



Equatorial Energia S.A.
Public-held Company
CNPJ/MF nº 03.220.438/0001-73



Centrais Elétricas do Pará – CELPA
Public-held Company
CNPJ/MF nº 04.895.728/0001-80

NOTICE TO THE MARKET

Equatorial Energia S.A. and Centrais Elétricas do Pará - CELPA announce that, as of today, Fitch Ratings upgraded CELPA's ratings. The Issuer Default Rating (IDR), was raised to 'B-' from 'D'. The national scale rating was raised to 'BB + (bra)' from 'A (bra)'. The rating of the R\$250 million senior unsecured notes was upgraded to 'B-/ RR4' from 'C / RR4'. The Rating Outlook was considered stable.

Also according to Fitch, the rating upgrade follows the announcement that Equatorial concluded the acquisition of 65.18% of CELPA's voting capital as of December 31, 2012 for R\$1.00. The expectations are that the new shareholder will be able to successfully promote its financial and operational recovery plan given its turnaround history with another energy distribution company, Companhia Energética do Maranhão - CEMAR (rated 'AA (bra)') in the past.

The rating improvement is also supported by CELPA's debt restructuring, which resulted in an extended debt maturity for the next few years, and in a reduction of financial costs. The conditions for Equatorial's acquisitions also benefit CELPA's liquidity. A minimum cash injection of R\$700 million within two years is required, with the first equity contribution of R\$350 million already received in December 2012.

Fitch affirmed that CELPA has the challenge to recover its operational efficiency and improve its cash flow generation. Positively, the company received its tariff adjustment of 12.77% in August 2012, which was previously suspended due to the request of the bankruptcy protection. The Brazilian regulatory body, Agência Nacional de Energia Elétrica (ANEEL), also agreed that the future penalties for noncompliance with quality targets turns into a capex obligation instead of being paid by the company. In the last 12 months ended September 30, 2012, EBITDA was negative R\$46 million with total debt of R\$2.6 billion and cash of R\$203 million.

To view the full report, access [Fitch's website](#).

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