

(A free translation of the original in Portuguese)

**Desenvix Energias  
Renováveis S.A.**  
**Quarterly information (ITR) at  
September 30, 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 Stockholders  
Desenvix Energias Renováveis S.A.

### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of Desenvix Energias Renováveis S.A. and of Desenvix Energias Renováveis S.A. and its subsidiaries, included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2012, comprising the balance sheet at that date and the statements of operations and comprehensive income (loss) for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period 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 a conclusion on this interim accounting information 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.



Desenvix Energias Renováveis S.A.

**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.

**Conclusion on the consolidated interim information**

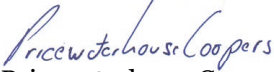
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to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


**Other matters**

**Interim statement of value added**

We have also reviewed the parent company and consolidated statement of value added for the nine-month period ended September 30, 2012. This statement is the responsibility of the Company's management, and is required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR), but is 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, October 31, 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 company		Consolidated			Parent company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011		September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
<b>Assets</b>					<b>Liabilities and equity</b>				
Current assets					Current liabilities				
Cash and cash equivalents (Note 6)	2,766	406	21,922	41,490	Trade payables				
Restricted financial investments (Note 8)		24,799		24,799	Related parties (Note 12)			10,857	6,505
Trade receivables (Note 7)	2,976	2,550	25,054	34,505	Third parties	832	5,167	118,306	134,375
Dividends receivable (Note 12)	6,772	2,877			Financing (Note 13)	95,667	49,665	136,268	81,519
Taxes recoverable	1,736	2,109	3,292	3,560	Related parties (Note 12)	34,580	138,394	11,727	123,059
Inventories			945	696	Payables for land acquisitions (Note 14)	2,037	2,037	3,173	3,601
Prepaid expenses	242	9,739	4,428	13,645	Provision for social and environmental costs (Note 15)			3,859	2,647
Other assets	65	57	4,612	4,982	Concessions payable (Note 15)			4,070	5,371
	14,557	42,537	60,253	123,677	Salaries and payroll charges	1,301	1,213	4,264	2,756
Investments held for sale (Note 31)	674		674		Indemnities payable (Note 27)			175	532
	15,231	42,537	60,927	123,677	Taxes and contributions (Note 16)	10,569	8,055	15,237	12,610
Non-current assets					Income tax and social contribution payable			5,147	4,387
Long-term receivables					Proposed dividends		529		529
Restricted financial investments (Note 8)			34,626	32,081	Other liabilities (Note 17)	10	6	10,700	3,601
Related parties (Note 12)	167,092	91,066	59,060	33,680		144,996	205,066	323,783	381,492
Deferred income tax and social contribution (Note 23(c))			5,044	2,051	Other liabilities held for sale (Note 31)	649		649	
Other assets			27	60		145,645	205,066	324,432	381,492
	167,092	91,066	98,757	67,872	Non-current liabilities				
Investments (Note 9)	665,778	650,821	169,397	136,911	Financing (Note 13)	2,370	8,839	700,995	674,156
Property, plant and equipment (Note 10)	488	462	1,363,400	1,257,604	Indemnities payable (Note 27)			2,308	2,012
Intangible assets (Note 11)	17,182	32,516	131,805	144,953	Deferred income tax and social contribution (Note 23(c))	7,153	6,924	7,153	6,924
	850,540	774,865	1,763,359	1,607,340	Provision for social and environmental costs (Note 15)			5,466	1,704
					Concessions payable (Note 15)			71,426	66,593
					Other liabilities (Note 17)			1,413	
						9,523	15,763	788,761	751,389
					Total liabilities	155,168	220,829	1,113,193	1,132,881
					Equity - attributable to owners of the Company (Note 18)				
					Share capital	665,312	546,787	665,312	546,787
					Carrying value adjustments	44,648	41,867	44,648	41,867
					Revenue reserves	8,448	7,919	8,396	7,867
					Accumulated deficit	(7,805)		(7,753)	
						710,603	596,573	710,603	596,521
					Non-controlling interests			490	1,615
					Total equity	710,603	596,573	711,093	598,136
Total assets	865,771	817,402	1,824,286	1,731,017	Total liabilities and equity	865,771	817,402	1,824,286	1,731,017

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

# Desenvix Energias Renováveis S.A.

## Statement of operations Quarters ended September 30

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2012	2011	2012	2011
<b>Sales and services revenue</b>				
Electric power supply			50,935	28,977
Services rendered	1,126	1,501	5,699	3,775
<b>Net operating revenue (Note 19)</b>	1,126	1,501	56,634	32,752
Cost of sales and services (Note 20)	(1,444)	(1,754)	(3,668)	(2,351)
Cost of electric power services (Note 20)			(25,930)	(11,372)
	(1,444)	(1,754)	(29,598)	(13,723)
<b>Gross profit (loss)</b>	(318)	(253)	27,036	19,029
<b>Operating income (expenses)</b>				
General and administrative (Note 20)	(1,759)	(1,780)	(10,136)	(5,386)
Management fees (Note 20)	(1,068)	(1,070)	(1,068)	(1,070)
Studies under development (Note 22)	(860)	(654)	(860)	(654)
Other operating expenses, net	(288)		(285)	(37)
	(3,975)	(3,504)	(12,349)	(7,147)
<b>Operating profit (loss) before finance income (costs) and result from equity investments</b>	(4,293)	(3,757)	14,687	11,882
<b>Finance result (Note 21)</b>				
Finance costs	(9,199)	(6,494)	(27,209)	(15,238)
Net finance income	3,243	1,369	4,118	2,193
	(5,956)	(5,125)	(23,091)	(13,045)
<b>Result from equity investments (Note 9)</b>				
Equity in the results of investees	(299)	7,009	(431)	423
Gains on investments	441	17,551	441	17,551
	142	24,560	10	17,974
<b>Profit (loss) before taxation</b>	(10,107)	15,678	(8,394)	16,811
Income tax and social contribution (Note 23)	390	921	(1,329)	(186)
<b>Profit (loss) for the period</b>	(9,717)	16,599	(9,723)	16,625
<b>Attributable to</b>				
Owners of the Company			(9,717)	16,679
Non-controlling interests			(6)	(54)
			(9,723)	16,625
Basic and diluted earnings (loss) per share (Note 28) - R\$			(0.0904)	0.1668

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

## Desenvix Energias Renováveis S.A.

### Statement of comprehensive income (loss) Quarters ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Profit (loss) for the period</b>	<u>(9,717)</u>	<u>16,599</u>	<u>(9,723)</u>	<u>16,625</u>
<b>Other components of comprehensive income (loss), net of taxes</b>				
Available-for-sale financial instruments (Note 9)		<u>1,788</u>		<u>1,788</u>
<b>Total comprehensive income (loss) for the period</b>	<u><u>(9,717)</u></u>	<u><u>18,387</u></u>	<u><u>(9,723)</u></u>	<u><u>18,413</u></u>
<b>Attributable to</b>				
Owners of the Company			<u>(9,717)</u>	<u>18,467</u>
Non-controlling interests			<u>(6)</u>	<u>(54)</u>
			<u><u>(9,723)</u></u>	<u><u>18,413</u></u>

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

# Desenvix Energias Renováveis S.A.

## Statement of operations Nine-month periods ended September 30

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2012	2011	2012	2011
<b>Sales and services revenue</b>				
Electric power supply			134,706	79,948
Services rendered	4,100	4,560	16,845	7,982
<b>Net operating revenue (Note 19)</b>	4,100	4,560	151,551	87,930
Cost of sales and services (Note 20)	(4,074)	(5,036)	(10,574)	(5,052)
Cost of electric power services (Note 20)			(65,943)	(31,157)
	(4,074)	(5,036)	(76,517)	(36,209)
<b>Gross profit (loss)</b>	26	(476)	75,034	51,721
<b>Operating income (expenses)</b>				
General and administrative (Note 20)	(4,605)	(5,193)	(23,071)	(14,115)
Management fees (Note 20)	(3,203)	(3,047)	(3,203)	(3,047)
Studies under development (Note 22)	(2,676)	(3,045)	(2,676)	(3,045)
Losses on electric power contracts				(2,466)
Other operating expenses, net	(865)	(219)	(854)	(244)
	(11,349)	(11,504)	(29,804)	(22,917)
<b>Operating profit (loss) before finance income (costs) and result from equity investments</b>	(11,323)	(11,980)	45,230	28,804
<b>Finance result (Note 21)</b>				
Finance costs	(16,764)	(16,708)	(59,599)	(45,071)
Net finance income	4,416	2,298	6,582	4,663
	(12,348)	(14,410)	(53,017)	(40,408)
<b>Result from equity investments (Note 9)</b>				
Equity in the results of investees	13,276	14,798	2,625	1,172
Dividends received	946	833	946	833
Gains on investments	441	17,551	441	17,551
Provision for net capital deficiency		(2,466)		
	14,663	30,716	4,012	19,556
<b>Profit (loss) before taxation</b>	(9,008)	4,326	(3,775)	7,952
Income tax and social contribution (Note 23)	1,203	1,778	(4,003)	(1,663)
<b>Profit (loss) for the period</b>	(7,805)	6,104	(7,778)	6,289
<b>Attributable to</b>				
Owners of the Company			(7,753)	6,343
Non-controlling interests			(25)	(54)
			(7,778)	6,289
Basic and diluted earnings (loss) per share (Note 28) - R\$			(0.0734)	0.0634

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

## Desenvix Energias Renováveis S.A.

### Statement of comprehensive income (loss) Nine-month periods ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Profit (loss) for the period</b>	<u>(7,805)</u>	<u>6,104</u>	<u>(7,778)</u>	<u>6,289</u>
<b>Other components of comprehensive income (loss), net of taxes</b>				
Available-for-sale financial instruments (Note 9)	<u>2,781</u>	<u>3,452</u>	<u>2,781</u>	<u>3,452</u>
<b>Total comprehensive income (loss) for the period</b>	<u><u>(5,024)</u></u>	<u><u>9,556</u></u>	<u><u>(4,997)</u></u>	<u><u>9,741</u></u>
<b>Attributable to</b>				
Owners of the Company			(4,972)	9,795
Non-controlling interests			<u>(25)</u>	<u>(54)</u>
			<u><u>(4,997)</u></u>	<u><u>9,741</u></u>

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							Under IFRS		
	Attributable to the owners of the parent company									
	Share capital	Carrying value adjustments	Revenue reserves			Retained earnings (accumulated deficit)	Non-controlling Interests		Write-off of deferred charges	Total equity under IFRS
Legal			Profit retention	Total	Total					
<b>At December 31, 2010</b>	<u>546,787</u>	<u>35,587</u>	<u>628</u>	<u>5,592</u>	<u>6,220</u>		<u>588,594</u>		<u>588,224</u>	
Comprehensive income (loss)										
Profit for the period						6,104	6,104	54	239	6,397
Carrying value adjustments		3,452					3,452			3,452
Non-controlling interests from acquisition of ownership interest								1,564		1,564
<b>At September 30, 2011</b>	<u>546,787</u>	<u>39,039</u>	<u>628</u>	<u>5,592</u>	<u>6,220</u>	<u>6,104</u>	<u>598,150</u>	<u>1,618</u>	<u>(131)</u>	<u>599,637</u>
<b>At December 31, 2011</b>	546,787	41,867	739	7,180	7,919		596,573	1,615	(52)	598,136
Comprehensive income (loss)										
Loss for the period						(7,805)	(7,805)	(25)	52	(7,778)
Carrying value adjustments (Note 9(a))		2,781					2,781			2,781
Capital increase	120,000						120,000			120,000
Costs of issuance of shares	(1,475)						(1,475)			(1,475)
Profit retention				529	529		529			529
Purchase of additional interest and gain on investment in Energen with non-controlling parties								(1,100)		(1,100)
<b>At September 30, 2012</b>	<u>665,312</u>	<u>44,648</u>	<u>739</u>	<u>7,709</u>	<u>8,448</u>	<u>(7,805)</u>	<u>710,603</u>	<u>490</u>		<u>711,093</u>

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

# Desenvix Energias Renováveis S.A.

## Statement of cash flows Nine-month periods ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2012	2011	2012	2011
<b>Cash flows from operating activities</b>				
<b>Profit (loss) before income tax and social contribution</b>	(9,008)	4,326	(3,775)	7,952
<b>Adjustments</b>				
Non-current finance result	(408)		(1,879)	(1,471)
Equity in the results of investees	(13,276)	(14,798)	(2,625)	(1,172)
Provision for net capital deficiency		2,466		
Impairment of intangible assets		3,045		3,045
Research and development expenditures	2,676		2,676	
Gain on remeasuring previous interest	(441)	(17,551)	(441)	(17,551)
Net book value of property, plant and equipment disposals	4		118	1,054
Depreciation and amortization	902	31	35,539	21,668
Provision for losses on electric power contracts				2,466
Financial charges on financing	6,172	11,552	39,296	34,050
Financial charges on concessions payable and provision for social and environmental costs			7,833	3,069
	(13,379)	(10,929)	76,742	53,110
<b>Changes in assets and liabilities</b>				
Trade receivables	(426)	4,376	9,451	10,377
Taxes recoverable	373	(331)	268	(682)
Other assets and prepaid expenses	594	(4,769)	598	(11,459)
Trade payables	(4,335)	2,364	(50,497)	16,547
Salaries and payroll charges	88	453	1,508	2,018
Payables for land acquisition		(117)	(428)	1,162
Taxes and contributions	2,514	887	5,455	431
Other liabilities	5	2	(8,509)	(543)
<b>Cash provided by (used in) operations</b>	(14,566)	(8,064)	34,588	70,961
Interest paid on financing	(7,030)	(11,552)	(42,203)	(34,211)
Income tax and social contribution paid			(7,440)	(4,294)
<b>Net cash provided by (used in) operating activities</b>	(21,596)	(19,616)	(15,055)	32,456
<b>Cash flows from investing activities</b>				
Redemption of restricted financial investment	25,207		24,132	(10,199)
Acquisition of investments and capital increases	(28,149)	(56,897)	(24,536)	(9,837)
Acquisition of land		(499)		(499)
Dividends received	6,077	8,321		
Purchases of property, plant and equipment	(25)	(216)	(69,527)	(367,389)
Related parties				
Advances and payment of funds	(48,115)	(83,171)	(3,894)	(6,311)
Obtaining and receipt of funds	33,115	146,661		105,296
Expenditures allocated to intangible assets	(2,676)	(5,222)	(4,391)	(9,163)

## Desenvix Energias Renováveis S.A.

### Statement of cash flows Nine-month periods ended September 30 All amounts in thousands of reais

(continued)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Net cash provided by (used in) investing activities</b>	<u>(14,566)</u>	<u>8,977</u>	<u>(78,216)</u>	<u>(298,102)</u>
<b>Cash flows from financing activities</b>				
New financing	105,017	176,472	164,335	458,504
Repayment of financing - principal	(66,495)	(154,238)	(90,632)	(175,876)
Redemption of restricted investment				1,863
Advances for capital increases		(895)		(837)
Non-controlling interests				<u>1,618</u>
<b>Net cash provided by financing activities</b>	<u>38,522</u>	<u>21,339</u>	<u>73,703</u>	<u>285,272</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<u>2,360</u>	<u>10,700</u>	<u>(19,568)</u>	<u>19,626</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>406</u>	<u>39,135</u>	<u>41,490</u>	<u>57,672</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>2,766</u></u>	<u><u>49,835</u></u>	<u><u>21,922</u></u>	<u><u>77,298</u></u>

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

## Desenvix Energias Renováveis S.A.

### Statement of value added Nine-month periods ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2012	2011	2012	2011
<b>Revenue</b>	7,027	4,621	245,356	164,937
Sales of products and services	4,354	4,840	162,055	95,007
Provision for impairment of trade receivables				
Other revenues (expenses)	(3)	(219)	8	(244)
Revenues related to the construction of own assets	2,676		83,293	70,174
<b>Inputs acquired from third parties (includes taxes - ICMS and IPI)</b>	(9,415)	(9,606)	(136,072)	(93,166)
Cost of sales and services	(2,174)	(1,673)	(37,659)	(10,184)
Materials, electricity, outsourced services and others	(7,241)	(5,467)	(98,413)	(80,516)
Impairment/recovery of assets		(2,466)		(2,466)
<b>Gross value added</b>	(2,388)	(4,985)	109,284	71,771
<b>Retentions</b>	(902)	(31)	(35,539)	(21,668)
Depreciation and amortization	(902)	(31)	(35,539)	(21,668)
<b>Net value added generated by the entity</b>	(3,290)	(5,016)	73,745	50,103
<b>Value added received through transfer</b>	18,197	17,929	9,712	6,668
Equity in the results of investees	13,276	14,798	2,625	1,172
Finance income	4,416	2,298	6,582	4,663
Other revenues	505	833	505	833
<b>Total value added to distribute</b>	14,907	12,913	83,457	56,771
<b>Distribution of value added</b>	14,907	12,913	83,457	56,771
Personnel and payroll charges	5,020	6,863	15,221	9,397
Taxes and contributions	254	280	15,741	10,836
Interest and rentals	17,438	17,217	60,273	47,800
Profit (loss) in the period	(7,805)	(11,447)	(7,753)	(11,208)
Non-controlling interest in accumulated deficit			(25)	(54)

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 September 30, 2012**

**All amounts in thousands of reais unless otherwise stated**

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#### **1 Operations**

##### **(a) 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 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 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 028/2011, granted the Company its registration as a Category "A" publicly-traded company.

On July 5, 2012, the National Electric Power Agency (ANEEL) issued Orders 2,220, 2,221 and 2,222, thus authorizing the Desenvix Bahia Wind Farm to commence its operations, which comprehend the Wind Farms ("UEE") Macaúbas (Macaúbas Energética S.A.), Novo Horizonte (Novo Horizonte Energética S.A.) and Seabra (Seabra Energética S.A.). The complex has a total installed capacity of 95.19 MW, divided as follows: UEE Macaúbas 35.07 MW, UEE Novo Horizonte 30.06 MW and UEE Seabra 30.06 MW. At the first exclusive wind power auction held on December 14, 2009, average 34.0 MW were traded, divided as follows: average 13.0 MW of UEE Macaúbas, average 11.0 MW of UEE Seabra and average 10.0 MW of UEE Novo Horizonte. The Electric Energy Trade Chamber (CCEE) contracted this power as reserve energy as from July 2012 for a twenty-year period.

From August 31, 2012 to September 28, 2012, ANEEL issued Orders 2,742, 2,831, 2,940 and 3,004, thus authorizing the wind power generation plant EOL Barra dos Coqueiros (Energen Energias Renováveis S.A.) to commence its operations. The Barra dos Coqueiros Wind Farm has an installed capacity of

## **Desenvix Energias Renováveis S.A.**

### **Notes to the quarterly information**

**at September 30, 2012**

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34.5 MW and energy physical guarantee of 10.5 MW. At the first exclusive wind power auction (2nd LER), the UEE Barra dos Coqueiros traded a total average of 10.0 MW. The Company holds an ownership interest of 95% in this venture.

The Electric Energy Trade Chamber (CCEE) contracted this power as reserve energy for a twenty-year period.

On October 18, 2012, the Company's management requested the approval of ANEEL for the transfer of the ownership interest in São Roque Energética S.A., its wholly-owned subsidiary, to FIP Desenvix, controlled by FIP FIC Jackson, which is controlled by Jackson Empreendimentos Ltda, the parent company of Desenvix, with an ownership interest of 40.65%. This transfer of ownership interest depends on the approval of ANEEL. The Company is responsible for the maintenance of the necessary investments for the implementation and the compliance with the conditions of the concession agreement until such approval is granted by ANEEL.

Except for the matter disclosed in the paragraph above, 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.

The issue of this quarterly information was authorized by the Company's Board of Directors on October 31, 2012.

#### **(b) Financial position**

The Group had an excess of current liabilities over current assets (consolidated) of R\$ 263,506 at September 30, 2012 (December 31, 2011 - R\$ 257,815).

The increase in the excess of current liabilities over current assets was mainly due to (i) the increase in short-term borrowings referring to the current borrowings obtained with the purpose of continuing with the implementation of facilities, until the long-term borrowing portion is released; (ii) the decrease of the restricted financial investments in current assets, used in the implementation of the Company's facilities currently under construction; and (iii) the decrease in the balance of cash and cash equivalents utilized in the implementation activities of the Company's developments currently under construction as well as its working capital operating activities. On the other hand, the increase in the excess of current liabilities over current assets was partially offset by (i) the conversion of a loan from related parties, in the amount of R\$ 120,000, into a capital increase, as mentioned in Note 18(a); and (ii) to the decrease in trade payables to third parties, because of the payment to suppliers of materials and services of the Company's facilities being implemented.

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 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\$ 102,750, comprised as follows: (i) Barra dos Coqueiros Wind Power Plant - financing agreement currently at the execution stage with China Development Bank, amounting to R\$ 98,750, which is expected to be released in October 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 November 2012. This change in the

# **Desenvix Energias Renováveis S.A.**

## **Notes to the quarterly information**

**at September 30, 2012**

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consolidated bank debt profile, transferring financing from the short term to the long term, will help the Group to reverse its current negative working capital situation.

The Company is expanding quickly, 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 controlling shareholders are 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, such as mentioned in Note 1(a), will start operations in 2012 (Barra dos Coqueiros Wind Plant) and January 2013 (Transmission Lines), 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 this financial information is presented in accordance with the accounting standard CPC 21 (R1) - 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 this financial information is presented in accordance with the accounting standard CPC 21 (R1) - 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).

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, as described in Official Letter CVM/SNC/SEP 03/2011, the Company opted to present the explanatory notes in this Quarterly Information in a summarized manner when there are no changes in relation to the content 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. Therefore, the corresponding information should be read in Note 2 to the aforementioned financial statements.

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

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

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

There were no new standards, amendments and interpretations to standards that were not yet effective in the period ended September 30, 2012 in relation to the information disclosed in Note 2.23 to the consolidated financial statements for the year ended December 31, 2011.

### 3 Correction of errors

In 2012, some prior year adjustments were identified, which were related to the correction of errors in the calculation of the gain measured on the acquisition of the remaining interest in the investment in Enx O&M de Sistemas Elétricos Ltda., in the amount of R\$ 17,264. This correction affected the parent company balance of investments in non-current assets and the results at September 30, 2011, as well as the consolidated balance of intangible assets in non-current assets and the results at September 30, 2011.

The balances at September 30, 2011, presented for comparison purposes, were adjusted for the correction of the error mentioned above, and are restated in this quarterly information at September 30, 2012. The effects of this restatement are as follow:

	<b>Parent company</b>		
	<b>September 30, 2011</b>		
	<b>Original</b>	<b>Adjustment</b>	<b>Adjusted amount</b>
Assets			
Current assets	62,899		62,899
Non-current assets	745,489	17,551	763,040
Total assets	<u>808,388</u>	<u>17,551</u>	<u>825,939</u>
Liabilities and equity			
Current liabilities	213,289		213,289
Non-current liabilities	14,500		14,500
Equity	580,599	17,551	598,150
Total liabilities and equity	<u>808,388</u>	<u>17,551</u>	<u>825,939</u>
Result			
Sales and services revenue	4,560		4,560
Cost of sales	(5,036)		(5,036)
Operating expenses	(11,504)		(11,504)
Finance result	(14,410)		(14,410)
Result from equity investments	13,165	17,551	30,716
Income tax and social contribution	1,778		1,778
Profit (loss)	(11,447)		6,104

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**Consolidated**



## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

	September 30, 2011		
	<u>Original</u>	<u>Adjustment</u>	<u>Adjusted amount</u>
Assets			
Current assets	119,071		119,071
Non-current assets	1,495,537	17,551	1,513,088
Total assets	<u>1,614,608</u>	<u>17,551</u>	<u>1,632,159</u>
Liabilities and equity			
Current liabilities	362,921		362,921
Non-current liabilities	669,601		669,601
Equity	582,086	17,551	599,637
Total liabilities and equity	<u>1,614,608</u>	<u>17,551</u>	<u>1,632,159</u>
Result			
Sales and services revenue	87,930		87,930
Cost of sales	(36,209)		(36,209)
Operating expenses	(22,917)		(22,917)
Finance result	(40,408)		(40,408)
Result from equity investments	2,005	17,551	19,556
Income tax and social contribution	(1,663)		(1,663)
Profit (loss)	(11,262)		6,289
Basic and diluted earnings (loss) per share	(0.1121)		0.06

#### 4 Critical accounting estimates and judgments

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

#### 5 Capital management

There were no changes in the capital management policy in the third 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 September 30, 2012 and December 31, 2011 were as follows:

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

	<b>Consolidated</b>	
	<b>September 30, 2012</b>	<b>December 31, 2011</b>
Total financing (Note 13)	837,263	755,675
Less: cash and cash equivalents (Note 6)	21,922	41,490
Less: restricted financial investments (Note 8)	<u>34,626</u>	<u>56,880</u>
Net debt	<u>780,715</u>	<u>657,305</u>
Total equity	<u>711,093</u>	<u>598,136</u>
Total capital	<u>1,491,808</u>	<u>1,255,441</u>
Gearing ratio - %	<u>52.33</u>	<u>52.36</u>

The maintenance of the gearing ratio as at September 30, 2012 arose mainly from the increase in share capital of R\$ 120,000 through the issuance of new shares to SN Power (Note 18(a)) offset by the increase in financing (Note 13).

## 6 Cash and cash equivalents

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2012</b>	<b>December 31, 2011</b>	<b>September 30, 2012</b>	<b>December 31, 2011</b>
Cash and banks	2,634	401	14,642	37,617
Financial investments (i)	<u>132</u>	<u>5</u>	<u>7,280</u>	<u>3,873</u>
	<u>2,766</u>	<u>406</u>	<u>21,922</u>	<u>41,490</u>

- (i) 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.

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

#### 7 Trade receivables

	Parent company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Electric power supply (i)				
Electric Power Trade Chamber (CCEE)			6,472	17,867
Eletrobras - PROINFA			7,672	5,988
Third parties			8,512	8,109
Customers - third parties (ii)			2,381	2,511
Customers - related parties (Note 12)	3,196	2,770	237	250
Provision for impairment of trade receivables (iii)	(220)	(220)	(220)	(220)
	<u>2,976</u>	<u>2,550</u>	<u>25,054</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 at September 30, 2012 (consolidated) refers to receivables of the subsidiary Enex O&M de Sistemas Elétricos Ltda.

(iii) The balance provided for at September 30, 2012 refers to outstanding trade notes of Usina Hidrelétrica de Cubatão S.A.

#### 8 Restricted financial investments

There were no significant changes in the nature of, and information on, the Company's restricted financial investments in relation to the information disclosed in the parent company and consolidated financial statements at December 31, 2011. Therefore, the information on these accounts should be read in conjunction with Note 7 to the aforementioned financial statements.

The changes in these investments were as follows:

	Consolidated	
	September 30, 2012	December 31, 2011
At the beginning of the period	56,880	18,139
New investments	5,749	38,515
Redemptions (i)	(29,882)	(1,863)
Yields, net of taxes	<u>1,879</u>	<u>2,089</u>
At the end of the period	<u>34,626</u>	<u>56,880</u>
Current assets (i)		<u>(24,799)</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

	<u>Consolidated</u>	
	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Non-current assets	<u>34,626</u>	<u>32,081</u>

(i) 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 at September 30, 2012 and December 31, 2011 approximate their book values.

## 9 Investments

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>September 30, 2012</u>	<u>December 31, 2011</u>	<u>September 30, 2012</u>	<u>December 31, 2011</u>
In subsidiaries	496,381	513,910		
In associates	66,418	41,214	66,418	41,214
Available-for-sale investments	<u>81,540</u>	<u>74,258</u>	<u>81,540</u>	<u>74,258</u>
	<u>644,339</u>	<u>629,382</u>	<u>147,958</u>	<u>115,472</u>
Acquisition of land	<u>21,439</u>	<u>21,439</u>	<u>21,439</u>	<u>21,439</u>
	<u>665,778</u>	<u>650,821</u>	<u>169,397</u>	<u>136,911</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

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

	September 30, 2012						December 31, 2011						
	Cost	Goodwill	Gain (loss)	Advance for future capital increase	Fair value	Provision for losses	Investment	Cost	Goodwill	Advance for future capital increase	Fair value	Provision for losses	Investment
<b>Subsidiaries</b>													
Enercasa - Energia Caiuá S.A.	20,246						20,246	26,715					26,715
Energen Energias Renováveis S.A.	14,993	6,970	6				21,969	12,225	6,970				19,195
Enx O&M de Sistemas Elétricos Ltda.	2,433	35,238					37,671	1,860	36,100				37,960
Esmeralda S.A.	27,189						27,189	33,951					33,951
Macaúbas Energética S.A.	45,585						45,585	46,344					46,344
Moinho S.A.	29,824						29,824	29,396					29,396
Monel Monjolinho Energética S.A.	111,554						111,554	125,406					125,406
Novo Horizonte Energética S.A.	39,442						39,442	40,311					40,311
Passos Maia Energética S.A.	23,520	3,541					27,061	22,265	3,541				25,806
São Roque Energética S.A.	1						1						
Santa Laura S.A.	35,023						35,023	32,499					32,499
Santa Rosa S.A.	61,341						61,341	56,567					56,567
Seabra Energética S.A.	39,475						39,475	39,760					39,760
	<u>450,626</u>	<u>45,749</u>	<u>6</u>				<u>496,381</u>	<u>467,299</u>	<u>46,611</u>				<u>513,910</u>
<b>Associates</b>													
BBE Bioenergia S.A. (*)	2,213					(2,213)		2,213				(2,213)	
Caldas Novas Transmissão S.A.								25					25
Enerpar Energia do Paraná e Participações S.A.								2,171					2,171
Goiás Transmissão S.A.	22,397			19,890			42,287	20,857					20,857
MGE Transmissão S.A.	18,375			5,100			23,475	17,497					17,497
Usina Hidrelétrica de Cubatão S.A.	656						656	338	326				664
	<u>43,641</u>			<u>24,990</u>		<u>(2,213)</u>	<u>66,418</u>	<u>43,101</u>	<u>326</u>			<u>(2,213)</u>	<u>41,214</u>
<b>Available-for-sale investments</b>													
CERAN - Cia. Energética Rio das Antas					70,327		70,327				66,264		66,264
Dona Francisca Energética S.A.					8,146		8,146				7,994		7,994
FIP Energias Renováveis.	2,213		435	419			3,067						
	<u>2,213</u>		<u>435</u>	<u>419</u>	<u>78,473</u>		<u>81,540</u>				<u>74,258</u>		<u>74,258</u>
	<u>496,480</u>	<u>45,749</u>	<u>441</u>	<u>25,409</u>	<u>78,473</u>	<u>(2,213)</u>	<u>644,339</u>	<u>510,400</u>	<u>46,611</u>	<u>326</u>	<u>74,258</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.

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

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

	Ownership interest - %		Equity - adjusted		Profit (loss) for the period - adjusted		Investment amount		Equity in the results of investees		Profits distributed or to be distributed	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	September 30, 2011	September 30, 2012	December 31, 2011	September 30, 2012	September 30, 2011	September 30, 2012	December 31, 2011
<b>Subsidiaries</b>												
Enercasa - Energia Caiuá S.A.	100	100	20,246	26,692	(6,400)	(1,463)	20,246	26,715	(6,400)	(1,463)		
Energen - Energias Renováveis S.A.	95	88.33	15,489	13,840	(220)	(231)	21,969	19,195	(195)	(134)		
Enex O&M de Sistemas Elétricos Ltda.	100	100	2,432	1,861	572	551	37,671	37,960	573	551		(200)
Esmeralda S.A. (i)	99.99	99.99	27,372	33,951	6,728	5,824	27,189	33,951	6,738	5,786	(13,500)	(1,952)
Macaúbas Energética S.A. (iii)	99.99	99.99	45,587	46,345	(732)	(113)	45,585	46,344	(733)	(113)		
Moinho S.A. (i)	99.99	99.99	31,563	29,388	405	441	29,824	29,396	456	441		(147)
Monel Monjolinho Energética S.A. (i)	99.99	99.99	113,939	125,572	2,698	2,424	111,554	125,406	2,936	2,892	(16,786)	(1,110)
Novo Horizonte Energética S.A. (iii)	99.99	99.99	39,442	40,312	(841)	(80)	39,442	40,311	(842)	(80)		
Passos Maia Energética S.A.	50	50	47,022	44,339	2,502	98	27,061	25,806	1,252	98		
São Roque Energética S.A.	100		1		(408)		1					
Santa Laura S.A. (i)	99.99	99.99	35,294	32,499	2,512	2,076	35,023	32,499	2,524	2,089		(1,925)
Santa Rosa S.A. (i)	99.99	99.99	63,016	56,567	4,713	3,568	61,341	56,567	4,774	3,628		(475)
Seabra Energética S.A. (iii)	99.99	99.99	39,475	39,760	(265)	(69)	39,475	39,760	(265)	(69)		
<b>Associates</b>												
BBE Bioenergia S.A.	12.5	12.5										
Caldas Novas Transmissão S.A.(iv)		25.05						25				
Goiás Transmissão S.A.	25.5	25.5	127,913	81,792	1,540	1,649	42,287	20,857	1,540	1,851		
MGE Transmissão S.A.	25.5	25.5	71,880	68,617	878	1,312	23,475	17,497	878	(679)		
Usina Hidrelétrica de Cubatão S.A.	20	20	1,652	1,656	(8)	(7)	656	664	(8)			
<b>Available-for-sale investments</b>												
CERAN - Cia. Energética Rio das Antas (ii)	5	5	642,942	604,889	38,053	(27)	70,327	66,264				
Dona Francisca Energética S.A. (ii)	2.12	2.12	128,422	112,215	16,207	23,420	8,146	7,994				
Enerpar Energia do Paraná e Participações S.A.		25		8,684		(5)		2,171				
FIP Energias Renováveis.	6.25		42,042		2		3,067		48			
							<u>644,339</u>	<u>629,382</u>	<u>13,276</u>	<u>14,798</u>	<u>(30,286)</u>	<u>(5,809)</u>

- (i) The equity at September 30, 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 these subsidiaries, in the amounts of R\$ 2,362, R\$ 180, R\$ 267, R\$ 1,655 and R\$ 1,714 (R\$ 2,431, R\$ 189, R\$ 279, R\$ 1,715 and R\$ 1,765 at December 31, 2011), respectively.
- (ii) Investments classified as "available-for-sale financial instruments", as described in Note 2.6.1(c) to the financial statements at December 31, 2011. The accumulated carrying value adjustment as at September 30, 2012 and December 31, 2011 totaled R\$ 54,014 and R\$ 49,800 (net of tax effects - R\$ 44,648 and R\$ 41,867), respectively.
- (iii) The UEEs from the Desenvix Bahia Wind Farm were authorized by ANEEL on July 5, 2012 to commence their operations (Note 1).
- (iv) The Company entered into an agreement on January 26, 2012 for the disposal of its interest in the Caldas Novas substation (Note 31).

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

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The changes in investments were as follows:

	<b>Parent company</b>	
	<b>September 30, 2012</b>	<b>December 31, 2011</b>
At the beginning of the period	650,821	381,919
Acquisition of land		499
Capital contributions or advances for future capital increase	25,409	172,028
Acquisition of ownership interest	1,094	50,385
Carrying value adjustment at fair value	4,215	9,515
Equity in the results of investees	13,276	15,726
Financial charges capitalized in subsidiaries	1,863	9,677
Gain on investment	441	17,264
Reclassification to assets held for sale	(25)	
Amortization of goodwill on firm contracts of Enex O&M de Sistemas Elétricos Ltda.	(862)	(383)
Dividends received or receivable	(30,286)	(5,809)
Disposals	(168)	
At the end of the period	<u>665,778</u>	<u>650,821</u>

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

	<b>Passos Maia Energética S.A.</b>	
	<b>September 30, 2012</b>	<b>December 31, 2011</b>
<b>Assets</b>		
Current assets	11,726	5,820
Non-current assets		
Restricted financial investments	3,753	
Property, plant and equipment	136,800	124,923
Intangible assets	2,125	
	<u>154,404</u>	<u>130,743</u>
<b>Liabilities and equity</b>		
Current liabilities	18,330	5,756
Non-current liabilities	89,422	80,648
Equity	46,652	44,339
	<u>154,404</u>	<u>130,743</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

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	<b>Passos Maia Energética S.A. (i)</b>	
	<b>September 30, 2012</b>	<b>September 30, 2011</b>
Result for the period		
Net revenue	16,454	
Cost of services	(8,020)	
Operating expenses	(5,254)	(16)
Finance result		114
Income tax and social contribution	(678)	
Profit for the period	<u>2,502</u>	<u>98</u>

- (i) The National Electric Power Agency (ANEEL), through Decision 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 583 and 606, of February 17 and February 23, 2012, respectively, authorized the generating units to initiate their commercial operations.



## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

#### 10 Property, plant and equipment

	<b>Consolidated</b>			
	<b>September 30,</b>			<b>December 31,</b>
	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net</b>	<b>Net</b>
Plants and other assets				
Land	20,375	(2,063)	18,312	18,818
Land - lawsuits (i)	2,293		2,293	2,279
Reservoirs, dams and watermains	474,419	(54,673)	419,746	408,535
Buildings, civil construction work and improvements	41,855	(4,663)	37,192	35,612
Machinery and equipment	729,898	(31,949)	697,949	487,189
Materials stored in warehouses and others	1,291		1,291	823
Furniture and fittings	642	(160)	482	470
IT and other equipment	824	(302)	522	359
Other	366	(48)	318	413
Interconnection systems				
Land	137		137	137
Buildings, civil construction work and improvements	3,182	(45)	3,137	271
Machinery and equipment	82,457	(4,930)	77,527	47,082
Construction in progress, rights of way and others	55		55	68
Advances to suppliers	43,399		43,399	90,115
Construction in progress (ii)	61,040		61,040	165,433
	<u>1,462,233</u>	<u>(98,833)</u>	<u>1,363,400</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 documentation 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 of "Construction in progress":

	<b>Consolidated</b>	
	<b>September 30,</b>	<b>December 31,</b>
	<b>2012</b>	<b>2011</b>
Coordination and contracting of supply		64,703
Engineering and management of construction work	52,988	8,322
Financial charges	1,824	16,920
Civil and reservoir construction work	969	4,208
Construction site and camps		29,440
Studies and projects		14,483
Environmental costs	259	5,400
Engineering and EPC management	5,000	13,607
Other		8,350
	<u>61,040</u>	<u>165,433</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

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

	<b>Plants and other assets</b>	<b>Interconnection system</b>	<b>Advances to suppliers</b>	<b>Construction in progress</b>	<b>Total</b>
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	30,595	7,897	36,089	80,617	155,198
Depreciation	(29,157)	(1,853)			(31,010)
Capitalized financial charges				10,792	10,792
Transfer of material in transit to inventories	(104)			(117)	(221)
Transfers between accounts	222,359	27,254	(53,960)	(195,653)	
Disposals	(86)		(28,845)	(32)	(28,963)
At September 30, 2012	<u>1,178,105</u>	<u>80,856</u>	<u>43,399</u>	<u>61,040</u>	<u>1,363,400</u>

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

	<b>Average rate - %</b>	<b>Depreciation rate - %</b>
Plants and other assets		
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

# Desenvix Energias Renováveis S.A.

## Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

### 11 Intangible assets

	<b>Consolidated</b>			
	<b>September 30, 2012</b>			<b>December 31, 2011</b>
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>	<b>Net</b>
Feasibility, environmental and inventory studies and projects (i)	17,182		17,182	32,516
Use of Public Assets (UBP)	66,499	(7,411)	59,088	60,891
Operating permits	13,195	(6,034)	7,161	3,412
Authorization right	10,511		10,511	10,511
Goodwill on acquisition of investment	30,445		30,445	30,732
Firm contracts	5,751	(958)	4,793	5,368
Other	3,162	(537)	2,625	1,523
	<u>146,745</u>	<u>(14,940)</u>	<u>131,805</u>	<u>144,953</u>

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

	<b>Parent company</b>			
	<b>September 30, 2012</b>			<b>December 31, 2011</b>
	<b>Contracts with a resolatory condition</b>	<b>Other contracts and costs</b>	<b>Total</b>	<b>Total</b>
Feasibility and environmental studies				
Baixo Iguaçu Hydroelectric Power Plant (UHE)				5,000
Itapiranga Hydroelectric Power Plant (UHE)	1,100		1,100	1,100
Riacho Seco Hydroelectric Power Plant (UHE)	3,350	6,907	10,257	10,257
Torixoréu Hydroelectric Power Plant (UHE)	2,500		2,500	2,500
São Roque Hydroelectric Potential (AHE) (i)				10,334
Inventory studies				
Itacaiunas River	1,820		1,820	1,820
Basic projects and others				
Bonança SHP	1,493	9	1,502	1,504
Other		3	3	1
	<u>10,263</u>	<u>6,919</u>	<u>17,182</u>	<u>32,516</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information

at September 30, 2012

All amounts in thousands of reais unless otherwise stated

- (i) 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, at 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:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2010	29,640	100,270
Expenditures incurred in the period	7,228	7,228
Expenditures allocated to the statement of operations (Note 22)	(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), permits and others		(4,487)
	<hr/>	<hr/>
At December 31, 2011	32,516	144,953
Expenditures incurred in the period	2,676	2,676
Expenditures allocated to the statement of operations (Note 22)	(2,676)	(2,676)
Transfer to receivables from related parties (Note 12)	(15,334)	(15,334)
Environmental permit costs		6,393
Other additions		322
Amortization of goodwill on firm contracts of Enex O&M de Sistemas Elétricos Ltda.		(862)
Amortization of Use of Public Assets (UBP), permits and others		(3,667)
	<hr/>	<hr/>
At September 30, 2012	<u>17,182</u>	<u>131,805</u>

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 conjunction with Note 10 to the aforementioned financial statements.

# Desenvix Energias Renováveis S.A.

## Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

### 12 Related parties

	Parent company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Current assets				
Trade receivables				
Energasa Energia Caiuá S.A.	146	80		
Energen Energias Renováveis S.A.	270			
Esmeralda S.A.	482	460		
Macaúbas Energética S.A.	23	60		
Moinho S.A.	247	160		
Monel Monjolinho Energética S.A.	985	920		
Novo Horizonte Energética S.A.	28	60		
Passos Maia Energética S.A.	34	60	17	30
Santa Laura S.A.	251	230		
Santa Rosa S.A.	487	460		
Seabra Energética S.A.	23	60		
Cubatão S.A. UHE	220	220	220	220
	<u>3,196</u>	<u>2,770</u>	<u>237</u>	<u>250</u>
Dividends receivable				
Esmeralda S.A.	6,772	772		
Moinho S.A.		147		
Monel Monjolinho Energética S.A.		943		
Santa Laura S.A.		1,015		
	<u>6,772</u>	<u>2,877</u>		
Non-current assets - long-term receivables (i)				
Água Quente Ltda.	392		392	915
Bom Retiro S.A.	257	133	257	134
Engevix Engenharia S.A.	3,087		3,087	
Energasa - Energia Caiuá S.A.	26	45,504		
Energen - Energias Renováveis S.A.	91,669			
Federal Savings and Loans Bank				
Employees' Foundation (FUNCEF) (ii)	5,367	4,275	5,367	4,275
Jackson Empreendimentos Ltda. (ii)	18,697	14,529	18,697	14,529
JP Participações Ltda.	25	525	25	525
Macaúbas Energética S.A.	3,637	13		
Moinho S.A.	12,407	12,785		
Seabra Energética S.A.	293			
São Roque Energética S.A.	14,241		14,241	
SN Power	2,252		2,252	
Cubatão S.A. UHE	90	7	90	7
Usina Pau D'Alho S.A.	14,652	13,295	14,652	13,295
	<u>167,092</u>	<u>91,066</u>	<u>59,060</u>	<u>33,680</u>
Total assets	<u>177,060</u>	<u>96,713</u>	<u>59,297</u>	<u>33,930</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Current liabilities				
Trade payables				
Engevix Engenharia S.A.			10,857	6,505
			10,857	6,505
Related parties (i)				
Energica - Energia Caiuá S.A.	12,256			
Energen Energias Renováveis S.A.		1,131		
Engevix Engenharia S.A.	4,867	1,002	8,493	4,713
Goiás Transmissão S.A.	2,040		2,040	
Jackson Empreendimentos Ltda.	1,194		1,194	
Macaúbas Energética S.A.				
Monel Monjolinho Energética S.A.	5,000	16,833		
Novo Horizonte Energética S.A.	2,887			
Santa Laura S.A.	3,266	162		
Santa Rosa S.A.	3,070	920		
SN Power (iii)		118,346		118,346
	34,580	138,394	11,727	123,059
Total liabilities	34,580	138,394	20,584	129,564

- (i) Basically refer to intercompany loans, without maturity and not subject to financial charges.
- (ii) 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 18(a)).

	Parent company		Consolidated	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Result for the period				
Revenues from services rendered				
Energen Energias Renováveis S.A.	720			
Energica Energia Caiuá S.A.	274	540		
Esmeralda S.A.	175	360		
Macaúbas Energética S.A.	448	540		
Moinho S.A.	262	520		
Monel Monjolinho Energética S.A.	507	720		
Novo Horizonte Energética S.A.	440	540		
Santa Laura S.A.	178	180		
Santa Rosa S.A.	244	360		
Seabra Energética S.A.	452	540		
Passos Maia Energética S.A.	654	540	327	270
	4,354	4,840	327	270

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

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\$ 7,356 in the period ended September 30, 2012 (R\$ 2,149 in the period ended September 30, 2011, when the company was jointly-owned (50%)). The amount billed by Engevix Engenharia S.A. to the Company and its subsidiaries totaled R\$ 22,062 in the period ended September 30, 2012 (R\$ 106,876 in the period ended September 30, 2011), and was substantially represented by the plant construction cost.

The remuneration of key management personnel, which includes shareholders and officers, totaled R\$ 3,203 in the period ended September 30, 2012 (R\$ 3,047 in the period ended September 30, 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.

### 13 Financing

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>September 30, 2012</u>	<u>December 31, 2011</u>	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Construction financing - BNDES (i)			465,987	424,466
Construction financing - Bank of the Northeast of Brazil (BNB) (ii)			272,480	271,422
Bank Credit Certificate (iii)	41,167	31,033	41,167	31,033
Financing of Studies and Projects (FINEP) (iv)	10,916	17,406	10,952	17,443
Working capital financing (v)	10,000	10,000	10,000	10,000
Promissory notes (vi)	35,954		35,954	
Other		65	723	1,311
	<u>98,037</u>	<u>58,504</u>	<u>837,263</u>	<u>755,675</u>
Current liabilities	<u>(95,667)</u>	<u>(49,665)</u>	<u>(136,268)</u>	<u>(81,519)</u>
Non-current liabilities	<u>2,370</u>	<u>8,839</u>	<u>700,995</u>	<u>674,156</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

The changes in financing were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
At December 31, 2010	36,076	399,012
New borrowings	211,052	561,916
Repayments	(208,539)	(270,793)
Financial charges		
Allocated to the statement of operations	10,238	44,899
Capitalized in property, plant and equipment of subsidiaries	9,677	19,976
Balance from acquisition of ownership interest (Enex)		665
At December 31, 2011	58,504	755,675
New borrowings	105,017	164,335
Payments	(73,525)	(132,835)
Financial charges		
Allocated to the statement of operations	6,172	39,296
Capitalized in property, plant and equipment of subsidiaries	1,869	10,792
At September 30, 2012	<u>98,037</u>	<u>837,263</u>

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

	<u>Consolidated</u>			
	<u>Carrying amount</u>		<u>Fair value</u>	
	<u>September 30, 2012</u>	<u>December 31, 2011</u>	<u>September 30, 2012</u>	<u>December 31, 2011</u>
Construction financing - BNDES (i)	465,987	424,466	422,394	375,672
Construction financing - Bank of the Northeast of Brazil (BNB) (ii)	272,480	271,422	267,347	244,370
Bank Credit Certificate (iii)	41,167	31,033	42,834	31,048
Financing of Studies and Projects (FINEP) (iv)	10,952	17,443	11,172	17,185
Working capital financing (v)	10,000	10,000	9,322	10,939
Promissory notes (vi)	35,954		36,087	
Other	723	1,311	723	1,311
	<u>837,263</u>	<u>755,675</u>	<u>789,879</u>	<u>680,525</u>



## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

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.	September 30, 2012	Consolidated December 31, 2011
Enercasa Energia Caiuá S.A.	TJLP + 2.5	54,922	
Esmeralda S.A.	TJLP + 3.5	33,278	37,152
Moinho S.A.	TJLP + 2.0	51,877	49,552
Monel Monjolinho Energética S.A.	TJLP + 2.1	172,513	182,097
Passos Maia Energética S.A.	TJLP + 1.9	47,500	41,094
Santa Laura S.A.	TJLP + 3.5	29,687	32,590
Santa Rosa S.A.	TJLP + 3.8	76,210	81,981
		465,987	424,466

TJLP - Long-term Interest Rate

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

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

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.

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

Companies	Financial charges - % p.a.	September 30, 2012	Consolidated December 31, 2011
Macaúbas Energética S.A.	9.5	100,391	100,000
Novo Horizonte Energética S.A.	9.5	86,050	85,716
Seabra Energética S.A.	9.5	86,039	85,706
		272,480	271,422

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

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

			<b>Year</b>	
	<b>Number of installments</b>	<b>Maturity by month</b>	<b>First installment</b>	<b>Last installment</b>
Macaúbas Energética S.A.	180	July	2013	2028
Novo Horizonte Energética S.A.	180	July	2013	2028
Seabra 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, and was paid in a single installment in March 2012. The balance at September 30, 2012 was contracted from Banco Pine S.A., as a loan amounting to R\$ 15,000 and 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 originally in a single installment in July 2012. This loan was renewed under the same conditions and with a new maturity date of November 22, 2012. In addition, the balance at September 30, 2012 includes a loan contracted from Banco ABC Brasil S.A., amounting to R\$ 25,000 and subject to financial charges corresponding to 100% of the Interbank Deposit (DI) average daily rate, plus interest of 4.4066% per year, to be paid in a single installment on October 24, 2012.

#### **(iv) Financing of Studies and Projects (FINEP)**

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

#### **(v) Working capital financing**

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

#### **(vi) Promissory Notes**

The Company issued 7 Promissory Notes on June 14, 2012 of R\$ 5,000 each, totaling R\$ R\$ 35,000. These notes are subject to financial charges corresponding to 100% of the DI average daily rate, plus interest of 1.5% per year, to be paid in a single installment on December 14, 2012. The Promissory Notes were issued in the 1st issue for public offering with restricted efforts (to qualified investors), in accordance with the Brazilian Securities Commission (CVM) Instruction 476 of January 16, 2009. Banco Fator S.A. is the Depository Bank of the Promissory Notes, and holds the custody of these notes.

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

#### 14 Payables for land acquisitions

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

#### 15 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.

#### 16 Taxes and contributions

	Parent company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Social Contribution on Revenues (COFINS)	339	292	1,718	1,776
Value-added Tax on Sales and Services (ICMS)			179	350
Tax on Financial Transactions (IOF)	7,779	5,143	7,779	5,143
Tax on Services of Any Kind (ISSQN)	3	40	321	235
Social Integration Program (PIS)	74	63	373	386
ANEEL fees and contributions			874	663
Withholding taxes (ISSQN, IRRF, INSS, CSLL) and others	2,374	2,517	3,993	4,057
	<u>10,569</u>	<u>8,055</u>	<u>15,237</u>	<u>12,610</u>

#### 17 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.

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

#### 18 Equity

##### (a) Share capital

Subscribed and paid up capital at September 30, 2012 comprised 107,439,555 (100,000,000 at December 31, 2011) registered common shares with no par value.

At the Extraordinary General Meeting held on March 8, 2012, the following decisions were approved: (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 up by SN Power with a previous 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, comprised of 107,439,555 registered common shares with no par value". In the period ended September 30, 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 September 30, 2012, net of the aforementioned expenses, amounted to R\$ 665,312.

The members of the Company's new controlling shareholders (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 ownership composition is currently 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 transfer to the legal reserve, for payment of mandatory minimum dividends to all shareholders.

#### 19 Net operating revenue

	<b>Parent company</b>			
	<b>Nine-month period ended September 30, 2012</b>	<b>Quarter ended September 30, 2012</b>	<b>Nine-month period ended September 30, 2011</b>	<b>Quarter ended September 30, 2011</b>
Services rendered	4,354	1,220	4,840	1,600
Taxes on services rendered	(254)	(94)	(280)	(99)
Net operating revenue	<u>4,100</u>	<u>1,126</u>	<u>4,560</u>	<u>1,501</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

	<b>Consolidated</b>			
	Nine-month period ended September 30, 2012	Quarter ended September 30, 2012	Nine-month period ended September 30, 2011	Quarter ended September 30, 2011
Electric power supply	142,856	53,874	85,809	31,026
Services rendered	19,200	6,495	9,198	4,336
Taxes on services rendered	(2,355)	(796)	(7,077)	(2,610)
Taxes on electric power sales	(8,150)	(2,939)		
Net operating revenue	<u>151,551</u>	<u>56,634</u>	<u>87,930</u>	<u>32,752</u>

#### 20 Costs and expenses by nature

	<b>Parent company</b>			
	Nine-month period ended September 30, 2012	Quarter ended September 30, 2012	Nine-month period ended September 30, 2011	Quarter ended September 30, 2011
Personnel expenses	3,096	1,054	3,849	1,523
Management remuneration	3,203	1,068	3,047	1,070
Outsourced services	2,605	1,224	3,788	1,246
Travel and lodging	860	306	923	450
Rentals	612	207	476	169
Taxes and fees	5	5	136	49
Depreciation and amortization	40	15	31	12
Advertising and publicity	1,051	253	794	9
Other	410	139	232	76
Costs, general and administrative expenses and management fees	<u>11,882</u>	<u>4,271</u>	<u>13,276</u>	<u>4,604</u>
			<b>Consolidated</b>	
	Nine-month period ended September 30, 2012	Quarter ended September 30, 2012	Nine-month period ended September 30, 2011	Quarter ended September 30, 2011
Personnel expenses	18,879	6,857	10,422	4,353
Management remuneration	3,203	1,068	3,047	1,070
Outsourced services	8,927	3,704	5,472	1,920
Travel and lodging	1,990	763	1,628	703
Rentals	2,317	704	1,137	457
Taxes and fees	355	88	535	102
Industry charges	6,827	3,529	5,179	1,955
Depreciation and amortization	34,677	15,433	21,668	7,599
Advertising and publicity	1,237	439	807	14
Surety insurance and commissions	3,488	2,189	1,514	477
Electric power purchases (i)	19,251	5,348	944	944
Other	1,640	680	1,018	585
Costs, general and administrative expenses and management fees	<u>102,791</u>	<u>40,802</u>	<u>53,371</u>	<u>20,179</u>

# Desenvix Energias Renováveis S.A.

## Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

- (i) A provision for costs of electric power purchases was recorded in the Decasa Thermal Power Plant, in the amount of R\$ 17.8 million. 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, for preventive maintenance in its manufacturing area, which is realized annually during the inter-crop periods, and to the low production of sugarcane during the second and third quarters of 2012. 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.

### 21 Finance result

	<b>Parent company</b>			
	<b>Nine-month period ended September 30, 2012</b>	<b>Quarter ended September 30, 2012</b>	<b>Nine-month period ended September 30, 2011</b>	<b>Quarter ended September 30, 2011</b>
Finance costs				
Financing	(6,172)	(1,940)	(11,552)	(4,272)
Bank guarantee letters	(7,413)	(5,822)	(1,402)	(614)
IOF and fine and interest on taxes	(2,788)	(1,219)	(3,448)	(1,365)
Monetary variation losses	(96)		(192)	(155)
Other finance costs	(295)	(218)	(114)	(88)
	<u>(16,764)</u>	<u>(9,199)</u>	<u>(16,708)</u>	<u>(6,494)</u>
Finance income				
Income from financial investments	904	95	1,004	218
Monetary variations	3,492	3,128		
Interest and other	20	20	1,294	1,151
	<u>4,416</u>	<u>3,243</u>	<u>2,298</u>	<u>1,369</u>
	<u>(12,348)</u>	<u>(5,956)</u>	<u>(14,410)</u>	<u>(5,125)</u>
			<b>Consolidated</b>	
	<b>Nine-month period ended September 30, 2012</b>	<b>Quarter ended September 30, 2012</b>	<b>Nine-month period ended September 30, 2011</b>	<b>Quarter ended September 30, 2011</b>
Finance costs				
Financing	(39,296)	(16,227)	(34,050)	(11,178)
Bank guarantee letters	(7,918)	(6,128)	(1,402)	(614)
IOF and fine and interest on taxes	(2,822)	(1,217)	(2,490)	(272)
Monetary variation losses	(101)	(5)	(192)	(155)
Concessions payable and other expenses	(7,833)	(2,975)	(3,951)	(1,265)
Other finance costs	(1,629)	(657)	(2,986)	(1,754)
	<u>(59,599)</u>	<u>(27,209)</u>	<u>(45,071)</u>	<u>(15,238)</u>
Finance income				
Income from financial investments	3,028	954	3,221	1,035
Monetary variations	3,492	3,128	2	
Interest and other	62	36	1,440	1,158
	<u>6,582</u>	<u>4,118</u>	<u>4,663</u>	<u>2,193</u>
	<u>(53,017)</u>	<u>(23,091)</u>	<u>(40,408)</u>	<u>(13,045)</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

#### 22 Expenses related to studies in progress

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:

	<b>Parent company and consolidated</b>			
	<b>Nine-month period ended September 30, 2012</b>	<b>Quarter ended September 30, 2012</b>	<b>Nine-month period ended September 30, 2011</b>	<b>Quarter ended September 30, 2011</b>
Bonito A Small Hydroelectric Plant	(7)		(170)	(31)
Bonito B Small Hydroelectric Plant	(23)	(9)	(199)	(12)
Areado Small Hydroelectric Plant				
Saldo Grande Small Hydroelectric Plant	(4)		(184)	(11)
Pinhalito Small Hydroelectric Plant	(21)	(8)	(237)	(11)
Barra dos Coqueiros Wind Plant			(149)	
Rio Piquiri	(11)		(102)	(3)
Bom Retiro/Barracão Small Hydroelectric Plant	(9)	(5)		
Bonança/Quebrada Small Hydroelectric Plant	(9)		(154)	(99)
Cascudo Small Hydroelectric Plant	(5)	(1)	(166)	(12)
Ervalzinho Baixo Small Hydroelectric Plant	(4)		(155)	(12)
Bandeira Small Hydroelectric Plant	(26)	(9)	(97)	(12)
Cobre Small Hydroelectric Plant	(24)	(8)	(178)	(86)
São Manoel Small Hydroelectric Plant	(27)	(9)	(163)	(13)
Rio do Forno Small Hydroelectric Plant	(6)		(222)	(92)
Sakura Small Hydroelectric Plant	(134)	(17)	(120)	(46)
Sossego/Chimarrão Small Hydroelectric Plant			(86)	(62)
Riacho Seco Hydroelectric Power Plant (UHE)	(91)	(18)	(1)	
BBE - Bioenergia	(256)	(80)	(344)	(174)
Wind Power Plants	(28)	(9)	(197)	(129)
Apertados Hydroelectric Power Plant	(45)	(9)		
Comissário Hydroelectric Power Plant	(959)	(328)		
Ercilândia Hydroelectric Power Plant	(44)	(8)		
Foz do Piquiri Hydroelectric Power Plant	(923)	(329)		
Garibaldi Hydroelectric Power Plant			95	
São Roque Hydroelectric Power Plant			99	308
Porto Galeano/Torixoréu Hydroelectric Power Plant	(3)	(2)		
Santo Antônio Hydroelectric Power Plant	(1)	(1)	(36)	(36)
Saudade Hydroelectric Power Plant	(1)	(1)	(36)	(36)
Itapiranga Hydroelectric Power Plant (UHE)	(3)	(3)	(29)	(11)
Saltinho/ Bandeirantes			(11)	(4)
Rio da Prata/ Canoas/ Marombas			(88)	(27)
Ceran 2			(21)	(1)
Other	(12)	(6)	(94)	(42)
	<u>(2,676)</u>	<u>(860)</u>	<u>(3,045)</u>	<u>(654)</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

#### 23 Income tax and social contribution

##### (a) Nine-month period

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 their accounting records (as adjusted for tax purposes). The other subsidiaries opted for the deemed profit system to calculate the Income Tax (IRPJ) and Social Contribution (CSLL) due on their taxable income.

The IRPJ and CSLL charges in the periods ended September 30 can be summarized as follows:

	<b>Parent company</b>	
	<b>2012</b>	<b>2011</b>
Income tax and social contribution		
Deferred	1,203	1,778
	<u>1,203</u>	<u>1,778</u>
		<b>Consolidated</b>
	<b>2012</b>	<b>2011</b>
Income tax and social contribution		
Current	(8,200)	(5,131)
Deferred	4,197	3,468
	<u>(4,003)</u>	<u>(1,663)</u>

The IRPJ and CSLL charges, by calculation system, in the periods ended September 30 can be summarized as follows:

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
Calculation system		
Taxable income		
Income tax	(3,607)	(2,559)
Social contribution	(1,311)	(931)
	<u>(4,918)</u>	<u>(3,490)</u>
Deemed profit		
Income tax	(2,130)	(1,071)
Social contribution	(1,152)	(570)
	<u>(3,282)</u>	<u>(1,641)</u>
Total charge in the period	<u>(8,200)</u>	<u>(5,131)</u>



## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

The calculation of the taxes due under the deemed profit system is as follows:

	<b>Consolidated</b>			
	<b>Nine-month period ended September 30, 2012</b>		<b>Nine-month period ended September 30, 2011</b>	
	<b>Corporate Income Tax (IRPJ)</b>	<b>Social Contribution on Net Income (CSLL)</b>	<b>Corporate Income Tax (IRPJ)</b>	<b>Social Contribution on Net Income (CSLL)</b>
Deemed profit calculation basis				
Revenue from electric power sales	97,142	97,142	43,810	43,810
Finance and other income	<u>1,425</u>	<u>1,425</u>	<u>1,249</u>	<u>1,249</u>
Taxable income				
Revenue from electric power sales - 8% for income tax and 12% for social contribution	7,771	11,657	3,505	5,257
Finance and other income - 100%	<u>1,425</u>	<u>1,425</u>	<u>1,249</u>	<u>1,249</u>
Taxable deemed profit	<u>9,196</u>	<u>13,082</u>	<u>4,754</u>	<u>6,506</u>
Taxes appropriated to the result	<u>(2,130)</u>	<u>(1,152)</u>	<u>1,071</u>	<u>570</u>

As previously mentioned, the Company opted to compute taxable income in accordance with the actual taxable income system, and, in the periods ended September 30, 2012 and 2011, calculated tax losses of R\$ 20,168 and R\$ 22,931, respectively.

In the period ended September 30, 2012, the subsidiaries Enex and Monel calculated income tax and social contribution payable totaling R\$ 555 and R\$ 4,363, respectively.

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

	<b>Consolidated</b>	
	<b>Period ended September 30, 2012</b>	<b>Period ended September 30, 2011</b>
Profit (loss) before taxation	(3,775)	7,952
Loss before income tax, social contribution and result on equity investments in the parent and subsidiaries, which presented a tax loss in the quarter	16,237	27,010
Unrealized profit from transactions between the parent and subsidiaries, without the recognition of deferred taxes	(201)	151
Result from equity investments	<u>(4,012)</u>	<u>(19,556)</u>
	<u>8,249</u>	<u>15,557</u>
Combined income tax and social contribution statutory rate - %	<u>34</u>	<u>34</u>
Income tax and social contribution at the statutory rate	(2,805)	(5,289)
Adjustment for the calculation of the effective rate		
Difference in the income tax and social contribution charge of subsidiaries computed under the deemed profit system at different rates and tax bases.	(2,723)	3,387
Other	<u>1,525</u>	<u>239</u>
Income tax and social contribution expense in the period	<u>(4,003)</u>	<u>(1,663)</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

#### (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:

	<b>Parent company and consolidated</b>	
	<b>Period ended September 30, 2012</b>	<b>Period ended September 30, 2011</b>
Tax loss carryforwards	50,119	4,274
Temporarily non-deductible differences in the computation of taxable income	31,054	27,249
Transitional Tax System (RTT):		
Business combination - gain on investment	863	
Carrying value adjustment of investments classified as available-for-sale financial instruments	54,014	43,723

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

	<b>September 30, 2012</b>		<b>December 31, 2011</b>	
	<b>Parent company</b>	<b>Consolidated</b>	<b>Parent company</b>	<b>Consolidated</b>
<b>Assets</b>				
Tax loss carryforwards			2,315	2,315
Temporarily non-deductible differences in the computation of taxable income	12,873	17,917	9,648	11,699
	<u>12,873</u>	<u>17,917</u>	<u>11,963</u>	<u>14,014</u>
<b>Liabilities</b>				
Deferred income tax on the carrying value adjustment of investments classified as available-for-sale financial instruments	(18,363)	(18,363)	(16,932)	(16,932)
Deferred income tax on business combination - gain on investment	(1,663)	(1,663)	(1,955)	(1,955)
	<u>(20,026)</u>	<u>(20,026)</u>	<u>(18,887)</u>	<u>(18,887)</u>
Total deferred income tax and social contribution	<u>(7,153)</u>	<u>(2,109)</u>	<u>(6,924)</u>	<u>(4,873)</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

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The changes in deferred tax are as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
At December 31, 2011	11,966	(18,889)	14,016	(18,889)
With a corresponding entry to the statement of operations				
Recognition of deferred income tax assets	907		3,901	
Reversal of deferred tax liabilities		296		296
With a corresponding entry to equity				
Recognition of deferred income tax liabilities from carrying value adjustments		(1,433)		(1,433)
At September 30, 2012	<u>12,873</u>	<u>(20,026)</u>	<u>17,917</u>	<u>(20,026)</u>

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

#### 24 Insurance and guarantees

##### (a) 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 performance bonds 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.

Santa Laura S.A. and Monel Monjolinho Energética S.A. had contracted performance bonds of R\$ 33,851 and R\$ 138,514, respectively, as required by the conditions determined in financing contracts with BNDES (Note 13), which were cancelled at October 24, 2012 and August 08, 2012, after the contractual conditions with BNDES were met. 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. bank guarantee letters were obtained in the amounts of R\$ 49,367, R\$ 42,315 and R\$ 42,310, respectively, effective through July to August 2013. In addition, these companies contracted performance bonds 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 performance bonds 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.

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

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#### 25 Financial instruments

There were no changes in the Company's financial risk management policy in the third 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

At September 30, 2012, the Group did not have assets and liabilities denominated in foreign currency and, therefore, was not exposed to this risk.

###### (ii) Cash flow or fair value interest rate risk

As the Company 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.

##### (b) Liquidity risk

	<u>Parent company</u>	
	<u>No later than 1 year</u>	<u>Between one and three years</u>
At September 30, 2012		
Trade payables	832	
Borrowings	99,480	2,193
Related parties	34,580	
Payables for land acquisitions	2,037	
Concessions payable		
At December 31, 2011		
Trade payables	5,167	
Borrowings	52,702	9,921
Related parties	138,394	
Payables for land acquisitions	2,037	
Concessions payable		

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

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	<b>Consolidated</b>			
	<b>No later than 1 year</b>	<b>Between one and three years</b>	<b>Between 3 and 5 years</b>	<b>Later than 5 years</b>
At September 30, 2012				
Trade payables	129,163			
Borrowings	175,619	158,149	154,278	996,262
Related parties	11,727			
Payables for land acquisitions	3,173			
Concessions payable	5,918	11,836	11,836	115,894
At December 31, 2011				
Trade payables	140,880			
Borrowings	107,380	144,920	140,970	1,018,870
Related parties	123,059			
Payables for land acquisitions	3,601			
Concessions payable	5,627	11,253	11,253	114,406

The Company 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 possible non-compliance with restrictive covenants of the financing agreements entered into with BNDES (Note 13), 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. The Company met all restrictive covenants included in its financing agreements at September 30, 2012.

#### (d) Sensitivity analysis - Interest risk factor (consolidated)

		<b>Additional variations in the book balance (*)</b>					
	<b>Risk factor</b>	<b>Amounts exposed at September 30, 2012</b>	<b>Probable scenario</b>				
		<b>(50)%</b>	<b>(25)%</b>	<b>25%</b>	<b>50%</b>		
Borrowings	CDI	(87,532)	(787)	(1,181)	(1,574)	(1,968)	(2,361)
Restricted financial investments	CDI	34,626	311	467	623	778	934
Net impact	CDI	<u>(52,906)</u>	<u>(476)</u>	<u>(714)</u>	<u>(951)</u>	<u>(1,190)</u>	<u>(1,427)</u>
Borrowings	TJLP	(477,252)	(3,216)	(4,823)	(6,431)	(8,039)	(9,647)
Financial investments	TJLP						
Net impact	TJLP	<u>(477,252)</u>	<u>(3,216)</u>	<u>(4,823)</u>	<u>(6,431)</u>	<u>(8,039)</u>	<u>(9,647)</u>
Rates considered - % per year	CDI	8.50%	0.90%	1.35%	1.80%	2.25%	2.70%
Rates considered - % per year	TJLP	5.50%	0.67%	1.01%	1.35%	1.68%	2.02%
CDI - Interbank Deposit Certificate TJLP - Long-term Interest Rate							

(\*) The positive and negative variations of 25% and 50% were applied to the effective rates estimated for September 30, 2012.

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

#### (e) Fair value estimation

The following table presents the financial assets that are measured at fair value at September 30, 2012 and December 31, 2011:

	<b>Consolidated - Level 2</b>	
	<b>September 30, 2012</b>	<b>December 31, 2011</b>
Assets		
Available-for sale financial assets		
Minority interests	81,540	74,258

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 significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

#### (f) Financial instruments by category

	<b>Consolidated</b>			
	<b>Assets at fair value through profit or loss</b>	<b>Loans and receivables</b>	<b>Available for sale</b>	<b>Total</b>
At September 30, 2012				
Assets as per balance sheet				
Cash and cash equivalents		21,922		21,922
Trade receivables		25,054		25,054
Related parties		59,060		59,060
Other assets		4,639		4,639
Restricted financial investments	34,626			34,626
Investments			81,540	81,540
	<u>34,626</u>	<u>110,675</u>	<u>81,540</u>	<u>226,841</u>
				<b>Consolidated</b>
	<b>Assets at fair value through profit or loss</b>	<b>Loans and receivables</b>	<b>Available for sale</b>	<b>Total</b>
At December 31, 2011				
Assets as per balance sheet				
Cash and cash equivalents		41,490		41,490
Trade receivables		34,505		34,505
Related parties		33,680		33,680
Other assets		5,042		5,042

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

				<b>Consolidated</b>
	<b>Assets at fair value through profit or loss</b>	<b>Loans and receivables</b>	<b>Available for sale</b>	<b>Total</b>
Restricted financial investments	56,880			56,880
Investments			76,429	76,429
	<u>56,880</u>	<u>114,717</u>	<u>76,429</u>	<u>248,026</u>
				<b>Consolidated Other financial liabilities</b>
At September 30, 2012				
Liabilities as per balance sheet				
Trade payables				129,163
Borrowings				837,263
Related parties				11,727
Payables for land acquisitions				3,173
Concession payable				75,496
				<u>1,056,822</u>
At December 31, 2011				
Liabilities as per balance sheet				
Trade payables				140,880
Borrowings				755,675
Related parties				123,059
Payables for land acquisitions				3,601
Concession 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 is assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2012</b>	<b>December 31, 2011</b>	<b>September 30, 2012</b>	<b>December 31, 2011</b>
Trade receivables				
Counterparties with external credit ratings (*)				
AA			1,709	
A			7,672	
BBB				5,988
Counterparties without external credit ratings				
Group 2	2,976	2,550	15,673	28,487

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Related parties				
Group 2	167,092	91,066	59,060	33,680
Total receivables and related parties	170,068	93,616	84,114	68,155
Cash and cash equivalents and restricted financial investments (*)				
AAA	72	24	30,187	32,181
AA		12		11
BBB	2,694	25,169	23,361	66,178
	2,766	25,205	56,548	98,370

- . Group 1 - new customers/related parties (less than 6 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.

#### 26 Other operational risks

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

#### 27 Contingencies

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

The Company and its subsidiaries had no contingencies classified as probable losses as at September 30, 2012.

#### 28 Basic and diluted earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to the stockholders of the Company by the average number of shares outstanding during the period. Diluted earnings (loss) per share in the period was the same as the basic earnings (loss) per share.



## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Quarter ended September 30, 2012	Quarter ended September 30, 2011
Profit (loss) attributable to common shareholders of the Company	(9,717)	16,599	(9,717)	16,679
Weighted average number of outstanding shares in the period (thousands) (i)	107,440	100,000	107,440	100,000
Basic and diluted earnings (loss) per share	<u>(0.0904)</u>	<u>0.1660</u>	<u>(0.0904)</u>	<u>0.1668</u>
	Parent company		Consolidated	
	Period ended September 30, 2012	Period ended September 30, 2011	Period ended September 30, 2012	Period ended September 30, 2011
Profit (loss) attributable to common shareholders of the Company	(7,805)	6,104	(7,753)	6,343
Weighted average number of outstanding shares in the period (thousands) (i)	105,614	100,000	105,614	100,000
Basic and diluted earnings (loss) per share	<u>(0.0739)</u>	<u>0.0610</u>	<u>(0.0734)</u>	<u>0.0634</u>

- (i) 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 18(a).

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

### 30 Commitments for purchase of assets

Commitments assumed by the Company to purchase property, plant and equipment for the plants under construction totaled R\$ 44,366 at September 30, 2012 (R\$ 102,213 at December 31, 2011).

### 31 Assets and liabilities classified as held for sale

On January 26, 2012, the Company entered into an agreement with Cel Engenharia Ltda. and Santa Rita Comércio e Instalações Ltda. for the sale of its investment of 25.05% in the Caldas Novas (Caldas Novas Transmissão S.A.) substation, in the amount of R\$ 25. This sale transaction depends on ANEEL approval to be completed. The assets and liabilities related to the investment in the Caldas Novas substation are as follows:

Parent company and consolidated	September 30, 2012
Assets	
Investments	<u>674</u>

## Desenvix Energias Renováveis S.A.

### Notes to the quarterly information at September 30, 2012

All amounts in thousands of reais unless otherwise stated

<b>Parent company and consolidated</b>	<b>September 30, 2012</b>
Liabilities	
Related parties	<u>649</u>

The fair value of assets and liabilities classified as held for sale approximate their book value at September 30, 2012.

The Caldas Novas substation was in the preoperational phase at September 30, 2012.

The net cash flows of the held-for-sale transactions for the periods ended September 30 were as follows:

	<u>2012</u>	<u>2011</u>
Operating cash flows		
Cash flows from investments	(649)	(25)
Cash flows from financing	<u>649</u>	<u>(25)</u>

### 32 Supplementary information on cash flows

The transactions not affecting cash in the periods ended September 30, 2012 and 2011 were as follows:

	<u>Parent company</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			85,672	101,543
Variation in the fair value of investments carried at cost (Note 9)	4,125		4,125	
Capitalized financial charges (Note 10)	1,869		10,792	
Acquisition of investments		26,871		14,149
Offset of proposed dividends against payables to related parties	14,688			
Capital increase with loans from related parties				
Capital increase with conversion of debt into capital	120,000	124,827	120,000	
Payables for land acquisitions - property, plant and equipment	7,421		7,421	
Costs of issuance of shares transferred to related parties				
Transfer between intangible assets and receivables from related parties	15,334		15,334	
Tax on Financial Transactions (IOF) on loans with related parties	2,253			
Provision for social and environmental costs			9,640	
Investment of advances			28,993	

\* \* \*