transferred to the subsidiary.

These NDF operations are contracted from Bradesco, Citibank, Itaú and Santander, and mature up to December 2018.

Unrealized gains (losses) with cash flow hedge operations are as follows:

	Consolidated	
	6.30.2017	12.31.2016
Long position		
Current assets	3,909	1,490
Non-current assets	-	1,965
Short position		
Current liabilities[15]	-	(21,846)
Non-current liabilities[16]	(1,308)	-
Net position	**2,601**	**(18,391)**

The corresponding entry for these unrealized gains (losses) is recognized directly to shareholders' equity under "Other comprehensive income (loss)", net of deferred income tax and social contribution, in the amount of R$1,717. In addition, an amount of R$9,456 was recognized under "Other comprehensive income," relating to the gains realized from NDF contracted again due to the revision of the supplier payment flow.

Unrealized gains, net of impacts from deferred income tax and social contribution, incurred in the first six months of 2017 were R$13,855, and in the second quarter of 2017 they were R$10,187, and are recorded in the "Statement of comprehensive income."

[15] Presented under "Other current liabilities".
[16] Presented under "Other non-current liabilities".

b) Sensitivity analysis of the exposure to risks related to interest rates and floating rates

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

The probable basic scenario for 6.30.2018 was defined using the following assumptions available in the market (Source: Central Bank of Brazil Market Readout).

Variation of interest rates and indices:	Change 6.30.2017	Probable Scenario 6.30.2018	Sensitivity		
			Probable	Δ + 25% (*)	Δ + 50% (*)
TJLP	7.4% p.a.	7.5% p.a.	0.1 p.p.	1.9 p.p.	3.8 p.p.
IPCA	3.0% p.a.	4.4% p.a.	1.4 p.p.	1.1 p.p.	2.2 p.p.
IGP-M	-0.8% p.a.	4.5% p.a.	5.3 p.p.	1.1 p.p.	2.3 p.p.

(*) Variations on probable scenario for 2017.

The probable sensitivity was calculated based on the variation of indices in the last twelve months recorded on 6.30.2017 and those expected for the next twelve months ending on 6.30.2018. The other sensitivities shown were calculated based on the variation of 25% and 50% on the probable scenario for the next twelve months ending on 6.30.2018. Variations that could be caused on the consolidated financial result of the Company in the next twelve months compared to the last twelve months if the scenarios materialize are the following:

	Balance at 6.30.2017	Sensitivity		
		Probable	Δ + 25%	Δ + 50%
Loans and financing				
TJLP	2,199,912	(2,791)	(42,233)	(85,140)
IPCA	146,417	(1,811)	(1,443)	(2,886)
		(4,602)	**(43,676)**	**(88,026)**
Debentures				
IPCA	845,357	**(11,828)**	**(9,431)**	**(18,862)**
Concessions payable				
IGP-M	1,813,593	(100,926)	(21,560)	(43,121)
IPCA	584,758	(7,919)	(6,303)	(12,606)
		(108,845)	**(27,863)**	**(55,727)**
Total		**(125,275)**	**(80,970)**	**(162,615)**

c) Category and fair value of financial instruments

	Parent Company		Consolidated	
	6.30.2017	12.31.2016	6.30.2017	12.31.2016
Financial assets				
Measured at fair value through profit or loss				
Marketable securities	552,977	1,173,841	1,471,849	1,803,333
Restricted deposits	18,872	10,985	226,132	194,528
Receivables and loans				
Cash and bank deposits	1,682	1,418	33,608	12,007
Trade accounts receivable	421,009	505,348	726,559	824,079
Fuel reimbursable	54,299	49,472	54,299	49,472
Hedge operations				
Cash flow hedge on obligations	-	-	3,909	3,455
	1,048,839	**1,741,064**	**2,516,356**	**2,886,874**
Financial liabilities				
Financial liabilities assessed at amortized cost				
Suppliers	298,456	211,777	472,403	371,149
Loans and financing	653,818	715,993	2,374,315	2,284,277
Debentures	845,357	804,455	845,357	804,455
Concessions payable	2,345,610	2,294,966	2,398,351	2,347,376
Liabilities linked to investment acquisition [17]	-	-	32,685	43,068
Hedge operations				
Cash flow hedge on obligations	-	-	1,308	21,846
	4,143,241	**4,027,191**	**6,124,419**	**5,872,171**

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

d) Market value of financial instruments

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

	Parent Company			
	6.30.2017		12.31.2016	
	Book	Market	Book	Market
Loans and financing	653,818	658,459	715,993	728,513
Debentures	845,357	896,054	804,455	841,565
Concessions payable	2,345,610	2,938,678	2,294,966	2,901,915
	3,844,785	**4,493,191**	**3,815,414**	**4,471,993**

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

	Consolidated			
	6.30.2017		12.31.2016	
	Book	Market	Book	Market
Loans and financing	2,374,315	2,530,543	2,284,277	2,450,271
Debentures	845,357	896,054	804,455	841,565
Concessions payable	2,398,351	3,004,761	2,347,376	2,967,320
	5,618,023	**6,431,358**	**5,436,108**	**6,259,156**

NOTE 16 – PROVISIONS

Provisions are recognized by the Company in amounts considered sufficient to settle the respective liabilities, when according to the legal counsels and Management, they involve probable risk of future disbursement.

a) Breakdown

	Parent Company		Consolidated	
	6.30.2017	12.31.2016	6.30.2017	12.31.2016
Civil				
Fuel purchase	-	209,960	-	209,960
Expropriations and administrative servitude	33,153	31,817	33,153	31,817
Retirement benefits	18,055	17,425	18,055	17,425
Environmental	10,544	10,170	10,544	10,170
Sundry lawsuits	14,889	14,916	21,615	20,138
	76,641	**284,288**	**83,367**	**289,510**
Tax	**6,603**	**6,929**	**6,833**	**7,270**
Labor	**10,793**	**10,806**	**10,848**	**10,948**
Divestment of generation assets	**16,665**	**19,379**	**16,665**	**19,379**
	110,702	**321,402**	**117,713**	**327,107**
Classification in the balance sheet				
Current liabilities	34,981	34,020	35,962	35,001
Non-current liabilities	75,721	287,382	81,751	292,106
	110,702	**321,402**	**117,713**	**327,107**

In 2Q17, the Company reversed the provision related to the fuel purchase process due to a consent order signed with the natural gas supplier in a suit to discuss the difference in fuel price during the period from September 2014 to June 2017. Concurrently with the reversal of the provision, the cost of fuel was recognized, eliminating the effects of this additional cost on the company's operating results.

b) Possible and remote risks

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

	6.30.2017			12.31.2016		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Parent Company						
Tax	265,033	260,832	525,865	258,990	210,611	469,601
Civil	102,447	133,081	235,528	98,694	128,071	226,765
Labor	6,088	127,995	134,083	6,736	109,830	116,566
	373,568	**521,908**	**895,476**	**364,420**	**448,512**	**812,932**
Consolidated						
Tax	339,565	281,989	621,554	331,483	230,981	562,464
Civil	119,285	133,228	252,513	121,855	128,153	250,008
Labor	8,806	138,451	147,257	9,989	112,396	122,385
	467,656	**553,668**	**1,021,324**	**463,327**	**471,530**	**934,857**

There were no significant updates in the six-month period related to the main risks assessed by the Company and its legal advisors as being possible risk, which are presented in Note 24 to the financial statements of 12.31.2016.

NOTE 17 – RETIREMENT BENEFITS OBLIGATIONS

The Company offers complementary pension plans for its employees through PREVIG - Sociedade de Previdência Complementar. The foundation is a nonprofit closed pension entity, sponsored by the Company, as its Founder, and by other ENGIE 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 ELOS – Fundação Eletrosul de Previdência e Assistência Social, also closed for new adhesions. The participants in this plan are mainly retirees that were entitled to benefits until 12.23.1997, the date of spin-off of Eletrosul, as well as participants that opted for the proportional benefit deferred until that date, who did not migrate to PREVIG.

a) Breakdown

	Parent Company and Consolidated					
	6.30.2017			12.31.2016		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	15,113	188,873	203,986	13,843	178,797	192,640
Current contributions and service costs	140	23	163	211	89	300
Uncontracted deficit	11,966	86,031	97,997	13,165	93,362	106,527
Recorded actuarial liability	**27,219**	**274,927**	**302,146**	**27,219**	**272,248**	**299,467**

b) Changes in retirement benefit obligations

	Plans				
	ELOS BD	PREVIG BD	PREVIG BSPS	GC[18]	Total
Liabilities recorded at 12.31.2016	**276,944**	**17,856**	**1,438**	**3,229**	**299,467**
Cost of current services	-	(14)	-	49	35
Contributions/payments	(8)	(137)	-	(53)	(198)
Net interest on net actuarial liabilities/assets	14,657	859	70	137	15,723
Payments of contracted obligations	(11,098)	(1,625)	(158)	-	(12,881)
Liabilities recorded at 6.30.2017	**280,495**	**16,939**	**1,350**	**3,362**	**302,146**

c) Maturities of contracted obligations recorded in non-current liabilities

	ELOS	PREVIG	Total
July to December 2018	6,052	1,566	7,618
2019	12,902	3,108	16,010
2020	13,658	3,294	16,952
2021	14,460	3,492	17,952
2022	15,308	2,136	17,444
2023 to 2027	73,585	1,684	75,269
2028 to 2032	37,628	-	37,628
	173,593	**15,280**	**188,873**

[18] Confidentiality bonus.

NOTE 18 – DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

a) Breakdown

Description of credits	Parent Company				
	6.30.2017				12.31.2016
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Accelerated depreciation	725,968	181,492	65,337	246,829	223,602
Property, plant and equipment deemed cost (fair value)	637,057	159,264	57,335	216,599	226,058
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Capitalized financial charges	67,649	16,912	6,088	23,000	22,562
Adjustment to fair value in business combination	38,024	9,506	3,422	12,928	13,303
Other	3,770	943	339	1,282	1,143
		394,981	**142,192**	**537,173**	**523,203**
Assets:					
Provision for asset impairment	132,863	33,216	11,958	45,174	53,417
Allowance for doubtful accounts	129,166	32,292	11,625	43,917	43,917
Fair value adjustment in business combinations	104,604	26,151	9,414	35,565	36,603
Retirement benefits obligations	98,114	24,529	8,830	33,359	36,306
Civil, tax and labor provisions	86,137	21,534	7,752	29,286	99,523
Interest on property, plant and equipment in progress (RIC)	69,711	17,428	-	17,428	19,247
Other	50,954	12,741	4,588	17,329	20,078
		167,891	**54,167**	**222,058**	**309,091**
Net total		**227,090**	**88,025**	**315,115**	**214,112**

Description of credits	Consolidated				
	6.30.2017				12.31.2016
	Calculation basis	IR	CS	Total	Total
Liabilities:					
Accelerated depreciation	901,330	225,333	81,120	306,453	277,274
Property, plant and equipment deemed cost (fair value)	637,057	159,264	57,335	216,599	226,058
Capitalized financial charges	265,800	66,450	23,922	90,372	66,553
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Adjustment to fair value in business combination	38,024	9,506	3,422	12,928	13,303
Other	6,372	1,594	573	2,167	2,318
		489,011	**176,043**	**665,054**	**622,041**
Assets:					
Provision for asset impairment	132,863	33,216	11,958	45,174	52,816
Allowance for doubtful accounts	131,304	32,826	11,817	44,643	44,643
Fair value adjustment in business combinations	104,604	26,151	9,414	35,565	36,603
Retirement benefits obligations	98,114	24,529	8,830	33,359	36,306
Civil, tax and labor provisions	91,209	22,802	8,209	31,011	100,794
Interest on property, plant and equipment in progress (RIC)	69,711	17,428	-	17,428	19,247
Fair value adjustment of property, plant and equipment	35,856	8,964	3,227	12,191	12,791
Tax loss and negative basis	35,820	8,955	3,224	12,179	-
Realized gains in capitalized hedge operations	10,287	2,572	926	3,498	15,677
Other	52,612	13,146	4,748	17,894	28,524
		190,589	**62,353**	**252,942**	**347,401**
Net amount		**298,422**	**113,690**	**412,112**	**274,640**
Classification in the balance sheet					
Liabilities		319,846	121,419	441,265	311,331
Assets [19]		(21,424)	(7,729)	(29,153)	(36,691)
Total		**298,422**	**113,690**	**412,112**	**274,640**

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

	Parent Company	Consolidated
Balance at 12.31.2016	**214,112**	**274,640**
Taxes deferred in profit or loss	101,003	130,335
Taxes deferred in other comprehensive income	-	7,137
Balance at 6.30.2017	**315,115**	**412,112**

[19] Amount presented in item "Other non-current assets"

c) Expected realization and required payments

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
July to December 2017	45,250	10,222	46,428	12,181
2018	65,616	55,441	79,718	55,916
2019	14,043	22,691	16,183	26,032
2020	11,590	23,162	12,825	26,551
2021	10,496	27,473	11,695	30,862
2022	8,789	32,173	9,968	39,287
2023 to 2027	28,466	162,688	33,852	198,267
2028 to 2032	24,848	127,025	29,311	162,604
After 2033	12,960	76,298	12,962	113,354
	222,058	537,173	252,942	665,054

NOTE 19 – SHAREHOLDERS' EQUITY

a) Authorized capital stock

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

The Company has no treasury shares and did not perform any purchase and sale transactions involving shares of its own issuance in the periods ending 6.30.2017 and 12.31.2016.

b) Subscribed and paid-in capital

The Company's fully subscribed and paid-in capital on 6.30.2017 and 12.31.2016 is R$2,829,056, represented by 652,742,192 registered common shares without par value.

The book value of the share in Reais, at 6.30.2017, is R$10.95 (R$10.13 for each share at 12.31.2016).

The Company's ownership structure at 6.30.2017 and 12.31.2016 was as follows:

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

As of 6.30.2017 and 12.31.2016, the number of Company shares held by its managers was 374,628 and 374,328 shares, respectively.

c) Other comprehensive income

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

NOTE 20 – RECONCILIATION OF NET REVENUE

	Parent Company			
	2Q		6M	
	2017	2016	2017	2016
GROSS OPERATING INCOME				
Electrical energy distributors	543,038	597,236	1,129,973	1,125,500
Electrical energy traders	505,777	454,598	996,645	1,045,049
Free consumers	66,613	70,624	131,393	140,248
Transactions in the short-term market	30,811	23,962	47,820	44,497
Other revenues	17,704	17,234	32,940	34,038
	1,163,943	**1,163,654**	**2,338,771**	**2,389,332**
DEDUCTIONS FROM OPERATING INCOME				
PIS and Cofins	(104,401)	(104,504)	(209,935)	(224,241)
ICMS	(3,092)	(2,563)	(5,153)	(4,767)
ISS	(453)	(431)	(892)	(831)
Research and development	(8,263)	(6,602)	(15,998)	(16,052)
	(116,209)	**(114,100)**	**(231,978)**	**(245,891)**
NET REVENUE	**1,047,734**	**1,049,554**	**2,106,793**	**2,143,441**

	Consolidated			
	2Q		6M	
	2017	2016	2017	2016
GROSS OPERATING INCOME				
Electrical energy distributors	729,913	823,501	1,483,460	1,674,379
Electrical energy traders	152,399	90,080	280,684	185,442
Free consumers	871,806	777,785	1,716,676	1,573,241
Transactions in the short-term market	96,026	33,901	136,349	58,368
Other revenues	11,461	11,283	20,785	22,617
	1,861,605	**1,736,550**	**3,637,954**	**3,514,047**
DEDUCTIONS FROM OPERATING INCOME				
PIS and Cofins	(167,123)	(155,706)	(326,279)	(317,552)
ICMS	(3,092)	(2,563)	(5,153)	(4,767)
ISS	(453)	(431)	(892)	(831)
Research and development	(8,994)	(7,163)	(17,775)	(17,555)
	(179,662)	**(165,863)**	**(350,099)**	**(340,705)**
NET REVENUE	**1,681,943**	**1,570,687**	**3,287,855**	**3,173,342**

NOTE 21 – DETAIL OF OPERATING EXPENSES BY NATURE

a) Costs of electrical energy production and services rendered

	Parent Company			
	2Q		6M	
	2017	2016	2017	2016
Fuel	238,204	34,441	264,241	84,947
Depreciation and amortization	100,995	103,458	198,955	203,212
Personnel	53,113	58,154	100,784	112,991
Third party materials and services	30,824	34,405	59,914	54,024
Royalties	17,423	39,748	47,487	83,020
(Reversal) Accrual of operating provisions[20]	(220,879)	168	(222,968)	(832)
Other	13,366	15,350	27,728	29,819
	233,046	**285,724**	**476,141**	**567,181**
Classification in the result				
Electricity production cost	225,597	278,110	461,524	552,577
Cost of services provided	7,449	7,614	14,617	14,604
	233,046	**285,724**	**476,141**	**567,181**

	Consolidated			
	2Q		6M	
	2017	2016	2017	2016
Depreciation and amortization	164,427	155,696	311,999	307,676
Fuel	241,424	36,868	270,057	89,592
Personnel	54,987	59,695	103,647	115,581
Third party materials and services	47,968	47,407	88,868	79,207
Royalties	21,588	45,690	56,780	96,996
(Reversal) Accrual of operating provisions[20]	(221,335)	545	(221,710)	57
Other	17,802	18,310	35,009	35,749
	326,861	**364,211**	**644,650**	**724,858**
Classification in the result				
Electricity production cost	319,403	356,587	630,020	710,243
Cost of services provided	7,458	7,624	14,630	14,615
	326,861	**364,211**	**644,650**	**724,858**

[20] For more information see Note 16 – Provisions.

b) Selling, general and administrative expenses

	Parent Company			
	2Q		6M	
	2017	2016	2017	2016
Personnel	21,359	21,817	38,614	41,831
Third party materials and services	10,435	12,624	20,021	22,291
Management	5,876	6,859	11,007	12,604
Depreciation and amortization	2,139	1,992	4,290	4,122
Contributions and donations	1,717	2,973	3,548	5,902
Rent	1,284	1,575	3,210	3,164
Accrual of operating provisions, net	(523)	555	(1,422)	204
Other	5,188	3,397	10,036	7,434
	47,475	**51,792**	**89,304**	**97,552**
Classification in the result				
Sale expenses	3,295	2,801	5,634	5,358
General and administrative expenses	44,180	48,991	83,670	92,194
	47,475	**51,792**	**89,304**	**97,552**

	Consolidated			
	2Q		6M	
	2017	2016	2017	2016
Personnel	21,623	22,050	39,039	42,195
Third party materials and services	11,534	13,980	22,095	24,753
Management	5,898	6,910	11,051	12,675
Contributions and donations	2,349	3,789	4,804	7,416
Depreciation and amortization	2,147	1,999	4,305	4,137
Rent	628	1,875	3,326	3,688
Accrual of operating provisions, net	(522)	555	(1,536)	203
Other	3,283	3,712	8,412	8,325
	46,940	**54,870**	**91,496**	**103,392**
Classification in the result				
Sale expenses	4,921	4,635	8,801	9,282
General and administrative expenses	42,019	50,235	82,695	94,110
	46,940	**54,870**	**91,496**	**103,392**

NOTE 22 – FINANCIAL RESULT

	Parent Company			
	2Q		6M	
	2017	2016	2017	2016
Financial income				
Income from marketable securities	22,715	42,589	49,970	93,940
Monetary variation on judicial deposits	2,634	4,466	4,683	8,847
Interest on receivables	2,264	16,183	4,377	19,076
Interest and monetary variation on judicial deposits	-	-	-	37,172
Other financial income	572	3,099	2,550	4,980
	28,185	**66,337**	**61,580**	**164,015**
Financial expenses				
Interest and monetary variation				
Concessions payable	7,336	93,724	81,768	196,070
Debentures	18,672	3,238	39,585	7,512
Loans and financing	14,448	21,376	29,942	46,350
Fair value hedge on loans	-	19,571	-	42,548
Retirement benefit obligations	7,862	9,108	15,723	18,216
Provisions	6,225	9,446	12,569	20,645
Transactions in the CCEE	1,290	24,674	1,290	67,577
Other	375	47	427	302
Exchange variation				
Loans	-	(98,018)	-	(212,924)
Fair value hedge on loans	-	98,018	-	212,924
Fair value adjustment	-	62	-	1,818
Other financial expenses	1,080	1,350	2,233	2,799
	57,288	**182,596**	**183,537**	**403,837**
Financial expenses, net	**29,103**	**116,259**	**121,957**	**239,822**

	Consolidated			
	2Q		6M	
	2017	2016	2017	2016
Financial income				
Income from marketable securities	50,529	64,991	99,826	138,568
Income from restricted deposits	5,565	5,780	10,954	10,400
Interest on receivables	3,418	16,216	7,004	19,598
Monetary variation on judicial deposits	2,739	4,556	4,779	9,040
Interest and monetary variation on judicial deposits	-	-	-	37,172
Other financial income	388	2,454	3,070	4,185
	62,639	**93,997**	**125,633**	**218,963**
Financial expenses				
Interest and monetary variation				
Concessions payable	8,936	95,907	85,034	200,772
Loans and financing	38,154	43,831	76,417	92,657
Fair value hedge on loans	-	19,571	-	42,548
Retirement benefit obligations	7,862	9,108	15,723	18,216
Provisions	6,313	9,572	12,738	20,914
Debentures	4,422	3,238	8,375	7,512
Transactions in the CCEE	1,307	26,290	1,314	72,581
Other	477	651	755	1,932
Exchange variation				
Loans	-	(98,018)	-	(212,924)
Fair value hedge on loans	-	98,018	-	212,924
Fair value adjustment	-	62	-	1,818
Other financial expenses	2,010	2,622	3,747	5,021
	69,481	**210,852**	**204,103**	**463,971**
Financial expenses, net	**6,842**	**116,855**	**78,470**	**245,008**

NOTE 23 – INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent Company							
	2Q				6M			
	2017		2016		2017		2016	
	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**640,311**	**640,311**	**444,831**	**444,831**	**1,242,952**	**1,242,952**	**918,819**	**918,819**
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	**(160,078)**	**(57,628)**	**(111,208)**	**(40,035)**	**(310,738)**	**(111,866)**	**(229,705)**	**(82,694)**
Permanent differences:								
Equity in net income of subsidiaries	40,576	14,607	20,078	7,228	74,569	26,845	41,581	14,969
Tax incentives	14,271	-	9,055	-	21,128	-	14,799	-
Other	(1,050)	(143)	(1,217)	(234)	(1,467)	(144)	(2,040)	(339)
	(106,281)	**(43,164)**	**(83,292)**	**(33,041)**	**(216,508)**	**(85,165)**	**(175,365)**	**(68,064)**
Breakdown of taxes in the income statement								
Current	(36,779)	(18,472)	(99,139)	(39,073)	(141,759)	(58,911)	(250,409)	(95,735)
Deferred	(69,502)	(24,692)	15,847	6,032	(74,749)	(26,254)	75,044	27,671
	(106,281)	**(43,164)**	**(83,292)**	**(33,041)**	**(216,508)**	**(85,165)**	**(175,365)**	**(68,064)**
Effective rate	**16.6%**	**6.7%**	**18.7%**	**7.4%**	**17.4%**	**6.9%**	**19.1%**	**7.4%**

	Consolidated							
	2Q				6M			
	2017		2016		2017		2016	
	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**681,537**	**681,537**	**476,922**	**476,922**	**1,344,574**	**1,344,574**	**987,369**	**987,369**
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	**(170,385)**	**(61,339)**	**(119,231)**	**(42,923)**	**(336,144)**	**(121,012)**	**(246,842)**	**(88,863)**
Permanent differences:								
Differences between taxable and notional income	9,846	3,149	2,155	497	15,044	4,765	6,491	1,801
Tax incentives	26,685	-	9,056	-	33,542	-	14,800	-
Other	1,041	613	1,534	743	570	503	545	559
	(132,813)	**(57,577)**	**(106,486)**	**(41,683)**	**(286,988)**	**(115,744)**	**(225,006)**	**(86,503)**
Breakdown of taxes in the income statement								
Current	(51,765)	(28,727)	(117,047)	(45,814)	(190,672)	(81,725)	(288,573)	(110,004)
Deferred	(81,048)	(28,850)	10,561	4,131	(96,316)	(34,019)	63,567	23,501
	(132,813)	**(57,577)**	**(106,486)**	**(41,683)**	**(286,988)**	**(115,744)**	**(225,006)**	**(86,503)**
Effective rate	**19.5%**	**8.4%**	**22.3%**	**8.7%**	**21.3%**	**8.6%**	**22.8%**	**8.8%**

NOTE 24 – TRANSACTIONS WITH RELATED PARTIES

a) Amounts recognized in balance sheet accounts:

	ASSETS			LIABILITIES		
	Accounts receivable			Supplier		IOE [21]
	Energy	Services	Dividends	Energy	Other	Dividends
6.30.2017						
EBC	155,913	-	81,417	3,866	-	-
CEE	-	-	56,151	-	-	-
Lages	-	187	17,843	-	-	-
Itasa	-	1,514	8,776	9,241	-	-
Ceste	-	1,703	-	-	-	-
ESBR[22]	-	-	-	1,500	-	-
Other	-	295	-	-	422	-
	155,913	**3,699**	**164,187**	**14,607**	**422**	**-**
12.31.2016	**155,125**	**4,039**	**167,202**	**13,382**	**965**	**297,180**

b) Amounts recognized in the income statement:

	Revenue			Cost	Expense	
	Supply of energy	O&M Services	Administrative services	Energy purchase	Third party services	Financial income
2Q17						
EBC	505,775	-	97	7,564	-	-
CEE	1,253	-	97	-	-	-
Lages	60	630	57	-	-	-
Itasa	-	4,922	-	25,438	-	-
Ceste	-	5,458	-	-	-	-
Geramamoré	-	-	-	11,156	-	-
ESBR	-	-	-	3,828	-	-
ECP Subsidiaries	242	-	724	-	-	-
Degremont	-	-	-	-	434	-
Others	-	-	97	-	331	-
	507,330	**11,010**	**1,072**	**47,986**	**765**	**-**
2Q16	**459,730**	**10,571**	**925**	**29,571**	**895**	**2,021**

[21] Interest on equity.

[22] Energia Sustentável do Brasil.

	Revenue			Cost	Expense	
	Supply of energy	O&M Services	Administrative services	Energy purchase	Third party services	Financial income
6M17						
EBC	996,644	-	194	16,140	-	-
CEE	1,253	-	194	-	-	-
Lages	4,293	1,259	113	-	-	-
Itasa	-	9,545	-	50,607	-	-
Ceste	-	10,774	-	-	-	-
Geramamoré	-	-	-	11,156	-	-
ESBR	-	-	-	7,009	-	-
ECP Subsidiaries	242	-	1,298	-	-	-
Degremont	-	-	-	-	1,093	-
Other	-	-	194	-	664	-
	1,002,432	**21,578**	**1,993**	**84,912**	**1,757**	**-**
6M16	**963,228**	**20,130**	**1,851**	**60,890**	**1,965**	**4,466**

c) Management compensation

The remuneration of key Management personnel was 6.30.2017 is R$11,007 (R$11,722 at 6.30.2016) in the parent company and R$11,051 (R$11,793 on 6.30.2016) consolidated. In 2Q17, management compensation was R$5,876 (R$5,977 in 2Q16) in the parent company and R$5,898 (R$6,028 in 2Q16) consolidated.

The Management does not receive share-based compensation from ENGIE Brasil Energia.

d) Other transactions with related parties

The Company has other related-party transactions that are described in more details in Note 33 of the financial statements as at 12.31.2016.

The main transactions are the following:

- Purchase and sale of energy;

- Operation and maintenance;

- Administrative services;

- Guarantees;

- Sureties and guarantees; and

- Loan between Ibitiúva and Andrade Açúcar e Álcool S.A. (“Andrade”).

There were no significant changes in other related-party transactions in the first six months of 2017.

NOTE 25 – INSURANCE

a) Operating and lost profit risks

The Company is covered by the international insurance policy for Property Damage and Business Interruption (PDBI) of the insurance program of its parent company ENGIE. The insurance is valid until 5.31.2018 and the coverage amount is R$15,003,450 in the parent company and R$19,182,967 in the consolidated statements, as shown below:

	Parent Company		Consolidated	
Type of plant	Material damages	Loss of profit	Material damages	Loss of profit
Hydroelectric power plants	9,469,434	2,060,868	11,434,198	2,274,937
Thermoelectric power plants	2,297,117	1,127,561	2,297,117	1,127,562
Complementary plants (wind, biomass and SHPP)	47,909	561	1,651,684	397,469
	11,814,460	**3,188,990**	**15,382,999**	**3,799,968**

The maximum combined limit of indemnification for material damages and loss of profits is R$1,625,275 per event.

b) Engineering risks

The projects for construction of the Assú V Photovoltaic Power Plant, the Pampa Sul Thermal Power Plant and the Campo Largo Wind Power Complex (Phase I) has an engineering risk coverage of R$183,000, R$1,830,000 and R$1,982,000, respectively for the entire duration of construction works. Coverage for civil liability amounts to R$10,000, R$190,000 and R$60,000, respectively.

c) Other coverages

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

NOTE 26 – LONG-TERM COMMITMENTS

The Company has long-term agreements, and further information can be obtained in Note 35 to the financial statements of 12.31.2016.

The Company's main long-term commitments are as follows:
- Power grid connection agreement;
- Transmission and Distribution System Use Agreement (CUST and CUSD);
- Bilateral power purchase and sale agreements;
- Lease agreements;
- Plant modernization and expansion agreements;
- Ongoing construction agreements;
- Lease agreement for the administrative office; and
- Renegotiation of hydrological risk.

There were no major changes in long-term commitments in the first six months of 2017.

NOTE 27 – ADDITIONAL CASH FLOW INFORMATION

The following complementary cash flow transactions were as follows:

	Parent Company		Consolidated	
	6.30.2017	6.30.2016	6.30.2017	6.30.2016
Compensation of income tax and social contribution	14,045	29,476	23,664	41,601
Suppliers of property, plant and equipment and intangible assets	(4,413)	(12,741)	24,279	(23,061)
Capitalized interest and monetary variation	2,189	10,941	72,088	51,087
Estimated future disbursements for investment in property, plant and equipment	36,461	-	49,166	(2,259)
Amounts payable from investment acquisition	-	-	-	13,027
Dividends receivable from subsidiaries	10,634	267,026	-	-

NOTE 28 – SUBSEQUENT EVENTS

a) Interim dividends

At the meeting held on 7.27.2017, the Board of Directors approved the distribution of interim dividends based on the financial statements as of 6.30.2016, in the amount of R$938,918, corresponding to R$1.4384206188 per share, equivalent to 100% of the adjusted net income for the first half of 2017. Interim dividends will be paid later, as determined by the Board of Executive Officers and announced through a Notice to Shareholders. The Company's shares will be traded ex-interim dividends as of August 10, 2017.

BOARD OF DIRECTORS

Maurício Stolle Bähr
President

Manoel Arlindo Zaroni Torres
Vice-President

Pierre Jean Bernard Guiollot
Member

Paulo Jorge Tavares Almirante
Member

Dirk Achiel Marc Beeuwsaert
Member

José Carlos Cauduro Minuzzo
Member

Roberto Henrique Tejada Vencato
Member

José Pais Rangel
Member

Luiz Leonardo Cantidiano Varnieri Ribeiro
Member

BOARD OF EXECUTIVE OFFICERS

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Henrique Boquimpani de Freitas
Chief Financial and Investor Relations Officer

Marco Antônio Amaral Sureck
Chief Commercialization Officer

Gustavo Henrique Labanca Novo
Chief Business Development Officer

José Luiz Jansson Laydner
Chief Generation Officer

Edson Luiz da Silva
Chief Strategy and Regulation Officer

Júlio César Lunardi
Chief Administrative Officer

ACCOUNTING DEPARTMENT

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

Comments on Business Projections

Identification of projections

a. Purpose of projection

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

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

• Investments financed with own capital, including acquisitions, and

• Investments financed with debts, including debts assumed in the acquisitions.

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

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

b. Period projected and projection term

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

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

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

• Schedule for maintenance of the generating units;

• Diagnosis of equipment;

• Regulatory obligations; and

• Strategic initiatives.

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

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

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

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

The estimated and actual amounts for the quarter ended 6.30.2017 are shown in the tables below. These amounts are expressed in millions of Brazilian Real and do not include interest on financing that were capitalized during the construction of the plants.

Estimate for the years 2017, 2018 and 2019 announced in the first quarter of 2017:

Description / projection period	2017	2018	2019
Financed with debt	2.052	1.550	131
Financed with own capital	(15)	718	250
Total	**2.037**	**2.268**	**381**

Estimate for the years 2017, 2018 and 2019, in force in 2Q17:

Description / projection period	2017	2018	2019
Financed with debt	1.816	1.717	60
Financed with own capital	506	219	200
Total	**2.322**	**1.936**	**260**

Change in the estimates informed for the years 2017, 2018 and 2019 between the 1st and 2nd quarters:

Description / projection period	2017	2018	2019
Financed with debt	(236)	167	(71)
Financed with own capital	521	(499)	(50)
Total	**285**	**(332)**	**(121)**

Analysis of material changes:

Changes in the initially announced projections for 2017 (disclosed in the 1st quarter of 2017) basically refer to the postponement of borrowings for construction work at the Pampa Sul Thermal Power Plant ("Pampa Sul TPP") and the Campo Largo Wind Complex from 2017 to 2018.

Apart from the aforementioned effect, changes in the projections disclosed for 2018 and 2019 (1st quarter of 2017 versus 2nd quarter of 2017) are basically related to a slight decrease in the amount expected for the overall revision of the maintenance and modernization program for the Company's generation facilities.

Investments made in the second quarter of 2017:

In the first quarter of 2017, investments amounted to R$975 million, of which R$45 million was allocated to maintenance and renovation projects of the Generation Facilities; R$59 million was allocated to modernization of Salto Santiago and R$871 million was invested in the plants Pampa Sul Thermal Power Plant (R$362 million), the Campo Largo Wind Complex (R$266 million), the Assú Solar Project (R$132 million), the Santa Mônica Wind Complex (R$102 million) and other plants.

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

To the Shareholders, Directors and Managers of
Engie Brasil Energia S.A.
Florianópolis - SC

Introduction

We have reviewed the interim, separate and consolidated financial information of Engie Brasil Energia S.A. ("Company"), identified as Parent Company and Consolidated, respectively, contained in the Quarterly Information – ITR Form for the quarter ended June 30, 2017, which comprise the balance sheet as of June 30, 2017 and the related statements of income, of comprehensive income for the three and six-month periods ended on that date, and of changes in shareholders' equity and cash flows for the six-month period then ended, including the summary of the main accounting policies and other explanatory notes.

The Management of the Company is responsible for the preparation of the parent company and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) – Interim Financial Statements 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 of Brazil - CVM, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Accordingly, we do not express an audit opinion.

Conclusion regarding the individual and consolidated interim information

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

Other matters

Value added statement

We also reviewed the parent company and consolidated value-added statements (SVA) for the six-month period ended on June 30, 2017, prepared by the Company's Management, whose presentation in the interim information is required according to the standards issued by the CVM, applicable to the preparation of Quarterly Information - ITR and considered supplementary information by the International Financial

Reporting Standards - IFRS, which do not require the presentation of the SVA. These statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, consistent with the parent company and consolidated interim financial information taken as a whole.

Audit and review of amounts corresponding to the previous fiscal year

The Quarterly Information (ITR) mentioned in the first paragraph include individual and consolidated financial information corresponding to the result, comprehensive result, changes in shareholders' equity, cash flows and value added in the quarter ended June 30, 2016, obtained from the Quarterly Information (ITR) of the comparison quarter, and to the balance sheet published on December 31, 2016, obtained from the individual and consolidated financial statements on December 31, 2016 for comparison purposes. Review of the Quarterly Information (ITR) for the quarter ended June 30, 2016 and examination of the individual and consolidated financial statements for the fiscal year ended December 31, 2016 were carried out under the responsibility of other independent auditors, who issued review and audit reports dated July 28, 2016 and February 23, 2017 respectively, without reservations.

Joinville, July 27, 2017

DELOITTE TOUCHE TOHMATSU

Independent Auditors

CRC n.º 2 SP-011.609/O-8 F-SC

Fernando de Souza Leite

Accountant

CRC n.º 1 PR-050.422/O-3

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

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

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

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Henrique Boquimpani de Freitas
Chief Finance and Investor Relations Officer

Marco Antônio Amaral Sureck
Chief Commercialization Officer

Gustavo Henrique Labanca Novo
Chief Business Development Officer

José Luiz Jansson Laydner
Chief Generation Officer

Edson Luiz da Silva
Chief Strategy and Regulation Officer

Júlio César Lunardi
Chief Administrative Officer

Florianópolis, July 27, 2017

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

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

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

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Chief Finance and Investor Relations Officer

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Florianópolis, July 27, 2017