Energisa Minas Gerais | Results for the 1st half of 2012

Cataguases, August 13, 2012 - The Management of Energisa Minas Gerais – Distribuidora de Energia S/A (“Energisa Minas Gerais” or “Company”) hereby presents its half information for 2012 (6M12), prepared in accordance with International Financial Reporting Standards - IFRS.

1 - Business Profile

Energisa Minas Gerais is an electricity distributor that serves approximately 398,000 consumers and a population of roughly 1.0 million in 65 municipalities in Zona da Mata, Minas Gerais state, and 1 municipality in Rio de Janeiro state.

Energisa Minas Gerais’s main economic and financial figures have been summarized below:

Operating and Financial Indicators

Description	6M12	6M11	Change %
Results - R$ million			
Gross Operating Revenue	318.9	313.9	+ 1.6
Net Operating Revenue	209.2	210.3	- 0.5
Earnings before interest and tax (EBIT)	27.3	40.9	- 33.3
EBITDA	35.3	49.5	- 28.7
Adjusted EBTIDA	38.1	52.4	- 27.3
Financial result	(6.5)	(7.3)	- 11.0
Income before tax	20.8	33.6	- 38.1
Net Income	13.8	22.1	- 37.6
Financial Indicators - R$ million			
Total Assets	469.1	395.8	+ 18.5
Cash / Cash Equivalents / Short-Term Investments	79.3	67.3	+ 17.8
Shareholders' Equity	76.5	83.0	- 7.8
Net Debt	208.3	158.0	+ 31.8
Operating Indicators			
Number of Captive Consumers (thousand)	397.8	387.6	+ 2.6
Energy sold to Captive Consumers (GWh)	546.4	533.7	+ 2.4
Total Electricity Distributed (GWh)	711.9	701.2	+ 1.5
Energy Losses (% in past 12 months)	8.77	8.73	- 0.04 p.p
Related indicators			
Adjusted EBITDA / Net Revenue (%)	18.2	24.9	- 6.7 p.p
Net Debt / Adjusted EBITDA 12 months (times)	2.6	1.3	+ 100.0

2 - Economic and Financial Performance

2.1 - Net Income

Energisa Minas Gerais recorded net income of R$ 13.8 million in the first half of 2012, as compared to R$ 6.1 million in 2Q12. The figure in 6M12 is 37.6% smaller than the R$ 22.1 million recorded in 6M11.

The decrease in Energisa Minas Gerais' net income in 6M12 was primarily due to the change in uncontrollable expenses (A Portion) still not reflected in the Company's electricity rates. The amount to be recovered in the rate adjustment on June 18, 2012 is approximately R$ 9.4 million.

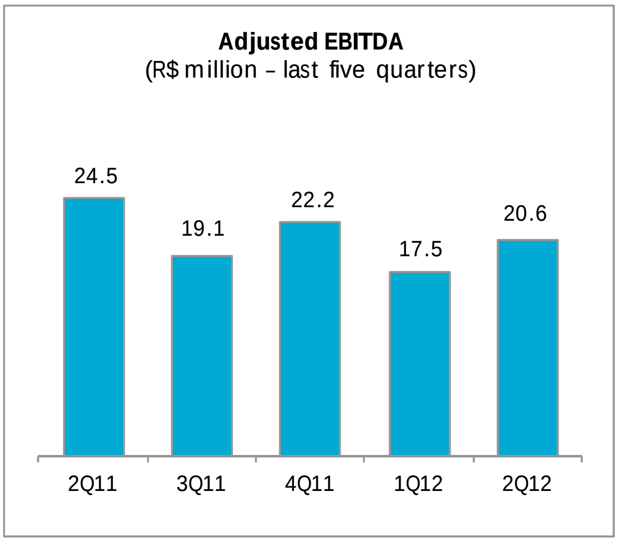
See below the breakdown of the Company's net income and cash:

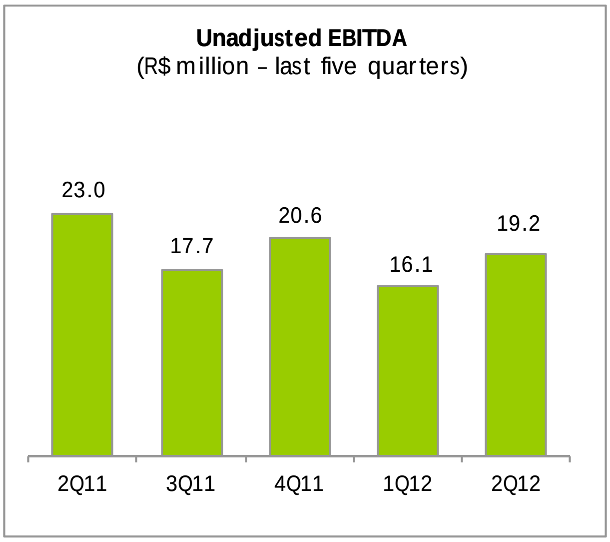
Breakdown and change of net income	Quarter			Half		
(R$ millions)	2Q12	2Q11	Change %	6M12	6M11	Change %
(=) Net operating revenue	104.7	104.4	+ 0.3	209.2	210.3	- 0.5
(=) Earnings before interest and tax (EBIT)	15.3	18.7	- 18.2	27.3	40.9	- 33.3
(+) Financial result (revenue minus financial expenses)	(6.2)	(3.3)	+ 87.9	(6.5)	(7.3)	- 11.0
(+) Income and social contribution taxes	(3.0)	(5.3)	- 43.4	(7.0)	(11.5)	- 39.1
(=) Net Income	**6.1**	**10.1**	**- 39.6**	**13.8**	**22.1**	**- 37.6**

Change in cash generation

Breakdown of cash generation (EBITDA)	Quarter			Half		
(R$ millions)	2Q12	2Q11	Change %	6M12	6M11	Change %
(=) Net Income	**6.1**	**10.1**	**- 39.6**	**13.8**	**22.1**	**- 37.6**
(-) Income and social contribution taxes	(3.0)	(5.3)	- 43.4	(7.0)	(11.5)	- 39.1
(-) Financial result	(6.2)	(3.3)	+ 87.9	(6.5)	(7.3)	- 11.0
(-) Depreciation and amortization	(3.9)	(4.3)	- 9.3	(8.0)	(8.6)	- 7.0
(=) Cash generation (EBITDA)	**19.2**	**23.0**	**- 16.5**	**35.3**	**49.5**	**- 28.7**
(+) Arrears surcharge revenue	1.4	1.5	- 6.7	2.8	2.9	- 3.4
(=) Adjusted cash generation (Adjusted EBITDA)	**20.6**	**24.5**	**- 15.9**	**38.1**	**52.4**	**- 27.3**

The growth in Energisa Minas Gerais' EBITDA and Adjusted EBITDA in the last five quarters is as follows:





2.2 - Gross operating revenue

Energisa Minas Gerais' gross operating revenue amounted to R$ 318.9 million in 6M12, compared with R$ 313.9 million in the same period last year, an increase of 1.6% (R$ 5.0 million). Net operating revenue in turn fell by 0.5% (or R$ 1.1 million) in the same period.

In 2Q12, although energy sales contracted over 1Q12, gross and net operating revenue grew respectively by 3.0% (or R$ 4.7 million) and 0.4% (R$ 0.4 million) over 2Q11.

The gross operating revenue and net operating revenue break down as follows:

Revenue by Consumption Sector Amounts in R$ million	Quarter			Half		
	2Q12	2Q11	Change in R$ million	6M12	6M11	Change in R$ million
(+) Electricity revenue (retail market)	**136.4**	**126.8**	**+ 9.6**	**275.2**	**260.9**	**+ 14.3**
• Residential	62.7	54.4	+ 8.3	126.9	114.9	+ 12.0
• Industrial	21.7	23.9	- 2.2	43.1	46.5	- 3.4
• Commercial	26.6	24.6	+ 2.0	55.5	52.1	+ 3.4
• Rural	12.0	11.6	+ 0.4	23.5	22.9	+ 0.6
• Other sectors	13.4	12.3	+ 1.1	26.2	24.5	+ 1.7
(+) Electricity sales to distributors	0.3	0.2	+ 0.1	0.4	0.4	-
(+) Unbilled sales	(1.1)	(1.4)	+ 0.3	(3.2)	(0.3)	- 2.9
(+) Electricity network usage charges	10.5	10.2	+ 0.3	19.7	20.9	- 1.2
(+) Construction revenue	9.1	14.3	- 5.2	17.8	24.0	- 6.2
(+) Other revenue	4.3	4.7	- 0.4	9.0	8.0	+ 1.0
(=) Subtotal - Consolidated gross operating revenue	**159.5**	**154.8**	**+ 4.7**	**318.9**	**313.9**	**+ 5.0**
(-) Tax on revenue	(43.2)	(40.8)	- 2.4	(87.2)	(84.1)	- 3.1
(-) Sector charges	(11.6)	(9.7)	- 1.9	(22.5)	(19.5)	- 3.0
(=) Total - Consolidated net operating revenue	**104.7**	**104.3**	**+ 0.4**	**209.2**	**210.3**	**- 1.1**

2.2.1 - Increase in electricity rates

Effective from June 18, 2012 Aneel (National Electricity Regulatory Agency) has ratified the third rate review of Energisa Minas Gerais, resulting in an average increase for consumers of 1.20%.

2.3 - Operating expenses
2.3.1 - Operating expenses in electricity distribution and services

Operating expenses in electricity distribution and services amounted to R$ 164.2 million at Energisa Minas Gerais in 6M12, an increase of 12.9% (or R$ 18.7 million) over the amount recorded in 6M11. In 2Q12 the increase in these expenses was 12.6% (or R$ 9.0 million) over the same period last year.

2.3.1.1 - Controllable expenses in electricity distribution and services

The controllable expenses (personnel, material and outsourced services) in electricity distribution and services contracted by 4.6% (or R$ 1.9 million) in 6M12, to R$ 39.7 million. The controllable expenses contracted by 13.1% (or R$ 3.1 million) in 2Q12 over 2Q11.

2.3.2 - Construction costs

Following the adoption of international accounting standards (IFRS), Energisa Minas Gerais is now recognizing revenue and costs deriving from the construction of infrastructure used in public energy concessions, attributing a margin of zero to this activity. Construction costs amounted to R$ 17.8 million in 6M12 (R$ 9.1 million in 2Q12), compared with R$ 23.9 million in 6M11 (R$ 14.2 million in 2Q11).

2.3.3 - Total operating expenses

Energisa Minas Gerais' operating expenses amounted to R$ 182.0 million in 6M12, an increase of 7.4% (or R$ 12.6 million) over 6M11. Total operating expenses rose by 4.6% (or R$ 3.9 million) in 2Q12 over 2Q11.

Operating expenses break down as follows:

Breakdown of operating expenses (R$ million)	2Q12	2Q11	Change in R$ million	6M12	6M11	Change in R$ million
1 - Controllable expenses	**20.6**	**23.7**	**- 3.1**	**39.7**	**41.6**	**- 1.9**
1.1 - Personnel (includes pension fund)	6.4	10.4	- 4.0	12.5	15.7	- 3.2
1.2 - Material	1.3	1.3	-	2.6	2.4	+ 0.2
1.3 - Services	12.9	12.0	+ 0.9	24.6	23.5	+ 1.1
2 - Uncontrollable expenses (acquisition of energy and transmission)	54.9	49.0	+ 5.9	112.7	98.9	+ 13.8
3 - Depreciation and amortization	3.9	4.3	- 0.4	8.0	8.6	- 0.6
4 - Allowance for doubtful accounts and contingencies	0.1	(6.1)	+ 6.2	1.8	(5.5)	+ 7.3
5 - Other expenses / revenue	0.9	0.5	+ 0.4	2.0	1.9	+ 0.1
Subtotal (1+2+3+4+5)	**80.4**	**71.4**	**+ 9.0**	**164.2**	**145.5**	**+ 18.7**
6 – Construction cost	9.1	14.2	- 5.1	17.8	23.9	- 6.1
Total	**89.5**	**85.6**	**+ 3.9**	**182.0**	**169.4**	**+ 12.6**

2.4 - Financial result

The net financial result (financial revenue minus financial expenses) amounted to a net financial expense of R$ 6.5 million in 6M12 (R$ 6.2 million in 2Q12), as compared to a net financial expense of R$ 7.3 million in 6M11 (R$ 3.3 million in 2Q11).

The table below denotes the short- and long-term debt net of financial resources (cash, cash equivalents and short-term investments) of Energisa Minas Gerais as of June 30, 2012 and December 31, 2011.

Description Amount in R$ million	06/30/2012	12/31/2011
Short-term	**34.2**	**40.8**
Loans, financing and debentures	27.4	36.7
Debt charges	5.2	2.6
Financing of taxes and pension fund	1.6	1.5
Long-term	**253.4**	**243.2**
Loans, financing and debentures	249.7	238.9
Financing of taxes and pension fund	3.7	4.3
Total debts	**287.6**	**284.0**
(-) Cash and cash equivalents	79.3	83.5
Total net debts	**208.3**	**200.5**

3 - Operating Performance

3.1 - Electricity Sales

Electricity sales to the captive consumers served by Energisa Minas Gerais grew in 2Q12 at a slower pace than in 1Q12, to 269.4 GWh, an increase of 1.1% over the same quarter of 2011. Residential consumption stood out in the quarter, rising by 6.0%, followed by the commercial sector, with 5.8%. The industrial, captive and free sectors jointly experienced a 2.1% decrease in consumption in the quarter. Total energy distributed, including captive and free consumers, sales to distributors and unbilled sales, consequently stood at 352.0 GWh in 2Q12, a decrease of 0.5% over the same quarter last year.

Captive consumption rose by an accumulated 1.1% in 6M12 over 6M11 and total energy distributed stood at 711.9 GWh, i.e. 1.5% more than in 6M11. The table below shows the change in electricity sales by segment over the half:

Electricity Sales by Segment
(In GWh)

Description	Quarter			Half		
	2Q12	2Q11	Change %	6M12	6M11	Change %
a) Energy Sales in the Retail Market	**269.4**	**266.5**	**+ 1.1**	**546.4**	**533.7**	**+ 2.4**
* Residential	101.0	95.3	+ 6.0	206.2	196.3	+ 5.0
* Industrial	47.6	54.7	- 13.0	95.6	101.0	- 5.3
* Commercial	50.7	47.9	+ 5.8	105.7	100.7	+ 5.0
* Rural	34.9	34.8	+ 0.3	68.5	68.1	+ 0.6
* Other sectors	35.2	33.8	+ 4.1	70.4	67.6	+ 4.1
b) Electricity Sales to Distributors	2.5	10.8	- 76.9	8.4	17.2	- 51.2
c) Net Unbilled Sales	(2.8)	(2.3)	+ 21.7	(0.9)	-	-
d) Total Electricity Sales (a+b+c)	**269.1**	**275.0**	**- 2.1**	**553.9**	**550.9**	**+ 0.5**
e) Energy associated with Free Consumers	82.9	78.6	+ 5.5	158.0	150.3	+ 5.1
f) Total Electricity Distributed (d+e)	**352.0**	**353.6**	**- 0.5**	**711.9**	**701.2**	**+ 1.5**

3.2 - Energy Losses

Energisa Minas Gerais' energy losses were recorded at 8.77% in the past twelve months ended June 2012 as compared to 8.73% in the same period ended June 30, 2011.

4 - Investment

Energisa Minas Gerais invested a total of R$ 19.5 million in the first half of 2012, compared with R$ 25.3 million in the same period last year.

5 - Dividends

On August 09, 2012 the Energisa Minas Gerais Board of Directors approved the payment of interim dividends from the net income for the first half of R$ 13.2 million (R$ 29.18 per common and preferred share). These dividends will be paid from August 17.

6- Services rendered by the independent auditor

The total remuneration of Deloitte Touche Tohmatsu Auditores Independentes for the services provided to Energisa Minas Gerais in the first half of 2012 was R$ 56,000, as follows: i) R$ 52,000 for reviewing the financial statements, and ii) R$ 4,000 for procedures previously agreed with ANEEL for the "Energy Efficiency" programs,

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 Minas Gerais
Balance Sheets
June 30, 2012 and December 31, 2011
(In thousands of reais)

	6/30/2012	12/31/2011
Assets		
Current		
Cash and cash equivalents	46,430	29,082
Money market and secured funds	28,805	49,439
Consumers and concessionaires	73,282	77,079
Credit receivables	1,659	1,957
Inventory	1,559	1,540
Recoverable taxes	13,147	10,379
Low income and other debtors	21,831	15,979
Total current	**186,713**	**185,455**
Noncurrent		
Noncurrent assets		
Money market and secured funds	4,053	4,930
Consumers and concessionaires	8,207	8,207
Credit receivables	329	2,893
Recoverable taxes	11,637	12,171
Derivative financial instruments	10,227	3,243
Tax credits	44,077	43,814
Escrow deposits	1,180	1,127
Accounts receivable from the concession	157,355	136,442
Other	1,510	2,568
	238,575	**215,395**
Investments	2,086	2,049
Intangible assets	41,740	52,092
Total noncurrent	**282,401**	**269,536**
Total Assets	**469,114**	**454,991**

See the accompanying notes to the financial statements.

2. Balance Sheet - Liabilities

Energisa Minas Gerais
Balance Sheets
June 30, 2012 and December 31, 2011
(In thousands of reais)

	6/30/2012	12/31/2011
Liabilities		
Current		
Suppliers payable	33,535	32,262
Debt charges	5,179	2,588
Loans and financing	27,183	36,393
Debentures	206	319
Taxes and social contributions	31,940	29,508
Financing of taxes	1,366	1,315
Consumer charges payable	3,928	3,659
Employee benefits - pension plan	215	218
Estimated obligations	2,211	1,798
Other accounts payable	20,852	21,589
Total current	**126,615**	**129,649**
Noncurrent		
Suppliers payable	698	667
Loans and financing	190,003	179,249
Debentures	59,706	59,691
Derivative financial instruments	51	1,431
Taxes and social contributions	4,393	3,552
Financing of taxes	2,505	3,069
Provision for contingencies	6,254	5,651
Employee benefits - pension plan	1,178	1,184
Other accounts payable	1,248	2,527
Total noncurrent	**266,036**	**257,021**
Shareholders' equity		
Capital	44,171	44,171
Capital reserve	7,921	7,921
Profit reserves	10,525	10,525
Additional dividends proposed	-	5,704
Retained earnings accumulated	13,846	-
	76,463	**68,321**
Total liabilities	**469,114**	**454,991**

See the accompanying notes to the financial statements.

3. Income Statement

Energisa Minas Gerais – Distribuidora de Energia S/A
Statements of Income
Six months ended June 30, 2012 and 2011
(In thousands of reais)

	6M12	6M11
Revenues		
Electricity sales to consumers	272,007	260,593
Electricity sales to distributors	368	446
Electricity network usage charges	19,722	20,943
Construction revenue	17,828	23,972
Other revenue	9,008	7,924
	318,933	**313,878**
Deductions from operating revenue		
ICMS on billing	59,173	57,149
PIS, Cofins and ISS	28,068	26,905
Quotas for global reversal reserve	2,388	1,420
Others (PEE, CDE, CCC and P&D)	20,060	18,074
	109,689	**103,548**
Net operating revenue	**209,244**	**210,330**
Operating expenses (revenue)		
Personnel (includes pension fund expenses)	12,517	15,710
Material	2,565	2,369
Outsourced services	24,562	23,460
Electricity purchased for resale	86,441	76,804
Transmission of electricity	26,284	22,153
Depreciation and amortization	7,985	8,565
Allowance for doubtful accounts / contingencies (reversal)	1,827	(5,496)
Construction revenue	17,828	23,972
Other expenses / revenue	1,966	1,905
	181,975	**169,442**
Net income before other revenue and expenses	**27,269**	**40,888**
Financial revenue (expense)		
Income from interest-earning bank deposits	3,869	3,042
Monetary variation and arrears surcharge on energy sold	2,858	2,891
Other financial revenue	583	571
Debt charges - interest	(10,818)	(12,147)
Debt charges - monetary and exchange variance	(6,626)	96
(-) Transfer to orders in progress	246	420
Mark-to-market of derivatives	1,380	-
Derivative financial instruments	4,593	-
Restatement of assets	101	37
Other financial expenses	(2,676)	(2,174)
	(6,490)	**(7,264)**
Net income before tax	**20,779**	**33,624**
Income and social contribution taxes	(6,933)	(11,509)
Net income for the period	**13,846**	**22,115**
Net income per share of capital - R$	30.72	49.07

See the accompanying notes to the financial statements.

4. Statements of Cash Flow

Energisa Minas Gerais – Distribuidora de Energia S/A
Statements of Cash Flow
Six months ended June 30, 2012 and 2011 (In thousands of reais)

	6/30/2012	6/30/2011
Operating activities		
Net income for the year	13,846	22,115
Expenses (revenue) not affecting cash:		-
Expenses on interest and monetary and exchange variance - net	17,600	12,414
Allowance for doubtful accounts	758	446
Depreciation and amortization	7,985	8,565
Residual value of retired permanent assets	65	1
Tax credits	(263)	7,609
Income and social contribution taxes	6,933	11,509
Provision for contingencies	446	(6,329)
Derivative financial instruments	(4,593)	-
Mark-to-market of derivatives	(1,380)	-
Equity appraisal adjustments	-	(48)
Subtotal	**41,397**	**56,282**
Changes in current and noncurrent assets		
Consumers and concessionaires	2,535	31,876
Interest-earning bank deposits and Secured Funds	20,996	3,640
Credit receivables	3,880	(380)
Inventory	(19)	243
Recoverable taxes	(6,565)	565
Escrow and secured deposits	(53)	(145)
Prepaid expenses	133	260
Other accounts receivable	(4,896)	(2,535)
	16,011	**33,524**
Changes in current and noncurrent liabilities		
Suppliers payable	1,302	(3,026)
Payroll	-	(3)
Taxes and social contributions	5,595	(12,192)
Income and social contribution taxes paid	(4,925)	(35)
Financing of taxes	(513)	(374)
Estimated obligations	413	190
Consumer charges payable	269	937
Other	(2,021)	329
	120	**(14,174)**
Net cash produced by operating activities	**57,528**	**75,632**
Investment activities		
Additions to Investment	(37)	29
Additions to Intangible assets	(19,528)	(25,307)
Consumer, government and state contributions	887	639
Net cash consumed in investment activities	**(18,678)**	**(24,639)**
Financing activities		
New loans and financing	8,105	10,347
Payments of loans - principal	(13,281)	(11,805)
Payments of loans - interest	(8,230)	(8,057)
Payment of dividends	(5,704)	(28,729)
Settlement of Derivative Financial Instruments	(2,392)	-
Net cash consumed in financing activities	**(21,502)**	**(38,244)**
Net cash variation	**17,348**	**12,749**
Opening cash and cash equivalents	29,082	29,850
Closing cash and cash equivalents	46,430	42,599
Net cash variation	**17,348**	**12,749**

See the accompanying notes to the financial statements.

Energisa Minas Gerais - Distribuidora de Energia S.A.
Notes to the quarterly information
Period ended June 30, 2012
(In thousands of reais, unless stated otherwise)

1. Operations

Energisa Minas Gerais – Distribuidora de Energia S/A ("Company or Energisa MG"), a part of **ENERGISA GROUP**, is an electricity distribution concessionaire which operates in 65 municipalities in the state of Minas Gerais and 1 municipality in the state of Rio de Janeiro, serving approximately 397,848 consumers (information not reviewed by the independent auditors). The Company's headquarters is in the city of Cataguases, Minas Gerais state.

The concession operator's main obligations stipulated in the concession arrangement as per ICPC 01 (R1) and ICPC 17 are to:

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

II - Carry out the work necessary to provide the concession services and replace assets, operating the infrastructure so as to ensure the regular, continuous, efficient and safe provision of services and charging of rates

III - Organize and maintain a record and inventory of the concession assets and ensure the integrity thereof. Concession operators may not sell or submit as guarantee the assets without the prior express consent of the regulatory agency

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

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

VI – Submit to the prior approval of the National Electricity Regulatory Agency (ANEEL) any changes in share control 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, and

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, classification of the concession, concession revenue and concession term can be seen in notes 9, 15, 24 and 29 respectively.

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

Approved by the Board of Directors on August 09, 2012, the Company's interim financial information (quarterly information) consists of:

- The individual interim financial information prepared and presented in accordance with CPC Technical Pronouncement 21 - Interim statements and the standards issued by the Brazilian Securities Commission, that apply to the preparation of Quarterly Information - ITR, identified as "Individual - BR GAAP";

The Company did not report any comprehensive income in the current period.

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, 2011 (hereinafter referred to as "Financial Statements as of December 31, 2011"), published in the official press on March 12, 2012.
This interim financial information (quarterly information) should therefore be read in conjunction with the aforesaid financial statements.

3. Adoption of international accounting standards

3.1 New accounting procedures issued by the IASB

The 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, 2011.

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 65 municipalities in Minas Gerais state and 1 in Rio de Janeiro state, and its income statement denotes this activity.

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

a) Cash and cash equivalents

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

Financial institution	Type	Maturity (*)	Compensation	6/30/2012	12/31/2011
CEF	CDB	6/28/2014	100,5% of CDI	31,940	7,468
Mercantil	CDB	5/25/2015	105,0% of CDI	55	1,226
Mercantil FID	CDB	5/30/2022	105,0% of CDI	963	952
Santander	Debentures (**)	6/4/2014	103,2% of CDI	68	-
BB Amplo	Investment Fund	-	Benchmark CDI	2,611	10,004
CEF	Investment Fund	-	Benchmark CDI	74	946
HSBC	Investment Fund	-	Benchmark CDI	862	-
Itaú	Investment Fund	-	Benchmark CDI	726	28
Sul América	Investment Fund	-	Benchmark CDI	5,435	5,002
Total				**42,734**	**25,626**
Cash and banks				**3,696**	**3,456**
Total cash and cash equivalents				**46,430**	**29,082**

b) Money market and secured funds

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

Financial institution	Type	Maturity (*)	Compensation	6/30/2012	12/31/2011
BES	CDB	10/10/2013	100,0% of CDI	29	28
BMG	CDB	12/16/2013	112,0% of CDI	302	1,480
Bradesco	CDB	12/30/2013 to 5/22/2014	99.0% to 100.0% of CDI	808	39
Bradesco	Debentures (**)	7/24/2012 to 11/13/2012	100.0% to 100.5% of CDI	13,623	15,729
Bradesco	Savings	-	Savings	-	521
CEF	Savings	-	Savings	16	1,243
Itaú	CDB	12/3/2013	101,8% of CDI	16	15
Bradesco	Investment Fund	-	Benchmark CDI	1,024	-
FIDC BIC Banco	Credit receivables investment funds	-	112,0% of CDI	2,250	-
Itaú	Debentures (**)	4/4/2013 to 7/25/2013	100.0% to 103.5% of CDI	164	157
Itaú	Investment Fund	-	Benchmark CDI	56	55
Pine	CDB	7/2/2012	111,0% of CDI	10,517	10,005
Votorantim	Debentures (**)	6/27/2012	106,0% of CDI	-	20,009
				28,805	**49,281**
Available-for-sale financial securities					
Bradesco	Investment Fund	-	Benchmark CDI	-	679
				-	**679**
Held-to-maturity securities					
Itaú	Credit receivables investment funds	11/1/2012 to 12/29/2020	100,0% of CDI	4,053	4,409
				4,053	**4,409**
Total money market and secured funds				**32,858**	**54,369**
Current				**28,805**	**49,439**
Noncurrent				**4,053**	**4,930**

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

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

6. Consumers and concessionaires

Consumer sector	Overdue (1)	Up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	over 360 days	6/30/2012	12/31/2011
Residential	10,929	5,782	516	294	7	1	17,529	18,067
Industrial	12,392	1,816	586	55	46	862	15,757	14,066
Commercial	5,784	1,482	197	303	221	-	7,987	8,330
Rural	2,649	1,063	170	71	5	-	3,958	3,709
Government:								
Federal	27	2	4	5	2	-	40	31
State	292	20	38	54	18	-	422	326
Municipal	1,065	74	138	198	67	-	1,542	1,193
Public lighting	809	122	6	-	-	-	937	926
Public utility	1,318	28	1	-	-	-	1,347	1,170
Subtotal - consumers	35,265	10,389	1,656	980	366	863	**49,519**	**47,818**
Concession operators **(2)**							9,478	9,277
Unbilled sales	-	-	-	-	-	-	11,824	15,000
Other	-	-	-	-	-	-	14,021	15,282
(-) Allowance for doubtful accounts	-	-	-	-	-	-	(3,353)	(2,091)
Total	35,265	10,389	1,656	980	366	863	**81,489**	**85,286**
Current	**-**	**-**	**-**	**-**	**-**	**-**	**73,282**	**77,079**
Noncurrent	**-**	**-**	**-**	**-**	**-**	**-**	**8,207**	**8,207**

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

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

The balance of the consumers and concessionaires account as of June 30, 2012 consists of amounts referring to the sale of energy at the Electricity Commercialization Chamber – CCEE to the amount of R$ 9,479 (R$ 9,277 as of December 31, 2011), net of the partial payments made up to June 30, 2012. These balances were determined based on calculations prepared and published by the CCEE.

The breakdown of these amounts, including the balances recorded under “suppliers payable” in the current liabilities of R$ 246 (R$ 46 as of December 31, 2011) referring to the acquisition of electricity and system service charges of R$ 560 (R$ 1,280 as of December 31, 2011), are shown below:

Breakdown of CCEE credits	6/30/2012	12/31/2011
Outstanding balances	11	193
Credits linked to court injunctions up to December 2002	6,873	6,873
Overdue credits (*)	2,595	2,211
	9,479	9,277
(-) Energy acquisitions at CCEE	(246)	(46)
(-) System service charges	(560)	(1,280)
	8,673	**7,951**

(*) The Company has an allowance for doubtful accounts of R$ 1,350.

Transactions occurring as from July 2003 are being settled 45 days after the accrual month.

Current energy amounts linked to court injunctions are subject to change, depending on the outcome of the judicial proceedings in progress, brought by various companies in the sector relating to the interpretation of existing market rules. Not included in the rationing area, these companies obtained a court injunction which overturned ANEEL Resolution 288 issued May 16, 2002 which aimed to clarify companies operating in the sector about the treatment and means of applying certain MAE (now the CCEE) accounting rules set out in the General Electric Sector Agreement. These companies’ claim involves the sale of Itaipu’s quota in the southeast/Central Western sub market during the period of rationing between 2001 and 2002, when there was significant discrepancy in short-term energy prices between the submarkets.

The Company did not make an allowance for doubtful accounts referring to the balances linked to these injunctions, as it holds that the amounts will be received in full either from the borrowers legally contesting the loans or from other companies which the CCEE specifies in the future.

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 based on specific interest rates that reflect the nature of these assets (IGPM).

As of June 30, 2012 the balances were the following:

	6/30/2012	12/31/2011
Credit receivables	4,971	8,438
Adjustment to present value	(343)	(445)
Allowance for doubtful accounts (*)	(2,640)	(3,143)
	1,988	**4,850**
Current	1,659	1,957
Noncurrent	329	2,893

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

As of June 30, 2012, the maturities of receivables are scheduled as follows:

Overdue	2,640
2012	949
2013	330
2014	208
2015	201
2016	207
2017	144
2018 onwards	292
Subtotal	4,971
(-) Adjustment to present value	(343)
	4,628

8. Allowance for doubtful accounts

Change in provisions	6/30/2012	12/31/2011
Opening balance	5,234	4,685
Provisions recorded in the year	1,435	814
Reversal of provisions in the year	(676)	(265)
Balance - closing - current	**5,993**	**5,234**
Consumers and concessionaires and CCEE	3,353	2,091
Credit receivables	2,640	3,143

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

Customers with material debts:

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

For the other cases:

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

9. Rate adjustment and review

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

Rate review:

The periodical rate review occurs every 4 years, and in this process ANEEL recalculates 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.

By way of Resolution 1292 issued June 05, 2012 ANEEL ratified the result of the third periodical rate review of EMG with an adjustment of 1.20% respectively, effective from June 18, 2012.

Rate adjustments:

On June 14, 2011 Resolution 1155 ratified the Company's rate review in force since June 17, 2012. The effective rate impact felt by consumers was 2.73%.

10. Extraordinary rate replacement (RTE)

ANEEL issued Normative Resolution 387/2009, establishing a new calculation method for passing through free energy owed to the generators, embracing the entire RTE invoicing period (2002 to 2008).

By using the new method the Company determined new and permanent amounts receivable from the generators.

As of June 30, 2012 the receivables stood at R$ 136.

11. Low income and other receivables

	6/30/2012	12/31/2011
Low income	7,127	2,384
Service orders in progress - PEE and R&D	8,966	8,085
Service orders in progress - other	251	121
Other	5,256	5,025
	21,600	**15,615**

Changes in low income follow:

	6/30/2012	12/31/2011
Opening balance	2,384	3,260
Low-income Subsidy	12,665	14,571
Eletrobrás Reimbursement	(7,922)	(15,447)
Balance - closing - current	7,127	2,384

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.

12. Recoverable taxes

	6/30/2012	12/31/2011
Value added tax on sales and services – ICMS	14,481	11,623
Income Tax Withheld at Source - IRRF	441	251
Corporate Income Tax - IRPJ	158	20
Social Contribution on Net Income – CSSL	29	25
PIS and COFINS contribution	9,167	10,185
Other	508	446
	24,784	**22,550**
Current	13,147	10,379
Noncurrent	11,637	12,171

13. Related-party transactions

The Company is controlled by ENERGISA S/A, (100% of the voting stock), which also holds the share control of Energisa Paraíba – Distribuidora de Energia S/A, Energisa Sergipe - Distribuidora de Energia S/A, Energisa Borborema - Distribuidora de Energia S/A, Energisa Nova Friburgo – Distribuidora de Energia S/A, Energisa Soluções S/A, Energisa Comercializadora Ltda., Energisa Serviços Aéreos S/A, Energisa Planejamento e Corretagem de Seguros Ltda., Energisa Geração Rio Grande S/A, Termosergipe S/A, Pequena Central Hidrelétrica Zé Tunim S/A, Energisa Geração Usina Mauricio, SPE Cristina Energia S/A, Energisa Geração Centrais Eólicas RN S/A (Holding which holds the share control of the companies Energisa Geração Central Eólica Renascenças I, II, III, IV and Energisa Geração Central Eólica Ventos de São Miguel S/A), (related parties of the Company).

Transactions conducted in the period:

	ENF (a)	ESO (a)	ESA (b)	6/1/2012 to 6/30/2012	6/1/2011 to 6/30/2011
Provision of services	-	(10,805)	(4,939)	(15,744)	(14,631)
Connection cost and usage	(732)	-	-	(732)	(490)

	ENF (a)	ESO (a)	ESA (b)	4/1/2012 to 6/30/2012	4/1/2011 to 6/30/2011
Provision of services	-	(5,445)	(2,489)	**(7,934)**	**(7,422)**
Connection cost and usage	(388)	-	-	**(388)**	**(108)**

				6/30/2012	12/31/2011
Balance of trade payables	-	-	762	762	795

(a) The transactions with related companies refer to services involving the maintenance of lines, substations, engineering and projects.

(b) 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.

D&O compensation

In the period ended June 30, 2012 the members of the Board of Directors received compensation of R$ 185 (R$ 273 as of June 30, 2011) and the Executive Board R$ 335 (R$ 518 as of June 30, 2011). In addition to this compensation, the Company provides private pension, health insurance and life insurance benefits to its directors, generating an expense of R$ 169 (R$ 146 as of June 30, 2011). The social charges on the compensation amounted to R$ 131 (R$ 126 as of June 30, 2011).

In the period ended June 30, 2012 the highest and lowest remuneration attributed to directors for the month of June was R$ 15 and R$ 2 (R$ 14 and R$ 2 as of June 30, 2011) respectively. The average remuneration in the 2nd quarter of 2012 was R$ 8 (R$ 8 as of June 30, 2011).

The AGM held in April 2012 ratified the overall annual compensation limit of the directors and officers for FY 2012 at R$ 2,827.

14. Deferred taxes and current income tax and social contribution expense

Refers to tax credits deriving from tax loss carryforwards, negative social contribution bases and temporary differences recorded in accordance with CPC 32 and presented in accordance with CPC 26.

See below the consolidated estimate for the realization of the deferred taxes. The projected results used in the recoverability study of these assets were approved by the Boards of Directors.

Period	Tax credit realizations
2012	2,637
2013	6,206
2014	7,056
2014 onwards	28,178
Total current	**44,077**

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

	6/30/2012	6/30/2011
Profit before income and social contribution taxes	20,779	33,624
Combined tax bracket	34%	34%
Income and social contribution tax expense calculated at the total tax bracket	(7,065)	(11,432)
Adjustments:		
Other	132	(77)
Income tax and social contribution expense	(6,933)	(11,509)
Effective rate	33.4%	34.2%

	6/30/2012	12/31/2011
Assets		
Tax loss carryforward	24,432	26,467
Negative basis of social contribution	9,677	10,410
Temporary differences (1):		
Income tax	7,329	5,101
Social contribution	2,639	1,836
Total noncurrent	**44,077**	**43,814**

(1) These temporary differences mainly refer to provisions and swap earnings.

15. Accounts receivable from the Concession

The Company has a noncurrent balance of R$ 157,355 (R$ 136,442 as of December 31, 2011) consisting of credits receivable from the concession authority for the unconditional right to receive cash at the end of the concession as compensation for investments made and not recovered when providing the concession services. These financial assets are recorded at the historic residual value of the concession assets, which are returned to the concession authority at the end of the concession.

On February 07, 2012 ANEEL issued Normative Resolution 474 which established the new useful economic life for concession assets, converted into annual depreciation rates, retrospectively applicable from January 01, 2012.

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.

Because ICPC 01 (IFRIC 12) does not address the accounting procedure in this situation, Management exercised its judgment by applying an accounting policy that reflects the economic essence of this amendment and adequately represents the financial position, as required by CPC 23 (IAS 8), item 10.

As a result of this analysis, the increase in the balance of compensatable financial assets of R$ 17,173 as of January 01, 2012 was charged to the balance of intangible assets, to reflect the new portion to be directly recovered from the concession authority at the end of the concession. This entry resulted in equivalent reduction to the balance of intangible assets to adjust the portion to be recovered through the provision of concession services (energy sale).

This right is classified as loans and receivables in the noncurrent assets. As of June 30, 2012 this balance stands at:

Change	6/30/2012	12/31/2011
Opening balance	136,442	94,006
Additions	3,805	42,436
Normative Resolution 474	17,173	-
Write-offs	(65)	-
Balance - closing - noncurrent	157,355	136,442

16. Intangible assets

Concession agreements

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

	Opening balance 12/31/2011	Addition	Transfers	Write-offs	Amortization	Closing balance 6/30/2012
In Service						
Cost	325,294	-	631	(23,552)	-	302,373
Amortization	(231,046)	-	-	1,257	(11,282)	(241,071)
Subtotal	**94,248**	**-**	**631**	**(22,295)**	**(11,282)**	**61,302**
In Progress (*)	9,439	19,528	(631)	(4,287)	-	24,049
Total	**103,687**	**19,528**	**-**	**(26,582)**	**(11,282)**	**85,351**
Obligations linked to the concession						
In Service						
Cost	44,680	-	1,089	(5,053)	-	40,716
Amortization	(20,742)	-	-	-	(3,297)	(24,039)
Subtotal	23,938	-	1,089	(5,053)	(3,297)	16,677
In Progress (*)	27,657	848	(1,089)	(482)	-	26,934
Total	**51,595**	**848**	**-**	**(5,535)**	**(3,297)**	**43,611**
Total intangible assets	**52,092**	**18,680**	**-**	**(21,047)**	**(7,985)**	**41,740**

(*) The write-offs from intangible assets and special obligations in progress consist of the transfers to accounts receivable from the concession.

The assets used by the Company in its operations are tied to public energy 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 disassociation of assets from the Public Electricity Service concessions, granting prior authorization for the disassociation of assets when destined for disposal, also determining the proceeds of the sale be deposited in a specific bank account and reinvested in concession-related assets.

The amortization is being conducted over the arrangement term based on the economic benefits generated annually. The average amortization rate used in (3.61%).

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 balance of intangible assets is reduced by special obligations linked to the concession, consisting of:

Obligations linked to the concession:	**6/30/2012**	**12/31/2011**
Consumer contributions	106,956	106,565
Government Subsidy – CDE funds	47,816	47,767
State Government Subsidy	16,558	16,291
Reversal reserve	1,409	1,409
(-) Accumulated amortization	(24,064)	(20,743)
Total	**148,675**	**151,289**
Allocation:		
Accounts receivable from the concession	105,064	99,694
Infrastructure - Intangible assets in service	16,677	23,938
Infrastructure - Intangible assets in progress	26,934	27,657
Total	**148,675**	**151,289**

- Consumer contributions refer to 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 reversal reserve, constituted up until December 31, 1971, represents the amount of proceeds deriving from the reversal fund, which have been invested in the Company's expansion project, charged interest of 5 % per annum paid monthly.

During the period ended June 30, 2012 and 2011 the Company transferred financial charges to the intangible assets in progress, as shown below:

	6/30/2012	**6/30/2011**
Financial charges recorded in income statement	10,818	12,147
(-) transfer to intangible assets in progress (*)	(246)	(420)
Net effect on income	**10,572**	**11,727**

(*) Pursuant to CPC 20, the Company used the average weighted rate to appropriate the costs of loans for assets not directly related and the effective rate for the specific assets.

17. Suppliers payable

	6/30/2012	**12/31/2011**
Supplies (1):		
Furnas	136	136
Bilateral Contracts	21,818	21,068
CCEE	246	46
Use of the distribution/transmission system (1)	5,592	6,194
Materials, services and other (2)	6,441	5,485
Total	**34,233**	**32,929**
Current	33,535	32,262
Noncurrent	698	667

(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.

18. Loans, financing and debt charges

Operations	Debt charges	Principal		Total		Re.
		Current	Noncurrent	6/30/2012	12/31/2011	
Local currency						
Credit Receivables Investment Fund - Energisa Group II (*)	50	7,753	-	7,803	16,778	
Credit Receivables Investment Fund - Energisa Group III (*)	92	-	15,000	15,092	15,131	
Eletrobrás - Light for All – 1st tranche	65	1,416	4,728	6,209	6,776	
Eletrobrás - Light for All – 1st tranche (RJ)	2	12	43	57	62	
Eletrobrás - Light for All – 2nd tranche	286	2,480	19,731	22,497	23,990	
Eletrobrás - Light for All	-	70	1,332	1,402	269	
Banco HSBC – BNDES pass-through	-	-	-	-	1,673	
Banco HSBC – BNDES pass-through	8	694	1,335	2,037	2,274	
Banco HSBC – BNDES pass-through	5	232	648	885	928	
Banco HSBC – BNDES pass-through	8	319	899	1,226	1,387	
Banco ITAU BBA - BNDES pass-through	18	368	3,507	3,893	4,152	
Banco ITAU BBA - BNDES pass-through	2	207	921	1,130	1,182	
Banco ITAU BBA - BNDES pass-through	7	151	1,464	1,622	1,733	
Banco ITAU BBA - BNDES pass-through	-	6	2,553	2,559	622	
Banco ITAU BBA - BNDES PER	145	186	1,814	2,145	2,088	
Banco Itaú BBA - FINAME pass-through	32	861	3,514	4,407	3,507	
Caixa - FINAME NIVEL PADRAO	46	-	4,306	4,352	-	
CCB - Banco Bradesco	3,884	12,500	37,500	53,884	51,208	1
Total local currency	**4,650**	**27,255**	**99,295**	**131,200**	**133,760**	
(-) Borrowing costs incurred	(11)	(72)	(179)	(262)	(357)	
Foreign currency						
Citibank	254	-	33,250	33,504	31,083	
Merryl Lynch	286	-	57,637	57,923	53,744	
Total foreign currency	**540**	**-**	**90,887**	**91,427**	**84,827**	
Total	**5,179**	**27,183**	**190,003**	**222,365**	**218,230**	

(*) To guarantee payment of the short-term portions, the Company maintains short-term investments of R$ 18,484 (R$ 20,139 as of December 31, 2011), recorded under "money market and secured funds" in the current assets.

(1) The contract with Bradesco (CCB) has 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 (see note 26 – financial instruments and risk management). All these covenants were being performed as of June 30, 2012.

Contractual covenants of the loans and financing as of June 30, 2012:

	Details of the Operation				Cost of the Debt				
Operation	**Maturity**	**Amortization Frequency**	**Collateral**	**Average Term months**	**Index**		**Interest rate p.a.**	**TIR (Effective interest rate)**	**Ref**
Credit Receivables Investment Fund - Energisa Group II	Nov-2012	monthly	Receivables	3	CDI	+	0.8%	1.08%	
Credit Receivables Investment Fund - Energisa Group III	Dec-2020	monthly, after Dec.2017	Receivables	84	CDI	+	0.7%	0.83%	
Eletrobrás - Light for All – 1st tranche	Aug-2017	monthly	Receivables	30	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 1st tranche (RJ)	Aug-2017	monthly	Receivables	30	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All – 2nd tranche	Dec-2019	monthly	Receivables	46	RGR	+	5.0%	5.0%	
Eletrobrás - subtransmission	Mar-2018	monthly, after Mar.2013	Receivables	39	RGR	+	5.0%	5.0%	
Banco HSBC – BNDES pass-through	May-2016	monthly	Endorsement of Energisa S.A.	22	TJLP	+	4.3%	4.3%	
Banco HSBC – BNDES pass-through	May-2016	monthly	Endorsement of Energisa S.A.	24	UMBND	+	4.3% + floating interest	4.3%	
Banco HSBC – BNDES pass-through	May-2016	monthly	Endorsement of Energisa S.A.	24	TJLP	+	3.9%	3.9%	
Banco ITAU BBA - BNDES pass-through	Jan-2021	monthly, after Jan.2012	Endorsement of Energisa S.A.	53	TJLP	+	4.75%	4.75%	
Banco ITAU BBA - BNDES pass-through	Jan-2021	monthly, after Jan.2012	Endorsement of Energisa S.A.	48	UMBND	+	3.75% + floating interest	3.75%	
Banco ITAU BBA - BNDES pass-through	Jan-2021	monthly, after Jan.2012	Endorsement of Energisa S.A.	53	TJLP	+	5.95%	5.95%	
Banco ITAU BBA - BNDES pass-through	Jan-2021	monthly, after Jan.2012	Endorsement of Energisa S.A.	58	Fixed 5.5%			5.5%	
Banco ITAU BBA – BNDES PER pass-through	Mar-2016	Monthly, after Mar.2013	Endorsement of Energisa S.A.	26	Fixed 5.5%			5.5%	
Banco Itaú BBA - FINAME	Until May-2021	monthly	Endorsement of Energisa S.A.	55	pre-fixed 4.5% to 10%			4.5% to 10%	
Banco Bradesco – CCB	Oct-2015	rate	-	20	CDI	+	1.25%	1.25%	
Citibank	Sep-2014	Final	Endorsement of Energisa S.A	27	Libor + 2.25%			2.25%	
Bank of America Merryl Lynch	Sep-2014	Final	Endorsement of Energisa S.A	28	Libor + 2.0%			2.25%	

The maturities of the long-term financing are scheduled as follows:

	6/30/2012
2013	16,409
2014	111,679
2015	20,718
2016	7,140
2017	6,182
2017 onwards	27,875
Total	**190,003**

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

Contracts	2012	2014 onwards	6/30/2012
Credit Receivables Investment Fund - Energisa Group II	71	-	**71**
Credit Receivables Investment Fund - Energisa Group III	11	180	**191**
	82	**180**	**262**

19. Debentures (nonconvertible)

Main features of the debentures:

	7th Issuance
Issue type	Public
Issue date	12/15/2009
Maturity date	12/15/2014
Guarantee	Ordinary
Yields	CDI + 1.9% p.a.
TIR (effective interest rate)	CDI + 1.96% p.a.
Number of securities	60,000
Value at issue	60,000
Securities in circulation	60,000
Interest grace period	6 months
Renegotiation date	12/15/2012
Amortizations/installments	Final
Balances at 6/30/2012 (*)	59,912
Current	206
Noncurrent	59,706
Balances at 12/31/2011 (*)	60,010
Current	319
Noncurrent	59,691

(*) R$ 325 (R$ 340 as of December 31, 2011) deducted as borrowing costs incurred during the contracting.

The debentures have covenants which in general require the maintenance of certain financial indexes at certain levels. Failure to maintain these levels could result in early maturity of the debts. These covenants were being performed as of June 30, 2012.

The balances of debentures of R$ 59,912 is scheduled for maturity in 2014.

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

	7th Issuance
2012	99
2013	113
2014	113
	325

Renegotiation clauses:

Description	Company	Renegotiation Date/ Optional Early Redemption	Premium	Terms
Debentures 7th issuance	Energisa Minas Gerais	December 15, 2012	N/A	The Board of Directors shall resolve the debenture renegotiation terms, which the Companies shall apprise the debenture holders of.

20. Taxes and Payroll Contributions

	6/30/2012	12/31/2011
ICMS	22,949	20,215
Social Charges	624	587
IRPJ	4,269	3,578
CSSL	2,755	2,593
PIS/COFINS	4,939	5,233
IRRF	129	294
Other	668	560
Total	**36,333**	**33,060**
Current	31,940	29,508
Noncurrent	4,393	3,552

21. Tax financing

Energisa MG elected to finance its debits to the federal tax authorities of R$ 6,201 over 60 monthly installments, restated by the Selic base interest rate. Payments of R$ 703 were made in the period and Selic interest of R$ 190 recorded.

As of June 30, 2012 the balance of the financing is R$ 3,871 (R$ 4,384 as of December 31, 2011) and the number of installments to be settled is 33.

As of June 30, 2012 the balance of the financed taxes in the statement is scheduled as follows:

	6/30/2012	12/31/2011
2012	823	1,404
2013	1,411	1,404
2014	1,637	1,404
2014 onwards	-	172
Total	**3,871**	**4,384**
Current	1,366	1,315
Noncurrent	2,505	3,069

22. Provisions for labor, civil and tax risks

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

	Opening balance 12/31/2011	Provisions made	Reversal of provisions	Restatement	Closing balance 6/30/2012
Labor claims	2,764	1,316	(339)	87	3,828
Civil	2,887	354	(885)	70	2,426
Total	5,651	1,670	(1,224)	157	6,254
Restricted and escrow deposits (*)	(566)	(56)	-	(25)	(647)

(*) Energisa MG has restricted and escrow deposits in its noncurrent assets of R$ 1,180 (R$ 1,127 as of December 31, 2011). Provisions for contingencies have not been made for R$ 533 (R$ 561 as of December 31, 2011) as the chances of success are rated as possible or probable.

Probable losses

- **Labor claims**

Based on the opinion of independent legal advisers, when applicable, in the 2nd quarter of 2012 the Company's legal advisers analyzed the labor claims in progress and accordingly made a provision of a further R$ 1,316 (R$ 1,276 as of December 31, 2011), and reversed a provision of R$ 339 (R$ 6,827 as of December 31, 2011).

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$ 425.

In the 2nd quarter of 2012 an additional provision was made of R$ 354 (R$ 774 as of December 31, 2011) and provisions reversed of R$ 885 (R$ 290 as of December 31, 2011).

Potential losses

The Company is party to labor, civil and tax claims in progress amounting to R$ 47,627 (R$ 63,645 as of December 31, 2011), 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 claims seeking R$ 1,916 (R$ 1,664 as of December 31, 2011) for safety premium risk and indemnification differences for work-related accidents in which the Company appears as co-defendant with construction firms (claim of joint liability).

- **Civil**

These proceedings of R$ 25,385 (R$ 38,551 as of December 31, 2011) mainly consist of consumers claiming reimbursement of PIS, COFINS and ICMS paid to the Company, and claims related to consumer relations (disconnection, recovery of consumer fraud).

- **Tax**

These proceedings consist of claims related to the appropriation of ICMS credits, and income tax, PIS and COFINS differences amounting to R$ 20,326 (R$ 23,430 as of December 31, 2011).

23. Shareholders' equity

23.1. Share capital and capital reserves

The company's share capital is R$ 44,171 attributed to 370,676 common shares, 79,783 class "A" preferred shares and 253 class "B" preferred shares, all with no par value.

The Class "A" preferred shares hold no voting rights but have priority in the reimbursement of capital in the event of Company liquidation and distribution of mandatory, non-cumulative dividends at 10% per annum over the company capital attributed to this kind of share. The class "B" preferred shares hold no voting rights but are afforded priority under the distribution of fixed dividends at 6% per annum on the company capital attributed to this class of share.

Irrespective of amendments to the bylaws, the Company may increase its share capital through subscription to the limit of 600,000 shares, where the Board of Directors shall resolve the means, subscription terms and payment terms of the shares and the features of the shares to be issued and the issue price.

23.2 Dividends

The corporate bylaws determine the payment of a mandatory dividend of 25% of the net income for the year, adjusted as stipulated by article 202 of Law 6404, dated 12/15/1976.

24. Operating revenue

	6/30/2012						6/30/2011	
	Not reviewed by the independent auditors		4/1/2012 to 6/30/2012	1/1/2012 to 6/30/2012	Not reviewed by the independent auditors		4/1/2011 to 6/30/2011	1/1/2011 to 6/30/2011
	No. of consumers	MWh	R$	R$	No. of consumers	MWh	R$	R$
Residential	291,952	206,179	62,749	126,902	284,147	196,345	54,476	114,947
Industrial	3,666	95,563	21,780	43,132	3,636	100,970	23,862	46,484
Commercial	33,507	105,757	26,694	55,547	31,827	100,724	24,644	52,120
Rural	63,870	68,467	12,014	23,540	63,312	68,093	11,636	22,945
Government:								
Federal	61	236	65	126	58	219	57	113
State	539	4,991	1,355	2,651	513	4,627	1,216	2,406
Municipal	3,342	10,514	2,848	5,575	3,180	9,747	2,555	5,060
Public Lighting	254	34,710	5,308	10,577	259	33,873	5,032	10,104
Public Utility	543	18,536	3,556	7,133	536	17,589	3,256	6,695
Internal Use	91	1,497			90	1,508	-	-
Subtotal	**397,825**	**546,450**	**136,369**	**275,183**	**387,558**	**533,695**	**126,734**	**260,874**
Revenue from Remuneration of Concession Assets	-	-	3,364	6,689	-	-	2,362	4,686
Supply	-	8,377	235	368	-	17,236	212	446
Sales not invoiced (net)	-	(890)	(1,105)	(3,176)	-	(46)	(1,404)	(281)
Provision of the transmission and distribution system	23	-	10,491	19,722	15	-	10,285	20,943
Construction Revenue	-	-	9,145	17,828	-	-	14,242	23,972
Other operating revenue	-	-	1,030	2,319	-	-	2,386	3,238
Total - gross operating revenue	**397,848**	**553,937**	**159,529**	**318,933**	**387,573**	**550,885**	**154,817**	**313,878**
Deductions from operating revenue								
ICMS	-	-	29,150	59,173	-	-	27,565	57,149
PIS	-	-	2,514	5,000	-	-	2,342	4,742
COFINS	-	-	11,580	23,029	-	-	10,790	22,112
ISS	-	-	20	39	-	-	47	51
Quota for RGR	-	-	1,410	2,388	-	-	698	1,420
Energy Efficiency Program - PEE	-	-	475	947	-	-	450	920
Energy development account - CDE	-	-	3,882	7,764	-	-	3,541	7,082
Energy Development Account - CCC	-	-	5,005	9,834	-	-	4,300	8,600
Research and Development Program – P&D	-	-	759	1,515	-	-	719	1,472
Total	-	-	54,795	109,689	-	-	50,452	103,548
Total - net operating revenue	**397,848**	**553,937**	**104,734**	**209,244**	**387,573**	**550,885**	**104,365**	**210,330**

25. Insurance coverage

The Company has the policy of taking out insurance coverage for the assets subject to risk at amounts considered sufficient 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 quarterly information review, and were not therefore reviewed by our independent auditors.

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

The main items covered are:

Lines	Maturity Date	Insurance Coverage	Annual Premium 6/30/2012 and 12/31/2011
Nominated Risks	10/23/2012	28,180	198
General Civil Liability	10/23/2012	33,953	118
Automobiles – Third-party material and personal damages.	10/23/2012	up to R$ 200 / vehicle	59
Collective life insurance – Personal Death and Accidents	12/31/2012	30,428	125
			500

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, other risks, portable equipment, flooding/water damage, minor engineering work, extraordinary expenses, inclusion / exclusion of assets and sites, mistakes and omissions.

Civil Liability

The GERIP 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.

26. Financial instruments and risk management

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

	6/30/2012		12/31/2011	
ASSETS	**Book**	**Fair value**	**Book**	**Fair value**
Cash and cash equivalents	46,430	46,430	29,082	29,082
Money market and secured funds	32,858	32,858	54,369	54,369
Consumers and concessionaires	81,489	81,489	85,286	85,286
Credit receivables and other	1,988	1,988	4,850	4,850
Accounts receivable from the concession	157,355	157,355	136,442	136,442
LIABILITIES				
Suppliers payable	(34,233)	(34,233)	(32,929)	(32,929)
Loans, financing, debt charges and debentures	(282,277)	(284,046)	(278,240)	(276,240)

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

Nonderivatives - classification and measurement

Loans and receivables:

Includes trade accounts receivable, 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 and 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 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 7th issuance debentures and the loans taken out from Banco Santander, Citibank and Merrill Lynch and Credit Receivables Investment Funds, the fair value is not the same as the book value.

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.

- **Limitations**

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 and its subsidiaries. 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 Executive Board of the Company. 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 first time on April 27, 2010 and again on February 24, 2011; 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	33,535	-	-	-	698	34,233
Loans, financing, debt charges and debentures	36,152	10,357	216,318	34,921	37,285	335,033

b) Credit risk

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

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

Exposure to credit risks

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

	6/30/2012	12/31/2011
Cash and cash equivalents	46,430	29,082
Money market and secured funds	32,858	54,369
Consumers and concessionaires	81,489	85,286
Credit receivables and other	1,988	4,850
Accounts receivable from the concession	157,355	136,442

Further information about these credits can be seen in notes 5, 6, 7 and 15.

c) Interest and exchange rate risk

Part of the local-currency loans and financing presented in note 18 consist of financing from several national development agencies (Eletrobrás and BNDES) and other institutions in the capital market.

The market rate (or opportunity cost of capital) 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 other alternatives or different market hypotheses and/or methods for their estimates, in view of the Company's business and sector specifics, these are measured by the amortized cost method at the contractual rates.

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

The Company’s 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 7.27% in the period ended June 30, 2012 as compared to December 31, 2011, quoted at R$ 2.0213 / USD.

R$ 91,427 (R$ 84,827 as of June 30, 2012) of Energisa MG's bank debt as of December 31, 2011 totaling R$ 282,864 (R$ 278,937 as of December 31, 2011) is denominated in US dollars deriving from the Citibank loan with a balance of USD 16.6 million at the end of the period (principal of USD 16.5 million) and USD 28.7 million deriving from the loan from Bank of America Merrill Lynch (principal of USD 28.5 million). The loans have a cost of up to USD + (LIBOR + 2.25%) per annum and have a long-term maturity of September 30, 2014 and October 26, 2014 respectively.

The balance sheet as of June 30, 2012 presents R$ 10,227 in the noncurrent assets (R$ 3,243 as of December 31, 2011) and R$ 51 (R$ 1,431 as of December 31, 2011) in the noncurrent liabilities 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 quarterly information 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 MG has hedged the aforementioned positions against adverse exchange variance, as mentioned earlier. See the details below:

1. Hedge for the principal equal to USD 16.5 million plus interest through a currency swap with exchange-rate cap of R$/USD 2.9170 (Set-14) up to 9/30/2014. The operation involves a swap of the cost of USD + (LIBOR + 2.25%) p.a. for 91.50% of the CDI variance, hedging semi-annual interest payments scheduled for 10/1/2012 to 9/30/2014 and the value of the principal at the latter date.

2. Hedge for the principal equal to USD 28.5 million plus interest through a currency swap with exchange-rate cap of R$/USD 2.9170 (Oct-14) up to 10/26/2014. The operation involves a swap of the cost of USD + (LIBOR + 2.00%) p.a. for 91.0% of the CDI variance, hedging semi-annual interest payments scheduled for 10/26/2012 to 10/26/2014 and the value of the principal at the latter date.

In the period the foreign exchange hedges yielded a gain of R$ 4,593, due to the appreciation 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 550/08, revoked by CVM Resolution 603/09, the values of the Company's financial derivatives as of June 30, 2012 are summarized as follows:

	Reference Value		Description	Fair Value		Accumulated effect	
		6/30/2012 and 12/31/2011		6/30/2012	12/31/2011	Receivable/ (Received)	Payable / (paid)
Swap with options – Citibank and Merrill Lynch	Notional (BRL)		Receivable Position	92,196	85,150	-	
			LIBOR Interest Rate				
		80,055	Liability Position	(81,774)	(82,346)	-	
			CDI Interest Rate				
			Foreign Currency Options (USD)	(679)	(1,239)		
			Total Swap Position with Options	9,743	1,565		2,859
Swap with options – Itaú BBA	Notional (BRL)		Receivable Position	51,576	52,196	-	-
		50,001	CDI Interest Rate				
			Liability Position	(49,874)	(49,716)	-	
			CDI Interest Rate				
			Foreign Currency Options (USD)	(1,269)	(2,233)		
			Total Swap Position with Options	433	247	468	-

The Fair Value of the derivatives as of June 30, 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 18 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 MG'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, the Company conducted sensitivity analyses on the main risks to which the financial instruments and derivatives in its financial statements are exposed, as shown:

a) Exchange variance

If the exchange exposure as of June 30, 2012 were maintained, and the effects on the future interim 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 – Loan			13,951	(5,610)	(25,172)
Receivable Position - LIBOR	92,197	Higher f/x rate	78,246	97,807	117,368
Payable Position - CDI Interest Rate	(81,774)		(80,072)	(80,072)	(80,072)
Foreign Currency Options - USD	(679)		-	-	-
Subtotal	**9,744**		**(1,826)**	**17,735**	**37,296**
Net	**9,744**		**12,125**	**12,125**	**12,124**

(*) Considers the macroeconomic scenario presented by the Focus Survey as of June 30, 2012 for the future dates until the final settlement of the operations.

In the "Probable Scenario", calculated based on the net analysis of the above operations until the maturity thereof, adjusted to present value by the fixed rate in Brazilian reais as of June 30, 2012, the derivatives are fully effective, which is reflected in the positive present value of R$ 12,125, 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. However, there would be positive present values of R$ 12,125 and R$ 12,124 in the scenarios where the Brazilian real lost 25% and 50% against the US dollar, a scenario in which some of the current caps would be exceeded.

b) Interest rate variance

Considering the exposure of financial instruments indexed to interest rates as of June 30, 2012 is maintained and the respective accumulated annual indexes are (CDI 8.02% p.a. and LTIR 6% 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$ thousands)	Risk	Scenario I (Probable)(*)	Scenario II (Deterioration of 25%)	Scenario III (Deterioration of 50%)
Receivable financial instruments:					
Money Market	75,592	Increase in CDI	1,506	1,869	2,228
Payable financial instruments:					
Loans and financing	(137,015)	Increase in CDI	(3,171)	(4,262)	(4,981)
	(10,793)	Increase in LTIR	(283)	(322)	(360)
	-	Increase in FNE	-	-	-
Subtotal (**)	(147,808)		(3,454)	(4,584)	(5,341)
Total	**(72,216)**		**(1,948)**	**(2,715)**	**(3,113)**

(*) Considers the CDI at September 30, 2012 (8.02% p.a.), quote of the estimates presented by the recent BACEN survey, dated June 30, 2012 and TJLP of 6% p.a.

(**) Does not include dollar transactions worth R$ 91,427

Fair value hierarchy

The table below presents financial instruments recorded at fair value using 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	6/30/2012	12/31/2011
Assets			
Money market and secured funds	2	32,858	54,369
Derivative financial instruments	2	10,227	3,243
Liabilities			
Derivative financial instruments	2	(51)	(1,431)

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.

27. Employee benefits

a) Retirement and pension supplementation plan

Energisa MG sponsors defined-contribution pension plans for its employees (CD). It also has a defined-benefit plan (BD), which has not been accepting new participants since 1997 and where the current participants have the status of assisted participants. The sponsor and participants do not make contributions under this plan.

In the period ended June 30, 2012 the expense incurred on sponsoring these plans stood at R$ 110 (R$ 113 as of June 30, 2011).

b) Retirement bonus

The Company is party to a collective agreement under which employees are entitled to a retirement bonus paid upon application for retirement at the National Social Security Institute (INSS).

The retirement bonus ranges from 1.5 to 15 times the employee's salary, depending on seniority (at least 6 months, but limited to 25 years) upon applying for retirement.

In the period ended June 30, 2012 the expense incurred on sponsoring these plans stood at R$ 109 (R$ 138 as of June 30, 2011).

Healthcare plan

The Company has its own refund policies, under which employees are entitled to a reimbursement of 60% of their medical expenses. This benefit ceases immediately upon termination or retirement.

In the period ended June 30, 2012 the expense incurred on sponsoring these plans stood at R$ 286 (R$ 232 as of June 30, 2011).

28. Commitments

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

Term	2012	2013	2014	2014 onwards
2012 to 2045	164,782	173,102	179,895	2,104,735

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.

29. Public electricity service concession

On June 18, 1999 the Company executed with the National Electric Energy Agency – ANEEL the electricity distribution concession contract with a term of until July 07, 2015.

On June 18, 2012 the Company applied to ANEEL for an extension of the public electricity distribution service concession contract for the term of 20 (twenty years).

30. Subsequent event

On August 09, 2012 the Company's Board of Directors approved the payment of interim dividends from the net income for the first half of this year, amounting to R$ 13,152 (R$ 29.18 per common and preferred share). These dividends will be paid on August 17, 2012.

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