

Institutional Presentation

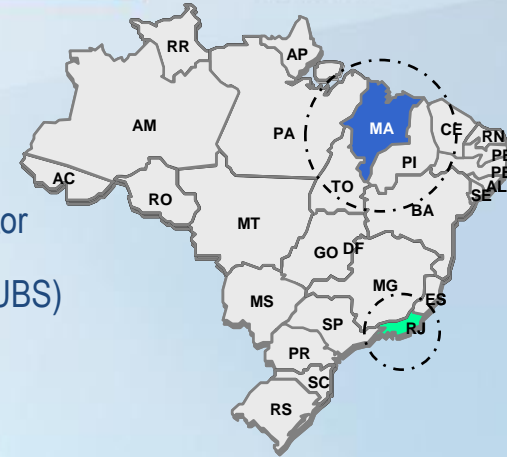
October, 2008



- ▶ **Company Profile**
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Equatorial Overview



- ✓ Holding company with investments in the energy sector, focused on distribution and generation
- ✓ Differentiated experience in operating and financial restructuring of companies in the Brazilian energy sector
- ✓ Controlled by PCP Fund, investment vehicle owned by former partners of Banco Pactual (sold in 2006 to UBS)
- ✓ Current investments:



- Distribution company in the State of Maranhão
- 2nd largest distribution company in the Northeast of Brazil, in terms of concession area*
- 4th largest distribution company in the Northeast of Brazil, in terms of billed energy*
- Annual gross revenues of R\$1.2 billion in 2007

Geranorte

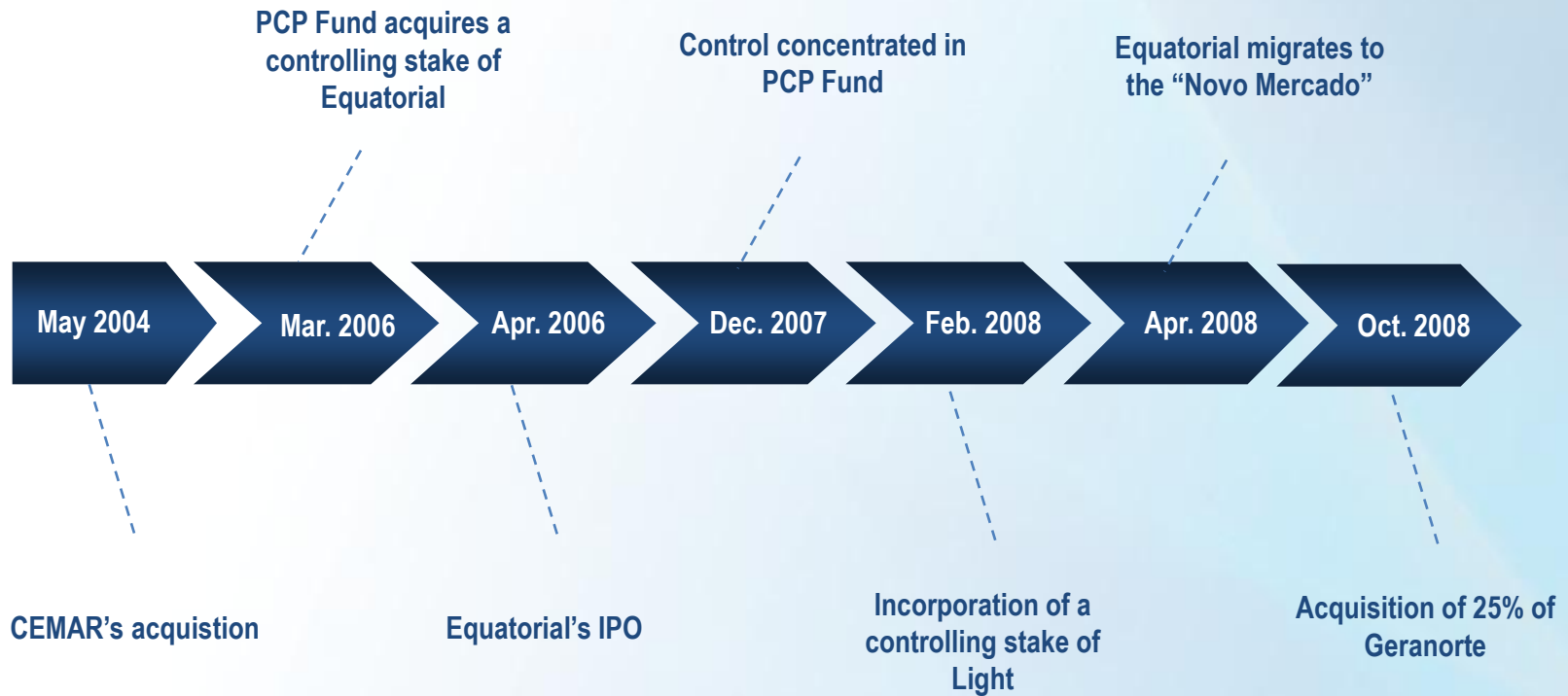
- Company responsible for implementing and operating the Tocantinópolis and Nova Olinda thermoelectric plants in the State of Maranhão
- Fuel: high-viscosity heavy oil.
- Joint installed capacity of 331 MW
- 240 MW of energy sold at the A-3 auction in 2007.
- Start-up scheduled for January 2010

*Source: **ABRADEE**

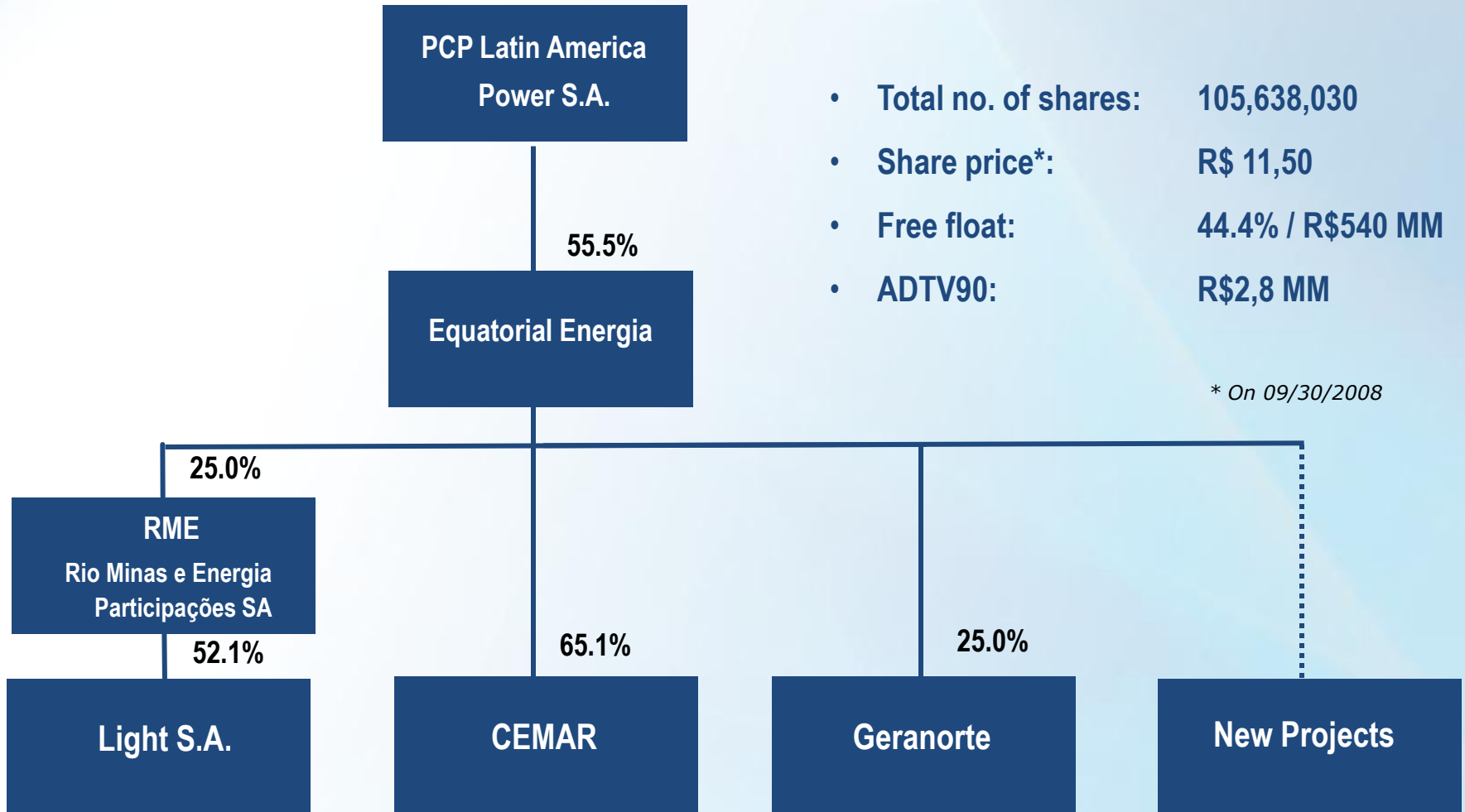


- Holding company with investments in distribution, generation and trading. Located in the State of Rio de Janeiro
- 3rd largest distribution company of Brazil in terms of billed energy*
- 4th largest customer base in Brazil*
- 852 MW of installed capacity
- Annual gross revenues of R\$8.1 billion in 2007

Equatorial's History



Ownership Structure



- Total no. of shares: 105,638,030
- Share price*: R\$ 11,50
- Free float: 44.4% / R\$540 MM
- ADTV90: R\$2,8 MM

* On 09/30/2008

CEMAR and Light

- ✓ Increased returns through outstanding financial and operating performance

Consolidation of distributors in Brazil and Latin America

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

Geranorte and other investments in generation

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

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

Firmino Sampaio
**Chairman of the Board
of Directors**

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

Carlos Piani
CEO

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

Eduardo Haiama
CFO & IRO

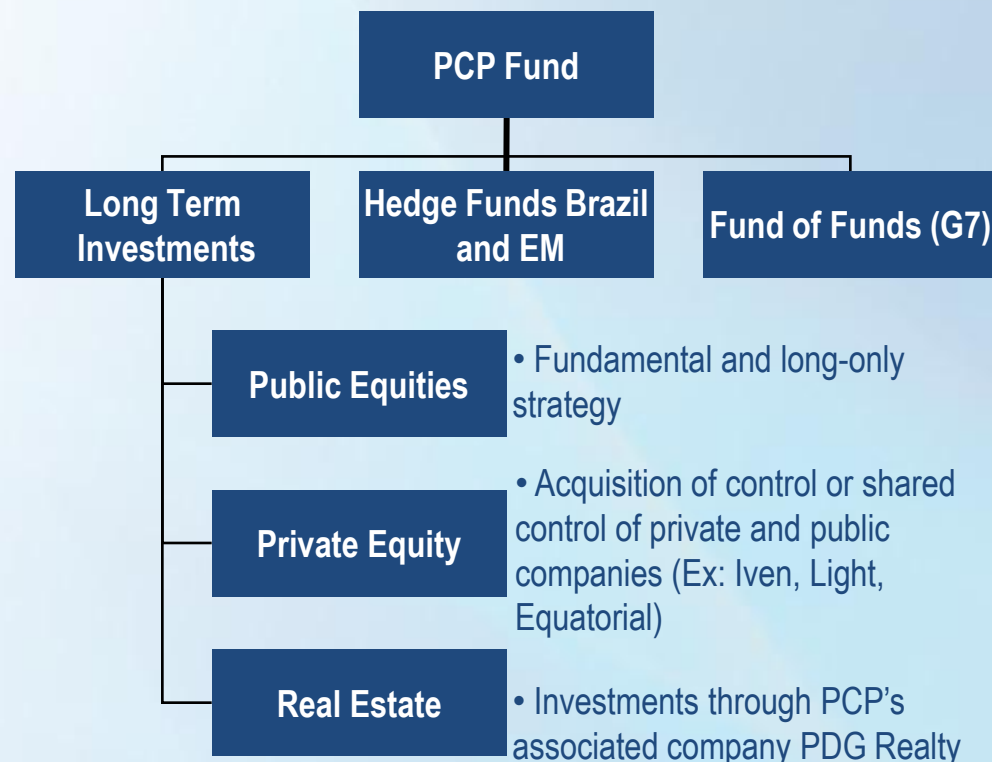
- CFO and IRO of Equatorial since 2008. IRO of CEMAR since 2008.
- Between 2004 and 2008, Mr. Haiama worked at Banco UBS Pactual on the equities' research team as senior analyst of the utilities segment.
- Received a degree in electric engineering at USP – University of São Paulo (Escola Politécnica) and postgraduated at a MBA Course at Duke University.

Tinn Amado
**Regulatory Affairs
Officer**

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

History

- In 2001, Banco Pactual created a Principal Investment Unit to manage the partnership’s excess capital and diversify its investments
- In 2006, with the sale of Banco Pactual to UBS, part of the proceeds from the sale was reinvested in the Principal Investment Unit, which was renamed UBS Pactual Alternative Investments
- Today, **UBS Pactual Alternative Investments manages the capital of Pactual’s former partners through a major fund of funds entitled PCP**, formerly named Pactual Capital Partners
- PCP has over **US\$3 billion under management** with investments in fund of funds, hedge funds, public equities, private equity and real estate

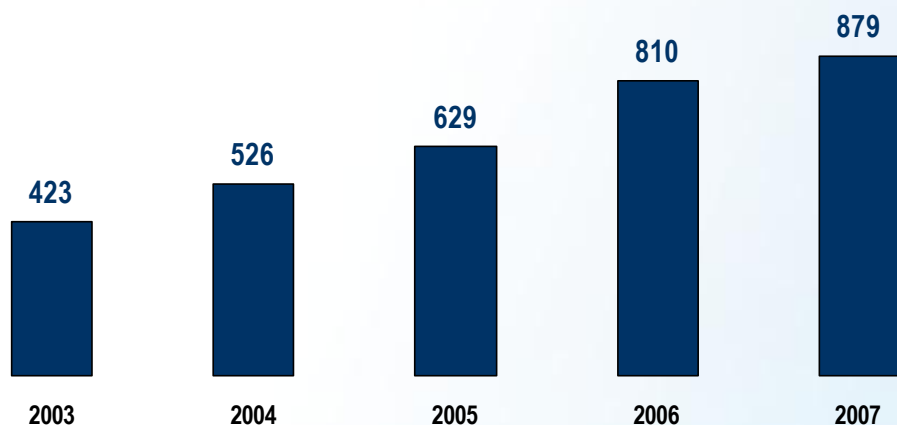


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Since CEMAR's acquisition, Equatorial has been presenting an excellent financial performance

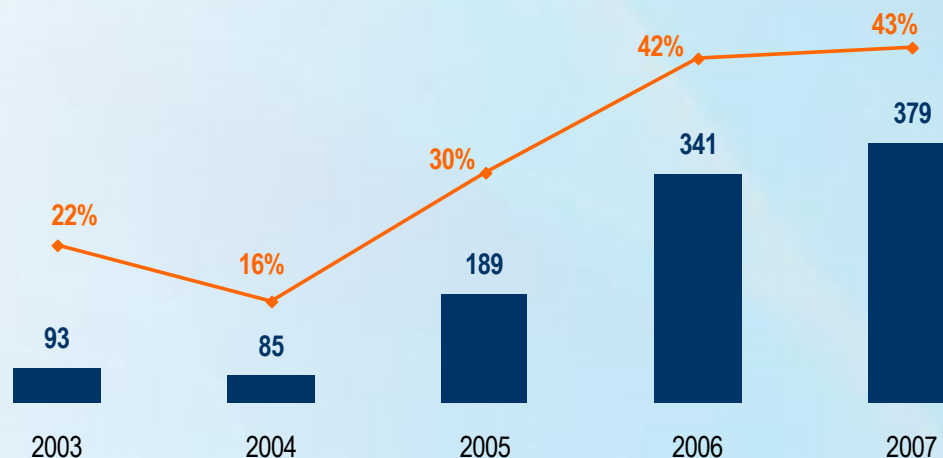
Net Operating Revenues
R\$ million

CAGR = 21%



EBITDA and Margin EBITDA
R\$ million / % of NOR

CAGR = 42%



Sustained positive results allowed Equatorial to pay out R\$401 million in dividends

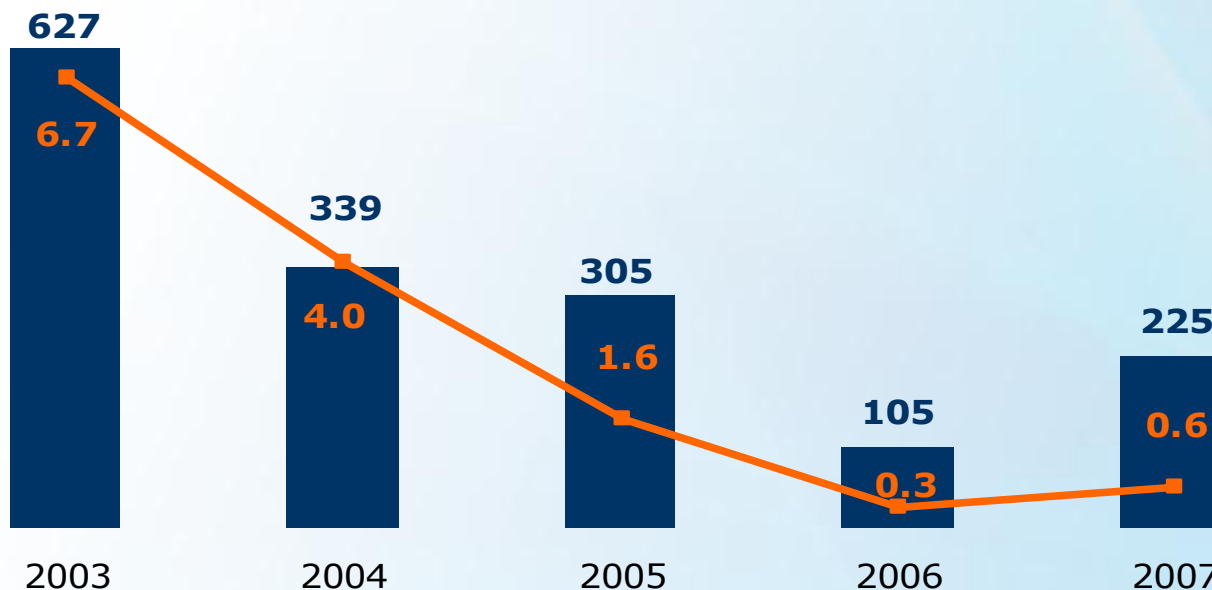
Net Income
R\$ million

Declared Dividends
R\$ million



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

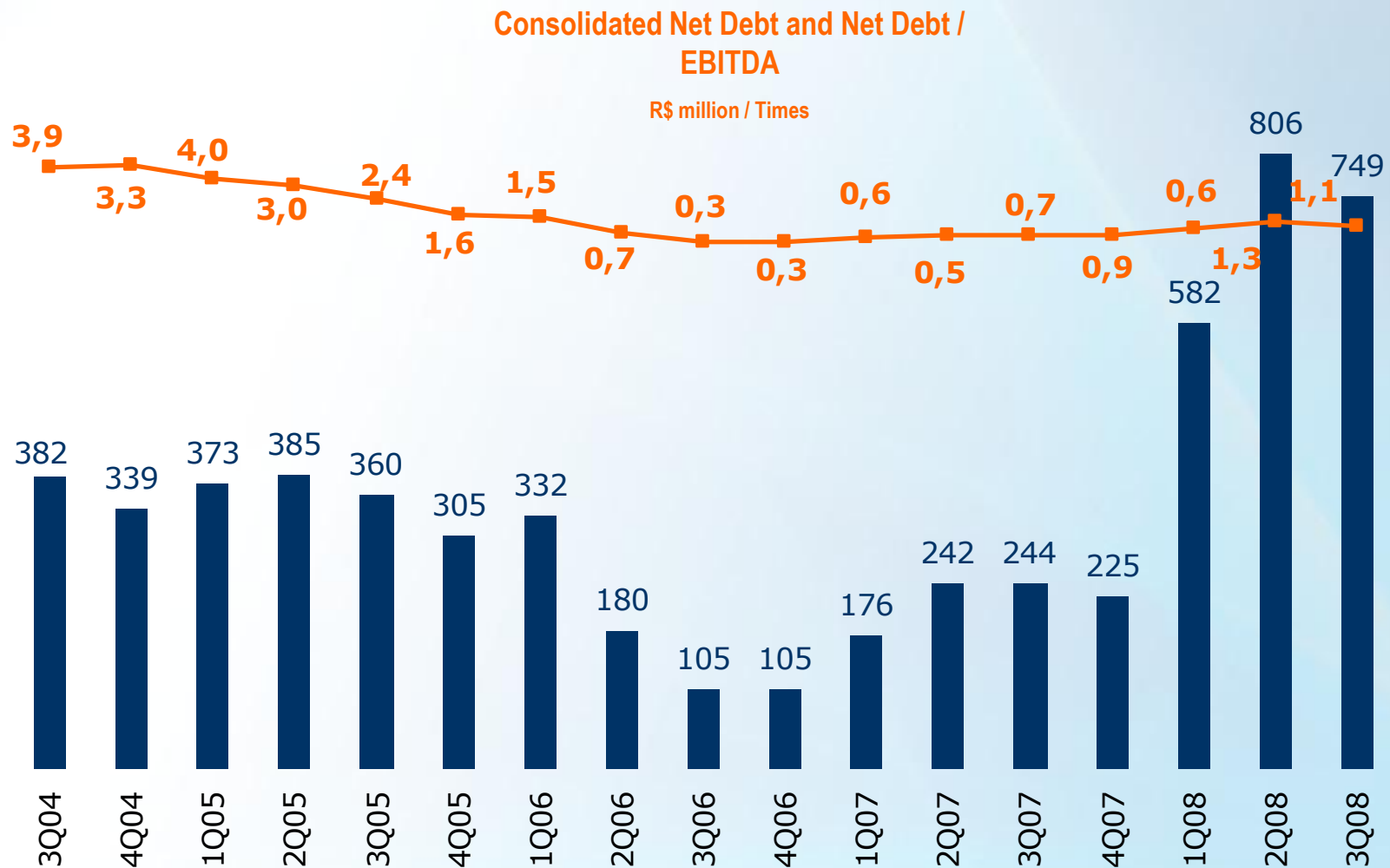
Consolidated Net Debt and Net Debt/EBITDA
R\$ million / Times



Light's incorporation in the 1Q08 substantially increased Equatorial's operating result...

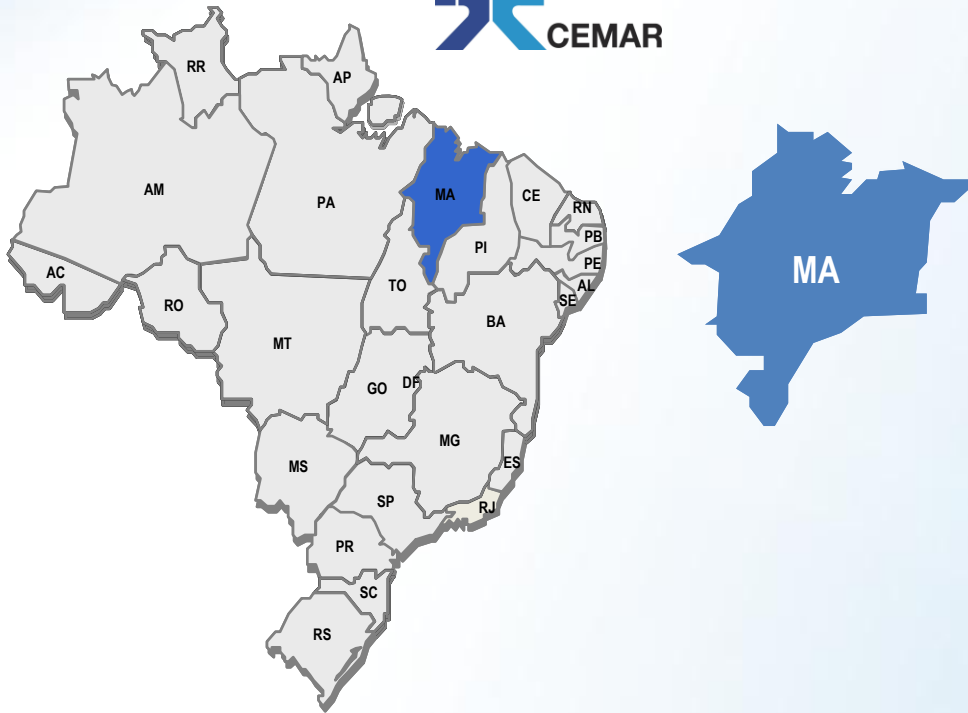


...without affecting financial leverage

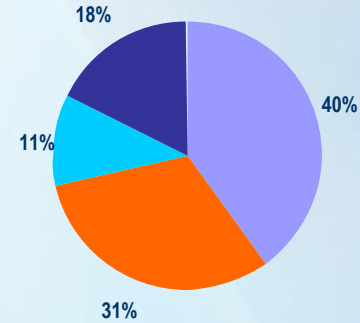


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CEMAR: Highlights



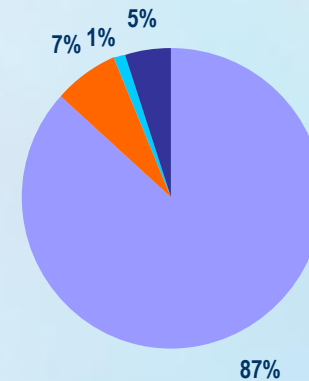
Energy Sales (2007)



3,219 GWh

Residential Commercial Industrial Others

Clients (2007)



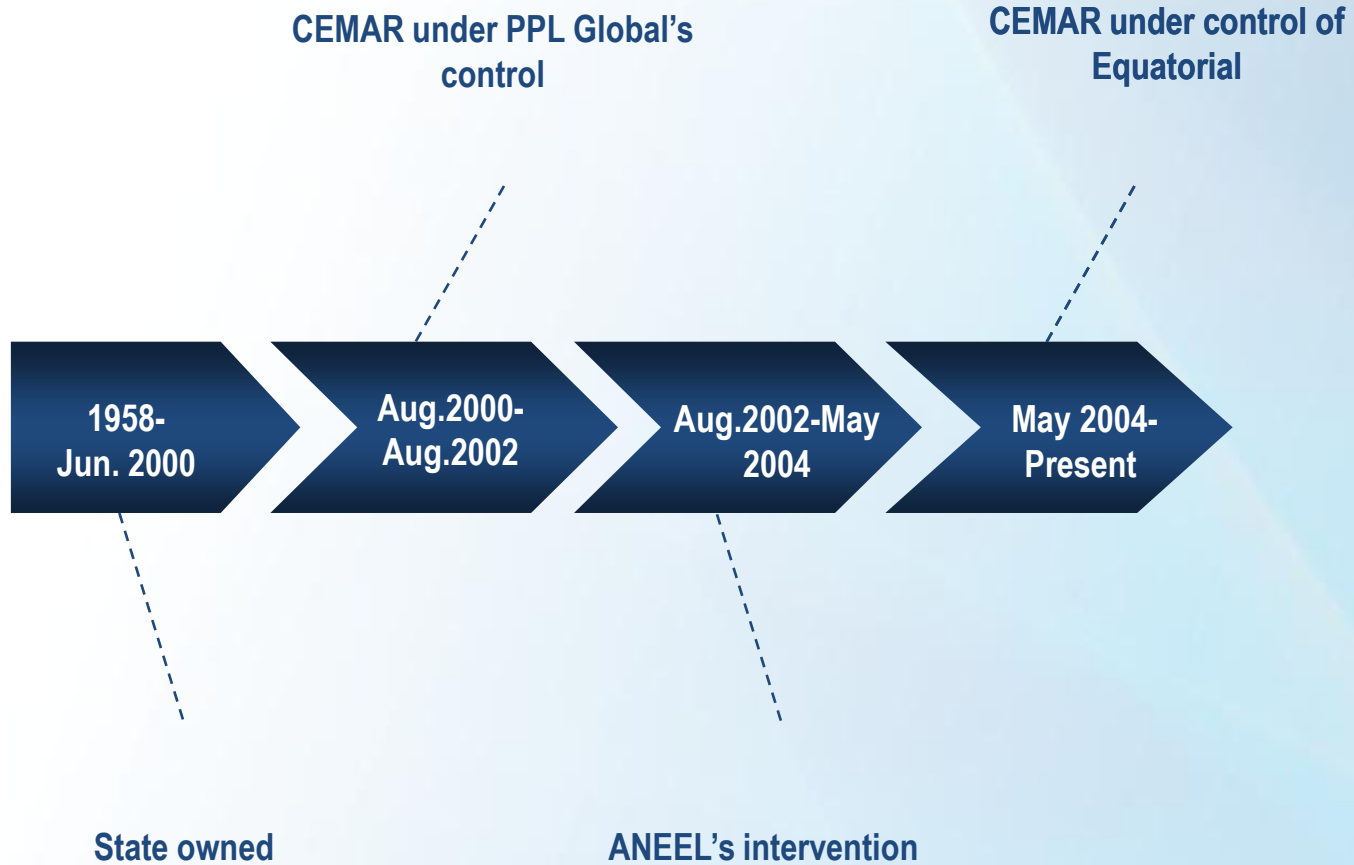
1.4 million

Residential Commercial Industrial Others

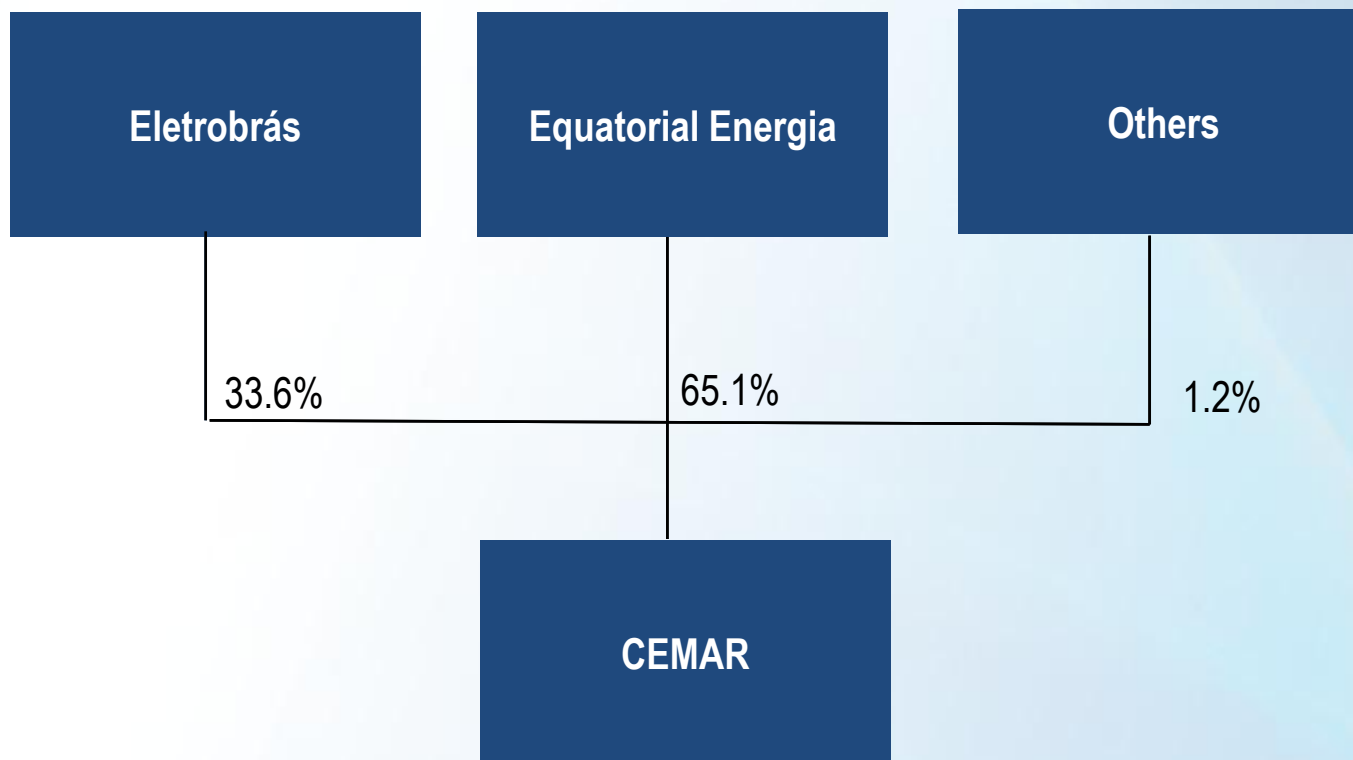
- Distribution company in the State of Maranhão
- 1.4 million clients (4th largest in the Northeast region)*
- Billed energy (2007): 3,219 GWh (5th largest in the Northeast)*
- Annual gross revenues of R\$1.2 billion in 2007

*Source: ABRADEE

CEMAR: History



CEMAR: Ownership Structure



CEMAR: Distribution

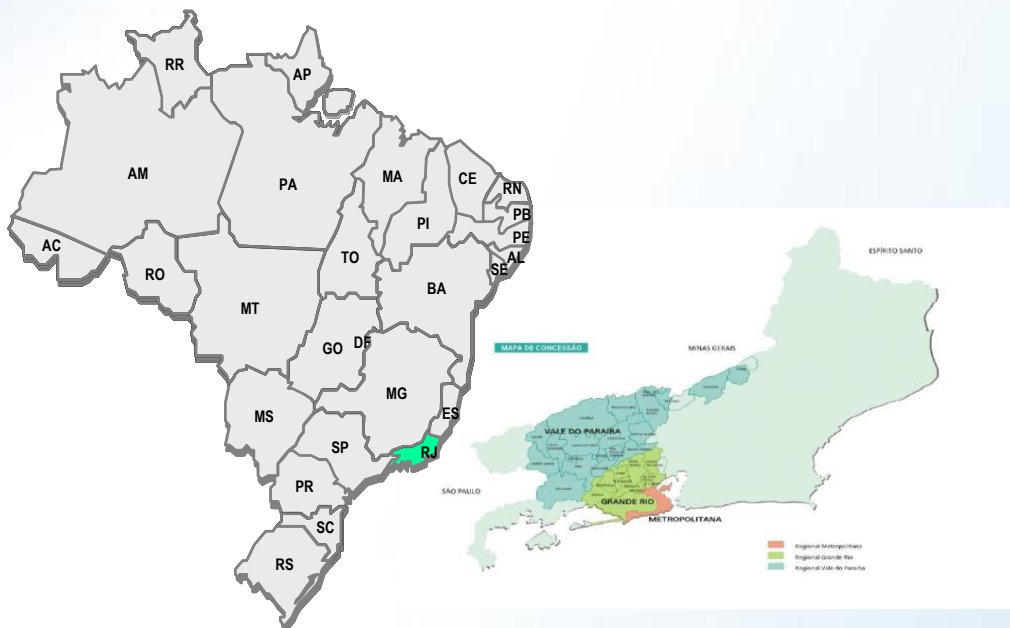
		2005	2006	2007	9M08
Net Revenues	R\$ MM	665	810	879	721
PMSO	R\$ MM	126	129	126	105
EBITDA	R\$ MM	189	341	379	305
Clients	'000	1.254	1.349	1.438	1.511
PMSO/Client	R\$/Client	101	95	88	70
EBITDA/Client	R\$/Client	150	253	264	201
DEC (*)	Hours/Year/Client	54.6	42.6	28.7	27.8
FEC (*)	Times/Year/Client	39.3	32.9	24.6	18.6
Losses (LTM)	%	29.5%	29.8%	28.7%	28.6%
CAPEX	R\$ MM	103	137	199	172
PLPT(**)	R\$ MM	129	169	195	120

(*) Last 12 months

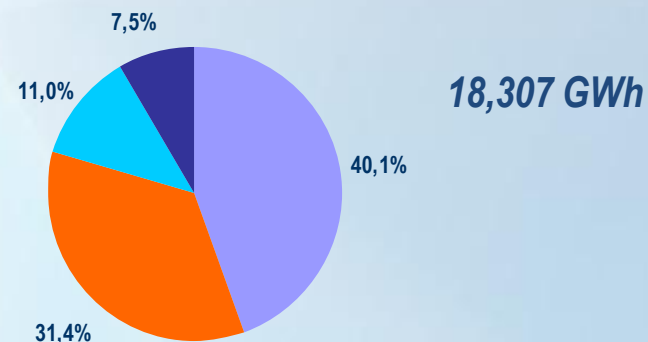
(**) Light for All Program

- 1.4 million clients in 217 municipalities, covering the whole state of Maranhão (total area 333,000 km²)
- Energy sales reached 3,219 GWh in 2007, 10.5% higher than in 2006. Maranhão presented one of the highest growth rates of energy consumption in Brazil
- Service quality has been presenting positive evolution. Since 2003, DEC and FEC indices have dropped 58% and 49%, respectively
- More than 151 thousand clients connected through the *Light for All Program*
- In 12/07, energy losses reached 28.7%, 1.1 pp lower than in 2006
- Tariff readjustments occur every August, with next tariff revision set to 08/09

Light S.A.: Highlights

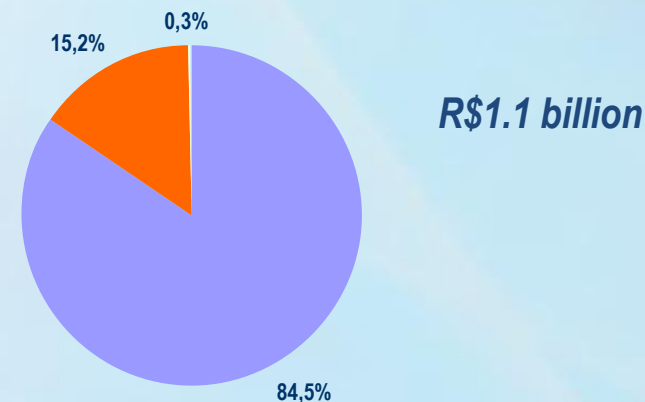


Energy Sales (2007)



EBITDA by Segment (2007)

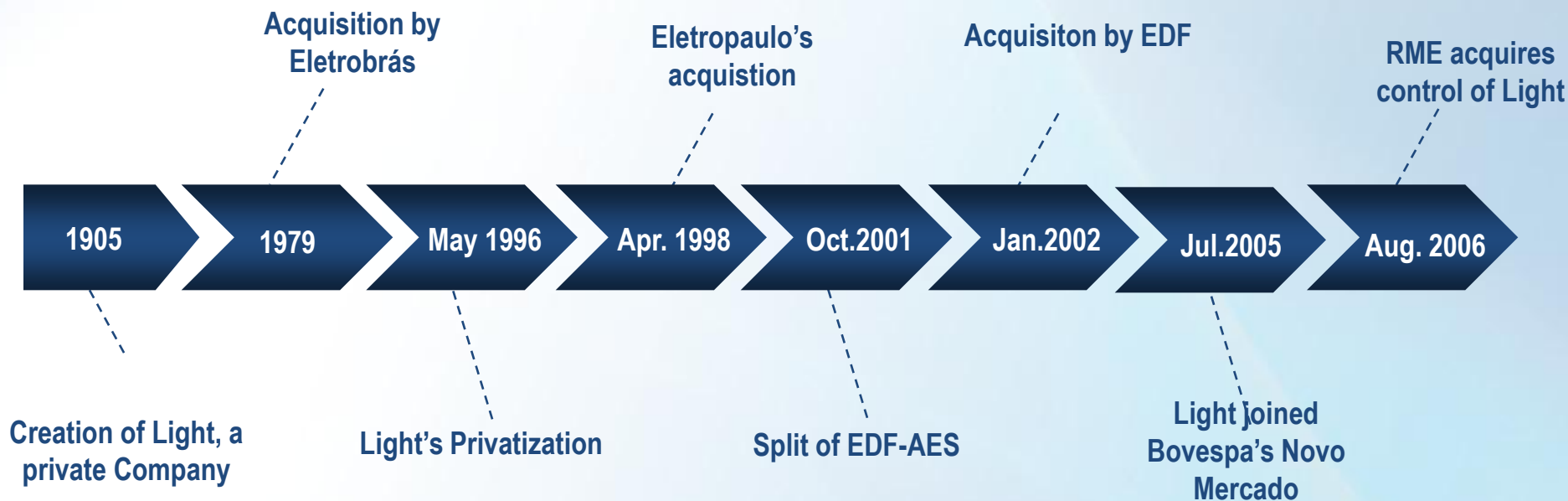
EBITDA by Segment (2007)



- Holding company with distribution, generation and trading interests
- 3rd largest distributor in Brazil in terms of energy sales*
- 4th largest customer base in Brazil*
- Generation plants with 852 MW of installed capacity
- Gross revenues of more than R\$8 billion in 2007

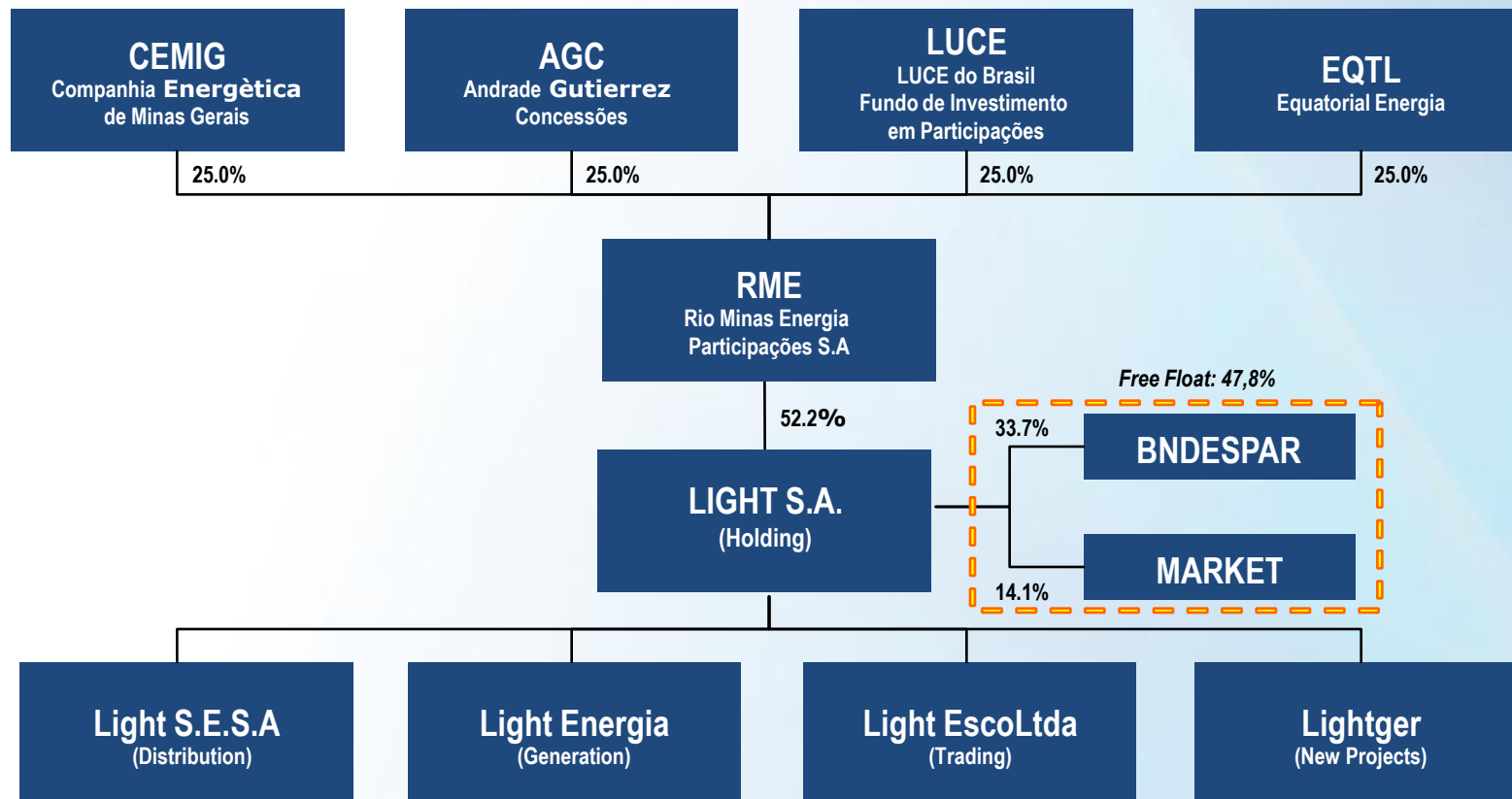
*Source: ABRADEE and Light

Light S.A.: History



- After a negative result in its 2003 tariff revision process and poor management, Light became insolvent and was forced to renegotiate its debt with creditors
- In March, 2006, a consortium (RME) formed by PCP, Cemig, AG Concessões and Luce Fund won a competitive bidding process for the acquisition of a controlling stake at Light
- The consortium acquired 79.4% of Light's total and voting capital for US\$320 million
- After fulfilling a series of prerequisites, including the approval of regulatory authorities in Brazil and France, the consortium effectively took over the company in August, 2006

Light S.A.: Ownership Structure



Light S.A.: Distribution

		2005	2006	2007	9M08
Net Revenues	<i>R\$ MM</i>	4.875	4.743	4.755	3.579
PMSO	<i>R\$ MM</i>	511	533	567	413
EBITDA	<i>R\$ MM</i>	751	599	938	748
Clients	<i>'000</i>	3.732	3.802	3.881	3.741
PMSO/Client	<i>R\$/Client</i>	137	140	146	110
EBITDA/Client	<i>R\$/Client</i>	201	158	242	199
DEC (*)	<i>Hours/Year/Client</i>	8.8	8.0	9.1	11.5
FEC (*)	<i>Times/Year/Client</i>	7.7	6.3	6.3	7.1
Losses	<i>%</i>	18.7%	19.8%	20.6%	20.4%
CAPEX	<i>R\$ MM</i>	277	322	330	405

- 3.9 million clients in 31 municipalities in Rio de Janeiro, covering 25% of the state, which represents a 10,970 km² area
- Energy sales reached 18,307 GWh, accounting for approximately 72% of all electricity consumed in the State in 2007
- Service quality among the highest in Brazil. In the 1H08, the FEC (LTM) index reached 7.8x and the DEC (LTM) index 11.4 h
- Collection rate improved significantly after the change in control, increasing from 93% in 2006 to 99.4% in 2007
- Energy losses, which totaled 20.4% in 2Q08, represent a challenge in the concession area
- The last tariff revision, held in november 2008, Light's tariff increased by 1.96%

(*) Last 12 months

Light S.A.: Generation

		2005	2006	2007	9M08
Net Revenues	R\$ MM	20	249	271	197
PMSO	R\$ MM	3	55	60	93
EBITDA	R\$ MM	14	147	169	153
Assured Capacity	MW	537	537	537	537
EBITDA/Assured Cap.	R\$'000/MW	26	274	314	284

- Light owns and operates 5 hydro power plants and two water pumping stations
- The 5 plants are located in three generation regions: Santa Branca, Lajes and Ilha dos Pombos
- Total installed capacity of 852 MW, for assured energy of 537 MW
- Light Generation has average contract selling price of R\$60/MWh, with the bulk of contracts expiring in 2012 and 2013
- 3 new hydro power plants currently being developed: SHP Paracambi (25 MW of installed capacity) and SHP Lajes (17 MW) in the Lajes complex and HPP Itaocara on the Paraíba do Sul River (195 MW)

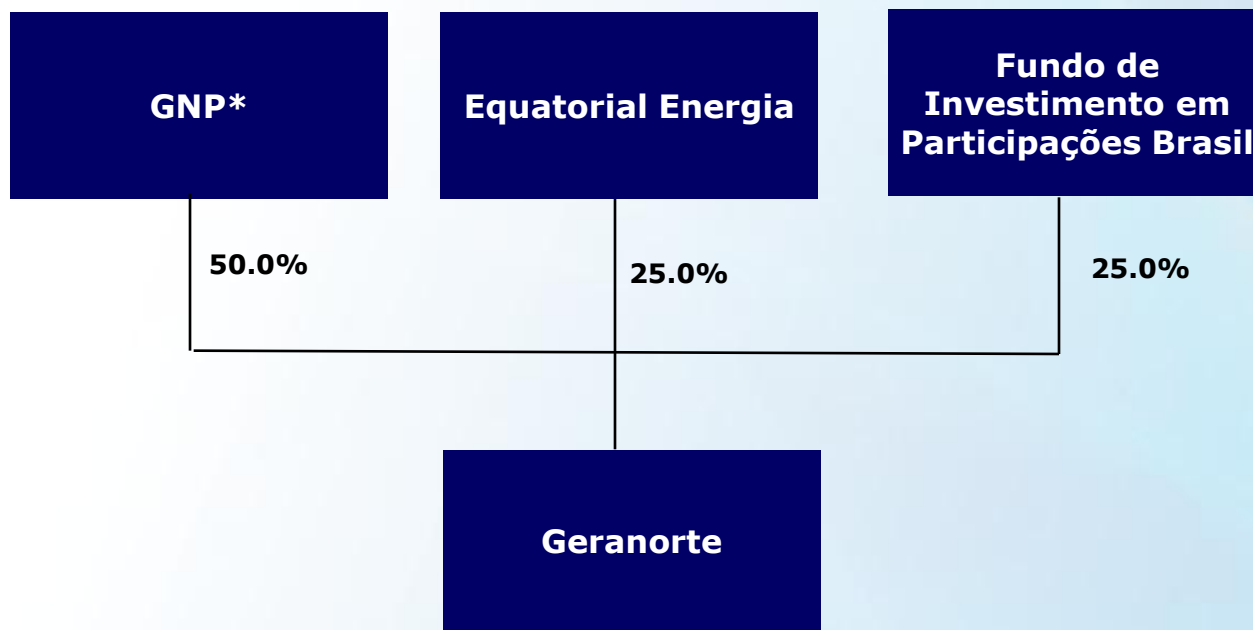


Light S.A.: Trading

- Through its subsidiary Light Esco, Light acts as a trader and broker for free clients
- In its trading activities, Light has 30 clients with total energy sales of 90 GWh in 2007
- Clients include Unilever and InBev
- As a broker, Light has 10 clients, including TV Globo and Gerdau Steel and traded 1,200 GWh in 2007

		2005	2006	2007	9M08
Net Revenues	R\$ MM	-	4	31	24
PMSO	R\$ MM	-	2	9	22
EBITDA	R\$ MM	-	2	4	2

Geranorte: Ownership Structure



*GNP is composed by Servtech (50%) and Grupo Ligna (50%)

Geranorte: Highlights

- Two thermoelectric power plants fueled by high-viscosity heavy oil
- Location: Miranda do Norte, Maranhão.
- Joint installed capacity of 331 MW
- 240 MW of energy sold at the A-3 auction in 2007
- Total fixed annual revenue (for both plants) of R\$ 136.2 million, during 15 years
- Start-up scheduled for January of 2010
- Total CAPEX: Between R\$500 million and R\$ 550 million
- Equatorial's share of CAPEX (25%): R\$125 million. Equity = approximately R\$45 million

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Carlos Piani
CEO

Eduardo Haiama
CFO and IRO

Thomas Newlands
IR Analyst

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