

## **Quarterly Information (ITR)**

### **Equatorial Energia S.A.**

June 30, 2014  
with Independent Auditor's Review Report

# **Equatorial Energia S.A.**

Quarterly Information (ITR)

June 30, 2014 and 2013

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Centro Empresarial Iguatemi  
Av. Washington Soares, 55  
Sala 508 - Edson Queiroz  
60811-341 - Fortaleza, CE, Brazil  
Phone: (5585) 3392-5600  
Fax: (5585) 3392-5659  
ey.com.br

**A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and consolidated Quarterly Information (ITR) prepared in Brazilian currency in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)**

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## **Independent auditor's review report on quarterly information (ITR)**

The Shareholders, Board of Directors and Officers of  
**Equatorial Energia S.A.**  
São Luis – MA

### **Introduction**

We have reviewed the individual and consolidated interim financial information of Equatorial Energia S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2014, which comprise the balance sheet as at June 30, 2014 and the related statement of operations and statement of comprehensive income (loss) for the three and six-month periods then ended, and the statement of changes in equity and cash flow statement for the six-month period then ended, including other explanatory information.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 - Interim Financial Reporting, and of the consolidated interim financial information in accordance with CPC 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on this quarterly information.



### **Conclusion on the individual interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

### **Conclusion on the consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

### **Emphasis of matter**

#### **In-court reorganization**

Without qualifying our conclusion, we draw attention to the fact that subsidiary Centrais Elétricas do Pará S.A. (CELPA) is under in-court reorganization process. As mentioned in Note 1, the Annual General Meeting of Creditors held on September 1, 2012 approved the In-Court Reorganization Plan presented by subsidiary Centrais Elétricas do Pará S.A. (CELPA). These conditions indicate the existence of significant uncertainty, which may cast doubt as to the subsidiary's ability to continue as a going concern. The Company's financial statements were prepared under the assumption that the In-Court Reorganization Plan of subsidiary Centrais Elétricas do Pará S.A. (CELPA) will be executed successfully.



## **Other matters**

### **Statements of value added**

We also reviewed the individual and consolidated statement of value added (SVA), for the six-month period ended June 30, 2014, prepared under the responsibility of Company management, whose presentation in the interim financial information is required according to the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to preparation of Quarterly Information (ITR) and considered supplementary information under IFRS, which do not require SVA presentation. These statements were submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that would make us believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated interim financial information.

Fortaleza (CE), August 7, 2014.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC 2SP015199/O-6-S-MA



Carlos Santos Mota Filho  
Accountant CRC – PE 020.728/O-7-S-MA

A free translation from Portuguese into English of Individual and consolidated Quarterly Information (ITR) prepared in Brazilian currency in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

## Equatorial Energia S.A.

Balance sheets  
June 30, 2014 and December 31, 2013  
(In thousands of reais)

	Note	Company		Consolidated	
		06/30/2014	12/31/2013	06/30/2014	12/31/2013
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	22,010	21,403	532,990	350,885
Short-term investments	5	251,978	604,457	830,137	1,262,132
Trade accounts receivable	6	-	-	1,086,699	1,006,085
Taxes recoverable	7.1	13,984	-	110,606	113,849
Income taxes recoverable	7.2	-	17,988	71,184	53,871
Purchase of fuel (CCC)	8	-	-	205,813	94,346
Inventories		-	-	30,364	24,258
Dividends		26,598	26,490	-	-
Services requested		280	280	132,852	100,265
Judicial deposits	19	408	-	22,476	24,165
Derivative financial instruments		-	-	-	4,286
Recovery of energy cost and charges		-	-	-	5,721
Other receivables	13	1,007	1,045	59,406	41,336
		<b>316,265</b>	<b>671,663</b>	<b>3,082,527</b>	<b>3,081,199</b>
<b>Noncurrent assets</b>					
Trade accounts receivable	6	-	-	132,391	116,124
Taxes recoverable	7.1	-	-	82,841	59,544
Income taxes recoverable	7.2	-	-	32,823	33,206
Deferred income and social contribution taxes	11	-	-	48,458	31,099
Judicial deposits	20	-	-	110,082	139,559
Future capital contribution	9	306,000	50,000	-	-
Derivative financial instruments		-	-	-	232
Concession-related financial assets	12	-	-	1,377,976	1,195,743
CCC subrogation - amounts invested	10	-	-	188,774	185,689
Other receivables	13	536,223	416,147	74,044	72,770
Investments	14	1,054,079	1,252,773	77,086	70,894
Property, plant and equipment		298	298	3,253	2,713
Intangible assets	15	-	-	4,092,969	4,114,727
		<b>1,896,600</b>	<b>1,719,218</b>	<b>6,220,697</b>	<b>6,022,300</b>
<b>Total assets</b>		<b>2,212,865</b>	<b>2,390,881</b>	<b>9,303,224</b>	<b>9,103,499</b>

	Note	Company		Consolidated	
		06/30/2014	12/31/2013	06/30/2014	12/31/2013
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade accounts payable	16	249	212	967,288	674,714
Payroll and accrued vacation pay		157	127	40,195	43,278
Loans and financing	17	-	-	840,946	169,234
Debentures	18	-	-	163	5,974
Derivative financial instruments		-	-	11,092	-
Statutory charges payable		-	-	1,464	932
Taxes payable	19.1	71	72	232,367	248,686
Income taxes payable	19.2	8,197	11,772	18,883	17,845
Dividends and Interest on Equity (IOE)		17,958	16,399	31,506	29,890
Provision for civil, tax and labor claims	20	-	-	24,868	39,775
Street lighting charge		-	-	21,509	32,749
Research and development and energy efficiency		-	-	87,709	70,208
Employees' profit sharing	23	3,032	8,039	16,748	34,673
Labor indemnifications		-	-	20	20
In-court reorganization - CELPA	36	-	-	81,260	85,254
Other accounts payable	21	36	37	242,169	235,699
		<u>29,700</u>	<u>36,658</u>	<u>2,618,187</u>	<u>1,688,931</u>
<b>Noncurrent</b>					
Loans and financing	17	-	-	2,207,949	2,756,344
Debentures	18	-	-	302,268	294,085
Derivative financial instruments		-	-	7,779	-
Taxes payable	19.1	-	-	293,599	333,813
Deferred income and social contribution taxes	19.2	50	50	-	-
Provision for civil, tax and labor claims	20	-	-	644,083	637,524
Research and development and energy efficiency		-	-	83,757	80,740
Retirement and pension plan		-	-	25,533	25,533
In-court reorganization - CELPA	36	-	-	291,916	332,620
Other accounts payable	21	-	-	149,500	106,262
		<u>50</u>	<u>50</u>	<u>4,006,384</u>	<u>4,566,921</u>
<b>Equity</b>					
Capital	22.1	1,977,276	1,977,276	1,977,276	1,977,276
Capital reserves		14,080	14,080	14,080	14,080
Income reserves	22	482,904	484,463	482,904	484,463
Other comprehensive income (loss)		(2,633)	(2,633)	(2,633)	(2,633)
Equity Adjustment		(22,262)	(22,262)	(22,262)	(22,262)
Accumulated losses		(266,250)	(96,751)	(266,250)	(96,751)
<b>Equity attributable to controlling interests</b>		<u>2,183,115</u>	<u>2,354,173</u>	<u>2,183,115</u>	<u>2,354,173</u>
Noncontrolling Interests		-	-	495,538	493,474
<b>Total equity</b>		<u>2,183,115</u>	<u>2,354,173</u>	<u>2,678,653</u>	<u>2,847,647</u>
<b>Total liabilities and equity</b>		<u>2,212,865</u>	<u>2,390,881</u>	<u>9,303,224</u>	<u>9,103,499</u>

See accompanying notes.

# Equatorial Energia S.A.

## Statements of operations Periods ended June 30, 2014 and 2013 (In thousands of reais)

Note	Company				Consolidated			
	01/01/2014 to 06/30/2014	04/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013	04/01/2013 to 06/30/2013	01/01/2014 to 06/30/2014	04/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013	04/01/2013 to 06/30/2013
<b>Net operating revenue</b>	25	-	-	-	2,678,473	1,353,126	2,182,721	1,116,856
<b>Cost of electric energy services</b>	26	-	-	-	(2,430,235)	(1,339,436)	(1,833,380)	(961,689)
<b>Cost of electric energy</b>	26	-	-	-	(2,121,708)	(1,189,530)	(1,583,934)	(827,717)
Electric energy purchased for resale	27	-	-	-	(1,570,413)	(879,178)	(1,219,393)	(663,383)
Construction cost		-	-	-	(489,801)	(279,472)	(308,417)	(139,427)
Transmission and distribution system use charge		-	-	-	(61,494)	(30,880)	(56,124)	(24,907)
<b>Cost of operation</b>	26	-	-	-	(308,527)	(149,906)	(249,446)	(133,972)
Personnel		-	-	-	(56,616)	(29,265)	(57,621)	(31,158)
Material		-	-	-	(14,049)	(9,878)	(5,406)	58,048
Third-party services		-	-	-	(110,996)	(55,922)	(100,242)	(62,659)
Depreciation and amortization		-	-	-	(124,344)	(65,887)	(98,986)	(51,018)
Leases and rent		-	-	-	(5,439)	(2,528)	(2,586)	(1,589)
CCC subsidy		-	-	-	9,521	16,401	18,830	(45,592)
Other		-	-	-	(6,604)	(2,827)	(3,435)	(4)
<b>Gross operating income</b>		-	-	-	248,238	13,690	349,341	155,167
Selling expenses	26	-	-	-	(127,296)	(62,372)	(100,070)	(48,449)
Administrative expenses	26	(1,776)	(642)	(18,245)	(4,607)	(104,757)	(56,517)	(132,583)
Personnel expenses and management fees		(4,572)	(2,281)	(5,265)	(3,090)	(16,686)	(8,391)	(14,752)
Allowance for doubtful accounts and loss on uncollectible receivables		-	-	-	(46,196)	(21,294)	(65,176)	(30,196)
(Reversal of) provision for contingencies		-	-	-	(4,949)	(3,648)	(6,694)	(3,168)
Provision for retirement and pension plan		-	-	-	-	-	(589)	-
Depreciation and amortization		-	-	-	(16,328)	(7,926)	(13,811)	(7,607)
Amortization of concession right		(558)	(279)	(2,306)	(1,153)	(558)	(2,306)	(1,153)
Resultado da equivalência patrimonial	14	(193,708)	(196,893)	(78,198)	(60,125)	11,262	5,834	8,959
Other operating income/expenses		(1,176)	(561)	(2,004)	(1,261)	(22,338)	(13,364)	(33,054)
<b>Other operating income (expenses)</b>		(201,790)	(200,656)	(106,018)	(70,236)	(327,846)	(167,914)	(156,173)
<b>Income before financial income (expenses)</b>		(201,790)	(200,656)	(106,018)	(70,236)	(79,608)	(154,224)	(1,006)
<b>Financial income (expenses)</b>	28	39,577	19,807	37,096	25,907	(81,129)	(84,923)	(63,869)
Financial income		39,577	19,807	51,877	28,440	246,779	61,820	190,728
Financial expenses		-	-	(14,781)	(2,533)	(327,908)	(119,654)	(275,651)
<b>Loss before income and social contribution taxes</b>		(162,213)	(180,849)	(68,922)	(44,329)	(160,737)	(212,058)	(64,875)
Income and social contribution taxes	11	(8,189)	(4,174)	-	-	(5,680)	13,615	376
Social Contribution Tax on Net Profit (CSLL)		(2,171)	(1,107)	-	-	(9,261)	5,047	(12,829)
Corporate Income Tax (IRPJ)		(6,018)	(3,067)	-	-	(25,435)	2,212	(34,619)
Northeast Development Authority (SUDENE) tax incentive		-	-	-	-	11,658	78	31,467
Deferred taxes		-	-	-	-	17,358	6,278	16,357
<b>Loss for the period</b>		(170,402)	(185,023)	(68,922)	(44,329)	(166,417)	(198,443)	(95,307)
Attributable to noncontrolling interests		-	-	-	-	(3,985)	13,420	26,385
<b>Loss for the period attributable to controlling interests</b>		(170,402)	(185,023)	(68,922)	(44,329)	(170,402)	(185,023)	(68,922)
<b>Basic and diluted loss for the period per thousand shares - R\$</b>		(0,8587)	(0,9324)	(0,3484)	(0,2241)	(0,8587)	(0,9324)	(0,3484)
<b>Number of shares at end of period</b>		198,447	198,447	197,832	197,832	198,447	198,447	197,832

See accompanying notes.



## Equatorial Energia S.A.

Statements of comprehensive income (loss)  
 Periods ended June 30, 2014 and 2013  
*(In thousands of reais)*

	Company				Consolidated			
	01/01/2014 to 06/30/2014	04/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013	04/01/2014 to 06/30/2013	01/01/2014 to 06/30/2014	04/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013	04/01/2013 to 06/30/2013
Loss for the period	(170,402)	(185,023)	(68,922)	(44,329)	(166,417)	(198,443)	(95,307)	(57,227)
Other comprehensive income (loss)	-	-	22	1,412	-	-	-	-
<b>Total comprehensive income (loss) for the period</b>	<b>(170,402)</b>	<b>(185,023)</b>	<b>(68,900)</b>	<b>(42,917)</b>	<b>(166,417)</b>	<b>(198,443)</b>	<b>(95,307)</b>	<b>(57,227)</b>
Basic and diluted loss for the period per thousand shares - R\$	<b>(0.8587)</b>	<b>(0.9324)</b>	<b>(0.3483)</b>	<b>(0.2169)</b>	<b>(0.8386)</b>	<b>(1.0000)</b>	<b>(0.4818)</b>	<b>(0.2893)</b>
Number of shares at end of period	<b>198,447</b>	<b>198,447</b>	197,832	197,832	<b>198,447</b>	<b>198,447</b>	197,832	197,832

See accompanying notes.

## Equatorial Energia S.A.

Statements of changes in equity  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais)

	Capital	Capital reserves	Income reserves		Equity Adjustment	Retained earnings	Other comprehensive income (loss)	Company's equity	Noncontrolling Interests	Equity - Consolidated	
			Legal	Investment and expansion reserve							Proposed additional dividends
<b>Balances at December 31, 2012 (restated)</b>	<u>1,742,519</u>	<u>14,080</u>	<u>62,787</u>	<u>368,096</u>	<u>250</u>	<u>(22,262)</u>	<u>-</u>	<u>(1,412)</u>	<u>2,164,058</u>	<u>351,534</u>	<u>2,515,592</u>
Capital increase	234,757	-	-	-	-	-	-	234,757	-	-	234,757
Equity adjustment	-	-	-	-	-	(133,552)	-	(133,552)	133,552	-	-
Other comprehensive income (loss)	-	-	-	-	-	-	22	22	13	-	35
Additional dividends	-	-	-	-	(250)	-	-	(250)	(58)	-	(308)
Retained earnings (accumulated losses)	-	-	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(68,922)	-	(68,922)	(26,385)	-	(95,307)
<b>Balances at June 30, 2013</b>	<u>1,977,276</u>	<u>14,080</u>	<u>62,787</u>	<u>368,096</u>	<u>-</u>	<u>(22,262)</u>	<u>(202,474)</u>	<u>(1,390)</u>	<u>2,196,113</u>	<u>458,656</u>	<u>2,654,769</u>
<b>Balances at December 31, 2013</b>	<u>1,977,276</u>	<u>14,080</u>	<u>66,219</u>	<u>418,244</u>	<u>-</u>	<u>(22,262)</u>	<u>(96,751)</u>	<u>(2,633)</u>	<u>2,354,173</u>	<u>493,474</u>	<u>2,847,647</u>
Gains (losses) on investments	-	-	-	-	-	903	-	903	(1,921)	-	(1,018)
Additional dividends	-	-	-	(1,559)	-	-	-	(1,559)	-	-	(1,559)
Loss for the period	-	-	-	-	-	(170,402)	-	(170,402)	3,985	-	(166,417)
<b>Balances at June 30, 2014</b>	<u>1,977,276</u>	<u>14,080</u>	<u>66,219</u>	<u>416,685</u>	<u>-</u>	<u>(22,262)</u>	<u>(266,250)</u>	<u>(2,633)</u>	<u>2,183,115</u>	<u>495,538</u>	<u>2,678,653</u>

See accompanying notes.

# Equatorial Energia S.A.

## Cash flow statements - Indirect method Periods ended June 30, 2014 and 2013 (In thousands of reais)

	Company		Consolidated	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013
<b>Cash flow from operating activities</b>				
Loss for the period	(170,402)	(68,922)	(170,402)	(68,922)
<b>Non-cash income (expenses):</b>				
Depreciation and amortization	558	2,306	141,230	112,797
Retirement and private pension plan	-	-	-	589
Interest expenses	-	-	80,963	123,597
Exchange gains (losses) on financial transactions	-	(9,710)	23,781	(1,749)
Exchange losses on derivative financial instruments	-	-	(13,355)	-
Monetary restatement of financial assets	-	-	21,542	(18,187)
Loss on sale of intangible assets	-	-	-	61,111
Amortization of deferred revenue - CDE subsidy	-	-	-	(7,348)
(Reversal of) provision for civil, tax and labor claims	-	-	7,059	26,030
(Reversal of) allowance for doubtful accounts and loss on uncollectible receivables	-	-	46,196	65,176
Equity Pickup	193,709	-	(11,262)	-
Short-term investment yield	(17,020)	78,198	(53,105)	(38,048)
Equity adjustment - IFRS	-	(25,045)	(1,259)	-
Deferred income and social contribution taxes	-	(46)	(17,358)	16,357
Current income and social contribution taxes	(8,189)	-	23,038	(15,981)
Dividends proposed and payable	-	-	57	22
Noncontrolling interests	-	-	3,985	(26,385)
Other comprehensive income (loss)	-	44	-	35
Other	-	-	-	(100,938)
	(1,344)	(23,175)	81,110	128,156
<b>Changes in current and noncurrent asset accounts</b>				
Trade accounts receivable	-	-	(143,077)	109,237
Inventories	-	-	(6,106)	611
Taxes recoverable	-	-	(20,054)	17,919
Income taxes recoverable	4,004	(3,383)	(16,930)	(3,139)
Deferred taxes	-	-	-	(32,695)
In-court reorganization - CELPA	-	-	(44,698)	(2,819)
Services requested	-	-	(32,587)	(10,596)
Recovery of energy cost and charges	-	-	5,721	(13,112)
Purchase of fuel (CCC)	-	-	(111,467)	10,303
Judicial deposits	(408)	-	31,166	(58,740)
Concession-related financial asset	-	-	(147,384)	(169,339)
Dividends receivable	5,225	11,279	-	-
Future capital contribution	(256,000)	-	-	-
Other receivables	(120,037)	(91,086)	(19,736)	(27,768)
	(367,216)	(83,190)	(505,152)	(180,138)
<b>Changes in current and noncurrent liability accounts</b>				
Trade accounts payable	37	(1,054)	292,574	14,395
Taxes payable	(1)	(170)	(56,533)	(113,372)
Income taxes payable	4,614	(19)	3,111	40,537
Estimated liabilities - payroll	30	126	(3,083)	(947)
Provision for civil, tax and labor claims	-	-	(15,408)	(15,849)
Regulatory fees	-	-	532	(13,340)
Energy efficiency program	-	-	20,518	4,344
Deferred revenue - CDE subsidy	-	-	-	27,723
Profit sharing	(5,007)	(1,701)	(17,925)	(11,704)
Street lighting charge	-	-	(11,240)	(25,697)
Retirement and private pension plan	-	-	-	(54)
Interest paid	-	-	(62,033)	(63,943)
Income and social contribution taxes paid	-	-	(25,111)	(20,447)
Other accounts payable	(5)	(12,871)	49,708	(16,588)
	(332)	(15,689)	175,110	(194,942)
<b>Net cash used in operating activities</b>	<b>(368,892)</b>	<b>(122,054)</b>	<b>(248,932)</b>	<b>(246,924)</b>
<b>Investing activities</b>				
Acquisitions of intangible assets	-	-	(165,521)	(10,665)
Acquisition of property, plant and equipment	-	-	(612)	12
Acquisition of investment	-	(46,500)	87	(1,549)
Investment in investment funds	(6,238)	-	(2,029,872)	13,700
Redemption of short-term investments	375,737	188,981	2,514,972	342,561
Dividends received	-	-	5,224	3,009
<b>Net cash used in investing activities</b>	<b>369,499</b>	<b>142,481</b>	<b>324,278</b>	<b>347,068</b>
<b>Financing activities</b>				
Loans and financing taken out	-	-	235,364	334,407
Repayment of loans and financing	-	-	(128,605)	(161,492)
Amortization of debentures	-	-	-	(160,380)
In-court reorganization	-	-	-	-
Proceeds from share issue / Capital increase	-	-	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>106,759</b>	<b>12,535</b>
<b>Decrease in cash and cash equivalents</b>	<b>607</b>	<b>20,427</b>	<b>182,105</b>	<b>112,679</b>
<b>Statement of increase (decrease) in cash and cash equivalents</b>				
Cash and cash equivalents at beginning of period	21,403	23	350,885	133,101
Cash and cash equivalents at end of period	22,010	20,450	532,990	245,780
<b>Increase (decrease) in cash and cash equivalents</b>	<b>607</b>	<b>20,427</b>	<b>182,105</b>	<b>112,679</b>

See accompanying notes.

## Equatorial Energia S.A.

Statements of value added  
Periods ended June 30, 2014 and 2013  
(In thousands of reais)

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2014</b>	<b>06/30/2013</b>	<b>06/30/2014</b>	<b>06/30/2013</b>
<b>Revenues</b>				
Sales of products and services	-	-	<b>3,499,400</b>	2,894,431
Other operating income/expenses	<b>(1,176)</b>	(2,004)	<b>(1,453)</b>	(33,053)
Provision for retirement and private pension plan	-	-	-	(64,934)
Allowance for doubtful accounts and loss on uncollectible receivables	-	-	<b>(46,196)</b>	-
Other nonrecurring income/ expenses	-	-	<b>(20,885)</b>	(589)
(Reversal of) provision for civil, tax and labor claims	-	-	<b>(4,949)</b>	(6,694)
	<b>(1,176)</b>	(2,004)	<b>3,425,917</b>	2,789,161
<b>Inputs acquired from third parties (including ICMS and IPI)</b>				
Cost of sales and services	-	-	<b>(2,121,708)</b>	(1,583,933)
Materials, energy, third-party services and other expenses	<b>(1,776)</b>	(18,245)	<b>(290,957)</b>	(271,165)
Selling expenses	-	-	<b>(16,247)</b>	(2,111)
	<b>(1,776)</b>	(18,245)	<b>(2,428,912)</b>	(1,857,209)
<b>Gross value added (used)</b>	<b>(2,952)</b>	(20,249)	<b>997,005</b>	931,952
<b>Depreciation and amortization</b>	-	-	<b>(140,672)</b>	(112,797)
<b>Net value added produced by the Company</b>	<b>(2,952)</b>	(20,249)	<b>856,333</b>	819,155
<b>Value added received in transfer</b>				
Equity pickup	<b>(193,708)</b>	(78,198)	<b>11,262</b>	8,934
Amortization of concession right	<b>(558)</b>	(2,306)	<b>(558)</b>	(2,306)
Financial income	<b>39,577</b>	51,877	<b>(81,129)</b>	190,728
Other	-	(14,781)	-	(275,652)
	<b>(154,689)</b>	(43,408)	<b>(70,425)</b>	(78,296)
<b>Total value added to be distributed</b>	<b>(157,641)</b>	(63,657)	<b>785,908</b>	740,859
<b>Distribution of value added</b>				
<b>Employees</b>				
Direct compensation	<b>4,065</b>	4,694	<b>90,191</b>	72,628
Benefits	<b>91</b>	106	<b>25,148</b>	56,872
Unemployment Compensation Fund (FGTS)	<b>21</b>	24	<b>7,610</b>	13,644
Other	<b>395</b>	441	<b>9,075</b>	(23,895)
	<b>4,572</b>	5,265	<b>132,024</b>	119,249
<b>Taxes</b>				
Federal	<b>8,189</b>	-	<b>295,015</b>	273,176
State	-	-	<b>514,328</b>	437,535
Municipal	-	-	<b>2,882</b>	622
	<b>8,189</b>	-	<b>812,225</b>	711,333
<b>Debt remuneration</b>				
Rent	-	-	<b>8,076</b>	5,582
	-	-	<b>8,076</b>	5,582
<b>Equity remuneration</b>				
Dividends	-	33,487	-	33,487
Loss for the period	<b>(170,402)</b>	(102,409)	<b>(170,402)</b>	(102,409)
Noncontrolling interests in P&L for the period	-	-	<b>3,985</b>	(26,383)
	<b>(170,402)</b>	(68,922)	<b>(166,417)</b>	(95,305)
<b>Gross value added</b>	<b>(157,641)</b>	(63,657)	<b>785,908</b>	740,859

See accompanying notes.

## Equatorial Energia S.A

Notes to quarterly information  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 1 Operations

Equatorial Energia S.A. (“Company” or “Equatorial” or “Parent”) is primarily engaged in holding interest in other companies, all in the electric energy industry, mainly with operations related to generation or distribution of electric energy. The Company has shares traded on BM&FBOVESPA under ticker “EQTL3” and has partaken in the New Market since 2008. The Company is headquartered at Alameda A, Quadra SQS, nº 100, Altos do Calhau, in the city of São Luís, Maranhão State.

In a material news release published on September 25, 2012, the Company announced the execution of the Share Purchase and Sale Agreement and Other Covenants (“Purchase and Sale Agreement”) of Centrais Centrais Elétricas do Pará S.A. (CELPA), which is under in-court reorganization.

On November 1, 2012, according to a material news release published on the same date, and after approval by the National Electric Energy Agency (ANEEL) and Brazil’s Administrative Council for Economic Defense (CADE), the Company completed the acquisition of CELPA.

In the six-month period ended June 30, 2014, subsidiary CELPA presented working capital deficit of R\$ 109,180 and loss of R\$ 227,012, these results were substantially impacted by the mismatching between the cost of purchased power that is contained in the tariff and the actual cost of acquisition, event widely reported in the national media.

The International Financial Reporting Standards (IFRS) and the Brazilian Generally Accepted Accounting Principles (BR GAAP) do not allow the recognition of Regulatory Assets and Liabilities (differences between the amount realized and the amount provided for in tariffs) whose net balance (assets - liabilities) for the period ended June 30, 2014 is R\$ 289,245. This asset will be recognized in the next tariff adjustment, which will take place on August 8, 2014 and will be recognized as increase in revenue, mitigating gradually the above-mentioned results.

In addition, approximately R\$ 200,700, recorded in current liabilities under “Loans and financing” relating to the bridge loan from Itaú, will be prepaid with the first release of the BNDES financing, and such portion will be transferred to noncurrent liabilities, definitively solving the working capital deficit position.

Finally, Equatorial Group has been strictly complying with the in-court reorganization plan and has also made available and completed the contribution of R\$ 700 million set in that plan. It should be stressed that Equatorial is in a strong economic and financial position, which gives CELPA additional guarantee to maintain its activities.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 2 Operations (Continued)

#### In-court reorganization - CELPA

The current in-court reorganization plan of the Company was consolidated and approved on September 1, 2012 at the 13<sup>th</sup> Civil Court of Belém, and the relevant documents to the process under concern are exposed on the website of the Brazilian Securities and Exchange Commission (CVM).

The Company and Controlling Shareholder have been strictly complying with the in-court reorganization plan, including with the contribution of R\$ 700 million set in the plan, already fully contributed.

### 3 Subsidiaries

Equatorial has investments as follows:

	Note	06/30/2014	12/31/2013
CEMAR	a.	65.11%	65.11%
Equatorial Soluções	b.	100.00%	100.00%
CELPA	c.	96.18%	96.18%

- a. **Companhia Energética do Maranhão (“CEMAR”)**: publicly-traded corporation primarily engaged in the distribution of electric energy. CEMAR’s concession area is Maranhão State, serving more than 2.2 million customers in an area of more than 333 thousand Km<sup>2</sup> at June 30, 2014. The electric energy distribution contract No. 060, executed by and between the Company, Brazil’s National Electric Energy Agency (ANEEL) and CEMAR, is effective until August 2030, with the possibility of being extended for further 30 years.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 2 Subsidiaries (Continued)

- b. Equatorial Soluções S.A.:** Equatorial Soluções is a privately-held corporation, headquartered in the city of São Luís, Maranhão State, primarily engaged in: a) rendering of electric energy, telecommunication and data transmission services; b) electricity bill collection services on behalf and by order of third parties; and c) rendering of technical services related to the operation, maintenance and planning of third-party electric installations.
- c. Centrais Elétricas do Pará S.A. (CELPA):** A Brazilian publicly-traded company headquartered in the city of Belém, Pará State, engaged in the distribution and generation of electric energy in a concession area covering the entire Pará State with 1,248 thousand km<sup>2</sup>, serving more than 2.1 million consumers in 144 Municipalities. The electric energy distribution concession contract No. 182/1998, entered into between ANEEL and CELPA on July 28, 1998, is for a term of 30 years, renewable for a further term of 30 years. In addition to said distribution contract, CELPA had Generation Concession Contract No. 181/1998 of 34 Thermoelectric Power Plants, of which 11 plants are company-owned and 23 plants are outsourced, for generation of electric energy for a term of 30 years, expiring on July 28, 2028, renewable for another 30 years. On March 15, 2011, SCG/ANEEL Official Letter No. 331/2011 extinguished the concession of the outsourced thermoelectric power plants, remaining the concession of those 11 owned thermoelectric power plants.

The reporting period of interim financial statements of the consolidated subsidiaries coincides with that of the Company, and accounting policies were consistently applied on consolidated companies, being consistent with those used in prior year.

All balances and transactions between companies were eliminated upon consolidation.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 3 Preparation and presentation of interim financial statements

The interim financial information for the three-month period ended June 30, 2014, were prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

This interim financial information was prepared based on accounting principles, practices and criteria consistent with those adopted in the preparation of the annual financial statements for the year ended December 31, 2013, described in Note 3 of the referred statement, and should therefore be analyzed together with this interim financial statements.

Management authorized the issue of the interim financial statements on August 7, 2014.

### 4 Cash and cash equivalents

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Cash and banks	15	-	36,202	63,026
Cash equivalents	21,995	21,403	496,788	287,859
<b>Total</b>	<b>22,010</b>	<b>21,403</b>	<b>532,990</b>	<b>350,885</b>

Cash equivalents correspond to transactions with financial institutions that operate in the Brazilian financial market and have a low credit risk, are remunerated by rates ranging from 87.38% to 103.10% of the Interbank Deposit Certificate (CDI), and are available for use in the Company and subsidiaries' operations, i.e., they are highly-liquid financial assets. These transactions mature within 3 months from date they are taken out and repurchase agreement by issuer. The nature of the transactions is as follows:



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 4 Cash and cash equivalents (Continued)

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Bank Deposit Certificate (CDB)	-	21,403	179,525	74,610
Debentures - repurchase agreements	21,995	-	317,263	213,249
<b>Total</b>	<b>21,995</b>	<b>21,403</b>	<b>496,788</b>	<b>287,859</b>

### 5 Short-term investments

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Investment funds (a)	251,978	604,457	827,104	1,246,083
Other	-	-	3,033	16,049
<b>Total</b>	<b>251,978</b>	<b>604,457</b>	<b>830,137</b>	<b>1,262,132</b>

- (a) Investment funds represent low-risk transactions with first-tier financial institutions backed by Government Securities, in accordance with the investment policy of the Company and its subsidiaries, classified as held for trading.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 6 Trade accounts receivable (Consolidated)

	Consolidated	
	06/30/2014	12/31/2013
Accounts receivable from billed consumers	844,286	794,658
Accounts receivable from non-billed consumers	164,650	157,978
Debt receivable in installments	430,134	389,091
Low income consumers and "Viva a luz" programs	53,636	54,870
Sale under Chamber for the Commercialization of Electric Power (CCEE)	14,595	14,595
Other	103,621	75,527
<b>Total</b>	<b>1,610,922</b>	<b>1,486,719</b>
(-) Allowance for doubtful accounts	<b>(391,832)</b>	(364,510)
<b>Total</b>	<b>1,219,090</b>	<b>1,122,209</b>
<b>Total - current</b>	<b>1,086,699</b>	<b>1,006,085</b>
<b>Total - noncurrent</b>	<b>132,391</b>	<b>116,124</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 6 Trade accounts receivable (Consolidated) (Continued)

#### *Allowance for doubtful accounts (CEMAR and CELPA)*

	<u>12/31/2013</u>	<u>Provisions Additions</u>	<u>Reversals (write-offs)</u>	<u>06/30/2014</u>
Accounts receivable from billed consumers	289,102	54,976	(25,268)	318,810
Receivables in installments	72,455	9,050	(11,436)	70,069
Electric Energy Sale Chamber (CCEE)	197	-	-	197
Services rendered to third parties	528	-	-	528
<b>Total current</b>	<b><u>362,282</u></b>	<b><u>64,026</u></b>	<b><u>(36,704)</u></b>	<b><u>389,604</u></b>
Checks for collection	2,228	-	-	2,228
<b>Total - noncurrent</b>	<b><u>2,228</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,228</u></b>
<b>Total</b>	<b><u><u>364,510</u></u></b>	<b><u><u>64,026</u></u></b>	<b><u><u>(36,704)</u></u></b>	<b><u><u>391,832</u></u></b>

	<u>12/31/2012</u>	<u>Provisions Additions</u>	<u>Reversals (write-offs)</u>	<u>12/31/2013</u>
Accounts receivable from billed consumers	369,280	125,359	(205,536)	289,103
Receivables in installments	102,460	19,929	(49,935)	72,454
Electric Energy Sale Chamber (CCEE)	197	-	-	197
Services rendered to third parties	528	-	-	528
<b>Total - current</b>	<b><u>472,465</u></b>	<b><u>145,288</u></b>	<b><u>(255,471)</u></b>	<b><u>362,282</u></b>
Checks for collection	2,186	42	-	2,228
<b>Total - noncurrent</b>	<b><u>2,186</u></b>	<b><u>42</u></b>	<b><u>-</u></b>	<b><u>2,228</u></b>
<b>Total</b>	<b><u><u>474,651</u></u></b>	<b><u><u>145,330</u></u></b>	<b><u><u>(255,471)</u></u></b>	<b><u><u>364,510</u></u></b>

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### **6 Trade accounts receivable (Consolidated) (Continued)**

The allowance for doubtful accounts (ADA) is set up according to criteria defined considering management's best estimate, and considering General Guidance No. 6.3.2 of the Electric Energy Utility Accounting Manual, summarized as follows:

#### **Consumers with substantial debts**

Individual analysis of trade accounts receivable by consumption class, considered bad debts. For the 10 thousand major customers, whether with or without debts payable in installments, whose invoices are included in the allowance for doubtful accounts per consumption class, all other overdue or falling due invoices are recorded in the allowance for doubtful accounts.

#### **For other cases, the following rule is applied:**

- Residential consumers - Overdue above 90 days;
- Commercial consumers - Overdue above 180 days; and
- Industrial, rural, public government, street lighting, utility services and other consumers – overdue above 360 days.

Balances overdue or falling due for billed supply of electric energy are as follows:

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 6 Trade accounts receivable (Consolidated) (Continued)

	Consolidated (06/30/2014)			
	Falling due balance	Overdue within 90 days	Overdue above 90 days	Total
Residential	149,827	153,416	169,275	472,518
Industrial	48,520	17,762	44,928	111,210
Commercial	79,720	37,699	30,346	147,765
Rural	7,655	7,602	17,410	32,667
Public sector	15,945	19,530	4,416	39,891
Street lighting	9,166	4,435	1,921	15,522
Utility service	8,456	10,328	5,929	24,713
<b>Billed supply (current and noncurrent)</b>	<b>319,289</b>	<b>250,772</b>	<b>274,225</b>	<b>844,286</b>

	Consolidated (12/31/2013)			
	Falling due balance	Overdue within 90 days	Overdue above 90 days	Total
Residential	131,632	127,544	170,895	430,071
Industrial	55,166	12,339	42,620	110,125
Commercial	80,641	34,555	28,933	144,129
Rural	8,001	8,211	15,020	31,232
Public sector	15,219	19,440	5,912	40,571
Street lighting	7,817	2,300	841	10,958
Utility service	8,408	14,171	4,993	27,572
<b>Billed supply (current and noncurrent)</b>	<b>306,884</b>	<b>218,560</b>	<b>269,214</b>	<b>794,658</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 7 Taxes recoverable

Current and noncurrent balances arising from amounts legally withheld or prepaid are as follows:

#### 7.1 Taxes recoverable

Current	Consolidated	
	06/30/2014	12/31/2013
PIS/COFINS	504	2,784
State VAT (ICMS)	65,045	64,336
Special Installment Plan (PAEX) recoverable	40,419	39,158
Social charges and other	2,216	2,223
Other	2,422	5,348
	<b>110,606</b>	<b>113,849</b>
<b>Noncurrent</b>		
ICMS	68,782	56,802
Social Security Funding Tax (FINSOCIAL)	2,135	2,160
COFINS	11,342	-
Other	582	582
<b>Total</b>	<b>82,841</b>	<b>59,544</b>

#### 7.2 Income taxes recoverable

Current	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Withholding Income Tax (IRRF) on short-term investments	3,413	6,087	19,034	18,609
Prepayment of IRPJ and CSLL	4,550	8,572	16,840	20,915
IRPJ/CSLL recoverable	6,021	809	31,913	6,465
IRPJ and CSLL withheld at source		859	3,397	7,882
	<b>13,984</b>	<b>16,327</b>	<b>71,184</b>	<b>53,871</b>
<b>Noncurrent</b>				
IRPJ and CSLL recoverable	-	1,661	32,823	33,206
	<b>-</b>	<b>1,661</b>	<b>32,823</b>	<b>33,206</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 8 Purchase of fuel - Fuel Consumption Account (CCC)

At June 30, 2014, subsidiary CELPA has a fuel consumption account (CCC) credit in the amount of R\$ 205,813 (R\$ 94,346 at December 31, 2013).

The fuel consumption account (CCC) was created by Decree No. 73102, of November 7, 1973, with the objective of sharing the fuel consumption costs for thermal power generation in the Isolated Systems, especially in the Northern Region of Brazil. The objective of Law No. 12111, of December 9, 2009, is to reimburse the electric energy generation costs from the Isolated Systems, including costs related to purchase of electric energy and power associated with plant's own generation to provide the public service of electricity distribution, charges of the electric energy sector and taxes, as well as investments made. Such reimbursement must occur through the fossil fuel consumption account (CCC).

### 9 Transactions with related parties

The main asset and liability balances at June 30, 2014 and December 31, 2013, as well as the transactions that affected P&L for periods ended June 30, 2014 and 2013, related to operations with related parties result from Company transactions with its subsidiaries and related parties, key management professionals (CEO and directors) and other related parties, according to CVM Rule No. 560 dated December 11, 2008, which approved CPC 05 – Disclosure of Related Parties.

#### Company

Companies	Ref	Nature of transaction	06/30/2014			12/31/2013		06/30/2014
			Assets	Liabilities	Income/ Expenses	Assets	Liabilities	Income/ Expenses
CEMAR	(a)	Sharing agreement	-	1,659	-	-	222	-
		Dividends	25,506	-	-	24,449	-	-
CELPA	(b)	Loan agreement	101,366	-	1,787	-	-	-
		Assignment of rights	436,270	-	20,123	416,147	-	700
		Future capital contributions	306,000	-	-	-	-	-
		Swap transactions	-	-	-	-	-	3,070
Equatorial Soluções	(c)	Dividends	1,866	-	-	1,866	-	-

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 9 Transactions with related parties (Continued)

#### Consolidated

Companies	Ref.	Nature of transaction	06/30/2014			12/31/2013		06/30/2014
			Assets	Liabilities	Income/ Expenses	Assets	Liabilities	Income/ Expenses
Eletrobrás	(d)	Loan	-	345,472	-	-	372,179	14,311
		Dividends	-	13,444	-	-	12,598	-
FASCEMAR	(e)	Acknowledgement of debt agreement	-	6,581	-	-	10,213	994
		Private pension plan	-	-	1,333	-	-	-
CEMAR	(a)	Sharing agreement	-	-	-	-	222	-
GERAMAR	(f)	Electric energy purchase	-	-	1,676	-	430	1,537
		Dividends	-	-	-	7,208	-	-
Equatorial Soluções	(c)	Sharing agreement	451	811	-	-	-	-

- (a) Companhia Energética do Maranhão (CEMAR) ("Company") - Publicly-held company that holds a concession for electric energy distribution and is engaged in activities related to electric energy services. Amounts between subsidiary CEMAR and the Company arise from a human resource, administrative expensive and cost sharing agreement for an indeterminate term, and from dividends receivable.
- (b) Centrais Elétricas do Pará (CELPA) - Brazilian publicly-traded company headquartered in the city of Belém, Pará State, is engaged in the distribution and generation of electric energy in a concession area covering the entire Pará State with 1,248 thousand km<sup>2</sup>, and serves 2.1 million consumers in 144 Municipalities. The electric energy distribution concession contract No. 182/1998, entered into between ANEEL and CELPA on July 28, 1998, is for a term of 30 years, renewable for a further term of 30 years. Amounts with CELPA arise from the direct or indirect acquisition and negotiation of debts under the in-court reorganization of this subsidiary, which are owed to the following creditors: BNDES, Bradesco bank, Itaú BBA / Unibanco bank, BIC bank, Merrill Lynch and Société Générale banks. This balance shall be amortized in 10 equal annual installments, the first maturity of which on September 30, 2034 and last maturity date on September 30, 2043.

Future capital contribution assumed by the Company to contribute new funds amounting to R\$ 700 million up to December 2014, as defined in the In-Court Reorganization Plan and ANEEL Transition Plan. This obligation was fully complied with on April 4, 2014.



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 9 Transactions with related parties (Continued)

- (c) Equatorial Soluções - Privately-held company primarily engaged in the rendering of services for the electric energy, telecommunications and data transmission business. Amounts with Equatorial Soluções arise from a sharing agreement concerning human resources, administrative expenses and apportionment of the respective expenses incurred with subsidiary CEMAR, effective indefinitely.
- (d) Eletrobras - Publicly-traded company primarily engaged in conducting studies and projects, building and operating generating plants, transmission lines, and distributing electric energy. Eletrobras is a shareholder of subsidiary CEMAR. Amounts with Eletrobras refer to dividends payable and loan agreements granted to subsidiary CEMAR. Loan agreements with Eletrobras arise from financing lines specific to the Electric Energy Industry and conditions thereunder are the same as those adopted with other electric energy distribution companies in Brazil.
- (e) FASCEMAR - Supplementary Pension Foundation is organized as privately-held private pension entity, and is mainly engaged in managing social security benefit plans. Amounts arise from contributions made by sponsor CEMAR to its Supplementary Private Pension Foundation.
- (f) GERAMAR - Company in charge of implementing and operating Tocantinópolis and Nova Olinda thermoelectric plants, in the city of Miranda do Norte, Maranhão State. Amounts with Geradora de Energia do Norte S.A. ("GERAMAR") arise from electric energy purchase agreement (Electric Power Purchase Agreements in the Regulated Market - CCEAR) No. 5555/2007 - 29413N - 29414N, effective through 2024, executed on an arm's length basis.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
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### 9 Transactions with related parties (Continued)

#### Key management personnel compensation

The global annual compensation of the Company's Board of Directors and Executive Board members were set at R\$ 12,500, as decided at the Annual General Meeting held on April 25, 2014.

The percentage represented by each element in total management compensation for the period ended June 30, 2014 is as follows:

#### Board of Directors

Fixed remuneration: 100%

#### Executive Board

Fixed remuneration: 15%

Benefits: 1%

Floating remuneration: 84%

Remuneration of Board of Directors and Executive Board paid by the Company for the period:

	<b>Board of Directors</b>	<b>Statutory Board</b>	<b>Total</b>
<b>Number of members</b>	<b>7</b>	<b>7</b>	<b>14</b>
<b>Annual fixed compensation</b>	<b>630</b>	<b>938</b>	<b>1,568</b>
Salary or management fees	630	891	1.521
Direct and indirect benefits	-	47	47
<b>Variable compensation</b>	<b>-</b>	<b>4,873</b>	<b>4,873</b>
Bonus	-	4,873	4.873
<b>Total compensation per body</b>	<b>630</b>	<b>5,811</b>	<b>6,441</b>

#### Guarantees

The Company provides either collateral signatures or guarantees for subsidiaries CEMAR and CELPA, with no charges, for the following agreements:

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
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### 9 Transactions with related parties (Continued)

#### CEMAR

Institution	Financing amount	% Guarantee	Beginning	Ending	Amount released	06/30/2014
Government Agency for Machinery and Equipment Financing – FINAME PSI (Simplified)	776	100	03/25/2010	10/15/2019	776	519
Government Agency for Machinery and Equipment Financing – FINAME PSI (Conventional)	24,811	100	08/17/2010	04/15/2020	17,262	12,709
Banco do Brasil - CCB No. 21/00003-4	90,000	100	04/27/2013	04/27/2015	90,000	99,938
Banco do Brasil - CCB No. 20/02000-7	150,000	100	06/28/2013	06/28/2015	150,000	164,361
Banco do Brasil - CCB No. 20/02002-3	40,000	100	12/18/2013	12/18/2015	40,000	42,092
National Bank for Economic and Social Development - BNDES (11.2.0841.1)	193,023	100	11/11/2011	11/15/2021	175,237	114,019
National Bank for Economic and Social Development - BNDES (12.2.1211.1)	516,488	100	12/13/2012	12/15/2022	341,736	355,491
Banco do Nordeste do Brasil - BNB	136,076	100	11/23/2005	02/28/2017	136,076	33,162
Banco do Nordeste do Brasil - BNB (193.2008.2808.3018)	144,939	100	02/05/2009	02/05/2021	144,939	121,585
Caixa Econômica Federal - Agreement No. 415866-52/2013 – FINISA	28,626	100	10/04/2013	10/07/2025	14,313	14,758
Study and Project Financing Institution - FINEP	11,519	100	11/07/2011	03/15/2020	7,956	6,459
International Finance Corporation – IFC	135,056	50	02/01/2008	01/15/2016	135,056	43,585
<b>Total</b>	<b>1,471,314</b>				<b>1,253,351</b>	<b>1,008,678</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 9 Transactions with related parties (Continued)

#### Guarantees

#### CELPA

Institution	Financing amount	% Guarantee	Beginning	Ending	Amount released	06/30/2014
Banco Interamericano de Desenvolvimento (R.J)	121,095	100	09/01/2012	08/31/2026	121,095	144,484
Ministry of Finance – PGNF (Installment Payment Arrangements – 12/19/2012)	131,900	100	11/19/2012	10/19/2017	131,900	96,413
Banco Itaú (Working capital CCBI)	200,000	100	11/25/2013	11/25/2015	200,000	191,425
CitiBank (Working capital CCBI)	175,000	100	11/25/2013	11/25/2015	175,000	168,518
IBM bank (Working capital)	11,700	100	01/22/2014	07/24/2017	11,700	10,746
Banco Itaú (Promissory Notes)	200,000	100	06/17/2014	12/14/2014	200,000	200,734
Austral Seguradora S.A. (Judicial guarantee 2008.34.00.039764-6 - AI ANEEL No. 004/2007)	16,065	100	01/29/2013	01/29/2015	NA	NA
Austral Seguradora S.A. (Judicial guarantee 0021347-94.2009.4.01.3400 - AI ANEEL No. 001/2007)	11,386	100	05/01/2014	05/01/2016	NA	NA
Austral Seguradora S.A. (Judicial guarantee 50941-85.2011.4.01.3400 - AI ANEEL No. 008/2008)	15,710	100	05/01/2014	05/01/2016	NA	NA
Fairfax Brasil Seguros (Judicial guarantee insurance No. 12901-34-2011-4-01-3400 - AI ANEEL No. 009/2008)	4,075	100	06/13/2013	06/13/2015	NA	NA
Banco Itaú (Bank guarantee – policyholder COMTRAFO)	2,280	100	05/20/2014	02/18/2015	NA	NA
Banco Itaú (Bank guarantee – policyholder Duke Energy – No. 100413100157100)	1,454	100	10/16/2013	12/31/2014	NA	NA
Banco Itaú (Bank guarantee – policyholder Duke Energy – No. 100413040186500)	1,329	100	04/11/2013	10/31/2014	NA	NA
Austral Seguradora (Auction guarantee 003/2008 - 48500.007395/2007-41)	59	100	03/19/2013	09/19/2014	NA	NA
Austral Seguradora (Auction guarantee 006/2013 - 48500.002921/2013-25)	122	100	04/01/2014	10/01/2014	NA	NA
Austral Seguradora (Auction guarantee 10/2013 - A-5)	382	100	12/04/2013	10/02/2014	NA	NA
Austral Seguradora (Auction guarantee 005/2014 - 13º Auction)	887	100	04/24/2014	10/24/2014	NA	NA
Austral Seguradora (Auction guarantee 003/2014 - A-3)	66	100	05/28/2014	10/17/2014	NA	NA
Austral Seguradora (Judicial guarantee insurance - policyholder Terra Industrial)	1,825	100	12/13/2013	12/13/2015	NA	NA
Austral Seguradora (Judicial guarantee insurance - policyholder Municipality of Marabá)	486	100	01/01/2014	01/01/2016	NA	NA
Austral Seguradora (Judicial guarantee insurance - policyholder Banco Guanabara S/A)	9,128	100	03/10/2014	03/10/2017	NA	NA
Austral Seguradora (Judicial guarantee insurance - policyholder PETROS)	36,808	100	03/10/2014	03/10/2017	NA	NA
<b>Total</b>	<b>941,757</b>				<b>839,695</b>	<b>812,320</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
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### 10 CCC Subrogation

In accordance with ANEEL Resolution No. 784 of December 24, 2002, and ANEEL Authorizing Resolution No. 1999 of July 7, 2009, as amended by ANEEL Authorizing Resolution No. 3405 of March 27, 2012, the Company became eligible to receive the subsidies from the fossil fuel consumption account (CCC) subrogation, for the implementation of the project for connecting Marajo Island to the National Interconnected System (SIN), thus enabling a reduction in expenditure of CCC and, accordingly, contributing to reasonable tariffs to end consumers.

The investment amount recognized and approved by ANEEL for this subrogation is R\$ 465,198, equivalent to 100% of the approved amount.

The benefit was divided into two phases. In the first phase, the Company has an approved subrogation amount of R\$ 184,660 and, in the second phase, an approved amount of R\$ 280,538.

ANEEL Order No. 4722 of December 18, 2009, applicable for publications for 2009, deals in items 53 and 54 with accounting for subsidies received by a concession operator from the CCC fund by reason of the decommissioning of thermoelectric plants and consequent reduction in diesel consumption in the electric energy generation in Brazil.

According to said Order, all amounts received or approved must be recorded within the group of accounts "223 - Special Obligations Related to Public Electricity Service Concession". Within this group, the amounts received are segregated from the amounts yet to be received that have already been approved by the regulatory agency.

Out of the total subrogated amount, R\$ 188,774 (R\$ 185,688 at December 31, 2013) referring to the 1st phase, were used through June 30, 2014.

#### 10.1 CCC subrogation - subsidy apportionment

	12/31/2013	Transfers to projects	Portion received	06/30/2014
Amounts invested	185,688	3,086	-	188,774
Amounts to be invested	279,510	(3,086)	(4,010)	272,414
Pending receipt	-	-	4,010	4,010
Total	465,198	-	-	465,198

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 11. Deferred income and social contribution taxes

Subsidiaries recognized deferred income and social contribution taxes on temporary differences and income tax losses based on their estimated taxable profit.

There is no date for tax loss offset to be statute barred, and financial effects thereof will take place upon realization. Income tax is calculated at the rate of 25%, considering surtax of 10%, and social contribution tax at the rate of 9%.

Accordingly, the referred to tax credits are recorded as noncurrent assets, considering their expected realization and the limit of 30% for annual offset against taxable profit, as determined by CPC 26.

#### *a. Breakdown of current and deferred income and social contribution taxes*

	Consolidated	
	06/30/2014	12/31/2013
<b>IRPJ tax losses (*)</b>	167,603	167,603
IRPJ and CSLL on temporary differences	(178,029)	(195,288)
IRPJ and CSLL on acquisition of CELPA	58,884	58,784
<b>Total - noncurrent</b>	<b>48,458</b>	<b>31,099</b>

(\*) Tax credits on tax losses derive from subsidiary CEMAR.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 11. Deferred income and social contribution taxes (Continued)

#### *b. Expected recovery*

Based on technical feasibility studies, management of the subsidiary estimates that the tax credits may be realized through 2020, as under:

<u>Expected realization</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
Deferred taxes	8,320	28,791	42,595	37,490	27,971	22,436	167,603

For the year ended December 31, 2013, CEMAR realized R\$ 3,893 thousand in deferred income taxes on tax losses, since this subsidiary has elected to realize the accelerated depreciation benefits through 2018, and the technological incentive and SUDENE benefit through 2021.

The technical feasibility study, which includes the recovery of deferred taxes and is reviewed on an annual basis, was prepared by the Company, examined by the Supervisory Board and approved by the Board of Directors on February 26, 2014.

#### *c. Reconciliation of income and social contribution tax expense*

Reconciliation of tax expenses calculated by applying tax rates and expenses with Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) charged to P&L for the six-month periods ended June 30, 2014 and 2013 is as follows:

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 11 Deferred income and social contribution taxes (Continued)

#### c. Reconciliation of income and social contribution tax expense (Continued)

	Company		Consolidated	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013
<b>Income (loss) before income and social contribution taxes</b>	<b>(162,213)</b>	<b>(68,922)</b>	<b>(160,737)</b>	<b>(95,683)</b>
Combined rate of income and social contribution taxes	34%	34%	34%	34%
<b>Income and social contribution taxes at statutory rates</b>	-	-	-	<b>-32,532</b>
<b>Additions:</b>				
Provision for contingencies	-	-	117,512	154,294
Allowance for doubtful accounts	-	-	139,401	186,651
Research and development and energy efficiency	-	-	14,987	2,328
Regulatory assets and liabilities	-	-	-	39,191
Transition Tax Regime (RTT) adjustments	-	-	32,538	6,999
Effect of IRPJ and CSLL on equity pickup	50,195	-	-	-
Provision for pension plan	-	-	8,681	19,732
Suspended tax payments	-	-	-	2,294
Provisions	-	-	40,880	-
Other nondeductible expenses	827	-	16,543	2,436
	<b>51,022</b>	-	<b>370,542</b>	<b>413,925</b>
<b>Exclusions:</b>				
Reversals of provisions, deferred tariff adjustment and regulatory assets	-	-	(183,849)	(228,086)
Reversals of allowance for doubtful accounts	-	-	(29,914)	(20,616)
Accelerated depreciation	-	-	-	(716)
Reversals of contingencies	-	-	(29,760)	(73,523)
RTT adjustment	-	-	(28,948)	(7,070)
Effect of IRPJ and CSLL on equity pickup	(18,211)	(26,247)	(3,829)	(3,038)
Other	(21,105)	-	(25,679)	(312)
	<b>(39,316)</b>	<b>(26,247)</b>	<b>(301,979)</b>	<b>(333,361)</b>
<b>IRPJ and CSLL</b>	<b>11,706</b>	-	<b>68,563</b>	<b>48,032</b>
Workers' Meal Program (PAT) incentive	-	-	(287)	(584)
Offsetting of income and social contribution tax losses	(3,517)	-	(3,517)	-
Unrecognized tax credits	-	-	(30,062)	-
<b>Income and social contribution taxes on P&amp;L</b>	<b>8,189</b>	-	<b>34,697</b>	<b>47,448</b>
<b>Effective rate with deferred tax assets</b>	<b>-5.05%</b>	<b>0.00%</b>	<b>-21.59%</b>	<b>-49.59%</b>
Deferred tax asset	-	-	(17,358)	(16,357)
(+) Income tax - government grants	-	-	(11,658)	(31,467)
<b>Total</b>	<b>8,189</b>	-	<b>5,681</b>	<b>(376)</b>



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 11 Deferred income and social contribution taxes (Continued)

#### *c. Reconciliation of income and social contribution tax expense (Continued)*

(a) On May 14, 2007, the Agency for the Development of the Northeast (ADENE), currently the Northeast Development Authority (SUDENE), which belongs to the Ministry of National Integration, issued Certificate of Income Tax Reduction No. 0061/2007 granting an increase from 25% to 75% in the income tax reduction incentive to CEMAR, effective from 2007 to 2016, explained by the full modernization of CEMAR electric facilities. On March 28, 2012, Certificate of Income Tax Reduction No. 0037/2012 was issued, granting a 75% increase in the income tax reduction incentive to CEMAR, effective from 2012 to 2021, explained by the full modernization of CEMAR electric facilities.

### 12 Service concession financial assets (Consolidated)

These refer to the portion of investments made by subsidiaries CEMAR and CELPA not amortized by the end of the concession term, and classified as financial assets for being an unconditional right to receive cash or other financial assets directly from the granting authority pursuant to Technical Interpretations ICPC 01 - (R1) Service Concession Arrangements and ICPC 17 – Service Concession Arrangements: Disclosure, and to Technical Guidance OCPC 05 – Service Concession Arrangements. This portion of infrastructure classified as financial asset is remunerated at 11.36% using the so-called regulatory Weighted Average Cost of Capital (WACC), which consists in investment yield and is monthly included in customer tariffs.

	<u>12/31/2013</u>	<u>Reclassification (a)</u>	<u>New Replacement Cost (NRC) (b)</u>	<u>Capitalization</u>	<u>Write- offs</u>	<u>06/30/201 4</u>
Financial asset	1,776,873	21,784	29,090	159,821	(290)	1,987,278
Special obligations	(581,130)	-	(15,735)	(12,437)	-	(609,302)
Financial asset	<u>1,195,743</u>	<u>21,784</u>	<u>13,355</u>	<u>147,384</u>	<u>(290)</u>	<u>1,377,976</u>

	<u>12/31/2012</u>	<u>Reclassification (a)</u>	<u>NRC (b)</u>	<u>Capitalization</u>	<u>Write-offs</u>	<u>12/31/2013</u>
Financial asset	1,418,873	(59,971)	50,262	386,771	(19,062)	1,776,873
Special obligations	(365,928)	-	19,117	(235,935)	1,616	(581,130)
Financial asset	<u>1,052,945</u>	<u>(59,971)</u>	<u>69,379</u>	<u>150,836</u>	<u>(17,446)</u>	<u>1,195,743</u>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 12 Service concession financial assets (Consolidated) (Continued)

The concession of subsidiaries CEMAR and CELPA is free of charge, i.e., does not involve fixed financial obligations and payments to the granting authority.

#### (a) New replacement cost (NRC)

Provisional Executive Order No. 579 was published on September 11, 2012 to rule on the time extension and bidding processes for electric energy generation, transmission and distribution concessions, on the decrease in sector-related charges, reasonably priced tariffs, and other provisions. This Provisional Executive Order was signed into Law No. 12783 on January 11, 2013.

Pursuant to this Law, the investment amount related to reversible assets, not yet amortized or depreciated, for indemnification purposes, must be calculated based on the new replacement cost (NRC) method, according to criteria set out in the regulations issued by the granting authority.

#### (b) Special obligations

These refer substantially to funds obtained from the Federal, State and Local government as well as from consumers, linked to investments to be made in the concession of electric utility services.

Special obligations are calculated based on the interest of the source from which the funds are obtained, to wit:

- Funds obtained from the Government are calculated at the percentage established by contract; and
- The other funds fall into the criteria set out in ANEEL Resolution No. 414/200.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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 (In thousands of reais, unless otherwise stated)

### 13 Other receivables

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
<b>Current</b>				
Amounts recoverable from employees	-	-	2,284	2,036
Advances to suppliers	-	-	13,362	10,656
Disposal of assets and rights	-	-	8,382	4,440
Credits in electric power bills	-	-	4,162	4,062
Prepaid expenses	-	-	8,133	7,286
Other receivables	1,007	1,045	23,083	12,856
<b>Total</b>	<b>1,007</b>	<b>1,045</b>	<b>59,406</b>	<b>41,336</b>

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
<b>Noncurrent</b>				
Amounts to be released	-	-	35,026	35,026
Assets pledged as collateral	-	-	37,568	37,413
Loan transferred to CELPA (Note 9)	434,857	416,147	-	-
Loan agreement	101,366	-	-	-
Other receivables	-	-	1,450	331
<b>Total</b>	<b>536,223</b>	<b>416,147</b>	<b>74,044</b>	<b>72,770</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
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### 14 Investments

Significant information on investments in subsidiaries and jointly-controlled subsidiaries is as follows:

		Subsidiaries		Consolidated	
		06/30/2014	12/31/2013	06/30/2014	12/31/2013
<b>Accounted for under the equity method:</b>					
CEMAR	65.11%	1,111,577	1,106,395	-	-
CELPA	96.18%	(150,114)	68,169	-	-
Geradora de Energia do Norte	25.00%	65,967	59,688	65,967	59,688
Vila Velha	50.00%	3,300	3,300	3,300	3,300
Equatorial Soluções	100.00%	23,349	15,221	-	-
<b>Subtotal</b>		<b>1,054,079</b>	<b>1,252,773</b>	<b>69,267</b>	<b>62,988</b>
Other investments		-	-	7,819	7,906
<b>Total</b>		<b>1,054,079</b>	<b>1,252,773</b>	<b>77,086</b>	<b>70,894</b>

#### a. Changes in investments in subsidiaries and jointly-controlled subsidiaries

	CEMAR	CELPA	GERAMAR	Equatorial Soluções	Velha	Total
<b>Balance at December 31, 2013</b>	<b>1,106,395</b>	<b>68,169</b>	<b>59,688</b>	<b>15,221</b>	<b>3,300</b>	<b>1,252,773</b>
Equity pickup	5,848	(218,870)	11,262	8,052	-	(193,708)
Dividends	(108)	-	(5,223)	-	-	(5,331)
Amortization of concession right	(558)	-	-	-	-	(558)
Investment loss	-	587	240	76	-	903
<b>Balance at June 30, 2014</b>	<b>1,111,577</b>	<b>(150,114)</b>	<b>65,967</b>	<b>23,349</b>	<b>3,300</b>	<b>1,054,079</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 14 Investments (Continued)

	<b>CEMAR</b>	<b>CELPA</b>	<b>GERAMAR</b>	<b>Equatorial Soluções</b>	<b>Vila Velha</b>	<b>Total</b>
<b>Balance at December 31, 2012</b>	<b>1,010,272</b>	<b>223,135</b>	<b>57,147</b>	<b>8,625</b>	<b>2,000</b>	<b>1,301,179</b>
Capital contribution	-	44,000	-	2,500	1,300	47,800
Additional dividends	(95)	-	-	-	-	(95)
Minimum dividends	(24,339)	-	(14,306)	(1,276)	-	(39,921)
Equity pickup	125,169	(102,237)	16,847	5,372	-	45,151
Amortization of concession right	(4,612)	-	-	-	-	(4,612)
Other comprehensive income (loss)	-	22	-	-	-	22
PPA adjustment - CELPA	-	3,344	-	-	-	3,344
Unclaimed dividends written off	-	28,895	-	-	-	28,895
Investment loss	-	(128,990)	-	-	-	(128,990)
<b>Balance at December 31, 2013</b>	<b>1,106,395</b>	<b>68,169</b>	<b>59,688</b>	<b>15,221</b>	<b>3,300</b>	<b>1,252,773</b>

### 15 Intangible assets (Consolidated)

Breakdown of intangible assets is as follows:

<b>06/30/2014</b>					
	<b>Weighted average annual depreciation rates (%)</b>	<b>Cost</b>	<b>Amortization</b>	<b>(-) Concession-related obligations</b>	<b>Net amount</b>
<b>In operation</b>	4.07%	7,436,456	(2,945,977)	(1,793,479)	2,697,000
<b>In progress</b>		1,273,304	-	(416,488)	856,816
<b>Service concession arrangement</b>		628,115	(88,962)	-	539,153
<b>Total</b>		<b>9,337,875</b>	<b>(3,034,939)</b>	<b>(2,209,967)</b>	<b>4,092,969</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 15 Intangible assets (Consolidated) (Continued)

		12/31/2013			
	Weighted average annual depreciation rates (%)	Cost	Amortization	(-) Concession- related obligations	Net amount
In operation	3.54%	7,170,853	(2,775,767)	(1,703,536)	2,691,550
In progress		1,261,873	-	(378,407)	883,466
Service concession arrangement		628.115	(88,404)	-	539,711
<b>Total</b>		<b>9,060,841</b>	<b>(2,864,171)</b>	<b>(2,081,943)</b>	<b>4,114,727</b>

Intangible assets comprise the use right of assets related to the service concession arrangement of subsidiaries CEMAR and CELPA, amortizable until August 2030 and July 2028, respectively, in accordance with ICPC 01.

	12/31/2013	Reclassification	Additions	Write- offs	Capitalization (ii)	06/30/2014
In operation	7,166,897	<b>(21,784)</b>	-	(45,085)	332,480	7,432,508
(-) Amortization	(2,771,811)	-	(194,045)	23,827	-	(2,942,029)
<b>Total in operation</b>	<b>4,395,086</b>	<b>(21,784)</b>	<b>(194,045)</b>	<b>(21,258)</b>	<b>332,480</b>	<b>4,490,479</b>
In progress	1,261,873	-	503,732	-	(492,301)	1,273,304
<b>Total</b>	<b>1,261,873</b>	<b>-</b>	<b>503,732</b>	<b>-</b>	<b>(492,301)</b>	<b>1,273,304</b>
Special obligations (i)	(2,504,286)	-	(195,344)	1,505	12,288	(2,685,837)
(-) Amortization	422,343	-	53,527	-	-	475,870
<b>Total special obligations</b>	<b>(2,081,943)</b>	<b>-</b>	<b>(141,817)</b>	<b>1,505</b>	<b>12,288</b>	<b>(2,209,967)</b>
Concession rights	628,115	-	-	-	-	628,115
(-) Amortization	(88,404)	-	(558)	-	-	(88,962)
<b>Total concession rights</b>	<b>539,711</b>	<b>-</b>	<b>(558)</b>	<b>-</b>	<b>-</b>	<b>539,153</b>
<b>Total</b>	<b>4,114,727</b>	<b>(21,784)</b>	<b>167,312</b>	<b>(19,753)</b>	<b>(147,533)</b>	<b>4,092,969</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 15 Intangible assets (Consolidated) (Continued)

	12/31/2012	Reclassification	Additions	Write-offs	Capitalization (ii)	12/31/2013
In operation	6,642,522	59,971	-	(163,417)	627,821	7,166,897
(-) Amortization	(2,497,801)		(352,293)	78,283	-	(2,771,811)
<b>Total in operation</b>	<b>4,144,721</b>	<b>59,971</b>	<b>(352,293)</b>	<b>(85,134)</b>	<b>627,821</b>	<b>4,395,086</b>
In progress	1,554,662	-	721,804	-	(1,014,593)	1,261,873
<b>Total</b>	<b>1,554,662</b>	<b>-</b>	<b>721,804</b>	<b>-</b>	<b>(1,014,593)</b>	<b>1,261,873</b>
Special obligations (i)	(2,420,212)	-	(341,083)	21,075	235,934	(2,504,286)
(-) Amortization	319,185	-	104,537	(1,379)	-	422,343
<b>Total special obligations</b>	<b>(2,101,027)</b>	<b>-</b>	<b>(236,546)</b>	<b>19,696</b>	<b>235,934</b>	<b>(2,081,943)</b>
Concession rights	628,115	-	-	-	-	628,115
(-) Amortization	(83,792)	-	(4,612)	-	-	(88,404)
<b>Total concession rights</b>	<b>544,323</b>	<b>-</b>	<b>(4,612)</b>	<b>-</b>	<b>-</b>	<b>539,711</b>
<b>Total</b>	<b>4,142,679</b>	<b>59,971</b>	<b>128,353</b>	<b>(65,438)</b>	<b>(150,838)</b>	<b>4,114,727</b>

- i. Special obligations substantially represent funds from Federal Government, States and Municipalities and participation of consumers linked to investments in the concession of electric energy public service.
- ii. Capitalizations correspond to the transfers from intangible assets in progress to intangible assets in operation and service concession-related financial asset.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 16 Trade accounts payable (consolidated)

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Electric energy supply	-	-	436,575	293,494
Free energy - CCEE	-	-	15,740	15,288
Acquisition of fuel	-	-	169,322	94,346
Electricity grid use charge	-	-	276,679	228,094
Material and services	-	-	245	245
Other	249	212	68,727	43,247
<b>Total</b>	<b>249</b>	<b>212</b>	<b>967,288</b>	<b>674,714</b>

### 17 Loans and financing (Consolidated)

	Debt average cost (% p.a.)	06/30/2014	
		Current Principal and charges	Noncurrent Principal and charges
<b>Foreign currency</b>			
<i>Crédito RJ</i>	5.28%	-	144,484
National Treasury	4.75%	2,318	48,380
CCBI ITAÚ	3.10%	96,219	95,433
CCBI CITIBANK	3.34%	84,625	84,057
<b>Subtotal</b>		<b>183,162</b>	<b>372,354</b>
(-) Funding costs		(1,657)	(1,533)
<b>Total in foreign currency</b>		<b>181,505</b>	<b>370,821</b>
<b>Local currency</b>			
Banco do Brasil	9.65%	266,114	114,074
BNB	8.50%	37,482	117,264
BNDES	6.86%	52,127	417,383
CAIXA	6.00%	-	14,758
ELETROBRAS	8.17%	75,231	280,467
FINEP	4.00%	1,132	5,955
IBM	9.73%	4,673	1,858
IFC	11.30%	22,807	27,742
Votorantim	6.20%	1,258	2,229
Lease	12.65%	57	-
<i>Crédito RJ</i>	6.08%	-	857,648
GIRO NPS ITAÚ	11.01%	200,734	-
<b>Subtotal</b>		<b>661,615</b>	<b>1,839,378</b>
(-) Funding costs		(2,174)	(2,250)
<b>Total in local currency</b>		<b>659,441</b>	<b>1,837,128</b>
<b>Overall total</b>	<b>6.74%</b>	<b>840,946</b>	<b>2,207,949</b>



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 17 Loans and financing (Consolidated) (Continued)

	Debt average cost (% p.a.)	12/31/2013		Total
		Current	Noncurrent	
		Principal and charges	Principal and charges	
<b>Foreign currency</b>				
National Treasury	5.04%	3,652	51,668	55,320
CRÉDITO RJ – BID (a)	5.28%	-	149,750	149,750
CCBI ITAÚ (b)		535	203,007	203,542
CCBI CITIBANK (b)		389	179,215	179,604
<b>Subtotal</b>		<b>4,576</b>	<b>583,640</b>	<b>588,216</b>
(-) Funding costs		(1,657)	(4,157)	(5,814)
<b>Total in foreign currency</b>		<b>2,919</b>	<b>579,483</b>	<b>582,402</b>
<b>Local currency</b>				
Eletrobras	7.41%	74,896	369,748	444,644
IFC	8.24%	23,105	31,167	54,272
BNB	8.50%	37,618	135,552	173,170
BNDES	7.25%	29,151	433,697	462,848
FINEP	4.00%	1,134	5,888	7,022
FINAME	5.13%	3,082	13,079	16,161
CRÉDITOS RJ	5.22%	-	885,392	885,392
Lease	10.59%	224	22	246
Banco do Brasil S.A.	7.45%	-	291,836	291,836
CAIXA		-	14,331	14,331
<b>Subtotal</b>		<b>169,210</b>	<b>2,180,712</b>	<b>2,349,922</b>
(-) Funding costs		(2,895)	(3,851)	(6,746)
<b>Total in local currency</b>		<b>166,315</b>	<b>2,176,861</b>	<b>2,343,176</b>
<b>Overall total</b>	<b>6.83%</b>	<b>169,234</b>	<b>2,756,344</b>	<b>2,925,578</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 17 Loans and financing (Consolidated) (Continued)

- (a) Crédito RJ refers to loans granted by financial creditors of CELPA In-court Reorganization Plan, whose rates and terms were rescheduled as established in the Plan. Therefore, creditors were restructured by type of credit, so as to allow financial relief to the subsidiary, which resulted in the significant extension of debt, with increase and decrease restatements.
- (b) These operations have exchange and interest rate swaps in order to mitigate the effects of exposure to the US dollar, LIBOR and hedge instruments of operations.

Significant portions referring to principal of loans and financing mature as follows:

<b>Maturity</b>	<b>06/30/2014</b>	
	<b>Amount</b>	<b>%</b>
Current	<b>840,946</b>	<b>28%</b>
2015	338,446	11%
2016	183,633	6%
2017	163,219	5%
From 2017 onwards	1,526,435	50%
<b>Total</b>	<b>2,211,733</b>	<b>72%</b>
<b>Funding cost (noncurrent)</b>	(3,784)	
<b>Noncurrent</b>	<b>2,207,949</b>	<b>72%</b>
<b>Total</b>	<b>3,048,895</b>	<b>100%</b>

Changes in loans and financing are as follows:

	<b>Local currency</b>		<b>Foreign currency</b>		<b>Total</b>
	<b>Current liabilities</b>	<b>Noncurrent liabilities</b>	<b>Current liabilities</b>	<b>Noncurrent liabilities</b>	
<b>Balances at December 31, 2013</b>	<b>166,315</b>	<b>2,176,861</b>	<b>2,919</b>	<b>579,483</b>	<b>2,925,578</b>
Inflows	200,000	35,364	-	-	235,364
Charges	42,762	12,208	5,690	-	60,660
Monetary and exchange gains/losses	654	26,350	(6,582)	(24,950)	(4,528)
Transfers	403,723	(403,723)	186,338	(186,338)	-
Amortization of principal	(115,858)	(11,533)	(1,214)	-	(128,605)
Payment of interest	(38,874)	-	(5,646)	-	(44,520)
Transfer of transaction	(656)	1,601	(2,624)	2,624	945
Funding costs	1,375	-	2,624	-	3,999
<b>Balances at June 30, 2014</b>	<b>659,441</b>	<b>1,837,128</b>	<b>181,505</b>	<b>370,821</b>	<b>3,048,895</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 17 Loans and financing (Consolidated) (Continued)

	Local currency		Foreign currency		Total
	Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities	
<b>Balances at December 31, 2012</b>	<b>555,665</b>	<b>1,834,899</b>	<b>93,013</b>	<b>139,286</b>	<b>2,622,863</b>
Transfers to related parties	-	-	(95,536)	(4,742)	(100,278)
Inflows	50,000	493,067	-	375,000	918,067
Charges	105,691	13,758	8,253	-	127,702
Monetary and exchange gains/losses	(56)	56,942	598	41,499	98,983
Transfers	196,460	(196,460)	1,103	(1,103)	-
Amortization of principal	(629,096)	(25,496)	(2,309)	-	(656,901)
Payment of interest	(111,177)	-	(2,203)	-	(113,380)
Funding costs	(1,172)	151	-	-	(1,021)
Assets pledged as guarantee	-	-	-	29,543	29,543
<b>Balances at December 31, 2013</b>	<b>166,315</b>	<b>2,176,861</b>	<b>2,919</b>	<b>579,483</b>	<b>2,925,578</b>

#### *Monitoring of loan and financing covenants*

Loans and financing obtained by subsidiary CEMAR are subject to covenants. Failure to comply with such covenants during the reporting period may lead to early maturity of the related contracts. By June 30, 2014, the Company had complied with the limits specified in the contracts.

### 18 Debentures (Consolidated)

Changes in debentures are shown below:

	Current liabilities	Noncurrent liabilities	Total
<b>Balances at December 31, 2013</b>	<b>5,974</b>	<b>294,085</b>	<b>300,059</b>
Funding costs	-	147	147
Charges	11,437	-	11,437
Monetary losses	265	8,036	8,301
Payment of interest	(17,513)	-	(17,513)
<b>Balances at June 30, 2014</b>	<b>163</b>	<b>302,268</b>	<b>302,431</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
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### 18. Intangible assets (Consolidated) (Continued)

	<u>Current liabilities</u>	<u>Noncurrent liabilities</u>	<u>Total</u>
<b>Balances at December 31, 2012</b>	<b>169,602</b>	<b>283,210</b>	<b>452,812</b>
Funding costs	-	295	295
Charges	22,554	-	22,554
Monetary losses	91	10,580	10,671
Amortization of principal	(160,380)	-	(160,380)
Payment of interest	(25,893)	-	(25,893)
<b>Balances at December 31, 2013</b>	<b>5,974</b>	<b>294,085</b>	<b>300,059</b>

#### ***4<sup>th</sup> Issue of debentures***

The 4<sup>th</sup> public distribution of nonconvertible debentures of the Company was concluded on September 22, 2012. The funds raised in the amount of R\$ 280,000, divided into two series of R\$ 101,380 and R\$ 178,620, were primarily intended to the implementation of the Company's investment program and increase in working capital. At June 30, 2014, the effective rate of this operation is 11.39% per year.

#### ***3<sup>rd</sup> Issue of debentures***

The 3<sup>rd</sup> public distribution of nonconvertible debentures of CEMAR was concluded on March 28, 2007. The funds raised in the amount of R\$ 267,300 were primarily intended to prepay existing debts that were more onerous for the Company, and the remaining amount was allocated to the implementation of the Company's investment program. On March 1, 2013, the debt referring to the 3<sup>rd</sup> issue of debentures was concluded.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
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### 18. Intangible assets (Consolidated) (Continued)

At June 30, 2014, debentures represent the amount of R\$ 302,431 and their maturities are scheduled as follows:

<b>Maturity</b>	<b>Consolidated</b>		<b>12/31/2013</b>	
	<b>06/30/2014</b>		<b>Amount</b>	<b>%</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Current	<b>163</b>	<b>0%</b>	<b>5,974</b>	<b>37%</b>
2016	33,793	11%	33,793	7%
From 2016 onwards	269,952	89%	261,915	56%
<b>Noncurrent</b>	<b>303,745</b>	<b>100%</b>	<b>295,708</b>	<b>63%</b>
Funding costs	(1,477)	0%	(1,623)	-
<b>Total</b>	<b>302,431</b>	<b>100%</b>	<b>300,059</b>	<b>100%</b>

#### **Covenants**

The issue of debentures, classified in current and noncurrent liabilities, requires compliance with levels of indebtedness ratios and interest coverage. At June 30, 2014, the Company and its subsidiaries were in compliance with all the indicators required by agreements.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
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### 19 Taxes payable

#### 19.1 Taxes payable

	Consolidated	
	06/30/2014	12/31/2013
<b>Current</b>		
ICMS	84,883	84,233
ICMS - installment payment	33,888	40,097
PIS/COFINS	14,977	25,473
PIS/COFINS - installment payment	62,554	63,653
INSS - installment payment	1,232	1,180
REFIS <sup>1</sup> /PAES <sup>2</sup>	16,991	16,193
Social charges and other	10,420	12,540
Other	7,422	5,317
<b>Total</b>	<b>232,367</b>	<b>248,686</b>

	Consolidated	
	06/30/2014	12/31/2013
<b>Noncurrent</b>		
ICMS - installment payment	69,160	79,893
REFIS/PAES (a)	127,895	133,216
PIS/COFINS - installment payment	93,008	116,587
INSS - installment payment	2,567	3,048
Other	969	1,069
<b>Total</b>	<b>293,599</b>	<b>333,813</b>

#### 19.2 Income taxes payable

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
IRRF	-	-	336	509
Provision for IRPJ / CSLL	8,197	14,214	18,547	17,336
<b>Total</b>	<b>8,197</b>	<b>14,214</b>	<b>18,883</b>	<b>17,845</b>

- a. CELPA has installment payment plans approved by the Pará State Finance Department stemming from current ICMS debts. The installments are restated based on the Brazil's Central Bank benchmark rate (SELIC) plus 1%.

<sup>1</sup> Tax Installment Payment Program.

<sup>2</sup> Special Installment Payment Program.

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
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### **19 Taxes payable (Continued)**

#### ***b. Tax Installment Payment Program - REFIS***

##### *CEMAR*

On November 28, 2009, subsidiary CEMAR joined the tax installment payment introduced by article 1 of Law No. 11941/2009, which resulted in the compulsory and final withdrawal from the Special Installment Payment Program (PAES). Pursuant to the rules applicable to the new installment program, the remaining balance of debts consolidated into the Special Installment Payment Program (PAES) was divided into 180 months. The debt consolidation was concluded on June 30, 2011.

### **20 Provision for civil, tax and labor claims (Consolidated)**

Subsidiaries CEMAR and CELPA are defendants in legal and administrative proceedings in various courts and government agencies, involving tax, labor, civil and other matters arising from its ordinary course of business.

Based on the information provided by their legal advisors, on the review of unsettled litigation, and on past experience in case of labor disputes, the subsidiaries' management recognized a provision at an amount considered sufficient to cover probable losses on existing cases, as follows:

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 20 Provision for civil, tax and labor claims (Consolidated) (Continued)

	06/30/2014			12/31/2013		
	Value of the matter in dispute	Judicial deposits	Net provision	Value of the matter in dispute	Judicial deposits	Net provision
Civil	98,196	(95,357)	2,839	97,577	(134,139)	(36,562)
Tax	495	(394)	101	569	(394)	175
Labor	98,582	(8,176)	90,406	102,866	(29,191)	73,675
Regulatory	132,605	(28,631)	103,974	136,603	-	136,603
PPA CELPA (a)	339,072	-	339,072	339,684	-	339,684
	<b>668,950</b>	<b>(132,558)</b>	<b>536,392</b>	<b>677,299</b>	<b>(163,724)</b>	<b>513,575</b>
<b>Current</b>	24,868	(22,476)	2,392	39,775	(24,165)	15,610
<b>Noncurrent</b>	644,082	(110,082)	534,000	637,524	(139,559)	497,965
	<b>668,950</b>	<b>(132,558)</b>	<b>536,392</b>	<b>677,299</b>	<b>(163,724)</b>	<b>513,575</b>

- a) The fair value of the civil, tax and labor contingent liabilities of subsidiary CELPA was determined based on the legal advisors' assessment, also including lawsuits where a loss is possible, resulting in an adjustment of R\$ 339,072.
- b) Of the total judicial deposits referring to civil proceedings, the amount of R\$ 94,949 refer to flows of bank credit bills that are deposited as a result of the in-court reorganization process. These credits were listed in the in-court reorganization process and were rejected by the creditor financial institutions. Based on current legal decision, the contractual flow is deposited in court on a monthly basis until a final decision on the merits is handed down in connection with such credits being subject to the in-court reorganization regime.



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 20 Provision for civil, tax and labor claims (Consolidated) (Continued)

#### *Changes in proceedings for the year (Consolidated)*

	12/31/2013					06/30/2014
	Opening balance	Addition to provision	Use (1)	Reversals (2)	Restatement (3)	Closing balance
Civil	97,577	13,379	(11,640)	(7,500)	6,380	98,196
Tax	569	3	-	(80)	3	495
Labor	102,866	4,363	(3,768)	(5,103)	224	98,582
Regulatory	136,603	2,482	-	(6,942)	462	132,605
PPA CELPA (a)	339,684	-	-	(611)	-	339,073
	<b>677,299</b>	<b>20,227</b>	<b>(15,408)</b>	<b>(20,236)</b>	<b>7,069</b>	<b>668,951</b>

	12/31/2012					12/31/2013
	Opening balance	Addition to provision	Use (1)	Reversals (2)	Restatement (3)	Closing balance
Civil	94,490	33,528	(24,530)	(8,812)	2,901	97,577
Tax	145,125	-	-	(144,557)	1	569
Labor	116,341	27,219	(12,992)	(29,895)	2,193	102,866
Regulatory	87,755	57,987	(5,449)	(4,002)	312	136,603
PPA CELPA	343,161	-	-	(3,477)	-	339,684
	<b>786,872</b>	<b>118,734</b>	<b>(42,971)</b>	<b>(190,743)</b>	<b>5,407</b>	<b>677,299</b>

(1) Actual expenses on legal contingencies.

(2) Reversals in the period.

(3) Monetary restatements.

a) PPA CELPA - derives from estimated disbursement for proceedings assessed as possible loss, based on the analysis of the legal department of subsidiary CELPA.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
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### 20 Provision for civil, tax and labor claims (Consolidated) (Continued)

In addition to accrued losses, the Company records other labor claims for which the likelihood of loss is assessed as possible by management, based on the evaluation of CEMAR's legal department and its outside legal advisors, in the amount of R\$ 48,354 (R\$ 36,232 at December 31, 2013), for which no provision was recorded.

#### ***Civil***

The subsidiaries are defendants in 18,297 civil suits, 13,025 of which at Civil Courts of Appeal, mostly referring to claims seeking property damage and pain and suffering damages, as well as reimbursement of amounts paid by consumers.

Most significant civil proceedings claim compensation for accidents in the distribution grid, supply failure, death by electrocution or damages resulting from termination of contracts with suppliers.

At the close of the interim financial statements for the period ended June 30, 2014, the provision totals R\$ 98,196 (R\$ 97,577 at December 31, 2013).

In addition to accrued losses, the Company records other civil suits for which the likelihood of loss is assessed as possible by management, based on the evaluation of CEMAR's and CELPA's legal counsel and their outside legal advisors, in the amount of R\$ 550,328 (R\$ 569,153 at December 31, 2013), for which no provision was recorded.

#### ***Tax***

CEMAR and CELPA are defendants in 210 tax proceedings.

The quarterly statements for the period ended June 30, 2014 include provision for tax proceedings totaling R\$ 495 (R\$ 569 at December 31, 2013).

In addition to accrued losses, the Company records other tax suits for which the likelihood of loss is assessed as possible by management, based on the evaluation of CEMAR's and CELPA's legal counsels and their outside legal advisors, in the amount of R\$ 47,144 (R\$ 48,103 at December 31, 2013), for which no provision was recorded.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 21 Other accounts payable (consolidated)

	06/30/2014		12/31/2013	
	Current	Noncurrent	Current	Noncurrent
Other accounts payable - Suppliers	2,045	-	-	-
Collection agreements	-	-	2,231	-
Advances from consumers (a)	42,049	-	42,264	-
Insurance entities	202	-	202	-
Other allocations - suppliers	10,473	-	10,474	-
Tariff charges	1,891	-	1,888	-
Tax credits - CCC	-	131,340	-	83,708
Regulatory penalties (b)	49,513	-	49,278	-
Post-employment benefits	6,581	-	19,193	2,043
Guarantees	6,168	-	6,716	-
Acquisition of CELPA (c)	60,000	-	60,000	-
Third-party deposits	1,257	-	1,316	-
Other accounts payable	61,990	18,160	42,137	20,511
<b>Total</b>	<b>242,169</b>	<b>149,500</b>	<b>235,699</b>	<b>106,262</b>

- a) Refers to advance received for the purpose of ensuring the investments required to meet consumer demands.
- b) Refers to liability for violating the limit of individual continuity of DIC indicators (continuity limit set for the period considered for the indicator of duration of interruption by consumer unit or connection point), FIC (continuity limit set in the period considered for the interruption frequency indicator by consumer unit or connection point) and DMIC (continuity limit set in the period considered for the maximum continuity interruption duration indicator by consumer unit or connection point). With regard to the computation period (monthly, quarterly or annual), the distributor shall calculate the compensation to the consumer and report it as a credit on the bill, presented no later than two months after the computation period. In case of violation of the individual continuity limit of the DICRI indicator (continuity limit set for the individual interruption duration indicator on a critical day by consumer unit or connection point), the distributor will calculate the compensation to the consumer and report it as a credit on the bill, presented no later than two months after the month the interruption takes place. Since the Company filed for in-court reorganization on 02/29/2012, all the amounts whose triggering event took place before that date shall be an integral part of the creditors balance whose payment shall be approved at the creditors meeting within the deadlines and legal conditions addressed by the approved in-court reorganization plan.
- c) This refers to the increase in current liabilities due to a refundable balance relating to "Programa Luz Para Todos" (Light for All Program) estimated by subsidiary CELPA.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 22 Equity

#### 22.1 Capital

At June 30, 2014 and December 31, 2013, capital amounted to R\$ 1,977,276, comprising shares broken down by type and main shareholders as follows:

Shareholder	Registered Common Shares	%
FIP PCP	45,518,146	22.94%
Squadra Investimentos	30,939,640	15.59%
International Financial Corporation	10,625,000	5.35%
CSHG	10,394,964	5.24%
BTG Pactual Asset Management S/A DTVM	10,271,024	5.18%
Nucleo Capital	9,983,600	5.03%
Norges Bank	9,962,283	5.02%
Other minority interests	70,752,695	35.65%
<b>Total</b>	<b>198,447,352</b>	<b>100.00%</b>

The Company is listed on BM&FBOVESPA's "Novo Mercado" (New Market), having only common shares that ensure 100% tag along to minority interests in case of mergers or transfer of control.

#### 22.1 Income reserve - legal reserve

The legal reserve is recognized at 5% of net income before profit sharing and reversal of interest on equity, as determined by corporate legislation and defined by the Board of Directors, limited, however to 20% of total capital.

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### **22 Equity (Continued)**

#### ***22.2 Income reserve - Reserve for investments and expansion***

This reserve is intended to record the portion of net income for the year earmarked for investments and expansion of the Company.

#### ***22.3 Income reserve - Distribution of additional dividends***

This reserve is intended to record the portion of dividends that exceeds the mandatory minimum dividends, the distribution of which has not yet been approved at a meeting.

#### ***22.4 Increase in interest in subsidiary***

On April 30, 2013, the Company increased its interest in subsidiary CELPA, from 61.36% to 96.18%. This increase is a result of the capital contribution of R\$ 394,983.

Such contribution, however, exceeded the interest held in such subsidiary, due to losses recorded by CELPA in the year, leading to a lower increase in equity interest.

### **23 Employees' profit sharing**

The Company and its subsidiaries' profit sharing program comprises assessments of indicators for the presidency, boards, management, coordinators and employees and is improving over the years so as to foster professionals' commitment to better operational performance. For the six-month period ended June 30, 2014, the accrued profit sharing balance was R\$ 3,032 (R\$ 8,039 at December 31, 2013).

The Company and subsidiaries accrued a balance of R\$ 16,748 at June 30, 2014 (R\$ 34,673 at December 31, 2013).

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 24 Net operating revenue (Consolidated)

	06/30/2014		
	No. of consumers	MWh (*)	R\$
Residential	3,720,484	2,903,784	1,208,732
Industrial	12,862	882,807	281,002
Commercial	299,303	1,377,387	625,054
Rural	177,377	178,610	54,921
Public sector	40,213	386,586	170,720
Street lighting	1,379	370,769	96,315
Utility service	7,809	262,821	78,709
Own consumption	637	20,175	-
Revenue from availability/use of the electricity grid	-	-	11,419
CCEE supply	-	-	65,766
Low income	-	-	170,336
Construction revenue	-	-	489,801
Other	-	-	246,625
<b>Total</b>	<b>4,260,064</b>	<b>6,382,939</b>	<b>3,499,400</b>

(\*) Information not reviewed by independent auditors.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 24 Net operating revenue (Consolidated) (Continued)

	06/30/2013		
	No. of consumers	MWh (*)	R\$
Residential	3,531,982	2,513,983	997,906
Industrial	12,860	816,836	249,060
Commercial	281,472	1,277,090	549,599
Rural	179,206	176,065	50,835
Public sector	39,249	374,995	159,318
Street lighting	1,292	315,867	78,068
Utility service	7,504	253,177	72,982
Own consumption	658	16,607	-
Revenue from availability/use of the electricity grid	-	-	9,158
CCEE supply	-	-	103,952
Unbilled supply - deferral of the Distribution System Usage Charge (TUSD)	-	-	(2,288)
Low income	-	-	136,586
Provision for tariff reduction - irrigation	-	-	7,323
Construction revenue	-	-	308,417
Other	-	-	173,515
<b>Total</b>	<b>4,054,223</b>	<b>5,744,620</b>	<b>2,894,431</b>

(\*) Information not reviewed by independent auditors.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 25 Net operating revenue (Consolidated)

Reconciliation of gross revenue to net revenue is as follows:

	<u>06/30/2014</u>	<u>06/30/2013</u>
<b>Electric energy supply</b>	<b>2,874,356</b>	<b>2,450,737</b>
Operating revenue	2,800,854	2,421,101
Interest - WACC	73,502	29,636
Electric energy supply	65,766	103,952
Construction revenue	489,801	308,417
Other revenues	69,477	31,325
<b>Operating revenue</b>	<b>3,499,400</b>	<b>2,894,431</b>
ICMS on electric energy sales	(514,328)	(449,486)
PIS and COFINS	(279,814)	(225,700)
Consumer charges	(25,053)	(27,365)
Global Reversion Reserve - RGR	-	(3,710)
Service Tax (ISS)	(2,883)	(622)
Emergency capacity charge	1,154	(4,827)
<b>Deductions to operating revenue</b>	<b>(820,927)</b>	<b>(711,710)</b>
<b>Net operating revenue</b>	<b>2,678,473</b>	<b>2,182,721</b>



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 26 Cost of services and operating expenses

Operating expenses / (income) are broken down by nature as follows:

Operating costs/expenses	06/30/2014			Total
	Cost of electric energy services	Selling expenses	Administrative expenses	
Personnel	(56,616)	(23,030)	(35,692)	(115,338)
Material	(14,074)	(1,676)	(1,114)	(16,864)
Third-party services	(110,558)	(99,500)	(56,193)	(266,251)
Electric energy service inspection fee	-	(1,865)	-	(1,865)
Electric energy purchased for resale	(1,570,413)	-	-	(1,570,413)
Transmission and distribution system use charge	(61,494)	-	-	(61,494)
Construction cost	(489,801)	-	-	(489,801)
Depreciation and amortization	(124,344)	-	-	(124,344)
Lease and rent	(5,439)	(1,173)	(1,464)	(8,076)
CCC subsidy	9,521	-	-	9,521
Recovery of expenses	-	7,097	23	7,120
Other	(7,017)	(7,149)	(10,317)	(24,483)
<b>Total</b>	<b>(2,430,235)</b>	<b>(127,296)</b>	<b>(104,757)</b>	<b>(2,662,288)</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 26 Cost of services and operating expenses (Continued)

Operating costs/expenses	06/30/2013			Total
	Cost of electric energy services	Selling expenses	Administrative expenses	
Personnel	(57,621)	(9,263)	(37,612)	(104,496)
Material	(5,406)	2,139	(7,457)	(10,724)
Third-party services	(100,242)	(87,850)	(81,704)	(269,796)
Electric energy service inspection charge	-	(2,111)	-	(2,111)
Electric energy purchased for resale (a)	(1,219,393)	-	-	(1,219,393)
Transmission and distribution system use charge	(56,124)	-	-	(56,124)
Construction cost	(308,417)	-	-	(308,417)
Depreciation and amortization	(98,986)	-	-	(98,986)
Lease and rent	(2,586)	(1,132)	(1,864)	(5,582)
Provisions, net	-	-	-	-
CCC subsidy	18,830	-	-	18,830
Recovery of expenses	-	5,713	-	5,713
Other	(3,435)	(7,566)	(3,946)	(14,947)
<b>Total</b>	<b>(1,833,380)</b>	<b>(100,070)</b>	<b>(132,583)</b>	<b>(2,066,033)</b>

(\*) Information not reviewed by independent auditors.

In the second quarter of 2014, expenses with purchase of energy in the short term increased due to the following events:

- (i) Increase in settlement price of CCEE - PLD, due to decrease in reservoirs and need for output of thermal power plants to meet Brazilian demand, and
- (ii) Increase in Company's involuntary exposure due to delays in the start-up of plant operations, and cancellations of contracts related to the Bertin group.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 27 Electric energy purchased for resale

	MWh		R\$	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013
Contracts for quotas of guarantees	1,409,196	2,129,254	(111,899)	(85,780)
Eletronuclear agreements	52,020	52,301	(20,901)	-
Reserve energy charge	-	-	(1,818)	-
System Service Charge (ESS)	-	-	(6,783)	(111,049)
Bilateral energy	55,350	110,566	(21,856)	(19,923)
Spot market energy - CCEE (a)	428,312	615,013	(970,027)	(280,099)
Auction energy	2,415,097	3,701,332	(830,938)	(852,385)
Alternative Energy Source Program (PROINFA)	70,434	107,306	(34,691)	(32,660)
(-) Portion to be offset - noncumulative PIS/COFINS credit (b)	-	-	68,737	71,393
(-) Recovery cost of energy (c) (d)	-	-	501,689	196,270
Other costs	-	-	(141,926)	(105,160)
<b>Total</b>	<b>4,430,409</b>	<b>6,715,772</b>	<b>(1,570,413)</b>	<b>(1,219,393)</b>

- (a) In the second quarter of 2014, expenses with purchase of energy in the short term increased due to the following events: (i) Increase in settlement price of CCEE - ADA, which reached the maximum limit of 822 R\$/MWh, due to decrease in reservoirs and need for output of thermal power plants to meet Brazilian demand; (ii) Increase in Company's involuntary exposure due to delay in the start-up of plant operations, and cancellations of contracts related to the Bertin group. With the publication of Decree No. 8221 on April 2, 2014, determining the creation of the Regulated Market (ACR) Account, the distributors will recover their expenses arising from short-term involuntary exposure and output of thermal power plants in connection with the Electric Power Purchase Agreement in the Regulated Market (CCEAR) for availability, as from the settlement in February 2014, through a loan of R\$ 11.2 billion that will be monthly transferred by CCEE to distributors.
- (b) This amount refers to noncumulative PIS and COFINS credit, under Laws No. 10637 of 2002 and No.10833 of 2003, arising from purchase of electric energy for resale.
- (c) Decree No. 7945 of March 2013 determined the transfer of funds from the Energy Development Account (CDE) to the distributors in order to neutralize part of cash and P&L problems, due to the tendency of increase in costs. The funds covered by the transfer from the Energy Development Account (CDE) were recorded in the Company's P&L, as an account reducing "Electric energy purchased for resale", totaling R\$ 142,364.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 27 Electric energy purchased for resale (Continued)

(d) Decree No. 8221 published on April 2, 2014 determines the creation of ACR Account, through which distributors will recover their expenses arising from short-term involuntary exposure and output of thermal power plants in connection with CCEAR for availability. From February to April 2014, the Company recorded a total of R\$ 362,118 and estimates the amount of R\$ 193,355 from May to June, which was not recorded.

### 28 Financial income (expenses)

	Company		Consolidated	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013
Financial income	18,088	25,719	69,844	84,824
Arrears charges on energy sold	-	-	66,164	61,074
Restatement of financial asset - revenue	-	-	366	24,243
Monetary gains	-	-	63,068	18,047
Interest income	-	-	4,633	-
Discounts obtained	-	-	4,697	-
Present value adjustment	-	-	968	-
Swap transactions	-	-	3,941	2,540
Other	21,489	26,158	33,098	-
	<b>39,577</b>	<b>51,877</b>	<b>246,779</b>	<b>190,728</b>
Interest on loans and financing and other	-	-	(125,229)	(134,433)
Related-party charges	-	-	(1,366)	-
Monetary losses	-	-	(52,817)	(34,793)
Restatement of financial asset - expense	-	-	(6,938)	(6,056)
Fines	-	-	(4,269)	(16,914)
Interest expense	-	-	(23,018)	-
Operational violations	-	-	(34,020)	(36,201)
Swap transactions - expense	-	-	(41,418)	(6,110)
Present value adjustment	-	-	(2,223)	-
Other financial expenses	-	(14,781)	(36,610)	(41,144)
	-	(14,781)	(327,908)	(275,651)
<b>Total</b>	<b>39,577</b>	<b>37,096</b>	<b>(81,129)</b>	<b>(84,923)</b>

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### **29 Private pension entity**

#### ***CEMAR***

CEMAR sponsors FASCEMAR - Fundação de Assistência e Seguridade dos Servidores da CEMAR (Assistance and Social Security Foundation for CEMAR's employees), a Supplementary Pension Foundation organized as a closed not-for-profit private pension entity for the purpose of managing social security benefit plans.

FASCEMAR was fully restructured in 2005, resulting in the implementation and operation, as of May 2006, of a new variable contribution private pension plan - Mixed Benefit Plan I, in the defined contribution modality. Since its implementation, 98% of active participants of the Defined Benefit Plan I (BD I) joined the plan, as well as CEMAR employees who did not benefit from such plan before.

The BD I Plan currently benefits mostly retired employees and pensioners who were already benefiting from the plan in April 2006.

CEMAR, in the capacity of sponsor, makes monthly regular contributions to both plans that match total contributions paid by plan participants included in its payroll. For the period ended June 30, 2014, this amount corresponds to R\$ 1,241 (R\$ 1,792 at December 31, 2013).

The Company records the amount of R\$ 6,581 (R\$ 10,213 at December 31, 2013) in "Other accounts payable" in support of the debt agreement with FASCEMAR, which management believes to be sufficient to cover actuarial liabilities calculated by the actuaries.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 29 Private pension entity (Continued)

#### **CELPA**

CELPA sponsors, together with its active employees, former employees and respective beneficiaries, private retirement and pension plans with the objective of supplementing the government official benefits. These private plans are managed by Redeprev - Fundação Rede de Previdência, a closed not-for-profit multisponsored pension entity possessing administrative and financial autonomy.

Given the change in the Company's equity control, an evaluation is in progress in order to identify the best alternative as to the Supplementary Private Pension Entity to be sponsored by CELPA.

The benefit plans maintained by CELPA with Redeprev are:

- **Benefit Plan CELPA BD-I:**

This plan was established on July 30, 1982, structured as a defined benefit plan and funded by active participants, vested participants and the sponsor. This plan does not accept new participants since January 1, 1998. The following benefits are ensured: Retirement supplement for disability, age, length of contribution, special retirement supplement, pension supplement and annuity supplement.

- **Benefit Plan CELPA BD-II:**

This plan was established on January 1, 1998 and does not accept new participants since April 1, 2000, when the CELPA-OP and R plans were established. The Plan is structured as a defined benefit plan, funded by active participants, vested participants and the sponsor. The following benefits are ensured: Retirement supplement for disability, age, length of contribution, special retirement supplement, death benefit supplement and annuity supplement.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
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### 29 Private pension entity (Continued)

#### *CELPA (Continued)*

- **Pension plan - R:**

The plan regulation was authorized to operate and approved by means of Administrative Ruling No. 880 of January 12, 2007, issued by the Technical Analysis Department of the Social Security and Supplementary Benefits Office of the Ministry of Social Security. This plan results from the former benefit plans CELPA – R, CEMAT – R and ELÉTRICAS – R, the regulations of which were condensed in a single Regulation, without interruption of operations. The plan is structured as a defined benefit plan.

The following structured risk benefits are ensured: Pension supplement for disability, sickness allowance, death benefit and lump-sum payment due to death.

The benefits are funded exclusively by CELPA and jointly with other sponsors, Centrais Elétricas do Matogrossenses S.A. - CEMAT and Rede Energia Group companies.

Prior to the merger, the plans were accounted for separately and, after the merger, the accounts are shown in only one trial balance based on legislation governing private pension entities. However, specifically for the purpose of this Valuation and compliance with CPC 33 “Employee Benefits”, the actuarial liabilities, contribution expenses, costs and assets of the Benefit Plan R are determined separately by sponsoring entity.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 29 Private pension entity (Continued)

- **Benefit Plan CELPA OP:**

The plan regulation was authorized to operate and approved by means of Administrative Ruling No. 880 of January 12, 2007, issued by the Technical Analysis Department of the Social Security and Supplementary Benefits Office of the Ministry of Social Security. This plan results from the former benefit plans CELPA – R, CEMAT – R and ELÉTRICAS – R, the regulations of which were condensed in a single Regulation, without interruption of operations. The plan is structured as a defined contribution plan and ensures the structured risk benefits as follows: Sickness allowance; pension supplement for disability; death benefit; annuity supplement and lump-sum payment due to death. The R Plan is solely funded by CELPA, other sponsors and self-sponsoring participants, as set forth in the Plan Regulation.

Prior to the merger, the plans were accounted for separately and, after the merger, the accounts are shown in only one trial balance based on legislation governing private pension entities. However, specifically for the purpose of this assessment and compliance with CPC 33 – Employee Benefits, actuarial liabilities, expenses with contributions, costs and Plan assets of R Benefit are required to be separately determined by sponsoring company.

### 30 Financial instruments

#### *a. General considerations*

In compliance with CVM Rule No. 604 of November 19, 2009, which approved Accounting Pronouncements CPC 38, 39 and 40, the Company and its subsidiaries carried out an assessment of their financial instruments, as follows: cash and cash equivalents, trade accounts receivable, concession-related financial assets, trade accounts payable, loans and financing, debentures and derivatives, with due adjustment in the accounting thereof, as applicable.

These instruments are managed through operational strategies and internal control intended for liquidity, profitability, and safety. Control policy consists of permanent monitoring of contracted conditions versus current market conditions.



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 30 Financial instruments (Continued)

#### a. General considerations (Continued)

Management uses financial instruments with a view to deriving high yields on its cash and cash equivalents, maintaining liquidity of its assets, hedging against changes in interest or exchange rates and complying with the ratios established in its financing contracts (covenants).

#### b. Policy on use of derivatives

Equatorial uses derivatives only to hedge against changes in macroeconomic indices and in exchange rates, by means of swap transactions.

At present, Equatorial has two swap transactions, one with BTG Pactual and the other with its direct subsidiary CELPA.

#### c. Fair value of financial instruments (Consolidated)

Pursuant to CVM Rule No. 475, the book value and the market value of financial instruments included in the balance sheet at June 30, 2014 and December 31, 2013, are set out as follows:

	Consolidated			
	06/30/2014		12/31/2013	
	Book value	Fair value	Book value	Fair value
<b>Assets</b>				
Cash and cash equivalents	532,990	532,990	350,859	350,859
Short-term investments	830,137	830,137	1,262,132	1,262,132
Trade accounts receivable	1,219,090	1,219,090	1,140,556	1,140,556
Judicial deposits	132,558	132,558	173,664	173,664
Derivative financial instruments	-	-	-	-
Concession-related financial assets	1,377,976	1,377,976	1,195,743	1,195,743
<b>Total</b>	<b>4,092,751</b>	<b>4,092,751</b>	<b>4,122,954</b>	<b>4,122,954</b>
	06/30/2014		12/31/2013	
<b>Liabilities</b>	Book value	Fair value	Book value	Fair value
Trade accounts payable	967,288	967,288	693,340	693,340
Loans and financing	3,048,895	3,048,895	2,925,578	2,925,578
Derivative financial instruments	18,871	18,871	379,041	379,041
Debentures	302,431	305,844	300,059	304,541
<b>Total</b>	<b>4,337,485</b>	<b>4,340,898</b>	<b>4,298,018</b>	<b>4,302,500</b>

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 30 Financial instruments (Continued)

#### *c. Fair value of financial instruments (Consolidated) - (Continued)*

- **Short-term investments** – these are classified at fair value through profit or loss. The hierarchy of fair value of short-term investments is 1.
- **Trade accounts receivable** – these result directly from Company operations, are classified as receivables and recorded at their original amounts, subject to the provision for losses and present value adjustment, as applicable.
- **Concession financial assets** – these are classified as loans and receivables and recorded at their original amounts, subject to provision for losses and present value adjustment, as applicable.
- **Trade accounts payable** - these arise directly from Company operations and are classified as financial liabilities not measured at fair value.
- **Loans and financing** - loans and financing are intended to generate funds to finance the Company's investment programs and manage any short-term cash needs. They are classified as financial liabilities not measured at fair value and are recorded at their amortized amounts.
- **Debentures** - are classified as financial liabilities not measured at fair value and are recorded at their amortized amount.
- **Derivative financial instruments** – are classified at fair value through profit or loss and are intended to hedge against changes in interest rates and exchange rates. For swap transactions, market value was determined using market information available.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 30 Financial instruments (Continued)

#### *d. Cash and cash equivalents*

The Company's cash equivalents are highly liquid financial instruments whose market value reflects the amount recorded in the balance sheet. They comprise cash available and short-term investments.

The Company holds cash equivalents in order to meet its short-term cash commitments.

The Company's financial investments are made within short term and are highly liquid. They are also convertible into a known cash amount and indexed to CDI, which is considered a risk-free rate. Accordingly, all of the Company's short-term investments are classified as cash equivalents.

#### *e. Risk factors – CVM Rule No. 475*

For being a holding company, the Company's main risks relate to the performance of its subsidiaries and jointly-controlled subsidiary. According to CVM Rule No. 475, the risk factors are set out below:

- **Credit risk** - The high balances as well as aging of receivables from customers represent a risk for Company liquidity and its capital structure. Management monitors outstanding balances and to mitigate the risk of default. The Company uses all collection tools allowed by the regulatory body, such as supply interruption upon consumer default, settlement of debts and renegotiation of debts. In order to mitigate the risk of financial institutions with which the Company maintains cash deposits or financial investments, the Company selects only low-risk institutions, as assessed by rating agencies. The Company maintains its concession assets in accordance with ruling legislation and monitors possible definitions in the concession assets return rules.
- **Liquidity risk** - The liquidity risk evidence the Company's capacity of settling liabilities assumed. To determine the Company's financial capacity of adequately meeting the commitments assumed, the maturity schedule of funds raised and of other liabilities is part of the disclosures. Detailed information about loans and financing raised by the Company is presented in Notes 17 and 18.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 30 Financial instruments (Continued)

#### *e. Risk factors - CVM Rule No. 475 (Continued)*

The Company has obtained funds from its commercial and financial activities, allocating them mainly to its investment program and cash management for working capital and financial commitment purposes.

Short-term investment management focuses on short-term instruments, in order to maximize liquidity and allow cash outlays.

The Company's cash generation and the low volatility in the monthly receipts and payment obligations along the year allow stability to the Company in its flows, thus reducing its liquidity risk.

- **Market risk** - The market risks relate to fluctuations in interest rates, debt indices and exchange rates, further comprising indebtedness limits defined in contracts, and noncompliance therewith may entail accelerated maturity.
- **Currency risk** - This risk arises from the possibility of the Company to incur losses due to changes in exchange rates. Subsidiary CEMAR's current exposure to exchange rates is 0.4% of its debt. Subsidiary CEMAR continually monitors exchange rates and market interest rates in order to evaluate the need for using derivatives to hedge against the risk of volatility of these rates.

A debt sensitivity analysis was carried out considering five scenarios, in accordance with CVM Rule No. 475: one scenario with actual rates at June 30, 2014 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% increase (Scenario III) in the benchmark exchange rate.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 30 Financial instruments (Continued)

#### e. Risk factors - CVM Rule No. 475 (Continued)

The Company further included two scenarios, as opposed to the effect described in CVM Rule, namely 25% decrease (Scenario IV) and 50% decrease (Scenario V) in the benchmark exchange rate.

Fair value or cash flow interest rate risk related to interest rate						R\$ thousand
Transaction	Risk	Probable scenario I	Scenario II + 25%	Scenario III + 50%	Scenario IV - 25%	Scenario V - 50%
<b>Financial liabilities</b>						
Loans, financing and debentures	USD	(34,814)	103,893	242,944	(173,693)	(312,573)
<b>Reference for financial liabilities</b>		<b>Rate at 06/30/2014</b>	<b>+ 25%</b>	<b>+ 50%</b>	<b>- 25%</b>	<b>- 50%</b>
USD/R\$		2.20	2.75	3.30	1.65	1.10

- **Accelerated maturity risk** - Subsidiary CEMAR has loan and financing agreements and debentures with covenants, which in general require compliance with certain levels of economic and financial ratios. Failure to comply with these ratios may entail accelerated debt maturity. Management monitors its positions, as well as projects its future indebtedness to take preventative measures in relation to the indebtedness limits.
- **Cash flow or fair value risk related to interest rate** - Changes in interest rates affect the Company's financial assets and liabilities. The Company sets out below the impact of these variations on return on financial investments and indebtedness in local currency.

A sensitivity analysis was carried out for subsidiary CEMAR's financial assets and liabilities considering five scenarios.

In accordance with CVM Rule No. 475, the Company considered a scenario with actual rates at June 30, 2014 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% (Scenario III) in the indices.

The Company further included two scenarios, as opposed to the effect described in CVM Rule, namely 25% decrease (Scenario IV) and 50% decrease (Scenario V) in the benchmark exchange rate.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 30 Financial instruments (Continued)

#### e. Risk factors - CVM Rule No. 475 (Continued)

Fair value or cash flow interest rate risk related to interest rate						R\$ thousand
Transaction	Risk	Probable scenario I	Scenario II + 25%	Scenario III + 50%	Scenario IV - 25%	Scenario V - 50%
<b>Financial assets</b>						
Short-term investments	CDI	(49,657)	(62,071)	(74,485)	(37,243)	(24,828)
<b>Financial liabilities</b>						
	CDI	30,375	35,746	41,116	25,007	19,637
<u>Loans, financing and debentures</u>	TJLP	15,534	18,444	21,352	12,626	9,718
	IGPM	11,640	11,917	12,194	11,364	11,088
	IPCA	14,036	15,847	17,658	12,224	10,413
<b>Reference for financial assets and liabilities</b>		<b>Rate at 06/30/2014</b>	<b>+ 25%</b>	<b>+ 50%</b>	<b>- 25%</b>	<b>- 50%</b>
CDI (% 9 months)		4.97	6.22	7.46	3.73	2.49
TJLP (% 9 months)		2.47	3.09	3.70	1.85	1.23
IGP-M (% 9 months)		2.45	3.06	3.67	1.84	1.22
IPCA (% 9 months)		3.75	4.68	5.62	2.81	1.87

The impact of the sensitivity analysis on P&L and equity of subsidiary CEMAR is as follows:

Impact of sensitivity on P&L and equity		R\$ thousand	
Scenarios	Impact on P&L	Impact on profit	
Probable scenario I	-	-	
Scenario II	136,662	136,662	
Scenario III	273,665	273,665	
Scenario IV	(136,829)	(136,829)	
Scenario V	(273,660)	(273,660)	

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 30 Financial instruments (Continued)

#### e. Risk factors - CVM Rule No. 475 (Continued)

Pursuant to CPC 40, Company derivative financial instruments in force at June 30, 2014 and December 31, 2013 are summarized as follows:

Liability transactions Market risk hedging purpose (a)	Index	Maturity	Fair value	
			06/30/2014	12/31/2013
<b>Swap ITAÚ</b>				
Long position	US\$	11/25/2015	5,720	17,932
Short position	CDI	11/25/2015	(15,101)	(15,082)
<b>Total</b>			<b>(9,381)</b>	2,850
<b>Swap CITIBANK</b>				
Long position	US\$	11/25/2015	5,364	16,519
Short position	CDI	11/25/2015	(14,854)	(14,850)
<b>Total</b>			<b>(9,490)</b>	1,669
<b>Overall total</b>			<b>(18,871)</b>	4,519

- **Energy Shortage Risk** - The Brazilian Power System is primarily supplied by hydroelectric power generation. A long period of draught during the wet season will reduce the volume of water in the power plants' reservoirs, resulting in an increased acquisition cost of energy in the spot market and in increased System Charges due the output of thermal power plants. Ultimately, a rationing program may be adopted, which would imply in a decrease in revenue. However, given current levels of the reservoirs and the latest simulations performed, the National Electric System Operator (ONS) does not expect a new rationing program for the coming years.

The Company and its subsidiaries manage their capital so as to maximize return for investors by leveraging the indebtedness and equity levels, seeking to achieve an efficient capital structure, and maintaining indebtedness and debt coverage ratios at levels that maximize return on capital for investors and ensure liquidity for the Company.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 30 Financial instruments (Continued)

#### e. Risk factors - CVM Rule No. 475 (Continued)

Capital management is based on monitoring of three financial indices, and establishes maximum limits that do not affect the Group's operations:

- Net Debt / EBITDA
- Net debt / (net debt + equity)
- Short-term debt / total debt

### 31 Commitments

Commitments related to long-term power purchase agreements of subsidiaries CEMAR and CELPA are as follows:

#### • CEMAR:

Contracted energy	Effectiveness	2014	2015	2016	2017	2017 onwards
	S					
	2014 to 2032	751,086	804,177	1,003,213	1,064,017	20,427,821

#### • CELPA:

Contracted energy	Effectiveness	2014	2015	2016	2017	2017 onwards
	S					
	2014 to 2042	1,335,674	1,415,296	2,049,877	2,344,537	77,079,247

Amounts related to energy purchase agreements effective for 6 to 30 years represent the total volume purchased for the restated price, according to CCEAR clause, and were approved by ANEEL.



## Equatorial Energia S.A

Notes to quarterly information (Continued)  
 Periods ended June 30, 2014 and 2013  
 (In thousands of reais, unless otherwise stated)

### 32 Business segment

The Company's operating segments are internally organized, mainly as a legal entity. The Company grouped operating segments as follows: Distribution, Services, Sale and Management, among others.

The Company analyzes segment performance and allocates funds based on several factors, of which revenues and operating income are significant financial factors.

	Distribution		Services / Sale		Central Management and other		Eliminations and adjustments		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013	06/30/2014	12/31/2013	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Operational assets	8,673,460	8,161,786	75,721	53,733	2,212,865	2,390,880	(1,658,823)	(1,502,902)	9,303,223	9,103,497
Operational liabilities	7,439,664	6,709,851	35,816	29,615	29,750	36,709	(880,660)	(520,323)	6,624,570	6,255,852
	<b>30/06/2014</b>	<b>30/06/2013</b>	<b>30/06/2014</b>	<b>30/06/2013</b>	<b>30/06/2014</b>	<b>30/06/2013</b>	<b>30/06/2014</b>	<b>30/06/2013</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
Net revenue	2,505,388	2,060,462	173,085	122,260	-	-	-	-	2,678,473	2,182,722
Cost of services	(2,286,128)	(1,726,038)	(144,107)	(107,342)	-	-	-	-	(2,430,235)	(1,833,380)
<b>Gross profit</b>	<b>219,260</b>	<b>334,424</b>	<b>28,978</b>	<b>14,918</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>248,238</b>	<b>349,342</b>
Selling expenses	(127,296)	(100,070)	-	-	-	-	-	-	(127,296)	(100,070)
General and administrative expenses	(201,444)	(237,146)	(2,287)	(3,996)	(7,525)	(25,514)	-	-	(211,255)	(266,656)
Equity pickup	-	-	-	-	(193,708)	(78,198)	204,970	87,132	11,262	8,934
Goodwill amortization	-	-	-	-	(558)	(2,306)	-	-	(558)	(2,306)
	<b>(109,480)</b>	<b>(2,792)</b>	<b>26,691</b>	<b>10,922</b>	<b>(201,791)</b>	<b>(106,018)</b>	<b>204,970</b>	<b>87,132</b>	<b>(79,609)</b>	<b>(10,756)</b>
Financial income	227,100	144,946	1,591	455	39,577	51,877	(21,489)	-	246,779	197,278
Financial expense	(349,258)	(267,041)	(139)	(380)	-	(14,781)	21,489	-	(327,908)	(282,202)
Income (loss) before income taxes	<b>(231,638)</b>	<b>(124,887)</b>	<b>28,143</b>	<b>10,997</b>	<b>(162,214)</b>	<b>(68,922)</b>	<b>204,970</b>	<b>87,132</b>	<b>(160,738)</b>	<b>(95,680)</b>
Income and social contribution taxes	13,054	4,681	(10,545)	(4,305)	(8,189)	-	-	-	(5,680)	376
Income (loss) before noncontrolling interests	<b>(218,584)</b>	<b>(120,206)</b>	<b>17,598</b>	<b>6,692</b>	<b>(170,403)</b>	<b>(68,922)</b>	<b>204,970</b>	<b>87,132</b>	<b>(166,418)</b>	<b>(95,304)</b>
Attributable to controlling interests	-	-	(9,546)	(3,697)	-	-	5,561	30,079	(3,985)	26,382
Income (loss) for the period per business segment	<b>(218,584)</b>	<b>(120,206)</b>	<b>8,052</b>	<b>2,995</b>	<b>(170,403)</b>	<b>(68,922)</b>	<b>210,531</b>	<b>117,211</b>	<b>(170,403)</b>	<b>(68,922)</b>

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### **33 In-court reorganization - CELPA**

On February 28, 2012, CELPA filed for in-court reorganization under the terms of Law No. 11101/2005 (Reorganization Law), which is in progress in the 13<sup>th</sup> Civil Court of the Capital of Pará State. This action was taken also to protect the assets of CELPA, meet the interests of its creditors in an organized and rational manner and, most of all, ensure the continuity of its activities.

The In-Court Reorganization Plan was prepared based on the assumptions of transfer to Equatorial Energia S.A., in particular:

- 1- minimum capital contribution in the amount of R\$ 700,000,000.00 (seven hundred million reais);
- 2- ANEEL's approval of the Transition Plan;
- 3- installment payment plan for taxes currently in arrears and for social charges over a period of not less than 60 months; and
- 4- renegotiation of debts.

The creditors were segregated by type of credit, as follows:

- 1- Clube de Paris;
- 2- Financial creditors in US\$;
- 3- Operational creditors;
- 4- Sector-related charges;
- 5- Public entities;
- 6- Financial creditors secured by receivables;
- 7- Financial creditors not secured by receivables;
- 8- With security interest - debt in US\$;
- 9- With security interest - debt in R\$; and
- 10- Intragroup. The labor creditors were given an exclusive treatment under the Plan.

All the Credits under the Plan were novated by the Plan and will be paid as set forth therein. Upon said novation, all obligations, covenants, financial indices, accelerated maturity provisions, and other obligations and guarantees that are not compatible with the conditions of the Plan shall no longer apply, except for specific arrangements between the creditor and CELPA.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 33 In-court reorganization - CELPA (Continued)

For the purpose of preparation of the flow of payments under the Plan, including the amounts and the terms, the following was taken into account: (i) the amounts of the Claims included in the Exhibits of the Plan and (ii) the cash generation capacity of CELPA in view of the capital contribution set forth in the Plan. Accordingly, the change, inclusion or reclassification of Claims or any other discrepancy between the Exhibits of the Plan and the list of creditors homologated by the Reorganization Judge shall not change the flow of payments set forth in the Plan and the total amount to be distributed among Creditors, in which cases the following shall apply:

- (a) In the event that new Claims, not included in the Exhibits of the Plan, are recognized by a judicial decision or an agreement between the parties, such Claims shall be paid according to the terms of the Plan, with funds originally earmarked to pay Financial Creditors. Such Claims shall be paid from the date they are recognized and the claimants shall not be entitled to the distributions that have already been made at a previous date.
- (b) If the amounts of the Claims included in the Exhibits of the Plan are increased by a legal decision or an agreement between the parties, such Claims shall continue to be paid according to the terms of the Plan, but the percentage of payment to Creditors of the same group shall change in order to permit the payment of the additional amount. The additional amount resulting from the increased Claim shall be paid from the date it is recognized and the claimant shall not be entitled to the distributions that have already been made at a previous date.
- (c) In the event of reclassification of the Claims included in the Exhibits of the Plan, the full amount necessary to pay such Claims, pursuant to the payment method applicable to the class into which the Claims were reclassified, shall be reallocated from the original class to the new class and shall form part of the total amount to be distributed to the category of Creditors within which such Claims are reclassified. The Creditors of the original class shall continue to be paid according to the terms of the Plan, adjusting their percentages of payment to reflect the new amount to be distributed and the amount of the remaining Claims after the reclassification of the Claim. The Creditor whose Claim has been reclassified shall not be entitled to receive the differences relating to the distributions that have already been made at a date prior to the reclassification.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 33 In-court reorganization - CELPA (Continued)

- (d) In the event that Claims included in the Exhibits of the Plan are recognized as Claims Not Subject to the Plan, the amounts of such Claims shall be excluded from the amounts to be distributed among the Creditors of the respective category and shall not be considered for any purposes. The Creditors of the category from which the Claims are considered Claims Not Subject to the Plan shall continue to be paid according to the terms of the Plan, adjusting their percentages of payment to reflect the new amount to be distributed and the amount of the remaining Claims after the exclusion of the Claim Not Subject to the Plan.

Pursuant to the Plan, the labor creditors shall be paid in a lump sum, the operational creditors and the sector-related charges creditors shall be paid in up to 60 installments, and other creditors had a significant extension of the repayment period, which will give the Company financial breathing room to recover.

The in-court reorganization process will be terminated at any time after the Homologation by Court of the Plan upon CELPA's request, provided that 1 - this termination is approved by a simple majority of the Creditors present at the Creditors' Meeting; or 2 - all obligations under the Plan falling due within two years after the Homologation of the Plan are satisfied.

Balances stated in the consolidated balance sheet of this interim financial information correspond to current liabilities of R\$ 81,260 and noncurrent liabilities of R\$ 291,616 (R\$ 85,254 and R\$ 332,620 in current liabilities and noncurrent liabilities, respectively, at December 31, 2013).

The Company and its subsidiary have been fully compliant with the in-court reorganization plan of subsidiary CELPA, including regarding the contribution of R\$ 700 million defined in the plan, which was already fully paid and, as additional guarantee, the Company is at a strong financial and economic position. This is also an additional guarantee to its subsidiary in maintaining its activities.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 34 Insurance coverage

Specification by risk type and validity of the main insurance policies taken out by Equatorial and subsidiary CEMAR are as follows:

- **EQUATORIAL:**

Risks	Maturity of policies	Amount insured
D&O - General	06/07/2015	30,000
Corporate – Office	04/22/2015	1,650

- **CEMAR:**

Risks	Maturity of policies	Amount insured
Operational risks	01/01/2015	187,887
General civil liability - Operations	01/01/2015	7,000
Judicial guarantee insurance	(a)	19,110
Energy auction guarantee	(b)	748
Vehicle	01/31/2015	(c)

a) 35 policies with expiration dates between July 2014 and June 2016.

(b) 3 policies with expiration date in October 2014.

(b) 108 insured vehicles.

Subsidiary CEMAR takes out insurance for assets subject to risks at amounts considered sufficient to cover any losses, considering the nature of its operations. Insurance is taken out considering the risk management precepts and insurance policies usually used by electric energy distribution companies. Given their nature, the risk assumptions adopted are not part of the scope of a special review of interim financial statements and, therefore, were not reviewed by the independent auditor.

## Equatorial Energia S.A

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### 34 Insurance coverage (Continued)

- **CELPA:**

<u>Insurance line</u>	<u>Maturity of policies</u>	<u>Amount insured</u>
General civil liability - Operations	12/30/2014	20,000
Operational risks	12/30/2014	341,038
Vehicle (a)	12/30/2014	-

(a) 38 own vehicles insured, according to policies.

Subsidiary CELPA has insurance policies at amounts considered sufficient to cover damages to its assets and any compensation for which it is responsible for involuntary damage, property damages and/or bodily injuries caused to third parties as a result of its operations, considering the nature of its activities. Insurance is taken out considering the risk management precepts and insurance policies usually used by electric energy distribution companies.

### 35 Subsequent events

The Special General Meeting held on July 21, 2014 approved the Company's Stock Option Plan ("Plan") intended for managing officers and employees of the Company and of other entities under its control, aiming at stimulating the expansion, success and satisfaction of the Company's corporate purposes, aligning the interests of Equatorial's shareholders with interests of eligible persons, enabling the Company or other entities under its control to attract and maintain eligible persons related thereto. The options grant based on the Plan will respect the limit of 3% of shares representing the Company's total capital.

## **Equatorial Energia S.A**

Notes to quarterly information (Continued)  
Periods ended June 30, 2014 and 2013  
(In thousands of reais, unless otherwise stated)

### **35 Subsequent events (Continued)**

2014 tariff adjustment – CELPA

By means of ANEEL Ratification Ruling No. 1769 of August 5, 2014, ANEEL approved the average Tariff Adjustment Rate (IRT) of 26.14% (economic), however, considering the net effect of the inclusion of Financial Components in the tariff, the average effect to be perceived by the consumer will be of 34.96%.

ANEEL also approved, through transfer of funds from the Energy Development Account (CDE), the monthly amount of R\$ 4,813 thousand (from August 2014 to July 2015) referring to reasonable tariffs and tariff discounts, as provided for in Decree No. 7891/2013.

The tariff adjustments will become effective from August 7, 2014 to August 6, 2015.

Alessandro Monteiro Morgado Horta

Eduardo Saggioro

Carlos Augusto Leone Piani

Celso Fernandez Quintella

Firmino Ferreira Sampaio Neto

Gilberto Sayão da Silva

Paulo Jerônimo Bandeira de Mello Pedrosa

### **Supervisory Board**

#### **Members**

Felipe Sousa Bittencourt

Paulo Roberto Franceschi

Sergio Passos Ribeiro



## **Executive Board**

Ana Marta Horta Veloso  
Officer

Eduardo Haiama  
Chief Financial and Investor Relations Officer

Firmino Ferreira Sampaio Neto  
CEO

Tinn Freire Amado  
Officer

Felipe Oppenheimer Pitanga Borges  
Officer

Luiz Otávio Bianchini Laydner  
Officer

Augusto Miranda da Paz Júnior  
Officer

**Geovane Ximenes de Lira**  
**Accounting and Tax Manager**  
**Accountant**  
**CRC PE 012996-O-S-MA**

Rio de Janeiro, August 8, 2014 - Equatorial Energia S.A. (BM&FBOVESPA: EQTL3) announces its results for the second quarter and first semester of 2014 (1Q14).

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 8.2%, AND CELPA'S, 12.5%.  
CELPA'S TOTAL LOSSES OVER REQUIRED ENERGY (12 MONTHS) WERE REDUCED TO 33.0%.**

**1. FINANCIAL AND OPERATING HIGHLIGHTS**

- ▶ CEMAR's total billed energy volume reached 1,353 GWh in 2Q14, 8.2% higher than in 2Q13. The total volume distributed by CELPA (captive and free markets) totaled 1,979 GWh in 2Q14, representing growth of 12.5% YoY.
- ▶ Net operating revenues (NOR) in 2Q14 reached R\$1,353 million, 21.2% higher than 2Q13's NOR.
- ▶ In 2Q14, Consolidated Accounting EBITDA was a negative R\$73 million, against R\$64 million positive in 2Q13. The Adjusted Regulatory EBITDA totaled R\$242 million in the quarter, an increase of 63.5% over the same quarter last year.
- ▶ The net result of the quarter was loss of R\$185 million against a loss of R\$44 million in the 2Q13.
- ▶ In 2Q14, Equatorial's consolidated investments totaled R\$286 million, 84.0% higher than those made in 2Q13.
- ▶ In 2Q14, CEMAR's DEC and FEC indexes (accumulated over the last 12 months) were 16.1 hours, a decrease of 20.0%, and 10.7 times, a decrease of 1.7%, compared to those observed at the end of 2Q13. In CELPA, these same indexes closed the quarter with improvements of 34.40% and 30.7%, respectively.
- ▶ In CEMAR, energy losses of the last 12 months ending 2Q14 represented 17.8% of the required energy, with a decrease of 0.6 percentage points compared to 18.4% recorded in 1Q14. In CELPA, total losses ended the year at 33.0% of the required energy, a decrease of 1.2 percentage points compared to the 34.2% recorded in 1Q14.
- ▶ In August 2014, the ANEEL's Executives authorized CELPA to readjust its rates in 34.96% (average effect perceived by consumers), effective from August 7.
- ▶ On July 21, 2014, Equatorial's Extraordinary General Meeting approved the Company's 4th Stock Option Plan, under which potential dilution for current shareholders will not exceed 3%.

FINANCIAL DATA (R\$MM)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Total Net Operating Revenue	1,117	1,325	1,353	21.2%	2,182	2,678	22.7%
Accounting EBITDA	64	144	(73)	-214.4%	123	71	-42.3%
Accounting EBITDA (LTM)	482	586	670	39.1%	482	670	39.1%
Regulatory EBITDA	148	250	286	93.6%	301	536	77.9%
Regulatory EBITDA (LTM)	625	749	887	42.0%	625	887	42.0%
EBITDA Margin (% net revenues)	5.7%	10.9%	-5.4%	-194.4%	5.7%	2.7%	-2.9 p.p.
Net Income	(44)	15	(185)	317.4%	(69)	(170)	147.2%
Profit Margin (% net revenues)	-4.0%	1.1%	-13.7%	-9.7 p.p.	-3.2%	-6.4%	-3.2 p.p.
Net Income per Share (R\$ / share)	(0.41)	0.07	(0.93)	129.7%	(0.63)	(0.86)	36.1%
Investments							
CEMAR	54	63	70	28.4%	132	132	0.5%
PLPT (CEMAR)	7	16	25	265.4%	12	41	233.3%
CELPA	90	99	146	62.2%	174	246	41.5%
PLPT (CELPA)	4	35	45	969.8%	7	80	1068.4%
Geramar	0	0	0	-44.3%	0	0	-42.7%
Total	156	213	286	84.0%	325	499	53.8%
Net Debt	1,001	1,285	1,201	20.0%	1,001	1,201	20.0%
Net Debt / Regulatory EBITDA (LTM)	1.6	1.7	1.4	-0.2 x	1.6	1.4	-0.2 x

	2013	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Distribution							
Billed Energy (GWh)							
CEMAR	1,250	1,334	1,353	8.2%	2,486	2,686	8.1%
CELPA	1,759	1,880	1,979	12.5%	6,676	7,250	8.6%
Number of Consumers (Thousand)							
CEMAR	2,089	2,150	2,167	3.7%	2,089	2,167	3.7%
CELPA	1,965	2,074	2,106	7.1%	1,965	2,106	7.1%

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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 2Q14, energy sales increased 8.2% over the same quarter of the previous year, reaching 1,353 GWh. The growth observed during the quarter was a result of the expansion of the client base of 3.7% 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)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Residential	606,984	662,831	662,570	9.2%	1,214,527	1,325,401	9.1%
Industrial	112,909	120,563	119,030	5.4%	227,021	239,593	5.5%
Commercial	253,536	273,803	283,481	11.8%	502,243	557,284	11.0%
Others	276,432	276,462	287,566	4.0%	542,101	564,028	4.0%
<b>TOTAL</b>	<b>1,249,861</b>	<b>1,333,659</b>	<b>1,352,647</b>	<b>8.2%</b>	<b>2,485,892</b>	<b>2,686,306</b>	<b>8.1%</b>

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

#### ENERGY BALANCE

The volume of required energy by CEMAR's system came to 1,662 GWh in 2Q14, up 5.1% over the same period in the previous year. The volume of energy sold during the quarter rose 8.2% over 2Q13, a decrease of 7.0% in energy losses.

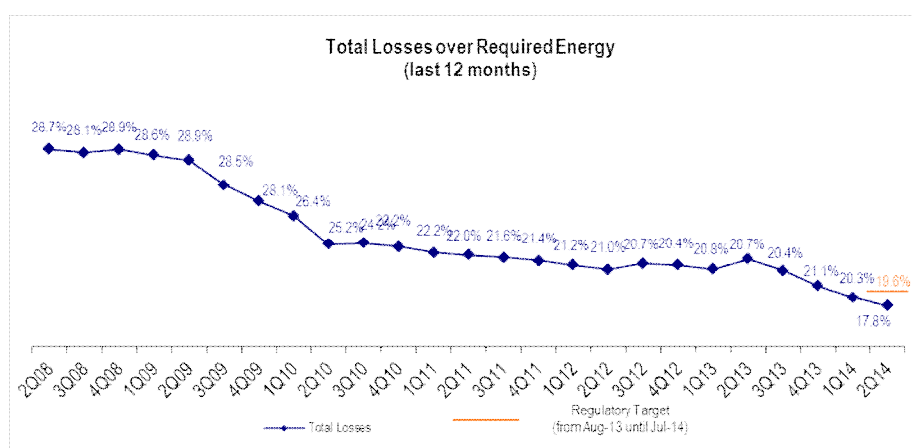
ENERGY BALANCE (MWh)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Required Energy	1,581,813	1,583,219	1,661,796	5.1%	3,108,429	3,245,015	4.4%
Sold Energy (*)	1,251,923	1,335,720	1,354,850	8.2%	2,489,919	2,690,570	8.1%
Losses	329,890	247,500	306,945	-7.0%	618,510	554,445	-10.4%

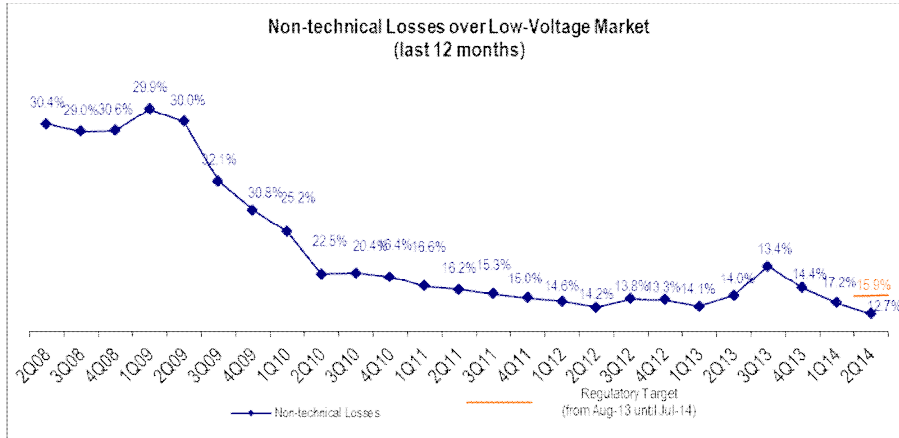
(\*) Considers sale to the segments, own consumption and sales to CEPISA

#### ENERGY DISTRIBUTION LOSSES

With the start of the implementation of new phase of the Company's Contain Losses Plan, total losses for the 12 months ending in 2Q14 represented 17.8% of the energy required, down 0.6 percentage points compared to the indicator on the end of the last quarter, whereas non-technical losses in the low-voltage market were 12.7%, a decrease of 1.0 percentage points compared to 1Q14.

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 maintenance 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.



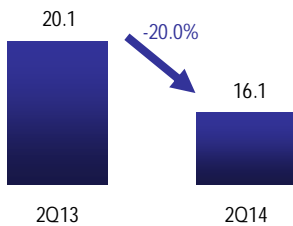


**QUALITY INDICATORS – DEC AND FEC**

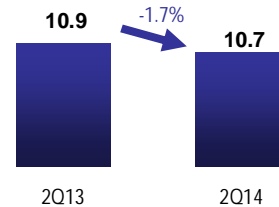
The quality and efficiency of the distribution concessionaires' networks is measured by the DEC (Duration Equivalent of Interruption per Consuming Unit that measures the equivalent length of interruptions per consumer, measured in hours per consumer for a given period) and FEC (Frequency Equivalent of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

At the close of 2Q14, the 12-month DEC stood at 16.1 hours, compared to 20.1 hours at the end of 2Q13, a decrease of 20.0%. The FEC indicator (accumulated 12-month period) at the end of 2Q14, was 10.7 times, representing a 1.7% decrease in 2Q13'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 2Q14, sales of energy for the captive market grew 12.5% compared to the same quarter of the previous year, reaching 1,886 GWh. This growth can be explained by the following factors: (a) The beginning in 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 heating the labor market in 2014, real income growth and credit expansion, with consequent expansion of the main segments of the commercial segment, (c) The growth observed in key industrial sectors (food, metallurgy, extraction and processing of minerals, timber and construction).

CONSUMPTION SEGMENTS * (MWh)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Residential	669,518	767,351	811,033	21.1%	1,299,428	1,578,383	21.5%
Industrial	302,887	316,695	326,518	7.8%	589,809	643,214	9.1%
Commercial	402,887	398,720	421,382	4.6%	774,844	820,103	5.8%
Others	300,736	307,361	327,397	8.9%	578,003	634,757	9.8%
<b>TOTAL</b>	<b>1,676,027</b>	<b>1,790,127</b>	<b>1,886,330</b>	<b>12.5%</b>	<b>3,242,084</b>	<b>3,676,457</b>	<b>13.4%</b>
Free Consumers	83,002	90,062	92,915	11.9%	166,859	182,977	9.7%
<b>TOTAL (Captive + Free)</b>	<b>1,759,030</b>	<b>1,880,189</b>	<b>1,979,245</b>	<b>12.5%</b>	<b>3,408,943</b>	<b>3,859,434</b>	<b>13.2%</b>

\* Does not include own consumption.

In 2Q14, CELPA's charge grew by 4.8% over the same quarter last year, while domestic charges and Northern's charges varied 5.4% and 24.9%, respectively. According to the Monthly Bulletin published by ONS, the growth in the Northern's Load is due to the 3<sup>rd</sup> full quarter of Manaus' interrelation to SIN (Interrelated National System).

GWh	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Brazil's Load (*)	127,417	143,401	130,608	2.5%	259,852	274,009	5.4%
Northern's Load (*)	9,085	11,214	11,157	22.8%	17,905	22,371	24.9%
Celpa's Load (*)	2,772	2,746	2,894	4.4%	5,384	5,641	4.8%

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

### ENERGY BALANCE

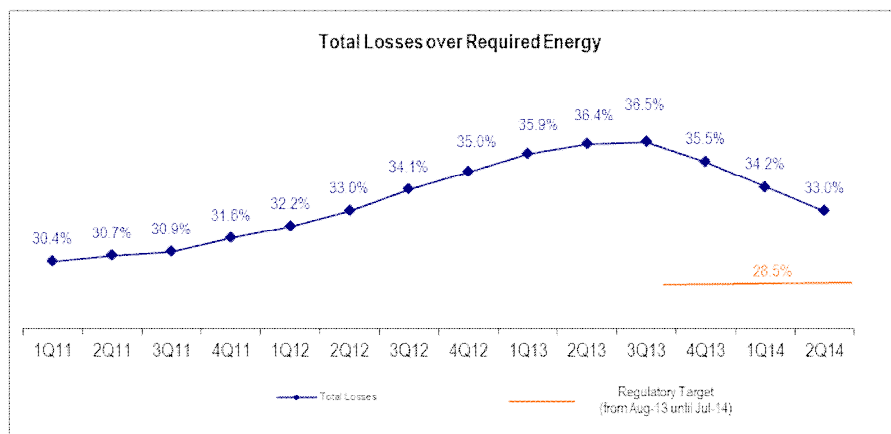
The volume of required energy by CELPA's system came to 2,894 GWh in 2Q14, up 4.4% over the same period in the previous year. The volume of energy sold during the quarter rose 12.6% over 2Q13.

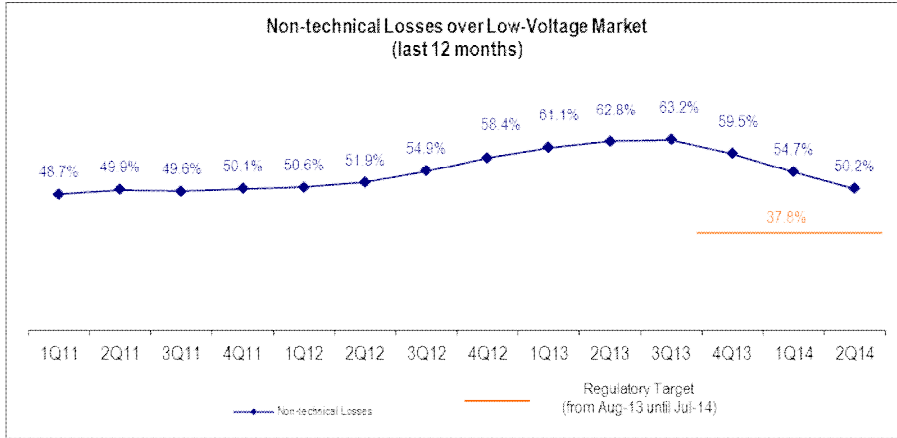
ENERGY BALANCE (MWh)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Energy Sales (Captive + Own Cc)	1,682,452	1,797,659	1,894,709	12.6%	3,254,664	3,692,368	13.4%
Free Market	83,002	90,062	92,915	11.9%	166,859	182,977	9.7%
Total Losses	1,006,070	858,619	906,654	-9.9%	1,962,135	1,765,273	-10.0%
<b>Required Energy</b>	<b>2,771,524</b>	<b>2,746,340</b>	<b>2,894,278</b>	<b>4.4%</b>	<b>5,383,658</b>	<b>5,640,618</b>	<b>4.8%</b>
Own Generation	110,319	106,759	113,355	2.8%	212,951	220,114	3.4%
Energy Purchase (Contracts)	2,661,205	2,639,581	2,780,923	4.5%	5,170,707	5,420,504	4.8%

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

### ENERGY DISTRIBUTION LOSSES

The total losses of the past 12 months ending in 2Q14 accounted for 33.0% of the required energy, while non-technical losses on the Low Voltage market reached 50.2%.



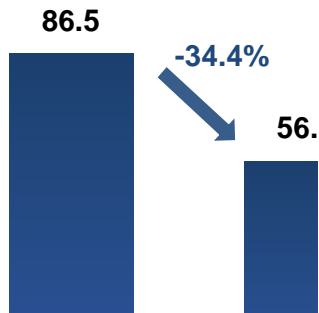


**QUALITY INDICATORS – DEC AND FEC**

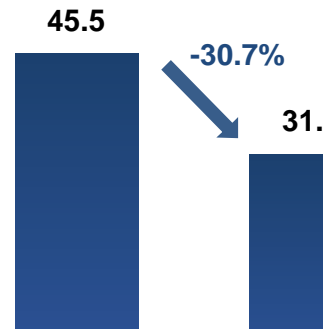
The quality and efficiency of the distribution concessionaires' networks is measured by the DEC (Duration Equivalent of Interruption per Consuming Unit that measures the equivalent length of interruptions per consumer, measured in hours per consumer for a given period) and FEC (Frequency Equivalent of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

At the close of 2Q14, the 12-month DEC stood at 56.7 hours, that compared to 86.5 hours at the end of 2Q13, suffered a decrease of 34.4%. The FEC indicator (accumulated 12-month period) at the end of 2Q14, was 31.5 times, representing a 30.7% decrease in 2Q13'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)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Gross Operating Revenues (GOR)	1,479	1,731	1,768	19.6%	2,894	3,499	20.9%
Net Operating Revenues (NOR)	1,117	1,325	1,353	21.2%	2,182	2,678	22.7%
Electric Energy Cost	(829)	(933)	(1,191)	43.7%	(1,586)	(2,124)	33.9%
Operating Costs / Expenses	(224)	(248)	(235)	4.7%	(473)	(483)	2.1%
<b>EBITDA</b>	<b>64</b>	<b>144</b>	<b>(73)</b>	<b>N/A</b>	<b>123</b>	<b>71</b>	<b>-42.3%</b>
Other Revenues/Operational Expenses	(11)	(8)	(13)	20.7%	(28)	(21)	-25.6%
Depreciation	(59)	(67)	(74)	25.9%	(113)	(141)	24.7%
Service Income (EBIT)	(6)	70	(160)	-2851.4%	(17)	(90)	-619.5%
Financial Result	(64)	(23)	(58)	10.4%	(85)	(81)	4.7%
Operating Result	(70)	46	(218)	-412.4%	(102)	(171)	-40.3%
Goodwill Amortization	5	5	6	16.5%	7	11	61.5%
Earnings Before Taxes (EBT)	(65)	51	(212)	-426.9%	(96)	(161)	-40.5%
Income Tax / Social Contribution	8	(19)	14	78.0%	0	(6)	N/A
Minority Interests	13	(17)	13	4.1%	26	(4)	N/A
<b>Net Income</b>	<b>(44)</b>	<b>15</b>	<b>(185)</b>	<b>317.4%</b>	<b>(69)</b>	<b>(170)</b>	<b>147.2%</b>

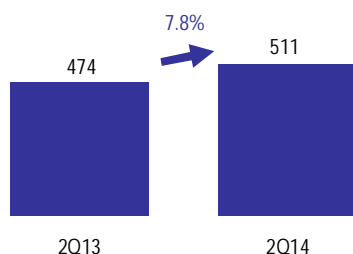


## 3.2 ECONOMIC-FINANCIAL PERFORMANCE – CEMAR

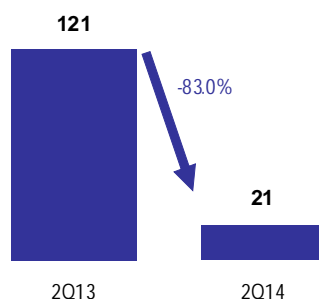
The economic and financial information in this section reflects 100% of CEMAR's operations.

CEMAR's Income Statement (R\$MM)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Gross Operating Revenues (GOR)	614	632	654	6.4%	1,241	1,286	3.6%
Net Operating Revenues (NOR)	474	490	511	7.8%	963	1,001	3.9%
Electric Energy Cost	(257)	(325)	(395)	53.3%	(558)	(720)	29.1%
Operating Costs / Expenses	(95)	(88)	(96)	0.4%	(197)	(184)	-6.4%
<b>EBITDA</b>	<b>121</b>	<b>76</b>	<b>21</b>	<b>-83.0%</b>	<b>209</b>	<b>97</b>	<b>-53.5%</b>
Other Revenues/Operational Expenses	(5)	(2)	(6)	23.0%	(21)	(8)	-62.5%
Service Income (EBIT)	(19)	(17)	(15)	23.0%	(37)	(33)	13.0%
Financial Result	72	27	(31)	N/A	102	(4)	N/A
Earnings Before Taxes (EBT)	72	27	(31)	N/A	102	(4)	N/A
Income Tax / Social Contribution	8	2	10	33.3%	(4)	13	N/A
<b>Net Income</b>	<b>80</b>	<b>30</b>	<b>(21)</b>	<b>N/A</b>	<b>98</b>	<b>9</b>	<b>-90.8%</b>

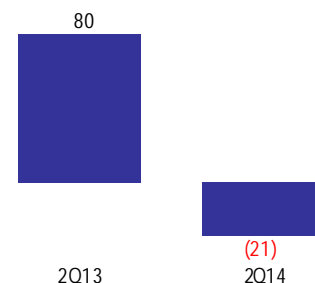
NOR (R\$MM) – Quarterly



EBITDA (R\$MM) - Quarterly



Net Income (R\$MM) – Quarterly



### 3.2.1 – OPERATING REVENUES

OPERATING REVENUE - CEMAR	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Energy Sales (MWh)*	1,249,861	1,333,659	1,352,647	8.2%	2,485,892	2,686,306	8.1%
Number of Clients**	2,088,727	2,149,862	2,166,703	3.7%	2,088,727	2,166,703	3.7%
KWh per Client	598	620	624	4.3%	1,190	1,240	4.2%
Gross Operating Revenue (R\$ MM)	464	453	488	5.2%	928	941	1.4%
Residential	239	234	251	4.7%	483	485	0.3%
Industrial	35	32	33	-6.4%	70	65	-7.7%
Commercial	103	107	115	12.0%	206	223	8.1%
Others	86	80	89	3.2%	169	169	0.2%
Supply	24	27	3	-88.4%	49	30	-38.7%
Other Revenues	64	66	65	1.4%	120	130	8.3%
Low Income	49	45	45	-7.6%	98	90	-7.9%
Irrigantes	7	10	8	4.2%	7	18	143.1%
Network Usage	1	1	1	68.4%	1	2	67.2%
Other Operating Revenues	7	9	11	57.7%	14	20	47.4%
Construction Revenues	63	85	98	57.0%	144	184	28.0%
Deductions from Operating Revenues	(140)	(141)	(143)	1.9%	(278)	(284)	2.4%
<b>Net Operating Revenues</b>	<b>474</b>	<b>490</b>	<b>511</b>	<b>7.8%</b>	<b>963</b>	<b>1,001</b>	<b>3.9%</b>

\* Does not consider own consumption and supply to CEPISA  
\*\* Excludes own consumption facilities

In 2Q14, Gross Revenue from energy sales increased 5.2%, mainly influenced by the effects of Tariff Review that took place in August 2013. The Net revenue reached R\$511 million (R\$413 million, excluding construction revenues), an increase of 7.8% 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 2Q14, R\$98 million was recognized, versus R\$63 million in 2Q13.

### 3.2.2 – COSTS AND EXPENSES

In 2Q14, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R\$497 million (R\$399 million, excluding construction costs) equivalent to 97.2% of net revenues, an increase of 21.7 p.p. compared to the percentage, of 75.4% in 2Q13, largely explained by the 53.3% growth of non-manageable costs and expenses.

## Manageable Operating Costs and Expenses

In 2Q14, 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\$83 million, an increase of 2.4% compared to the results presented in 2Q13.

In this quarter, personnel expenses totaled R\$24 million, an increase of 8.4% compared to the results reported in 2Q13. This increase was primarily due to the higher provision for PSR (Profit Sharing and Results) and increased salaries and associated benefits arising from the collective bargaining of 5.58% in November 2013.

Expenses for materials totaled R\$3 million in 2Q14, compared to the R\$1 million in 2Q13, up R\$2 million.

Expenses for outsourced services in 2Q14 showed a decrease of 2.0% in comparison to the results shown in 2Q13, closing the quarter at R\$53 million. Among its main accounts: (i) electrical services such as duty, pruning, maintenance and cleaning services, which totaled R\$14.6 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\$10.8 million.

It is noteworthy that this quarter, R\$1.5 million of costs with pattern sales were included, which 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	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Personnel	22	24	24	8.4%	44	47	7.2%
Profit Sharing	6	6	6	2.7%	11	12	4.2%
Material	1	3	3	110.2%	3	6	97.6%
Third Party Services	54	52	53	-2.0%	109	105	-4.0%
Others	4	4	4	-9.8%	8	7	-10.8%
<b>PMSO</b>	<b>81</b>	<b>83</b>	<b>83</b>	<b>2.4%</b>	<b>165</b>	<b>166</b>	<b>0.6%</b>
% Net Revenues	19.7%	20.4%	20.1%	0.4 p.p.	17.1%	16.5%	-0.5 p.p.
Provisions	14	6	13	-11.0%	32	19	-42.4%
PDA and Losses	11	3	9	-17.1%	24	11	-52.9%
% Gross Operating Revenue (without Construction Revenues)	1.9%	0.5%	1.6%	-0.3 p.p.	2.2%	1.0%	-1.1 p.p.
Provision for Contingencies and Others	4	3	4	5.6%	8	7	-9.1%
Other Operating Expenses/Revenues	5	2	6	23.0%	21	8	-62.5%
<b>MANAGEABLE COSTS AND EXPENSES</b>	<b>100</b>	<b>90</b>	<b>102</b>	<b>1.5%</b>	<b>218</b>	<b>192</b>	<b>-11.9%</b>
% Net Revenues (with Construction Revenues)	24.4%	22.3%	24.7%	0.2 p.p.	22.7%	19.2%	-3.4 p.p.
Purchased Energy and Transportation	190	321	328	72.4%	463	649	40.3%
Recovery of CDE Expenses	(7)	(93)	(45)	512.3%	(72)	(138)	90.4%
Connection and Network Usage Charges	11	11	12	10.3%	22	23	6.1%
Construction Costs	63	85	98	57.0%	144	184	28.0%
Other Costs	1	1	1	-11.7%	2	2	-11.7%
<b>NON-MANAGEABLE COSTS AND EXPENSES</b>	<b>257</b>	<b>325</b>	<b>395</b>	<b>53.3%</b>	<b>558</b>	<b>720</b>	<b>29.1%</b>
% Net Revenues (with Construction Revenues)	62.5%	80.4%	95.6%	33 p.p.	57.9%	71.9%	1400.3%
<b>TOTAL</b>	<b>358</b>	<b>416</b>	<b>497</b>	<b>38.8%</b>	<b>776</b>	<b>912</b>	<b>17.6%</b>
Total (%Rec. Liq.)	75.4%	84.8%	97.2%	21.7 p.p.	80.6%	91.1%	10.5 p.p.

In 2Q14, the level of Provision for Doubtful Accounts and Losses reported was R\$9 million a level that was 0.3 p.p. lower than was reported for the same quarter of the previous year.

CEMAR reached a total of 1,853 clients per employee in 2Q14, a 4.0% improvement in comparison with the number presented during the same period of the previous year, of 1,782 clients per employee. With regard to the PMSO per client, there was a decrease of 1.3%, representing a cost of R\$38 per client during the quarter.

### 3.2.3 - EBITDA

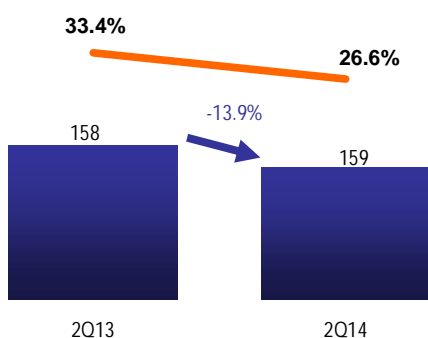
In 2Q14, the Accounting EBITDA was R\$25 million, against R\$121 million positive reported in the same quarter of the previous year, a 79.5% decrease. This result is strongly affected by: 1) the Tariff Review that happened in August/2013 and 2) the increase in the cost of power purchase due to the order of thermal plants and expense on purchase of energy in the short term market (CCEE) to cover the involuntary exposure of the Company, even though R\$45 million are being recognized in this quarter, the accounting result through the CDE transfer.

Considering the formation or amortization of regulatory assets and liabilities, and the non-recurring adjustment due to the discount in some energy purchase bills in the quarter amounting to R\$11 million, we reach the Adjusted Regulatory EBITDA of R\$ 136 million in 2Q14, a 13.9% drop compared to 2Q13, due to the Tariff Review and growth in the billed energy. The mentioned discount happens due to some contract penalties being charged from the generators. In this quarter, no offsetting regulatory liability was registered, even though its compensation in the next tariff adjustment should be made.

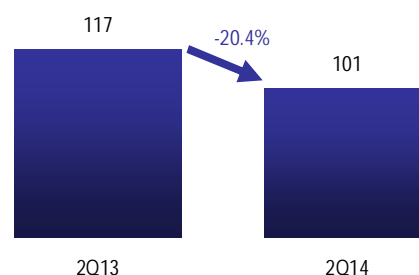
EBITDA (R\$ million)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Service Income	90	45	(16)	-117.7%	139	29	-79.3%
Depreciation and Amortization	26	30	31	17.1%	49	60	24.0%
Accounting EBITDA (CVM)*	116	75	15	-87.5%	187	89	-52.4%
Other Operating Revenues/Expenses	5	2	6	23.0%	21	8	-62.5%
Energy Purchase Refund	-	-	(11)	N/A	-	(11)	N/A
Accounting EBITDA	121	76	10	-92.0%	209	86	-58.7%
Net Regulatory Assets and Liabilities	37	43	127	N/A	82	170	N/A
Regulatory EBITDA	158	119	136	-13.9%	291	267	-12.2%

\*Calculated according to Instruction CVM 527/12

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



Regulatory EBITDA (R\$) per MWh: Quarterly



### 3.2.4 – FINANCIAL RESULTS

In 2Q14, the net financial result was negative in R\$15 million, against a negative R\$19 million in 2Q13.

The Company currently has no operations involving derivative financial instruments.

Financial Result (R\$ MM)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Financial Income	5	18	19	288.4%	11	37	230.5%
Fine charged on Energy Sale	17	22	18	7.4%	35	40	13.5%
Other Financial Revenues	1	1	1	-2.7%	2	2	25.2%
VNR Revenue	5	-	0	N/A	12	0	N/A
Financial Revenue	28	41	38	37.5%	60	79	32.3%
Interest on Loans and Financing	(27)	(31)	(31)	14.1%	(54)	(62)	16.4%
Monetary and Exchanging Variations	(6)	(10)	(8)	42.6%	(7)	(18)	156.7%
Other Financial Expenses	(13)	(10)	(14)	12.9%	(35)	(24)	-29.9%
VNR Expense	(1)	(7)	-	N/A	(1)	(7)	N/A
Financial Expenses	(47)	(58)	(54)	15.0%	(97)	(112)	15.6%
Net Financial Result	(19)	(17)	(15)	-18.7%	(37)	(33)	-11.5%

### 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)	2Q13	1Q14	2Q14	1S13	1S14
EBT ( 1)	72	27	(31)	102	(4)
Income Tax/ Social Contribution Expenses	8	2	10	(4)	13
( - ) Deferred Tax Assets	(19)	(11)	(6)	(8)	(17)
= Tax Payable	(11)	(9)	4	(12)	(4)
( + ) Fiscal Credits	8	3	(6)	9	(3)
= Tax - Cash Basis ( 2)	(3)	(6)	(2)	(3)	(7)
Effective Tax Rate = ( 2) / ( 1)	4.4%	20.4%	-5.6%	3.1%	-183.5%

In 2Q14, the result of income tax and social contribution was R\$10 million and, considering the use of deferred tax assets and tax credits for compensation of R\$6 million, the cash outflow for the payment of such taxes ended up being R\$2 million.

### 3.2.6 – NET INCOME

In 2Q14, CEMAR presented a net loss of R\$21 million versus an income of R\$80 million in 2Q13, an increase of 61.4% mainly due to the higher cost of power purchase due to the Company's involuntary exposure to short-term market and the order of the plants.

If we register the net regulatory assets and liabilities in the quarter and the non-recurring adjustment of the contract penalties in the Company's energy purchase, we would reach an Adjusted Regulatory Net Income of R\$97 million, 17.5% lower than the amount recorded in the same quarter last year, of R\$118 million.

NET INCOME (R\$ million)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
NET INCOME	80	30	(21)	-126.0%	98	9	-90.8%
Net Regulatory Assets and Liabilities	42	45	127	200.6%	88	173	96.8%
Energy Purchase Refund	-	-	(9)	N/A	-	(9)	N/A
VNR (New Replacement Value)	(4)	7	(0)	N/A	(11)	7	N/A
Regulatory NET INCOME	118	82	97	-17.5%	175	179	2.2%

### 3.3 ECONOMIC-FINANCIAL PERFORMANCE – CELPA

#### 3.3.1 – OPERATING REVENUES

In 2Q14, Gross Revenue from energy sales increased 30.7%, influenced mainly by the 12.5% increase in sales volume and an increase in average consumption per customer around 5.1% compared to the 2Q13. Net revenue reached R\$799 million (R\$618 million, excluding construction revenues), an increase of 40.9% (26.1% growth without construction revenues) compared to the same quarter of the previous year.

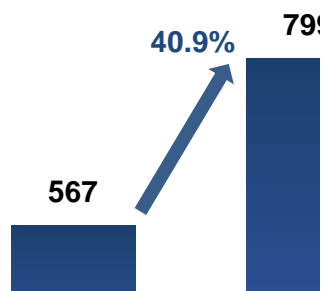
Due to the convergence of Brazilian accounting rules with international financial reporting standards (IFRS), as of 2010 revenue from construction was recognized under Gross Revenue, with an impact on NOR, but no impact on EBITDA or Net Income, as the same amount is discounted in a specific line under Non-Manageable Costs. In 2Q14, R\$181 million was recognized, versus R\$77 million in 2Q13.

OPERATING REVENUE - CELPA	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Energy Sales (MWh)*	1,676,027	1,790,127	1,886,330	12.5%	3,242,084	3,676,457	13.4%
Number of Clients**	1,965,496	2,074,251	2,105,752	7.1%	2,074,251	2,105,752	1.5%
KWh per Client	853	863	896	5.1%	1,655	1,759	6.3%
Gross Operating Revenue (R\$ MM)	624	746	815	30.7%	1,230	1,561	26.9%
Residential	260	344	379	45.9%	515	724	40.6%
Industrial	90	106	111	23.5%	179	216	20.8%
Commercial	175	191	211	20.9%	344	402	17.1%
Others	99	108	124	24.6%	192	231	20.3%
Supply	55	27	9	-84.3%	55	36	-35.0%
Other Revenues	23	58	62	165.7%	67	120	79.5%
Low Income	14	39	41	190.3%	47	80	68.5%
Network Usage	3	6	6	115.5%	7	11	66.2%
Other Operating Revenues	7	14	15	132.3%	13	29	127.6%
Construction Revenues	77	125	181	135.8%	165	306	85.6%
Deductions from Operating Revenues	(212)	(251)	(268)	-26.5%	(419)	(519)	23.7%
Net Operating Revenues	567	705	799	40.9%	1,097	1,504	37.1%

\* 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 2Q14, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R\$914 million (R\$717 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\$4 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	2013	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Personnel	34	38	39	16.5%	68	77	13.0%
Profit Sharing	-	5	5	N/A	-	10	N/A
Material	2	5	6	159.8%	5	10	99.1%
Third Party Services	73	74	85	16.7%	140	159	13.4%
Others	3	9	-8	134.9%	9	18	87.5%
<b>PMSO</b>	<b>112</b>	<b>126</b>	<b>138</b>	<b>23.1%</b>	<b>223</b>	<b>264</b>	<b>18.4%</b>
Provisions	19	20	12	-35.7%	40	33	-19.1%
PDA and Losses	18	22	13	-30.8%	39	35	-11.8%
% Gross Operating Revenue (without Construction Revenues)	2.6%	2.7%	1.4%	-1.1 p.p.	2.9%	2.0%	-0.8 p.p.
Provision for Contingencies and Others	(1)	(2)	(0)	37.6%	(1)	(2)	-96.1%
Other Operating Expenses/Revenues	6	6	7	18.7%	7	13	93.6%
<b>MANAGEABLE COSTS AND EXPENSES</b>	<b>137</b>	<b>152</b>	<b>158</b>	<b>14.8%</b>	<b>270</b>	<b>310</b>	<b>14.7%</b>
% Net Revenues (with Construction Revenues)	28.0%	26.3%	25.5%	-2.4 p.p.	29.0%	25.9%	-3.1 p.p.
Power Purchased and Transportation	413	361	557	34.9%	724	917	26.7%
Charges for Connection and Network	14	19	19	34.3%	34	38	11.8%
Construction Costs	77	125	181	135.8%	165	306	85.6%
CCC Subvention	(81)	(74)	(62)	23.7%	(145)	(136)	6.6%
Feedstock for Power Generation	66	81	45	-31.8%	126	126	-0.3%
<b>NON-MANAGEABLE COSTS AND EXPENSES</b>	<b>489</b>	<b>512</b>	<b>740</b>	<b>51.4%</b>	<b>904</b>	<b>1,252</b>	<b>38.5%</b>
% Net Revenues (with Construction Revenues)	84.1%	66.7%	90.5%	6.3 p.p.	79.3%	79.0%	-0.3 p.p.
<b>TOTAL</b>	<b>626</b>	<b>664</b>	<b>898</b>	<b>43.4%</b>	<b>1,175</b>	<b>1,562</b>	<b>33.0%</b>

### 3.3.3. – EBITDA

In 2Q14, the submitted Accounting EBITDA was negative by R\$92 million, primarily due to the increased recognition of cost of power purchase during the period due to involuntary exposure to short-term market and dispatch of thermal plants. In this quarter, only the costs for the month of April had the coverage of the account called ACR, knowing that the solution to the months of May and June is still under discussion.

However, for the calculation of the Regulatory EBITDA this effect is neutral, since we consider the adjustment of Net Regulatory Assets and Liabilities, reaching R\$140 million in 2Q14. It is necessary, in this quarter, to adjust R\$22 million for non-recurring discounts on some power purchase invoices due to the repayment of contractual fines imposed on some generators, without the consideration of the registration of an equivalent regulatory liability, despite its tariff compensation being scheduled to the next Company's readjustment. Additionally, we adjusted the non-recurring impact of the ICMS' refund to CCC, originated from the fuel purchase to supply the Isolated Systems.

Considering the Adjusted Regulatory EBITDA, we reached R\$107 million in 2Q14, compared to a R\$2 million loss in the same quarter last year.

EBITDA (R\$ million)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Service Income	(91)	4	(142)	-54.9%	(141)	(137)	-2.3%
Depreciation and Amortization	32	37	43	33.4%	63	79	25.5%
Accounting EBITDA (CVM)*	(59)	41	(99)	-66.6%	(77)	(58)	-25.1%
Other Operating Revenues/Expenses	6	6	7	18.7%	7	13	93.6%
Accounting EBITDA (IFRS)	(53)	47	(92)	-71.8%	(71)	(45)	-36.2%
Net Regulatory Assets and Liabilities	52	66	234	350.7%	111	301	169.8%
Monetary Restatement of Reg. Assets and Liabilities	(1)	(3)	(2)	N/A	(7)	(6)	-21.1%
Regulatory EBITDA	(2)	110	140	N/A	34	250	645.4%
Power Purchase Adjustments	-	(19)	(22)	N/A	-	(41)	N/A
Isolated Systems Adjustments	-	-	(11)	N/A	-	(11)	N/A
Adjusted Regulatory EBITDA	(2)	91	107	N/A	34	198	489.4%

\*Calculated according to Instruction CVM 527/12

### 3.3.4. – FINANCIAL RESULTS

In 2Q14, the net financial result was negative in R\$61 million, versus a loss of R\$71 million in 2Q13.

Financial Result (R\$ MM)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Financial Income	6	8	7	15.3%	7	15	108.1%
Interest Income	4	8	(3)	N/A	8	5	-40.5%
Fine charged on Energy Sale	12	16	10	-16.5%	26	27	1.5%
Discounts	-	9	(4)	N/A	-	5	N/A
Monetary Changes	1	40	20	1836.5%	25	60	145.1%
Present Value Adjustment	11	23	(22)	N/A	21	1	-95.3%
Swap Operations	3	1	3	13.6%	3	4	55.2%
Other Revenues	3	28	4	14.4%	3	32	881.2%
<b>Financial Revenue</b>	<b>41</b>	<b>134</b>	<b>14</b>	<b>-65.6%</b>	<b>92</b>	<b>148</b>	<b>60.0%</b>
Monetary and Exchange Variations	(31)	(28)	(6)	79.4%	(35)	(35)	0.0%
Debt Charges	(38)	(32)	(33)	15.0%	(72)	(64)	10.5%
Regulatory Fines	(13)	(26)	(9)	57.1%	(36)	(35)	4.4%
Compensatory and Late Payment Fines	(8)	0	(4)	49.7%	(11)	(4)	59.9%
Present Value Adjustment	6	(22)	22	254.0%	(0)	-	N/A
Swap Operations	(1)	(22)	(19)	1287.0%	(6)	(41)	-577.9%
Interest on Liabilities	(8)	(14)	(9)	-10.4%	(9)	(23)	-157.4%
Other Expenses	(10)	(16)	(17)	-59.1%	(10)	(33)	-238.9%
<b>Financial Expenses</b>	<b>(112)</b>	<b>(160)</b>	<b>(75)</b>	<b>33.1%</b>	<b>(178)</b>	<b>(235)</b>	<b>-32.0%</b>
<b>Net Financial Result</b>	<b>(71)</b>	<b>(26)</b>	<b>(61)</b>	<b>14.7%</b>	<b>(86)</b>	<b>(87)</b>	<b>-1.6%</b>

### 3.3.5. – NET INCOME

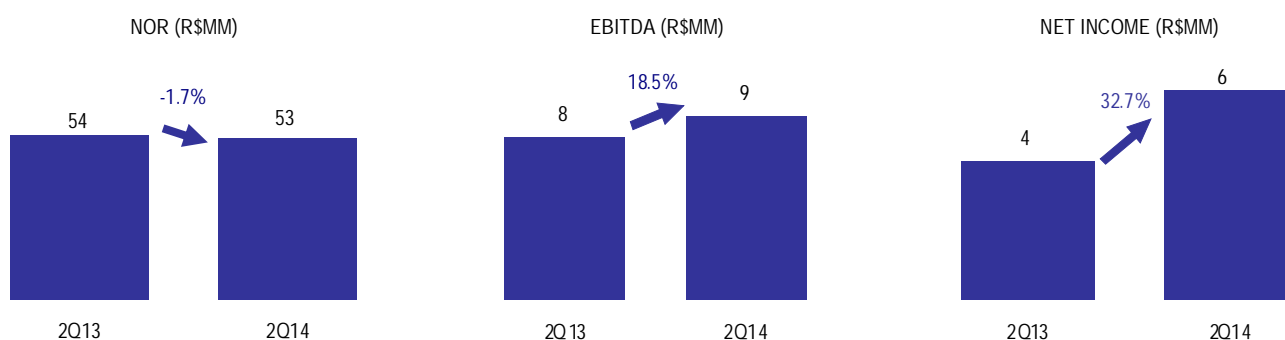
For 2014, CELPA's accounting net loss was R\$196 million versus a loss of R\$161 million recorded in 2Q13. If we consider the adjustments of Regulatory Assets/Liabilities, financial result and depreciation/amortization and the adjustments of power purchase and isolated systems (explained in item 3.3 - EBITDA), the Regulatory Net profit would be set at R\$21 million, compared to the R\$98 million recorded in 2Q13.

NET INCOME (R\$ million)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
<b>NET INCOME/LOSS</b>	<b>(161)</b>	<b>(31)</b>	<b>(196)</b>	<b>-22%</b>	<b>(218)</b>	<b>(227)</b>	<b>4%</b>
Net Regulatory Assets and Liabilities	51	63	232	351%	104	295	183%
Non-Operational Result + Financial Result	4	(10)	2	-61%	10	(9)	-187%
Depreciation and Amortization	8	8	12	57%	16	19	25%
Power Purchase and Isolated Systems Adjustment	-	(16)	(28)	N/A	-	(44)	N/A
<b>Adjusted Regulatory NET INCOME/LOSS</b>	<b>(98)</b>	<b>13</b>	<b>21</b>	<b>N/A</b>	<b>(88)</b>	<b>34</b>	<b>N/A</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)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
Gross Operating Revenues (GOR)	60	46	59	-1.7%	127	105	-17.7%
Net Operating Revenues (NOR)	54	42	53	-1.7%	115	95	-17.7%
Electric Energy Cost	(45)	(31)	(43)	-4.2%	(96)	(74)	-22.9%
Operating Costs / Expenses	(2)	(2)	(1)	-28.1%	(4)	(3)	-26.1%
<b>EBITDA</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>18.5%</b>	<b>16</b>	<b>18</b>	<b>15.2%</b>
Depreciation	(1)	(1)	(1)	3.8%	(2)	(2)	0.6%
Service Income (EBIT)	7	8	8	21.0%	14	16	17.8%
Financial Result	(2)	(1)	(1)	-12.0%	(3)	(3)	-10.9%
Earnings Before Taxes (EBT)	5	6	7	30.6%	10	13	26.1%
Income Tax / Social Contribution	(1)	(1)	(1)	18.9%	(2)	(2)	25.6%
<b>Net Income</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>32.7%</b>	<b>9</b>	<b>11</b>	<b>26.2%</b>



#### 3.4.1 – OPERATING REVENUE

In 2Q14, Net Operating Revenue (NOR) totaled R\$53 million, 1.7% lower than the one recorded in 2Q13. 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 2Q14 totaled R\$45 million, 4.9% lower than the one recorded in 2Q13. The decrease compared to the same quarter last year is due to the non-dispatch of facilities in the last quarter.

Operating Costs / Expenses	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
CUST + Generation Costs	45	31	43	-4.2%	96	74	-22.9%
PMSO	2	2	1	-28.1%	4	3	-26.1%
Depreciation	1	1	1	3.8%	2	2	0.6%
<b>Geramar</b>	<b>48</b>	<b>34</b>	<b>45</b>	<b>-4.9%</b>	<b>102</b>	<b>79</b>	<b>-22.5%</b>

#### 3.4.3 - EBITDA

Geramar's EBITDA in 2Q14 reached R\$9 million, higher by 18.5% than the reported in 2Q13, presenting better engine efficiency resulting in a slightly positive margin in the dispatch.

#### 3.4.4 – FINANCIAL RESULTS

The financial results for the 2Q14 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\$6 million this quarter, an increase of 32.7% compared to 2Q13, 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	2013	3Q13	4Q13	1Q14	2Q14
<b>Initial Balance</b>					
CVA Constitution	80,775	40,266	51,441	44,176	127,127
CCC	884	-	-	-	-
CDE	-	-	-	229	697
Proinfra	6,928	-	158	640	1,135
ESS	16,494	-	-	1,204	-
Basic Network	-	945	1,489	1,863	2,356
Energy Purchases	56,470	39,321	49,793	40,239	122,939
CVA Amortization	843	27,529	19,121	11,062	2,696
CCC	-	716	496	286	67
CDE	125	-	-	-	-
Proinfra	397	2,487	1,739	1,023	279
ESS	281	2,790	1,886	1,019	119
Basic Network	40	-	-	-	-
Energy Purchases	0	21,536	15,000	8,735	2,232
Deficit from PLPT	2,901	-	-	-	-
Other Subsidies	9,127	26,713	19,171	98,646	139,218
Other	6,156	4,383	3,521	11,255	62,514
Eletronuclear	-	10,601	7,430	4,444	1,416
MCPSE	-	11,309	7,926	4,740	1,510
MCSA Amortization	691	-	-	-	-
Overpurchase Amortization	1,924	-	-	78,031	73,722
Irrigante	355	420	294	176	56
<b>Final Balance</b>	<b>93,646</b>	<b>94,508</b>	<b>89,733</b>	<b>153,883</b>	<b>269,042</b>

Regulatory Liabilities	2013	3Q13	4Q13	1Q14	2Q14
<b>Initial Balance</b>					
CVA Constitution	(4,046)	(3,011)	(2,285)	(26,516)	(14,139)
Energy Purchase	-	-	-	-26516.2	-11085.9
Basic Network	(3,626)	-	-	-	-
ESS	-	(3,011)	(2,285)	-	(3,053)
CDE	(420)	-	-	-	-
CVA Amortization	(1,997)	(3,511)	(2,464)	(1,460)	(418)
Basic Network	-	(2,993)	(2,091)	(1,228)	(331)
Energy Purchases	(349)	-	-	-	-
CCC	(15)	-	-	-	-
CDE	-	(262)	(186)	(113)	(38)
ESS	-	(106)	(77)	(49)	(21)
Proinfra	(0)	(150)	(109)	(70)	(29)
RTE	(1,633)	-	-	-	-
Low Income	(3,669)	-	-	-	-
Parcel A Neutrality	(1,383)	(6,320)	(4,430)	(2,649)	(844)
Other Regulatory Liabilities	(4,770)	(18,928)	(21,170)	(18,479)	(21,529)
Others	-	(2,898)	(1,924)	(1,151)	(367)
Financial Exposure	(4,392)	-	(8,011)	(10,609)	(19,022)
Connection	(0)	(1)	(1)	(0)	(0)
Involuntary Exposure	-	(16,027)	(11,233)	(6,718)	(2,140)
TUSD/Guseiros Discount	(45)	(2)	(1)	(1)	(0)
Irrigante	(333)	-	-	-	-
<b>Final Balance</b>	<b>(15,865)</b>	<b>(31,771)</b>	<b>(30,348)</b>	<b>(49,105)</b>	<b>(36,931)</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	2013	3Q13	4Q13	1Q14	2Q14
Regulatory Assets	93,646	94,508	89,733	153,883	269,042
Regulatory Liabilities	(15,865)	(31,771)	(30,348)	(49,105)	(36,931)
Net Regulatory Assets	77,781	62,737	59,385	104,779	232,111
Low Income Assets + Viva Luz	38,135	35,786	30,069	35,529	34,553
<b>Total</b>	<b>115,916</b>	<b>98,523</b>	<b>89,454</b>	<b>140,308</b>	<b>266,665</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	2013	3Q13	4Q13	1Q14	2Q14
<b>Initial Balance</b>					
CVA Constitution	156,602	60,132	103,659	73,631	249,247
CCC	3,074	-	-	-	-
CDE	-	-	-	303	922
Proinfra	9,225	1,003	1,215	1,794	2,390
ESS	25,470	13,519	-	1,382	0
Basic Network	-	1,417	2,419	4,022	6,454
Energy Purchases	118,834	44,193	100,025	66,130	239,481
CVA Amortization	1,829	20,953	18,084	15,303	12,310
CCC	-	3,471	2,420	1,402	306
CDE	308	-	-	-	-
Proinfra	355	5,898	4,113	2,382	520
ESS	-	19	13	8	2
Basic Network	-	92	64	37	8
Energy Purchase	1,166	11,474	11,474	11,474	11,474
Differal of Tariff Replacement	10,979	92,567	20,956	20,956	20,956
Overpurchase	3,021	-	-	143,370	105,763
Other Regulatory Assets	63,176	2,198	49,758	44,702	90,894
Others	-	-	-	17,929	88,235
CCEAR Guarantee	-	-	414	452	497
Financial Exposure	-	2,198	1,475	787	65
Electronuclear Differential	-	-	10,025	5,347	439
Financial Recalculation Bubble	-	-	37,844	20,187	1,657
Differal of Expenditures relating to the Manual of Asset Control	33,892	-	-	-	-
Differal of Tax Credits reversal	11,874	-	-	-	-
Differal of Tax Exempt Oil	17,410	-	-	-	-
<b>Final Balance</b>	<b>235,607</b>	<b>175,850</b>	<b>192,456</b>	<b>297,962</b>	<b>479,169</b>

Regulatory Liabilities	2Q13	3Q13	4Q13	1Q14	2Q14
<b>Initial Balance</b>					
CVA Constitution	(2,590)	-	(2,689)	-	(6,583)
Basic Network	(2,520)	-	-	-	-
ESS	-	-	(2,689)	-	(6,583)
CDE	(70)	-	-	-	-
CVA Amortization	(2,351)	(2,927)	(2,040)	(1,183)	(258)
Basic Network	(507)	(2,523)	(1,759)	(1,019)	(222)
Energy Purchases	(282)	(36)	(25)	(15)	(3)
CCC	(8)	-	-	-	-
CDE	-	(363)	(253)	(147)	(32)
ESS	(1,553)	-	-	-	-
Proinfra	-	(5)	(3)	(2)	(0)
Parcel A Neutrality	(1,736)	(2,657)	(1,783)	(951)	(78)
CVA Energy Purchase Cost	-	-	(31,699)	(16,909)	(1,388)
CCC Refund	(5,244)	(71,318)	(30,762)	(89,094)	(46,577)
Other Regulatory Assets - Others	(5,244)	(71,318)	(583)	(65,857)	(30,981)
Others	-	-	(14,601)	(14,928)	(14,914)
Financial Exposure	-	-	(2,274)	(1,213)	(100)
RGR	-	-	(1,572)	(838)	(69)
CDE Subvention	-	-	(11,732)	(6,258)	(514)
<b>Final Balance</b>	<b>(11,921)</b>	<b>(76,902)</b>	<b>(68,972)</b>	<b>(108,137)</b>	<b>(54,885)</b>

Net Regulatory Assets / Liabilities	2013	3Q13	4Q13	1Q14	2Q14
Regulatory Assets	235,607	175,850	192,456	297,962	479,169
Regulatory Liabilities	(11,921)	(76,902)	(68,972)	(108,137)	(54,885)
<b>Net Regulatory Assets</b>	<b>223,686</b>	<b>98,948</b>	<b>123,484</b>	<b>189,825</b>	<b>424,285</b>

## 5. DEBT

In 2014, the consolidated gross debt, including charges, totaled R\$3,351million, reflecting the start of CELPA's consolidation which contributed with R\$1,686 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	0.2%
	Libor	1.4%	Apr-24	9.9	0.1%
	Fixed (US\$)	6.0%	Apr-24	9.9	0.1%
	<b>LOCAL CURRENCY</b>				
	CEMAR	8.9%		5.0	49.5%
	TJLP	7.6%	Apr-19	4.9	10.8%
	CDI	10.2%	Mar-16	1.7	13.5%
	IPCA	12.4%	Jun-20	6.1	6.0%
	Fixed (R\$)	6.5%	Aug-20	6.2	13.7%
IGP-M	10.2%	Dec-23	9.6	5.0%	
FINEL(*)	11.0%	Dec-15	1.5	0.4%	
<b>TOTAL (CEMAR)</b>	<b>8.9%</b>		<b>5.0</b>	<b>49.7%</b>	
CELPA	<b>FOREIGN CURRENCY</b>				
	CELPA	3.9%		5.0	16.2%
	Fixed (US\$) ***	4.2%	Oct-20	6.4	10.7%
	Libor Semester	2.8%	Apr-24	9.9	0.5%
	Libor Quarter	3.3%	Nov-15	1.4	5.0%
	<b>LOCAL CURRENCY</b>				
	CELPA	7.0%		11.5	34.1%
	TJLP	9.7%	Apr-16	1.9	0.0%
	CDI	10.9%	Jan-15	0.6	6.3%
	Fixed (R\$)	5.7%	Nov-26	12.6	19.5%
	RGR	6.9%	May-23	9.0	2.1%
	IGP-M	7.2%	Sep-34	20.5	6.1%
	<b>TOTAL (CELPA)</b>	<b>5.3%</b>		<b>10.8</b>	<b>100.0%</b>
<b>TOTAL</b>	<b>7.1%</b>		<b>7.9</b>	<b>100.0%</b>	

	Maturity	CEMAR	CELPA	Consolidated	% of Total
Short Term		447	395	841	25.1%
	Long Term	1,219	1,291	2,510	74.9%
2015		152	185	337	10.1%
2016		205	11	216	6.4%
2017		186	10	196	5.9%
2018		217	8	225	6.7%
After 2018		458	1,077	1,536	45.8%
<b>Gross Debt</b>		<b>1,666</b>	<b>1,686</b>	<b>3,351</b>	<b>100.0%</b>
Cash		630	422	1,052	
Holding (Cash Position)				274	
Equatorial Soluções (Cash Position)				37	
Net Regulatory Assets + Subrogation CCC		267	613	880	
<b>Net Debt</b>		<b>769</b>	<b>650</b>	<b>1,109</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	R\$ Thousands (*)	Average Cost (a.a.)	Average Due Date (month/year)	Average Period (in years)	Part. (%)
GERAMAR	<b>LOCAL CURRENCY</b>					
	TJLP	76,595	9.2%	Dec-25	11.5	78.8%
	Fixed (R\$)	20,563	10.0%	Dec-26	12.7	21.2%
	<b>TOTAL (Geramar)</b>	<b>97,158</b>	<b>9.3%</b>		<b>11.7</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.

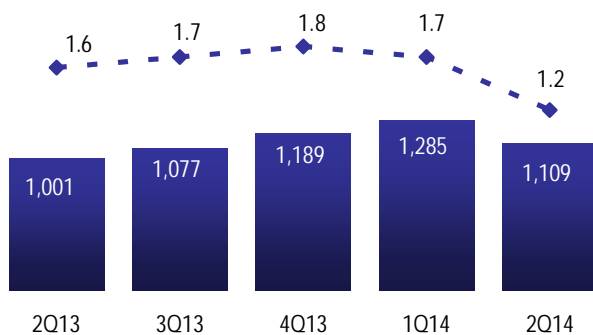
## Gross Debt Breakdown – CELPA 100%

Maturity	2014	%	Index	2014	Average Cost (a.a)	Average Due Date (month/year)	Average Period (in years)	Part. (%)
Short Term	395	23.4%	Fixed (US\$)*	359	4.2%	Oct-20	6.4	21.3%
Long Term	1,291	76.6%	Libor Semester	17	2.8%	Apr-24	9.9	1.0%
2015	185	11.0%	Libor Quarter	169	3.3%	Nov-15	1.4	10.0%
2016	11	0.7%	Foreign Currency	544	3.9%		5.0	32.3%
2017	10	0.6%	TJLP	1	9.7%	Apr-16	1.9	0.1%
2018	8	0.5%	CDI	212	10.9%	Jan-15	0.6	12.5%
2019	12	0.7%	Fixed (R\$)	654	5.7%	Nov-26	12.6	38.8%
2020	8	0.5%	RGR	71	6.9%	May-23	9.0	4.2%
2021	29	1.7%	IGP-M	203	7.2%	Sep-34	20.5	12.1%
2022	56	3.3%	Local Currency	1,142	7.0%		11.5	67.7%
2023	52	3.1%	<b>TOTAL</b>	<b>1,686</b>	<b>6.0%</b>		<b>9.4</b>	<b>100.0%</b>
2024	88	5.2%	*Debt with Swap for CDI					
2025	48	2.9%						
2026	27	1.6%						
2027	73	4.3%						
2028	158	9.4%						
2029	72	4.3%						
After 2029	455	27.0%						
<b>TOTAL</b>	<b>1,686</b>	<b>100.00%</b>						

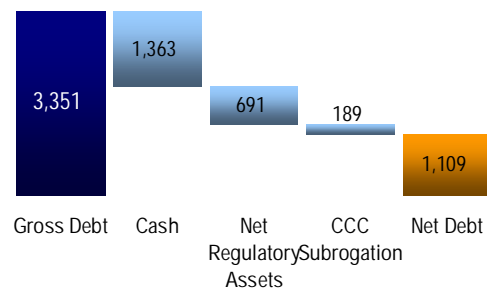
After the restructuring, we believe that the CELPA's debt maturity profile is comfortable, since only 23.4% (or R\$395 million) mature in the short-term, slightly lower than the cash availability amounted to R\$422 million at the end of 2Q14, and 76.6% (or R\$1,291 million) are due only as from the second quarter of 2015. The average cost of debt is currently at 6.0%, equivalent to 62% of CDI in the last 12 months.

Net debt, including cash and cash equivalents and net regulatory assets and CCC subrogation, amounted to R\$1,109 million at the close of 2Q14, a decrease of 13.7% compared to the closing of 1Q14.

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

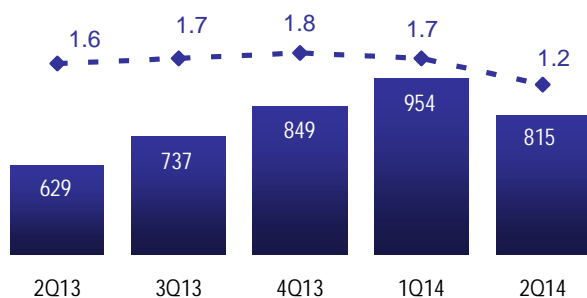


Net Debt reconciliation (R\$MM)  
Consolidated (100% CEMAR + 100% CELPA)

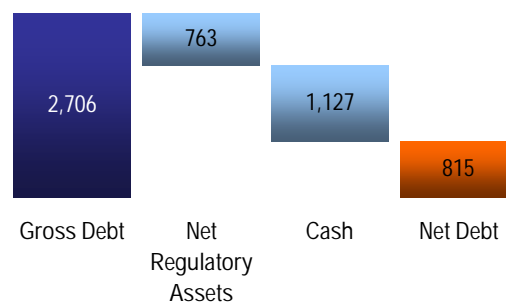


Total consolidated net debt, adjusted for Equatorial's interest in CEMAR (65.11%) and CELPA (96.18%), totaled R\$815 million in June 2014, representing a ratio of 1.2x consolidated EBITDA for the last 12 months.

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)	2Q13	1Q14	2Q14	Chg.	1S13	1S14	Chg.
<b>CEMAR</b>							
Own (*)	54	63	70	28.4%	132	132	0.5%
PLPT	7	16	25	265.4%	12	41	233.3%
Total	61	79	95	55.0%	144	173	20.4%
<b>CELPA</b>							
Own (*)	90	99	146	62.2%	174	246	41.5%
PLPT	4	35	45	969.8%	7	80	1068.4%
Total	95	134	192	102.8%	180	326	80.5%
<b>Geramar</b>							
Generation	0	0	0	-44.3%	0	0	-42.7%
<b>TOTAL EQUATORIAL</b>	<b>156</b>	<b>213</b>	<b>286</b>	<b>84.0%</b>	<b>325</b>	<b>499</b>	<b>53.8%</b>

(\*) Including indirect Light For All investments

### 6.1 – CEMAR

CEMAR's investments, not including direct investment related to PLPT totaled R\$70 million in 2Q14, a decrease of 28.4% compared to 2Q13

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

At the end of 2Q14, 326 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 2Q14, direct investment in PLPT, including spending on materials, freight and third party services, was R\$25 million, 265.4% 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\$146 million in 2Q14, representing an increase of 62.2% compared to the number reported in 2Q13.

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

At the end of 2Q14, 352 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 1Q14, direct investment in PLPT, including spending on materials, freight and third party services, was R\$45 million.

### 6.3 – Geramar

The capital expenditures presented in 2Q14 mainly refer to plant maintenance, because its construction phase was fully concluded in 1Q10.

## 7. SUBSEQUENT EVENTS

### 2014's Tariff Adjustment – CELPA

Through Homologation Resolution No. 1,769, of 05/08/2014, ANEEL approved the average Tariff Adjustment Index (IRT) of 26.14% (economic), however, considering the net effect of the inclusion of the Financial Components in the tariff, the average effect perceived by the consumer effect will be 34.96%.

The Agency also approved, by transfer of the CDE, the monthly value of R\$4.813 million (from August/2014 to July/2015), referring to reasonable tariffs and tariff discounts, in accordance with the provisions of Decree No. 7891/2013.

The rate increase is effective from August 7, 2014 to August 6, 2015.

#### Stock Option Plan's Approval

Was approved at the Company's Extraordinary General Meeting held on July 21, 2014, the Company's Stock Option Plan ("Plan") for the officers and employees of the Company or of other companies under its control and aiming to allow stimulate growth, success and the achievement of the Company's social objectives by aligning the interests of Equatorial's shareholders with the eligible people's and enabling the Company or other companies under its control to attract and retain the eligible people linked to the Company. Options granted under the Plan will respect the limit of 3% of the shares representing the Company's total capital stock.

### 8. CAPITAL MARKET

Equatorial Energia's shares closed 2Q14 at R\$25.14, 22.9% lower than the R\$23.15 price at the end of 1Q14. If compared with the closing of 2Q13, the valuation in 1 year period was 36.5%.

The Company's average daily trading volume was R\$19.7million in the last 60 sessions ending June 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.

### 9. 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.

### 10. CONFERENCE CALL

#### CONFERENCE CALL IN ENGLISH

Monday, August 11, 2014  
12 noon (Brasília time)  
11 a.m. (New York time)  
Telephones: +1 786 924-6977  
Code: Equatorial

#### CONFERENCE CALL IN PORTUGUESE

Monday, August 11, 2014  
2 p.m. (Brasília time)  
1 p.m (New York time)  
Telephone: +55 11 3193-1001  
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

- ▶ **Eduardo Haiama**  
CFO and Investor Relations Officer
- ▶ **Thomas Newlands**  
Investor Relations
- ▶ **Renato Parentoni**  
Investor Relations
- ▶ Telephones: + 0 XX (21) 3206-6635 / 6607
- ▶ E-mail: [ri@equatorialenergia.com.br](mailto:ri@equatorialenergia.com.br)
- ▶ 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)	2Q13	1Q14	2Q14	1S13	1S14
<b>GROSS OPERATING REVENUES</b>	1,479	1,731	1,768	2,894	3,499
Electricity Sales to Final Consumer	1,245	1,431	1,432	2,451	2,863
Electricity Supply	79	54	11	104	66
Construction Revenues	139	210	279	308	490
Other Revenues	15	36	45	31	81
<b>DEDUCTIONS FROM OPERATING REVENUES</b>	(362)	(406)	(415)	(712)	(821)
<b>NET OPERATING REVENUES</b>	1,117	1,325	1,353	2,182	2,678
<b>ELECTRICITY COSTS</b>	(829)	(933)	(1,190)	(1,586)	(2,124)
Electricity Purchased for Resale	(663)	(691)	(879)	(1,219)	(1,570)
Transmission and Distribution Network Usage Charges	(25)	(31)	(31)	(56)	(61)
Construction Costs	(139)	(210)	(279)	(308)	(490)
Other Non-Manageable Expenses	(1)	(1)	(1)	(2)	(2)
<b>OPERATING COSTS/EXPENSES</b>	(224)	(248)	(236)	(473)	(484)
Personnel	(59)	(65)	(66)	(119)	(131)
Material	(70)	(8)	(9)	(135)	(17)
Services	(135)	(128)	(140)	(272)	(268)
Provisions	(33)	(26)	(25)	(72)	(51)
Others	73	(21)	4	125	(17)
<b>EBITDA</b>	64	144	(73)	123	71
Other Operating Revenues/Expenses	(11)	(8)	(13)	(28)	(21)
Depreciation and Amortization	(59)	(67)	(74)	(113)	(141)
<b>EBIT</b>	(6)	70	(160)	(17)	(90)
<b>EQUITY INCOME</b>	5	5	6	7	11
Equity Income	6	5	6	9	11
Goodwill Amortization	(1)	(0)	(0)	(2)	(1)
<b>FINANCIAL RESULTS</b>	(64)	(23)	(58)	(85)	(81)
Financial Revenue	97	185	62	205	247
Financial Expenses	(161)	(208)	(120)	(290)	(328)
<b>RESULT BEFORE INCOME TAX</b>	(65)	51	(212)	(96)	(161)
Social Contribution	(11)	(14)	5	(13)	(9)
Income Tax	(31)	(28)	2	(35)	(25)
Deferred Taxes	20	11	6	16	17
ADENE Incentive	30	12	0	31	12
<b>PROFIT SHARING</b>	13	(17)	13	26	(4)
<b>NET INCOME</b>	(44)	15	(185)	(69)	(170)



ANNEX 2 – REGULATORY X ACCOUNTING – CEMAR AND CELPA

▶ CEMAR

INCOME STATEMENT PER COMPANY (R\$ MM)	2013		2013	2014		2014
	Regulatory	Adjustments	IFRS	Regulatory	Adjustments	IFRS
GROSS OPERATING REVENUES	530,620	83,797	614,417	565,521	88,367	653,888
Electricity Sales to Final Consumer	499,118	22,020	521,138	551,324	(10,316)	541,008
Electricity Supply	24,910	(815)	24,095	2,402	386	2,788
Emergency Capacity Charges	(846)	-	(846)	0	-	0
Construction Revenues	-	62,592	62,592	-	98,297	98,297
Other Revenues	7,438	-	7,438	11,796	-	11,796
DEDUCTIONS FROM OPERATING REVENUES	(140,467)	368	(140,099)	(142,284)	(463)	(142,747)
NET OPERATING REVENUES	390,153	84,165	474,318	423,237	87,904	511,141
ELECTRICITY COSTS	(136,213)	(121,197)	(257,410)	(176,574)	(218,067)	(394,641)
Electricity Purchased for Resale	(131,745)	(58,605)	(190,350)	(208,433)	(119,771)	(328,204)
Transmission and Distribution Network Usage Charges	(10,692)	-	(10,692)	(11,790)	-	(11,790)
Construction Costs	-	(62,592)	(62,592)	-	(98,297)	(98,297)
Recovery of expenses (CDE)	7,281	-	7,281	44,582	-	44,582
Other non-manageable expenses	(1,056)	-	(1,056)	(932)	-	(932)
OPERATING COSTS/EXPENSES	(95,458)	-	(95,458)	(99,260)	3,456	(95,803)
Personnel	(21,797)	-	(21,797)	(23,761)	123	(23,638)
Material	(1,447)	-	(1,447)	(3,313)	271	(3,041)
Services	(53,614)	-	(53,614)	(55,568)	3,046	(52,522)
Provisions	(14,381)	-	(14,381)	(12,797)	-	(12,797)
Others	(4,219)	-	(4,219)	(3,821)	16	(3,805)
EBITDA	158,482	(37,032)	121,450	147,403	(126,707)	20,697
Other Operating Revenue/Expenses	(5,000)	-	(5,000)	(6,151)	-	(6,151)
Depreciation and Amortization	(26,072)	-	(26,072)	(30,527)	-	(30,527)
SERVICE INCOME	127,410	(37,032)	90,377	110,725	(126,707)	(15,982)
FINANCIAL INCOME	(17,707)	(945)	(18,652)	(14,903)	(260)	(15,163)
Financial Revenue	21,289	6,701	27,990	35,846	2,630	38,475
Financial Expenses	(38,997)	(7,646)	(46,643)	(50,749)	(2,889)	(53,638)
RESULT BEFORE INCOME TAX	109,703	(37,977)	71,725	95,822	(126,966)	(31,144)
Social Contribution	(10,949)	-	(10,949)	4,227	-	4,227
Income Tax	(29,500)	-	(29,500)	(78)	-	(78)
Deferred Taxes	18,791	-	18,791	6,229	-	6,229
SUDENE Incentive	29,500	-	29,500	78	-	78
NET INCOME	117,545	(37,977)	79,567	106,277	(126,966)	(20,689)

▶ CELPA

INCOME STATEMENT (R\$MM)	2013			2014		
	Regulatory	Adjustments	IFRS	Regulatory	Adjustments	IFRS
RECEITA OPERACIONAL	694,030	(84,791)	778,821	837,011	(230,012)	1,067,023
Electricity Sales to Final Consumer	628,028	(12,336)	640,363	819,592	(38,905)	858,496
Electricity Supply	55,082	-	55,082	(1,264)	(9,932)	8,668
Construction Revenues	-	(76,835)	76,835	-	(181,175)	181,175
Other Revenues	10,920	4,380	6,540	18,683	(0)	18,684
DEDUCTIONS FROM OPERATING REVENUES	(212,039)	300	(211,738)	(267,928)	136	(267,792)
NET OPERATING REVENUES	481,991	(84,491)	567,083	569,083	(229,876)	799,231
ELECTRICITY COSTS	(355,845)	132,030	(487,875)	(276,888)	462,285	(739,173)
Electricity Purchased for Resale	(312,099)	59,897	(371,996)	(48,406)	277,885	(326,291)
Transmission and Distribution Network Usage Charges	(78,394)	(4,701)	(73,692)	(15,864)	3,225	(19,090)
Construction Costs	-	76,835	(76,835)	-	181,175	(181,175)
Expense Recovery (CDE)	18,897	-	18,897	(230,314)	-	(230,314)
Other Non-Manageable Expenses	15,751	-	15,751	17,696	-	17,696
OPERATING COSTS/EXPENSES	(132,617)	-	(132,617)	(151,835)	-	(151,835)
Personnel	(33,584)	-	(33,584)	(39,112)	-	(39,112)
Material	(2,221)	-	(2,221)	(5,771)	-	(5,771)
Services	(73,113)	-	(73,113)	(85,345)	-	(85,345)
Provisions	(18,740)	-	(18,740)	(12,144)	-	(12,144)
Others	(4,960)	-	(4,960)	(9,464)	-	(9,464)
EBITDA	(6,470)	46,939	(53,409)	140,360	232,137	(91,778)
Other Operating Revenues/Expenses	1,789	7,675	(5,886)	(3,996)	2,993	(6,990)
Depreciation and Amortization	(24,615)	7,566	(32,181)	(31,177)	11,741	(42,918)
SERVICE INCOME	(29,296)	62,181	(91,477)	105,186	246,871	(141,685)
FINANCIAL RESULTS	(74,582)	(3,481)	(71,101)	(64,806)	(1,300)	(63,505)
Financial Revenue	41,222	651	40,571	59,328	1,651	57,676
Financial Expenses	(115,804)	(4,132)	(111,672)	(124,133)	(2,952)	(121,182)
RESULT BEFORE INCOME TAX	(103,878)	58,699	(162,578)	40,381	245,571	(205,190)
Social Contribution	-	-	-	2,369	-	2,369
Income Tax	-	-	-	6,574	-	6,574
Deferred Taxes	1,585	-	1,585	-	-	-
NET INCOME	(102,293)	58,699	(160,993)	49,323	245,571	(196,248)

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 Holding	Equatorial Soluções 100%	CEMAR 100%	CELPA 96%	Eliminations	Equatorial Consolidated
GROSS OPERATING REVENUES	-	47	654	1,067	-	1,768
Electricity Sales to Final Consumer	-	48	533	862	-	1,443
Electricity Supply	-	-	3	9	-	11
Emergency Capacity Charges	-	-	-	-	-	-
Construction Revenues	-	-	98	181	-	279
Other Revenues	-	(1)	19	15	-	34
DEDUCTIONS FROM OPERATING REVENUES	-	(5)	(143)	(268)	-	(415)
NET OPERATING REVENUES	-	43	511	799	-	1,353
ELECTRICITY COSTS	-	(39)	(395)	(757)	-	(1,190)
Electricity Purchased for Resale	-	(39)	(284)	(557)	-	(879)
Transmission and Distribution Network Usage Charges	-	-	(12)	(19)	-	(31)
Construction Costs	-	-	(98)	(181)	-	(279)
Other non-manageable expenses	-	-	(1)	-	-	(1)
OPERATING COSTS/EXPENSES	(3)	(2)	(96)	(134)	-	(236)
Personnel	(2)	(1)	(24)	(39)	-	(66)
Material	(0)	(0)	(3)	(6)	-	(9)
Services	(1)	(1)	(53)	(85)	-	(140)
Provisions	-	-	(13)	(12)	-	(25)
Others	(1)	0	(4)	8	-	4
EBITDA	(3)	2	21	(92)	-	(73)
Other Operating Revenue/Expenses	-	-	(6)	(7)	-	(13)
Depreciation and Amortization	-	(0)	(31)	(43)	-	(74)
SERVICE INCOME	(3)	2	(16)	(142)	-	(160)
EQUITY INCOME	(197)	-	-	-	203	6
Equity Income	(197)	-	-	-	203	6
Goodwill Amortization	(0)	-	-	-	-	(0)
FINANCIAL INCOME	20	1	(15)	(64)	-	(58)
Financial Revenue	20	1	38	14	(12)	62
Financial Expenses	-	(0)	(54)	(77)	12	(120)
RESULT BEFORE INCOME TAX	(181)	3	(31)	(206)	203	(212)
Social Contribution	(1)	(0)	4	2	-	5
Income Tax	(3)	(1)	(0)	7	-	2
Deferred Taxes	-	-	6	0	-	6
SUDENE Incentive	-	-	0	-	-	0
PROFIT SHARING	-	(1)	-	-	15	13
NET INCOME	(185)	(0)	(21)	(197)	217	(185)

ANNEX 4 – BALANCE SHEET (R\$ MM)

ASSETS (R\$ MM)	2013	3Q13	4Q13	1Q14	2Q14
<b>CURRENT</b>	<b>3,022</b>	<b>3,085</b>	<b>3,081</b>	<b>3,164</b>	<b>3,083</b>
Cash and Cash Equivalents	246	228	351	344	533
Short-Term Investments	1,274	1,365	1,262	1,002	830
Consumers and Resellers	919	978	1,006	1,026	1,087
Inventory	25	24	24	26	30
Taxes Recoverable	127	144	168	139	182
Judicial Deposits	114	23	24	23	22
Fuel Purchases - CCC account	143	133	94	156	206
Energy Cost Recovery and Charges	13	19	6	285	-
Other Accounts Receivable	161	172	146	163	192
<b>LONG TERM ASSETS</b>	<b>1,969</b>	<b>1,831</b>	<b>1,834</b>	<b>1,896</b>	<b>2,047</b>
Consumers and Resellers	90	112	116	129	132
Taxes Recoverable	122	121	93	95	116
Judicial Deposits	215	170	140	105	110
Deferred Taxes - Income Tax / Social Contribution	19	35	31	42	48
Indemnifiable Financial Asset	1,233	1,057	1,196	1,266	1,378
Subrogation of CCC	217	231	186	187	189
Other Accounts Receivable	75	106	73	72	74
<b>FIXED ASSETS</b>	<b>4,054</b>	<b>4,187</b>	<b>4,188</b>	<b>4,231</b>	<b>4,173</b>
Investments	71	73	71	75	77
Goodwill	3,982	4,113	4,117	4,156	4,096
<b>TOTAL ASSETS</b>	<b>9,045</b>	<b>9,103</b>	<b>9,103</b>	<b>9,292</b>	<b>9,303</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ MM)</b>	<b>2013</b>	<b>3Q13</b>	<b>4Q13</b>	<b>1Q14</b>	<b>2Q14</b>
<b>CURRENT</b>	<b>2,025</b>	<b>1,999</b>	<b>1,689</b>	<b>2,038</b>	<b>2,618</b>
Suppliers	677	613	675	928	967
Salaries	27	31	43	33	40
Dividends / Interest on Equity	91	91	42	30	32
Taxes and Social Contribution	227	245	254	295	251
Loans and Financing	562	550	169	275	841
Debentures	0	5	6	12	0
Public Lighting	20	22	33	24	22
Provision for Contingencies	42	32	40	32	25
Others	379	411	427	410	441
<b>LONG TERM LIABILITIES</b>	<b>4,355</b>	<b>4,223</b>	<b>4,567</b>	<b>4,375</b>	<b>4,006</b>
Taxes and Social Contribution	390	357	334	314	294
Debentures	290	291	294	299	302
Loans and Financing	2,224	2,251	2,756	2,581	2,208
Provision for Contingencies	756	638	638	637	644
Retirement Plan and Pension	34	34	26	26	26
Judicial Recovery	407	409	333	310	292
Others	255	243	187	210	241
<b>MINORITY INTERESTS</b>	<b>469</b>	<b>481</b>	<b>493</b>	<b>509</b>	<b>496</b>
<b>SHAREHOLDERS EQUITY</b>	<b>2,196</b>	<b>2,400</b>	<b>2,354</b>	<b>2,369</b>	<b>2,183</b>
Capital Stock	1,977	1,977	1,977	1,977	1,977
Profit Reserves	311	311	497	499	497
Equity Adjustment	(22)	(22)	(22)	(22)	(22)
Other Comprehensive Results	(1)	(1)	(1)	(3)	(3)
Retained Earnings/Accumulated Deficit	(69)	135	(97)	(82)	(266)
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>9,045</b>	<b>9,103</b>	<b>9,103</b>	<b>9,292</b>	<b>9,303</b>