Desenvix Energias Renováveis S.A.

Financial statements at December 31, 2012 and independent auditor's report

Independent auditor's report

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

We have audited the accompanying parent company financial statements of Desenvix Energias Renováveis S.A. ("Company" or "Parent Company"), which comprise the balance sheet as at December 31, 2012 and the statements of operations, comprehensive income (loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have also audited the accompanying consolidated financial statements of Desenvix Energias Renováveis S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2012 and the consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the parent company financial statements in accordance with accounting practices adopted in Brazil, and for the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the parent company financial statements

In our opinion, the parent company financial statements referred to above present fairly, in all material respects, the financial position of Desenvix Energias Renováveis S.A. as at December 31, 2012, and its financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Desenvix Energias Renováveis S.A. and its subsidiaries as at December 31, 2012, and their financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

Emphasis of matter

As discussed in Note 2.1 to these financial statements, the parent company financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of Desenvix Energias Renováveis S.A., these practices differ from IFRS applicable to separate financial statements only in relation to the measurement of investments in subsidiaries, associates and jointly-controlled entities based on equity accounting, while IFRS requires measurement based on cost or fair value. Our opinion is not qualified in respect of this matter.

Desenvix Energias Renováveis S.A.

Other matters
Supplementary information - statement of value added

We have also audited the parent company and consolidated statements of value added for the year ended December 31, 2012, which are the responsibility of the Company's management. The presentation of this statement is required by the Brazilian corporate legislation for listed companies, but it is considered supplementary information for IFRS. These statements were subject to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Florianopolis, March 28, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" SC

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

Desenvix Energias Renováveis S.A.

Balance sheet at December 31

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
Assets	**2012**	**2011**	**2012**	**2011**
Current assets				
Cash and cash equivalents (Note 5)	7,126	406	127,077	41,490
Restricted financial investments (Note 7)		24,799		24,799
Trade receivables (Note 6)	1,334	2,550	28,675	34,505
Dividends receivable (Note 11 (a))	14,913	2,877	777	
Taxes recoverable	1,843	2,109	4,669	3,560
Inventories			1,030	696
Other assets	692	9,796	4,832	18,627
	25,908	42,537	167,060	123,677
Investments held for sale (Note 31)	16,976		16,976	
	42,884	42,537	184,036	123,677
Non-current assets				
Long-term receivables				
Restricted financial investments (Note 7)	4,938		41,929	32,081
Related parties (Note 11)	128,124	91,066	43,425	33,680
Deferred income tax and social contribution (Note 23(c))			5,604	2,051
Other assets			31	60
	133,062	91,066	90,989	67,872
Investments (Note 8)	685,566	650,821	187,956	136,911
Property, plant and equipment (Note 9)	497	462	1,367,517	1,257,604
Intangible assets (Note 10)	17,183	32,516	116,380	144,953
	836,308	774,865	1,762,842	1,607,340
Total assets	879,192	817,402	1,946,878	1,731,017

	Parent company		Consolidated	
Liabilities and equity	**2012**	**2011**	**2012**	**2011**
Current liabilities				
Trade payables (Note 12)	3,077	5,167	111,733	140,880
Financing (Note 13)	18,695	49,665	74,052	81,519
Related parties (Note 11)	50,641	138,394	30,078	123,059
Concessions payable (Note 14(a))			6,255	5,371
Salaries and payroll charges	1,978	1,213	4,240	2,756
Taxes and contributions payable (Note 15)	11,033	8,055	14,886	12,610
Income tax and social contribution payable (Note 23)			6,010	4,387
Provision for electric power contracts			33,058	
Proposed dividends (Note 18)		529	47	529
Other liabilities (Note 17)	2,040	2,043	29,725	10,381
	87,464	205,066	310,084	381,492
Non-current liabilities				
Financing (Note 13)	98,910	8,839	874,782	674,156
Deferred income tax and social contribution (Note 23(c))	6,676	6,924	6,676	6,924
Concessions payable (Note 14(a))			55,015	66,593
Other liabilities (Note 16)			12,857	3,716
	105,586	15,763	949,330	751,389
Total liabilities	193,050	220,829	1,259,414	1,132,881
Equity - attributable to owners of the Parent company (Note 17)				
Share capital	665,312	546,787	665,312	546,787
Carrying value adjustments	44,432	41,867	44,432	41,867
Revenue reserves	8,448	7,919	8,396	7,867
Accumulated deficit	(32,050)	-	(31,998)	-
	686,142	596,573	686,142	596,521
Non-controlling interests			1,322	1,615
Total equity	686,143	596,573	687,464	598,136
Total liabilities and equity	879,192	817,402	1,946,878	1,731,017

The accompanying notes are an integral part of these parent company and consolidated financial statements.

Desenvix Energias Renováveis S.A.

Statement of operations
Years ended December 31

All amounts in thousands of reais unless otherwise stated (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Revenue				
Electric power supply			175,609	130,061
Services rendered	5,251	5,987	22,618	13,342
Operating revenue (Note 19)	5,251	5,987	198,227	143,403
Cost of electric power supply (Note 20)			(76,728)	(64,524)
Services cost (Note 20)	(5,028)	(7,775)	(14,261)	(9,309)
	(5,028)	(7,775)	(90,989)	(73,833)
Gross profit (loss)	223	(1,788)	107,238	69,570
Operating income (expenses)				
General and administrative (Note 20)	(13,280)	(11,249)	(48,445)	(28,213)
Studies under development (Note 22)	(3,793)	(4,352)	(3,793)	(4,352)
Losses on electric power contracts				(2,466)
Other operating income (expenses) net	17	(219)	73	(276)
	(17,056)	(15,820)	(52,165)	(35,307)
Operating profit (loss) before finance result and result from equity investments	(16,833)	(17,608)	55,073	34,263
Finance result (Note 21)				
Finance costs	(30,315)	(16,914)	(92,806)	(54,729)
Finance income	4,764	3,896	7,592	7,083
	(25,551)	(13,018)	(85,214)	(47,646)
Result from equity investments (Note 8)				
Equity in the results of investees	8,400	15,726	3,437	1,580
Dividends received	1,074	941	1,074	941
Gain on investment (Note 28(d))	441	17,264	441	17,264
Amortization of goodwill on investment	(1,150)	(383)	(1,150)	(383)
Provision for net capital deficiency		(2,466)		
	8,765	31,082	3,802	19,402
Profit (loss) before taxation	(33,619)	456	(26,339)	6,019
Income tax and social contribution (Note 23)	1,569	1,772	(5,283)	(3,571)
Profit (loss) for the year	(32,050)	2,228	(31,622)	2,448
Attributable to				
Owners of the Parent company			(31,998)	2,546
Non-controlling Interests			376	(98)
			(31,622)	2,448
Basic and diluted earnings (loss) per share (Note 29) – R$			(0.2978)	0.0255

The accompanying notes are an integral part of these parent company and consolidated financial statements.

Desenvix Energias Renováveis S.A.

Statement of comprehensive income (loss)
Years ended December 31
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Profit (loss) for the year	(32,049)	2,228	(31,622)	2,448
Other components of comprehensive income (loss), net of taxes				
Changes in fair value of available-for-sale financial instruments (Note 8)	2,565	6,280	2,565	6,280
Total comprehensive income (loss) for the year	(29,484)	8,508	(29,057)	8,728
Attributable to				
Owners of the Parent company			(29,433)	8,826
Non-controlling interests			376	(98)
			(29,057)	8,728

Items in the statement above are disclosed net of tax. The tax effects of comprehensive income are presented in Note 8.

The accompanying notes are an integral part of these parent company and consolidated financial statements.

Desenvix Energias Renováveis S.A.

Statement of changes in equity

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Attributable to the owners of the Parent company										Under IFRS
			Revenue reserves								
	Share capital	Carrying value adjustments	Legal	Profit retention	Total	Accumulated deficit	Total equity under CPC	Write-off of deferred charges	Total equity under IFRS	Non-controlling Interests	Total equity
At December 31, 2010	546,787	35,587	628	5,592	6,220		588,594	(370)	588,224		588,224
Comprehensive income (loss)											
Profit for the year						2,228	2,228	318	2,546	(98)	2,448
Carrying value adjustments (Note 8(a))		6,280					6,280		6,280		6,280
Total comprehensive income for the year		6,280				2,228	8,508	318	8,826	(98)	8,728
Non-controlling interests from acquisition of ownership interest										1,713	1,713
Allocation of profit											
Legal reserve			111		111	(111)					
Profit retention				1,588	1,588	(1,588)					
Proposed dividends (Note 18)						(529)	(529)		(529)		(529)
Total contributions by and distributions to owners of the Company			111	1,588	1,699	(2,228)	(529)		(529)	1,713	1,184
At December 31, 2011	546,787	41,867	739	7,180	7,919		596,573	(52)	596,521	1,615	598,136
Comprehensive income (loss)											
Loss for the year						(32,049)	(32,049)	52	(31,998)	376	(31,622)
Carrying value adjustments (Note 25)		2,565					2,565		2,565		2,565
Total comprehensive income (loss) for the year		2,565				(32,049)	(29,484)	52	(29,484)	376	(29,056)
Capital increase with conversion of debt	120,000						120,000		120,000	480	120,480
Costs of issuance of shares	(1,475)						(1,475)		(1,475)		(1,475)
Transfers:											
Profit retention				529	529		529		529		529
Proposed dividends (Note 18)										(49)	(49)
Purchase of additional interest and gain on investment in Energen with non-controlling parties										(1,100)	(1,100)
Total contributions by and distributions to owners of the Company	118,525			529	529		119,054		119,054	669	118,385
At December 31, 2012	665,312	44,432	739	7,709	8,448	(32,049)	686,143		686,142	1,322	687,465

The accompanying notes are an integral part of these parent company and consolidated financial statements.

Desenvix Energias Renováveis S.A.

Statement of cash flows
Years ended December 31
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Cash flows from operating activities				
Profit (loss) before taxation	(33,619)	456	(26,339)	6,019
Adjustments				
Finance income from long-term receivables	(408)		(2,439)	(2,089)
Equity in the results of investees	(8,400)	(15,726)	(3,437)	(1,580)
Provision for net capital deficiency		2,466		
Impairment of intangible assets		4,352		4,352
Research and development expenditures	3,793		3,793	
Gain on remeasuring previous interest	(441)	(17,264)	(441)	(17,264)
Net book value of property, plant and equipment disposals			29,584	
Depreciation and amortization	1,207	427	50,616	30,718
Provision for losses on electric power contracts			33,058	2,466
Provision for impairment of trade receivables		220		220
Financial charges on borrowings, concessions payable and guarantees	10,048	10,238	69,514	44,899
Provision for social and environmental costs			4,730	3,599
	(27,820)	(14,831)	158,639	71,340
Changes in assets and liabilities				
Trade receivables	1,216	4,136	5,830	(4,836)
Taxes recoverable	266	(663)	(1,109)	(1,041)
Other assets and prepaid expenses	7,629	(6,545)	12,228	(13,816)
Trade payables	(2,090)	4,406	(114,819)	20,160
Salaries and payroll charges	765	300	1,484	459
Payables for land acquisition	20	(609)	(435)	(1,371)
Provision for losses on electric power contracts				(4,703)
Taxes and contributions	2,978	4,085	2,276	4,972
Other liabilities	239	6	(1,918)	2,242
	(16,797)	(9,715)	62,176	73,406
Interest paid on financing	(11,316)	(11,130)	(61,962)	(46,606)
Income tax and social contribution paid			(8,783)	(5,565)
Net cash (used in) provided by operating activities	(28,113)	(20,845)	(8,569)	21,235
Cash flows from investing activities				
(Investment) redemption of restricted financial investments	20,269	(24,799)	17,390	(36,652)
Acquisition of investments and capital increases	(83,899)	(78,351)	(43,836)	(37,657)
Acquisition of land		(499)		(499)
Dividends received	33,328	8,843	(1,074)	
Purchases of property, plant and equipment	(92)	(215)	(68,927)	(379,593)
Acquisition of interest, net of cash received				(17,982)
Related parties				
Advances and payment of funds	(16,220)	(62,588)	11,577	(23,316)
Obtaining and receipt of funds	23,560	133,310	454	138,165
Acquisition of environmental license or other additions			(7,043)	
Expenditures allocated to intangible assets	(3,793)	(7,228)	(3,793)	(17,612)
Net cash used in investing activities	(26,847)	(31,527)	(95,252)	(375,146)

Desenvix Energias Renováveis S.A.

Statement of cash flows
Years ended December 31
All amounts in thousands of reais **(continued)**

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Cash flows from financing activities				
New financing	215,129	211,052	376,353	561,916
Repayment of financing - principal	(153,449)	(197,409)	(187,425)	(224,187)
Capital increase in cash made by non-controlling stockholders			480	
Net cash provided by financing activities	61,680	13,643	189,408	337,729
Net decrease in cash and cash equivalents	(6,720)	(38,729)	(85,587)	(16,182)
Cash and cash equivalents at the beginning of the year	406	39,135	41,490	57,672
Cash and cash equivalents at the end of the year	7,126	406	127,077	41,490

The accompanying notes are an integral part of these parent company and consolidated financial statements.

Desenvix Energias Renováveis S.A.

Statement of value added
Years ended December 31
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Revenue				
Sales of products and services	5,686	6,360	212,333	154,469
Change in provision for impairment of trade receivables		(219)		(219)
Other income	17		73	(57)
Revenues related to the construction of own assets		7,228		79,980
	5,703	13,369	212,406	234,173
Inputs acquired from third parties (includes taxes - ICMS and IPI)				
Cost of sales and services	1,052	3,002	22,769	37,735
Materials, electricity, outsourced services and others	10,810	19,665	45,332	82,749
Impairment/recovery of assets				(31)
	11,862	22,667	68,101	120,453
Gross value added	(6,159)	(9,298)	144,305	113,720
Retentions				
Depreciation, amortization and depletion	1,207	427	51,766	30,718
	1,207	427	51,766	30,718
Net value added generated by the entity	(7,366)	(9,725)	92,539	83,002
Value added received through transfer				
Equity in the results of investees	8,400	15,726	3,437	1,580
Finance income	4,764	3,896	7,592	7,083
Other income	1,074	941	1,074	941
Gain on investment	441	17,264	441	17,264
	14,679	37,827	12,544	26,868
Total value added to distribute	7,313	28,102	105,083	109,870
Distribution of value added				
Personnel and payroll charges	9,463	9,684	19,283	21,160
Taxes and contributions	(1,132)	(1,399)	22,422	15,024
Interest and rentals	31,031	17,589	95,003	71,238
Profits reinvested/loss for the year	(32,049)	2,228	(32,001)	2,546
Non-controlling interest in accumulated deficit			376	(98)
	7,313	28,102	105,083	109,870

The accompanying notes are an integral part of these parent company and consolidated financial statements.

All amounts in thousands of reais unless otherwise stated

1 General information

(a) Operations

The activities of Desenvix Energias Renováveis S.A. ("Company" or "Parent company") and its subsidiaries (together referred to as "the Group"), headquartered in Barueri, state of São Paulo, comprise investing in other companies in the areas of electric power generation and transmission.

The Group activities are integrated and cover the entire business cycle, from the execution of initial studies, licensing, financial and economic modeling, financing, and construction up to the operation of electric power transmission and generation ventures.

The Group invests in electric energy generation projects through (i) hydroelectric power plants ("UHEs"); (ii) small hydroelectric power plants ("PCHs"); (iii) wind farms ("UEEs"); (iv) biomass thermal power plants ("UTEs") and (v) transmission lines ("LT").

The Company installed capacity grew from 9 MW in 2005 to 349 MW up to September 2012, comprising 15 ventures working with one-hundred-percent renewable energy generation. In addition, the Company has an interest of 25.5% in two transmission lines being implemented, with an extension of 511 km.

(i) Projects in operation

The Group, through its subsidiaries, holds several authorizations and active concessions, including:

Companies	Electric power source	Beginning of operations	Installed capacity in MW	Agreement termination (authorizations/concessions)
Esmeralda S.A.	PCH	December 23, 2006	22.2	December 21, 2031
Santa Laura S.A.	PCH	October 01, 2007	15	September 27, 2030
Santa Rosa S.A.	PCH	July 01, 2008	30	May 31, 2031
Moinho S.A.	PCH	September 19, 2011	13.7	August 14, 2038
Enercasa Energética S.A.	UTE	October 26, 2011	33	February 25, 2044
Passos Maia Energética S.A	PCH	February 17, 2012	25	March 02, 2034
Monel Monjolinho Energética S.A.	UHE	August 31, 2009	74	April 22, 2037
Dona Francisca Energética S.A.	UHE	February 2011	125	August 28, 2033
CERAN - Cia. Energética Rio das Antas (i)	UHE	January 2005	360	December 31, 2029
Macaúbas Energética S.A.	UEE	July 05, 2012	35.07	June 16, 2045
Novo Horizonte Energética S.A.	UEE	July 05, 2012	30.06	July 28, 2045
Seabra Energética S.A.	UEE	July 05, 2012	30.06	July 28, 2045
Energen Energias Renováveis S.A.	UEE	September 28, 2012	34.5	July 05, 2045

(i) CERAN - Cia. Energética Rio das Antas is the company responsible for the construction and operation of the Rio das Antas Energy Complex. The Company owns 5% of this project. The complex is composed of the Monte Claro, Castro Alves and 14 de Julho hydroelectric power plants. The project has been developed by CPFL Geração de Energia S.A.

(ii) Projects under construction - Transmission lines

Desenvix holds interests in Goiás Transmissão S.A. (25.5%) and MGE Transmissão S.A. (25.5%), both of which are being implemented, and together have an extension of 511 km, divided as follows: 253 km (Goiás Transmissora) and 258 km (MGE Transmissora). Total investments will amount to R$ 730 million. These lines are expected to start operating in the second half of 2013.

In September 2011, Desenvix concluded the registration with the Brazilian Securities Commission (CVM) as a listed company, which was followed by the listing of the Company's share in Bovespa Mais. In accordance with the main standards required from listed companies, Desenvix adopts high corporate governance standards, such as the adoption of a Board of Directors and a Statutory Audit Board, external audit and maintenance of the Investor Relations area.

The issue of these financial statements was authorized by the Board of Directors on March 28, 2013.

(b) Changes to the corporate structure

The Company's stockholders, Jackson Empreendimentos Ltda. ("Jackson") and the Federal Savings and Loans Bank Employees' Foundation ("FUNCEF"), entered into an agreement for the purchase and sale and subscription of shares and other covenants ("Purchase and Sale Agreement") with Statekraft Norfund Power Invest AS ("SN Power") on August 12, 2011, for the sale of ownership interest in Desenvix to SN Power and a new capital increase made by SN Power, subject to meeting certain conditions. On March 8, 2012, after these conditions were met, SN Power became a definite stockholder of Desenvix. The disbursement made by SN Power amounted to R$ 725 million (March 2012), of which R$ 120 million was applied in capital increase, with the acquisition of new shares issued by the Company (primary operation) and R$ 605 million acquired from Jackson and FUNCEF (secondary operation).

Also on March 8, 2012, the new majority owners of the Company (Jackson and SN Power) entered into a stockholder agreement regulating their relationship as controlling stockholders of the Company. Jackson obtained the indirect control of the Company through Caixa Fundo de Investimento em Participações Cevix investment fund, while SN Power and FUNCEF have the 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%.

(c) Significant event which had an impact on the financial performance for the year ended December 31, 2012

Decasa Thermal Power Plant (UTE), a wholly-owned subsidiary of Desenvix, is an electric power co-generation unit working with steam resulting from the heating of water through the burning of sugarcane bagasse. This project was structured in a way that it uses the residue from the sugarcane crushing process, and it depends totally on the good operation of the sugar/ethanol plant to which the company is "connected".

Because of the financial position of the cogenerator of UTE Decasa, which negatively affected the production of steam (a vital component for Desenvix's operations) the electric power generation was 21,106 MWh for the year, which is equivalent to 15% of the total 140,160 MWh (the amount traded at the exclusive power auction of January 2008) expected for 2012.

The Company's management worked towards the mitigation of losses for 2012, in addition to reducing the exposure to economic and financial risks, seeking the following actions with the Regulatory Agencies of the Brazilian Electricity Industry: (i) the return of the electric power not generated in 2012 within five years; (ii) waiver of the fine for the non-delivery of electric power in 2012; and (iii) suspension of the Electric Power Purchase and Sale Agreement for two years (2013 and 2014) based on force majeure.

Regarding item (iii) above, the National Electric Power Agency (ANEEL) issued on January 31, 2013 the Order 280, which determines that, as from February 2013 (base - January 2013), the Electric Energy Trade Chamber (CCEE) carries out, in the financial settlement related to the reserve energy contracted, the retention of the installment of the Fixed Income referring to the Reserve Energy Agreement (CER) of UTE Enercasa.

Because ANEEL did not disclose official statements about items (i) and (ii) above up to the date of these financial statements, the Company's management opted to recognize R$ 11 million related to the fine for the non-delivery of the contracted energy. In addition, the Company's management reclassified the revenue billed and received for the non-delivered energy during 2012, transferring R$ 22 million from profit (loss) for the year to liabilities.

Therefore, because of the accounting treatment related to the non-generated energy, the total results of Desenvix were affected by R$ 33 million, of which R$ 11 million related to the fine and R$ 22 million related to loss of revenue.

If the results of the Company's pending requests are favorable, the Company's management will reverse during 2013 the provision for fine recorded in 2012 and will record revenue as soon as the energy is delivered.

2 Summary of significant accounting policies

The main accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets and financial assets and financial liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(a) Consolidated financial statements

The consolidated financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), as well as according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The consolidated financial statements include the balances of accounts of the Company and its subsidiaries, also on a jointly-controlled basis, in proportion to the investment held.

The consolidated financial statements comprise the financial statements of the Company and the following companies: (i) subsidiaries - Esmeralda S.A., Santa Laura S.A., Santa Rosa S.A., Monel Monjolinho Energética S.A., Moinho S.A., Macaúbas Energética S.A., Enercasa - Energia Caiuá S.A., Novo Horizonte Energética S.A., Seabra Energética S.A., Energen Energias Renováveis S.A., Enex O&M de Sistemas Elétricos Ltda.; and (ii) jointly-controlled subsidiary - Passos Maia Energética S.A.

(b) Parent company financial statements

The parent company financial statements have been prepared in accordance with accounting practices adopted in Brazil issued by the Brazilian Accounting Pronouncements Committee (CPC) and are disclosed together with the consolidated financial statements.

In the parent company financial statements, subsidiaries are recorded based on the equity accounting method. The same adjustments are made in the parent company and consolidated financial statements to reach the same profit or loss and equity attributable to the owners of the parent entity. In the case of Desenvix, the accounting practices adopted in Brazil applicable to the parent company financial statements differ from IFRS applicable to the separate financial statements (i) in relation to the evaluation of investments in subsidiaries and associates based on the equity method of accounting, instead of cost or fair value in accordance with IFRS, and (ii) for the maintenance of the balances of deferred charges in a subsidiary, instead of writing off the deferred asset against the equity at the transition date in accordance with IFRS.

(c) Changes in accounting policies and disclosures

There are no new CPCs/IFRS pronouncements or interpretations effective as from 2013 that would be expected to have a material impact on the Company's financial statements.

2.2 Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated financial statements.

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, when applicable. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The measurement of the non-controlling interests to be recognized is determined for each acquisition.

The excess of the consideration transferred and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. For acquisitions in which the Group attributes fair value to non-controlling interests, the determination of goodwill also includes the value of any non-controlling interest in the acquiree, and the goodwill is determined considering the participations of the Company and non-controlling interests. When the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of operations.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Non-controlling interests and transactions

The Group treats transactions with non-controlling interests as transactions with equity owners of the Company. For purchases from non-controlling interests, the difference between any consideration paid and the proportion acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded directly in equity, in "Carrying value adjustments".

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. and the amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Associates and jointly-controlled subsidiaries

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Jointly-controlled subsidiaries are all entities over which the Group shares control with one or more parties. Investments in associates are accounted for using the equity method and are initially recognized at cost. The Group's investment in associates and jointly-controlled subsidiaries includes goodwill identified on acquisition, net of any accumulated impairment loss. See Note 2.13 for the impairment of non-financial assets, including goodwill.

The Company's share of its associates' and jointly-controlled subsidiaries' profit or loss is recognized in the statement of operations and its share of reserve movements is recognized in the Company's reserves.

When the Company's share of losses in an associate or jointly-controlled subsidiary equals or exceeds the Company's interest in the investee, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or jointly-controlled subsidiary.

Unrealized gains on transactions between the Group and its associates and jointly-controlled subsidiaries are eliminated to the extent of the Company's interest. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the associates and jointly-controlled subsidiaries are changed when necessary to ensure consistency with the policies adopted by the Group.

If the shareholding in the associate is reduced, but a significant influence is maintained, only a proportional part of the amounts previously recognized in other comprehensive income is reclassified to the statement of operations, where appropriate.

Dilution gains and losses arising on investments in associates are recognized in the statement of operations.

2.3 Segment reporting

The Group does not report segment information, considering that its activities are mainly related to the generation and trading of electric power through long-term agreements, which substantially represented the Group's revenue in 2012 and 2011.

2.4 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company and consolidated financial statements are presented in Brazilian reais (R$), which is the Company's functional currency, and also the Group's presentation currency.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less, and with immaterial risk of change in value. The balance is presented net of bank overdrafts in the statement of cash flows. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.6 Financial assets

2.6.1 Classification

Management classifies financial assets, at initial recognition, in the following categories: at fair value through profit and loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired.

(a) Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. All financial assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. The Group's loans and receivables comprise "Trade and other receivables" and "Cash and cash equivalents" in the balance sheet (Notes 2.5 and 2.7).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the previous categories. These financial assets are investments included in non-current assets, unless management intends to dispose of them within 12 months of the balance sheet date.

2.6.2 Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of operations. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "Financial assets at fair value through profit or loss" category are presented in the statement of operations within "Other operating income (expenses), net" in the period in which they arise. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in equity.

When securities classified as available for sale are sold or become impaired, the accumulated fair value adjustments recognized in equity are included in the statement of operations as "Finance income and costs".

Interest on available-for-sale securities calculated using the effective interest method is recognized in the statement of operations as part of other income.

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments, such as shares, are recognized in the statement of operations as part of other income when the Company's right to receive dividends is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Management evaluates, at the balance sheet date, if there is objective evidence that a financial asset or a group of financial assets is impaired in relation to its recoverable value.

2.6.3 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legal right to offset the amounts recorded and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.6.4 Impairment of financial assets

(a) Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

(i) significant financial difficulty of the issuer or debtor;

(ii) a breach of contract, such as a default or delinquency in interest or principal payments;

(iii) the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that it would not otherwise consider;

(iv) it becomes probable that the borrower will enter bankruptcy or other financial reorganization;

(v) the disappearance of an active market for that financial asset because of financial difficulties; or

(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

- adverse changes in the payment status of borrowers in the portfolio;
- national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the loss is recognized in the statement of operations. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recorded loss is recognized in the statement of operations.

(b) Assets classified as available for sale

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of investments in equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in the statement of operations. Impairment losses on equity instruments recognized in the statement of operations are not reversed through the statement of operations. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of operations.

2.7 Trade receivables

Trade accounts receivable correspond to: (i) power supply contracted up to the financial statement date and (ii) advisory and management services recorded on the accrual basis of accounting. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially stated at the amount billed, adjusted by the provision for impairment of trade receivables, if necessary.

2.8 Other current and non-current assets

Taxes recoverable mainly comprise credits arising from Social Integration Program (PIS), Social Contribution on Revenues (COFINS), Income Tax and Social Contribution withheld at source on services, power supply and others, stated at cost or realizable value, including, when applicable, indexation charges. Inventories, represented by spare parts for hydroelectric power plants, are stated at cost, not exceeding their realizable value.

Prepaid expenses, represented by costs for the issuance of bank guarantee letter and insurance premiums, appropriated on a pro-rata temporis basis, as well as the expenses related to the process of going public, are stated at cost.

2.9 Investments in subsidiary, jointly-controlled subsidiaries and associated companies

In the parent company financial statements investments in subsidiaries, jointly-controlled subsidiaries and associated companies are recorded based on the equity accounting method, and the equity in the results of investees is recognized in the statement of operations for the year as operating income (or expense).

The Company does not have investments abroad. When calculating equity in the results, unrealized gains on transactions between the Company and its subsidiary and associated companies are eliminated, when applicable, in the proportion to the Company's investment; unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred.

When necessary, the accounting practices of the subsidiary or associated companies are adjusted to be consistent with the practices adopted by the Company.

When the Company's interest in the accumulated losses of associates and subsidiaries is equal to or exceeds the investment value, the Company does not recognize additional losses, unless it has assumed obligations or made payments on behalf of these companies. In these cases, the interest in these losses is recorded as "Provision for net capital deficiency" (Note 8).

Jointly-controlled subsidiaries are those subsidiaries over which the control is shared by the Company and one or more partners. In this situation, the strategic decisions on financial and operating policies related to the activities of the subsidiary require the approval of all parties sharing the ownership control.

In the parent company financial statements investments in jointly-controlled subsidiaries are recognized using the equity accounting method, as from the date the joint control is acquired or constituted. The Group discloses its interest in jointly-controlled subsidiaries in the consolidated financial statements using the proportional consolidation method.

2.10 Property, plant and equipment

These are stated at acquisition or construction cost, including financial charges incurred on borrowings during the construction phase of the plants, net of depreciation calculated on the straight-line method, based on the annual rates (Note 9) established by the National Electric Power Agency (ANEEL). The rates are applied by the industry and accepted by the market as appropriate and are limited to the concession or authorization periods of the plants, when applicable.

Gains and losses on disposal are determined by comparing the sales amounts with the carrying amount and are included in the statement of operations.

Repairs and maintenance costs are allocated to the statement of operations as they are incurred. The cost of major renovations is included in the book value of the asset when it is probable that the Desenvix Group will realize future economic benefits that exceed the performance initially expected for the existing asset. Major renovations are depreciated over the remaining useful life of the related asset.

The Company opted not to value its property, plant and equipment at deemed cost, considering that its ventures are new and therefore there is no significant gap between the carrying values and the market values.

Regarding the assets that will revert to the authorities, including land, at the end of the concession or authorization period, accounted for in property, plant and equipment, the Company established their residual value as zero. By adopting this criterion, the Company considered that there are uncertainties regarding the determination of the final indemnity amount and about its settlement and, therefore, the Company concluded that the determination of a residual value at the end of the concession period would be a contingent asset, which cannot be recognized while its recovery is uncertain or there are disputes about it.

2.11 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity. Goodwill on acquisitions of subsidiaries is recorded as "Intangible assets" in the consolidated financial statements. If negative goodwill is determined, the amount is recorded as a gain in profit or loss for the period on the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, identified according to the sole operating segment.

(b) Project studies

The expenditures incurred in the development of inventory, feasibility and environmental studies related to the utilization of hydroelectric, wind and other sources, are initially recorded at cost, and subsequently reduced to their recoverable values, since recovery depends on the approval of the related studies and the holding of new energy generation project auctions by ANEEL, as well as, when applicable, the obtaining of a prior environmental license by the winners of the auction, with unspecified terms and conditions.

Upon ANEEL's approval of the studies related to UHEs, formalized through Orders or Official Letters, when the Company will have secured the right to reimbursement of costs incurred by the entity winning the new energy generation project in auction, which can be a third or a related party, as well as, where applicable, obtaining of a prior environmental license, an asset is recorded with a corresponding entry to the results of operations, since there are clear and objective indications, based on internal or external sources, of the right to develop the resource or receive reimbursement of costs, as applicable.

In the specific case of PCHs and wind farms, the asset is recorded when the concession is obtained, or when there is clear and objective evidence that it will be obtained, such as: being classified as a priority project, environmental license granted, land near the reservoir or a basic project, which has been accepted by ANEEL and is in its final completion phase, among others. These conditions are analyzed, on an individual or joint basis, considering relevant facts and circumstances.

If the winner of the auction is a third party, the related expenditures will be billed according to contractual conditions and standards issued by ANEEL, subject to the long-term interest rate (TJLP) as from the approval date up to the payment date, limited to 10% per annum; accordingly it is treated as a financial asset based on the contractual right to receive amounts from the third party. If the winner of the auction is a related party (subsidiary formed to develop the new energy generation project), the related expenditure may be billed to it, or considered as a capital contribution in the related company.

Prospecting expenditures are recognized as expenses when incurred.

(c) Concession right - use of public assets

This refers to the right to explorate the hydroelectric utilization and the transmission line obtained with the concession agreement entered into by Monel Monjolinho Energética S.A. with ANEEL. It is constituted by the fair value of the right related to the use of public assets (UBP) up to the end of the concession agreement and amortized over the corresponding period, as from the beginning of the plant's operations.

(d) Environmental licenses

Preliminary licenses and installation licenses, obtained during the planning stage of the venture and later when it is installed, are recognized as cost of the plant, more specifically as cost of dams, according to the ANEEL's accounting manual, and depreciated over the useful life of these dams. Regarding operating licenses, which are obtained when the ventures start to operate, if the environmental costs incurred while obtaining these licenses are paid before the license is effectively obtained, the amount paid is recorded within intangible asset - operating licenses and amortized over the period the license is effective. If the license is obtained before the payments are made, the estimated amount of these disbursements is provisioned and recorded as an intangible asset (Note 10) at the time the license becomes effective.

2.12 Deferred charges

These correspond to expenditures incurred during the pre-operating phase of the subsidiary Santa Rosa S.A., which were originated in a period prior to the plant construction, and therefore, are not linked to the project, and are amortized over a maximum period of five years, as from the date on which the plant operations began. As permitted by CPC 13, management opted to maintain, in the parent company financial statements, the balance of deferred charges up to its final amortization.

2.13 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units - CGUs). Non-financial assets other than goodwill that were adjusted due to impairment are subsequently reviewed for possible reversal of the impairment at the balance sheet date.

At December 31, 2012, there is no indication of impairment which requires the recording of a provision for adjustment of assets to their recoverable value.

2.14 Business combinations

Business combinations are accounted for on the acquisition method in the consolidated financial statements. The consideration transferred in a business combination is measured at fair value. The acquisition-related costs incurred were recorded in profit (loss).

The identifiable assets acquired and liabilities assumed are recorded at fair value at the acquisition date.

Current non-controlling interests that have the right to a proportional share of the Company's net assets in case of liquidation are measured based on the proportionate portion of non-controlling interests in the amounts recognized of the identifiable net assets of the acquired company.

In the parent company financial statements, the Company applies the requirements of ICPC 09 - "Parent company and Consolidated Financial Statements, which determine that any amounts exceeding the acquisition cost of the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company at the acquisition date are recorded as goodwill. Goodwill is added to the carrying amount of the investment in the parent company financial statements. The consideration transferred (amount paid) and the net fair value of the assets and liabilities are measured using the same aforementioned criteria applicable to the consolidated financial statements.

2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due in one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

2.16 Financial liabilities

2.16.1 Borrowings

Borrowings are recognized upon receipt of the funds, net of transaction costs. Subsequently the borrowings are presented at cost, net of payments made, plus charges and interest in proportion to the period elapsed.

The adjustment to present value is not applicable, since a significant portion of the financing has specific characteristics, the conditions established in the related agreements apply to all companies in general and the granting of loans is restricted to the Brazilian National Bank for Economic and Social Development (BNDES).

2.16.2 Concessions payable

Concessions payable are held-to-maturity financial instruments, stated at amortized cost and adjusted by the General Market Price Index (IGP-M) up to the balance sheet date. The balances of current and non-current liabilities are recognized at present value, considering a discount rate of 9.50%.

2.17 Provisions

Provisions are recognized when there is a legal or informal present obligation as a result of past events, it is probable that an outflow of economic resources will be necessary to settle the obligation, and a reliable estimate of the amount can be made.

2.18 Other current and non-current liabilities

These liabilities are stated at known or estimated amounts including, where applicable, related financial and indexation charges.

2.19 Revenue recognition

Revenues from the sale of services and power supply are recognized when the significant risks and benefits are transferred to the purchaser.

In the case of inventory, feasibility and environmental studies related to the utilization of hydroelectric, wind and other resources, revenue, or cost recovery, is recorded when the economic benefits are likely to be available to the Company, which will occur at the time of the energy auction, when the entity winning the auction, through a contractual provision, undertakes to pay the Company for the studies. This may still depend, under certain circumstances, on obtaining a prior environmental license. The Energy Reallocation Mechanism (MRE) is designed to enable the sharing of the hydrologic risks associated to the centralized distribution of power, ensuring that all plants receive their physical guarantee levels regardless of the real energy production level. The MRE reallocates the energy produced, transferring from entities which generated above their physical guarantee to those which generated below it. The MRE adjustment is calculated and informed at the end of each year by Eletrobras, and its amount (revenue or cost) is recorded only at year end.

Other income, costs and expenses are recorded on the accrual basis of accounting.

2.20 Income tax and social contribution

Income tax and social contribution are calculated based on criteria established by current tax legislation. Certain companies adopt the actual taxable profit system and others use the deemed profit system, as follows:

(a) Actual taxable profit

Taxable profit is calculated at the standard rate of 15% plus a surcharge of 10% for income tax and 9% for social contribution.

(b) Deemed profit

As permitted by current tax legislation, certain companies, whose annual billings for the year immediately preceding the current year were less than R$ 48,000, have opted for the deemed profit system. For these companies, taxable profit is calculated at the rate of 8% and social contribution at the rate of 12% on gross revenue (32% in the case of services revenue) and 100% of the other income, including financial income, to which the standard rates of the related income tax (25%) and social contribution (9%) apply.

Corporate Income tax (IRPJ) and social contribution (CSLL) are discussed in Note 23.

2.21 Contingent assets and liabilities

The recognition, measurement and disclosure of contingent assets and liabilities are carried out in accordance with the following criteria:

(a) Contingent gains are not recognized, except when management has control of the situation or when there are real guarantees or favorable judicial decisions, which characterize the unappealable gain as practically certain. Contingent assets with expectations of probable favorable outcomes are only disclosed in the financial statements.

(b) Contingent liabilities - these are provided based on the advice of legal counsel, the nature of lawsuits, legal precedents, complexity and positioning of the courts, whenever a loss is assessed as probable, which would require an outflow of resources to settle the liabilities, and the amounts involved can be calculated with sufficient certainty. Contingent liabilities whose chances of success are classified as possible are not provided for, but only disclosed in the financial statements; as for those whose chances of success are classified as remote, no provision or disclosure is required.

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

The following new standards, amendments and interpretations to existing standards were issued by IASB but are not effective for 2012. The early adoption of these standards, even though encouraged by IASB, has not been implemented in Brazil by the Brazilian Accounting Pronouncements Committee (CPC).

. IAS 1, "Presentation of financial statements". The main change is a requirement for entities to group items presented in "other comprehensive income" on the basis of whether they will be reclassified to profit or loss or remain in equity. The amendment to the standard is applicable as from January 1, 2013. The Company expects that the adoption of this amendment will only give rise to impacts on disclosure.

. IFRS 9, "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial instruments. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of operations, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact. The standard is applicable as from January 1, 2015.

. IFRS 10, "Consolidated financial statements", included as an amendment to CPC 36(R3), "Consolidated financial statements". This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control. The standard is applicable as from January 1, 2013.

. IFRS 11, "Joint arrangements" was issued in May 2011 and included as an amendment to CPC 19(R2), "Joint ventures". The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: (i) joint operations - arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses; and (ii) joint ventures - arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. The proportional consolidation method will no longer be permitted for joint ventures. The standard is applicable as from January 1, 2013.

Regarding IFRS 10 and IFRS 11, Passos Maia Energética S.A., a subsidiary consolidated by the Company on the proportional method in 2012, will be included in the consolidation using the equity method of accounting as from January 2013. As a consequence, in the Quarterly Information for 2013 as well as for the standard annual financial statements, the Company will disclose reclassified consolidated information related to 2012, resulting in lower income and expenses, but with no effects upon the Company's final consolidated profit (loss).

. IFRS 12, "Disclosures of interests in other entities", considered in a new pronouncement CPC 45 - "Disclosures of interests in other entities". IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard is applicable as from January 1, 2013. The impact of this standard will be basically an addition to disclosure.

. IFRS 13,"Fair value measurement" was issued in May 2011 and disclosed in a new pronouncement CPC 46, "Fair value measurement". IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The standard is applicable as from January 1, 2013. The impact of this standard will be basically an addition to disclosure.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

3 Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

Based on assumptions, the Group makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful lives of property, plant and equipment

The Company recognizes the depreciation of its property, plant and equipment items based on the annual rates established by ANEEL, limited to the concession period of the plants, when applicable. However, the actual useful lives may vary depending on the technological update of each unit. Useful lives of fixed assets also affect the impairment tests of long-lived assets, when necessary.

(b) Test for impairment of long-lived assets

There are specific rules for the valuation of impairment of long-lived assets, especially property, plant and equipment. At the closing date of the financial year, the Group performs tests to identify any evidence that the amount of long-lived assets is impaired. If there is such evidence, the Group estimates the recoverable amount of these assets.

The recoverable amount of an asset is determined as the higher of: (i) its fair value less estimated selling costs; and (ii) its value in use. The value in use is measured based on discounted cash flows deriving from the continuous use of the asset until the end of its useful life. When the book value of an asset exceeds its recoverable value, the Group recognizes a reduction in the book value of this asset, as applicable.

The review process of the asset's recoverable amount is subjective and requires significant judgments and analyses. At December 31, 2012, based on its analyses, the Group did not identify the need for constituting a provision for impairment of long-lived assets.

The balances of long-lived property, plant and equipment and intangible assets are classified within "Property, plant and equipment" and "Intangible assets", respectively.

(c) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, which include the use of recent transactions with third parties and discounted cash flow analysis. The Group uses judgment to select among a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group's reference was a recent transaction with third parties, whose pricing was based on the discounted cash flow method.

The carrying amount of available-for-sale financial assets would be an estimated R$ 11,901 lower or R$ 15,478 higher were the discount rate used in the discounted cash flow analysis to approximately differ by 10% from management's estimates.

4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to stockholders, return capital to stockholders or sell assets to reduce, for example, debt.

All amounts in thousands of reais unless otherwise stated

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt expressed as a percentage of total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated balance sheet plus net debt.

The gearing ratios at December 31 were as follows:

	Consolidated	
	2012	**2011**
Total financing (Note 13)	948,834	755,675
Less: cash and cash equivalents (Note 5)	127,077	41,490
Less: restricted financial investments (Note 7)	41,929	56,880
Net debt	779,828	657,305
Total equity	687,464	598,136
Total capital	1,467,293	1,255,441
Gearing ratio - %	53.15	52.36

The increase in the gearing ratio at December 31, 2012 was a result of the contracting of new borrowings to finance construction projects.

All amounts in thousands of reais unless otherwise stated

5 Cash and cash equivalents

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Cash and banks	590	401	117,995	37,617
Financial investments (i)	6,536	5	9,082	3,873
	7,126	406	127,077	41,490

(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.

6 Trade receivables

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Electric power supply (i)				
Eletrobras - PROINFA			8,220	5,988
Electric Power Trade Chamber (CCEE)			7,607	17,867
Third parties			7,315	8,109
CEMIG- Geração e transmissão S.A.			3,094	
Customers - services rendered (ii)			2,422	2,511
Customers - related parties (Note 11)	1,554	2,770	237	250
Provision for impairment of trade receivables (iii)	(220)	(220)	(220)	(220)
	1,334	2,550	28,675	34,505

(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 December 31, 2012 (consolidated) refers to receivables of the subsidiary Enex O&M de Sistemas Elétricos Ltda.

(iii) The balance provided for at December 31, 2012 and 2011 refers to 100% of outstanding trade receivables from Usina Hidrelétrica de Cubatão S.A.

All amounts in thousands of reais unless otherwise stated

7 Restricted financial investments

(a) Current assets

At December 31, 2011, this refers to financial resources invested with Banco Itaú S.A., as collateral for a bank guarantee letter issued by the financial institution in connection with a loan granted by SN Power, which transaction was concluded in March 2012, and, consequently, the financial investment was released on the same date.

(b) Non-current assets

In compliance with the financing contracts with the National Bank for Social and Economic Development (BNDES) to fund the construction of the Esmeralda, Santa Laura, Santa Rosa, Moinho and Victor Baptista Adami Small Hydroelectric Plants and the Alzir dos Santos Antunes Hydroelectric Power Plant, and with Banco do Nordeste do Brasil S.A. ("BNB") for financing of the construction works of the Novo Horizonte, Seabra and Macaúbas Wind Power Plants, the companies must maintain balances in an interest-earning current account, or financial investment account, denominated "reserve account", with sufficient funds to settle the equivalent to the last three monthly installments of, at least, the principal, interest and other charges at any time. This amount will remain blocked throughout the repayment term of the aforementioned financing contract (Note 13).

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

Changes in restricted financial investments in current and non-current assets were as follows:

	Parent company	
	2012	**2011**
At the beginning of the year	24,799	-
Redemptions	(25,207)	
Income	408	
Investments	4,938	24,799
At the end of the year	4,938	24,799

All amounts in thousands of reais unless otherwise stated

	Consolidated	
	2012	**2011**
At the beginning of the year	32,081	18,139
Investments	7,409	38,515
Income	2,439	2,089
Redemptions		(1,863)
At the end of the year	41,929	56,880
Current assets (i)		(24,799)
Non-current assets	41,929	32,081

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

The fair values of financial investments at December 31, 2012 and 2011 approximate their book values.

8 Investments

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
In subsidiaries	497,610	513,911		
In associated and other companies	85,324	39,042	85,324	39,043
	582,934	552,953	85,324	39,043
Available-for-sale investments (i)	81,213	76,429	81,213	76,429
Acquisition of land	21,419	21,439	21,419	21,439
	685,566	650,821	187,956	136,911

(i) For investments classified as available-for-sale financial instruments, the accumulated carrying value adjustment as at December 31, 2012 and 2011 totaled R$ 53,687 and R$ 49,800 (net of tax effects - R$ 44,432 and R$ 41,867), respectively.

All amounts in thousands of reais unless otherwise stated

(a) The analysis of investments in subsidiary, associated and other companies is as follows:

	2012						2011					
	Cost	Goodwill	Advance for future capital increase	Provision for losses	Unrealized profit	Investment	Cost	Goodwill	Advance for future capital increase	Provision for losses	Unrealized profit	Investment
Subsidiaries												
Enercasa - Energia Caiuá S.A.	4,559					4,559	26,715					26,715
Energen Energias Renováveis S.A.	26,980	6,970				33,950	12,225	6,970				19,195
Enex O&M de Sistemas Elétricos Ltda.	2,742	34,950				37,692	1,860	36,100				37,960
Esmeralda S.A.	27,609				(179)	27,430	34,140				(189)	33,951
Macaúbas Energética S.A.	44,803					44,803	46,344					46,344
Moinho S.A.	44,141				(1,697)	42,444	31,161				(1,765)	29,396
Monel Monjolinho Energética S.A.	115,419				(2,339)	113,080	127,837				(2,431)	125,406
Novo Horizonte Energética S.A.	38,517					38,517	40,311					40,311
Passos Maia Energética S.A.	23,475	3,541				27,016	22,265	3,541				25,806
Santa Laura S.A.	28,174				(263)	27,911	32,779				(279)	32,500
Santa Rosa S.A.	62,799				(1,635)	61,164	58,282				(1,715)	56,567
Seabra Energética S.A.	39,044					39,044	39,760					39,760
	458,262	45,461			(6,113)	497,610	473,679	46,611			(6,379)	513,911
Associates												
BBE Bioenergia S.A. (*)	2,213			(2,213)			2,213			(2,213)		
Caldas Novas Transmissão S.A.							24					24
Goiás Transmissão S.A.	52,072					52,072	20,857					20,857
MGE Transmissão S.A.	32,595					32,595	17,497					17,497
Usina Hidrelétrica de Cubatão S.A.	330		327			657	338		326			664
	87,210		327	(2,213)		85,324	40,929		326	(2,213)		39,042
	545,472	45,461	327	(2,213)	(6,113)	582,934	514,608	46,611	326	(2,213)	(6,379)	552,953

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

All amounts in thousands of reais unless otherwise stated

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

	Ownership interest - %		Equity - (net capital deficiency) - adjusted		Profit (loss) for the year - adjusted		Equity in the results of investees		Profits distributed or to be distributed	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Subsidiaries and jointly-controlled subsidiaries										
Enercasa - Energia Caiuá S.A.	100	100	4,559	26,715	(22,065)	(5,865)	(22,065)	(5,865)		
Energen - Energias Renováveis S.A.	95	88.33	28,303	13,840	3,945	(247)	3,570	(149)	(890)	
Enex O&M de Sistemas Elétricos Ltda.	100	100	2,740	1,861	882	790	880	790		(200)
Esmeralda S.A.	99.99	99.99	27,609	33,951	9,140	8,230	9,152	8,230	(2,171)	(1,952)
Macaúbas Energética S.A.	99.99	99.99	44,804	46,345	(1,510)	(55)	(1,511)	(55)		
Moinho S.A.	99.99	99.99	44,149	29,396	740	642	808	642	(176)	(147)
Monel Monjolinho Energética S.A.	99.99	99.99	115,420	125,572	5,386	5,214	5,645	5,215	(1,184)	(1,110)
Novo Horizonte Energética S.A.	99.99	99.99	38,517	40,312	(1,761)	(27)	(1,760)	(27)		
Passos Maia Energética S.A. (jointly-controlled subsidiary)	50	50	46,750	44,339	1,586	428	1,586	214	(377)	
Santa Laura S.A.	99.99	99.99	28,174	32,499	3,493	3,083	3,510	3,083	(830)	(1,925)
Santa Rosa S.A.	99.99	99.99	62,799	56,547	5,923	2,083	6,004	2,082	(1,407)	(475)
Seabra Energética S.A.	99.99	99.99	39,044	39,760	(691)	(16)	(691)	(16)		
Associated and other companies										
BBE Bioenergia S.A.	12.5	12.5								
Caldas Novas Transmissão S.A.		25.5								
Goiás Transmissão S.A.		25.5	206,201	81,792	2,144	4,916	2,194	1,127	(509)	
MGE Transmissão S.A.	25.5	25.5	128,875	68,617	1,086	2,933	1,086	455	(268)	
Usina Hidrelétrica de Cubatão S.A.	20	20	1,649	1,656	(1)	(27)	(8)			
Available-for-sale investments										
FIP Energias Renováveis	100		3,066		1					
CER - Companhia de Energias Renováveis S.A.	6.25	25		8,684	49	(5,642				
CERAN - Cia. Energética Rio das Antas	5	5	675,569	604,889	70,680	62				
Dona Francisca Energética S.A.	2.12	2.12	141,270	112,215	35,385	34,532				
							8,400	15,726	(7,812)	(5,809)

The equity at December 31, 2012 of Monel Monjolinho Energética S.A., Esmeralda S.A., Santa Laura S.A., Santa Rosa S.A. and Moinho Energética S.A. was adjusted, for equity accounting purposes, by the amount of unrealized profits arising from transactions carried out between the Company and these subsidiaries, in the amounts of R$ 2,339, R$ 179, R$ 263, R$ 1,635 and R$ 1,697 (2011 - R$ 2,431, R$ 189, R$ 279, R$ 1,715 and R$ 1,765), respectively.

All amounts in thousands of reais unless otherwise stated

The changes in investments were as follows:

	Parent company	
	2012	**2011**
At the beginning of the year	574,392	315,005
Acquisition of land	(20)	499
Capital contributions or advances for future capital increase	83,899	172,028
Reclassification to assets held for sale	(16,976)	
Acquisition of ownership interest		50,385
Equity in the results of investees	8,400	15,726
Financial charges capitalized in subsidiaries	1,869	9,677
Gain on investment (Note 28(d))	441	17,264
Amortization of goodwill	(1,150)	(383)
Disposals	(1,138)	
Dividends	(45,364)	(5,809)
At the end of the year	604,353	574,392

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

	Passos Maia Energética S.A.	
	2012	**2011**
Assets		
Current assets	8,234	5,820
Non-current assets		
Long-term receivables	3,830	
Property, plant and equipment	135,236	124,923
Intangible assets	1,984	
	149,284	130,743
Liabilities and equity		
Current liabilities	15,260	5,756
Non-current liabilities	87,458	80,648
Equity	46,566	44,339
	149,284	130,743

All amounts in thousands of reais unless otherwise stated

	Passos Maia Energética S.A.	
	2012	**2011**
Result for the period		
Net revenue	22,410	
Cost of services	(10,491)	
Operating expenses	(1,359)	(32)
Finance result	(6,473)	460
Income tax and social contribution	(915)	
Profit for the year	3,172	428

(c) Information on subsidiaries and associated companies

. Up to August 31, 2011, the consolidation of Enex was made on a proportional basis, considering the previous interest of 50%. On September 1, 2011, the Company acquired a further 50% in Enex (Note 28(d)), and started to fully consolidate it in the Company's financial statements.

- Usina Hidrelétrica de Cubatão S.A. ("UHE Cubatão") - A project scheduled to be implemented on the Cubatão river, in the State of Santa Catarina. The Company holds a 20% investment in the project, however the start of construction depends on the renewal of the environmental installation license, which is in progress with the state environmental agency.

- Substation Caldas Novas - The Caldas Novas Consortium won the Batch C of the transmission auction 008/2010, held on December 2010. The Company has an interest of 25.05% in Caldas Novas Transmissão S.A., a Special Purpose Entity constituted to implement, operate and manage the substation Corumbá (150 MVA), located in the State of Goiás. On August 12, 2011, the Company transferred its exploration right, referring to its interest of 25.05% in Caldas Novas Consortium, to Santa Rita Comércio e Instalações Ltda. and to CEL Engenharia Ltda. The payment and the transfer will be made after approval of ANEEL.

- Due to the Company's corporate restructuring carried out on March 8, 2012 (Note 1), the Company signed the agreement for the transfer of its interest in BBE Bioenergia S.A. to Jackson, the Company's controlling stockholder. Currently, this transfer is not possible due to (i) an out-of-court demand involving Desenvix, filed with the 4th Corporate Court of the State of Rio de Janeiro Capital Judicial District; (ii) arbitration litigations, where the parties (BBE and Desenvix) represent different positions, that is, Petitioner and Defendant and vice versa, which are pending before the Arbitration Center of the Brazil-Canada Commerce Chamber. However, if the outcome of these litigations is not favorable to the Company, the controlling stockholder of the Company (Jackson) will be responsible for the related amounts.

All amounts in thousands of reais unless otherwise stated

(d) Acquisition of land

The Company, in order to obtain from ANEEL the authorizations or grants for the future implementation of PCHs, for which it has been developing studies related to inventories and basic projects, is purchasing, in advance, land in the surrounding area where the future PCHs will be built (area to be flooded by the reservoir), which is one of the conditions for the selection and prioritization of interested parties.

9 Property, plant and equipment

				Consolidated
			2012	2011
	Cost	Accumulated depreciation	Net	Net
Plants and other assets				
Machinery and equipment	836,788	(40,944)	795,844	487,189
Reservoirs, dams and watermains	473,637	(58,636)	415,001	408,535
Buildings, civil construction work and improvements	41,940	(5,093)	36,847	35,612
Land	20,071	(2,298)	17,773	18,818
Materials stored in warehouses and others	2,975		2,975	823
Land - lawsuits (i)	2,293		2,293	2,279
IT and other equipment	843	(342)	501	359
Furniture and fittings	639	(176)	463	470
Other	365	(56)	309	413
Interconnection systems				
Machinery and equipment	90,713	(5,831)	84,882	47,082
Buildings, civil construction work and improvements	1,354	(57)	1,297	271
Land	424	(2)	422	137
Construction in progress, rights of way and others	55		55	68
Advances to suppliers	765		765	90,115
Construction in progress (ii)	8,090		8,090	165,433
	1,480,952	(113,435)	1,367,517	1,257,604

(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.

The balance of the Parent company property, plant and equipment totaled R$ 497 at December 31, 2012 (R$ 462 at December 31, 2011). The depreciation for the year was R$ 57.

All amounts in thousands of reais unless otherwise stated

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

	Consolidated	
	2012	**2011**
Engineering and management of construction work	7,056	8,322
Civil and reservoir construction work	980	4,208
Engineering and EPC management	54	13,607
Financial charges		16,920
Coordination and contracting of supply		64,703
Environmental costs		5,400
Studies and projects		14,483
Construction site and camps		29,440
Other		8,350
	8,090	165,433

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

					Consolidated
	Plants and other assets	**Interconnection system**	**Advances to suppliers**	**Construction in progress**	**Total**
At December 31, 2010	568,829	21,584	124,782	92,680	807,875
Addition on acquisition of investments	477			319	796
Additions	193,813	19,149	125,442	117,869	456,273
Depreciation	(25,009)	(1,222)			(26,231)
Capitalized financial charges				19,976	19,976
Transfers between accounts	216,756	8,764	(160,109)	(65,411)	
Disposals	(368)	(717)			(1,085)
At December 31, 2011	954,498	47,558	90,115	165,433	1,257,604
Additions	48,935	8,514	36,117	81,202	174,768
Depreciation	(42,837)	(2,768)			(45,605)
Capitalized financial charges				10,555	10,555
Transfer of material in transit to inventories	(104)			(117)	(221)
Transfers between accounts	312,458	33,352	(96,622)	(249,188)	-
Advances	(848)		(28,845)		(29,693)
Other	(96)			205	109
At December 31, 2012	1,272,006	86,656	765	8,090	1,367,517

All amounts in thousands of reais unless otherwise stated

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

	Average rate	Rate range
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

10 Intangible assets

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

	Parent company			
	2012			2011
	Contracts with a resolutory condition	Other contracts and costs	Total	Total
Feasibility and environmental studies				
UHE Riacho Seco (ii)	3,350	6,907	10,257	10,257
Torixoréu Hydroelectric Power Plant (UHE)	2,500		2,500	2,500
Itapiranga Hydroelectric Power Plant (UHE)	1,100		1,100	1,100
Baixo Iguaçu Hydroelectric Power Plant (UHE)				5,000
São Roque Hydroelectric Potential (AHE) (i)				10,334
Inventory studies				
Itacaiunas River	1,820		1,820	1,820
Basic projects and others				
Bonança Small Hydroelectric Power Plant (iii)	1,493	9	1,502	1,504
Other		4	4	
	10,263	6,920	17,183	32,516

(i) Expenditures reviewed and approved by ANEEL in 2010, pursuant to the Circular Letter 1049/2010. 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.

(i) Expenditures reviewed and approved by ANEEL in 2010, pursuant to the Circular Letter 243/2010 and 453/2010.

(iii) Basic Project in the final phase of approval, having already obtained prior environmental license and land near the reservoir.

All amounts in thousands of reais unless otherwise stated

			Consolidated	
			2012	2011
	Cost	Accumulated amortization	Net	Net
Use of Public Assets (UBP)	50,990	(6,673)	44,317	60,891
Goodwill on acquisition of investment	30,445		30,445	30,732
Feasibility, environmental and inventory studies and projects	17,183		17,183	32,516
Authorization right (Note 28)	10,511		10,511	10,511
Operating permits	14,264	(6,980)	7,284	3,412
Firm contracts	5,751	(1,246)	4,505	5,368
Other	2,796	(661)	2,135	1,523
	131,940	(15,560)	116,380	144,953

The annual amortization rates of intangible assets are as follows:

	Rate range	Average rate
Use of Public Assets (UBP)	3 to 4	3.57
Goodwill on acquisition of investment	0	0
Feasibility, environmental and inventory studies and projects	0	0
Authorization right (Note 28)	20 to 25	25
Operating permits	4	25
Firm contracts	20	20

All amounts in thousands of reais unless otherwise stated

The changes in intangible assets can be summarized as follows:

	Parent company	Consolidated
At December 31, 2010	29,640	100,270
Expenditures incurred in the year	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 (Note 28)		6,970
Goodwill on acquisition of ownership interest (Enex)		30,732
Intangible assets arising from acquisition of subsidiary		190
Amortization of Use of Public Assets (UBP) and permits		(4,487)
At December 31, 2011	32,516	144,953
Expenditures incurred in the year	3,793	3,793
Expenditures allocated to the statement of operations (Note 22)	(3,793)	(3,793)
Transfer to receivables from related parties (Note 11)	(15,333)	(15,407)
Environmental permit costs		7,043
Other		(15,198)
Amortization of goodwill on firm contracts		(1,150)
Amortization of Use of Public Assets (UBP) and permits		(3,861)
At December 31, 2012	17,183	116,380

The amortization of intangible assets is included within Cost of electric power supply in the statement of operations (Note 20).

(a) Contracts with a resolutory condition

Services rendered in preparing inventory, feasibility and environmental studies, as well as basic projects, are mainly contracted with and provided by the related party Engevix Engenharia S.A. ("Contracted Party").

Agreements establish that if certain services are not approved by ANEEL, they shall be reimbursed by the Contracted Party, and reimbursement of certain costs shall only be considered due after the auction of new electric energy projects is held, when the entity winning the auction (in this case a third party) shall reimburse the Company and, consequently, when it will pay the Contracted Party. Accordingly, payments made to the Contracted Party for services rendered are treated as advances.

(b) Other information

At December 31, 2012, the Company has the following credits already approved by ANEEL (not considered in the studies), which have not yet been billed to the winning entities of the auction of new power generation projects:

(i) Consórcio Empresarial Pai Querê - Order 489 of July 24, 2001 - revenue to be billed through cost reimbursement of R$ 4,380 (base date July 2001).

(ii) Consórcio GESAI - Grupo Empresarial Santa Isabel - Orders 374 of September 5, 2000 and 523 of July 31, 2001 - revenue to be billed through cost reimbursement arising from: (i) inventory study of the Araguaia River, in the amount of R$ 673 (base date September 2000) and (ii) feasibility study of R$ 3,261 (base date August 2001).

In accordance with these orders, a successful outcome depends on the presentation of the prior environmental license and possible changes arising from environmental requirements, in relation to the initial conception of these studies. Consequently, the recovery of the related expenditures will only be recorded when the economic benefits are available to the Company, which will occur upon obtaining the related licenses.

(c) Authorization right

The amount allocated as authorization right refers to the difference between the fair value of the assets and liabilities of the jointly-controlled subsidiary Passos Maia and the acquisition cost. Amortization will be made during the remaining period of the related authorization because it has a defined useful life, as from the date the operations begin. The recovery test made in 2012, at the value in use, was based on CPC 01, and it did not indicate any impairment loss to be recognized.

(d) Use of Public Assets (UBP)

As mentioned in Note 15, this balance is represented by the obligation payable arising from the concession agreement entered into with ANEEL for the exploration of the hydroelectric potential of UHE Alzir dos Santos Antunes (Monel Monjolinho Energética S.A.), adjusted to present value. The monetary restatement of this balance was accounted for in intangible assets up to the date the plant started to operate and subsequently allocated to "Finance costs" in the statement of operations. Amortization is calculated using the straight-line method, as from the beginning of the plant operations (September 2009), for the remaining period of the concession agreement, which ends on April 22, 2037.

(e) Impairment tests of goodwill

The Company carried out impairment tests of goodwill because it has intangible assets with indefinite useful lives (goodwill) recorded in the acquisition of the subsidiary Enex O&M, whose book value is presented in Intangible assets as "Goodwill on the acquisition of investment". This test identified no differences in the book value due to expected future profitability, and the amounts recognized and the related amortizations remained the same.

All amounts in thousands of reais unless otherwise stated

In conformity with item 134 of CPC 1 (a) the book value of goodwill due to expectation of future profitability (goodwill) allocated to ENEX O&M is R$ 35,000; (b) the book value of intangible assets with indefinite useful lives allocated to ENEX O&M is R$ 7,150; and (c) for the purposes of analysis of goodwill impairment test, the Company's management calculated the operating cash flows of ENEX O&M and discounted them at its capital cost rate of 13% p.a. Then this amount was compared with the book value of the cash generating unit in which ENEX O&M is included.

11 Related parties

(a) Year-end balances arising from sales/purchases of goods/services

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Current assets				
Accounts receivable (i)				
Enercasa Energia Caiuá S.A.	34	80		
Energen Energias Renováveis S.A	473			
Esmeralda S.A.	257	460		
Macaúbas Energética S.A.	55	60		
Moinho S.A.	241	160		
Monel Monjolinho Energética S.A.	73	920		
Novo Horizonte Energética S.A.	52	60		
Passos Maia Energética S.A.	34	60	17	30
Santa Laura S.A.	31	230		
Santa Rosa S.A.	32	460		
Seabra Energética S.A.	52	60		
	1,334	2,550	17	30
Dividends receivable				
Energen S.A	890			
Esmeralda S.A.	5,963	772		
Goiás Transmissão S.A	509		509	
MGE Transmissão S.A	268		268	
Moinho S.A.	174	147		
Monel Monjolinho Energética S.A.	1,006	943		
Passos Maia Energética S.A	377			
Santa Laura S.A.	4,318	1,015		
Santa Rosa S.A.	1,408			
	14,913	2,877	777	
Non-current assets - long-term receivables				
Água Quente Ltda.	884		884	915
Bom Retiro S.A.	457	133	457	134
Enercasa - Energia Caiuá S.A.	27	45,504		
Energen Energias Renováveis S.A (ii)	81,219			
Engevix Engenharia S.A. (iii)	3,087		3,087	
Esmeralda S.A.	3			
FUNCEF (iv)	5,367	4,275	5,367	4,275
Jackson Empreendimentos Ltda. (iv)	18,099	14,529	18,099	14,529
JP Participações Ltda.	775	525	775	525
Macaúbas Energética S.A. (v)	2,802	13		
Moinho S.A.	648	12,785		
UHE Cubatão S.A.	104	7	104	7
Usina Pau D'Alho S.A. (vi)	14,652	13,295	14,652	13,295
	128,124	91,066	43,425	33,680
Total assets	144,371	96,493	44,219	33,710

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	2012	2011	2012	2011
Current liabilities				
Trade payables				
Engevix Engenharia S.A. (vii)			4,070	6,505
Related parties				
CEL Engenharia de Manutenção	1,025		1,024	
Enercasa - Energia Cauá S.A (viii)	12,100			
Energen Energias Renováveis S.A. (viii)		1,131		
Engevix Engenharia S.A. (ix)	6,106	1,002	9,733	4,713
Goiás Transmissão S.A (x)	8,690		8,690	
Jackson Empreendimentos Ltda. (ix)	2,627		2,627	
MGE Transmissão S.A (x)	7,680		7,680	
Monel Monjolinho Energética S.A. (viii)	5,818	16,833		
Novo Horizonte Energética S.A (viii)	3,034			
Santa Laura S.A. (viii)	48	162		
Santa Rita Comércio e Instalações Ltda.	324		324	
Santa Rosa S.A. (viii)	3,089	920		
Seabra Energética S.A.Seabra (viii)	100			
SN Power (xi)		118,346		118,346
	50,641	138,394	30,078	123,059
Total liabilities	50,641	138,394	34,148	129,564

(i) These refer to outstanding bills charging for the management service the Company rendered to its subsidiaries;

(ii) Intercompany loan agreement entered into by the Company and its subsidiary, free of financial charges, with the purpose of implementing the Barra dos Coqueiros Wind Farm. The maturity of the agreement is expected to be at the beginning of January 2013, as stated in Note 33 d;

(iii) Amount referring to the reimbursement for the development of the Baixo Iguaçú project, free of financial charges. Settlement of the balance is expected to be made in the first half of 2013;

(iv) Amounts due by the Controlling stockholders referring to the intercompany loan agreement, with no stated maturity or financial charges, in addition to the amounts related to the reimbursement of the cost of the sale of ownership interest on March 8, 2012.

(v) Intercompany loan agreement entered into by the Company and its subsidiary, free of financial charges, with the purpose of implementing the Macaúbas Wind Farm. Settlement of the agreement is expected to be made in the first half of 2013.

(vi) Intercompany loan commitment agreement entered into by the Company and Pau D'Alho S.A. plant, adjusted by the positive variation of the annualized Interbank Deposit (DI) rate plus 3% p.a., capitalized on an annual basis, as from the date of each deposit or payment.

(vii) Outstanding balance referring to the turn-key services for the construction of the Company's electric power generation ventures. Maturity date is during 2013.

(viii) Agreement between the subsidiary and the Company, bearing no financial charges. Settlement of the agreement is expected to be made in the first half of 2013.

All amounts in thousands of reais unless otherwise stated

(ix) Including mainly the outstanding balance referring to the charges for guarantees and corporate sureties, for 2012, for the borrowings agreements of the Company and its subsidiaries.

(x) Balance of capital increase to be paid up, which is expected to be made during the first quarter of 2013.

(xi) Borrowing in Reais adjusted at the Interbank Deposit Certificate (CDI) rate variation plus a spread, settled on March 8, 2012 when the ownership interest sale was concluded (Note 1(b)).

(b) Sales of goods and services

	Parent company		Consolidated	
	2012	2011	2012	2011
Profit (loss) for the year				
Revenues from services rendered				
Enercasa Energia Caiuá S.A.	393	680		600
Energen Energias Renováveis S.A	923			
Esmeralda S.A.	266	480		
Macaúbas Energética S.A.	544	720		720
Moinho S.A.	355	640		480
Monel Monjolinho Energética S.A.	731	960		
Novo Horizonte Energética S.A.	535	720		720
Passos Maia Energética S.A.	766	720	383	360
Santa Laura S.A.	276	240		
Santa Rosa S.A.	351	480		
Seabra Energética S.A.	546	720		720
	5,686	6,360	383	3,600

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 (PCHs) and Hydroelectric Power Plants, (UHEs) totaled R$ 9,989 in 2012 (R$ 5,683 in 2011). The amount billed by Engevix Engenharia S.A. to the Company and its subsidiaries totaled R$ 21,634 in 2012 (R$ 1,641 in 2011), and was substantially represented by the plant construction cost.

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.

The related company Engevix Engenharia S.A. ("Engevix"), controlled by Jackson, was contracted to implement the small hydroelectric power plants, a hydroelectric power plant, a wind farm and the plants under construction described in Note 1(a), according to a relevant turn-key agreement, including the basic and executive projects, civil construction works, acquisition, assembly and commissioning of electromechanical equipment.

All amounts in thousands of reais unless otherwise stated

(c) Key management remuneration

The remuneration of key management personnel, which includes shareholders, officers and managers, totaled R$ 4,639 in 2012 (R$ 4,396 in 2011).

12 Trade payables

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Third parties	3,077	5,167	107,663	134,375
Related parties			4,070	6,505
	3,077	5,167	111,733	140,880
Current liabilities	(3,077)	(5,167)	(111,733)	(140,880)

13 Borrowings

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Construction financing - BNDES (i)			456,077	424,466
Construction financing - Bank of the Northeast of Brazil (BNB) (ii)			272,480	271,422
Construction financing - CDB (iii)	-	-	102,049	-
Debentures (iv)	98,910	-	98,910	-
Working capital financing (v)	10,000	10,000	10,000	10,000
Financing of Studies and Projects (FINEP) (vi)	8,694	17,406	8,732	17,443
Bank Credit Certificate (vii)		31,033		31,033
Other	1	65	586	1,311
	-			
	117,605	58,504	948,834	755,675
Current liabilities	(18,695)	(49,665)	(74,052)	(81,519)
Non-current liabilities	98,910	8,839	874,782	674,156

All amounts in thousands of reais unless otherwise stated

The changes in financing were as follows:

	Parent company	Consolidated
At December 31, 2010	36,076	399,012
New borrowings	211,052	561,916
Payments	(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	215,130	376,353
Payments	(164,765)	(249,389)
Financial charges		
Allocated to the statement of operations	8,736	55,640
Capitalized in property, plant and equipment of subsidiaries	-	10,555
At December 31, 2012	117,605	948,834

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

	Consolidated			
	Carrying amount		Fair value	
	2012	2011	2012	2011
Construction financing - BNDES (i)	456,077	424,466	390,340	375,672
Construction financing - Bank of the Northeast of Brazil (BNB) (ii)	272,480	271,422	252,552	244,370
Construction financing - CDB (iii)	102,049	-	134,373	
Debentures (iv)	98,910	-	103,976	
Working capital financing (v)	10,000	10,000	6,724	7,379
Financing of Studies and Projects (FINEP) (vi)	8,732	17,443	8,842	17,185
Bank Credit Certificate (vii)	-	31,033		31,048
Other	586	1,311	586	1,311
	948,834	755,675	897,393	676,965

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

All amounts in thousands of reais unless otherwise stated

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

		Consolidated	
Companies	**Financial charges - % p.a.**	**2012**	**2011**
Monel Monjolinho Energética S.A.	TJLP + 2.1	169,402	182,097
Santa Rosa S.A.	TJLP + 3.8	74,385	81,981
Enercasa - Energia Caiuá S.A.	TJLP + 2.5	53,856	-
Moinho S.A.	TJLP + 2.0	51,072	49,552
Passos Maia Energética S.A.	TJLP + 1.9	46,619	41,094
Esmeralda S.A.	TJLP + 3.5	32,006	37,152
Santa Laura S.A.	TJLP + 3.5	28,737	32,590
		456,077	424,466

TJLP - Long-term Interest Rate

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

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

The financing agreements establish that the companies should maintain and comply with the following financial indices: (i) Debt Service Cover Ratio (ICSD), which is calculated by dividing the net cash flow from operations by the debt service, according to predetermined parameters, and (ii) Minimum ratio of the Net Equity to Total Assets as follows:

	Debt service cover	**Equity x Total assets**
Esmeralda S.A.	1.3	NR
Santa Laura S.A.	1.3	0.3
Santa Rosa S.A.	1.2	0.3
Enercasa - Energia Caiuá S.A.	1.3	0.3
Monel Monjolinho Energética S.A.	1.3	25%
Passos Maia Energética S.A.	1.2	25%
Moinho S.A.	1.2	25%

Financing agreements have clauses requiring that the companies comply, during the repayment period established in the agreement, with the following obligations: (i) have in place insurance for the project according to conditions considered satisfactory by BNDES or the Financing Agent, including a special provision on its behalf establishing that the policy cannot be canceled or amended without its prior and express approval, as the creditor of a possible indemnity thereof, (ii) maintain its obligations to environment agencies in good standing, by adopting measures and actions designed to prevent and recover from damages to the environment arising from the project; and (iii) establish agreements for assignment and restriction on revenues, management of accounts and other covenants, which regulate the assignment and restriction of revenues (pledge of credit rights arising from power sale and purchase agreements), as well as the handling of the accounts "Reserve (Note 7)" and "Movement (centralizing account)".

Additionally, the provisions establish that the related companies: (i) cannot distribute dividends or pay interest on capital in an amount, individually or jointly, which exceeds the mandatory minimum dividend, without prior authorization from the BNDES or the Financing Agent, (ii) cannot establish, without prior authorization from the BNDES or Financing Agent, any lien on the credit rights pledged as guarantee, (iii) cannot assign or restrict on behalf of other creditors, without prior consent from the BNDES or the Financing Agent, the assigned and restricted revenue and (iv) cannot issue debentures or founder shares, or assume new debts, without prior authorization from the BNDES or the Financing Agent.

As guarantee for the agreements, the Company has given: (i) escrowed shares, comprising the shares of companies held by all stockholders, (ii) pledge of the right to generate electric energy, as well as of all the other tangible or intangible rights, whether potential or not, which may be pledged in accordance with legal and regulatory standards applicable, (iii) pledge of credit rights arising from power sale and purchase agreements signed with Eletrobras or third parties, (iv) guarantee provided by Engevix Engenharia S.A. (applicable to Esmeralda S.A. and Santa Rosa S.A.), (v) constitution of a reserve account (restricted financial investment (Note 7), (vi) bank guarantee letter of R$ 126,000, effective until 2027 (applicable to Monel Monjolinho Energética S.A.), which was cancelled in the first six-month period of 2012, because the required ICSD was reached at December 31, 2011;(vii) bank guarantee letter, which can be waived if Santa Laura S.A. presents a ICSD of 1.3, as mentioned above, which was cancelled in the first six-month period of 2012, because the required ICSD was reached at December 31, 2011; and (viii) pledge on project agreements, specifically EPC and O&M or any other agreement that grants rights to the project that may be established between Monel Monjolinho Energética S.A. and third parties up to the full settlement of the obligations arising from the financing agreement entered into.

To comply with the requirements of the BNDES or the Financing Agent, the Company signed agreements with Unibanco S.A. (applicable to Esmeralda S.A. and Santa Laura S.A.), Bradesco S.A. (applicable to Santa Rosa S.A.) with Banco do Brasil S.A. (applicable to Monel Monjolinho Energética S.A. and Passos Maia Energética S.A.) and with Banco Santander S.A. (applicable to Moinho S.A.), for the assignment and restriction on revenues, management of accounts and other covenants, as previously mentioned.

All the restrictive conditions in the financing agreements (covenants) have been complied with.

All amounts in thousands of reais unless otherwise stated

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

		Consolidated
Companies	Financial charges - % p.a.	2012
Macaúbas Energética S.A.	9.5	100,391
Novo Horizonte Energética S.A.	9.5	86,050
Seabra Energética S.A.	9.5	86,039
		272,480

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

			Year	
	Number of installments	Maturity by month	First installment	Last installment
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

Financing agreements have clauses requiring that the companies comply, during the repayment period established in the agreement, with the following obligations: (i) have in place insurance for the project according to conditions considered satisfactory by Bank of the Northeast of Brazil (BNB) or the Financing Agent, including a special provision on its behalf establishing that the policy cannot be canceled or amended without its prior and express approval, as the creditor of a possible indemnity thereof, (ii) maintain its obligations to environment agencies in good standing, by adopting measures and actions designed to prevent and recover from damages to the environment arising from the project; and (iii) establish agreements for assignment and restriction on revenues, management of accounts and other covenants, which regulate the assignment and restriction of revenues (pledge of credit rights arising from power sale and purchase agreements), as well as the handling of the accounts "Reserve " and "Movement (centralizing account)".

As guarantee for the agreements, the Company has given: (i) escrowed shares, comprising the shares of companies held by all stockholders, (ii) pledge of the right to generate electric energy, as well as of all the other tangible or intangible rights, whether potential or not, which may be pledged in accordance with legal and regulatory standards applicable, (iii) pledge of credit rights arising from power sale and purchase agreements signed with Eletrobras or third parties, (iv) constitution of a reserve account (restricted financial investment (Note 7); (v) contracted performance bonds related to the conclusion of the construction works, with maturity up to six months after the ventures become operational; (vi) contracted bank guarantee, representing 50% of the borrowing amount to be repaid, with minimum effectiveness of two years, which can be successively renewable and held for, at least, 12 months after the start of the flow of receivables in the centralizing account of the electric power sale agreements.

In order to comply with the requirements of Banco do Nordeste do Brasil S.A. (BNB), the Company entered into agreements with BNB for the assignment and restriction on revenue, management of accounts and other covenants, as mentioned above.

The agreements establishes a Bonus for Payment on Charges of 25% on the financial charges if the payment of interest or principal and interests are paid up to the related maturity dates established in the borrowing agreement. Once the payment conditions are met, financial charges will decrease from 9.5% p.a. to 7.125% p.a. This difference will b accounted for as a financial discount.

(iii) Construction financing - China Development Bank (CDB)

Energen entered into a financing agreement with CDB amounting to US$ 56,000 thousand (R$ 102,049) for the implementation of the EOL Barra dos Coqueiros Wind Power Plant. This borrowing will be repaid in 29 semiannual consecutive installments, bearing interest equivalent to the London Interbank Offered Rate (LIBOR) (US$ - 6 months) plus 5.10% p.a.

In addition to this financing agreement, the following guarantee agreements were signed: (i) statutory lien on Energen shares held by Desenvix and Água Quente; (ii) assignment of credit rights; (iii) statutory lien on assets and equipment; and (iv) conditional assignment of contracts as guarantees.

(iv) Debentures

The Company issued 100 thousand debentures at a face value of R$ 100 each on December 12, 2012. Debentures are remunerated at the accumulated variation of 100% of daily Interbank Deposits (DI) rate plus a spread of 2.80% p.a. Financial charges will be paid in 8 semiannual installments, beginning on June 12, 2013 and ending on the debentures maturity date. The principal will be repaid in 5 semiannual consecutive installments, beginning on December 12, 2014 and ending on the debentures maturity date. The debentures fall due on December 12, 2016.

(v) Working capital financing

The financing was contracted from Banco do Brasil S.A., and is subject to monthly financial charges corresponding to 100% of the CDI variation plus interest of 2.80% per year. Financial charges will be paid in 12 monthly installments, beginning on September 17, 2011 and ending on August 08, 2013 and the principal is payable in a single installment maturing on the same date as the last payment of financial charges. A surety from Engevix Engenharia S.A. was provided as collateral for the total amount of the debt.

(vi) Financing of Studies and Projects (FINEP)

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

All amounts in thousands of reais unless otherwise stated

(vii) Bank Credit Certificate

This 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.

14 Concessions payable

This balance is represented by the obligation payable arising from the concession agreement entered into with ANEEL for the exploration of the hydroelectric potential of UHE Alzir dos Santos Antunes (Monel Monjolinho Energética S.A.), adjusted to present value, considering an interest rate of 9.50%. The corresponding obligation will be paid in monthly installments which are adjusted annually based on the General Market Price Index (IGP-M) rate variation, calculated by Fundação Getúlio Vargas (FGV) (or other index) in October. Payments started in September 2009, the date the plant become operational, and will end in April 2037.

The Alzir dos Santos Antunes hydroelectric power plant (Monel Monjolinho Energética S.A.) was auctioned by ANEEL in November 2001. The related concession agreement was signed in April 2002 and the investee started its operations in September 2009. The concession agreement includes but is not limited to the following provisions: (a) in order to use the public asset, the investee shall pay to the Federal Government, as from the date in which the first hydroelectric generator unit begins its operations up to the end of the concession period, monthly installments equivalent to 1/12ths of the proposed annual payment of R$ 2,400 (R$ 72,000 during the concession period after the beginning of operations), restated by the General Market Price Index (IGP-M) variation compiled by the Fundação Getúlio Vargas, based on the index for the month prior to the auction date. At the end of the concession period, if there is no extension, assets and installations used in the utilization of the hydroelectric resources will be transferred to the Federal Government's assets through indemnification for investments made, as long as they have been previously approved and not yet amortized, as determined by an audit carried out by ANEEL.

15 Taxes and contributions

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Tax on Financial Transactions (IOF)	8,067	5,143	8,067	5,143
Withholding taxes (ISSQN, IRRF, INSS, CSLL and others)	2,430	2,517	3,724	4,057
Social Contribution on Revenues (COFINS)	441	292	1,729	1,776
ANEEL fees and contributions			899	663
Social Integration Program (PIS)	95	63	374	386
Tax on Services of Any Kind (ISSQN)		40	74	235
State Value-added Tax (ICMS) payable			19	350
	11,033	8,055	14,886	12,610

All amounts in thousands of reais unless otherwise stated

16 Other liabilities (consolidated)

These are represented by provisions recorded to fund social and environmental projects, environmental compensation and completion of plants, as well as costs incurred in contacting bank guarantee letters and long-term leases of land payable where the Company is the lessor.

17 Equity

(a) Share capital

Subscribed and paid up capital at December 31, 2012 comprised 107,439,555 registered common shares with no par value.

(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.

18 Provision for electric power contracts

	Consolidated	
	2012	**2011**
Payable for the electric power not supplied (i)	22,040	
Penalty fee due to default related to the electric power sale and purchase agreement (CCVE) (ii)	11,018	
Current liabilities	33.058-	-

All amounts in thousands of reais unless otherwise stated

(i) Payable for the electric power not supplied

Pursuant to Items 1 and 2 of Clause 7, which are related to the payment of fixed income, of the Reserve Power Agreement (CER) 23/08 entered with by Enercasa Energia Caiuá S/A and the Electric Energy Trade Chamber (CCEE) on June 29, 2009, payments were made for the supply of electric power, regardless of whether it was actually supplied or not. The Company's management deferred the recognition of revenue from the supply of electric power.

The reclassification of this amount can be reversed, as mentioned in Note 1c.

(ii) Penalty fee due to default related to the electric power sale and purchase agreement (CCVE) (ii)

Pursuant to Item 14.1, which is related to the penalty applied for the failure to supply electric power, of the Reserve Power Agreement (CER) 23/08, entered into between Enercasa Energia Caiuá S/A and the Electric Energy Trade Chamber (CCEE) on June 29, 2009, a provision was recorded for the penalty applied due to the failure to supply electric power.

This provision can be reversed, as mentioned in Note 1c.

19 Net operating revenue

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Electric power supply			186,411	139,053
Services rendered	5,686	6,360	25,922	15,415
Taxes on services rendered			(3,304)	(8,992)
Taxes on electric power supply	(435)	(373)	(10,802)	(2,073)
Net operating revenue	5,251	5,987	198,227	143,403

All amounts in thousands of reais unless otherwise stated

20 Costs and expenses by nature

	Parent company		Consolidated	
	2012	2011	2012	2011
Depreciation and amortization	(57)	(44)	(50,616)	(30,335)
Personnel expenses	(4,023)	(5,288)	(25,997)	(16,764)
Outsourced services	(5,119)	(5,921)	(15,106)	(9,320)
Penalty fee due to default related to the CCVE			(11,018)	
Management remuneration	(4,639)	(4,396)	(4,639)	(4,396)
Travel and lodging	(1,067)	(1,297)	(2,730)	(2,317)
Rentals	(718)	(630)	(2,923)	(1,725)
Taxes and fees	(124)	(248)	(427)	(693)
Industry charges			(10,613)	(7,298)
Advertising and publicity	(1,211)	(893)	(1,962)	(1,035)
Surety insurance and commissions			(2,112)	(2,169)
Electric power purchases			(7,490)	(24,595)
Bonus to employees and managers	(800)		(800)	
Other	(550)	(307)	(3,001)	(1,399)
Costs of sales and services and general and administrative expenses	(18,308)	(19,024)	(139,434)	(102,046)

21 Finance income and costs

	Parent company		Consolidated	
	2012	2011	2012	2011
Finance costs				
Financing	(8,736)	(10,238)	(55,640)	(44,899)
Bank guarantee letters	(15,240)	(2,794)	(18,642)	(2,794)
IOF and fine and interest on taxes	(5,716)	(3,483)	(5,793)	(3,564)
Monetary variation losses	(314)	(192)	(490)	(192)
Concessions payable and other expenses	(309)	(207)	(12,241)	(3,280)
	(30,315)	(16,914)	(92,806)	(54,729)
Finance income				
Income from financial investments	972	1,868	3,797	5,053
Monetary variations	3,792		3,795	2
Interest and other		2,028		2,028
	4,764	3,896	7,592	7,083
	(25,551)	(13,018)	(85,214)	(47,646)

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:

	2012	2011
BBE - Bioenergy	(269)	(447)
Barra dos Coqueiros Wind Plant		(149)
Canarana Wind Plant	(64)	(110)
Cassino Wind Plant		(112)
Diamantina Wind Plant	(35)	(171)
PCH Aerado, Bom Retiro, Barracão e Sossego	(17)	(103)
PCH Bandeira	(30)	(114)
PCH Bonança/Quebrada	(14)	(161)
PCH Bonito A	(7)	(178)
PCH Bonito B	(28)	(219)
PCH Cascudo	(6)	(176)
PCH Cobre	(29)	(194)
PCH Ervalzinho Baixo	(5)	(166)
PCH Pinhalito	(26)	(257)
PCH Rio do Forno	(6)	(233)
PCH Sakura	(144)	(227)
PCH Salto Grande	(4)	(196)
PCH São Manoel	(31)	(181)
Rio Piquiri	(11)	(105)
Rio Taquari Antas	(888)	
UHE Apertados	(51)	(198)
UHE Comissário	(1,035)	
UHE Ercilândia	(50)	(171)
UHE Foz do Piquiri	(973)	
UHE São Roque	(3)	(174)
Other	(67)	(310)
	(3,793)	(4,352)

23 Income tax and social contribution

(a) Current

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.

All amounts in thousands of reais unless otherwise stated

The IRPJ and CSLL charge in the years ended December 31 can be summarized as follows:

	Parent company	
	2012	**2011**
Income tax and social contribution		
Deferred	1,569	1,772

	Consolidated	
	2012	**2011**
Income tax and social contribution		
Current	(10,406)	(7,394)
Deferred	5,123	3,823
	(5,283)	(3,571)

The current IRPJ and CSLL charge, by calculation system, in the years ended December 31 can be summarized as follows:

	Consolidated	
	2012	**2011**
Calculation system		
Taxable income		
Income tax	(4,477)	(3,284)
Social contribution	(1,629)	(1,222)
	(6,106)	(4,506)
Deemed profit		
Income tax	(2,788)	(1,875)
Social contribution	(1,512)	(1,013)
	(4,299)	(2,888)
Total charge in the year	(10,406)	(7,394)

All amounts in thousands of reais unless otherwise stated

As previously mentioned, the Company opted to compute taxable income in accordance with the actual taxable income system, and, in the years ended December 31, 2012 and 2011, calculated tax losses of R$ 49,939 and R$ 31,315, respectively.

Income tax and social contribution on net income are calculated at the standard rates of 15% for income tax, plus a surcharge of 10% on the amount exceeding R$ 240 in the year (profit of R$ 60 per quarter, since it is calculated on a quarterly basis) and 9% for social contribution.

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

	Consolidated	
	2012	**2011**
Profit (loss) before income tax and social contribution	(26,338)	6,019
Loss before income tax, social contribution and result of equity investments in the parent and subsidiaries, which presented a tax loss in the year	67,105	32,310
Unrealized profit from transactions between the parent and subsidiaries, without the recognition of deferred taxes	268	223
Result from equity investments	(3,802)	(19,402)
	37,233	19,150
Combined income tax and social contribution statutory rate - %	34	34
Income tax and social contribution at the statutory rate	12,659	6,511
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.	(6,465)	(2,593)
Interest on capital paid by subsidiary	(403)	(377)
Other	(508)	30
Income tax and social contribution expenses in profit (loss) for the year	5,283	3,571

All amounts in thousands of reais unless otherwise stated

(c) Deferred

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

	2012		2011	
	Parent company	Consolidated	Parent company	Consolidated
Assets				
Deferred income tax and social contribution on temporarily non-deductible expenses in the computation of taxable income	13,253	18,857	11,963	14,014
	13,253	18,857	11,963	14,014
Liabilities				
Deferred income tax on the carrying value adjustment of available-for-sale financial instruments	(18,559)	(18,559)	(16,932)	(16,932)
Deferred income tax on business combination - gain on investment	(1,370)	(1,370)	(1,955)	(1,955)
	(19,929)	(19,929)	(18,887)	(18,887)

The changes in deferred tax are as follows:

	Parent company	Consolidated	
	Liabilities	Assets	Liabilities
At December 31, 2010	(3,505)		(3,505)
From business combination, with an offsetting entry to intangible assets - goodwill	(1,955)		(1,955)
With a corresponding entry to the statement of operations			
Recognition of deferred income tax assets	1,772	2,051	1,772
With a corresponding entry to equity			
Recognition of deferred income tax liabilities from carrying value adjustments	(3,236)		(3,236)
At December 31, 2011	(6,924)	2,051	(6,924)
With a corresponding entry to the statement of operations			
Recognition of deferred income tax assets	1,287	3,353	1,287
With a corresponding entry to equity			
Reversal of deferred tax liabilities	392		392
Recognition of deferred income tax liabilities from carrying value adjustments	(1,431)		(1,431)
At December 31, 2012	(6,676)	5,604	(6,676)

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 as guarantees for financing arrangements, lawsuits in progress and others, totaling R$ 33,551. In addition, the Company has performance bonds totaling R$ 5,700 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. Monel Monjolinho Energética S.A. and Passos Maia Energética S.A. had contracted bank guarantee letters of R$ 33,851, R$ 138,514 and R$ 86,564, respectively, as required by the conditions determined in financing contracts with BNDES (Note 13), which were cancelled on October 24, 2012 and August 8, 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$ 86,564.

As collateral for financing contracted utilizing funds obtained from the Northeast Financing Constitutional Fund (FNE) for the implementation of Desenvix Bahia Wind Farm, Macaúbas Energética S.A., Novo Horizonte Energética S.A. and Seabra Energética S.A. contracted bank guarantee letters in the amounts of R$ 98,735, R$ 84,630 and R$ 84,620, respectively, effective through July to August 2013. In addition, these companies contracted performance bonds effective from July 2011 to February 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

The Company has a civil liability insurance effective up to January 28, 2013 for its Directors, Officers and/or Managers, contracting the policy together with the parent company Jackson Empreendimentos Ltda., which is the main policyholder. No other insurance categories are contracted due to the nature of the Company's activities.

Esmeralda S.A., Santa Laura S.A., Santa Rosa S.A., Moinho S.A., Monel Monjolinho Energética S.A., Passos Maia Energética S.A. and Enercasa Energia Caiuá S.A. contracted operational risk insurance, whose coverage was determined with the advice of experts, effective up to September 12, 2013 (Other companies), October 17, 2013 (Passos Maia) and November 3, 2013 (Enercasa), and the maximum indemnity limit for material damages are R$ 35,000 (Moinho and Passos Maia), R$ 135,000 (Monel), R$ 70,107 (Enercasa) and R$ 100,000 (other companies). The contracted insurance coverage establishes sublimits for machine breakdown, civil works, dams, transmission lines, collapse, flood, loss of profits, among other risks, in levels considered as adequate.

The Group contracted engineering risk collective insurance for Macaúbas Energética S.A., Novo Horizonte Energética S.A. and Seabra Energética S.A., related to civil works in progress and installation and assembly related to the plant implementation, effective up to June 24, 2013, for these companies, with the following amounts related to risks declared: R$ 344,354 for basic civil work coverage; R$ 15,000 for construction, installation, assembly and storage outside the construction site or place where there is risk; R$ 66,104 for physical damage due to project error for civil works; R$ 278,250 for physical damage due to manufacturer risks for new equipment and machinery; R$ 17,218 for debris expenses; R$ 10,000 for claim reduction and rescue expenses; R$ 17,218 for extraordinary expenses; R$ 2,500 for experts fees; R$ 344,354 for extended maintenance; R$ 10,000 for civil works, installations and assembly concluded; R$ 30,000 for contracted works/installations - accepted or placed in operation; and R$ 25,000 for riots. Additionally, the Group also has a general civil responsibility collective insurance, effective up to June 24, 2013, with an insured amount of R$ 10,000, and moral damages of R$ 5,000.

Energen Energética S.A. contracted engineering risk insurance for civil works in progress and installation and assembly related to the plant implementation, effective up to September 19, 2013, with the following amounts related to risks declared: R$ 93,682 for civil works under construction and installation and assembly; R$ 2,000 for extraordinary expenses; R$ 5,000 for riots; R$ 5,000 for debris expenses; R$ 22,000 for project error for civil works; R$ 71,682 for manufacturer risks for new equipment and machinery and R$ 1,000 for experts fees, among others. The maximum amount covered by the policy is R$ 102,182. It has a general civil responsibility insurance effective through July 01, 2012, for the amount of R$ 10,000.

The Group maintains general civil liability insurance policies effective up to September 12, 2013 (Esmeralda, Santa Laura, Santa Rosa and Money), October 21, 2013 (Moinho), February 18, 2013 (Passos Maia) and November 03, 2013 (Enercasa). The covered amount is R$ 2,000, in addition to moral damages up to the limit of R$ 400 for every company.

(c) Corporate guarantee of the controlling stockholders

At the meeting held on June 27, 2012, the Company's Board of Directors authorized the controlling stockholders Jackson/Engevix to charge a fee for the sureties and guarantees provided. According to the proposal, Desenvix will pay 1.0% p.a. for the bank guarantees and 0.5% for the performance bonds at the end of each financial year.

As a result, for the period from January 2011 to December 2012, the amount of R$ 12.9 million was calculated as a charge for the corporate guarantees provided by Jackson/Engevix.

25 Financial instruments

The Company and its subsidiaries did not have off-balance sheet financial instruments at December 31, 2012, nor did they contract derivative financial instruments (swap, currency or index swaps, and hedges, among others).

The Company and its subsidiaries have various financial instruments, mainly cash and cash equivalents, trade accounts receivable, financial investments, accounts payable to suppliers and financing.

25.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides overall principles for risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of surplus liquidity.

(a) Market risk

(i) Foreign exchange risk

At December 31, 2012, the Desenvix Group had liabilities in foreign currency related to the debt of the subsidiary Energen Energias Renováveis S.A. (Note 13(iii)), thus exposing it to foreign exchange risk.

(ii) Cash flow and 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. Desenvix 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

This relates to the risk of the Company having insufficient liquidity to meet its financial commitments, due to the mismatch of terms or volume between expected receipts and payments.

All amounts in thousands of reais unless otherwise stated

To manage liquidity of cash, assumptions for future disbursements and receipts are determined, and these are monitored periodically by the treasury area.

The table below summarizes the Group's non-derivative financial liabilities by maturity groupings based on the remaining period from the balance sheet date up to the contractual maturity date. The amounts disclosed in the table below are the undiscounted cash flows.

	Parent company			Consolidated			
	No more than 1 year	Between 1 and 3 years	Between 3 and 5 years	No more than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
At December 31, 2012							
Trade payables	3,077			111,733			
Borrowings	30,035	80,606	44,714	117,432	256,320	220,521	1,066,818
Related parties	50,641			30,078			
Payables for land acquisitions	2,037			3,146			
Concessions payable				6,255	13,534	14,925	244,450
At December 31, 2011							
Trade payables	5,167			140,880			
Borrowings	52,702	9,921		107,380	144,920	140,970	1,018,870
Related parties	138,394			123,059			
Payables for land acquisitions	2,037			3,601			
Concessions payable				5,627	11,253	11,253	114,406

The Company understands that there is no significant liquidity risk.

(c) Risk of accelerated maturity of financing

This risk arises from possible non-compliance with restrictive covenants contained in 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.

(d) Sensitivity analysis

Pursuant to CVM Instruction 475/08, a sensitivity table is presented, which shows the sensitivity analysis of financial instruments, and describes the effects on monetary variations and financial expenses calculated based on the estimated scenario at December 31, 2012, in the event variations in the risk components occur.

Simplifications were used to segregate the variability in the risk factor under analysis. Consequently, the estimates presented below do not necessarily show the amounts that could be determined in future financial statements. The use of different assumptions and/or methodologies could have a material effect on the estimates presented.

(i) Methodology applied

Based on the balances of amounts exposed to risk, as shown in the tables below, and assuming that these amounts are held constant, the interest differential is estimated for each scenario.

All amounts in thousands of reais unless otherwise stated

For the evaluation of the amounts exposed to interest rate risk, only the risks related to the financial statements were considered, i.e., segregating and excluding the fixed interest factors since they do not represent a risk to the financial statements due to variations in the economic scenarios.

The probable scenario is based on the Company's estimates, which are in line with the projections presented in the Focus report issued by the Brazilian Central Bank (BACEN), at December 31, 2012, for each of the variables indicated. Additionally, the positive and negative stress variations of 25% and 50% were applied to the effective rates at December 31, 2013.

Desenvix and its subsidiaries do not have any positions in the derivatives market.

(ii) Interest rate factor (consolidated)

				Additional variations in the book balance (*)				
	Risk factor	Amounts exposed at December 31 2012	Amounts exposed at December 31 2011	(50)%	(25)%	Probable scenario	25%	50%
Borrowings	CDI	(109,135)	(41,680)	(968)	(1,453)	(1,937)	(2,421)	(2,905)
Financial investments	CDI	51,011	56,880	453	679	905	1,132	1,358
Net impact	CDI	(58,125)	15,200	(515)	(774)	(1,032)	(1,289)	(1,547)
Borrowings	TJLP	(465,170)	(442,573)	(3,134)	(4,701)	(6,268)	(7,835)	(9,402)
Financial investments	TJLP							
Net impact	TJLP	(465,170)	(442,573)	(3,134)	(4,701)	(6,268)	(7,835)	(9,402)
Rates considered - % per year	CDI	7.25	12.50	3.65	5.47	7.25	9.11	10.94
Rates considered - % per year	TJLP	5.50	6.00	2.75	4.13	5.50	6.88	8.25

(*) The positive and negative variations of 25% and 50% were applied to the effective rates estimated for December 31, 2013.

(e) Fair value estimation

It is assumed that the book balances of trade receivables, trade payables to suppliers, accounts payable - projects, payables for the purchase of land, concessions payable and related parties, less impairment losses when applicable, approximate their fair values.

The fair value of restricted financial investments (Note 7) and borrowings (Note 13) approximates their carrying amount.

The Group adopted CPC 40/IFRS 7 for financial instruments that are measured in the balance sheet at fair value; this requires disclosure of fair values by level of the following fair value measurement hierarchy:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

(ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

All amounts in thousands of reais unless otherwise stated

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that were measured at fair value as at December 31, 2012.

				Consolidated
	Level 1	Level 2	Level 3	Total balance
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents		9,082		9,082
Available-for-sale financial assets				
Investments			81,213	81,213
Total assets		9,082	81,213	90,295

The following table presents the Group's assets that were measured at fair value as at December 31, 2011.

				Consolidated
	Level 1	Level 2	Level 3	Total balance
Assets				
Financial assets at fair value through profit or loss				
Cash and cash equivalents		3,873		3,873
Available-for-sale financial assets				
Investments			76,429	76,429
Total assets		3,873	76,429	80,302

The following table presents the changes in Level 3 instruments for the year ended December 31, 2012:

	Consolidated
	Available-for-sale financial assets
Opening balance	76,429
Gains and losses recognized in comprehensive income	4,784
Closing balance	81,213
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	-

All amounts in thousands of reais unless otherwise stated

(f) Financial instruments by category

	Consolidated			
	Assets at fair value through profit or loss	**Loans and receivables**	**Available for sale**	**Total**
December 31, 2012				
Assets as per balance sheet				
Cash and cash equivalents	9,082	117,995		127,077
Trade receivables		28,675		28,675
Related parties		43,425		43,425
Other assets		1,513		1,513
Restricted financial investments	41,929			41,929
Investments			81,213	81,213
	51,011	191,608	81,213	323,832
December 31, 2011				
Assets as per balance sheet				
Cash and cash equivalents	3,873	37,617		41,490
Trade receivables		34,505		34,505
Related parties		33,680		33,680
Other assets		5,042		5,042
Restricted financial investments	56,880			56,880
Investments			76,429	76,429
	60,753	110,844	76,429	248,026

	Consolidated
	Other financial liabilities
December 31, 2012	
Liabilities as per balance sheet	
Trade payables	111,733
Borrowings	948,834
Related parties	30,078
Payables for land acquisitions	3,146
Concession payable	61,270
	1,155,061
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
	1,095,179

All amounts in thousands of reais unless otherwise stated

(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:

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Trade receivables				
Counterparties with external credit ratings (*)				
AAA			1,921	
AA			3,094	
AA+			1,764	
AA-			7,980	
A+			647	
A-			8,220	
BBB+				5,988
Counterparties without external credit rating				
Group 2	1,334		5,049	28,487
Related parties				
Group 2	128,124	93,616	43,425	33,710
Total receivables and related parties	129,458	93,616	72,100	68,185
Cash and cash equivalents and restricted financial investment (*)				
AAA	6,565	23	147,702	32,181
AA	-	13	-	11
BBB+	4,938		4,938	
BBB	560	25,169	16,365	66,178
	12,063	25,205	169,005	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 defaults in the past.

. Group 3 - existing customers/related parties (more than six months) with some defaults in the past. such defaults being fully recovered - not applicable.

(*) According to the Standard & Poor's rating, except for the BBB+ rating, which was obtained from Fitch Ratings.

26 Other operational risks

(a) Hydrologic risk

This risk arises from the possibility of an extended period of drought. Pursuant to Brazilian regulations, revenue from electric energy sales by the generating companies does not depend directly on the energy actually produced, but on the amount of electric energy and capacity sold by them, limited to the assured energy, the amount of which is fixed and determined by the concession authority and is included in the authorization issued by it, and any subsequent amendments.

Differences between energy generated and assured energy are covered by the MRE, the main purpose of which is to mitigate the hydrologic risks ensuring that all the participating generating plants receive their income from the amount of assured energy sold, regardless of the amount of electric energy actually generated by them.

(b) Risk of not having the authorization or concession extended

The subsidiaries have, in the case of PCHs, authorization to develop and operate electric energy generation services, without any payments related to the use of public assets, as well as a concession agreement related to the UHE Monel, which does establish payments for the use of public assets (Note 1). If the extension of the authorization or the concession agreement is not approved by the regulatory agencies or is subject to additional costs imposed on the companies, the current profitability and activity levels could be reduced. There can be no guarantee that the authorization or concession granted to subsidiaries will be extended, upon maturity, by the concession authority.

27 Contingencies

Social security contributions and other social charges and taxes on revenues and other income, as well as the income tax returns of the Company and its subsidiaries are subject to review and final approval by the tax authorities for variable periods of time and possible additional assessments.

The Company and its subsidiaries are subject to federal, state and municipal environmental laws and regulations, and comply with them. Accordingly, management does not expect to incur restoration costs or fines of any nature.

Operating licenses establish certain conditions and restrictions in relation to the environment, which are complied with by the Company and its subsidiaries.

The Company and its subsidiaries do not have contingencies considered as probable losses.

A summary of the main lawsuits with losses estimated as possible is presented below:

(a) Desenvix S.A.

(i) The Company is a party to a public civil suit together with an administrative improbity action filed by the Federal Public Attorney's Office, related to environmental licenses regarding the implementation of the wind farms of Parque de Água Doce, in the amount of R$ 1.3 billion. The Company's legal advisors consider a favorable outcome as possible, since: (i) it is possible that the lawsuit be dismissed without judgment on merits; (ii) in the case of an unfavorable outcome, losses will comprise the annulment of the environmental licenses, as well as the reimbursement, jointly, of all damages caused to the government authority, in particular amounts paid by ELETROBRAS for the early purchase of energy to be generated by the plants and financing contracted with BNDES; however, the companies did not receive any amount from ELETROBRAS, or any financing from BNDES; (iii) the Company did not participate in the issue of any of the environmental licenses under suspicion of fraud, (iv) when the Company started operating in the business, the licenses had already been issued, and the licensing process was conducted by other companies mentioned in the lawsuit, as the plaintiff admits; (v) the participation of the Company was limited to the technical analyses of projects, and it could not be aware of the alleged irregularities, because the licenses have full faith and credit, and ELETROBRAS and the Environmental Foundation ("FATMA"), after checking the existence of the alleged irregularities in the issue of the licenses, did not find any problems; and (vi) finally the Federal Public Attorneys' Office would have to show evidence to declare the Company guilty of obtaining benefits from the alleged fraud, bad faith and willful misconduct, and also any losses to the public treasury and unlawful enrichment, which it failed to do.

(ii) The out-of-court action for the collection of amounts related to the payment of capital invested in an associated company Note 8(c).

(b) Moinho S.A.

Two land repossession actions have been filed by, or against, the investee. The legal advisors responsible for monitoring these lawsuits consider a favorable outcome as probable. The amounts related to lawsuits filed by Moinho S.A. are deposited in court, and are recorded as land acquisition cost. The adequacy of the indemnity amounts is being discussed. Additionally, no provision has been recorded in the financial statements, since payments made in connection with agreements or any sentences will be considered as land acquisition cost.

(c) Monel Monjolinho Energética S.A.

(i) Public civil suit

On May 8, 2009, the Federal Public Attorney's Office (MPF) filed a public civil suit, and subsequently the Brazilian Indian Foundation ("FUNAI") became a plaintiff in this suit, claiming, through an injunction, the annulment of the operation license issued by the State Foundation for Environmental Protection ("FEPAM") and the interruption of the filling of the reservoir, since there is a risk of conflict between indigenous and non-indigenous people; however, even before the injunction had been published, Monel Monjolinho Energética S.A. signed a Settlement Agreement with FUNAI, whereby the Foundation agrees to drop the interim appeal and not to interfere with the beginning of operations of this project and, consequently, the filling of the reservoir, which was already irreversible, was completed with the awareness and approval of FUNAI.

On December 12, 2009, a "Commitment Agreement" was signed between Monel Monjolinho Energética S.A. and FUNAI, whereby Monel Monjolinho Energética S.A. committed to acquire and contribute to the Votouro Indigenous Community and the Guarani Votouro Indigenous Community certain farming implements and products at an estimated cost of R$ 450.

Additionally, the Company owes R$ 1,700 and R$ 450 to the Votouro Indigenous Community and to the Guarani Votouro Indigenous Community, payable through advances of R$ 215 and R$ 15, and the remaining balance in 27 and 29 annual installments as from June 2010, respectively, indexed to the IGP-M. At December 31, 2012, the provision totaled R$ 2,357 (2011 - R$ 2,544), presented in current and non-current liabilities under "Indemnities payable".

(ii) Lawsuits involving administrative easements, expropriation, claim of title and others

Actions related to claim of title, land recovery, resettlement with indemnity, inventory and others have been filed by or against the Company. At December 31, 2012, the legal advisors responsible for monitoring these lawsuits classify them in accordance with the expectation of outcome as: (i) lawsuits filed by the Company, of R$ 375; and (ii) lawsuits filed against the Company of R$ 1.716 as possible losses and R$ 2,252 as probable loss. Amounts related to lawsuits filed by the Company are deposited in court, and are recorded as land acquisition cost. The adequacy of the indemnity is being discussed. Additionally, no provision has been recorded in the financial statements, since payments made in connection with agreements or any sentences will be considered as land acquisition cost.

(d) Santa Laura S.A.

A suit for indemnity of material damages and loss of profits filed against the investee, in which the plaintiff (squatter) claims R$ 34 of indemnity for expropriation (32,000 square meters, which are part of a larger area of 5 hectares), as well as loss of profits in an amount to be determined in the future linked to the price of agricultural produce, including compensatory interest of 12% p.a. and interest on arrears of 6% p.a. The legal advisors responsible for monitoring this suit assess a favorable outcome as possible; therefore, no provision was recorded in the financial statements. Other lawsuits filed against the investee, arising from land expropriation, are mentioned in Note 9.

(e) Santa Rosa S.A.

The investee is a party to a suit claiming indemnity for personal and material damages, as well as life annuity following death caused by a work-related accident. Management, based on the advice of its legal advisors, and also on the subcontract agreements signed, understands that the payment, in the case of an unfavorable outcome, is the responsibility of the contracted companies and, consequently, no provision for this matter was recorded in the financial statements.

Another lawsuit filed against the investee, arising from land expropriation, is mentioned in Note 9.

28 Business combinations and acquisition of joint control

(i) Transmission lines - MGE Transmissão S.A. and Goiás Transmissão S.A.

As mentioned in Note 1(a)(ii), ANEEL issued on March 10 and March 15, 2011 the Authorizing Resolutions 2,792 and 2,816, thus approving the transfer to the Company of the shares of MGE Transmissão S.A. and of Goiás Transmissão S.A. (companies in the initial stages of operation) held by Engevix Engenharia S.A. Considering that Engevix Engenharia S.A. and the Company are related parties, and that both entities are under common control, the acquisition method was not applied when accounting for the transaction (CPC 15 - Business Combinations").

Based on the Company's interest of 25.5% and the governance structure of the entities where the Company has the authority to indicate members for the Board of Directors, the investments were classified as associated companies and accounted for using the equity accounting method, as from the date of approval by ANEEL.

(ii) Energen Energias Renováveis S.A.

On January 21, 2011, the Company and JP Participações Ltda. entered into a purchase and sale agreement of the shares of Energen Energias Renováveis S.A., an entity authorized by the Ministry of Mines and Energy to be an independent producer of electric power through the implementation and exploration of a wind power plant denominated EOL Barras dos Coqueiros, located in the municipality of Barra dos Coqueiros, State of Sergipe. After this agreement was signed, the Company became the holder of 88.33% of Energen's shares, the remaining interest being held by the stockholder Água Quente Participações Ltda. On May 10, 2011, ANEEL authorized the transfer of control of Energen Energias Renováveis S.A. through the Authorizing Resolution 2880/2011. Considering the current stage of the project and that, for accounting purposes, the project is not yet a "business", the transaction was considered as an acquisition of assets and liabilities.

On August 21, 2012, Desenvix increased its interest in the share capital of Energen Energias Renováveis S.A. by 6.67%, from 88.33% to 95%. The shares were purchased from Água Quente Participações Ltda. for R$ 1,100.

All amounts in thousands of reais unless otherwise stated

The summary of the assets acquired and liabilities assumed at the transaction date are as follows:

	Fair value at acquisition date
Cash and cash equivalents	7
Related parties	14,099
Intangible assets - authorization right	6,970
Property, plant and equipment	319
Trade payables	(205)
Taxes and contributions	(211)
Net assets	20,979

According to the purchase and sale agreement of shares entered into by the Company and JP Participações Ltda., the Company is subject to the payment of a performance bonus of up to R$ 4,000, which is linked to the release of certain borrowings and specific electric power generation amounts after the end of the first post-implementation four-year period.

(iii) Enex O&M de Sistemas Elétricos Ltda.

On September 1, 2011, the Company entered into a Private Instrument for the Assignment and Transfer of Quotas and other Covenants, through which the Company acquired from Grupo Energia, for R$ 18 million, the remaining interest of 50% in Enex O&M de Sistemas Elétricos Ltda., previously a jointly-controlled subsidiary. After this transaction, Enex became a wholly-owned subsidiary of Desenvix.

The summary of the assets acquired and liabilities assumed at the transaction date are as follows:

	Book values	Fair value adjustment	Fair value at acquisition date
Cash and cash equivalents	36		36
Trade receivables	3,564		3,564
Taxes recoverable	462		462
Prepaid expenses and other assets	436		436
Intangible assets			
Computer software	382		382
Goodwill for expected future profitability		30,732	30,732
Firm contracts		5,751	5,751
Property, plant and equipment	954		954
Trade payables	(406)		(406)
Borrowings	(1,330)		(1,330)
Salaries and payroll charges	(1,864)		(1,864)
Taxes and contributions	(762)		(762)
Deferred income tax and social contribution		(1,955)	(1,955)
Net assets	1,472	34,528	36,000

As a consequence of remeasuring Desenvix's prior interest in Enex, the Company calculated a gain on its interest in this investee of R$ 17,264.

All amounts in thousands of reais unless otherwise stated

For the purposes of presentation in the statement of cash flows, the amount paid in the acquisition totaled R$ 17,982 (R$ 18,000 net of cash acquired of R$ 18).

The Private Instrument for the Assignment and Transfer of Quotas and other Covenants has a non-compete clause applicable to Grupo Energia in respect of Enex during the next five years.

The goodwill relative to the expectation of future profitability of the investment was calculated based on the cash flows discounted to present value of future services agreements to be signed by Enex. The effects of deferred income tax and social contribution were calculated based on the fair value of the identified intangible assets.

29 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 year. The Company has no common share categories with dilutive effects and, therefore, the basic and diluted earnings (loss) per share are the same.

	Parent company		Consolidated	
	2012	**2011**	**2012**	**2011**
Profit (loss) attributable to common stockholders of the Company	(32,049)	2,228	(31,998)	2,546
Weighted average number of outstanding common shares (thousands)	107,440	100,000	107,440	100,000
Earnings (loss) per share – R$	(0.2982)	0.0223	(0.2978)	0.0255

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

30 Commitments

(a) Capital expenditure commitments

Commitments assumed to purchase property, plant and equipment for the plants under construction totaled R$ 29,503 (2011 - R$ 102,213), recorded within non-current trade payables.

(b) Operating lease commitments - Company as lessee

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

All amounts in thousands of reais unless otherwise stated

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

	Consolidated	
	2012	**2011**
No later than 1 year	212	208
Later than 1 year and no later than 5 years	853	832
Later than 5 years	3,777	3,922
	4,842	4,962

31 Assets 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. The conclusion of the sale depends on ANEEL's approval. In the year ended December 31, 2012, the substation Caldas Novas was in the pre-operating phase.

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 the Fundo de Investimento em Participações Desenvix ("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 was approved on January 14, 2013 (Note 33).

The assets related to the investment in Caldas Novas and São Roque were as follows:

	Parent company and consolidated		
			2012
	Caldas Novas	**São Roque**	**Total**
Assets			
Investments	1,372	15,603	16,975

The fair value of assets and liabilities classified as held for sale approximate their book value at December 31, 2012.

All amounts in thousands of reais unless otherwise stated

The net cash flows of the held-for-sale operations for the years ended December 31 were as follows:

	2012	2011
Operating cash flows		
Cash flows from investments		(25)
Cash flows from financing	1,348	
	1,348	(25)

32 Supplementary information on cash flows

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

	Parent company		Consolidated	
	2012	2011	2012	2011
Trade payables, indemnities payable and other liabilities arising from purchases of property, plant and equipment			105,841	121,065
Variation in the fair value of investments carried at cost (Note 9)	3,887	9,515	3,887	9,515
Capitalized financial charges (Note 10)			10,555	
Acquisition of investments				
Offset of proposed dividends against payables to related parties	45,364	1,750	16,370	
Capital increase with loans from related parties	120,000		120,000	
Capital contribution				
Payables for land acquisitions - property, plant and equipment				3,601
Concessions payable				71,964
Costs of issuance of shares transferred to related parties	1,475		1,475	
Transfer between intangible assets and receivables from related parties	15,333		15,407	
Transfer of material in transit to inventories			221	
Investments reclassified to held for sale	16,975		16,975	
Provision for social and environmental costs				4,351
Changes in non-controlling interest not affecting cash			1,100	

33 Events after the reporting period

The following events happened in the period from December 31, 2012 up to the issue of these financial statements:

(a) São Roque

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 in turn is controlled by Jackson Empreendimentos Ltda, the parent company of Desenvix, with an ownership interest of 40.65%.

On January 14, 2013, at the Board's first General Public Meeting in 2013, ANEEL approved the ownership transfer of the wholly-owned subsidiary São Roque Energética S.A. from Desenvix to FIP Desenvix, the latter becoming, as from that date, responsible for the investments necessary for the implementation of the project.

(b) Approval of Santa Rosa dividends

On November 29, 2012, pursuant to the clause 10 of the borrowing agreements entered into with the BNDES, the Company's subsidiary Santa Rosa S.A. requested from Banco Bradesco S/A, the agent responsible for the transfer of the loans, the approval for the payment through the distribution of dividends of the surplus retained earnings, in addition to the minimum authorized dividend calculated based on the profit (loss) for the year ended December 31, 2011, up to the limit of R$ 7,770.

On January 15, 2013, Santa Rosa S.A. obtained the agreement from Banco Bradesco S.A. to distribute dividends amounting to R$ 7,770.

(c) Constitution of additional guarantee for debentures

At the end of March 2013, the Company had constituted a balance for the restricted account according to clause 2.1.2 of the agreement for the conditional assignment of credit rights on the dividends flow held in a restricted account.

(d) Settlement of intercompany loan agreement with a subsidiary

On January 10, 2013, the subsidiary Energen Energias Renováveis S.A. settled the amount of R$ 80,758 related to the intercompany loan agreement with the Company. The remaining outstanding balance amounts to R$ 461.

* * *

Atenção

***** Não destacar esta folha do trabalho *****

Departamento de Traduções - 10. andar

Dados do Projeto

Cliente	**DESENVIX ENERGIAS RENOVÁVEIS S.A.**
Departamento	Assurance
Tipo de trabalho	DF - 31.12.12
Idioma	P/I
Nome do arquivo	**DESENVIX12RL.DOCX**
Código para débito	01030149/0001
Sócio	
Gerente	Daniel Milleo
Sócio substituto	
Encaminhar para	**Raissa Fernandes**

Andamento - Traduções

	Nome	**Data**	**Observações**	
Entrada		01.04.13	☐ Track Changes	☐ ________
Tradução	RL	04.04 a 08.04.13	☐ Free Translation	
Correções	Roger	09.04.13	☐ Ponto por vírgula	☐ ________
Cheque padrão	Yara	09.04.13	☐ Corretor ortográfico	
Revisão da tradução	GHM	16-19.04.13	☐ Montagem ITR	☐ ________
Correções	Amanda	19.04.13	☐ Formatação	
Cheque/correções	Sandra	22.04.13	☐ Correções	☐ ________
Correções			☐ Rodapé	
3a. Revisão			☐ OK	

	HISTÓRICO DE ALTERAÇÕES / PONTOS DE ATENÇÃO PARA O USUÁRIO		
Página da versão original	**VERSÃO ORIGINAL**	**Página da versão traduzida**	**VERSÃO TRADUZIDA**
56	**OBS. DE GH MITCHELL:** Verificar valor destacado na tabela.	56	Verificar valor destacado na tabela - (alterado por GHM)
69	Nota 28 - Falta o item (a).	69	Nota 28 - Falta o item (a) – (alterado por GHM)
73	Nota 32 – 30 de <u>setembro</u>	73	Alterei para 31 de <u>dezembro</u>
74	Nota 33 (b) – R$ 7.770 <u>mil</u>	74	Eliminei “mil”
74	Paginação – 74 de 75	74	Ajustado no inglês – 74 de 74
Parecer	O parecer é diferente da Nota 2.1 (b)	Parecer	Favor contatar o gerente. (Sandra falou com Daniel Milleo em 22.04.13 pela manhã e o gerente ficou de verificar.)