Quarterly information

Equatorial Energia S.A.

March 31, 2013
with Independent Auditor's Review Report

Equatorial Energia S.A.

Financial statements

March 31, 2013 and 2012

Contents

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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 accompanying individual and consolidated interim financial information, contained in the Quarterly Information (ITR) of Equatorial Energia S.A. ("Company") for the quarter ended March 31, 2013, comprising the balance sheet and the related statements of operations, comprehensive income (loss), changes in equity and cash flow statements for the three-month period then ended, including the explanatory 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 specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly 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 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.

Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

Emphasis of a matter

Legal reorganization process

Without modifying our conclusion, we draw attention to the fact that subsidiary Centrais Elétricas do Pará S.A. – CELPA is under court-supervised reorganization. As disclosed in Note 1, on September 1, 2012, a general meeting of creditors approved the Legal Reorganization Plan submitted by subsidiary Centrais Elétricas do Pará S.A. – CELPA, based on the following assumptions: (i) transfer of shareholding control to the Company, (ii) minimum capital contribution in the amount of R$ 700,000 thousand by the new controlling interest holder, (iii) ANEEL's approval of the Transition Plan, (iv) installment payment plan for taxes currently past due and for social charges over a period of not less than 60 (sixty) months, and (v) renegotiation of debts. The Company quarterly information was prepared on the assumption that the Legal Reorganization Plan of subsidiary Centrais Elétricas do Pará S.A. – CELPA will be executed successfully.

Restatement of prior year corresponding figures

As mentioned in Note 4, due to a change in accounting policy with the adoption of revised standard CPC 33 (R1) and IFRS 11 and the complement to actuarial liabilities as of December 31, 2012 made by subsidiary Centrais Elétricas do Pará S.A. (CELPA), corresponding figures, individual and consolidated, in the balance sheet for the year ended December 31, 2012 and corresponding interim financial information referring to the statement of operations, comprehensive income, changes in equity, cash flow statements and statements of value added (supplementary information), for the three-month period ended March 31, 2012, presented for comparison purposes, were reviewed and are restated as provided for under CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors, and CPC 26(R1) - Presentation of Financial Statements. We express our unmodified conclusion on this matter.

Other matters

Statements of value added

We have also reviewed the individual and consolidated interim statements of value added (SVA) for the three-month period ended March 31, 2013, prepared under the responsibility of Company management, the presentation of which in the interim financial information is required by specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR), and as 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 are not prepared, in all material respects, consistently with the overall accompanying individual and consolidated interim financial information.

Fortaleza (CE), May 15, 2013

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

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

Equatorial Energia S.A.

Balance sheets
March 31, 2013 and December 31, 2012
(In thousands of reais)

		Company		Consolidated	
	Note	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Assets					
Current assets					
Cash and cash equivalents	5.1	2	23	286.580	133.101
Short-term investments	5.2	754.617	804.887	1.149.136	1.592.099
Trade accounts receivable	7	-	-	923.464	1.094.304
Taxes recoverable	8.1	-	-	91.798	78.951
Income taxes	8.2	3.749	3.330	28.796	26.914
Purchase of fuel - CCC	10	-	-	195.721	153.394
Inventories		-	-	24.758	25.350
Dividends receivable		51.451	54.984	1.155	4.053
Services rendered		280	280	91.071	81.494
Judicial deposits	23	-	-	99.899	89.411
Swap transactions	37	4.958	248	-	-
Recovery of cost of energy service and charges		-	-	170.091	-
Other receivables	13	597	604	63.933	40.313
		815.654	864.356	3.126.402	3.319.384
Noncurrent assets					
Trade accounts receivable	7	-	-	89.501	89.299
Taxes recoverable	8.1	-	-	87.266	104.891
Income taxes	8.2	8.774	8.774	52.397	52.397
Deferred income and social contribution taxes	9	-	-	323	11.214
Judicial deposits	23	-	-	191.651	180.584
Investment provided as guarantee		-	-	-	-
Concession-related financial assets	15	-	-	1.194.272	1.052.945
CCC subrogation	12	-	-	212.704	211.699
Other receivables	13	295.659	303.220	45.596	45.812
Investments	14	1.330.756	1.301.179	68.325	66.884
Property and equipment	17	298	298	2.668	2.659
Intangible assets	16	-	-	4.019.257	4.142.679
		1.635.487	1.613.471	5.963.960	5.961.063
Total assets		2.451.141	2.477.827	9.090.362	9.280.447

	Note	Company 03/31/2013	Company 12/31/2012	Consolidated 03/31/2013	Consolidated 12/31/2012
Liabilities					
Current liabilities					
Trade accounts payable	**18**	**612**	1.764	**844.636**	663.032
Payroll and accrued vacation pay and payroll-related taxes		**377**	124	**32.709**	27.904
Loans and financing	**20**	**-**	-	**610.477**	648.678
Debentures	**21**	**-**	-	**10.154**	169.602
Swap transactions	**37**	**4.958**	2.050	**4.958**	2.050
Regulatory charges payable		**-**	-	**16.889**	24.706
Taxes payable	**22.1**	**689**	295	**220.926**	281.947
Income taxes payable	**22.2**	**198**	28	**3.063**	4.032
Dividends and interest on equity payable	**27**	**33.829**	33.579	**91.601**	90.547
Provision for civil, tax and labor claims	**23**	**-**	-	**32.451**	32.384
Public lighting charge		**-**	-	**33.280**	46.098
Research & development and energy efficiency	**24**	**-**	-	**64.226**	58.020
Employee profit sharing	**28**	**4.631**	3.762	**17.708**	25.817
Workers' severance pay		**-**	-	**20**	232
Legal reorganization - CELPA	**19**	**-**	-	**8.963**	8.963
Other accounts payables	**25**	**23.881**	272.117	**251.954**	511.726
		69.175	313.719	**2.244.015**	2.595.738
Noncurrent liabilities					
Loans and financing	**20**	-	-	**1.955.566**	1.974.185
Debentures	**21**	-	-	**287.473**	283.210
Taxes payable	**22.2**	-	-	**406.800**	431.706
Deferred income and social contribution taxes	**9**	**50**	50	**9.598**	16.402
Provision for civil, tax and labor claims	**23**	**-**	-	**758.804**	754.488
Research & development and energy efficiency	**24**	**-**	-	**72.124**	71.211
Retirement and pension plan	**35**	**-**	-	**33.964**	33.430
Regulatory charges payable		**-**	-	**84.471**	88.260
Legal reorganization - CELPA	**19**	**-**	-	**410.221**	409.530
Other accounts payables	**25**	**-**	-	**104.136**	106.695
		50	50	**4.123.157**	4.169.117
Equity	**26**				
Capital		**1.977.276**	1.742.519	**1.977.276**	1.742.519
Capital reserves		**14.080**	14.080	**14.080**	14.080
Income reserves		**443.626**	431.133	**443.626**	431.133
Other comprehensive income (loss)		**(1.390)**	(1.412)	**(1.390)**	(1.412)
Equity adjustments		**(27.083)**	(22.262)	**(27.083)**	(22.262)
Comprehensive income for the period		**(24.593)**	-	**(24.593)**	-
Equity attributable to Company shareholders		2.381.916	2.164.058	2.381.916	2.164.058
Noncontrolling interest		**-**	-	**341.274**	351.534
Total equity		2.381.916	2.164.058	2.723.190	2.515.592
Total liabilities		**2.451.141**	2.477.827	**9.090.362**	9.280.447

Equatorial Energia S.A.

Statements of operations
Three-month periods ended March 31, 2013 and 2012
(In thousands of reais)

	Note	Company 03/31/2013	Company 03/31/2012	Consolidated 03/31/2013	Consolidated 03/31/2012
Net operating revenue	30	-	-	1.065.865	535.775
Cost of electric energy service	31	-	-	(871.691)	(350.113)
Cost of electric energy		-	-	(756.217)	(309.559)
Electric energy purchased for resale		-	-	(556.010)	(137.822)
Cost of construction		-	-	(168.990)	(145.851)
Transmission and distribution system use charge		-	-	(31.217)	(25.886)
Cost of operation		-	-	(115.474)	(40.554)
Personnel		-	-	(26.463)	(6.634)
Material		-	-	(63.454)	(1.761)
Outsourced services		-	-	(37.583)	(13.954)
Depreciation and amortization		-	-	(47.968)	(15.793)
Lease and rental		-	-	(997)	(586)
CCC subsidy		-	-	64.422	-
Other		-	-	(3.431)	(1.826)
Gross profit		-	-	194.174	185.662
Operating income (expenses)					
Selling expenses	31	-	-	(51.621)	(30.714)
Administrative expenses	31	(13.638)	(548)	(84.620)	(25.140)
Personnel and management		(2.175)	(3.951)	(6.288)	(6.895)
Allowance for doubtful accounts		-	-	(34.980)	(8.614)
(Reversal of) Provision for contingencies		-	-	(3.526)	(5.228)
Reserve for retirement and pension plan		-	-	(589)	-
Depreciation and amortization		-	-	(6.204)	(4.566)
Amortization of concession right		(1.153)	(1.455)	(1.153)	(1.454)
Equity pickup		(18.073)	54.395	2.975	3.523
Other operating income (expenses)	32	(743)	(500)	(17.922)	154
Total operating income (expenses)		(35.782)	47.941	(203.928)	(78.934)
Income before financial income (expenses), net		(35.782)	47.941	(9.754)	106.728
Financial income (expenses)	33	11.189	160	(21.054)	(8.767)
Financial income	33	23.437	181	106.785	25.452
Financial expenses	33	(12.248)	(21)	(127.839)	(34.219)
Income (loss) before social contribution and income taxes		(24.593)	48.101	(30.808)	97.961
Social contribution and income taxes	9c	-	-	(7.272)	(22.271)
Social contribution tax	9c	-	-	(1.385)	(9.590)
Income tax	9c	-	-	(3.785)	(12.261)
Tax incentive - SUDENE	9c	-	-	1.966	12.091
Deferred taxes	9c	-	-	(4.068)	(12.511)
Adjusted net income (loss)		(24.593)	48.101	(38.080)	75.690
Noncontrolling interests		-	-	13.487	(27.589)
Net income (loss) attributable to Company shareholders		(24.593)	48.101	(24.593)	48.101
Basic and diluted earnings (loss) per share	34	(0,1255)	0,4406	(0,1255)	0,4406
Weighted average number of shares at end of period/year		195.953	109.163	195.953	109.163

See accompanying notes.

Equatorial Energia S.A.

Statements of comprehensive income (loss)
Three-month periods ended March 31, 2013 and 2012
(In thousands of reais)

	Company		Consolidated	
	03/31/2013	03/31/2012	03/31/2013	03/31/2012
Adjusted net income (loss)	**(24.593)**	48.101	**(38.080)**	**75.690**
Comprehensive income (loss) for the period	**(1.390)**	**(1.412)**	**(1.390)**	**(1.412)**
Total comprehensive income (loss) for the period	**(25.983)**	**46.689**	**(39.470)**	**74.278**
Basic and diluted earnings (loss) per share	**(0,1326)**	0,4277		
Weighted average number of shares at end of period	**195.953**	109.163		

See accompanying notes.

Equatorial Energia S.A.

Statements of changes in equity
Three-month periods ended March 31, 2013 and 2012
(In thousands of reais)

	Note	Capital	Capital reserves	Legal reserve	Reserve for investments and expansion	Income reserve – Distribution of additional dividends	Equity adjustments	Retained earnings	Other comprehensive income (loss)	Equity - Company	Noncontrolling interests	Consolidated equity
Balances at December 31, 2011		**566.831**	**13.339**	**55.737**	**273.799**	**12.422**	**-**	**-**	**-**	**922.128**	**336.415**	**1.258.543**
Recognized options granted		-	740	-	-	-	-	-	-	740	-	740
Additional dividends		-	-	-	-	(12.422)	-	-	-	(12.422)	-	(12.422)
Net income for the period	33	-	-	-	-	-	-	48.101	-	48.101	11.175	59.276
Balances at March 31, 2012		**566.831**	**14.079**	**55.737**	**273.799**	**-**	**-**	**48.101**	**-**	**958.547**	**347.590**	**1.306.137**
										-	-	-
Balances at December 31, 2012		**1.742.519**	**14.080**	**62.787**	**368.096**	**250**	**(22.262)**	**-**	**(1.412)**	**2.164.058**	**351.534**	**2.515.592**
Capital increase	**25**	234.757	-	-	-	-	-	-	-	234.757	-	234.757
Equity adjustments		-	-	-	-	-	(4.821)	-	-	(4.821)	3.227	(1.594)
Other comprehensive income		-	-	-	-	-	-	-	22	22	-	22
Additional dividends	**26**	-	-	-	-	(250)	-	-	-	(250)	-	(250)
Retained earnings / (accumulated losses)		-	-	-	12.743	-	-	-	-	12.743	-	12.743
Loss for the period	**33**	-	-	-	-	-	-	(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**

See accompanying notes.

Equatorial Energia S.A.

Cash flow statements – Indirect method
Three-month periods ended March 31, 2013 and 2012
(In thousands of reais)

	Note	Company		Consolidated	
		03/31/2013	03/31/2012	03/31/2013	03/31/2012
Cash flow from operating activities:					
Net income (loss) for the period		**(24.593)**	48.101	(24.593)	48.101
Items of profit or loss not affecting cash flow					
Depreciation and amortization		**1.153**	1.454	**55.325**	21.813
Retirement and pension plan		-	-	**589**	-
Interest expenses		-	-	**43.886**	28.458
Foreign exchange losses on financing activities		**(1.802)**	-	**2.908**	-
Restatement of financial assets			-	**(9.786)**	-
Loss on sale of intangible assets / property and equipment		-	-	**37.724**	1.628
(Reversal of) Provision for contingencies		-	-	**4.308**	14.636
Allowance for doubtful accounts		-	-	**34.980**	(8.614)
Share-based payment		-	741	-	741
Equity pickup - going concern		**5.309**	(54.394)	-	-
Short-term investment yield		**(12.608)**	(181)	**(17.937)**	(181)
Equity adjustments - IFRS		**12.743**	-	**11.149**	-
Deferred income and social contribution taxes		-	-	**4.068**	67.919
Current Income and social contribution taxes		-	-	**3.204**	9.760
Proposed dividends		-	-	-	-
Noncontrolling interests		-	-	**(13.487)**	27.589
Other comprehensive income		**22**	-	**22**	-
Other		-	-	803	(89)
		(19.776)	**(4.279)**	**133.163**	211.761
Changes in current and noncurrent assets					
Trade accounts receivable		-	4	**135.658**	(21.775)
Inventories		-	-	**592**	(1.727)
Taxes recoverable		-	-	**4.778**	39.277
Income taxes		**(419)**	863	**(1.882)**	(24.497)
Deferred taxes		-	-	**19**	(62.577)
Related parties			-	-	
Services rendered and other		-	-	**(9.577)**	(7.440)
Recovery of cost of energy service and charges		-	-	**(170.091)**	-
Purchase of fuel - CCC		-	-	**(42.327)**	-
Judicial deposits		-	-	**(21.555)**	(9.636)
Concession-related financial assets		-	-	**(138.045)**	(34.978)
Dividends receivable		**6.673**	-	-	-
Other receivables		**7.568**	3	**(23.404)**	1.097
		13.822	870	**(265.834)**	(122.256)
Changes in current and noncurrent liabilities					
Trade accounts payable		**(1.152)**	(29)	**181.604**	2.312
Taxes payable		**394**	(7)	**(85.927)**	(30.941)
Income taxes		**170**	-	**16.274**	11.690
Payroll		**253**	22	**(8.013)**	4.029
Provision for civil, tax and labor claims		-	2	**77**	(6.321)
Regulatory charges payable		-	-	**(11.606)**	108
Energy efficiency program		-	-	**7.119**	(860)
Profit sharing		**869**	(860)	**(8.109)**	(13.678)
Retirement and pension plan		-	-	**(55)**	-
Interest expenses		-	-	**(28.822)**	(37.173)
Social contribution and income taxes paid	**38**	-	-	**(20.447)**	(11.075)
Other accounts payables		**(248.236)**	(19)	**(262.543)**	(269)
		(247.702)	**(891)**	**(220.448)**	**(82.178)**
Net cash flow (used in) from operating activities		**(253.656)**	**(4.300)**	**(353.119)**	**7.327**
Investing activities					
Acquisition of intangible assets		-	-	**35.873**	(70.908)
Acquisition of property and equipment		-	-	**(9)**	(56)
Acquisition of investments		**(44.000)**	(2.000)	**(4.596)**	(5.523)
Invested in investment funds		**(187.800)**	-	-	-
Redeemed short-term investments		**250.678**	6.263	**460.900**	63.801
Marketable securities		-	-	-	-
Acquisition of CELPA	**38**	-	-		-
Dividends received		-	-	**6.053**	-
Other		-	-	-	-
Net cash flow from (used in) investing activities		**18.878**	**4.263**	**498.221**	**(12.686)**
Financing activities					
Loans and financing		-	-	**44.403**	4.832
Amortization of loans and financing		-	-	**(111.094)**	(44.504)
Debentures		-	-	-	-
Amortization of debentures		-	-	**(160.380)**	(65.525)
Dividends paid		-	-	-	-
Legal reorganization		-	-	**691**	-
Received for issue of shares / Capital increase		**234.757**	-	**234.757**	-
Net cash flow (used in) from financing activities		**234.757**	-	**8.377**	(105.197)
Decrease in cash and cash equivalents		**(21)**	(37)	**153.479**	(110.556)
Decrease in cash and cash equivalents represented by:					
Cash and cash equivalents at beginning of period		**23**	41	**133.101**	237.375
Cash and cash equivalents at end of period		**2**	4	**286.580**	126.819
Increase (decrease) in cash and cash equivalents		**(21)**	(37)	**153.479**	(110.556)

Equatorial Energia S.A.

Statements of value added
Three-month periods ended March 31, 2013 and 2012
(In thousands of reais)

	Company		Consolidated	
	03/31/2013	03/31/2012	03/31/2013	03/31/2012
Turnover				
Sales of products and services	(743)	(500)	1.415.795	699.469
Other operating income (expenses)	-	-	(17.922)	117
Allowance for doubtful accounts	-	-	(34.980)	(8.614)
Other nonrecurring expenses / revenues	-	-	-	38
Reserve for retirement and pension plan	-	-	(589)	-
(Reversal of) Provision for contingencies	-	-	(3.526)	(5.228)
	(743)	(500)	**1.358.778**	685.782
Inputs acquired from third parties (including ICMS and IPI)				
Costs of sales of products and services	-	-	(756.217)	(309.559)
Material, electricity, outsourced services and other	(13.638)	(548)	(145.574)	(60.057)
Selling and other expenses	-	-	(1.057)	(949)
	(13.638)	(548)	**(902.848)**	(370.565)
Gross value added (paid)	**(14.381)**	(1.048)	**455.930**	315.217
Depreciation and amortization	**-**	-	**(54.172)**	(20.360)
Net value added provided (paid) by the Company	**(14.381)**	(1.048)	**401.758**	294.857
Value added received in transfer				
Equity pickup	(18.073)	52.940	2.975	2.068
Amortization of concession right	(1.153)	-	(1.153)	-
Financial income	23.437	181	106.785	25.452
Other	(12.248)	(21)	(127.839)	(6.609)
	(8.037)	53.100	**(19.232)**	20.911
Total value added to be paid	**(22.418)**	52.052	**382.526**	315.768
Value added paid to				
Employees				
Direct compensation	1.604	3.491	13.911	(21.440)
Benefits	106	56	56.872	56.872
Unemployment Compensation Fund (FGTS)	24	23	13.644	13.644
Other	441	381	(23.897)	(23.896)
	2.175	3.951	**60.530**	25.180
Taxes				
Federal	-	-	127.874	102.522
State	-	-	221.619	83.122
Local	-	-	7.710	320
	-	-	**357.203**	185.964
Debt remuneration				
Interest	-	-	-	27.610
Rental	-	-	2.873	1.323
	-	-	**2.873**	28.933
Equity remuneration				
Dividends	33.487	48.101	33.487	33.487
Retained profits for the period	(58.080)	-	(58.080)	14.615
Noncontrolling interest in retained profits	-	-	(13.487)	27.589
	(24.593)	48.101	**(38.080)**	75.691
Value added	**(22.418)**	52.052	**382.526**	315.768

See accompanying notes.

1 Company information

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

In a material fact published September 25, 2012, the Company announced the execution of the Share Purchase and Sale Agreement and Other Covenants of Centrais Elétricas do Pará S.A. – under Legal Reorganization (CELPA) (“CELPA” and “Purchase and Sale Agreement”).

Under the Purchase and Sale Agreement, subject to the existence of certain conditions precedent, the Company agreed to acquire, for a total R$ 1.00 (one real), 39,179,397 (thirty-nine million, one hundred seventy-nine thousand and three hundred ninety-seven) shares of CELPA, including 38,717,480 (thirty-eight million, seven hundred seventeen thousand and four hundred eighty) common shares and 461,917 (four hundred sixty-one thousand and nine hundred seventeen) preferred shares, totaling an equity interest of 65.18% (sixty-five point eighteen percent) of the voting capital and 61.36% (sixty-one point thirty-seven percent) of the total capital of CELPA (“Shares”). The completion of the transaction was subject to certain conditions precedent set forth in the Purchase and Sale Agreement, including, but not limited to, approval by the National Electric Energy Agency (ANEEL) and the Brazilian Antitrust Agency (CADE).

On November 1, 2012, according to a notice of material fact published on the same date, the Company completed, following the approval of ANEEL and CADE, the acquisition of CELPA. In view of the immateriality of the acquisition price, in line with precedents of the Brazilian Securities and Exchange Commission (CVM), Equatorial requested CVM, on November 28, 2012, to be relieved from the obligation to make a Public Tender Offer for Shares and will keep market informed thereof.

CELPA was incorporated in 1962 for the purpose of operating in the electric energy industry in the State of Pará. Seven years later, the company merged with Força e Luz do Pará S.A. - Forluz, creating one single energy operator.

As of 1981, the new operator has been able to use energy from the North-Northeast Interconnected System, and, as of 1998, has been part of REDE ENERGIA by means of an auction held on July 9, 1998.

(In thousands of reais, unless otherwise stated)

1 Company information (Continued)

One year later, CELPA joined the National Interconnected System when the North-South Interconnection became operational at 500 kV.

The territory of Pará concentrates some 34% of the whole of the Amazon Basin (more than one million square km) and its hydroelectric potential is estimated at more than 61 thousand MW. This potential is distributed into nine large basins, especially the Tocantins River Basin, where the Tucuruí Hydroelectric Plant was implemented and started operating in 1984.

2 Subsidiaries

Equatorial has the following investments:

	Note	03/31/2013	12/31/2012
CEMAR	a.	65.11%	65.11%
Equatorial Soluções	b.	100.00%	100.00%
CELPA	c.	61.36%	61.36%

a. **Companhia Energética do Maranhão ("CEMAR"):** publicly-traded company whose main business purpose is to distribute electric energy. CEMAR's concession area is Maranhão State, serving at December 31, 2012 more than 1.9 million customers in an area of more than 333 thousand Km^2. 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, and its main business purpose is: 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):** This Brazilian publicly-traded company, with its headquarters in the city of Belém, State of Pará, is engaged in the distribution and generation of electric energy in a concession area covering the entire State of Pará with 1,248 thousand km^2, serving 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 another 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 power 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, with the Company remaining with the concession of its 11 own thermoelectric power plants.

Presentation of the three-month periods of subsidiaries included on consolidation coincide with those of the Company, and the accounting practices were applied in all consolidated companies, consistently with prior year.

All intercompany balances and transactions were eliminated upon consolidation.

3 Basis of preparation and presentation of the quarterly information

The individual quarterly information for the quarter ended March 31, 2013 was prepared in accordance with CPC 21 – Interim Financial Reporting. The consolidated quarterly information was prepared in accordance with CPC 21 and international financial reporting standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, and presented in conformity with standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Information (ITR).

This quarterly information was prepared in accordance with accounting principles, practices and criteria adopted in the preparation of the annual financial statements for the year ended December 31, 2012, described in Note 3 of said financial statements and therefore, should be read in conjunction with those financial statements.

3 Basis of preparation and presentation of the quarterly information (Continued)

The Company adopted all pronouncements, revised pronouncements and interpretations issued by Brazilian FASB (CPC) and IASB that were effective as at March 31, 2013.

Regarding IAS 1 (R) – Presentation of Financial Statements, IAS 32 (R) – Offsetting Financial Assets and Financial Liabilities, IFRS 1 (R) – First-time Adoption of International Financial Reporting Standards, IFRS 7 (R) – Financial Instruments: Disclosures, IFRS 9 – Financial Instruments: Classification and Measurement, IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities, IFRS 13 – Fair Value Measurements, IAS 27 (R) – Consolidated and Separate Financial Statements and IAS 28 (R) – Investments in Associates and Joint Ventures, which were issued (new pronouncements) and/or revised by IASB before 2012, application of which became effective for the annual periods beginning on or after January 1, 2013, the Company adopted these pronouncements (when applicable) and assessed that their adoption did not impact its quarterly information.

The issuance of quarterly information was approved by management on May 15, 2013.

4 Changes in accounting practices and errors

a) IAS 19 (R) – Employee Benefits

As from January 1, 2013, subsidiary Centrais Elétricas do Pará – CELPA started to adopt the IAS 19 (Revised) – Employee Benefits, correlated to CPC 33(R1), which has introduced changes that eliminate the use of the “corridor method”; a simplified approach to recognizing movements in plan assets and liabilities, having financial cost and expected return on the plan assets recognized in P&L for the period, and the remeasurement of gains/ losses and the return on assets (less the amount of interest on return of assets recognized in P&L) recognized in comprehensive income); as well as changes to the plan ceiling effects.

4 Changes in accounting practices and errors (Continued)

b) IFRS 11 - Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Nonmonetary Contributions by Venturers. IFRS 11 removes the option to account for jointly-controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The adoption of this new standard will have an impact on the Company financial position, eliminating the proportionate consolidation of Geradora de Energia Norte. With the application of the new standard, the investments in said entity will be accounted for using the equity method. The standard is effective for annual periods beginning on or after January 1, 2013, and requires retrospective application for joint arrangements held at the first-time adoption (FTA) date.

c) Correction of errors

Subsidiary Centrais Elétricas do Pará – CELPA recognized a complement amounting to R$16,258 to actuarial liabilities of post-employment benefit plans in the December 31, 2012 balance sheet, as required by Brazilian accounting practices.

Below are the effects of the changes described above on the December 31, 2012 balance sheet and on the statement of operations, cash flow statement and statement of value added for the three-month period ended March 31, 2012.

(In thousands of reais, unless otherwise stated)

4 Changes in accounting practices and errors (Continued)

	Company			
	Balance sheet disclosed at 12/31/2012	Adjustments due to CPC 33 (R1) adoption	Correction of errors	Balance sheet as at 12/31/2012 disclosed at 03/31/2013
Assets				
Current assets				
Cash and cash equivalents	**23**			23
Short-term investments	**804.887**	-	-	804.887
Income taxes	**3.330**	-	-	3.330
Dividends receivable	**54.984**	-	-	54.984
Services rendered	**280**	-	-	280
Swap transactions	**248**	-	-	248
Other receivables	**604**	-	-	604
	864.356	-	-	864.356
Noncurrent assets				
Income taxes	**8.774**	-	-	8.774
Other receivables	**303.220**	-	-	303.220
Investments	**1.308.502**	**(1.207)**	**(6.116)**	1.301.179
Property and equipment	**298**	-	-	298
	1.620.794	**(1.207)**	**(6.116)**	1.613.471
Total assets	**2.485.150**	**(1.207)**	**(6.116)**	**2.477.827**

(In thousands of reais, unless otherwise stated)

4 Changes in accounting practices and errors (Continued)

	Company			
	Balance sheet disclosed at 12/31/2012	**Adjustments due to CPC 33 (R1) adoption**	**Correction of errors**	**Balance sheet as at 12/31/2012 disclosed at 03/31/2013**
Liabilities				
Current liabilities				
Trade accounts payable	**1.764**	-	-	1.764
Payroll and accrued vacation pay and payroll-related taxes	**124**	-	-	124
Swap transactions	**2.050**	-	-	2.050
Taxes payable	**295**	-	-	295
Income taxes payable	**28**	-	-	28
Dividends and interest on equity payable	**33.579**	-	-	33.579
Employee profit sharing	**3.762**	-	-	3.762
Other accounts payables	**272.117**	-	-	272.117
	313.719	-	-	**313.719**
Noncurrent liabilities				
Deferred income and social contribution taxes	**50**	-	-	50
	50	-	-	**50**
Equity				
Capital	**1.742.519**	-	-	1.742.519
Capital reserves	**14.080**	-	-	14.080
Income reserves	**437.044**	**205**	**(6.116)**	431.133
Equity adjustments	**(22.262)**	-	-	(22.262)
Other comprehensive income (loss)	-	**(1.412)**	-	(1.412)
Total equity	2.171.381	(1.207)	(6.116)	2.164.058
Total liabilities	**2.485.150**	**(1.207)**	**(6.116)**	**2.477.827**

Equatorial Energia S.A

Notes to quarterly information
March 31, 2013
(In thousands of reais, unless otherwise stated)

4 Changes in accounting practices and errors (Continued)

	Consolidated				
	Balance sheet disclosed at 12/31/2012	Adjustments due to CPC 19 (R2) adoption	Adjustments due to CPC 33 (R1) adoption	Correction of errors	Balance sheet as at 12/31/2012 disclosed at 03/31/2013
Assets					
Current assets					
Cash and cash equivalents	**135.146**	(2.045)	-	-	133.101
Short-term investments	**1.592.099**	-	-	-	1.592.099
Trade accounts receivable	**1.151.254**	(56.950)	-	-	1.094.304
Taxes recoverable	**78.951**	-	-	-	78.951
Income taxes	**27.251**	(337)	-	-	26.914
Dividends receivable	**-**	4.053	-	-	4.053
Purchase of fuel - CCC	**153.394**	-	-	-	153.394
Inventories	**29.247**	(3.897)	-	-	25.350
Services rendered	**81.527**	(33)	-	-	81.494
Judicial deposits	**89.411**	-	-	-	89.411
Other receivables	**40.696**	(383)	-	-	40.313
	3.378.976	(59.592)	-	-	3.319.384
Noncurrent assets					
Trade accounts receivable	**89.366**	(67)	-	-	89.299
Taxes recoverable	**104.891**	-	-	-	104.891
Income taxes	**52.397**	-	-	-	52.397
Deferred income and social contribution taxes	**11.663**	(449)	-	-	11.214
Judicial deposits	**180.584**	-	-	-	180.584
Investment provided as guarantee	**6.754**	(6.754)	-	-	-
Concession-related financial assets	**1.052.945**	-	-	-	1.052.945
CCC subrogation	**211.699**	-	-	-	211.699
Other receivables	**45.812**	-	-	-	45.812
Investments	**9.736**	57.148	-	-	66.884
Property and equipment	**134.613**	(131.954)	-	-	2.659
Intangible assets	**4.154.025**	(11.346)	-	-	4.142.679
	6.054.485	(93.422)	-	-	5.961.063
Total assets	**9.433.461**	**(153.014)**	**-**	**-**	**9.280.447**

(In thousands of reais, unless otherwise stated)

4 Changes in accounting practices and errors (Continued)

		Consolidated				
	Note	Balance sheet disclosed at 12/31/2012	Adjustments due to CPC 19 (R2) adoption	Adjustments due to CPC 33 (R1) adoption	Correction of errors	Balance sheet as at 12/31/2012 disclosed at 03/31/2013
Liabilities						
Current liabilities						
Trade accounts payable	17	709.930	(46.898)	-	-	663.032
Payroll and accrued vacation pay and payroll-related taxes		27.938	(34)	-	-	27.904
Loans and financing	19	648.706	(28)	-	-	648.678
Debentures	20	177.461	(7.859)	-	-	169.602
Swap transactions	36	2.050	-	-	-	2.050
Regulatory charges payable		24.706	-	-	-	24.706
Taxes payable	21.1	282.556	(609)	-	-	281.947
Income taxes payable	21.2	5.067	(1.035)	-	-	4.032
Dividends and interest on equity payable	26	90.547	-	-	-	90.547
Provision for civil, tax and labor claims	22	32.384	-	-	-	32.384
Public lighting charge		46.098	-	-	-	46.098
Research & development and energy efficiency	23	59.150	(1.130)	-	-	58.020
Employee profit sharing	27	25.817	-	-	-	25.817
Workers' severance pay		232	-	-	-	232
Legal reorganization	18	8.963	-	-	-	8.963
Other accounts payables	24	512.579	(853)	-	-	511.726
		2.654.184	(58.446)	-	-	2.595.738
Noncurrent liabilities						
Loans and financing	19	1.995.057	(20.872)	-	-	1.974.185
Debentures	20	356.628	(73.418)	-	-	283.210
Taxes payable	21.1	431.706	-	-	-	431.706
Deferred income and social contribution taxes	21.2	22.828	(278)	(620)	(5.528)	16.402
Provision for civil, tax and labor claims	22	754.488	-	-	-	754.488
Research & development and energy efficiency	23	71.211	-	-	-	71.211
Retirement and pension plan	34	15.349	-	1.823	16.258	33.430
Regulatory charges payable		88.260	-	-	-	88.260
Legal reorganization	18	409.530	-	-	-	409.530
Other accounts payables	24	106.695	-	-	-	106.695
		4.251.752	(94.568)	1.203	10.730	4.169.117
Equity	25					
Capital		1.742.519	-	-	-	1.742.519
Capital reserves		14.080	-	-	-	14.080
Income reserves		437.044	-	205	(6.116)	431.133
Equity adjustments		(22.262)	-	-	-	(22.262)
Other comprehensive income (loss)		-	-	(853)	-	(853)
Equity attributable to Company shareholders		2.171.381	-	(648)	(6.116)	2.164.617
Noncontrolling interest		356.144	-	(555)	(4.614)	350.975
Total equity		2.527.525	-	(1.203)	(10.730)	2.515.592
Total liabilities		9.433.461	(153.014)	-	-	9.280.447

(In thousands of reais, unless otherwise stated)

4 Changes in accounting practices and errors (Continued)

	Consolidated			
	As per income statement disclosed at 03/31/2012	Adjustments due to CPC 19 (R2) adoption	Adjustments due to CPC 33 (R1) adoption	Income statement at 03/31/2012 disclosed at 03/31/2013
Net operating revenue	545.778	(10.003)	-	535.775
Cost of electric energy service	(353.389)	3.276	-	(350.113)
Cost of electric energy	(311.440)	1.881	-	(309.559)
Electric energy purchased for resale	(139.703)	1.881	-	(137.822)
Cost of construction	(145.851)	-	-	(145.851)
Transmission and distribution system use charge	(25.886)	-	-	(25.886)
Cost of operation	(41.949)	1.395	-	(40.554)
Personnel	(6.669)	35	-	(6.634)
Material	(1.761)	-	-	(1.761)
Outsourced services	(14.120)	166	-	(13.954)
Depreciation and amortization	(16.987)	1.194	-	(15.793)
Lease and rental	(586)	-	-	(586)
CCC subsidy	-	-	-	-
Other	(1.826)	-	-	(1.826)
Gross profit	192.389	(6.727)	-	185.662
Operating income (expenses)				
Selling expenses	(30.714)	-	-	(30.714)
Administrative expenses	(25.524)	384	-	(25.140)
Personnel and management	(6.895)	-	-	(6.895)
Allowance for doubtful accounts	(8.614)	-	-	(8.614)
(Reversal of) Provision for contingencies	(5.228)	-	-	(5.228)
Depreciation and amortization	(4.574)	8	-	(4.566)
Amortization of concession right	(1.454)	-	-	(1.454)
Equity pickup	-	3.523	-	3.523
Operating income (expenses)	93	61	-	154
Total operating income (expenses)	(82.910)	3.976	-	(78.934)
Income before financial income (expenses), net	109.479	(2.751)	-	106.728
Financial income (expenses)	(10.875)	2.108	-	(8.767)
Financial income	25.755	(303)	-	25.452
Financial expenses	(36.630)	2.411	-	(34.219)
Income before social contribution and income taxes	98.604	(643)	-	97.961
Social contribution and income taxes	(22.914)	643	-	(22.271)
Social contribution tax	(9.962)	372	-	(9.590)
Income tax	(13.294)	1.033	-	(12.261)
Tax incentive - SUDENE	12.865	(774)	-	12.091
Deferred taxes	(12.523)	12	-	(12.511)
Net income for the year	75.690	-	-	75.690
Noncontrolling interests	(27.589)	-	-	(27.589)
Net income attributable to Company shareholders	48.101	-	-	48.101

(In thousands of reais, unless otherwise stated)

4 Changes in accounting practices and errors (Continued)

	Consolidated		
	Cash flows disclosed at 03/31/2012	Adjustments due to CPC 19 (R2) adoption	Cash flows at 12/31/2012 disclosed at 03/31/2013
Net cash flow from operating activities	1.737	5.590	7.327
Net cash flow used in investing activities	(148)	(12.538)	(12.686)
Net cash flow from financing activities	(103.431)	(1.766)	(105.197)
Net cash flow for the period/year	(101.842)	(8.714)	(110.556)
Decrease in cash and cash equivalents represented by:			
At beginning of period/year	242.655	(5.280)	237.375
At end of period/year	140.813	(13.994)	126.819
Decrease in cash and cash equivalents	**(101.842)**	**(8.714)**	**(110.556)**

(In thousands of reais, unless otherwise stated)

4 Changes in accounting practices and errors (Continued)

	Consolidated		
	03/31/2012	Adjustments due to CPC 19 (R2) adoption	03/312012
Turnover			
Sales of products and services	710.492	(11.023)	699.469
Other operating income (expenses)	57	60	117
Allowance for doubtful accounts	(8.614)	-	(8.614)
Other nonrecurring expenses / revenues	37	1	38
Reserve for retirement and pension plan	-	-	-
(Reversal of) Provision for contingencies	(5.228)	-	(5.228)
	696.744	(10.962)	685.782
Inputs acquired from third parties (including ICMS and IPI)			
Costs of sales of products and services	(311.440)	1.881	(309.559)
Material, electricity, outsourced services and other	(60.602)	545	(60.057)
Selling and other expenses	(949)	-	(949)
	(372.991)	2.426	(370.565)
Gross value added (paid)	323.753	(8.536)	315.217
Depreciation and amortization	(21.561)	1.201	(20.360)
Net value added provided (paid) by the Company	302.192	(7.335)	294.857
Value added received in transfer			
Equity pickup		2.068	2.068
Amortization of concession right	(1.455)	1.455	-
Financial income	25.755	(303)	25.452
Other	(9.018)	2.409	(6.609)
	15.282	5.629	20.911
Total value added to be paid	317.474	(1.706)	315.768
Value added paid to			
Employees			
Direct compensation	15.507	(36.947)	(21.440)
Benefits	10.438	46.434	56.872
Unemployment Compensation Fund (FGTS)	3.672	9.972	13.644
Other	(4.396)	(19.500)	(23.896)
	25.221	(41)	25.180
Taxes			
Federal	104.188	(1.666)	102.522
State	83.122	-	83.122
Local	320	-	320
	187.630	(1.666)	185.964
Debt remuneration			
Interest	27.610	-	27.610
Rental	1.323	-	1.323
	28.933	-	28.933
Equity remuneration			
Dividends	**-**	**33.487**	**33.487**
Retained profits for the period	48.101	(33.486)	14.615
Noncontrolling interest in retained profits	27.589	-	27.589
	75.690	1	75.691
Value added	317.474	(1.706)	315.768

(In thousands of reais, unless otherwise stated)

5 Cash and cash equivalents

5.1 Cash and cash equivalents

	Company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Cash and banks	2	21	67,523	72,660
Cash equivalents		2	219,057	60,441
Total	**2**	**23**	**286,580**	**133,101**

Cash equivalents correspond to transactions carried out with financial institutions operating in the local financial market and with low credit risk. They provide a return based on Interbank Deposit Certificate Index (CDI) variation, at rates ranging from 102.5% to 105.0% (102.5% to 105.0% as at December 31, 2012) and are available to be used in the Company's and its subsidiaries' operations, i.e., they are highly-liquid financial assets. These transactions have maturities of 90 days or less from the acquisition date and a repurchase commitment by the issuer.

5.2. Short-term investments:

	Company		Consolidated	
Type	**03/31/2013**	**12/31/2012**	**03/312013**	**12/31/2012**
Investment funds (a)	657,828	709,636	1,039,620	1,484,900
Investment provided as guarantee (b)	96,789	95,251	96,789	95,251
Other	-	-	12,727	11,948
Total	**754,617**	**804,887**	**1,149,136**	**1,592,099**

(In thousands of reais, unless otherwise stated)

5 Cash and cash equivalents (Continued)

(a) Investment funds represent low-risk transactions maintained with prime financial institutions and secured by federal government securities, pursuant to the Company's and its subsidiaries' investment policy. They are classified as held for trading.

(b) Refers to Certificates of Bank Deposit (CDB) purchased at a price and conditions prevailing in the market and offered as a guarantee for the swap transaction between BTG Pactual and Equatorial Energia. CDB offers daily liquidity, guaranteed repurchase, interest rate variation based on Interbank Deposit Certificate (CDI) rate, daily appreciation and registration with CETIP. This investment is classified as held to maturity.

6 Trade accounts receivable (Consolidated)

	Consolidated	
	03/31/2013	**12/31/2012**
Current		
Billed supply	822,147	**924,957**
Unbilled supply	136,736	184,800
Debt payment in installments	327,427	312,823
Debt payment in installments - Present value adjustment	(2,718)	(276)
	1,283,592	**1,422,304**
Low-income consumers and "Viva Luz" program	60,995	65,807
Sale at Electric Energy Trade Chamber (CCEE) level	197	8,206
Emergency Program for Reducing Electric Energy Consumption (PERCEE)	128	128
Financial participation	1,390	1,411
Concessionaires	425	730
Consumer charges	10,303	215
Reduction in use of distribution system	2,179	3,658
Services rendered	2,877	5,119
Other	54,055	59,192
	132,549	**144,466**
Total	**1,416,141**	**1,566,770**
(-) Allowance for doubtful accounts	(492,677)	(472,466)
Total current	**923,464**	**1,094,304**
Noncurrent		
Sale at Electric Energy Trade Chamber (CCEE) level	12,368	12,368
Debt payment in installments	80,752	80,609
Debt payment in installments - Present value adjustment	(4,287)	(4,346)
Tariff reduction - Irrigation and aquaculture	20	20
Check	2,186	2,186
Financial participation	648	648
Total	**91,687**	**91,485**
(-) Allowance for doubtful accounts	(2,186)	(2,186)
Total noncurrent	**89,501**	**89,299**

6 Trade accounts receivable (Consolidated) (Continued)

(a) Under Law No. 10438, of April 26, 2002, the criteria to grant the Social Tariff for Electric Energy (TSEE) all over Brazil were unified, which guarantees a discount on electric energy tariffs for low-income households. The same Law, in its article 13, created a mechanism to offset distributors' unearned revenue, due to the discount, against funds from the Energy Development Account (CDE), as an economic incentive.

The procedures to approve such incentive to low-income residential consumers were set forth by Normative Resolution No. 089, of October 25, 2004, as amended. Subsidiary CEMAR monthly computes incentives to be received, according to the procedures established by the Resolution.

In 2010, the criteria to grant social tariffs have been enhanced through Law No. 12212 regulated by ANEEL through Normative Resolution No. 414/2010. On October 13, 2011, Decree No. 7583 was published and established the grant of CDE to new TSEE criteria set forth in the new law.

(b) Launched in November 2009, the "Viva Luz" program, created by the Maranhão State Government, aims to benefit low-income residential consumers using no more than 50 kWh per month, by exempting them from payment of their electric bill. The amount is then transferred from the government to subsidiary CEMAR.

(c) At March 31, 2013, the Company and its subsidiaries recorded R$4,287 of Present Value Adjustment (PVA) to installment payments (R$4,346 as at December 31, 2012), of which R$59 was credited to financial income, using interest rates that reflect the nature of these assets with respect to term, risk, currency, fixed or floating rate receipt condition.

(In thousands of reais, unless otherwise stated)

6 Trade accounts receivable (Consolidated) (Continued)

Allowance for doubtful accounts (CEMAR and CELPA)

	12/31/2012	Provisions Additions	Reversals (Eliminations)	03/31/2013
Billed supply				
Residential	**225,928**	5,149	(1,094)	229,983
Industrial	**40,445**	13,518	(11)	53,952
Commerce, services and other	**64,282**	268	(4,094)	60,456
Rural	19,696	2,927	(58)	22,565
	350,351	**21,862**	**(5,257)**	**366,956**
Government	8,550	-	(5,899)	2,651
Public lighting	390	2	(46)	346
Utility services	2,168	166	(163)	2,171
	11,108		**(6,108)**	**5,168**
Installment payment	102,461	4,500	(1,008)	105,953
Other	7,821	6,348	(294)	13,875
	110,282	10,848	(1,302)	119,828
Subtotal - Consumers	**471,741**	**32,878**	**(12,667)**	**491,952**
Electric Energy Trade Chamber (CCEE)	197	-	-	197
Checks for collection	2,186	-	-	2,186
Services rendered to third parties	528	-	-	528
	2,911	-	-	**2,911**
Total	474,652	32,878	(12,667)	494,863
Current assets	472,466	32,878	(12,667)	492,677
Noncurrent assets	2,186	-	-	2,186

(In thousands of reais, unless otherwise stated)

6 Trade accounts receivable (Consolidated) (Continued)

	12/31/2011	Provisions Additions	Reversals (Eliminations)	03/31/2012
Billed supply				
Residential	11,210	14,358	-	**25,568**
Industrial	2,287	562	(1,531)	**1,318**
Commerce, services and other	2,304	309	(308)	**2,305**
Rural	500	363	(418)	445
	16,301	**15,592**	**(2,257)**	**29,636**
Government	178	3,775	(3,713)	240
Public lighting	367	7	(144)	230
Utility services	208	163	(122)	249
	753	**3,945**	**(3,979)**	**719**
Installment payment	22,826	3,794	(16,649)	9,971
Other	6,570	898	-	7,468
	29,396	**4,692**	**(16,649)**	**17,439**
Subtotal - Consumers	**46,450**	**24,229**	**(22,885)**	**47,794**
Electric Energy Trade Chamber (CCEE)	197	-	-	197
Checks for collection	2,220	46	(46)	2,220
Services rendered to third parties	528	-	-	528
	2,945	**46**	**(46)**	**2,945**
Total	**49,395**	**24,275**	**(22,931)**	**50,739**
Current assets	**45,757**	24,275	(21,513)	**48,519**
Noncurrent assets	**3,638**	-	(1,418)	**2,220**

(In thousands of reais, unless otherwise stated)

6 Trade accounts receivable (Consolidated) (Continued)

The allowance for doubtful accounts (ADA) is set up according to the established criteria based upon management's best estimate and General Guidance 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 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, government, public 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:

	Consolidated 03/31/2012			
	Falling due	**Overdue up to 90 days**	**Overdue for more than 90 days (i)**	**Total**
Residential	90,151	131,768	215,181	437,100
Industrial	36,386	17,209	50,966	104,561
Commercial	56,994	34,333	61,116	152,443
Rural	5,701	8,958	28,404	43,063
Government	12,827	19,027	10,315	42,169
Public lighting	7,506	1,583	1027,1255	10,116
Utility services	7,081	16,905	8,709	32,695
Billed supply and installment payments (current and noncurrent)	**216,646**	**229,783**	**375,718**	**822,147**

(In thousands of reais, unless otherwise stated)

6 Trade accounts receivable (Consolidated) (Continued)

	12/31/2012			
	Falling due	**Overdue up to 90 days**	**Overdue for more than 90 days (i)**	**Total**
Residential	128,770	148,844	201,249	478,863
Industrial	51,855	21,543	48,441	121,839
Commercial	80,065	44,193	59,173	183,431
Rural	8,496	9,774	25,651	43,921
Government	15,703	29,460	9,388	54,551
Public lighting	10,437	3,098	999	14,534
Utility services	9,356	12,419	6,043	27,818
Billed supply and installment payments (current and noncurrent)	**304,682**	**269,331**	**350,944**	**924,957**

(In thousands of reais, unless otherwise stated)

7 Taxes recoverable

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

7.1 Taxes recoverable

Current	**Consolidated**	
	03/31/2013	**12/31/2012**
PIS/COFINS	553	5,107
ICMS (1)	67,113	67,274
PAEX A recoverable	17,826	-
Social charges and other	5,259	5,889
Other	1,047	681
	91,798	**78,951**
Noncurrent		
ICMS (1)	72,076	82,621
COFINS	10,023	17,103
Finsocial	4,586	-
Other	581	5,167
Total	**87,266**	**104,891**

(1) Subsidiaries CEMAR and CELPA have State Value-Added Tax (ICMS) credits based on Supplementary Law No. 102, of July 11, 2000, according to which they have been recording, in ICMS credits on capital expenditures control register (CIAP), ICMS recoverable arising from the acquisition of assets classified as intangible assets pursuant to ICPC 01 – Service Concession Arrangements.

(2) Subsidiary CELPA has a tax credit arising from a request for review of the Tax Recovery Program (REFIS) which is pending administrative decision, relating to judicial deposits for the period from September 1998 to January 1999 that were not converted into income upon consolidation of REFIS settled in September 2006.

(In thousands of reais, unless otherwise stated)

7 Taxes recoverable (Continued)

7.2 Income taxes

Current	Company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
IRRF on short-term investments	944	-	8,756	6,400
Prepaid IRPJ / CSLL	-	-	2,494	1,063
IRPJ/CSLL recoverable	2,805	3,129	11,639	14,035
IRRF	-	201	5,907	5,416
	3,749	**3,330**	**28,796**	**26,914**
Noncurrent				
IRPJ and CSLL recoverable (1)	6,490	6,490	50,113	50,113
IR on short-term investments	2,284	2,284	2,284	2,284
	8,774	**8,774**	**52,397**	**52,397**

(1) Subsidiary CELPA has income and social contribution taxes recoverable determined in calendar year 2011 and prior calendar years, arising from overpayments and payments in installments, which will be utilized to offset taxes managed by the Brazilian Revenue Service and as installments under Law No. 11941/2009 are paid, provided that the already paid amount exceeds the amount of the tax computed on net income for respective periods.

(In thousands of reais, unless otherwise stated)

8 Deferred income and social contribution taxes

The subsidiaries recognized deferred income and social contribution taxes on temporary differences, and income tax on tax losses, considering taxable profit projections.

Tax credits can be carried forward indefinitely, and their financial effects will take place upon realization. Income tax is calculated at the rate of 25%, considering surtax of 10%, and social contribution tax at the rate of 9%.

Accordingly, said tax credits are recorded as noncurrent assets, considering their expected realization and the limit of 30% for annual offset against taxable profit.

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

Noncurrent assets	**Company**		**Consolidated**	
	03/31/2013	**12/31/2012**	**03/31/2013**	**12/31/2012**
IRPJ on tax losses (*)	-	-	171,496	171,496
IRPJ and CSLL on temporary differences (**)	-	-	(171,173)	(160,282)
Total noncurrent	**-**	**-**	**-**	-
	-	-	323	11,214

Noncurrent liabilities	**Company**		**Consolidated**	
	03/31/2013	**12/31/2013**	**03/31/2013**	**12/31/2012**
IRPJ and CSLL on temporary differences (**)	(50)	(50)	142,422	135,668
IRPJ and CSLL on revaluation reserve	-	-	(145,232)	(145,232)
IRPJ and CSLL - CELPA - Acquisition of CELPA	-	-	(6,788)	(6,838)
	(50)	**(50)**	**(9,598)**	**(16,402)**

(*) These credits are derived from subsidiary CEMAR.
(**) Temporary differences arise from provisions for contingencies, allowance for doubtful accounts, accelerated depreciation, research and energy efficiency, among others.

(In thousands of reais, unless otherwise stated)

8 Deferred income and social contribution taxes (Continued)

The breakdown of IRPJ and CSLL on temporary differences is as follows:

	Company		Consolidated	
	03/31/2013	**12/31/2012**	**03/31/2013**	**12/31/2012**
Contingencies	-	-	80,429	81,899
ADA	-	-	126,226	119,548
Suspended collection of taxes	-	-	51,542	51,531
Regulatory assets / (liabilities)	-	-	(1,666)	18,273
Adjustments under Transitional Taxation System (RTT) - Law No. 11638/2008	-	-	(69,608)	(66,148)
Accelerated depreciation	-	-	(236,558)	(236,558)
Reserve for pension plan			6,329	6,148
Other nondeductible expenses	(50)	(50)	14,556	693
Total	**(50)**	**(50)**	(28,750)	**(24,614)**

(In thousands of reais, unless otherwise stated)

8 Deferred income and social contribution taxes (Continued)

Changes in temporary differences are as follows:

	Company	Consolidated
Noncurrent assets		
Deferred IRPJ and CSLL at 12/31/2012	**-**	**11,214**
Temporary additions - subsidiary CEMAR	-	146,060
Temporary exclusions - subsidiary CEMAR	-	(156,951)
Deferred IRPJ and CSLL at 03/31/2013	**-**	**323**

	Company	Consolidated
Noncurrent liabilities		
Deferred IRPJ and CSLL at 12/31/2012	**(50)**	**(16,402)**
Temporary additions - subsidiary CELPA	-	233,155
Temporary exclusions - subsidiary CELPA	-	(226,401)
IRPJ and CSLL - CELPA - Acquisition of CELPA	-	50
Deferred IRPJ and CSLL at 03/31/2013	**(50)**	**(9,598)**

(In thousands of reais, unless otherwise stated)

8 Deferred income and social contribution taxes (Continued)

b.

Based on technical feasibility studies, subsidiary's management expects that tax credits may be realized through 2020, as follows:

Expected realization	2012	2013	2014	2015	2016	2017 to 2020	Total
Deferred taxes	13,637	13,884	18,827	18,992	25,245	80,911	171,496

In the three-month period ended March 31, 2013, subsidiary CEMAR did not realize deferred income tax on tax losses since it opted for realization of the benefits of accelerated depreciation through 2013, technological incentive and SUDENE benefit through 2021.

The technical feasibility study, which includes recovery of deferred taxes and is reviewed yearly, was prepared by subsidiary CEMAR, examined by the Supervisory Board and approved by the Board of Directors thereof on April 30, 2013.

c. Reconciliation of income and social contribution tax expenses:

The reconciliation of Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) expenses calculated by applying tax rates on the Company and Consolidated income to those charged to the statement of operations for the quarters ended March 31, 2013 and 2012, is as follows:

(In thousands of reais, unless otherwise stated)

8 Deferred income and social contribution taxes (Continued)

	Company		Consolidated	
	03/31/2013	03/31/2012	03/31/2013	03/31/2012
Income (loss) before income and social contribution taxes	**(24.593)**	**48.101**	**(30.808)**	**97.961**
Combined rate of income and social contribution taxes	**0%**	**34%**	**34%**	**34%**
Income and social contribution taxes at statutory rate	**-**	**16.354**	**(10.475)**	**33.307**
Additions				
Provision for contingencies	-	-	152.324	21.294
Allowance for doubtful accounts	-	-	172.730	17.252
Research & development and energy efficiency	-	-	2.328	12.490
Regulatory assets and liabilities	-	-	36.600	-
Adjustments under Transitional Taxation System (RTT)	-	-	4.154	-
Pension fund reserve	-	-	200	-
Suspended collection of taxes (judicial deposits)	-	-	2.281	43.418
Other nondeductible expenses	-	-	8.908	43.857
	-	**-**	**379.525**	**138.311**
Exclusions:				
Reversal of provisions, deferred tariff adjustment and regulatory assets	-	-	(266.496)	(135.403)
(-) Allowance for doubtful accounts	-	-	(20.616)	-
Accelerated depreciation	-	-	-	(14.097)
(Reversal of) Provision for contingencies	-	-	(73.523)	-
Adjustments under Transitional Taxation System (RTT)	-	-	(3.199)	-
Effect on income and social contribution taxes on equity pickup	(6.145)	**(17.296)**	-	-
Other	-	-	-	-
	(6.145)	**(17.296)**	**(363.834)**	**(149.500)**
Income and social contribution taxes	**-**	**-**	**5.216**	**22.118**
Worker's Meal Program (PAT) incentive	-	-	(96)	(267)
Prior years' income tax expense	-	-	-	-
Unrecorded tax credits	-	-	50	-
Income and social contribution taxes in the income statement	**-**	**-**	**5.170**	**21.851**
Effective rate and deferred tax asset	**0,00%**	**0,00%**	**-16,78%**	**22,31%**
Deferred tax asset	-	-	4.068	12.511
(+) Income tax - Government grant	-	-	(1.966)	(12.091)
Total	**-**	**-**	**7.272**	**22.271**

8 Deferred income and social contribution taxes (Continued)

(a) On May 14, 2007, the Northeast Development Agency (ADENE), currently the Northeast Development Superintendence (SUDENE), under the Ministry of National Integration, issued Report No. 0061/2007 granting to CEMAR an increase in the income tax reduction incentive from 25% to 75%, effective from 2007 to 2016, under the justification that all of CEMAR's electric installations should be fully modernized. On March 28, 2012, a new Report No. 0037/2012 was issued, granting to CEMAR an increase in the income tax reduction incentive to 75%, effective from 2012 to 2021, justifying that all of CEMAR's electric installations should be fully modernized.

The Brazilian Securities and Exchange Commission (CVM), by means of Rule No. 555, approved Technical Pronouncement CPC 07, which deals with government grants and assistance and determines that grants in the form of tax reduction or exemption should be recorded as revenue, reducing the related tax line item.

9 Purchase of fuel - CCC

At March 31, 2013, subsidiary CELPA has a fuel consumption account (CCC) credit in the amount of R$195,721 (R$153,394 at December 31, 2012).

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 electricity 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 electricity generation costs from the Isolated Systems, including costs related to purchase of electric energy and capacity associated with plant's own generation to provide the public service of electricity distribution, charges of the electric energy industry and taxes, as well as investments made. Such reimbursement must occur through the fossil fuel consumption account (CCC).

(In thousands of reais, unless otherwise stated)

10 Related parties

Significant balances of assets and liabilities and transactions with related parties influencing net income for the quarter ended March 31, 2013 and December 31, 2012
arise from transactions between the Company and its subsidiaries, shareholders and their related parties, key management personnel (CEO and officers) and other related parties, pursuant to CVM Rule No. 560, of December 11, 2008, which approved CPC 05 – Related-party Disclosures.
Company

			03/31/2013			12/31/2012		
Companies	**Re.**	**Type of transaction**	**Assets**	**Liabilities**	**Income / (expenses)**	**Assets**	**Liabilities**	**Income / (expenses)**
ELETROBRAS	(a)	Loans	-	491,705	7,072	-	545,093	39,942
		Dividends	-	25,772	-	-	25,476	-
FASCEMAR	(b)	Debt agreement	-	15,065	780	-	16,338	2,191
		Sharing agreement	-	-	-	5	-	-
		Private pension plan	-	-	616	-	-	2,261
CEMAR	(c)	Sharing agreement	-	147	-	-	134	-
		Dividends	50,015	-	-	49,549	-	-
GERAMAR	(d)	Electric energy purchase	-	138	2,575	-	430	1,537
		Dividends	536	-	-	7,208	-	-
CELPA	(e)	Loan agreement	295,907	-	5,936	303,220	-	-
		Swap transactions	4,958	-	4,710	248	-	248
EQUATORIAL SOLUÇÕES	(f)	Sharing Agreement	273	680	-	-	196	-
		Dividends	1,210	-	-	690	-	-

(In thousands of reais, unless otherwise stated)

10 Related parties (Continued)

Consolidated

			03/31/2013			12/31/2012		
Companies	Re.	Type of transaction	Assets	Liabilities	Income / (expenses)	Assets	Liabilities	Income / (expenses)
ELETROBRAS	(a)	Loans	-	491,705	7,072	-	545,093	39,942
		Dividends	-	25,772	-	-	25,476	-
FASCEMAR	(b)	Debt agreement	-	15,065	780	-	16,338	2,191
		Sharing agreement	-	-	-	5	-	-
		Private pension plan	-	-	616	-	-	2,261
GERAMAR	(d)	Electric energy purchase	-	138	2,575	-	430	1,537
		Dividends	536	-	-	7,208	-	-
EQUATORIAL SOLUÇÕES	(f)	Sharing agreement	273	680	-	-	196	-
		Dividends	1,210	-	-	690	-	-

(a) ELETROBRAS – Publicly-traded company whose main business purpose is conducting studies and projects, building and operating generation plants, transmission lines, and distributing electric energy. ELETROBRAS is a shareholder of subsidiary CEMAR. Amounts with ELETROBRAS refer to dividends payable to and loan agreements with 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 (Note 20).

(b) FASCEMAR – Supplementary Pension Plan Foundation that, as a private pension entity, manages and executes social security Benefit Plans. Amounts with FASCEMAR arise from subsidiary CEMAR's matching contribution to FASCEMAR.

(c) Companhia Energética do Maranhão – CEMAR - Publicly-traded company that holds a concession for distribution of electric energy and is engaged in activities related to the electric energy service. Amounts between subsidiary CEMAR and the Company arise from a human resource, administrative expense and cost sharing agreement for an indeterminate term, and from dividends receivable.

(In thousands of reais, unless otherwise stated)

10 Related parties (Continued)

(d) 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 an electric energy purchase agreement CCEAR No. 5555/2007 - 29413N - 29414N, effective through 2024 with subsidiary CEMAR, executed on an arm's length basis.

(e) Centrais Elétricas do Pará S.A. (CELPA) - Brazilian publicly-traded company, with its headquarters in the city of Belém, State of Pará, is engaged in the distribution and generation of electric energy in a concession area covering the entire State of Pará with 1,248 thousand km^2, serving 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 another 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 and Banco Société Générale.

(f) Equatorial Soluções – Privately-held company whose main business purpose is rendering services for electric energy, telecommunications and data transmission business. Amounts with Equatorial Soluções arise from a human resource, administrative expense and cost sharing agreement with subsidiary CEMAR, effective for an indeterminate term.

Management compensation

Global annual compensation of the Company's Directors and Executive Officers was set at R$11,500, according to the Minutes of the Special Shareholders' Meeting held on April 30, 2013.

Share of each element in total management compensation for the quarter ended March 31, 2013:

Board of Directors	
Fixed compensation:	100%
Executive Board	
Fixed compensation:	100%

(In thousands of reais, unless otherwise stated)

10 Related parties (Continued)

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

	EQUATORIAL		
2012	**Board of Directors**	**Executive Board**	**Total**
Number of directors/officers	**7**	**5**	**12**
Annual fixed compensation	**315**	**355**	**670**
Salary and fees	315	345	660
Direct and fringe benefits	-	10	10
Variable compensation	**-**	**-**	**-**
Bonus	-	-	-
Share-based payment	-	-	-
Total compensation by body	**315**	**355**	**670**

(In thousands of reais, unless otherwise stated)

10 Related parties (Continued)

Guarantees

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

CEMAR:

INSTITUTION	FINANCING VALUE	% GUARANTEED	FROM (dd/mm/yyyy)	TO (dd/mm/yyyy)	RELEASED AMOUNT	03/31/2013
Government Agency for Machinery and Equipment Financing - FINAME PSI (Simplified)	776	100	25/3/2010	15/10/2019	776	641
Government Agency for Machinery and Equipment Financing - FINAME PSI	24,811	100	17/8/2010	15/4/2020	17,262	15,436
The Brazilian Development Bank - BNDES (10/473589-0)	79,663	100	11/3/2008	15/7/2013	79,751	6,729
The Brazilian Development Bank - BNDES (10.2.1736.1)	100,000	100	22/12/2010	15/12/2013	100,000	41,742
The Brazilian Development Bank - BNDES (11.2.0841.1)	193,023	100	11/11/2011	15/11/2021	175,237	146,470
The Brazilian Development Bank - BNDES (12.2.1211.1)	516,488	100	13/12/2012	15/12/2022	179,597	180,096
Banco do Nordeste - BNB	136,076	100	23/11/2005	28/2/2017	136,076	56,322
Banco do Nordeste do Brasil - BNB (193.2008.2808.3018)	144,939	100	5/2/2009	5/2/2021	144,939	144,420
Study and Project Financing Institution - FINEP	2,637	100	13/6/2006	30/6/2013	2,637	141
Study and Project Financing Institution - FINEP	11,519	100	7/11/2011	15/3/2020	7,956	7,970
International Finance Corporation – IFC *	135,056	50	1/2/2008	15/1/2016	135,056	63,305
Total	1,344,988				979,287	663,272

CELPA:

INSTITUTION	FINANCING VALUE	% GUARANTEED	FROM (dd/mm/yyyy)	TO (dd/mm/yyyy)	RELEASED AMOUNT	03/31/2013
Ministry of Finance - PGNF (Debt Installment Agreement - 12/19/2012)	131,900	100	19/11/2012	19/10/2017	131,900	124,074
Banco Itaú BBA (Working Capital CCB 101112110006100)	50,000	100	21/11/2012	19/05/2013	50,000	50,441
Banco BTG (1st issue of commercial promissory notes)	150,000	100	29/11/2012	24/11/2013	150,000	154,132
Banco Itaú BBA (1st issue of commercial promissory notes)	100,000	100	29/11/2012	24/11/2013	100,000	102,754
Total	431,900				431,900	431,401

11 CCC subrogation

In accordance with ANEEL Resolution No. 784 of December 24, 2002, and ANEEL Approval Resolution No. 1999 of July 7, 2009, as amended by ANEEL Approval 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 the fairness of tariffs to end consumers.
The investment amount recognized and approved by ANEEL for subrogation is R$ 465,197, equivalent to 100% of the approved amount.
The benefit was divided into two phases. In the first phase, CELPA has an approved subrogation amount of R$ 184,660 and, in the second phase, an approved amount of R$ 280,537.
ANEEL Order No. 4722 of December 18, 2009, applicable for publications for the year 2009, deals in items 53 and 54 with accounting for subsidies received by a concessionaire from the CCC fund by reason of the decommissioning of thermoelectric plants and a consequent reduction of diesel consumption in the electricity generation in Brazil.
According to said Order, all amounts received or approved must be recorded within the group of accounts “223 – Special Obligations Related to Public Electricity Service Concession”. Within this group, the amounts received are segregated from the amounts yet to be received that have already been approved by the regulatory body.
As at March 31, 2013, out of the total subrogated amount, R$212,704, referring to the first phase, had been used. The second phase has not yet been started.

12 Other receivables

Refer to accounts receivable of subsidiary CELPA for assignment of receivables to the parent company as part of the court-supervised reorganization process. For the quarter ended March 31, 2013, these accounts receivable sum up to R$295,659 (R$303,220 as at December 31, 2012) and are recorded in noncurrent assets.

(In thousands of reais, unless otherwise stated)

13 Investments

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

	Subsidiaries		Consolidated	
Accounted for under the equity method	**03/31/2013**	**12/31/2012**	**03/31/2013**	**12/31/2012**
CEMAR	1,021,104	1,010,272	-	-
CELPA	238,514	223,135	-	-
Geradora de Energia do Norte	58,492	57,147	58,492	57,147
Vila Velha	2,000	2,000	2,000	2,000
Equatorial Soluções	10,646	8,625	-	-
Subtotal	**1,330,756**	**1,301,179**	**60,492**	**59,147**
Other investments	-	-	7,833	7,737
Total	**1,330,756**	**1,301,179**	**68,325**	**66,884**

a. *Information on subsidiaries*

	CEMAR	CELPA	Equatorial Soluções	Vila Velha
Balances at March 31, 2013				
Equity interest (%)	65.11%	61.36%	100.00%	50.00%
Capital	618,550	518,932	4,398	-
Equity	1,244,579	140,201	16,094	-
Net income (loss) for the period	18,384	(56,885)	2,020	-
Balances at December 31, 2012				
Equity interest (%)	65.11%	61.36%	100.00%	50.00%
Capital	618,550	518,932	4,398	-
Equity	1,226,364	142,442	12,941	-
Net income for the period	384,947	(159,229)	3,382	-

(In thousands of reais, unless otherwise stated)

13 Investments (Continued)

b. Information on jointly-controlled subsidiary Geradora de Energia do Norte

	03/31/2013	12/31/2012
Equity interest (%)	25.00%	25.00%
Capital	139,040	139,040
Equity	171,983	184,605
Net income for the year	17,903	72,332
Current assets	142,468	254,577
Noncurrent assets	552,762	557,189
Current liabilities	123,364	249,996
Noncurrent liabilities	381,978	377,165
Net operating revenue	244,508	410,748
Costs of services	(204,270)	(262,526)
Operating expenses	(12,592)	(33,524)
Net financial expenses	(6,147)	(29,129)
Income before taxes on income	21,138	85,569
Income and social contribution taxes	(3,234)	(13,237)

c. Changes in investments in subsidiaries and jointly-controlled subsidiary:

	CEMAR	CELPA	Geramar	Equatorial Soluções	Vila Velha	Total
Balances at December 31, 2012	1,010,272	223,135	57,147	8,625	2,000	1,301,179
Capital contribution CELPA	-	44,000	-	-	-	44,000
Additional dividends	15	-	(3,155)	-	-	(3,140)
Equity pickup	11,970	(23,800)	4,500	2,021		(5,309)
Amortization of concession right	(1,153)	-	-	-	-	(1,153)
Equity adjustments	-	(4,821)	-	-	-	(4,821)
Balance at March 31, 2013	1,021,104	238,514	58,492	10,646	2,000	1,330,756

(In thousands of reais, unless otherwise stated)

13 Investments (Continued)

	CEMAR	Geramar	Equatorial Soluções	Vila Velha	Total
Balances at December 31, 2011	**845,355**	**55,113**	**6,046**	**-**	**906,514**
Additional dividends	(30,462)	-	-	-	(30,462)
Equity pickup	51,319	3,522	(447)	-	54,394
Investment - Vila Velha	-	-	-	2,000	2,000
Amortization of concession right	(1,454)	-	-	-	(1,454)
Balance at March 31, 2012	**864,758**	**58,635**	**5,599**	**2,000**	**930,992**

(1) Arising from acquisitions of CEMAR on June 30, 2000 and CELPA on September 25, 2012, this corresponds to a future benefit acquired with the right to operate the concession, with finite useful life. Amortization is based on the concessionaire's projected net income curve for the remaining concession period. Amortization for the quarter ended March 31, 2013 totaled R$1,153.

(In thousands of reais, unless otherwise stated)

14 Concession-related financial assets (Consolidated)

This refers to investments made by subsidiary CEMAR but not amortized by the end of the concession term, and classified as a financial asset for being an unconditional right to receive cash or another financial asset directly from the Granting Power pursuant to Technical Interpretations ICPC 01 – (R1) Concession Arrangements and ICPC 17 – Concession Arrangements: Disclosure, and to Technical Guidance OCPC 05 – Concession Arrangements. This portion of infrastructure classified as a financial asset bears interest at the so-called regulatory WACC, which consists in investment yield and is monthly included in customers' tariffs.

The subsidiary will be indemnified based on the investment amounts associated with returnable assets not yet amortized or depreciated, and which have been made in order to ensure continuity of updated concession services.

	03/31/2013			12/31/2012		
	Cost	(-) Concession-related liabilities	Net	Cost	(-) Concession-related liabilities	Net
In operation	**1,585,368**	**(391,096)**	**1,194,272**	**1,418,873**	**(365,928)**	**1,052,945**

Changes in the balance of concession-related assets are set out below:

	12/31/2012	Reclassification (a)	New replacement value (b)	Capitalization	Write-offs	03/31/2013
Financial assets	1,418,873	(21)	12,409	162,226	(8,119)	1,585,368
Special obligations	(365,928)	-	(2,623)	(24,161)	1,616	(391,096)
Financial assets	1,052,945	(21)	9,786	138,065	(6,503)	1,194,272

CEMAR's and CELPA's concession is free of charges, i.e. it does not involve fixed financial obligations and payments to the Granting Power.

14 Concession-related financial assets (Consolidated) (Continued)

(a) ANEEL Normative Resolution No. 474, of February 7, 2012, introduced new depreciation rates for assets in operation under electricity concession service arrangements, effective January 1, 2012, with change in the economic useful life of the assets pertaining to the electricity distribution infrastructure.

With said Resolution, there has been an increase in the useful life of the intangible assets and a decrease in amortization with a consequent increase in the residual infrastructure amount that subsidiaries CEMAR and CELPA expect to receive as indemnification at the end of the concession period. As a result, there has been a redistribution of the infrastructure that is classified into intangible assets and into financial assets, due to the adoption of IFRIC 12/OCPC 5 – Concession Arrangements.

CEMAR and CELPA estimated the new amount of the indemnification for returnable assets upon the expiration of the concession period and the amount attributable to the intangible asset. Considering the economic, regulatory aspects and the best technical accounting understanding, this remeasurement of the infrastructure resulted in CEMAR reclassifying R$216,543 from the intangible assets account to the financial assets account, without changing other accounting procedures arising out of the adoption of IFRIC 12/OCPC 5 – Concession Arrangements.

(d) Law No. 12783/2013

Provisional Executive Order (MP) No. 579 was published on September 11, 2012 to provide for the time extension and bidding processes for electric power generation, transmission and distribution concessions, the decrease of sector-related charges, the fairness of tariffs, and for other provisions. This Executive Order was signed into Law No. 12783 on January 11, 2013.
Pursuant to this Law, the calculation of the amount of investments related to assets that must be returned to the Granting Power, which are not yet amortized or depreciated, for purposes of indemnification, must be based on the new replacement value methodology, according to the criteria set forth in Granting Power's regulation. The amount determined for 2012 using said methodology is R$32,861, which is recorded in financial income (expenses).

In addition, the Law extinguishes the collection of CCC (Fuel Consumption Account) and RGR (Global Reversion Reserve), and reduces the CDE (Energy Development Account) charge by 75%. With the intent of reflecting these reductions in the tariffs of all concessionaries, ANEEL made extraordinary tariff adjustments on January 24, 2013.

(In thousands of reais, unless otherwise stated)

14 Concession-related financial assets (Consolidated) (Continued)

The acceleration of the extended expiration date of concessions affected by Law No. 12783/13 and the reduction in sector-related charges will not have any direct impact on the net income or concession arrangements of CEMAR and CELPA since their concession arrangements are effective until 2030 and 2028, respectively.

15 Intangible assets (Consolidated)

Intangible assets are broken down as follows:

		03/31/2013			
	Weighted average annual depreciation rates (%)	**Cost**	**Amortization**	**(-) Concession-related liabilities**	**Net**
In operation	3.54%	6,828,918	(2,561,421)	(1,792,249)	2,475,248
In progress		1,332,322	-	(319,824)	1,012,498
Concession arrangement (a)		616.615	(85,104)	-	531,511
Total		**8,777,855**	**(2,646,525)**	**(2,112,073)**	**4,019,257**

(In thousands of reais, unless otherwise stated)

15 Intangible assets (Consolidated) (Continued)

(a) Arising from acquisitions of CEMAR on June 30, 2000 and CELPA on September 25, 2012, this corresponds to a future benefit acquired with the right to operate the concession, with finite useful life. Amortization is based on the concessionaire's projected net income curve for the remaining concession period. Amortization for the year ended December 31, 2012 was R$9,616.

		12/31/2012			
	Weighted average annual depreciation rates (%)	**Cost**	**Amortization**	**(-) Concession-related liabilities**	**Net**
In operation	4.70%	6,653,841	(2,497,789)	(1,787,745)	2,368,307
In progress		1,554,662	-	(313,282)	1,241,380
Concession arrangement (a)		616.615	(83,623)	-	532,992
Total		**8,825,118**	**(2,581,412)**	**(2,101,027)**	**4,142,679**

Capitalized interest for the quarter ended March 31, 2013 amounts to R$620 (R$7,615 as at December 31, 2012).

Intangible assets comprise the right of use of assets related to the concession arrangements of subsidiaries CEMAR and CELPA, amortizable until August 2030 and July 2028, respectively, in accordance with ICPC01.

Under articles 63 and 64 of Decree No. 41019, dated February 26, 1957, the infrastructure used in electric energy distribution is linked to such services and cannot be retired, sold, assigned or mortgaged without prior express authorization from ANEEL.

ANEEL Resolution No. 20, dated February 3, 1999, regulates the separation of the assets linked to the electricity concessions, granting prior authorization for separating the infrastructure that is not useful for the concession, when earmarked for disposal, determining that the disposal proceeds be deposited in a restricted bank account for use in the concession.

(In thousands of reais, unless otherwise stated)

15 Intangible assets (Consolidated) (Continued)

a. Changes in intangible assets

	12/31/2012	Reclassification	Additions	Eliminations	Capitalization	03/31/2013
In operation	6,653,841	-	-	(51,284)	226,361	6,828,918
(-) Amortization	(2,497,789)	47	(83,744)	20,065	-	(2,561,421)
Total in operation	**4,156,052**	**47**	**(83,744)**	**(31,219)**	**226,361**	**4,267,497**
In progress	1,554,662	-	166,247	-	(388,587)	1,332,322
Total	**5,710,714**	**47**	**82,503**	**(31,219)**	**(162,226)**	**5,599,819**
Special concession obligations	(2,420,212)	-	(81,813)	19,373	24,161	(2,458,491)
(-) Amortization	319,185	-	28,612	(1,379)	-	346,418
Total special concession obligations	**(2,101,027)**	**-**	**(53,201)**	**17,994**	**24,161**	**(2,112,073)**
Concession right	616,615	-	-	-	-	616,615
(-) Amortization	(83,623)	-	(1,481)	-	-	(85,104)
Total concession right	**532,992**	**-**	**(1,481)**	**-**	**-**	**531,511**
	4,142,679	**47**	**27,821**	**(13,225)**	**(138,065)**	**4,019,257**

(In thousands of reais, unless otherwise stated)

16 Property and equipment

The assets are substantially related to Equatorial Energia and Equatorial Soluções. Property and equipment of the Company are as follows:

		03/31/2013			12/31/2012
	Annual depreciation rates	**Cost**	**Accumulated depreciation**	**Net**	**Net**
Buildings	**3%**	**62**	**-**	**62**	62
Furniture and fixtures	**10%**	**598**	**(52)**	**546**	550
Machinery and equipment	**3%**	**448**	**(101)**	**347**	362
IT equipment	**20%**	**95**	**(19)**	**76**	78
Construction in progress	**-**	**1,637**	**-**	**1,637**	1,607
		2,840	**(172)**	**2,668**	2,659

Provision for impairment

For the quarter ended March 31, 2013, the Company and its subsidiaries did not identify any indication that the carrying amounts of their assets might exceed their recoverable amount.

(In thousands of reais, unless otherwise stated)

17 Trade accounts payable

	COMPANY		CONSOLIDATED	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Energy supply and connection charges (a)	-	-	471,303	277,169
Electric network use charge (b)	-	-	15,481	40,830
Purchase of fuel - CCC	-	-	110,566	68,803
Materials and services	-	-	226,802	249,581
Free energy	-	-	9,482	9,567
Other	612	1,764	11,002	17,082
Total	**612**	**1,764**	**844,636**	**663,032**

a. *Electric network use charge*

In 1999, energy distribution concessionaires signed the Transmission System Use Contracts (CUST) with the 15 energy transmission companies and the National System Operator - ONS, a body created to be in charge of the planning and operation of the Brazilian electric system. Under these Contracts, distribution concessionaries shall pay for the use of the transmission assets, due to the interconnection of the whole Brazilian energy transmission.

b. *Free energy - Refund to generation companies*

ANEEL approved, in the Board meeting of December 15, 2009, the methodology and procedures to calculate the balances of Free Energy and Loss of Revenue of generation and distribution companies after the end of collection of the Extraordinary Tariff Adjustment (RTE) in the supply tariffs. However, Resolution No. 387, dated December 15, 2009, published on January 12, 2010, concluded the process of calculation of the final balances of Loss of Revenue and Free Energy and established the refund amounts, calculated by the companies, which will be validated by ANEEL.

18 Legal reorganization

On February 28, 2012, CELPA filed a petition for 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, principally, ensure the continuity of its activities.
The Legal Reorganization Plan was prepared on the assumptions of transfer to Equatorial Energia S.A., including the following:

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 past due and for social charges over a period of not less than 60 (sixty) months; and
4- renegotiation of debts.

The creditors were segregated by type of claim, namely:

1- Paris Club;
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 R$; and
10- Intragroup. The labor creditors were given an exclusive treatment under the Plan.

All the Claims 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.

18 Legal 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 into 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.
(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.

18 Legal reorganization (Continued)

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 court-supervised 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.

(In thousands of reais, unless otherwise stated)

19 Loans and financing (Consolidated)

	03/31/2013	
	Current	Noncurrent
	Principal and charges	Principal and charges
FOREIGN CURRENCY		
National Treasury	5,095	45,509
LOAN RJ - IDB	92,392	549,292
Subtotal	**97,487**	**594,801**
(-) Funding costs	(1,657)	(4,157)
(-) Collateral	-	(29.114)
(-) Mark-to-market		(429.000)
TOTAL FOREIGN CURRENCY	**95,830**	**132.530**
LOCAL CURRENCY		
Eletrobras	65,927	425,778
IFC	21,750	41,556
BNB	37,759	162,982
BNDES	74,794	300,244
FINEP	1,039	7,072
FINAME	3,668	15,355
Basa/FDA	-	-
GIRO ITAÚ	50,442	-
GIRO NPS BTG	154,132	-
GIRO NPS ITAÚ	102,755	-
LOANS RJ	-	873,920
LEASING	4,059	(45)
Banco do Brasil S.A.	37	-
Subtotal	**516,362**	**1,826,862**
(-) Funding costs	(1,715)	(3,826)
TOTAL LOCAL CURRENCY	**514,647**	**1,823,036**
TOTAL	**610,477**	**1,955,566**

(a) At the acquisition date, subsidiary CELPA had a liability in the amount of R$ 520,267 recorded under “Loans and financing”. This liability was negotiated in the court-supervised reorganization process. The market value of this balance is R$91,267.

(In thousands of reais, unless otherwise stated)

19 Loans and financing (Consolidated) (Continued)

	12/31/2012	
	Current	Noncurrent
	Principal and charges	Principal and charges
FOREIGN CURRENCY		
National Treasury	2,747	46,198
LOAN RJ - IDB	91,923	555,788
Subtotal	**94,670**	**601,986**
(-) Funding costs	(1,657)	(4,157)
(-) Collateral	-	(29.543)
(-) Mark-to-market		(429.000)
TOTAL FOREIGN CURRENCY	**93,013**	**139.286**
LOCAL CURRENCY		
Eletrobras	93,967	451,126
IFC	23,480	51,945
BNB	35,930	172,126
BNDES	92,309	276,613
FINEP	886	7,367
FINAME	3,865	16,159
Basa/FDA	-	-
GIRO ITAÚ	50,435	-
GIRO NPS BTG	151,062	-
GIRO NPS ITAÚ	100,708	-
LOANS RJ	-	863,411
LEASING	4,700	149
Banco do Brasil S.A.	46	4
Subtotal	**557,388**	**1,838,900**
(-) Funding costs	(1,723)	(4,001)
TOTAL LOCAL CURRENCY	**555,665**	**1,834,899**
TOTAL	**648,678**	**1,974,185**

(In thousands of reais, unless otherwise stated)

19 Loans and financing (Consolidated) (Continued)

(*) In accordance with CVM Rule No. 556, dated November 12, 2008, which approved CPC 08, the Company recorded the funding costs beginning 2008 in the income statement over the term of the loan, using the amortized cost method.

At March 31, 2013, the Company recognized R$2,566,043 of loans and financing, out of this total R$610,477 was under current liabilities and R$1,995,057 under noncurrent liabilities, at an average cost of 7.00%, equivalent to 93.3% of the CDI. (7.81% per annum, equivalent to 93.1% CDI per annum at December 31, 2012).

Scheduled maturity of noncurrent amounts of loans and financing:

At March 31, 2013, the noncurrent portion of loans and financing is R$1,955,566 (R$1,974,185 at December 31, 2012) and matures as shown below:

The principal of loans and financing mature as follows:

	03/31/2013		12/31/2012	
Maturity	**Amount**	%	**Amount**	%
Current	**610,477**	**24%**	**648,678**	**25%**
2013	-	0%	-	0%
2014	125,190	5%	173,691	7%
2015	192,303	7%	194,236	7%
2016	147,557	6%	143,852	5%
After 2016	1,527,613	59%	1,500,107	57%
Total	**1,992,663**	**77%**	**2,011,886**	**76%**
Funding costs (Noncurrent)	(7,983)	0%	(8,158)	0%
Collateral	(29,114)	-1%	(29,543)	-1%
Noncurrent	**1,955,566**	**76%**	**1,974,185**	**75%**
Total	**2,566,043**	**100%**	**2,622,863**	**100%**

(In thousands of reais, unless otherwise stated)

19 Loans and financing (Consolidated) (Continued)

Breakdown by index, currency and rate (excluding unappropriated funding costs):

Index	US$ thousand	R$ thousand	% interest
Foreign currency			
Fixed (USD)	334,511	673.638	97%
6-month Libor	9,261	18.651	3%
(-) Mark-to-market		(429.000)	
Total - March 2013	**343,772**	**263.289**	**100.00%**
Total - December 2012	**340.914**	**267,656**	

Index	R$ thousand	% interest
Local currency		
IGP-M	356,026	15.19%
FINEL	26,498	1.13%
Fixed	1,280,836	54.66%
CDI	374,573	15.99%
TJLP	302,704	12.92%
URTJLP	2,587	0.11%
Total - March 2013	**2,343,224**	**100.00%**
Total - December 2012	**2,396,288**	

(In thousands of reais, unless otherwise stated)

19 Loans and financing (Consolidated) (Continued)

Changes in loans and financing - net is as follows:

	Local currency		Foreign currency		Total
	Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities	
Balances at December 31, 2012	**555,665**	**1,834,899**	**93,013**	**139,286**	**2,622,863**
Inflows	-	44,402	-	-	44,402
Charges	25,427	8,960	4,239	1,565	40,191
Monetary and foreign exchange variation	-	2,409	(1,422)	(8,750)	(7,763)
Transfers	67,809	(67,809)	-	-	-
Amortization of principal	(111,107)	-	-	-	(111,107)
Interest payments	(23,155)	-	-	-	(23,155)
Funding costs	8	175	-	429	612
Balances at March 31, 2013	**514,647**	**1,823,036**	**95,830**	**132,530**	**2,566,043**

	Local currency		Foreign currency		Total
	Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities	
Balances at December 31, 2011	**213,657**	**920,491**	**634**	**7,631**	**1,142,413**
Acquisition of CELPA	5,786	925,843	91,352	126,973	1,149,954
Inflows	300,046	199,784	-	-	499,830
Charges	82,650	5,997	1,024	1,093	90,764
Monetary and foreign exchange variation	(2)	14,277	585	4,182	19,042
Transfers	229,893	(229,893)	367	(367)	-
Amortization of principal	(194,679)	(499)	(560)	-	(195,738)
Interest payments	(81,538)	-	(388)	-	(81,925)
Funding costs	(149)	(1,101)	-	(226)	(1,476)
Balances at December 31, 2012	**555,664**	**1,834,898**	**93,015**	**139,286**	**2,622,863**

(In thousands of reais, unless otherwise stated)

19 Loans and financing (Consolidated) (Continued)

Loan covenants

The loan and financing agreements of subsidiary CEMAR contain financial covenants. Nonperformance of such covenants during the period of the loan may result in accelerated loan maturity. For the quarter ended March 31, 2013, the Company was in compliance with the covenants stipulated in the agreements.

20 Debentures (Consolidated)

03/31/2013			12/31/2012		
Current	**Noncurrent**	**Total**	**Current**	**Noncurrent**	**Total**
10,154	287,473	297,627	169,602	283,210	452,812

Changes in debentures are as follows:

	Current liabilities	Noncurrent liabilities	Total
Balances at December 31, 2012	**169,602**	**283,210**	**452,812**
Inflows	-	-	-
Funding costs	-	73	73
Charges	6,599	-	6,599
Monetary variation	-	4,190	4,190
Amortization of principal	(160,380)	-	(160,380)
Interest payments	(5,667)	-	(5,667)
Balances at March 31, 2013	**10,154**	**287,473**	**297,627**

(In thousands of reais, unless otherwise stated)

20 Debentures (Consolidated) (Continued)

	Current liabilities	Noncurrent liabilities	Total
Balances at December 31, 2011	**61,590**	**160,380**	**221,970**
Charges	5,245	-	5,245
Transfers	160,380	(160,380)	-
Amortization and payments of principal and interest	(65,525)	-	(65,525)
Balances at March 31, 2012	**161,690**	**-**	**161,690**

Fourth issue of debentures - CEMAR

The public distribution of CEMAR's 4th issue of nonconvertible debentures was concluded on June 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 fund the subsidiary's investment program and working capital increase. At March 31, 2013, the effective rate for this operation is 11% per annum.

Third issue of debentures - CEMAR

The public distribution of CEMAR's 3rd issue of nonconvertible debentures was concluded on March 28, 2007. The funds raised in the amount of R$267,300 were primarily intended to prepay existing debts that represented high finance charges for CEMAR, and the remaining amount was used to fund its investment program. At March 31, 2013, the effective rate for this operation is 8.88% per annum (8.88% at December 31, 2012).

In March 2012, the third installment of amortization of the 3rd issue of debentures was transferred to current liabilities, representing 60% of the face value issued, with amortization expected for March 1, 2013.

(In thousands of reais, unless otherwise stated)

20 Debentures (Consolidated) (Continued)

For the quarter ended March 31, 2013, debentures amount to R$297,627 and mature as follows:

	03/31/2013		12/31/2012	
Maturity	**Amount**	**%**	**Amount**	**%**
Current	**10,154**	**3%**	**169,602**	**37%**
2013	-		-	-
2014	-		-	-
2015	-		-	-
2016	33,793	11%	33,793	7%
After 2016	255,821	86%	251,631	56%
Noncurrent	**289,614**	**97%**	**285,424**	**63%**
Funding costs, noncurrent	(2,141)		(2,214)	
Total	**297,627**	**100%**	**452,812**	**100%**

Covenants

Debentures, classified in current and noncurrent liabilities, require compliance with levels of indebtedness and interest coverage. At March 31, 2013, the Company and its subsidiaries were in compliance with all the indicators required by agreements

(In thousands of reais, unless otherwise stated)

21 Taxes payable

21.1 Taxes payable

	Company		Consolidated	
Current	**03/31/2013**	**12/31/2012**	**03/31/2013**	**12/31/2012**
ICMS (a)	-	1	60,302	83,704
ICMS IN INSTALLMENTS	-	-	47,520	61,510
PIS/COFINS	205	163	18,057	36,721
REFIS/PAES (b)	-	-	76,486	75,645
Social charges and other	62	55	10,222	11,219
Other	422	76	8,339	13,148
Total	**689**	**295**	220,926	**281,947**

	Consolidated	
Noncurrent	**03/31/2013**	**12/31/2012**
ICMS (a)	103,538	111,898
REFIS/PAES(b)	301,928	318,520
Other	1,334	1,288
Total	406,800	**431,706**

(In thousands of reais, unless otherwise stated)

21 Taxes payable (Continued)

21.2 Income taxes

	Company		Consolidated	
	03/31/2013	**12/31/2012**	**03/31/2013**	**12/31/2012**
IRRF	198	28	557	766
Provision for IRPJ / CSLL	-	-	2,506	3,266
Total	**198**	**28**	**3,063**	4,032

a. CELPA has installment payment plans approved by the Pará State Finance Department with amortization terms of 36 months from May 2010 to April 2013; 40 months from July 2011 to October 2014; 60 months from December 2012 to November 2017; and 12 months from August 2012 to July 2013. The installments are restated based on SELIC (Central Bank Benchmark Rate) plus 1%. For the quarter ended March 31, 2013, the balance payable of these installments was R$151,058 (R$173,408 at December 31, 2012).

b. Tax Recovery Program - REFIS

CEMAR

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

(In thousands of reais, unless otherwise stated)

21 Taxes payable (Continued)

The main benefits from joining the new REFIS include a reduction of R$28,098 in interest and fines, the possibility of settling the remaining balance of interest and fines using tax losses, in addition to cash being outlaid in installments. The amount included in REFIS was R$73,813. Since R$41,424 was offset against tax losses, the effective amount that will result in future cash outlays is R$40,371.

Said debt, in the amount of R$40,371, will be settled in up to 180 installments. Of this total, R$8,749 has been paid and R$31,622 remains to be paid.

CELPA

Refers to the remaining balances of the Extraordinary Installment Program (PAEX) and Debts not previously arranged in installments with maturities until November 30, 2008, owed to the Brazilian Internal Revenue Service (RFB), Office of Attorney-General of the National Treasury (PGFN) and Social Security Institute, after the Company joining in September 2009 the new installment programs introduced by Law No. 11941/2009. Interest based on the SELIC variation will be added to the amount of each installment.
On June 29, 2011, the Company completed the consolidation of the installment payments set forth in articles 1 and 3 of Law No. 11941/2009, disclosing the amounts of tax losses used to settle fines and interest, the amounts of debts under the installment program and the number of installments.

	RFB	PGFN	Social Security	Total
Consolidated balance at December 31, 2012	36.517	68.807	14.125	119.449
Charges	451	856	175	1.482
Amortization	(1.381)	(1.487)	(305)	(3.173)
Consolidated balance at March 31, 2013	35.587	68.176	13.995	117.758
Current liabilities				12.743
Noncurrent liabilities				105.014

(In thousands of reais, unless otherwise stated)

22 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 in the normal course of business.

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

	03/31/2013			12/31/2012		
	Value of the matter in dispute	Judicial deposits	Net provision	Value of the matter in dispute	Judicial deposits	Net provision
Civil	94,430	115,647	(21,217)	94,490	44,409	50,081
Tax	145,068	144,892	176	145,125	144,885	240
Labor	112,274	31,011	81,263	116,341	80,701	35,640
Regulatory	96,322	-	96,322	87,755	-	87,755
PPA CELPA (a)	343,161	-	343,161	343,161	-	343,161
	791,255	**291,550**	**499,705**	**786,872**	**269,995**	**516,877**
Current	32,451	99,899	(67,448)	32,384	89,411	(57,027)
Noncurrent	758,804	191,651	567,153	754,488	180,584	573,904
	791,255	**291,550**	**499,705**	**786,872**	**269,995**	**516,877**

(In thousands of reais, unless otherwise stated)

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

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$ 343,161.

Changes in proceedings (Consolidated)

	12/31/2012					03/31/2013
	Beginning balance	**Addition to provision**	**Use** (1)	**Reversals** (2)	**Restatement** (3)	**Ending 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

	Beginning balance at 01/01/2012	**Addition to provision**	**Use** (1)	**Reversals** (2)	**Restatement** (3)	**Ending balance at 03/31/2012**
Civil	31,147	5,167	(4,443)	(935)	696	**31,632**
Tax	120,156	7,698	-	(2)	2	**127,854**
Labor	27,022	1,686	(1,752)	(322)	435	**27,069**
Regulatory	3,691	87	-	-	-	**3,778**
	182,016	14,638	(6,195)	(1,259)	1,133	**190,333**

(1) Actual expenses on legal contingencies.
(2) Reversals for the period.
(3) Monetary restatement.

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

Labor claims

At present, there are 1,757 labor claims filed by former employees against the Company, for payment of overtime, risk exposure premium, equitable/adjusted salary scale, occupational disease/reinstatement, guaranteed employment for members of the Internal Labor Accidents Prevention Commission (CIPA), among others, as well as claims filed by former employees of outside service providers (vicarious liability) seeking principally termination pay.

Civil claims

The subsidiaries are defendants in 20,324 civil actions, 15,421 of which at small claims courts, mostly referring to claims seeking compensation for damages and pain and suffering as well as for amounts paid by customers.

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.

The quarterly information for the three-month period ended March 31, 2013 include a provision in the amount of R$ 94,433 (R$ 94,490 at December 31, 2012).

Tax claims

Subsidiary CEMAR is a defendant in 299 tax proceedings.

The interim financial statements for the quarter ended March 31, 2013 include a provision of R$145,068 for tax claims (R$145,125 at December 31, 2012).

In addition to the aforementioned provisions for contingent losses, there are other contingencies that management, based on the assessment of CEMAR’s and CELPA’s legal department and its outside legal advisors, assesses as possible and remote, in the amounts of R$453,742 and R$996,937, respectively (R$1,320,164 and R$996,343, respectively, at December 31, 2012), for which no provision was recognized.

(In thousands of reais, unless otherwise stated)

23 Research & development and energy efficiency (Consolidated)

	03/31/2013	12/31/2012
National Fund for Scientific and Technological Development (FNDCT)	1,565	2,126
Energy Research Entity (EPE)	781	934
Research & development (R&D)	45,623	43,228
Energy Efficiency Program (PEE)	88,381	82,943
Total	136,350	**129,231**
Current	64,226	58,020
Noncurrent	72,124	71,211

(In thousands of reais, unless otherwise stated)

24 Other accounts payables

	Company		***Consolidated***	
Current	**03/31/2013**	**12/31/2012**	**03/31/2013**	**12/31/2012**
Other payables to suppliers	-	24	2,159	303
Advances and returns - consumers	-	-	37,276	82,705
Collaterals	-	-	10,302	11,066
FASCEMAR	-	-	11,667	7,262
Tariff charges	-	-	2,675	3,072
Other allocations - suppliers	-	11	10,446	19,749
Fines and notices	-	-	48,888	-
Accounts acquired from CELPA (a)	23,825	272,079	23,825	272,079
Other payables to third parties	-	-	7,880	21,258
Acquisition of CELPA (b)	-	-	60,000	60,000
Other	56	3	36,736	34,232
	23,881	**272,117**	**251,954**	**511,726**

Noncurrent	**03/31/2013**	**12/31/2012**		**12/31/2012**
CCC subsidy	-	-	72,668	72,668
FASCEMAR	-	-	7,532	9,076
Other	-		23,936	24,951
	-	**-**	**104,136**	**106,695**

a) Refers to accounts acquired from CELPA as part of its legal reorganization process.
b) Refers to a balance to be refunded by subsidiary CELPA referring to "*Luz para Todos*" (Light for All) program of the federal government. The adjustment of R$ 60,000 was based on an estimate made by the subsidiary.

(In thousands of reais, unless otherwise stated)

25 Equity

a. Capital

The Company's authorized capital at March 31, 2013 and December 31, 2012 was represented by 300 million shares. At March 31, 2013, capital is R$1,977,276 (R$1,742,519 at December 31, 2012). The class of shares and main shareholders are as follows:

Shareholder	**Registered common shares (ON)**	**%**
PCP Latin America Power S/A	45,518,146	22.94%
Squadra Investimentos	30,939,640	15.59%
International Finance Corporation – IFC	10,625,000	5.35%
Credit Suisse Hedging Griffo	10,073,318	5.08%
Other	101,291,248	51.04%
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.

Change in shareholding structure of Equatorial

On February 28, 2012, 385,106 common shares were subscribed by beneficiaries of the Company's Third Stock Option Plan. As such, capital is represented by 109,611,778 registered common shares with no par value.

25 Equity (Continued)

Capital increase (Follow on)

On January 17, 2013, the Company capital increase was approved through conversion of R$234,757 of the credit held by BNDES Participações against the Company, through private issue of 13,203,450 (thirteen million, two hundred three thousand, four hundred and fifty) new common shares, at the price of R$17.78 (seventeen reais seventy-eight cents of real) per share. After such operation, the Company capital is represented by 198,447,352 common shares.

Third stock option plan

The Special Shareholders' Meeting of October 16, 2008 approved the creation of the Third Stock Option Plan of Equatorial ("Third Plan"). The stock options to be offered under the Plan shall represent a maximum of 4,000 thousand shares of Equatorial. After the option is exercised by beneficiaries, said shares will be issued by means of a Company's capital increase, within the limit of authorized capital set forth in the Articles of Incorporation. Further details about the Plan may be obtained from the minutes of the Special Shareholders' Meeting which approved it, available at the Company's and at CVM's websites.

Beneficiaries must use at least 50% of the amount of profit sharing, performance bonus or any other type of annual variable compensation to which they are entitled, net of income tax and other applicable charges, in the subscription of shares of the lots for which the option has already been granted. In addition, beneficiaries must use all dividends and interest on equity received, related to shares held by them that were acquired under the Plan, to subscribe shares of the lots for which the option has already been granted.

On February 9, 2009, the Management Committee of the Third Plan granted 3,819 thousand stock options, of which 163 thousand options were subscribed on the same date. Subsequently, on May 7, 2009, further 181 thousand options were granted, thus completing the maximum number offered under the Plan, namely 4,000 thousand options.

On April 8, 2009, another 17 thousand common shares were subscribed with the proceeds from dividends and interest on equity paid by the Company on shares owned by the beneficiaries that were acquired under the Plan, and pursuant to the clauses thereof.

25 Equity (Continued)

On June 4 and 8, 2009, the beneficiaries of the Plan subscribed another 41 thousand common shares using the proceeds from dividends paid by the Company.

On August 28, 2009, another 21 thousand options were subscribed by the beneficiaries of the Plan, and 3,758 thousand options remain to be subscribed under the Plan at December 31, 2009.

On November 30, 2009, another 3 thousand options were subscribed, due to the payment of the last installment of dividends relating to the year 2008.

On January 4 and March 1, 2010, 2,098 thousand shares and 500 thousand shares were subscribed under the Stock Option Plan, respectively. These subscriptions are part of the 1st and 2nd lots granted under the Plan.

On September 9, 2010, 345 thousand shares were subscribed under the Plan, as part of the 1st and 2nd lots granted.

On February 28, 2011, 400,347 common shares were subscribed by the beneficiaries of the Third Plan.

On February 28, 2012, 385,106 common shares were subscribed by the beneficiaries of the Third Plan. As such, capital is represented by 109,611,778 registered common shares with no par value.

Following the aforementioned subscriptions, no balance remains to be subscribed under the Third Plan.

Fair value – The Black & Scholes model was used to derive the option price at the grant date and at the reporting date. The model assumptions include historical data (volatility, risk-free rate and share price) at the grant dates or reporting dates..

Risk-free interest rate: Rate of the Federal Government security NTN-B (IPCA), with a maturity closer to the date of exercise of each lot of the Plan. The rates are specifically 6.76%, 7.19%, 7.22% and 7.39% for Lots 1, 2, 3 and 4.

Exercise period – Average maturity of each lot of options.
Volatility – Calculated based on the volatility of public comparable companies operating in our sector.

(In thousands of reais, unless otherwise stated)

25 Equity (Continued)

Exercise price – Calculated based on the issue price of options restated based on IPCA (Extended Consumer Price Index), adjusted for dividends declared in the period.

Dividends – Amounts effectively declared after the issue of options were adopted as a parameter.

Turnover – The history of turnover of prior plans' beneficiaries was used to estimate the potential withdrawal of beneficiaries of this Plan.

The table below shows the impact of option exercise on equity:

	12/31/2012		03/31/2013
	Beginning balance	**Recognized options granted**	**Ending balance**
Capital reserve	14,080	-	**14,080**

b. Income reserve - Legal reserve

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

c. Income reserve – Reserve for investments and expansion

The reserve for investments and expansion is 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 to record the portion of dividends that exceeds the mandatory minimum dividends, the distribution of which has not yet been approved at a Shareholders' Meeting.

(In thousands of reais, unless otherwise stated)

26 Dividends (Company)

Pursuant to the Company's Articles of Incorporation, shareholders are assured mandatory minimum dividends equivalent to 25% of the net income, adjusted in accordance with prevailing legislation, less allocations determined by the Shareholders' Meeting.

Dividends were calculated as follows:

	12/31/2012
Net income for the year	140,995
(-) Legal reserve	(7,050)
Adjusted dividend income	**133,945**
Mandatory minimum dividends	(33,487)
Supplementary dividends	(250)
Proposed dividends	**(33,737)**
Reserve for investments and expansion	**100,208**

The Board of Directors approved proposed dividends declared as shown below:

Per share amount (lots of units in reais)

Resolution	Type	Amount	Registered common shares (ON)
12/31/2012 Board of Directors' Meeting on March 28, 2013	Dividends	33,737	0.17
12/31/2011 Board of Directors' Meeting on February 15, 2012	Dividends	196,608	1.80

(In thousands of reais, unless otherwise stated)

26 Dividends (Company) (Continued)

Balances at December 31, 2012	**33,579**
Additional dividends proposed in 2012	**250**
Balance at March 31, 2013	**33,829**

27 Employee 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 employees' commitment to better operational performance. For the quarter ended March 31, 2013, the recognized balance of profit sharing was R$17,708 (R$25,817 at December 31, 2012).

(In thousands of reais, unless otherwise stated)

28 Gross operating revenue (Consolidated)

At March 31, 2013 and 2012, electric power supply by class of consumers is as follows:

	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
Government	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 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**

(In thousands of reais, unless otherwise stated)

29 Gross operating revenue (Consolidated) (Continued)

	03/31/2013		
	Number of consumers (*)	**MWh (*)**	**R$**
Residential	1,737,831	529,073	247,826
Industrial	8,806	112,615	42,552
Commercial	123,426	224,147	109,007
Rural	63,790	32,713	9,893
Government	21,336	66,015	31,249
Public lighting	686	82,751	22,717
Utility services	4,895	70,676	25,224
Own consumption	318	1,839	-
Revenue from availability/use of electricity grid	-	-	4,219
CCEE supply	-	-	42,739
Low-income consumers	-	-	145,851
Construction revenue	-	-	-
Other	-	-	18,193
Total	**1,961,088**	**1,119,829**	**699,470**

(In thousands of reais, unless otherwise stated)

29 Net operating revenue

Reconciliation of gross revenue with net revenue is as follows:

	03/31/2013	03/31/2012
Power supply	1,181,890	537,480
Fixed compensation WACC	19,913	3,824
Power delivery	29,044	4,219
Construction revenue	168,990	145,851
Other	15,959	8,096
Gross operating revenue	**1,415,796**	**699,470**
ICMS on electric energy sales	(221,619)	(83,122)
(PIS and COFINS)	(110,504)	(48,755)
Consumer charges	(10,895)	(19,049)
Global Reversion Reserve (RGR)	2,184	(11,766)
ISS	(7,710)	(320)
Emergency capacity charge	(1,386)	(683)
Other	(1)	-
Deductions	(349,931)	**(163,695)**
Net operating revenue	**1,065,865**	**535,775**

(a) The Global Reversion Reserve (RGR) charge was instituted by Law No. 5655 of 1971, with the objective of capitalizing a fund, created in 1957 by Decree No. 41019, to pay indemnifications to companies upon the return of electricity concession assets to the federal government. The annual RGR quotas that are charged to electricity concessionaires and permittees are determined annually by ANEEL based on the amount of the assets (facilities, machinery and equipment), taking into account the remaining concession period and the expected useful life of the assets.

(In thousands of reais, unless otherwise stated)

30 Operating income/expenses (Consolidated)

Operating income (expenses) by nature is as follows:

	Company	
	03/31/2013	12/31/2011
	General and administrative	General and administrative
Administrative expenses	**13,638**	548
Personnel and management	**2,175**	3,951
Other	**743**	500
Financial income (expenses)	**(11,189)**	(160)
Equity pickup	**19,226**	(52,940)
	24,593	(48,101)

	Consolidated			
	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
Outsourced 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
Cost of construction	168,990	-	-	168,990
Depreciation and amortization	47,968	-	-	47,968
Lease and rental	997	571	1,305	2,873
Net provision	-	-	-	-
CCC subsidy	-	-	-	-
Recovery of expenses	(64,422)	(2,770)	-	(67,192)
Other	3,432	3,824	2,833	10,090
Total	**871,691**	**51,621**	**84,620**	**1,007,932**

(In thousands of reais, unless otherwise stated)

30 Operating income/expenses (Consolidated) (Continued)

	03/31/2012			
Operating costs/expenses	**Cost of electric energy service**	**Selling expenses**	**Administrative expenses**	**Total**
Personnel	6,634	4,913	6,744	18,291
Material	1,761	(301)	57	1,517
Outsourced services	13,954	23,540	17,579	55,073
Electric energy service inspection fee	-	949		949
Electric energy purchased for resale	137,822			137,822
Transmission and distribution system use charge	25,886			25,886
Cost of construction	145,851			145,851
Depreciation and amortization	15,793			15,793
Lease and rental	586	577	160	1,323
Net provision	-			-
CCC subsidy	-			-
Recovery of expenses	-			-
Other	1,826	1,036	600	3,462
Total	**350,113**	**30,714**	**25,140**	**405,967**

(In thousands of reais, unless otherwise stated)

31 Other operating expenses (Consolidated)

Other operating expenses (net)	03/31/2013	03/31/2012
Commercial loss	**-**	-
Asset disposal/decommissioning	**-16,642**	-861
Inventory adjustments	**-541**	898
Own consumption	**-385**	-435
Advertising and publicity	**-1,046**	-680
Other	**692**	1,232
Total	**-17,922**	154

32 Financial income (expenses)

	Company		Consolidated	
	03/31/2013	03/31/2012	**03/31/2013**	03/31/2012
Financial income				
Interest income	**23,437**	**181**	**44,615**	**10,280**
Arrears charge on energy sold	**-**	**-**	**32,394**	**15,172**
Interest income on financial assets	**-**	**-**	**6,210**	**-**
Monetary gains	**-**	**-**	**23,566**	
Swap transactions	**-**	**-**	**-**	**-**
Other	**-**	**-**	**-**	**-**
Total	**23,437**	**181**	**106,785**	**25,452**
Financial expenses				
Interest expenses on loans and financing	**-**	**-**	**(57,198)**	**(26,328)**
Other	**(12,248)**	**(21)**	**(70,641)**	**(7,891)**
Write-off of regulatory assets / liabilities	**-**	**-**	**-**	**-**
Debt charges	**-**	**-**	**-**	**-**
Monetary losses	**-**	**-**	**(6,055)**	**(1,282)**
Interest expenses on financial assets	**-**	**-**	**-**	**-**
Fines/commercial rebates	**-**	**-**	**(12,472)**	**(18)**
Operational infractions	**-**	**-**	**(19,725)**	**(3,526)**
Swap transactions	**-**	**-**	**(4,710)**	**-**
Other financial expenses	**(12,248)**	**(21)**	**(27,679)**	**(3,065)**
Total	**(12,248)**	**(21)**	**(127,839)**	**(34,219)**
Financial income (expenses)	**11,189**	**160**	**(21,054)**	**(7,767)**

(In thousands of reais, unless otherwise stated)

33 Earnings (loss) per share

As required by CPC 41 and IAS 33 (Earnings per Share), the table below sets out reconciliation of the net income for the year to the amounts used to determine basic and diluted earnings per share.

	03/31/2013	03/31/2012
Numerator		
Net income for the year	**(24,593)**	48,101
Denominator		
Weighted average number of common shares for basic earnings	**195,953,367**	109,162,633
Basic and diluted earnings per share	**(0.1255)**	1.4657

At December 31, 2012 and 2011, there are no significant differences between basic and diluted earnings per share.

34 Private pension entity

CEMAR

Subsidiary 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 not-for-profit private pension entity for the purpose of managing social security benefit plans.

FASCEMAR was fully restructured in 2005, thus resulting in the implementation and operation, as from May 2006, of the so-called Mixed Benefit Plan I, a new defined contribution pension plan. Since its implementation, 98% of active members in the Defined Benefit Plan I, as well as CEMAR's employees who did not have this benefit, have joined the plan.

34 Private pension entity (Continued)

Most of the Defined Benefit Plan I members are retirees and pensioners enjoying the benefits in April 2006.

Subsidiary CEMAR, in the capacity of sponsor, makes monthly regular contributions to both plans that match total contributions paid by plan members on its payroll. For the quarter ended March 31, 2013, this amount totaled R$616 (R$2,333 at December 31, 2012).

Subsidiary CEMAR records the amount of R$ 15,065 (R$16,339 at December 31, 2012) 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

Subsidiary 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 not-for-profit multisponsored pension entity with administrative and financial autonomy.

Because of the change in the company control, a study to identify the best alternative for the Supplementary Private Pension Plan to be sponsored by CELPA is underway.

At present, the benefit plans maintained by the Company with Redeprev are:

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

Created on July 30, 1982, CELPA BD-I is structured as a Defined Benefit plan and is funded by active members, vested members and by the sponsor. This plan has not accepted new members since January 1, 1998, and its members are assured of: supplemental benefits applicable to disability retirement; to normal age retirement; to seniority retirement; to special retirement; to pension benefits; and annuity supplement.

34 Private pension entity (Continued)

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

Created on January 1, 1998, this plan has not accepted new members since April 1, 2000, when CELPA-OP and R benefit plans were created. CELPA BD-II is structured as a Defined Benefit plan and is funded by active members, vested members and by the sponsor. The following benefits are assured: supplemental benefits applicable to disability retirement; to normal age retirement; to seniority retirement; to special retirement; and supplementary death benefit and annuity supplement.

- **Benefit Plan – R:**

This plan was authorized to operate and to apply its Regulation by Administrative Ruling No. 880, of January 12, 2007, issued by the Technical Analysis Division of the Supplementary Pension Schemes Office (DAT/SPC) under the Social Security Ministry (MPS). Benefit Plan – R has replaced the defunct Benefit Plans CELPA – R, CEMAT – R and ELÉTRICAS – R, Regulations of which have been condensed into a single Regulation, without disrupting operations. This plan is structured in the form of Defined Benefit.

The following structured risk benefits are assured: supplemental benefits applicable to disability retirement and sick-pay; and supplementary death benefit and lump-sum payment.

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

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

34 Private pension entity (Continued)

- **CELPA-OP Benefit Plan:**

This plan was authorized to operate and to apply its Regulation by DAT/SPC/MPS Administrative Ruling No. 880, of January 12, 2007. This plan has replaced the defunct Benefit Plans CELPA – R, CEMAT – R and ELÉTRICAS – R, Regulations of which have been condensed into a single Regulation, without disrupting operations. This plan is structured in the form of Defined Benefit and its members are assured of the following structured risk benefits: supplemental benefits applicable to sick-pay and disability retirement; supplementary death benefit; annuity supplement; and supplementary death lump-sum payments. Plan R (CELPA-OP) is funded solely by CELPA, other sponsors and self-funded members, as provided for in its Regulation.

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

(In thousands of reais, unless otherwise stated)

35 Insurance

Specification by the insured risks and expiration dates of the main insurance policies taken out by Equatorial and its subsidiary CEMAR are as follows:

- **EQUATORIAL:**

Risks	Policies expire	Insured amount (R$ thousand)
Civil liability - D&O	06/07/2013	10,000
Equatorial headquarters – RJ	04/22/2013	1,580

- **CEMAR:**

Risks	Policies expire	Insured amount (R$ thousand)
Operational risks	01/01/2014	215,480
General civil liability - Operations	01/01/2014	7,000
Judicial guarantee insurance	(a)	3,634
Energy auction guarantee insurance	(b)	118
Vehicles	01/31/2014	(c)

(a) 19 policies with expiration dates between April 2013 and October 2014.
(b) 1 policy with expiration date in June 2013.
(c) 77 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. The Company's insurance policies are taken out based on risk and insurance management guidelines generally adopted by electric energy distribution companies. The risk assumptions adopted, given their nature, are not included in the scope of a special review of the financial statements and, accordingly, were not reviewed by our independent auditors.

(In thousands of reais, unless otherwise stated)

35 Insurance (Continued)

- **CELPA:**

Insurance line	Policies expire	Insured amount (R$ thousand)	Premium - R$ thousand
Optional aviation insurance	15/10/2013	104.628	44
Carriage by river	3/7/2013	316	19
General civil liability - Operations	30/11/2013	20.000	484
Operational risks	30/11/2013	234.630	323
Vehicles	30/12/2013	(a)	162
Comprehensive business	15/4/2013	5.952	1
Guarantee insurance	(b)	51.045	933

(a) 384 insured vehicles, according to the policy.
(b) 06 policies

Subsidiary CELPA has insurance policies at amounts considered sufficient to cover damages to its assets and any compensation for which it is held liable for consequential, property and/or bodily injury and physical damage caused to third parties as a result of its operations, considering the nature of its activities. The Company's insurance policies are taken out based on risk and insurance management guidelines generally adopted by electric energy distribution companies.

36 Financial instruments

a. General considerations

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

These instruments are managed using operating strategies and internal controls seeking liquidity, profitability and security. The control policy consists of permanent monitoring of agreed rates versus the rates prevailing in the market.

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 meeting the financial ratios required under 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 one with its direct subsidiary CELPA.

(In thousands of reais, unless otherwise stated)

36 Financial instruments (Continued)

c. Fair value of financial instruments (Consolidated)

In accordance with CVM Ruling No. 475, the carrying amount and the fair value of financial instruments included in the balance sheet at December 31, 2013 and 2012 are set out below:

Consolidated

	03/31/2013		12/31/2012	
ASSETS	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Cash and cash equivalents	286,580	286,580	133,101	133,101
Short-term investments	1,149,136	1,149,136	1,592,099	1,592,099
Trade accounts receivable	1,012,965	1,012,965	1,183,603	1,183,603
Judicial deposits	291,550	291,550	269,995	269,995
Concession-related financial assets	1,194,272	1,194,272	1,052,945	1,052,945
Total	**3,934,503**	**3,934,503**	**4,231,743**	**4,231,743**

	03/31/2013		12/31/2012	
LIABILITIES	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Trade accounts payable	844,636	844,636	663,032	663,032
Loans and financing	2,566,043	2,566,043	2,622,863	2,622,863
Swap transactions	4,958	4,958	2,050	2,050
Debentures	297,627	299,767	452,812	477,131
Total	**3,713,264**	**3,715,404**	**3,738,707**	**3,765,076**

36 Financial instruments (Continued)

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

- **Short-term investments** – these are classified as 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 the original amounts, subject to the provision for losses and adjustment to present value, as applicable.

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

- **Trade accounts payable** – these arise directly from Company operations and are classified as financial liabilities not measured at fair value.

- **Loans and financing**– loans and financing aim at generating funds to finance the Company's investment programs and 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 as at fair value through profit or loss and are intended to hedge against movements in both interest and foreign exchange rates. For swap transactions, the fair value was determined using market information available.

36 Financial instruments (Continued)

d. Cash and cash equivalents

The Company's cash equivalents are highly liquid financial instruments whose carrying amount approximates fair value. They comprise cash available and financial investments.

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

The Company's financial investments have a short maturity and are highly liquid. They are also convertible to a known amount of cash and indexed to CDI, which is considered a risk-free rate. All of our financial investments are classified as cash equivalents.

e. Risk factors - CVM Ruling No. 475

For being a holding company, the Company's significant risks relate to the performance of its subsidiaries and jointly-controlled subsidiary, according to CVM Rule No. 475, according to CVM Ruling 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 follows 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 and renegotiation of debts. In order to mitigate the risk of financial institutions at 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 current legislation and monitors possible changes in the rules of return of concession assets.

36 Financial instruments (Continued)

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

- **Liquidity risk -** The liquidity risk evidences the Company's capacity of liquidating 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.

- **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 currency rate fluctuations. At present, subsidiary CEMAR's currency risk exposure is 0.64% 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 Ruling No. 475, namely: one scenario with actual rates as at March 31, 2013 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% increase (Scenario III) in the benchmark exchange rate

(In thousands of reais, unless otherwise stated)

36 Financial instruments (Continued)

c. Risk factors - CVM Ruling No. 475 (Continued)

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

Currency risk						**R$ thousand**
Operation	**Risk**	**Probable scenario**	**Scenario II +25%**	**Scenario III +50%**	**Scenario IV - 25%l**	**Scenario V - 50%**
Financial liabilities						
Loans and financing and debentures	USD	2,579	(170,493)	(343,565)	175,651	348,723

Reference for financial liabilities	**Rate at 03/31/2013**	**+ 25%**	**+ 50%**	**- 25%**	**- 50%**
USD/R$	2.01	2.52	3.02	1.51	1.01

For currency hedging purposes, Equatorial Energia entered into a swap transaction with Banco BTG Pactual in December 2012, for a principal of R$93,678, ending March with a loss of R$4,958. With this transaction, Equatorial has a long position in dollar and a short position in CDI.

Details of the transaction:
CETIP transaction: 12L00014843
Principal amount of the contract: R$93,678
Start date: 12/14/2012
Final maturity 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 quote x Final PTXV) / (Initial quote x Initial exchange rate)

36 Financial instruments (Continued)

c. Risk factors - CVM Ruling No. 475 (Continued)

Where:
Underlying asset: CELPBZ 10 ½ 06/03/16 Corp, ISIN: USP22826AA23
Face value of the underlying asset: US$250,000
Initial quote (in Brazilian reais): 17.928750 (Opening price of the underlying asset position)
Final quote: 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 this rate is not disclosed, the exchange rate indicated by BTG Pactual shall be used.
Initial exchange rate: 2.090000
Final PTXV: PTXV at 05/27/2013

In addition, subsidiary CELPA entered into a foreign currency swap transaction with Equatorial Energia, ending 2012 with a loss of R$4.957.901,73, 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.

Details of the transaction:
CETIP transaction: 12L00016060
Principal amount of the contract: R$93,678
Start date: 12/14/2012
Final maturity date: 05/28/2013

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

(In thousands of reais, unless otherwise stated)

36 Financial instruments (Continued)

c. Risk factors - CVM Ruling No. 475 (Continued)

Where:
Underlying asset: CELPBZ 10 ½ 06/03/16 Corp, ISIN: USP22826AA23
Face value of the underlying asset: US$250,000
Initial quote (in Brazilian reais): 17.928750 (Opening price of the underlying asset position)
Final quote: 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 this rate is not disclosed, the exchange rate indicated by BTG Pactual shall be used.
Initial exchange rate: 2.090000
Final PTXV: PTXV at 05/27/2013

Under CPC 40, the amounts of derivative instruments of the Company and its subsidiaries at March 31, 2013 can be summarized as follows:

Company Equatorial (SWAP with BTG Pactual)

	Notional amount		Description	Fair value		Cumulative effect	
	03.31.2013	03.31.2012		03.31.2013	03.31.2012	Receivable/ Received	Payable/ Paid
	Local (BRL)			Local (BRL)			
Swap	93.678	0	Long position in foreign currency - USD	95.441	-	-	-
			Short position in interest rate CDI	(95.441)	-	-	-
				-	-	-	-

(In thousands of reais, unless otherwise stated)

36 Financial instruments (Continued)

c. Risk factors - CVM Ruling No. 475 (Continued)

Company CELPA (SWAP with Equatorial)

	Notional amount		Description	Fair value		Cumulative effect	
	03.31.2013 Local (BRL)	03.31.2012		03.31.2013 Local (BRL)	03.31.2012	Receivable/ Received	Payable/ Paid
Swap	93.678	-	Long position in foreign currency - USD	90.483	-	-	-
			Short position in interest rate CDI	(95.441)	-	-	-
				(4.958)	-	-	-

Company Equatorial (SWAP with CELPA)

	Notional amount		Description	Fair value		Cumulative effect	
	03.31.2013 Nacional (BRL)	03.31.2012		03.31.2013 Nacional (BRL)	03.31.2012	Receivable/ Received	Payable/ Paid
Swap	93.678	-	Long position in foreign currency - USD	95.441	-	-	-
			Short position in interest rate CDI	(95.441)	-	-	-
				-	-	-	-
TOTAL EQUATORIAL (Consolidado)				(4.958)	-	-	-

- **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 mentioned in Notes 20 (Loans and financing) and 21 (Debentures).

- **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.

(In thousands of reais, unless otherwise stated)

36 Financial instruments (Continued)

c. Risk factors - CVM Ruling No. 475 (Continued)

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

In accordance with CVM Ruling No. 475, we considered a scenario with actual rates at March 31, 2013 (Probable Scenario) plus two scenarios considering an increase by 25% (Scenario II) and by 50% (Scenario III) in the indices.

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

Cash flow or fair value risk related to interest rate (R$ thousand)

Operation	Risk	Probable scenario	Scenario II + 25%	Scenario III + 50%	Scenario IV - 25%	Scenario V - 50%
Financial assets						
Financial investments	CDI	14.735	18.417	22.103	11.052	7.368
Financial liabilities						
Loans and financing	CDI	(22.421)	(36.841)	(51.261)	(8.001)	6.419
	TJLP	(5.686)	(12.875)	(20.065)	1.504	8.693
	IGPM	(3.395)	(10.513)	(17.631)	3.723	10.841
	IPCA	(6.834)	(6.834)	(6.834)	(6.834)	(6.834)

Reference for financial assets and liabilities	Rate at 03/31/2013	25%	50%	-25%	-50%
CDI (% 12 months)	7,51	9,39	11,26	5,63	3,75
TJLP (% 12 months)	5,75	7,19	8,62	4,31	2,87
IGP-M (% 12 months)	8,06	10,08	12,09	6,05	4,03
IPCA (% 12 months)	6,59	8,24	9,88	4,94	3,29

(In thousands of reais, unless otherwise stated)

36 Financial instruments (Continued)

c. Risk factors - CVM Ruling No. 475 (Continued)

The impact of the sensitivity analysis on the net income and equity of subsidiary CEMAR is as follows:

Impact of sensitivity analysis on net income and equity

Scenarios	Net income (loss)	Equity
Probable scenario	-	-
Scenario II	(38,358)	(38,358)
Scenario III	(76,717)	(76,717)
Scenario IV	38,358	38,358
Scenario V	76,717	76,717

To hedge against the interest rate risk associated with the swap transaction between Equatorial and BTG Pactual, Equatorial entered into a swap transaction with its subsidiary CELPA, as disclosed in currency risk. With the transaction, Equatorial has a long position in CDI and a short position in dollar, ending March 31, 2013 with a loss of R$4,958.

- **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 and in increased System Charges due the output of thermal power plants. Ultimately, a rationing program may be adopted, which would imply in a decrease in revenue. However, given current levels of the reservoirs and the latest simulations performed, the National Electric System Operator (ONS) does not expect a new rationing program for the coming years.

(In thousands of reais, unless otherwise stated)

36 Financial instruments (Continued)

d. Capital management

The Company and its subsidiaries manage their capital so as to maximize return for investors by leveraging the debt and equity levels, seeking to achieve an efficient capital structure, while maintaining debt-to-equity 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 ratios, and establishes maximum limits that do not affect the Group's operations:

- Net debt / EBITDA
- Net Debt / (Net Debt + Equity)
- Current Debt / Total Debt

37 Commitments

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

CEMAR

	Effective term	2012	2013	2014	2015	2016	After 2016
Power purchase agreement	2011 to 2042	621,672	665,232	644,171	739,021	824,910	43,571,894

CELPA

	Effective	2012	2013	2014	2015	2016	After 2016
Energy purchase agreement	2012 to 2042	1.005.989	1.265.710	1.248.250	1.313.967	1.443.046	50.114.492

Amounts related to power 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.

38 Business segment

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

The Company analyzes segment performance and allocates funds thereto based on various factors, where revenues and operating income are identified as the predominant financial factors.

(Em milhares de Reais, exceto quando especificado)

38 Business segment (Continued)

	Distribution		Services / Sale		Central management nd others		Eliminations and adjustments		Consolidado	
	31/03/2013	12/31/2012	03/31/2013	12/31/2012	03/31/2013	12/31/2012	03/31/2013	12/31/2012	31/3/2013	31/12/2012
Operating assets	8.011.467	8.148.291	38.267	38.938	2.451.141	2.477.829	(1.411.668)	(1.388.665)	9.089.207	9.276.393
Operating liabilities	6.626.687	6.779.485	22.173	25.998	68.975	313.771	(352.067)	(358.452)	6.365.768	6.760.802
	31/3/2013	**31/12/2012**	**31/3/2013**	**31/12/2012**	**31/3/2013**	**31/12/2012**	**31/3/2013**	**31/12/2012**	**31/3/2013**	**31/12/2012**
NET REVENUE	1.019.061	524.352	46.802	11.423	-	-	-	-	1.065.863	535.775
COST OF SERVICE	(832.603)	(341.679)	(39.087)	(8.434)	-	-	-	-	(871.690)	(350.113)
GROSS PROFIT	**186.458**	**182.673**	**7.715**	**2.989**	**-**	**-**	**-**	**-**	**194.173**	**185.662**
Selling expenses	(51.621)	(29.095)	-	(1.619)	-	-	-	-	(51.621)	(30.714)
General and administrative expenses	(136.201)	(43.647)	(1.371)	(1.643)	(16.555)	(5.000)	-	-	(154.126)	(50.288)
Equity pickup	-	-	134	-	(18.074)	54.395	20.915	(50.872)	2.975	3.523
(-) Investment valuation allowance	-	-	-	-	-	-	-	-	-	-
Amortization of goodwill	-	-	-	-	(1.153)	(1.454)	-	-	(1.153)	(1.454)
	(1.364)	**109.931**	**6.478**	**(273)**	**(35.782)**	**47.941**	**20.915**	**(50.872)**	**(9.752)**	**106.729**
Financial income	83.218	25.117	132	154	23.437	181	-	-	106.787	25.452
Financial expenses	(115.561)	(34.191)	(31)	(7)	(12.248)	(21)	-	-	(127.840)	(34.219)
INCOME BEFORE INCOME TAXES	**(33.707)**	**100.857**	**6.579**	**(126)**	**(24.593)**	**48.101**	**20.915**	**(50.872)**	**(30.805)**	**97.962**
Income and social contribution taxes	(4.795)	(22.036)	(2.480)	(234)	-	-	-	-	(7.275)	(22.270)
INCOME BEFORE NONCONTROLLING INTEREST	**(38.502)**	**78.821**	**4.099**	**(360)**	**(24.593)**	**48.101**	**20.915**	**(50.872)**	**(38.080)**	**75.692**
Attributable controlling shareholders			(2.079)				15.566	(27.591)	13.487	(27.591)
NET INCOME (LOSS) FOR THE PERIOD BY SEGMENT	**(38.502)**	**78.821**	**2.020**	**(360)**	**(24.593)**	**48.101**	**36.481**	**(78.463)**	**(24.593)**	**48.101**

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

Supervisory Board

Members

Felipe Sousa Bittencourt

Paulo Roberto Franceschi

Sergio Passos Ribeiro

Executive Board

Ana Marta Horta Veloso
Officer

Eduardo Haiama
Chief Finance and Investor Relations Officer

Firmino Ferreira Sampaio Neto
Chief Executive Officer

Tinn Freire Amado
Officer

Felipe Oppenheimer Pitanga Borges
Officer

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