(A free translation of the original in Portuguese)

Desenvix Energias Renováveis S.A.

Quarterly Information (ITR) at March 31, 2014 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Desenvix Energias Renováveis S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2014, comprising the balance sheet as at that date and the statements of income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the parent company interim information

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

Desenvix Energias Renováveis S.A.

Conclusion on the consolidated interim information

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

Other matters - statement of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2014. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR), but are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Florianópolis, May 15, 2014

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

Carlos Biedermann
Contador CRC 1RS029321/O-4 "S" SC

Desenvix Energias Renováveis S.A.

Balance sheet

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

	Parent company		Consolidated	
Assets	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Current assets				
Cash and cash equivalents (Note 5)	1,605	3,225	37,864	28,803
Accounts receivable (Note 6)	1,400	1,026	24,822	24,177
Dividends receivable (Note 11(a))	22,481	22,481	10,654	10,654
Taxes recoverable	2,046	1,866	7,640	6,459
Inventories			1,071	1,052
Other assets	4,489	4,694	8,964	9,432
	32,021	33,292	91,015	80,577
Investments held for sale		3,060		3,060
	32,021	36,352	91,015	83,637
Non-current assets				
Long-term receivables				
Restricted financial investments (Note 7)	13,454	13,202	53,279	52,119
Related parties (Note 11)	112,422	87,058	26,799	26,824
Deferred income tax and social contribution (Note 21)			25,715	23,768
Investments in non-subsidiary entities at fair value (Note 29)	66,677	66,677	66,677	66,677
Taxes recoverable			388	263
Other assets			12,664	8,442
	192,553	166,937	185,522	178,093
Investments (Note 8)	653,302	614,373	170,118	150,556
Property, plant and equipment (Note 9)	489	501	1,178,441	1,194,631
Intangible assets (Note 10)	17,231	17,234	115,233	117,047
Investment properties (Note 27)	25,208	25,208	25,208	25,208
	696,230	657,316	1,489,000	1,487,442
Total assets	920,804	860,605	1,765,537	1,749,172

	Parent company		Consolidated	
Liabilities and equity	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Current liabilities				
Trade payables	1,093	2,603	8,985	33,260
Borrowings (Note 12)	178,230	74,505	227,806	122,751
Related parties (Note 11)	24,598	17,616	8,374	7,363
Concessions payable (Note 13)			6,659	6,500
Salaries and payroll charges	1,092	1,757	3,325	4,135
Taxes and contributions (Note 14)	9,690	9,901	13,542	14,822
Income tax and social contribution (Note 21)			2,973	6,816
Provision for electric power contracts (Note 16)			7,425	7,425
Proposed dividends			47	47
Other liabilities (Note 15)	1,909	1,908	15,904	17,814
	216,612	108,290	295,040	220,933
Non-current liabilities				
Borrowings (Note 12)		99,800	687,484	800,503
Deferred income tax and social contribution (Note 21)	1,479	1,648	8,012	5,561
Concessions payable (Note 13)			57,104	56,538
Provision for investment losses	7,272	6,247		
Taxes and contributions (Note 14)			1,135	741
Other liabilities (Note 15)	1,568	1,600	22,342	21,390
	10,319	109,295	776,077	884,733
Total liabilities	226,931	217,585	1,071,117	1,105,666
Equity attributable to the owners of the Parent Company (Note 17)				
Share capital	695,312	665,312	695,312	665,312
Carrying value adjustments	32,963	32,963	32,963	32,963
Accumulated deficit	(34,402)	(55,255)	(34,402)	(55,255)
	693,873	643,020	693,873	643,020
Non-controlling interests			547	486
Total equity	693,873	643,020	694,420	643,506
Total liabilities and equity	920,804	860,605	1,765,537	1,749,172

The accompanying notes are an integral part of this consolidated and parent company quarterly information.

Desenvix Energias Renováveis S.A.

Statement of income
Quarters ended March 31
All amounts in thousands of reais unless otherwise stated (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	March 31, 2014	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Net revenue				
Electric power supply			57,894	45,898
Services rendered	2,935	1,432	6,979	6,170
Net operating revenue (Note 18)	2,935	1,432	64,873	52,068
Cost of electric power supply (Note 19)			(19,662)	(20,623)
Cost of services rendered	(989)	(1,247)	(4,591)	(3,170)
Gross profit	1,946	185	40,620	28,275
General and administrative expenses (Note 19)	(2,265)	(3,915)	(6,724)	(10,620)
Other operating income, net	143	2,336	449	2,336
Provision for investment losses	(1,025)			
Equity in results of subsidiaries	19,740	4,379		
Operating profit	18,539	2,985	34,345	19,991
Finance result (Note 20)				
Finance costs	(8,297)	(3,746)	(29,543)	(21,439)
Finance income	515	1,246	9,310	5,318
	(7,782)	(2,500)	(20,233)	(16,121)
Equity in results of associates and jointly-controlled subsidiaries	7,575	2,346	7,575	2,346
Dividends received	1,700	1,050	1,700	1,050
Gain on sale of investments	940		940	
Amortization of goodwill	(288)	(288)	(288)	(288)
	9,927	3,108	9,927	3,108
Profit before income tax and social contribution	20,684	3,593	24,039	6,978
Income tax and social contribution (Note 21)	169	3,127	(3,125)	(290)
Profit for the quarter	20,853	6,720	20,914	6,688
Attributable to:				
Owners of the parent company			20,853	6,720
Non-controlling interests			61	(32)
			20,914	6,688
Basic and diluted earnings per thousand shares (in reais) (Note 26)			0.1782	0.0625

- The statement of comprehensive income is not presented in this quarterly information, since there were no components of comprehensive results.

The accompanying notes are an integral part of this consolidated and parent company quarterly information.

Desenvix Energias Renováveis S.A.

Statement of changes in equity

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

	Attributable to the owners of the parent company									Consolidated	
	Share capital				Revenue reserves						
	Subscribed capital	Unpaid capital	Total	Carrying value adjustments	Legal	Profit retention	Total	Accumulated deficit	Total	Non-controlling interests	Total equity
At December 31, 2012	665,312		665,312	44,432	739	7,709	8,448	(32,049)	686,143	1,322	687,465
Profit for the quarter								6,720	6,720	(32)	6,688
At March 31, 2013	**665,312**		**665,312**	**44,432**	**739**	**7,709**	**8,448**	**(25,329)**	**692,863**	**1,290**	**694,153**
At January 1, 2014	**665,312**		**665,312**	**32,963**				**(55,255)**	**643,020**	**486**	**643,506**
Capital increase	60,000	(30,000)	30,000						30,000		30,000
Profit for the quarter								20,853	20,853	61	20,914
At March 31, 2014	**725,312**	**(30,000)**	**695,312**	**32,963**				**(34,402)**	**693,873**	**547**	**694,420**

The accompanying notes are an integral part of this consolidated and parent company quarterly information.

Desenvix Energias Renováveis S.A.

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

	Parent company		Consolidated	
	3/31/2014	3/31/2013	3/31/2014	3/31/2013
Cash flows from operating activities				
Profit before taxation	20,684	3,593	24,039	6,978
Adjustments				
Finance income from restricted financial investments	(252)	(70)	(1,160)	(612)
Equity in results of associates and jointly-controlled subsidiaries	(7,575)	(2,346)	(7,575)	(2,346)
Equity in results of subsidiaries	(19,740)	(4,379)		
Gain on disposal of assets for sale	(940)		(940)	
Net book value of property, plant and equipment disposals			2,212	
Depreciation and amortization	309	305	15,864	14,958
Provision for investment losses	1,025			
Foreign exchange losses (gains) on financial activities			(3,756)	
Financial charges capitalized in subsidiaries	85		87	
Financial charges on borrowings	6,632	2,936	19,483	22,017
Financial charges on guarantees		410		
Provision for social and environmental costs				341
	228	449	48,254	41,336
Changes in assets and liabilities				
Accounts receivable	(374)	511	(645)	(5,508)
Taxes recoverable	(180)	497	(1,306)	351
Other assets and prepaid expenses	205	314	(3,774)	912
Suppliers	(1,510)	(3,604)	(24,275)	(6,726)
Salaries and payroll charges	(665)	(971)	(810)	(1,405)
Taxes and contributions	(211)	(2,051)	(886)	(2,916)
Other changes	(31)		(202)	(9,890)
Cash provided by (used in) operations	(2,538)	(4,855)	16,376	16,154
Interest paid on borrowings	(2,714)	(436)	(14,075)	(19,719)
Income tax and social contribution paid			(6,463)	(5,910)
Net cash used in operating activities	(5,252)	(5,291)	(4,162)	(9,475)
Cash flows from investing activities				
Application in restricted financial investments		(4,938)		(3,579)
Acquisition of investments and capital increases	(11,987)	(15,810)	(11,987)	(16,557)
Dividends received		7,500		
Purchases of property, plant and equipment and intangible assets	(6)		(160)	718
Sale of investment, net of cash received		15,603		15,603
Related-party transactions	(18,382)	46,631	986	(26,599)
Disposal of investments for sale	4,000		4,000	
Net cash (used in) provided by investing activities	(26,374)	48,986	(7,161)	(30,414)
Cash flows from financing activities				
Proceeds from borrowings	7	18	7	18
Repayment of borrowings - principal		(2,154)	(9,623)	(11,128)
Capital increase	30,000		30,000	
Net cash (used in) provided by financing activities	30,007	(2,136)	20,384	(11,110)
Increase (decrease) in cash and cash equivalents	(1,620)	41,559	9,061	(50,999)
Cash and cash equivalents at the beginning of the quarter	3,225	7,126	28,803	124,677
Cash and cash equivalents at the end of the quarter	1,605	48,685	37,864	73,678

The accompanying notes are an integral part of this consolidated and parent company quarterly information.

Desenvix Energias Renováveis S.A.

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

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**
Revenue				
Sales of products and services	2,935	1,432	69,442	56,728
Other income and expenses		2,336		2,336
	2,935	3,768	69,442	59,064
Inputs acquired from third parties (includes taxes - ICMS and IPI)				
Cost of electric power supply (Note 19)		(245)	(8,507)	(9,140)
Cost of services rendered (Note 19)	(1,458)	(2,346)	(1,539)	(3,945)
	(1,458)	(2,591)	(10,046)	(13,085)
Gross value added (1-2)	1,477	1,177	59,396	45,979
Retentions				
Depreciation, amortization and depletion	(309)	(305)	(16,321)	(14,958)
Net value added generated by the entity (3-4)	1,168	872	43,075	31,021
Value added received through transfers				
Equity in the results of investees	26,290	6,725	7,575	2,346
Finance income	515	1,246	9,310	5,318
Gain on sale of investments	940		940	
Dividend income	1,700	1,050	1,700	1,050
	29,445	9,021	19,525	8,714
Total value added to distribute (5+6)	30,613	9,893	62,600	39,735
Distribution of value added				
Personnel and payroll charges	1,958	2,343	7,863	7,366
Taxes and contributions	(169)	(3,127)	7,694	4,950
Third-party capital remuneration (interest and rentals)	7,971	3,957	26,129	20,731
Profits reinvested for the quarter	20,853	6,720	20,853	6,720
Non-controlling interest in profits reinvested			61	(32)
	30,613	9,893	62,600	39,735

The accompanying notes are an integral part of this consolidated and parent company quarterly information.

All amounts in thousands of reais unless otherwise stated

1 General information

(a) Operations

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

The Group's 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 operations 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 ("LTs").

The Group's installed capacity grew from 9 MW in 2005 to 349 MW up to September 2012, comprising 15 ventures working with 100% renewable energy generation. In addition, the Company has a participation of 25.5% in two transmission lines with an extension of 511 km.

The issue of this quarterly information was authorized by the Board of Directors on May 15, 2014.

(i) Projects in operation

The Group, through its subsidiaries, holds several authorizations and concessions for ventures in operation, including:

Companies	Electric power source	Beginning of operations	Installed capacity in MW	Termination of contracts (authorizations/ concessions)
Esmeralda S.A.	PCH	December 23, 2006	22.2 MW	December 21, 2031
Santa Laura S.A.	PCH	October 1, 2007	15 MW	September 27, 2030
Santa Rosa S.A.	PCH	July 1, 2008	30 MW	May 31, 2031
Moinho S.A.	PCH	September 19, 2011	13.7 MW	August 14, 2038
Enercasa Energética S.A. (ii)	UTE	October 26, 2011	33 MW	February 25, 2044
Passos Maia Energética S.A.	PCH	February 17, 2012	25 MW	March 02, 2034
Monel Monjolinho Energética S.A.	UHE	August 31, 2009	74 MW	April 22, 2037
Dona Francisca Energética S.A.	UHE	February 2001	125 MW	August 28, 2033
CERAN Cia. Energética Rio das Antas (i)	UHE	January 2005	360 MW	December 31, 2029
Macaúbas Energética S.A.	UEE	July 5, 2012	35.07 MW	June 16, 2045
Novo Horizonte Energética S.A.	UEE	July 5, 2012	30.06 MW	July 28, 2045
Seabra Energética S.A.	UEE	July 5, 2012	30.06 MW	July 28, 2045
Energen Energias Renováveis S.A.	UEE	September 28, 2012	34.5 MW	July 5, 2045
Goiás Transmissão S.A.	LT	November 14, 2013	500/230 KV	June 11, 2040

(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 formed by the Monte Claro, Castro Alves and 14 de Julho hydroelectric power plants and is operated by CPFL Geração de Energia S.A.

(ii) Enercasa Energética S.A., through Order 4,205, of October 25, 2011, of the National Electric Energy Agency (ANEEL), obtained an authorization to begin its commercial operations as from October 26, 2011, when the power produced by the generating unit UG1 33,000 KW became available to the system. However, due to problems with its main supplier of raw materials for the generation of steam, the company's operations have been suspended since December 2012.

(iii) Projects under construction - Transmission lines

Desenvix has investments in MGE Transmissão S.A. (25.5%), which is in the implementation phase.

This line has an extension of 258 km and is expected to start operating between the second and third quarters of 2014.

(b) Debentures

The Company issued debentures not convertible into shares on December 12, 2012, which have covenants determining the maintenance of certain financial ratios, which were not complied with at March 31, 2014. Therefore, the total balance relating to the obligation with these debentures was reclassified to current liabilities in the interim financial statements.

The failure to comply with these ratios is a result of a series of events that occurred in 2013 and demanded unexpected funds, consequently increasing the Company's indebtedness. These events comprised the payment of fines due to the failure to supply the contracted power to the wind power plants and Enercasa Energia Caiua S.A., and the payment to a supplier due the unbudgeted purchase of generation equipment.

However, the Company subsequently obtained a waiver on April 30, 2014, regarding the non-compliance with the aforementioned clauses and the renewal of the debenture terms, as mentioned in Note 28 to the interim financial statements.

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

The parent company interim accounting information included in this financial information is presented in accordance with the accounting standard CPC 21 (R1) - Interim Financial Reporting, and in a manner consistent with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

The consolidated interim accounting information included in this financial information is presented in accordance with the accounting standard CPC 21 (R1) - Interim Financial Reporting and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and in a manner consistent with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

Except for the changes mentioned in Note 3, the basis of preparation and accounting policies are the same as those adopted in the annual financial statements for the year ended December 31, 2013. Accordingly, as determined in Official Letter CVM/SNC/SEP 03/2011, the Company opted to present the explanatory notes to this Quarterly Information in a summarized manner when there were no changes in relation to those presented in its annual financial statements. In these cases, the full explanatory note in the annual financial statements is identified, in order not to prejudice the understanding of the financial position and performance during the interim period. Therefore, the corresponding information to this note should be read in Note 2 - Summary of significant accounting policies to the aforementioned annual financial statements.

All amounts in thousands of reais unless otherwise stated

3 New standards, amendments and interpretations to standards

The following new standards, amendments and interpretations to existing standards were issued by IASB and are effective as from January 1, 2014. Their potential impacts on the consolidated financial information are described below. The Parent Company's financial information was not affected by the new standards issued by IASB, since there are no corresponding standards or interpretations issued by the Brazilian Accounting Pronouncements Committee (CPC).

- IFRIC 21, "Levies". The interpretation clarifies when an entity should recognize a liability to pay a levy in accordance with the legislation. The recognition of the obligation is applicable only after the underlying event takes place. The consolidated quarterly information was not affected.

- Amendments to IAS 32 - "Financial instruments: presentation." These changes clarify the meaning of the legal right to settle an operation at the net amount. The consolidated quarterly information was not affected.

- Amendments to IAS 30 - "Financial instruments: recognition and measurement". The changes permit the use of the hedge accounting when creating a new obligation, replacing and extinguishing the previous obligation arising from a derivative designated as a hedge, when it complies with certain criteria. The consolidated quarterly information was not affected.

4 Capital management

The Group's objectives when managing capital are to safeguard its 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 could adjust the amount of dividends paid to stockholders, return capital to stockholders or sell assets to reduce, for example, debt.

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 March 31, 2014 and December 31, 2013 were as follows:

	Consolidated	
	March 31, 2014	**December 31, 2013**
Total borrowings (Note 12)	915,290	923,254
Less: cash and cash equivalents (Note 5)	37,864	28,803
Less: restricted financial investments (Note 7)	53,279	52,119
Net debt	824,147	842,332

All amounts in thousands of reais unless otherwise stated

	Consolidated	
	March 31, 2014	December 31, 2013
Total equity	694,420	643,506
Total capital	1,518,567	1,485,838
Gearing ratio - %	54.27	56.69

5 Cash and cash equivalents

	Parent company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Cash and banks	1,605	3,222	36,075	22,046
Financial investments (i)		3	1,789	6,757
	1,605	3,225	37,864	28,803

(i) Financial investments are represented by Bank Deposit Certificates (CDB) and fixed income funds of financial institutions in Brazil, with average earnings equivalent to 100% of the Interbank Deposit Certificate (CDI) variation. These financial investments are redeemable at any time with no penalty.

6 Accounts receivable

	Parent company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Customers - electric power supply (i)			21,153	21,133
Customers - third-party services (ii)			3,510	2,892
Customers - related parties (Note 11)	1,620	1,246	379	372
Provision for impairment of trade receivables (iii)	(220)	(220)	(220)	(220)
	1,400	1,026	24,822	24,177

(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 March 31, 2014 (consolidated) refers to receivables from the subsidiary Enex O&M de Sistemas Elétricos Ltda.

(iii) The balance provided for at March 31, 2014 refers to 100% of outstanding receivables from Usina Hidrelétrica de Cubatão S.A.

All amounts in thousands of reais unless otherwise stated

7 Restricted financial investments

In compliance with the financing contracts with the National Bank for Economic and Social Development (BNDES) to fund the construction of the Esmeralda, Santa Laura, Santa Rosa, and Moinho Small Hydroelectric Plants and the Alzir dos Santos Antunes Hydroelectric Power Plant, and with Banco do Nordeste do Brasil S.A. ("BNB") for financing the construction work 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 of 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 respective financing contract (Note 12).

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

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

	Parent company	
	March 31, 2014	**December 31, 2013**
At the beginning of the quarter	13,202	4,938
Income	252	648
Investments		7,616
At the end of the quarter	13,454	13,202

	Consolidated	
	March 31, 2014	**December 31, 2013**
At the beginning of the quarter	52,119	40,023
Investments		17,401
Income	1,160	3,062
Redemptions		(8,367)
At the end of the quarter	53,279	52,119

The fair values of financial investments at March 31, 2014 and December 31, 2013 approximated their book values.

All amounts in thousands of reais unless otherwise stated

8 Investments

	Parent company		Consolidated	
	March 31, 2014	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
In subsidiaries	479,643	460,276		
In associates and other companies	173,659	154,097	170,118	150,556
	653,302	614,373	170,118	150,556

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

	Parent company	
	March 31, 2014	**December 31, 2013**
Subsidiaries		
Enercasa - Energia Caiuá S.A.	2,717	2,739
Energen Energias Renováveis S.A.	12,172	11,023
Enex O&M de Sistemas Elétricos Ltda.	3,744	3,127
Esmeralda S.A.	38,520	35,681
Macaúbas Energética S.A.	40,200	39,856
Moinho S.A.	45,278	43,585
Monel Monjolinho Energética S.A.	126,151	118,519
Novo Horizonte Energética S.A.	40,312	39,410
Santa Laura S.A.	30,397	29,105
Santa Rosa S.A.	65,040	62,649
Seabra Energética S.A.	40,405	39,654
	444,936	425,348
Goodwill	40,483	40,770
Unrealized profits in the parent company	(5,776)	(5,842)
Total investments in subsidiaries	479,643	460,276
Associates		
Goiás Transmissão S.A.	72,087	70,543
MGE Transmissão S.A.	70,995	55,369
Passos Maia Energética S.A.	26,381	23,989
Usina Hidrelétrica de Cubatão S.A.	655	655
	170,118	150,556
Goodwill - concession right	3,541	3,541
Total investments in associates	173,659	154,097
Total investments	653,302	614,373

All amounts in thousands of reais unless otherwise stated

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

March 31, 2014	Ownership interest - %	Assets	Liabilities	Equity	Profit (loss) for the quarter	Equity in results adjusted by profits realized on assets
Subsidiaries						
Energen - Energias Renováveis S.A.	95	151,387	140,450	10,935	1,224	1,162
Enex O&M de Sistemas Elétricos Ltda.	100	7,809	4,064	3,744	618	618
Esmeralda S.A.	99.99	68,732	30,212	38,520	2,838	2,841
Macaúbas Energética S.A.	99.99	163,680	125,342	38,339	358	359
Moinho S.A.	99.99	101,622	56,980	44,642	1,701	1,717
Monel Monjolinho Energética S.A.	99.99	356,444	230,293	126,151	7,632	7,654
Novo Horizonte Energética S.A.	99.99	136,696	98,503	38,193	918	918
Santa Laura S.A.	99.99	60,618	30,221	30,397	1,291	1,296
Santa Rosa S.A.	99.99	135,659	70,619	65,040	2,391	2,411
Seabra Energética S.A.	99.99	136,117	97,292	38,825	764	764
Equity in results of subsidiaries						19,740
Associates						
BBE Bioenergia S.A.	12.5					
Goiás Transmissão S.A.	25.5	748,059	779,028	420,708	(30,969)	(751)
MGE Transmissão S.A.	25.5	399,163	375,887	278,361	23,276	5,935
Passos Maia Energética S.A.(jointly-controlled subsidiary)	50	144,732	91,968	52,764	4,783	2,391
Usina Hidrelétrica de Cubatão S.A.	20	5,620	3,971	1,649		
Equity in results of associates						7,575
Equity in results of associates and subsidiaries						27,315

The equity at March 31, 2014 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$ 2,224, R$ 162, R$ 243, R$ 1,535 and R$ 1,612 (2013 - R$ 2,247, R$ 165, R$ 247, R$ 1,555 and R$ 1,629), respectively.

All amounts in thousands of reais unless otherwise stated

The changes in investments in the quarter were as follows:

	Parent company	Consolidated
	March 31, 2014	March 31, 2014
At the beginning of the quarter	**614,373**	**150,556**
Capital contributions or advances for future capital increase	11,987	11,987
Equity in results of subsidiaries	19,740	
Equity in results of associates and jointly-controlled subsidiaries	7,575	7,575
Amortization of goodwill	(288)	
Amortization of capitalized interest	(85)	
	653,302	170,118

9 Property, plant and equipment

				Consolidated
	At March 31, 2014			At December 31, 2013
	Cost	Accumulated depreciation	Net	Net
Plants and other assets				
Land	19,975	(3,269)	16,706	16,903
Land - judicial deposits (i)	976		976	976
Reservoirs, dams and water mains	437,991	(80,025)	357,966	362,289
Buildings, civil construction work and improvements	37,806	(6,684)	31,122	31,460
Machinery and equipment	771,304	(84,054)	687,250	697,763
Materials stored in warehouses and other	1,854	(56)	1,798	1,799
Furniture and fittings	666	(248)	418	439
IT and other equipment	936	(546)	390	408
Other	424	(111)	313	315
Connection systems				
Land	424		424	424
Buildings, civil construction work and improvements	1,242	(106)	1,136	1,149
Machinery and equipment	77,544	(9,083)	68,461	69,209
Construction in progress, rights of way and other				119
Construction in progress	11,481		11,481	11,379
	1,362,623	(184,182)	1,178,441	1,194,631

(i) "Land - judicial deposits" is represented by the amount deposited in escrow as a result of lawsuits in progress filed due to documentation issues and disagreements on the amounts related to the expropriation of areas required for the installation of plants (Santa Laura, Santa Rosa, Monel and Moinho), 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$ 489 at March 31, 2014 (R$ 501 at December 31, 2013) and the depreciation for 2013 was R$ 22.

In 2013, the consolidated balance of property, plant and equipment decreased significantly due to the agreement between Desenvix/Engevix and Alstom, dated 12/23/2013, which refers to the reduction of the contractual price, recognition of debt, transactions and other covenants. This agreement amends the turn-key contract signed by the parties regarding the implementation of the Wind Power Plants of the Bahia Wind Farm, which involves the subsidiaries Macaúbas, Novo Horizonte and Seabra. The price reduction arose due to the lack of compliance with the acceptance period (delivery of the Wind Power Plants in operation) on the date established in the turn-key contract.

All amounts in thousands of reais unless otherwise stated

Consequently, there was a decrease in the property, plant and equipment items of these subsidiaries in the amount of R$ 48,355, which represents most of the disposals of 2013, as presented in the table below:

					Consolidated
	Plants and other assets	**Connection systems**	**Advances to suppliers**	**Construction in progress**	**Total**
At January 1, 2013	1,216,982	74,064	765	7,904	1,299,715
Additions	1,082		1,892	1,533	4,507
Amortization of financial charges capitalized	(528)				(528)
Transfers between accounts	(641)	501	(1,955)	2,095	
Depreciation	(56,004)	(3,482)			(59,486)
Disposals	(48,540)	(182)	(702)	(153)	(49,577)
At December 31, 2013	1,112,351	70,901		11,378	1,194,631
Additions	106			21	127
Amortization of financial charges capitalized	(88)				(88)
Transfers between accounts	24	(106)		82	
Depreciation	(13,256)	(761)			(14,017)
Disposals	(2,199)	(13)			(2,212)
At March 31, 2014	1,096,938	70,021		11,481	1,178,441

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

	%
	Average rate
Plants and other assets	
Reservoirs, dams and water mains	4.08
Buildings, civil construction work and improvements	4.24
Machinery and equipment	4.29
Furniture and fittings	10
IT and other equipment	20
Connection systems	
Buildings, civil construction work and improvements	4.24
Machinery and equipment	4.03

10 Intangible assets

The composition of intangible assets can be summarized as follows:

				Parent company
			2014	**2013**
	Contracts with a resolutory condition	**Other contracts and costs**	**Total**	**Total**
Feasibility and environmental studies				
UHE Riacho Seco (i)	3,350	6,907	10,257	10,257
UHE Torixoréu	2,500		2,500	2,500
UHE Itapiranga	1,100		1,100	1,100
Inventory studies				
Itacaiunas River	1,820		1,820	1,820
Basic projects and other				
PCH Bonança (ii)	1,493	9	1,502	1,502
Other		52	52	55
	10,263	6,968	17,231	17,234

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

All amounts in thousands of reais unless otherwise stated

(ii) Basic project in the final phase of approval, supported by a prior environmental license, and land for the reservoir.

				Consolidated
			2014	**2013**
	Cost	**Accumulated amortization**	**Net**	**Net**
Use of Public Assets (UBP)	50,990	(8,949)	42,041	42,496
Goodwill on acquisition of investment	30,445		30,445	30,445
Feasibility, environmental and inventory studies and projects	17,182		17,182	17,182
Authorization right	10,511		10,511	10,511
Operating permits	23,152	(12,374)	10,778	11,635
Firm contracts	5,751	(2,684)	3,067	3,355
Other	1,791	(582)	1,209	1,423
	139,822	(24,589)	115,233	117,047

The annual amortization rates of intangible assets are as follows:

	%
	Average rate
Use of Public Assets (UBP)	3.57
Feasibility, environmental and inventory studies and projects (i)	not defined
Operating permits	20 to 25
Firm contracts	20

The changes in intangible assets can be summarized as follows:

	Parent company	**Consolidated**
At December 31, 2013	17,234	117,047
Additions to intangible assets		33
Amortization of goodwill on firm contracts		(288)
Amortization of Use of Public Assets (UBP) and permits	(3)	(1,559)
At March 31, 2014	17,231	115,233

All amounts in thousands of reais unless otherwise stated

11 Related parties

(a) Period-end balances

	Parent company		Consolidated	
	March 31, 2014	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Current assets				
Trade receivables (i)				
UHE Cubatão S.A.	220	220	220	220
Enercasa Energia Caiuá S.A.		72		
Energen Energias Renováveis S.A.	136	76		
Esmeralda S.A.	97	54		
Macaúbas Energética S.A.	64	57		
Moinho S.A.	318	259		
Monel Monjolinho Energética S.A.	296	135		
Novo Horizonte Energética S.A.	65	55		
Passos Maia Energética S.A.	159	152	159	152
Santa Laura S.A.	64	48		
Santa Rosa S.A.	130	63		
Seabra Energética S.A.	71	55		
	1,620	**1,246**	**379**	**372**
Dividends receivable				
Energen S.A.	890	890		
Esmeralda S.A.	2,514	2,514		
Goiás Transmissão S.A.	10,434	10,434	10,434	10,434
Moinho S.A.	176	176		
Monel Monjolinho Energética S.A.	1,756	1,756		
Passos Maia Energética S.A.	220	220	220	220
Santa Laura S.A.	4,118	4,118		
Santa Rosa S.A.	2,373	2,373		
	22,481	**22,481**	**10,654**	**10,654**
Non-current assets - long-term receivables				
Adami S.A. Madeiras	875	875	875	875
Água Quente Ltda.	884	884	884	884
Bom Retiro S.A.	703	703	703	703
Caldas Novas Transmissão		25		25
Enercasa - Energia Caiuá S.A. (iv)	23,818	18,129		
Energen Energias Renováveis S.A. (iv)	17,489	17,429		
Engevix Engenharia S.A. (ii)	3,087	3,087	3,087	3,087
Enex O&M de Sistemas Elétricos Ltda. (iv)	387	300		
FUNCEF (iii)	4,666	4,666	4,666	4,666
Jackson Empreendimentos Ltda. (iii)	15,701	15,701	15,701	15,701
JP Participações Ltda.	775	775	775	775
Macaúbas Energética S.A. (iv)	21,481	11,974		
Moinho S.A. (iv)	2,879	4,034		
Novo Horizonte Energética S.A.(iv)	10,009	4,014		
Seabra Energética S.A. (iv)	9,560	4,354		
UHE Cubatão S.A.	108	108	108	108
	112,422	**87,058**	**26,799**	**26,824**
Total assets	**136,523**	**110,785**	**37,832**	**37,850**

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Trade payables				
Engevix Engenharia S.A. (v)			808	808
Related parties				
Engevix Engenharia S.A. (vi)	4,408	3,848	4,408	3,848
Esmeralda S.A.(iv)	3,000			
Jackson Empreendimentos Ltda. (vi)	3,966	3,514	3,966	3,515
Monel Monjolinho Energética S.A. (iv)	6,470	4,000		
Santa Rosa S.A. (iv)	6,754	6,254		
	24,598	17,616	8,374	7,363
Total liabilities	24,598	17,616	9,182	8,171

(i) Refer to outstanding invoices for the management services the Company rendered to its subsidiaries.

(ii) Refers to the reimbursement for the development of the Baixo Iguaçu project, free of financial charges.

(iii) Amounts due by the controlling stockholders referring to the intercompany loan agreement and the reimbursement of the costs with respect to the sale of the ownership interest on March 8, 2012. These amounts were altered by the partners, according to the agreement signed in 2014.

(iv) Intercompany loan agreements between the Company and its subsidiaries/related parties, free of financial charges.

(v) Outstanding balance referring to the turn-key services for the construction of the Company's electric power generation ventures.

(vi) Mainly comprises the outstanding balances referring to the charges for guarantees and corporate sureties, in connection with the borrowing agreements of the Company and its subsidiaries, referring to 2012 and 2013, a portion of which was settled in May 2014.

(b) Sales of products and services

	Parent company		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Results for the quarter				
Revenues from services rendered				
Energen Energias Renováveis S.A.	203	270		
Esmeralda S.A.	278	104		
Macaúbas Energética S.A.	184	120		
Moinho S.A.	152	90		
Monel Monjolinho Energética S.A.	850	255		
Novo Horizonte Energética S.A.	186	111		
Passos Maia Energética S.A.	320	123	320	123
Santa Laura S.A.	183	97		
Santa Rosa S.A.	374	150		
Seabra Energética S.A.	205	112		
	2,935	1,432	320	123

All amounts in thousands of reais unless otherwise stated

The revenue billed (full amount) by the subsidiary Enex O&M de Sistemas Elétricos Ltda., considered as electric power service costs for Small Hydroelectric Plants (PCHs) and Hydroelectric Power Plants (UHEs), totaled R$ 1,949 in 2014 (R$ 2,366 in 2013).

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, Enercasa and Energen, 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 at the plants.

(c) Key management remuneration

The remuneration of key management personnel, which includes board members and statutory directors, totaled R$ 1,002 in the quarter ended March 31, 2014 (R$ 1,212 in the quarter ended March 31, 2013). The decrease in key management remuneration is in line with the Company's plan to decrease expenses through the reduction in the number of statutory directors.

12 Borrowings

	Parent company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Construction financing - BNDES (i)			366,202	374,334
Construction financing - BNB (ii)			264,351	265,840
Construction financing - CDB (iii)			106,364	108,630
Debentures (iv)	103,331	99,800	103,331	99,800
Working capital financing (v)	10,000	10,000	10,000	10,000
Intercompany loans	64,856	64,462	64,856	64,462
Other	43	43	186	188
	178,230	174,305	915,290	923,254
Current liabilities	(178,230)	(74,505)	(227,806)	(122,751)
Non-current liabilities		99,800	687,484	800,503

The changes in borrowings were as follows:

	Parent company	Consolidated
At December 31, 2013	174,305	923,254
New borrowings	7	7
Payments	(2,714)	(23,698)
Financial charges appropriated to results	6,632	19,483
Monetary variation gains		(3,756)
At March 31, 2014	178,230	915,290

All amounts in thousands of reais unless otherwise stated

The borrowings obtained by the Company and its subsidiaries have the following basic characteristics:

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

			Consolidated	
Companies	**Maturity**	**Financial charges - % p.a.**	**2014**	**2013**
Monel Monjolinho Energética S.A.	October 2026	TJLP + 2.1	153,900	157,088
Santa Rosa S.A.	February 2023	TJLP + 3.8	65,152	67,012
Enercasa - Energia Caiuá S.A.	June 2025	TJLP + 2.5	50,618	50,629
Moinho S.A.	August 2028	TJLP + 2.0	46,989	47,813
Esmeralda S.A.	April 2029	TJLP + 3.5	25,600	26,886
Santa Laura S.A.	July 2020	TJLP + 3.5	23,943	24,906
			366,202	374,334

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

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

			Consolidated	
Companies	**Maturity**	**Financial charges - % p.a.**	**2014**	**2013**
Macaúbas Energética S.A.	July 2028	9.5	97,206	97,826
Novo Horizonte Energética S.A.	July 2028	9.5	83,770	84,133
Seabra Energética S.A.	July 2028	9.5	83,375	83,881
			264,351	265,840

The long-term financing agreement between the Desenvix Bahia Wind Farm and BNB, with a fixed interest rate, specifies a non-default bonus of 25% on financial charges. This bonus is granted on payments of interest or principal and interest up to the maturity dates established in the financing agreement. When the payment conditions are met, the financial charges will decrease from 9.5% p.a. to 7.125% p.a.

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

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

Energen entered into a financing agreement with CDB amounting to US$ 50 million (R$ 102,049) for the implementation of the EOL Barra dos Coqueiros Wind Power Plant. This financing will be repaid in 29 semi-annual 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.

All amounts in thousands of reais unless otherwise stated

(iv) Debentures

The Company issued 100 thousand debentures at a face value of R$ 1 thousand each on December 12, 2012. The debentures are remunerated at the accumulated variation of 100% of the daily Interbank Deposits (DI) rate plus a spread of 2.80% p.a. and the financial charges are payable in 8 semi-annual installments, beginning on June 12, 2013 and ending on the maturity date of the debentures. The principal will be repaid in 5 consecutive semi-annual installments, beginning on December 12, 2014 and ending on the maturity date of the debentures. The debentures fall due on December 12, 2016.

These debentures have covenants, which were not complied with at March 31, 2014, and, consequently, the entire balance was reclassified to current liabilities. The Company obtained a waiver on April 30, 2014, as disclosed in Note 28.

The debenture agreement in force establishes the early maturity of the total obligation if a series of requirements are not met, including the failure to comply with certain financial ratios for at least two consecutive quarters or three alternate quarters. According to the agreement, the beginning of the measurement and compliance with these ratios will occur as from December 31, 2013. The ratios required and the result obtained at March 31, 2014 can be summarized as follows:

Description of the ratio:	Agreement ratio	Ratio obtained
Total Debt/Dividend Income	Greater than or equal to "3.5" at December 31, 2013, greater than or equal to "3" from January 1, 2014 to December 31, 2014 and greater than or equal to "2" as from January 1, 2015.	12.5
Total Debt/Equity	Greater than or equal to "1.45".	1.32
Debt Service Cover Ratio (ICSD)	Less than or equal to "1" from December 31, 2013 to September 30, 2014 and less than or equal to "1.1" as from October 1, 2014.	1.09

Consequently, as mentioned in Note 1(b), the total balance of debenture obligations was reclassified to current liabilities at March 31, 2014.

(v) Working capital financing

The financial charges are payable in 12 monthly installments, beginning on October 11, 2013 and ending on September 11, 2014 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.

All amounts in thousands of reais unless otherwise stated

13 Concessions payable

This balance is represented by the obligation payable arising from the concession agreement 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 is payable in monthly installments, adjusted annually based on the General Market Price Index (IGP-M) rate variation, calculated by Fundação Getúlio Vargas (FGV) (or other index). Payments started in September 2009, the date the plant became 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 and the related concession agreement was signed in April 2002, with the plant starting operations in September 2009. The concession agreement includes, but is not limited to, the following matters: in order to use the public asset, the Company 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 1/12th 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, the assets and installations linked to the utilization of the hydroelectric resources, will be transferred to the Federal Government's assets through indemnification for investments made, as long as the investments have been previously approved and not yet amortized, as determined by an audit carried out by ANEEL.

14 Taxes and contributions

	Parent company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Tax on Financial Transactions (IOF) payable	9,671	9,671	9,671	9,671
Withholding taxes (Service Tax (ISSQN), Income Tax Withheld at Source (IRRF), National Institute of Social Security (INSS), CSLL and other)	19	39	2,472	2,547
COFINS payable		157	1,405	2,136
ANEEL fees and contributions			824	746
Social Integration Program (PIS) payable		34	305	463
	9,690	9,901	14,677	15,563
Current liabilities	9,690	9,901	13,542	14,822
Non-current liabilities			1,135	741

15 Other liabilities

	Parent company		Consolidated	
	2014	2013	2014	2013
Indemnities payable			3	3
Provision for contingencies	1,569	1,600	2,058	2,074
Provision for environmental contingencies			17,231	17,331
Owners of areas	1,905	1,905	3,230	3,302
Pre-operating provisions			7,044	13,647
Other	3	3	8,680	2,847
	3,477	3,508	38,246	39,204
Current liabilities	1,909	1,908	15,904	17,814
Non-current liabilities	1,568	1,600	22,342	21,390

16 Provision for electric power contracts

At the end of 2012, Enercasa recognized R$ 11 million in its results as a penalty due to the lack of supply of the contracted power. In accordance with Ruling 1,516, of May 14, 2013, ANEEL, in a preliminary decision, rejected the application of a penalty referring to the failure to supply the electric power contracted for 2012. It also determined that the Electric Energy Trade Chamber (CCEE) retain Enercasa's fixed income, as from February 2013 (referring to January 2013).

At the third Public Meeting of the Board of ANEEL, held on February 4, 2014, the members approved the proposal for the standardization of clause 14 of the Reserve Power Agreements (CER), in accordance with ANEEL Normative Resolution 600, of February 4, 2014, referring to the criteria for the calculation of penalties due to the failure to supply the electric power contracted. Consequently, the Company recorded a penalty of 15% referring to the power that was not delivered in 2012 and 2013, amounting to R$ 7,425 in 2014 (the same as 2013).

17 Equity

(a) Share capital

The stockholders of Desenvix, at the Extraordinary Meeting of December 11, 2013, approved a capital increase in Desenvix of R$ 60 million, to be paid in two installments of R$ 30 million, the first on February 5, 2014 and the second on December 5, 2014.

The Company's subscribed capital at March 31, 2014 comprised 117,001,722 registered common shares with no par value.

(b) Revenue reserves

(i) Legal reserve

The legal reserve is credited annually with 5% of the profit for the year and cannot exceed 20% of the capital. The purpose of the legal reserve is to protect capital, and it can only be used to offset losses and increase capital.

(ii) Profit retention reserve

The profit retention reserve refers to the retention of the remaining balance of retained earnings, to be proposed by the Company's officers and approved by the stockholders. This reserve can only be used to offset losses and increase capital.

(c) Carrying value adjustments

The carrying value adjustments comprise the fair value adjustment of investments, in respect of which the Company has no significant influence, in Dona Francisca Energética S.A. and Companhia Energética Rio das Antas, see Note 29.

All amounts in thousands of reais unless otherwise stated

18 Net operating revenue

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**
Gross revenue				
Electric power supply			61,532	49,602
Services rendered	2,935	1,432	7,910	7,126
Taxes on income				
Provision of services			(931)	(3,704)
Electric power supply			(3,638)	(956)
Net operating revenue	2,935	1,432	64,873	52,068

19 Costs and expenses by nature

	Parent company	
	Quarter ended March 31, 2014	**Quarter ended March 31, 2013**
Reversal of the provision for bonuses to employees		140
Personnel expenses	(956)	(1,131)
Management remuneration	(1,002)	(1,212)
Outsourced services	(719)	(1,517)
Travel and lodging	(102)	(305)
Rentals	(77)	(241)
Taxes	(8)	(26)
Depreciation and amortization	(22)	(17)
Advertising and publicity	(88)	(53)
Studies in progress	(194)	(688)
Other	(86)	(112)
	(3,254)	(5,162)

	Consolidated	
	Quarter ended March 31, 2014	**Quarter ended March 31, 2013**
Reversal of the provision for bonuses to employees		140
Personnel expenses	(6,861)	(6,154)
Management remuneration	(1,002)	(1,212)
Outsourced services	(3,333)	(4,832)
Travel and lodging	(235)	(502)
Rentals	(496)	(767)
Taxes	(24)	(63)
Industry charges	(3,101)	(3,214)
Depreciation and amortization	(15,864)	(14,958)
Advertising and publicity	(89)	(69)
Surety insurance and commissions	(393)	(407)
Studies in progress	(194)	(688)
Reversal of the provision for the purchase of electric power	957	
Other	(342)	(1,687)
	(30,977)	(34,413)

20 Finance result

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**

Finance costs				
With borrowings	(6,315)	(2,936)	(19,157)	(16,445)
With bank guarantee letters	(1,258)	(410)	(2,151)	(1,148)
IOF, fines and interest on taxes	(321)	(370)	(375)	(410)
Monetary variation losses			(3,950)	(1,961)
Concessions payable			(2,627)	(492)
Other finance costs	(403)	(30)	(1,283)	(983)
	(8,297)	(3,746)	(29,543)	(21,439)
Finance income				
From financial investments	515	1,209	1,604	1,686
Monetary variations		37	7,706	3,632
	515	1,246	9,310	5,318
Finance result	(7,782)	(2,500)	(20,233)	(16,121)

21 Income tax and social contribution

(a) For the quarter

The Company, as well as its subsidiaries Enex O&M de Sistemas Elétricos Ltda., Monel Monjolinho Energética S.A., Enercasa Energia Caiua S.A., Energen Energias Renováveis S.A., Macaubas Energética S.A., Novo Horizonte Energética S.A. and Seabra 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 presumed profit system to calculate the Income Tax (IRPJ) and Social Contribution (CSLL) due on their taxable income.

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

	Consolidated	
	Quarter ended March 31, 2014	**Quarter ended March 31, 2013**
Income tax and social contribution		
Current	(2,621)	(2,823)
Deferred	(504)	2,533
	(3,125)	(290)

All amounts in thousands of reais unless otherwise stated

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

		Consolidated
	Quarter ended March 31, 2014	**Quarter ended March 31, 2013**
Calculation system		
Taxable income		
Income tax	(930)	(1,621)
Social contribution	(344)	(598)
	(1,274)	**(2,219)**
Presumed profit		
Income tax	(876)	(386)
Social contribution	(471)	(218)
	(1,347)	**(604)**
Total charge in the quarter	**(2,621)**	**(2,823)**

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

		Consolidated
	Quarter ended March 31, 2014	**Quarter ended March 31, 2013**
Profit before taxation	24,039	6,978
Loss before income tax and social contribution, and of equity in results, of subsidiaries, which had a tax loss in the quarter	6,265	9,123
Unrealized profit in operations between the parent company and subsidiaries, with no deferred tax	67	67
Result from equity investments in associates	(7,575)	(2,346)
	22,796	13,822
Combined statutory rate of income tax and social contribution - %	**34%**	**34%**
Income tax and social contribution at the statutory rates	(7,750)	(4,699)
Difference in the income tax and social contribution charge of subsidiaries computed under the presumed profit system at different rates and tax bases	4,792	4,235
Other	(167)	174
Income tax and social contribution charges in the quarter	(3,125)	(290)

All amounts in thousands of reais unless otherwise stated

(c) Changes in deferred taxes

The changes in deferred income tax and social contribution were as follows:

	Parent company	Consolidated	
	Liabilities	**Assets**	**Liabilities**
At December 31, 2013	(1,648)	23,768	(5,561)
Deferred taxes on tax losses	73	1,947	73
From business combinations (goodwill)	96		96
On foreign exchange variations			(2,620)
At March 31, 2014	(1,479)	25,715	(8,012)

(d) Composition of deferred taxes

	Consolidated	
	March 31, 2014	**December 31, 2013**
Provision for labor contingencies	175	165
Income tax and social contribution losses	6,750	6,117
Difference - depreciation rates - ANEEL x CPC 27	8,691	8,730
Foreign exchange variations	10,099	8,756
	25,715	23,768

(e) Realization of deferred taxes

	Consolidated	
Year	**Deferred tax asset**	
2014	175	(i)
2015	125	(ii)
2016	211	(ii)
2017	295	(ii)
2018	689	(ii)
After 2018	24,220	(iii)
	25,715	

(i) In 2014, management expects to realize only the deferred tax asset balance referring to labor claims related to the company Enex;

(ii) With regard to the years between 2015 and 2018, the Company expects that a portion of the deferred tax assets of the subsidiaries Macaúbas and Energen will be realized with the profit obtained in the periods; and

(iii) The Company estimates that, after 2018, the remaining balance of tax losses of the companies mentioned in item (ii), the foreign exchange variations on the financing in U.S. dollars with the China Development Bank (CDB) of the subsidiary Energen, and also of the temporary differences between the regulatory (ANEEL) and corporate (CPC 27) depreciation rate will be realized.

All amounts in thousands of reais unless otherwise stated

(f) Provisional Measure (MP) 627 of November 11, 2013, converted into Law 12,973/2014

Provisional Measure (MP) 627/13 changes the tax legislation related to the federal taxes and contributions and repeals the Transitional Tax System (RTT), established by Law 11,941/09; among others. The provisions of the aforementioned MP will be in effect as from the calendar year 2015. Voluntary adoption can be elected as from the calendar year 2014.

Management, based on preliminary analyses of the possible effects arising from the application of the MP, understands that the Company's tax burden will not increase in relation to the legislation in force.

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

22 Insurance and guarantees

(a) Bank guarantee letters and collaterals

The Company contracted bank guarantee letters for certain financing arrangements, lawsuits in progress and others, the most significant being as follows:

Bank	Guarantees and sureties	Amount of the debt
FINEP	Bank guarantee letter	21,072
BNDES	Bank guarantee letter	30,371
BNB	Bank guarantee letter	134,808

(b) Insurance - operational and other risks

The Company has civil liability insurance, effective up to March 31, 2015, for its Directors, Officers and/or Managers, contracting the policy together with the controlling stockholder Jackson Empreendimentos Ltda., the main policyholder. No other insurance has been contracted due to the nature of the activities.

Insurance

			Consolidated
	Operational risks		Civil liability
Type of plant	Material damages	Loss of profits	Maximum indemnity limit + pain and suffering
Small hydroelectric power plants (PCH)	205,000	71,644	17,400
Biomass thermal power plants (UTE)	15,747		
Wind power plant (EOL)	285,000	72,909	8,400
Hydroelectric Power Plant (UHE)	210,000		5,000
Other			1,000
	715,747	144,553	31,800

(c) Corporate guarantee of the controlling stockholders

At the meeting held on June 27, 2012, the Company's Board of Directors authorized Desenvix to make a payment to Jackson/Engevix as 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. The total amount guaranteed by Jackson/Engevix is R$ 457,528. The amount provided for as payable in 2014 related to these guarantees and sureties was R$ 1,012 in the parent company.

All amounts in thousands of reais unless otherwise stated

23 Financial instruments

The Company and its subsidiaries did not have off-balance sheet financial instruments at December 31, 2013, nor did they contract derivative financial instruments (swap, currency or index swaps, and hedge, among others).

The Group has various financial instruments, mainly cash and cash equivalents, trade receivables, financial investments, trade payables and financing.

23.1 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 Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its 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 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 and non-derivative financial instruments, and investment of surplus liquidity.

(a) Market risk

(i) Foreign exchange risk

The Desenvix Group had liabilities in foreign currency related to the debt of the subsidiary Energen Energias Renováveis S.A. (Note 12(iii)), thereby exposing it to foreign exchange risk.

This risk is associated with the fluctuations of the U.S. dollar in relation to the functional currency used by Desenvix (the Brazilian real). Currently, the Company does not use any financial instrument to hedge its results against the risk of foreign exchange variations, but these variations are being monitored on a timely basis by the Company, in order to determine whether contracting hedge or swap transactions is required.

Foreign exchange risk

				Consolidated
	March 31, 2014		**December 31, 2013**	
	R$	**U$**	**R$**	**U$**
CDB	106,364	47,001	108,630	46,576
Total	106,364	47,001	108,630	46,576

(ii) Cash flow and fair value interest rate risk

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

All amounts in thousands of reais unless otherwise stated

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

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 later than 1 year	Between 1 and 3 years	Between 3 and 5 years	No later than 1 year	Between 1 and 3 years	Between 3 and 5 years	Later than 5 years
At March 31, 2014							
Trade payables	1,093			8,985			
Borrowings	212,350			290,615	166,707	170,177	943,166
Related parties	24,598			8,374			
Payables for land acquisitions	1,905			3,230			
Concessions payable				6,659	14,147	15,555	236,715
At December 31, 2013							
Trade payables	2,603			33,260			
Borrowings	57,792	133,710	22,103	77,982	269,224	191,981	967,845
Related parties	17,616			7,363			
Payables for land acquisitions	1,905			3,301			
Concessions payable				6,500	14,147	15,555	236,715

The Group understands that it has no significant liquidity risk.

(c) Risk of accelerated maturity of financing

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

The debenture covenants were not complied with at March 31, 2014, and, consequently, the entire balance was reclassified to current liabilities. The Company obtained a waiver on April 30, 2014 (see Note 28).

(d) Sensitivity analysis

Pursuant to CVM Instruction 475/08, a sensitivity table is presented, which shows the sensitivity analysis of financial instruments, and discloses the effects on monetary variations and financial expenses calculated based on the estimated scenario at December 31, 2013 and March 31, 2014, in the event variations occur in the risk components.

All amounts in thousands of reais unless otherwise stated

Financial simplifications were effected to isolate the variability in the risk factor under analysis. Consequently, the estimates presented below do not necessarily present 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.

For the evaluation of the amounts exposed to interest rate risk, only the risks related to the financial statements were considered, i.e., isolating 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, 2013, for each of the variables indicated. Additionally, the positive and negative stress variations of 25% and 50% were applied to the rates projected for December 31, 2014.

The Group does not have any positions in the derivatives market.

(ii) Interest rate factor (consolidated)

				Additional variations in the book balance (*)				
	Risk factor	Amounts exposed at March 31, 2014	Amounts exposed at December 31, 2013	-50%	-25%	Probable scenario	25%	50%
Borrowings	CDI	(178,230)	(174,305)	(2,263)	(3,394)	(4,526)	(5,657)	(6,788)
Financial investments	CDI	55,068	58,876	699	1,049	1,398	1,748	2,097
Net impact	CDI	(123,162)	(115,429)	(1,564)	(2,345)	(3,128)	(3,909)	(4,691)
Borrowings	TJLP	(366,202)	(374,334)	(2,247)	(3,371)	(4,494)	(5,618)	(6,741)
Borrowings	Libor	(106,364)	(108,630)	(1,350)	(2,026)	(87)	(3,376)	(4,051)
Rates considered - % per year	CDI	10.55%	10.55%	5.28%	7.91%	10.55%	13.19%	15.83%
Rates considered - % per year	TJLP	5.00%	5.00%	2.50%	3.75%	5.00%	6.25%	7.50%
Rates considered - % per year	Libor	0.33%	0.33%	0.16%	0.25%	0.33%	0.41%	0.49%

(*) The positive and negative variations of 25% and 50% were applied to the effective rates estimated for December 31, 2014.

(e) Fair value estimation

The carrying values of trade receivables and payables, concessions payable and related parties, less the impairment provision, when applicable, are assumed to approximate their fair values.

The fair value of restricted financial investments (Note 7) and borrowings (Note 12) approximates their carrying amount.

The table below classifies financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

All amounts in thousands of reais unless otherwise stated

(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).

(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 at March 31, 2014.

			Consolidated
	Level 2	**Level 3**	**Total balance**
Assets			
Restricted financial investments	53,279		53,279
Available-for-sale financial assets		66,677	66,677
Total assets	53,279	66,677	119,956

The following table presents the Group's assets that were measured at fair value at December 31, 2013.

			Consolidated
	Level 2	**Level 3**	**Total balance**
Assets			
Restricted financial investments	52,119		52,119
Available-for-sale financial assets		66,677	66,677
Total assets	52,119	66,677	118,796

The Company has investments in Companhia Energética Rio das Antas (5%) and Dona Francisca Energética S.A. (2.12%), in respect of which has no significant influence, recorded at the fair value in the respective amounts R$ 58,740 thousand and R$ 7,937 thousand. The Company prepared the future cash flows to evaluate the amounts of the investments taking into consideration the date of termination of the concession agreement. The concession period of this investee could be extended for another 20 years after the end of the first concession period. However, the authorization of third parties is required for the renewal of the concession. Therefore, the possible extension could result in amounts different from those currently recorded.

(f) Financial instruments by category

				Consolidated
	Assets at fair value through profit or loss	**Loans and receivables**	**Available for sale**	**Total**
March 31, 2014				
Assets as per balance sheet				
Cash and cash equivalents		37,864		37,864
Trade receivables		24,822		24,822
Related parties		26,799		26,799
Other assets		21,628		21,628
Restricted financial investments	53,279			53,279
Investment properties	25,208			25,208
Available-for-sale financial assets			66,677	66,677
	78,487	111,113	66,677	256,277

All amounts in thousands of reais unless otherwise stated

	Assets at fair value through profit or loss	Loans and receivables	Available for sale	Total
				Consolidated
December 31, 2013				
Assets as per balance sheet				
Cash and cash equivalents		28,803		28,803
Trade receivables		24,177		24,177
Related parties		26,824		26,824
Other assets		17,874		17,874
Restricted financial investments	52,119			52,119
Investments			66,677	66,677
Investment properties	25,208			25,208
	77,327	97,678	66,677	241,682

	Consolidated
	Other financial liabilities
March 31, 2014	
Liabilities as per balance sheet	
Trade payables	8,985
Borrowings	915,290
Related parties	8,374
Payables for land acquisitions	3,230
Concessions payable	63,763
	999,642
December 31, 2013	
Liabilities as per balance sheet	
Trade payables	33,260
Borrowings	923,254
Related parties	7,363
Payables for land acquisitions	3,301
Concessions payable	63,038
	1,030,216

24 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 Energy Reallocation Mechanism (MRE), the main purpose of which is to mitigate the hydrologic risks, ensuring that all the participating generating plants receive their revenue from the amount of assured energy sold, regardless of the amount of electric energy actually generated by them.

All amounts in thousands of reais unless otherwise stated

(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, and there is also a concession agreement related to the UHE Monel, which does establish payments for the use of public assets (Note 13). 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, on maturity, by the concession authority.

25 Contingencies

The Company and its subsidiaries do not have contingencies for which a future disbursement is considered probable and there are no provisions regarding the amounts relating to these processes. The amounts are only mentioned in the notes to the financial statements.

		Parent company
	3/31/2014	**12/31/2013**
	Possible loss	**Possible loss**
Civil	17,230	17,230
Labor	660	660
	17,890	17,890

		Consolidated
	3/31/2014	**12/31/2013**
	Possible loss	**Possible loss**
Civil	18,779	18,779
Labor	695	695
Administrative	249	249
	19,723	19,723

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. Therefore, 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.

26 Basic and diluted earnings per share

The basic earnings per share are calculated by dividing the profit attributable to the stockholders of the Company by the average number of shares outstanding during the period. The Company has no common share categories with dilutive effects and, therefore, the basic and diluted earnings per share are the same.

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	2014	**2013**	**2014**	**2013**
Profit attributable to common stockholders of the Company	20,853	6,720	20,853	6,720
Weighted average number of outstanding common shares	117,002	107,440	117,002	107,440
Earnings per share	0.1782	0.0625	0.1782	0.0625

Outstanding shares, in accordance with the relevant accounting standards, refer to the total shares issued by the Company less the shares held in treasury, when applicable.

27 Investment properties

In order to obtain from ANEEL the authorizations or permits for the future implementation of PCHs, for which it has been developing studies related to inventories and the basic project, the Company is purchasing, in advance, land in the area where the future PCHs will be built (area to be affected by the reservoir), which is one of the conditions for the selection and prioritization of interested parties, for the amount of R$ 25,208 (the same as 2012).

The amounts recorded for properties approximate their fair values, since they were realized in the past few years.

28 Events after the reporting period

On April 30, 2014, at a meeting of debenture holders, a waiver was approved referring to the non-compliance with covenants, as mentioned in Note 12. As a consequence, the balance of the obligation will be reclassified according to the original maturities. In addition, the following characteristics of the debentures were changed:

Description	Initial deed in force at March 31, 2014	New wording effective as from April 30, 2014
Number of occurrences regarding the lack of compliance to financial ratios leading to early maturity:	2 consecutive quarters or 3 alternate quarters	3 consecutive alternate quarters
Limits for the debt cover ratio: (Total Debt / Dividend Income)	Greater than or equal to "3.5" at December 31, 2013, greater than or equal to "3" from January 1, 2014 to December 31, 2014 and greater than or equal to "2" as from January 1, 2015.	Greater than "4" from April 1, 2014 to March 31, 2015, greater than "3.5" from April 1, 2015 to December 31, 2015, greater than "3" from January 1, 2016 and June 30, 2016 and greater than "2.5" as from July 1, 2016.
Interest cost	100% of CDI + 2.80%	100% of CDI + 3.75%
Total Debt / Equity	Greater than 1.45	Greater than 1.45

All amounts in thousands of reais unless otherwise stated

Description	Initial deed in force at March 31, 2014	New wording effective as from April 30, 2014
Debt Service Cover Ratio (ICSD)	Less than or equal to "1" from December 31, 2013 to September 30, 2014 and less than or equal to "1.1" as from October 1, 2014.	Less than or equal to "1" as from April 1, 2014.
Risk classification attributed to debentures	*At a level inferior to "BBB-" by Standard and Poor's, or "Baa3" by Moody's or "BBB-" by Fitch Ratings, in their respective local scales".*	*At a level inferior to "BB+" by Standard and Poor's, or "Ba1" by Moody's or "BB+" by Fitch Ratings, in their respective local scales".*

29 Investments in non-subsidiary entities at fair value

The investments in non-subsidiary entities at fair value comprise investments without significant influence in Companhia Energética Rio das Antas (interest in capital of 5%) and Dona Francisca Energética S.A. (interest in capital of 2.12%). The investment amounts at March 31, 2014 were R$ 58,740 million and R$ 7,937 million, respectively (the same as at December 31, 2013).

* * *