Energisa Paraíba | Results for 1st quarter of 2013

Cataguases, May 15, 2013 - The management of Energisa Paraíba – 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 Paraíba is an electricity distributor that serves more than 1.2 million 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.

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

Description	1Q13	1Q12	Change %
Results - R$ million			
Gross Operating Revenue	385.9	390.9	- 1.3
Net Operating Revenue	273.2	266.9	+ 2.4
Earnings before interest and tax (EBIT)	73.8	58.6	+ 25.9
EBITDA	85.3	67.9	+ 25.6
Adjusted EBITDA	91.6	72.6	+ 26.2
Financial Income/Loss	(6.1)	(1.0)	+ 510.0
Net Income	58.3	43.7	+ 33.4
Financial Indicators - R$ million			
Total Assets	1,426.0	1,262.9	+ 12.9
Cash / Cash Equivalents / Short-Term Investments	173.1	103.0	+ 68.1
Shareholders' Equity	615.2	561.2	+ 9.6
Net Debt	424.4	372.6	+ 13.9
Operating Indicators			
Number of Captive Consumers (thousands)	1,229	1,184	+3.8
Sales of energy to captive consumers (GWh)	926.1	847.6	+ 9.3
Total Electricity Distributed (GWh)	1,035.0	966.3	+ 7.1
Energy Losses (% in past 12 months)	12.65	13.43	- 0.78 p.p
Relative Indicators			
Adjusted EBITDA / Net Revenue (%)	33.5	27.2	+ 6.3 p.p
Net Debt / Adjusted EBITDA for 12 months (times)	1.2	1.4	- 14.3

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

2 - Financial performance

2.1 - Gross and net operating revenue

In 1Q13 Energisa Paraíba presented gross operating revenue, not including construction cost revenue, which is attributed a margin of zero, of R$ 362.5 million, compared with R$ 359.3 million in 1Q12, an increase of 0.9% (R$ 3.2 million). Also excluding construction revenue, net operating revenue rose by 6.2% (R$ 14.6 million) in the period, to R$ 249.8 million.

Net revenue breaks down as follows:

Company	Net Revenue (in R$ millions)		Change 1Q13 / 1Q12	
	1Q13	1Q12	In %	R$ millions
(+) Electricity revenue (captive market)	360.8	348.7	+ 3.5	+ 12.1
✓ Residential	174.4	161.0	+ 8.3	+ 13.4
✓ Industrial	38.2	48.8	- 21.7	- 10.6
✓ Commercial	74.2	74.7	- 0.01	- 1.8
✓ Rural	22.6	13.2	+ 171.2	+ 1.1
✓ Other sectors	51.4	51.0	+1.0	+ 10.0
(+) Electricity sales to distributors	(5.5)	0.1	-	- 5.6
(+) Net Unbilled Sales	(12.6)	(6.5)	+ 93.8	- 6.1
(+) Electricity network usage charges	13.5	14.4	- 6.3	- 0.9
(+) Construction revenue	23.4	31.6	- 25.9	- 8.2
(+) Other revenue	6.3	2.6	+ 142.3	+ 3.7
(=) Subtotal - Gross operating revenue	**385.9**	**390.9**	**- 1.3**	**- 5.0**
(-) Tax on sales	(108.5)	(104.3)	+ 4.0	- 4.2
(-) Sector charges	(4.2)	(19.7)	- 78.7	+ 15.5
(=) Total - Net operating revenue	**273.2**	**266.9**	**+ 2.4**	**+ 6.3**

2.2 - Net income and cash generation

In the first quarter of 2013 Energisa Paraíba recorded net income of R$ 58.3 million, an increase of 33.4% over 1Q12. This net income growth is partly due to the increase of 2.4% (or R$ 6.3 million) in net operating revenue in the period, coupled with lower operating expenses, which fell by 4.3% (or R$ 8.9 million). The operating cash generation (Adjusted EBITDA) amounted to R$ 91.6 million in the period, compared with R$ 72.6 million in 1Q12, an increase of R$ 26.2%.

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

Breakdown of cash generation (EBITDA) - R$ million	1Q13	1Q12	Change %
(=) Net Income	**58.3**	**43.7**	**+ 33.4**
(-) Income and social contribution taxes	(9.4)	(13.8)	- 31.9
(-) Financial result	(6.1)	(1.0)	+ 510.0
(-) Depreciation and amortization	(11.5)	(9.4)	+ 22.3
(=) Cash generation (EBITDA)	**85.3**	**67.9**	**+ 25.6**
(+) Arrears surcharge revenue	6.3	4.7	+ 34.0
(=) Adjusted cash generation (Adjusted EBITDA)	**91.6**	**72.6**	**+ 26.2**
Adjusted EBITDA Margin	33.5	27.2	+ 6.3 p.p

2.3 - Operating expenses

Operating expenses excluding construction costs amounted to R$ 176.1 million in 1Q13, a decrease of 0.4% (R$ 0.7 million) over 1Q12. Of this total, the growth in controllable expenses was 2.0% (R$ 0.9 million), amounting to R$ 46.0 million. Noncontrollable expenses on electricity and transportation purchases fell by 1.7% (R$ 2.0 million) in the quarter.

Operating expenses break down as follows:

Breakdown of operating expenses (R$ million)	Quarter		Change 1Q13 / 1Q12	
	1Q13	1Q12	In %	R$ millions
1 – Controllable expenses	46.0	45.1	+ 2.0	+ 0.9
1.1 Personnel (includes pension fund)	24.6	22.9	+ 7.4	+ 1.7
1.2 Material	3.0	3.0	-	-
1.3 Services	18.4	19.2	- 4.2	- 0.8
2 - Uncontrollable expenses (acquisition of energy and transmission)	114.0	116.0	- 1.7	- 2.0
3 - Depreciation and amortization	11.5	9.4	+ 22.3	+ 2.1
4 - Allowance for doubtful accounts and contingencies	(0.1)	2.1	-	- 2.2
5 - Other expenses/revenue	4.7	4.2	+ 11.9	+ 0.5
Subtotal	**176.1**	**176.8**	**- 0.4**	**- 0.7**
6 – Construction cost	23.4	31.6	- 25.9	- 8.2
Total	**199.5**	**208.4**	**- 4.3**	**- 8.9**

2.3 - Financial result

The net financial income (financial revenue minus financial expenses) amounted to a net financial expense of R$ 6.1 million in 1Q13, as compared to a net financial expense of R$ 1.0 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 Paraíba as of March 31, 2013 and December 31, 2012:

Description Amount in R$ million	3/31/2013	12/31/2012
Short-term	**181.4**	**177.1**
Loans, financing and debentures	163.9	156.9
Debt charges	4.4	7.7
Financing of taxes and actuarial deficit	13.1	12.5
Long-term	**416.1**	**427.4**
Loans, financing and debentures	365.4	376.7
Financing of taxes and actuarial deficit	50.7	50.7
Total debts	**597.5**	**604.5**
(-) Cash and cash equivalents	173.1	184.3
Total net debts	**424.4**	**420.2**

R$ 233.5 million (42.1%%) of the debt as of March 31, 2013 is denominated in US dollars deriving from part of the international Notes Units issuance, with an outstanding balance at the end of March 2013 of USD 118.7 million (USD 58.9 million). The notes mature on July 19, 2013 and pay interest of USD plus 10.5% per annum.

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 Paraíba's concession area, including energy associated with free consumers (TUSD), amounted to 1,059.4 GWh, an increase of 10.4% over the same period last year. Captive consumption was driven by the residential sector, which expanded by 15.3% in the period. Though accounting for a smaller slice of energy sales, the rural sector also performed well, with consumption rising 26.6%. Industrial consumption, including captive and free sales, rose by 2.1% in the quarter.

Total energy distributed in 1Q13 was 1,035.0 GWh, compared with 966.4 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)	**926.1**	**847.6**	**+ 9.3**
✓ Residential	376.9	327.0	+ 15.3
✓ Industrial	133.5	149.3	- 10.6
✓ Commercial	165.6	152.4	+ 8.7
✓ Rural	79.6	62.9	+ 26.6
✓ Other Sectors	170.6	155.9	+ 9.4
2) Energy associated with free consumers.	133.3	112.0	+ 19.0
3) Captive sales + TUSD (1+2)	**1,059.4**	**959.6**	**+ 10.4**
4) Sales to distributors and unbilled sales	(24.4)	6.8	-
5) Total Electricity Distributed (3+4)	**1,035.0**	**966.4**	**+ 7.1**

Energisa Paraíba closed 1Q13 with 1,228,792 captive consumer units, 3.8% more than at the end of March 2012. The number of free consumers amounted to 19 at the end of March 2013.

3.2 - Energy losses

The constant pursuit of management improvements has allowed the company to continually maintain an excellent operational performance. The loss indexes have been gradually falling, and another record has been set. In the past 12 months ended **March 2013 electricity losses amounted to 12.65%, a decrease of 0.78 percentage points** over the same period ended March last year.

4 - Investment

Energisa Paraíba's investments amounted to R$ 26.9 million in 1Q13, compared with R$ 33.3 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 Paraíba in the first quarter of 2013 was R$ 42,000 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 PARAÍBA - 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
Assets		(Adjusted)
Current		
Cash and cash equivalents	76,089	67,646
Money market and secured funds	57,769	77,416
Consumers and concessionaires	147,033	190,091
Credit receivables	44,201	47,449
Inventory	6,206	6,363
Recoverable taxes	32,883	38,375
Prepaid expenses	4,365	4,423
Low income	14,482	16,409
Other accounts receivable	21,669	13,969
Total current	**404,697**	**462,141**
Noncurrent		
Noncurrent Assets		
Money market and secured funds	39,287	39,281
Credit receivables	40,437	42,281
Recoverable taxes	22,719	23,884
Tax credits	112,976	112,804
Escrow and secured deposits	25,807	25,686
Derivative financial instruments	527	6,212
Accounts receivable from the concession	170,182	147,049
Other	3,334	1,551
	415,269	**398,748**
Investments	93	93
Intangible assets	595,261	607,566
Property, plant and equipment	10,665	9,907
Total noncurrent	**1,021,288**	**1,016,314**
Total Assets	**1,425,985**	**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 March 31, 2013 AND December 31, 2012
(In thousands of reais)

	3/31/2013	12/31/2012
Liabilities		(Adjusted)
Current		
Suppliers payable	58,816	109,165
Debt charges	4,382	7,732
Loans and financing	162,574	156,738
Debentures	1,343	136
Payroll	1,692	1,709
Taxes and social contributions	47,251	50,235
Dividends	-	35,391
Estimated obligations	7,916	6,955
Consumer charges payable	1,138	5,538
Public lighting fee received	3,180	4,239
Employee benefits - pension plan	13,142	12,532
Other accounts payable	38,065	49,385
Total current	**339,499**	**439,755**
Noncurrent		
Noncurrent Liabilities		
Suppliers payable	2,615	2,572
Loans and financing	301,053	312,370
Debentures	64,312	64,312
Derivative financial instruments	-	-
Taxes and social contributions	15,918	14,041
Provisions for labor, civil and tax risks:	35,913	37,020
Employee benefits - pension plan	50,746	50,746
Other	747	782
Total noncurrent	**471,304**	**481,843**
Shareholders' equity		
Capital	386,516	386,516
Treasury stock	(538)	(538)
Capital reserves	97,540	97,540
Profit reserves	83,802	83,802
Comprehensive income	(22,784)	(22,784)
Additional dividends proposed	9,479	9,479
Retained earnings/Accumulated losses	61,167	2,842
	615,182	**556,857**
Total Liabilities	**1,425,985**	**1,478,455**

See the accompanying notes to the financial statements.

3. Statements of Income

ENERGISA PARAÍBA - DISTRIBUIDORA DE ENERGIA S/A
INCOME STATEMENT FOR THE YEAR
THREE MONTHS ENDED March 31, 2013 AND 2012
(In thousands of reais)

	1Q2013	1Q2012
		(Adjusted)
Revenues		
Electricity Sales to Consumers	348,201	342,217
Provision of system	13,458	14,406
Construction revenue	23,398	31,639
Other Operating Income	868	2,626
	385,925	**390,888**
Deductions from operating revenue		
ICMS on billing	74,415	70,825
PIS, Cofins and ISS	34,049	33,457
Others (CCC, CDE, P&D, PEE and RGR)	4,215	19,734
	112,679	**124,016**
Net operating revenue	**273,246**	**266,872**
Operating expenses		
Electricity purchased	99,614	99,290
System service charges	14,401	16,701
Personnel	24,600	22,880
Material	2,964	3,045
Outsourced services	18,359	19,193
Depreciation and amortization	11,527	9,386
Allowance for possible loan losses / contingencies	(138)	2,072
Construction cost	23,398	31,639
Other expenses	3,798	3,236
	198,523	**207,442**
Net income before other operating revenue and expenses	**74,723**	**59,430**
Other operating revenue	2,262	686
Other operating expenses	(3,222)	(1,555)
	(960)	**(869)**
Earnings before interest and tax	**73,763**	**58,561**
Financial income		
Revenue on short-term investments	2,110	2,330
Arrears charge on power sales	6,267	4,724
Debt charges - Interest	(10,754)	(10,810)
Debt charges - monetary and exchange variance	3,967	2,895
Mark-to-market of derivatives	(2,264)	2,130
Derivative financial instruments	(4,587)	(4,736)
Adjustment to present value	451	3,809
(-) Transfers to work in progress	743	1,077
Other financial income (expenses)	(2,023)	(2,467)
	(6,090)	**(1,048)**
Net income before tax	**67,673**	**57,513**
Income and social contribution taxes	(9,348)	(13,780)
Net income for the period	**58,325**	**43,733**

See the accompanying notes to the financial statements.

4. STATEMENTS OF CASH FLOWS

ENERGISA PARAÍBA - DISTRIBUIDORA DE ENERGIA S/A
STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2013 and 2012 (in thousands of reais)

	1Q2013	1Q2012
		(Adjusted)
Operating activities		
Profit before income and social contribution taxes	67,673	57,513
Expenses (revenue) not affecting cash:		
Expenses on interest and monetary and exchange variance - net	4,190	8,450
Depreciation and amortization	11,527	9,386
Allowance for doubtful accounts	760	868
Provisions for labor, civil and tax risks	(1,847)	(735)
Residual value of retired permanent assets	960	3,960
Derivative financial instruments	4,587	4,736
Mark-to-market of derivatives	2,264	(2,130)
Changes in current and noncurrent assets		
Decrease in consumers and concessionaires	42,609	8,114
Decrease in credit receivables	5,233	2,089
Decrease (increase) in inventories	157	(598)
Decrease in recoverable taxes	6,657	2,779
(Increase) in escrow deposits	(121)	-
Decrease (increase) in prepaid expenses	58	(757)
(Increase) in other accounts receivable	(7,579)	(16,156)
Changes in current and noncurrent liabilities		
(Decrease) increase in suppliers payable	(57,261)	2,261
Decrease (increase) in payroll	(17)	98
(Decrease) in taxes and social contributions	(9,371)	(5,091)
Income and social contribution taxes paid	(1,258)	(7,904)
(Decrease) in tax financing		
Increase in estimated obligations	961	562
(Decrease) in consumer charges payable	(4,400)	(1,426)
(Decrease) increase in other accounts payable	(11,804)	4,084
Net cash produced by operating activities	**53,978**	**70,103**
Investment activities		
Investment	-	(33)
Additions to Intangible assets	(18,579)	(21,737)
Short-term investments and secured funds	(48,335)	(10,145)
Discharge of short-term investments	70,085	5,712
Sale of PP&E and intangible assets	2,262	-
Net cash consumed in investment activities	**5,433**	**(26,203)**
Financing activities		
New loans and financing obtained	5,876	9,212
Payment of loans, debentures – principal	(8,211)	(12,881)
Payment of loans, debentures – interest	(12,076)	(11,483)
Settlement of derivative financial instruments	(1,166)	(527)
Payment of dividends	(35,391)	(38,629)
Net cash consumed in financing activities	**(50,968)**	**(54,308)**
Net cash variation	**8,443**	**(10,408)**
Opening balance of cash and cash equivalents	67,646	62,752
Closing balance of cash and cash equivalents	76,089	52,344
Net cash variation	**8,443**	**(10,408)**

See the accompanying notes to the financial statements.

Notes to the quarterly information

Period ended March 31, 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 May 09, 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 - supplementary retirement and pensions 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 under liabilities in "other comprehensive income" in the statement of comprehensive income and equity, net of deferred income and social contribution taxes.

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 IASB - International Accounting Standards Board

The information about the new accounting procedures issued by the IASB has not undergone any significant changes in relation to that disclosed in Note 3 to the Financial Statements as of December 31, 2012, except for the application of CPC 33 R1 (IAS 19), as cited in note 2.

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 3/31/2012 (Published)	Adjustments	Balance at 3/31/2012 (Re-presented)
Cost of goods sold and/or services sold			
Private pension fund	(1,058)	70	(988)
Gross profit	98,613	70	98,683
Earnings before financial income and tax	58,491	70	58,561
Earnings before tax on net income	57,443	70	57,513
Income and social contribution taxes	(13,756)	(24)	(13,780)
Net income for the period	**43,687**	**46**	**43,733**

4 Segment reporting

An operational segment is a component 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

a.1 Short-term investments appraised at fair value through profit and loss

Financial institution	Type	Maturity (*)	Compensation	3/31/2013	12/31/2012
CEF	CDB	3/27/2015 to 3/31/2015	100,5% of CDI	51,705	42,180
Mercantil	CDB	12/18/2014	105,0% of CDI	-	635
BICBANCO	CDB	2/10/2016	108,0% of CDI	3,097	-
Total				**54,802**	**42,815**
Cash and bank deposits				21,287	24,831
Total cash and cash equivalents				**76,089**	**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.

b) Money market and secured funds

b.1 Short-term investments appraised at fair value through profit and loss

Financial institution	Type	Maturity	Compensation	3/31/2013	12/31/2012
ABC Brasil	CDB	4/29/2013 to 5/29/2013	104.0% to 104.5% of CDI	5,063	10
BB Amplo	Investment Fund	-	Benchmark CDI	5,719	-
BES	CDB	3/19/2015 to 5/6/2015	102.5% to 103.0% of CDI	12	12
BICBanco	CDB	2/10/2014 to 8/26/2014	98.0% to 115.0% of CDI	11	3,144
BMG	CDB	12/16/2013 to 1/24/2014	112.0% to 113.0% of CDI	1,824	1,792
Bradesco	CDB	7/25/2013	99,0% of CDI	316	311
Bradesco	Investment Fund	-	Benchmark CDI	84	82
BTG Pactual	Investment Fund	-	Benchmark CDI	2,295	2,263
CEF	Investment Fund	-	Benchmark CDI	683	672
CEF	Savings	-	Savings	87	87
HSBC	CDB	8/3/2015	100,0% of CDI	636	626
Itaú	Investment Fund	-	Benchmark CDI	17,017	-
Itaú	CDB	8/5/2013 to 6/27/2014	95.0% to 101.8% of CDI	623	620
Itaú	Debentures (**)	12/3/2013 to 12/6/2013	102,0% of CDI	309	304
Itaú	Investment Fund	-	Benchmark CDI	944	661
North-east	CDB	1/2/2014 to 7/30/2019	90.0% to 100.0% of CDI	34,010	35,353
North-east	Capitalization Bond	12/22/2013	100,0% of CDI	-	10
Pine	CDB	2/8/2017	104,0% of CDI	909	894
Safra	Debentures (**)	5/31/2013	101,8% of CDI	34	-
Safra	Financial Bill	1/31/2013	108,5% of CDI	-	52,993
Santander	Investment Fund	-	Benchmark CDI	8,865	3,903
Standard Bank	CDB	5/2/2013	90,0% of CDI	4	4
Votorantim	Debentures (**)	5/31/2013	104,0% of CDI	5,054	-
				84,499	**103,741**

b.2 Held-to-maturity securities					
Itaú	Credit Receivables Investment Funds	12/29/2020	100,0% of CDI	3,975	4,527
Mercantil	DPGE	5/15/2014	113,0% of CDI	8,582	8,429
				12,557	**12,956**
Total money market and secured funds				**97,056**	**116,697**
Current				57,769	77,416
Noncurrent				39,287	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					3/31/2013	12/31/2012
		up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days		
Residential	22,138	16,311	6,458	2,786	499	69	48,261	38,400
Industrial	14,042	929	253	355	368	5,425	21,372	27,293
Commerce, services and other activities	17,296	3,892	1,345	871	1,085	1,369	25,858	27,650
Rural	2,546	1,193	638	447	307	55	5,186	5,584
Government:								
Federal	2,233	209	40	37	10	2	2,531	2,808
State	3,580	335	64	56	17	-	4,052	4,494
Municipal	2,556	239	46	40	12	-	2,893	3,208
Public lighting	4,532	574	193	255	179	6	5,739	7,537
Public utility	3,738	3,589	5,467	82	115	1	12,992	5,237
Subtotal - consumers	**72,661**	**27,271**	**14,504**	**4,929**	**2,592**	**6,927**	**128,884**	**122,211**
Concession operators (2)	-	-	-	-	-	1,526	1,526	32,306
Unbilled sales	26,566	-	-	-	-	-	26,566	39,167
Other	1,696	-	-	-	-	-	1,696	7,597
(-) Allowance for doubtful accounts	-	-	-	(3,200)	(1,701)	(6,738)	(11,639)	(11,190)
Total - Current	**100,923**	**27,271**	**14,504**	**1,729**	**891**	**1,715**	**147,033**	**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 balances of energy sold at CCEE amount to R$ 1,526 (R$ 32,285 as of December 31, 2012) and are recorded under accounts receivable. The electricity acquisition amounts are recorded under "suppliers payable" in the current liabilities and the system service charges of R$ 8,060 (R$ 11,011 as of December 31, 2012) referring to:

Breakdown of CCEE credits	3/31/2013	12/31/2012
Outstanding balances	-	30,288
Overdue credits (*)	1,526	1,997
	1,526	**32,285**
(-) Energy acquisitions at CCEE	(7,701)	-
(-) System service charges	(359)	(11,011)
	(6,534)	**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 March 31, 2013 the balances were the following:

	3/31/2013	12/31/2012
Credit receivables	109,650	114,883
Adjustment to present value	(9,569)	(10,021)
(-) Allowance for doubtful accounts (*)	(15,443)	(15,132)
	84,638	**89,730**
Current	44,201	47,449
Noncurrent	40,437	42,281

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

As of March 31, 2013, the maturities of receivables are scheduled as follows:

Overdue	15,443
2013	44,201
2014	13,861
2015	9,459
2016	7,675
2017	3,992
2018 onwards	5,450
Total	**100,081**

8 Allowance for doubtful accounts

Changes in provisions	3/31/2013	12/31/2012
Balance - opening 12/31/2012 and 12/31/2011	26,322	23,060
Provisions recorded in the period	3,626	8,683
Reversal of provisions in the period	(2,866)	(5,421)
Balance - closing balance - 3/31/2013	**27,082**	**26,322**
Clients, consumers and concessionaires	11,639	11,190
Credit receivables	15,443	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 Periodical 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

	3/31/2013	12/31/2012
Low income	14,482	16,409
Service orders in progress - PEE and R&D	9,216	7,379
Service orders in progress - other	1,804	1,568
Deactivation orders in progress	747	(1,641)
Advances	492	542
CDE subsidy - rate discount (*)	7,767	-
Other	1,643	6,121
	36,151	**30,378**

(*) CDE subsidy for energy consumption by the sectors: Rural – Irrigation (Decrease of 67%) and the Public Service sector (Decrease of 15%) ratified by Decree 7891/2013.

Changes in low income follow:

	3/31/2013	12/31/2012
Balance - opening - 12/31/2012 and 12/31/2011	**16,409**	**9,888**
Low-income subsidy	23,329	87,132
Eletrobrás Reimbursement	(25,256)	(80,611)
Closing balance - 3/31/2013 and 12/31/2012 - current	**14,482**	**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 RGR – Global Reversal Reserve and the CDE – Energy Development Account, both administrated by Eletrobrás. Management does not expect to record any losses in the realization of the balance.

11 Recoverable taxes

	3/31/2013	12/31/2012
Value Added Tax on Sales and Services - ICMS	20,997	21,921
Income Tax Withheld at Source	525	353
Corporate Income Tax - IRPJ	10,717	10,675
Social Contribution on Net Income – CSSL	206	254
PIS and COFINS contribution	23,145	29,044
Other	12	12
	55,602	**62,259**
Current	32,883	38,375
Noncurrent	22,719	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 e Energisa Geração Central Eólica Ventos de São Miguel S/A), Energisa Bioeletricidade (Holding company that holds an 85% interest in the companies Tonon Bioeletricidade, Energisa Bioeletricidade Vista Alegre I and the entire capital of the companies Companhia Tonon Bioelétrica 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)	3/31/2013	3/31/2012
Outsourced services	(5,278)	-	(226)	(5,504)	(4,978)
Electricity supplied/ (purchased)	-	1,283	-	1,283	575
Financial expense - endorsement contract cost (d)	(478)	-	-	(478)	-
				3/31/2013	12/31/2012
Balance of trade payables	1,676	-	-	1,676	1,676
Balance receivable - consumers and concession operators	-	447	-	447	459

(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 1st quarter of 2013 the members of the Board of Directors received compensation of R$ 270 (R$ 253 as of March 31, 2012) and the Executive Board R$ 343 (R$ 373 as of March 31, 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$ 139 (R$ 149 as of March 31, 2012). The social charges on the compensation amounted to R$ 150 (R$ 155 as of March 31, 2012).

In the 1st quarter of 2013 the highest and lowest remuneration attributed to directors for the month of March was R$ 35 and R$ 6 (R$ 35 and R$ 6 as of March 31, 2012) respectively. The average remuneration in the 1st quarter of 2012 was R$ 20 (R$ 19 as of March 31, 2012).

The AGM held in April 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 and current income and social contribution tax 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:

	3/31/2013	12/31/2012 (Re-presented)
Assets		
Temporary differences:		
Income tax	84,123	84,219
Social contribution	28,853	28,585
Total noncurrent	**112,976**	**112,804**

Temporary differences are as follows:

	Calculation basis	Temporary IR and CS
Swap earnings	(7,985)	(2,715)
Provisions made	154,797	52,631
Tax credit – goodwill (1)	201,644	68,559
Financial restatement of accounts receivable from the concession - VNR	(16,173)	(5,499)
Total	**332,283**	**112,976**

(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	6,805
2014	7,936
2015	7,936
2016	7,736
2017	7,736
2018 to 2022	74,827
Total	**112,976**

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

	3/31/2013	3/31/2012 (Re-presented)
Income before tax	67,673	57,513
Combined tax bracket	34%	34%
Income and social contribution taxes expense, calculated at the total tax bracket	(23,009)	(19,554)
Adjustments:		
Decrease in income tax and surcharges (*)	13,257	5,534
Other		
Permanent additions	404	240
Income tax and social contribution expense	(9,348)	(13,780)
Effective rate	**14%**	**24%**

(*) The decreases to income tax and surcharges resulting from the SUDENE Incentive in the periods ended March 31, 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, submitting an application to the federal tax authorities in February 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. From December 31, 2012 the Company recognized the VNR - New replacement value, ratified by ANEEL, for assets comprising the concession, restated by the variance of the IGP-M price index. Financial revenue is recognized in the first quarter of 2013 - restatement of the concessions' accounts receivable - VNR of R$ 403.

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	23,100
Write-offs in the period	(370)
Financial asset - 3/31/2013	169,779
Financial restatement of accounts receivable from the concession - VNR	403
Financial asset - restated cost - 3/31/2013	**170,182**

15 Intangible assets and PPE

	3/31/2013	12/31/2012
Concession agreements	595,261	607,566
Property, plant and equipment	10,665	9,907
Total	**605,926**	**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 3/31/2013
Intangible assets in service						
Cost	1,065,930	-	62,916	(6,114)	-	1,122,732
Accumulated Amortization	(401,404)	-	-	4,180	(13,011)	(410,235)
Subtotal	664,526	-	62,916	(1,934)	(13,011)	712,497
In Progress	117,231	26,907	(65,481)	(23,158)	-	55,499
Total	**781,757**	**26,907**	**(2,565)**	**(25,092)**	**(13,011)**	**767,996**
Special Obligations						
In Service						
Cost	167,222	-	135	-	-	167,357
Accumulated Amortization	(26,062)	-	-		(2,028)	(28,090)
Subtotal	141,160	-	135	-	(2,028)	139,267
In Progress	33,031	630	(135)	(58)	-	33,468
Total Special Obligations	**174,191**	**630**	**-**	**(58)**	**(2,028)**	**172,735**
Total Intangible Assets	**607,566**	**26,277**	**(2,565)**	**(25,034)**	**(10,983)**	**595,261**
Property, plant and equipment						
Property, plant and equipment In service						
Cost						
Buildings and improvements	1,468	-	-	(1,246)	-	222
Machinery and equipment	8,654	-	2,200	(11)	-	10,843
Vehicles	313	-	-	-	-	313
Furniture and fixtures	12,015	-	365	(26)	-	12,354
Accumulated Depreciation	(12,543)	-	-	19	(543)	(13,067)
Total PP&E in Service	**9,907**	**-**	**2,565**	**(1,264)**	**(543)**	**10,665**
Grand Total	**617,473**	**26,277**	**-**	**(26,298)**	**(11,526)**	**605,926**

(*) This total includes R$ 23,100 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. As of March 31, 2013 the average weighted amortization rate used is 4.06% (3.70% as of December 31, 2012).

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:	3/31/2013	12/31/2012
Consumer contributions	65,668	65,037
Government Subsidy – CDE funds	123,706	157,175
State Government Subsidy	43,730	10,261
(-) Accumulated amortization	(28,090)	(26,062)
Total	**205,014**	**206,411**
Allocation:		
Accounts receivable from the concession	32,279	32,220
Infrastructure - Intangible assets in service	139,267	141,160
Infrastructure - Intangible assets in progress	33,468	33,031
Total	**205,014**	**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

	3/31/2013	12/31/2012
Supplies:		
CCEE (1)	7,701	-
Bilateral Contracts (1)	28,127	62,562
Use of the high-voltage national grid (1)	4,227	6,473
Connection to the grid (1)	628	286
Use of the distribution/transmission system (1)	1,006	11,883
Materials, services and other (2)	19,742	30,533
Total	**61,431**	**111,737**
Current	58,816	109,165
Noncurrent	2,615	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.

Loans, financing and debt charges

Operations	Debt charges	Principal		Total		Re.
		Current	Noncurrent	3/31/2013	12/31/2012	
Local currency						
Credit Receivables Investment Fund - Energisa Group III (*)	341	-	61,000	61,341	61,339	
Eletrobrás - Light for All – 1st tranche	30	337	1,030	1,397	1,493	
Eletrobrás - Light for All – 2nd tranche	74	510	2,363	2,947	3,086	
Eletrobrás - Light for All – 3rd tranche	68	616	1,983	2,667	2,769	
Eletrobrás - Light for All – 4th tranche	59	444	2,178	2,681	2,769	
Eletrobrás - Light for All – 5th tranche	84	379	3,212	3,675	3,785	
Eletrobrás - Light for All – 6th tranche	10	408	3,335	3,753	3,848	
Eletrobrás- Subtransmission	79	7,939	10,653	18,671	20,204	
Eletrobrás - Rural Electrification	-	7	-	7	11	
Eletrobrás - Rural Electrification	-	8	8	16	19	
Eletrobrás - Rural Electrification	-	6	6	12	14	
Eletrobrás – Return of LPT	-	6,143	-	6,143	7,096	
Banco do Nordeste - Investment Financing 2005-2006 (FNE)	61	6,626	3,412	10,099	11,014	
Banco do Nordeste - Investment Financing 2007-2008 (FNE)	50	9,294	30,854	40,198	43,335	
Banco do Nordeste - Investment Financing 2008-2009 (FNE)	374	10,580	45,621	56,575	55,817	
Banco do Nordeste - Investment Financing 2007-2008 (FAT)	3	2,433	7,889	10,325	10,930	
Banco Itaú BBA - FINAME	50	1,578	14,576	16,204	10,702	
Total local currency	**1,283**	**47,308**	**188,120**	**236,711**	**238,231**	
(-) Borrowing costs incurred	(44)	(281)	(1,652)	(1,977)	(2,062)	
Foreign currency						
NOTES UNITS	2,909	115,765	-	118,674	124,059	(1)
Banco Itau BBA	169	-	34,033	34,202	35,085	(2)
Citibank	65	-	80,552	80,617	81,908	(2)
Total foreign currency	**3,143**	**115,765**	**114,585**	**233,493**	**241,052**	
(-) Borrowing costs incurred	-	(218)	-	(218)	(381)	
Total ENERGISA PARAÍBA	**4,382**	**162,574**	**301,053**	**468,009**	**476,840**	

(*) To guarantee payment of the short-term portions, the Company maintains interest-earning bank deposits to the amount of R$ 30,705 (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 March 31, 2013. This contract is subject to a currency swap and a financial derivative instrument.

(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 March 31, 2013:

Operation	Details of the Operation: Maturity	Amortization Frequency	Collateral	Average Term months	Cost of the Debt: Index		Interest rate p.a.	TIR (Effective interest rate)	Ref
Credit Receivables Investment Fund - Energisa Group III	Dec-2020	monthly, after Dec 2017	Receivables	78	CDI	+	0.7%	0.83%	
NOTES UNITS	Jul-2013	final	-	7	US dollar	+	10.5%	10.94%	(1)
Eletrobrás - Light for All – 1st tranche	Nov-2016	monthly	Receivables	24	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 2nd tranche	Apr-2018	monthly	Receivables	33	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 3rd tranche	Aug-2019	monthly	Receivables	36	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 4th tranche	Nov-2020	monthly	Receivables	45	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 5th tranche	Aug-2021	monthly	Receivables	52	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 6th tranche	Oct-2022	monthly	Receivables	59	RGR	+	5.0%	5.0%	
Eletrobrás- Subtransmission	Mar-2016	monthly	Receivables	18	RGR	+	5.0%	5.0%	
Eletrobrás - Rural Electrification I	Nov-2013	quarterly	-	6	RGR	+	8.0%	8.0%	
Eletrobrás - Rural Electrification II	Nov-2014	quarterly	-	12	RGR	+	8.0%	8.0%	
Eletrobrás - Rural Electrification III	Nov-2014	quarterly	-	12	RGR	+	8.0%	8.0%	
Eletrobrás – Return of LPT	Jul-2012	monthly	-	5	Accrued Selic				
Banco do Nordeste – Financ. Investment 2005-2006 (FNE)	Nov-2014	monthly	Receivables + Reserve Fund	12	Fixed 7.7%			7.7%	(2)
Banco do Nordeste – Financ. Investment 2007-2008 (FNE)	Jun-2017	monthly	Receivables + Reserve Fund	27	Fixed 7.8%			8.0%	(2)
Banco do Nordeste – Financ. Investment 2007-2008 (FAT)	Jun-2017	monthly	Receivables + Reserve Fund	27	TJLP	+	4.0%	4.2%	
Banco do Nordeste – Financ. Investment 2008-2009 (FNE)	Jun-2019	monthly	Receivables + Reserve Fund	39	Fixed 8.1%			8.1%	(2)
Banco Itaú BBA - FINAME	Until Feb-2021	monthly	Endorsement of Energisa S.A.	50	pre-fixed 2.5% to 5.5%			2.5% to 5.5%	
Banco Itaú BBA	Aug-2015	final	Endorsement of Energisa S.A.	32	Dollar + 3.2466			3.2466	(1)
Citibank	Sep-2017	Annual after Sep.2016	Endorsement of Energisa S.A.	51	Libor + 1.8987			1.8987	(1)

(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 March 31, 2013, the maturities of the long-term financing are scheduled as follows:

	3/31/2013
2014	26,199
2015	64,197
2016	66,347
2017	58,767
2018	32,313
2018 onwards	53,230
Total	**301,053**

17 Debentures (nonconvertible)

Main features of the debentures:

	1st Issuance
Issue type	Public
Issue date	12/15/2009
Maturity date	12/15/2014
Surety	Ordinary
Yields	CDI + 1.0% p.a.
TIR (effective interest rate)	CDI + 1.06% p.a.
Number of securities	80,000
Value at issue	80,000
Securities in circulation	64,745
Interest grace period	6 months
Amortizations/installments	Final
Balance - 03/31/2013	**65,655**
Current	1,343
Noncurrent	64,312
Balances - 12/31/2012	**64,448**
Current	136
Noncurrent	64,312

(*) R$ 473 (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 March 31, 2013.

The balances of debentures of R$ 64,312 is scheduled for maturity in 2014.

As of March 31, 2013 the maturities of the debentures are scheduled as follows:

	3/31/2013
2014	64,312
Total	**64,312**

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.

18 Taxes and Payroll Contributions

	3/31/2013	12/31/2012
ICMS	21,236	22,064
Social Charges	1,755	1,904
IRPJ	13,467	10,911
CSSL	8,733	6,963
PIS / COFINS	16,396	19,398
IRRF	795	1,056
Other	787	1,980
Total	**63,169**	**64,276**
Current	47,251	50,235
Noncurrent	15,918	14,041

19 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 3/31/2013
Labor claims	9,225	82	(826)	190	8,671
Civil	22,799	2,552	(2,843)	454	22,962
Tax	4,996	-	(812)	96	4,280
Total	**37,020**	**2,634**	**(4,481)**	**740**	**35,913**
Restricted and escrow deposits (*)	(8,356)	-	-	-	(9,055)

(*) Energisa PB has restricted and escrow deposits in its noncurrent assets of R$ 25,807 (R$ 25,686 as of December 31, 2012). Provisions for risks have not been made for R$ 16,752 (R$ 17,330 as of December 31, 2012) as the chances of success are rated as possible or probable.

The amount of R$ 1,628 was paid in the period ended March 31, 2013, consisting of labor claim awards of R$ 661 and civil claim awards of R$ 967.

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$ 1,785.

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$ 232,003 (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$ 8,128 (R$ 6,897 as of December 31, 2012).

Civil

These proceedings amount to R$ 57,943 (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$ 165,932 (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.

20 Shareholders' equity

21.1 Capital

The subscribed and paid-in capital is represented by 619,889 common shares, 298,902 Class "A" preferred shares and 147 preferred Class "B" shares, all nominative and with no par value. The preferred shares hold no voting rights but have priority in the reimbursement of capital, and are comprised of:

- Class A – Non-cumulative minimum dividends of 10% p.a., calculated on the capital assigned to this class of share.
- Class B — Non-cumulative mandatory dividends as stipulated in the Bylaws.

Irrespective of amendments to the bylaws, the Company may increase its share capital through subscription to the limit of 6,000,000 shares, where the Board of Directors resolves the form, subscription terms and payment terms of the shares and the features of the shares to be issued and the issue price.

As authorized by its Board of Directors, in 2009 the Company bought back 422 common shares and 356 preferred shares of its issuance to be held in the Treasury, which have been recorded under "treasury stock" in the shareholders' equity at the amount of R$ 538. As it is a wholly owned subsidiary, the Company's shares have no market value.

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

21 Operating revenue

	3/31/2013			3/31/2012		
	Not reviewed by the independent auditors			Not reviewed by the independent auditors		
	No. of consumers	MWh	R$	No. of consumers	MWh	R$
Residential	1,006,407	376,886	174,434	971,000	327,037	161,011
Industrial	4,520	133,457	38,225	4,593	149,340	48,783
Commercial	89,236	165,595	74,148	87,470	152,404	74,716
Rural	112,107	79,577	22,626	104,892	62,901	13,163
Government:						
Federal	575	13,862	10,354	556	11,986	10,212
State	3,012	18,891	8,215	2,911	16,335	8,102
Municipal	11,138	23,794	5,451	10,765	20,574	5,376
Public Lighting	642	55,154	13,646	632	53,936	14,809
Public Utility	1,014	57,723	13,704	1,025	52,007	12,546
Internal Use	141	1,132	-	132	1,063	-
Subtotal	**1,228,792**	**926,071**	**360,803**	**1,183,976**	**847,583**	**348,718**
Revenue from Remuneration of Concession Assets	-	-	3,696	-	-	783
Electricity sales to distributors	-	-	(5,472)	-	5,076	18
Sales not invoiced (net)	-	(24,352)	(12,602)	-	1,693	(6,501)
Provision of the transmission and distribution system	19	-	13,458	19	-	14,406
Energy sales to free consumers	-	-	-	-	-	-
Construction Revenue	-	-	23,398	-	-	31,639
Other operating revenue	-	-	2,644	-	-	1,824
Total - gross operating revenue	**1,228,811**	**901,719**	**385,925**	**1,183,995**	**854,352**	**390,887**
Deductions from operating revenue						
ICMS	-	-	74,415	-	-	70,825
PIS	-	-	6,040	-	-	5,927
COFINS	-	-	27,804	-	-	27,302
ISS	-	-	205	-	-	228
Quota for RGR	-	-	(1,774)	-	-	3,072
Energy Efficiency Program - PEE	-	-	1,253	-	-	1,134
Energy Development Account - CDE	-	-	618	-	-	2,158
Energy Development Account - CCC	-	-	2,113	-	-	11,556
Research and Development Program – P&D	-	-	2,005	-	-	1,814
Total	**-**	**-**	**112,679**	**-**	**-**	**124,016**
Total - net operating revenue	**1,228,811**	**901,719**	**273,246**	**1,183,995**	**854,352**	**266,871**

22 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 and 1312 issued April 30, 2013, ANEEL has ratified R$ 45,140 for the months of January to March 2013:

The amounts were recorded as a reduction to the purchased energy costs and system service charges.

23 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 3/31/2013 and 12/31/2012
Operating 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 specified 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, 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.

24 Financial instruments and risk management

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

ASSETS	3/31/2013 Book	3/31/2013 Fair value	12/31/2012 Book	12/31/2012 Fair value
Cash and cash equivalents	76,089	76,089	67,646	67,646
Money market and secured funds	97,056	97,056	116,697	116,697
Consumers and concessionaires	147,033	147,033	190,091	190,091
Credit receivables	84,638	84,638	89,730	89,730
Accounts receivable from the concession	170,182	170,182	147,049	147,049
LIABILITIES	**3/31/2013 Book**	**3/31/2013 Fair value**	**12/31/2012 Book**	**12/31/2012 Fair value**
Suppliers payable	(61,431)	(61,431)	(111,737)	(111,737)
Loans, financing, debentures and debt charges	(533,664)	(542,725)	(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 March 31, 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, market valuations and/or effective interest rates.

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

These financial instruments are classified as financial liabilities at amortized cost. The book values of the local-currency loans and financing obtained from Centrais Elétricas Brasileiras S.A. – Eletrobrás, BNB and BNDES, are compatible with the fair value of the transactions, as similar transactions are not available on the financial market, with comparable maturities and interest rates. In the case of the 1st debentures issuance and loans from Banco Itaú BBA, Citibank, BONDs and Credit receivables investment funds, the book value differs from the fair value as there is a market in which the securities can be traded.

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.

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.

	Up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
Suppliers payable	58,816	-	-	-	2,615	61,431
Loans, financing, debt charges and debentures	172,642	55,661	289,699	149,263	91,061	758,326

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:

	3/31/2013	12/31/2012
Cash and cash equivalents	76,089	67,646
Money market and secured funds	97,056	116,697
Consumers and concessionaires	147,033	190,091
Credit receivables	84,638	89,730
Accounts receivable from the concession	170,182	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's income is susceptible to variations due to the volatility of the currency coupon and exchange rate on liabilities denominated in foreign currencies, mainly the US dollar, which lost 1.45% in the period ended March 31, 2013 as compared to December 31, 2012, quoted at R$ 2.0138 / USD.

R$ 233,493 (R$ 240,671 as of December 31, 2012) of Energisa PB's bank issuance debt as of March 31, 2013 amounting to R$ 536,332 (R$ 541,288 as of December 31, 2012) is denominated in US dollars deriving from (i) the international Notes Units issuance, with an outstanding balance, including interest, at the end of the period of USD 60.7 million (principal of USD 57.7 million), ii) USD 17.2 million of a loan (principal of USD 16.9 million) from Banco Itaú BBA. and (iii) loan from Citibank with a balance at the end of the year of USD 40.1 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 2017) and costs of up to USD plus 4.33% per annum.

The balance sheet as of March 31, 2013 presents R$ 527 in the noncurrent assets (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.

   In the period ended March 31, 2013 the foreign exchange hedges yielded a loss of R$ 4,587 (R$ 4,736 as of March 31, 2012), due to devaluation of 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 March 31, 2013 and December 31, 2012 have been summarized as follows:

	Reference Value		Description	Fair Value		Accumulated effect	
	3/31/2013	12/31/2012		3/31/2013	12/31/2012	Receivable / (Received)	Payable / (paid)
	Notional (BRL)					-	-
			Receivable Position				
			Foreign currency - USD	121,682	129,543		
Swap with options - Bond	83,732	88,174	Liability Position			-	-
			CDI Interest Rate	(120,468)	(124,767)	-	-
			Foreign Currency Options (USD)	(1)	(11)	-	-
			Total Swap Position with Options	1,213	4,765	125	-
			Receivable Position				
	34,138	34,138	Foreign currency - USD	36,115	37,450		
Swap with Options – Itaú BBA			Liability Position				
			CDI Interest Rate	(34,395)	(35,008)		
			Foreign Currency Options (USD)	(533)	(744)		
			Total Swap Position with Options	1,187	1,698	-	(564)
			Receivable Position				
	80,960	80,960	Foreign Currency - USD Libor	82,756	84,920		
Swap with Options - Citibank			Liability Position		-	-	
			CDI Interest Rate	(81,316)	(81,306)	-	
			Foreign Currency Options (USD)	(3,313)	(3,865)	-	
			Total Swap Position with Options	(1,873)	(251)	-	(1,639)

The Fair Value of the derivatives as of March 31, 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 March 31, 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 Options			7,228	(30,396)	(68,022)
Receivable position - Foreign Currency - USD	157,797		150,567	188,208	225,850
Payable Position - CDI Interest Rate	(154,863)	Higher f/x rate	(154,863)	(154,863)	(154,863)
Foreign Currency Options - USD	(534)		-	-	(28,227)
Subtotal	**2,400**		**(4,296)**	**33,345**	**42,760**
Net	2,400		2,932	2,949	**(25,262)**
Financial instruments - Swap with Options Citi	-		14,550	(2,501)	(19,552)
Receivable position - Foreign Currency - USD Libor	82,756	Higher f/x rate	68,206	85,257	102,308
Payable Position - CDI Interest Rate	(81,316)		(81,316)	(81,316)	(81,316)
Foreign Currency Options - USD	(3,313)		-	-	(2,674)
Subtotal	**(1,873)**		**(13,110)**	**3,941**	**18,318**
Net	(1,873)		1,440	1,440	(1,234)
Total	**527**		**4,372**	**4,389**	**(26,496)**

(*) Considers the macroeconomic scenario presented by the Focus Survey as of March 31, 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 March 31, 2013, the derivatives are effective, which is reflected in the positive present value of R$ 4,372, 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$ 4,389 and negative value of R$ 26,496 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 March 31, 2013 is maintained and the respective accumulated annual indexes are (CDI 7.42% p.a., LTIR 5% p.a. and FNE 8% p.a.) 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	151,859	Increase in CDI	2,751	3,416	4,073
Payable financial instruments:					
	(133,613)	Increase in CDI	(2,838)	(14,231)	(16,740)
Loans and financing	(10,325)	Increase in LTIR	(230)	(1,084)	(1,218)
	(106,869)	Increase in FNE	(12,784)	(14,387)	(15,990)
Subtotal (**)	(250,807)		(15,852)	(29,702)	(33,948)
Total	**(98,948)**		**(13,101)**	**(26,286)**	**(29,875)**

(*) Considers the CDI at June 30, 2013 (7.42% p.a.), quote of the estimates presented by the recent BACEN survey, dated December 31, 2012, TJLP of 5% p.a. and FNE funds of 8% p.a. (Loans contracted from Banco do Nordeste already reflecting the performance bonus).

(**) Does not include dollar transactions worth R$ 233,493

Fair value hierarchy

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

The different levels were defined 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	3/31/2013	12/31/2012
Assets			
Money market and secured funds	2	97,056	116,697
Derivative financial instruments	2	527	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.

25 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**
Contributions	370	1,427	1,797
Payments of contracted obligations	(244)	(943)	(1,187)
(Asset) Liability recorded at 3/31/2013	**6,940**	**56,948**	**63,888**

In the period ended March 31, 2013 the expense incurred on sponsoring these plans stood at R$ 1,797 (R$ 2,142 as of March 31, 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 March 31, 2013 the expenses incurred on this health plan stood at R$ 654 (R$ 503 as of March 31, 2012).

26 Commitments

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

Term	2013	2014	2015	2016	2017	2016 onwards
2013 to 2046	377,843	359,196	376,074	392,374	409,133	6,698,527

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 2012, 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.

27 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.

28 Additional information to the cash flows

As of March 31, 2013 equity changes not affecting the Company's cash flows are as follows:

	3/31/2013	12/31/2012
Restatement of accounts receivable from the concession - VNR	403	15,770
Accounts receivable from the concession	23,100	100,448
Suppliers payable	6,956	12,118
Dividends payable	-	35,391
Capitalization of reserves	-	22,943
Other comprehensive income	(20,127)	(20,127)

29 Subsequent event

Capital increase

The Extraordinary General Meeting held April 25, 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 capital 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 619,467 common nominative shares and 298,693 preferred nominative shares with no par value.

Dividends

The Annual General Meeting held April 24, 2013 resolved the payment of additional dividends for FY 2012 of R$ 9,479, 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.

Borrowing

In April 2013 the Company concluded the borrowing from Banco Itaú BBA, in order to settle the “Notes Units” foreign currency loans scheduled for July 2013. R$ 120,000 was secured from Banco Itaú BBA on April 17, 2013, with quarterly interest equal to USD + 3.49% p.a. and amortization of the principal on 4/17/2017 and 4/17/2018. A swap transaction was also simultaneously secured to hedge against adverse exchange variance of the dollar via an exchange rate cap of R$ / USD 3.11 (4/17/2017) and R$/USD 3.30 (4/17/2018), thereby making a swap (including income tax) for a cost equal to 108.95% of the CDI variance. The payment of quarterly interest was also swapped for 108.95% of the CDI variance, although there is no cap.

The caps were established in accordance with the Financial Market Risk Management Policy, i.e. at levels 20% greater than the future exchange rate on the date of procurement.

The above borrowing demonstrates the discipline and prudence displayed by Energisa Group's financial management practice, by bringing forward the borrowing, debt cost and length, which will make important savings for the operation to be settled on July 2013 and further the independence for cash management.

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