Energisa Group

Financial and Investor Presentation

2nd quarter 2013

Presentation

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

1. Energisa Group

Energisa Group

108 years of history...

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.



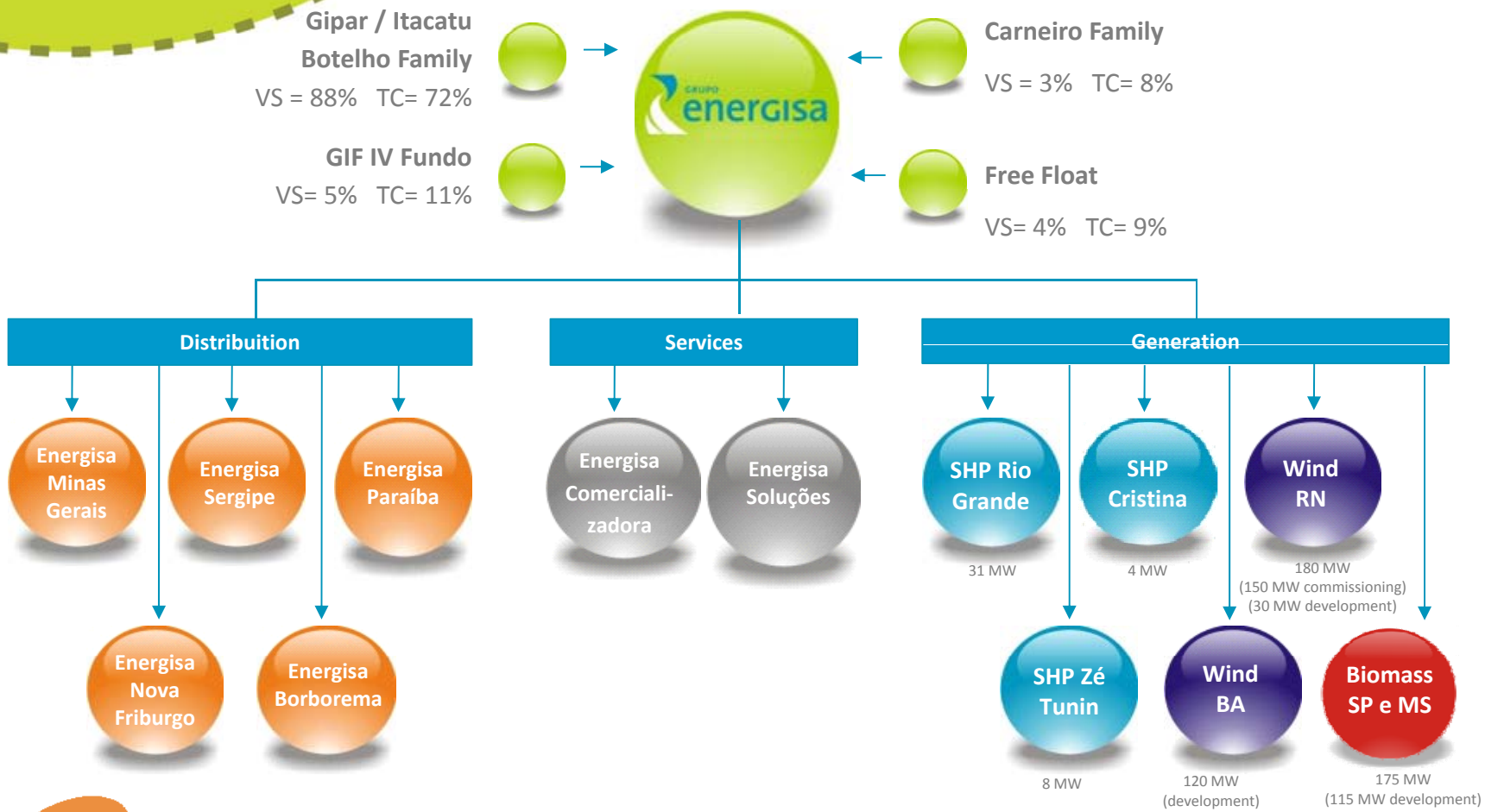
- ✓ 5 concessions of electricity distribution
- ✓ 2 services companies
- ✓ 18 generation projects (518 MW):
  - 103 MW in operation;
  - 150 MW under commissioning; and
  - 265 MW in development phase.

- ✓ Concession Area: 91,180 Km²
- ✓ Consumers: over 2.5 million.
- ✓ Population: 6.7 million.
  3.5 % Brazil
  10.4 % Northeast

Distribution SHPs Wind Farms Biomass

Ownership Structure

✓ Energisa owns 100% of its subsidiaries.(*)



VS = Voting Shares / TC= Total Capital

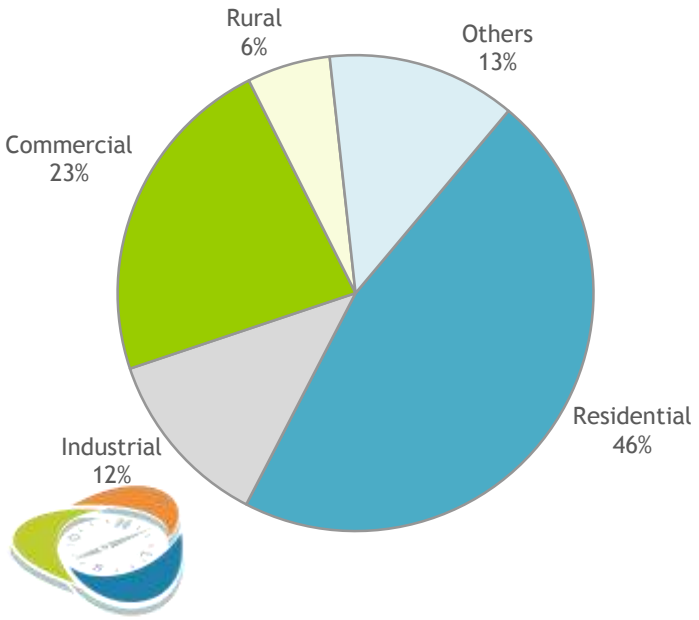
(*) Except for two SPCs Biomass (60 MW), where Energisa possess 85% of the shares. Tonon Bioenergia owns the other 15%.

2. Operational and Commercial Aspects

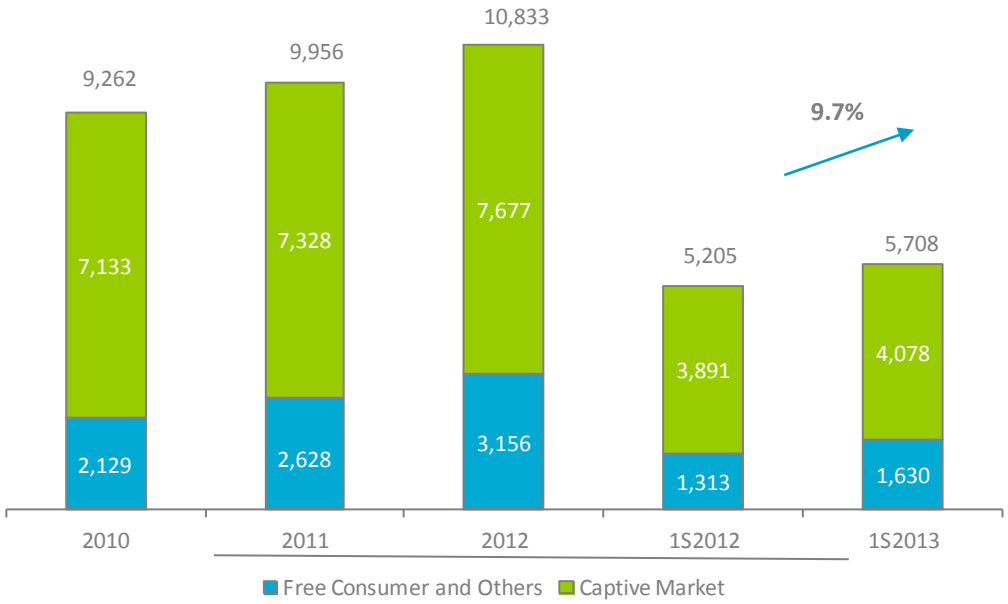
Energy Sales
Strong consumers base

- ✓ Total electricity sold grew 9.7% on 1S13, compared to 1S12.
- ✓ Over 2.5 million consumers on June 2013, representing compound annual growth rate of 4.1% since 2008.

Energy Revenue by class of Consumers



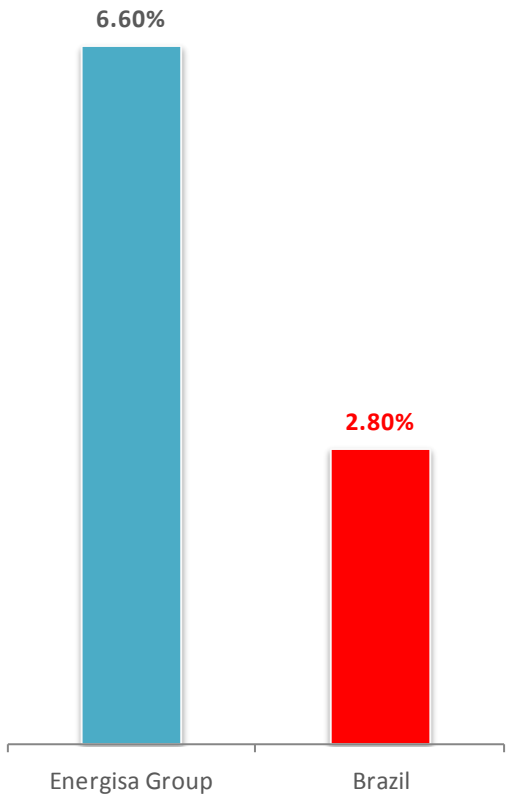
Total Eletricity Distributed (GWh)

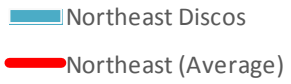


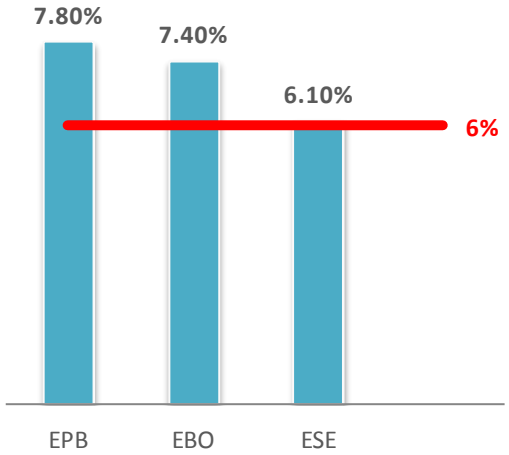
PS: Supply included.

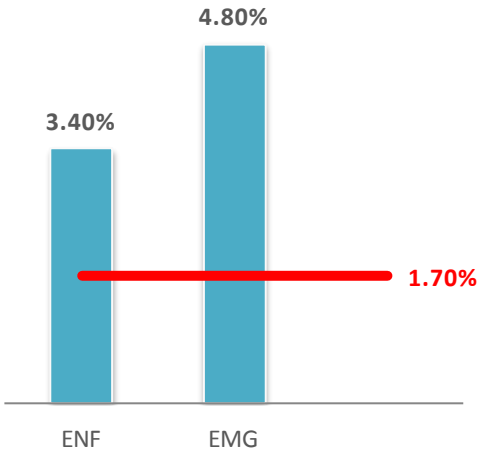
Energy Sales
Strong consumers base
Energisa x Brazil

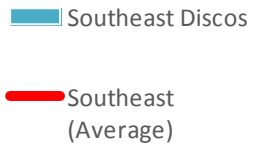
Consumption (Captive + Free TUSD) growth on 1st semester 2013 x Average consumption growth Brazil/Region







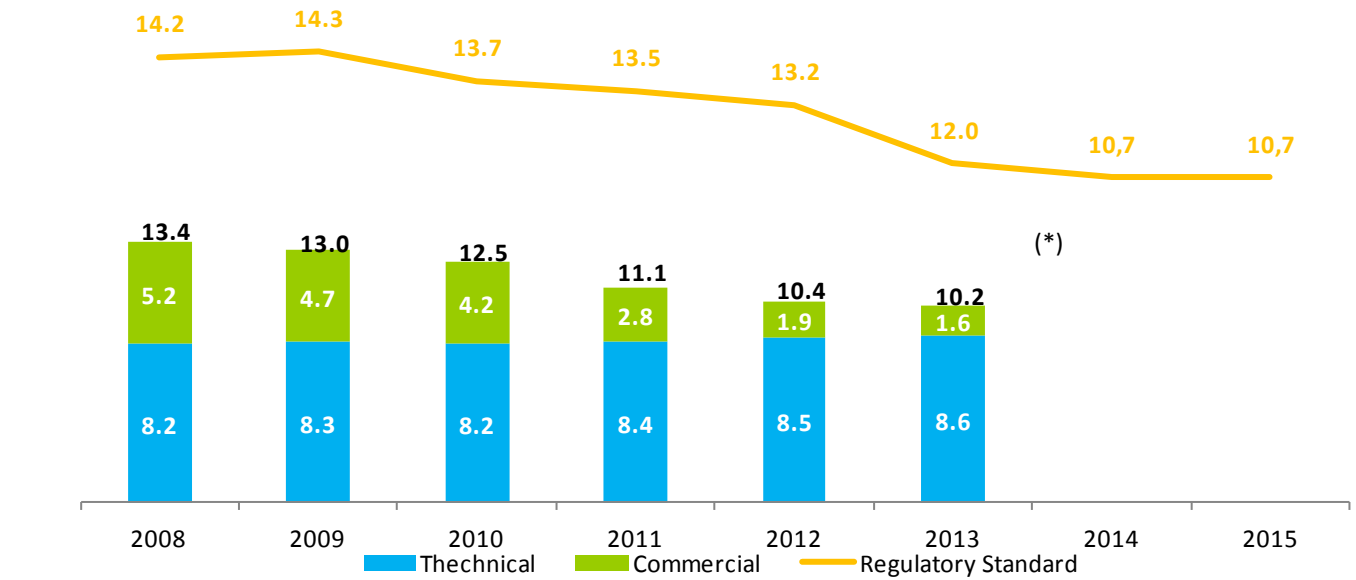




Energy Losses

- ✓ Except for Energisa Paraíba (EPB), none of Energisa's concessions operates with losses exceeding 10%;
- ✓ Energisa Group maintains its focus and management actions aiming the continuous reduction of energy losses. All the Group's concessions decreased this index (decrease of 0.54% in 12 months ending in June 2013).
- ✓ Losses are 15% lower than the regulatory standard. This positive result is due to actions using intelligent algorithms and effectiveness in field inspection.

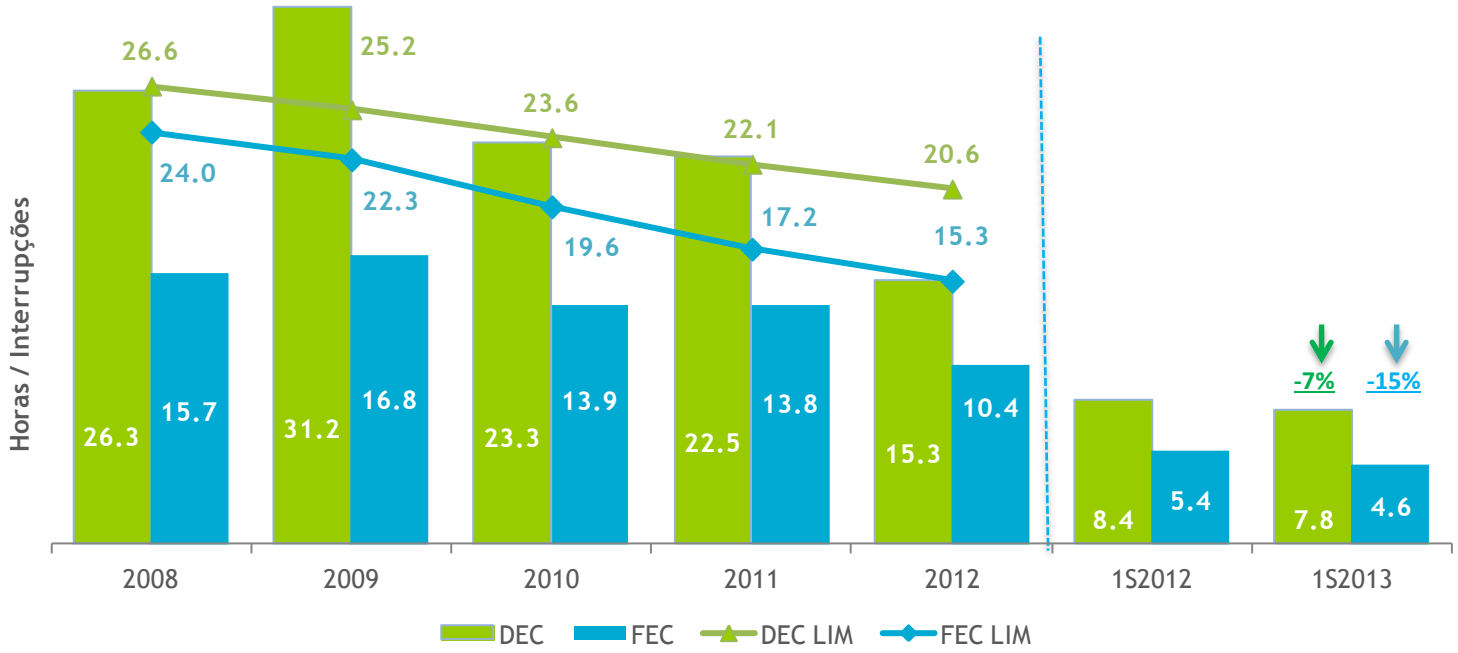
Energy Losses : Performed X Regulatory (%)



(*) Acumulated losses (%) between July 2012 and June 2013

Services Quality: DEC and FEC

- ✓ The DEC (Equivalent Duration of Interruption per Consumer Unit) and FEC (Equivalent Frequency of Interruptions by Consumer Unit) indicators had a significant improvement in 1S13, with reductions of 7% and 15% respectively, compared to 1S13.

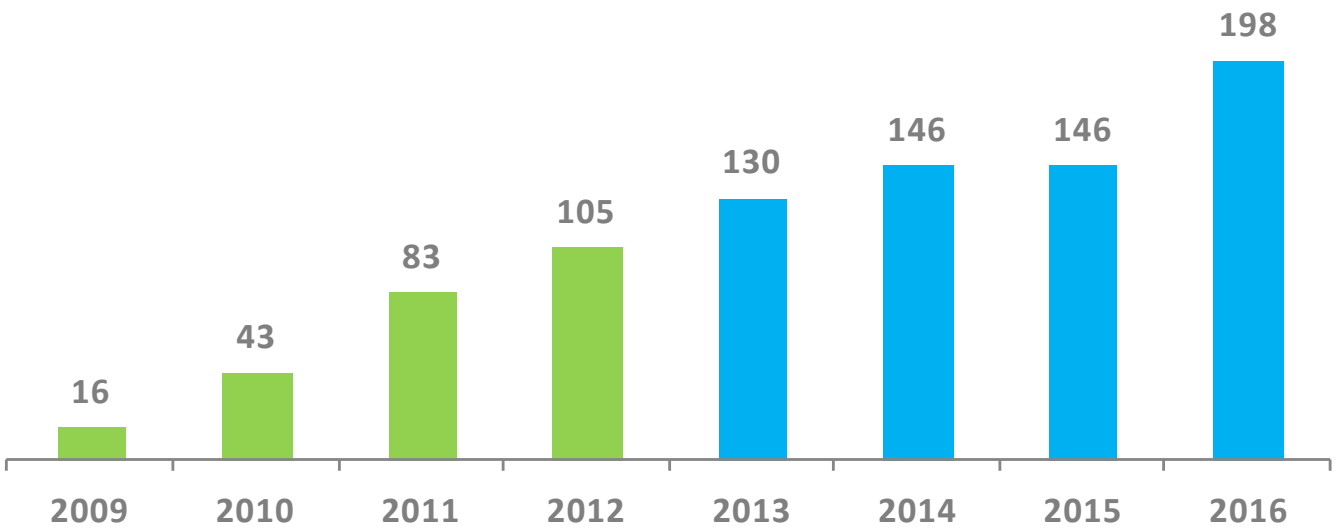


Energisa Comercializadora (Energy Trader): Goals and Evolution

Gross Revenue (last 12 months)	R$ 217.4 MM

- ✓Established in October 2005, the company aims to: (i) retain potentially free consumers in the concession areas of Energisa Group and (ii) sell energy from Energisa's generation projects.
- ✓ Energisa own generation represents approximately 30% of Comercializadora's Portfolio (in 2016 this figure is expected to exceed 50%).

Energy sales - long-term contracts (Average MW)



Energisa Soluções (O&M): Services and Portfolio

Gross Revenue (last 12 months)	R$ 78.8 MM

✓Energisa Soluções is specialized in developing integrated solutions with high added value for the energy market, including generators, distributors, commercial and industrial customers throughout the country.

✓ Main services:

- ❖O & M of power plants (more than 130 from third parties);
- ❖Total capacity of its clients' power plants: 9,124 MW;
- ❖Emergency corrective maintenance of power plants;
- ❖ Project management of power plants' implementation;
- ❖Predictive and preventive maintenance of substations and transmission lines;
- ❖Project and construction management of distribution lines, substations and transmission; and
- ❖Energy efficiency and maintenance of industrial plants.

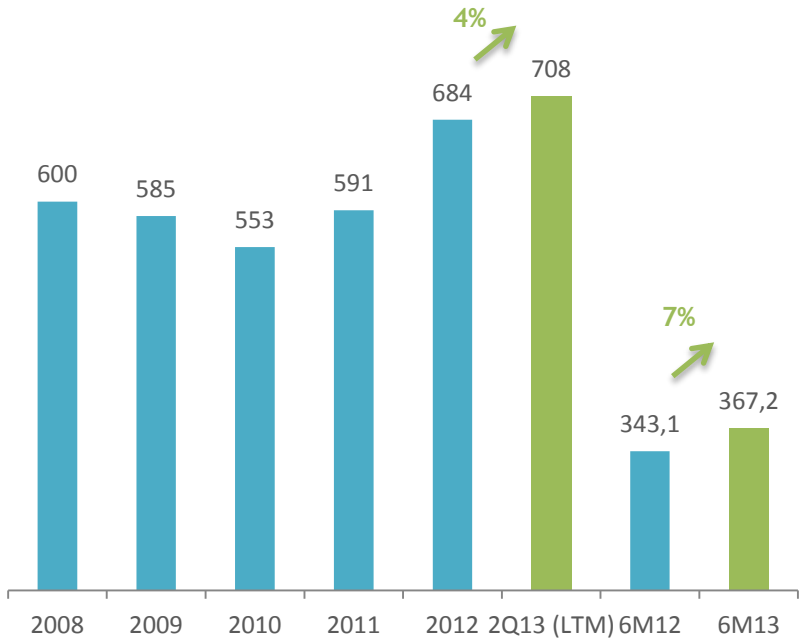
✓ Main clients:

3. Financial Aspects

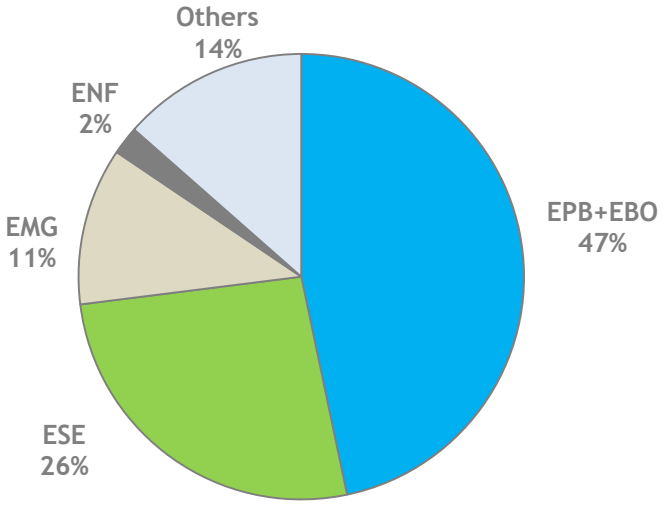
Financial Highlights
1st semester of 2013

Solid credit and investment fundamentals

Adjusted EBITDA evolution (R$ milhões)



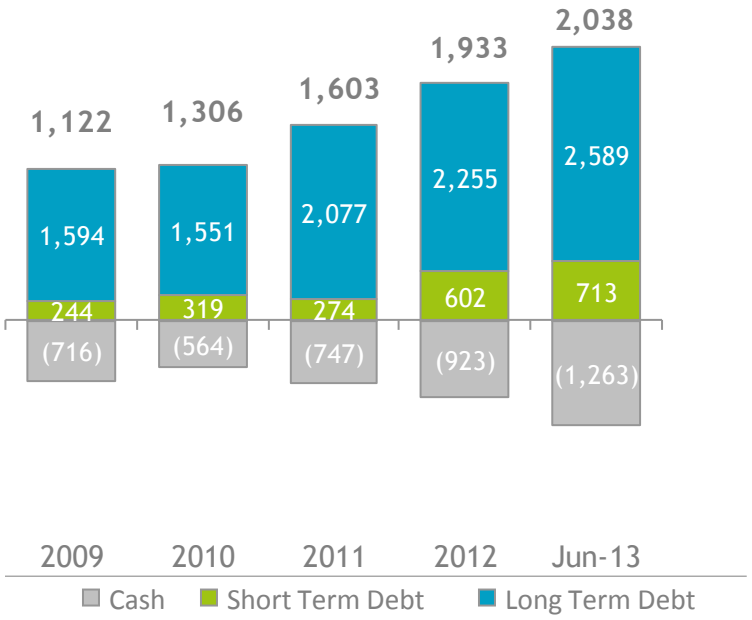
Adjusted EBITDA Breakdown (R$ MM)



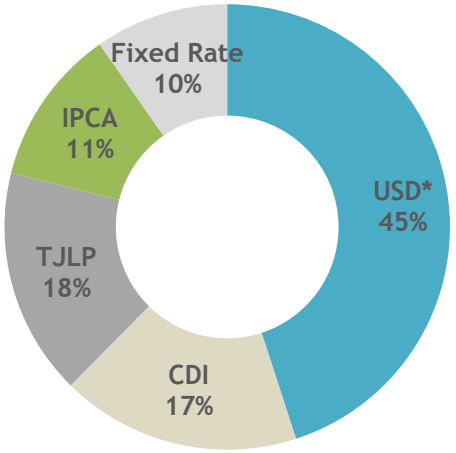
Conservative Debt Profile
June 2013

- ✓ Short-term debt represents only 21.6% of total consolidated debt.
- ✓ Cash position represents 1.8x of the short-term debt.
- ✓ Average debt's nominal cost of 8.7% per year and duration of 5.2 years.

Consolidated Net Debt (R$ million)



Debt Indexation

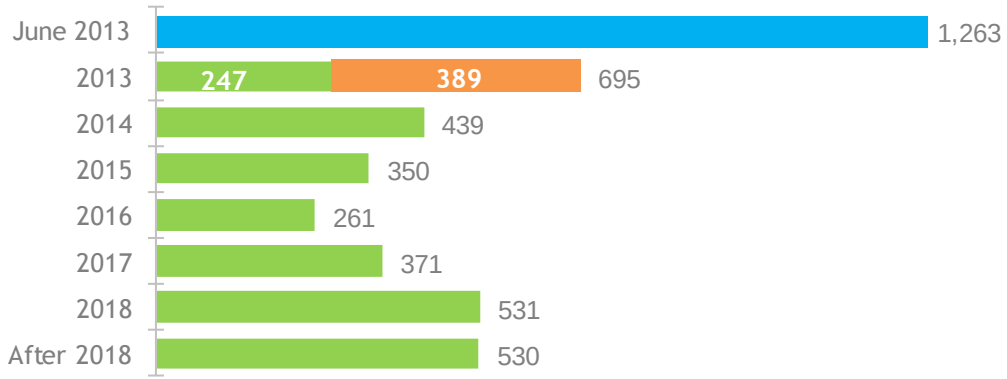


* Swapped to BRL until maturity.

Conservative Debt Profile
June 2013

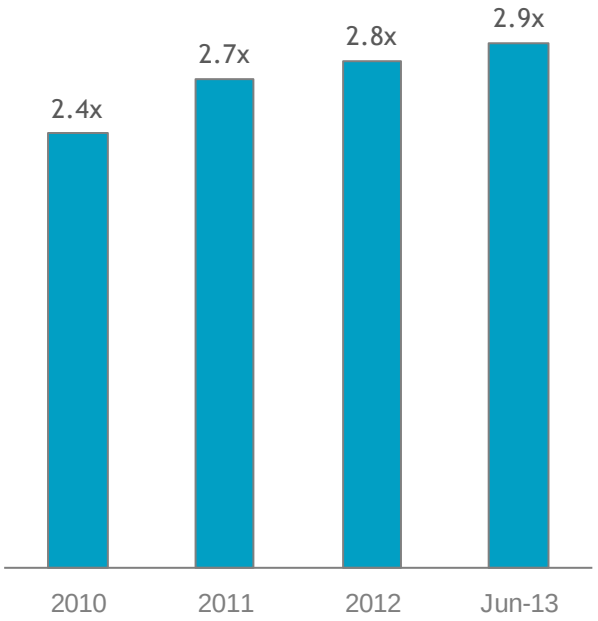
- ✓ Despite the negative impact of tariff revisions in its concessions and an intense generation capex plan, Energisa maintains proper leverage.
- ✓ Sufficient cash to cover debt amortization until 2015.

Cash and Bank Debts / Issuance Amortization (R$ MM)



Notes Units (E.Paraíba e E.Sergipe) - paid in July 19th 2013.
Debt Amortization
Cash Position

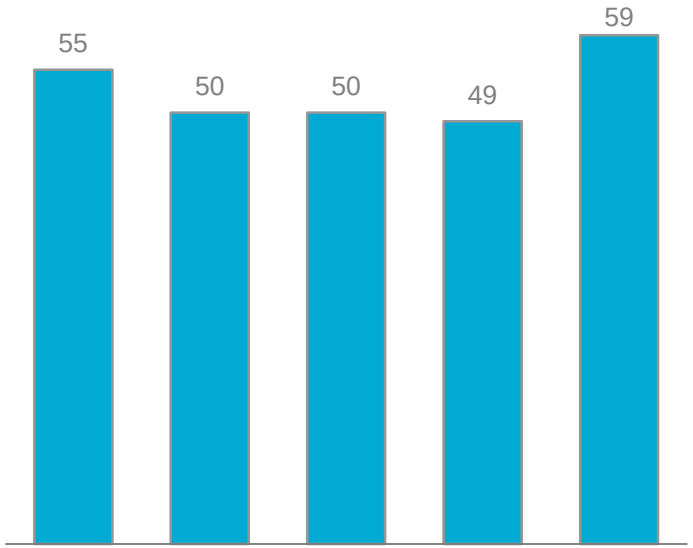
Net debt/ Adjusted EBITDA



Dividend Policy

✓ Dividend policy established by the Board of Directors for the next three years, until new growth opportunities and observing the ratings maintenance, is to distribute from 35% to 50% of the net income.

Dividend Payout % (ESA)



Dividends (R$ MM)	2008	2009	2010	2011	2012
	57	123	96	103	171

Dividends received from subsidiaries (R$ MM)

Dividends (R$ million)	2009	2010	2011	2012
EMG	28	52	34	67
ENF	14	9	6	13
ESE	27	29	40	49
EPB	200	81	94	160
EBO	11	14	12	22
ESO	1	1	1	1
ECOM	2	4	5	3
Outros	-	-	2	2
Total	**283**	**190**	**194**	**317**

PS: These amounts reflect the maximum flow of dividends from the subsidiaries to the Holding.

✓ Prudent dividends distribution in periods of intense investments.

Public Issuances

✓ Energisa Group and its outstanding capital market issuances are covered by the main rating agencies.

Energisa Group:

- Global Rating : BB (S&P) ; Ba2 (Moody's) e BB (Fitch)
- Local Rating : BrAA-(S&P); Aa3.br (Moody's) e A+ (Fitch)

Type	Volume (jun/13)	Coupon (At Issuance)	Yield (Secundary Market - Mar/13)	Maturity
Notes Units [1]	US$ 173 million	US$ + 10.5%	US$ + 5.4%	Jul/13
Debentures Energisa Sergipe, 1st Emission	R$ 93 million	US$ + 8.85%	-	Nov/15 (**)
Debentures Energisa S/A, 3rd Emission	R$ 61 million	CDI + 1.1%	-	Apr/14
FIDC III [2]	R$ 101 million	CDI + 0.7%	-	Dec/20
Debentures – CVM 476 [3]	R$ 199 million	CDI + 1.9%	CDI + 1.0%	Dec/14
Debenture ESA, 5th Emission – 1st Serie	R$ 132 million	CDI + 1.3%	CDI + 1.26%	Jul/17
Debenture ESA, 5th Emission- 2nd Serie	R$ 305 million	IPCA + 6.15%	IPCA + 6.20%	Jul/19

[1] Energisa Sergipe and Energisa Paraíba Notes Units (originally U$ 250 MM), paid in July 19th 2013.
[2] FIDC "multioriginado," ie 5 subsidiaries provide receivables to the Fund.
[3] Debentures Paraíba 1st Issuance , Debentures Sergipe 2nd Issuance and Debentures Minas Gerais 7th Issuance. Repriced (dec/2012) from CDI + 1.9% to CDI +1%.
* Last trade (Source: Bloomberg) | ** Call from Nov/2013

Debt Restructuring

Early redemption of debentures

- ✓ On April 25th 2013, the Board of Directors enacted the early redemption of the 4th debenture issuance of Energisa S/A. The 30,000 debentures (cost equivalent to CDI plus 1.6% per annum) were fully amortized by the amount of R $ 305.8 million on May 13th 2013.

Energisa Sergipe and Energisa Paraíba - uptake of R$ 320 million

- ✓ On April 2013, the subsidiaries Energisa Sergipe and Paraiba Energisa concluded the debt raising of R$ 320 million, of which R$ 200 million by Energisa Sergipe and R$ 120 million by Energisa Paraíba. The funds were used to fully amortize the Notes Units outstanding amount of U$ 165 million on July 19th 2013. The loans, in the form of 4131 law, mature between 4 and 5 years and cost between 103.5% and 108.95% of CDI (swapped from USD to BRL).

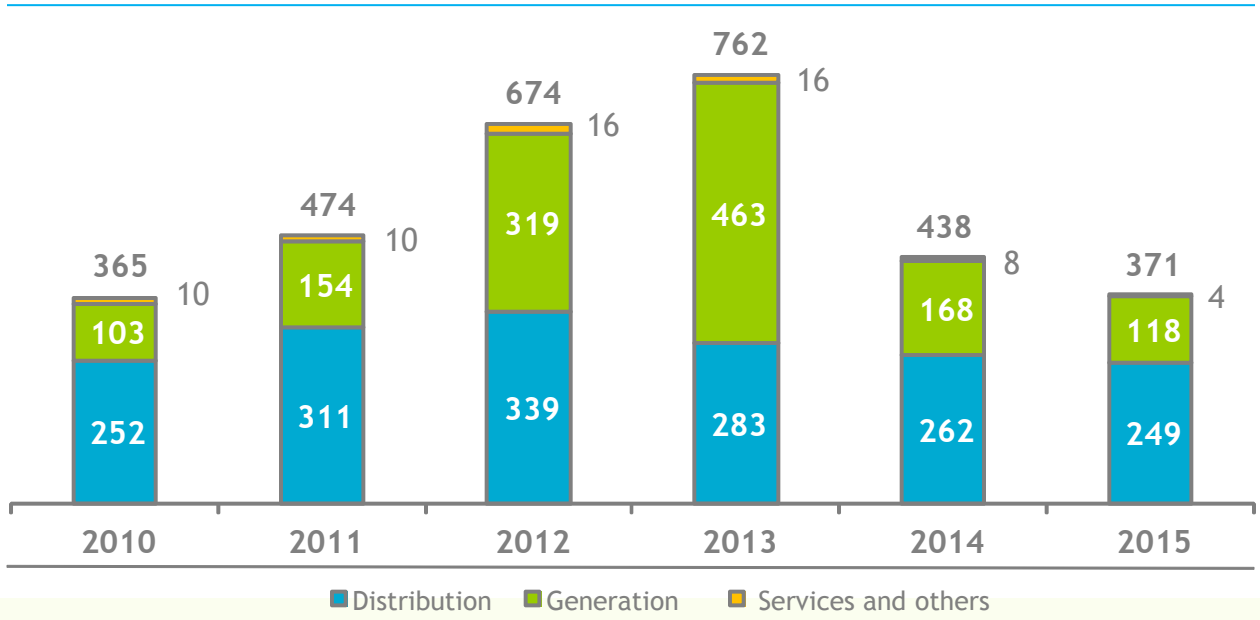


4. Strategy

Investment Plan

- ✓ BNDES will finance more than 70% of generation projects and more than 50% of distribution projects.
- ✓ It is expected that the 518 MW, already in portfolio, will be fully operational until 2016.
- ✓ The Group invested R$ 426.6 million in the 1S13, 114% growth compared to the investments made in the 1S12.

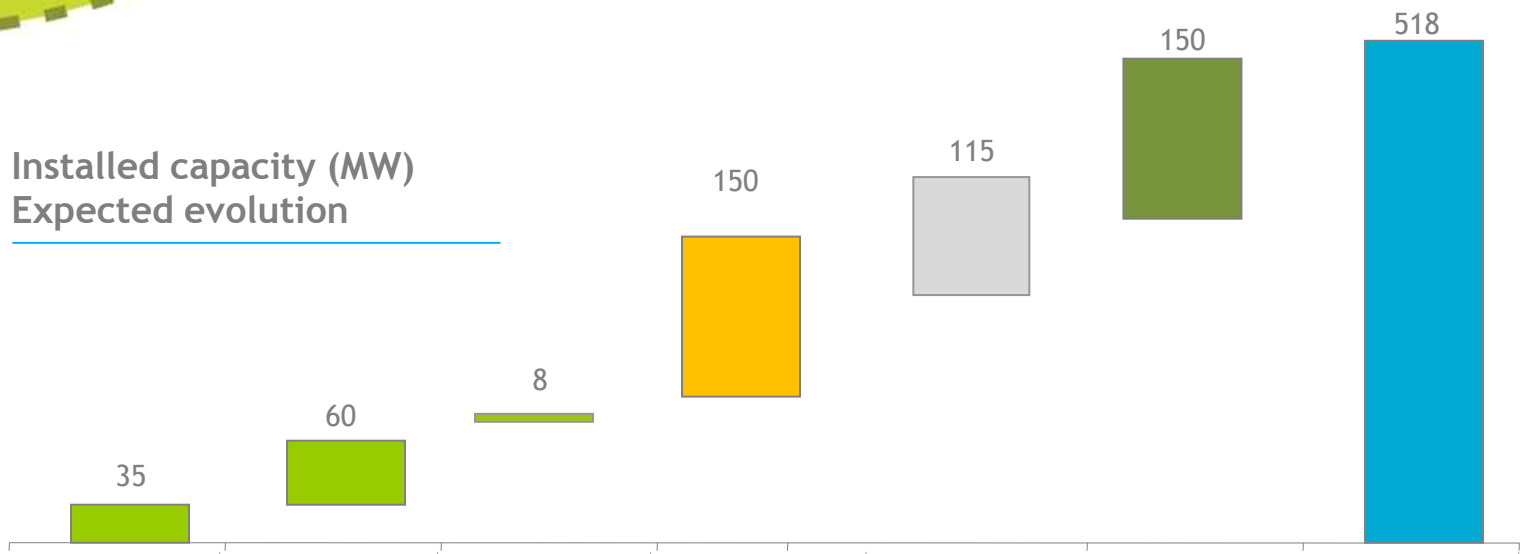
Energisa Group Investments
(R$ million)



- ✓R$ 1.513 million investment over the last three years, which R$ 576 million in renewable generation.
- ✓R$1.571 million investment over the next three years, which R$ 749 million in renewable generation.

Investments in Generation

✓ Long-term PPA's with counterparties of good credit.



Unit	SHPs Caju, Santo Antônio, São Sebastião do Alto e Cristina	Biomass Santa Cândida e Vista Alegre	SHP Zé Tunin	Renascença I, II, III, IV e V.S. Miguel	New Biomass Santa Cândida e Vista Alegre	Sobradinho e V.S.Miguel II	TOTAL
Type	SHPs	UTE Biomass	SHP	Wind Farm	UTE Biomass	Wind Farm	
Start of Operation	Operation	Operation	Operation	Set/13	Abr/15 e Abr/16	Project	
% Engaged	100%	100%	100%	100%	Partialy	Project	

Under commissioning | Engaged | Development | Project

Hydro Power Generation

Projects recently started its operation
SHPs Rio Grande (RJ), Zé Tunin and Cristina

- ✓ Investments: R$ 350 million









Wind Power Generation

Five wind farms fully commissioned in September 2013
Rio Grande do Norte

- ✓ Investments: R$ 560 million



Renascença I, II, III, IV and Ventos de São Miguel (150 MW)
Already receiving revenues

Power Generation through Biomass
(60 MW in operation)

- ✓ Initial Investment (Aug/2012): R$ 150 million
- ✓ Expansion of 115 MW between Apr/2015 e Apr/2016: R$ 350 million


Santa Cândida - SP (30 MW)


Vista Alegre - MS (30 MW)

Thank you!

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