Equatorial Energia S.A.
(Public held Company)

Independent auditors' report on the special review of the quarterly information
Quarter ended March 31, 2011

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(Public held Company)

Quarterly information

at March, 31 2011

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Rio de Janeiro, May 10, 2011 - Equatorial Energia S.A. (Bovespa: EQTL3) announces its results for the first quarter of 2011 (1Q11).

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. 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. In the service segment, Equatorial holds a 100% interest in Equatorial Soluções.

DEMAND FOR ENERGY INCREASES BY 3.9% IN 1Q11. CONSOLIDATED EBITDA TOTALS R$112.3 MILLION IN THE QUARTER.

1. Financial and Operating Highlights

- **Net operating revenues (NOR)** totaled R$413.1 million in 1Q11, 10.4% up on 1Q10, reflecting a 9.8% increase by CEMAR.
- CEMAR's **billed energy volume** totaled 998 GWh in 1Q11, 3.9% more than in 1Q10.
- First-quarter **EBITDA** totaled R$112.3 million, 2.0% down on 1Q10.
- **Net income** totaled R$34.2 million in the quarter, 10.2% less than the adjusted amount reported in the same period last year (see "Financial Performance - Consolidated" for more details).
- Equatorial's consolidated **investments** amounted to R$80.4 million in 1Q11, 3.6% up year-on-year. CEMAR's investments (excluding direct investments in the PLPT program) totaled R$42.6 million, up by 11.3%, and investments in the PLPT program stood at R$37.7 million.
- CEMAR's last-12-month **DEC** and **FEC** indices came to 21.5 hours and 12.9 times, respectively, in 1Q11, 1.7% and 10.9% down on the 1Q10 figures.
- CEMAR's last-12-month **energy losses** totaled 21.6% of required energy in 1Q11, 2.6 p.p. less than the 1Q10 ratio.

FINANCIAL DATA (R$MM)	1Q10	4Q10	1Q11	Chg.
Total Net Operating Revenue	**374.1**	**510.8**	**413.1**	*10.4%*
EBITDA	**114.6**	**129.3**	**112.3**	*-2.0%*
EBITDA Margin (% net revenues)	*30.6%*	*25.3%*	*27.2%*	*-3.4 p.p.*
Net Income	**52.5**	**35.5**	**34.2**	*-34.9%*
Profit Margin (% net revenues)	*14.0%*	*6.9%*	*8.3%*	*-5.7 p.p.*
Net Income per Share (R$ / share)	**0.50**	**0.33**	**0.31**	*-36.9%*
Investments				
CEMAR	38.3	67.3	42.6	*11.3%*
PLPT (CEMAR)	33.1	58.3	37.7	*13.9%*
Geramar	6.3	0.4	0.2	*-97.2%*
Total	77.6	126.0	80.4	*3.6%*
Net Debt	**754.3**	**758.7**	**752.8**	*-0.2%*
Net Debt / EBITDA (LTM)	**1.6**	**1.5**	**1.5**	*-0,1 x*

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2. Operating Performance

The operating information in this section is pro forma and reflects 100% of CEMAR's and 25% of Geramar's operations.

2.1 OPERATING PERFORMANCE – DISTRIBUTION – CEMAR

Energy Sales

In 1Q11, billed energy volume moved up by 3.9% over 1Q10 to 997.6 GWh, for three main reasons: (i) Maranhão's economic growth; (ii) the addition of new clients to the consumer base; and (iii) the Company's stronger efforts to fight energy losses.

Unlike in the first half of 2010, when weather conditions pushed up energy consumption in the state, in 1Q11 rainfall was more or less in line with the recent historical average, with a negligible impact on CEMAR's energy sales.

CONSUMPTION SEGMENTS (GWh)	1Q10	4Q10	1Q11	Chg.
Residential	449.4	507.0	467.7	*4.1%*
Industrial	97.3	111.3	102.1	*4.9%*
Commercial	190.4	215.5	198.1	*4.1%*
Other	222.8	259.8	229.7	*3.1%*
TOTAL	**959.9**	**1,093.6**	**997.6**	***3.9%***

Consumers	1Q10	4Q10	1Q11	Chg.
Residential	1,518,854	1,598,117	1,630,483	7.3%
Industrial	9,734	9,878	9,695	-0.4%
Commercial	118,765	123,938	124,005	4.4%
Other	83,572	90,375	90,716	8.5%
TOTAL	**1,730,925**	**1,822,308**	**1,854,899**	**7.2%**

Energy Balance

The volume of energy required by CEMAR's system came to 1,259 GWh in 1Q11, 1.4% up on 1Q10, below the period growth in energy sales thanks to the 7.7% decline in energy losses.

ENERGY BALANCE (GWh)	1Q10	4Q10	1Q11	Chg.
Required Energy	1,240	1,421	1,259	*1.4%*
Sold Energy (*)	960	1,095	999	*4.1%*
Losses	280	326	260	*-7.7%*

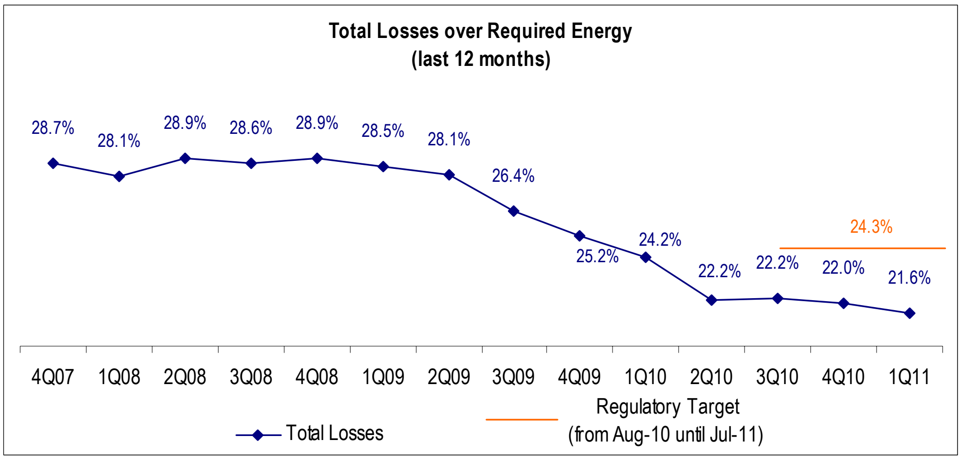
(*) Considers sale to the segments, own consumption and sales to CEPISA

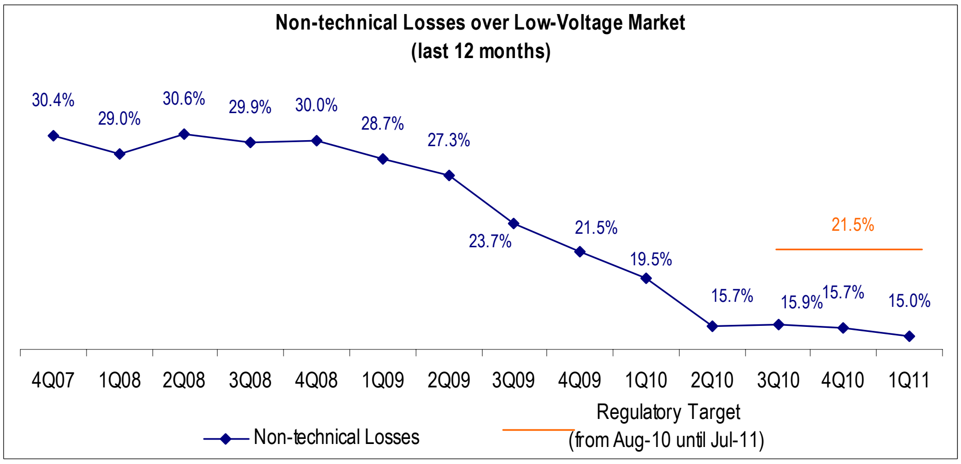
Energy Losses

In order to keep the Company's energy losses below the regulatory targets established in CEMAR's second tariff review process, the Company has stepped up its loss-combating initiatives, and several measures implemented since late 2008 have gradually produced positive results.

These measures include: i) more effective low- and high-voltage inspections, through improved target-selection procedures, such as fiscal metering, which consists in comparing the energy volume distributed by each transformer with the volume actually billed to customers connected to the same transformer; ii) the intensification of field team training; and iii) combating illegal connections and reconnections (when customers themselves reconnect supply after having been disconnected by the Company, without informing CEMAR).

Accordingly, CEMAR's energy losses for the last 12 months ended 1Q11 at 21.6% of required energy, while non-technical losses in the low-voltage market stood at 15.0%. 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.



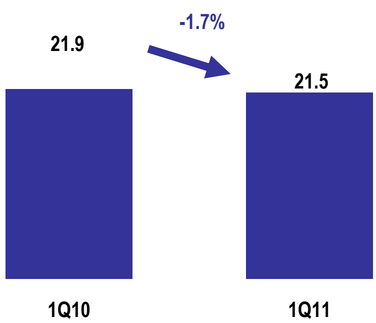


SERVICE QUALITY

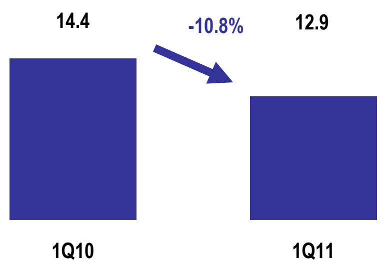
The quality and efficiency of the distribution concessionaires' networks is measured by the DEC and FEC indices. DEC refers to the equivalent length of interruptions per consumer, measured in hours per consumer for a given period, while FEC refers to the equivalent frequency of interruptions per consumer,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

At the close of 1Q11, last-12-month DEC stood at 21.5 hours, a 1.7% improvement over the 21.9 hours recorded at the close of 1Q10, while LTM FEC came to 12.9 times, a 10.8% year-on-year improvement.

DEC (hours – last 12 months)



FEC (times – last 12 months)



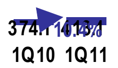
3. Financial Performance

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

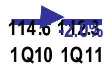
3.1 FINANCIAL PERFORMANCE – CONSOLIDATED

Consolidated Income Statement (R$MM)	1Q10	4Q10	1Q11	Chg.
Gross Operating Revenues (GOR)	497.7	652.9	544.4	*9.4%*
Net Operating Revenues (NOR)	374.1	510.8	413.1	*10.4%*
Electric Energy Cost	(189.7)	(279.8)	(218.6)	*15.3%*
Operating Costs / Expenses	(69.8)	(101.7)	(82.2)	*17.7%*
EBITDA	**114.6**	**129.3**	**112.3**	*-2.0%*
Other Operating Revenues/Expenses	(4.1)	(4.4)	(0.5)	*-86.6%*
Depreciation	(23.2)	(26.9)	(27.0)	*16.4%*
Service Income (EBIT)	87.4	97.9	84.8	*-3.0%*
Financial Result	(7.0)	(29.8)	(7.9)	*12.4%*
Operating Income	80.4	68.1	77.0	*-4.3%*
Goodwill Amortization	13.5	(1.6)	(2.1)	*-115.5%*
Earnings Before Taxes (EBT)	93.9	66.5	74.9	*-20.3%*
Income Tax / Social Contribution	(17.3)	(14.8)	(22.3)	*29.0%*
Minority Interests	(24.1)	(16.3)	(18.4)	*-23.7%*
Net Income	**52.5**	**35.5**	**34.2**	*-34.9%*

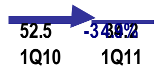
NOR (R$MM) – Quarterly



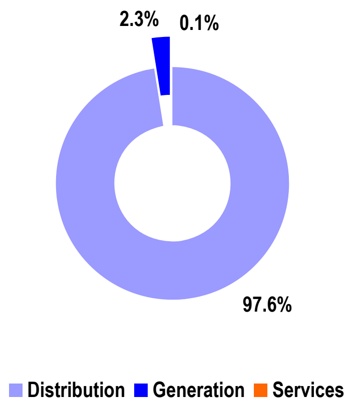
EBITDA (R$MM) - Quarterly



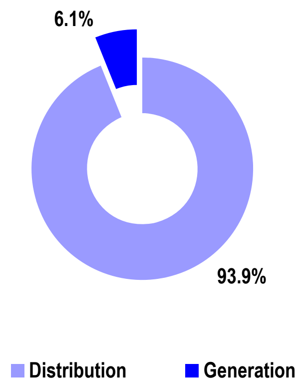
Net Income (R$MM) - Quarterly



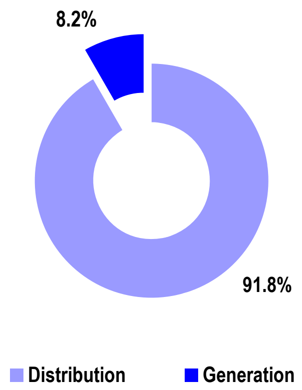
NOR per Segment* (%) – 1Q11



EBITDA per Segment* (%) – 1Q11



Net Income per Segment* (%) – 1Q11



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

3.1.1 – Operating Revenue

OPERATING REVENUE - CONSOLIDATED (R$ MM)	1Q10	4Q10	1Q11	Chg.
Gross Operating Revenue	**383.5**	**454.1**	**403.3**	***5.2%***
Residential	187.1	219.4	197.1	*5.3%*
Industrial	34.1	40.9	36.4	*7.0%*
Commercial	89.0	104.1	92.3	*3.8%*
Others	73.4	89.7	77.4	*5.5%*
Supply	**1.6**	**27.3**	**19.2**	***1121.7%***
Network Usage	**0.1**	**0.1**	**0.1**	***-24.2%***
Other Revenues	**34.2**	**43.7**	**31.7**	***-7.4%***
Low Income	30.3	30.9	24.9	*-17.8%*
Other Operating Revenues	3.9	12.9	6.8	*72.5%*
Construction Revenues	**69.3**	**115.3**	**78.4**	***13.1%***
Gross Operating Revenue - Distribution	**488.7**	**640.4**	**532.7**	***9.0%***
Generation	8.3	12.1	10.3	*N/A*
Services	0.8	0.4	1.4	*72.2%*
Gross Operating Revenue - Consolidated	**497.7**	**652.9**	**544.4**	***9.4%***
ICMS	(66.7)	(77.7)	(68.8)	*3.2%*
PIS/Cofins	(39.6)	(47.5)	(41.7)	*5.3%*
Consumer Charges	(17.3)	(16.9)	(20.7)	*19.5%*
Net Operating Revenue - Consolidated	**374.1**	**510.8**	**413.1**	*10.4%*

Consolidated net operating revenues (NOR) totaled R$413.1 million In 1Q11 (when CEMAR recognized R$78.4 million under revenue from construction), 10.4% up on the R$374.1 million recorded in 1Q10. This account is mainly impacted by the distribution segment, which accounts for 97.6% of consolidated NOR, followed by generation (2.3%) and services (0.1%). In company terms, the percentages are exactly the same, with CEMAR representing distribution, Geramar, generation, and, Equatorial Soluções, services. (For further information on NOR, see CEMAR and Geramar's Financial Performance sections).

3.1.2 – Costs and Expenses

Consolidated operating costs and expenses came to R$328.3 million in 1Q11, 14.5% more than in 1Q10. This account comprises non-manageable costs and expenses (the purchase and transportation of energy, sector charges and construction costs), which stood at R$215.1 million and increased by 15.3%, and manageable costs and expenses which climbed by 13.6% to R$87.4 million.

Operating Costs / Expenses	1Q10	4Q10	1Q11	Chg.
Non-manageable Costs	186.6	276.3	215.1	15.3%
PMSO	54.2	76.5	69.0	27.3%
Provisions and Other Operating Expenses	10.0	32.4	10.4	3.5%
Depreciation	22.4	25.9	25.8	15.3%
CEMAR	**273.2**	**411.1**	**320.3**	**17.3%**
CUST + Generation costs	3.1	2.4	2.0	-36.2%
PMSO	0.6	0.3	0.4	-41.4%
Depreciation	0.8	1.2	1.2	51.1%
Geramar	**4.5**	**3.8**	**3.5**	**-21.7%**
PMSO	0.4	0.7	0.6	60.6%
Depreciation	0.0	0.0	0.0	NA
Equatorial Soluções	**0.4**	**0.7**	**0.6**	**63.0%**
PMSO	8.6	(2.6)	3.9	-55.2%
Depreciation	0.0	(0.1)	-	N/A
Equatorial (holding)	**8.7**	**(2.7)**	**3.9**	**-55.4%**
Equatorial Consolidated	**286.7**	**412.9**	**328.3**	**14.5%**

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

3.1.3 - EBITDA

Consolidated EBITDA totaled R$112.3 million in 1Q11, 2.0% down on 1Q10.

Consolidated EBITDA (R$ million)	1Q10	4Q10	1Q11	Chg.
Service Income	87.4	97.9	84.8	*-3.0%*
Depreciation and Amortization	23.2	26.9	27.0	*16.4%*
Other Operating Revenues/Expenses	4.1	4.4	0.5	*-86.6%*
EBITDA	**114.6**	**129.3**	**112.3**	***-2.0%***
Legal Deposits - Adjustment		15.0		*N/A*
Adjusted EBITDA	**114.6**	**144.3**	**112.3**	**-2.0%**

3.1.4 – Financial Result

Financial Result (R$ MM)	1Q10	4Q10	1Q11	Chg.
Financial income	8.8	11.2	14.0	58.7%
Fine charged on energy sale	12.6	15.9	17.3	37.0%
Other financial revenues	5.4	1.5	1.3	-75.7%
Financial Revenue	**26.8**	**28.5**	**32.6**	**21.6%**
Interest on loans and financing	(20.5)	(22.0)	(23.8)	16.2%
Monetary and foreign exchange variation	(6.9)	(10.2)	(6.9)	1.0%
Other financial expenses	(6.5)	(26.1)	(9.7)	50.2%
Financial Expenses	**(33.8)**	**(58.4)**	**(40.4)**	**19.6%**
Net Financial Result	**(7.0)**	**(29.8)**	**(7.9)**	**12.3%**

In 1Q11, the consolidated financial result was an expense of R$7.9 million, versus an expense of R$7.0 million in 1Q10.

The main variations per company were:

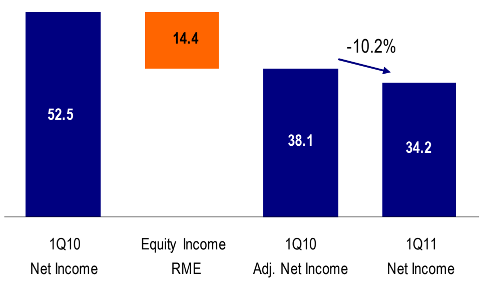
- **CEMAR:** net financial expense of R$7.4 million, versus an expense of R$6.8 million in 1Q10, a 9.2% increase. Financial expenses increased by 19.2% to R$37.5 million in 1Q11, more than offsetting the 21.9% upturn in financial revenue.
- **Geramar:** the company recognized a net financial expense of R$2.8 million as a result of the loans taken out during the construction of the plants.
- **Equatorial (holding):** positive result of R$2.2 million, basically arising from the utilization of the Company's available cash.

3.1.5 – Net Income

The Company posted 1Q11 net income of R$34.2 million, 10.2% down on the adjusted figure for 1Q10, when we excluded the recognition in Equatorial holding of R$14.4 million in equity income from RME (the controlling shareholder of Light S.A.). Until April 2010, when Light S.A. was spun off, Equatorial held an indirect interest of 13.03% in the company through its stake in RME. This interest was subsequently spun off and transferred to Redentor Energia.

In 1Q11, Equatorial's earnings per share totaled R$0.31, versus R$0.50 in the same quarter the year before.

RECONCILIATION OF ADJUSTED NET INCOME

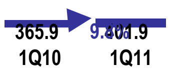


3.2 FINANCIAL PERFORMANCE – CEMAR

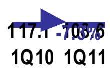
The information in this section reflects 100% of CEMAR's operations.

INCOME STATEMENT - CEMAR (R$MM)	1Q10	4Q10	1Q11	Chg.
Gross Operating Revenues (GOR)	488.7	640.4	532.5	*9.0%*
Net Operating Revenues (NOR)	365.9	499.5	401.9	*9.8%*
Electric Energy Cost	(186.6)	(277.4)	(215.3)	*15.4%*
Operating Costs / Expenses	(62.2)	(103.2)	(78.0)	*25.3%*
EBITDA	**117.1**	**118.9**	**108.6**	*-7.3%*
Other Operating Revenues/Expenses	(2.0)	(4.6)	(0.5)	*-73.3%*
Service Income (EBIT)	92.7	88.4	82.2	*-11.3%*
Financial Result	(6.8)	(29.2)	(7.4)	*9.2%*
Lucro Antes da Tributação (EBT)	86.0	59.3	74.9	*-12.9%*
Income Tax / Social Contribution	(16.9)	(12.5)	(22.1)	*31.2%*
Net Income	**69.1**	**46.8**	**52.7**	**-23.7%**

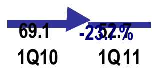
NOR (R$MM) – Quarterly



EBITDA (R$MM) - Quarterly



Net Income (R$MM) – Quarterly



3.2.1 – Operating Revenues

OPERATING REVENUE - CEMAR	1Q10	4Q10	1Q11	Chg.
Energy Sales (MWh)*	**959,921**	**1,093,568**	**997,586**	**3.9%**
Number of Clients**	**1,730,925**	**1,822,308**	**1,854,899**	**7.2%**
KWh per Client	**554.6**	**600.1**	**537.8**	**-3.0%**
Gross Operating Revenue (R$ MM)	**383.5**	**454.1**	**403.3**	**5.2%**
Residential	187.1	219.4	197.1	5.3%
Industrial	34.1	40.9	36.4	7.0%
Commercial	89.0	104.1	92.3	3.8%
Other Classes	73.4	89.7	77.4	5.5%
Supply (R$ MM)	**1.6**	**27.3**	**19.2**	**1121.7%**
Other Revenues (R$ MM)	**34.3**	**43.8**	**31.6**	**-8.0%**
Low Income	30.3	30.9	24.9	-17.8%
Network Usage	0.1	0.1	0.1	-24.2%
Other Operating Revenues	3.9	12.9	6.6	67.4%
Construction Revenues	69.3	115.3	78.4	13.1%
Deductions from Operating Revenues (R$ MM)	**(122.8)**	**(140.9)**	**(130.6)**	**6.4%**
Net Operating Revenue (R$ MM)	**365.9**	**499.5**	**401.9**	**9.8%**

* Does not consider own consumption and supply to CEPISA
** Excludes own consumption facilities

In 1Q11, gross revenue from energy sales grew by 5.2% over the same period last year, largely due to the 3.9% increase in energy sales volume. Net revenue, in turn, totaled R$401.9 million, (R$323.4 million, excluding revenue from construction) 9.8% up on 1Q10.

Due to the convergence of Brazilian accounting rules with international financial reporting standards (IFRS), in 2010 revenue from construction 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 1Q11, R$78.4 million was recognized, versus R$69.3 million in 1Q10.

3.2.2 – Costs and Expenses

In 1Q11, costs and expenses (manageable and non-manageable, excluding depreciation and amortization) totaled R$293.8 million (R$215.4 million excluding construction costs), equivalent to 73.1% of net revenues, 4.5 p.p. up on the 68.5% recorded in 1Q10.

Manageable Operating Costs and Expenses

Manageable costs and expenses, represented by personnel, materials, outsourced services and others (PMSO), excluding provisions for doubtful accounts and contingencies, as well as the CVA amortization and other costs, totaled R$67.5 million in 1Q11, 1.9 p.p. up year-on-year.

Personnel expenses came to R$19.4 million, 10.4% up on 1Q10, chiefly due to the 5.39% pay rise following the collective bargaining agreement in November 2010. In addition, as of 4Q10, profit sharing expenses were transferred to the personnel line, whereas previously they had been recorded in a specific line immediately above net income. In 1Q11, provisions for profit sharing totaled R$2.7 million.

Expenses with materials amounted to R$1.6 million, 21.9% down on 1Q10. The main items in this line were: i) the purchase of materials for electricity system operations and maintenance, totaling R$1.1 million; and ii) the purchase of fuel and lubricants for customer service team vehicles, totaling R$0.5 million.

Expenses from outsourced services moved up by 42.5% over 1Q10 to R$43.6 million, fueled by the substantial 7.2% increase in the number of clients, improvements to the quality of the distribution system and the Company's program to reduce energy losses. The main accounts composing this item were: i) standby emergency services, with technical support and electrician teams (R$6.7 million); ii) fraud-combat services, as part of the Company's loss reduction program (R$4.8 million); iii) software license maintenance (R$3.4 million); and iv) other smaller expenses, such as those from collection agents, maintenance of live lines, disconnection and metering services and the call center, among others.

In 1Q11, provisions for doubtful accounts (PDA) and losses came to R$8.5 million, or 1.9% of gross operating revenues (GOR), 0.4 p.p. up on 1Q10. Revenue from construction is deducted from gross revenue when calculating these ratios.

CEMAR reached 1,505 clients per employee in 1Q11, compared to 1,315 clients per employee in 1Q10, while PMSO per client increased by 16.2% to R$36.4.

R$ MM	1Q10	4Q10	1Q11	Chg.
Personnel	17.5	18.8	19.4	10.4%
Material	2.0	2.2	1.6	-21.9%
Third Party Services	30.6	48.0	43.6	42.5%
Others	4.1	3.1	3.0	-26.8%
PMSO	**54.2**	**72.1**	**67.5**	**24.6%**
% Net Revenues	**14.8%**	**14.4%**	**16.8%**	**1,9 p.p.**
Provisions	8.0	31.1	10.4	30.4%
PDA and Losses	5.8	10.8	8.5	46.5%
% Gross Operating Revenue	1.4%	2.1%	1.9%	0,4 p.p.
Provision for Contingencies and Other Provisions	2.2	20.4	1.9	-12.7%
Other Operating Expenses/Revenues	2.0	4.6	0.5	-73.3%
MANAGEABLE COSTS AND EXPENSES	**64.2**	**107.8**	**78.5**	**22.2%**
% Net Revenues	**17.6%**	**21.6%**	**19.5%**	**1,9 p.p.**
Electricity Purchased	95.8	140.3	112.0	16.9%
Transmission and Distribution Network Usage Charges	20.7	20.7	23.4	13.0%
Construction Costs	69.3	115.3	78.4	13.1%
Other Costs	0.7	1.1	1.5	101.8%
NON-MANAGEABLE COSTS AND EXPENSES	**186.6**	**277.4**	**215.3**	**15.4%**
% Net Revenues	**51.0%**	**55.5%**	**53.6%**	**2,5 p.p.**
TOTAL	**250.8**	**385.2**	**293.8**	**17.1%**
TOTAL (% Net Revenues)	**68.5%**	**77.1%**	**73.1%**	**4,5 p.p.**

Non-Manageable Operating Costs and Expenses

Non-manageable operating costs and expenses totaled R$215.3 million in 1Q11 (or R$136.9 million, excluding construction costs), 15.4% more than in 1Q10, chiefly due to the increase in construction costs and the upturn in purchased energy volume to meet the growth in captive market consumption. It is worth noting that the purchase and transportation of energy and sector charges are part of Parcel A of the energy tariff. Consequently, any increase is passed on to the Company via the annual tariff adjustment index (IRT), so no financial loss is incurred.

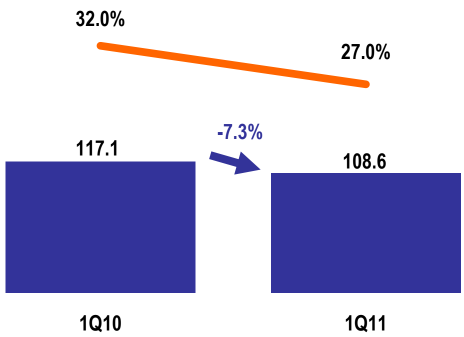
3.2.3 - EBITDA

EBITDA totaled R$108.6 million in 1Q11, 7.3% down on the R$117.1 million recorded in 1Q10.

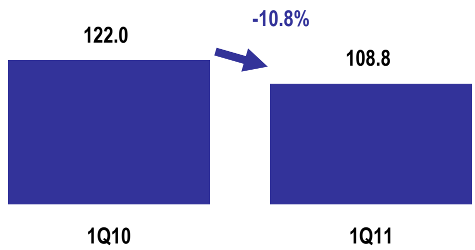
As mentioned in the previous section, since 4Q10, with the change in the accounting rules profit sharing expenses have been transferred to the personnel account under manageable costs, negatively impacting 1Q11 EBITDA by R$2.7 million.

EBITDA (R$ million)	1Q10	4Q10	1Q11	Chg.
Service Income	92.7	88.4	82.2	-11.3%
Depreciation and Amortization	22.4	25.9	25.8	15.3%
Other Operating Revenues / Expenses	2.0	4.6	0.5	-73.3%
EBITDA	**117.1**	**118.9**	**108.6**	**-7.3%**
Legal Deposits Adjustment		15.0		N/A
Adjusted EBITDA	**117.1**	**133.9**	**108.6**	**-7.3%**

EBITDA (R$MM) and EBITDA Margin: Quarterly



EBITDA (R$) per MWh: Quarterly



3.2.4 – Financial Result

In 1Q11, the net financial result was an expense of R$7.4 million, 9.2% higher than the R$6.8 million expense recorded in 1Q10. Financial expenses increased by 19.2% to R$37.5 million, more than offsetting the 21.9% growth in financial revenue.

Currently, the Company does not have any transactions involving financial derivative instruments.

Financial Result (R$ MM)	1Q10	4Q10	1Q11	Chg.
Financial income	6.7	8.8	11.5	71.6%
Fine charged on energy sale	12.6	15.9	17.3	37.0%
Other financial revenues	5.4	1.5	1.3	-124.3%
Financial Revenue	**24.7**	**26.2**	**30.1**	**21.9%**
Interest on loans and financing	(20.5)	(22.0)	(23.8)	-16.2%
Monetary and foreign exchange variation	(6.9)	(10.2)	(6.9)	-1.0%
Other financial expenses	(4.1)	(23.1)	(6.7)	-63.9%
Financial Expenses	**(31.5)**	**(55.3)**	**(37.5)**	**-19.2%**
Net Financial Result	**(6.8)**	**(29.2)**	**(7.4)**	**-9.2%**

3.2.5 – Income Tax and Social Contribution

In CEMAR, income tax and social contribution payable is positively impacted by the following items: i) a 75% tax reduction benefit on installed capacity expansion granted by SUDENE (Northeast Region Development Authority) in December 2005 and expanded in 2007 to include the upgrade of all installed capacity, effective through 2016; ii) a tax benefit related to accelerated depreciation, also granted by SUDENE, which allows investments in the expansion and modernization of the distribution network to be fully considered as a tax-deductible expense, effective between 2006 and 2013; and iii) the offsetting of tax loss carryforwards. It is worth mentioning that the first and second items refer to income tax only, while the third item refers both to income tax and social contribution.

Breakdown of Income Tax and Social Contribution Effective Rates

Income Tax / Social Contribution (R$MM)	1Q10	4Q10	1Q11
EBT	**86.0**	**59.3**	**74.9**
Income Tax / Social Contribution Expenses	16.9	12.5	22.1
(-) Deferred Tax Assets	(10.1)	(3.7)	(16.4)
= Tax Payable	**6.8**	**8.8**	**5.8**
(+) Fiscal Credits	(1.6)	-	-
= Tax - Cash Basis (2)	**5.2**	**8.8**	**5.8**
Effective Tax Rate = (2) / (1)	**-6.0%**	**-14.8%**	**-7.7%**

In 1Q11, income tax and social contribution represented an expense of R$22.1 million. Considering the utilization of deferred tax assets, CEMAR paid R$5.8 million in these taxes, corresponding to an effective rate of 7.7%.

3.2.6 – Net Income

CEMAR posted 1Q11 net income of R$52.7 million, 23.7% down on the R$69.1 million reported in 1Q10.

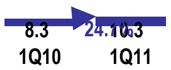
Earnings per share totaled R$0.32 per share, 23.7% less than the R$0.42 recorded in 1Q10.

3.3 FINANCIAL PERFORMANCE - Geramar

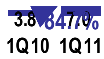
The information in this section reflects 25.0% of Geramar's operations.

INCOME STATEMENT - GENERATION (R$MM)	1Q10	4Q10	1Q11	Chg.
Gross Operating Revenues (GOR)	8.3	12.1	10.3	*24.7%*
Net Operating Revenues (NOR)	7.5	11.0	9.4	*24.7%*
Electric Energy Cost	(3.1)	(2.4)	(2.0)	*-36.2%*
Operating Costs / Expenses	(0.6)	(0.3)	(0.4)	*-41.4%*
EBITDA	**3.8**	**8.3**	**7.0**	*84.7%*
Depreciation	(0.8)	(1.2)	(1.2)	*51.1%*
Service Income (EBIT)	3.0	7.1	5.9	*93.3%*
Financial Result	(2.3)	(2.9)	(2.8)	*22.2%*
Earnings Before Taxes (EBT)	0.7	4.2	3.1	*314.9%*
Income Tax / Social Contribution	(0.1)	(2.3)	(0.0)	*-93.4%*
Net Income	**0.6**	**1.9**	**3.0**	*389.3%*

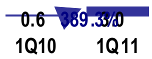
NOR (R$MM) – Quarterly*



EBITDA (R$MM) – Quarterly*



Net Income (R$MM) – Quarterly*



3.3.1 – Operating Revenues

In 1Q11, NOR totaled R$10.3 million, resulting entirely from fixed revenues from plant availability, as no dispatch was requested by the National System Operator (ONS) during the quarter. The year-on-year upturn was due to the fact that the plants first became available for generation in 1Q10, while in 1Q11 they were available during the entire period. Another reason is the Fixed Revenue inflation readjustment (IPCA index), which took place at last November.

3.3.2 – Costs and Expenses

In 1Q11, the total costs incurred by the plants amounted to R$3.5 million, comprising costs related to the use of the transmission system (CUST), generation costs (purchase of fuel and plant operation and maintenance, among others) and, to a lesser extent, costs related to personnel, materials, outsourced services and others (PMSO).

Operating Costs / Expenses	1Q10	4Q10	1Q11	Chg.
CUST + Generation costs	3.1	2.4	2.0	-36.2%
PMSO	0.6	0.3	0.4	-41.4%
Depreciation	0.8	1.2	1.2	51.1%
Geramar	**4.5**	**3.8**	**3.5**	**-21.7%**

3.3.3 - EBITDA

Geramar's EBITDA totaled R$7.0 million in 1Q11, an improvement over 1Q10, for the same reasons as the upturn in NOR.

3.3.4 – Financial Result

The 1Q11 financial result was a net expense of R$2.8 million, arising from interest on loans taken out to finance the construction of the plants.

3.3.5 – Net Income

Geramar posted 1Q11 net income of R$3.0 million.

4. Debt

Equatorial closed the first quarter with consolidated gross debt (including charges) of R$1,308.5 million, 4.2% down on the R$1,365.8 million recorded at the close of the previous quarter.

In December 2010, only 0.6% of Equatorial's consolidated gross debt, corresponding to R$7.9 million, was denominated in foreign currency (mostly U.S. dollars). Thanks to their low exchange exposure, neither CEMAR nor Equatorial has any hedge protection against the devaluation of the Real against other currencies.

Gross Debt (100% CEMAR + 25% Geramar)[1]

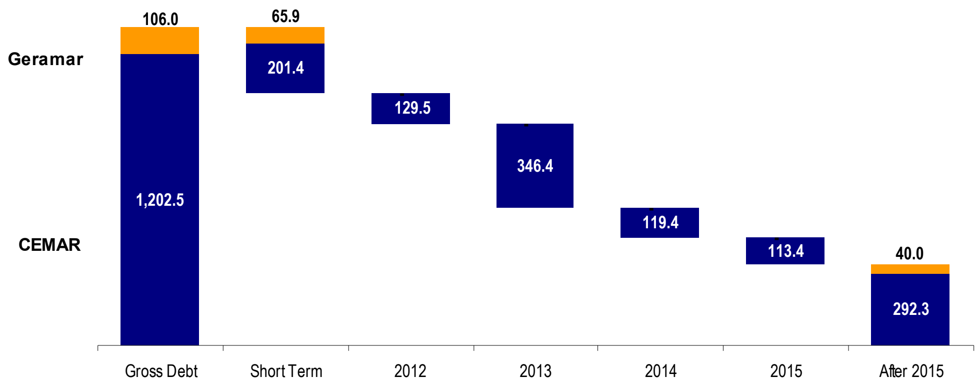
Index	Average Charges (p.a.)	Average Due Date (month/year)	Average Period (years)	Part. (%)
Foreign Currency				
Libor	1.4%	mar-22	11.2	0.2%
Fixed (US$)	6.5%	dec-21	11.0	0.4%
TOTAL (CEMAR)	**4.5%**		**11.1**	**0.6%**
Domestic Currency				
CEMAR	**10.0%**		**6.3**	**91.3%**
IGP-M	14.9%	dec-23	13.0	12.3%
TJLP	10.5%	sep-13	2.6	12.1%
Fixed (R$)	8.3%	jun-19	8.4	19.3%
RGR	6.5%	nov-17	6.8	18.1%
FINEL(**)	11.9%	dec-15	4.9	3.1%
CDI	11.0%	mar-14	3.1	26.3%
GERAMAR	**10.7%**		**5.6**	**8.1%**
CDI	13.3%	apr-11	0.1	58.5%
TJLP	7.0%	sep-24	13.4	41.5%
TOTAL	**10.1%**		**6.2**	**99.4%**
TOTAL	**10.1%**		**6.3**	**100.0%**

(*) Considering 100% of CEMAR

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

Maturity	CEMAR	Geramar	Consolidated	% of Total
Short Term	201.4	65.9	267.3	20.4%
Long Term	**1,001.1**	**40.0**	**1,041.2**	**79.6%**
2012	129.5	-	129.5	9.9%
2013	346.4	-	346.4	26.5%
2014	119.4	-	119.4	9.1%
2015	113.4	-	113.4	8.7%
After 2015	292.3	40.0	332.4	25.4%
Gross Debt	**1,202.5**	**106.0**	**1,308.5**	**100.0%**
Cash	418.2	6.1	424.3	
Cash - Holding			81.0	
Cash - Equatorial Soluções			6.6	
Net Reg. Assets	43.9		43.9	
Net Debt	**740.4**	**99.9**	**752.7**	

Gross Debt Maturity Schedule
(R$ million)

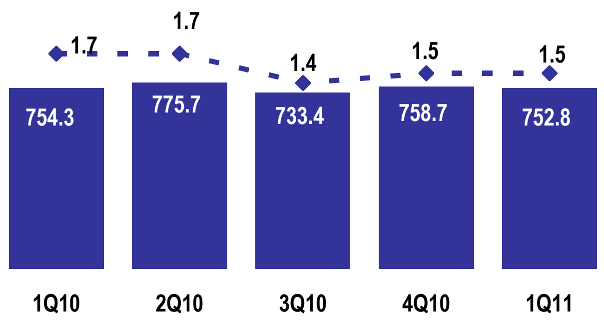


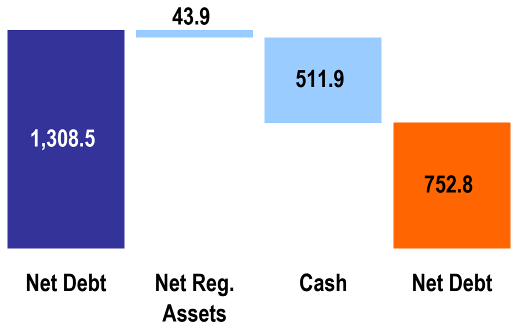
Net debt, including cash and cash equivalents and net regulatory assets, totaled R$752.8 million in 1Q11, slightly lower than the R$758.7 million reported at the close of 4Q10, while the last-12-month net debt/EBITDA remained flat at 1.5x.

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

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

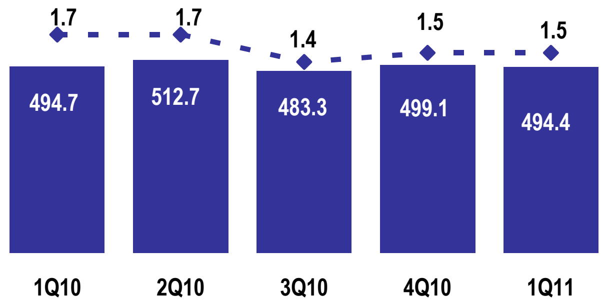
[1] For more details, see Annex 4 – Indebtedness.



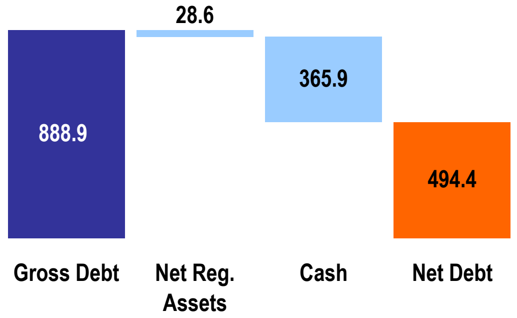


Consolidated net debt, adjusted by Equatorial's interest in CEMAR (65.11%) and Geramar (25%), totaled R$494.4 million at the close of March, representing a last-12-month consolidated net debt/EBITDA ratio of 1.5x.

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)



5. Investments

The period investment information reflects 100% of CEMAR's figures and 25% of Geramar's.

INVESTMENTS (R$MM)	1Q10	4Q10	1Q11	Chg.
CEMAR				
Own (*)	38.3	67.3	42.6	*11.3%*
Light For All Program	33.1	58.3	37.7	*13.9%*
Total	**71.4**	**125.6**	**80.3**	***12.5%***
Geramar				
Generation	6.3	0.4	0.2	*-97.2%*
TOTAL	**77.6**	**126.0**	**80.4**	**3.6%**

(*) Including indirect Light For All Program investments

5.1 - CEMAR

CEMAR invested R$42.6 million in 1Q11, excluding direct investments related to the PLPT, 11.3% up on 1Q10. Of this total, R$21.6 million was allocated to the expansion of the distribution network in Maranhão, R$11.9 million to maintenance of the existing network and the remaining R$9.0 million to equipment, systems and others.

Investments in the PLPT

At the close of 1Q11, 284,000 clients were connected to CEMAR's distribution network through the PLPT, directly benefiting almost 1.4 million people in the state of Maranhão. The PLPT is already present in all of Maranhão's municipalities, contributing to the development of areas isolated from the urban centers and generating wealth in these localities. In 1Q11, direct investments in the program, which include expenses with materials, freight and outsourced services, totaled R$37.7 million, 13.9% up on 1Q10.

5.2 – Geramar

Investments in 1Q11 essentially refer to plant maintenance, given that construction was concluded in 1Q10.

6. Capital Market

Equatorial Energia's shares closed 1Q11 at R$12.71, 11.5% up on the R$11.40 recorded at the end of 4Q10.

Daily traded volume averaged R$1.7 million in the 60 trading sessions ended March 31, 2011. The Company's shares are listed in the BM&FBOVESPA's Novo Mercado trading segment and in the IEE, ITAG and IGC indices.

7. 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 the country's future generation needs.

8. Services Provided by the Independent Auditors

The Company has not hired KPMG Auditores Independentes, its external auditors, for any other services beyond the independent audit and those services required by ANEEL. The Company's hiring 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, nor 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.

9. Disclosure Calendar

Conference Call in English
Thursday, May 12, 2011
12:00 pm (Brasília time)
11:00 am (New York time)
Telephone: +1 (412) 317-6776
Code: Equatorial
Replay: +1 (412) 317-0088
Replay code: 450739#

Conference Call in Portuguese
Thursday, May 12, 2011
2:00 pm (Brasília time)
1:00 pm (New York time)
Telephone: +0 XX (11) 3301-3000
Code: Equatorial
Replay: +0 XX (11) 3127-4999
Replay code: 95356835

- Participants should connect up 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

- **Eduardo Haiama**
  CFO and IRO
- **Thomas Newlands**
  Investor Relations Analyst
- **Telephones**: + 0 XX (21) 3206-6635
- **E-mail**: ri@equatorialenergia.com.br
- **Website**: www.equatorialenergia.com.br/ri

Additional Information on 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 our 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.

Since they refer to future events and are therefore dependent on circumstances which 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.

To assure comparability between periods, the financial information for 1Q10 is presented on a pro-forma basis, excluding the interest held by Equatorial in Light, pursuant to the spin-off on April 29, 2010.

ANNEX 1 – CONSOLIDATED INCOME STATEMENT (R$ MM)

INCOME STATEMENT (R$ MM)	1Q10	4Q10	1Q11
GROSS OPERATING REVENUES	**497.7**	**652.9**	**544.4**
Electricity Sales to Final Consumer	422.1	505.9	438.8
Electricity Supply	1.6	27.3	19.2
Construction Revenues	69.3	115.3	78.4
Other Revenues	9.5	13.2	15.9
DEDUCTIONS FROM OPERATING REVENUES	**(123.6)**	**(142.1)**	**(131.2)**
NET OPERATING REVENUES	**374.1**	**510.8**	**413.1**
ELECTRICITY COSTS	**(189.7)**	**(279.8)**	**(218.6)**
Electricity Purchased for Resale	(98.6)	(142.2)	(115.1)
Transmission and Distribution Network Usage Charges	(21.1)	(21.2)	(23.7)
Construction Costs	(69.3)	(115.3)	(78.4)
Other non-manageable expenses	(0.7)	(1.1)	(1.5)
OPERATING COSTS/EXPENSES	**(69.8)**	**(101.7)**	**(82.2)**
Personnel	(25.1)	(20.8)	(23.0)
Material	(2.0)	(2.1)	(1.6)
Services	(31.5)	(43.8)	(44.3)
Provisions	(8.0)	(31.1)	(10.4)
Others	(3.1)	(3.8)	(2.9)
EBITDA	**114.6**	**129.3**	**112.3**
Other Operating Revenue/Expenses	(4.1)	(4.4)	(0.5)
Depreciation and Amortization	(23.2)	(26.9)	(27.0)
SERVICE INCOME	**87.4**	**97.9**	**84.8**
EQUITY INCOME	**13.5**	**(1.6)**	**(2.1)**
Equity Income	14.4	0.0	-
Goodwill Amortization	(0.9)	(1.6)	(2.1)
FINANCIAL INCOME	**(7.0)**	**(29.8)**	**(7.9)**
Financial Revenue	26.8	28.5	32.7
Financial Expenses	(33.8)	(58.4)	(40.5)
RESULT BEFORE INCOME TAX	**93.9**	**66.5**	**74.9**
Social Contribution	(6.9)	(9.7)	(5.8)
Income Tax	(10.9)	(3.9)	(9.6)
Deferred Taxes	(10.1)	(3.8)	(16.4)
SUDENE Incentive	10.6	2.7	9.5
MINORITY INTERESTS	**(24.1)**	**(16.3)**	**(18.4)**
NET INCOME	**52.5**	**35.5**	**34.2**

ANNEX 2 – IFRS ADJUSTMENTS IN CEMAR (R$ MILLION)

Below, we highlight the effects of the IFRS adoption in **CEMAR** 1Q10 and 1Q11 results:

- R$78.4 million are accounted relating to the **Construction Revenue** in the 1Q11 Gross Revenue. This value is totally offset, since the same amount is accounted as Construction Cost in the Non-manageable Expenses, affecting NOR, but neutral to EBITDA and Net Income.
- The **Regulatory Assets write-off** positively affect the NOR by R$17.6 million, the EBITDA by R$18.3 million and R$19.1 million in the Net Income in the 1Q11.
- Costs relating to the **Profit Sharing** (R$2.7 million in 1Q11) are transfered to the Personnel account, negatively affecting EBITDA, but with zero effect on NOR and Net Income.

INCOME STATEMENT (R$ thousand)	1T10 Original	Adjust.	1T10 IFRS	1T11 Original	Adjust.	1T11 IFRS
GROSS OPERATING REVENUES	**390,240**	**98,435**	**488,675**	**437,322**	**95,177**	**532,499**
Electricity Sales to Final Consumer	384,722	29,111	413,833	413,528	16,744	430,272
Electricity Supply	1,574		1,574	19,230		19,230
Emergency Capacity Charge	7		7	(2,029)		(2,029)
Construction Revenues	-	69,324	69,324	-	78,433	78,433
Other Revenues	3,937		3,937	6,593		6,593
DEDUCTIONS FROM OPERATING REVENUES	**(122,731)**	**(32)**	**(122,763)**	**(131,522)**	**875**	**(130,647)**
NET OPERATING REVENUES	**267,509**	**98,403**	**365,912**	**305,799**	**96,052**	**401,851**
ELECTRICITY COSTS	**(119,195)**	**(67,388)**	**(186,583)**	**(137,591)**	**(77,744)**	**(215,335)**
Electricity Purchased for Resale	(97,725)	1,936	(95,789)	(112,678)	689	(111,989)
Transmission and Distribution Network Usage Charges	(20,740)		(20,740)	(23,441)		(23,441)
Construction Costs	-	(69,324)	(69,324)	-	(78,433)	(78,433)
Other non-manageable expenses	(729)		(729)	(1,472)		(1,472)
OPERATING COSTS/EXPENSES	**(59,540)**	**(2,676)**	**(62,216)**	**(75,273)**	**(2,685)**	**(77,958)**
Personnel	(14,872)	(2,676)	(17,548)	(16,690)	(2,685)	(19,375)
Material	(1,988)		(1,988)	(1,554)		(1,554)
Services	(30,612)		(30,612)	(43,615)		(43,615)
Provisions	(8,014)		(8,014)	(10,446)		(10,446)
Others	(4,054)		(4,054)	(2,968)		(2,968)
EBITDA	**88,774**	**28,339**	**117,113**	**92,935**	**15,623**	**108,558**
Other Operating Revenue/Expenses	(2,024)		(2,024)	(541)		(541)
Depreciation and Amortization	(22,352)		(22,352)	(25,772)		(25,772)
SERVICE INCOME	**64,399**	**28,339**	**92,738**	**66,622**	**15,623**	**82,245**
FINANCIAL INCOME	**(6,424)**	**(337)**	**(6,761)**	**(8,207)**	**822**	**(7,385)**
Financial Revenue	24,693		24,693	30,097		30,097
Financial Expenses	(31,117)	(337)	(31,454)	(38,305)	822	(37,483)
RESULT BEFORE INCOME TAX	**57,975**		**85,977**	**58,414**	**16,445**	**74,859**
Social Contribution	(6,752)		(6,752)	(5,780)		(5,780)
Income Tax	(10,562)		(10,562)	(9,486)		(9,486)
Deferred Taxes	315	(10,431)	(10,116)	(16,354)		(16,354)
SUDENE Incentive	10,562		10,562	9,486		9,486
PROFIT SHARING	**(2,676)**	**2,676**	**-**	**(2,685)**	**2,685**	**-**
NET INCOME	**48,862**	**(7,755)**	**69,109**	**33,595**	**19,130**	**52,725**

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 Equatorial's consolidated result reflects its real stake of 65.11% in Cemar.

INCOME STATEMENT PER COMPANY (R$MM)	Equatorial Holding	Geramar 25%	Equatorial Soluções 100%	CEMAR 100%	Eliminations	Equatorial Consolidated
GROSS OPERATING REVENUES	**0.8**	**10.3**	**0.6**	**532.7**	**-**	**544.4**
Electricity Sales to Final Consumer	-	10.3	-	428.5	-	438.8
Electricity Supply	-	-	-	19.2	-	19.2
Emergency Capacity Charge	-	-	-	-	-	-
Construction Revenues	-	-	-	78.4	-	78.4
Other Revenues	0.8	-	0.6	6.6	-	8.0
DEDUCTIONS FROM OPERATING REVENUES	**(0.1)**	**(1.0)**	**(0.0)**	**(130.1)**	**-**	**(131.2)**
NET OPERATING REVENUES	**0.7**	**9.4**	**0.5**	**402.6**	**-**	**413.1**
ELECTRICITY COSTS	**-**	**(2.0)**	**-**	**(216.6)**	**-**	**(218.6)**
Electricity Purchased for Resale	-	(1.8)	-	(113.3)	-	(115.1)
Transmission and Distribution Network Usage Charges	-	(0.2)	-	(23.4)	-	(23.7)
Construction Costs	-	-	-	(78.4)	-	(78.4)
Other Non-Manageable Expenses				(1.5)		(1.5)
OPERATING COSTS/EXPENSES	**(3.9)**	**(0.4)**	**(0.6)**	**(77.3)**	**-**	**(82.2)**
Personnel	(3.2)	(0.0)	(0.4)	(19.4)	-	(23.0)
Material	(0.0)	-	(0.0)	(1.6)	-	(1.6)
Services	(0.4)	(0.1)	(0.2)	(43.6)	-	(44.3)
Provisions	-	-	-	(10.4)	-	(10.4)
Others	(0.3)	(0.2)	(0.0)	(2.4)	-	(2.9)
EBITDA	**(3.2)**	**7.0**	**(0.1)**	**108.6**	**-**	**112.3**
Other Operating Revenue/Expenses				(0.5)		(0.5)
Depreciation and Amortization	-	(1.2)	(0.0)	(25.8)	-	(27.0)
SERVICE INCOME	**(3.2)**	**5.9**	**(0.1)**	**82.3**	**-**	**84.8**
EQUITY INCOME	**35.3**	**-**	**-**	**-**	**(37.4)**	**(2.1)**
Equity Income	37.4	-	-	-	(37.4)	-
Goodwill Amortization	(2.1)	-	-	-	-	(2.1)
FINANCIAL INCOME	**2.2**	**(2.8)**	**0.2**	**(7.4)**	**-**	**(7.9)**
Financial Revenue	2.2	0.1	0.2	30.2	-	32.7
Financial Expenses	(0.0)	(2.9)	0.0	(37.6)	-	(40.5)
RESULT BEFORE INCOME TAX	**34.2**	**3.1**	**0.1**	**74.9**	**(37.4)**	**74.9**
Social Contribution	(0.0)	-	(0.0)	(5.8)	-	(5.8)
Income Tax	(0.1)	-	(0.1)	(9.5)	-	(9.6)
Deferred Taxes	-	(0.0)	-	(16.4)	-	(16.4)
SUDENE Incentive	-	-	-	9.5	-	9.5
MINORITY INTERESTS	**-**	**-**	**-**	**-**	**(18.4)**	**(18.4)**
NET INCOME	**34.2**	**3.0**	**(0.0)**	**52.7**	**(55.8)**	**34.2**

ANNEX 4 – BALANCE SHEET (R$ MM)

ASSETS (R$ MM)	1Q10	2Q10	3Q10	4Q10	1Q11
CURRENT	**971.0**	**988.8**	**992.8**	**1,132.6**	**1,115.2**
Cash and Cash Equivalents	523.4	490.8	444.7	550.1	511.9
Consumers and Resellers	341.8	374.7	400.7	410.0	406.3
Inventory	5.8	5.6	5.5	8.0	8.0
Taxes Recoverable	50.1	58.3	70.3	85.4	95.9
Low Income	22.5	23.4	24.9	17.4	23.5
Other Accounts Receivable	27.3	36.1	46.7	61.8	69.6
LONG TERM ASSETS	**477.4**	**475.2**	**479.9**	**513.1**	**391.3**
Consumers and Resellers	69.3	61.8	58.6	58.2	60.5
Taxes Recoverable	120.0	124.4	133.1	140.3	45.6
Deferred Taxes - Income Tax / Social Contribution	245.7	246.1	246.1	255.8	242.2
Indemnifiable Financial Asset	33.4	33.4	33.4	50.4	22.6
Other Accounts Receivable	8.9	9.4	8.7	8.4	20.4
FIXED ASSETS	**1,338.8**	**1,360.7**	**1,456.3**	**1,511.3**	**1,771.5**
Investments	0.2	0.2	0.2	0.2	0.2
Goodwill	1,338.6	1,360.5	1,456.1	1,511.1	1,771.3
TOTAL ASSETS	**2,787.2**	**2,824.7**	**2,929.1**	**3,157.0**	**3,278.0**

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ MM)	1T10	2T10	3T10	4T10	1T11
CURRENT	**604.4**	**535.0**	**583.4**	**685.5**	**657.5**
Suppliers	116.1	150.2	174.8	174.0	144.8
Salaries	7.4	8.8	9.9	7.7	11.8
Dividends / Interest on Equity	70.5	0.4	0.4	56.7	61.2
Taxes and Social Contribution	48.7	49.3	65.8	75.1	79.0
Loans and Financing	238.6	192.1	188.7	195.8	208.0
Debentures	55.5	61.8	55.7	66.9	59.4
Public Lighting	15.5	14.6	13.2	13.5	13.3
Provision for Contingencies	2.5	1.6	2.7	27.4	26.2
Others	49.6	56.3	72.2	68.4	53.8
LONG TERM LIABILITIES	**1,293.4**	**1,299.0**	**1,301.3**	**1,433.9**	**1,295.7**
Taxes and Social Contribution	226.6	235.2	263.0	283.2	194.8
Debentures	256.6	257.4	258.1	253.1	200.4
Loans and Financing	787.0	784.6	757.6	849.9	840.8
Provision for Contingencies	2.6	1.2	2.0	14.7	26.9
Others	20.6	20.6	20.5	33.0	32.8
MINORITY INTERESTS	**18.5**	**47.8**	**58.1**	**83.9**	**335.2**
SHAREHOLDERS EQUITY	**870.8**	**942.9**	**986.3**	**953.8**	**989.6**
Capital Stock	552.4	566.8	566.8	566.8	566.8
Profit Reserves	280.3	280.4	280.4	414.0	429.8
Retained Earnings/Accumulated Deficit	38.1	95.7	139.0	(27.1)	(7.0)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**2,787.2**	**2,824.7**	**2,929.1**	**3,157.0**	**3,278.0**

ANNEX 5 – INDEBTEDNESS

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

LOANS AND FINANCING LINES (R$ MM)	1Q10				1Q11			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	**199**	**718**	**8,515**	**9,432**	**165**	**653**	**7,099**	**7,917**
National Treasury	199	718	8,515	**9,432**	165	653	7,099	**7,917**
Others	-	-	-	**-**	-	-	-	**-**
DOMESTIC CURRENCY	**5,993**	**231,726**	**821,221**	**1,058,940**	**8,715**	**203,958**	**872,093**	**1,084,767**
Eletrobrás	-	45,286	367,782	**413,068**	-	51,809	387,170	**438,979**
Financial Institutions	5,993	181,308	432,913	**620,214**	8,715	146,278	467,311	**622,305**
Debt with Pension Fund	-	5,132	20,526	**25,658**	-	5,871	17,612	**23,483**
SUB TOTAL - LOANS AND FINANCING	**6,192**	**232,444**	**829,736**	**1,068,372**	**8,880**	**204,611**	**879,192**	**1,092,684**
Debentures	-	55,508	213,840	**269,348**	1,979	53,460	160,380	**215,819**
DEBT TOTAL	**6,192**	**287,952**	**1,043,576**	**1,337,720**	**10,859**	**258,071**	**1,039,572**	**1,308,503**

S.T. = Short Term / L.T. = Long Term

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

LOANS AND FINANCING LINES (R$ MM)	1Q10				1Q11			
	S. T. - Charges	S. T. - Principal	L. T.	Total	S. T. - Charges	S. T. - Principal	L. T.	Total
FOREIGN CURRENCY	**130**	**467**	**5,544**	**6,141**	**107**	**425**	**4,622**	**5,155**
National Treasury	130	467	5,544	**6,141**	107	425	4,622	**5,155**
Others	-	-	-	**-**	-	-	-	**-**
DOMESTIC CURRENCY	**4,197**	**188,447**	**549,611**	**742,255**	**6,743**	**155,291**	**581,218**	**743,252**
Eletrobrás	-	29,485	239,458	**268,943**	-	33,732	252,081	**285,814**
Financial Institutions	4,197	155,621	296,788	**456,606**	6,743	117,736	317,670	**442,149**
Debt with Pension Fund	-	3,341	13,364	**16,706**	-	3,823	11,467	**15,289**
SUB TOTAL - LOANS AND FINANCING	**4,327**	**188,915**	**555,155**	**748,396**	**6,850**	**155,716**	**585,840**	**748,406**
Debentures	-	36,141	139,228	**175,369**	1,289	34,807	104,421	**140,517**
DEBT TOTAL	**4,327**	**225,055**	**694,383**	**923,765**	**8,139**	**190,523**	**690,261**	**888,923**

S.T. = Short Term / L.T. = Long Term

ANNEX 6 – CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW (R$MM)	1Q10	2Q10	3Q10	4Q10	1Q11
Cash and Cash Equivalents - Initial Balance	440.5	523.4	490.8	444.7	550.1
CF from Operating Activities					
Net Income	52.7	58.0	43.1	35.4	34.2
(+) Non Cash Expenses	72.3	61.2	10.7	81.7	63.9
Changes in Assets	343.1	(34.3)	(117.9)	(2.6)	(40.2)
Changes in Liabilities	(129.6)	93.6	180.1	42.1	(9.6)
(=) Cash Flow from Operating Activities	**338.5**	**178.4**	**116.0**	**156.6**	**48.4**
CF from Investments					
Fixed Assets	(76.6)	(99.3)	(127.0)	(62.6)	(106.6)
Others	3.7	(2.0)	4.6	(41.0)	27.5
(=) Cash Flow from Investments	**(72.9)**	**(101.3)**	**(122.4)**	**(103.6)**	**(79.1)**
CF from Financing					
Atividades de Financiamento Próprias					
Loans and Financing	*110.6*	*4.8*	*(39.8)*	*97.4*	*(9.5)*
Dividends	-	*(129.0)*	*(0.0)*	-	*(0.0)*
Capital Increase	*(293.4)*	*14.5*	*0.1*	*(45.1)*	*2.0*
Subsidies	-	-	-	-	-
(=) Cash Flow from Financing	**(182.8)**	**(109.7)**	**(39.7)**	**52.3**	**(7.5)**
(=) Quarterly Cash Flow	**82.9**	**(32.6)**	**(46.1)**	**105.4**	**(38.2)**
Cash and Cash Equivalents - Final Balance	523.4	490.8	444.7	550.1	511.9

KPMG Auditores Independentes
R. Dr. Renato Paes de Barros, 33
04530-904 - São Paulo, SP - Brasil
Caixa Postal 2467
01060-970 - São Paulo, SP - Brasil

Central Tel 55 (11) 2183-3000
Fax Nacional 55 (11) 2183-3001
Internacional 55 (11) 2183-3034
Internet www.kpmg.com.br

Independent auditors' report on the special review of the quarterly information

To
The Board of directors and Shareholders of
Equatorial Energia S.A.
São Luís - MA

Introduction

We have examined the individual and consolidated financial statements of Equatorial Energia S.A. (the Company), included in the Quarterly Information Form – ITR for the quarter ended March 31, 2011, which include the balance sheet and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the quarter then ended, including a summary of the main accounting practices and other explanatory information.

Management is responsible for preparing the individual interim financial information in accordance with CPC 21 – Interim Statements and the consolidated interim financial information in accordance with CPC 21 and IAS 34 – *Interim Financial Reporting*, issued by the *International Accounting Standards Board* - IASB, and for the presentation of this information consistent with the norms issued by the Securities Commission, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Extent of our review

We performed our review in accordance with Brazilian and international norms for reviewing interim information (NBC TR 2410 – Review of Interim Information Performed by the Entity's Auditors and ISRE 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, respectively). A review of interim information consists of making enquiries, mainly of the individuals responsible for financial and accounting issues and also applying analytical procedures and other review procedures. The extent of a review is significantly less than that for an audit performed in accordance with auditing standards and consequently, did not enable us to obtain assurance that we are aware of all significant issues that could be identified from an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, we are not aware of any fact that leads us to believe that the individual interim financial information included in the aforementioned quarterly information was not prepared, in all relevant aspects, in accordance with CPC 21 applicable to the preparation of interim information, and presented consistent with the norms issued by the Securities Commission applicable to Quarterly Information – ITR.

Conclusion on the consolidated interim financial information

Based on our review, we are not aware of any fact that leads us to believe that the consolidated interim financial information included in the aforementioned quarterly information was not prepared, in all relevant aspects, in accordance with CPC 21 and IAS 34 applicable to the preparation of interim information, and presented consistent with the norms issued by the Securities Commission applicable to Quarterly Information – ITR.

Emphasis

As reported in Note 2, the intermediate individual financial statements were prepared in compliance with accounting practices adopted in Brazil. In the case of Equatorial Energia S.A. these practices differ from IFRS, applicable to separate financial statements, only with respect to the evaluation of investments in subsidiaries, associated companies and joint ventures, using the equity method, whilst for purposes of IFRS, they are valued at cost or fair value.

Other issues

Interim statements of value added

We have also examined the intermediate individual and consolidated statements of added value for the quarter ended March 31, 2011, presentation of which as part of the interim information is required in accordance with the norms issued by the Securities Commission (CVM) applicable to the preparation of Quarterly Information – ITR and considered supplementary information by the IFRS, which do not require presentation of the statement of added value. These statements were subject to the same review procedures described above, and based on our review, we are not aware of any facts that leads us to believe that they were not adequately prepared, in all relevant aspects, in relation to the individual and consolidated interim financial information as a whole.

Fortaleza, April 29, 2011

KPMG Auditores Independentes
CRC SP-014428/O-6 S-MA

João Alberto da Silva Neto
Accountant CRC RS-048980/O-0 S-MA

Equatorial Energia S.A.

(Public held Company)

Balance sheets

At March 31, 2011

(In thousands of Reais)

		Parent		Consolidated	
Assets	**Note**	**03/31/2011**	**12/31/2010**	**03/31/2011**	**12/31/2010**
Current					
Cash and Cash Equivalents	6	80,964	80,730	511,855	550,077
Consumers and resellers	7	(4)	(4)	452,313	455,783
Low income	8	-	-	23,472	17,418
Services ordered		-	-	61,297	55,335
Allowance for doubtful Receivables	7	-	-	(45,959)	(45,831)
Taxes recoverable	9	1,867	1,972	51,501	48,813
Taxes on profits	9	1,071	738	44,447	36,597
Prepayments		5	-	3,079	959
Inventories		-	-	8,030	7,965
Dividends receivable		37,911	37,911	-	-
Other receivables		4	14	5,183	5,506
		121,818	121,361	1,115,218	1,132,622
Non Current					
Long term assets					
Consumers and resellers - net	7	-	-	60,505	58,177
Taxes recoverable	9	2,286	2,443	37,447	42,813
Taxes on profits		8,082	8,170	8,122	8,170
Deferred income tax and social contribution	10	-	109	242,225	252,604
Financial Asset from Concession - net	13	-	-	22,599	50,409
Other receivables		-	-	8,155	8,842
		10,368	10,722	379,052	421,015
Property, plant and equipment		298	298	141,217	141,838
Investiments	12	901,890	866,487	221	221
Intangible Assets	14	-	-	1,630,071	1,369,227
Total Assets		1,034,374	998,868	3,265,779	3,064,923

		Parent		Consolidated	
Liabilities	**Note**	**03/31/2011**	**12/31/2010**	**03/31/2011**	**12/31/2010**
Current					
Suppliers	15	132	151	144,817	174,047
Payroll and provision for vacation and charges		693	72	11,797	7,651
Provision for vacation and charges					
Financing and borrowings	16	-	-	202,163	186,806
Debentures	17	-	-	59,339	66,941
Regulatery fees		-	-	5,571	5,434
Taxes and contributions payable	18	1,090	1,070	35,774	36,325
Taxes on Profits	18	847	522	43,176	38,729
Dividends and interest on capital	20	41,468	41,468	61,205	61,354
Provision for contingencies	19	-	-	26,204	27,444
Public illumination fees		-	-	13,326	13,493
Regulatory liabilities		-	-		-
Research and development and energy efficiency	21	-	-	18,416	15,890
Profit sharing		450	1,744	5,639	18,538
Other accounts payable		41	36	24,190	28,516
Rest. Capital to Shareholders		-	-		-
Debt Charges		-	-	5,818	9,009
		44,720	45,063	657,435	690,177
Non Current					
Financing and borrowings	16	-	-	840,760	849,877
Debentures	17	-	-	200,422	253,139
Taxes and contributions payable	18	-	-	84,359	84,329
Deferred taxes and contributions payable	18	50	50	110,404	104,577
Provision for contingencies	19	-	-	14,772	16,899
Research and development and energy efficiency	21	-	-	28,111	28,111
Other accounts payable		-	-	4,714	4,857
		50	50	1,283,542	1,341,789
Shareholders' Equity					
Capital	22	566,831	566,831	566,831	566,831
Capital reserves	22	13,270	11,936	13,270	11,936
Revenue reserves	22	409,503	374,988	409,503	374,988
Profit for the year		-	-	-	-
Minority Interests		-	-	335,198	79,202
		989,604	953,755	1,324,802	1,032,957
Minority Interests					
Total Shareholders' Equity		989,604	953,755	1,324,802	1,032,957
Total Liabilities		1,034,374	998,868	3,265,779	3,064,923

See the accompanying notes to the financial statements

Equatorial Energia S.A.

(Public held Company)

Statements of income

Periods ended March 31, 2011 and 2010

(In Thousands of Reais)

	Note	Parent		Consolidated	
		03/31/2011	03/31/2010	03/31/2011	03/31/2010
Operational income	25	793	335	551,700	497,746
Sale of electricity		-	-	438,821	422,123
Supply of electricity		-	-	19,190	1,574
Operational income		-	-	78,433	69,321
Operational income		793	335	15,256	4,728
Deductions from operational income		(113)	(48)	(132,631)	(123,606)
ICMS on sales of electricity		-	-	(68,849)	(66,689)
PIS and COFINS		(73)	(31)	(41,678)	(38,837)
Consumer charges		-	-	(17,572)	(12,676)
Quota for RGR		-	-	(2,206)	(4,458)
ISS		(40)	(17)	(285)	(187)
Charge for emergency capacity		-	-	(2,040)	7
Other		-		-	(766)
Operational net income		680	287	419,068	374,140
Costs of electrical energy service		-	-	(256,845)	(226,647)
Cost of electrical energy	26	-	-	(215,869)	(190,895)
Electrical energy ourchased for resell		-	-	(115,090)	(100,503)
Cost of construction		-	-	(78,433)	(69,321)
Charges of use of transmition and distribution system		-	-	(22,346)	(21,072)
Cost of operations	26	-	-	(40,662)	(35,752)
Cost of operation - Personnel		-	-	(5,171)	(4,754)
Cost of operation - Materials		-	-	(1,296)	(1,425)
Cost of operation - Third party services		-	-	(12,111)	(8,786)
Cost of operation - Depreciation and amortization		-	-	(23,030)	(19,757)
Cost of operation - Leasing and rental		-	-	(363)	(32)
Other		-	-	1,309	(998)
Cost of services provided to third parties	26	-	-	(314)	-
Cost of services provided - Personnel		-	-	-	-
Cost of services provided - Materials		-		-	-
Cost of services provided - Third party services		-	-	-	-
Other		-	-	(314)	-
		-	-	-	-
Gross operational profit		680	287	162,223	147,493
Sales expenses		-	-	(26,619)	(13,381)
Administration expenses		(345)	(787)	(21,393)	(17,529)
Personnel and management expenses		(3,220)	(7,250)	(4,605)	(10,959)
Allowance for doubtful debts and losses from unrecoverable receivables		-	-	(8,533)	(5,823)
Provision (reversal) for contingencies		-	-	(3,483)	(1,337)
Depreciation and amortization		-	-	(3,926)	(3,344)
Other operational income/expenses		(310)	-	(8,284)	(4,546)
Other non recurring income/expenses		-	(603)	(541)	(3,084)
Income from services		(3,195)	(8,353)	84,838	87,490
Financial income	26	2,165	1,983	(7,862)	(6,384)
Financial income		2,185	1,983	31,915	14,341
Fines charged on energy sold		-	-	758	12,241
Debt charges		-	-	254	
Monetary and exchange variation		-	-	(1,337)	843
Interest on borrowings and financing		-	-	(34,814)	(28,783)
Interest on own capital		-	-	-	-
Other		(20)	-	(4,638)	(5,026)
Equity in income of subsidiaries	26	35,263	59,585	(2,097)	13,498
Operational Income/Expense		34,233	53,215	74,879	94,604
Operational income		34,233	53,215	74,879	94,604
Profit before income tax and social contribution		34,233	53,215	74,879	94,604
Provisions for taxes		(70)	(254)	(22,319)	(17,520)
Social Contribution	10(c)	(20)	(69)	(5,816)	(6,871)
Income tax	10(c)	(50)	(185)	(9,627)	(10,879)
SUDENE tax incentive	10(c)	-	-	9,486	10,562
Deferred taxes	10(c)	-	-	(16,362)	(10,332)
Net profit before minority interests		34,163	52,961	52,560	77,084
Minority interests		-	-	(18,397)	(24,123)
			-	-	-
Reversal of interest on own capital		-	-	-	-
Net profit for the period		34,163	52,961	34,163	52,961
Profit per share (R$)		0.31	0.49	0.31	0.49
Number of shares at the end of the period		109,227	108,481	109,227	108,481

See the accompanying notes to the financial statements.

Equatorial Energia S.A.

(Public Stock Corporation)

Statements of comprehensive income

Periods ended March 31, 2011 and 2010

(In thousand of Reais)

		Parent		Consolidated	
	Note	**03/31/2011**	**03/31/2010**	**03/31/2011**	**03/31/2010**
Net profit of the period		34,163	52,961	34,163	52,961
Comprehensive income of the period		-	-	-	-
Total comprehensive income of the period		34,163	52,961	34,163	52,961
Comprehensive income for the period per share (R$)		0.31	0.49	0.31	0.49
Number of shares at end of the period		109,227	108,481	109,227	108,481

See the accompanying notes to the financial statements.

Equatorial Energia S.A.

(Public held Company)

Statements of changes in shareholders' equity

Periods ended March 31, 2011 and 2010

(In Thousands of Reais)

	Capital	Capital Reserves	Revenue Reserves: Legal	Revenue Reserves: Reserve for investment and expansion	Revenue Reserves: Equity adjustments	Revenue Reserves: Additional Dividends Proposed	Adjustments from inicial Adoption of IFRS	Accumulated Profit/Loss	Minority interest	Total
Balances at January 1, 2009 (represented)	987,649	2,611	28,563	82,303	-	130,936	80,394	-	-	1,312,456
Approval of proposed dividends	-	-	-	-	-	(130,936)	-	-	-	(130,936)
Options granted recognized	-	2,392	-	-	-	-	-	-	-	2,392
Capital increase	2,139	-	-	-	-	-	-	-	-	2,139
Capital reduction	(82,303)	-	-	-	-	-	-	-	-	(82,303)
Non controlling interests	-	-	-	-	-	-	-	-	-	-
IFRS adjustments	-	-	-	-	-	-	29,250	-	-	29,250
Net profit for the year (represented)	-	-	-	-	-	-	-	208,991	-	208,991
Proposed allocations:										
Proposed allocations:	-	-	10,450	-	-	-	-	(10,450)	-	-
Equity valuation adjustments	-	-	-	-	-	-	-	-	-	-
Reserva de retenção de lucros	-	-	-	147,737	-	-	-	(147,737)	-	-
Dividends	-	-	-	-	-	-	-	(42,221)	-	(42,221)
Additional dividends	-	-	-	-	-	1,171	-	(1,171)	-	-
Interest on own capital	-	-	-	-	-	-	-	(7,412)		(7,412)
Balance at December 31, 2009	907,485	5,003	39,013	230,040	-	1,171	109,644	-	-	1,292,356
Approval of proposed dividends	-	-	-	-	-	(1,171)	-	-	-	(1,171)
Options granted recognized	-	6,933	-	-	-	-	-	-	-	6,933
Capital increase	18,511	-	-	-	-	-	-	-	-	18,511
Partial spin off of net worth according to EOGM of 29/04/2010	(359,165)	-	-	-	-	-	-	(14,386)	-	(373,551)
Equity in income of RME in 1T10	-	-	-	-	-	-		-	-	-
Equity valuation adjustments	-	-	-	-	(27,110)	-	(109,644)	-	-	(136,754)
Net profit for the year	-	-	-	-	-	-	-	188,871	-	188,871
Proposed allocations:										
Legal reserve	-	-	8,724	-	-	-	-	(8,724)	-	-
Retained earning reserves	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(41,440)	-	(41,440)
Additional dividends	-	-	-	(30,847)	-	155,168	-	(124,321)	-	-
Interest on own capital	-	-	-	-	-	-	-	-	-	-
Balances at December 31, 2010	566,831	11,936	47,737	199,193	(27,110)	155,168	-	-	-	953,755
Net profit of the period	-	-	-	-	-	-	-	34,163	-	34,163
Options granted recognized	-	1,334	-	-	-	-	-	-	-	1,334
Equity adjustement	-	-	-	-	352	-	-	-	-	352
Balances at March 31,2011	566,831	13,270	47,737	199,193	(26,758)	155,168	-	34,163	-	989,604

See the accompanying notes to the financial statements

Equatorial Energia S.A.

(Public held Company)

Statements of cash flows - Indirect method

Periods ended March 31, 2011 and 2010

(In Thousands of Reais)

	Parent		Consolidated	
	03.31.2011	**03.31.2010**	**03.31.2011**	**03.31.2010**
Operational activities				
Net profit of the period	34,163	65,422	34,163	89,545
Income tax and social contributions deferred	-	-	16,362	10,332
Income taxes and social contributions payable	70	254	5,957	7,188
Non controlling interests	-	-	18,397	-
Net profit of the period before taxes	34,233	65,676	74,879	107,065
Expenses (income) not affecting cash				
Depreciation and amortization	-	888	1,321	-
Amortization of intangible assets	2,098	-	34,363	29,808
Interst and monetary variations	(220)	-	33,894	57,959
Contingencies	-	-	3,483	1,337
Allowance for doubtful debts and losses	-	-	8,533	5,823
Share based payments	1,334	6,220	1,334	6,220
Equity in income of subsidiaries	(37,360)	(72,319)	-	(26,826)
Valuation adjustement - IFRS	261	(502)	352	(615)
Proposed dividends payable			-	-
Other	-	-	518	6,542
	(33,887)	(65,713)	83,798	80,248
Changes in current and non current assets				
Consumers, concessionaires and other receivables	-	4	(7,263)	(20,284)
Warehouse	-	-	(65)	(600)
Taxes recoverable	262	1,955	2,525	6,562
Taxes and contributions recoverable	214	(365)	-	(1,874)
Services ordered and others	-	-	(5,962)	(2,548)
Low income	-	-	(6,054)	625
Other receivables	4	10	(1,110)	(547)
	480	1,604	(17,929)	(18,666)
Changes in current and non current liabilities				
Suppliers	(19)	312	(29,230)	(66,977)
Taxes and social contributions	20	(98)	(521)	1,163
Deferred income tax and social contribution	109	-	-	-
Taxes on income	-	-	-	-
Estimated liabilities, payroll and TIP	621	35	3,979	737
Provision for contingencies	-	-	(6,849)	(2,206)
Regulatory charges	-	-	137	1,999
Program efficiency	-	-	2,526	4,881
Program efficiency	(1,294)	(6,285)	(12,899)	(16,799)
Other accounts payable	175	31	4,891	801
	(388)	(6,005)	(37,966)	(76,401)
Cash generated from operational activities	438	(4,438)	102,782	92,246
Interest paid	-	-	(36,191)	(35,038)
Income and social contribution paid	(204)	(109)	(9,315)	(3,492)
	(204)	(109)	(45,506)	(38,530)
Net cash generated from operational activities	234	(4,547)	57,276	53,716
Cash flow from investing activities				
Aquisition of intangible assets	-	-	(78,433)	(69,324)
Tied liabilities, net	-	-	45,775	73,637
Other	-	-	(701)	(7,721)
Net cash used in investment activities	-	-	(33,359)	(3,408)
Cash flow from financial activities				
Borrowings and financings	-	-	(62,140)	14,088
Capital contribution	-	18,510	-	18,511
Net cash generated from (used in) financial activities	-	18,510	(62,140)	32,599
Cash generated in the period	234	13,963	(38,223)	82,907
Increase in cash and cash equivalents				
Cash at the beginning of the period	80,730	78,801	550,078	440,507
Cash at the end of the period	80,964	92,765	511,855	523,414
Increase in cash and cash equivalents	234	13,963	(38,223)	82,907

See the accompanying notes to the financial statements.

Equatorial Energia S.A.

(Public Stock Corporation)

Statements of added value

Periods ended March 31, 2011 and 2010

(In thousands of Reais)

	Parent		Consolidated	
	03/31/2011	**03/31/2010**	**03/31/2011**	**03/31/2010**
Income				
Sales of goods, products and services	793	335	551,700	497,746
Other operational income / expenses	(310)	-	(8,284)	(4,546)
Provision for doubtful debts and losses from unrecoverable credits	-	-	(8,533)	(5,823)
Other non recurring income/expenses	-	(603)	(541)	(3,084)
Provision (reversal) of contingencies	-	-	(3,483)	(1,337)
	483	(268)	530,858	482,956
Supplies from third parties (including ICMS and IPI)				
Costs of products, good and services sold	-	-	(215,869)	(190,895)
Material, energy, third party services and others	(345)	(787)	(45,703)	(31,050)
Sales expenses and others	-	-	(862)	(1,495)
	(345)	(787)	(262,434)	(223,440)
Gross added value (applied)	138	(1,055)	268,424	259,516
Depreciation, amortization and exhaustion	-	-	(26,956)	(23,101)
Net value added (applied) by the company	138	(1,055)	241,468	236,415
Added value received in transfer				
Equity income	35,263	59,585	(2,097)	13,498
Income from discontinued operations	-	-	-	-
Reversal of revenue reserves	-	-	-	-
Financial income	2,185	1,983	32,672	26,582
Other	(20)	-	(4,638)	(5,026)
	37,428	61,568	25,937	35,054
Total added value to distribute	37,566	60,513	267,405	271,469
Distribution of added value				
Employees				
Direct remuneration	3,070	7,129	8,499	18,800
Benefits	11	11	3,495	3,173
FGTS	4	11	1,164	1,189
Other	135	99	1,096	1,970
	3,220	7,250	14,254	25,132
Taxes				
Federal	143	285	85,816	73,484
State	-	-	68,849	66,689
Municipal	40	17	285	187
	183	302	154,950	140,360
Remuneration of third party capital				
Interest	-	-	35,897	27,940
Rents	-	-	9,744	953
	-	-	45,641	28,893
Remuneration of own capital				
Interest on own capital	-	-	-	-
Dividends	-	-	-	-
Retained profits for the year	-	-	-	-
Minority interest in retained profits	-	-	18,397	24,123
	-	-	18,397	24,123
Value added	3,403	7,552	233,242	218,508
	34,163	52,961	34,163	52,961

See the accompanying notes to the financial statements

Equatorial Energia S.A

(Public held Company)

Notes to the quarterly information

at March, 31 2011

(In thousands of Reais except when specified)

1 Operations

Equatorial Energia S.A. ("Company" or "Equatorial" or "Parent"), has its registered office in São Luís in the State of Maranhão, and its corporate objectives involve investing in other companies, always in the electric energy sector, with priority given to operations involving the distribution of electricity.

On April 07, 2008, Equatorial Energia converted its preferred shares into common shares (in the proportion, 1 preferred share to 1 common share) and also grouped its shares, converting 3 common shares into 1 common share. Consequently, Equatorial started to be traded on the São Paulo Stock Exchange, under ticker 'EQTL3'. On April 23, 2008, the Company concluded its process to migrate from Corporate Governance Level 2 from BM&FBOVESPA to the Novo Mercado.

As reported in the Material Fact, dated December 30, 2009, the controllers of Equatorial, FIP PCP, and CEMIG signed a Contract for the Purchase and Sale of Shares and Other Agreements, with Equatorial acting as the consenting intervenient, aimed at the sale of the indirect investment of FIP PCP in Light.

This contract provides that FIP PCP will approve a partial spin off of Equatorial, segregating its investment interest in RME from the Company's other assets, which are its investments in CEMAR, Equatorial Soluções and Geradora de Energia do Norte S.A. This spin off was approved in the Ordinary and Extraordinary General Meeting, held on April 29, 2010 and occurred through the transfer of the Company's investment in RME to another company called Redentor Energia S.A.

The amounts spun off refer mainly to the investment that Equatorial held in RME at the base date, March 31, 2010 for the amount of R$373,552. As a result of the spin off, the equity accounts in Equatorial that decreased were as follows: Investments of R$373,552, capital of R$359,166 and retained earnings of R$14,386.

(In thousands of Reais except when specified)

Redentor's capital is represented only by common shares. Each of the Company's shareholders received one share in Redentor for each share held in the Company. As from August 25, 2010, the shares issued by Redentor have been traded separately from the shares issued by the Company, both on the Novo Mercado segment for Corporate Governance on BM&FBOVESPA. There were no alterations or cancelation of rights of shares issued by Redentor in relation to the shares issued by the Company, since the shares issued by Redentor attributed to the Company's shareholders as a result of the partial spin off are entitled to the same rights and advantages attributed to the shares issued by the Company.

2 Group Entities

Equatorial holds the following investments:

	Note	03/31/2011	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"):** a private economic entity, with public stock, whose main activity is the distribution of electric energy. CEMAR's concession area is the State of Maranhão, and at December 31, 2010, it attended more than 1.7 million clients, covering an area in excess of 333 thousand Km^2. The concession contract for the distribution of electricity, number 060, agreed between the Company and Agência Nacional de Energia Elétrica - ANEEL and CEMAR, is valid until August 2030, and can extended for a further 30 years. At March 31 2011, the Company held an investment of 65.11% (65.11% at December, 31 2010) in CEMAR.

b. **Geradora de Energia do Norte S.A:** now operational, is the company responsible for implanting and operating the thermo-electric plants at Tocantinópolis and Nova Olinda, in the municipality of Miranda do Norte, in the State of Maranhão, with installed capacity of 330 MW, which will provide the energy for the National Interconnected System. On October 01, 2008, Equatorial acquired 25% of the capital in the Company. The consortium that controls Geranorte comprises Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. (50%). GNP S.A., is owned by Servtec Investimentos e Participações Ltda. (50%) and Companhia Ligna de Investimentos (50%) The control of the Company is shared and governed by the Shareholders' Agreement. At March, 31 2011, the Company held an investment of 25.00% (25.00% at December, 31 2010) in Geradora de Energia do Norte.

c. **Equatorial Soluções S.A.:** Equatorial Soluções is a private Company, with its registered office and court in the city of São Luís, State of Maranhão, and its main activities are: a) providing services related to electric energy, telecommunications and data transmission; b) providing collection services for electricity bills on its own account and for third parties; and c) providing technical services related to the operation, maintenance and planning of third party electric facilities. At March, 31 2011 the Company held 100.00% (100.00% at December, 31 2010) of the shares in Equatorial Soluções.

The subsidiaries CEMAR and Equatorial Soluções, and the joint venture Geradora de Energia do Norte, are hereafter referred to in the following notes to the financial statements as "subsidiaries", when referred to together.

3 Basis for preparing

a. *Statement of compliance*

Quarterly information includes:

- The consolidated financial statements 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);

- The individual financial statements of the parent company prepared in accordance with BR GAAP; and

- The financial statements of the subsidiary CEMAR considering the specific legislation issued by the National Agency for Electric Energy (ANEEL), according to the Accounting Manual for Public Electric Energy Services, in compliance with the accounting concepts introduced by Laws 11,638/07 and 11.941/09 and CPCs issued in 2009 and 2010.

The individual financial statements of the parent company were prepared in accordance with BR GAAP and for the Group, these practices are different from the IFRS applicable to separate financial statements with respect to the valuation of investments in subsidiaries and joint ventures using the equity method according to BR GAAP, whilst for de IFRS they are valued at cost or their fair values.

However, there is no difference between the consolidated shareholders' equity and the results presented by the Group and the shareholders' equity and the results reported in the individual financial statements of the Parent company. Thus, the consolidated financial statements of the Group and the individual financial statements of the Parent company are presented together, in one set of quarterly information.

b. Basis for measurement

The parent and consolidated financial statements were prepared based on historic cost, except for the following material items recognized in the balance sheets:

- Derivative financial statements stated at fair values through profit or loss;

- Liabilities for share based payments, settled in cash, stated at fair values;

- The actuarial asset for the defined benefit is recognized as the total net assets of the plans, plus the cost of past service not recognized and actuarial losses not recognized, less actuarial gains not recognized and the present value of the defined benefit obligation.

c. *Functional currency and currency for presentation purposes*

The financial statements are presented in Brazilian Reais, which is the Group's functional currency. All of the financial information reported in Reais has been rounded to the closest thousand, except when stated otherwise.

d. *Use of estimates and judgments*

Preparation of financial statements in accordance with IFRS and the norms issued by the Accounting Pronouncements Committee (CPC) requires Company Management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported for assets, liabilities, income and expenses. The actual results could differ from these estimates.

Estimates and assumptions are revised on a continual basis. Alterations are recognized in the period in which the estimates are revised and in any future periods affected.

The information regarding uncertainties, assumptions and estimates that represent a significant risk of a material adjustment being required within the next financial year is included in the following notes:

- Note 7a - Impairment losses
- Note 10b - Use of tax losses
- Note 19 - Provisions and contingencies
- Note 26 - Measurement of defined benefit liabilities
- Note 28c- Measurement of financial instruments

4 Significant accounting policies

The accounting policies described in detail below have been applied consistently for all of the periods presented in these financial statements and for the preparation of the opening balance sheet prepared at January 01, 2009, for the purpose of transition to IFRS standards and the norms issued by the Accounting Pronouncements Committee – CPC.

a. Basis of consolidation

- *Subsidiaries*

  Subsidiaries are entities in which the Group has the power to determine the financial and operational policies, generally accompanied by an investment in more than half of the voting rights. The existence and effect of possible rights to vote that can be exercised or are convertible are taken into account when evaluating whether the Group controls another entity. The subsidiaries are fully consolidated as from the date on which the control is transferred to the Group. Consolidation is interrupted as from the date that control ends.

  The Group uses the acquisition method for accounting for the business combinations. The consideration for the acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and equity instruments issued by the Group. The consideration transferred includes the fair value of any assets or liabilities resulting from a contingent consideration contract, when applicable. Costs related to acquisitions are recorded to profit or loss as incurred. Identifiable assets and liabilities acquired and contingent liabilities assumed from a business combination are initially stated at fair values at the acquisition date. The Group recognizes minority interest in the investment acquired, at both its fair value and the proportional part of the non controlling investment interest in the fair value of the net assets of the investment acquired. Measurement of the minority interest to be recognized is determined for each acquisition made.

  Any excess from the consideration transferred and from the fair value at the acquisition date of any prior investment interest in the investment in relation to the value of the group's investment in the net identifiable assets acquired is registered as goodwill.

For acquisitions where the group attributes a fair value to the minority interests, the goodwill calculated also includes the value of any minority interest in the investment, and the goodwill is determined considering the investment of the Group and that of the minority interest. When the consideration transferred is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly to the statement of income for the year.

Transactions between companies and balances are eliminated unless the operation demonstrates evidence of a loss of value for the asset transferred. The accounting policies of the subsidiaries are altered when necessary to ensure consistency with the policies adopted by the Group.

- *Jointly controlled operations*

Jointly controlled operations are enterprises whose activities the Company controls, directly or indirectly, together with other investor(s) by means of a contractual agreement which requires unanimous consent for financial and operating decisions.

A jointly controlled operation is a joint venture carried on by each venturer using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

- *Transactions eliminated on consolidation*

Intra-group balances and transactions and any income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity–accounting investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

- *Individual financial statements*

  In the individual financial statements the subsidiaries are recorded using the Equity method. The same adjustments are made in the individual financial statements and in the consolidated financial statements to arrive at the same results and shareholders' equity attributable to the parent company's shareholders. In the case of Equatorial Energia the accounting practices adopted in Brazil applicable to the individual financial statements differ from the IFRS applicable to separate financial statements only for valuing investments in subsidiaries and by the equity method, whilst according to IFRS it is cost or fair value.

- *Minority interest in liabilities and the statement of income.*

Foreign currency

Transactions in foreign currency are translated to the functional currencies of the Group at the exchange rate on the dates of each transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the reporting date. Non monetary assets and liabilities denominated in foreign currencies that are measured at fair values are retranslated to the functional currency at the exchange rate on the date that the fair value was determined. The foreign currency differences arising on retranslation are recognized to profit or loss. Non monetary items that are measured in terms of historic costs in foreign currency are translated at the exchange rate on the transaction date.

c. *Statement of income*

Income and expenses are recognized on the accrual basis. Income from services rendered is rendered when earned. The billing for electricity energy for all consumers is made monthly based on the calendar for reading. Income not billed, which refers to the period between the date of the last reading and the month end, is estimated and recognized as income in the month in which the energy was consumed.

d. *Financial instruments*

- *Non derivative financial assets*

The Group initially recognizes loans and receivables on the date they originated. All other financial assets (including assets recognized at fair value through profit or loss) are initially recognized on the date of the negotiations when the Company became one of the parties to the contractual rulings for the instrument.

The Group no longer recognizes a financial asset when the contractual rights from the cash flows from the asset have expired, or when the Group transfers the rights to receive the contractual cash flows from a financial asset under a transaction in which essentially all of the risks and benefits of ownership to the financial asset have been transferred.
Any participation that is created or retained by the Group in the financial assets is recognized as an individual asset or liability.

Financial assets and liabilities are compensated and the net value reported in the balance sheet when, and only when, the Company has the legal right to compensate the amounts and intends to liquidate on a net base or to realize the asset and liquidate the liability simultaneously.

The Group has the following non derivative financial assets: financial assets registered at fair value through profit or loss, investments and borrowings and receivables.

- *Financial assets stated at fair value through profit or loss*

  A financial asset is stated at fair value through profit or loss when it is classified as held for trading or designed as such at the time of its initial recognition. Financial assets are classified as such when the Group manages these investments and takes purchase and sales decisions based on their fair values in accordance with the risk management and the investment strategy of the Group. The attributable transaction costs are recognized to profit or loss as incurred. Any changes in the fair values of these assets are recognized to profit or loss.

- *Borrowings and receivables*

  Loans and receivables are financial assets with fixed or calculated payments that are not quoted on an active market. These assets are initially recognized at fair values plus any attributable transaction costs. After the initial recognition, the loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

  Loans and receivables include trade accounts receivables and other receivable, including receivables derived from service concession agreements.

- *Cash and cash equivalents*

  Cash and cash equivalents include the balances for cash and financial investments, which are highly liquid, and their market values reflect the amounts stated in the balance sheet, and include income earned to the reporting date and are equivalent to their fair values.

- *Non derivative financial liabilities*

  The Group initially recognizes debt securities issued and subordinated liabilities on the date they originated. All other financial liabilities (including liabilities recognized at fair value through results) are initially recognized on the date of the negotiations when the Group became one of the parties to the contractual rulings for the instrument. The Group writes off a financial liability when its contractual obligations have been withdrawn, cancelled or expired.

  The Company has the following non derivative financial liabilities: loans, financing, debentures, suppliers, and other accounts payable. These financial liabilities are initially recognized at fair value plus any attributable transaction costs. After the initial recognition, these financial liabilities are stated at amortized cost using the effective interest rate method.

- *Capital*

  Common shares - classified to shareholders' equity. Additional costs directly attributable to the issue of shares and stock options are recognized as deductions to equity, net of any taxes. The minimum compulsory dividends as defined in the Statutes are recognized as liabilities.

e. Consumers and resellers

Includes the amounts billed to the end consumers, adjusted to present value, when applicable, the income refers to energy consumed and not billed, use of the network, services rendered, plus fines and other credits, to the end of the period, measured on an accruals basis (Note 7).

Provision for impairment losses

Registered for an amount considered sufficient by management to cover possible losses from realizing trade accounts receivable (Note 70).

f. Inventories

Materials held in inventory, classified to current assets, are stated at average purchase cost, adjusted for a provision for losses, when necessary and do not exceed their market values. Whilst materials held in inventory allocated to investments are classified as fixed assets and valued at average purchase cost, net of valued added sales tax (ICMS).

g. Indemnifiable Asset (Concession)

The Concession Contract for Public Electric Energy Services number 60, of August 28, 2000 and subsequent amendments, agreed between the Federal Government (Conceding Power – Granting entity) and the Company (concessionaire – Operator) regulate the exploration of public services related to the distribution of electric energy by the Company, where:

- The contract establishes which services the operator has to provide and to whom (consumer class) the services should be provided;

- The contract establishes performance standards for rendering the public services, in relation to maintenance and improvements in the quality of services to consumers, and the operator is required, at the time of delivering the concession, , to return the infra-structure in the same conditions in which it was received at the time of signing the contracts. In order to comply with these obligations, constant investments are made during the concession period. Therefore, the assets tied to the concession may have been replaced by the end of the concession;

- At the end of the concession period, the assets tied to the infra-structure should be reverted to the Conceding power through an indemnity payment; and

- The price is regulated based on tariff mechanisms established in the concession contracts based on a parametric formula (Parts A and B), and the modules for revising the tariffs are defined, which have to be sufficient to cover costs, amortization of investments and remuneration of the capital invested.

Based on the characteristics established in the concession contract for the distribution of electric energy by the Company, Management believes it is complying with the terms for application of Technical Interpretation ICPC 01 – Concession Contracts, which provides guidelines on accounting for public service concessions to private operators, in order to reflect the electric distribution business, covering:

(a) Estimated amount of investments made and not amortized or depreciated at the end of the concession classified as a financial asset since it is an unconditional right to receive cash or another financial asset directly from the Concending Power; and

(b) Remaining amount of the financial assets (residual values) classified as an intangible asset given that recovery of such is dependent on the use of the public service, through consumption of energy by consumers, see Note 10.

The infra-structure received or constructed from the distribution activity that was originally represented by the Company's property, plant and equipment and intangible assets is recovered through two cash flows, as follows: (i) part through the consumption of energy by consumers (issue of monthly billing for energy consumed/sold) over the concession period; and (ii) part as indemnity of revertible assets at the end of the concession period, with the latter to be received directly from the Conceding Power or from whom it delegates the task.

This indemnity will be made based on the investment payments tied to revertible assets, still not amortized or depreciated, made for the purpose of guaranteeing the continuity of the service granted.

The Group recognizes a financial asset resulting from a concession contract when it has an unconditional contractual right to receive cash or another equivalent financial asset from the conceding power for the construction or improvement services provided. These financial assets are initially recognized at fair values, after the initial recognition, they are measured at amortized cost.

If the Group is paid for the construction services partially by means of a financial asset or partially by an intangible asset, then each component of the remuneration received or receivable is registered individually and initially recognized at the fair value of the remuneration received or receivable.

h. Intangible Assets

- *Goodwill*

The goodwill resulting from the acquisition of subsidiaries is included to intangible assets. When acquisitions were prior to January 01, 2009, the goodwill is calculated at deemed cost, which represents the amount registered according to accounting practices previously adopted.

- *Subsequent Measurement*

Goodwill is measured at cost, less accumulated impairment losses. For investment interests registered based on the equity method, the book value of goodwill is included in the book value of the investment, and any impairment loss in the investment is not allocated to any assets resulting in the goodwill being part of the book value of the investment interest registered using the equity method.

- *Service Concession contracts*

The Group recognizes an intangible asset resulting from a service concession contract when it has the right to charge for the use of that infra-structure from the concession. An intangible asset received as remuneration for services rendered from constructions or improvements under a service concession contract is initially recognized at fair value. After initial recognition, this intangible asset is stated at cost, less accumulated amortization and impairment losses.

- *Other intangibles assets*

  Other intangible assets that are acquired by the Group and have a defined useful life are stated at cost, less accumulated amortization and impairment losses.

- *Amortization*

  Amortization is calculated on the acquisition cost of an asset, or another value that replaces the cost, less residual value.

  Amortization is recognized to profit or loss on a straight line basis over the estimated useful lives of the intangible assets, which is not goodwill, , as from the date that they are available for use. This method best reflects the standard consumption of future economic benefits incorporated within the asset. The estimated useful lives are consistent with the concession contract of service, 30 years.

  The useful life of an intangible asset in a service concession contract is the period from when the Group is able to charge the public for the use of the infra-structure until the end of the concession period. The amortization methods, useful lives and residual values are revised at the reporting date of the financial statements and adjusted when necessary.

i. Current and non current liabilities

Current and non current liabilities are stated at known or estimated amounts, plus, when applicable, the corresponding charges and monetary and/or exchange variations incurred up to the balance sheet date. When applicable, current and non-current liabilities are stated at present values, based on the interest rates that reflect the term, the currency and the risk of each transaction. The counter entry of the adjustments to present value is recorded against the accounts in the statement of income that gave rise to the aforementioned liability. The difference between the present value of a transaction and the face value of the liability is appropriated to the statement of income over the period of the transaction, based on the amortized cost and effective interest rate methods.

j. Dividend distribution

The policy for the accounting recognition of dividends is consistent with the norms provided in CPC 25 and ICPC 08, which required that proposed dividends to be paid and which are based on statutory obligations, be registered to current liabilities.

The Company's statute's establish that a minimum of 25% of annual net profit be distributed as dividends. In addition, according to the statutes, the Management Board can decide on the payment of interest on own capital and interim dividends.

Thus, at the reporting date and after the legal allocation, the Company registers a liability equivalent to the minimum compulsory dividend still not distributed during the year, and registers any proposed dividends in excess of the minimum compulsory as "additional dividend proposed" to Shareholders' equity.

Any dividend in addition to the minimum legal compulsory dividend, stated in a proposal from management made prior to the balance sheet date has to recorded to Shareholders' equity in a specific account called "additional dividend proposed". If the proposal is made after the reporting date but before the date of issuing the financial statements, this fact has to be disclosed as a subsequent event.

k. Employee benefits

- *Defined contribution plans*

  A defined contribution plan is a post employment benefit plan, according to which a legal entity pays fixed contributions to a separate entity (pension fund) and does not have a legal or constructive obligation to pay additional amounts. . The obligations arising from contributions to defined contribution pension plans are recognized to the profit and loss as employee benefit expenses during the periods in which services are provided by the employees. Anticipated contributions paid are recognized as an asset, provided that a cash reimbursement or reduction to future payments occurs. The contributions to a defined contribution plan for which maturity is anticipated for 12 months after the end of the period during which the employee provides services are discounted to their present value.

- *Defined benefit plan*

  A defined benefit plan is a post employment benefit plan which is not a defined contribution plan. The Group's net liability for defined benefit pension plans is calculated individually for each plan based on the estimated value of the future benefit that the employees earned as return for services rendered in the current period and previous periods; this benefit is discounted to its present value. Any costs of past services not recognized and fair values of any assets from the plan are deduced. The discount rate is the income presented on the reporting date of the financial statements for top line debt securities and whose maturity dates are similar to the terms for the Group's obligations and which are denominated in the same currency in which the benefits are expected to be paid.

  The calculation is made annually by a qualified actuary using the forecast unit credit method. When the calculation results in a benefit for the Group, the asset to be recognized is limited to the total of any costs for past services not recognized and the present value of the economic benefits available in the form of future expenses of the plan or a reduction to future contributions to the plan. To calculate the present value of economic benefits, any requirement regarding the minimum costs that have to applied to any of the Group's plans is taken into consideration. An economic benefit is available to the Group if it is realized during the life of the plan, or upon liquidation of the plan's liabilities.

- *Transactions from Share based on payments*

  The fair value of benefits from share based payments is recognized on the date of granting the concession, as personnel expenses, with a corresponding increase to Shareholders' equity, for the period during which the employees acquired, unconditionally, the right to the benefits.

The amount recognized as an expense is adjusted to reflect the number of shares for which there is the expectation that the service conditions and acquisition conditions will be met, such that the final amount recognized as an expense is based on the number shares that do in fact meet the service and acquisition conditions on the date on which the rights to payment are acquired.

l. Provisions

The Group registers provisions, which involve consideration judgment by management, for tax, labor and civil contingencies for which, as a result of a past event, it is probable that economic resources will be required to settle the obligation and a reasonable estimate can be made of the value of this obligation.

The Group is also subject to various civil and labor claims covering a wide range of issues that derive from the normal course of its business activities. The judgment of the Company is based on the opinion of its legal advisors. The provisions are revised and adjusted to take into consideration any changes in the circumstances such as the liability period applicable, conclusions from tax inspections or additional exposure identified, based on new issues or court decisions. The actual results could differ from the estimates.

m. Financial income and expenses

Financial income comprises interest income from funds invested, changes in fair values of financial assets stated at fair value through profit or loss. Interest income is recognized to profit or loss, using the effective interest rate method.

Financial expenses comprise interest expenses on borrowings, net of provisions discounted to present value, variations in fair value on financial stated at fair value through profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized to profit or loss using the effective interest rate method.

n. *Income tax and social contribution*

Current and deferred income tax and social contribution are calculated based on rates of 15%, plus a surtax of 10% on taxable profit in excess of R$ 240 thousand for income tax and 9% on taxable profit for social contribution on net profit, and consider compensation of tax losses and the negative social contribution base, limited to 30% of taxable profit.

The income tax and social contribution expense includes current and deferred taxes. Current and deferred taxes are recognized to results unless they refer to items directly recognized to shareholders' equity or other comprehensive income.

Current tax is the tax payable or receivable anticipated on the taxable profit or loss for the year, at the tax rates decreed or substantially decreed on the reporting date of the financial statements and any adjustments to taxes payable from prior years.

Deferred tax is recognized in relation to temporary differences between the book values of assets and liabilities for accounting purposes and the corresponding values used for tax purposes. Deferred tax is not recognized for the following temporary differences : initial recognition of assets and liabilities from a transaction that is not a business combination and does not affect the accounting or taxable profit or loss. In addition, deferred tax is not recognized for temporary tax differences resulting from the initial recognition of goodwill.

Deferred tax is measured at rates that are expected to be used for the temporary differences when they are reversed, based on the laws that were decreed or substantially decreed to the reporting date of the quarter information.

The deferred income tax and social contribution assets and liabilities are compensated only when there is an unquestionable legal right to compensate current tax assets against current tax liabilities.

A deferred social contribution and income tax asset is recognized for tax credits and temporary differences deductible and not used, when it is probable that future profits subject to taxation will be available and against which the asset will be used.

Deferred social contribution and income tax assets are revised at the reporting date and reduced when realization is no longer probable.

o. *Earnings per share*

Basic earnings per share is calculated based on net profit or loss attributable to the Group's controlling and non controlling shareholders and the weighted average number of common and preferred shares in circulation during the year. Diluted earnings per share is determined based on the same weighted average number of shares in circulation, adjusted for instruments potentially convertible into shares, having a dilutive effect, for the years presented.

When new norms, amendments to norms and interpretations do not have any impact on the Group's quarterly information, we believe it is not necessary to list them, given that such disclosure is not material.

5 Measuring fair value

Several of the Company's policies and disclosures require that fair values be measured, for both financial and non financial assets and liabilities Several of the Company's policies and disclosures require that fair values be measured, for both financial and non financial assets and liabilities. When applicable, additional information on the assumptions adopted for measuring the fair values is disclosed in the specific note to that asset or liability.

a. *Property, plant and equipment*

The fair value of property, plant and equipment recognized, is based on market values. The market value of property is the estimated value for which an asset can be exchanged on the valuation date between known parties interested in a transaction under normal market conditions. The fair value of items of property, plant and equipment is based on the market approach and cost approaches using market prices quoted for similar items, when available, and replacement cost when appropriate.

b. *Intangible assets*

The fair value of intangible assets received as remuneration for energy distribution services rendered determined in a service concession contract is estimated by reference to the fair value of construction services provided. The Company adopts as fair value of construction services rendered the total construction cost, considering Brazilian market practices for electricity distribution, are equivalent to construction income. When the company receives an intangible asset and a financial asset as remuneration for energy distribution services in accordance with the concession of services, the Company estimates the fair value of the intangible asset as the difference between the fair value of the energy distribution services rendered and the fair value of the financial asset received.

The value of intangible assets refers to the historic acquisition cost, less accumulated depreciation and the value of the corresponding financial asset, that is, equivalent to historic acquisition cost less accumulated depreciation forecast to the end of the concession period.

c. *Inventories*

The fair value of inventories acquired is determined based on the estimated sales price during the normal course of business activities, less estimated conclusion costs and sales expenses and a reasonable profit margin based on the effort required to conclude and sell the inventories.

d. *Investments in equity titles and debt*

The fair values of financial assets stated at fair values through profit and loss and borrowings and receivables are determined by reference to the closing prices on the reporting date of the quarter information.

e. *Accounts receivable and other receivables*

The fair values of accounts receivable and other receivables, excluding works in progress, but including receivables from service concession contracts, is estimated as the present value of future cash flows, discounted using the market interest rate on the reporting date. This fair value is determined for disclosure purposes.

f. *Non derivative financial liabilities*

The fair value, which is determined for disclosure purposes, is calculated based on the present value of the principal and future cash flows, discounted using the market interest rate determined at the reporting date of the quarter information. For liability components of convertible debt instruments, the market interest rate is determined by reference to similar liabilities that do not have conversion options. For financing leases, the interest rate is determined by reference to similar leasing contracts.

g. *Shared based payments*

The fair values of employee stock options and rights over share valuations are measured using the Black-Scholes formula. The assumptions adopted include the share price on the measurement date, the exercise price of the instrument, expected volatility, (based on weighted average historic volatility, adjusted for expected changes due to information that is publically available), the weighted average life of the instruments, (based on past experience and general behavior of the titleholder of the option), expected dividends and a risk free rate (based on government bonds).

Service conditions and performance conditions beyond the market inherent to the transactions are not taken into consideration for determining fair value.

(In thousands of Reais except when specified)

6 Cash and cash equivalent

	Parent		Consolidated	
	03/31/2011	**12/31/2010**	**03/31/2011**	**12/31/2010**
Cash available	86	38	12,477	25,550
Financial investments	80,878	80,692	499,378	524,527
Total	80,964	80,730	511,855	550,077

Cash and cash equivalent include cash, cash bank deposits and short term financial investments.

The financial investments refer to operations with financial institutions that operate on the domestic financial market and have low credit risk, and are remunerated at normal market rates and conditions, and are available to be used in the Group's operations, i.e. they are readily available financial assets.

The financial investments are readily convertible into known cash amounts and are subject to an insignificant risk from change in value, and redemption within a period of less than 90 days.

The Group considered these current assets to be equivalent to cash, for purposes of preparing the statement of cash flow.

7 Consumers and resellers

	Consolidated	
	03.31.2011	**12.31.2010**
Current		
Supplies billed	243,363	264,873

(In thousands of Reais except when specified)

	Consolidated	
Supplies not billed	48,438	50,721
Installment debts	119,263	107,061
Subtotal	411,064	422,655
Sales within the ambit of CCEE	15,802	9,004
PERCEE	123	122
Concessionaries	290	245
Services rendered	4,305	664
Checks with collection agencies	1,485	1,615
Others	19,244	21,478
Subtotal	41,249	33,128
	452,313	455,783
Provision for impairment losses	(45,959)	(45,831)
	406,354	409,952

	Consolidated	
	03.31.2011	**12.31.2010**
Non current		
Sales within the ambit of CCEE	8,010	8,010
Installment debts **(1)**	56,578	52,902
Installment debts – Present value adjustment	(4,083)	(2,735)
Checks with collection agencies		3,638
Subtotal	64,143	61,815

(In thousands of Reais except when specified)

	Consolidated	
Provision for impairment losses	(3,638)	(3,638)
	60,505	58,177

(1) The debt installments have been adjusted to present values, when applicable, according to Law 11,638/07.

a. *Provisions for doubtful debts*

The provision for doubtful debts is consistent with the criteria defined according to management's best estimate and considering the General Instruction 6.3.2 of the Accounting Manual for Public Electric Energy services, summarized below:

Clients with material debts

Individual analysis of the balance receivable from consumers by consumer class, considered difficult to recover.

For the remaining cases, the following rules apply:

- Residential consumers – overdue for more than 90 days;
- Commercial consumers - overdue for more than 180 days ; and
- Rural, industrial consumers, public powers, public illumination and public services and other - overdue for more than 360 days .

The provision for doubtful debts in the subsidiaries was constituted for amounts considered sufficient to cover possible losses on recovery of credits.

(In thousands of Reais except when specified)

The balances overdue and falling due that refer to the supply of electricity billed and the installment debts are distributed as follows:

	03.31.2011			
	Balances Due	**Overdue up to 90 days**	**Overdue more than 90 days**	**Total**
Residential	46,035	50,087	16,136	112,258
Industrial	11,379	5,015	4,959	21,353
Commercial	26,282	10,641	5,418	42,341
Rural	3,064	2,573	2,930	8,567
Public power	9,321	6,702	1,951	17,974
Public illumination	8,326	3,699	2,086	14,111
Public service	7,475	17,187	2,097	26,759
Supply billed and installment payments (Short and Long Term)	111,882	95,904	35,577	243,363

(In thousands of Reais except when specified)

	12.31.2010			
	Balances due	**Overdue up to 90 days**	**Overdue more than 90 days**	**Total**
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 power	10,094	10,885	4,392	25,371
Public illumination	5,589	1,988	2,154	9,731
Public service	8,095	12,861	2,423	23,379
Supply billed (Short and Long Term)	120,190	107,619	37,064	264,873

8 Low income and "Viva a luz"

On July 01, 2003, ANEEL issued Resolution 320 which added new procedures for homologation of the economic subsidy to consumers that fall within the low income category.

The program *Viva Luz*, created by the government for the State of Maranhão, was launched in November 2009, and the objective is to benefit residential consumers that have monthly consumption of up to 50 kWh, through exemption from paying electricity bills, via pass-through from the government to CEMAR.

According to these procedures, at March 31, 2011, the company has R$23,472 low income and Viva Luz (R$17,418 at December 31, 2010).

(In thousands of Reais except when specified)

	03.31.2011	12.31.2010
Low Income	14,314	17,498
Viva Luz	9,158	(80)
	23,472	17,418

9 Taxes recoverable

The short term and long term balances arising from legal retentions or prepayments are demonstrated below:

	Parent		Consolidated	
	03.31.2011	**12.31.2010**	**03.31.2011**	**12.31.2010**
CURRENT				
Taxes recoverable				
IRRF	1,867	1,972	8,398	6,763
ICMS (1)	-	-	37,106	36,811
Social and other charges	-	-	-	241
Others	-	-	5,997	4,998
	1,867	1,972	51,501	48,813
Taxes on profits				
Prepaid IRPJ / CSLL (2)	941	728	42,603	34,814
IRPJ/CSLL recoverable	130	10	1,844	1,783
	1,071	738	44,447	36,597
Total	2,938	2,710	95,948	85,410

(In thousands of Reais except when specified)

	Parent		Consolidated	
	03.31.2011	**12.31.2010**	**03.31.2011**	**12.31.2010**
NON CURRENT				
Taxes recoverable				
IR on financial investments	2,286	2,284	2,283	2,284
ICMS (f)	-	-	34,582	39,787
Others	-	159	582	742
	2,286	2,443	37,447	42,813
Taxes on profit				
IRPJ and CSLL recoverable	8,082	8,170	8,122	8,170
	8,082	8,170	8,122	8,170
	10,368	10,613	45,569	50,983

(1) The subsidiary CEMAR has ICMS credits based on Complementary Law 102, of July 11, 2000, according to which the subsidiary and joint ventures have registered ICMS recoverable CIAP arising from the acquisitions of assets allocated to property, plant and equipment.

(2) In the subsidiary CEMAR, the anticipated corporate income tax (IRPJ) and Social contribution on Net profit (CSLL) correspond to amounts paid, based on monthly estimated values or suspension trial balances, under the terms of article 2 of Law 9,430, of December 27, 1996 and refer to tax credits to compensate arising from reimbursements from financial investments from public organizations.

(In thousands of Reais except when specified)

10 Deferred income tax and social contribution

Management has recognized the deferred tax asset arising from tax losses and the negative bases considering the forecast taxable profit of CEMAR, prepared by its Management which indicates that this asset will be realized in less than 10 years. There is no limitation period for the recovery of these deferred tax assets.

Consequently, these tax credits have been recorded to the Company's non current assets, based on expected realization, determined based on the Company's forecast future results, observing the limit of 30% for annual compensation against taxable profits.

a. Composition of income tax and social contribution credits

	Consolidated	
	03.31.2011	**12.31.2010**
IRPJ tax losses	217,518	217,518
CSLL negative base	-	-
IRPJ and CSLL temporary differences	24,265	35,086
Non current total	241,783	252,604

(In thousands of Reais except when specified)

b. *Expected recovery*

The subsidiary CEMAR, based on Management advise, has analyzed its tax losses, accumulated between 1990 and 2005, based on the Corporate income Tax Declaration - DIPJ and the Taxable Profit Register - LALUR, and contracted a tax specialist. As a result, at June 30, 2009, an additional credit was recognized in the balance sheet for the amount of R$ 27,415 complementing the deferred tax asset. The expected recovery of these tax credits is consistent with the limits for the forecast results of CEMAR.

Expected Realization	**2011**	**2012**	**2013**	**2014**	**2015**	**2016 a 2018**	**Total**
Deferred taxes	62,700	19,100	21,000	14,700	19,100	80,918	217,518

Based on technical viability studies that identify full recovery of the deferred taxes, Management estimates that realization of the tax credits of R$217,518 may occur by 2018. Of this total, the amount of R$62,700 is expected to be realized in 2011 and compensated against the amount determined by Law 11,941 with REFIS IV.

c. *Reconciliation of income tax and social contribution expense:*

The reconciliation of the expense calculated from using the tax rates on the results of the Parent and Consolidated, and expense for corporate income tax (IRPJ) and Social contribution on net profit (CSLL) debited to profit or loss, for the quarters ended March 31, 2011 and 2010, is presented below:

	Parent		**Consolidated**	
	03.31.2011	**03.31.2010**	**03.31.2011**	**03.31.2010**
Profit (loss) before income taxes and CS (LAIR)	34,233	53,215	74,879	94,604
Combined rate for income tax and CS	34%	34%	34%	34%

(In thousands of Reais except when specified)

	Parent		Consolidated	
	03.31.2011	**03.31.2010**	**03.31.2011**	**03.31.2010**
IR and CS at rates according to legislation in force	(11,639)	(18,093)	(25,459)	(32,165)
Effect of IR and CS on additions and exclusions	-	-	(19,103)	(20,300)
Effect of IR and CS on equity in income of subsidiary	11,569	17,839	11,569	17,839
Diff. between calculation bases - IR and CS	-	-	956	96
Comp. of tax loss – 30% - not recognized to profit or loss	-	-	-	1,807
Prior year adjustments	-	-	-	4,641
Tax incentives	-	-	9,719	10,562
Income tax and CS on profit or loss	(70)	(254)	(22,318)	(17,519)
Current IRPJ and CSLL on profit or loss	(70)	(254)	(5,957)	(7,188)
Deferred IRPJ and CSLL on profit or loss	-	-	(16,361)	(10,332)
	(70)	(254)	(22,318)	(17,520)

11 Related parties

The main asset and liability balances at March 31, 2011 and 2010, as well as the transactions that affected income for the years, result from operations between the Group, its subsidiaries and related parties, shareholders and related parties, key management staff (managing director and directors) and other related parties, according to CVM Decision 560, of December 11, 2008, which approved CPC 05 – Disclosure of related parties.

(In thousands of Reais except when specified)

			03.31.2011			12.31.2010		
Company	**Ref**	**Nature of operation**	**Asset**	**Liability**	**Result / expense**	**Asset**	**Liability**	**Result / expense**
ELETROBRÁS	**(a)**	Borrowings	-	438,822	6,180	-	409,357	33,053
		Dividends	-	18,577	-	-	83,875	-
FASCEMAR	**(b)**	Borrowings	-	23,483	847	-	24,071	3,269
		Private pension	-		445	-	-	1,895
CEMAR	**(c)**	Contract for sharing	116	-	-	83	-	-
		Dividends	-	36,052	-		162,775	-
GERAMAR	**(d)**	Purchase of electricity	-	-	204	-	-	699
		Use of network	-	-	-	-	-	-
EQUATORIAL SOLUÇÕES	**(e)**	Contract for sharing	45	-	-	27	-	-

(a) The balance with ELETROBRÁS refer to dividends payable and loan contracts with the subsidiary CEMAR. The loan contracts with ELETROBRÁS refer to specific financing lines for the Electricity Sector, and the terms are the same as those practices with other electric energy distributors in Brazil, see Note 16.

(b) The balance with FASCEMAR refer to borrowings and contributions from the sponsor CEMAR with its Complementary Private Pension Foundation - FASCEMAR. The loans contracts are described in note 16 and the terms of the CEMAR pension plan with FASCEMAR are detailed in note 26.

(c) The amounts between the subsidiary CEMAR and its Parent Equatorial refer to the contract to share human and administrative resources and are allocated in proportion to the respective expenses incurred, with the contract valid for an indeterminate period and dividends receivable.

(In thousands of Reais except when specified)

(d) The amount with Geradora de Energia do Norte S.A. ("GERAMAR") refers to the contract to purchase electric energy with CEMAR, which is agreed under normal market terms. The contract is: contract CCEAR Nº 5555/2007 - 29413N - 29414N valid until 2024.

(e) The amounts with Equatorial Soluções refer to the contract to share human and administrative resources and are allocated in proportion to the respective expenses incurred with CEMAR, valid for an indeterminate period;

The final parent company of the group is PCP Latin America Power S.A.

Policy for Remuneration of the Management Board, directors, Statutory Audit Committee.

Details of each item as a proportion of total remuneration, for the year 2010.

Management board	
Fixed remuneration:	100%
Directors	
Fixed remuneration:	12%
Variable remuneration:	88%
Statutory Audit Committee	
Fixed remuneration:	100%

(In thousands of Reais except when specified)

Remuneration paid to the management board, Directors and Statutory Audit Committee by the company for the quarter ended March 31, 2011:

	EQUATORIAL		
	Management board	**Statutory directors**	**Total**
Number of members	10	4	14
Fixed annual remuneration	242	266	508
Salary or fees	242	255	497
Direct and indirect benefits	-	11	11
Variable remuneration	-	2,002	2,002
Bonus	-	2,002	2,002

	EQUATORIAL		
	Management board	**Statutory chief executive officers**	**Total**
Share based remuneration	-	1,068	1,068
Total remuneration per organization	242	3,336	3,578

(In thousands of Reais except when specified)

Equatorial Energia S.A., the parent of CEMAR, provides guarantees as the guarantor of the Company without onus on the financing contracts listed below:

Institution	Value of financing	% corporate suretyship	Start	Conclusion	Amount liberated	Balance in 1Q11
3rd Public Issue of Debentures	267,300	100	3/1/2007	3/1/2013	267,300	215,819
Agência Especial de Financiamento Industrial - FINAME (40/00221-7)	46	100	4/20/2006	5/15/2013	46	2
Agência Especial de Financiamento Industrial - FINAME (40/00222-5)	388	100	7/7/2006	5/15/2013	388	15
Agência Especial de Financiamento Industrial - FINAME PSI (Simplified)	776	100	3/25/2010	10/15/2019	776	783
Agência Especial de Financiamento Industrial - FINAME PSI (Conventional)	24,811	100	8/172010	4/15/2020	8,675	9,166
Banco Nacional de Desenvolvimento Econômico e Social - BNDES (106607040004100)	28,481	100	4/10/2007	2/15/2012	28,481	7,195
Banco Nacional de Desenvolvimento Econômico e Social - BNDES (10/473589-0)	79,663	100	3/11/2008	7/15/2013	79,651	47,124
Banco Nacional de Desenvolvimento Econômico e Social - BNDES (10.2.1736.1)	100,000	100	12/22/2010	12/15/2013	100,000	102,889
Banco do Nordeste do Brasil - BNB	136,076	100	11/23/2005	2/28/2017	136,076	93,364
Banco do Nordeste do Brasil - BNB (193.2007.4165.2386)	9,652	100	12/6/2007	12/6/2012	9,652	4,251
Banco do Nordeste do Brasil - BNB	144,939	100	2/5/2009	2/5/2021	144,939	147,026

(In thousands of Reais except when specified)

Institution	Value of financing	% corporate suretyship	Start	Conclusion	Amount liberated	Balance in 1Q11
(193.2008.2808.3018)						
Banco do Nordeste do Brasil - BNB - Recursos do FDNE	53,576	100	03/10/2011	03/10/2021	-	-
Financiadora de Estudos e Projetos - FINEP	2,637	100	06/13/2006	06/30/2013	2,359	1,274
International Finance Corporation – IFC *	135,056	50	2/1/2008	1/15/2016	135,056	106,318
Total	983,401				913,399	735,226

* Exposure Limit of US$40,000,000.00

12 Investments

The main information on the investments in subsidiaries and joint ventures is presented below:

	Parent		Consolidated	
Valued using the equity method:	**03.31.2011**	**12.31.2010**	**03.31.2011**	**12.31.2010**
CEMAR	849,509	817,228	-	-
Geradora de Energia do Norte	51,658	48,519	-	-
Equatorial Soluções	723	740	-	-
Subtotal	901,890	866,487	-	-

	Parent		Consolidated	
Valued using the equity method:	**03.31.2011**	**12.31.2010**	**03.31.2011**	**12.31.2010**
Other investments	-	-	221	221
Subtotal	-	-	221	221
Total	901,890	866,487	221	221

(In thousands of Reais except when specified)

a. Information on the investments in subsidiaries and joint ventures

	CEMAR	Geradora de Energia do Norte	Equatorial Soluções
Balances at December 31, 2010			
Investment in Capital (%)	65.11%	25.00%	100.00%
Capital	374,346	139,039	370
Shareholders' equity	908,052	148,752	740
Results for the period	278,620	23,293	842
Balances at March 31, 2011			
Investment in Capital (%)	65.11%	25.00%	100.00%
Capital	374,346	139,039	370
Shareholders' equity	816,148	161,308	723
Results for the period	52,728	12,196	(17)

b. Changes in investments in subsidiaries and joint ventures:

	CEMAR	Geramar	Equatorial Soluções	Total
Balances at December 31, 2010 prior to adopting new practices.	817,228	48,519	740	866,488
Additional dividends	(94,168)	-	-	(94,168)
Equity in income of subsidiary	34,329	3,049	(17)	37,360
Amortization of goodwill	(2,098)			(2,098)

	CEMAR	Geramar	Equatorial Soluções	Total
Equity evaluation adjustment	-	90	-	91
Balances at March 31, 2011	755,291	51,658	723	807,672

(In thousands of Reais except when specified)

13 Indemnifiable asset (Concession)

CEMAR registered a financial asset receivable from the Conceding Power due to the unconditional right to receive cash at the end of the concession period, as provided in the contract, as indemnity for construction services performed and not received through rendering services related to the concession.

The indemnity will be made based on the investment installments tied to the revertible assets that have not been amortized or depreciated, and which were undertaken for the purpose of guaranteeing the continuity of the service assigned and determined.

	03.31.2011			12.31.2010		
	Cost	**(-)Obligations tied to concession**	**Net value**	**Cost**	**(-)Obligations tied to concession**	**Net value**
In service	157,917	(135,318)	22,599	153,440	(103,031)	50,409
Total	157,917	(135,318)	22,599	153,440	(103,031)	50,409

The changes in the balances that refer to indemnifiable assets (concession) are presented below:

	12.31.2010	**Write off**	**Capitalization**	**03.31.2011**
Financial asset	153,440	(262)	4,739	157,917
Special obligations	(103,031)	-	(32,287)	(135,318)
Financial asset	50,409	(262)	(27,548)	22,599

Cemar’s concession is not onerous, consequently, there are no fixed financial obligations and payments to be made to the Conceding Power.

(In thousands of Reais except when specified)

14 Intangible assets

	Annual average weighted depreciation rates (%)	03.31.2011				12.31.2010			
		Costs	Amortizatio	(-)Obligations tied to concession	Net value	Costs	Amortization	(-)Obligations tied to concession	Net value
In service	4.00%	2,827,865	(907,560)	(709,413)	1,210,892	2,775,236	(873,337)	(598,618)	1,303,281
On going	0.00%	322,568	-	(138,646)	183,922	301,897	-	(235,951)	65,946
Total		**3,150,433**	**(907,560)**	**(848,059)**	**1,394,814**	**3,077,133**	**(873,337)**	**(834,569)**	**1,369,227**

The Company's intangible asset consists of the right to use assets related to the service concession contract and is being amortized until August 2030, according to ICPC01.

According to articles 63 and 64 of Decree 41.019, of February 26, 1957, the infra-structure used in the distribution of electric energy is tied to these services, and can not be removed, assigned or given in mortgage guarantee without prior express authorization from ANEEL.

Resolution 20 from ANEEL, of 3, 1999, regulates the separation of assets from the concessions for the Public Service of Electricity, granting prior authorization for the separation of the infra-structure that no longer serves the concession, when available for sale, and determines that the proceeds from the sale should be deposited in a tied bank account for investment in the concession. At March 31, 2011, there were no assets available for sale, nor at December 31, 2010.

(In thousands of Reais except when specified)

15 Suppliers

	Parent		Consolidated	
	03.31.2011	**2010**	**03.31.2011**	**2010**
Current				
Charges from use of electricity network **(a)**	-	-	17,750	16,285
Free energy – reimbursement to generators **(b)**	-	-	234	234
Auction of energy **(c)**	-	-	54,409	58,829
Others	132	151	5,523	5,790
Total	132	151	77,916	81,138
Materials and services	-	-	66,901	92,909
Total	132	151	144,817	174,047

a. Supply of energy and connection charges CEMAR

According to Decree 5,163 of July 30, 2004, which includes the new legislation that regulates the electricity sector, CEMAR negotiated new contracts for the Purchase of Electricity in the Regulated Environment, as described below:

Energy contracted	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Auction Chesf	-	-	-	-	-	-	-	-	-
Product 2005/2012	2,930,639	2,922,632	2,922,632	2,922,632	2,930,639	-	-	-	-
Product 2006/2013	1,113,560	1,110,517	1,110,517	1,110,517	1,113,560	1,110,517	-	-	-
Product 2007/2014	406,418	405,307	405,307	405,307	406,418	405,307	405,307	-	-
Product 2008/2015	213,804	212,463	212,463	212,463	213,046	212,463	212,463	212,463	-
PROINFA	59,268	85,915	101,504	108,470	101,987	101,987	101,987	101,987	101,987
MCSD	91,138	91,185	97,814	97,8107	95,705	20,107	10,934	7,961	7,982
New 2008/2022/2037	25,604	25,534	25,534	25,490	25,649	25,579	25,579	25,579	25,579

(In thousands of Reais except when specified)

Energy contracted	2008	2009	2010	2011	2012	2013	2014	2015	2016
New 2009/2023/2038	-	99,694	99,694	99,694	99,967	99,694	99,694	99,694	99,587
New 2010/2024/2039	-	-	369,847	369,847	370,860	369,847	369,847	369,847	369,847
Auction A-3	-	225,544	219,473	219,473	222,202	219,473	219,473	219,473	222,202
Auction Alternative source	-	-	3,888	3,883	3,899	3,888	3,888	3,888	3,899
Auction A-3 (2007)	-	-	56,940	56,829	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	16,244	16,199	16,194	16,199	16,238	16,194	16,194	-	-
Adjustment - Auction	79,470	-	-	-	-	-	-	-	-
Total - MWh	4,936,145	5,194,990	5,641,807	6,807,477	6,376,318	3,961,242	3,027,535	2,756,099	2,582,115

b. *Free energy – Reimbursements to the Generators*

The Directors' meeting, held on December 15, 2009, ANEEL approved the methodology and the procedures to calculate the balances for Free Electricity and Lost Income from generators and distributors after concluding the charge for the Extraordinary Tariff Recomposition (RTE) for supply charges. However, Resolution 387, of December 15, 2009, published on January 12, 2010, concluded the process to calculate the final balances for Lost Income and Free Energy and defined the values of the reimbursements between the agents, calculated by the companies, that will be validated by the Agency.

(In thousands of Reais except when specified)

c. *Charges for use of electricity network CEMAR*

In 1999, the concessionaries for the distribution of electric energy signed Contracts for Use of the Transmission System – CUST together with 15 other energy transmitters companies and with the National system Operator - ONS, the organization created to plan and operate the Brazilian electricity system. These contracts require that they pay for the use of transmission assets, resulting from the interconnections of the entire Brazilian electricity transmission system.

16 Financing and borrowings

	Consolidated				
	03/31/2011				
	Current		Non Current		
	Principal and Charges	**Funding costs to appropriate (*)**	**Principal and Charges**	**Funding costs to appropriate (*)**	**Total**
Foreign currency					
National treasury	818	-	7,099	-	7,917
	818	-	7,099	-	7,917
National currency					
Eletrobrás	51,809	-	387,170	-	438,979
IFC	23,207	(267)	83,111	(1,015)	105,036
BNB	23,307	(270)	221,335	(1,502)	242,870
BNDES	40,775	(3)	116,433	(4)	157,201
FINEP	568	(5)	705	(6)	1,262
FINAME	144	-	9,822	-	9,966
Banco ITAU BBA	27,386	-	-	-	27,386
Votorantim	27,387	-	-	-	27,387
Borrowings - debt with FASCEMAR	5,871	-	17,612	-	23,483
SAFRA	7,254	-	-	-	7,254
	207,708	(545)	836,188	(2,527)	1,040,824

(In thousands of Reais except when specified)

	Consolidated 03/31/2011				
	Current		Non Current		
	Principal and Charges	Funding costs to appropriate (*)	Principal and Charges	Funding costs to appropriate (*)	Total
Total borrowings and financing	208,526	(545)	843,287	(2,527)	1,048,741
Debentures	59,339	-	200,422	-	259,761
Total net	267,865	(545)	1,043,709	(2,527)	1,308,502

	Consolidated 12.31.2010				
	Current		Non current		
	Principal and Charges	Funding costs to appropriate (*)	Principal and Charges	Funding costs to appropriate (*)	Total
Foreign currency					
National treasury	747	-	7.273	-	8.020
	747	-	7.273	-	8.020
National currency					
Eletrobrás	46,137	-	363.377	-	409.514
IFC	26,594	(266)	93.500	(1.081)	118.747
BNB	23,405	(268)	226.552	(1.571)	248.118
BNDES	28,440	(3)	133.149	(4)	161.582
FINEP	569	(5)	846	(7)	1.403
FINAME	120	-	9.435	-	9.555
Banco ABC	7,019	-	-	-	7.019

(In thousands of Reais except when specified)

	Consolidated				
	12.31.2010				
	Current		Non current		
	Principal and Charges	Funding costs to appropriate (*)	Principal and Charges	Funding costs to appropriate (*)	Total
Banco Itaú BBA	28,800	-	-	-	28.800
Votorantim	28,862	-	-	-	28.862
Borrowings - debt with FASCEMAR	5,664	-	18.4078	-	24.072
	195,610	(542)	845.267	(2.663)	1.037.672
Total borrowings and financing	196,357	(542)	852.540	(2.663)	1.045.692
Debentures	66,941	-	253.139	-	320.080
Total net	263,298	(542)	1.105.679	(2.663)	1.365.772

(In thousands of Reais except when specified)

	Consolidated				
	12.31.2010				
	Current		Non current		
	Principal and Charges	Funding costs to appropriate (*)	Principal and Charges	Funding costs to appropriate (*)	Total
Foreign currency	747	-	7,273	-	8,020
National treasury	747	-	7,273	-	8,020
National currency	46,137	-	363,377	-	409,514
Eletrobrás	26,594	(266)	93,500	(1,081)	121,441
IFC	23,405	(268)	226,552	(1,571)	251,796
BNB	28,440	(3)	133,149	(4)	161,596
BNDES	569	(5)	846	(7)	1,427
FINEP	120	-	9,435	-	9,555
FINAME	7,019	-	-	-	7,019
Banco ABC	28,800	-	-	-	28,800
Banco Itaú BBA	28,862	-	-	-	28,862
Votorantim	5,664	-	18,4078	-	24,072
Borrowings - debt with FASCEMAR	195,610	(542)	845,267	(2,663)	1,203,342
Total borrowings and financing	196,357	(542)	852,540	(2,663)	1,044,082
Debentures	66,941	-	253,139	-	320,080
Total net	263,298	(542)	1,105,679	(2,663)	1,372,182

(*) In compliance with Decision 556, of November 12, 2008, which approved CPC 08, the Group appropriated the costs of borrowings as from 2008, to results over the period, based on the amortized cost method.

(In thousands of Reais except when specified)

Scheduling of installments of loans, financing and debentures falling due included in current and non current (includes funding costs).

The installments due for the principal loan and financing amounts, fall due as follows :

	Consolidated					
	03.31.2011			12.31.2010		
Value of debt	**National currency**	**Foreign currency**	**Total**	**National currency**	**Foreign currency**	**Total**
Total current	266,503	818	267,321	262,009	747	262,756
2012	132,048	481	132,529	226,629	493	227,122
2013	349,269	308	349,577	339,375	316	339,691
2014	122,397	154	122,551	113,474	157	113,631
2015	116,576	-	116,576	108,768	-	108,768
2016	68,140	-	68,140	74,715	-	74,715
after 2016	245,653	6,156	251,809	232,782	6,307	239,089
Total non current	1,034,083	7,099	1,041,182	1,095,743	7,273	1,103,016

a. *Statements of debt*

Financier	**Date of signing**	**Currency/ index**	**Interest rate**	**3/31/2011**	**12/31/2010**
TN - Discount Bond	04/15/1994	*US$*	US$ + (Libor/Sem + 13/16% p. a.)	2,548	2,600
TN - Par Bond	04/15/1994	*US$*	US$ + 6% p .a	3,729	3,763
TN - C. Bond	04/15/1994	*US$*	US$ + 8% p .a	1,119	1,124
TN - Debit. Conv. Bond	04/15/1994	*US$*	US$ + (Libor/Sem + 7/8% p. a.)	521	533
				7,917	8,020
Foreign currency					
BNB – NEW HEADQUARTERS	12/06/2007	REAL	8,50% p. a.	4,251	4,858
BNB I	11/23/2005	REAL	8,50% p. a.	93,364	97,995

(In thousands of Reais except when specified)

Financier	Date of signing	Currency/ index	Interest rate	3/31/2011	12/31/2010
BNB II	2/5/2009	REAL	8,50% p. a.	147,026	147,104
BNDES – FINAME PSI	4/15/2010	REAL	4,5% p.a.	9,949	9,514
BNDES - FINEN I	4/10/2007	TJLP	TJLP + 4,8% p.a.	7,195	9,157
BNDES - FINEN II	3/11/2008	TJLP	TJLP + 3,6% p.a.	47,124	52,174
BNDES - PEC	12/9/2010	TJLP	TJLP + 4,91% p.a.	102,889	100,259
Debentures 3rd issue	3/1/2007	CDI	105,8% CDI	215,819	276,881
ELETROBRÁS	4/27/2004	RGR, FINEL e IGP-M	Diversas	438,981	409,514
FASCEMAR	4/20/2001	CDI	102% do CDI	23,483	24,071
FINAME	4/10/2006	TJLP	TJLP + 9,5% p. a.	16	41
FINEP	6/13/2006	TJLP	TJLP + 2% p. a.	1,274	1,415
IFC	2/1/2008	CDI	90,9% do CDI + 1,5% p.a.	106,318	120,094
Banco ABC		CDI		-	7,019
Debentures		TJLP		43,942	43,199
Itaú BBA	9/1/2009	CDI		27,386	28,800
Votorantin	Various	CDI		27,387	28,862
Safra		CDI		7,254	-
National currency				1,303,658	1,360,957
Total (excluding funding costs to amortize)				1.311.575	1.368.977
Funding costs				(3,072)	(3,205)
Grand total (with funding costs)				1.308.503	1,365,772
Current				267,321	262,756
Non current				1,041,182	1,103,016

b. *Program for Universalization of Access and use of electricity in the Rural zones:*

ANEEL, through Resolution 223, of April 29, 2003, altered by Resolutions 52, of March 25, 2004, and 175, of November 28, 2005 established the general conditions for preparing the Plans for the Universalization of Electricity, aimed at attending new consumers, or increasing the electricity charge, regulating the rulings in articles 14 and 15 of Law 10,438, of April 26, 2002, and fixed the responsibilities of the concessionaries and license holders of the public service for the distribution of electricity. Law 10.762, of November 11, 2003, altered the priority for attending the municipals, giving emphasis to municipals with lower electricity service index and limited this attendance only to new units, with low voltage connection (less than 2.3 KW), with installed electric charge of up to 50 KW.

(In thousands of Reais except when specified)

Since the start of the program in 2004, CEMAR has invested R$1,250,553 (R$1,212,256 at December 31, 2010) in the Universalization Program.

Light For All Program

Since the start of the program in 2004, CEMAR has received a total of R$935,850, which refers to funds from CDE, and R$141,892, which refers to funds from RGR, with details of the contracts signed presented in the following table:

Contract	RGR installment	% RGR	CDE installment	% CDE	Total
ECFS 027/2004	13,437	13.33%	87,341	86.67%	100.778
ECFS 140/2006	23.512	13.33%	152.829	86.67%	176.341
ECFS 176/2007	37.204	13.33%	241.827	86.67%	279.031
ECFS 236/2008	40.632	13.33%	264.106	86.67%	304.738
ECFS 281/2008	27.107	12.50%	189.747	87.50%	216.854
Total	141.892	13.17%	935.850	86.83%	1.077.742

c. *Covenants*

The funding from IFC and the loans from BNDES, classified to current and non current, require that indices be maintained for indebtedness and interest coverage. During the quarter ended March 31, 2011, the Company and its subsidiaries achieved all of the contractual indices required.

(In thousands of Reais except when specified)

17 Debentures

	Consolidated				
	03.31.2011				
	Current		Non Current		
	Principal and charges	Funding costs to appropriate	Principal and charges	Funding costs to appropriate	Total
Debentures	59,339	-	200,422	-	259,761

	Consolidated				
	31.12.2010				
	Current		Non current		
	Principal and charges	Funding costs to appropriate	Principal and charges	Funding costs to appropriate	Total
Debentures	66.941	-	253.139	-	320.080

Third debenture Issue - CEMAR

On March 28, 2007, the public distribution of the 3rd issue of Debentures, non convertible into shares in CEMAR was concluded. The priority for the funds obtained, for the amount of R$267,300, is mainly to make prepayments of existing debts that have more onerous conditions for the Company, and the excess funds are to implement the Company's investment program. In April 2007, prepayments were made for the amount of R$257,902, which included the contracts with Eletrobrás (2035/00); Eletronorte (protocol); Eletronorte (supply), 2nd issue of Debentures, Concórdia CCV and Fundo CCV. At March 31, 2011, the effect of this operation was 11.03% per annum (10.32% at December 31, 2010).

At March 31, 2011, the long term Debentures represented the amount of R$160,380, and maturity is programmed as follows:

Maturity	Value
2013	160,380
Total	160,380

(In thousands of Reais except when specified)

Debentures Geradora de Energia do Norte

Financing in the form of FDA - Fundo de Desenvolvimento da Amazônia, governed by SUDAM - Superintendência de Desenvolvimento da Amazônia, for the total amount of R$334.057 was signed on November 23, 2009. It is corrected by the TJLP, plus 0.85% p.a. plus 0.15% of del credere, with amortization over 180 months. Until March 31, 2011 of that amount had been liberated R$175,770.

The debentures have a real guarantee and personal guarantee by surety, and are convertible into preferred or common shares, if this option is expressed at the time of maturity of the six monthly installments by SUDAM, limited to 15% of each installment programmed. This financing is also guaranteed by the shareholders, by means of a pledge for the Plant and credit rights from CCEAR.

At March 31, 2011, the long term debentures represented the amount of R$40,042, and payments are scheduled as follows:

Maturity	**Value**
2012	2,620
2013	2,620
2014	2,620
2015	2,620
2016	2,620
after 2016	26,942
Total	40,042

The debenture issues classified to current and non current, require that indices be maintained for indebtedness and interest coverage. During the quarter ended March 31, 2011, the Company and its subsidiaries achieved all of the contractual indices required.

(In thousands of Reais except when specified)

18 Taxes and contributions payable

	Parent		Consolidated	
	03.31.2011	**12.31.2010**	**03.31.2011**	**12.31.2010**
Current				
Taxes payable				
IRRF	962	963	1.042	977
ICMS (f)			19.744	19.554
PIS/COFINS	127	48	7.466	8.181
REFIS/PAES			1.129	1.129
Social charges and others			5.202	5.043
Others	1	59	1.191	1.441
	1.090	1.070	35.774	36.325
Profit taxes				
Prepaid IRPJ / CSL	466		42.663	-
Provision for IRPJ / CSL	381	522	513	38,729
	847	522	43,176	38,729
Total	1,937	1,592	78,950	75,054
NON CURRENT				
Taxes payable				-
REFIS/PAES	-	-	83,536	83,536
Others			823	793
	-	-	84,359	84,329
Deferred tax assets				
IRPJ and CSLL deferred	50	50	110,404	104,577
	50	50	110,404	104,577
Total	50	50	194,763	188,906

(In thousands of Reais except when specified)

a. Tax recovery program - REFIS

	03.31.2011	12.31.2010
Current liability	1,128	1,129
Non current liability	83,536	83,536
Total	84,664	84,665

Installment payment of taxes - Law 11.941/09

On November, 2009, CEMAR formalized its adhesion to the installment payments, considered in art. 1 of Law 11,941/2009, resulting in the compulsory and definitive withdrawal from the Special Installment payments system - PAES. Under the terms of the norms applicable to the new installment payment system, the remaining balance for the consolidated debts for special installments - PAES are to be paid in up to 180 monthly installments. Consolidation of these debts is pending conclusion by the Brazilian Revenue Services RFB.

The main benefits from adhering to this new REFIS include a reduction to interest and fines for the amount of R$24,756, the possibility of settling the remaining balance for interest and fines from using tax losses, and the payment of the cash installment. The initial amount included in the REFIS was R$72,522. Given that R$34,028 will compensated by tax losses, the effective installments that will result in future cash expenses amount to R$ 38,494. This had an effect on the results for 2009 R$ 72,522, which was recognized to the following accounts:

Financial expenses	(58,784)
Income tax and social contribution	(38,260)
Other operational income	24,756
Other operational expenses	(234)

(In thousands of Reais except when specified)

This debt, for the amount of R$38,494 will be settled in 180 installments. Consolidation of these debts is pending conclusion from the Brazilian Internal Revenue Services (RFB).

The REFIS payments, for the amount of R$2,742 have been recorded to other taxes recoverable until consolidation of the debts to be included in the installment payments has been homologated.

19 Provision for contingencies

CEMAR is the defendant in various judicial and administrative processes with various courts and government entities, arising from the normal course of its operations, involving tax, labor and civil aspects and other issues.

Management, based on information from its legal advisors, analyses of pending legal demands, and with respect to labor claims, based on its prior experience of amounts claimed, has registered a provision for an amount considered sufficient to cover the probable estimated losses estimated from on going claims, as follows:

	2011			2010		
	Value of claims	Legal deposits	Net provision	Value of claims	Legal deposits	Net provision
Civil and tax	130,194	107,988	22,206	125,586	98480	27,106
Labor	28,550	13,327	15,223	27,963	14,031	13,932
Regulatory	3,548	-	3,548	3,305	-	3,305
	162,292	121,315	40,977	156,854	112,511	44,343
Current	39,977	13,742	26,204	38,138	10,694	27,444
Non current	122,345	107573	14,772	118,716	101817	16,899
	162,292	121,315	40,976	156,854	112,511	44,343

The contingent liabilities are reported net of legal deposits, however, not all of the legal deposits are necessarily related to the contingent demands, since they may result from claims by CEMAR.

(In thousands of Reais except when specified)

Changes in processes during the period

	12.31.2010	03.31.2011				
	Opening balance	**Addition to provision**	**Used (1)**	**Reversal (2)**	**Correction (3)**	**Closing balance**
Civil and tax	125,586	13,285	(3,528)	(5,147)	-	130,196
Labor	27,963	4,957	(1,639)	(2,732)	-	28,549
Regulatory	3,305	242	-	-	-	3,547
	156,854	18,484	(5,167)	(7,879)	-	162,292

(1) Effective costs from legal contingencies.
(2) Reversals made during the year.
(3) Monetary corrections

Labor

Represented by 673 claims filed by ex-employees against CEMAR, involving demands for overtime, danger risk supplements, equal pay and/or salary adjustments and others, and also claims filed by ex-employees of its contractors (joint responsibility) involving claims for indemnity and other.

Civil and tax

CEMAR is the defendant in 22,460 civil and tax processes, with 18,094 of these being considered in Special Courts, the majority of which refer to demands for material and moral damage, and reimbursement of amounts paid by consumers.

The most significant civil claims consist of 7 (seven) indemnity claims questioning accidents involving the distribution network, death due to electric discharge or damage due to rescission of contracts with suppliers, with the value of these claims amounting to approximately the value of the provision of R$ 5,120.

In addition, CEMAR continues to monitor the progress of the actions for the Settlement of Accounts and indemnity filed by the municipal for São Luís against CEMAR, both of which arise from the agreement to charge the old Public Lighting Fee - TIP, despite the alteration of the probability of loss (from probable to possible) given the legal basis, unanimously, of one of the rescission claims filed by the Company in the ambit of the Courts for the State of Maranhão. The other rescission claim, filed against the decision given for the claim to settle accounts, has not altered significantly during the last three months.

The financial statements for the quarters ended March 31, 2011 include provision of R$ 54,958 (R54,958 at December 31, 2010).

In addition to the losses provisioned as reported above, there are other contingencies for which the possibility of loss has been evaluated by Management, based on an evaluation by the Legal Department at CEMAR and its external legal advisors, as being possible and remote, for the amount of R$ 71,330 and R$ 16,937, respectively (R$1,330 and R$16,937 at December 31,2010 for which no provision has been recorded. (main possible causes must be disclosed).

CEMAR is subject to environmental preservation laws and the respective regulations in the Federal, State and Municipal spheres. CEMAR considers that the exposure to environment risks, based on an evaluation of the data available, in complying with the laws and regulations applicable, does not have a significant impact on its financial statements or on the results of its operations.

Regulatory

Between September 22, 2009 and October 3, 2009, ANEEL/SFE performed a Quality Investigation (Technical/Commercial). The investigation resulted in TN 015/2009-SFE/ANEEL and AI 108/2009-SFE/ANEEL, which established a fine for the amount of R$1,797. A provision was recorded for the fine in December 2009.

Furthermore, since June/2010, CCEE has started a process to determine the penalties from problems in measuring the boundaries. Given the various difficulties associated with the measurement points on the highway Presidente Dutra, CEMAR received the notification terms TN 627/2010 CCEE, TN 853/2010 CCEE and TN 1026/2010 CCEE, which refer to the problems in June, July and August 2010, respectively. The total value of the fines, for which provisions have been recorded, is R$1,284 (original value). CEMAR presented its defense for the situation which caused the penalties, and CCEE has suspended the fines to evaluate the question. Thus CEMAR is awaiting the final decision to be taken by CCEE.

Finally, on October 27, 2010, it received AI 103/2010-SFE which referred to the investigation of two performance indices for CEMAR's Attendance Center. The AI charged a penalty for the amount of R$30. Subsequently, by means of Instruction 3688, of December 02, 2010, the value of the fine was reduced to R$28. CEMAR appealed and is awaiting the final decisions from the Agency regarding the penalty.

20 Dividends (Parent)

In accordance with the Statutes, the shareholders are assured a minimum compulsory dividend of 25% of net profit, adjusted in accordance with legislation in force and after deducing the allocations decided in General Meeting.

On March 29, 2011, Board Meeting was held, which approved the declaration of the proposed dividends of R$165,761 for the year 2010 and the distribution of interim dividends for the amount of R$30,846.

This amount refers to the proposed distribution equivalent to 100% of net profit for 2010, after deducting the legal reserve of R$8.724 from the tax incentive reserve.

(In thousands of Reais except when specified)

21 Research and development and energy efficiency

	Consolidated	
	03.31.2011	**12.31.2010**
National fund for scientific and technology development - FNDCT	470	563
Energy research company - EPE	235	282
Research and development program - P&D	12,383	11,593
Energy efficiency program - PEE	33,439	31,563
Total	46,527	44,001
Current	18,416	15,890
Non current	28,111	28,111

Refers to amounts due and not yet invested in the Technological Research and Development Program for the Electric Sector - P&D, calculated accordance with the terms of ANEEL Normative Resolution 219, of April 11, 2006 and the Energy Efficiency Program - PEE, calculated in accordance with the terms of Normative Resolution ANEEL 176, of November 28, 2005, altered by ANEEL Normative Resolution 215, of March 28, 2006. These amounts were recorded to profit or loss.

(In thousands of Reais except when specified)

22 Shareholders' equity

a. *Capital*

Capital at March 31, 2011, represented R$566,831 (R$566,831 at December 31, 2010) and the composition by class of share and main shareholders is presented below:

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%
Credit Suisse Hedging-Griffo	5,448,100	5,448,100	5.0%
Minority interest	39,381,773	39,381,773	36.1%
Total	109,226,672	109,226,672	100.0%

The Company is listed on the Novo Mercado from BM&FBOVESPA, and only has common shares in its share base, ensuring 100% “Tag Along” to minority interests in the event of merger or the transfer of the controlling interest.

Alteration to investment interest of Equatorial

On April 8, 2009, subscriptions were made for 17,250 common shares by the beneficiaries of the Third Program for the company's Stock Option Plan. Consequently, the Company's capital increased to 105,817,876 common shares, all nominative with no par value.

On June 4, 2009, subscriptions were made for 41,229 common shares by the beneficiaries of the Third Program for the company's Stock Option Plan. Consequently, the Company's capital increased to 105,859,105 common shares, all nominative with no par value.

On August 28, 2009, subscriptions were made for 21.400 common shares by the beneficiaries of the Third Program for the company's Stock Option Plan. Consequently, the Company's capital increased to 105.880.505 common shares, all nominative with no par value.

On December 01, 2009, subscriptions were made for 2.525 common shares by the beneficiaries of the Third Program for the company's Stock Option Plan. Consequently, the Company's capital increased to 105,883,030 common shares, all nominative with no par value.

On January 4, 2010, subscriptions were made for 2,098,244 common shares by the beneficiaries of the Third Program for the company's Stock Option Plan. Consequently, the Company's capital increased to 107,981,274 common shares, all nominative with no par value.

On March 4, 2010, subscriptions were made for 499.554 common shares by the beneficiaries of the Third Program for the company's Stock Option Plan. Consequently, the Company's capital increased to 108,480,828 common shares, all nominative with no par value.

b. Share purchase option plans

The information presented in this section has been adjusted for the conversion and grouping of the Company's shares, implemented on April 07, 2008, to facilitate understanding of such. On this date, the Company's capital was represented by 105,573 thousand common shares, after the conversion of one preferred share into one common share, and the subsequent grouping of three common shares into one share of the same class.

Third stock option plan

The Extraordinary General Meeting (EGM) of October 16, 2008, approved the creation of the Third Share Purchase Option Plan for Equatorial ("third plan"). The share subscription options to be offered under the terms of the Plan will represent a maximum of 4,000 thousand shares in Equatorial. Once the option has been exercised by the interested parties, these shares will be issued through a capital increase in the Company, within the authorized capital limits as provided in the Statutes. Further details on the Plan can be obtained from the minutes of the EGM which approved such, and which are available on the Company's site and the CVM site.

The beneficiaries have to use at least 50% (fifty percent) of the value of the profit sharing. Performance bonus or any other form of annual variable remuneration (“PL”) to which they are entitled, net of income tax and other charges due, on the subscription of the shares included in the lots to which options have been granted. In addition, the beneficiaries have to use all of the dividends or interest on own capital received, from the shares they own and were acquired under the plan for the subscription of shares included in the lots for which the options have been granted.

On February 9, 2009, the Administration Committee for the Third Plan granted 3,819 thousand share purchase options, of which 163 thousand were subscribed on the sale date. Subsequently, on May 07, 2009, a further 181 thousand options were granted, complementing the maximum value offered under the terms of the Plan for 4.000 thousand options.

On April 8, 2009, a further 17 thousand common shares were subscribed, using the funds from dividends and interest on own capital paid by the Company for the shares belonging to the beneficiaries acquired within the ambit of the Plan, and in accordance with its clauses.

Once again, on June 4 and 8, 2009, using the funds from dividends distributed by the Company, the beneficiaries of the Plan subscribed to a further 41 thousand common shares.

On August 28, 2009, a further thousand shares were subscribed by the beneficiaries of the Plan, resulting in a balance to be subscribed within the ambit of the Plan of 3.758 thousand options at September 30, 2009.

On November 30, 2009 a further 3 thousand options were subscribed, as a result of the last dividend payment for the year 2008.

On January 4 and March 1, 2010, subscriptions were made to 2,098 thousand and 500 thousand shares within the ambit of the Share Purchase Option Plan, respectively. These subscriptions are part of the 1st and 2nd lots granted in the Plan.

On September 09, 2010, subscriptions were made to 345 thousand shares within the ambit of the Plan, which are part of the 1st and 2nd lots granted, which still have to be recognized in the next General Meeting to be held by the Company.

After these subscriptions, the balance at March 31, 2011 was 811 thousand common shares.

In summary, the information for the third share purchase option plan, the only one currently in force, is presented below:

In thousands of shares	Third plan
Total shares granted under the plan	4,000
Options exercised by 12.31.2009	(204)
Balance remaining at 12.31.2009	3,796
Options exercised between 01.01.2010 and 09.30.2010	(2,985)
Balance remaining at 12.31.2010	811

Potential for dilution

According to the rules of each stock option plan, the potential issue of options remaining would result in an additional dilution for the existing shareholders of Equatorial Energia S.A. equivalent to a maximum of 0.7%.

Administration of the plans

The stock option plans include common shares representing capital, to be administered by a committee, comprising of 3 members of the Company's management board. The Committee has powers to establish the appropriate norms for granting the options, each year, through the Stock option Programs.

(In thousands of Reais except when specified)

23 Supply of electric energy

At March 31, 2011and 2010, the composition of the supply of electric energy, by consumer class, was as follows:

	Consolidated			
	MWh (*)		R$	
	03.31.2011	**03.31.2010**	**03.31.2011**	**03.31.2010**
Residential	467,658	149,155	163,364	156,146
Industrial	102,055	34,495	29,796	28,329
Commercial, services and others	198,137	68,350	74,525	72,343
Rural	29,070	10,277	7,096	7,711
Public power	57,577	20,996	22,200	22,910
Public illumination	80,321	25,119	16,956	13,983
Public service	62,767	21,560	18,214	17,890
Own consumption	1,550	616	-	-
MAE and CEPISA	-	-	19,190	-
Low income	-	-	24,894	30,276
Others	10,327	-	26,044	19,088
Revenue of construction	-	-	78,433	69,321
Supply billed	1,009,462	330,568	480,567	437,997
ICMS	-	-	68,849	55,809
Supply not billed	-	-	2,284	3,940
Total supply	1,009,462	330,568	551,700	497,746

(*) Information not examined by the independent auditors

ICMS and income not billed have been excluded from the above lines.

(In thousands of Reais except when specified)

24 Deductions of revenue

	Parent		Consolidated	
	03.31.2011	**03.31.2010**	**03.31.2011**	**03.31.2010**
Operational revenue	793	335	551,700	497,746
Sale of electricity	-	-	438,821	422.123
Supply of electricity	-	-	19,190	1.574
Revenue of construction	-	-	78,433	69.321
Others revenues	793	335	15,256	4.728
Operational revenue deductions	(113)	(48)	(132,631)	(123,606)
ICMS on Sales of electricity	-	-	(68,849)	(66.689)
PIS and COFINS	(73)	(31)	(41,678)	(38.837)
Consumer charges	-	-	(17,572)	(12.676)
Quota for RGR	-	-	(2,206)	(4.458)
ISS	(40)	(17)	(285)	(187)
Charge for emergency capacity	-	-	(2,040)	7
Others	-	-	-	(766)
Operational net revenue	680	287	419,068	374,140

(In thousands of Reais except when specified)

24 Operational results

Operational expenses comprise the following, by nature of expense:

	Parent	
	03.31.2011 **Operational expenses** **General and Administrative**	**03.31.2011** **Operational expenses** **General and Administrative**
Personnel and administrative	3,220	7,250
Material	2	6
Third party services	343	781
Others	310	-
Financial results	(2,165)	(1,983)
Equity results	(35,263)	(59,585)
Revenues and non operating expenses	-	603
Total	(33,553)	(52,928)

	Consolidated					
	03.31.2010					03.31.2010
	Cost of service		Operational expenses			
	Energy	**Operation**	**Sales (1)**	**General and administrative (2)**	**Total**	**Total**
Electric energy purchased for resale	1,802	113,288		-	115,090	100,503
Personnel and administrative	5,137	34	4,320	4,605	14,096	25,132
Material	1,296	-	63	311	1,670	2,048
third party services	12,111	-	18,996	20,925	52,032	29,559
Investigation fee for electric energy services	-	-	862	-	862	729
Provision	-	-	-	12,017	12,017	7,160
Construction cost	-	78,433	-	-	78,433	69,321
Charges from use of transmission system	-	22,346	-	-	22,346	21,072
Others	(996)	-	1,964	8,284	11,244	3,988
Financial results	-	-	-	-	7,862	6,384
Equity results	-	-	-	-	2,097	(13,498)
Revenues and non operating expenses	-	-	-	-	541	3,084
	19,350	214,101	26,205	46,142	316,298	255,482

(In thousands of Reais except when specified)

	Consolidated					
	03.31.2010					03.31.2010
	Cost of service		Operational expenses			
	Energy	Operation	Sales (1)	General and administrative (2)	Total	Total
Depreciation and amortization	23,030	-	-	3,926	26,956	23,101
Leases and rentals	363	-	415	157	935	953
Total	42,743	214,101	26,620	50,225	344,189	279,536

(1) Refers to sales expenses and expenses from the provision for doubtful receivables.

(2) Refers to the net results from administrative expenses, personnel, management fees, provision (reversal) to contingencies, depreciation and amortization, and other operational expenses (income).

25 Profit per share

As required by CPC 41 and IAS 33 (Earnings per Share), the following table reconciles the net profit for the year with the amount used to calculate the basic and diluted earnings per share.

	Consolidated	
	03.31.2011	**03.31.2010**
Numerator		
Net income for the period (R$ thousand)	34,163	52,961
Denominator		
Weighted average number of common shares	109,227	108,481
Basic and diluted profit per share (R$)	0,31277	0,48821

At March 31, 2011 and 2010, there is no difference between profit per share basic and diluted.

(In thousands of Reais except when specified)

26 Private pension Entity

a. Characteristics of the retirement plan

CEMAR is the sponsor of FASCEMAR - Fundação de Assistência e Seguridade dos Servidores da CEMAR, a Complementary Private pension Fund, a corporate entity, non profit organization, the purpose of which, as a closed complementary pension entity, is to administer and execute Benefit Plans that refer to pensions.

During 2005, FASCEMAR was totally restructured, which resulted in the implantation and operation of a new pension plan – Mixed Benefit Plan I, in the form of defined contributions as from May 2006. Since being implanted, adhesion of 98% of the active participants of the Defined Benefit Plan I (Plan BD I) has been achieved and of employees from CEMAR who did not receive this benefit.

Currently, the majority of the participants of Plan BD I are retired individuals who were receiving the benefits in April 2006.

CEMAR, as the sponsor, pays, every month, to the two plans, a normal equivalent contribution to the total contributions paid by the participants who are employed by the company. At March 31, 2011, this amounted to R$445 (R$608 at December 31, 2010).

27 Insurance

The specifications by type of risk and validity of the main insurance policies, according to the insurance brokers contracted by Equatorial and the subsidiary CEMAR are demonstrated below:

- **Equatorial:**

Risks	Maturity of policies	Amounted secured
Civil responsibility - D&O	06/07/2011	10,000
Equatorial head office - RJ	04/22/2011	2,789

(In thousands of Reais except when specified)

- **Cemar:**

Risks	Maturity of policies	Amounted secured
Sated risks – Sub-stations, inventories and infra-structure	01.01.2012	151,581
General Civil responsibility - Operations	01.01.2012	7,000
Vehicles	02.01.2012	(a)

CEMAR adopts the policy of contracting insurance coverage for assets subject to risks for amounts considered sufficient to cover possible damages, considering the nature of its activity. The company's insurance is contracted according to the risk management assumptions and insurance generally used by electricity distribution companies. The risk assumptions adopted, given their nature, are not part of the scope of an audit of financial statements and, accordingly, were not examined by our independent auditors.

28 Financial instruments

a. *General considerations*

In compliance with CVM Decision 604, of November 19, 2009, which approved Technical Pronouncements CPC 38, 39 and 40, the Company has analyzed its financial instruments, as follows: Cash and cash equivalent, borrowings and financing, debenture obligations, suppliers, concession assets, and consumers and resellers, and has made adjustments to its accounting records, when necessary.

These instruments are managed by means of operational strategies and internal controls, aimed at ensuring liquidity, profitability and security. The control policy consists of continually accompanying the terms contracted compared to the market terms.

(In thousands of Reais except when specified)

b. *Policy for using derivatives*

Equatorial does not hold derivative operations, but they can be used to provide protection against variations in macro-economic indices and foreign exchange quotations, if necessary.

c. *Fair value of financial instruments*

In accordance with CVM Instruction 475, the accounting balances and market values of the financial instruments included in the balance sheet at March 31, 2011 and at December 31, 2010 have been identified as follows:

	Consolidated			
	03.31.2011		12.31.2010	
ASSET	**Accounting**	**Market**	**Accounting**	**Market**
Cash and cash equivalents	511,855	511,855	550,077	550,077
Consumers and resellers	466,859	466,859	455,783	455,783
Financial asset of the concession	22,599	22,599	50,409	50,409
Total assets	978,714	978,714	1,056,269	1,056,269

	03.31.2011		12.31.2010	
LIABILITIES	**Accounting**	**Market**	**Accounting**	**Market**
Suppliers	144,817	144,817	174,047	174,047
Borrowings and financing	1,048,741	1,051,814	1,045,692	1,048,897
Debentures	259,761	259,761	320,080	320,080
Total liabilities	1,193,558	1,196,631	1,539,819	1,543,024

- **Cash and cash equivalents -** classified as financial assets and not stated at fair values. The market values reflect the amount reported in the balance sheet.

- **Consumers and resellers** – arise directly from the Company’s operations, and are classified as receivables, and stated at original values, subject to allowances for losses and present value adjustments, when applicable.

- **Financial asset of concession** – classified as borrowings and receivables, stated at original values, subject to allowances for losses and present value adjustments, when applicable.

- **Suppliers** – arise directly from the Company's operations, and are classified as financial liabilities, not stated at fair values.

- **Borrowings and financing** – borrowings and financing are obtained to generate resources to finance the Company's investment programs and when necessary, to manage short term requirements. They are classified as financial liabilities, not stated at fair values and recorded at amortized values.

- **Debentures -** classified as financial liabilities not stated at fair values, and registered at amortization value.

d. Cash and cash equivalents

The Group's cash equivalents are highly liquid financial investments, and the market values reflects the amounts reported in the balance sheet. They comprise cash funds and financial investments.

The Group maintains the cash equivalents for the *intention* of meeting its short term cash commitments.

(In thousands of Reais except when specified)

The Group's financial investments are short term and highly liquid. They are convertible into a known cash amount, and indexed to the CDI, which is considered a risk free rate. Therefore, all of the financial investments have been classified as cash equivalents.

	Parent		Consolidated	
	03.31.2011	**12.31.2010**	**03.31.2011**	**12.31.2010**
Cash funds	86	38	12,477	25,550
Financial investments	80,878	80,692	499,378	524,528
Total	80,964	80,730	511,855	550,078

e. Risks factors – CVM Instruction 475

Since it is a holding company, the main risks of the Company are related to the performance of its subsidiary and joint ventures. In accordance with CVM Instruction 475, the risk factors of the subsidiary CEMAR were detailed as demonstrated below:

Credit risk - The high balances, and the ages of the receivables from consumers and resellers represent a risk for the liquidity and capital structure of the company. Management accompanies the positions outstanding and to mitigate risks of default, the Company uses all of the collection tools permitted by the regulatory body, such as cutting off supplies due to defaults, negotiation of outstanding balances. To mitigate the risks from the financial institutions that hold its funds or financial investments, the Company only selects institutions evaluated as low risk by rating agencies. The Company preserves its concession assets in accordance with the legislation in force and monitors the possible definitions in the rules for the reversal of the concession.

Liquidity risk - the liquidity risk illustrates the Company's ability to liquid the liabilities assumed. To determine the Company's ability to fulfill the commitments assumed, the flows for the due dates of funds obtained and other liabilities have to be disclosed. Further information on the borrowings obtained by the Company is reported in notes 16 and 17.

The Company has obtained funds from its commercial activities and from the financial market, allocated mainly to its investment program and management of its cash for working capital and financial commitments.

The administration of financial investments focuses on short term instruments, to ensure maximum liquidity and to cover expenses falling due.

Administration of the Company's cash and the reduced volatility in receiving and making payments throughout the year, provide the Company with stability in its flows, thus reducing its liquidity risk.

Market risk – Market risks are associated with the variations in interest rates and debt indices, exchange risks, and also include limits on indebtedness defined in the contracts, for which any non compliance could result in anticipated maturity, as described below.

Foreign Exchange risk- This risk derives from the possibility of the Company incurring losses from variations in exchange rates. CEMAR's existing foreign exchange exposure is 0.64% of its debt. CEMAR continually monitors exchange rates and market interest rates in order to evaluate the need for contracting derivatives to protect against the risk of variations in these rates.

CEMAR only has one foreign currency debt, which is not material in relation to the Company's total indebtedness, amounting to 0.64% of its debt, and derived from its contract with the National Treasury Secretary – STN.

The sensitivity of this debt has been demonstrated in five scenarios.

As required by CVM Instruction 475, presented below is a scenario with the actual rates reported at December 31 2010 (Probable Scenario) plus two scenarios with appreciation of 25% (Scenario II) and 50% (Scenario III) in the exchange quotation considered.

(In thousands of Reais except when specified)

In addition, two more scenarios have been included with the inverse effect to that determined in the instruction, to illustrate the effects of a depreciation of 25% (Scenario IV) and 50% (Scenario V).

Foreign exchange variation risk						**R$ Thousand**
Operation	**Risk**	**Probable Scenario**	**Scenario II**	**Scenario III**	**Scenario IV**	**Scenario V**
Financial liabilities						
STN	USD	194	(1,785)	(3,765)	2,174	4,153
Reference for financial liabilities		**Rate in 03.31.2011**	**+25%**	**+50%**	**(25%)**	**(50%)**
Dollar USD/R$		1,63	2,04	2,45	1,22	0,82

Risk from anticipated maturity CEMAR has borrowings, financing and debenture contracts, with covenants that, in general, require it to maintain certain financial indices at specific levels. Non compliance with these indices could result in anticipated maturity of the debts. Management accompanies its positions and forecasts its future indebtedness to take preventative action for the indebtedness limits reported in Note 6 (Borrowings and financing) and Note 17 (Debentures).

Cash flow or fair value risk associated with Interest rates

The variations in the economy's interest rates affect the Company's financial assets and liabilities. Presented below are the impacts of these variations on the profitability of the Company's financial investments and on its indebtedness in domestic currency.

The sensitivity of the Company's financial assets and liabilities is illustrated in five scenarios.

In accordance with CVM Instruction 475, presented below is a scenario with actual rates reported at December 31, 2010 (probable scenario) plus two scenarios with appreciation of 25% (Scenario II) and 50% (Scenario III) to these indices.

(In thousands of Reais except when specified)

In addition, two other scenarios are presented with the reverse effect determined in the instruction to demonstrate the effects of a depreciation of 25% (Scenario IV) and 50% (Scenario V) to these indices.

Risk of cash flows or fair value associated with interest rate						R$ Thousand
Operation	Risk	probable Scenario	Scenario II	Scenario III	Scenario IV	Scenario V
FINANCIAL ASSETS						
Financial investments	CDI	11,500	13,975	16,744	8,393	5,581
FINANCIAL LIABILITIES						
Borrowings, financing and debentures						
ECF - 2034/00	FINEL	(723)	(761)	(798)	(686)	(649)
ECF - 1510/97	FINEL	(12)	(13)	(13)	(12)	(11)
ECF - 1639/97	FINEL	(107)	(112)	(117)	(102)	(97)
ECF - 1645/97	FINEL	(22)	(23)	(24)	(21)	(20)
ECF -1960/99	IGP-M	(4,240)	(5,198)	(6,157)	(3,281)	(2,322)
ECF - 1907/99	FINEL	(16)	(17)	(17)	(15)	(14)
ECF - 1908/99	FINEL	(106)	(111)	(116)	(100)	(95)
FASCEMAR	CDI	(847)	(1,001)	(1,155)	(692)	(538)
FINEP	TJLP	(26)	(30)	(35)	(21)	(17)
FINAME 01	TJLP	(0)	(0)	(0)	(0)	(0)
FINAME 02	TJLP	(1)	(1)	(1)	(1)	(1)
BNDES I	TJLP	(210)	(236)	(262)	(184)	(158)
IFC	CDI	(2,553)	(3,177)	(3,801)	(1,929)	(1,305)
BNDES II	TJLP	(1,138)	(1,309)	(1,479)	(968)	(798)
BNDES PEC	TJLP	(2,629)	(3,001)	(3,373)	(2,257)	(1,885)
DEBENTURES 3rd ISSUE	CDI	(7,112)	(8,580)	(10,049)	(5,643)	(4,174)
Total financial expenses (assets + liabilities)		(8,047)	(11,380)	(14,419)	(5,346)	(2,350)
Reference to financial assets and liabilities		**Rate in 03.31.2011**	**+ 25%**	**+ 50%**	**(25%)**	**(50%)**
CDI (% acum. in the quarter)		2.64	3.31	3.97	1.98	1.32
TJLP (% acum. in the quarter)		1.47	1.83	2.20	1.10	0.73
IGP-M (% acum in the quarter)		2.43	3.04	3.65	1.82	1.22

(In thousands of Reais except when specified)

The impacts of the sensitivity analyses on CEMAR's profit or loss and shareholders' equity are presented below:

Scenarios	Results for the period (profit / loss)	Shareholders' equity
Probable Scenario	-	-
Scenario II	(3,033)	(3,033)
Scenario III	(5,799)	(5,799)
Scenario IV	2,458	2,458
Scenario V	5,184	5,184

f. Capital management

The Group manages its capital in order to maximize the return for its investors by optimizing the level of indebtedness and equity, seeking an efficient capital structure and maintaining indebtedness and debt coverage indices at levels that optimize return on capital for its investors and guarantee liquidity for the Group.

Capital management is based on accompanying three financial indicators, establishing the maximum limits that do not compromise the Group's operations:

- Net debt / EBITDA
- Net debt / (Net debt + Shareholders' equity)
- Short term debt / Total debt

29 Subsequent events

a. Approval of proposed dividends

On April 29, 2011, the Ordinary and Extraordinary General Meeting were held, which approved the payment of dividends amounting to R$165,761 for the year 2010 and the distribution of interim dividends for the amount of R$30,846.

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

Board of Executive Officers

Ana Marta Horta Veloso
Executive Officer

Eduardo Haiama
Chief Financial and Investor Relations Officer

Firmino Ferreira Sampaio Neto
Chief Executive Officer

Tinn Freire Amado
Executive Officer

Controllership management

Humberto Soares Filho Controllership manager CPF 915.885.025-20	Geovane Ximenes de Lira Accountant CRC PE-012996-O-S - MA