

Rio de Janeiro, October 31, 2014 - Equatorial Energia S.A. (BM&FBOVESPA: EQTL3) announces its results for the third quarter and first nine months of 2014 (3Q14 e 9M14).

Equatorial is a holding company with investments in Companhia Energética do Maranhão (CEMAR), Centrais Elétricas do Pará (CELPA), Geramar and Equatorial Soluções. Equatorial holds a 65.11% interest in CEMAR, the electricity distributor for the entire state of Maranhão, and 96.18% in CELPA, the electricity distributor for the entire state of Pará. It also holds a 25% interest in Geramar, the company responsible for the construction and operation of two thermoelectric plants in Maranhão with a combined installed capacity of 330MW. In the service segment, Equatorial holds a 100% interest in Equatorial Soluções. Non-financial information relating to Equatorial Energia and its subsidiaries and the PLPT ("Light for All Program"), as well as Management's expectations regarding the future performance of the Company and its subsidiaries were not reviewed by independent auditors.

**CEMAR'S DEMAND FOR ENERGY INCREASES 9.3%, AND CELPA'S, 12.6%.  
CELPA'S TOTAL LOSSES OVER REQUIRED ENERGY (12 MONTHS) WERE REDUCED TO 31.7%.**

**1. FINANCIAL AND OPERATING HIGHLIGHTS**

- ▶ CEMAR's **total billed energy volume** reached 1,489 GWh in 3Q14, 9.3% higher than in 3Q13. The total volume distributed by CELPA (captive and free markets) totaled 2,087 GWh in 3Q14, representing growth of 12.4% YoY.
- ▶ **Net operating revenues (NOR)** in 3Q14 reached R\$1,670 million, 38.8% higher than 3Q13's NOR.
- ▶ In 3Q14, **Consolidated Accounting EBITDA** was R\$450 million, against R\$331 million positive in 3Q13, an increase of 35.9%. The Adjusted Regulatory EBITDA totaled R\$276 million in the quarter, an increase of 21.0% over the same quarter last year.
- ▶ The **net result** of the quarter was R\$282 million, 42.1% higher than the R\$200 million reported in the 3Q13.
- ▶ In 3Q14, Equatorial's consolidated **investments** totaled R\$323 million, 115.8% higher than those made in 3Q13.
- ▶ In 3Q14, CEMAR's **DEC** and **FEC** indexes (accumulated over the last 12 months) were 16.5 hours and 10.9 times respectively. In CELPA, these same indexes closed the quarter with improvements of 39.3% and 27.2%, respectively.
- ▶ In CEMAR, **energy losses** of the last 12 months ending 3Q14 represented 17.3% of the required energy, with a decrease of 0.5 percentage points compared to 17.8% recorded in 2Q14. In CELPA, total losses ended the year at 31.7% of the required energy, a decrease of 1.3 percentage points compared to the 33.0% recorded in 2Q14.
- ▶ In August 2014, ANEEL's Executives authorized CELPA to **readjust** its rates in **34.96%** (average effect perceived by consumers), effective from August 7. Also in August 2014, ANEEL authorized CEMAR to **readjust** its rates in **24.12%** (average effect perceived by consumers).
- ▶ In September 2014, CELPA signed up to REFIS (Law 12,996/14) R\$151 million of common tax debts that, after the recognition of new debts, discounts obtained and offsetting tax losses, became R\$98 million (for more details go to its specific section). Also in September, due to the MP 651, CEMAR opted for early settlement of R\$49 million of tax debt originally included in REFIS, R\$15 million paid in cash and R\$35 million settled through offsetting tax losses.
- ▶ In October 2014, CELPA received R\$67 million as a refund of Subrogation CCC (Fuel Consumption Account), referring to the project of the interconnection Ilha de Marajó to SIN - National Interconnected System.
- ▶ In October 2014, CEMAR completed the funding of R\$400 million in long-term debt (see Subsequent Events for further details).

FINANCIAL DATA (R\$MM)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Total Net Operating Revenue	1,203	1,353	1,670	38,8%	3,386	4,349	28,5%
Accounting EBITDA	331	(73)	450	35,9%	455	522	14,7%
Accounting EBITDA (LTM)	625	533	652	4,4%	625	652	4,4%
Regulatory EBITDA	204	286	387	89,6%	505	923	89,6%
Regulatory EBITDA (LTM)	642	887	1,070	66,7%	642	1,070	66,7%
EBITDA Margin (% net revenues)	27,5%	-5,4%	27,0%	-2,1%	13,4%	12,0%	-1,4 p.p.
Net Income	200	(185)	282	41,2%	131	112	-14,7%
Profit Margin (% net revenues)	16,6%	-13,7%	16,9%	0,2 p.p.	3,9%	2,6%	-1,2 p.p.
Net Income per Share (R\$ / share)	1,83	(0,93)	1,42	-22,3%	1,20	0,56	-53,1%
<b>Investments</b>							
CEMAR	62	70	85	38,0%	194	218	12,5%
PLPT (CEMAR)	6	25	21	266,5%	18	62	243,7%
CELPA	78	149	141	81,0%	250	391	56,6%
PLPT (CELPA)	4	45	76	1684,2%	23	150	550,8%
Geramar	0	0	0	619,9%	0	0	143,7%
<b>Total</b>	150	289	323	115,8%	485	821	69,4%
Net Debt	1,077	1,201	1,453	34,9%	1,077	1,453	34,9%
Net Debt / Regulatory EBITDA (LTM)	1,7	1,4	1,4	-0,3 x	1,7	1,4	-0,3 x

	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
<b>Distribution</b>							
Billed Energy (GWh)							
CEMAR	1,362	1,353	1,488	9,3%	3,848	4,175	8,5%
CELPA	1,857	1,979	2,087	12,4%	5,266	5,947	12,9%
Consumers (000)							
CEMAR	2,109	2,167	2,179	3,3%	2,109	2,179	3,3%
CELPA	1,989	2,106	2,143	7,8%	1,989	2,143	7,8%

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## 2. OPERATING PERFORMANCE

The operating information contained in this section is pro forma and reflects 100% of the operations of CEMAR and 100% of the operations of CELPA.

### 2.1 OPERATING PERFORMANCE – CEMAR

#### ELECTRIC ENERGY SALES

In 3Q14, energy sales increased 9.3% over the same quarter of the previous year, reaching 1,489 GWh. The growth observed during the quarter was a result of the expansion of the client base of 3.3% in the quarter, the combat of energy losses and the increase in per capita consumption, reflection of the investments which are being made in Maranhão.

CONSUMPTION SEGMENTS * (MWh)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Residential	658,860	662,570	717,308	8.9%	1,873,387	2,042,709	9.0%
Industrial	127,738	119,030	133,331	4.4%	354,759	372,923	5.1%
Commercial	272,786	283,481	306,970	12.5%	775,029	864,254	11.5%
Others	302,309	287,566	330,886	9.5%	844,411	894,914	6.0%
<b>TOTAL</b>	<b>1,361,693</b>	<b>1,352,647</b>	<b>1,488,494</b>	<b>9.3%</b>	<b>3,847,585</b>	<b>4,174,801</b>	<b>8.5%</b>

\* Does not include sales to CEPISA and own consumption.

#### ENERGY BALANCE

The volume of required energy by CEMAR's grew 6.7% over the same quarter in the previous year, while the national's load and Northern's load dropped 1.1% and 1.5% respectively.

GWh	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Brazil's Load (*)	130.812	130.608	129.433	-1,1%	390.662	403.442	3,3%
Northern's Load (*)	19.969	20.421	19.662	-1,5%	60.333	61.110	1,3%
Cemar's Load (*)	1.699	1.661	1.814	6,7%	4.807	5.058	5,2%

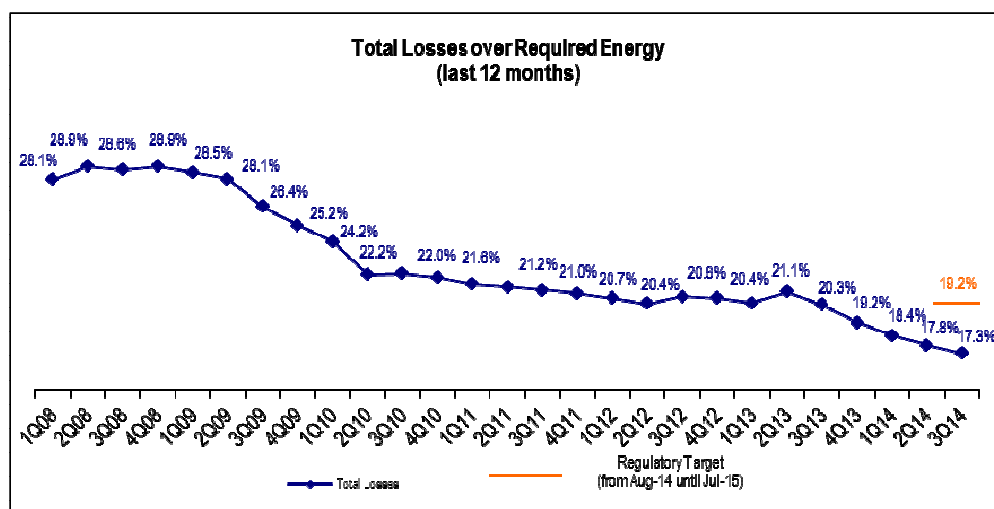
(\*) Data from Sistema Interligado Nacional

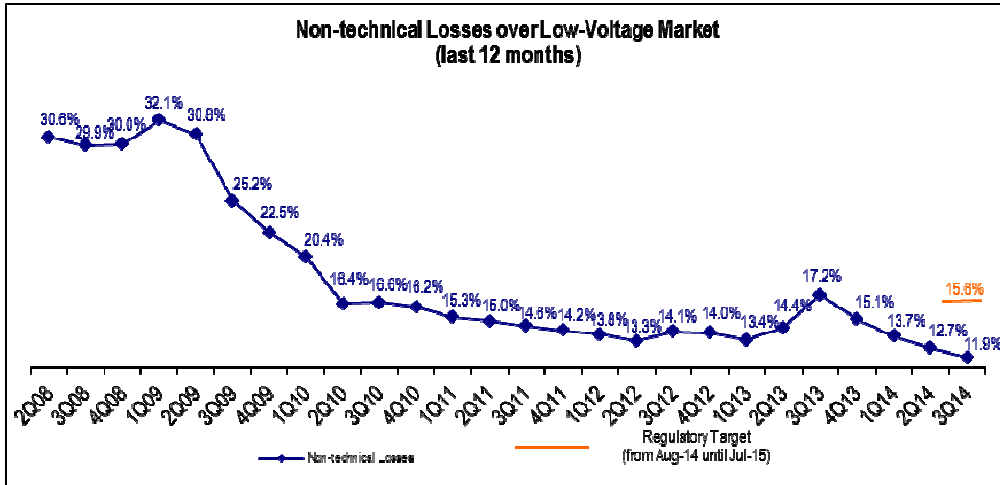
Source: ONS and CEMAR

#### ENERGY DISTRIBUTION LOSSES

With the implementation of new phase of the Company's Losses Combat Plan, total losses for the 12 months ending in 3Q14 represented 17.3% of the energy required, down 0.5 percentage points compared to the indicator on the end of the last quarter, whereas non-technical losses in the low-voltage market were 11.9%, a decrease of 0.8 percentage points compared to 3Q14.

Despite our belief in the further reduction of the energy losses, given that the current level is already considered low and taking into account the fact that technical losses over required energy are currently at 9.86%, it should be noted a certain volatility in the short term, meanwhile, we are reassessing the Energy Losses Reduction Plan to further understand which should be a sustainable level in the long term.



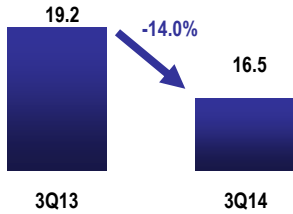


**QUALITY INDICATORS – DEC AND FEC**

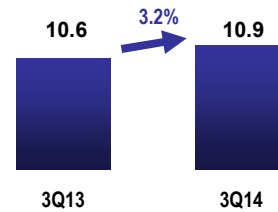
The quality and efficiency of the distribution concessionaires’ networks is measured by the DEC (Duration Equivalent of Interruption per Consuming Unit that measures the equivalent length of interruptions per consumer, measured in hours per consumer for a given period) and FEC (Frequency Equivalent of Interruption per Consuming Unit, measured as the number of interruptions per consumer for a given period).

At the close of 3Q14, the 12-month DEC stood at 16.5 hours, compared to 19.2 hours at the end of 3Q13, a decrease of 14.0 %. The FEC indicator (accumulated 12-month period) at the end of 3Q14, was 10.9 times, representing a 3.2% increase in 3Q13’s rate. The continued reduction in the indicators is the result of improvements in internal processes and investments made by the Company in recent years.

DEC (hours): Last 12 months



FEC (times): Last 12 months



## 2.2 OPERATING PERFORMANCE – CELPA

### ELECTRIC ENERGY SALES

In 3Q14, sales of energy for the captive market grew 12.6% compared to the same quarter of the previous year, reaching 1,992 GWh. This growth can be explained by the following factors: (a) The reduction of energy losses of the Company, to the extent that part of the volume of energy consumed is billed and is also recovered from the past; (b) the per capita consumption growth coupled with the 7.8% increase in new consumers.

ENERGY BALANCE (MWh)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Energy Sales (Captive + Own Consumption)	1.775.472	1.894.709	2.000.297	12,7%	5.030.136	5.692.665	13,2%
Free Market	87.716	92.915	95.700	9,1%	254.575	278.677	9,5%
Total Losses	1.053.750	906.654	948.602	-10,0%	3.015.885	2.713.875	-10,0%
<b>Required Energy</b>	<b>2.916.937</b>	<b>2.894.278</b>	<b>3.044.599</b>	<b>4,4%</b>	<b>8.300.595</b>	<b>8.685.217</b>	<b>4,6%</b>
Own Generation	115.621	113.355	121.301	4,9%	328.572	341.416	3,9%
Energy Purchase (Contracts)	2.801.316	2.780.923	2.923.298	4,4%	7.972.023	8.343.801	4,7%

(\*) Includes sales to the segments, own consumption and free market.

In 3Q14, CELPA's charge grew by 4.4% over the same quarter last year, while domestic charges and Northern's charges varied -1.0% and 2.7%, respectively.

GWh	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Brazil's Load (*)	130.812	130.608	129.433	-1,1%	390.663	403.442	3,3%
Northern's Load (*)	11.037	11.157	11.334	2,7%	28.942	33.705	16,5%
Celpa's Load (*)	2.917	2.894	3.045	4,4%	8.301	8.685	4,6%

(\*) Data from Sistema Interligado Nacional  
Source: ONS and CELPA

### ENERGY BALANCE

The volume of required energy by CELPA's system came to 3,045 GWh in 3Q14, up 4.4% over the same period in the previous year. The volume of energy sold during the quarter rose 12.7% over 3Q13.

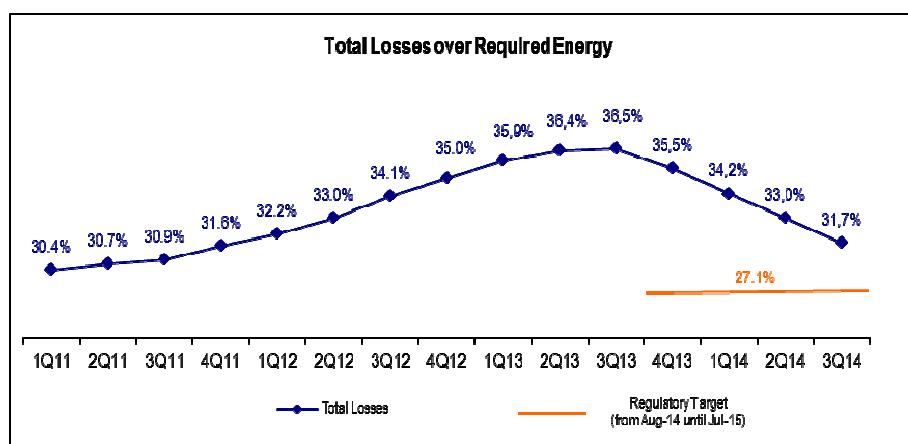
GWh	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Brazil's Load (*)	130.812	130.608	129.433	-1,1%	390.663	403.442	3,3%
Northern's Load (*)	11.037	11.157	11.334	2,7%	28.942	33.705	16,5%
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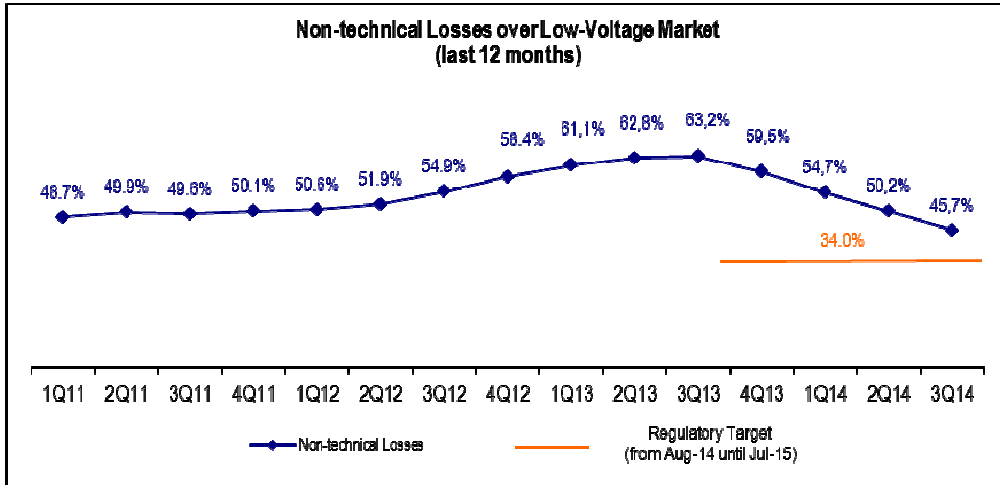
(\*) Data from Sistema Interligado Nacional  
Source: ONS and CELPA

### ENERGY DISTRIBUTION LOSSES

The total losses of the past 12 months ending in 3Q14 accounted for 31.7% of the required energy, while non-technical losses on the Low Voltage market reached 45.7%.

We highlight the fact that the level of energy losses fell for the fourth consecutive quarter since the beginning of the current Loss Combat Plan in 4Q13. Although we believe it is possible to reduce the current level of energy losses, considering its strong recent fall, it is natural to observe a certain slowdown in its reduction in the short term.



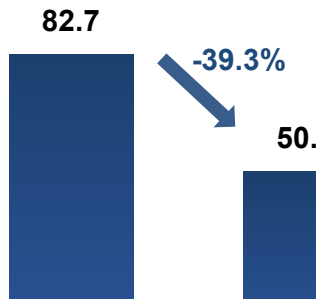


**QUALITY INDICATORS – DEC AND FEC**

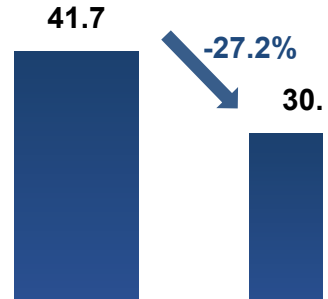
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At the close of 3Q14, the 12-month DEC stood at 50.2 hours, that compared to 82.7 hours at the end of 3Q13, suffered a decrease of 39.3%. The FEC indicator (accumulated 12-month period) at the end of 3Q14, was 30.3 times, representing a 27.2% decrease in 3Q13's rate.

DEC (hours): Last 12 months



FEC (times): Last 12 months



### 3. ECONOMIC-FINANCIAL PERFORMANCE - CONSOLIDATED

The information in this section reflects: i) 100% of CEMAR's operations, excluding 34.89% related to minority interests before Net Income, or 65.11% of the total; ii) 100% of CELPA's operations, excluding 3.82% related to minority interests before Net Income, or 96.18% of the total and iii) 100% of Equatorial Soluções.

We highlight that, as from 1Q13, according to the Brazilian accounting rules, the results related to the 25% stake in Geramar were only consolidated in Equatorial's results in the Equity row.

#### 3.1 ECONOMIC-FINANCIAL PERFORMANCE – CONSOLIDATED

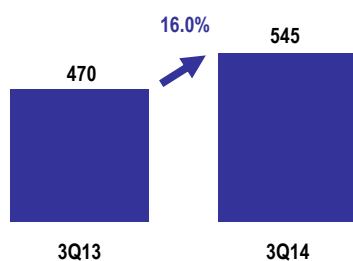
Consolidated Income Statement (R\$MM)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Gross Operating Revenues (GOR)	1.577	1.768	2.180	38,3%	4.471	5.680	27,0%
Net Operating Revenues (NOR)	1.203	1.353	1.670	38,8%	3.386	4.349	28,5%
Electric Energy Cost	(592)	(1.190)	(979)	65,5%	(2.178)	(3.103)	42,5%
Operating Costs / Expenses	(280)	(236)	(241)	-14,0%	(753)	(725)	-3,8%
<b>EBITDA</b>	<b>331</b>	<b>(73)</b>	<b>450</b>	<b>35,9%</b>	<b>455</b>	<b>522</b>	<b>14,7%</b>
Other Revenues/Operational Expenses	(13)	(13)	(17)	26,9%	(41)	(37)	-8,9%
Depreciation	(73)	(74)	(86)	18,2%	(185)	(226)	22,2%
Service Income (EBIT)	246	(160)	348	41,6%	228	258	12,9%
Financial Result	(72)	(58)	(48)	-33,1%	(157)	(130)	-17,6%
Operating Result	173	(218)	300	72,8%	71	128	80,3%
Goodwill Amortization	3	6	5	59,8%	10	16	60,9%
Earnings Before Taxes (EBT)	176	(212)	305	72,6%	81	144	78,0%
Income Tax / Social Contribution	50	14	22	-55,3%	50	17	-66,9%
Minority Interests	(27)	13	(45)	68,3%	(0)	(49)	13858,3%
<b>Net Income</b>	<b>200</b>	<b>(185)</b>	<b>282</b>	<b>41,2%</b>	<b>131</b>	<b>112</b>	<b>-14,7%</b>

### 3.2 ECONOMIC-FINANCIAL PERFORMANCE – CEMAR

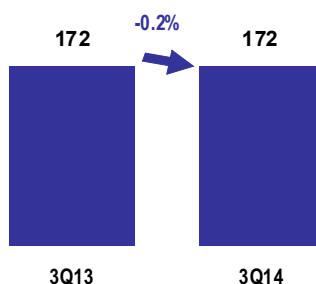
The economic and financial information in this section reflects 100% of CEMAR's operations.

CEMAR's Income Statement (R\$MM)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Gross Operating Revenues (GOR)	615	654	719	17,0%	1.856	2.005	8,0%
Net Operating Revenues (NOR)	470	511	545	16,0%	1.433	1.546	7,9%
Electric Energy Cost	(186)	(395)	(280)	51,1%	(743)	(1.000)	34,6%
Operating Costs / Expenses	(112)	(96)	(93)	-17,1%	(309)	(277)	-10,3%
<b>EBITDA</b>	<b>172</b>	<b>21</b>	<b>172</b>	<b>-0,2%</b>	<b>381</b>	<b>269</b>	<b>-29,4%</b>
Other Revenues/Operational Expenses	(4)	(6)	(5)	14,0%	(26)	(13)	-50,2%
Service Income (EBIT)	136	(16)	136	-0,1%	275	165	-40,0%
Financial Result	(39)	(15)	(31)	-21,1%	(76)	(64)	-16,5%
Earnings Before Taxes (EBT)	97	(31)	105	8,4%	199	101	-49,0%
Income Tax / Social Contribution	(40)	10	(3)	-91,7%	(44)	10	-121,7%
<b>Net Income</b>	<b>57</b>	<b>(21)</b>	<b>102</b>	<b>79,5%</b>	<b>155</b>	<b>111</b>	<b>-28,3%</b>

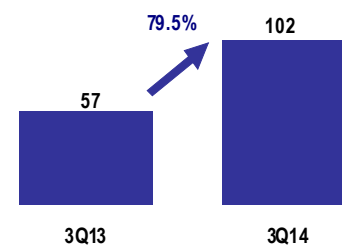
NOR (R\$MM) – Quarterly



EBITDA (R\$MM) - Quarterly



Net Income (R\$MM) – Quarterly



#### 3.2.1 – OPERATING REVENUES

OPERATING REVENUE - CEMAR	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Energy Sales (MWh)*	1.361.693	1.352.647	1.488.494	9,3%	3.847.585	4.174.801	8,5%
Number of Clients**	2.108.675	2.166.703	2.178.906	3,3%	2.108.675	2.178.906	3,3%
KWh per Client	646	624	683	5,8%	1.825	1.916	5,0%
Gross Operating Revenue (R\$ MM)	479	488	546	13,9%	1.407	1.488	5,7%
Residential	251	251	278	11,0%	734	763	4,0%
Industrial	34	33	38	13,1%	104	103	-0,9%
Commercial	107	115	130	21,8%	313	352	12,8%
Others	88	89	100	12,9%	257	269	4,6%
Supply	6	3	0	-94,7%	55	30	-44,8%
Other Revenues	70	65	67	-4,4%	191	198	3,6%
Low Income	45	45	49	8,8%	144	140	-2,6%
Irrigantes	17	8	9	-45,8%	25	27	10,6%
Network Usage	1	1	1	13,5%	2	3	42,5%
Other Operating Revenues	7	11	8	9,8%	21	28	34,7%
Construction Revenues	59	98	105	78,5%	203	289	42,8%
Deductions from Operating Revenues	(145)	(143)	(174)	20,1%	(423)	(459)	8,5%
<b>Net Operating Revenues</b>	<b>470</b>	<b>511</b>	<b>545</b>	<b>16,0%</b>	<b>1.433</b>	<b>1.546</b>	<b>7,9%</b>

\* Does not consider own consumption and supply to CEPISA

\*\* Excludes own consumption facilities

In 3Q14, Gross Revenue from energy sales increased 13.9%, mainly influenced by: i) the tariff adjustment occurred in August 2014, where the average effect perceived by consumers was 24.12%, and; ii) growth of 9.3% in the volume of energy sold in the quarter. The Net revenue reached R\$545 million (R\$440 million, excluding construction revenues), an increase of 7.0% compared to the same quarter of the previous year.

Due to the convergence of Brazilian accounting rules with international financial reporting standards (IFRS), as of 2010 revenue from construction was recognized under Gross Revenue, with an impact on NOR, but no impact on EBITDA or Net Income, as the same amount is discounted in a specific line under Non-Manageable Costs. In 3Q14, R\$98 million was recognized, versus R\$59 million in 3Q13.



### 3.2.2 – COSTS AND EXPENSES

In 3Q14, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R\$378 million (R\$272 million, excluding construction costs) equivalent to 69.3% of net revenues, an increase of 5.1 p.p. compared to the percentage, of 64.2% in 3Q13, largely explained by the 51.1% growth of non-manageable costs and expenses.

#### Manageable Operating Costs and Expenses

In 3Q14, manageable costs and expenses, including costs for Personnel, Materials, Outsourced Services and Others – PMSO, not including PDA (Provision for Doubtful Accounts), provisions for contingencies and other non-operating costs, reached R\$84 million, a decrease of 12.1% compared to the results presented in 3Q13.

In this quarter, personnel expenses totaled R\$23 million, equivalent to the results reported in 3Q13. Expenses for materials totaled R\$2 million in 3Q14, compared to the R\$3 million in 3Q13, down R\$1 million.

Expenses for outsourced services in 3Q14 showed a decrease of 16.1% in comparison to the results shown in 3Q13, closing the quarter at R\$55 million, mainly due to the non-recurring cost of the (MACPS/MCPSE) accounting, as mentioned in the paragraph below. Among its main accounts: (i) electrical services such as duty, pruning, maintenance and cleaning services, which totaled R\$13.4 million; (ii) outsourced customer service and call center services, totaling R\$5.7 million in the quarter, and (iii) billing and collection services totaling R\$12.7 million.

In 3Q13, there was an accounting of R\$13 million in non-recurring costs (R\$12 million in Third Party Services and R\$1 million in Materials) related to the preparation of the Manual for the Asset Control of the Power Sector (MACPS/MCPSE), despite the disbursement having occurred over the four previous years.

R\$ MM	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Personnel	23	24	23	0,6%	67	71	4,9%
Material	3	3	2	-45,5%	6	8	27,4%
Third Party Services	65	53	55	-16,1%	174	160	-8,6%
Others	4	4	4	5,3%	12	12	-5,4%
<b>PMSO</b>	<b>96</b>	<b>83</b>	<b>84</b>	<b>-12,1%</b>	<b>261</b>	<b>250</b>	<b>-4,0%</b>
% Net Revenues (without Construction Costs)	<b>23,4%</b>	<b>20,1%</b>	<b>19,2%</b>	<b>-4,1 p.p.</b>	<b>18,2%</b>	<b>16,2%</b>	<b>-2 p.p.</b>
Provisions	16	13	8	-47,7%	48	27	-44,1%
PDA and Losses	10	9	3	-70,1%	34	14	-57,8%
% Gross Operating Revenue (without Construction Revenues)	1,7%	1,6%	0,5%	-1,2 p.p.	2,1%	0,8%	-1,2 p.p.
Provision for Contingencies and Others	6	4	5	-13,6%	14	13	-11,1%
Other Operating Expenses/Revenues	4	6	5	14,0%	26	13	-50,2%
<b>MANAGEABLE COSTS AND EXPENSES</b>	<b>116</b>	<b>102</b>	<b>97</b>	<b>-16,0%</b>	<b>334</b>	<b>290</b>	<b>-13,3%</b>
% Net Revenues (without Construction Costs)	<b>28,2%</b>	<b>24,7%</b>	<b>22,2%</b>	<b>-6 p.p.</b>	<b>23,3%</b>	<b>18,7%</b>	<b>-4,5 p.p.</b>
Purchased Energy and Transportation	183	328	334	82,8%	645	983	52,3%
Recovery of CDE Expenses	(71)	(45)	(178)	151,9%	(143)	(316)	120,8%
Connection and Network Usage Charges	13	12	17	31,1%	35	41	15,5%
Construction Costs	59	98	105	78,5%	203	289	42,8%
Other Costs	1	1	1	-0,3%	3	3	-8,1%
<b>NON-MANAGEABLE COSTS AND EXPENSES</b>	<b>186</b>	<b>395</b>	<b>280</b>	<b>51,1%</b>	<b>743</b>	<b>1.000</b>	<b>34,6%</b>
% Net Revenues (without Construction Revenues)	<b>45,2%</b>	<b>95,6%</b>	<b>63,8%</b>	<b>18,5 p.p.</b>	<b>51,9%</b>	<b>64,7%</b>	<b>12,8 p.p.</b>
<b>TOTAL</b>	<b>302</b>	<b>497</b>	<b>378</b>	<b>25,2%</b>	<b>1.078</b>	<b>1.290</b>	<b>19,7%</b>
Total (%ROL.)	<b>64,2%</b>	<b>97,2%</b>	<b>69,3%</b>	<b>5,1 p.p.</b>	<b>75,2%</b>	<b>83,4%</b>	<b>8,2 p.p.</b>

In 3Q14, the level of Provision for Doubtful Accounts and Losses reported was R\$3 million, or 0.5% of the GOR, a level that was 1.2 p.p. lower than was reported for the same quarter of the previous year.

CEMAR reached a total of 1,852 clients per employee in 3Q14, a 2.6% improvement in comparison with the number presented during the same period of the previous year, of 1,805 clients per employee. With regard to the PMSO per client, there was a decrease of 14.9%, representing a cost of R\$39 per client during the quarter.

### 3.2.3 – EBITDA

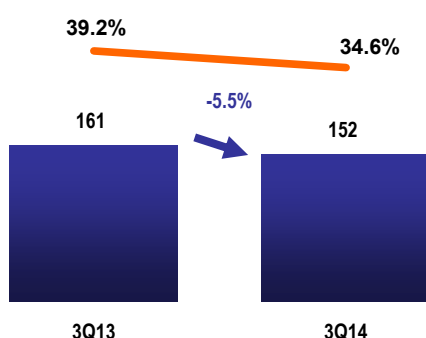
In 3Q14, the Accounting EBITDA (CVM) reached R\$167 million, compared to the R\$168 million in the same quarter last year, a drop of 0.6%.

Considering the formation or amortization of regulatory assets and liabilities, and the non-recurring adjustment due to the impact of the adherence on REFIS in the NOR, we arrive at the Adjusted Regulatory EBITDA of R\$152 million in 3Q14, a decrease of 5.5% compared to 3Q13's figures due to the impact of the Tariff Review and the growth in the volume of billed energy. As non-recurring items, we highlight: (i) Deduction of Income - REFIS, recognition of R\$1 million in tax debt with impact on the revenue; (ii) Mismatch of Taxes; refers to the accounting of the so called ACR-Account, which has impact on the collecting of PIS/COFINS because it is revenue, however, the compensation will only be made as from October; (iii) Santo Antônio Devolution Effect, where there was compensation in the CCEE of the quarter that will only be adjusted in future settlements.

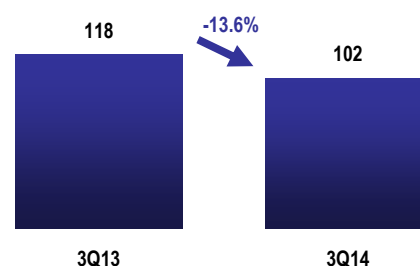
EBITDA (R\$ million)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Service Income	136	(16)	136	-0.1%	275	165	-40.0%
Depreciation e Amortization	32	31	31	-2.7%	81	91	13.5%
<b>Accounting EBITDA (CVM)*</b>	<b>168</b>	<b>15</b>	<b>167</b>	<b>-0.6%</b>	<b>356</b>	<b>256</b>	<b>-27.9%</b>
Other Operating Revenues/Expenses	4	6	5	14.0%	26	13	-50.2%
Deduction of Income (REFIS)	-	-	1	N/A	-	1	N/A
Energy Purchase Refund	-	(11)	-	N/A	-	(11)	N/A
Mismatch of Taxes	-	-	17	N/A	-	17	N/A
Santo Antônio Devolution Effect	-	-	(8)	N/A	-	(8)	N/A
<b>Accounting EBITDA</b>	<b>172</b>	<b>10</b>	<b>183</b>	<b>6.0%</b>	<b>381</b>	<b>269</b>	<b>-29.5%</b>
Net Regulatory Assets/Liabilities	(11)	127	(31)	167.9%	71	139	95.8%
<b>Adjusted Regulatory EBITDA</b>	<b>161</b>	<b>136</b>	<b>152</b>	<b>-5.5%</b>	<b>452</b>	<b>408</b>	<b>-9.8%</b>

\* Calculated in accordance with the Instruction CVM 527/12

Regulatory EBITDA (R\$MM) and EBITDA Margin: Quarterly



Regulatory EBITDA (R\$) per MWh: Quarterly



### 3.2.4 – FINANCIAL RESULTS

In 3Q14, the net financial result was negative in R\$31 million, against a negative R\$ 39 million in 3Q13.

The Company currently has no operations involving derivative financial instruments.

Resultado Financeiro (R\$ MM)	3T13	2T14	3T14	Var.	9M13	9M14	Var.
Renda s/ aplicações financeiras	11	19	19	63,8%	23	56	146,3%
Multas e mora s/ conta de energia	22	18	14	-35,4%	57	54	-5,6%
Outras Receitas Financeiras	3	1	3	4,5%	5	5	11,6%
VNR receita	-	0	-	N/A	12	0	N/A
<b>Receitas Financeiras</b>	<b>37</b>	<b>38</b>	<b>36</b>	<b>-1,2%</b>	<b>97</b>	<b>116</b>	<b>19,5%</b>
Juros s/ emprést. e financ.	(29)	(31)	(31)	9,4%	(82)	(94)	14,0%
Variações Monetárias e Cambiais	(9)	(8)	(18)	101,0%	(16)	(36)	125,4%
Outras Despesas Financeiras	(14)	(14)	(12)	-17%	(49)	(36)	-26,2%
VNR despesa	(24)	-	(6)	N/A	(25)	(13)	N/A
<b>Despesas Financeiras</b>	<b>(76)</b>	<b>(54)</b>	<b>(67)</b>	<b>-11,5%</b>	<b>(173)</b>	<b>(179)</b>	<b>3,7%</b>
<b>Resultado Financeiro Líquido</b>	<b>(39)</b>	<b>(15)</b>	<b>(31)</b>	<b>-21,1%</b>	<b>(76)</b>	<b>(64)</b>	<b>-16,5%</b>

### 3.2.5 – INCOME TAX AND SOCIAL CONTRIBUTION

At CEMAR, the calculation of Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL) was positively influenced by the following items: i) the tax incentive of a 75% reduction in income tax as a result of the tax benefit from the expansion of installed capacity, obtained from the SUDENE (Superintendency for the Development of the Northeast) in December, 2005, which was extended in 2007 to include the upgrade of all installed capacity, effective through 2021; ii) tax incentives related to accelerated depreciation, obtained from the SUDENE, which allows investments in expansion and modernization of the distribution network to be considered as a fully tax-deductible expense for purposes of calculating income tax immediately (effective through 2018); and, iii) the offset of accrued losses. It should be noted that all items mentioned above are applicable only to income tax.

Effective Income Tax and Social Contribution Rate

Income Tax/ Social Contribution (R\$MM)	3Q13	2Q14	3Q14	9M13	9M14
<b>EBT ( 1 )</b>	<b>121</b>	<b>(31)</b>	<b>105</b>	<b>223</b>	<b>101</b>
Income Tax/ Social Contribution Expenses	(47)	10	(3)	(51)	10
( - ) Deferred Tax Assets	49	(6)	(11)	41	(28)
<b>= Tax Payable</b>	<b>2</b>	<b>4</b>	<b>(14)</b>	<b>(10)</b>	<b>(18)</b>
( + ) Fiscal Credits	-	(6)	7	9	4
<b>= Tax - Cash Basis ( 2 )</b>	<b>2</b>	<b>(2)</b>	<b>(7)</b>	<b>(1)</b>	<b>(15)</b>
<b>Effective Tax Rate = ( 2 ) / ( 1 )</b>	<b>-1.7%</b>	<b>-5.6%</b>	<b>7.0%</b>	<b>0.4%</b>	<b>14.4%</b>

In 3Q14, the result of income tax and social contribution was R\$3 million and, considering the use of deferred tax assets and tax credits for compensation of R\$4 million, the cash outflow for the payment of such taxes ended up being R\$7 million.

3.2.6 – NET INCOME

In 3Q14, CEMAR presented a net income of R\$102 million versus an income of R\$57 million in 3Q13 mainly due to the recognition of the revenue arising from the accounting of the ACR-Account for the months from May to September.

If we register the net regulatory assets and liabilities in the quarter, the Net Income would reach R\$112 million, 9.2% lower than the amount recorded in the same quarter last year.

NET INCOME (R\$ million)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
<b>NET INCOME</b>	<b>57</b>	<b>(21)</b>	<b>102</b>	<b>79.5%</b>	<b>155</b>	<b>111</b>	<b>-28.3%</b>
PMSO Adjustment	12	-	-	N/A	-	-	N/A
New Replacement Value (NRV/VNR) Adjustment	22	(0)	6	-73.3%	13	12	-7.2%
Deferred Income Tax Adjustment	36	-	-	N/A	-	-	N/A
Energy Purchase Refund	-	(9)	-	N/A	-	(9)	N/A
Mismatch of Taxes	-	-	14	N/A	-	14	N/A
Santo Antônio Devolution Effect	-	-	(6)	N/A	-	(6)	N/A
Deduction of Income (REFIS)	-	-	2	N/A	-	2	N/A
Impact on Net Financial Results (REFIS)	-	-	14	N/A	-	14	N/A
Impact on Social Contribution Expenses (REFIS)	-	-	1	N/A	-	1	N/A
<b>Adjusted Accounting Net Income</b>	<b>126</b>	<b>(30)</b>	<b>133</b>	<b>4.9%</b>	<b>168</b>	<b>139</b>	<b>-17.2%</b>
Net Regulatory Assets/Liabilities	9	127	(21)	N/A	73	146	101.2%
Reversal of the adjustment in the PMSO	(12)	-	-	N/A	(12)	-	N/A
<b>Adjusted Regulatory NET INCOME</b>	<b>123</b>	<b>97</b>	<b>112</b>	<b>-9.2%</b>	<b>229</b>	<b>286</b>	<b>24.7%</b>

### 3.3 ECONOMIC-FINANCIAL PERFORMANCE – CELPA

#### 3.3.1 – OPERATING REVENUES

In 3Q14, Gross Revenue from energy sales increased 38.4%, influenced mainly by the 12.6% increase in sales volume and an increase in average consumption per customer around 4.3% compared to the 3Q13 and by the tariff adjustment of 34.96 % (Average effect perceived by consumers) authorized by ANEEL and applied as of August 07 of this year. Net revenue reached R\$1,069 million (R\$761 million, excluding construction revenues), an increase of 61.3% (39.5% growth without construction revenues) compared to the same quarter of the previous year.

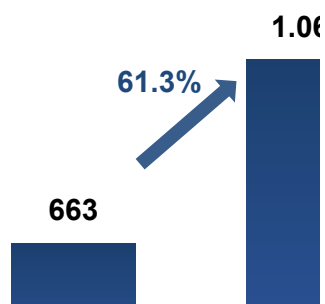
Due to the convergence of Brazilian accounting rules with international financial reporting standards (IFRS), as of 2010 revenue from construction was recognized under Gross Revenue, with an impact on NOR, but no impact on EBITDA or Net Income, as the same amount is discounted in a specific line under Non-Manageable Costs. In 3Q14, R\$308 million was recognized, versus R\$117 million in 3Q13.

OPERATING REVENUE - CELPA	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Energy Sales (MWh)*	1.768.878	1.886.330	1.991.669	12,6%	5.010.962	5.668.126	13,1%
Number of Clients**	1.988.988	2.105.752	2.143.463	7,8%	1.988.988	2.143.463	7,8%
KWh per Client	889	896	929	4,5%	2.519	2.644	5,0%
Gross Operating Revenue (R\$ MM)	696	815	963	38,4%	1.926	2.524	31,1%
Residential	303	379	471	55,5%	817	1.194	46,2%
Industrial	103	111	145	N/A	282	361	27,8%
Commercial	194	211	260	N/A	538	662	23,1%
Others	109	124	145	N/A	302	376	24,6%
(-) Exceeded demand / reactive surplus	(14)	(10)	(57)	-100,0%	(14)	(70)	N/A
Supply	15	9	15	N/A	70	51	-26,7%
Other Revenues	46	62	112	N/A	113	232	106,3%
Low Income	49	41	52	N/A	97	132	36,4%
Network Usage	(9)	6	6	-169,0%	(2)	18	-875,2%
Other Operating Revenues	6	15	54	854,1%	18	83	351,3%
Construction Revenues	117	181	308	162,6%	282	614	117,6%
Deductions from Operating Revenues	(225)	(268)	(330)	-31,8%	(644)	(849)	31,7%
Net Operating Revenues	663	799	1.069	61,3%	1.760	2.573	46,2%

\* Does not consider own consumption and supply to CEPISA

\*\* Excludes own consumption facilities

Net Operating Revenue – Yearly (R\$MM)



#### 3.3.2. – COSTS AND EXPENSES

In 3Q14, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R\$795 million (R\$487 million, excluding construction costs). Much of the growth can be explained by the order of thermal plants and involuntary exposure to short-term energy market, whose average cost per MWh was higher than the contracted energy in the long term.

It is noteworthy that the cost of purchase and transportation of energy, and industry charges to Parcel A of the energy tariff, and therefore, the same variation due to variation in prices must be passed through to the Company's annual tariff readjustment index (IRT), and should not represent an economic loss for the Company.

In this quarter, we had the recognition of R\$5 million from the sale of standard (box that houses the meter in the consumer unit), almost entirely in the cost of material, that end up being almost neutral for purposes of EBITDA since there is also revenue in the same amount being recorded in the quarter.

R\$ MM	3Q13	2Q14	3TQ4	Chg.	9M13	9M14	Chg.
Personnel	29	39	39	32.8%	98	116	18.9%
Profit sharing program (Included in Personnel)	-	4.6	4.6	N/A	0	14	99422.0%
Material	4	6	3.4	-4.3%	9	14	57.2%
Third Party Services	90	85	82	-8.9%	230	241	4.7%
Others	33	8	10	-69.0%	43	28	-34.5%
<b>PMSO</b>	<b>156</b>	<b>138</b>	<b>134</b>	<b>-13.9%</b>	<b>379</b>	<b>399</b>	<b>5.2%</b>
% Net Revenues (without Construction Costs)	29%	22%	18%	-10.9 p.p.	26%	20%	-5.3 p.p.
Provisions	7	12	14	88.6%	47	46	-2.8%
PDA and Losses	4	13	15	286.8%	43	50	15.8%
% Gross Operating Revenue (without Construction Revenues)	0.5%	1.4%	1.4%	0.8 p.p.	2.0%	2%	-0.2 p.p.
Provision for Contingencies and Others	(3.2)	(0.4)	(1.7)	47.7%	(4.3)	(3.8)	11.8%
Pension Plan Provision	-	-	-	N/A	1	-	100.0%
Other Operating Expenses/Revenues	9	7	12	32.9%	16	25	58.7%
<b>MANAGEABLE COSTS AND EXPENSES</b>	<b>172</b>	<b>158</b>	<b>160</b>	<b>-7.1%</b>	<b>442</b>	<b>469</b>	<b>6.2%</b>
% Net Revenues (with Construction Costs)	25.9%	19.7%	14.9%	-11 p.p.	25.1%	18.2%	-6.8 p.p.
% Net Revenues (without Construction Costs)	31.5%	25.5%	21.0%	-10.5 p.p.	29.9%	24.0%	-5.9 p.p.
Purchased Energy and Transportation	209	557	309	48.1%	933	1,226	31.5%
Connection and Network Usage Charges	18	19	30	62.9%	53	68	29.6%
Construction Costs	117	181	308	162.6%	282	614	117.6%
Subvention CCC	(83)	(62)	(80)	2.9%	(228)	(216)	5.3%
Raw Material for Power Generation	77	45	69	-10.3%	204	195	-4.1%
<b>NON-MANAGEABLE COSTS AND EXPENSES</b>	<b>339</b>	<b>740</b>	<b>635</b>	<b>87.7%</b>	<b>1,243</b>	<b>1,888</b>	<b>51.9%</b>
% Net Revenues (without Construction Revenues)	40.6%	90.5%	43.0%	2.4 p.p.	65.0%	65.0%	0 p.p.
<b>TOTAL</b>	<b>510</b>	<b>898</b>	<b>795</b>	<b>55.8%</b>	<b>1,685</b>	<b>2,357</b>	<b>39.9%</b>
Total (%NOR with Construction Revenues)	77.0%	112.4%	74.4%	-2.6 p.p.	95.7%	91.6%	-4.1 p.p.

### 3.3.3. – EBITDA

In 3Q14, the submitted Accounting EBITDA was R\$286 million, primarily due to the recording of R\$334 million in revenues from the ACR-Account for the months of May, June, July and August.

However, for the calculation of the Regulatory EBITDA this effect is neutral, since we consider the adjustment of Net Regulatory Assets and Liabilities. Considering the Adjusted Regulatory EBITDA, we reached R\$127 million in 3Q14, compared to R\$69 million in the same quarter last year.

Among the non-recurring impact of this quarter, we highlight: i) recognition of the so called Overpurchase asset for the year 2013 which was not generating the corresponding regulatory asset. This value is only determined after the closing of the calendar year for inclusion in the following tariff adjustment, which in the case of the Company, occurred only in August-14, of R\$92 million, ii) discounts obtained by the Company for its sign in to REFIS of R\$42 million, and iii) recognition of the financial components larger than what was previously recognized by the Company.

EBITDA (R\$ million)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Service Income	112	(142)	219	96.2%	(29)	82	-383.9%
Depreciation e Amortization	40	43	54	34.8%	104	134	29.2%
Other Operating Revenues/Expenses	9	7	12	32.9%	16	25	58.7%
<b>Accounting EBITDA (IFRS)</b>	<b>161</b>	<b>(92)</b>	<b>286</b>	<b>-71.8%</b>	<b>90</b>	<b>241</b>	<b>166.1%</b>
Formation of Regulatory Assets	(125)	234	(53)	57.5%	(13)	248	-1969.4%
Monetary Restatement of Reg. Assets and Liabilities	(2)	(2)	(6)	-191.8%	(9)	(12)	28.8%
Anel 4991/11 Dispatch	9	-	27	206.4%	0	27	31195.2%
<b>Regulatory EBITDA</b>	<b>43</b>	<b>140</b>	<b>253</b>	<b>485.4%</b>	<b>68</b>	<b>504</b>	<b>641.9%</b>
PMSO Adjustment	26	-	-	N/A	26	-	N/A
Energy Purchase	-	(22)	17	N/A	-	(41)	N/A
Isolated Systems	-	(11)	-	N/A	-	(11)	N/A
3Q14 Adjustment	-	-	(143)	N/A	-	(143)	N/A
<b>Adjusted Regulatory EBITDA</b>	<b>69</b>	<b>107</b>	<b>127</b>	<b>83.2%</b>	<b>94</b>	<b>309</b>	<b>228.8%</b>

### 3.3.4. – FINANCIAL RESULTS

In 3Q14, the net financial result was negative in R\$41 million, versus a loss of R\$43 million in 3Q13.

We highlight some non-recurring effects on this quarter's financial results: i) in Other Revenues, R\$ 39 million were accrued due to discount and interest reduction on regulatory fines after the signing of the TAC (Procedure Adjustment Agreement); ii) under Debt Charges, R\$ 25 million were accounted in charges relating to the inclusion of fiscal debt in the restructuring approved by Law 12,996/14 (REFIS).

It is also important to highlight the effect of the foreign exchange over the dollar denominated debt, which increased the expenses under Monetary and Exchange Variations by R\$ 75 million, offset by R\$ 44 million in swap operations (R\$ 55 million in revenues and R\$ 10 million in expenses).

R\$ MM	3Q13	2Q14	3TQ4	Chg.	9M13	9M14	Chg.
Financial Income	7	7	10	48%	14	25	79.1%
Interest Income	9	(3)	(0)	103%	17	4	-73.5%
Fine charged on Energy Sale	13	10	42	223%	35	68	95.1%
Discounts	-	(4)	0	N/A	-	5	N/A
Monetary Changes	15	20	11	-31%	40	71	78.0%
Present Value Adjustment RJ	-	(22)	(4)	N/A	-	(3)	N/A
Swap Operations	-	3	55	N/A	-	59	N/A
Other Revenues	18	4	41	123%	49	73	48.0%
<b>Financial Revenue</b>	<b>62</b>	<b>14</b>	<b>154</b>	<b>149%</b>	<b>154</b>	<b>302</b>	<b>95.7%</b>
Monetary and Exchange Variations	(22)	(6)	(78)	-261%	(56)	(113)	100.3%
Related Party Charges	-	(1)	(3)	N/A	-	(5)	N/A
Debt Charges	(32)	(31)	(70)	-120%	(93)	(133)	44.1%
Fines for violation of goals	(6)	(8)	(7)	-26%	(34)	(41)	22.3%
Regulatory Fines	-	(1)	(1)	N/A	-	(2)	N/A
Compensatory and Late Payment Fines	(36)	(4)	(0)	100%	(56)	(4)	-92.2%
Present Value Adjustment	-	20	(3)	N/A	-	(5)	N/A
Swap Operations	-	(19)	(10)	N/A	-	(52)	N/A
Interest on Liabilities	-	(9)	(5)	N/A	-	(28)	N/A
Other Expenses	(10)	(17)	(16)	-61%	(45)	(49)	8.9%
<b>Financial Expenses</b>	<b>(105)</b>	<b>(77)</b>	<b>(195)</b>	<b>-85%</b>	<b>(283)</b>	<b>(432)</b>	<b>52.8%</b>
<b>Net Financial Result</b>	<b>(43)</b>	<b>(64)</b>	<b>(41)</b>	<b>6%</b>	<b>(128)</b>	<b>(130)</b>	<b>1.2%</b>

### 3.3.5. – NET INCOME

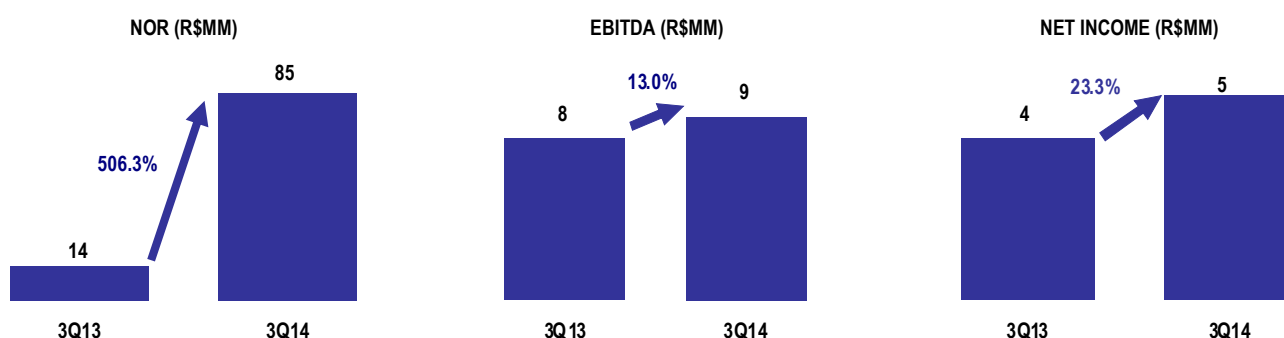
For 3Q14, CELPA's accounting net profit was R\$211 million versus a profit of R\$100 million recorded in 3Q13. If we consider the adjustments of Regulatory Assets/Liabilities, financial result and depreciation/amortization and the adjustments of power purchase and isolated systems (explained in item 3.3 - EBITDA), as well as the impacts of the adhesion of the Company to the Law 12,996/14, the Regulatory Net profit would be set at R\$57 million, compared to the R\$11 million recorded in 2Q13.

NET INCOME/LOSS (R\$ million)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
<b>Accounting NET INCOME/LOSS</b>	<b>100</b>	<b>(196)</b>	<b>211</b>	<b>111.7%</b>	<b>(118)</b>	<b>(16)</b>	<b>-92.6%</b>
Net Regulatory Assets/Liabilities	(118)	232	(32)	72.8%	(23)	263	-1266.2%
Non-Operational Result + Financial Result	(4)	2	15	-445.8%	6	6	1.8%
Depreciation e Amortization	8	12	7	-11.6%	23	23	-0.4%
Energy Purchase + Isolated System Adjustments	-	(28)	14	N/A	-	(14)	N/A
PMSO Adjustment	26	-	-	100.0%	26	-	N/A
3Q14 Adjustment	-	-	(121)	N/A	-	(121)	N/A
Discount on regulatory fines	-	-	(33)	N/A	-	(33)	N/A
REFIS Impact	-	-	(7)	N/A	-	(7)	N/A
<b>Adjusted Regulatory NET INCOME</b>	<b>11</b>	<b>21</b>	<b>54</b>	<b>396.5%</b>	<b>(86)</b>	<b>101</b>	<b>-204.3%</b>

### 3.4 FINANCIAL AND ECONOMIC PERFORMANCE – Geramar

The information in this section reflects 25.0% of Geramar's operations

Geramar's Income Statement (R\$MM)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
Gross Operating Revenues (GOR)	15	59	94	506.3%	143	198	39.1%
Net Operating Revenues (NOR)	14	53	85	506.3%	129	180	39.1%
Electric Energy Cost	(5)	(43)	(68)	1178.6%	(101)	(142)	40.2%
Operating Costs / Expenses	(1)	(1)	(9)	699.0%	(5)	(11)	132.9%
<b>EBITDA</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>13.0%</b>	<b>24</b>	<b>27</b>	<b>14.5%</b>
Depreciation	(1)	(1)	(1)	0.6%	(4)	(4)	0.6%
Service Income (EBIT)	6	8	7	15.2%	20	23	16.9%
Financial Result	(2)	(1)	(1)	-11.4%	(5)	(4)	-11.0%
Earnings Before Taxes (EBT)	5	7	6	23.4%	15	19	25.3%
Income Tax / Social Contribution	(1)	(1)	(1)	24.1%	(2)	(3)	25.1%
<b>Net Income</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>23.3%</b>	<b>13</b>	<b>16</b>	<b>25.3%</b>



#### 3.4.1 – OPERATING REVENUE

In 3Q14, Net Operating Revenue (NOR) totaled R\$85 million, 506.3% lower than the one recorded in 3Q13. The decrease compared to the same quarter last year is due to the non-dispatch of facilities in the last quarter.

#### 3.4.2 – COSTS AND EXPENSES

The total expenditures by plants in 3Q14 totaled R\$78 million, the growth is due to the higher order of plants in the last quarter.

Operating Costs and Expenses	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
CUST + Generation Costs	(5)	(43)	(68)	1179%	(101)	(142)	40%
PMSO	(1)	(1)	(9)	699%	(5)	(11)	133%
Depreciation	(1)	(1)	(1)	1%	(4)	(4)	1%
<b>Geramar</b>	<b>(8)</b>	<b>(45)</b>	<b>(78)</b>	<b>927%</b>	<b>(109)</b>	<b>(157)</b>	<b>43%</b>

#### 3.4.3 - EBITDA

Geramar's EBITDA in 3Q14 reached R\$9 million, higher by 13.0% than the reported in 3Q13, presenting better engine efficiency resulting in a slightly positive margin in the dispatch.

#### 3.4.4 – FINANCIAL RESULTS

The financial results for the 3Q14 was negative by R\$1 million due to interest on loans contracted to finance the construction of the plants.

#### 3.4.5 – NET INCOME

Geramar's net income was R\$5 million this quarter, an increase of 23.3% compared to 3Q13, again presenting this better efficiency of thermal plants

#### 4. REGULATORY ASSETS AND LIABILITIES

With the integration of Brazilian accounting regulations with IFRS, regulatory assets and liabilities of the sector are no longer reported on the Company's consolidated balance sheet. However, these amounts are still used by ANEEL when calculating the Financial Components reported for the Annual Readjustment or Periodic Revision.

##### 4.1 – CEMAR

Regulatory Assets	3Q13	4Q13	1Q14	2Q14	3Q14
<b>Initial Balance</b>					
<b>CVA Constitution</b>	<b>40,266</b>	<b>51,441</b>	<b>44,176</b>	<b>127,127</b>	<b>111,650</b>
CDE	-	-	229	697	438
Proinfra	-	158	640	1,135	38
ESS	-	-	1,204	-	0
Basic Network	945	1,489	1,863	2,356	4,314
Energy Purchases	39,321	49,793	40,239	122,939	106,860
<b>CVA Amortization</b>	<b>27,529</b>	<b>19,121</b>	<b>11,062</b>	<b>2,696</b>	<b>83,135</b>
CCC	716	496	286	67	-
CDE	-	-	-	-	818
Proinfra	2,487	1,739	1,023	279	1,142
ESS	2,790	1,886	1,019	119	45
Basic Network	-	-	-	-	1,999
Energy Purchases	21,536	15,000	8,735	2,232	79,132
<b>Other Subsidiaries</b>	<b>26,713</b>	<b>19,171</b>	<b>98,646</b>	<b>139,218</b>	<b>46,590</b>
Other	4,383	3,521	11,255	62,514	35,925
Eletronuclear	10,601	7,430	4,444	1,416	10,665
MCPSE	11,309	7,926	4,740	1,510	-
Overpurchase Amortization	-	-	78,031	73,722	-
Irrigante	420	294	176	56	-
<b>Final Balance</b>	<b>94,508</b>	<b>89,733</b>	<b>153,883</b>	<b>269,042</b>	<b>241,375</b>

Regulatory Liabilities	3Q13	4Q13	1Q14	2Q14	3Q14
<b>Initial Balance</b>					
<b>CVA Constitution</b>	<b>(3,011)</b>	<b>(2,285)</b>	<b>(26,516)</b>	<b>(14,139)</b>	<b>(14,836)</b>
Energy Purchase	-	-	(26,516)	-11,085.9	0
ESS	(3,011)	(2,285)	-	(3,053)	(14,836)
<b>CVA Amortization</b>	<b>(3,511)</b>	<b>(2,464)</b>	<b>(1,460)</b>	<b>(418)</b>	<b>(8,139)</b>
Basic Network	(2,993)	(2,091)	(1,228)	(331)	(5)
CDE	(262)	(186)	(113)	(38)	(1)
ESS	(106)	(77)	(49)	(21)	(8,133)
<b>Proinfra</b>	<b>(150)</b>	<b>(109)</b>	<b>(70)</b>	<b>(29)</b>	<b>-</b>
<b>Parcel A Neutrality</b>	<b>(6,320)</b>	<b>(4,430)</b>	<b>(2,649)</b>	<b>(844)</b>	<b>(5,166)</b>
<b>Other Regulatory Liabilities</b>	<b>(18,928)</b>	<b>(21,170)</b>	<b>(18,479)</b>	<b>(21,529)</b>	<b>(7,557)</b>
Others	(2,898)	(1,924)	(1,151)	(367)	(1,594)
Financial Exposure	-	(8,011)	(10,609)	(19,022)	(4,805)
Connection	(1)	(1)	(0)	(0)	-
Involuntary Exposure	(16,027)	(11,233)	(6,718)	(2,140)	-
TUSD/Guseiros Discount	(2)	(1)	(1)	(0)	-
Overpurchase	-	-	-	-	(1,158)
<b>Final Balance</b>	<b>(31,771)</b>	<b>(30,348)</b>	<b>(49,105)</b>	<b>(36,931)</b>	<b>(35,699)</b>

Net Regulatory Assets, plus Low Income Assets and Viva Luz<sup>1</sup> (the latter two still booked as assets of the Company) are shown below.

Net Regulatory Assets / Liabilities	3Q13	4Q13	1Q14	2Q14	3Q14
Regulatory Assets	94,508	89,733	153,883	269,042	241,375
Regulatory Liabilities	(31,771)	(30,348)	(49,105)	(36,931)	(35,699)
<b>Net Regulatory Assets</b>	<b>62,737</b>	<b>59,385</b>	<b>104,779</b>	<b>232,111</b>	<b>205,677</b>
Low Income Assets + Viva Luz	35,786	30,069	35,529	34,553	39,664
<b>Total</b>	<b>98,523</b>	<b>89,454</b>	<b>140,308</b>	<b>266,665</b>	<b>245,341</b>

<sup>1</sup> Viva Luz is a program launched in 2009 by the government of the state of Maranhão whose objective is to benefit residential consumers who present a monthly consumption of less than 50 kWh, through exemption of payment of their electric power bills via a government pass through to CEMAR.



4.2 – CELPA

Regulatory Assets	3Q13	4Q13	1Q14	2Q14	3Q14
<b>Initial Balance</b>					
<b>CVA Constitution</b>	<b>60,132</b>	<b>103,659</b>	<b>73,631</b>	<b>249,247</b>	<b>150,534</b>
CDE	-	-	303	922	718
Proinfra	1,003	1,215	1,794	2,390	36
ESS	13,519	-	1,382	0	-
Basic Network	1,417	2,419	4,022	6,454	5,804
Energy Purchases	44,193	100,025	66,130	239,481	143,976
<b>CVA Amortization</b>	<b>20,953</b>	<b>18,084</b>	<b>15,303</b>	<b>12,310</b>	<b>173,192</b>
CCC	3,471	2,420	1,402	306	-
CDE	-	-	-	-	813
Proinfra	5,898	4,113	2,382	520	1,252
ESS	19	13	8	2	-
Basic Network	92	64	37	8	6,425
Energy Purchase	11,474	11,474	11,474	11,474	164,702
<b>Differal of Tariff Replacement</b>	<b>92,567</b>	<b>20,956</b>	<b>20,956</b>	<b>20,956</b>	
<b>Overpurchase</b>	<b>-</b>	<b>-</b>	<b>143,370</b>	<b>105,763</b>	<b>79,896</b>
<b>Other Regulatory Assets</b>	<b>2,198</b>	<b>49,758</b>	<b>44,702</b>	<b>90,894</b>	<b>54,456</b>
Others	-	-	17,929	88,235	35,400
CCEAR Guarantee	-	414	452	497	591
Financial Exposure	2,198	1,475	787	65	4,087
Electronuclear Differential	-	10,025	5,347	439	14,378
Financial Recalculation Bubble	-	37,844	20,187	1,657	-
<b>Final Balance</b>	<b>175,850</b>	<b>192,456</b>	<b>297,962</b>	<b>479,169</b>	<b>458,078</b>
<b>Regulatory Liabilities</b>	<b>3Q13</b>	<b>4Q13</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>
<b>Initial Balance</b>					
<b>CVA Constitution</b>	<b>-</b>	<b>(2,689)</b>	<b>-</b>	<b>(6,583)</b>	<b>(39,381)</b>
ESS	-	(2,689)	-	(6,583)	(39,381)
<b>CVA Amortization</b>	<b>(2,927)</b>	<b>(2,040)</b>	<b>(1,183)</b>	<b>(258)</b>	<b>(17,684)</b>
Basic Network	(2,523)	(1,759)	(1,019)	(222)	-
Energy Purchases	(36)	(25)	(15)	(3)	-
CDE	(363)	(253)	(147)	(32)	(213)
ESS	-	-	-	-	(17,061)
Proinfra	(5)	(3)	(2)	(0)	(410)
<b>Parcel A Neutrality</b>	<b>(2,657)</b>	<b>(1,783)</b>	<b>(951)</b>	<b>(78)</b>	<b>(10,771)</b>
<b>CVA Energy Purchase Cost</b>	<b>-</b>	<b>(31,699)</b>	<b>(16,909)</b>	<b>(1,388)</b>	<b>-</b>
<b>CCC Refund</b>	<b>(71,318)</b>	<b>(30,762)</b>	<b>(89,094)</b>	<b>(46,577)</b>	<b>(19,185)</b>
<b>Other Regulatory Assets - Others</b>	<b>(71,318)</b>	<b>(583)</b>	<b>(65,857)</b>	<b>(30,981)</b>	<b>(11,970)</b>
Others	-	(14,601)	(14,928)	(14,914)	(7,215)
Financial Exposure	-	(2,274)	(1,213)	(100)	-
RGR	-	(1,572)	(838)	(69)	-
CDE Subvention	-	(11,732)	(6,258)	(514)	-
<b>Final Balance</b>	<b>(76,902)</b>	<b>(68,972)</b>	<b>(108,137)</b>	<b>(54,885)</b>	<b>(87,021)</b>
<b>Net Regulatory Assets / Liabilities</b>	<b>3Q13</b>	<b>4Q13</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>
Regulatory Assets	175,850	192,456	297,962	479,169	458,078
Regulatory Liabilities	(76,902)	(68,972)	(108,137)	(54,885)	(87,021)
<b>Net Regulatory Assets</b>	<b>98,948</b>	<b>123,484</b>	<b>189,825</b>	<b>424,285</b>	<b>371,057</b>

5. DEBT

In 3Q14, the consolidated gross debt, including charges, totaled R\$3,506 million, reflecting the start of CELPA's consolidation which contributed with R\$1,864 million of gross debt, already restructured in accordance with the approval of its Judicial Recovery Plan.

Gross Debt Maturity Timetable (100% CEMAR + 100% CELPA)<sup>2</sup>

	Index	Average Cost (a.a.)	Average Due Date (month/year)	Average Period (in years)	Part. (%)
CEMAR	<b>FOREIGN CURRENCY</b>				
		4.2%		10.3	0.3%
	Libor	1.1%	Apr-24	9.7	0.1%
	Fixed (US\$)	6.0%	Apr-24	9.7	0.2%
	<b>LOCAL CURRENCY</b>				
	<b>CEMAR</b>	<b>8.8%</b>		<b>4.7</b>	<b>46.5%</b>
	TJLP	7.6%	Apr-19	4.6	10.2%
	CDI	10.2%	Mar-16	1.5	12.9%
	IPCA	12.4%	Jun-20	5.8	5.9%
	Fixed (R\$)	6.5%	Sep-20	6.1	12.5%
	IGP-M	8.9%	Dec-23	9.4	4.7%
	FINEL(*)	10.7%	Dec-23	1.3	0.4%
	<b>TOTAL (CEMAR)</b>	<b>8.7%</b>		<b>4.8</b>	<b>46.8%</b>
	CELPA	<b>FOREIGN CURRENCY</b>			
<b>CELPA</b>		<b>2.7%</b>		<b>4.2</b>	<b>19.9%</b>
Fixed (US\$) ***		3.9%	Nov-19	5.2	14.0%
Libor Semester		0.0%	Apr-24	9.7	0.5%
Libor Quarter		0.0%	Nov-15	1.2	5.4%
<b>LOCAL CURRENCY</b>		<b>5.2%</b>		<b>11.2</b>	<b>33.3%</b>
TJLP		9.6%	May-16	1.6	0.0%
CDI		5.8%	Mar-15	0.5	6.5%
Fixed (R\$)		6.6%	Nov-26	12.3	19.0%
RGR		0.0%	May-23	8.7	2.0%
IGP-M		1.5%	Sep-34	20.3	5.8%
<b>TOTAL (CELPA)</b>		<b>4.3%</b>		<b>8.6</b>	<b>100.0%</b>
<b>TOTAL</b>		<b>6.4%</b>		<b>6.8</b>	<b>100.0%</b>

	Maturity	CEMAR	CELPA	Consolidated	% of Total
	Short Term	515	614	1,129	32.2%
	Long Term	1,126	1,251	2,377	67.8%
	2015	60	104	164	4.7%
	2016	205	15	220	6.3%
	2017	183	13	196	5.6%
	2018	221	9	230	6.6%
	After 2018	457	1,110	1,568	44.7%
	<b>Gross Debt</b>	<b>1,641</b>	<b>1,864</b>	<b>3,506</b>	<b>100.0%</b>
	Cash	588.7	323.3	912.1	
	Holding (Cash Position)			274.0	
	Equatorial Soluções (Cash Position)			37.0	
	Net Regulatory Assets	245.3	574.3	898.8	
	<b>Net Debt</b>	<b>807.1</b>	<b>966.8</b>	<b>1,383.8</b>	

\* Considers 100% of CELPA and 100% of CEMAR

\*\* Index which represents 20% of IGP-M + from 9.4% to 12% a.a.

\*\*\* Debt with swap for CDI

Below is the breakdown of 25% of Geramar's Debt, which is not being consolidated in Equatorial as from 1Q13.

	Index	Average Cost (a.a.)	Average Due Date (month/year)	Average Period (in years)	Part. (%)
GERAMAR	<b>LOCAL CURRENCY</b>				
		9.1%		11.5	100.0%
	TJLP	8.6%	Dec-25	11.2	79.2%
	Fixed (R\$)	10.0%	Dec-26	12.4	20.8%
<b>TOTAL (Geramar)</b>	<b>9.1%</b>		<b>11.5</b>	<b>100.0%</b>	

Below we included an opening situation of CELPA's Gross Debt, reflecting the new indices and deadlines approved in its Judicial Recovery Plan.

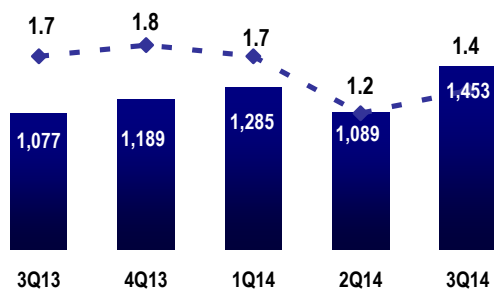
**Gross Debt Breakdown – CELPA 100%**

Maturity	3Q14	%	Index	3Q14	Average Cost (a.a.)	Average Due Date (month/year)	Average Period (in years)	Part. (%)
<b>Short Term</b>	<b>614</b>	<b>32.9%</b>	<b>Fixed (US\$)</b>	322	3.9%	Nov-19	5.2	17.3%
<b>Long Term</b>	<b>1,251</b>	<b>67.1%</b>	Fixed (TN)	24	3.9%	Apr-24	9.7	1.3%
2015	104	5.6%	Fixed (BID)	145	3.9%	Aug-26	11.9	7.8%
2016	15	0.8%	Labor Semester	19	3.8%	Apr-24	9.7	1.0%
2017	13	0.7%	<b>Labor Quarter</b>	188	4.1%	Nov-15	1.2	10.1%
2018	9	0.5%	<b>*Foreign Currency</b>	<b>698</b>	<b>3.92%</b>		<b>4.2</b>	<b>37.4%</b>
2019	12	0.6%	TJLP	1	9.7%	May-16	1.6	0.1%
2020	8	0.4%	CDI	227	12.0%	Mar-15	0.5	12.2%
2021	31	1.7%	Fixed (R\$)	666	5.7%	Nov-26	12.3	35.7%
2022	60	3.2%	RGR	69	6.9%	May-23	8.7	3.7%
2023	56	3.0%	IGP-M	203	4.5%	Sep-34	20.3	10.9%
2024	98	5.2%	<b>Local Currency</b>	<b>1,166</b>	<b>6.83%</b>		<b>11.2</b>	<b>62.6%</b>
2025	53	2.8%	<b>TOTAL</b>	<b>1,864</b>	<b>5.7%</b>		<b>8.6</b>	<b>100.0%</b>
2026	30	1.6%	<b>Debt with swap for CDI</b>					
2027	159	8.5%						
2028	73	3.9%						
2029	72	3.9%						
After 2029	458	24.6%						
<b>TOTAL</b>	<b>1,864</b>	<b>100.0%</b>						

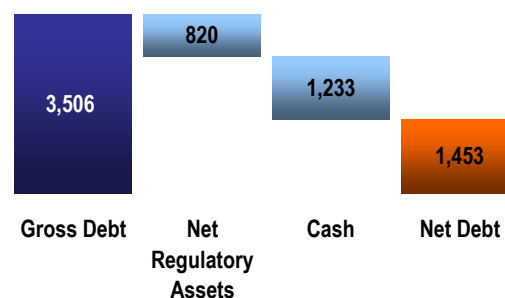
After the restructuring, we believe that the CELPA's debt maturity profile is comfortable, presenting a long term profile. The average cost of debt is currently at 4.3%, equivalent to 55% of CDI in the last 12 months.

Net debt, including cash and cash equivalents and net regulatory assets and CCC subrogation, amounted to R\$1,453 million at the close of 3Q14, an increase of 33.4% compared to the closing of 2Q14.

**Net Debt (R\$MM)(\*) and Net Debt/ EBITDA (Last 12 months)**  
Consolidated (100% CEMAR + 100% CELPA)

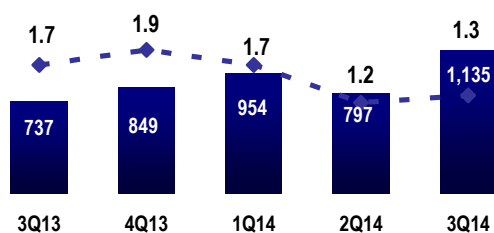


**Net Debt reconciliation (R\$MM)**  
Consolidated (100% CEMAR + 100% CELPA)

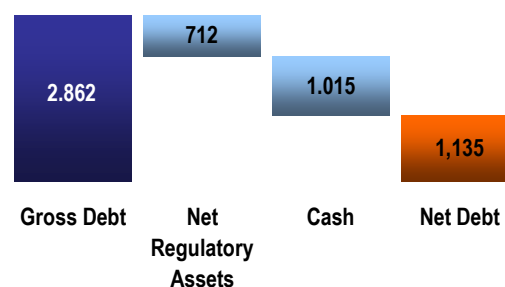


Total consolidated net debt, adjusted for Equatorial's interest in CEMAR (65.11%) and CELPA (96.18%), totaled R\$1.135 million in September 2014, representing a ratio of 1.3x consolidated EBITDA for the last 12 months.

Net Debt (R\$MM)(\*) and Net Debt/ EBITDA (Last 12 months)  
Consolidated (65.11% CEMAR + 96.18% CELPA)



Net Debt reconciliation (R\$MM)  
Consolidated (65.11% CEMAR + 96.18% CELPA)



## 6. CAPITAL EXPENDITURES

Information relating to Capex made in the period reflects 100% of CEMAR's and CELPA's figures and 25% of Geramar's.

INVESTMENTS (R\$MM)	3Q13	2Q14	3Q14	Chg.	9M13	9M14	Chg.
<b>CEMAR</b>							
Own (*)	62	70	85	38,0%	194	218	12,5%
PLPT	6	25	21	266,5%	18	62	243,7%
<b>Total</b>	<b>68</b>	<b>95</b>	<b>106</b>	<b>57,2%</b>	<b>212</b>	<b>280</b>	<b>32,2%</b>
<b>CELPA</b>							
Own (*)	78	149	141	81,0%	250	391	56,6%
PLPT	4	45	76	1684,2%	23	150	550,8%
<b>Total</b>	<b>82</b>	<b>194</b>	<b>217</b>	<b>163,6%</b>	<b>273</b>	<b>541</b>	<b>98,3%</b>
<b>Geramar</b>							
Generation	0	0	0	619,9%	0	0	143,7%
<b>TOTAL EQUATORIAL</b>	<b>150</b>	<b>289</b>	<b>323</b>	<b>115,8%</b>	<b>485</b>	<b>821</b>	<b>69,4%</b>

(\*) Including indirect investments from PLPT

### 6.1 – CEMAR

CEMAR's investments, not including direct investment related to PLPT totaled R\$85 million in 3Q14, an increase of 38.0% compared to 3Q13

#### Investments in the Light for All Program - PLPT

At the end of 3Q14, 328 thousand customers were connected to CEMAR's electric power distribution network through the PLPT providing direct benefits to almost 1.6 million inhabitants of the state of Maranhão. The PLPT has now reached all 217 municipalities in Maranhão, contributing to the development of isolated areas in urban metropolitan areas and to the generation of income in these communities. Throughout 3Q14, direct investment in PLPT, including spending on materials, freight and third party services, was R\$21 million, 266.5% higher than the investment made in the same quarter last year.

### 6.2 – CELPA

CELPA's investments, not including direct investment related to PLPT totaled R\$141 million in 3Q14, representing an increase of 91.1% compared to the number reported in 3Q13.

#### Investments in the Light for All Program – PLPT

At the end of 3Q14, 358 thousand customers were connected to CELPA's electric power distribution network through the PLPT providing direct benefits to almost 1.7 million inhabitants of the state of Pará. The PLPT has now reached all 144 municipalities in Pará, contributing to the development of isolated areas in urban metropolitan areas and to the generation of income in these communities. Throughout 3Q14, direct investment in PLPT, including spending on materials, freight and third party services, was R\$76 million.

### 6.3 – Geramar

The capital expenditures presented in 3Q14 mainly refer to plant maintenance, because its construction phase was fully concluded in 1Q10.

## 7. SUBSEQUENT EVENTS

On October 13, 2014, CEMAR's Board of Directors approved the terms and conditions of the 6th (sixth) issue of simple debentures, not convertible into shares of a single series, unsecured, for public distribution with restricted distribution in accordance with Instruction No. 476 from the Securities and Exchange Commission ("CVM"), totaling to R\$200 million; debentures will be equivalent to interests corresponding to the accumulated variation of 113.20% of the average daily interbank interest - DI a day, paid semiannually. The amortization will be made in 03 annual installments starting from October 14, 2017. The resources obtained from the issuance will be used to strengthen the working capital in order to meet the common business management of the Company.

CEMAR celebrated on October 17, two overseas borrowing operations in foreign currency with banks such as ITAU UNIBANCO S.A. NASSAU BRANCH and BANCO SANTANDER S.A. CAYMAN, each transaction in the amount of R\$100 million, totaling R\$200 million, both operations have hedges for real, ratified by the Board on October 22, 2014, the operations have semi-annual interest payments and amortization at the end of the third year. The funds raised will be used to strengthen the working capital.

CELPA is framed in subrogation of benefits of the apportionment of Consumption of Fossil Fuel Account – CFFA/CCC according to ANEEL's Resolution No. 3,405 of March 27, 2012. On October 8, 2014, was received from Centrais Elétricas Brasileiras S.A – ELETROBRAS the amount of R\$67 million as CDE (Energy Development Account) Subrogation CCC credit, referring to the electrical design of interconnect of Ilha de Marajó Island to the National Interconnected System – (NIS/SIN).

## 8. ADHESION TO THE LAW 12,996/14 AND MP 651/14

### CELPA

In 3Q14, CELPA signed up R\$151 million in tax debts in installments granted by Law 12,996/14. During this period, R\$ 27 million were recognized between charges and new charges, but on the other hand, a payment of R\$12 million was made, the discount of R\$36 million and the offsetting tax losses of R\$32 million, reducing the Company's debt balance for R\$98 million.

The Company had already obtained the last installment of another part of its federal tax liability through the Law 11,941/09, whose current balance is R\$108 million which, together with the new balance in installments this quarter of R\$98 million, make up a total of R\$206 million in federal taxes in installments by the Company.

The same law also allowed us to make installments of Regulatory Fines totaling R\$40 million with a reduction of charges of R\$6 million, amortizing R\$6 million in the period. During the quarter, the Company paid R\$3 million, reducing the balance of the debt to R\$30 million.

### CEMAR

In 3Q14, due to the MP 651, CEMAR opted for early settlement of R\$49 million tax debt originally included in REFIS, R\$15 million paid in cash and R\$35 million settled through offsetting tax losses.

## 9. CAPITAL MARKET

Equatorial Energia's shares closed 3Q14 at R\$24.80, 1.4% lower than the R\$25.14 price at the end of 2Q14. If compared with the closing of 3Q13, the valuation in 1 year period was 18.1%.

The Company's average daily trading volume was R\$22.0 million in the last 60 sessions ending September 30, 2014. Equatorial's shares are traded on the BM&FBOVESPA's Novo Mercado trading segment and are part of the following indexes: IEE, ITAG and IGC.

## 10. SERVICES PROVIDED BY THE INDEPENDENT AUDITORS

The Company did not contract Ernst & Young Auditores Independentes, its external auditors, for any other services beyond the independent audit and those services required by ANEEL. The Company's contracting policy is designed to ensure the independence of the auditors in line with the prevailing regulations. Essentially, these determine that the auditors may not audit their own work, exercise any managerial function for their clients or promote their clients' interests.

The following information was not reviewed by the independent auditors: i) CEMAR's and CELPA's operating information (including that related to the Light for All Program PLPT); ii) pro-forma financial information and its comparison with the corporate results presented in the period; and; iii) Management's expectations regarding the future performance of the companies.

## 11. CONFERENCE CALL

### CONFERENCE CALL IN ENGLISH

Monday, November 03, 2014

Midday (Brasília time)

10 a.m. (New York time)

Telephones: +1 786 924-6977 / +1 888 700-0802

Code: Equatorial

### CONFERENCE CALL IN PORTUGUESE

Monday, November 03, 2014

2 p.m. (Brasília time)

Midday (New York time)

Telephone: +55 11 3193-1001 / +55 11 2820-4001

Code: Equatorial

- ▶ Participants should connect approximately 10 minutes before the start of the call.
- ▶ **SLIDES AND WEBCAST:** The presentation slides will be available for viewing and download on the Investor Relations section of our website <http://www.equatorialenergia.com.br/ri> as of the date of the calls. The audio of the calls will be transmitted live on the Internet on the same site, remaining available after the event.

## CONTACTS

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- ▶ **Thomas Newlands**  
Investor Relations
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- ▶ **Website:** [www.equatorialenergia.com.br/ri](http://www.equatorialenergia.com.br/ri)

## ADDITIONAL INFORMATION ABOUT CEMAR AND CELPA

More information or access to CEMAR's economic-financial and operational data can be found in the individual Performance Comments of the company, available through the Internet at the following address:

- ▶ **CEMAR:** [www.cemar-ma.com.br/ri](http://www.cemar-ma.com.br/ri)
- ▶ **CELPA:** [www.CELPA.com.br](http://www.CELPA.com.br)

## DISCLAIMER

Forward-looking statements are subject to risks and uncertainties, and are based on the expectations of Management and on the information currently available to the Company. Forward-looking statements include information on our current intentions, beliefs or expectations, as well as those of the Board of Directors and the Executive Board.

The reservations concerning forward-looking statements include information related to presumed or possible operating results, as well as declarations preceded, followed by, or including such expressions as "believe", "can", "will", "continue", "expect", "forecast", "intend", "estimate" or similar wording.

Since they refer to future events and are therefore dependent on circumstances that may or may not occur, such statements are not a guarantee of performance. Future results and the creation of shareholder value may differ substantially from those expressed or suggested by said forward-looking statements, since many of the factors determining these results are outside the Company's control.

### **Accounting criteria adopted:**

The information contained herein is presented in consolidated figures, pursuant to Brazilian Corporate Law, based on revised financial information. The consolidated financial information represents 100% of CEMAR's results, excluding 34.89% related to minority interests, 96.18% of CELPA and 100% of Equatorial Soluções' results.

The consolidated operating information represents 100% of CEMAR's, 100% of CELPA and 100% of Equatorial Soluções' results.

**ANNEX 1 – CONSOLIDATED INCOME STATEMENT (R\$ MM)**

INCOME STATEMENT (R\$MM)	3Q13	2Q14	3Q14	9M13	9M14
<b>GROSS OPERATING REVENUES</b>	<b>1.577</b>	<b>1.768</b>	<b>2.180</b>	<b>4.471</b>	<b>5.680</b>
Electricity Sales to Final Consumer	1.363	1.443	1.660	3.814	4.534
Electricity Supply	21	11	16	125	82
Construction Revenues	176	279	413	485	903
Other Revenues	16	34	91	48	161
<b>DEDUCTIONS FROM OPERATING REVENUES</b>	<b>(374)</b>	<b>(415)</b>	<b>(510)</b>	<b>(1.085)</b>	<b>(1.331)</b>
<b>NET OPERATING REVENUES</b>	<b>1.203</b>	<b>1.353</b>	<b>1.670</b>	<b>3.386</b>	<b>4.349</b>
<b>ELECTRICITY COSTS</b>	<b>(592)</b>	<b>(1.190)</b>	<b>(979)</b>	<b>(2.178)</b>	<b>(3.103)</b>
Electricity Purchased for Resale	(383)	(879)	(518)	(1.602)	(2.088)
Transmission and Distribution Network Usage Charges	(32)	(31)	(47)	(88)	(109)
Construction Costs	(176)	(279)	(413)	(485)	(903)
Other Non-Manageable Expenses	(1)	(1)	(1)	(3)	(3)
<b>OPERATING COSTS/EXPENSES</b>	<b>(280)</b>	<b>(236)</b>	<b>(241)</b>	<b>(753)</b>	<b>(725)</b>
Personnel	(55)	(66)	(71)	(175)	(202)
Material	120	(9)	(5)	(15)	(22)
Services	(163)	(140)	(138)	(434)	(405)
Provisions	(23)	(25)	(22)	(96)	(73)
Others	(159)	4	(5)	(33)	(22)
<b>EBITDA</b>	<b>331</b>	<b>(73)</b>	<b>450</b>	<b>455</b>	<b>522</b>
Other Operating Revenues/Expenses	(13)	(13)	(17)	(41)	(37)
Depreciation and Amortization	(73)	(74)	(86)	(185)	(226)
<b>EBIT</b>	<b>246</b>	<b>(160)</b>	<b>348</b>	<b>228</b>	<b>258</b>
<b>EQUITY INCOME</b>	<b>3</b>	<b>6</b>	<b>5</b>	<b>10</b>	<b>16</b>
Equity Income	4	6	5	13	16
Goodwill Amortization	(1)	(0)	(0)	(3)	(1)
<b>FINANCIAL RESULTS</b>	<b>(72)</b>	<b>(58)</b>	<b>(48)</b>	<b>(157)</b>	<b>(130)</b>
Financial Revenue	105	62	200	309	447
Financial Expenses	(177)	(120)	(248)	(467)	(576)
<b>RESULT BEFORE INCOME TAX</b>	<b>176</b>	<b>(212)</b>	<b>305</b>	<b>81</b>	<b>144</b>
Social Contribution	1	5	(15)	(12)	(25)
Income Tax	3	2	(37)	(32)	(63)
Deferred Taxes	53	6	43	70	60
ADENE Incentive	(8)	0	33	24	44
<b>MINORITY STAKE</b>	<b>(27)</b>	<b>13</b>	<b>(45)</b>	<b>(0)</b>	<b>(49)</b>
<b>NET INCOME</b>	<b>200</b>	<b>(185)</b>	<b>282</b>	<b>131</b>	<b>111</b>

ANNEX 2 – REGULATORY X ACCOUNTING – CEMAR AND CELPA

▶ CEMAR

INCOME STATEMENT PER COMPANY (R\$ MM)	3Q13		3Q13	3Q14		3Q14
	Original	Adjustments	IFRS	Original	Adjustments	IFRS
<b>GROSS OPERATING REVENUES</b>	<b>538,454</b>	<b>76,509</b>	<b>614,964</b>	<b>611,951</b>	<b>107,315</b>	<b>719,266</b>
Electricity Sales to Final Consumer	524,822	17,200	542,022	602,896	1,714	604,611
Electricity Supply	5,705	266	5,970	136	181	316
Emergency Capacity Charges	(0)	-	(0)	177	-	177
Construction Revenues	-	59,044	59,044	-	105,420	105,420
Other Revenues	7,928	-	7,928	8,742	-	8,742
<b>DEDUCTIONS FROM OPERATING REVENUES</b>	<b>(145,452)</b>	<b>251</b>	<b>(145,201)</b>	<b>(174,046)</b>	<b>(273)</b>	<b>(174,319)</b>
<b>NET OPERATING REVENUES</b>	<b>393,002</b>	<b>76,760</b>	<b>469,762</b>	<b>437,905</b>	<b>107,043</b>	<b>544,947</b>
<b>ELECTRICITY COSTS</b>	<b>(132,295)</b>	<b>(53,268)</b>	<b>(185,563)</b>	<b>(202,067)</b>	<b>(78,247)</b>	<b>(280,314)</b>
Electricity Purchased for Resale	(188,725)	5,775	(182,950)	(361,655)	27,174	(334,482)
Transmission and Distribution Network Usage Charges	(13,211)	-	(13,211)	(17,321)	-	(17,321)
Construction Costs	-	(59,044)	(59,044)	-	(105,420)	(105,420)
Recovery of expenses (CDE)	70,615	-	70,615	177,880	-	177,880
Other non-manageable expenses	(973)	-	(973)	(971)	-	(971)
<b>OPERATING COSTS/EXPENSES</b>	<b>(99,806)</b>	<b>(12,101)</b>	<b>(111,907)</b>	<b>(94,443)</b>	<b>1,725</b>	<b>(92,718)</b>
Personnel	(22,913)	(430)	(23,343)	(23,549)	57	(23,492)
Material	(2,147)	(950)	(3,097)	(1,816)	127	(1,689)
Services	(54,785)	(10,665)	(65,449)	(56,416)	1,533	(54,883)
Provisions	(15,902)	-	(15,902)	(8,321)	-	(8,321)
Others	(4,059)	(57)	(4,116)	(4,341)	8	(4,334)
<b>EBITDA</b>	<b>160,901</b>	<b>11,391</b>	<b>172,292</b>	<b>141,395</b>	<b>30,521</b>	<b>171,915</b>
Other Operating Revenue/Expenses	(4,114)	-	(4,114)	(4,688)	-	(4,688)
Depreciation and Amortization	(31,798)	-	(31,798)	(30,933)	-	(30,933)
<b>SERVICE INCOME</b>	<b>124,990</b>	<b>11,391</b>	<b>136,381</b>	<b>105,774</b>	<b>30,521</b>	<b>136,295</b>
<b>FINANCIAL INCOME</b>	<b>(18,830)</b>	<b>(20,347)</b>	<b>(39,178)</b>	<b>(20,951)</b>	<b>(9,952)</b>	<b>(30,903)</b>
Financial Revenue	32,343	4,562	36,905	35,574	876	36,450
Financial Expenses	(51,173)	(24,909)	(76,083)	(56,525)	(10,829)	(67,354)
<b>RESULT BEFORE INCOME TAX</b>	<b>106,160</b>	<b>(8,956)</b>	<b>97,203</b>	<b>84,823</b>	<b>20,569</b>	<b>105,391</b>
Social Contribution	2,792	-	2,792	(13,948)	-	(13,948)
Income Tax	7,471	-	7,471	(32,544)	-	(32,544)
Deferred Taxes	(43,036)	-	(43,036)	10,579	-	10,579
SUDENE Incentive	(7,594)	-	(7,594)	32,544	-	32,544
<b>PROFIT SHARING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCOME</b>	<b>65,793</b>	<b>(8,956)</b>	<b>56,836</b>	<b>81,454</b>	<b>20,569</b>	<b>102,022</b>



▶ CELPA

INCOME STATEMENT PER COMPANY (R\$ MM)	3Q13		3Q13	3Q14		3Q14
	Original	adjustment	IFRS	Original	Adjustments	IFRS
<b>GROSS OPERATING REVENUES</b>	<b>703,164</b>	<b>(184,237)</b>	<b>887,401</b>	<b>1,074,065</b>	<b>(324,596)</b>	<b>1,398,661</b>
Electricity Sales to Final Consumer	682,644	(66,933)	749,577	985,297	(35,983)	1,021,280
Electricity Supply	14,866	-	14,866	34,825	19,386	15,439
Construction Revenues	-	(117,304)	117,304	-	(307,999)	307,999
Other Revenues	5,654	0	5,654	53,943	-	53,943
<b>DEDUCTIONS FROM OPERATING REVENUES</b>	<b>(225,030)</b>	<b>(280)</b>	<b>(224,750)</b>	<b>(329,900)</b>	<b>(173)</b>	<b>(329,727)</b>
<b>NET OPERATING REVENUES</b>	<b>478,133</b>	<b>(184,516)</b>	<b>662,650</b>	<b>744,165</b>	<b>(324,768)</b>	<b>1,068,933</b>
<b>ELECTRICITY COSTS</b>	<b>(273,246)</b>	<b>62,565</b>	<b>(335,811)</b>	<b>(343,227)</b>	<b>292,200</b>	<b>(635,427)</b>
Electricity Purchased for Resale	(367,451)	52,404	(419,855)	(326,537)	(17,789)	(308,748)
Transmission and Distribution Network Usage Charges	3,059	21,353	(18,293)	(27,810)	1,991	(29,800)
Construction Costs	-	117,304	(117,304)	-	307,999	(307,999)
Recovery of expenses (CDE)	86,737	(124,584)	211,321	-	-	-
Other non-manageable expenses	4,408	(3,912)	8,321	11,120	-	11,120
<b>OPERATING COSTS/EXPENSES</b>	<b>(161,724)</b>	<b>3,912</b>	<b>(165,636)</b>	<b>(147,685)</b>	<b>-</b>	<b>(147,685)</b>
Personnel	(29,107)	-	(29,107)	(38,659)	-	(38,659)
Material	(3,572)	-	(3,572)	(3,417)	-	(3,417)
Services	(89,747)	-	(89,747)	(81,762)	-	(81,762)
Provisions	(7,175)	1	(7,176)	(13,530)	-	(13,530)
Others	(32,123)	3,911	(36,034)	(10,318)	-	(10,318)
<b>EBITDA</b>	<b>43,163</b>	<b>(118,040)</b>	<b>161,203</b>	<b>253,253</b>	<b>(32,568)</b>	<b>285,820</b>
Other Operating Revenue/Expenses	(5,197)	3,774	(8,971)	(5,593)	6,326	(11,919)
Depreciation and Amortization	(32,658)	7,724	(40,382)	(47,557)	6,892	(54,449)
<b>SERVICE INCOME</b>	<b>5,309</b>	<b>(106,541)</b>	<b>111,850</b>	<b>200,103</b>	<b>(19,350)</b>	<b>219,453</b>
<b>FINANCIAL INCOME</b>	<b>(51,329)</b>	<b>(8,078)</b>	<b>(43,252)</b>	<b>(31,647)</b>	<b>8,890</b>	<b>(40,537)</b>
Financial Revenue	63,341	1,344	61,996	192,320	5,641	186,678
Financial Expenses	(114,670)	(9,421)	(105,249)	(223,967)	3,249	(227,215)
<b>RESULT BEFORE INCOME TAX</b>	<b>(46,021)</b>	<b>(114,619)</b>	<b>68,598</b>	<b>168,456</b>	<b>(10,460)</b>	<b>178,916</b>
Deferred Taxes	31,004	-	31,004	31,934	-	31,934
<b>NET INCOME</b>	<b>(15,016)</b>	<b>(114,619)</b>	<b>99,603</b>	<b>200,390</b>	<b>(10,460)</b>	<b>210,850</b>

**ANNEX 3 – INCOME STATEMENT PER COMPANY (R\$ MM)**

- ▶ The following table reflects Equatorial's consolidation process, i.e. the sum of Equatorial Holding + 100% of Equatorial Soluções + 100% of CEMAR + 100% of CELPA + Eliminations.
- ▶ The "Minority Interest" line contains an adjustment so that the net income of each company in Equatorial's consolidated result reflects its real ownership interest in CEMAR of 65.11% and in CELPA of 96.18%.

INCOME STATEMENT PER COMPANY (R\$MM)	Equatorial					Equatorial Consolidated
	Equatorial Holding	Soluções 100%	CEMAR 100%	CELPA 96%	Eliminations	
<b>GROSS OPERATING REVENUES</b>	-	62	719	1,399	-	2,180
Electricity Sales to Final Consumer	-	61	595	1,004	-	1,660
Electricity Supply	-	-	0	15	-	16
Emergency Capacity Charges	-	-	-	18	-	18
Construction Revenues	-	-	105	308	-	413
Other Revenues	-	1	18	54	-	73
<b>DEDUCTIONS FROM OPERATING REVENUES</b>	-	(6)	(174)	(330)	-	(510)
<b>NET OPERATING REVENUES</b>	-	57	545	1,069	-	1,670
<b>ELECTRICITY COSTS</b>	-	(52)	(280)	(647)	-	(979)
Electricity Purchased for Resale	-	(52)	(157)	(309)	-	(518)
Transmission and Distribution Network Usage Charges	-	-	(17)	(30)	-	(47)
Construction Costs	-	-	(105)	(308)	-	(413)
Other non-manageable expenses	-	-	(1)	-	-	(1)
<b>OPERATING COSTS/EXPENSES</b>	(11)	(1)	(93)	(137)	-	(241)
Personnel	(8)	(1)	(23)	(39)	-	(71)
Material	(0)	(0)	(2)	(3)	-	(5)
Services	(1)	0	(55)	(82)	-	(138)
Provisions	-	-	(8)	(14)	-	(22)
Others	(2)	(0)	(4)	1	-	(5)
<b>EBITDA</b>	(11)	3	172	286	-	450
Other Operating Revenue/Expenses	-	-	(5)	(12)	-	(17)
Depreciation and Amortization	(0)	(0)	(31)	(55)	-	(86)
<b>SERVICE INCOME</b>	(11)	3	136	219	-	348
<b>EQUITY INCOME</b>	275	-	-	-	(270)	5
Equity Income	276	-	-	-	(270)	5
Goodwill Amortization	(0)	-	-	-	-	(0)
<b>FINANCIAL INCOME</b>	22	1	(31)	(41)	-	(48)
Financial Revenue	22	1	36	154	(14)	200
Financial Expenses	(0)	(0)	(67)	(195)	14	(248)
<b>RESULT BEFORE INCOME TAX</b>	287	5	105	179	(270)	305
Social Contribution	(1)	(0)	(14)	-	-	(15)
Income Tax	(4)	(1)	(33)	-	-	(37)
Deferred Taxes	-	-	11	32	-	43
SUDENE Incentive	-	-	33	-	-	33
<b>PROFIT SHARING</b>	-	(1)	-	-	(44)	(45)
<b>NET INCOME</b>	282	2	102	210.6	(314)	282

**ANNEX 4 – BALANCE SHEET (R\$ MM)**

ASSETS (R\$ MM)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
<b>CURRENT</b>	<b>3,126</b>	<b>3,022</b>	<b>3,085</b>	<b>3,081</b>	<b>3,164</b>	<b>3,083</b>	<b>3,378</b>
Cash and Cash Equivalents	478	246	228	351	344	533	390
Short-Term Investments	958	1,274	1,365	1,262	1,002	830	843
Consumers and Resellers	923	919	978	1,006	1,026	1,087	1,273
Inventory	25	25	24	24	26	30	29
Taxes Recoverable	121	127	144	168	139	182	171
Judicial Deposits	24	114	23	24	23	22	21
Fuel Purchases - CCC account	196	143	133	94	156	206	200
Energy Cost Recovery and Charges	170	13	19	6	285	-	255
Other Accounts Receivable	232	161	172	146	163	192	196
<b>LONG TERM ASSETS</b>	<b>1,874</b>	<b>1,969</b>	<b>1,831</b>	<b>1,834</b>	<b>1,896</b>	<b>2,047</b>	<b>2,048</b>
Consumers and Resellers	90	90	112	116	129	132	164
Taxes Recoverable	140	122	121	93	95	116	129
Judicial Deposits	192	215	170	140	105	110	113
Deferred Taxes - Income Tax / Social Contribution	0	19	35	31	42	48	23
Indemnifiable Financial Asset	1,194	1,233	1,057	1,196	1,266	1,378	1,355
Subrogation of CCC	213	217	231	186	187	189	179
Other Accounts Receivable	46	75	106	73	72	74	84
<b>FIXED ASSETS</b>	<b>4,090</b>	<b>4,054</b>	<b>4,187</b>	<b>4,188</b>	<b>4,231</b>	<b>4,173</b>	<b>4,353</b>
Investments	71	71	73	71	75	77	78
Goodwill	4,019	3,982	4,113	4,117	4,156	4,096	4,275
<b>TOTAL ASSETS</b>	<b>9,090</b>	<b>9,045</b>	<b>9,103</b>	<b>9,103</b>	<b>9,292</b>	<b>9,303</b>	<b>9,779</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ MM)</b>	<b>1Q13</b>	<b>2Q13</b>	<b>3Q13</b>	<b>4Q13</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>
<b>CURRENT</b>	<b>2,244</b>	<b>2,025</b>	<b>1,999</b>	<b>1,689</b>	<b>2,038</b>	<b>2,618</b>	<b>3,017</b>
Suppliers	845	677	613	675	928	967	1,045
Salaries	33	27	31	43	33	40	48
Dividends / Interest on Equity	92	91	91	42	30	32	32
Taxes and Social Contribution	224	227	245	254	295	251	273
Loans and Financing	610	562	550	169	275	841	1,122
Debentures	10	0	5	6	12	0	6
Public Lighting	33	20	22	33	24	22	24
Provision for Contingencies	32	42	32	40	32	25	14
Others	365	379	411	427	410	441	452
<b>LONG TERM LIABILITIES</b>	<b>4,123</b>	<b>4,355</b>	<b>4,223</b>	<b>4,567</b>	<b>4,375</b>	<b>4,006</b>	<b>3,750</b>
Taxes and Social Contribution	416	390	357	334	314	294	229
Debentures	287	290	291	294	299	302	304
Loans and Financing	1,956	2,224	2,251	2,756	2,581	2,208	2,073
Provision for Contingencies	759	756	638	638	637	644	577
Retirement Plan and Pension	34	34	34	26	26	26	26
Judicial Recovery	410	407	409	333	310	292	270
Others	261	255	243	187	210	241	272
<b>MINORITY INTERESTS</b>	<b>341</b>	<b>469</b>	<b>481</b>	<b>493</b>	<b>509</b>	<b>496</b>	<b>541</b>
<b>SHAREHOLDERS EQUITY</b>	<b>2,382</b>	<b>2,196</b>	<b>2,400</b>	<b>2,354</b>	<b>2,369</b>	<b>2,183</b>	<b>2,471</b>
Capital Stock	1,977	1,977	1,977	1,977	1,977	1,977	1,977
Profit Reserves	458	311	311	497	499	497	502
Equity Adjustment	(27)	(22)	(22)	(22)	(22)	(22)	(22)
Other Comprehensive Results	(1)	(1)	(1)	(1)	(3)	(3)	(3)
Retained Earnings/Accumulated Deficit	(25)	(69)	135	(97)	(82)	(266)	17
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>9,090</b>	<b>9,045</b>	<b>9,103</b>	<b>9,103</b>	<b>9,292</b>	<b>9,303</b>	<b>9,779</b>