Energisa Sergipe

Results for the 1st quarter of 2012

Aracaju, May 07, 2012 - The Management of Energisa Sergipe – Distribuidora de Energia S/A ("Energisa Sergipe") hereby presents its quarterly information for the first quarter of 2012 (1Q12), prepared in accordance with International Financial Reporting Standards - IFRS.

1 - Business Profile

Energisa Sergipe is an electricity distributor that serves approximately 633 thousand consumers and a population of roughly 1.8 million in 63 municipalities in the state of Sergipe.

The main economic and financial figures of Energisa Sergipe for the first quarter have been summarized below:

Operating and Financial Indicators

Description	1Q12	1Q11	Change %
Results - R$ million			
Gross Operating Revenue	256.2	221.4	+ 15.7
Net Operating Revenue	175.1	152.0	+ 15.2
Earnings before interest and tax (EBIT)	33.9	23.5	+ 44.3
EBITDA	43.4	34.8	+ 24.7
Adjusted EBTIDA	46.3	36.8	+ 25.8
Financial Income/Loss	(8.5)	(14.6)	- 41.8
Net income before tax	25.4	8.9	+ 185.4
Net Income	19.3	8.3	+ 132.5
Financial Indicators - R$ million			
Total Assets	1,046.1	988.2	+ 5.8
Cash / Short-term Investments / Cash Equivalents	89.9	118.0	- 23.8
Shareholders' Equity	357.7	334.0	+ 7.1
Net Debt	408.9	360.5	+ 13.4
Operating Indicators			
Number of Captive Consumers (thousand)	633	604	+ 4.8
Sales of Energy to Captive Consumers (GWh)	583.7	554.3	+ 5.3
Energy associated with Free Consumers (GWh)	169.4	153.4	+ 10.4
Energy Losses (% in past 12 months)	10.11	10.68	- 0.57 p.p
Relative Indicators			
Adjusted EBITDA / Net Revenue (%)	26.4	24.2	+ 2.2 p.p
Net Debt / Adjusted EBITDA for 12 months (times)	2.3	2.6	-11.5

2 - Economic and Financial Performance

2.1 - Net Income: growth of 132.5%

In the first quarter of 2012 Energisa Sergipe recorded net income of R$ 19.3 million, an increase of 132.5% over 1Q11.

This net income growth is partly due to the increase of 15.2% (or R$ 23.1 million) in gross operating revenue in the quarter, along with smaller growth in operating expenses, which boosted operating cash generation (EBITDA). Operating expenses rose by 9.9% (or R$ 12.7 million) in the quarter.

Net income for the quarter was also boosted by the change in financial income/loss (financial revenue minus financial expenses). Net financial expenses contracted by 41.8%.

The net income in the quarter breaks down as follows:

Breakdown of the net income (R$ million)	1Q12	1Q11	Change %
Net operating revenue	**175.1**	**152.0**	**+ 15.2**
Earnings before interest and tax (EBIT)	33.9	23.5	+ 44.3
Operating cash generation (EBITDA)	43.4	34.8	+ 24.7
Financial income	(8.5)	(14.6)	- 41.8
Income and social contribution taxes	(6.1)	(0.6)	+ 916.7
Net Income	19.3	8.3	+ 132.5

2.2 - Gross operating revenue

Energisa Sergipe recorded gross operating revenue of R$ 256.2 million in 1Q12, 15.7% (or R$ 34.8 million) higher than the R$ 221.4 million recorded in 1Q11. Net operating revenue rose by 15.2% (or R$ 23.1 million) to R$ 175.1 million.

Energisa Sergipe's gross and net operating revenue break down as follows:

Consolidated Revenue by Consumption Sector	Quarter		
Amounts in R$ million	1Q12	1Q11	Change in R$ million
(+) Electricity revenue (retail market)	**220.2**	**185.0**	**+ 35.2**
• Residential	101.3	84.3	+ 17.0
• Industrial	27.2	23.5	+ 3.7
• Commercial	56.7	46.6	+ 10.1
• Rural	6.2	5.2	+ 1.0
• Other sectors	28.8	25.4	+ 3.4
(+) Electricity sales to distributors	5.9	6.0	- 0.1
(+) Electricity network usage charges	13.4	10.7	+ 2.7
(+) Construction revenue	15.9	14.3	+ 1.6
(+) Other revenue	0.8	5.4	- 4.6
(=) Subtotal - Consolidated gross operating revenue	**256.2**	**221.4**	**+ 34.8**
(-) Tax on revenue	(68.6)	(57.9)	- 10.7
(-) Sector charges	(12.5)	(11.5)	- 1.0
(=) Total - Consolidated net operating revenue	**175.1**	**152.0**	**+ 23.1**

2.2.1 – Annual rate adjustment: Energisa Sergipe’s electricity rates were increased by an average 4.97% on April 22, 2012.

2.3 - Operating expenses

2.3.1 - Operating expenses in distribution, generation and services

Energisa Sergipe's operating expenses in distribution, generation and services amounted to R$ 125.3 million in 1Q12, an increase of 9.7% (or R$ 11.1 million) over the amount recorded in 1Q11.

2.3.1.1 - Controllable expenses in distribution, generation and services

The controllable expenses (personnel, material and outsourced services) in distribution, generation and services contracted by 2.2% (or R$ 0.6 million) in 1Q12, to R$ 26.1 million.

2.3.2 - Construction costs

Following the adoption of international accounting standards (IFRS), Energisa Sergipe 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$ 15.9 million in 1Q12, compared with R$ 14.3 million in 1Q11.

2.3.3 - Total operating expenses

Energisa Sergipe's operating expenses amounted to R$ 141.2 million in 1Q12, an increase of 9.9% (or R$ 12.7 million) over 1Q11.

Breakdown of operating expenses (R$ million)	1Q12	1Q11	Change in R$ million
1 – Controllable expenses	26.1	26.7	- 0.6
1.1 - Personnel	13.4	14.0	- 0.6
1.2 - Material	2.7	2.4	+ 0.3
1.3 - Services	10.0	10.3	- 0.3
2 - Uncontrollable expenses (acquisition of energy and transmission)	86.9	73.2	+ 13.7
3 - Depreciation and amortization	9.5	11.3	- 1.8
4 - Allowance for doubtful accounts and contingencies	1.2	0.8	+ 0.4
5 - Other expenses	1.6	2.2	- 0.6
Subtotal	125.3	114.2	+ 11.1
6 - Construction cost	15.9	14.3	+ 1.6
Total	**141.2**	**128.5**	**+ 12.7**

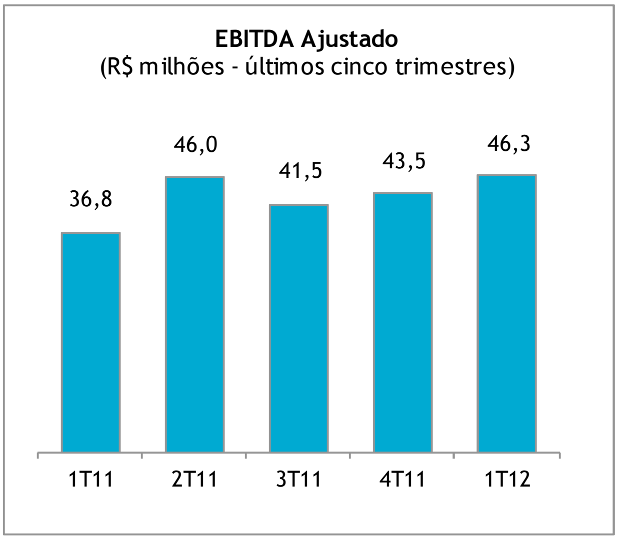
2.4 - Earnings before interest and tax (EBIT) and cash generation (EBITDA)

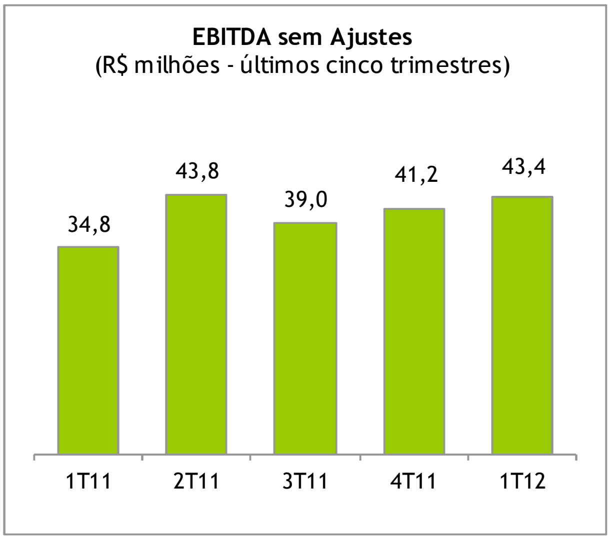
Earnings before interest and tax (EBIT) and operating cash generation (EBITDA) were as follows in the quarter:

EBITDA and Adjusted EBITDA
- R$ million -

Description	Quarter		
	1Q12	1Q11	Change %
(=) EBIT	33.9	23.5	+ 44.3
(+) Depreciation and amortization	9.5	11.3	- 15.9
(=) EBITDA	**43.4**	**34.8**	**+ 24.7**
(+) Arrears surcharge revenue	2.9	2.0	+ 45.0
(=) Adjusted EBITDA in the period	**46.3**	**36.8**	**+ 25.8**
Adjusted EBITDA Margin (%)	26.4	24.2	+ 2.2 p.p

Energisa Sergipe's flow of EBITDA and adjusted EBITDA in the past five quarters can be demonstrated as follows:





2.5 - Financial income/loss

The financial income (financial revenue minus financial expenses) amounted to a net financial expense of R$ 8.5 million in 1Q12, as compared to a net financial expense of R$ 14.6 million in 1Q11.

The table below denotes the short- and long-term debt net of financial resources (cash, cash equivalents and short-term investments) of Energisa Sergipe:

Description Amount in R$ million	3/31/2012	12/31/2011
Short-term	**57.9**	**62.3**
Loans, financing and debentures	49.6	47.7
Debt charges	6.6	12.5
Tax financing	1.7	2.1
Long-term	**440.9**	**446.1**
Loans, financing and debentures	433.4	446.1
Tax financing	7.5	-
Total debts	**498.8**	**508.4**
(-) Cash and cash equivalents	89.9	111.7
Total net debts	**408.9**	**396.7**

R$ 272.4 million (54.6%%) of the total debt as of March 31, 2012 is denominated in US dollars deriving from the international Notes Units issuance, with an outstanding balance at the end of March 2012 of USD 109.6 million, in addition to debentures of USD 43.6 million. The notes have a long term maturity, on July 19, 2013, and yield interest of USD plus 10.5% per annum.

The debentures yield interest of USD plus 8.85% per annum and also have a long term maturity over three annual installments, the last of which matures on November 08, 2015. Energisa Sergipe has hedged the aforementioned positions against adverse exchange variance, subject to certain covenants.

3 - Operating Performance

3.1 – Electricity Sales

Total electricity sales to the captive consumers served by Energisa Sergipe amounted to 583.7 GWh in 1Q12, an increase of 5.3% over the same quarter of 2011. The consumption of the commercial and rural classes experienced considerable growth in the quarter, of 17.2% and 10.2% respectively. Captive and free industrial consumption jointly expanded by 6.5%. Total energy distributed, including captive and free consumers, sales to distributors and unbilled sales, consequently stood at 820.9 GWh, an expansion of 6.5% over the same quarter last year.

Electricity Sales by Segment
(In GWh)

Description	Quarter		
	1Q12	1Q11	Change %
a) Energy Sales in the Retail Market	583.7	554.3	+ 5.3
• Residential	218.3	209.3	+ 4.3
• Industrial	85.6	86.1	- 0.6
• Commercial	127.1	115.3	+ 10.2
• Rural	32.0	27.3	+ 17.2
• Other sectors	120.7	116.3	+ 3.8
b) Electricity Sales to Distributors	66.3	60.8	+ 9.0
c) Net Unbilled Sales	1.5	2.5	- 40.0
d) Total Electricity Sales (a+b+c)	**651.5**	**617.6**	**+ 5.5**
e) Energy associated with Free Consumers	169.4	153.4	+ 10.4
f) Total Electricity Distributed	820.9	771.0	+ 6.5

3.2 - Energy losses

In 1Q12 Energisa Sergipe maintained its focus and managerial actions to keep cutting its energy losses. Energy losses were recorded at 10.11% in the past twelve months ended March 2012, a decrease of 0.57 percentage points over the same period ended March 2011.

4 - Investment

Focusing on projects that aim to enhance service quality, Energisa Sergipe's investment amounted to R$ 19.5 million in the first quarter of 2012, an increase of 23.4% over the same quarter last year, which saw investment of R$ 15.8 million.

Initiated in 2004, the Universal Electricity Access and Usage Program also received important investment and has served 51,014 families out of an allocated total of 51,274. Since its inception until March 2012 the program had received investment of R$ 245 million.

Management.

Financial Statements

1. Balance Sheet - Assets

Energisa Sergipe
Balance Sheets
March 31, 2012 and December 31, 2011
(In thousands of reais)

	03/31/2012	12/31/2011
Assets		
Current		
Cash and cash equivalents	56,711	78,427
Money market and secured funds	29,381	29,552
Consumers and concessionaires	107,068	108,115
Credit receivables	10,702	10,014
Inventory	2,308	2,536
Recoverable taxes	27,500	24,154
Prepaid expenses	2,788	952
Low income and other receivables	41,340	37,115
Total current	**277,798**	**290,865**
Noncurrent		
Noncurrent assets		
Money market and secured funds	3,787	3,744
Consumers and concessionaires	7,544	7,544
Credit receivables	2,606	2,410
Recoverable taxes	16,300	16,341
Tax credits	18,684	19,736
Escrow deposits	21,915	20,844
Derivative financial instruments	12,520	6,359
Accounts receivable from the concession	81,561	34,021
Other	1,629	868
	166,546	**111,867**
Investments	217	217
Intangible assets	602,305	647,122
Total noncurrent	**769,068**	**759,206**
Total Assets	**1,046,866**	**1,050,071**

See the accompanying notes to the financial statements.

2. Balance Sheet - Liabilities

Energisa Sergipe
Balance Sheets
March 31, 2012 and December 31, 2011
(In thousands of reais)

	03/31/2012	12/31/2011
Liabilities		
Current		
Suppliers payable	47,305	47,620
Debt charges	6,574	12,516
Loans and financing	44,173	46,202
Debentures	5,400	1,479
Taxes and social contributions	34,692	29,290
Financing of taxes	1,798	2,078
Dividends	-	8,655
Estimated obligations	4,557	4,018
Consumer charges payable	1,218	2,941
Other accounts payable	44,412	41,891
Total current	**190,129**	**196,690**
Noncurrent		
Suppliers payable	1,810	1,810
Loans and financing	297,579	308,046
Debentures	135,823	138,079
Derivative financial instruments	27,255	16,089
Taxes and social contributions	1,327	1,327
Deferred income and social contribution taxes	6,400	5,836
Financing of taxes	6,754	7,029
Provision for contingencies	21,325	20,229
Employee benefits - pension plan	737	737
Total noncurrent	**499,010**	**499,182**
Shareholders' equity		
Capital	319,239	319,239
Treasury stock	(18)	(18)
Capital reserve	3,348	3,348
Profit reserves	15,861	15,861
Additional dividends proposed	-	15,769
Retained earnings accumulated	19,297	-
	357,727	**354,199**
Total liabilities	**1,046,866**	**1,050,071**

See the accompanying notes to the financial statements.

3. Statements of Income

Energisa Sergipe
Statements of Income
Three months ended March 31, 2012 and 2011
(In thousands of reais)

	1T2012	1T2011
Revenues		
Electricity sales to consumers	216,628	186,405
Electricity network usage charges	13,359	10,725
Electricity sales to distributors	5,916	5,994
Construction revenue	15,856	14,322
Other revenue	4,391	3,911
	256,150	**221,357**
Deductions from operating revenue		
ICMS on billing	46,349	38,807
PIS, Cofins and ISS	22,261	19,119
Others (CCC, CDE, PEE, P&D and RGR)	12,483	11,432
	81,093	**69,358**
Net operating revenue	**175,057**	**151,999**
Operating expenses		
Electricity purchased for resale	77,385	65,745
System usage charges	9,476	7,406
Personnel	13,487	14,055
Material	2,684	2,444
Outsourced services	9,967	10,322
Depreciation and amortization	9,546	11,309
Allowance for doubtful accounts / provision for contingencies	1,184	780
Construction cost	15,856	14,322
Other expenses	1,958	2,156
Other revenue	(907)	(79)
Other expenses	545	49
	141,181	**128,509**
Earnings before equity income	**33,876**	**23,490**
Operating expenses		
Revenue on short-term investments	2,414	2,675
Arrears surcharge on energy sold	2,867	1,966
Monetary variation and arrears surcharge on energy sold	(12,598)	(12,906)
Other financial revenue	5,316	5,754
Mark-to-market of derivatives	6,162	(2,016)
Derivative financial instruments	(12,099)	(9,870)
Restatement of assets	296	139
(-) Transfer to orders in progress	1,322	514
Other financial revenue (expenses)	(2,135)	(889)
	(8,455)	**(14,633)**
Income before tax	**25,421**	**8,857**
Income and social contribution taxes	(6,125)	(549)
Net income for the period	**19,296**	**8,308**

See the accompanying notes to the financial statements.

4. Statements of Cash Flows

ENERGISA SERGIPE
Statements of Cash Flow
Three months ended March 31, 2012 and 2011 (In thousands of reais)

	1T2012	1T2011
Operating activities		
Net income (loss) for the year	19,297	8,308
Expenses (revenue) not affecting cash:		
Expenses on interest and monetary and exchange variance - net	7,573	7,703
Allowance for doubtful accounts	307	228
Amortization	9,546	11,309
Residual value of retired permanent assets	412	1,308
Tax credits	1,052	(1,318)
Income and social contribution taxes	6,126	549
Provision for contingencies/Reversal of the Provision for contingencies	801	(328)
Derivative financial instruments	12,099	9,870
Mark-to-market of derivatives	(6,162)	2,015
Equity appraisal adjustment	-	13
Subtotal	**51,051**	**39,657**
Changes in current and noncurrent assets		
Decrease(increase) in consumers and concessionaires	715	(473)
Decrease (increase) in secured funds	128	(31,037)
(Increase) in credit receivables	(860)	(788)
Decrease (Increase) in inventories	228	(119)
(Increase) Decrease in recoverable taxes	(4,328)	139
(Increase) in escrow deposits	(1,071)	(264)
(Increase) Decrease in prepaid expenses	(1,835)	94
(Increase) in other accounts receivable	(4,200)	(2,496)
	(11,223)	**(34,944)**
Changes in current and noncurrent liabilities		
(Decrease) in suppliers payable	(315)	(1,103)
Increase in taxes and social contributions	2,101	1,845
Income and social contribution taxes paid	(1,238)	(188)
(Decrease) in tax financing	(555)	(398)
Increase in Estimated obligations	539	544
(Decrease) increase in consumer charges payable	(1,723)	122
Increase in private pension funds and others	1,742	2,810
	551	3,632
Net cash produced by operating activities	**40,379**	**8,345**
Investment activities		
Investment	-	(15)
Additions to Intangible assets	(19,521)	(15,807)
Consumer, government and state contributions	6,838	4,337
Net cash consumed in investment activities	**(12,683)**	**(11,485)**
Financing activities		
New loans and financing	524	2,612
Payments of loans - principal	(11,108)	(7,267)
Payments of loans - interest	(13,471)	(13,190)
Settlement of derivative financial instruments	(933)	(1,220)
Payment of dividends	(24,424)	(68)
Net cash consumed in financing activities	**(49,412)**	**(19,133)**
Net cash variation	**(21,716)**	**(22,273)**
Opening cash and cash equivalents	**78,427**	**77,983**
Closing cash and cash equivalents	**56,711**	**55,710**
Net cash variation	**(21,716)**	**(22,273)**

See the accompanying notes to the financial statements.

Notes to the quarterly information
Period ended March 31, 2012
(In thousands of reais, unless stated otherwise)

1 Operations

A part of ENERGISA GROUP, Energisa Sergipe – Distribuidora de Energia S/A ("Company or Energisa SE") is an electricity distribution company, operating in 63 municipalities in the state of Sergipe, serving 632,554 consumers (information not reviewed by the independent auditors). The Company is a publicly held company and is headquartered in the city of Aracaju, Sergipe 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 – To 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, 16, 25 and 35 respectively.

2 Presentation of the interim financial information (quarterly information)

Approved by the Board of Directors on April 26, 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 accounting practices adopted in Brazil include those established in the Brazilian Corporate Law as well as the Pronouncements, Instructions and Interpretations issued by the Accounting Pronouncements Committee - CPC and approved by the Brazilian Securities Commission – CVM.

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

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

The Company only operates in the energy distribution segment in 63 municipalities in Sergipe 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	3/31/2012	12/31/2011
BIC Banco	CDB	2/27/2012	113,0% of CDI	-	14,938
BMG	CDB	1/24/2014	112,0% of CDI	7,425	7,229
CEF	CDB	3/14/2014 to 3/13/2014	100,5% of CDI	27,126	21,748
Mercantil	CDB	12/9/2014	105,0% of CDI	-	2,232
Santander	Debentures (**)	3/13/2014	103,2% of CDI	7,056	4,941
Standard Bank	CDB	2/3/2012	109,0% of CDI	-	8,819
				41,607	**59,907**
Available-for-sale financial securities					
CEF	Investment Fund	-	Benchmark CDI	1,221	4,256
HSBC	Investment Fund	-	Benchmark CDI	5,708	5,565
Itaú	Investment Fund	-	Benchmark CDI	109	48
				7,038	**9,869**
Total				**48,645**	**69,776**
Cash and banks				**8,066**	**8,651**
Total cash and cash equivalents				**56,711**	**78,427**

(*) 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.

b) Money market and secured funds

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

Financial institution	Type	Maturity	Compensation	3/31/2012	12/31/2011
BES	CDB	9/10/2012	104,5% of CDI	95	93
BIC Banco	CDB	2/22/2013	115,0% of CDI	13,718	13,341
BMG	CDB	6/10/2013 to 12/16/2013	105.0% of CDI to 112.0% of CDI	1,105	1,076
Bradesco	CDB	7/25/2013	99,0% of CDI	241	235
CEF	Savings	-	Savings	44	44
Itaú	CDB	8/5/2013 to 12/3/2013	100.0% to 102.0% of CDI	541	528
Itaú	Debentures (**)	11/27/2012 to 12/6/2013	102.5% to 103.1% of CDI	758	739
Itaú	Investment Fund	-	Benchmark CDI	55	27
Nordeste	CDB	11/30/2012 to 9/9/2019	90.0% to 99.0% of CDI	11,547	12,525
Pine	CDB	6/21/2013	100,0% of CDI	38	37
Standard Bank	CDB	2/1/2013	100,25% of CDI	5	-
				28,147	**28,645**
Available-for-sale financial securities					
Bradesco	Investment Fund	-	Benchmark CDI	1,234	907
				1,234	**907**
Held-to-maturity securities					
Itaú(*)	Credit receivables investment funds	11/1/2012 to 12/29/2020	100,0% of CDI	3,787	3,744
				3,787	**3,744**
Total money market and secured funds				**33,168**	**33,296**
Current				**29.381**	**29.552**
Noncurrent				**3,787**	**3,744**

(*) Investments in subordinated quotas of FIDC.
(**) 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					Total	
		up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	over 360 days	3/31/2012	12/31/2011
Residential	20,240	10,835	2,355	665	285	2	34,382	31,878
Industrial	13,388	777	39	20	158	1,415	15,797	15,398
Commerce, services and other activities	16,631	2,231	557	377	176	39	20,011	20,168
Rural	2,157	1,036	549	24	24	29	3,819	2,602
Government:								
Federal	1,397	106	70	1	-	-	1,574	1,367
State	631	48	32	-	-	-	711	617
Municipal	2,478	188	125	1	-	-	2,792	2,424
Public lighting	2,263	94	21	3	6	-	2,387	2,453
Public utility	3,467	26	3	-	-	-	3,496	3,609
Subtotal - consumers	**62,652**	**15,341**	**3,751**	**1,091**	**649**	**1,485**	**84,969**	**80,516**
Concession operators **(2)**	-	-	-	-	-	-	13,765	13,684
Unbilled sales	-	-	-	-	-	-	14,099	17,686
Other	-	-	-	-	-	-	6,274	7,936
(-) Allowance for doubtful accounts	-	-	-	-	-	-	(4,495)	(4,163)
Total	**62,652**	**15,341**	**3,751**	**1,091**	**649**	**1,485**	**114,612**	**115,659**
Current							107,068	108,115
Noncurrent							7,544	7,544

(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 March 31, 2012 includes amounts referring to the sale of energy at the Electricity Commercialization Chamber – CCEE to the amount of R$ 7,905 (R$ 8,068 as of December 31, 2011), relating to the period September 2000 through December 2011, net of the partial payments made up to March 31, 2012. These balances were determined based on calculations prepared and published by the CCEE.

The breakdown of these amounts, including the balance recorded under “suppliers payable” in the current liabilities of R$ 2,522 (R$ 1,001 as of December 31, 2011), referring to the acquisition of electricity at CCEE and system service charges of R$ 312 (R$ 312 as of December 31, 2011), are shown below:

Breakdown of CCEE credits	3/31/2012	12/31/2011
Outstanding balances	-	-
Credits linked to court injunctions up to December 2002	6,387	6,387
Overdue credits (*)	1,518	1,681
	7,905	**8,068**
(-) Energy acquisitions at CCEE	(2,522)	(1,001)
(-) System service charges	(312)	(312)
	5,071	**6,755**

(*) 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 legal proceedings in progress. These proceedings have been 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 and western submarket during the period of rationing between 2001 and 2002, when there was a 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).

The balances as of March 31, 2012 are shown below:

	3/31/2012	**12/31/2011**
Credit receivables	24,610	24,047
Adjustment to present value	(2,595)	(2,891)
(-) Allowance for doubtful accounts (*)	(8,707)	(8,732)
	13,308	**12,424**
Current	10,702	10,014
Noncurrent	2,606	2,410

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

As of March 31, 2012, the maturities of receivables are scheduled as follows:

	3/31/2012
Overdue	8,707
2012	7,544
2013	3,158
2014	1,350
2015	1,691
2016	1,292
2017	868
Subtotal	**24,610**
Adjustment to present value	(2,595)
	22,015

8 Allowance for doubtful accounts

Change in provisions	**3/31/2012**	**12/31/2011**
Opening balance	12,895	11,633
Provisions recorded in the year	995	3,861
Reversal of provisions in the year	(688)	(2,599)
Balance - current	**13,202**	**12,895**
Consumers and concessionaires	4,495	4,163
Credit receivables	8,707	8,732

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 5 years, with the next review scheduled for April 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 April 20, 2011 Resolution 1,137 ratified the Company's rate review in force since April 22, 2011. The effective rate impact felt by consumers was 11.42%.

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 payable to the generators.

As of March 31, 2012 and December 31, 2011 the balances payable amount to R$ 357, and have been recorded under suppliers payable.

11 Low income and other receivables

	3/31/2012	12/31/2011
Low income	7,596	4,320
Other (*)	33,744	32,795
	41,340	37,115

(*)Includes R$ 13,738 (R$ 12,447 as of December 31, 2011), related to energy efficiency (PEE) and research and development (R&D) programs.

Changes in low income follow:

	3/31/2012	12/31/2011
Opening balance	4,320	4,451
Low-income Subsidy	10,043	23,654
Eletrobrás Reimbursement	(6,767)	(23,785)
Balance - closing - current	7,596	4,320

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. The balances not yet reimbursed have been recorded in the balance sheet under “low income and other receivables” in the current assets. Management does not expect to record any losses in the realization of the balance.

12 Recoverable taxes

	3/31/2012	12/31/2011
Value Added Tax on Sales and Services - ICMS	15,013	15,190
Income Tax Withheld at Source - IRRF	779	1,903
Corporate Income Tax - IRPJ	3,936	2,012
Social Contribution on Net Income – CSSL	302	389
PIS and COFINS	21,749	19,008
Other	2,021	1,993
	43,800	40,495
Current	27,500	24,154
Noncurrent	16,300	16,341

13 Related-party transactions

The parent company provides administrative services to the Company on an arm’s length basis and supported by contracts approved by ANEEL. The transactions conducted in the period ended March 31, 2012 and 2011 amount to R$ 3,024 and R$ 2,846 respectively. The balance payable under suppliers payable amounts to R$ 961 (R$ 982 as of December 31, 2011).

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 Borborema - Distribuidora de Energia S/A, Energisa Minas Gerais - 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 Hidreletrica Zé Tunim, Energisa Geração Usina Mauricio, the wind energy companies (Renascenças I, II, III and IV, Ventos do São Miguel Energias Renováveis and Parque Eólico Sobradinho), (related parties of the Company).

D&O compensation

As of March 31, 2012 the members of the Board of Directors received compensation of R$ 126 (R$ 123 as of March 31, 2011) and the Executive Board R$ 285 (R$ 325 as of March 31, 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$ 81 (R$ 72 as of March 31, 2011). The social charges on the compensation amounted to R$ 105 (R$ 115 as of March 31, 2011).

As of March 31, 2012 the highest and lowest remuneration attributed to directors for the month of March was R$ 36 and R$ 3 (R$ 40 and R$ 3 as of March 31, 2011) respectively. The average compensation as of March 31, 2012 was R$ 11 (R$ 12 as of March 31, 2011).

The AGM held in April 2012 ratified the overall annual compensation limit of the directors and officers for FY 2012 at R$ 4,209.

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	Realizations of Tax credits
2012	2,651
2013	1,817
2014	1,817
2015	1,817
2016	1,817
2017 to 2021	8,765
Total	**18,684**

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:

	3/31/2012	3/31/2011
Profit before income and social contribution taxes	25,422	8,857
Combined tax bracket	34%	34%
Income and social contribution taxes expense, calculated at the total tax bracket	(8,643)	(3,011)
Adjustments:		
Exclusions - SUDENE Tax incentive (*)	2,458	2,403
Other additions	60	59
Income tax and social contribution expense	**(6,125)**	**(549)**
Effective rate	24.1%	6.2%

(*) The decreases to income tax and surcharges resulting from the SUDENE Incentive of R$ 2,458 as of March 31, 2012 (R$ 2,403 as of March 31, 2011) have been directly recorded in the income statement for the year under "income tax", in accordance with Law 11638/07 and Provisional Law 449/08.

The Company has obtained a reduction to its income tax and surcharges until the 2013 financial year. The aforesaid tax benefit consists of a reduction of up to 75% of the Income Tax calculated on operating profits.

Deferred taxes recognized in the balance sheet:

	3/31/2012	12/31/2011
Assets		
Tax loss carryforward	126	1,179
Negative calculation base of social contributions	32	539
Temporary differences (1)		
Income Tax	13,733	13,360
Social Contributions	4,793	4,658
Total noncurrent	**18,684**	**19,736**

	3/31/2012	12/31/2011
Liabilities		
Temporary differences (1)		
Income Tax	4,706	4,291
Social Contributions	1,694	1,545
Total noncurrent	**6,400**	**5,836**

(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$ 81,561 (R$ 34,021 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$ 45,041 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 March 31, 2012 this balance stands at:

Change	3/31/2012	12/31/2011
Opening balance	34,021	22,673
Additions	47,716	11,348
Write-offs	(176)	-
Balance - closing - noncurrent	**81,561**	**34,021**

16 Intangible assets

	3/31/2012	12/31/2011
Concession agreement and studies and projects	255,715	295,984
Concession right	346,590	351,138
Total	602,305	647,122

a) Concession arrangement

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 3/31/2012
In Service						
Cost	722,459	-	5,234	(62,498)	-	665,195
Amortization	(301,151)	-	-	936	(7,149)	(307,364)
Subtotal	421,308	-	5,234	(61,562)	(7,149)	357,831
In Progress (*)	80,842	19,521	(5,234)	(2,675)	-	92,454
Total	**502,150**	**19,521**	**-**	**(64,237)**	**(7,149)**	**450,285**
Special Obligations						
In Service						
Cost	156,971	-	2,120	(16,110)	-	142,981
Amortization	(25,099)	-	-	-	(2,152)	(27,251)
Subtotal	131,872	-	2,120	(16,110)	(2,152)	115,730
In Progress (*)	74,294	6,838	(2,120)	(172)	-	78,840
Total	**206,166**	**6,838**	**-**	**(16,282)**	**(2,152)**	**194,570**
Grand Total	**295,984**	**12,683**	**-**	**(47,955)**	**(4,997)**	**255,715**

(*) The write-offs from in progress (CHECK) 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 (3.70%).

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 obligations linked to the concession, consisting of:

Obligations linked to the concession:	3/31/2012	12/31/2011
Consumer contributions	76,488	73,311
Government Subsidy – CDE funds	135,039	131,379
State Government Subsidy	40,918	40,918
Reversal reserve	302	302
(-) Accumulated amortization	(27,251)	(25,099)
Total	**225,496**	**220,811**
Allocation:		
Accounts receivable from the concession	30,926	14,645
Infrastructure - Intangible assets in service	115,730	131,872
Infrastructure - Intangible assets in progress	78,840	74,294
Total	**225,496**	**220,811**

- 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.

b) Concession right

The goodwill incorporated by the Company is being amortized from April 1998 and will continue to be amortized until the end of the electricity distribution concession in December 2027, based on this Company's projected income. Amortizing the goodwill will generate a tax benefit of 34%. As of March 31, 2012 the amortization of the goodwill and tax benefit was projected as follows:

Amortization period	Balance	Reduction in income and social contribution taxes
2012 and 2013	32,336	10,993
2014 and 2015	38,899	13,226
2016 and 2017	40,920	13,913
2018 and 2019	42,935	14,598
2020 and 2021	44,940	15,280
2022 and 2023	46,924	15,954
2024 onwards	99,636	33,876
Total	**346,590**	**117,840**

The changes are presented below:

	3/31/2012	12/31/2011
Balance - opening	**351,138**	**368,828**
Amortization in the year	(4,548)	(17,690)
Closing balance	**346,590**	**351,138**

17 Suppliers payable

	3/31/2012	12/31/2011
Supplies (1):		
CCEE	2,522	1,001
Bilateral Contracts (1)	36,178	33,514
Use of the high-voltage national grid (1)	3,545	3,574
Connection to the grid (1)	304	304
Materials, services and other (2)	6,566	11,037
	49,115	**49,430**
Current	47,305	47,620
Noncurrent	1,810	1,810

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 Current	Principal Noncurrent	Principal 3/31/2012	Principal 12/31/2011	
Local currency						
Credit Receivables Investment Fund - Energisa Group II (*)	128	9,488	-	9,616	13,154	
Credit Receivables Investment Fund - Energisa Group III (*)	121	-	15,000	15,121	15,135	
Eletrobrás - Light for All - 1st tranche	12	139	593	744	785	
Eletrobrás - Light for All - 2nd tranche	46	382	2,410	2,838	2,955	
Eletrobrás - Light for All - 3rd tranche	67	474	2,853	3,394	3,506	
Eletrobrás - Light for All - 4th tranche	-	27	429	456	455	
Eletrobrás - Light for All - 5th tranche	-	10	279	289	286	
Eletrobrás- Subtransmission	83	2,045	3,641	5,769	6,123	
Eletrobrás - Rural Electrification Program	9	110	-	119	190	
Eletrobrás - Return of LPT	-	14,068	(1)	14,067	16,478	
Banco do Nordeste - Investment Financing 2005-2006 (FNE)	7	3,268	-	3,275	4,758	
Banco do Nordeste - Investment Financing 2007-2008 (FNE)	16	2,229	10,664	12,909	13,537	
Banco do Nordeste - Investment Financing 2007-2008 (FAT)	1,235	4,010	5,640	10,885	11,280	
Banco do Nordeste - Investment Financing 2009-2010 (FNE)	284	1,947	21,406	23,637	23,642	
Banco HSBC – FINAME pass-through	-	-	-	-	-	
Banco Itaú – FINAME pass-through	32	186	3,415	3,633	3,138	
INERGUS PO Financing	-	1,318	21,950	23,268	23,430	
INERGUS PSI Financing	-	4,628	20,782	25,410	23,518	
Total local currency	**2,040**	**44,329**	**109,061**	**155,430**	**162,370**	
Foreign currency						
NOTES UNITS	4,546	-	195,121	199,667	211,484	(1)
Total foreign currency	**4,546**	**-**	**195,121**	**199,667**	**211,484**	
(-) Borrowing costs incurred	(12)	(156)	(6,603)	(6,771)	(7,090)	
Total ENERGISA SERGIPE	**6,574**	**44,173**	**297,579**	**348,326**	**366,764**	

(*) To guarantee payment of the short-term portions, the Company maintains interest-earning bank deposits to the amount of R$ 15,334 (R$ 16,269 as of December 31, 2011), recorded under "secured funds" in the current and noncurrent 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, 2012. These contracts are subject to a currency swap and a financial derivative instrument.

Contractual covenants of the loans and financing as of March 31, 2012:

Operation	Details of the Operation: Maturity	Amortization Frequency	Collateral	Average Term months	Cost of the Debt: Index		Interest rate p.a.	Ref
Credit Receivables Investment Fund - Energisa Group II	Nov-2012	monthly	Receivables	4	CDI	+	0.8%	
Credit Receivables Investment Fund - Energisa Group III	Dec-2020	monthly, after Dec.2017	Receivables	87	CDI	+	0.7%	
Eletrobrás - Light for All - 1st tranche	Oct-2016	monthly	Receivables	28	RGR	+	5.0%	
Eletrobrás - Light for All - 2nd tranche	Apr-2018	monthly	Receivables	37	RGR	+	5.0%	
Eletrobrás - Light for All - 3rd tranche	Oct-2019	monthly	Receivables	45	RGR	+	5.0%	
Eletrobrás - Light for All - 4th tranche	Jul-2022	monthly, after Jul.2012	Receivables	65	RGR	+	5.0%	
Eletrobrás - Light for All - 5th tranche	Oct-2022	monthly, after Oct.2012	Receivables	68	RGR	+	5.0%	
Eletrobrás- Subtransmission	Mar-2016	monthly	Receivables	22	RGR	+	5.0%	
Eletrobrás - Rural Electrification Program	Jul-2012	monthly	Receivables	2	RGR	+	5.0%	
Eletrobrás - Return of LPT	Jan 2013	monthly	-	7	Accrued Selic			
Banco do Nordeste - Investment Financing 2005-2006 (FNE)	Nov-2012	monthly	Receivables + Reserve Fund	4	Fixed 7.9%			(2)
Banco do Nordeste - Investment Financing 2007-2008 (FNE)	Jun-2017	monthly	Receivables + Reserve Fund	33	Fixed 8.3%			(2)
Banco do Nordeste - Investment Financing 2007-2008 (FAT)	Jun-2017	monthly	Receivables + Reserve Fund	22	TJLP	+	4.0%	(2)
Banco do Nordeste - Investment Financing 2009-2010 (FNE)	Aug-2019	monthly, after Aug.2012	Receivables + Reserve Fund	48	Fixed 8.4%			(2)
Banco Itaú BBA - FINAME	Until Feb-2021	monthly	Guarantee Energisa S/A	58	fixed		4.5% to 5.5%	
Inergus - PO Financing	Mar-2029	monthly	Guarantee Energisa S/A	103	INPC/IPCA	+	6.0%	
Inergus - PSI Financing	Sep-2021	monthly	Guarantee Energisa S/A	53	INPC/IPCA	+	6.0%	
Notes Units	Jul-2013	final	-	16	US dollar	+	10.5%	(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, 2012, the maturities of the long-term financing are scheduled as follows:

	3/31/2012
2013	199,622
2014	13,776
2015	13,657
2016	12,708
2017	10,376
2017 onwards	47,440
Total	**297,579**

19 Debentures (nonconvertible)

Main features of the debentures:

	1st Issuance (1)	2nd Issuance	Total
Issue type	Public	Public	
Issue date	11/8/2007	12/15/2009	
Maturity date	11/8/2015	12/15/2014	
Guarantee	Ordinary with Guarantee of Energisa S/A	Ordinary	
Yields	Exchange Variance + 8.85% p.a.	CDI + 1.9% p.a.	
Number of securities	42,000	60,000	
Value at issue	73,248	60,000	
Securities in circulation	42,000	60,000	
Interest grace period	6 months	6 months	
Amortizations/installments	3 annual	Final	
Balances at 3/31/2012 (2)	**79,467**	**61,756**	**141,223**
Current	3,335	2,065	5,400
Noncurrent	76,132	59,691	135,823
Balances at 12/31/2011 (2)	**79,548**	**60,010**	**138,558**
Current	1,160	319	1,479
Noncurrent	78,388	59,691	138,079

(1) Subject to a currency swap and financial derivative instruments

(2) R$ 766 (R$ 766 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 March 31, 2012.

As of March 31, 2012 the maturities of the debentures are scheduled as follows:

	3/31/2012
2013	25,377
2014	85,069
2015	25,377
Total	135,823

20 Taxes and social contributions

	3/31/2012	12/31/2011
ICMS	15,798	14,429
Social Charges	1,071	1,139
IRPJ	3,186	677
CSSL	3,056	2,817
PIS/COFINS	12,298	10,354
Other	610	1,201
Total	**36,019**	**30,617**
Current	34,692	29,290

Noncurrent	1,327	1,327

21 Tax financing

Description	3/31/2012	12/31/2011
Incentive under Law 11941/2009 - Refis IV	8,543	9,072
Number of payments	61	63
ICMS financing	9	35
Number of payments	1	4

The Company entered the new REFIS Financing Program introduced by Law 11941/2009. This balance is being settled at the minimum installment until the debts have been consolidated.

As of March 31, 2012 the balance of this financing stands at R$ 8,543 (R$ 9,072 as of December 31, 2011).

The Company currently has financed ICMS debts with the State government amounting to R$ 9 (R$ 35 as of December 31, 2011).

As of March 31, 2012 and December 31, 2011 the balance of the financed taxes in the consolidated statement is scheduled as follows:

	3/31/2012	12/31/2011
2012	1,368	2,078
2013	1,678	1,654
2013 onwards	5,506	5,375
Total	**8,552**	**9,107**
Current	1,798	2,078
Noncurrent	6,754	7,029

22 Provisions for labor, civil and tax risks:

Based on the opinion of its legal advisors, ENERGISA SE 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 3/31/2012
Labor claims	15,021	1,360	(451)	220	16,150
Civil	5,208	53	(161)	75	5,175
Total	20,229	1,413	(612)	295	21,325
Restricted and escrow deposits (*)	(13,227)				(14,357)

(*) The Company has restricted and escrow deposits in its noncurrent assets of R$ 21,915 (R$ 20,844 as of December 31, 2011). Provisions for contingencies have not been made for R$ 7,558 (R$ 7,617 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, the Company's legal advisers analyzed the labor claims in progress and accordingly made a provision of a further R$ 1,360 (R$ 3,565 as of December 31, 2011), and reversed a provision of R$ 451 (R$ 5,582 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.

As of March 31, 2012 additional provisions were made of R$ 53 (R$ 2,066 as of December 31, 2011) and provisions reversed of R$ 161 (R$ 2,119 as of December 31, 2011).

Possible Losses

The Company is party to labor, civil and tax claims in progress amounting to R$ 96,927 (R$ 96,323 as of December 31, 2011), where the chance of success has been estimated 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 amounting to R$ 7,390 (R$ 8,358 as of December 31, 2011) seeking contractual/legal fees due to joint liability with outsourced companies, in addition to trade union fees.

Civil

These proceedings amounting to R$ 18,658 (R$ 18,119 as of December 31, 2011) are claiming indemnification for punitive/material damages and entail customer complaints about energy bills.

Tax

Proceedings claiming tax and contribution differences – IRPJ/CSLL/PIS/COFINS/INSS amounting to R$ 70,879 (R$ 69,846 as of December 31, 2011).

23 Shareholders’ equity

24.1 Capital

The subscribed and paid-in share capital is comprised of 122,147 common shares and 73,373 preferred shares. The 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 Extraordinary General Meeting held April 29, 2011 approved the capital increase of R$ 8,171, without the issuance of new shares, by capitalizing the balance of the tax incentive reserve - income tax reduction accumulated until December 31, 2010. The share capital accordingly fell to R$ 319,239 as of December 31, 2011.

Irrespective of amendments to the bylaws, the Company may increase its share capital through subscription to the limit of 450,000 shares, consisting of 150,000 common shares and up to 300,000 preferred 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.

As authorized by its Board of Directors, the Company has bought back 11 common 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$ 18. As it is a wholly owned subsidiary, the Company's shares have no market value.

24.2 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.

Because these dividends exceeded the minimum mandatory amount approved after the end of the financial year, on December 31, 2011 they were recorded in a specific item of dividends payable in shareholders' equity, in due accordance with CPC-08. On February 14, 2012 the Board of Directors resolved to pay out additional dividends of R$ 15,769 (R$ 80.65 per share) on March 30, 2012.

24 Operating revenue

	3/31/2012			3/31/2011		
	Not reviewed			Not reviewed		
	No. of consumers	MWh	R$	No. of consumers	MWh	R$
Residential	566,490	218,282	101,330	542,367	209,300	84,274
Industrial	2,728	85,587	27,223	2,796	86,089	23,547
Commercial	38,263	127,122	56,665	34,650	115,346	46,573
Rural	17,843	31,973	6,233	17,335	27,308	5,239
Government:						
Federal	110	7,929	2,964	110	7,802	2,619
State	4,560	16,173	6,155	4,544	15,913	5,439
Municipal	760	7,609	2,896	757	7,487	2,559
Public Lighting	568	35,439	6,634	536	34,885	5,864
Public Utility	1,166	52,812	10,113	1,084	49,446	8,913
Internal Use	52	768	-	53	773	-
Subtotal	**632,540**	**583,694**	**220,213**	**604,232**	**554,349**	**185,027**
Revenue from Remuneration of Concession Assets	-	-	876	-	-	567
Supply	2	66,356	5,916	2	60,770	5,994
Sales not invoiced (net)	-	1,489	(3,585)	-	2,470	811
Provision of the transmission and distribution system	-	-	13,359	-	-	10,725
Energy sales to free consumers	12	-		8	-	
Construction Revenue	-	-	15,856	-	-	14,322
Other operating revenue	-	-	3,515	-	-	3,911
Total	**632,554**	**651,539**	**256,150**	**604,242**	**617,589**	**221,357**
Deductions from Operating Revenue						
ICMS	-	-	46,349	-	-	38,807
PIS	-	-	3,965	-	-	3,408
COFINS	-	-	18,262	-	-	15,702
ISS	-	-	34	-	-	9
Quota for RGR	-	-	1,485	-	-	1,424
Electrical Efficiency Program - PEE	-	-	774	-	-	679
Energy Development Account - CDE	-	-	1,434	-	-	1,274
Fuel Consumption Account - CCC	-	-	7,551	-	-	6,969
Research and Development Program - P&D	-	-	1,239	-	-	1,086
Total - deductions from operating revenue	**-**	**-**	**81,093**	**-**	**-**	**69,358**
Total Net Operating Revenue	**632,554**	**651,539**	**175,057**	**604,242**	**617,589**	**151,999**

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 an interim financial 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:

	Maturity Date	Insurance Coverage	Annual Premium	
Lines			**2011**	**2010**
Nominated Risks	10/23/2012	26,100	152	125
General Civil Liability	10/23/2012	33,953	166	160
Automobiles – Third-party material and personal damages.	10/23/2012	up to R$ 200 / vehicle	85	80
Collective life insurance – Personal Death and Accidents	12/31/2012	46,939	192	251
			595	**616**

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 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:

	3/31/2012		12/31/2011	
ASSETS	Book	Fair value	Book	Fair value
Cash and cash equivalents	56,711	56,711	78,427	78,427
Money market and secured funds	33,168	33,168	33,296	33,296
Consumers and concessionaires	114,612	114,612	115,659	115,659
Credit receivables and other	13,308	13,308	12,424	12,424
Accounts receivable from the concession	36,520	36,520	34,021	34,021
LIABILITIES				
Suppliers payable	(49,115)	(49,115)	(49,430)	(49,430)
Loans, financing, debt charges and debentures	(489,549)	(518,977)	(506,322)	(537,897)

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, 2012 and December 31, 2011 are shown below:

Nonderivatives - classification and measurement

Loans and receivables:

Includes cash and cash equivalents, 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, 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 BONDs, Credit receivables investment funds and the 1st and 2nd debentures issuance, the book value differs from the fair value as there is a market on 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.

- **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. 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	47,305	-	-	-	1,810	49,115
Loans, financing, debt charges and debentures	47,513	38,219	385,552	69,334	94,776	635,394

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:

	3/31/2012	12/31/2011
Cash and cash equivalents	56,711	78,427
Money market and secured funds	33,168	33,296
Consumers and concessionaires	114,612	115,659
Credit receivables and other	23,308	12,424
Accounts receivable from the concession	36,520	34,021

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, Banco do Nordeste 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 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 gained 2.86% in the period ended March 31, 2012 as compared to December 31, 2011, quoted at R$ 1.8221 / USD.

R$ 279,560 (R$ 291,458 as of December 31, 2011) of Energisa SE's bank issuance debt as of March 31, 2012 amounting to R$ 497,086 (R$ 514,178 as of December 31, 2011) is denominated in US dollars deriving from the international Notes Units issuance, with an outstanding balance, including interest, at the end of the year of USD 112.7 million (principal of USD 107.1 million), in addition to USD 42.6 million (principal of USD 42 million) in debentures issued by Energisa SE. The notes mature on July 19, 2013 and pay interest of USD + 10.5% per annum. The debentures yield interest of USD + 8.85% per annum and also have a long-term maturity over three annual installments, the last of which matures on November 08, 2015.

The balance sheet as of March 31, 2012 presents R$ 12,520 in the noncurrent assets (R$ 6,359 as of December 31, 2011) and R$ 27,255 (R$ 16,089 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 financial statements are reversed when the caps established for the existing operations are not exceeded, as shown below. Furthermore, further deterioration of the volatility, the currency coupon and the f/x rate could result in the entry increasing.

Moreover, the gains made by the Brazilian currency against the US dollar are responsible for nearly all of this net liability, which is usual in hedges, where companies switch their dollar exposure to CDI exposure.

Energisa SE has hedged the aforementioned positions against adverse exchange variance, as mentioned earlier. These hedges are split into the following instruments:

1. Hedge for the amount of USD 42 million and USD 7.5 million of interest through a series of currency swaps with exchange-rate cap of between R$/USD 2.581 (May-12) and R$/USD 2.8841 (Nov-13) until 11/08/2013, in order to hedge the debenture issuance against adverse exchange variance, thereby conducting a swap of the cost of USD + 8.85% p.a. for 120.6% of the CDI variance, hedging interest payments scheduled for 5/8/2012 to 11/08/2013 and the value of the principal at the latter date.

2. Hedge for the principal of USD 107.1 million and interest of USD 22.8 million through a series of currency swaps with exchange-rate cap of between R$/USD 2.7150 (Jul-12) and R$/USD 2.9170 (Jul-2013) until 7/19/2013. The operation involves a swap of the cost of USD + 10.5% p.a. for 131.5% of the CDI variance, hedging semi-annual interest payments scheduled for 7/19/2012 to 07/19/2013 and the value of the principal at the latter date.

In the period the foreign exchange hedges yielded a loss of R$ 12,099 (R$ 9,870 as of March 31, 2011), due to depreciation of the US dollar.

Company Management monitors changes in the market, so that these hedge transactions may be restructured and their terms even extended 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 summary values of the Company's financial derivatives as of March 31, 2012 and December 31, 2011 are as follows:

Derivative Financial Instruments							
	Reference Value		Description	Fair Value		Accumulated effect	
	3/31/2012	12/31/2011		3/31/2012	12/31/2011	Receivable /	Payable / (paid)
Swap with options - Itaú BBA and Santander	Notional (BRL)		Receivable Position				
			Foreign currency - USD	308,189	321,774	-	(4,093)
	242,013	251,010	Liability Position				
			CDI Interest Rate	(322,489)	(327,262)	-	-
			Foreign Currency Options (USD)	(435)	(4,242)	-	-
			Total Swap Position with Options	(14,735)	(9,730)	-	(4,093)

The Fair Value of the derivatives as of March 31, 2012 as of December 31, 2011 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 SE'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, 2012 and December 31, 2011 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 - Debentures		US$	13,953	(5,440)	(24,834)
Swap with Options:					
Receivable position - Foreign Currency - USD	87,423	Higher f/x rate	77,324	96,655	115,986
Payable Position - CDI Interest Rate	(91,051)		(91,051)	(91,051)	(91,051)
Foreign Currency Options - USD	(260)		-	-	(185)
Subtotal	(3,888)		(13,727)	5,604	24,750
Net	(3,888)		226	164	(84)
Financial instruments - Bond					
Swap with Options:			20,789	(29,206)	(79,201)
Receivable position - Foreign Currency - USD	220,767	Higher f/x rate	199,976	249,969	299,963
Payable Position - CDI Interest Rate	(231,438)		(231,438)	(231,438)	(231,438)
Foreign Currency Options - USD	(173)		-	-	-
Subtotal	(10,844)		(31,462)	18,531	68,525
Net	(10,844)		(10,673)	(10,675)	(10,676)
Total	(14,732)		(10,447)	(10,511)	(10,760)

(*) Considers the macroeconomic scenario presented by the Focus Survey as of March 31, 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 March 31, 2012, the derivatives are effective, which is reflected in the negative present value of R$ 10,447, 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 negative present values of R$ 10,511 and R$ 10,760 in the scenarios where the Brazilian currency lost 25% and 50% against the US dollar, a scenario in which the current caps would be exceeded.

b) Interest rate variance

Considering the exposure of financial instruments indexed to interest rates as of March 31, 2012 is maintained and the respective accumulated annual indexes are (CDI 9.14% p.a., LTIR 6% 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	81,814	Increase in CDI	1,862	2,310	2,750
Payable financial instruments:					
	(100,901)	Increase in CDI	(2,576)	(3,113)	(3,642)
Loans and financing	(10,884)	Increase in LTIR	(322)	(361)	(400)
	(16,185)	Increase in FNE	(249)	(312)	(374)
Subtotal (**)	**(127,970)**		**(3,147)**	**(3,786)**	**(4,416)**
Total	**(46,156)**		**(1,285)**	**(1,476)**	**(1,666)**

(*) Considers the CDI at March 31, 2012 (9.14% p.a.), quote of the estimates presented by the recent BACEN survey, dated March 31, 2012, TJLP of 6% 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$ 279,560

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	3/31/2012	12/31/2011
Assets			
Money market and secured funds	2	33,168	33,296
Derivative financial instruments	2	12,520	6,359
Liabilities			
Derivative financial instruments	2	(27,255)	(16,089)

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

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 figures of the latest assessment can be seen in note 33 to the quarterly information for the year ended December 31, 2011.

In the period ended March 31, 2012 the expense incurred on sponsoring these plans stood at R$ 384 (R$ 304 as of March 31, 2011).

b) Healthcare plan

The Company sponsors its employees' health insurance plans, which are managed by an operator 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. Expenses were incurred on this benefit of R$ 652 in the 1st quarter of 2012 (R$ 278 as of March 31, 2011).

28 Commitments

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

Energy purchase contracts:

Term	2012	2013	2014	2015	2016	2016 onwards
2012 to 2044	225,467	252,278	218,234	224,896	223,179	3,265,056

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 FY 2011, which have been ratified by ANEEL.

29 Distribution concession contract

On December 23, 1997 Energisa SE and the National Electric Energy Agency – ANEEL signed the electricity distribution concession contract through to December 23, 2027.

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

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