



## Energisa Borborema | Results for 1st quarter of 2013

Cataguases, May 15, 2013 - The management of Energisa Borborema - Distribuidora de Energia S/A ("Company") hereby presents its results for the first quarter of 2013 (1Q13). The following financial and operational information is presented in accordance with international financial reporting standards (IFRS), except when stated otherwise.

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

Energisa Borborema is an electricity distribution company, operating in the municipalities of Campina Grande, Lagoa Seca, Queimadas, Fagundes, Massaranduba and Boa Vista in the state of Paraíba, serving 181,604 consumers, 4.1 more than at the end of March 2012.

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

Description	1Q13	1Q12	Change %
<b>Results - R\$ million</b>			
Gross Operating Revenue	61.0	60.4	+ 1.0
Net Operating Revenue	43.4	41.4	+ 4.8
Earnings before interest and tax (EBIT)	6.0	6.0	-
EBITDA	9.1	7.1	+ 28.2
Adjusted EBITDA	9.8	7.7	+ 27.3
Net Income	6.1	4.7	+ 29.8
<b>Financial Indicators - R\$ million</b>			
Total Assets	181.4	164.9	+10.0
Cash / Cash Equivalents / Short-Term Investments	22.2	17.7	+ 25.4
Shareholders' Equity	104.3	93.0	+ 12.2
Net Debt	20.6	18.1	+ 13.8
<b>Operating Indicators</b>			
Number of Captive Consumers (thousands)	181.6	174.4	+ 4.1
Sales of energy to captive consumers (GWh)	170.9	157.2	+ 8.7
Total Electricity Distributed (GWh)	167.3	160.8	+ 4.0
Energy Losses (% in past 12 months)	6.39	7.62	- 1.23 p.p
<b>Relative Indicators</b>			
Adjusted EBITDA / Net Revenue (%)	22.6	18.6	+ 4.0 p.p
Net Debt / Adjusted EBITDA for 12 months (times)	0.5	0.6	- 16.7

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

## 2 - Financial performance

### 2.1 - Gross and net operating revenue

In 1Q13 Energisa Borborema presented gross operating revenue, not including construction cost revenue, which is attributed a margin of zero, of R\$ 58.1 million, compared with R\$ 54.6 million in 1Q12, an increase of 6.4% (R\$ 3.5 million). Also excluding construction revenue, net operating revenue rose by 13.8% (R\$ 4.9 million) in the period, to R\$ 40.5 million.

### 2.2 - Net income and cash generation

In the first quarter of 2013 Energisa Borborema recorded net income of R\$ 6.1 million, an increase of 29.8% over 1Q12. The operating cash generation (Adjusted EBITDA) amounted to R\$ 9.8 million in the period, compared with R\$ 7.7 million in 1Q12, an increase of R\$ 27.3%.

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

Breakdown of cash generation (EBITDA) - R\$ million	1Q13	1Q12	Change %
(=) Net Income	6.1	4.7	+ 29.8
(-) Income and social contribution taxes	(1.9)	(2.4)	- 20.8
(-) Financial result	0.2	1.1	- 81.8
(-) Depreciation and amortization	(1.3)	(1.1)	+ 18.2
(=) Cash generation (EBITDA)	9.1	7.1	+ 28.2
(+) Arrears surcharge revenue	0.7	0.6	+ 16.7
(=) Adjusted cash generation (Adjusted EBITDA)	9.8	7.7	+ 27.3
Adjusted EBITDA Margin	22.6	18.6	+ 4.0 p.p

### 2.3 - Operating expenses

Operating expenses excluding construction costs amounted to R\$ 32.6 million in 1Q13, an increase of 10.1% (R\$ 3.0 million) over 1Q12. Of this total, the growth in controllable expenses was 1.6% (R\$ 0.1 million), amounting to R\$ 6.5 million. Noncontrollable expenses on electricity and transportation purchases expanded by R\$ 2.9 million in the quarter, an increase of 13.7%.

Operating expenses break down as follows:

Breakdown of operating expenses (R\$ million)	Quarter		Change 1Q13 / 1Q12	
	1Q13	1Q12	In %	R\$ millions
1 - Controllable expenses	6.5	6.4	+ 1.6	+ 0.1
1.1 Personnel (includes pension fund)	3.3	3.1	+ 6.5	+ 0.2
1.2 Material	0.3	0.3	-	-
1.3 Services	2.9	3.0	- 3.3	- 0.1
2 - Uncontrollable expenses (acquisition of energy and transmission)	24.1	21.2	+ 13.7	+ 2.9
3 - Depreciation and amortization	1.3	1.1	+ 18.2	+ 0.2
4 - Allowance for doubtful accounts and contingencies	0.1	0.4	- 75.0	- 0.3
5 - Other expenses/revenue	0.6	0.5	+ 20.0	+ 0.1
<b>Subtotal</b>	<b>32.6</b>	<b>29.6</b>	<b>+ 10.1</b>	<b>+ 3.0</b>
6 - Construction cost	3.0	5.8	- 48.3	- 2.8
<b>Total</b>	<b>35.6</b>	<b>35.4</b>	<b>+ 0.6</b>	<b>+ 0.2</b>

## 2.3 - Financial result

The net financial income (financial revenue minus financial expenses) amounted to net financial revenue of R\$ 0.2 million in 1Q13, as compared to net financial revenue of R\$ 1.1 million in 1Q12.

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

Description	3/31/2013	12/31/2012
Amount in R\$ million		
<b>Short-term</b>	<b>12.3</b>	<b>4.0</b>
Loans, financing and debentures	12.1	3.6
Debt charges	0.2	0.4
<b>Long-term</b>	<b>30.6</b>	<b>39.5</b>
Loans, financing and debentures	30.6	39.5
<b>Total debts</b>	<b>42.9</b>	<b>43.5</b>
(-) Cash and cash equivalents	22.2	14.0
<b>Total net debts</b>	<b>20.6</b>	<b>29.5</b>

## 3 - Electricity sales

### 3.1 - Total electricity distributed

In the first quarter of 2013 (1Q13), electricity sales to end consumers (captive market), located in Energisa Borborema's concession area, including energy associated with free consumers (TUSD), amounted to 171.3 GWh, an increase of 9.0% over the same period last year. The consumption was driven by the residential and commercial classes, which expanded by 13.6% and 12.7% respectively in the period. Total energy distributed in 1Q13 was 167.3 GWh, compared with 160.8 GWh in the same period last year, as follows:

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

Description	1Q13	1Q12	Change %
1) Energy sales to end consumers (Captive Sales)	170.8	157.2	+ 8.7
✓ Residential	56.0	49.3	+ 13.6
✓ Industrial	53.1	53.7	- 1.1
✓ Commercial	37.2	33.0	+ 12.7
✓ Rural	6.7	5.6	+ 19.6
✓ Other Sectors	17.8	15.6	+ 14.1
2) Energy associated with free consumers (TUSD)	0.6	-	-
3) Captive sales + TUSD (1+2)	171.3	157.2	+ 9.0
4) Sales to distributors and unbilled sales	(4.1)	3.6	-
5) Total Electricity Distributed (3+4)	167.3	160.8	+ 4.0

### 3.2 - Energy losses

Energisa Borborema's energy losses were recorded at 6.39% in the past twelve months ended March 2013, a decrease of 1.23 percentage points over the same period ended March last year.

### 4 - Investment

---

Energisa Borborema's investments amounted to R\$ 2.9 million in 1Q13, compared with R\$ 6.7 million in 1Q12.

### 5- Services rendered by the independent auditor

---

The total remuneration of Deloitte Touche Tohmatsu Auditores Independentes for the services provided to Energisa Borborema in the first quarter of 2013 was R\$ 8,000 for reviewing the financial statements.

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

Management.

## Financial Statements

### 1. Balance Sheet - Assets

ENERGISA BORBOREMA - DISTRIBUIDORA DE ENERGIA S/A  
BALANCE SHEET  
AS OF March 31, 2013 AND December 31, 2012  
(In thousands of reais)

	3/31/2013	12/31/2012 (Adjusted)
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	13,671	7,968
Money market and secured funds	5,497	2,353
Consumers and concessionaires	23,700	33,644
Credit receivables	3,446	2,828
Inventory	531	578
Recoverable taxes	3,384	4,037
Prepaid expenses	389	400
Low income	1,393	1,580
Other accounts receivable	3,219	2,673
<b>Total current</b>	<b>55,230</b>	<b>56,061</b>
<b>Noncurrent</b>		
<b>Noncurrent assets</b>		
Money market and secured funds	3,066	3,662
Credit receivables	3,925	4,159
Recoverable taxes	3,705	3,818
Tax credits	21,713	23,166
Escrow and secured deposits	5,325	5,313
Derivative financial instruments	1,316	1,621
Accounts receivable from the concession	19,912	19,527
Other accounts receivable	372	-
	<b>59,335</b>	<b>61,266</b>
Investments	82	82
Intangible assets	65,963	65,165
Property, plant and equipment	836	868
<b>Total noncurrent</b>	<b>126,216</b>	<b>127,381</b>
<b>Total Assets</b>	<b>181,446</b>	<b>183,442</b>

See the accompanying notes to the financial statements.

## 2. Balance Sheet - Liabilities

ENERGISA BORBOREMA - DISTRIBUIDORA DE ENERGIA S/A  
BALANCE SHEET  
AS OF March 31, 2013 AND December 31, 2012  
(In thousands of reais)

	3/31/2013	12/31/2012 (Adjusted)
<b>Liabilities</b>		
<b>Current</b>		
Suppliers payable	11,330	14,100
Debt charges	212	362
Loans and financing	12,078	3,644
Payroll	240	232
Taxes and social contributions	8,880	9,475
Dividends		4,000
Consumer charges payable	143	947
Estimated obligations	1,014	903
Public lighting fee received	675	747
Intrasector Obligations	3,599	3,343
Other accounts payable	2,700	2,661
<b>Total current</b>	<u>40,871</u>	<u>40,414</u>
<b>Noncurrent</b>		
<b>Noncurrent liabilities</b>		
Suppliers payable	398	391
Loans and financing	30,564	39,450
Taxes and social contributions	-	1,854
Deferred income and social contribution taxes	2,072	-
Provisions for labor, civil and tax risks:	3,229	3,143
<b>Total noncurrent</b>	<u>36,263</u>	<u>44,838</u>
<b>Shareholders' equity</b>		
Capital	57,017	57,017
Treasury stock	(50)	(50)
Capital reserves	24,148	24,148
Profit reserves	17,953	11,831
Additional dividends proposed	5,244	5,244
	<u>104,312</u>	<u>98,190</u>
<b>Total Liabilities</b>	<u><u>181,446</u></u>	<u><u>183,442</u></u>

See the accompanying notes to the financial statements.

## 3. Statements of Income

**ENERGISA BORBOREMA**  
**INCOME STATEMENT FOR THE YEAR**  
**THREE MONTHS ENDED March 31, 2013 AND 2012**  
(In thousands of reais)

	1Q2013	1Q2012
<b>Revenues</b>		
Electricity Sales to Consumers	55,223	54,258
Construction revenue	2,982	5,786
Other operating revenue	2,842	340
	<b>61,047</b>	<b>60,384</b>
<b>Deductions from operating revenue</b>		
ICMS on billing	11,839	10,980
PIS, Cofins and ISS	5,274	5,069
Others (CCC, CDE, PEE and P&D)	492	2,942
	<b>17,605</b>	<b>18,991</b>
<b>Net operating revenue</b>	<b>43,442</b>	<b>41,393</b>
<b>Operating expenses</b>		
Electricity purchased	21,298	17,537
System service charges	2,828	3,676
Personnel	3,288	3,092
Private pension fund	15	17
Material	331	290
Outsourced services	2,869	2,994
Depreciation and amortization	1,325	1,056
Allowance for possible loan losses / contingencies	131	400
Construction cost	2,982	5,786
Other expenses	720	583
	<b>35,787</b>	<b>35,431</b>
<b>Net income before other operating revenue and expenses</b>	<b>7,655</b>	<b>5,962</b>
Other expenses		319
Other operating expenses (revenue)	163	(256)
	<b>163</b>	<b>63</b>
<b>Earnings before interest and tax</b>	<b>7,818</b>	<b>6,025</b>
<b>Financial income</b>		
Revenue on short-term investments	225	398
Arrears charge on power sales	672	586
Debt charges - Interest	(667)	(691)
Debt charges - monetary and exchange variance	424	(48)
Adjustment to present value	(4)	246
Mark-to-market of derivatives	(144)	45
Derivative financial instruments	(435)	(40)
(-) Transfers to work in progress	36	220
Other financial income (expenses)	76	353
	<b>183</b>	<b>1,069</b>
<b>Net income before tax</b>	<b>8,001</b>	<b>7,094</b>
Income and social contribution taxes	(1,880)	(2,381)
<b>Net income for the period</b>	<b>6,121</b>	<b>4,713</b>

See the accompanying notes to the financial statements.

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

- ✓ **Maurício Perez Botelho**  
Investor Relations Director  
E-mail: [mbotelho@energisa.com.br](mailto:mbotelho@energisa.com.br)
  
- ✓ **Cláudio Brandão Silveira**  
Corporate Finances Director  
E-mail: [claudiobrandao@energisa.com.br](mailto:claudiobrandao@energisa.com.br)
  
- ✓ **Carlos Aurélio Martins Pimentel**  
Investor Relations Manager  
E-mail: [caurelio@energisa.com.br](mailto:caurelio@energisa.com.br)
  
- ✓ **In Rio de Janeiro (Rio de Janeiro state): Av. Pasteur, 110 / 5º e 6º andares**  
Tel.: (21) 2122-6900 / 6902  
Fax: (21) 2122-6980 / 6931
  
- ✓ **In Cataguases (Minas Gerais state): Praça Rui Barbosa, 80**  
Tel.: (32) 3429-6226 / 6000  
Fax: (32) 3429-6317 / 6480
  
- ✓ **Internet: [www.energisa.com.br](http://www.energisa.com.br)**  
E-mail: [stockinfo@energisa.com.br](mailto:stockinfo@energisa.com.br)