



## Energisa Nova Friburgo | Results for 1st half of 2013

Nova Friburgo, August 09, 2013 - The management of Nova Friburgo - Distribuidora de Energia S/A ("Company") hereby presents its results for the second quarter of 2013 (2Q13) and the first half of 2013 (6M13). The following financial and operational information is presented in accordance with international financial reporting standards (IFRS), except when stated otherwise.

### 1 - Business profile and economic-financial headlines

Energisa Nova Friburgo is an electricity distribution companies which serves approximately 97 consumers in the municipality of Nova Friburgo in Rio de Janeiro state.

The Company's main economic and financial figures for the first half have been summarized below:

Description	6M13	6M12	Change %
<b>Results - R\$ million</b>			
Gross Operating Revenue	67.7	80.5	- 15.9
Net Operating Revenue	45.9	50.2	- 8.6
Net Operating Revenue, with construction revenue	42.2	45.9	- 8.1
Earnings before interest and tax (EBIT)	4.6	6.2	- 25.8
EBITDA	6.8	8.4	- 19.0
Adjusted EBITDA	7.5	9.1	- 17.6
Net Income	2.5	3.0	- 16.7
<b>Financial Indicators - R\$ million</b>			
Total Assets	136.8	120.3	+ 13.7
Cash / Cash Equivalents / Short-Term Investments	11.1	8.2	+ 35.4
Shareholders' Equity	50.6	52.1	- 2.9
Net Debt	49.8	37.9	+ 31.4
<b>Operating Indicators</b>			
Number of Captive Consumers (thousands)	96,941	94,978	+ 2.1
Sales of energy to captive consumers (GWh)	166.5	161.1	+ 3.4
Total Electricity Distributed (GWh)	166.6	160.9	+ 3.5
Energy Losses (% in past 12 months)	5.33	5.54	- 0.21 p.p
<b>Relative Indicators</b>			
Adjusted EBITDA / Net Revenue (%)	16.3	18.1	- 1.8 p.p
Net Debt / Adjusted EBITDA for 12 months (times)	5.5	1.9	+ 189.5

NB: Adjusted EBITDA: EBITDA plus arrears charges on electricity bills.

## 2 - Financial performance

### 2.1 - Gross and net operating revenue

In 6M13 Energisa Nova Friburgo presented gross operating revenue, not including construction cost revenue (R\$ 3.7 million), which is attributed a margin of zero, of R\$ 64.0 million, compared with R\$ 76.2 million in 6M12, a decrease of 16.0% (R\$ 12.2 million). Also excluding construction revenue, net operating revenue fell by 8.1% (R\$ 3.7 million) in the period, to R\$ 42.2 million.

### 2.2 - Net income and cash generation

Energisa Nova Friburgo recorded net income of R\$ 2.5 million in the first half of 2013, compared with R\$ 3.0 million in the same period last year. The operating cash generation (Adjusted EBITDA) amounted to R\$ 7.5 million in 6M13, compared with R\$ 9.1 million in 6M12.

See below the change in the Company's cash generation:

Breakdown of cash generation (EBITDA) Amounts in R\$ million	Quarter			Half		
	2Q13	2Q12	Change %	6M13	6M12	Change %
(=) Net Income	0.9	1.9	- 52.6	2.5	3.0	- 16.7
(-) Income and social contribution taxes	(0.2)	(1.0)	- 80.0	(0.9)	(1.5)	- 40.0
(-) Financial result	(1.0)	(1.0)	-	(1.2)	(1.7)	- 29.4
(-) Depreciation and amortization	(1.1)	(1.2)	- 8.3	(2.2)	(2.2)	-
(=) Cash generation (EBITDA)	3.2	5.1	- 37.3	6.8	8.4	- 19.0
(+) Arrears surcharge revenue	0.3	0.3	-	0.7	0.7	-
(=) Adjusted cash generation (Adjusted EBITDA)	3.5	5.4	- 35.2	7.5	9.1	- 17.6
Adjusted EBITDA Margin	15.3	20.5	- 5.2 p.p	16.3	18.1	- 1.8 p.p

### 2.3 - Operating expenses

Operating expenses excluding construction costs amounted to R\$ 37.6 million in 6M13, a decrease of 5.1% (R\$ 2.0 million) over 6M12. Controllable expenses expanded by R\$ 0.4 million. Noncontrollable expenses on electricity and transportation purchases fell by R\$ 2.1 million in the half (R\$ 1.3 million in 2Q13), a decrease of 8.5% (decrease of 10.5% in 2Q13).

Operating expenses break down as follows:

Breakdown of operating expenses (R\$ million)	Quarter			Half		
	2Q13	2Q12	Change in R\$ millions	6M13	6M12	Change in R\$ millions
1 - Controllable expenses	6.4	6.3	+ 0.1	12.5	12.1	+ 0.4
1.1 Personnel (includes pension fund)	2.0	2.2	- 0.2	4.1	3.9	+ 0.2
1.2 Material	0.2	0.2	-	0.4	0.4	-
1.3 Services	4.2	3.9	+ 0.3	8.0	7.8	+ 0.2
2 - Uncontrollable expenses (acquisition of energy and transmission)	11.1	12.4	- 1.3	22.6	24.7	- 2.1
3 - Depreciation and amortization	1.0	1.2	- 0.2	2.2	2.2	-
4 - Allowance for doubtful accounts and contingencies	(0.5)	-	- 0.5	-	(0.1)	+ 0.1
5 - Other expenses / revenue	0.7	-	0.7	0.3	0.7	- 0.4
<b>Subtotal</b>	<b>18.7</b>	<b>19.9</b>	<b>- 1.2</b>	<b>37.6</b>	<b>39.6</b>	<b>- 2.0</b>
6 - Construction cost	2.1	2.5	- 0.4	3.7	4.4	- 0.7
<b>Total</b>	<b>20.8</b>	<b>22.4</b>	<b>- 1.6</b>	<b>41.3</b>	<b>44.0</b>	<b>- 2.7</b>

## 2.3 - Financial result

The net financial income (financial revenue minus financial expenses) amounted to a net financial expense of R\$ 1.2 million in 6M13 (R\$ 1.0 million in 2Q13), as compared to a net financial expense of R\$ 1.7 million in 6M12 (R\$ 1.0 million in 2Q12).

The table below denotes the short- and long-term debt net of financial resources (cash, cash equivalents and short-term investments) of Energisa Nova Friburgo as of June 30, 2013 and December 31, 2012:

Description	6/30/2013	12/31/2012
Amount in R\$ million		
<b>Short-term</b>	<b>12.7</b>	<b>2.8</b>
Loans, financing and debentures	12.2	2.1
Debt charges	0.4	0.6
Financing of taxes and actuarial deficit	0.1	0.1
<b>Long-term</b>	<b>48.2</b>	<b>52.9</b>
Loans, financing and debentures	47.7	52.6
Financing of taxes and actuarial deficit	0.5	0.3
<b>Total debts</b>	<b>60.9</b>	<b>55.7</b>
(-) Cash and cash equivalents	11.1	9.2
<b>Total net debts</b>	<b>49.8</b>	<b>46.5</b>

## 3 - Electricity sales

### 3.1 - Total electricity distributed

In the first half of 2013 (6M13), electricity sales to end consumers (captive market), located in Energisa Nova Friburgo's concession area, amounted to 166.5 GWh (86.0 GWh in 2Q13), an increase of 3.4% (increase of 4.6% in 2Q13) over the same period last year. Consumption was driven by the industrial sector, which expanded by 5.5% (an increase of 8.6% in 2Q13) in the period. In turn, residential consumption expanded by 3.4% in the half (growth of 4.6% in 2Q13). Total energy distributed in 6M13 was 166.6 GWh, compared with 160.9 GWh in the same period last year, as follows:

#### Total Electricity Distributed by Consumption Sector (in GWh)

Description	Quarter			Half		
	2Q13	2Q12	Change %	6M13	6M12	Change %
1) Energy sales to captive consumers	86.0	82.2	+ 4.6	166.5	161.1	+ 3.4
✓ Residential	40.9	39.1	+ 4.6	78.6	76.0	+ 3.4
✓ Industrial	16.4	15.1	+ 8.6	30.5	28.9	+ 5.5
✓ Commercial	17.9	17.4	+ 2.9	36.1	34.8	+ 3.7
✓ Rural	1.2	1.2	-	2.4	2.4	-
✓ Other Sectors	9.6	9.4	+ 2.1	18.9	19.0	- 0.5
2) Sales to distributors and unbilled sales	(1.4)	(1.1)	+ 27.3	0.1	(0.2)	-
3) Total Electricity Distributed (1+2)	84.6	81.1	+ 4.3	166.6	160.9	+ 3.5

### 3.2 - Energy losses

Energisa Nova Friburgo's energy losses remained amongst the lowest in the country, at 5.33% in the past twelve months ended June 2013, a decrease of 0.21 percentage points over the same period ended June last year.

### 4 - Investment

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Energisa Nova Friburgo invested a total of R\$ 4.0 million in the first half of 2013, compared with R\$ 4.5 million in 6M12.

### 5- Services rendered by the independent auditor

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The total remuneration of Deloitte Touche Tohmatsu Auditores Independentes for the services provided to Energisa Nova Friburgo in the first half of 2013 was R\$ 17,000 for reviewing the financial statements.

The Company's engagement policy complies with the principles that sustain the auditor's independence, in accordance with existing standards, which mainly determine that the auditor should not audit its own work, perform managerial duties for its client or pursue its interests.

Management.

## Financial Statements

### 1. Balance Sheet - Assets

**ENERGISA NOVA FRIBURGO - DISTRIBUIDORA DE ENERGIA S/A**  
**BALANCE SHEET**

As of June 30, 2013 and December 31, 2012  
(In thousands of reais)

	30/06/2013	31/12/2012
		(Adjusted)
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	6,917	5,260
Money market and secured funds	3,910	3,007
Consumers and concessionaires	12,876	14,623
Credit receivables	221	354
Inventory	377	377
Recoverable taxes	7,238	6,128
Low income and other receivables	3,505	5,065
<b>Total current</b>	<b>35,044</b>	<b>34,814</b>
<b>Noncurrent</b>		
<b>Noncurrent assets</b>		
Money market and secured funds	270	900
Consumers and concessionaires	368	368
Credit receivables	13	19
Related-party transactions	-	558
Tax credits	894	1,585
Recoverable taxes	3,387	3,529
Restricted deposits and escrows	1,713	1,730
Derivative financial instruments	6,039	4,082
Accounts receivable from the concession	77,101	68,786
	<b>89,785</b>	<b>81,557</b>
Investments	58	47
Property, plant and equipment	8,093	13,348
Intangible assets	3,796	3,812
<b>Total noncurrent</b>	<b>101,732</b>	<b>98,764</b>
<b>Total Assets</b>	<b>136,776</b>	<b>133,578</b>

## 2. Balance Sheet - Liabilities

ENERGISA NOVA FRIBURGO - DISTRIBUIDORA DE ENERGIA S/A  
BALANCE SHEET

As of June 30, 2013 and December 31, 2012

(In thousands of reais)

	30/06/2013	31/12/2012 (Adjusted)
<b>Liabilities</b>		
<b>Current</b>		
Suppliers payable	9,473	7,170
Debt charges	389	591
Loans and financing	12,167	2,061
Taxes and social contributions	1,643	1,584
Dividends	5,641	-
Profit Shares	436	1,039
Consumer charges payable	281	1,142
Employee benefits - pension plan	115	115
Estimated obligations	718	601
Intrasector Obligations	1,559	3,251
Other accounts payable	1,587	838
<b>Total current</b>	<b>34,009</b>	<b>18,392</b>
<b>Noncurrent</b>		
Suppliers payable	116	113
Loans and financing	47,732	52,560
Deferred income and social contribution taxes	1,580	1,331
Employee benefits - pension plan	508	451
Provision for labor, civil and tax risks	2,262	2,260
Other accounts payable	13	7
<b>Total noncurrent</b>	<b>52,211</b>	<b>56,722</b>
<b>Shareholders' equity</b>		
Capital	32,650	32,650
Capital reserve	11,250	11,248
Profit reserves	4,226	5,126
Comprehensive Income other	(45)	(45)
Additional dividends proposed	-	9,485
Net incomes for the period	2,475	-
	<b>50,556</b>	<b>58,464</b>
<b>Total liabilities</b>	<b>136,776</b>	<b>133,578</b>

## 3. Statements of Income

**ENERGISA NOVA FRIBURGO - DISTRIBUIDORA DE ENERGIA S/A**  
**STATEMENT OF INCOME**  
**SIX MONTHS ENDED JUNE 30, 2013 AND 2012**  
(In thousands of reais, except for net income per free float share)

	6M13	6M12
<b>Revenues</b>		
Electricity sales to consumers	61,306	72,963
Electricity network usage charges	381	928
Construction revenue	3,677	4,377
Other revenue	2,322	2,260
	<b>67,686</b>	<b>80,528</b>
<b>Deductions from operating revenue</b>		
ICMS on billing	14,815	17,545
PIS, Cofins and ISS	5,978	7,095
Quotas for global reversal reserve	(544)	885
Others (CCC, CDE, PEE and P&D)	1,534	4,771
	<b>21,783</b>	<b>30,296</b>
<b>Net operating revenue</b>	<b>45,903</b>	<b>50,232</b>
<b>Operating expenses</b>		
Electricity purchased for resale	18,162	17,971
System service charges	4,427	6,680
Personnel	4,008	3,848
Private pension fund	83	45
Material	400	448
Outsourced services	8,046	7,797
Depreciation and amortization	2,200	2,159
Allowance for doubtful accounts / contingencies	20	(12)
Construction cost	3,677	4,377
Other expenses / revenue	317	695
	<b>41,340</b>	<b>44,008</b>
<b>Earnings before interest and tax</b>	<b>4,563</b>	<b>6,224</b>
<b>Financial Result</b>		
Income on short-term investments	264	339
Arrears surcharge on energy sold	712	767
Other revenue	1,367	95
Debt charges - interest	(1,490)	(1,435)
Debt charges - monetary and exchange variance	(3,015)	(2,448)
Mark-to-market of derivatives	(1,070)	113
Derivative financial instruments	2,785	1,884
Restatement of assets	10	9
(-) Transfer to orders in progress	65	78
Other financial expenses	(820)	(1,176)
	<b>(1,192)</b>	<b>(1,774)</b>
<b>Net income before tax</b>	<b>3,371</b>	<b>4,450</b>
Income and social contribution taxes	(896)	(1,403)
<b>Net income for the period</b>	<b>2,475</b>	<b>3,047</b>

*Please do not hesitate to contact us should you require any further information:*

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