



## Energisa Nova Friburgo | Results for 3rd quarter of 2012

Rio de Janeiro, November 08, 2012 - The Management of Energisa Nova Friburgo - Distribuidora de Energia S/A ("Energisa Nova Friburgo" or "Company"), responsible for distributing electricity in the municipality of Nova Friburgo in Rio de Janeiro state, hereby presents its quarterly information for the first nine months of 2012 (9M12), prepared in accordance with International Financial Reporting Standards - IFRS.

### 1 - Headlines

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

Description	9M12	9M11	Change %
<b>Results - R\$ million</b>			
Gross Operating Revenue	120.1	118.6	+ 1.3
Net Operating Revenue	75.7	76.3	- 0.8
Earnings before interest and tax (EBIT)	7.6	5.8	+ 31.0
Financial result	(1.9)	(0.3)	+ 533.3
Net Income	3.9	3.8	+ 2.6
EBITDA	10.8	9.1	+ 18.7
Adjusted EBTIDA	12.0	10.1	+ 18.8
<b>Financial Indicators - R\$ million</b>			
Total Assets	119.0	118.6	0.3
Cash / Cash Equivalents / Short-Term Investments	5.0	15.6	- 67.9
Shareholders' Equity	49.4	50.6	- 2.4
Net Debt	45.5	31.0	+ 46.8
<b>Operating Indicators</b>			
Number of Captive Consumers	95.5	93.7	+ 1.9
Energy sold to Captive Consumers (GWh)	243.9	237.2	+ 2.8
Total Electricity Distributed (GWh)	243.5	236.9	+ 2.8
Energy Losses (% in past 12 months)	5.42	5.49	- 0.07 p.p
<b>Related indicators</b>			
Adjusted EBITDA / Net Revenue (%)	15.8	13.2	+ 2.6 p.p
Net Debt / Adjusted EBITDA 12 months (times)	2.6	2.3	+ 13.0

### 2 - Electricity Sales

#### 2.1 - Energy sales and consumers

Electricity sales to the captive consumers served by Energisa Nova Friburgo in 3Q12 rose by 0.5% over 3Q11, to 82.8 GWh. Commercial consumption stood out in the quarter, rising by 7.7%. Industrial consumption contracted by 3.4% in the quarter.

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Captive consumption rose by an accumulated 2.8% in 9M12 over 9M11. The table below shows the change in electricity sales by segment over the first nine months of the year:

### Electricity Sales by Segment (In GWh)

Description	Quarter			9 month		
	3Q12	3Q11	Change %	9M12	9M11	Change %
<b>a) Energy Sales in the Retail Market</b>	<b>82.8</b>	<b>82.4</b>	<b>+ 0.5</b>	<b>243.9</b>	<b>237.2</b>	<b>+ 2.8</b>
. Residential	39.2	39.3	- 0.3	115.2	112.7	+ 2.2
. Industrial	16.0	16.5	- 3.0	44.9	45.5	- 1.3
. Commercial	16.9	15.7	+ 7.6	51.7	47.4	+ 9.1
. Rural	1.3	1.3	-	3.7	3.4	+ 8.8
. Other sectors	9.4	9.6	- 2.1	28.4	28.2	+ 0.7
b) Net Unbilled Sales	(0.2)	(0.6)	- 66.6	(0.4)	(0.3)	+ 33.3
<b>c) Total Electricity Distributed (a+b)</b>	<b>82.6</b>	<b>81.8</b>	<b>+ 1.0</b>	<b>243.5</b>	<b>236.9</b>	<b>+ 2.8</b>

Energisa Nova Friburgo closed 3Q12 with 95,501 captive consumer units, or 1.9% more than at the end of September 2011.

## 2.2 - Energy Losses

Energisa Nova Friburgo's energy losses were recorded at 5.42% in the past twelve months ended September 2012 as compared to 5.49% in the same period ended September 30, 2011.

## 3 - Financial Performance

### 3.1 - Gross and Net Operating Revenue

Energisa Nova Friburgo' gross operating revenue amounted to R\$ 120.1 million in 9M12, compared with R\$ 118.6 million in the same period last year, an increase of 1.3% (R\$ 1.5 million). Net operating revenue in turn fell by 0.8% (or R\$ 0.6 million) in the same period.

In 3Q12 gross operating revenue (R\$ 39.6 million) and net operating revenue (R\$ 25.5 million) contracted respectively by 12.2% (or R\$ 5.5 million) and 12.8% (R\$ 3.7 million) over 3Q11.

#### 3.1.1 - Rate review

Effective from June 18, 2012 Aneel (National Electricity Regulatory Agency) has ratified the third rate review of Energisa Nova Friburgo, resulting in an average decrease for consumers of 4.82%.

### 3.2 - Operating expenses

#### 3.2.1 - Operating expenses in electricity distribution and services

Operating expenses in electricity distribution and services amounted to R\$ 61.0 million at Energisa Nova Friburgo in 9M12, an increase of 6.8% (or R\$ 3.9 million) over the amount recorded in 9M11. In 3Q12 these expenses amounted to R\$ 21.4 million, i.e. 5.4% (or R\$ 1.1 million) more than in the same period last year.

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### 3.2.1.1 - Controllable expenses in electricity distribution and services

The controllable expenses (personnel, material and outsourced services) in electricity distribution and services rose by 1.6% (or R\$ 0.3 million) in 9M12, to R\$ 18.5 million. The controllable expenses rose by 6.7% (or R\$ 0.4 million) in 3Q12 over 3Q11.

### 3.2.2 - Construction costs

Energisa Nova Friburgo recognizes revenue and costs deriving from the construction of infrastructure used in public energy concessions, attributing a margin of zero to this activity. Construction costs amounted to R\$ 7.1 million in 9M12 (R\$ 2.7 million in 3Q12), compared with R\$ 13.5 million in 9M11 (R\$ 5.2 million in 3Q11).

### 3.2.3 - Total operating expenses

Energisa Nova Friburgo's operating expenses amounted to R\$ 68.1 million in 9M12, a decrease of 3.5% (or R\$ 2.5 million) over 9M11. Total operating expenses fell by 5.5% (or R\$ 1.4 million) in 3Q12 over 3Q11.

Operating expenses break down as follows:

Breakdown of operating expenses (R\$ million)	Change in			Change in		
	3Q12	3Q11	R\$ million	9M12	9M11	R\$ million
<b>1 - Controllable expenses</b>	<b>6.4</b>	<b>6.0</b>	<b>+ 0.4</b>	<b>18.5</b>	<b>18.2</b>	<b>+ 0.3</b>
1.1 - Personnel (includes pension fund)	2.0	1.7	+ 0.3	5.9	5.3	+ 0.6
1.2 - Material	0.3	0.3	-	0.7	1.0	- 0.3
1.3 - Services	4.1	4.0	+ 0.1	11.9	11.9	-
<b>2 - Uncontrollable expenses (acquisition of energy and transmission)</b>	<b>13.4</b>	<b>12.4</b>	<b>+ 1.0</b>	<b>38.1</b>	<b>32.7</b>	<b>+ 5.4</b>
3 - Depreciation and amortization	0.9	1.1	- 0.2	3.1	3.3	- 0.2
4 - Allowance for doubtful accounts and contingencies	0.2	(0.1)	+ 0.3	0.1	(0.3)	+ 0.4
5 - Other expenses / revenue	0.5	0.9	- 0.4	1.2	3.2	- 2.0
<b>Subtotal (1+2+3+4+5)</b>	<b>21.4</b>	<b>20.3</b>	<b>+ 1.1</b>	<b>61.0</b>	<b>57.1</b>	<b>+ 3.9</b>
<b>6 - Construction cost</b>	<b>2.7</b>	<b>5.2</b>	<b>- 2.5</b>	<b>7.1</b>	<b>13.5</b>	<b>- 6.4</b>
<b>Total</b>	<b>24.1</b>	<b>25.5</b>	<b>- 1.4</b>	<b>68.1</b>	<b>70.6</b>	<b>- 2.5</b>

### 3.3 - Financial Result

The net financial result (financial revenue minus financial expenses) amounted to a net financial expense of R\$ 1.9 million in 9M12 (R\$ 0.2 million in 3Q12), as compared to a net financial expense of R\$ 0.3 million in 9M11 (R\$ 0.1 million of net financial revenue in 3Q11).

Energisa Nova Friburgo closed 3Q12 with a net debt of R\$ 45.5 million, compared with R\$ 35.6 million at the end of 2011. The table below denotes the Company's short- and long-term debt and net debt:

Description	09/30/2012	12/31/2011
Amount in R\$ million		
<b>Short-term (ST)</b>	<b>3.1</b>	<b>14.8</b>
. Loans and financing	2.7	13.2
. Debt charges and financing of taxes	0.4	1.6
<b>Long-term (LT)</b>	<b>47.4</b>	<b>27.0</b>
. Loans and financing	47.0	26.6
. Financing of taxes and actuarial deficit	0.4	0.4
<b>Total debts (ST + LT)</b>	<b>50.5</b>	<b>41.8</b>
(-) Cash and cash equivalents	5.0	6.2
<b>Total net debts</b>	<b>45.5</b>	<b>35.6</b>

## Results for 3rd quarter of 2012

### 3.4 - Net income and cash generation (EBITDA)

Energisa Nova Friburgo recorded net income of R\$ 3.9 million in 9M12, of which R\$ 0.9 million was recorded in 3Q12. Earnings in 3Q12 down by 64.0% over 3Q11. Net income in 9M12 expanded by 2.6% over 9M11.

This downturn in net income in 3Q12 is partly due to the decrease of 0.8% (or R\$ 0.6 million) in net operating revenue in the period, along with the growth of 5.4% (or R\$ 1.1 million) in operating expenses in electricity distribution and services, which affected operating cash generation (EBITDA). Energisa Nova Friburgo consequently presented operating cash generation (adjusted EBITDA) of R\$ 2.9 million, which signifies a decrease of 45.3% (or R\$ 2.4 million) over 3Q11.

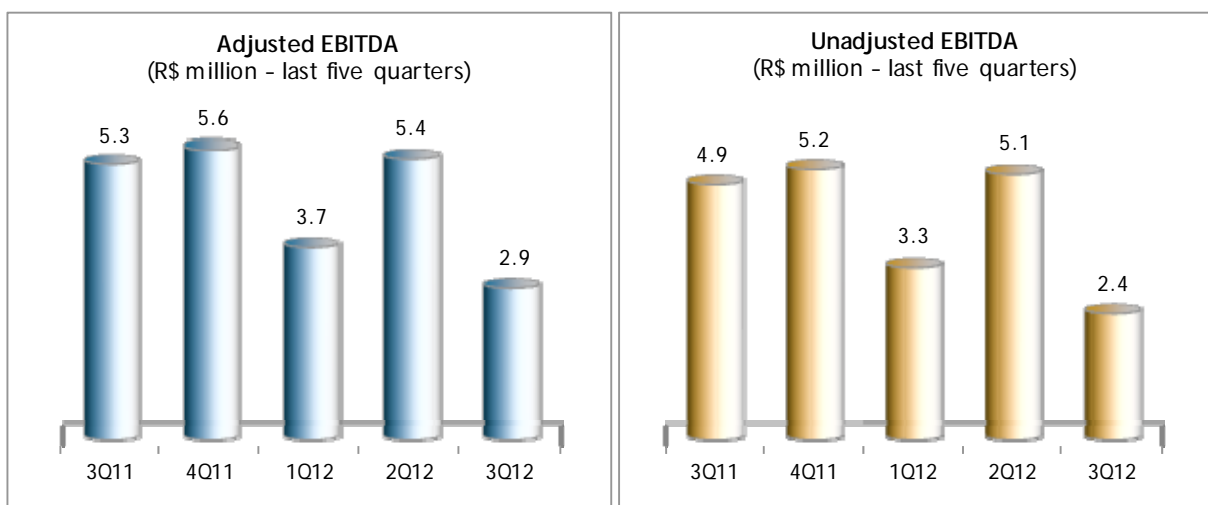
See below the breakdown of the Company's net income and cash:

Breakdown and change of net income (R\$ millions)	Quarter			9 months		
	3Q12	3Q11	Change %	9M12	9M11	Change %
(=) Net operating revenue	25.5	29.2	- 12.7	75.7	76.3	- 0.8
(=) Earnings before interest and tax (EBIT)	1.4	3.8	- 63.2	7.6	5.8	+ 31.0
(+) Financial result (revenue minus financial expenses)	(0.2)	(0.1)	+ 100.0	(1.9)	(0.3)	+ 533.3
(+) Income and social contribution taxes	(0.3)	(1.2)	- 75.0	(1.8)	(1.7)	+ 5.9
<b>(=) Net Income</b>	<b>0.9</b>	<b>2.5</b>	<b>- 64.0</b>	<b>3.9</b>	<b>3.8</b>	<b>+ 2.6</b>

### Change in cash generation

Breakdown of cash generation (EBITDA) (R\$ millions)	Quarter			9 months		
	3Q12	3Q11	Change %	9M12	9M11	Change %
<b>(=) Net Income</b>	<b>0.9</b>	<b>2.5</b>	<b>- 64.0</b>	<b>3.9</b>	<b>3.8</b>	<b>+ 2.6</b>
(-) Income and social contribution taxes	(0.3)	(1.2)	- 75.0	(1.8)	(1.7)	+ 5.9
(-) Financial result	(0.2)	(0.1)	+ 100.0	(1.9)	(0.3)	+ 533.3
(-) Depreciation and amortization	(1.0)	(1.1)	- 9.1	(3.2)	(3.3)	- 3.0
<b>(=) Cash generation (EBITDA)</b>	<b>2.4</b>	<b>4.9</b>	<b>- 51.0</b>	<b>10.8</b>	<b>9.1</b>	<b>+ 18.7</b>
(+) Late charges revenue	0.5	0.4	+ 25.0	1.2	1.0	+ 20.0
<b>(=) Adjusted cash generation (Adjusted EBITDA)</b>	<b>2.9</b>	<b>5.3</b>	<b>- 45.3</b>	<b>12.0</b>	<b>10.1</b>	<b>+ 18.8</b>

The growth in Energisa Nova Friburgo's EBITDA and Adjusted EBITDA in the last five quarters is as follows:



**4 - Investment**

In the first nine months of 2012 the investment to improve the quality of the services provided by Energisa Friburgo amounted to R\$ 7.8 million against R\$ 14.6 million realized in the same period of 2011, a year in which the municipality of Nova Friburgo was devastated by the worst natural tragedy in its history, with major landslides that seriously compromised the supply of electricity.

Management.

Financial Statements
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## 1. Balance Sheet - Assets

Energisa Nova Friburgo		
Balance Sheet		
September 30, 2012 and December 31, 2011		
(In thousands of reais)		
	<u>9/30/2012</u>	<u>12/31/2011</u>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	3,284	4,262
Money market and secured funds	156	270
Consumers and concessionaires	15,352	17,187
Credit receivables	368	224
Inventory	387	519
Recoverable taxes	6,063	7,384
Low income and other receivables	5,578	4,449
<b>Total current</b>	<u>31,188</u>	<u>34,295</u>
<b>Noncurrent</b>		
<b>Noncurrent assets</b>		
Money market and secured funds	1,553	1,619
Consumers and concessionaires	368	368
Credit receivables	20	7
Tax credits	7,418	8,059
Recoverable taxes	3,573	2,217
Restricted deposits and escrows	1,713	1,713
Derivative financial instruments	3,348	165
Accounts receivable from the concession	54,679	48,146
	<u>72,672</u>	<u>62,294</u>
Investments	47	44
Intangible assets	15,121	17,543
<b>Total noncurrent</b>	<u>87,840</u>	<u>79,881</u>
<b>Total Assets</b>	<u>119,028</u>	<u>114,176</u>

## 2. Balance Sheet - Liabilities

Energisa Nova Friburgo		
Balance Sheets		
September 30, 2012 and December 31, 2011		
(In thousands of reais)		
Liabilities	<u>9/30/2012</u>	<u>12/31/2011</u>
<b>Current</b>		
Suppliers payable	8,097	6,767
Debt charges	341	345
Loans and financing	2,691	13,190
Taxes and social contributions	1,867	3,064
Tax financing	-	1,157
Dividends	81	2,446
Interests	-	501
Consumer charges payable	762	965
Employee benefits - pension plan	67	67
Estimated obligations	716	560
Other accounts payable	4,184	4,261
<b>Total current</b>	<u><b>18,806</b></u>	<u><b>33,323</b></u>
<b>Noncurrent</b>		
Suppliers payable	116	104
Loans and financing	47,048	26,640
Derivative financial instruments	-	168
Taxes and social contributions	357	121
Deferred income and social contribution taxes	760	648
Employee benefits - pension plan	380	364
Provisions for contingencies	2,191	2,222
<b>Total noncurrent</b>	<u><b>50,852</b></u>	<u><b>30,267</b></u>
<b>Shareholders' equity</b>		
Capital	32,650	32,650
Capital reserves	11,248	11,248
Profit reserves	1,530	4,424
Additional dividends proposed	-	2,264
Net incomes for the period	3,942	-
	<u><b>49,370</b></u>	<u><b>50,586</b></u>
<b>Total Liabilities</b>	<u><b>119,028</b></u>	<u><b>114,176</b></u>

## 3. Income Statement

Energisa Nova Friburgo Statements of Income Nine months ended September 30, 2012 and 2011 (In thousands of reais)		
	9M12	9M11
<b>Revenues</b>		
Electricity sales to consumers	107,901	101,180
Provision of system	1,334	1,138
Construction revenue	7,100	13,543
Other revenue	3,768	2,781
	<u>120,103</u>	<u>118,642</u>
<b>Deductions from operating revenue</b>		
ICMS on billing	26,195	24,929
PIS, Cofins and ISS	10,453	9,894
Quotas for global reversal reserve	1,024	736
Others (CCC, CDE, P&D and PEE)	6,745	6,794
	<u>44,417</u>	<u>42,353</u>
<b>Net operating revenue</b>	<u>75,686</u>	<u>76,289</u>
<b>Operating expenses</b>		
Personnel (includes pension fund expenses)	5,895	5,321
Material	720	986
Outsourced services	11,929	11,867
Electricity purchased for resale	27,836	22,494
Transmission of electricity	10,216	10,180
Depreciation and amortization	3,136	3,236
Allowance for possible loan losses / contingencies	71	(341)
Construction cost	7,100	13,543
Other revenue/expenses	1,162	3,183
	<u>68,065</u>	<u>70,469</u>
<b>Net income before other revenue and expenses</b>	<u>7,621</u>	<u>5,820</u>
<b>Financial income</b>		
Revenue on short-term investments	464	776
Arrears charge on power sales	1,194	1,005
Other revenue	73	569
Debt charges - Interest	(2,075)	(2,370)
Debt charges - monetary and exchange variance	(2,771)	(305)
Mark-to-market of derivatives	621	(357)
Derivative financial instruments	1,936	(2)
Adjustment to present value	6	4
(-) Transfers to work in progress	146	625
Other financial expenses	(1,512)	(263)
	<u>(1,918)</u>	<u>(318)</u>
<b>Net income before tax</b>	<u>5,703</u>	<u>5,502</u>
Income and social contribution taxes	(1,761)	(1,667)
<b>Net income for the period</b>	<u>3,942</u>	<u>3,835</u>



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