João Pessoa, August 09, 2013 - The management of Energisa Paraíba – 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, awards and economic-financial headlines

Energisa Paraíba is an electricity distributor that serves more than 1,241,000 consumers and a population of approximately roughly 3.3 million in 216 municipalities in the state of Paraíba, covering an area of 54,595 Km^2.

Energisa Paraíba has won awards in three categories of the 2013 ABRADEE (Brazilian Electric Utility Association) awards, one of the foremost accolades in the industry. The awards were for Management Quality, Economic and Financial Management and Performance Improvement. Energisa competed with companies with over 500 thousand customers.

The company has also been well placed in other national rankings and surveys, such as the ones published by the Brazilian electric utility regulator, ANEEL, in March this year. Energisa Paraíba ranked third highest nationally for improvement in quality of service, and second in the Northeast.

In 2012 the company also won the National Quality Award – the highest recognition attainable by locally based organizations for excellence in management. This is the first time a company based in the State of Paraíba has won this award.

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

Description	6M13	6M12	Change %
Results - R$ million			
Gross Operating Revenue	772.1	793.2	- 2.7
Net Operating Revenue	549.1	539.8	+ 1.7
Net Operating Revenue, with construction revenue	494.6	478.1	+ 3.5
Earnings before interest and tax (EBIT)	122.7	118.7	+ 3.4
EBITDA	146.0	139.3	+ 4.8
Adjusted EBITDA	156.8	149.1	+ 5.2
Financial Income/Loss	(29.0)	(1.3)	+ 2,130.8
Net Income	85.1	91.5	- 7.0
Financial Indicators - R$ million			
Total Assets	1,635.9	1,306.5	+ 25.2
Cash / Cash Equivalents / Short-Term Investments	341.1	137.6	+ 147.9
Shareholders' Equity	590.3	609.0	- 3.1
Net Debt	463.7	343.5	+ 35.0
Operating Indicators			
Number of Captive Consumers (thousands)	1,241.1	1,199.4	+ 3.5
Sales of energy to captive consumers (GWh)	1,802.4	1,719.6	+ 4.8
Total Electricity Distributed (GWh)	2,059.9	1,940.7	+ 6.1
Energy Losses (% in past 12 months)	12.45	13.14	- 0.69 p.p
Relative Indicators			
Adjusted EBITDA / Net Revenue (%)	28.6	27.6	+ 1.0 p.p
Net Debt / Adjusted EBITDA for 12 months (times)	1.4	1.2	+ 16.7

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

2 - Financial performance

2.1 - Gross and net operating revenue

In 6M13 Energisa Paraíba presented gross operating revenue, not including construction cost revenue, which is attributed a margin of zero, of R$ 772.1 million, compared with R$ 793.2 million in 6M12, a decrease of 2.7% (R$ 21.1 million). Also excluding construction revenue, net operating revenue rose by 3.5% (R$ 16.5 million) in the period, to R$ 494.6 million.

Net revenue breaks down as follows:

Revenue by Consumption Sector	Quarter			Half		
Amounts in R$ million	2Q13	2Q12	Change %	6M13	6M12	Change %
(+) Electricity revenue (captive market)	336.3	353.9	- 5.0	697.1	702.6	- 0.8
✓ Residential	164.2	159.8	+ 2.8	338.6	320.8	+ 5.5
✓ Industrial	35.5	52.0	- 31.7	73.7	100.8	- 26.9
✓ Commercial	70.1	74.6	- 6.0	144.3	149.3	- 3.3
✓ Rural	17.2	13.8	+ 24.6	39.8	27.0	+ 47.4
✓ Other sectors	49.3	53.7	- 8.2	100.7	104.7	- 3.8
(+) Electricity sales to distributors	2.0	-	-	(3.5)	0.1	-
(+) Net Unbilled Sales	(2.5)	0.1	-	(15.1)	(6.4)	+ 135.9
(+) Electricity network usage charges	13.0	14.9	- 12.8	26.5	29.3	- 9.6
(+) Construction revenue	31.1	30.1	+ 3.3	54.5	61.7	- 11.7
(+) Other revenue	6.3	3.3	+ 90.1	12.6	5.9	+ 113.6
(=) Subtotal 1 - Gross revenue	**386.2**	**402.3**	**- 4.0**	**772.1**	**793.2**	**- 2.7**
(-) Tax on sales	(107.9)	(108.3)	- 0.4	(216.4)	(212.6)	+ 1.8
(-) Sector charges	(2.4)	(21.1)	- 88.6	(6.6)	(40.8)	- 83.8
(=) Subtotal 2 - Net revenue	**275.9**	**272.9**	**+ 1.1**	**549.1**	**539.8**	**+ 1.7**
(-) Construction revenue	31.1	30.1	+ 3.3	54.5	61.7	- 11.7
(=) Total - Net revenue, without construction revenue	**244.8**	**242.8**	**+ 0.8**	**494.6**	**478.1**	**+ 3.5**

2.2 - Net income and cash generation

Energisa Paraíba recorded net income of R$ 85.1 million in the first half of 2013, compared with R$ 91.5 million in the same period last year. The operating cash generation (Adjusted EBITDA) amounted to R$ 156.8 million in 6M13, compared with R$ 149.1 million in 6M12, an increase of R$ 5.2%.

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

Breakdown of cash generation (EBITDA)	Quarter			Half		
Amounts in R$ million	2Q13	2Q12	Change %	6M13	6M12	Change %
(=) Net Income	26.8	47.8	- 43.9	85.1	91.5	- 7.0
(-) Income and social contribution taxes	0.7	(12.1)	-	(8.6)	(25.9)	- 66.8
(-) Financial result	(22.9)	(0.3)	7,533.3	(29.0)	(1.3)	+ 2,130.8
(-) Depreciation and amortization	(11.8)	(11.2)	+ 5.4	(23.4)	(20.6)	+ 13.6
(=) Cash generation (EBITDA)	60.8	71.4	- 14.8	146.1	139.3	+ 4.9
(+) Arrears surcharge revenue	4.4	5.1	- 13.7	10.7	9.8	+ 9.2
(=) Adjusted cash generation (Adjusted EBITDA)	65.2	76.5	- 14.8	156.8	149.1	+ 5.2
Adjusted EBITDA Margin	23.6	28.0	- 15.7	28.6	27.6	+ 1.0 p.p

2.3 - Operating expenses

Operating expenses excluding construction costs amounted to R$ 371.9 million in 6M13, an increase of 3.5% (R$ 12.6 million) over 6M12. Of this total, the growth in controllable expenses was R$ 5.1 million. Noncontrollable expenses on electricity and transportation purchases expanded by R$ 9.8 million in the half, an increase of 4.2%.

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	50.3	46.1	+ 4.2	96.3	91.2	+ 5.1
1.1 Personnel (includes pension fund)	24.6	23.9	+ 0.7	51.2	46.8	+ 4.4
1.2 Material	3.4	3.2	+ 0.2	6.4	6.2	+ 0.2
1.3 Services	20.3	19.0	+ 1.3	38.7	38.2	+ 0.5
2 - Uncontrollable expenses (acquisition of energy and transmission)	127.5	115.7	+ 11.8	241.5	231.7	+ 9.8
3 - Depreciation and amortization	11.9	11.1	+ 0.8	23.4	20.5	+ 2.9
4 - Allowance for doubtful accounts and contingencies	1.6	5.0	- 3.4	1.5	7.1	- 5.6
5 - Other expenses / revenue	4.5	4.6	- 0.1	9.2	8.8	+ 0.4
Subtotal	**195.8**	**182.5**	**+ 13.3**	**371.9**	**359.3**	**+ 12.6**
6 – Construction cost	31.1	30.1	+ 1.0	54.5	61.7	- 7.2
Total	**226.9**	**212.6**	**+ 14.3**	**426.4**	**421.0**	**+ 5.4**

2.3 - Financial result

The net financial income (financial revenue minus financial expenses) amounted to a net financial expense of R$ 29.0 million in 6M13 (R$ 22.9 million in 2Q13), as compared to a net financial expense of R$ 1.3 million in 6M12 (R$ 0.3 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 Paraíba as of June 30, 2013 and December 31, 2012:

Description Amount in R$ million	6/30/2013	12/31/2012
Short-term	**195.8**	**177.1**
Loans, financing and debentures	174.0	156.9
Debt charges	9.3	7.7
Financing of taxes and actuarial deficit	12.5	12.5
Long-term	**609.0**	**427.4**
Loans, financing and debentures	555.6	376.7
Financing of taxes and actuarial deficit	53.4	50.7
Total debts	**804.8**	**604.5**
(-) Cash and cash equivalents	341.1	184.3
Total net debts	**463.7**	**420.2**

In April 2013 Energisa Paraíba completed the borrowing of R$ 120 million, under Resolution 4131, with a maturity term of between 4 and 5 years, and subject to a swap, resulting in the cost ranging between 103.5% and 108.95% of the CDI rate. The funds were used to settle 7-year bonds in US dollars denominated Notes Units for R$ 137.1 million on July 19, 2013.

By way of the online auction organized and disclosed by CETIP S.A – Mercados Organizados, on June 20, 2013 part of the debentures previously redeemed by Energisa Paraíba were re-placed (15,255 debentures of the 2nd issuance for R$ 15.3 million); Debentures with a nominal unit value of one thousand reais were re-placed at the unit price (PU), plus the yield equal to the CDI rate plus 1% per annum). The debentures were held in the treasury because of the failure to reach an agreement by part of the respective issuance's creditors on December 17, 2012.

The indirect parent company Gipar acquired 3,995 of these debentures.

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 Paraíba's concession area, including energy associated with free consumers (TUSD), amounted to 2,085.6 GWh (1,026.2 GWh in 2Q13), an increase of 7.8% (increase of 5.2% in 2Q13) over the same period last year. Consumption was driven by the residential sector, which expanded by 12.0% (8.8% in 2Q13) in the period. Industrial consumption, including captive and free sales, rose by 3.6% in the half. Total energy distributed in 6M13 was 2,059.9 GWh, compared with 1,940.7 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	876.3	872.0	+ 0.5	1,802.4	1,719.6	+ 4.8
✓ Residential	363.3	334.0	+ 8.8	740.2	661.0	+ 12.0
✓ Industrial	123.6	157.3	- 21.4	257.1	306.6	- 16.1
✓ Commercial	160.6	151.5	+ 6.0	326.2	303.9	+ 7.3
✓ Rural	59.7	67.0	- 10.9	139.3	129.9	+ 7.2
✓ Other Sectors	169.1	162.2	- 4.2	339.6	318.2	+ 6.7
2) Energy associated with free consumers (TUSD)	149.9	103.1	+ 45.4	283.2	215.0	+ 31.7
3) Captive sales + TUSD (1+2)	**1,026.2**	**975.1**	**+ 5.2**	**2,085.6**	**1,934.6**	**+ 7.8**
4) Sales to distributors and unbilled sales	(1.3)	(0.7)	+ 85.7	(25.7)	6.1	-
5) Total Electricity Distributed (3+4)	**1,024.9**	**974.4**	**+ 5.2**	**2,059.9**	**1,940.7**	**+ 6.1**

Energisa Paraíba closed the first half of 2013 with 1,241,137 captive consumer units, or 3.5% more than at the end of June 2012. The number of free consumers amounted to 20 at the end of June 2013.

3.2 - Energy losses

Combating theft and fraud in electricity consumption continues to be a focus of Energisa Paraíba's managerial actions in order to continually reduce its electricity losses; the company is working to further enhance the inspection of connections at its consumer units, as energy theft is the main cause of commercial losses. The intelligence center for combating losses (CICOP) is identifying these irregularities.

The efforts resulted in yet another drop in energy losses and another record. The losses fell to 12.45% in the past twelve months ended June 2013, i.e. an improvement of 0.69 percentage points (p.p) over the same period ended June last year.

4 - Investment

Energisa Paraíba invested a total of R$ 60.3 million in the first half of 2013, compared with R$ 65.1 million in 6M12.

5 - Advanced dividends

The Energisa Paraíba Board of Directors approved the following payments of interim dividends for the year in progress:

1) the amount of R$ 42.1 million at a meeting held June 13, or R$ 45.90858216 per share. Payment of these dividends commenced on June 17, 2013.

2) the amount of R$ 16.7 million at a meeting held August 8, or R$ 18.15122999 per share. These dividends will be paid by December 31, 2013.

The dividends already declared (R$ 58.8 million) account for 69.1% of the net income recorded by the Company in the first half of 2013.

6- Services rendered by the independent auditor

The total remuneration of Deloitte Touche Tohmatsu Auditores Independentes for the services provided to Energisa Paraíba in the first half of 2013 was R$ 81,000, as follows: i) R$ 68,000 for reviewing the financial statements and ii) R$ 13,000 for reviewing the processes and procedures implemented to obtain corporate income tax incentives – Sudene.

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 PARAÍBA - 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
Assets		
Current		
Cash and cash equivalents	128,268	67,646
Money market and secured funds	163,723	77,416
Consumers and concessionaires	141,364	190,091
Credit receivables	48,400	47,449
Inventory	5,970	6,363
Recoverable taxes	42,545	38,375
Prepaid expenses	4,224	4,423
Derivative financial instruments	11,484	-
Low income	13,888	16,409
Other receivables	15,289	13,969
Total current	**575,155**	**462,141**
Noncurrent		
Noncurrent assets		
Money market and secured funds	49,142	39,281
Credit receivables	38,095	42,281
Recoverable taxes	22,963	23,884
Tax credits	118,070	112,804
Restricted deposits and escrows	25,278	25,686
Derivative financial instruments	8,009	6,212
Accounts receivable from the concession	176,006	147,049
Other	3,335	1,551
	440,898	**398,748**
Investments	92	93
Intangible assets	609,463	607,566
Property, plant and equipment	10,298	9,907
Total noncurrent	**1,060,751**	**1,016,314**
Total Assets	**1,635,906**	**1,478,455**

See the accompanying notes to the financial statements.

2. Balance Sheet - Liabilities

ENERGISA PARAÍBA - 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
Liabilities		
Current		
Suppliers payable	77,151	109,165
Debt charges	9,331	7,732
Loans and financing	173,971	156,738
Debentures	-	136
Payroll	1,690	1,709
Taxes and social contributions	45,032	50,235
Dividends	-	35,391
Estimated obligations	8,915	6,955
Consumer charges payable	206	5,538
Public lighting fee	-	4,239
Employee benefits - pension plan	12,532	12,532
Other accounts payable	50,401	49,385
Total current	**379,229**	**439,755**
Noncurrent		
Noncurrent Liabilities		
Suppliers payable	2,646	2,572
Loans and financing	475,786	312,370
Debentures	79,817	64,312
Derivative financial instruments	-	-
Taxes and social contributions	17,294	14,041
Provision for labor, civil and tax risks	36,697	37,020
Employee benefits - pension plan	53,388	50,746
Other	762	782
Total noncurrent	**666,390**	**481,843**
Shareholders' equity		
Capital	425,805	386,516
Treasury stock	-	(538)
Capital reserve	97,002	97,540
Profit reserves	44,512	83,802
Additional dividends proposed	-	9,479
Comprehensive Income	(22,784)	(22,784)
Retained earnings/Accumulated losses	45,752	2,842
	590,287	**556,857**
Total liabilities	**1,635,906**	**1,478,455**

See the accompanying notes to the financial statements.

3. Statements of Income

ENERGISA PARAÍBA - DISTRIBUIDORA DE ENERGIA S/A
STATEMENT OF INCOME
SIX MONTHS ENDED JUNE 30, 2013 AND 2012
(In thousands of reais)

	6M13	6M12
Revenues		
Electricity sales to consumers	681,996	696,234
Electricity sales to distributors	(3,515)	19
Electricity network usage charges	26,521	29,326
Construction revenue	54,461	61,709
Other revenue	12,607	5,862
	772,070	**793,150**
Deductions from operating revenue		
ICMS on billing	149,607	144,672
PIS, Cofins and ISS	66,827	67,921
Quotas for global reversal reserve	(1,774)	7,362
Others (PEE, CDE, CCC and P&D)	8,295	33,423
	222,955	**253,378**
Net operating revenue	**549,115**	**539,772**
Operating expenses (revenue)		
Personnel (includes pension fund)	51,175	46,815
Material	6,418	6,189
Outsourced services	38,707	38,180
Electricity purchased for resale	218,184	198,346
Transmission of electricity	23,325	33,317
Depreciation and amortization	23,367	20,512
Allowance for doubtful accounts / contingencies	1,523	7,140
Construction cost	54,461	61,709
Other expenses / revenue	9,284	8,815
	426,444	**421,023**
Earnings before interest and tax	**122,671**	**118,749**
Financial revenue (expense)		
Income on short-term investments	6,556	4,924
Monetary variation and arrears surcharge on energy sold	10,757	9,859
Restatement of accounts receivable from the concession (VNR)	491	-
Other financial revenue	3,631	2,260
Debt charges - interest	(22,271)	(21,551)
Debt charges - monetary and exchange variance	(33,188)	(8,784)
(-) Transfer to orders in progress	1,279	2,207
Mark-to-market of derivatives	(19,160)	1,932
Derivative financial instruments	30,417	6,656
Restatement of assets	121	7,143
Other financial expenses	(7,600)	(5,976)
	(28,967)	**(1,330)**
Income (loss) before taxes	**93,704**	**117,419**
Income and social contribution taxes	(8,642)	(25,916)
Net income for the period	**85,062**	**91,503**
Net income per share of capital - R$	**92.64**	**99.66**

See the accompanying notes to the financial statements.

4. Statements of Cash Flows

ENERGISA PARAÍBA - DISTRIBUIDORA DE ENERGIA S/A
STATEMENTS OF CASH FLOW
SIX MONTHS ENDED JUNE 30, 2013 AND 2012
(In thousands of reais)

	6M13	6M12
Operating activities		
Income before tax	93,704	117,559
Expenses (revenue) not affecting cash:	-	-
Expenses on interest and monetary variance - net	49,018	32,924
Allowance for doubtful accounts	573	3,840
Depreciation and amortization	23,367	20,512
Residual value of retired permanent assets	1,945	2,530
Provision for risks	(1,599)	(1,584)
Derivative Financial Instruments	(30,417)	(6,656)
Mark-to-market of Derivatives	19,160	(1,932)
Subtotal	**155,751**	**167,193**
Changes in current and noncurrent assets		
Consumers and concessionaires	48,464	9,469
Credit receivables	3,045	265
Inventory	393	(604)
Recoverable taxes	(3,249)	(1,624)
Escrow and secured deposits	407	114
Prepaid expenses	198	(1,490)
Other accounts receivable	(9,984)	(12,396)
	39,274	**(6,266)**
Changes in current and noncurrent liabilities		
Suppliers payable	(40,248)	6,638
Payroll	(20)	101
Taxes and social contributions	(7,198)	(2,150)
Income and social contribution taxes paid	(8,661)	(14,376)
Estimated obligations	1,960	1,631
Consumer charges payable	(5,332)	(1,744)
Other	7,606	617
	(51,893)	**(9,283)**
Net cash produced by operating activities	**143,132**	**151,644**
Investment activities		
Short-term investments and secured funds	(217,358)	(26,631)
Discharge of short-term investments	127,747	15,302
Investment	-	(13)
Additions to Intangible assets	(49,361)	(53,144)
Sale of PP&E and intangible assets	3,350	1,897
Net cash consumed in investment activities	**(135,622)**	**(62,589)**
Financing activities		
New loans and financing	179,324	11,418
Payments of loans - principal	(17,568)	(23,806)
Payments of loans - interest	(19,598)	(20,136)
Settlement of Derivative Financial Instruments	(2,024)	(527)
Payment of dividends	(87,021)	(38,683)
Net cash consumed in financing activities	**53,113**	**(71,734)**
Net cash variation	**60,623**	**17,321**
Opening cash and cash equivalents	67,646	62,751
Closing cash and cash equivalents	128,269	80,072
Net cash variation	**60,623**	**17,321**

See the accompanying notes to the financial statements.

Notes to the quarterly information
Period ended June 30, 2013
(In thousands of reais, unless stated otherwise)

1. Operations

A part of ENERGISA GROUP, Energisa Paraíba – Distribuidora de Energia S/A ("Company or Energisa PB") is an electricity distribution company, operating in 216 municipalities in the state of Paraíba, serving 1,228,811 consumers (information not revised by the independent auditors). The Company has its registered office in the city of João Pessoa, Paraíba state, and **obtained listed company status at the CVM on January 29, 2010.**

In September 2012 the Federal Government issued Preliminary Law 579, enacted as Law 12783/2013 on January 11, 2013. This legislation states the following:

Concession renewal:
Electricity generation, transmission and distribution concessions expiring between 2015 and 2017 can be extended for the term of 30 years in order to ensure the continuity, efficiency of service and minimum price increases.

The extension terms will only be known when the concession authority discloses the draft amendment to the concession agreement.

Reduction/elimination of regulatory charges:
The following regulatory charges have been eliminated from electricity rates. the RGR (Global Reversal Reserve); CCC – Fuel consumption cost and reduction of the CDE – Energy Development Account and minimum price increases.

The eliminations and reductions in sector charges payable on electricity did not directly impact earnings, as the revenue drop was offset by lower charges and taxes.

The Company's concession expires in January 2031.

See below the concession operator's main obligations stipulated in the concession arrangement:

I - to supply electricity to consumers located in their concession area, at the levels of quality and continuity established in specific legislation

II - to carry out the work necessary to provide the concession services, replace assets and operate the infrastructure so as to ensure the regular, continuous, efficient and safe provision of services and charging of rates, in accordance with the specific technical and legal standards

III – to organize and maintain a record and inventory of the concession assets and strive for the integrity thereof, where concession operator may not sell or submit as collateral such assets without the prior explicit consent of the regulatory agency

IV - meet all tax, labor, social security and regulatory obligations, including the provision of information to consumers

V - to implement measures to combat energy waste, through energy consumption reduction programs and innovations

VI – to submit to the prior approval of the National Electricity Regulatory Agency (ANEEL) any changes in equity positions that could result in control changing hands. In the event share control is transferred, the new controlling shareholders should sign an agreement accepting the terms of the concession arrangement and the concession legislation and regulations;

VII - the concession may be discontinued by terminating the agreement, expropriation of the service, cessation, rescission, irregularities or bankruptcy of the concession operator, and may be extended by way of an application from the concession operator and at the sole discretion of the concession authority.

The information regarding rate reviews and adjustments, accounts receivable of the concession, concession assets, construction revenue and concession term can be seen in notes 9, 14, 15, 22 and 28 respectively.

2. Presentation of the interim financial information (quarterly information)

Approved by the Board of Directors on August 08, 2013, the Company's interim financial information (quarterly information) consists of:

- The interim financial information prepared and presented in accordance with CPC Technical Pronouncement 21 (R1) - Interim statements and IAS 34 – Interim Financial Reporting and the standards issued by the Brazilian Securities Commission, that apply to the preparation of Quarterly Information - ITR.

The other information regarding the preparation bases, presentation of the interim financial information and summary of the main accounting practice has not changed in relation to that disclosed in Note 2 to the Annual Financial Statements for the financial year ended December 31, 2012 (hereinafter referred to as "Financial Statements as of December 31, 2012"), published in the official press on March 08, 2013, except for the application of CPC 33 R1 (IAS 19) which changed the accounting of employee benefits - retirement and pension supplementation plan, which requires amendments be recognized as incurred, eliminating the corridor approach which permits the deferred recognition of actuarial gains and losses. From FY 2013, the actuarial losses and gains are fully recognized in "other comprehensive income" in the statement of comprehensive income and equity, net of deferred income and social contribution taxes. The effects of these adjustments are shown in note 3.2.

This interim financial information (quarterly information) should therefore be read in conjunction with the aforesaid financial statements.

3. Adoption of international accounting standards

3.1 New accounting procedures issued by the IASB

The International Accounting Standards Board – IASB has published or amended the following pronouncements, guidelines or interpretations, the adoption of which is mandatory in subsequent periods:

<u>These standards are effective from January 01, 2014:</u>

IAS 36 Impairment of Assets (amendment) - makes amendments and clarifications about the disclosures required by this pronouncement.
IAS 39 - Financial instruments: recognition and measurement (amendment) - clarifies there is no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met.
IAS 32 – Financial instruments – presentation (amendment) – clarifies the conditions for presenting one or more at their net position.
IFRS 10 - Consolidated financial statements, IFRS 12 - Disclosure of interests in other entities and IAS 27 - Separate financial statements (amendment) - amends the rules for consolidating, disclosing and presenting separate financial statements for investment firms.
IFRIC 21 — Levies (new interpretation) - provides guidance on when to recognize a levy imposed by a government.

These standards are effective from January 01, 2015:

IFRS 9 (new pronouncement) - introduces new requirements for classifying and measuring financial assets.

The Company is proceeding to analyze the impact of these new pronouncements or amendments on its financial statements.

3.2 Adjustments and Reclassifications

CPC 33 (R1) and IAS 19 Revised - Employee benefits

The accounting practices referring to the recognition of employee benefits - supplementary retirement and pensions plan, were amended on January 01, 2013. . Consequently, in order to maintain good comparability of its balance sheet with the classification adopted, the Company adjusted the opening and closing balances in the balance sheet as of 12/31/2012 in relation to those originally published, as follows:

	Balance at 12/31/2012 (Published)	Adjustments	Balance at 12/31/2012 (Re-presented)
Assets			
Noncurrent assets	1,006,041	10,273	1,016,314
Noncurrent assets			
Tax credits	102,531	10,273	112,804
Total Assets	**1,468,182**	10,273	**1,478,455**
Liabilities			
Noncurrent liabilities	451,628	30,215	481,843
Employee benefit - pension plan	20,531	30,215	50,746
Shareholders' equity	576,799	(19,942)	556,857
Retained earnings	-	2,842	2,842
Other comprehensive income	-	(22,784)	(22,784)
Net actuarial losses	-	(22,784)	(22,784)
Total Liabilities	**1,468,182**	**10,273**	**1,478,455**

	Balance at 6/30/2012 (Published)	Adjustments	Balance at 6/30/2012 (Re-presented)
Cost of goods sold and/or services sold	(338,408)	140	(338,268)
Private pension fund	(2,115)	140	(1,975)
Gross profit	**201,364**	**140**	**201,504**
Income before financial income/loss and taxes	**118,749**	**140**	**118,889**
Income before tax on net income	**117,419**	**140**	**117,559**
Income and social contribution taxes	(25,916)	(48)	(25,964)
Net income for the period	**91,503**	**92**	**91,595**

4. Segment reporting

An operational segment is a component of the Company that develops business activities from which revenue streams can be derived and expenses incurred, including revenue and expenses related to transactions with other Company components. All operational income from segments is reviewed frequently by Management to support decisions about new resources to be allocated to the segment and to evaluate its performance, for which individual financial information is made available.

Segment results reported to Management include items directly attributable to the segment and items that can be reasonably allocated. Items not allocated primarily consist of corporate assets.

The Company only operates in the energy distribution segment in 216 municipalities in Paraíba state.

5. Cash and cash equivalents, money market and secured funds

a) Cash and cash equivalents

Financial institution	Type	Maturity (*)	Compensation	6/30/2013	12/31/2012
BICBANCO	CDB	2/10/2016	108,0% of CDI	3,156	-
CEF	CDB	6/1/2015 to 6/30/2015	100,5% of CDI	13,107	42,180
Mercantil	CDB	12/18/2014	105,0% of CDI	-	635
Pine	CDB	7/16/2013	107,0% of CDI	45,689	
Santander	Debentures (**)	6/28/2015	103,2% of CDI	36,362	-
Total				**98,314**	**42,815**
Cash and bank deposits				29,954	24,831
Total cash and cash equivalents				**128,268**	**67,646**

(*)The dates presented denote the maturity of the security underlying the financial investments. These investments can be redeemed within 90 days of the procurement date at the contracted rates, under a contractual clause.

(**) Debentures held under repurchase agreements - Sales of securities subject to a repurchase agreement undertaken by the seller, alongside the resale commitment undertaken by the buyer. These operations have immediately liquidity, yield the CDI rate and underlie the debentures issued by the bank.

b) Money market and secured funds

Financial institution	Type	Maturity	Compensation	6/30/2013	12/31/2012
b.1 Short-term investments appraised at fair value through profit and loss					
Other	CDB	5/2/2013 to 8/13/2015	90.0% to 115.0% of CDI	3,495	6,519
Banrisul	Investment Fund	-	Benchmark CDI	9,267	
BB Amplo	Investment Fund	-	Benchmark CDI	44,239	-
Bradesco	Investment Fund	-	Benchmark CDI	7,497	82
BTG Pactual	Investment Fund	-	Benchmark CDI	2,321	2,263
CEF	Investment Fund	-	Benchmark CDI	40,196	672
CEF	Savings	-	Savings	87	87
HSBC	Investment Fund	-	Benchmark CDI	11,537	-
Itaú	Investment Fund	-	Benchmark CDI	22,093	-
Itaú	Debentures (**)	12/3/2013 to 12/6/2013	102,0% of CDI	314	304
Itaú	Investment Fund	-	Benchmark CDI	604	661
North-east	CDB/Capitalization Bond	1/2/2014 to 8/30/2019	90.0% to 100.0% of CDI	38,679	35,363
Pine	CDB	10/28/2013 to 2/8/2017	104.0% to 109.0% of CDI	5,926	894
Safra	Debentures (**)	9/30/2013	101,8% of CDI	35	-
Safra	LF	1/31/2013	108,5% of CDI	-	52,993
Santander	Investment Fund	-	Benchmark CDI	8,701	3,903
				194,991	**103,741**
b.2 Held-to-maturity securities					
Itaú	Credit Receivables Investment Funds	12/29/2020	100,0% of CDI	4,117	4,527
Mercantil	DPGE	5/15/2014 to 6/26/2015	112.0% to 113.0% of CDI	13,757	8,429
				17,874	**12,956**
Total money market and secured funds				**212,865**	**116,697**
Current				**163,723**	**77,416**
Noncurrent				**49,142**	**39,281**

(**) Debentures held under repurchase agreements - Sales of securities subject to a repurchase agreement undertaken by the seller, alongside the resale commitment undertaken by the buyer. These operations have immediately liquidity, yield the CDI rate and underlie the debentures issued by the bank.

6. Consumers and concessionaires

Consumer Sectors	Overdue balances (1)	Overdue by: up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days	6/30/2013	12/31/2012
Residential	19,402	17,842	6,602	3,015	385	72	47,318	38,400
Industrial	15,281	1,344	290	237	529	5,297	22,978	27,293
Commerce, services and other activities	15,832	4,046	1,289	1,006	819	1,531	24,523	27,650
Rural	1,921	969	557	469	205	62	4,183	5,584
Government:								
Federal	2,114	284	41	14	4	4	2,461	2,808
State	3,387	455	66	23	7	-	3,938	4,494
Municipal	2,417	325	47	16	5	-	2,810	3,208
Public lighting	4,363	457	160	244	386	6	5,616	7,537
Public utility	7,308	78	45	75	149	1	7,656	5,237
Subtotal - consumers	**72,025**	**25,800**	**9,097**	**5,099**	**2,489**	**6,973**	**121,483**	**122,211**
Concession operators (2)	-	-	-	-	-	5,505	5,505	32,306
Unbilled sales	24,074	-	-	-	-	-	24,074	39,167
Other	1,755	-	-	-	-	-	1,755	7,597
(-) Allowance for doubtful accounts	-	-	-	(3,149)	(1,674)	(6,630)	(11,453)	(11,190)
Total - Current	**97,854**	**25,800**	**9,097**	**1,950**	**815**	**5,848**	**141,364**	**190,091**

(1) Maturities are scheduled for the 5th working day after the bills are delivered, except for government consumers who have 10 working days to pay.

(2) Includes energy sold at the Electricity Commercialization Chamber - CCEE.

The balance of concession operators as of June 30, 2013 account includes amounts referring to the sale of energy at the Electricity Commercialization Chamber – CCEE to the amount of R$ 5,505 (R$ 32,285 as of December 31, 2012), relating to the period September 2000 through December 2013, net of the partial payments made up to June 03, 2013. These balances were determined based on calculations prepared and published by the CCEE.

The breakdown of these amounts, including the balances recorded under “suppliers payable” in the current liabilities is R$ 5,014 referring to the acquisition of electricity and system service charges at CCEE and system service charges of R$ 4,816 (R$ 11,011 as of December 31, 2012), as shown below:

Breakdown of CCEE credits	6/30/2013	12/31/2012
Outstanding balances	3,508	30,288
Overdue credits (*)	1,997	1,997
	5,505	32,285
(-) Energy acquisitions at CCEE	(5,014)	-
(-) System service charges	(4,816)	(11,011)
	(4,325)	**21,274**

(*) The Company has an allowance for doubtful accounts.

7. Credit receivables

Refers to overdue electricity bills, renegotiated with consumers through the Debt Acknowledgement Instruments, restated according to the variation of the IGPM price index. The receivables under certain operations that have been negotiated at rates other than those practiced for this set of accounts receivable have been restated to present value based on the change in the CPI rate.

As of June 30, 2013 the balances were the following:

	6/30/2013	12/31/2012
Credit receivables	111,837	114,883
Adjustment to present value	(9,900)	(10,021)
(-) Allowance for doubtful accounts (*)	(15,442)	(15,132)
	86,495	89,730
Current	48,400	47,449
Noncurrent	38,095	42,281

(*) Included in the total presented as a reduction to the current assets.

As of June 30, 2013, the maturities of receivables are scheduled as follows:

	6/30/2013
Overdue (1)	15,442
2013	37,795
2014	19,439
2015	10,193
2016	8,163
2017	4,651
2018 onwards	6,254
Total	**101,937**

(1) Overdue invoices include overdue and outstanding payments of clients in default.

8. Allowance for doubtful accounts

Changes in provisions	6/30/2013	12/31/2012
Balance - opening - current - 12/31/2012 and 12/31/2011	26,322	23,060
Provisions recorded in the period	5,230	8,683
Reversal of provisions in the period	(4,657)	(5,421)
Balance - closing - current - 6/30/2013 and 12/31/2012	**26,895**	**26,322**
Clients, consumers and concessionaires	11,453	11,190
Credit receivables	15,442	15,132

The allowance for doubtful accounts was made to an amount deemed sufficient to cover any losses incurred on the realization of loans and in accordance with ANEEL instructions, which have been summarized below:

Customers with material debts:

- Individual analysis of the trade accounts receivable by consumption sector, with little prospect of realization.

For the other cases:

- Residential consumers more than 90 days overdue
- Commercial consumers more than 180 days overdue
- Industrial, rural and government consumers, street lighting, public services and others more than 360 days overdue.
- A provision is made for outstanding and overdue receivables more than 90 days overdue.

9. Rate adjustment and review

As consideration for services rendered the concession operator is entitled to charge consumers the rates determined and ratified by the concession authority. The rates are adjusted annually and the concession operator's revenue is divided into two portions: A Portion (consisting of uncontrollable costs) and B Portion (efficient operating costs and capital costs). The annual rate adjustment aims to pass through uncontrollable costs and to monetarily restate controllable costs.

Rate review:

The periodical rate review occurs every 4 years, with the next review scheduled for August 2013. In this process ANEEL recalculated the rates according to the changes in the structure of the concession operator's costs and sales, in order to foster the efficiency and affordability of the rates. The adjustments and reviews are rate restatement mechanisms, both stipulated in the concession agreement. The concession operator may also request an extraordinary review whenever an event causes a significant economic and financial imbalance in the concession.

Rate adjustments:

On August 21, 2012 Resolution 1,338 ratified the Company's rate review in force since August 28, 2012. The effective rate impact felt by consumers was an increase of 3.46%.

10. Low income and other receivables

	6/30/2013	12/31/2012
Low income	13,888	16,409
Service orders in progress - PEE and R&D	10,887	7,379
Service orders in progress - other	1,294	1,568
Deactivation orders in progress	333	(1,641)
Advances	402	542
Other	2,373	6,121
	29,177	**30,378**

Changes in low income follow:

	6/30/2013	12/31/2012
Balance - opening - 12/31/2012 and 12/31/2011	16,409	9,888
Low-income subsidy	44,423	87,132
Eletrobrás Reimbursement	(46,944)	(80,611)
Closing balance – 6/30/2013 and 12/31/2012 - current	**13,888**	**16,409**

These credits consist of the subsidy for the low-income residential sector with monthly consumption of under 220 kWh, subject to certain requirements being met. This revenue is paid for with funds from the CDE – Energy Development Account, both administrated by Eletrobrás. Management does not expect to record any losses in the realization of the balance.

By way of ANEEL order 1711 of May 29, 2013, the Federal Government advanced CDE funds of R$ 25,058, received on June 03, 2013 and recorded under "Advance of Rural Subsidy and Irrigation" in current liabilities. This amount is being appropriated to the net income for the year in proportion to the number of months corresponding to the period May to November 2013 to pay for the CDE Subsidy for energy consumption of the sectors: Rural – Irrigation (Decrease of 67%) and the Public Service sector (Decrease of 15%) ratified by Decree 7891/2013, as follows:

	6/30/2013
CDE subsidy - rate discount	22,525
CDE pass-through received	(14,320)
Advance of pass-through ANEEL Order 1711/2013	(25,058)
Other accounts payable - non-current liabilities	**(16,853)**

11. Taxes and contributions recoverable

	6/30/2013	12/31/2012
Value Added Tax on Sales and Services - ICMS	20,980	21,921
Income Tax Withheld at Source	399	353
Corporate Income Tax - IRPJ	15,913	10,675
Social Contribution on Net Income – CSSL	687	254
PIS and COFINS contribution	26,736	29,044
Other	793	12
	65,508	**62,259**
Current	42,545	38,375
Noncurrent	22,963	23,884

12. Related-party transactions

The Company is controlled by ENERGISA S/A, (100% of the voting stock), which also holds the share control of Energisa Minas Gerais – Distribuidora de Energia S/A (EMG), Energisa Sergipe - Distribuidora de Energia S/A (ESE), Energisa Borborema - Distribuidora de Energia S/A (EBO), Energisa Nova Friburgo – Distribuidora de Energia S/A (ENF), Energisa Soluções S/A (ESO), Energisa Comercializadora Ltda (ECOM), Energisa Serviços Aéreos S/A (ESER), Energisa Planejamento e Corretagem de Seguros Ltda (EPLA), Energisa Geração Rio Grande S/A (EGR), Pequena Central Hidrelétrica Zé Tunin S/A, Energisa Geração Usina Mauricio, SPE Cristina Energia S/A, Energisa Geração Centrais Eólicas RN S/A (Holding company that holds the share control of the companies Energisa Geração Central Eólica Renascenças I, II, III, IV and Energisa Geração Central Eólica Ventos de São Miguel S/A), Energisa Bioeletricidade (Holding company that holds an 85% interest in the companies Energisa Bioeletricidade Santa Cândida I and Energisa Bioeletricidade Vista Alegre I and the entire capital of the companies Energisa Bioeletricidade Santa Cândida II and Energisa Bioeletricidade Vista Alegre II) (related parties of the Company).

Transactions conducted in the quarter by the Company:

	Energisa S.A. (a)	EBO (b)	ESER (c)	6/30/2013	6/30/2012
Outsourced services	(10,666)	-	(226)	(10,892)	(10,354)
Electricity supplied/ (purchased)	-	2,521	-	2,521	2,030
Financial expense - endorsement contract cost (d)	(2,246)	-	-	(2,246)	-

	Energisa S.A. (a)	EBO (b)	ESER (c)	4/1/2013 to 6/30/2013	4/1/2012 to 6/30/2012
Outsourced services	(5,388)	-	-	(5,388)	(5,376)
Electricity supplied/ (purchased)	-	1,238	-	1,238	1,455
Financial expense - endorsement contract cost (d)	(1,768)	-	-	(1,768)	-

				6/30/2013	12/31/2012
Balance receivable - consumers and concession operators	-	373	-	373	459
Balance of trade payables	1,686	-	-	1,686	1,676

(a) The administrative services provided by the parent company are supported by contracts that were submitted to the approval of ANEEL. The costs are benchmarked to the benchmark company model used by the ANEEL regulated department for regulatory purposes.

(b) The amounts brought in through electricity sales are supported by energy purchase and sale contracts that were submitted to the Concession Authority for approval.

(c) The services provided by Energisa Serviços Aéreos consist of aerial prospecting services.

(d) Refers to endorsement commission cost, initiated in February 2013, for the parent company's guarantees of the Company's contracts at the rate of 1.5% p.a.

Administrator Compensation

In the period the members of the Board of Directors received compensation of R$ 548 (R$ 805 as of June 30, 2012) and the Executive Board R$ 1,636 (R$ 1,242 as of June 30, 2012). In addition to this compensation, the Company provides private pension, health insurance and life insurance benefits to its directors, generating an expense of R$ 279 (R$ 293 as of June 30, 2012). The social charges on the compensation amounted to R$ 449 (R$ 316 as of June 30, 2012).

As of June 30, 2013 the highest and lowest remuneration attributed to directors for the month of June was R$ 41 and R$ 6 (R$ 37 and R$ 6 as of June 30, 2012) respectively. The average compensation as of June 30, 2013 was R$ 22 (R$ 20 as of June 30, 2012).

The AGM held April 24, 2013 ratified the overall annual compensation limit of D&O for FY 2013 at R$ 7,584 (R$ 7,149 as of December 31, 2012).

13. Tax credits, deferred taxes and current income tax and social contribution expenses

Deferred taxes derives from temporary differences recorded in accordance with CPC 32 and presented in accordance with CPC 26.

The consolidated estimated for the realization of deferred taxes can be seen below, and the earnings projections used in the recoverability study of these assets were approved by the Boards of Directors.

Deferred taxes recognized in the balance sheet:

	6/30/2013	12/31/2012 (Re-presented)
Assets		
Temporary differences:		
Income tax	87,869	84,219
Social contribution	30,201	28,585
Total noncurrent	**118,070**	**112,804**

The deferred tax credits have the following nature:

	6/30/2013		12/31/2012 (re-presented)	
	calculation basis	IRPJ + CSSL	calculation basis	IRPJ + CSSL
Assets				
Tax credits - goodwill	198,335	67,434	204,950	69,683
Provision for actuarial adjustment	80,789	27,468	78,147	26,570
Allowance for doubtful accounts - PCLD	6,300	2,142	5,727	1,947
Provisions for contingencies	31,394	10,674	31,718	10,784
Mark-to-market - derivatives	15,357	5,221	(3,803)	(1,293)
Adjustments to present value	9,176	3,120	9,297	3,161
Other	29,315	9,968	29,294	9,960
Subtotals	370,666	126,027	355,330	120,812
Liabilities				
Earnings on swap transactions	(7,140)	(2,428)	(7,783)	(2,646)
IRPJ and CSSL on the portion of the VNR of the concession accounts receivable and restatement:	(16,262)	(5,529)	(15,770)	(5,362)
Subtotals	(23,402)	(7,957)	(23,553)	(8,008)
Total net - noncurrent assets	**347,264**	**118,070**	**331,777**	**112,804**

(1) The tax benefit is being amortized over the remaining term of the concession, and according to the annual projected income, as determined by ANEEL Resolution 759 of December 12, 2006.

Tax credits were realized as follows:

Period	Realization of tax credits
2013	4,537
2014	7,936
2015	7,936
2016	7,736
2017	7,736
2018 to 2022	82,189
Total	**118,070**

The income and social contribution amounts which affected the income for the period, in addition to the offsetting of the tax credits recorded, are shown below:

	4/1/2013 to 6/30/2013	1/1/2013 to 6/30/2013	4/1/2012 to 6/30/2012	1/1/2012 to 6/30/2012
				(re-presented)
Income before tax	26,031	93,704	60,046	117,559
Combined tax bracket	34%	34%	34%	34%
Income and social contribution taxes expense, calculated at the total tax bracket	(8,851)	(31,859)	(20,416)	(39,970)
Adjustments:				
Permanent items:				
Decrease in income tax and surcharges (*)	7,445	20,702	7,283	12,817
Other permanent exclusions	2,112	2,515	949	1,189
Income and social contribution tax revenue (expenses)	**706**	**(8,642)**	**(12,184)**	**(25,964)**
Effective rate	0.00%	9.22%	20.29%	22.09%

(*) The decreases to income tax and surcharges resulting from the SUDENE Incentive in the periods ended June 30, 2013 and 2012 have been directly recorded in the income statement for the period under "current income and social contribution taxes", in accordance with Law 11638/07 and Provisional Law 449/08.

The Company has a decrease in income tax and surcharges. Approval was obtained from the Ministry of Social Integration in December 2012 for its new application for a tax incentive of 75% for the period 1/1/2012 to 12/31/2021 and the application was accepted via Decision 128 – DRF/ASJU of 5/23/2013. The aforesaid tax benefit consists of a reduction of up to 75% of the Income Tax calculated on operating profits.

14. Accounts receivable from the concession

Preliminary Law 579/2012, enacted as Law 12783/2013, confirmed the concession authority's intention to use the VNR – New Replacement Value to determine the value of credits receivable at the end of the concession as compensation for investments made and not recovered when providing the concession services.

Company Management believes that this fact changed the contractual terms of the concession regarding the means of compensating the Company for investments made in concession assets, which was recognized at historic cost until FY 2011. Since December 31, 2012 the Company has been recognizing the VNR, ratified by ANEEL, for assets comprising the concession, restated by the variance of the IGP-M price index. Financial revenue was recognized in the first half of 2013 - restatement of the concessions' accounts receivable - VNR of R$ 491.

The concession's accounts receivable are classified as available-for-sale in the non-current assets.

See below the changes occurred:

Change	
Financial asset -12/31/2012	**147,049**
Additions in the period	29,198
Write-offs in the period	(732)
Financial asset - 6/30/2013	175,515
Financial restatement of accounts receivable from the concession - VNR	491
Financial asset - restated cost - 6/30/2013	**176,006**

15. Intangible assets and PPE

	6/30/2013	12/31/2012
Concession agreements	609,463	607,566
Property, plant and equipment	10,298	9,907
Total	**619,761**	**617,473**

Concession agreements

Portion of the assets used in the electricity distribution concession to be recovered through electricity rates during the arrangement term.

Intangible assets	Opening Balance 12/31/2012	Addition	Transfers	Write-offs (*)	Amortization/ depreciation	Closing Balance 6/30/2013
Intangible assets in service						
Cost	1,065,930	-	78,744	(8,495)	-	1,136,179
Accumulated Amortization	(401,404)	-	-	5,676	(26,312)	(422,040)
Subtotal	664,526		78,744	(2,819)	(26,312)	714,139
In Progress	117,231	60,285	(81,525)	(29,370)	-	66,621
Total	**781,757**	**60,285**	**(2,781)**	**(32,189)**	**(26,312)**	**780,760**
Special Obligations						
In Service						
Cost	167,222	-	396	-	-	167,618
Accumulated Amortization	(26,062)	-	-	-	(4,057)	(30,119)
Subtotal	**141,160**		**396**		**(4,057)**	**137,499**
In Progress	33,031	1,335	(396)	(172)	-	33,798
Total Special Obligations	**174,191**	**1,335**	**-**	**(172)**	**(4,057)**	**171,297**
Total Intangible Assets	**607,566**	**58,950**	**(2,781)**	**(32,017)**	**(22,255)**	**609,463**
PROPERTY, PLANT AND EQUIPMENT						
Property, plant and equipment In service						
Cost						
Buildings and improvements	1,468	-	-	(1,246)	-	222
Machinery and equipment	8,654	-	2,416	(11)	-	11,059
Vehicles	313	-	-	-	-	313
Furniture and fixtures	12,015	-	365	(61)	-	12,319
Accumulated Depreciation and Amortization	(12,543)	-	-	40	(1,112)	(13,615)
Total PP&E in Service	**9,907**	**-**	**2,781**	**(1,278)**	**(1,112)**	**10,298**
Grand Total	**617,473**	**58,950**	**-**	**(33,295)**	**23,367**	**619,761**

(*) This total includes R$ 29,198 of intangible assets in progress, net of the respective special obligation in progress, transferred from the concession's accounts receivable, as from entry into service.

The assets used by the Company in its operations are tied to public energy distribution services, and may not be removed, sold, transferred or pledged under mortgage guarantee without the prior, express consent of the Regulatory Authority. ANEEL Resolution 20/99 regulates the freeing up of the public electricity service concessions' infrastructure, awarding preliminary authorization for the release for the purpose of disposal. It also determines the proceedings of the disposal be deposited into a specific bank account and the funds reinvested into the concession's assets.

The amortization is being conducted over the arrangement term based on the economic benefits generated annually. The average weighted amortization rate used is 3.70% as of June 30, 2013.

The balance of intangible assets and accounts receivable from the concession is reduced by obligations linked to the concession, consisting of:

Obligations linked to the concession:	6/30/2013	12/31/2012
Consumer contributions	66,373	65,037
Government Subsidy – CDE funds	157,175	157,175
State Government Subsidy	13,615	10,261
(-) Accumulated amortization	(30,119)	(26,062)
Total	**207,044**	**206,411**
Allocation:		
Accounts receivable from the concession	35,747	32,220
Infrastructure - Intangible assets in service	137,499	141,160
Infrastructure - Intangible assets in progress	33,798	33,031
Total	**207,044**	**206,411**

Consumer contributions represent third-party participation in construction work to supply electricity to areas not embraced by the electricity concessionaires' expansion projects.

Government subsidies – CDE funds and Government subsidies derive from the Energy Development Account - CDE and are allocated to the Light for All program.

The Company began amortizing the obligations linked to the concession (special obligations) after the second periodical rate review, at the average asset amortization rate. The Company began amortizing its special obligations in August 2009.

16. Suppliers payable

	6/30/2013	12/31/2012
Supplies:		
CCEE (1)	5,014	-
Bilateral Contracts (1)	45,117	62,562
Use of the high-voltage national grid (1)	2,885	6,473
Connection to the grid (1)	305	286
Use of the distribution/transmission system (1)	5,194	11,883
Materials, services and other (2)	21,282	30,533
Total	**79,797**	**111,737**
Current	77,151	109,165
Noncurrent	2,646	2,572

1. The acquisition of electricity from generators, use of the high-voltage grid and use of the distribution system, with an average settlement of 25 days.
2. Acquisitions of materials, services and other items required to implement, conserve and maintain the electricity sale and distribution services, with an average settlement of 40 days.

17. Loans, financing and debt charges

Operations	Debt charges	Principal Current	Principal Noncurrent	Total 6/30/2013	Total 12/31/2012	Re.
Local currency						
Credit Receivables Investment Fund - Energisa Group III (*)	373	-	61,000	61,373	61,339	
Eletrobrás - Light for All – 1st tranche	29	337	934	1,300	1,493	
Eletrobrás - Light for All – 2nd tranche	72	510	2,221	2,803	3,086	
Eletrobrás - Light for All – 3rd tranche	67	616	1,881	2,564	2,769	
Eletrobrás - Light for All – 4th tranche	58	444	2,090	2,592	2,769	
Eletrobrás - Light for All – 5th tranche	86	379	3,104	3,569	3,785	
Eletrobrás - Light for All – 6th tranche	9	408	3,238	3,655	3,848	
Eletrobrás- Subtransmission	8	7,926	9,121	17,055	20,204	
Eletrobrás - Rural Electrification I	-	4	-	4	11	
Eletrobrás - Rural Electrification II	-	8	5	13	19	
Eletrobrás - Rural Electrification III	-	6	4	10	14	
Eletrobrás – Return of LPT	-	4,380	-	4,380	7,096	
Banco do Nordeste - Investment Financing 2005-2006 (FNE)	52	6,625	1,950	8,627	11,014	
Banco do Nordeste - Investment Financing 2007-2008 (FNE)	40	9,294	28,474	37,808	43,335	
Banco do Nordeste - Investment Financing 2008-2009 (FNE)	370	11,435	44,207	56,012	55,817	
Banco do Nordeste - Investment Financing 2007-2008 (FAT)	2	2,431	7,282	9,715	10,930	
Banco do Nordeste – BNDES pass-through I	12	23	13,204	13,239	-	
Banco do Nordeste – BNDES pass-through II	1	1	637	639	-	
Banco do Nordeste – BNDES pass-through III	22	38	21,613	21,673	-	
Banco do Nordeste – BNDES pass-through IV	1	1	637	639	-	
Banco Itaú BBA - FINAME	49	1,643	16,121	17,813	10,702	
Total local currency	**1,251**	**46,509**	**217,723**	**265,483**	**238,231**	
(-) Borrowing costs incurred	(97)	(242)	(1,555)	(1,894)	(2,062)	
Foreign currency						
NOTES UNITS	6,581	127,758	-	134,339	124,059	(1) and (2)
Banco Itau BBA	1,532	-	170,994	172,526	35,085	(2)
Citibank	64	-	88,624	88,688	81,908	(2)
Total foreign currency	**8,177**	**127,758**	**259,618**	**395,553**	**241,052**	
(-) Borrowing costs incurred	-	(54)	-	(54)	(381)	
Total	**9,331**	**173,971**	**475,786**	**659,088**	**476,840**	

(*) To guarantee payment of the short-term portions, the Company maintains interest-earning bank deposits to the amount of R$ 35,385 (R$ 32,716 as of December 31, 2012), recorded under "Money market and secured funds" in the current assets.

(1) The NOTES UNITS contract has covenants which in general require the maintenance of certain financial indexes at certain levels. Failure to maintain these indices could result in early maturity of the debts. These requirements were being performed as of June 30, 2013. This contract is subject to a currency swap and a financial derivative instrument. See subsequent settlement in note 30.

(2) The financing contracts from Banco Itaú BBA and Citibank are subject to a currency swap and financial derivative instruments (see note 25).

The financing obtained from Finame is secured by the actual equipment financed.

The Company usually allocates the payment of interest on financing to the cash flow statement.

Contractual covenants of the loans and financing as of June 30, 2013:

		Details of the Operation			Cost of the Debt				
Operation	Maturity	Amortization Frequency	Collateral	Average Term months	Index	Interest Rate % p.a.		TIR (Effective interest rate)	Ref
Credit Receivables Investment Fund - Energisa Group III	Dec-2020	monthly, after Dec.2017	Receivables	72	CDI	+	0.7%	0.83%	
Eletrobrás - Light for All – 1st tranche	Nov-2016	monthly	Receivables	21	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 2nd tranche	Apr-2018	monthly	Receivables	29	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 3rd tranche	Aug-2019	monthly	Receivables	33	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 4th tranche	Nov-2020	monthly	Receivables	42	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 5th tranche	Aug-2021	monthly	Receivables	48	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 6th tranche	Oct-2022	monthly	Receivables	53	RGR	+	5.0%	5.0%	
Eletrobrás-Subtransmission	Mar-2016	monthly	Receivables	15	RGR	+	5.0%	5.0%	
Eletrobrás - Rural Electrification I	Nov-2013	quarterly	-	3	RGR	+	8.0%	8.0%	
Eletrobrás - Rural Electrification II	Nov-2014	quarterly	-	9	RGR	+	8.0%	8.0%	
Eletrobrás - Rural Electrification III	Nov-2014	quarterly	-	9	RGR	+	8.0%	8.0%	
Eletrobrás – Return of LPT	Sep-2013	monthly	Receivables	4	Accrued Selic				
Banco do Nordeste - Investment Financing 2005-2006 (FNE)	Nov-2014	monthly	Receivables + Reserve Fund	8	Fixed 7.7%			7.7%	(2)
Banco do Nordeste - Investment Financing 2007-2008 (FNE)	Jun-2017	monthly	Receivables + Reserve Fund	25	Fixed 7.8%			8.0%	(2)
Banco do Nordeste - Investment Financing 2008-2009 (FNE)	Jun-2019	monthly	Receivables + Reserve Fund	35	Fixed 8.1%			8.1%	(2)
Banco do Nordeste - Investment Financing 2007-2008 (FAT)	Jun-2017	monthly	Receivables + Reserve Fund	24	TJLP	+	4.0%	4.2%	
Banco do Nordeste – BNDES pass-through I	Jan-2019	monthly	Endorsement of Energisa S.A.	40	TJLP	+	3.4%	3.4%	
Banco do Nordeste – BNDES pass-through II	Jan-2019	monthly	Endorsement of Energisa S.A.	40	TJLP	+	3.4%	3.4%	
Banco do Nordeste – BNDES pass-through III	Jan-2019	monthly	Endorsement of Energisa S.A.	40	TJLP	+	4.4%	4.4%	
Banco do Nordeste – BNDES pass-through IV	Jan-2019	monthly	Endorsement of Energisa S.A.	40	TJLP	+	4.4%	4.4%	
Banco Itaú BBA - FINAME	until Feb-2021	Monthly	Endorsement of Energisa S.A.	57	pre-fixed 2.5% to 5.5%			2.5% to 5.5%	
NOTES UNITS	Jul-2013	final	-	1	US dollar	+	10.5%	10.94%	(1)
Banco Itaú BBA	Aug-2015	Final	Endorsement of Energisa S.A	52	US dollar	+	3.2466	3.2466	
Citibank	Sep-2017	Annual after Sep.2016	Endorsement of Energisa S.A	45	Libor + 1.8987				

(1) – With Swap.

(2) - Includes a 25% and 15% bonus on interest for performance, for investments in and out of the semi-arid region respectively.

As of June 30, 2013, the maturities of the long-term financing are scheduled as follows:

	6/30/2013
2014	21,237
2015	75,760
2016	78,660
2017	137,887
2018	107,370
2018 onwards	54,872
Total	**475,786**

The borrowing costs of the financing to be amortized over subsequent periods is as follows:

Contracts	2014	2015	2015 onwards	6/30/2013
Credit Receivables Investment Fund - Energisa Group III (*)	-	-	622	622
Banco do Nordeste - Investment Financing 2007-2008 (FNE)	55	110	165	330
Banco do Nordeste - Investment Financing 2007-2008 (FAT)	14	28	41	83
Banco do Nordeste - Investment Financing 2008-2009 (FNE)	52	104	364	520
	121	**242**	**1,192**	**1,555**

18. Debentures (nonconvertible)

Main features of the debentures:

	1st Issuance
Issue type	Public
Issue date	12/15/2009
Maturity date	12/15/2014
Guarantee	Ordinary
Yields	CDI + 1.9% p.a.
TIR (effective interest rate)	CDI + 1.06% p.a.
Number of securities	80,000
Value at issue	80,000
Securities in circulation	80,000
Interest grace period	6 months
Amortizations/installments	Final
Balances - 06/30/2013 (*)	**79,817**
Current	-
Noncurrent	79,817
Balances - 12/31/2012 (*)	**64,448**
Current	136
Noncurrent	64,312

(*) R$ 424 (R$ 473 as of December 31, 2012) deducted as borrowing costs incurred during the contracting.

The debentures have covenants which in general require the maintenance of certain financial indexes at certain levels. Failure to maintain these levels could result in early maturity of the debts. These covenants were being performed as of June 30, 2013.

The balances of debentures of R$ 79,817 is scheduled for maturity in 2014.

As of June 30, 2013 the maturities of the debentures are scheduled as follows:

64,745 of the total 80,000 debentures of Energisa Paraíba's 1st debentures issuance were renegotiated on 12/15/2012 and 15,255 debentures were bought back by the Company due to the sale right held by the debenture holders for the amount of R$ 15,255.

By way of the online auction organized and disclosed by CETIP S.A – Mercados Organizados, on June 20, 2013 part of the previously redeemed debentures were re-placed (15,255 debentures of the 1st issuance for R$ 15,274); Debentures with a nominal unit value of one thousand reais were re-placed at the unit price (PU), plus the yield equal to the CDI rate plus 1% per annum). The debentures were held in the treasury because of the failure to reach an agreement by part of the respective issuance's creditors on December 17, 2012.

19. Taxes and Payroll Contributions

	6/30/2013	12/31/2012
ICMS	21,071	22,064
Social Charges	1,819	1,904
IRPJ	15,016	10,911
CSSL	8,236	6,963
PIS / COFINS	14,553	19,398
IRRF	775	1,056
Other	856	1,980
Total	**62,326**	**64,276**
Current	45,032	50,235
Noncurrent	17,294	14,041

20. Provisions for labor, civil and tax risks

Based on the opinion of its legal advisors, Company Management made a provision for labor, civil and tax risks, as shown below:

	Opening balance 12/31/2012	Provisions made	Reversal of provisions	Restatement	Closing balance 6/30/2013
Labor claims	9,225	721	(1,804)	306	8,448
Civil	22,799	4,507	(4,379)	807	23,734
Tax	4,996	-	(644)	163	4,515
Total	**37,020**	**5,228**	**(6,827)**	**1,276**	**36,697**
Restricted and escrow deposits (*)	(8,356)				(8,914)

(*) Energisa PB has restricted and escrow deposits in its noncurrent assets of R$ 25,278 (R$ 25,686 as of December 31, 2012). Provisions for risks have not been made for R$ 16,364 (R$ 17,330 as of December 31, 2012) as the chances of success are rated as possible or probable.

The amount of R$ 3,053 was paid in the period ended June 30, 2013, consisting of labor claim awards of R$ 1,197 and civil claim awards of R$ 1,856.

Probable losses:

Labor claims

Most of these lawsuits involve claims for overtime, salary parity, FGTS (Government Severance Indemnity Fund for Employees) and contractual/legal fees.

Civil

The civil proceedings are mainly disputing indemnification for moral and material damages and consumer complaints involving energy debits. Lawsuits have also been filed by consumers claiming reimbursement of amounts paid to the Company resulting from rate increases introduced under DNAEE Ordinances 38 and 45 applied during the term of the Cruzado Plan in 1986. A provision has been made for the amount of the rate increase of R$ 813.

Tax

Refers to disputes involving the Cofins, PIS, INSS, ISS, ICMS and CSLL taxes. The requirement to pay the liabilities has been stayed under the proceedings, either because the administrative proceedings are in progress or because the tax enforcements in progress have been duly guaranteed.

Management holds all the other provisions made are sufficient to cover any losses arising from the proceedings in progress. Based on the opinion of said legal advisors, provisions have been made for all legal proceedings for which the likelihood of a future disbursement has been rated as probable.

Possible losses:

The Company is party to labor, civil and tax claims in progress amounting to a total of R$ 234,559 (R$ 225,645 as of December 31, 2012), where the chance of success has been estimated by the legal advisors as possible, meaning no provision was required.

See below the comments of our legal advisers regarding cases rated as a possible risk:

Labor claims

Labor claim seeking joint liability for third-party debits amounting to R$ 11,978 (R$ 6,897 as of December 31, 2012).

Civil

These proceedings amount to R$ 54,082 (R$ 58,667 as of December 31, 2012) and are mainly claiming indemnification for alleged differences to be returned resulting from the CVA calculation, return of emergency charges, receivables allegedly due to the privatization of the company and consumer complaints (demand for supply irregularity and disconnection).

Tax

These proceedings amount to R$ 168,499 (R$ 160,081 as of December 31, 2012) claiming reductions to the IRPJ and CSSL calculation base - amortization of the goodwill acquired, ICMS differences paid on contracted demand, FGTS differences and the ground usage fee.

21. Shareholders' equity

21.1 Capital

The share capital as of June 30, 2013 is R$ 425,805 (R$ 386,516 as of December 31, 2012), represented by 918,160 (919,467 as of December 31, 2012) registered common shares with no par value.

The Extraordinary General Meeting held April 24, 2013 approved: (i) to increase the Company's capital by R$ 39,289 without new shares being issued, via capitalization of the balance of the profits reserve - Tax Incentive - Income Tax Decrease, resulting in a share capital of R$ 425,805 (ii) cancellation of 422 common shares and 356 class "A" preferred shares held in the treasury for R$ 538, to be absorbed by the capital reserve - remuneration reserve for property, plant and equipment in progress. and (iii) conversion of all preferred nominative shares of the Company into common nominative shares, at the rate of one to one, with the aforesaid capital now consisting of 918,160 common nominative shares with no par value.

Irrespective of amendments to the bylaws, the share capital may be increased up to a maximum of 6,000,000,000 shares, consisting of up to 4,092,176,000 common shares and up to 1,907,824,000 preferred shares.

21.2 Dividends

Dividends were paid out in January 2013 of R$ 35,391 (R$ 51.69 per share) approved at the board meeting held December 20, 2012.

The Annual General Meeting held April 24, 2013 resolved the payment of additional dividends for FY 2012 of R$ 9,480, equal to R$ 10.323876208 per common share, to be paid in 2 (two) installments until the last working day of June and September 2013, which may be brought forward by Company management.

On June 13, 2013 the Board of Directors approved the payment of interim dividends from the earnings for the first half of this year, amounting to R$ 42,152 (R$ 45.9086 per common and preferred share), to be paid from June 17, 2013 onwards.

The Company usually allocates dividend receipts from investments to the cash flow statement.

22. Operating revenue

	6/30/2013				6/30/2012			
	Not reviewed by the independent auditors		4/1/2013 to 6/30/2013	1/1/2013 to 6/30/2013	Not reviewed by the independent auditors		4/1/2012 to 6/30/2012	1/1/2012 to 6/30/2012
	No. of consumers	MWh	R$	R$	No. of consumers	MWh	R$	R$
Residential	1,016,021	740,185	164,215	338,649	982,164	661,035	159,762	320,773
Industrial	4,550	257,109	35,444	73,669	4,594	306,636	52,022	100,805
Commercial	90,508	326,244	70,108	144,256	88,715	303,875	74,571	149,287
Rural	113,239	139,263	17,083	39,709	107,496	129,925	13,817	26,980
Government:								
Federal	586	28,285	10,230	20,584	570	24,970	11,053	21,265
State	3,071	38,547	8,119	16,334	2,984	34,030	8,767	16,869
Municipal	11,356	48,552	5,384	10,835	11,035	42,861	5,817	11,193
Public Lighting	647	110,952	13,016	26,662	633	109,199	15,115	29,924
Public Utility	1,015	111,037	12,686	26,390	1,055	105,008	12,980	25,526
Internal Use	144	2,255	-	-	136	2,118	-	-
Subtotal	**1,241,137**	**1,802,429**	**336,285**	**697,088**	**1,199,382**	**1,719,657**	**353,904**	**702,622**
Remuneration of accounts receivable from the concession	-	-	3,834	7,530	-	-	1,046	1,829
Electricity sales to distributors	-	6,591	1,957	(3,515)	-	1,693	1	19
Sales not invoiced (net)	-	(32,298)	(2,490)	(15,092)	-	4,352	113	(6,388)
Provision of the transmission and distribution system	20	-	13,063	26,521	19	-	14,920	29,326
Construction revenue - assets	-	-	31,063	54,461	-	-	30,070	61,709
Other operating revenue	-	-	2,433	5,077	-	-	2,209	4,033
Total - gross operating revenue	**1,241,157**	**1,776,722**	**386,145**	**772,070**	**1,199,401**	**1,725,702**	**402,263**	**793,150**
Deductions from operating revenue								
ICMS	-	-	75,192	149,607	-	-	73,847	144,672
PIS	-	-	5,836	11,876	-	-	6,141	12,068
COFINS	-	-	26,899	54,703	-	-	28,287	55,589
ISS	-	-	43	248	-	-	36	264
RGR Quota	-	-	-	(1,774)	-	-	4,290	7,362
Energy Efficiency Program - PEE	-	-	1,220	2,473	-	-	1,172	2,306
Energy Development Account - CDE	-	-	619	1,237	-	-	2,158	4,316
Energy Development Account - CCC	-	-	-	2,113	-	-	11,555	23,111
Research and Development Program – P&D	-	-	467	2,472	-	-	1,877	3,690
Total – deductions from operating revenue	-	-	110,276	222,955	-	-	129,363	253,378
Total - net operating revenue	**1,241,157**	**1,776,722**	**275,869**	**549,115**	**1,199,401**	**1,725,702**	**272,900**	**539,772**

23. Cost of electricity purchase resale and system service charges

Under Decree 7945/2013, ANEEL will publish every month the CDE funds to be passed through by Eletrobrás to the Electricity Trading Chamber to cover the electricity acquisition and system service charges - ESS as a result of energy security, the hydrological risk and involuntary exposure in the spot market. By way of SRE/ANEEL Notices 954 issued April 02, 2013, 1312 issued April 30, 2013, 1756 issued June 04, 2013 and 2095 issued July 04, 2013, ANEEL has ratified the amount of R$ 50,494 for the months of January to April 2013, which were subject to PIS and COFINS charges.

The amounts were recorded as a reduction to the purchased energy costs and system service charges, in accordance with Aneel Notice 1135 issued April 17, 2013.

24. Insurance coverage

The Company has the policy of taking out insurance coverage for the assets subject to risk to cover any incidents, considering the nature of its activity. The Company's insurance contracts are made in accordance with the risk management and insurance fundamentals generally employed by electricity distribution companies. Given their nature, the risk assumptions adopted do not comprise the scope of a financial statements review, and were not therefore reviewed by our independent auditors.

The civil liability and named risk policies are taken out in conjunction with the other Energisa Group companies and the maximum indemnification amounts are stated in the insurance coverage.

The main items covered are:

Lines	Maturity Date	Insurance Coverage	Annual Premium 6/30/2013 and 12/31/2012
Nominated Risks	10/23/2013	23,000	400
General Civil Liability	10/23/2013	44,572	251
Automobiles – Third-party material and personal damages	10/23/2013	Up to R$ 200 k / vehicle	184
Collective life insurance – Personal Death and Accidents	12/31/2013	74,986	346
			1,181

Nominated Risks

The insurance policy included the substations, buildings and equipment and the respective insured values and the indemnification limits. It has basic coverage including fire, lightning strike and explosions of any nature, electrical damages, hurricanes, aircraft crash, collision by air or ground vehicle, commotion, other risks, portable equipment, flooding/water damage, minor engineering work, extraordinary expenses, inclusion / exclusion of assets and sites, mistakes and omissions.

Civil Liability

The insurance policy covers moral hazard, material and personal damages to third parties resulting from the Company's operations.

Vehicles

The Company has insurance coverage for RCF/V – Optional/Vehicle Civil Liability, guaranteeing coverage of personal and/or material damages incurred by third parties involved in accidents.

Collective Life Insurance and Personal Accidents

Guarantees insurance coverage for its employees in the event of death by any cause, full or partial permanent disability due to accidents and permanent and/or total disability due to illness.

25. Financial instruments and risk management

The book and fair values of the principal financial instrument assets and liabilities have been compared below:

ASSETS	6/30/2013		12/31/2012	
	Book	Fair value	Book	Fair value
Cash and cash equivalents	128,268	128,268	67,646	67,646
Money market and secured funds	212,865	212,865	116,697	116,697
Consumers and concessionaires	141,364	141,364	190,091	190,091
Credit receivables	86,495	86,495	89,730	89,730
Accounts receivable from the concession	176,006	176,006	147,049	147,049

LIABILITIES	6/30/2013		12/31/2012	
	Book	Fair value	Book	Fair value
Suppliers payable	(79,797)	(79,797)	(111,737)	(111,737)
Loans, financing, debentures and debt charges	(738,905)	(738,771)	(541,288)	(554,640)

In compliance with CVM Instruction 475/2008 and Resolution 604/2009, the description of the book balances and the fair values of the financial instruments included in the balance sheet at June 30, 2013 and December 31, 2012 are shown below:

Nonderivatives - classification and measurement

Loans and receivables:

Includes consumers and concession operators, outstanding receivables, other receivables and accounts receivable of the concession. They are initially measured at amortized cost using the effective interest rate, and their balances are approximated to fair value.

Money market and secured funds:

The balances of short-term investments in Bank Deposit Certificates and investment funds are valued at fair value through profit and loss, except when held to maturity.

Financial liabilities measured at amortized cost:

Suppliers payable - stated at the known amounts or estimated, plus, when applicable, the corresponding charges and/or monetary and exchange variations incurred up to the balance sheet date, where the book value approximates fair value.

Loans, financing, debt charges and debentures

Loans, financing, debt charges and debentures - These financial instruments are classified as financial liabilities at amortized cost. The book values of the local-currency loans and financing related to the energy and construction project of Small Hydroelectric Power Stations (SHPs) and Wind Farms obtained from Eletrobrás, BNB, BNDES, BDMG Finep and loans from commercial banks, are compatible with the value of the transactions, as similar transactions are not available on the financial market, with comparable maturities and interest rates. The fair value of the financial liabilities traded in active markets is determined based on the prices observed in said markets (source: CETIP), as is the case of the 1st debentures issuance (EPB).For financial instruments with no active market, i.e. the Bonds, the Company determined the fair value as the equivalent of the instrument's carrying amount.

Derivatives

Note that the estimated fair values of the financial assets and liabilities were determined through information available in the market and appropriate valuation methodologies. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate fair value. Consequently, the estimates used and presented below do not necessarily indicate the values that could be realized in the current exchange market.

The Company has the policy of managing market risks, thereby avoiding assuming material positions exposed to fair value fluctuations. They therefore only seek to use instruments which provide greater risk control. The derivative contracts involve swap operations and options with interest and exchange rates for hedge transactions against adverse exchange variance in their US dollar denominated debt.

The hedge transactions against adverse exchange variance require constant monitoring in order to preserve the efficiency of their structures. The transactions in force are subject to restructuring at any time and can be reversed or subject to additional transactions in order to reduce potential material losses.

- **Uncertainty**

The amounts were estimated at the reporting date based on information available in the market and appropriate appraisal techniques. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate fair value. Consequently, the estimates used and presented below do not necessarily indicate the values that could be realized in the current exchange market.

- **Financial risk management**

The Board of Directors is generally responsible for establishing and supervising the risk management model of the Company. It has therefore implemented operating limits with pre-established amounts and indicators in the "Financial Risk Management policy" (available on the Company's site) and in the internal regulations of the Company's Executive Board. The Executive Board issues a monthly report on budgetary performance and risk factors involving the Company.

The Company's risk management policy was established to detect, analyze and monitor risks encountered, in order to establish limits and check compliance with them. Risk management policies and systems are reviewed regularly in order to evaluate changes in market conditions and the Company's activities.

The "Financial Market Risk Management Policy" was introduced on May 11, 2009 and was revised for the last time on December 20, 2012; this policy can be viewed on the Company's website.

The Company has been using the services of a specialized, independent company in cash and debt risk management, which means that the main macroeconomic indicators and their impact on results are monitored on a daily basis, in particular derivative transactions. This allows contracting and repositioning strategies to be devised, pursuing low risk and higher financial income.

a) Liquidity risk

By way of the projected cash flow, Management schedules its obligations to generate financial liabilities to the flow of receipts or sources of financing in order to ensure the greatest possible liquidity so as to honor its obligations, thereby avoiding default which hinders the operational progress of the Company.

The financial liabilities, including estimated interest payments, are as follows. Significant changes in the analyzed cash flows are not expected.

Average effective weighted interest rate (%) months	Up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
Suppliers payable	(77,151)	-	-	-	(2,646)	(79,797)
Loans, financing, debt charges and debentures 9.36%	(179,448)	(39,653)	(269,396)	(269,887)	(124,591)	(882,975)
Total	**(256,599)**	**(39,653)**	**(269,396)**	**(269,887)**	**(127,237)**	**(962,772)**

b) Credit risk

Management believes the risks posed by its short-term investments are minimal, as there is no concentration and the risk policy complies with the "Financial Risk Management policy". The policy also gives priority to allocating the funds to short-term investments, with daily liquidity, whenever possible. It is also overseen by the Audit Committee of the Board of Directors, created in the first quarter of 2010.

The Company's credit risk is posed by accounts receivable, which however is mitigated by sales to a broad consumer base and legal prerogatives which allow the provision of services to defaulting clients to be suspended. Part of the receivables referring to sales, energy acquisition and system service charges, incurred at CCEE, are also subject to change depending on the outcome of legal proceedings in progress, filed by a number of companies in the sector. These proceedings have resulted from the interpretation of market rules in force between June 2001 and February 2002, during which the Emergency Electricity Rationing Program was in force.

Exposure to credit risks

The book value of the financial assets denotes the maximum credit exposure. The maximum exposure to the credit risk at the interim reporting date was:

	6/30/2013	12/31/2012
Cash and cash equivalents	128,268	67,646
Money market and secured funds	212,865	116,697
Consumers and concessionaires	141,364	190,091
Credit receivables	86,495	89,730
Accounts receivable from the concession	176,006	147,049

Further information about these credits can be seen in notes 5, 6, 7 and 14.

c) Interest and exchange rate risk

Part of the local-currency loans and financing presented in note 17 consist of financing from several national development agencies (Eletrobrás, BNDES and BNB) and other institutions in the capital market.

The interest rate is defined by these Agents, taking into account the underlying interest rate, the risk premium compatible with the financed companies, their guarantees and the sector they are engaged in. In the event it is not possible to acquire alternatives or different market hypotheses and/or methods for their estimates, in view of the subsidiaries' business and sector specifics, these are measured by the amortized cost method at the contractual rates.

The Company is always looking for opportunities to renew these hedge instruments, and is therefore seeking to structure instruments which will ensure the continuity of these existing hedge mechanisms, and may adopt other mechanisms which prudently balance risk and cost.

The Company's earnings are is susceptible to variations due to the volatility of the currency coupon and the exchange rate on the sale of options underlying swaps of liabilities denominated in foreign currencies, mainly the US dollar. The US dollar exchange rate closed the period ended June 30, 2013 up by 8.8% over December 31, 2012, quoted at R$ 2.2317 / USD. The volatility of the US dollar as of June 30, 2013 was 13.76%, compared with 6.00% as of December 31, 2012.

R$ 395,553 (R$ 240,671 as of December 31, 2012) of Energisa Paraíba's bank debts and issuances of R$ 741,278 (R$ 541,288 as of December 31, 2012) as of June 30, 2013 is denominated in US dollars (i) deriving from the international Notes Units issuance, with an outstanding principal balance at the end of the year of USD 60.7 million (principal of USD 57.7 million), including interest; (ii) USD 77.2 million of the loan from Banco Itaú BBA (principal of USD 77.2 million), with a balance at the end of the year of R$ 172.5 million, including interest. (iii) USD 40.1 million of the loan from Citibank (principal of USD 40.0 million), with a balance at the end of the year of R$ 88.7 million, including interest.

The Notes Units mature on July 19, 2013 and pay interest of USD + 10.5% per annum. The loans have a long term maturity (all mature in 2018) and costs of up to USD plus 4.33% per annum.

The balance sheet as of June 30, 2013 presents R$ 11,484 in the noncurrent assets and R$ 8,009 (R$ 6,212 as of December 31, 2012) referring to the mark-to-market of the financial derivatives related to the foreign exchange rate and interest, resulting from a combination of factors usually adopted for the mark-to-market of these instruments, such as volatility, currency coupon, interest rates and the US dollar exchange rate. This is not a material liability, because the reversal value of derivatives at the calculation date is estimated, which does not correspond to the hedge objective expected by management. The mark-to-market entries made in the financial statements are reversed when the caps established for the existing operations are not exceeded, as shown below. Moreover, further deterioration of the volatility, the currency coupon and the f/x rate could result in the amounts recorded increasing.

Energisa PB has hedged the aforementioned positions against adverse exchange variance, as mentioned earlier. See the details below:

1. Hedge for the principal of USD 57.7 million and interest of USD 3 million through a series of currency swaps with exchange-rate cap of R$/USD 2.580 (Jul-2013) until 7/19/2013, referring to the international Notes Units issuance. The operation involves a swap of the cost of USD + 10.5% p.a. for 131.50% of the CDI variance, hedging semi-annual interest payments scheduled up to 07/19/2013 and the value of the principal at the latter date.

2. Hedge for the principal and interest of USD 17.2 million on a loan from Banco Itaú BBA through a series of currency swaps with exchange-rate cap of R$/USD 2.85 until 8/17/2015, relating to the loan from Banco Itaú BBA. The operation involves a swap of the cost of USD + 4.33% p.a. for 100% of the CDI variance, hedging semi-annual interest payments scheduled up to 8/17/2015 and the value of the principal at the latter date.

3. Hedge for the principal of USD 40.1 million of principal and interest on a loan from Citibank through a series of currency swaps with exchange-rate caps of between R$ / USD 3.0185 (Sep-2016) and R$ /USD 3.1975 (Sep-2017) through 9/21/2017 for the loan from Citibank. The operation involves a swap of the cost of USD plus (LIBOR plus 1.90% per annum) for 101% of the CDI variance, hedging semi-annual interest payments scheduled for up to 9/21/2017 and the value of the principal at the latter date.

4. Hedge for the principal and interest of USD 60.3 million of the loan taken out from Banco Itaú BBA via a currency swap with exchange-rate caps of R$ /USD 3.11 (Apr-17) and R$/USD 3.30 (Dec-15) until 4/17/2018, in order to hedge the loan against adverse exchange variance, thereby conducting a swap of the cost of USD plus 4.105% for 108.95% of the CDI variance, hedging interest payments scheduled up to 4/17/2018 and the value of the principal until its amortization.

   In the period the foreign exchange hedges yielded a loss of R$ 19,160 (gain of R$ 1,932 as of June 30, 2012), due to a change in the US dollar.

   Company Management monitors changes in the market, so that these hedge transactions may be restructured depending on the performance of the exchange rate (R$/USD), in terms of volatility and stabilization level. Company management sought to replace complex derivatives with simpler structures and greater liquidity, with a view to lower risk exposure.

In accordance with CVM Resolution 603/09, the values of the Company's financial derivatives as of June 30, 2013 and December 31, 2012 have been summarized as follows:

	Reference Value			Fair Value		Accumulated effect	
	6/30/2013	12/31/2012	Description	6/30/2013	12/31/2012	Receivable / (Received)	Payable / (paid)
	Notional (BRL)		Receivable Position			-	-
			Foreign currency - USD	134,128	129,543		
Swap with options - Bond	83,732	88,174	Liability Position			-	-
			CDI Interest Rate	(122,643)	(124,767)	-	-
			Foreign Currency Options (USD)	(0)	(11)	-	-
			Total Swap Position with Options	11,484	4,765	125	-
			Receivable Position				
	154,138	34,138	Foreign currency - USD	182,417	37,450		
Swap with Options – Itaú BBA			Liability Position				
			CDI Interest Rate	(160,897)	(35,008)		
			Foreign Currency Options (USD)	(16,026)	(744)		
			Total Swap Position with Options	5,494	1,698	-	(432)
			Receivable Position				
	80,960	80,960	Foreign Currency - USD Libor	92,369	84,920		
Swap with Options - Citibank			Liability Position		-	-	
			CDI Interest Rate	(81,345)	(81,306)	-	
			Foreign Currency Options (USD)	(8,509)	(3,865)	-	
			Total Swap Position with Options	2,514	(251)	-	(2,497)

The Fair Value of the derivatives as of June 30, 2013 as of December 31, 2012 was calculated based on the market price quotes for similar contracts. Their variance is directly associated with the variance of the debt balances listed in the note 17 and the positive performance of the hedge mechanisms used, as described above. These contracts do not stipulate interim payments before their maturity date. The Company does not intend to settle these contracts before maturity. It also has different expectations for the results presented as Fair Value – as shown below. To ensure perfect management, daily monitoring is conducted in order to keep risk to a minimum and obtain better financial results.

The mark-to-market (MtM) of Energisa PB's operations was calculated by an accepted method generally used by the market. The method basically consists of calculating the future value of the operations agreed in each contract, discounting the present value at market rates. A variant of the Black & Scholes formula is used to calculate the MtM of options. This formula is normally used to calculate the premium on currency options. The data used in these calculations was obtained from reliable sources. The market rates, such as the fixed rate and dollar coupon, were obtained directly from the BM&F site (Market Rates for Swaps). The Ptax exchange rate was obtained from the Central Bank's site. The implicit dollar volatility for options was obtained from other market sources.

Sensitivity Analysis

Pursuant to CVM Instruction 475/08 and Resolution 604/2009, which displaced Resolution 566/2008, the Company conducted sensitivity analyses on the main risks to which the financial instruments and derivatives are exposed, as shown:

a) Exchange variance

If the exchange exposure as of June 30, 2013 were maintained, and the effects on the future financial statements simulated by type of financial instrument and for three different scenarios, the following results would be obtained (restated as for the interim reporting date):

Operation	Exposure	Risk	Scenario I (Probable) (*)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Financial instruments - Bond and Swap with Itaú and Citibank Options		Increase in USD	51,009	(28,436)	(107,880)
Receivable position - Foreign Currency - USD	408,914		352,529	440,661	528,793
Payable Position - CDI Interest Rate	(364,886)		(364,886)	(364,886)	(364,886)
Foreign Currency Options - USD	(24,535)		-	(8,762)	(76,034)
Subtotal	**19,493**		**(12,357)**	**67,013**	**87,873**
Net	19,493		38,652	38,577	(20,007)

(*) Considers the macroeconomic scenario presented by the Focus Survey as of June 30, 2013 for the future dates until the final settlement of the operations.

In the "Probable Scenario", calculated based on the net analysis of the above operations until the maturity thereof, adjusted to present value by the fixed rate in Brazilian reais as of June 30, 2013, the derivatives are effective, which is reflected in the positive present value of R$ 38,652, that shows how the adverse exchange variance in existing debts was mitigated. The higher the exchange devaluation (risk variable considered), the higher the gain of the swaps will be, providing the derivative caps are not exceeded, which would leave the Company with no hedge protection. However, there would be a positive present value of R$ 38,577 and negative value of R$ 20,007 in the scenarios where the Brazilian real lost 25% and 50% against the US dollar, a scenario in which some of the current caps would be exceeded.

b. Interest rate variance

Considering the exposure of financial instruments indexed to interest rates as of June 30, 2013 is maintained and the respective accumulated annual indexes are (CDI = 8.64% per annum, LTIR = 5.0% per annum and FNE = 8.0% per annum) and if the indexes vary in accordance with the three scenarios defined, the net financial result would be affected by:

Instruments	Exposure (R$ thousand)	Risk	Scenario I (Probable)(*)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Receivable financial instruments:					
Money Market	311,179	Rise in the CDI rate	6,616	8,209	9,778
Payable financial instruments:					
	(145,994)	Rise in the CDI rate	(3,552)	(4,290)	(5,017)
Loans and financing	(45,902)	Rise in TJLP	(1,023)	(1,162)	(1,299)
	(102,448)	Rise in FNE	(3,504)	(3,991)	(4,471)
Subtotal (**)	(294,344)		(8,079)	(9,443)	(10,787)
Total	**16,835**		**(1,463)**	**(1,234)**	**(1,009)**

(*) Considers the CDI at September 30, 2013 (8.64% per annum), quote of the estimates presented by the recent BACEN survey, dated June 30, 2013, TJLP 5% per annum and FNE funds of 8% per annum (loans contracted from Banco do Nordeste already reflecting the performance bonus).

(**) Does not include dollar transactions worth R$ 395,553

Fair value hierarchy

The table below presents the financial instruments recorded at fair value by a valuation method.

The different levels were assigned as follows:

- Level 1 - Prices quoted (in adjusted) in active markets for identical assets and liabilities
- Level 2 - Inputs, except for quoted prices, included in Level 1 that are observable for the assets and liabilities, directly (prices) or indirectly (derived from prices)
- Level 3 - Premises, for the asset or liability, that are not based on observable market data (unobservable inputs).

Financial instruments	Level	6/30/2013	12/31/2012
Assets			
Money market and secured funds	2	212,865	116,697
Derivative financial instruments	2	19,493	6,212

We emphasize that we did not observe any Level 1 and 3 financial instruments during the period under analysis and no level transfers took place in this period.

26. Employee benefits

a) Retirement and pension supplementation plan

The Company sponsors fixed-benefit pension plans for its employees. The defined-benefit plan undergoes an actuarial assessment at the end of each financial year, in order to ascertain whether the contribution rates are sufficient to establish the reserves required to meet the current and future payment commitments.

The accounting practices referring to the recognition of employee benefits - supplementary retirement and pensions plan and retirement premium, were amended on January 01, 2013. Consequently, in order to maintain good comparability of its balance sheet with the classification adopted, the Company adjusted the opening and closing balances in the balance sheet as of 12/31/2012 in relation to those originally published, as follows:

	Funasa		
	PS Plan	BD Plan	Total
(Asset) Liability recorded at 12/31/2012	6,814	26,249	33,063
(adjustments - CPC 33 (R1))	-	30,215	30,215
Adjusted balances	**6,814**	**56,464**	**63,278**
Expenses in the period	1,273	4,906	6,179
Payments of contracted obligations	(606)	(2,338)	(2,944)
(Asset) Liability recorded at 6/30/2013	**7,481**	**59,032**	**66,513**

In the period ended June 30, 2013 the expense incurred on sponsoring these plans stood at R$ 6,179 (R$ 3,478 as of June 30, 2012).

b) Healthcare plan

The Company sponsors its employees' health insurance plans, which are managed by operators regulated by the National Health Agency (ANS). Upon termination of employment or retirement, employees may retain their health insurance plans provided they assume all the costs; the Company has no post-employment ties with or obligations to employees. In the period ended June 30, 2013 the expenses incurred on this health plan stood at R$ 1,285 (R$ 1,018 as of June 30, 2012).

27. Commitments

The Company has the following commitments under long-term energy acquisition contracts:

Energy purchase contract - R$ thousand						
Term	2013	2014	2015	2016	2017	2017 onwards
2013 to 2046	378,295	356,962	388,339	415,579	433,807	7,427,010

The amounts referring to energy acquisition contracts lasting between 8 and 30 years represent the volume contracted at the current price at the end of June 2013, which have been ratified by ANEEL.

- The energy required after 2011 is being negotiated with the generator.
- This does not include the Proinfa, Itaipu and Angra I and II quotas.

28. Electricity distribution concession arrangement

On January 15, 2001 Energisa PB was authorized to distribute electricity in 216 municipalities in the state of Paraíba for the term of 30 years. The concession contract has been ratified by ANEEL.

29. Additional information to the cash flows

As of June 30, 2013 equity changes not affecting the Company's cash flows are as follows:

	6/30/2013	6/30/2012
Restatement of accounts receivable from the concession - VNR	491	-
Accounts receivable from the concession	29,198	89,726
Suppliers payable	8,309	-
Capitalization of reserves	39,289	22,943

30. Subsequent events

Settlement of bonds - Notes Units

On July 19, 2013 Energisa Paraíba settled the issuance of 7-year bonds in US dollars denominated Notes Units for R$ 137,109 (USD 60.7 million of principal).

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