

Equatorial Energia S/A
Publicly-held Company
Corporate Taxpayers ID (CNPJ/MF): 03.220.438/0001-73
Company Registry (NIRE): 21300009388

NOTICE TO THE MARKET

Equatorial Energia S.A. ("Company"), hereby this Notice to the Market, provides details regarding the capital increase, within the limit of the authorized capital approved by the Company's Board of Directors at the meeting held on 01.17.2013.

1. **The capital increase is not subject to later approval.** A total of 13,203,450 (thirteen million, two hundred and three thousand, four hundred and fifty) common shares issued in connection with this capital increase will be subscribed, be it due to the exercise of preemptive rights by the Company's shareholders, be it due to the total or partial subscription by BNDES Participações S.A. - BNDESPAR, pursuant to the Notice to Shareholders published by the Company on 01.17.2013.

Such increase will be paid up by capitalization of credit in the same amount of the approved increase, held by BNDESPAR against the Company, and the shareholders who exercise the preemptive rights to subscribe for shares shall pay them in cash and in national currency, whose value will be passed to BNDESPAR, pursuant to Article 171, paragraph 2 of the Corporation's Law.

Thus, observed the deadlines for the exercise of preemptive rights and for the subscription of any unsubscribed shares by stockholders, which have to be closed around March 6, 2013, all of the new shares will be subscribed and endorsed on behalf of shareholders who exercised its preemptive right to subscribe for shares and possibly unsubscribed shares, and/or by BNDESPAR, with the total value of the payment increase approved in any event.

Thus, the increase of capital stock is not subject to any partial or total approval by the Board of Directors, so that the shares will be tradable immediately after the expiration of the preemptive rights' deadline and subscription period of eventual unsubscribed shares.

2. **Consolidation of Article 6 of the Company's Bylaws.**

Given that the capital increase will be fully subscribed and paid, the Company's new capital stock will be R\$ 2,011,701,957.72 (two billion, eleven million, seven hundred and one thousand, nine hundred and fifty-seven reais and seventy-two cents) divided into 198,447,352 (one hundred ninety-eight million, four hundred and forty-seven thousand, three hundred and fifty-two) common shares nominative, without par value. The administration should submit to the next Shareholders' General Meeting to be held in due course, the update of the Company's new capital stock, with the following new wording of Article 6 of the Company's Bylaws:

Article 6 - The capital stock is R\$ 2,011,701,957.72 (two billion, eleven million, seven hundred and one thousand, nine hundred and fifty-seven reais and seventy-two cents), fully subscribed and paid, divided into 198,447,352 (one

hundred and ninety-eight million, four hundred forty-seven thousand, three hundred fifty-two) common, nominative, without par value.

First Paragraph - Each common share is entitled to one (01) vote at the Company's General Meetings deliberations.

Second Paragraph - The remuneration referred to in § 3 of article 35 of Law No. 6.404, of December 15, 1976, as amended ("Corporations Law") may be charged to the shareholders.

Third Paragraph - The Company cannot issue preferential shares or beneficial interests.

Additional information can be obtained from the Investor Relations Department by calling +55 21 3206-6607 or by email ri@equatorialenergia.com.br.

Rio de Janeiro, January 21, 2013.
Equatorial Energia S/A
Eduardo Haiama
Chief Financial and Investor Relations Officer