(A free translation of the original in Portuguese)

Eneva S.A.

(Publicly held company)
Financial statements at
December 31, 2013
and independent auditor's report

In 2013 we consolidated as an operational company, playing an important role in Brazil's electricity sector. We are now the largest thermal generator in the country.

We started up operations of the Itaqui coal power plants, the second plant of Pecém I, Pecém II, and three plants of the Parnaíba Complex. We accordingly closed 2013 with eight ventures in operation, with an installed capacity of around 2.4 GW, in addition to more than 500 MW in construction, thereby guaranteeing firm energy for the country.

At the start of the year ENEVA's corporate structure changed, with increasing E.ON its interest, which now shares the control of ENEVA with Eike Batista. As a result of this, the company was given a new name and a new logo. We have embarked on a time of restructuring which will be key to the company's future success.

We have begun extracting natural gas from the Parnaíba Basin to supply the plants of the Parnaíba Complex, by way of Parnaíba Gás Natural, the new name of OGX Maranhão, which also has the new partners E.ON and Cambuhy. This new structure guarantees operational security to continue investing in this groundbreaking project, which integrates the production of natural gas with energy generation.

Operationla and regulatory challenges throughout 2013 led the company to increase its debt. At the end of the year we overcame another challenge, successfully refinancing our short-term debt and securing additional financing, which will enable us to implement deleverage measures in 2014 and 2015.

We did a lot in 2013 and with the energy and motivation of all, we will make 2014 a year of new conquests.

SUSTAINABILITY – EARNINGS RELEASE FOR 4 Q 13

The Company holds sustainability as a core value in its strategy and business operation, and is systematic and proactive via an integrated vision of adopting the efforts able to balance the financial return expected by shareholders and collaborators, who guarantee the reliability and effectiveness of its operations, with environmental protection, occupational health and safety, asset integrity, cultural diversity and the rational use of natural resources. This value can be seen in the results obtained and programs in development for internal and external public.

An Integrated Environmental Management System began to be installed in 2013, which establishes principles and guidelines for planning, developing, controlling, monitoring, and periodically evaluating sustainability performance, based on methodology recognized in line with the standards ISO 14001:2004 – Environmental Management Systems – Requisites, and OHSAS 18001:2007 – Occupational Health and Safety Systems - Requisites.

A reduction was observed in the frequency of accidents at subsidiaries, which ranks ENEVA as a high-performance company in the most important item of the production process, occupational health and safety. Six years into its life, the Company has exceeded 80 million hours worked with no fatal accidents involving its own or outsourced staff.

Operating licenses were obtained in 2013 for Pecém II, Parnaíba III and Parnaíba IV amounting to 597MW and preliminary licenses were included in its portfolio of renewable ventures for a further 280 MW at the Ventos Complex.

Last year the Complex continued to develop voluntary initiatives, including:

Lençóis Maranhenses National Park

By way of the cooperation agreement signed in 2008, for the sixth consecutive year ENEVA helped maintain and make improvements to the Lençóis Maranhenses National Park, which houses a protected area occupying 155,000 hectares of stunning beaches, dunes, rivers, lakes and mangrove swamps. This investment is made to implement infrastructure for public visits, environmental education, and the training of guides and inspectors.

The *Healthy Children, Healthy Future* project

In partnership with Inmed Brasil and the municipal departments of health and education of Maranhão, ENEVA is implementing the project “Healthy Children, Healthy Future”. The voluntary initiative promotes initiatives aimed at sanitation and nutritional education with teachers and students of the municipal chain of schools around the ventures, and has benefited 12,000 participants.

The commitment to future results through work plans and targets demonstrates that the achievements obtained are planned and produced based on the competent work of an entire workforce. This commitment will be evidenced in 2014 through more comprehensive targets aligned with the needs and expectations of the Company and its shareholders.

ENEVA REPORT – 2013 OVERVIEW

1. Introduction

In general 2013 was a year in which the thermal energy plants were used substantially to help recover the hydroelectric plants' reservoirs.

The plants driven on oil and biofuel generated more than 131.6% than in 2012, the thermal and gas plants generated 57.6% more and the coal plants raised generation by 85.9%. The average PLD was an average R$414/MWh in 2013. Thermoelectric energy generation in Brazil also led to high System Service Charges (ESS) throughout the year.

The increase in charges is primarily influenced by the entry into operational of all thermoelectric plants in the country to guarantee security in supplying energy to consumers, given the low rainfall levels which have resulted in depletion of the reservoirs of hydroelectric power plants in the south-east, central and western and northeast regions and concerns about possible energy rationing in Brazil.

In relation to the Company, 2013 saw a number of ventures come into operation, amounting to a total generating capacity in operation of 2.35GW. The plants driven by imported coal includes the start-up of commercial operations of Itaqui (360MW) in April 2013, the second turbine of Pecém I (360MW) in June 2013 and the Pecém II (365 MW) plant in October 2013. The natural gas plants supplied by onshore resources of Parnaíba Basin came into operation in 2013: Parnaíba III (176MW) in January, Parnaíba I (676MW) in April and Parnaíba IV (56MW) in December. The Parnaíba II plant (517MW) is in the stage of being implemented.

The main headlines in 2013 in the electric sector were Provisional Law 579 and National Energy Policy Council Resolution 03/2013. Provisional Law 579 was the most controversial measure since the reformulation of the regulatory framework in 2004, and is expected to reduce rates by cutting sector charges, contributions from the National Treasury and diminishing compensation on generation and transmission assets, bringing forward the renewal of contracts terminating between 2015 and 2017. CNPE Resolution 03/2013 incorporates the risk aversion mechanisms in price formation, and has been well accepted by the Sector, despite the controversial apportionment of ESS costs between sector agents.

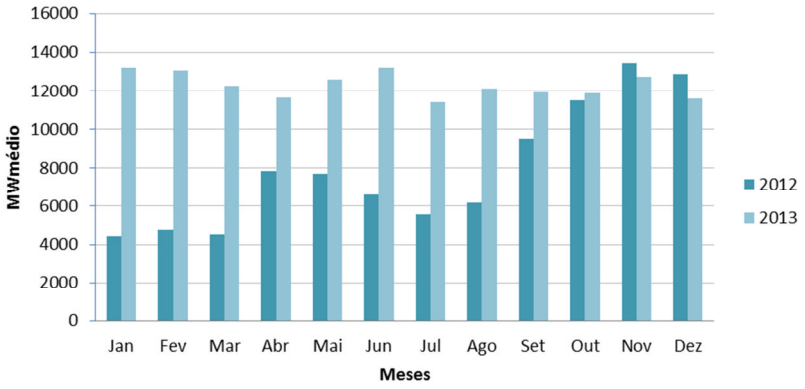
At the end of 2013 Aneel approved the change to the pass-through rules for energy purchased to bolster the back-up contracts before the commercial entry of the Pecém I, Itaqui and Parnaíba III plants.

In the auctions that took place in 2013, the maximum price of R$144/MWh established by the Government for the thermoelectric plant auction meant it was not possible to contract coal plants.

2. Overview of the Interconnected National Grid System (SIN) in 2013

The thermoelectric output in 2013 was ongoing and high, with an average of more than 12,000 MW generated. As a consequence the PLD was maintained at a high level, in addition to an increase in the ESS charges due to the output in addition to the economic merit order for the purpose of energy security.

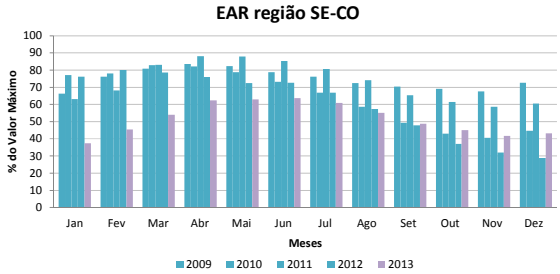
Graph 1 – Thermal Energy Generation (MWh)

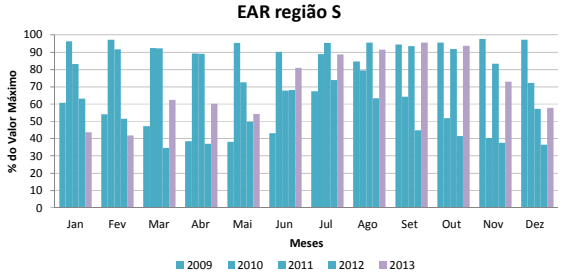


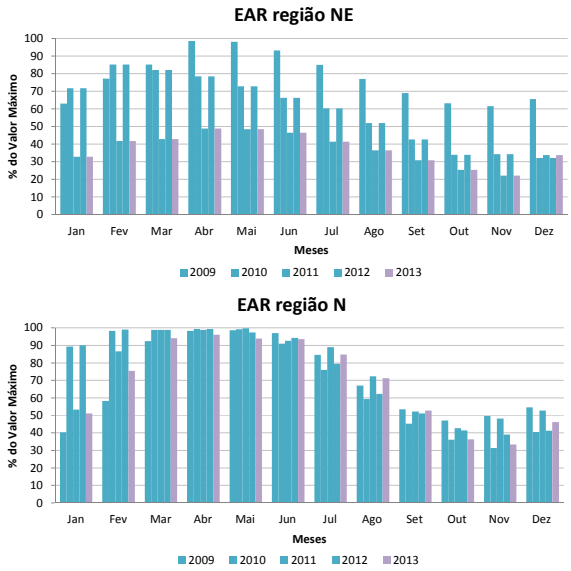
Source: ONS – National Electric System Operator

In 2013 water levels were lower than the historic average in the period January to April in the south-east, central and western and northeast subsystems. In the north subsystem water levels were just higher than the average for this period. This unfavorable hydrological scenario meant that the south-east, central and western and northeast subsystems were unable to recover their maximum storage capacity at the end of April, which only the north region managed to do.

Despite the intensive use of thermal generation, reservoirs reached the lowest levels in the north-east of Brazil in the last five years (22%), indicating the need for greater thermoelectric generation in SIN, if not the country will become increasingly exposed to hydrological variations.





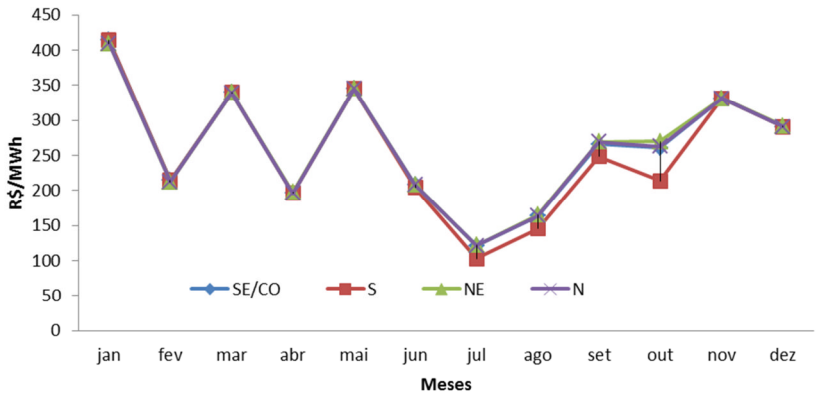


Source: ONS

Graph 2 - Storage of the subsystems' reservoirs (EAR %)

The PLD amounts in the course of the year were impacted at the start of the year by the reduction in water levels in the south-east.

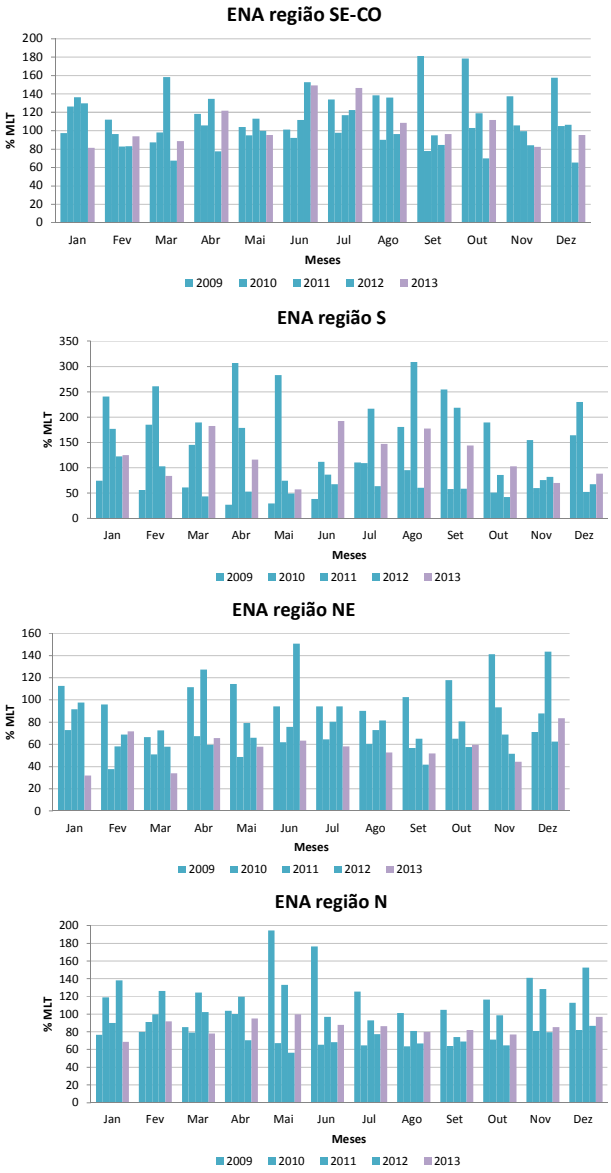
Graph 3 – Average PLD in the subsystems (R$/MWh)



Source: CCEE

Graph 4 shows the correlation between ENAs (Natural Energy Feed) in subsystems in the last 5 years.

Graph 4 - Natural Energy Feed (ENA) of the subsystems' reservoirs (% MLT)



Source: ONS

3. New Regulatory Policies

MP 579 was published in 2012, and was only regulated at the start of 2013, being enacted as Law 12783/2013.

The provisional measure under scrutiny changed a number of structural aspects of the 2004 Brazilian electric sector model, bringing forward the renewal of contracts terminating between 2015 and 2017, in order to cause an average reduction in the regulated rates of around 20%. This reduction will take place through a cut in sector charges and lower compensation on generation and transmission assets.

The sector charges eliminated were: Fuel Consumption Account (CCC) and General Investment Reserve (RGR). The Energy Development Account (CDE) will be reduced by around

25% of the current amount, will assume the cost of the programs in the other two accounts and receive the contribution of around R$3.3 billion a year from the Treasury.

In order to maintain the announced rate discount -- in the midst of a heavy output of thermal plants - the Government implemented a series of measures, including CNPE Resolution 03/2013, the main objective of which was to make the PLD provide a more accurate signaling of the guidelines for introducing risk aversion mechanisms in the computer programs, incorporating short-term procedures for price formation.

This resolution is also expected to adjust the criteria for planning and better pricing the hydrological risking contracts by quantity, impacting the price of new energy.

The controversial part of this Resolution is that the ESS will now be appropriated between all sector agents, whereas it used to only be paid by consumers. The number of associations have filed claims before the courts against the apportionment of the charges and obtained injunctions which exclude their members from payment of the selected generation cost outside the order of merit.

4. Transfer of energy between regions

The electrical limits of energy exchange between sub-grids are of fundamental importance to the process of the optimization of energy, since they are determining factors for the definition of operation policies. Given the condition of the reserves, new limits were established for export from the Southeast and Center-West regions to the North and Northeast, aiming to establish the frequency of the North/Northeastern grid for contingency situations.

The hydrological situation in the Northeast (exemplified by the reduction in the level of the Sobradinho reservoir to 35% of its capacity) led the operator to practice substantial interchanges in order to recover the levels of this region's reservoirs.

In September 2013 the blackout took place in a number of the country's regions, which was caused by forest fires in the North-East region of Brazil, which highlights the system's vulnerability to multiple emergencies. Brazil's electric system is currently operating at N-1, with a load guarantee in the event just one transmission element fails. However, the Government is considering upgrading a number of parts of the system to N-2, which will substantially increase the requirement for investment.

5. Pass-through of Energy to Bolster plant back-up

Due to the delay in the operating start of ENEVA's plan projected for 2012/2013, Aneel is re-evaluating the pass-through rules for energy purchased to bolster the back-up contracts before the commercial entry of the plants.

The change in the energy pass-through criteria required the reimbursement to be based on the current/online cost of the system (ICB Online) in place at the time of the auction.

Table 1 - advancement of the start-up of PPAs

Plants	Start	New Date
Itaqui	**Jan/2012**	**12/21/2012**
Pecém I	**Jan/2012**	**7/23/2012**
Pecém II	**Jan/2012**	**6/1/2013**
Parnaíba III	**Jan/2013**	**4/1/2013**

At the end of 2013 Aneel approved Pecém I, Itaqui and Parnaíba III, which for pass-through purposes should consider the lower of the monthly cost of the back-up replacement contract and the monthly cost of the CCEARs via availability calculated as if the plant were in operation. The evaluation of the reimbursement application submitted via ICB online to Pecém II is pending examination by Aneel.

6. Energy Auctions

In 2013 the Government resumed the energy auctions to increase generation in the country. A total of four auctions were held to procure new energy. Even if results are not immediate, because this energy would only enter the system within three to five years, this demonstrates the Government's concern in increasing generation in the medium term.

In 2013 bidders for coal ventures were also offered certain incentives, such as special financing conditions and PIS/ Cofins tax adjustments. ENEVA registered the Seival coal venture (600 MW) in the two A-5 auctions that took place in 2013. However, the ceiling price of R$144/MWh plus strong dollar valuation meant it is not possible to contract coal plants.

There was major contracting of wind energy at all auctions, raising the concern that there is no expansion of plants with a firm offer of energy as only the thermal energy plans and hydroelectric plants with large reservoirs are guaranteeing security in the supply and minimizing the country's exposure to the poor rainfall.

- **Reserve Auction/2013 (LER/2013)**

After the reserve auction the Ministry of Mines and Energy began adopting the generation productivity index of P90, IT delivery of 90% of the physical guarantee, with the former index being P50. This amendment was due to the fact that all the wind sources in operation are generating less than the physical guarantees. This change resulted in an increase in the wind energy price, which at the reserve auction negotiated an average sale price of

R$11051/MWh. At the A-5 auction held in December 2012 the source reached an average price of R$87.94/MWh.

- **A-3/2013 Auction**

The wind source dominated the A-3 energy auction, and is the only source to sell energy in the competition, thereby raising the number of new wind farm projects contracted at public auctions in 2013 to around an installed capacity of 2.4 GW.

The energy from the wind parks was sold at an average price of R$124.43/MWh. Raising the price ceiling for the source compared with LER/2013 reflects the difference between the contracting conditions and higher costs, especially transferring the transmission risk to companies. These conditions reduced the competitiveness of the enrolled projects, including ENEVA's.

- **1st A-5/2013 Auction**

The 1st A-5/2013 Auction resulted in the contracting of 19 generation ventures, with an overall installed capacity of 1,265MW. The average Auction price was R$124.97/MWh.

The auction saw a total of 1,599.5MW being negotiated, which made it possible to increase installed capacity by 3,507.351MW. The average auction price was R$109.93/MWh.

The Sinop hydroelectric plant (400 MW) was awarded to the CES Consortium – consisting of the companies Alupar, Chesf and Eletronorte – at a final price of R$109.40/MWh.

Table 2 - Consolidated Results of the 1st A-5/2013 bidding round

Source	Contracted ventures	Installed capacity (MW)	Physical Guaranty (Average MW)	Average price (R$/MWh)
UHE Sinop	1	400	239.8	109.4
UHE Salto Apiacás	1	45	22.9	119.97
SHP	8	173.5	92.3	127.01
Biomass (woodchippings)	2	300	241.2	136.69
Biomass (sugarcane bagasse)	7	347	152.5	133.57
TOTAL	**19**	**1,265.50**	**748.7**	**124.97**

Source: CCEE

- **2nd A-5/2013 Auction**

UHE São Manoel/PA (700 MW) was auctioned at the price of R$83.49/MWh, representing negative goodwill of 22% over the initial price R$107/MWh.

Most of the ventures contracted - 97 - were windfarms.

The auction also saw 16 small hydroelectric power stations be sold, and five biomass thermal energy plans (woodchippings and sugarcane bagasse).

Table 3 - Consolidated Results of the 2nd A-5/2013 bidding round

Source	Contracted ventures	Installed capacity (MW)	Physical Guaranty (Average MW)	Average price (R$/MWh)
UHE São Manoel	1	700	421.7	83.49
SHP	16	307.7	148.5	137.35
Wind	97	2,337.8	1,083.4	119.03
Biomass (woodchippings)	4	145	79.6	133.38
Biomass (sugarcane bagasse)	1	16.8	14.9	135.49
TOTAL	**119**	**3,507.3**	**1,748.1**	**109.93**

Source: CCEE

Note the lack of thermal electric generation and the modest contracting of hydroelectric plants with reservoirs in this auction, which has not strengthened the security of the future energy supply. It is worth noting that the profile of the contracting in the new energy bidding rounds has afforded a greater dependence for supply on climate conditions.

7. Uploading and energy supply (2013)

Electricity consumption in 2013 was 60.07GWh, an increase of 2.8% over 2012.

The increase in energy consumption between 2012 and 2013 was due to additional demand driven by GDP growth in 2013 (2.3%).

Table 4 - Growth of uploading and demand (SIN)

Year	Load (Average GW)	Demand (MW)
2012	58.46	76,261.0
2013	60.07	78,982.0
Growth	2.8%	3.6%

Source: ONS

ENEVA's contribution to the energy security of the SIN

ENEVA's energy generation plants will provide the SIN with around 2,810 MW of installed capacity and a 2,300 MW average in terms of real guarantee. On top of being competitive in economic terms, the energy added in by ENEVA will reduce the supply's dependence on climate conditions, contributing to the increased security of energy in the SIN. The table below explains the portfolio of ENEVA's plants.

Table 5 - Portfolio of ENEVA Energia

Plants	Capacity (MW)	Energy (average MW)	Entry
Pecém I	720.0	631.0	2012/2013
Pecém II	365.0	294.7	2013
Itaqui	360.0	332.7	2013
Parnaíba II	518.8	470.7	2014
Parnaíba I	675.2	450.0	2013
Parnaíba III	176.2	101.6	2013
Parnaíba IV	56.3	-	2013
Itaqui	23.0	21.0	2008
Solar Tauá	1	-	2011
Total	2,896	2,302	

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Shareholders
Eneva S.A.

We have audited the accompanying financial statements of Eneva S.A. ("Company" or "Parent Company"), which comprise the balance sheet as at December 31, 2013 and the statements of operations, comprehensive loss, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have also audited the accompanying consolidated financial statements of Eneva S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2013 and the consolidated statements of operations, comprehensive loss, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

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

Opinion on the parent company financial statements

In our opinion, the parent company financial statements referred to above present fairly, in all material respects, the financial position of Eneva S.A. as at December 31, 2013, and its financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Eneva S.A. and its subsidiaries as at December 31, 2013, and their financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

Emphasis of matter

Use of the equity method and the maintenance of deferred assets

As discussed in Note 3 to these financial statements, the parent company financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of Eneva S.A., these practices differ from IFRS applicable to separate financial statements only in relation to the measurement of investments in subsidiaries, associates and jointly-controlled entities based on equity accounting, while IFRS requires measurement based on cost or fair value, and the maintenance of the balances of deferred charges as at December 31, 2008, which are being amortized. Our opinion is not qualified in respect of these matters.

Going concern

We draw attention to Note 1 to these financial statements, which states that, as at December 31, 2013, the Company has an accumulated deficit of R$ 2,379,303 thousand and an excess of current liabilities over current assets in the parent company and consolidated financial statements amounting to R$ 1,438,768 thousand and R$ 2,231,017 thousand, respectively. This, along with other matters as described in Note 1, indicates the existence of a material uncertainty about the ability of the Company to continue as a going concern, which will depend on the success of current and future operations and

on the financial support of stockholders, in addition to the extension of the maturities of third-party borrowings. No adjustments arising from these uncertainties were included in the financial statements. Our opinion is not qualified in respect of this matter.

Other matters

Prior-year financial statements audited by another firm of independent auditors

The original financial statements of the Company for the year ended December 31, 2012, prepared before the consideration of the adjustments described in Note 4.5.21, were audited by another firm of independent auditors, whose report, dated May 23, 2013, expressed an unmodified opinion on those statements. As part of our audit of the financial statements for 2013, we also have audited the adjustments described in Note 4.5.21 that were made to restate the financial statements for 2012, presented for purpose of comparison. In our opinion, these adjustments are appropriate and were correctly recorded. We were not engaged to audit, review or apply any other procedures to the Company's financial statements for 2012 and, therefore, we do not express any opinion or any form of assurance on the financial statements for 2012 taken as a whole.

Supplementary information - Statement of value added

We have also audited the parent company and consolidated statements of value added for the year ended December 31, 2013, which are the responsibility of the Company's management. The presentation of this statement is required by the Brazilian corporate legislation for listed companies, but it is considered supplementary information for IFRS. These statements were subject to the same audit procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Rio de Janeiro, March 27, 2014

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

Guilherme Naves Valle
Contador CRC 1MG070614/O-5 "S" RJ

Eneva S.A.
(Publicly held company)

Balance sheet at December 31
In thousands of reais (A free translation of the original in Portuguese)

	Note	Parent Company 2013	Parent Company 2012	Parent Company 2011	Consolidated 2013	Consolidated (Re-presented) 2012	Consolidated (Re-presented) 2011
Assets							
Current							
Cash and cash equivalents	6	110,156	206,263	960,257	277,582	519,277	1,380,151
Securities	7	-	-	-	-	3,441	9,437
Accounts receivable	9	-	-	-	294,396	21,345	21,480
Subsidies receivable - Fuel Consumption Account	9	-	-	-	30,802	17,561	4,828
Inventories	10	-	-	-	78,376	142,687	58,190
Prepaid expenses		-	-	151	9,825	19,351	13,272
Recoverable taxes	11	25,701	22,068	29,385	47,651	37,410	35,126
Gain on derivatives	19	4,171	3,018	19,289	4,171	3,018	36,445
Other advances		1,175	820	2,140	5,001	1,783	8,416
Secured deposits	8	38	35	56,727	38	35	61,844
Dividends receivable	12	-	2,040	2,362	-	-	-
Other accounts receivable		-	-	-	-	-	38
		141,241	234,244	1,070,310	747,842	765,908	1,629,227
Non-current							
Long-term							
Prepaid expenses		841	841	-	2,905	8,494	1,964
Secured deposits	8	-	102,649	55	118,606	135,648	54,148
Subsidies receivable - Fuel Consumption Account	9	-	-	-	-	24,617	24,617
Recoverable taxes	11	7,215	9,598	35,585	14,614	24,034	82,689
Deferred income and social contribution taxes	11	-	114,400	88,680	302,327	305,548	248,862
Loans with subsidiaries and joint ventures	15	909,327	505,976	29,883	191,968	134,926	680
Accounts receivable from other related parties	15	217,337	1,134	2,796	218,680	1,134	8,436
Accounts receivable from subsidiaries and joint ventures	15	123,005	16,364	-	117,372	6,793	-
AFAC to subsidiaries and joint ventures	15	206,678	419,426	162,758	150	12,425	-
Embedded derivatives	17	0	479	-	0	479	411,121
Other accounts receivable		2	-	-	60	-	-
		1,464,405	1,170,867	319,756	966,682	654,098	832,516
Investments	12	3,130,978	2,215,107	1,538,331	941,853	833,955	431,695
Property, plant and equipment	13	12,634	19,343	21,641	6,819,454	5,570,399	3,962,979
Intangible assets	14	2,727	2,920	1,739	213,381	215,236	266,954
		4,751,985	**3,642,481**	**2,951,777**	**9,689,212**	**8,039,596**	**7,123,370**

Balance sheet at December 31
In thousands of reais **(continued)**

	Note	Parent Company 2013	Parent Company 2012	Parent Company 2011	Consolidated 2013	Consolidated (Re-presented) 2012	Consolidated (Re-presented) 2011
Liabilities							
Current							
Trade payables		3,473	3,849	1,298	331,216	115,261	154,476
Borrowings and financing	16	1,562,211	924,352	106,286	2,408,142	1,819,974	994,608
Debts with associated companies	15	-	3,859	724	-	-	-
Debts with controlling company	15	-	-	-	-	26,783	-
Debts with other related parties	15	-	2,664	3,210	-	3,989	3,697
Debentures	17	112	111	30,463	112	111	30,463
Taxes and contributions payable	18	709	402	100	45,934	7,241	17,939
Social and labor obligations		8,424	3,288	4,386	16,770	9,863	16,246
Losses on derivative transactions	19	-	-	-	-	22,951	27,580
Contractual retention	13	-	-	-	84,789	77,374	127,965
Profit sharing		4,990	8,726	11,242	8,148	20,633	19,177
Dividends payable	12	-	-	-	-	1,960	2,269
Other liabilities		91	91	75	83,748	3,325	48,603
		1,580,010	947,342	157,784	2,978,859	2,109,465	1,443,022
Non-current							
Loans and financing	16	655,417	102,175	-	3,802,378	3,104,806	2,326,101
Debts to other related parties	15	34,489	-	3	307,720	430	-
Debentures	17	5,239	4,954	1,403,152	5,239	4,954	1,403,152
Embedded derivatives	17	-	-	62,003	-	-	62,003
Losses on derivative transactions	19	-	-	-	-	94,797	502,723
Provision for unsecured liabilities	12	8,087	18,418	11,035	9,286	19,840	-
Deferred income and social contribution taxes	11	-	-	-	9,591	2,048	13,239
Provision for dismantlement	13	-	-	-	2,266	2,118	1,946
Other provisions		-	-	-	-	-	1,026
		703,232	125,547	1,476,193	4,136,480	3,228,993	4,310,190
Shareholders' equity							
Capital	21	4,532,313	3,731,734	2,042,014	4,532,313	3,731,734	2,042,014
Capital reserve	23	350,514	321,904	274,625	350,514	321,904	274,625
Equity appraisal adjustments	21	(53,284)	(119,067)	(71,670)	(53,284)	(119,067)	(71,670)
Accumulated deficit	21	(2,360,800)	(1,364,979)	(927,169)	(2,379,303)	(1,384,971)	(970,897)
Shareholders' equity attributable to controlling shareholders		2,468,743	2,569,592	1,317,799	2,450,240	2,549,600	1,274,072
Minority interests		-	-	-	123,633	151,538	96,086
Total shareholders' equity		2,468,743	2,569,592	1,317,799	2,573,873	2,701,139	1,370,158
		4,751,985	**3,642,481**	**2,951,777**	**9,689,212**	**8,039,596**	**7,123,370**

The accompanying notes are an integral part of these financial statements.

Eneva S.A.
(Publicly held company)

Statement of operations
Years ended December 31
In thousands of reais (A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		2013	2012	2013	2012 (Re-presented)
Revenue from goods sold and services provided	24	-	-	**1,438,831**	**48,786**
Cost of goods and/or services sold	25	-	-	**(1,507,047)**	**(50,949)**
Gross profit		-	-	**(68,216)**	**(2,163)**
Operating income/expenses	25	**(607,282)**	**(398,826)**	**(358,957)**	**(404,708)**
General and administrative		**(123,701)**	**(154,317)**	**(167,261)**	**(231,026)**
Personnel and management		(67,579)	(78,347)	(79,762)	(111,440)
Other expenses		(7,908)	(6,391)	(12,323)	(12,411)
Outsourced services		(40,401)	(59,983)	(64,803)	(92,139)
Depreciation and amortization		(2,280)	(1,535)	(3,125)	(2,788)
Leasing and rentals		(5,533)	(8,061)	(7,248)	(12,248)
Other operating revenue		**1,096**	**1**	**4,424**	**1,208**
Other operating expenses		**(15,498)**	**(14,390)**	**(43,108)**	**(16,787)**
Unsecured liability		(8,272)	(14,362)	(7,717)	(14,671)
Losses on the sale of assets		(7,229)	(30)	(7,231)	(879)
Provision for investment losses		3	2	(23)	(1,237)
Write off CCC Benefit		-	-	(24,617)	
Others		-	-	(3,520)	-
Equity in income of subsidiaries		**(469,179)**	**(230,120)**	**(153,012)**	**(158,103)**
Result before financial income/costs and taxes on income		**(607,282)**	**(398,826)**	**(427,173)**	**(406,871)**
Financial result	26	**(220,774)**	**(62,096)**	**(506,096)**	**(90,459)**
Financial income		**112,823**	**142,842**	**88,513**	**(249,822)**
Exchange variance-gain		12,528	3,205	15,346	25,086
Fair value of debentures		(479)	62,482	(479)	62,482
Interest-income bank deposits		94,632	65,324	63,707	76,599
Derivative financial instruments		2,728	5,592	2,728	(422,684)
Other financial income		3,414	6,239	7,211	8,695
Financial costs		**(333,596)**	**(204,938)**	**(594,609)**	**159,363**
Exchange variance loss		(27,625)	(1,561)	(33,745)	(16,479)
Derivative financial instruments		(6,142)	(4,156)	(3,339)	398,638
Debenture interest/cost		(786)	(130,864)	(786)	(130,863)
Fair value of debentures		-	-	-	-
Debt charges		(147,857)	(46,230)	(364,832)	(47,248)
Financial advisory consultant		(82,372)	-	(123,093)	-
Other financial expenses		(68,814)	(22,127)	(68,814)	(44,685)
Result before taxes on net income		**(828,055)**	**(460,922)**	**(933,269)**	**(497,330)**
Income and social contribution taxes on profit	18	**(114,400)**	**25,720**	**(11,152)**	**62,876**
Current		-	-	(3,744)	(1,921)
Deferred charges		(114,400)	25,720	(7,408)	64,797
Net result for the year		**(942,455)**	**(435,202)**	**(944,421)**	**(434,454)**
				-	-
Loss for the year		**(942,455)**	**(435,202)**	**(944,421)**	**(434,454)**
				-	-
Attributed to Partners of the Parent Company		**(942,455)**	**(435,202)**	**(942,455)**	**(435,202)**
Attributed to Minority Partners		**-**	**-**	**(1,966)**	**748**
				-	-
Loss per share				-	-
Basic and diluted loss per share (R$)	22	**(3.51822)**	**(1.66578)**	**(3.52556)**	**(0.75263)**

The accompanying notes are an integral part of these financial statements.

Eneva S.A.
(Publicly held company)

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

	Parent Company		Consolidated	
				(Re-presented)
	1/1/2013 to 12/31/2013	**1/1/2012 to 12/31/2012**	**1/1/2013 to 12/31/2013**	**1/1/2012 to 12/31/2012**
Loss for the year	(942,455)	(435,202)	(944,421)	(434,454)
Accumulated Translation Adjustments	(54,404)	(43,260)	(54,404)	(43,260)
Equity Valuation Adjustments:	(7,510)	(4,137)	(7,510)	(4,137)
Effective portion of the changes in fair value of cash flow hedges - hedge accounting	(11,379)	(6,268)	(11,379)	(6,268)
Deferred income and social contribution taxes - hedge accounting	3,869	2,131	3,869	2,131
Total comprehensive loss	(1,004,369)	(482,599)	(1,006,335)	(481,851)
Comprehensive loss for the year	**(1,004,369)**	**(482,599)**	**(1,006,335)**	**(481,851)**
Non-controlling shareholders	-	-	(1,966)	748
Controlling shareholders	(1,004,369)	(482,599)	(1,004,369)	(482,599)
Total comprehensive loss	**(1,004,369)**	**(482,599)**	**(1,006,335)**	**(481,851)**

The accompanying notes are an integral part of these financial statements.

Eneva S.A.
(Publicly held company)

Statement of changes in equity
In thousands of reais (A free translation of the original in Portuguese)

		Parent Company					
		Paid-in share capital	Capital Reserve and Options Awarded	Revenue Reserves	Other Comprehensive income (loss)	Accumulated deficit	Total shareholders' equity
Balance at December 31, 2011 (Re-presented)	**Note**	**2,042,014**	**274,625**	**-**	**(71,670)**	**(927,169)**	**1,317,800**
Loss for the year		-	-	-	-	(435,202)	(435,202)
Other comprehensive loss:							
Translation adjustment in the year	12	-	-	-	(32,439)	-	(32,439)
Financial instrument adjustments	18	-	-	-	(4,137)	-	(4,137)
Transactions with shareholders:							
Capital increase	20	2,431,907	-	-	-	-	2,431,907
Stock options granted by the Company	22	-	-	-	-	-	-
Stock options granted by the controlling shareholder	22	-	47,279	-	-	-	47,279
Adjustment deferred charges - JV		-	-	-	-	(5,453)	(5,453)
Adjustment Spin-off CCX Carvão - Colombia		(742,187)	-	-	(10,821)	2,845	(750,163)
Balance at December 31, 2012 (Re-presented)		**3,731,734**	**321,904**	**-**	**(119,067)**	**(1,364,979)**	**2,569,592**
Loss for the year		-	-	-	-	(942,455)	(942,455)
Other comprehensive income:							
Translation adjustment in the year	12	-	-	-	54,404	(53,366)	1,038
Financial instrument adjustments	18	-	-	-	11,379	-	11,379
Transactions with shareholders:							
Capital increase	20	800,579	-	-	-	-	800,579
Stock options granted by the Company	22	-	-	-	-	-	-
Stock options granted by the controlling shareholder	22	-	28,610	-	-	-	28,610
Adjustment deferred charges - JV						-	-
Adjustment Spin-off CCX Carvão - Colombia		-	-	-	-	-	-
Balance at December 31, 2013		**4,532,313**	**350,514**	**-**	**(53,284)**	**(2,360,800)**	**2,468,743**

Eneva S.A.
(Publicly held company)

Statement of changes in equity
In thousands of reais **(continued)**

		Consolidated						
		Paid-in share capital	Capital Reserve and Options Awarded	Other Comprehensive income (loss)	Accumulated deficit	Total shareholders' equity	Minority interests	Total shareholders' equity
Balance at December 31, 2011 (Re-presented)	Note	2,042,014	274,625	(71,670)	(970,896)	1,274,073	96,086	1,370,159
Profit (loss) for the year:		-	-	-	(435,202)	(435,202)	748	(434,454)
Other comprehensive income (loss):								
Translation adjustment in the year	12	-	-	(43,260)	658	(42,602)	-	(42,602)
Financial instrument adjustments	18	-	-	(4,137)	-	(4,137)	-	(4,137)
Minority Interests	20	-	-	-	-	-	54,704	54,704
Capital Transactions with Partners:								
Capital increase	20	1,689,720				1,689,720	-	1,689,720
Stock options granted by the Company	22	-	-	-	-	-	-	-
Stock options granted by the controlling shareholder	22	-	47,279	-	-	47,279		47,279
Adjustment Spin-off CCX Carvão - Colombia	12	-	-	-	2,845	2,845	-	2,845
Deferred asset adjustment		-	-	-	17,624	17,624		17,624
Balance at December 31, 2012 (Re-presented)		3,731,734	321,904	(119,067)	(1,384,971)	2,549,600	151,538	2,701,138
Loss for the year:		-	-	-	(942,455)	(942,455)	(1,966)	(944,421)
Other comprehensive income:								
Translation adjustment in the year	12	-	-	54,404	(53,366)	1,038	-	1,038
Financial instrument adjustments	18	-	-	11,379	-	11,379	-	11,379
Minority Interests	20	-	-	-	-	-	(25,938)	(25,938)
Capital transactions with partners:								
Capital increase	20	800,579				800,579	-	800,579
Stock options granted by the Company	22	-	-	-	-	-	-	-
Stock options granted by the controlling shareholder	22	-	28,610	-	-	28,610		28,610
Adjustment Spin-off CCX Carvão - Colombia	12	-	-	-	-	-	-	-
Deferred asset adjustment		-	-	-	1,489	1,489		1,489
Balance at December 31, 2013		4,532,313	350,514	(53,284)	(2,379,303)	2,450,240	123,634	2,573,874

The accompanying notes are an integral part of these financial statements.

Eneva S.A.
(Publicly held company)

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

	Parent Company		Consolidated	
				(Re-presented)
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
Cash flows from operating activities				
Loss for the year before income taxes	(828,055)	(460,922)	(933,269)	(497,323)
Adjustments to reconcile loss to cash flows from operating activities:				
Depreciation and amortization	2,280	1,535	146,539	8,811
Operations with derivative financial instruments	3,414	(4,031)	611	24,046
Stock options awarded	28,610	47,279	28,610	47,279
Provision for dismantlement	-	-	149	-
Equity in income of subsidiaries	469,179	230,120	153,012	158,103
Provision for unsecured liabilities	8,272	14,363	7,717	14,671
Provision for investment losses	(3)	(2)	23	1,237
Debenture interest/cost	786	130,864	786	130,864
Embedded derivatives	479	(62,482)	479	(62,482)
Interest on loans and related parties	147,857	46,230	364,832	47,248
Write-off CCC benefit			24,617	
Others	7,224	-		-
	(159,957)	**(57,045)**	**(205,894)**	**(127,546)**
Changes in assets and liabilities				
Other advances	(359)	1,318	(3,218)	6,633
Prepaid expenses	0	(635)	15,115	(12,609)
Accounts receivable	-	-	(273,051)	135
Taxes recoverable/deferred	(1,249)	33,304	(821)	56,371
Inventory	-	-	64,311	(84,497)
Taxes and contributions	307	302	38,693	(10,697)
Trade payables	(375)	2,551	215,956	(39,216)
Provisions and payroll charges	5,136	(1,098)	6,908	(6,266)
Accounts payable	0	16	80,423	(45,396)
CCC subsidies receivable	-	-	(13,241)	(12,732)
Debts/credits with related parties	(275,232)	(6,407)	(24,824)	1,231
Payment of debt charges	(144,091)	(12,556)	(360,199)	(150,795)
Other assets and liabilities	(21,299)	(9,496)	(51,027)	(30,284)
Cash effect spin-off of E.On	-	-	-	-
Cash effect Spin-off CCX Carvão da Colômbia	-	-	-	-
	(437,162)	**7,299**	**(304,975)**	**(328,122)**
Net cash used in operating activities	**(597,119)**	**(49,746)**	**(510,869)**	**(455,668)**
Cash flows from investment activities				
Acquisition of PPE and intangible assets	(2,602)	(417)	(1,275,962)	(1,159,848)
Capital increase in investments	(1,180,570)	(1,213,568)	(260,087)	(537,456)
Securities	-	-	3,440	5,996
Debt with related parties	(403,351)	(481,803)	(57,042)	(134,245)
Dividends receivable	2,040	322	-	(310)
Secured deposits	102,647	(45,958)	17,040	(19,691)
Net cash used in investment activities	**(1,481,836)**	**(1,741,423)**	**(1,572,611)**	**(1,845,553)**
Cash flows from financing activities				
Funding of borrowings and financing	2,117,335	886,567	2,562,932	2,064,982
Payment of principal	(930,000)		(1,399,752)	(762,889)
Gain (loss) on settled financial instruments	(4,567)	20,302	(119,512)	7,948
Capital increase	800,579	2,431,907	800,579	1,689,720
Dividends payable	-	-	(1,961)	
Adjustment Spin-off CCX Carvão da Colômbia	-	(742,187)	-	-
Debenture settlement	(500)	(1,559,414)	(500)	(1,559,414)
Net cash provided by (used in) financing activities	**1,982,847**	**1,037,175**	**1,841,786**	**1,440,347**
Increase/(decrease) in cash and cash equivalents	**(96,107)**	**(753,995)**	**(241,694)**	**(860,874)**
Increase (decrease) in cash and cash equivalents				
At the beginning of the year	206,263	960,258	519,277	1,380,151
At the end of the year	110,156	206,263	277,583	519,277
	(96,107)	**(753,995)**	**(241,694)**	**(860,874)**

The accompanying notes are an integral part of these financial statements.

Eneva S.A.
(Publicly held company)

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

	Parent Company		Consolidated	
				(Re-presented)
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
Revenue	**-**	**-**	**2,686,031**	**1,604,487**
Sales of goods, products and services	-	-	1,438,831	48,786
Revenue relating to construction of company assets	-	-	1,247,200	1,555,701
Consumables acquired from third parties (including ICMS and IPI)	**(45,220)**	**(65,848)**	**(1,213,964)**	**(142,567)**
Material, energy, outsourced services and others	(45,220)	(65,848)	(1,213,964)	(142,567)
Gross Value Added	**(45,220)**	**(65,848)**	**1,472,067**	**1,461,920**
	(2,280)	**(1,535)**	**(146,539)**	**(8,811)**
Depreciation, Amortization and Depletion	(2,280)	(1,535)	(146,539)	(8,811)
Net Value Added Produced	**(47,500)**	**(67,383)**	**1,325,528**	**1,453,109**
Transferred Value Added	**(377,153)**	**(104,845)**	**(94,788)**	**(449,783)**
Equity in income of subsidiaries	(469,179)	(230,120)	(153,012)	(158,103)
Financial income	100,295	139,637	73,167	(274,909)
Others	**(8,269)**	**(14,361)**	**(14,943)**	**(16,771)**
Derivative financial instruments	-	-	-	-
Provision for investment devaluation	3	2	(23)	(1,237)
Provision for unsecured liabilities	(8,272)	(14,363)	(7,717)	(14,672)
Losses on the sale of assets	-	-	(7,203)	(861)
Total Value Added to be Distributed	**(424,653)**	**(172,227)**	**1,230,740**	**1,003,326**
Distribution of value added	**(424,653)**	**(172,227)**	**1,202,601**	**1,003,325**
Personnel	**67,579**	**78,346**	**120,553**	**115,441**
Direct remuneration	46,638	57,788	61,977	64,803
Benefits	11,487	13,446	33,971	33,279
FGTS and Contributions	9,454	7,112	24,605	17,359
Others	-	-	-	-
Taxes, Duties and Contributions	**117,004**	**(25,624)**	**14,411**	**(61,959)**
Federal	117,004	(25,624)	14,411	(61,959)
State				
Capital remuneration of third parties	**333,219**	**210,253**	**2,012,058**	**1,384,297**
Interest	786	130,863	786	130,863
Rents	5,533	8,061	172,152	13,046
Others	**326,900**	**71,329**	**1,839,120**	**1,240,388**
Losses on derivative transactions	6,142	1,561	3,339	(398,638)
Advances to suppliers	-	-	1,247,200	1,555,701
Insurance	486	430	17,841	1,199
Exchange variance	15,097	952	18,399	(8,607)
Financial Costs	305,175	68,386	552,342	90,734
Capital remuneration	**(942,455)**	**(435,202)**	**(944,421)**	**(434,454)**
Loss for the year attributed to controlling shareholders	(942,455)	(435,202)	(942,455)	(435,202)
Loss for the year attributed to non-controlling shareholders	-	-	(1,966)	748

The accompanying notes are an integral part of these financial statements.

1 Reporting entity

MPX Energia S.A. ("Company") was founded on April 25, 2001 and is headquartered in Rio de Janeiro. The Extraordinary General Meeting held on September 11, 2013 approved the decision to change the Company's name to Eneva S.A.

Its core activity is the generation of electricity through the development of a diversified portfolio of sources, including mineral coal, natural gas and renewable sources. The Company has a diversified portfolio of projects, including thermal power plants in Brazil, in addition to renewable energy projects, such as solar and wind energy. In order to integrate its operations, the Company is also a shareholder in a natural gas production and exploration project in Brazil, which supplies gas to plants built by the company in Maranhão.

The Company participates as a quotaholder or shareholder of the companies that implement these projects and certain projects will be implemented in partnership with other parties in the energy sector. These projects were primarily funded through funds obtained under the Company's public share offering made on December 14, 2007 and January 11, 2008 (supplementary batch), amounting to R$ 2,035,410, in addition to financing and the issuance of 21,735,744 convertible debentures on June 15, 2011 amounting to R$ 1,376,527. On May 24, 2012, 21,653,300 debentures were converted generating the issuance of 33,255,219 new shares, as a result of the corporate reorganization implemented by the Company.

On March 28, 2013 the controlling shareholder of MPX Energia S.A., Mr. Eike Fuhrken Batista, entered into an investment agreement with E.ON SE consisting of the following events:

(a) On May 29, 2013 E.ON acquired Company shares held by Eike Batista accounting for approximately 24.5% of the share capital.

(b) On the date the shares were acquired, E.ON and Eike Batista entered into a new shareholders' agreement, which regulated the exercising of voting rights and restrictions on the transfer of shares held by them.

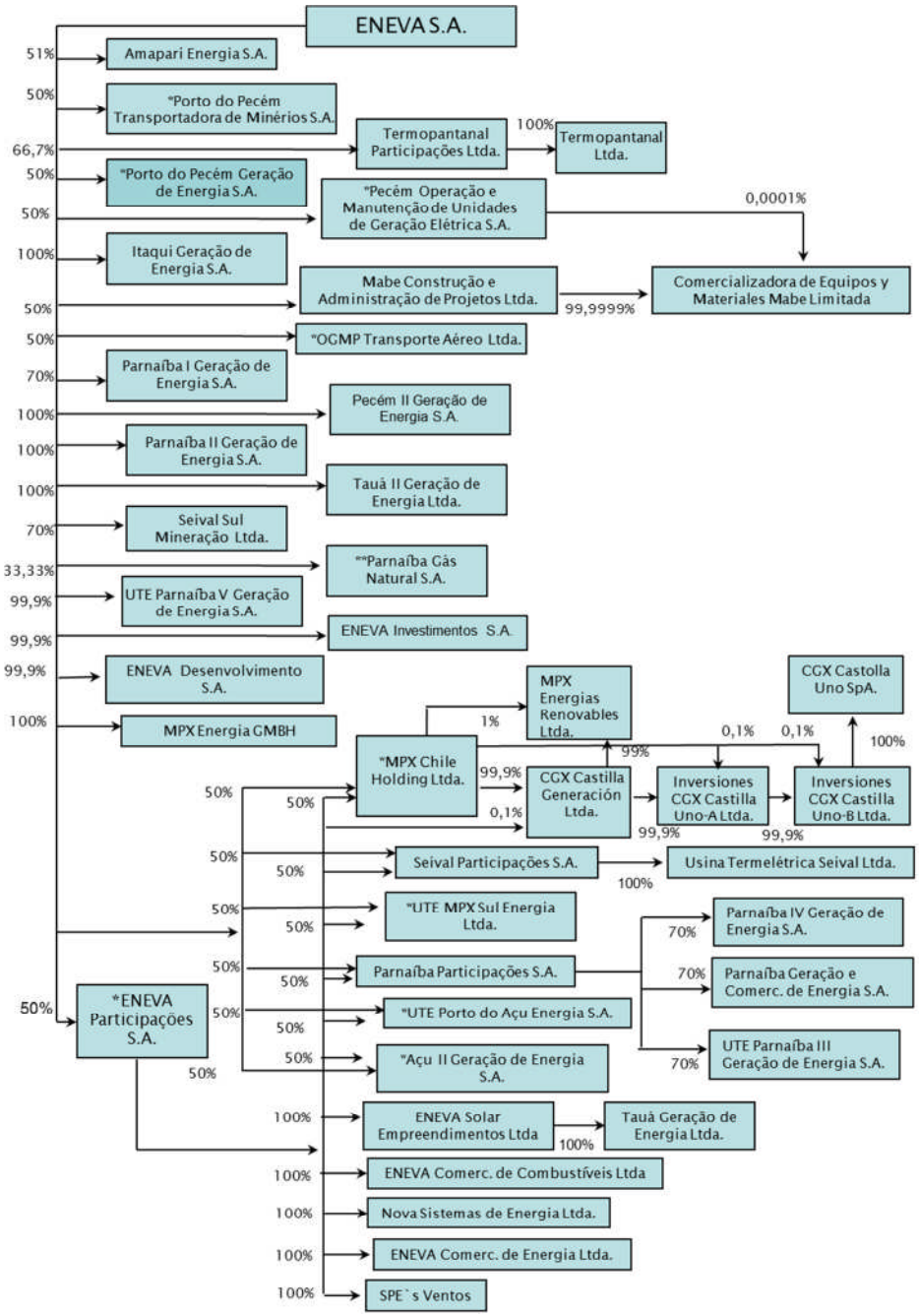
(c) In August 2013 a private capital increase was concluded of approximately R$ 800 million, with a subscription price fixed at R$ 6.45 per share.

(d) The shareholders will subsequently be asked to approve the acquisition by the Company at equity value of ENEVA Participações S.A., a joint-venture between the Company and EON ("JV").

As shown in the table below, on December 31, 2013 the economic group includes the Company and its equity interests in associated companies, direct and indirect subsidiaries, joint ventures and the Multimercado MPX 63 investment fund. The pre-operational companies are (for further details about the subsidiaries see Note 12):

- Parnaíba Geração de Energia S.A.;
- Porto do Pecém Geração de Energia S.A.;
- Pecém II Geração de Energia S.A.;
- Itaqui Geração de Energia S.A.;
- Amapari Energia S.A.;

- ENEVA Comercializadora de Energia Ltda.,
- ENEVA Comercializadora de Combustíveis Ltda.,
- Tauá Geração de Energia Ltda;
- Parnaíba III Geração de Energia S.A.;
- Parnaíba IV Geração de Energia S.A..



* Joint subsidiary.
** Associated company.

Directly or by way of its subsidiaries, joint subsidiaries and associated companies, the Company has been making the investments required to finalize the ventures in its portfolio and subsequently begin the commercial operation of the respective enterprises.

The Company took out a short-term debt to finance its operations in 2012 and 2013. The consolidated loans maturing in the next 12 months can be summarized as follows, from December 31, 2013:

- Between 6 and 9 months: R$ 101 million
- Between 9 and 12 months: R$ 1,433 million

The short-term debts outstanding in December 2013 were taken out to finance part of the investments made and to meet working capital requirements. The Company also is working to partially settle and roll forward its short-term debts to the long term and is mainly considering the following events in its business plan:

- Long-term financing for Parnaíba II in 2014 of R$ 960 million
- Long-term financing for Parnaíba III and IV of R$ 270 million
- Possibility of re-leveraging the Pecém II Geração de Energia and Itaqui Geração de Energia S.A. ventures in an operation through the issue of debentures of R$ 650 million
- Lengthening the short-term debt of the Parnaíba Geração de Energia venture in operation by a total of R$ 125 million

In addition to the re-leveraging of certain projects described above, the Company is analyzing potential measures to bolster the capital structure and create the means necessary to permit a substantial reduction in its leverage.

2 Licenses and permits

ENEVA is committed to obtaining all the legal licenses and permits required for each of its facilities and activities. The Company and its investees have the following environmental licenses and permits at December 31, 2013:

Held by	Ventures	Licenses	Expiry
ITAQUI GERAÇÃO DE ENERGIA S.A.	UTE PORTO DO ITAQUI	LO 1,101/2012	10.26.2017
	TRANSMISSION LINE	LO 1,061/2011	12.16.2017
PORTO DO PECÉM GERAÇÃO DE ENERGIA S.A.	UTE PORTO DO PECEM I	LO 1,062/2012	12.28.2015
	PECEM I TRANSMISSION LINE	LO 889/2012	9.26.2015
PECÉM II GERAÇÃO DE ENERGIA S.A.	UTE PORTO DO PECÉM II	LO 09/2013	2.8.2016
	PECEM II TRANSMISSION LINE	LO 108/2013	7.17.2016
AMAPARI ENERGIA S.A.	UTE SERRA DO NAVIO (including TL)	LO 172/2013	3.25.2016
TAUÁ GERAÇÃO DE ENERGIA LTDA.	USINA SOLAR TAUÁ 1MW - (including TL)	LO 133/2012*	2.28.2014
	USINA SOLAR TAUÁ 4MW	LI 15/2012*	3.5.2014
	USINA SOLAR TAUÁ (45MW)	LP 253/2012	8.15.2015
PARNAÍBA GERAÇÃO DE ENERGIA S.A.	MARANHÃO IV AND V	LO 559/2012	12.20.2016
PARNAÍBA II GERAÇÃO DE ENERGIA S.A.	MARANHÃO III	LI 274/2011*	12.27.2013
PARNAÍBA GERAÇÃO DE ENERGIA S.A.	MARANHÃO IV AND V (cycle closure)	LI 273/2011*	12.5.2013
ENEVA S.A.	MCE NOVA VENECIA 2	LO 336/2013	9.23.2017
ENEVA S.A.	UTE PARNAIBA I	LI 111/2012*	5.9.2013
ENEVA S.A.	UTE PARNAÍBA II	LI 003/12*	11.11.2013
PARNAÍBA IV GERAÇÃO DE ENERGIA S.A.	PARNAÍBA IV	LO 415/2013	11.25.2017
	UTE PORTO DO AÇU II	LP IN 15964*	3.1.2013
	TRANSMISSION LINE	LI IN 019365	4.24.2015
AÇU III GERAÇÃO DE ENERGIA LTDA.	EÓLICA MARAVILHA	LI IN 000208*	5.22.2012
	EÓLICA MUNDÉUS	LI IN 000207*	5.22.2012
ENEVA S.A.	MPX SUL TPP	LP 332/2009*	12.22.2012
SUL GERAÇÃO DE ENERGIA LTDA.	BARRAGEM MPX SUL	LP 601/2010*	5.21.2012

Held by	Ventures	Licenses	Expiry
SEIVAL GERAÇÃO DE ENERGIA LTDA.	UTE SEIVAL	LI 589/2009*	2.17.2014
SEIVAL SUL MINERAÇÃO LTDA.	SEIVAL MINE	LO No. 9221/2009*	10.20.2013
CENTRAL EÓLICA MORADA NOVA LTDA.	CGE MORADA NOVA	LP 0010/2012	8.10.2014
CENTRAL EÓLICA SÃO FRANCISCO LTDA.	CGE SÃO FRANCISCO	LP 0083/2012	
CENTRAL EÓLICA MILAGRES LTDA.	CGE MILAGRES	LP 0084/2012	
CENTRAL EÓLICA SANTA LUZIA LTDA.	CGE SANTA LUZIA	LP 0085/2012	
CENTRAL EÓLICA PEDRA VERMELHA I LTDA.	CGE PEDRA VERMELHA I	LP 0090/2012	
CENTRAL EÓLICA ASA BRANCA LTDA.	CGE ASA BRANCA	LP 0091/2012	
CENTRAL EÓLICA SANTO EXPEDITO LTDA.	CGE SANTO EXPEDITO	LP 0092/2012	
CENTRAL EÓLICA PEDRA VERMELHA II LTDA.	CGE PEDRA VERMELHA II	LP 0093/2012	
CENTRAL EÓLICA PAU D´ARCO LTDA	CGE PAU D´ARCO	LP 0184/2013	4.26.2015
CENTRAL EÓLICA PEDRA ROSADA LTDA	CGE PEDRA ROSADA	LP 0187/2013	5.2.2015
CENTRAL EÓLICA PAU BRANCO LTDA	CGE PAU BRANCO	LP 0189/2013	5.10.2015
CENTRAL EÓLICA ALGAROBA LTDA	CGE ALGAROBA	LP 0186/2013	5.6.2015
CENTRAL EÓLICA UBAEIRA I LTDA	CGE UBAEIRA I	LP 0188/2013	5.10.2015
CENTRAL EÓLICA UBAEIRA II LTDA	CGE UBAEIRA II	LP 0185/2013	5.6.2015
CENTRAL EÓLICA SANTA BENVINDA I LTDA	CGE SANTA BENVINDA I	LP 0183/2013	5.23.2015
CENTRAL EÓLICA SANTA BENVINDA II LTDA	CGE SANTA BENVINDA II	LP 0191/2013	5.10.2015
CENTRAL EÓLICA BOA VISTA I LTDA	CGE BOA VISTA I	LP 0268/2013	6.18.2015
CENTRAL EÓLICA BOA VISTA II LTDA	CGE BOA VISTA II	LP 0270/2013	6.18.2015
CENTRAL EÓLICA BONSUCESSO LTDA	CGE BONSUCESSO	LP 0271/2013	6.18.2015
CENTRAL EÓLICA PEDRA BRANCA LTDA	CGE PEDRA BRANCA	LP 0269/2013	6.18.2015

(*) The renewal of environmental licenses was applied for at least 120 (one hundred and twenty) days before the validity expires, as fixed in the respective license, and is extended automatically until the respective environmental authority states its final position. (Supplementary Law 140/2011 art. 14 (4).

3 Presentation of the financial statements

The financial statements have been prepared based on the historic cost basis, adjusted to realization value when applicable, except for financial instruments held at fair value, including derivative instruments.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company and financial statements are disclosed in Note 5.

(a) Consolidated financial statements

The consolidated financial statements have been prepared and are being presented in accordance with Brazilian accounting practices, including the pronouncements issued by the Accounting Pronouncements Committee (CPCs) and International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

The presentation of the individual and consolidated Statement of Value Added (DVA) is required by Brazilian corporate legislation and the accounting practices adopted in Brazil that apply to listed companies. IFRS does not require the presentation of this statement. As a consequence, under IFRS this statement is being presented as supplementary information, without prejudice to the set of the financial statements.

(b) Individual financial statements

The individual financial statements have been prepared in accordance with the accounting practices adopted in Brazil, issued by the Accounting Pronouncements Committee and are disclosed in conjunction with the consolidated financial statements.

In the individual financial statements the subsidiaries and joint operations are recorded by the equity accounting method and adjusted according to the proportion held by the Company's contractual rights and obligations.

For the purpose of BR GAAP, Law 11941/09 abolished deferred assets, permitting the maintenance of the balance accumulated up to December 31, 2008, which may be amortized in up to 10 years, subject to impairment tests. Following the adoption of IFRS, the Company recorded the amount of R$ 26,192 in the consolidated accumulated losses, net of tax at January 1, 2009, corresponding to its and its subsidiaries' deferred charges at that date. The difference between the individual and consolidated shareholders' equity is therefore related to the deferred asset which was recognized in accumulated losses in the consolidated shareholders' equity.

The table below shows the reconciliation between the individual and consolidated shareholders' equities at December 31, 2013:

	2013
Shareholders' equity - Parent Company	2,468,743
Deferred charges - Law 11941/09	(18,503)
Shareholders' equity - Attributable to controlling shareholders	2,450,240

The Board of Directors authorized the issuance of these financial statements on March 27, 2013.

(c) Changes in accounting policies and disclosures

The following pronouncements were adopted for the first time in the financial year that started on January 1, 2013 and had material impacts on the Company.

(i) CPC 19 (R2)/IFRS 11 - "Joint Arrangements" is driven by the rights and obligation of the parties arising from the arrangement rather than the legal form of the arrangement. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise when investors have rights over the assets and liabilities related to the business. The joint operator should recognize its assets, liabilities, revenue and expenses. Joint ventures arise when the rights are held over the business's net assets and are recognized by equity accounting. Proportionate consolidation is no longer permitted. The impacts of this adoption on the financial statements can be seen in Note 4.

(ii) CPC 36 (R3)/IFRS 10 - "Consolidated Financial Statements", Under IFRS 10, the structure of the joint arrangement is the main factor in determining whether the entity will be included in the consolidated financial statements of the parent company. The impacts of this change on the financial statements can be seen in Note 4.

(iii) CPC 40 (R1)/IFRS 7 - "Financial Instruments: Disclosure" - this amendment includes new disclosure requisites regarding the offsetting of assets and liabilities.

(iv) CPC 45/IFRS 12 - "Disclosure of Interests in Other Entities" brings together the disclosure requirements about an entity's interests in other entities, including joint arrangements, associated companies, unconsolidated structured entities and other entities not reported in the balance sheet.

(v) CPC 46/IFRS 13 - "Fair value measurement" aims to improve consistency and reduce complexity when measuring fair value, providing a more precise definition and a single source for measuring fair value and disclosure requirements.

The main accounting policies used to prepare these financial statements are defined in Note 4. These policies were consistently applied in the previous years presented, unless stipulated otherwise.

4 Significant accounting policies

The main accounting policies used to prepare these financial statements are as follows.

4.1 Consolidation

The consolidated financial statements include the financial statements of the parent company and the companies the Company has the (direct or indirect) control of and Exclusive Funds, as shown below:

	Parent Company Interest	
	2013	**2012**
Direct subsidiaries (consolidated)		
Pecém II Geração de Energia S.A.	100.00%	99.70%
Itaqui Geração de Energia S.A.	100.00%	100.00%
Amapari Energia S.A.	51.00%	51.00%
Seival Sul Mineração Ltda.	70.00%	70.00%
Termopantanal Participações Ltda.	66.67%	66.67%
Parnaíba Geração de Energia S.A.	70.00%	70.00%
Parnaíba II Geração de Energia S.A.	100.00%	100.00%
Parnaíba V Geração de Energia S.A.	99.99%	99.99%
Parnaíba Geração e Comercialização de Energia S.A.		70.00%
ENEVA Investimentos S.A.	99.99%	99.99%
ENEVA Desenvolvimento S.A.	99.99%	99.99%
Tauá II Geração de Energia Ltda.	100.00%	100.00%
Exclusive funds:		
Fundo de Investimento em Cotas de Fundos de Investimento Multimercado Crédito Privado MPX 63	100.00%	100.00%
Fundo de Investimento Multimercado Crédito Privado MPX	100.00%	100.00%

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

(a) Subsidiaries

Subsidiaries are entities the Company exercises control over. The Company controls an entity when it is exposed or entitled to variable returns deriving from its involvement in the entity and can interfere in its returns due to the power it exercises over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company uses the acquisition method to record business combinations. The amount transferred to acquire a subsidiary is the fair value of the transferred assets, liabilities incurred and equity instruments issued by the Company. The amount transferred includes the fair value of assets and liabilities resulting from a contingent payment contract when applicable. Acquisition costs are expensed in the statement of operations for the year as and when incurred. The identifiable assets acquired and the liabilities and the contingent liabilities undertaken in a business combination are initially measured at fair value at the acquisition date. The Company recognizes the minority interest in the acquired party at both fair value and the proportional amount of the minority interest in the fair value of the acquired party's net assets. The minority interest is measured on the date of each acquisition.

Any excess of (i) the amount transferred (ii) the minority interest in the acquiree, (iii) the fair value at the acquisition date of any previous equity interest in the acquired party in relation to the fair value of the Group's interest in net identifiable assets acquired is recorded as goodwill. When the total amount transferred, the minority interest recognized and the measurement of the interest previously held is lower than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in profit or loss for the year.

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

(b) Transactions with minority interests

The Company accounts for transactions with minority interests as transactions with owners of the Company's assets. For acquisitions of minority interests, the difference between any consideration paid and the portion of the book value of the subsidiary's net assets acquired is recorded in the shareholders' equity. Gains or losses on sales to minority interests are also recorded in the shareholders' equity in the account "Equity Appraisal Adjustments".

(c) Loss of control over subsidiaries

When the Company ceases to exercise control, any interest held in the entity is remeasured at fair value, and the change in book value is recognized in the statement of operations. The fair value is the book value for the subsequent recording of the interest held in an associated company, joint-venture or a financial asset. Furthermore, any amounts previously recognized in other comprehensive income relating to that entity are recorded as though the Company had directly sold the related assets or liabilities. The amounts previously recognized in other comprehensive income are therefore reclassified in the income statement of operations.

(d) Associated companies and joint arrangements

Associated companies are all the entities over which the Company exercises significant influence but does not control, in which it generally holds an equity interest of between 20% and 50% of the voting rights.

Joint arrangements are arrangements for which the Company has joint control. Joint arrangements are classified as joint operations or joint ventures, depending on the contractual rights and obligations of each investor.

Joint operations are recorded in the financial statements to represent the Company's contractual rights and obligations. The assets, liabilities, revenue and expenses related to their interests in joint operations are therefore recorded individually on the financial statements.

Investments in associated companies and joint ventures are recorded by the equity accounting method and recognized initially at cost. The Company's investment in associated companies and joint ventures include the goodwill identified on the acquisition, net of any accumulated impairment loss.

The Company's interest in the profits or losses of its associated companies and joint ventures is recognized in the statement of operations and its interest in the changes in reserves is recognized in the Company's reserves. When the Company's interest in the losses of an associated company or joint venture is equal to or greater than the carrying amount of the interest in that company, including any other receivables, the Company does not recognize additional losses, unless it has incurred obligations or makes payments on behalf of the associated company or joint venture.

Unrealized gains on transactions between the Company and its associated companies and joint ventures are eliminated in proportion to the Company's interest. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the policies adopted by the Company.

If the equity interest in the associated company diminishes but significant influence is maintained, only a proportional part of the amount previously recognized in other comprehensive income will be reclassified in the statement of operations, where appropriate.

Gains and losses resulting from dilutions occurring in interests in associated companies are recognized in the statement of operations.

4.2 Segment reporting

Operating segments are reported consistently with the internal reports provided to the main operating decision taker. The main taker of operating decisions, responsible for allocating funds and evaluating the performance of operating segments, is the Board of Directors, which is also responsible for making the Company's strategic decisions.

4.3 Foreign currency translation

(a) Functional currency and reporting currency

The items included in each of the company's entities' financial information are measured by using the currency of the main economy in which the company operates ("functional currency"). The individual and consolidated financial statements are presented in R$, which is the Company's functional currency and the Company's reporting currency. The functional currency of its joint venture MPX Chile Holding Ltda. is the Chilean peso (MPX Chile Holding Ltda.), in function of its business plans, the economic environment and primarily due to its operating costs. Monetary assets and liabilities denominated in foreign currencies were translated into reais at the foreign exchange rate ruling at the balance sheet date.

(b) Transactions and balances

Foreign-currency transactions are translated into the functional currency at the exchange rates prevailing on the transaction or valuation dates, on which the items are remeasured. Exchange gains and losses resulting from the settlement of these transactions and the translation at the exchange rates at the end of the financial year for monetary assets and liabilities denominated in foreign currency are recognized in the statement of operations, except when qualified as hedge accounting and are therefore deferred in equity as cash flow hedges and net investment hedges.

Exchange gains and losses related to loans and cash and cash equivalents are stated in the statement of operations as financial income or costs.

(c) Companies with different functional currency

The results and financial position of MPX Chile Holding Ltda (which does not have the currency of a hyper-inflationary economy) whose functional currency is different from the reporting currency are translated into the reporting currency as follows:

(i) The assets and liabilities of each statement of financial position presented are translated at the closing rate on the reporting date.

(ii) The revenue and expenses of each statement of operations are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates in force on the operations' date, in which case the revenue and expenses are translated at the rate on the date of the operations).

(iii) All resulting exchange differences are recognized as a separate component in the equity account "Equity appraisal adjustments".

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of loans and other currency instruments designated as hedges of such investments, are recognized in equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of operations as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, with immaterial risk of change in value, where the balance is presented net of the balances of overdrafts in the statement of cash flows.

4.5 Financial assets

4.5.1 Classification

The Company classifies its financial assets at initial recognition in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets. Derivatives are also classified as held for trading, except for those designated as hedge instruments.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented in current assets, except for maturities greater than 12 months after the end of the reporting period (in which case they are classified under noncurrent assets).

4.5.2 Recognition and measurement

The purchase and sale of financial assets are normally recognized at the trading date. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of operations. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Company has substantially transferred all risks and rewards of ownership. Loans and receivables are subsequently carried at amortized cost using the effective interest rate method.

Gains or losses deriving from changes to the fair value of financial assets measured at fair value through profit and loss are stated in the statement of operations under "Financial income or costs" in the period in which they occur.

Exchange variances on the monetary instruments are recognized in profit or loss. Exchange variances on non-monetary instruments are recognized in equity.

4.5.3 Offsetting of financial instruments

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

4.5.4 Impairment of financial assets

(a) Assets carried at amortized cost

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

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

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

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

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

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

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

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

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

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

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

4.5.5 Derivative financial instruments and hedge operations

Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated or not, as a hedging instrument, in the case of adoption of hedge accounting. In this case, the method depends on the nature of the item being hedged. The Company uses hedge accounting and designates certain derivatives as hedges of a specific risk associated to an asset or liability recognized or a highly probable forecast operation (cash flow hedge).

On initial designation, the Company formally documents the relationship between the hedging instrument and hedged items, including the risk management objectives and strategy in undertaking the hedge transactions. The Company also makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items.

The fair values of the derivative instruments used for hedging purposes can be seen in Note 18. The total fair value of a hedging derivative is classified as a non-current asset and liability when the remaining term of the hedged item is greater than 12 months and as a current asset or liability, when the remaining term of the hedged item is less than 12 months. Trading derivatives are classified in current assets or liabilities.

(a) Cash flow hedges

The effective part of the changes in the fair value of the designated derivatives classified as cash flow hedges are recognized in shareholders' equity in the account "Equity Valuation Adjustment". The gain or loss related to the non effective portion is immediately recognized in profit or loss as "Financial income or costs".

The amounts accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss (for example, when the sale occurs of a hedged item). The gain or loss related to the effective portion of interest-rate swaps for hedging floating interest loans is recognized in profit or loss as "Financial income or costs". The gain or loss related to the non effective portion is recognized in profit or loss as "Financial income or costs".

When the hedged instrument matures or is sold or when the hedge no longer meets the hedge accounting criteria, any accumulated gain or loss in the equity at that time remains in equity and is recognized in profit or loss when the operation is recognized in the statement of operations. When an operation is no longer expected to occur, the accumulated gain or loss that had been recorded in equity is immediately transferred to profit or loss in "Other operating expenses".

(b) Derivatives measured at fair value through profit or loss

Certain derivative instruments do not qualify for hedge accounting. The changes in the fair value of any of the derivative instruments are immediately recognized in the statement of operations under "Financial income or costs".

4.5.6 Trade receivables

Trade receivables are amounts due for the sale of electricity in the ordinary course of the Company's business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less a provision for impairment of trade receivables.

4.5.7 Inventories

Inventories are measured at the lower of cost and net realizable value. The valuation method of the inventory is the weighted moving average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

4.5.8 Intangible assets

(a) Goodwill

The goodwill consists of the positive difference between the amount paid and/or payable for the acquisition of an entity and the net amount of the acquired subsidiary's assets and liabilities at fair value. Goodwill resulting from the acquisition of subsidiaries is recorded as intangible assets in the consolidated financial statements. Any negative goodwill will be recorded as a gain in the net income for the period, on the acquisition date. The goodwill is tested for impairment annually. Goodwill is recorded at cost value less amortization charges and accumulated impairment losses. The goodwill is amortized over the plant's authorization period. Impairment losses recognized in goodwill are not reversed. The gains and losses from selling an entity include the book value of the goodwill related to the sold entity.

The goodwill is allocated to the cash generating units (UCGs) for the purpose of impairment testing. This allocation is made to the cash generating units or groups of cash generating units that will benefit from the business combination generating the goodwill, and is identified by operational segment.

(b) Other intangible assets

Intangible assets consist of assets acquired from third parties, with finite useful lives and are measured at cost, less accumulated amortization and accumulated impairment, when applicable. The other intangible assets primarily consist of energy generation contracts acquired from third parties.

4.5.9 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at the historic cost of acquisition or construction, minus accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of assets built by the Company itself includes:

- the cost of materials and direct labor,
- any other costs to bring the asset to its location and condition necessary so it can be operated as intended by Management,

- the dismantling costs, and the restoration of the site where these assets are located, and
- loan costs on qualifiable assets.

The cost of property, plant and equipment can include reclassifications from other comprehensive income of qualifiable cash flow hedges for the purchase of fixed assets in foreign currency. The software purchased as an integral part of a piece of equipment is capitalized as a part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, these items are recorded as separate items (principal constituents) of property, plant and equipment.

The gains and losses deriving from the sale of property, plant and equipment (determined by comparing the funds obtained through the sale against the book value of the property, plant and equipment), are recorded net amongst other revenue/expense figures in the statement of operations.

Subsequent costs

Subsequent expenses are capitalized to the extent it is probable that the future benefits associated with these expenses will be transferred to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated by the straight-line method in the statement of operations for the year, based on the useful estimated economic life of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date they are installed and are available for use, or in the case of internally constructed assets, on the date construction is completed and the asset is available for use.

4.5.10 Impairment of non-financial assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. This value is the higher between the fair value of an asset, minus selling costs, and its value in use. For impairment testing purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating Units - CGUs). Non-financial assets, excluding goodwill, that have been adjusted for impairment are subsequently reviewed in order to analyze a possible reversal of the impairment at the reporting date.

The expected recoverability of the non-financial assets is based on the projection of future profit taking into consideration business and financial assumptions at the year end. Accordingly, these estimates may differ from the effective profit in the future due to the inherent uncertainties involving these estimates.

4.5.11 Trade accounts payable

Trade payables are obligations payable to suppliers for goods and services acquired in the normal course of business, and are classified as current liabilities if the payment is due within a year. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

4.5.12 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the settlement value is recognized in the statement of operations over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributed to the acquisition, construction or production of a qualifiable asset, i.e. an asset that requires a long time to be concluded for the purpose of use or sale, are capitalized as part of the asset's cost when it is probable that they will result in future economic benefits for the entity and that such costs can be reliably measured. Other borrowing costs are recorded as an expense in the period in which they are incurred.

4.5.13 Provisions

Provisions are recognized when: (i) the Company has a present legal or constructive obligation as a result of past events; (ii) it is not probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated. The provisions do not include future operating losses.

When there is a number of similar obligations, the probability of settling them is determined, taking into account the class of the obligations taken as a whole. A provision is recognized even if the probability of settlement related to any other individual items included in the same class of obligations is minimal.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, at a before tax rate, which reflects the current market valuations of the money's value and specific risks inherent to the obligation. Any increase in the obligation over the course of time is recognized as a financial cost.

4.5.14 Current and deferred income and social contribution taxes

The income tax and social contribution expenses for the period comprise current and deferred taxes. Income taxes are recognized in the statement of operations, except to the extent that they relate to items recognized in comprehensive loss or directly in equity. In this case, the taxes are also recognized in comprehensive loss or directly in equity.

The current income tax and social contributions are calculated using tax rates enacted or substantively enacted at the reporting date in the countries in which the Company's entities operate and generate taxable income. Management periodically evaluates the positions taken by the Company in income tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income and social contribution taxes are stated net, by entity, in liabilities when there are amounts payable, or in assets when the prepaid amounts exceed the total amount due at the reporting date.

Deferred income tax and social contribution are recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income and social contribution taxes are not recognized if they arise from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is recognized on temporary differences deriving from investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Company and provided it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred income tax assets and liabilities are presented net in the balance sheet when there is a legal right and intention to offset them against current taxes, generally related to the same legal entity and tax authority. Deferred tax assets and liabilities in different entities or in different countries are generally presented separately, and not net.

4.5.15 Employee benefits

(a) Share-based payments

The Company has a series of remuneration plans, consisting of shares, by which the entity receives services from employees in exchange for shares of the Company. The fair value of the employee's services received in exchange for options is recognized as an expense. The total amount to be recognized is determined by reference to the fair value of the awarded options, not including the impact of any rights acquisition conditions based on service and performance other than market conditions (for example, profitability, sales targets and length of service for a specific time period). The acquisition right conditions other than market conditions are included in the assumptions about the number of options whose rights should be acquired. The total value of the expenses is recognized during the vesting period; during which the specific acquisition conditions have to be met. At the reporting date the entity revises its estimate of the number of options whose rights should be acquired based on the acquisition right conditions other than market conditions. It recognizes the impact on the review of the initial estimates, if applicable, in profit or loss, with a corresponding adjustment in equity.

The amounts received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

(b) Profit sharing

The Company recognizes a profit-sharing liability and expense using a method that takes into account the profit attributable to the Company's employees after certain adjustments. A provision is recognized when the Company has a contractual obligation or a past event that has created a constructive obligation.

4.5.16 Share capital

Common shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of any tax effects.

4.5.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of electricity in the ordinary course of the Company's activities. Revenue is stated net of tax, returns, rebates and discounts and after eliminating intercompany sales.

The Company recognizes revenue when the amount can be reliably estimated, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each sale.

(a) Electricity sales

Revenue on any sales is recognized by a measurement equal to the volume of energy transferred to the client and estimates to measure the energy delivered, but does not yet take into account the measurements prior to closing the financial year. Revenue derives from electricity supply agreements, including a fixed monthly amount and variable amount according to the demand required by the National Electric System Operator - ONS.

(b) Financial revenue

Financial revenue is recognized according to the term incurred on the accrual basis, using the effective interest rate method. When an impairment loss in respect of an accounts receivable is identified, the Company reduces its carrying amount to its recoverable value, which is the estimated future cash flow discounted at the instrument's original effective interest rate. Subsequently, as time goes by, interest is incorporated into receivables against interest income. This interest income is calculated at the same effective interest rate used to determine the recoverable amount, i.e., the original rate of the instrument.

4.5.18 Leasing

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made for operating leases (net of any incentives received from the leaser) are recognized in the income statement of operations on the straight-line method during over the period of the lease.

4.5.19 Distribution of dividends and interest on shareholders' equity

Dividends and interest on shareholders' equity paid to the Company's shareholders are recognized as a liability in the Company's financial statements at the end of the year, pursuant to the Company's bylaws. Any amount in excess of the mandatory minimum dividend is only provided for on the date they are approved by the shareholders at the Board of Directors meeting.

The tax incentive for interest on shareholders' equity is recognized in profit or loss.

4.5.20 Fuel Usage Quota Subsidy - CCC

This subsidy aims to cover part of the elevated cost of generating electricity in isolated systems, whose funds derive from the Fuel Consumption Account (CCC).

This denotes revenue from the subsidy received for fuel ordered or paid for via the CCC.

4.5.21 Change in accounting policies and re-presentation of comparative figures

The changes in the accounting policies impacted the consolidated financial statements, requiring the re-presentation of comparative figures, as required by the IAS 8. The main adjustments made and the impacts on the financial statements of the reported periods are as follows:

(a) Proportional deconsolidation

The Company holds joint control in a 50% investment in the companies shown in our organizational chart in Note 1. Because the parties to the agreement are entitled to the company's net assets, this agreement has been classified as a joint-venture and accordingly accounted for by the equity accounting method. The investment used to be consolidated proportionately.

The statement below shows the changes made to the comparative balances represented in these financial statements:

	Consolidated		
	2012		
Assets	**Originally reported**	**Adjustments**	**Re-presented**
Current			
Cash and cash equivalents	590,469	(71,192)	519,277
Securities	3,441		3,441
Accounts receivable	152,114	(130,769)	21,345
Subsidies receivable - Fuel Consumption Account	17,561		17,561
Inventories	211,718	(69,031)	142,687
Prepaid expenses	40,462	(21,111)	19,351
Recoverable taxes	57,438	(20,028)	37,410
Gain on derivatives	3,018		3,018
Other advances	20,267	(18,484)	1,783
Secured deposits	4,237	(4,202)	35
Other accounts receivable	3	(3)	
	1,100,728	(334,820)	765,908
Non-current			
Long-term			
Prepaid expenses	8,705	(211)	8,494
Secured deposits	137,717	(2,069)	135,648
Subsidies receivable - Fuel Consumption Account	24,617		24,617
Recoverable tax	34,709	(10,675)	24,034
Deferred income and social contribution taxes	456,123	(150,575)	305,548
Loan with subsidiaries	359	134,567)	134,926
Accounts receivable from other related parties	8,575	(7,441)	1,134
Accounts receivable from associated companies	3,732	3,061)	6,793
Advance for future capital increase - with associated companies		12,425	12,425
Embedded derivatives	479		479
	675,016	(20,918)	654,098
Investments	62,956	770,999	833,955
Property, plant and equipment	7,362,815	(1,792,416)	5,570,399
Intangible assets	249,665	(34,429)	215,236
	9,451,180	(1,411,584)	8,039,596

	Consolidated		
	2012		
	Originally reported	Adjustments	Re-presented
Liabilities			
Current			
Trade payables	228,638	(113,377)	115,261
Borrowings and financing	1,915,402	(95,428)	1,819,974
Debts with associated companies		26,783	26,783
Debts with controlling company	3,407	(3,407)	
Debts with other related parties	19,057	(15,068)	3,989
Debentures	111		111
Taxes and contributions payable	11,375	(4,134)	7,241
Social and labor obligations	12,980	(3,117)	9,863
Losses on derivative transactions	39,506	(16,555)	22,951
Contractual retention	133,935	(56,561)	77,374
Profit sharing	23,900	(3,267)	20,633
Dividends payable	1,960		1,960
Other liabilities	16,888	(13,563)	3,325
	2,407,159	(297,694)	2,109,465
Non-current			
Loans and financing	4,151,947	(1,047,141)	3,104,806
Debts to other related parties	215	215	430
Debentures	4,954		4,954
Embedded derivatives			
Losses on derivative transactions	166,992	(72,195)	94,797
Provision for unsecured liabilities		19,840	19,840
Deferred income and social contribution taxes	10,431	(8,383)	2,048
Provision for dismantlement	4,197	(2,079)	2,118
Other provisions	710	(710)	
	4,339,446	(1,110,453)	3,228,993
Shareholders' equity			
Capital	3,731,734		3,731,734
Capital reserve	321,904		321,904
Equity appraisal adjustments	(119,067)		(119,067)
Accumulated deficti	(1,384,971)		(1,384,971)
Shareholders' equity attributable to controlling shareholders	2,549,600		2,549,600
Minority interests	154,975	(3,437)	151,538
Total shareholders' equity	2,704,575	(3,437)	2,701,138
	9,451,180	(1,411,584)	8,039,596

Statement of operations for the year

	Consolidated		
	2012		
	Originally reported	Adjustments	Re-presented
Revenue from goods sold and services provided	490,940	(442,154)	48,786
Cost of goods and/or services sold	(597,554)	546,605	(50,949)
Gross profit	(106,614)	104,451	(2,163)
Operating income/expenses	(314,937)	(89,771)	(404,708)
General and administrative	(280,284)	49,258	(231,026)
Personnel and management	(134,188)	22,748	(111,440)
Other expenses	(20,860)	8,449	(12,411)
Outsourced services	(107,473)	15,334	(92,139)
Depreciation and amortization	(3,976)	1,188	(2,788)
Leasing and rentals	(13,787)	1,539	(12,248)
Other operating revenue	1,823	(615)	1,208
Other operating expenses	(2,241)	(14,546)	(16,787)
Unsecured liability		(14,671)	(14,671)
Losses on the sale of assets	(895)	16	(879)
Provision for investment losses	(1,346)	109	(1,237)
Equity in income of subsidiaries	(34,235)	(123,868)	(158,103)
Result before financial income/costs and taxes on income	(421,551)	14,680	(406,871)
Financial result	(127,540)	37,087	(90,453)
Financial income	165,279	(415,102)	(249,823)
Exchange variance - gain	74,258	(49,172)	25,086
Fair value of debentures	62,482		62,482
Interest income bank deposits	85,136	(8,537)	76,599
Derivative financial instruments	(66,739	(355,945)	(422,684)
Other financial income	10,142	(1,448)	8,694
Financial costs	(292,819)	452,189	159,370
Exchange variance loss	(89,793	73,314	(16,479)
Derivative financial instruments	29,018	369,620	398,638
Debenture interest/cost	(130,863)		(130,863)
Fair value of debentures			
Other financial expenses	(101,181)	9,255	(91,926)
Results before taxes on net income	(549,091)	51,767	(497,324)
Income and social contribution taxes on profit	114,638	(51,762	62,876
Current	(2,289)	368	(1,921)
Deferred charges	116,927	(52,130)	64,797
Net result for the year	(434,453)	5	(434,448)
Loss for the year	(434,453)	5	(434,448)
Attributed to partners of the parent company	(435,201)		(435,201)
Attributed to minority partners	749	5	754
Loss per share			
Basic and diluted loss per share (R$)	(0.7513)	(0.8705)	(1.6218)

Statement of cash flows - indirect method

	Consolidated		
	2012		
	Originally reported	Adjustments	Re-presented
Cash flows from operating activities			
Loss before IR and CSLL	(549,092)	51,769	(497,323)
Adjustments to reconcile loss to cash flow from operating activities			
Depreciation and amortization	3,976	4,835	8,811
Equity in income of subsidiaries	34,235	123,868	158,103
Operations with derivative financial instruments	37,721	(13,675)	24,046
Stock options awarded	47,279		47,279
Amortization of deferred charges			
Investment devaluation	1,346	(108)	1,237
Provision for unsecured liabilities		14,671	14,671
Provision for dismantlement	(683)	683	
Minority interests			
Deferred income and social contribution liabilities, net			
Current income and social contribution taxes			
Debenture interest/cost	130,864	(1)	130,863
Fair value of debentures	(62,482)		(62,482)
Interest on loans and related parties	67,054	(67,054)	
Equity appraisal	(47,397)		(47,396)
	(337,179)	114,988	(222,191)
Changes in assets and liabilities			
Other advances	(8,982)	15,615	6,633
Prepaid expenses	(32,745)	20,136	(12,609)
Accounts receivable	(130,216)	130,351	135
Recoverable taxes	36,399	19,972	56,371
Inventory	(125,780)	41,283	(84,497)
Deferred taxes			
Taxes, charges and contributions	(6,886)	(3,811)	(10,697)
Trade payables	41,958	(81,175)	(39,216)
Provisions and payroll charges	(5,037)	(1,229)	(6,266)
Accounts payable	(38,824)	(6,572)	(45,396)
CCC subsidies receivable	(12,732)		(12,733)
Debts/credits with related parties	14,771	(13,541)	1,231
	(268,073)	121,029	(147,044)
Others			
Other changes on investments	(213,530)	213,530	
Other assets and liabilities	5,433	14,876	20,308
Cash from effect of spin-off	227,175	(227,175)	
	19,077	1,232	20,308
Net cash provided by operating activities	(586,175)	237,248	(348,927)
Cash flows from investment activities			
Acquisition of PPE and intangible assets	(2,066,423)	501,911	(1,564,513)
Securities	5,996		5,996
Capital increase in investments	(11,500)	(542,732)	(554,232)
Cash resulting from sale of property, plant and equipment and intangible assets	112,075	(112,936)	(861)
Debt with related parties	(359)	(133,886)	(134,245)
AFAC for associated companies and joint ventures		(12,425)	(12,425)
Dividends	(310)	1	(309)
Contractual retentions	(46,562)	(4,028)	(50,590)
Secured deposits	(17,640)	(2,051)	(19,691)
Net cash provided by investing activities	(2,024,724)	(306,148)	(2,330,872)
Cash flows from financing activities			
Financial instruments	(58,383)	66,331	7,947
Capital Increase	2,431,907	(742,187)	1,689,720
Borrowings obtained	1,686,283	(5,612)	1,680,671
Capital increase (decrease) deriving from minority interests	748	(748)	
Issuance (payment) of debentures	(1,559,414)	1	(1,559,413)
Adjustment Spin-off CCX Carvão - Colombia	(742,187)	742,187	
Net cash provided by financing activities	1,758,953	59,971	1,818,925
Increase (decrease) in cash and cash equivalents			
Opening balance of cash and cash equivalents	1,442,415	(62,264)	1,380,151
Closing balance of cash and cash equivalents	590,469	(71,191)	519,277
	(851,946)		(851,946)

Statement of value added

	Consolidated		
	2012		
	Originally reported	Adjustments	Re-presented
Revenue			
Sales of goods, products and services	490,940	(442,154)	48,786
Revenue relating to construction of company assets	975,318	580,383	1,555,702
	1,466,258	138,229	1,604,487
Consumables acquired from third parties (including ICMS and IPI)	(702,521)	559,953	(142,567)
Material, electricity, outsourced services and others	(702,521)	559,953	(142,567)
Gross value added	763,738	698,182	1,461,920
Depreciation, amortization and depletion	(12,921)	4,110	(8,811)
Net value added produced	750,817	702,292	1,453,109
Transferred value added			
Equity in income of subsidiaries	(34,235)	(123,868)	(158,103)
Financial income	157,760	(432,668)	(274,909)
Others	(66,739)	49,969	(16,770)
Derivative financial instruments	(66,739)	66,739	
Provision for investment devaluation		(1,237)	(1,237)
Provision for unsecured liabilities		(14,671)	(14,671)
Losses on the sale of assets		(861	(861)
	56,786	(506,568	(449,782)
Total value added to be distributed	807,601	195,726	1,003,327
Distribution of value added	807,601	195,727	1,003,327
Personnel			
Direct remuneration	101,865	(37,069)	64,796
Benefits	15,867	17,412	33,279
FGTS and contributions	21,765	(4,406)	17,359
Others			
	139,497	(24,063)	115,434
Taxes, charges and contributions			
Federal	(111,823)	49,864	(61,959)
State			
	(111,823)	49,864	(61,959)
Capital remuneration of third parties			
Interest	182,382	(51,519)	130,863
Rent	16,392	(3,346)	13,046
Others	1,015,607	224,783	1,240,390
	1,214,381	169,919	1,384,299
Losses on derivative transactions	(29,018)	(369,620)	(398,638)
Advances to suppliers	975,737	579,965	1,555,702
Insurance	3,691	(2,492)	1,199
Exchange variance	15,535	(24,142)	(8,607)
Financial costs	49,663	42,264	91,926
Others		(1,191)	(1,191)
Capital remuneration			
Loss for the year	(435,202)	1	(435,201)
Minority interests in retained earnings	748	6	754
	(434,454)	7	(434,447)

	Consolidated		
	January 1, 2012		
	Originally reported	Adjustments	Re-presented
Assets			
Current			
Cash and cash equivalents	1,442,415	(62,264)	1,380,151
Securities	9,437		9,437
Accounts receivable	21,898	(418)	21,480
Subsidies receivable - Fuel Consumption Account	4,828		4,828
Inventories	85,938	(27,748)	58,190
Prepaid expenses	13,908	(636)	13,272
Recoverable taxes	37,711	(2,585)	35,126
Gain on derivatives	19,289	17,156	36,445
Other advances	11,285	(2,869)	8,416
Secured deposits	61,844		61,844
Other accounts receivable	39	(1)	38
	1,708,592	(79,365)	1,629,227
Non-current			
Long-term			
Prepaid expenses	2,514	(550)	1,964
Secured deposits	62,471	(8,323)	54,148
Subsidies receivable - Fuel Consumption Account	24,617		24,617
Recoverable tax	90,834	(8,145)	82,689
Deferred income and social contribution taxes	339,049	(90,187)	248,862
Loans with subsidiaries		680	680
Accounts receivable from other related parties	8,436		8,436
Embedded derivatives		411,119	411,119
	527,921	304,594	832,515
Investments	55,742	375,953	431,695
Property, plant and equipment	5,393,809	(1,430,830)	3,962,979
Intangible assets	267,616	(662)	266,954
	7,953,680	(830,310)	7,123,370

	Consolidated		
	January 1, 2012		
	Originally reported	Adjustments	Re-presented
Liabilities			
Current			
Trade payables	186,680	(32,204)	154,476
Borrowings and financing	1,030,687	(36,079)	994,608
Debts with other related parties	3,697		3,697
Debentures	30,463		30,463
Taxes and contributions payable	18,261	(322)	17,939
Social and labor obligations	18,017	(1,889)	16,128
Losses on derivative transactions	86,633	(59,053)	27,580
Contractual retention	180,497	(52,532)	127,965
Profit sharing	19,177		19,177
Dividends payable	2,270	(1)	2,269
Other liabilities	55,748	(7,028)	48,720
	1,632,130	(189,108)	1,443,022
Non-current			
Loans and financing	3,311,063	(984,962)	2,326,101
Debts to other related parties	340	(340)	
Debentures	1,403,152	62,003	1,465,155
Embedded derivatives	62,003	(62,003)	
Losses on derivative transactions	156,798	345,925	502,723
Deferred income and social contribution taxes	13,239		13,239
Provision for dismantlement	4,880	(2,934)	1,946
Other provisions		1,026	1,026
	4,951,475	(641,285)	4,310,190
Shareholders' equity			
Capital	2,042,014		2,042,014
Capital reserve	274,625		274,625
Equity appraisal adjustments	(71,670)		(71,670
Accumulated deficit	(982,323)	11,426	(970,897)
Shareholders' equity attributable to controlling shareholders	1,262,646	11,426	1,274,072
Minority interests	107,429	(11,343)	96,086
Total shareholders' equity	1,370,075	83	1,370,158
	7,953,680	(830,310)	7,123,370

(b) Re-presentation of cash flows

The Company is re-presenting the cash flow for 2012 to present the opening of borrowings and financing and reflect comparability with the statement of cash flows for 2013, as well as transactions reclassified from operating activities to financing activities.

	2012					
	Parent compny			Consolidated		
	Originally reported	Adjustments	Re-presented	Originally reported	Adjustments	Re-presented
Cash flows from operating activities						
Interest on loans and related parties	47,182	(952)	46,230	67,054	(19,806)	47,248
Changes in assets and liabilities						
Payment of financial charges		(12,556)	(12,556)		(150,795)	(150,795)
Others assets and liabilities	(9,498)	2	(9,496)	5,433	(35,717)	(30,284)
Cash flows from investment activities						
Acquisition of PPE and intangible assets	(417)	(0)	(417)	(2,066,424)	906,576	(1,159,848)
Changes in investments	(1,076,940)	(136,628)	(1,213,568)	(11,500)	(525,956)	(537,456)
Cash flows from financing activities						
Funding of borrowings and financing		886,567	886,567		2,064,982	2,064,982
Payment of borrowings					(762,889)	(762,889)
Contractual retentions				(46,562)	46,562	

4.5.22 New standards, amendments and interpretations of standards that are not yet effective

The following new standards and interpretations have been issued by the IASB but are not in force for 2013. Whilst encouraged by the IASB, the early adoption of standards in Brazil is not permitted by the 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 obligation should only be recognized when the event that generates the obligation arises. The interpretation is effective as from January 1, 2014.

- IFRS 9 - "Financial Instruments" - addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in November 2009 and October 2010, it replaces parts of IAS 39 relating to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two categories: measured at fair value and measured at amortized cost. This determination is made upon initial recognition. The basis of classification depends on the entity's business model and the contractual cash flows from financial instruments. In respect of financial liabilities, the standard maintains most of the requirements established by IAS 39. The main change applies to cases where the fair value option is adopted for financial liabilities, the portion of change of the fair value due to the entity's credit risk is recorded in other comprehensive income instead of the profit or loss, except when this results in an accounting mismatch The Group is evaluating the overall impact of IFRS 9. The standard is applicable as from January 1, 2015.

There were no other IFRS standards or IFRIC interpretations that have not yet come into force which could have a material impact on the Company.

5 Critical accounting estimates and judgments

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

5.1 Critical accounting estimates and assumptions

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

(a) Impairment of non-current assets

The Company conducts impairment tests on property, plant and equipment, intangible assets and deferred income and social contribution taxes, in accordance with the accounting policies described in Note 4.5.10. The recoverable values of Cash Generating Units (UGCs) were determined based on calculations of the value in use using assumptions and estimates primarily relying on studies of the regulated electricity trading market. These functions and estimates were discussed with the operational managers and were revised and approved by Management.

(b) Fair value of derivatives and of options (share-based remuneration)

The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques. The Company uses its judgment to choose several methods and to determine the assumptions that primarily are based on the market conditions in force at the reporting date. The Group used a specific method to calculate the fair value of derivatives and options awarded, instruments which are not traded in active markets.

6 Cash and cash equivalents

	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
Cash and bank deposits	396	260	16,493	5,922
Fundo de Investimento MM MPX 63 (a)	109,647	206,003	202,444	513,355
CDB/Purchase and sale agreements (b)	113		58,645	
	110,156	206,263	277,582	519,277

(a) Substantially consist of quotas in investment funds, of high liquidity, readily convertible into a known amount of cash, regardless of asset maturity, and are subject to an insignificant risk of a change in value. This is a share investment fund FI Multimercado Crédito Privado MPX 63 administrated by Banco Itaú and primarily backed by Bank Deposit Certificates - CDBs and securities subject to repurchase agreements issued by first-rate financial institutions and companies, all linked to floating rates and with an average yield of 100.9% (marked to market) and 101.2% (nominal rate on the curve) of the DI CETIP rate (Interbank Deposit Certificate - CDI). Securities held under repurchase agreements underlied by debentures represent purchase and sale commitments, registered at CETIP or SELIC, when applicable, and with guarantee of repurchase at a previously established rate from the financial institutions. The portfolio consists of 40.27% securities held under repurchase agreements and 59.73% at December 31, 2013.

The consolidated financial statements include the balances and transactions of the exclusive investment funds, whose only shareholders are the Company and its subsidiaries, as shown below:

	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
Fundo Multimercado consolidado				
Eneva S.A.	109,647	206,003	109,647	206,003
Amapari Energia S.A.			9,349	10,482
Seival Sul Mineração Ltda.			406	516
Parnaíba Geração de Energia S.A.			27,905	83,017
Parnaíba II Geração de Energia S.A.			55,137	213,337
	109,647	206,003	202,444	513,355

(b) Amounts invested in CDBs issued by first-rate financial institutions. The companies that hold these amounts are the subsidiaries MPX Pecém II Geração de Energia S.A. and UTE Porto do Itaqui Geração de Energia S.A.

The exclusive funds are regularly reviewed/audited by independent auditors and are subject to constraints on the payment of services rendered by the asset manager, attributed to operating investments, such as custody and audit fees and other expenses. There are no material financial obligations or company assets to guarantee these obligations.

7 Securities

	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
LFT - Financial Treasury Bills				3,441

The securities include operations related to the acquisition of federal government bonds (LFTs) maturing after 90 days and recorded in current assets due to the fact they are expected to be realized in the short-term.

8 Secured deposits

	Parent company		Consolidated	
	2013	**2012**	**2013**	**2012 (Re-presented)**
BNDES - Porto do Pecém (a)	38	35	38	35
BNDES - Itaqui (b)			64,811	10,671
BNDES - Pecém II (c)			19,682	22,145
Eneva S.A. (d)		102,649		102,649
BNDES - Parnaíba (e)			34,044	
Others			69	183
	38	102,684	118,644	135,683
Current	38	35	38	35
Non-current		102,649	118,606	135,648

(a) Deposit linked to the obligations undertaken in the financing agreement between BNDES and the joint subsidiary Porto de Pecém Geração de Energia S.A. referring to the portion of the intervening party Eneva S.A to maintain the own capital/debt ratio preestablished in the agreement. Relates to the part of Eneva S.A. in Fundo Bradesco Corporate FIC FI Referenciado DI Federal.

(b) Refers to the debt service reserve accounts linked to the financing agreement between the subsidiary UTE Porto do Itaqui Geração de Energia S.A , BNB-Banco do Nordeste do Brasil S.A. and BNDES. The increase in 2013 refers to new deposits made in replacement of bank guarantees.

(c) Refers to the debt service reserve accounts linked to the financing agreement between BNDES and the subsidiary UTE Parnaíba Geração de Energia S.A.

(d) Financial Bills issued by Banco Citibank S.A., yielding the CDI rate, ceded as collateral for the loans taken out by Eneva S.A. from the financial institution. This loan was settled in 2013.

(e) Refers to the debt service reserve accounts linked to the financing agreement between BNDES and the subsidiary UTE Parnaíba Geração de Energia S.A.

9 Accounts receivable and fuel consumption account

	Consolidated	
	2013	**2012 (Re-presented)**
Amapari Energia S.A. (a)	40,273	51,287
Itaqui Geração de Energia S.A. (b)	85,026	12,236
Parnaíba Geração de Energia S.A. (b)	110,113	
Pecém II Geração de Energia S.A. (b)	89,786	
	325,198	63,523
Current	325,198	38,906
Non-current		24,617

(a) The accounts receivable is for energy sold to Zamim Ferrous of R$ 9,472 (R$ 9,109 at December 31, 2012) and the receivable of the subsidiary is R$ 30,802 (R$ 17,561 at December 31, 2012), as described below.

At December 31, 2013 the balance receivable of the subsidiary is R$ 30,802 (R$ 17,561 at December 31, 2012). This amount reflects the 4-month subsidy due to the delay to pass through the subsidy to the Company. At December 31, 2012 subsidies for 3 months had been recorded.

The Company's non-current assets include the CCC reimbursement not received for the period November 2008 to May 2009 of R$ 24,617 thousand. If this amount is not received, the Company is entitled to charge Anglo Ferrous Amapá Ltda. for it. This is because, under the energy supply agreement between the parties, in the event of an economic/financial imbalance for reasons not attributable to the Company, the parties will adjust the contractual terms to restore the economic and financial equilibrium. However, to date collection procedures against Anglo Ferrous Amapá Ltda. have not commenced, as the Company initially decided to adopt judicial measures against ANEEL in an attempt to obtain this reimbursement via the CCC mechanism.

Because of this new fact in the final quarter of 2013, i.e. the acquisition of Anglo Ferrous Amapá by Swiss mining company Zamin Ferrous, Company Management wrote to Zamin requesting a position about the recognition of this debt, in the event ANEEL turns down its legal claim. In its reply, Zamin Ferrous stated that it is carrying out research in order to state its position about the matter. In light of this and given the lengthy proceedings, Company Management decided to make a provision for the entire amount in non-current assets.

(b) The balance denotes the accounts receivable of the subsidiaries Itaqui Geração de Energia S.A. under the electricity purchase contract in a regulated environment (CCEAR), signed with ANEEL, of R$ 85,026 (R$ 12,235 at December 31, 2012) and the companies that came into operation in 2013 Parnaíba Geração de Energia S.A. of R$ 110,113 and Pecém II Geração de Energia S.A. of R$ 89,786, also under the CCEAR with ANEEL..

Accounts receivable accounts overdue represent 2.37% and were not provided for, as the Company rates and risk of loss as remote.

10 Inventories

	Consolidated	
	2013	**2012 (Re-presented)**
Diesel oil/lubrificant (a)	12,685	13,967
Coal (b)	49,070	128,720
Electronic and mechanical parts (c)	16,621	
	78,376	142,687

(a) The balance consists of the reservoirs of diesel oil and lubricating oil used as consumables in electricity generation by the subsidiaries Amapari Energia S.A.(R$ 9,943), Pecém II Geração de Energia S.A. (R$ 1,279) and Itaqui Geração de Energia S.A. (R$ 1,463). The subsidiary Amapari Energia S.A. has a contractual acquisition obligation ("take or pay") with BR Distribuidora S.A., to require a minimum 3,600 m³ of diesel oil a month, for a fixed price or to pay for this even if it is not taken. If the obligation is exercised, this results in the acquisition of the diesel oil used as a consumable by the Company. The Company recorded a provision under trade payables for the difference between the amount required and the minimum mandatory amount under the contract, charged to inventory. The balance of this provision at December 31, 2013 is R$ 8,481 (R$ 7,251 at December 31, 2012). This provision is restated semi-annually as specified in the diesel oil supply contract.

(b) The balance consists of the inventory of coal used as a consumable in electricity generation by the subsidiaries Itaqui Geração de Energia S.A. (R$ 22,682) and Pecém II Geração de Energia S.A. (R$ 26,389). The coal was acquired for the commissioning phase of the operation, and to establish a security inventory at the plant, with a view to the commercial operations. Note that Porto do Itaqui initiated its commercial operations, consuming coal inventories.

(c) The balance consists of electronic and mechanical parts for use and replacement in the maintenance operations carried out by the subsidiaries: Amapari Energia S.A. (R$ 1,363), Itaqui Geração de Energia S.A. (R$ 7,323), Pecém II Geração de Energia S.A. (R$ 3,601), Parnaíba Geração de Energia S.A. (R$ 4,236) and Parnaíba II Geração de Energia S.A. (R$ 98).

11 Recoverable and deferred taxes

The balance of recoverable taxes is as follows:

	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
Income tax withheld at source (b)	3,533	11,391	12,161	23,539
Prepaid income tax			3,687	1
Prepaid social contributions			2,857	1
Prepaid social contributions - prior year (a)	462	441	464	443
Income tax withheld at source - prior year (b)	13,948	15,301	14,539	16,835
Income tax withheld at source - loan (b)	13,728	3,689	13,727	3,689
ICMS			1,994	2,306
PIS			1,727	2,390
COFINS	1		7,956	11,002
Others	1,244	844	3,153	1,238
	32,916	31,666	62,265	61,444
Current	25,701	22,068	47,651	37,410
Non-current	7,215	9,598	14,614	24,034

(a) Refers to income and social contribution taxes prepaid in the course of the year and previous years. which will be offset against the income and social contribution taxes determined on the taxable income.

(b) The balance of income tax withheld at source refers to amounts withheld on interest-earning bank deposits and related-party loans. These balances will be offset against the income and social contribution taxes payable.

Deferred taxes

Deferred income and social contribution taxes reflect future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their carrying values.

The deferred tax was maintained at the subsidiaries due to the expectations of generating future taxable income, determined by a technical valuation approved by Management. The carrying value of the deferred tax asset is reviewed periodically and the projections are reviewed annually. If there are significant factors that change the projections, they are also reviewed by the Company during the year.

The Company and its subsidiaries adopted the Transitional Taxation Scheme (RTT) so that the amendments introduced by Law 11638 of December 28, 2007 and Articles 37 and 38 of Law 11941 of 2009, which changed the procedure for recognizing revenue, costs and expenses used to calculate the net income for the year defined in Art. 191 of Law 6404 of December 15, 1976, do not affect the calculation of the taxable income and social contribution calculation base of companies that opted for the Transitional Taxation Scheme - RTT. For tax purposes the accounting methods and criteria in force at December 31, 2007 should be used.

The Company and its subsidiaries will not elect for the option provided in MP 627, and we believe it will not generate any fiscal amendment to be adjusted in the financial statements.

The origin of the deferred income and social contribution taxes is presented below:

	Parent company		Consolidated	
	2013	**2012**	**2013**	**2012 (Re-presented)**
Non-current deferred charges				
Tax loss carryforwards and negative tax base		161,039	302,327	346,699
Temporary differences - RTT				5,488
Write-off of deferred charges - spin-off effect		(25,395)		(25,395)
Fair value - derivatives		(21,244)		(21,244)
		114,400	302,327	305,548
Non-current deferred liabilities				
Temporary differences - RTT			9,591	2,048

Breakdown of deferred tax by company:

	2013	**2012**
Parent company		114,400
Pecém II	85,708	62,161
Itaqui	192,127	117,207
Amapari	1,783	
Parnaíba	14,006	11,359
Parnaíba II	8,703	421
Tax loss carryforwards and negative tax base	302,327	305,548

Changes in 2013 refer mainly to the provision of the balance of deferred tax assets of the Parent, of R$ 114,400 and the creation of income tax and social contribution tax losses of the subsidiaries mentioned above of R$ 111,179.

At December 31, 2013 the taxes calculated on the adjusted net income consisted of IRPJ (rate of 15% and surcharge of 10%) and CSLL (rate of 9%). The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense charged against the result is presented below:

	2013	
	Parent company	**Consolidated**
Loss for the period before IRPJ/CSLL	(828,055)	(933,269)
Statutory rate	34%	34%
IRPJ/CSLL at the nominal rate	(281,539)	(317,311)
Adjustments to determine effective rate		
Parent company adjustment (*)	164,134	173,853
RTT adjustment - deferred income tax	117,405	40,211
Write-off of Eneva deferred tax asset (a)	114,400	114,400
Income tax and social contribution expense, current	114,400	3,744
Deferred income and social contribution taxes		7,408
Total effect of tax on net income	114,400	11,152
Effective rate	(13,82%)	(1,19%)
Deferred tax asset not recognized		

(a) Based on the expectation of future taxable income, determined by Parent technical studies and approved by the Administration, the recognized deferred tax assets on tax losses and negative basis of social contribution tax should be write-off on December 31, 2013 , under the current debt profile.

The Company has on December 31, 2013 an amount of R$ 647 million (R$ 336 million in 2012) due to tax loss carryforwards, resulting in a total tax credit not recognized in its financial statements of R$ 220 million (R$ 114 million in 2012).

(*) Refers to portion of deferred taxes of subsidiaries which was not recorded, as there is no study demonstrating its realization.

	2012	
	Parent company	**Consolidated**
Loss for the period before IRPJ/CSLL	(460,921)	(497,330)
Statutory rate	34%	34%
IRPJ/CSLL at the nominal rate	(156,714)	(169,092)
Adjustments to determine effective rate:		
Temporary differences	105,598	104,911
Write-off deferred tax split CCX	25,395	
Others		1,305
Income tax and social contribution expense, current		(1,921)
Deferred income and social contribution taxes	25,721	64,797
Total effect of tax on net income	25,721	62,876
Effective rate	(5.58%)	(12.64%)
Deferred tax asset not recognized		

Based on the estimated generation of future taxable earnings, by way of its subsidiaries the Company expects to recover these tax credits from 2015 onwards, as shown below:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Expected anual realization of deferred taxes	20,355	24,430	24,236	22,527	38,407	57,034	43,057	55,220	7,469	292,736

The expected recoverability of the tax credits is based on the projection of future taxable income taking into consideration business and financial assumptions at the year end. Accordingly, these estimates may differ from the effective taxable income in the future due to the inherent uncertainties involving these estimates.

12 Investments

(a) Composition of balances

	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
Equity interests	3,130,881	2,215,012	941,758	833,860
Future acquisition of investment	95	95	95	95
	3,130,978	2,215,107	941,853	833,955

(b) Equity interests

The consolidated financial statements include the financial statements of the parent company and the companies the Company has the control of and Exclusive Funds. The balances of the main consolidated account groups at December 31, 2013 and December 31, 2012 are:

		2013					
Equity interests	Equity interest in %	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Net income
Porto do Pecém Geração de Energia S.A.	50.00%	290,867	3,906,638	548,838	2,487,934	1,160,732	(282,342)
Pecém II Geração de Energia S.A.	100.00%	170,228	2,029,084	221,660	1,346,518	631,134	(46,331)
Itaqui Geração de Energia S.A.	100.00%	153,100	2,924,724	285,496	1,724,724	1,067,603	(250,736)
Amapari Energia S.A.	51.00%	62,105	69,205	31,608	52	99,649	(3,619)
UTE Porto do Açú Geração de Energia S.A.	50.00%	7,341	51,248	6,064	3,124	49,402	(4,296)
Seival Sul Mineração Ltda.	70.00%	477	4,840		22	5,295	(792)
Sul Geração de Energia Ltda.	50.00%	29	13,947	8	832	13,136	(521)
Termopantanal Participações Ltda.	66.67%	9	400	(4)	2,726	(2,313)	(2)
Parnaíba Geração de Energia Ltda.	70.00%	158,288	1,264,731	265,826	768,997	388,195	152
Porto do Pecém Transportadora de Minérios S.A.	50,00%	1.274	98	474		899	222
OGMP Transporte Aérieo Ltda.	50.00%	368	130			498	410
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	50,00%	3.263		491	2,357	415	(324)
Seival Participações S.A.	50.00%	30	61,695	6	22,469	39,251	(624)
Parnaíba II Geração de Energia S.A.	100.00%	62,301	1,163,940	594,757	303,322	328,163	(16,806)
Eneva Participações S.A.	50.00%	116,364	388,463	203,084	44,480	257,263	(26,952)
Porto do Açú II Geração de Energia S.A.	50.00%	259	4,782	12	367	4,662	(4)
Parnaíba Participações S.A.	50.00%	200,833	399,256	233,955	85,464	206,788	14,076
Parnaíba V Geração de Energia S.A	99.99%	9		1	108	(100)	(111)
Parnaíba Gas Natural S.A.	33.33%	258,196	1,100,395	1,134,315	68,572	155,704	12,640
MPX Investimentos S.A.	99.99%	2			11	(9)	(12)
MPX Desenvolvimento S.A.	99.99%	8	303	10	490	(189)	(201)
MPX Tauá II Energia Solar Ltda.	100.00%	64	69	(506)	44	596	(230)
MABE Construção e Administração de Projetos Ltda.	50,00%	55.866	48,871	69,331	35,378	28	(94,169)

							2012
Equity interests	**Equity interest in %**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Shareholders' equity**	**Net income**
Porto do Pecém Geração de Energia S.A.	50.00%	442,065	3,716,461	471,408	2,464,001	1,223,117	(206,999)
Pecém II Geração de Energia S.A.	99.70%	46,335	1,709,494	94,118	1,045,646	616,065	(22,753)
Itaqui Geração de Energia S.A.	100.00%	136,865	2,633,492	246,786	1,746,493	777,078	(41,236)
Amapari Energia S.A.	51.00%	47,197	98,923	42,449		103,671	9,018
UTE Porto do Açu Energia S.A.	50.00%	420	57,712	3,632		54,500	(1,825)
Seival Sul Mineração Ltda.	70.00%	558	4,482	24		5,016	(675)
Sul Geração de Energia Ltda.	50.00%	251	13,157	211		13,197	(873)
MPX Chile Holding Ltda.	50.00%	6,117	19,030	27,484	30,801	(33,138)	(24,732)
Termopantanal Participações Ltda.	66.67%	10	400	(4)	2,725	(2,311)	
Parnaíba Geração de Energia S.A.	70.00%	85,228	1,084,889	162,380	677,593	330,144	(11,314)
Porto do Pecém Transportadora de Minérios S.A.	50.00%	1,017	81	421		677	(376)
OGMP Transporte Aéreo Ltda.	50.00%	668	13,038	61		13,645	(5,209)
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	50.00%	2,984		91	2,155	738	(272)
Seival Participações S.A.	50.00%	117	49,896	105	11,178	38,730	(66)
Parnaíba II Geração de Energia S.A.	100.00%	217,134	495,887	627,767		85,254	(746)
Eneva Participações S.A.	50.00%	227,579	114,926	123,373	22,015	197,117	(30,389)
Porto do Açú II Geração de Energia S.A.	50.00%	101	4,176	11		4,266	
Parnaíba Participações S.A.	50.00%	15,717	29,213	1,681		43,249	(368)
Parnaíba V Geração de Energia S.A.	100.00%	1				1	
Parnaíba Geração e Comerc. de Energia S.A.	70.00%	1				1	
Parnaíba Gas Natural S.A.	33.33%	257,769	876,452	225,147	813,485	95,589	(102,328)
MPX Investimentos S.A.	100.00%	1				1	
MPX Desenvolvimentos S.A.	100.00%	363	151	214	608	(308)	(309)
MPX Tauá II Energia Solar Ltda.	100.00%	1				1	

The balance of investments is as follows:

	Parent company		**Consolidated**	
Investments	**2013**	**2012**	**2013**	**2012 (Re-presented)**
Porto do Pecém Geração de Energia S.A.	580,367	611,561	580,243	611,433
Pecém II Geração de Energia S.A.	631,135	449,104		
Itaqui Geração de Energia S.A.	994,904	551,547		
Amapari Energia S.A.	50,821	52,872		
UTE Porto do Açu Energia S.A.	24,701	27,251	17,386	19,936
Seival Sul Mineração Ltda.	3,707	3,511		
Sul Geração de Energia Ltda.	6,569	6,597	6,249	6,280
Porto do Pecém Transportadora de Minérios S.A.	449	338	449	338
Parnaíba Gás Natural S.A..	51,899	31,862	51,899	31,861
Parnaíba Geração de Energia Ltda.	172,637	231,100		
OGMP Transporte Aéreo Ltda.	277	6,823	277	6,823
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A. - PO&M	207	369	207	369
Seival Participações S.A.	19,625	19,364	19,625	19,364
Parnaíba II Geração de Energia S.A.	328,162	85,254		
ENEVA Participações S.A.	159,685	128,406	159,685	128,406
Açú II Geração de Energia S.A.	2,331	2,133	2,331	2,133
Parnaíba V Geração de Energia S.A		1		
Parnaíba Geração e Comercialização de Energia S.A.		1		
Parnaíba Participações S.A.	103,393	6,917	103,393	6,917
ENEVA Investimentos S.A.		1		
MABE do Brasil	14		14	
Future acquisition of investment	95	95	95	95
	3,130,978	2,215,107	941,853	833,955

(a) At December 31, 2013 the balance of the investment with the joint ventures and the subsidiaries MPX Chile Holding Ltda., ENEVA Desenvolvimento S.A. and Termopantanal Participações Ltda. was classified under unsecured liabilities in the non-current liabilities, due to the fact these companies had negative equity.

(b) On August 14, 2013 the Extraordinary General Meeting approved the split-off of Parnaíba Geração de Energia S.A. with the net assets being transferred to Parnaíba III Geração de Energia S.A. The split-off is a necessary step in the implementation of the venture and commercial start-up of UTE Parnaíba III, via the transfer of the 5th generator turbine, with a total capacity of 176.2 MW.

(c) The shareholders Eneva Energia S.A. and OGX Petróleo e Gás Participações S.A. approved the capital reduction of the joint subsidiary OGMP Transporte Aéreo Ltda. on August 8, 2013.

(d) On October 30, 2013 the EGM approved the change of the associated company's name from OGX Maranhão Petróleo e Gás S.A. to Parnaíba Gás Natural S.A.

The following is the composition of non-controlling interests in the equity and results of investees.

The balance of investments is as follows:

				Attributable to non-controlling	
Investments	**Share**	**Net worth**	**Result**	**Net worth**	**Result**
Amapari Energia S.A.	51%	99,649	3,619	48,828	1,773
Parnaíba I Gerão de Energia	70%	246,624	152	73,987	46
Termopantanal Participações	67%	2,313	2	771	1
Seival Sul Mineração	70%	5,295	792	1,588	238
Total				123,633	1,966

(c) Change in investment

		Parent company									
		2013									
Direct subsidiaries	**%**	**Balance at December 31, 2012**	**Capital subscription**	**Equity income**	**Gain on increase in interest**	**Capital reduction**	**Exchange variance**	**Adjustment of equity appraisal**	**Spin-off**	**Amortization**	**Balance at December 31, 2012**
Porto do Pecém Geração de Energia S.A.	50.00	611,561	98,600	(141,171)				11,379			580,366
Pecém II Geração de Energia S.A.	100.00	449,104	227,400	(46,331)	961						631,134
Itaqui Geração de Energia S.A.	100.00	551,549	694,560	(250,736)						(469)	994,904
Amapari Energia S.A.	51.00	52,872		(2,051)							50,821
Porto do Açu Energia S.A.	50.00	27,251	4,850	(7,400)							24,701
Seival Sul Mineração Ltda.	70.00	3,511	750	(554)							3,707
Sul Geração de Energia Ltda.	50.00	6,599	230	(261)							6,568
Porto do Pecém Transportadora de Minérios S.A.	50.00	338	-	111							449
Parnaíba Gás Natural S.A.	33.30	31,861	15,825	4,213							51,899
Parnaíba Geração de Energia S.A.*	70.00	231,101	33,600	106					(92,170)		172,637
OGMP Transporte Aereo	50.00	6,823	250	205		(7,000)					278
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A. - PO&M	50.00	367		(162)							207
Seival Participações S.A.	99.90	19,365	573	(312)							19,626
Açu II Energia S.A.	50.00	2,133	200	(2)							2,331
ENEVA Participações S.A.	50.00	128,406		(15,074)			267		46,085		159,685
Parnaíba Participações S.A.	50.00	6,917	43,355	7,036					46,085		103,393
Parnaíba V Geração de Energia S.A.	99.99	1	(1)								0
MABE do Brasil	50.00		14								14
Eneva Tauá II Energia Solar Ltda.											
Eneva	100.00%	1	(1)								0
ENEVAInvestimentos S.A.	99.99										
Parnaíba II Geração de Energia S.A.	100.00	85,254	259,715	(16,806)							328,163
Future acquisition of investment		95									95
		2,215,107	1,379,922	(469,189)	961	(7,000)	267	11,379	-	(469)	3,130,978

(*) The effect refers to the transfer of the turbine from Parnaíba I to Parnaíba III.

	2012								
Equity interests	**Balance at December 31, 2012**	**Paid-in capital**	**Equity income**	**Spin-off CCX Carvão da Colômbia**	**Transfer to MPX E. ON Participações**	**Dividends**	**Exchange variation**	**Equity appraisal adjustments**	**Balance at December 31, 2012**
Porto do Pecém Geração de Energia S.A.	367,565	351,630	(103,500)					(4,134)	611,561
Pecém II Geração de Energia S.A.	376,189	95,600	(22,685)						449,104
Itaqui Geração de Energia S.A.	443,947	148,836	(41,236)						551,547
Amapari Energia S.A.	50,313		4,599			(2,040)			52,872
Porto do Açu Energia S.A.	36,293	16,006	(2,114)		(22,934)				27,251
Seival Sul Mineração Ltda.	3,278	706	(473)						3,511
Sul Geração de Energia Ltda.	9,401	4,410	(686)		(6,526)				6,599
Eneva Comercializadora de Energia Ltda.	19,122	4,000	421		(23,543)				
MPX Áustria GmbH	3,919	84,429	(2,839)		(55,709)		(29,800)		
Solar Empreendimentos Ltda.	8,004	650	(105)		(8,549)				
Porto do Pecém Transportadora de Minérios S.A.	526		(188)						338
MPX Comercializadora de Combustíveis Ltda.	9,285		(253)		(9,032)				
OGX Maranhão Petróleo e Gás Ltda.	54,467	11,500	(34,106)						31,861
UTE Parnaíba Geração de Energia S.A.	107,231	131,790	(7,920)						231,101
Nova - Sistemas de Energia Ltda.	2,425	100			(2,525)				
OGMP Transporte Aereo Ltda.	7,567	1,860	(2,604)						6,823
Pecém Operação Manutenção e Operação S.A.	292	209	(134)						367
Seival Participações S.A.	38,507	269	(62)		(19,349)				19,365
UTE Porto do Açu II Energia S.A.		4,215			(2,082)				2,133
CCX Brasil Participações S.A.		750,208	(76)	(750,132)					
Eneva Participações S.A.		149,294	(15,195)					(5,693)	128,406
Centennial Amapá		64	(33)	(31)					
Parnaíba Participações S.A.		7,101	(184)						6,917
UTE Parnaíba V Geração de Energia S.A.		1							1
Parnaíba Geração Comercialização de Energia S.A.		1							1
MPX Investimentos S.A.		1	(1)						
UTE Parnaíba II Geração de Energia S.A.		86,000	(746)						85,254
MPX Tauá II Energia Solar Ltda.		1							1
Future acquisition of investment		95							95
	1,538,331	1,848,976	(230,120)	(750,163)	(150,249)	(2,040)	(29,800)	(9,827)	2,215,108

13 Property, plant and equipment

(a) Composition of balances

Consolidated

In use

	2013											
	Land	Buildings, civil works and improvements	Machinery and equipment	IT equipment	Vehicles	Furniture and fixtures	Gas pipeline	Provision for *"Impairment"*	Cost of disassembly	PP&E in progress	Spin-off	Total
Depreciation rate % a.a.		4	7	17	20	10						
Cost												
Balance at December 31, 2012	3,113	18,471	75,162	4,586	1,294	6,269	12,169	(12,169)	3,993	5,478,044		5,590,931
		48,264										
Balance at December 31, 2012	3,113	18,471	75,162	4,586	1,294	6,269	12,169	(12,169)	3,993	5,478,044		5,590,931
Additions		40,522	33,767	485	584	1,865			(39)	1,441,983	(124,118)	1,395,050
Write-offs		(7,742)	(1,241)	(3)	(120)	(54)						(9,160)
Transfers	4,732	3,107,904	2,491,383	35		354				(5,603,522)		885
Balance at December 31, 2013	7,845	3,159,154	2,599,071	5,104	1,757	8,434	12,169	(12,169)	3,954	1,316,505	(124,118)	6,977,706
Depreciation												
Saldo em 31 de dezembro de 2012		(1,496)	(15,826)	(1,280)	(434)	(1,500)						(20,535)
Balance at December 31, 2012		(1,496)	(15,826)	(1,280)	(434)	(1,500)						(20,535)
Additions		(67,470)	(69,376)	(432)	(307)	(749)						(138,335)
Write-offs		518			93	6						616
Transfers												
Balance at December 31, 2012		(68,448)	(85,202)	(1,712)	(649)	(2,243)						(158,254)
Net book value												
Balance at December 31, 2012	3,113	16,975	59,336	3,306	860	4,769	12,169	(12,169)	3,993	5,478,044		5,570,399
Balance at December 31, 2013	7,845	3,090,707	2,513,869	3,392	1,109	6,190	12,169	(12,169)	3,954	1,316,505	(124,118)	6,819,454

	2012 - Re-presented										
	Land	Buildings, civil works and improvements	Machinery and equipment	IT equipment	Vehicles	Furniture and fixtures	Gas pipeline	Provision for *"Impairment"*	Cost of disassembly	PP&E in progress	Spin-off
Depreciation rate % a.a.		4	7	17	20	10					
Cost											
Balance at December 31, 2012	44,424	20,163	77,918	4,112	821	4,450	12,169	(12,169)	1,946	3,824,067	3,977,901
		13,284									
Balance at December 31, 2012	44,424	20,163	77,918	4,112	821	4,450	12,169	(12,169)	1,946	3,824,067	3,977,901
Additions		245	18,064	1,570	473	1,966			172	1,886,616	1,909,106
Write-offs	(41,344)	(13,039)	(3,000)	(1,095)						(237,610)	(296,088)
Transfers	32	11,103	(17,820)			(147)				6,847	15
Balance at December 31, 2013	3,113	18,472	75,162	4,587	1,294	6,269	12,169	(12,169)	2,118	5,479,920	5,590,934
Depreciation											
Balance at December 31, 2012		(847)	(12,365)	(693)	(298)	(719)					(14,922)
Balance at December 31, 2012		(847)	(12,365)	(693)	(298)	(719)					(14,922)
Additions		(608)	(3,393)	(587)	(136)	(885)					(5,608)
Write-offs											
Transfers		(41)	(68)			104					(4)
Balance at December 31, 2012		(1,496)	(15,825)	(1,280)	(434)	(1,500)					(20,535)
Net book value											
Balance at December 31, 2012	44,424	19,316	65,553	3,419	523	3,731	12,169	(12,169)	1,946	3,824,067	3,962,979
Balance at December 31, 2013	3,113	16,976	59,337	3,307	861	4,769	12,169	(12,169)	2,118	5,479,920	5,570,399

Machinery and equipment

Basically relates to the UTEs Amapari Energia S.A., Itaqui, Parnaíba and Pecém II, which came into operation in November 2008, February 2013, March 2013 and October 2013 respectively. Asset depreciation is based on the concession term and calculated by the straight line method at the rates determined by Normative Resolution 474 issued February 7, 2012 by the National Electric Energy Agency - ANEEL. For the estimated portion of the investments made and not amortized or depreciated by the end of the concession, a new depreciation or amortization rate is calculated and recorded in income monthly, so that a value equal to zero is obtained at the end of the concession.

Buildings, Civil Works and Improvements

Basically relates to the UTEs Itaqui, Parnaíba and Pecém II, which came into operation in February 2013, March 2013 and October 2013 respectively. Depreciation follows the same procedure and criteria described in the item Machinery and equipment.

Land

On June 30, 2010 Parnaíba Geração de Energia S.A. acquired land to build the venture for R$ 3,113, which it recorded under "Land". Following the operational start-up of the Porto do Itaqui plant, we transferred R$ 4,731 from property, plant and equipment in progress to property, plant and equipment in use. The amounts are recorded in accordance with Technical Pronouncement CPC 27 - Property, Plant and Equipment.

Property, plant and equipment in progress

The expenses incurred on advances made for reserves and equipment acquisitions to build the thermal power plants of the companies Pecém II Geração de Energia S.A., Itaqui Geração de Energia S.A. and Parnaíbas I and II are transferred to the respective accounts of property, plant and equipment in use, following the approval of the declaration of commercial operation (DCO). These subsidiaries, Pecém II Geração de Energia S.A., Itaqui Geração de Energia S.A, and MABE Construção e Administração de Projetos Ltda. signed EPC agreements ("Engineering, Procurement and Construction") in the form of a global turn key operation to build the power stations. As established in the respective agreements, 15% of each advance made should be withheld as a guarantee for delivery of the power station, to be disbursed in the course of 2013, if MABE presents bank guarantees. It should be noted that it is not known when this withheld portion of the advance will be applied in the construction of the plant. At December 31, 2013 the total guarantees retained by these subsidiaries amount to R$ 52,640 (R$ 77,374 at December 31, 2012) and have been recorded under the respective subsidiary's current liabilities and presented in the consolidated financial statements under "Contractual retentions".

UTEs Parnaíba I and II signed with Duro Felguera do Brasil Desenvolvimento de Projetos Ltda. and Initec do Brasil Engenharia e Construções Ltda. respectively EPC agreements (*Engineering, Procurement and Constrution*) in the form of a global turn key operation to build the power stations.

The labor costs of workers directly allocated to the construction of the Parnaíba II plant, which amounts to R$ 20,038 at December 31, 2013 (R$ 4,779 at December 31, 2012), is being capitalized.

In 2013 the Itaqui, Pecém II and part of the Parnaíba complex came into operation and the corresponding amounts of property, plant and equipment in progress were transferred to the respective accounts of property, plant and equipment in use. At December 31, 2013 the remaining balance of property, plant and equipment in progress primarily consists of the Parnaíba II project, which is forecast to come into operation in 2014.

On December 31, 2013, the capitalized costs of consolidated loans because of the construction in progress account for the amount of R$ 117,926 (2012 - R$ 405,526), as follows:

	Parnaíba I	Parnaíba II	Itaqui	Pecem II	Total
Average rate in 2013 (per annum - a.a.)	9,5%	10%	8,5%	8,5%	
Capitalized interest - 2013	6,683	72,328	13,683	25,232	117,926
Capitalized interest - 2012	95,706	40,955	175,735	93,130	405,526

14 Intangible assets

(a) Composition of balances

Consolidated

Intangible assets in use

						2013
	Computer programs and licences	Goodwill on acquisition of investments	Concessions and CEARs	Usage rights	Intangible assets in progress	Total
Amortizaton rate % a.a.	20			20		
Cost						
Balance at December 31, 2012	5,215		183,448	12,900	167	201,730
Balance at December 31, 2012	5,215		183,448	12,900	167	201,730
Additions	5,224	15,470		251	270	21,214
Write-offs						
Transfers	6,613			(7,061)	(436)	(885)
Balance at December 31, 2013	17,053	15,470	183,448	6,089		222,059
Amortization						
Balance at December 31, 2012	(1,965)					(1,965)
Balance at December 31, 2012	(1,965)					(1,965)
Additions	(6,244)	(469)				(6,713)
Write-offs						
Transfers						
Balance at December 31, 2012	(8,209)	(469)				(8,677)
Net book value						
Balance at December 31, 2012	3,251	15,470	183,448	12,861	166	215,236
Balance at December 31, 2013	8,843	15,001	183,448	6,089		213,381

	2012 – Re-presented					
	Computer programs and licences	**Goodwill on acquisition of investments**	**Concessions and CEARs**	**Usage rights**	**Intangible assets in progress**	**Total**
Amortizaton rate % a.a.	20			20		
Cost						
Balance at December 31, 2012	4,093	15,470		222,459	26,180	268,202
Balance at December 31, 2012	4,093	15,470		222,459	26,180	268,202
Additions	1,761		183,488	1,307	67	186,623
Write-offs				(211,430)	(26,180)	(237,610)
Transfers	(639)			525	99	(15)
Balance at December 31, 2013	5,215	15,470	183,488	12,861	166	217,200
Amortization						
Balance at December 31, 2012	(1,248)					(1,248)
Balance at December 31, 2012	(1,248)					(1,248)
Additions	(721)					(721)
Write-offs						
Transfers	5					5
Balance at December 31, 2012	(1,964)					(1,964)
Net book value						
Balance at December 31, 2012	2,845	15,470		222,459	26,180	266,954
Balance at December 31, 2013	3,251	15,470	183,488	12,861	166	215,236

(b) Goodwill on investments

On October 14, 2008 Eneva S.A. acquired the entire capital of Itaqui Geração de Energia S.A. from EDP Energias do Brasil S.A. in an acquisition that involved the swap of a 50% interest in Porto do Pecém Geração de Energia S.A. for the mentioned quotas. This transaction generated goodwill for Eneva S.A. of R$ 15,470, which is being presented under investments in the parent company's investment financial statements and under intangible assets in the consolidated financial statements. This goodwill is based on the expected future yield and is amortized over the term established in Ordinance authorization 177 issued May 12, 2008.

15 Related parties

The main balances of assets and liabilities at December 31, 2013 and December 31, 2012 related to related-party transactions, as well as the transactions that influenced the income for the period, relate to transactions between the Company and its direct and indirect subsidiaries, affiliates and key management personnel, which were conducted in accordance with the terms agreed by the parties.

(a) Controlling Shareholder

The Company's control is jointly exercised by Mr. Eike Fuhrken Batista and DD Brazil Holdings S.À.R.L (fully controlled by E.ON AG), which respectively hold 23.9% and 37.9% of the common shares.

(b) Executives

The Company is managed by a Board of Directors and an Executive Board, pursuant to the duties and powers vested by its Bylaws in accordance with corporate law.

(c) Related companies

The Company's main affiliated companies are: EBX Holding Ltda.,E.ON AG, Óleo e Gás Participações S.A., Prumo Logística S.A., MMX Mineração e Metálicos S.A., OSX Brasil S.A., OMX Operações Marítimas Ltda., CCX Brasil Participações S.A., MMX Chile S.A., LLX Açú Operações Portuárias S.A. and AVX Táxi Aéreo Ltda., in addition to its subsidiaries and associated companies.

At December 31, 2013, the balances of assets, liabilities and effects on income of related-party transactions are as follows:

	Assets			
	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
Pecém II Geração de Energia S.A. (c)	324,216	1,108		
Termopantanal Ltda. (a)	7,683	7,683		
Termopantanal Ltda. (a)	(7,453)	(7,453)		
Termopantanal Participações Ltda. (a)	457	457		
ENEVA Comercializadora de Energia S.A. (e)	653	175	14,387	174
Parnaíba Geração de Energia S.A. (f)	5,159	2,641		
Itaqui Geração de Energia S.A. (g)	404,621	374,965		
MPX Sul Energia S.A. (m)	181	95	181	95
Porto do Açú Energia S.A. (m)	241	251	241	251
Parnaíba II Geração de Energia S.A. (j)	2,977	302		
ENEVA Comercializadora de Combustível Ltda. (m)	327	95	327	95
Seival Participações S.A. (m)		66		66
EBX Holding Ltda. (b)	12,542	1,134	12,542	1,134
Pecém Operação e Manutenção Elétrica S.A. (j)	1,547	1,438	1,547	1,438
ENEVA Participações S.A. (n)	5,341	6,111	5,341	6,111
Porto do Pecém Geração de Energia S.A. (k)	258,749	133,489	260,268	133,489
ENEVA Desenvolvimento (l)	346	908		
Seival Sul Mineração Ltda. (m)	10	9		
Parnaíba Participações S.A. (m)	1,131		1,131	
ENEVA Investimentos S.A. (m)	11			
Parnaíba V Geração de Energia S.A. (m)	119			
Tauá II Geração de Energia Ltda.	44			
Parnaíba III Geração de Energia S.A.				
Parnaíba IV Geração de Energia S.A.	14,219		14,219	
Parnaíba Gás Natural S.A.	204,794		206,138	
MABE da Brasil	11,559		11,559	
Seival Geração de Energia S.A.	195		195	
Advances for future capital increase for subsidiaries (b)	206,678	419,426	150	12,425
	1,456,347	942,900	528,227	155,278
Non-current	1,456,347	942,900	528,227	155,278

	Liabilities			
	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
EBX Holding Ltda. (b)	2,772	2,664	2,824	3,975
ENEVA Comercializadora de Energia Ltda. (e)	81	1,116	138,478	23,904
Copelmi Mineração Ltda. (d)			158	14
Porto do Pecém Geração de Energia S.A. (k)			2,502	430
ENEVA Comercializadora de Combustíveis Ltda. (m)				136
ENEVA Participações S.A. (n)	3,919	2,376	3,919	2,376
Tauá Geração de Energia Ltda.	444	367	444	367
Porto do Pecém Transportadora e Minérios S.A.			70	
Petra Energia S.A.(o)			80,781	
Parnaíba Gás Natural S.A.(p)	274		45,128	
Parnaíba Participações S.A.	27,000		27,000	
DD Brazil			6,416	
	34,489	6,523	307,720	31,202
Current		6,523		30,772
Non-current	34,489		307,720	430

	Results			
	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
EBX Holding Ltda. (b)	3,675	(20,372)	(13,280)	(24,697)
Pecem II Geração de Energia S.A. (c)	20,637	864	(36,152)	(1,233)
ENEVA Comercializadora de Energia S.A. (e)	931	(8,877)	(160,728)	(8,877)
Parnaíba Geração de Energia S.A. (f)	1,656	2,153	(2,233)	(340)
Itaqui Geração de Energia S.A. (g)	33,868	12,013	(119,315)	9,490
MMX Mineração e Metálicos S.A.		85		85
OGX Petróleo e Gás Ltda.		364		364
OSX Brasil S.A.		162		162
LLX Logística S.A.		140		140
MPX Sul Energia S.A. (m)	76	50	76	50
Porto do Açú Energia S.A. (m)	142	310	142	310
ENEVA Solar Empreendimentos Ltda.	-	(246)	-	(246)
ENEVA Comercializadora de Combustível Ltda. (m)	136	327	136	327
Seival Participações S.A. (m)	130	21	130	21
Pecém Operação e Manutenção Elétrica S.A. (i)	129	50	(19,321)	50
Parnaíba II Geração (j)	1,588	800	(10,879)	800
Parnaíba Participações (m)		32		32
ENEVA Participações S.A. (n)	(1,264)	3,022	(1,264)	3,022
Porto do Pecém Geração de Energia S.A. (k)	13,029	60	13,029	60
ENEVA Desenvolvimento S.A.(l)	81			
Parnaíba III Geração de Energia S.A. (m)	508		508	
Parnaíba V Geração de Energia S.A. (m)	123			
MABE Construção e Administração de Projetos Ltda. (m)	342		(5,087)	
ENEVA Investimentos S.A. (m)	11			
Copelmi Mineração Ltda. (d)			11	(55)
Parnaíba IV Geração de Energia S.A. (m)	117		117	
Petra Energia S.A.(o)			85,015	
OGX Petroleo e Gás S.A.(p)			136,438	
	75,916	(9,042)	(132,657)	(20,535)

(a) Loan agreement executed with Eneva S.A. (lender) subject to monthly interest (101% of CDI) and with an unfixed term of maturity. Eneva S.A. has made a provision of R$ 7,453 for the devaluation of its 66.67% investment in Termopantanal Participações Ltda.

(b) The Company and its subsidiaries have operational and financial cost sharing agreements with the companies EBX Holding S.A. , involving monthly collections made through trade notes paid according to understandings between the parties (average DPO of 30 to 60 days). The effect on net income at December 31, 2013 is R$ (13,280) (R$ (34,682) at December 31, 2012).

(c) Revenue from reimbursement of operational, financial and project implementation costs. At December 31, 2013 the effect on net income is R$ (36,152).

(d) Reimbursement of administrative costs related to the 30% interest held by Copelmi Mineração Ltda. in the share capital of Seival Sul Mineração, with an effect on net income of R$ 11.

(e) The balance consists of operational and financial cost sharing agreements with Eneva S.A., Itaqui Geração de Energia S.A., Parnaíba II Geração de Energia S.A. and Pecém II Geração de Energia S.A., involving monthly collections made through trade notes paid according to understandings between the parties (average DPO of 30 to 60 days). At December 31, 2013 the effect on net income is R$ (160,728).

(f) The balance consists of revenue from reimbursement of feasibility study costs. At December 31, 2013 the effect on net income is R$ (2,233).

(g) The balance consists of: (i) revenue from reimbursement of operating and finance activities and project implementation costs; at December 31, 2013 the effect on net income is R$ (119.3154).

(h) Balance consisting of advances for future capital increase (AFACs) of its subsidiaries from investments to non-current assets, which are irrevocable and irreversible. However, no fixed value has been defined for the number of shares in the capital increase, in contravention of CPC 38. The following AFACs are outstanding at December 31, 2013 with the following companies:

Subsidiaries	**2013**	**2012**
Porto do Açu Energia S.A.		
MPX Seival Participações S.A.		
Parnaíba Geração de Energia S.A.	118,000	
Parnaíba V Geração de Energia S.A.	10	
Itaqui Geração de Energia S.A.	87,700	241,000
Parnaíba Participações S.A.		12,426
Pecém II Geração de Energia S.A.		166,000
ENEVA Investimentos S.A.	3	
OGMP Transporte Aéreo Ltda.	150	
Tauá II Geração de Energia Ltda.	815	
	206,678	419,426

(i) The balance consists of: (i) loan agreement executed in December 2011 with Eneva S.A. (lender) subject to monthly interest (110% of CDI) and with a fixed term of maturity of December 31, 2013. At December 31, 2013 the effect on net income is R$ 129. (ii) operational and financial cost sharing agreements with Parnaíba Geração de Energia S.A., involving monthly collections made through trade notes paid according to understandings between the parties (average DPO of 30 to 60 days). At December 31, 2013 the effect on net income is R$ (19,450).

(j) Revenue from reimbursement of operational, financial and project implementation costs. At December 31, 2013 the effect on net income is R$ (10,879).

(k) Loan agreement made on September 24, 2012 with Eneva S.A. (lender) subject to monthly interest (105% of CDI) and with a term of maturity of 1 (one) day after full repayment of loan by lender. The company determined revenue balance at December 31, 2013 of R$ 13. 029.

(l) The balance consists of: (i) revenue from reimbursement of project management costs; at December 31, 2013 the effect on net income is R$ 46 and (ii) loan agreement made on November 26, 2012 with Eneva S.A. (lender) subject to monthly interest (104% of CDI) and with a term of maturity of 1 (one) day after full repayment of loan by lender. At December 31, 2013 the effect on net income is R$ 35.

(m) Revenue from reimbursement of project implementation costs.

(n) Revenue from reimbursement of project implementation costs. At December 31, 2013 the effect on net income is R$ (1,264).

(o) The balance consists of: (i) costs relating to the gas purchase agreement and leasing of the gas treatment plant's capacity, between Parnaíba and Petra. The effect on net income is R$ 85,015 and (ii) Advance for future capital increase of R$ 23,571 between Petra and Parnaíba.

(p) Costs relating to the gas purchase agreement and leasing of the gas treatment plant's capacity, between the companies. The effect on net income is R$ 136,438.

(d) Compensation of the Board of Directors and Executive Board members

In accordance with Law 6404/1976 and the Company's bylaws, the shareholders will establish the managers' overall annual remuneration at the General Meeting. The Board of Directors will distribute the amount among the directors.

The annual compensation of officers and the Board of Directors is presented below:

	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
Immediate benefits				
Salaries	4,565	5,470	9,449	9,698
Stock options granted	350,514	321,904	350,514	321,904
	355,079	327,374	359,963	331,602

See below the minimum, average and maximum individual annual compensation of the Board of Directors and Officers, in R$:

	Consolidated					
	2013			2012 - Re-presented		
	Minimum	Average	Maximum	Minimum	Average	Maximum
Board of Directors	16,999	62,227	96,000	40,000	51,667	90,000
Officers	122,451	822,660	1,815,721	210,766	367,602	696,505

16 Borrowings and financing

At December 31, 2013 and 2012 the borrowing taken from financial institutions are as follows:

							Consolidted									
									2013						2012	
Company	Creditor		Currency	Interest rates	Maturity	Effective rate	Transaction costs	Costs to appropriate	Principal	Interest	Total	Transaction costs	Costs to appropriate	Principal	Interest	Total
Itaqui	BNDES (Direto)	(a)	R$	TJLP+2,78%	15.06.26	2,89	11,182	9,913	830,630	2,586	823,304	11,182	10,541	898,472	2,772	890,703
Itaqui	BNB	(b)	R$	10,00%	15.12.26	10,14	2,892	2,727	201,977	857	200,107	2,892	2,816	202,322	859	200,365
Itaqui	BNDES (Indireto)	(c)	R$	IPCA + TR BNDES+ 4,8%	15.06.26	4,80	1,475	1,473	109,302	6,041	113,870	1,475	1,475	111,299	31,378	141,202
Itaqui	BNDES (Indireto)	(d)	R$	TJLP+4,8%	15.06.26	4,94	2,023	1,953	162,052	632	160,731	2,023	2,000	175,016	669	173,685
Pecém II	BNDES (Direto)	(e)	R$	TJLP+2,18%	15.06.27	7,24	7,803	6,091	710,327	2,054	706,290	7,803	6,854	695,027	2,002	690,175
Pecém II	BNDES (Direto)	(f)	R$	IPCA+ TR BNDES + 2,18%	15.06.27	13,51	1,740	1,294	131,607	42,840	173,153	1,740	1,482	124,439	25,814	148,772
Pecém II	BNB	(g)	R$	10,00%	31.01.28	10,30	4,287	3,620	250,000	4,070	250,450	4,164	3,773	235,000	3,826	235,053
Parnaíba I	BRADESCO	(h)	R$	CDI+3,00%	18.12.14	4,49	4,593		48,000	117	48,117	4,593	1,571	60,000	5,634	64,063
Parnaíba I	Banco Itaú BBA	(i)	R$	CDI+3,00%	15.04.15	3,44	11,516		60,670	776	61,446	8,917	4,646	65,000	7,675	68,029
Parnaíba I	BNDES (Direto)	(j)	R$	TJLP+1,88%	15.06.27	2,16	16,867	16,860	493,444	1,370	477,954	2,998	2,998	495,676	392	493,070
Parnaíba I	BNDES (Direto)	(k)	R$	IPCA + TR BNDES + 1,88%	15.07.26	2,17	6,953	6,663	215,988	10,408	219,733	1,236	1,237	204,388	38	203,189
Parnaíba II	Banco Itaú BBA	(l)	R$	CDI+3,00%	30.12.14				200,000	146	200,146			100,000	8,189	108,189
Parnaíba II	Banco HSBC	(m)	R$	CDI+3,00%	31.12.13									125,000	10,236	135,236
Parnaíba II	Banco HSBC	(m)	R$	CDI+3,00%	31.12.13											
Parnaíba II	CEF	(n)	R$	CDI+3,00%	30.12.14				280,000	286	280,286			325,000	21,523	346,523
Parnaíba II	BNDES	(o)	R$	TJLP+2,40%	15.06.15		3,619	3,619	280,700	223	277,304			0	0	0
ENEVA S.A.	Banco Itaú BBA	(p)	R$	CDI+2,65%	16.12.14				105,790	503	106,293			105,790	368	106,158
ENEVA S.A.	Notas Promissórias - 1ª Emissão	(q)	R$	CDI+1,50%	15.12.13									300,000	11,595	311,595
ENEVA S.A.	Banco Citibank	(r)	R$	CDI+2,95%	22.09.14				101,250	3,107	104,357			101,250	2,042	103,292
ENEVA S.A.	Banco Citibank	(s)	US$	LIBOR 3M + 1,26%	27.09.17				117,130	20	117,150			102,175	18	102,193
ENEVA S.A.	Notas Promissórias - 2ª Emissão	(t)	R$	CDI+1,50%	09.12.13									300,000	1,005	301,005
ENEVA S.A.	Notas Promissórias - 3ª Emissão	(u)	R$	CDI+2,95%	25.12.13											
ENEVA S.A.	Banco BTG Pactual	(v)	R$	CDI+3,75%	09.12.14				101,912	792	102,705			101,912	371	102,283
ENEVA S.A.	Banco BTG Pactual	(w)	R$	CDI+3,75%	09.06.15				350,000	2,562	352,559					
ENEVA S.A.	Banco BTG Pactual	(x)	R$	CDI+3,75%	09.12.14				370,000	1,196	371,196					
ENEVA S.A.	Banco HSBC	(y)	R$	CDI+2,75%	12.12.14				303,825	1,747	305,572					
ENEVA S.A.	Banco Citibank	(z)	R$	CDI+4,00%	03.11.14				42,000	879	42,879					
ENEVA S.A.	Banco Citibank	(aa)	R$	CDI+4,00%	09.12.14				100,000	792	100,792					
ENEVA S.A.	Banco Itaú BBA	(bb)	R$	CDI+2,65%	05.12.14				200,000	1,618	201,618					
ENEVA S.A.	Banco Itaú BBA	(cc)	R$	CDI+2,65%	09.12.14				210,000	1,499	211,499					
ENEVA S.A.	Banco Santander	(dd)	R$	CDI+3,25	15.01.15				66,667	336	67,003					
ENEVA S.A.	Morgan Stanley	(ee)	R$	CDI+3,25	15.01.15				66,667	336	67,003					
ENEVA S.A.	Banco Itaú BBA	(ff)	R$	CDI+3,25	15.01.15				66,667	336	67,003					
							74,950	54,213	6,176,605	88,129	6,210,520	49,023	39,393	4,827,766	136,406	4,924,780

	Costs to appropriate	Principal	Interest	Total	Costs to appropriate	Principal	Interest	Total
Current	2,606	2,322,843	87,906	2,408,142	6,984	1,716,403	110,555	1,819,974
Non-current	51,607	3,853,762	223	3,802,378	32,409	3,111,363	25,852	3,104,806

The summary below shows the composition of the borrowings of the joint subsidiary Porto do Pecém Geração de Energia S.A. and the indirect subsidiaries MPX Chile Holding Ltda., Parnaíba III Geração de Energia S.A. and Parnaíba IV Geração de Energia S.A. As a result of the new consolidation rules introduced by IFRS 11, from 2013 we are no longer obliged to present them in the financial statements:

							2013					2012				
Company	**Creditor**		**Currency**	**Interest rates**	**Maturity**	**Effective rate**	**Transaction cost**	**Costs to appropriate**	**Principal**	**Interest**	**Total**	**Transaction cost**	**Costs to appropriate**	**Principal**	**Interest**	**Total**
Pecém I (50%)	BNDES (Direto)	**(gg)**	R$	TJLP + 2,77%	15.06.26	TJLP + 3,09	8.461	4.844	740.449	2.312	737.918	8.461	5.644	799.685	2.475	796.516
Pecém I (50%)	BID	**(hh)**	US$	LIBOR + 3,50%	15.05.26	LIBOR + 4,67	8.808	5.296	158.142	779	153.625	8.705	6.196	143.974	740	138.518
Pecém I (50%)	BID	**(ii)**	US$	LIBOR + 3,00%	15.05.22	LIBOR + 4,16	8.939	5.374	184.506	791	179.922	8.814	6.001	173.716	782	168.498
Chile (50%)	Banco Credit Suisse	**(jj)**	US$	8,125%	15.04.15				10.519	183	10.702			14.907	267	15.173
Chile (50%)	Banco Credit Suisse	**(kk)**	US$	8,000%	15.04.15				7.013	120	7.133			10.232	175	10.408
Parnaíba IV (35%)	Banco BTG Pactual	**(ll)**	R$	CDI + 2,28%	29.01.14				24.500	1.796	26.296					
Parnaíba III (35%)	Banco Bradesco	**(mm)**	R$	CDI + 2,53%	31.01.14				42.000	493	42.493					
							26.208	15.514	1.167.129	6.474	1.158.089	25.980	17.841	1.142.514	4.439	1.129.113

		Costs to appropriate	**Principal**	**Interest**	**Total**		**Costs to appropriate**	**Principal**	**Interest**	**Total**
	Current	2.481	160.876	6.475	164.870		2.609	88.082	4.439	89.912
	Non-current	13.033	1.006.253		993.219		15.232	1.054.432		1.039.201

Porto do Itaqui Geração de Energia S.A. (Itaqui)

(a) The National Social and Economic Development Bank ("BNDES") released the entire R$ 784 million of the long-term financing to Itaqui relating to subcredits A, B and C, incurring an annual cost of TJLP + 2.78%. The financing facility has a term of 17 years, with 14 years repayment and a grace period on the principal until July 2012. Subcredit D, intended for social investments (BNDES Social) of R$ 13.7 million, only incurs TJLP and R$ 11.7 million has been disbursed to date. The "BNDES Social" facility has a total term of 9 years, with 6 years repayment and a grace period until July 2012. The interest earned during the grace period was capitalized along with the amounts paid out. The balance of the principal at December 31, 2013 therefore stands at R$ 830.6 million. The interest on these loans was capitalized during the construction phase. This financing is secured by the traditional guarantee for project finance.

(b) To top up the funding from the BNDES, Itaqui took out financing from BNB-FNE, worth a total R$ 203 million under which the last payment was released on July 28, 2011, completing the financing. The BNB financing has a total term of 17 years, with 14 years repayment and a grace period on the principal until July 2012. The interest charge is 10% p.a. The funding has a performance bonus (15%), which consequently reduces the cost to 8.5% per annum. This financing is secured by the traditional guarantee for project finance.

(c) R$ 99 million of this indirect BNDES line has been released to Itaqui consisting of subcredits A, B, C, D and E. This part of the financing has a total term of 17 years, with 14 years repayment and a grace period on the principal and interest of until July 2012. The loan incurs IPCA + BNDES Reference rate + 4.8% p.a. during the construction stage and IPCA + BNDES Reference rate + 5.3% during the operational stage. The interest earned during the grace period was capitalized along with the amounts paid out. The balance of the principal at December 31, 2013 stands at R$ 109.3 million. The interest on these loans was capitalized during the construction phase. This financing is secured by the traditional guarantee for project finance.

(d) The entire subcredit F, of the financing mentioned in the previous item equal to R$ 141.8 million, has been passed through to Itaqui. This part of the loan has a total term of 17 years, with 14 years repayment and a grace period on the principal and interest until July 2012. The financing incurs TJLP + 4.8% p.a. during the construction stage and TJLP + 5.3% during the operational stage. The interest earned during the grace period was capitalized along with the amounts paid out. The balance of the principal at December 31, 2013 stands at R$ 162.0 million. The interest on these financing was capitalized during the construction phase. This financing is secured by the traditional guarantee for project finance.

MPX Pecém II Geração de Energia SA (Pecém II)

(e) By December 31, 2013 Pecém II had received R$ 615.3 million of the R$ 627.3 million foreseen in subcredits A, B, C, D and L of the long-term financing contract with the BNDES (in nominal R$, excluding interest during the construction). These subcredits have a total term of 17 years, with 14 years repayment and a grace period on the principal and interest until July 2013. The financing incurs LTIR + 2.18% p.a. The interest earned during the grace period was capitalized along with the amounts paid out. The balance of the principal at December 31, 2013 stands at R$ 710.3 million. This financing is secured by the traditional guarantee for project finance.

(f) Pecém II received R$ 110.1 million referring to subcredits E, F, G, H and I of the long-term financing contract with the BNDES mentioned in the item above. These subcredits have a total term of 17 years, with 14 years repayment and a grace period on the principal and interest until June 2014. The financing incurs IPCA + BNDES Reference rate + 2.18% p.a. Subcredit J, of R$ 22 million, which comprised this financing line, was transferred in April 2012 to subcredit A of the previous item. The balance of the principal at December 31, 2013 stands at R$ 131.6 million. This financing is secured by the traditional guarantee for project finance.

(g) To top up the funding from the BNDES, Pecém II took out financing from BNB with FNE funding, worth a total R$ 250 million, which has been disbursed in its entirety. The BNB financing has a total term of 17 years, with quarterly interest and 14 years repayment and a grace period on the principal until February 2014. The interest charge is 10% p.a. The funding has a performance bonus (15%), which consequently reduces the cost to 8.5% per annum. This financing is secured by the traditional guarantee for project finance.

UTE Parnaíba Geração de Energia SA (Parnaíba I)

(h) On December 27, 2011 Parnaíba I borrowed R$ 75 million under a CCB loan (Bank Credit Note) with BRADESCO, which was guaranteed by the parent company. Taken out to finance the construction of the thermoelectric power plants Maranhão IV and V, this bridge financing incurs annual interest of the CDI rate + 3% and matures initially on June 26, 2013, whereupon the principal and interest is due. A further R$ 75 million was disbursed on February 28, 2012 by the bank on the same terms as the previous disbursement. R$ 90 million of the principal plus the interest due was settled on December 28, 2012, when the long-term BNDES financing described in items (j) and (k) was released. On June 26, 2013 the Company renegotiated the principal balance of R$ 60 million, paying all the interest due up to that date with the new maturity date changing to September 24, 2013 and the interest held at the CDI rate plus 3% per annum. On September 24 UTE Parnaíba renegotiated the terms of the contract, changing the maturity date to October 24, 2013 and subsequently to November 24, 2013. On October 31, 2013 a new renegotiation amended the loan's maturity to December 18, 2014. The principal and interest will be paid in 15 monthly installments. The balance of the principal at December 31, 2013 stands at R$ 48 million.

(i) On December 27, 2011 Parnaíba I borrowed R$ 125 million under a CCB loan (Bank Credit Note) with Banco Itaú BBA, which was guaranteed by the parent company. Taken out to finance the construction of the thermoelectric power plants Maranhão IV and V, this bridge financing incurs annual interest of the CDI rate + 3% and matured originally on June 26, 2013, whereupon the principal and interest was due. R$ 60 million of the principal plus the interest due was settled in December 2012, when the long-term BNDES financing described in items (j) and (k) was released. On June 26, 2013 the company renegotiated the principal balance of R$ 65 million, paying all the interest due up to that date with the new maturity date changing to September 24, 2013 and the interest held at the CDI rate plus 3% per annum. On this date a new renewal amended the financing's maturity to October 24, 2013 and subsequently to April 15, 2015. The principal and interest will be paid in 5 quarterly installments commencing April 15, 2014. The balance of the principal at December 31, 2013 stands at R$ 60.7 million.

(j) In December 2012 Parnaíba I received R$ 495.7 million as subcredits B and C of the bridge financing from BNDES, out of a total of R$ 671 million. These subcredits will be amortized over 168 monthly instalments commencing July 15, 2013, along with the interest. The financing incurs LTIR + 1.88% p.a. The balance of the principal at December 31, 2013 stands at R$ 493.4 million.

(k) In December 2012 Parnaíba I also received R$ 204.3 million referring to the entire subcredit A of the long-term financing contract with the BNDES mentioned in the item above. This subcredit will be amortized over 13 annual instalments commencing July 15, 2014, along with the interest. The financing incurs IPCA + BNDES Reference rate + 1.88% p.a. The interest earned during the grace period was capitalized along with the amounts paid out. The balance of the principal at December 31, 2013 stood at R$ 215.9 million. This financing is secured by the traditional guarantee for project finance.

UTE Parnaíba II Geração de Energia SA (Parnaíba II)

(l) On March 30, 2012 the Parnaíba II project secured R$ 100 million via a CCB financing from Banco Itaú BBA, guaranteed by the parent company. Originally maturing on September 30, 2013 for the payment of principal and interest, this bridge financing was used to finance the building of the Maranhão III thermal power plant. Upon maturity this bridge financing incurs annual interest of the CDI rate + 3% and matured on September 30, 2013, whereupon the principal and interest was due. The Company renegotiated the financing, altering its maturity date to December 30, 2013. The financing was subsequently renegotiated, changing its maturity to December 30, 2014 and an additional R$ 100 million was borrowed, maturing on December 30, 2014.The balance of the principal at December 31, 2013 stands at R$ 200 million.

(m) On March 30, 2012 UTE Parnaíba II Geração de Energia S.A. borrowed R$ 125 million under a CCB financing (Bank Credit Note) with Banco HSBC, which was guaranteed by the parent company. Taken out to finance the construction of the thermoelectric power plant Maranhão III, this bridge financing incurs annual interest of the CDI rate + 3% and matured on September 30, 2013, whereupon the principal and interest was due. On September 30, 2013 UTE Parnaíba II renegotiated the agreement, altering its maturity date to December 30, 2013. A further R$ 100 million was disbursed on June 3, 2013 by the bank on the same terms as the previous disbursement, although the principal and interest of this financing mature on December 31, 2013. The principal of R$ 225 million was settled in December 2013 along with the interest incurred.

(n) In May 2012 Parnaíba II borrowed R$ 325 million under a CCB financing from Caixa Econômica Federal, which was guaranteed by the parent company. Taken out to finance the construction of the thermoelectric power plant Maranhão III, this bridge financing incurs annual interest of the CDI rate + 3% and originally matured on November 7, 2013, whereupon the principal and interest was due. A portion of R$ 125 million has been released, in addition to two portions of R$ 100 million, on May 8, 2012, May 15, 2012 and May 30, 2012. Upon maturity the company renegotiated the financing, altering its maturity date to December 30, 2013. R$ 45 million of the principal has been repaid to date, in addition to the interest incurred, and the remaining amount has been renegotiated to December 30, 2014. The balance of the principal at December 31, 2013 stands at R$ 280.0 million.

(o) Parnaíba II received a bridge financing from BNDES of R$ 280.7 million at the end of December 2013. This financing will be amortized in a single payment on June 15, 2015 along with the interest. The annual costs is LTIR + 2.40%.

Eneva S.A. (Eneva)

(p) On December 16, 2013 Eneva renegotiated the R$ 105.8 million of CCBs (Bank Credit Notes) from Banco Itaú BBA S.A., paying all the interest due up to that date with the new maturity date changing to December 16, 2014. The cost will be CDI plus 2.65% per annum with the interest and principal being paid at the end of the operation.

(q) On July 18, 2012 Eneva S/A publicly distributed 300 commercial promissory notes in a single series, with a nominal unit value of R$ 1 million, amounting to a total of R$ 300 million, maturing 360 days after issuance, yielding the CDI rate plus 1.5% p.a. These promissory notes were settled in advance in their entirety on June 28, 2013 via the issuance of new promissory notes described in item (u) below.

(r) On September 27, 2012 the parent company Eneva S.A issued a CCB (Bank Credit Note) via Banco Citibank S.A. for R$ 101,250 maturing on September 27, 2013. The interest agreed was 100% of the CDI rate +1.15% per annum and is due upon maturity, on September 27, 2013. On this date Eneva S/A renewed this agreement, changing its maturity date to September 22, 2014 and changing the interest rate to CDI plus 2.95% per annum.

(s) On September 27, 2012 Eneva took out financing equal to USD 50,000 from Banco Citibank S.A. under a Credit Agreement, in accordance with BACEN Resolution 4131. This financing is subject to interest of Libor 3M + 1.26% p.a. and will be paid quarterly. The principal will be paid semi-annually, with a grace period of September 26, 2014 and the contract expiring on September 27, 2017. Eneva S.A. took out a swap from Citibank in order to hedge this loan against exchange variance. The balance of the principal at December 31, 2013 stands at R$ 117 million. See Note 18.

(t) On December 14, 2012 Eneva S.A. publicly distributed 300 commercial promissory notes in a single series, with a nominal unit value of R$ 1 million, amounting to a total of R$ 300 million, maturing 360 days after issuance, yielding the CDI rate plus 1.5% p.a. These promissory notes were settled on the due date.

(u) On June 28, 2013 Eneva S/A publicly distributed 33 commercial promissory notes in a single series, with a nominal unit value of R$ 10 million, amounting to a total of R$ 330 million, maturing on December 25, 2013, yielding the CDI rate plus 2.95% p.a. These promissory notes were settled on the due date.

(v) On December 13, 2012 Eneva issued a CCB (Bank Credit Note) via Banco BTG Pactual for R$ 101.9 million maturing on December 13, 2013. Upon maturity the line was renegotiated, altering its maturity date to December 09, 2014. The interest will be paid quarterly at the cost of the CDI rate plus 3.75% p.a. The principal will be paid in full upon maturity.

(w) On February 7, 2013 Eneva issued a CCB (Bank Credit Note) via Banco BTG Pactual for R$ 350 million maturing on August 6, 2013. The interest agreed was 100% of the CDI rate 2.95% per annum and is due upon maturity. On August 6, 2013 the company renegotiated the financing, altering its maturity date to December 2, 2013. A new renegotiation extended the debt's maturity date to June 9, 2015, with interest paid quarterly at the cost of CDI + 3.75% p.a. and the principal paid on maturity.

(x) On December 9, 2013 and December 26, 2013 Eneva issued two CCBs (Bank Credit Notes) via Banco BTG Pactual for the individual amounts of R$ 100 million on December 9, 2013 and R$ 270 million on December 26, 2013, both maturing on December 9, 2014. The interest agreed was 100% of the CDI rate plus 3.75% per annum and will be paid quarterly.

(y) On March 25, 2013 Eneva issued a CCB (Bank Credit Note) via Banco HSBC for R$ 100 million maturing on March 25, 2014. The interest agreed was 100% of the CDI rate 1.75% per annum and is due upon maturity. The interest accumulated to December 12, 2013 was paid and a new maturity was agreed for December 12, 2014. The spread for this new period will be 2.75% per annum. At the time of the renegotiation the Company issued a new CCB amounting to R$ 203.8 million scheduled for maturity on December 12, 2014. The cost will be the CDI rate plus 2.75% p.a. with interest and principal paid on maturity.

(z) Eneva took out financing from Citibank S.A of R$ 42 million (in the form of a CCB) on November 1, 2013, maturing on November 3, 2014. The interest will be paid quarterly at the cost of the CDI rate plus 4.00% p.a. and the principal will be paid upon maturity.

(aa) Eneva issued through Banco Citibank S.A a CCB (Bank Credit Note) for R$ 100 million on December 9, 2013 maturing on December 9, 2014, at an interest rate of the CDI rate plus 4.00% p.a. with payment of the principal and interest upon maturity.

(bb) On December 5, 2013 Eneva issued a Itaú BBA CCB (Bank Credit Note) for R$ 200 million maturing on December 5, 2014. The interest agreed was 100% of the CDI rate plus 2.65% per annum with principal and interest due upon maturity.

(cc) On December 9, 2013 Eneva issued a Itaú BBA CCB (Bank Credit Note) for R$ 210 million maturing on December 9, 2014. The interest agreed was 100% of the CDI rate plus 2.65% per annum with principal and interest due upon maturity.

(dd) As a result of the negotiations of OGX Maranhão (now Parnaíba Gás Natural), Eneva took out financing from Banco Santander of R$ 66.6 million (CCB) on November 4, 2013, maturing on January 15, 2015. The interest will be paid monthly at the cost of CDI plus 3.25% p.a. until June 14, 2014, 3.75% p.a. until September 14, 2014 and 4.25% until the full settlement of the CCB. The principal will be paid upon maturity.

(ee) As a result of the negotiations of OGX Maranhão (now Parnaíba Gás Natural), Eneva took out financing from Morgan Stanley of R$ 66.6 million (CCB) on November 4, 2013, maturing on January 15, 2015. The interest will be paid monthly at the cost of CDI plus 3.25% p.a. until June 14, 2014, 3.75% p.a. until September 14, 2014 and 4.25% until the full settlement of the CCB. The principal will be paid upon maturity.

(ff) As a result of the negotiations of OGX Maranhão (now Parnaíba Gás Natural), Eneva took out a loan from Itaú BBA of R$ 66.6 million (CCB) on November 04, 2013, maturing on January 15, 2015. The interest will be paid monthly at the cost of CDI plus 3.25% p.a. until June 14, 2014, 3.75% p.a. until September 14, 2014 and 4.25% until the full settlement of the CCB. The principal will be paid upon maturity.

Porto do Pecém Geração de Energia SA (Pecém I)

(gg) By June 30, 2013 the BNDES had released R$ 1.40 billion of a long-term loan to Pecém I The BNDES financing agreement involves a total amount of R$ 1.41 billion (in nominal R$, excluding interest during the construction), with a total term of 17 years, including 14 years for amortization and a grace period for payment of interest and principal until July 2012. The financing incurs LTIR + 2.77% p.a. The interest was capitalized during the construction phase. The balances of the principal and interest stated in the table above refer to 50% of the original balances, and take into account the 50% interest of EDP Energias do Brasil S.A. in the company. This financing is secured by the traditional guarantee for project finance.

(hh) To complement the direct financing from the BNDES, Pecém I has a direct financing from the Interamerican Development Bank - BID ("A Loan"), worth a total USD 147 million, of which USD 143.78 million has been released thus far (equal to R$ 316,284 at December 31, 2013). The A Loan has an annual cost of Libor + 3.5% and a total term of 17 years, with 14 years repayment and a grace period on the principal until July 2012. The balances of the principal and interest stated in the table above refer to 50% of the original balances, and take into account the 50% interest of EDP Energias do Brasil S.A.

(ii) To complement the direct financing from the BNDES, Pecém I has an indirect financing from the Interamerican Development Bank - BID ("B Loan"), worth a total USD 180 million, of which USD 176 million has been released thus far (equal to R$ 369,012 at December 31, 2013). The onlending banks are Grupo Banco Comercial Português, Calyon and Caixa Geral de Depósito. The B Loan has a total term of 13 years and a cost of 3.0%, with 10 years repayment and a grace period on the principal until July 2012. The balances of the principal and interest stated in the table above refer to 50% of the original balances, and take into account the 50% interest of EDP Energias do Brasil S.A.

MPX Chile Holding Ltda (MPX Chile)

(jj) On April 13, 2011 MPX Chile took out an offshore borrowing from Banco Credit Suisse, guaranteed by the parent company. The debt is denominated in US dollars amounting to USD 15 million (equal to R$ 21,038 at December 31, 2013), and charged fixed annual interest of Libor + 8.13%. The principal and interest will be paid semi-annually, with a grace period for the principal until April 15, 2013 and the contract expiring on April 15, 2015. The balances of principal and interest shown in the table above account for 50% of the original balances.

(kk) On June 29, 2011 MPX Chile took out an offshore borrowing from Banco Credit Suisse, endorsed by the parent company. The debt is denominated in US dollars amounting to USD 10 million (equal to R$ 18,495 at September 30, 2013), and charged fixed annual interest of Libor + 8%. The principal and interest will be paid semi-annually, with a grace period for the principal until April 15, 2013 and the contract expires on April 15, 2015. The balances of principal and interest shown in the table above accounts for 50% of the original balances.

UTE Parnaíba IV Geração de Energia SA (Parnaíba IV)

(ll) On April 29, 2013 the Parnaíba IV project borrowed R$ 70 million under a CCB contract (Bank Credit Note) with Banco BTG Pactual. Taken out to finance the construction of a natural gas thermal power plant with Kinross Brasil Mineração S.A., this bridge financing incurs annual interest of the CDI rate plus 2.28% per annum and matures on January 29, 2014, whereupon the principal and interest are due.

UTE Parnaíba III Geração de Energia SA (Parnaíba III)

(mm) On November 25, 2013 the Parnaíba III project secured a bridge financing from Banco Bradesco of R$ 120 million, initially maturing on January 9, 2014. A new maturity date was agreed for January 31, 2014. The cost of the bridge financing is CDI plus 2.53% per annum. Principal and interest will be paid at the end of the operation.

The instalments of the borrowings and financing classified in non-current liabilities at December 31, 2013 have the following payment schedule:

	Consolidted
Maturity	
2015	1,094,352
2016	244,045
2017	283,230
2018 to final maturity	2,180,751
	3,802,378

The Project Finance account with real guarantees of the project include Pledge of Shares, Assignment of Rights and Credits, Emerging Fiduciary Rights Project, Conditional Assignment of Rights and Contracts, Chattel Mortgage of Machinery and Equipment, among others.

Financial covenants

Creditors involved in financial contracts use financial covenants in a number of debt contracts to monitor the Company and its investees' financial situation.

The financing contracts relating to the ventures Porto do Pecém Geração de Energia S.A., Pecém II Geração de Energia S.A., Itaqui Geração de Energia S.A. and Parnaíba Geração de Energia S.A. have minimum debt service coverage indexes that measure the payment capacity of the financial expense in relation to EBITDA. .

All the financial covenants had been complied with at December 31, 2013.

A number of financing contracts also have non-financial covenants, which are usual for the market and have been summarized below. At December 31, 2013 all these covenants had been complied with.

- Obligation to periodically submit financial statements to creditors.
- Creditor rights to inspect and visit facilities.
- Obligation to keep up with tax, social security and payroll obligations.
- Obligation to maintain materially important contracts for its operations in force.
- Comply with environmental legislation and keep any operating licenses necessary in force.
- Contractual restrictions on related-party transactions and sales of assets outside the normal course of business.
- Restrictions on the change of share control, corporate restructuring and material changes to the core activities and Articles of Association of the borrowers.
- Restrictions on debt ratios and the procurement of new debt.

No non-performance of financial and non-financial covenants were noted at December 31, 2013.

17 Taxes and contributions payable

	Parent company		Consolidated	
	2013	2012	2013	2012 (Re-presented)
Corporate Income Tax - IRPJ				344
Social Contribution on Net Income - CSLL				537
Income Tax Withheld at Source - IRRF	6	56	6,286	1,667
ICMS	1	37	634	115
PIS, COFINS, IRRF and CSL	570	40	23,406	1,559
Tax on Financial Transactions - IOF	56	14	58	15
Others	76	255	15,550	3,004
Current	709	402	45,934	7,241

18 Financial instruments and risk management

The management of these financial instruments is done through operating strategies and internal controls, aimed at liquidity, profitability and security. Our control policy consists of permanently monitoring contract rates versus market rates. The Company and its subsidiaries do not invest in derivative financial instruments or any other risky assets on a speculative basis. This is a determination of the financial investment policy.

The estimated realization values of the financial assets and liabilities of the Company and its subsidiaries were determined through information available in the market and appropriate valuation methodologies. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate realization value. Consequently, the estimates below do not necessarily indicate the values that could be realized in the current exchange market. The use of different market methodologies may have a material effect on the estimated realizable values.

The description of the consolidated carrying amounts of financial instruments included in the balance sheets at December 31, 2013 and 2012, are presented below:

	Parent company	
	2013	**2012**
Financial instruments	**Total**	**Total**
Assets		
Loans and receivables		
Accounts receivable from other related parties	217,337	1,134
Accounts receivable from subsidiaries	123,005	16,364
Loans to subsidiaries	909,327	505,976
Judicial deposits	38	102,684
Cash and cash equivalents	110,157	206,263
Fair value through profit		
Gains on derivative transactions	4,171	3,018
Embedded derivatives		479
Liabilities		
Other financial liabilities		
Trade payables	3,473	3,849
Borrowings and financing	2,217,628	1,026,527
Debentures	5,350	5,065
Debts with subsidiaries	4,444	3,859
Debts with other related parties		2,664
Debts with other related parties	30,045	

	Consolidated	
	2013	**2012 Re-presented**
Financial instruments	**Total**	**Total**
Assets		
Loans and receivables		
Accounts receivable	294,396	21,345
CCC subsidy receivable	30,802	42,178
Loans to subsidiaries	191,968	134,926
Accounts receivable from other related parties	218,680	1,134
Accounts receivable from other parent companies		6,793
Accounts receivable from subsidiaries	117,372	
Judicial deposits	118,644	135,683
Cash and cash equivalents	277,582	519,277
Fair value through profit		
Securities		3,441
Gains on derivative transactions	4,171	3,018
Embedded derivatives		479
Liabilities		
Other financial liabilities		
Trade payables		115,261
Borrowings and financing	6,210,520	4,924,780
Debentures	5,350	5,065
Debts with subsidiaries	145,412	27,213
Debts with other related parties	162,308	3,989
Fair value through profit		
Losses on derivative transactions		117,748

The financial instruments measured at amortized cost and presented above are close to their market values (fair value).

18.1 Fair value of financial instruments

The concept of fair value states that assets and liabilities should be valued at market prices, in the case of liquid assets, or by using mathematical pricing methods, in other cases. The hierarchy level of the fair value gives priority to unadjusted prices quoted on an active market. A part of the Company's accounts has the fair value equal to book value, these accounts include cash equivalents, payables and receivables, bullet debts and short-term. The accounts whose fair value differs from book value are shown below:

	Consolidated		
	2013		
	Prices observable in an active market (Level I)	Pricing with observable prices (Level II)	Pricing without observable prices (Level III)
Derivatives		4,171	
Balance at December 31, 2013		4,171	

	2012		
	Prices observable in an active market (Level I)	Pricing with observable prices (Level II)	Pricing without observable prices (Level III)
Securities	3,441		
Derivatives		(114,251)	
Balance at December 31, 2013	3,441	(114,251)	

	Parent company		
	2013		
	Prices observable in an active market (Level I)	Pricing with observable prices (Level II)	Pricing without observable prices (Level III)
Derivatives		4,171	
Balance at December 31, 2013		4,171	

	2012		
	Prices observable in an active market (Level I)	Pricing with observable prices (Level II)	Pricing without observable prices (Level III)
Derivatives		3,497	
Balance at December 31, 2013		3,497	

18.2 Derivatives, hedges and risk management

The Company has a formal policy for financial risk management. The use of financial instruments for hedging purposes is done through an analysis of the risk exposure (exchange and interest rates, amongst others) and follows the strategy approved by the Board of Directors.

The protection guidelines are applied according to exposure type. The risk factors posed by foreign currencies should be neutralized in the short term (within 1 year), and the protection may be extended for longer. Decision taking regarding the risk posed by interest rates and inflation on liabilities acquired will be assessed in terms of the economic and operational context and when Management deems the risk to be material.

18.2.1 Notional and fair value of derivative instruments

Forward currency contract - acquisition of US dollars (USD)

		2013				2012	
	Maturity	Notional USD	Assets	Liabilities	MTM	Notional USD	MTM
Eneva							
Long poitionUSD							
Goldman Sachs						10,963	735
Morgan Stanley	01.04.2014	59,207	4,171		4,171	8,524	1,443
Total USD		59,207	4,171		4,171	19,487	2,178

		2013		2012	
	Maturity	Notional USD	MTM	Notional USD	MTM
Eneva					
Long position USD					
Goldman Sachs				10,963	735
Morgan Stanley				8,524	1,443
Total USD				19,487	2,178

Interest rate swap obligation

		2013				2012	
	Maturity	Notional USD	Assets	Liabilities	MTM	Notional USD	MTM
UTE Porto do Itaqui							
Libo/fixed							
Citibank						220,776	(117,748)
Total Swap						220,776	(117,748)

Swap cross-currency

		2013				2012	
	Maturity	Notional USD	Assets	Liabilities	MTM	Notional USD	MTM
Eneva							
Libor USD | DI							
Citibank	27.09.2017	101,250	117,544	101,894	15,650	101,250	840
Total Swap		101,250	117,544	101,894	15,650	101,250	840

18.2.2 Market risk

Risk of change in prices of commodities, exchange rates and interest rates.

18.2.2.1 Risk of oscillation in commodity prices

In Eneva's case, this risk is exclusively posed by the coal price, which is recorded, according to the formation of inventory for generating energy in the thermoelectric power plants.

The inventory coal price is established and will be converted into revenue, according to the remuneration for the energy generation, according to the PPA rules[1]. The period between the purchase of the cargo and its use for generating energy constitutes the price change risk incurred by the thermoelectric power plant.

(a) Risk management

The coal price risk is managed by structuring hedge transactions in the future coal market without physical settlement. Eneva is seeking resources in the domestic market - whose market for this type of operation is still at an initial stage - to mitigate the risk posed by its coal inventory by structuring hedges at the start of 2014. At the end of 2013 the Company did not have any such derivatives.

18.2.2.2 Currency risk

Risk of change in exchange rates which could be associated to the Company's assets and liabilities

(a) Risk management

The Company manages the exchange risk on a consolidated basis for its companies to detect and mitigate risks posed by changes in exchange rates underlying global assets and liabilities. The aim is to detect or create natural hedges, taking advantage of the synergy between the companies' operations, thereby minimizing the use of derivatives. Derivative instruments are used in cases where natural hedges cannot be taken advantage of.

(b) Investment in fixed assets (capex)

The revenue of Eneva's consolidated energy generating units is denominated in reais. Part of the investment made in fixed assets is also paid in foreign currency, primarily US dollars and euros. The volumes and terms of these payments do not generally require the structuring of hedge transactions. The Company is currently mapping out the payments in foreign currencies - based on historic and future entries, in order to establish an average amount and terms, thereby ensuring control over the related foreign currency exposure.

(c) Coal inventory

The Company goes long when forming its coal inventory for its thermal power plants, which in turn is determined in the international market in US dollars. The Company consequently also assumes a long position in US dollars, generally creating a mismatch between its assets and liabilities. As mentioned earlier for the coal price risk, the company is studying hedge mechanisms against the market risks posed by coal purchases. In other words, the commodity price hedge and the exchange risk hedge will be structured simultaneously.

[1] The Multiyear Plan (PPA) is the planning instrument that establishes the regional guidelines, objectives and targets of the Public Administration for a period of four years.

(d) Borrowings and financing

The Company has foreign exchange exposure on its financial liabilities, deriving from transactions in US dollars by its subsidiaries. Eneva's 50.00 million US dollar financing is translated into reais for restatement via the DI rate via a cross-currency swap. The result and sensitivity analysis of the operation are shown below.

	Risk for the Position	Amount Fair	Scenario I (25% increase)	Scenario II (50% increase)
Eneva SA				
Cross-Currency Swap (hedge)	US dollar devaluation	117,544	146,930	176,316
US dollar financing	US dollar valuation	(117,544)	(146,930)	(176,316)
Net exposure				

(*) The valuation does not denote the total exposure in the currency or the overall loss posed by this exposure.

Reference rate: PTAX 800 Venda (**2.3426 on 12/31/2013**) of the Brazilian Central Bank.

Scenario I: adverse change of 25% (increase in foreign exchange rate to generate loss in a short position)

Scenario II: adverse change of 50% (increase in foreign exchange rate to generate loss in a short position)

(e) Operations hedged by derivative instruments

US dollar financing of UTE Porto do Pecém

- Hedge accounting

The investment in capex of Energia Pecém (construction of the thermal power plant) will consist of 75% long-term financing, partly in US dollars, and 25% of company capital. The long-term financing agreements were signed with the Inter-American Development Bank ("BID") and the National Social and Economic Development Bank ("BNDES") on July 10, 2009. To finance its capex requirements in the period prior to July 10, 2009 it was necessary to take out a bridge financing from Citibank, which will be repaid using funds provided under these financing agreements.

As most of the investment is denominated in US dollars and Euros and its future revenue will be generated in Brazilian reais, derivative instruments have been taken out for hedge purposes. On April 1, 2009 the Company used hedge accounting in order to hedge against the exchange variance on the long-term US dollar financing taken out from IDB. The derivative instrument used is an NDF maturing in October 2012 with a notional value of USD 327 million. (USD 163.5 million equal to 50% of the interest of Eneva S.A.). This NDF was rolled over on September 25, 2012 with a notional value of USD 327 million and maturing between November 2012 and May 2015.

As this is hedge accounting classified as cash flow, changes in the fair value of derivative instruments designated as cash flow hedges are recognized directly in shareholders' equity for the amount of the hedge that is considered effective. The difference between the fair value and the exchange variance is the ineffective portion which is therefore recognized in the statement of operations.

This bridge financing was settled on October 30, 2009. USD 260 million was released on this date consisting of the first part of the long-term funding from BID and the adjustment to present value (AVP) was calculated based on the USD 67 million yet to be disbursed by BID (before this release, the AVP was calculated based on the exposure of USD 169 million relating to the difference in the contracted derivative of USD 327 million and the bridge financing of USD 158 million). USD 50 million was released on August 31, 2010 referring to the second portion of the IDB long-term financing, and the AVP accordingly began to be calculated based on the outstanding USD 17 million, not yet disbursed by IDB. USD 9 million was released on February 4, 2011 referring to the third portion of the IDB long-term financing, and the AVP accordingly began to be calculated based on the outstanding USD 7 million, not yet disbursed by IDB.

The impacts of the gains and losses of this hedge accounting transaction in the period were as follows:

	2013	
	Net income	**Shareholders' equity**
Hedge derivatives		
Derivative gains (losses)	(3,465)	2,287

	2012	
	Net income	**Shareholders' equity**
Hedge derivatives		
Derivative gains (losses)	(3,966)	2,617

On April 01, 2011 the Company used hedge accounting in order to hedge against the Libor interest for the amortization period on the long-term US dollar financing taken out from IDB. The derivative instrument designated for this relation is an interest-rate cash-flow float/fixed maturing between October 2012 and October 2024, whose notional amounts refers to the expected accumulated disbursement tranches of the long-term interest owed to IDB.

As this is hedge accounting classified as cash flow, changes generated by the MTM (marked-to-market) variance, net of the interest provided for up to the base date, are recognized directly in shareholders' equity in an equity valuation adjustment account. The difference between the fair value and the Libor rate is the ineffective portion which is therefore recognized in the statement of operations.

The impacts of the gains and losses of this hedge accounting transaction in the period were as follows:

	2013	
	Net income	**Shareholders' equity**
Hedge derivatives		
Derivative gains (losses)	(13,776)	9,092

	2012	
	Net income	**Shareholders' equity**
Hedge derivatives		
Derivative gains (losses)	10, 235	(6,756)

18.2.2.3. Interest rate risk

Risk of shifting of the interest structure that could be associated with the payment flows of the debt principal and interest.

(a) Cash flow risk related to floating interest rates

There is a financial risk associated with floating rates that could increase the future value of the financial liabilities. The common risk is uncertainty about the interest futures market, which makes payment flows unpredictable. In loss scenarios, the interest forward rises, thereby increasing the liability's value. Alternatively, the Company's liabilities could reduce if the rates fell.

More than 90% of Eneva and its subsidiaries' liabilities are indexed to floating interest in the interbank deposit segment (DI) and the long-term interest rate of the BNDES (TJLP), and in the inflationary segment with restatement according to the IPCA price index.

The debt that incurs the interbank deposit rate is allocated as short-term. 76.71% of the 2.76 billion reais will be repaid by the end of 2014 and the remainder by the first half of 2015. The volatility posed by this risk factor is thereby substantially reduced.

The BNDES facilities restated by the IPCA and TJLP price indexes - which also contain a strong inflation component - are part of a special credit segment posing low volatility and therefore a low probability of abrupt changes in rates. As this is a specific segment, caution should be exercised in respect of interference and hypotheses in statistical models in the attempt to map out and make projections about this segment in order to quantify the hypothetical related losses. Furthermore, the companies' assets consisting of the revenue will also be restated by the same rates, which substantially reduces the mismatch between asset and liability rates.

Sensitivity to interest rates

On December 31, 2013 the Company's debt and its subsidiaries are substantially linked to changes in the interest rate of the CDI. Considering the current slanting of the high interest rate, a reasonably possible change in interest rates from 10% to 11.5% per year, keeping all other variables constant, would add a financial expense of R$ 93,157 in 2013. With a stress of 25% and 50%, the interest expense would reach R$ 116,447 and R$ 139,737, respectively.

18.2.3. Credit risk

This arises from the possibility of the Company and its subsidiaries suffering losses due to the default of their counterparties or of financial institutions where they have funds or financial investments. This risk factor could derive from commercial operations and cash management.

To mitigate these risks, the Company and its subsidiaries have a policy of analyzing the financial position of their counterparties, as well as constantly monitoring outstanding accounts.

The Company has a Financial Investment Policy, which establishes investment limits for each institution and considers the credit rating as a reference for limiting the investment amount. The average terms are continually assessed, as are the indexes underlying the investments, in order to diversify the portfolio. The maximum exposure to credit risk is denoted by the balance of short-term investments.

	Consolidated	
	2013	**2012 (Re-presented)**
Positions denoting credit risk		
Cash and cash equivalents	277,582	519,277
Securities		3,441
Trade receivables	294,396	21,345
Gains on derivative transactions	4,171	3,018
CCC subsidy receivable	30,802	42,178
Judicial deposits	118,644	135,683
Consolidated credit accounts	725,862	724,942

The amount of cash and cash equivalents are represented mainly by current account and investment fund maintained at Itaú SA, prime bank and with respect to accounts receivable, their main exposure comes from the possibility that the Company may incur losses resulting from the difficulty of collecting amounts billed. To reduce this risk and to assist in the management of default risk, the Company monitors the accounts receivable by performing various collection actions. In addition, the Company's customers have signed an Agreement for Guarantee of Payment and Faithful Fulfillment of Obligations.

18.2.4 Liquidity risk

The Company and its subsidiaries monitor their liquidity levels, based on expected cash flows versus the amount of cash and cash equivalents on hand. Managing the liquidity risk means maintaining cash, sufficient securities and capacity to settle market positions. The amounts recognized at December 31, 2013 approach the operations' settlement values, including estimated future interest payments.(see Note 1).

	Consolidated					
	2013					
	Up to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total by account
Liabilities						
Trade payables	331,216					331,216
Related parties			306,545			306,545
Borrowings and financing	676,967	2,570,541	1,079,040	1,324,391	2,696,265	8,347,204
Contractual retention		84,789				84,789
Derivative financial instruments	3,971	2,725	4,694			11,390
Total	1,012,154	2,658,055	1,390,279	1,324,391	2,696,265	9,081,144

	Consolidated					
	2012 (Re-presented)					
	Up to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total by account
Liabilities						
Trade payables	115,261					115,261
Related parties	30,772		430			31,202
Borrowings and financing	598,139	1,883,891	648,171	1,361,339	3,113,213	7,604,753
Debentures		111	4,954			5,065
Contractual retention		77,374				77,374
Derivative financial instruments	14,793	14,322	29,570	59,920	26,749	145,354
Total	758,965	1,975,698	683,125	1,421,259	3,139,962	7,979,009

19 Provision for contingencies

The Company and its subsidiaries are not party to judicial proceedings, involving labor and tax issues rated as a probable loss, and no provision was therefore made for them.

The Company and its subsidiaries are party to judicial proceedings, involving labor and civil issues to the estimated amount of R$ 108,773 (R$ 24,280 at December 31, 2012). Their legal advisors rate the proceedings as a possible loss, and management does not believe it is necessary to record a provision for them.

Passthrough criteria for energy purchases in the free market in the event of delayed operations ("ICB Online")

In 4Q13 Aneel approved the claims presented by Pecém I, Itaqui and Parnaíba III for the retroactive amendment of the criteria for reimbursing the energy acquisition cost incurred to perform its energy trading agreements until the commencement of the commercial start-up of its plants.

Previously the reimbursement criteria used established that the reimbursement be based on the cost benefit index (ICB) of the plant, i.e. the average cost estimated for the National Integrated System (SIN) at the time of the auction in which the plant sold the energy. The new criteria determines the reimbursement based on the effective online cost of the plant for SIN (ICB Online), if it were available. The decision was backdated to the start of the CCEAR dates.

Downtime Costs (ADOMP)

On January 7, 2014 Pecém I and Itaqui filed legal proceedings against Aneel contesting the calculation of downtime, as the CCEARs stipulate the use of a mobile average of 60 months of effective uptime.

On January 24, 2014 the 15th Federal Court of the Federal District awarded an injunction to the Pecém I and Itaqui plants suspending the payment for downtime, based on the time calculated, with immediate effect. As the amounts owed are usually paid two months later, the payments for December 2013 have not been made yet.

The legal proceeding against Aneel is also claiming reimbursement of the amounts paid since the commencement of the CCEARs.

20 Shareholders' equity

At December 31, 2013 and 2012 respectively, the Company's share capital consists of 702,524,469 (seven hundred and two million five hundred and twenty-four thousand, four hundred and sixty-nine) and 578,479,962 (five hundred and seventy-eight million four hundred and seventy-nine thousand, nine hundred and sixty-two) nominative common shares, with no par value and the authorized capital is 1.2 billion book-entered common shares with no par value.

At December 31, 2013 the Company's share capital was R$ 4,532,314 (R$ 3,731,734 at December 31, 2012), consisting of common shares distributed as follows:

	2013	%	2012	%
Shareholder				
Eike Fuhrken Batista	145,704,988	20.7	289,705,431	50.1
Centennial Asset Mining Fund LLC (*)	20,208,840	2.9	20,208,840	3.5
Centennial Asset Brazilian Equity Fund LLC (*)	1,822,065	0.3	1,822,065	0.3
E.ON	266,269,556	37.9	67,869,516	11.7
BNDESPAR	72,650,210	10.3	59,823,537	10.4
Others	195,868,810	27.9	138,812,343	24.0
Total	702,524,469	100	578,241,732	100

(*) Controlled by Eike Fuhrken Batista.

The changes in the share capital up to the fourth quarter of 2013 have been summarized below:

Date	Quantity of shares	Capital (R$ thousand)	Description
December/2012	578,241,732	3,731,734	Opening balance
January/2013	147,480	232	Capital increase - company plan
February/2013	27,000	95	Capital increase - company plan
April/2013	34,500	114	Capital increase - company plan
May/2013	29,250	99	Capital increase - company plan
September/2013	124,031,007	800,000	Capital increase
October/2013	13,500	40	Capital increase - company plan
12/31/2013	702,524,469	4,532,314	Closing balance

The Company's capital was increased in January 2013 by the Board of Directors' meeting held January 10, 2013, ratifying the issuance of 147,480 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 578,389,212.

The Company's capital was increased in February 2013 by the Board of Directors' meeting held February 6, 2013, ratifying the issuance of 27,000 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 578,416,212.

The Company's capital was increased in April 2013 by the Board of Directors' meeting held April 5, 2013, ratifying the issuance of 34,500 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 578,450,712.

The Company's capital was increased in May 2013 by the Board of Directors' meeting held May 8, 2013, ratifying the issuance of 29,250 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 578,479,962.

On September 16, 2013 the Board of Directors' meeting ratified the Company's capital increase, as approved by the Board of Directors' meeting on July 3, 2013, of R$ 799,999,995.15, within the authorized capital limit, as a result of the subscription and full payment of the 124,031,007 new common registered shares with no par value. The number of Company shares accordingly rose from 578,479,962 to 702,510,969.

The Company's capital was increased in October 2013 by the Board of Directors' meeting held October 21, 2013, ratifying the issuance of 13,500 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 702,524,469.

21 Earnings per share

Basic and diluted earnings per share

The basic and diluted earnings per share were calculated by dividing the results of the year attributable to the controlling and non-controlling shareholders of the Company at December 31, 2013 and December 31, 2012 and the respective average number of common shares in circulation, as per the table below:

	2013		2012	
	Common	**Total**	**Common**	**Total**
Basic and diluted numerator				
Loss attributable to controlling shareholders	(942,455)	(942,455)	(484,151)	(484,151)
Basic and diluted denominator				
Weighted share average	640,131,923	640,131,923	506,007,513	506,007,513
Loss per share (R$) - basic	(1.47229)	(1.47229)	(0.95681)	(0.95681)

At December 31, 2013 and 2012 there is no material difference between the loss per basic and diluted share.

22 Share-based remuneration plan

The Company's stock options are as follows:

	Parent company and consolidated	
	2013	**2012**
Stock options granted - Shareholders' Equity		
Granted by Company	36,231	25,341
Granted by Controlling shareholder	314,283	296,563
Total	350,514	321,904

	Parent company and consolidated	
	2013	**2012**
Expenses incurred on share options awarded	28,610	47,279

The stock option plans were released in two different forms: the primary plan, which consists of awarding call options, resulting in the issuance of new shares by the Company or the assignment of treasury stock; and secondary plans consisting of options offered by the shareholder to Company executives, which in this case does not entail a dilution of the share capital.

(a) Stock options granted by the Company

The Company awarded stock option plans for its own stock to beneficiaries providing services to it.

The Extraordinary General Meeting held November 26, 2007 approved the Stock Purchase Option Program, which was recorded in the minutes as an appendix on the same date share options were awarded to the Company's executives.

The plan entailed the right to acquire 175,900 shares, following the share split on July 17, 2009, awarded to 5 participants in equal amounts, subject to the individuals remaining with the Company for 5 years in order to exercise all of their rights.

The Options Program consists of the right to acquire a certain amount of Company shares, awarded to the program's beneficiary, at a given strike price per share - or purchase price per share - which has to be exercised in a period or by a deadline.

The plan's regulations state that the Company's Board of Directors should determine the amount of shares to be awarded, the strike prices, maturity terms and expiry dates of the rights.

On the date the right is exercised, the shares sold to the plan beneficiary should be the object of a new subscription or were in treasury. The Company's other shareholders do not have subscription rights to the shares allocated to the option plans.

The Extraordinary General Meeting held December 7, 2007 approved the grouping of the Company's shares, by which 22 shares were grouped into 1 common share. The Extraordinary General Meeting held July 17, 2009 subsequently approved the splitting of the Company shares, by which each common share on that date was split into 20 common shares. A further split was approved on August 15, 2012, whereby each common share was split into 3 common shares. These events led to an adjustment in the quantity and strike price of the options under the plans awarded.

The minutes from the Extraordinary General Meeting held September 28, 2010 documented the extension to the Company's stock options program to December 31, 2015.

Options were again awarded to executives on December 1, 2010, subject to the individuals remaining with the Company for 7 years.

The Extraordinary General Meeting held April 26, 2011 approved the increase to the maximum percentage of shares that can be allocated to the Stock Options Program, to 2% of the Company's total stock.

The EGM held January 26, 2012 updated the Plan's contract and new beneficiaries were included, although for an award date of November 24, 2011.

On May 24, 2012 the split-off was approved to CCX Carvão da Colômbia S.A., which accounted for 20.69% of the Company's assets. Following the split-off the share value was reduced by the same proportion. To maintain the value of the options awarded, a discount was awarded in the strike price of options not exercised by the date the two companies were split off.

A further 75,000 options were awarded on May 31, 2012. Three more batches were awarded in the 3rd quarter of 2012, totaling 165,000 options.

Ten blocks of options had therefore been awarded by December 31, 2013, segregated as follows (*):

Plan 1: 528,000 options awarded on November 26, 2007
Plan 2: 3,300,000 options on December 1, 2010
Plan 2.1: 30,000 options on April 27, 2012 - the second block of Plan 2
Plan 2.2: 60,000 options on June 02, 2012 - the third block of Plan 2

Plan 3: 2,098,500 options on November 24, 2011
Plan 3.1: 225,000 options on May 31, 2012 - the second block of Plan 3.
Plan 3.2: 52,500 options on July 10, 2012 - the third block of Plan 3.
Plan 3.3: 22,500 options on July 20, 2012 - the fourth block of Plan 3.
Plan 3.4: 90,000 options on August 01, 2012 - fifth block of Plan 3.
Plan 3.5: 3,000,000 options on December 13, 2012 - the sixth block of Plan 3

(*) amounts and strike prices after the split on August 15, 2012 and split-off of CCX.

The table below shows the general terms of the options awarded by the Company.

Plan	Date awarded	Vesting period (years)	Initial date of maturity	Date rights expire	Original amount awarded (a)	Original strike price (a)	Strike price restated by IPCA
Plan 1	11.26.2007	5	11.26.2008	11.26.2013	528,000	0.76	
Plan 2	12.1.2010	7	12.14.2011	12.14.2018	3,300,000	2.97	3.78
Plan 2.1	4.27.2011	7	4.27.2013	04.07.2020	30,000	4.13	
Plan 2.2	6.2.2012	7	6.2.2013	06.02.2020	60,000	2.97	
Plan 3	11.24.2011	7	11.24.2012	11.24.2019	2,098,500	5.14	5.80
Plan 3.1	5.31.2012	7	5.31.2013	05.31.2020	225,000	5.14	5.64
Plan 3.2	7.10.2012	7	7.10.2013	07.10.2020	52,500	3.91	4.29
Plan 3.3	7.20.2012	7	7.20.2013	07.20.2020	22,500	4.13	4.53
Plan 3.4	8.1.2012	7	8.1.2013	08.01.2020	90,000	4.23	4.62
Plan 3.5	12.13.2012	7	12.13.2013	12.13.2020	3,000,000	4.53	4.80
					9,406,500		

(a) Amounts and strike prices after the split on August 15, 2012 and split-off of CCX.

The table below shows the changes in the plan of options in 2013.

Plan awarded by the Company - number of stock options	Plan 1	Plan 2	Plan 2.1	Plan 2.2	Plan 3	Plan 3.1	Plan 3.2	Plan 3.3	Plan 3.4	Plan 3.5
Balance at December 31, 2012	84,480	2,889,000	27,000	60,000	2,083,500	225,000	52,500	22,500	90,000	3,000,000
Exercised	(84,480)	(94,500)	(3,000)		(56,250)					
Cancelled		(805,500)	(24,000)	(54,000)	(360,000)				(30,000)	(100,000)
Awarded										
Expired		(213,000)		(6,000)	(147,150)					
Balance at December 31, 2013		1,776,000			1,520,100	225,000	52,500	22,500	60,000	2,900,000

To determine the fair value of the options the Merton model (1973)[1] was used, which is a variant of the Black & Scholes (1973)[2] model which considers dividend payments. A number of assumptions were made for the model's entry variables. Such as:

- the share price at the measurement date;
- the instrument's strike price;
- the expected volatility;
- expected dividends;
- the instruments' term; and
- risk-free interest rate.

To calculate the expected volatility the continuous returns from the price history of the share were used (based on the past volatility, adjusted for changes expected due to information publicly available). The time window for estimating the expected volatility was the same as the option's term, or the longest term available, when the trading history of the company's share was shorter than the expected term.

The risk-free interest rate was based on public securities and interest rate curves published by BM&FBovespa.

Service conditions and performance conditions outside the market inherent to the transactions are not taken into account when determining fair value.

[1] MERTON, R. Theory of Rational Option Pricing. *Bell Journal of Economics and Management Science,* 4 (Spring 1973), 141-83
[2] BLACK, F.; SCHOLES, M. The pricing of options and corporate liabilities. *Journal of Political Economy*, Chicago, v. 81, p. 637-654, 1973

The table below shows the assumptions made to calculate the fair value of the options awarded by the Company:

Fair value assumptions	Plan 2	Plan 2.1	Plan 2.2	Plan 3	Plan 3.1	Plan 3.2	Plan 3.3	Plan 3.4	Plan 3.5
Number of exercisable options (matured)	222,000			168,900	22,500	5,250	2,250	6,000	290,000
Average outstanding term (years)	3.38			3.95	4.07	4.18	4.21	4.24	4.62
Fair value of options awarded in R$ ([a])	0.81			0.57	0.63	0.86	0.82	0.80	0.83
Price of the share in R$ ([b])	3.00			3.00	3.00	3.00	3.00	3.00	3.00
Strike price of the options in R$ ([c])	3.78			5.80	5.64	4.29	4.53	4.62	4.80
Average expected volatility (per annum) ([d])	0.47			0.47	0.49	0.49	0.49	0.49	0.47
Risk-free interest rate (per annum) ([e])	5.47%			5.77%	5.83%	5.74%	5.76%	5.79%	5.86%
Effects on net income in 2013 in R$ k	2,999	34	93	3,505	405	87	40	163	6,953
Intrinsic value in R$ k ([f])									

(a) Calculation of the options' fair value based on the Merton model (1973)
(b) The closing price of the share ENEV3
(c) Strike prices of the options restated by the IPCA price index.
(d) To calculate the volatility of the share the continuous returns from the price history of the share ENEV3 were used.
(e) Reference rate to adjust the SWAP contracts for the IPCA coupon disclosed by BM&FBOVESPA.
(f) A value of zero is used when the options' intrinsic value is negative.

(b) Stock options granted by the Shareholder

The Plans awarded by the shareholder include call options granted to executives of the Company. This plan is a means of remunerating and retaining managers and executives who the shareholder views as key players in the Company's success. These options do not generate any dilution for the other shareholders.

There is no preapproved schedule for this plan, unlike the Company's plan. The shareholder awarded the plan to employees based on individually negotiated contracts.

As is the case in the plan awarded by the Company, in order to receive each batch, employees must remain with the Company until the respective maturity date.

The table below shows the overall characteristics of the plan awarded by the shareholder.

Plan	Date awarded	Vesting period (years)	Initial date of maturity	Date rights expire	Original amount awarded	Original strike price
Shareholder	4.28.2008	5	12.13.2008	12.13.2013	3,354,120	0.01
Shareholder	4.28.2008	10	12.13.2008	12.13.2018	20,198,040	0.01
					23,552,160	

The table below consolidates the change in stock options in 2013:

Plan awarded by the Shareholder - number of stock options	Shareholder plan
Balance at December 31, 2012	13,460,472
Exercised	(403,552)
Cancelled	(8,810,460)
Awarded	
Expired	(1,341,648)
Balance at December 31, 2013	2,904,812

The table below shows the assumptions made to calculate the fair value of the options awarded by the Shareholder:

Fair Value Assumptions	Shareholder plan
Number of exercisable options (matured)	322,652
Average outstanding term (years)	2.99
Fair value of options awarded in R$ (a)	2.92
Price of the share in R$ (b)	3.00
Exercise price of the options in R$	0.01
Average expected volatility (per annum) (c)	47.62%
Risk-free interest rate (per annum) (d)	11.96%
Effects on net income in 2013 in R$ k	17,721
Intrinsic value R$ k	8,685

(a) Calculation of the options' fair value based on the Merton model (1973).

(b) The closing price of the share ENEV3.

(c) To calculate the volatility of the share the continuous returns from the price history of the share ENEV3 were used.

(d) Reference rate to adjust the SWAP contracts for a fixed rate disclosed by BM&FBOVESPA.

23 Operating revenue

The reconciliation between the gross revenue and the net revenue recorded in the income statement for the year is as follows:

	Consolidated	
	2013	**2012 (Re-presented)**
Gross revenue	1,600,282	54,179
Less		
Sales taxes	(161,452)	(5,394)
Total net revenue	1,438,831	48,786

The increase above was due to the commercial start-up of the plants Itaqui, Pecém II and Parnaíba during 2013.

24 Costs and expenses by nature

	Parent Company		Consolidated	
	2013	**2012**	**2013**	**2012 (Repre-sented)**
Depreciation and amortization	(2,280)	(1,535)	(146,539)	(8,811)
Personnel expenses	(38,968)	(31,068)	(91,943)	(68,155)
Outsourced services	(40,401)	(59,984)	(161,595)	(100,279)
Rental expenses	(5,533)	(8,061)	(172,152)	(13,046)
Expenses incurred on stock options awarded	(28,610)	(47,279)	(28,610)	(47,279)
Provision for Investment Devaluation	3)	2	(23)	(1,237)
Provision for Unsecured Liabilities	(8,272)	(14,363)	(7,716)	(14,671)
Cost per Downtime Incident			(149,367)	
Material			(14,705)	(1,103)
Insurance			(17,138)	(196)
Other expenses	(14,042)	(6,420)	(93,975)	(12,187)
Consumables			(624,050)	(67,885)
CCC Incentive			69,182	58,936
Electricity for resale			(274,361)	(21,640)
	(138,103)	(168,707)	(1,712,991)	(297,553)
Classified as:				
Cost			(1,507,046)	(50,949)
Administrative and general expenses and stock options granted	(138,103	(168,707)	(205,945)	(246,604)

The increase seen above was due to the commercial start-up of the Itaqui, Pecém II and Parnaíba plants in the course of 2013.

25 Financial result

The Company's financial result is as follows:

	Parent Company		Consolidated	
	2013	**2012**	**2013**	**2012 (Represented)**
Financial costs				
Bank expenses	(147,857)	(46,230)	(364,832)	(47,248)
Monetary variance	(27,625)	(4,156)	(33,745)	(16,479)
Loss on derivative transactions	(6,142)	(1,561)	(3,339)	398,638
Debenture interest/cost	(786)	(130,864)	(786)	(130,863)
Fair value of debentures	(479)		(479)	
Financial advisory services	(68,814)		(68,814)	
Other	(82,372)	(22,127)	(123,092)	(44,685)
	(334,075)	(204,938)	(595,087)	159,363
Financial income				
Short-term investments	94,632	65,324	63,707	76,599
Monetary variance	12,528	3,205	15,346	25,086
Gains (losses) on derivative transactions	2,728	5,592	2,728	(422,684)
Fair value of debentures		62,482		62,482
Other	3,414	6,240	7,210	8,695
	113,302	142,843	88,991	(249,822)
Net financial result	(220,773)	(62,095)	(506,096)	(90,459)

26 Commitments

The main commitments undertaken with suppliers of goods and services are the following:

Company	Supplier	Subject matter of contract	Signature	Term	Total contracted 2013	Balance of contract 2013	Contract balance 2012
PECÉM II	CMC COAL MARKETING	Supply of coal	5.25.2012	7.1.2013			17,284
PECÉM II	BANCO BANKPAR SA	Supply of accommodation	12.11.2012	12.10.2014	1,360	853	1,360
PECÉM II	BRASLIMP TRANSPORTES ESPECIALIZADOS LTDA	Transportation and disposal of Class II fluid waste (lime water) and Class II in general	11.5.2013	5.4.2014	882	882	
PECÉM II	CAL TREVO INDUSTRIAL LTDA	Supply of Burnt Lime	5.2.2013	5.1.2015	1,119	1,119	
PECÉM II	CARBOMIL QUIMICA S.A	Supply of Burnt Lime	7.29.2013	5.6.2015	6,000	5,249	
PECÉM II	CEARA CEARAPORTOS	Regulation of the movement of solid bulk at the Pecém Port Terminal	6.29.2012	1.1.2025	1,542	763	1,358
PECÉM II	CEARA CEARAPORTOS	Supply of energy at the Port	8.7.2012	Not determined	2,400	1,658	2,128
PECÉM II	E ON GLOBAL COMMODITIES SE	Supply of coal	10.2.2013	1.9.2014	26,700	9,255	
PECÉM II	EBM CONSULTORIA E INVESTIMENTOS LTDA	Technical consultancy for obtaining long-term financing from the Banco do Nordeste do Brasil S.A. (BNB).	1.29.2010	Not determined	4,428	1,757	1,880
PECÉM II	ELETROMECANICA CAPISTRANO EIRELI-ME	Services for supporting the commissioning and maintenance of turbine 3	9.18.2013	1.31.2014	3,300	854	
PECÉM II	FORNECEDORA MAQUINAS E EQUIPAMENTOS LTDA	Provision for Coal Spreading, Stacking and Compacting of Coal in the Yard	8.7.2012	2.15.2014	2,251	732	1,629
PECÉM II	FORSHIP ENGENHARIA S/A	Technical commissioning services at the Pecém II thermal power plant	1.2.2013	1.21.2014	7,037	1,596	
PECÉM II	FRESHFIELDS BRUCKHAUS DERINGER LLP	Legal Advisory and Consultancy Services	11.7.2012	12.31.2013	734	584	584
PECÉM II	GTEL GRUPO TECNICO DE ELETROMECANICA LTDA	Assembly services of electric and instrument systems	7.26.2012	12.31.2013	8,284		2,483
PECÉM II	GTEL GRUPO TECNICO DE ELETROMECANICA LTDA	Material and Services for Construction of Ute Pecém II	9.10.2012	3.31.2013			5,287
PECÉM II	ICAL INDUSTRIA DE CALCINAÇÃO LTDA	Supply of Burnt Lime	8.9.2013	4.22.2015	786	786	
PECÉM II	INTEROCEAN COAL SALES LDC	Supply of coal	5.25.2012	9.30.2013	16,786	16,786	16,786
PECÉM II	INTEGRAL ENGENHARIA	Supply of Transmission Line	12.12.2011	6.30.2013			1,885
PECÉM II	MEF PLANEJAMENTO E INFORMATICA LTDA	Start-up and commissioning planning services, maintenance services and preparation of boiler maintenance plans	10.16.2012	12.20.2013	9,158	558	1,466
PECÉM II	MPX COMERCIALIZADORA DE COMBUSTIVEIS LTDA	Business Intermediation, Consultancy and Advisory Services for the Acquisition of Imported Coal.	9.5.2012	10.19.2013	2,000	1,486	1,738
PECÉM II	MINERAÇÃO BELOCAL LTDA	Supply of Burnt Lime	9.3.2013	5.1.2015	941	941	
PECÉM II	MINERAÇÃO LAPA VERMELHA LTDA	Supply of Burnt Lime	9.9.2013	2.28.2015	871	871	
PECÉM II	NATIONAL ELECTRIC SYSTEM OPERATOR - ONS	Transmission services between concession operators and Mpx	2.8.2013	Not determined	25,601	10,589	
PECÉM II	PORTO DO PECEM TRANSPORTADORA DE MINERIOS S/A	Product unloading services for ships moored at the terminal and shipment to the point of delivery	3.26.2012	12.31.2016	6,950	5,632	6,497
PECÉM II	REX EMPREENDIMENTOS IMOBILIARIOS LTDA	Property rental	12.28.2009	11.27.2042	45,283	39,592	41,072
PECÉM II	RH CLEAN SERVICOS PROFISSIONAIS DE LIMPEZA LTDA	Cleaning Services of the Coal Transfer Towers	1.8.2013	12.31.2014	1,263	1,102	
PECÉM II	RIP SERVIÇOS INDUSTRIAIS LTDA	Specialist Labor Services	9.24.2013	12.31.2013	7,500	4,163	
PECÉM II	SEMACE	Environmental Compensation**	9.5.2008	Not determined	4,850	1,500	1,859
PECÉM II	SUPRICEL LOGISTICA LTDA	Burnt Lime Shipping Services	8.9.2013	4.22.2015	6,112	4,826	
ITAQUI	MABE	Construction of UTE-EPC	1.27.2008	Indefinite	144,144	2,738	144,144
ITAQUI	Tecnometal	Supply of coal conveyor transportation system	7.24.2009	Indefinite	121,315	27,926	29,227
ITAQUI	Cargotec	Supply of ship unloading equipment	10.7.2009	7.6.2013	20,161	20,161	15,845
ITAQUI	Carbomil	Supply of Burnt Lime	5.7.2010	7.6.2015	30,000	26,798	29,257
ITAQUI	RIP Serviços Industriais	Services assembling the thermal insulation of the boiler, FGD, Turbine and BOP of the UTE	6.19.2012	1.30.2013	22,300	6,659	6,659
ITAQUI	EMS Silvestrini	Maintenance, Industrial Cleaning and Industrial Support	5.1.2012	6.30.2014	13,342	2,641	8,427
ITAQUI	Terra Plan Com.e Serviços	Coal stacking service during unloading and technical support for fuel and waste areas	9.2.2013	12.31.2013	2,845	1,769	
ITAQUI	Nova Aliança Locação de Veículos	Personnel Transportation Services	7.1.2012	8.31.2015	3,843	1,255	2,763
ITAQUI	E ON GLOBAL COMMODITIES	Supply of coal	1.1.2013	3.31.2014	83,700	52,316	
ITAQUI	RH Global	Specialist outsourced labor services	7.21.2013	7.21.2014	997	520	
ITAQUI	OGMO	Collective agreement with trade unions of dockers, weight master and porters	10.1.2013	9.30.2015	750	750	
ITAQUI	MONSERTEC	Procurement of services for the assembly of scaffolding, installation, paintwork and industrial and civil treatment.	12.5.2013	12.4.2015	6,000	6,000	
PecémI	Mabe	Construction of UTE-EPC*	1.27.2008	Indefinite	2,633,962	52,722	104,527
PecémI	Mabe/SEMACE	Environmental compensation*	09.05.2008	Indefinite	713	713	3,584
PecémI	Consulgal Portugal	Owner's engineering*	12.20.2007	2.20.2013	14,004	746	1,741
PecémI	Other	Misc. Services*	Other	Indefinite	431,788	149,240	155,594
PecémI	Other	Operating Leasing*	Other	Indefinite	13,901	11,030	11,026
PecémI	Carbomil	Supply of Lime*	6.2.2010	6.2.2015	11,910	9,369	11,372
PecémI	ICAL	Supply of Lime*	9.23.2011	8.23.2013	21,950	21,897	21,950

Company	Supplier	Subject matter of contract	Signature	Term	Total contracted 2013	Balance of contract 2013	Contract balance 2012
PecémI	Cogerh	Supply of Unprocessed Water*	10.28.2010	4.30.2019	87,120	73,449	75,025
PecémI	Estre Ambiental	Solid Waste*	6.21.2011	5.21.2026	66,764	66,764	66,562
PecémI	CAGECE	Effluent*	11.10.2011	10.10.2031	161,857	155,243	49,708
PecémI	EDP Comercializadora	Energy for sale*	Other	Indefinite	146,230	87,021	
PecémI	MPX Comercializadora	Energy for sale*	Other	Indefinite	21,201	21,201	
PecémI	BTG Energia	Energy for sale*	Other	Indefinite	44,865	44,865	
PecémI	Other	Supply of Coal*	Other	Indefinite	177,906	121,021	
UTE Parnaíba II	INITEC Energia S.A.	Acquisition of 2 (two) turbo generators	8.20.2012	12.19.2013	67,861		61,424
UTE Parnaíba II	INITEC Energia S.A.	EPC	8.15.2011	2.2.2014	913,300	539,425	326,571
UTE Parnaíba II	Desga Ambiental Industria e Comércio	Water intake and disposal system	8.1.2012	10.31.2013	20,763	9,789	16,988
UTE Parnaíba II	Desga Ambiental Industria e Comércio	Full and complete implementation of the water intake and disposal system	8.1.2012	10.31.2013	42,206	42,206	42,206
UTE Parnaíba II	CEMAR	Electricity Sales to Consumers	9.11.2012	9.10.2013	6,022		1,853
UTE Parnaíba II	General Electric Company	Acquisition of 2 (two) turbo generators	8.20.2012	12.19.2013	61,424	9,920	9,920
UTE Parnaíba II	Hidroinga Artesian Wells	Planning and construction of two deep cased wells	11.30.2012	9.29.2013	3,676	509	
UTE Parnaíba II	CONEL CONSTRUCOES E ENGENHARIA LTDA	Construction of the well interconnection system	3.21.2013	2.22.2014	11,035	3,736	
UTE Parnaíba II	ARM CONSULTORIA EM SEGURANCA LTDA - PREVINE	Consultancy for occupational safety and the environment in audits of companies working on the construction of UTE Parnaíba II	5.21.2013	5.20.2014	4,568	1,851	
UTE Parnaíba II	RH GLOBAL	Procurement of specialist labor	7.24.2013	7.23.2014	1,752	960	
UTE Parnaíba II	LBB TRANSPORTE	Extension and completion of effluent disposal ducts in the river alongside the plant	10.15.2013	4.14.2014	1,841	1,300	
UTE Parnaíba II	GUIMAR ENGENHARIA	Engineering consultancy	9.1.2013	2.29.2016	3,040	2,512	
UTE Parnaíba II	STEAG ENERGY	Engineering consultancy	9.1.2013	2.29.2016	6,504	4,748	
UTE Parnaíba I	GE International	GE Turbina e assistencia	5.30.2011	1.18.2014	397,986	334,792	60,594
UTE Parnaíba I	DURO Felguera	EPC	5.30.2011	5.3.2013	468,030		468,030
UTE Parnaíba I	DURO Felguera	EPC and Turbine and technical assistance	5.30.2011	10.31.2013	586,827	290,726	59,014
UTE Parnaíba I	Guimar Engenharia	Engineering consultancy services for UTE Parnaíba.	6.1.2011	10.31.2013	8,335	1,940	643
UTE Parnaíba I	Biota Projetos e Consultoria Ambiental	Biotic Monitoring	8.10.2012	8.9.2018	1,662	1,014	1,556
UTE Parnaíba I	CONSROD CONSTRUCOES RODOVIARIAS LTDA ME	Construction of heliport and new cabin	11.5.2012	6.4.2013	2,194	2,194	2,194
UTE Parnaíba I	BANCO BANKPAR AS	Air tickets, flights and vehicle rental	4.20.2013	4.19.2015	2,718	2,718	
UTE Parnaíba I	BESSA & BARREIRA ADVOGADOS	Specialist legal advisory services for environmental matters	1.3.2011	12.31.2013	560	532	
UTE Parnaíba I	GASMAR	Distribution system operation and maintenance	12.17.2012	12.16.2027	30,993	2,946	
UTE Parnaíba I	ELETRONORTE	Maintenance and operation services - in connection bay	3.21.2013	3.20.2015	1,881	981	
UTE Parnaíba I	EMS SILVESTRINI	Preventive, predictive and corrective industrial and electrical and mechanical maintenance of equipment	4.4.2013	4.3.2015	2,662	1,931	
UTE Parnaíba I	FACULDADES CATOLICAS	Design of new business model for trading energy in ACL	2.5.2013	2.4.2015	1,395	610	
UTE Parnaíba I	M CARTAXO LACERDA	Procurement of specialist labor	6.3.2013	6.2.2015	1,207	952	
UTE Parnaíba I	OGX MARANHAO	Natural gas acquisition	1.1.2013	12.31.2027	371,917	106,968	
UTE Parnaíba I	PETRA ENERGIA	Leasing of leased capacity by lessors to lessee	2.1.2013	1.31.2028	434,820	279,059	
UTE Parnaíba I	RH GLOBAL CONSULTORIA E ASSESSORIA LTDA	Specialist Services: Outsourced Labor	7.24.2013	7.23.2014	1,076	738	
UTE Parnaíba I	VIP VIGILANCIA	Unarmed security and property protection services	8.10.2013	8.9.2015	2,622	2,234	
UTE Parnaíba I	INST. AYRTON SENNA	Project implementing management program for correction of school flow and management in municipal schools of Santo Antônio dos Lopes and surrounding areas	6.18.2013	1.30.2017	2,121	2,121	
TAUÁ	MPX Comerc. de Energia	Purchase of energy	Other	Other	35,201	23,093	21,895
Comercializadora	Other	Electricity sales (***)	9.8.2009	12.31.2013	652,050	56,392	142,378
Comercializadora	Other	Purchase of electricity (***)	9.1.2009	12.31.2013	112,830	19,436	182,854

(*) The figures presented include commitments undertaken by the subsidiary in conjunction with Pecém Geração de Energia S.A, to an amount equal to the Company's percentage interest (50%).

(**) The environmental compensation amounts are being included as and when the construction costs are incurred.

(***) Refers to the purchase and sale of energy from several suppliers and with several clients for the period between 2014 and 2024, subject to fixed prices and volumes. These purchase and sale prices are not therefore subject to changes in the energy sector.

27 Insurance coverage

It is the policy of the Company and its direct and indirect subsidiaries to take out insurance coverage for the assets subject to risk at amounts considered by management sufficient to cover any incidents, considering the nature of their activity. The policies are in force and the premiums have been paid. The company considers its insurance coverage is consistent with other companies of similar sizes operating in the sector.

At December 31, 2013 and 2012, the main risks covered are:

	Consolidated	
	2013	**2012**
Material damages	12,432,201	7,289,587
Civil liability	269,000	567,253

28 Segment reporting

Segment information should be prepared in accordance with CPC 22 (Segment reporting), equivalent of IFRS 8, and should be presented with respect to the Company and its subsidiaries' business that was identified based on its management structure and on internal management reporting, provided to the main manager for decision-making purposes.

Company Management makes its decisions based on four core business segments: energy generation, energy sales, supplies and corporate, which are subject to risks and remuneration managed by centralized decisions.

The current activity is managed by a main manager, who allocates and evaluates the operational segment's performance. In the case of the Company, this manager is the CEO.

As the ventures move forward, Management aims to re-evaluate business segments to provide the market with real and quantitative information.

	2013					
	Electricity Generation	**Supplies**	**Corporate**	**Other**	**Eliminations and adjustments**	**Total consolidated**
Balance sheet - assets	8,056,566	5,317	4,751,985	313	(3,149,193)	9,689,212
Current	596,950	477	141,242	10		747,842
Cash and cash equivalents	166,960	457	110,156	10		277,583
Trade receivables	294,396					294,396
Securities						
Inventory	78,376					78,376
CCC subsidies receivable	30,802					30,802
Gains on derivative transactions			4,171			4,171
Secured deposits			38			38
Other current assets	26,416	19	26,878			62,477
Non-current	7,459,616	4,840	4,610,742	303	(3,149,193)	8,941,310
Long-term						
Related parties	24,418		1,249,669		(746,067)	528,019
CCC subsidy receivable	24,617					24,617
Deferred taxes	302,327					302,327
Gains on derivative transactions						
Secured deposits	118,606					118,606
Other non-current assets	(15,175)	21	214,734		(206,528)	(6,947)
Investments			3,130,978		(2,189,125)	941,853
Property, plant and equipment	6,805,744	773	12,634	303		6,819,454
Intangible assets	195,653		2,727			213,381
Deferred charges	3,427	4,046			(7,473)	

	2013					
	Electricity Generation	**Supplies**	**Corporate**	**Other**	**Eliminations and adjustments**	**Total consolidated**
Balance sheet - assets	8,065,730	5,317	4,751,987	313	(3,134,135)	9,689,212
Current	1,398,839		1,580,010	10		2,978,859
Borrowings and financing	845,930		1,562,211			2,408,142
Trade payables	327,743		3,473	1		331,216
Losses on derivative transactions						
Related parties				(1)		
Debentures			112			112
Other current liabilities	225,165		14,215	10		239,389
Non-current	4,156,224	22	703,232	501	(723,499)	4,136,479
Non-current liabilities						
Borrowings and financing	3,146,961		655,417			3,802,378
Deferred taxes	9,591					9,591
Related parties	995,147	22	34,489	501	(722,438)	307,720
Debentures			5,239			5,239
Losses on derivative transactions						
Other non-current liabilities	4,524		8,087		(1,060)	11,551
Non-controlling shareholders					123,633)	123,633
Shareholders' equity	2,510,668	5,295	2,468,744	(198)	(2,534,268)	2,450,242

	2013					
	Electricity generation	**Supplies**	**Corporate**	**Others**	**Eliminations and adjustments**	**Total consolidated**
Statement of operations						
Net operating revenue	1,438,831					1,438,831
Cost of Goods and/or services sold	(1,506,234)	(812)				(1,507,046)
Operating expenses	(43,375)	(12)	(123,701)	(173)		(167,261)
Other operating income	(24,839)		(14,403)		557	(38,684)
Equity in net income of subsidiaries			(469,179)			(153,012)
Financial income	(285,315)	32	(220,773)	(40)		(506,096)
Provision for current and deferred taxes	103,248		(114,400)			(11,152)
Non-controlling interest	1,729	238				1,966
Net income/Loss for the year	(315,957)	(554)	(942,456)	(212)	557	(942,455)

	2012						
	Electricity generation	**Supplies**	**Corporate**	**Others**	**Spin-off / transfers**	**Eliminations and adjustments**	**Total consolidated**
Balance sheet - assets	6,563,847	5,040	3,642,481			(2,171,772)	8,039,596
Current	533,146	558	234,244			(2,040)	765,908
Cash and cash equivalents	312,468	546	206,263				519,277
Trade receivables	21,345						21,345
Securities	3,441						3,441
Inventory	142,687						142,687
CCC subsidies receivable	17,561						17,561
Gains on derivative transactions			3,018				3,018
Secured deposits			35				35
Other current assets	35,644	12	24,928			(2,040)	58,544
Non-current	6,030,701	4,482	3,408,237			(2,169,732)	7,273,688
Long-term							
Related parties	7,463		523,474			(388,085)	142,852
CCC subsidies receivable	24,617						24,617
Deferred taxes	191,148		114,400				305,548
Gains on derivative transactions							
Secured deposits	32,999		102,649				135,648
Other non-current assets	22,070	20	430,344			(407,001)	45,433
Investments			2,215,107			(1,381,152)	833,955
Property, plant and equipment	5,550,640	416	19,343				5,570,399
Intangible assets	196,846		2,920			15,470	215,236
Deferred charges	4,918	4,046				(8,964)	

	2012						
	Electricity generation	Supplies	Corporate	Other	Spin-off/ transfers	Eliminations and adjustments	Total consolidated
Balance sheet - liabilities	6,563,848	5,041	3,642,481			(2,171,774)	8,039,596
Current	1,173,710	25	947,342			(11,612)	2,109,465
Borrowings and financing	895,622		924,352				1,819,974
Trade payables	111,411	1	3,849				115,261
Losses on derivative transactions	22,951						22,951
Related parties	33,797	24	6,523			(9,572)	30,772
Debentures			111				111
Other current liabilities	109,929		12,507			(2,040)	120,396
Non-current	3,482,796		125,547			(379,350)	3,228,993
Non-current liabilities							
Borrowings and financing	3,002,631		102,175				3,104,806
Deferred taxes	2,048						2,048
Related parties	378,945					(378,515)	430
Debentures			4,954				4,954
Losses on derivative transactions	94,797						94,797
Other non-current liabilities	4,375		18,418			(835)	21,958
Non-controlling shareholders						151,538	151,538
Shareholders' equity	1,907,342	5,016	2,569,592			(1,932,350)	2,549,600

	2012						
	Electricity generation	Supplies	Corporate	Other	Spin-off/ transfers	Eliminations and adjustments	Total consolidated
Statement of operations							
Net operating revenue	26,686					60,885	89,571
Cost of Goods and/or services sold	(19,294)	(501)			(4,040)		(23,835)
Operating expenses	(33,124)	(17)	(109,590)		(21,297)		(164,027)
Other operating income	456		(8,615)		64		(8,096)
Equity in net income of subsidiaries			(137,806)		(2,208)		(140,013)
Financial income	(46,134)	19	(54,944)		22,333		(78,726)
Provision for current and deferred taxes	15,269		11,585				26,853
Non-controlling interest	(1,248)	150					
Net income/Loss for the year	(55,390)	(349)	(299,371)		(5,147)	60,885	(299,371)

Geographic data

The four segments described above are located in three different geographical areas, as summarized below:

- North and North-east System

The North and North-east System consists of the plants of Itaqui Geração de Energia S.A., Porto do Pecém Geração de Energia S.A., Pecém II Geração de Energia S.A., Parnaíba Geração de Energia S.A., Parnaíba II Geração de Energia S.A., Parnaíba III Geração de Energia S.A., Parnaíba IV Geração de Energia S.A., Parnaíba V Geração de Energia S.A., Tauá Geração de Energia Ltda., Tauá II Geração de Energia Ltda. and Amapari Energia S.A.

The coal-fired Itaqui thermal power plant is located in the proximity of Itaqui, in the State of Maranhão. It has an energy generation capacity of 360 MW and has energy sale orders from 2012.

The pulverized coal-fired power plants Porto do Pecém Geração de Energia S.A. and Pecém II Geração de Energia S.A. are located in the region of Porto do Pecém, State of Ceará, with installed capacity of 720 MW and 360 MW respectively.

Tauá and Tauá II are also located in the State of Ceará, and are solar energy generation companies with an environmental license for the joint generation of 5 MW each, where two 1-MW plants have already been built.

Amapari, an Independent Energy Producer (PIE) in the insulated system, is a diesel fuel thermal power plant located in the municipality of Serra do Navio, State of Amapá, with an installed capacity of 23 MW.

The Parnaíba complex, a natural gas thermal power plant, is strategically located in block PN-T-68 of the Parnaíba Basin, in the State of Maranhão. The venture has been licensed by the Maranhão State environment Department (SEMA) and has a forecast total capacity of 3,722 MW. The five Parnaíba companies are located in this complex.

- South - Southeast System

The Seival Sul mine, located in the municipality of Candiota, State of Rio Grande do Sul, has proven reserves of 152 million tons of coal. The thermoelectric ventures of Sul Geração de Energia and UTE Seival are going to be built in this area. These power plants will have an installed capacity of 727 MW and 600 MW respectively, and will guarantee the supply of fuel for 30 years by integrating with the Seival Sul mine.

29 Subsequent events

On January 24, 2014 the 15th Federal Court of the Federal District awarded an injunction to the Pecém I and Itaqui plan suspending the payment for downtime.

Fabio H. Bicudo was elected the new CEO of ENEVA and took office on February 17, 2014.

On February 18, 2014 the Parnaíba III plant was authorized by Aneel to begin the commercial operation of the second generator plant (7MW), thereby achieving an installed capacity of 176 MW.

A capital increase of R$ 250 million was concluded on February 19, 2014 at Parnaíba Gás Natural S.A., an associated company ENEVA.

On March 20, 2014 the Company informed the market that the start of the commercial operation of the thermal power plant Parnaíba II ("Parnaíba II") would be delayed until the second half of 2014. The Company made a partial hedge of its exposure to the spot market and currently examines all aspects of the project in order to accelerate the implementation schedule of the plant. Additionally, the Geneva Preview seeks regulatory measures that allow mitigating the impacts of delaying the start of the operation of Parnaíba II plant.

In parallel, the Company analyzes alternatives to strengthen its capital structure, potentially including the sale of assets and / or a capital increase. To date, the Geneva Preview received no binding offer or signed documents relating to these alternatives, in line with the ongoing processes.

Board of Directors

Jorgen Kildahl (CEO)
Keith Plowman
Stein Dale
Adriano Carvalhêdo Castello Branco Gonçalves
Eliezer Batista da Silva
Luiz do Amaral de França Pereira
Ricardo Luiz de Souza Ramos
Luiz Fernando Vendramini Fleury

Executive Board

Eduardo Karrer (CEO and Investor Relations Officer)
Alexandre Americano (Officer)

General Controller's Department Manager

Carlos Renato Rodrigues Peixoto

Accountant

Ana Paula Vergetti Diniz
CRC 087040/O-9

FEDERAL PUBLIC SERVICE
CVM – BRAZILIAN SECURITIES COMMISSION
ITR – Quarterly Information Corporate Legislation
COMMERCIAL AND INDUSTRIAL COMPANIES AND OTHER - as of 12/31/2013

02123-7 ENEVA S/A **04.423.567/0001-21**

20.01 - OTHER INFORMATION CONSIDERED SIGNIFICANT TO THE COMPANY

Pursuant to the Company's Bylaws, the company, its shareholders and managers undertake to settle through arbitration any and all disputes between them arising from, or in connection with, the application, validity, effectiveness, interpretation, violation or effects of the rules contained in Brazilian Corporation Law, the Company's By-Laws, regulations issued by the Brazilian Monetary Council, the Brazilian Central Bank and the Brazilian Securities Commission (CVM), and any other regulations applicable to the capital market in general, as well as those contained in the New Market Regulations, the Regulations of the Market Chamber of Arbitration and New Market Agreement.

At December 31, 2013 the Company's share capital consisted of 702,524,469 common shares distributed as follows:

CONSOLIDATED POSITION OF CONTROLLING

SHAREHOLDERS, MANAGERS AND FREE FLOAT

Position at 12/31/2013

Shareholder	Number of Common Shares (In Units)	%	Total Number of Shares (In Units)	%
Controlling Shareholder	434,005,449	61.78	434,005,449	61.78
Executives				
Board of Directors	155,155	0.02	155,155	0.02
Executive Board	485,700	0.07	485,700	0.07
Audit Committee*	-	-	-	-
Treasury Stock	-	-	-	-
Other Shareholders	267,878,165	38.13	267,878,165	38.13
Total	702,524,469	**100**	702,524,469	**100**
Free Float	267,878,165	38.13	267,878,165	38.13

*The Company's Annual Meeting did not convene the Audit Committee in FY 2013.

Other Information Considered Significant to the Company

FEDERAL PUBLIC SERVICE
CVM – BRAZILIAN SECURITIES COMMISSION
ITR – Quarterly Information Corporate Legislation
COMMERCIAL AND INDUSTRIAL COMPANIES AND OTHER - as of 12/31/2013

02123-7 ENEVA S/A	04.423.567/0001-21

20.01 - OTHER INFORMATION CONSIDERED SIGNIFICANT TO THE COMPANY

The Company's capital was increased on 5/26/2011 by the Board of Directors' meeting held 3/24/2011, which raised the number of shares from 136,692,680 to 136,720,840, as a result of subscription options being exercised.

The Company's capital was increased in February 2012 by the Board of Directors' meeting held 2/29/2012, via the issuance of 9,633 new shares resulting from the conversion of 6,383 of the 21,735,744 debentures issued by the Company on June 15, 2011. The number of Company shares accordingly rose from 136,720,840 to 136,730,473.

The Company's capital was increased in March 2012 by the Board of Directors' meeting held 3/21/2012, via the issuance of 984 new shares resulting from the conversion of 649 debentures and the issuance of 7,040 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly rose from 136,730,473 to 136,738,497.

The Company's capital was increased in May 2012 by the Board of Directors' meeting held 5/9/2012 as a result of the (i) issuance of 4,112 new shares resulting from the conversion of 2,701 debentures and (ii) the issuance of 125,620 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly rose from 136,738,497 to 136,868,229.

The capital was increased again the same month by the Board of Directors' meeting held 5/24/2012, which ratified the issuance of 33,254,705 new common shares with no par value, resulting from the conversion of 21,652,966 debentures. The number of Company shares accordingly rose from 136,868,229 to 170,122,934.

On May 24, 2012 the ENEVA Board of Directors approved a capital increase of R$ 1,000,000,063.00 via the issuance of 22,623,796 new shares. However, the subscribed shares will only exist after the capital increase has been concluded and subsequently ratified, which was concluded in July 2012 and ratified by the Board of Directors' meeting held July 25, 2012.

The Company's capital was increased in June 2012 by the Board of Directors' meeting held 6/15/2012, which ratified the issuance of 514 new common shares with no par value, resulting from the conversion of 334 debentures. The number of Company shares accordingly rose from 170,122,934 to 170,123,448.

On June 25, 2012 the Board of Directors' meeting ratified the capital increase, approved by the Board of Directors' meeting on May 24, 2012 at 11 AM, of R$ 1,000,000,063.00 (one billion and sixty-three reais), within the authorized capital limit, as a result of the subscription and full payment of the 22,623,796 new common registered shares with no par value by E.ON AG (“E.ON”). The number of Company shares accordingly rose from 170,123,448 to 192,747,244.

Other Information Considered Significant to the Company

FEDERAL PUBLIC SERVICE
CVM – BRAZILIAN SECURITIES COMMISSION
ITR – Quarterly Information Corporate Legislation
COMMERCIAL AND INDUSTRIAL COMPANIES AND OTHER - as of 12/31/2013

02123-7 ENEVA S/A	04.423.567/0001-21

20.01 - OTHER INFORMATION CONSIDERED SIGNIFICANT TO THE COMPANY

Pursuant to the minutes of the Extraordinary General Meeting held by the Company on August 15, 2012, the shareholders in attendance unanimously approved the split of common shares issued by the Company, whereby each existing common share was split into 3 (three) shares of the same class. ENEVA's shareholders are entitled to receive the split shares according to their shareholding at Wednesday, August 15, 2012. The number of Company shares accordingly rose from 192,747,244 to 578,241,732.

The Company's capital was increased in January 2013 by the Board of Directors' meeting held 1/10/2013, ratifying the issuance of 147,480 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 578,389,212.

The Company's capital was increased in February 2013 by the Board of Directors' meeting held 2/6/2013, ratifying the issuance of 27,000 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 578,416,212.

However, there was a partial subscription of the capital increase, whereby the share capital as of March 31, 2013 stood at R$ 3,736,269,091.89, less than the figure presented in the minutes to the Board of Directors' meeting held February 06, 2013. The remainder of the share capital was paid in after the end of the first quarter, resulting in a share capital of R$ 3,736,354,722.02.

The Company's capital was increased in April 2013 by the Board of Directors' meeting held 4/5/2013, ratifying the issuance of 34,500 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 578,450,712. As a result of this resolution the Company's share capital has changed from R$ 3,736,354,722.02 to R$ 3,736,468,820.55.

The Company's capital was increased in May 2013 by the Board of Directors' meeting held 5/8/2013, ratifying the issuance of 29,250 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 578,479,962. As a result of this resolution the Company's share capital has changed from R$ 3,736,468,820.55 to R$ 3,736,568,320.85.

On September 16, 2013 the Board of Directors' meeting ratified the Company's capital increase, as approved by the Board of Directors' meeting on July 03, 2013, of R$ 799,999,995.15, within the authorized capital limit, as a result of the subscription and full payment of the 124,031,007 new common registered shares with no par value.

Other Information Considered Significant to the Company

Shareholder	Quantity	%		Quantity	%

FEDERAL PUBLIC

SERVICE
CVM – BRAZILIAN SECURITIES COMMISSION
ITR – Quarterly Information Corporate Legislation
COMMERCIAL AND INDUSTRIAL COMPANIES AND OTHER - as of 12/31/2013

02123-7 ENEVA S/A **04.423.567/0001-21**

20.01 - OTHER INFORMATION CONSIDERED SIGNIFICANT TO THE COMPANY

The number of Company shares accordingly rose from 578,479,962 to 702,510,969. The Company's share capital has accordingly changed from R$ 3,736,568,320.85 to R$ 4,536,568,316.00.

The Company's capital was increased in October 2013 by the Board of Directors' meeting held 10/21/2013, ratifying the issuance of 13,500 new common shares, with no par value, resulting from the exercising of stock options awarded under the Company's stock options program. The number of Company shares accordingly changed to 702,524,469. As a result of this resolution the Company's share capital has changed from R$ 4,536,568,316.00 to R$ 4,536,608,413.70.

Shareholdings of over 5% of the shares of each type and class in the Company, including those of individuals

Company: ENEVA S.A. **Position at 12/31/2013 (in shares)**

Shareholder	Common shares*		Total	
	Quantity	%	Quantity	%
Eike Fuhrken Batista	145,704,988	20.7	145,704,988	20.
Centennial Asset Mining Fund LLC	20,208,840	2.9	20,208,840	2.9
Centennial Asset Brazilian Equity Fund LLC	1,822,065	0.3	1,822,065	0.3
E.ON	266,269,556	37.9	266,269,556	37.
BNDESPAR	72,650,210	10.3	72,650,210	10.
Other	195,868,810	27.9	195,868,810	27.
Total	702,524,469	100	702,524,469	100

*ENEVA's share capital consists solely of common shares.

Distribution of share capital in our corporate shareholder (Company shareholder), including the shareholdings of individuals

Company: Centennial Asset Mining Fund LLC **Position at 12/31/2013 (in shares)**

	Quotas	Total

Other Information Considered Significant to the Company

Eike Fuhrken Batista	1,000	100.0		1,000	100.0
Total	1,000	100.0		1,000	100.0

Other Information Considered Significant to the Company

FEDERAL PUBLIC SERVICE
CVM – BRAZILIAN SECURITIES COMMISSION
ITR – Quarterly Information Corporate Legislation
COMMERCIAL AND INDUSTRIAL COMPANIES AND OTHER - as of 12/31/2013

02123-7 ENEVA S/A	04.423.567/0001-21

20.01 - OTHER INFORMATION CONSIDERED SIGNIFICANT TO THE COMPANY

Company: Centennial Asset Brazilian Equity Fund LLC

Position at 12/31/2013 (in shares)

	Quotas		Total	
Shareholder	**Quantity**	**%**	**Quantity**	**%**
Centennial Asset Mining Fund LLC	1,000	100.0	1,000	100.0
Total	1,000	100.0	1,000	100. 0

To facilitate your comprehension a summary follows of the corporate changes ENEVA has undergone in the period of one year:

On May 27, 2013 E.ON SE. and Mr. Eike Fuhrken Batista ("Parties), the controlling shareholder of ENEVA, signed the Shareholders' Agreement (“Agreement”), by which the Parties established the main terms and conditions that will govern their relationship as ENEVA shareholders, in order for the Parties to share control of the Company (subject to the Agreement's severance terms). E.ON and Mr. Eike Fuhrken Batista signed an Investment Agreement on March 27, 2013 for the acquisition by E.ON of ENEVA shares held by Mr. Eike Fuhrken Batista, followed by a private capital increase of ENEVA, ratified on September 16, 2013, as detailed earlier.

At December 31, 2012 the Company’s share capital consisted of 578,241,732 common shares distributed as follows:

Other Information Considered Significant to the Company

CONSOLIDATED POSITION OF CONTROLLING

SHAREHOLDERS, MANAGERS AND FREE FLOAT

Position at 12/31/2012

Shareholder	Number of Common Shares (In Units)	%	Total Amount of shares (In Units)	%
Controlling Shareholder	311,736,336	53.91	311,736,336	53.91

Other Information Considered Significant to the Company

FEDERAL PUBLIC SERVICE
CVM – BRAZILIAN SECURITIES COMMISSION
ITR – Quarterly Information Corporate Legislation
COMMERCIAL AND INDUSTRIAL COMPANIES AND OTHER - as of 12/31/2013

02123-7 ENEVA S/A **04.423.567/0001-21**

20.01 - OTHER INFORMATION CONSIDERED SIGNIFICANT TO THE COMPANY

Executives				
Board of Directors	2,303,596	0.40	2,303,596	0.40
Executive Board	2,941,360	0.51	2,941,360	0.51
Audit Committee*	-	-	-	-
Treasury Stock	-	-	-	-
Other Shareholders	261,260,440	45.18	261,260,440	45.18
Total	578,241,732	**100**	578,241,732	**100**
Free Float	261,260,440	45.18	261,260,440	45.18

*The Company's Annual Meeting did not convene the Audit Committee in FY 2012.

Shareholdings of over 5% of the shares of each type and class in the Company, including those of individuals

Company: ENEVA S.A.

Position at 12/31/2012 (in shares)

Shareholder	Common shares		Total	
	Quantity	%	Quantity	%
Eike Fuhrken Batista	289,705,431	50.10	289,705,431	50.10
Centennial Asset Mining Fund LLC	20,208,840	3.49	20,208,840	3.49
Centennial Asset Brazilian Equity Fund	1,822,065	0.32	1,822,065	0.32
BNDESPAR	59,823,537	10.35	59,823,537	10.35
E.ON	67,869,516	11.74	67,869,516	11.74
Other	138,812,343	24.00	138,812,343	24.00
Total	578,241,732	100.0	578,241,732	100.0

Other Information Considered Significant to the Company

FEDERAL PUBLIC SERVICE
CVM – BRAZILIAN SECURITIES COMMISSION
ITR – Quarterly Information Corporate Legislation
COMMERCIAL AND INDUSTRIAL COMPANIES AND OTHER - as of 12/31/2013

02123-7 ENEVA S/A **04.423.567/0001-21**

20.01 - OTHER INFORMATION CONSIDERED SIGNIFICANT TO THE COMPANY

Distribution of share capital in our corporate shareholder (Company shareholder), including the shareholdings of individuals

Company: Centennial Asset Mining Fund LLC

Position at 12/31/2012 (in shares)

	Quotas			Total	
Shareholder	**Quantity**	**%**		**Quantity**	**%**
Eike Fuhrken Batista	1,000	100.0		1,000	100.0
Total	1,000	100.0		1,000	100.0

Company: Centennial Asset Brazilian Equity Fund LLC

Position at 12/31/2012 (in shares)

	Quotas		Total	
Shareholder	**Quantity**	**%**	**Quantity**	**%**
Centennial Asset Mining Fund LLC	1,000	100.0	1,000	100.0
Total	1,000	100.0	1,000	100.0

Opinions and Representation / Independent Auditors' Report - Unqualified

The Board of Directors and Shareholders of Eneva S.A.

We have examined the financial statements of the company Eneva S.A. (“Company” or "Parent Company"), consisting of the balance sheets as of December 31, 2013 and the related statements of income, comprehensive statements of income, the statement of changes in shareholders’ equity and statements of cash flows for the year then ended, in addition to the summary of the main accounting practices and other notes to the financial statements.

We have also examined the consolidated financial statements of the company Eneva S.A. and its subsidiaries ("Consolidated") consisting of the consolidated balance sheets as of December 31, 2013 and the related consolidated statements of income, comprehensive statements of income, the statement of changes in shareholders’ equity and statements of cash flows for the year then ended, in addition to the summary of the main accounting practices and other notes to the financial statements.

Management's responsibility for the financial statements

Company management is responsible for preparing and adequately presenting these individual financial statements in accordance with the accounting practices adopted in Brazil and the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board – IASB, the accounting practices adopted in Brazil (BR GAAP), and the internal controls necessary to ensure the financial statements are prepared free of material misstatement, whether due to fraud or error.

Auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. The standards require compliance with ethical standards by the auditors and that the audit be planned and implemented so as to provide reasonable assurance that the financial statements are free from material misstatement.

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

When assessing risks auditors take into account the material internal controls used to prepare and adequately present the Company's financial statements to plan the audit procedures suited to the circumstances, but not for the purpose of expressing an opinion about the efficiency of the Company's internal controls. An audit also includes evaluating the adequacy of the accounting practices used and the reasonableness of the accounting estimates made by management, in addition to evaluating the presentation of the financial statements taken as a whole.

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

audit opinion. Opinion on the individual financial statements

In our opinion, the aforementioned individual financial statements present fairly, in all material respects, the financial position of Eneva S.A. as of December 31, 2013, and the performance of its operations and cash flows for the financial year then ended, in conformity with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of Eneva S.A. and its subsidiaries as of December 31, 2013, and the consolidated performance of its operations and cash flows for the financial year then ended, in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board – IASB and accounting practices adopted in Brazil (BR GAAP).

Emphasis

Application of the equity income method and maintenance of deferred charges

As described in Note 3, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Eneva S.A. these practices only differ from the IFRS applicable to the separate financial statements in respect of the evaluation of investments in subsidiaries, associated companies and joint subsidiaries valued by the equity income method, whereas for the purposes of IFRS this would be at cost or fair value, and the maintenance of the balance of deferred assets existing on December 31, 2008, which are being amortized. Our opinion is not qualified because of this.

Operational continuity

We draw attention to Note 1 to the financial statements, which states that on December 31, 2013 the Company recorded accumulated losses of R$ 2,379,303 thousand and its current liabilities exceeded its current assets in the individual and consolidated financial statements by R$ 1,438,768 thousand and R$ 2,231,017 thousand respectively. Amongst the others described in Note 1, this situation generates significant uncertainty about its future as a going concern, which will depend on the success of existing and future operations, in addition to the financial backing of shareholders and/or renegotiating the length of loans. The financial statements do not include any adjustments to reflect this uncertainty. Our opinion is not qualified because of this.

Other matters

Financial statements for prior years examined by another independent auditor.

The examination of the financial statements for the financial year ended December 31, 2012, prepared originally before the adjustments described in Note 4.5.21, was conducted under the responsibility of other independent auditors, who issued an unqualified audit report dated May 23, 2013. Under the examination of the 2013 financial statements, we also examined the adjustments described in Note 4.5.21 made to amend the 2012 financial statements presented to facilitate a comparative analysis. In our opinion these adjustments are appropriate and have been correctly made. We were not engaged to audit, review or apply any other procedures to the Company's financial statements for FY 2012 and are not therefore expressing any opinion or providing any assurance about the 2012 financial statements taken as a whole.

Supplementary information - Statements of added value

We also examined the individual and consolidated statements of added value (DVA) for the financial year ended December 31, 2013, which are the responsibility of Company Management, the publication of which is required of publicly held companies by Brazilian corporation law, presented as supplementary information to IFRS which does not require the publication of DVAs. These statements were subject to the audit procedures described earlier and in our opinion are adequately presented, in all material respects, in relation to the financial statements taken as a whole.

Rio de Janeiro, March 27, 2014

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F"

RJ Guilherme Naves Valle

Accountant CRC 1MG070614/O-5 "S" RJ

Opinions and Representations / Report of the Audit Committee or Equivalent Body

Not applicable.

Opinions and Representations / Representation of the Officers about the Financial Statements

In due accordance with the provisions stated in article 25 of Instruction 480/09 issued December 07, 2009, the Executive Board represents it has reviewed, discussed and accepted the Financial Statements (Parent Company and Consolidated) for the period ended December 31, 2013.

Rio de Janeiro, March 27, 2014.

Eduardo Karrer - CEO and Investor Relations Officer

Alexandre Americano

Opinions and Representations / Representation of the Officers about the Independent Auditors' Report

In due accordance with the provisions stated in article 25 of Instruction 480/09 issued December 07, 2009, the Executive Board represents it has reviewed, discussed and accepted the conclusion expressed in the Independent Auditors' review report dated March 27, 2014 on the financial statements (Parent Company and Consolidated) for the financial year ended December 31, 2013.

Rio de Janeiro, March 27, 2014.

Eduardo Karrer - CEO and Investor Relations Officer

Alexandre Americano

Reasons for Re-presentation

Version	Description
2	Inclusion of the tables of the financial statements in the body of the notes to the financial statements.

Contents

Company Data / Capital Breakdown

Number of Shares	Last Financial Year
(thousand)	12/31/2013
Issued Capital	
Common	702,524
Preferred	0
Total	702,524
Treasury stock	
Common	0
Preferred	0
Total	0

Individual Financial Statements / Balance Sheet - Assets

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 12/31/2013	Penultimate Financial Year 12/31/2012
1	Total Assets	4,751,985	3,642,481
1.01	Current Assets	141,241	234,244
1.01.01	Cash and Cash Equivalents	110,156	206,263
1.01.01.01	Cash and Bank deposits	509	260
1.01.01.02	Fundo Multimercado MPX 63	109,647	206,003
1.01.06	Recoverable Taxes	25,701	22,068
1.01.06.01	Current Taxes Recoverable	25,701	22,068
1.01.08	Other Current Assets	5,384	5,913
1.01.08.03	Other	5,384	5,913
1.01.08.03.01	Other Advances	1,175	820
1.01.08.03.02	Dividends Receivable	0	2,040
1.01.08.03.03	Gain on derivatives	4,171	3,018
1.01.08.03.04	Escrow Deposits	38	35
1.02	Noncurrent Assets	4,610,744	3,408,237
1.02.01	Long-Term Assets	1,464,405	1,170,867
1.02.01.06	Deferred Taxes	0	114,400
1.02.01.06.01	Deferred Income and Social Contribution Taxes	0	114,400
1.02.01.09	Other Noncurrent Assets	1,464,405	1,056,467
1.02.01.09.04	Escrow Deposits	0	102,649
1.02.01.09.07	Recoverable Taxes	7,215	9,598
1.02.01.09.08	Accounts receivable from other related parties	217,337	1,134
1.02.01.09.09	AFAC at Subsidiaries and Joint Ventures	206,678	419,426
1.02.01.09.10	Prepaid expense	841	841
1.02.01.09.11	Loan at Subsidiaries and Joint Ventures	909,327	505,976
1.02.01.09.12	Accounts receivable from Subsidiaries and Joint Ventures	123,005	16,364
1.02.01.09.13	Embedded derivatives	0	479
1.02.01.09.14	Other Accounts Receivable	2	0
1.02.02	Investments	3,130,978	2,215,107
1.02.02.01	Equity Interests	3,130,978	2,215,107
1.02.02.01.01	Interests in Associated Companies	51,899	31,861
1.02.02.01.02	Interests in Subsidiaries	2,181,366	1,373,392
1.02.02.01.03	Interests in Joint Ventures	835,618	747,759
1.02.02.01.04	Other Equity Interests	62,095	62,095
1.02.03	Property, plant and equipment	12,634	19,343
1.02.04	Intangible assets	2,727	2,920

Individual Financial Statements / Balance Sheet - Liabilities

(Thousands of Reais)

Individual Financial Statements / Balance Sheet - Liabilities			
(Thousands of Reais)			
Account Code	**Account Description**	**Last Financial Year 12/31/2013**	**Penultimate Financial Year 12/31/2012**
2	Total Liabilities	4,751,985	3,642,481
2.01	Current Liabilities	1,580,010	947,342
2.01.01	Social and labor obligations	8,424	3,288
2.01.01.02	Labor Obligations	8,424	3,288
2.01.02	Trade payables	3,473	3,849
2.01.02.01	Domestic Trade Payables	3,473	3,849
2.01.03	Tax Obligations	709	402
2.01.03.01	Federal Tax Liabilities	709	402
2.01.03.01.01	Income taxes and contributions payable	709	402
2.01.04	Loans and Financing	1,562,323	924,463
2.01.04.01	Loans and Financing	1,562,211	924,352
2.01.04.01.01	In local currency	1,562,211	924,352
2.01.04.02	Debentures	112	111
2.01.04.02.02	Interest	112	111
2.01.05	Other Obligations	5,081	15,340
2.01.05.01	Related-Party Transactions	0	6,523
2.01.05.01.02	Debts with Subsidiaries	0	3,859
2.01.05.01.04	Debts with Other Related Parties	0	2,664
2.01.05.02	Other	5,081	8,817
2.01.05.02.07	Profit Sharing	4,990	8,726
2.01.05.02.09	Other Obligations	91	91
2.02	Noncurrent Liabilities	703,232	125,547
2.02.01	Loans and Financing	660,656	107,129
2.02.01.01	Loans and Financing	655,417	102,175
2.02.01.01.01	In local currency	655,417	102,175
2.02.01.02	Debentures	5,239	4,954
2.02.01.02.01	Principal	4,605	4,605
2.02.01.02.02	Interest	634	349
2.02.02	Other Obligations	34,489	0
2.02.02.01	Related-Party Transactions	34,489	0
2.02.02.01.04	Debts with Other Related Parties	34,489	0
2.02.04	Provisions	8,087	18,418
2.02.04.02	Other Provisions	8,087	18,418
2.02.04.02.05	Negative Equity	8,087	18,418
2.03	Shareholders' Equity	2,468,743	2,569,592
2.03.01	Realized Capital	4,532,313	3,731,734
2.03.02	Capital Reserves	350,514	321,904
2.03.02.04	Options Awarded	350,514	321,904
2.03.05	Retained Earnings/Accumulated Losses	-2,360,800	-1,364,979
2.03.06	Equity Appraisal Adjustments	-53,284	-119,067

Individual Financial Statements – Statement of Income

(Thousands of Reais)

Account Code	**Account Description**	**Last Financial Year 1/1/2013 to 12/31/2013**	**Penultimate Financial Year 1/1/2012 to 12/31/2012**
3.04	Operating Income/Expenses	-607,282	-398,826
3.04.02	General and Administrative Expenses	-123,701	-154,317
3.04.02.01	Personnel and Management	-67,579	-78,347
3.04.02.02	Other Expenses	-7,908	-6,391
3.04.02.03	Outsourced Services	-40,401	-59,983
3.04.02.04	Depreciation and Amortization	-2,280	-1,535
3.04.02.05	Leasing and Rentals	-5,533	-8,061
3.04.04	Other Operating Income	1,096	1
3.04.05	Other Operating Expenses	-15,498	-14,390
3.04.05.01	Unsecured Liability	-8,272	-14,362
3.04.05.02	Provision for investment losses	3	2
3.04.05.03	Losses on the sale of assets	-7,229	-30
3.04.06	Equity in Net Income of Subsidiaries	-469,179	-230,120
3.05	Earnings before financial income/loss and tax	-607,282	-398,826
3.06	Financial Income/Loss	-220,773	-62,096
3.06.01	Financial Revenue	112,823	142,842
3.06.01.01	Exchange Variance Gain	12,528	3,205
3.06.01.02	Interest-earning bank deposits	94,632	65,324
3.06.01.03	Derivative Financial Instruments	2,728	5,592
3.06.01.04	Fair value of debentures	-479	62,482
3.06.01.05	Other Financial Revenue	3,414	6,239
3.06.02	Financial Expenses	-333,596	-204,938
3.06.02.01	Derivative Financial Instruments	-27,625	-1,561
3.06.02.02	Exchange Variance Loss	-6,142	-4,156
3.06.02.03	Debenture Interest/Cost	-786	-130,864
3.06.02.05	Debt Charges	-147,857	-46,230
3.06.02.06	Other Financial Expenses	-82,372	-22,127
3.06.02.07	Financial Advisory Services	-68,814	0
3.07	Earnings before tax on net income	-828,055	-460,922
3.08	Income and social contribution taxes on profit	-114,400	25,720
3.08.02	Deferred charges	-114,400	25,720
3.09	Net Income from Continued Operations	-942,455	-435,202
3.11	Net Income/Loss for the Period	-942,455	-435,202
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common	3.51822	-0.75263
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common	3.61822	-0.75263

Individual Financial Statements – Comprehensive Statement of Income

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 1/1/2013 to 12/31/2013	Penultimate Financial Year 1/1/2012 to 12/31/2012
4.01	Net income for the period	-942,455	-435,202
4.02	Other Comprehensive Income	-61,914	-47,397
4.02.01	Accumulated Translation Adjustments	-54,404	-43,260
4.02.03	Effective portion of the changes in fair value of cash flow hedges - hedge accounting	-11,379	-6,268
4.02.04	Deferred income and social contribution taxes - hedge accounting	3,869	2,131
4.03	Comprehensive Income for the Period	-1,004,369	-482,599

Individual Financial Statements / Statement of Cash Flows - Indirect Method			
(Thousands of Reais)			
Account Code	**Account Description**	**Last Financial Year 1/1/2013 to 12/31/2013**	**Penultimate Financial Year 1/1/2012 to 12/31/2012**
6.01	Net Cash from Operating Activities	-597,119	-49,748
6.01.01	Cash Provided by Operating Activities	-159,957	-57,045
6.01.01.01	Loss for the Year	-828,055	-460,921
6.01.01.02	Depreciation and Amortization	2,280	1,535
6.01.01.03	Equity in net income of subsidiary and associated companies	469,179	230,120
6.01.01.04	Operations with derivative financial instruments	3,414	-4,031
6.01.01.05	Stock Options Awarded	28,610	47,279
6.01.01.08	Provision for Unsecured Liabilities	8,272	14,363
6.01.01.13	Debenture Interest/Cost	786	130,864
6.01.01.14	Fair value of debentures	479	-62,482
6.01.01.15	Interest on loans and related parties	147,857	46,230
6.01.01.16	Provision for investment losses	-3	-2
6.01.01.18	Other	7,224	0
6.01.02	Changes in Assets and Liabilities	-437,162	7,297
6.01.02.01	Other Advances	-359	1,318
6.01.02.02	Prepaid Expenses	0	-635
6.01.02.05	Recoverable Taxes	-1,249	33,304
6.01.02.09	Taxes, Duties and Contributions	307	302
6.01.02.10	Trade payables	-375	2,551
6.01.02.11	Provisions and payroll charges	5,136	-1,098
6.01.02.12	Accounts Payable	0	16
6.01.02.14	Debts / Credits with related parties	-275,232	-6,407
6.01.02.17	Other Assets and Liabilities	-21,299	-9,498
6.01.02.18	Payment of Financial Charges	-144,091	-12,556
6.02	Net Cash from Investment Activities	-1,481,836	-1,741,423
6.02.01	Acquisition of PPE and intangible assets	-2,602	-417
6.02.04	Change in Investments	-1,180,570	-1,213,567
6.02.07	Debt to related parties	-403,351	-481,803
6.02.08	Dividends	2,040	322
6.02.10	Escrow Deposits	102,647	-45,958
6.03	Net Cash from Financing Activities	1,982,848	1,037,176
6.03.01	Financial Instruments	-4,567	20,302
6.03.02	Capital Increase	800,579	2,431,907
6.03.07	Obtainment of loans and financings	2,117,336	886,568
6.03.08	Principal payment	-930,000	0
6.03.10	Debenture Issue	-500	-1,559,414
6.03.13	Adjustment Spin-off CCX Carvão da Colômbia	0	-742,187
6.05	Increase (Decrease) in Cash and Cash Equivalents	-96,107	-753,995
6.05.01	Opening Balance of Cash and Cash Equivalents	206,263	960,258
6.05.02	Closing Balance of Cash and Cash Equivalents	110,156	206,263

Individual Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2013 to 12/31/2013

(Thousands of Reais)

Account Code	Account Description Opening Balances	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	3,731,734	321,904	0	1,364,97	119,067	2,569,592
5.03	Adjusted Opening Balances	3,731,734	321,904	0	1,364,97	119,067	2,569,592
5.04	Capital Transactions with Partners	800,579	28,610	0	0	0	829,189
5.04.01	Capital Increases	800,579	0	0	0	0	800,579
5.04.03	Awarded Options Recognized	0	28,610	0	0	0	28,610
5.05	Total Comprehensive Income	0	0	0	-995,821	65,783	930,038
5.05.02	Other Comprehensive Income	0	0	0	-995,821	65,783	930,038
5.05.02.01	Financial Instrument Adjustments	0	0	0	0	11,379	11,379
5.05.02.04	Translation Adjustments in the Period	0	0	0	-53,366	54,404	1,038
5.05.02.07	Loss for the period	0	0	0	-942,455	0	-942,455
5.07	Closing Balances	4,532,313	350,514	0	2,360,80	53,284	2,468,743

Individual Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2012 to 12/31/2012

(Thousands of Reais)

Account Code	Account Description Opening Balances	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	2,042,014	274,625	0	-927,169	71,670	1,317,800
5.03	Adjusted Opening Balances	2,042,014	274,625	0	-927,169	71,670	1,317,800
5.04	Capital Transactions with Partners	1,689,720	47,2	0	-2,608	10,821	1,723,570
5.04.01	Capital Increases	2,431,907	0	0	0	0	2,431,907
5.04.03	Awarded Options Recognized	0	47,2	0	0	0	47,279
5.04.08	Adjustment Spin-off CCX Carvão da	-742,187	0	0	2,845	10,821	750,163
5.04.09	Adjustment Deferred Asset - MPX E.ON	0	0	0	-5,453	0	5,453
5.05	Total Comprehensive Income	0	0	0	-435,202	36,576	471,778
5.05.02	Other Comprehensive Income	0	0	0	-435,202	36,576	471,778
5.05.02.01	Financial Instrument Adjustments	0	0	0	0	4,137	4,137
5.05.02.04	Translation Adjustments in the Period	0	0	0	0	32,439	32,439
5.05.02.07	Loss for the Period	0	0	0	-435,202	0	435,202
5.07	Closing Balances	3,731,734	321,904	0	-1,364,979	119,067	2,569,5

Individual Financial Statements – Statement of Added Value

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 1/1/2013 to 12/31/2013	Penultimate Financial Year 1/1/2012 to 12/31/2012
7.02	Consumables acquired from third parties	-45,220	-65,848
7.02.02	Material, Energy, Outsourced Services and Other	-45,220	-65,848
7.03	Gross Added Value	-45,220	-65,848
7.04	Retentions	-2,280	-1,535
7.04.01	Depreciation, Amortization and Depletion	-2,280	-1,535
7.05	Net Added Value Produced	-47,500	-67,383
7.06	Transferred Added Value	-377,153	-104,844
7.06.01	Equity in Net Income of Subsidiaries	-469,179	-230,120
7.06.02	Financial Revenue	100,295	139,637
7.06.03	Other	-8,269	-14,361
7.06.03.02	Provision for Unsecured Liabilities	-8,272	-14,363
7.06.03.05	Provision for investment devaluation	3	2
7.07	Total Added Value to be Distributed	-424,653	-172,227
7.08	Distribution of Added Value	-424,653	-172,227
7.08.01	Personnel	67,579	78,346
7.08.01.01	Direct Remuneration	46,638	57,788
7.08.01.02	Benefits	11,487	13,446
7.08.01.03	F.G.T.S.	9,454	7,112
7.08.02	Taxes, Duties and Contributions	117,004	-25,624
7.08.02.01	Federal	117,004	-25,624
7.08.03	Interest Expenses	333,219	210,253
7.08.03.01	Interest	786	130,863
7.08.03.02	Rent	5,533	8,061
7.08.03.03	Other	326,900	71,329
7.08.03.03.01	Losses on Derivative Transactions	6,142	1,561
7.08.03.03.03	Insurance	486	430
7.08.03.03.04	Exchange Variance	15,097	952
7.08.03.03.06	Financial Expenses	306,272	68,386
7.08.03.03.07	Other	-1,097	0
7.08.04	Interest earnings	-942,455	-435,202
7.08.04.03	Retained Earnings/Loss for the Period	-942,455	-435,202

Consolidated Financial Statements / Balance Sheet - Assets

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 12/31/2013	Penultimate Financial Year 12/31/2012
1	Total Assets	9,689,212	8,039,596
1.01	Current Assets	747,842	765,908
1.01.01	Cash and Cash Equivalents	277,582	519,277
1.01.01.01	Cash and Bank deposits	16,493	5,922
1.01.01.02	Fundo Multimercado MPX 63	202,444	513,355
1.01.01.04	CDB	58,645	0
1.01.02	Short-term Investments	0	3,441
1.01.02.01	Short-term investments valued at Fair Value	0	3,441
1.01.02.01.03	Securities	0	3,441
1.01.03	Accounts Receivable	294,396	21,345
1.01.03.01	Trade accounts receivable	294,396	21,345
1.01.04	Inventories	78,376	142,687
1.01.06	Recoverable Taxes	47,651	37,410
1.01.06.01	Current Taxes Recoverable	47,651	37,410
1.01.07	Prepaid Expenses	9,825	19,351
1.01.08	Other Current Assets	40,012	22,397
1.01.08.03	Other	40,012	22,397
1.01.08.03.01	Other Advances	5,001	1,783
1.01.08.03.03	Gain on Derivatives	4,171	3,018
1.01.08.03.04	Escrow Deposits	38	35
1.01.08.03.05	CCC subsidies receivable	30,802	17,561
1.02	Noncurrent Assets	8,941,370	7,273,688
1.02.01	Long-Term Assets	966,682	654,098
1.02.01.06	Deferred Taxes	302,327	305,548
1.02.01.06.01	Deferred Income and Social Contribution Taxes	302,327	305,548
1.02.01.07	Prepaid Expenses	2,905	8,494

1.02.01.09	Other Noncurrent Assets	661,450	340,056
1.02.01.09.04	Escrow Deposits	118,606	135,648
1.02.01.09.05	CCC Subsidies Receivable	0	24,617
1.02.01.09.07	Recoverable Taxes	14,614	24,034
1.02.01.09.08	Accounts receivable from other related parties	218,680	1,134
1.02.01.09.09	AFAC at joint ventures	150	12,425
1.02.01.09.11	Loan with joint ventures	191,968	134,926
1.02.01.09.12	Accounts receivable from joint ventures	117,372	6,793
1.02.01.09.13	Embedded derivatives	0	479
1.02.01.09.14	Other Accounts Receivable	60	0
1.02.02	Investments	941,853	833,955
1.02.02.01	Equity Interests	941,853	833,955
1.02.02.01.01	Interests in Associated Companies	51,899	31,861
1.02.02.01.04	Other Equity Interests	889,954	802,094
1.02.03	Property, plant and equipment	6,819,454	5,570,399
1.02.04	Intangible assets	213,381	215,236

Consolidated Financial Statements / Balance Sheet - Liabilities

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 12/31/2013	Penultimate Financial Year 12/31/2012
2	Total Liabilities	9,689,212	039,596
2.01	Current Liabilities	2,978,859	2,109,465
2.01.01	Social and labor obligations	16,770	9,863
2.01.01.02	Labor Obligations	16,770	9,863
2.01.02	Trade payables	331,216	115,261
2.01.02.01	Domestic Trade Payables	331,216	115,261
2.01.03	Tax Obligations	45,934	7,241
2.01.03.01	Federal Tax Liabilities	45,934	7,241
2.01.03.01.01	Income taxes and contributions payable	45,934	7,241
2.01.04	Loans and Financing	2,408,254	820,085
2.01.04.01	Loans and Financing	2,408,142	819,974
2.01.04.01.01	In local currency	2,408,142	819,974
2.01.04.02	Debentures	112	111
2.01.04.02.02	Interest	112	111
2.01.05	Other Obligations	176,685	157,015
2.01.05.01	Related-Party Transactions	0	30,772
2.01.05.01.03	Debits with Parent Companies	0	26,783
2.01.05.01.04	Debts with Other Related Parties	0	3,989
2.01.05.02	Other	176,685	126,243
2.01.05.02.04	Losses on Derivative Transactions	0	22,951
2.01.05.02.05	Contractual Retentions	84,789	77,374
2.01.05.02.07	Profit Sharing	8,148	20,633
2.01.05.02.08	Dividends Payable	0	1,960
2.01.05.02.09	Other Obligations	83,748	3,325
2.02	Noncurrent Liabilities	4,136,480	3,228,993
2.02.01	Loans and Financing	3,807,617	109,760
2.02.01.01	Loans and Financing	3,802,378	104,806
2.02.01.01.01	In local currency	3,802,378	104,806
2.02.01.02	Debentures	5,239	4,954
2.02.01.02.01	Principal	4,605	4,605
2.02.01.02.02	Interest	634	349
2.02.02	Other Obligations	307,720	95,227
2.02.02.01	Related-Party Transactions	307,720	430
2.02.02.01.04	Debts with Other Related Parties	307,720	430
2.02.02.02	Other	0	94,797
2.02.02.02.03	Losses on Derivative Transactions	0	94,797
2.02.03	Deferred Taxes	9,591	2,048
2.02.03.01	Deferred Income and Social Contribution Taxes	9,591	2,048
2.02.04	Provisions	11,552	21,958
2.02.04.02	Other Provisions	11,552	21,958
2.02.04.02.04	Provision for Disassembly	2,266	2,118
2.02.04.02.05	Unsecured Liability	9,286	19,840
2.03	Consolidated Shareholders' Equity	2,573,873	2,701,138
2.03.01	Realized Capital	4,532,313	3,731,734
2.03.02	Capital Reserves	350,514	321,904
2.03.02.04	Options Awarded	350,514	321,904

Consolidated Financial Statements / Balance Sheet - Liabilities

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 12/31/2013	Penultimate Financial Year 12/31/2012
2.03.05	Retained Earnings/Accumulated Losses	-2,379,303	-1,384,971
2.03.06	Equity Appraisal Adjustments	-53,284	-119,067
2.03.09	Minority Interests	123,633	151,538

Consolidated Financial Statements – Statement of Income

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 1/1/2013 to 12/31/2013	Penultimate Financial Year 1/1/2012 to 12/31/2012
3.01	Revenue from goods sold and services rendered	1,438,831	48,786
3.02	Cost of goods and/or services sold	-1,507,047	-50,949
3.03	Gross Profit	-68,216	-2,163
3.04	Operating Income/Expenses	-358,957	-404,708
3.04.02	General and Administrative Expenses	-167,261	-231,026
3.04.02.01	Personnel and Management	-79,762	-111,440
3.04.02.02	Other Expenses	-12,323	-12,411
3.04.02.03	Outsourced Services	-64,803	-92,139
3.04.02.04	Depreciation and Amortization	-3,125	-2,788
3.04.02.05	Leasing and Rentals	-7,248	-12,248
3.04.04	Other Operating Income	4,424	1,208
3.04.05	Other Operating Expenses	-43,108	-16,787
3.04.05.01	Unsecured Liability	-7,717	-14,671
3.04.05.02	Provision for investment losses	-23	-1,237
3.04.05.03	Losses on the sale of assets	-7,231	-879
3.04.05.05	Write-off of CCC Benefit	-24,617	0
3.04.05.06	Other	-3,520	0
3.04.06	Equity in Net Income of Subsidiaries	-153,012	-158,103
3.05	Earnings before financial income/loss and tax	-427,173	-406,871
3.06	Financial Income/Loss	-506,096	-90,459
3.06.01	Financial Revenue	88,513	-249,822
3.06.01.01	Exchange Variance Gain	15,346	25,086
3.06.01.02	Interest-earning bank deposits	63,707	76,599
3.06.01.03	Derivative Financial Instruments	2,728	-422,684
3.06.01.04	Fair value of debentures	-479	62,482
3.06.01.05	Other Financial Revenue	7,211	8,695
3.06.02	Financial Expenses	-594,609	159,363
3.06.02.01	Derivative Financial Instruments	-33,745	-16,479
3.06.02.02	Exchange Variance Loss	-3,339	398,638
3.06.02.03	Debenture Interest/Cost	-786	-130,863
3.06.02.05	Debt Charges	-364,832	-47,248
3.06.02.06	Other Financial Expenses	-123,093	-44,685
3.06.02.07	Financial Advisory Services	-68,814	0
3.07	Earnings before tax on net income	-933,269	-497,330
3.08	Income and social contribution taxes on profit	-11,152	62,876
3.08.01	Current	-3,744	-1,921
3.08.02	Deferred charges	-7,408	64,797
3.09	Net Income from Continued Operations	-944,421	-434,454
3.11	Consolidated Net Income/Loss for the Period	-944,421	-434,454
3.11.01	Attributed to Partners of the Parent Company	-942,455	-435,202
3.11.02	Attributed to Minority Partners	-1,966	748
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Common	-3.52556	-0.75263

3.99.02	Diluted Earnings per Share		
3.99.02.01	Common	-3.52556	-0.75263

Consolidated Financial Statements – Comprehensive Statement of Income

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 1/1/2013 to 12/31/2013	Penultimate Financial Year 1/1/2012 to 12/31/2012
4.01	Consolidated Net Income for the Period	-944,421	-434,454
4.02	Other Comprehensive Income	-61,914	-47,397
4.02.01	Accumulated Translation Adjustments	-54,404	-43,260
4.02.03	Effective portion of the changes in fair value of cash flow hedges - hedge accounting	-11,379	-6,268
4.02.04	Deferred income and social contribution taxes - hedge accounting	3,869	2,131
4.03	Consolidated Comprehensive Income for the Period	-1,006,335	-481,851
4.03.01	Attributed to Partners of the Parent Company	-1,004,369	-482,599
4.03.02	Attributed to Minority Partners	-1,966	748

Consolidated Financial Statements / Statement of Cash Flows – Indirect Method

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 1/1/2013 to 12/31/2013	Penultimate Financial Year 1/1/2012 to 12/31/2012
6.01	Net Cash from Operating Activities	-510,869	-455,668
6.01.01	Cash Provided by Operating Activities	-205,894	-127,546
6.01.01.01	Loss for the Year	-933,269	-497,330
6.01.01.02	Depreciation and Amortization	146,539	8,811
6.01.01.03	Equity in net income of subsidiary and associated companies	153,012	158,103
6.01.01.04	Operations with derivative financial instruments	611	24,046
6.01.01.05	Stock Options Awarded	28,610	47,279
6.01.01.07	Investment devaluation	23	1,237
6.01.01.08	Provision for Unsecured Liabilities	7,717	14,671
6.01.01.09	Provision for Disassembly	149	0
6.01.01.13	Debenture Interest/Cost	786	130,864
6.01.01.14	Fair value of debentures	479	-62,475
6.01.01.15	Interest on loans and related parties	364,832	47,248
6.01.01.19	Write-off of CCC Subsidy	24,617	0
6.01.02	Changes in Assets and Liabilities	-304,975	-328,122
6.01.02.01	Other Advances	-3,218	6,633
6.01.02.02	Prepaid Expenses	15,115	-12,609
6.01.02.03	Accounts Receivable	-273,051	135
6.01.02.05	Recoverable Taxes	-821	56,371
6.01.02.06	Inventory	64,311	-84,497
6.01.02.09	Taxes, Duties and Contributions	38,693	-10,697
6.01.02.10	Trade payables	215,956	-39,216
6.01.02.11	Provisions and payroll charges	6,908	-6,266
6.01.02.12	Accounts Payable	80,423	-45,396
6.01.02.13	CCC Subsidies Receivable	-13,241	-12,732
6.01.02.14	Debts / Credits with related parties	-24,824	1,231
6.01.02.17	Other Assets and Liabilities	-51,027	-30,284
6.01.02.20	Payments of Financial Charges	-360,199	-150,795
6.02	Net Cash from Investment Activities	-1,572,611	-1,845,554
6.02.01	Acquisition of PPE and intangible assets	-1,275,962	-1,159,848
6.02.03	Securities	3,440	5,996
6.02.04	Change in Investments	-260,087	-537,456
6.02.05	Cash resulting from sale of property, plant and equipment and intangible assets	0	-310
6.02.07	Debt to related parties	-57,042	-134,245
6.02.10	Escrow Deposits	17,040	-19,691
6.03	Net Cash from Financing Activities	1,841,786	1,440,348
6.03.01	Financial Instruments	-119,512	7,949
6.03.02	Capital Increase	800,579	1,689,720
6.03.04	Payment of dividends and interest on shareholders' equity	-1,961	0
6.03.07	Loans and Financing Obtained	2,562,932	2,064,982
6.03.10	Debenture Issue	-500	-1,559,414
6.03.14	Principal payment	-1,399,752	-762,889
6.05	Increase (Decrease) in Cash and Cash Equivalents	-241,694	-860,874

6.05.01	Opening Balance of Cash and Cash Equivalents	519,277	1,380,151
6.05.02	Closing Balance of Cash and Cash Equivalents	277,583	519,277

Consolidated Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2013 to 12/31/2013

(Thousands of Reais)

Account Code	Account Description	Paid-in share capital	Capital Reserves, Options Awarded and	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Minority interests	Consolidated Shareholders' Equity
5.01	Opening Balances	3,731,734	321,904	0	1,384,971	-119,067	2,549,600	151,538	2,701,138
5.03	Adjusted Opening Balances	3,731,734	321,904	0	-1,384,971	-119,067	2,549,600	151,538	2,701,138
5.04	Capital Transactions with Partners	800,579	28,610	0	1,489	0	830,678	0	830,678
5.04.01	Capital Increases	800,579	0	0	0	0	800,579	0	800,579
5.04.03	Awarded Options Recognized	0	28,610	0	0	0	28,610	0	28,610
5.04.09	Deferred Asset Adjustment	0	0	0	1,489	0	1,489	0	1,489
5.05	Total Comprehensive Income	0	0	0	-995,821	65,783	-930,038	-27,904	-957,942
5.05.02	Other Comprehensive Income	0	0	0	-995,821	65,783	-930,038	-27,904	-957,942
5.05.02.01	Financial Instrument Adjustments	0	0	0	0	11,379	11,379	0	11,379
5.05.02.04	Translation Adjustments in the Period	0	0	0	-53,366	54,404	1,038	0	1,038
5.05.02.07	Loss for the period	0	0	0	-942,455	0	-942,455	-1,966	-944,421
5.05.02.08	Minority interest	0	0	0	0	0	0	-25,938	-25,938
5.07	Closing Balances	4,532,313	350,514	0	-2,379,303	-53,284	2,450,240	123,634	2,573,874

Consolidated Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2012 to 12/31/2012

(Thousands of Reais)

Account Code	Account Description	Paid-in share capital	Capital Reserves, Options Awarded and	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Minority interests
5.03	Adjusted Opening Balances	2,042,014	274,625	0 -970,896	-71,670	1,274,073	96,086	1,370,159
5.04	Capital Transactions with Partners	1,689,720	47,279	0 20,469	0	1,757,468	0	1,757,468
5.04.01	Capital Increases	1,689,720	0	00	0	1,689,720	0	1,689,720
5.04.03	Awarded Options Recognized	0	47,279	00	0	47,279	0	47,279
5.04.08	Adjustment Spin-off CCX Carvão da Colômbia	0	0	0 2,845	0	2,845	0	2,845
5.04.09	Adjustment Deferred Asset - MPX E.ON Participações	0	0	0 17,624	0	17,624	0	17,624
5.05	Total Comprehensive Income	0	0	0 -434,544	-47,397	-481,941	55,452	-426,489
5.05.02	Other Comprehensive Income	0	0	0 -434,544	-47,397	-481,941	55,452	-426,489
5.05.02.01	Financial Instrument Adjustments	0	0	00	-4,137	-4,137	0	-4,137
5.05.02.04	Translation Adjustments in the Period	0	0	0 658	-43,260	-42,602	0	-42,602
5.05.02.07	Loss for the Period	0	0	0 -435,202	0	-435,202	748	-434,454
5.05.02.08	Minority interest	0	0	00	0	0	54,704	54,704
5.07	Closing Balances	3,731,734	321,904	0 -1,384,971	-119,067	2,549,600	151,538	2,701,138

Consolidated Financial Statements – Statement of Added Value

(Thousands of Reais)

Account Code	Account Description	Last Financial Year 1/1/2013 to 12/31/2013	Penultimate Financial Year 1/1/2012 to 12/31/2012
7.01	Revenue	2,686,031	1,604,487
7.01.01	Sales of Goods, Products and Services	1,438,831	48,786
7.01.03	Revenue relating to construction of company assets	1,247,200	1,555,701
7.02	Consumables acquired from third parties	-1,213,964	-142,567
7.02.02	Material, Energy, Outsourced Services and Other	-1,213,964	-142,567
7.03	Gross Added Value	1,472,067	1,461,920
7.04	Retentions	-146,539	-8,811
7.04.01	Depreciation, Amortization and Depletion	-146,539	-8,811
7.05	Net Added Value Produced	1,325,528	1,453,109
7.06	Transferred Added Value	-122,925	-449,782
7.06.01	Equity in Net Income of Subsidiaries	-153,012	-158,103
7.06.02	Financial Revenue	73,167	-274,909
7.06.03	Other	-43,080	-16,770
7.06.03.02	Provision for Unsecured Liabilities	-7,717	-14,672
7.06.03.04	Losses on the sale of assets	-7,203	-861
7.06.03.05	Provision for investment devaluation	-23	-1,237
7.06.03.06	Other	-28,137	0
7.07	Total Added Value to be Distributed	1,202,603	1,003,327
7.08	Distribution of Added Value	1,202,603	1,003,327
7.08.01	Personnel	120,553	115,441
7.08.01.01	Direct Remuneration	61,977	64,803
7.08.01.02	Benefits	33,971	33,279
7.08.01.03	F.G.T.S.	24,605	17,359
7.08.02	Taxes, Duties and Contributions	14,411	-61,959
7.08.02.01	Federal	14,411	-61,959
7.08.03	Interest Expenses	2,012,060	1,384,299
7.08.03.01	Interest	786	130,863
7.08.03.02	Rent	172,152	13,046
7.08.03.03	Other	1,839,122	1,240,390
7.08.03.03.01	Losses on Derivative Transactions	3,339	-398,638
7.08.03.03.02	Advances to suppliers	1,247,201	1,555,702
7.08.03.03.03	Insurance	17,841	1,199
7.08.03.03.04	Exchange Variance	18,399	-8,607
7.08.03.03.06	Financial Expenses	556,738	91,926
7.08.03.03.07	Other	-4,396	-1,192
7.08.04	Interest earnings	-944,421	-434,454
7.08.04.03	Retained Earnings/Loss for the Period	-942,455	-435,202
7.08.04.04	- Minority interests in retained earnings	-1,966	748