

Instituto Costarricense de Electricidad and Subsidiaries

Consolidated Financial Statements
March, 2012

Group ICE

ICE
RACSA
CNFL
CRICRSA



Dirección de Finanzas
Proceso Contable

INSTITUTO COSTARRICENSE DE ELECTRICIDAD (ICE) AND SUBSIDIARIES
(San José, Costa Rica)

Consolidated Balance Sheet

(In millions of colones)

As of March 31, 2012 and December 31, 2011

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Property, machinery and equipment:		
Operating assets - cost	2.483.059	2.487.342
Accumulated depreciation of operating assets - cost	(793.978)	(764.040)
Operating assets - revalued	3.337.985	3.338.670
Accumulated depreciation of operating assets - revalued	(2.093.153)	(2.064.382)
Other operating assets - cost	328.949	322.862
Accumulated depreciation of other operating assets - cost	(179.415)	(169.662)
Other operating assets - revalued	87.896	88.063
Accumulated depreciation of other operating assets - revalued	(57.278)	(56.499)
Other operating assets under finance leases - cost	27.550	27.550
Accumulated depreciation of other operating assets under finance leases - cost	(967)	(922)
Other operating assets under finance leases - revalued	1.191	1.191
Accumulated depreciation of other operating assets under finance leases - revalued	(25)	(13)
Construction work in progress	623.114	501.919
Materials in transit for investment	175.233	175.416
Inventory for investment	142.535	143.341
Total property, machinery and equipment, net	4.082.696	4.030.836
Long-term assets:		
Long-term investments	20.263	20.271
Notes receivable	2.478	2.538
Accounts receivable	4	4
Total long-term assets	22.745	22.813
Current assets:		
Banks	8.502	7.952
Temporary investments	159.381	140.060
Valuation of investments	328	1.323
Restricted funds	4.495	7.146
Receivables for services rendered	108.924	100.000
Non-trade receivables	148.842	165.407
Allowance for doubtful accounts	(37.953)	(37.066)
Institutional receivables	5.698	5.803
Notes receivable	2.868	2.879
Operating inventory	76.981	90.572
Allowance for valuation of inventory	(7.104)	(7.311)
Materials and equipment held in custody	8.862	5.178
Materials in transit for operations	17.838	18.581
Prepaid expenses	20.883	24.960
Total current assets	518.545	525.484
Other assets:		
Non-operating assets - cost	52.817	51.996
Accumulated depreciation of non-operating assets - cost	(474)	(396)
Non-operating assets - revalued	14.282	14.280
Accumulated depreciation of non-operating assets - revalued	(5.890)	(5.859)
Service agreements	14.140	13.916
Project design and execution	91.715	78.918
Technical service centers	9.699	252
Amortizable items	8.028	8.155
Absorption of amortizable items	(3.177)	(3.047)
Intangible assets	81.236	61.734
Absorption of intangible assets	(32.505)	(27.962)
Securities received as guaranty deposits	4.870	4.719
Valuation of financial instruments	1.561	5.828
Guarantee and Savings Fund (restricted fund)	159.548	150.204
Transfer to Guarantee and Savings Fund	401	1.242
Operating inventory	18.914	20.282
Deferred income tax	1.359	-
Total other assets	416.524	374.262
Total assets	5.040.510	4.953.395

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

INSTITUTO COSTARRICENSE DE ELECTRICIDAD (ICE) AND SUBSIDIARIES
(San José, Costa Rica)

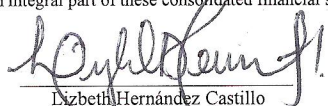
Consolidated Balance Sheet

(In millions of colones)

As of March 31, 2012 and December 31, 2011

	<u>2012</u>	<u>2011</u>
<u>Liabilities and Equity</u>		
Long-term liabilities:		
Securities payable	€ 627.171	601.546
Loans payable	654.793	662.329
Obligations derived from credit	6.550	28.040
Security deposits	58.401	58.614
Accounts payable	55.443	44.288
Total long-term liabilities	<u>1.402.358</u>	<u>1.394.817</u>
Short-term liabilities:		
Securities payable	15.063	30.500
Loans payable	222.609	176.574
Accounts payable	130.799	122.762
Accrued finance expenses payable	21.408	16.070
Prepaid income	(4.717)	2.425
Deposits from private individuals or companies	6.882	6.553
Legal provisions	1.000	1.000
Accrued expenses for employer obligations	27.777	37.525
Total short-term liabilities	<u>420.821</u>	<u>393.409</u>
Other liabilities:		
Valuation of financial instruments	17.771	20.239
Accounts payable	2.468	2.491
Legal provisions	40.411	41.095
Guarantee and Savings Fund (restricted fund)	159.548	150.204
Deferred income tax	1.388	-
Total other liabilities	<u>221.586</u>	<u>214.029</u>
Equity:		
Paid-in capital	68.901	46.090
Development reserve	1.481.442	1.461.922
Asset revaluation reserve	1.308.052	1.313.157
Result of valuation of financial instruments	(15.719)	(18.583)
Legal reserve	8.696	8.696
Project development reserve	71	71
Forest development reserve	755	734
Restricted earnings from capitalization of stake in subsidiary	62.380	62.380
Retained earnings	81.661	72.301
Minority interest	4.420	4.372
Total excess of income over expenses	(4.914)	-
Total equity and minority interest	<u>2.995.745</u>	<u>2.951.140</u>
	€ 5.040.510	4.953.395
Memoranda accounts	€ 235.883	209.538

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


Lizbeth Hernández Castillo
Accounting Management Process Coordinator



Jorge Galvens Barrantes
Financial Reports Coordinator

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES
(San José, Costa Rica)
Consolidated Statement of Changes in Equity
For the periods ended as of March 31, 2012 and December 31, 2011
(In millions of colones)

	Paid-in capital	Asset revaluation reserve	Result of valuation of financial instruments	Development reserve	Legal reserve	Project development reserve	Forest development reserve	Restricted earnings from capitalization of stake in subsidiaries	Retained earnings	Minority interest	Equity, net
Balance at December 31, 2010, adjusted	45.678	1.333.312	(11.843)	1.367.531	8.522	71	651	62.380	77.329	4.171	2.887.802
Donations for the year	412	-	-	-	-	-	-	-	-	-	412
Asset revaluation for the year	-	89.060	-	-	-	-	-	-	-	-	89.060
Appropriation to legal reserve	-	-	-	-	176	-	-	-	(176)	-	-
Prior period adjustments	-	(361)	-	3.832	-	-	-	-	-	-	3.471
Effect of appropriation to and realization of forest development	-	-	-	-	-	-	83	-	(83)	-	-
Deficit for the period, net	-	-	-	(11.771)	-	-	-	-	(11.094)	-	(22.865)
Realization of asset revaluation reserve	-	(117.761)	-	102.330	-	-	-	-	15.431	-	-
Realization of asset revaluation reserve in subsidiaries	-	9.028	-	-	-	-	-	-	(9.028)	-	-
Result of valuation of financial instruments:	-	-	-	-	-	-	-	-	-	-	-
<i>Derivative financial instruments</i>	-	-	(6.624)	-	-	-	-	-	-	-	(6.624)
<i>Investments</i>	-	-	(116)	-	-	-	-	-	-	-	(116)
Appropriation to minority interest	-	(121)	-	-	(2)	-	-	-	(78)	201	-
Balance at December 31, 2011	46.090	1.313.157	(18.583)	1.461.922	8.696	71	734	62.380	72.301	4.372	2.951.140
External Audit adjustments, registration pending December 2011	22.703	-	-	19.622	-	-	-	-	-	-	42.325
Adjustments due to homologation with ICE policies	-	(2.479)	-	-	-	-	-	-	11.097	-	8.618
Balance at December 31, 2011, adjusted	68.793	1.310.678	(18.583)	1.481.544	8.696	71	734	62.380	83.398	4.372	3.002.083
Donations for the year	108	-	-	-	-	-	-	-	-	-	108
Asset revaluation for the year	-	(6)	-	-	-	-	-	-	-	-	(6)
Deficit for the period, net	-	-	-	-	-	-	-	-	(4.248)	-	(4.248)
Deficit for the period net, minority interest	-	-	-	-	-	-	-	-	(41)	-	(41)
Prior period adjustments	-	-	-	(102)	-	-	-	-	-	-	(102)
Effect of appropriation to and realization of forest development	-	-	-	-	-	-	21	-	(21)	-	-
Deficit for the period net, ICE	-	-	-	(4.914)	-	-	-	-	-	-	(4.914)
Realization of asset revaluation reserve	-	(2.615)	-	-	-	-	-	-	2.615	-	-
Result of valuation of financial instruments:	-	-	-	-	-	-	-	-	-	-	-
<i>Derivative financial instruments</i>	-	-	2.864	-	-	-	-	-	-	-	2.864
Assets retirement during the period	-	(80)	-	-	-	-	-	-	80	-	-
Appropriation to minority interest	-	73	-	-	-	-	-	-	(121)	48	0
Balance at March 31, 2012	68.901	1.308.052	(15.719)	1.476.528	8.696	71	755	62.380	81.661	4.420	2.995.745

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


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Jorge Gajons Barrantes
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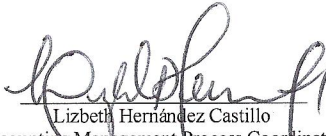
Consolidated Statement of Profit or Loss

(In millions of colones)

For the periods ended as of March 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Electricity services	€ 192.862	150.260
Telecom services	138.265	129.572
Institutional services	626	1.734
Total operating revenues	<u>331.753</u>	<u>281.566</u>
Operating costs:		
Operation and maintenance	97.289	46.261
Operation and maintenance of leased equipment	34.379	39.817
Depreciation of operating assets	64.021	58.420
Supplemental services and purchases	29.487	27.110
Production management	16.265	16.970
Technical service center	19.128	17.058
Total operating costs	<u>260.569</u>	<u>205.637</u>
Gross profit	<u>71.184</u>	<u>75.929</u>
Operating expenses:		
Administrative	19.239	20.262
Marketing	49.144	31.126
Preliminary studies	4.951	4.447
Preinvestment studies	1.338	830
Other operating expenses	319	411
Total operating expenses	<u>74.991</u>	<u>57.076</u>
Operating profit (deficit)	(3.807)	18.853
Other income:		
Finance income	2.900	2.950
Foreign exchange differences	19.605	26.108
Other income	12.254	12.380
Total other income	<u>34.759</u>	<u>41.439</u>
Other expenses:		
Interest	20.376	10.509
Commissions	6.544	589
Foreign exchange differences	3.799	1.367
Other expenses	7.191	10.159
Total other expenses	<u>37.910</u>	<u>22.625</u>
Profit (deficit) before tax and minority interest	<u>(6.958)</u>	<u>37.667</u>
Tax and minority interest:		
Deferred tax	22	13
Minority interest	41	5
Profit (deficit), net	<u>€ (6.895)</u>	<u>37.685</u>

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INSTITUTO COSTARRICENSE DE ELECTRICIDAD (ICE) AND SUBSIDIARIES
(San José, Costa Rica)

Consolidated Statement of Cash Flows
For the periods as of ended March 31, 2012 and 2011
(In millions of colones)

	<u>2012</u>	<u>2011</u>
Sources (uses) of cash:		
Operating activities:		
Profit (deficit), net	¢ (6.896)	37.685
Items not requiring (providing) cash:		
Depreciation	74.408	60.863
Legal provisions	760	1.699
Allowance for doubtful accounts	757	828
Absorption of amortizable and intangible items	5.045	4.704
Foreign exchange differences	(15.805)	(23.917)
Valuation of financial instruments	5.658	-
Minoritary interest	(41)	(5)
Cash provided by operations	70.782	44.172
Cash provided by (used for) changes in:		
Committed temporary investments	10	118
Notes and accounts receivable	11.091	(4.234)
Operating inventory	10.442	(9.348)
Other assets	14.546	35.463
Accounts payable	15.197	15.405
Security deposits	(187)	(2.671)
Other liabilities	(7.355)	(9.410)
Cash provided by operating activities	107.630	107.180
Financing activities:		
Decrease in equity	(16)	-
Increase in reserve for forest development	-	22
Increase in securities payable	10.188	(51.809)
Amortization of securities payable	-	8.505
Increase in loans payable	54.304	109.579
Increase in obligations derived from credit	(21.490)	-
Net cash provided by financing activities	42.986	66.297
Investing activities:		
Increase in long-term investments	1.252	(7.871)
Additions to property, machinery and equipment	(111.406)	(83.776)
Increase in other assets	(20.582)	(24.784)
Net cash used in investing activities	(130.736)	(116.431)
Increase (decrease) in cash and cash equivalents	19.880	57.046
Cash and cash equivalents at beginning of the year	146.872	175.091
Cash and cash equivalents at end of the year	¢ 166.752	232.137

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


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INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements (in million Costa Rican colones)

March 31st, 2012

(figures correspond to 2011)

Note 1. Reporting Entity

The Instituto Costarricense de Electricidad and Subsidiaries (hereinafter called “Group ICE”) is an autonomous entity of Costa Rican State, constituted through Decree - Law N° 449 from April 8, 1949 and the Law 3226 from October 28th, 1963. Its commercial domicile is located in North Sabana, district of Mata Redonda, city of San Jose.

Its main activity is the development of sources producing energy existing in the country and the supplying of electricity services, as well as the supplying of telephone services (basic, fixed and mobile) and internet services.

Such activities as well as those of its subsidiaries, are regulated by the Contraloría General de la República - CGR (General Controlling Department of the Republic), the Superintendencia General de Valores – SUGEVAL (General Superintendence of Values), la Bolsa Nacional de Valores de Costa Rica, S.A. (National Stock Exchange of Costa Rica Inc.), la Ley Reguladora de Mercado de Valores (Regulating Law of Market Values), la Autoridad Reguladora de Servicios Públicos – ARESEP (Regulating Authority of Public Services), la Superintendencia de Telecomunicaciones – SUTEL (Telecommunications Superintendence) and the Superintendencia de Pensiones – SUPEN (Retirement Pension Superintendence); and its subsidiary Compañía Nacional de Fuerza y Luz – CNFL (National Company of Power and Light) subject to the regulations set forth by the Contraloría General de la República (CGR) and the articles 57 and 94 of the Law 8131 Administration and Public Budgets, the Autoridad Reguladora de los Servicios Públicos (ARESEP) and under the framework of the General Law of Internal Control and the Law Against Corruption and Illicit Enrichment, among others.

One important part of those activities has been financed with resources coming from bank creditors, as well as the issuance and placement of debt titles (Bonds) in local and international market, and through the Bolsa Nacional de Valores de Costa Rica.

Group ICE is a group of national companies integrated by the Instituto Costarricense de Electricidad (ICE, last controlling entity) and its subsidiaries: Compañía Nacional de Fuerza y Luz, S.A. – (C.N.F.L.), Radiográfica Costarricense, S.A. – (RACSA), and Compañía Radiográfica Internacional de Costa Rica, S.A. (CRICRSA).

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INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements (in million Costa Rican colones)

Compañía Nacional de Fuerza y Luz, S.A

The Compañía Nacional de Fuerza y Luz, S.A. (CNFL) is an incorporated company constituted under law number 21 from April 8th, 1941 called “Electric Contract”, modified by law number 4977, on May 19th, 1972, and in force up to August 8th, 2008.

The main objective is supplying electric services in national market and its main power supplier is ICE.

Radiográfica Costarricense, S.A.

Radiográfica Costarricense, S.A. - RACSA, is an anonymous mixed incorporated company constituted on July 27th, 1964 under the laws of the Republic of Costa Rica, property of the Instituto Costarricense de Electricidad and of the Compañía Radiográfica Internacional de Costa Rica, S.A. (proportional participation of 50%). It was created through the Law 3293 on June 18th, 1964. It is ruled by the provisions of executive decrees No. 7927-H and No. 14666-H from January 12th, 1978 and May 9th, 1983, accordingly, by the Civil Code and the Code of Commerce.

Its main activity is the exploitation of telecommunication services in Costa Rica, national connectivity and internet, international connectivity for data and video transmission, information services, data center and others.

Compañía Radiográfica Internacional de Costa Rica, S.A.

Compañía Radiográfica Internacional de Costa Rica, S.A. (CRICRSA) was constituted through the Law 47 on July 25th, 1921. Its main activity is the exploitation of the concession referred to wireless communications. Presently, the Company does not have officers or employees because Group ICE supplies it with accounting and administrative services.

Note 2. Bases for preparation of consolidated intermediate financial statements

(a) Declaration of compliance

The attached consolidated intermediate financial statements corresponding to the period of six months ended on June 30th, 2011, were prepared according to those principles of accounting included in the Manual for Accounting Policies of ICE for intermediate financial information, accepted by the Department of National Accounting of the Ministry of Finance of the Republic of Costa Rica; directing entity of the Sub-System of National Accounting.

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INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements (in million Costa Rican colones)

These consolidated financial statements do not include all the information or additional details required in the elaboration of complete audited annual consolidated financial statements, therefore, they have to be read together with the consolidated financial statements of the annual period ended on December 31st, 2010 for a correct interpretation. The above mentioned manual of policies considers the conceptual framework included in Accounting Principles applicable to Costa Rican Public Sector, as well as the supplementary use of the International Financial Reporting Standards (IFRS). This supplementary condition remains subject to fulfillment of the following:

- Supplementary condition of the standard occurs by exception, i.e., the situation is not regular or habitual.
- If, and only if it is expressly indicated on the Manual for Accounting Policies of ICE. I.e., its application proceeds only if this manual explicitly and specifically includes the IFRS entry that has to be used.

According to the decrees issued by national Accounting of Ministry of Finance and the Laws in force, ICE may use Accounting Principles applied to Costa Rican Public Sector, set forth on Executive Decree 34460-H from February 14th, 2008, or the regulating framework that has been applied until December 31st, 2013, year of transition into International Financial Reporting Standards (IFRS) by ICE.

Also, the Executive Decree #35616H, issued by National Accounting and published on the Official Daily La Gazette N.234 from December 2nd, 2009, in article 8, transitory III, it says as follows:

“Until International Financial Reporting Standards are definitely implemented, each one of the Public Companies included in the scope of this Decree under the Directing function of National Accounting, they must go on applying the Accounting Principles applicable to Costa Rican Public Sector, set forth on Executive Decree 34460H from February 14th, 2008, or the regulating framework they have been applying”.

As it has been set by Group ICE in matter of accounting regulation, the most common practice is having supplementary conditions expressly set forth in the regulation, in a detailed way, indicating the hierarchy of accounting regulating sources applicable to the regulated matter to which user should come in case there are aspects not previewed in the Manual of ICE’s Accounting Policies.

The comparison of consolidated intermediate financial statements is referred to semester periods ended on March 31st, 2012 and 2011, except for consolidated balance sheet that compares March 31st, 2011 with December 31st, 2011.

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INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements (in million Costa Rican colones)

Consolidated intermediate financial statements were authorized for its issuance by the Administration of ICE on June 13th, 2012.

(b) Bases for measurement

Measurement base used for initial registration of the transactions is the historical cost according to the Decree 34460-H from February 14th, 2008. However, up to the issuance date of the attached consolidated financial statements, some entries will be valued using other measurement basis according to the detail on the Manual of ICE's Accounting Policies.

(c) Functional currency and of submission

Accounting registration of Group ICE, as well as consolidated financial statements and their notes are stated in Costa Rican colones (¢), currency unit of the Republic of Costa Rica and functional currency of Group ICE.

Every financial information contained in this document is submitted in million colones, except otherwise indicated in some notes to consolidated financial statements that make reference to the currency of origin of the transactions.

(d) Use of estimations and judgments

The preparation of the attached consolidated financial statements, according to the Manual of ICE's Accounting Policies and accepted by the Department of National Accounting of the Ministry of Finance – Republic of Costa Rica, requires Management to make judgments, estimations or suppositions that affect the application of the policies and amounts of the assets, liabilities, income and informed expenditures. Real results may differ from these estimations.

During preparation of these consolidated intermediate financial statements, significant judgments made by the Administration of Group ICE for the application of accounting policies and main sources of uncertainty in the estimation were the same as those applied to consolidated financial statements to, and for the year ended on December 31st, 2010.

Accounting estimations and relevant suppositions are revised on a recurrent base. Changes derived from new information or events, are adjusted affecting the results of the period in which the estimation is revised and at any affected future period, or the patrimony of Group ICE, in function of the account that is affected.

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INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements (in million Costa Rican colones)

Note 3. Policies and significant accounting guidelines

Accounting policies applied by Group ICE in the preparation of consolidated intermediate financial statements corresponding to the semester ended on June 30th, 2011, are the same as those applied by Group ICE in the preparation of its consolidated financial statements up to December 31st, 2010 and for the year ended on that date, except for the following:

(a) **Annual accounting policies not applied for intermediate periods**

ICE's accounting policies contain a series of precepts that rule accounting tasks of Group ICE and that consider mostly accounting treatments contained in an accounting period, which in case of Group ICE correspond to a calendar year that goes from January 1st to December 31st.

Some of the accounting policies are of strict application for the annual period, according to practice, given the complexity of the monthly or quarterly processing implicit in the calculation for determination or updating of values.

Next, there is a list of accounting treatments of intermediate periods that differs from the annual treatment made at the closing of each accounting period.

(i) *Revaluation of assets:*

Accounting policies of Group ICE in relation to revaluation of assets indicate that such updating of assets' value and its respective depreciations are made annually. That is why attached consolidated intermediate financial statements do not add the effect for revaluations since the last submitted annual period.

The balances of assets in operation and other assets in operation and their respective accumulated depreciations with cut on December 31st, of the previous year are revaluated annually using indexes set forth by Group ICE for each significant type and component of the asset.

Also, adjustment of realization of reserve for asset revaluation towards reserve of development; originated by the depreciation of revaluated assets is made as part of the procedures of annual closing and it is not made during intermediate periods.

Estimation for valuation of existence in warehouses:

According to the policy of estimation for valuation of inventories, the amount of estimation valuation of inventory-operation should be revised, from time to time, in order to guarantee the coverage of an eventual obsolescence, deterioration or lack.

Final process of realization of the accounting registration to update this estimation brings a bunch of exhaustive tasks that are in charge of the Management of Logistics and Institutional Resources through the coordination and leadership of the Administrative Department of

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INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements (in million Costa Rican colones)

Logistics. These tasks involve all depending departments of Group ICE because inventories are guarded nationwide and it is made annually, therefore, estimation is not revised or modified in intermediate periods.

(ii) *Updating of balances in foreign currencies:*

ICE makes transactions in foreign currency, and the accounting registration of those transactions should be made in the functional currency using the exchange rate corresponding to the annual closing according to the policy of Group ICE.

Balances of monetary entries in foreign currency, at the closing of annual period, will be converted to the exchange rate in force for that date by Central Bank of Costa Rica.

Intermediate periods, an updating of balances in foreign currency is made at the exchange rate of closing of that intermediate period using, as base, the accounts that were used in previous immediate annual period, in a way that updating embraces all those entries of major relevance subject to be updated.

(iii) *Withdrawal of assets:*

Withdrawal of assets are made in different moments of the period, or at the end of each year, according to the complexity of the analysis and components to be withdrawn as well as to the nature of the businesses. Frequent withdrawals inside intermediate financial information correspond to accounting in entries of other operative and not operative assets.

In case of productive assets, withdrawal periods have a major lapse of determination due to the process of exhaustive analysis it carries. Therefore, due to the nature of Group ICE and the volume of assets, situations may occur in which determination of productive assets to withdraw at level of institutional assets system, and thus, at accounting level, is made at the closing of the annual period.

(b) Subsidiaries

Consolidated intermediate financial statements include the accounts of the Instituto Costarricense de Electricidad (ICE) and those of its subsidiaries; accounts are detailed as follows:

<u>Subsidiaries</u>	<u>Country</u>	<u>Percentage of Participation</u>	
		<u>up to March 31</u>	<u>up to Dec. 31</u>
		<u>2012</u>	<u>2011</u>
Compañía Nacional de Fuerza y Luz (CNFL)	Costa Rica	98,6%	98,6%
Compañía Radiográfica Internacional de Costa Rica, S.A. (CRICRSA)	Costa Rica	100%	100%
Radiográfica Costarricense, S.A. (RACSA)	Costa Rica	100%	100%

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Note 4. Assets in operation

Assets in operation at cost are detailed as follows:

	Plants, substations, lines, stations and other Up to December 31										
		2010	Additions	Withdraw and transfers	Adjust. and reclassi	2011	Additions	Withdraw and transfers	Adjust. and reclassif...	*Adjustments	Up to March 31
Assets in operation cost											
ICE electricity:											
Hydraulic generation	¢	180.953	389.092	(668)	(106)	569.271	2.497	-	-	1.198	572.966
Thermic generation (1)		74.141	2.203	(122)	540	76.762	6.742	-	-	-	83.504
Substations		89.320	17.179	(7)	(9)	106.483	139	-	(8)	(4.356)	102.258
Transmission lines		63.037	15.304	-	(44)	78.297	43	-	-	-	78.340
Distribution lines (2)		124.888	7.739	(1.529)	(12)	131.086	5.703	-	-	(118)	136.671
Public lighting		2.881	51	-	-	2.932	43	-	-	-	2.975
Geothermic generation		110.556	41.874	-	-	152.430	183	-	-	-	152.613
Aeolian generation		7.363	1.007	(972)	-	7.398	-	-	-	-	7.398
Solar generation		1.873	-	-	-	1.873	-	-	-	-	1.873
Micro generation - Hydraulic plant		166	-	-	-	166	-	-	-	-	166
Control, communication and infrastructure equipment		5.673	-	-	-	5.673	-	-	-	-	5.673
Subtotal ICE electricity	¢	660.851	474.449	(3.298)	369	1.132.371	15.350	-	(8)	(3.276)	1.144.437
ICE telecommunications:											
Transportation	¢	453.313	38.798	(12.274)	27	479.864	-	-	-	(2.255)	477.609
Access (3)		280.025	75.349	(13.294)	2	342.082	5.984	-	(65)	(6.614)	341.387
Civil and electromechanics		168.375	11.570	(901)	(35)	179.009	725	-	-	(923)	178.811
Platforms		27.880	35.440	(31)	(181)	63.108	-	-	-	(15.444)	47.664
Subtotal ICE telecommunications	¢	929.593	161.157	(26.500)	(187)	1.064.063	6.709	-	(65)	(25.236)	1.045.471
Subtotal ICE	¢	1.590.444	635.606	(29.798)	182	2.196.434	22.059	-	(73)	(28.512)	2.189.908

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

		Plants, substations, lines, stations and other Up to December 31									
Assets in operations cost		2010 Additions	Withdraw and transfers	Adjust. and reclassif	2011 Additions	Withdraw and transfers	Adjustments and reclassif	*Adjustments	Up to March 31,		
CNFL:											
Lands	¢	3.219	-	-	54	3.273	-	-	-	-	3.273
Improvements to lands		5.720	446	-	-	6.166	-	-	(44)	-	6.122
Buildings		10.574	1.349	-	(54)	11.869	11	-	-	-	11.880
Plants		49.486	244	-	-	49.730	-	-	-	-	49.730
Distribution		81.941	11.196	(413)	-	92.724	1.789	(71)	-	-	94.442
Transmission		2.022	-	-	-	2.022	-	-	-	-	2.022
Substations		13.110	335	-	-	13.445	6	-	-	-	13.451
Service connections		15.161	2.016	(78)	-	17.099	438	(17)	-	-	17.520
Equipment for road lighting		3.654	371	(187)	-	3.838	5	(12)	122	-	3.953
Public lighting		4.790	916	-	-	5.706	254	-	-	-	5.960
General equipment		21.402	3.884	(921)	-	24.365	452	(253)	(41)	-	24.523
Communication system		412	221	-	-	633	-	-	-	-	633
Subtotal CNFL	¢	211.491	20.978	(1.599)	-	230.870	2.955	(353)	37	-	233.509
RACSA:											
Lands	¢	203	-	-	-	203	-	-	-	-	203
Building		763	5	-	-	768	-	-	-	-	768
Communication equipment		37.127	549	(1.555)	-	36.121	205	(642)	-	-	35.684
General equipment		6.486	71	(93)	(130)	6.334	49	(8)	-	-	6.375
Submarine cable - Maya I		4.227	2.605	-	-	6.832	-	-	-	-	6.832
Submarine cable - Arcos I		2.447	2	-	-	2.449	-	-	-	-	2.449
Submarine cable - Costa Rican pacific coast		7.331	-	-	-	7.331	-	-	-	-	7.331
Subtotal RACSA	¢	58.584	3.232	(1.648)	(130)	60.038	254	(650)	-	-	59.642
Total Group ICE	¢	1.860.519	659.816	(33.045)	52	2.487.342	25.268	(1.003)	(36)	(28.512)	2.483.059

*Adjustment external audit 2011, pending of registration

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

(1) Thermic generation

Up to March 31st, 2012, partial capitalization of Thermic Plant of Moin III is made. It corresponds to improvements in powerhouse for an amount of ¢1.793; besides turnkey contract, where improvements are capitalized to the production center for an amount of ¢3.101.

(2) Distribution lines

The increase of ¢5.708 submitted in distribution lines for partial capitalizations is mainly for the Network Development Project.

(3) Telecommunications - Access

Up to March 31st, 2012, assets in operation of Telecommunication Sector that were capitalized reach to the amount of ¢6.708, corresponding to Cooper Network for an amount of ¢2.868 and Network Terminal Equipment for ¢2.494.

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Accumulated depreciation of the cost of assets in operation is detailed as follows:

		Plants, substations, lines, stations and other Up to December 31							*Adjustments External		Up to March 31
Depreciation accumulated cost		2010 Depreciation	Withdraw and Adjust.	and reclassify	2011 Depreciation	Withdraw and Adjustments	and rec Audit				
ICE electricity:											
Hydraulic generation	¢	51.280	7.189	(373)	-	58.096	3.695	-	-	(8)	61.783
Thermic generation		13.445	3.404	40	7	16.896	863	-	-	-	17.759
Substations		20.674	4.346	(3)	58	25.075	1.215	-	-	(34)	26.256
Transmission lines		7.897	2.745	-	-	10.642	610	-	-	-	11.252
Distribution lines		35.337	9.195	(557)	-	43.975	2.292	-	-	-	46.267
Public lighting		1.947	127	-	-	2.074	18	-	-	-	2.092
Geothermic generation		32.771	3.752	-	-	36.523	1.131	-	-	(265)	37.389
Aeolian generation		2.275	363	(100)	-	2.538	108	-	-	-	2.646
Solar generation		410	82	-	-	492	21	-	-	-	513
Micro generation - Hydraulic plant		7	6	-	-	13	1	-	-	-	14
Control, communication and infrastructure equipment		2.203	926	-	-	3.129	232	-	-	-	3.361
Subtotal ICE electricity	¢	168.246	32.135	(993)	65	199.453	10.186	-	-	(307)	209.332
ICE telecommunications:											
Transportation	¢	197.955	38.952	(11.303)	-	225.604	9.896	-	-	(469)	235.031
Access		108.773	38.633	(12.915)	-	134.491	7.748	-	-	(831)	141.408
Civil and electromechanics		95.349	11.460	(880)	-	105.929	2.903	-	-	(32)	108.800
Platforms		10.719	7.105	(79)	-	17.745	2.036	-	-	(3.250)	16.531
Subtotal ICE telecommunications	¢	412.796	96.150	(25.177)	-	483.769	22.583	-	-	(4.582)	501.770
Subtotal ICE	¢	581.042	128.285	(26.170)	65	683.222	32.769	-	-	(4.889)	711.102

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Depreciation accumulated cost	Plants, substations, lines, station and others Up to December 31										
	2010 Depreciation	Withdraw and transfers	Adjust. and reclassif..	2011 Depreciation	Withdraw and transfers	Adjustments and rec Audit	*Adjustments External Audit	Up to March 31			
CNFL:											
Improvement to lands	€ 743	136	-	879	34	(1)	-	-	912		
Buildings	1,549	218	-	1,767	54	-	5	4	1,822		
Plants	6,798	1,293	-	8,091	311	-	-	54	8,348		
Distribution	15,469	3,068	(127)	18,410	738	(25)	-	396	18,727		
Transmission	276	68	-	344	17	-	-	1	360		
Substations	2,298	471	-	2,769	111	-	-	39	2,841		
Service connections	2,743	553	(23)	3,273	144	(5)	-	18	3,394		
Equipment for road lighting	660	147	(181)	626	32	(11)	118	22	743		
Public lighting	665	171	-	836	48	-	-	-	884		
General equipment	9,194	2,202	(772)	10,625	358	(206)	235	-	11,012		
Communication systems	66	14	-	80	5	-	-	-	85		
Subtotal CNFL	€ 40,461	8,341	(1,103)	47,700	1,852	(248)	358	534	49,128		
RACSA:											
Building	€ 187	25	-	212	6	-	-	-	218		
Communication equipment	24,309	3,791	(1,123)	26,977	897	(642)	-	-	27,232		
General equipment	1,652	576	(81)	2,147	132	(8)	-	-	2,271		
Submarine cable - Maya I	1,171	247	-	1,418	96	-	-	-	1,514		
Submarine cable - Arcos I	668	110	-	778	27	-	-	-	805		
Submarine cable - Costa Rican pacific coast	1,097	489	-	1,586	122	-	-	-	1,708		
Subtotal RACSA	€ 29,084	5,238	(1,204)	33,118	1,280	(650)	-	-	33,748		
Total Group ICE	€ 650,587	141,864	(28,477)	66	764,040	35,901	(898)	358	(4,355)	793,978	

*Adjustments external audit 2011, pending of registration

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Assets in operation revaluated are detailed in the next chart:

Assets in operation - revaluation	Detail, plants, substations, lines, stations and other Up to December 31					2011 Adjust. and reclassif.	*Adjust. External Audit	Up to March 31
	2010 Revaluation	Withdraw and transfers	Adjust. and reclassif.	2011 Adjust. and reclassif.	2011 Adjust. and reclassif.			
ICE electricity:								
Hydraulic generation	¢ 1.081.373	62.780	(12.296)	(4)	1.131.853	-	-	1.131.853
Thermic generation	80.788	8.043	(317)	66	88.580	-	-	88.580
Substations	140.585	11.459	(19)	-	152.025	-	-	152.025
Transmission lines	83.958	6.331	-	-	90.289	-	-	90.289
Distribution lines	229.872	17.617	(3.341)	(23)	244.125	-	-	244.125
Public lighting	4.118	332	-	-	4.450	-	-	4.450
Geothermic generation	283.331	20.191	-	-	303.522	-	-	303.522
Aeolian generation	3.859	576	-	-	4.435	-	-	4.435
Solar generation	1.222	157	-	-	1.379	-	-	1.379
Micro generation hydraulic plants	(2)	-	-	-	(2)	-	-	(2)
Control, communication and infrastructure equipment	6.587	610	-	-	7.197	-	-	7.197
Subtotal ICE electricity	¢ 1.915.691	128.096	(15.973)	39	2.027.853	-	-	2.027.853
ICE telecommunications:								
Transportation	¢ 443.196	-	(8.750)	-	434.446	-	-	434.446
Access	209.960	-	(5.457)	-	204.503	-	-	204.503
Civil and electro mechanics	354.635	4.971	(473)	-	359.133	-	-	359.133
Platforms	7.121	-	(42)	-	7.079	-	-	7.079
Subtotal ICE telecommunications	¢ 1.014.912	4.971	(14.722)	-	1.005.161	-	-	1.005.161
Subtotal ICE	¢ 2.930.603	133.067	(30.695)	(27)	3.033.014	-	-	3.033.014

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Detail, plants, substations, lines, stations and other
Up to December 31

		2010 Revaluation	Withdraw and transfers	Adjustments	2011	Adjustments and reclassifications	*Adjust. External Audit	Up to March 31, 2012	
Assets in operation - revaluation									
CNFL:									
Lands	¢	14.018	816	-	-	14.834	-	-	14.834
Improvement to lands		6.842	595	-	-	7.437	-	(2)	7.435
Buildings		16.488	1.261	-	37	17.786	-	-	17.786
Plants		61.301	5.460	-	-	66.761	-	2	66.763
Distribution		110.789	9.051	(1.413)	-	118.427	(245)	-	118.182
Transmission		1.360	163	-	-	1.523	-	-	1.523
Substations		18.267	1.353	-	-	19.620	-	-	19.620
Service connections		26.516	2.078	(213)	-	28.381	(63)	-	28.318
Public lighting		10.345	915	(245)	-	11.015	(21)	135	11.129
General equipment		6.049	-	(503)	-	5.546	(154)	-	5.392
Communication system		200	30	-	-	230	-	-	230
Subtotal CNFL	¢	272.175	21.722	(2.374)	37	291.560	(483)	135	291.212
RACSA:									
Lands		11	-	-	-	11	-	-	11
Buildings		2.287	-	-	-	2.287	-	-	2.287
Communication equipment		10.819	-	(630)	-	10.189	(321)	-	9.868
General equipment		1.670	-	(61)	-	1.609	(16)	-	1.593
Subtotal RACSA	¢	14.787	-	(691)	-	14.096	(337)	-	13.759
Total Group ICE	¢	3.217.565	154.789	(33.760)	10	3.338.670	(820)	135	3.337.985

*Adjustments of external audit 2011, pending of registration

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Accumulated depreciation corresponding to assets in operation revaluated is detailed as follows:

	Detail, plants, substations, lines, stations and other										
	Up to December 31										
	2010	Depreciation	Revaluation	Withdraw and transfers	Adjustments and reclassif...	2011	Depreciation	Withdraw and transfers	Adjustments and reclassif...	*Adjust. External Audit	Up to March 31, 2012
Depreciation accumulated - revaluation											
ICE electricity:											
Hydraulic generation	¢	585.698	27.502	30.921	(7.092)	-	637.029	7.202	-	-	644.231
Thermic generation		47.133	1.613	3.158	(120)	1	51.785	482	-	-	52.267
Substations		85.216	4.658	5.230	(12)	(13)	95.079	1.290	-	-	96.369
Transmission lines		56.921	2.875	2.364	-	-	62.160	671	-	-	62.831
Distribution lines		131.860	8.014	8.226	(2.024)	118	146.194	2.216	-	-	148.410
Public lighting		3.930	26	276	-	-	4.232	7	-	-	4.239
Geothermic generation		94.236	9.268	6.510	-	-	110.014	2.493	-	-	112.507
Aeolian generation		1.241	199	178	-	-	1.618	59	-	-	1.677
Solar generation		349	47	38	-	-	434	14	-	-	448
Control, communication and infrastructure equipment		4918	386	354	-	-	5658	119	-	-	5777
Subtotal ICE electricity	¢	1.011.502	54.588	57.255	(9.248)	106	1.114.203	14.553	-	-	1.128.756
ICE telecommunications:											
Transportation	¢	339.365	21.279	-	(8.162)	-	352.482	5.153	-	-	357.635
Access		151.049	9.807	-	(5.416)	-	155.440	2.364	-	-	157.804
Civil and electromechanics		274.831	14.217	2.422	(496)	-	290.974	3.474	-	-	294.448
Platforms		5.582	386	-	(42)	-	5.926	96	-	-	6.022
Subtotal ICE telecommunications	¢	770.827	45.689	2.422	(14.116)	-	804.822	11.087	-	-	815.909
Subtotal ICE	¢	1.782.329	100.277	59.677	(23.364)	106	1.919.025	25.640	-	-	1.944.665

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Detail plants, substations, lines, stations and other Up to December 31												
	2010	Depreciation	Revaluation	Withdraw and transfers	Adjustments	2011	Depreciation	Withdraw and transfers	Adjustments and reclassif...	*Adjust. External Audit	Up to March 31, 2012	
Depreciation accumulated - revaluation												
CNFL:												
Improvement to lands	€	1.700	148	116	-	-	1.964	40	-	1	(4)	2.009
Buildings		6.281	294	352	-	36	6.963	80	-	13	(49)	7.105
Plants		18.121	1.731	1.228	-	-	21.080	776	-	-	62	21.794
Distribution		57.383	3.320	3.470	(1.032)	-	63.141	1.070	(185)	-	(599)	64.625
Transmission		435	55	34	-	-	524	14	-	-	4	534
Substations		7.924	616	402	-	-	8.942	174	-	-	(29)	9.145
Service connections		17.873	568	1.027	(157)	-	19.311	255	(52)	-	(382)	19.896
Public lighting		5.953	276	355	(237)	-	6.347	100	(20)	131	(96)	6.654
General equipment		4.711	290	-	(466)	-	4.535	35	(143)	24	-	4.451
Communication system		65	8	7	-	-	80	2	-	-	-	82
Subtotal CNFL	€	120.446	7.306	6.991	(1.892)	36	132.887	2.546	(400)	169	(1.093)	136.295
RACSA:												
Building	€	1.088	91	-	(63)	-	1.116	12	-	-	-	1.128
Communication equipment		10.529	196	-	(631)	-	10.094	26	(320)	-	-	9.800
General equipment		1.183	77	-	-	-	1.260	20	(15)	-	-	1.265
Subtotal RACSA	€	12.800	364	-	(694)	-	12.470	58	(335)	-	-	12.193
Total Group ICE	€	1.915.575	107.947	66.668	(25.950)	142	2.064.382	28.244	(735)	169	(1.093)	2.093.153

*Adjustment of external audit 2011, pending of registration

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Note 5. Other assets in operation

Other assets in operation cost are detailed as follows:

Other assets in operation cost	Up to December 31									
	2010	Additions	Adjust. And reclass....	Withdraw transfers	2011	Additions	Withdraw y transfers	*Adjustments external audit	Up to March 31, 2012	
Lands	2.603	-	-	-	2.603	-	-	(903)	1.700	
Land communication ways	83	1.677	-	-	1.760	-	-	(1.677)	83	
Buildings	14.847	8.864	(9)	(11)	23.691	1.223	-	(2.305)	22.609	
Machinery and equipment for production	2.203	67	-	(34)	2.236	20	-	(0)	2.256	
Equipment for construction	38.860	11.291	-	(560)	49.591	385	(10)	(0)	49.966	
Transportation equipment	73.163	6.467	(71)	(607)	78.952	1.022	(1)	1	79.974	
Communication equipment	11.584	1.657	11	(710)	12.542	460	(519)	(0)	12.483	
Furniture and office equipment	6.946	1.233	-	(232)	7.947	472	(83)	0	8.336	
Equipment and computer programs	64.260	9.582	(18)	(7.999)	65.825	3.342	(762)	52	68.457	
Sanitary equipment for laboratory and investigation	23.754	4.684	9	(743)	27.704	1.541	(16)	(0)	29.229	
Educational, sport and recreational equipment and furniture	734	214	-	(85)	863	16	(1)	0	878	
Diverse machinery and equipment	11.361	2.959	-	31	14.351	810	30	(0)	15.191	
Maintenance machinery and equipment	21.419	10.379	1	(411)	31.388	1.686	(135)	1	32.940	
Equipment for photography, video and publications	2.498	1.042	1	(137)	3.404	1.439	(1)	2	4.844	
Livestock	5	1	-	(1)	5	-	-	(0)	5	
Total Group ICE	274.320	60.117	(76)	(11.499)	322.862	12.416	(1.498)	(4.831)	328.949	

*Adjustment external audit 2011, pending of registration.

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Accumulated depreciation of other assets in operation– cost is detailed as follows:

Up to December 31									
Depreciation accumulated - other assets in operation - cost									
	2010	Depreciation	Withdraw and	2011	Depreciation	Withdraw and	*Adjustments external audit	Up to March 31, 2012	
Buildings	¢ 3.000	376	(2)	3.374	121	-	(3)	3.492	
Machinery and equipment for production	792	110	-	902	28	-	0	930	
Construction equipment	19.531	6.609	(287)	25.853	1.893	(16)	(0)	27.730	
Transportation equipment	44.659	13.042	(733)	56.968	2.532	(1)	(1)	59.498	
Communication equipment	4.693	1.472	(536)	5.629	383	(454)	(1)	5.557	
Office furniture and equipment	2.764	652	(187)	3.229	173	(65)	(1)	3.336	
Equipment and computer programs	36.822	11.154	(7.793)	40.183	2.958	(533)	(0)	42.608	
Sanitary equipment for laboratory and investigation	10.985	2.462	(584)	12.863	765	(117)	1	13.512	
Educational, sport and recreational equip. and furniture	379	55	(43)	391	16	-	0	407	
Diverse machinery and equipment	4.680	1.949	(165)	6.464	546	(9)	0	7.001	
Maintenance machinery and equipment	8.476	4.117	(260)	12.333	1.391	(46)	(0)	13.678	
Equipment for photography, video and publications	1.029	476	(35)	1.470	201	(9)	1	1.663	
Livestock	4	-	(1)	3	-	-	0	3	
Total Group ICE	¢ 137.814	42.474	(10.626)	169.662	11.007	(1.250)	(5)	179.415	

*Adjustment of external audit 2011, pending of registration.

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Notes to Consolidated Intermediate Financial Statements
(in million Costa Rican colones)

Other assets in operation expressed at their re-appraised value are detailed as follows:

Up to December 31						
Other assets in operation - revaluation	2010	Revaluation	Withdraw and transfers	2011	Withdraw and transfers	Up to March 31, 2012
Lands	¢ 6.259	313	-	6.572	-	6.572
Buildings	41.844	2.441	(145)	44.140	-	44.140
Machinery and equipment for production	1.750	85	-	1.835	-	1.835
Construction equipment	9.134	1.208	(487)	9.855	(7)	9.848
Transportation equipment	12.810	1.871	(385)	14.296	(1)	14.295
Office furniture and equipment	1.964	263	(182)	2.045	(49)	1.996
Sanitary equipment for laboratory and investigation	4.913	794	(470)	5.237	(97)	5.140
Educational, sport and recreational equipment and furniture	55	26	(1)	80	-	80
Diverse machinery and equipment	790	267	(27)	1.030	(6)	1.024
Machinery and equipment for maintenance	2.276	561	(82)	2.755	(6)	2.749
Equipment for photography, video and publications	144	79	(5)	218	(1)	217
Total Group ICE	¢ 81.939	7.908	(1.784)	88.063	(167)	87.896

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Notes to Consolidated Intermediate Financial Statements
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Accumulated depreciation corresponding to other assets in operation revaluated is detailed as follows:

Deprec. accumulated others assets in operat. - revaluation	Up to December 31					2011	Depreciation	Withdraw and transfers	Up to March 31, 2012
	2010	Depreciation	Revaluation	Withdraw and transfers	2011				
Buildings	¢ 22.920	901	1.085	(86)	24.820	240	-	25.060	
Machinery and equipment for production	899	100	22	-	1.022	26	-	1.048	
Construction equipment	8.780	181	349	(487)	8.824	114	(7)	8.932	
Transportation equipment	11.819	520	718	(379)	12.678	354	(1)	13.031	
Communication equipment	(0)	(9)	-	(1)	(10)	(2)	-	(12)	
Office furniture and equipment	1.674	98	82	(171)	1.683	27	(47)	1.663	
Equipment and computer programs	1	-	-	-	1	-	-	1	
Sanitary equipment for laboratory and investigation	4.327	172	238	(459)	4.279	80	(94)	4.265	
Educational, sport and recreational equipment and furniture	50	1	13	(1)	63	1	-	64	
Diverse machinery and equipment	640	64	81	(26)	759	32	(7)	784	
Maintenance machinery and equipment	2.105	80	131	(78)	2.237	58	(4)	2.291	
Equipment for photography, video and publications	119	14	24	(4)	143	9	(1)	151	
Total Group ICE	¢ 53.326	2.122	2.743	(1.692)	56.499	939	(161)	57.278	

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Note 6. Other assets in operation under financial leasing

Other assets in operation under financial leasing are detailed as follows:

		<u>Up to March 31</u>	<u>Up to December 31</u>
		<u>2012</u>	<u>2011</u>
Lands	¢	1.151	1.151
Buildings		25.315	25.315
Office furniture and equipment		1.084	1.084
Total Group ICE	¢	27.550	27.550

Accumulated depreciation corresponding to other assets in operation under financial leasing is detailed as follows:

Accumulated depreciation		Up to December 31		*Adjustments external audit	Up to 31
		2011	Depreciation		2012
Buildings	¢	760	127	-	887
Office furniture and equipment		162	26	(108)	80
Total Group ICE	¢	922	153	(108)	967

*Adjustment of external audit 2011, pending of registration.

On January 29th, 2010, Banco de Costa Rica (BCR) and ICE agreed to use a sketch called “Entitling Trusteeship”, which consists of the constitution of a trusteeship contract where ICE acts as Trustor and Trustee, and BCR as Fiduciary. The general goal of setting this contract is the generation and administration, in an independent way, of the necessary resources for the acquisition of the property called Centro Empresarial La Sabana (La Sabana Business Center). This property corresponds to a tower of offices located in San Jose, Sabana Sur, where administrative offices of Telecommunication Sector are located. The trusteeship may obtain those financial resources through the acquisition of commercial loans and the issuance, placement and administration of debt titles as result of the entitling process. Presently, the Trusteeship is authorized for issuance of government debt, and up to March 31st, 2012 and 2011 it shows liabilities for that item. The trusteeship, in its condition of owner of the Centro Empresarial La Sabana, leases it to ICE for a period of 12 years, at the end of which ICE may exert the option of purchase, which has been established in US\$1 (one US dollar). It has been classified by ICE as financial leasing. According to our accounting policies, the trusteeship is not part of entities to include in the consolidated financial statements of Group ICE.

(it continues)

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The main clauses set forth in the contract of Entitling Trusteeship are summarized as follows:

- The goals of the trusteeship are:
 - a) Acquiring the necessary goods and services so much for operation as for maintenance of the building object of the contract according to the plans of purchasing the Trusteeship supplies accordingly.
 - b) Leasing the building equipped to ICE, administrating cash flow for repayment of finance and in the terms agreed upon and supplying preventive - corrective maintenance to such installations.
 - c) To turn into a vehicle to issue and place securities according to the conditions and characteristics established in the prospect of issuance and in this contract, previous authorization of the Superintendencia General de Valores (SUGEVAL) which is the regulating entity of debt title issuances. The issuance and placement of titles may be made in portions, according to payments, terms and conditions projected. Also, it may sign credit contracts to obtain the necessary resources for financing according to market financial conditions.
- With the amount received by the Trusteeship for the leasing of the property, the principal and yields of securities placed in stock market will be paid, as well as those private issuances, national and international bank credits.
- The term of the Trusteeship will be 30 years.
- The patrimony of the trusteeship will be used only and exclusively to fulfill and perform the objectives of the Trust Contract.

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Intermediate Financial Statements
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Note 7. The detail of movement of works in construction and other works in construction is submitted as follows:

Works under construction and other works under construction	Up to December 31, 2011	Additions	Capitalizations	Interests capitalized to work	Adjustments and Reclassifications	*Adjust. external audit	Up to March 31, 2012
ICE:							
Reventazon Hydroelectric Project (1)	€ 109.328	18.486	-	1.315	-	-	129.129
Transmission Line Rio Macho-Moin (2) (P.E.S.S.O.) (3)	34.889	1.647	-	976	-	52	37.564
Extension of mobile telephone service (4)	34.257	2.038	-	129	-	(321)	36.103
Extension and modernization of transportation system (5)	19.746	469	-	123	(44)	14.592	34.886
Optic fiber of advance connectivity (FOCA) (6)	8.709	24.961	(2)	157	(27)	-	33.798
Auxiliary Bars	12.426	3.668	(77)	-	2.840	-	18.857
Cachi Hydroelectric Project (7)	17.012	505	-	311	-	9	17.837
Transmission Line Peñas Blancas-Garita	14.127	2.464	-	228	-	29	16.848
Formation and rehabilitation of civil structures	14.980	178	-	251	-	22	15.431
Network development	14.528	1.256	(487)	12	-	1	15.310
Technical services for projects of distribution	15.965	2.545	(3.899)	248	(48)	3	14.814
Management system of logic security	11.856	1.384	-	373	(3)	15	13.625
Trunking Radio System	10.932	3	-	7	866	-	11.808
Data Center	10.399	846	-	51	-	(834)	10.462
Continuous Quality Improvement	10.119	813	-	25	(1)	-	10.956
National Multi-Service Access	10.547	1.085	(1.685)	238	(96)	1	10.090
Improvement in Transportation Network	12.289	303	-	-	(3.583)	68	9.077
Infrastructure Sustainability and Soundproofing	6.019	1.640	-	5	345	-	8.009
Transmission Line Cariblanco -Trapiche	5.575	1.761	(646)	7	(20)	111	6.788
Transmission Poas	4.223	794	-	141	-	11	5.169
Las Pailas Geothermic Project	4.433	454	-	115	-	9	5.011
Electricity transportation network improvement	3.686	789	-	147	-	1.333	5.955
Management of network elements	3.237	1.035	(139)	106	7	2	4.248
Expansion and renewal of the platform	2.603	969	-	-	48	-	3.620
Transmission Cobano	3.411	7	-	7	-	-	3.425
Rio Macho Hydroelectric Project	2.912	276	-	28	-	2	3.218
Transmission Line - La Caja	2.778	680	-	33	-	3	3.494
Integral Attention to Entrepreneurial Client	3.417	612	-	29	(1.011)	-	3.047
Modernization S.T. - Rio Macho	2.202	662	-	-	(1)	-	2.863
Energy transformation	2.345	357	-	43	-	4	2.749
Merlink	2.160	478	-	21	(2)	1	2.658
Pirris Hydroelectric Project	-	2.484	-	-	-	10.395	12.879
Income Sustainability and Growth	801	619	-	1.025	-	5.460	7.905
Thermic Project - San Antonio I	6.781	1.606	(5.984)	-	11	(4)	2.410
Arenal Hydroelectric Project	2.534	106	(349)	32	-	5	2.328
Corobici Hydroelectric Project	3.263	90	(1.219)	119	-	113	2.366
Interconnection for El Viejo sugar cane mill	2.432	162	(542)	44	-	4	2.100
Transmission - Coronado	2.086	37	-	47	-	1	2.171
Universal Service	1.110	953	-	3	-	-	2.066
Technological Infrastructure	1.890	19	-	-	115	-	2.024
Public Lighting	1.722	91	-	78	-	6	1.897
Transmission - Tarbaca	1.270	141	(43)	24	(3)	-	1.389
Multibuoy - Pacific	1.127	146	-	32	-	2	1.307
Thermic Project - Guápiles	1.166	138	-	-	-	-	1.304
Thermic Project - Orotina	1.131	70	(48)	45	-	3	1.201
Sandillal Hydroelectric Project	1.069	58	(25)	21	-	2	1.125
Transmission - Miravalles V	1.639	80	(633)	29	-	2	1.117
Deviation - Toro San Miguel	904	82	-	19	-	1	1.006
Others	8.346	-	-	-	-	(8.346)	0
Various Projects	9.945	3.484	(1.943)	202	(91)	17.145	28.741
Sub total ICE	€ 460.326	83.531	(17.721)	6.846	(698)	39.902	572.185
		71.958					
CNFL:							
Balsa Inferior Hydroelectric Project (8)	€ 37.973	5.845	-	-	-	-	46.417
Anonos Hydroelectric Project	986	134	-	-	-	-	1.120
San Buenaventura Aeolian Project	548	30	-	-	-	-	578
Others	1.546	2.671	(2.501)	-	-	-	1.716
Subtotal CNFL	€ 41.053	8.680	(2.501)	-	-	-	49.831
RACSA:							
Units UPS	305	345	-	-	-	-	650
Aerial optic fiber network	121	122	-	-	-	-	243
Others	114	99	-	-	-	-	204
Subtotal RACSA	540	566	-	-	-	-	1.097
Total Group ICE	€ 501.919	92.777	(20.222)	6.846	(698)	39.902	623.114

*Adjustment external audit - pending of registration

(it continues)

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A brief description of the main projects of works in construction is detailed as follows:

(1) Reventazon Hydroelectric Project

This project is located in the middle basin of Reventazon river, Limon - Costa Rica with a capacity for electric generation of 305 MW. Investments made during 2012 and 2011 have been financed with ICE's resources and funds coming from other types of financing signed by ICE. Total investment for development of the project is estimated in approximately US\$1.200 million.

(2) Rio Macho – Moin transmission line

This line is located in the cantons of Paraiso, Turrialba, Siquirres and Limon.

It consists of the reconstruction of the Transmission Line Rio Macho-Moin extending its carrying capacity from 138 to 230 Kilowatts, the reconstruction consists of the substitution structures that support cabling, extending the height of them and transportation capacity of the cables. The improvement of Moin Substation is included within this same project.

(3) Plan of System Evolution of Support to Business Operations (P.E.S.S.O. – acronym in Spanish):

The scope of the project consists of substituting all present applicative for those of state-of-art that support telecommunications business operations based on the best practice of the industry and on the Model eTOM (a framework that identifies business processes; besides, it classifies all the business activities of a service supplier and show them in different levels or views; it is also a communication tool), with a cost not above US\$155,2 million.

(4) Expansion of mobile telephone system

The increase of mobile telephone system expansion project obeys mainly to the DSM Network Extension Project, Project Management of Mobile Network, acquisition of equipment, licenses and services necessary to inter-operate and integrate GSM technology system with the 3G technology.

(5) Expansion and modernization of the ICE's transportation system

The scope of the project consists of covering the needs ICE has in matter of technical and strategic requirements of the institution with an approximate cost of US\$105 million projected to year 2015. With a global study, present situation of ICE's telecommunication transportation system will be analyzed.

This program is pretended to be developed in two phases. The first phase goes from 2010 to year 2012 which until today accumulates a cost of ¢33.798 and the other phase that goes from 2012 to 2015.

(it continues)

Notes to Consolidated Intermediate Financial Statements
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(6) Optic Fiber of Advance Connectivity (FOCA: Spanish acronym)

The objective of this project consists of migrating part of the Fixed Access Network to Network of New Generation, based on optic solutions and multi-service nodes that would supply the necessary bandwidth, transmission quality and safety.

(7) Cachi Hydroelectric Project

Cachi Hydroelectric Project is the second in taking advantage of middle basin waters from Reventazon river; the powerhouse is located 4 Km south from district of Juan Viñas in Tucurrique district, canton of Jiménez; its reservoir and dam are located in the district of Cachi, canton of Paraíso, both of them in the province of Cartago.

The complete project consists of the construction of an additional tunnel that is going to re-empower the plant in 20 additional mega, one surge tank and two galleries, as well as the extension of presently existing powerhouse. This construction is expected to be finished in the second semester of 2014.

This project will be financed with the loan of Central American Bank of Economic Integration (BCIE, acronym in Spanish) 2076 which was signed on February 2012 between ICE and BCIE for a total amount of US\$140 million with a fixed interest rate of 6,40% annual, at a term of 16 years with up to 4 years grace.

(8) Balsa Inferior Hydroelectric Project

Balsa Inferior Hydroelectric Project will have an installed power of 37,5 MW for an annual average production of 122 GWH. This hydroelectric project is located in Santa Rita, Florencia, canton of San Carlos, province of Alajuela.

Total investment for the development of the project is estimated in approximately US\$185 million, being the contract made with Consortium OAS-Engevix for an amount of US\$81 million for Dam structures / Intake and Powerhouse and with ICE US\$104 million for construction of the rest of works of this project.

Investment made have been financed with the own resources of the CNFL and internal indebtedness.

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Note 8. Long term investments

Long term investment is detailed as follows:

	Up to March 31 2012	Up to December 31 2011
<u>ICE:</u>		
Investments in shares valued at cost:		
Empresa Propietaria de la Red, S.A.	¢ 2.872	2.872
Cooperativa de Electrificación Rural	43	43
	<u>2.915</u>	<u>2.915</u>
Long term financial investments:		
Government (External Debt Bonds)	5.874	5.878
Central Bank of Costa Rica (Bond)	1.752	1.748
Banco Popular y de Desarrollo Comunal	1.500	1.500
Banco de Costa Rica	1.000	1.000
Junta Administrativa de Servicios Eléctricos Cartago	575	581
Banco Hipotecario de la Vivienda (Bond)	501	500
Banco Scotiabank de Costa Rica (Certificate)	257	259
Grupo Mutual Alajuela - La Vivienda de Ahorro y Préstamo	315	315
	<u>11.774</u>	<u>12.181</u>
Subtotal ICE	¢ 14.689	15.096
<u>CNFL:</u>		
Eólico Valle Central, S.A.	252	5.322
Empresa Propietaria de la Red, S.A.	5.322	253
Subtotal CNFL	¢ 5.574	5.575
Total long term investments - Group ICE	¢ 20.263	20.671

Group ICE has share participation at Empresa Propietaria de la Red, S.A. (EPR), which is the company appointed to carry out the project called System for Electric Interconnection of Central American Countries (Sistema de Interconexión Eléctrica de los Países de América Central - SIEPAC).

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Up to March 31st, 2012, the main characteristics of long term financial investments are detailed as follows:

Up to March 31, 2012								
Purchase date	Expiration date	Term	Facial Value	Agreed value	Type of rate	Coupon rate	Net yield	
10-4-2010	9/30/2017	2516 ¢	400	400	Fixed	10,53%	10,51%	
1/21/2011	6/23/2012	512	500	512	Fixed	10,50%	9,22%	
1/21/2011	6/23/2012	512	1.000	1.022	Fixed	10,50%	9,32%	
4/15/2010		4-7-2015	1792	500	504	Variable	10,50%	10,32%
1/13/2011		12-9-2015	1766	318	318	Variable	9,40%	9,63%
4/28/2011	6/14/2013	766	1.000	1.074	Fixed	10,12%	8,14%	
1-12-2011	3/27/2013	795	1.000	1.061	Fixed	9,84%	8,14%	
1/14/2011	3/27/2013	795	1.000	1.062	Fixed	9,84%	8,11%	
1/14/2011	3/27/2013	795	300	318	Fixed	9,84%	8,16%	
3/23/2011	3/19/2014	1076	1.000	996	Fixed	8,28%	8,41%	
3/23/2011		19-3-2014	1076	1.000	995	Fixed	8,28%	8,46%
1-12-2011	6/28/2017	2326	1.000	1.023	Fixed	9,89%	9,45%	
	3-4-2011	11/19/2014	1065	286	281	Fixed	7,47%	8,70%
	3-4-2011	11/19/2014	1065	500	491	Fixed	7,47%	8,70%
	4-6-2011	7-3-2013	807	1.000	1.000	Fixed	7,06%	7,91%
			¢	10.804	11.057			
Purchase date	Expiration date	Term	Facial Value	Agreed value	Type of rate	Coupon rate	Net Yield	
5/21/2010	5/21/2012	724 ¢	500	500	Fixed	3,15%	3,09%	
12/13/2010		12-10-2012	717	1.120	1.120	Fixed	5,25%	5,25%
	5-11-2009	3/20/2014	1749	613	628	Fixed	6,55%	6,13%
	3-9-2010	3/20/2014	1451	498	557	Fixed	6,55%	4,18%
1-12-2011		8-1-2020	3439	20	28	Fixed	10,00%	5,12%
			US\$	2.751	2.833			

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Note 9. Accounts receivable

Accounts receivable rendered services and not commercial accounts receivable are detailed as follows:

Accounts receivable services rendered		Up to March 31 2012	Up to December 31 2011
<u>ICE:</u>			
Private people	¢	40.587	44.717
Telephone administrations		19.328	5.977
Electric cooperatives and municipal companies of electric distribution		8.846	8.551
Selling of devices (terminals)		4.220	4.750
Public offices		4.067	3.738
Operators and suppliers of services		4.371	4.651
Fixed services to private people		972	972
Public lighting system			-
Sub total ICE	¢	82.391	73.356
<u>CNFL:</u>			
Electric services consumers		18.951	18.529
Electric services government		475	537
Servicios eléctricos		928	484
Sub total CNFL	¢	20.354	19.550
<u>RACSA:</u>			
Clients	¢	2.467	2.676
Others		1.346	1.566
Foreign lines		989	1.463
Accounts under judicial collection		1.268	1.274
Government of Costa Rica		109	114
Accounts under payment settlement		-	1
Sub total RACSA	¢	6.179	7.094
Total Group ICE	¢	108.924	100.000

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD Y SUBSIDIARIES

Notes to Consolidated Financial Statements
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		Up to March 31	Up to December 31
Accounts receivable not commercial		2012	2011
ICE:			
Private people (1)	¢	27.903	55.966
Toro III		65.313	55.941
Judicial and administrative collection		37.952	35.931
Other		2.501	2.317
Government tax		4.945	3.936
Employees		144	174
Sub total ICE	¢	138.758	154.265
CNFL:			
I.N.S. Cote Plant indemnity		2.053	4.146
Covenants, services cleared and others		1.729	1.292
Fiscal credit sales tax		1.654	1.562
Accounts receivable various		788	879
Damages to electric installations		912	884
Other services rendered		694	656
Retention 2% income tax		236	635
Commercial transactions receivable		499	393
Funds of savings and loans		305	200
Various services government		611	109
Advance payment sales tax		89	78
Officers		18	18
Bounced checks		8	8
Sub total CNFL	¢	9.596	10.860
RACSA:			
Advance payment income tax		133	174
Accounts receivable - others		336	88
Interests receivable		4	19
Partial payment to suppliers		15	1
Sub total RACSA	¢	488	282
Total Group ICE	¢	148.842	165.407

(1) For period 2012, a reduction in advances to particular people occurs and causes a reduction in not commercial accounts receivable.

(it continues)

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Note 10. Transitory investments

Up to March 31st, 2012, transitory investments are detailed as follows:

				Up to March 31, 2012				
	Issuer	Type of Financial Tool	Balance	Facial Value	Yield rate	Validity in months		
Electricity								
Not committed:								
<i>Available for selling</i>	Colones	Banco Nacional de Costa Rica	Investment Funds	€ 4.124	-	5.31%-5.54%	At sight	
		Banco de Costa Rica	Investment Funds	8.607	-	5.46%-6.42%	At sight	
		Instituto Nacional de Seguros	Investment Funds	3.615	-	5.35%-5.72%	At sight	
	US Dollars	Banco de Costa Rica	Investment Funds	252	-	1.45%	At sight	
		Banco Internacional de Costa Rica	Overnight	24.243	-	0.20%	At sight	
<i>Kept at expiration</i>	Colones	Banco de Costa Rica	Term Deposit Certificate	4.350	4.350	5.43%	March 2012 to April 2012	
		Banco Central de Costa Rica	Term Electronic Deposit	1.280	1.280	3.04%	March 2012 to April 2012	
		Banco Nacional de Costa Rica	Short Term Investment	3.343	3.343	6.00%	March 2012 to April 2012	
	US Dollars	Banco de Costa Rica	Term Deposit Certificate (window)	2.414	2.436	0.28%-0.33%	March 2012 to April 2012	
Total Electricity				€	52.228			
Telecommunications								
Committed:								
<i>Available for selling</i>	US Dollars	Banco de Costa Rica	Term Deposit Certificate	€ 514	518	1.11%	January 2012 to April 2012	
<i>Kept at expiration</i>	US Dollars	Banco Internacional de Costa Rica	Term Deposit Certificate	1.130	1.140	2.00%	Nov. 2011 to May 2012	
Not committed:								
<i>Available for selling</i>	Colones	Banco Nacional de Costa Rica	Investment Funds	2.999	-	5.31%-5.54%	At sight	
		Banco Nacional de Costa Rica	Term Deposit Certificate	3.564	3.564	7.09%-8.89%	April 2011 to April 2012	
		Banco de Costa Rica	Investment Funds	1.446	-	5.46%-6.42%	At sight	
		Banco de Costa Rica	Term Deposit Certificate	3.500	3.500	7.00%-8.17%	Sept. 2011 to Oct. 2012	
		Banco de Costa Rica	Commercial paper (Macro-title)	4.321	4.500	7.59%-8.39%	Oct. 2011 to Nov. 2012	
		Government	Title deed macro zero coupon	5.501	5.560	6.39%-7.88%	April 2011 to June 2012	
		Instituto Nacional de Seguros	Investment Funds	3.963	-	5.35%-5.72%	At sight	
		Banco Popular	Investment Funds	2.907	-	4.79%	At sight	
		Banco Popular	Term Deposit Certificate	1.000	1.000	7.39%	June 2011 to June 2012	
		Banco Popular	Commercial paper	509	518	2.75%	Jan. 2012 to July 2012	
		Banco Central de Costa Rica	Currency Stabilization Bond	2.437	2.500	6.39%-8.39%	July 2011 to Nov. 2012	
		Banco Crédito Agrícola de Cartago	Term Deposit Certificate	6.000	6.000	6.89% - 8.45%	June 2011 to Nov. 2012	
		Repurchase operations	Repurchase	6.948	7.014	6.83%-7.07%	March 2012 to May 2012	
	US Dollars	Banco Nacional de Costa Rica	Investment Funds	2.319	-	1.17%	At sight	
		Banco de Costa Rica	Investment Funds	5.011	-	1.45%	At sight	
		Banco de Costa Rica	Commercial paper (Macro-title)	519	522	2.45%	Feb. 2012 to Aug. 2012	
		Banco Internacional Costa Rica	Overnight Tele. # 104600328 BICSA S	5.141	-	0.20%	At sight	
		Repurchase operations	Repurchase	317	322	2.39%-2.41%	Feb. 2012 to April 2012	
		Instituto Nacional de Seguros	Investment Funds	774	-	1.25%	At sight	
		Banco Popular	Term Deposit Certificate	1.130	1.140	2.07%-2.90%	Nov. 2011 to May 2012	
<i>Kept at expiration</i>		Colones	Banco Nacional de Costa Rica	Short Term Investment	12.333	12.333	6.00%	March 2012 to April 2012
			Government	Property title macro zero coupon	3.030	3.080	6.60%	Jan. 2012 to April 2012
			Banco Popular	Term Deposit Certificate	3.096	3.096	8.57%-10.65%	Aug. 2011 to Oct. 2012
	Banco CMB (Costa Rica) S.A.		Term Deposit Certificate	3.690	3.690	7.25% - 8.55%	Aug. 2011 to July 2012	
	BANHVI		Term Deposit Certificate	2.159	2.159	8.00%	Jan. 2012 to July 2012	
	US Dollars	Banco de Costa Rica	Term Deposit Certificate (window)	2.978	3.006	0.33%-1.63%	March 2012 to April 2012	
		Government	Property title macro zero coupon (window)	5.141	5.202	1.50%	Feb. 2012 to April 2012	
		Banco Internacional de Costa Rica	Term Deposit BICSA MIAMI	1.746	1.762	1.25%-2.00%	Feb. 2012 to Set. 2012	
		Banco Popular	Term Deposit Certificate	2.568	2.592	3.50%	Jan. 2012 to July 2012	
		BAC San José	Term Deposit Certificate	3.595	3.628	2.00%-2.65%	Jan. 2012 to July 2012	
	Scotiabank de Costa Rica	Term Deposit Certificate	4.109	4.147	1.85%	March 2012 to April 2012		
Total Telecommunications				€	106.395	-		
Sub total ICE				€	158.623	-		
CNFL:								
	US Dollars	Banco Nacional de Costa Rica - Dollars	Term Deposit Certificate - USS	518	1	0.79%	March 2012 to April 2012	
Sub total CNFL				€	518			
RACSA								
	US Dollars	BICSA	Term Deposit Certificate	226	226	1.50%	Jan. 2012 to April 2012	
Total RACSA				€	226	-		
CRICRSA								
	Colones	BN Sociedad de Fondos de Inversión, S.A.	Investment Funds	€ 14	-	-	-	
Total CRICRSA				€	14	-		
Total Group ICE				€	159.381	-		

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Accounting treatment of transitory investments is made according to the analysis of each tool, which involves the determination of nominal values, interests, premium, discounts and transaction costs.

The latter, as premium and discounts are amortized according to the effective interest method.

Investments available for selling are appraised at market price using the price vector of the company Proveedor Integral de Precios Centroamérica (PIPICA); and the appraisal effect at market price of investments available for selling are included in the patrimony section, in the account called “Result of Appraisal for Financial Tools”.

Up to March 31st, 2012, and as result of the appraisal of transitory investments, ICE recognized a net not realized profit for an amount of ¢328 (¢1.323 in December 2011), which is shown as part of the item “Result of Appraisal for Financial Tools”.

Note 11. Funds of Restricted use

Assets have restrictions regarding their availability, because they are addressed to specific purposes, they are detailed as follows:

Funds of restricted use	Up to March 31 2012	Up to December 31 2011
<u>ICE:</u>		
Guaranties received from thirds:		
Guaranties in dollars - Account 164475-0	¢ 745	786
Guaranties in dollars - Account 192916-0	470	437
Guaranties in colones - Account 192915-1	209	203
Guaranties in colones - Account 58166-6	71	71
Sub total ICE	1.494	1.497
<u>CNFL:</u>		
Fund with specific goal		
BCR Platinum (¢) Effective payment of services to ICE	354	3.499
BNCR Gold - Effective amortization, short term debt	459	2.146
BCR Platinum bonds	2.188	4
Sub total CNFL	3.001	5.649
Total Group ICE	¢ 4.495	7.146

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Other assets

Note 12. Contracts for services

Main contracts for agreed upon services with thirds are detailed as follows:

Contracts for services	Up to March 31		Up to December 31	
		2012		2011
<u>ICE:</u>				
Toro III Hydroelectric Project	¢	11.083		12.755
Balsa Inferior Hydroelectric Project		2.717		-
Las Pailas Hydroelectric Project		58		-
Company Owner of the Network		-		184
Cariblanco Plant - Rehabilitation		62		62
Global System for Mobile		161		-
Others		59		916
Total Group ICE	¢	14.140		13.916

Toro III Hydroelectric Project:

Toro III Hydroelectric Project is located on the affluent of Sarapiquí River in Heredia, Costa Rica. It is previewed that this project will add 46 megawatts to the National Electric System.

The construction of this Project will be in charge of ICE and the Administrative Board for Electric Service of Cartago (Junta Administrativa del Servicio Eléctrico de Cartago - JASEC), according to the covenant of alliance signed by both entities which sets forth that ICE and JASEC, with a parity participation in relation to rights and obligations, will carry out activities and procedures necessities to design, finance, build, operate and maintain Toro III Project. In order to carry out this Project, parties agreed upon the constitution of a trust with Banco de Costa Rica which must get finance and administrate resources to develop the necessary infrastructure works for electric generation that later on will be leased to ICE and to JASEC for its operation.

It is estimated that the work will be ended the first semester of 2013. The amount of ¢11.083 (¢12.755 in 2011), corresponds to the pending balance to be given back for the trust for construction costs and technical services supplied by ICE.

Balsa Inferior Hydroelectric Project:

It is located in Santa Rita, Florencia, canton of San Carlos, province of Alajuela, with an installed capacity of 37.5 MW for an annual generation of 122 GW-h. A contract was signed with ICE for \$104 million for execution of underground works, the reservoir, the surge tank, penstock, transmission line and elevating substation. The amount for ¢2.717 corresponds to the

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charging of manpower services, allowances, vehicles and machinery addressed to the development of the work.

Note 13. Design and planning of the execution

This account includes all those costs incurred into, or investments made in the phase of design and planning for execution of the next projects:

		Up to March 31	Up to December 31
Design and Planning of the Execution		2012	2011
El Diquís Hydroelectric Project	¢	64.228	60.954
Borinquen Geothermic Project		11.704	11.497
Deviation Toro San Miguel		8.815	-
Transmission Lines		5.605	5.270
Las Pailas Geothermic Project		424	397
Others		939	800
Total Group ICE	¢	91.715	78.918

The *El Diquís Hydroelectric Project (Proyecto Hidroeléctrico El Diquís - PHED)*:

This project is located in the South Zone of Costa Rica. It corresponds to a project that will have a power of 650 megawatts (MV) and a generation of 3.050 Gigawatts (GWh/year). It has been pronounced as of National Interest according to the Decree No. 34312-MP MINAE in 2008.

Up to March 31st, 2012, the PHED includes costs incurred before the construction, as well as the disbursements made during investment phase which comprises the design of works, technical, economic and financial studies for an amount of ¢64.228 (¢60.954 in 2011), necessary to complete Feasibility Studies and the definite Environmental Impact Study. The Environmental Impact Study for the PHED is in process of conclusion, and then it will be submitted to the National Environmental Technical Secretariat (Secretaría Técnica Nacional Ambiental - SETENA). In order to start it is necessary to have viability or environmental license which is issued with approval of such study by SETENA:

Indigenous territories are located within the area required for the PHED; the following are among them: China Kichá (Cabécar) and Térraba (Térraba), for whom the use of 97 and 818 hectares respectively is required (13% approximately of the reservoir area). Legal processes and inquiries have been started with these communities addressed to search an agreement for the execution of the Project. In the opinion of the Judicial Division of ICE, the realization of an inquiry to the indigenous territories constitutes a binding fact for the granting of Environmental License required by ICE to start the construction phase of the PHED.

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Also, the PHED keeps, against it, two legal processes, one of them corresponds to an Action of Unconstitutionality; and other is an Administrative Contentious Process for cultural damages, breaching to the general indigenous regulation and nullity of the Decree for National Convenience of the PHED interposed by the Association for Indigenous Development of Térraba (ADIT) in June 2008 and May 2011, respectively. Constitutional hall issued a “Whereas” indicating as follows: “It is declared overruled the action of unconstitutionality mentioned regarding articles 1 and 4 of the Executive Decree number 34312. By majority, it is construed according to the Constitution the number 8 of the Executive Decree number 34312, as long as the inquiry (“understood as indigenous consultation”) sets forth in the article 4 of that Decree is made in the not extendable term of 6 months counted from the notification of this pronouncement”, of which the date of the report of Independent Auditors has not been issued yet. In the Administrative Contentious Process, the actor extends and claims damages making a prudential estimation for an amount of US\$200 million, or its equivalent in colones. The opinion of ICE’s legal advisors is that the defense of those cases is based on reasonable arguments of which they cannot issue a criterion of success because the progress of the processes is still early.

Besides the declaration of public interest and national convenience, the Government of Costa Rica created a Commission of Inter-Institutional Coordination with the goal of cooperating and coordinating the development of the South Zone in the framework of the PHED.

Borinquen Geothermal Project:

This project is located in the Cordillera of Guanacaste, Pacific Slope of Rincón de la Vieja Volcano, which will have an estimated power of 55 megawatts (MW).

Up to March 31st, 2012, costs incurred are due to works made for preparation of sites for wells’ deep perforation. Its construction is expected to be initiated at the end of 2015.

Project Deviation San Miguel Toro:

This project located in San Rafael of Varablanca, Heredia and San Miguel of Sarapiquí, Alajuela consists of the deviation of a portion of the Transmission Line Cariblanco – San Miguel which has 17 km, and it was damaged by Cinchona’s earthquake in 2009. The project counts with environmental feasibility approved by SETENA, file 265-2009 and it is supported by the Emergency Decree No. 34933-MP which is valid up to date. This project will enter into operation in the second quarter of 2012.

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Note 14. Not operative assets

One transformer is acquired for Barranca Sub-Station for an amount of ¢1.075. This event comes from a claim for damage to the equipment that was made in front of the insurance company in 2006, supported on the policy U-500 (claim number INS TR 2006-05) and it was accountably registered in January 2012.

Note 15. Fund of Guaranties and Savings (restricted fund)

The Fund of Guaranties and Savings of ICE's Employees was created through the law 3625 on December 16th, 1965. According to this law, ICE should address the reserves and funds to the payment of labor legal benefits and to the fund of the staff and continue with the corresponding contributions with an amount not smaller to the one placed by the quoting workers.

The main activity of the Fund of Guaranties and Savings is the granting of mortgage and personal credits to workers for housing solution; as well as to generate yields that are partially capitalized to the savings of the members and partially paid in annual yields distribution.

Up to March 31st, 2012, the balance of the employer's contribution transferred by Group ICE to the Fund of Guaranties and Savings is distributed as follows:

	Up to March 31, 2012		Up to December 31, 2011		
	Amount	%	Amount	%	
<u>ICE:</u>					
Electricity	¢ 64.114	41%	60.329	41%	
Telecommunications Corporation	82.880	53%	77.985	53%	
	9.383	6%	8.828	6%	
Sub total ICE	156.377	100%	147.142	100%	
<u>RACSA:</u>					
FGA RACSA	3.171	100%	3.062	100%	
Sub total RACSA	3.171	100%	3.062	100%	
Total Group ICE	¢ 159.548	100%	150.204	100%	

Out of the employer's contribution, an amount of ¢92.073 corresponds to the Supplementary Retirement Pension Regime and ¢64.304 is addressed to the Savings Fund according to the application of 4,5% and 6% respectively on monthly salaries of ICE's permanent workers.

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Note 16. Securities payable (Bonds)

A detail of the securities (debt titles) issued by ICE is as follows:

	Securities payable						
	Up to December 31			Up to March 31			
	2011	Amortization of the period	Exchange Differences	Disburs. of the period	2012	Long term	Short term
ICE:							
Internal debt:							
Title N° 1 - INS	€ 12.388	-	(114)	-	12.274	12.274	-
Title N° 2 - INS	1.230	-	(11)	-	1.219	1.219	-
Title N° 3 - INS	30.500	30.500	-	-	-	-	-
Issuance of Bonds Serial A1	50.000	-	-	-	50.000	50.000	-
Issuance of Bonds Serial A2	6.328	-	-	-	6.328	6.328	-
Issuance of Bonds Serial B1	38.875	-	(356)	-	38.519	38.519	-
Issuance of Bonds Serial B2	25.917	-	(238)	-	25.679	25.679	-
Issuance of Bonds Serial A2 - Year 2010	28.426	-	-	-	28.426	28.426	-
Issuance of Bonds Serial B3-US\$-Electricity	38.875	-	(356)	-	38.519	38.519	-
Issuance of Bonds Serial A3 Colones	20.000	-	-	-	20.000	20.000	-
Issuance of Bonds Serial E1-US\$-Electricity	30.357	-	(279)	-	30.078	30.078	-
Issuance of Bonds Serial A4-Telecommunications	10.000	-	-	-	10.000	10.000	-
Issuance of Bonds Serial A5- Electricity	20.000	-	-	-	20.000	20.000	-
Issuance of Bonds Serial A2-Electricity	15.246	-	-	-	15.246	15.246	-
Issuance of Bonds Serial E1-Electricity	8.518	-	(78)	-	8.440	8.440	-
Issuance of Bonds Serial A6-Electricity	18.756	-	-	-	18.756	18.756	-
Issuance of Bonds Serial E2-Electricity	64.791	-	-	-	64.791	64.791	-
Issuance of Bonds Serial F1	-	-	(158)	17.155	16.997	16.997	-
External Debt:							
Placement of Bonds A Credit Suisse First Boston	20.733	-	(190)	-	20.543	20.543	-
Placement of Bonds B Credit Suisse First Boston	31.100	-	(285)	-	30.815	30.815	-
International Issuance of Bonds	129.583	-	(1.188)	-	128.395	128.395	-
Others:							
Premium Issuance of Bonds Serial A1	151	1	-	-	150	150	-
Premium Issuance of Bonds Serial A2	90	-	-	-	90	90	-
Premium Issuance of Bonds Serial B1	161	3	-	-	158	158	-
Premium Issuance of Bonds Serial B2	376	19	-	-	357	357	-
Premium Issuance of Bonds Serial A2 - Year 2010	8	-	-	-	8	8	-
Premium Issuance of Bonds Serial B3 - US\$ - Electricity	1.216	20	-	-	1.196	1.196	-
Premium Issuance of Bonds Serial A3 - Electricity	4	-	-	-	4	4	-
Premium Issuance of Bonds Serial E1 - Electricity	195	4	-	-	191	191	-
Premium Issuance of Bonds Serial E1 - Elec. US\$	4	1	-	-	3	3	-
Premium Issuance of Bonds Serial A6 - Elec. - colones	1	-	-	-	1	1	-
Discounts:							
Discount Issuance of Bonds A2 -2010	(612)	(3)	-	-	(609)	(609)	-
Discount Issuance of Bonds Serial A3 - Electricity	(94)	(2)	-	-	(92)	(92)	-
Discount Issuance of Bonds Serial A4 -Telecommunic.	(23)	(1)	-	-	(22)	(22)	-
Discount Issuance of Bonds Serial A2 - Electricity	(440)	(3)	-	-	(437)	(437)	-
Discount Issuance of Bonds Serial E2 US\$ Electricity	(207)	(3)	-	-	(204)	(204)	-
Discount Issuance of Bonds Serial F 1	-	-	-	244	(244)	(244)	-
Sub total Securities payable long term ICE	€ 602.449	30.536	(3.253)	17.399	585.575	585.575	-
Securities payable short term - ICE							
Internal debt:							
Standardized Commercial Paper Serial C2	-	-	-	15.063	15.063	-	15.063
Sub total Securities payable short term ICE	€ -	-	-	15.063	15.063	-	15.063
Total Securities payable ICE	602.449	30.536	(3.253)	32.462	600.638	585.575	15.063
CNFL:							
Government Debt:							
Issuance of Bonds Serial B-1	14.996	-	-	-	14.996	14.996	-
Issuance of Bonds Serial B-2	14.600	-	-	-	14.600	14.600	-
Issuance of Bonds Serial B-3	-	-	-	12.000	12.000	12.000	-
Sub total CNFL	€ 29.596	-	-	12.000	41.596	41.596	-
Total Group - ICE	€ 632.046	30.536	(3.253)	44.462	642.234	627.171	15.063

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The characteristics of those debt titles are detailed as follows:

Creditor	Securities payable				Rate of commission Comisión	Date of contract	Up to	Up to
	Tool	Currency	Interest rate	Type of rate			March 31 2012	December 31 2011
ICE:								
Bonds colones:								
Issuance of Bonds Serial A1	Standardized bonds	Colones	11,00%	Variable	-	30/09/2009	50.000	50.000
Issuance of Bonds Serial A2	Standardized bonds	Colones	10,50%	Variable	-	06/11/2009	6.328	6.328
Issuance of Bonds Serial A2 2010	Standardized bonds	Colones	10,50%	Variable	-	06/11/2009	28.426	28.426
Issuance of Bonds Serial A2 2011	Standardized bonds	Colones	10,50%	Variable	-	06/11/2009	15.246	15.246
Issuance of Bonds Serial A3	Standardized bonds	Colones	11,41%	Fixed	-	03/11/2010	20.000	20.000
Issuance of Bonds Serial A4	Standardized bonds	Colones	10,87%	Fixed	-	14/12/2010	10.000	10.000
Issuance of Bonds Serial A5	Standardized bonds	Colones	11,45%	Variable	-	16/12/2010	20.000	20.000
Issuance of Bonds Serial A6	Standardized bonds	Colones	11,15%	Variable	-	11/08/2011	18.756	18.756
Premium Issuance of Bonds Serial A1	Standardized bonds	Colones	11,00%	Variable	-	30/09/2009	150	151
Premium Issuance of Bonds Serial A2	Standardized bonds	Colones	10,50%	Variable	-	06/11/2009	90	90
Premium Issuance of Bonds Serial A2	Standardized bonds	Colones	10,50%	Variable	-	06/11/2009	8	8
Premium Issuance of Bonds Serial A3	Standardized bonds	Colones	11,41%	Fixed	-	03/11/2010	4	4
Premium Issuance of Bonds Serial A6	Standardized bonds	Colones	11,15%	Variable	-	11/08/2011	1	1
Discount Issuance of Bonds A2	Standardized bonds	Colones	10,50%	Variable	-	06/11/2009	(609)	(612)
Discount Issuance of Bonds A2 2011	Standardized bonds	Colones	10,50%	Variable	-	06/11/2009	(437)	(440)
Discount Issuance of Bonds A4	Standardized bonds	Colones	10,87%	Fixed	-	14/12/2010	(22)	(23)
Bonds US\$ dollars:								
International Bonds	Standardized bonds	Dollars	6,95%	Fixed	-	10/11/2011	128.395	129.583
Credit Suisse First Boston	Placement of bonds B	Dollars	6,45%	Fixed	-	03/02/2004	30.815	31.100
Credit Suisse First Boston	Placement of bonds A	Dollars	7,10%	Fixed	-	10/12/2003	20.543	20.733
Issuance of Bonds Serial B1	Standardized bonds	Dollars	7,65%	Fixed	-	17/11/2009	38.519	38.875
Issuance of Bonds Serial B2	Standardized bonds	Dollars	5,71%	Fixed	-	20/05/2010	25.679	25.917
Issuance of Bonds Serial B3	Standardized bonds	Dollars	7,18%	Fixed	-	24/06/2010	38.519	38.875
Issuance of Bonds Serial E1	Standardized bonds	Dollars	5,98%	Fixed	-	14/02/2011	30.078	30.357
Issuance of Bonds Serial E1 2011	Standardized bonds	Dollars	5,98%	Fixed	-	14/02/2011	8.440	8.518
Issuance of Bonds Serial E2 2011	Standardized bonds	Dollars	7,61%	Fixed	-	12/12/2011	64.791	64.791
Issuance of Bonds Serial F1	Standardized bonds	Dollars	5,97%	Fixed	-	13/02/2012	16.997	-
Premium Issuance of Bonds Serial B1	Standardized bonds	Dollars	7,65%	Fixed	-	17/11/2009	158	161
Premium Issuance of Bonds Serial B2	Standardized bonds	Dollars	5,71%	Fixed	-	20/05/2010	357	376
Premium Issuance of Bonds Serial B3	Standardized bonds	Dollars	7,18%	Fixed	-	24/06/2010	1.196	1.216
Premium Issuance of Bonds Serial E1	Standardized bonds	Dollars	5,98%	Fixed	-	14/02/2011	191	195
Premium Issuance of Bonds Serial E1 2011	Standardized bonds	Dollars	5,98%	Fixed	-	14/02/2011	3	4
Discount Issuance of Bonds A3	Standardized bonds	Dollars	11,41%	Fixed	-	03/11/2010	(92)	(94)
Discount Issuance of Bonds E2 2011	Standardized bonds	Dollars	7,61%	Fixed	-	12/12/2011	(204)	(207)
Discount Issuance of Bonds Serial F1	Standardized bonds	Dollars	5,97%	Fixed	-	13/02/2012	(244)	-
Titles:								
INS	Title 3	Colones	13,75%	Variable	0,75%	06/03/2009	-	30.500
INS	Title 1	Dollars	2,76%	Variable	0,75%	11/11/2008	12.274	12.388
INS	Title 2	Dollars	2,75%	Variable	0,75%	11/11/2008	1.219	1.230
Standardized Commercial Paper:								
Standardized Commercial Paper Serial C2	Title	Colones	0,00%	-	-	08/03/2012	15.063	-
Sub total ICE							600.638	602.449
CNFL:								
Bonds US\$ dollars:								
Issuance of Bonds Serial B-2	Standardized bonds	Dollars	TBP + 3,27%	Variable	-	28/06/2011	14.600	14.600
Issuance of Bonds Serial B-3	Standardized bonds	Dollars	TBP + 3,21%	Variable	-	25/01/2012	12.000	-
Issuance of Bonds Serial B-1	Standardized bonds	Dollars	11,45%	Fixed	-	30/09/2010	14.996	14.996
Sub total CNFL							41.596	29.596
Total Group ICE							642.234	632.046

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Issuance of bonds– ICE

Serial	Date of Issuance	Date of expiration	Annual Nominal interest rate	Million of colones					
				Authorized and issued	Placed by serial	Balance available	Premium on Issuance of bonds	Discounts on issuance of bonds	
A1	30/09/2009	30/09/2021	Passive basic rate +1,75	¢	50.000	50.000	- ¢	161	-
A2	11/06/2009	06/11/2024	Passive basic rate +1,75		50.000	34.754	15.246	101	635
A3	11/03/2010	03/11/2020	Fixed rate 11,41%		20.000	20.000	-	4	101
A4	14/12/2010	14/12/2017	Fixed rate 10,86%		10.000	2.255	7.745	-	-
A5	16/12/2010	16/12/2025	Passive basic rate +2,20%		20.000	20.000	-	-	-
A6	11/08/2011	11/08/2023	Passive basic rate +2,75%		20.000	18.756	1.244	1	-
F1	13/02/2012	13/02/2019	Passive basic rate + 5,97%		17.155	34.678	-	244	-
				¢	187.155	180.443	24.235 ¢	511	736

Serial	Date of Issuance	Date of expiration	Annual Nominal interest rate	Millones de dólares					
				Authorized and issued	Placed by serial	Balance available	Premium on Issuance of bonds	Discounts on issuance of bonds	
B1	17/11/2009	17/11/2021	Fixed rate 7,65%	US\$	75	75	- ¢	160	-
B2	20/05/2010	20/05/2016	Fixed rate 5,71%		50	50	-	376	-
B3	24/06/2010	24/06/2022	Fixed rate 7,18%		75	75	-	1.216	-
E1	11/12/2010	12/11/2020	Fixed rate 5,98%		75	75	-	199	-
E2	12/12/2011	12/12/2024	Fixed rate 7,61%		125	125	-	-	207
				US\$	400	400	- ¢	1.951	207

Issuance of ICE's National Bonds

ICE- Convoking to Standardized Bonds.

On February 9th and 20th, 2012, bonds of Serial F1-US\$ are placed for an amount of US\$100 million.

The term of the issuance is 7 years. Facial amount captured was US\$11.6 and US\$11.4 million. Pondered average price was 98,69% and 98,51%.

Resources will be addressed to attend the needs of expansion for mobile telephone system, civil electromechanical infrastructure, universal service, IPTV solutions, information service, internet data center, PESSO, substitution of vehicle fleet, electronic integral safety, modernization of systems, extension of the platform and renewal of the infrastructure.

In March 2012, ICE placed an auction of bond titles serial F1-US\$ for \$10 million. Assigning a pondered price of 98,52%, capturing of US\$10, issuance 7 years, at an interest rate of 5,50%.

Resources will be addressed to attend the needs of mobile telephone system extension, civil electromechanical infrastructure, universal service, IPTV solutions, information service, internet data center, PESSO, substitution of vehicle fleet, electronic integral safety, modernization of systems, extension of the platform and renewal of the infrastructure.

(it continues)

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ICE – calls to Titles Auction

On March 8th and 15th, 2012, the auction of Standardized Commercial Paper Series E2 is placed for an amount of ¢16.000. The term of the auction is 270 and 263 days respectively. Capturing facial amount was ¢7.484 and ¢7.499. The reference yield was 9,20% and 9,15%.

The resources for this issuance are Electricity Sector and they will be used to attend Working Capital needs.

Subsidiary – Compañía Nacional de Fuerza y Luz (CNFL)

General Superintendence of Values (SUGEVAL) authorized the CNFL, S.A, through Resolution SGV-R-2311 on August 18th, 2010 to issue Standardized Bonds Serial B for the amount of US\$106 million, or its equivalent in colones. Same as Serial B-1 and B-2, this issuance has the goal of obtaining finance for the design and construction of Balsa Inferior Hydroelectric Power.

In January 25th, 2012, the CNFL placed the issuance of Standardized Bonds Serial B-3 for the amount of ¢12.000. The term of the issuance is 15 years, facial value is ¢1, and the interest rate is equal to the passive basic rate plus 3,21% annual, the expiration date is June 28th, 2027.

(it continues)

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Notes to Consolidated Financial Statements
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Note 17. Documents payable

Up to March 31st, 2012, movements of documents payable are detailed next:

	Documents payable								2012	
	Up to December 31	Amortization of the period	Exchange differences	Disbursements of the period	Up to March 31, 2012	Long term	Short term			
ICE										
Internal debt:										
Purchase of not restructured debt - Portion V	₡	802	-	(7)	-	795	567	227		2
Sub-total Portion V		802	-	(7)	-	795	567	227	US\$	2
Banco Nacional de Costa Rica (B.N.C.R)		34.275	295	-	-	33.980	31.487	2.493		66
Parallel Cooperation		13	4	-	-	9	-	9		-
Scotiabank - Portion A		12.958	-	(119)	-	12.840	-	12.840		25
Scotiabank - Portion B		11.107	-	(102)	-	11.005	7.337	3.668		21
Sub-total Scotiabank		24.065	-	(221)	-	23.844	7.337	16.508	US\$	46
Assets Advance Transfers		-	-	-	-	-	-	-		-
Trust BCR - Building Telecommunications		25.787	309	-	-	25.478	24.189	1.290		50
Credit Supplier		5.345	2 401	(71)	23 424	26.296	21.404	4.892		51
Sub-total internal debt		90.287	3.009	(299)	23.424	110.403	84.984	25.418	US\$	215
External debt										
Banco Centroamericano de Integración Económica (BCIE):										
B.C.I.E. No.1599		64.964	-	(595)	-	64.369	54.466	9.903		125
B.C.I.E. No. 1856		49.174	-	(451)	-	48.723	44.083	4.640		95
B.C.I.E. No. 1962		33.692	-	(309)	-	33.383	31.992	1.391		65
B.C.I.E. Restructuration		17.364	939	(151)	-	16.274	12.454	3.820		32
Moin III Thermic Plant - B.C.I.E. No. 1516		6.797	-	(62)	-	6.735	4.490	2.245		13
Sub-total B.C.I.E.	₡	171.991	939	(1.568)	-	169.484	147.485	21.999	US\$	330

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Documents payable									
	Up to December 31	Amortization of the period	Exchange differences	Disbursements of the period	Up to March 31, 2012	Long term	Short term		<u>2012</u>
Banco Europeo de Inversiones (B.E.I.)	€ 4.910	-	(45)	-	4.865	2.506	2.359	US\$	9
Banco Interamericano de Desarrollo (B.I.D.):									
B.I.D. No. 598	2.277	285	(22)	-	1.970	1.401	569		4
Reconversion BID 1931 A/OC-CR - Portion B	101.074	7 775	(855)	-	92.444	76.894	15.550		180
Reconversion BID 1931 A/OC-CR - Portion A	84.941	3 693	(745)	-	80.503	73.117	7.386		157
B.I.D. No. 1908 / OC-CR	34.211	-	(380)	7 280	41.111	41.111	-		80
Sub total B.I.D.	222.503	11.753	(2.002)	7.280	216.029	192.524	23.505	US\$	421
BNP Paribas:									
BNP Paribas A	1.921	-	(18)	-	1.903	1.360	544		4
BNP Paribas B	5.176	-	(47)	-	5.129	3.663	1.465		10
Sub total BNP Paribas	7.097	-	(65)	-	7.032	5.023	2.009	US\$	14
Nordea:									
Nordea Export & Project Finance	9.955	1 991	(73)	-	7.891	3.946	3.945		15
Nordea Export & Project Finance	3.892	-	(36)	-	3.856	2.891	965		8
Sub total Nordea	13.847	1.955	(109)	-	11.747	6.837	4.910	US\$	23
M & T Bank									
M & T Bank	3.214	321	(27)	-	2.866	2.229	637		6
M & T N°2	2.245	-	(21)	-	2.224	1.668	557		4
Sub total M&T Bank	5.459	321	(47)	-	5.091	3.897	1.193	US\$	10
Other Creditors:									
Corporación Andina de Fomento (C.A.F.)	49.673	-	(455)	-	49.218	44.938	4.280		96
Citibank	16.368	-	(150)	-	16.218	12.163	4.055		32
Japan Bank For International Cooperation	96.234	-	(6 277)	-	89.957	80.093	9.864		175
Natexis Banque	200	20	4	-	183	49	135		-
Honk Kong Shanghai Bank Corp. (HSBC) Panamá	8.293	518	(71)	-	7.703	5.649	2.054		15
Cisco Systems Capital Corporation	667	109	(5)	-	553	112	441		1
Cisco Systems	20.096	-	(197)	1 433	21.331	20.225	1.106		42
Sub total Other Creditors	191.531	648	(7.152)	1.433	185.164	163.229	21.934	US\$	361
Sub-total internal debt	617.338	15.616	(10.988)	8.713	599.412	521.502	77.910	US\$	1.168
Total documents payable long term	€ 707.625	18.625	(11.287)	32.137	709.815	606.486	103.328	US\$	1.383

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Up to March 31st, 2012, movements for short term documents payable are detailed next:

	Documents payable							<u>2012</u>
	Balances up to Dec. 2011	Amortization of the period	Exchange differences	Disbursements of the period	Up to March 31, 2012	Long term	Short term	
Documents payable short term - ICE								
<u>Internal Debt:</u>								
Loan between sectors	-	-	-	-	-	-	-	-
Scotiabank	15.959	5.000	(136)	8.852	19.675	-	19.675	38
Sub-total internal debt	€ 15.959	5.000	(136)	8.852	19.675	-	19.675	US\$ 38
<u>External debt:</u>								
BNP Paribas	-	-	(48)	5.183	5.136	-	5.136	10
Citibank No.1	10.367	-	(95)	-	10.272	-	10.272	20
Honk Kong Shanghai Bank Corp. (HSBC)	15.032	2.592	(138)	2.592	14.894	-	14.894	29
Bladex	8.293	5.183	(309)	30.581	33.382	-	33.382	65
Global Bank Corporation	5.183	5.183	(48)	5.183	5.136	-	5.136	10
Mercantil Commercebank	15.550	-	(143)	-	15.408	-	15.408	30
Citibank No.2	-	-	-	-	-	-	-	-
Deutsche Bank Trust Company Americas	-	-	-	-	-	-	-	-
Banco Aliado de Panamá	-	-	(48)	5.183	5.136	-	5.136	-
Banco de San José (BAC)	3.300	-	-	-	3.300	-	3.300	6
Sub-total external debt	57.725	12.958	(827)	48.723	92.663	-	92.664	US\$ 170
Total documents payable short term	73.684	17.958	(962)	57.575	112.339	-	112.339	208
Total internal debt	106.246	8.009	(435)	32.276	130.078	84.984	45.093	253
Total external debt	675.063	28.574	(11.814)	57.436	692.075	521.502	170.574	1.338
Total debt ICE	€ 781.309	36.583	(12.249)	89.712	822.153	606.486	215.667	US\$ 1.591

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Documents payable - Subsidiaries									
	Up to December 31	Amortization of the period	Exchange differences	Disbursements of the period	Up to March 31, 2012	Long term	Short term	<u>2012</u>	
CNFL:									
External debt:									
Instituto Crédito Oficial Reino de España	€ 13.266	-	(121)	-	13.145	13.145	-		26
Deutsche Bank, Sociedad Anónima Española	4.643	-	(43)	-	4.600	3.287	1.313		9
Loan Kreditanstal Fur Wiederaufbau # 1	9.616	(681)	(90)	-	8.845	7.485	1.360		17
Loan Kreditanstal Fur Wiederaufbau # 2	4.184	(244)	(38)	-	3.902	3.415	487		8
BICSA Credit Line	7.776	-	(72)	-	7.704	7.704	-		15
Sub- total external debt	€ 39.485	(925)	(364)	-	38.196	35.036	3.160	US\$	75
Sub-total CNFL	€ 39.485	(925)	(364)	-	38.196	35.036	3.160	US\$	75
RACSA:									
External debt:									
Banco Centroamericano de Integración Económica (B.C.I.E.)	€ 5.030	453	(46)	-	4.531	3.621	910		9
Honk Kong Shanghai Bank Corp. (HSBC)	-	-	-	-	-	-	-		-
Control Electrónico S.A. (CESA)	5.475	301	(50)	-	5.124	3.863	1.261		10
BD Consultores S.A.	-	-	-	-	-	-	-		-
Banco Interamericano de Desarrollo (BICSA)	1.037	-	(10)	-	1.027	-	1.027		2
CSI Leasing	4.494	137	(41)	-	4.316	3.743	573		8
Prival Bank	2.073	-	(19)	-	2.054	1.830	224		4
Sub- total external debt	€ 18.109	891	(166)	-	17.052	13.057	3.995	US\$	33
Total internal debt - Group ICE	106.246	8.009	(435)	32.276	130.078	84.984	45.094		253
Total external debt - Group ICE	732.657	28.540	(12.344)	57.436	747.323	569.595	177.728		1.446
Total debt - Group ICE	€ 838.903	36.549	(12.779)	89.712	877.403	654.580	222.823	US\$	1.699

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General characteristics of documents payable, classified as internal and external debt for periods 2012 / 2011 are summarized next:

General characteristics of the debt (amount in million dollars and colones, according to the indication)														
Date of contract	Expiration date	Term of debt (years)	Period of grace (years)	Amortization Period (years)	Type period payment	Interest rate	Due interest rate	Rate of commission	Amount contracted	Accumulated amount disbursement 2012	Currency	Guaranty	Finance	
<u>Electricity Sector</u>														
Internal debt:														
Renegotiated debt - Portion V	21/05/1989	21/05/2015	25	-	25	Half-yearly	6,75%	6,75%	-	4	4	US\$	Government	Refinance of the debt with commercial banking
Banco Nacional de Costa Rica	25/08/2010	31/08/2025	15	-	15	Quarterly	TBP + 2,75%	2,00%	-	35.000	35.000	¢	ICE	Needs of investment in transmission projects
Commercial banks:														
Scotiabank - Portion A	18/12/2009	18/12/2012	3	3	-	Half-yearly	Libor 3m + 3,50%	-	-	25	25	US\$	ICE	Extension and improvement of the transmission network and distribution network
Scotiabank - Portion B	18/12/2009	18/12/2014	5	2	3	Half-yearly	Libor 3m + 3,75%	-	-	25	25	US\$	ICE	Extension and improvement of the transmission network and distribution network
External debt:														
Banco Europeo de Inversiones (B.E.I.)	30/11/1993	25/11/2013	20	5	15	Half-yearly	6,32%	2,00%	-	50	50	US\$	Government	Execution of Electric III Development Program
Multilateral organizations														
<u>Banco Centroamericano de Integración Económica (BCIE):</u>														
B.C.I.E. No.1599	17/03/2003	25/04/2018	15	6	10	Half-yearly	6.40% - According to bank policies	3,00%	0,75%	172	172	US\$	ICE	Construction and Equipping of Pirris Hydroelectric Plant
B.C.I.E. Prepayment 2005	21/10/2005	21/10/2015	10	2	8	Quarterly	0,085	2,00%	0,00%	55	55	US\$	ICE	Prepayment of loans BID 200, 535 and 572 (partially)
B.C.I.E. No. 1856	12/04/2007	11/05/2022	15	3	12	Half-yearly	6.40% - According to bank policies	3,00%	0,00%	110	108	US\$	ICE	Extension and maintenance of national electric system 2007
Moin III Thermic Plant - B.C.I.E. No. 1516	11/06/2007	14/10/2014	7	-	7	Half-yearly	7.68% - According to bank policies	-	0,00%	12	12	US\$	ICE	Adquisition of Moin III Thermic Plant
Moin III Thermic Plant - B.C.I.E. No. 1516	11/06/2007	14/10/2014	7	-	7	Half-yearly	6.35% According to bank policies	-	0,00%	21	21	US\$	ICE	Adquisition of Moin III Thermic Plant
B.C.I.E. No. 1962	19/06/2009	19/06/2024	15	3	12	Half-yearly	6.40% - According to bank policies	-	0,75%	65	65	US\$	ICE	Program of Electric Works 2008 - 2009

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General characteristics of the debt (amount in million dollars and colones, according to the indication)														
Date of contract	Expiration date	Term of debt (years)	Period of grace (years)	Amortization Period (years)	Type period payment	Interest rate	Due interest rate	Rate of commission	Amount contracted	Accumulated amount disbursement 2012	Currency	Guaranty	Finance	
Banco Interamericano de Desarrollo (B.I.D.):														
B.I.D. 463/SF C.R.	13/04/1976	13/04/2011	35	8	27	Half-yearly	0,02	2,00%	0,50%	-	-	US\$	Government	Rural Electrification with Cooperatives (loan in currencies)
B.I.D. No. 598	09/09/1980	09/09/2015	35	8	27	Half-yearly	0,02	2,00%	0,50%	27	26	US\$	Government	Rural Electrification with Cooperatives (loan in currencies)
Reconversion BID 1931 A/OC-CR - Portion A	10/07/2008	15/02/2023	15	3	12	Half-yearly	Libor 6m + 3,625%	2,00%	0,50%	159	159	US\$	ICE	Prepayment of loans OECF, BID 796, and Credit Suisse Elect. Telec.
Reconversion BID 1931 A/OC-CR - Portion B	10/07/2008	15/02/2018	10	3	7	Half-yearly	Libor 6m + 3,00%	2,00%	0,50%	196	196	US\$	ICE	Prepayment of loans OECF, BID 796, and Credit Suisse Elect. Telec.
B.I.D. No. 1908 / OC-CR CLIPP	25/05/2009	25/11/2034	25	5	20	Half-yearly	Libor 6m + 0,80%	0,00%	0,25%	250	80	US\$	Government	Electric Development Program 2008-2011.
Bilateral organizations:														
Corporación Andina de Fomento (C.A.F.)	09/04/2008	09/04/2023	15	3	12	Half-yearly	Libor 6m + 1,70%	2,00%	0,25%	100	100	US\$	ICE	Studies or construction of Projects: Toro III, Diquís, Pacuare and Pirris
Japan Bank For International Cooperation	09/04/2001	20/04/2026	25	7	18	Half-yearly	0,022	2,00%	0,00%	206	164	US\$	Government	Pirris Hydroelectric Project
Commercial banks:														
Citibank	14/12/2005	14/12/2015	10	1	9	Half-yearly	8.25% - According to bank policies	-	0,00%	75	75	US\$	ICE	Prepayment 572
M & T Bank No. 1	16/12/2009	30/12/2016	7	-	7	Half-yearly	Libor 6m + 2,15%	-	0,00%	9	9	US\$	ICE	Cost of equipment (steel sheets, tunnel and surge tank for Toro III H. P.)
M & T Bank No.2	15/12/2010	15/12/2015	5	-	5	Half-yearly	Libor 6m + 1,85%	-	0,00%	10	5	US\$	ICE	Projects executed by UEN PySA
BNP Paribas A	01/09/2010	20/06/2015	5	-	5	Half-yearly	Libor 6m + 4,50%	1,00%	0,00%	6	5	US\$	ICE	Various projects
BNP Paribas B	01/09/2010	20/06/2015	5	-	5	Half-yearly	Libor 6m + 1,15%	-	0,00%	16	14	US\$	ICE	Various projects

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	Date of contract	Expiration date	General characteristics of the debt (amount in million dollars and colones, according to the indication)						Interest rate	Due interest rate	Rate of commission	Amount contract	Accumulated disbursement	Currency	Guaranty	Finance
			Term of (years)	Period of (years)	Term of amortización	Type period										
Sector telecommunications																
Internal debt:																
Renegotiated debt - Portion V	21/05/1989	21/05/2015	25	-	25	6,75%	Fixed	6,75%	-	1		US\$	Government	Refinance of debt with commercial banking		
Trust BCR - Building Telecommunications	22/04/2010	22/07/2022	12	-	12	BP + 3,75%	Var.	-	-	27.550	27.550	€	ICE	ICE		
External debt:																
Multilateral organizations																
Reconversion BID 1931 A/OC-CR - Portion A	10/07/2008	15/02/2023	15	3	12	or 6m+ 3,6%	Var.	2,00%	-	12	12	US\$	ICE	Prepayment of loans OECF, BID 796, and Credit Suisse		
Reconversion BID 1931 A/OC-CR - Portion B	10/07/2008	15/02/2018	10	3	7	or 6m +3,0	Var.	2,00%	-	14	14	US\$	ICE	Prepayment of loans OECF, BID 796, and Credit Suisse		
Bilateral organizations																
Natexis Banque	09/09/1982	30/06/2013	31	16	15	3,50%	Fixed	2,50%	-	4	4	US\$	Government	Refinance of debt with Cit Alcatel		
Commercial banks																
Nordea Export & Project Finance No.1	29/06/2009	28/02/2014	5	0	5	2,51%	Fixed	-	-	37	37	US\$	ICE	Purchase of Equipment and Services from Ericsson		
Nordea Export & Project Finance No.2	04/11/2010	08/09/2015	5	0	5	2,51%	Fixed	-	-	10	2	US\$	ICE	Purchase of Equipment and Services from Ericsson		
Cisco Systems No.1	15/04/2010	06/04/2013	3	0	3	3,25%	Fixed	-	-	50	2	US\$	ICE	Purchase of Equipment and Services from CISCO		
Cisco Systems No.2	25/05/2011	25/05/2018	7	0	6	3,00%	Fixed	13,00%	-	56	3	US\$	ICE	Purchase of Equipment and Services from CISCO		
Cisco Systems No.3	25/05/2011	13/09/2018	7	1	6	3,00%	Fixed	13,00%	-	56	6	US\$	ICE	Purchase of Equipment and Services from CISCO		
Cisco Systems No.4	25/05/2011	13/09/2018	7	1	6	3,39%	Fixed	13,00%	-	56	7	US\$	ICE	Purchase of Equipment and Services from CISCO		
Cisco Systems No.5	25/05/2011	08/10/2018	7	1	6	3,01%	Fixed	13,00%	-	56	11	US\$	ICE	Purchase of Equipment and Services from CISCO		
Cisco Systems No.6	25/05/2011	08/10/2018	7	1	6	3,01%	Fixed	13,00%	-	56	4	US\$	ICE	Purchase of Equipment and Services from CISCO		
Cisco Systems No.7	25/05/2011	07/11/2018	7	1	6	3,04%	Fixed	13,00%	-	56	8	US\$	ICE	Purchase of Equipment and Services from CISCO		
Cisco Systems No.8	25/05/2011	29/11/2018	7	1	6	3,04%	Fixed	13,00%	-	56	3	US\$	ICE	Purchase of Equipment and Services from CISCO		
ECI Telecom (credit supplier)	16/03/2011	01/06/2016	5	-	5	4,95%	Fixed	-	-	11	-	US\$	ICE	Expansion and modernization of the network DWDM		
ECI Telecom 2 (credit supplier)	08/12/2011	11/11/2016	5	-	5	4,95%	Fixed	-	-	4	4	US\$	ICE	Installation of network equipment and training		
HUAWEI TECHNOLOGIES CO. LTD. (credit supplier)	25/05/2011	15/01/2017	5,5	-	5,5	5,45%	Fixed	-	-	60	41	US\$	ICE	Equipment and services for the extension of the 3G Adv. Mobile Syst. Network.		
M & T Bank #2	15/12/2010	15/12/2015	5	-	5	or 6 m + 1,3	Var.	-	-	10	0	US\$	ICE	Mobile telephone system expansion		
Honk Kong Shanghai Bank Corp. (HSBC) Panama	01/11/2010	08/11/2015	5	-	5	or 6 m + 4,5	Var.	0,00%	-	20	20	US\$	ICE	Internet service supply		

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General characteristics of the debt (amount in million dollars and colones, according to the indication)														
Date of contract	Expiration date	Term of debt (years)	Period of grace (years)	Term of amortización (años)	Type period payment	Interest rate	Due interest rate	Rate of commission	Amount contracted	Accumulated amount disbursement 2012	Currency	Guaranty	Finance	
contract	date	(years)	(years)	(años)			interest	commission	contract	disbursement				
							due							
Documents payable - Subsidiaries														
CNFL														
Instituto Crédito Oficial Reino de España	15/07/2002	25/09/2032	30	10	20	Half-yearly	0,70%	Libor 6 m +1	0.15% Manag.	26	US\$	Government	Underground electrification network - San Jose	
Deutsche Bank, Sociedad Anónima Española	15/07/2002	20/04/2015	13	3	10	Half-yearly	5,86%	7,86%	0.15% Manag.	26	US\$	Government	Underground electrification network - San Jose	
Kreditanstalt Für Wiederaufbau # 1 (KfW)	16/12/2005	30/09/2018	10	2 y. 9 m.	12 y 9 m	Half-yearly	3,80%	Libor 6 m +2	1,25%	27	US\$	ICE	El Encanto Hydroelectric Project	
Kreditanstalt Für Wiederaufbau # 2 (KfW)	25/09/2008	30/03/2020	10	2	12	Half-yearly	3,80%	Libor 6 m +2	1,25%	10	US\$	ICE	El Encanto Hydroelectric Project	
BICSA - Credit Line Disbursement N°1	27/05/2010	27/05/2013	3	-	3	Half-yearly	5,00%		0,25% Superv.	3	US\$	Promis. Note	Supplying resources for the acquisition of assets, material and equipment, as well as to finance Balsa Inferior Hydroelectric project	
BICSA - Credit Line Disbursement N°2	08/12/2011	08/12/2014	3	-	3	Half-yearly	6,50%		0,125% Superv.	12	US\$	Promis. Note	Supplying resources for the acquisition of assets, material and equipment, as well as to finance Balsa Inferior Hydroelectric project	
RACSA														
Banco Interamericano de Desarrollo (BICSA)	30/03/2011	28/03/2012	1	-	1		3,00%	-	-	2	1.012	US\$	Promis. Note	Working capital
CSI Leasing							6,60%					US\$		Financial rental platform for
Prival Bank	19/05/2011	19/05/2018	7	-	7	Quarterly		\$46 miles		9	4.687	US\$	Obj. of purchase	inf. services
	07/09/2011	07/09/2016	5	12 months	4	Monthly	7,50%		1% flat	4	2.079	US\$	Bill of exchange	Linking with STM-16 capacity

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General characteristics	Currency of origin	Interest rate	Type of interest rate	Date of contract	Due date	Term of debt (days)	Up to Dec. 31, 2011	Amortization 2012	Estimated quantification - Exchange difference	Up to March 31, 2012
External debt										
Scotiabank	Dollars	Fixed Rate 9,75%	Fixed	10/01/2012	09/05/2012	120 days	5.000	5.000	(136)	4.864
Scotiabank	Dollars	Fixed Rate 1,75%	Fixed	10/01/2012	09/05/2012	119 days	5.183	-	-	5.183
Scotiabank	Dollars	Libor Rate 3 months + 2,6129% = 3.15%	Variable	07/02/2012	04/05/2012	90 days	5.775	-	-	5.775
Scotiabank	Dollars	Libor Rate 3 months 0,5612% + 2,4388% = 3%	Variable	18/01/2012	18/05/2012	90 days	-	-	-	3.852
Mercantil Commercebank	Dollars	Fixed Rate 1,81611%	Fixed	21/11/2011	19/04/2012	150 days	5.181	-	(143)	5.038
Mercantil Commercebank	Dollars	Fixed Rate 1,9689%	Fixed	28/11/2011	25/05/2012	179 days	10.369	-	-	10.369
Honk Kong Shanghai Bank Corp. (HSBC)	Dollars	Fixed Rate 3%	Fixed	25/11/2011	25/05/2012	179 days	12.440	-	-	12.440
Honk Kong Shanghai Bank Corp. (HSBC)	Dollars	Fixed Rate 2,70%	Fixed	23/03/2012	22/05/2012	60 days	2.592	2.592	(138)	2.454
Banco de San José (BAC)	Dollars	Fixed Rate 9,70%	Fixed	10/01/2012	09/05/2012	120 days	3.300	-	-	3.300
Citibank	Dollars	Libor Rate 3 m + 2,40% - (0,61360+2,40% = 3,0136%)	Variable	27/01/2012	26/04/2012	90 days	10.367	-	(95)	10.272
Banco Aliado de Panamá	Dollars	Fixed Rate 3,2081%	Fixed	14/02/2012	14/08/2012	182 days	-	-	(48)	2.544
Banco Aliado de Panamá	Dollars	Fixed Rate 3,16%	Fixed	10/01/2012	09/05/2012	120 days	-	-	-	2.592
Bladex	Dollars	Fixed Rate 3,28667%	Fixed	09/11/2011	07/05/2012	180 days	3.109	-	(309)	2.800
Bladex	Dollars	Fixed Rate 3,31%	Fixed	10/01/2012	09/05/2012	120 days	-	-	-	7.775
Bladex	Dollars	Fixed Rate 3,2081%	Fixed	14/02/2012	14/08/2012	182 days	-	-	-	10.367
Bladex	Dollars	Fixed Rate 3,2031%	Fixed	27/02/2012	24/08/2012	179 days	-	-	-	4.665
Bladex	Dollars	Fixed Rate 3,31%	Fixed	10/01/2012	09/05/2012	120 days	-	-	-	7.775
BLADEX	Dollars	Fixed Rate 2,7741%	Fixed	08/12/2011	22/12/2011	14 days	5.184	5.183	-	1
Global Bank Corporation	Dollars	Fixed Rate 3,0825%	Fixed	10/01/2012	09/04/2012	90 days	5.183	5.183	(48)	5.136
BNP Paribas	Dollars	Fixed Rate 3,2081%	Fixed	14/02/2012	14/08/2012	182 days	-	-	(48)	5.136
Subtotal										-
Total ICE										€ 112.339

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Most relevant disbursements shown in the period from January 1st to March 31st, 2012:

Bladex Credit Line: disbursement for ¢7.774; at a term of 120 days, annual rate of 3,31%, expires on May 2012, disbursement for ¢4.664; at a term of 179 days, rate of 3,20310%, expiring on August 2012, disbursement for ¢10.366; at a term of 182 days, annual rate of 3,20810%, expires in August 2012;all of them for working capital.

Disbursement of Inter-American Development Bank (Banco Interamericano de Desarrollo - BID) No. 1908 for an amount of ¢7.280associated to payments of equipment and materials for the Electric Development Program 2008-2011.

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Note 18. Obligations against loans – long term

In February, 2012, Telecommunication Sector shows a disbursement for an amount of ¢ 21.431 corresponding to the creation of the debt according to the Purchase Order #359305 for equipment and spare parts to extend the traffic capacity of mobile network with SMA-3G technology, in favor of the company Huawei Technologies Co Ltd. under the modality of Supplier Credit financing.

Note 19. Accounts payable

Accounts payable are detailed as follows:

Accounts payable	Up to March 31 2012	Up to December 31 2011
<u>ICE:</u>		
Material suppliers	110.021	111.350
Other suppliers	18.595	20.208
Service suppliers	23.107	6.955
Banks credit balance	12.311	-
Tax	9.956	13.900
Payroll and salary retentions	5.248	7.082
Subtotal ICE	179.238	159.495
<u>CNFL:</u>		
Tax	1.623	1.649
Retention to officers	947	863
Accumulated not financial expenses payable	727	567
Other creditors	780	701
Subtotal CNFL	4.077	3.780
<u>RACSA:</u>		
Accounts payable foreign lines	508	3.169
Other creditors	1.586	332
Suppliers and national institutions	833	274
Subtotal RACSA	2.927	3.775
Total Group ICE	186.242	167.050
Long term	55.443	44.288
Short term	130.799	122.762

(it continues)

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Detail of main purchase orders reclassified at long term up to March 31st:

Number of purchase order	Supplier		Up to March 31, 2012
Electricity			
356609	Andritz Hydro GMBH	¢	4.184
356611	Andritz Hydro GMBH		1.631
361843	Veizades & Associates, Inc.		2.069
362644	Andritz Hydro S.R.L. Unipersonale		17.726
362646	Andritz Hydro GMBH		19.536
363890	Sumec Complete Equipment and Engineering Co. LTD		8.167
Others	Loan Mogote		2.130
Total		¢	55.443
Number of purchase order	Supplier		Up to December 31, 2011
Electricity			
356609	Andritz Hydro GMBH	¢	1.178
356611	Andritz Hydro GMBH		1.631
361843	Veizades & Associates, Inc.		2.069
362644	ANDRITZ HYDRO S.R.L UNIPERSONALE		17.726
362646	Andritz Hydro GMBH		19.536
Others	Loan Mogote		2.148
Total		¢	44.288

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Note 20. Accumulated expenses employer's obligations

The movement for accumulated expenses employer's obligations is detailed as follows:

Accumulated expense - employers' obligations		Up to March 31 2012	Up to December 31, 2011
<u>ICE:</u>			
Christmas legal bonus	¢	7.323	1.484
School salary		3.687	14.513
Vacations		10.355	12.763
Professional Risks		-	-
Sub total ICE	¢	21.366	28.760
<u>CNFL:</u>			
Christmas legal bonus	¢	1.461	348
School salary		1.279	4.164
Vacations		2.279	2.720
Third biweekly period of payment		305	964
Fifth biweekly period of payment		117	78
Salary increase		90	-
Provisions for litigations		243	-
Sub total CNFL	¢	5.774	8.274
<u>RACSA:</u>			
Christmas legal bonus	¢	183	36
Vacations		455	455
Sub total RACSA	¢	638	491
Total Group ICE	¢	27.777	37.525

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Note 21. Legal provisions

Legal provisions are detailed as follows:

Legal provisions	Up to March 31 Up to December 31	
	2012	2011
<u>ICE:</u>		
Legal employees' payment	¢ 7.792	7.947
Professional risk	5.016	5.733
Provision liabilities contingency	10.370	10.394
Sub total ICE	¢ 23.179	24.074
<u>CNFL:</u>		
Legal employees' payment short term	¢ 1.000	1.000
Legal employees' payment long term	17.079	16.765
Worker Protection Law	132	117
Cash Shortage and Work Funds	3	6
Sub total CNFL	¢ 18.214	17.888
<u>RACSA:</u>		
Provision liabilities contingency	18	132
Sub total RACSA	¢ 18	132
Total Group ICE	¢ 41.411	42.095

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Note 22. Accounts of Order

Accounts of order	Up to March 31 2012	Up to December 31 2011
ICE:		
Guaranties received:		
Fulfillment	142.031	139.696
Participation	3.009	3.197
Bids	9	8
Payment collectors	3.821	3.765
Sub-total	148.870	146.666
Others guaranties received:		
Various services	4.219	4.249
Sub-total	4.219	4.249
Guaranties given to thirds:		
Fulfillment	10.421	10.420
Sub-total	10.421	10.420
Sub-total ICE	182.450	161.335
CNFL:		
Contingent assets:		
Fund of savings and loans	27.066	24.832
I.C.E. Right of way - Cote Plant	7	7
Orders of materials in transit	571	772
Ordes of local materials in transit	420	421
Asociación Solidarista Empleados de Fuerza y Luz (ASEFYL)	10.150	9.640
Guaranty deposits (electric consumption)	59	59
Rental of poles	77	67
Participation	639	673
Fulfillment contracted manpower	88	87
Charge for telephone services	711	711
Lending of materials	237	208
Fulfillment - suppliers department	12.053	9.592
Deposit rendering of guaranties to officers	206	208
Sub-total CNFL	52.285	47.277
Contingent liabilities:		
Covenants of payment for household finance	59	65
Sub- total	59	65
Sub-total CNFL	52.344	47.342
RACSA:		
Deposits in guaranty	1.090	861
Sub total RACSA	1.090	861
Total Group ICE	235.883	209.538

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Notes to Consolidated Financial Statements
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Note 23. Income for services

Income for services is detailed as follows:

Income for services	For the period ended on March 31	
	2012	2011
ICE:		
Electricity Services	¢ 128.390	86.999
Telecommunication Services	132.109	122.607
Institutional Services	626	1.734
Sub total ICE	261.125	211.340
CNFL:		
Electricity Services	64.472	63.261
Subtotal CNFL	64.472	63.261
RACSA:		
Telecommunication Services	6.156	6.965
Subtotal RACSA	6.156	6.965
Total Group ICE	¢ 331.753	281.566

Regulation of services

Electric services:

The Law No. 7593 “Law of the Regulating Authority of Public Services” (ARESEP) dated August 9th, 1996, sets forth that “Regulating Authority will fix prices and tariffs; also, it will watch for fulfillment of quality norms, quantity, reliability, continuity, opportunity and optimum supplying” of public services, specifically, supplying of electric energy in phases of generation, transmission, distribution and commercialization.

Last September 14th, 2011, request was made to ARESEP of 20.99% average on tariffs of Electricity Sector: however, on February 1st, 2012, it was published in La Gazette 4.29% approved by the regulating entity.

Telecommunication services:

The General Law of Telecommunications No. 8642 dated May 14th, 2008, says on article 50, “prices and tariffs”, that “tariffs of telecommunication services available to the public will only be set by the Telecommunications Superintendence (SUTEL), according to the methodology of price ceilings, or any other that promotes competition and efficiency in the use of the resources according to the bases, procedures and frequency defined by regulation.”

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Note 24. Costs of operation and maintenance

Costs of operation and maintenance include costs related to fuel consumption on thermal plants, which are next detailed:

Fuel consumption	For the period ended on March 31	
	2012	2011
Thermic plant:		
Garabito	¢ 4.169	17.698
Moin I	1.011	1.295
Pujol - Pococi Plant	829	955
Moin III	785	2.702
Colima	603	629
Moin II	590	2.565
Pujol - Orotina Plant	560	600
San Antonio	399	266
Barranca	334	292
Planta Portátil Barranca	-	5.029
Total Group ICE	¢ 9.280	32.031

The starting operation at the end of 2011, of important renewable energy projects such as Pirris Hydroelectric Project and Las Pailas Geothermal Project, have allowed reduction in fuel consumption of Garabito Thermal Plant from ¢4.169 in 2012 (¢13.529 in March 2011). On other hand, Barranca Portable Plant was cancelled which brought the result of reduction of ¢5.209 shown in 2011 compared to 2012.

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Note 25. Operation and maintenance of low rental equipment

Operation and maintenance cost of operative low rental equipment is detailed as follows:

Cost of operation and maintenance for rented equipment	For the period ended on March 31	
	2012	2011
ICE:		
Thermic generation	¢ 19.802	22.558
Hydraulic generation	3.600	3.550
Civil and electromechanics	2.446	2.427
Access	2.231	4.471
Aeolian generation	2.151	-
Transportation	1.690	4.213
Platforms	1.361	2.100
Substations	1.218	617
Transmission lines	573	501
Sub total	35.072	40.437
Elimination of institutional services	693	620
Total Group ICE	¢ 34.379	39.817

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As it is indicated in the note 3(1), Group ICE has the policy of registering and classifying rental contracts of telecommunication and transmission equipment, as well as of plants for electric generation as operative rental. A detail of these contracts is shown as follows:

General aspects of the contract				Amount in million US dollars									
Service order	Supplier	Date of contract	Approximate ending date	Amount of the contract	Total paid	Balance service order March 31, 2012	Paid 2012	Number of fees	Amount of fee	Value of purchase option	Expenditure registered during 2012	Frequency of the fee	Object of the contract
323411	Consortium ECI Telecom	38624	41698 US \$	32,47	19,48	12,99	1,62	20	1,6233286	3 €	841,42	Quarterly	Purchase of Equipment for Optic Fiber Transportation System
343012	Consortium Huawei Technologies (2)	39854	42089	233,22	96,68	136,54	11,66	20	First phase US\$	23	6044,12	Quarterly	Wireless System Third Generation.
1691	Entitling Trusteeship - Peñas Blancas (3)	36754	42201	119,07	89,56	29,51	1,49	155	Between US\$87	19	772,31	Monthly	Electric Infrastructure.
No order	Entitling Trusteeship Cariblanco (3)	37805	43830	304,29	109,71	194,58	4,14	147	2,07	8	2145,89	Monthly	Rental Cariblanco Hydroelectric Plant
No order	Trusteeship for Garabito Thermic Project (3)	39391	44651	742,66	109,83	632,83	10,46	142	5,23	213	8128,83	Monthly	Rental Garabito Thermic Plant
342071	Alstom Power Rentals (4)	39995	40785	51,16	47,74	3,42	0	24	1,86588	0	0	Monthly	Rental Operation and Maintenance - Barranca Site Electric Generation Plant.
333059	Las Pailas Geothermic Plant (5)	39148	45291	240,26	0	240,26	0	24	8,15020337	0	2112,25	Monthly	Rental of Las Pailas Geothermic Plant.
Total			US\$	1,723	473	1,250	29			€	20,045		

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Generalidades del contrato														
Service order	Supplier	Date of contract	Approximate ending date	Amount of the contract	Total paid	Balance service order March 31, 2012	Paid 2012	Number of fees	Amount of fee	Value of purchase option	Expenditure registered during 2012	Frequency of the fee	Object of the contract	
350702	Cooperativa de Electrificación Rural Guanacaste	16-feb-10	06-sep-21	€	87,848	12,214	75,634	1,025	138	Variable entre €617 y €473	€3,541 aproximadamente	€	1,025 Mensual	Infraestructura para transmisión eléctrica Liberia, Papagayo - Nuevo Colón.

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(2) Rental Consortium Huawei Technologies:

It corresponds to a rental of a third generation wireless system. First phase of rental consists of installing a wireless mobile system called third generation advance mobile system (3G) with an initial capacity of 950 thousand 3G lines of voice and data. Second phase consists of providing new sites (antennas installation for mobile telephone system of the 3G) and set the conditions for those already existing to complete coverage of the design proposed in the first phase.

(3) Entitlement Trusts:

ICE sets forth Entitlement Trusts contracts together with Banco Nacional de Costa Rica and Banco de Costa Rica, where ICE acts as Trustor and Trustee, and the banks act as the fiduciaries. This is for them to generate and administrate, in an independent way, financial resources necessary for the construction of the Hydroelectric Plants of Peñas Blancas and Cariblanco, and Garabito Thermal Plant.

Such trusts may obtain those resources through the acquisition of commercial loans and through the issuance, placement and administration of titles as result of the entitling process. Presently, trusts are authorized to issue government debt; up to March 31st, 2012 financial statements of those trusts register liabilities due to that entry.

For the construction of the mentioned plants, the respective trusts contract ICE considering its experience in the development of projects of that type. Trusts, in their condition of owners of the plants mentioned, rent them to ICE for periods that go between 11 and 13 years; after that, ICE will have the possibility to execute purchase option established in each rental contract.

Main causes set forth on trust contracts are summarized next:

- The objective of the contracts is to constitute trusts to generate and administrate the necessary resources the development of the projects demand, to serve as vehicle to create an autonomous patrimony with the goal of using it in a process of entitlement, and getting the necessary resources to finance the project.
- Entrusted patrimony of each trust will be constituted by:
 - a) Liquid resources collected by trusts for items of issuance and placement of debt titles.
 - b) Properties, material and immaterial goods of the trustor, that for being necessary for purposes of the contract, are transferred in fiduciary property to the Trust; civil works, equipment, facilities, workshops, vehicles, inventory of equipment and materials, office equipment and computer equipment including software, license

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- c) documents, and any other, that had been acquired with resources of trusts for the development of the Projects and for operation and maintenance of the plants, as well as the right of use of lands owns by the trustor that are required for the development of the projects, and all the written intellectual information and studies produced for and during the development of the project works in charge of the trusts.
 - d) Income agreed upon for concept of rental of the plants.
 - e) Any other income that trusts may earn as a result of its normal functioning.
- The fiduciary may only use entrusted patrimony according to what is expressly provided on all trust contracts and according to the instructions given to it by the trustor. So much the faculties of disposition exerted by the fiduciary on the entrusted patrimony, as well as the faculties of the trustor of giving instructions on such patrimony, are limited to the execution of those acts that are strictly necessities for fulfillment of the objective of the entrusted contract.
 - Financial policy of the trust will be the one of addressing the resources gotten from the entitlement and transitory investments, to the construction of the projects, to the payment of the debt and to cover own operation costs of the trusts; once the above commitments are met, all the entrusted patrimony will go, as full right to the property of the trustor.
 - The trustor should made the assignment of the Manager of the Executing Unit, that have to be accepted by the fiduciary, who will act as hierarchic senior with all rights and obligations it carries.
 - So much the trustor as the fiduciary agree that ICE will be contracted by the Trust for it to assume the responsibility of the construction of the projects through an engineering and construction contract.
 - On the date trust contracts expire, automatically all the entrusted resulting patrimony, with no exception, delay, or any other condition, will be fully transferred to the trustor who will definitely be the legitimate entitled entity.
 - The term of the trusts is 20 years for the case of the trusts of Peñas Blancas, and 30 years for Cariblanco and Garabito.
 - In May 2011, the Presidency of the Republic officially opened Garabito Thermal Plant.

(4) Alstom Power Rental

In August 2011, the contract set forth between ICE and Alstom Power Rental for leasing, operation and maintenance of the Barranca Electric Generation Plant and its term.

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(5) Las Pailas Geothermal Plant Leasing:

In December 2006, Directing Council of ICE agrees to approve the development of Las Pailas Geothermal Project through a sketch of execution – finance called “no traditional”, in which ICE would be the constructor, Central American Bank of Economic Integration (Banco Centroamericano de Integración Económica - BCIE) the investor, developer and owner.

Later, ICE will technically and commercially operate the infrastructure in condition of lessee for a term of 12 years, at the end of which it may execute purchase option to acquire the ownership of the plant.

In March 2007, ICE and the BCIE signed a leasing contract with purchase option of Las Pailas Geothermic Plant which includes, as main clauses, the following:

- A rental for a term of 12 years is set with purchase option of Las Pailas Geothermic Plant, starting from the satisfactory reception of it by ICE.
- The Six-month period rental amount is US\$10 (en million) plus a quote for maintenance that ranges between US\$0,5 and US\$1 (in million) for half-year period.
- Total rental amount is US\$240 (in million) including rental and maintenance.
- At the end of rental term, purchase option will be for an amount of 15% of the total accumulated investment at the end of the construction phase.
- BCIE will make an investment in the construction of the plant for an amount up to US\$130 (in million).
- BCIE agrees that ICE carries out the construction of the plant up to its total end and interconnection to the Interconnected National System.
- Total accumulated investment at the end of the construction phase would have already been set in US\$ and only for the following items:
 - a) Accumulated real amount of the direct investment for the entry of investment in charge of the BCIE in the construction of the Plant.
 - b) 0,75% of direct investment in charge of BCIE, for just one time, at the time of the first contribution made by BCIE as part of the direct investment.
 - c) 0,75% on resources object of the estimated direct investment that are pending to be used for the construction of the Plant.
 - d) Yield in function of LIBOR rate at six months plus 2,25% on the amount of the partial accumulated investment that is going to be formed during plant construction phase.

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- e) Administrative expenses derived from the conformation and operation of the Management Unit of the Project to be constituted by BCIE according to the provisions of the contract.
- ICE agrees to take the plant rented. ICE will be the “lessee” and BCIE will be the “lessor”.
 - The rental starts 48 months after the order to start the construction of the plant.
 - In case ICE does not execute purchase option, the parties may agree on an extension to the rental contract up to 6 years. An extension of the contract has to be made in this case. ICE may exert the purchase option before the conclusion of the contract equal to the balance of the pending investment to be recovered by BCIE.

Cancel rentals 2011:

Ericsson de Costa Rica Rental:

It corresponds to the rental of 600.000 GSM technology wireless telephone integral solutions plus the associated services and components. In August 2007, ICE and Ericsson set the extension of the original rental contract increasing the quantity of solutions rented in 300.000, for a total of 900.000 solutions.

Through the agreement issued by the Board of Corporate Acquisitions in article 4, session 227 from November 29, 2011, agreement is made to exert purchase option of the bid 7149-T managed to contract the rental with purchase option for 900.000 wireless telephone integral solutions of GSM technology plus associated components and services as follows:

- Equipment and licenses (original contract) US\$7.791.147 (seven million seven hundred ninety one thousand hundred forty seven dollars with no cents).
- Equipment and licenses (additional contract) US\$3.435.052 (three million four hundred thirty five thousand fifty two dollars with no cents).

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Note 26. Supplementary purchases and services

Supplementary purchases and services occurred in 2012 and 2011 are detailed as follows:

Supplementary purchases and services	For the period ended on March 31	
	2012	2011
<u>Telecommunications:</u>		
Telephone participation	¢ 5.513	4.710
Channels rental	311	369
Television	152	-
Integral solutions	25	21
Total Telecommunications	6.001	5.100
<u>Electricity:</u>		
<u>Import:</u>		
Regional Operating Entity (EOR)	981	186
Others	211	70
Sub total import	1.192	256
<u>Cogenerators:</u>		
Unión Fenosa Generadora La Joya	3.877	2.675
Planta Eólica Guanacaste, S.A.	3.168	3.973
Hidroenergía Del General (HDG), S.R.L.	3.013	2.526
Geoenergía de Guanacaste Ltda.	2.357	2.235
Azucares el Viejo S.A	1.123	839
Ingenio Taboga, S.A.	1.116	780
Plantas Eólicas, S.A.	901	1.091
Molinos de Viento Del Arenal, S.A.	815	1.791
Hidroeléctrica Doña Julia	707	1.055
Hidroeléctrica Platanar, S.A.	565	799
Hidroeléctrica Río Lajas, S.A.	406	244
Hidroeléctrica Zarcas, S.A.	391	691
Aeroenergía S.A	266	329
Proyecto Hidroeléctrico Río Volcán, S.A.	204	704
Proyecto Hidroeléctrico Pedro, S.A.	200	678
Empresas Electricas Matamoros S.A	188	245
Inversiones la Manguera S.A	163	334
Others	530	764
Sub-total Cogenerators	19.990	21.753
<u>Purchases for export:</u>		
Regional Operating Entity (EOR)	2.304	1
Total Electricity	23.486	22.010
		0
Total Group ICE	¢ 29.487	27.110

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Co-generators:

By the Law 7200 “Law that authorizes autonomous or parallel electric generation”, which states of public interest purchase of electricity by ICE to those private companies that meet the conditions indicate by the same Law, ICE has set forth contracts with diverse co-generators for purchasing of electric energy.

Up to March 2012 and 2011, ICE keeps agreements with the following co-generators: Geoenergía de Guanacaste, S.R.L. Unión Fenosa Generadora La Joya, Hidroenergía del General (HDG), S.R.L. and Planta Eólica Guanacaste, S.A. During the validity of the agreements, those co-generators must build, operate and maintain the respective plants. The energy they produce will be acquired exclusively by ICE. At the end of the terms of those agreements, the property, management and operation of the energy plants will be automatically transferred to ICE, free of burdens. The respective co-generators, or ICE, may request the early transfer of the energy plant.

Some of the most relevant terms and conditions set forth in the covenants herein said are the following:

- Co-generators will be responsible of the finance, design, supplies acquisition, construction, tests, operation start and the respective maintenance of the plants. Co-generators also agree to deliver all the electric energy produced during the validity of the contract with ICE.
- Co-generators will produce electricity with the quality and operation standards established in each contract and it will deliver it totally ICE, except the one required for feeding of auxiliary equipment and the service typical of the plants. All according to the contracts.
- Co-generators assume the risk of damages, loss or destruction of the equipment and facilities, during the terms of the contracts, due to any reason or cause that is directly endorsable to the co-generator, its contractors, sub-contractors or suppliers, excluding those of contingency.

Since the starting date of plant commercial operation, co-generators should, on their account, obtain and keep, at least, the following policies according to the availability in the market: labor risk insurance and every risk of physical damage.

ICE may suspend the reception of the energy generated by the co-generators and it will be exempted of the payment of such portion of energy during such period of suspension due to the following motives:

- i) Counterfeiting of gauges.
- ii) A condition of point of delivery under the responsibility of the co-generator.

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- iii) Lack of capacity of the co-generator to supply energy according to the required operation parameters.
- iv) Not observance of renewal of the compliance guaranty.
- v) Not observance of the renewal of insurance policies.

Agreements will be valid for terms that range between 15 and 20 years, ending between April 2012 and December 2027.

Note 27. Administrative expenses

Administrative expenses are detailed as follows:

	For the period ended on	
	March 31	
	2012	2011
<u>ICE:</u>		
Remunerations	¢ 8.582	8.418
Services	781	1.332
Depreciation of other assets in operation	381	462
Current transfers	350	315
Materials and supplies	215	190
Use of service centers	107	120
Others	523	564
Subtotal ICE	10.939	11.401
Elimination of institutional services	91	60
Subtotal ICE	10.848	11.341
<u>CNFL:</u>		
Administrative expenses	3.151	3.105
Subtotal CNFL	3151	3.105
<u>RACSA:</u>		
Administrative expenses	5.240	5.815
Subtotal RACSA	5.240	5.815
Total Group ICE	¢ 19.239	20.262

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Note 28. Commercialization expenses

Commercialization expenses are detailed as follows:

	For the period ended on	
	March 31	
	2012	2011
<u>ICE:</u>		
Materials and supplies	¢ 14.372	524
Services	13.308	10.146
Remunerations	12.304	11.530
Current transfers	1.206	1.773
Depreciation of other assets in operation	1.066	1.778
Use of service centers	281	479
Others	1.794	385
Subtotal ICE	44.331	26.615
Institutional services (9.1.1)	387	160
Subtotal ICE	43.944	26.455
<u>CNFL:</u>		
Expenses consumers	5.200	4.671
Subtotal CNFL	5.200	4.671
Total Group ICE	¢ 49.144	31.126

Up to March 31st, 2012 due to the account of commissions, the expense reached to ¢9.500 (¢7.895 in 2011) for services supplied for collections, services of tax collection and public services, among others. On the other hand, expense for advertisement and propaganda such as spots, signs, notices, sponsorship, preparation of scripts and commercial type documental, reached to ¢2.000 in 2012 (¢562 in 2011).

Note 29. Pre-investment studies

Costs incurred in 2012 and 2011 for pre-investment studies are distributed as follows:

	For the period ended on	
	March 31	
	2012	2011
<u>ICE:</u>		
Savegre Study	¢ 779	724
Ayil Hydroelectric Project	452	-
Pocosol - Arenal Study	48	9
RC 500 Study	32	7
Mundo Nuevo Study	2	73
Others	25	17
Total Group ICE	¢ 1338	830

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SAVEGRE project incurred in expenses for ¢779 in 2012 (¢724 in 2011) for accounts of engineering, feasibility of the site and works that are attached to the conduction tunnel and water intake. According to the present programming, it is expected these studies to be concluded in 2013.

In Ayil project, a covenant was signed with indigenous communities that provide a term of three years for the study of the project in the indigenous territories. In order to be able to make the studies, a number of penetration roads are required. This implies the construction of few bridges; that is why the tempo of the contributions has to be increased in these periods in a notorious way.

Note 30. Supplementary operation expenses

According to the provisions of the Law for Administrative Contract N° 7494, ICE has the obligation to supply supervision to projects built by thirds, and if there is no certainty that such expenditures are reimbursable to ICE, costs related to the supervision (in all its phases) will be recognized in the results of the period, which are detailed as follows:

	For the period ended on	
	March 31	
	2012	2011
<u>ICE:</u>		
Advance mobile services	¢ 106	300
Chuscas Hydroelectric Project	70	29
Pirris Hydroelectric Project	54	1
Torito Hydroelectric Project	54	19
Balsa Inferior Hydroelectric Project	23	6
Transmission Tejar	4	49
Other	8	7
Total Group ICE	¢ 319	411

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Note 31. Other products and other expenses:

Next, other products and other expenses are detailed:

Other products		
	2012	2011
ICE:		
Exchange fluctuations (2)	¢ 18.741	25.394
Construction services (1)	6.640	9.704
Interests and other financial products	2.739	2.319
Other products	4.795	1.550
Subtotal ICE	¢ 32.915	38.967
CNFL:		
Exchange fluctuations	623	912
Financial income	1.856	161
Other products	(1.009)	829
Subtotal CNFL	¢ 1.470	1.902
RACSA:		
Exchange fluctuations	-	374
Interests and other financial products	71	60
Other products	63	137
Subtotal RACSA	¢ 134	571
Total Group ICE	¢ 34.519	41.439
Other expenses		
	2012	2011
ICE:		
Interests and other financial expenses	¢ 26.132	9.768
Contracts of civil and electromechanical works (1)	6.598	9.912
Exchange fluctuations (2)	3.542	1.234
Other expenses	6	593
Subtotal ICE	¢ 36.278	21.507
CNFL:		
Interests and other financial expenses	471	488
Exchange fluctuations	257	134
Other expenses	566	221
Subtotal CNFL	¢ 1.294	843
RACSA:		
Interests and other financial expenses	318	253
Exchange fluctuations	(240)	-
Other expenses	21	22
Subtotal RACSA	¢ 99	275
Total Group ICE	¢ 37.671	22.625

- (1) Construction services include invoices for progress or ending of works by contract for engineering services, design, construction or specialized services in projects in process

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of construction such as Garabito Thermic Plant, Las Pailas Geothermic Project and Toro II Hydroelectric Plant.

- (2) Up to March 31, 2012, the exchange rate of ₡513,58 (₡506.16, in 2011) for US\$1,00 was used to value currency assets and liabilities denominated in foreign currency.

Note 32. Tax Payment Normative

ICE's Tax Payment Obligations

Group ICE has tax payment obligations that are ruled by provisions on: Income Tax Law and its Regulation, Law of General Tax on Selling and its Regulation, Customs General Law and its Regulation, Law of Strengthening and Modernization of Public Entities of Telecommunication Sector, and General Law on Telecommunications N°. 8642.

Income Tax – ICE

The Instituto Costarricense de Electricidad is a contributor to income tax as long as it performs profitable activities and profits are generated over them. Through Decree of Law No. 449, related to the creation of the Instituto Costarricense de Electricidad, it is set forth in article N°. 17 that: “financial policy of ICE will be to capitalize net profits gotten from selling of electric energy and of any other source that has it, in the financing and execution of national plans of electrification and impulse of the industry based on electric energy.”

Also, the Law N° 7722 called “Subjection of State Institutions to the Payment of Income Tax”, establishes that: “surplus will constitute the taxable income and it will be obtained through deduction of costs, useful expenses and investment reserves or development funds necessary and pertinent to produce them, from gross income.”

Because ICE must capitalize the sum of its net profits, it does not show surplus, which means that it does not show taxable income; thus it does not generate an obligation for account of income tax. However, in its normal transactions, Tax Administration Department applies retentions to it on income tax account which later are applied as selling tax payments.

General Tax on Sales

ICE is a contributor of the general tax on sales according to the General Law of Tax on Sales. This is a tax to added value in selling merchandises and provision of some services. Tariffs of this tax are: for selling of energy for residential consumption of electricity 5% on the excess of 250 kw of monthly consumption; on commercial consumption and for supplying of telecommunication service is 13%.

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Because it is a tax to added value, ICE also pays selling tax on merchandises and services it requires for development of its economic activity. Thus, whenever dealing with merchandise and inputs that are added physically to the production of the energy and telecommunication service, according to the provisions of article 14 of the herein mentioned Law, may be applied as a fiscal credit to selling tax payable in the period.

Fiscal special contribution of operators and suppliers of telecommunications to the National Fund of Telecommunication (Fondo Nacional de Telecomunicaciones - FONATEL) (General Law of Telecommunications No. 8642)

This contribution is determined through a sworn declaration for periods of one calendar year. The submission date of this declaration is March 15th each year and the payment of such contribution is divided into four equivalent portions payable on fifteen of March, June, September and December each year after the closing of the corresponding fiscal period.

The tariff of this contribution is fixed annually by the Telecommunications Superintendence (SUTEL) and it is calculated as a percentage of gross income obtained or earned directly through the operation of public telecommunication networks available to the public. The percentages set forth for this contribution ranges between 1,5% and 3%. In case the tariff is not defined timely, the tariff valid to previous fiscal period would be applied. For years 2011 and 2010, the tariff in force was 1,5%.

Red Tax

It was created through Law 8690 Conventional, addressed to the finance of Costa Rican Red Cross “Creation of Red Tax to the Service of Mobile Telephone Service.”

This tax corresponds to 1% of the invoice of the telephone service starting from 5 thousand colones, and it should not exceed five hundred colones per telephone line. It will be adjusted in January each year according to the inflation rate of the country as determined by Central Bank of Costa Rica.

Tax in favor of the Distinguished Fire Brigade of Costa Rica

The Law of the Distinguished Fire Brigade of Costa Rica N° 8228 from March 19th, 2002, was reformed by Law N° 8992 Economic Strength for the Distinguished Fire Brigade of Costa Rica, published on La Gazette from September 22nd, 2011, in which entry g) is added to the article 40, among other topics, Financing to the Fire Brigade, which is created, as supplementary source of income for operation and sustainable growth of the Fire Brigade of Costa Rica, this is a tax payment equivalent to one comma seventy five percent (1,75%) of the monthly invoice payment for electricity consumption paid by each user, or direct consumer of electric energy.

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Customs Tax

As defined by customs legislation, customs obligation tax is made of customs tax and internal tax and it should be paid, in its totality to nationalize merchandises. Customs tax known as DAI (Derecho Arancelario a la Importación = Import Tax right): is an *ad-valorem* tax that is fixed according to the classification inside the set forth tax codification. Among internal tax there are Selective Consumption Tax (tariff according to the merchandise), Law Tax N° 6946 (1%), General Tax on Selling (13%), other specific for IDA (Agricultural Development Institute), IFAM (Institute for Municipal for Promotion and Advising), Deposito Libre Golfito (Golfito Tax Free Deposit), among others. Thus, according to the type of merchandises, or goods, of particular exemptions, ICE must pay customs tax obligation for import of merchandises before their nationalization.

Other Obligations

Besides, ICE has the role of agent for retention of income tax according to what is set in the Law of Income Tax. In this position of responsible, the payer is the one held and ICE acts with solidary responsibility. Thus, within the responsibilities as holding agent, it should hold and inform the Treasury on the respective tax on account of the beneficiaries of income of the types next specified:

- Salaries, labor payments, remuneration for personal services and allowances.
- Consignments or credits in favor of not domiciled for services such as transportation, communications, financial technical advice, personal services and other services, according to entries and tariffs defined on articles 55 and 59 of the Income Tax Law.

Electric Contract - CNFL

The electric contract that rules CNFL's operations since 1941 provides in the article 32 that during the validity of the contract the Company will continue paying national and municipal taxes that were legally set forth up to that date and have a general condition. Also, it will continue paying 5% on gross income received for electricity service in the Central Canton of San Jose to the Municipality.

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Note 33. Administration of institutional financial risk

Framework of risk administration

Group ICE is exposed to the following risks related to the use of financial tools: credit, liquidity and market.

The Committee of Institutional Investments is the entity with faculty to give control and follow up to the administration, specifically of the transitory investments of ICE's Electricity and Telecommunications Sector. It is the organization on which Finance Management delegate the responsibility to define investment policies and procedures.

In this Committee, the document called Investment Strategy and Managements Limits to operate ICE's investment portfolios is approved. Also, it counts with the Manual of Financial Investment Policies and the procedure to make investments in the international market which searches a broader and better diversification of transitory investments.

The Committee of Institutional Risk was created on August 26th, 2011 with the support of General Management for which main objective is "watch for the permanent fulfillment of the effective management of financial risks at Institutional level". Such organization started its works on October 4th, 2011 and now is developing internal regulation and setting its tasks.

The Policy for Management of Financial Risks and Institutional Financial Coverage was approved. It starts ruling since April 12th, 2011; it has the objective to: "Normalize management of institutional financial risks through the reduction, to the minimum possible, the exposition to systemic risks or market in financial operations, through an efficient administration of financial risk, taking advantage of market opportunities, available financial instruments and according to the Strategy of Coverage for Financial Risks". The policy and the systems of risk administration are revised annually with the goal of having those reflecting changes in the conditions of the market and in ICE's activities.

It is ICE's policy to mitigate these exposures to get maximum possible advantage of market opportunities, getting coverage that is aligned with its strategic objectives.

In relation to the subsidiaries of the Group, they have been designed and implemented a group of risk policies with the goal of minimizing possible adverse effects in its financial performance.

Credit Risk:

This is the potential risk due to the lack of payment of clients or counterparts in operations made by ICE.

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As ways of mitigating this risk, a control and follow up is given to the qualifications of risk investments possess granted by stock exchange positions are given. For this type of risk, there are not collateral received in guaranty.

For the case of the CNFL, the credit risk is the possibility that the company does not meet payment of principal and/or interests of Standardized Bonds Serial A, due so much to external factors as to internal factors of the Company that would negatively affect the realization of cash flow, the operative results and perspectives of profits.

Accounts receivable

Accounts receivable are directly manage in the Sectors of Electricity and Telecommunications, in the case of the latter, because is the one with major exposure to not fulfillment of credit, a Policy for Collection Management was designed as described below:

The process each Sector carries out to recover accounts receivable can be summarized as follows:

- Issuance of invoicing and collection process through messenger system in the telecommunication sector to remind pending payment.
- Immediate suspension of electric and telephone services after the due date of invoicing where the average period of collection for Telecommunication Sector is 29 days and in Electricity Sector is 31 days; terms are set by the Sector and they are included in the Policy for Collection Management.
- Then, an inline process of collection occurs through contracts with external collectors and bank entities through ICE's cashes.
- The payment that is not possible to capture through the above means, is performed by administrative charge for which ICE counts with companies that take charge of managing payment settlements with as reducers of payment delay.
- In this last instance, residual payment default is managed in the Institutional Judicial Division through judicial collection procedure.

Investments

From the point of view of credit risk or counterpart, control and follow up is provided to the qualifications of the investments ICE possesses, according to Investment Strategy, and the risk profile is determined by the Committee of Investments.

Financial risks to which all financial operations related to financial tools are exposed get determined: short, medium and long term finance, every concerning treasury management: credit lines, bank letters, purchases and selling of currencies, investments, issuance of securities, purchase of raw material, among others.

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Investments guidelines are approved by the Directing Council; and the Manual of Policies for Investment by General Management. The latter contains all regulation in the topic of issuances, tools and allowed sectors, as well as what has to be observed in relation to the brokerage firms and custodians.

Liquidity Risk:

Liquidity Risk refers to potential losses for advance or forced losses of assets, to unusual discounts that do not allow face obligations, or for the fact that one specific position cannot be timely alienated, acquired or covered through the settlement of an equivalent opposed position.

In relation to liquidity risk, actions have been generated in Electricity and Telecommunication Sectors for them to supply a better level of safety in the projection of payment of liabilities acquired, as well as more severity in the projection of income, in a way that treasury cash flow could be controlled. These measures in the projection of liabilities and expenses, as well as in income of both sectors, allow applying follow up and control to cash flow or liquidity risk as well as to a better handling of treasury operations related to currencies' purchase and selling, access to short and medium term credit lines, among others.

Finance Management makes short and medium term cash flow projections that are used to be delivered to those bank entities and other external entities that request them.

On other hand, in its treasury management, payment executions and debt administration is involved, as well as the elaboration of an annual cash flow with the budget information, also it counts with a programming of daily cash income and expenditure that allows planning the resources required to attend significant expenditures. Besides budget, the information generated by the institutional payment system and the departments that administrate contracts for relevant amounts is used.

Projections are made for external entities and for the administration of Treasury; in case of external entities, usually they are requested for 5 or 10 years, and in case of the Treasury, cash flow is monthly and the programming of cash income and expenditures is on daily basis. Such projections are used mainly by bank entities and regulators, and internally, by the process of Liquidity Management.

It is important to indicate that liquidity is guaranteed through the optimization of payment cycle, first using sources with no cost and short term credit lines (in case of need), and the policy of payment to suppliers is from 30 to 45 days approximately starting from the event that allows payment and invoice submission, besides payments are done once a week; following institutional policy, all payments are done through bank transfer. Payment orders are processed through Institutional Payment System.

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In relation to credit lines, they are used to cover working capital needs, ceilings are the amounts offered by the bank entity. In case they are amounts bigger or equal to US\$20 million, they are approved by the Board of Acquisitions and by the Directing Council. According to programming of cash income and expenditure, the lacking portion is defined and the term required to quote with banks, then disbursement is made with the one that offer less cost; it is documented with a promissory note. They are used for uncovering between the date income enters and the payment of the obligations, also, to attend requirements of fuel purchase in the months of the year, resulting of the thermic generation, or as bridge when for some reason, the entering of long term resources delays.

Market Risk:

Market risk is the risk of changes in market prices, for instance, exchange rates, interest rates or share prices that could affect income of ICE or the value of financial tools it keeps. The objective of the risk management is to administer and control that exposures to risk are inside reasonable parameters and optimize income at the same time.

ICE acquires derived financial tools to administrate part of market existing risks. All coverage operations are appraised according to the value supplied by the issuing tool. Coverage accounting is used for those tools that qualify with the goal of mitigating volatility in the results.

Next risks have been determined in financial operations: variations in interest rates (local and foreign) and foreign currency exchange rate, for which 10 derived financial tools have been acquired: 3 to cover interest rate risks such as: a Swap, a Plain Vanilla, a Forward Starting, 1 to cover Japanese Yen exchange rates into dollar from United States called Cross Currency Swap, and 6 to cover part of the exposure of Costa Rican colon/ US dollar.

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General characteristics of exposed positions at market risk that are being covered with derivatives are shown as follows:

Sector Electricity									
Detail	Portion B	Portion A	YENS	lar/Colon 1 y	lar/Colon 3 y	Dollar/Col 7 year	Dollar/Col 10 months	Dollar/Col 1 year	Dollar/Colon 1 year
Debt covered:	BID-1931 B/OC-CR	BID-1931 A/OC-CR	JIBC-CR-P3	BCIE -1599	BCIE -1599	BCIE -1599	BEI - 1.6970	Placement A ICE 13	INS Title N°1
Main amount	195.552.000	159.235.200	96	\$30.000.000	\$40.000.000	\$40.000.000	\$10.000.000	\$20.000.000	\$20.000.000
Covered amount	N/A	N/A	N/A	¢15.259.800.	¢20.132.000.	¢20.132.000.	¢5.050.000.0	¢10.060.000.	¢10.096.000.000
Exchange rate	N/A	N/A	N/A	¢508,66	¢503,30	¢503,30	¢505	¢503	¢504,80
Date of contract	08/05/2008	27/01/2009	17/02/2010	30/03/2011	29/03/2011	29/03/2011	15/06/2011	13/05/2011	16/06/2011
Date for start of coverage or first payment	12/06/2008	14/01/2010	20/10/2009	26/09/2011	28/07/2011	02/05/2011	20/04/2012	30/11/2011	20/07/2011
Date of coverage expiration	15/02/2018	14/07/2023	20/04/2026	26/03/2012	28/01/2014	02/11/2017	20/04/2012	30/05/2012	20/07/2012
Term	10 years	15 years	17 years	1 year	3 años	7 years	10 months	1 year	1 year
Base rate	Months	Months		Months	Months	Months	0,61325%	0,38%	Libor 3 Months
Spread above/below base rate	3,00%	3,625%	2,2%	10,07%	Basic rate	Basic rate	-	-	8,42%
Fixed rate	4,37%	3,23%	3,13%	-	2.85 pb	2.95 pb	8,50%	8,40%	0,00%
Fixed total rate	7,37%	6,855%	5,33%	10,07%	+ 2,85 pb	+2,95 pb	8,50%	8,40%	8,42%
Strategy	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage	Coverage
Covered risk	Interest rate	Interest rate	exchange	exchange	exchange	exchange	exchange	exchange	Dollar/colon exchange rate
Type of coverage	Hedge	Hedge	Hedge	Hedge	Hedge	Hedge	Hedge	Hedge	Cash Flow Hedge
Tool contract	Swap	Starting	Currency	Delivery	Swap	Swap	Swap	Deliverable	Currency Swap

Source: Financial Risk Management Process

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Sector - Telecommunications			
Detail	Portion B	Portion A	HSBC
Debt covered:	BID-1931 B/OC-CR	BID-1931 A/OC-CR	Project: capacity extension in submarine cables
Main amount	14,448,000	11,764,800	\$20,000,000
Amount covered	N/A	N/A	N/A
Exchange rate	N/A	N/A	N/A
Date of contract	08/05/2008	27/01/2009	04/11/2010
Date for start of coverage or first payment	12/06/2008	14/01/2010	08/11/2010
Date of coverage expiration	15/02/2018	14/07/2023	08/11/2015
Term	10 years	15 years	5 years
Base rate	Libor 6 months	Libor 6 months	Libor 3 months
Spread above/below base rate	3,00%	3,625%	4,95%
Fixed rate	4,37%	3,23%	0,95%
Fixed total rate	7,37%	6,855%	5,90%
Strategy	Coverage	Coverage	Coverage
Covered risk	Interest rate	Interest rate	Interest rate
Type of coverage	Cash Flow Hedge	Cash Flow Hedge	Cash Flow Hedge
Tool contracted	Plain Vanilla Swap	Forward Starting	SWAP

Source: Financial Risk Management Process.

Administration of Capital

Through the Law of Creation of the Instituto Costarricense de Electricidad, N° 449 from April 8th, 1949, in chapter IV: Patrimony and Profit, article 17 it is set forth: Financial policy of ICE will be the one of capitalizing net profits obtained from selling of electric energy and any other source that has it, in the financing and execution of national plans of electrification and impulse of the industry based on electric energy.

The government will not derive any of these profits because ICE should not be considered as producing sources of energy for Treasury, but it should use all ways at disposition to increase electric energy production as basic industry of the nation.

The policy of group is keeping a capital solid base in a way that market in general keeps in confidence and guarantee future growth of the Group. Yields on investments are object of monitoring through the Senior Management.

The purpose is assuring that our capital and financial investments have maximum profitability through an adequate balance between the level of indebtedness and the invested capital trying to diminish risk.

During this year, there have not been changes in the way of administering the capital of the Group. The Group it not subject to capital external requirements.

The index of debt-capital adjusted to the Group ICE at the end of the period of consolidated period's balance sheet is as follows:

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(in million Costa Rican colones)

Debt index - Capital	Up to March 31		Up to Dec. 31	
		2012		2011
Group ICE				
Total liabilities	¢	2.044.765		2.002.256
(-) Cash and equivalent to cash		(166.752)		(153.662)
Debt, net		1.878.013		1.848.594
Total patrimony		2.995.745		2.951.139
Minus:				
Amount accumulated in patrimony in relation to coverage of cash flow		(15.719)		(18.583)
Capital ajustado		3.011.464		2.969.722
Indice deuda Grupo ICE		0,624		0,623

Exposure to Credit Risk

The value in books of financial assets represents maximum exposure to credit. Maximum exposure to credit risk is as follows:

Value in books of financial assets	Up to		Up to Dec.	
		March 31		31
		2012		2011
Group ICE				
Banks	¢	8.502		7.952
Transitory investments		159.381		140.060
Valuation of investments		328		1.323
Long term investments		20.263		20.671
Fund of savings and loans		3.171		-
Funds of restricted use		4.495		7.146
Documents and account payable		268.810		279.343
Total Group ICE	¢	464.950		456.495

Maximum exposure to credit risk on the date of the consolidated balance sheet per geographical region is as follows:

By geographic region	Up to March		Up to Dec.	
		31		31
		2012		2011
National	¢	263.454		271.902
External		5.356		7.441
Total by geographical region	¢	268.810		279.343

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Financial Statements
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Maximum exposure to credit risk per type of client on the date of consolidated balance sheet is detailed next:

By type of client		Al 31 de march 2012	Al 31 de December 2011
Private people	¢	114.336	99.931
Toro III (1)		65.313	55.941
Clients high, medium, low tension		21.179	65.583
Telephonic administrators		20.792	7.441
Distributing companies s		10.549	11.523
Government		12.185	10.708
Account receivable to subsidiaries		-	5.042
Selling of devices (terminals)		4.220	4.750
I.N.S. Indemnity Planta Cote		2.053	4.146
Operators and suppliers of services		4.370	4.652
Public lighting system		912	884
Others		12.902	8.742
Total by type of client	¢	268.810	279.343

(it continues)

INSTITUTO COSTARRICENSE DE ELECTRICIDAD AND SUBSIDIARIES

Notes to Consolidated Financial Statements
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Risk qualifications reported up to March 31st, 2012 are shown next:

Issuer	ISIN	Tool	Risk qualification
ICE			
Banco BAC San José, S.A.	0NROICE00107	Term Deposit Certificate (window)	scrAA+
Banco BAC San José, S.A.	0NROICE00145	Term Deposit Certificate (window)	scrAA+
Banco Central de Costa Rica	0NROICE00127	Term Electronic Deposit	(blank)
Banco Central de Costa Rica	CRBCCR0C3768	Currency Stabilization Bond 0 Coupon	(blank)
Banco Central de Costa Rica	CRBCCR0C3792	Currency Stabilization Bond 0 Coupon	(blank)
Banco CITIBANK (CMB COSTA RICA)	0NROICE00044	Term Deposit Certificate (window)	F1+ (cri)
Banco CITIBANK (CMB COSTA RICA)	0NROICE00045	Term Deposit Certificate (window)	F1+ (cri)
Banco CITIBANK (CMB COSTA RICA)	0NROICE00101	Term Deposit Certificate (window)	F1+ (cri)
Banco Crédito Agrícola de Cartago	00BCAC0C47D6	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco Crédito Agrícola de Cartago	00BCAC0C58D3	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco Crédito Agrícola de Cartago	00BCAC0C85E4	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco Crédito Agrícola de Cartago	0NROICE00124	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco de Costa Rica	00BCR00CEJ68	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco de Costa Rica	00BCR00CEO38	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco de Costa Rica	00BCR00CEP45	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco de Costa Rica	00BCR00CF49	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco de Costa Rica	0NROICE00109	Term Deposit Certificate (window) / 1	F1+ (cri)
Banco de Costa Rica	0NROICE00132	Term Deposit Certificate (window)	F1+ (cri)
Banco de Costa Rica	0NROICE00142	Term Deposit Certificate (window)	F1+ (cri)
Banco de Costa Rica	0NROICE00144	Term Deposit Certificate (window)	F1+ (cri)
Banco de Costa Rica	0NROICE00147	Term Deposit Certificate (window)	F1+ (cri)
Banco de Costa Rica	0NROICE00148	Term Deposit Certificate (window)	F1+ (cri)
Banco de Costa Rica	CRBCR00B2760	Bond BCR	AA (cri)+
Banco de Costa Rica	CRBCR00C2967	Commercial paper	F1+ (cri)
Banco de Costa Rica	CRBCR00C3015	Commercial paper	F1+ (cri)
Banco de Costa Rica	CRBCR00C3023	Commercial paper	F1+ (cri)
Banco de Costa Rica	CRBCR00C3031	Commercial paper	F1+ (cri)
Banco Hipotecario de la Vivienda -BANHVI-	0NROICE00100	Term Deposit Certificate (window)	F1+ (cri)
Banco Hipotecario de la Vivienda -BANHVI-	CRBANVIB0037	Bond Banhvi	F1+ (cri)
Banco Internacional de C.R. -Miami-	0NROICE00046	Overnight	AA -
Banco Internacional de C.R. -Miami-	0NROICE00051	Overnight	AA -
Banco Internacional de C.R. -Miami-	0NROICE00052	Overnight CLIPP	AA -
Banco Internacional de C.R. -Miami-	0NROICE00074	Term Deposit Certificate (window) / 1	AA -
Banco Internacional de C.R. -Miami-	0NROICE00125	Term Deposit Certificate (window)	AA -
Banco Internacional de C.R. -Miami-	0NROICE00146	Term Deposit Certificate (window)	AA -
Banco Nacional de Costa Rica	00BNCR0C16H0	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco Nacional de Costa Rica	00BNCR0C61F0	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco Nacional de Costa Rica	00BNCR0C81H4	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00128	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00129	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00130	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00131	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00133	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00134	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00135	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00136	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00137	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00138	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00139	Short Term Tool	F1+ (cri)
Banco Nacional de Costa Rica	0NROICE00140	Short Term Tool	F1+ (cri)
Banco Popular y de Desarrollo Comunal	00BPDC0CA474	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco Popular y de Desarrollo Comunal	00BPDC0CB803	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco Popular y de Desarrollo Comunal	00BPDC0CC769	Term Deposit Certificate (macro-title)	F1+ (cri)
Banco Popular y de Desarrollo Comunal	0NROICE00043	Term Deposit Certificate (window)	F1+ (cri)
Banco Popular y de Desarrollo Comunal	0NROICE00108	Term Deposit Certificate (window)	F1+ (cri)
Banco Popular y de Desarrollo Comunal	0NROICE00141	Term Deposit Certificate (window)	F1+ (cri)
Banco Popular y de Desarrollo Comunal	CRBPDC0B6509	Bond BPDC	AA (cri)
Banco Popular y de Desarrollo Comunal	CRBPDC0C6656	Commercial paper	F1+ (cri)
Banco Scotiabank de Costa Rica, S.A.	0NROICE00143	Term Deposit Certificate (window)	AA -
Banco Scotiabank de Costa Rica, S.A.	CRSCOTIB0989	Bond debt Scotiabank	AAA (cri)
Compañía Nacional de Fuerza y Luz -CNFL-	CRCFLUZB0207	Bond CNFL	AAA (cri)

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Notes to Consolidated Financial Statements
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Issuer	ISIN	Tool	Risk qualification
ICE			
GOVERNMENT	0NR0ICE00102	Title deed macro zero coupon (window)	(blank)
GOVERNMENT	0NR0ICE00126	Title deed macro zero coupon (window)	(blank)
GOVERNMENT	CRBCCR0B3371	Currency Stabilization Bond - Fixed Rate	(blank)
GOVERNMENT	CRBCCR0B3496	Currency Stabilization Bond - Fixed Rate	(blank)
GOVERNMENT	CRG0000B45G2	Title deed	(blank)
GOVERNMENT	CRG0000B55G1	Title deed	(blank)
GOVERNMENT	CRG0000B62G7	Title deed	(blank)
GOVERNMENT	CRG0000C65G8	Title deed macro zero coupon	(blank)
GOVERNMENT	CRG0000C68G2	Title deed macro zero coupon	(blank)
GOVERNMENT	USP3699PAA59	Bond external debt - Costa Rica	(blank)
GOVERNMENT	USP3699PEM51	Bond external debt - Costa Rica	(blank)
GOVERNMENT		Bond external debt - Costa Rica	(blank)
Grupo Mutual Alajuela-La Vivienda de Ahorro y Prestamo	CRMADAPB2277	Bond MADAP	SCR AA +
Junta Adm. de Servicios Electricos Cartago	CRJASECB0036	Private Issuance Bond - JASEC -	(blank)
Banco Crédito Agrícola de Cartago	00BCAC0C83E9	Re-purchase	F1+ (cri)
Banco de Costa Rica	00BCR00CFQ68	Re-purchase	F1+ (cri)
Banco Nacional de Costa Rica	00BNCR0C28H2	Re-purchase	F1+ (cri)
Banco Popular y de Desarrollo Comunal	00BPDC0CF960	Re-purchase	F1+ (cri)
Banco Central de Costa Rica	CRBCCR0B3512	Re-purchase	(blank)
Banco Central de Costa Rica	CRBCCR0B3538	Re-purchase	(blank)
Banco Central de Costa Rica	CRBCCR0B3827	Re-purchase	(blank)
Banco de Costa Rica	CRBCCR00B2760	Re-purchase	AA (cri)+
Banco Popular y de Desarrollo Comunal	CRBPDC0B6566	Re-purchase	AA (cri)
GOVERNMENT	CRG0000B54G4	Re-purchase	(blank)
GOVERNMENT	CRG0000B59G3	Re-purchase	(blank)
GOVERNMENT	CRG0000B62G7	Re-purchase	(blank)
GOVERNMENT	CRG0000B64G3	Re-purchase	(blank)
SAFI Banco de Costa Rica	BCRLIcFI	BCR Short Term Colones -Not diversified	SCR AAF 2+
SAFI Banco de Costa Rica	BCRMXcFI	BCR Mixed Short Term Colones -Not diversified	SCR AAF 3
SAFI Banco de Costa Rica	FI-000000022	BCR Liquidity Dollars -Not diversified	SCR AAF 2 +
SAFI Banco Nacional de Costa Rica	BNASUPERcFI	BN Dinnerfund Colones -Not diversified	SCR AAF 2+
SAFI Banco Nacional de Costa Rica	FI-000000001	BN Dinnerfund Colones -Not diversified-	SCR AAF 2+
SAFI Banco Nacional de Costa Rica	FI-000000002	BN Dinnerfund Dollars -Not Diversified-	SCR AAF 2+
SAFI Banco Popular	FI-000000006	Popular Money Market Colones -Not diversified-	SCR AAF 2
SAFI Instituto Nacional de Seguros	BACLACcFI	INS Liquidity Colones -Not diversified-	SCR AAF 2
SAFI Instituto Nacional de Seguros	BANCREDLASCcFI	INS Public Liquidity Colones -No diversified-	SCR AAF 2
SAFI Instituto Nacional de Seguros	BANCREDLASDFI	INS Public Liquidity Dollars -No diversified-	SCR AAF 2 +
CNEL			
Banco Nacional de Costa Rica - Dollars		Term Deposit Certificate US\$	n/a
RACSA			
BICSA		Term Deposit Certificate	n/a
CRICSA			
BN Sociedad de Fondos de Inversión, S.A.		Investment Funds Dinner Funds Colones	SCR AAF 2*

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Notes to Consolidated Financial Statements
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Exposure to Liquidity Risk

Next are the contractual expirations of financial liabilities, including estimated interest payments and excluding the impact of agreements for compensation:

Pasivo	Valor en Libros	Flujos de Efectivo Esperados					Más de 5 años	
		6 meses o menos	6-12 meses	1-2 años	2-5 años			
Pasivo Largo Plazo								
Titulos valores p/pagar	₡ 588.318	588.318	-	-	65.451	53.071	469.796	
Efectos p/pagar	723.486	723.486	-	82.453	184.514	297.279	159.239	
Cuentas p/pagar	55.443	55.443	-	-	7.884	47.559	-	
Total Pasivo a Largo Plazo	1.367.247	1.367.247	-	82.453	257.849	397.909	629.035	
Circulante								
Efectos p/pagar	115.222	115.222	3	115.216	-	1	2	
Cuentas p/pagar	130.799	130.799	-	130.799	-	-	-	
Total Pasivo a Corto Plazo	246.021	246.021	3	246.015	-	1	2	
Otros Pasivos								
Valoración de Instrumentos Financieros	48.693	48.693	5.902	5.804	10.506	18.418	8.063	
Cuentas p/pagar	2.468	2.468	-	-	2.468	-	-	
Total Otros Pasivos	51.161	51.161	5.902	5.804	12.974	18.418	8.063	
Total Grupo ICE	1.664.429	1.664.429	5.905	334.272	270.823	416.329	637.100	

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Out of the liabilities and investments Group ICE counts with, the most representative movements in relation to the amounts are described next:

- Financing of generation projects and improvement of generation and transmission, for an amount of US\$125 million, corresponding to the issuance of bonds serial E2.
- Construction and equipping of Pirris Hydroelectric Plant for an amount of US\$125.3 million of the BCIE creditor 1599-P.H. Pirris.
- Pre-payment of loans OECF, BID 796 and Credit Suisse Electricity, for an amount of US\$156,7 million of the creditor BID 1931 Portion A.
- Pre-payment of loans OECF, BID 796 and Credit Suisse Electricity for an amount of US\$179,8 million of the creditor BID 1931 Portion B.
- Financing of the projects: Reventazon Hydroelectric Project and El Diquis Hydroelectric Project for an amount of US\$500 million corresponding to the international issuance of bonds.
- Construction of Pirris Hydroelectric Plant for an amount of US\$173.4 million of the creditor JBIC Pirris.
- Official Credit Institute of Spain Kingdom with a balance of US\$25 million - CNFL.
- Bank Kreditanstalt Fur Wiederaufbau (KFW) with a balance of US\$25 million - CNFL.
- B.I.C.S.A. for an amount of US\$15 million - CNFL.
- Credit from Deutsche Bank S.A.E, with a balance of US\$9 million - CNFL.
- Issuance of Bonds Serial B-1 for US\$29 million, Issuance of Bonds Serial B-2 US\$29 million, Issuance of Bonds Serial B-3 for US\$23 million - CNFL.
- External Debt Control Electrónico S.A (CESA) for US\$9.8 million, extension of JAVA architecture, solutions opened code - RACSA.
- External Debt BCIE for US\$8.8 million, acquisition Submarine Cable of Costa Rican Pacific Coast - RACSA.
- Financial Rental CSI for US\$ 8,4 million; information service platforms - RACSA.
- Prival Bank S.A. for US\$4 million; linking with capacity STM-16.BICSA for US\$2 million, working capital.

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Next, a detail of credit lines with financial institutions used for working capital acquired during first semester 2012 is shown:

GENERAL CHARACTERISTIC OF GLOBAL CREDIT LINE			CONDITIONS OF DISBURSEMENTS PERFORMED								
BANK ENTITY	APPROVED AMOUNT OF LINE	PURPOSE	DATE OF DISBURSEMENT OR RENEWAL	AMOUNT OF DISBURSEMENT OF RENEWAL	CURRENCY	INTEREST RATE	EXPIRATION DATE	AMOUNT PAID / RENEWAL	DATE OF PAYMENT	DATE OF RENEWAL (Only renewals)	AMOUNT INDEBTED
Citibank	50,0	Working capital. Opening and refinance - credit letters	27/12/2011**	20,0	US\$	Libor (1m) + 2.25% = 2.60645%	27/01/2012*	20,0		28/01/2012	0,00
			28/01/2012	20,0	US\$	Libor (3m) + 2.40% = 3.01360%	26/04/2012	0,0			20,00
Scotiabank	50,0	Opening and refinance - credit letters, working capital, issuance of compliance guaranties.	09/12/2011**	5.000,0	Colones	Passive Basic Rate = 7.75% (Colones)	09/01/2012*	5.000,0	09/01/2012		0,00
			10/01/2012	5.000,0	Colones	TBP+1.75%=9.75% (Colones)	09/05/2012				5.000,00
			08/12/2011**	10,0	US\$	Libor (1m) + 1.48% = 1.75%	09/01/2012*	10,0		09/01/2012	0,00
			10/01/2012	10,0	US\$	Libor (4m) + 1.8915%=2.55%	09/05/2012				10,00
BNP PARIBAS	30,0	Opening and refinance - letters of credit and working capital	14/02/2012	10,0	US\$	Libor (6m) + 2.45% = 3.2081%	14/08/2012				10,00
BLADEX	65,0	Opening and refinance - credit letters, working capital, issuance of compliance guaranties.	11/9/2011**	6,0	US\$	Libor (6m) + 2.65% = 3.2866%	07/05/2012*				6,0
			12/08/2011**	10,0	US\$	Libor (1m) + 2.50% = 2.7741%	09/01/2012*	10,0	09/01/2012		0,0
			10/01/2012	15,0	US\$	Libor (4m) + 2.65% = 3.31%	09/05/2012				15,00
			10/01/2012	15,0	US\$	Libor (4m) + 2.65% = 3.31%	09/05/2012				15,00
			14/02/2012	20,0	US\$	Libor (6m) + 2.45% = 3.2081%	14/08/2012				20,00
			27/02/2012	9,0	US\$	Libor (6m) + 2.45% = 3.2081%	24/08/2012				9,00
Banco de San José (BAC)	10,0	Opening and refinance - credit letters, working capital, issuance of compliance guaranties.	12/7/2011**	3.300,0	Colones	TBP+0.75%=8.25% (Colones)	09/01/2012*	3.300,0		10/01/2012	0,0
			10/01/2012	3.300,0	Colones	TBP+1.70%=9.70% (Colones)	09/05/2012				3.300,0
Honk Kong Shanghai Bank Corp (HSBC)	60,0	Working capital and issuance of compliance guaranties	29/11/2011**	24,0	US\$	Fixed rate 3.00%	25/05/2012*				24,0
			27/12/2011**	5,0	US\$	Fixed rate 3.15%	23/03/2012*	5,0	23/03/2012		0,0
			23/03/2012	5,0	US\$	Fixed rate 2.70%	22/05/2012				5,00
Global Bank	20,0	Working capital	7/12/2011**	10,0	US\$	Libor (1m) + 1.50% = 1.7741%	09/01/2012*	10,0	09/01/2012		0,0
			10/01/2012	10,0	US\$	Libor (3m) + 2.50% = 3.0825%	09/04/2012				10,00
Mercantil Commerce Bank	30,0	Working capital. Opening and finance - credit letters	21/11/2011**	10,0	US\$	Libor (5m) + 1.20% = 1.81611%	19/04/2012*				10,00
			28/11/2011**	20,0	US\$	Libor (6m) + 1.25% = 1.9689%	25/05/2012*				20,00
Banco Aliado de Panama	10,0	Working capital. Opening and finance - credit letters	10/01/2012	5,0	US\$	Libor (4m) + 2.50% = 3.16%	09/05/2012				5,00
			14/02/2012	5,0	US\$	Libor (6m) + 2.45% = 3.2081%	14/08/2012				5,00

Note: **They correspond to disbursements made in 2011 which were transferred to 2012 because expected long term financing 2011 would be entering until 2012, that is why they only reflect in this file to show the continuity in time.

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Next chart indicates the periods in which cash flows are produced associated with derived financial tools:

In million colones	Value in books	Expected Cash Flow	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Cross Currency Swap							
Assets	₡ 1.032	16.341	1.091	1.065	1.984	5.066	7.135
Liabilities	-	-	-	-	-	-	-
Swap							
Assets	(44)	49	8	9	13	20	(1)
Liabilities	-	-	-	-	-	-	-
Forward Staring Swap							
Assets	-	-	-	-	-	-	-
Liabilities	(6.620)	15.704	1.040	1.000	2.168	6.004	5.492
Plain Vanilla Swap							
Assets	-	-	-	-	-	-	-
Liabilities	(9.656)	12.467	1.705	1.580	3.001	5.666	515
Cross Currency Swap 1 year							
Assets	-	-	-	-	-	-	-
Liabilities	(159)	2.216	803	719	695	-	-
Cross Currency Swap 3 years							
Assets	-	-	-	-	-	-	-
Liabilities	(368)	4.482	1.108	1.119	2.255	-	-
Cross Currency Swap 7 years							
Assets	-	-	-	-	-	-	-
Liabilities	(829)	13.416	1.042	1.182	2.387	6.749	2.056
Cross Currency Swap 10 months							
Assets	168	665	347	318	-	-	-
Liabilities	-	-	-	-	-	-	-
Cross Currency Swap 1 year Barclays							
Assets	239	418	418	-	-	-	-
Liabilities	-	-	-	-	-	-	-
Cross Currency Swap 1 year Quarterly							
Assets	-	-	-	-	-	-	-
Liabilities	(107)	408	204	204	-	-	-

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Exposure to Currency Risk

Exposure of Group ICE to risks in foreign currency is as follows:

	Dollars		Yens		EUROS		CHF		SEK		GBP	
	March	Dec.	March	Dec.	March	Dec.	March	Dec.	March	Dec.	March	Dec.
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Asset	USD	USD	JPY	JPY	EUR	EUR	Energy	Energy	ecom	SEK	Energy	Telecom
RESULT OF COVER, THROUGH DERIVATIVES												
ICE												
Material in transit for investment	205	202	478	561	74	77	0	1	-	-	-	-
Long term investments	3	3	-	-	-	-	-	-	-	-	-	-
Documents receivable	10	8	-	-	-	-	-	-	-	-	-	-
Banks and transitory investments	117	124	-	-	-	-	-	-	-	-	-	-
Funds of restricted use	2	2	-	-	-	-	-	-	-	-	-	-
Accounts receivable for service rendered	1	48	-	-	-	-	-	-	-	-	-	-
Accounts receivable not commercial	542	5	-	-	-	-	-	-	-	-	-	-
Guaranties received in values	1	1	-	-	-	-	-	-	-	-	-	-
Material in transit for operation	27	30	0	0	1	-	0	-	-	-	-	-
Valuation of derived financial tools	3	11	-	-	-	-	-	-	-	-	-	-
Total assets en foreign currency - ICE	911	434	478	561	75	77	0	1	-	-	-	-
RACSA												
Banks and transitory investments	4	8	-	-	-	-	-	-	-	-	-	-
Long term investments	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	2	3	-	-	-	-	-	-	-	-	-	-
Total assets in foreign currency - RACSA	6	11	-	-	-	-	-	-	-	-	-	-
CRICSA												
Long term investments	-	-	-	-	-	-	-	-	-	-	-	-
Documents receivable	-	-	-	-	-	-	-	-	-	-	-	-
Banks and transitory investments	-	-	-	-	-	-	-	-	-	-	-	-
Funds of restricted use	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable for services rendered	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable not commercial	-	-	-	-	-	-	-	-	-	-	-	-
Guaranties received in values	-	-	-	-	-	-	-	-	-	-	-	-
Appraisal of derived financial tools	-	-	-	-	-	-	-	-	-	-	-	-
Total assets in foreign currency - CRICSA	-	-	-	-	-	-	-	-	-	-	-	-
CNFL												
Banks and transitory investments	15	18	-	-	-	-	-	-	-	-	-	-
Accounts and documents receivable	4	8	-	-	-	-	-	-	-	-	-	-
Guaranties of environmental commitment	1	1	-	-	-	-	-	-	-	-	-	-
Total assets in foreign currency - CNFL	21	27	-	-	-	-	-	-	-	-	-	-
Total assets in foreign currency - Group ICE	937	472	478	561	75	77	0	1	-	-	-	-
Liabilities												
ICE												
Securities payable	809	776	-	-	-	1	-	-	-	-	-	-
Long term and short term documents payable	1.292	1.188	14.460	14.324	1	-	-	-	-	-	0	-
Obligations against loans	13	54	-	-	-	-	-	-	-	-	-	-
Deposits received in guaranty	-	-	-	-	-	72	-	-	-	-	-	-
Accounts payable	157	125	2	353	71	-	0	1	-	-	-	-
Accumulated financial expenses payable	34	26	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits private people	2	2	-	-	-	-	-	-	-	-	-	-
Provisions	11	6	-	-	-	-	-	-	-	-	-	-
Appraisal of derived financial tools	32	39	-	-	-	-	-	-	-	-	-	-
Total liabilities for currency	2.350	2.216	14.461	14.677	72	73	0	1	-	-	0	-
Excess of assets over liabilities	1.439	1.782	13.983	14.116	(4)	(4)	(0)	-	-	-	0	-
RACSA												
Long term and short term documents payable	29	28	-	-	-	-	-	-	-	-	-	-
Deposits received in guaranty	1	1	-	-	-	-	-	-	-	-	-	-
Accounts payable	17	16	-	-	-	-	-	-	-	-	-	-
Financial expenses accumulated payable	0	-	-	-	-	-	-	-	-	-	-	-
Total liabilities for currency	47	45	-	-	-	-	-	-	-	-	-	-
Excess of liabilities over assets	41	34	-	-	-	-	-	-	-	-	-	-
CNFL												
Long term and short term documents payable	80	81	-	-	-	-	-	-	-	-	-	-
Financial expenses accumulated payable	0	-	-	-	-	-	-	-	-	-	-	-
Total liabilities for currency	80	81	-	-	-	-	-	-	-	-	-	-
Excess of liabilities over assets	60	54	-	-	-	-	-	-	-	-	-	-
Total liabilities in foreign currency - Group ICE	2.478	2.342	14.461	14.677	72	73	0	1	-	-	0	-
Excess of liabilities over assets - Group ICE	1.540	1.870	13.983	14.116	(4)	(4)	(0)	-	-	-	0	-

(it continues)

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Entries in US\$ were updated at the selling exchange rate in relation to US dollar that up to March 31st, 2012, was set at ¢513,58 (December 2011 ¢518,33), accordingly.

Main exchange rates used up to March 31st, 2012 and up to December 31st, 2011 are detailed as follows:

Name of the currency	Exchange rate into US\$	
	mar-12	dic-11
Swedish Krona	6,62	6,89
Euro	1,33	1,30
Colones	513,58	518,33
Japanese Yen	82,33	76,91

Group ICE acts according to the provisions in the Law 7558 from November 27th, 1995, Organizational Law of Central Bank of Costa Rica (BCCR) for operations with foreign currencies. The article 89 of that law says as follows: “Public Sector institutions of not banking public sector will make their foreign currency purchase and selling through BCCR, or through commercial banks of the State...”

Analysis of sensitiveness

The strengthening of Costa Rican colon in front of the currencies herein mentioned up to March 31st, 2012; could have varied the patrimony and the results in the amounts shown next:

	Income (expenses)	
	mar-12	dic-11
<u>ICE</u>		
YENS/COLON (Strengthening of 10 percent)	(9.337)	(8.887)
EUROS/COLON (Strengthening of 10 percent)	(301)	(320)
USD/COLON (Strengthening of 10 percent)	74.609	91.520
Net effect - ICE	64.971	82.313
<u>CNFL</u>		
USD/COLON (Strengthening of 10 percent)	3.087	2.736
Net effect - CNFL	3.087	2.736
<u>RACSA</u>		
USD/COLON (Strengthening of 10 percent)	2.447	1.726
Net effect - RACSA	2.447	1.726
Net effect - GROUP ICE	70.505	86.774

(it continues)

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This analysis is based on a variation of foreign currency exchange rate that ICE considers reasonably possible at the end of the period on which information has to be given, for this the exchange rates mentioned in the above entry were taken as reference. This analysis supposes that all other variables, particularly interest rates, keep constant.

Group ICE keeps important assets and liabilities, represented mainly by transitory investments, long term investments, as well as securities payable, and documents payable, obtained to finance its commercial operations which are subject to variations in interest rates.

In relation to financial assets and liabilities, a detail of interest rates is shown on the notes below:

	Note
Securities payable	21
Transitory investments	12
Documents payable	22
Long term investments	8
Documents receivable	10

Analysis of sensitiveness

In the administration of interest rate risks, Group ICE tries to reduce the impact of short term fluctuations in profits. In relation to transitory investments, long term investments, as well as securities payable, and documents payable, permanent changes in interest rates will have an impact in profits.

During year ended on March 31st, 2012, it is estimated that a general increase of one percentage point in interest rate would have meant a variation according to the next detail:

	Effects in income	
	mar-12	dic-11
<u>ICE</u>		
Transitory investments (Strengthening of 1 percent)	C 1.586	1.359
Long term financial investment (Strengthening of 1 percent)	118	122
Long term documents receivable (Strengthening of 1 percent)	25	25
Long term securities payable (Strengthening of 1 percent)	(5.888)	(6.052)
Long term documents payable (Strengthening of 1 percent)	(7.098)	(7.076)
Short term documents payable (Strengthening of 1 percent)	(1.123)	(737)
Net effect - ICE	(12.381)	(12.359)
<u>CNFL</u>		
Transitory investments (Strengthening of 1 percent)	5	25
Securities payable (Strengthening of 1 percent)	(416)	(300)
Long term documents payable (Strengthen of 1 percent)	(382)	(395)
Net effect - CNFL	(793)	(670)
<u>RACSA</u>		
Transitory investments (Strengthening of 1 percent)	2	17
Long term documents payable (Strengthening of 1 percent)	(171)	(181)
Net effect - RACSA	(168)	(164)
Net effect - Group ICE	(13.342)	(13.193)

(it continues)

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Note 34. Operation segments of Group ICE

Segments are identifiable components of Group ICE that supply related goods and services (business segment), and are subject to different risks and yields of other segments. Business segments are determined based on the internal organizational and informative structure of Group ICE.

The results, assets and liabilities of the segment include entries directly endorsable to one segment, as well as those that may be endorsable in a reasonable way.

Segments identified by Group ICE are: Segment ICE Telecommunications that includes Sector Telecommunications-ICE, RACSA and CRICRSA and segment ICE Electricity that includes Sector Electricity ICE and CNFL.

Information for these segments is detailed as follows:

Segment ICE Electricity

Consolidated Balance Sheet		Up to March	Up to Decemb.
		31	31
		2012	2011
Properties, machinery and equipment	¢	2.938.789	2.899.370
Investment and long term accounts receivable		322.996	324.876
Circulating assets		309.370	319.358
Other assets		274.071	250.201
Total Assets		3.845.226	3.793.805
Long term liabilities		1.260.884	1.262.188
Short term liabilities		396.791	349.014
Other liabilities		127.855	124.028
Total liabilities		1.785.530	1.735.230
Patrimony		2.059.696	2.058.575
Total liabilities and patrimony	¢	3.845.226	3.793.805

Consolidated statement of income and expend.		Por el periodo terminado al 31 de marzo de	
		2012	2011
Income of operation	¢	196.054	815.283
Costs and expenses of operation		196.791	783.344
Surplus (Loss) of Operation		(738)	31.933
Other products		10.742	122.702
Other products for exchange fluctuations		17.792	5.033
Financial expenses		24.627	51.722
Other expenses		7.426	105.656
Other expenses for exchange fluctuations		2.937	9.347
Participation in profit of subsidiaries		(1.189)	3.476
Surplus before income tax		(8.383)	(3.580)
Deferred tax		22	-
Net Surplus (Loss)	¢	(8.361)	(3.580)

(it continues)

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Segment ICE Telecommunications

Consolidated Balance Sheet		Up to March 31	Up to Dec. 31
		2012	2011
Furniture, machinery and equipment	¢	1.153.794	1.142.975
Investment and long term accounts receivable		82.803	86.303
Circulating assets		348.810	299.064
Other assets		148.263	129.669
Total Assets		1.733.670	1.658.011
Long term liabilities		200.147	193.365
Short term liabilities		157.825	131.433
Other liabilities		93.730	90.002
Total liabilities		451.702	414.800
Patrimony		1.281.968	1.243.211
Total Liabilities and Patrimony	¢	1.733.670	1.658.011

Consolidated statement of income and expenses		For the period ended on March 31	
		2012	2011
Income of operation	¢	139.792	533.746
Costs and expenses of operation		143.261	560.072
Surplus (Loss) of Operation		(3.469)	(26.326)
Other products		5.312	17.765
Other products for exchanging fluctuations		1.572	2.217
Financial expenses		2.401	7.142
Other expenses		21	370
Other expenses for exchange fluctuations		688	495
Participation in profit of subsidiaries		(1.512)	(17.634)
Surplus before income tax		(1.208)	(32.098)
Minority interest (1.4%)		41	10
Net Surplus (Loss)	¢	(1.167)	(32.088)

(it continues)

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Elimination between segments

Consolidated balance sheet	Up to	
	2012	Up to Dec. 2011
Property, machinery and equipment	¢ (9.886)	(11.507)
Investments and long term accounts receivable	(383.055)	(388.365)
Circulating assets	(139.635)	(92.938)
Other assets	(5.813)	(5.609)
Total Assets	(538.390)	(498.419)
Long term liabilities	(58.672)	(60.735)
Short term liabilities	(133.796)	(87.036)
Other liabilities	-	(1)
Total liabilities	(192.468)	(147.772)
Patrimony	(345.922)	(350.647)
Total liabilities and patrimony	¢ (538.390)	(498.419)

Consolidated statement of income and expenditures	For the period ended on Dec. 31	
	2012	2011
Income of operation	¢ (4.093)	(204.296)
Costs and expenditures of operation	(4.492)	(204.629)
Surplus (Loss) of Operation	399	333
Other products	(900)	(3.220)
Other products for exchanging fluctuations	1	-
Financial expenses	(108)	(626)
Other expenses	(256)	(849)
Other expenses for exchanging fluctuations	(65)	(66)
Participation in profits of the subsidiaries	2.702	14.159
Surplus before income tax	2.632	12.813
Minority interest (1.4%)	-	-
Net Surplus (Loss)	¢ 2.632	12.813

Elimination of balance at consolidated level is due to the next:

- Elimination of accounts receivable for services rendered to RACSA and accounts payable to ICE for telephone and info-communication services for an amount of ¢1.107.
- Interests receivable RACSA and accounts payable ICE for interests for financing of the Platform V-SAT ¢5.
- Works in construction ICE, accounts payable RACSA, to eliminate the account of investment ICE and income of operation RACSA for the service rendered by RACSA Holsting Project Merlink ¢9.

(it continues)

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- Documents and mortgages payable RACSA LP and documents receivable LP, to eliminate the covenant of financing for the platform V-SAT between ICE and RACSA for ¢552.
- Elimination of account payable and receivable ICE-CNFL –ICE for telephone services for an amount of ¢4.
- Elimination for guaranteed financing covenant for documents receivable ICE-CNFL, ¢2.397.
- Elimination of the account payable and receivable ICE-CNFL for rendering of services in rental of electricity poles, conduits and other services for an amount of ¢424.
- Elimination of accounts payable and receivable ICE-RACSA for mutual services of RACSA-ICE, for ¢295.
- Elimination of accounts payable and receivable ICE-RACSA for rental to ICE of a physical space, ¢37.
- Elimination of paper for energy selling from ICE to CNFL for ¢20.446.
- Elimination of deposits of RACSA in guaranty for ICE for ¢8.
- Elimination of documents receivable and payable ICE-CNFL for payments originated by the settlement loan of Moin III ¢2.345 and elimination of financial expenditure payable and interests receivable ICE-CNFL for settlement loan of Moin III for ¢17.

Elimination in Income and Expenditure Statement of consolidated is due to the next:

- To eliminate accounts of income and expenditure for rental of electricity poles and conduits to Telecommunications ICE by CNFL, for ¢248.
- To eliminate accounts of income and expenditure for telephone invoicing to the CNFL for ¢50.
- To eliminate accounts of income and expenditure for supplying of services of Electric Meters CNFL-ICE, for ¢1.209.
- To eliminate accounts of income and expenditure for mutual services ICE-RACSA, collection of cleaning services ICE-RACSA for ¢85.
- To eliminate income and administrative expenditure for rental of buildings, electricity and cleaning ICE-RACSA for ¢552.
- To eliminate income and operative expenditure of commercial invoicing RACSA-ICE for ¢59.
- To eliminate donation of use of a Back-Hoe construction machine in RACSA, intangible assets ICE, capital contributed RACSA for ¢3.063, and the amortization payment for ¢18.
- To eliminate investment of ICE in the construction of the project Balsa Inferior for ¢2.760.
- To eliminate purchase made by ICE of bonds placed in the market by CNFL, for ¢400.

(it continues)

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Note 35. Contingent liabilities

I. A detail of judicial processes in force up to March 31st, 2012 hold by ICE is shown as follows:

Process	Sector	Nature and present instance	Estimated amount of the demand	Up to March	Up to Decemb.
				31 2012	31 2011
				Provision of litigation	
<u>Contingent assets - demands submitted by ICE:</u>					
Eminent domain	Electricity	Eminent domain for the acquisition of land necessary for Diquis Hydroelectric Project. Waiting for announcement of the verdict.	€ 1.703	-	-
Eminent domain	Electricity	Expropriation for the acquisition of land necessary for Reventazon Hydroelectric Project, proceeding put in possession, waiting pronouncement of the verdict.	800	-	-
Judicial collection	Electricity	Judicial collection for invoicing pending of payment. First Civil Court of San José resolved the appealing resource interposed by the representative of the company sued.	785	-	-
Judicial collection	Electricity	Judicial collection for invoicing pending of payment. The transfer of the demand was notified.	717	-	-
Eminent domain	Electricity	Eminent domain for acquisition of land necessary for the future substation of Coyoil - Alajuela. Waiting for announcement of the verdict.	716	-	-
Ordinary	Telecommunications	ICE pretends to have damages and prejudices recognized in contentious process for not fulfillment of contract for issuance of telephone books. The First Hall of Court declared itself incompetent, and transferred the process to arbitrage seat. Resolution of competence for	8.665	-	-
Arbitrage	Telecommunications	Charge for damages and prejudices for not fulfillment of Public Bid contract N° 6378. Process of appointing of the Arbitration Judges.	8.993	-	-
Injunction	Telecommunications	Request for injunction in order to keep preventive seizure to be able to recover the amounts once the arbitration is resolved. Pending of resolution by First Hall for competence conflict.	5.147	-	-
Contentious ordinary	Telecommunications	Notification of the demand pending for By Pass fraud.	2.992	-	-
Contentious ordinary	Telecommunications	Notification of the demand pending for By Pass fraud.	1.225	-	-
Contentious ordinary	Telecommunications	Notification of the demand pending for By Pass fraud.	1.054	-	-
Contentious ordinary	Telecommunications	Notification of the demand pending for By Pass fraud.	947	-	-
Contentious ordinary	Telecommunications	Notification of the demand pending for By Pass fraud.	878	-	-
Contentious ordinary	Telecommunications	Notification of the demand pending for By Pass fraud.	569	-	-
Judicial collection	Telecommunications	Judicial Collection Department manages executive processes with the goal recovering debts pending for settlement of electric services. ICE has 4694 processes up to December 31st, 2011. Institutional Judicial Department deems that 95% of the verdicts will be in favor and the rest 5% will be against, in reason of various aspects related to the details of debts, prescription and lack of documentation.	2.492	-	-
Eminent domain (x)		Up to December 31st, 2011 there are 401 judicial processes for forced eminent domains, with the goal of obtaining possession and legally arrange the properties required for the different works that are developed. Such processes correspond to administrative professional appraisals that could not be formalized administratively, either due to legal inconveniences, or due to the rejection of the appraisals.	7.488	-	-
		Judicial Collection Department manages executive processes with the goal of recovering pending debts due to settlement of telephone services. ICE has 10.098 processes up to December 31st, 2011. Institutional Judicial estimates that 95% of verdicts will be in favor and the rest 5% against, in reason of various aspects related to the details of the debts, prescription and lack of documentation.	2.058	-	-
Judicial collection	Telecommunications				
Nature and present instance			€ 47.229	-	-

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Process	Sector	Nature and present instance	Estimated amount of the demand	Up to March	Up to Decemb.
				31 2012	31 2011
					Provision of litigation
Contingent liabilities - demands submitted against ICE:					
		...it comes	¢ 47.229	-	-
Contentious ordinary	Electricity	The pretension is to get nullity of the Decree of National Convenience, ejection from lands, as well as damages and prejudices. Suspended due to an unconstitutional action against Indigenous Law.	¢ 103.638	-	-
Ordinary	Electricity	They request charging of damages to ICE and other, for impeding to the demanding company, to develop a productive activity for supposed environment contamination. Waiting for delivery of conclusions.	5.854	2.171	2.191
Contentious ordinary	Electricity	The pretension is having various administrative acts of Electricity Management to be declared null and obligates ICE to bring this topic to extra-costs arbitration and as subsidiary pretension, payment of damages and prejudices. Waiting for trial.	4.096	-	-
Arbitrage Ad Hoc	Electricity	The actor pretends declaration of ICE's civil responsibility for a supposed purchase-sale contract to have the agreed upon price paid plus damages and prejudices for not fulfillment as well as civil responsibility and payment for the Symnos formwork. Preliminary hearings.	3.784	-	-
Contentious ordinary	Electricity	In this case, there are demand and counter-demand. ICE for charging of pending fines and the counterpart pretends the declaration of contractual breaching. First instance sentence partially sustained in favor of the plaintiff. Verdict of second instance partially revokes the one of first instance and avails ICE's demand in almost all extremes except for one aspect related to price readjustment that it declared in favor of the plaintiff, but the latter should prove in sentence execution. The First Hall confirmed the second instance sentence in favor of	1.942	2.335	1.942
Ordinary	Electricity	They allege damages and devaluation of properties for an ICE's antenna. The demand is declared sustained waiting for an appealing resource interposed by ICE to be resolved.	1.826	520	525
Ordinary	Electricity	The plaintiff demands ICE for the effects of a tariff modification of the Electric Sector. In phase of preliminary hearing.	1.326	1.326	1.326
Execution of verdict	Electricity	Execution of sentences of Criminal Court, main payment and costs are made in November 2011, appealing resource and annulment was submitted for approval of settlement of the corresponding interests.	520	-	260
Contentious ordinary	Electricity	Impingement of three procedures of the Supplier's Department in an administrative sanction process. Sentence in favor of ICE, plaintiff submitted an annulment resource.	801	-	-
Contentious ordinary	Electricity	The actor pretends to have recognized a price adjustment. Waiting for a preliminary hearing.	728	-	-
Ordinary	Electricity	Pretension for ICE to pay indemnity for a failed parallel generation project which was declared overruled in second instance. In virtue of this, the actors interposed an annulment resource.	518	514	518
Ordinary	Electricity	The pretension of this process is the recognition of damages and prejudices caused by ICE, for the signature of a purchase-sale contract of energy, first and second instances verdicts in favor of the plaintiff. Waiting for annulment verdict.	250	250	250
Ordinary	Electricity	Annulment of administrative actions and payment of verifiable damages and prejudices in the verdict de-mobilization of a shovel machine in Miravalles project. Annulment resource interposed by the plaintiff was declared overruled in May 2011.	500	500	500
Ordinary	Electricity	Annulment of administrative actions and payment of damages and prejudices for removal of the plaintiff from the Fund of Guaranties and Savings. The demand was declared sustained and ICE is condemned to the payment of damages, prejudices and costs. ICE submitted	-	-	-
Subtotal - ...it goes			€ 173.012	7.616	7.512

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Process	Sector	Nature and present instance	Estimated amount of the demand	Up to March	Up to Decemb.
				31 2012	31 2011
				Provision of litigation	
		...it comes	€ 173.012	7.616	7.512
Ordinary	Telecommunications	The plaintiff requests indemnity from ICE by occasion of the contractual resolution in administrative seat. Now is in preliminary hearings.	12.941	-	-
Ordinary	Telecommunications	The plaintiff requests indemnity in charge of an ICE's contractor for supposed losses caused to the company as consequence of not contractual fulfillment occurred between ICE and the contractor. It is in phase of preliminary hearings.	33.297	-	-
Ordinary	Telecommunications	Pretension is to declare as abusive the clause that allowed ICE the charging of fines for not contractual fulfillment. Waiting for sentence of first instance.	5.431	-	-
Ordinary	Telecommunications	Pretension is to declare as abusive the clause that allowed ICE the charging of fines for not contractual fulfillment. Waiting for sentence of first instance.	4.078	-	-
Contentious ordinary	Telecommunications	They claim for supposed disturbing actions in his property. Summon to answer the demand.	4.222	-	-
Contentious ordinary	Telecommunications	Pretension by the plaintiff for nullity of the administrative process, final action of contractual resolution procedure, and condemn ICE to payment of damages and prejudices. In trial phase.	2.200	-	-
Contentious ordinary	Telecommunications	Demand against ICE for rejection of administrative claim related to rental readjustment. Waiting for resolution from First Hall about competence.	769	-	-
Ordinary	Telecommunications	It corresponds to an ordinary process of judicial office Contentious Court, for the case of annulment of administrative actions through which ICE applied fines for breaching of a contract. Pending verdict execution.	266	266	266
Ordinary	Telecommunications	Annulment of administrative actions and payment of damages and prejudices for the removal of actor from the Fund of Guaranties and Savings. The demand was declared as sustained and ICE was condemned to payment of damages, prejudices and costs. ICE submitted	123	-	-
Ordinary	Telecommunications	A verdict declared the demand as sustained and ICE was condemned to payment of damages, prejudices and costs, up to the date, the plaintiff has not interposed execution of the verdict. Amount inestimable.	250	250	250
Administrative of sanction	Electricity - Telecommunications	In 2005 charges' transfers were notified from the periods of September 1999 to December 2000, both inclusive; corresponding to the retention tax in the source (for accounts of surplus, salaries and consignments abroad) for €338, plus interests and sanctions and general tax on sales for €1.251, plus interests and sanctions. Also, in 2006, for the periods from January 2001 to December 2003, both inclusive, transfers of charges to tax retentions were notified in the source (for accounts of surplus, salaries and assignments abroad) for €6.308, plus interests and sanctions; and general tax on sale for €4.136, plus interests and sanctions. At the end of 2007, it was paid, under protest, the total amount of tax determined for such transfers, periods 1999-2000 and 2001-2003, for € 12 033.8 million. Presently, this case is in appealing. The balance of the provision up to December 31, 2011/2010 is € 535 million for Electricity Sector, balance for interests of period 99-2000 , 2001-2003 is € 14.018 million and sanctions for €2.374.0 for a total of transfers of charge periods 99-2000 and 2001-2003 is	14.018	535	535
Administrative of sanction	Electricity - Telecommunications	On September 17, 2009, ICE is notified on transfer of charges referred to the period of December 2007, in the general sales tax and which up to date is in phase of controversy. The balance of the provision up to December 31, 2010, corresponding to interests and sanctions is €404.3 interests and sanctions for €220.8, plus the amount estimated of the demand indicated by the Institutional Judicial Department for €883.1 for which the resource of appealing was interposed against the sentence of the Tax Administration Department, registration of interests of period 2011 for €128.2 million.	1.636	625	753
Ordinary	Administrative Department of Properties	Request is made for ICE to be declare guilty for appropriation with no right of a property in Tamarindo. ICE was condemned to indemnify them. In phase of execution.	578	578	578
Contentious ordinary	Electricity	Request is made to ICE to translate a tower and primary high tension tri-phase lines that are located in his/her property in La Garita, Alajuela. Charging of damages and prejudices for the amount of \$1.052.000 and requests ICE to continue making deposits of 12 millions colones per year while such tower and primary lines remains in his/her properties.	545	-	-
Ordinary	Electricity	Process of eminent domain of estates for the construction of the protection reservoir of Arenal Hydroelectric Project. The defendant arranged the estates for own use taking advantage of an error when managing the annotation of the property at the registry; ICE, had done the corresponding payment; amount inestimable.	500	500	500
Total contingent assets and liabilities - ICE			€ 253.866	10.370	10.394

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Process	Sector	Nature and present instance	Estimated amount of the demand	Up to March	Up to Decemb.
				31 2012	31 2011
				Provision of litigation	
<u>Contingent assets - demands submitted by CNFL:</u>					
	CNFL	A trial is made to assuring entity to recover investment in the correction of damages caused by land sliding and were not covered by the policy. Assuring entity deposited 78% of the total sued in the court accounting it as account receivable. In second instance it was resolved in	€ 1.445	2.053	4.145
Total contingent assets - subsidiaries			€ 1.445	2.053	4.145
<u>Contingent liabilities - demands submitted by CNFL:</u>					
Ordinary	CNFL	Action against the Compañía Nacional de Fuerza y Luz S.A by Minority Shareholders on occasion of the donation of a lot to Fundación Consejo de la Tierra los Hernamos, S.A., which was authorized by the Congress of the Republic. Up to December, 2010 there are no sentence nor settlement of the extremes.	€ 1.586	-	-
Ordinary	CNFL	The Compañía Nacional de Fuerza y Luz S.A submitted a special consignment process of payment, in reason of an indemnity for a flood in a property around Cote Lake for a Hydroelectric Project, the plaintiff does not agree with the amount set forth (Rufea S.A.).	691	70	-
Ordinary	CNFL	Rejection by the Compañía Nacional de Fuerza y Luz S.A. to a claim by occasion of the execution of the Contract of Work for Construction, Design, Start and Operation of a Hydroelectric Plant (Consorcio Hydrocote S.A.).	1.540	90	-
Ordinary	CNFL	A process begins for charging by the Compañía Nacional de Fuerza y Luz S.A to a third party on account of fines in the execution of the Underground Electric Project for the city of San Jose for delays in the engineering revision and approval (Installations Inabensa S.A.).	4.842	-	-
Ordinary	CNFL	CNFL submitted a demand against a third party for charging of 15 claims and refunding of fines submitted during the Underground Electrification Project of San Jose. There is not sentence nor settlement of extremes (Installations Inabensa S.A.).	5.134	-	-
Ordinary	CNFL	The plaintiff request the extension of the execution term to declare the nullity of some actions of the Compañía Nacional de Fuerza y luz S.A. to have retentions of fines annulled and return such moneys plus interests of law. There is not sentence nor settlement of extremes. (Ghella Spa Costa Rica).	362	-	-
Ordinary	CNFL	This demand has the objective of declaring the nullity of limitations imposed in the Addenda No. 01 of the contract for the design, construction, equipping and start operation of a hydroelectric project and its annexes for the recognition of price readjustments. Therefore, the Compañía Nacional de Fuerza y Luz S.A should pay to the plaintiff such readjustments. (Ghella Spa Costa Rica).	18.489	-	-
Ordinary	CNFL	The plaintiff submitted injunction measures against the Compañía Nacional de Fuerza y Luz S.A; for having executed the compliance guaranty and proceeded with charging of fines. Also, he/she submitted a formal demand charging appearing damage, lucrum cessans and loss of opportunity. (Grupo Corporativo Saret).	6.955	-	-
Ordinary	CNFL	Action put for extra-contractual civil responsibility for damages. (Ortiz Mondragón César).	275	83	-
Subtotal-CNFL			€ 39.874	243	0
<u>Contingent assets - demands submitted by RACSA:</u>					
Ordinary	RACSA	The pretensions of the appellant consists on charging an amount for a supposed damage that RACSA caused. Answered negatively; there are not seizures.	3.312	-	113
Arbitrage	RACSA	The appellant pretends the payment of major cost of paper supplied for printing of ICE's telephone guide and unbalance in the financial equation of the contract. It is waiting the court to dictate arbitration decision.	19	18	19
Arbitrage	RACSA	Waiting sentence in first instance.	78	-	-
Subtotal-RACSA			€ 3.408	18	132
			€ 43.282	261	132

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Note 36. General Law of Telecommunications

General Law of Telecommunications N° 8642 was published on Official Daily La Gazette from June 30th, 2008. It sets forth the spheres and mechanisms for regulation of telecommunications that comprise use and exploitation of networks and supplying of services.

The objective of this Law is to set the sphere and mechanisms of regulation for telecommunications that comprise the use and exploitation of networks and supplying of telecommunication services, as well as:

- Guaranteeing the right of inhabitants to obtain telecommunication services.
- Assuring the application of principles of universality and solidarity of telecommunication services.
- Strengthening the mechanisms of universality and solidarity of telecommunication guaranteeing the access to inhabitants that require it.
- Protecting the rights of the users of telecommunication services assuring efficiency, equality, continuity, quality, broader services and better coverage, more and better information, more and better options in the supplying of services, as well as guaranteeing privacy and confidentiality of communications.
- Promoting effective competence in the market of telecommunications, as a mechanism to increase availability of services, better quality and assuring accessible prices.
- Promoting development and use of telecommunication services for the society of the information and the knowledge as support to sectors such as health, citizens' security, education, culture, commerce and electronic government.
- Assuring the efficient and effective assignment, use, exploitation, administration and control of the radio-electric spectrum and other scarce resources.
- Boosting investment in telecommunication sector.
- Trying the country to get maximum benefits of technological progress and of convergence.
- Achieving indexes of telecommunication development similar those of developed countries.

This Law indicates that concessions required for use and exploitation of the frequencies of the radioelectric spectrum will granted, that it is a public dominium asset, necessary for

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operation and exploitation of telecommunication networks. Such concessions will make it possible to its holder to operate and exploit the network.

Through the procedures previewed in that Law, concessions or authorizations related to the operation of telecommunication public networks associated only to the supplying of the traditional basic telephone service will not be conceded. Out of this process, winner positions were for the company Claro CR Telecommunications for US\$75 million for one concession and Azules y Platas (Telefónica) for US\$95 million for another concession.

This Law creates the National Fund for Telecommunications (Fondo Nacional de Telecomunicaciones - FONATEL) as an administration tool of resources addressed to finance the fulfillment of the objectives for universal access, universal service and solidarity and it corresponds to SUTEL to manage FONATEL's resources.

Other important topics of this Law are as follows:

- Public network operators and suppliers of telecommunication services available to the public must guarantee the secrecy of the communications, right to intimacy and protection of personal condition data of final clients and users through the implementation of the necessary systems, technical and administrative measures.
- The tariffs of the services of telecommunications available to the public will be set forth initially by SUTEL, according to the price ceiling methodology or any other that boosts competition and efficiency in the use of the resources according to the bases, procedures and frequency defined through regulation.
- Access and interconnection to telecommunication public networks is guaranteed with the goal of searching for efficiency, effective competition, optimization of use of scarce resources and a broader benefit for users. Interconnection prices should be addressed to costs, and they will be freely negotiated by the operators among them based on the methodology sets forth by SUTEL.
- A cannon corresponding to SUTEL is established for telecommunication services.
- The guideline 1686-Sutel, issued on July 21st, 2011, indicates the decision taken in the agreement of SUTEL N° 001-050-2011 on the temporary suspension of the collection of the Regulating Cannon starting from July 2011 while an analysis and revision of the Regulating Cannon and budget for period 2011 is made; given this situation Group ICE paid this cannon from January to June 2011 only. The amount paid during 2011 reaches to ¢1.896 (¢2.941 during 2010).
- Cannon of reserve for the radio-electric spectrum is constituted establishing that network operators and suppliers of telecommunication services should annually pay cannon of reserve for the radio-electric spectrum which objective is planning, administrating and

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controlling the use of the radio-electric spectrum, and its collection is addressed to finance the activities and is SUTEL's task to develop.

- It is indicated that network operators or telecommunication service suppliers to whom frequency bands of the radio-electric spectrum had been assigned will be passive subjects no matter if they use the bands or not. The amount to pay for cannon is calculated directly by SUTEL according to its parameters. The term to submit and pay the declaration of cannon is two months and fifteen days after the closing of the respective fiscal period.

Note 37. Law for Strengthening and Modernization of Public Entities of Telecommunication Sector

The Law for Strengthening and Modernization of Public Entities of Telecommunication Sector N° 8660 was published on Official Daily La Gazette from August 13th, 2008, it creates Telecommunication Sector and the Telecommunications Superintendence (SUTEL) that will be the organization in charge of regulating, applying, watching and controlling judicial ordering of telecommunications.

Main objectives of this Law:

- Strengthening, modernizing and supplying the Instituto Costarricense de Electricidad (ICE), its companies, and ascribed organizations with the legislation that would allow adapting to all changes in the legal regime of generation and provision of electricity services, as well as those of telecommunications, info-communications, products, information services and other services in convergence.
- Complement the Decree-Law N° 449, from April 8th, 1949, Regulation for the creation of the Instituto Costarricense de Electricidad, and its reforms, to provide ICE with the necessary judicial, financial and administrative conditions for it to continue with the supplying and commercialization of electricity and telecommunication products and services inside national territory and abroad.
- Create Telecommunication Sector and its direction, as well as to develop the competences and attributions that relate to the Guiding Direction of the Minister of the Sector, who, together with the President of the Republic, will elaborate a Telecommunication National Development Plan.
- Make it flexible and extend mechanisms and procedures of public contract own by ICE and its companies.

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- Guarantee and confirm the administrative and financial autonomy of ICE and its companies
- Guarantee rendering of accounts and the evaluation of results by ICE and its companies.

The Law authorizes ICE to sign strategic alliances, to sell advising services, consulting services, training and any other related products or services, it may implement usual commercial practices, elaborate promotions, including endowing, free, or not, of terminal equipment, discounts, sponsorships, service packages, among others.

ICE is empowered to sign contracts for the constitution of trusts of any kind, in the national territory, or outside.

It is indicated that whenever ICE and its companies act as operators or suppliers in competitive national markets of telecommunication services and products, or of electricity, they will be subject to the payment of income and selling tax. It is excluded from payment of income tax traditional basic telephone service.

It is established that nor the State, nor its institutions may impose financial restrictions or limitations to investments and to ICE and its companies' indebtedness that turn out to be different or opposed to that Law, nor they may request or demand, transferences, purchase bonds; in general, ICE or its companies will not be obligated to keep deposits on current accounts, or in government titles.

ICE is empowered to negotiate, contract and execute, in an autonomous way, internal and external indebtedness of medium and long term up to a maximum indebtedness level of 45% in relation to its total assets. In case ICE requires increasing its indebtedness in a percentage above the herein mentioned, it should submit its additional financing requirements to the authorization of the Executive Power of the Government of Costa Rica.

Also, it may issue all type of securities, in national or foreign currency, at the interest, amortization rate and amount the Directing Council would determine according to the applicable legislation. Such titles will have the guaranty ICE and its companies appoints in the issuance agreement. For this, it may entitle present of future income through financial contracts, such as leasing or trusts, or it may burden its goods and income.

ICE and its companies will count with a Board of Corporate Acquisitions which objective is to execute the corresponding administrative contract procedures, including awarding and impugnation.

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Note 38. Law of Waters

On August 28, 1942, the Law of Waters N° 276 was published on the Official Daily La Gazette which sets forth the regulatory framework for differentiation of public and private dominium of waters, common and special harnessing of public waters and other general interest issues.

For the harnessing of public waters by companies of public or private interest, the corresponding authorization is needed; which is conceded by the Ministry of Environment, Energy and Telecommunications (Ministerio de Ambiente, Energía y Telecomunicaciones - MINAET). It is responsibility of that Ministry to have available and resolve on the dominium, harnessing, use, governance and surveillance on public dominium waters.

According to this legislation, the time length of concessions will be determined, in each case, according to the circumstances and a term of thirty (30) years is fixed as maximum term limit.

In concessions of public waters harnessing, it is understood it comprises the one of public dominium, necessary for the work of the dam, channels and ditches. Regarding the lands property of the State, of the Municipalities, of towns and of private people, according to the case, procedure will be taken according to the cases, to impose forced right of way and to perform the corresponding expropriations with the formalities of the law.

Also, waters conceded for harnessing will not be able to apply to any other diverse purpose without the corresponding authorization, which will be given as if it was a new concession.

Concessions for the harnessing of public waters for development of hydraulic and hydroelectric forces for public and private services will be governed by the provisions contained in the Law of Waters N°276, as well as in the Law of National Service of Electricity N°258 from August 18th, 1941, which mainly indicates that the State will be the one exerting the dominium and it will take advantage, use, govern or watch according to the case, all waters, hydraulic and electric forces of public dominium according to the definition said above.

Also, according to the provision of the Law N°258, concessions and rights for the harnessing of waters and forces derived from them as well as the development, transmission, transformation and distribution of electric forces of any source of energy and that are comprised in such Law may only be obtained conditionally and for a limited period of time that will not exceed twenty-five (25) years.

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Note 39. Cannons

Year 2012

Cannon of waters:

Cannon corresponds to waters used for the generation of hydraulic and thermic energy.

The amount paid for account of cannon to MINAET up to March 31st, 2012 reaches ¢193.2, and to ¢328.5 up to March 31st, 2011.

Cannon Quality Program:

The payment of cannon was approved through La Gazette N° 175 from September 8th, 2009, and it is paid to the Regulating Authority of Public Services (Autoridad Reguladora de Servicios Públicos - ARESEP) presently mediating for it based on the power given by the article 82 of Law N°7593 and guideline of official note N° 1463 from February 12, 2010, communicates through official note N°6990 from July 29th, 2011, that cannon to charge for account of general regulation to companies ruled, and for ICE it corresponds to ¢518.9.

With the approval of cannons for the period 2012, from General Controlling Department of the Republic (Contraloría General de la Republica) at level of regulation, according to official note DFOE-EC-0345 (6990) from July 29th, 2011, and the provision in article 82 of the law N° 7593 reformed by the Law 8660 published on La Gazette N°156 from August 13th, 2008, communication was made of the amount of cannon the entity should pay in 2012.

Published on La Gazette N°188, from September 30th, 2011, it is informed by ARESEP that ICE has a balance in its favor regarding the quality cannon that reaches to ¢32, therefore, current cannon is reduced to that amount.

Cannon of Regulation

It is a payment made by the Instituto Costarricense de Electricidad to the Autoridad Reguladora de Servicios Públicos (ARESEP), for supervision of the quality the consumers receive as well as the service of regulation rendered for the Systems of Generation, Transmission, Distribution and Public Lighting.

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Note 40. Subsequent events

(ii) Project Deviation San Miguel Toro:

Project located in San Rafael, Varablanca of Heredia and San Miguel, Sarapiquí of Alajuela consisting on the deviation of a portion of the Transmission Line Cariblanco – San Miguel of 17 km, damage by the earthquake of Cinchona 2009. This project entered into operation in April 2012.

(iii) ICE –call to Standardized Bonds

In April 2012, ICE placed an auction of bond values Serial F3, for ₡15.000. Pondered price of allocation was 100,05%, capturing ₡5.627 million, issuance 11 years and an interest rate of 4,25%.

Resources will be addressed to attend the needs of geothermic and hydroelectric generation projects as well as improvements of thermic and hydroelectric projects and transmission works.

In May 2012, ICE placed an auction of bond values in the international market. This placement corresponds to a re-opening of the issuance placed in November 2011. Total captured was US\$250 million. Bonds were issued with a ten-year term and a coupon that pays 6,95% with a yield equivalent to 6,24%. The pondered price of allocation was 105%.

Resources will be addressed to the development of the Electricity Sector.