

(A free translation of the original in Portuguese)

**Desenvix Energias
Renováveis S.A.**

**Quarterly Information (ITR) at
March 31, 2012
and report on review of
quarterly information**



(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Shareholders
Desenvix Energias Renováveis S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Desenvix Energias Renováveis S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2012, comprising the balance sheet as at that date and the statements of operations, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express an opinion on these interim financial statements based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

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Desenvix Energias Renováveis S.A.

Conclusion on the consolidated interim information


Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.


Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2012. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Florianópolis, May 15, 2012


PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5


Mario Miguel Tomaz Tannhauser Junior
Contador CRC 1SP217245/O-8

Desenvix Energias Renováveis S.A.

Balance sheet

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent		Consolidated			Parent		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Assets					Liabilities and equity				
Current assets					Current liabilities				
Cash and cash equivalents (Note 5)	8,857	406	29,158	41,490	Trade payables				
Restricted financial investments (Note 7)		24,799		24,799	Related parties (Note 11)			9,934	6,505
Trade receivables (Note 6)	3,770	2,550	35,483	34,505	Third parties	1,730	5,167	98,111	134,375
Dividends receivable (Note 11)	728	2,877			Financing (Note 12)	33,503	49,665	70,728	81,519
Taxes recoverable	2,293	2,109	3,550	3,560	Related parties (Note 11)	23,939	138,394	13,429	123,059
Inventories			728	696	Payables for land acquisitions (Note 13)	2,037	2,037	3,609	3,601
Prepaid expenses	464	9,739	6,097	13,645	Provision for social and environmental costs (Note 14)			2,737	2,647
Other assets	38	57	4,330	4,982	Concessions payable (Note 14)			5,370	5,371
	<u>16,150</u>	<u>42,537</u>	<u>79,346</u>	<u>123,677</u>	Salaries and payroll charges	1,030	1,213	2,533	2,756
Non-current assets					Indemnities payable (Note 26(c))			520	532
Long-term receivables					Taxes and contributions (Note 15)	9,033	8,055	13,911	12,610
Restricted financial investments (Note 7)			33,298	32,081	Income tax and social contribution (Note 22)			3,255	4,387
Related parties (Note 11)	112,923	91,066	54,240	33,680	Proposed dividends (Note 17)	529	529	529	529
Deferred income tax (Note 22(c))			2,870	2,051	Other liabilities (Note 16)	2	6	3,079	3,601
Other assets			27	60		<u>71,803</u>	<u>205,066</u>	<u>227,745</u>	<u>381,492</u>
	<u>112,923</u>	<u>91,066</u>	<u>90,435</u>	<u>67,872</u>	Non-current liabilities				
Investments (Note 8)	653,312	650,821	150,639	136,911	Financing (Note 12)	6,683	8,839	721,915	674,156
Property, plant and equipment (Note 9)	446	462	1,294,354	1,257,604	Indemnities payable (Note 26)			2,017	2,012
Intangible assets (Note 10)	22,182	32,516	134,434	144,953	Deferred income tax (Note 22(c))	7,984	6,924	7,984	6,924
	<u>788,863</u>	<u>774,865</u>	<u>1,669,862</u>	<u>1,607,340</u>	Provision for social and environmental costs (Note 14)			2,181	1,704
					Concessions payable (Note 14)			67,225	66,593
						<u>14,667</u>	<u>15,763</u>	<u>801,322</u>	<u>751,389</u>
Total assets	<u>805,013</u>	<u>817,402</u>	<u>1,749,208</u>	<u>1,731,017</u>	Total liabilities	<u>86,470</u>	<u>220,829</u>	<u>1,029,067</u>	<u>1,132,881</u>
					Equity - capital and reserves attributable to owners of the Company (Note 17)				
					Share capital	665,312	546,787	665,312	546,787
					Carrying value adjustments	44,587	41,867	44,587	41,867
					Revenue reserves	7,919	7,919	7,867	7,867
					Retained earnings	725		777	
						<u>718,543</u>	<u>596,573</u>	<u>718,543</u>	<u>596,521</u>
					Non-controlling interests			<u>1,598</u>	<u>1,615</u>
						<u>718,543</u>	<u>596,573</u>	<u>720,141</u>	<u>598,136</u>
					Total equity	<u>718,543</u>	<u>596,573</u>	<u>720,141</u>	<u>598,136</u>
					Total liabilities and equity	<u>805,013</u>	<u>817,402</u>	<u>1,749,208</u>	<u>1,731,017</u>

The accompanying notes are an integral part of this quarterly information.

Desenvix Energias Renováveis S.A.

Statement of operations Quarters ended March 31

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Parent		Consolidated	
	2012	2011	2012	2011
Revenue				
Electric power supply			41,565	25,447
Services rendered	1,668	1,553	5,586	1,739
Net operating revenue (Note 18)	<u>1,668</u>	<u>1,553</u>	<u>47,151</u>	<u>27,186</u>
Cost of sales and services (Note 19)	(1,280)	(1,828)	(3,315)	(1,251)
Cost of electric power services (Note 19)			(20,468)	(9,739)
	<u>(1,280)</u>	<u>(1,828)</u>	<u>(23,783)</u>	<u>(10,990)</u>
Gross profit (loss)	<u>388</u>	<u>(275)</u>	<u>23,368</u>	<u>16,196</u>
Operating income (expenses)				
General and administrative (Note 19)	(1,285)	(1,459)	(6,063)	(3,874)
Management fees (Note 19)	(942)	(951)	(942)	(951)
Studies under development (Note 21)	(714)	(1,214)	(714)	(1,214)
Losses on electric power contracts				(2,466)
Other operating income (expenses), net	(291)	96	(281)	108
	<u>(3,232)</u>	<u>(3,528)</u>	<u>(8,000)</u>	<u>(8,397)</u>
Operating profit (loss) before finance income (costs) and result from equity investments	<u>(2,844)</u>	<u>(3,803)</u>	<u>15,368</u>	<u>7,799</u>
Finance income (costs) (Note 20)				
Finance costs	(5,402)	(4,325)	(16,711)	(14,491)
Finance income, net of taxes	945	886	1,659	1,814
	<u>(4,457)</u>	<u>(3,439)</u>	<u>(15,052)</u>	<u>(12,677)</u>
Result from equity investments (Note 8)				
Equity in the results of investees	7,685	4,078	1,985	335
Dividends received		83		83
Provision for net capital deficiency		(2,466)		
	<u>7,685</u>	<u>1,695</u>	<u>1,985</u>	<u>418</u>
Profit (loss) before income tax and social contribution	<u>384</u>	<u>(5,547)</u>	<u>2,301</u>	<u>(4,460)</u>
Income tax and social contribution (Note 22)	341		(1,541)	(1,008)
Profit (loss) for the quarter	<u>725</u>	<u>(5,547)</u>	<u>760</u>	<u>(5,468)</u>
Attributable to				
Owners of the Company			777	(5,468)
Non-controlling interests			(17)	
			<u>760</u>	<u>(5,468)</u>
Basic earnings (loss) per share (Note 28)			<u>0.0076</u>	<u>(0.0547)</u>
Diluted earnings (loss) per share (Note 28)			<u>0.0072</u>	<u>(0.0547)</u>

The accompanying notes are an integral part of this quarterly information.

Desenvix Energias Renováveis S.A.

Statement of comprehensive income Quarters ended March 31

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	<u>Parent</u>		<u>Consolidated</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit (loss) for the quarter	<u>725</u>	<u>(5,547)</u>	<u>760</u>	<u>(5,468)</u>
Other components of comprehensive income, net of taxes				
Available-for-sale financial instruments (Note 8)	<u>2,720</u>		<u>2,720</u>	
Total comprehensive income (loss) for the quarter	<u>3,445</u>	<u>(5,547)</u>	<u>3,480</u>	<u>(5,468)</u>
Attributable to				
Owners of the Company			3,497	(5,468)
Non-controlling interests			<u>(17)</u>	
			<u>3,480</u>	<u>(5,468)</u>

The items presented in the statement of comprehensive income are net of taxes. The tax effects of comprehensive income are presented in Note 8.

The accompanying notes are an integral part of this quarterly information.

Desenvix Energias Renováveis S.A.

Statement of changes in equity

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	As per CPCs									
	Attributable to the owners of the parent									
	Share capital	Carrying value adjustments	Revenue reserves			Retained earnings (accumulated deficit)	Total	Non- controlling interests	Write-off of deferred charges	Under IFRS Total equity under IFRS
		Legal	Profit retention	Total						
At December 31, 2010	546,787	35,587	628	5,592	6,220		588,594		(370)	588,224
Comprehensive income (loss)										
Loss for the quarter						(5,547)	(5,547)		79	(5,468)
At March 31, 2011	<u>546,787</u>	<u>35,587</u>	<u>628</u>	<u>5,592</u>	<u>6,220</u>	<u>(5,547)</u>	<u>583,047</u>		<u>(291)</u>	<u>582,756</u>
At December 31, 2011	546,787	41,867	739	7,180	7,919		596,573	1,615	(52)	598,136
Comprehensive income (loss)										
Profit for the quarter						725	725	(17)	52	760
Carrying value adjustments (Note 8(a))		2,720					2,720			2,720
Capital increase	120,000						120,000			120,000
Costs of issuance of shares	(1,475)						(1,475)			(1,475)
At March 31, 2012	<u>665,312</u>	<u>44,587</u>	<u>739</u>	<u>7,180</u>	<u>7,919</u>	<u>725</u>	<u>718,543</u>	<u>1,598</u>		<u>720,141</u>

The accompanying notes are an integral part of this quarterly information.

Desenvix Energias Renováveis S.A.

Statement of cash flows Quarters ended March 31

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent		Consolidated	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit (loss) before income tax and social contribution	384	(5,547)	2,301	(4,460)
Adjustments				
Finance income from long-term receivables	(408)		(763)	(462)
Equity in the results of investees	(7,685)	(4,078)	(1,985)	(335)
Provision for net capital deficiency		2,466		
Research and development expenditures	714	1,214	714	1,214
Net book value of property, plant and equipment disposals	4		86	305
Depreciation and amortization	299	11	9,648	7,091
Provision for losses on electric power contracts				2,466
Financial charges on provision for losses				329
Financial charges on financing	3,462	2,999	12,370	10,571
Financial charges on concessions payable and provision for social and environmental costs			2,053	1,700
			477	1,818
	(3,230)	(2,935)	24,901	20,237
Changes in assets and liabilities				
Trade receivables	(1,220)	5,260	(978)	14,409
Taxes recoverable	(184)	(243)	10	(77)
Other assets and prepaid expenses	398	(733)	(695)	(2,983)
Trade payables	(3,437)	604	(18,763)	25,688
Salaries and payroll charges	(183)	49	(223)	156
Taxes and contributions	978	366	1,301	(60)
Other liabilities	(6)	2,126	(1,852)	2,795
Cash provided by (used in) operations	(6,884)	4,494	3,701	60,165
Interest paid on financing	(4,488)	(1,589)	(14,584)	(9,071)
Income tax and social contribution paid			(3,834)	(2,491)
Net cash provided by (used in) operating activities	(11,372)	2,905	(14,717)	48,603
Cash flows from investing activities				
Redemption of restricted financial investment	25,207		24,345	
Acquisition of investments and capital increases	(7,757)	(20,530)	(7,622)	
Acquisition of land		(1,308)		(1,294)
Dividends received	2,149	7,427		
Purchases of property, plant and equipment		(9)	(54,161)	(158,502)
Related parties				
Grant and payment of funds	(1,849)	(132,282)	(552)	(21,217)
Obtaining and receipt of funds	20,079	11,064	8,118	
Expenditures allocated to intangible assets	(715)	(1,222)	(2,019)	(2,964)
Net cash provided by (used in) investing activities	37,114	(136,860)	(31,891)	(183,977)
Cash flows from financing activities				
Obtaining of financing	44,874	105,000	104,178	105,000
Repayment of financing - principal	(62,165)	(2,156)	(69,902)	(9,363)
Net cash provided by (used in) financing activities	(17,291)	102,844	34,276	95,637
Net increase (decrease) in cash and cash equivalents	8,451	(31,111)	(13,332)	(39,737)
Cash and cash equivalents at the beginning of the quarter	406	39,135	41,490	57,672
Cash and cash equivalents at the end of the quarter	8,857	8,024	29,158	17,935

The accompanying notes are an integral part of this quarterly information.

Desenvix Energias Renováveis S.A.

Statement of value added Quarters ended March 31

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent		Consolidated	
	2012	2011	2012	2011
Revenue	<u>2,471</u>	<u>1,496</u>	<u>82,807</u>	<u>79,636</u>
Sales of products and services	1,760	1,620	50,481	29,375
Constitution of provision for impairment of trade receivables		(220)		(220)
Other revenues	(4)	96	6	108
Revenues related to the construction of own assets	715		32,320	50,373
Inputs acquired from third parties (includes taxes - ICMS and IPI)	<u>2,702</u>	<u>5,440</u>	<u>42,288</u>	<u>42,833</u>
Cost of sales and services	277	813	8,338	4,471
Materials, electricity, outsourced services and other	2,425	2,161	33,950	35,896
Loss of assets		2,466		2,466
Gross value added	<u>(231)</u>	<u>(3,944)</u>	<u>40,519</u>	<u>36,803</u>
Retentions	<u>299</u>	<u>11</u>	<u>9,648</u>	<u>7,091</u>
Depreciation and amortization	299	11	9,648	7,091
Net value added generated by the entity	<u>(530)</u>	<u>(3,955)</u>	<u>30,871</u>	<u>29,712</u>
Value added received through transfer	<u>8,630</u>	<u>5,047</u>	<u>3,644</u>	<u>2,232</u>
Equity in the results of investees	7,685	4,078	1,985	335
Finance income	945	886	1,659	1,814
Other revenues		83		83
Total value added to distribute	<u>8,100</u>	<u>1,092</u>	<u>34,515</u>	<u>31,944</u>
Distribution of value added	<u>8,100</u>	<u>1,092</u>	<u>34,515</u>	<u>31,944</u>
Personnel and payroll charges	2,146	2,064	6,688	19,406
Taxes and contributions	(249)	95	4,792	3,308
Interest and rentals	5,478	4,480	22,275	14,698
Retained earnings (accumulated deficit) in the quarter	725	(5,547)	777	(5,468)
Non-controlling interest in retained earnings			(17)	

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

Desenvix Energias Renováveis S.A.

Notes to the quarterly information at March 31, 2012

All amounts in thousands of reais, unless otherwise stated

1 Operations

The activities of Desenvix Energias Renováveis S.A. ("Desenvix" or "Company") and its subsidiaries (together referred to as "the Group"), headquartered in Barueri, state of São Paulo, comprise investing in other companies in the areas of Electric Power Generation, Transmission and Distribution, Basic Sanitation, Pollution Control, Industrial Effluent Treatment, Gas, Biofuel, Transportation, as well as the rendering of advisory, consultancy, administration, management and supervision services in the areas in which they operate.

The Group operates in an integrated manner with the companies in the prospection, development, implementation and management of renewable energy generation developments. The Group's activities constantly involve the development of new projects.

The activities of Desenvix are carried out in the context of a group of companies that operate in an integrated manner, and certain operations have the co-participation or intermediation of related parties. The benefits of these operations and the costs of the operational and administrative structure are, to the extent practicable, absorbed on an individual or joint basis.

The related company Engevix Engenharia S.A. ("Engevix"), controlled by Jackson Empreendimentos Ltda. ("Jackson"), was contracted to implement the Small Central Hydroelectric Power Plants, Hydroelectric Power Plant, Wind Farm and Plants under construction, under a turn-key contract, including the basic project, the execution project, civil construction work, purchase, assembly and commissioning of electrical and mechanical equipment.

On September 2, 2011, the São Paulo Securities, Commodities and Futures Exchange (BM&FBOVESPA S.A.), through the Issuer Monitoring Department (GAE) notice nº 1,984-11, accepted the Company's request to list its securities for trading in the over-the-counter market. The Company's shares are listed under the ticker symbol DVIX3M. The Company is subject to the arbitration of the Market Arbitration Chamber of BM&FBOVESPA pursuant to an arbitration clause in its bylaws.

On September 19, 2011, the Brazilian Securities Commission (CVM), through Official Letter CVM/SEP/RIC nº 028/2011, granted the Company its registration as a Category "A" publicly-traded company.

The issue of this quarterly information (ITR) was authorized by the Executive Board on May 15, 2012.

There were no significant changes in the Company's operations, projects under construction, projects in the structuring stage and equity investments in comparison with the information disclosed in the parent company and consolidated financial statements as at December 31, 2011. Therefore, the information regarding these items should be read in Note 1 to the aforementioned financial statements.

Financial position

The Group presented an excess of current liabilities over current assets (consolidated) of R\$ 148,399 at March 31, 2012 (December 31, 2011 - R\$ 257,815).

Desenvix Energias Renováveis S.A.

Notes to the quarterly information at March 31, 2012

All amounts in thousands of reais, unless otherwise stated

This reduction was attributable to the conversion of a loan with related parties, in the amount of R\$ 120,000, into a capital increase, as mentioned in Note 17(a). The reduction in the excess of current liabilities over current assets was partially offset by the decrease in the balance of cash and cash equivalents and restricted financial investments recorded in current assets, utilized in the implementation activities of the Company's developments currently under construction.

The remaining balance of the excess of current liabilities over current assets (consolidated) resulted from the utilization of a substantial part of the financial resources for the construction of wind power plants, small hydroelectric plants and transmission lines currently in progress. The short-term financial equilibrium will be restored as the Group receives the funds from long-term financing that has already been, or will be, contracted, amounting to R\$ 147,504, comprised as follows: (i) Barra dos Coqueiros Wind Power Plant - financing agreement currently at the execution stage with China Development Bank, amounting to R\$ 88,000, the first installment of which is expected to be released in June 2012; and (ii) Enercasa - financing agreement with the National Bank for Economic and Social Development (BNDES), amounting to R\$ 59,504, the first installment of which, amounting to R\$ 55,504, was released in January, and the second and last installment, in the amount of R\$ 4,000, is expected to be released in May 2012. This change in the consolidated bank debt profile, transferring financing from the short-term to the long-term, will help the Group to reverse its current net capital deficiency situation.

The Group is clearly expanding, investing in assets with a high added value, thus requiring high volumes of financial resources, obtained as follows: (i) capital increases made by the controlling shareholders; and (ii) long-term financing agreements with banks linked to the Federal Government with a view to complying with the 2020 Ten-year Energy Expansion Plan, disclosed by the Energy Research Company, which forecasts the continuity of investments in the sector. The Group's control block is formed by Jackson Empreendimentos Ltda. (parent of Engevix Engenharia S.A.), SN Power and FUNCEF, large companies with significant operations in the Group's business areas.

In addition, the Group can resort to short and medium-term financing from financial institutions to meet its working capital needs, or decide to sell assets in use, under implementation, or projects under development as a means to fund investments. The substitution of cash flows with others that are more appealing to the Group can be considered as a justification for the sale of an asset at any stage of its useful life. Finally, it should be highlighted that a significant part of the plants under implementation (small hydroelectric plants, wind power plants and transmission lines) will start operations in 2012, representing a new source of financial resources for the Group.

2 Summary of significant accounting policies and presentation of the Quarterly Information (ITR)

The parent company interim accounting information included in these financial statements is presented in accordance with the accounting standard CPC 21 - "Interim Financial Reporting", and in a manner consistent with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

The consolidated interim accounting information included in these financial statements is presented in accordance with the accounting standard CPC 21 - "Interim Financial Reporting" and International Accounting Standard (IAS) 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), and in a manner consistent with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

Therefore, as described in Official Letter CVM/SNC/SEP nº 03/2011, the Group opted to present the explanatory notes in this Quarterly Information in a summarized manner when they duplicate

Desenvix Energias Renováveis S.A.

Notes to the quarterly information at March 31, 2012

All amounts in thousands of reais, unless otherwise stated

information already presented in its annual financial statements. In these cases, the full explanatory note in the annual financial statements is identified, in order not to prejudice the understanding of the financial position and performance during the interim period.

This interim accounting information should be read together with the parent company and consolidated financial statements as at December 31, 2011, which were prepared in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), respectively.

The Group states that the basis of preparation and accounting policies are the same as those adopted in the annual financial statements for the year ended December 31, 2011. Therefore, the corresponding information should be read in Note 2 to the aforementioned financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective

There were no changes in the new standards, amendments and interpretations to standards that were not yet effective in the first quarter of 2012 in relation to the information disclosed in Note 2.23 to the consolidated financial statements for the year ended December 31, 2011.

3 Critical accounting estimates and judgments

The Group states that the information on critical accounting estimates and judgments presented in the financial statements for the year ended December 31, 2011 continue to apply to this Quarterly Information (ITR), and that such information is disclosed in Note 3 to the aforementioned financial statements.

4 Capital management

There were no changes in the capital management policy in the first quarter of 2012 in comparison with the policy disclosed in Note 4 to the consolidated financial statements for the year ended December 31, 2011.

The gearing ratios at March 31, 2012 and December 31, 2011 can be summarized as follows:

	<u>Consolidated</u>	
	<u>March 31, 2012</u>	<u>December 31, 2011</u>
Total financing (Note 12)	792,643	755,675
Less: cash and cash equivalents (Note 5)	29,158	41,490
Less: restricted financial investments (Note 7)	<u>33,298</u>	<u>56,880</u>
Net debt	<u>730,187</u>	<u>657,305</u>
Total equity	<u>720,141</u>	<u>598,136</u>
Total capital	<u>1,450,328</u>	<u>1,255,441</u>
Gearing ratio - %	50.35	52.36

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The decrease in the gearing ratio as at March 31, 2012 arose from the increase in share capital of R\$ 120,000 through the issuance of new shares to SN Power (Note 17(a)).

5 Cash and cash equivalents

	Parent		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Cash and banks	8,849	401	17,032	37,617
Financial investments	8	5	12,126	3,873
	<u>8,857</u>	<u>406</u>	<u>29,158</u>	<u>41,490</u>

Financial investments comprise Bank Deposit Certificates (CDBs) and Fixed-income Funds, with average yields equivalent to 100% of the variation of the Interbank Deposit Certificate (CDI) rate, issued by financial institutions in Brazil. These financial investments are redeemable at any time with no penalty.

6 Trade receivables

	Parent		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Electric power supply (i)				
Electric Power Trade Chamber (CCEE)			18,199	17,867
Eletrobras - PROINFA			4,651	5,988
Third parties			9,684	8,109
Customers - third parties (ii)			2,699	2,511
Customers - related parties (Note 11)	3,990	2,770	470	250
Provision for impairment of trade receivables (iii)	(220)	(220)	(220)	(220)
	<u>3,770</u>	<u>2,550</u>	<u>35,483</u>	<u>34,505</u>

(i) Refers to electric power supply contracts in the ambit of the Incentive Program for Alternative Sources of Electric Power (PROINFA) and the Electric Power Trade Chamber (CCEE) and with third parties, with an average maturity of 35 days.

(ii) The balance as at March 31, 2012 (consolidated) refers to receivables from the subsidiary Enex O&M de Sistemas Elétricos Ltda.

(iii) The balance provided for at March 31, 2012 refers to outstanding trade notes of Usina Hidrelétrica de Cubatão S.A.

7 Restricted cash investments

In compliance with the financing contracts with the National Bank for Social and Economic Development (BNDES) to fund the construction of the Esmeralda, Santa Laura, Santa Rosa and Moinho Small Hydroelectric Plants, the Alzir dos Santos Antunes Hydroelectric Power Plant and the Novo

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All amounts in thousands of reais, unless otherwise stated

Horizonte, Seabra and Macaúbas Wind Power Plants, the companies must maintain balances in an interest-earning current account, or financial investment account, named "reserve account", with sufficient funds to settle the amount equivalent to the last three monthly installments of, at least, the principal, interest and other accessories at any time. This amount will remain blocked throughout the repayment term of the aforementioned financing contract (Note 12).

The investments are held with the banks Itaú S.A., Bradesco S.A., Banco do Nordeste do Brasil S.A. and Banco do Brasil S.A., with a yield equivalent to 100% of the variation of the Interbank Deposit Certificate (CDI) rate.

The changes in these investments were as follows:

	<u>Consolidated</u>	
	<u>March 31, 2012</u>	<u>December 31, 2011</u>
At the beginning of the quarter/year	56,880	18,139
New investments	1,660	38,515
Redemptions	(26,005)	(1,863)
Yields, net of taxes	763	2,089
At the end of the quarter/year	<u>33,298</u>	<u>56,880</u>
Current assets (*)	<u> </u>	<u>(24,799)</u>
Non-current assets	<u>33,298</u>	<u>32,081</u>

(*) Refers to an investment held with Banco Itaú S.A., amounting to R\$ 24,799, pledged as collateral for a bank guarantee letter issued by this financial institution in connection with a loan granted by SN Power, which transaction was concluded in March 2012, and, consequently, the financial investment was redeemed on the same date.

The fair values of financial investments as at March 31, 2012 and December 31, 2011 approximated their carrying values.

8 Investments

	<u>Parent</u>		<u>Consolidated</u>	
	<u>March 31, 2012</u>	<u>December 31, 2011</u>	<u>March 31, 2012</u>	<u>December 31, 2011</u>
In subsidiaries	502,673	513,910		
In associates	50,820	41,214	50,820	41,214
Available-for-sale investments	<u>78,380</u>	<u>74,258</u>	<u>78,380</u>	<u>74,258</u>
	631,873	629,382	129,200	115,472
Acquisition of land	<u>21,439</u>	<u>21,439</u>	<u>21,439</u>	<u>21,439</u>
	<u>653,312</u>	<u>650,821</u>	<u>150,639</u>	<u>136,911</u>

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All amounts in thousands of reais, unless otherwise stated

(a) The composition of investments in subsidiaries, associates and other companies can be presented as follows:

	March 31, 2012					December 31, 2011				
	Cost	Goodwill	Advance for future capital increase	Provision for losses	Investment	Cost	Goodwill	Advance for future capital increase	Provision for losses	Investment
Subsidiaries										
Enercasa - Energia Caiuá S.A.	23,997				23,997	26,715				26,715
Energen Energias Renováveis S.A.	12,092	6,970			19,062	12,225	6,970			19,195
Enex O&M de Sistemas Elétricos Ltda.	2,475	35,813			38,288	1,860	36,100			37,960
Esmeralda S.A.	36,011				36,011	33,951				33,951
Macaúbas Energética S.A.	46,328				46,328	46,344				46,344
Moinho S.A.	30,419				30,419	29,396				29,396
Monel Monjolinho Energética S.A.	109,904				109,904	125,406				125,406
Novo Horizonte Energética S.A.	40,289				40,289	40,311				40,311
Passos Maia Energética S.A.	23,908	3,541			27,449	22,265	3,541			25,806
São Roque Energética S.A.	1				1					
Santa Laura S.A.	33,234				33,234	32,499				32,499
Santa Rosa S.A.	57,946				57,946	56,567				56,567
Seabra Energética S.A.	39,745				39,745	39,760				39,760
	<u>456,349</u>	<u>46,324</u>			<u>502,673</u>	<u>467,299</u>	<u>46,611</u>			<u>513,910</u>
Associates										
Caldas Novas Transmissão S.A.	25		649		674	25				25
BBE Bioenergia S.A. (*)	2,213			(2,213)		2,213		(2,213)		
Enerpar Energia do Paraná e Participações S.A.	2,152				2,152	2,171				2,171
Goias Transmissão S.A.	22,024		7,140		29,164	20,857				20,857
MGE Transmissão S.A.	18,173				18,173	17,497				17,497
Usina Hidrelétrica de Cubatão S.A.	657				657	338		326		664
	<u>45,244</u>		<u>7,789</u>	<u>(2,213)</u>	<u>50,820</u>	<u>43,101</u>		<u>326</u>	<u>(2,213)</u>	<u>41,214</u>
Available-for-sale investments										
CERAN - Cia. Energética Rio das Antas	70,209				70,209	66,264				66,264
Dona Francisca Energética S.A.	8,171				8,171	7,994				7,994
	<u>78,380</u>				<u>78,380</u>	<u>74,258</u>				<u>74,258</u>
	<u>579,973</u>	<u>46,324</u>	<u>7,789</u>	<u>(2,213)</u>	<u>631,873</u>	<u>584,658</u>	<u>46,611</u>	<u>326</u>	<u>(2,213)</u>	<u>629,382</u>

(*) As a result of the contract entered into with SN Power, the Company must transfer its ownership interest in BBE to Jackson Empreendimentos Ltda.

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(b) The main information on equity investments is summarized as follows:

	Ownership interest - %		Equity (net capital deficiency) - adjusted		Profit (loss) for the period - adjusted		Investment amount		Equity in the results		Provision for net capital deficiency	Profits distributed or distributable	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	March 31, 2011	March 31, 2011	March 31, 2012	December 31, 2011
Subsidiaries													
Enercasa - Energia Caiuá S.A.	100	100	23,998	26,692	(2,694)	(586)	23,997	26,715	(2,694)	(586)	(2,466)		
Energen - Energias Renováveis S.A.	88.33	88.33	13,689	13,840	(151)		19,062	19,195	(133)				
Enex O&M de Sistemas Elétricos Ltda.	100	100	2,475	1,861	613	200	38,288	37,960	613	100			(200)
Esmeralda S.A.	99.99	99.99	36,011	33,951	2,060	1,793	36,011	33,951	2,060	1,796			(1,952)
Macaúbas Energética S.A.	99.99	99.99	46,329	46,345	(16)	(71)	46,328	46,344	(16)	(71)			
Moinho S.A.	99.99	99.99	30,417	29,388	1,029	(6)	30,419	29,396	1,029	(6)			(147)
Monel Monjolinho Energética S.A.	99.99	99.99	109,905	125,572	1,119	1,631	109,904	125,406	1,284	919		(16,786)	(1,110)
Novo Horizonte Energética S.A.	99.99	99.99	40,290	40,312	(22)	(42)	40,289	40,311	(22)	(42)			
Passos Maia Energética S.A.	50	50	47,440	44,339	3,292	(8)	27,449	25,806	1,646	(4)			
São Roque Energética S.A.	100		(250)		(251)		1		1				
Santa Laura S.A.	99.99	99.99	33,235	32,499	736	675	33,234	32,499	736	679			(1,925)
Santa Rosa S.A.	99.99	99.99	57,946	56,567	1,379	970	57,946	56,567	1,379	990			(475)
Seabra Energética S.A.	99.99	99.99	39,745	39,760	(15)	(32)	39,745	39,760	(15)	(32)			
Associates													
BBE Bioenergia S.A.	12.5	12.5					674	25					
Caldas Novas Transmissão S.A.	25.1	25.1							(19)				
Enerpar Energia do Paraná e Participações S.A.	5.28	25	40,756	8,684	(383)	(3)	2,152	2,171	(19)				
Goiás Transmissão S.A.	25.5	25.5	114,369	81,792	5,188	1,362	29,164	20,857	1,167	1,381			
MGE Transmissão S.A.	25.5	25.5	71,268	68,617	3,062	1,105	18,173	17,497	676	(1,046)			
Usina Hidrelétrica de Cubatão S.A.	20	20	1,656	1,656			657	664	(7)				
Available-for-sale investments													
CERAN - Cia. Energética Rio das Antas (*)	5	5	626,426	604,889	21,537	15,584	70,209	66,264					
Dona Francisca Energética S.A. (*)	2.12	2.12	120,519	112,215	8,304	7,875	8,171	7,994					
							<u>631,873</u>	<u>629,382</u>	<u>7,685</u>	<u>4,078</u>	<u>(2,466)</u>	<u>(16,786)</u>	<u>(5,809)</u>

(*) Investments classified as "available-for-sale financial instruments", as described in Note 2.6.1(a) to the financial statements at December 31, 2011. The accumulated carrying value adjustment as at March 31, 2012 and December 31, 2011 totaled R\$ 53,921 and R\$ 49,800 (net of tax effects - R\$ 44,587 and R\$ 41,867), respectively.

The equity at March 31, 2012 of Monel Monjolinho Energética S.A., Esmeralda S.A., Santa Laura S.A., Santa Rosa S.A. and Moinho Energética S.A. was adjusted, for equity accounting purposes, by the amount of unrealized profits arising from transactions carried out between the Company and the aforementioned subsidiaries, in the amounts of R\$ 2,408, R\$ 186, R\$ 275, R\$ 1,695 and R\$ 1,748 (R\$ 2,431, R\$ 189, R\$ 279, R\$ 1,715 and R\$ 1,765 at December 31, 2011), respectively.

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The changes in investments were as follows:

	Parent	
	March 31, 2012	December 31, 2011
At the beginning of the quarter/year	650,821	381,919
Acquisition of land		499
Capital contributions or advances for future capital increase	7,789	172,028
Acquisition of ownership interest		50,385
Carrying value adjustments	4,122	9,515
Equity in the results of investees	7,685	15,726
Financial charges capitalized in subsidiaries		9,677
Gain on investment		17,264
Amortization of financial charges capitalized in subsidiary	(32)	
Amortization of goodwill on firm contracts of Enex O&M de Sistemas Elétricos Ltda.	(287)	(383)
Dividends received or receivable	(16,786)	(5,809)
At the end of the quarter/year	<u>653,312</u>	<u>650,821</u>

The total balances of the balance sheet and income statement accounts of the jointly-controlled subsidiaries, included in the consolidated financial statements proportionally to the ownership interest held, are summarized below:

	Passos Maia Energética S.A.	
	March 31, 2012	December 31, 2011
Assets		
Current assets	13,127	5,820
Non-current assets		
Property, plant and equipment	140,005	124,923
Intangible assets	2,407	
	<u>155,539</u>	<u>130,743</u>
Liabilities and equity		
Current liabilities	18,597	5,756
Non-current liabilities	89,502	80,648
Equity	47,440	44,339
	<u>155,539</u>	<u>130,743</u>

	Passos Maia Energética S.A. (*)		Enex O&M de Sistemas Elétricos Ltda.
	March 31, 2012	March 31, 2011	March 31, 2011
Profit (loss) for the quarter			
Net revenue	7,336		4,444
Cost of services rendered	(854)		(2,708)
Operating expenses	(2,958)	(4)	(1,382)
Finance income (costs)	36	(4)	(58)
Income tax and social contribution	(268)		(96)
Profit (loss) for the quarter	<u>3,292</u>	<u>(8)</u>	<u>200</u>

(*) The National Electric Power Agency (ANEEL), through Decision nº 378, of February 1, 2012, authorized the generating units UG1 and UG2 of the Victor Baptista Adami Small Hydroelectric Plant to start operations on an experimental basis, and, through Decisions nºs 583 and 606, of February 17 and February 23, 2012, respectively, liberated the generating units to initiate their commercial operations.

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There were no significant changes in the other investments of the Company in comparison with the information disclosed in the parent company and consolidated financial statements at December 31, 2011. Therefore, the information on subsidiaries and associates should be read in Note 8 to the aforementioned financial statements.

9 Property, plant and equipment

	Consolidated			
	March 31, 2012			December 31, 2011
	Cost	Accumulated depreciation	Net amount	Net amount
Plants and others				
Land	20,170	(1,696)	18,474	18,818
Land - lawsuits (i)	2,293		2,293	2,279
Reservoirs, dams and watermains	474,520	(45,049)	429,471	408,535
Buildings, civil construction work and improvements	41,567	(3,725)	37,842	35,612
Machinery and equipment	521,812	(21,551)	500,261	487,189
Materials stored in warehouses and others	991		991	823
Furniture and fittings	584	(134)	450	470
IT and other equipment	763	(224)	539	359
Other	1,609	(35)	1,574	413
Interconnection systems				
Land	137		137	137
Buildings, civil construction work and improvements	633	(31)	602	271
Machinery and equipment	60,552	(3,533)	57,019	47,082
Construction in progress, rights of way and others	68		68	68
Advances to suppliers	92,969		92,969	90,115
Construction in progress (ii)	151,664		151,664	165,433
	<u>1,370,332</u>	<u>(75,978)</u>	<u>1,294,354</u>	<u>1,257,604</u>

(i) "Land - lawsuits" is represented by the amount deposited in escrow as a result of lawsuits in progress filed due to documentary issues and disagreement with amounts related to the expropriation of areas required for the installation of plants, as approved by ANEEL (declaration of public utility for expropriation purposes). The legal advisors responsible for monitoring the lawsuits classify the likelihood of a favorable outcome in these cases as probable.

(ii) Analysis of the balance "Construction in progress":

	Consolidated	
	March 31, 2012	December 31, 2011
Coordination and contracting of supply	67,844	64,703
Engineering and management of construction work	25,011	8,322
Financial charges	17,103	16,920
Construction site and camping	14,206	29,440
Studies and projects	11,365	14,483
Environmental costs	6,570	5,400
Engineering and EPC management	2,400	13,607
Civil and reservoir construction work	1,029	4,208
Other	6,136	8,350
	<u>151,664</u>	<u>165,433</u>

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The changes in consolidated property, plant and equipment were as follows:

	Plants and others	Interconnection system	Advances to suppliers	Construction in progress	Total
At December 31, 2010	568,829	21,584	124,782	92,680	807,875
Addition on acquisition of investments	477			319	796
Additions	193,813	19,149	125,442	117,869	456,273
Depreciation	(25,009)	(1,222)			(26,231)
Capitalized financial charges				19,976	19,976
Transfers between accounts	216,756	8,764	(160,109)	(65,411)	
Disposals	(368)	(717)			(1,085)
At December 31, 2011	954,498	47,558	90,115	165,433	1,257,604
Additions	996	7,897	33,342	26,699	68,934
Depreciation	(7,714)	(445)			(8,159)
Capitalized financial charges				4,906	4,906
Transfers between accounts	44,201	2,816	(1,643)	(45,374)	
Disposals	(86)		(28,845)		(28,931)
At March 31, 2012	<u>991,895</u>	<u>57,826</u>	<u>92,969</u>	<u>151,664</u>	<u>1,294,354</u>

The annual depreciation rates of property, plant and equipment are as follows:

	Average rate	Percentage
Plants and others		
Reservoirs, dams and watermains	4.08	3.7 to 4.8
Buildings, civil construction work and improvements	4.24	3.7 to 4.8
Machinery and equipment	4.29	3.7 to 6.7
Furniture and fittings	10.00	10.0
IT and other equipment	20.00	20.0
Interconnection systems		
Buildings, civil construction work and improvements	4.24	3.7 to 4.8
Machinery and equipment	4.03	3.7 to 4.8

10 Intangible assets

	Consolidated			
	Cost	Accumulated amortization	Net amount	December 31, 2011
	March 31, 2012	March 31, 2012	March 31, 2012	December 31, 2011
Feasibility, environmental and inventory studies and projects	22,182		22,182	32,516
Use of Public Assets (UBP)	66,499	(6,209)	60,290	60,891
Operating permits	8,255	(5,002)	3,253	3,412
Authorization right	10,511		10,511	10,511
Goodwill on acquisition of investment	30,732		30,732	30,732
Firm contracts	5,751	(670)	5,081	5,368
Other	2,691	(306)	2,385	1,523
	<u>146,621</u>	<u>(12,187)</u>	<u>134,434</u>	<u>144,953</u>

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The analysis of feasibility, environmental and inventory studies, basic projects and others is as follows:

	Consolidated		
	March 31, 2012		December 31, 2011
	Contracts with a resolatory condition	Other contracts and costs	Total
			Total
Feasibility and environmental studies			
Baixo Iguaçu HPP	5,000		5,000
Itapiranga HPP	1,100		1,100
Riacho Seco HPP	3,350	6,907	10,257
Torixoréu HPP	2,500		2,500
São Roque HPP (*)			10,335
Inventory studies			
Itacaiunas River	1,820		1,820
Basic projects and others			
Bonança SHP	1,493	9	1,502
Other		3	3
	<u>15,263</u>	<u>6,919</u>	<u>22,182</u>
			<u>32,516</u>

HPP - Hydroelectric Power Plant

SHP - Small Hydroelectric Plant

(*) On December 28, 2011, the Board of Directors confirmed the decision of the Company's Executive Board to make a bid at the A-5 electric power auction to acquire the rights to operate the São Roque Hydroelectric Power Plant. On January 24, 2012, through a Shareholders' General Meeting, São Roque Energética S.A. was granted an authorization to be legally constituted. On January 26, 2012, the Company transferred the balance of intangible assets to receivables from related parties.

The changes in intangible assets can be summarized as follows:

	Parent	Consolidated
At December 31, 2010	29,640	100,270
Expenditures incurred in the period	7,228	7,228
Expenditures allocated to the result (Note 21)	(4,352)	(4,352)
Other additions		2,651
Firm contracts		5,751
Authorization right		6,970
Goodwill on acquisition of ownership interest (Enex)		30,732
Intangible assets arising from acquisition of subsidiary		190
Amortization of Use of Public Assets (UBP) and others		(4,487)
At December 31, 2011	32,516	144,953
Expenditures incurred in the period	715	715
Expenditures allocated to the result (Note 21)	(714)	(714)
Transfer to receivables from third parties (Note 11)	(10,335)	(10,335)
Environmental permit costs		1,297
Other additions		7
Amortization of goodwill on firm contracts of Enex O&M de Sistemas Elétricos Ltda.		(287)
Amortization of Use of Public Assets (UBP), permits and others		(1,202)
At March 31, 2012	<u>22,182</u>	<u>134,434</u>

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There were no significant changes in the nature of, and information on, the intangible assets in relation to the information disclosed in the parent company and consolidated financial statements at December 31, 2011. Therefore, this information should be read in Note 10 to the aforementioned financial statements.

11 Related parties

	Parent		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Current assets				
Trade receivables				
Esmeralda S.A.	580	460		
Santa Laura S.A.	290	230		
Enercasa Energia Caiuá S.A.	200	80		
Santa Rosa S.A.	580	460		
Moinho S.A.	280	160		
Monel Monjolinho Energética S.A.	1,160	920		
Passos Maia Energética S.A.	500	60	250	30
Novo Horizonte Energética S.A.	60	60		
Macaúbas Energética S.A.	60	60		
Seabra Energética S.A.	60	60		
	<u>3,770</u>	<u>2,550</u>	<u>250</u>	<u>30</u>
Dividends receivable				
Monel Monjolinho Energética S.A.		943		
Santa Laura S.A.	728	1,015		
Moinho S.A.		147		
Esmeralda S.A.		772		
	<u>728</u>	<u>2,877</u>		
Non-current assets - long-term receivables (i)				
SN Power	2,252		2,252	
Enercasa - Energia Caiuá S.A.	45	45,504		
Macaúbas Energética S.A.		13		
Moinho S.A.	11,496	12,785		
Energen - Energias Renováveis S.A.	48,057			
Usina Pau D'Alho S.A.	13,580	13,295	13,580	13,295
UHE Cubatão S.A.	7	7	7	7
São Roque Energética S.A.	10,586		10,586	
FUNCEF (ii)	5,282	4,275	5,282	4,275
Bom Retiro S.A.	150	133	150	134
Água Quente Ltda.			915	915
JP Participações Ltda.	525	525	525	525
Jackson Empreendimentos Ltda. (ii)	20,943	14,529	20,943	14,529
	<u>112,923</u>	<u>91,066</u>	<u>54,240</u>	<u>33,680</u>
Total assets	<u>117,721</u>	<u>96,493</u>	<u>54,490</u>	<u>33,710</u>

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Notes to the quarterly information at March 31, 2012

All amounts in thousands of reais, unless otherwise stated

	Parent		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Current liabilities				
Trade payables				
Engevix Engenharia S.A.			9,934	6,505
Related parties (i)				
Engevix Engenharia S.A.	1,002	1,002	10,741	4,713
Monel Monjolinho Energética S.A.		16,833		
Santa Rosa S.A.	920	920		
SN Power (iii)		118,346		118,346
Esmeralda S.A.	2,684			
Santa Rita Comércio e Instalações Ltda.	324		324	
Macaúbas Energética S.A.	4,190			
Novo Horizonte Energética S.A.	7,008			
Cel Engenharia Ltda.	324		324	
Goiás S.A.	2,040		2,040	
Seabra Energética S.A.	4,023			
Energen Energias Renováveis S.A.	1,131	1,131		
Santa Laura S.A.	293	162		
Enex O&M de Sistemas Elétricos Ltda.				
Adami S.A. Madeiras				
	<u>23,939</u>	<u>138,394</u>	<u>13,429</u>	<u>123,059</u>
Total liabilities	<u>23,939</u>	<u>138,394</u>	<u>23,363</u>	<u>129,564</u>

- (i) Basically refer to intercompany loans, without maturity and not subject to financial charges.
- (ii) In the quarter ended March 31, 2012, the costs totaling R\$ 7,421 incurred on the issuance of shares, referring to legal fees, external audit costs, organizational restructuring, legal publicity, among other costs, were transferred to Jackson and FUNCEF.
- (iii) Financing in local currency that was converted into paid-up capital in March 2012 through the issuance of new shares to the new shareholder SN Power (Note 17(a)).

	Parent		Consolidated	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Result for the quarter				
Revenues from services rendered				
Cevix Energias Renováveis S.A.				
Enex O&M de Sistemas Elétricos				628
Esmeralda S.A.	120	120		
Enercasa Energia Caiuá S.A.	120	180		
Monel Monjolinho Energética S.A.	240	240		
Moinho S.A.	120	180		
Santa Laura S.A.	60	60		
Santa Rosa S.A.	120	120		
Passos Maia Energética S.A.	440	180	220	
Macaúbas Energética S.A.	180	180		
Seabra Energética S.A.	180	180		
Novo Horizonte Energética S.A.	180	180		
	<u>1,760</u>	<u>1,620</u>	<u>220</u>	<u>628</u>

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All amounts in thousands of reais, unless otherwise stated

The revenue billed (full amount) by the subsidiary Enex O&M de Sistemas Elétricos Ltda., considered as electric power service costs for Small Hydroelectric Plants (SHPs) and Hydroelectric Power Plants (HPPs) totaled R\$ 2,280 in the quarter ended March 31, 2012 (R\$ 1,256 in the quarter ended March 31, 2011, when the company was jointly-owned (50%)). The amount billed by Engevix Engenharia S.A. to the Company and its subsidiaries totaled R\$ 13,984 in the quarter ended March 31, 2012 (R\$ 25,048 in the quarter ended March 31, 2011), and was substantially represented by the plant construction cost.

The remuneration of key management personnel, which includes shareholders and officers, totaled R\$ 942 in the quarter ended March 31, 2012 (R\$ 951 in the quarter ended March 31, 2011).

The Company maintains contracts for the rendering of services related to the management of operating activities with Santa Laura, Santa Rosa, Esmeralda, Monel, Moinho, Passos Maia, Macaúbas, Seabra, Novo Horizonte and Enercasa, and prices are determined considering the internal costs.

Esmeralda, Santa Laura, Santa Rosa, Monel, Moinho, Passos Maia and Enercasa have entered into contracts with Enex O&M de Sistemas Elétricos Ltda. for operating and maintenance services for the plants.

12 Financing

	Parent		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Construction financing - BNDES (i)			479,059	424,466
Construction financing - BNB (ii)			272,411	271,422
Bank Credit Certificate (iii)	15,025	31,033	15,025	31,033
Financing of Studies and Projects (FINEP) (iv)	15,104	17,406	15,140	17,443
Working capital financing (v)	10,000	10,000	10,000	10,000
Other	57	65	1,008	1,311
	<u>40,186</u>	<u>58,504</u>	<u>792,643</u>	<u>755,675</u>
Current liabilities	<u>(33,503)</u>	<u>(49,665)</u>	<u>(70,728)</u>	<u>(81,519)</u>
Non-current liabilities	<u>6,683</u>	<u>8,839</u>	<u>721,915</u>	<u>674,156</u>

The changes in financing were as follows:

	Parent	Consolidated
At December 31, 2010	36,076	399,012
Funding transactions	211,052	561,916
Repayments	(208,539)	(270,793)
Financial charges		
Allocated to the result	10,238	44,899
Capitalized in property, plant and equipment of subsidiaries	9,677	19,976
Balance arising from acquisition of ownership interest (Enex)		665
At December 31, 2011	<u>58,504</u>	<u>755,675</u>
Funding transactions	44,873	104,178
Repayments	(66,653)	(84,486)
Financial charges		
Allocated to the result	3,462	12,370
Capitalized in property, plant and equipment of subsidiaries		4,906
At March 31, 2012	<u>40,186</u>	<u>792,643</u>

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All amounts in thousands of reais, unless otherwise stated

The carrying values and fair values of current and non-current borrowings were as follows:

	Consolidated			
	Carrying value		Fair value	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Construction financing - BNDES (i)	479,059	424,466	432,370	375,672
Construction financing - BNB (ii)	272,411	271,422	246,337	244,370
Bank Credit Certificate (iii)	15,025	31,033	15,244	31,048
Financing of Studies and Projects (FINEP) (iv)	15,140	17,443	16,087	17,185
Working capital financing (v)	10,000	10,000	4,592	7,379
Other	1,008	1,311	1,008	1,311
	<u>792,643</u>	<u>755,675</u>	<u>715,638</u>	<u>676,965</u>

The financing obtained by the Company and its subsidiaries has the following basic characteristics:

(i) **Financing for the construction of plants -
National Bank for Social and Economic
Development (BNDES)**

Companies	Financial charges - % p.a.	Consolidated	
		March 31, 2012	December 31, 2011
Esmeralda S.A.	TJLP(*) + 3.5	35,871	37,152
Santa Laura S.A.	TJLP + 3.5	31,632	32,590
Santa Rosa S.A.	TJLP + 3.8	79,973	81,981
Monel Monjolinho Energética S.A.	TJLP + 2.1	178,949	182,097
Passos Maia Energética S.A.	TJLP + 1.9	45,749	41,094
Enercasa Energia Caiuá S.A.	TJLP + 2.5	56,354	50,531
Moinho S.A.	TJLP + 2.0	50,531	49,552
		<u>479,059</u>	<u>424,466</u>

(*) TJLP - Long-term Interest Rate.

This financing is being repaid in consecutive monthly installments, as presented below:

	Number of installments	Maturity month	Year	
			First installment	Last installment
Esmeralda S.A.	144	April	2007	2019
Santa Laura S.A.	144	July	2008	2020
Santa Rosa S.A.	168	February	2009	2023
Monel Monjolinho Energética S.A.	192	October	2010	2026
Passos Maia Energética S.A.	160	October	2012	2026
Enercasa Energia Caiuá S.A.	158	June	2012	2025
Moinho S.A.	192	August	2012	2028

Comments on the financing obtained from BNDES can be read in Note 12 to the consolidated financial statements for the year ended December 31, 2011.

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Notes to the quarterly information at March 31, 2012

All amounts in thousands of reais, unless otherwise stated

(ii) Financing for the construction of plants - Bank of the Northeast of Brazil (BNB)

Companies	Financial charges - % p.a.	Consolidated	
		March 31, 2012	December 31, 2011
Seabra Energética S.A.	9.5	86,018	85,706
Novo Horizonte Energética S.A.	9.5	86,028	85,716
Macaúbas Energética S.A.	9.5	100,365	100,000
		<u>272,411</u>	<u>271,422</u>

This financing is being repaid in consecutive monthly installments, as presented below:

	Number of installments	Maturity month	Year	
			First installment	Last installment
Seabra Energética S.A.	180	July	2013	2028
Novo Horizonte Energética S.A.	180	July	2013	2028
Macaúbas Energética S.A.	180	July	2013	2028

Comments on the financing obtained from BNB can be read in Note 12 to consolidated financial statements for the year ended December 31, 2011.

(iii) Bank Credit Certificate

The balance as at December 31, 2011 was contracted from Banco Santander S.A., as a loan subject to financial charges corresponding to 100% of the Interbank Deposit (DI) average daily rate, plus interest of 4.5% per year, to be paid in a single installment, which occurred in March 2012. The balance as at March 31, 2012 was contracted from Banco Pine S.A., as a loan subject to financial charges corresponding to 100% of the Interbank Deposit (DI) average daily rate, plus interest of 4.4% per year, to be paid in a single installment in July 2012.

(iv) Financing of Studies and Projects (FINEP)

The financing was obtained to partially fund expenses incurred for the preparation of the project called "Basic Projects, Inventory and Environmental Feasibility Studies for Small Hydroelectric Plants", is subject to financial charges corresponding to compound interest of 5% per year, above the Long-Term Interest Rate (TJLP), and is repayable in 49 consecutive monthly installments, with the first installment maturing in December 2009 and the last installment in 2013. Financial charges are payable on a monthly basis during the grace period (from the date the financing is contracted to the initial date of debt repayment), and subsequently, together with financing amortization installments. Bank guarantee letters were given as collateral.

(v) Working capital financing

The financing was contracted from Banco do Brasil S.A., and is subject to monthly financial charges corresponding to 100% of the CDI variation plus interest of 2.80% per year. Financial charges will be paid in 12 monthly installments, the first of which maturing on September 17, 2011 and the last on

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August 17, 2012. The principal matures in a single installment together with the last installment of financial charges. A surety from Engevix Engenharia S.A. was pledged as collateral for the total amount of the debt.

13 Payables for land acquisitions

There were no significant changes in the nature of, and information on, the Company's payables for land acquisition in relation to the information disclosed in the parent company and consolidated financial statements as at December 31, 2011. Therefore, this information should be read in Note 13 to the aforementioned financial statements.

14 Concessions payable and provision for social and environmental costs

There were no significant changes in the nature of, and information on, the Company's concessions payable and provision for social and environmental costs in relation to the information disclosed in the parent company and consolidated financial statements as at December 31, 2011. Therefore, the information on these accounts should be read in Note 14 to the aforementioned financial statements.

15 Taxes and contributions

	Parent		Consolidated	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Social Contribution on Revenues (COFINS)	238	292	1,740	1,776
Social Integration Program (PIS)	52	63	377	386
Withholding taxes (ISSQN, IRRF, INSS, CSLL) and others	2,479	2,517	3,589	4,057
ANEEL fees and contributions			741	663
Tax on Financial Transactions (IOF)	6,260	5,143	6,260	5,143
Tax on Services of Any Kind (ISSQN)	4	40	353	235
Value-added Tax on Sales and Services (ICMS)			851	350
	<u>9,033</u>	<u>8,055</u>	<u>13,911</u>	<u>12,610</u>

16 Other liabilities (consolidated)

There were no significant changes in the nature of, and information on, other liabilities in relation to the information disclosed in the parent company and consolidated financial statements as at December 31, 2011. Therefore, this information should be read in Note 16 to the aforementioned financial statements.

17 Equity

(a) Share capital

Subscribed and paid-up capital at March 31, 2012 was represented by 107,439,555 (100,000,000 - December 31, 2011) registered common shares, with no par value.

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All amounts in thousands of reais, unless otherwise stated

At an Extraordinary Shareholders' Meeting held on March 8, 2012, the shareholders approved the following: (i) an increase in the Company's capital through the issuance of 7,439,555 registered common shares with no par value, which were subscribed and paid by SN Power with a previously granted advance of R\$ 120,000; (ii) an alteration in the composition of the Company's Board of Directors; (iii) an alteration in the composition of the Company's Statutory Audit Committee; (iv) approval of the structure, composition and attributions of the Company's Advisory Committees; and (v) approval of the Company's new Bylaws. Pursuant to this approval, the wording of Article 5 of the Company's Bylaws was changed to: "Fully subscribed and paid-in share capital is R\$ 666,787, divided into 107,439,555 registered common shares with no par value". In the quarter ended March 31, 2012, share issuance costs of R\$ 1,475, relating to legal fees, external audit costs, organizational restructuring, legal publicity, among other items, were recorded as a reduction of share capital. Fully subscribed and paid-up share capital at March 31, 2012, net of the aforementioned expenses, amounted to R\$ 665,312.

The members of the Company's new control block (Jackson and SN Power) entered into a shareholders' agreement regulating their relationship as shareholders and owners of the Company, according to which Jackson now has the indirect control of the Company through Caixa Fundo de Investimento em Participações Cevix, whereas SN Power and FUNCEF hold direct control of the Company. The Company's shareholding structure is as follows: Jackson - 40.65%; SN Power - 40.65% and FUNCEF - 18.70%.

(b) Dividends

The profit for each year, after the offsets and deductions established in applicable legislation and in accordance with the bylaws, is allocated as follows:

- 5% to the legal reserve, up to 20% of paid-up share capital.
- 25% of the remaining balance, after the recognition of the legal reserve, for payment of mandatory minimum dividends to all shareholders.

18 Net operating revenue

	Parent		Consolidated	
	2012	2011	2012	2011
Electric power supply			44,131	27,360
Services rendered	1,760	1,620	6,350	2,015
Taxes on services rendered	(92)	(67)	(764)	
Taxes on electric power sales			(2,566)	(2,189)
Net operating revenue	<u>1,668</u>	<u>1,553</u>	<u>47,151</u>	<u>27,186</u>

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19 Costs and expenses by nature

	Parent		Consolidated	
	2012	2011	2012	2011
Personnel expenses	1,204	890	5,746	1,882
Management remuneration	942	951	942	951
Outsourced services	746	1,100	2,206	2,990
Travel and lodging	269	122	535	193
Rentals	77	155	659	207
Taxes and fees			267	
Industry charges		33	1,627	96
Depreciation and amortization	12	11	9,361	7,091
Advertising and publicity	182	20	201	20
Surety insurance and commissions		318	643	724
Electric power purchases (*)			8,201	
Other	75	638	400	1,661
Costs, general and administrative expenses and management fees	<u>3,507</u>	<u>4,238</u>	<u>30,788</u>	<u>15,815</u>

(*) A provision for costs was recorded in the Decasa Thermal Power Plant, in the amount of R\$ 6.4 million, contributing to the increase in the cost of electric power purchases. The provision was recorded due to the stoppage of the Pau D'Alho Plant, which supplies steam to the Decasa Thermal Power Plant, during the first quarter of 2012, due to preventive maintenance in its manufacturing area, which is realized annually during the periods between sugarcane crops. The cost was estimated based on historical amounts and also includes potential requirements for the purchase of electric power. The amounts provided will be adjusted as the total electric power generation is confirmed.

20 Net finance income and costs

	Parent		Consolidated	
	2012	2011	2012	2011
Finance costs				
Financing	(3,462)	(2,999)	(12,370)	(10,571)
Bank guarantee letters	(1,077)	(318)	(1,077)	(318)
IOF and fine and interest on taxes	(701)	(991)	(718)	(2,218)
Monetary variations	(96)		(96)	
Concessions payable and other expenses		(17)	(2,053)	(1,384)
Other finance costs	(66)		(397)	
	<u>(5,402)</u>	<u>(4,325)</u>	<u>(16,711)</u>	<u>(14,491)</u>
Finance income				
Income from financial investments	778	742	1,469	1,536
Monetary variations	167		167	
Interest and other		144	23	278
	<u>945</u>	<u>886</u>	<u>1,659</u>	<u>1,814</u>
	<u>(4,457)</u>	<u>(3,439)</u>	<u>(15,052)</u>	<u>(12,677)</u>

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21 Expenses with studies under development

The expenditures incurred for the preparation of studies of the inventory of basins and of the feasibility and environment of hydroelectric and wind power utilization, among others, were as follows:

	<u>2012</u>	<u>2011</u>
Bonito A SHP		43
Bonito B SHP	6	181
Salto Grande SHP		166
Pinhalito SHP	4	147
Barra dos Coqueiros Wind Power Plant		103
Piquiri River	11	99
Cascudo SHP		97
Eralzinho Baixo SHP		65
Bandeira SHP	4	55
Cobre SHP	4	46
São Manoel SHP	5	44
Areado, Bom Retiro, Barracão and Sossego SHPs	1	12
Sakura SHP	58	44
Bonança/Quebrada SHP	9	5
Riacho Seco HPP	42	1
Diamantina Wind Power Plant	11	5
Ercilândia HPP	35	
Foz do Piquiri HPP	196	
Apertados HPP	36	
Comissário HPP	209	
Cachoeira do Prata SHP	4	6
Other	79	95
	<u>714</u>	<u>1,214</u>

- . SHP - Small Hydroelectric Plant
- . HPP - Hydroelectric Power Plant

22 Income tax and social contribution

(a) For the quarter

The Company, as well as the subsidiaries Enex O&M de Sistemas Elétricos Ltda. and Monel Monjolinho Energética S.A., opted to compute taxable income in accordance with the taxable income system. The other subsidiaries opted for the presumed profit system to calculate the Income Tax (IRPJ) and Social Contribution (CSLL) due on their taxable income.

The IRPJ and CSLL charges in the quarters ended March 31 can be summarized as follows:

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All amounts in thousands of reais, unless otherwise stated

	<u>Consolidated</u>	
	<u>2012</u>	<u>2011</u>
Income tax and social contribution		
Current	(2,701)	(1,721)
Deferred	1,160	713
	<u>(1,541)</u>	<u>(1,008)</u>

The IRPJ and CSLL charges, by calculation system, in the quarters ended March 31 can be summarized as follows:

	<u>Consolidated</u>	
	<u>2012</u>	<u>2011</u>
Calculation system		
Taxable income		
Income tax	(1,271)	(858)
Social contribution	(458)	(311)
	<u>(1,729)</u>	<u>(1,169)</u>
Presumed profit		
Income tax	(631)	(368)
Social contribution	(341)	(184)
	<u>(972)</u>	<u>(552)</u>
Total charge in the quarter	<u>(2,701)</u>	<u>(1,721)</u>

The calculation of the taxes due under the profit system can be presented as follows:

	<u>Consolidated</u>			
	<u>2012</u>		<u>2011</u>	
	<u>IRPJ</u>	<u>CSLL</u>	<u>IRPJ</u>	<u>CSLL</u>
Presumed profit calculation basis				
Revenue from electric power sales	29,304	29,304	14,342	14,342
Finance and other income	698	698	323	323
	<u>29,304</u>	<u>29,304</u>	<u>14,342</u>	<u>14,342</u>
Taxable income				
Revenue from electric power sales - 8% for income tax and 12% for social contribution	2,344	3,516	1,147	1,721
Finance and other income - 100%	698	698	323	323
	<u>3,042</u>	<u>4,214</u>	<u>1,470</u>	<u>2,044</u>
Taxable presumed profit	<u>3,042</u>	<u>4,214</u>	<u>1,470</u>	<u>2,044</u>
Taxes appropriated to the result	<u>(631)</u>	<u>(341)</u>	<u>(368)</u>	<u>(184)</u>

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As previously mentioned, the Company opted to computed taxable income in accordance with the taxable income system, and, in the quarters ended March 31, 2012 and 2011, calculated tax losses of R\$ 6,300 and R\$ 5,808, respectively.

In the quarters ended March 31, 2012 and 2011, the subsidiaries Enex and Monel calculated income tax and social contribution payable totaling R\$ 1,375 and R\$ 354, respectively.

(b) Reconciliation of the current income tax and social contribution expense

	<u>Consolidated</u>	
	<u>2012</u>	<u>2011</u>
Profit (loss) before taxation	2,301	(4,460)
Loss before income tax, social contribution and result on equity investments in the parent and subsidiaries, which presented a tax loss in the quarter	9,715	9,736
Unrealized profit from transactions between the parent and subsidiaries, without the recognition of deferred taxes	84	(50)
Results from equity investments	<u>(1,985)</u>	<u>418</u>
	<u>10,115</u>	<u>5,644</u>
Combined income tax and social contribution statutory rate - %	<u>34</u>	<u>34</u>
Income tax and social contribution at the statutory rate	(3,439)	(1,919)
Adjustment for the calculation of the effective rate		
Difference in the income tax and social contribution charge of subsidiaries computed under the presumed profit system at different rates and tax bases	1,822	836
Other	<u>76</u>	<u>75</u>
Income tax and social contribution expense in the quarter	<u><u>(1,541)</u></u>	<u><u>(1,008)</u></u>

(c) Deferred

The Company has income tax and social contribution losses and temporarily non-deductible or non-taxable differences in the computation of taxable income, as presented below:

	<u>Parent and Consolidated</u>	
	<u>2012</u>	<u>2011</u>
Tax loss carryforwards	37,615	11,429
Temporarily non-deductible differences in the computation of taxable income	29,093	27,520
Business combination - gain on investment	<u>(17,264)</u>	
Carrying value adjustment of investments classified as available-for-sale financial instruments	<u><u>20,093</u></u>	<u><u>40,285</u></u>

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The analysis of deferred income tax and social contribution assets and liabilities is as follows:

	<u>March 31, 2012</u>		<u>December 31, 2011</u>	
	<u>Parent</u>	<u>Consolidated</u>	<u>Parent</u>	<u>Consolidated</u>
Assets				
Deferred income tax on temporarily non-deductible expenses in the computation of taxable income		<u>2,870</u>		<u>2,051</u>
Liabilities				
Tax loss carryforwards	2,315	2,315	2,315	2,315
Deferred income tax on temporarily non-deductible expenses in the computation of taxable income	9,892	9,892	9,648	9,648
Deferred income tax on the carrying value adjustment of investments classified as available-for-sale financial instruments	(18,333)	(18,333)	(16,932)	(16,932)
Deferred income tax on business combination - gain on investment	<u>(1,858)</u>	<u>(1,858)</u>	<u>(1,955)</u>	<u>(1,955)</u>
	<u>(7,984)</u>	<u>(7,984)</u>	<u>(6,924)</u>	<u>(6,924)</u>

The changes in deferred income tax were as follows:

	<u>Consolidated</u>	
	<u>Assets</u>	<u>Liabilities</u>
At December 31, 2011	2,051	6,924
With a corresponding entry to the result		
Recognition of deferred income tax assets	819	(341)
With a corresponding entry to equity		
Recognition of deferred income tax liability arising from carrying value adjustment		<u>1,401</u>
At March 31, 2012	<u>2,870</u>	<u>7,984</u>

Tax losses can be carried forward indefinitely to be offset against future taxable income, limited of 30% of annual taxable income.

23 Bank guarantee letters and collaterals

The Company contracted bank guarantee letters to collateralize financing, a lawsuit in progress (Note 8(c) to the financial statements as at December 31, 2011) and other matters, in the total amount of R\$ 33,551. In addition, the Company has surety insurance totaling R\$ 34,356 with varying coverage periods, which is normally required for participation in auctions or to guarantee the construction of plants related to auctions won by the Group.

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Santa Laura S.A. and Monel Monjolinho Energética S.A. contracted surety insurance of R\$ 33,851 and R\$ 138,514, respectively, as required by the conditions determined in financing contracts with BNDES (Note 12). Passos Maia Energética S.A., as required by BNDES, contracted a bank guarantee letter in the amount of R\$ 78,967.

As collateral for financing contracted utilizing funds obtained from the Northeast Financing Constitutional Fund (FNE) for the implementation of Desenvix Bahia Wind Farm, Macaúbas Energética S.A., Novo Horizonte Energética S.A. and Seabra Energética S.A. contracted bank guarantee letters in the amounts of R\$ 49,367, R\$ 42,315 and R\$ 42,310, respectively, effective from July to August 2013. In addition, these companies contracted surety insurance effective from July 2011 to August 2012, in the amounts of R\$ 49,367, R\$ 42,315 and R\$ 42,310, respectively.

São Roque Energética S.A. contracted surety insurance in the amount of R\$ 32,600, effective from April 2012 to August 2016, as required by the conditions of the auction invitation notice, to ensure the completion of the construction work.

(b) Insurance - operational and other risks

There were no significant changes in the nature of, and information on, the Company's insurance policies in relation to the information disclosed in the parent company and consolidated financial statements at December 31, 2011. Therefore, the information on the insurance policies taken out by the subsidiaries and associates should be read in Note 23 to the aforementioned financial statements.

24 Financial instruments

There were no changes in the Company's financial risk management policy in the first quarter of 2012 in comparison with the information presented in the parent company and consolidated financial statements at December 31, 2011. Therefore, the information on the Company's financial risk management should be read in Note 24 to the aforementioned financial statements.

(a) Market risk

(i) Foreign exchange risk

The Group had no assets and liabilities denominated in foreign currency, at March 31, 2012 and, consequently, is not subject to foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-earning assets, its income and operating cash flows are substantially independent of changes in market interest rates.

This risk arises from the possibility that the Group could incur losses due to fluctuations in interest rates which increase the finance costs related to borrowings obtained in the market. The Group has entered into financing contracts with interest rates indexed to the Long-term Interest Rate (TJLP) and Interbank Deposit Certificate (CDI) rate and continuously monitors market interest rates to assess the need to enter into transactions to hedge against the volatility risk of these rates.

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(b) Liquidity risk

	Parent		Consolidated			
	Less than one year	Between one and three years	Less than one year	Between one and three years	Between three and five years	Over five years
At March 31, 2012						
Trade payables	1,730		108,045			
Financing	35,464	7,534	109,504	166,716	156,230	1,050,078
Related parties	23,939		13,429			
Payables for land acquisitions	2,037		3,609			
Concessions payable			5,627	11,253	11,253	113,000
At December 31, 2011						
Trade payables	5,167		140,880			
Financing	52,702	9,921	107,380	144,920	140,970	1,018,870
Related parties	138,394		123,059			
Payables for land acquisitions	2,037		3,601			
Concessions payable			5,627	11,253	11,253	114,406

The Group understands that there are no significant liquidity risks, since actions are being taken to raise additional resources through long-term debts or equity instruments.

(c) Risk of accelerated maturity of financing

This risk arises from non-compliance with restrictive covenants of the financing agreements entered into with BNDES (Note 12), which, in general, require the maintenance of financial ratios at certain levels. The Company's management regularly monitors these financial ratios, with a view to taking the necessary actions to ensure that the maturity of the financing contracts will not be accelerated.

(d) Sensitivity analysis - interest risk factor (Consolidated)

		Additional variations in the book balance (*)					
Risk factor		Exposed amounts at March 31, 2012	Probable scenario		Additional variations		
		(50)%	(25)%	25%	50%		
Borrowings	CDI	(25,025)	(848)	(1,272)	(1,696)	(2,120)	(2,545)
Restricted financial investments	CDI	33,298	1,109	1,664	2,218	2,773	3,328
Net impact	CDI	8,273	261	392	522	653	783
Borrowings	TJLP	(494,199)	(11,501)	(16,576)	(22,102)	(27,627)	(33,152)
Financial investments	TJLP						
Net impact	TJLP	(494,199)	(11,501)	(16,576)	(22,102)	(27,627)	(33,152)
Rates considered - % per year	CDI	12.50	3.33	5.00	6.66	8.33	9.99
Rates considered - % per year	TJLP	6.00	2.23	3.35	4.47	5.58	6.70

(*) The increases and decreases of 25% and 50% were applied to the rates projected for December 31, 2012.

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(e) Fair value estimation

The table below presents financial assets measured at fair value as at March 31, 2012 and December 31, 2011:

	<u>Consolidated - Level 2</u>	
	<u>March 31, 2012</u>	<u>December 31, 2011</u>
Assets		
Available-for-sale financial assets		
Minority interest	<u>78,380</u>	<u>74,258</u>

The fair value of financial instruments that are not traded in active markets (for example, available-for-sale financial instruments) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all the significant inputs required to calculate the fair value of an instrument are adopted by the market, the instrument is included in Level 2.

(f) Financial instruments by category

Assets

	<u>Consolidated</u>			
	<u>Assets at fair value through profit or loss</u>	<u>Loans and receivables</u>	<u>Available- for-sale</u>	<u>Total</u>
At March 31, 2012				
Assets as per balance sheet				
Cash and cash equivalents	12,126	17,032		29,158
Trade receivables		35,483		35,483
Related parties		54,240		54,240
Other assets		4,357		4,357
Restricted financial investments	33,298			33,298
Investments			78,380	78,380
	<u>45,424</u>	<u>111,112</u>	<u>78,380</u>	<u>234,916</u>
				<u>Consolidated</u>
	<u>Assets at fair value through profit or loss</u>	<u>Loans and receivables</u>	<u>Available- for-sale</u>	<u>Total</u>
At December 31, 2011				
Assets as per balance sheet				
Cash and cash equivalents	3,873	37,617		41,490
Trade receivables		34,505		34,505
Related parties		33,680		33,680
Other assets		5,042		5,042
Restricted financial investments	56,880			56,880
Investments			74,258	74,258
	<u>60,753</u>	<u>110,844</u>	<u>74,258</u>	<u>245,855</u>

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Liabilities

	<u>Consolidated</u>
	<u>Other financial liabilities</u>
At March 31, 2012	
Liabilities as per balance sheet	
Trade payables	98,111
Financing	792,643
Related parties	23,363
Payables for land acquisitions	3,609
Concessions payable	72,595
	<u>1,019,166</u>
At December 31, 2011	
Liabilities as per balance sheet	
Trade payables	134,375
Financing	755,675
Related parties	129,564
Payables for land acquisitions	3,601
Concessions payable	71,964
	<u>1,095,179</u>

(g) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>March 31, 2012</u>	<u>December 31, 2011</u>	<u>March 31, 2012</u>	<u>December 31, 2011</u>
Trade receivables				
Counterparties with external credit ratings (*)				
AAA				
BBB			4,652	5,988
Counterparties without external credit ratings				
Group 2	3,770	2,550	30,831	28,517
Related parties				
Group 2	112,923	91,066	54,240	33,680
Total receivables and related parties	<u>116,693</u>	<u>93,616</u>	<u>89,723</u>	<u>68,185</u>
Cash and cash equivalents and restricted financial investments (*)				
AAA	53	24	34,211	32,181
AA		12		11
BBB	8,804	25,169	28,245	66,178
	<u>8,857</u>	<u>25,205</u>	<u>62,456</u>	<u>98,370</u>

- . Group 1 - new customers/related parties (less than six months) - not applicable.
- . Group 2 - existing customers/related parties (more than six months) with no default in the past.
- . Group 3 - existing customers/related parties (more than six months) with some defaults in the past, which defaults were fully recovered - not applicable.

(*) Based on the rating of Standard & Poor's agency.

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25 Other operational risks

There were no changes in the Company's management policy for other operational risks in the first quarter of 2012 in comparison with the information presented in Note 27 to the consolidated financial statements at December 31, 2011.

26 Contingencies

There were no changes in the Company's contingencies in the first quarter of 2012 in comparison with the information presented in Note 26 to the consolidated financial statements at December 31, 2011.

The Company and its subsidiaries had no contingencies classified as probable losses as at March 31, 2012.

27 Business combinations and acquisition of joint control

There were no business combinations in the first quarter of 2012. The facts that occurred up to December 31, 2011 were disclosed in the Company's financial statements at December 31, 2011.

28 Basic and diluted earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to the shareholders of the Company by the weighted average number of outstanding common shares during the year. Diluted earnings (loss) per share is calculated in a similar manner to basic earnings (loss) per share, except have been that the number of outstanding shares is adjusted to reflect additional shares that would have been outstanding had potentially dilutive transactions been realized during the year.

Basic earnings (loss) per share

	Parent		Consolidated	
	2012 (*)	2011	2012 (*)	2011
Profit (loss) attributable to common shareholders of the Company	726	(5,547)	777	(5,468)
Weighted average number of outstanding shares in the quarter (thousands)	101,880	100,000	101,880	100,000
Basic earnings (loss) per share	0.0071	(0.0555)	0.0076	(0.0547)

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Diluted earnings (loss) per share

	Parent		Consolidated	
	March 31, 2012 (*)	March 31, 2011	March 31, 2012 (*)	March 31, 2011
Profit (loss) attributable to common shareholders of the Company	726	(5,547)	777	(5,468)
Weighted average number of outstanding shares in the quarter (thousands)	107,419	100,000	107,419	100,000
Diluted earnings (loss) per share	0.0068	(0.0555)	0.0072	(0.0547)

(*) In March 2012, an increase in the Company's share capital through the issuance of 7,439,555 common shares was approved, as mentioned in Note 17(a).

Outstanding shares, as per the applicable standard, refer to the total shares issued by the Company less the shares held in treasury, when applicable.

29 Commitments

(a) Commitments for purchase of assets

Commitments assumed to purchase property, plant and equipment for the plants under construction totaled R\$ 90,730 (2011 - R\$ 102,213).

(b) Operating lease commitments - Company as lessee

The Company leases three plots of land for the construction of wind power plants under non-cancellable operating lease agreements. The lease terms are 27 years, and all lease agreements are renewable at the end of the lease period at the market rate.

The total minimum lease payments, in accordance with the non-cancellable operating leases, are as follows:

	Consolidated	
	March 31, 2012	December 31, 2011
No later than one year	208	208
Later than one year and no later than five years	832	832
Later than five years	3,870	3,922
	4,910	4,962

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30 Supplementary information on cash flows

The transactions not affecting cash in the quarters ended March 31, 2012 and 2011 were as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade payables, indemnities payable and other liabilities arising from purchases of property, plant and equipment			14,773	66,016
Variation in the fair value of investments carried at cost (Note 8)	4,121		4,121	
Capitalized financial charges (Note 9)			4,906	
Offset of proposed dividends against payables to related parties	16,786			
Capital increase through loans with related parties	120,000		120,000	
Payables for land acquisitions - property, plant and equipment		1,837		4,177
Costs of issuance of shares transferred to related parties	8,896		8,896	
Transfer between intangible assets and receivables from related parties	10,335		10,335	
Tax on Financial Transactions (IOF) on loans with related parties	2,252		2,252	
Investment of advances	28,845		28,845	

* * *