



Energisa Sergipe | Results for 3rd quarter of 2013

Aracaju, November 08, 2013 - The management of Energisa Sergipe - Distribuidora de Energia S/A (“Company” or “Energisa Sergipe” or “ESE”) hereby presents its results for the third quarter (3Q13) and the first nine months of 2013 (9M13). The following financial and operational information is presented in accordance with international financial reporting standards (IFRS), except when stated otherwise.

1 - Business profile and economic-financial headlines

Energisa Sergipe is an electricity distributor that serves approximately 674 thousand consumers and a population of roughly 1.8 million in 63 municipalities in the state of Sergipe, covering an area of 17,465 Km².

See below a summary of the Company's economic and financial performance in the first nine months of 2013/2012:

Description	9M13	9M12	Change %
Results - R\$ million			
Gross Operating Revenue	739.0	785.4	- 5.9
Net Operating Revenue	538.5	547.0	- 1.6
Net Operating Revenue, with construction revenue	487.8	482.8	+ 1.0
Earnings before interest and tax (EBIT)	94.7	85.5	+ 10.8
EBITDA	128.6	116.8	+ 10.1
Adjusted EBITDA	137.0	125.1	+ 9.5
Financial Result	(52.9)	(33.0)	+ 60.3
Net Income	33.1	45.2	- 26.8
Financial Indicators - R\$ million			
Total Assets	1,120.6	1,094.9	+ 2.3
Cash / Cash Equivalents / Short-Term Investments	116.6	131.4	- 11.3
Shareholders' Equity	357.0	354.6	+ 0.7
Net Debt	490.8	449.8	+ 9.1
Operating Indicators			
Number of Captive Consumers (thousands)	674.1	645.0	+ 4.5
Sales of energy to captive consumers (GWh)	1,747.3	1,673.1	+ 4.4
Total Electricity Distributed (GWh)	2,487.7	2,396.8	+ 3.8
Relative Indicators			
Adjusted EBITDA / Net Revenue (%)	25.4	22.9	+ 2.5 p.p
Net Debt / Adjusted EBITDA for 12 months (times)	2.8	2.7	+ 3.7

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

Results for the 3rd quarter of 2013

2 - Financial performance

2.1 - Gross and net operating revenue

In 9M13 Energisa Sergipe presented gross operating revenue, not including construction cost revenue, which is attributed a margin of zero, of R\$ 688.3 million, compared with R\$ 721.3 million in 9M12, a decrease of 4.6% (R\$ 33.0 million). Also excluding construction revenue, net operating revenue rose by 1.0% (R\$ 4.9 million) in the period, to R\$ 487.8 million.

Net revenue breaks down as follows:

Revenue by Consumption Sector Amounts in R\$ million	Quarter			9 months		
	3Q13	3Q12	Change %	9M13	9M12	Change %
(+) Electricity revenue (captive market)	191.9	208.1	- 7.8	627.4	657.0	- 4.5
✓ Residential	88.5	95.8	- 7.6	293.5	302.3	- 2.9
✓ Industrial	21.3	23.5	- 9.4	64.7	81.5	- 20.6
✓ Commercial	49.4	54.1	- 8.7	161.9	167.5	- 3.3
✓ Rural	6.1	4.5	+ 35.6	22.2	16.5	+ 5.7
✓ Other sectors	26.6	30.2	- 11.9	85.1	89.2	- 4.6
(+) Electricity sales to distributors	7.9	5.3	+ 49.1	22.2	17.1	+ 29.8
(+) Net Unbilled Sales	(1.9)	(1.9)	-	(10.1)	(5.9)	+ 71.2
(+) Electricity network usage charges	9.0	13.9	- 35.3	31.7	39.8	- 20.4
(+) Construction revenue	20.8	26.6	- 21.8	50.7	64.1	- 20.9
(+) Other revenue	8.0	4.8	+ 66.7	17.1	13.3	+ 28.6
(=) Subtotal 1 - Gross revenue	235.7	256.8	- 8.2	739.0	785.4	- 5.9
(-) Tax on sales	(59.0)	(65.1)	- 9.4	(193.4)	(204.3)	- 5.3
(-) Sector charges	(3.1)	(9.4)	- 67.0	(7.1)	(34.1)	- 79.2
(=) Subtotal 2 - Net revenue	173.6	182.3	- 4.8	538.5	547.0	- 1.6
(-) Construction revenue	(20.8)	(26.6)	- 21.8	(50.7)	(64.1)	- 20.9
(=) Total - Net revenue, without construction revenue	152.8	155.7	- 1.9	487.8	482.9	+ 1.0

2.2 - Rate review

Energisa Sergipe has undergone its 3rd Rate Review Cycle. The adjustment of electricity rates resulted in an average effect to be felt by consumers of 4.08% from April 22, with the rates of low-voltage consumers rising by 6.60% and medium- and high-voltage consumers fall by 0.07%.

Pursuant to Decree 7891/2013, ANEEL also ratified the following funds from the Energy Development Account (CDE) to be passed through by Centrais Elétricas Brasileiras S.A. - Eletrobrás to Energisa Sergipe:

- i) the monthly amount of R\$ 2.6 million in the period April 2013 to March 2014 referring to discounts imposed on rates applicable to users of the public electricity distribution service.
- ii) the amount of R\$ 11.8 million, in a lump sum, through May 06, 2013, to cover additional expenses incurred on System Service Charges (ESS) in the previous rate period, pursuant to Decree 7891/2013.

Under Decree 7945/2013, ANEEL will publish every month the CDE funds to be passed through by Eletrobrás to the Electricity Trading Chamber to cover the electricity acquisition and system service charges - ESS as a result of energy security, the hydrological risk and involuntary exposure in the spot market. By way of SRE/ANEEL Notices 954 issued April 02, 2013, 1312 issued April 30, 2013, 1756 issued June 04, 2013, 2095 issued July 04, 2013, 3020 issued August 29, 2013 and 3281 issued September 30, 2013, ANEEL has ratified the amount of R\$ 57.9 million for Energisa Sergipe the months

Results for the 3rd quarter of 2013

of January to August 2013, distributed as follows: Energisa Sergipe recorded the amounts as a reduction to the purchased energy costs and system service charges.

2.3 - Net income and cash generation

Energisa Sergipe recorded net income of R\$ 15.8 million in 3Q13 compared with R\$ 4.0 million in 3Q12. This denotes an increase of 295.0%. This performance in the quarter is primarily due to the following factors:

- 1) decrease of 69.4% of the net financial expenses
- 2) decrease of 9.1% of operating expenses, not including construction costs
- 3) increase of 6.2% in energy sold to free and captive consumers.

The net income amounted to R\$ 33.1 million in YTD 9M13, compared with R\$ 45.2 million in the first nine months of the previous year.

The operating cash generation (Adjusted EBITDA) amounted to R\$ 40.4 million in 3Q13, compared with R\$ 31.0 million in 3Q12, an increase of R\$ 30.3%. The Adjusted EBITDA amounted to R\$ 137.0 million in 9M13, an increase of 9.5% over 9M12.

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

Breakdown of cash generation (EBITDA) Amounts in R\$ million	Quarter			9 months		
	3Q13	3Q12	Change %	9M13	9M12	Change %
(=) Net Income	15.8	4.0	+ 295.0	33.1	45.2	- 26.8
(-) Income and social contribution taxes	(6.4)	1.6	-	(8.7)	(7.2)	+ 20.8
(-) Financial result	(4.4)	(14.4)	- 69.4	(52.9)	(33.0)	+ 60.3
(-) Depreciation and amortization	(11.3)	(11.5)	- 1.7	(33.9)	(31.4)	+ 8.0
(=) Cash generation (EBITDA)	37.9	28.4	+ 33.5	128.6	116.8	+ 10.1
(+) Arrears surcharge revenue	2.5	2.7	- 7.4	8.4	8.3	+ 1.2
(=) Adjusted cash generation (Adjusted EBITDA)	40.4	31.1	+ 29.9	137.0	125.1	+ 9.5
Adjusted EBITDA Margin	23.3	17.0	+ 6.3 p.p	25.4	22.9	+ 2.5 p.p

2.4 - Operating expenses

Operating expenses excluding construction costs amounted to R\$ 393.1 million in 9M13 (R\$ 126.2 million in 3Q13), a decrease of R\$ 4.2 million (decrease of R\$ 12.5 million in 3Q13 over 3Q12) over 9M12. In 9M13, the growth in controllable expenses was R\$ 5.0 million (increase of R\$ 1.8 million in 3Q13), amounting to R\$ 94.4 million (R\$ 33.8 million in 3Q13). Noncontrollable expenses on electricity and transportation purchases expanded by R\$ 2.8 million in the 9M13, an increase of 1.1%. Noncontrollable expenses on electricity and transportation purchases fell by 8.8% in 3Q13 (R\$ 7.6 million).

Operating expenses break down as follows:

Breakdown of operating expenses (R\$ million)	Quarter			9 months		
	3Q13	3Q12	Change in R\$ millions	9M13	9M12	Change in R\$ millions
1 - Controllable expenses	33.8	32.0	+ 1.8	94.4	89.4	+ 5.0
1.1 Personnel (includes pension fund)	18.0	19.4	- 1.4	54.2	49.3	+ 4.9
1.2 Material	2.7	1.7	+ 1.0	6.4	7.1	- 0.7
1.3 Services	13.1	10.9	+ 2.2	33.8	33.0	+ 0.8
2 - Uncontrollable expenses (acquisition of energy and transmission)	79.0	86.6	- 7.6	260.5	257.7	+ 2.8
3 - Depreciation and amortization	11.3	11.5	- 0.2	33.9	31.4	+ 2.5
4 - Allowance for doubtful accounts and contingencies	(0.1)	(0.5)	+ 0.4	0.1	5.7	- 5.6
5 - Other expenses / revenue	2.2	9.1	- 6.9	4.2	13.1	- 8.9
Subtotal	126.2	138.7	- 12.5	393.1	397.3	- 4.2
6 - Construction cost	20.8	26.6	- 5.8	50.7	64.1	- 13.4
Total	147.0	165.3	- 18.3	443.8	461.4	- 17.6

2.5 - Financial result

The financial result (financial revenue minus financial expenses) amounted to a net consolidated financial expense of R\$ 4.4 million in 3Q13, as compared to a net financial expense of R\$ 14.4 million in the same period last year, a decrease of 69.4% (or R\$ 10.0 million). This result derives from the mark-to-market of derivatives which reflects the present value of the forex hedge instruments.

In YTD 9M13 the net financial result amounted to a net financial expense of R\$ 52.9 million compared with a net financial expense of R\$ 33.0 million in 9M12, i.e. an increase of 60.3% (or R\$ 19.9 million) in the period.

Results for the 3rd quarter of 2013

The table below denotes the short- and long-term debt net of financial resources (cash, cash equivalents and short-term investments) of Energisa Sergipe as of September 30, 2013 and December 31, 2012:

Description		
Amount in R\$ million	09/30/2013	12/31/2012
Short-term	61.7	285.4
Loans, financing and debentures	53.1	269.7
Debt charges	6.8	13.9
Financing of taxes and actuarial deficit	1.8	1.8
Long-term	545.7	282.9
Loans, financing and debentures	497.2	273.2
Financing of taxes and actuarial deficit	48.5	9.7
Total debts	607.4	568.3
(-) Cash and cash equivalents	116.6	109.7
Total net debts	490.8	458.6

3 - Electricity sales

3.1 - Total electricity distributed

In the first nine months of 2013 (9M13), electricity sales to end consumers (captive market), located in Energisa Sergipe's concession area, including energy associated with free consumers (TUSD), amounted to 2,347.8 GWh (754.4 GWh in 3Q13), an increase of 6.1% (increase of 6.2% in 3Q13) over the same period last year. Consumption was driven by the residential sector, which expanded by 9.9% (an increase of 7.3% in 3Q13) in the period. Industrial consumption, including captive and free sales, rose by 5.4% in 9M13 (9.8% in 3Q13). Total energy distributed in 9M13 was 2,487.7 GWh, compared with 2,396.8 GWh in the same period last year, as follows:

Total Electricity Distributed by Consumption Sector (in GWh)

Description	Quarter			9 months		
	3Q13	3Q12	Change %	9M13	9M12	Change %
1) Vendas de energia no mercado cativo	543.9	528.4	+ 2.9	1,747.2	1,673.1	+ 4.4
✓ Residencial	214.8	200.2	+ 7.3	695.8	633.1	+ 9.9
✓ Industrial	73.7	77.0	- 4.3	218.6	237.8	- 8.1
✓ Comercial	116.9	111.9	+ 4.5	375.8	360.8	+ 4.2
✓ Rural	17.6	17.9	- 1.7	77.7	78.0	- 0.4
✓ Outras Classes	120.9	121.4	- 0.4	379.3	363.4	+ 4.4
2) Energia associada aos consumidores livres (TUSD)	210.5	181.9	+ 15.7	600.6	539.4	+ 11.3
3) Mercado cativo + TUSD (1+2)	754.4	710.3	+ 6.2	2,347.8	2,212.5	+ 6.1
4) Suprimento de energia e não faturado	53.5	53.5	-	139.9	184.3	- 24.1
5) Energia Total Distribuída (3+4)	807.9	763.8	+ 5.8	2,487.7	2,396.8	+ 3.8

Energisa Sergipe closed the first nine months of 2013 with 674,072 captive consumer units, or 4.5% more than at the end of September 2012. The number of free consumers amounted to 17 at the end of September 2013.

4 - Investment

Energisa Sergipe invested a total of R\$ 60.4 million in the first nine months of 2013, compared with R\$ 73.7 million in 9M12.

5 - Advanced dividends

On August 08 the Energisa Sergipe Board of Directors approved the payment of interim dividends from the net income for the year in progress of R\$ 13.0 million, at the rate of R\$ 66.36943736 per share. These dividends will be paid by December 31, 2013.

6 - Subsequent events

6.1 - Company issues debentures

On October 17, 2013 the Energisa Sergipe Board of Directors resolved to make the 3rd issuance of non-convertible, unsecured simple debentures in a single series amounting to R\$ 60.0 million, which will be subject to public distribution with placement restrictions pursuant to CVM Directive 476/2009. 60 debentures will be issued with a nominal unit value of R\$ 1.0 million at the issuance date (October 30, 2013), maturing in 6 years, i.e. on October 30, 2019. The debentures yield interest equal to the accumulated variance of 115.5% of the CDI rate. The remuneration and amortization of the debentures will be paid annually, as from the 24th (twenty-fourth) month, with the first payment on October 30, 2015.

The funds, already secured on October 30, will be used for the early redemption of the Company's 1st debentures issuance.

6.2 - Amortization and early redemption of debentures

On October 17, 2013 the Energisa Sergipe Board of Directors resolved to early redeem the entire nonconvertible simple debentures of Energisa S/A's 1st issuance. The 42,000 debentures, which incur a cost equal to exchange variance plus 8.85% per annum, were redeemed for the amount of R\$ 64.3 million as of November 08, 2013, where R\$ 36.1 million had been amortized by this date, in accordance with the issuance deed.

7- Services rendered by the independent auditor

The total remuneration of Deloitte Touche Tohmatsu Auditores Independentes for the services provided to Energisa Sergipe in the first nine months of 2013 was R\$ 495,000, as follows: i) R\$ 203,000 for reviewing the financial statements and iv) R\$ 292,000 for reviewing the processes and procedures implemented to obtain corporate income tax incentives - Sudene.

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 SERGIPE - DISTRIBUIDORA DE ENERGIA S/A
BALANCE SHEET
AS OF SEPTEMBER 30, 2013 AND DECEMBER 31, 2012
(In thousands of reais)

	9/30/2013	12/31/2012
Assets		
Current		
Cash and cash equivalents	44,698	53,225
Money market and secured funds	63,417	47,019
Consumers and concessionaires	79,408	117,517
Credit receivables	7,974	7,739
Inventory	1,759	2,382
Recoverable taxes	39,903	26,866
Prepaid expenses	5,794	3,343
Derivative financial instruments	8,651	-
Low income and other receivables	33,603	25,333
Total current	285,207	283,424
Noncurrent		
Noncurrent Assets		
Money market and secured funds	8,509	9,483
Consumers and concessionaires	7,544	7,544
Credit receivables	2,847	4,110
Recoverable taxes	16,962	16,551
Tax credits	30,884	34,106
Restricted deposits and escrows	25,697	21,818
Derivative financial instruments	10,724	15,394
Accounts receivable from the concession	152,387	130,146
Other accounts receivable	789	837
	256,343	239,989
Investment	366	4,026
Intangible assets	574,460	581,125
Property, plant and equipment	4,220	5,062
Total noncurrent	835,389	830,202
Total Assets	1,120,596	1,113,626

See the accompanying notes to the financial statements.

2. Balance Sheet - Liabilities

ENERGISA SERGIPE - DISTRIBUIDORA DE ENERGIA S/A
BALANCE SHEET
AS OF SEPTEMBER 30, 2013 AND DECEMBER 31, 2012
(In thousands of reais)

	9/30/2013	12/31/2012
Liabilities		
Current		
Suppliers payable	49,143	63,031
Debt charges	6,764	13,913
Loans and financing	15,880	240,011
Dividends payable	12,976	-
Debentures	37,237	29,696
Taxes and social contributions	25,825	35,376
Financing of taxes	1,844	1,770
Estimated obligations	6,154	4,393
Consumer charges payable	136	4,991
Other accounts payable	28,923	29,823
Total current	184,882	423,004
Noncurrent		
Suppliers payable	2,377	1,963
Loans and financing	374,998	170,581
Debentures	122,222	102,613
Taxes and social contributions	10,692	8,227
Deferred income and social contribution taxes	-	-
Financing of taxes	4,611	5,753
Provision for labor, civil and tax risks	19,165	20,547
Employee benefits - pension plan	43,865	36,332
Other	755	21
Total noncurrent	578,685	346,037
Shareholders' equity		
Capital	345,762	329,370
Treasury stock	-	(18)
Capital reserve	3,330	3,348
Profit reserves	9,183	25,575
Additional dividends proposed	-	7,694
Comprehensive Income	(28,794)	(28,794)
Retained earnings/Accumulated losses	27,548	7,410
	357,029	344,585
Total liabilities	1,120,596	1,113,626

See the accompanying notes to the financial statements.

3. Statements of Income

ENERGISA SERGIPE - DISTRIBUIDORA DE ENERGIA S/A
STATEMENTS OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(In thousands of reais, except for net income per share)

	9M13	9M12
Revenues		
Electricity sales to consumers	617,289	651,191
Electricity sales to distributors	22,165	17,046
Electricity network usage charges	31,738	39,779
Construction revenue	50,741	64,117
Other revenue	17,071	13,289
	739,004	785,422
Deductions from operating revenue		
ICMS on billing	129,827	137,542
PIS, Cofins and ISS	63,576	66,815
Quotas for global reversal reserve	(2,465)	6,147
Others (PEE, CDE, CCC and P&D)	9,573	27,953
	200,511	238,457
Net operating revenue	538,493	546,965
Operating expenses (revenue)		
Personnel (includes pension fund)	54,213	49,317
Material	6,428	7,090
Outsourced services	33,810	33,036
Electricity purchased for resale	253,863	226,038
Transmission of electricity	6,583	31,670
Depreciation and amortization	33,883	31,385
Allowance for doubtful accounts / contingencies (reversal)	46	5,738
Construction cost	50,741	64,117
Other expenses / revenue	4,243	13,123
	443,810	461,514
Earnings before interest and tax	94,683	85,451
Financial revenue (expense)		
Income on short-term investments	9,213	5,661
Monetary variation and arrears surcharge on energy sold	8,431	8,288
Other financial revenue	11,011	2,078
Debt charges - interest	(38,287)	(39,592)
Debt charges - monetary and exchange variance	(58,435)	(33,056)
(-) Transfer to orders in progress	1,507	4,108
Mark-to-market of derivatives	(26,032)	4,960
Derivative financial instruments	49,962	18,731
Restatement of assets	142	1,962
Other financial expenses	(10,415)	(6,179)
	(52,903)	(33,039)
Income (loss) before taxes	41,780	52,412
Income and social contribution taxes	(8,666)	(7,183)
Net income for the period	33,114	45,229
Net income per share of capital - R\$	169.37	231.34

See the accompanying notes to the financial statements.

4. Statements of Cash Flows

ENERGISA SERGIPE - DISTRIBUIDORA DE ENERGIA S/A
STATEMENTS OF CASH FLOW
NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(In thousands of reais)

	9M13	9M12
Operating activities		
Income before tax and social contributions	41,780	(52,412)
Expenses (revenue) not affecting cash:		
Expenses on interest and monetary variance - net	83,697	(67,966)
Allowance for doubtful accounts	457	(5,532)
Depreciation and amortization	33,882	(28,824)
Provision for labor, civil and tax risks	(2,170)	785
Loss on the sale of PP&E and intangible assets	(2,582)	(7,653)
Mark-to-market of Derivatives	26,032	4,960
Derivative Financial Instruments	(49,962)	18,731
Subtotal	131,134	(137,911)
Changes in current and noncurrent assets		
Consumers and concessionaires	37,848	10,104
Credit receivables	975	(2,487)
Inventory	623	652
Recoverable taxes	(13,449)	(4,738)
Escrow and secured deposits	(3,879)	(1,161)
Prepaid expenses	(1,246)	(2,017)
Other accounts receivable	(11,931)	(8,979)
	8,941	(8,626)
Changes in current and noncurrent liabilities		
Suppliers payable	(11,925)	1,965
Payroll	-	-
Taxes and social contributions	1,291	418
Income and social contribution taxes paid	(13,821)	(4,144)
Financing of taxes	(1,068)	(1,332)
Estimated obligations	1,761	1,531
Consumer charges payable	(4,855)	(335)
Other accounts payable	12,328	1,087
	(16,289)	(810)
Net cash produced by operating activities	123,786	(147,347)
Investment activities		
Investment	-	(376)
Capital increase and acquisition of shares in subsidiaries and other investments	(234)	-
Short-term investments and secured funds	(112,479)	(8,921)
Discharge of short-term investments	106,267	7,376
Additions to Intangible assets	(42,769)	(53,919)
Sale of PP&E and intangible assets	5,978	4,220
Net cash consumed in investment activities	(43,237)	(51,620)
Financing activities		
New loans and financing obtained	249,900	66,367
Loans and debentures payments - principal	(310,443)	(35,578)
Loans and financing payments - interest	(40,788)	(37,012)
Settlement of Derivative Financial Instruments	19,949	(982)
Payment of dividends	(7,694)	(53,405)
Net cash consumed in financing activities	(89,076)	(60,610)
Net cash variation	(8,527)	(259,577)
Opening cash and cash equivalents	53,225	78,427
Closing cash and cash equivalents	44,698	94,672
Net cash variation	(8,527)	16,245

See the accompanying notes to the financial statements.

Notes to the quarterly information
Period ended September 30, 2013
(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 674,091 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.

In September 2012 the Federal Government issued Preliminary Law 579, enacted as Law 12783 on January 11, 2013. This legislation stated the following:

Concession renewal:

Electricity generation, transmission and distribution concessions expiring between 2015 and 2017 can be extended for the term of 30 years in order to ensure the continuity, efficiency of service and minimum price increases.

The extension terms will only be known when the concession authority discloses the draft amendment to the concession agreement.

Reduction/elimination of regulatory charges:

The following regulatory charges have been eliminated from electricity rates. the RGR (Global Reversal Reserve); CCC - Fuel consumption cost and reduction of the CDE - Energy Development Account and minimum price increases.

The eliminations and reductions in sector charges payable on electricity did not directly impact earnings, as the revenue drop was offset by lower charges and taxes.

The Company's concession expires in December 2027.

See below the concession operator's main obligations stipulated in the concession arrangement:

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

II - to carry out the work necessary to provide the concession services, replace assets and operate the infrastructure so as to ensure the regular, continuous, efficient and safe provision of services and charging of rates, in accordance with the specific technical and legal standards

III - to organize and maintain a record and inventory of the concession assets and strive for the integrity thereof, where concession operator may not sell or submit as collateral such assets without the prior explicit consent of the regulatory agency

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

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

VI - to submit to the prior approval of the National Electricity Regulatory Agency (ANEEL) any changes in equity positions that could result in control changing hands. In the event share control is transferred, the new controlling shareholders should sign an agreement accepting the terms of the concession arrangement and the concession legislation and regulations;

Results for the 3rd quarter of 2013

VII - the concession may be discontinued by terminating the agreement, expropriation of the service, cessation, rescission, irregularities or bankruptcy of the concession operator, and may be extended by way of an application from the concession operator and at the sole discretion of the concession authority.

The information regarding rate reviews and adjustments, accounts receivable of the concession, concession assets, construction revenue and concession term can be seen in notes 9, 14, 15, 23 and 29 respectively.

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

Approved by the Board of Directors on November 08, 2013, the Company's interim financial information (quarterly information) consists of:

- The interim financial information prepared and presented in accordance with CPC Technical Pronouncement 21 (R1) - Interim statements and IAS 34 - Interim Financial Reporting and the standards issued by the Brazilian Securities Commission, that apply to the preparation of Quarterly Information - ITR.

The other information regarding the preparation bases, presentation of the interim financial information and summary of the main accounting practice has not changed in relation to that disclosed in Note 2 to the Annual Financial Statements for the financial year ended December 31, 2012 (hereinafter referred to as "Financial Statements as of December 31, 2012"), published in the official press on March 08, 2013, except for the application of CPC 33 R1 (IAS 19) which changed the accounting of employee benefits - retirement and pension supplementation plan, which requires amendments be recognized as incurred, eliminating the corridor approach which permits the deferred recognition of actuarial gains and losses. From FY 2013, the actuarial losses and gains are fully recognized in "other comprehensive income" in the statement of comprehensive income and equity, net of deferred income and social contribution taxes. The effects of these adjustments are shown in note 3.2.

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 International Accounting Standards Board - IASB has published or amended the following pronouncements, guidelines or interpretations, the adoption of which is mandatory in subsequent periods:

These standards are effective from January 01, 2014:

IAS 36 Impairment of Assets (amendment) - makes amendments and clarifications about the disclosures required by this pronouncement.

IAS 39 - Financial instruments: recognition and measurement (amendment) - clarifies there is no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met.

IAS 32 - Financial instruments - presentation (amendment) - clarifies the conditions for presenting one or more at their net position.

IFRS 10 - Consolidated financial statements, IFRS 12 - Disclosure of interests in other entities and IAS 27 - Separate financial statements (amendment) - amends the rules for consolidating, disclosing and presenting separate financial statements for investment firms.

IFRIC 21 – Levies (new interpretation) - provides guidance on when to recognize a levy imposed by a government.

These standards are effective from January 01, 2015:

IFRS 9 (new pronouncement) - introduces new requirements for classifying and measuring financial assets.

The Company is proceeding to analyze the impact of these new pronouncements or amendments on its financial statements.

3.2 Adjustments and reclassifications

CPC 33 (R1) and IAS 19 Revised - Employee benefits

The accounting practices referring to the recognition of employee benefits - supplementary retirement and pensions plan, were amended on January 01, 2013. Consequently, in order to maintain good comparability of its balance sheet with the classification adopted, the Company adjusted the opening and closing balances in the balance sheet as of 12/31/2012 in relation to those originally published, as follows:

Balance Sheet	Energisa Sergipe		
	Balance at 12/31/2012 (Published)	Adjustments	Balance at 12/31/2012 (Re-presented)
Assets			
Noncurrent assets	819,186	11,016	830,202
Noncurrent assets			
Tax credits	23,090	11,016	34,106
Total Assets	1,102,610	11,016	1,113,626
Liabilities			
Noncurrent liabilities	313,637	32,400	346,037
Employee benefit - pension plan	3,932	32,400	36,332
Shareholders' equity	365,969	(21,384)	344,585
Retained earnings	-	7,410	7,410
Other comprehensive income	-	(28,794)	(28,794)
Net actuarial losses	-	(28,794)	(28,794)
Total Liabilities	1,102,610	11,016	1,113,626
Statement of Income	Balance at 9/30/2012 (Disclosed)	Adjustments	Balance at 9/30/2012 (Re-presented)
Cost of goods sold and/or services sold	(372,313)	137	(372,176)
Private pension fund	(1,555)	137	(1,418)
Gross income	174,652	137	174,789
Income before financial income/loss and taxes	85,314	137	85,451
Income before tax on net income	52,275	137	52,412
Income and social contribution taxes	(7,136)	(47)	(7,183)
Net income for the period	45,139	90	45,229

Comprehensive Statement of Income	Balance at 9/30/2012 (Published)	Adjustments	Balance at 9/30/2012 (Re-presented)
Net Income for the Period	45,139	90	45,229
Comprehensive income in the Period	45,139	90	45,229

Statement of Added Value	Balance at 9/30/2012 (Published)	Adjustments	Balance at 9/30/2012 (Re-presented)
Personnel	47,688	(137)	47,551
Benefits	10,125	(137)	9,988
Taxes and contributions	234,124	46	234,170
Federal	89,229	46	89,275
Interest earnings	45,139	90	45,229
Retained earnings/loss for the Period	16,159	90	16,249

Statements of Changes in Shareholders' Equity	Balance at 9/30/2012 (Published)	Adjustments	Balance at 9/30/2012 (Re-presented)
Retained Earnings or Accumulated Losses	16,159	90	16,249
Other Comprehensive Income	-	(13,322)	(13,322)
Shareholders' Equity	354,590	(13,232)	341,358

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.

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

a) Cash and cash equivalents

Financial institution	Type	Maturity (*)	Compensation	9/30/2013	12/31/2012
CEF	CDB	6/30/2015 to 5/9/2018	100,5% of CDI	32,368	24,694
Santander	Debentures (**)	9/14/2015	103,2% of CDI	879	-
HSBC	CDB	9/3/2014	98,0% of CDI	-	459
Mercantil	CDB	12/22/2014	105,0% of CDI	-	6,959
Total				33,247	32,112
Cash and bank deposits				11,451	21,113
Total cash and cash equivalents				44,698	53,225

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

(**) 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.

Results for the 3rd quarter of 2013



b) Money market and secured funds

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

Financial institution/Investment Fund	Type	Maturity	Compensation	9/30/2013	12/31/2012
ABC Brasil	CDB	6/26/2013	106,0% of CDI	-	20,011
Banrisul	Investment Fund	-	Benchmark CDI	2,807	-
BB Amplo	Investment Fund	-	Benchmark CDI	1,583	-
Other	CDB	10/11/2013 to 11/18/2014	99% to 113.0% of CDI	1,528	2,119
BICBanco	CDB	2/22/2013	115,0% of CDI	-	14,638
BICBanco	Credit receivables investment funds	-	112,0% of CDI	-	1,267
Bradesco	Investment Fund	-	Benchmark CDI	34	-
Bradesco	Capitalization bond	3/2/2013	Saving rate 0.5% p.m.	-	74
BTG Pactual	Investment Fund	-	Benchmark CDI	12	5,026
Caixa FI Energisa (*)	LFT	3/1/2018	Benchmark CDI	1,993	598
Caixa FI Energisa (*)	LTN -National Treasury Bills	1/1/2015	Benchmark CDI	563	-
Caixa FI Energisa (*)	DEBENTURES	4/15/2016	Benchmark CDI	1,532	-
Caixa FI Energisa (*)	DPGE	6/22/2015 to 4/18/2016	Benchmark CDI	11,733	-
Caixa FI Energisa (*)	LF	4/8/2015 to 2/26/2016	Benchmark CDI	23,125	-
CEF	Savings	-	Savings	44	44
FIM ZONA DA MATA (*)	CDB	8/17/2015	Benchmark CDI	1,157	-
FIM ZONA DA MATA (*)	DEBENTURES	4/7/2016	Benchmark CDI	642	-
FIM ZONA DA MATA (*)	DPGE	9/11/2015	Benchmark CDI	490	-
FIM ZONA DA MATA (*)	Fixed-Income Funds	-	Benchmark CDI	1,154	-
FIM ZONA DA MATA (*)	LFT	9/7/2015 to 8/7/2017	Benchmark CDI	813	-
FIM ZONA DA MATA (*)	NTN	8/15/2016	Benchmark CDI	312	-
FIM ZONA DA MATA (*)	Multimarket Funds	-	Benchmark CDI	484	-
Itaú	Debentures (**)	12/6/2013	102,0% of CDI	824	802
Itaú	Investment Fund	-	Benchmark CDI	518	713
North-east	CDB	7/28/2017 to 9/9/2019	90.0% to 99.0% of CDI	7,620	8,119
Safra Premium	Investment Fund	-	Benchmark CDI	12,068	-
Santander	Investment Fund	-	Benchmark CDI	-	845
				71,036	54,256

b.2 Held-to-maturity securities

Itaú	Credit Receivables Investment Funds	12/29/2020	100,0% of CDI	890	2,246
				890	2,246
Total money market and secured funds				71,926	56,502
Current				63,417	47,019
Noncurrent				8,509	9,483

(*) Exclusive investment funds include investments in CDB, Debentures, DPGE, Fixed-Income Funds, LFT, LF, LTN, NTN-B and Multimarket Funds.

(**) 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 Balances (1)	Overdue					Total	
		up to 30 days	31 to 90 days	91 to 180 days	181 to 360 days	over 360 days	9/30/2013	12/31/2012
Residential	10,095	8,832	2,864	1,052	91	14	22,948	26,988
Industrial	9,451	375	98	31	103	143	10,201	12,868
Commerce, services and other activities	14,565	2,047	474	300	427	1,031	18,844	22,325
Rural	993	225	82	35	-	2	1,337	2,262
Government:								
Federal	1,150	130	2	-	-	-	1,282	1,486
State	519	59	1	-	-	-	579	671
Municipal	2,041	229	3	1	-	-	2,274	2,636
Public lighting	3,088	747	2	1	-	-	3,838	4,061
Public utility	2,873	39	29	27	1	-	2,969	3,752
Subtotal -	44,775	12,683	3,555	1,447	622	1,190	64,272	77,049
Concession	2,509	-	-	-	-	10,595	13,104	30,255
Unbilled sales	12,127	-	-	-	-	-	12,127	22,194
Other	2,214	-	-	-	-	-	2,214	68
(-) Allowance for doubtful accounts	-	-	(757)	(1,447)	(622)	(1,939)	(4,765)	(4,505)
Total	61,625	12,683	2,798	-	-	9,846	86,952	125,061
Current	-	-	-	-	-	-	79,408	117,517
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 concession operators as of September 30, 2013 account includes amounts referring to the sale of energy at the Electricity Commercialization Chamber - CCEE to the amount of R\$ 10,053 (R\$ 30,255 as of December 31, 2012), relating to the period September 2000 through September 2013, net of the partial payments made up to September 06, 2013. 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 is R\$ 4,946 referring to the acquisition of electricity at CCEE and system service charges of R\$ 2,156 (R\$ 7,799 as of December 31, 2012), as shown below:

Breakdown of CCEE credits	9/30/2013	12/31/2012
Outstanding balances	2,509	22,380
Credits linked to court injunctions up to December 2002	6,387	6,387
Overdue credits (*)	1,157	1,488
	10,053	30,255
(-) Energy acquisitions at CCEE	(4,946)	-
(-) System service charges	(2,156)	(7,799)
	2,951	22,456

(*) The Company has an allowance for doubtful accounts

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

Results for the 3rd quarter of 2013

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 to present value based on the change in the CPI rate.

The balances as of September 30, 2013 are shown below:

	9/30/2013	12/31/2012
Credit receivables	24,102	25,076
Adjustment to present value	(978)	(1,120)
(-) Allowance for doubtful accounts (*)	(12,303)	(12,107)
	10,821	11,849
Current	7,974	7,739
Noncurrent	2,847	4,110

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

As of September 30, 2013, the maturities of receivables are scheduled as follows:

	9/30/2013
Overdue (1)	12,303
2013	4,512
2014	4,306
2015	701
2016	763
2017	516
2018 onwards	23
Total	23,124

(1) Overdue invoices include overdue and outstanding payments of clients in default.

8. Allowance for doubtful accounts

Changes in provisions	9/30/2013	12/31/2012
Initial balance - Current 12/31/2012 and 12/31/2011	16,612	12,895
Provisions recorded in the year/period	974	7,273
Reversal of provisions in the year/period	(518)	(3,556)
Closing balance - current - 9/30/2013 and 12/31/2012	17,068	16,612
Consumers and concessionaires	4,765	4,505
Credit receivables	12,303	12,107

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:

By way of Resolution 1,513 issued April 16, 2013 Aneel ratified the result of the third rate review of ESE with an adjustment of 4.08% respectively, effective from April 22, 2013.

The periodical rate review takes place every 5 years.

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.

10. Low income and other receivables

	9/30/2013	12/31/2012
Low income	6,234	8,429
Service orders in progress - PEE and R&D	15,298	10,817
Service orders in progress - other	2,052	1,596
Deactivation orders in progress	(120)	(120)
Sale orders	5,680	924
Advances	1,713	2,004
Other	2,746	1,683
	33,603	25,333

See below the change in low income and Eletrobrás accounts receivable:

	9/30/2013	12/31/2012
Balance - opening current - 12/31/2012 and 12/31/2011	8,429	4,320
Low-income Subsidy	29,193	38,350
Eletrobrás Reimbursement	(31,388)	(34,241)
Balance - closing - current - 9/30/2013 and 12/31/2012	6,234	8,429

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 CDE - Energy Development Account, both administrated by Eletrobras. Management does not expect to record any losses in the realization of the balance.

By way of ANEEL order 1711 of May 29, 2013, the Federal Government advanced CDE funds of R\$ 18,209, received on June 03, 2013 and recorded under "Other accounts payable" in current liabilities. This amount is being appropriated to the net income for the year in proportion to the number of months corresponding to the period May to November 2013 to pay for the CDE Subsidy for energy consumption of the sectors: Rural - Irrigation (Decrease of 67%) and the Public Service sector (Decrease of 15%) ratified by Decree 7891/2013, as follows:

	9/30/2013
Rate discount due to Irrigation and Rural subsidy	22,822
Pass-through ANEEL Order 1711/2013	(7,458)
Advance of pass-through ANEEL Order 1711/2013	(18,209)
Other accounts payable - non-current liabilities	(2,845)

11. Taxes and contributions recoverable

	9/30/2013	12/31/2012
Value Added Tax on Sales and Services - ICMS	13,854	14,300
Corporate Income Tax - IRPJ	12,442	3,396
Social Contribution on Net Income - CSSL	4,751	299
PIS and COFINS contribution	23,431	23,141
Other	2,387	2,281
	56,865	43,417
Current	39,903	26,866
Noncurrent	16,962	16,551

12. 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.

	ESA	ESER	VSM	RENI, II, III, IV	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
Outsourced services	(9,753)	(150)	-	-	(9,903)	(9,168)
Electricity purchased	-	-	(14)	(63)	(77)	-
Financial expenses - endorsement commission (a)	(5,395)	-	-	-	(5,395)	-

	ESA	ESER	VSM	RENI, II, III, IV	7/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012
Outsourced services	(3,273)	-	-	-	(3,273)	(3,072)
Electricity purchased	-	-	(14)	(63)	(77)	-
Financial expenses - endorsement commission (a)	(1,982)	-	-	-	(1,982)	-

	9/30/2013	12/31/2012
Balance of trade payables	1,024	961

(a) Refers to endorsement commission cost, initiated in February 2013, for the parent company's guarantees of the Company's contracts at the rate of 1.5% p.a.

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 (EPB), Energisa Sergipe - Distribuidora de Energia S/A (ESE), Energisa Borborema - Distribuidora de Energia S/A (EBO), Energisa Nova Friburgo - Distribuidora de Energia S/A (ENF), Energisa Soluções S/A (ESO), Energisa Comercializadora Ltda (ECOM), Energisa Serviços Aéreos S/A (ESER), Energisa Planejamento e Corretagem de Seguros Ltda (EPLA), Energisa Geração Rio Grande S/A (EGR), Pequena Central Hidrelétrica Zé Tunin S/A, Energisa Geração Usina Mauricio, SPE Cristina Energia S/A, Energisa Geração Centrais Eólicas RN S/A (Holding company that holds the share control of the companies Energisa Geração Central Eólica Renascenças I, II, III, IV and Energisa Geração Central Eólica Ventos de São Miguel S/A), Energisa Bioeletricidade (Holding company that holds an 85% interest in the companies Energisa Bioeletricidade Santa Cândida I and Energisa Bioeletricidade Vista Alegre I and the entire capital of the companies Energisa Bioeletricidade Santa Cândida II and Energisa Bioeletricidade Vista Alegre II) (related parties of the Company).

D&O compensation

As of September 30, 2013 the members of the Board of Directors received compensation of R\$ 806 (R\$ 565 as of September 30, 2012) and the Executive Board R\$ 1,950 (R\$ 1,227 as of September 30, 2012). In addition to this compensation, the Company provides private pension, health insurance and life insurance benefits to its directors, generating an expense of R\$ 214 (R\$ 213 as of September 30, 2012). The social charges on the compensation amounted to R\$ 354 (R\$ 328 as of September 30, 2012).

As of September 30, 2013 the highest and lowest remuneration attributed to directors for the month of September was R\$ 44 and R\$ 3 (R\$ 40 and R\$ 3 as of September 30, 2012) respectively. The average compensation as of September 30, 2013 was R\$ 13 (R\$ 12 as of September 30, 2012).

The AGM held April 24, 2013 ratified the overall annual compensation limit of D&O for FY 2013 at R\$ 4,465 (R\$ 4,209 as of December 31, 2012).

13. Tax credits, deferred taxes and current income tax and social contribution expenses

Deferred taxes derives from temporary differences recorded in accordance with CPC 32 and presented in accordance with CPC 26.

Deferred taxes recognized in the balance sheet:

	9/30/2013	12/31/2012 (Re-presented)
Assets		
Temporary differences		
Income Tax	22,820	25,190
Social Contributions	8,064	8,916
Total noncurrent	30,884	34,106

The deferred tax credits have the following nature:

	9/30/2013		12/31/2012 (re-presented)	
	calculation basis	IRPJ + CSSL	calculation basis	IRPJ + CSSL
Assets				
Provision for actuarial adjustment	40,496	13,769	77,060	26,200
Allowance for doubtful accounts - PCLD	10,091	3,431	9,634	3,276
Provisions for contingencies	20,245	6,883	21,603	7,345
Earnings on swap transactions	2,285	777	(20,100)	(6,834)
Mark-to-market - derivatives	15,414	5,241	(10,618)	(3,610)
Adjustments to present value	977	332	1,119	380
Other	18,097	6,153	34,958	11,886
Subtotals	107,605	36,586	113,656	38,643
Liabilities				
IRPJ and CSSL on the portion of the VNR of the concession concession receivables and restatement	(16,771)	(5,702)	(13,344)	(4,537)
Total net - noncurrent assets	90,834	30,884	100,312	34,106

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

Period	Realizations of Tax credits
2013	691
2014	2,763
2015	2,763
2016	2,115
2017	2,115
2018 to 2021	20,437
Total	30,884

Results for the 3rd quarter of 2013

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

	7/1/2013 to 9/30/2013	1/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012	1/1/2012 to 9/30/2012
				(re-presented)
Income before tax	22,158	41,780	2,443	52,412
Combined tax bracket	34%	34%	34%	34%
Income and social contribution taxes expense, calculated at the total tax bracket	(7,534)	(14,205)	(831)	(17,820)
Adjustments:				
Permanent items:				
Decrease in income tax and surcharges (*)	1,206	6,286	2,387	10,035
Other	(24)	(747)	3	603
Income and social contribution tax revenue (expenses)	(6,352)	(8,666)	1,559	(7,182)
Effective rate	28.67%	20.74%	-	13.70%

(*) The decreases to income tax and surcharges resulting from the SUDENE Incentive of R\$ 6,286 up to September 30, 2013 (R\$ 10,035 as of September 30, 2012) 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 a decrease in income tax and surcharges. Approval was obtained from the Ministry of Social Integration in December 2012 for its new application for a tax incentive for the period 1/1/2012 to 12/31/2021 and the application was accepted by the federal tax authorities via Decision 126 - DRF/ASJU of 3/4/2013. The aforesaid tax benefit consists of a reduction of up to 75% of the Income Tax calculated on operating profits.

14. Accounts receivable from the concession

Preliminary Law 579/2012, enacted as Law 12783/2013, confirmed the concession authority's intention to use the VNR - New Replacement Value to determine the value of credits receivable at the end of the concession as compensation for investments made and not recovered when providing the concession services.

Company Management believes that this fact changed the contractual terms of the concession regarding the means of compensating the Company for investments made in concession assets, which was recognized at historic cost until FY 2011. From December 31, 2012 the Company recognized the VNR, ratified by ANEEL, for assets comprising the concession, restated by the variance of the IGP-M price index. Financial revenue was recognized in the period ended September 30, 2013 - restatement of the concessions' accounts receivable - VNR of R\$ 3,428.

The concession's accounts receivable are classified as available-for-sale in the non-current assets.

See below the changes occurred:

Change	
Financial asset - 12/31/2012	130,146
Additions in the period	19,290
Write-offs in the period	(477)
Financial asset - 9/30/2013	148,959
Restatement of accounts receivable from the concession - VNR	3,428
Financial asset - restated cost - 9/30/2013	152,387

15. Intangible assets and PPE

	9/30/2013	12/31/2012
Property, plant and	4,220	5,062
Concession agreements	255,533	248,178
Concession right	318,927	332,947
Total	578,680	586,187

a) Concession arrangement

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

Intangible assets	Opening Balance 12/31/2012	Addition	Transfers	Write-offs (*)	Amortization / Depreciation	Closing Balance 9/30/2013
Intangible assets in						
Cost	696,063	-	19,137	(12,512)	-	702,688
Accumulated	(309,518)	-	-	10,471	(24,935)	(323,982)
Subtotal	386,545	-	19,137	(2,041)	(24,935)	378,706
In Progress	42,584	60,423	(19,193)	(20,696)	-	63,118
Total	429,129	60,423	(56)	(22,737)	(24,935)	441,824
Special Obligations						
In Service						
Cost	154,810	-	1,957	(98)	-	156,669
Accumulated	(32,276)	-	-	-	(5,956)	(38,232)
Subtotal	122,534	-	1,957	(98)	(5,956)	118,437
In Progress	58,417	12,800	(1,957)	(1,406)	-	67,854
Total Special Obligations	180,951	12,800	-	(1,504)	(5,956)	186,291
Total Intangible Assets	248,178	47,623	(56)	(21,233)	(18,979)	255,533
PROPERTY, PLANT AND						
Property, plant and						
Cost						
Software	19	-	-	-	-	19
Machinery and equipment	8,038	-	48	(6)	-	8,080
Vehicles	308	-	-	-	-	308
Furniture and fixtures	7,206	-	8	(447)	-	6,767
Accumulated	(10,509)	-	-	439	(884)	(10,954)
Total PP&E in Service	5,062	-	56	(14)	(884)	4,220
Grand Total	253,240	47,623	-	(21,247)	(19,863)	259,753

(*) This includes R\$ 19,290 of intangible assets in progress, net of the respective special obligation in progress, transferred from the concession's accounts receivable, as from entry into service.

The Company uses the following depreciation rates:

Depreciation rates of property, plant and equipment	
Buildings and improvements	3.33%
Machinery and equipment	6.25%
Vehicles	14.29%
Furniture and fixtures	6.25%

The assets used by the Company in its operations are tied to public energy distribution services, and may not be removed, sold, transferred or pledged under mortgage guarantee without the prior, express consent of the Regulatory Authority. ANEEL Resolution 20/99 regulates the freeing up of the

Results for the 3rd quarter of 2013

public electricity service concessions' infrastructure, awarding preliminary authorization for the release for the purpose of disposal. It also determines the proceedings of the disposal be deposited into a specific bank account and the funds reinvested into the concession's assets.

The amortization is being conducted over the arrangement term based on the economic benefits generated annually. The average weighted amortization rate used is 3.77% as of September 30, 2013.

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 and accounts receivable from the concession is reduced by obligations linked to the concession, consisting of:

Obligations linked to the concession:	9/30/2013	12/31/2012
Consumer contributions (1)	93,471	80,974
Government Subsidy - CDE funds (2)	132,519	132,617
State Government Subsidy (2)	43,081	43,081
Reversal reserve (3)	302	302
(-) Accumulated amortization	<u>(38,232)</u>	<u>(32,276)</u>
Total	<u>231,141</u>	<u>224,698</u>
Allocation:		
Accounts receivable from the concession	44,850	43,747
Infrastructure - Intangible assets in service	118,437	122,534
Infrastructure - Intangible assets in progress	<u>67,854</u>	<u>58,417</u>
Total	<u>231,141</u>	<u>224,698</u>

- (1) Consumer contributions refer to third-party participation in construction work to supply electricity to areas not embraced by the electricity concessionaires' expansion projects.
- (2) Government subsidies - CDE funds and Government subsidies derive from the Energy Development Account - CDE and are allocated to the Light for All program.
- (3) 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.

Excess Demand Revenue and Surplus Reactive Energy

By way of Normative Resolution 463 issued November 22, 2011, ANEEL determined that the amounts deriving from fines for exceeding demand and surplus reactive energy consumption will be recorded as special obligations, as from the rate reviews for the 3rd cycle of rate reviews. Before the 3rd cycle, these amounts used to be recorded as operating revenue. The Company underwent the 3rd rate review cycle in April 2013, and thereafter the invoicing of excess demand has been recorded as Special obligations. In the period ended September 30, 2013, the amount recorded in this item was R\$ 2,011.

As the representative of electricity distribution companies, ABRADÉE (Brazilian Association of Electricity Distributors) filed suit contesting the treatment afforded to this revenue.

Results for the 3rd quarter of 2013

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 September 30, 2013 the amortization of the goodwill and tax benefit was projected as follows:

Amortization period	Balance	Reduction in income and social contribution taxes
2013 and 2014	23,872	8,116
2015 and 2016	39,907	13,568
2017 and 2018	41,927	14,255
2019 and 2020	43,943	14,941
2021 and 2022	45,932	15,617
2023 and 2024	47,905	16,288
2025 onwards	75,441	25,650
Total	318,927	108,435

The changes are presented below:

	9/30/2013	12/31/2012
Balance - opening	332,947	351,138
Amortization in the period/year	(14,020)	(18,191)
Closing balance	318,927	332,947

16. Suppliers payable

	9/30/2013	12/31/2012
Supplies (1):		
CCEE	4,946	-
Bilateral Contracts (1)	31,836	47,377
Use of the high-voltage national grid (1)	2,390	4,147
Connection to the grid (1)	238	354
Materials, services and other (2)	12,110	13,116
	51,520	64,994
Current	49,143	63,031
Noncurrent	2,377	1,963

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.

17. Loans, financing and debt charges

Operations	Debt charges	Principal		Total		Re.
		Current	Noncurrent	9/30/2013	12/31/2012	
Local currency						
Credit Receivables Investment Fund - Energisa Group III (*)	102	-	15,000	15,102	15,078	
Eletrobrás - Light for All - 1st tranche	12	153	331	496	620	
Eletrobrás - Light for All - 2nd tranche	46	421	1,671	2,138	2,488	
Eletrobrás - Light for All - 3rd tranche	64	512	2,145	2,721	3,060	
Eletrobrás - Light for All - 4th tranche	9	62	356	427	461	
Eletrobrás - Light for All - 5th tranche	4	29	233	266	287	
Eletrobrás- Subtransmission	106	3,141	1,250	4,497	5,836	
Eletrobrás - Return of LPT	-	-	-	-	1,489	
Banco do Nordeste - Investment Financing 2007-2008 (FNE)	16	2,229	6,895	9,140	11,033	
Banco do Nordeste - Investment Financing 2007-2008 (FAT)	2,085	5,265	632	7,982	9,490	
Banco do Nordeste - Investment Financing 2009-2010 (FNE)	116	2,649	16,402	19,167	21,692	
Banco ABC - BNDES pass-through I	98	285	14,232	14,615	-	
Banco ABC - BNDES pass-through II	109	285	14,232	14,626	-	
Banco ABC - BNDES pass-through III	15	104	2,370	2,489	-	
Banco ABC - BNDES pass-through IV	12	26	1,774	1,812		
Banco ABC - BNDES pass-through V	14	26	1,774	1,814		
Banco Itaú BBA - FINAME	47	693	9,590	10,330	5,843	
INERGUS Financing Defined Benefits Plan - 1	-	-	-	-	30,169	(2)
INERGUS financing Paid-in Plan	-	-	-	-	26,809	(2)
Total local currency	2,855	15,880	88,887	107,622	134,355	
(-) Borrowing costs incurred	(153)	-	(653)	(806)	(790)	
Foreign currency						
NOTES UNITS	-	-	-	-	230,208	(1)
Bank of America Merrill Lynch	45	-	66,900	66,945	61,440	(3)
Banco Itaú BBA	3,359	-	108,363	111,722	-	(3)
Citibank	658	-	111,501	112,159	-	(3)
Total foreign currency	4,062	-	286,764	290,826	291,648	
(-) Borrowing costs incurred	-	-	-	-	(708)	
Total ENERGISA SERGIPE	6,764	15,880	374,998	397,642	424,505	

(*) To guarantee payment of the short-term portions, the Company maintains interest-earning bank deposits to the amount of R\$ 8,509 (R\$ 10,364 as of December 31, 2012), recorded under "secured funds" in the current and noncurrent assets.

(1) On July 19, 2013 the issuance of 7-year bonds in US dollars, denominated Notes Units, was settled for R\$ 254,625.

(2) On July 10 and September 19, 2013 the Company also settled in advance the entire financing loan with INERGUS - Instituto Energipe de Seguridade Social, referring to the Defined-benefit and Paid-in Plan amounting to R\$ 26,492 and R\$ 30,203 respectively.

(3) The foreign currency contracts are subject to a currency swap and financial derivative instruments (see note 26).

The financing obtained from Finame is secured by the actual equipment financed.

The Company usually allocates the payment of interest on financing to the cash flow statement.

Results for the 3rd quarter of 2013



Contractual covenants of the loans and financing as of September 30, 2013:

Operation	Maturity	Details of the Operation			Cost of the Debt				Ref
		Amortization Frequency	Collateral	Average Term months	Index	Interest Rate % p.a.	TIR (Effective interest rate)		
Credit Receivables Investment Fund - Energisa Group III	Dec-2020	monthly, after Dec.2017	Receivables	69	CDI	+	0.7%	0.83%	
Eletrobrás - Light for All - 1 st tranche	Oct-2016	monthly	Receivables	19	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All - 2 nd tranche	Apr-2018	monthly	Receivables	28	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All - 3 rd tranche	Oct-2019	monthly	Receivables	35	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All - 4th tranche	Jul-2022	monthly	Receivables	51	RGR	+	5.0%	5.0%	
Eletrobrás - Light for All - 5th tranche	Oct-2022	monthly	Receivables	54	RGR	+	5.0%	5.0%	
Eletrobrás-Subtransmission	Mar-2016	monthly	Receivables	11	RGR	+	5.0%	5.0%	
Banco do Nordeste - Investment Financing 2007-2008 (FNE)	Jun-2017	monthly	Receivables + Reserve Fund	23			Fixed 9.54%	9.54	(2)
Banco do Nordeste - Investment Financing 2007-2008 (FAT)	Jun-2017	monthly	Receivables + Reserve Fund	7	TJLP	+	4.0%	4.18%	
Banco do Nordeste - Investment Financing 2009-2010 (FNE)	Aug-2019	monthly	Receivables + Reserve Fund	37			Fixed 8.4%	8.4%	(2)
Banco ABC - BNDES pass-through I	May-2019	monthly	Endorsement of Energisa S.A.	40	TJLP	+	3.1%	3.1%	
Banco ABC - BNDES pass-through II	May-2019	monthly	Endorsement of Energisa S.A.	40	TJLP	+	4.1%	4.1%	
Banco ABC - BNDES pass-through III	May-2019	monthly	Endorsement of Energisa S.A.	39	TJLP	+	2.2%	2.2%	
Banco ABC - BNDES pass-through IV	May-2019	monthly	Endorsement of Energisa S.A.	40	TJLP	+	3.1%	8.10%	
Banco ABC - BNDES pass-through V	May-2019	monthly	Endorsement of Energisa S.A.	40	TJLP	+	4.1%	9.10%	
Banco Itaú BBA - FINAME	until Feb-2021	monthly	Endorsement of Energisa S.A.	54	fixed		2.5% to 5.5%	2.5% to 5.5%	
Bank of America Merrill Lynch	Sep-2015	final	Endorsement of Energisa S.A.	69			Libor + 2.45%		(1)
Banco Itaú BBA	Apr-2018	Annual, after Apr-2018	Endorsement of Energisa S.A.	19	US dollar	+		3.4892% p.a.	
Citibank	Apr-2018	final	Endorsement of Energisa S.A.	28			Libor + 1.91%		

As of September 30, 2013, the maturities of the long-term financing are scheduled as follows:

	9/30/2013
2014	4,087
2015	83,391
2016	15,947
2017	68,439
2018	183,206
2018 onwards	19,928
Total	374,998

Results for the 3rd quarter of 2013

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

Contracts	2014	2015	2015 onwards	Balance 9/30/2013
Credit Receivables Investment Fund - Energisa Group III	-	-	152	152
Banco do Nordeste - Investment Financing 2007-2008 (FNE)	8	30	45	83
Banco do Nordeste - Investment Financing 2007-2008 (FAT)	6	25	37	68
Banco do Nordeste - Investment Financing 2009-2010 (FNE)	14	55	202	271
Banco ABC - BNDES Pass-through	4	17	58	79
	32	127	494	653

18. 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.	
TIR (effective interest rate)	Exchange variance + 8.90% p.a.	CDI + 1.06% 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	
Renegotiation date	-	12/15/2012	
Amortizations/installments	3 annual	Final	
Balances at 9/30/2013 (2)	98,073	61,386	159,459
Current	35,805	1,432	37,237
Noncurrent	62,268	59,954	122,222
Balances at 12/31/2012 (2)	86,749	45,560	132,309
Current	29,601	95	29,696
Noncurrent	57,148	45,465	102,613

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

(2) R\$ 558 (R\$ 705 as of December 31, 2012) deducted as borrowing costs incurred during the contracting.

The debentures have covenants which in general require the maintenance of certain financial indexes at certain levels. Failure to maintain these levels could result in early maturity of the debts. These covenants were being performed as of September 30, 2013.

As of September 30, 2013 the maturities of the debentures are scheduled as follows:

	9/30/2013
2014	91,087
2015	31,135
Total	122,222

45,745 of the total 60,000 debentures of Energisa Sergipe's 2nd debentures issuance were renegotiated on 12/15/2012 and 14,255 debentures were bought back by the Company due to the sale right held by the debenture holders.

Results for the 3rd quarter of 2013

By way of the online auction organized and disclosed by CETIP S.A - Mercados Organizados, on June 20, 2013 part of the debentures previously redeemed by the Company (14,255 debentures of the 1st issuance for R\$ 14,273) for the nominal unit price (PU) of one thousand reais, plus the yield equal to the CDI rate plus 1% per annum. The debentures were held in the treasury because of the failure to reach an agreement by part of the respective issuance's creditors on December 17, 2012.

Renegotiation clauses:

Description	Company	Renegotiation Date/ Optional Early Redemption	Premium	Terms
Debentures 1st issuance	Energisa Sergipe	At any time from year six, including from the issuance date.	N/A	The issuer may trigger the full or partial early redemption of the debentures at any time from year six, including from the issuance date.

19. Taxes and social contributions

	9/30/2013	12/31/2012
ICMS	12,818	15,826
Social Charges	1,298	1,151
IRPJ	7,554	6,195
CSSL	3,937	6,710
PIS/COFINS	10,354	13,067
Other	556	654
Total	36,517	43,603
Current	25,825	35,376
Noncurrent	10,692	8,227

20. Tax financing

Description	9/30/2013	12/31/2012
Incentive under Law 11941/2009 - Refis IV	6,455	7,523
Number of payments	42	51

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 September 30, 2013 the balance of this financing stands at R\$ 6,455 (R\$ 7,523 as of December 31, 2012).

As of September 30, 2013 and December 31, 2012 the balance of the financed taxes in the statement is scheduled as follows:

	9/30/2013	12/31/2012
2013	615	1,770
2014	1,844	1,770
2014 onwards	3,996	3,983
Total	6,455	7,523
Current	1,844	1,770
Noncurrent	4,611	5,753

21. 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 risks, as shown below:

	12/31/2012	Provisions made	Reversal of provisions	Restatement	9/30/2013
Labor claims	15,948	1,814	(4,103)	602	14,261
Civil	4,599	595	(475)	185	4,904
Total	20,547	2,409	(4,578)	787	19,165
Restricted and escrow deposits (*)	(14,673)				(13,187)

(*) The Company has restricted and escrow deposits in its noncurrent assets of R\$ 25,697 (R\$ 21,818 as of December 31, 2012). Provisions have not been made for R\$ 12,510 (R\$ 7,145 as of December 31, 2012) as the chances of success are rated as possible or probable.

In the first nine months of FY 2013 the amount of R\$ 3,955 was paid out in labor claim awards of R\$ 2,194 and civil claim awards of R\$ 1,761.

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\$ 1,814 (R\$ 3,412 as of December 31, 2012), and reversed a provision of R\$ 4,103 (R\$ 3,385 as of December 31, 2012).

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 September 30, 2013 additional provisions were made of R\$ 595 (R\$ 299 as of December 31, 2012) and provisions reversed of R\$ 475 (R\$ 1,177 as of December 31, 2012).

Management holds all the other provisions made are sufficient to cover any losses arising from the proceedings in progress. Based on the opinion of said legal advisors, provisions have been made for all legal proceedings for which the likelihood of future disbursement has been rated as probable.

Possible Losses

The Company is party to labor, civil and tax claims in progress amounting to R\$ 255,327 (R\$ 241,353 as of December 31, 2012), 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\$ 13,148 (R\$ 6,474 as of December 31, 2012) seeking contractual/legal fees due to joint liability with outsourced companies, in addition to trade union fees.

Civil

These proceedings amounting to R\$ 25,335 (R\$ 26,165 as of December 31, 2012) 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\$ 216,844 (R\$ 208,714 as of December 31, 2012).

22. Shareholders' equity

Share capital and capital reserves

The subscribed and paid in share capital is comprised of 195,509 common shares.

The Extraordinary General Meeting held April 24, 2013 approved: (i) to increase the Company's capital by R\$ 16,392 without new shares being issued, via capitalization of the balance of the profits reserve - Tax Incentive - Income Tax Decrease, resulting in a share capital of R\$ 345,762; (ii) cancellation of 11 (eleven) common shares held in the treasury for R\$ 18, to be absorbed by the capital reserve - remuneration reserve for property, plant and equipment in progress; and (iii) conversion of all preferred nominative shares of the Company into common nominative shares, at the rate of one to one, with the aforesaid capital now consisting of 195,509 common nominative shares with no par value.

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.

Dividends

The Annual General Meeting held April 24, 2013 resolved the payment of additional dividends for FY 2012 of R\$ 7,694, equal to R\$ 39.35317360 per common share, to be paid in 2 (two) installments until the last working day of June and September 2013, which may be brought forward by Company management.

On August 08, 2013 the Board of Directors approved the payment of interim dividends from the net income for the first half of FY 2013, as determined in the balance sheet as of June 30, 2013 prepared by the Company amounting to R\$ 12,976 (R\$ 66.3694 per common share), paid by December 31, 2013, which may be brought forward by Company management.

23. Operating revenue

	9/30/2013				9/30/2012			
	Not reviewed by the independent auditors		7/1/2013 to 9/30/2013	1/1/2013 to 9/30/2013	Not reviewed by the independent auditors		7/1/2012 to 9/30/2012	1/1/2012 to 9/30/2012
	No. of consumers	MWh	R\$	R\$	No. of consumers	MWh	R\$	R\$
Residential	605,595	695,777	88,502	293,502	578,365	633,081	95,853	302,336
Industrial	2,670	218,585	21,330	64,723	2,708	237,814	23,514	81,547
Commercial	40,078	375,795	49,369	161,881	38,636	360,835	54,081	167,486
Rural	18,316	77,712	6,086	22,161	18,029	77,960	4,493	16,467
Government:								
Federal	111	24,525	2,432	8,040	113	22,959	2,928	9,003
State	4,552	50,021	5,047	16,696	4,601	46,827	6,080	18,695
Municipal	758	23,535	2,375	7,856	766	22,032	2,861	8,797
Public Lighting	711	116,253	6,759	19,745	606	110,406	7,655	20,971
Public Utility	1,200	162,692	9,981	32,751	1,170	159,022	10,676	31,747
Internal Use	81	2,361	-	-	50	2,167	-	-
Subtotal	674,072	1,747,256	191,881	627,355	645,044	1,673,103	208,141	657,049
Revenue from Remuneration of Concession Assets	-	-	2,481	7,024	-	-	1,920	3,853
Electricity sales to distributors	2	165,774	7,891	22,165	2	191,580	5,202	17,046
Sales not invoiced (net)	-	(25,894)	(1,829)	(10,066)	-	(7,300)	(1,846)	(5,858)
Provision of the transmission and distribution system	-	-	9,070	31,738	-	-	13,922	39,779
Energy Sales to Free Consumers	17	-	-	-	18	-	-	-
Construction Revenue	-	-	20,850	50,741	-	-	26,580	64,117
Other operating revenue	-	-	5,373	10,046	-	-	2,898	9,436
Total - Gross Operating Revenue	674,091	1,887,136	235,717	739,003	645,064	1,857,383	256,817	785,422
Deductions from Operating Revenue								
ICMS	-	-	39,177	129,827	-	-	43,805	137,542
PIS	-	-	3,529	11,318	-	-	3,802	11,900
COFINS	-	-	16,250	52,133	-	-	17,508	54,810
ISS	-	-	44	125	-	-	35	105
Quota for RGR	-	-	1	(2,465)	-	-	1,441	6,147
Electrical Efficiency Program - PEE	-	-	780	2,430	-	-	781	2,377
Energy Development Account - CDE	-	-	408	1,225	-	-	1,434	4,303
Fuel Consumption Account - CCC	-	-	-	1,480	-	-	4,442	17,470
Research and Development Program - P&D	-	-	775	2,426	-	-	1,249	3,803
Excess Demand Revenue and Surplus Reactive Energy	-	-	1,156	2,011	-	-	-	-
Total - deductions from operating revenue	-	-	62,120	200,510	-	-	74,497	238,457
Total Net Operating Revenue	674,091	1,887,136	173,597	538,493	645,064	1,857,383	182,320	546,965

Results for the 3rd quarter of 2013

24. Cost of electricity purchase resale and system service charges

Under Decree 7945/2013, ANEEL will publish every month the CDE funds to be passed through by Eletrobrás to the Electricity Trading Chamber to cover the electricity acquisition and system service charges - ESS as a result of energy security, the hydrological risk and involuntary exposure in the spot market. By way of SRE/ANEEL Notices 954 issued April 02, 2013, 1312 issued April 30, 2013, 1756 issued June 04, 2013, 2095 issued July 04, 2013, 3020 issued August 29, 2013 and 3281 issued September 30, 2013, ANEEL has ratified the amount of R\$ 57,948 for the months of January to August 2013, distributed as follows:

In the period the Company also recognized R\$ 11,819 to cover additional expenses incurred on System Service Charges in the previous rate period, pursuant to Decree 7891/2013, which Eletrobrás reimbursed the Company on May 07, 2013.

The amounts were recorded as a reduction to the purchased energy costs and system service charges, in accordance with Aneel Notice 1135 issued April 17, 2013.

25. Insurance coverage

The Company has the policy of taking out insurance coverage for the assets subject to risk to cover any incidents, considering the nature of its activity. The Company's insurance contracts are made in accordance with the risk management and insurance fundamentals generally employed by electricity distribution companies. Given their nature, the risk assumptions adopted do not comprise the scope of a financial statements review, and were not therefore reviewed by our independent auditors.

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

The main items covered are:

Lines	Maturity Date	Insurance Coverage	Annual Premium 9/30/2013	Annual Premium 12/31/2012
Nominated Risks	10/23/2014	35,321	210	245
General Civil Liability	10/23/2014	50,600	186	167
Automobiles - Third party material and personal damages	10/23/2014	up to R\$ 300 / vehicle	120	84
Collective life insurance - Personal Death and Accidents	12/31/2013	48,826	226	226
			<u>742</u>	<u>722</u>

Nominated Risks

The insurance policy included 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.

Results for the 3rd quarter of 2013

Civil Liability

The insurance policy covers moral hazard, material and personal damages to third parties resulting from the Company's operations.

Vehicles

The Company has insurance coverage for RCF/V - Optional/Vehicle Civil Liability, guaranteeing coverage of personal and/or material damages incurred by third parties involved in accidents.

Collective Life Insurance and Personal Accidents

Guarantees insurance coverage for its employees in the event of death by any cause, full or partial permanent disability due to accidents and permanent and/or total disability due to illness.

26. Financial instruments and risk management

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

ASSETS	9/30/2013		12/31/2012	
	Book	Fair value	Book	Fair value
Cash and cash equivalents	44,698	44,698	53,225	53,225
Money market and secured funds	71,926	71,926	56,502	56,502
Consumers and concessionaires	86,952	86,952	125,061	125,061
Credit receivables and other	10,821	10,821	11,849	11,849
Accounts receivable from the concession	152,387	152,387	130,146	130,146
LIABILITIES				
Suppliers payable	(51,520)	(51,520)	(64,994)	(64,994)
Loans, financing, debt charges and debentures	(557,101)	(557,078)	(556,814)	(572,071)

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 September 30, 2013 and December 31, 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, except when held to maturity.

Financial liabilities measured at amortized cost:

Suppliers payable - stated at the known amounts or estimated, plus, when applicable, the corresponding charges and/or monetary and exchange variations incurred up to the balance sheet date, where the book value approximates fair value.

Loans, financing, debt charges and debentures - These financial instruments are classified as financial

Results for the 3rd quarter of 2013

liabilities at amortized cost. The book values of the local-currency loans and financing related to the investments and construction of Small Hydroelectric Power Stations (SHPs) and Wind Farms obtained from Eletrobrás, BNB, BNDES, BDMG Finep and loans from commercial banks, are compatible with the value of the transactions, as similar transactions are not available on the financial market, with comparable maturities and interest rates. The fair value of the financial liabilities traded in active markets is determined based on the prices observed in said markets (source: CETIP), i.e. the 5th debentures issuance of the parent company, 2nd debentures issuance (ESE), 1st debentures issuance (EPB) and 7th debentures issuance (EMG). For financial instruments with no active market, i.e. FIDC, 1st debentures issuance (ESE) and 3rd debentures issuance of the parent company, the Company determined the fair value as the equivalent of the instrument's carrying amount.

Derivatives

The estimated fair values of the financial assets and liabilities were determined through information available in the market and appropriate valuation methodologies. Consequently, the estimates used and presented below do not necessarily indicate the values that could be realized in the current exchange market.

The Company and its subsidiaries have 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, in order to counter the exposure to changes in US dollar exchange rate and to bring the debt cost in line with market trends.

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.

- **Uncertainty**

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. The Company has therefore implemented operating limits with pre-established amounts and indicators in the “Financial Risk Management policy” (reviewed annually and available on the Company’s site, reviewed last on 12/20/2012) and in the internal regulations of the Executive Board of the Company and its subsidiaries.

The Company and its subsidiaries’ risk management aims 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 activities of the Company and its subsidiaries. The Executive Board issues a monthly report on budgetary performance and risk factors involving the Company and its subsidiaries.

The Company and its subsidiaries have been using the services of an independent company specialized in cash and debt risk management, which means that the main macroeconomic metrics 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.

- **Capital Risk**

The debt index at the end of the reporting period is the following:

	9/30/2013	12/31/2012
Debt (a)	557,101	556,814
Cash and cash equivalents:	(44,698)	(53,225)
Interest-earning bank deposits	(71,926)	(56,502)
Net debt	440,477	447,087
Net equity (b)	357,029	344,585
Net debt index	1.23	1.30

(a) The debt is defined as short and long-term loans, financing and debentures (excluding derivatives and financial surety contracts), as detailed in notes 20 and 21.

(b) The shareholders' equity includes the entire capital and reserves of the Group, managed as capital.

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.

	Average effective weighted interest rate (%) months	Up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total
Suppliers payable		49,143	-	-	-	2,377	51,520
Loans, financing, debt charges and debentures	10.69%	118,489	18,927	191,759	231,680	70,659	631,514
Total		167,632	18,927	191,759	231,680	73,036	683,034

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 which assess risk in accordance with the "Financial Risk Management policy". The Board of Directors' Audit Committee was convened in the first quarter of 2010 to oversee the group's management, according to the rules and principles established in the policy.

The credit risk, especially that of Energisa Group's distribution companies, is posed by accounts receivable, which is, however, 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:

	9/30/2013	12/31/2012
Cash and cash equivalents	44,698	53,225
Money market and secured funds	71,926	56,502
Consumers and concessionaires	86,952	125,061
Credit receivables and other	10,821	11,849
Accounts receivable from the concession	152,387	130,146

Further information about these credits can be seen in notes 5, 6, 7 and 14.

c) Interest and exchange rate risk

Part of the local-currency loans and financing presented in note 20 consist of financing from several national development agencies (Eletrobrás, Banco do Nordeste, BNDES, BDMG and FINEP) and other institutions in the capital market. The interest rate is defined by these Agents, taking into account the underlying interest rate, the risk premium compatible with the financed companies, their guarantees and the sector they are engaged in. In the event it is not possible to acquire alternatives or different market hypotheses and/or methods for their estimates, in view of the subsidiaries' business and sector specifics, these are measured by the amortized cost method at the contractual rates.

The Company is always looking for opportunities to renew these hedge instruments, in order 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 and its subsidiaries' earnings are susceptible to variations due to the volatility of the exchange rate on the sale of options underlying swaps of liabilities denominated in foreign currencies, mainly the US dollar. The US dollar exchange rate closed the period ended September 30, 2013 up by 9% over December 31, 2012, quoted at R\$ 2.2294 / USD. The annual volatility of the US dollar as of September 30, 2013 was 13.73%, compared with 6.00% as of December 31, 2012.

R\$ 389,229 (R\$ 378,793 as of December 31, 2012) of Energisa SE's bank debts and issuances of R\$ 558,465 (R\$ 559,017 as of December 31, 2012) as of September 30, 2013 is denominated in US dollars on the international issuance: (i) USD 44 million (principal of USD 42 million) in debentures issued and (ii) USD 30.1 million (principal of USD 30 million) of the loan from Bank of America Merrill Lynch with a balance at the end of the year of R\$ 66.9 million, including interest. (iii) USD 50.1 million (principal of USD 50 million) of the loan from Banco Itaú BBA with a balance at the end of the year of R\$ 111.7 million, including interest. (iv) USD 50.3 million (principal of USD 50 million) of the loan from Banco Citibank with a balance at the end of the year of R\$ 112.2 million, including interest.

The debentures yield interest of USD + 8.85% per annum and have a long-term maturity (with possible buyback in the short term) over three annual installments, the last of which matures on November 08, 2015. The loans have a long term maturity (all mature in 2018) and costs of up to USD plus 4.105% per annum.

The balance sheet as of September 30, 2013 presents R\$ 8,651 in the current assets and R\$ 10,724 (R\$ 15,394 as of December 31, 2012) in the noncurrent assets 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

Results for the 3rd quarter of 2013

shown below. Furthermore, further deterioration of the volatility, the currency coupon and the f/x rate could result in the entry increasing.

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 0.6 million of interest through a series of currency swaps with exchange-rate cap of between R\$/USD 2.61 (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 up to 11/08/2013 and the value of the principal at the latter date.
2. Hedge for the principal and interest of USD 30.1 million through a series of currency swaps with exchange-rate cap of R\$/USD 2.90 until 9/21/2015, relating to the loan from Bank of America Merrill Lynch. The operation involves a swap of the cost of USD + (LIBOR + 2.45%) per annum for 100% of the CDI variance, hedging semi-annual interest payments scheduled up to 9/21/2015 and the value of the principal at the latter date.
3. Hedge for the principal and interest of USD 50.2 million of the loan taken out from Banco Itaú BBA via a currency swap with exchange-rate caps of R\$/USD 3.11 (Apr-17) and R\$/USD 3.30 (Dec-15) until 4/17/2018, in order to hedge the loan against adverse exchange variance, thereby conducting a swap of the cost of USD plus 4.105% for 108.95% of the CDI variance, hedging interest payments scheduled up to 4/17/2018 and the value of the principal until its amortization.
4. Hedge for the principal and interest of USD 50 million of the loan taken out from Banco Citibank, via a currency swap with exchange-rate caps of R\$/USD 3.31 (Apr-18) until 4/19/2018, in order to hedge the loan against adverse exchange variance, thereby conducting a swap of the cost of USD plus (LIBOR plus 1.91% per annum) for 103.5% of the CDI variance, hedging interest payments scheduled up to 4/19/2018 and the value of the principal until its amortization.

In the period the foreign exchange hedges yielded a gain of R\$ 49,962 (gain of R\$ 18,731 as of September 30, 2012), due to a change in 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.

Results for the 3rd quarter of 2013



In accordance with CVM Resolution CVM 603/09, the values of the Company's financial derivatives as of September 30, 2013 and December 31, 2012 have been summarized as follows:

Derivative Financial Instruments							
	Reference Value		Description	Fair Value		Accumulated effect	
	9/30/2013	12/31/2012		9/30/2013	12/31/2012	Receivable/ (Received)	Payable / (paid)
	Notional (BRL)		Receivable Position				
Swap with options - Debentures	61,274	63,975	Foreign currency - USD	97,821	92,524	-	-
			Liability Position				
			CDI Interest Rate	(89,166)	(88,024)	-	-
			Foreign Currency Options (USD)	(4)	(84)	17	-
				8,651	4,416		
			Receivable Position				
Swap with Options Opções Merrill Lynch/Itau BBA/Citibank	260,770	60,690	Foreign currency - USD	307,717	64,174	-	-
			Liability Position				
			CDI Interest Rate	(271,159)	(60,770)	-	(3,422)
			Foreign Currency Options (USD)	(25,834)	(1,275)		
				10,724	2,129	-	(3,405)

The Fair Value of the derivatives as of September 30, 2013 as of December 31, 2012 was calculated based on the market price quotes for similar contracts. Their variance is directly associated with the variance of the debt balances listed in the note 18 and the positive performance of the hedge mechanisms used, as described above. 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 and its subsidiaries' 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). These rates are determined monthly and embrace the period from October 01, 2013 through maturity of all derivative operations. The Ptax exchange rate was obtained from the Central Bank's site. The implicit dollar volatility for options were obtained from BMF.

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 September 30, 2013 and December 31, 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 - Debentures			3,213	(22,162)	(47,536)
Swap with Options:					
Receivable position - Foreign Currency - USD	97,821	Increase in USD	98,886	123,607	148,328
Payable Position - CDI Interest Rate	(89,166)		(89,166)	(89,166)	(89,166)
Foreign Currency Options - USD	(4)		-	(10,177)	(34,898)
Subtotal	8,651		9,720	24,264	24,264
Net	8,651		12,933	2,102	(23,272)
Financial instruments - Loans			52,654	(11,111)	(74,877)
Swap with Options:					
Receivable position - Foreign Currency - USD	307,717	Increase in USD	255,062	318,828	382,594
Payable Position - CDI Interest Rate	(271,159)		(271,159)	(271,159)	(271,159)
Foreign Currency Options - USD	(23,834)		-	(3,618)	(40,172)
Subtotal	12,724		(16,097)	44,051	71,263
Net	12,724		36,557	32,940	(3,614)
Total	21,375		49,490	35,042	(26,886)

(*) Considers the macroeconomic scenario presented by the Focus Survey as of September 30, 2013 for the future dates until the final settlement of the operations.

In the "Probable Scenario", calculated based on the net analysis of the above operations until the maturity thereof, adjusted to present value by the fixed rate in Brazilian reais as of June 30, 2013, the derivatives are effective, which is reflected in the positive present value of R\$ 49,491, that shows how the adverse exchange variance in existing debts was mitigated. The higher the exchange devaluation (risk variable considered), the higher the gain of the swaps will be, providing the derivative caps are not exceeded, which would leave the Company with no hedge protection. However, there would be a positive present value of R\$ 35,042 and a negative value of R\$ 26,886 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.

Results for the 3rd quarter of 2013

b) Interest rate variance

Considering the exposure of financial instruments indexed to interest rates as of September 30, 2013 is maintained and the respective accumulated annual indexes are (CDI = 8.64% per annum, LTIR = 5.0% per annum and FNE = 8.0% per annum) 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	105,174	Rise in the CDI rate	2,421	3,001	3,572
Payable financial instruments:					
	(76,716)	Rise in the CDI rate	(2,094)	(2,520)	(2,939)
Loans and financing	(39,712)	Rise in TJLP	(844)	(964)	(1,083)
	(28,308)	Rise in FNE	(989)	(1,124)	(1,257)
Subtotal (**)	(144,736)		(3,927)	(4,608)	(5,279)
Total (Losses)	(39,562)		(1,506)	(1,607)	(1,707)

(*) Considers the CDI at December 31, 2013 (9.55% p.a.), quote of the estimates presented by the recent BACEN survey, dated September 30, 2013, TJLP of 5% p.a. and FNE funds of 8% p.a. (loans contracted from Banco do Nordeste already reflecting the performance bonus).

(**) Does not include dollar transactions worth R\$ 385,167

Fair value hierarchy

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

The different levels were defined as follows:

- Level 1 - Prices quoted (in adjusted) in active markets for identical assets and liabilities
- Level 2 - Inputs, except for quoted prices, included in Level 1 that are observable for the assets and liabilities, directly (prices) or indirectly (derived from prices)
- Level 3 - Premises, for the asset or liability, that are not based on observable market data (unobservable inputs).

Financial instruments	Level	9/30/2013	12/31/2012
Assets			
Money market and secured funds	2	71,926	56,502
Derivative financial instruments	2	10,724	15,394

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 year.

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 accounting practices referring to the recognition of employee benefits - supplementary retirement and pensions plan and retirement premium, were amended on January 01, 2013. Consequently, in

Results for the 3rd quarter of 2013

order to maintain good comparability of its balance sheet with the classification adopted, the Company adjusted the opening and closing balances in the balance sheet as of December 31, 2012 in relation to those originally published, as follows:

	PS Plan	BD Plan	Total
Liability recorded as of 12/31/2012	37,855	23,055	60,910
(adjustments - CPC 33 (R1))	-	32,400	32,400
Adjusted balances	37,855	55,455	93,310
Expense in the period	5,484	3,339	8,823
Payments of contracted obligations	(27,470)	(30,798)	(58,268)
Liability recorded as of 9/30/2013	15,869	27,996	43,865

In the period ended September 30, 2013 the expense incurred on sponsoring these plans stood at R\$ 8,823 (R\$ 3,440 as of September 30, 2012).

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. In the period ended September 30, 2013 the expense incurred on this benefit stood at R\$ 2,794 (R\$ 4,308 as of September 30, 2012).

28. Commitments

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

Energy purchase contracts:

Energy purchase contracts - R\$ thousand						
Term	2013	2014	2015	2016	2017	2017 onwards
2013 to 2046	313,034	320,543	341,925	359,235	332,133	5,540,919

The amounts referring to energy acquisition contracts lasting between 8 and 30 years represent the volume contracted and the average price, ratified by ANEEL.

- This does not include the Proinfa, Itaipu and Angra I and II quotas.

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.

30. Additional information to the cash flows

As of September 30, 2013 equity changes not affecting the Company's cash flows are as follows:

	9/30/2013	12/31/2012
Restatement of accounts receivable from the concession - VNR	3,428	13,344
Accounts receivable from the concession	18,813	-
Suppliers payable	4,353	5,902
Intangible assets - FINAME	4,896	2,806
Capitalization of reserves		10,131

31. Subsequent events

Debenture issues

On October 17, 2013 the Company's Board of Directors resolved to make the 3rd issuance of non-convertible, unsecured simple debentures in a single series amounting to R\$ 60,000, which will be subject to public distribution with placement restrictions pursuant to CVM Directive 476/2009. 60 debentures will be issued with a nominal unit value of R\$ 1,000 at the issuance date (October 30, 2013), maturing in 6 years, i.e. on October 30, 2019. The debentures will be entitled to interest equal to the accumulated variance of 115.5% of the average daily rates of the one-day interbank deposits titled DI over extra-grupo rate. The remuneration and amortization of the debentures will be paid annually, as from the 24th (twenty-fourth) month, with the first payment on October 30, 2015.

The funds will be used for the early redemption of the Company's 1st debentures issuance.

Early redemption of debentures

On October 17, 2013 the Board of Directors resolved to early redeem the entire nonconvertible simple debentures of Energisa S/A's 1st issuance. The 42,000 debentures, which incur a cost equal to exchange variance plus 8.85% per annum, were redeemed for the amount of R\$ 64,337 as of November 08, 2013, where R\$ 36,095 had been amortized by this date, in accordance with the issuance deed.

Para esclarecimentos e informações adicionais, não hesite em nos contatar:

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