Energisa Group

Financial and Investor Presentation
3rd quarter of 2012



Apresentação

1. Energisa Group
2. Operational Aspects
3. Financial Aspects
4. Strategy

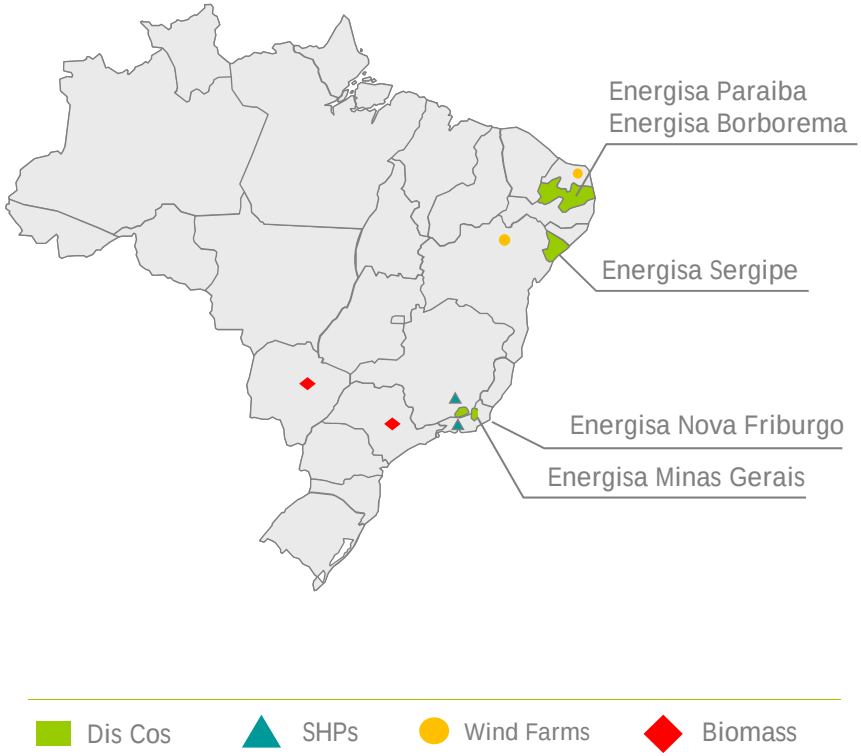
1.Energisa Group

Energisa Group
and the Power Distribution Sector

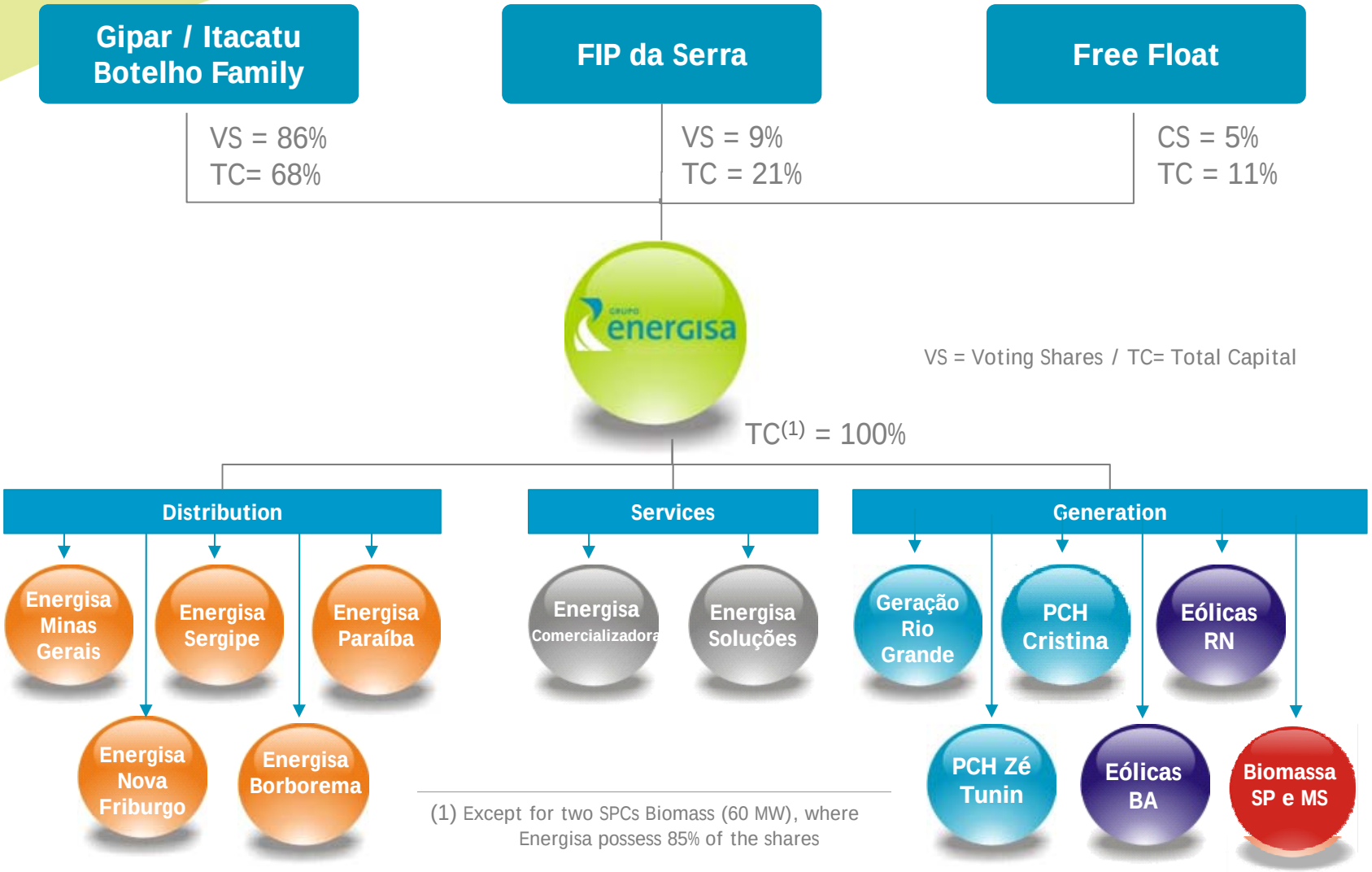
Energisa Overview

- Over 107 years of history in the electricity sector
- Is registered in the stock exchange since 1907
- Operational Target:
  - Distribution of electricity
  - Power generation through renewable sources
  - Energy trading and related services of generation, transmission and distribution
- Highlights:
  - 5 concessions of electricity distribution
  - 2 Services Companies
  - 17 Generation Projects (453 MW)
  - Concession Area: 91,180 Km2
  - Population Served: 6.7 million
    - 3.5 % Brasil
    - 10.4 % Northeast

Geographic Footprint



Ownership Structure



(1) Except for two SPCs Biomass (60 MW), where Energisa possess 85% of the shares

Financial Highlights
• 9 months of 2012

Solid credit and investment fundamentals

+ 14.2% 9M12

- Gross 9M12: R$ 2,930.5 mm
- Past 12 months: R$ 3,910.3 mm

- Balance of cash and cash equivalents R$ 868.1 mm

2.9 vezes

(Net Debt / Adjusted Ebitida 12 months)

+ 16.8% 9M12

- Adjust EBITIDA 9M12: R$484.4 mm
- Past 12 months: R$ 660.7 mm

- Net Debt: R$ 1,905.7 mm

+ 25.6% 9M12

- Net Income 9M12: R$ 152.9 mm
- Past 12 months: R$ 202.9 mm

- Medium term Debt: 4.3 anos
- Average Cost of Debt: 126% do CDI

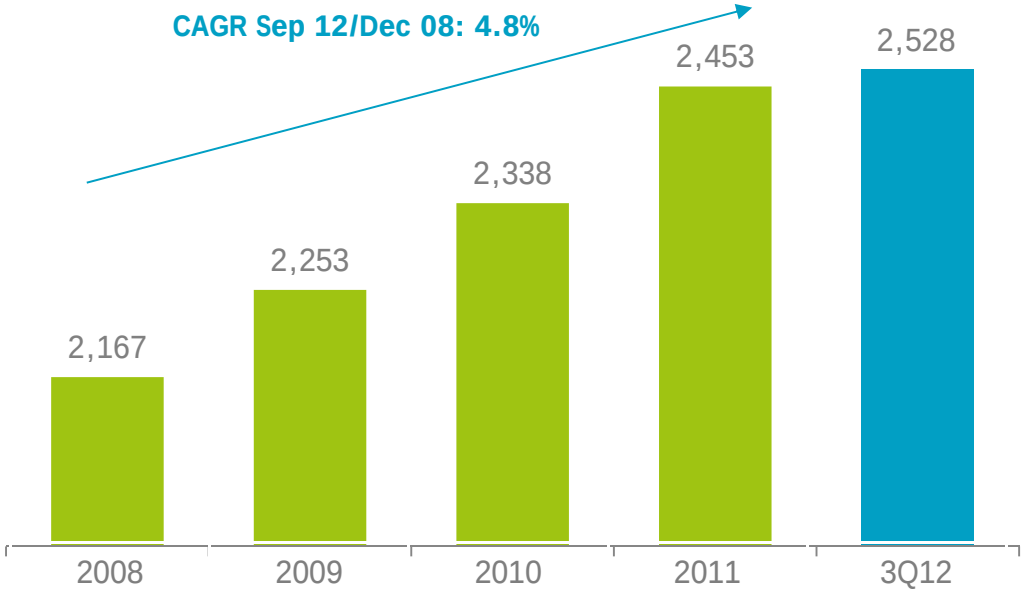
Growth compared to 9M2011.
Adjusted EBITDA = Operating Income + Depreciation + service arrears surcharges

2. Operational Aspects

Power Distribution Sector

- ✓ Relevant and sustained growth, characteristic of regions with strong development;
- ✓ More than 142 000 households connected by the program "Light for All"
- ✓ Evolution of the customer base (+4.6% over 9M11) is an important pillar supporting the growth of energy sales.

Customers Base (thousand)



Distribution % and Customers Sales

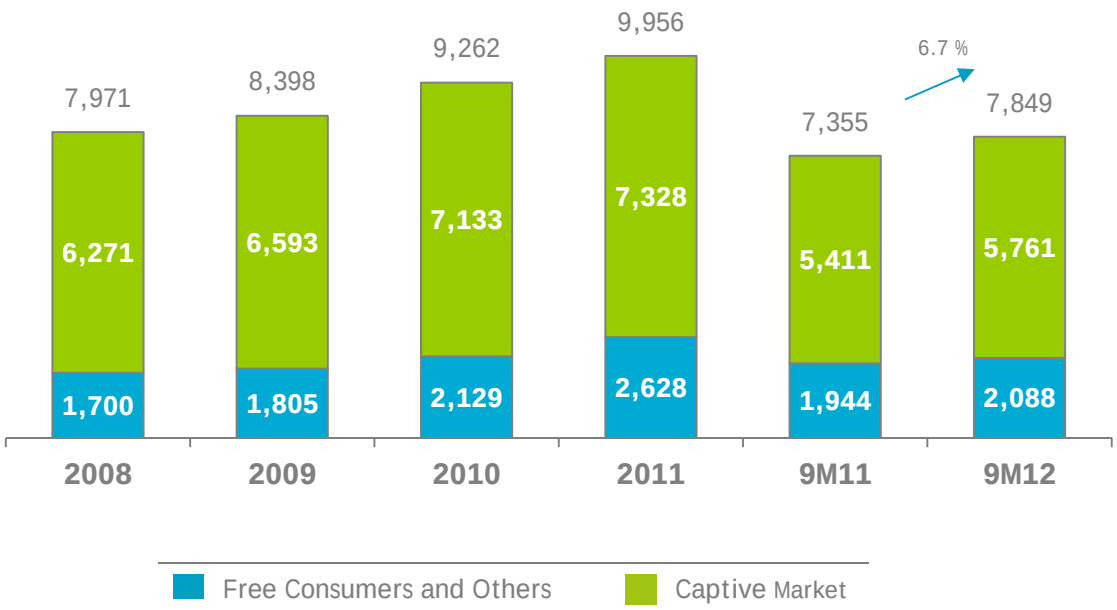
Distribution	Customers	GWh	
EMG	15.9%	14.2%	18% Southeast
ENF	3.8%	4.2%	
ESE	25.5%	29.0%	82% Northeast
EPB	47.8%	44.3%	
EBO	7.0%	8.3%	
Total	**100.0%**	**100.0%**	

Strong Consumer Base

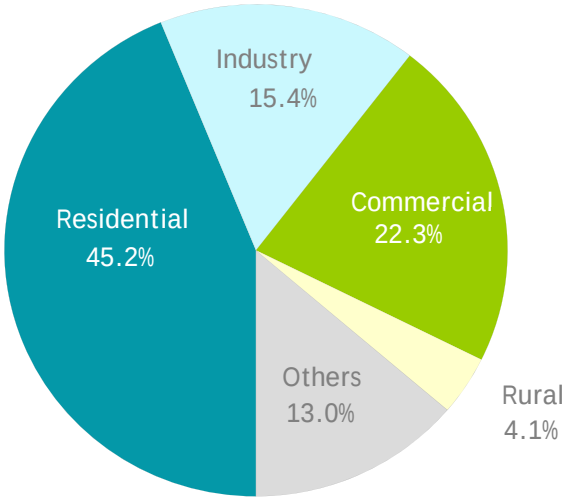
✓ Electricity sold to captive consumers grew 6.5% in 9M12 and Distributed Energy Total rose 6.7%, and

✓ Residential and commercial segments (greater contribution to EBITDA margin) represent 68% of revenues and 57% of the distributed energy market itself.

Eletricity Distributes(GWh)



Energy Revenue by class of Consumers



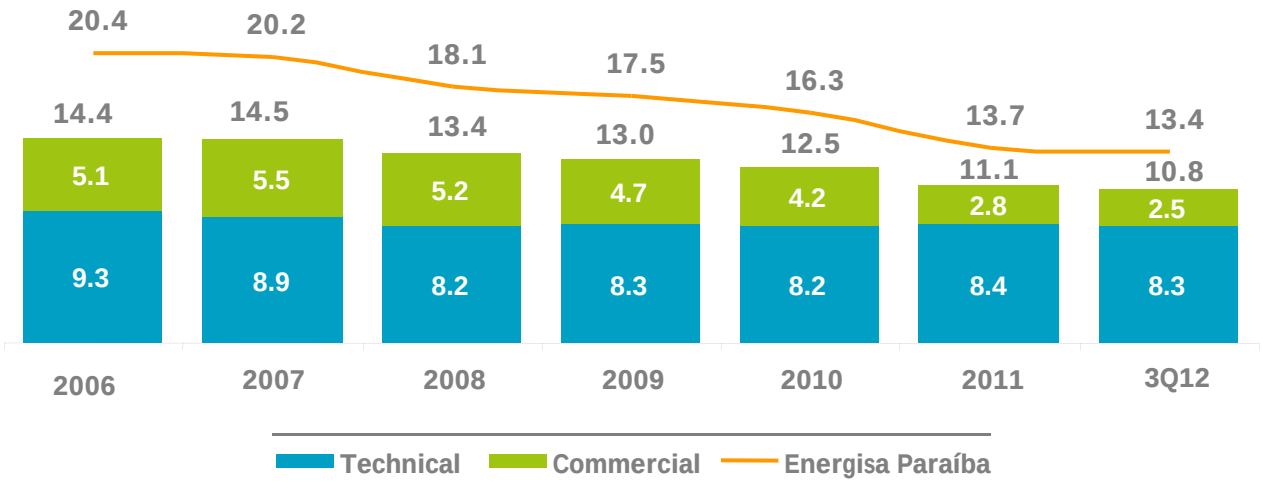
Energy Losses (%)

Energisa Consolidated and Energisa Paraíba

✓ Consolidated losses: 10.6%. Except Energisa Paraíba (EPB), none of Energisa's concessions operates with losses exceeding11%;

✓ Constant improvement in energy losses (improvement of 51 bps in the last 12 months ended e September 2012).

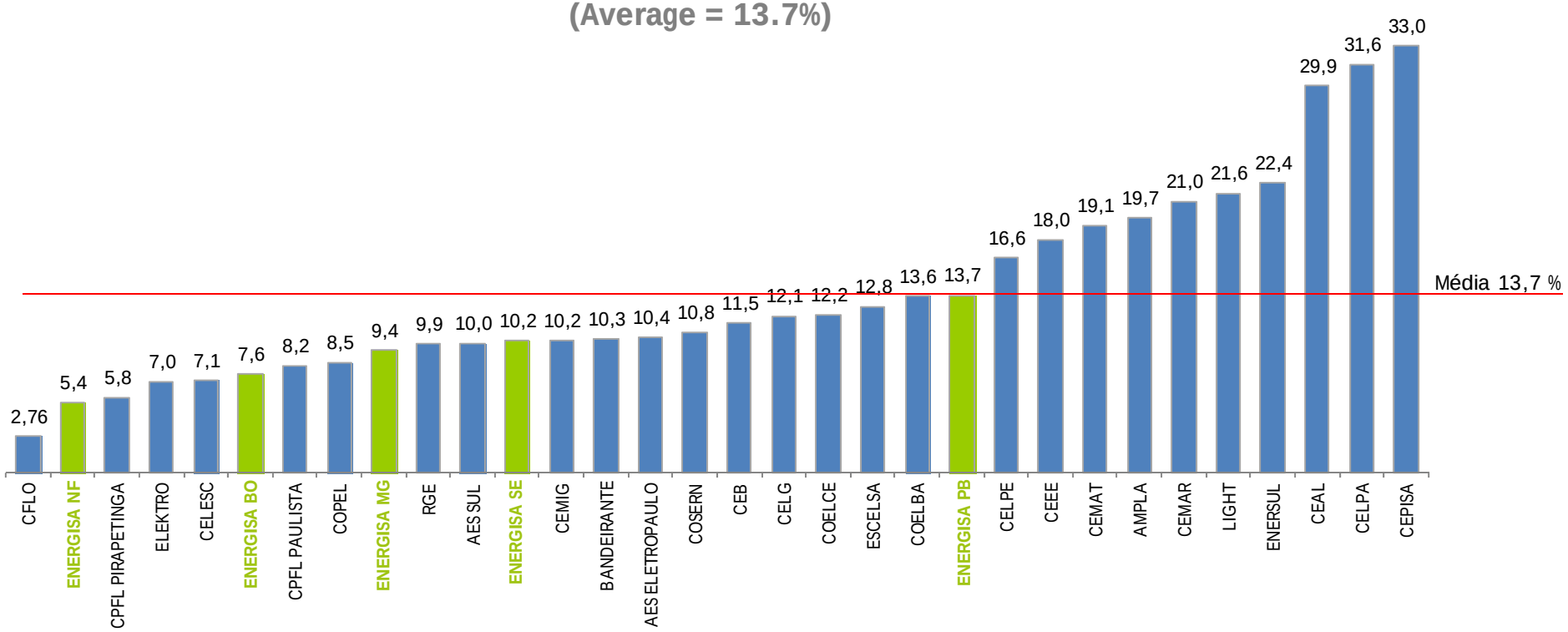
Consolidated Energy Losses (%)



Total Energy Losses
Brazilian Electric System

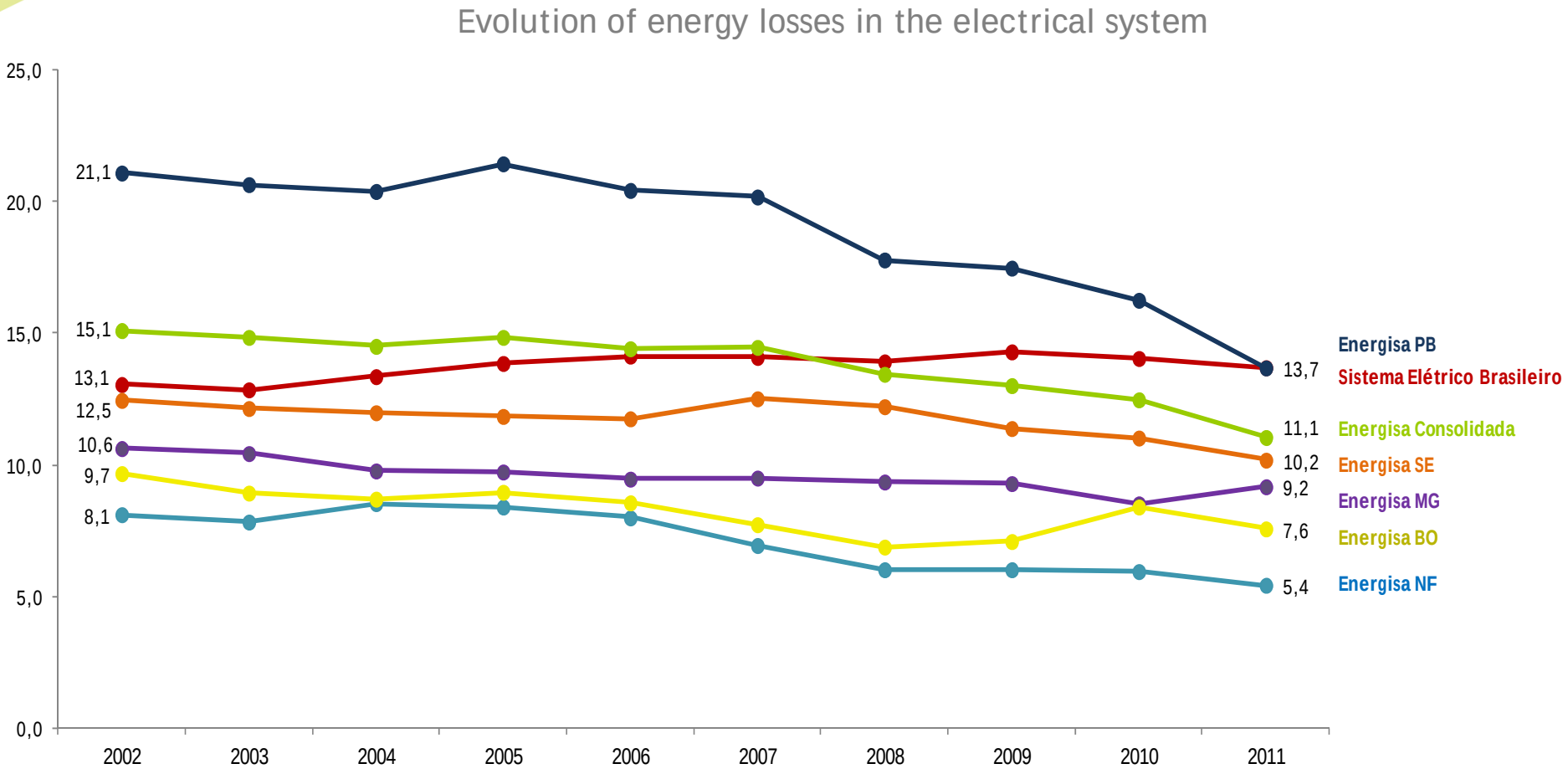
- ✓ Energisa Nova Friburgo holds the second best performance in energy losses in the Brazilian electric sector;
- ✓ Energisa Borborema and Energisa Sergipe have the lower energy losses in the Northeast.

Percentage of Total Losses in the Brazilian Electric System in 2011
(Average = 13.7%)



Fonte: ABRADEE / Energisa

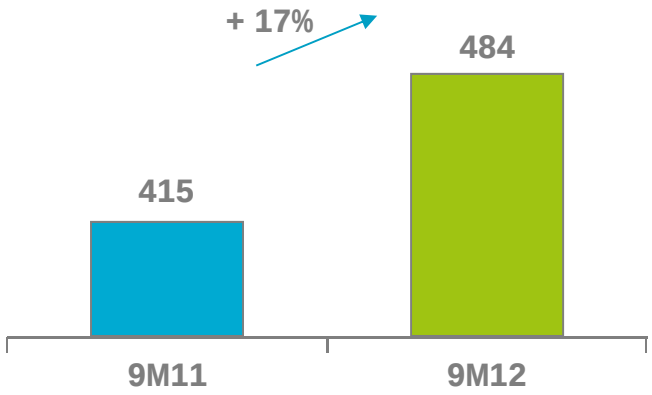
Energy Losses (%)
10y track record



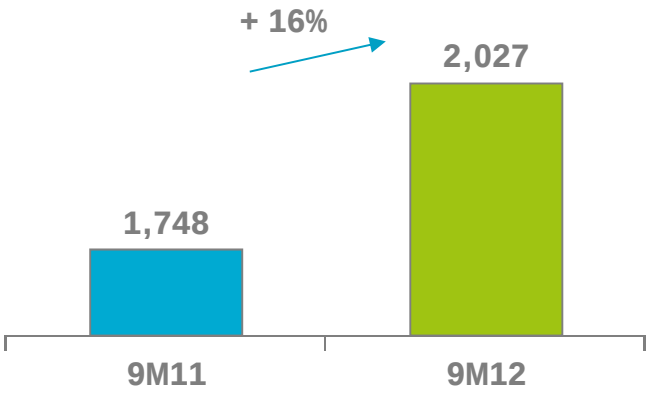
3. Financial Aspects

Consolidated Financials
9 months of 2012

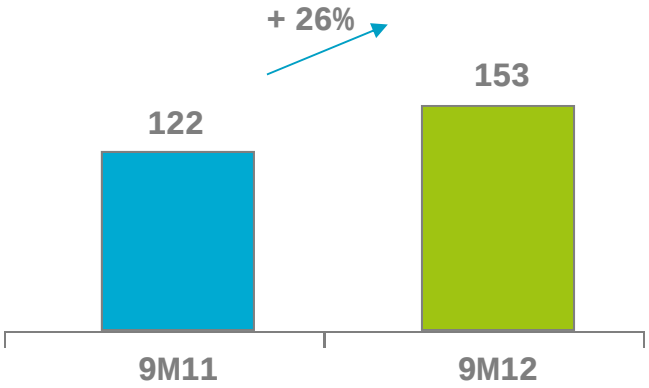
Adjusted EBITDA - R$ million (1)



Net Income - R$ million



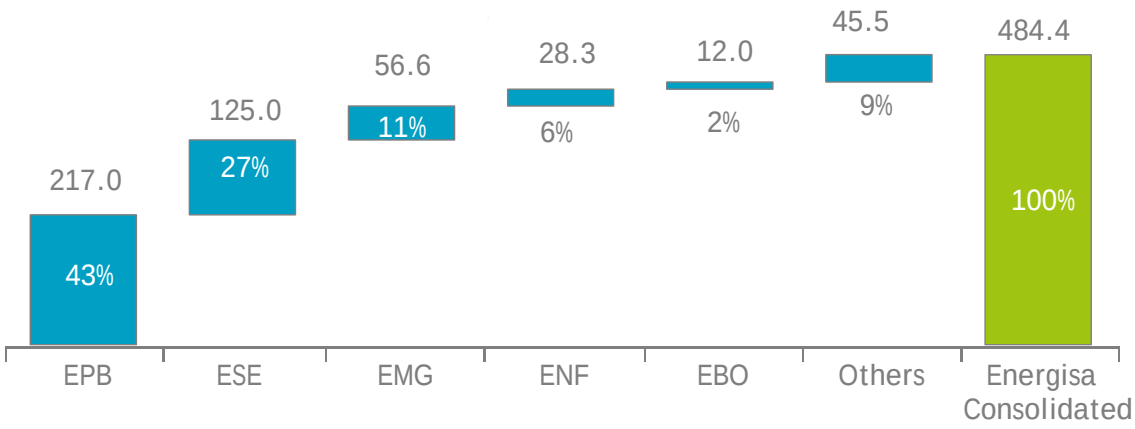
Net Profit- R$ million



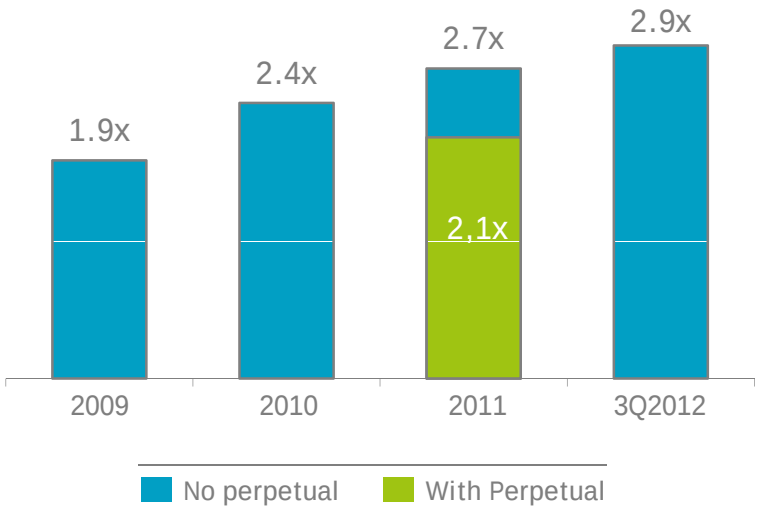
(1) Adjusted EBITDA = Operating Income + Depreciation + service arrears surcharges.

Consolidated Financials
(continuation)

Adjusted EBITDA(R$ million)



Net Debt/ Adjusted EBITDA



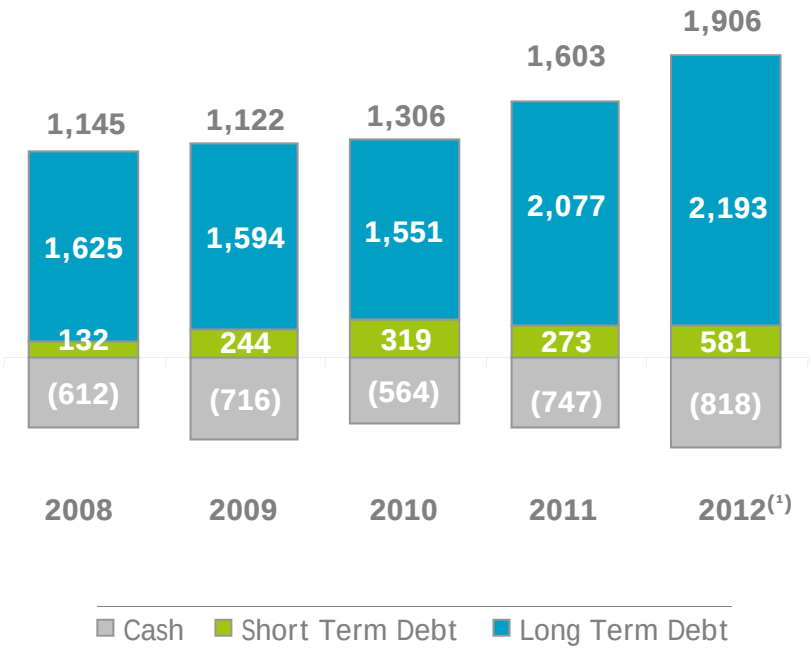
✓ **Even with the negative impact of tariff revisions in its distribution concessions and the intense volume of generation investments, Energisa maintains proper leverage.**

Conservative Debt Profile
2012, September

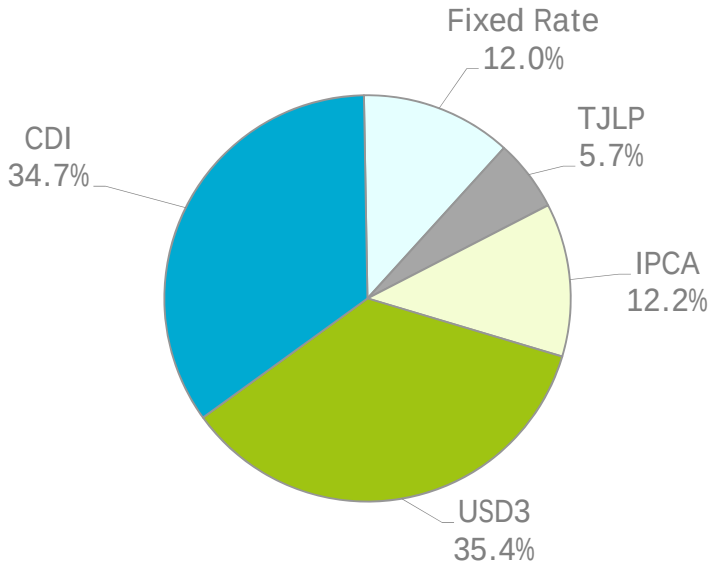
✓Short-term debt represents only 10.2% of total consolidated debt;

✓ Average cost of debt of 119% of the CDI rate and average maturity of 4.0 years.

Consolidated Net Debt (R$ million)



Debt Indexation

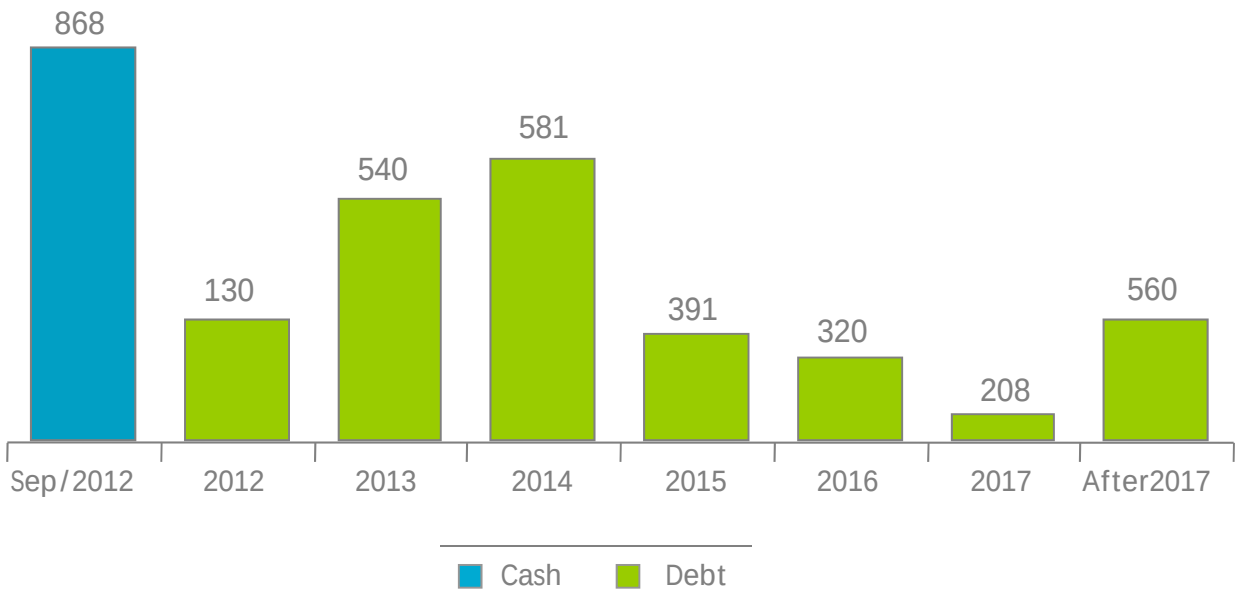


(1) Swap USD to BRL until Maturity.

Conservative Debt Profile
(continuation)

✓ Cash sufficient to cover debt amortization until early 2014.

Cash / Bank Debts and amortization and Issuances (*)
(R$ million)

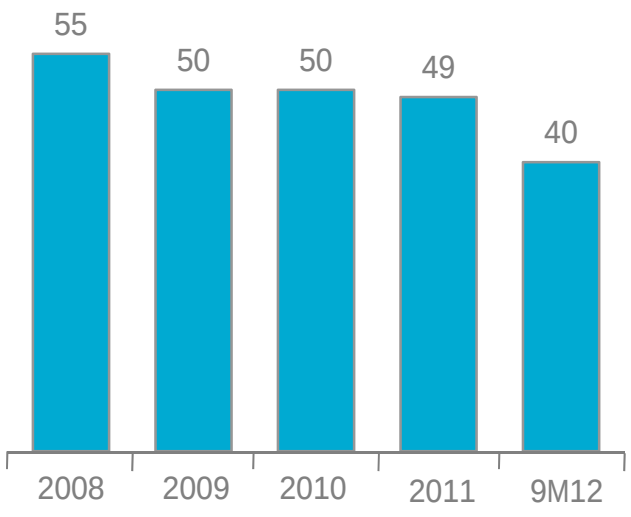


(*) Excludes tax installment and pension fund.

Dividend Policy

✓ The policy established by the Board of Directors for the next three years, until the growth opportunities are defined and observed the ratings maintenance, is to distribute up to 50% of the net income, while the holding company is capitalized with maximum dividends from their subsidiaries.

Dividend Payout % (ESA)



Dividends (R$ millon)	2008	2009	2010	2011	9M12
	57	**123**	**96**	**103**	**60**

Dividends received from subsidiaries

Dividends (R$ millon)	2008	2009	2010	2011	9M12
EMG	34	28	52	34	19
ENF	4	14	9	6	5
ESE	62	27	29	40	45
EPB	64	200	81	94	113
EBO	18	11	14	12	15
ESO	-	1	1	1	-
ECOM	2	2	4	5	4
Outros	-	-	-	2	-
Total	**184**	**283**	**190**	**194**	**200**

✓ Prudent dividends distribution in periods of intense investment

Recent Debt Issues

✓ **Debentures from Energisa S/A:** R$ 400 million issued in July 2012, in two series. The first serie (R$ 129 million) maturing in 5 years (July 2017), at CDI plus 1.3% per annum and the second serie (R$ 271 million) maturing in 7 years (July 2019) with the cost of IPCA plus 6.15% per annum. The funds will be used to expand the company's business, particularly in the area of power generation, and

✓**Perpetual Bonds from Energisa S/A:** USD 200 million issued in January 2011, redeemable from the 5th year, (NC5) cost of USD + 9.5% per annum, subject to interest deferral at issuer sole discretion.

Ratings

✓ Risk assessment by the major rating agencies.

Agency	Company	Domestic		Global		Latest Report
		Rating	Outlook	Rating	Outlook	
Standard & Poor's	Energisa S/A	brAA-	Stable	BB	Stable	nov/12
	Energisa Sergipe	brAA-	Stable	BB	Stable	nov/12
	Energisa Paraíba	brAA-	Stable	BB	Stable	nov/12
	Notes Units (*)	-	-	BB	Stable	ago/11
	FIDC II Energisa	brAAAf	Stable	-	-	feb/12
	FIDC III Energisa 2008	brAAAf	Stable	-	-	jun/11
Moody's	Energisa S/A	Aa3.br	Stable	Ba2	Stable	dec/11
	Notes Units (*)	-	-	Ba2	Stable	dec/11
	Debênture Energisa 5ª emissão	Aa3.br	Stable	Ba2	Stable	may/12
Fitch	Energisa S/A	A+(bra)	Stable	BB	Stable	dec/12
	Energisa Sergipe	AA-(bra)	Stable	BB+	Stable	dec/12
	Energisa Paraíba	AA-(bra)	Stable	BB+	Stable	dec/12
	Energisa Minas Gerais	AA-(bra)	Stable	BB+	Stable	dec/12
	Notes Units (*)	-	-	BB+	Stable	dec/12
	Debênture Energisa 3ª emissão	A+(bra)	Stable	-	-	dec/12
	Debênture ESE 1ª emissão	A+(bra)	Stable	-	-	dec/12
	Debênture – CVM 476 (**)	AA-(bra)	Stable	-	-	dec/12

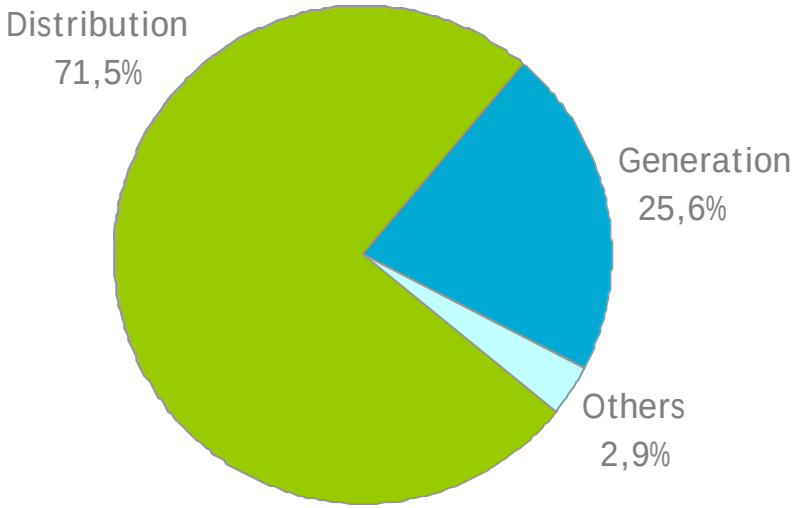
(*) Energisa Sergipe and Energisa Paraíba (Bond 7 years expiring in July 2013);
(**) 1st Issue Debentures Paraiba, Sergipe 2nd Issue Debentures Debentures and Minas Gerais 7th issue.

4. Strategy

Investments
9 months of 2012

✓ **Amount**: R$ 322.8 million, of which R$ 82.7 million in renewable energy generation.

Investiment by Segment (R$ million)



✓ **Main Focuses**

1) Investments in SHP (Small Hydro Power): R$ 45.6 million

2) Investment in Wind Power Plants in RN: R$ 37.1 million

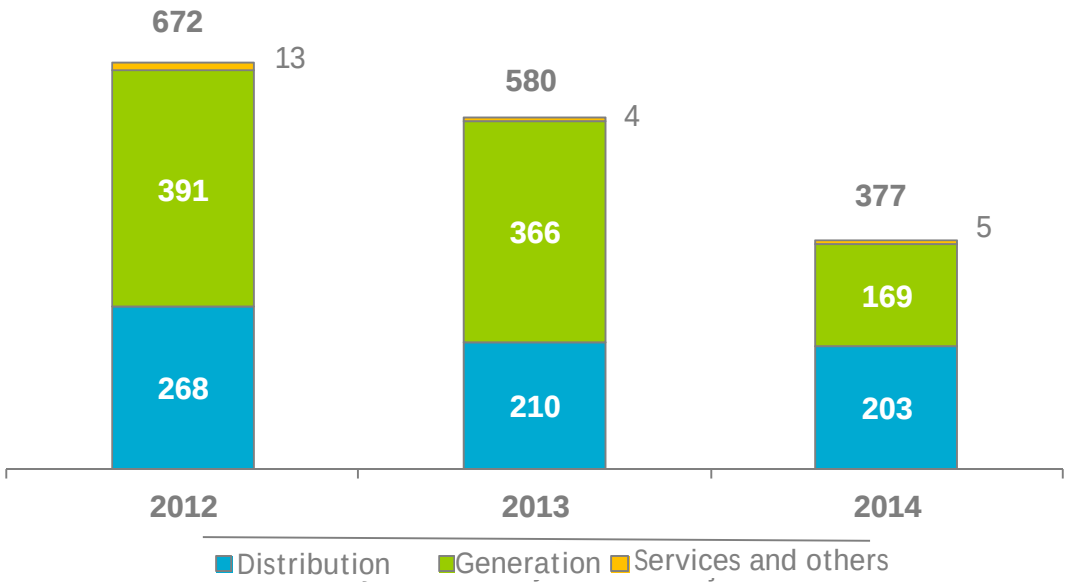
3) Investment in Distribution: R$ 230.7 million

4) Other investment: R$ 9.4 million

Investments Forecast

✓ Energisa Group increased its investment in renewable energy generation and will continue to seek funding from BNDES over 70% to 50% for generation and distribution.

Energisa Group Investments
(R$ million)

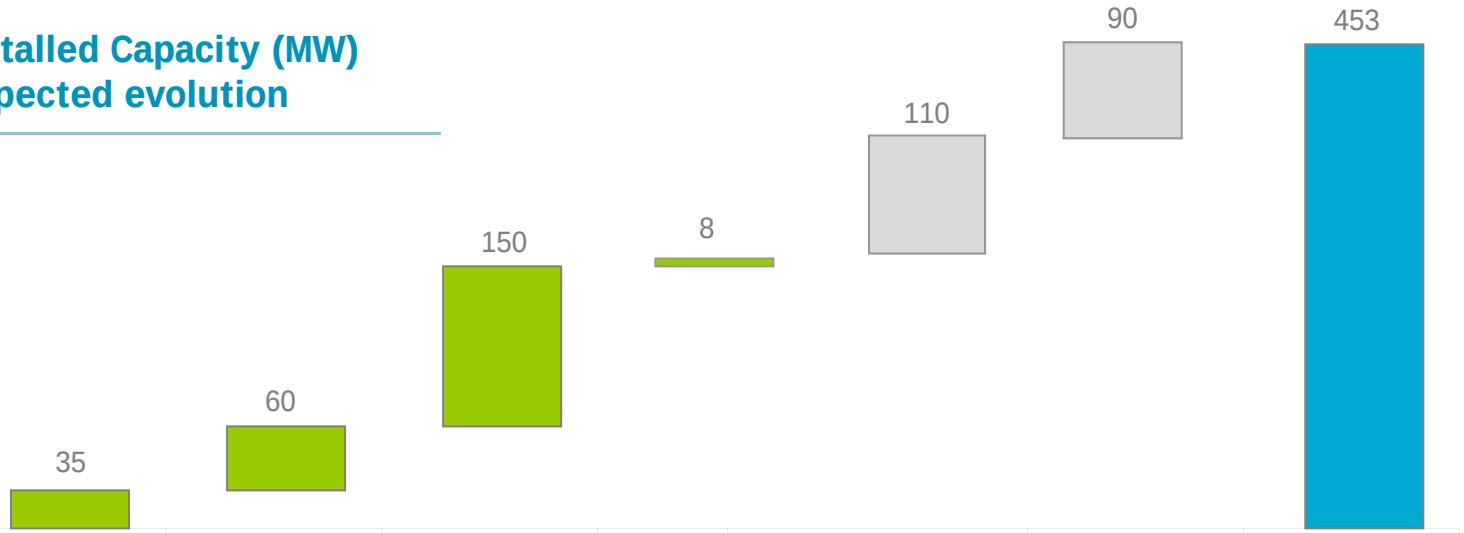


✓**R$ 1.629 million investment over the next three years (R$ 927 million in renewable energy generation)**

Investments in Generation

✓ Long-term PPA's with counterparties of good credit (electricity distributors and companies with recognized credit quality).

Installed Capacity (MW) Expected evolution



Unit	PCHs Caju, Santo Antônio, São Sebastião do Alto and Cristina	UTE's Santa Cândida and Vista Alegre	Renascença I, II, III, IV e V.S. Miguel	Zé Tunin	New UTE's Santa Cândida and Vista Alegre	Sobradinho	Total
Type	PCH	UTE Biomas	Parque Eólico	PCH	UTE Biomassa	Parque Eólico	
Start of operation	In operation	In operation	Sep/13	Feb/13	Apr/14 e Apr/15	-	
% Engaged	100%	100%	93%	100%	Partialy Contracted	-	

Note: Sobradinho beginning of construction still being defined

Engaged Development

Thank you!

GRUPO energisa

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