

**Quarterly Information
(ITR) Report**

**Equatorial Energia S.A. and
subsidiary**

September 30, 2011

Equatorial Energia S.A.

Quarterly Information –ITR
at September 30, 2011

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Rio de Janeiro, October 27, 2011 - Equatorial Energia S.A. (BM&FBOVESPA: EQTL3) announces its results for the third quarter (3Q11) and first nine months of 2011 (9M11).

Equatorial is a holding company with investments in Companhia Energética do Maranhão (CEMAR), Geramar and Equatorial Soluções. Equatorial holds a 65.11% interest in CEMAR, the electricity distributor for the entire state of Maranhão. It also holds a 25% interest in Geramar, the company responsible for the construction and operation of two thermal plants in Maranhão with a joint installed capacity of 330MW. In the service segment, Equatorial holds a 100% interest in Equatorial Soluções. Non-financial information relating to Equatorial Energia and its subsidiaries and the PLPT ("Light for All Program"), as well as Management's expectations regarding the future performance of the Company and its subsidiaries were not reviewed by the independent auditors.

**ENERGY DEMAND INCREASES BY 6.9% IN 3Q11.
ADJUSTED EBITDA TOTALS R\$ 131.6 MILLION IN THE QUARTER.**

1. FINANCIAL AND OPERATING HIGHLIGHTS

- ▶ **Net operating revenues (NOR)** in 3Q11 totaled R\$ 498.5 million, 2.8% higher than the NOR posted in 3Q10, reflecting a 3.0% increase at CEMAR.
- ▶ CEMAR's **billed energy volume** stood at 1,146.0 GWh in 3Q11, 6.9% higher than in 3Q10.
- ▶ In 3Q11, **adjusted EBITDA** was R\$ 131.6 million, a 4.0% rise from the amount reported in 3Q10.
- ▶ **Adjusted net income** for the quarter was R\$ 50.7 million, up 17.0% year-on-year.
- ▶ Equatorial's consolidated **Investments** amounted to R\$ 114.6 million in 3Q11 and were 1.2% higher than in 3Q10. CEMAR's investments (not including direct investments in the PLPT program) totaled R\$ 74.5 million, representing an increase of 55.2%. PLPT program investments were R\$ 40.0 million.
- ▶ CEMAR's last 12-month **DEC** and **FEC** were 20.6 hours and 11.3 times, respectively, in 3Q11, registering declines of 11.4% and 24.0% compared to the figures observed at the end of 3Q10.
- ▶ CEMAR's last 12-month **energy losses** totaled 21.2% of required energy, down 1.0 p.p. compared to the 22.2% ratio reported for 3Q10.
- ▶ In August, 2011, Equatorial announced the investment agreement in Sol Energias, through which it should invest R\$6.0 million and should retain 51% of Sol Energias' total capital. The mentioned investment is being concluded, for which reason the information relating to Sol Energias are not yet consolidated in this Earnings Release.

FINANCIAL DATA (R\$MM)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Total Net Operating Revenue	484.8	467.3	498.5	2.8%	1,292.8	1,378.3	6.6%
EBITDA	126.5	123.3	126.1	-0.3%	380.8	361.8	-5.0%
<i>EBITDA Margin (% net revenues)</i>	26.1%	26.4%	25.3%	-0.7 p.p.	29.5%	26.2%	-3.2 p.p.
Net Income	43.3	44.3	47.6	10.0%	139.6	126.1	-9.7%
<i>Profit Margin (% net revenues)</i>	8.9%	9.5%	9.5%	0.6 p.p.	10.8%	9.1%	-1.6 p.p.
Net Income per Share (R\$ / share)	0.40	0.41	0.44	9.0%	1.29	1.15	-10.3%
Investments							
CEMAR	48.0	63.8	74.5	55.2%	129.7	181.0	39.5%
PLPT (CEMAR)	65.0	46.8	40.0	-38.5%	143.8	124.5	-13.4%
Geramar	0.3	0.2	0.1	-59.5%	15.9	0.3	-98.3%
Total	113.3	110.9	114.6	1.2%	289.4	305.8	5.7%
Net Debt	733.4	994.2	974.6	32.9%	733.4	974.6	32.9%
Net Debt / EBITDA (LTM)	1.4	2.1	2.0	0.6 x	1.4	2.0	0.6 x

	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Distribution							
Sold Energy (GWh)	1,072.2	1,067.3	1,146.0	6.9%	3,051.0	3,210.9	5.2%
Consumers (Mil)	1,793	1,884	1,915	6.8%	1,793	1,915	6.8%
Employees							
CEMAR	1,278	1,177	1,177	-7.9%	1,278	1,177	-7.9%

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2. OPERATING PERFORMANCE

The operating information in this section is pro forma and reflects 100% of CEMAR's and 25.0% of Geramar's operations.

2.1 OPERATING PERFORMANCE – CEMAR

ELECTRIC ENERGY SALES

In 3Q11, energy sales rose 6.9% over the previous quarter, to 1,146 GWh. The growth observed during the quarter was a result of three main causes: (i) Maranhão's economic growth; (ii) the addition of new clients to the consumer base; and; (iii) greater effort on the part of the Company to fight energy losses.

Historically, the second half of the year is a period of low rainfall levels in Maranhão, and thus both in 3Q10 and 3Q11 there was no major impact of climatic variables with regard to energy consumption during the period, contrary to the effect that positively influenced consumption during 1H10.

CONSUMPTION SEGMENTS * (GWh)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Residential	485.6	497.2	526.4	8.4%	1,409.6	1,491.3	5.8%
Industrial	112.3	107.1	122.8	9.4%	315.2	331.9	5.3%
Commercial	211.2	213.1	226.6	7.3%	602.1	637.9	5.9%
Other	263.0	249.9	270.2	2.7%	724.1	749.8	3.5%
TOTAL	1,072.2	1,067.3	1,146.0	6.9%	3,051.0	3,210.9	5.2%

(*) Does not consider own consumption and sales to CEPISA.

Consumers	3Q10	2Q11	3Q11	Chg.
Residential	1,571,006	1,658,162	1,687,524	7.4%
Industrial	9,844	9,622	9,720	-1.3%
Commercial	122,512	124,914	126,192	3.0%
Other	89,333	90,838	91,313	2.2%
TOTAL	1,792,695	1,883,536	1,914,749	6.8%

ENERGY BALANCE

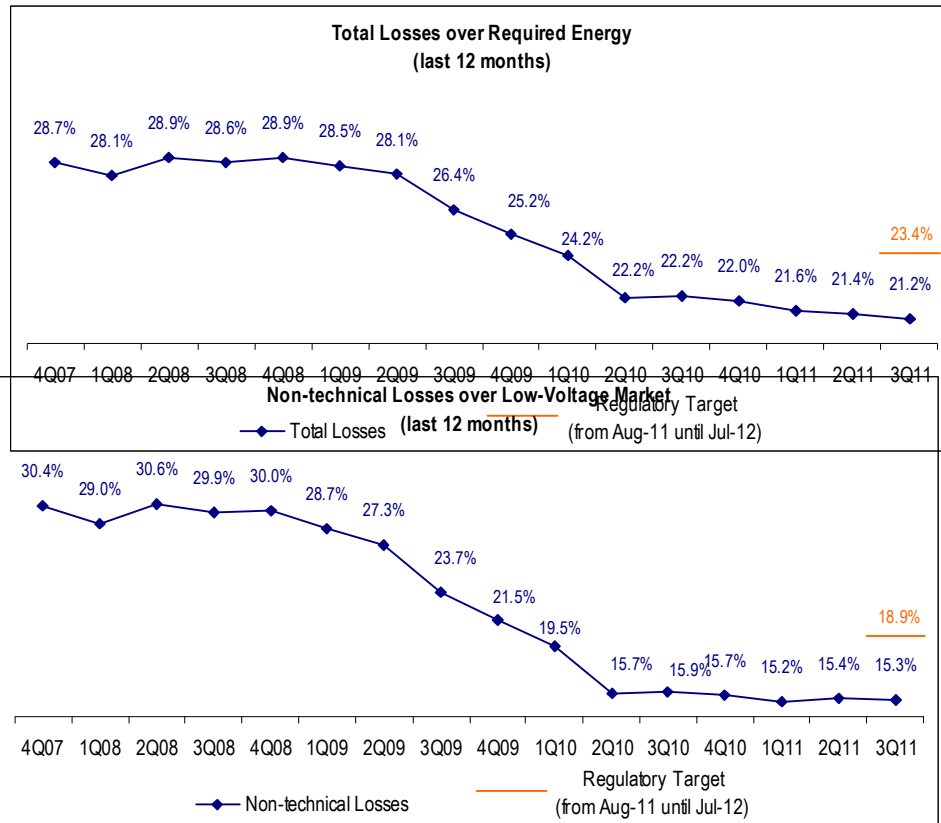
The volume of energy required by CEMAR's system came to 1,456 GWh in 3Q11, up 5.6% over the same period in 2010. It is worth noting that despite the higher volume of required energy by CEMAR, losses remained virtually flat over 3Q10, having grown only by 1.0%.

ENERGY BALANCE (GWh)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Required Energy	1,379	1,334	1,456	5.6%	3,905	4,048	3.7%
Sold Energy (*)	1,074	1,069	1,148	6.9%	3,056	3,217	5.3%
Losses	305	265	308	1.0%	849	831	-2.1%

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

ENERGY LOSSES

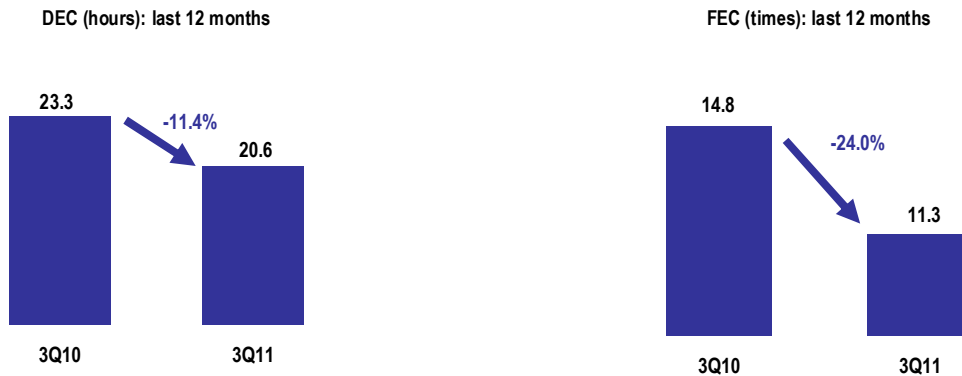
CEMAR's energy losses for the last 12 months ended in 3Q11 represented 21.2% of required energy, whereas non-technical losses in the low-voltage market were 15.3%. Although we believe the Company can cut its energy losses even further, the reduction has been occurring at a slower pace in recent quarters, given that the lower the level of the energy losses, the harder it is to combat them. Consequently, CEMAR has been investing in improving its intelligent energy-recovery target-selection systems, thereby ensuring greater accuracy and returns from the inspections.



QUALITY INDICATORS – DEC AND FEC

The quality and efficiency of the distribution concessionaires' networks is measured by the DEC and FEC indices. DEC refers to the equivalent length of interruptions per consumer, measured in hours per consumer for a given period, while FEC refers to the equivalent frequency of interruptions per consumer, measured as the number of interruptions per consumer for a given period.

At the close of 3Q11, last-12-month DEC stood at 20.6 hours, compared to 23.3 hours at the end of 3Q10, representing an 11.4% improvement. The FEC Last-12-month indicator at the end of 3Q11 was 11.3 times, representing a 24.0% reduction over the end of 3Q10.



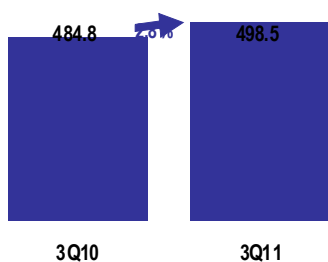
3. FINANCIAL PERFORMANCE

The information in this section reflects: i) 100% of CEMAR's operations, excluding 34.89% related to minority interests before Net Income, or 65.11%; ii) 25.0% of Geramar's operations; and iii) 100% of Equatorial Soluções' operations.

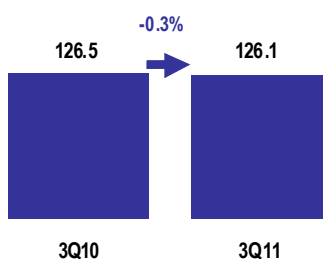
3.1 FINANCIAL PERFORMANCE- CONSOLIDATED

Consolidated Income Statement (R\$MM)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Gross Operating Revenues (GOR)	617.6	608.1	653.9	5.9%	1,682.1	1,806.3	7.4%
Net Operating Revenues (NOR)	484.8	467.3	498.5	2.8%	1,292.8	1,378.3	6.6%
Electric Energy Cost	(256.6)	(260.8)	(287.7)	12.1%	(671.8)	(765.1)	13.9%
Operating Costs / Expenses	(101.7)	(83.2)	(84.7)	-16.7%	(240.2)	(251.4)	4.7%
EBITDA	126.5	123.3	126.1	-0.3%	380.8	361.8	-5.0%
Other Operating Revenues/Expenses	(4.3)	(2.0)	(3.1)	-28.8%	(7.0)	(5.6)	-21.0%
Depreciation	(24.9)	(20.9)	(25.9)	3.9%	(71.2)	(73.7)	3.5%
Service Income (EBIT)	97.3	100.5	97.2	-0.1%	302.5	282.5	-6.6%
Financial Result	(9.4)	(20.5)	(14.0)	49.5%	(33.6)	(42.4)	26.2%
Operating Income	88.0	80.0	83.2	-5.4%	269.0	240.1	-10.7%
Goodwill Amortization	(1.6)	(2.1)	(2.1)	33.0%	(4.7)	(6.3)	33.0%
Earnings Before Taxes (EBT)	86.4	77.9	81.1	-6.1%	264.3	233.9	-11.5%
Income Tax / Social Contribution	(17.0)	(9.7)	(6.2)	-63.2%	(43.7)	(38.3)	-12.4%
Minority Interests	(26.1)	(23.9)	(27.2)	4.6%	(80.9)	(69.5)	-14.1%
Net Income	43.3	44.3	47.6	10.0%	139.6	126.1	-9.7%

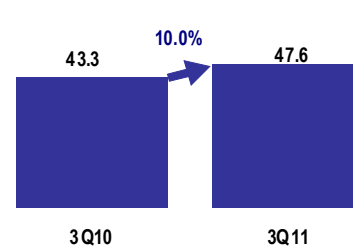
NOR (R\$MM) – Quarterly

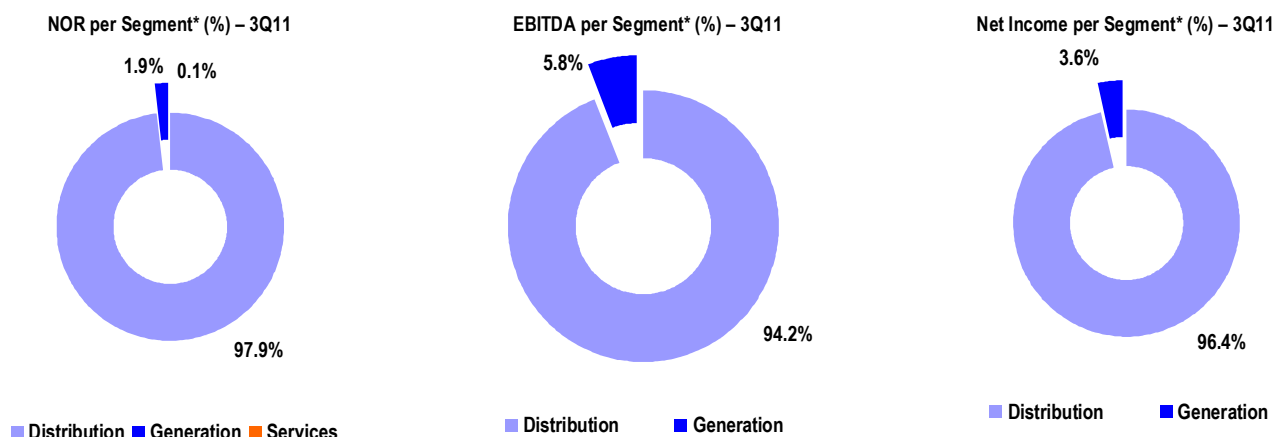


EBITDA (R\$MM) - Quarterly



Net Income (R\$MM) - Quarterly





(*) Only operating companies with positive data are considered in these graphs.

3.1.1 - OPERATING REVENUE

OPERATING REVENUE - CONSOLIDATED (R\$ MM)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Gross Operating Revenue	429.3	439.3	478.3	11.4%	1,233.1	1,320.9	7.1%
Residential	203.4	215.2	235.7	15.9%	595.1	648.0	8.9%
Industrial	40.7	39.2	44.5	9.2%	112.7	120.2	6.6%
Commercial	97.8	99.6	107.0	9.4%	282.3	298.9	5.9%
Others	87.3	85.3	91.1	4.4%	242.9	253.9	4.5%
Supply	11.4	1.5	4.4	-61.7%	14.8	25.1	69.2%
Network Usage	0.1	0.1	0.2	28.3%	0.3	0.4	15.6%
Other Revenues	37.1	33.4	28.7	-22.7%	112.2	94.9	-15.4%
Low Income	31.3	24.2	22.5	-28.4%	92.8	71.5	-22.9%
Other Operating Revenues	5.8	9.2	6.2	7.9%	19.3	23.3	20.6%
Construction Revenues	126.6	120.4	131.1	3.5%	286.9	329.9	15.0%
Gross Operating Revenue - Distribution	604.6	594.7	642.6	6.3%	1,647.2	1,771.1	7.5%
Generation	9.8	10.3	10.6	8.2%	28.0	31.3	11.7%
Services	1.8	3.1	0.7	-62.8%	5.5	3.9	-29.1%
Gross Operating Revenue - Consolidated	616.2	608.1	653.9	6.1%	1,680.7	1,806.3	7.5%
ICMS	(75.0)	(74.0)	(81.1)	8.1%	(213.4)	(224.0)	5.0%
PIS/Cofins	(45.4)	(44.7)	(48.1)	6.0%	(128.9)	(134.5)	4.4%
Consumer Charges	(11.0)	(22.1)	(26.2)	138.6%	(45.6)	(69.5)	52.3%
Net Operating Revenue - Consolidated	484.8	467.3	498.5	2.8%	1,292.8	1,378.3	6.6%

Consolidated net operating revenues (NOR) in 3Q11 totaled R\$ 498.5 million (during the quarter CEMAR recognized R\$ 131.1 million as revenue from construction), representing an increase of 2.8% over the R\$ 484.8 million reported in 3Q10. The main impact on this account is the distribution segment, which represents 97.9% of the consolidated NOR, followed by generation segments (1.9%) and services (0.1%). The percentages are respectively, 97.9%, 1.9% and 0.1% per company, with CEMAR representing distribution, Geramar generation and Equatorial Soluções representing services. (For more information on NOR, see CEMAR and Geramar's Financial Performance sections).

Consolidated NOR was negatively affected by R\$5.5 million, arising from the adjustment at an accounting entry in CEMAR (no cash impact) in RGR expenses referring to 1H11, part of Deductions from Revenue.

3.1.2 – COSTS AND EXPENSES

Consolidated operating costs and expenses were R\$ 401.6 million in 3Q11, or 3.6% higher when compared to 3Q10. This is comprised of non-manageable costs and expenses (the purchase and transportation of energy, sector charges and construction costs), which totaled R\$ 285.6 million, representing an increase of 7.7%, whereas manageable costs totaled R\$ 116.0 million, for a reduction of 5.3%.

Operating Costs / Expenses	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Non-manageable Costs	265.3	258.8	285.6	7.7%	668.5	759.0	13.5%
PMSO	67.3	67.5	68.3	1.6%	175.1	204.2	16.6%
Provisions and Other Operating Expenses	18.0	13.0	15.3	-15.1%	43.9	39.3	-10.6%
Depreciation	23.7	19.7	24.7	3.9%	68.2	70.2	2.9%
CEMAR	374.3	359.1	393.9	5.2%	955.7	1,072.5	12.2%
CUST + Generation costs	2.2	2.0	2.1	-2.1%	7.6	6.1	-19.7%
PMSO	0.4	0.4	0.2	-50.7%	1.7	0.9	-46.3%
Depreciation	1.1	1.2	1.2	3.6%	3.0	3.5	17.3%
Geramar	3.8	3.5	3.5	-6.1%	12.3	10.6	-14.4%
PMSO	2.3	1.4	1.9	-18.4%	3.8	3.9	1.0%
Equatorial Soluções	2.3	1.4	1.9	-18.1%	3.8	3.9	N/A
PMSO	7.1	2.9	2.2	-68.6%	18.3	9.0	-51.1%
Equatorial (holding)	7.1	2.9	2.2	-68.6%	18.3	9.0	-51.1%
Equatorial Consolidated	387.5	366.8	401.6	3.6%	990.2	1,096.0	10.7%

For more information on costs and expenses per company, see CEMAR and Geramar's Financial Performance sections.

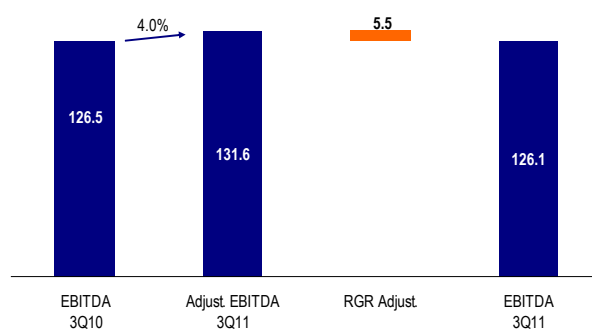
3.1.3 – EBITDA

Consolidated EBITDA in 3Q11 was down 0.3% compared to the EBITDA of 3Q10, reaching R\$ 126.1 million.

Consolidated EBITDA (R\$ million)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Service Income	97.3	100.5	97.2	-0.1%	302.3	282.5	-6.6%
Depreciation and Amortization	24.9	20.9	25.9	3.9%	71.4	73.7	3.5%
Other Operating Revenues/Expenses	4.3	2.0	3.1	-28.8%	7.0	5.6	-21.0%
EBITDA	126.5	123.3	126.1	-0.3%	380.8	361.8	-5.0%
RGR Adjustment	-	-	5.5	N/A	-	-	N/A
REFIS Effects	-	(3.0)	-	N/A	-	(3.0)	N/A
Adjusted EBITDA	126.5	120.3	131.6	4.0%	380.8	358.8	-5.8%

ADJUSTED EBITDA

As has been in NOR, 3Q11 consolidated EBITDA was negatively affected by R\$ 5.5 million, arising from the adjustment at an accounting entry in CEMAR (no cash impact) in RGR expenses (within Consumer Charges) referring to 1H11. Thus, the quarterly adjusted EBITDA grew by 4.0% over the 3Q10 value.



3.1.4 – FINANCIAL RESULT

Financial Result (R\$ MM)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Financial income	11.6	12.1	8.1	-30.1%	31.1	34.2	9.9%
Fine charged on energy sale	12.5	15.0	14.3	14.1%	36.9	46.5	26.1%
Other financial revenues	2.5	1.9	1.3	-48.7%	5.7	4.6	-19.1%
Financial Revenue	26.6	29.0	23.7	-11.1%	73.8	85.4	15.8%
Interest on loans and financing	(25.3)	(26.3)	(26.8)	5.8%	(72.1)	(79.8)	10.7%
Monetary and foreign exchange variation	(4.5)	(2.3)	(5.3)	18.7%	(18.0)	(14.6)	-19.1%
Other financial expenses	(6.2)	(20.9)	(5.4)	-13.3%	(17.2)	(33.2)	92.9%
Financial Expenses	(36.0)	(49.5)	(37.5)	4.1%	(107.3)	(127.5)	18.8%
Net Financial Result	(9.4)	(20.5)	(13.8)	47.5%	(33.6)	(42.2)	25.6%

In 3Q11, the consolidated financial result was negative by R\$ 13.8 million, versus R\$ 9.4 million during the same quarter of the previous year.

The main changes for each company were:

- ▶ **CEMAR:** In 3Q11, the net financial income was negative by R\$ 11.6 million compared to R\$ 8.6 million in 3Q10, a 35.6% increase. We observed an increase in Financial Expenses of 4.5%, totaling R\$ 34.3 million in the quarter, and a decline of 6.5% in financial revenue.
- ▶ **Geramar:** The Company recognized R\$ 3.1 million in net financial expense as a result of the loans taken out during the construction of the plants.
- ▶ **Equatorial (holding):** A positive result of R\$ 0.5 million, basically arising from the investment of the Company's available cash.

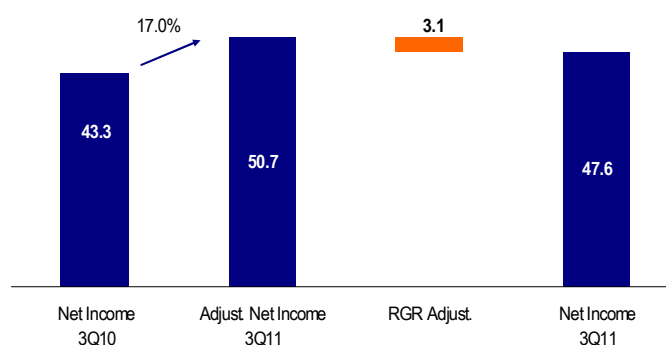
3.1.5 - NET INCOME

In 3Q11, the Company posted net income of R\$ 47.6 million, up 9.9% over the same quarter of the previous year.

In 3Q11 Equatorial's net earnings per share totaled represented R\$ 0.44, versus R\$ 0.40 in the same quarter of the previous year.

ADJUSTED NET INCOME

The adjustment of CEMAR's RGR accounting entry, net of tax and minority interest, negatively impacted net income by R\$ 3.1 million. Excluding this effect, 3Q11's result would be R\$ 50.7 million, representing a growth of 17.0 when% compared to 3Q10.



3.2 FINANCIAL PERFORMANCE – CEMAR

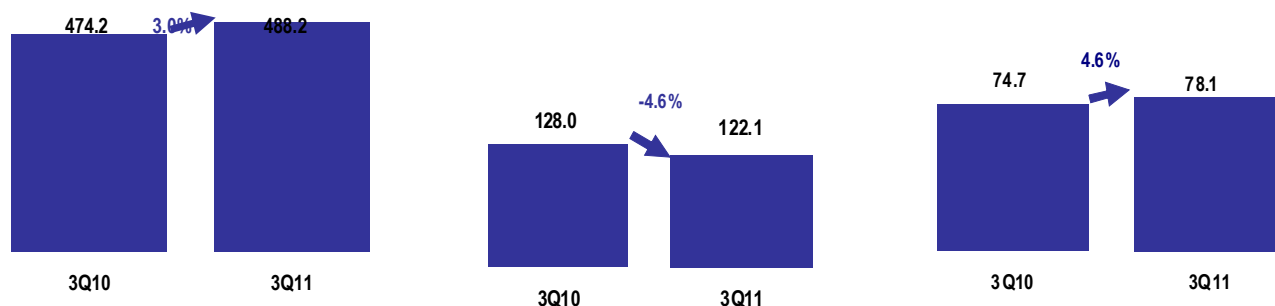
The information in this section reflects 100% of CEMAR's operations.

CEMAR Income Statement (R\$MM)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Gross Operating Revenues (GOR)	604.6	594.7	642.6	6.3%	1,646.4	1,769.9	7.5%
Net Operating Revenues (NOR)	474.2	455.1	488.2	3.0%	1,261.6	1,345.2	6.6%
Electric Energy Cost	(265.3)	(258.8)	(285.6)	7.7%	(668.5)	(759.0)	13.5%
Operating Costs / Expenses	(81.0)	(78.6)	(80.6)	-0.5%	(212.0)	(237.9)	12.2%
EBITDA	128.0	117.7	122.1	-4.6%	381.1	348.4	-8.6%
Other Operating Revenues/Expenses	(4.3)	(2.0)	(3.1)	-28.8%	(7.0)	(5.6)	-21.0%
Depreciation	(23.7)	(19.7)	(24.7)	3.9%	(68.2)	(70.2)	2.9%
Service Income (EBIT)	99.9	96.1	94.4	-5.6%	305.8	272.7	-10.8%
Financial Result	(8.6)	(18.3)	(11.6)	35.6%	(32.2)	(37.3)	15.8%
Earnings Before Taxes (EBT)	91.3	77.8	82.7	-9.4%	273.6	235.3	-14.0%
Income Tax / Social Contribution	(16.7)	(9.4)	(4.6)	-72.2%	(41.8)	(36.2)	-13.5%
Net Income	74.7	68.4	78.1	4.6%	231.8	199.2	-14.1%

NOR (R\$MM) – Quarterly

EBITDA (R\$MM) - Quarterly

Net Income (R\$MM) – Quarterly



3.2.1 - OPERATING REVENUES

OPERATING REVENUE - CEMAR	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Energy Sales (MWh)*	1,072,160	1,067,286	1,146,034	6.9%	3,050,996	3,210,906	5.2%
Number of Clients**	1,792,695	1,883,536	1,914,749	6.8%	1,792,695	1,914,749	6.8%
KWh per Client	598.1	566.6	598.5	0.1%	1,701.9	1,676.9	-1.5%
Gross Operating Revenue (R\$ MM)	429.3	439.3	478.3	11.4%	1,233.1	1,320.9	7.1%
Residential	203.4	215.2	235.7	15.9%	595.1	648.0	8.9%
Industrial	40.7	39.2	44.5	9.2%	112.7	120.2	6.6%
Commercial	97.8	99.6	107.0	9.4%	282.3	298.9	5.9%
Others	87.3	85.3	91.1	4.4%	242.9	253.9	4.5%
Supply	11.4	1.5	4.4	-61.7%	14.8	25.1	69.2%
Other Revenues	37.2	33.6	28.9	-22.5%	111.6	94.0	-15.8%
Low Income	31.3	24.2	22.5	-28.4%	92.8	71.5	-22.9%
Network Usage	0.1	0.1	0.2	43.6%	0.3	0.4	20.0%
Other Operating Revenues	5.8	9.2	6.2	7.9%	18.5	22.1	19.5%
Construction Revenues	126.6	120.4	131.1	3.5%	286.9	329.9	15.0%
Deductions from Operating Revenues	(130.4)	(139.6)	(154.4)	18.4%	(384.8)	(424.6)	10.4%
Net Operating Revenues	474.2	455.1	488.2	3.0%	1,261.6	1,345.2	6.6%
Low Income	24.9	21.2	30.7	23.4%	24.9	30.7	23.4%

* Does not consider own consumption and supply to CEPISA.

** Excludes own consumption facilities.

In 3Q11, Gross Revenue from energy sales grew by 11.4%, mainly impacted by the 6.9% growth in the energy sales volume during the quarter, compared to the same period of the previous year. Net Revenue, in turn, was R\$ 488.2 million (R\$ 357.1 million, excluding Construction Revenue), an increase of 3.0% (2.7% excluding Construction Revenue) over the same quarter of the previous year.

Due to the convergence of Brazilian accounting rules with international financial reporting standards (IFRS), as of 2010 Construction Revenue was recognized under Gross Revenue, with an impact on NOR, but no impact on EBITDA or Net Income, as the same amount is discounted in a specific line under Non-manageable costs. In 3Q11, R\$ 131.1 million was recognized, versus R\$ 126.6 million in 3Q10.

CEMAR's NOR was negatively affected by R\$5.5 million, arising from the adjustment at an accounting entry (no cash impact) in RGR expenses referring to 1H11, part of Deductions from Revenue.

3.2.2 - COSTS AND EXPENSES

In 3Q11, costs and expenses, manageable and non-manageable, not including depreciation and amortization totaled R\$ 369.2 million (R\$ 238.0 million excluding Construction Costs) equivalent to 75.6% of net revenues, an increase of 1.9 p.p. in relation to the percentage reported in 3Q10, which was 73.7%.

Manageable Operating Costs and Expenses

Total manageable costs and expenses for the company in 3Q11, including costs for Personnel, Material, Third-party Services and Others – PMSO, not including PDA (provision for doubtful accounts), provisions for contingencies and other non-operating costs, reached R\$ 68.3 million, an increase of 1.6% compared to the results presented in 3Q10.

In this quarter, personnel expenses totaled R\$ 18.2 million, a reduction of 20.0% compared to the results reported in 3Q10. A large part of this decline can be explained by lower provisions for PLR (profit-sharing plans for employees and managers) during this quarter, R\$ 2.7 million compared to a provision of R\$ 7.7 million in the previous year.

Expenses for materials totaled R\$ 1.6 million during 3Q11, representing a decline of 1.3% compared to the same quarter the previous year. The main cost under this item is the purchase of materials for the operation and maintenance of the electricity system, a total of R\$ 1.0 million.

Expenses for outsourced services in 3Q11 showed an increase of 20.0% in comparison to the results shown in 3Q10, closing the quarter at R\$ 45.9 million, impacted by the significant increase in the number of clients (6.8%), improvements in the quality of the distribution system electric power and the Company's power loss reduction program. The principal accounts under this heading are i) standby emergency services with technical and electrical team support, totaling R\$ 5.6 million; ii) anti-fraud programs as part of the Company's loss reduction program, totaling R\$ 5.6 million; and iii) other smaller expenses such as those for collection agents, maintenance of live lines, services of disconnection and meter reading, the call center and the maintenance of software licenses, among others.

R\$ MM	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Personnel	22.7	19.2	18.2	-20.0%	57.4	56.7	-1.2%
<i>Profit Sharing (included in Personnel)</i>	7.7	2.7	2.7	-65.1%	13.1	8.2	2.4%
Material	1.6	1.2	1.6	-1.3%	5.5	4.4	-20.5%
Third Party Services	38.2	43.5	45.9	20.0%	101.6	133.0	30.9%
Others	4.7	3.7	2.7	-42.7%	10.6	10.1	-4.6%
PMSO	67.3	67.5	68.3	1.6%	175.1	204.2	16.6%
<i>% Net Revenues</i>	<i>14.2%</i>	<i>14.8%</i>	<i>14.0%</i>	<i>-0.2 p.p.</i>	<i>13.9%</i>	<i>15.2%</i>	<i>1.3 p.p.</i>
Provisions	13.7	11.0	12.2	-10.8%	36.9	33.7	-8.6%
PDA and Losses	6.3	6.7	8.8	39.0%	25.1	24.0	-4.6%
<i>% Gross Operating Revenue (without construction revenues)</i>	<i>1.3%</i>	<i>1.4%</i>	<i>1.7%</i>	<i>0.3 p.p.</i>	<i>1.8%</i>	<i>1.7%</i>	<i>-0.2 p.p.</i>
Provision for Contingencies and Other Provisions	7.4	4.4	3.5	-53.3%	11.7	9.7	-17.1%
Other Operating Expenses/Revenues	4.3	2.0	3.1	-28.8%	7.0	5.6	-21.0%
MANAGEABLE COSTS AND EXPENSES	85.3	80.5	83.6	-1.9%	219.0	243.4	11.2%
<i>% Net Revenues</i>	<i>18.0%</i>	<i>17.7%</i>	<i>17.1%</i>	<i>-0.9 p.p.</i>	<i>17.4%</i>	<i>18.1%</i>	<i>0.7 p.p.</i>
Electricity Purchased	120.6	112.6	130.6	10.8%	381.1	428.6	12.5%
Network Usage Charges and Connection	18.8	25.6	23.9	26.9%	60.1	72.9	21.2%
Construction Costs	126.6	120.4	131.1	3.5%	286.9	329.9	15.0%
Other Costs	-0.7	0.3	0.0	-103.9%	0.5	0.4	-18.3%
NON-MANAGEABLE COSTS AND EXPENSES	265.3	258.8	285.6	7.7%	668.5	759.0	13.5%
<i>% Net Revenues</i>	<i>55.9%</i>	<i>56.9%</i>	<i>58.5%</i>	<i>2.5 p.p.</i>	<i>53.0%</i>	<i>56.4%</i>	<i>3.4 p.p.</i>
TOTAL	350.6	339.3	369.2	5.3%	887.5	1,002.4	12.9%
TOTAL (%Net Revenues)	73.9%	74.6%	75.6%	1.6 p.p.	70.4%	74.5%	4.2 p.p.

In 3Q11, the level of Provision for Doubtful Accounts and Losses reported was R\$ 8.8 million, or 1.7% of Gross Operating Revenue (GOR), a level that was 0.3 p.p. above than was reported during the same quarter last year. These percentages do not include Construction Revenues as part of Gross Revenues for the purposes of this calculation only.

CEMAR reached a total of 1,614 clients per employee in 3Q11, an improvement in comparison with the number reported during the same period last year of 1,403 clients per employee. With regard to the PMSO per client, there was a reduction of 4.9% representing a cost of R\$ 35.7 per client in this quarter.

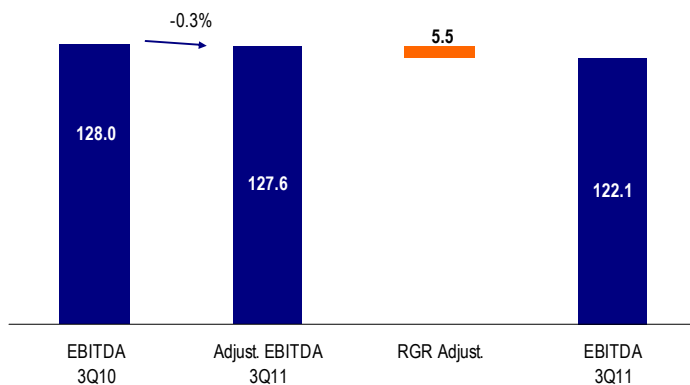
3.2.3 - EBITDA

During 3Q11, EBITDA was R\$ 122.1 million, 4.6% less than the R\$ 128.0 million reported during the same quarter the previous year.

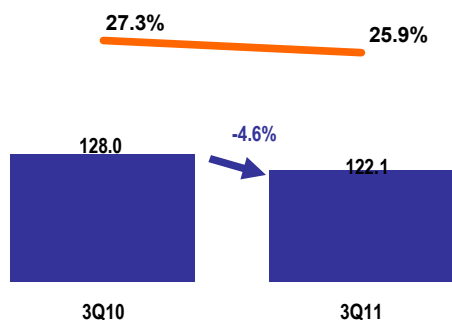
EBITDA (R\$ million)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Service Income	99.9	96.1	94.4	-5.6%	305.8	272.7	-10.8%
Depreciation and Amortization	23.7	19.7	24.7	3.9%	68.2	70.2	2.9%
Other Operating Revenues/Expenses	4.3	2.0	3.1	-28.8%	7.0	5.6	-21.0%
EBITDA	128.0	117.7	122.1	-4.6%	381.1	348.4	-8.6%
RGR Adjustment			5.5	N/A			N/A
REFIS Effects		(3.0)		N/A		(3.0)	N/A
Adjusted EBITDA	128.0	114.7	127.6	-0.3%	381.1	345.4	-9.4%

ADJUSTED EBITDA

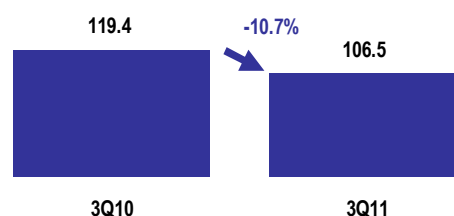
As has been in NOR, CEMAR's 3Q11 EBITDA was negatively affected by R\$ 5.5 million, arising from the adjustment at an accounting entry in CEMAR (no cash affected) in RGR expenses referring to 1H11, part of Deductions from Revenue. Thus, the quarterly adjusted EBITDA decreased by 0.3% over the 3Q10 value.



EBITDA (R\$MM) and EBITDA Margin: Quarterly



EBITDA (R\$) per MWh: Quarterly



3.2.4 - FINANCIAL RESULTS

In 3Q11, the net financial result was negative R\$ 11.6 million, against also negative R\$ 8.6 million in 3Q10, an increase of 35.6%. We observed a growth in financial expenses of 4.5%, totaling R\$ 34.3 million for the quarter and 6.5% decline in financial revenues.

Currently, the Company has no operations involving derivative financial instruments.

Financial Result (R\$ MM) - CEMAR	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Financial income	9.3	10.3	7.1	-23.0%	24.0	29.0	20.9%
Fine charged on energy sale	12.5	15.0	14.3	14.1%	36.9	46.5	26.1%
Other financial revenues	2.5	1.9	1.3	-48.7%	5.7	4.6	-19.1%
Financial Revenue	24.3	27.2	22.7	-6.5%	66.6	80.1	20.4%
Interest on loans and financing	(22.2)	(23.4)	(23.7)	6.8%	(63.6)	(70.8)	11.4%
Monetary and foreign exchange variation	(4.5)	(2.3)	(5.3)	18.7%	(18.0)	(14.6)	-19.1%
Other financial expenses	(6.2)	(19.8)	(5.4)	-14%	(17.2)	(32.1)	86.6%
Financial Expenses	(32.9)	(45.5)	(34.3)	4.5%	(98.8)	(117.5)	18.9%
Net Financial Result - CEMAR	(8.6)	(18.3)	(11.6)	35.6%	(32.2)	(37.3)	15.8%

3.2.5 - INCOME TAX AND SOCIAL CONTRIBUTION

In CEMAR, the calculation of Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL) was positively influenced by the following items: i) the tax incentive of a 75% reduction in income tax as a result of the tax benefit from the expansion of installed capacity, obtained from the SUDENE (Superintendency for the Development of the Northeast) in December/2005, which was extended in 2007 to include the upgrade of all installed capacity, effective through 2016; ii) tax incentives related to accelerated depreciation, obtained from the SUDENE, which allows investments in expansion and modernization of the distribution network to be fully considered as a tax-deductible expense for purposes of calculating income tax immediately (effective for the years 2006 - 2013); and, iii) the offset of accrued losses. It should be noted that all items mentioned above are applicable only to income tax.

Breakdown of Income Tax and Social Contribution Effective Rates

Income Tax/ Social Contribution (R\$MM)	3Q10	2Q11	3Q11	9M10	9M11
EBT (1)	91.3	77.8	82.7	273.6	235.3
Income Tax/ Social Contribution Expenses	(16.7)	(9.4)	(4.7)	(41.8)	(36.5)
(-) Deferred Tax Assets	6.8	0.6	2.6	15.1	19.8
= Tax Payable	(9.9)	(8.8)	(2.1)	(26.7)	(16.7)
(+) Fiscal Credits		3.0		4.3	5.8
= Tax - Cash Basis (2)	(9.9)	(5.9)	(2.1)	(22.4)	(11.0)
Effective Tax Rate = (2) / (1)	10.8%	7.5%	2.5%	8.2%	4.7%

In 3Q11, income tax and social contribution represented an expense of R\$ 4.7 million. Considering the utilization of deferred tax assets, CEMAR paid R\$ 2.1 million in these taxes, corresponding to an effective rate of 2.5%.

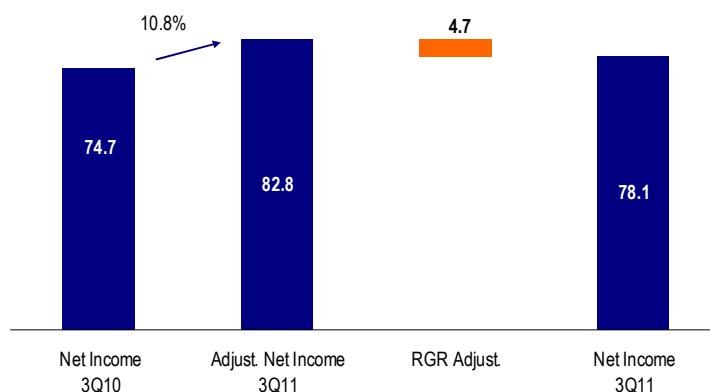
3.2.6 - NET INCOME

CEMAR posted 3Q11 net income of R\$ 78.1 million, versus R\$ 74.4 million in net income reported in 3Q10, an increase of 4.6%.

Earnings per share in 3Q11 were R\$ 0.48, an increase of 4.6% compared to the R\$ 0.45 reported in 3Q10.

ADJUSTED NET INCOME

The adjustment of CEMAR's RGR accounting entry, net of tax and minority interest, negatively impacted net income by R\$ 4.7 million. Excluding this effect, 3Q11's result would be R\$ 82.8 million, representing a growth of 10.8% when compared to 3Q10.

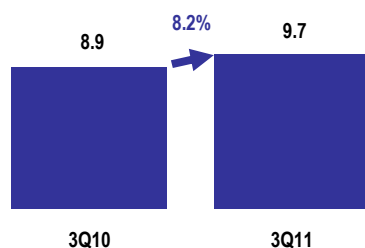


3.3 FINANCIAL PERFORMANCE - Geramar

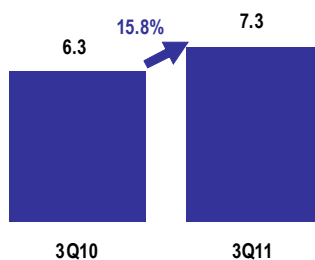
The information in this section reflects 25.0% of Geramar's operations.

INCOME STATEMENT - GERAMAR (R\$MM)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
Gross Operating Revenues (GOR)	9.8	10.3	10.6	8.2%	28.0	31.3	11.7%
Net Operating Revenues (NOR)	8.9	9.4	9.7	8.2%	25.4	28.4	11.7%
Electric Energy Cost	(2.2)	(2.0)	(2.1)	-2.1%	(7.6)	(6.1)	-19.7%
Operating Costs / Expenses	(0.4)	(0.4)	(0.2)	-50.7%	(1.7)	(0.9)	-46.3%
EBITDA	6.3	7.0	7.3	15.8%	16.1	21.4	32.7%
Depreciation	(1.1)	(1.2)	(1.2)	3.6%	(3.0)	(3.5)	17.3%
Service Income (EBIT)	5.2	5.8	6.1	18.5%	13.1	17.8	36.2%
Financial Result	(3.1)	(2.7)	(2.8)	-9.8%	(7.7)	(8.3)	7.5%
Earnings Before Taxes (EBT)	2.1	3.1	3.3	60.3%	5.3	9.5	77.9%
Income Tax / Social Contribution	(0.0)	(0.0)	(1.5)	N/A	(0.0)	-	-100.0%
Net Income	2.1	3.1	1.9	-9.1%	5.3	9.5	78.5%

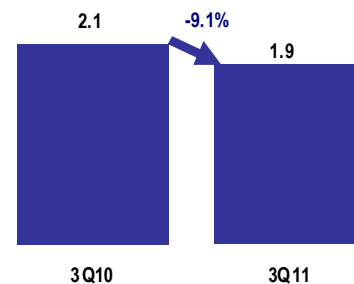
NOR (R\$MM) – Quarterly



EBITDA (R\$MM) - Quarterly



Net Income (R\$MM) – Quarterly



3.3.1 - OPERATING REVENUES

In 3Q11, Net Operating Revenues (NOR) totaled R\$ 9.7 million, resulting from the Fixed Revenue from plant availability, since no dispatching was requested by the ONS during the quarter. The revenue increase was mainly influenced by the annual adjustment of its Fixed Revenues by the IPCA price index.

3.3.2 - COSTS AND EXPENSES

The total expenditures by plants in 3Q11 totaled R\$ 3.5 million, divided between Costs for Use of the Transmission System (CUST), generation costs (such as purchase of fuel, operation and maintenance of the plant, among others) and to a lesser extent, PMSO (personnel, materials, outsourced services and others).

Operating Costs / Expenses	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
CUST + Generation costs	2.2	2.0	2.1	-2.1%	7.6	6.1	-19.7%
PMSO	0.4	0.4	0.2	-50.7%	1.7	0.9	-46.3%
Depreciation	1.1	1.2	1.2	3.6%	3.0	3.5	17.3%
Geramar	3.8	3.5	3.5	-6.1%	12.3	10.6	-14.4%

3.3.3 - EBITDA

Geramar's EBITDA in 3Q11 was R\$ 7.3 million, higher than that reported in 3Q10 by 15.8%, not only because of the readjustment described in the NOR, but also because of reductions in the PMSO during the quarter.

3.3.4 – FINANCIAL RESULT

The financial result for 3Q11 was negative by R\$ 2.8 million due to interest on loans contracted to finance the construction of plant facilities.

3.3.5 – NET INCOME

Geramar reported net income of R\$ 1.9 million this quarter, impacted by the recognition of IR/CS of R\$ 1.5 million in the period.

4. REGULATORY ASSETS AND LIABILITIES

With the adoption of Brazilian accounting regulations to IFRS, regulatory assets and liabilities of the sector are no longer reported in the consolidated balance sheet. However, these amounts are still used by ANEEL when calculating the Financial Components reported for the Annual Readjustment or Periodic Revision.

The components of the Regulatory Assets and Liabilities of CEMAR per quarter since 1Q10 are shown below.

Regulatory Assets	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11
CVA Constitution	9,480	12,988	666	5,022	3,122	6,964	725
CCC	6,404	8,648	927	950	975	1,003	-
CDE	267	446	113	116	394	820	258
Proinfra	453	821	-	-	103	625	-
ESS	-	688	-	3,956	-	4,515	99
Basic Network	2,356	2,384	(374)	-	1,650	-	369
CVA Amortization	6,856	1,649	14,047	10,051	11,973	2,503	2,512
CCC	1,348	324	7,836	5,432	3,416	1,201	982
CDE	210	51	418	307	193	68	834
Proinfra	1,424	343	467	564	355	125	622
ESS	3,792	912	1,473	1,550	6,625	343	31
Basic Network	9	2	3,853	2,198	1,384	766	43
Energy Purchases	73	18	-	-	-	-	-
Low Income Subsidies	12,139	1,528	38,965	27,413	16,918	5,691	77,739
Deficit from PLPT	1,959	247	14,679	10,328	6,373	2,144	13,393
Other Subsidies	21,884	3,576	6,650	5,874	3,672	7,565	2,518
Final Balance	52,317	19,988	75,007	58,689	42,059	24,867	96,888

Regulatory Liabilities	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11
CVA Constitution	(10,848)	(13,300)	(1,762)	(3,702)	(10,693)	(12,457)	(7,246)
Energy Purchase	(10,417)	(13,300)	(172)	(1,702)	(7,510)	(9,445)	(5,367)
Basic Network	-	-	-	(2,000)	(2,703)	(2,860)	(1,774)
ESS	(430)	-	(1,590)	-	(345)	(152)	-
Proinfra	-	-	-	-	(134)	-	-
CCC	-	-	-	-	-	-	(105)
CVA Amortization	(380)	(91)	(13,577)	(10,332)	(6,494)	(3,381)	(8,577)
Basic Network	(238)	(57)	277	277	277	-	-
Energy Purchase	(143)	(34)	(12,343)	(8,249)	(5,174)	(1,796)	(5,190)
CCC	-	-	-	(190)	(126)	(55)	-
CDE	-	-	-	(30)	(20)	(9)	-
ESS	-	-	(138)	(521)	-	-	(1,911)
Proinfra	-	-	-	(203)	-	(59)	-
RTE	-	-	(1,373)	(1,417)	(1,451)	(1,461)	(1,476)
Parcel A Neutrality	-	-	(2,536)	(1,784)	(1,101)	(370)	(5,156)
Overpurchase Pass-through	-	-	-	-	(103)	(564)	-
Other Regulatory Liabilities	(3,674)	(591)	(30)	(3,332)	(3,259)	(5,921)	(16,195)
Financial Exposure	(983)	(253)	109	(2,829)	(2,949)	(3,311)	(3,193)
RB Parcel Boundary	(311)	(39)	(139)	(498)	(307)	(103)	(36)
Connection	(2,380)	(300)	-	(4)	(3)	(1)	-
Involuntary Exposure	-	-	-	-	-	(2,506)	(12,959)
Other	-	-	-	-	-	-	(7)
Final Balance	(14,902)	(13,983)	(17,905)	(19,150)	(21,650)	(22,694)	(37,175)

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

Net Regulatory Assets / Liabilities	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11
Regulatory Assets	52,317	19,988	75,007	58,689	42,059	24,867	96,888
Regulatory Liabilities	(14,902)	(13,983)	(17,905)	(19,150)	(21,650)	(22,694)	(37,175)
Net Regulatory Assets	37,415	6,005	57,102	39,539	20,409	2,173	59,714
Low Income Assets + Viva Luz	(430)	-	(1,590)	-	23,472	21,212	30,692
Total	36,985	6,005	55,511	39,539	43,881	23,385	90,406

5. DEBT

¹ Viva Luz is a program started in 2009 by the Maranhão State Government aimed at benefitting residential costumers with monthly consumption below 50 kWh, through the payment exemption of their electricity bill, by transfers from the government to CEMAR.

In 3Q11, the consolidated gross debt, including charges, totaled R\$ 1,283.4 million, down 2.6% compared to the R\$ 1,317.8 million recorded at the end of the previous quarter.

In September 2011, only 0.7% of Equatorial's consolidated gross debt, equivalent to R\$ 8.6 million, was denominated in foreign currency, mostly U.S. dollars. Due to the low level of exchange rate exposure, neither Equatorial nor CEMAR have any hedge protection against the devaluation of the Real against other currencies.

Gross Debt (100% CEMAR + 25% Geramar)²

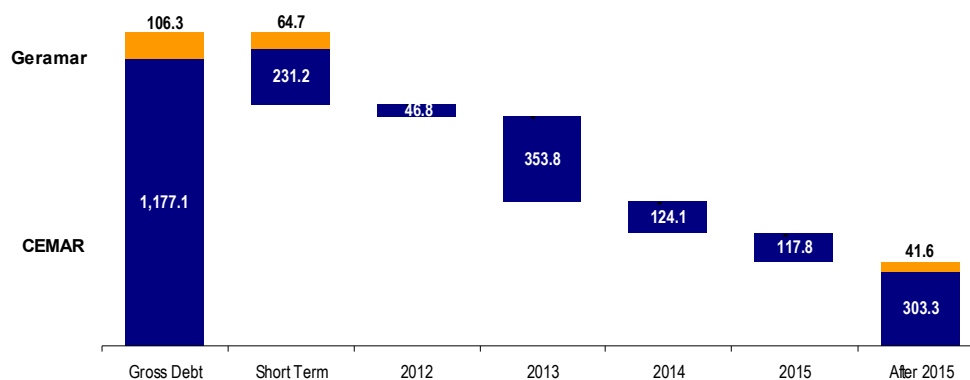
Index	Average Charges (p.a.)	Average Due Date (month/year)	Average Period (years)	% of Total	Maturity	CEMAR	Geramar	Consolidated	% of Total
Foreign Currency					Short Term	231.2	64.7	295.9	23.1%
Libor	1.3%	nov-22	11.2	0.3%	Long Term	946.1	41.6	987.6	76.9%
Fixed (US\$)	6.4%	mar-22	11.0	0.4%	2012	46.8	-	47.0	3.7%
TOTAL (CEMAR)	4.5%		11.1	0.7%	2013	353.8	-	353.8	27.6%
					2014	124.1	-	124.1	9.7%
					2015	117.8	-	117.8	9.2%
					After 2015	303.3	41.6	344.9	26.9%
Domestic Currency					Gross Debt	1,177.2	106.3	1,283.5	100.0%
CEMAR	9.9%		6.4	91.0%	Cash	189.5	13.0	202.5	
IGP-M	12.6%	dec-23	13.0	12.9%	Cash - Holding			10.7	
TJLP	10.5%	oct-13	2.6	11.7%	Cash - Equatorial Soluções			5.3	
Fixed (R\$)	8.3%	jul-19	8.4	19.2%	Net Reg. Assets	90.4		90.4	
RGR	6.5%	dec-17	6.8	18.5%	Net Debt	897.3	93.3	974.6	
FINEL(**)	11.5%	dec-15	4.9	2.9%					
CDI	11.6%	mar-14	3.1	25.9%					
Geramar	10.9%		6.1	8.3%					
CDI	13.7%	nov-11	0.6	59.1%					
TJLP	7.0%	apr-25	14.0	41.2%					
TOTAL	10.0%		6.3	99.3%					
	TOTAL		6.4	100.0%					

(*) 100% CEMAR

(**) Index that represents 20% of IGP-M + between 9.4% and 12% p.a.

(***) BNDES monetary unit, the index reflects the weighted average of the variations existing in the rims of the coins of the BNDES currency basket

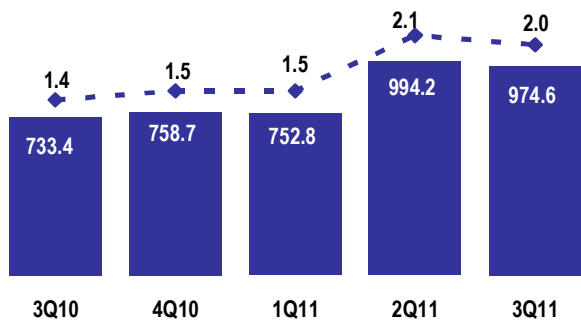
Gross Debt Maturity Schedule (R\$ MM)



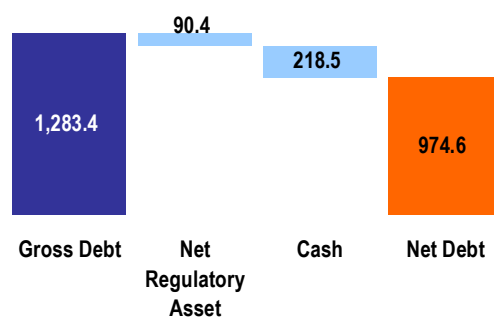
Net debt, including cash and cash equivalents and net regulatory assets, amounted to R\$ 974.6 million at the close of 3Q11, down 2.0% from R\$ 994.2 million reported at the end of 2Q11, reaching a 12-month multiple of 2.0 x EBITDA, a decline of 0.1 x due to the Company's cash generation during the period.

² For more information see Annex 4 – Balance Sheet.

Net Debt (R\$MM)(*) and Net Debt/ EBITDA (LTM) - Consolidated (100% CEMAR + 25% Geramar)

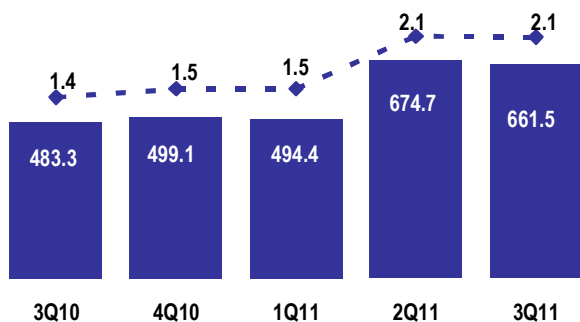


Net Debt Reconciliation (R\$MM) - Consolidated (100% CEMAR + 25% Geramar)

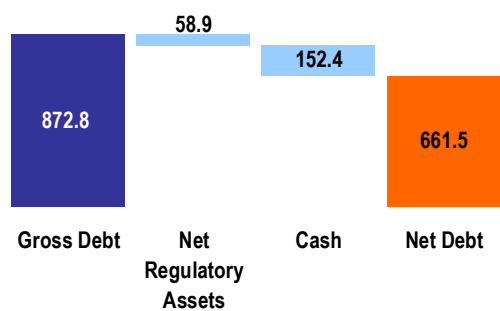


Total consolidated net debt, adjusted for Equatorial's interest in CEMAR (65.11%) and Geramar (25%), totaled R\$ 974.6 million in September 2011, representing a ratio of 2.0 x Consolidated EBITDA for the last 12 months.

Net Debt (R\$MM)(*) and Net Debt/ EBITDA (LTM) - Adjusted Consolidated (65.11% CEMAR + 25% Geramar)



Net Debt Reconciliation (R\$MM) - Adjusted Consolidated (65.11% CEMAR + 25% Geramar)



6. CAPITAL EXPENDITURES

Information relating to Capex made in the period reflects 100% of CEMAR's figures and 25% of Geramar's.

INVESTMENTS (R\$MM)	3Q10	2Q11	3Q11	Chg.	9M10	9M11	Chg.
CEMAR							
Own (*)	48.0	63.8	74.5	55.2%	129.7	181.0	39.5%
Light For All Program	65.0	46.8	40.0	-38.5%	143.8	124.5	-13.4%
Total	113.1	110.7	114.5	1.3%	273.5	305.5	11.7%
Geramar							
Generation	0.3	0.2	0.1	-59.5%	15.9	0.3	-98.3%
TOTAL	113.3	110.9	114.6	1.2%	289.4	305.8	5.7%

(*) Including indirect Light For All Program investments

6.1 - CEMAR

CEMAR's investments, not including direct investment related to PLPT totaled R\$ 74.5 million in 3Q11, an increase of 55.2% compared to 3Q10. Of this total, R\$ 48.8 million was allocated to the expansion of the distribution network in the state of Maranhão, R\$ 12.4 million was for the maintenance of the existing network and the remaining R\$ 13.4 million was divided among equipment, systems and other investments.

Investments in Light for All Program - PLPT

At the close of 3Q11, 297,700 customers were connected to the electric power distribution network through the PLPT providing direct benefits to almost 1.5 million residents of the state of Maranhão. The PLPT has now reached all 217 municipalities in Maranhão, contributing to the development of isolated areas in urban metropolitan areas and to the generation of income in these communities. Throughout 3Q11, direct investment in PLPT, including spending on materials, freight and third party services, was R\$ 40.0 million, 38.5% less than the investment made in the same quarter last year.

6.2 – Geramar

The investments reported in 3Q11 refer primarily to the maintenance of plant and facilities, since the construction phase was fully completed in 1Q10.

7. CAPITAL MARKET

Equatorial Energia's shares closed 3Q11 at R\$ 11.60, with a decline in price of 2.5% compared to the closing value of R\$ 11.90 at the end of 2Q11.

The Company's average daily trading volume was R\$ 2.7 million in the last 60 sessions ending September 30, 2011. Equatorial's shares are traded on the BM&FBOVESPA's Novo Mercado trading segment and are part of the following indexes: IEE, ITAG and IGC.

8. NEW PROJECTS

Equatorial continues to seek investment opportunities in the distribution and generation segments, in line with its corporate strategy of playing a leading role in the consolidation of electricity distributors in Brazil and Latin America and in supplying Brazil's future generation needs.

9. SERVICES PROVIDED BY THE INDEPENDENT AUDITORS

The Company did not hire Ernst & Young Terco Auditores Independentes, its external auditors, for any other services beyond the independent audit and those services required by ANEEL. The Company's contracting policy is designed to ensure the independence of the auditors in line with the prevailing regulations. Essentially, these determine that the auditors may not audit their own work, exercise any managerial function for their clients or promote their clients' interests.

The following information was not reviewed by the independent auditors: i) CEMAR's operating information (including that related to the PLPT); ii) pro-forma financial information and its comparison with the results presented in the period, and; iii) Management's expectations regarding the future performance of the companies.

10. DISCLOSURE CALENDAR

CONFERENCE CALL IN ENGLISH

Friday, October 28, 2011
12:00 pm (Brasília time)
10:00 am (New York time)
Telephones: +1 888 700-0802 / +1 786 924-6977
Code: Equatorial

CONFERENCE CALL IN PORTUGUESE

Friday, October 28, 2011
14:00 pm (Brasília time)
12:00 pm (New York time)
Telephone: +55 11 4688-6361
Code: Equatorial

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

CONTACTS

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- ▶ **Thomas Newlands**
Investor Relations Analyst
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- ▶ **E-mail:** ri@equatorialenergia.com.br
- ▶ **Website:** www.equatorialenergia.com.br/ri

ADDITIONAL INFORMATION ABOUT CEMAR

Further information on CEMAR, including a more detailed breakdown of financial and operating results, can be found in the company's Earnings Release at the following address:

▶ CEMAR: www.cemar-ma.com.br/ri

DISCLAIMER

Forward-looking statements are subject to risks and uncertainties, and are based on the expectations of Management and on the information currently available to the Company. Forward-looking statements include information on our current intentions, beliefs or expectations, as well as those of the Board of Directors and the Executive Board.

The reservations concerning forward-looking statements include information related to presumed or possible operating results, as well as declarations preceded, followed by, or including such expressions as "believe", "can", "will", "continue", "expect", "forecast", "intend", "estimate" or similar wording.

Since they refer to future events and are therefore dependent on circumstances that may or may not occur, such statements are not a guarantee of performance. Future results and the creation of shareholder value may differ substantially from those expressed or suggested by said forward-looking statements, since many of the factors determining these results are outside the Company's control.

Accounting criteria adopted:

The information contained herein is presented in consolidated figures, pursuant to Brazilian Corporate Law, based on revised financial information. The consolidated financial information represents 100% of CEMAR's results, excluding 34.89% related to minority interests, 25% of Geramar's results and 100% of Equatorial Soluções' results.

The consolidated operating information represents 100% of CEMAR's, 25% of Geramar's and 100% of Equatorial Soluções' results.

ANNEX 1 – PERIOD CONSOLIDATED INCOME STATEMENT (R\$ MM)

INCOME STATEMENT (R\$ MM)	3Q10	2Q11	3Q11	9M10	9M11
GROSS OPERATING REVENUES	617.6	608.1	653.9	1,682.1	1,806.3
Electricity Sales to Final Consumer	467.2	475.2	512.2	1,350.7	1,428.0
Electricity Supply	11.4	1.5	4.4	14.8	25.1
Construction Revenues	126.6	120.4	131.1	286.9	329.9
Other Revenues	12.3	11.1	6.3	29.7	23.3
DEDUCTIONS FROM OPERATING REVENUES	(132.8)	(140.8)	(155.4)	(389.3)	(428.0)
NET OPERATING REVENUES	484.8	467.3	498.5	1,292.8	1,378.3
ELECTRICITY COSTS	(256.6)	(260.8)	(287.7)	(671.8)	(765.1)
Electricity Purchased for Resale	(111.6)	(114.4)	(132.4)	(323.4)	(361.2)
Transmission and Distribution Network Usage Charges	(19.1)	(25.7)	(24.2)	(61.0)	(73.5)
Construction Costs	(126.6)	(120.4)	(131.1)	(286.9)	(329.9)
Other non-manageable expenses	0.7	(0.3)	(0.0)	(0.5)	(0.4)
OPERATING COSTS/EXPENSES	(101.7)	(83.2)	(84.7)	(240.2)	(251.4)
Personnel	(24.3)	(20.9)	(20.0)	(68.1)	(63.9)
Material	(1.7)	(1.2)	(1.7)	(5.8)	(4.5)
Services	(45.8)	(45.7)	(47.8)	(111.9)	(137.7)
Provisions	(13.7)	(11.0)	(12.2)	(36.9)	(33.7)
Others	(16.1)	(4.4)	(3.0)	(17.5)	(11.7)
EBITDA	126.5	123.3	126.1	380.8	361.8
Other Operating Revenue/Expenses	(4.3)	(2.0)	(3.1)	(7.0)	(5.6)
Depreciation and Amortization	(24.9)	(20.9)	(25.9)	(71.2)	(73.7)
SERVICE INCOME	97.3	100.5	97.2	302.5	282.5
Goodwill Amortization	(1.6)	(2.1)	(2.1)	(4.7)	(6.3)
FINANCIAL INCOME	(9.4)	(20.5)	(14.0)	(33.6)	(42.4)
Financial Revenue	27.2	29.0	23.7	74.1	85.3
Financial Expenses	(36.6)	(49.5)	(37.7)	(107.7)	(127.7)
RESULT BEFORE INCOME TAX	86.4	77.9	81.1	264.3	233.9
Social Contribution	(10.0)	(8.9)	(3.0)	(27.1)	(17.7)
Income Tax	(15.6)	(11.6)	(24.6)	(41.7)	(45.9)
Deferred Taxes	(6.8)	(0.6)	(2.6)	(15.4)	(19.5)
SUDENE Incentive	15.4	11.4	23.9	40.5	44.8
MINORITY INTERESTS	(26.1)	(23.9)	(27.2)	(80.9)	(69.5)
NET INCOME	43.4	44.3	47.6	139.6	126.1

ANNEX 2 – EFFECTS OF THE ADOPTION OF IFRS ON CEMAR'S INCOME STATEMENT

The table below shows the impact of the adoption of IFRS on **CEMAR's** 3Q10 and 3Q11 results:

- ▶ Recognition of **Construction Revenues** totaling R\$ 131.1 million under gross revenue, in 3Q11. This figure is entirely offset by the recognition of the same amount as non-manageable construction costs, influencing NOR, but with no impact on EBITDA and Net Income.
- ▶ All impacts of applying the IFRS, except for Revenue and Construction Costs, were positive for the NOR by R\$ 71.4 million, for EBITDA by R\$ 60.9 million, and Net Income by R\$ 57.5 million in 3Q11.
- ▶ Costs of **Profit Sharing Plans** for employees and management were transferred to Personnel Expenses, reducing EBITDA, but having no impact on NOR or Net Income (R\$ 2.7 million in 3Q11).

INCOME STATEMENT (R\$ MM)	Original 3Q10	Adjustments	IFRS 3Q10	Original 3Q11	Adjustments	IFRS 3Q11
GROSS OPERATING REVENUES	523,809	80,763	604,572	577,893	64,752	642,645
Electricity Sales to Final Consumer	506,659	(45,913)	460,746	568,312	(66,391)	501,921
Electricity Supply	11,363	29	11,392	4,345	22	4,367
Emergency Capacity Charges	5		5	(1,005)		(1,005)
Construction Revenues	-	126,647	126,647	-	131,121	131,121
Other Revenues	5,782		5,782	6,241		6,241
DEDUCTIONS FROM OPERATING REVENUES	(130,851)	493	(130,358)	(161,014)	6,618	(154,396)
NET OPERATING REVENUES	392,958	81,256	474,214	416,879	71,370	488,249
ELECTRICITY COSTS	(127,807)	(137,470)	(265,277)	(155,941)	(129,633)	(285,574)
Electricity Purchased for Resale	(109,743)	(10,823)	(120,566)	(132,051)	1,488	(130,563)
Transmission and Distribution Network Usage Charges	(18,802)		(18,802)	(23,861)		(23,861)
Construction Costs	-	(126,647)	(126,647)	-	(131,121)	(131,121)
Other non-manageable expenses	738		738	(29)		(29)
OPERATING COSTS/EXPENSES	(73,288)	(7,676)	(80,964)	(77,883)	(2,685)	(80,568)
Personnel	(15,063)	(7,676)	(22,739)	(15,509)	(2,685)	(18,194)
Material	(1,617)		(1,617)	(1,597)		(1,597)
Services	(38,223)		(38,223)	(45,866)		(45,866)
Provisions	(13,703)		(13,703)	(12,226)		(12,226)
Others	(4,682)		(4,682)	(2,685)		(2,685)
EBITDA	191,863	(63,890)	127,973	183,054	(60,948)	122,106
Other Operating Revenue/Expenses	(4,310)		(4,310)	(3,068)		(3,068)
Depreciation and Amortization	(23,747)		(23,747)	(24,683)		(24,683)
SERVICE INCOME	163,806	(63,890)	99,916	155,304	(60,948)	94,356
FINANCIAL INCOME	(8,740)	157	(8,583)	(12,363)	723	(11,640)
Financial Revenue	24,396	157	24,553	21,972	723	22,695
Financial Expenses	(33,137)		(33,137)	(34,336)		(34,336)
RESULT BEFORE INCOME TAX	155,066	(63,733)	91,333	142,940	(60,225)	82,715
Social Contribution	(9,874)		(9,874)	(2,082)		(2,082)
Income Tax	(15,363)		(15,363)	(23,916)		(23,916)
Deferred Taxes	(27,453)	20,669	(6,784)	(2,548)		(2,548)
SUDENE Incentive	15,363		15,363	23,916		23,916
PROFIT SHARING	(7,676)	7,676	-	(2,685)	2,685	-
NET INCOME	110,063	(35,388)	74,675	135,625	(57,540)	78,085

Below you can see the opening accounts included in 3Q10 and 3Q11's Electricity Supply adjustments.

ADJUSTMENTS IN ELECTRICITY SALES	3Q10	3Q11
Low Income Assets	(37,437)	(72,047)
PLPT - Program Light for All	(14,433)	(11,249)
RTE - Extraordinary Reward Tariff	(8,336)	(102)
RTD - Deferred Adjustment Tariff	2,300	-
CVA CCC Constitution	-	104
CVA Basic Network Constitution	371	(727)
CVA Energy Purchase Constitution	2,688	2,015
CVA Charges Services System Constitution	2,709	5,588
CVA Irrigante Constitution	-	120
CVA Financial Exposure Constitution	51	311
CVA Others Constitution	(405)	(193)
CVA Energy Purchase Amortization	(37)	(3,184)
CVA CCC Amortization	-	(56)
CVA Others Amortization	-	12,112
CVA PROINFA Amortization	-	(60)
CVA Overpurchase Amortization	-	(2,351)
CVA Financial Exposure Amortization	(294)	(430)
CVA Basic Network Amortization	(452)	(473)
CVA Charges Services System Amortization	-	(664)
CVA Network Usage	392	108
1st Cycle Losses Target	4,335	-
Parcel A Neutrality	2,536	4,786
Others	99	-
TOTAL	(45,913)	(66,391)

ANNEX 3 – INCOME STATEMENT PER COMPANY (R\$ MM)

- ▶ The following table reflects Equatorial's consolidation process, i.e. the sum of Equatorial Holding + 100% of Equatorial Soluções + 100% of CEMAR + 25% of Geramar+ eliminations.
- ▶ The "Minority Interest" line contains an adjustment so that the net income of each company in Equatorial's consolidated result reflects its real ownership interest in the companies (65.11%).

INCOME STATEMENT PER COMPANY (R\$ MM)	Equatorial Holding	Geramar 25%	Equatorial Soluções 100%	CEMAR 100%	Eliminations	Equatorial Consolidated
GROSS OPERATING REVENUES	-	10.6	0.7	642.6	-	653.9
Electricity Sales to Final Consumer	-	10.3	-	501.9	-	512.2
Electricity Supply	-	-	-	4.4	-	4.4
Emergency Capacity Charges	-	-	-	(1.0)	-	(1.0)
Construction Revenues	-	-	-	131.1	-	131.1
Other Revenues	-	0.4	0.7	6.2	-	7.3
DEDUCTIONS FROM OPERATING REVENUES	-	(1.0)	(0.0)	(154.4)	-	(155.4)
NET OPERATING REVENUES	-	9.7	0.6	488.2	-	498.5
ELECTRICITY COSTS	-	(2.1)	-	(285.6)	-	(287.7)
Electricity Purchased for Resale	-	(1.8)	-	(130.6)	-	(132.4)
Transmission and Distribution Network Usage Charges	-	(0.3)	-	(23.9)	-	(24.2)
Construction Costs	-	-	-	(131.1)	-	(131.1)
Other non-manageable expenses	-	-	-	(0.0)	-	(0.0)
OPERATING COSTS/EXPENSES	(2.2)	(0.2)	(1.9)	(80.6)	-	(84.7)
Personnel	(1.3)	(0.0)	(0.5)	(18.2)	-	(20.0)
Material	(0.0)	-	(0.0)	(1.6)	-	(1.7)
Services	(0.6)	(0.1)	(1.3)	(45.9)	-	(47.8)
Provisions	-	-	-	(12.2)	-	(12.2)
Others	(0.3)	(0.1)	(0.1)	(2.7)	-	(3.0)
EBITDA	(2.2)	7.3	(1.3)	122.1	-	126.1
Other Operating Revenue/Expenses	-	-	-	(3.1)	-	(3.1)
Depreciation and Amortization	-	(1.2)	(0.0)	(24.7)	-	(25.9)
SERVICE INCOME	(2.2)	6.1	(1.3)	94.4	-	97.2
EQUITY INCOME	49.3	-	-	-	(51.4)	(2.1)
Equity Income	51.4	-	-	-	(51.4)	-
Goodwill Amortization	(2.1)	-	-	-	-	(2.1)
FINANCIAL INCOME	0.5	(2.8)	0.2	(11.6)	-	(14.0)
Financial Revenue	0.5	0.3	0.2	23.0	-	23.7
Financial Expenses	(0.1)	(3.1)	-	(34.6)	-	(37.7)
RESULT BEFORE INCOME TAX	47.6	3.3	(1.1)	82.7	(51.4)	81.1
Social Contribution	-	(0.8)	(0.0)	(2.1)	-	(3.0)
Income Tax	-	(0.6)	(0.1)	(23.9)	-	(24.6)
Deferred Taxes	-	(0.0)	-	(2.5)	-	(2.6)
SUDENE Incentive	-	-	-	23.9	-	23.9
MINORITY INTERESTS	-	-	-	-	(27.2)	(27.2)
NET INCOME	47.6	1.9	(1.3)	78.1	(78.7)	47.6

ANNEX - 4 – BALANCE SHEET (R\$ MM)

ASSETS (R\$ MM)	3Q10	4TQ10	1Q11	2Q11	3Q11
CURRENT	992.8	1,132.6	1,129.0	907.1	847.2
Cash and Cash Equivalents	444.7	550.1	511.9	300.2	218.5
Consumers and Resellers	400.7	409.9	406.3	412.3	432.6
Inventory	5.8	8.0	8.0	7.7	8.6
Taxes Recoverable	70.3	85.4	95.9	66.5	72.5
Low Income	24.9	17.4	23.5	21.2	30.7
Other Accounts Receivable	46.5	61.8	83.3	99.2	84.2
LONG TERM ASSETS	381.5	420.9	474.5	454.0	470.7
Consumers and Resellers	58.6	58.2	60.5	67.8	68.8
Taxes Recoverable	51.5	42.8	45.5	47.0	48.1
Deferred Taxes - Income Tax / Social Contribution	221.4	252.5	242.2	200.8	200.8
Indemnifiable Financial Asset	41.4	50.4	22.6	14.3	21.0
Other Accounts Receivable	8.7	17.0	103.6	124.1	132.0
FIXED ASSETS	1,686.4	1,749.0	1,771.5	1,810.7	1,906.1
Investments	0.2	0.2	235.5	233.4	0.2
Goodwill	1,686.2	1,748.8	1,536.0	1,577.3	1,905.9
TOTAL ASSETS	3,060.7	3,302.6	3,374.9	3,171.9	3,224.1

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ MM)	3Q10	4TQ10	1Q11	2Q11	3Q11
CURRENT	587.4	690.0	671.2	643.4	655.5
Suppliers	174.8	174.0	144.8	177.5	176.4
Salaries	9.9	7.7	11.8	9.3	10.2
Dividends / Interest on Equity	0.4	61.2	61.2	0.5	0.5
Taxes and Social Contribution	69.8	75.1	79.0	57.3	66.5
Loans and Financing	188.7	195.8	208.0	227.0	238.3
Debentures	55.7	66.9	59.3	63.9	57.6
Public Lighting	13.2	13.5	13.3	11.9	12.2
Provision for Contingencies	2.7	27.4	39.9	41.7	39.1
Others	72.2	68.4	53.8	54.2	54.7
LONG TERM LIABILITIES	1,194.3	1,341.8	1,379.0	1,341.3	1,306.5
Taxes and Social Contribution	153.7	188.9	194.8	151.1	152.5
Debentures	258.1	253.1	200.4	201.2	201.9
Loans and Financing	757.6	849.9	840.8	825.7	785.7
Provision for Contingencies	4.4	16.9	110.2	130.3	138.6
Others	20.5	33.0	32.8	33.0	27.7
MINORITY INTERESTS	319.8	317.2	335.2	308.6	335.9
SHAREHOLDERS EQUITY	959.2	953.8	989.6	878.6	926.2
Capital Stock	566.8	566.8	566.8	566.8	566.8
Profit Reserves	280.4	414.0	415.4	260.2	260.2
Retained Earnings/Accumulated Deficit	112.0	(27.1)	7.4	51.5	99.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	3,060.7	3,302.7	3,374.9	3,171.9	3,224.1

ANNEX 5 – INDEBTEDNESS

Considering 100% of CEMAR + 25% of Geramar + 100% of Equatorial Soluções

LOANS AND FINANCING LINES (R\$ MM)	3Q10				3Q11			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	181	685	7,782	8,648	179	744	7,716	8,640
National Treasury	181	685	7,782	8,648	179	744	7,716	8,640
Others	5,347	117,383	749,503	872,233	5,649	169,110	777,967	952,727
DOMESTIC CURRENCY	11,118	258,321	1,177,903	1,447,342	12,437	344,091	1,224,493	1,581,021
Eletrobrás	5,347	69,877	358,040	433,264	5,649	106,283	379,504	491,436
Financial Institutions	243	70,376	62,578	133,197	959	67,954	59,305	128,218
Debt with Pension Fund	5,528	118,068	757,285	880,881	5,829	169,854	785,684	961,367
SUB TOTAL - LOANS AND FINANCING	11,299	259,006	1,185,685	1,455,990	12,616	344,835	1,232,210	1,589,661
Debentures	5,528	173,803	971,125	1,150,456	61,314	169,854	946,064	1,177,232
DEBT TOTAL	16,827	432,809	2,156,810	2,606,446	73,930	514,690	2,178,273	2,766,893

C.P. = Short Term / L.P. = Long Term

Considering 65.11% of CEMAR + 25% of Geramar + 100% of Equatorial Soluções

LOANS AND FINANCING LINES (R\$ MM)	3Q10				3Q11			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	118	446	5,067	5,631	117	485	5,024	5,625
National Treasury	118	446	5,067	5,631	117	485	5,024	5,625
Others	3,481	76,427	487,992	567,900	3,678	110,105	506,524	620,308
DOMESTIC CURRENCY	7,323	190,844	782,101	980,269	8,432	245,558	812,481	1,066,471
Eletrobrás	3,481	45,496	233,115	282,093	3,678	69,199	247,090	319,968
Financial Institutions	243	68,475	55,928	124,646	959	65,769	53,842	120,570
Debt with Pension Fund	3,599	76,873	493,058	573,530	3,795	110,590	511,548	625,933
SUB TOTAL - LOANS AND FINANCING	7,441	191,290	787,168	985,899	8,549	246,043	817,505	1,072,097
Debentures	3,599	113,161	632,287	749,047	39,921	110,590	615,970	766,480
DEBT TOTAL	11,040	304,451	1,419,455	1,734,946	48,469	356,633	1,433,475	1,838,577

C.P. = Short Term / L.P. = Long Term

ANNEX 6 – CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW (R\$MM)	3Q10	4Q10	1Q11	2Q11	3Q11
Cash and Cash Equivalents - Initial Balance	490.8	444.7	550.1	511.9	300.2
CF from Operating Activities					
<i>Net Income</i>	43.5	34.6	34.2	44.3	47.5
<i>(+) Non Cash Expenses</i>	126.4	172.0	63.9	42.1	52.1
<i>Changes in Assets</i>	(70.6)	2.0	(40.1)	25.0	(40.2)
<i>Changes in Liabilities</i>	16.5	(54.3)	230.9	(12.0)	8.3
(=) Cash Flow from Operating Activities	115.6	154.2	288.9	99.4	67.6
CF from Investments					
Fixed Assets	(126.4)	(114.4)	(73.5)	(111.8)	(130.9)
Others	4.1	10.6	(246.1)	(2.7)	(6.6)
(=) Cash Flow from Investments	(122.3)	(103.8)	(319.6)	(114.5)	(137.5)
CF from Financing					
<i>Own Financing Activities</i>					
Loans and Financing	(39.5)	100.0	(9.5)	69.8	(39.0)
Dividends	(0.0)	-	(0.0)	(199.9)	-
Adjustment in Shareholders Equity (Law 11,638/2)	-	(44.9)	-	-	-
Capital Increase	0.1	(0.1)	2.0	(66.4)	27.3
Subsidies	-	-	-	-	-
(=) Cash Flow from Financing	(39.4)	54.9	(7.5)	(196.5)	(11.7)
(=) Quarterly Cash Flow	(46.1)	105.4	(38.2)	(211.6)	(81.6)
Cash and Cash Equivalents - Final Balance	444.7	550.1	511.9	300.2	218.6

A free translation from Portuguese into English of Independent Auditor’s Review Report on Quarterly Information –ITR prepared in accordance with accounting practices adopted in Brazil

INDEPENDENT AUDITOR’S REVIEW REPORT

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

Introduction

We have reviewed the individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Equatorial Energia S.A. (“Company”) for the quarter ended September 30, 2011, comprising the balance sheet at September 30, 2011 and the related statements of income and of comprehensive income for the periods of three and nine months then ended, and of changes in equity and of cash flows for the nine-month period then ended, including accompanying notes.

Management is responsible for the preparation of the interim financial information in accordance with CPC 21 – Interim Financial Reporting and with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of interim financial information, consistently with the standards issued by the Brazilian Securities and Exchange Commission applicable to Quarterly Information (ITR).

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 fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of interim financial information, consistently with the standards issued by the Brazilian Securities and Exchange Commission applicable to Quarterly Information (ITR).

Emphasis of a matter

As mentioned in Note 2, the individual interim financial information was prepared in accordance with the accounting practices adopted in Brazil. In the case of Equatorial Energia S.A., these practices differ from IFRS applicable to separate financial statements solely with respect to the measurement of investments in subsidiaries and affiliates, under the equity method, while such investments would be measured at cost or fair value for IFRS purposes.

Other matters

Interim statements of value added

We also reviewed the interim statements of value added (DVA), for the nine-month period ended September 30, 2011, whose presentation in the interim financial information is required by the standards issued by the Brazilian Securities and Exchange Commission-CVM applicable to preparation of Quarterly Financial Information (ITR) and considered supplementary information under IFRS, which do not require DVA presentation. These statements were submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that would make us believe that they were not prepared, in all material respects, in accordance with the overall interim accounting information.



Audit and review of corresponding prior-year amounts

The amounts for the year ended December 31, 2010 and quarter and nine-month period ended September 30, 2010, presented for purposes of comparison, were previously audited and reviewed by other independent auditors who issued reports dated March 29, 2011 and April 29, 2011 (restated), respectively, unmodified and with emphasis paragraph about measurement of investments in subsidiaries and affiliates by the equity pickup method.

Recife (PE), October 27, 2011

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

A handwritten signature in black ink, appearing to read "Carlos Santos Mota Filho".

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

A handwritten signature in black ink, appearing to read "Francisco da Silva Pimentel".

Francisco da Silva Pimentel
Accountant CRC–1SP 171230/O-7-S-MA

Equatorial Energia S.A.

Balance sheets
at September 30, 2011
(In thousands of reais)

	Note	Company		Consolidated	
		9/30/2011	12/31/2010	9/30/2011	12/31/2010
Assets					
Current assets					
Cash and cash equivalents	4	10,748	80,730	218,543	550,077
Consumers	5	(4)	(4)	480,874	455,783
Low income	6	-	-	30,692	17,418
Allowance for doubtful accounts	5 (a)	-	-	(48,281)	(45,831)
Taxes recoverable	7	-	-	38,031	42,050
Income and social contribution taxes	7	3,908	2,710	34,501	43,360
Inventories		-	-	8,637	7,965
Dividends receivable		4,674	37,911	-	-
Services requested		-	-	57,378	55,335
Judicial deposits	16	-	-	19,578	10,693
Other receivables		33	14	7,279	6,465
		19,359	121,361	847,232	1,143,315
Noncurrent assets					
Consumers (net of ADA)	5	-	-	68,773	58,177
Taxes recoverable	7	-	-	38,654	40,529
Income and social contribution taxes	7	9,453	10,613	9,453	10,454
Deferred income and social contribution taxes	7	-	109	200,808	252,604
Judicial deposits	16	-	-	123,287	101,817
Concession financial asset - net	10	-	-	21,037	50,409
Other receivables		-	-	8,696	8,842
Investments	9	900,615	866,487	221	221
Property, plant and equipment		298	298	139,012	142,245
Intangible assets	11	-	-	1,766,908	1,606,581
		910,366	877,507	2,376,849	2,271,879
Total assets		929,725	998,868	3,224,081	3,415,194

See accompanying notes.

	Note	Company		Consolidated	
		9/30/2011	12/31/2010	9/30/2011	12/31/2010
Liabilities and equity					
Current liabilities					
Suppliers	12	144	151	176,440	174,047
Payroll, provision for vacation pay and social charges		141	72	10,231	7,651
Loans and financing	13	-	-	238,333	195,815
Debentures	14	-	-	57,578	66,941
Regulatory charges		-	-	8,419	5,434
Taxes and contributions payable	15	240	107	45,461	35,350
Income and social contribution taxes	15	1,483	1,485	21,008	39,704
Dividends and interest on equity capital		79	41,468	491	61,155
Provision for contingencies	16	-	-	39,106	38,137
Public lighting charge		-	-	12,202	13,493
Research, development and energetic efficiency	17	-	-	10,800	15,890
Profit sharing		1,350	1,744	14,245	18,538
Other accounts payable		39	36	21,236	28,516
		<u>3,476</u>	<u>45,063</u>	<u>655,550</u>	<u>700,671</u>
Noncurrent liabilities					
Loans and financing	13	-	-	785,684	849,877
Debentures	14	-	-	201,936	253,139
Taxes and contributions payable	15	-	-	38,930	84,329
Deferred taxes and contributions payable	15	50	50	113,536	104,577
Provision for contingencies	16	2	-	138,628	118,716
Research, development and energetic efficiency	17	-	-	23,305	28,111
Other accounts payable		-	-	4,438	4,857
		<u>52</u>	<u>50</u>	<u>1,306,457</u>	<u>1,443,606</u>
Equity					
Capital	18	566,831	566,831	566,831	566,831
Capital reserve		13,316	11,936	13,316	11,936
Income reserves		246,930	402,098	246,930	402,098
Net income (loss) for the period		99,120	(27,110)	99,120	(27,110)
Noncontrolling shareholders		-	-	335,877	317,162
Total equity		<u>926,197</u>	<u>953,755</u>	<u>1,262,074</u>	<u>1,270,917</u>
Total liabilities and equity		<u>929,725</u>	<u>998,868</u>	<u>3,224,081</u>	<u>3,415,194</u>
		-	-	-	-

See accompanying notes.

Equatorial Energia S.A.

Income statements
 Nine-month periods ended September 30, 2011 and 2010
 (In thousands of reais)

	Note	Company		Consolidated	
		9/30/2011	9/30/2010	9/30/2011	9/30/2010
Net operating revenue	20	1,062	734	1,378,271	1,288,054
Cost of electric energy services		-	-	(872,950)	(777,763)
Electric energy cost		-	-	(756,164)	(671,273)
Electric energy purchased for resale	21	-	-	(361,075)	(323,361)
Construction cost	21	-	-	(329,942)	(286,905)
Transmission and distribution system use charge	21	-	-	(65,147)	(61,007)
Operating cost		-	-	(116,785)	(106,490)
Personnel	21	-	-	(17,228)	(14,174)
Material	21	-	-	(3,723)	(4,010)
Third party services	21	-	-	(35,085)	(27,467)
Depreciation and amortization	21	-	-	(61,867)	(60,192)
Lease and rent	21	-	-	(1,068)	(60)
Other	21	-	-	2,186	(587)
Gross profit		1,062	734	505,321	510,291
Selling expenses	21	-	-	(80,855)	(55,231)
Administrative expenses	21	(2,228)	(7,320)	(65,092)	(58,936)
Personnel expenses and management fees	21	(5,666)	(9,629)	(9,536)	(26,469)
Allowance for doubtful accounts and uncollectible accounts		-	-	(23,983)	(25,140)
Set up (reversal) of provision for contingencies		-	-	(13,207)	(5,270)
Depreciation and amortization		-	-	(11,852)	(11,020)
Other operating expenses/revenues	21	(1,071)	(1,273)	(12,938)	(18,535)
Other non-recurring expenses / revenues		-	(113)	(5,561)	(7,147)
Result from services		(7,903)	(17,601)	282,297	302,543
Financial income (expenses)	21	3,030	6,121	(42,153)	(33,558)
Financial income		4,140	5,978	46,086	34,888
Arrears charge on electric energy sold		-	-	37,024	36,020
Debt charges		-	-	719	-
Monetary and exchange variation		-	-	(534)	2,625
Interest on loans and financing		-	-	(76,643)	(94,656)
Other		(1,110)	143	(48,805)	(12,435)
Goodwill amortization				(6,292)	(4,731)
Equity pickup	21	130,962	166,046	-	14,386
Operating income (expenses)		126,089	154,566	233,852	278,640
Operating income		126,089	154,566	233,852	278,640
Income before income and social contribution taxes		126,089	154,566	233,852	278,640
Provision for taxes		-	(566)	(38,270)	(43,743)
Social contribution	7 (c)	-	(97)	(17,711)	(27,125)
Income tax	7 (c)	-	(469)	(45,886)	(41,345)
Tax incentive - SUDENE	7 (c)	-	-	44,820	40,090
Deferred taxes	7 (c)	-	-	(19,493)	(15,363)
Net income before noncontrolling shareholders		126,089	154,000	195,582	234,897
Noncontrolling shareholders		-	-	(69,493)	(80,897)
Net income for the period		126,089	154,000	126,089	154,000
Earnings per share (R\$)	23	1.1582	1.4248	1.1582	1.4248
Average number of shares at period end		108,865	108,086	108,865	108,086

See accompanying notes.

Equatorial Energia S.A.

Comprehensive income statements

Nine month periods ended September 30, 2011 and 2010

(In thousands of reais)

	<u>Company</u>		<u>Consolidated</u>	
	<u>9/30/2011</u>	<u>9/30/2010</u>	<u>9/30/2011</u>	<u>9/30/2010</u>
Net income for the period	<u>126,089</u>	<u>154,000</u>	<u>126,089</u>	<u>154,000</u>
Comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>126,089</u>	<u>154,000</u>	<u>126,089</u>	<u>154,000</u>
Basic and diluted earnings per share	<u>1.1582</u>	<u>1.4248</u>	<u>1.1582</u>	<u>1.4248</u>
Number of shares at period end	<u>108,865</u>	<u>108,086</u>	<u>108,865</u>	<u>108,086</u>

See accompanying notes.

Equatorial Energia S.A.

Statements of changes in equity
at September 30, 2011 and 2010
(In thousands of reais)

	<u>Income reserves</u>					Result from discontinued operations	Retained earnings	Company's equity	Noncontrolling shareholders	Company's equity and noncontrolling shareholders
	Capital	Capital reserve	Legal reserve	Investment and expansion reserve	Proposed additional dividend distribution					
Balances at January 1, 2010	907,485	5,003	39,013	230,040	1,169	209,095	(112,360)	1,279,445	247,334	1,526,779
Approval and payment of proposed dividends	-	-	-	-	(1,169)	-	-	(1,169)	(8,408)	(9,577)
Recognized options granted	-	6,383	-	-	-	-	-	6,383	-	6,383
Partial assets spin-off as per CSGM of 04/29/2010	(359,165)	-	-	-	-	(124,379)	(14,386)	(497,930)	-	(497,930)
Capital increase	18,511	-	-	-	-	-	-	18,511	-	18,511
Difference in accounting practices between company and subsidiary	-	-	-	-	-	-	6,583	6,583	-	6,583
Net income for the period	-	-	-	-	-	14,436	139,564	154,000	80,897	234,897
Result from discontinued operations	-	-	-	-	-	(6,598)	-	(6,598)	-	(6,598)
Balances at September 30, 2010	566,831	11,386	39,013	230,040	-	92,554	19,401	959,225	319,823	1,279,048
								-	0	0
Balances at January 1, 2011	566,831	11,936	47,737	199,193	155,168	-	(27,110)	953,755	317,162	1,270,917
Approval and payment of proposed dividends	-	-	-	-	(155,168)	-	-	(155,168)	(50,778)	(205,946)
Net income for the period	-	-	-	-	-	-	126,089	126,089	69,493	195,582
Recognized options granted	-	1,380	-	-	-	-	-	1,380	-	1,380
Difference in accounting practice between company and subsidiary	-	-	-	-	-	-	141	141	-	141
Balances at September 30, 2011	566,831	13,316	47,737	199,193	-	-	99,120	926,197	335,877	1,262,074
	-	-	-	-	-	-	-	-	-	-

See accompanying notes.

Equatorial Energia S.A.

Cash flow statements - Indirect Method
 Nine-month periods ended September 30, 2011 and 2010
 (In thousands of reais)

	Company		Consolidated	
	9/30/2011	9/30/2010	9/30/2011	9/30/2010
Cash flow from operating activities				
Net income before noncontrolling shareholders	126,089	154,000	195,581	234,898
Deferred income and social contribution taxes	-	-	19,493	15,363
Income and social contribution taxes	-	566	18,777	28,380
Net income for the period before taxes	126,089	154,566	233,851	278,641
Expenses (revenues) that do not affect cash				
Depreciation and amortization	-	7,885	4,616	68,193
Amortization of intangible assets	6,202	-	70,161	3,018
Interest on loans payable	-	-	97,913	105,866
Exchange losses (gains) from financial activities	-	-	-	15,684
Loss on sale of intangible assets	-	-	4,211	29,900
Set up (reversal) of provision for contingencies	-	(2)	(5,934)	5,270
Allowance for doubtful and uncollectible accounts	-	-	23,983	25,140
Share based payments	1,379	6,383	1,379	6,383
Equity pickup from discontinued operations	-	(26,826)	-	(26,826)
Equity pickup from continuing operations	(137,253)	(142,965)	-	-
Equity valuation adjustment - IFRS	142	12,574	141	12,445
Proposed dividends payable	-	-	(315)	(8,408)
Other	-	-	6,292	4,723
	(129,530)	(142,951)	202,447	241,388
Changes in current and noncurrent assets				
Consumers	-	4	(57,220)	(87,720)
Storeroom materials	-	-	(672)	(232)
Taxes recoverable	-	2,051	5,894	6,002
Income and social contribution taxes	(38)	(1,125)	28,692	(16,440)
Deferred income and social contribution taxes	109	-	41,262	-
Requested services and others	-	-	(2,043)	(21,454)
Low income	-	-	(13,274)	(1,747)
Dividends receivable	(51)	-	-	-
Other receivables	(19)	(7)	(668)	(2,400)
	1	923	1,971	(123,991)
Changes in current and noncurrent liabilities				
Suppliers	(7)	4,982	2,393	(8,300)
Taxes and contributions payable	133	627	(35,288)	9,032
Income and social contribution taxes	(2)	-	(37,473)	-
Estimated liabilities, payroll and TIP	69	(34)	1,289	969
Provision for contingencies	2	-	(3,540)	(6,358)
Regulatory taxes	-	-	2,985	4,460
Efficiency program	-	-	(9,896)	12,724
Profit sharing	(394)	(5,385)	(4,293)	(5,546)
Other accounts payable	1	(531)	(7,697)	1,999
	(198)	(341)	(91,520)	8,980
Cash provided by operating activities	(3,638)	12,197	346,749	405,018
Income and social contribution taxes paid	-	-	(18,832)	(9,674)
	-	-	(18,832)	(9,674)
Net cash provided by (used in) operating activities	(3,638)	12,197	327,917	395,344
Cash flow from investing activities				
Acquisition of intangible assets	-	-	(304,659)	(289,308)
Linked obligations, net	-	-	118,326	136,276
Fixed asset purchases	-	-	(1,384)	(16,687)
Acquisition of concession financial assets	-	-	(25,283)	(16,057)
Dividends received	130,212	21,833	-	-
Net cash provided by (used in) investing activities	130,212	21,833	(213,000)	(185,776)
Cash flow from financing activities				
Loans and financing	-	-	60,897	74,254
Repayment of loans and financing (principal and interest)	-	-	(241,054)	(236,583)
Dividends and interest on equity capital paid	(196,556)	(49,822)	(266,294)	(61,547)
Amount received for shares issued / capital increase	-	18,511	-	18,511
Net cash used in financing activities	(196,556)	(31,311)	(446,451)	(205,365)
Cash generated in the year	(69,982)	2,719	(331,534)	4,203
Increase (decrease) in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	80,730	78,801	550,077	440,507
Cash and cash equivalents at the end of the period	10,748	81,520	218,543	444,710
Increase (decrease) in cash and cash equivalents	(69,982)	2,719	(331,534)	4,203
See accompanying notes.	0.00	0.00	0.00	0.00

Equatorial Energia S.A.

Statements of value added
 Nine-month periods ended September 30, 2011 and 2010
(In thousands of reais)

	Company		Consolidated	
	9/30/2011	9/30/2010	9/30/2011	9/30/2010
Revenues				
Sales of products and services	1,239	856	1,806,172	1,677,348
Other operating expenses/revenues	(816)	(1,273)	(12,938)	(18,535)
Allowance for doubtful and uncollectible accounts	-	-	(23,983)	(25,140)
Other non-recurring expenses / revenues	-	(113)	(5,563)	(7,149)
Set up (reversal) of provision for contingencies	-	-	(13,207)	(5,270)
	423	(530)	1,750,481	1,621,254
Inputs acquired from third parties (including ICMS and IPI)				
Cost of products, goods and services sold	-	-	(756,164)	(671,273)
Materials, energy, third party services and others	(2,483)	(7,320)	(123,024)	(113,540)
Selling and other expenses	-	-	(20,777)	(2,520)
	(2,483)	(7,320)	(899,965)	(787,333)
Gross value added (used)	(2,060)	(7,850)	850,516	833,921
Depreciation and amortization	-	-	(73,719)	(71,212)
Net value added provided (used) by the Company	(2,060)	(7,850)	776,797	762,709
Value added received in transfer				
Equity pickup	130,962	166,046	(6,292)	9,655
Financial income	4,140	5,978	83,110	70,908
Other	(1,110)	143	(48,803)	(12,432)
	133,992	172,167	28,015	68,131
Total value added to be distributed	131,932	164,317	804,812	830,840
Distribution of value added				
Employees				
Direct remuneration	5,205	9,258	41,461	50,784
Benefits	56	39	10,438	8,294
FGTS	23	17	3,672	2,817
Other	382	315	(4,396)	6,222
	5,666	9,629	51,175	68,117
Taxes				
Federal	115	645	241,425	218,800
State	-	-	224,014	213,419
Municipal	62	43	732	819
	177	688	466,171	433,038
Remuneration of third party capital				
Interest	-	-	76,459	(2,625)
Rent	-	-	15,425	2,757
	-	-	91,884	132
Remuneration of own capital				
Interest on equity capital	-	-	-	94,656
Dividends	-	-	-	-
Retained profit for the period	126,089	154,000	126,089	154,000
Minority interest in retained profits	-	-	69,493	80,897
	126,089	154,000	195,582	329,553
Value added	131,932	164,317	804,812	830,840

See accompanying notes.

Equatorial Energia S.A

Notes to quarterly information
at September 30, 2011

(In thousands of reais, except where indicated otherwise)

1 Information about the Company

The business purpose of Equatorial Energia S.A. (“Company” or “Equatorial”), headquartered in the city of São Luís, Maranhão state, is to participate in other companies, always in the electric energy sector, mainly in electric energy generation or distribution operations. The Company has shares traded on BM&FBOVESPA under ticker “EQTL3” and since 2008 has been traded in *Novo Mercado* Corporate Governance Level.

The Common and Special Meeting (CSM) held on April 29, 2010, approved Company partial spin-off, through assignment of a portion of its equity corresponding to the Company’s interest in RME - Rio Minas Energia Participações S.A. a closely held corporation to a new closely-held corporation denominated Redentor Energia S.A. (“Redentor”) specifically set up for this purpose upon partial spin-off.

The objective of the partial spin-off was that of fulfilling the provisions of the Shares Purchase and Sale Contract (“Contract”), entered into on December 30, 2009 by and between Fundo de Investimento em Participações PCP (“FIP PCP”), the indirect controlling shareholder of the Company, and by Companhia Energética de Minas Gerais – CEMIG (“CEMIG”), having the Company as intervening party.

The partial spin-off was carried out in order to approve the segregation of the interest held by the company in RME and, consequently, the investment held by RME in Light, from the other assets of the Company, to wit its interest in Companhia Energética do Maranhão – Cemar, in Equatorial Soluções S.A. and in Geradora de Energia do Norte S.A.

2 Group entities

Equatorial has the following investments:

	Note	09/30/2011	12/31/2010
CEMAR	a.	65.11%	65.11%
Geradora de Energia do Norte	b.	25.00%	25.00%
Equatorial Soluções	c.	100.00%	100.00%

- a. **Companhia Energética do Maranhão (“CEMAR”)**: Private listed corporation of which the main business purpose is the distribution of electric energy. CEMAR’s concession area is the Maranhão state, serving at September 30, 2011 more than 1.9 million customers in an area of more than 333 thousand Km². The electric energy distribution contract No. 060, executed by and between the Company, the National Electric Energy Agency - ANEEL and CEMAR, is valid until August 2030, with the possibility of being extended for further 30 years. At September 30, 2011, the Company held ownership interest of 65.11% (65.11% at December 31, 2010) in CEMAR.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

2 Group entities --Continued

- b. Geradora de Energia do Norte S.A.:** Already in operation, it is in charge of implantation and operation of the thermoelectric power plants of Tocantinópolis and Nova Olinda, in the municipality of Miranda do Norte, Maranhão state, with installed capacity of 330 MW, which supply energy to the National Interlinked System. On October 1, 2008, Equatorial acquired 25% of the shares of the company. The consortium that holds the company's controlling interest comprises Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. (50%). GNP S.A., in turn, is composed of Servtec Investimentos e Participações Ltda. (50%) and Companhia Ligna de Investimentos (50%). The controlling interest in the company is shared and regulated by a Shareholders' Agreement. At September 30, 2011, the Company has ownership interest of 25.00% (25.00% at December 31, 2010) in Geradora de Energia do Norte.
- c. Equatorial Soluções S.A.:** Equatorial Soluções is a closely-held corporation, headquartered in the city of São Luís, Maranhão state, of which the 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 third party electric installations operation, maintenance and planning services. At September 30, 2011, the Company held ownership interest of 100.00% (100.00% at December 31, 2010) in Equatorial Soluções.

Subsidiaries CEMAR and Equatorial Soluções, as well as jointly-controlled subsidiary Geradora de Energia do Norte, will be referred to hereafter in the accompanying notes as "Subsidiaries", whenever mentioned together.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

3 Preparation and presentation of quarterly information

a. *Compliance statement*

The quarterly information includes:

- Consolidated quarterly information prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil (BR GAAP);
- Individual quarterly information of the Company prepared in accordance with BR GAAP; and

Individual quarterly information of the Company for the quarter and nine-month period ended September 30, 2011 was prepared and is being presented in accordance with accounting practices adopted in Brazil (BR GAAP), which include the provisions of Brazilian Corporation Law and the standards and accounting procedures issued by the Brazilian Securities and Exchange Commission (CVM) and Brazilian FASB (CPC), which are in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and, for the Group, these practices differ from IFRS applicable to separate quarterly information due to measurement of investments in subsidiaries and jointly-controlled subsidiaries by the equity pickup method under BR GAAP, while under IFRS these are measured at cost or fair value.

However, there is no difference between equity and consolidated net income presented by the Group and equity and net income presented by the controlling entity in its individual quarterly information. In view of this, the Group's consolidated quarterly information and the individual quarterly information of the Company are being presented side-by-side in a sole set of quarterly information.

The main accounting practices and the calculation methods adopted in the preparation of the quarterly information are the same when compared to the corresponding financial statements for the year ended December 31, 2010 described in Note 4 of the referred to statements, therefore should be analyzed together.

In addition, the quarterly information satisfies the minimum disclosure requirements established by CPC 21 – Interim Financial Reporting, as well as other significant information.

Issue of the quarterly information was authorized by management on October 27, 2011.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

4 Cash and cash equivalents

	<u>Company</u>		<u>Consolidated</u>	
	<u>09/30/2011</u>	<u>12/31/2010</u>	<u>09/30/2011</u>	<u>12/31/2010</u>
Cash available	-	38	14,303	25,549
Short-term investments	<u>10,748</u>	<u>80,692</u>	<u>204,240</u>	<u>524,528</u>
Total	<u>10,748</u>	<u>80,730</u>	<u>218,543</u>	<u>550,077</u>

Cash and cash equivalents include cash available (cash and bank demand deposits) and short-term financial investments.

Short-term investments correspond to operations carried out by national banks involving low credit risk and remunerated by 102.5% to 105.0% of Interbank Deposit Certificate (CDI) and are available for use in Company operations, i.e. they are readily redeemable financial assets.

Short-term investments are readily convertible into a known cash amount and are subject to low risk of change in value, and for redemption within less than 90 days from investment contract date.

The Company considered these current assets as cash equivalents, for purposes of preparing the cash flow statements.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

5 Consumers (Consolidated)

	Consolidated	
	09/30/2011	12/31/2010
Current		
Billed supply	269,058	264,873
Unbilled supply	55,260	50,721
Debts in installments	127,783	107,061
	452,101	422,655
Traded within CCEE	10,730	9,004
PERCEE	125	122
Concessionaires	383	245
Services rendered	2,566	664
Cheques under collection	1,485	1,615
Other	13,484	21,478
	28,773	33,128
	480,874	455,783
(-) Allowance for doubtful accounts	(48,281)	(45,831)
Total current	432,593	409,952
Noncurrent		
Traded within CCEE	8,011	8,010
Debts in installments	64,656	52,902
Debts in installments – present value adjustment(1)	(3,894)	(2,735)
Cheques under collection	3,638	3,638
	72,411	61,815
(-) Allowance for doubtful accounts	(3,638)	(3,638)
Total noncurrent	68,773	58,177

(1) Debts in installments are adjusted to present value, as applicable, in accordance with Law No. 11638/07.

a. Allowance for doubtful accounts

Recording of the allowance for doubtful accounts (PCLD) follows the best estimate made by management and considering General Instruction 6.3.2 of the Public Electric Energy Service Accounting Manual, as summarized below:

Customers with significant debts

Individual analysis of the balance receivable from consumers by consumption class considered to be of difficult collection.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

5 Consumers (Consolidated)--Continued

For the other cases, we applied the rule below:

- Residential consumers – Overdue for more than 90 days;
- Commercial consumers – Overdue for more than 180 days; and
- Industrial, rural consumers, public authorities, public lighting, public services and others – overdue for more than 360 days.

The balances overdue and falling due related to billed electric energy supplies and debts in installments are as follows:

	09/30/2011			Total
	Falling due	Overdue up to 90 days	Overdue for more than 90 days	
Residential	60,481	55,288	13,288	129,057
Industrial	15,205	3,324	5,672	24,201
Commercial	32,428	11,684	4,687	48,799
Rural	5,360	3,133	2,593	11,086
Public authorities	11,605	9,659	2,436	23,700
Public lighting	7,624	2,335	1,012	10,971
Public service	8,682	10,906	1,656	21,244
Billed supply and debt installments (ST and LT)	141,385	96,329	31,344	269,058

	12/31/2010			Total
	Falling due	Overdue up to 90 days	Overdue for more than 90 days	
Residential	50,233	59,447	16,353	126,033
Industrial	14,282	5,662	3,779	23,723
Commercial	27,790	13,626	5,094	46,510
Rural	4,107	3,150	2,869	10,126
Public authorities	10,094	10,885	4,392	25,371
Public lighting	5,589	1,988	2,154	9,731
Public service	8,095	12,861	2,423	23,379
Billed supply (ST and LT)	120,190	107,619	37,064	264,873

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

6 Low income and “viva a luz” program

Law No. 10438, dated April 26, 2002, unified the criteria for granting the social electric energy tariff all over Brazil, ensuring electric energy tariff discount for low income families. The same law, in its article 13, created a mechanism to offset revenue loss of distributors caused by the discount, by using funds from the Energetic Development Account – CDE, in the form of economic subvention. Recently, the criteria for granting the social tariff were improved through Law No. 12212, dated January 20, 2010.

The procedures for approving economic subvention to consumers classified as low income residential consumers were established by Regulatory Resolution No. 089, dated October 25, 2004, and its further amendments. Subsidiary CEMAR determines monthly the subvention amounts to be received, in accordance with the procedures established by the Resolution.

Launched in November 2009, the “Viva Luz” program introduced by the Maranhão state government aims at benefitting residential consumers with monthly consumption of up to 50 kWh, exempting them from payment of their electricity bills, through transfer of funds from the government to subsidiary CEMAR.

In accordance with these procedures, at September 30, 2011, subsidiary CEMAR presented the balance of R\$30,691 referring to low income consumers and “Viva Luz” program (R\$17,418 at December 31, 2010).

	Consolidated	
	09/30/2011	12/31/2010
Low income consumers	12,885	17,498
Viva luz program	17,807	(80)
Total	30,692	17,418

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

7 Taxes recoverable

The short and long term balances resulting from legal tax withholdings or prepayments are as follows:

	Company		Consolidated	
	09/30/2011	12/31/2010	09/30/2011	12/31/2010
Current				
Taxes recoverable				
PIS/COFINS	-	-	-	-
ICMS (1)	-	-	36,608	36,811
Social charges and other	-	-	-	241
Other	-	-	1,423	4,998
	<u>-</u>	<u>-</u>	<u>38,031</u>	<u>42,050</u>
Income taxes				
IRPJ / CSLL prepayments(2)	932	728	17,179	34,814
Recoverable IRPJ/CSLL	10	10	5,328	1,783
IRRF	2,966	1,972	11,994	6,763
	<u>3,908</u>	<u>2,710</u>	<u>34,501</u>	<u>43,360</u>
Total current	<u>3,908</u>	<u>2,710</u>	<u>72,532</u>	<u>85,410</u>
Noncurrent				
Taxes recoverable				
ICMS (f)	-	-	38,072	39,787
Other	-	-	582	742
	<u>-</u>	<u>-</u>	<u>38,654</u>	<u>40,529</u>
Income taxes				
Recoverable IRPJ and CSLL	7,169	8,329	7,169	8,170
IR on short-term investment	2,284	2,284	2,284	2,284
	<u>9,453</u>	<u>10,613</u>	<u>9,453</u>	<u>10,454</u>
Total noncurrent	<u>9,453</u>	<u>10,613</u>	<u>48,107</u>	<u>50,983</u>

(1) Subsidiary CEMAR has ICMS credits based on Complementary Law No. 102, dated July 11, 2000, under which the subsidiary and jointly-controlled subsidiaries have been recording ICMS recoverable in the ICMS Credit on Permanent Assets Control Register - CIAP resulting from acquisitions of assets classified as intangible assets, in accordance with ICPC 01.

(2) In subsidiary CEMAR, prepaid Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) correspond to amounts monthly paid, on the terms of article 2 of Law No. 9430, dated December 27, 1996.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

7 Taxes recoverable--Continued

Deferred income and social contribution taxes

Subsidiary CEMAR recognized deferred income and social contribution taxes on temporary differences and income tax on tax losses considering its taxable income projections.

Deferred tax credits on tax losses may be carried indefinitely and their financial effects will take place upon their realization.

Income tax is calculated at the rate of 25%, considering 10% surtax and social contribution tax was determined at the rate of 9%.

In view of this, the referred to tax credits are recorded in noncurrent assets, considering expected realization thereof, observing the 30% limit for annual offset against taxable income, determined by CPC 26.

a. Breakdown of income and social contribution tax credits

	Consolidated	
	09/30/2011	12/31/2010
IRPJ on tax losses	176,094	217,518
IRPJ and CSLL on temporary differences	24,714	35,086
Total noncurrent	200,808	252,604

b. Expected recovery

Based on technical feasibility studies approved by the Fiscal Council of the subsidiary CEMAR and submitted to the Board of Directors, which forecast full recoverability of recognized deferred taxes, management estimates that tax credit will be realized up to 2018, as under:

Expected realization	2011	2012	2013	2014	2015	2016 to 2018	Total
Deferred taxes	21,195	19,084	20,951	14,654	19,127	81,083	176,094

Subsidiary CEMAR enjoys accelerated depreciation benefits until 2013, technological and SUDENE incentive until 2016.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

7 Taxes recoverable --Continued

c. Reconciliation of income and social contribution tax expense:

Reconciliation of the expense calculated applying the tax rates to taxable income of the Company and consolidated, and IRPJ and CSLL expenses per the income statement for the six-month period ended September 30, 2011 and 2010 is as follows:

	Company		Consolidated	
	09/30/2011	09/30/2010	09/30/2011	09/30/2010
Income before income tax and CSLL (IBIT)	126,089	154,566	233,851	278,641
Combined IRPJ and CSLL rate	34%	34%	34%	34%
IRPJ and CSLL at statutory rate	(42,870)	(52,552)	(79,509)	(94,738)
IR and CS effect on additions and exclusions	(3,796)	-	(5,489)	3,082
IR and CS effect on equity pickup	46,666	51,986	-	3,284
Dif. between IR and CS tax bases	-	-	1,184	55
Offset of tax losses– 30% - not recognized in the income statement	-	-	-	1,424
Prior year adjustments	-	-	-	7,212
Tax incentives	-	-	44,820	40,090
Other tax incentives	-	-	724	488
Prior year adjustment- tax incentives	-	-	-	(4,640)
Income and social contribution taxes per the income statement	-	(566)	(38,270)	(43,743)

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

8 Related parties

The main asset and liability balances at September 30, 2011 and December 31, 2010, as well as the transactions that affected net income for the year, related to operations with related parties result from Company transactions with its subsidiaries and related parties, shareholders and their related parties, key management professionals (CEO and directors) and other related parties, according to CVM Rule No. 560, dated December 11, 2008, which approved CPC 05 – Disclosure of Related Parties.

Company	Re	Operation Nature	09/30/2011			12/31/2010		
			Assets	Liabilities	Result / Expense	Assets	Liabilities	Result / Expense
ELETROBRÁS	(a)	Loan	-	439,371	32,535	-	409,357	33,053
		Dividends	-	-	-	-	83,875	-
FASCEMAR	(b)	Loan	-	21,919	517	-	24,071	3,269
		Private pension	-	-	-	-	-	1,895
CEMAR	(c)	Sharing agreement	-	83	-	-	83	-
		Dividends	-	-	-	-	162,775	-
GERAMAR	(d)	Electric energy purchase	-	-	611	-	-	699
EQUATORIAL SOLUÇÕES	(e)	Sharing agreement	15	-	132	27	-	-

- (a) The amounts with ELETROBRÁS refer to dividends payable and loan agreements with subsidiary CEMAR. Loan agreements with ELETROBRÁS result from specific credit lines for the electric sector under the same conditions applicable to other electric energy distribution companies in Brazil, Note 13.
- (b) The amounts with FASCEMAR result from loans and contributions of sponsor CEMAR to its Private Pension Foundation - FASCEMAR. The loan agreements listed in Note 13 and the conditions of CEMAR's private pension plan with FASCEMAR are described in Note 23.
- (c) The amount between subsidiary CEMAR and the Company results from contract for sharing administrative human resources and proportional apportionment of the related expenses incurred, for an indefinite period; and dividends receivable.
- (d) The amounts with Geradora de Energia do Norte S.A. ("GERAMAR") result from the electric energy purchase contract CCEAR N° 5555/2007 - 29413N - 29414N, valid until 2024 with CEMAR, under usual market conditions.
- (e) The amounts with Equatorial Soluções result from the contract for sharing administrative human resources and proportional apportionment of the related expenses incurred with CEMAR, with an indefinite term.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

8 Related parties --Continued

Management fees

The annual remuneration of the Company's Board of Directors and Executive Board members was established at R\$9,000, in the Special Shareholders' Meeting held on April 29, 2011.

Percentage of each element in total remuneration for 2011:

Board of Directors

Fixed remuneration: 100%

Executive Board

Fixed remuneration: 29%

Variable remuneration: 71%

Remuneration of Board of Directors and Executive Board paid by the Company at September 30, 2011:

2011	EQUATORIAL		Total
	Board of Directors	Executive Board	
Number of members	7	4	11
Annual Fixed Remuneration	630	834	1,464
Salary or fee	630	803	1.433
Benefits and fringe benefits	-	31	31
Variable remuneration	-	2,002	2,002
Bonus	-	2,002	2.002
Share based remuneration	-	1,100	1,100
Total remuneration by body	630	3,936	4,566

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

8 Related parties --Continued

Guarantees

The Company provides guarantee as cosignor or guarantor of subsidiary CEMAR, without burden, in the following financing agreements:

Institution	Financing amount	Surety %	Beginning	End	Amount drew down	Balance in 3Q11
3rd Public Issue Debentures	267,300	100	03/01/2007	03/01/2013	267,300	215,865
Special Agency for Industrial Financing - FINAME PSI (Simplified)	776	100	03/25/2010	10/15/2019	776	783
Special Agency for Industrial Financing - FINAME PSI (Conventional)	24,811	100	08/17/2010	04/15/2020	12,781	12,889
National Economic and Social Development Bank - BNDES (106607040004100)	28,481	100	04/10/2007	02/15/2012	28,495	3,270
National Economic and Social Development Bank - BNDES (10/473589-0)	79,663	100	03/11/2008	07/15/2013	79,751	37,016
National Economic and Social Development Bank - BNDES (10.2.1736.1)	100,000	100	12/22/2010	12/15/2013	100,000	108,449
Banco do Nordeste do Brasil – BNB	136,076	100	11/23/2005	02/28/2017	136,076	84,081
Banco do Nordeste do Brasil - BNB (193.2007.4165.2386)	9,652	100	12/06/2007	12/06/2012	9,652	3,036
Banco do Nordeste do Brasil - BNB (193.2008.2808.3018)	144,939	100	02/05/2009	02/05/2021	144,939	147,104
Studies and Projects Financing Agency – FINEP	2,637	100	06/13/2006	06/30/2013	2,637	991
International Finance Corporation – IFC *	135,056	50	02/01/2008	01/15/2016	135,056	95,958
Total	929,391				917,8463	709,442
* Exposure Limit of US\$40,000,000.00						

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

9 Investments

The main information about investments in subsidiaries is set out below:

Stated by the equity pickup method:	Subsidiaries		Consolidated	
	09/30/2011	12/31/2010	09/30/2011	12/31/2010
CEMAR	846,448	817,228	-	-
Geradora de Energia do Norte	53,880	48,519	-	-
Equatorial Soluções	287	740	-	-
Subtotal	900,615	866,487	-	-
Other investments	-	-	221	221
Subtotal	-	-	221	221
Total	900,615	866,487	221	221

a. Information about subsidiaries

	CEMAR	Geradora de Energia do Norte	Equatorial Soluções
Balances at December 31, 2010			
Ownership interest (%)	65.11%	25.00%	100.00%
Capital	374,346	139,039	370
Equity	908,052	148,752	740
Net income for the year	278,620	23,293	842
Balances at September 30, 2011			
Ownership interest (%)	65,11%	25,00%	100,00%
Capital	374.346	139.039	370
Equity	763.422	138.080	740
Net income for the year	199.171	32.120	(455)

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

	CEMAR	Geramar	Equatorial Soluções	Total
Balance at December 31, 2010	817,228	48,519	740	866,487
Additional dividends	(94,166)	(2,758)	-	(96,924)
Equity pickup	129,678	8,029	(453)	137,254
Goodwill amortization	(6,292)	-	-	(6,292)
Equity valuation adjustment	-	90	-	90
Balance at September 30, 2011	846,448	53,880	287	900,615

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10 Concession financial asset (Consolidated)

The Company recorded financial asset receivable from the Granting Authorities in connection with the unconditional right of receiving cash at the end of concession term, as contractually provided for, as indemnification for construction services rendered and not received through rendering of services related to the concession.

The indemnification will be made based on the portions of investments linked to returnable assets, not yet amortized or depreciated, which have been built in order to ensure continuity of updated concession services.

At September 30, 2011 the balances of financial assets were as follows:

	09/30/2011			12/31/2010		
	Cost	(-) Liabilities related to the concession	Net	Cost	(-) Liabilities related to the concession	Net
In operation	178,280	(157,243)	21,037	153,440	(103,031)	50,409
Total	178,280	(157,243)	21,037	153,440	(103,031)	50,409

Changes in the balance of indemnifiable asset (Concession) are set out below:

	12/31/2010	Write-offs	Capitalization	09/30/2011
Financial asset	153,440	(443)	25,283	178,280
Special liabilities	(103,031)	-	(54,212)	(157,243)
Financial asset	50,409	(443)	(28,929)	21,037

CEMAR's concession is not on an onerous basis, as such, it does not involve fixed financial liabilities and payments to be made to the granting authorities.

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11 Intangible assets

Breakdown of intangible assets is as follows:

	Weighted average annual depreciation rates (%)	09/30/2011				12/31/2010			
		Cost	Amortization	Liabilities related to the concession	Net	Cost	Amortization	Liabilities related to the concession	Net
In operation	4.00%	3,271,825	(1,047,050)	(757,997)	1,466,778	3,078,546	(939,293)	(598,618)	1,540,635
In progress	0.00%	406,598	-	(106,468)	300,130	301,897	-	(235,951)	65,946
Total		3,678,423	(1,047,050)	(864,465)	1,766,908	3,380,443	(939,293)	(834,569)	1,606,581

Intangible assets of CEMAR comprise right of use of assets related to the concession service agreement, amortizable until August 2030, in accordance with ICPC01.

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

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

a. Changes in intangible assets

	09/30/2011				
	12/31/2010	Additions	Write-offs	Capitalization	Total
In operation	3,078,546	21	(6,687)	199,945	3,271,825
(-) Amortization	(939,293)	(110,676)	2,919	-	(1,047,050)
Total in operation	2,139,253	(110,655)	(3,768)	199,945	2,224,775
In progress	301,897	329,929	-	(225,228)	406,598
	2,441,150	219,274	(3,768)	(25,283)	2,631,373
Special liabilities	(834,569)	(83,677)	-	53,781	(864,465)
	1,606,581	135,597	(3,768)	28,498	1,766,908

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12 Suppliers

	Company		Consolidated	
	09/30/2011	12/31/2010	09/30/2011	12/31/2010
Current				
Energy supply and connection charges				
CEMAR (a)	-	-	18,166	16,285
Free energy - refund to power generators				
(b)	-	-	300	234
Electric network use charge				
CEMAR (c)	144	151	66,543	58,829
Other	-	-	4,149	5,790
	144	151	89,158	81,138
Materials and services	-	-	87,282	92,909
	144	151	176,440	174,047

a. Energy supply and connection charges CEMAR

Under Decree No. 5163, dated July 30, 2004, which is part of the new legislation regulating the electric sector, CEMAR entered into new energy purchase contracts in the regulated environment, as under:

ENERGY CONTRACTS	2011	2012	2013	2014	2015	MWh (*) 2016
Product 2005/2012	2,922,632	2,930,639	-	-	-	-
Product 2006/2013	1,110,517	1,113,560	1,110,517	-	-	-
Product 2007/2014	405,307	406,418	405,307	405,307	-	-
Product 2008/2015	212,463	213,046	212,463	212,463	212,463	-
Proinfa	108,470	101,987	101,987	101,987	101,987	101,987
MCSD	97,138	95,705	20,107	2,973	-	-
New 2008/2022/2037	24,890	25,649	25,579	25,579	25,579	25,579
New 2009/2023/2038	99,694	99,967	99,694	99,694	99,694	99,587
New 2010/2024/2039	369,847	370,860	369,847	369,847	369,847	369,847
Auction A-3	219,473	222,202	219,473	219,473	219,473	222,202
Auction – Alternative sources	3,825	3,899	3,888	3,888	3,888	3,899
Auction A-3 (2007)	56,940	56,091	55,937	55,937	55,937	56,091
Auction A-3 (2008)	117,471	117,793	117,471	117,471	117,471	117,793
Auction A-5 (2006)	161,095	163,037	162,591	162,591	162,591	162,591
Auction A-5 (2007)	-	438,322	437,124	437,124	437,124	437,124
Auction Santo Antonio	-	905	81,259	206,907	310,304	310,304
Auction Jirau	-	-	68,187	127,279	178,163	212,269
Auction A-5 (2008)	-	-	453,617	454,860	453,617	454,860
Auction A-1	16,199	16,238	16,194	16,194	-	-
TOTAL - MWh	5,925,961	6,376,318	3,961,242	3,019,574	2,748,138	2,574,133

(*) Information not reviewed by independent auditors.

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12 Suppliers --Continued

b. Free Energy – Refund to Generating Companies

ANEEL approved in the Board meeting of December 15, 2009, the methodology and procedures to calculate Free Energy balance and revenue loss of generating and distribution companies after conclusion 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 calculating the final balances of revenue loss and free energy and defined the amount of refund, also calculated by the companies to be validated by ANEEL.

c. Electric network use charge CEMAR

In 1999, energy distribution concessionaires entered into with the 15 energy transmission companies and the National System Operator - ONS, a body created to conduct planning and the operation of the Brazilian electric system, the Transmission System Use Contracts (CUST), under which they must pay for the use of transmission assets, due to interconnection of all the Brazilian energy transmission system.

13 Loans and financing (Consolidated)

	09/30/2011						Total
	Current			Noncurrent			
	Principal and charges	Funding costs (*)	Subtotal	Principal and charges	Funding costs (*)	Subtotal	
Foreign currency							
National Treasury	924	-	924	7,716	-	7,716	7,230
	924	-	924	7,716	-	7,716	8,640
Local currency							
Eletrobrás	56,565		56,565	383,467		383,467	440,032
IFC	23,236	(267)	22,969	72,722	(881)	71,841	94,810
BNB	23,321	(273)	23,048	210,899	(1,366)	209,533	232,581
BNDES	64,485	(3)	64,482	84,251	(2)	84,249	148,731
FINEP	567	(5)	562	423	(3)	420	982
FINAME	870	-	870	12,802		12,802	13,672
Debt to FASCEMAR	6,263	-	6,263	15,656		15,656	21,919
ITAÚ	27,715	-	27,715	-	-	-	27,715
SAFRA	34,935	-	34,935	-	-	-	34,935
	237,957	(548)	237,409	780,220	(2,252)	777,968	1,015,377
	238,881	(548)	238,333	787,936	(2,252)	785,684	1,024,017

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13 Loans and financing (Consolidated)--Continued

	12/31/2010						Total
	Current			Noncurrent			
	Principal and charges	Funding costs (*)	Subtotal	Principal and charges	Funding costs (*)	Subtotal	
Foreign currency							
National Treasury	747	-	747	7,273	-	7,273	8,020
	<u>747</u>	<u>-</u>	<u>747</u>	<u>7,273</u>	<u>-</u>	<u>7,273</u>	<u>8,020</u>
Local currency							
Eletrobrás	46,137	-	46,137	363,377	-	363,377	409,514
IFC	26,594	(266)	26,328	93,500	(1,081)	92,419	118,747
BNB	23,405	(268)	23,137	226,552	(1,571)	224,981	248,118
BNDES	28,440	(3)	28,437	133,149	(4)	133,145	161,582
FINEP	569	(5)	564	846	(6)	840	1,404
FINAME	120	-	120	9,435	-	9,435	9,555
Debt to							
FASCEMAR	5,664	-	5,664	18,407	-	18,407	24,071
Banco ABC	7,019	-	7,019	-	-	-	7,019
ITAÚ	28,800	-	28,800	-	-	-	28,800
Votorantim	28,862	-	28,862	-	-	-	28,862
	<u>195,610</u>	<u>(542)</u>	<u>195,068</u>	<u>845,266</u>	<u>(2,662)</u>	<u>842,604</u>	<u>1,037,672</u>
	<u>196,357</u>	<u>(542)</u>	<u>195,815</u>	<u>852,539</u>	<u>(2,662)</u>	<u>849,877</u>	<u>1,045,692</u>

(*) In accordance with Resolution No. 556, dated November 12, 2008, which approved CPC 08, the Group recorded the loan raising costs as from 2008 in the income statement based on term elapsing, using the amortized cost method.

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13 Loans and financing (Consolidated)--Continued

(a) *Current and noncurrent maturity of loans, financing and debentures (including funding costs).*

The portions related to principal of loans and financing mature as follows:

	Consolidated					
	09/30/2011			12/31/2010		
	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
Total current	237,409	924	238,333	195,068	747	195,815
2012	46,121	176	46,297	170,549	493	171,042
2013	193,085	351	193,436	176,375	316	176,691
2014	123,931	176	124,107	110,854	157	111,011
2015	118,504	-	118,504	106,148	-	106,148
2016	68,229	-	68,229	72,095	-	72,095
After 2016	228,097	7,014	235,111	206,583	6,307	212,890
Total noncurrent	777,967	7,717	785,684	842,604	7,273	849,877
Total	1,015,376	8,641	1,024,017	1,037,672	8,020	1,045,692

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(In thousands of reais, except where indicated otherwise)

13 Loans and financing (Consolidated)--Continued

(b) Statement of debts

Description	Date of execution	Currency / Index	Financial charges	09/30/2011	12/31/10
STN 01	05/12/1997	US\$	LIBOR SEM.+ 0.81% p.a.	2,902	2,601
STN 02	05/12/1997	US\$	6% p.a.	4,249	3,763
STN 04	05/12/1997	US\$	8% p.a.	1,093	1,124
STN 05	05/12/1997	US\$	LIBOR SEM.+ 0.88% p.a.	397	532
Foreign currency				8,641	8,020
BNB	11/23/2005	REAL	10% p.a.	84,081	97,994
BNB II	02/05/2009	REAL	10% p.a.	147,104	147,104
BNB – NEW HEAD OFFICE	12/06/2007	REAL	10% p.a.	3,036	4,858
BNDES	04/10/2007	TJLP	TJLP + 4.8% p.a.	3,270	9,157
BNDES II	03/11/2008	TJLP	TJLP + 3.6% p.a.	37,017	52,173
BNDES PEC	12/09/2010	TJLP	TJLP + 4.91% p.a.	108,449	100,259
Eletrobrás	Sundry	RGR, FINEL and IGP-M	Sundry	440,030	409,514
Fascemar	03/20/2001	CDI	102%CDI	21,919	24,071
FINEP	06/13/2006	TJLP	TJLP + 2%p.a.	991	1,415
IFC	02/28/2008	CDI	90.9% of CDI + 1.5% p.a.	95,958	120,095
Banco do Brasil Finame	04/20/2006	TJLP	TJLP + 9,5%aa	-	41
Banco Votorantim	Sundry	REAL	4.5% p.a. and 3.00% p.a.	13,672	38,376
Banco ABC	02/10/2010	CDI	3.75% p.a.	-	7,019
Banco Itaú	09/01/2009	CDI	+2.95% p.a.	27,715	28,800
Banco Safra	Sundry	CDI	+ 2.65% p.a.	34,934	-
Total debt without funding cost				1.018.176	1,040,876
Total funding cost				(2,800)	(3,204)
Total debt with funding cost				1,024,017	1,045,692
Current				238,333	195,815
Noncurrent				785,684	849,877

Equatorial Energia S.A.

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(In thousands of reais, except where indicated otherwise)

13 Loans and financing (Consolidated)--Continued

Monitoring of covenants of loans and financing

Loans and financing raised by CEMAR have covenants and noncompliance therewith, in the computation period, entails accelerated maturity of loans. Until September 30, 2011, the Company was in compliance with covenant limits.

14 Debentures

	Consolidated					
	09/30/2011			12/31/2010		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Principal and charges	57,578	201,936	259,514	66,941	253,139	320,080
	<u>57,578</u>	<u>201,936</u>	<u>259,514</u>	<u>66,941</u>	<u>253,139</u>	<u>320,080</u>

Third issue debentures - CEMAR

Public distribution of 3rd issue debentures nonconvertible into shares of subsidiary CEMAR was concluded on March 28, 2007. The funds raised, in the amount of R\$267,300, were mainly destined to prepayment of existing more onerous debts for the subsidiary and the remaining portion was destined to the implementation of the investment program of the subsidiary. At September 30, 2011, the effective rate of this operation is of 12.14% p.a. (10.32% at December 31, 2010).

At September 30, 2011, long-term debenture represent R\$160,380, with the following maturity schedule:

<u>Maturity</u>	<u>Amount</u>
2013	160,380
Total	<u>160,380</u>

Debentures Geradora de Energia do Norte

The Fund for Amazon Development (FDA) financing, managed by SUDAM, in the total amount of R\$334,057 was raised on November 23, 2009. It is restated by reference to TJLP variation, plus 0.85% p.a. and 0.15% del credere commission, for repayment within 180 months.

The debentures have security interest and surety, are convertible into preferred or common shares, if such option is offered by SUDAM upon maturity of the semi-annual installments, limited to 15% of each scheduled installment. This financing is also secured by shareholders, pledge of power plant and CCEAR credit rights.

Equatorial Energia S.A.

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September 30, 2011

(In thousands of reais, except where indicated otherwise)

14 Debentures--Continued

At September 30, 2011, the long-term debentures issued by the jointly controlled subsidiary Geradora de Energia do Norte amount to R\$41,556 and their maturity schedule is as follows:

Maturity	Amount
2012	2,620
2013	2,620
2014	2,620
2015	2,620
2016	2,620
after 2016	28,456
Total	41,556

Covenants

Debenture issues, classified as current and noncurrent, provide for maintenance of debt and profit/interest ratios. In the quarter ended September 30, 2011, the Company and its subsidiaries met all the indices required by contract.

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15 Taxes and contributions payable

	Company		Consolidated	
	09/30/2011	12/31/2010	09/30/2011	12/31/2010
Current				
Taxes payable				
ICMS	-	-	30,554	19,554
PIS/COFINS	163	48	9,393	8,181
REFIS/PAES	-	-	1,129	1,129
Social charges and other	-	-	2,941	5,043
Other	77	59	1,444	1,443
	<u>240</u>	<u>107</u>	<u>45,461</u>	<u>35,350</u>
Income taxes				
IRRF	961	963	1,661	977
Provision for IRPJ / CSL	522	522	19,347	38,727
	<u>1,483</u>	<u>1,485</u>	<u>21,008</u>	<u>39,704</u>
Total	<u>1,723</u>	<u>1,592</u>	<u>66,469</u>	<u>75,054</u>
Noncurrent				
Taxes payable				
REFIS/PAES	-	-	38,026	83,536
Other	-	-	904	793
	-	-	<u>38,930</u>	<u>84,329</u>
Deferred tax liabilities (a)				
Deferred IRPJ and CSLL	50	50	113,536	104,577
	<u>50</u>	<u>50</u>	<u>113,536</u>	<u>104,577</u>
Total	<u>50</u>	<u>50</u>	<u>152,466</u>	<u>188,906</u>

(a) Deferred income and social contribution taxes result from temporary differences calculated at the rate of 15%, plus 10% surtax on the portion of taxable income in excess of R\$ 240 for income tax and 9% on taxable income for social contribution tax.

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September 30, 2011

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15 Taxes and contributions payable --Continued

a. Tax Recovery Program - REFIS

	<u>09/30/2011</u>	<u>12/31/2010</u>
Current liabilities	1,129	1,129
Noncurrent liabilities	<u>38,026</u>	<u>83,536</u>
	<u>39,155</u>	<u>84,665</u>

On November 28, 2009, subsidiary CEMAR formalized its adhesion to the installment payment program of article 1 of Law No. 11941/2009, which entailed mandatory and definitive waiver of the Special Installment Payment Program - PAES. On the terms of the rules applicable to the new installment payment program, the remaining balance of the consolidated debts of the PAES program was divided into 180 months. Consolidation of such debts was concluded on June 30, 2011.

The main benefits of adhesion to the new REFIS program were the reduction of interest and fines in the amount of R\$28,098, the possibility of settling the remaining interest and fine portion using tax losses, in addition to cash outlay in rates. The amount included in the REFIS program was R\$73,813. Since R\$41,424 was offset using tax losses, the effective amount that will result in future cash outlays is of R\$40,109. The referred to debt in the amount of R\$40,109 will be settled in up to 180 installments.

16 Provision for contingencies

Subsidiary CEMAR is defendant in judicial and administrative proceedings before several courts and government bodies arising in the normal course of its operations, involving tax, labor, civil and other matters.

Management of the subsidiary, based on the opinion of its legal advisors, analysis of judicial proceedings pending judgment and based on previous experience of similar labor claims, set up a provision for an amount considered sufficient to cover probable estimated losses from the proceedings pending judgment, as follows:

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16 Provision for contingencies --Continued

	09/30/2011			12/31/2010		
	Case amount	Judicial deposits	Net provision	Case amount	Judicial deposits	Net provision
Civil	34,128	14,763	19,365	31,343	9,578	21,765
Tax	112,377	109,135	3,242	94,242	88,901	5,341
Labor	27,636	18,967	8,669	27,963	14,031	13,932
Regulatory	3,593	-	3,593	3,305	-	3,305
	177,734	142,865	34,869	156,853	112,510	44,343
Current	39,106	19,578	19,528	38,137	10,693	27,444
Noncurrent	138,628	123,287	15,341	118,716	101,817	16,899
	177,734	142,865	34,869	156,853	112,510	44,343

Changes in proceedings in the period

	12/31/2010			09/30/2011		
	Beginning balance	Addition to provision	Use (1)	Reversal (2)	Updating (3)	Ending balance
Civil	31,343	16,302	(13,578)	(4,042)	4,103	34,128
Tax	94,242	13,256	7,411	(2,983)	451	112,377
Labor	27,963	7,186	(4,061)	(5,018)	1,566	27,636
Regulatory	3,305	447	(153)	(6)	-	3,593
	156,853	37,191	(10,381)	(12,049)	6,120	177,734

(1) Effective contingent expenses with judicial proceedings.

(2) Reversals in the period.

(3) Monetary restatements.

Labor

Represented by 667 labor claims filed by former employees against CEMAR, involving overtime differences, risk exposure additional, salary parity and/or salary leveling, among others and also filed by former employees of its contractors (joint liability) claiming indemnification among others.

Civil

Subsidiary CEMAR is defendant in 22,604 civil proceedings of which 18,938 are pending judgment by special courts, most of which refer to claims for damages and pain and suffering, as well as refund of amounts paid by consumers.

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16 Provision for contingencies --Continued

Civil --Continued

Most significant civil proceedings claim indemnification for accidents with the distribution network, supply failure, death for electrocution or damages resulting from termination of contracts with suppliers.

The financial statements for the quarter ended September 30, 2011 present provision of R\$34,128 (R\$31,343 at December 31, 2010).

Tax

Subsidiary CEMAR is defendant in 333 tax proceedings.

CEMAR continues monitoring the status of the rendering of accounts and indemnification proceedings filed by the municipality of São Luís against CEMAR, both arising from the covenant for collection of the former Public Lighting Charge - TIP, despite the change in the chances of loss (from probable to possible) in one of the proceedings filed by the Company with the state court of Maranhão. A final unappealable ruling was handed down on the proceeding. The other proceeding filed against the ruling on the rendering of accounts proceeding had an unfavorable outcome for subsidiary CEMAR in Maranhão state. This ruling is not definitive since the matter is still being analyzed, by the same court, through appeal requesting clarification and reconsideration of decision. In spite of this, there was no change in the expected outcome of the case, since it will still be judged by the higher court, of which case law has been in favor of the theory supported by subsidiary CEMAR. The case amount is of R\$14,242.

The financial statements for the quarter and nine month period ended September 30, 2011 present provision of R\$112,377 (R\$94,242 at December 31, 2010).

In addition to the aforementioned provisions for contingent losses, there are other contingencies assessed by management as involving possible and remote unfavorable outcome based on the evaluation by CEMAR's legal department and its outside legal advisors, in the amount of R\$80,971 and R\$17,028, respectively (at 12.31.2010 R\$74,211 and R\$16,700, respectively) for which no provision has been set up.

Subsidiary CEMAR is subject to environment preservation laws and related federal, state and municipal regulations. The Company considers that exposure to environmental risks, based on evaluation of available data and construction of applicable laws and regulations does not represent significant impact on its financial statements or the result of its operations.

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16 Provision for contingencies --Continued

Regulatory

In the period September 22, 2009 to October 3, 2009, ANEEL/SFE carried out a technical and commercial quality audit at subsidiary CEMAR, which resulted in issue of the Notice TN No. 015/2009-SFE/ANEEL and Infraction Notice No. 108/2009-SFE/ANEEL, which imposed fine of R\$1,797, provisioned in December 2009. In addition, in June/2010, CCEE started computation of penalties for frontier measurement problems of subsidiary CEMAR. Due to several difficulties related to measurement points in Presidente Dutra, CEMAR received Notices TN No. 627/2010 CCEE, TN No. 853/2010 CCEE and TN No. 1026/2010 CCEE, referring to problems in June, July and August 2010, respectively. The total amount of fines, already provisioned aggregates R\$1,284 (original amount). CEMAR filed its defense against the situation from which the penalty arose, and CCEE suspended collection of fines in order to evaluate the issue. Therefore, CEMAR is awaiting a final ruling by CCEE.

17 Research and development and energetic efficiency

	Consolidated	
	09/30/2011	12/31/2010
National Fund for Scientific and Technological Development - FNDCT	550	563
Energetic Research Company - EPE	273	282
Research and Development - P&D	13,884	11,593
Energetic Efficiency Program - PEE	19,398	31,563
	34,105	44,001
Current	10,800	15,890
Noncurrent	23,305	28,111

These refer to amounts due and not yet applied in the Electric Sector Program for Technological Research and Development - P&D by subsidiary CEMAR determined on the terms of ANEEL Regulatory Resolution No. 219, dated April 11, 2006 and in the Energetic Efficiency Program - PEE, determined on the terms of ANEEL Regulatory Resolution No. 176, dated November 28, 2005, amended by ANEEL Regulatory Resolution No. 215, dated March 28, 2006. The amounts were recorded in the subsidiary's income statement.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

18 Equity

a. Capital

Capital at September 30, 2011 amounts to R\$566,831 (R\$566,831 at December 31, 2010) of which breakdown by share type and main shareholders is as follows:

Shareholder	ON	TOTAL	%
PCP Latin America Power S/A	58,671,559	58,671,559	53.7%
Squadra Investimentos	5,725,240	5,725,240	5.2%
Minority Shareholders	44,829,873	44,829,873	41.1%
Total	109,226,672	109,226,672	100.0%

The Company is listed in BM&FBOVESPA's "Novo Mercado", having only common shares ensuring 100% "tag along" to minority shareholders in case of mergers or shareholding control transfer.

Change in shareholdings of Equatorial

On February 28, 2011, 400,347 common shares were subscribed by beneficiaries of the Third Stock Options Plan of the Company. As such, capital started to be divided into 109,226,672 common no par value registered shares.

b. Stock option plans

Information presented in this section is adjusted due to the conversion and grouping of Company shares implemented on April 7, 2008, in order to facilitate understanding thereof. On the same date, Company capital started to be divided into 105,573 thousand common shares, after conversion of one preferred share into one common share and, subsequently, grouping of three common shares into one share of the same type.

Third stock options plan

The Special Shareholders' Meeting of October 16, 2008 approved creation of the Third Stock Options Plan of Equatorial ("Third Plan"). The stock options to be offered on the terms of the plan represent 4,000 thousand shares of Equatorial. After the option is exercised by beneficiaries, said shares will be issued through Company capital increase, within the limit of authorized capital provided for by its bylaws. Further details about the plan may be obtained in the minutes of the Special Shareholders' Meeting which approved it, available on the site of the Company and that of CVM.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

18 Equity --Continued

Beneficiaries must use at least 50% (fifty percent) of the amount of profit sharing, performance bonus or any other variable annual remuneration type ("PL") to which they are entitled, net of income tax and other levied charges, on 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 capital received, related to shares held by them acquired under the stock option plan of the lots for which the option has already been granted.

Since its beginning until September 30, 2011, 3,589 thousand shares have been subscribed and 11 thousand shares were cancelled under the third plan, there remaining 400 thousand shares to be subscribed, all belonging to the 4th lot.

In summary, information related to the third purchase option plan, the only one currently in force, is set out below:

	Third plan
	(In thousands
	of shares)
Total granted plan shares	4,000
Options cancelled	(11)
Options exercised until 09/30/2011	(3,589)
Remaining balance at 09/30/2011	400

Dilution potential

Under the rules of each stock option plan, the potential issue of the remaining options would entail additional dilution for the current shareholders of Equatorial Energia S.A. equivalent to 0.4% at most.

Plan management

The stock option plans include common shares representing capital, to be managed by a committee comprising 3 members of the Company's board of directors. The Committee has power to establish applicable option granting rules, every year, through Stock Option Programs.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

19 Electric energy provision and supply - CEMAR

At September 30, 2011 and 2010, breakdown of electric energy supply, by type of consumer is as follows:

	Consolidated			
	MWh (*)		R\$	
	09/30/2011	09/30/2010	09/30/2011	09/30/2010
Residential	1,491,298	1,409,599	535,674	491,468
Industrial	331,940	315,155	100,391	93,529
Commerce, service and other	638,560	602,093	242,433	229,000
Rural	115,560	110,229	28,304	26,604
Public authorities	193,402	192,178	77,928	76,406
Public lighting	244,602	229,497	51,011	45,871
Public service	196,268	192,242	56,593	55,790
Own consumption	5,107	4,582	-	-
CCEE supply	-	-	25,408	14,780
Low income	-	-	71,550	92,830
Other	-	-	58,487	52,816
Construction revenue	-	-	329,942	286,905
Billed supply	3,216,737	3,055,575	1,577,721	1,465,999
ICMS	-	-	224,014	210,372
Unbilled supply	-	-	4,539	976
	-	-	228,553	211,348
Total	3,216,737	3,055,575	1,806,274	1,677,347

(*) Information not reviewed by independent auditors

The amount of ICMS and unbilled revenues was removed from the consumer types above.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

20 Net operating revenue

Reconciliation of gross revenue with net revenue is as follows:

	Company		Consolidated	
	09/30/2011	09/30/2010	09/30/2011	09/30/2010
Operating revenue	1,239	856	1,808,202	1,677,348
Electric energy sold	-	-	1,425,316	1,350,730
Electric energy supply	-	-	24,985	14,780
Construction revenue	-	-	329,942	286,905
Other revenues	1,239	856	27,959	24,933
Deductions from operating revenue	(177)	(122)	(429,931)	(389,294)
ICMS on electric energy sales	-	-	(224,014)	(213,419)
PIS and COFINS	(115)	(79)	(134,302)	(128,621)
Emergency capacity charge	-	-	(2,029)	-
Consumer charges	-	-	(53,301)	(41,073)
Global Reversal Reserve - RGR	-	-	(15,584)	(13,711)
ISS	(62)	(43)	(732)	(819)
Emergency capacity charge	-	-	31	13
RTE	-	-	-	8,336
Net operating revenue	1,062	734	1,378,271	1,288,054

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

21 Operating result

Breakdown of operating expenses / (revenues) by expense nature is as follows:

	Company			
	09/30/2011		09/30/2010	
	General and administrative		General and administrative	
Administrative expenses	2,228		7,320	
Personnel and management	5,666		9,629	
Other	1,071		1,386	
Financial income	(3,030)		(6,121)	
Equity pickup	(130,962)		(166,046)	
	(125,027)		(153,832)	

	Consolidated				
	09/30/2011				09/30/2010
	Cost of service	Operating expenses			
With energy	Selling (1)	General and administrative (2)		Total	
				Total	
Electric energy purchased for resale	361,075	-	-	361,074	323,361
Construction cost	329,942	-	-	329,941	286,905
Transmission system use charge	65,147	-	-	65,147	61,007
Personnel and management	17,228	14,052	32,607	63,887	69,216
Materials	3,723	207	528	4,458	5,570
Third party services	35,085	59,699	41,922	136,710	112,154
Depreciation and amortization	61,867	-	11,853	73,719	71,212
Lease and rent	1,068	1,264	377	2,707	-
Other	(2,186)	2,989	17,959	18,763	45,751
Electric energy service inspection charge	-	2,644	-	2,644	-
Provision	-	-	31,360	31,360	3,186
Financial result	-	-	-	42,154	33,557
Equity pickup a	-	-	-	6,292	(9,655)
Nonrecurring revenues and expenses	-	-	-	5,562	7,149
	872,949	80,855	136,606	1,144,418	1,009,413

(1) These refer to selling expenses and with allowance for doubtful accounts.

(2) These refer to net result of administrative expenses, with personnel and management, setting up (reversal) of provision for contingencies, depreciation and amortization and other operating expenses (revenues).

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

22 Earnings per share

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

	Consolidated	
	09/30/2011	09/30/2010
Numerator		
Net income for the period	126,089	154,000
Denominator		
Weighted average number of common shares	108,864,810	108,086,058
Basic and diluted earnings per share	1,1582	1,4248

At September 30, 2011 and 2010 there are no significant differences between basic and diluted earnings per share.

23 Private pension entity

Subsidiary CEMAR sponsors FASCEMAR, which is the Assistance and Social Security Foundation for CEMAR's employees, a not-for-profit private pension entity that aims at managing social security benefit plans.

FASCEMAR was fully restructured in 2005, thus resulting in the implementation and operation of a new Mixed Private Pension Benefit Plan I, with defined contributions, as from May 2006. Since its implementation, there was adhesion of 98% of active participants in the Defined Benefit Plan I (Plan BD I), as well as of CEMAR's employees who did not have this benefit.

Most of BD I plan participants are retirees and pensioners enjoying the benefits in April 2006.

Subsidiary CEMAR, as sponsor, pays monthly for the two plans the same total amount paid by the participants that are its employees. In the quarter ended September 30, 2011, this amount totaled R\$477 (R\$608 at December 31, 2010).

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

24 Insurance

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

:

- **EQUATORIAL:**

Risks	Policy maturity	Insurance amount
Civil liability – D & O	06.07.2012	10,000
Equatorial headquarter - RJ	04.22.2012	2,789

- **CEMAR:**

Risks	Policy maturity	Insurance amount
Nominated perils - Substations and inventories	01/01/2012	151,581
General civil liability - operations	01/01/2012	7,000
Judicial guarantee insurance	(a)	2,353
Vehicles	02/01/2012	(b)

(a) Maturity dates between February and May 2012.

(b) 72 vehicles - market value.

Subsidiary CEMAR adopts the policy of taking out insurance for assets subject to risks for amounts considered sufficient to cover any casualties, 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. The assumptions adopted, considering risk nature, are not within the scope of a special review of quarterly information, consequently were not reviewed by our independent auditors.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

25 Insurance --Continued

- **GERAMAR:**

<u>Risks</u>	<u>Policy maturity</u>	<u>Insurance amount</u>
Nominated and operating perils	12/31/2011	515,700
General risk liability	01/07/2012	5,000
Civil liability of officers and management	05/21/2012	10,000
Employee insurance	11/09/2011	1,900

The jointly-controlled subsidiary GERAMAR adopts the policy of taking out insurance cover for assets subject to risk for amounts considered sufficient to cover any casualties, considering the nature of its activities. The adopted assumptions, considering risk nature, are not within the scope of a special review of quarterly information, consequently, were not reviewed by its independent auditors.

26 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, consumers, concession assets, suppliers, loans, financing and debenture liabilities, with due adjustment in the accounting thereof, as applicable.

Management of these instruments is made through operating strategies and internal controls in order to ensure liquidity, profitability and security. The control policy involves ongoing monitoring of contractual conditions as compared to market conditions.

b. Policy on use of derivatives

Equatorial does not carry out operations with derivatives, however, use thereof is possible to provide hedge against changes in macroeconomic indices and foreign exchange rates, if necessary.

c. Fair value of financial instruments

In accordance with CVM Rule No. 475, book balances and the market values of financial instruments included in the balance sheet at September 30, 2011 and December 31, 2010 are set out below:

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments --Continued

ASSETS	Consolidated			
	09/30/2011		12/31/2010	
	Book	Market	Book	Market
Cash and cash equivalents	218,543	218,543	550,077	550,077
Consumers	480,874	480,874	455,783	455,783
Concession financial assets	21,037	21,037	50,409	50,409
	<u>720,454</u>	<u>720,454</u>	<u>1,056,269</u>	<u>1,056,269</u>
LIABILITIES	09/30/2011		12/31/2010	
	Book	Market	Book	Market
	Suppliers	176,440	176,440	174,047
Loans and financing	1,024,017	1,026,817	1,045,692	1,048,897
Debentures	259,514	259,514	320,080	320,080
	<u>1,459,971</u>	<u>1,462,771</u>	<u>1,539,819</u>	<u>1,543,024</u>

- **Cash and cash equivalents** – are classified as financial assets not measured at fair value. Book value approximates market.
- **Consumers** – these result directly from Company operations, are classified as receivables and are recorded at the original amounts, subject to the provision for losses and adjustment to present value, as applicable.
- **Concession financial assets** – these are classified as loans and receivables and are recorded for their original amounts, subject to provision for losses and adjustment to present value as applicable.
- **Suppliers** – 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.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments --Continued

d. Cash and cash equivalents

The Group's cash equivalents are highly liquid financial instruments of which book value approximates market. They comprise cash available and financial investments.

The Group maintains cash equivalents in order to meet its short term cash needs.

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

e. Risk factors - CVM Rule No. 475

For being a holding, the main risks of the Company relate to the performance of its subsidiaries and jointly controlled companies, according to CVM Rule No. 475.

The risk factors of subsidiary CEMAR are set out below:

Credit risk – The high balances as well as aging of receivables from consumers represent a risk for Company liquidity and its capital structure. Company 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 of debts 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 ruling legislation and monitors possible definitions in the concession assets return rules.

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 are part of the disclosures. Detailed information about loans raised by the Company is presented in Notes 13 and 14.

The Group has obtained funds in its commercial and financial activities, destining them mainly to its investment program and cash management for working capital and financial commitment purposes.

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments --Continued

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 monthly receipts and payment obligations along 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, as described below.

Exchange rate risk – This risk arises from the possibility of the Company to incur losses due to changes in exchange rates. CEMAR's current exposure to exchange rates is of 0.59% of its debt. CEMAR permanently monitors exchange rates and market interest rates in order to evaluate the need of derivatives to provide hedge against the risk of volatility of these rates.

A debt sensitivity analysis was carried out considering five scenarios, in accordance with CVM Rule No. 475, namely one scenario with actual rate at June 30, 2011 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% increase (Scenario III) in the considered exchange rate.

We further included two scenarios, namely 25% decrease (Scenario IV) and 50% decrease (Scenario V) in the considered exchange rate.

Exchange variation risk							R\$ 000
Operation	Risk	Probable scenario	Scenario II	Scenario III	Scenario IV	Scenario V	
Financial liabilities							
STN	USD	(1,322)	(3,482)	(5,642)	838	2,998	
Reference for financial liabilities		Rate at 09/30/2011	+ 25%	+ 50%	- 25%	- 50%	
USD/R\$		1.85	2.32	2.78	1.39	0.93	

Accelerated maturity risk - CEMAR has loan and financing contracts and debentures with covenants, which in general require maintenance of economic and financial indices at certain levels. Noncompliance with these indices may entail accelerated debt maturity. Management follows its positions, as well as projects its future indebtedness to take preventative measures in relation to the indebtedness limits mentioned in Note 13 (Loans and financing) and No. 14 (Debentures).

Equatorial Energia S.A.

Notes to quarterly information

September 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments --Continued

Cash Flow Risk or Fair Value 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 profitability of financial investments and indebtedness in local currency of the Company.

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

In accordance with CVM Rule No. 475, we considered a scenario with actual rates at September 30, 2011 (Probable Scenario) plus two scenarios with 25% increase (Scenario II) and 50% (Scenario III) in the indices.

We considered other two scenarios with 25% decrease (Scenario IV) and 50% decrease (Scenario V) in these indices.

Cash Flow Risk or Fair Value related to interest rate						R\$ 000
Operation	Risk	Probable Scenario	Scenario II	Scenario III	Scenario IV	Scenario V
Financial assets						
Short-term investments yield	CDI	29,025	36,322	43,586	21,793	14,529
Financial liabilities						
Loans, Financing and Debentures						
ECF — 2034/00	FINEL	(590)	(603)	(617)	(576)	(562)
ECF — 1510/97	FINEL	(9)	(9)	(10)	(9)	(9)
ECF — 1639/97	FINEL	(96)	(97)	(99)	(94)	(92)
ECF — 1645/97	FINEL	(20)	(20)	(20)	(20)	(19)
ECF -1960/99	IGP-M	(2,033)	(2,430)	(2,827)	(1,635)	(1,238)
ECF — 1907/99	FINEL	(11)	(11)	(12)	(11)	(11)
ECF — 1908/99	FINEL	(73)	(75)	(77)	(71)	(70)
FASCEMAR	CDI	(671)	(834)	(997)	(508)	(345)
FINEP	TJLP	(21)	(24)	(28)	(17)	(14)
BNDES I	TJLP	(111)	(123)	(135)	(100)	(88)
IFC	CDI	(2,587)	(3,226)	(3,864)	(1,949)	(1,310)
BNDES II	TJLP	(926)	(1,060)	(1,194)	(793)	(659)
BNDES PEC	TJLP	(2,832)	(3,224)	(3,616)	(2,440)	(2,048)
DEBENTURES 3rd ISSUE	CDI	(6,955)	(8,620)	(10,285)	(5,291)	(3,626)
Reference for FINANCIAL ASSETS AND LIABILITIES		Rate at 09/30/2011	+ 25%	+ 50%	- 25%	- 50%
CDI (% accum. in the quarter)		3.01	3.76	4.51	2.26	1.50
TJLP (% accum. in the quarter)		1.47	1.83	2.20	1.10	0.73
IGP-M(% accum. in the quarter)		0.97	1.21	1.46	0.73	0.49

Equatorial Energia S.A.

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September 30, 2011

(In thousands of reais, except where indicated otherwise)

26 Financial instruments --Continued

Sensitivity analysis of impact on CEMAR's net income and equity:

Sensitivity analysis of impact on net income and equity

Scenarios	Net income / loss	Equity
Probable scenario	-	-
Scenario II	1,560	1,560
Scenario III	3,089	3,089
Scenario IV	(1,501)	(1,501)
Scenario V	(3,030)	(3,030)

f. Capital management

The Company and its subsidiaries manage capital in order to maximize return for investors optimizing the indebtedness and equity levels, and seeking to achieve an efficient capital structure maintaining indebtedness and debt coverage ratios at levels optimizing return on capital for investors and ensuring liquidity for the Group.

Capital management is based on monitoring of three financial indices, establishing maximum limits that do not affect the Group's operations:

- Net debt / EBITDA
- Net debt / (net debt + equity)
- Short-term debt / total debt

Equatorial Energia S.A.

Board of Directors

Alessandro Monteiro Morgado Horta

Alexandre Gonçalves Silva

Carlos Augusto Leone Piani

Celso Fernandez Quintella

Firmino Ferreira Sampaio Neto

Gilberto Sayão da Silva

Paulo Jerônimo Bandeira de Mello Pedrosa

Fiscal Council

Effective

Felipe Sousa Bittencourt

Paulo Roberto Franceschi

Sergio Passos Ribeiro

Equatorial Energia S.A.

Executive Board

Ana Marta Horta Veloso
Executive Officer

Eduardo Haiama
Chief Finance and Investor Relations Officer

Firmino Ferreira Sampaio Neto
Chief Executive Officer

Tinn Freire Amado
Executive Officer

Geovane Ximenes de Lira
Accountant
CRC PE-012996-O-S – MA