Quarterly information (ITR)

Equatorial Energia S.A.

March 31, 2014
with Independent Auditor's Report

Equatorial Energia S.A.

Quarterly Information (ITR)

March 31, 2014 and 2013

Contents

A free translation from Portuguese into English of Independent Auditor's Report on quarterly information (ITR) prepared in Brazilian currency in accordance with accounting practices adopted in Brazil, and on Consolidated quarterly information (ITR) prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil.

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

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

Introduction

We have reviewed the individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Equatorial Energia S.A. ("Company") for the quarter ended March 31, 2014, comprising the balance sheet and the related statements of operations, of comprehensive income, of changes in equity, of value added and cash flow statements for the three-month period then ended, including accompanying notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21(R1) - Interim Financial Reporting, and of the consolidated interim financial information in accordance with CPC 21(R1) 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, respectively). 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.

Building a better working world

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 is not fairly presented, 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 is not fairly presented, 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 issuing a qualified 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.

Building a better working world

Other matters

Statements of value added

We also reviewed the individual and consolidated statement of value added (SVA), for the three-month period ended March 31, 2014, prepared under the responsibility of Company management, whose presentation in the interim financial information is required according to the standards 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 have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated interim financial information.

Fortaleza (CE), May 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 quarterly information (ITR) prepared in Brazilian currency in accordance with accounting practices adopted in Brazil, and on Consolidated quarterly information prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB and accounting practices adopted in Brazil.

Equatorial Energia S.A.

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

		Company		Consolidated	
	Note	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Assets					
Current assets					
Cash and cash equivalents	4	21,453	21,403	341,114	350,885
Short-term investments	5	359,725	604,457	1,004,966	1,262,132
Trade accounts receivable	6	-	-	1,026,474	1,006,085
Taxes recoverable	8.1	-	-	111,272	113,849
Income taxes recoverable	8.2	6,839	17,988	27,454	53,871
Purchase of fuel (CCC)	9	-	-	156,034	94,346
Inventories		-	-	26,299	24,258
Dividends		26,490	26,490	-	-
Services requested		280	280	116,902	100,265
Judicial deposits	20	405	-	22,568	24,165
Derivative financial instruments		-	-	-	4,286
Recovery of energy cost and charges	7	-	-	285,115	5,721
Other receivables	14	1,024	1,045	45,648	41,336
		416,216	671,663	3,163,846	3,081,199
Noncurrent assets					
Trade accounts receivable	6	-	-	128,653	116,124
Taxes recoverable	8.1	-	-	63,208	59,544
Income taxes recoverable	8.2	-	-	32,273	33,206
Deferred income and social contribution taxes	12	-	-	42,179	31,099
Judicial deposits	21	-	-	105,210	139,559
Future capital contributions		295,000	50,000	-	-
Derivative financial instruments		-	-	-	232
Concession-related financial asset	13	-	-	1,266,045	1,195,743
CCC subrogation - amounts invested	9	-	-	186,813	185,689
Other receivables	14	425,403	416,147	71,976	72,770
Investments	15	1,255,020	1,252,773	74,990	70,894
Property, plant and equipment		298	298	2,705	2,713
Intangible assets	16	-	-	4,153,736	4,114,727
		1,975,721	1,719,218	6,127,788	6,022,300
Total assets		2,391,937	2,390,881	9,291,634	9,103,499

	Nota	Controladora 03/31/2014	Controladora 12/31/2013	Consolidado 03/31/2014	Consolidado 12/31/2013
Liabilities and equity					
Current liabilities					
Trade accounts payable	**17**	**376**	212	**927,672**	674,714
Payroll and accrued vacation pay		**390**	127	**33,115**	43,278
Loans and financing	**18**	**-**	-	**275,233**	169,234
Debentures	**19**	**-**	-	**11,680**	5,974
Derivative financial instruments		**-**	-	**2,797**	-
Statutory charges		**-**	-	**1,235**	932
Taxes payable	**20.1**	**254**	72	**273,421**	248,686
Income taxes payable	**20.2**	**3,123**	11,772	**21,268**	17,845
Dividends and interest on equity (IOE)		**16,399**	16,399	**29,889**	29,890
Provision for civil, tax and labor claims	**21**	**-**	-	**31,931**	39,775
Street lighting charge		**-**	-	**23,680**	32,749
Research and development and energy efficiency		**-**	-	**78,891**	70,208
Employees' profit sharing	**24**	**1,940**	8,039	**9,998**	34,673
Labor indemnifications		**-**	-	**20**	20
In-court reorganization - CELPA	**36**	**-**	-	**82,662**	85,254
Other accounts payable	**22**	**25**	37	**234,657**	235,699
		22,507	36,658	**2,038,149**	1,688,931
Noncurrent liabilities					
Loans and financing	**18**	**-**	-	**2,580,857**	2,756,344
Debentures	**19**	**-**	-	**298,513**	294,085
Derivative financial instruments		**-**	-	**5,740**	-
Taxes payable	**20.1**	**-**	-	**313,898**	333,813
Deferred income and social contribution taxes	**20.2**	**50**	50	**-**	-
Provision for civil, tax and labor claims	**21**	**-**	-	**636,712**	637,524
Research and development and energy efficiency		**-**	-	**82,197**	80,740
Retirement and pension plan		**-**	-	**25,533**	25,533
In-court reorganization - CELPA	**36**	**-**	-	**310,144**	332,620
Other accounts payable	**22**	**-**	-	**121,564**	106,262
		50	50	**4,375,158**	4,566,921
Equity					
Capital	**23**	**1,977,276**	1,977,276	**1,977,276**	1,977,276
Capital reserves	**23**	**14,080**	14,080	**14,080**	14,080
Income reserves	**23**	**484,463**	484,463	**484,463**	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		**(81,544)**	(96,751)	**(81,544)**	(96,751)
Equity attributable to controlling interests		**2,369,380**	2,354,173	**2,369,380**	2,354,173
Noncontrolling interests		**-**	-	**508,947**	493,474
Total equity		**2,369,380**	2,354,173	**2,878,327**	2,847,647
Total liabilities and equity		**2,391,937**	2,390,881	**9,291,634**	9,103,499

See accompanying notes.

Equatorial Energia S.A.

Statements of operations
Periods ended March 31, 2014 and 2013
(In thousands of reais)

		Company		Consolidated	
	Note	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Operating revenue, net	26	-	-	1,325,347	1,065,865
Cost of electric energy services	27	-	-	(1,090,799)	(871,691)
Cost of electric energy	27	-	-	(932,178)	(756,217)
Electric energy purchased for resale	28	-	-	(691,235)	(556,010)
Cost of construction		-	-	(210,329)	(168,990)
Transmission and distribution system use charge		-	-	(30,614)	(31,217)
Cost of operation	27	-	-	(158,621)	(115,474)
Personnel		-	-	(27,351)	(26,463)
Material		-	-	(4,171)	(63,454)
Third-parties services		-	-	(55,074)	(37,583)
Depreciation and amortization		-	-	(58,457)	(47,968)
Lease and rental		-	-	(2,911)	(997)
CCC subsidy		-	-	(6,880)	64,422
Other		-	-	(3,777)	(3,431)
Gross operating income (expenses)		-	-	234,548	194,174
Selling expenses	27	-	-	(64,924)	(51,621)
Administrative expenses	27	(1,134)	(13,638)	(48,240)	(84,620)
Personnel expenses and management fees		(2,291)	(2,175)	(8,295)	(6,288)
Allowance for doubtful accounts and loss on uncollectible receivables		-	-	(24,902)	(34,980)
(Reversal of) provision for contingencies		-	-	(1,301)	(3,526)
Provision for retirement and pension plan		-	-	-	(589)
Depreciation and amortization		-	-	(8,402)	(6,204)
Amortization of concession right		(279)	(1,153)	(279)	(1,153)
Equity pickup		3,185	(18,073)	5,385	2,975
Other operating income/expenses		(615)	(743)	(8,974)	(17,922)
Total operating income (expenses)		(1,134)	(35,782)	(159,932)	(203,928)
Income before financial income (expenses)		(1,134)	(35,782)	74,616	(9,754)
Financial income (expenses)	29	19,770	11,189	(23,295)	(21,054)
Financial income		19,770	23,437	184,959	106,785
Financial expenses		-	(12,248)	(208,254)	(127,839)
Income (loss) before income and social contribution taxes		18,636	(24,593)	51,321	(30,808)
Income and social contribution taxes		(4,015)	-	(19,295)	(7,272)
Social contribution tax on net profit (CSLL)		(1,064)	-	(14,308)	(1,385)
Corporate income tax (IRPJ)		(2,951)	-	(27,647)	(3,785)
Northeast Development Authority (SUDENE) tax incentive		-	-	11,580	1,966
Deferred taxes		-	-	11,080	(4,068)
Net loss for the period		14,621	(24,593)	32,026	(38,080)
Attributable to noncontrolling interests		-	-	(17,405)	13,487
Loss for the period attributed to controlling interests		14,621	(24,593)	14,621	(24,593)
Basic and diluted loss per thousand shares - R$		0.0737	(0.1255)	0.0737	(0.1255)
Number of shares at end of period		198,447	195,953	198,447	195,953

See accompanying notes.

Equatorial Energia S.A.

Statements of comprehensive income (loss)
Periods ended March 31, 2014 and 2013
(In thousands of reais)

	Company		Consolidated	
	03/31/2014	03/31/2013	**03/31/2014**	03/31/2013
Loss for the period	**14,621**	(24,593)	**32,026**	(38,080)
Other comprehensive income (loss)	**-**	**(1,390)**	**-**	(1,390)
Total comprehensive income (loss) for the period	**14,621**	(25,983)	**32,026**	(39,470)
Basic and diluted loss per thousand shares - R$	**0.0737**	(0.1326)		
Number of shares at end of period	**198,447**	195,953		

See accompanying notes.

Equatorial Energia S.A.

Statements of changes in equity
Periods ended March 31, 2014 and 2013
(In thousands of reais)

				Income reserves								
	Note	Capital	Capital reserves	Legal reserve	Investment and expansion reserve	Proposed additional dividends	Equity adjustment	Retained earnings	Other comprehensive income (loss)	Company's equity	Noncontrolling interest	Equity Consolidated
Balances at December 31, 2012 (restated)		**1,742,519**	**14,080**	**62,787**	**368,096**	**250**	**(22,262)**	**-**	**(1,412)**	**2,164,058**	**351,534**	**2,515,592**
Capital increase		234,757	-	-	-	-	-	-		234,757	-	234,757
Equity adjustment		-	-	-	-	-	(4,821)	-		(4,821)	3,227	(1,594)
Other comprehensive income (loss)		-	-	-	-		-		22	22		22
Additional dividends		-	-	-	-	(250)	-	-		(250)	-	(250)
Retained earnings (accumulated losses)		-	-	-	12,743	-	-	-	-	12,743		12,743
Net loss for the period		-	-	-	-	-	-	(24,593)		(24,593)	(13,487)	(38,080)
Balances at March 31, 2013		**1,977,276**	**14,080**	**62,787**	**380,839**	**-**	**(27,083)**	**(24,593)**	**(1,390)**	**2,381,916**	**341,274**	**2,723,190**
Balances at December 31, 2013		**1,977,276**	**14,080**	**66,219**	**416,685**	**1,559**	**(22,262)**	**(96,751)**	**(2,633)**	**2,354,173**	**493,474**	**2,847,647**
Gains (losses) on investments		-	-	-	-	-	-	586	-	586	(1,932)	(1,346)
Net loss for the period		-	-	-	-	-	-	14,621	-	14,621	17,405	32,026
Balances at March 31, 2014		**1,977,276**	**14,080**	**66,219**	**416,685**	**1,559**	**(22,262)**	**(81,544)**	**(2,633)**	**2,369,380**	**508,947**	**2,878,327**

See accompanying notes.

Equatorial Energia S.A.

Cash flow statements - indirect method
Periods ended March 31, 2014 and 2013
(In thousands of reais)

	Company		Consolidated	
	03/31/2014	03/31/2013	**03/31/2014**	03/31/2013
Cash flow from operating activities				
Income for the period	**14,621**	(24,593)	**14,621**	(24,593)
Non-cash income (expenses):				
Depreciation and amortization	**279**	1,153	**67,066**	55,325
Retirement and pension plan	**-**	-	**-**	589
Interest expenses	**-**	-	**43,794**	43,886
Exchange gains (losses) on financial transactions	**-**	(1,802)	**-**	2,908
Exchange losses on derivative financial instruments	**-**	-	**13,055**	-
Monetary restatement of financial assets	**-**	-	**(9,290)**	(9,786)
Loss on sale of intangible assets	**-**	-	**11,108**	37,724
(Reversal of) provision for civil, tax and labor claims	**-**	-	**(584)**	4,308
(Reversal of) allowance for doubtful accounts and loss on uncollectible receivables	**-**	-	**24,902**	34,980
Equity pickup	**(3,185)**	5,309	**(5,385)**	-
Short-term investment yield	**(9,286)**	(12,608)	**(28,518)**	(17,937)
Equity adjustment - IFRS	**-**	12,743	**(1,345)**	11,149
Deferred income and social contribution taxes	**-**	-	**(11,080)**	4,068
Current income and social contribution taxes	**(3,751)**	-	**(14,167)**	3,204
Dividends proposed and payable	**-**	-	**-**	-
Noncontrolling interests	**-**	-	**17,405**	(13,487)
Other comprehensive income (loss)	**-**	22	**-**	22
Other	-	-	**-**	803
	(1,322)	(19,776)	**121,582**	133,163
Changes in current and noncurrent asset accounts				
Trade accounts receivable	**-**	-	**(57,820)**	135,658
Inventories	**-**	-	**(2,041)**	592
Taxes recoverable	**-**	-	**(4,917)**	4,778
Income taxes recoverable	**(1,517)**	(419)	**31,179**	(1,882)
Deferred taxes	**-**	-	**-**	19
In-court reorganization - CELPA	**-**	-	**(25,068)**	-
Services requested	**-**	-	**(16,637)**	(9,577)
Recovery of energy cost and charges	**-**	-	**(279,394)**	(170,091)
Purchase of fuel (CCC)	**(405)**	-	**(61,688)**	(42,327)
Judicial deposits	**-**	-	**35,946**	(21,555)
Concession-related financial asset	**-**	-	**(38,497)**	(138,045)
Dividends receivable	**1,246**	6,673	**-**	-
Future capital contribution	**(245,000)**	-	**-**	-
Other receivables	**(9,234)**	7,568	**(3,520)**	(23,404)
	(254,910)	13,822	**(422,457)**	(265,834)
Changes in current and noncurrent liability accounts				
Trade accounts payable	**164**	(1,152)	**252,958**	181,604
Taxes payable	**182**	394	**22,716**	(85,927)
Income taxes payable	**7,768**	170	**(50,422)**	16,274
Estimated liabilities - payroll	**263**	253	**(10,163)**	(8,013)
Provision for civil, tax and labor claims	**-**	-	**(8,072)**	77
Statutory fees	**-**	-	**303**	(11,606)
Energy efficiency program	**-**	-	**10,140**	7,119
Profit sharing	**(6,099)**	869	**(24,675)**	(8,109)
Street lighting charge	**-**	-	**(9,069)**	-
Retirement and pension plan	**-**	-	**-**	(55)
Interest paid	**-**	-	**(23,249)**	(28,822)
Income and social contribution taxes paid	**-**	-	**50,116**	(20,447)
Other accounts payable	**(14)**	(248,236)	**14,262**	(262,543)
	2,264	(247,702)	**224,845**	(220,448)
Net cash used in operating activities	**(253,968)**	(253,656)	**(76,030)**	(353,119)
Investing activities				
Acquisitions of intangible assets	**-**	-	**(140,822)**	35,873
Acquisition of property, plant and equipment	**-**	-	**8**	(9)
Acquisition of investment	**-**	(44,000)	**43**	(4,596)
Investment funds	**(1,476)**	(187,800)	**(1,032,066)**	-
Redemption of short-term investments	**255,494**	250,678	**1,320,662**	460,900
Dividend received	**-**	-	**1,245**	6,053
Net cash used in investing activities	**254,018**	**18,878**	**149,070**	**498,221**
Financing activities				
Loans and financing taken out	**-**	-	**14,690**	44,403
Repayment of loans and financing	**-**	-	**(94,589)**	(111,094)
Amortization of debentures	**-**	-	**-**	(160,380)
In-court reorganization	**-**	-	**-**	691
Proceeds from share issue / Capital increase	**-**	234,757	**-**	234,757
Net cash flow used in financing activities	**-**	234,757	**(79,899)**	8,377
Increase (decrease) in cash and cash equivalents	**50**	(21)	**(6,859)**	153,479
Statement of increase (decrease) in cash and cash equivalents				
Cash and cash equivalents at beginning of period	**21,403**	23	**350,885**	133,101
Cash and cash equivalents at end of period	**21,453**	2	**344,026**	286,580
Increase (decrease) in cash and cash equivalents	**50**	(21)	**(6,859)**	153,479

See accompanying notes.

Equatorial Energia S.A.

Statements of value added
Periods ended March 31, 2014 and 2013
(In thousands of reais)

	Company		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Revenues				
Sale of products and services	**-**	(743)	**1,731,147**	1,415,795
Other operating income/expenses	**(615)**	-	**(8,975)**	(17,922)
Provision for retirement and pension plan	**-**	-	**-**	(589)
Allowance for doubtful accounts and loss on uncollectible receivables	**-**	-	**(24,902)**	(34,980)
Other nonrecurring income/ expenses	**-**	-	**-**	-
(Reversal of) provision for civil, tax and labor claims	**-**	-	**(1,301)**	(3,526)
	(615)	**(743)**	**1,695,969**	**1,358,778**
Inputs acquired from third parties (including ICMS and IPI)				
Cost of sales and services	**-**	-	**(932,178)**	(756,217)
Materials, energy, third-party services and other expenses	**(1,134)**	(13,638)	**(151,114)**	(145,574)
Selling expenses	**-**	-	**(932)**	(1,057)
	(1,134)	**(13,638)**	**(1,084,224)**	**(902,848)**
Gross value added (used)	**(1,749)**	**(14,381)**	**611,745**	**455,930**
Depreciation and amortization	**-**	-	**(66,859)**	**(54,172)**
Net value added produced (used) by the Company	**(1,749)**	**(14,381)**	**544,886**	**401,758**
Value added received in transfer				
Equity pickup	**3,185**	(18,073)	**5,386**	2,975
Amortization of concession right	**(279)**	(1,153)	**(279)**	(1,153)
Financial income	**19,770**	23,437	**(23,295)**	106,785
Other	**-**	(12,248)	**-**	(127,839)
	22,676	**(8,037)**	**(18,188)**	**(19,232)**
Total value added to be distributed	**20,927**	**(22,418)**	**526,698**	**382,526**
Distribution of value added				
Employees				
Direct compensation	**2,032**	1,604	**43,645**	13,911
Benefits	**50**	106	**12,797**	56,872
Unemployment Compensation Fund (FGTS)	**11**	24	**4,052**	13,644
Other	**198**	441	**4,815**	(23,897)
	2,291	**2,175**	**65,309**	**60,530**
Taxes				
Federal	**4,015**	-	**172,608**	127,874
State	**-**	-	**250,242**	221,619
Municipal	**-**	-	**2,245**	7,710
	4,015	-	**425,095**	**357,203**
Debt remuneration				
Rent	**-**	-	**4,268**	2,873
	-	-	**4,268**	**2,873**
Equity remuneration				
Dividend	**-**	33,487		33,487
Income (loss) for the period	**14,621**	(58,080)	**14,621**	(58,080)
Noncontrolling interests in income for the year	**-**	-	**17,405**	(13,487)
	14,621	**(24,593)**	**32,026**	**(38,080)**
Value added	**20,927**	**(22,418)**	**526,698**	**382,526**

See accompanying notes.

(In thousands of reais, unless otherwise stated)

1 Operations

Equatorial Energia S.A. ("Company" or "Equatorial") 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 the Brazilian Commodities & Futures Exchange – São Paulo Stock Exchange (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 of Centrais Centrais Elétricas do Pará S.A. ("CELPA" and "Purchase and Sale Agreement"), 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.

2 Subsidiaries

Equatorial has investments as follows:

	Note	03/31/2014	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")** A publicly-traded corporation primarily engaged in the distribution of electric energy. CEMAR's concession area is the Maranhão State, serving more than 2.1 million customers in an area of more than 333 thousand Km2 at March 31, 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.

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.

2 Subsidiaries (Continued)

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 km2, and serves 2.1 million consumers in 143 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 the prior year.

All balances and transactions between companies were eliminated upon consolidation.

3 Preparation and presentation of interim financial statements

The interim financial information for the three-month period ended March 31, 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 May 7, 2014.

(In thousands of reais, unless otherwise stated)

4 Cash and cash equivalents

	Company		Consolidated	
	03/31/2014	**12/31/2013**	**03/31/2014**	**12/31/2012**
Cash and banks	-	-	51,131	63,026
Cash equivalents	21,453	21,403	289,983	287,859
Total	**21,453**	**21,403**	**341,114**	**350,885**

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 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:

	Company		Consolidated	
	03/31/2014	**12/31/2013**	**03/31/2014**	**12/31/2013**
CDB	-	-	24,431	74,610
Debentures - repurchase agreements	21,453	21,403	265,552	213,249
Total	**21,453**	**21,403**	**289,983**	**287,859**

(In thousands of reais, unless otherwise stated)

5 Short-term investments

	Company		Consolidated	
Type	**03/31/2014**	**12/31/2013**	**03/31/2014**	**12/31/2013**
Investment funds (a)	359,725	604,457	991,104	1,246,083
Other	-	-	13,862	16,049
Total	**359,725**	**604,457**	**1,004,966**	**1,262,132**

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

6 Trade accounts receivable (Consolidated)

	Consolidated	
	03/31/2014	**12/31/2013**
Accounts receivable from billed consumers	779,859	794,658
Accounts receivable from non-billed consumers	137,673	157,978
Debt receivable in installments	425,251	389,091
Low income consumers and “Viva a luz” programs	53,577	54,870
Sale under Chamber for the Commercialization of Electric Power (CCEE)	14,595	14,595
Other	134,708	75,527
Total	**1,545,663**	**1,486,719**
(-) Allowance for doubtful accounts	**(390,536)**	(364,510)
Total	**1,155,127**	**1,122,209**
Total - current	**1,026,474**	**1,006,085**
Total - noncurrent	**128,653**	**116,124**

(In thousands of reais, unless otherwise stated)

6 Trade accounts receivable (Consolidated) (Continued)

Allowance for doubtful accounts (CEMAR and CELPA)

	12/31/2013	Provisions Additions	Reversals (Write-offs)	03/31/2014
Accounts receivable from billed consumers	289,102	44,915	(18,134)	315,883
Installment plan	72,455	5,069	(5,824)	71,700
Electric Energy Sale Chamber (CCEE)	197	-	-	197
Services rendered to third parties	528	-	-	528
Total – current	**362,282**	**49,984**	**(23,958)**	**388,308**
Checks for collection	2,228	-	-	2,228
Total - noncurrent	**2,228**	**-**	**-**	**2,228**
Total	**364,510**	**49,984**	**(23,958)**	**390,536**

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

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

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

(In thousands of reais, unless otherwise stated)

6 Trade accounts receivable (Consolidated) (Continued)

	Consolidated 03/31/2014			
	Falling due balance	Overdue within 90 days	Overdue above 90 days	Total
Residential	136,847	129,599	173,085	439,531
Industrial	47,688	15,936	44,689	108,313
Commercial	71,229	33,256	30,650	135,135
Rural	6,645	8,106	15,761	30,512
Public sector	13,396	18,458	3,743	35,597
Street lighting	6,372	3,867	1153	11,392
Utility service	7,935	6,752	4,692	19,379
Billed supply (current and noncurrent)	**290,112**	**215,974**	**273,773**	**779,859**

	Consolidated 12/31/2013			
	Falling due balance	Overdue within 30 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
Billed supply (current and noncurrent)	**306,884**	**218,560**	**269,214**	**794,658**

7 Recovery of energy costs and charges

Since the last quarter of 2012, there has been an increase in the costs of energy purchase in the spot market, as well as energy produced by thermal generators, caused by several factors, as follows: (i) hydrological conditions; (ii) supply reduction for some plants did not renew their concessions according to Law No. 12783/13; (iii) high cost of thermal energy arising from level of dispatch currently used by power plants; and (iv) delay to start commercial operations of some energy generation projects.

Law No. 12783/2013 regulated the use of funds from the Energy Development Account (CDE), which includes offsetting exposure of distribution in the spot market and covering additional cost of dispatches of thermal plants activated for energy security reasons. This law also created new sources for their funding, including providing for the possibility that loans are taken out to supply funds to CDE. Accordingly, the Company understands that the legal right of offsetting costs and receiving cash already existed as of March 31, 2014, considering that there were several standards and pieces of evidence – a among which Law No. 10438/02, Law No. 12783/13, Decree No. 7891/13, Decree No. 7945/13, and communications issued by the Brazilian Department of Finance and the Brazilian Ministry of Mines and Energy – which supported the Company`s right to receive such amounts in cash and in the short-term, irrespective of future tariff adjustments.

In addition, on April 2, 2014, Decree No. 8221/2014 was published, and created “CONTA-ACR.” It also governed what was set forth in previous standards, i.e., that the CCEE should take out loans from banks in order to raise the funds required to allow payment to the distribution companies, and the increase in energy costs to which they were exposed due to the abovementioned factors. Subsequently, on April 16, 2014, ANEEL issued Resolution No. 612, and, on April 22, 2014, it issued Decision No. 1256, with the details of how CONTA-ACR should work, and approval of amounts to be remitted by CCEE to the distribution companies in connection with the reporting period February/2014.

7 Recovery of energy costs and charges (Continued)

On April 25, 2014, a Regulated Contract Environment (ACR) Operation Financing Agreement was executed by CCEE with several financial institutions, limited to R$11.2 billion, to be remitted to the distribution companies that incur in the abovementioned incremental costs. CCEE will settle this financial liability with the receipt of shares related to the payment of obligations of each distribution company to CCEE. Such shares will be determined in the future by ANEEL for each energy distribution company, and are not linked to the reimbursement amount received by means of the loan taken out by CCEE. The Company provided no direct guarantee for this agreement.

Funds covered by this CDE remittance was carried in the Company`s consolidated P&L as a reducing account of the Energy purchased for resale group in the same quarter, ended March 31,2014, in which costs were incurred, and totaled R$ 326,277 for the quarter ended March 31, 2014, as follows: (i) R$ 41,963 related to January 2014, received directly from CDE funds on March 11, 2014, (ii) R$ 130,152 related to February 2014, received by means of CONTA-ACR on April 29, 2014, and (iii) R$ 154,162, amount estimated by the Company, related to March 2014 and which is expected to be received in May 2014.

(In thousands of reais, unless otherwise stated)

8 Taxes recoverable

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

7.1 Taxes and contributions recoverable

Current portion	Consolidated	
	03/31/2014	12/31/2013
PIS/COFINS	2,420	2,784
State VAT (ICMS)	64,742	64,336
Extraordinary Installment Program (PAEX) recoverable	40,419	39,158
Social charges and other	2,170	2,223
Other	1,521	5,348
	111,272	**113,849**
Noncurrent portion		
State VAT (ICMS)	60,506	56,802
Social Security Funding Tax (FINSOCIAL)	2,120	2,160
Other	583	582
Total	**63,209**	**59,544**

7.2 Taxes and contributions recoverable

	Consolidated	
Current portion	03/31/2014	12/31/2013
Withholding Income Tax (IRRF) on short-term investments	**14,853**	18,609
Prepaid Corporate Income Tax (IRPJ) / Social Contribution on Net Profit (CSLL)	**4,333**	20,915
IRPJ/CSLL recoverable	**4,277**	6,465
IRPJ and CSLL withheld at source	**3,991**	7,882
	27,454	**53,871**
Noncurrent portion		
IRPJ and CSLL recoverable	**32,273**	33,206
	32,273	**33,206**

(In thousands of reais, unless otherwise stated)

9 Purchase of fuel – Fuel Consumption Account (CCC)

At March 31, 2014, the subsidiary has a fuel consumption account (CCC) credit in the amount of R$156,034 (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).

10 Transactions with related parties

The main asset and liability balances at March 31, 2014 and December 31, 2013, as well as the transactions that affected net income for periods ended March 31, 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

			03/31/2014			12/31/2013		03/31/2013
Company	**Re.**	**Type of transaction**	**Assets**	**Liabilities**	**Income/Expenses**	**Assets**	**Liabilities**	**Income/Expenses**
CEMAR	(a)	Sharing agreement	**-**	**170**	**-**	-	222	-
		Dividend	**24,449**	**-**	**-**	24,449	-	-
CELPA	(b)	Loan agreement:	**412,371**	**-**	**-**	416,147	-	5,936
		Swap transactions	**-**	**-**	**-**	-	-	4,710
Equatorial Soluções	(c)	Dividend	**795**	**-**	**-**	1,866	-	-

(In thousands of reais, unless otherwise stated)

10 Transactions with related parties (Continued)

Consolidated

			03/31/2014			12/31/2013		03/31/2013
Company	**Re.**	**Type of transaction**	**Assets**	**Liabilities**	**Income/Expenses**	**Assets**	**Liabilities**	**Income/Expenses**
Eletrobras	(d)	Loan	**-**	**433,750**	**-**	-	372,179	7,072
		Dividend	**-**	**12,598**	**-**	-	12,598	-
FASCEMAR	(e)	Debt agreement	**-**	**8,458**	**-**	-	10,213	780
		Private pension plan	**-**	**-**	**674**	-	-	616
CEMAR	(a)	Sharing agreement	**-**	**170**	**-**	-	222	-
GERAMAR	(f)	Electric energy purchase	**-**	**-**	**421**	-	-	2,575
Equatorial Soluções	(c)	Sharing agreement	**397**	**709**	**-**	368	-	-

(a) Companhia Energética do Maranhão (CEMAR) - 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 km2, and serves 1.9 million consumers in 143 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 court—supervised reorganization of CELPA, which are owed to the following creditors: BNDES, Banco Bradesco, Banco Itaú BBA / Unibanco, BIC Banco, Banco Merrill Lynch e Banco Société Générale. 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.

(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.

(In thousands of reais, unless otherwise stated)

10 Transactions with related parties (Continued)

(d) Eletrobrás – Publicly-traded company primarily engaged in conducting studies and projects, building and operating generating plants, transmission lines, and distributing electric energy. Eletrobrás 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 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 CCEAR No. 5555/2007 - 29413N - 29414N, effective through 2024, under usual market conditions.

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 in the Special Shareholder’s Meeting held on April 25, 2014.

The percentage represented by each element in total management fees for the period ended March 31, 2014 is as follows:

Board of Directors	
Fixed compensation	100%
Executive Board	
Fixed compensation	8%
Benefits:	1%
Variable compensation:	91%

(In thousands of reais, unless otherwise stated)

10 Transactions with related parties (Continued)

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

	Board of Directors	Statutory Board	Total
Number of members	**7**	**7**	**14**
Annual fixed compensation	**315**	**469**	**784**
Salary or management fees	315	446	761
Direct and fringe benefits	-	23	23
Variable compensation	**-**	**4,873**	**4,873**
Bonus	-	4,873	4,873
Post-employment benefits	**-**	**-**	**-**
Total compensation per body	**315**	**5,342**	**5,657**

Guarantees

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

CEMAR

Institution	Financing amount	% Guaranteed	Beginning	Ending	Amount released	03/31/2014
Government Agency for Machinery and Equipment Financing – FINAME PSI (Simplified)	776	100	03/25/2010	10/15/2019	776	543
Government Agency for Machinery and Equipment Financing – FINAME PSI (Conventional)	24,811	100	08/17/2010	04/15/2020	17,262	13,254
Banco do Brasil - CCB Nº 21/00003-4	90,000	100	04/27/2013	04/27/2015	90,000	97,168
Banco do Brasil - CCB Nº 20/02000-7	150,000	100	06/28/2013	06/28/2015	150,000	159,345
Banco do Brasil - CCB Nº 20/02002-3	40,000	100	12/18/2013	12/18/2015	40,000	40,891
National Bank for Economic and Social Development - BNDES (11.2.0841.1)	193,023	100	11/11/2011	11/15/2021	175,237	121,006
National Bank for Economic and Social Development - BNDES (12.2.1211.1)	516,488	100	12/13/2012	12/15/2022	244,005	333,111
Banco do Nordeste do Brasil - BNB	136,076	100	11/23/2005	02/28/2017	136,076	37,801
Banco do Nordeste do Brasil - BNB (193.2008.2808.3018)	144,939	100	02/05/2009	02/05/2021	144,939	125,213
Caixa Econômica Federal - Agreement Nº 415.866-52/2013 – FINISA	28,626	100	10/04/2013	10/07/2025	14,313	14,542
Study and Project Financing Institution - FINEP	11,519	100	11/07/2011	03/15/2020	7,956	6,741
International Finance Corporation – IFC *	135,056	50	02/01/2008	01/15/2016	135,056	41,981
Total	**1,471,314**				**1,155,620**	**991,596**

(In thousands of reais, unless otherwise stated)

10 **Transactions with related parties** (Continued)

CELPA:

Institution	Contract amounts	% Guaranteed	Beginning	Ending	Amount released	03/31/2014
Banco Interamericano de Desenvolvimento (RJ)	121,095	100	09/01/2012	08/31/2026	121,095	146,534
Ministry of Finance – PGNF (Installment Payment Arrangements – 12/19/2012)	131,900	100	11/19/2012	10/19/2017	131,900	102,166
Austral Seguradora (Judicial guarantee 2008.34.00.039764-6, AI ANEEL No. 004/2007)	16,065	100	01/29/2013	01/29/2015	N/A	N/A
Austral Seguradora (Auction guarantee 48500.007395/2007-41)	59	100	03/19/2013	09/19/2014	N/A	N/A
Fairfax Brasil Seguros (Judicial guarantee insurance No. 12901-34-2011-4-01-3400)	4,075	100	06/13/2013	06/13/2015	N/A	N/A
Austral Seguradora (Auction guarantee 48500.002921/2013-25)	505	100	08/19/2013	04/01/2014	N/A	N/A
Banco Itaú (Bank guarantee- Beneficiary Prysmian)	4,560	100	09/02/2013	05/20/2014	N/A	N/A
Banco Itaú (Bank guarantee- Beneficiary Prysmian)	1,800	100	09/02/2013	06/23/2014	N/A	N/A
Banco Itaú (Bank guarantee- Beneficiary Lig Global)	2,640	100	09/02/2013	06/23/2014	N/A	N/A
Banco Itaú (Working capital CCBI)	200,000	100	11/25/2013	11/25/2015	200,000	196,683
Banco CitiBank (Working capital CCBI)	175,000	100	11/25/2013	11/25/2015	175,000	173,335
Austral Seguradora (Auction guarantee No. 10/2013 A-5)	382	100	12/04/2013	10/02/2014	N/A	N/A
Austral Seguradora (Judicial guarantee - Policy holder Terra industrial)	1,825	100	12/13/2013	12/13/2015	N/A	N/A
Austral Seguradora (Judicial guarantee - Policy holder Municipality of Marabá)	486	100	01/01/2014	01/01/2016	N/A	N/A
Banco IBM (Working capital)	11,700	100	01/22/2014	07/24/2017	11,700	11,378
Austral Seguradora (Judicial guarantee – Policy holder Banco Guanabara S/A)	9,128	100	03/10/2014	03/10/2017	N/A	N/A
Austral Seguradora (Judicial guarantee – Policy holder PETROS)	36,808	100	03/10/2014	03/10/2017	NA	NA
Total	**718,028**				**639,695**	**630,096**

11 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, subsidiary CELPA 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.

(In thousands of reais, unless otherwise stated)

11 CCC subrogation (Continued)

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$186,813 (R$185,688 at December 31, 2013) referring to the 1st phase, was used through March 31, 2014.

11.1 CCC subrogation – subsidy apportionment

	12/31/2013	Transfers to projects	03/31/2014
Amounts applied	**185,688**	1,125	**186,813**
Amounts to be applied	**279,510**	(1,125)	**278,385**
Total	**465,198**	-	**465,198**

12. Deferred income and social contribution taxes

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

Deferred tax credits on tax losses may be carried indefinitely and the financial effects thereof will occur upon realization. Income tax is calculated at the rate of 25%, plus a surtax of 10%, whereas social contribution tax is computed at the rate of 9%.

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

(In thousands of reais, unless otherwise stated)

12. Deferred income and social contribution taxes (Continued)

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

	Consolidated	
	03/31/2014	**12/31/2013**
IRPJ on tax losses (*)	178,026	167,603
IRPJ and CSLL on temporary differences	(178,026)	(195,288)
IRPJ and CSLL on acquisition of CELPA	42,179	58,784
Total - noncurrent	**42,179**	**31,099**

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

b. Expected recovery

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

Expected realization	2014	2015	2016	2017	2018	2019	Total
Deferred taxes	(8,321)	(28,791)	(42,595)	(37,490)	(27,971)	(22,436)	(167,604)

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 Fiscal Council and approved by the Board of Directors on February 26, 2014. .

c. Reconciliation of income and social contribution tax expenses

Reconciliation of tax expenses calculated by applying tax rates and expenses with Corporate Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL) charged to P&L for the quarters ended March 31, 2014 and 2013 is as follows:

(In thousands of reais, unless otherwise stated)

12 Deferred income and social contribution taxes (Continued)

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

	Company		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Income before income and social contribution taxes – Income Tax Computation Register (LAIR)	**18,636**	**(24,593)**	**51,321**	**(30,808)**
Combined rate of income and social contribution taxes	**34%**	**0%**	**34%**	**34%**
Income and social contribution taxes at statutory rates	**6,336**	**-**	**17,449**	**(10,475)**
Additions:				
Provision for contingencies	-	-	112,054	152,324
Allowance for doubtful accounts	-	-	32,671	172,730
Research and development, and energy efficiency	-	-	13,976	2,328
Regulatory assets and liabilities	-	-	38,189	36,600
Transition Tax Regime (RTT) adjustments	-	-	19,084	4,154
Provision for pension fund	-	-	8,681	200
Provision for purchase of energy	-	-	56,727	-
Suspended tax payments	-	-	-	2,281
Other nondeductible expenses	484	-	9,120	8,908
	484	-	290,474	379,525
Exclusions:				
Reversals of provisions, deferred tariff adjustment and regulatory assets	-	-	(185,679)	(266,496)
Reversal of allowance for doubtful accounts	-	-	(23,742)	(20,616)
Accelerated depreciation	-	-	(11,827)	-
Reversals of contingencies	-	-	(24,323)	(73,523)
RTT adjustments	-	-	(16,535)	(3,199)
Effect of income and social contribution taxes on equity pick-up	1,083	(6,145)	(1,831)	-
Other	(2,165)	-	(23)	-
	(1,082)	**(6,145)**	**(263,960)**	**(363,834)**
Income and social contribution taxes (IRPJ and CSLL)	**5,737**		**43,963**	**5,216**
Workers' Meal Program (PAT) incentive	-	-	(285)	(96)
Offsetting of social contribution tax losses	(1,723)	-	(1,723)	-
Prior years' income tax expense	-	-	-	50
Income and social contribution taxes in the statement of operations	**4,015**	**-**	**41,955**	**5,170**
Effective rate and deferred tax assets	**21.54%**	**0.00%**	**81.75%**	**-16.78%**
Deferred tax assets	**-**	**-**	(11,080)	4,068
(+) Income tax – government grant (a)	**-**	**-**	(11,580)	(1,966)
Total	**4,015**	**-**	**19,295**	**7,272**

(In thousands of reais, unless otherwise stated)

12 Deferred income and social contribution taxes (Continued)

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

(a) On May 14, 2007, the Agency for the Development of the Northeast (ADENE), currently the Superintendence for the Development of the Northeast (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 installations. 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.

13 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 assets 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:

	12/31/2013	Reclassification (a)	NRV (b)	Capitalization	Write-offs	03/31/2014
Financial assets:	**1,776,873**	22,747	22,611	46,916	(232)	**1,868,915**
Special obligations	**(581,130)**	-	(13,246)	(8,494)	-	**(602,870)**
Financial assets	**1,195,743**	**22,747**	**9,365**	**38,422**	**(232)**	**1,266,045**

	12/31/2012	Reclassification (a)	NRV (b)	Capitalization	Write-offs	12/31/2013
Financial assets	**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 assets	**1,052,945**	**(59,971)**	**69,379**	**150,836**	**(17,446)**	**1,195,743**

13 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 value

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 value (NRV) 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 participation of the source from which the funds are obtained, to wit:

- Funds obtained from the Federal 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.

(In thousands of reais, unless otherwise stated)

14. Other receivables

	Company		Consolidated	
Current assets	**03/31/2014**	**12/31/2013**	**03/31/2014**	**12/31/2013**
Amounts recoverable from employees	-	-	1,553	2,036
Advances to suppliers	-	-	8,890	10,656
Disposal of assets and rights	-	-	5,490	4,440
Credits in electric power bills	-	-	3,870	4,062
Prepaid expenses	-	-	8,460	7,286
Other receivables	1,024	1,045	17,383	12,856
Total	**1,024**	**1,045**	**45,648**	**41,336**

	Company		Consolidated	
Noncurrent assets	**03/31/2014**	**12/31/2013**	**03/31/2014**	**12/31/2013**
Amounts to be released	-	-	35,026	35,026
Assets pledged as collateral	-	-	36,323	37,413
Loan transferred to CELPA	425,403	416,147	-	-
Other receivables	-	-	627	331
Total	**425,403**	**416,147**	**71,976**	**72,770**

(In thousands of reais, unless otherwise stated)

15 Investments

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

Accounted for under the equity method:		Subsidiaries 03/31/2014	Subsidiaries 12/31/2013	Consolidated 03/31/2014	Consolidated 12/31/2013
CEMAR	65.12%	1,125,436	1,106,395	-	-
CELPA	96.18%	38,901	68,169	-	-
Geradora de Energia do Norte	25.00%	63,828	59,688	63,828	59,688
Vila Velha	50.00%	3,300	3,300	3,300	3,300
Equatorial Soluções	100.00%	23,555	15,221	-	-
Subtotal		**1,255,020**	**1,252,773**	**67,1298**	**62,988**
Other investments		-	-	7,862	7,906
Total		**1,255,020**	**1,252,773**	**74,990**	**70,894**

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

	CEMAR	CELPA	Geramar	Equatorial Soluções	Vila Velha	Total
Balance at December 31, 2013	1,106,395	68,169	59,688	15,221	3,300	1,252,773
Equity pickup	19,321	(29,855)	5,386	8,333	-	3,186
Dividend	-	-	(1,246)	-	-	(1,246)
Amortization of concession right	(280)	-	-	-	-	(280)
Investment loss	-	587	-	-	-	587
Balance at March 31, 2014	1,125,436	38,901	63,828	23,554	3,300	1,255,020

(In thousands of reais, unless otherwise stated)

15 Investments (Continued)

	CEMAR	CELPA	Geramar	Equatorial Soluções	Vila Velha	Total
Balance at December 31, 2012	**1,010,272**	**223,135**	**57,147**	**8,625**	**2,000**	**1,301,179**
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)
Balance at December 31, 2013	**1,106,395**	**68,169**	**59,688**	**15,221**	**3,300**	**1,252,773**

16 Intangible assets (Consolidated)

Breakdown of intangible assets is as follows:

		03/31/2014			
	Weighted average annual depreciation rates (%)	Cost	Amortization	(-) Concession-related obligations	Net amount
In operation	3.54%	7,238,698	(2,858,142)	(1,812,450)	2,568,106
In progress		1,317,772	-	(271,241)	1,046,531
Service concession arrangement		628.115	(89,016)	-	539,099
Total		**9,184,585**	**(2,947,158)**	**(2,083,691)**	**4,153,736**

(In thousands of reais, unless otherwise stated)

16 Intangible assets (Consolidated) (Continued)

	Weighted average annual depreciation rates (%)	12/31/2013 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
Total		**9,060,841**	**(2,864,171)**	**(2,081,943)**	**4,114,727**

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)	03/31/2014
In operation	7,166,897	**(22,747)**	**-**	(20,240)	112,141	7,236,051
(-) Amortization	(2,771,811)	-	(93,047)	9,364	-	(2,855,494)
Total in operation	**4,395,086**	**(22,747)**	**(93,047)**	**(10,876)**	**112,141**	**4,380,557**
in progress	1,261,873	-	214,927	-	(159,028)	1,317,772
Total	**1,261,873**	**-**	**214,927**	**-**	**(159,028)**	**1,317,772**
Special obligations **(i)**	(2,504,286)	-	(37,745)	984	8,419	(2,532,628)
(-) Amortization	422,343	-	26,593	-	-	448,936
Total special obligations	**(2,081,943)**	**-**	**(11,152)**	**984**	**8,419**	**(2,083,692)**
Concession rights	628,115	-	-	-	-	628,115
(-) Amortization	(88,404)	-	(612)	-	-	(89,016)
Total concession rights	**539,711**	**-**	**(612)**	**-**	**-**	**539,099**
	4,114,727	**(22,747)**	**110,116**	**(9,892)**	**(38,468)**	**4,153,736**

(In thousands of reais, unless otherwise stated)

16 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)**
Total in operation	**4,144,721**	**59,971**	**(352,293)**	**(85,134)**	**627,821**	**4,395,086**
in progress	1,554,662	-	721,804	-	(1,014,593)	**1,261,873**
Total	**1,554,662**	**-**	**721,804**	**-**	**(1,014,593)**	**1,261,873**
Special obligations **(i)**	(2,420,212)	-	(341,083)	21,075	235,934	**(2,504,286)**
(-) Amortization	319,185	-	104,537	(1,379)	-	**422,343**
Total special obligations	**(2,101,027)**	**-**	**(236,546)**	**19,696**	**235,934**	**(2,081,943)**
Concession rights	628,115	-	-	-	-	**628,115**
(-) Amortization	(83,792)	-	(4,612)	-	-	**(88,404)**
Total concession rights	**544,323**		**(4,612)**	**-**	**-**	**539,711**
Total	**4,142,679**	**59,971**	**128,353**	**(65,438)**	**(150,838)**	**4,114,727**

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.

17 Trade accounts payable (Consolidated)

	Company		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Electric energy supply	-	-	477,569	293,494
Free energy – CCEE	-	-	11,385	15,288
Acquisition of fuel	-	-	156,034	94,346
Electric network use charge	-	-	210,139	228,094
Material and services	-	-	245	245
Other	376	212	72,300	43,247
Total	**376**	**212**	**927,672**	**674,714**

(In thousands of reais, unless otherwise stated)

18 Loans and financing (Consolidated)

	Debt average cost (% p.a.)	03/31/2014 Current Principal and charges	Noncurrent Principal and charges	Total
Foreign currency				
Crédito RJ (a)	5.28%	-	146,534	146,534
National Treasury	4.41%	4,139	49,956	54,095
CCBI ITAÚ (b)	2.64%	49,601	147,082	196,683
CCBI CITIBANK (b)	2.65%	43,491	129,844	173,335
Subtotal		**97,231**	**473,416**	**570,647**
(-) Funding costs		(1,657)	(1,943)	(3,600)
Total in foreign currency		**95,574**	**471,473**	**567,047**
Domestic currency				
Eletrobras	8.56%	75,117	358,633	433,750
IFC	9.59%	21,684	20,778	42,462
BNB	8.50%	37,570	126,408	163,978
BNDES	6.92%	38,878	416,899	455,777
FINEP	4.00%	1,133	5,608	6,741
FINAME	5.01%	3,078	12,320	15,398
CAIXA	6.00%	-	14,542	14,542
IBM	8.88%	4,468	9,793	14,261
BB	8.93%	-	298,860	298,860
Leasing	11.81%	64	7	71
Crédito RJ (a)	6.32%	-	848,248	848,248
Subtotal		**181,992**	**2,112,096**	**2,294,088**
(-) Funding costs		(2,333)	(2,712)	(5,045)
Total in domestic currency		**179,659**	**2,109,384**	**2,289,043**
Overall total	**6.63%**	**275,233**	**2,580,857**	**2,856,090**

(In thousands of reais, unless otherwise stated)

18 Loans and financing (Consolidated) (Continued)

	Debt average cost (% p.a.)	12/31/2013 Current Principal and charges	12/31/2013 Noncurrent Principal and charges	Total
Foreign currency				
National Treasury	5.04%	3,652	51,668	55,320
CRÉDITO RJ – BID (a)	5.28%	-	149,750	149,750
CCBI ITAU (b)		535	203,007	203,542
CCBI CITIBANK (b)		389	179,215	179,604
Subtotal		**4,576**	**583,640**	**588,216**
(-) Funding costs		(1,657)	(4,157)	(5,814)
Total in foreign currency		**2,919**	**579,483**	**582,402**
Domestic currency				
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
LEASINGS	10.59%	224	22	246
Banco do Brasil S.A.	7.45%	-	291,836	291,836
CAIXA		-	14,331	14,331
Subtotal		**169,210**	**2,180,712**	**2,349,922**
(-) Funding costs		(2,895)	(3,851)	(6,746)
Total in domestic currency		**166,315**	**2,176,861**	**2,343,176**
Overall total	**6.83%**	**169,234**	**2,756,344**	**2,925,578**

(In thousands of reais, unless otherwise stated)

18 Loans and financing (Consolidated) (Continued)

(a) Crédito RJ refers to loans granted by financial creditors of CELPA In-court Reorganization, 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:

	03/31/2014	
Maturity	**Amount**	%
Current	**275.233**	**10%**
2015	721,983	25%
2016	182,280	6%
2017	161,865	6%
From 2017 onwards	1,519,384	53%
Total	**2,585,512**	**90%**
Funding cost (noncurrent)	(4,655)	
Noncurrent	**2,580,857**	**90%**
Total	**2,856,090**	**100%**

Changes in loans and financing are as follows:

	Domestic currency		Foreign currency		
	Current liabilities	**Noncurrent liabilities**	**Current liabilities**	**Noncurrent liabilities**	**Total**
Balances at December 31, 2013	**166,315**	**2,176,859**	**2,919**	**579,485**	**2,925,578**
Inflows	-	14,690	-	-	14,690
Charges	19,586	7,733	3,212	-	30,531
Monetary and exchange gains/losses	5	18,313	(3,382)	(15,720)	(784)
Transfers	97,143	(97,143)	95,180	(95,180)	-
Amortization of principal	(83,056)	(11,533)	-	-	(94,589)
Payment of interest	(20,894)	-	(2,355)	-	(23,249)
Transfer or transaction	(2,888)	-	-	2,888	-
Funding costs	3,448	465	-	-	3,913
Balances at March 31, 2014	**179,659**	**2,109,384**	**95,574**	**471,473**	**2,856,090**

(In thousands of reais, unless otherwise stated)

18 Loans and financing (Consolidated) (Continued)

	Local currency		Foreign currency		
	Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities	Total
Balances at December 31, 2012	**555,665**	**1,834,899**	**93,013**	**139,286**	**2,622,863**
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 collateral	-	-	-	29,543	29,543
Balances at December 31, 2013	**166,315**	**2,176,861**	**2,919**	**579,483**	**2,925,578**

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 March 31, 2014, the Company had complied with the limits specified in the contract.

(In thousands of reais, unless otherwise stated)

19 Debentures (Consolidated)

Changes in debentures are shown below:

	Current liabilities	Noncurrent liabilities	Total
Balances at December 31, 2013	**5,974**	**294,085**	**300,059**
Funding costs	-	73	73
Charges	5,552	-	5,552
Monetary gains (losses)	154	4,355	4,509
Balances at March 31, 2014	**11,680**	**298,513**	**310,193**

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

4th Issue of debentures

The 4th 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 March 31, 2014., the effect rate of this operation is 11.36% per year.

(In thousands of reais, unless otherwise stated)

19. Intangible assets (Consolidated) (Continued)

3rd Issue of debentures

The 3rd 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 3rd issue of debentures was concluded.

At March 31, 2014, debentures represent the amount of R$310,193 and their maturities are scheduled as follows:

	Consolidated			
	03/31/2014		12/31/2013	
Maturity	**Amount**	**%**	**Amount**	**%**
Current	**11,976**	**4%**	**5,974**	**37%**
Funding costs	(295)			
2016	33,793	11%	33,793	7%
From 2016 onwards	266,269	86%	261,915	56%
Noncurrent	**300,062**	**97%**	**295,708**	**63%**
Funding costs	(1,550)	0%	(1,623)	-
Total	**310,193**	**100%**	**300,059**	**100%**

Covenants

The issue of debentures classified in current and noncurrent liabilities requires compliance with levels of indebtedness ratios and interest coverage. At March 31, 2014, the Company and its subsidiaries were in compliance with all the indicators required by agreements.

(In thousands of reais, unless otherwise stated)

20 Taxes payable

19.1 Taxes payable

	Consolidated	
Current	**03/31/2014**	**12/31/2013**
ICMS	**79,815**	84,233
ICMS in installments	**37,058**	40,097
PIS/COFINS	**55,571**	25,473
Tax recovery program (REFIS/PAES)	**82,046**	81,026
Social charges and other	**11,096**	12,540
Other	**7,835**	5,317
Total	**273,421**	**248,686**

	Consolidated	
Noncurrent	**03/31/2014**	**12/31/2013**
ICMS in installments	**74,670**	79,893
REFIS/PAES (a)	**238,105**	252,851
Other	**1,123**	1,069
Total	**313,898**	**333,813**

19.2 Income taxes payable

	Company		Consolidated	
	03/31/2014	**12/31/2013**	**03/31/2014**	**12/31/2013**
IRRF	**-**	-	**320**	509
Provision for IRPJ / CSLL	**3,123**	11,772	**20,948**	17,336
Total	**3,123**	**11,772**	**21,268**	**17,845**

a. CELPA has installment payment plans approved by the Pará State Finance Department stemming from current ICMS debts. The installments are restated based on SELIC (basic interest rate) plus 1%.

20 Taxes payable (Continued)

b. Tax Recovery Program – REFIS

CEMAR

On November 28, 2009, subsidiary CEMAR joined the tax installment payment plan 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.

21 Provision for civil, tax and labor claims (Consolidated)

Subsidiaries CEMAR and CELPA are defendants in judicial and administrative proceedings in various courts and government agencies, involving tax, labor, civil and other matters arising from its normal 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:

(In thousands of reais, unless otherwise stated)

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

	03/31/2014			12/31/2013		
	Value of the matter in dispute	**Judicial deposits**	**Net provision**	**Value of the matter in dispute**	**Judicial deposits**	**Net provision**
Civil	98,353	(95,706)	2,647	97,577	(140,258)	(42,681)
Tax	574	(394)	180	569	(394)	175
Labor	98,870	(7,808)	91,062	102,866	(29,191)	73,675
Regulatory	131,773	(23,872)	107,901	136,603	-	136,603
PPA CELPA (a)	339,073	-	339,073	339,684	-	339,684
	668,643	**(127,780)**	**540,863**	**677,299**	**(169,843)**	**507,456**
Current	31,931	(22,568)	9,363	39,775	(24,165)	15,610
Noncurrent	636,712	(105,210)	531,502	637,524	(139,559)	497,965
	668,643	**(127,778)**	**540,865**	**677,299**	**(163,724)**	**513,575**

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$339.073.

b) Of the total judicial deposits referring to civil proceedings, the amount of R$96,679 refers 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.

(In thousands of reais, unless otherwise stated)

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

Changes in proceedings for the year (Consolidated)

	12/31/2013					03/31/2014
	Opening balance	**Addition to provision**	**Use** (1)	**Reversals** (2)	**Restatement** (3)	**Closing balance**
Civil	97,577	6,913	(5,855)	(3,253)	2,971	**98,353**
Tax	569	3	-	-	2	**574**
Labor	102,866	1,913	(2,217)	(3,557)	(135)	**98,870**
Regulatory	136,603	794	-	(5,847)	223	**131,773**
PPA CELPA	339,684	-	-	(611)	-	**339,073**
	677,299	**9,623**	**(8,072)**	**(13,268)**	**3,061**	**668,643**

	12/31/2012					12/31/2013
	Opening balance	**Addition to provision**	**Use** (1)	**Reversals** (2)	**Restatement** (3)	**Closing balance**
Civil	94,490	6,534	(6,145)	(680)	234	**94,433**
Tax	145,125	-	-	(57)	-	**145,068**
Labor	116,341	770	(2,352)	(2,661)	176	**112,274**
Regulatory	87,755	8,567	-	-	-	**96,322**
PPA CELPA	343,161	-	-	-	-	**343,161**
	786,872	15,871	(8,497)	(3,398)	410	791,258

(1) Actual expenses on legal contingencies.

(2) Reversals made in the year.

(3) Monetary restatement**.**

21 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$46,061 (R$36,232 at December 31, 2013), for which no provision was recorded.

Civil

The subsidiaries are defendants in 18,073 civil suits, 12,872 of which at Civil Courts of Appeal, mostly referring to claims seeking compensation for damages and pain and suffering, as well as reimbursement of amounts paid by customers.

The most significant civil proceedings claim compensation for accidents in the distribution network, 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 March 31, 2014, the provision totals R$98,353 (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 255 tax proceedings.

The interim financial statements for the quarter ended March 31, 2014 include provision for tax proceedings totaling R$574 (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$48,070 (R$48,103 at December 31, 2013), for which no provision was recorded.

(In thousands of reais, unless otherwise stated)

22 Other accounts payable (Consolidated)

	03/31/2014		12/31/2013	
	Current	Noncurrent	Current	Noncurrent
Other accounts payable - Suppliers	2,236	-	-	-
Collection agreements	-	-	2,231	-
Advances from consumers (a)	43,548	-	42,264	-
Insurance entities	-	-	202	-
Other allocations – suppliers	10,461	-	10,474	-
“Ex-isolados” charges	1,889	-	-	-
Tariff charges	-	-	1,888	-
CCC subsidy - PIS	-	102,244	-	83,708
Regulatory penalties (b)	49,395	-	49,278	-
Post-employment benefits	8,458	-	19,193	2,043
Guarantees	5,816	-	6,716	-
Acquisition of CELPA	60,000	-	60,000	-
Third-party credits	390	-	1,316	-
Other accounts payable	52,464	19,320	42,137	20,511
Total	**234,657**	**121,564**	**235,699**	**106,262**

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.

(In thousands of reais, unless otherwise stated)

23 Equity

a. Capital

At March 31, 2014, capital if R$1,977,276 (R$1,977,276 at December 31, 2013), comprising shares broken down by type and main shareholders as follows:

Shareholder	Registered common shares	%
PCP Latin America Power S/A	45,518,146	22.94%
Squadra Investimentos	30,939,640	15.59%
International Finance 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 noncontrolling interests	70,752,695	35.65%
Total	**198,447,352**	**100.00%**

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

Third stock option plan

In Special Shareholders' Meeting held on October 16, 2008, creation of the Third Equatorial Stock Option Plan (Third Plan) was approved. Options for share subscription to be offered under the Plan terms will comprise no more than 4,000 shares of Equatorial. Once options are exercised, the corresponding shares are issued through Company's capital increase, within the limits of authorized capital set forth in the Company's articles of incorporation. Further Plan details can be found in the minutes to the Special Shareholders' Meeting in which it was approved, which is available on the Company's and CVM's web site.

After subscriptions through 2012, there is no further balance for subscription under the third stock option plan.

Fair value – option price on corresponding grant date and at end of period was estimated under the Black & Scholes method. All parameters have been based on historical data (volatility, risk-free rate and share price) on grant date or end of periods.

(In thousands of reais, unless otherwise stated)

23 Equity (Continued)

a. Capital

Risk-free interest rate: Federal government bond NTN-B (IPCA) rate, maturing closest to the vesting period of each Program lot. More specifically, 6.76%, 7.19%, 7.22% and 7.39% for lots 1, 2, 3 and 4.

Vesting period – average maturity term of each option lot.
Volatility – calculated based on comparable publicly-held companies in our segment.

Strike price – calculated based on option issue price restated at IPCA, adjusted by dividends declared for the period.

Dividends – as a parameter, amounts effectively declared after issue of options were adopted.

Turnover – historical turnover of employees benefiting from previous plans was used to estimate potential termination of employees benefiting from this stock option plan.

The following table states the impact of options exercised on equity:

	12/31/2013		**03/31/2014**
	Opening balance	**Recognized options granted**	**Closing balance**
Capital reserve	14,080	-	**14,080**

b. Income reserve – legal

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 resolved by the Board of Directors, limited to 20% of total capital.

23 Equity (Continued)

c. Income reserve – Reserve for investments and expansion

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

d. 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.

e. Increase in interest in subsidiary

On April 30, 2013, the Company increased its interest in the 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.

24 Employees' profit sharing

The Company and its subsidiaries' profit sharing program comprises assessments of indicators for the presidency, board, management, coordinators and employees and is improving over the years so as to foster professionals' commitment to better operational performance. For the three-month period ended March 31, 2014, the accrued profit sharing balance was R$1,940 (R$8,039 at December 31, 2013).

The Company and subsidiaries recorded an accrued balance of R$9,998 at March 31, 2014 (R$34,673 at December 31, 2013).

(In thousands of reais, unless otherwise stated)

25 Operating revenue (Consolidated)

	03/31/2014		
	Number of consumers (*)	MWh (*)	R$
Residential	3,688,766	1,430,182	578,849
Industrial	12,953	437,258	137,504
Commercial	294,669	672,523	298,333
Rural	178,082	88,174	26,265
Public sector	39,921	185,098	77,451
Public lighting	1,339	176,981	44,966
Utility services	5,917	133,569	39,012
Own consumption	640	9,592	-
Revenue from availability/use of the electricity grid	-	-	5,811
CCEE supply	-	-	54,309
Low income consumers	-	-	84,015
Construction revenue	-	-	210,329
Other	-	-	174,304
Total	**4,222,287**	**3,133,377**	**1,731,148**

(*) Information not examined by independent auditors

(In thousands of reais, unless otherwise stated)

25 Operating revenue (Consolidated) (Continued)

	03/31/2013		
	Number of consumers	MWh (*)	R$
Residential	3,504,359	1,237,453	498,764
Industrial	12,962	401,035	124,362
Commercial	278,299	620,662	271,697
Rural	179,945	84,586	24,518
Public sector	39,316	176,048	74,516
Public lighting	1,229	155,130	39,066
Utility services	7,297	127,172	37,334
Own consumption	634	8,122	-
Revenue from availability/use of the electricity grid	-	-	4,268
CCEE supply	-	-	24,776
Low income consumers	-	-	67,814
Construction revenue	-	-	168,990
Other	-	-	79,691
Total	**4,024,041**	**2,810,208**	**1,415,796**

(*) Information not examined by independent auditors

(In thousands of reais, unless otherwise stated)

26 Operating revenue (Consolidated)

Reconciliation between gross revenue and net revenue is as follows:

	Consolidated	
	03/31/2014	**03/31/2013**
Electric energy supply	1,288,717	1,201,803
Electric energy supply	54,309	29,044
Construction revenue	210,329	168,990
Other	177,793	15,959
Operating revenue	**1.731.148**	**1,415,796**
ICMS on sale of electric energy	(250,242)	(221,619)
PIS and COFINS	(143,029)	(110,504)
Consumer charges	(11,436)	(10,895)
Global Reversion Reserve quota - RGR	-	2,184
ISS	(2,245)	(7,710)
Emergency capacity charge	1,152	(1,386)
Other	(1)	(1)
Deductions from operating revenue	**(405,801)**	**(349,931)**
Operating revenue, net	**1,325,347**	**1,065,865**

(In thousands of reais, unless otherwise stated)

27 Cost of services and operating expenses

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

	03/31/2014			
Operating costs/expenses	**Cost of electric energy service**	**Selling expenses**	**Administrative expenses**	**Total**
Personnel	27,351	11,231	18,432	57,014
Material	4,171	3,371	493	8,035
Third-party services	55,074	48,909	23,789	127,772
Electric Energy Service Inspection Fee	-	932	-	932
Electric energy purchased for resale	1,014,718	-	-	1,014,718
Transmission and distribution system use charge	30,614	-	-	30,614
Construction cost	210,329	-	-	210,329
Depreciation and amortization	58,457	-	-	58,457
Leases and rentals	2,911	568	789	4,268
Recovery of expenses	(323,483)	(2,347)	(34)	(325,864)
CCC subsidy	6,880	-	-	6,880
Other	3,777	2,260	4,771	10,808
Total	**1,090,799**	**64,924**	**48,240**	**1,203,963**

27 Cost of services and operating expenses (Continued)

(In thousands of reais, unless otherwise stated)

	03/31/2013			
Operating costs/expenses	**Cost of electric energy service**	**Selling expenses**	**Administrative expenses**	**Total**
Personnel	26,463	4,668	23,112	54,243
Material	63,454	(399)	1,755	64,810
Third-parties services	37,582	44,671	55,615	137,868
Electric energy service inspection fee	-	1,056	-	1,056
Electric energy purchased for resale	556,010	-	-	556,010
Transmission and distribution system use charge	31,217	-	-	31,217
Construction cost	168,990	-	-	168,990
Depreciation and amortization	47,968	-	-	47,968
Lease and rent	997	571	1,305	2,873
Recovery of expenses	(64,422)	(2,770)	-	(67,192)
Other	3,432	3,824	2,834	10,090
Total	**871,691**	**51,621**	**84,621**	**1,007,933**

(In thousands of reais, unless otherwise stated)

28 Electric energy purchased for resale

	MWh (*)		R$	
	03/31/2014	03/31/2013	**03/31/2014**	03/31/2013
Auction energy	1,397,960	1,484,259	387,368	448,817
Eletronuclear agreements	51	52	10,673	-
Bilateral energy	57,309	53,404	10,281	9,998
Contracts for quotas of guarantees (a)	657,332	656,470	57,058	24,207
System Service Charge (ESS)/Reserve energy	-	-	5,833	41,156
Spot market – CCEE	445,993	247,680	443,205	182,700
Alternative Energy Source Program (PROINFA)	38,321	38,866	17,346	19,741
(-) Portion to be offset – noncumulative PIS/COFINS credit	-	-	(37,951)	(38,119)
(-) Recovery cost of energy – CDE	-	-	(305,553)	(170,091)
Reserve energy charges	-	-	-	178
Other	-	-	102,975	37,423
Total	**2,596,966**	**2,480,731**	**691,235**	**556,010**

(*) Information not examined by independent auditors.

In the first 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 dispatch of thermal energy 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.

(In thousands of reais, unless otherwise stated)

29 Financial income (expenses)

	Subsidiary		Consolidated	
	03/31/2014	**03/31/2013**	**03/31/2014**	**03/31/2013**
Financial income				
Financial income	9,808	23,437	44,312	44,615
Arrears charges on energy sold	-	-	38,242	32,394
Restatement of financial asset – revenue	-	-	22,611	6,210
Monetary variation gains	-	-	40,958	23,566
Present value adjustment	-	-	23,301	-
Swap transactions	-	-	1,055	-
Other	9,962	-	14,480	-
Total financial income	**19,770**	**23,437**	**184,959**	**106,785**
Financial expenses				
Interest on loans and financing and other	-	-	(62,960)	(57,198)
Monetary variation losses	-	-	(38,323)	(6,055)
Restatement of financial asset – expense	-	-	(13,246)	-
Fines/commercial discounts	-	-	(27,911)	(12,472)
Operational violations	-	-	(979)	(19,725)
Swap transactions – expense	-	-	(22,001)	(4,710)
Present value adjustment	-	-	(21,800)	-
Other financial expenses	-	(12,248)	(21,034)	(27,679)
Total financial expenses	**-**	**(12,248)**	**(208,254)**	**(127,839)**
Total	**19,770**	**11,189**	**(23,295)**	**(21,054)**

30 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 March 31, 2014, this amount totaled R$628 (R$1,792 at December 31, 2013).

The Company records the amount of R$8,458 (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.

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.

30 Private pension entity (Continued)

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, deferred proportional benefit and annuity supplement.

- **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.

(In thousands of reais, unless otherwise stated)

30 Private pension entity (Continued)

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.

- **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 of plans, they were accounted for separately, and, since then, accounts are rendered regularly, in a single trial balance, due to the legislation governing supplementary 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.

31 Insurance

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

- **Equatorial:**

Risks	Maturity of policies	Amount insured
D&O - General	06/07/2014	30,000
Corporate – Office	04/22/2014	1,650

(In thousands of reais, unless otherwise stated)

31 Insurance coverage (Continued)

- **CEMAR:**

Risks	**Maturity of policies**	**Amount insured**
Operational risks	01/01/2014	215,480
General civil liability – operations	01/01/2014	7,000
Judicial guarantee insurance	(a)	6,367
Energy auction guarantee	(b)	118
Vehicle	01/31/2014	(c)

(a) 16 policies with expiration dates between October 2013 and June 2016.
(b) 1 policy with expiration date in September 2014.
(b) 78 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. The risk assumptions adopted, given their nature, are not part of the scope of the audit of interim financial statements, and were therefore not examined by our independent auditor.

Insurance line	Maturity of policies	Amount insured
Carriage by river	07/03/2014	316
General civil liability – operations	12/30/2014	20,000
Operational risks	12/30/2014	341,038
Vehicle (a)	06/30/2014	-
Vehicle (b)	12/30/2014	-

(a) 198 leased vehicles insured, according to policies.
(a) 38 own vehicles insured, according to policies.

31 Insurance coverage (Continued)

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.

32 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 by means of operational strategies and internal controls with a view to ensuring liquidity, profitability and security. Control policy consists of permanent monitoring of contracted rates versus market rates in effect.

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 agreements (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.

(In thousands of reais, unless otherwise stated)

32 Financial instruments (Continued)

c. Fair value of financial instruments (Consolidated):

In accordance with CVM Rule No. 475, the carrying amount and the market value of financial instruments included in the balance sheet at March 31, 2014 and December 31, 2013, are set out as follows:

	Consolidated			
	03/31/2014		12/31/2013	
Assets	**Book value**	**Fair value**	**Book value**	**Fair value**
Cash and cash equivalents	341,114	341,114	350,859	350,859
Short-term investments	1,004,966	1,262,132	1,262,132	1,262,132
Trade accounts receivable	1,155,127	1,155,127	1,140,556	1,140,556
Judicial deposits	127,778	127,778	173,664	173,664
Derivative financial instruments	-	-	4,518	4,518
Service concession financial assets	1,266,045	1,266,045	1,195,743	1,195,743
Total	**3,895,030**	**4,125,196**	**4,127,472**	**4,127,472**

	03/31/2014		12/31/2013	
Liabilities	**Book value**	**Fair value**	**Book value**	**Fair value**
Trade accounts payable	927,672	927,672	693,340	693,340
Loans and financing	2,856,090	2,856,090	2,925,578	2,925,578
Derivative financial instruments	8,537	8,537	-	-
Debentures	310,193	305,844	300,059	304,541
Total	**4,102,492**	**4,098,143**	**3,918,977**	**3,923,459**

- **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 adjustment to present value, as applicable.

- **Concession financial assets –** these are classified as loans and receivables and recorded at their original amounts, subject to provision for losses and adjustment to present value, as applicable.

32 Financial instruments (Continued)

*c. **Fair value of financial instruments** (Continued)*

- **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 movements in interest rates and exchange rates. For swap transactions, market value was determined using market information available.

d. Cash and cash equivalents

CEMAR'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.

CEMAR'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 our short-term investments are classified as cash equivalents.

32 Financial instruments (Continued)

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 changes in the rules of return of concession assets.

- **Liquidity risk -** The liquidity risk evidences the Company's ability to settle 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 20 and 21**.**

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.

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

The Company's cash generation and the low volatility in the receipts and payments over the months of the year allow stability to the Company in its flows, thus reducing its liquidity risk.

(In thousands of reais, unless otherwise stated)

32 Financial instruments (Continued)

e. Risk factors – CVM Rule No. 475 (Continued)

- **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 incurring 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 September 30, 2013 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% increase (Scenario III) in the benchmark exchange rate.

We further included two scenarios with an effect opposite to that described in the CVM Rule to demonstrate the effects with 25% decrease (Scenario IV) and 50% decrease (Scenario V).

Cash flow or fair value risk associated with interest rate — **R$ thousand**

Transaction	Risk	Probable scenario I	Scenario II + 25%	Scenario III + 50%	Scenario IV – 25%	Scenario V – 50%
Financial liabilities						
Loans, financing and debentures	USD	20,363	(122,299)	(264,961)	163,025	305,687

Reference for financial liabilities	Rate at 03/31/2014	+ 25%	+ 50%	- 25%	- 50%
USD/R$	2.26	2.83	3.39	1.7	1.13

For purposes of foreign currency hedge, Equatorial Energia entered into a swap transaction with Banco BTG Pactual in December 2012, for a principal of R$93,678, which was settled on 05/27/2013, ending with a consolidated loss of R$4,677, including taxes. With this transaction, Equatorial pays R$3,818 thousand to BTG, Equatorial receives R$3,818 thousand from CELPA, CELPA pays R$3,818 thousand to Equatorial and Equatorial pays income tax of R$859 thousand.

32 Financial instruments (Continued)

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

The details of the transaction are as follows:
CETIP transaction: 12L00014843
Principal amount of the contract: R$93,678
Start date: 12/14/2012
Expiry date: 05/28/2013

Parameters for adjustment:
Banco BTG Pactual: 100% CDIE (CETIP Code 03)
Equatorial: CELPBZ 10 (CETIP Code 5107) using the following formula = (Final quotation x Final PTXV) / (Initial quotation x Initial exchange rate)

In which:
Underlying asset: CELPBZ 10 ½ 03/06/16 Corp, ISIN: USP22826AA23
Face value of the underlying asset: US$250,000
Initial quotation (in Brazilian reais): 17.928750 (Opening price of the position of the underlying asset)
Final quotation: Closing price of the underlying asset at 05/24/2013;
PTXV: Selling exchange rate released by the Central Bank Information System (SISBACEN), through transaction PTAX800, Option 5, Type A, Code 220. In case such rate is not disclosed, the exchange rate indicated by BTG Pactual shall be used.
Initial exchange rate: 2.090000 2.090000
PTXV Final: PTXV at 05/27/2013

In addition, subsidiary CELPA entered into a foreign currency swap transaction with Equatorial Energia, with BTG Pactual being the “CALCULATION AGENT” for the transaction. With this transaction, CELPA has a long position in dollar and a short position in CDI. Such transaction was settled on 05/27/2013, with a loss of R$3,818 thousand.

The details of the transaction are as follows:
CETIP transaction: 12L00016060
Principal amount of the contract: R$93,678
Start date: 12/14/2012
Maturity date: 05/28/2013

32 Financial instruments (Continued)

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

Parameters for adjustment:
Equatorial: 100% CDIE (CETIP Code 03)
CELPA: CELPBZ 10 (CETIP Code 5107) using the following formula = (Final quotation x Final PTXV) / (Initial quotation x Initial exchange rate)

Where:
Underlying asset: CELPBZ 10 ½ 03/06/16 Corp, ISIN: USP22826AA23
Face value of the underlying asset: US$250,000
Initial quotation (in Brazilian reais): 17.928750 (Opening price of the position of the underlying asset)
Final quotation: Closing price of the underlying asset at 05/24/2013;
PTXV: Selling exchange rate released by the Central Bank Information System (SISBACEN), through transaction PTAX800, Option 5, Type A, Code 220. In case such rate is not disclosed, the exchange rate indicated by BTG Pactual shall be used.
Initial exchange rate: 2.090000
PTXV Final: PTXV at 05/27/2013

- **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. We set out below the impact of these variations on return on financial investments and indebtedness in local currency of the Company.

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

In accordance with CVM Rule No. 475, we considered a scenario with actual rates at March 31, 2014 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% (Scenario III) in the indices.

(In thousands of reais, unless otherwise stated)

32 Financial instruments (Continued)

f. Risk factors – CVM Rule No. 475 (Continued)

We further included two scenarios with an effect opposite to that described in the CVM Rule, namely 25% decrease (Scenario IV) and 50% decrease (Scenario V) in the indices.

Cash flow or fair value risk associated with interest rate						**R$ thousand**
Transaction	**Risk**	**Probable scenario I**	**Scenario II + 25%**	**Scenario III + 50%**	**Scenario IV – 25%**	**Scenario V – 50%**
Financial assets						
Short-term investments	**CDI**	**25,324**	**31,655**	**37,986**	**18,933**	**12,662**
Financial liabilities						
Loans, financing and debentures	CDI	(10,955)	(18,778)	(26,601)	(3,131)	4,692
	TJLP	(7,736)	(15,512)	(23,287)	39	7,814
	IGPM	(9,471)	(16,067)	(22,663)	(2,875)	3,721
	IPCA	(7,353)	(7,353)	(7,353)	(7,353)	(7,353)

Reference for financial assets and liabilities	**Rate at 03/31/2014**	**+ 25%**	**+ 50%**	**- 25%**	**- 50%**
CDI (% 9 months)	8.90	11.13	13.35	6.68	4.45
TJLP (% 9 months)	5.00	6.25	7.50	3.75	2.50
IGP-M (% 9 months)	7.30	9.13	10.95	5.48	3.65
IPCA (% 9 months)	6.15	7.69	9.23	4.61	3.08

The impact of the sensitivity analysis on net income 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	(158,525)	(158,525)
Scenario III	(317,051)	(317,051)
Scenario IV	158,525	158,525
Scenario V	317,051	317,051

(In thousands of reais, unless otherwise stated)

32 Financial instruments (Continued)

e. Risk factors – CVM Rule No. 475 (Continued)

- **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.

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.

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

33 Commitments

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

CEMAR

	Effectiveness	2014	2015	2016	2016 onwards
Contracted energy	2014 to 2032	751,086	804,243	1,003,213	21,304,117

(In thousands of reais, unless otherwise stated)

33 Commitments (Continued)

CELPA

Contracted energy	Effectiveness	2014	2015	2016	2017	2017 onwards
	2011 to 2042	1,519,025	1,737,900	1,738,805	2,467,598	77,456,833

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.

34 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.

(In thousands of reais, unless otherwise stated)

34 Business segment (Continued)

	Distribution		Services / Sale		Central management and other		Eliminations and adjustments		Consolidated	
	03/31/2014	12/31/2013	03/31/2014	12/31/2013	03/31/2014	12/31/2013	03/31/2014	12/31/2013	03/31/2014	12/31/2013
Operating assets	8,555,887	8,161,786	89,029	53,733	2,391,937	2,390,880	(1,745,219)	(1,502,902)	9,291,634	9,103,497
Operating liabilities	7,104,714	6,709,851	50,290	29,615	22,557	36,709	(764,255)	(520,323)	6,413,306	6,255,852

	Distribution		Services / Sale		Central management and other		Eliminations and adjustments		Consolidated	
	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013	03/31/2014	03/31/2013
Net revenue	1,195,013	1,019,061	130,334	46,802	-		-	-	1,325,347	1,065,863
Cost of services	(986,731)	(832,603)	(104,068)	(39,087)	-		-	-	(1,090,799)	(871,690)
Gross profit	**208,282**	**186,458**	**26,266**	**7,715**	**-**	**-**	**-**	**-**	**234,548**	**194,173**
Selling expenses	(64,923)	(51,621)	-		-		-	-	(64,923)	(51,621)
General and administrative expenses	(94,845)	(136,201)	(1,232)	(1,371)	(4,040)	(16,555)	-	-	(100,117)	(154,126)
Equity pickup			-	134	3,185	(18,074)	2,201	20,915	5,386	2,975
(-) Provision for impairment of investment			-				-	-	-	-
Goodwill amortization			-		(279)	(1,153)	-	-	(279)	(1,153)
	48,514	**(1,364)**	**25,034**	**6,478**	**(1,134)**	**(35,782)**	**2,201**	**20,915**	**74,615**	**(9,752)**
Financial income	174,654	83,218	497	132	19,770	23,437	(9,962)	-	184,959	106,787
Financial expense	(218,144)	(115,561)	(72)	(31)	-	(12,248)	9,962	-	(208,254)	(127,840)
Income before income taxes	**5,024**	**(33,707)**	**25,459**	**6,579**	**18,636**	**(24,593)**	**2,201**	**20,915**	**51,320**	**(30,805)**
Income and social contribution taxes	(6,394)	(4,795)	(8,886)	(2,480)	(4,015)	-	-	-	(19,295)	(7,275)
Income before noncontrolling interest	**(1,370)**	**(38,502)**	**16,573**	**4,099**	**14,621**	**(24,593)**	**2,201**	**20,915**	**32,025**	**(38,080)**
Attributable to controlling interests	-	-	(8,239)	(2,079)	-	-	(9,165)	15,566	(17,404)	13,487
Net income (loss) for the period by segment	**(1,370)**	**(38,502)**	**8,334**	**2,020**	**14,621**	**(24,593)**	**(6,964)**	**36,481**	**14,621**	**(24,593)**

35 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 13th Civil Court of the Capital of the 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$;
3- Operational creditors;
4- Sector-related charges;
5- Public entities;
6- Financial creditors secured by receivables;
7- Financial creditors not secured by receivables;
8- With collateral – debt in US$;
9- With collateral – debt in US$; 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.

35 In-court reorganization (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 judicial 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.

35 In-court reorganization (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$82,662 and noncurrent liabilities of R$310,144 (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, we have the Company`s strong financial and economic position. This is an additional guarantee to its subsidiary in maintaining its activities.

36 Subsequent events

Change in pension plan management of subsidiary

On April 10, 2014, by means of Official Notice No. 1330 and 332/CGTR/DITEC/PREVIC, Brazilian Supervisory Board of Supplementary Private Pension approved transfer of Celpa BD I (CNPB No. 1982.0006-19) and Celpa BD II (CNPB No. 1997.0004-74), related to subsidiary CELPA, Plan management from Redeprev to Fascemar, by means of Administrative Rulings No. 200 (BD II) and No. 201 (BD I), published in Brazilian Official Gazette No. 74, of April 17, 2014.

It is incumbent upon Redeprev and Fascemar to operate jointly, in order to ensure effective transfer within 120 days, as from the date the Administrative Rulings, approved in the Brazilian Official Gazette, were published.

Approval of capital increase in subsidiary

On April 25, 2014, capital increase of subsidiary Companhia Energética do Maranhão was approved, with no issue of new shares, amounting to R$80,111, by means of capitalization of SUDENE tax incentive reserve balance, amounting to R$33,101, and part of the reserve balance intended to reinforce working capital, amounting to R$47,010. The increase established intended to comply with the Company`s articles of incorporation, in light of the Brazilian Corporation Law, which limits income reserves – other than reserve for contingencies, tax incentives and unrealized income – to capital.

Establishment of funds of the ACR account

On May 5, 2014, ANEEL issued Decision No. 1378, and established the amount of funds of the CONTA-ACR account to be remitted to the electric energy distribution operators by CCEE, until May 12, 2014, in current accounts restricted to the contribution of financial guarantees of the short-term market, under the terms of Regulatory Decision No. 612, of April 16, 2014. The amount established for the Company`s subsidiaries for March 2014 totaled R$ 166,223.

Board of Directors

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

Fiscal Council

Members

Felipe Sousa Bittencourt

Paulo Roberto Franceschi

Sergio Passos Ribeiro

Executive Board

Ana Marta Horta Veloso
Officer

Eduardo Haiama
CFO and Investor Relations Officer

Firmino Ferreira Sampaio Neto
Chief Executive Officer

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, May 07, 2014 - Equatorial Energia S.A. (BM&FBOVESPA: EQTL3) announces its results for the first quarter 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 7.9%, AND CELPA'S, 14.0%. CELPA'S TOTAL LOSSES OVER REQUIRED ENERGY (12 MONTHS) WERE REDUCED TO 34.2%.

1. Financial and Operating Highlights

- CEMAR's total billed energy volume reached 1,334 GWh in 1Q14, 7.9% higher than in 1Q13. The total volume distributed by CELPA (captive and free markets) totaled 1,880 GWh in 1Q14, representing growth of 14.0% YoY.
- Net operating revenues (NOR) in 1Q14 reached R$1,325 million, 24.3% higher than 1Q13's NOR.
- In 1Q14, Consolidated Accounting EBITDA was R$144 million, against R$60 million positive in 1Q13. The Regulatory EBITDA totaled R$250 million in the quarter, an increase of 62.7% over the same quarter last year.
- The net result of the quarter was R$15 million against a loss of R$25 million in the 1Q13.
- In 1Q14, Equatorial's consolidated investments totaled R$211 million, 25.2% higher than those made in 1Q13.
- In 1Q14, CEMAR's DEC and FEC indexes (accumulated over the last 12 months) were 16.1 hours, a decrease of 24.9%, and 10.5 times, a decrease of 6.5%, compared to those observed at the end of 1Q13. In CELPA, these same indexes closed the quarter with improvements of 31.1% and 26.9%, respectively.
- In CEMAR, energy losses of the last 12 months ending 1Q14 represented 18.4% of the required energy, with a decrease of 0.8 percentage points compared to 19.2% recorded in 4Q13. In CELPA, total losses ended the year at 34.2% of the required energy, a decrease of 1.3 percentage points compared to the 35.5% recorded in 4Q13.
- In April 2014, ANEEL approved the share ACR-Account for CEMAR and CELPA in relation to the competence of February and March 2014, totaling a value of R$90 million and R$194 million respectively (for details, see subsequent Events section).

FINANCIAL DATA (R$MM)	1Q13	4Q13	1Q14	Chg.
Total Net Operating Revenue	1,066	1,329	1,325	*24.3%*
Accounting EBITDA	60	131	144	*141.1%*
Accounting EBITDA (LTM)	482	586	670	*39.1%*
Regulatory EBITDA	154	147	250	*62.7%*
Regulatory EBITDA (LTM)	564	652	749	*32.7%*
Net Income	(25)	(62)	15	*N/A*
Profit Margin (% net revenues)	*-2.3%*	*-4.7%*	*1.1%*	*3.4 p.p.*
Net Income per Share (R$ / share)	(0.23)	(0.31)	0.07	*N/A*
Investments				
CEMAR	78	102	63	*-19.0%*
PLPT (CEMAR)	5	11	16	*193.1%*
CELPA	83	110	99	*19.4%*
PLPT (CELPA)	3	38	33	*1165.5%*
Geramar	0	0	0	*N/A*
Total	169	261	211	*25.2%*
Net Debt	1,403	1,189	1,285	*-8.4%*
Net Debt / Regulatory EBITDA (LTM)	2.5	1.8	1.7	*-0.7 x*

CONTENTS

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 1Q14, energy sales increased 7.9% over the same quarter of the previous year, reaching 1,334 GWh. The growth observed during the quarter was a result of the expansion of the client base of 3.8% in the quarter, the combat of energy losses and the increase in per capita consumption, reflection of the investments which has been made in Maranhão.

CONSUMPTION SEGMENTS * (MWh)	1Q13	4Q13	1Q14	Chg.
Residential	607,543	690,103	662,831	*9.1%*
Industrial	114,112	142,688	120,563	*5.7%*
Commercial	248,706	287,226	273,803	*10.1%*
Others	265,669	320,317	276,462	*4.1%*
TOTAL	1,236,031	1,440,335	1,333,659	*7.9%*

* Does not include sales to CEPISA and own consumption.

Energy Balance

The volume of required energy by CEMAR's system came to 1,583 GWh in 1Q14, up 3.7% over the same period in the previous year. The volume of energy sold during the quarter rose 7.9% over 1Q13, a decrease of 14.3% in energy losses.

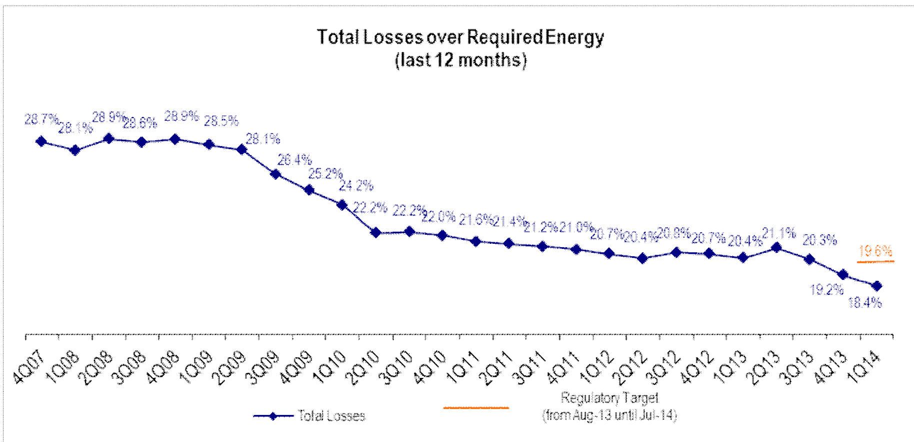
ENERGY BALANCE (MWh)	1Q13	4Q13	1Q14	Chg.
Required Energy	1,526,616	1,745,389	1,583,119	*3.7%*
Sold Energy (*)	1,237,996	1,442,845	1,335,720	*7.9%*
Losses	288,619	302,544	247,399	*-14.3%*

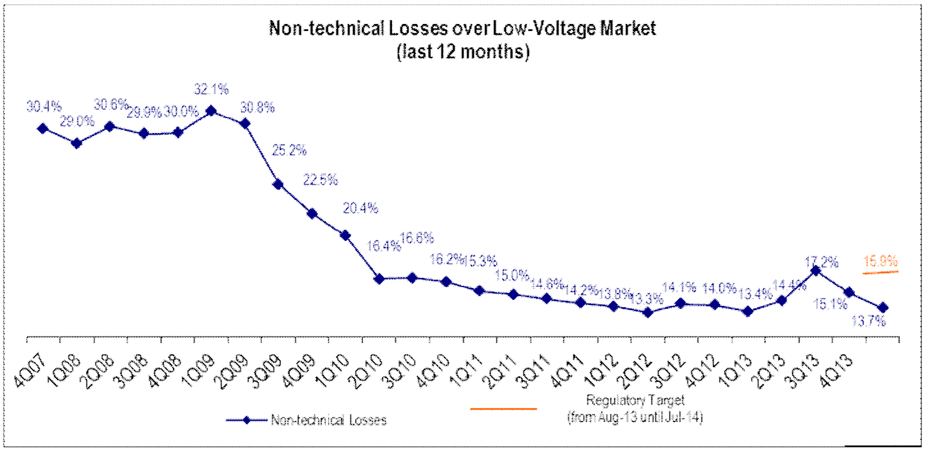
(*) Considers sale to the segments, own consumption and sales to CEPISA

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 1Q14 represented 18.4% of the energy required, down 0.8 percentage points compared to the indicator on the end of the last quarter, whereas non-technical losses in the low-voltage market were 13.7%, a decrease of 1.4 percentage points compared to 1Q13.

The level of the Company's energy losses returns to a downward trend due to the improvement of systems for selecting targets for recovery, to the extent that it achieves better success rate and return on inspections.

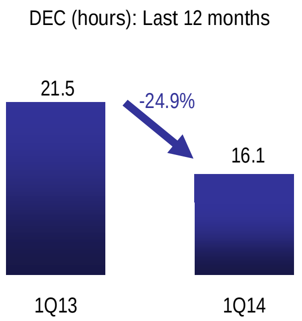


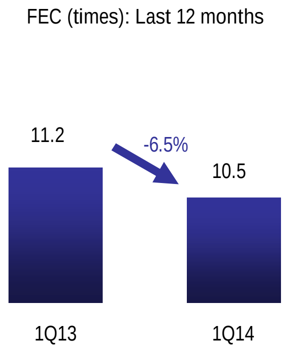


Quality Indicators – DEC and FEC

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 1Q14, the 12-month DEC stood at 16.1 hours, compared to 21.5 hours at the end of 1Q13, a decrease of 24.9 %. The FEC indicator (accumulated 12-month period) at the end of 1Q14, was 10.5 times, representing a 6.5% decrease in 1Q13'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.





2.2 OPERATING PERFORMANCE – CELPA

ELECTRIC ENERGY SALES

In 1Q14, sales of energy for the captive market grew 14.3% compared to the same quarter of the previous year, reaching 1,790 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)	1Q13	4Q13	1Q14	Chg.
Residential	629,910	758,350	767,351	21.8%
Industrial	286,923	364,903	316,695	10.4%
Commercial	371,956	445,532	398,720	7.2%
Others	277,267	328,569	307,361	10.9%
TOTAL	1,566,057	1,897,354	1,790,128	14.3%
Free Consumers	83,857	87,476	90,062	7.4%
TOTAL (Captive + Free)	1,649,913	1,984,831	1,880,189	14.0%

* Does not include own consumption.

In 1Q14, CELPA's charge grew by 5.1% over the same quarter last year, while domestic charges and Northern's charges varied 8.3% and 27.1%, respectively. According to the Monthly Bulletin published by ONS, the growth in the Northern's Load is due to Manaus interrelation to SIN (Interrelated National System) as from early July.

GWh	1Q13	4Q13	1Q14	Chg.
Brazil's Load (*)	132,435	135,503	143,388	8.3%
Northern's Load (*)	8,820	11,292	11,206	27.1%
Celpa's Load (*)	2,612	2,990	2,746	5.1%

(*) Data from Sistema Interligado Nacional

ENERGY BALANCE

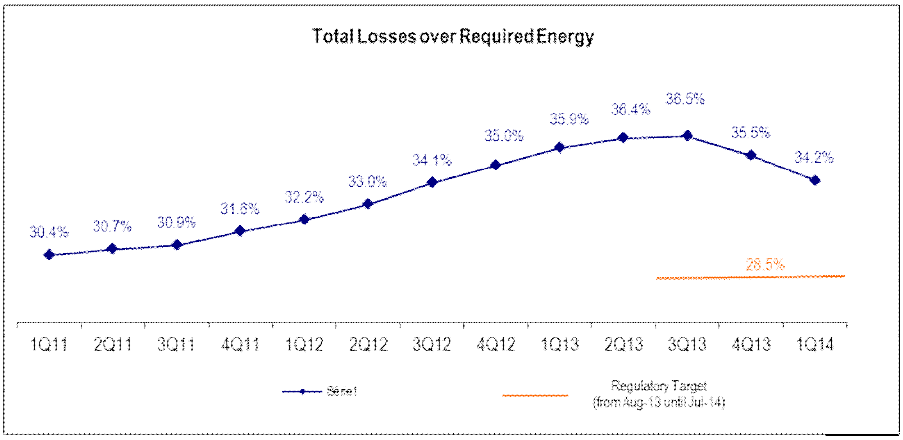
The volume of required energy by CELPA's system came to 2,746 GWh in 1Q14, up 5.1% over the same period in the previous year. The volume of energy sold during the quarter rose 14.3% over 1Q14.

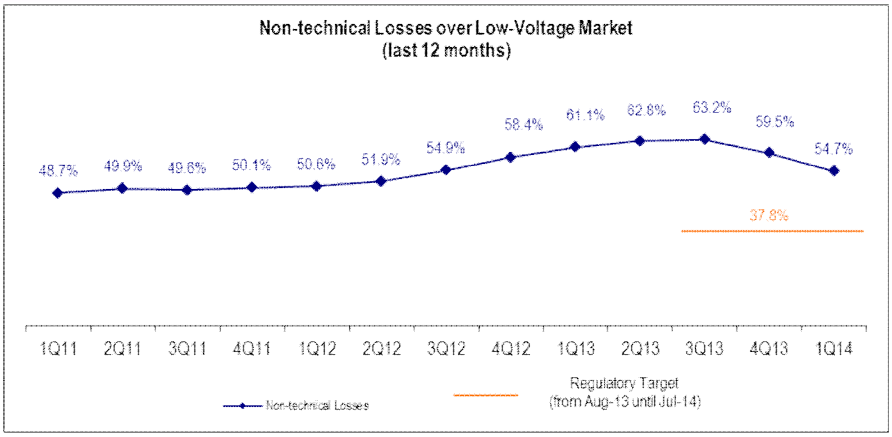
ENERGY BALANCE (MWh)	1Q13	4Q13	1Q14	Chg.
Energy Sales (Captive + Own Consumption)	1,572,212	1,910,597	1,797,659	14.3%
Free Market	83,856	87,476	90,062	7.4%
Total Losses	956,065	991,983	858,619	-10.2%
Required Energy	2,612,135	2,990,056	2,746,340	5.1%
Own Generation	102,633	120,510	106,759	4.0%
Energy Purchase (Contracts)	2,509,502	2,869,545	2,639,581	5.2%

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

ENERGY DISTRIBUTION LOSSES

The total losses of the past 12 months ending in 1Q14 accounted for 34.2% of the required energy, while non-technical losses on the Low Voltage market reached 54.7%.

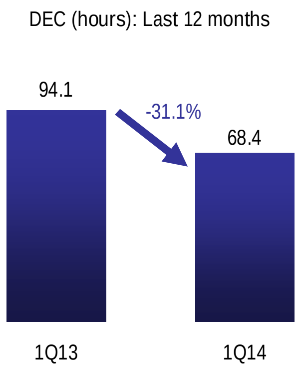


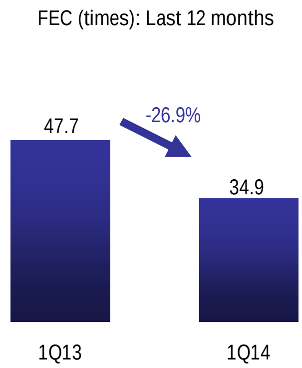


QUALITY INDICATORS – DEC AND FEC

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 1Q14, the 12-month DEC stood at 64.8 hours, that compared to 94.1 hours at the end of 1Q13, suffered a decrease of 31.1%. The FEC indicator (accumulated 12-month period) at the end of 1Q14, was 34.9 times, representing a 26.9% decrease in 1Q13's rate.





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

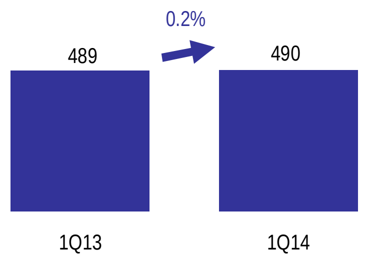
Consolidated Income Statement (R$MM)	1Q13	4Q13	1Q14	Chg.
Gross Operating Revenues (GOR)	1,416	1,754	1,731	*22.3%*
Net Operating Revenues (NOR)	1,066	1,329	1,325	*24.3%*
Electric Energy Cost	(757)	(930)	(933)	*23.2%*
Operating Costs / Expenses	(249)	(269)	(248)	*-0.3%*
EBITDA	60	131	144	*141.1%*
Other Revenues/Operational Expenses	(17)	(17)	(8)	*-55.0%*
Depreciation	(54)	(65)	(67)	*23.4%*
Service Income (EBIT)	(12)	48	70	*-700.5%*
Financial Result	(21)	(62)	(23)	*10.6%*
Operating Result	(33)	(14)	46	*-241.6%*
Goodwill Amortization	2	3	5	*180.2%*
Earnings Before Taxes (EBT)	(31)	(11)	51	*-266.6%*
Income Tax / Social Contribution	(7)	(41)	(19)	*165.4%*
Minority Interests	13	(10)	(17)	*-229.1%*
Net Income	(25)	(62)	15	*-159.4%*

3.2 ECONOMIC-FINANCIAL PERFORMANCE – CEMAR

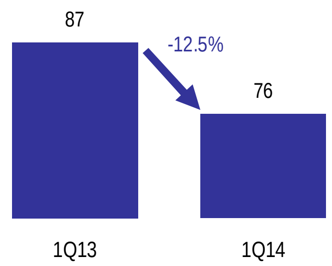
The economic and financial information in this section reflects 100% of CEMAR's operations.

CEMAR's Income Statement (R$MM)	1Q13	4Q13	1Q14	Chg.
Gross Operating Revenues (GOR)	626	686	632	*0.8%*
Net Operating Revenues (NOR)	489	536	490	*0.2%*
Electric Energy Cost	(300)	(305)	(325)	*8.3%*
Operating Costs / Expenses	(101)	(118)	(88)	*-12.7%*
EBITDA	87	113	76	*-12.5%*
Other Revenues/Operational Expenses	(16)	(9)	(2)	*-88.5%*
Service Income (EBIT)	48	74	45	*-7.4%*
Financial Result	(18)	(32)	(17)	*-4.2%*
Earnings Before Taxes (EBT)	30	43	27	*-9.4%*
Income Tax / Social Contribution	(12)	(5)	2	*-121.5%*
Net Income	18	37	30	*61.4%*

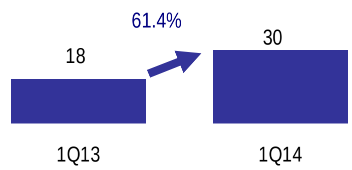
NOR (R$MM) – Quarterly



EBITDA (R$MM) - Quarterly



Net Income (R$MM) – Quarterly



3.2.1 – Operating Revenues

OPERATING REVENUE - CEMAR	1Q13	4Q13	1Q14	Chg.
Energy Sales (MWh)*	1,236,031	1,440,335	1,333,659	7.9%
Number of Clients**	2,072,002	2,125,960	2,149,862	3.8%
KWh per Client	597	677	620	4.0%
Gross Operating Revenue (R$ MM)	464	503	453	-2.3%
Residential	244	258	234	-4.0%
Industrial	35	37	32	-9.0%
Commercial	103	114	107	4.2%
Others	82	94	80	-2.9%
Supply	25	7	27	9.6%
Other Revenues	57	71	66	16.1%
Low Income	49	47	45	-8.2%
Irrigantes	-	3	10	N/A
Network Usage	1	1	1	N/A
Other Operating Revenues	7	20	9	37.0%
Construction Revenues	81	105	85	5.6%
Deductions from Operating Revenues	(137)	(151)	(141)	2.9%
Net Operating Revenues	489	536	490	0.2%

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

In 1Q14, Gross Revenue from energy sales decreased 2.3%, mainly influenced by the effects of Tariff Review that took place in August 2013. The Net revenue reached R$490 million (R$405 million, excluding construction revenues), as increase of 0.2% (-0.7% 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 1Q14, R$85 million was recognized, versus R$81 million in 1Q13.

Again, in 1Q14 we had the recognition of R$2 million (R$13 million were recognized in 4Q13) in sales of standard measurement impacting Other Operating Revenues.

3.2.2 – COSTS AND EXPENSES

In 1Q14, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R$416 million (R$331 million, excluding construction costs) equivalent to 84.8% of net revenues, a decrease of 0.7 p.p. compared to the percentage, of 85.5% in 1Q13.

Manageable Operating Costs and Expenses

In 1Q14, 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, a decrease of 1.1% compared to the results presented in 1Q13.

In this quarter, personnel expenses totaled R$24 million, an increase of 5.9% compared to the results reported in 1Q13. 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 1Q14, compared to the R$2 million in 1Q13, up R$1 million.

Expenses for outsourced services in 1Q14 showed an increase of 5.9% in comparison to the results shown in 1Q13, closing the quarter at R$52 million.
Among its main accounts: (i) cost of attendance, reduction of R$1.7 million in quarterly comparison and (ii) collection costs, reduction of R$1.4 million in the quarterly comparison.

It is noteworthy that, as has happened in the past quarter, in 1Q14 expenses of sale of Standard Measurement (structure that houses the energy meters) were recognized, impacting the Material row (R$1.6 million more) and Outsourced Services row (R$0.2 million more).

R$ MM	1Q13	4Q13	1Q14	Chg.
Personnel	22	31	24	5.9%
Material	2	10	3	87.2%
Third Party Services	55	59	52	-5.9%
Others	4	7	4	-11.8%
PMSO	84	106	83	-1.0%
% Net Revenues	*20.5%*	*24.7%*	*20.4%*	*0 p.p.*
Provisions	18	11	6	-67.7%
PDA and Losses	14	5	3	-80.0%
% Gross Operating Revenue (without Construction Revenues)	2.5%	0.8%	0.5%	-2 p.p.
Provision for Contingencies and Others	4	6	3	-23.7%
Other Operating Expenses/Revenues	16	9	2	-88.5%
MANAGEABLE COSTS AND EXPENSES	118	127	90	-23.3%
% Net Revenues (with Construction Revenues)	*28.9%*	*29.5%*	*22.3%*	*-6.5 p.p.*
Purchased Energy and Transportation	272	196	321	17.8%
Recovery of CDE Expenses	(65)	(7)	(93)	N/A
Connection and Network Usage Charges	11	11	11	2.0%
Construction Costs	81	105	85	5.6%
Other Costs	1	1	1	N/A
NON-MANAGEABLE COSTS AND EXPENSES	300	305	325	8.3%
% Net Revenues (with Construction Revenues)	*73.6%*	*70.9%*	*80.4%*	*6.7 p.p.*
TOTAL	418	432	416	-0.6%

In 1Q14, the level of Provision for Doubtful Accounts and Losses reported was R$3 million, or 0.5% of Gross Operating Revenue (GOR), a level that was 2.0p.p. lower than was reported for the same quarter of the previous year.

CEMAR reached a total of 1,842 clients per employee in 1Q14, a 5.5% improvement in comparison with the number presented during the same period of the previous year, of 1,746 clients per employee. With regard to the PMSO per client, there was a decrease of 4.6%, representing a cost of R$38 per client during the quarter.

3.2.3 - EBITDA

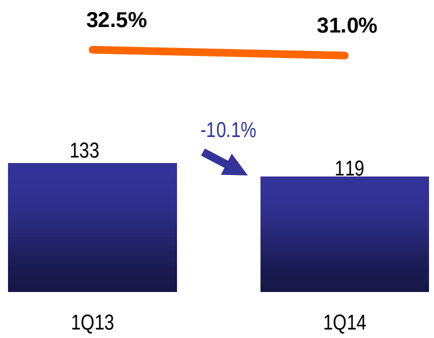
In 1Q14, the Accounting EBITDA was R$76 million, against R$87 million positive reported in the same quarter of the previous year, a 12.5% decrease. This result is strongly affected by: 1) the Tariff Review that happened in August/2013 and 2) the increase in the cost of power purchase due to the order 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$91 million are being recognized in this quarter, the accounting result through the CDE transfer.

Considering the formation or amortization of regulatory assets and liabilities, we reach the Adjusted Regulatory EBITDA of R$119 million in 1Q14, down 10.1% compared to 1Q13, due to the impact of the tariff review mentioned above.

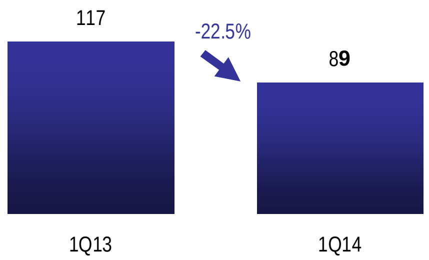
EBITDA (R$ million)	1Q13	4Q13	1Q14	Chg.
Service Income	48	74	45	-7.4%
Depreciation and Amortization	23	29	30	32.0%
Accounting EBITDA (CVM)*	71	104	75	5.2%
Other Operating Revenues/Expenses	16	9	2	-88.5%
Accounting EBITDA	87	113	76	-12.5%
Net Regulatory Assets and Liabilities	45	(5)	43	N/A
Regulatory EBITDA	133	107	119	-10.1%

*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 1Q14, the net financial result was negative in R$17 million, against a negative R$ 18 million in 1Q13.

The Company currently has no operations involving derivative financial instruments.

Financial Result (R$ MM)	1Q13	4Q13	1Q14	Chg.
Financial Income	6	16	18	184.9%
Fine charged on Energy Sale	18	14	22	18.9%
Other Financial Revenues	1	4	1	-280.3%
VNR Revenue	7	-	-	N/A
Financial Revenue	32	34	41	27.8%
Interest on Loans and Financing	(26)	(30)	(31)	-18.9%
Monetary and Exchanging Variations	(1)	(15)	(10)	-630.4%
Other Financial Expenses	(22)	(12)	(10)	54%
VNR Expense	(0)	(9)	(7)	N/A
Financial Expenses	(50)	(66)	(58)	-16.2%
Net Financial Result	(18)	(32)	(17)	4.2%

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)	1Q13	4Q13	1Q14
EBT (1)	30	43	27
Income Tax / Social Contribution Expenses	(12)	(5)	2
(-) Deferred Tax Assets	11	(0)	(11)
= Tax Payable	(1)	(5)	(9)
(+) Fiscal Credits	1	-	3
= Tax - Cash Basis (2)	-	(5)	(6)
Effective Tax Rate = (2) / (1)	0.0%	12.4%	20.3%

In 1Q14, the result of income tax and social contribution was negative in R$9 million, and considering the use of deferred tax assets and tax credits for compensation of R$3 million, the cash outflow for the payment of such taxes ended up being R$6 million.

3.2.6 – NET INCOME

In 4Q13, CEMAR presented net income of R$30 million versus an income of R$18 million in 1Q13, an increase of 61.4%.

If we make the recognition of net regulatory assets and liabilities in the quarter and the adjustment through the recognition VNR (New Replacement Value), according to regulatory accounting, we would arrive at the Regulatory Net Income of R$82 million, 42.4% higher than the amount recorded in the same quarter last year, of R$58 million.

NET INCOME (R$ million)	1Q13	4Q13	1Q14	Chg.
NET INCOME	18	37	30	-61.4%
Net Regulatory Assets and Liabilities	45	(3)	45	0.0%
VNR	(6)	9	7	-211.7%
Regulatory NET INCOME	58	43	82	42.4%

3.3 ECONOMIC-FINANCIAL PERFORMANCE – CELPA

3.3.1 – Operating Revenues

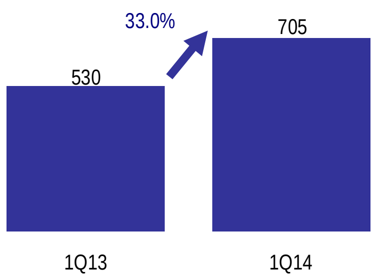
In 1Q14, Gross Revenue from energy sales increased 23.6%, influenced mainly by the 14.3% increase in sales volume and an increase in average consumption per customer around 8.0% compared to the 1Q13. Net revenue reached R$705 million (R$580 million, excluding construction revenues), an increase of 33.0% (31.2% 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 1Q14, R$125 million was recognized, versus R$88 million in 1Q13.

OPERATING REVENUE - CELPA	1Q13	4Q13	1Q14	Chg.
Energy Sales (MWh)*	1,566,057	1,897,354	1,797,659	14.8%
Number of Clients**	1,952,039	2,030,533	2,074,251	6.3%
KWh per Client	802	934	867	8.0%
Gross Operating Revenue (R$ MM)	606	804	749	23.6%
Residential	255	347	344	35.2%
Industrial	90	121	106	18.2%
Commercial	169	215	191	13.2%
Others	93	122	108	15.7%
Supply (R$ MM)	-	17	27	N/A
Other Revenues (R$ MM)	44	34	34	-22.0%
Low Income	33	22	18	-45.7%
Network Usage	4	1	2	-45.6%
Other Operating Revenues	6	11	14	122.5%
Other Non-Recurring Operating Revenues	6	-	-	100.0%
Construction Revenues	88	144	125	41.8%
Deductions from Operating Revenues (R$ MM)	(208)	(263)	(251)	-20.9%
Net Operating Revenues (R$ MM)	530	735	705	33.0%

* 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 1Q14, total costs and expenses, manageable and non-manageable, not including depreciation and amortization was R$657 million (R$532 million, excluding construction costs).

In this quarter, we had the recognition of R$5 million from the sale of standard (box that houses the meter in the consumer unit), almost entirely in the cost of material.

In 1Q14, PMSO spendings were slightly below expectations due to investments that were postponed due to the large volume of rain in the period.

R$ MM	1Q13	4Q13	1Q14	Chg.
Personnel	35	42	38	*9.6%*
Material	0	6	5	*54.6%*
Third Party Services	3	98	74	*N/A*
Others	67	10	9	*59.7%*
PMSO	84	157	126	*13.6%*
% Net Revenues	*17.1%*	*26.5%*	*21.7%*	*-3.3 p.p.*
Provisions	21	(11)	20	*-4.4%*
PDA and Losses	21	(3)	22	*4.5%*
% Gross Operating Revenue (without Construction Revenues)	*3.3%*	*-0.3%*	*2.7%*	*-0.5 p.p.*
Provision for Contingencies	(0)	1	(2)	*N/A*
Provision for Pension	1	(8)	-	*N/A*
Other Operating Expenses/Revenues	1	8	6	*682.3%*
MANAGEABLE COSTS AND EXPENSES	133	154	152	*14.5%*
% Net Revenues (with Construction Revenues)	*30.1%*	*26.1%*	*26.3%*	*-3.8 p.p.*
Electricity Purchased and Transportation	311	405	361	*15.8%*
Charges for Connection and Network	20	17	19	*-4.2%*
Construction Costs	88	144	125	*41.8%*
CCC Subvention	(64)	(81)	(74)	*14.8%*
Feedstock for Power Generation	60	80	81	*34.7%*
NON-MANAGEABLE COSTS AND EXPENSES	415	566	512	*23.3%*
% Net Revenues (with Construction Revenues)	*74.0%*	*71.4%*	*66.7%*	*-7.2 p.p.*
TOTAL	553	721	657	*18.9%*

3.3.3. – EBITDA

In 1Q14, the submitted Accounting EBITDA was by R$47 million, versus the negative value of R$17 million in 1Q13. To calculate the Regulatory EBITDA, we consider the net regulatory assets/liabilities adjustment, reaching R$110 million in the quarter.

In this quarter, there was the impact of R$19 million spent on power purchase provisions made in 4Q13, which have since been reversed in 1Q14, improving the result in the quarter. Excluding this non-recurring impact, the adjusted EBITDA for the quarter would be R$91 million.

EBITDA (R$ million)	1Q13	4Q13	1Q14	Chg.
Service Income	(49)	(22)	4	N/A
Depreciation and Amortization	31	36	37	17.4%
Accounting EBITDA (CVM)*	18	14	41	N/A
Other Operating Revenues/Expenses	1	8	6	682.3%
Accounting EBITDA (IFRS)	(17)	22	47	N/A
Net Regulatory Assets and Liabilities	49	23	63	29.8%
Regulatory EBITDA	31	45	110	251.7%
Power Purchase Adjustments	-	-	(19)	N/A
Adjuested Regulatory EBITDA	31	45	91	190.8%

*Calculated according to Instruction CVM 527/12

3.3.4. – Financial Results

In 1Q14, the net financial result was negative in R$26 million, versus a loss of R$14 million in 1Q13.

Financial Result (R$ MM)	1Q13	4Q13	1Q14	Chg.
Financial Income	1	7	8	*597.4%*
Interest Income	4	9	8	*119.6%*
Fine charged on Energy Sale	14	15	16	*16.9%*
Discounts	0	(8)	9	*N/A*
Monetary Changes	24	4	40	*71.1%*
Present Value Adjustment	9	18	23	*147.7%*
Swap Operations	-	34	1	*N/A*
Other Revenues	(0)	36	28	*N/A*
Financial Revenue	52	115	134	*158.2%*
Monetary and Exchange Variations	(4)	(26)	(28)	*-648.2%*
Debt Charges	(34)	(33)	(32)	*5.3%*
Operational Violations	(15)	(11)	(26)	*-68.7%*
Compensatory and Late Payment Fines	(2)	(8)	0	*N/A*
Present Value Adjustment	(6)	(16)	(22)	*-254.0%*
Swap Operations	(5)	(30)	(22)	*-367.1%*
Interest on Liabilities	(1)	(5)	(14)	*N/A*
Other Expenses	1	(46)	(16)	*N/A*
Financial Expenses	(66)	(175)	(160)	*-142.4%*
Net Financial Result	(14)	(60)	(26)	*-84.3%*

3.3.5. – Net Income

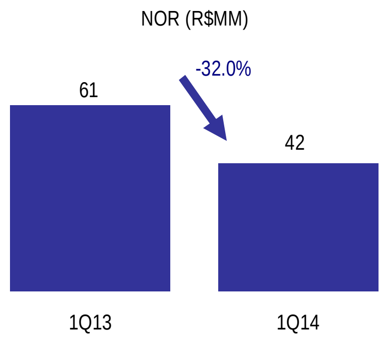
For 1Q14, CELPA's net loss was R$31 million versus a loss of R$57 million recorded in 1Q13. If we consider the adjustments of Regulatory Assets/Liabilities, financial result and depreciation/amortization, the Regulatory Net profit would be set at R$29 million, 434.6% up compared to the R$6 million recorded in 1Q13.

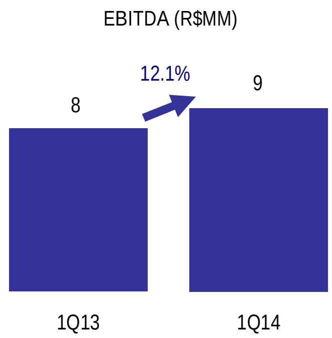
NET INCOME (R$ million)	1Q13	4Q13	1Q14	Chg.
Accounting NET INCOME/LOSS	(57)	(111)	(31)	45.7%
Net Regulatory Assets and Liabilities	49	23	63	29.8%
Non-operating Result + Financial Result	6	(6)	(10)	N/A
Depreciation and Amortization	8	8	8	-5.5%
Power Purchase Adjustment	-	-	(17)	N/A
Adjusted NET INCOME/LOSS	6	(86)	12	120.4%

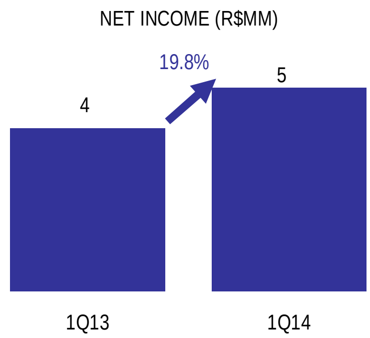
3.4 FINANCIAL AND ECONOMIC PERFORMANCE – Geramar

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

Geramar's Income Statement (R$MM)	1Q13	4Q13	1Q14	Chg.
Gross Operating Revenues (GOR)	67	16	46	*-32.0%*
Net Operating Revenues (NOR)	61	14	42	*-32.0%*
Electric Energy Cost	(51)	(6)	(31)	*-39.2%*
Operating Costs / Expenses	(2)	(1)	(2)	*-24.4%*
EBITDA	8	7	9	*12.1%*
Depreciation	(1)	(1)	(1)	*-2.3%*
Service Income (EBIT)	7	6	8	*14.6%*
Financial Result	(2)	(1)	(1)	*-9.8%*
Earnings Before Taxes (EBT)	5	5	6	*21.7%*
Income Tax / Social Contribution	(1)	(1)	(1)	*N/A*
Net Income	4	4	5	*19.8%*







3.4.1 – Operating Revenue

In 1Q14, Net Operating Revenue (NOR) totaled R$42 million, 32.0% lower than the one recorded in 1Q13. 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 1Q14 totaled R$34 million, 37.8% lower than the one recorded in 1Q13. The decrease compared to the same quarter last year is due to the non-dispatch of facilities in the last quarter.

Operating Costs / Expenses	1Q13	4Q13	1Q14	Chg.
CUST + Generation Costs	51	6	31	*-39.2%*
PMSO	2	1	2	*-24.4%*
Depreciation	1	1	1	*-2.3%*
Geramar	54	8	34	*-37.8%*

3.4.3 - EBITDA

Geramar's EBITDA in 1Q14 reached R$9 million, higher by 12.1% than the reported in 1Q13, presenting a better efficiency of thermal plants that generated a higher EBITDA despite having dispatched less in 1Q13.

3.4.4 – Financial Results

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

3.4.5 – Net Income

Geramar's net income was R$5 million this quarter, an increase of 19.8% compared to 1Q13, 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	1Q13	2Q13	3Q13	4Q13	1Q14
Initial Balance					
CVA Constitution	37,032	80,775	40,266	51,441	17,659
CCC	860	884	-	-	-
CDE	-	-	-	-	229
Proinfa	1,519	6,928	-	158	640
ESS	16,936	16,494	-	-	1,204
Basic Network	-	-	945	1,489	1,863
Energy Purchases	17,717	56,470	39,321	49,793	13,723
CVA Amortization	2,223	843	27,529	19,121	11,062
CCC	-	-	716	496	286
CDE	329	125	-	-	-
Proinfa	1,046	397	2,487	1,739	1,023
ESS	741	281	2,790	1,886	1,019
Basic Network	105	40	-	-	-
Energy Purchases	1	0	21,536	15,000	8,735
Defict from PLPT	7,707	2,901	-	-	-
Other Subsidies	13,469	9,127	26,713	19,171	98,646
Other	5,423	6,156	4,383	3,521	11,255
Eletronuclear	-	-	10,601	7,430	4,444
MCPSE	-	-	11,309	7,926	4,740
MCSD Amortization	1,837	691	-	-	-
Overpurchase Amortization	5,113	1,924	-	-	78,031
Irrigante	1,097	355	420	294	176
Final Balance	60,431	93,646	94,508	89,733	127,367

Regulatory Liabilities	1Q13	2Q13	3Q13	4Q13	1Q14
Initial Balance					
CVA Constitution	(4,399)	(4,046)	(3,011)	(2,285)	-
Basic Network	(4,148)	(3,626)	-	-	-
ESS	-	-	(3,011)	(2,285)	-
CDE	(251)	(420)	-	-	-
CVA Amortization	(2,578)	(1,997)	(3,511)	(2,464)	(1,460)
Basic Network	-	-	(2,993)	(2,091)	(1,228)
Energy Purchases	(919)	(349)	-	-	-
CCC	(40)	(15)	-	-	-
CDE	-	-	(262)	(186)	(113)
ESS	-	-	(106)	(77)	(49)
Proinfa	(0)	(0)	(150)	(109)	(70)
RTE	(1,619)	(1,633)	-	-	-
Low Income	(9,748)	(3,669)	-	-	-
Parcel A Neutrality	(3,676)	(1,383)	(6,320)	(4,430)	(2,649)
Other Regulatory Liabilities	(4,610)	(4,770)	(18,928)	(21,170)	(18,479)
Others	-	-	(2,898)	(1,924)	(1,151)
Financial Exposure	(4,592)	(4,392)	-	(8,011)	(10,609)
Connection	(1)	(0)	(1)	(1)	(0)
Involuntary Exposure	-	-	(16,027)	(11,233)	(6,718)
TUSD/Guseiros Discount	(16)	(45)	(2)	(1)	(1)
Irrigante	-	(333)	-	-	-
Final Balance	(25,010)	(15,865)	(31,771)	(30,348)	(22,589)

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

Net Regulatory Assets / Liabilities	1Q13	2Q13	3Q13	4Q13	1Q14
Regulatory Assets	60,431	93,646	94,508	89,733	127,367
Regulatory Liabilities	(25,010)	(15,865)	(31,771)	(30,348)	(22,589)
Net Regulatory Assets	35,422	77,781	62,737	59,385	104,779
Low Income Assets + Viva Luz	33,696	38,135	35,786	30,069	35,529
Total	69,117	115,916	98,523	89,454	140,308

[1] 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	1Q13	2Q13	3Q13	4Q13	1Q14
Initial Balance					
CVA Constitution	96,250	156,603	60,132	103,885	73,984
CCC	3,014	3,074	-	-	-
CDE	-	-	-	-	303
Proinfa	6,143	9,225	1,003	1,215	1,794
ESS	29,510	25,470	13,519	-	1,382
Basic Network	-	-	1,417	2,418	4,022
Energy Purchases	57,583	118,834	44,193	100,252	66,482
CVA Amortization	3,608	1,829	20,953	18,084	15,302
CCC	-	-	3,471	2,420	1,402
CDE	607	308	-	-	-
Proinfa	699	355	5,898	4,113	2,382
ESS	-	-	19	13	8
Basic Network	-	-	92	64	37
Energy Purchases	2,302	1,166	11,474	11,474	11,474
Other Regulatory Assets	91,238	77,176	94,765	70,487	208,676
Differal of Tariff Replacement	22,007	10,979	92,567	69,012	46,590
Recovery of the 3% excess	6,055	3,021	-	-	143,370
Differal of Expenditures relating to the Manual of Asset Control	33,892	33,892	2,198	1,475	787
CVA Provision	-	-	-	-	17,929
Differal of Tax Credits reversal	11,874	11,874	-	-	-
Differal of Tax Exempt Oil	17,410	17,410	-	-	-
Final Balance	191,096	235,608	175,851	192,456	297,962

Regulatory Liabilities	1Q13	2Q13	3Q13	4Q13	1Q14
Initial Balance					
CVA Constitution	(680)	(2,590)	-	(17,289)	(80,475)
Energy Purchases	-	-	-	-	-
Basic Network	(611)	(2,520)	-	-	-
CCC	-	-	-	-	-
CDE	(68)	(70)	-	-	-
Other Regulatory Assets - Others	-	-	-	(14,601)	(15,653)
Provision of CVA	-	-	-	-	(64,822)
CVA Amortization	(18,753)	(9,330)	(76,902)	(51,683)	(27,662)
Basic Network	(1,000)	(507)	(2,523)	(1,759)	(1,019)
Energy Purchases	-	-	(36)	(25)	(15)
CCC	(15)	(8)	-	-	-
CDE	-	-	(363)	(254)	(147)
ESS	(3,062)	(1,553)	-	-	-
Proinfa	-	-	(5)	(3)	(2)
RTE	(10,510)	(5,244)	-	-	-
CVA Energy Purchase Cost	(686)	(282)	-	-	-
Parcel A Neutrality	(3,480)	(1,736)	(2,657)	(1,783)	(951)
Other Regulatory Assets - Others			(71,318)	(47,859)	(25,529)
Final Balance	(19,433)	(11,920)	(76,902)	(68,972)	(108,137)

Net Regulatory Assets / Liabilities	1Q13	2Q13	3Q13	4Q13	1Q14
Regulatory Assets	191,096	235,608	175,851	192,456	297,962
Regulatory Liabilities	(19,433)	(11,920)	(76,902)	(68,972)	(108,137)
TOTAL	171,663	223,688	98,949	123,484	189,825

5. Debt

In 1Q14, the consolidated gross debt, including charges, totaled R$3,166 million, reflecting the start of CELPA's consolidation which contributed with R$1,492 million of gross debt, already restructured in accordance with the approval of its Judicial Recovery Plan.

Gross Debt Maturity Timetable (100% CEMAR + 100% CELPA)[2]

	Index	Average Cost (a.a.)	Average Due Date (month/year)	Average Period (in years)	Part. (%)
CEMAR	FOREIGN CURRENCY	4.2%		10.3	0.3%
CEMAR	Libor	1.4%	Apr-24	10.3	0.1%
CEMAR	Fixed (US$)	6.1%	Nov-23	9.8	0.2%
CEMAR	LOCAL CURRENCY				
CEMAR	CEMAR	8.7%		5.3	52.6%
CEMAR	TJLP	7.6%	Oct-19	5.1	11.2%
CEMAR	CDI	9.2%	Mar-16	2.1	14.0%
CEMAR	IPCA	12.1%	Jun-20	6.4	6.6%
CEMAR	Fixed (R$)	6.8%	Jan-21	6.7	9.4%
CEMAR	RGR	6.4%	Sep-19	5.6	5.5%
CEMAR	IGP-M	11.3%	Dec-23	10.0	5.3%
CEMAR	FINEL(*)	11.2%	Dec-15	1.9	0.5%
CEMAR	TOTAL (CEMAR)	8.7%		5.3	52.9%
CELPA	FOREIGN CURRENCY				
CELPA	CELPA	3.5%		5.3	17.6%
CELPA	Fixed (US$)***	3.9%	Sep-20	6.8	11.6%
CELPA	Libor Semester	1.8%	Apr-24	10.2	0.5%
CELPA	Libor Quarter	2.7%	Nov-15	1.7	5.5%
CELPA	LOCAL CURRENCY	6.4%		14.2	29.5%
CELPA	TJLP	9.7%	Apr-16	2.1	0.0%
CELPA	CDI	8.9%	Jul-17	3.3	0.4%
CELPA	Fixed (R$)	5.7%	Nov-26	12.8	20.4%
CELPA	RGR	6.9%	May-23	9.3	2.3%
CELPA	IGP-M	8.3%	Sep-34	20.8	6.4%
CELPA	TOTAL (CELPA)	5.3%		10.8	100.0%
	TOTAL	7.1%		7.9	100.0%

* 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

Maturity	CEMAR	CELPA	Consolidated	% of Total
Short Term	180	107	287	9.1%
Long Term	1,494	1,385	2,879	90.9%
2015	435	285	720	22.7%
2016	204	11	215	6.8%
2017	185	10	195	6.2%
2018	214	8	222	7.0%
After 2018	456	1,071	1,528	48.2%
Gross Debt	1,674	1,492	3,166	100.0%
Cash	677	263	939	
Holding (Cash Position)			381	
Equatorial Soluções (Cash Position)			25	
Net Regulatory Assets + Subrogation CCC	140	395	535	
Net Debt	857	835	1,285	

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

	Index	Average Cost (a.a.)	Average Due Date (month/year)	Average Period (in years)	Part. (%)
GERAMAR	LOCAL CURRENCY	9.6%		11.9	100.0%
GERAMAR	TJLP	8.8%	Dec-25	11.7	79.3%
GERAMAR	Fixed (R$)	12.6%	Dec-26	12.7	20.7%
GERAMAR	TOTAL (Geramar)	9.6%		11.9	100.0%

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	1Q14	%
Short Term	107	7.2%
Long Term	1,385	92.8%
2015	285	19.1%
2016	11	0.7%
2017	10	0.7%
2018	8	0.5%
2019	11	0.7%
2020	8	0.5%
2021	29	1.9%
2022	56	3.7%
2023	52	3.5%
2024	90	6.0%
2025	48	3.2%
2026	27	1.8%
2027	68	4.6%
2028	153	10.3%
2029	67	4.5%
After 2029	462	31.0%
TOTAL	1,492	100.0%

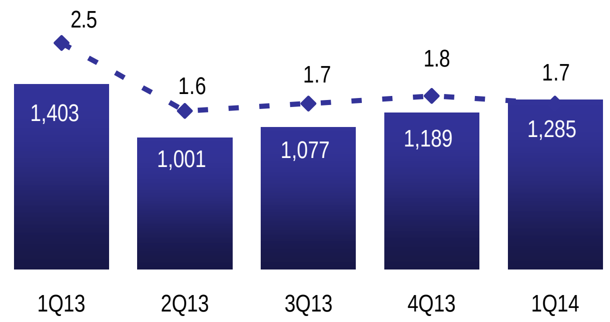
Index	1Q14	Average Cost (a.a.)	Average Due Date (month/year)	Average Period (in years)	Part. (%)
Fixed (US$)[1]	367	3.9%	Sep-20	6.6	24.6%
Libor Semester	17	1.8%	Apr-24	10.2	1.2%
Libor Quarter	173	2.7%	Nov-15	1.7	11.6%
Foreign Currency	558	3.5%		5.2	37,4%
TJLP	1	9.8%	Apr-16	2.1	0,1%
CDI	11	8.9%	Jul-17	3.3	0.8%
Fixed (R$)	645	5.7%	Nov-26	12.8	43.2%
RGR	73	6.9%	May-23	9.3	4.9%
IGP-M	203	8.3%	Sep-34	20.8	13.6%
Local Currency	934	6.4%		14.2	62.5%
TOTAL	1,492	5.3%		10.8	100.0%
Derivative	9				
TOTAL Debt + Derivative	1,501				

[1] Debt with swap for CDI

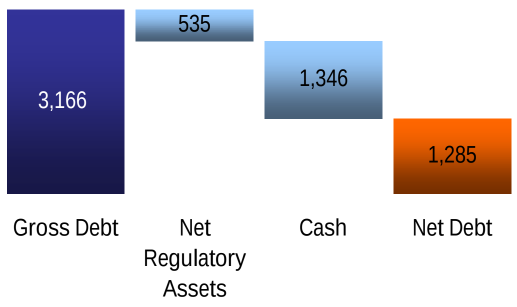
After the restructuring, we believe that the CELPA's debt maturity profile is comfortable, since only 7.2% (or R$107 million) mature in the short-term, almost equivalent to the cash availability amounted to R$263 million at the end of 1Q14, and 92.8% (or R$1,385 million) are due only as from the second quarter of 2015. The average cost of debt is currently at 5.3%, equivalent to 60% of CDI in the last 12 months.

Net debt, including cash and cash equivalents and net regulatory assets, amounted to R$835 million at the close of 1Q14, a decrease of 23.0% compared to the closing of 1Q13.

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

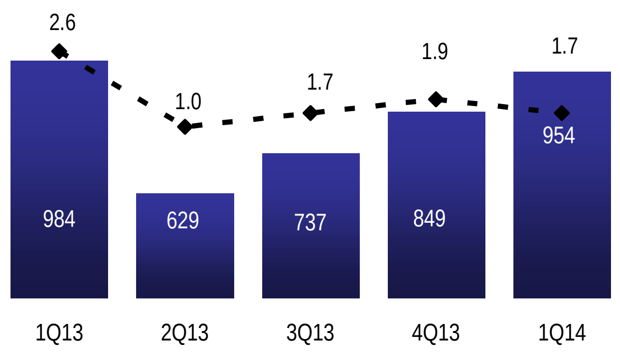


Net Debt reconciliation (R$MM)
Consolidated (100% CEMAR + 100% CELPA)

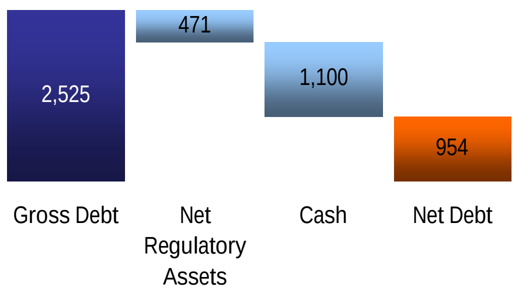


Total consolidated net debt, adjusted for Equatorial's interest in CEMAR (65.11%) and CELPA (96.18%), totaled R$954 million in March 2014, representing a ratio of 1.7x consolidated EBITDA for the last 12 months.

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)	1Q13	4Q13	1Q14	Chg.
CEMAR				
Own (*)	78	102	63	*-19.0%*
Light For All Program	5	11	16	*193.1%*
Total	83	113	79	*-5.0%*
CELPA				
Own (*)	83	110	99	*19.4%*
Light For All Program	3	38	33	*1165.5%*
Total	86	148	132	*54.4%*
GERAMAR				
Generation	0	0	0	*-38.0%*
TOTAL	169	261	211	*25.2%*

(*) Including indirect Light For All Program investments

6.1 – CEMAR

CEMAR's investments, not including direct investment related to PLPT totaled R$63 million in 1Q14, a decrease of 19.0% compared to 1Q13

Investments in the Light for All Program - PLPT

At the end of 1Q14, 324.2 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 1Q14, direct investment in PLPT, including spending on materials, freight and third party services, was R$16 million, 193.1% 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$99 million in 1Q14, representing an increase of 19.4% compared to the number reported in 1Q13.

Investments in the Light for All Program – PLPT

At the end of 1Q14, 348 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$13 million.

6.3 – Geramar

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

7. Subsequent Events

ACR accounting

On April 2, 2014 the Decree No. 8221 was published, which provides for the creation of the Account on the Regulated Contracting Environment - ACR-Account (CONTA-ACR), intending to cover all or part of the costs incurred by the public service concessionaires of power distribution due to: (i) the involuntary exposure in the spot market and (ii) the dispatch of the power plants linked to Contracts of Power Trading in a Regulated Environment - CCEAR, in the form of availability of electric power and incurred in the period from February to December 2014, while the CCEE's duty is to make contracts of credit operations as well as to manage ACR-Account, ensuring the transfer of costs incurred in the operations of the Energy Development Account - CDE.

Were accrued R$90 million for CEMAR and R$194 million for CELPA on the jurisdiction of February and March 2014.

CELPA's Mutual

In May 2014, a mutual loan for Equatorial and CELPA was made in the amount of approximately R$50 million, subject to ANEEL's approval.

Establishment of Audit and Security Committee

At the Board of Directors of April 30, 2014, was created the Audit and Security Committee, whose duties are: to set policies for internal audit and compliance, politics and internal controls for fraud prevention.

8. Capital Market

Equatorial Energia's shares closed 1Q14 at R$20.45, 11.7% lower than the R$23.15 price at the end of 4Q13. If compared with the closing of 1Q13, the valuation in 1 year period was 1.5%.

The Company's average daily trading volume was R$18.2 million in the last 60 sessions ending March 31, 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 Terco 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. Disclosure Calendar

Conference Call in English
Monday, May 12, 2014
12 noon (Brasília time)
11 a.m. (New York time)
Telephones: +1 888 700-0802 / +1 786 924-6977
Code: Equatorial

Conference Call in Portuguese
Monday, May 12, 2014
2 p.m. (Brasília time)
1 p.m (New York time)
Telephone: +55 11 3193-1001/ +55 11 2820-4001
Code: Equatorial

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

Contacts

- Eduardo Haiama
  CFO and Investor Relations Officer
- Thomas Newlands
  Investor Relations Analyst
- Telephones: + 0 XX (21) 3206-6635 / 6607
- E-mail: ri@equatorialenergia.com.br
- Website: 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
- CELPA: 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)	1Q13	4Q13	1Q14
GROSS OPERATING REVENUES	1,416	1,754	1,731
Electricity Sales to Final Consumer	1,206	1,436	1,431
Electricity Supply	25	24	54
Construction Revenues	169	250	210
Other Revenues	16	44	36
DEDUCTIONS FROM OPERATING REVENUES	(350)	(425)	(406)
NET OPERATING REVENUES	1,066	1,329	1,325
ELECTRICITY COSTS	(757)	(930)	(933)
Electricity Purchased for Resale	(556)	(651)	(691)
Transmission and Distribution Network Usage Charges	(31)	(28)	(31)
Construction Costs	(169)	(250)	(210)
Other Non-Manageable Expenses	(1)	(1)	(1)
OPERATING COSTS/EXPENSES	(249)	(269)	(248)
Personnel	(60)	(72)	(65)
Material	(65)	(16)	(8)
Services	(137)	(154)	(128)
Provisions	(39)	(1)	(26)
Others	52	(25)	(21)
EBITDA	60	131	144
Other Operating Revenues/Expenses	(17)	(17)	(8)
Depreciation and Amortization	(54)	(65)	(67)
EBIT	(12)	48	70
EQUITY INCOME	2	3	5
Equity Income	3	4	5
Goodwill Amortization	(1)	(1)	(0)
FINANCIAL RESULTS	(21)	(62)	(23)
Financial Revenue	107	164	185
Financial Expenses	(128)	(226)	(208)
RESULT BEFORE INCOME TAX	(31)	(11)	51
Social Contribution	(1)	(7)	(14)
Income Tax	(4)	(15)	(28)
Deferred Taxes	(4)	(28)	11
ADENE Incentive	2	9	12
PROFIT SHARING	13	(10)	(17)
NET INCOME	(25)	(62)	15

ANNEX 2 – REGULATORY X ACCOUNTING – CEMAR AND CELPA

► CEMAR

INCOME STATEMENT PER COMPANY (R$ MM)	1Q13 Original	Adjustments	1Q13 IFRS	1Q14 Original	Adjustments	1Q14 IFRS
GROSS OPERATING REVENUES	580,990	(116,443)	626,423	526,756	(66,076)	631,616
Electricity Sales to Final Consumer	546,474	(31,764)	514,710	485,104	22,448	507,553
Electricity Supply	28,516	(3,741)	24,776	30,209	(3,057)	27,152
Emergency Capacity Charges	(1,386)	-	(1,386)	1,154	-	1,154
Construction Revenues	-	(80,938)	80,938	-	(85,468)	85,468
Other Revenues	7,386	-	7,386	10,289	-	10,289
DEDUCTIONS FROM OPERATING REVENUES	(137,081)	(389)	(137,470)	(141,487)	(8)	(141,495)
NET OPERATING REVENUES	443,909	(116,831)	488,954	385,270	(66,084)	490,121
ELECTRICITY COSTS	(209,894)	71,470	(300,299)	(174,157)	19,825	(325,268)
Electricity Purchased for Resale	(262,710)	(9,468)	(272,178)	(254,959)	(65,643)	(320,602)
Transmission and Distribution Network Usage Charges	(11,205)	-	(11,205)	(11,435)	-	(11,435)
Construction Costs	-	80,938	(80,938)	-	85,468	(85,468)
Recovery of expenses (CDE)	65,077	-	65,077	93,169	-	93,169
Other non-manageable expenses	(1,056)	-	(1,056)	(932)	-	(932)
OPERATING COSTS/EXPENSES	(101,335)	-	(101,335)	(91,831)	3,409	(88,422)
Personnel	(22,339)	-	(22,339)	(23,789)	121	(23,668)
Material	(1,773)	-	(1,773)	(3,588)	268	(3,320)
Services	(55,426)	-	(55,426)	(55,157)	3,004	(52,153)
Provisions	(17,785)	-	(17,785)	(5,745)	-	(5,745)
Others	(4,011)	-	(4,011)	(3,553)	16	(3,537)
EBITDA	132,680	(45,361)	87,319	119,281	(42,851)	76,431
Other Operating Revenue/Expenses	(16,437)	-	(16,437)	(1,887)	-	(1,887)
Depreciation and Amortization	(22,669)	-	(22,669)	(29,917)	-	(29,917)
SERVICE INCOME	93,575	(45,361)	48,214	87,477	(42,851)	44,627
FINANCIAL INCOME	(24,375)	6,163	(18,211)	(7,971)	(9,481)	(17,452)
Financial Revenue	25,277	6,530	31,808	43,841	(3,180)	40,662
Financial Expenses	(49,652)	(367)	(50,019)	(51,812)	(6,301)	(58,114)
RESULT BEFORE INCOME TAX	69,200	(39,197)	30,002	79,506	(52,332)	27,174
Social Contribution	(727)	-	(727)	(8,531)	-	(8,531)
Income Tax	(1,966)	-	(1,966)	(11,580)	-	(11,580)
Deferred Taxes	(10,891)	-	(10,891)	11,030	-	11,030
SUDENE Incentive	1,966	-	1,966	11,580	-	11,580
NET INCOME	57,581	(39,197)	18,384	82,005	(52,332)	29,673

► CELPA

INCOME STATEMENT PER COMPANY (R$ MM)	1Q13 Original	Adjustments	1Q14 IFRS	1Q13 Original	Adjustments	1Q14 IFRS
GROSS OPERATING REVENUES	661,032	(76,803)	737,835	780,580	(175,382)	955,962
Electricity Sales to Final Consumer	659,243	15,628	643,615	752,639	(41,066)	793,705
Electricity Supply	-	-	-	17,702	(9,454)	27,157
Construction Revenues	-	(88,052)	88,052	-	(124,861)	124,861
Other Revenues	1,789	(4,380)	6,169	10,238	-	10,238
DEDUCTIONS FROM OPERATING REVENUES	(207,714)	(13)	(207,727)	(251,722)	654	(251,068)
NET OPERATING REVENUES	453,318	(76,816)	530,108	528,857	(174,728)	704,894
ELECTRICITY COSTS	(291,222)	125,249	(416,470)	(274,060)	238,982	(513,043)
Electricity Purchased for Resale	(395,706)	20,794	(416,500)	(482,962)	108,179	(591,141)
Transmission and Distribution Network Usage Charges	(3,609)	16,403	(20,012)	(13,237)	5,942	(19,179)
Construction Costs	-	88,052	(88,052)	-	124,861	(124,861)
Recovery of expenses (CDE)	105,014	-	105,014	230,314	-	230,314
Other non-manageable expenses	3,079	-	3,079	(8,175)	-	(8,175)
OPERATING COSTS/EXPENSES	(130,991)	-	(130,991)	(145,200)	-	(145,200)
Personnel	(34,817)	-	(34,817)	(38,152)	-	(38,152)
Material	(3,026)	-	(3,026)	(4,679)	-	(4,679)
Services	(67,142)	-	(67,142)	(73,724)	-	(73,724)
Provisions	(21,310)	-	(21,310)	(20,459)	-	(20,459)
Others	(4,695)	-	(4,695)	(8,186)	-	(8,186)
EBITDA	31,106	48,459	(17,353)	109,597	62,946	46,651
Other Operating Revenue/Expenses	1,811	2,559	(748)	(3,078)	2,776	(5,854)
Depreciation and Amortization	(23,214)	7,936	(31,150)	(29,021)	7,559	(36,580)
SERVICE INCOME	9,703	58,954	(49,251)	77,497	73,280	4,217
FINANCIAL INCOME	(11,085)	3,045	(14,130)	(39,138)	(13,100)	(26,038)
Financial Revenue	57,656	5,763	51,893	122,630	(11,362)	133,992
Financial Expenses	(68,741)	(2,718)	(66,024)	(161,768)	(1,737)	(160,030)
RESULT BEFORE INCOME TAX	(1,383)	61,999	(63,382)	38,360	60,181	(21,821)
Social Contribution	-	-	-	(2,369)	-	(2,369)
Income Tax	-	-	-	(6,574)	-	(6,574)
Deferred Taxes	6,773	-	6,773	-	-	-
RESULTADO DO EXERCÍCIO	5,390	61,999	(56,609)	29,417	60,181	(30,764)

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 100%	Eliminations	Equatorial Consolidated
GROSS OPERATING REVENUES	-	144	632	956	-	1,731
Electricity Sales to Final Consumer	-	142	498	790	-	1,431
Electricity Supply	-	-	27	27	-	54
Construction Revenues	-	-	85	125	-	210
Other Revenues	-	1.4	20	14	-	36
DEDUCTIONS FROM OPERATING REVENUES	-	(13)	(141)	(251)	-	(406)
NET OPERATING REVENUES	-	130	490	705	-	1,325
ELECTRICITY COSTS	-	(103)	(325)	(505)	-	(933)
Electricity Purchased for Resale	-	(103)	(227)	(361)	-	(691)
Transmission and Distribution Network Usage Charges	-	-	(11)	(19)	-	(31)
Construction Costs	-	-	(85)	(125)	-	(210)
Other Non-Manageable Expenses	-	-	(1)	-	-	(1)
OPERATING COSTS/EXPENSES	(4)	(2)	(88)	(153)	-	(248)
Personnel	(2)	(1)	(24)	(38)	-	(65)
Material	(0)	(0)	(3)	(5)	-	(8)
Services	(1)	(1)	(52)	(74)	-	(128)
Provisions	-	-	(6)	(20)	-	(26)
Others	(1)	(1)	(4)	(16)	-	(21)
EBITDA	(4)	25	76	47	-	144
Other Operating Revenues/Expenses	-	-	(2)	(6)	-	(8)
Depreciation and Amortization	-	(0)	(30)	(37)	-	(67)
EBIT	(4)	25	45	4	-	70
EQUITY INCOME	3	-	-	-	2	5
Equity Income	3	-	-	-	2	5
Goodwill Amortization	(0)	-	-	-	-	(0)
FINANCIAL RESULTS	20	0	(17)	(26)	-	(23)
Financial Revenue	20	0.5	41	134	(10)	185
Financial Expenses	-	(0.1)	(58)	(160)	10	(208)
RESULT BEFORE INCOME TAX	19	25	27	(22)	2	51
Social Contribution	(1)	(2)	(9)	(2)	-	(14)
Income Tax	(3)	(7)	(12)	(7)	-	(28)
Deferred Taxes	-	-	11	0	-	11
SUDENE Incentive	-	-	12	-	-	12
PROFIT SHARING	-	(8)	-	-	(9)	(17)
NET INCOME	15	8	30	(31)	(7)	15

ANNEX 4 – BALANCE SHEET (R$ MM)

ASSETS (R$ MM)	1Q13	2Q13	3Q13	4Q13	1Q14
CURRENT	3,126	3,022	3,085	3,081	3,164
Cash and Cash Equivalents	478	246	228	351	344
Short-Term Investments	958	1,274	1,365	1,262	1,002
Consumers and Resellers	923	919	978	1,006	1,026
Inventory	25	25	24	24	26
Taxes Recoverable	121	127	144	168	139
Judicial Deposits	24	114	23	24	23
Fuel Purchases - CCC account	196	143	133	94	156
Energy Cost Recovery and Charges	170	13	19	6	285
Other Accounts Receivable	232	161	172	146	163
LONG TERM ASSETS	1,874	1,969	1,831	1,834	1,896
Consumers and Resellers	90	90	112	116	129
Taxes Recoverable	140	122	121	93	95
Judicial Deposits	192	215	170	140	105
Deferred Taxes - Income Tax / Social Contribution	0	19	35	31	42
Indemnifiable Financial Asset	1,194	1,233	1,057	1,196	1,266
Subrogation of CCC	213	217	231	186	187
Other Accounts Receivable	46	75	106	73	72
FIXED ASSETS	4,090	4,054	4,187	4,188	4,233
Investments	71	71	73	71	76
Goodwill	4,019	3,982	4,113	4,117	4,156
TOTAL ASSETS	9,090	9,045	9,103	9,103	9,293

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ MM)	4Q12	1Q13	2Q13	3Q13	4Q13
CURRENT	2,244	2,025	1,999	1,689	2,040
Suppliers	845	677	613	675	928
Salaries	33	27	31	43	33
Dividends / Interest on Equity	92	91	91	42	31
Taxes and Social Contribution	224	227	245	254	295
Loans and Financing	610	562	550	169	275
Debentures	10	0	5	6	12
Public Lighting	33	20	22	33	24
Provision for Contingencies	32	42	32	40	32
Others	365	379	411	427	411
LONG TERM LIABILITIES	4,123	4,355	4,223	4,567	4,375
Taxes and Social Contribution	416	390	357	334	314
Debentures	287	290	291	294	299
Loans and Financing	1,956	2,224	2,251	2,756	2,581
Provision for Contingencies	759	756	638	638	637
Retirement Plan and Pension	34	34	34	26	26
Judicial Recovery	410	407	409	333	310
Others	261	255	243	187	210
MINORITY INTERESTS	341	469	481	493	509
SHAREHOLDERS EQUITY	2,382	2,196	2,400	2,354	2,369
Capital Stock	1,977	1,977	1,977	1,977	1,977
Profit Reserves	458	311	311	497	499
Equity Adjustment	(27)	(22)	(22)	(22)	(22)
Other Comprehensive Results	(1)	(1)	(1)	(1)	(3)
Retained Earnings/Accumulated Deficit	(25)	(69)	135	(97)	(82)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	9,090	9,045	9,103	9,103	9,293