



Energisa Nova Friburgo | Results for 1st quarter of 2013

Cataguases, May 15, 2013 - The management of Energisa Nova Friburgo - 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 Nova Friburgo is an electricity distribution companies which serves approximately 96 consumers in the municipality of Nova Friburgo in Rio de Janeiro state.

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	33.9	38.6	- 12.2
Net Operating Revenue	23.0	23.9	- 3.8
Earnings before interest and tax (EBIT)	2.5	2.3	+ 8.7
EBITDA	3.6	3.3	+ 9.1
Adjusted EBITDA	4.0	3.7	+ 8.1
Net Income	1.6	1.1	+ 45.5
Financial Indicators - R\$ million			
Total Assets	136.2	118.9	+ 14.6
Cash / Cash Equivalents / Short-Term Investments	14.0	9.1	+ 53.8
Shareholders' Equity	60.1	50.9	+ 18.1
Net Debt	43.5	36.3	+ 19.8
Operating Indicators			
Number of Captive Consumers (thousands)	96.3	94.5	+ 1.9
Sales of energy to captive consumers (GWh)	80.5	78.9	+ 2.0
Total Electricity Distributed (GWh)	82.0	79.8	+ 2.8
Energy Losses (% in past 12 months)	5.36	5.50	- 0.14 P.P
Relative Indicators			
Adjusted EBITDA / Net Revenue (%)	17.4	15.5	+ 1.9 P.P
Net Debt / Adjusted EBITDA for 12 months (times)	3.5	2.3	+ 52.2

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

2 - Financial performance

2.1 - Gross and net operating revenue

In 1Q13 Energisa Nova Friburgo presented gross operating revenue, not including construction cost revenue, which is attributed a margin of zero, of R\$ 32.3 million, compared with R\$ 36.6 million in 1Q12, a decrease of 11.7% (R\$ 4.3 million). Also excluding construction revenue, net operating revenue fell by 2.3% (R\$ 0.5 million) in the period, to R\$ 21.4 million.

2.2 - Net income and cash generation

In the first quarter of 2013 Energisa Nova Friburgo recorded net income of R\$ 1.6 million, an increase of 45.5% over 1Q12. The operating cash generation (adjusted EBITDA) amounted to R\$ 4.0 million in the period, compared with R\$ 3.7 million in 1Q12, an increase of R\$ 8.1%. The Company's cash generation has performed as follows:

Breakdown of cash generation (EBITDA) - R\$ million	1Q13	1Q12	Change %
(=) Net Income	1.6	1.1	+ 45.5
(-) Income and social contribution taxes	(0.7)	(0.4)	+ 75.0
(-) Financial result	(0.2)	(0.7)	- 71.4
(-) Depreciation and amortization	(1.1)	(1.1)	-
(=) Cash generation (EBITDA)	3.6	3.3	+ 9.1
(+) Arrears surcharge revenue	0.4	0.4	-
(=) Adjusted cash generation (Adjusted EBITDA)	4.0	3.7	+ 8.1
Adjusted EBITDA Margin	17.4	15.5	+ 1.9 p.p

2.3 - Operating expenses

Operating expenses excluding construction costs amounted to R\$ 18.9 million in 1Q13, a decrease of 4.1% (R\$ 0.8 million) over 1Q12. Of this total, controllable expenses expanded by 5.2% (R\$ 0.3 million), amounting to R\$ 6.1 million. Noncontrollable expenses on electricity and transportation purchases fell by 6.5% (R\$ 0.8 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	6.1	5.8	+ 5.2	+ 0.3
1.1 - Personnel	2.1	1.7	+ 23.5	+ 0.4
1.2 Material	0.2	0.2	-	-
1.3 Services	3.8	3.9	- 2.6	- 0.1
2 - Uncontrollable expenses (acquisition of energy and transmission)	11.5	12.3	- 6.5	- 0.8
3 - Depreciation and amortization	1.2	1.0	+ 20.0	+ 0.2
4 - Allowance for doubtful accounts and contingencies	0.5	(0.1)	-	+ 0.6
5 - Other expenses/revenue	(0.4)	0.7	-	- 1.1
Subtotal	18.9	19.7	- 4.1	- 0.8
6 - Construction cost	1.6	1.9	- 15.8	- 0.3
Total	20.5	21.6	- 5.1	- 1.1

2.3 - Financial result

The net financial income (financial revenue minus financial expenses) amounted to a net financial expense of R\$ 0.2 million in 1Q13, as compared to a net financial expense of R\$ 0.7 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 Nova Friburgo as of March 31, 2013 and December 31, 2012:

Description	3/31/2013	12/31/2012
Amount in R\$ million		
Short-term	11.5	2.8
Loans, financing and debentures	10.9	2.1
Debt charges	0.5	0.6
Financing of taxes and actuarial deficit	0.1	0.1
Long-term	46.0	52.9
Loans, financing and debentures	45.5	52.6
Financing of taxes and actuarial deficit	0.5	0.3
Total debts	57.5	55.7
(-) Cash and cash equivalents	14.0	9.2
Total net debts	43.5	46.5

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 Nova Friburgo's concession area, amounted to 80.5 GWh, an increase of 2.0% over the same period last year. Consumption was driven by the commercial sector, which expanded by 4.6% in the period. Total energy distributed in 1Q13 was 82.0 GWh, compared with 79.8 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)	80.5	78.9	+ 2.0
✓ Residential	37.7	36.9	+ 2.2
✓ Industrial	14.1	13.8	+ 2.2
✓ Commercial	18.2	17.4	+ 4.6
✓ Rural	1.2	1.2	-
✓ Other Sectors	9.3	9.6	- 3.1
2) Sales to distributors and unbilled sales	1.5	0.9	+ 66.7
3) Total Electricity Distributed (2+3)	82.0	79.8	+ 2.8

Energisa Nova Friburgo closed 1Q13 with 96,338 captive consumer units, 1.9% more than at the end of March 2012.

3.2 - Energy losses

Energisa Nova Friburgo's energy losses remained amongst the lowest in the country, at 5.36% in the past twelve months ended March 2013, a decrease of 0.14 percentage points over the same period ended March last year.

4 - Investment

Energisa Nova Friburgo's investments amounted to R\$ 1.8 million in 1Q13, compared with R\$ 1.9 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 Nova Friburgo in the first quarter of 2013 was R\$ 3,000 for reviewing the financial statements.

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

Management.

Financial Statements

1. Balance Sheet - Assets

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

	3/31/2013	12/31/2012 (Adjusted)
Assets		
Current		
Cash and cash equivalents	9,178	5,260
Money market and secured funds	4,610	3,007
Consumers and concessionaires	12,292	14,623
Credit receivables	253	354
Inventory	341	377
Recoverable taxes	6,617	6,128
Low income and other receivables	5,449	5,065
Total current	38,740	34,814
Noncurrent		
Noncurrent assets		
Money market and secured funds	261	900
Consumers and concessionaires	368	368
Credit receivables	13	19
Related-party transactions	-	558
Tax credits	964	1,585
Recoverable taxes	3,447	3,529
Restricted deposits and escrows	1,730	1,730
Derivative financial instruments	3,210	4,082
Accounts receivable from the concession	71,820	68,786
	81,813	81,557
Investments	52	47
Intangible assets	11,850	13,348
Property, plant and equipment	3,746	3,812
Total noncurrent	97,461	98,764
Total Assets	136,201	133,578

See the accompanying notes to the financial statements.

2. Balance Sheet - Liabilities

ENERGISA NOVA FRIBURGO - 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	6,533	7,170
Debt charges	489	591
Loans and financing	10,857	2,061
Taxes and social contributions	977	1,584
Profit Shares	1,039	1,039
Consumer charges payable	382	1,142
Employee benefits - pension plan	115	115
Estimated obligations	665	601
Intrasector Obligations	3,380	3,251
Other accounts payable	1,372	838
Total current	25,809	18,392
Noncurrent		
Suppliers payable	114	113
Loans and financing	45,535	52,560
Deferred income and social contribution taxes	1,458	1,331
Employee benefits - pension plan	480	451
Provisions for labor, civil and tax risks:	2,734	2,260
Other accounts payable	6	7
Total noncurrent	50,327	56,722
Shareholders' equity		
Capital	32,650	32,650
Capital reserves	11,248	11,248
Profit reserves	5,126	5,126
Comprehensive income	(45)	(45)
Additional dividends proposed	9,485	9,485
Net incomes for the period	1,601	-
	60,065	58,464
Total Liabilities	136,201	133,578

See the accompanying notes to the financial statements.

3. Statements of Income

ENERGISA NOVA FRIBURGO - DISTRIBUIDORA DE ENERGIA S/A
STATEMENT OF INCOME
THREE MONTHS ENDED March 31, 2013 AND 2012
(In thousands of reais, except for net income per free float share)

	3/31/2013	12/31/2012
Revenues		
Electricity sales to consumers	30,981	35,248
Provision of system	380	500
Construction revenue	1,623	1,944
Other operating revenue	949	887
	33,933	38,579
Deductions from operating revenue		
ICMS on billing	7,422	8,588
PIS, Cofins and ISS	3,017	3,412
Others (CCC, CDE, PEE and P&D)	495	2,705
	10,934	14,705
Net operating revenue	22,999	23,874
Operating expenses		
Electricity purchased	9,066	8,932
System service charges	2,416	3,385
Personnel	2,027	1,704
Private pension fund	41	19
Material	195	200
Outsourced services	3,794	3,926
Depreciation and amortization (includes goodwill)	1,151	1,075
Allowance for possible loan losses/contingencies	492	(105)
Construction cost	1,623	1,944
Other expenses	556	609
	21,361	21,689
Net income before other operating revenue and expenses	1,638	2,185
Other operating revenue	846	131
Other operating expenses	-	(62)
	846	69
Earnings before interest and tax	2,484	2,254
Financial income		
Revenue on short-term investments	130	193
Arrears charge on power sales	370	386
Debt charges - Interest	(702)	(768)
Debt charges - monetary and exchange variance	772	68
Mark-to-market of derivatives	(252)	237
Derivative financial instruments	(717)	(320)
Adjustment to present value	7	4
(-) Transfers to work in progress	36	30
Other financial income (expenses)	166	(514)
	(190)	(684)
Net income before tax	2,294	1,570
Income and social contribution taxes	(693)	(455)
Net income for the period	1,601	1,115

See the accompanying notes to the financial statements.

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