

**INSTITUTIONAL
PRESENTATION**

March, 2012



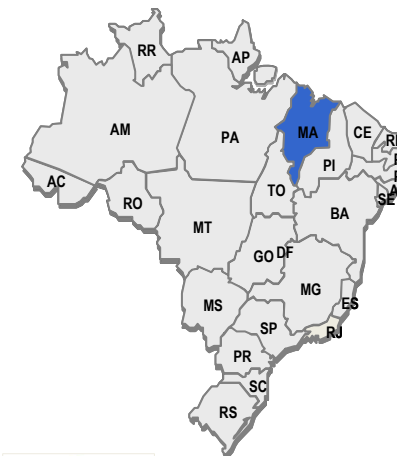
- ▶ **Company Profile**
- ▶ **Financial Performance**
- ▶ **Portfolio Overview**
- ▶ **Value Creation**

- ▶ **Company Profile**
- ▶ Financial Performance
- ▶ Portfolio Overview
- ▶ Value Creation

Equatorial Overview



- ✓ Holding company with investments in the energy sector, focused on distribution and generation
- ✓ Differentiated experience in operating and financial restructuring of companies in the Brazilian energy sector
- ✓ Controlled by PCP Fund, investment vehicle owned by former partners of Banco Pactual and managed by Vinci Partners.
- ✓ Current investments:



- Distribution company in the State of Maranhão
- 2nd largest distribution company in the Northeast of Brazil, in terms of concession area*
- 4th largest distribution company in the Northeast of Brazil, in terms of billed energy*
- Annual gross revenues of R\$2.6 billion in 2011.



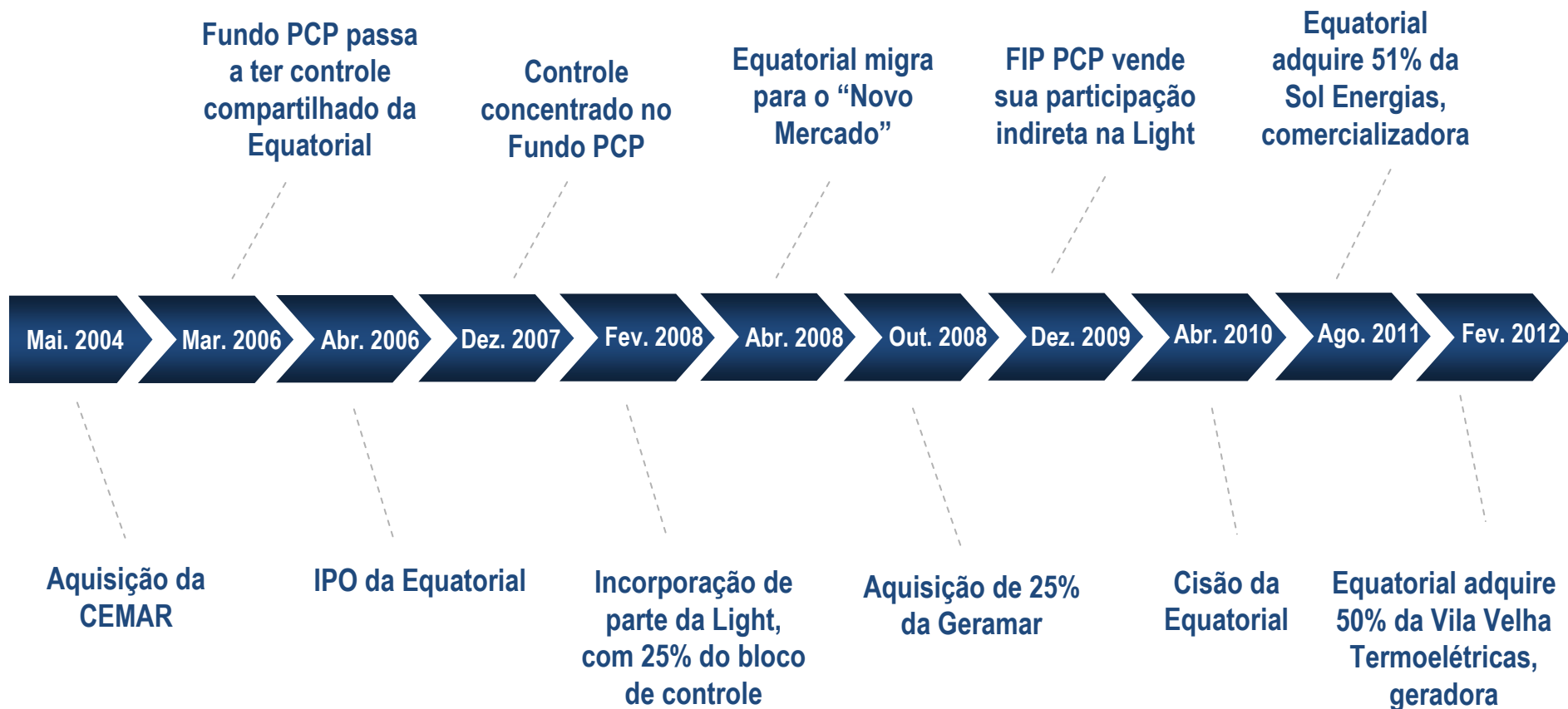
- Company responsible for implementing and operating the Tocantinópolis and Nova Olinda thermoelectric plants in the State of Maranhão
- Fuel: high-viscosity heavy oil.
- Joint installed capacity of 331 MW
- 240 MW of energy sold at the A-3 auction in 2007.
- Start-up: January 2010



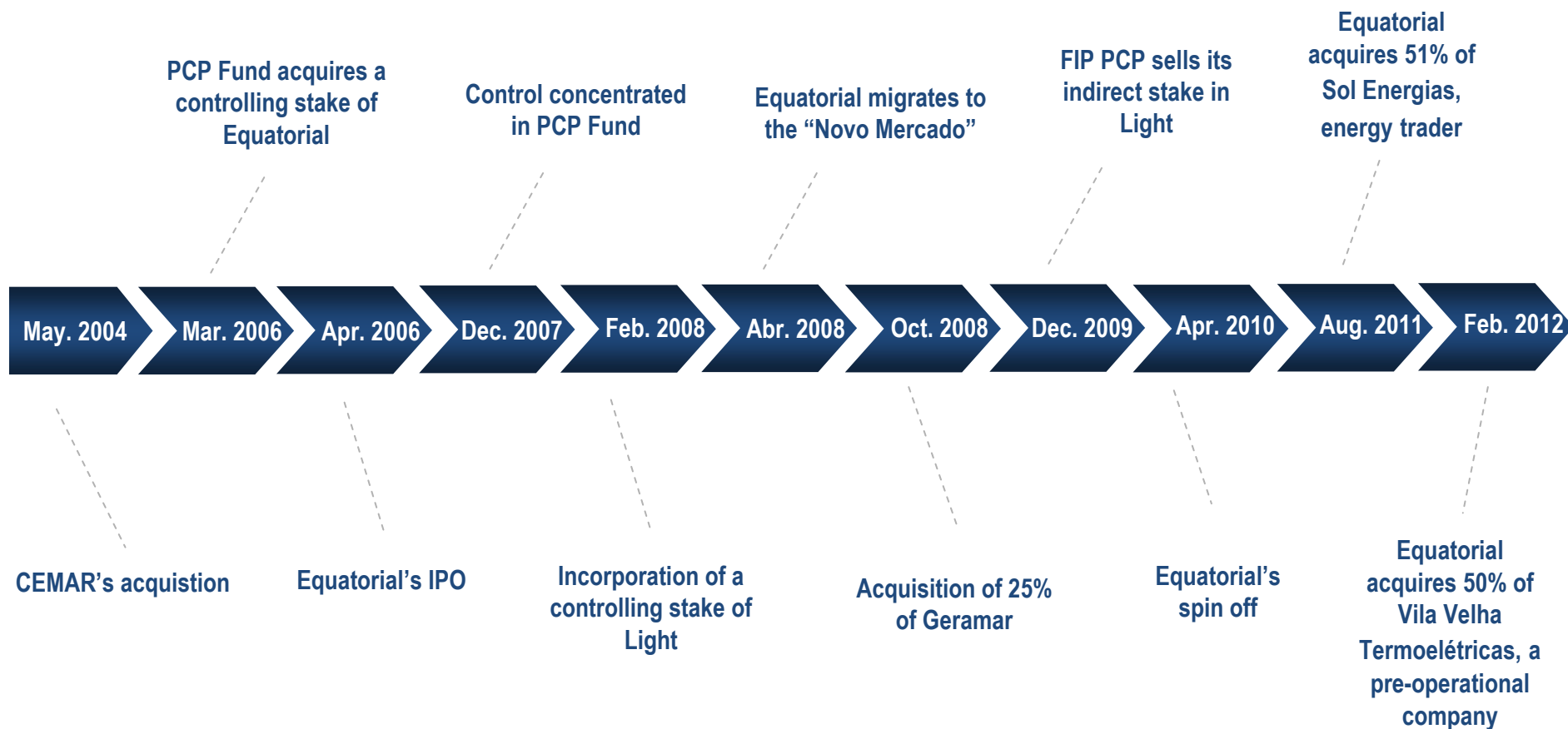
- Electricity trading company and developer of new products and services
- Broker the purchase and sale of energy without physical delivery
- Custom of solutions to satisfy consumers' specific needs (consumers and generators)
- Experienced executives and well-recognized in the trading market

*Source: **ABRADEE**

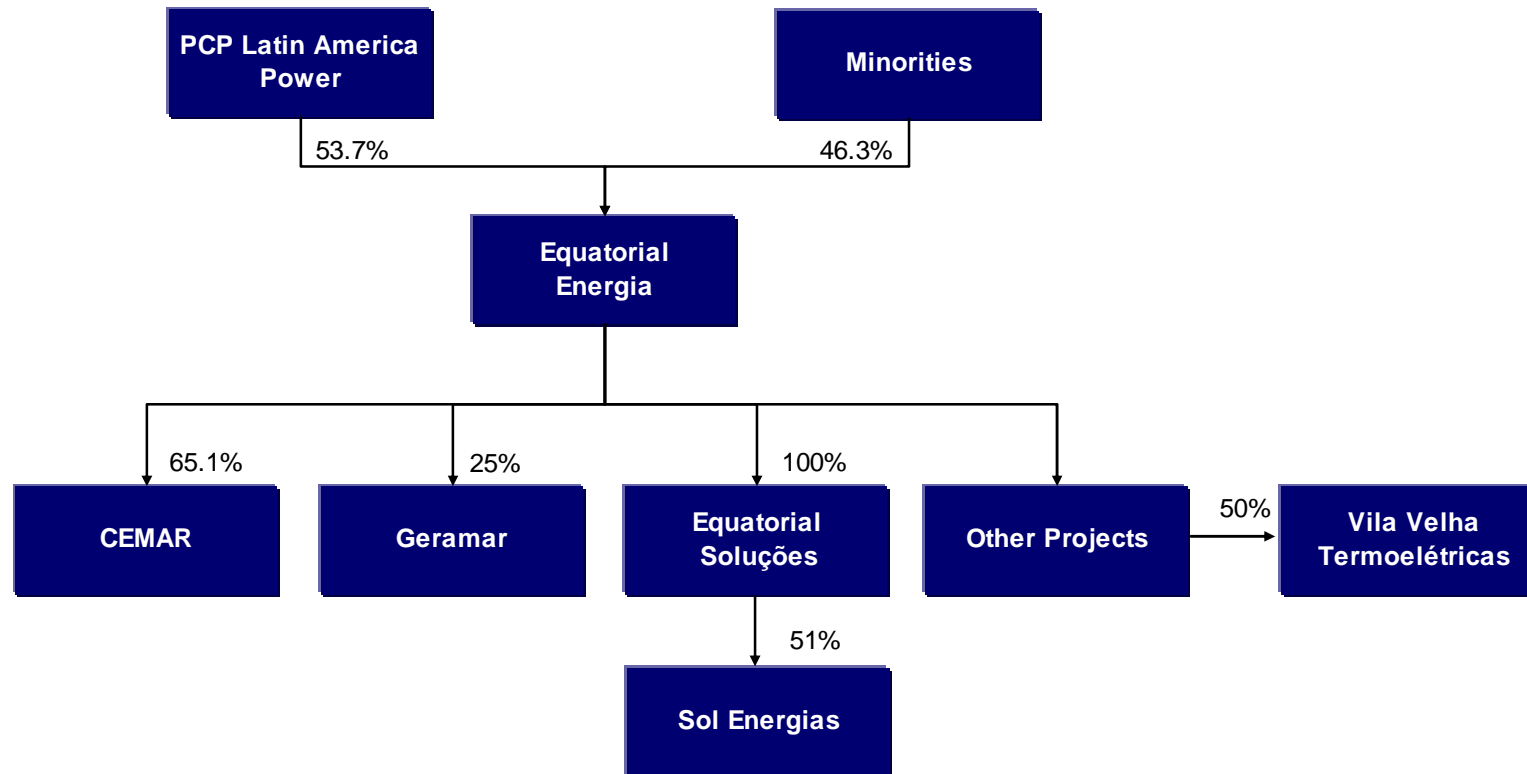
História da Equatorial



Equatorial's History



Ownership Structure – Current



- Total no. of shares: **109,611,778**
- Share price*: **R\$ 13.70**
- Free float: **46.5% / R\$698 MM**
- ADTV90: **R\$ 3.954 MM**

*On 31/03/12
ADTV90 represents the average volume traded in the past 90 days

CEMAR

- ✓ Increased returns through outstanding financial and operating performance

Consolidation of distributors in Brazil and Latin America

- ✓ Acquisition of full or shared control
- ✓ Added value through financial and operational restructuring, synergy gains and loss reduction

Geramar and other investments in generation

- ✓ Brazil's investment needs in generation over the next few years will create growth opportunities for Equatorial.
- ✓ Geramar thermal plants present an above average rate of return

Management



Management is composed by professionals with substantial experience in the financial, operational and regulatory areas

Carlos Piani

Chairman of the Board of Directors

- CEO of Equatorial from March, 2007 until April, 2010. CFO of CEMAR (2004-2006) and CEO of CEMAR (2007-2010). Currently, he is a partner of Vinci Partners.
- Worked for 6 years at Banco Pactual in the Principal Investments and Corporate Finance divisions
- Degree in Computer Science at PUC-RJ and in Business Administration at IBMEC. CFA chartered by CFA Institute in 2003. Concluded the Owner and President Management Program of Harvard Business School in 2008

Firmino Sampaio

CEO

- CEO of Eletrobrás (1996-2001), CEO and CFO of COELBA (1984-1996)
- Former member of the boards of directors of Furnas, Itaipu Binacional, CHESF, Eletrosul, Gerasul, CEMIG, ENERSUL, CEMAT and Light
- Degree in Economics at the Federal University of Bahia and postgraduate degree in Industrial Planning at SUDENE/IPEA/FGV

Eduardo Haiama

CFO & IRO

- CFO and IRO of Equatorial since 2008. IRO of CEMAR since 2008.
- Between 2004 and 2008, Mr. Haiama worked at Banco UBS Pactual on the equities' research team as senior analyst of the utilities segment.
- Degree in Electric Engineering at USP – University of São Paulo (Escola Politécnica) and MBA at Duke University. CFA chartered by CFA Institute in 2004

Tinn Amado

Regulatory Affairs Officer

- Regulatory Affairs Officer of Equatorial since April 2008 and of CEMAR since August 2006
- Consulting partner of Amado Consultoria, providing advisory services in economic regulation, also worked at ANEEL for 3 years as an analyst for the Distribution Service Regulation Department
- Degree in Electrical Engineering at the Federal University of Itajubá (UNIFEI) and a Master's degree in Regulation and Protection of Fair Trading at Brasília University (UnB)

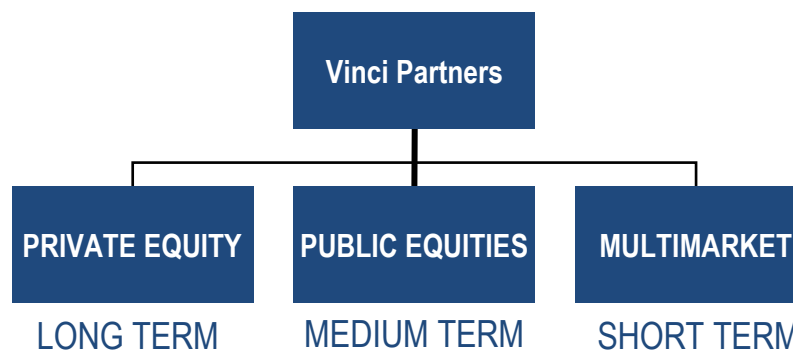
Ana Marta Horta Veloso

Officer

- Officer of Equatorial since November 2008.
- Worked as an executive at Banco UBS Pactual S.A., from 2006 until 2008. Before joining Pactual, she worked for 12 years at the Brazilian Development Bank (BNDES), where she held several executive positions, mostly in the capital market area.
- Degree in Economics at the Federal University of Minas Gerais (UFMG) and Master's degree in Industrial Economics at the Federal University of Rio de Janeiro (UFRJ).

History

- In 2001, Banco Pactual created a Principal Investment Unit to manage the partnership's excess capital and diversify its investments;
- In 2006, with the sale of Banco Pactual to UBS, part of the proceeds from the sale was reinvested in the Principal Investment Unit, which was renamed PCP;
- In 2009, with the sale of Pactual to BTG, Vinci Partners was created, an independent asset management, composed by Pactual's ex-partners;
- Today, Vinci has almost US\$ 3.0 billion under management (75% own capital), investing in Private Equity, Public Equities and Multimarket Funds.



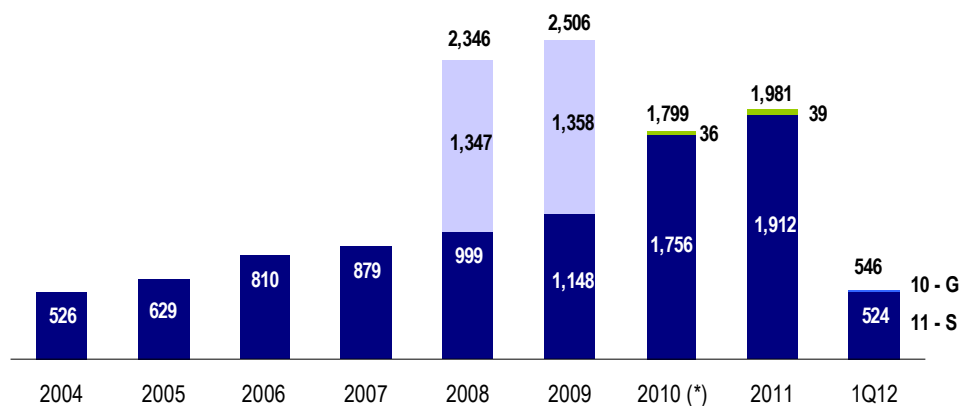
- ▶ Company Profile
- ▶ **Financial Performance**
- ▶ Portfolio Overview
- ▶ Value Creation

Financial Performance

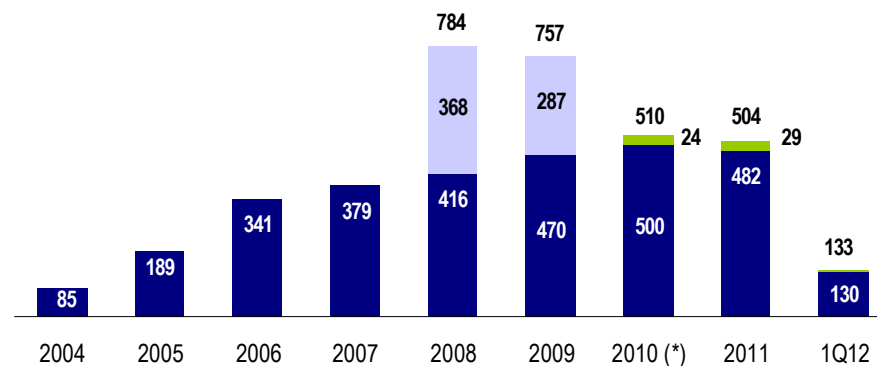


Since 2004, Equatorial has been presenting an excellent financial performance.

Net Operating Revenues
R\$ million



EBITDA (R\$ million)



■ CEMAR ■ Light ■ Geramar ■ Equatorial Soluções

■ CEMAR ■ Light ■ Geramar

	2004	2005	2006	2007	2008	2009	2010 (*)	2011	1Q12
Net Revenue	526	629	810	879	2.346	2.506	1.799	1.981	546
EBITDA	85	189	341	379	784	757	510	504	133
% EBITDA	16%	30%	42%	43%	33%	30%	28%	25%	24%

(*) As from 2010, all values are according to IFRS

Financial Performance



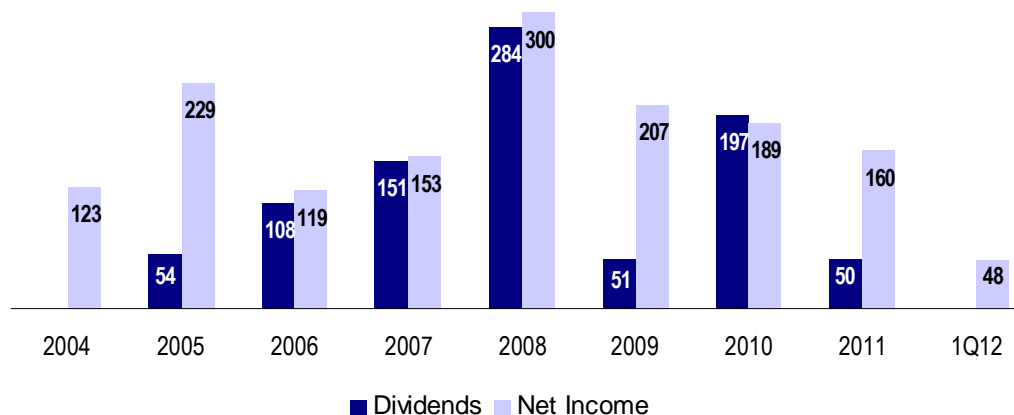
	2004	2005	2006	2007	2008	2009	2010	2011	1Q12
Consolidated Dividends (R\$ MM)	-	54	108	151	284	51	197	50 (*)	-
CEMAR	-	54	108	112	91	58	200	94 (*)	-
Light	-	-	-	27	111	56	-	-	-
Capital Reduction (holding)	-	-	-	-	82	-	-	-	-
Net Income (R\$ MM)	123	229	119	153	300	207	189	160	48
CEMAR	(31)	234	116	117	148	129	279	248	48
Geramar	-	-	-	-	-	-	6	11	0.1
Light	-	-	-	-	130	79	-	-	-

	2004	2005	2006	2007	2008	2009	2010	2011
Payout	0%	24%	90%	99%	95%	25%	104%	32%
Dividend Yield	N/A	N/A	10%	13%	27%	3%	18%	4%

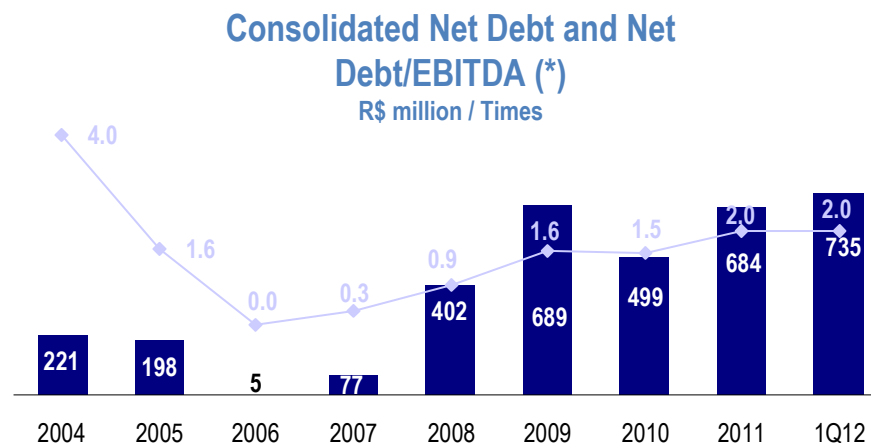
* 2008 figure includes R\$82 million in Capital Reduction

(*) The dividends for the fiscal year 2011 were submitted to AEGM to be held on March 19, 2012.

Distributions to Shareholders/Net Income
R\$ million



Improved operating performance and financial restructuring led to a significant reduction in leverage,

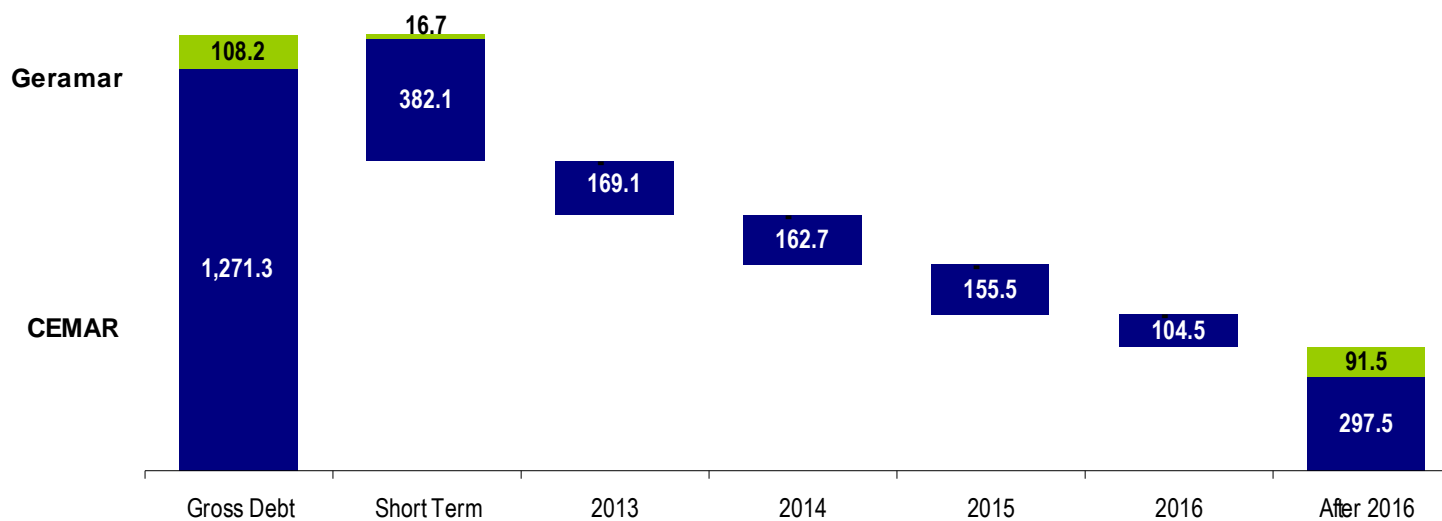


(*) Consolidated (65.1% CEMAR, 25.0% Geramar and 13.03% Light). Light is no longer consolidated as from 2010.

made a longer debt amortization schedule possible...

Debt Amortization Schedule - R\$ MM

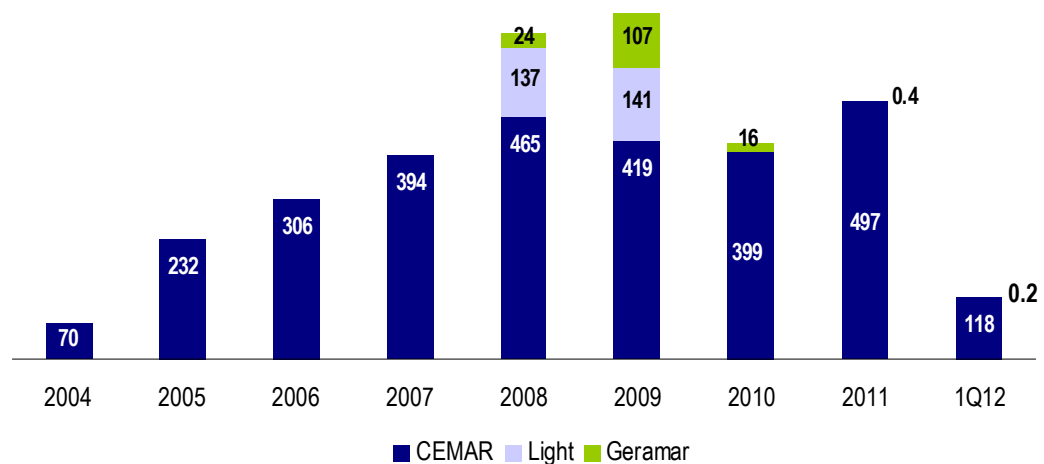
	Short Term	2013	2014	2015	2016	After 2016	Total
CEMAR	382	169	163	156	105	298	1,271
Geramar	17	-	-	-	-	92	108
Total	399	169	163	156	105	389	1,380



and a significant increase in investments.

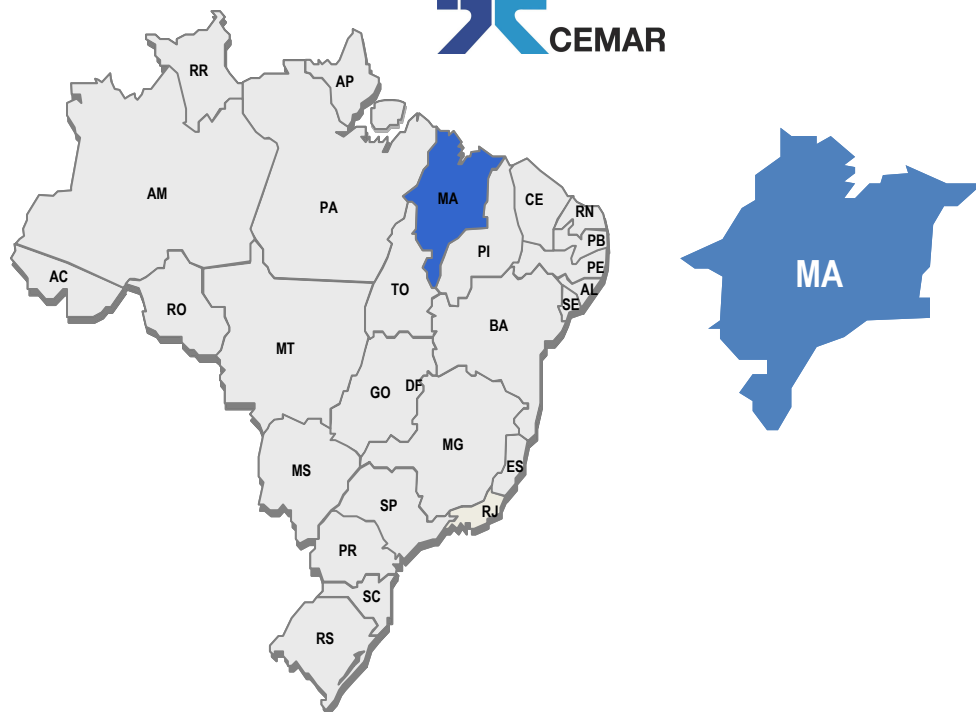
Investments - R\$ MM

	2004	2005	2006	2007	2008	2009	2010	2011	1Q12
CEMAR	70	232	306	394	465	419	399	497	118
Light	-	-	-	-	137	141	-	-	-
Geramar	-	-	-	-	24	107	16	0.4	0.2
Total	70	232	306	394	626	667	415	497	119



- ▶ Company Profile
- ▶ Financial Performance
- ▶ **Portfolio Overview**
- ▶ Value Creation

CEMAR: Highlights

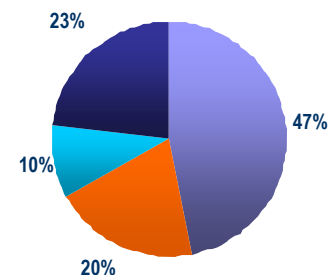


- Distribution company in the State of Maranhão
- 1.9 million clients (4th largest in the Northeast region)*
- Billed energy (2011): 4,372 GWh (5th largest in the Northeast)*
- Annual gross revenues of R\$ 2.6 billion in 2011.

*Source: ABRADEE

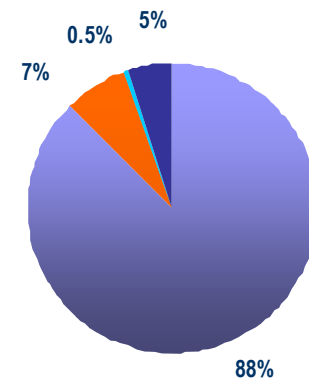
Energy Sales (2011)

4,372 GWh



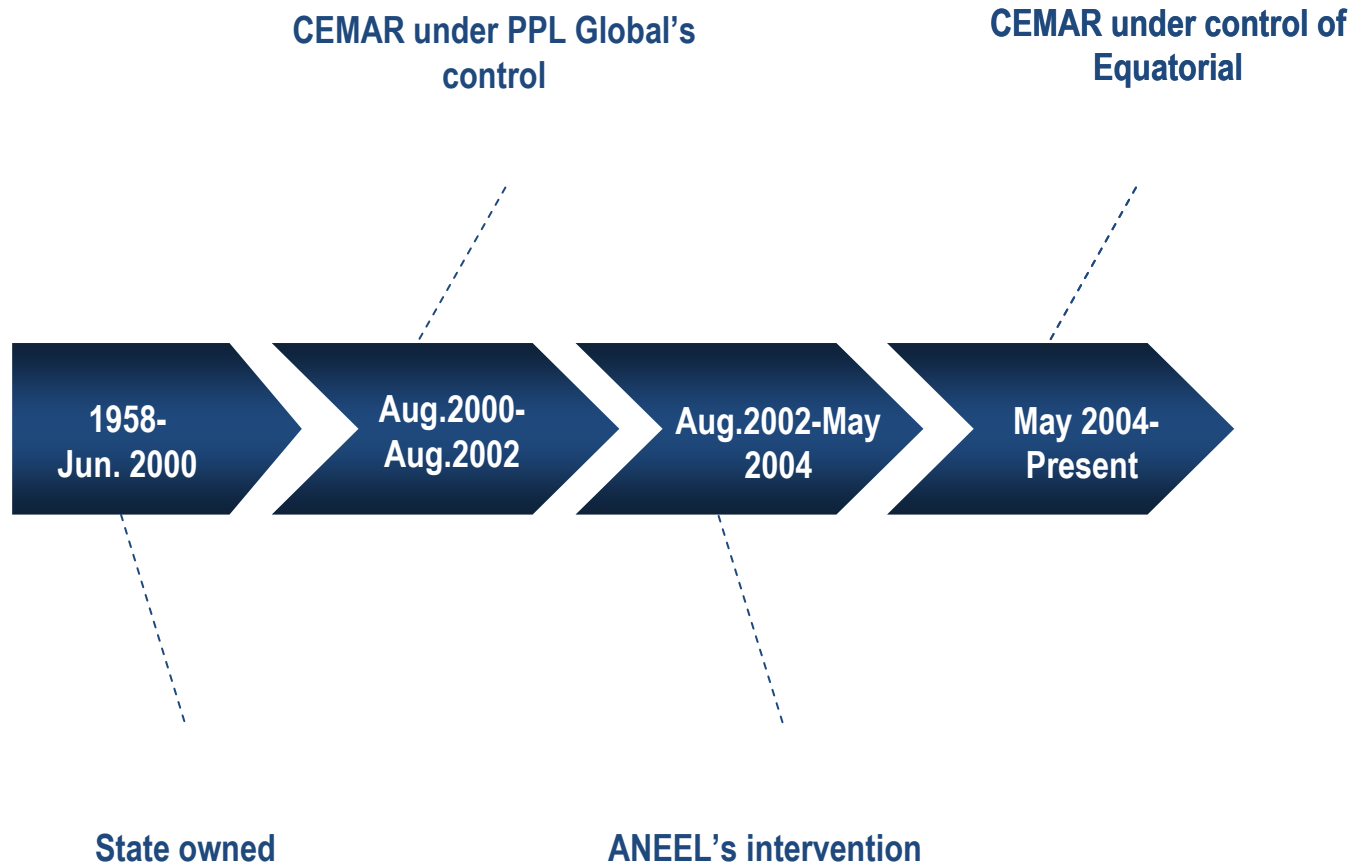
Clients (2011)

1.9 million

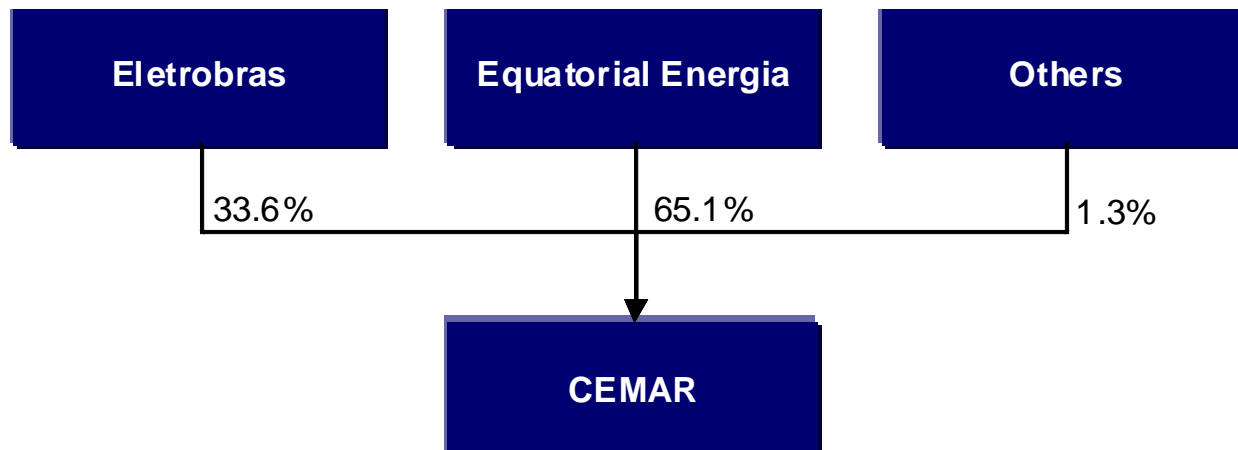


■ Residential ■ Commercial ■ Industrial ■ Others

CEMAR: History



CEMAR: Ownership Structure



Tariff Review Results



CEMAR	2005	2009
Gross RAB	1,756	2,247
Net RAB	836	1,121
Reference Company	217	265
Regulatory Depreciation	68	102
Regulatory EBITDA	157	271
Regulatory Losses	28.0%	25.6%
Delinquency Rate	0.5%	0.9%
X Factor	1.19%	1.06%

*All values are nominal and in R\$ million.

CEMAR: Distribution



		2004	2005	2006	2007	2008	2009	2010 (***)	2011 (***)	1Q12
Energy Sold	<i>GWh</i>	2.593	2.793	2.917	3.223	3.347	3.566	4.146	4.372	1.119
Net Revenues	<i>R\$ MM</i>	495	665	810	879	999	1.148	1.756	1.912	524
PMSO	<i>R\$ MM</i>	127	126	129	126	139	171	245	299	78
PDA + Contingencies	<i>R\$ MM</i>	47	20	14	30	32	33	68	42	14
EBITDA	<i>R\$ MM</i>	93	189	341	379	415	470	500	482	130
Net Income	<i>R\$ MM</i>	(31)	359	177	222	227	198	279	248	79
Dividends	<i>R\$ MM</i>	-	85	165	172	140	58	200	94	-
Net Debt	<i>R\$ MM</i>	362	305	291	421	673	768	759	919	996
Net Debt / EBITDA	<i>times</i>	3,9	1,6	0,8	1,1	1,6	1,6	1,5	2,0	2,0
Clients	<i>'000</i>	1.161	1.254	1.349	1.438	1.535	1.688	1.822	1.939	1.968
PMSO/Client	<i>R\$/Client</i>	109	101	95	88	90	101	134	154	40
EBITDA/Client	<i>R\$/Client</i>	80	150	253	264	270	278	274	249	66
DEC (*)	<i>Hours/Year/Client</i>	63,4	54,6	42,6	28,7	27,3	23,6	21,8	21,4	23,7
FEC (*)	<i>Times/Year/Client</i>	39,3	32,9	24,6	19,8	16,8	15,2	14,1	11,6	12,1
Total Losses (*)	<i>%</i>	29,9%	29,5%	29,8%	28,7%	28,9%	25,2%	22,0%	21,0%	20,7%
CAPEX	<i>R\$ MM</i>	45	103	137	199	278	239	197	322	74
PLPT (**)	<i>R\$ MM</i>	25	129	169	195	187	180	202	175	45

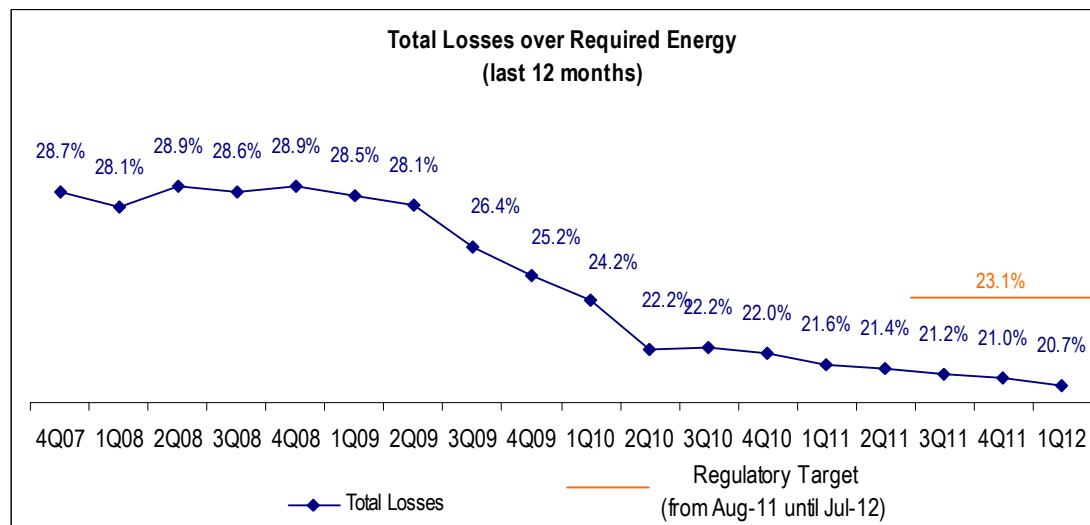
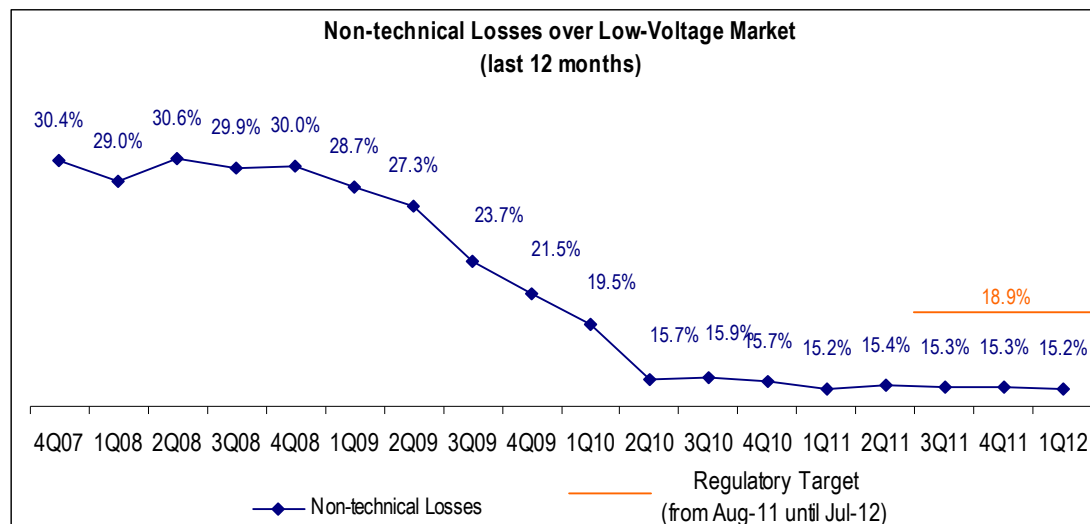
(*) Last 12 months

(**) Light For All Program

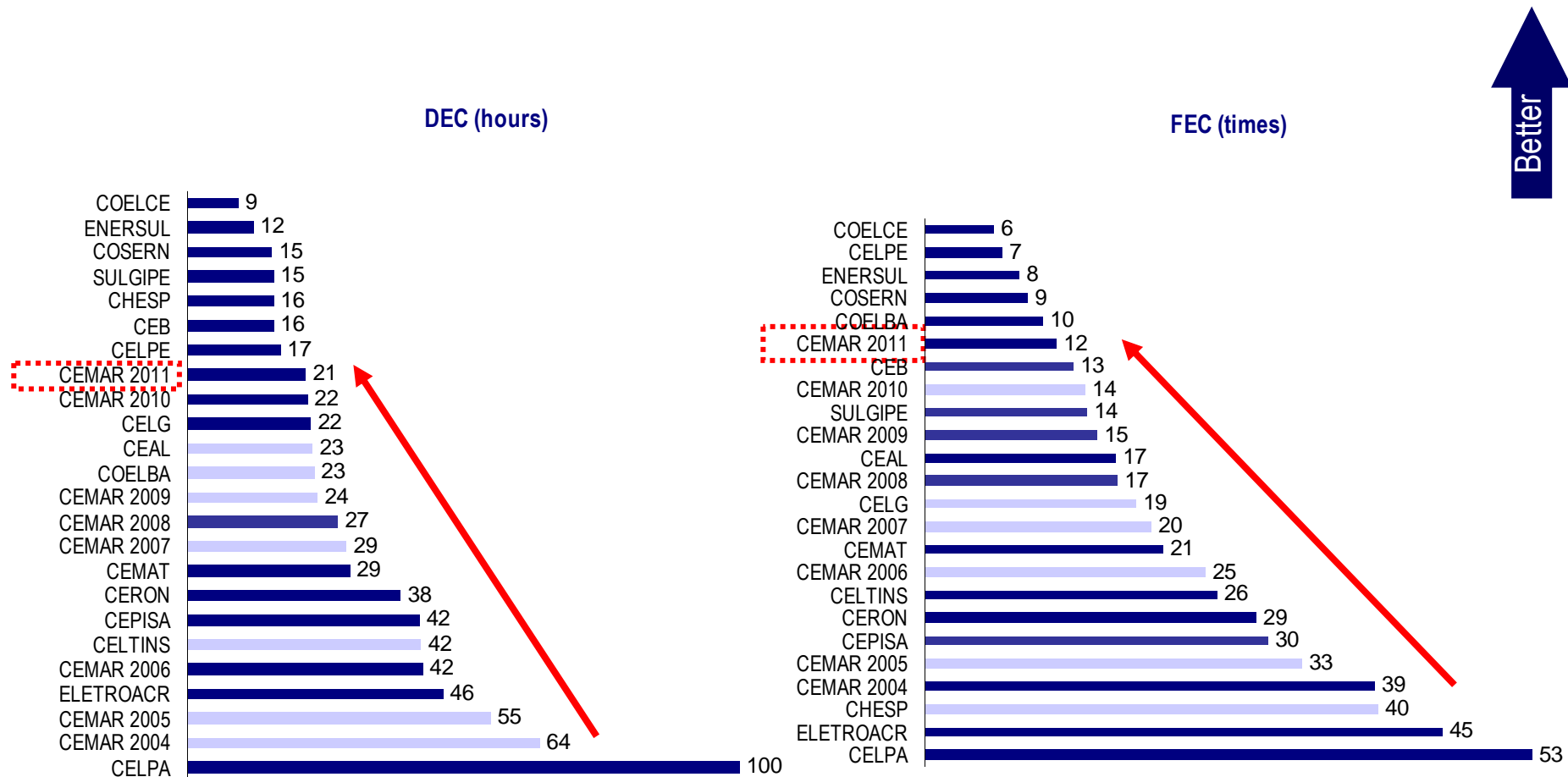
(***) Values according to IFRS

- **1.9 million** clients in **217** municipalities, covering the whole state of Maranhão (total area 333,000 km²)
- Energy sales reached **1,119 GWh** in 1Q12, **12.2%** higher than in 1Q11.
- In 1Q12, energy losses represented **20.7%** of required energy, **0.3 p.p.** less than the **21.0%** recorded in 2011.
- Service quality has been presenting positive evolution. Since 2004, DEC and FEC indices have dropped **62.6%** and **69.2%**, respectively.
- More than **304 thousand** clients connected by the *Light for All Program*.

CEMAR: Energy Losses



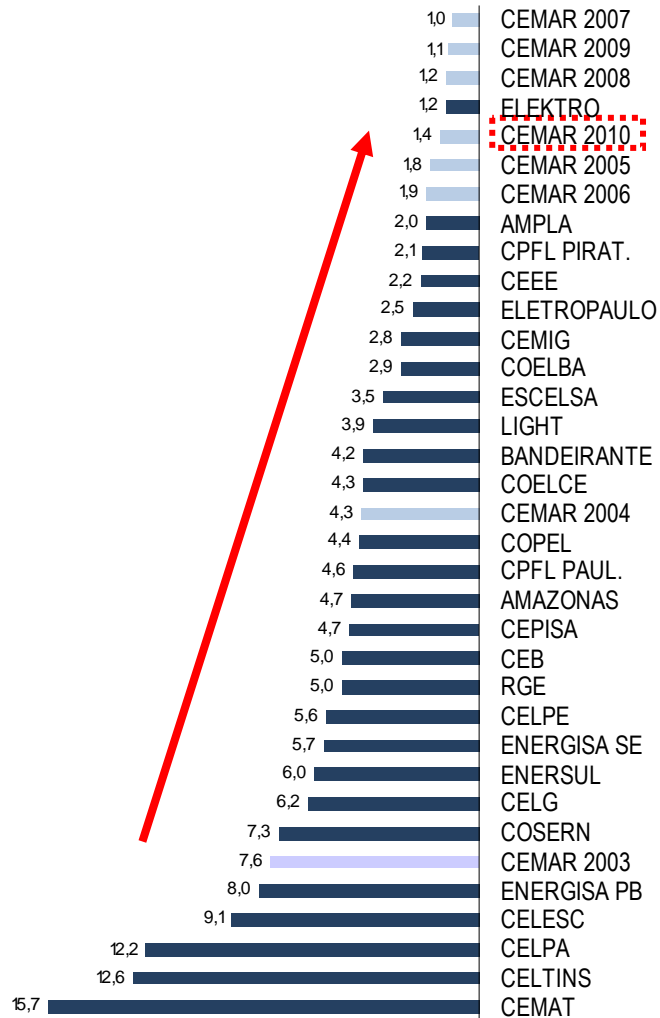
CEMAR: DEC/FEC 2011 Evolution Comparison



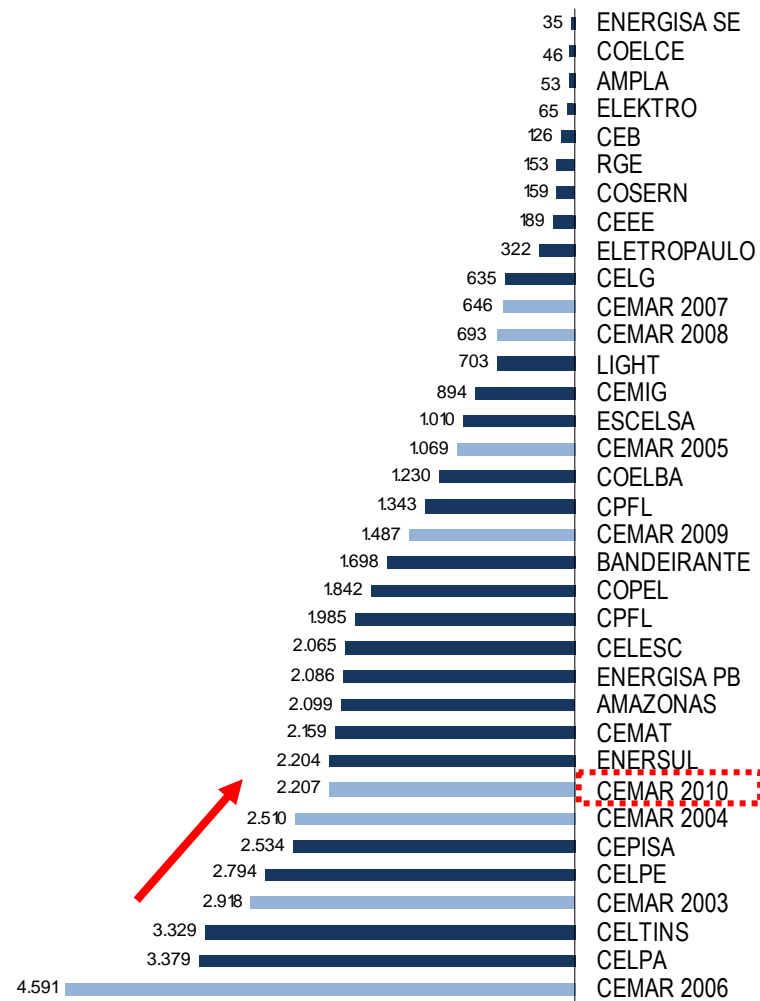
CEMAR: Accident Index – Total Workforce 2010



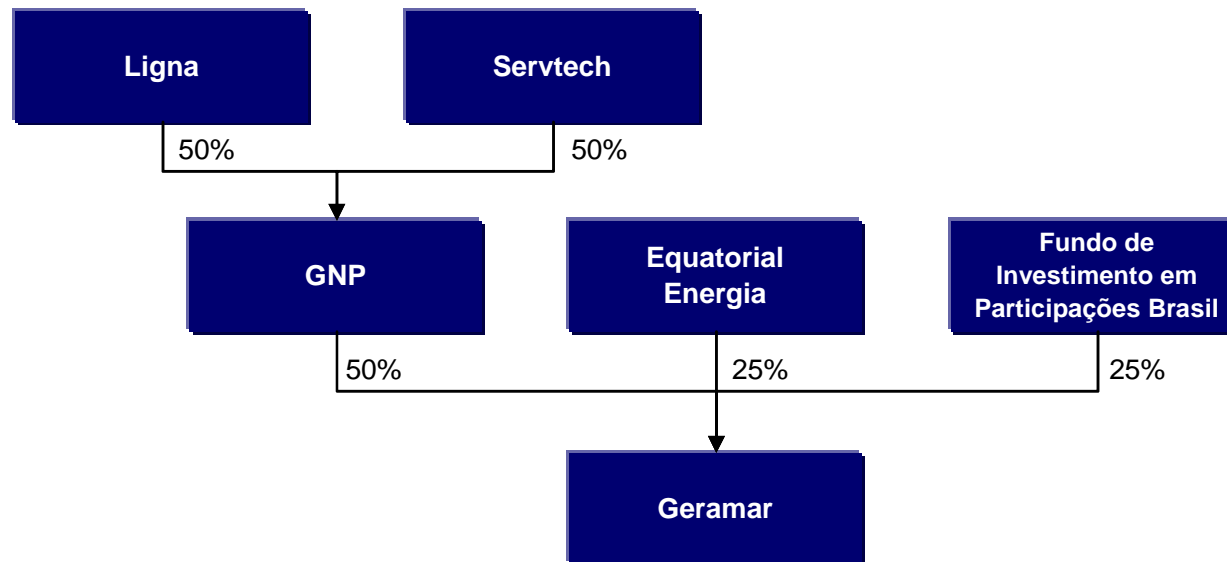
Frequency Index



Severity Index



Geramar: Ownership Structure



- Two thermoelectric power plants fueled by high-viscosity heavy oil.
- Location: Miranda do Norte, Maranhão.
- Joint installed capacity of 331 MW.
- 240 MW of energy sold at the A-3 auction in 2007.
- Total fixed annual revenue (for both plants) of R\$ 136 million* (in R\$ of 2007), during 15 years.
*Revenues adjusted by inflation (IPCA)
- Start-up: January of 2010
- Total CAPEX: R\$ 550 million.
- Equatorial's share of CAPEX (25%): R\$137 million. Equity = approximately R\$45 million.

- ▶ Company Profile
- ▶ Financial Performance
- ▶ Portfolio Overview
- ▶ **Value Creation**



Firmino Sampaio
CEO

Eduardo Haiama
CFO and IRO

Thomas Newlands
IR Analyst

Phone 1: 55 21 3206-6635

Phone 2: 55 21 3206-6607

E-mail: ir@equatorialenergia.com.br

Website: <http://www.equatorialenergia.com.br/ir>

- ▶ This presentation may contain forward-looking statements, which are subject to risks and uncertainties, as they were based on the expectations of Company's management and on available information. These prospects include statements concerning the Company's current intentions or expectations for our clients.
- ▶ Forward-looking statements refer to future events which may or may not occur. Our future financial situation, operating results, market share and competitive positioning may differ substantially from those expressed or suggested by said forward-looking statements. Many factors and values that can establish these results are outside Company's control or expectation. The reader/investor is prevented not to completely rely on the information above.
- ▶ The words "believe", "can", "predict", "estimate", "continue", "anticipate", "intend", "forecast" and similar words, are intended to identify estimates. Such estimates refer only to the date in which they were expressed, therefore the Company has no obligation to update said statements.
- ▶ This presentation does not consist of offering, invitation or request of subscription offer or purchase of any marketable securities. And, this statement or any other information herein, does not consist of a contract base or commitment of any kind.